

FSC CHAIRMAN HOLDS TALKS WITH HEADS OF FINANCIAL HOLDING GROUPS

FSC Chairman Eun Sung-soo held talks with heads of financial holding groups on July 23, and shared opinions about the recent issues surrounding the financial industry and expected changes in a post-pandemic era.

At the meeting, Chairman Eun expressed appreciation for financial companies' efforts in providing the government's emergency financial support, which has earned recognition from both at home and abroad. As the COVID-19 pandemic continues to pose risks, Chairman Eun emphasized the need to stay alert for any negative ripple effects. In this regard, Chairman Eun urged cooperation from financial companies in ensuring a smooth implementation of the working capital support program for the suppliers in key industries, which will go into effect at the end of July. With regard to the scheduled expiration of loan maturity extension and deferment of interest payment at the end of September, Chairman Eun and the heads of financial holding groups agreed to continue to discuss the possibility of extension while closely monitoring market conditions in August.

On the government's new deal initiative, Chairman Eun emphasized the important role of the financial system in spreading and sharing risks and providing necessary funds to support innovative new deal projects. In particular, Chairman Eun noted the need to channel concentration of liquidity currently existing in the real estate market to more productive sectors.

As big tech companies are entering the financial services industry, Chairman Eun said that there are positive effects from a consumers' point of view, such as improved convenience and lowered costs, although there remain concerns about issues of fair competition and systemic risks. In this regard, Chairman Eun proposed the launching of a public-private joint consultative body composed of the government, traditional financial industry and big techs to facilitate discussion on win-win growth strategies.

Chairman Eun also discussed the need for financial companies to bolster their loan loss provisions to be able to continue to provide a backstop amid the pandemic-induced crisis situation.

In order to prepare for rapid changes expected in a post-pandemic era, Chairman Eun urged close cooperation from the financial industry while vowing to maintain close communication.

#

For press inquiry, please contact Foreign Media Relations Team at fsc_media@korea.kr.