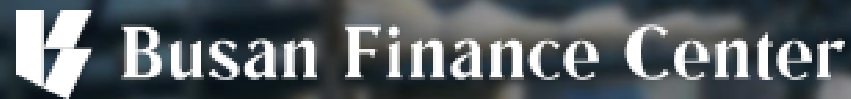


Towards A Global Financial Hub: Busan International Finance Center

The Evolving Ecosystem Of BIFC & Key Financial Institutions



Busan, the Global Hub City

Towards the Global Financial Hub



Disclaimer: The views and opinions expressed in this presentation are those of the presenter and do not necessarily reflect the official policy or position of any institution or organization.



Busan Finance Center

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**Introduction to South Korea
- Industrial Competitiveness of South Korea**



02

Overview of Busan



03

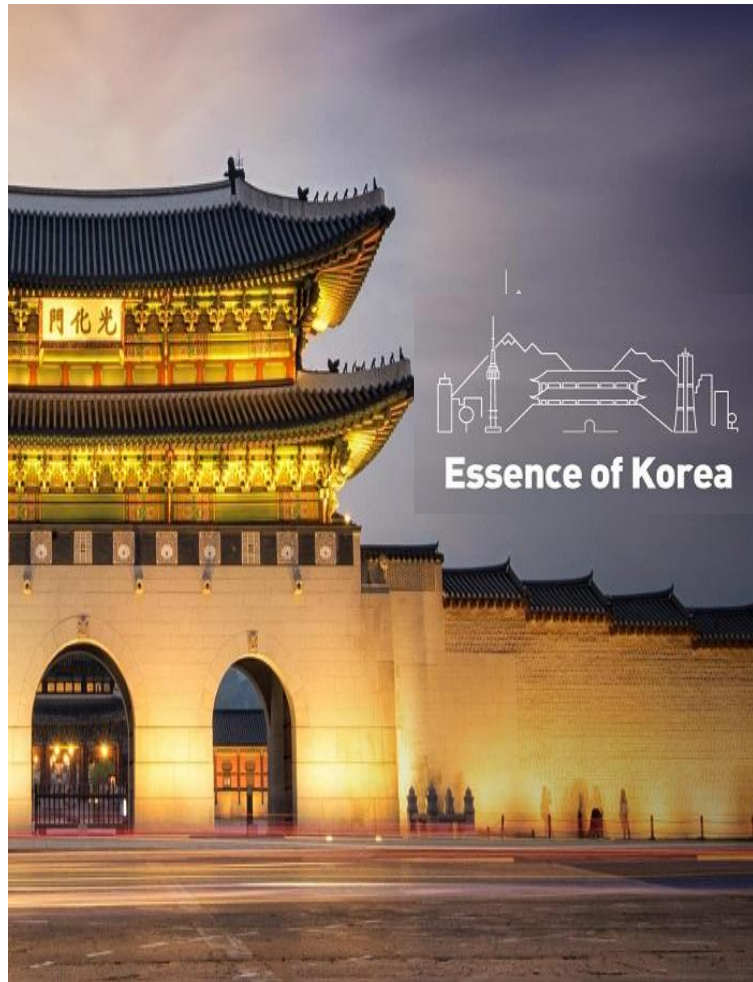
Global Hub City, Busan



04

Busan International Finance Center(BIFC)

Industrial Competitiveness of South Korea



National Credit ratings

S&P Global

AA

Moody's

Aa2

Fitch Ratings

AA-

Economic Growth

GDP
\$1.7T

12th largest



**Core member
of G20**

\$35,000
GDP per
capita
(2021)

//
**High
Creditworthiness**

&

Strong Economy

//

Industrial Competitiveness of South Korea

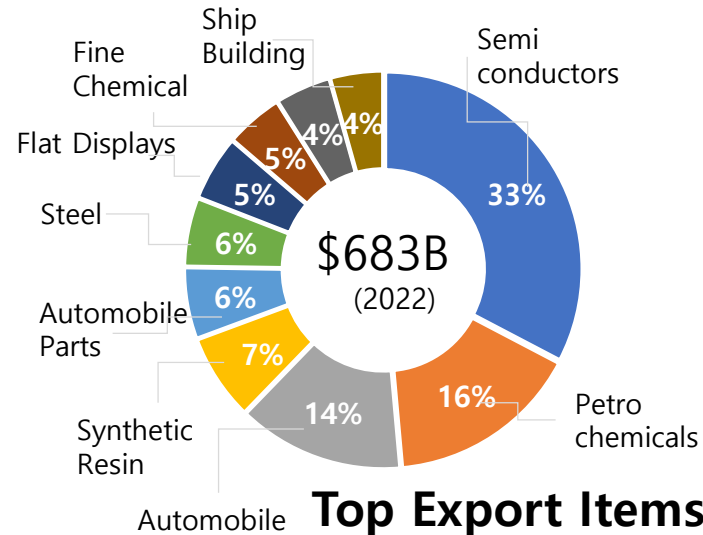


World leading innovation ecosystem

**Bloomberg
Innovation Index**



**Global
Innovation Index**



UN's WIPO

(World Intellectual Property Organization)

Ranks Highest in Human capital & Research (2023)

//
Technology-driven
innovation
ecosystem

&

Vibrant Industrial
innovation //

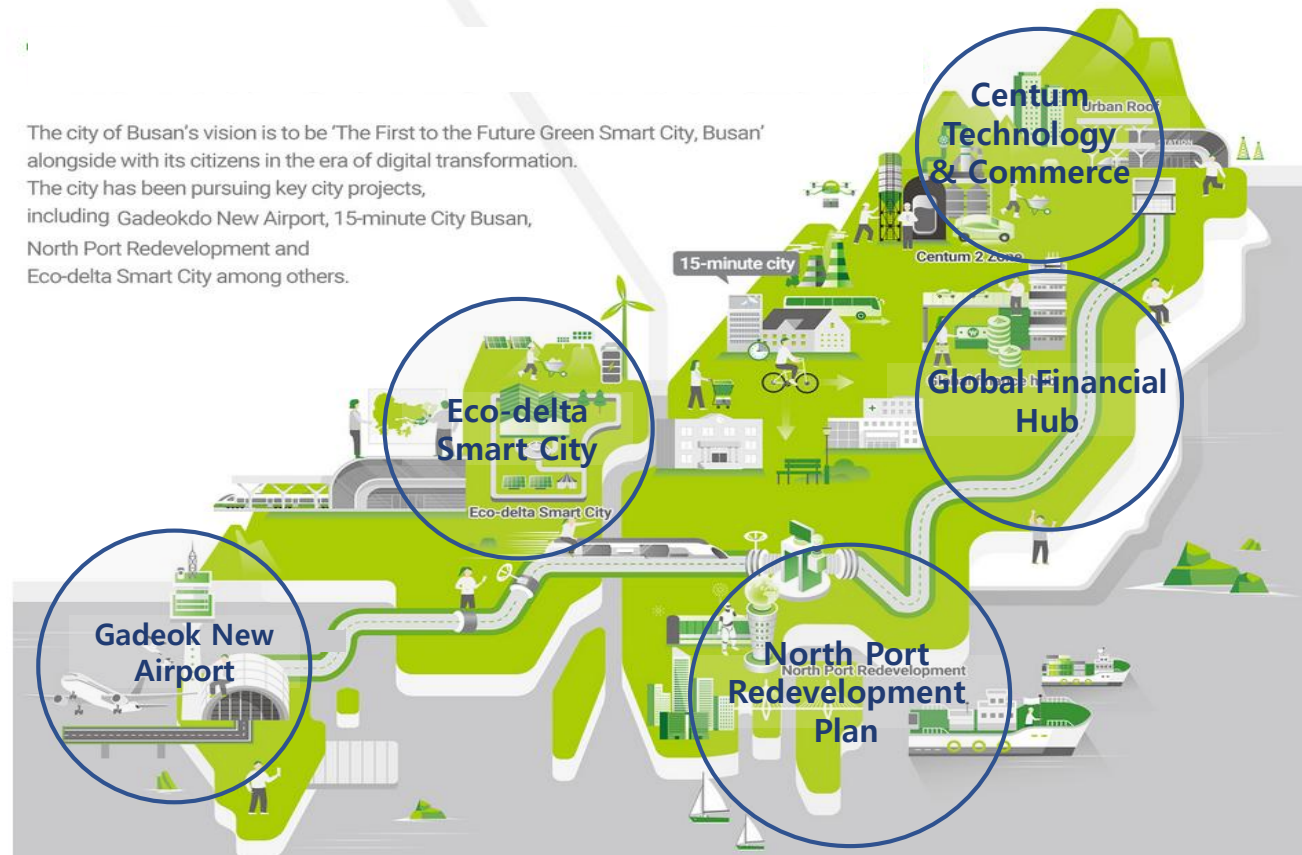
Introduction to Busan - Overview

Essence of Busan



Busan, Global Hub City, harnessing Smart(Digital) & Sustainability

The city of Busan's vision is to be 'The First to the Future Green Smart City, Busan' alongside with its citizens in the era of digital transformation. The city has been pursuing key city projects, including Gadeokdo New Airport, 15-minute City Busan, North Port Redevelopment and Eco-delta Smart City among others.



Core Infrastructure (Air)

Core Infrastructure (Sea port)

One of the World's Best Cities, 2024
(Resonance Consultancy)

Population
: over 3.4 million

Area
: 769.94 km

GRDP:
: \$77 billion USD
(2022)

Core industries
: Finance,
Manufacturing,
Service

Located on the Eastern Coastal Line



South Korea's 2nd Largest City

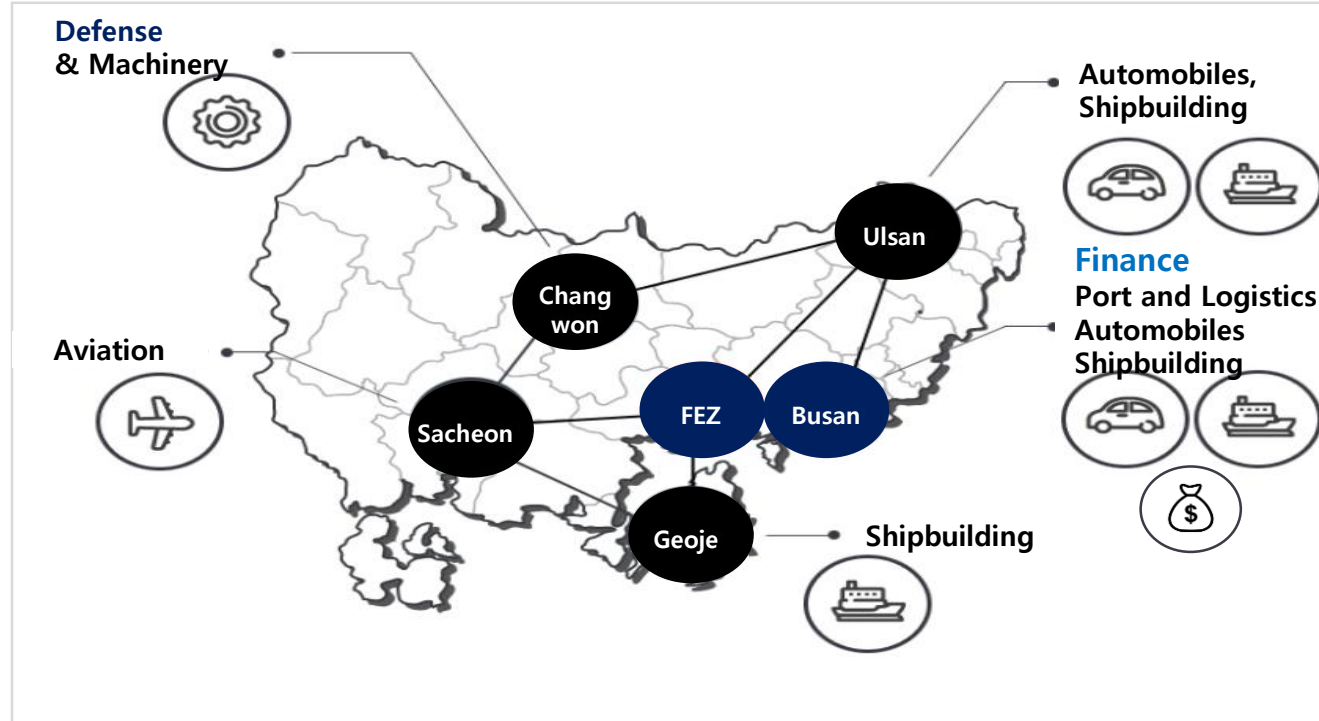
North Port Redevelopment Plan



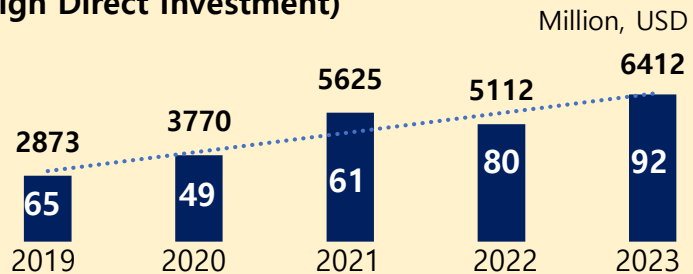
North Port Redevelopment Plan



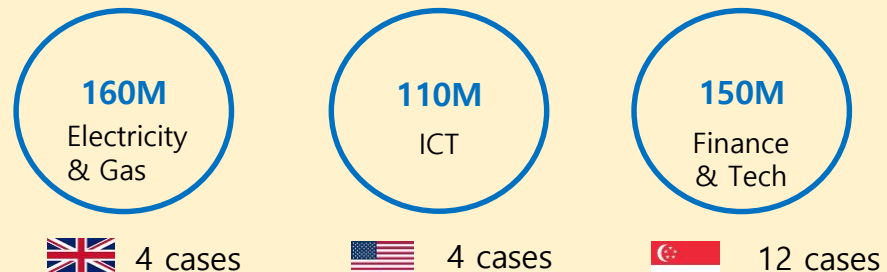
Introduction to Busan - Overview



Record Breaking FDI (Foreign Direct Investment)



Notable Investment Cases



//

Vibrant Industrial Ecosystem across Busan-Ulsan-Gyeongnam, encompassing Finance & Manufacturing

//

Automobile Shipbuilding Defense Aviation Machinery

Busan, Global Hub City

Busan, Global Hub City



Tourism Hub



Logistic Hub



Global Financial Hub



Technology Hub



**Busan,
Global
Tourism
Hub**



Busan, Global Tourism Hub

About 10 Million tourists visit Busan Annually (2 million Foreign travelers)

Beautiful Gwanganli beach



World Famous Temple(Yong Kung Sa)



- Buddhist Temple
- Famous Beaches
- Yacht tour
- Luxury Culinary
- Spa & Relaxation

Busan, Global Tourism Hub



Culinary: 48 Michelin Restaurants



Delibong

★★ French
📍 1,180 | Yeonje-gu



Dim Tao

★ Dim Sum
📍 1,865 | Haeundae-gu



Eonyang Bulgogi Busanjip

★ Bulgogi
📍 2,073 | Suyeong-gu



Eutteum Iroribata

★★ Japanese
📍 1,469 | Suyeong-gu



Fiotto

1 Star ★★ Italian
📍 2,309 | Haeundae-gu



Good morning Hongkong

★ Chinese
📍 1,330 | Busanjin-gu



Haemok

Bib Gourmand ★★ Japanese
📍 2,316 | Haeundae-gu



Haeundae Rib Barbecue Restaurant

★★ Barbecue
📍 1,907 | Haeundae-gu



Hanwolwan

Bib Gourmand ★ Gortang
📍 1,455 | Suyeong-gu



Hapcheon Gukbapjip

Bib Gourmand ★ Dwaegi-gukbap, Korean
📍 1,742 | Nam-gu



Iwa

★★ Japanese
📍 1,552 | Haeundae-gu



Jeongjitgan

Bib Gourmand ★ Dwaegi-gukbap
📍 1,279 | Saha-gu

**Busan,
Global
Logistic
Hub**



Busan, Global Logistic Hub

World leading maritime ecosystem



Busan Port
Transshipment volume: 2nd largest



World-class Shipbuilding



Over 24% of global market share (2023)
Dominance in building eco-friendly ships

7th largest container port



//
World-Class
Maritime
Infrastructure

&

World-Leading
Shipbuilding

Dominance in
Building Eco-
Friendly Ships
(LNG and Methanol)

//

Busan, Global Logistic Hub – Opportunities with NSR

The NSR is the shortest shipping route between Western Eurasia and the Asia-Pacific region



A LNG Carrier going through NSR

Exemplar

New New Shipping(Chinese Shipping)

- **Suez Canal Route:** 42 Days (Nansha → St. Petersburg)
- **NSR:** 30 Days (St. Petersburg→Nansha)

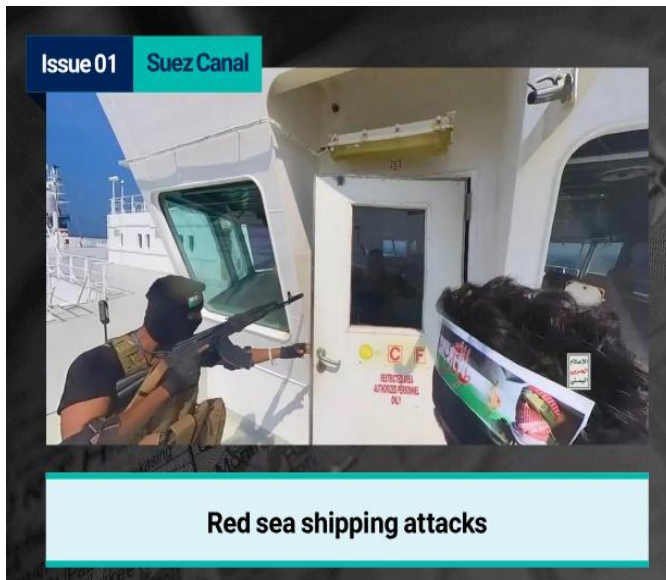
Transportation Costs
& Carbon Emission



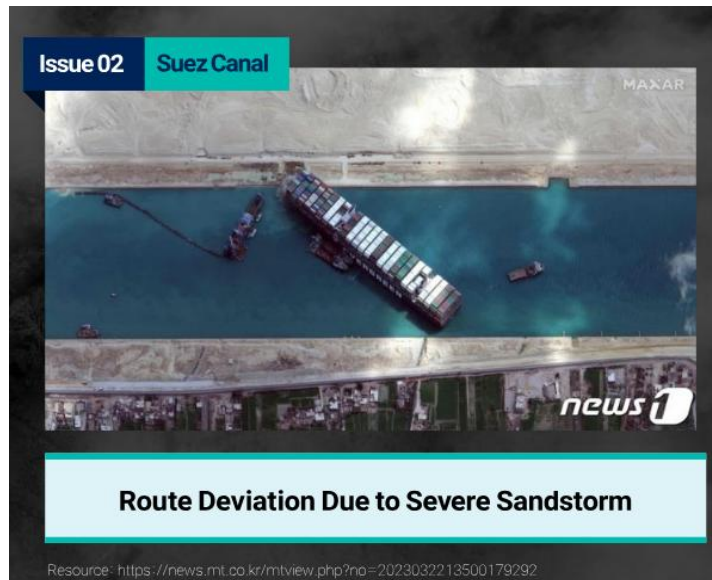
Busan, Global Logistic Hub – Opportunities with NSR

Conventional Shipping Routes(Suez Canal Route, etc),
facing geopolitical uncertainties and climate changes

