

Press Release

February 16, 2009

THE JOINT BANKS & REGULATORS WORKSHOP REPORT

1. Banks' Decision to Roll Over All Corporate Loans Maturing in 2009

In response to the recent decision to roll over all existing Kibo and KODIT guarantees maturing for a year in 2009, nine Korean banks have pledged to roll over all existing corporate loans maturing in 2009, regardless of whether the loans are backed by the credit guarantees. The loans to companies that have shut down and bankrupt companies are not included.

The expanded payment guarantees and support from the bank recapitalisation fund are expected to allow banks to increase new lending by reducing their burden of maintaining the BIS ratios.

Banks have agreed to put forward maximum efforts to meet their SME lending requirements stipulated in the MOU agreements. In addition to that, banks can use a debt to equity swap to meet their MOU requirements.

In regards to possible default risks related to the rolled over loans and new loans issued within 2009, relevant banks' employees will be given extensive immunity over defaults that may occur from the loans.

2. The Bank Recapitalisation Fund

Banks have made decisions to make full use of the \$15 billion bank recapitalisation fund in carrying out their commitments to rolling over matured loans as agreed today. The fund will run in a credit line method* and will try to reflect the suggestions from the participating banks' directors. Full details of the fund will be announced as soon as specific discussions with the directors are completed.

* Participating banks will setup credit lines with the recapitalisation fund where they will be able to withdraw required funds to extend existing loans and give out new loans to SMEs.

In further notice, the banks have agreed to make efforts to improve their public image by enhancing their service quality towards the general public, preventing incomplete sales of financial products and services, and helping low-income families with bad credits find jobs, among others.

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