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Press Release

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Bank Loans Classified as Substandard or Below: September, 2006

Bank loans classified as substandard or below (SBLs)—substandard, doubtful, or presumed loss—totaled KRW8.8 trillion at the end of September, unchanged from end-June. But the ratio of SBLs to total outstanding loans fell to 0.98%, the lowest ratio since the forward-looking criteria were first adopted in 1999. The SBL ratio averaged 1.02% at end-June and 1.22% at end-2005. A surge in new loans, which pushed the total outstanding loans to KRW895.2 from KRW861.3 trillion, was mostly responsible for the drop in SBL ratio.

Bank SBL and SBL Ratio: 1999-September, 2006 (End of Period)

	1999	2000	2001	2002	2003	2004	2005	(In trillions of won)	
								2006 June	Sept.
SBL	61.0	42.1	18.8	15.1	18.7	13.9	9.7	8.8	8.8
SBL Ratio (%)	12.9	8.00	3.41	2.33	2.63	1.90	1.22	1.02	0.98

Overall, the SBL ratios fell modestly for the key borrower groups from end-June, averaging 1.06% for corporate loans and 0.81% for household loans. The ratio for credit card receivables increased slightly from 1.80% at end-June to 1.84%. But compared to end-2005, the SBL ratios fell for all the loan types.

Bank SBLs by Loan Type: 2005-September, 2006 (End of Period)

	Total Outstanding Loans			(In trillions of won)		
	2005	June, 2006	Sept., 2006	SBLs 2005	June, 2006	Sept., 2006
Corporate loans	469.1	520.1	544.1	6.2 (1.31)	5.7 (1.09)	5.7 (1.06)
(SME loans)	293.5	320.9	334.7	4.9 (1.68)	4.4 (1.37)	4.4 (1.32)
Household loans	301.6	319.1	327.8	3.0 (0.98)	2.7 (0.86)	2.6 (0.81)
Credit card receivables	24.5	22.1	23.2	0.6 (2.40)	0.4 (1.80)	0.4 (1.84)
Total	795.2	861.3	895.2	9.7 (1.22)	8.8 (1.02)	8.8 (0.98)

Note: Figures in parentheses denote SBL ratio for the period.

Attached: SBLs by Bank, end-September, 2006



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SBLs by Bank: September, 2006
(End of Period)

(In trillions of won, percent)

	June, 2006			September, 2006		
	Total	SBLs	SBL Ratio	Total	SBLs	SBL Ratio
Shinhan	104.8	1.1	1.09	113.3	1.1	1.01
Woori	110.8	1.0	0.88	115.2	1.0	0.86
SC First Bank	36.2	0.6	1.67	36.4	0.6	1.73
Hana	78.4	0.6	0.74	81.3	0.6	0.72
Korea Exchange Bank	46.4	0.3	0.65	47.3	0.3	0.69
Citibank Korea	27.2	0.3	1.12	28.4	0.3	1.03
Kookmin	142.7	2.0	1.39	148.2	2.0	1.33
Nationwide Banks	546.6	5.9	1.08	570.0	5.9	1.04
Daegu	12.7	0.1	0.85	13.3	0.1	0.82
Busan	13.5	0.1	0.89	14.5	0.1	0.75
Kwangju	7.8	0.1	1.12	8.2	0.1	0.94
Jeju	1.5	0.0	0.99	1.7	0.0	0.84
Jeonbuk	3.3	0.0	1.36	3.4	0.0	1.13
Kyongnam	9.6	0.1	0.86	9.9	0.1	0.86
Regional Banks	48.4	0.4	0.95	51.1	0.5	0.85
Commercial Banks	595.0	6.3	1.07	621.1	6.4	1.03
Korea Development Bank	55.6	0.6	1.02	56.9	0.7	1.22
Industrial Bank of Korea	73.0	0.6	0.83	76.4	0.7	0.94
Export-Import Bank of Korea	34.1	0.1	0.16	35.3	0.0	0.13
National Agricultural Cooperative Federation	93.0	1.1	1.20	94.3	0.9	0.92
National Federation of Fisheries Cooperatives	10.6	0.1	1.21	11.1	0.1	1.11
Specialized Banks	266.3	2.5	0.93	274.0	2.4	0.89
Total	861.3	8.8	1.02	895.2	8.8	0.98

Note: There are seven nationwide and six regional banks (collectively referred to as commercial banks) and five specialized banks in Korea.

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