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# Press Release

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## BIS Capital Adequacy Ratio of Domestic Banks As of the End of June 2004

The BIS capital adequacy ratio of domestic banks as of the end of June this year averaged 11.73%, up from 11.20% at the end of 2003 and the highest since 11.95% at the end of the first half of 2001. The ratios rose for 12 banks and fell for 7 banks since the beginning of 2004.

### BIS Bank Capital Adequacy Ratio: June 2001-June 2004

Q2/2001	Q4/2001	Q4/2002	Q2/2003	Q3/2003	Q4/2003	Q1/2004	Q2/2004
11.95%	11.68%	11.33%	11.03%	11.32%	11.20%	11.49%	11.73%

A modest 3.4% increase in risk-weighted assets coupled with a fairly large KRW3.6 trillion jump in net income and an increase in government equity in the Korea Development Bank helped to push the overall BIS capital adequacy ratio for the first half of the year. Domestic banks also achieved a qualitative improvement in their capital base with Tier-1 capital rising KRW5.2 trillion won during the first half, compared with an increase of KRW1.1 trillion for Tier-2 capital.

Attached: Table of BIS capital adequacy ratios by bank



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**Table of BIS Capital Adequacy Ratios by Bank**

	2001	2002	2003		2004		Change From	
			Q2	Q4	Q1	Q2	Q2/2003	Q4/2003
Chohung	10.43	8.66	9.18	8.87	9.10	8.94	-0.24	0.07
Woori	11.28	11.59	11.93	11.23	11.40	12.07	0.14	0.84
Korea First Bank	13.26	11.55	10.92	12.00	13.12	12.62	1.70	0.62
Hana	10.29	10.30	10.28	11.17	11.13	11.25	0.97	0.08
Korea Exchange Bank	10.96	9.31	9.56	9.32	9.09	9.12	-0.44	-0.20
Shinhan	11.99	10.92	10.21	10.49	11.59	11.71	1.50	1.22
KorAm	11.18	12.11	10.81	10.98	10.76	10.94	0.13	-0.04
Kookmin	10.23	10.41	10.51	10.00	10.36	10.39	-0.12	0.39
<b>Nationwide Banks</b>	<b>10.81</b>	<b>10.46</b>	<b>10.48</b>	<b>10.40</b>	<b>10.71</b>	<b>10.84</b>	<b>0.36</b>	<b>0.44</b>
Daegu	11.01	10.85	10.05	10.58	10.57	10.81	0.38	0.23
Busan	10.26	11.69	11.20	11.66	11.40	11.18	-0.02	-0.48
Kwangju	11.15	11.03	10.74	10.72	11.39	11.38	0.64	0.66
Jeju	9.71	11.71	10.52	10.96	10.55	10.66	0.14	-0.30
Jeonbuk	10.30	11.35	11.88	10.79	10.43	10.34	-1.54	-0.45
Kyongnam	11.08	11.34	11.07	11.69	12.11	11.77	0.70	0.08
<b>Regional Banks</b>	<b>10.74</b>	<b>11.26</b>	<b>10.79</b>	<b>11.13</b>	<b>11.18</b>	<b>11.12</b>	<b>0.33</b>	<b>-0.01</b>
<b>Commercial Banks</b>	<b>10.81</b>	<b>10.52</b>	<b>10.45</b>	<b>10.45</b>	<b>10.75</b>	<b>10.86</b>	<b>0.36</b>	<b>0.41</b>
Korea Development Bank	16.89	16.81	15.58	16.22	17.23	18.09	2.51	1.87
Industrial Bank of Korea	10.90	10.43	10.38	9.88	10.84	10.97	0.59	1.09
Export-Import Bank of Korea	15.11	14.97	12.59	14.41	13.79	12.98	0.39	-1.43
National Agricultural Cooperative Federation	10.26	10.77	9.86	10.66	10.20	10.87	1.01	0.21
National Federation of Fisheries Cooperatives	10.65	10.61	10.57	11.71	11.56	11.24	0.67	-0.47
<b>Specialized Banks</b>	<b>13.59</b>	<b>13.22</b>	<b>12.20</b>	<b>12.77</b>	<b>13.04</b>	<b>13.51</b>	<b>1.31</b>	<b>0.74</b>
<b>Total</b>	<b>11.68</b>	<b>11.33</b>	<b>11.03</b>	<b>11.20</b>	<b>11.49</b>	<b>11.73</b>	<b>0.70</b>	<b>0.53</b>

Note: Currently, there are eight nationwide and six regional banks (collectively referred to as commercial banks) and five specialized banks in business.

Please forward questions, comments, or suggestions regarding this press release to the Bank Supervision Department (Tel: +82-2-3786-8066) or the International Cooperation Office (Tel: +82-2-3786-7911; Fax: +82-2-3786-7899; e-mail: [cylee@fss.or.kr](mailto:cylee@fss.or.kr)), Financial Supervisory Service.