



## Laws and Regulations Announcement

### AMENDMENT PROPOSED TO FINE-TUNE PRUDENTIAL REGULATION OF MUTUAL SAVINGS BANKS

<b>Agency:</b>	Financial Services Commission
<b>Amended Regulations:</b>	Regulation on Supervision of Mutual Savings Bank Business
<b>Announcement Date:</b>	January 15, 2016
<b>Summary:</b>	The Financial Services Commission announced proposals for amendments to the Regulation on Supervision of Mutual Savings Bank Business fine-tuning capital and investment rules and prudential standards on January 15, 2016.
<b>Key Provisions:</b>	<ul style="list-style-type: none"><li>• The additional region-specific capital required for a new branch operation is to be reduced by 50% for soundly performing mutual savings with assets of less than KRW1 trillion.</li><li>• The minimum capital requirement for large mutual savings banks with assets in excess of KRW1 trillion is to be raised from the current 7% to 8% effective January 1, 2018 (2-year grace period).</li><li>• Listed mutual savings banks must set aside loan loss provisions, including allowances for uncollected interest from delinquent loans, as provided by the IFRS and the applicable supervisory regulations.</li></ul>
<b>Effective Date for the Amendments:</b>	Tentatively set for March 31, 2016, following a public comment period and the required regulatory review;