Terrorism



Accident



Climate Change

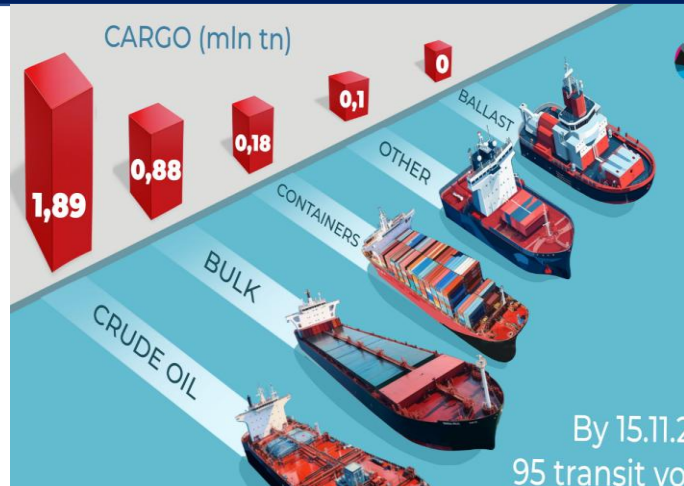
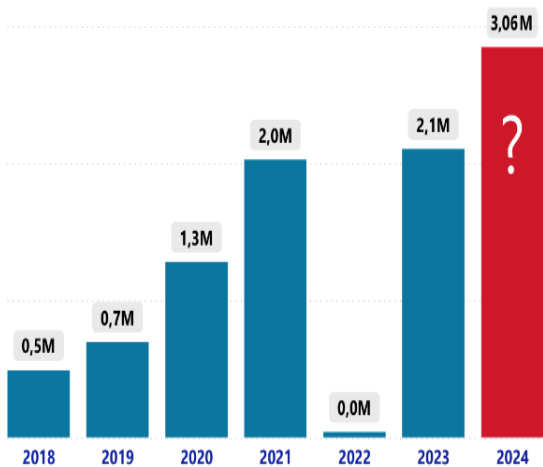


bypassing geopolitical risks, piracy and congestion in major straits

Busan, Global Logistic Hub – Opportunities with NSR

Shipping to NSR is gradually increasing with accelerated climate changes

NSR shipping increasing



Record Cargo : 3 Million Tonnes of Cargo

Transit voyages: 95 Transits(95% from Russia to China)

Exemplar (Crude oil shipping)



Traffic in NSR mainly goes between **Russia and China** (96% for cargo transit shipping)

Busan, Global Logistic Hub – Opportunities with NSR

Busan, South Korea can be a main beneficiary as well as strategic location for the upcoming NSR

Advances in Shipbuilding (Ice-breaker)

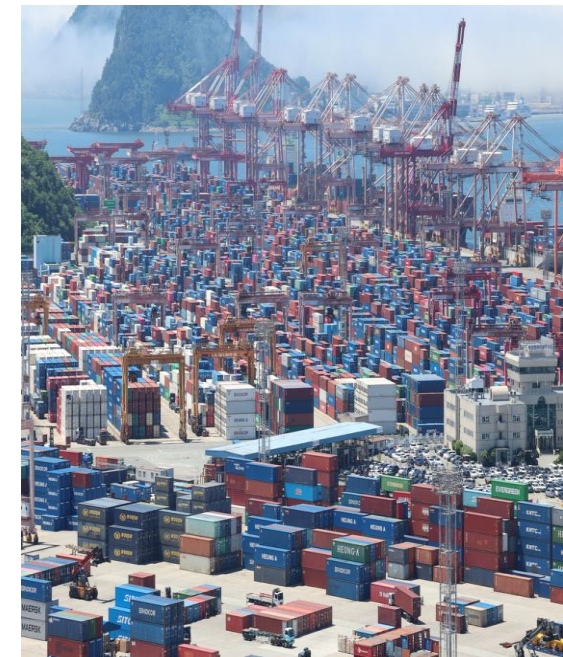
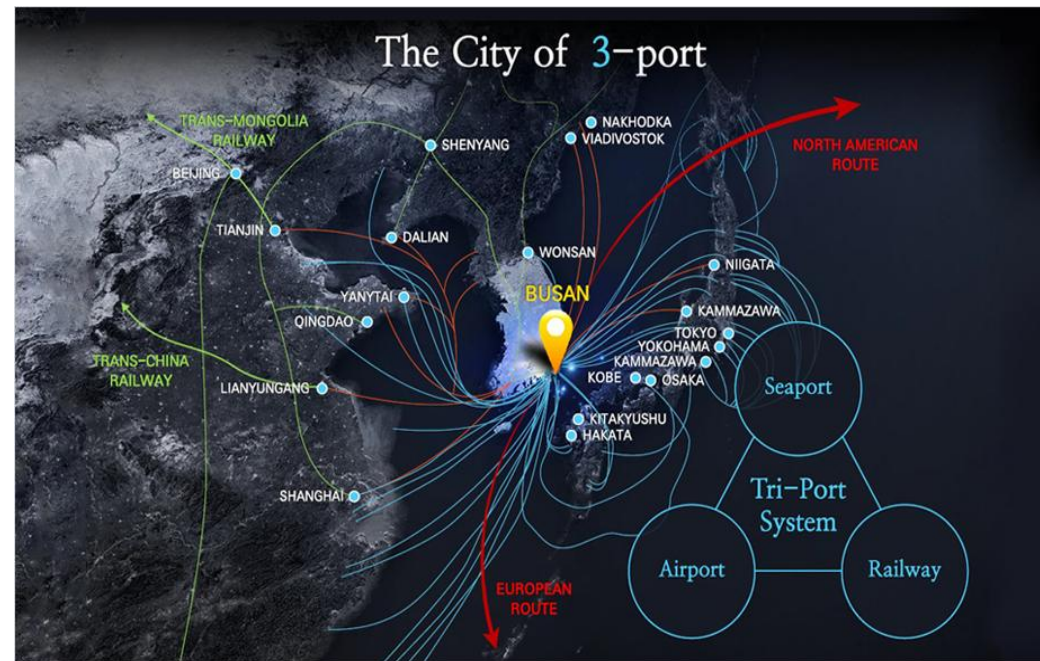


Expected New Shipbuilding order: \$5-7 Billion

U.S. Plans to purchase 15 ice-breakers

Source: KMI, Invest Korea

Prospect: Inviting more logistic volumes to Busan



Volume increase: 10-15%

New employment: 50,000

World Rank: 2nd, Transshipment
7th, Container Shipping

Busan, Global Logistic Hub – Opportunities with NSR

Navigation and shipping to NSR requires a number of considerations



Sea Condition



- **Arctic Sea Ice:** Conditions vary every year
- **Ice Conditions** on NSR: **not improving**
- Workable sailing: July to October



Permission



NSR
GENERAL
ADMINISTRATION
ROSATOM

Application for Admission
to navigate in the Northern Sea Route Area (NSRA)
(to be sent to the NSR General Administration FSBI in **PDF** format)

- **ROSATOM**(Russian) administers NSR (By Russian Law)
- ROSATOM operating '**NSR general administration**' giving permissions for NSR shipping

Busan, Global Logistic Hub – Opportunities with NSR

Busan, South Korea can be a main beneficiary as well as strategic location for the upcoming NSR

Government Initiative

Presidential committee
On the North Shipping
Route (2026)

Relocating MOF(the Ministry of
Oceans and Fisheries) **to Busan**

MOF's **Budget: \$400M**

Regulatory Support (National Assembly)

Special Law on NSR,
(Under consideration)
Fostering the NSR shipping/Voyages

Private(Industry)

NSR Strategic Fund,
fostering NSR related companies
and projects
(BNK Financial Group, etc)

Busan Metropolitan City

Task force Division on NSR

- **Setting mid-long term strategy & Policy**

Research Institute

Korea Maritime Institute(KMI)

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Busan,
Global
Financial
Hub



//

The formation of a leading **digital, sustainable, and maritime finance ecosystem** will help the Busan International Finance Center truly evolve into **a global finance hub** //

Myongho Rhee,

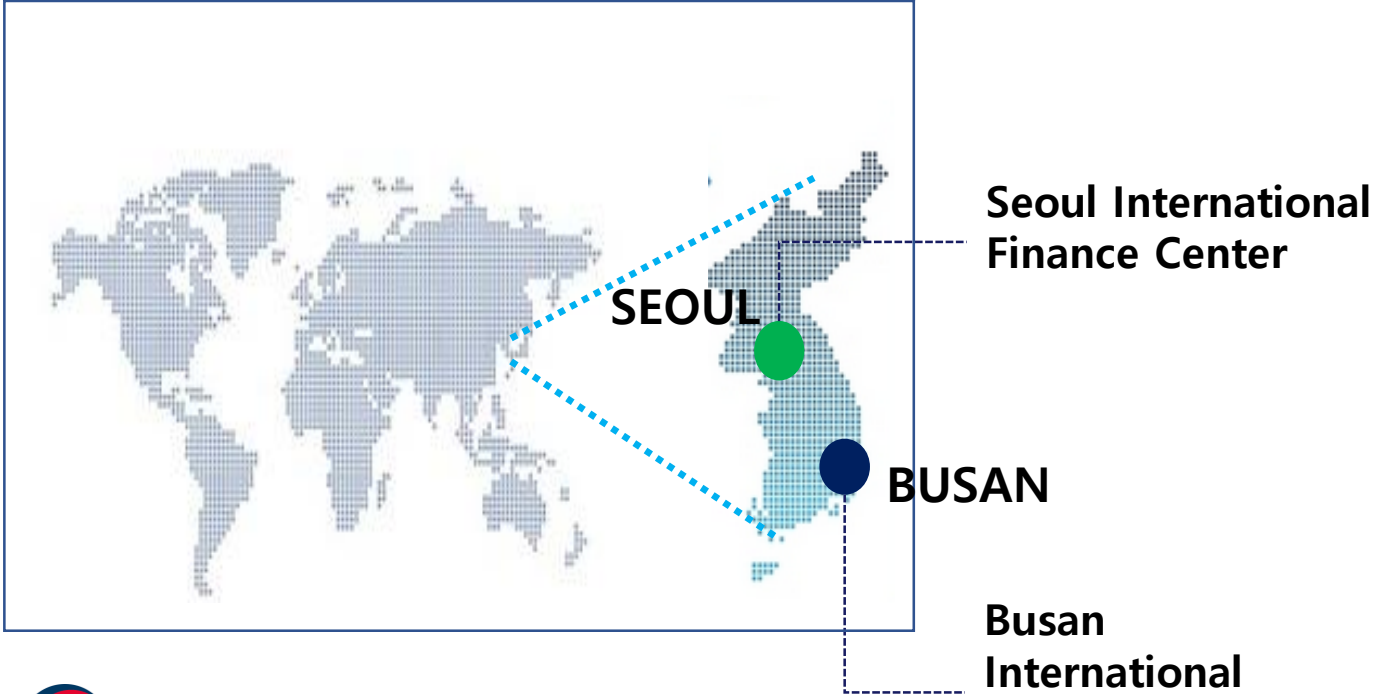
President

Busan Finance Center

Busan International Finance Center(BIFC)'s Evolving Ecosystem

- Origin and Development

National Finance Center Designation (2009~)



Seoul International Finance Center

BUSAN

Busan International Finance Center



Key Financial Center Policies

Infrastructure Development



Harnessing Financial Ecosystem

Relocation of Public finance institutions

Maritime Finance

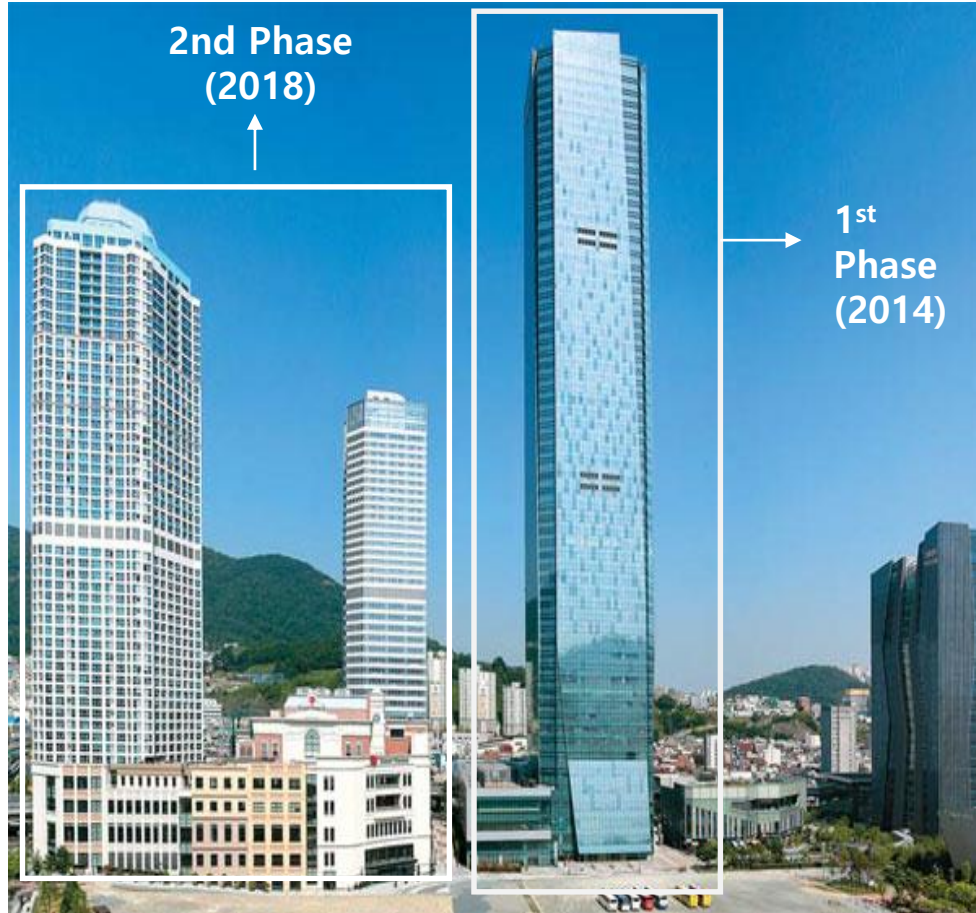
Digital Finance

Sustainable Finance

Busan International Finance Center(BIFC)'s Evolving Ecosystem

- Core Infrastructure Development

Phase 1 & 2



Phase 3 (~2025)



Phase1 *63rd floor*
2014 Financial Institutions

Phase2 Hotels, Performance halls
2018

Phase3 D-valley
~2025 45storeys

Busan International Finance Center(BIFC)'s Evolving Ecosystem

- Core Infrastructure Development (D-Valley)



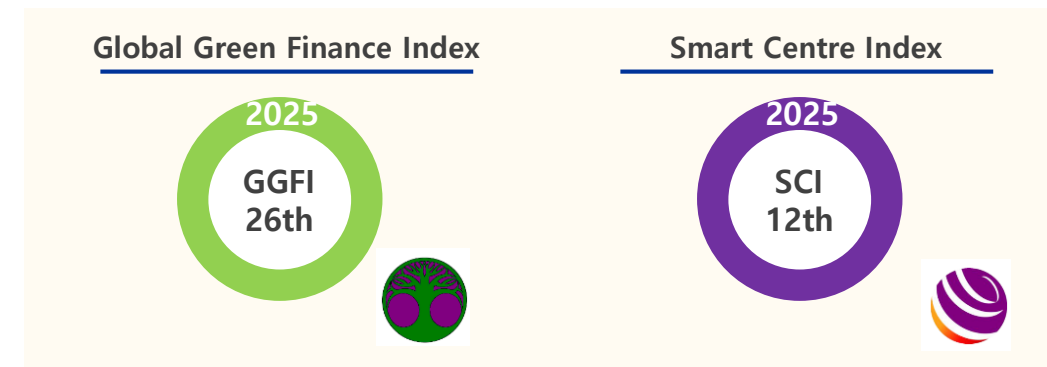
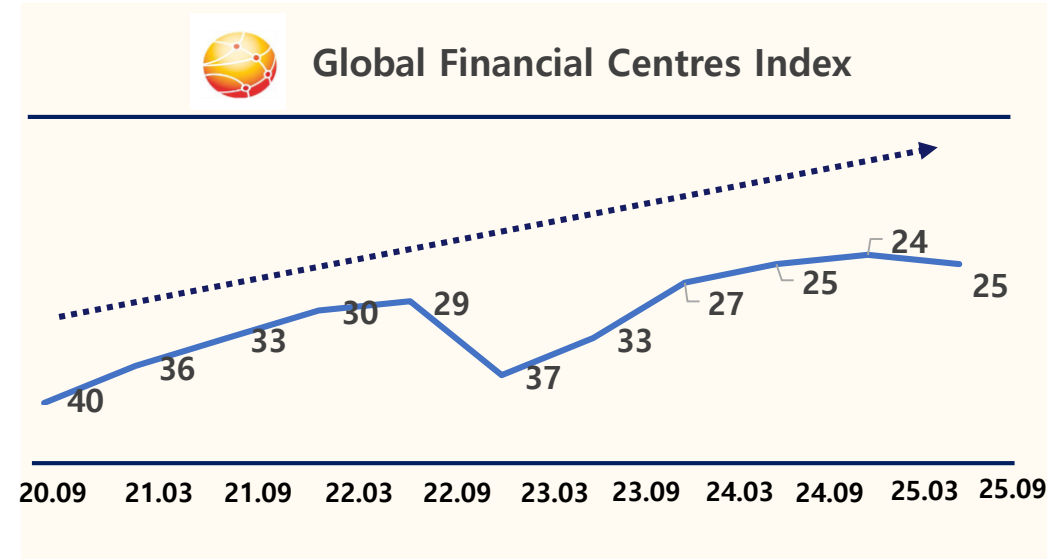
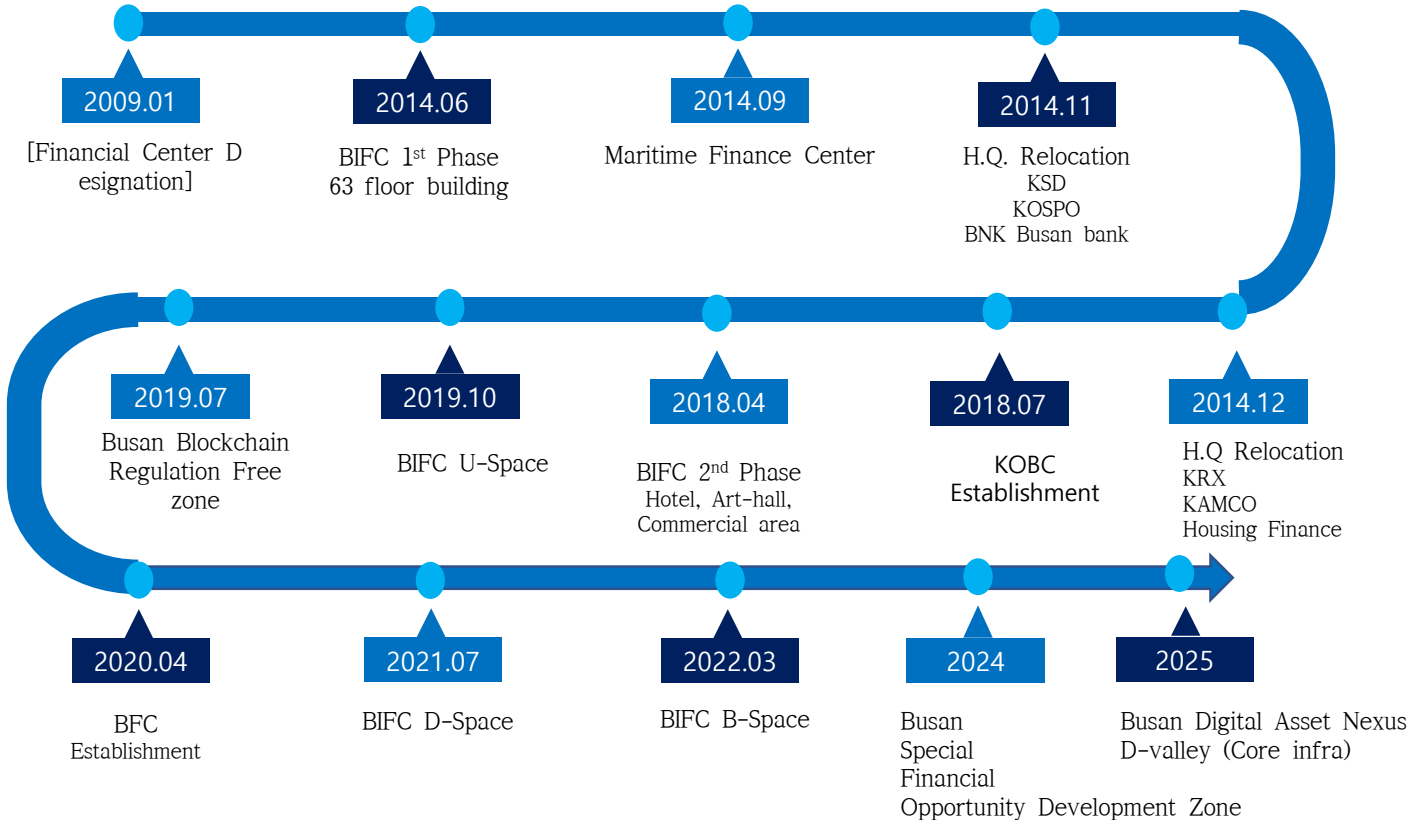
//
Phase 3—Digital Valley—core infrastructure is expected to be completed by the end of this year, accelerating the digital and digital-finance ecosystem

