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Press Release

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Bank BIS Capital Ratios, 2006

Bank BIS capital ratios at the end of 2006 averaged 12.75%, slightly down from 12.95% at end-2005. With net income of KRW13.3 trillion for 2006, bank capital increased 16.1 trillion or 15.7% from a year earlier. But the increase was offset by a 17.5% jump in risk-weighted assets totaling KRW138.2 trillion, mostly due to the growth of mortgage and SME loans. Tier-1 capital rose 15.9% (KRW11.7 trillion) and tier-2 capital 15.1% (KRW4.4 trillion).

The capital ratio rose for six banks but fell for the 12 others compared to end-2005. In terms of international comparison, recent figures from IMF financial soundness indicators and others show that the 12.75% capital ratio for domestic banks is at the higher end of the 12.15%-12.76% range for U.S., U.K., and German banking organizations. With continued income growth and further room for tier-2 capital, domestic banks are expected to maintain robust capital positions going forward.

Bank BIS Capital Ratios
(End of Period)

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

Attached: BIS Capital Ratio by Bank, 2006



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

	2003	2004	2005	2006	Change 2005-06
Shinhan	10.49	11.94	12.23	12.01	-0.22
Woori	11.23	12.20	11.65	11.60	-0.05
SC First Bank	12.00	11.91	10.74	10.86	0.12
Hana	11.17	11.83	13.29	11.34	-1.95
Korea Exchange Bank	9.32	9.47	13.68	12.45	-1.23
Citibank Korea	10.98	11.92	15.05	14.02	-1.03
Kookmin	9.81	11.14	12.95	14.17	1.22
Nationwide Banks	10.34	11.28	12.51	12.41	-0.10
Daegu	10.58	10.66	11.33	11.32	-0.01
Busan	11.66	10.84	12.25	11.06	-1.19
Kwangju	10.72	11.81	11.60	11.44	-0.16
Jeju	10.96	10.91	11.71	11.26	-0.45
Jeonbuk	10.79	10.72	11.53	11.95	0.42
Kyongnam	11.69	11.34	10.59	11.26	0.67
Regional Banks	11.13	11.02	11.52	11.29	-0.23
Commercial Banks	10.40	11.26	12.43	12.31	-0.12
Korea Development Bank	16.22	18.08	17.98	17.15	-0.83
Industrial Bank of Korea	9.88	11.17	11.11	11.70	0.59
Export-Import Bank of Korea	14.41	12.86	13.87	11.92	-1.95
National Agricultural Cooperative Federation	10.66	11.43	11.81	12.34	0.53
National Federation of Fisheries Cooperatives	11.71	11.21	12.59	11.40	-1.19
Specialized Banks	12.77	13.71	13.94	13.61	-0.33
Total	11.16	12.08	12.95	12.75	-0.20

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