



Financial Supervisory Commission  
www.fsc.go.kr



Financial Supervisory Service  
www.fss.or.kr

# Press Release

May 31, 2006

## Bank Loans Classified as Substandard or Below: First Quarter, 2006

Bank loans classified as substandard or below (SBLs)—substandard, doubtful, or presumed loss—totaled KRW9.75 trillion at the end of the first quarter of 2006, up slightly from KRW9.72 trillion at the end of 2005. During the same period, the ratio of SBLs to the total outstanding loans fell from 1.22% to 1.20%, the lowest level since the forward-looking criteria were first adopted in 1999. A drop in newly distressed loans during the quarter mainly contributed to the lower SBL ratio.

### Bank Loans Classified as SBLs: 1999–Q1, 2006

(End of Period)

(In KRW, trillions)

	1999	2000	2001	2002	2003	2004	2005	Q1, 2006
SBL	61.0	42.1	18.8	15.1	18.7	13.9	9.7	9.75
SBL Ratio	12.9%	8.00%	3.41%	2.33%	2.63%	1.90%	1.22%	1.20%

Distressed loans disposed during the quarter totaled KRW2.9 trillion, down KRW2.2 trillion from the previous quarter. The drop was mainly due to seasonal factors, but the pace of distressed loan disposition is expected to pick up in the second quarter.

SBL ratios fell for corporate loans and credit card receivables but rose slightly for household loans.

### Bank SBL Ratios by Loan Type: 2005–Q1, 2006

(End of Period)

(In percent)

	2005	Q1, 2006	Change
Corporate Loans	1.31	1.27	-0.04
(SME Loans)	1.68	1.59	-0.09
Household Loans	0.98	0.99	0.01
Credit Card Receivables	2.40	2.33	-0.07

Attached: SBLs by Bank, First Quarter 2006



Financial Supervisory Commission  
www.fsc.go.kr



Financial Supervisory Service  
www.fss.or.kr

**SBLs by Bank: Q1, 2006**  
(End of Period)

(In KRW, trillions, percent)

	2005			Q1, 2006		
	Total	SBLs	SBL Ratio	Total	SBLs	SBL Ratio
Chohung	46.199	0.507	1.10	46.199	0.546	1.18
Woori	91.586	1.124	1.23	99.142	1.051	1.06
SC First Bank	36.560	0.578	1.58	36.140	0.549	1.52
Hana	64.954	0.636	0.98	68.381	0.628	0.92
Korea Exchange Bank	43.476	0.389	0.90	44.412	0.354	0.80
Shinhan	56.417	0.576	1.02	57.457	0.586	1.02
Citibank Korea	26.588	0.372	1.40	26.479	0.366	1.38
Kookmin	137.522	2.338	1.70	137.331	2.230	1.62
<b>Nationwide Banks</b>	<b>503.300</b>	<b>6.519</b>	<b>1.30</b>	<b>515.542</b>	<b>6.309</b>	<b>1.22</b>
Daegu	12.188	0.118	0.97	12.520	0.125	1.00
Busan	12.463	0.117	0.94	12.607	0.146	1.16
Kwangju	6.917	0.101	1.46	7.375	0.093	1.27
Jeju	1.413	0.020	1.42	1.435	0.023	1.62
Jeonbuk	3.108	0.040	1.29	3.191	0.043	1.35
Kyongnam	8.580	0.091	1.06	8.855	0.085	0.96
<b>Regional Banks</b>	<b>44.669</b>	<b>0.487</b>	<b>1.09</b>	<b>45.983</b>	<b>0.516</b>	<b>1.12</b>
<b>Commercial Banks</b>	<b>547.969</b>	<b>7.007</b>	<b>1.28</b>	<b>561.525</b>	<b>6.826</b>	<b>1.22</b>
Korea Development Bank	53.874	0.544	1.01	52.959	0.543	1.03
Industrial Bank of Korea	64.489	0.752	1.17	67.777	0.868	1.28
Export-Import Bank of Korea	31.901	0.070	0.22	32.266	0.064	0.20
National Agricultural Cooperative Federation	87.487	1.209	1.38	90.532	1.318	1.46
National Federation of Fisheries Cooperatives	9.518	0.140	1.47	10.083	0.133	1.32
<b>Specialized Banks</b>	<b>247.269</b>	<b>2.714</b>	<b>1.10</b>	<b>253.617</b>	<b>2.926</b>	<b>1.15</b>
<b>Total</b>	<b>795.238</b>	<b>9.721</b>	<b>1.22</b>	<b>815.142</b>	<b>9.752</b>	<b>1.20</b>

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

Contact Persons:

Chang Hyun-Kee  
Head of Management Guidance Team  
Bank Supervision Department  
(02) 3786-8066

Douglas Kim  
FSC/FSS Spokesperson  
(02) 3786-7915