

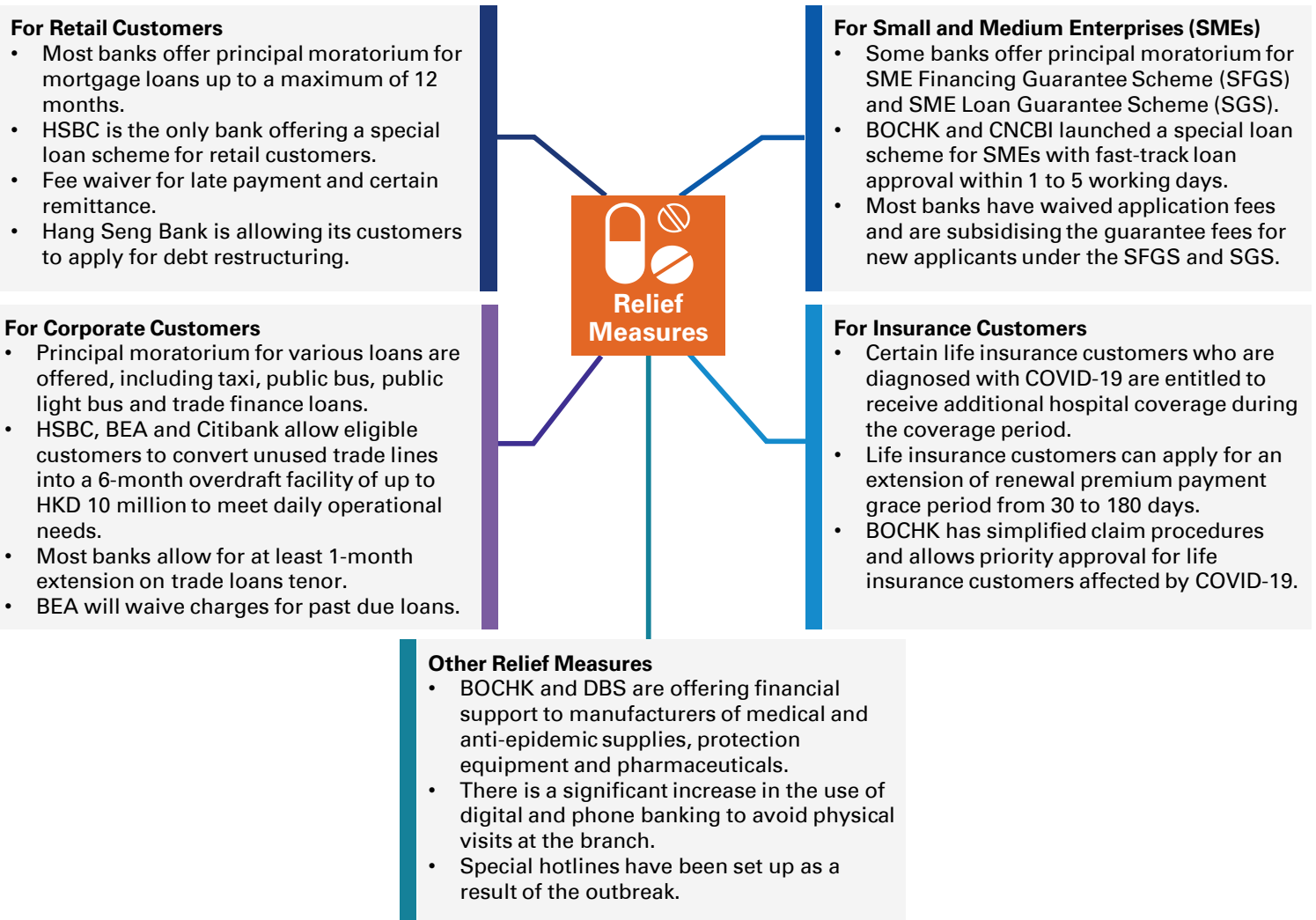
Measures to relieve the impact of the novel Coronavirus

February 2020



The outbreak of the novel coronavirus (COVID-19) poses an additional challenge to Hong Kong’s economy which is already in a technical recession following the social unrest in 2019. The COVID-19 epidemic has caused adverse impacts on the financial conditions of businesses and borrowers in the city. Subsequent to the issuance of a circular by the HKMA on 6 February 2020, where the regulator encouraged authorized institutions to adopt a sympathetic stance in dealing with customers facing financial stress due to the epidemic¹, all six domestic systematically important authorized institutions (D-SIBs) and three locally incorporated authorized institutions in Hong Kong have rolled out temporary relief measures.

The key relief measures offered or to be offered by nine banks in Hong Kong as of 18 February 2020 are highlighted below:



Analysis of relief measures offered across banks

The following table presents our analysis on relief measures offered or to be offered by nine banks in Hong Kong as of 18 February 2020.

