

EARLY IMPLEMENTATION OF BASEL III CREDIT RISK FRAMEWORK

The financial authorities announced that fifteen banks and eight bank holding companies will begin to gradually implement Basel III credit risk framework from the end of June 2020.¹

IMPLEMENTATION SCHEDULE

Domestic banks and bank holding companies were asked to notify the authorities by the end of May their preferred date to begin the implementation. A total of fifteen banks and eight bank holding companies applied for the early implementation as shown below and the financial authorities approved their implementation schedule.

	End of Jun 2020	End of Sep 2020	End of Dec 2020	End of Mar 2021	End of Jun 2021
Bank holding companies	JB	Shinhan, Woori, KB, DGB, BNK, NH	-	Hana	-
Banks	Kwangju, JB	Shinhan, Woori, Kookmin, Daegu, Busan, Jeju, BNK Kyongnam, NH, SH	KDB, IBK	Hana	KEXIM

Standard Chartered Korea, Kakao Bank and K Bank will begin to implement Basel III credit risk framework beginning in January 2023.

EXPECTATION

The early implementation of Basel III credit risk framework is expected to boost the capital adequacy ratio of domestic banks and bank holding companies.² The government expects that the increased capital adequacy ratio at banks will help make available more funding sources to finance and support the real economy.

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For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr.

¹ Please see previous press releases dated [March 30](#) and [April 20](#) for further details.

² By about 1.91%p and 1.11%p for banks and bank holding companies, respectively