

FSC CHAIRMAN MEETS WITH HEADS OF MAJOR FINANCIAL HOLDING COMPANIES

FSC Chairman Koh Seungbeom met with the heads of major financial holding companies on September 10 and held talks on ways to strengthen household debt management as well as the issue of loan maturity extensions and payment deferrals.

As it was the first time that Chairman Koh has held a meeting with the five CEOs of financial holding companies in his current role, at the beginning of the meeting, Chairman Koh laid out his principle of financial policy and supervisory role of the FSC as aiming for “market-friendly policy and supervision with respect for the creativity and autonomy of financial institutions.” With regard to the matters concerning internal management of individual institutions, such as interest rates, fees and dividends, Chairman Koh stated that he will respect individual firms’ decisions. Even when intervention is inevitable for the purpose of maintaining macroeconomic soundness and consumer protection, Chairman Koh said that interventions will take place at a minimum level through a fair and transparent procedure in a market-friendly and market-centered approach based on sufficient communication and collaboration with market participants.

On the issue of household debt growth, Chairman Koh raised concerns about asset market overheating and the mutually reinforcing effects between the two. Chairman Koh spoke about household debt management as a top policy priority and pledged to effectively implement the measures in place while working to come up with improved measures.

With regard to the loan maturity extensions and payment deferrals set to expire at the end of September, Chairman Koh said that the authorities are considering diverse factors, such as the demand from SMEs and small merchants, repayment burdens of long-term borrowers, potential default risks and so on, while emphasizing the importance of cooperation to arrive at a reasonable solution.

Chairman Koh and the five CEOs also held talks on regulatory issues surrounding digital transformation and IT technology platforms.

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