

## Opinion on BCBS Proposal

Woori Bank , Korea

### Proposal to ensure the loss absorbency of regulatory capital at the point of non-viability

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- We agreed that the triggering condition should become effective only through a directive from the respective regulatory/supervisory entity including the event financial assistance is provided to a bank.
- However, we believe that a uniform regulatory stipulation should be set up where the losses that would be incurred by the respective debtholders should be proportionate to the financial support funds provided by the government.
- When the introduction of contingent capital facilities becomes a certainty, the market may be inundated with contingent capital issuances as all of the banks are expected to come to the market at the onset. In order to alleviate a potential overflowing of supply, banks should be provided a sufficient grace period.