IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES EXCEPT TO PERSONS THAT ARE BOTH QUALIFIED INSTITUTIONAL BUYERS AND QUALIFIED PURCHASERS.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND KODIT GLOBAL 2026-1 CO., LTD. (THE "**ISSUER**") AND KOREA CREDIT GUARANTEE FUND (THE "**GUARANTOR**") HAVE NOT REGISTERED AND DO NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN RELIANCE ON THE EXEMPTION PROVIDED IN SECTION 3(c)(7) THEREOF. ACCORDINGLY, THE SECURITIES MAY ONLY BE OFFERED AND SOLD (1) IN THE UNITED STATES TO PERSONS THAT ARE BOTH (A) "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBs**") AS DEFINED IN RULE 144A OF THE SECURITIES ACT AND (B) "QUALIFIED PURCHASERS" ("**QPs**") AS DEFINED IN SECTION 2(a)(51)(A) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, IN EACH CASE ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER PERSON THAT IS BOTH A QIB AND A QP AND (2) OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S TO PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN REGULATION S) AND U.S. RESIDENTS (DEFINED AS "**U.S. PERSONS**" UNDER REGULATION S AS SUCH TERM HAS BEEN INTERPRETED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION STAFF IN THE CONTEXT OF SECTION 7(D) OF THE INVESTMENT COMPANY ACT) (ANY SUCH PERSON, A "**U.S. INVESTOR**"). THE SECURITIES MAY ONLY BE RESOLD OR TRANSFERRED IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH UNDER "SUBSCRIPTION AND SALE" IN THE ATTACHED OFFERING CIRCULAR.

IN ORDER TO BE ELIGIBLE TO ACCESS THIS OFFERING CIRCULAR OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES DESCRIBED THEREIN, YOU AND ANY ENTITY THAT YOU REPRESENT MUST BE EITHER (A) BOTH A QIB AND A QP THAT IS ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER PERSON THAT IS BOTH A QIB AND A QP OR (B) NOT A U.S. INVESTOR PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

WITHIN THE UNITED KINGDOM, THIS OFFERING CIRCULAR IS DIRECTED ONLY AT PERSONS WHO (1) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (2) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

This Offering Circular is being sent at your request and by accepting the email and accessing this Offering Circular, you shall be deemed to have made certain acknowledgements, representations and agreements, as set forth under "Subscription and Sale" in this Offering Circular, including that you and any entity that you represent are either (i) not a U.S. Investor purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S and that the electronic mail address you gave us and to which this email has been delivered is not located in the United States or (ii) a person that is both a QIB and a QP that is acting for its own account or for the account of another person that is both a QIB and a QP and, in each case, that you consent to delivery of this Offering Circular by electronic transmission. You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the Issuer in such jurisdiction.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds (as defined in this Offering Circular), including The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank and UBS AG Hong Kong Branch (the "**Managers**") are "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (OCs) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate so to the Managers when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission. Consequently, none of the Managers or any person who controls any such entity or any director, officer, employee or agent or affiliate of any such entity accept any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format herewith and the hard copy version available to you on request from the Managers.

STRICTLY CONFIDENTIAL

KODIT Global 2026-1 Co., Ltd.

US$300,000,000 4.591 per cent. Guaranteed Senior Unsecured Bonds due 2029

Unconditionally and Irrevocably Guaranteed by



Korea Credit Guarantee Fund

(a statutory juridical entity established in 1976 under The Credit Guarantee Fund Act of Korea of 1975, as amended, in the Republic of Korea)

The US$300,000,000 4.591 per cent. Guaranteed Senior Unsecured Bonds due 2029 (the "**Bonds**") will be issued by KODIT Global 2026-1 Co., Ltd. (the "**Issuer**") and unconditionally and irrevocably guaranteed by Korea Credit Guarantee Fund ("**KODIT**" or the "**Guarantor**" and such guarantee, the "**Guarantee**"). The Bonds constitute direct, general and unsubordinated obligations of the Issuer which will be unsecured and shall at all times rank *pari passu* and without any preference among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law). The Guarantee relating to the Bonds constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and shall at all times rank *pari passu* and without any preference among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law).

The Bonds will bear interest from and including 28 May 2026 (the "**Issue Date**") at a rate of 4.591 per cent. per annum. Interest will be payable semi-annually in arrear on 28 May and 28 November of each year (each an "**Interest Payment Date**," with the first Interest Payment Date falling on 28 November 2026 in respect of the period from and including the Issue Date to but excluding such Interest Payment Date).

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their outstanding principal amount on 28 May 2029 (the "**Maturity Date**"). The Bonds are subject to redemption in whole, but not in part, at their outstanding principal amount together with any accrued but unpaid interest thereon, in the event of certain changes to tax laws. See "*Terms and Conditions of the Bonds – Redemption*."

Investing in the Bonds involves certain risks. See "*Risk Factors*" beginning on page 4.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle from, admission to the Official List of, and listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor or the Bonds.

The Bonds are expected to be rated "Aa2" by Moody's Investor Service ("**Moody's**") and "AA" by S&P Global Ratings, a division of S&P Global, Inc. ("**S&P**"). Such ratings of the Bonds do not constitute a recommendation to buy, sell or hold the Bonds and may be subject to revision or withdrawal at any time by such rating organisations. Such ratings should be evaluated independently of any other ratings of the Bonds, the Issuer's or Guarantor's other securities or the Issuer or Guarantor.

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), the securities laws of any state of the United States or the securities laws of any other jurisdiction, and the Issuer and the Guarantor have not registered and do not intend to register as an "investment company" under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance upon the exemption provided by Section 3(c)(7) thereof. The Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of any person that is a "U.S. Person" within the meaning of Regulation S under the Securities Act ("**Regulation S**") or a "U.S. Resident" (defined as a "U.S. Person" under Regulation S, as such term has been interpreted by the U.S. Securities and Exchange Commission Staff in the context of Section 7(d) of the Investment Company Act) (any such person, a "**U.S. Investor**") unless the purchaser is both (1) a "qualified institutional buyer" (a "**QIB**") within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") and (2) a "qualified purchaser" (a "**QP**") within the meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder, acting for its own account or for the account of another QIB that is a QP (and meets the other requirements set forth herein) (such persons, "**QIB/QPs**"). Bonds offered hereby to persons that are not U.S. Investors ("**Non-U.S. Investors**") will be offered and sold in "offshore transactions" within the meaning of Regulation S not subject to the registration requirements of the Securities Act pursuant to Rule 903 of Regulation S. Bonds may not be reoffered, resold, pledged, exchanged or otherwise transferred except in accordance with the restrictions described under "*Subscription and Sale*".

The Bonds are offered in the United States to persons that are both QIBs and QPs (and which meet the other requirements set forth in the section below headed "*Subscription and Sale*") in transactions meeting the requirements of Rule 144A and in reliance by the Issuer and the Guarantor on the exemption from registration under the Investment Company Act pursuant to Section 3(c)(7) thereof. The Bonds will initially be represented by beneficial interests in a Restricted Global Certificate (as defined herein) and an Unrestricted Global Certificate (as defined herein) each in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"). Beneficial interests in the Restricted Global Certificate and the Unrestricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Restricted Global Certificate and the Unrestricted Global Certificate.

Issue Price: 100.000 per cent.

Joint Bookrunners and Joint Lead Managers

HSBC **Standard Chartered Bank** **UBS**

The date of this Offering Circular is 18 May 2026.

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You should rely only on the information contained in this Offering Circular. None of the Issuer, the Guarantor or the Managers (as defined in "*Subscription and Sale*") have authorised anyone to provide you with information that is different or make any representation other than as contained in this Offering Circular in connection with the offering of the Bonds. If anyone provides you with different or inconsistent information, you should not rely on it.

You should assume the information in this Offering Circular is accurate only as of the date of this Offering Circular or such other date as specified herein. The business, financial condition, results of operations and prospects of the Issuer or the Guarantor may have changed since that date. Neither the delivery of this Offering Circular nor any sale of the Bonds made in connection with this Offering Circular will, under any circumstances, constitute a representation or create any implication that the information in this Offering Circular is correct as of any date subsequent to the date of this Offering Circular or that there have been no changes in the affairs of the Issuer or the Guarantor since the date of this Offering Circular. Statements contained in this Offering Circular as to the contents of any contract or other documents referred to in this Offering Circular may not set forth all of the terms and conditions of such contracts or other documents.

In making an investment decision, prospective investors must rely on their own examination of the Issuer and the Guarantor and the terms of the Bonds and the Guarantee, including the merits and risks involved. Neither the Issuer nor the Guarantor is making any representation to any purchaser of the Bonds regarding the legality of an investment in the Bonds by such purchaser under any legal investment or similar laws or regulations. This Offering Circular should not be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor or the Managers that any recipient of this Offering Circular should purchase the Bonds. You should not construe the contents of this Offering Circular as legal, business, accounting or tax advice. You should consult your own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Bonds.

The Issuer and the Guarantor have furnished the information contained in this Offering Circular. No representation, undertaking or warranty, express or implied, is made by the Managers, the Agents (as defined in this Offering Circular), or any director, officer, employee, agent of any such person or any of their respective affiliates or advisers as to the accuracy or completeness of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Managers, the Agents, or any director, officer, employee, agent of any such person or any of their respective affiliates or advisers. None of the Managers or the Agents assume responsibility for the accuracy, adequacy, reasonableness or completeness of any of the information contained in this Offering Circular or any other information (financial, legal or otherwise) provided by the Issuer or the Guarantor in connection with the issue or distribution of the Bonds, the giving of the Guarantee or the future performance of the Bonds or the Guarantee. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers, the Agents, or any director, officer, employee, agent of any such person or any of their respective affiliates or advisers in connection with investigation of the accuracy of such information or such person's investment decisions.

This Offering Circular may only be used where it is legal to sell the Bonds. None of the Issuer, the Guarantor or the Managers are making an offer to sell the Bonds in any jurisdiction where the offer or sale is not permitted. This Offering Circular may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular may come must inform themselves about and observe these relevant restrictions. No action is being taken in any jurisdiction to permit an offering to the general public of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for those purposes. If a jurisdiction requires that the offering

be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Manager or its affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular is confidential. This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised and any disclosure of any of its contents or use of such information for any purpose other than making an investment decision, without the prior written consent of the Issuer and the Guarantor, is prohibited. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing.

This Offering Circular may be distributed on a confidential basis in the United States to a limited number of QIB/QPs in connection with the consideration of the purchase of the Bonds being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted. The Bonds may be offered, sold or delivered within the United States only to QIB/QPs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Bonds is hereby notified that the offer and sale of any Bonds to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act.

The Bonds are subject to restrictions on transferability and may not be transferred or resold except as permitted under applicable U.S. federal and state securities laws pursuant to a registration statement or an exemption from registration. Any investor who purchases the Bonds will be deemed to have made acknowledgements, representations, warranties and agreements intended to restrict the resale or other transfer of the Bonds, as set forth under "*Subscription and Sale – Transfer Restrictions*." As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

The Bonds and the Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Bonds or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

Notice to investors in Singapore: By accepting this Offering Circular, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described herein.

In connection with this offering, the Managers (or person(s) acting on their behalf) may, subject to all applicable laws, rules and regulations, over-allot the Bonds or effect transactions that stabilise or maintain the market price of the Bonds at a higher level than the Bonds might otherwise achieve in the open market for a limited period of time after the Issue Date. However, there is no assurance that the Managers (or person(s) acting on their behalf) will undertake stabilisation action. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. For a description of these activities, see "*Subscription and Sale.*"

NOTICE TO CANADIAN INVESTORS

In Canada, this document constitutes an offering of securities only in those Canadian jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. The offering of the Bonds in Canada is being made on a private placement basis in reliance on exemptions from the prospectus requirements under the securities laws of each applicable Canadian province and territory where the securities may be offered and sold, and therein may only be made with investors that are purchasing as principal and that qualify as both an "accredited investor" as such term is defined in Section 1.1 of National Instrument 45-106 *Prospectus Exemptions* or, if resident in Ontario, subsection 73.3(1) of the *Securities Act* (Ontario), and as a "permitted client" as such term is defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**").

Any offer and sale of the Bonds in any province or territory of Canada may only be made through a dealer that is properly registered under the securities legislation of the applicable province or territory wherein the Bonds are offered and/or sold or, alternatively, by a dealer that qualifies under and is relying upon an exemption from the registration requirements therein. Any resale of the Bonds by an investor resident in Canada must be made in accordance with applicable Canadian securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements. Canadian purchasers are advised to seek legal advice prior to any resale of the securities.

Securities legislation in certain province or territories of Canada may provide a purchaser with remedies for rescission or damages, or both, in addition to any other rights they may have at law, if the this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Each dealer may have an ownership, lending or other relationship with the issuer of the securities offered by such offering document that may cause the issuer to be a "related issuer" or "connected issuer" to such dealer, as such terms are defined in National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"). Pursuant to Sections 3A.3 and/or 3A.4, as applicable (the "**Exemption**"), each dealer and the issuer are relying on the Exemption from the disclosure requirements relating to the relationship between the dealer and the issuer prescribed by Section 2.1(1) of NI 33-105.

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

ENFORCEABILITY OF CIVIL LIABILITIES

The Guarantor is a statutory juridical entity established in 1976 under the Credit Guarantee Fund Act of Korea of 1975, as amended (the "**Credit Guarantee Fund Act**"), in the Republic of Korea ("**Korea**"). All of the officers and directors of the Guarantor named in this Offering Circular reside in Korea, and all or a substantial portion of the assets of the Guarantor and of such officers and directors are located outside the United States.

The Issuer is a corporation with limited liability organised under the laws of Korea. All of the officers and directors of the Issuer named in this Offering Circular reside in Korea, and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States.

As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or the Issuer or the Guarantor in U.S. courts judgements predicated upon civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgements of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

AVAILABLE INFORMATION

The Issuer is not subject to the informational requirements of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). To permit compliance with Rule 144A under the Securities Act in connection with sales of the Bonds, the Issuer will be required under the Fiscal Agency Agreement to furnish, upon request, to a holder of a Bond and a prospective investor designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Notwithstanding the foregoing, the Issuer agrees to furnish the information required to be delivered under Rule 144A(d)(4) under the Securities Act for so long as the Issuer and/or the Guarantor relies on Section 3(c)(7) of the Investment Company Act.

Copies of the Fiscal Agency Agreement will be on file and available for inspection at the specified office of the Fiscal Agent (as defined in this Offering Circular) upon prior written request during normal office hours. In accordance with the Bonds and the Fiscal Agency Agreement, the Fiscal Agent also will make available for inspection by holders of the Bonds or, in certain cases, arrange for the mailing to such holders, certain documents or communications received from the Issuer or the Guarantor, as the case may be. See "*Terms and Conditions of the Bonds.*"

PRESENTATION OF FINANCIAL INFORMATION

The Guarantor maintains its financial books and records and prepares its financial statements in Won in accordance with the Korean National Accounting Standards in accordance with Article 11, Paragraph 1 of the National Accounting Act, which is effective as of the fiscal year 2009 ("**Korean National Accounting Standards**"). The Guarantor's separate financial statements as of and for the years ended 31 December 2024 and 2025 included in this Offering Circular have been prepared in accordance with the Korean National Accounting Standards. References in this Offering Circular to "separate" financial statements and information are to financial statements and information prepared on a nonconsolidated basis. Unless otherwise specified, the Guarantor's financial and other information included in this Offering Circular is presented on a separate basis in accordance with the Korean National Accounting Standards and does not include such information with respect to its subsidiaries.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to the "Issuer" in this Offering Circular are to KODIT Global 2026-1 Co., Ltd. and, unless otherwise specified or the context otherwise requires, its consolidated subsidiaries. All references to the "Guarantor" in this Offering Circular are references to Korea Credit Guarantee Fund ("**KODIT**").

