

## FINANCIAL AUTHORITIES TO PROVIDE CONTINUED SUPPORT AND PREPARE FOR POST-PANDEMIC ECONOMY

Vice Chairman Doh Kyu-sang held the 36<sup>th</sup> financial risk assessment meeting via teleconference on March 9 and discussed the implementation of the COVID-19 financial support programs.

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

**(FINANCIAL MARKET MONITORING)** With COVID-19 vaccines and a large-scale stimulus plan in the US, positive outlooks for economic recovery are spreading. However, expected inflation and interest rate hikes in overseas markets require close market monitoring as they may place cost burdens on domestic companies and households' financing needs. As such, the authorities will closely monitor risks and prepare appropriate response when necessary.

**(COVID-19 FINANCIAL SUPPORT)** Last week, financial institutions agreed to extend the availability of maturity extension and payment deferral programs for small merchants and SMEs until the end of September 2021. State-backed financial institutions also plan to offer an extension of loans and guarantees for middle market enterprises until September this year. The low interest rate lending support for small merchants will also be available for one more year.

In order to help businesses prepare for a post-pandemic era, the government will extend the application period of the key industry stabilization fund, which is currently set to expire at the end of April this year, and find ways to make use of the fund to help businesses prepare for a post-pandemic era. In addition, the government will continue to provide support through the corporate asset purchase program.<sup>1</sup> This year, on-site consulting services will also be made available to help businesses with their financing needs.

**(MORTGAGE LOANS)** The government has introduced diverse measures to manage household debt and stabilize the housing market. Current homeowners purchasing another house with mortgage loans in regulated areas are required to move into new home and sell their current properties within a specified time frame. In this regard, the financial authorities and institutions should closely monitor and ensure strict compliance with this rule.

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<sup>1</sup> Please click [here](#) to see the press release dated June 11, 2020.

## **COVID-19 FINANCIAL SUPPORT PROGRAMS<sup>2</sup>**

(In trillion won)

<b>▶ EMERGENCY LOANS FOR SMALL MERCHANTS</b>	TARGET	PROVIDED
- 1 <sup>st</sup> round of financial support (Feb 7, 2020~)	16.4	<b>14.8</b>
- 2 <sup>nd</sup> round of financial support (May 25, 2020~)	10.0	<b>5.1</b>
Existing program	7.0	4.76
Special lending program for those affected by social gathering restrictions	3.0	0.36

(In trillion won)

<b>▶ FINANCIAL SUPPORT FOR SMEs &amp; MIDDLE MARKET ENTERPRISES</b>	TARGET	PROVIDED
- Loans and guarantees (Mar 16, 2020~)	37.8	<b>37.2</b>

(In trillion won)

<b>▶ LIQUIDITY SUPPORT FOR CORPORATE BOND &amp; SHORT-TERM MONEY MARKETS</b>	TARGET	PROVIDED
- Liquidity support for securities firms (Mar 24~Dec 31, 2020)	5.0	<b>10.5</b>
- Corporate bond and CP underwriting and refinancing programs (Mar 30, 2020~)	6.1	<b>2.2</b>
- Low-rated corporate bond & CP purchase program (Jul 24, 2020~)	20.0	<b>2.9</b>
- P-CBO issuance (Apr 1, 2020~)	11.7	<b>3.8</b>

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<sup>2</sup> From February 7, 2020 to March 5, 2021