

## FSC CHAIRMAN STRESSES IMPORTANCE OF CONCERTED EFFORT FROM BANKS AND FINANCIAL AUTHORITIES

FSC Chairman Eun Sung-soo presided over a financial risk assessment meeting on May 6 to check the implementation of the COVID-19 emergency financial support and discuss measures to support SMEs, middle market enterprises, small-scale businesses as well as the key industries.

The following is a summary of Chairman Eun's remarks:

**(SMEs & MIDDLE MARKET ENTERPRISES)** It is essential to have a concerted effort by the banking sector and the financial authorities for an effective delivery of the financial support to the SMEs and middle market enterprises. In this regard, the financial authorities will work on promoting movable asset-based lending and sale-and-leaseback by companies while working on measures to help relieve financing difficulties for subcontractors in key industries.

**(SMALL-SCALE BUSINESSES)** As the second phase financing support for small-scale businesses will be provided through the banking sector, it is necessary not to leave behind individuals with low credit scores. To ensure that the second phase support is being provided as scheduled,<sup>1</sup> all necessary preparations should take place promptly.

**(KEY INDUSTRIES)** The government will work to promptly implement the stabilization fund for key industries. The banking sector should be encouraged to cooperate with the Korea Development Bank to support the country's key industries. With regard to the conditionality which obliges businesses to maintain employment, there should be appropriate balance between protecting jobs and not acting as a constraint for companies in applying for the support.

### **FINANCIAL SUPPORT PROVIDED**

Between February 7 and May 1, a total of KRW77.4 trillion (890,000 individual cases) in loans and guarantees as well as loan and guarantee extensions were provided to the SMEs and small-scale businesses that have been hit by the COVID-19 pandemic.

► **FINANCING BY TYPE:** KRW40.3 trillion (707,000 cases) in new loans and guarantees, KRW34.9 trillion (169,000 cases) in maturity extensions and deferred payments, KRW700 billion (4,000 cases) in deferment of interest payments, and KRW1.6 trillion (10,000 cases) in export-import credit finance and discounted

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<sup>1</sup> Application opening on May 18 and application review starting on May 25

interest rates and late fees

- ▶ **FINANCING BY INDUSTRY:** KRW9.4 trillion (102,000 cases) to wholesale businesses, KRW6.4 trillion (192,000 cases) to restaurant businesses and KRW6.3 trillion (151,000 cases) to retail businesses
- ▶ **FINANCING BY PROVIDER:** KRW43.6 trillion (577,000 cases) by policy banks and KRW33.8 trillion (312,000 cases) by private sector financial institutions<sup>2</sup>

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<sup>2</sup> Local banks, insurance companies, credit card companies, credit finance businesses and savings banks