In this Offering Circular, all references to "Korea" or the "Republic" are to the Republic of Korea, all references to "U.S." or the "United States" are to the United States of America, all references to the "PRC" or "China" are to the People's Republic of China, all references to "Hong Kong" are to the Hong Kong Special Administrative Region of the PRC, all references to the "EU" are to the European Union and all references to the "Government" are to the government of Korea.

Unless otherwise indicated, references to "Won" and "₩" are to the currency of Korea, references to CNY, Renminbi and RMB are to the lawful currency of the PRC, references to "US$" and "U.S. dollars" are to United States dollars, references to "GBP", "£" and "sterling" are to pounds sterling, references to "Yen" and "¥" are to Japanese Yen and references to "EUR", "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Offering Circular, where information has been prepared in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, actual numbers may differ from those contained herein due to rounding. All discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes future expectations, projections or "forward-looking statements," as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. The words "believe," "expect," "anticipate," "estimate," "project" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular are forward-looking statements. Although the Issuer and the Guarantor believe that the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. This Offering Circular discloses important factors that could cause actual results to differ materially from the Issuer's or the Guarantor's expectations, including factors that could adversely affect the future performance of the Korean economy, as described in "Risk Factors – Risks Relating to Korea – *If economic conditions in Korea deteriorate, the Guarantor's current business and future growth could be materially and adversely affected*" (collectively, the "**Cautionary Statements**"). All subsequent written and oral forward-looking statements attributable to the Issuer or the Guarantor or persons acting on behalf of either of them are expressly qualified in their entirety by the Cautionary Statements.

SUMMARY

*The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Bonds, see "Terms and Conditions of the Bonds" in this Offering Circular (the "**Conditions**"). Terms used and not otherwise defined in this summary have the meaning given to them in the Conditions.*

Issuer	KODIT Global 2026-1 Co., Ltd., a limited liability company established under the laws of Korea. The Guarantor has established the Issuer for the purpose of providing funding to small-, medium-and large-sized enterprises in Korea.
Bonds	US$300,000,000 4.591 per cent. Guaranteed Senior Unsecured Bonds due 2029.
Issue Price.	100.000 per cent.
Issue Date	28 May 2026.
Status of the Bonds	The Bonds constitute direct, general and unsubordinated obligations of the Issuer which will be unsecured and shall at all times rank *pari passu* and without any preference among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law).
Guarantor.	Korea Credit Guarantee Fund, a statutory juridical entity established in 1976 under the Credit Guarantee Fund Act of Korea of 1975, as amended (the "**Credit Guarantee Fund Act**"), in Korea.
Guarantee	The Guarantor has given for the benefit of the Holders of the Bonds an unconditional and irrevocable guarantee for the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds as and when the same shall become due according to the Conditions. The Guarantee relating to the Bonds constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and shall at all times rank *pari passu* and without any preference among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law). The Guarantee will remain in full effect until the earlier of (i) the payment of all sums payable in respect of the relevant Bonds having been paid in full and (ii) the Maturity Date.
Interest Commencement Date.	28 May 2026.
Interest Payment Dates. .	28 May and 28 November of each year, commencing on 28 November 2026, each subject to the Following Business Day Convention.
Rate of Interest	4.591 per cent. per annum, payable semi-annually in arrear.
Day Count Fraction	30/360.

Maturity Date	28 May 2029.
Form and Denomination.	The Bonds will be issued in registered form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The Bonds offered for sale in the United States in reliance on Rule 144A will be evidenced by a global certificate in registered form (the "**Restricted Global Certificate**") and the Bonds offered for sale outside the United States in reliance on Regulation S will be evidenced by a global certificate in registered form (the "**Unrestricted Global Certificate**" and, together with the Restricted Global Certificate, the "**Global Certificates**"), each of which will be registered in the name of a nominee of, and shall be deposited with, a common depositary for Euroclear and Clearstream.
Redemption at Maturity .	Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their outstanding principal amount on the Maturity Date.
Redemption for Tax Reasons	The Issuer may redeem the Bonds in whole, but not in part, at their outstanding principal amount together with any accrued but unpaid interest thereon, in the event that the Issuer is obliged to pay additional amounts provided in Condition 9.
Taxation	All payments in respect of the Bonds by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Korea, unless the withholding or deduction of such taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holders after the withholding or deduction (including any withholding or deduction in respect of such payment of additional amounts) will equal the respective amounts which would otherwise have been a receivable in respect of the Bonds in the absence of the withholding or deduction.
Negative Pledge	The Bonds will contain a negative pledge provision given by the Guarantor as described in Condition 5(a).
Governing Law	The Bonds and the Guarantee are governed by, and will be construed in accordance with, English law.
Rating.	The Bonds are expected to be rated "Aa2" by Moody's and "AA" by S&P. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision or withdrawal at any time by the assigning rating organisations.
Fiscal Agent and Registrar	Citicorp International Limited.

Paying Agent and Transfer Agent (together with the Fiscal Agent and the Registrar, the "Agents")	Citibank, N.A., London Branch.
Listing	Application will be made to the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. There can be no assurance, however, that the Issuer will obtain or be able to maintain a listing and quotation of the Bonds on the SGX-ST. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of SGD200,000 (or its equivalent in foreign currencies). Accordingly, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.
Use of Proceeds	The Issuer intends to use the net proceeds from the issuance of the Bonds for general corporate purposes finance. See "*Use of Proceeds*."
Clearance and Settlement	The Bonds are expected to be accepted for clearance through Euroclear and Clearstream. The ISIN and common codes for the Bonds are as follows: Restricted Global Certificate ISIN: XS3382828260 Common Code: 338282826 Unrestricted Global Certificate ISIN: XS3382828187 Common Code: 338282818
LEI (Issuer)	9884004B8B82DD9SRO95
LEI (Guarantor)	9884001XL6IT2Z91ZA14

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, together with the risks described in the other sections of this Offering Circular before making any investment decision relating to the Bonds. Before making an investment decision, prospective investors should carefully consider all of the information contained in this Offering Circular, including the financial statements and the accompanying notes, which are included in this Offering Circular. Additional risks and uncertainties that the Issuer or Guarantor is not aware of or that the Issuer or Guarantor currently believes are immaterial may also adversely affect the business, financial condition or results of operations of the Issuer or Guarantor. If any of the possible events described below occur, the business, financial condition or results of operations of the Issuer or Guarantor could be materially and adversely affected. In such case, the Issuer or Guarantor may not be able to satisfy its obligations under the Bonds and investors could lose all or part of their investment. The risks described below are not the only ones that may be relevant to the Bonds.

Risks Relating to the Issuer

The Issuer is a newly incorporated company and may be dependent on funds from the Guarantor to meet obligations under the Bonds

The Issuer is a special purpose vehicle established specifically for the purpose of issuing the Bonds. It does not plan to conduct business or any other activities other than the offering, sale or issuance of the Bonds and subscribing to domestic bonds issued by small and medium-sized enterprises in Korea. The Issuer's ability to make payments under the Bonds will depend exclusively on third parties (including the Guarantor) and/or on the Issuer's receipt of timely payments of the principal and quarterly interest payments from domestic obligors whose bonds are held by the Issuer. See "*Use of Proceeds.*" Any delay or failure by any such third parties may adversely impact the ability of the Issuer to meet its obligations in respect of the Bonds.

The Issuer may undertake operating activities in the future that diminishes its ability to meet payment obligations under the Bonds

The Issuer currently does not have any operating activities, other than entering into arrangements for the issue of debt securities and other activities incidental thereto (such activities, for the avoidance of doubt, shall include the purchase of domestic corporate bonds from the proceeds of the Offering). However, the Issuer may undertake operating activities in the future and there is no restriction under the Bonds to prevent the Issuer from doing so. Engaging in operating activities may cause the Issuer to incur additional debt or other liabilities, including but not limited to accounts payables with trade creditors, wage payables and taxes payables. Such debt or liability will rank at least *pari passu* with the Bonds. As a result, the payment obligations under the Bonds may be adversely affected. In addition, operating activities may involve operating expenses and operating losses, some of which are unforeseen. Expenses and losses could affect the Issuer's financial position. If the Issuer experiences negative cash flow from operations over a prolonged period of time, or if the Issuer suffers unexpected cash outflows, the Issuer's liquidity and ability to fulfil the payment obligations under the Bonds may be adversely affected.

Risks Relating to the Guarantor

The nature of the Guarantor

The Guarantor was established under the Credit Guarantee Fund Act as a statutory juridical entity, a public financial institution funded by the Government for implementing government financial policy. The Guarantor is operated under the direction and supervision of the National Assembly of Korea and related government ministries that include the Financial Services Commission (the "**FSC**"), the Ministry of Finance and Economy ("**MOFE**"), the Ministry of Small and Medium-Sized Enterprises and Startups ("**MSS**") and the Board of Audit and Inspection ("**BAI**"). The Guarantor is engaged in the business of, among other things, extending credit guarantees for the liabilities of small and medium-sized enterprises

("**SMEs**") that lack tangible collateral. As such, the Guarantor has numerous financial counterparties who owe obligations to it and to whom it owes obligations. The Guarantor may, from time to time, have disputes with these counterparties, as would be the case for any other commercial enterprise, and as such faces the possibility of loss, liability or disruption of its operations, all of which could have a bearing on its ability to pay interest on or repay the principal of the Bonds. The Guarantor is not a special purpose vehicle which has been established and structured for the purpose of the issuance of the Bonds, and so there can be no assurance that these losses, liabilities and disputes will be limited as they would typically be in the context of a special purpose vehicle.

The economic conditions in Korea

The commercial operations of the Guarantor are undertaken almost exclusively in Korea, though the Guarantor does have some business networks outside Korea. As such, these commercial operations are influenced by the performance of the Korean economy. Particular factors that could have a bearing on the Guarantor are the level of interest rates. An increase in interest rates could result in greater delinquencies and defaults by the SMEs that the Guarantor has extended credit guarantees to due to other, floating rate, debt service obligations, and such increase in interest rates could affect the demand for credit guarantees.

As a significant part of the Guarantor's funding is raised in the Korean capital markets, any material decline in available liquidity could also have a bearing on the commercial operations of the Guarantor, in particular its ability to secure its capital fund that is composed of contributions from the Government, financial institutions and enterprises.

There can be no assurance that the economic environment in Korea will not change adversely during the term of the Bonds, with a simultaneous impact on the Guarantor's commercial operations, particularly since the Korean economy is highly dependent on exports of various goods and its performance depends, to a significant extent, on the economic performance of its trading partners. For more information, see " *— Risks relating to Korea —*."

The credit guarantee market for SMEs is competitive and evolving

The Guarantor competes with other providers of credit guarantees and financial products that attract SMEs in Korea. The Guarantor primarily competes with the Korea Technology Finance Corporation ("**KOTEC**") and the Regional Credit Guarantee Foundations (for sixteen regions in Korea) and has the highest market share in the Korean credit guarantee market by a large margin. The level of competition among Korea's credit guarantee providers is currently not high as Korea's credit guarantee providers supply credit guarantees to different types of entities. However, as the credit guarantee market develops, competition may increase. Furthermore, other providers of credit guarantees may have higher risk tolerances, be willing to accept lower guarantee fee rates or have other economic arrangements, which may reduce demand for the Guarantor's credit guarantees.

The Guarantor's competitors may operate with different business models, have different cost structures or participate selectively in different market segments. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. Additionally, the Guarantor may be unable to continue to develop, acquire, implement or utilise, in a cost-effective manner, information systems and products that provide the capabilities necessary for the Guarantor to compete effectively.

If the Guarantor is unable to compete with such companies and meet the need for innovation in its industry, the demand for the Guarantor's credit guarantees could stagnate or substantially decline and/or the Guarantor could experience reduced revenue or fail to achieve or maintain more widespread market acceptance, any of which could have a material adverse effect on the Guarantor's business, results of operations, financial condition or prospects.

Providing credit guarantees to SMEs expose the Guarantor to credit risk

The Guarantor is subject to the risk of default in payment by the SMEs to which the Guarantor provides credit guarantees. More than 95.0 per cent. of the Guarantor's credit guarantees as of 31 December 2025 comprised loan guarantees and guarantees with regard to secondary financial sectors (non-banking financial institutions), which are necessary for SMEs to procure funds from banks or non-banking financial institutions. The Guarantor's credit guarantee services involve a series of interactions among the Guarantor, the debtor SMEs, and the creditors (banks, enterprises, etc.), in which the Guarantor would pay the guarantee obligation to financial institutions in place of the debtor SMEs if they default on loans. Because SMEs are likely to lack steady earnings, operate at a loss, have limited resources, and/or be more vulnerable to adverse general market or economic developments, among other concerns, providing credit guarantees to SMEs exposes the Guarantor to credit risk. This risk may in turn adversely affect the Guarantor's ability to make payments on the Bonds, and no assurance can be made that alternative sources of liquidity will protect Bondholders from all risks of losses.

Changes in liquidity

Stable sources of the Guarantor's funding include, but are not limited to, contributions from the Government and statutory contributions from financial institutions not exceeding 0.3 per cent. annually of the amount of loans of the financial institutions that are subject to statutory contributions. The amount of such funding may fluctuate from time to time, and there can be no assurance that, in the future, the Guarantor will have access to the same levels of liquidity from the Government and financial institutions as it has in the past, which would have a bearing on the Guarantor's commercial operations.

Future changes in market conditions as well as other factors may lead to increases in delinquency levels of the Guarantor's outstanding credit guarantees

The amount of outstanding credit guarantees by the Guarantor has decreased in the recent years, as the Guarantor's outstanding credit guarantees in 2023, 2024 and 2025 were ₩81,623 billion, ₩79,471 billion and ₩77,679 billion respectively.

The Guarantor's outstanding credit guarantees exposes the Guarantor to changes in economic conditions affecting Korean businesses. Accordingly, economic difficulties in Korea that hurt businesses, especially SMEs, could result in a deterioration in the credit quality of the Guarantor's credit guarantees. For example, the severe impact of the global outbreak of the COVID-19 pandemic on the Korean economy disrupted the business, activities and operations of consumers, which in turn resulted in a decrease in the number of financial transactions or the inability of the Guarantor's customers to meet existing payment or other obligations to the Guarantor. In addition, a rise in unemployment, an increase in interest rates, a downturn in the credit guarantee market, or a general contraction or other difficulties in the Korean economy that have an adverse effect on Korean SMEs could result in reduced growth and deterioration in the credit quality of the Guarantor's outstanding credit guarantees. Any such adverse changes in the market conditions, as well as other factors, may lead to the credit quality of the Guarantor's outstanding credit guarantees deteriorating, which may have a material adverse effect on its financial condition and results of operations, including its ability to pay interest on and repay the principal of the Bonds.

