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The video discusses about the financial stability challenges amidst the Covid-19 crisis in the bank sector. In terms of bank capital, banks have to prepare for the worst during this time if the pandemic lasts for long. Tobias Adrian, the director of IMF Monetary and Capital Markets Department, states that stopping payouts in the form of repurchases or dividends to shareholders will act as a cushion to safeguard finances during the pandemic (International Monetary Fund, 2020). This action will help build capitals in the banking system for the future. According to Tobias, the capital is not lost; instead, it is retained and can be paid out to shareholders in the future when the crisis is averted. I agree with Tobias' statement because Covid-19 caught the world by surprise, and most people were not aware of how long the virus will last. For banks to stay afloat amid the crisis, stopping payouts prevents further losses since the economy is declining.

The second topic was about banks' profitability in relation to the pandemic since the economy has been slowing down globally. According to Tobias, banks' profitability has been declining, and this trend can continue depending on the progress of the medical department in terms of immunity, vaccine, and medication. I agree with this statement; however, this front creates many uncertainties because of the unpredictability of the virus. This is because no one knows the impact of the virus's longevity if no cure has been found. Bank restructuring and cost-cutting will, however, ensure bank profitability in the long run during the Covid-19 pandemic. According to Tobias, this will put a lot of pressure on banks to consolidate every detail to remain efficient. I agree with Tobias that cost-cutting and bank restructuring will keep banks afloat during the pandemic. In the 2007/2008 financial crisis, policymakers created a system to safeguard the chances of instability in the banking sector (Gelzinis, G, 2020). Also, banks can be

profitable if they build a layer of protection when the economy is good so that when a crisis like the Covid-19 pandemic occurs, the banks can withstand losses and still serve the economy. The third topic was about banks remaining relevant despite numerous competition from the rise of fintech and newcomers in the banking sector. Tobias mentioned that banks are versatile and can adapt to changes in the finance department and remain relevant because they are prominent innovators despite new entrant threats (International Monetary Fund, 2020). I agree with this statement because banks have been in the finance industry for more than fifty years, and they have adopted to changes surrounding the industry. For instance, banks have taken advantage of technological advancement by introducing internet banking, which is convenient for most people to transact through smartphones or computers.

The credit market came to a halt since the Covid-19 pandemic crisis because there was no market; this is according to Fabio, deputy director of IMF. I agree with Fabio because the credit market declined drastically due to loan payment deferment and extended lockdowns (Rizwan et al., 2020). Most people were forced to leave work and stay home to curb the spread of the virus. Individuals who took loans from banks could not pay back the loans due to loss of jobs and business decline resulting in credit market vulnerabilities in the banking sector.

To prevent the Covid-19 financial crisis, policymakers have addressed the situation using monetary policies, fiscal policies, and regulatory policies to weather the pandemic. These policies have been rolled out to help corporations, households, and financial institutions use capital buffers to manage the financial crisis in case of the virus's longevity (International Monetary Fund, 2020). I agree with these policy measures because they not only focus on the current situation but also on the coming months since it allows economic sustainability.

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