



Financial Services Commission  
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Financial Supervisory Service  
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## Press Release

September 18, 2011

### FSC SUSPENDED SEVEN MUTUAL SAVINGS BANKS

The Financial Services Commission (FSC) held a provisional meeting today and decided to suspend business operations of seven mutual savings banks – Jeil, Jeil II, Prime, Daeyeong, Ace, Parangsae, and Tomato – for six months.

According to the result of the inspection by the FSS, six of the suspended savings banks – Jeil, Prime, Dae Young, Ace, Parangsae, and Tomato – were found to have their BIS capital adequacy ratio below 1%, and their debts exceed assets.

As the plans for normalization submitted by the six savings banks were disapproved by the review committee, they were determined as insolvent and ordered to raise their capital adequacy ratios and normalize their businesses within 45 days in order to resume their operations.

Jeil II was suspended because ①its BIS capital adequacy ratio is below 1%; ②there is a strong likelihood that the suspension of its parent company, Jeil, will lead to depositors' bank runs, causing liquidity crunch; and ③it requested suspension.

#### Financial Statements of Seven Suspended Savings Banks

	Jeil	Jeil II	Prime	Daeyeong	Ace	Parangsae	Tomato
	(In KRW, billions, %)						
Total assets	3,313.7	1,061.0	1,256.6	617.6	991.8	418.2	3,883.5
Total lending	3,047.0	759.0	906.1	401.3	1,327.5	377.8	3,361.4
Total deposits	3,055.3	985.3	1,132.8	590.9	1,279.6	414.2	3,977.6
BIS ratio	(8.81)	(0.63)	(4.14)	(9.13)	(51.10)	(5.50)	(11.47)
Net assets	(207.0)	11.8	(48.9)	(30.3)	(378.7)	(30.0)	(441.9)



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