Volatility in interest rates such as a considerable increase in interest rates could increase demands for credit guarantees, which, as a result, could adversely affect the Guarantor

The Bank of Korea raised its policy rate to 0.75 per cent. from 0.50 per cent. on 26 August 2021, 1.00 per cent. on 25 November 2021, 1.25 per cent. on 14 January 2022, 1.50 per cent. on 14 April 2022, 1.75 per cent. on 26 May 2022, 2.25 per cent. on 13 July 2022, 2.50 per cent. on 25 August 2022, 3.00 per cent. on 12 October 2022, 3.25 per cent. on 24 November 2022 and 3.50 per cent. on 13 January 2023, in response to rising levels of household debt and inflationary pressures. Although The Bank of Korea lowered its policy rate to 3.25 per cent. on 11 October 2024, to 3.00 per cent. on 28 November 2024, to 2.75 per cent. on 25 February 2025 and to 2.50 per cent. on 29 May 2025 amid moderating inflation and household debt, there can be no assurance that interest rates will not increase again in the future.

Further, volatility in interest rates such as an increase in interest rates could increase demand for credit guarantees. A considerable rise in interest rates may therefore require the Guarantor to rebalance its assets and liabilities in order to minimise risk.

The Guarantor may be required to raise additional capital to maintain its capital fund, which the Guarantor may not be able to do at all

The capital fund of the Guarantor is the basis for supplying credit guarantees under the credit guarantee system. The operational multiple, calculated by dividing the outstanding credit guarantee by the capital fund, is an important measure that indicates the capability to provide guarantees in accordance with economic conditions and the liquidity to deal with subrogation claims of financial institutions. The Credit Guarantee Fund Act prohibits the operational multiple from outweighing 20 times. For the past 5 years, the Guarantor's operational multiple remained below 10 times, and in 2024 and 2025, the operational multiple of the Guarantor was 6.5 and 5.8, respectively. However, the Guarantor's capital fund and operational multiple may deteriorate in the future if its results of operations or financial conditions deteriorate for any reason, including defaults by SMEs. Further, it is possible that the maximum operational multiple applicable to the Guarantor may be decreased as a result of legal amendments.

If the Guarantor's statutory operational multiple is reduced, the Guarantor may need to increase its core capital fund in order to remain in compliance with the applicable requirements. However, the Guarantor may not be able to obtain additional capital at all. Financial institutions and the Government are the principal sources of equity capital for the Guarantor, and thus the Guarantor is dependent on regulatory developments regarding contributions by financial institutions and on the ability and willingness of the Government to make such capital contributions.

Government Control and Support

As described above, the Guarantor is a public financial institution supervised by the FSC and has been established and operates under the provisions of the Credit Guarantee Fund Act. The Credit Guarantee Fund Act stipulates that contributions from the Government forms part of the Guarantor's capital fund. While this level of support from the Government provides some comfort that the Guarantor will be able to meet its liabilities relating to the issuance of the Bonds, there can be no assurance that this level of support will not be reduced in the future. That said, the Guarantor plays an important public policy function in extending credit guarantees for the liabilities of SMEs in Korea and it is not aware, as of the date of this Offering Circular, of any proposals to reduce the level of support that it receives under the existing provisions of the Credit Guarantee Fund Act.

As a Government-supervised entity with a distinct public policy mandate, there can be no assurance that the Guarantor will make decisions in the same way as a privately-owned entity, and its commercial decision-making may be subject to consideration of its public policy mandate, which is to extend credit guarantees for the liabilities of SMEs in Korea. Government-mandated changes to the Guarantor's capital fund, for example, could potentially impacting its ability to pay interest on and repay the principal of the Bonds.

Other risks relating to the Guarantor's business

The Guarantor is generally subject to Korean corporate governance and disclosure standards, which may differ from those in other countries

Companies in Korea, including the Guarantor, are subject to Korean corporate governance standards which may differ in some respects from standards applicable in other countries, including the United States. There may also be less publicly available information about Korean companies than is regularly made available by public or non-public companies in other countries. Such differences in corporate governance standards and less public information could result in corporate governance practices or disclosures that are perceived as less informative and transparent than those in other countries.

The Guarantor's separate financial statements prepared under Korean National Accounting Standards in this Offering Circular may differ from those prepared under U.S. GAAP and the Guarantor does not prepare interim financial information in accordance with Korean National Accounting Standards or any financial information under U.S. GAAP

The Guarantor has included separate financial statements prepared under Korean National Accounting Standards in this Offering Circular. In addition, the Guarantor is not required to, and it does not, prepare interim financial information in accordance with Korean National Accounting Standards or any financial information under U.S. GAAP. U.S. GAAP differs in certain material respects from Korean National Accounting Standards. As a result of those differences, the Guarantor's financial results under Korean National Accounting Standards as of and for the years ended 2024 and 2025 may differ significantly from comparable figures under U.S. GAAP for these and future periods. The Guarantor has made no attempt to quantify the impact of those differences.

This Offering Circular does not contain a reconciliation of the financial statements of the Guarantor to U.S. GAAP, and there can be no assurance that such reconciliation would not reveal material differences between Korean National Accounting Standards and U.S. GAAP.

Any possible recurrence of COVID-19 or the outbreak of any other types of widespread infectious diseases could materially and adversely affect the Guarantor's business, results of operations or financial condition.

The outbreak of any infectious diseases, such as COVID-19, could expose the Guarantor to a number of risks, including but not limited to:

- an increase in defaults on outstanding capital guarantees from the Guarantor's customers who may not be able to meet payment obligations, which may lead to an increase in delinquency ratios and a deterioration in asset quality;

- depreciation of the Won against major foreign currencies, which in turn may increase the Guarantor's cost in servicing its foreign currency denominated debt and result in foreign exchange losses;

- disruption in the normal operations of the Guarantor's business resulting from contraction of infectious disease by the Guarantor's employees, which may necessitate the Guarantor's employees to be quarantined and/or the Guarantor's offices to be temporarily shut down;

- disruption resulting from the necessity for social distancing, including, for example, temporary arrangements for employees to work remotely, which may lead to a reduction in labour productivity; and

- impairments in the fair value of the Guarantor's investments in companies that may be adversely affected by the pandemic.

In the event that a future recurrence of COVID-19 or an occurrence of other types of widespread infectious diseases cannot be effectively and timely contained, the Guarantor's business, financial condition and results of operations may be materially and adversely affected.

Chapter 2 Proceedings could adversely affect the enforcement of the credit guarantees by the Guarantor

Chapter 2 of the Korean Consolidated Insolvency Act provides for rehabilitation proceedings based on the former Korean Corporate Reorganisation Act but expands the scope of eligible applicants to all types of legal entities in respect of rehabilitation proceedings, including corporations and unincorporated foundations or associations, as well as individuals (a "**Chapter 2 Proceeding**"). As described above, eligible individuals may petition for a Chapter 4 Proceeding under the Consolidated Insolvency Act as

well. Under the Consolidated Insolvency Act, an individual debtor may petition to the court for a Chapter 2 Proceeding if he or she is unable to repay his or her debts when they become due without having a material adverse effect on his or her business or if he or she may become bankrupt. In a Chapter 2 Proceeding, claims of secured creditors will be subject to the rehabilitation plan approved by the court. While it is expected that claims of the secured creditors will receive preferential treatment relative to claims of unsecured creditors, there can be no assurance that, when an enterprise receiving credit guarantees from the Guarantor files for a Chapter 2 Proceeding, the claims of the Guarantor in relation to the related credit guarantee will not be thereby adversely affected. This could in turn adversely affect the Guarantor's ability to pay the amounts due under the Bonds when they become due for payment. There can be no assurance that the recipients of the credit guarantees will not seek the protection of Chapter 2 Proceedings. For further information about Chapter 2 Proceedings, see "*Korean Legal Considerations Insolvency Laws – Chapter 2 Proceedings*".

The Guarantor's operations have been, and will continue to be, subject to increasing and continually evolving cybersecurity and other technological risks.

With the proliferation of new technologies, including artificial intelligence, and the increasing use of the Internet and mobile devices to conduct financial transactions, the Guarantor's operations have been, and will continue to be, subject to an increasing risk of cyber incidents relating to these activities, the nature of which is continually evolving. The Guarantor's computer systems, software and networks are subject to cyber incidents, such as disruptions, delays or other difficulties from its information technology system, computer viruses or other malicious codes, loss or destruction of data (including confidential client information), unauthorised access, account takeover attempts and cyberattacks. A significant portion of the Guarantor's daily operations relies on its information technology systems, including customer service, billing, the secure processing, storage and transmission of confidential and other information as well as the timely monitoring of a large number of complex transactions. Although the Guarantor has made substantial and continual investments to build systems and defences to address cybersecurity and other technological risks, there is no guarantee that such measures or any other measures can provide adequate security. In addition, because methods used to cause cyberattacks change frequently or, in some cases, are not recognised until launched, the Guarantor may be unable to implement effective preventive measures or proactively address these methods. Furthermore, these cyber threats may arise from human error, accidental technological failure and third parties with whom the Guarantor does business. Although the Guarantor maintains insurance coverage that may cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses. If the Guarantor were to be subject to a cyber incident, it could result in the disclosure of confidential client information, damage to its reputation with its customers and in the market, customer dissatisfaction, additional costs to the Guarantor, regulatory penalties, exposure to litigation and other financial losses to both the Guarantor and its customers, which could have an adverse effect on the Guarantor's business and results of operations.

Risks Relating to Korea

If economic conditions in Korea deteriorate, the Guarantor's current business and future growth could be materially and adversely affected

The Guarantor is incorporated in Korea, and almost all of the Guarantor's revenue is generated in Korea. As a result, the Guarantor is subject to economic, political, legal and regulatory risks specific to Korea. The economic indicators in Korea in recent years have shown mixed signs of growth and uncertainty, and future growth of the Korean economy is subject to many factors beyond the Guarantor's control, including developments in the global economy.

The economic indicators in Korea in recent years have shown mixed signs of deterioration and recovery. Following a period of deterioration due to the debilitating effects of the COVID-19 pandemic on the Korean economy as well as on the economies of Korea's major trading partners in 2020, the overall Korean economy showed some signs of recovery in 2021. However, adverse conditions and volatility in

the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, mainly due to the Russia-Ukraine war and ensuing sanctions against Russia, difficulties faced by several banks in the United States and Europe and the military conflicts between Iran and other countries, including the United States and Israel, and the broader regional instability in the Middle East as well as significant fluctuations in policy interest rates globally, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. The value of the Won relative to major foreign currencies has fluctuated significantly and, as a result of uncertain global and Korean economic, social and political conditions, there has been significant volatility in the stock prices of Korean companies recently. Future declines in the Korea Composite Stock Price Index (the "**KOSPI**") and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect the Guarantor's business, financial condition and results of operations and the market price of the Bonds.

In recent years and in 2026, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices and the increasing weakness of the global economy have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. See "*Other Risks Relating to the Guarantor's Business Unfavourable changes in the global financial markets could adversely affect the Guarantor's results of operations and financial condition*." The value of the Won relative to major foreign currencies has also fluctuated significantly and, as a result of uncertain global and Korean economic conditions, there recently has been significant volatility in the stock prices of Korean companies. Further declines in the KOSPI, and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect the Guarantor's business, financial condition and results of operations.

Developments that could have an adverse impact on the Korean economy include:

- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;

- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;

- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;

- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;

- disruptions in the global supply chain for raw materials, natural resources, consumer goods, rare earth minerals, component parts and other supplies, including as a result of health epidemics, government policies and labour shortages;

- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Yuan), interest rates, inflation rates or stock markets;

- interest rate fluctuations and perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and the central banks of Korea and other countries;

- the occurrence of severe health epidemics in Korea and other parts of the world;

- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;

- increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;

- a deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea;

- investigations of large Korean business groups and their senior management for possible misconduct;

- shortages of imported raw materials, natural resources, rare earth minerals or component parts, including semiconductors, due to disruptions in the global supply chain;

- financial problems or lack of progress in the restructuring of Korean business groups, other large troubled companies (including those in the construction, shipbuilding, shipping and real estate project financing sectors) and their suppliers or the financial sector;

- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues concerning certain Korean companies;

- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;

- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy, including as a result of higher levels of market interest rates;

- political, social and labour unrest;

- substantial changes in the market prices of Korean real estate;

- a substantial decrease in tax revenues or a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programmes, which could lead to a national budget deficit as well as an increase in the Government's debt;

- increases in social expenditures to support an ageing population in Korea or decreases in economic productivity due to the declining population size in Korea;

- a continued decrease in the population and birthrates in Korea;

- geopolitical uncertainty and the risk of further attacks by terrorist groups around the world;
- political uncertainty or increasing strife among or within political parties in Korea and the ensuing societal unrest;
- the imposition of significant tariffs on Korea's exports by any of its major export markets, including the United States, as well as any countermeasures or policy responses adopted by the Government that may entail significant costs;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners;
- increased reliance on exports to service foreign currency borrowings, which could cause friction with Korea's trading partners;
- an increase in the level of tensions or an outbreak of hostilities between the Democratic People's Republic of Korea ("**North Korea**") and Korea or the United States; and
- changes in financial regulations in Korea.

Escalations in tensions with North Korea could have an adverse effect on the Guarantor

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon, ballistic missile and satellite programmes as well as its hostile military actions against Korea. Some of the significant incidents in recent years include the following:

- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the Government also closed the inter-Korea Gaeseong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.
- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than one hundred artillery shells that hit Korea's Yeonpyeong Island near the Northern Limit Line, which acts as the de facto maritime boundary between Korea and North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea.

Although bilateral summit meetings were held between Korea and North Korea in April, May and September 2018 and between the United States and North Korea in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. Any increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea and North Korea or between the United States and North Korea break down or further military hostilities occur, could have a material adverse effect on the Korean economy and on the Guarantor's business, financial condition and results of operations.

Unfavourable financial and economic developments in Korea may have an adverse effect on the Guarantor

The Guarantor is incorporated in Korea, and substantially all of its operations are undertaken in Korea. The Guarantor's future performance will depend in large part on Korea's future economic growth. As a result, it is subject to political, economic, legal and regulatory risks specific to Korea. The economic indicators in Korea in recent years have shown mixed signs of growth and uncertainty, and future growth of the economy is subject to many factors beyond the Guarantor's control. Ongoing general economic weakness and political turbulence in Europe, signs of a cooling economy in the PRC, continuing political instability in the Middle East and volatility in oil and commodity prices increased the uncertainty of global economic prospects in general and may continue to adversely affect the Korean economy for some time. Any adverse developments in the Korean or global economy could adversely affect the Guarantor's business, financial condition and results of operations.

Financial instability in other countries, particularly emerging market countries in Asia, could adversely impact the Guarantor's business

The Korean market and the Korean economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia, including the PRC. Financial turmoil in Asia, Russia and elsewhere in the world in the past has adversely affected the Korean economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including Korea. A loss of investor confidence in the financial systems of emerging and other markets may cause increased volatility in Korean financial markets. The Guarantor cannot be certain that financial events of the type that occurred in emerging markets in Asia in 1997 and 1998 will not happen again in Asia or in other markets that may have an adverse effect on its business.

Exchange controls and other circumstances beyond the control of the Guarantor may result in the Guarantor being unable to obtain sufficient U.S. dollars on favourable terms or when necessary

All of the debt obligations under the credit guarantees are payable in Won. The payment of U.S. dollar amounts due under the Bonds will depend upon the ability of the Guarantor to convert payments made by the Guarantor in Won into a sufficient amount of U.S. dollars to meet payments due under the Bonds and to pay in U.S. dollars outside Korea. There can be no assurance that future governmental policies of Korea (including the imposition of exchange controls or remittance restrictions) would not adversely affect the ability of the Guarantor to obtain U.S. dollars or the ability of the Guarantor to transfer U.S. dollars abroad. Furthermore, delays in the conversion of Won amounts into U.S. dollars coupled with a devaluation of the Won could reduce the amount of U.S. dollars received by the Guarantor which could have an adverse effect on its ability to pay the amounts due under the Bonds when they become due for payment.

