

take strong steps to implement relief measures⁸³ put forward the ministries and commissions of the central government. In addition, the FSC urged the banking industry to provide loan assistance to enterprises and individuals affected by the COVID-19 pandemic.

- MOF: the MOF urged government-owned banks to continue to extend policy loans to enterprises and provide assistance of relief loans to SMEs, micro-enterprises and individuals; moreover, interest rates of mortgages and consumer loans were reduced further. The MOF also cut taxes and deferred reporting and payment periods of corporate and individual income taxes.
- MOL: the MOL took measures to help unemployed workers to find jobs and/or to participate in public services, to subsidize self-employed business owners, to initiate youth employment stabilization plans, to implement a program that offer part-time jobs in public sectors, to provide labor relief loans, etc.
- Various government agencies, including the MOEA, MOHW, MOTC: the government approved a wide-range of relief packages, providing loan assistance to enterprises, individuals or groups affected by the pandemic. There were also subsidies for business operations, loan interest payments, taxes, payroll and expenses, etc.

4.3 The Bank will continue to adopt measures to promote financial stability when necessary

In 2019, Taiwan's financial markets and infrastructure maintained normal operation and sound development in the context of a slowing economy and mild inflation both domestically and abroad, while financial institutions experienced large increases in profitability, good asset quality and higher capital levels. Overall, Taiwan's financial system remained stable. In such a stable economic and financial environment, the Bank adopted appropriate monetary, credit and FX policies, while the FSC continued to revamp financial regulations and enhance financial supervision measures so as to guide the sound operations of financial institutions and promote financial stability.

Since the beginning of 2020, the outbreak of the COVID-19 pandemic disrupted global supply chain operations, greatly weakened the momentum of international trade and consumer demand, and triggered volatility in global financial markets. These circumstances, coupled with the collapse in oil prices, US-China trade dispute uncertainty, geopolitical conflicts, and other

⁸³ As of May 26, 2020, domestic banks had taken over one million borrowers of relief loans, with a total amount of NT\$925.5 billion. Among them, around 680 thousand borrowers with NT\$735.8 billion were approved.

factors, resulted in a sharp increase in domestic and international economic downside risks. In order to mitigate the impact of the COVID-19 pandemic on Taiwan's economy and financial system, Taiwan's government agencies (including the Bank) have consecutively launched various relief measures, such as revitalization programs, financing assistance, and market stabilization, which would help to keep labor market strong and support the momentum of economic growth, thereby promoting financial stability.

Considering that the COVID-19 pandemic has not yet eased and that international economic and financial developments are still surrounded by many uncertainties, the Bank will continue to pay close attention to the impacts of relevant subsequent developments on domestic economic and financial conditions so as to take pertinent response measures in a timely manner to promote financial stability.