//

Busan International Finance Center(BIFC)'s Evolving Ecosystem

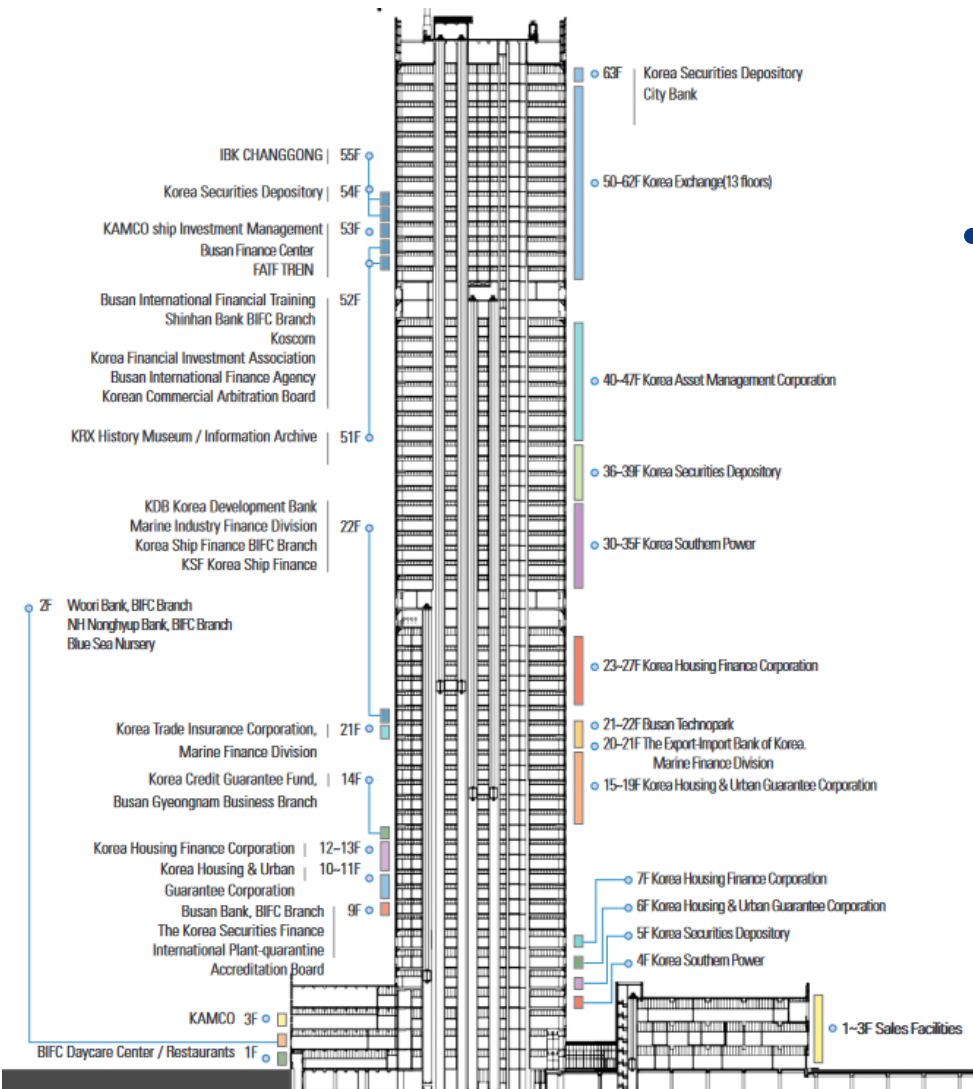
- Overview of Busan International Finance Center

- ▶ Relocation of 29 Public Finance Institutions to BIFC
- ▶ Total of 38 Major Financial Institutions



Busan International Finance Center(BIFC)'s Evolving Ecosystem

- Overview of Busan International Finance Center



10 public financial institutions 10 private financial institutions 5 finance related institutions 1 international organization 7 other institutions

• Around 4,400 employees in 33 organizations as of Nov. 2022



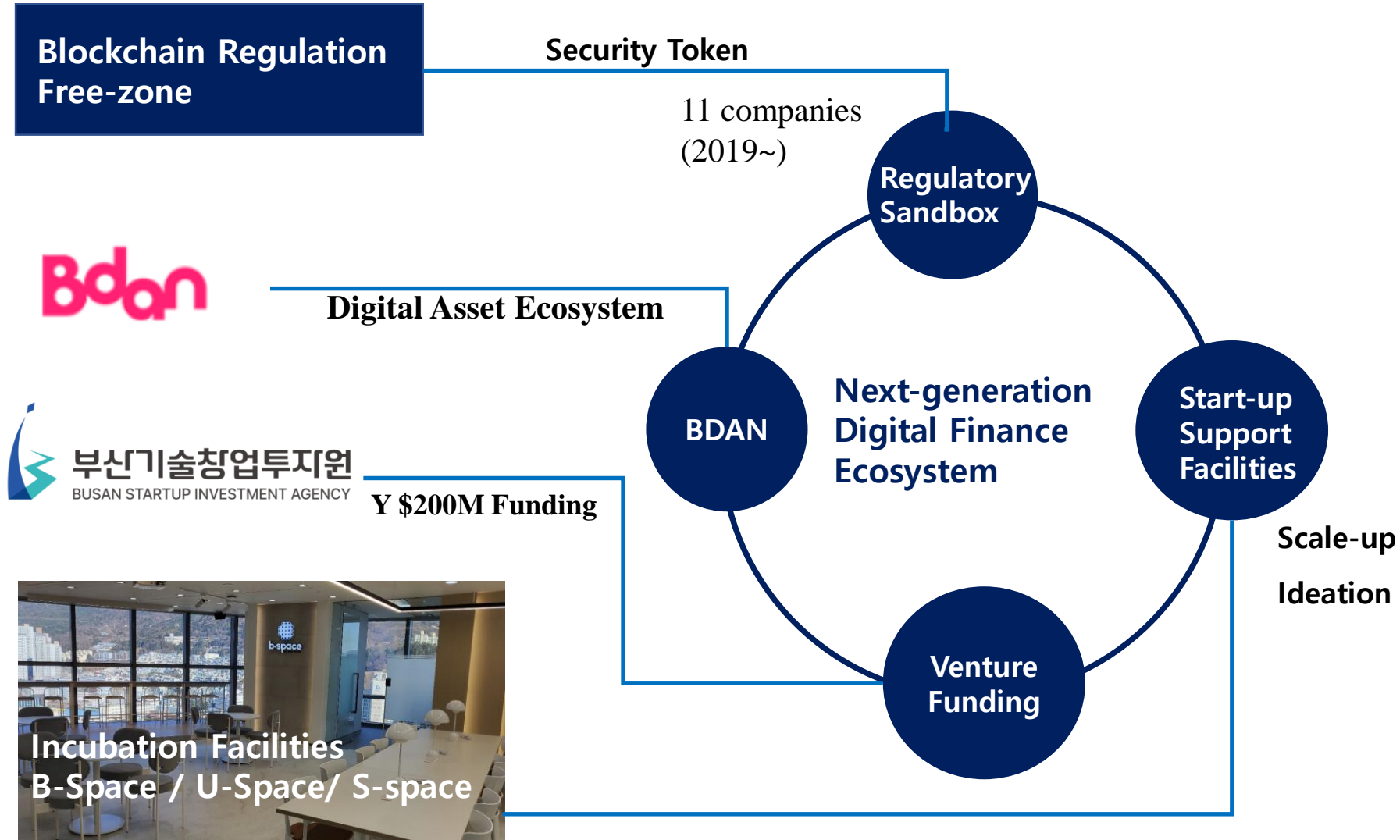
Total Assets of Tenant Institutions in BIFC



Korea Asset Management Corporation	7.50
Korea Securities Depository	4.73
Korea Technology Finance Corporation	4.31
Korea Exchange	8.12
Korea Housing & Urban Guarantee Corporation	8.37
BNK Busan Bank	67.07
Korea Housing Finance Corporation	161.63

Busan International Finance Center(BIFC)'s Evolving Ecosystem

- Digital Finance Ecosystem



//

The regulatory sandbox, incubation support, and the BDX/KRX exchanges will further promote digital finance entrepreneurship

//

Busan International Finance Center(BIFC)'s Evolving Ecosystem

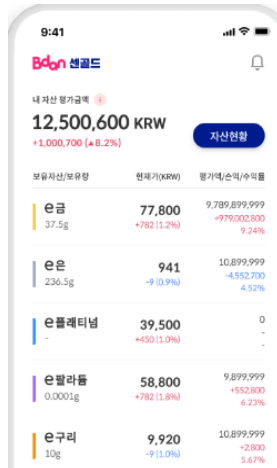
- BDAN for Digital Asset Ecosystem

BDAN, as a fourth-generation digital asset exchange, focuses on trading rare & valuable materials.

Busan Digital Asset Exchange BDAN



CEO Sang Min Kim



BDAN accelerating Digital Asset Ecosystem

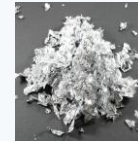
Available Products on the Exchange

E- Gold Flake



Redeemable in real

E-Silver



E-Platinum



Large-scale transition finance accelerates the sustainable finance ecosystem

Busan International Finance Center(BIFC)'s Evolving Ecosystem

- Busan Start-up Investment Agency for Digital Finance Ecosystem

Busan Start-up Agency will collectively organize and grow venture funding ecosystem in Busan



Funding Amount: Approximately \$1B by 2030



Yearly Venture Funding issuance: Approx. \$200M

Tech based start-up, including Fintech

Busan International Finance Center(BIFC)'s Evolving Ecosystem

- CBDC Projects for Digital Finance Ecosystem

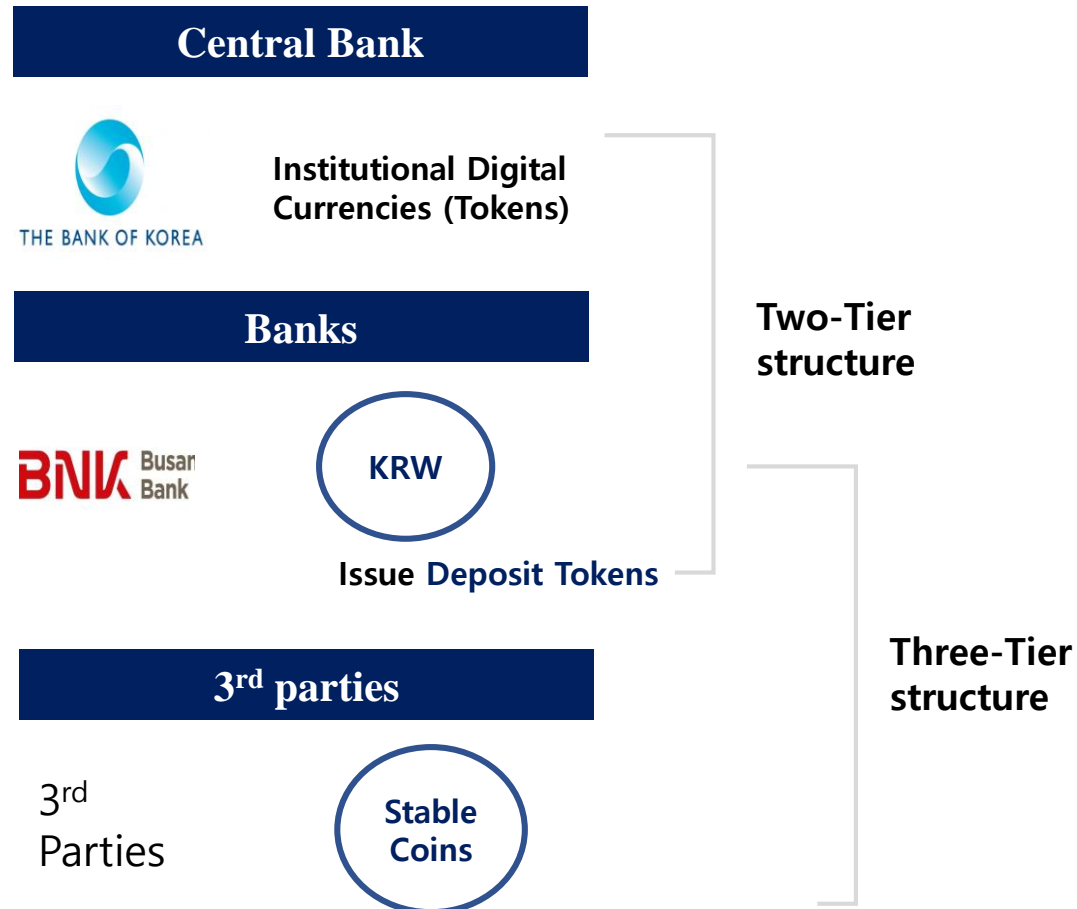
Bank of Korea(BOK) is now preparing for the 2nd CBDC Experiment '**Project Hangang**'

CBDC Test "Project Hangang"



First project successfully completed

- 100,000 participants
- Central Bank, Commercial Banks, Busan Residents, and Companies



Busan International Finance Center(BIFC)'s Evolving Ecosystem

Digital Finance Ecosystem: Regulatory News on STO

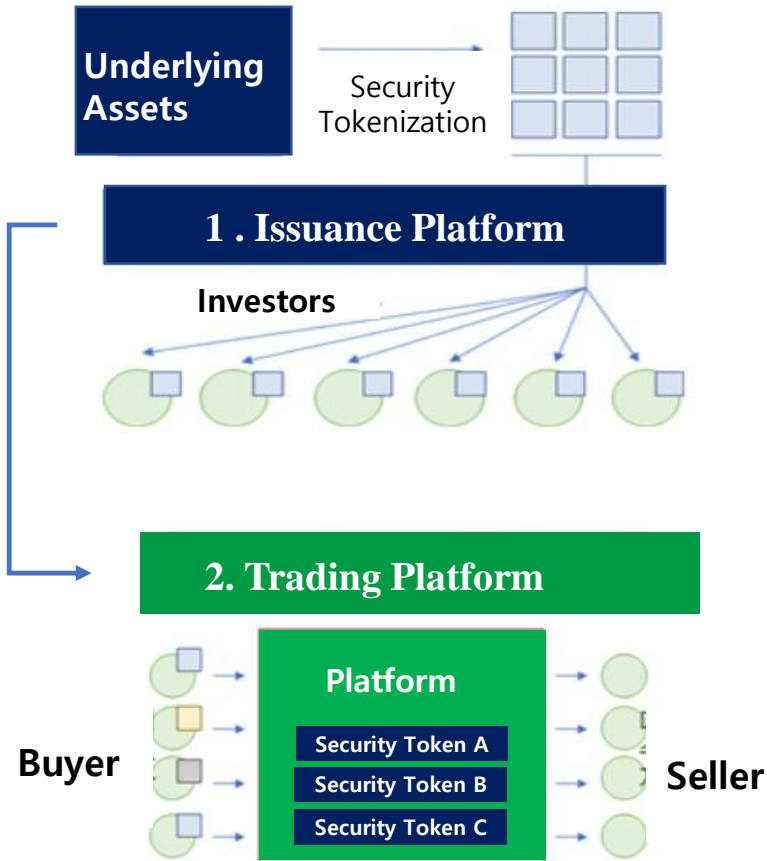
The Financial Services Commission(FSC) has recently announced New license For Fractional Investment Trading Platform Services

Primary Market

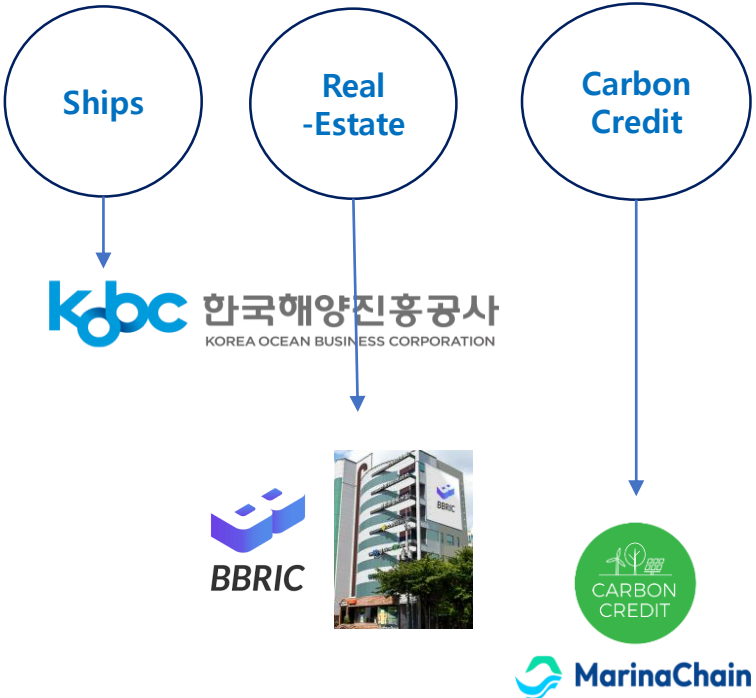
Security Token Issuance Platforms

Secondary Market

Over-The-Counter(OTC) Trading platforms (Distribution)



Fractional Investment / STO



Source: FSC

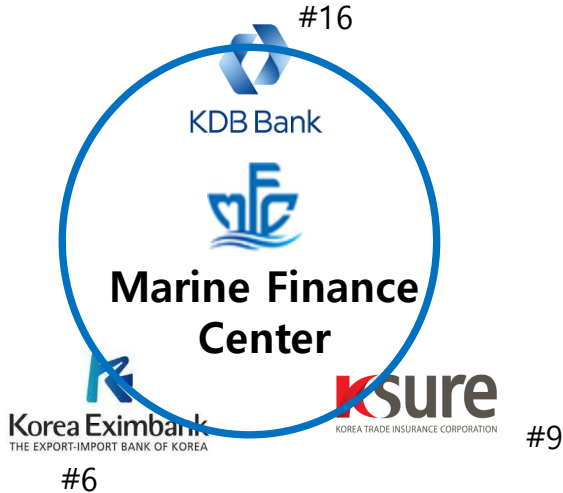
Busan International Finance Center(BIFC)'s Evolving Ecosystem

Maritime Finance Ecosystem



Top Liquidity providers

Accumulated Shipping Finance Provisions : \$14 billion (Since 2014)



World class Tonnage banks



// Complementing the world-class shipbuilding ecosystem in Busan, BIFC is hosting the top shipping finance institutions //

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Maritime Finance Ecosystem

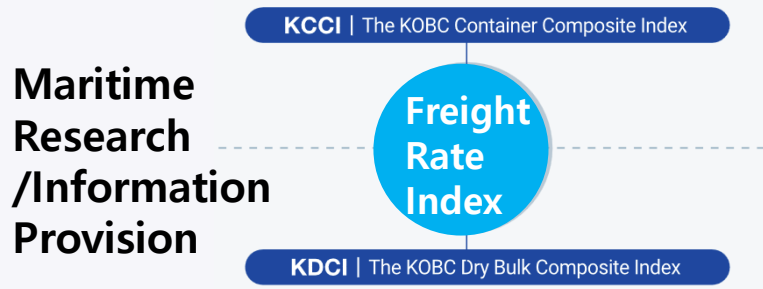


Maritime Finance
(2018~)

\$8 billion USD, Approx.
121 companies

Shipping Finance
(Investing/Insurance) **\$4** billion USD,
58 companies

Port & Logistics
(Container Lease / Eco-friendly logistics) **\$1** billion USD,
47 companies



Sustainable Maritime ecosystem

Green Ocean Fund(\$6 billion)
The maritime industry crisis response fund (\$1 billion)

//
KOBK envisions becoming a global leader in maritime finance. By 2030, KOBK aims to increase its assets to \$18 billion USD, up from \$2.24 billion in 2022

//

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Maritime Finance Ecosystem



Blue Bond & Eurobond Issuances

\$0.3 billion USD (2025.04)

\$0.3 billion USD (2023.04)

Collaborators



//
Foreign financial
Firms can continue
to find
market/collaborative
Opportunities with
BIFC based
Financial Institutions.

