

Meeting with Financial Institutions to Discuss "Debt Workout Measures for Enterprises and Individuals Affected by COVID-19"

Remarks by FSC Chairman Wellington Koo

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Good morning! I've invited all of you leading lights from our banking industry to come here despite the outbreak of a serious epidemic, because this sort of occasion is a good opportunity to solemnly express the government's determination to fight against the epidemic.

With COVID-19 spreading around the world, the Organization for Economic Cooperation and Development (OECD) announced on March 2, 2020 that it would reduce its forecast for global economic growth in 2020 to 2.4%. Furthermore, the Federal Reserve Board of the United States (Fed) has also announced that in response to the economic impact of the epidemic, it has lowered the target range for its overnight funds rate to 0% to 0.25%, which shows that the epidemic has seriously affected the economies of countries around the world.

Faced with the continued spread of COVID-19 throughout the world, and in light of its huge social and

economic impact in Taiwan, the government has formulated the "Special Act for Prevention, Relief and Revitalization Measures for Severe Pneumonia with Novel Pathogens" to assist enterprises and individuals affected by the epidemic. The new Act provides NT\$60 billion for COVID-19 prevention work and to fund economic relief and stimulus measures. Relief measures include corporate loan guarantees and interest subsidies. The goal is to provide enterprises with comprehensive assistance to minimize the impact of COVID-19, overcome difficulties as soon as possible, and ensure industrial and economic stability.

The various relief and stimulus measures adopted by the government are designed to help enterprises get through the epidemic, reduce losses, and achieve recovery. These measures will also enable enterprises to maintain normal repayments on debts, which in turn will maintain the asset quality of financial institutions and support various enterprises and financial institutions.

Due to the severe epidemic now sweeping the world, companies are in urgent need of assistance. Therefore, the ability of financial institutions to effectively implement the relief and stimulus measures will have a big impact on the pace of economic recovery. Banks need to attach top priority to the provision of relief loans, demonstrate the efficiency of electronic banking, and

accomplish their tasks in a professional way. As banks act to deal with the epidemic, I would like to provide them with a few reminders regarding how to go about it:

1. To keep employees from contracting COVID-19 when they travel abroad, banks need to restrict such travel more carefully.

2. Currently, banks have divided staff into different teams, some of which are working at home or other offsite locations to reduce risk of infection. In doing so, banks must pay attention to the need for checks and balances in their internal control operations.

3. To handle relief loans, a bank should train its personnel in the fastest and most effective way, revise internal operations and office forms as soon as possible, fully cooperate with various ministries and the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, and regularly report on the progress of their efforts. As the competent authority of the banking industry, the FSC at the end of the year will reward banks that have performed especially well in providing relief and stimulus loans.

Finally, I would like to express my appreciation for the cooperation of the Bankers Association of the

Republic of China, the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, the National Federation of Credit Cooperatives ROC, and all banks present. Thank you all.