General Risks

Unfavourable changes in the global financial markets could adversely affect the Guarantor's results of operations and financial condition

The overall prospects for the Korean and global economy remain uncertain. In recent years and in 2026, the global financial markets have experienced significant volatility as a result of, among other things:

- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing actions that the United States and other countries have taken or may take in the future, such as the imposition of sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;

- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and any material disruption in the global supply of oil or sudden increase in the price of oil;

- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;

- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;

- disruptions in the global trade and supply chain for raw materials, natural resources, consumer goods, rare earth minerals, component parts and other supplies, including as a result of restrictive government policies and labour shortages;

- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;

- a deterioration in economic and trade relations between the United States and its trading partners, including as a result of the imposition of significant tariffs by the United States on its trading partners;

- financial and social difficulties affecting many governments worldwide, in particular in Latin America and Europe;

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel);

- the slowdown of economic growth in China and other major emerging market economies; and

- fluctuations in oil and commodity prices.

In light of the high level of interdependence of the global economy, unfavourable changes in the global financial markets, including as a result of any of the foregoing developments, could have a material adverse effect on the Korean economy and financial markets. In addition, in certain circumstances of emergency affecting domestic and global economic conditions, the Government may impose certain restrictions or obligations on banks, including the Guarantor, pursuant to the Foreign Exchange Transactions Act of Korea in an effort to stabilise the Korean economy. Such restrictions or obligations may also have a material adverse effect on the Guarantor's business, financial condition and results of operations.

Risks Relating to the Bonds

Payments under the Guarantee may be restricted under certain circumstances.

Under the Foreign Exchange Transactions Act and Presidential Decree and Regulations under that Act and Decree, the Government may impose any necessary restrictions on the remittance of payments out of Korea such as requiring the Guarantor to obtain prior approval from the MOFE, if the Government deems that certain emergency circumstances are likely to occur including but not limited to:

- sudden fluctuations in interest rates or exchange rates;
- extreme difficulty in stabilising the balance of payments; or
- any substantial disturbance in the Korean financial or capital markets.

If the Guarantor cannot obtain prior approval from the MOFE under any such emergency circumstances, the Guarantor may not be able to make any payments under the Guarantee.

The rating assigned to the Bonds may be suspended, lowered or withdrawn in the future.

The Bonds are expected to be rated "Aa2" by Moody's and "AA" by S&P. The rating assigned to the Bonds will have been based primarily on the Guarantee to be issued by the Guarantor with respect to the Bonds. Pursuant to the Guarantee, the Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds as and when such sums become due (the "**Guaranteed Amounts**"). The payment of the Guaranteed Amounts will, therefore, depend on the Guarantor performing its obligations under the Guarantee, and the likelihood of payment of the Guaranteed Amounts will depend on the creditworthiness of the Guarantor. Consequently, investors are relying not only on the creditworthiness of the Issuer but also on the creditworthiness of the Guarantor to perform its obligations under the Guarantee. A significant deterioration in the financial condition of the Guarantor could adversely affect the likelihood of investors receiving Guaranteed Amounts under the Guarantee and could result in a downgrade or withdrawal of the rating of the Bonds.

A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision, suspension or withdrawal at any time. There can be no assurance that a rating will remain for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. Neither the Issuer nor the Guarantor has an obligation to inform Holders of any such revision, downgrade or withdrawal. A reduction, suspension, or withdrawal at any time of the rating assigned to the Bonds may adversely affect the market price of the Bonds or a Holder's ability to dispose of the Bonds.

The liquidity and price of the Bonds may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Issuer's or the Guarantor's revenues, earnings and cash flows and proposals for new investments, strategic alliances and/or acquisitions or dispositions, interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to the Issuer's or the Guarantor's industry, as well as general economic conditions in Korea or internationally, could cause the price of the Bonds to fluctuate. Any such developments may result in large and sudden adverse changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no existing trading market. No assurance can be given that the Issuer will obtain or be able to maintain a listing and quotation of the Bonds on the SGX-ST or that an active trading market for the Bonds will develop or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Bonds or the price at which Holders will be able to sell their Bonds.

The Managers are not obliged to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Managers. Even if the Managers act as market makers for the Bonds, the secondary market for the Bonds may be limited and there is no assurance given as to the price offered by secondary market-makers or the impact of any

such quoted prices on those available in the wider market. To the extent that the Bonds become illiquid, an investor may have to hold the relevant Bonds until maturity before it is able to realise value. Investors should note that a secondary market may be affected by both legal restrictions in certain jurisdictions and by the Issuer and/or the Managers purchasing or holding the Bonds.

The Bonds contain provisions regarding meetings, modification, waivers and substitution which may affect the rights of Holders.

The Terms and Conditions of the Bonds and the Fiscal Agency Agreement contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Terms and Conditions of the Bonds also provide that the Fiscal Agent may agree, without the consent of Holders, to the waiver or authorisation of any breach or proposed breach of, any of the Terms and Conditions of the Bonds or any of the provisions of the Fiscal Agency Agreement, or may agree, among other things, to make any modifications to the Bonds or the Fiscal Agency Agreement of a formal, minor or technical nature or necessary in the reasonable opinion of the Fiscal Agent to correct a manifest error or to comply with mandatory provisions of the laws of Korea.

The Bonds will be represented by Global Certificates and holders of a beneficial interest in the Global Certificates must rely on the procedures of the relevant Clearing System(s).

Bonds issued will be represented by the Global Certificates. Such Global Certificates will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a "**Clearing System**"). Except in the circumstances described in the relevant Global Certificates, Holders will not be entitled to receive Bonds in definitive form ("**Definitive Certificates**"). The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificates. While the Bonds are represented by the Global Certificates, Holders will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by the Global Certificates, the Issuer (or failing which, the Guarantor under the Guarantee) will discharge its payment obligations under the Bonds by making payments to the relevant Clearing System for distribution to their account holders. A holder of a beneficial interest in the Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Bonds. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the relevant Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

KOREAN LEGAL CONSIDERATIONS

The following is a summary of certain Korean legal issues relevant to prospective investors. The following summary is not intended to be exhaustive. Prospective investors should consider the nature of and investment in bonds of this type and the political and legal environment of Korea, and should make such further investigations as they, in their sole discretion, deem appropriate.

The Credit Guarantee Fund Act

See "*The Credit Guarantee Fund Act of Korea*."

Insolvency Laws

Overview

The Debtor Rehabilitation and Bankruptcy Act (the "**DRBA**") is the primary law governing court-supervised insolvency proceedings in Korea.

In the case of rehabilitation proceedings pursuant to Chapter 2 of the DRBA, the ability of secured creditors to enforce their rights to security may be restricted and payment may be subject to rescheduling pursuant to a rehabilitation plan. In bankruptcy proceedings pursuant to Chapter 3 of the DRBA and individual debtor rehabilitation proceedings pursuant to Chapter 4 of the DRBA, however, it is possible for secured creditors to enforce their security interests, subject to certain restrictions.

In addition to the DRBA, the Corporate Restructuring Promotion Act (the "**CRPA**") may restrict certain financial creditors' ability to enforce security interests granted by a "**Company Showing Signs of Insolvency**" as defined in such Act (a "**Failing Company**"). Also, the Act on Structural Improvement of the Financial Industry (the "**ASIF**") provides regulations regarding improvement of insolvent financial institutions. With respect to individual debtors in financial difficulty, the Korean financial industry's Agreement among Financial Institutions for Assisting the Credit Recovery Support Plan could restrict a creditor financial institution's ability to enforce a mortgage or other security granted by an individual debtor.

Debtor Rehabilitation and Bankruptcy Act. The DRBA contains:

(a) provisions applicable to rehabilitation proceedings under Chapter 2 of the DRBA (hereinafter referred to as "**Chapter 2 Proceedings**"), which primarily deal with rehabilitation of insolvent business entities;

(b) provisions applicable to bankruptcy proceedings, which deal with liquidation of insolvent business entities and individuals;

(c) provisions applicable to individual rehabilitation proceedings under Chapter 4 of the DRBA (hereinafter referred to as "**Chapter 4 Proceedings**"), which are applicable only to certain individual debtors who are wage earners or self-employed earners with debts of no more than a certain specified amount; and

(d) provisions applicable to international insolvency proceedings.

Under the DRBA, the petitioner must specify which procedure he or she wishes to use. For a debtor that has filed for bankruptcy proceedings, a bankruptcy trustee will be appointed to liquidate the assets of the debtor and to distribute the proceeds to its unsecured creditors on a pro-rata basis after the court issues an order preserving the debtor's assets. Secured creditors remain free to exercise their security interests under bankruptcy proceedings.

On the other hand, the goal of Chapter 2 Proceedings and Chapter 4 Proceedings is to rehabilitate insolvent companies or, as the case may be, individuals. In a Chapter 2 Proceeding, secured creditors are not permitted to enforce their security interest. Secured creditors in Chapter 4 Proceedings, however, are permitted to enforce their security interests notwithstanding such Chapter 4 Proceedings (x) unless the court issues an order to suspend or prohibit such exercise during the period after the filing of the petition for Chapter 4 Proceedings but before the court decides to commence Chapter 4 Proceedings, or (y) once the court decides to commence Chapter 4 Proceedings, only after the earlier of (i) the court's approval of the repayment plan or (ii) the final decision by the court to discontinue such Chapter 4 Proceedings.

The DRBA makes it easier for the court to set aside transactions which the debtor has entered into with certain shareholders or equityholders of the debtor ("**specially related persons**"), by making the presumption that the specially related persons, when entering into such transactions acted with the knowledge that entry into such transactions with the debtor would be prejudicial to other creditors of the debtor. For example, transactions entered into by a debtor for, or relating to, the granting of security by, or the extinguishment of obligations of, the debtor within sixty days before the suspension of payment, without any prior existing obligation to do so, may be set aside. However, this sixty-day period extends to one year in the case of transactions entered into with specially related persons. Further, gratuitous acts or the equivalent thereof performed by the debtor within six months prior to the suspension of payment, etc. by the debtor may be set aside, and this six-month period extends to one year with regards to transactions entered into with specially related persons.

Chapter 2 Proceedings

Chapter 2 Proceedings (i.e. rehabilitation proceedings) are designed for use by insolvent debtors who wish to rehabilitate themselves. This type of proceeding is closely supervised and controlled by the court so that most of the material actions or decisions of the debtor may be taken or made only with the approval of the court.

All types of legal entities, including joint stock companies, limited liability companies and unincorporated foundations or associations, as well as individuals, may avail themselves of Chapter 2 Proceedings.

The DRBA provides that in Chapter 2 Proceedings, in principle, the debtor itself or, in case where the debtor is a company, its own representative, and not a third party, will be appointed as receiver with authority to act on behalf of the debtor, subject to supervision of the court. It is also possible in Chapter 2 Proceedings for a legal entity to be appointed as the receiver. If a legal entity is appointed as the receiver, the legal entity should designate one of its directors to exercise the rights and powers conferred on it as a receiver and report such designation to the court.

Under the DRBA, the debtor may file a petition with the court for commencement of Chapter 2 Proceedings where either, (i) the debtor cannot repay its debts without causing material damage to the continuance of the debtor's business, or (ii) events leading to bankruptcy of the debtor may arise. If the debtor is a joint stock company or a limited company, (a) a creditor who has claims in an amount not less than 10 per cent. of the debtor's paid-in capital, or (b) a shareholder or equityholder who holds shares or an equity interest constituting not less than 10 per cent. of the debtor's paid-in capital, may also apply for commencement of Chapter 2 Proceedings. If the debtor is not a joint stock company or a limited company, a creditor who has claims in an amount of not less than Won 50 million or an equityholder who holds an equity interest of not less than 10 per cent. of the debtor's equity can apply for commencement of Chapter 2 Proceedings.

When the debtor itself or a creditor or equityholder of the debtor that satisfies the above requirements applies for commencement of Chapter 2 Proceedings, the court may, upon the request of interested parties or in its sole discretion, but after hearing the opinion of the management committee, issue a preservation order against individual assets of the debtor, and may issue an injunction against

bankruptcy proceedings or enforcement proceedings initiated by the debtor's secured or unsecured creditors. Further, if the court determines that the objectives of the Chapter 2 Proceedings may not be achieved through asset preservation orders, it may issue a comprehensive stay order against enforcement proceedings initiated by creditors against the assets of the debtor. If a comprehensive stay order is issued, enforcement proceedings that are already in progress will be suspended, and the court may cancel such enforcement proceedings upon the request of the debtor or, as the case may be, the receiver, if deemed necessary for the continuance of the debtor's business. However, if the court determines that a creditor may sustain unjust damages as a result of such comprehensive stay order, the court may revoke the order for that particular creditor upon request of such creditor.

When a petition for commencement of Chapter 2 Proceedings is filed, the court is required to determine within one month of the date of petition whether to commence such proceedings, although such period may be extended by the court. Once the commencement of Chapter 2 Proceedings is declared, most claims against the debtor that arose prior to such commencement date are automatically stayed, while claims arising after the commencement date are generally not subject to the Chapter 2 Proceedings. Also, the court will appoint a receiver with the power to conduct all of the debtor's business and manage all of the debtor's properties, subject to court supervision.

As a general rule, any creditor whose claim against the debtor arose prior to the commencement of the Chapter 2 Proceedings, whether secured or unsecured, may not enforce such claims other than as provided for in the rehabilitation plan adopted at the meeting of interested parties and approved by the court. The rehabilitation plan may alter or modify the rights of creditors or shareholders. Accordingly, there can be no assurance that the rights of the creditors, whether secured or unsecured, will not be adversely affected by a Chapter 2 Proceedings. Further, a creditor who intends to participate in the rehabilitation plan must file a proof of claim with the court within the period fixed by the court if the receiver had not affirmatively recognised such claim.

In Chapter 2 Proceedings, creditors are classified into three basic categories: (i) creditors with unsecured rehabilitation claims, (ii) creditors with secured rehabilitation claims, and (iii) creditors with claims for the common benefit. The former two categories of creditors are subject to the Chapter 2 Proceedings and generally may not receive payment or repayment for their respective claims other than as provided in the rehabilitation plan. Creditors with claims for the common benefit are not subject to the rehabilitation plan, and include, among others, those creditors whose claims either arose after the commencement of the Chapter 2 Proceedings (subject to certain exceptions) or those creditors whose claims were approved by the court during the preservation period.

If the debtor fails to perform its payment obligations in accordance with its rehabilitation plan, affected creditors are not permitted to initiate lawsuits or enforce their security interests. Instead, they (or the receiver of the debtor) may only request the court to amend the rehabilitation plan. However, if such amendment could have an adverse effect on creditors with rehabilitation claims or shareholders of the debtor, the court may amend the rehabilitation plan, in principle, only after obtaining approval for the amendment through an affirmative vote at a meeting of interested parties. If it becomes apparent, either before or after the court approves the rehabilitation plan, that the debtor cannot be rehabilitated, the court may, at its sole discretion or upon the request by the receiver or a creditor with a rehabilitation claim, issue an order to discontinue the Chapter 2 Proceedings.

