

4TH FINANCIAL RISK ASSESSMENT MEETING

FSC Vice Chairman Sohn Byungdoo held the 4th financial risk assessment meeting on May 19. At the meeting, Vice Chairman Sohn vowed to strengthen support for the corporate bond and commercial paper markets.

The following is a summary of Vice Chairman Sohn's remarks.

(DOMESTIC FINANCIAL MARKETS) The financial markets are showing signs of stability due to prompt policy responses from the government. In order to ensure that the current market stabilizing effects can have a wider impact, the government will provide support for low-rated corporate bonds and commercial paper. The downgraded corporate bonds from AA- to A+ rating as of April 1 will also be eligible to receive support through the bond market stabilization fund. On May 29, nearly KRW1 trillion worth of P-CBOs will be issued to help COVID-19 hit enterprises. Beginning in June, credit finance business bonds with A+ or A- ratings will also be eligible for support through the bond market stabilization fund.

(2ND PHASE FINANCIAL SUPPORT FOR SMALL MERCHANTS) The 2nd phase of financial support for small merchants is currently being provided by seven banks, and it will be available at more regional banks across the country as their systems become ready within June. The availability of untact application services for the support will help enhance our efforts at digital transformation and financial inclusiveness as we prepare for the post-COVID-19 era.

(KEY INDUSTRY STABILIZATION FUND) The government will prepare for the prompt implementation of the fund and work to ensure that businesses are able to receive loans in June.

The government will continue to closely monitor markets and take necessary measures to maintain stability in the markets.

FINANCIAL SUPPORT PROVIDED

Between February 7 and May 15, a total of KRW97.8 trillion (1,185,000 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:** KRW49.5 trillion (922,000 cases) in new loans and guarantees, KRW45.4 trillion (232,000 cases) in maturity extensions and deferred

payments, KRW900 billion (7,000 cases) in deferment of interest payments, and KRW2.1 trillion (23,000 cases) in export-import credit finance and discounted interest rates and late fees

- ▶ **FINANCING BY INDUSTRY:** KRW12.2 trillion (134,000 cases) to wholesale businesses, KRW7.9 trillion (246,000 cases) to restaurant businesses and KRW7.9 trillion (199,000 cases) to retail businesses
- ▶ **FINANCING BY PROVIDER:** KRW53.8 trillion (743,000 cases) by policy banks and KRW43.3 trillion (412,000 cases) by private sector financial institutions¹

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¹ Local banks, insurance companies, credit card companies, credit finance businesses and savings banks