



Financial Services Commission
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Press Release

December 2, 2010

PROGRESS ON MANAGEMENT OF PUBLIC FUNDS (AS OF OCTOBER 2010)

1. Background

The government has established a Corporate Restructuring Fund in addition to the Public Funds in May 2009 to effectively tackle the global financial crisis. The Corporate Restructuring Fund is different from the Public Funds in its funding and objective.

2. Key Contents

(1) The Public Funds

During the period of November 1997 to October 2010, total public fund of KRW 168.6 trillion was injected and KRW 100.5 trillion was recovered. The recovery ratio of public funds stands at 59.6%.

*Recovery Ratio: 50.2% (2006) – 53.4% (2007) – 55.4% (2008) – 57.0% (2009) – 59.6% (Oct 2010)

In October 2010, KRW 26.1 billion was recovered (none injected during this month). The details of recovered funds are: sale of Non Performing Loans (KRW 14.1 billion) by KAMCO; acceptance of insolvent dividends from life insurers and credit unions (KRW 9.6 billion) by KDIC; sales of Hyundai Investment & Securities assets (KRW 1.2 billion) by KDIC; and lastly sale of Jeju Bank stocks (KRW 1.1 billion) by KDIC.

(2) Corporate Restructuring Funds

During the period of June 2009 to October 2010, total fund of KRW 3.86 trillion was injected and KRW 592.2 billion was recovered.

In October 2010, KRW 21.8 billion was supported and KRW 102.9 billion was recovered.

More than KRW 22 billion was injected to support ship financing investment companies, and KRW 5.4 billion was recovered as dividends. KRW 97.5 billion was also recovered from secondary financial institutions.



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For further inquiries:

Lee, J. Ernst
Spokesperson, Foreign Media
Financial Services Commission

Tel: +82-2-2156-9582

Fax: +82-2-2156-9589

E-mail: happyhero@korea.kr