

Bank of Korea's Experience with the Pandemic

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- **Preparation for What?**
 - **BOK has Action plans for Wartime**
 - **Also, BCPs (business continuity plans) for Disasters**
 - **Layers of BCPs at bank level & dept. levels**
 - **Introduced new BCPs to deal with the Covid 19**
- **What BOK does for preparation?**
 - **Maintain backup offices, backup IT center, and substitute staff**
 - **Scenario-based practices, which include movement to backup offices, WFH (work from home) & conversion into manual work**

- **Organization for preparation & crisis management**
 - **Top-level committee decides general directions**
 - **Departments/teams make specific decisions at their levels**
- **Preparation in currency issue & management**
 - **Practice & training, mainly with focus on continuity of cash services**
 - **Maintain appropriate level of cash reserve, including emergency reserve**

BOK's Actions Taken during the Pandemic

- **Actions taken at bank level, according to the Covid 19 BCPs**
 - **Took comprehensive measures to control the spread of infection**
 - **Used backup offices for distributed execution of core work**
 - **Core works were not stopped, with workforce substitution**
 - **Started WFH, first in BOK history, backed by IT resources, and adjusted it to change in condition**
- **Actions in cash issue & circulation**
 - **Took preventive measures, which also include sterilization of cash**
 - **WFH, including for staff in cash services & processing work**
 - **Adjusted cash services, according to the spread of the disease**

- **Actions in cash issue & circulation (continued)**
 - **Acted in response to significant change in cash demand, which increased notably for banknotes while the demand for coins dropped sharply**
 - **Increased banknote printing, under some constraints in production**
 - **Managed cash withdrawal & deposit of financial institutions**
 - **Improved cash storage, which helped respond to net inflow of cash from Q4 2022**

Some Thoughts for Future Crisis Management

- **Central banks need to be conservative in risk assessment, preemptive & flexible in action**
 - **Some steps taken during the pandemic (incl. WTF) are new to BOK**
 - **To keep feeling of control is also important to prevent panic**
- **Keeping enough buffer is key in preparation for crisis**
 - **In particular, in substitute workforce and cash reserve**
- **Communication with the public is a challenge, especially in crisis**
 - **Mis- or less communication might lead to cash hoarding in crisis or cash phobia (especially during the pandemic)**