



Financial Services Commission
www.fsc.go.kr



Financial Supervisory Service
www.fss.or.kr

Press Release

June 7, 2011

TOUGHER REGULATIONS TO PREVENT EXCESSIVE COMPETITION AMONG CREDIT CARD COMPANIES

The Financial Services Commission and the Financial Supervisory Service have unveiled tougher regulations to pre-empt possible problems caused by excessive competition among credit card companies (including banks with credit card units) in pursuit of external growth such as excessive credit card issuance and card lending.

<New measures >

1. The regulator will limit the external growth of credit card companies to an appropriate level.

To this end, the regulator will set up supervisory guidelines for three categories - card assets, new credit card issuance and marketing expenses (ratio). For a company that continues to seek external growth excessively, a special examination will be conducted. If any violation is found, strict sanctions including suspending business and reprimanding CEO will be imposed.

2. The regulator will revise fundraising-related regulations including the introduction of new rules on leverage (total assets/equity capital) so that credit card companies can pursue a “healthy” growth based on strong capital.

Contact Person:

Lee, J. Ernst
Spokesperson, Foreign Media
Foreign Press & Relations Office
Financial Services Commission

Tel: +82-2-2156-9582
Fax: +82-2-2156-9589
E-mail: happyhero@korea.kr

Soomi Kim
Foreign Press Spokesperson
Public Affairs Office
Financial Supervisory Service

Tel: +82-2-3145-5803
Fax: +82-2-3145-5808
E-mail: soomi.kim@fss.or.kr