//

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Maritime Ecosystem – New Institution in BIFC

IHO decided to establish its Infrastructure Center in Busan International Finance Center(Oct, 2025)

IHO Visiting BIFC (International Hydrographic Organization)



IHO Secretary-General with Key executives



- **Location:** Monaco
- **Founded in 1921**
- **Member States: 103**
- World's seas, oceans and navigable waters are properly **surveyed and charted**

- **Busan, to host IHO Infrastructure Center**

“The infrastructure center will **support the implementation of digital hydrographic standards** - developing, testing and managing global standards **for next-generation electronic e-navigation systems**”

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Policy & Sustainable Finance

Korea Housing Finance Corporation(HF) facilitates a long-term, stable supply of housing finance



Housing Finance

Mortgage Loan, Housing Finance Guarantee, etc

Sustainable Finance

World-class ESG bond issuers

[ICMA] Social Bond, Sustainability Bond, etc

Overseas Offices

Singapore
New York
London



// Foreign financial Firms can continue to find market/collaborative Opportunities with BIFC based Financial Institutions //

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Policy & Sustainable Finance

HF actively issues international bonds, including Euro & Covered bonds



- **Notable International Bond Issuance (including Eurobond)**

\$1 billion EUR (2020.02)

\$ 1.3 billion USD (2023. 02)

\$0.1 billion CHF (2022.10)

\$0.5 billion USD (2025.04)

\$0.6 billion Euro (2025.02)

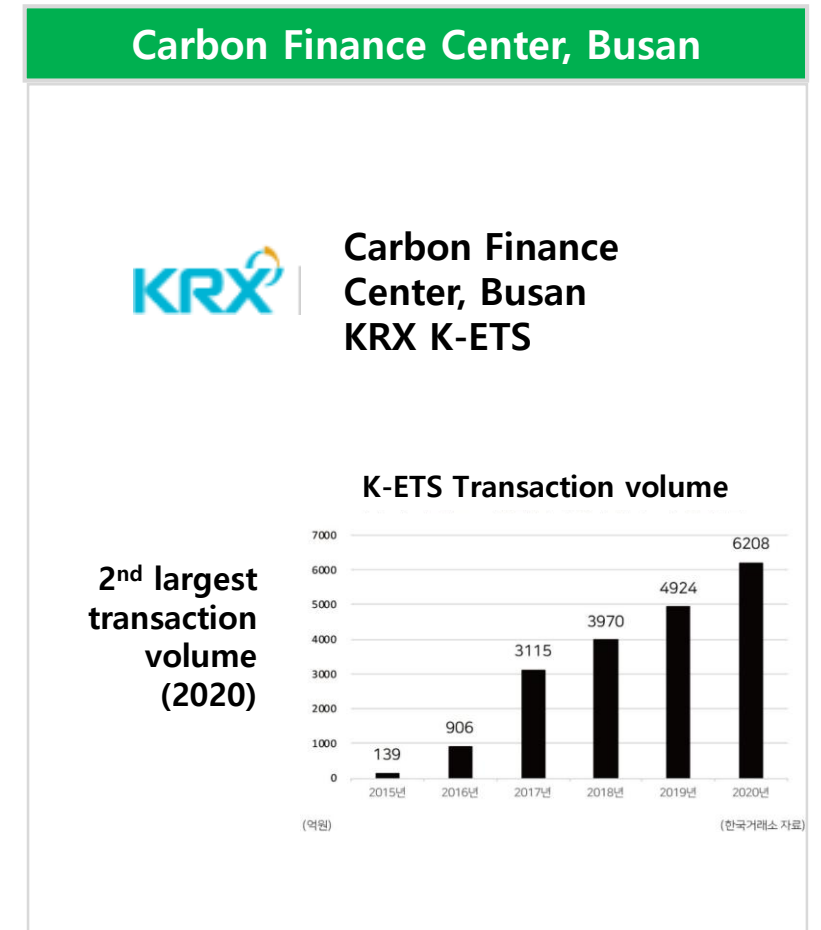
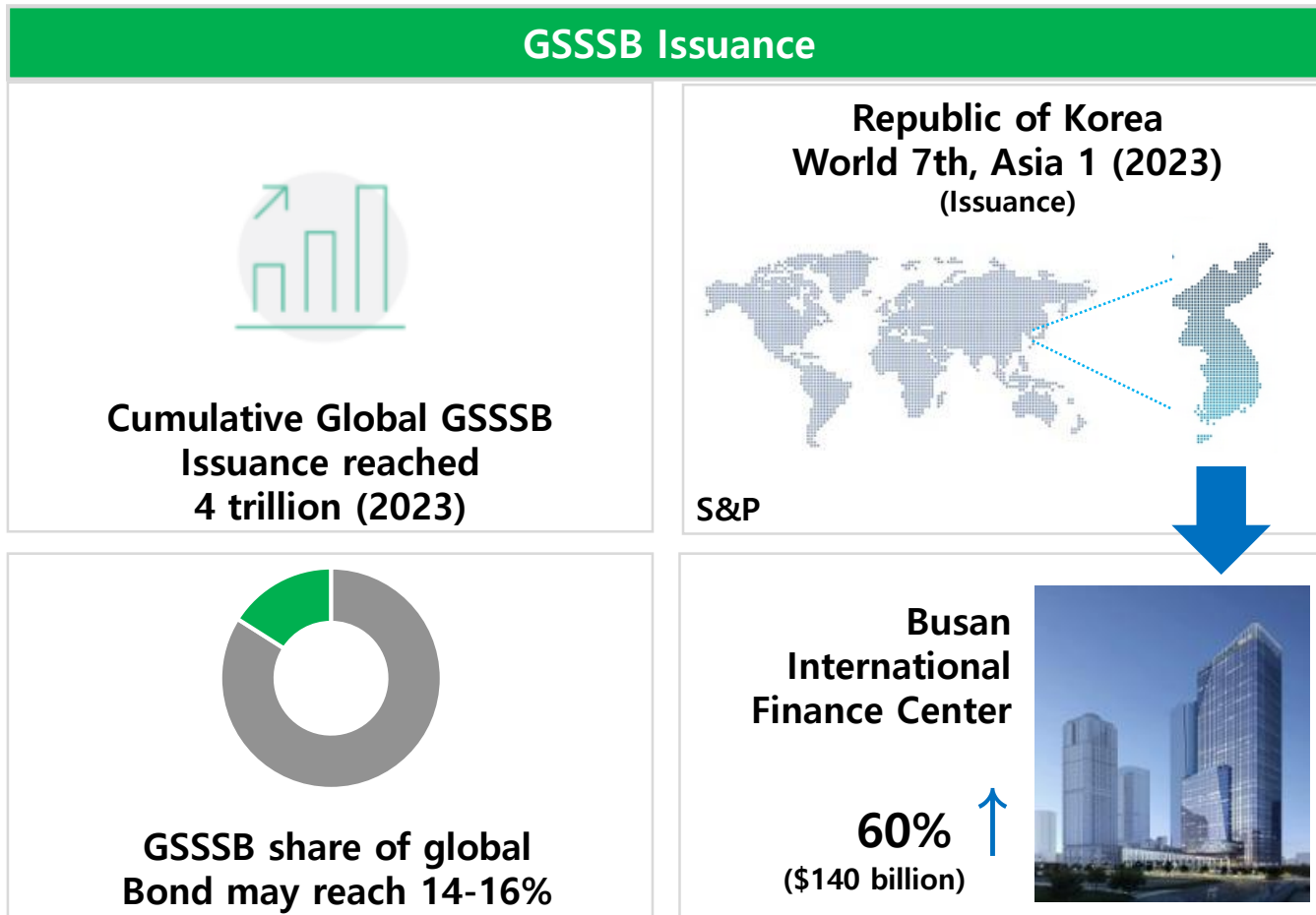
- **Collaborators**



Foreign financial
Firms can continue
to find
market/collaborative
Opportunities with
BIFC-based
Financial Institutions

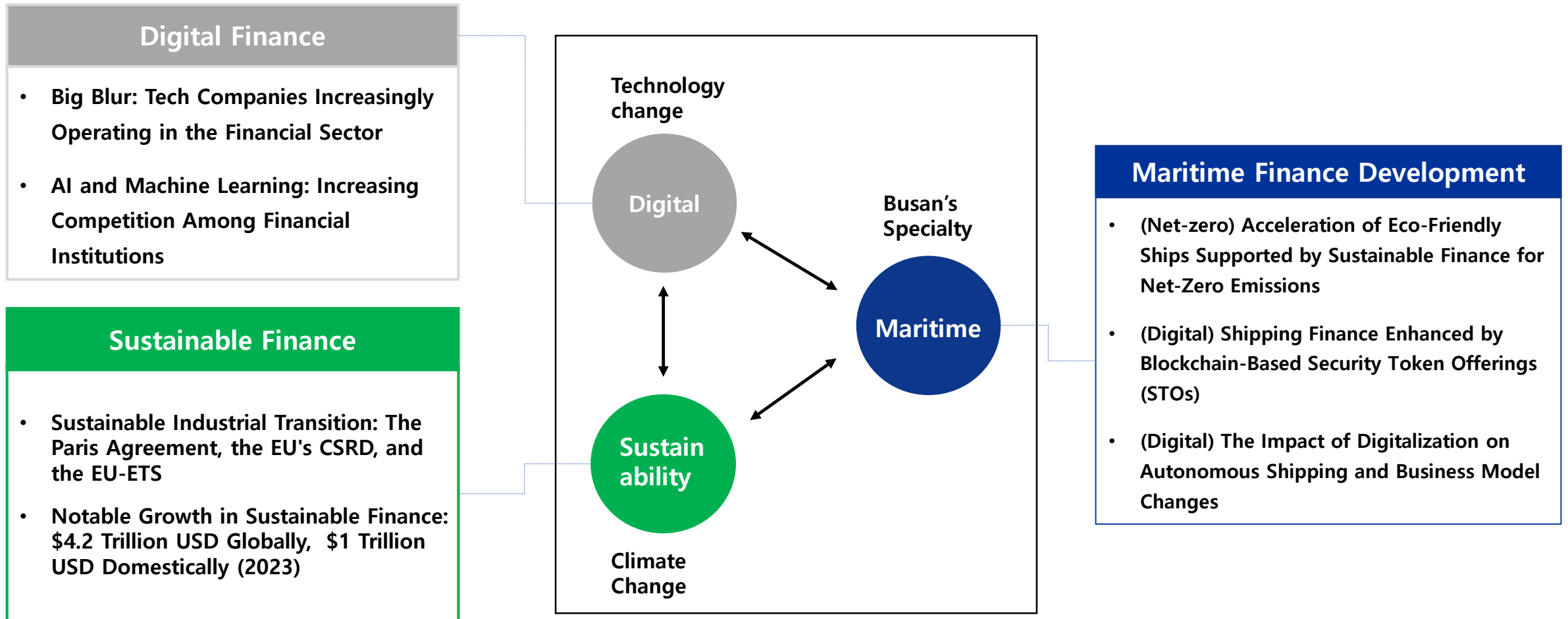
Policy & Sustainable Finance

Active sustainable finance ecosystem (GSSSB issuance & carbon finance)



2. Prospects as a Global Financial Hub

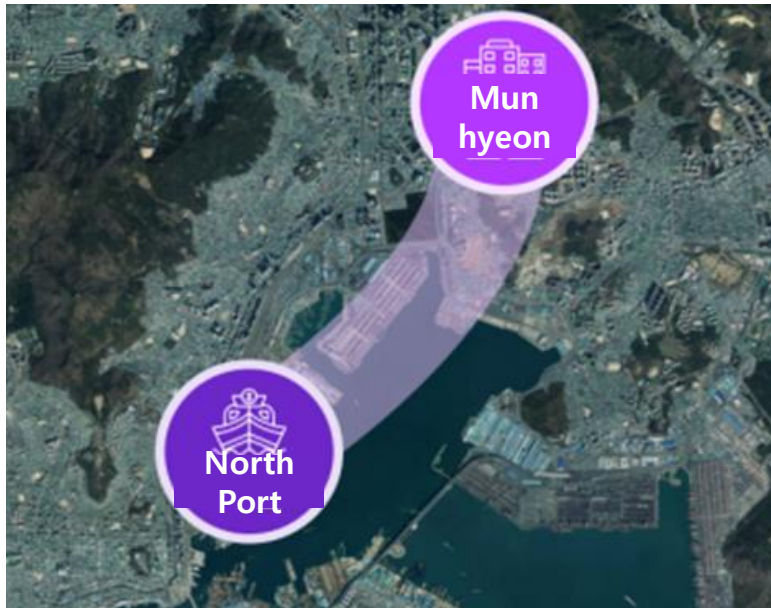
Considering Key changes and Characteristics of Busan, developing digital, Sustainable, and Maritime finance ecosystem



Busan International Finance Center(BIFC)'s Evolving Ecosystem

Busan Special Financial Opportunity Development Zone

Special Financial Opportunity Development Zone



Total Designated Area
Approx. 7.5Million m²

North Port Area
7.3Million m²

Munhyeon Financial District
0.2Million m²

Special Tax Exemption & Incentives

Tax Benefits

100% Corporate Income Tax(CIT) exemption
Up to 5 years

Incentives (Real Estate Properties)

[Tax deferrals] Capital Gains Tax
[Reduction] Acquisition & Property tax

Incentives

Investment Subsidies (up to 30M USD)
for large-scale investments

▶ Applicants: 29 Companies

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Office Space for Foreign Financial Companies: D-Space



Spacious & Elegant



BMI Group Limited



Yozma group

Lina One
A Chubb Company


Office Space
provisions
(About 150m²)
up to 20 years

Annual rent
Saving

53,600 x 20 years
= USD 1.1 Mil.

Busan International Finance Center(BIFC)'s Evolving Ecosystem

Incentives for entering into the BIFC

		Condition	Incentives
Tax Exemption	Restriction of Special Taxation Act City Tax Exemption Ordinance	 Investment of Up to Approximately 1.8 Million USD (2 Billion KRW) Hire at Least 10 Local Employees	Corporate Tax / Income Tax 100% Exemption for the Initial Three Years 50% for the next 2 years Property Acquisition Tax: 100%
Office Space Subsidy	City's Nam-gu Tax Exemption Ordinance	Operation in More Than 3 Countries Hire at Least 10 Local Employees	Subsidy Provisions of up to 50% for the Purchase or Rental of Office Spaces (within the Limits of 4.8 Million USD / 5 Billion KRW)
Human Resources Subsidy	City's Nam-gu Tax Exemption Ordinance	Hire at Least 10 Local Employees	Subsidy provisions of approximately 600 USD per employee for 6 months (within the limits of 0.2 million USD, 200 million KRW)
Capex Subsidy	City's Nam-gu Tax Exemption Ordinance	Hire at Least 10 Local Employees Regional H.Q/ Branch office	Provisions of up to one-tenth of capital expenditures (Capex) (within the limits of approximately 0.8 million USD, 1 billion KRW)

// **BIFC offers generous incentive programs for the operational stabilization of foreign institutions //**

Busan Finance Center: Towards the global financial Hub

- ▶ Aims to become a leading think-tank to realize Busan's vision of becoming a global financial hub

International IR



Finance Center Research (leading model & Ecosystem)

- 22 Research on Shipping Finance STO model - Financial Services Commission, KOBC, KMOU
- 23 Maritime ecosystem research in response to Digital-Decarbonization transition (BFC-KMOU)
- 24 Developments In Maritime Finance & Maritime Financial Centres (Z/Yen-BFC)
- 25 Tax Lease Ship Financing
Won-based Ship Financing
Busan Offshore Financing Model

Finance Center Ecosystem

- Busan Finance Center Forum
- Finance Research Network (Digital·Maritime)
- Busan Maritime & Finance Week



Expanding Busan's International Networks – Enhancing Connectivity



Qatar



Australia



Jersey, Guernsey, Paris...45 Countries

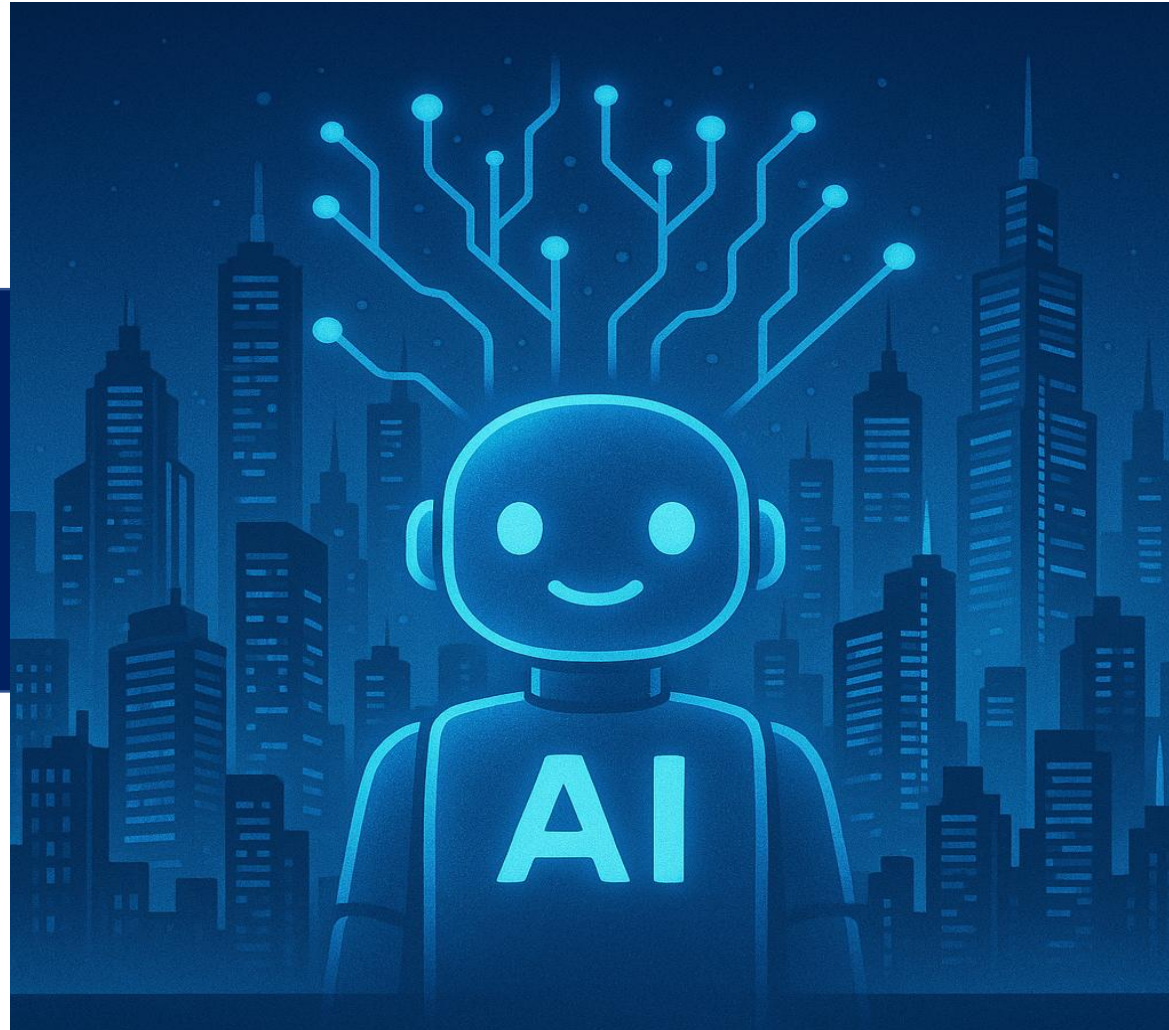


Hongkong

Dubai



A.I Ecosystem



A.I Developments and Ecosystem in South Korea & Busan

- A.I Ecosystem

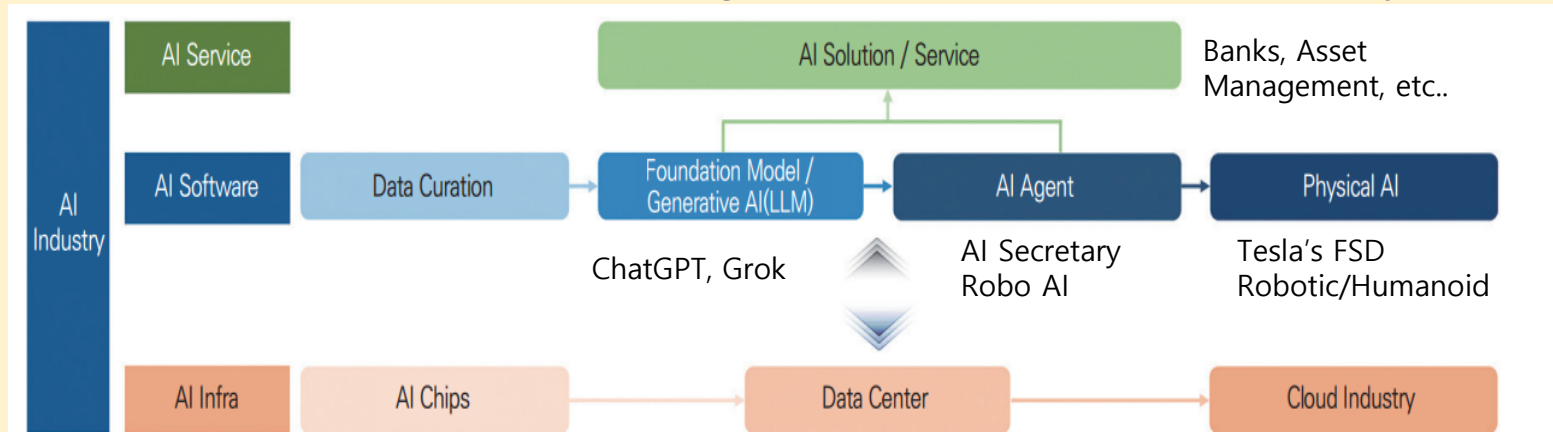
AI is a driving force transforming industries, economies, and societies worldwide

