

## VICE CHAIRMAN CALLS FOR CLOSE COOPERATION BETWEEN BUSINESSES, CREDITORS & LENDING INSTITUTIONS

FSC Vice Chairman Sohn Byungdoo held the 5<sup>th</sup> financial risk assessment meeting on May 26 to check the current status of the COVID-19 financial support for businesses and households. The following is a summary of Vice Chairman's remarks.

**(LOW-RATE FINANCIAL SUPPORT FOR SMALL MERCHANTS)** The government has made available KRW16.4 trillion in low interest rate financial support package for about 430,000 small merchants. Between May 18 and 22, about 31,442 applications were received by lending institutions.

**(EMERGENCY RELIEF PAYMENTS)** As of May 25, about 94 percent of households applied for emergency relief payments. Swift processing of relief payments was made possible by strong cooperation between the public and private sectors.

**(SPV & KEY INDUSTRY STABILIZATION FUND)** The government will take prompt steps in preparation for establishing a special purpose vehicle intended to purchase low rated corporate bonds and CP, and for launching a key industry stabilization fund this week.

In order to boost the effectiveness of these policies, close cooperation is essential between businesses, creditors and financial institutions.

### **FINANCIAL SUPPORT PROVIDED**

As of May 22, a total of KRW107.8 trillion (1,327,000 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:** KRW54.3 trillion (1,038,000 cases) in new loans and guarantees, KRW50.2 trillion (256,000 cases) in maturity extensions and deferred payments, KRW900 billion (7,000 cases) in deferment of interest payments, and KRW2.4 trillion (25,000 cases) in export-import credit finance and discounted interest rates and late fees
- ▶ **FINANCING BY INDUSTRY:** KRW13.5 trillion (150,000 cases) to wholesale businesses, KRW8.7 trillion (273,000 cases) to restaurant businesses and KRW8.7 trillion (223,000 cases) to retail businesses
- ▶ **FINANCING BY PROVIDER:** KRW59.1 trillion (824,000 cases) by policy banks and KRW47.9 trillion (471,000 cases) by private sector financial institutions<sup>1</sup>

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<sup>1</sup> Local banks, insurance companies, credit card companies, credit finance businesses and savings banks