

GOVERNMENT MAKES AVAILABLE KRW2 TRILLION BUSINESS LENDING SUPPORT AMID UKRAINE CRISIS

The FSC announced that the government has decided to make available KRW2 trillion in emergency lending support for Korean businesses hit by the ongoing Ukraine crisis during a taskforce meeting held on March 4.¹

The emergency lending support program for SMEs and middle market enterprises will be in the form of liquidity provision of KRW2 trillion in total and maturity extension on existing loans. The Korea Development Bank (KRW800 billion), Industrial Bank of Korea (KRW700 billion) and Export-Import Bank of Korea (KRW500 billion) will each make new business loans available with preferential lending rates ranging from 40 to 100 basis points depending on lenders and their programs. In addition, a special loan forbearance will be provided for one year on existing loans and guarantees issued by state-backed financial institutions.²

Eligible entities include (a) businesses that have set up a branch office or a factory in Ukraine or Russia (the conflict area) and (b) exporters and importers that have transaction records to and from the conflict area between January 2021 and now or are expecting such transactions and (c) suppliers and subcontractors linked to the aforementioned entities.

The emergency business lending support is available from March 4, 2022. The government will continue to closely monitor situation in Ukraine and be prepared for any ripple effects on the Korean economy. As the conflict situation in Ukraine is unfolding rapidly, the authorities will closely check the scale of damages and impact on various sectors and consider increasing the level of assistance and expanding the eligibility of support when deemed necessary.

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

¹ The government announced its plan to provide emergency financial assistance for businesses on February 25, 2022. Please click [here](#) to see the press release.

² KDB, IBK, KEXIM and Korea Credit Guarantee Fund