

Early repayment of government subsidies by banks

Financial Services Commission 2011.12.13

end. Overview of the Bank Capital Expansion Fund

□ In December '08, the government announced a plan to create a “Bank Capital Expansion Fund”.

○ Promote with the purpose of supporting the expansion of equity capital of domestic banks in consideration of the global financial crisis.

○ Financial resources were raised by raising 20 trillion won from loans from the Bank of Korea (10 trillion won) and Korea Development Bank (2 trillion won), and institutions and general investors (8 trillion won).

-Acquisition of subordinated bonds and new capital securities with the same funding

-Among them, securitized securities are issued (around KRW 8 trillion) mainly on subordinated bonds and sold to institutional investors

I. Operation progress

□ On March 31, 2009, the Bank Capital Expansion Fund purchased new capital securities (3.5 trillion won, maturity 30

years) and subordinated bonds (0.5 trillion won, maturity 5 years and 9 months) of 8 banks for a total of 4.0 trillion won. support

* Please refer to the attached file for details.

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