Bankruptcy Proceedings

A bankruptcy proceeding is a court administered process whose purpose is to liquidate an insolvent debtor's assets and distribute the proceeds therefrom to the debtor's creditors on a pro rata basis. Bankruptcy proceedings formally commence upon an adjudication by the court that the debtor is indeed "**bankrupt**." The court will make its determination as to whether grounds for bankruptcy exist based on the written pleadings and oral arguments of the petitioner. The adjudication of bankruptcy also has the effect of automatically staying all unsecured creditors from enforcing their claims against the bankruptcy estate.

The bankruptcy trustee appointed by the court is vested with the exclusive right to manage and dispose of the bankruptcy estate, and to conduct an investigation and assessment of the bankruptcy estate. The DRBA permits a legal entity to be appointed as the bankruptcy trustee of the bankruptcy proceeding. If a legal entity is appointed as the bankruptcy trustee, it shall designate one of its directors to exercise the rights and powers conferred to it as bankruptcy trustee and shall report such designation to the court. After reviewing the reports prepared by the bankruptcy trustee, the creditors will have a meeting and vote on a resolution deciding whether to continue or discontinue the debtor's business and the manner of safeguarding the bankruptcy estate.

Subject to certain statutory limitations and approval by the inspection commissioners, the bankruptcy trustee has the power to liquidate the bankruptcy estate, and to determine the manner and timing of such liquidation. The bankruptcy trustee distributes the proceeds from the liquidation of the bankruptcy estate to the creditors in proportion to their claims. The distribution is made in several stages. Claims entitled to distribution are differentiated according to their priority of claims. Bankruptcy creditors are classified as follows, in accordance with their priorities: (i) secured creditors, who have the right to enforce their securities on the same terms as would be available if the debtor were not in bankruptcy; (ii) creditors with estate claims, which include costs of judicial proceeding, tax claims, wages and payment of severance, management expenses incurred in connection with management, liquidation and distribution of the bankruptcy estate, and other claims arising from administration of the bankruptcy estate; (iii) creditors with other statutorily preferred claims (including policyholders' claims against an insurance company to the extent of the amount equal to the relevant reserves); (iv) general claims; and (v) less preferred claims.

The DRBA ensures that the priority rights of tenants under the Residential Tenant Protection Act and the Commercial Building Tenant Protection Act are also protected under bankruptcy proceedings.

Chapter 4 Proceedings

Chapter 4 Proceedings (i.e., individual rehabilitation proceedings) are available to persons (i) who are unable, or are likely to become unable, at the time of their application for rehabilitation procedures, to repay debts when they become due, (ii) who are considered to have the ability to earn consistent wage income or business income in the future and (iii) whose debt is no more than (x) Won 1.5 billion in case of debts secured by a mortgage, pledge, Chonsei-kwon and certain other preferential rights, and (y) Won 1 billion in case of any other debts. Only debtors, and not creditors, are able to petition the court for Chapter 4 Proceedings. When a debtor files a petition for Chapter 4 Proceedings, the court may suspend or prohibit bankruptcy proceedings, compulsory execution, provisional attachment, establishment or enforcement of security or the repayment of claims until the court decides whether to commence Chapter 4 Proceedings. In principle, the court must make such decision within a month after the filing of the petition.

After the commencement order is issued by the court, any bankruptcy proceedings, Chapter 2 Proceedings or actions mentioned above are automatically suspended or prohibited. In addition, after the commencement order is issued by the court, the establishment or enforcement of security interests is automatically suspended or prohibited until the earlier of the date (i) when the repayment plan is approved or (ii) when the approved Chapter 4 Proceedings are later finally determined to be discontinued. Subject to the automatic suspension or prohibition as described above, secured creditors have the right to enforce their security interests on the same terms as would be available if the debtor was not in Chapter 4 Proceedings. In principle, the debtor retains management and disposal rights over his/her assets even after the issuance of a commencement order for Chapter 4 Proceedings. The debtor must submit a list of creditors at the time of application, and any claims that are not disputed by the relevant creditor will be settled as indicated on the creditors list. Claims that are disputed by creditors will be settled through a court decision. The debtor must, in principle, submit a repayment plan within 14 days of the application, and the repayment period must not exceed three years from the commencement of repayment.

The repayment plan must be approved by the court and the court may order its amendment. One important requirement for approval is that the total amount of repayment must not be less than the amount that creditors would have received in a bankruptcy proceeding, unless creditors consent to the court's approval despite the failure of the individual debtor's repayment plan to meet such requirement. The DRBA sets out a list of claims that have priority in payment to the claims listed in the creditor list (e.g., expenses for the Chapter 4 Proceedings, certain taxes, salaries for the debtor's employees, etc.). Once the debtor completes repayment in accordance with the repayment plan, the court will issue an acquittal order with respect to the debtor.

International Insolvency Proceedings

The representative in a foreign insolvency proceeding (i.e., a person or entity recognised by the applicable court as the receiver or representative in the foreign insolvency proceeding) may file with the Korean court for approval of such foreign insolvency proceeding. Once the foreign insolvency proceeding is approved by the Korean court, the representative in such proceeding may apply for insolvency proceedings in Korea or participate in the insolvency proceeding that is already in progress in Korea. On the other hand, the receiver or bankruptcy trustee in the insolvency proceeding in Korea may, for purposes of such proceeding, take actions in foreign jurisdictions to the extent permitted by applicable laws.

Corporate Restructuring Promotion Act

The original Corporate Restructuring Promotion Act (Act No. 6504) was enacted on 14 August 2001 in order to facilitate the out-of-court restructuring of insolvent companies. This law expired on 31 December 2005, and new Corporate Restructuring Promotion Acts were enacted on 3 August 2007 (expired on 31 December 2010), 19 May 2011 (expired on 31 December 2013), 1 January 2014 (expired on 31 December 2015), 18 March 2016 (expired on 30 June 2018), 16 October 2018 (expired on 15 October 2023) and 26 December 2023 (to be expired on 25 December 2026, the new CRPA enacted and implemented on 26 December 2023 as amended from time to time is hereinafter referred to as the "**CRPA**").

However, if the 'main Creditor Financial Institution' of a Failing Company provided notice of the convening of a Creditor Committee (defined below) on or before 25 December 2026, any proceedings commenced by such Creditor Committee will remain subject to the CRPA even after 25 December 2026 unless and until such proceedings are completed or discontinued.

The following is a summary of the key provisions of the CRPA. The CRPA applies to a financial creditor (the "**Financial Creditor**") who has financial claims against a debtor company by 'providing credit' to such debtor company or other third parties. "**Provision of Credit**" is defined in the CRPA as any transaction determined by the FSC to fall under any of the following:

- loans;
- purchase of promissory notes and debentures or bonds;
- equipment leasing;
- payment guarantees;
- providing advance payments on acceptances and guarantees under a payment guarantee;
- any direct or indirect financial transaction which may cause a loss to a counter party as a consequence of a payment failure by a debtor company; or
- any transaction other than the transactions set out above which may have in substance the same effect as the transactions set out above.

The "**debtor company**" is defined under the CRPA as a company established under the Korean Commercial Code or other person performing profit-making activities. The Failing Company means a debtor company deemed, through a credit evaluation carried out in the manner set out in the CRPA, by its "main Creditor Financial Institution" as having difficulty to repay debts to its financial creditor without external financial support or an additional loan (excluding loans obtained in the course of conducting normal financial transactions).

Once the debtor company is notified by the main Creditor Financial Institution to fall under the definition of Failing Company, such company may submit its business restructuring plan and the list of its Financial Creditors and apply to such main Creditor Financial Institution for commencement of the management procedure to be assumed by a committee of Financial Creditors (the "**Creditor Committee**") or such main Creditor Financial Institution.

Under the CRPA, the main Creditor Financial Institution of a Failing Company is required to take or arrange one of the following actions if it determines that there is a possibility that the financial condition of the Failing Company may be rehabilitated or brought back to normal in accordance with its business restructuring plan:

- convocation of the first meeting of the Creditor Committee to decide whether to commence the management of the Failing Company by the Creditor Committee; or

- assumption of management of the Failing Company by the main Creditor Financial Institution.

Under the CRPA, in order to call for the first meeting of the Creditor Committee, the main Creditor Financial Institution is required to notify the Financial Creditors, the Failing Company, the Creditors' Coordination Committee and the FSS. However, the main Creditor Financial Institution may omit the notification to some extent of the Financial Creditors who are set out in the CRPA such as a Financial Creditor who does not perform the financial business or a Financial Creditor who has only small claims against the Failing Company. The Financial Creditors who do not receive the notification from the main Creditor Financial Institution will be excluded from the Creditor Committee; provided that if they nevertheless want to attend the meeting, the main Creditor Financial Institution may not exclude such Financial Creditors. When the main Creditor Financial Institution calls for the first meeting of the Creditor Committee, it may require the Financial Creditors to grant a moratorium on the enforcement of claims (including the enforcement of security interests) until the end of the first meeting of the Creditor Committee. In addition, at the first meeting of the Creditor Committee, the Financial Creditors may resolve to declare a moratorium for up to one month (or three months if an investigation of the Failing Company's financial status is necessary) from the commencement date of the management procedure (which may be extended by one additional month by resolutions of the Creditor Committee).

The Financial Creditors who attend the first meeting of the Creditor Committee may resolve, among other things: (i) composition of the Financial Creditors who will participate in such management procedure, (ii) commencement of the management procedure and (iii) declaration of moratorium mentioned above.

Once the management procedure commences, the main Creditor Financial Institution is required to prepare the corporate restructuring plan of the Failing Company considering the investigation results of the Failing Company's financial status and submit such plan to the Creditor Committee for approval thereof. The corporate restructuring plan may include, among other things, the matters regarding rescheduling of debt owed by the Failing Company, provision of new credit and the business restructuring plan of the Failing Company. If the corporate restructuring plan is not approved by the date the moratorium period ends, the Creditor Committee's management of the Failing Company shall be deemed to have terminated.

The resolution at the Creditor Committee is generally passed by an approval of the Financial Creditors representing at least 75 per cent. of the outstanding credit to the Failing Company of the Financial Creditors who constitute the Creditor Committee; provided that if a single Financial Creditor holds at least 75 per cent. of the outstanding credit, the resolution shall be passed by an approval of not less than 40 per cent. of the total number of the Financial Creditors who constitute the Creditor Committee, including such single Financial Creditor. An additional approval of the Financial Creditors holding interests in 75 per cent. or more of the total amount of the secured claims owned by the Financial Creditors constituting the Creditor Committee against the Failing Company is required with respect to the debt rescheduling of the Failing Company.

A Financial Creditor which has opposed the resolutions of the Creditor Committee in respect of the commencement of management of the Failing Company by the Creditor Committee, establishment of or amendment to the corporate restructuring plan, extension of management procedure, the rescheduling of claims or provision of new credit (the "**Opposing Financial Creditor**") may, within seven days of such resolutions, request the main Creditor Financial Institutions to purchase its outstanding claims against the Failing Company, stating the type and number of claims. The Financial Creditors that have approved such resolutions (the "**Approving Financial Creditors**") shall jointly purchase such claims within six months of such request.

The purchase price and terms of such purchase shall be determined by mutual agreement of the Approving Financial Creditors and the Opposing Financial Creditor. Pending the agreement of such matters, the payments shall be made at a provisional price, and adjusting payments made once an agreement has been reached. If no such agreement is reached, then such matters shall be determined by the Creditors' Coordination Committee established under the CRPA.

The Act on the Structural Improvement of the Financial Industry

The ASIF provides regulations regarding the improvement of insolvent financial institutions. According to the ASIF, where any financial institution's financial status does not meet certain standards such as its capital adequacy ratio or any financial institution's financial status falls below certain standards due to the occurrence of a major financial scandal or accrual of non-performing loans, the FSC, in order to protect the financial institution from becoming insolvent and help the financial institution manage its business soundly, may recommend, request or order the financial institution concerned or the officers of such financial institution to implement the following measures or order them to furnish its implementation plan, including but not limited to:

(a) admonition, warning, reprimand, or pay reduction in relation to the financial institution concerned and its executive officers and employees;

(b) capital increase or capital deduction, disposal of property holdings or reduction in the number of its branches and downsizing;

(c) ban on the acquisition of such assets as claims with high risks of default or assets prone to price fluctuations, or restrictions on the receiving of deposits at exorbitantly high interest rates;

(d) suspension of officers' duties or appointment of managers to act on behalf of officers;

(e) amortisation or consolidation of stocks;

(f) suspension of all or part of its business;

(g) merger with or assumption of a financial institution;

(h) business transfers or contract transfers pertaining to financial transactions such as deposits or loans (hereinafter referred to as "**contract transfers**"); and

(i) other measures equivalent to those listed in paragraphs (a) to (g) above, which are deemed necessary to improve any financial institution's financial soundness (collectively, "**timely corrective measures**").

In addition, managers may be appointed by the FSC pursuant to the ASIF in connection with any timely corrective measures requested by the FSC. Such managers may have the authority to make any decisions within the scope of authority of such officer. Such managers may also have the authority to manage and dispose of any assets and liabilities in connection with any decisions made by the FSC with respect to contract transfers.

When the FSC intends "**timely corrective measures**" to be taken, it shall in advance determine and notify the standards and contents of such measures.

Among the timely corrective measures, certain measures such as suspension of all business, transfer of all business, transfer of all contracts or orders on amortisation of the total stocks and any equivalent measures, may only be taken if (i) the financial institution is insolvent or (ii) its financial status falls short of certain standards and it is deemed to be a credit risk or to prejudice the rights and interests of depositors. In addition, the ASIF also stipulates measures to be taken by the Government to support insolvent institutions and financial institutions merging with the insolvent financial institutions.

According to the ASIF, the FSC, where any financial institution fails to execute any request or order regarding timely corrective measures, may, on the recommendation of the Governor of the FSS, order the officers of the financial institution concerned to suspend the execution of their business and may appoint managers to conduct the business on behalf of such officers.

In cases where:

(a) an insolvent financial institution fails to execute an order regarding timely corrective measures or is unable to execute such order;

(b) the merger of an insolvent financial institution under an order or arrangement given and made under the provisions of the ASIF fails to complete;

(c) where an insolvent financial institution is deemed incapable of either complying with orders or merging with or being acquired by another entity under the provisions of the ASIF due to its liabilities clearly exceeding its assets; or

(d) an insolvent financial institution prejudices depositors' rights and interests and becomes a credit risk after it has been unable to pay claims including deposits and repay borrowings due to its poor financial standing,

the FSC may take necessary measures such as a decision for the transfer of contracts, suspension of business for a certain period against the insolvent financial institution, and cancellation of the authorisation or permission of its business.

Where financial institutions have their authorisation or permission to carry on business cancelled pursuant to the above, they shall be dissolved. If a decision for the transfer of contracts mentioned above is made, the rights and duties of the insolvent financial institution under the contracts which are subject to transfer shall be transferred to the financial institution which takes over those contracts (hereafter referred to as the "**undertaking financial institution**") at the time when such decision is made. In relation to this, the insolvent financial institution and the undertaking financial institution shall announce the transfer of the contracts in two or more daily newspapers. When the announcement is made, the legal relations of creditors, debtors, pledgors or other interested persons to the insolvent financial institution shall remain the same with the undertaking financial institution.

The FSC, where any financial institution is dissolved or becomes bankrupt, may, notwithstanding the provisions of the Korean Commercial Code and the DRBA, recommend a liquidator or a receiver to be appointed from among financial experts and officers or employees of the KDIC. In addition, when the FSC knows that the total amount of debt of a financial institution exceeds the total amount of its assets, it may make an application for declaration of bankruptcy.

