



## Laws and Regulations Announcement

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### Amendments Proposed to the Regulations on Supervision of Banking Business

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<b>Agency:</b>	Financial Services Commission
<b>Law to be amended:</b>	Regulations on Supervision of Banking Business
<b>FSC Notice number:</b>	2018-149
<b>Announcement date:</b>	May 28, 2018
<b>Summary:</b>	<p>The Financial Services Commission proposed amendments to the Regulations on Supervision of Banking Business as a follow-up to the January 19 policy proposals aimed at further improving the bank capital regulations regime. The proposed amendments reassign risk weights given to household and corporate loans for the calculation of the loan-to-deposit ratio and fine-tune asset classification rules for new credit extended to companies under restructuring.</p>
<b>Key provisions:</b>	<ul style="list-style-type: none"><li>• For the calculation of the loan-to-deposit ratio, household loans are to be given 115% risk weight, corporate loans 85%, and sole proprietor loans 100%.</li><li>• KRW-denominated CDs issued by banks are to be treated as deposits up to 1% of the banks' aggregate deposits in the loan-to-deposit ratio calculation.</li><li>• New credit extended to a company under a workout or other restructuring arrangements may be eligible to be classified separately from previous credit extensions.</li></ul>
<b>Public comment for the proposed amendments:</b>	The public comment period for the proposed amendments ends on July 6, 2018.

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