Companies focus on acquiring **key AI Infrastructure** (Chips, Data center, Electricity)

“AI potential to make entire industry obsolete”

Blackstone President Jonathan Gray, Financial Times(Oct, 18, 2025)

Accelerating AI adoption in the financial industry



Korea's lead in HBM4 Memory

SAMSUNG

SK hynix

Financial Industry Application

Research, Trading, Analytics

- **JPM**: IndexGPT
- **Morgan Stanley**: AskresearchGPT
- **Blackrock**: Aladdin

Customer Service (AI Advisory)

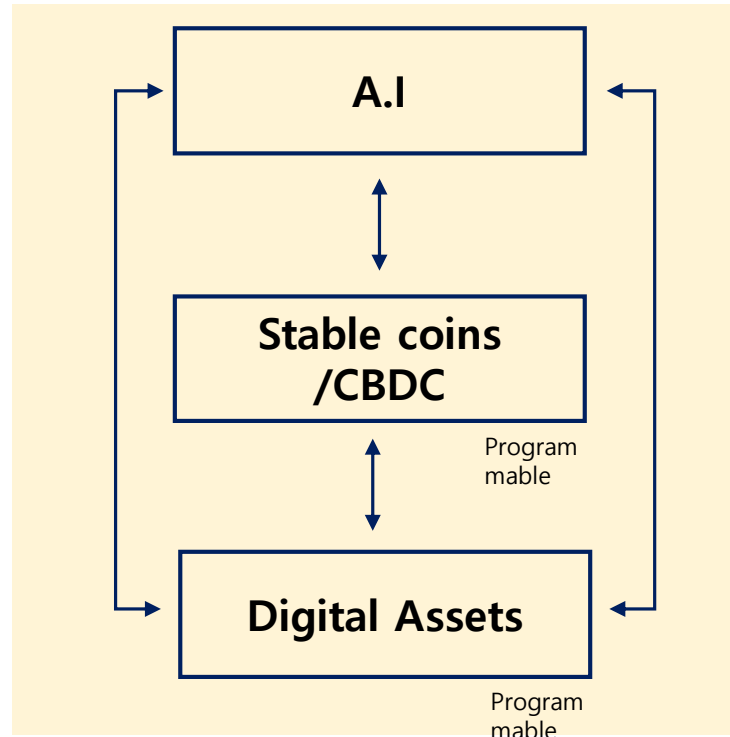
- **BOA**: Erica (AI Assistant)
 - **HSBC** launched AI platform
- AML / Fraud prevention

A.I Developments and Ecosystem in South Korea & Busan

- A.I developments in Finance

AI, Digital Assets, Smart Contract unlock innovations in Finance

The combination of AI, programmable digital assets, and smart contracts can create a financial system that can efficiently run complex tasks and enforce financial agreements without human intervention.



AI Basic Act (2026~)

Framework to develop and regulate AI tech and commercialization's

Hangang Project(1,2)

KRW-pegged Stable coins

Busan Digital Asset Custody Services first launched on KRW1(Woori Bank) during Sep.

Digital Asset Basic Act (2026~)

a comprehensive legislative framework governing digital assets, Issuances, Trading, Distribution, etc

A.I Developments and Ecosystem in South Korea & Busan

- Overview of A.I development in South Korea



Globally acclaimed Advanced AI Capabilities

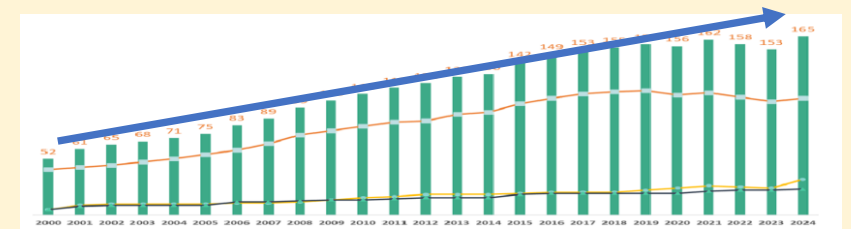


Global AI Index Ranking(2024)

Numerous Korean AI tech firms(Generative AI)



Data Centers: 165 unit & Increasing



Active application: Generative AI/ Physical AI



A.I Developments and Ecosystem in South Korea & Busan

- Overview of A.I development in South Korea

Korea, BlackRock forge partnership to build Asia's AI hub in Korea(Sep, 2025)



South Korean government and BlackRock, the world's have formed a strategic partnership

- Korea as "artificial intelligence (AI) capital in Asia" through **large-scale joint investments in Data centers and Renewable Energy**

A.I Developments and Ecosystem in South Korea & Busan

Key updates on BIFC & South Korea - A.I developments(Regulation)



Korea, leading
AI Ecosystem

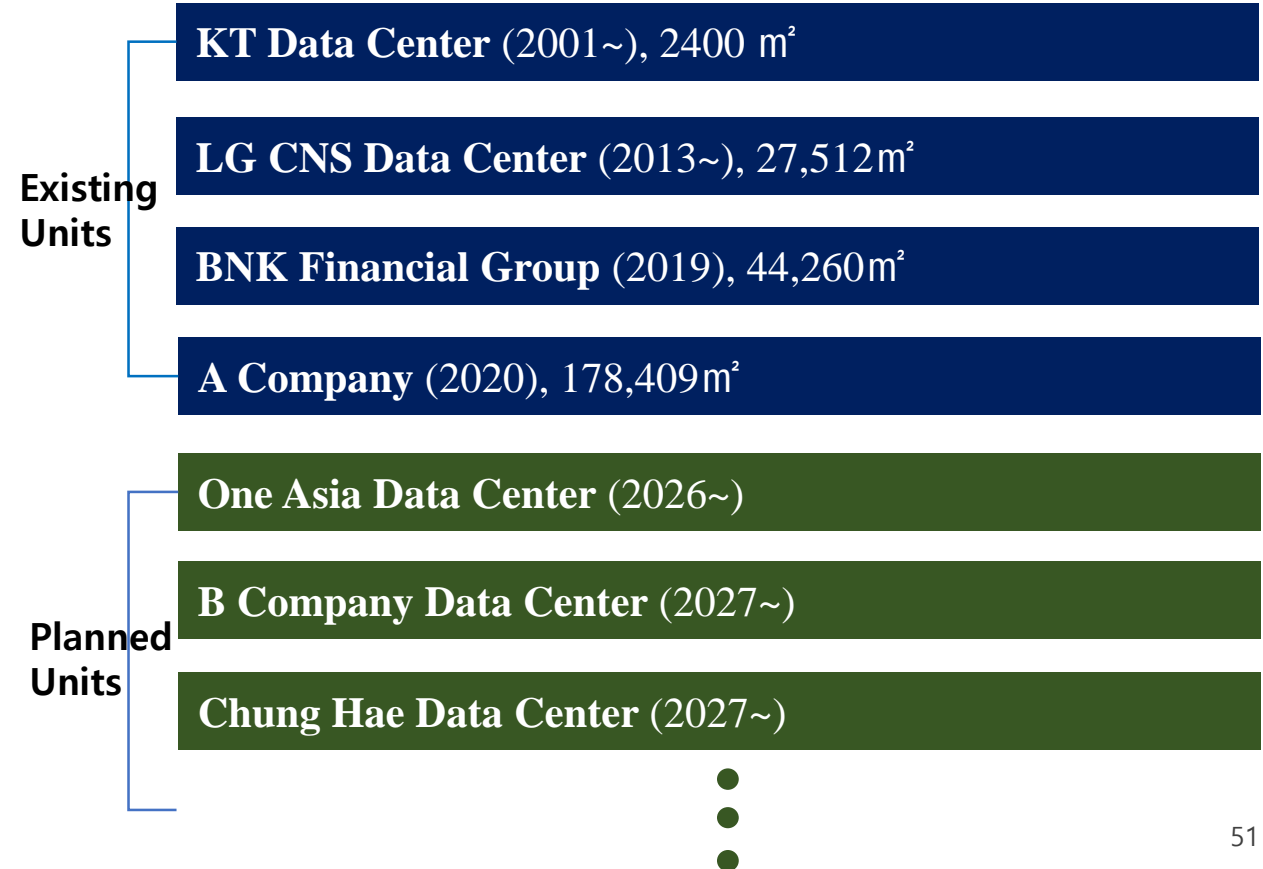
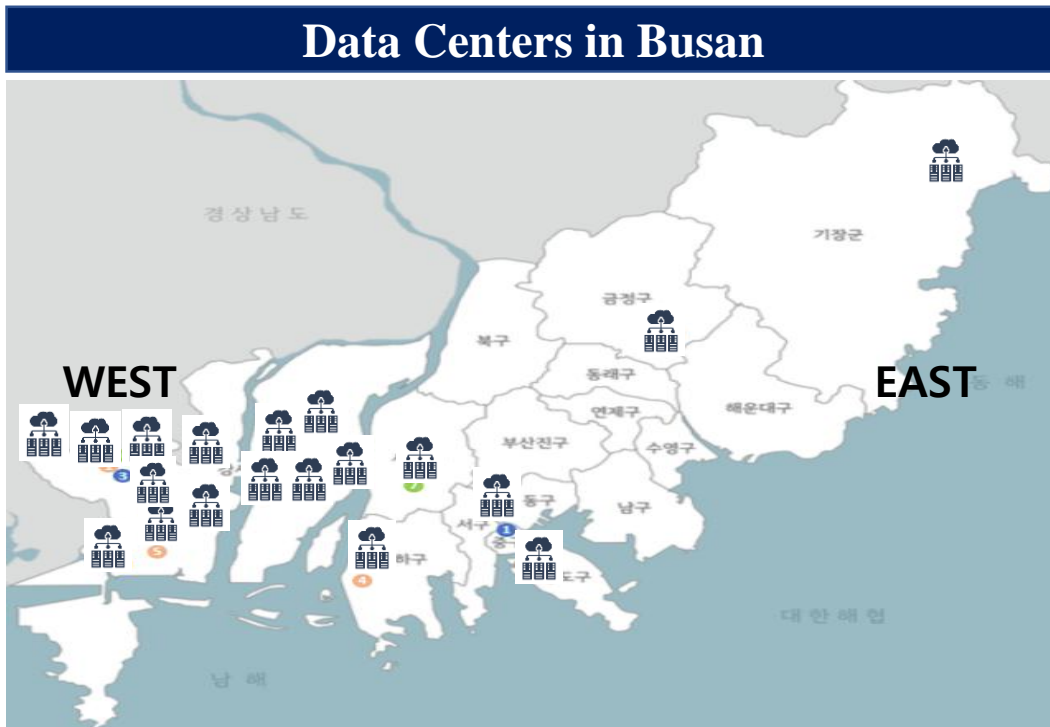
- **Regulatory framework: The AI Basic Act*** (passed Dec 26, 2024; effect Jan 2026)
unifies strategy, promotion, and risk-based regulation
sets up a national AI control tower
 - * Basic Act on the Development of Artificial Intelligence and the Establishment of Foundation for Trustworthiness.
- **The National Artificial Intelligence (AI) Strategy Committee**(Sep, 2025)
National AI action plan (Global Top 3)
Construction of a key AI Infrastructure: National AI Computing Center(E. \$2B)
Developing AI Ecosystem
- **A leader in AI chips, Components, & Physical AI**

AI Cheap & Component: Samsung & SK Hynix(HBM4 Memory)
Manufacturing Application: Designing, Quality Management, Resource management

A.I Developments and Ecosystem in South Korea & Busan

Key updates on BIFC & South Korea – A.I(Data Center)

- More than 20 Data Centers are to be established in Busan



A.I Developments and Ecosystem in South Korea & Busan

Key updates on BIFC & South Korea – A.I application in Finance

- BIFC Financial Institutions have been actively applying A.I into governance, strategies, and service offerings

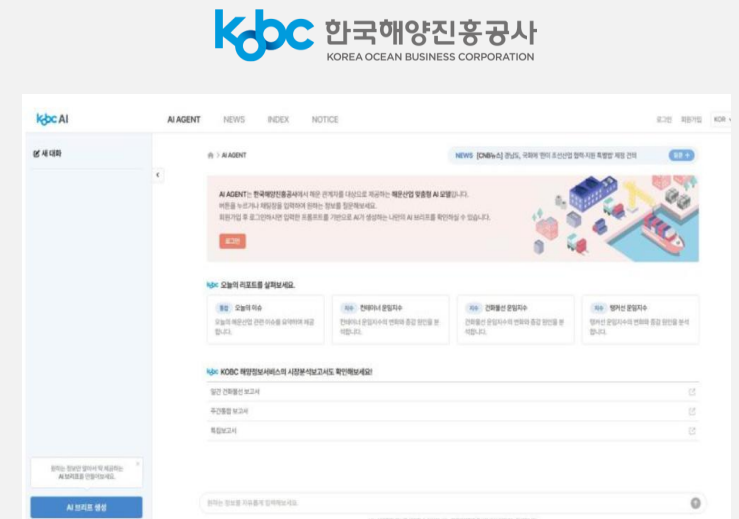
Corporate & Retail Finance



BNK Financial Group

- AI Chatbot
- Real time Translation with AI
- AI Credit Scoring

Maritime Finance



- Gen AI services

A.I Developments and Ecosystem in South Korea & Busan

Key updates on BIFC & South Korea – A.I

Busan announced the creation of 'Artificial Intelligence Committee' , and AI Hub City development plan (Sep, 2025)



WAVE(World class AI Value for Ocean Economy) Project Investment up to Approximately \$0.7 Billion

- ▲ AI transformation (AX) in the shipping sector for realization of the Arctic route
- ▲ Creation of a next-generation AI-powered port city
- ▲ Development of an AI-based defense industry

Key infrastructure Development Plan:

- Shared Equipment Center
- AI Smart City (testbed)
- AI Hub (enterprises and research institutes)
- Digital Education Platform
- Quantum Advanced Research



THANK
YOU



Korea Housing Finance Corporation

Investor Presentation

November 2025



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Investor Presentation

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Korean Housing Market
Overview**

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01

Investment Highlights



STRICTLY PRIVATE AND CONFIDENTIAL

1-1. KHFC's Quasi-Sovereign Status

Created by the K-Gov't

Established under the KHFC Act¹

Mandated to act as the **Govt. housing finance arm**



Core social mission to **improve housing welfare**

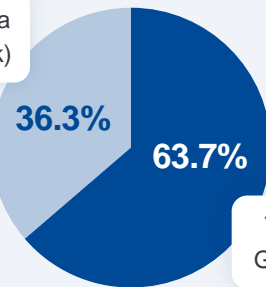


Provides a **stable source of housing finance**



Mandatory 100% Government Ownership (Article 5)

Bank of Korea
(Central Bank)



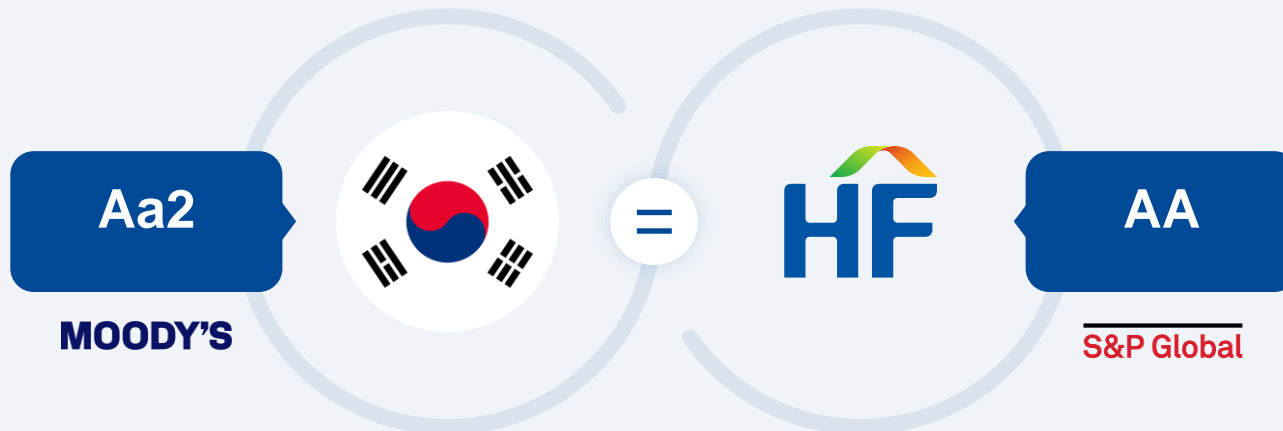
The Korean Government²



Multi-Layer Support from the Government

- Solvency Guarantee** (Article 51)¹
- Direct Funding from the Govt.** (Article 53)¹
- KHFC's President appointed by the President of Korea** (Article 12)¹

Sovereign-Level Ratings³



Source: KHFC Act, Policy Bank Act

Note: 1. The Korea Housing Finance Corporation Act ("KHFC Act"); 2. Ministry of Economy and Finance & Ministry of Land, Infrastructure and Transport; 3. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal by the relevant rating agencies. The significance of each rating should be analyzed independently from any other rating

1-2. KHFC Act – Legal Foundation for Gov't Support

▪ Multiple Levels of Support by the Korean Government

Financial Support

- ✓ Compensation of losses by the Government (**Article 51**)
- ✓ Borrowings from the Government (**Article 53**)
- ✓ Invested by the Government and the Bank of Korea (**Article 5**)

Regulatory Support

- ✓ Simplified debtor notification procedures to facilitate loans transfer to cover pool (**Article 26**)
- ✓ Deemed as a public agency qualifying for simplified mortgage registration process (**Article 28**)
- ✓ Exemption from the securities registration statement and the allocated expenses

Management Support

- ✓ KHFC's President appointed by the President of Korea
- ✓ Control of KHFC's key operations through Housing Finance Steering Committee which is directly appointed by Financial Services Commission
- ✓ Government approval of business plan and budget

Article 51 – Coverage of Losses

*“When any loss has arisen at the closing of books of the Corporation, it shall be covered by the financial resources reserved in accordance with the provisions of subparagraph 1 of Article 50, and when such reserve is insufficient, the **Government shall cover it.**”*

Solvency Guarantee

Article 53 – Borrowing from the Govt.