Enforcement of English Judgements in Korea

A judgement duly obtained in the courts of England will be recognised by the Korean courts without re-examination of the merits of the case if:

(a) such judgement was finally and conclusively given by a court having valid jurisdiction in accordance with international jurisdiction principles under Korean law and applicable treaties;

(b) the Issuer was duly served with a service of process, other than by publication or similar means, in sufficient time to enable such party to prepare its defence in conformity with the laws of England, as applicable (or in conformance with the laws of Korea if it were made to the Issuer in Korea) or responded to the action without being served with process;

(c) in light of the substance of such judgement and the procedures of litigation, recognition of such judgement is not contrary to the public policy of Korea; and

(d) (i) judgements of the courts of Korea are accorded reciprocal treatment under the laws of England or (ii) the requirements for the recognition of a foreign judgement in England, which had issued such judgement are neither manifestly inequitable nor substantially different in material respects from the requirements for recognition of a foreign judgement in Korea.

THE CREDIT GUARANTEE FUND ACT OF KOREA

The following describes elements of the Credit Guarantee Fund Act that relate to the issuance of the Bonds. It is not a complete summary of the Credit Guarantee Fund Act.

The Bonds are guaranteed by the Guarantor pursuant to the Guarantee provided by the Guarantor in accordance with the Credit Guarantee Fund Act. The principal provisions of the Credit Guarantee Fund Act that relate to the provision of the Guarantee for the Bonds are summarised below.

The Guarantor was established in 1976 pursuant to the Credit Guarantee Fund Act for the purpose of assisting corporate financing by providing guarantees for indebtedness owed by entities with limited abilities to provide security. For further information in respect of the Guarantor, see "*The Guarantor.*"

As a primary means to achieve this goal, the Guarantor may perform general credit guarantee services, including provision of guarantee for certain payment obligations to finance institutions, bonds and other obligations, as set out under the Credit Guarantee Fund Act, and may also re-guarantee or provide guarantee for special purpose companies as a special form of such guarantees.

The Credit Guarantee Fund Act provides for the establishment of the Guarantor and sets out: the scope of KODIT's business; its management structure; the methods of how KODIT provides guarantees to the relevant companies; prescribed scope of certain payment obligations and bonds that can be guaranteed by the Guarantor; the fundamental property that the Guarantor is consisted of (including contributions from the Government); and the accounting methods of the Guarantor. Specifically, Article 25 of the Credit Guarantee Fund Act sets forth the limit on the total amount of general credit guarantees, re-guarantees and special purpose company guarantees that the Guarantor may provide, and the limit on such credit guarantees or re-guarantees that the Guarantor may provide to the same entity. In addition, Article 23-3(2) of the Credit Guarantee Fund Act sets forth the limit on the domestic corporate bonds that the Originator may subscribe for from the same entity with respect to the guarantee for special purpose companies. The Bonds satisfy both the necessary requirements to be classified as the securities, which can be guaranteed by the Guarantor pursuant to Article 23-3 of the Credit Guarantee Fund Act and the aforementioned guarantee limits.

TERMS AND CONDITIONS OF THE BONDS

The issue of the U.S.$300,000,000 4.591 per cent. Guaranteed Senior Unsecured Bonds due 2029 (the "**Bonds**"), of KODIT Global 2026-1 Co., Ltd. (the "**Issuer**") guaranteed by Korea Credit Guarantee Fund (the "**Guarantor**") was authorised by a written resolution of the Issuer passed on 18 May 2026. A fiscal agency agreement dated 28 May 2026 (the "**Fiscal Agency Agreement**") has been entered into in relation to the Bonds between the Issuer, the Guarantor, Citicorp International Limited as fiscal agent (the "**Fiscal Agent**") and registrar (the "**Registrar**") and Citibank, N.A., London Branch as transfer agent (the "**Transfer Agent**") and any other agent or agents appointed from time to time with respect to the Bonds. The Bonds have the benefit of a Deed of Covenant (the "**Deed of Covenant**") dated 28 May 2026 executed by the Issuer relating to the Bonds and a Deed of Guarantee (the "**Deed of Guarantee**") dated 28 May 2026 executed by the Guarantor. "**Agents**" means the Fiscal Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Bonds. The Fiscal Agency Agreement includes the form of the Bonds. Copies of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available to the Bondholders following prior written request and satisfactory proof of holding during normal business hours from the specified offices of the Fiscal Agent. The holders of the Bonds (the "**Bondholders**") are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

References herein to the Certificates shall mean:

(a) any definitive Bonds in registered form (each, a "**Definitive Certificate**");

(b) in relation to any Bonds represented by a global certificate (a "**Global Certificate**"), units of the lowest denomination; and

(c) any Global Certificate.

All capitalised terms that are not defined in these terms and conditions (the "**Conditions**") will have the meanings given to them in the Fiscal Agency Agreement.

1 Form, Specified Denomination and Title

The Bonds are issued in the specified denomination of U.S.$200,000 and in integral multiples of U.S.$1,000 in excess thereof.

The Bonds are represented by Certificates and, save as provided in Condition 3, each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined herein) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Bondholder**" and "**holder**" means the person in whose name a Bond is registered; provided, however, that for so long as any of the Bonds are represented by a Global Certificate held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Fiscal Agent as the holder of such nominal amount of such Bonds for all

purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Bonds, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Issuer and the Fiscal Agent as the holder of such nominal amount of such Bonds in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Bondholder**" and "**holder**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Bonds as aforesaid, the Fiscal Agent may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or an error established as such to the satisfaction of the Fiscal Agent, be conclusive and binding on all concerned.

Bonds which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, or any other relevant clearing system, as the case may be.

References to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system or as may otherwise be approved by the Issuer and the Fiscal Agent.

2 Guarantee

Guarantee: The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Issuer under the Bonds. The Guarantor's obligations in that respect (the "**Guarantee**") are set out in the Deed of Guarantee.

3 Transfers of Bonds

(a) **Transfers of interests in Global Certificates**: Transfers of beneficial interests in Global Certificates will be effected by Euroclear or Clearstream, as the case may be, and, in turn, by other accountholders and, if appropriate, indirect accountholders in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Consequently, the ability to transfer Bonds represented by a Global Certificate to such persons may depend upon the ability to exchange such Bonds for Definitive Certificates. A beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Certificates or for a beneficial interest in another Global Certificate only in the authorised denominations and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Fiscal Agency Agreement.

(b) **Transfers of Definitive Certificates**: Subject as provided in Conditions 3(d), 3(e) and 3(f) below, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, a Definitive Certificate may be transferred in whole or in part (in the authorised denominations). In order to effect any such transfer (a) the holder or holders must (i) surrender the Definitive Certificate for registration of the transfer of the Definitive Certificate (or the relevant part of the Definitive Certificate) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in the Fiscal Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within ten (10)

Business Days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Certificate of a like aggregate nominal amount to the Definitive Certificate (or the relevant part of the Definitive Certificate) transferred.

In the case of the transfer of part only of a Definitive Certificate, a new Definitive Certificate in respect of the balance of the Definitive Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the address specified by the transferor.

(c) **Costs of registration**: Bondholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(d) **Transfers of interests in the Unrestricted Global Certificate**: Transfers by the holder of, or of a beneficial interest in, the Unrestricted Global Certificate to a transferee in the United States or who is a U.S. Person (as defined in Regulation S) and a "U.S. Resident" (defined as a "U.S. Person" under Regulation S as such term has been interpreted by the U.S. Securities and Exchange Commission Staff in the context of Section 7(d) of the Investment Company Act) (any such person, a "**U.S. Investor**") will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Fiscal Agency Agreement, amended as appropriate with the consent of the Issuer (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Bond or beneficial interest therein to the effect that such transfer is being made to a person who is both a QIB and a QP, purchasing the Bonds for its own account or the account of another person that is both a QIB and a QP in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States; or

(ii) otherwise in compliance with the Securities Act and the Investment Company Act, including pursuant to exemptions therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Such transferee may take delivery through the Restricted Global Certificate.

(e) **Transfers of interests in the Restricted Global Certificate**: Transfers of the Restricted Global Certificate or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through the Unrestricted Global Certificate, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made to a person who is not a U.S. Investor in accordance with Regulation S and that the book-entry interest transferred will be held immediately thereafter through Euroclear or Clearstream; or

(ii) to a transferee who takes delivery of such interest through the Restricted Global Certificate where the transferee is both a QIB and a QP in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise in compliance with the Securities Act and the Investment Company Act, including pursuant to exemptions therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of the Restricted Global Certificate, or upon specific request for removal of the legend therein, the Registrar shall deliver only the Restricted Global Certificate or refuse to remove the legend therein, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

(f) **Closed periods**: No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after any such Bond has been called for redemption, or (iii) during the period of seven days ending on (and including) any Record Date.

(g) **Regulations**: All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Fiscal Agent. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who requests one.

(h) **Definitions**: In this Condition 3, the following expressions shall have the following meanings:

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended;

"**QIB**" means a qualified institutional buyer within the meaning of Rule 144A;

"**QP**" means a qualified purchaser within the meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder;

"**Regulation S**" means Regulation S under the Securities Act, as amended;

"**Restricted Global Certificate**" means the Global Certificate representing Bonds sold in the United States or to a person who is a U.S. Investor, in each case to persons who are both QIBs and QPs in reliance on Rule 144A;

"**Rule 144A**" means Rule 144A under the Securities Act, as amended;

"**Securities Act**" means the United States Securities Act of 1933, as amended; and

"**Unrestricted Global Certificate**" means the Global Certificate representing Bonds sold outside the United States to a person who is not a U.S. Investor in reliance on Regulation S.

4 Status

The Bonds constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The Guarantee constitutes (subject to Condition 5) unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 5, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations including liabilities in respect of deposits.

5 Certain Covenants

(a) **Negative Pledge**: So long as any Bond remains outstanding (as defined in the Fiscal Agency Agreement), the Guarantor will not create or have outstanding, and will ensure that none of its Subsidiaries will create or have outstanding, any Security Interest, other than any Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Bondholders.

(b) **Consolidation, Merger and Sale of Assets:** The Guarantor, without the consent of the Bondholders, may consolidate with, or merge into, or sell, transfer, lease or convey its assets substantially as an entirety (each, a "**transaction**") to any corporation organized under the laws of the Republic of Korea ("**Korea**"), provided that (x) any successor corporation expressly, or by operation of law, assumes the Guarantor's obligations under the Guarantee and the Fiscal Agency Agreement, (y) after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, and (z) if, as a result of any such transaction, properties or assets of the Guarantor or a Subsidiary would become subject to any mortgage, charge, pledge, encumbrance or other security interest which would not be permitted under these Conditions, the Guarantor or such successor corporation, as the case may be, shall take such steps as shall be necessary effectively to secure the Bonds (together with, if the Guarantor shall so determine, any other indebtedness of the Guarantor or such Subsidiary then existing or thereafter created which is not subordinate to the Bonds) equally and ratably with (or prior to) all indebtedness secured thereby.

(c) **Certain Definitions:**

"**Permitted Security Interest**" means (1) any Security Interest existing as of the date of the Fiscal Agency Agreement; (2) any Security Interest existing on any assets or property prior to the acquisition thereof by the Guarantor or any of its Subsidiaries or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition; (3) any Security Interest on any assets or property securing Relevant Indebtedness incurred or assumed for the purpose of financing the purchase price thereof or the cost of construction, improvement or repair of all or any part thereof, provided that such Security Interest attaches to such assets or property concurrently with or within 12 months after the acquisition thereof or completion of construction, improvement or repair thereof; (4) any Security Interest securing Relevant Indebtedness owing to the Guarantor or to a Subsidiary; and (5) any Security Interest arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by any Security Interest permitted by any of the foregoing paragraphs, provided that such Relevant Indebtedness is not increased and is not secured by any additional property;

"**person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof;

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (but excluding for the avoidance of doubt, instruments commonly referred to as transferable loan certificates) which (a) either are by their terms payable, or confer a right to receive payment, in any currency other than Korean Won or are denominated in Korean Won and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside Korea by or with the authorization of the Guarantor; (b) for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market outside Korea; and (c) are not (i) securities issued in accordance with a securitisation plan pursuant to the Asset-Backed Securitisation Act of Korea (or other similar laws of Korea); (ii) securities or instruments serviced primarily by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite period and which are commonly regarded as asset-backed securities; or (iii) derivatives linked securities as defined in the Financial Investment Services and Capital Markets Act of Korea;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

"**Subsidiary**" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Issuer or the Guarantor, as the case may be.

6 Interest

The Bonds bear interest on their outstanding principal amount from and including 28 May 2026 at the rate of 4.591 per cent. per annum, payable semi-annually in arrear on 28 May and 28 November in each year (each, an "**Interest Payment Date**"), except that the first payment of interest, to be made on 28 November 2026, will be in respect of the period from and including 28 May 2026 to but excluding 28 November 2026.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including 28 May 2026 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7 Redemption and Purchase

(a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 28 May 2029. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) **Redemption for Taxation and other Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Korea or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 18 May 2026, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer (or the Guarantor, as the case may be) shall deliver to the Fiscal Agent a certificate signed by two authorised persons of the Issuer or the Guarantor, as the case may be, stating that the Issuer or the Guarantor, as the case may be, is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment. The Fiscal Agent shall be protected and shall have no liability to any Bondholder or any other person for so accepting and relying on such certificate or opinion.

(c) **Change of Control**: at any time following the occurrence of a Change of Control, each Bondholder will have the right, at such Bondholder's option, to require the Issuer to redeem all, but not some only, of such Bondholder's Bonds on the Change of Control Put Date at their principal amount, together with accrued interest up to, but excluding the Change of Control Put Date. To exercise such right, the Bondholder of the relevant Bond must deposit at the office of the Fiscal Agent a duly completed and signed notice of redemption (a "**Change of Control Put Exercise Notice**"), together with the relevant Bonds to be redeemed by not later than 60 days following a Change of Control, or, if later, 60 days following the date upon which notice thereof is given to the Bondholder by the Issuer in accordance with Condition 15. The "Change of Control Put Date" shall be the 14th day after the expiry of such period of 60 days as referred to above.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds that are the subject of such Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date. The Guarantor shall give notice to the Issuer by not later than seven days following the first day on which it becomes aware of the occurrence of a Change of Control. The Issuer shall give notice to the Bondholders and

the Fiscal Agent in accordance with Condition 15 by not later than seven days following the date of receipt of such notice from the Guarantor of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by the Bondholders of their rights to require redemption of the Bonds pursuant to this Condition 7(c).

In these Conditions:

a "**Change of Control**" occurs when Korea ceases to control (directly or indirectly) the Guarantor or for any reason fails to provide the financial support to the Guarantor stipulated by Article 41 of The Korea Credit Guarantee Fund Act of 1975, as amended ("**Article 41**") or Article 41 is amended in a manner which prejudices the rights of the Holders, or is repealed; and

"**control**" means the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, by way of (i) contract or (ii) otherwise.

(d) **Purchase:** the Issuer, the Guarantor and each of their Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 13(a).

(e) **Cancellation:** All Certificates representing Bonds purchased by or on behalf of the Issuer, the Guarantor and each of their Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

8 Payments

(a) **Method of Payment:**

(i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (ii) below.

(ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in the relevant currency and may be made by transfer to an account in the relevant currency maintained by the payee with a bank. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

*Notwithstanding the foregoing, so long as a Global Certificate is held on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or an Alternative Clearing System (as defined in the form of the Global Certificate), each payment in respect of such Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 1 January and 25 December.*

(b) **Payments subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payment Initiation:** Where payment is to be made by transfer to an account in the relevant currency, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated, and, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Fiscal Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents:** The Fiscal Agent, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, the Registrar or any Transfer Agent and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed.

Notice of any such change or any change of any specified office shall promptly be given to the Bondholders by the Issuer in accordance with Condition 15.

(e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a business day, if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 8(a)(ii) arrives after the due date for payment.

(f) **Non-Business Days:** If any date for payment in respect of any Bond is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 8, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Seoul, New York, London and Hong Kong.

9 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds or by or on behalf of the Guarantor in respect of the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Korea or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Korea other than the mere holding of the Bond; or

(b) in respect of which the certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days; or

(c) in respect of any taxes that would not have been so withheld or deducted but for the failure of the Bondholder or a beneficial owner of the Bonds to comply with a request by the Issuer or the Fiscal Agent to satisfy any certification, identification or other reporting requirements, imposed as a precondition to exemption from or reduction in the rate of such taxes, concerning nationality, residence or connection with the Relevant Jurisdiction; provided that at least 30 calendar days prior to the first payment date with respect to which compliance with such certification, identification or other reporting requirement is required, the Bondholder has been notified by the Issuer or the Fiscal Agent that such compliance is required; or

(d) in respect of any estate, inheritance, gift, sales, transfer, personal property or other similar taxes; or

(e) in respect of any taxes payable other than by withholding or deduction; or

(f) in respect of any combination of paragraphs (a) through (e) above.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Bonds by or on behalf of the Issuer, or on the Guarantee by or on behalf of the Guarantor, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer, the Guarantor nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

"**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender; and

"**Relevant Jurisdiction**" means Korea or any political subdivision or any authority thereof or therein having power to tax.

None of the Agents shall in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and nor will any Agent be responsible or liable for any failure by the Issuer or the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment.

10 Events of Default

If any of the following events ("**Events of Default**") occurs, the Holder of any Bonds then outstanding may give written notice to the Issuer (with a copy to the Fiscal Agent) that such Bonds immediately become due and payable at their principal amount together (if applicable) with any accrued but unpaid interest:

(a) **Non-Payment:** the Issuer and/or the Guarantor fails to pay the principal of or any interest on any of the Bonds when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Bonds or the Guarantee which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Bondholder; or

(c) **Guarantee:** the Guarantee ceases to be in full force and effect or the validity of the Guarantee is contested by the Guarantor or the Guarantor denies any of the Guarantor's obligations under the Guarantee or it is or will become unlawful for the Guarantor to perform or comply with any of its obligations under or in respect of the Guarantee or the Fiscal Agency Agreement or any of such obligations shall be or become unenforceable or invalid; or

(d) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries or the Guarantor or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries or the Guarantor or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds U.S.$20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

(e) **Insolvency:** the Issuer or any of its Subsidiaries or the Guarantor or any of its Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of its Subsidiaries or the Guarantor or any of its Subsidiaries; or

(f) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Subsidiaries or the Guarantor or any of its Subsidiaries, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries or the Guarantor or another of its Subsidiaries, as the case may be; or

(g) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to enable the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Guarantee, (iii) to ensure that those obligations are legally binding and enforceable and (iv) to make the Bonds and the Guarantee admissible in evidence in the courts of Korea is not taken, fulfilled or done; or

(h) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Bonds or for the Guarantor to perform or comply with any one or more of its obligations under the Guarantee; or

(i) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 10.

11 Prescription

Claims against the Issuer or the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

12 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity, prefunding and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 Meetings of Bondholders and Modification and Substitution

(a) **Meetings of Bondholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification of the Fiscal Agency Agreement:** The Issuer and the Guarantor shall only permit any modification of, without the consent of the Bondholders, to these Conditions or any of the provisions of the Fiscal Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is not materially prejudicial to the interests of the Bondholders. Any determination as to prejudice applying to the interests of the Bondholders pursuant to this Condition shall be made by the Issuer and none of the Agents shall have any responsibility or liability whatsoever with respect to such determinations. Any modification shall be binding on the Bondholder and shall be notified by the Issuer to the Bondholder as soon as practicable thereafter in accordance with Condition 15.

14 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds.

15 Notices

Notices required to be given to the holders of Bonds pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fifth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bonds pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of the stock exchange or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are evidenced by a Global Certificate and such Global Certificate is held on behalf of Euroclear Bank SA/NV or Clearstream Banking S.A. or an Alternative Clearing System, notices to the Holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear Bank SA/NV or Clearstream Banking S.A. or the Alternative Clearing System, for communication by it to entitled accountholders, in substitution for notification as required by the Conditions.

16 Currency Indemnity

U.S. dollars is the sole currency of account and payment for all sums payable by the Issuer and the Guarantor under or in connection with the Bonds and the Guarantee, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Guarantor or otherwise) by any Bondholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so

received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Bond, the Issuer or the Guarantor (as the case may be) shall indemnify it against any loss sustained by it as a result. In any event, the Issuer or the Guarantor (as the case may be) shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Bondholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Bondholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or any other judgment or order.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) **Governing Law:** The Fiscal Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Bonds or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Bonds ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Agent for Service of Process:** Each of the Issuer and the Guarantor irrevocably appoints COGENCY GLOBAL (UK) LIMITED at 6 Lloyds Avenue, Unit 4CL, London EC3N 3AX, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on any of the Bonds. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Bondholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

THE GLOBAL CERTIFICATES

The Global Certificates contain provisions that apply to the Bonds in respect of which they are issued, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular. The following is a summary of provisions of the Bonds while in global form.

The Bonds will be in registered form, without interest coupons attached. The Bonds will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act and within the United States or to, or for the benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) and "**U.S. Residents**" (defined as a "U.S. Person" under Regulation S, as such term has been interpreted by the U.S. Securities and Exchange Commission Staff in the context of Section 7(d) of the Investment Company Act) (together, "**U.S. Investors**") as described herein in reliance on Rule 144A.

Book Entry; Delivery and Form

The Bonds offered in the United States to QIB/QPs in reliance on Rule 144A will be evidenced by a Restricted Global Certificate and the Bonds offered and sold in reliance on Regulation S, which will be sold to Non-U.S. Investors outside the United States, will be evidenced by an Unrestricted Global Certificate, each of which will be registered in the name of a nominee of, and shall be deposited with, a common depositary for Euroclear and Clearstream.

The Bonds will be subject to certain restrictions on transfer and will bear restrictive legends as described under "*Subscription and Sale*." In addition, transfer of beneficial interests in the Global Certificates will be subject to the applicable rules and procedures of Euroclear and Clearstream and their respective accountholders, which may change from time to time.

Beneficial interests in the Restricted Global Certificate may be exchanged for beneficial interests in the Unrestricted Global Certificate at any time in the circumstances described below under "– *Exchanges Between the Unrestricted Global Certificate and the Restricted Global Certificate*."

Persons holding beneficial interests in the Global Certificates will be entitled or required, as the case may be, under the circumstances described below under "– *Exchange of Interests in Global Certificates for Definitive Certificates*," to receive physical delivery of Definitive Certificates.

Exchange of Interests in Global Certificates for Definitive Certificates

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates in the event that (i) Euroclear, Clearstream or an alternative clearing system notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to a Global Certificate or ceases to be a "clearing agency" registered under the Exchange Act, or it is at any time unable to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary, by the holder giving notice to the Registrar or (ii) Issuer would suffer a material disadvantage in respect of the Bonds as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 9 which would not be suffered were the Bonds in definitive form, by the Issuer giving notice to the Registrar and the Bondholders.

Exchanges Between the Unrestricted Global Certificate and the Restricted Global Certificate

Unless the Global Certificates have previously been exchanged for Definitive Certificates, beneficial interests in the Unrestricted Global Certificate may be exchanged for beneficial interests in the Restricted Global Certificate, only if such exchange occurs in connection with a transfer of the Bonds pursuant to Rule 144A and the transferor first delivers to the Registrar a written certificate to the effect that the Bonds are being transferred to a person who the transferor reasonably believes is a QIB/QP, purchasing the Bonds for its own account or the account of another QIB/QP in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the

United States and other jurisdictions. Unless the Global Certificates have previously been exchanged for Definitive Certificates, beneficial interests in the Restricted Global Certificate may be transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate, only if the transferor first delivers to the Registrar a written certificate to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the book-entry interest transferred will be held immediately through Euroclear or Clearstream.

Any beneficial interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of an interest in another Global Certificate will, upon transfer, cease to be an interest in such Global Certificate and will become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Certificate for so long as it remains such an interest.

Payments

Payments of principal, interest and any other amount in respect of the Global Certificates will be made to the person shown on the Register (as defined in Condition 1 (*Form, Specified Denomination and Title*) of the Conditions) as the registered holder of the Global Certificates. None of the Issuer, any Paying Agent or the Registrar has or will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Bonds in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 8(a) (*Method of Payment*) of the Conditions) immediately preceding the due date for payment in the manner provided in the Conditions.

The Issuer expects that Euroclear or Clearstream, upon receipt of any payment of principal or interest in respect of a Global Certificate will immediately credit account holders' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of that Global Certificate as shown on the records of Euroclear or Clearstream. The Issuer also expects that payments by accountholders to ultimate owners of beneficial interests in a Global Certificate held through such accountholders will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name" and will be the responsibility of such accountholders.

Meetings

The registered holders of the Bonds in respect of which the Global Certificates are issued will be treated as being one person for the purposes of any meeting of Holders, and at any such meeting, as having one vote in respect of each US$1,000 in principal amount of the Bonds in respect of which the Global Certificates are issued.

Cancellation

Cancellation of any Bonds following its redemption or purchase by the Issuer will be effected by a reduction in the principal amount of the Bonds in the register of Holders.

Transfers

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream, and their respective participants in accordance with their respective rules and operating procedures.

Notices

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of Euroclear, Clearstream or an alternative clearing system appointed in accordance with the terms of the Bonds and the Fiscal Agency Agreement, notices to the Holders may be given by delivery of the relevant notice to the clearing systems in accordance with the applicable rules and procedures of the clearing systems for communication by them to entitled accountholders. Any such notice shall be deemed validly given on the day after it has been delivered to Euroclear, Clearstream or an alternative clearing system.

Singapore Paying Agent

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Certificates are exchanged for Definitive Certificates, and unless the Issuer obtains an exemption from the SGX-ST, the Issuer will appoint and maintain a paying agent in Singapore, where the Definitive Certificates may be presented or surrendered for payment or redemption. In addition, in the event that the Global Certificates are exchanged for Definitive Certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore.

USE OF PROCEEDS

The net proceeds from the issuance of the Bonds, after deducting underwriting commissions but not estimated expenses of the offering, will be US$299,490,000. The Issuer intends to use such net proceeds for general corporate purposes.

THE ISSUER

Formation

The Issuer is a limited liability company established under the laws of Korea in 23 March 2026, with its principal address at c/o 2F, 408, Jong-ro (Sungin-dong), Jongno-gu, Seoul 03116, Korea.

Business Activities

The Issuer was established for the sole purpose of issuing the Bonds, with full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and has full rights, powers and privileges for the above purpose pursuant to the objects and powers set out in its articles of association. As at the date of this Offering Circular, the Issuer does not carry and has not carried on any business, other than entering into arrangements for the issue of the Bonds and other activities reasonably incidental thereto (such activities, for the avoidance of doubt, shall include the purchase of domestic corporate bonds from the proceeds of the offering of the Bonds). No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

Financial Statements

Hanil Accounting Corporation has been appointed as auditor for the Issuer. The Issuer will issue and publish financial statements at the end of each fiscal year. The Issuer is required to keep records that are sufficient to show and explain its transactions and will, at any time, enable the financial position of the Issuer to be determined with reasonable accuracy.

Share Capital

The equity interests in the Issuer are classified into two classes: the Class 1 Equity Interest and the Class 2 Equity Interest. The total number of units issued are 200, and the number of units for the Class 1 Equity Interest is 199 and held by an individual equityholder and the number of units for the Class 2 Equity Interest is 1 and held by the Guarantor. The Issuer can distribute dividends to the unitholders of the Class 2 Equity Interest only. Any remaining assets are to be distributed to each unitholder *pro rata* to its respective unitholding, up to the amount equivalent to the initial contribution amount, and any excess remaining assets are to then be distributed to the unitholders of the Class 2 Equity Interest.

Director

The director of the Issuer ("**Director**") is Jang, Eun-Jae. The Director of the Issuer holds only the Class 1 Equity Interest which does not entitle its holder to distribution of dividend or excess remaining assets. The Director does not hold any Class 2 Equity Interest or options to acquire the Class 2 Equity Interest of the Issuer. There are no conflicts of interest between the duties to the Issuer of the person listed above and his private interests and duties. The Issuer does not have any employees and has no subsidiaries.

Legal Proceedings

The Issuer may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of its business. As of the date of this Offering Circular, the Issuer is not involved in any litigation or other legal proceedings, the outcome of which would, in the reasonable judgement of its management, have a material adverse effect on the financial condition or results of operations of the Issuer.

THE GUARANTOR
KOREA CREDIT GUARANTEE FUND

Overview

KODIT is a public financial institution established on 24 May 1976 under the provisions of the Credit Guarantee Fund Act. As stipulated in Article 1 of the Credit Guarantee Fund Act and Article 2 of the Articles of Incorporation of KODIT, the objective of KODIT is to lead the balanced development of the national economy by extending credit guarantees for the liabilities of promising SMEs which lack tangible collateral. KODIT's primary business consists of extending such credit guarantee services to SMEs and stimulating sound credit transactions through the efficient management and use of credit information. In 2024 and 2025, KODIT provided credit guarantees worth ₩67,870 billion and ₩70,424 billion respectively, bringing stability to the financial market and the real economy. As of 31 December 2025, the entire amount of outstanding guarantees by KODIT amounts to ₩77,679 billion.

To fulfil its social responsibility as a public institution, KODIT developed Korea's first standardised social economy enterprise evaluation system and supported credit guarantees of approximately ₩247 billion to social economy enterprises in 2025. Moreover, to increase social contribution and pursue sustainable development, KODIT announced in January 2021 that it would issue ESG-certified primary collateralised bond obligations (P-CBOs), through which KODIT guarantees corporate bonds issued by SMEs and middle-standing companies to enhance the issuers' credit and attract investment. KODIT also established the "ESG Promotion Centre" in March 2021 to facilitate ESG-based management and created the "ESG Committee" in July 2021. In November 2021, KODIT entered into the "Business Agreement to Activate Private Investment on ESG" with Kookmin Bank and KB Securities.

Since February 1998, KODIT has provided credit guarantees for all types of industries in principle. However, KODIT focuses more on industries that have a greater ripple effect and consequently higher contribution to economic growth. The outstanding guarantees for the manufacturing industry and the wholesale & retail industry respectively accounted for 32.7 per cent. and 35.3 per cent. of the total amount in 2024 and 33.1 per cent. and 35.2 per cent. of the total amount in 2025. In line with government policies that emphasise support for manufacturing companies, start-ups, and the Fourth Industrial Revolution industries such as robotics and fintech, KODIT extends credit guarantees to innovation-driven companies having high growth potential such as startups and technology-intensive companies. Curbs have been placed on new guarantees extended to general businesses with low guarantee efficiency such as companies using guarantees for prolonged periods of times or those that had received large guarantees before.

