

FSC APPROVES RECOVERY AND RESOLUTION PLANS FOR D-SIFIS

- Recovery plans prepared by SIFIs and resolution plans drawn up by KDIC approved.
 - Compared to the previous year, this year's recovery and resolution plans carry tools and mechanisms enabling large financial companies and the resolution authority to more swiftly and systematically respond to risk situations.
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The Financial Services Commission announced on July 11 that it has approved the recovery plans prepared by D-SIFIs (2024) and their resolution plans drawn up by the Korea Deposit Insurance Corporation (KDIC) as recommended by the Financial Stability Board (FSB).

The FSC found that the recovery and resolution plans for ten D-SIFIs selected for 2024—Shinhan, KB, KEB Hana, Woori, and NongHyup financial holding companies and their banks—mostly meet international standards and those prescribed under the Act on the Structural Improvement of the Financial Industry. Certain factors that came across as requiring improvement and areas identified as obstacles in the resolution process have been notified to both KDIC and SIFIs.

Compared to the previous year, the recovery and resolution plans approved by the FSC this year carry tools and mechanisms enabling large financial companies to more actively prepare and respond to risk situations in advance, while allowing the resolution authority to more swiftly carry out resolution proceedings, thereby helping to ensure stability in the financial system in a more effective manner.

The recovery and resolution plans are operated on a yearly basis, and the authorities plan to review and approve the recovery and resolution plans for D-SIFIs selected for 2025 in the future.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.