“The Corporation may borrow funds necessary for performing services by the following means:

1. **Borrowings from the Government;** or
2. *Borrowings from financial institutions or international financial institutions”*

Direct funding from the Government

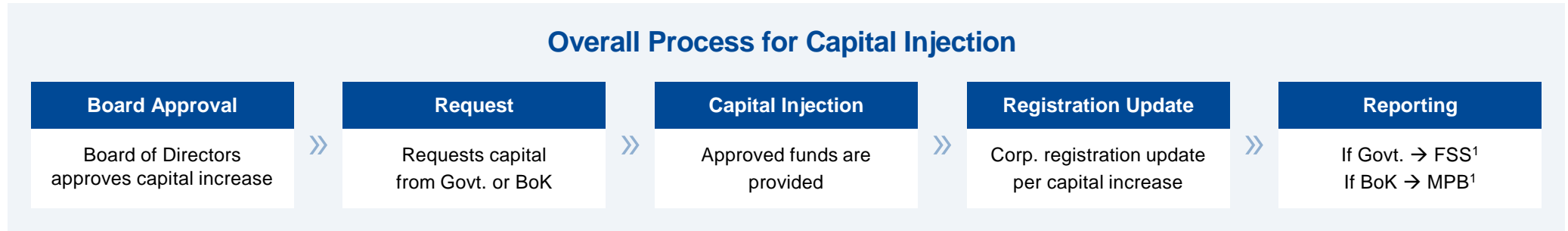
Article 5 – Authorized Govt. Capital

*“The capital of the Corporation shall be five trillion won and **invested by the Government and the Bank of Korea**”*

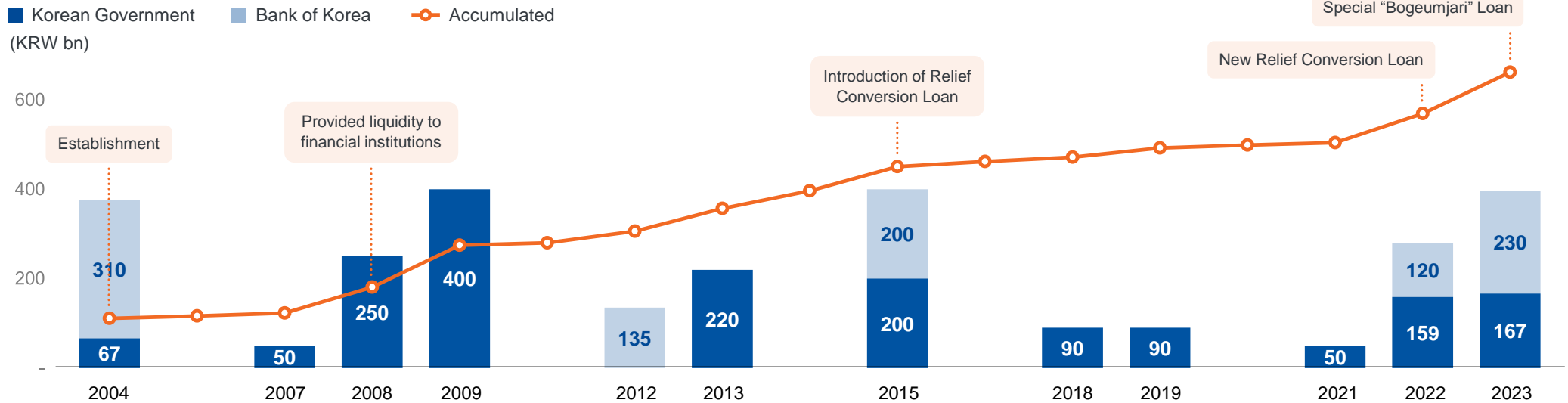
Mandatory Government Full Ownership

1-3. Capital Injections – Demonstrating K-Gov’t Commitment

▪ Process of Government / Bank of Korea (“BoK”) Capital Injection



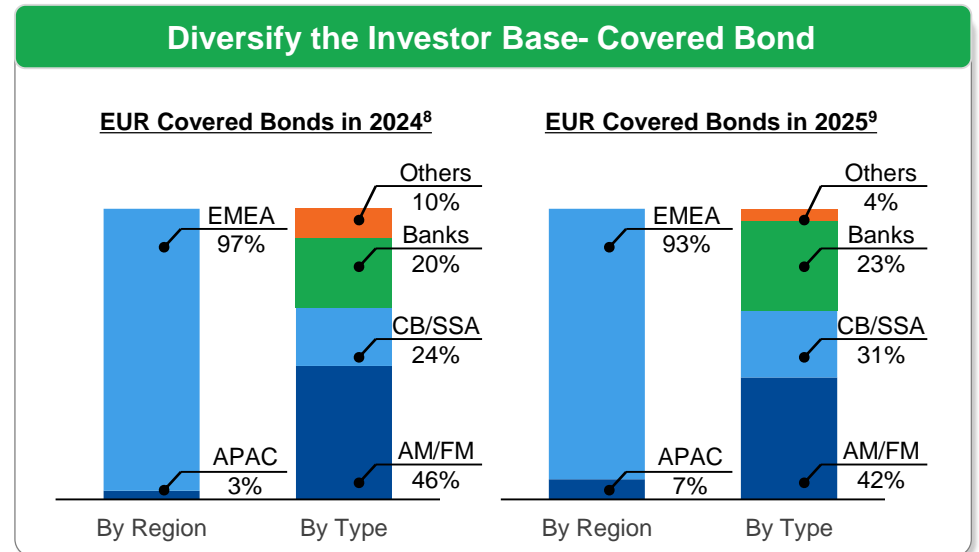
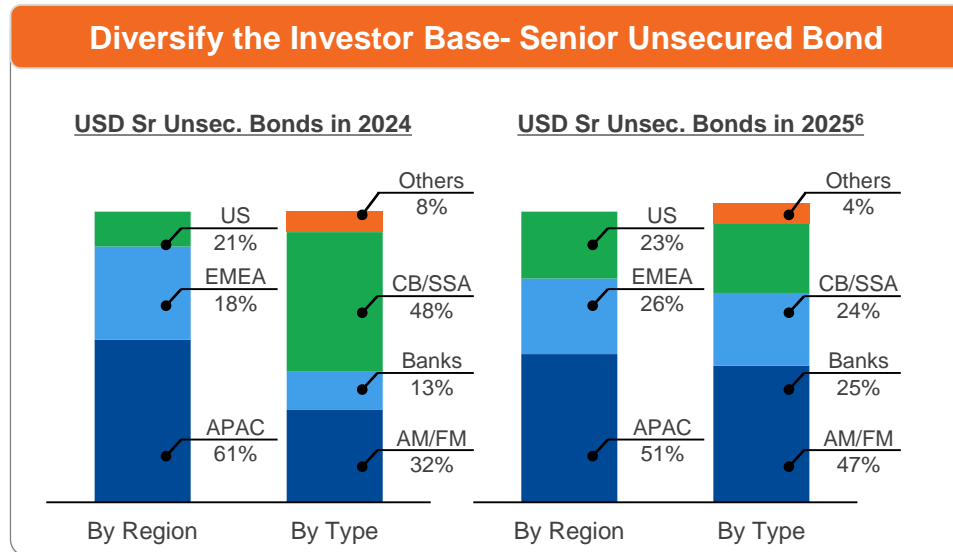
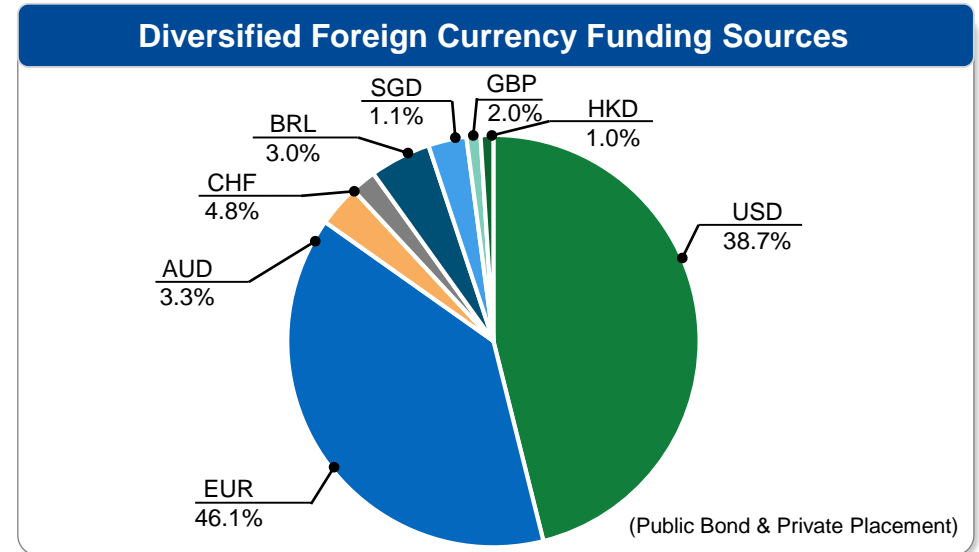
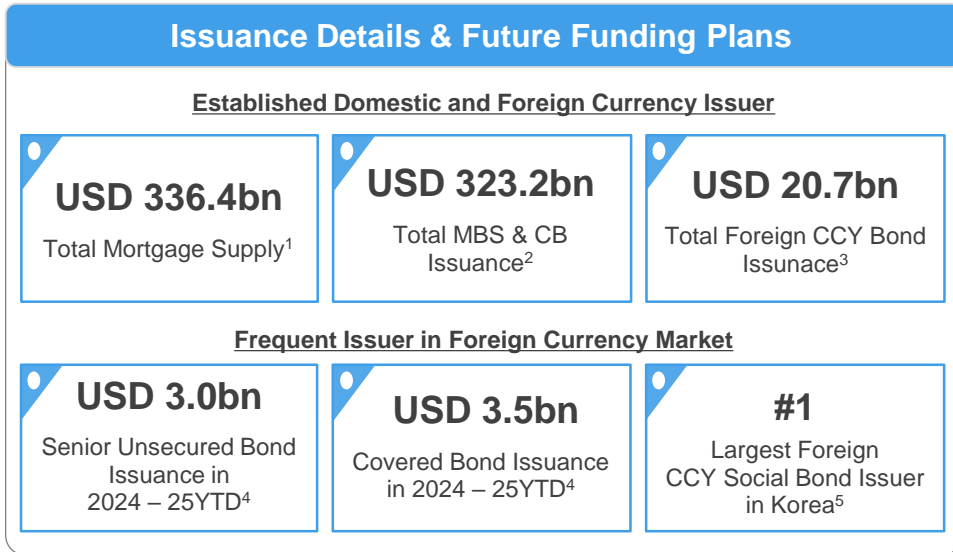
▪ Ongoing Government Capital Injection



Ongoing Government Capital Injection Aimed at Expanding KHFC’s Business

Source: Company Data
 Note: 1. Financial Supervisory Service / Monetary Policy Board

2. Funding Highlights



Source: Company Data

Note: 1. Total Mortgage Supply since 2004 as of 1H25, USD 1 = KRW 1,356.4; 2.Total MBS & CB Issuance since 2004 as of 1H25, USD 1 = KRW 1,356.4; 3. Total Foreign CCY Bond Issuance as of September 2, 2025, USD foreign exchange rate as of date of issuance; 4. As of September 2, 2025; USD foreign exchange rate as of date of issuance; 5. Based on issue size; 6.Issuances between 2023-2025 September; 7.AUD 500mn FXD tranche issuance; 8.Combined Data for 1H 2024 and 2H 2024 EUR Covered Bonds; 9.Combined Data for 1H2025 and 2H 2025 EUR Covered Bonds

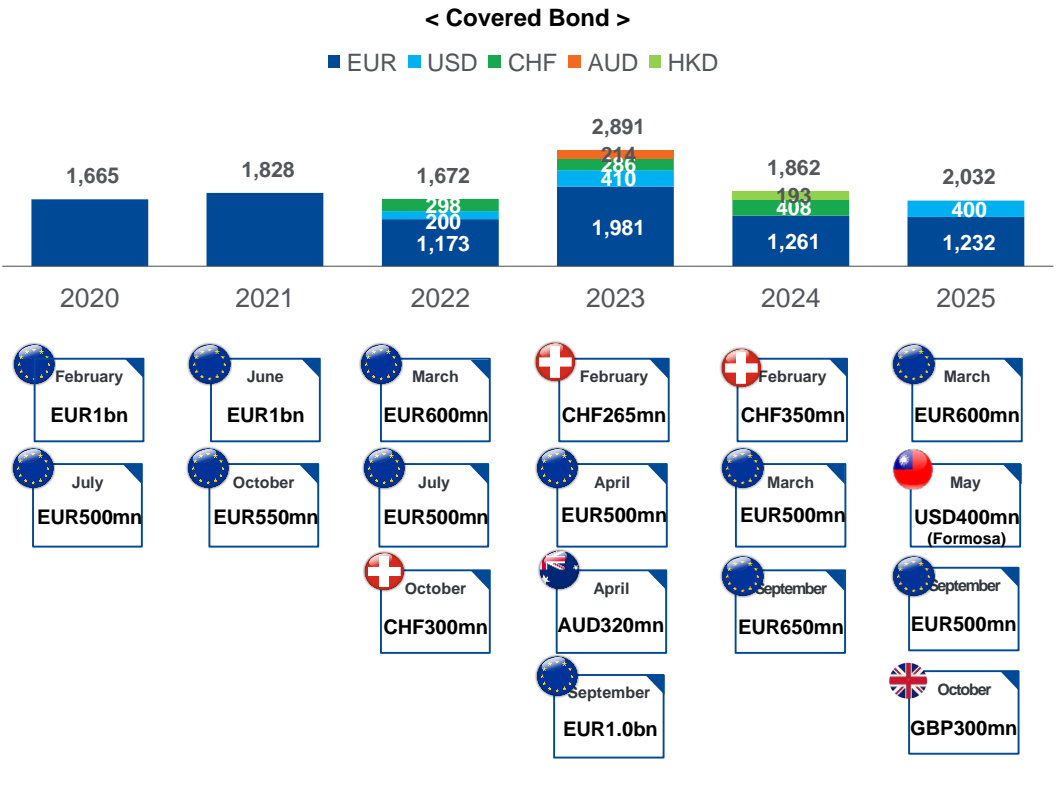
3. Solid Access to Global Capital Markets

Funding Programs and Track Records of KHFC's Foreign Currency Bond Issuances¹

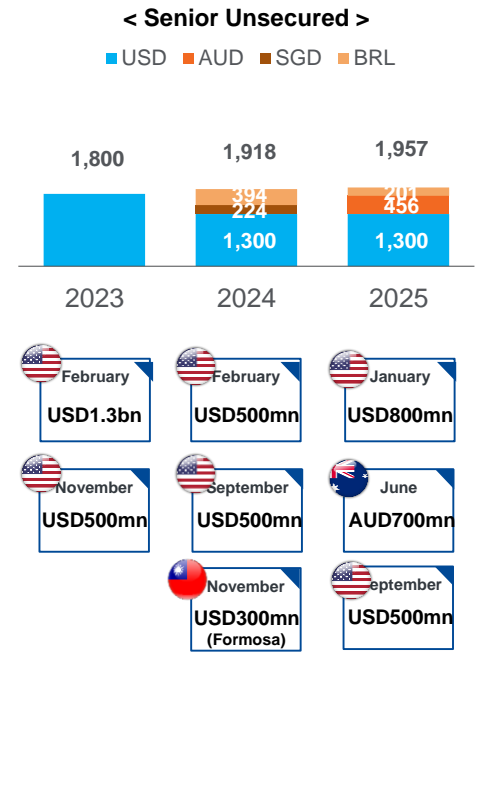
Funding Programs

- Global MTN**
 - USD 15bn
Program Size
 - Aa2(Moody's) / AA(S&P)
Ratings
- Global CB**
 - USD 15bn
Program Size
 - Aaa(Moody's) / AAA(S&P)
Ratings

Issue Volume
(Public+PP, USD mn)



Public Bond Issuances



KHFC aims to establish a new benchmark across both the senior unsecured and the covered bond markets

Access a broader pool of investors

Diversify format and currency of financing

Become a regular issuer in the senior unsecured bond market

Solidify as the largest and regular issuer in the Korean covered bond market

Source: Company data, Bloomberg as of September 2, 2025
 Note: 1. USD Foreign exchange rate as of date of issuance for each individual bond.

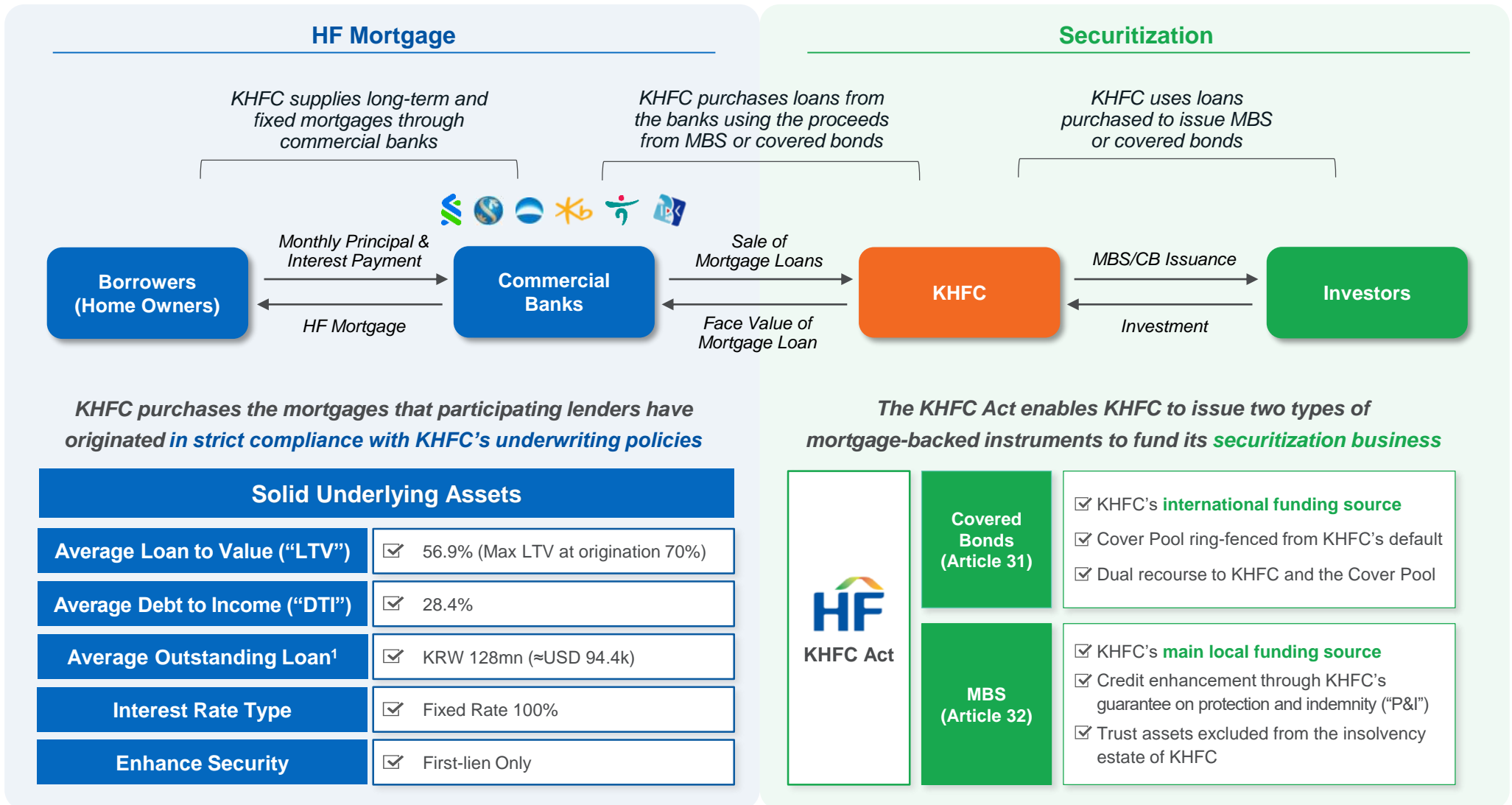
02

KHFC's Major Businesses



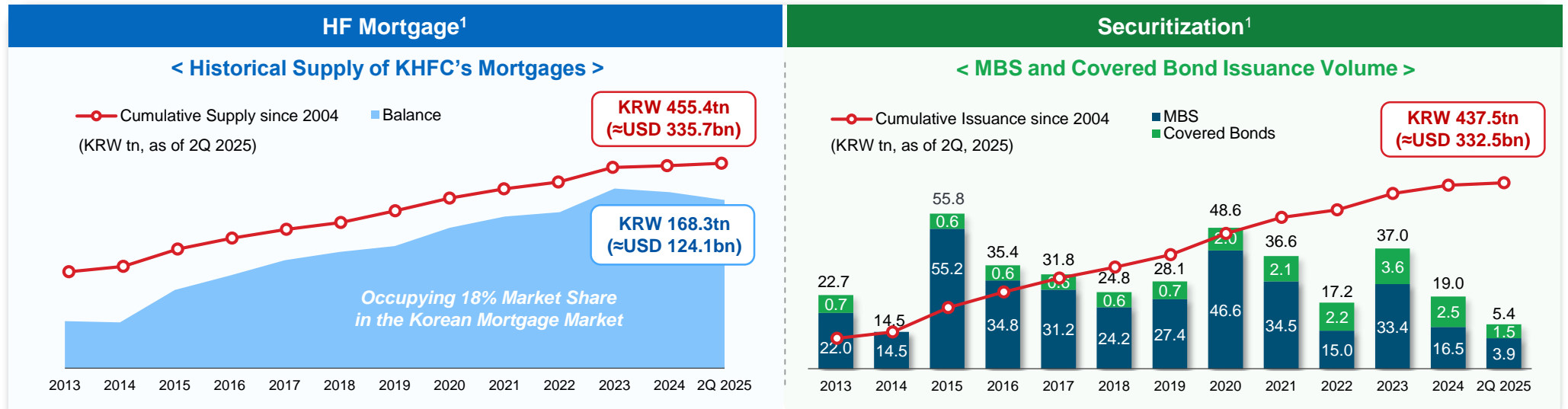
KHFC's Major Businesses

Business Overview – Introduction to 2 Main Pillars of KHFC's Comprehensive Housing Finance Business

