

FSC HOLDS EMERGENCY MEETING ON FINANCIAL MARKETS AFTER IMPEACHMENT VOTE

FSC Chairman Yim Jong-yong convened an emergency meeting on Sunday, December 11 with top officials from the Financial Supervisory Service(FSS) and other relevant financial institutions to monitor market effects and discuss policy responses after parliament's impeachment vote last Friday.

The impeachment vote is likely to have a limited impact on financial markets. Major Korean indexes traded on overseas markets remained stable in early Saturday morning after Friday's impeachment vote.¹ However, the government will stay alert to external uncertainties including widely expected Fed rate increases and policy changes with new U.S. administration, problems in Europe's banking sector and worries about China's currency markets.

To ensure stability and investors confidence in Korea's financial markets, the government will extend the current 24-hour emergency response system jointly run by the FSC and FSS to all industry associations and public institutions across the financial sector. We will hold a weekly meeting to monitor market conditions and make sure swift and timely responses.

Korea's financial market and financial system have shown strong resilience as we overcame the Asian financial crisis in 1997 and the global financial crisis in 2008. Throughout this year as well, our financial markets maintained stability and firmly supported the real economy, despite external and internal uncertainties. The Korean economy's fundamentals and creditworthiness are strong enough to respond to market uncertainties and difficulties.

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¹ KOSPI 200 futures (traded on CME) rose by 0.6pt from 258.2 to 258.8; the won-dollar exchange rate in non-deliverable forward(NDF) trading in New York rose by 2.8 won to 1,168.8 won against U.S. dollar; Korea's credit default swap premium(traded in New York) stayed at 42.5bp, unchanged from the previous day.