

FSC TO WORK ON TURNING CRISIS SITUATION INTO OPPORTUNITY FOR DIGITAL INNOVATION

FSC Vice Chairman Sohn Byungdoo held the 6th financial risk assessment meeting on June 2 to review the current status of the COVID-19 financial support for businesses and households.

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

(CURRENT SITUATION) The financial markets have largely stabilized due to the measures taken by the government. However, there still remain risk factors, and the government will continue to closely monitor markets while implementing its market stabilization measures. As decided on May 28 and 29, the government will promptly provide support to businesses through quick corporate bond underwriting program and issuance of P-CBOs, while providing liquidity to help businesses maintain their competitiveness. The government will also expedite the preparation for the effective operation of the key industry stabilization fund and special purpose vehicle to help most heavily affected industries as well as businesses with lower-rated bonds and CP.

(COVID-19 SUPPORT) The provision of the second phase financial support for small merchants has been effective, as the availability of untact application system helped minimize bottleneck effects. The government will also closely monitor trends in individual debtors although the number of debtors with overdue payments of five to 89 days or more than 90 days has been in decline.

(2020 KOREA FINTECH WEEK) Korea's second global fintech expo held virtually from May 28 has provided opportunities to develop strategies on fintech and digital finance. Participation from more than 150 businesses showcasing their innovative products and services has helped to advance our 'untact' capabilities. The government will work to turn this pandemic-induced situation into an opportunity for digital innovation.

FINANCIAL SUPPORT PROVIDED

As of May 29, a total of KRW117.3 trillion (1.42 million 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:** KRW61.3 trillion (1.15 million cases) in new loans and guarantees, KRW56.1 trillion (280,000 cases) in maturity extensions and deferred payments

- ▶ **FINANCING BY INDUSTRY:** KRW17.5 trillion (69,000 cases) to machinery & metal manufacturing, KRW14.6 trillion (161,000 cases) to wholesale businesses, KRW9.3 trillion (294,000 cases) to restaurant businesses and KRW9.5 trillion (243,000 cases) to retail businesses
- ▶ **FINANCING BY PROVIDER:** KRW62.5 trillion (882,000 cases) by policy banks and KRW54.1 trillion (528,000 cases) by private sector financial institutions¹

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