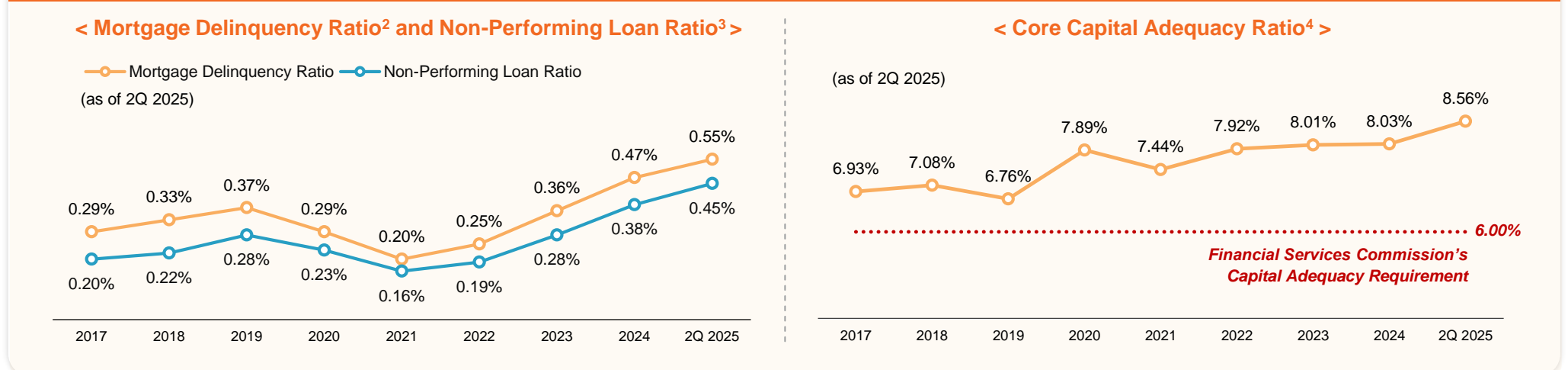


KHFC's Major Businesses (Cont'd)

Business Overview – Key figures



KHFC's Robust Asset Quality and Capital Adequacy



Source: Company Data

Note: 1. USD 1 = KRW 1,356.4 as of 30 June 2025; 2. Delinquency Rate: Based on over 30 days past due; 3. Non-Performing Loan Ratio calculated as the gross value of regulatory non-performing loans divided by the total loans; 4. Core capital is equivalent to the common equity Tier I capital under Basel III capital adequacy requirements primarily consisting of common stock, capital surplus, retained earnings, and other comprehensive income

03

Sustainability Initiatives



STRICTLY PRIVATE AND CONFIDENTIAL

1. Sustainable Financing Framework

Use of Proceeds

KHFC Social Mortgage - Eligible Categories & Criteria

Affordable Housing	<ul style="list-style-type: none"> ✓ Enabling people to own their residential houses by providing affordable, long-term, fixed-rate amortized mortgage loans
---------------------------	---

KHFC Green Mortgage - Eligible Categories & Criteria

Green Building	<ul style="list-style-type: none"> ✓ Acquisition, new construction, renovation, maintenance and operation of new or existing buildings with certain certifications ✓ Green remodeling of houses that have been certified by the Korea Authority of Land & Infrastructure Safety
Energy Efficiency	<ul style="list-style-type: none"> ✓ Investments related to reducing energy consumption and/or water consumption of buildings
Renewable Energy	<ul style="list-style-type: none"> ✓ Investments related to supporting the generation of renewable energy sources of the buildings

Management Process



Management

- ✓ KHFC's Securitization Work Group will maintain a register to keep track of the use of proceeds for each bond.
- ✓ When issuing green, social or sustainability ("GSS") bonds, KHFC will manage the purchased mortgage loans in each cover pool and MBS pool separately from its other mortgage loans in a manner consistent with the requirements of the KHFC Act.



Unallocated Proceeds

- ✓ If the case may be, any unallocated proceeds will be invested in cash or cash equivalents, in accordance with KHFC's liquidity management policy.

Project Evaluation & Selection Process

1 Launching of Mortgage Loan Products

- ✓ Eligibility Criteria of the mortgage loans reviewed and agreed by relevant government agencies

2 Loan Disbursement

- ✓ For sustainable financing issuance, the Securitization Department selects only KHFC's mortgage loans that meet the agreed criteria

3 Monitoring

- ✓ Quarterly review of pre-issued Green, Social and Sustainability Bonds and discussion about future plans by the KHFC Securitization Working Group

Second Party Opinion



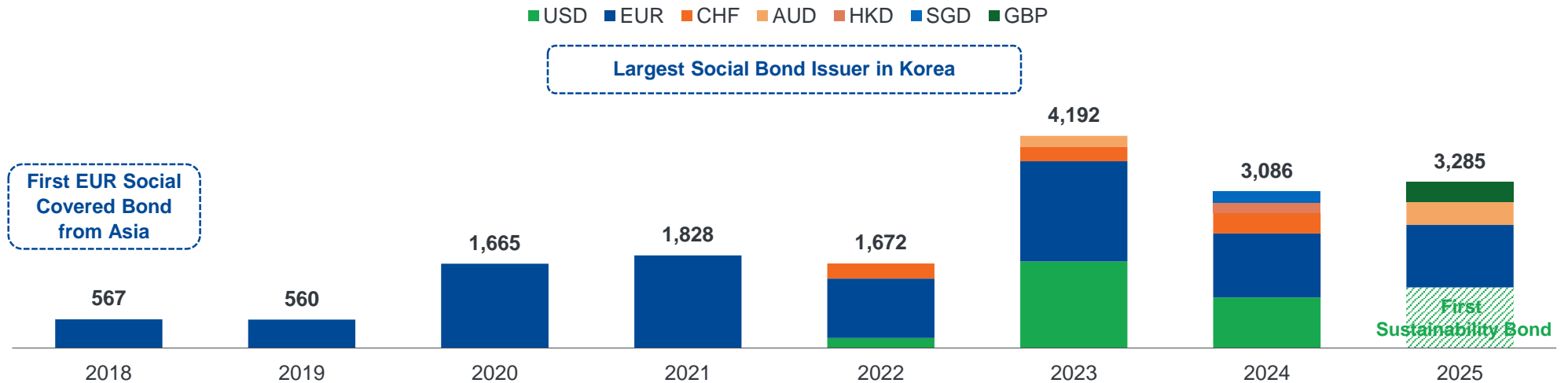
"...eligible categories outlined in the Framework are consistent with the categories outlined in the **2021 GBP, 2023 SBP and 2021 SBG...**"

KHFC's Sustainable Financing Framework is the **1st framework in APAC** that complies with the **ICMA's sustainable securitization guidelines released in 2022**

Source: Sustainable Financing Framework and Second Party Opinion are accessible at: https://www.hf.go.kr/en/sub06/sub06_06_02.do
 Disclaimer: Opinions expressed by DNV are solely the view of DNV and are not meant to be representative.

2. ESG Funding Highlights

Track Record of ESG Bond Issuances¹ (USD mn) (USD mn)



Sustainable Financing Highlights



No.1 Social Bond Issuer² in Korea



Social Bond of the Year (Sovereign) Award by Environment Finance in 2025



Inaugural USD Sustainability Covered Bond Issuance in 2025



Inaugural Green Bond Issuance Planned in the Near Future



Fundamentally Social-Oriented Business

Source: Company Data, Bloomberg as of 10 October 2025

Note: 1. USD Foreign exchange rate as of date of issuance for each individual bond; 2. Public + PP; 3. Based on issue size

04

Appendix

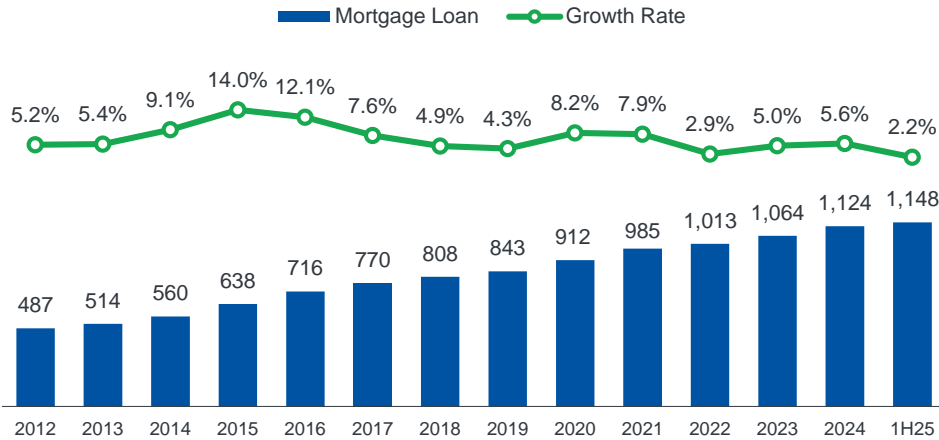
Korean Housing Market
Overview



Korean Housing Market Overview

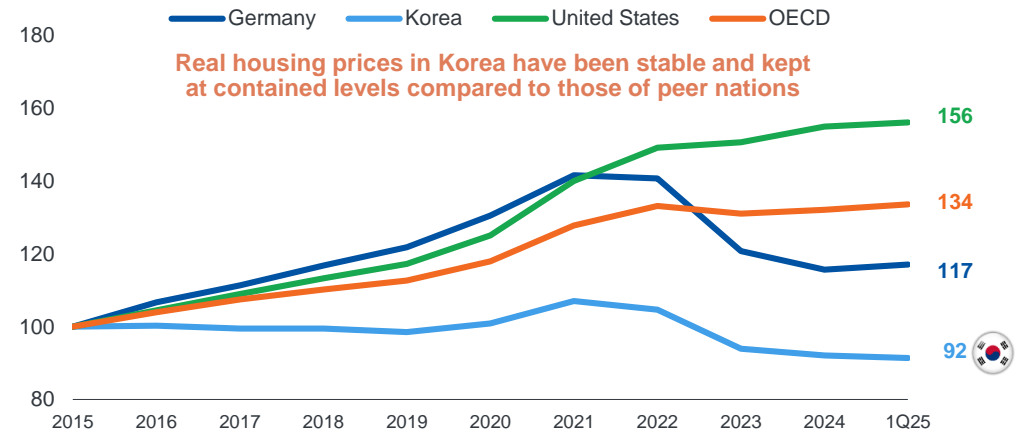
▪ Mortgage Growth Under Control

(KRW tn, YoY%)



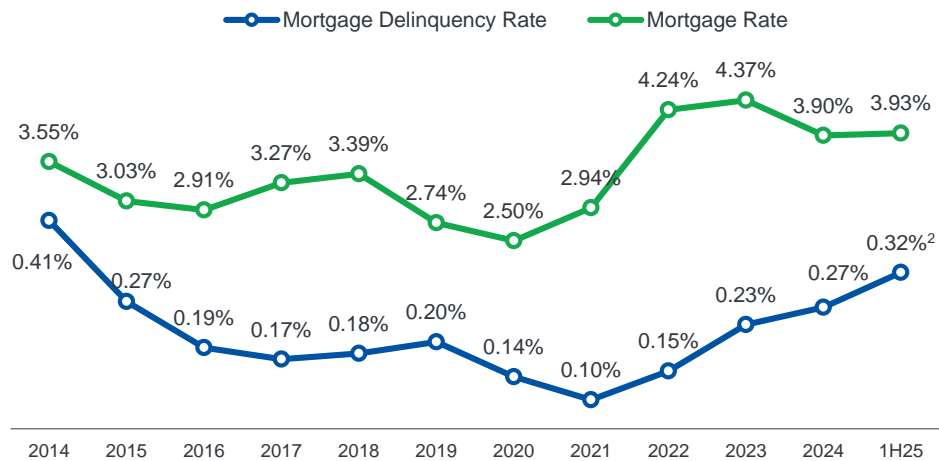
▪ Stable Real Housing Prices in Korea

(As of 1Q 25, 2015=100)



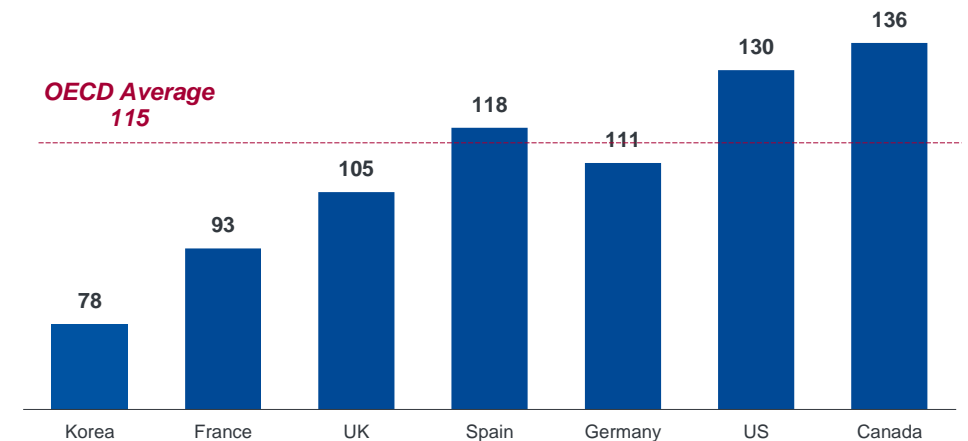
▪ Mortgage Rate and Delinquency Rate¹

(Banks Avg.)



▪ House Price-to-Income Ratio

(As of 1Q 25, 2015=100)



Source: Company data, Bank of Korea, Financial Supervisory Service, OECD
 Note: 1. Delinquency Rate: Based on over 30 days past due; 2. as of May 2025



THANK YOU

Investor Presentation



FINANCIAL SUPERVISORY SERVICE

Introduction to Korea as an Attractive Financial Hub and Investment Destination

London, 25 November 2025



01 FSS & Fn Hub Korea

02 Why Korea?

**03 Competitive Financial Platform &
Easier Market Access**

01 **FSS & Fn Hub Korea**

02 Why Korea?

03 Competitive Financial Platform &
Easier Market Access

01 | Financial Supervisory Service (FSS)

As a watchdog of Korea's financial markets, the FSS ensures **soundness** of financial firms and credit intermediation, establishes **fair financial transaction** practices, and **protects financial consumers**, contributing to the growth of the national economy



FINANCIAL SUPERVISORY SERVICE
금융감독원 金融監督院

Sound financial firms

- Conduct risk-based supervision through the Basel framework, ICS, etc.
- Look into unlawful and improper business activities of firms

Orderly capital markets

- Investigate securities law violations in the capital markets
- Review corporate disclosure filings to create a sound investment culture

Audit oversight

- Increase transparency of the accounting system
- Execute review of external auditor's reports to ensure fairness and credibility

Consumer protection

- Settle financial disputes and conduct financial education
- Act against financial crimes (e.g., phishing or insurance fraud)

01 | FSS London Representative Office

Along with the FSS's other overseas offices in New York, Frankfurt, Tokyo, Beijing, and Hanoi, the London Representative Office seeks to establish **close, cooperative relations** with financial supervisors in other jurisdictions

What we do here in the U.K....

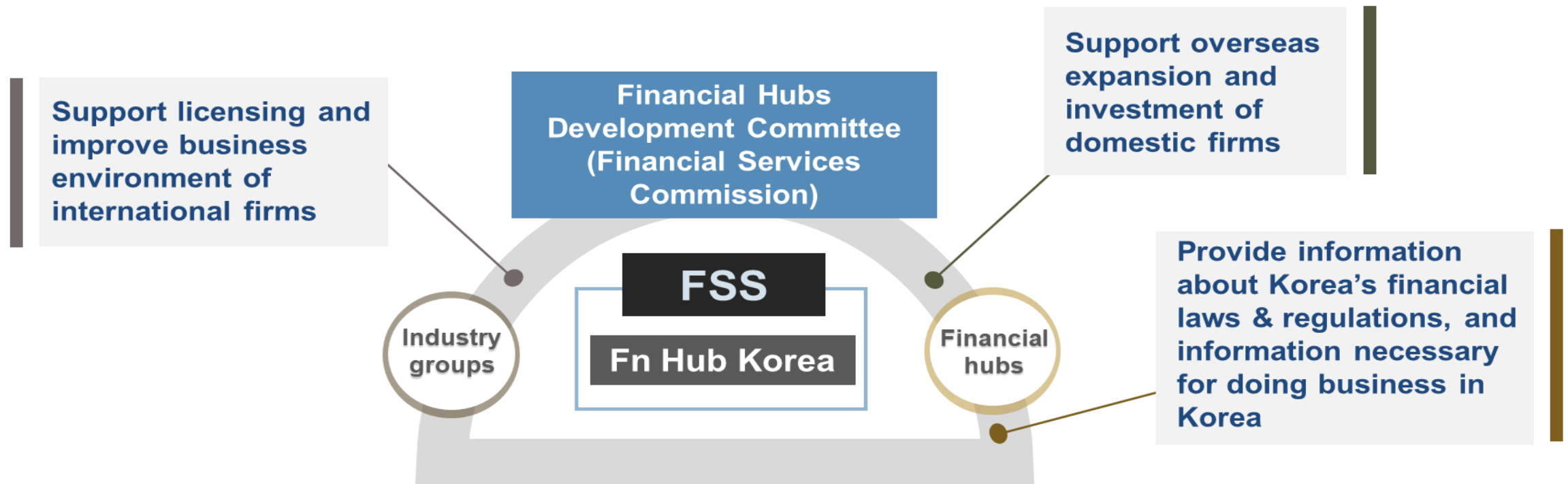
- ✓ Collaborate with supervisory authorities (PRA/FCA) and international organizations (IASB, etc.) for cross-border supervision and information exchange
- ✓ Monitor economic and financial market developments
- ✓ Support Korean firms seeking expansion into or already operating in the U.K.
- ✓ Act as the first point of contact for UK or other global firms hoping to expand into Korea



FINANCIAL SUPERVISORY SERVICE
금융감독원 金融監督院

01 | Fn Hub Korea: The Financial Gateway

- **Fn Hub Korea**, a division under the FSS, was established according to the Act on the Creation and Development of Financial Hubs to facilitate business of international financial firms operating in Korea
- Fn Hub Korea helps create a **more attractive environment** to international firms



01 | Financial Hub Korea: **The Financial Gateway** (www.fnhubkorea.kr)

Financial Supervisory Service >

🌐 KOR >



Search



Why Korea

Business Setup in Korea

Living Assistance

Laws & Regulations

Communication

News & Media

About Us



FINANCIAL HUB KOREA

YOUR GATEWAY TO THE
WORLD'S LEADING FINANCIAL
MARKET, KOREA



1:1

Inquiry

We are operating one-on-one counseling services for domestic and foreign financial companies.



