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Press Release

June 14, 2007

Bank BIS Capital Ratios, March, 2007, and Implementation of Basel II Capital Accord

Bank BIS Capital Ratios

Bank BIS capital ratios as of the end of March, 2007, came to 12.99%, up from 12.75% at end-2006. With bank net income totaling KRW6.6 trillion for the first three months of 2007, bank capital increased 5.0% or KRW5.9 trillion while risk-weighted assets grew 3.0%. Tier-1 capital rose 7.4% or KRW6.3 trillion, but tier-2 capital experienced a modest drop of 1.0% or KRW300 billion. The capital ratio jumped for 12 banks but fell for six others during the January-March period.

Bank BIS Capital Ratios
(End of Period)

	2001	2002	2003	2004	2005	2006	(In percent) March 2007
BIS capital ratio	11.68	11.33	11.16	12.08	12.95	12.75	12.99
Tier-1 capital ratio	7.70	7.16	6.95	7.97	9.27	9.15	9.53
Proportion of tier-1 capital	65.9	63.2	62.3	66.0	71.6	71.8	73.4

Timetable for Basel II Capital Accord

The FSC/FSS is expected to finalize by the end of June new capital standards that will take effect beginning in January, 2008, under the Basel II capital accord (January, 2009, for advanced IRB approach). The FSC/FSS is also expected to commence the approval process for banks opting for IRB approach later this year.

Attached: BIS Capital ratio by bank, March, 2007



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BIS Capital Ratio by Bank: March, 2007
(End of Period)

	2004	2005	2006	March 2007	Change
Shinhan	11.94	12.23	12.01	11.93	-0.08
Woori	12.20	11.65	11.60	11.90	0.30
SC First Bank	11.91	10.74	10.86	10.79	-0.08
Hana	11.83	13.29	11.34	12.53	1.19
Korea Exchange Bank	9.47	13.68	12.45	12.70	0.25
Citibank Korea	12.42	15.01	13.97	14.01	0.04
Kookmin	11.14	12.95	14.17	14.05	-0.12
Nationwide Banks	11.31	12.51	12.41	12.62	0.21
Daegu	10.66	11.33	11.32	11.69	0.37
Busan	10.84	12.25	11.05	11.94	0.90
Kwangju	11.81	11.60	11.44	10.70	-0.74
Jeju	10.91	11.71	11.26	11.37	0.10
Jeonbuk	10.72	11.53	11.95	13.11	1.15
Kyongnam	11.34	10.59	11.26	11.73	0.47
Regional Banks	11.02	11.52	11.29	11.69	0.40
Commercial Banks	11.29	12.43	12.31	12.54	0.23
Korea Development Bank	18.08	17.98	17.15	18.13	0.98
Industrial Bank of Korea	11.17	11.11	11.70	11.76	0.06
Export-Import Bank of Korea	12.86	13.87	11.88	11.34	-0.53
National Agricultural Cooperative Federation	11.43	11.81	12.34	12.32	-0.02
National Federation of Fisheries Cooperatives	11.21	12.59	11.40	11.49	0.09
Specialized Banks	13.71	13.94	13.60	13.85	0.25
Total	12.08	12.95	12.75	12.99	0.24

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