Financial Supervisory Service
www.fss.or.kr

Press Release

For release at 6:00 A.M., April 9, 2024

Financial Holding Companies' Earnings, 2023

The number of domestic financial holding companies (FHCs) was ten as of year-end 2023. Compared to the same period a year ago, the number of subsidiary units increased from 316 to 329.

Table 1. Overview of Financial Holding Companies, 2023

	Number of subsidiary units
Dec 2023	**329**
Dec 2022	316
Chng.	13 (4.1%)

The consolidated assets of the FHCs came in at KRW3,530.7 trillion in total at the end of December 2023, up KRW112.6 trillion or 3.3% from KRW3,418.1 trillion a year ago. The FHCs' assets mainly came from the banking sector (74.9%) followed by financial investment (10.3%), insurance (6.8%) and specialized credit finance companies[1] (6.7%). In terms of changes in asset volume by subsidiary sector, the banking and financial investment sectors expanded by KRW81.1 trillion (3.2%) and KRW42.8 trillion (13.3%), respectively, from the previous year. Also, specialized credit finance companies saw their assets increase KRW5.6 trillion (2.4%). However, the insurance sector[2] shrank KRW24.0 trillion (9.1%) year on year.

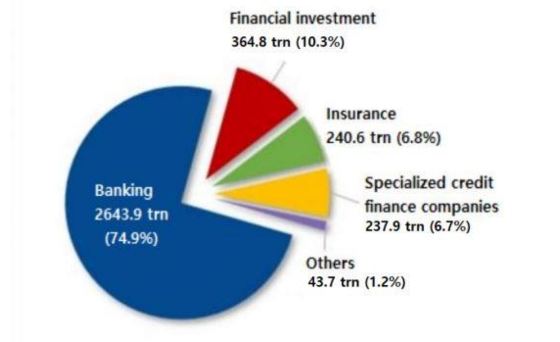
The consolidated net income yearly increased from KRW21.4470 trillion to KRW21.5246 trillion. Net income mainly stemmed from the banking sector with its proportion of 61.9%, followed by insurance (13.5%), financial investment (11.2%) and specialized credit finance companies (11.0%) in 2023. By subsidiary sector, the banking sector's net income grew KRW786.3 billion or 5.4% while the insurance sector expanded KRW1.0146 trillion or 43.6% on year. By contrast, the financial investment sector and specialized credit finance companies shrank by KRW1.6986 trillion (37.9%) and KRW890.2 billion (24.6%), respectively, from a year earlier.

[1]Credit card companies, capital firms and saving banks are included.
[2]With the implementation of the IFRS17, part of assets (e.g. policy loan and deferred acquisition costs) came to be reflected on insurance liabilities calculation.

Figure 1. Financial Holding Companies' Assets, 2023

(In KRW)

Breakdown of FHCs' assets	Changes in assets by sector



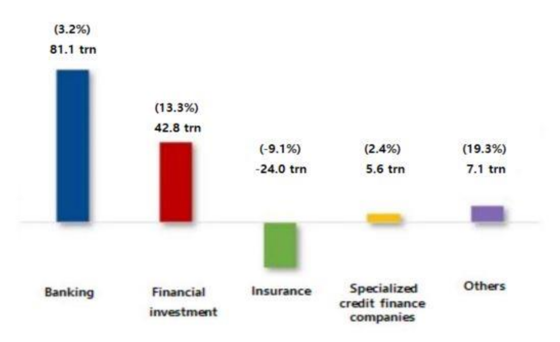
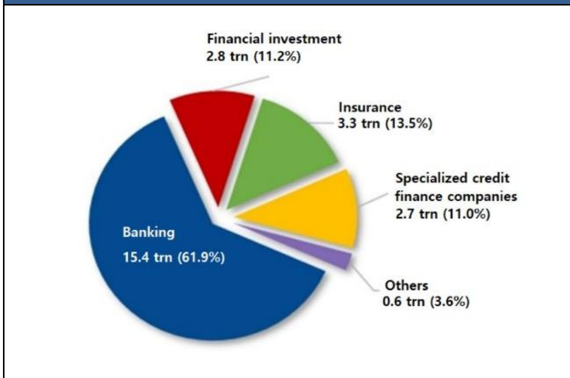
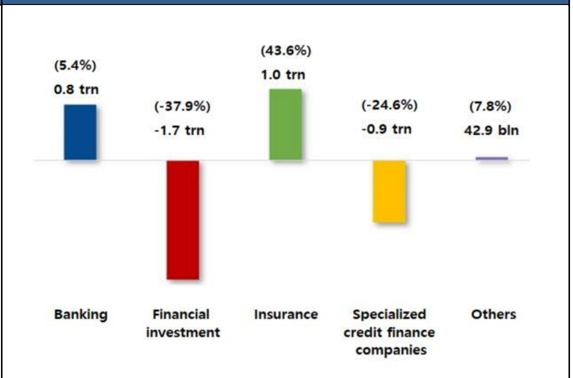


Figure 2. Financial Holding Companies' Net Income, 2023

(In KRW)

Breakdown of FHCs' net income	Changes in net income by sector





As of year-end 2023, the BIS total capital ratio of the bank holding companies stood at 15.83%. The Tier 1 capital ratio and the common equity Tier 1 (CET1) capital ratio were seen at 14.56% and 12.90%, respectively, at the end of December 2023.

Table 2. Consolidated BIS Capital Ratios of Bank Holding Companies, 2023

(In percentage)

	Total Capital ratio	Tier 1 capital ratio	CET1 capital ratio
Dec 2023	**15.83**	**14.56**	**12.90**
Dec 2022	15.61	14.33	12.59
Chng. (%p)	0.22	0.23	0.31
D-SIB requirements	11.5	9.5	8.0

*The figures on 2023 are preliminary as of the release date and subject of change.

The ratio on loans classified as substandard or below (SBLs) of the FHCs stood at 0.72% as of year-end 2023, up 0.23%p from 0.49% the same period a year ago. Provision coverage ratio declined 19.9%p from 170.5% to 150.6% year on year.

Meanwhile, the debt ratio yearly decreased 1.8%p from 29.0% to 27.2%. Also, double leverage ratio declined from 114.3% to 114.2% during the same period.

Table 3. Financial Holding Companies' Financial Stability, December 2023*

(In percentage)

	SBLs	Provision coverage ratio
Dec 2023	**0.72**	**150.6**
Dec 2022	0.49	170.5
Chng. (%p)	0.23	-19.9

*The figures on December 2023 are preliminary as of the release date and subject to change.

Table 4. Debt Ratio and Double Leverage Ratio, December 2023*

(In percentage)

	Debt ratio	Double leverage ratio
Dec 2023	**27.2**	**114.2**
Dec 2022	29.0	114.3
Chng. (%p)	-1.8	-0.1

*The figures on December 2023 are preliminary as of the release date and subject to change.

The Financial Supervisory Service will consistently monitor and analyze potential risks the FHCs may face to respond to them well. Furthermore, when it comes to subsidiaries' overseas investments and project financing for real estate joint venture, the FSS will urge the FHCs to get more engaged in risk management and financial stability improvements.

# # #

For press inquiry, please contact Public Relations Team at fsspr@fss.or.kr.