Submit Inquiry



Check My Inquiry

01 | Financial Hub Korea: **The Financial Gateway** (www.fnhubkorea.kr)

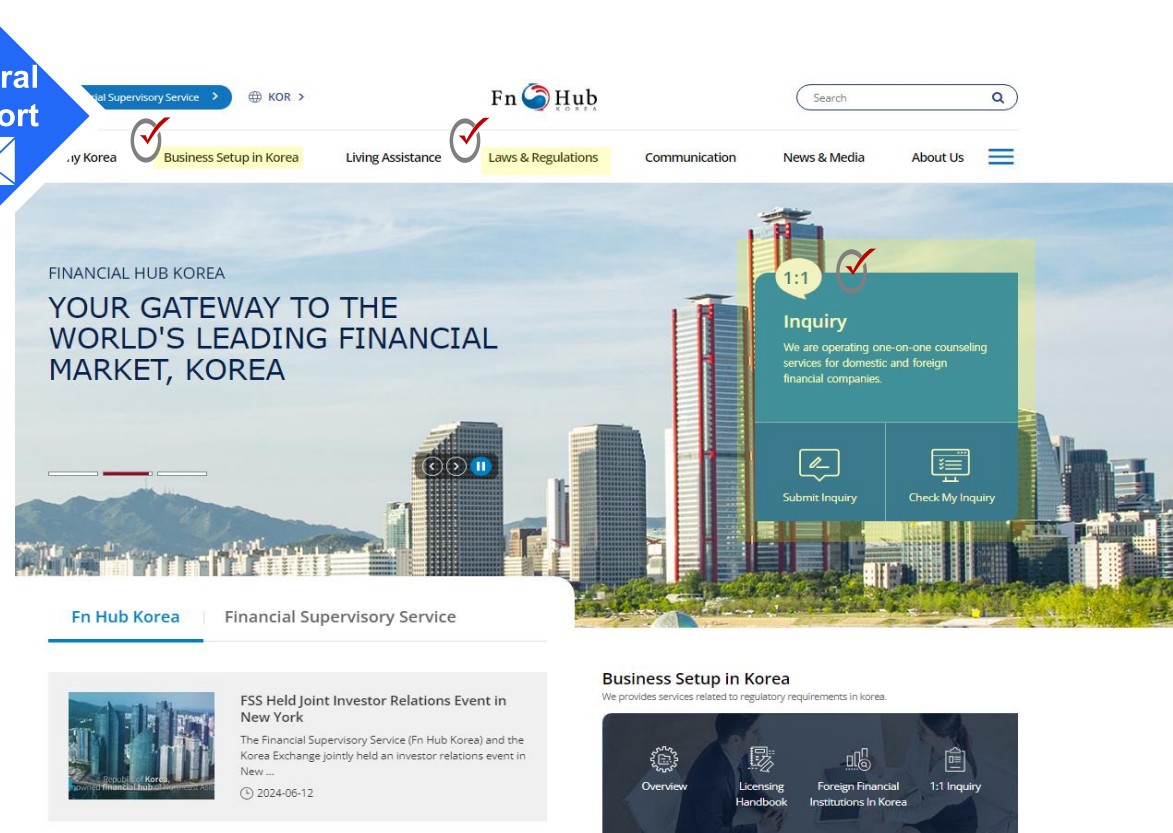


01 **START: Pre-Licensing Consultation** (accessible via FSS website)

One-stop service that allows applicants to request **prior consultation** on **200 financial business licenses**

www.fss.or.kr

-8-

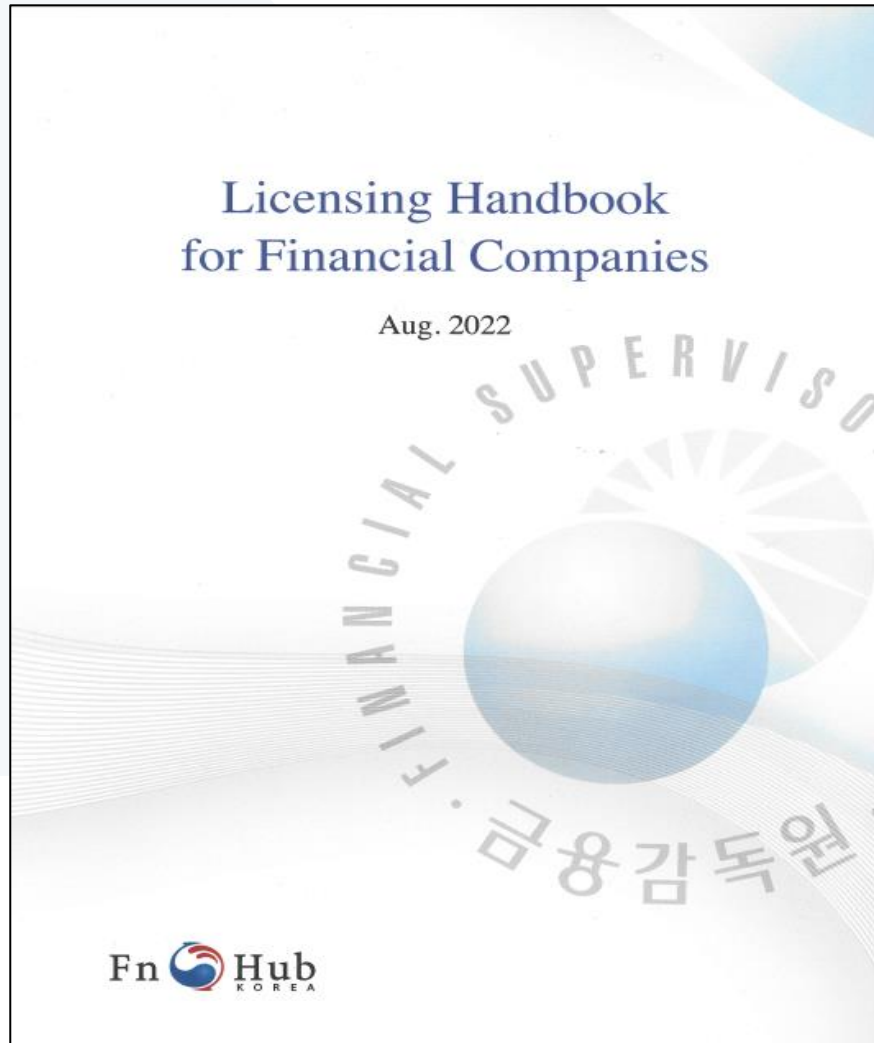


02 **Fn Hub Korea website**

1:1 channel for business setup and living in Korea of international firms (apart from licensing)

www.fnhubkorea.kr

01 | Financial Hub Korea: **The Financial Gateway** (www.fnhubkorea.kr)



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Business Setup in Korea

Business Setup in Korea / Licensing Handbook / Financial Holding Companies

Business Setup in Korea

Financial Holding Companies

Licensing of Financial Holding Companies

Overview

- A Financial Holding Company requires licensing from the Financial Services Commission (FSC) since it serves public interest by governing financial companies such as banks, financial investment companies and insurance companies.

Licensing Procedure

① Guide on Procedure

② Application Received (FSC)

Supplementary, Additional Data Submission

Available on the Fn Hub Korea website

01 FSS & Fn Hub Korea

02 Why Korea?

03 Competitive Financial Platform &
Easier Market Access

02 | Why Korea? **Steadily & Consistently Growing Economy**



12th (2024)

USD 1.87 T



7th (2024)

USD 1.32 T



6th* (2024)

USD 683.8 B



9th (Dec. 2024)

USD 415.6 B

* For the period from Jan to Sept 2024

02 | Why Korea? Digital Infrastructure & Innovative Workforce

World's best **digital infrastructure** and high-skilled workforce with **the innovator's DNA**

Digital infrastructure



1st Households with broadband internet access at home (99.96%) (OECD, 2022)



1st High-speed internet penetration rate (87.31%) (OECD, 2022)



1st Rate of households with access to mobile internet (99.98%) (OECD, 2021)



1st Information and communication technologies (WIPO, 2022)



1st Digital Government Index (OECD, 2023)



Innovator's DNA



1st OECD university graduation rate by country (69%) (OECD, 2022)



1st No. of researchers per 1,000 person employed (16.7 persons) (OECD, 2022)



1st Resident patent applications per unit of USD 100B GDP (8,159 patents) (WIPO, 2022)



4th Global Innovation Index (WIPO, 2025)



1st European Innovation Scoreboard (EC, 2024)

Innovative Korea is shaping the future

by utilizing world's leading **digital infrastructure** and **human capital**

- 1 World's 12th largest economy by GDP that is growing steadily and consistently**
6th largest trade amount (Q1/3 2024, WTO); 9th largest foreign exchange reserves (2024, IMF)
- 2 World's leading innovator where highly-skilled talents engage in aggressive R&D efforts**
1st in Bloomberg Innovation Index (2021, Bloomberg); highest number of researchers per 1,000 person employed (2022, OECD)
- 3 Logistics hub in East Asia that is well-situated to connect key cities around the world**
Incheon Airport - 2nd largest international air cargo volume (2022, ACI); Busan Port – 2nd busiest transshipment volume (2022); 22 FTAs with 59 countries (2025)
- 4 Testbed & gateway to the global market that boasts the world's 14th largest consumption market and trendy and savvy consumers**
1st in spending on luxury goods (2021, Morgan Stanley); 3rd largest number of Starbucks stores (2022, Kneoma.com)
- 5 Country with good quality of living that has a safe and secure environment and an excellent education system for expats**
1st in number of hospital beds per 1,000 population (2021, OECD); 3rd in Safety Index by Country (2023, NUMBEO)
- 6 World ICT leader with the best digital infrastructure and mobile environment**
1st in households with broadband internet access at home (2022, OECD); 1st in information and communication technologies (2022, WIPO); 3rd in UN E-Government Survey (2022, UN)

01 FSS & Fn Hub Korea

02 Why Korea?

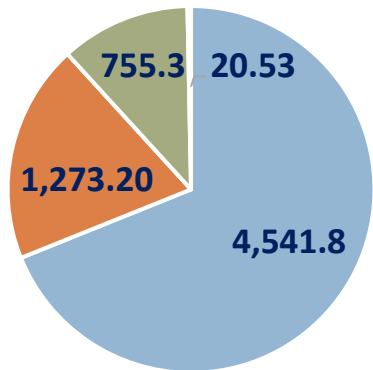
**03 Competitive Financial Platform &
Easier Market Access**

03 | Korea's Competitive Financial Platform

Korea offers a **high-quality, competitive financial platform** for international firms and global investors from all over the world, which is well demonstrated by total assets (KRW 6,590.8T); market capitalization (KRW 3,146.8T); and AUM (KRW 1,799.4T)

Total Assets (end-2024)

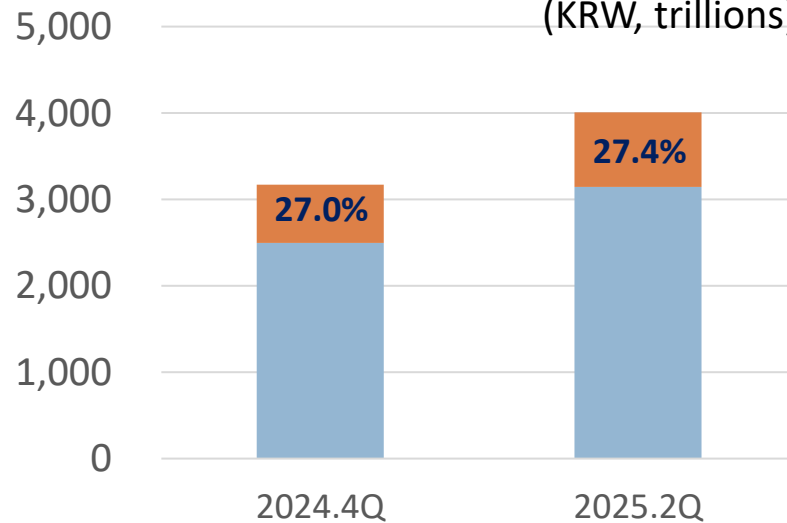
(KRW, trillions)



- Bank
- Insurance
- Securities
- Asset Management

Capital Markets

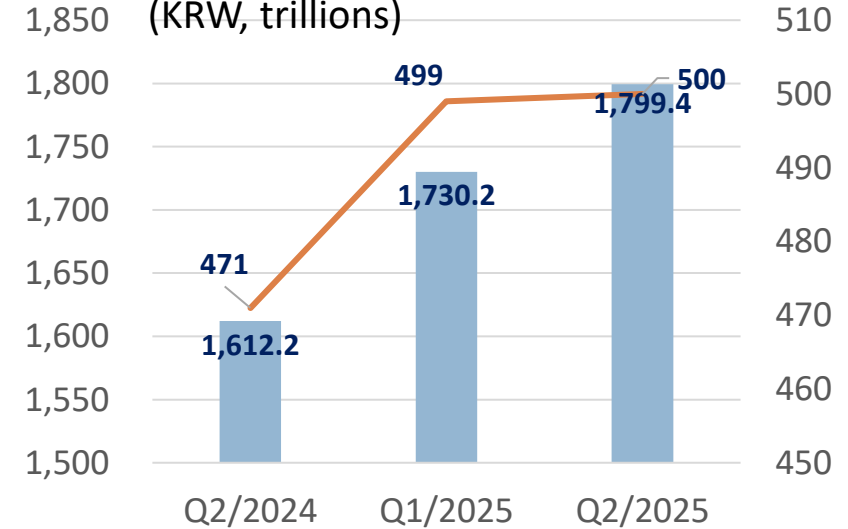
(KRW, trillions)



- Market Capitalization
- Foreign

Asset Management

(KRW, trillions)



- AUM
- No. of firms

03 | International Financial Firms in Korea (as of June 2025)

172 firms from 32 countries

By sector

Banking – 53 (30.8%)

Financial investment – 68 (39.5%)

Insurance – 26 (15.1%)

Others – 25 (14.5%)

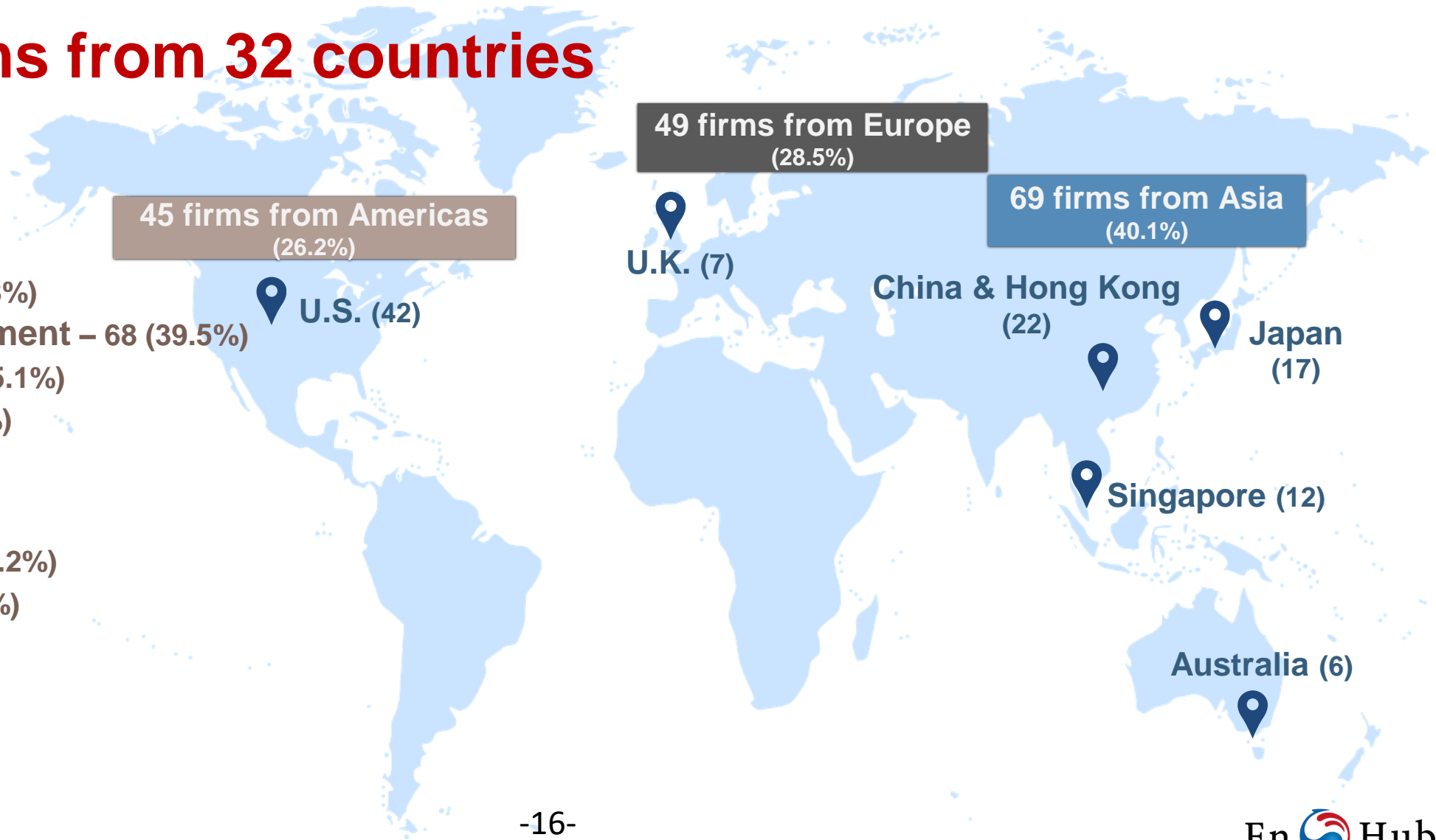
By continent

Americas – 45 (26.2%)

Europe – 49 (28.5%)

Asia – 69 (40.1%)

Others – 9 (5.2%)



03 | Consistent Measures to Improve Market Access



Tax reform (2023)

- Tax exemption for foreign investment in government bonds
- Application period of flat tax rate for expats (19%) extended from 5 to 20yr.

FX market structural improvement (2024)

- Registered Foreign Institutions allowed to participate in onshore FX market
- FX trading hours extended (9 a.m. to 2 a.m. (D+1))

Short selling reform (2025)

- Short selling ban fully lifted
- Short selling monitoring system introduced for better trade practices

03 | Consistent Measures to Improve Market Access



Background: MSCI Global Market Accessibility Review

- MSCI Global Market Accessibility Review (June 2022) suggested some areas in need of improvement for Korea

Abolishment of the Foreign Investor Registration System

- Foreigners allowed to invest in listed securities without prior registration with the FSS
- Identifiers: LEIs for an entity and passport numbers for individuals

Easing of reporting rules for omnibus accounts

- Reporting frequency reduced from “immediately (within T+2)” to “monthly”
- Wider use of omnibus accounts and improved market accessibility expected

More OTC trading from prior review to ex-post reporting

- More OTC transactions exempted from prior review (only post-trade reporting required)
- Less reporting burden and greater trading convenience expected

Mandatory disclosures in English

- Applicable for large-cap listed companies and key information first
- Gradual expansion of scope of companies and information planned

Thank you

Contact us at fnhub3@fss.or.kr



Towards A Global Financial Hub: Busan International Finance Center

The Evolving Ecosystem Of BIFC & Key Financial Institutions

