

## FSC DECIDES TO EXTEND THE AVAILABILITY OF EASED LCR AND LTD RULES FOR BANKS

The FSC decided to extend the availability of some of the interim deregulatory measures introduced on April 17 of last year to ensure continued support for the financial sector on March 8.<sup>1</sup> The details of extended periods are summarized in the table below.

Interim deregulatory measures	Extended expiration
<b>(CREDIT EXTENSION BETWEEN SUBSIDIARIES ALLOWED 10%p MORE)</b> - From 10% of equity capital to 20% to a single subsidiary for a total of 30% of equity capital	From <i>end of Jun 2021</i> to <i>end of Sep 2021</i>
<b>(LIQUIDITY COVERAGE RATIO FOR BANKS)</b> - Lowering the foreign currency LCR from 80% to 70% - Lowering the total LCR from 100% to 85%	From <i>end of Mar 2021</i> to <i>end of Sep 2021</i>
<b>(LOAN-TO-DEPOSIT RATIO FOR BANKS)</b> - Sanctions exemption for violating LTD ratio rule within 5%p  - Lowering of the risk weight on commercial loans issued to self-employed small business owners from 100% to 85%	From <i>end of Jun 2021</i> to <i>end of Dec 2021</i>  From <i>end of Jun 2021</i> to <i>end of Sep 2021</i>
<b>(LIQUIDITY RATIO RULES FOR SAVINGS BANKS &amp; CREDIT FINANCE FIRMS)</b> - Sanctions exemption for violating the liquidity ratio rule (100%) within 10%p	From <i>end of Jun 2021</i> to <i>end of Sep 2021</i>
<b>(LOAN-TO-DEPOSIT RATIO FOR SAVINGS BANKS &amp; CREDIT FINANCE FIRMS)</b> - Sanctions exemption for violating the LTD ratio rule (80-100%) within 10%p	From <i>end of Jun 2021</i> to <i>end of Dec 2021</i>
<b>(CREDIT EXTENSION REQUIREMENT FOR SAVINGS BANKS)</b> - Sanctions exemption for violating the rule that requires savings banks to maintain a certain level of credit extension to local SMEs and self-employed business owners within 5%p	From <i>end of Jun 2021</i> to <i>end of Dec 2021</i>

The FSC plans to work on a gradual rollback and step-by-step normalization of regulations while maintaining close monitoring and supervision on the soundness of financial institutions.

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<sup>1</sup> Please click [here](#) to see more about the interim deregulatory measures announced on April 17, 2020.