

# **NACF(National Agricultural Cooperative Federation)'s Comment on Contingent Capital**

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**NACF, Korea**

- ☐ NACF would be more difficult to issue contingent capital than stock companies because qualification of our equity holder is restricted to only our member cooperative bank.
- ☐ In future, to invest all non-common Tier1 and Tier2 instrument, the investors must be entitled to become a share holder when trigger event occurs.
- ☐ Under national cooperative law, NACF could not issue any contingent capital to public investors except our member cooperative banks.
- ☐ So we recommend that different application of contingent capital to cooperative bank such as NACF should be considered.
- ☐ A sufficient grace period should be allowed in order to alleviate a potential oversupply at the same time and make preparation for new regulation.