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South Korea: Financial Services Commission

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Press Release

March 31, 2009

BANK RECAPITALIZATION FUND: COMPLETION OF FIRST ROUND OF BOND PURCHASE

On March 31, the Bank Recapitalization Fund Oversight Committee announced that the first round of bond purchase was completed. The total amount of purchase completed, both hybrid and subordinated bonds issued by 8 financial institutions, is KRW3.956 trillion out of the total ceiling amount, KRW 12.3 trillion, set for the first round of support

- Hybrid Bonds: KRW 3,453 billion
- Subordinated Bonds: KRW 503 billion

Purchase Amount by Issuing Institution

(Unit: KRW billion)

	Woori Holdings	Woori Bank	Kyung-nam Bank	Kwang-ju Bank	Kookmin Bank	Hana Bank	NACF	NFFC	Total
Hybrid Bonds		1,000	116	87	1,000	400	750	100	3,453
Subord. Bonds	300		116	87					503
Total	300	1,000	232	174	1,000	400	750	100	3,956

Additional bonds from applying banks will be purchased according to their access limit. An MoU is to be signed between the government and each participating bank in order to ensure each bank's full commitment to providing active support to the real economic sectors while prescribing against the government's management intervention.

The government will conduct follow up monitoring for all participating banks as to their

commitment to supporting the economy, regardless to their actual use of the Fund.

Meanwhile, in order to prevent the Fund from being concentrated in one particular industry, the Fund Oversight Committee will set an industry-based quota for the support from the participating banks.

To those banks deemed lagging behind their MoU commitment to supporting the real economic sectors, punitive measures will be applied on the next round of bond purchase such as limiting the amount of purchase, lowering their total access limit, and raising applicable interest rates.

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