Relief Measures	BEA ²	BOCHK ³	Citibank ⁴	CNCBI ⁵	DBS ⁶	Hang Seng Bank ⁷	HSBC ⁸	ICBCA ⁹	Standard Chartered ¹⁰
For Retail Customers									
Principal moratorium for mortgage loans	✓	✓	✓	✗	✗	✓	✓	✗	✓
Special loan scheme	✗	✗	✗	✗	✗	✗	✓	✗	✗
Debt restructuring	✗	✗	✗	✗	✗	✓	✗	✗	✗
Fee waiver for credit card late charge	✓	✓	✓	✗	✗	✗	✓	✗	✓
Fee waiver for mortgage and consumer loan customers	✓	✓	✗	✗	✗	✗	✓	✗	✗
Fee waiver for local fund transfer	✗	✗	✗	✗	✗	✗	✗	✗	✓
No handling charge for remitting donation fund or epidemic prevention related payment	✗	✗	✗	✗	✗	✗	✗	✓	✗
No handling charge for remittance with the bank's branch located at infected area	✗	✗	✗	✗	✗	✗	✗	✓	✗
For Corporate Customers									
Cash flow support for trade finance customers	✓	✗	✓	✗	✗	✗	✓	✗	✗
Extension of import trade loan payment period	✓	✗	✓	✗	✓	✗	✓	✗	✓
Principal moratorium for trade finance loans	✗	✗	✗	✗	✗	✓	✗	✗	✗
Principal moratorium for taxi/ public bus/ public light bus loans	✓	✗	✗	✗	✓	✗	✓	✗	✗
Principal moratorium for property loans	✗	✗	✗	✗	✗	✓	✗	✗	✗
Principal moratorium for commercial loans	✓	✗	✗	✗	✗	✓	✓	✗	✗
Principal moratorium for mortgage loans	✓	✓	✗	✗	✓	✓	✗	✗	✗
Waive penalty charges/ penalty interest on past due loan repayments	✓	✗	✗	✗	✗	✗	✗	✗	✗
Debt restructuring	✗	✗	✗	✗	✗	✓	✗	✗	✗
For SMEs									
Principal moratorium for SMEs through SFGS and SGS	✗	✓	✗	✗	✗	✗	✓	✗	✓
Special loan scheme for SMEs with express processing	✗	✓	✗	✓	✗	✗	✗	✗	✗
Guarantee fee subsidy for new applicants under the SFGS and/or SGS	✓	✓	✓	✗	✓	✓	✓	✗	✓
Fee waiver for new applicants of SFGS and SGS loans	✓	✓	✗	✗	✓	✓	✓	✗	✓
Fee waiver for account opening and account maintenance	✗	✗	✗	✗	✓	✗	✗	✗	✓
Accelerated loan application process	✗	✗	✗	✗	✗	✗	✗	✗	✓

Analysis of relief measures offered across banks

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Relief Measures	BEA ²	BOCHK ³	Citibank ⁴	CNCBI ⁵	DBS ⁶	Hang Seng Bank ⁷	HSBC ⁸	ICBCA ⁹	Standard Chartered ¹⁰
For Insurance Customers									
Additional hospital coverage	x	✓	x	x	x	x	✓	x	✓
Extension of renewal premium payment grace period	x	✓	x	x	x	x	✓	x	✓
Simplified claim and priority approval procedures	x	✓	x	x	x	x	x	x	x
Other insurance benefits	x	x	x	x	x	x	✓	x	x
Other Relief Measures									
Financial support to manufacturers of medical and anti-epidemic supplies	x	✓	x	x	✓	x	x	x	x
Waive concessions for electronic services	x	✓	x	x	x	x	x	x	x
Digital and phone banking infrastructure & hotline	✓	✓	x	✓	✓	x	✓	x	x

Given the current situation of the epidemic outbreak, it is expected that other banks operating in Hong Kong will also roll out similar measures in the near future. Authorized institutions should ensure that the terms and conditions of their relief measures are clearly documented and sufficiently disclosed to the relevant customers. Adequate training should also be provided to the staff handling matters related to the relief measures to ensure fair and consistent treatment of customers.

Source:
¹ <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200206e1.pdf>
² <https://www.hkbea.com/pdf/en/about-bea/new-release/2020/20200211en.pdf>
³ https://www.bochk.com/dam/bochk/desktop/top/aboutus/pressrelease2/2020/20200206_01_Press_Release_EN.pdf
⁴ https://www.citibank.com.hk/english/info/pdf/Citi_HK_Announces_Relief_Measures_to_Support_HK_Community_ENG_FINAL_2020.pdf
⁵ <https://www.cncbinternational.com/document/about-us/media-center/2020-02-07/en/p20200207a.pdf>
⁶ https://www.dbs.com/hongkong/newsroom/DBS_Hong_Kong_to_offer_comprehensive_range_of_COVID19_relief_measures_for_SMEs
⁷ Note: No official press release could be identified from the Bank's official website. <https://finance.yahoo.com/news/coronavirus-hsbc-standard-chartered-among-093000914.html>
⁸ <https://www.about.hsbc.com.hk/-/media/hong-kong/en/news-and-media/200131-press-release-hsbc-life-special-novel-coronavirus-benefit-eng-final.pdf>
<https://www.about.hsbc.com.hk/-/media/hong-kong/en/news-and-media/200210-hsbc-steps-up-support-for-hong-kong-businesses-eng.pdf>
<https://www.about.hsbc.com.hk/-/media/hong-kong/en/news-and-media/200213-hsbc-launches-relief-measures-rbwm-en.pdf>
⁹ https://www.icbcasia.com/ICBC/%E6%B5%B7%E5%A4%96%E5%88%86%E8%A1%8C/%E5%B7%A5%E9%93%B6%E4%BA%9A%E6%B4%B2/EN/Homepage/Promotion_Landing_Page/Express_Crossborder_Personal/
¹⁰ <https://av.sc.com/hk/content/docs/hk-relief-measures-press-release-eng-20200210.pdf>
<https://av.sc.com/hk/content/docs/hk-standard-chartered-launches-relief-measure-for-corporates-20200214e.pdf>

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