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Press Release

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Preliminary Bank BIS Capital Ratios: June, 2006

Preliminary figures show bank BIS capital ratios averaged 13.08% at the end of June, compared with end-2005 average of 13.00%. Bank capital rose KRW9.1 trillion or 8.8% on robust net income totaling KRW8.1 trillion for the first half of 2006, compared with KRW64.6 trillion or 8.2% jump in risk-weighted assets. Tier-1 capital rose 11.0% (KRW8.1 trillion) versus a 3.3% increase (KRW1.0 trillion) for tier-2 capital.

Bank BIS Capital Ratios: 2001-June, 2006

(End of Period)

	2001	2002	2003	2004	2005	June, 2006
BIS capital ratio	11.68	11.33	11.16	12.08	13.00	13.08
Tier-1 capital ratio	7.70	7.16	6.95	7.97	9.32	9.57

The capital ratio rose for nine banks but fell for the others. Banks with higher capital ratios were helped by strong earnings. Kookmin Bank and the National Agricultural Cooperative Federation increased their tier-2 capital by KRW1.9 trillion and KRW800 billion, respectively, with subordinated debt issues. For most of the banks with lower capital ratios than at end-2005, capital increases did not keep pace with increases in risk-weighted assets. Capital ratio for Shinhan Bank fell modestly following its merger with Chohung Bank on April 1, 2006. All the banks reported BIS capital ratio higher than 10% at end-June.

Attached: BIS Capital Ratio by Bank, end-June, 2006



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BIS Capital Ratio by Bank: June, 2006
(End of Period)

	2002	2003	2004	2005	June, 2006	Change
Shinhan*	10.92	10.49	11.94	12.23	11.77	-0.46
Woori	11.59	11.23	12.20	11.65	11.48	-0.17
SC First Bank	11.55	12.00	11.91	10.74	10.22	-0.52
Hana	10.30	11.17	11.83	13.29	11.70	-1.59
Korea Exchange Bank	9.31	9.32	9.47	13.68	13.89	0.21
Citibank Korea	12.11	10.98	12.42	15.03	14.28	-0.75
Kookmin	10.41	9.81	11.14	12.95	15.20	2.25
Nationwide Banks	10.46	10.34	11.31	12.51	12.75	0.24
Daegu	10.85	10.58	10.66	11.33	11.60	0.27
Busan	11.69	11.66	10.84	12.25	11.61	-0.64
Kwangju	11.03	10.72	11.81	11.60	11.89	0.29
Jeju	11.71	10.96	10.91	11.71	12.22	0.51
Jeonbuk	11.35	10.79	10.72	11.53	11.54	0.01
Kyongnam	11.34	11.69	11.34	10.59	11.42	0.83
Regional Banks	11.26	11.13	11.02	11.52	11.63	0.11
Commercial Banks	10.52	10.40	11.29	12.43	12.66	0.23
Korea Development Bank	16.81	16.22	18.08	18.43	18.43	-
Industrial Bank of Korea	10.43	9.88	11.17	11.11	11.16	0.05
Export-Import Bank of Korea	14.97	14.41	12.86	13.87	12.71	-1.16
National Agricultural Cooperative Federation	10.77	10.66	11.43	11.81	12.02	0.21
National Federation of Fisheries Cooperatives	10.61	11.71	11.21	12.59	11.96	-0.63
Specialized Banks	13.22	12.77	13.71	14.09	13.88	-0.21
Total	11.33	11.16	12.08	13.00	13.08	0.08

Note: Shinhan and Chohung merged on April 1, 2006. There are now seven nationwide and six regional banks (collectively referred to as commercial banks) and five specialized banks in Korea.

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