

Bank of Korea Hints at Financial Shock™ Soon

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As disclosed by a Bank of Korea report on financial stability released on Thursday, one-third of South Korean finance executives anticipate a major crash of domestic financial markets soon.

According to the Dong-A-Ilbo of Seoul, South Korea, "the central bank surveyed 74 experts including the heads of strategy and risk management departments at financial companies, fund managers and dealers to study financial market risks."

The report revealed that non-banking financial experts including savings banks and credit card companies, in particular, declared household debt the most difficult risk factor for any financial institution. It said, "management health at banks is improving in general while savings banks are expected to see further losses due to large deficits last year and a rising delinquency rate."

As reported by the Dong-A-Ilbo, "the report, which the Bank of Korea has issued twice a year since 2003, has been elevated to a mandatory one after the Bank of Korea Act was revised in August 2010 to specify its financial stability role."

To read the entire article from the Dong-A-Ilbo of Seoul, link here: Mcgregor@chinadaily.com.cn