In addition to credit guarantee services, KODIT provides credit insurance services, infrastructure credit services, start-up support, management consulting services and other special programmes.

As of the date of this Offering Circular, KODIT has received foreign currency, long-term issuer credit ratings of "AA" from S&P and "Aa2" from Moody's.

History and Development

KODIT was established under the Credit Guarantee Fund Act in 1975, when Korea was in the final year of its third Five-Year Economic Development Plan. At the time, Korea's export-led economic growth that relied on foreign capital was hit hard by the "Nixon shock" of 1971 prohibited the conversion of U.S. dollars and gold and the first oil crisis triggered by the Mideast war in 1973. Economic stagnation ensued, and the Government deemed it necessary to strengthen its financial support system to secure momentum for sustainable economic growth, as the number of distressed enterprises increased due to high inflation and the prevalence of private loans with high interest rates. The Government implemented a series of policies to strengthen SMEs to cultivate balanced economic growth, and established KODIT under a public guarantee system that would be based on contributions from the Government while KODIT would be operated by an independent institution to provide guarantees to SMEs.

As stipulated in Article 4.1 of the Articles of Incorporation of KODIT, KODIT was established with a credit guarantee fund of ₩28 billion. KODIT's capital fund is built with sources that include, but are not limited to, contributions from the government and financial institutions. Statutory contributions from financial institutions, which used to be 0.5 per cent. of the loan amount based on contributions at the time of establishment, has been amended to not exceed 0.3 per cent. per annum. As of the end of 2025, the benchmark rate was applied at 0.225 per cent.

In 1989, the credit guarantee business targeting the technology sector was split from KODIT, and KOTEC was established. In 2004, the Korea Housing Finance Corporation ("**HF**") was established, and KODIT's housing finance credit guarantee business was transferred to HF. In 1995, the Credit Guarantee Fund Act was amended so that restrictions on eligibility according to industry sector were abolished and the ceiling on the total outstanding credit guarantees was amended from 15 times to 20 times the total capital funds. In 1996, the competent authority supervising governmental contributions was changed from the MOFE to the Small and Medium Business Administration (now the "Ministry of SMEs and Startups").

When the Asian Financial Crisis took place in 1997, KODIT implemented various special credit guarantees to assist SMEs hit by the crisis, including guarantees for export financing (1998) and special guarantees for livelihood-type startups (1999) to help create jobs for working-class households that lost jobs due to the crisis. In December 1998, KODIT adopted a partial guarantee system under which the credit risks are shared with creditor institutions and KODIT. In 1999, KODIT also took over the administrative right of the Housing Finance Credit Guarantee Fund from the Housing & Commercial Bank to become the sole management institution of the Korea Infrastructure Credit Fund.

In 2000, KODIT introduced special guarantees for Collateralised Bond Obligations (CBO) and Collateralised Loan Obligations (CLO) to help medium and large enterprises issue corporate bonds. A year later, KODIT developed the Corporate Credit Rating System (CCRS) to enhance the credibility and objectivity of decision-making for guarantees and also launched e-commerce credit guarantee services to facilitate online business transactions of SMEs. In 2002, KODIT won the bid for the e-commerce category of the "B2B Network Implementation Support Project" by the Ministry of Commerce, Industry and Energy and received the Presidential Prize in the National Productivity Award. In 2003, KODIT acquired the ISO 9001 Certificate in Overseas Credit Information Business and received the Minister's Prize in the Korea E-Business Awards sponsored by the Ministry of Commerce, Industry and Energy. KODIT also received the top prize in the "2004 V-ISO Management Systems Grand Awards" administered by the Korean Management Association and the "Presidential Award" in the "2004 Annual Congress for Entrepreneurs of Small and Medium-Sized Enterprises" administered by the Korean Federation of Small and Medium Business.

KODIT expanded its global presence by hosting the 18th Asian Credit Supplementation Institution Confederation (ACSIC) Conference in Seoul in October 2005. In 2006, KODIT received First Prize as the Best Innovative Public Institution in the Korean Customer Awards. In 2007, KODIT joined the UN Global Compact.

Since then, KODIT entered into various MoUs with development banks in various countries and with numerous entities in Korea such as the Korea Trade Association (2013), Korea National Council on Social Welfare (2013), Korea Intellectual Property Office (2013), Samsung Electronics (2013), Korea Exchange (2014), Small and Medium Business Administration and Shinhan Bank (2015) and Gaeseong Industrial District Foundation (2017).

Currently, KODIT has its headquarters in Daegu city, where it moved to in 2014, and continues to conduct its core objectives of contributing to the balanced development of the national economy and facilitating SMEs' access to finance. When the COVID-19 crisis hit in 2020, KODIT implemented measures to build an economic safety net for SMEs and micro enterprises by providing new special guarantees and extending the maturity dates for existing guarantees. In 2020, KODIT provided over

₩8,418 billion in special guarantees to SMEs affected by COVID-19, and over ₩4,192 billion to micro enterprises. KODIT also extended maturity dates of existing guarantees for 127,449 enterprises in the amount of ₩27,684 billion. Moreover, KODIT implemented a digital mobile platform to allow customers to handle entire credit guarantee processes easily without having to visit KODIT's branch offices, effectively responding to the spread of COVID-19 and allowing 160,000 tasks to be completed in non-contact ways.

Relationship with the Government of Korea

Legal Basis for Operation

KODIT is a statutory juridical entity that was established under the Credit Guarantee Fund Act. The provisions related to this can be found in the Credit Guarantee Fund Act, the Enforcement Order and Enforcement Rules of the Credit Guarantee Fund Act, and KODIT's articles of association, operating guidelines, regulations, manuals, and standards.

Government Supervision

KODIT is both a public body funded by the Government and a policy-oriented financial institution for implementing government financial policy. KODIT operates under the direction and supervision of the Korean National Assembly and related government ministries. First, the FSC is the chief supervisory body for overseeing KODIT under law and has the power to issue orders necessary for supervising KODIT. For instance, according to the Credit Guarantee Fund Act, KODIT must obtain authorisation from the FSC before amending the Articles of Incorporation, seven out of the twelve members of the KODIT Board of Policy are appointed by the FSC, the president, deputy president, auditor, and seven executive directors of KODIT's executive officers are appointed by the FSC, the FSC can dismiss an executive officer for reasons stipulated in the Credit Guarantee Fund Act, the FSC can allow KODIT to perform business not enumerated in the Credit Guarantee Fund Act, and the FSC oversees annual business and budget plans.

The MOFE approves matters related to KODIT's budget and staffing and evaluates management performance. The MOFE is also responsible for general supervision of the operations of the Infrastructure Credit Guarantee Fund consigned to KODIT. The MSS manages KODIT's budgeting related to government contributions and supervises the general operation of credit insurance services. The BAI monitors KODIT, while the National Assembly reviews bills related to KODIT and its budget and account settlement. KODIT is also subject to the legislature's annual audit of the Government.

Government Financial Support

The capital fund of KODIT is the basis for supply of credit guarantees and subrogation payment under its credit guarantee system. It is comprised of contributions from the Government, financial companies, enterprises and persons other than aforementioned, as stipulated in the Credit Guarantee Fund Act. Overall, the Prime Minister, by Ordinance, prescribes the scope of loans, methods and timing of making contributions, and other matters necessary for contributions.

Government contributions are governed under the jurisdiction of the Ministry of SMEs and Startups, and contributions from financial companies are to be made at a rate prescribed by Ordinance of the Prime Minister, within 3/1,000 per annum of their loans.

Contributions from the Government and financial institutions and enterprises, respectively, were ₩80 billion and ₩1,550 billion in 2024 and ₩100 billion and ₩1,548 billion in 2025. As a result of such contributions, KODIT's capital fund reached ₩12,180 billion at the end of 2024 and ₩13,304 billion at the end of 2025. The cumulative Government contribution until 31 December 2025 amounted to a total of ₩14,369 billion. KODIT's total assets amounted to a total of ₩16,795 billion in 2025. The chart below shows the financial contributors to KODIT's funding and their contribution amounts to KODIT's capital fund for the past five years.

	2021	2022	2023	2024	2025
			₩ *(Unit: billions of Won)*		
Contributor					
Government	370	960	84	80	100
Financial Institutions	1,022	1,109	1,310	1,511	1,529
Special	19.4	2.6	22	39	18
Total	1,412	2,071	1,416	1,630	1,647

The operational multiple, calculated by dividing the outstanding credit guarantee by the capital fund as underlying asset, is an important measure that indicates the capability to provide guarantees in accordance with economic conditions and the liquidity to deal with subrogation claim of financial institutions. The Credit Guarantee Fund Act prohibits the operational multiple from outweighing 20 times, and this multiple measured at 5.8 times at the end of 2025.

Reporting Requirements and Audits

KODIT's management controls KODIT's day-to-day business operations, but KODIT's operations are also subject to review and supervision by the Government. Under the Credit Guarantee Fund Act, each fiscal year, KODIT is required to submit its business plan and budget (total income and expenditures of each business year) to KODIT's Board of Policy and the FSC for approval. The major reporting requirements and audits to which KODIT is subject include the following according to the Credit Guarantee Fund Act:

(a) KODIT establishes and submits an annual business plan and budget and obtains approval from the FSC, following a resolution by the Board of Policy;

(b) No later than one month prior to the commencement of each fiscal year, KODIT must submit to the FSC for approval KODIT's proposed business plan and budget for the next fiscal year;

(c) KODIT must receive approval from the FSC, following a resolution by the Operation Committee for any amendments to its business plan or budget;

(d) When KODIT prepares or amends a business plan, it shall expressly state matters concerning a preferential guarantee it intends to provide;

(e) For every fiscal year (within two months after the end of each fiscal year), KODIT must prepare a report on the statement of accounts a balance sheet, a profit and loss statement, and a statement of fundamental property to the FSC, following a resolution by the Board of Policy;

(f) KODIT must prepare an operations manual relating to its business and undergo a resolution by the Board of Policy, which includes the following matters: methods of providing a guarantee, types of businesses for which guarantees are restricted, periods of guarantees, guarantee fees, discharge of guaranteed liabilities; exercise of the right to demand indemnity; methods of providing re-guarantees, periods of re-guarantees, types of business for which re-guarantees are restricted; guarantees regarding special purpose companies, guarantee-linked investment, and other matters necessary for business performance of KODIT; and

(g) If FSC deems it necessary to achieve the purposes of the Credit Guarantee Fund Act, it can request KODIT, entities entrusted by KODIT with the business of KODIT, or entities making contributions to KODIT, to submit reports, or have public officials affiliated with KODIT to inspect the status of KODIT operations, books and documents or other necessary matters.

Organisation and Structure

KODIT is managed by the Board of Policy and the Board of Directors. The diagram below illustrates the organisational structure of KODIT:

KODIT's operating divisions consist of the Management Planning Division, the Credit Business Division, the Strategic Business Division, and the Management Support Division.

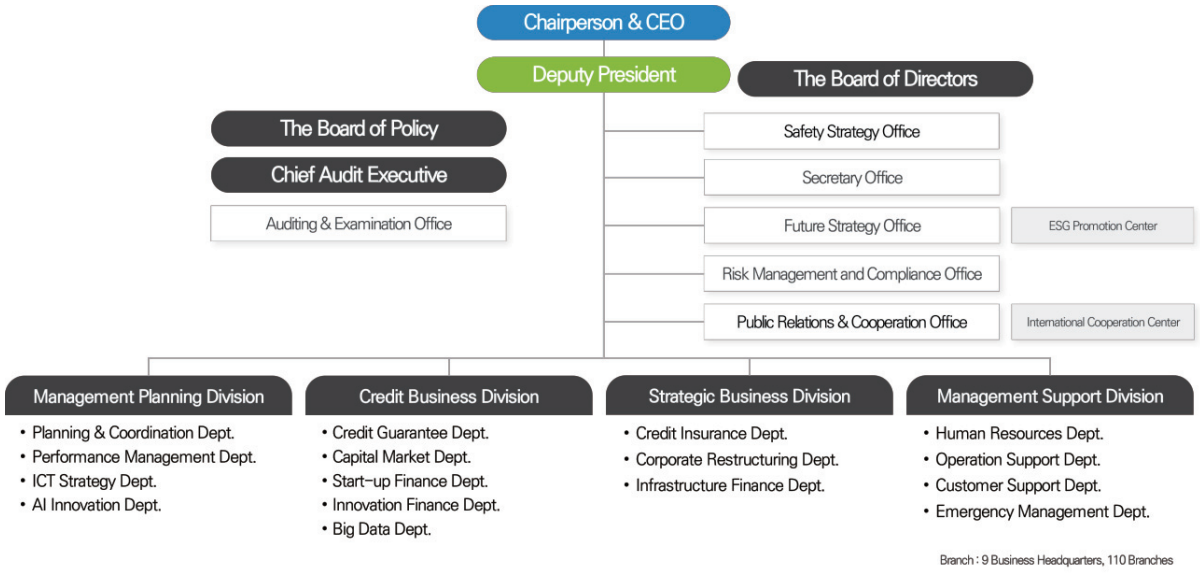
The key functions of the 4 divisions are summarised as follows:

(a) Management Planning Division: This group consists of 3 departments and its main responsibilities are fund management, legal affairs, regional development planning, data analysis, and performance evaluation.

(b) Credit Business Division: This group consists of 5 departments and its main responsibilities are product planning, investment/IPO/M&A guarantee planning, intellectual property evaluation, platform establishment, and guarantee system sustainment.

(c) Strategic Business Division: This group consists of 3 departments and its main responsibilities are risk management, legal support, insurance operations, consulting preparation, and financial modelling.

(d) Management Support Division: This group consists of 3 departments and its main responsibilities are human resources management, facility maintenance, and customer service.



Businesses and Services

The main features of KODIT's major businesses and services are summarised as follows:

Credit Guarantee Services

The main purpose of the credit guarantee services is to enable promising SMEs that are without sufficient collateral to obtain funds and make smooth headway with regard to financial or business transactions. With the credit guarantee services, KODIT attempts to help such SMEs repay liabilities assumed by business enterprises in transactions with other companies or institutions.

Credit guarantee services involve a series of interactions among three parties: the guarantor (KODIT), the debtor (enterprises) and the creditor (financial institutions). If the debtor defaults, KODIT pays the guarantee obligation to financial institutions in place of the debtor.

KODIT's credit guarantee services fall into three categories:

The first category is general credit guarantee services, which includes guarantees for indirect financing (bank loans, leases, trade bills, etc.), direct financing (corporate bond issuance), credit transactions between enterprises (commercial bills, execution of contract and transaction liabilities) and tax payment.

The second category is special credit guarantee services, which include primary collateralised bond obligation (P-CBO) and collateralised loan obligation (CLO) guarantees. P-CBOs are a kind of Asset-Backed Security (ABS) backed by a variety of corporate bonds with varying degrees of risks and coupon rates. KODIT provides P-CBO guarantees to facilitate financing to companies more efficiently by guaranteeing the repayment of their corporate bonds indirectly. CLO guarantees are similar in structure to the P-CBO guarantees, except that the underlying assets of CLO guarantees the loans instead of corporate bonds. KODIT provides P-CBO guarantees for rolling over debt to enterprises that were not able to repay their debts at maturity. KODIT provides guarantees for senior securities, which allows them to be rated investment grade. The senior tranche is then sold in the capital markets, and subordinated tranche are purchased by the issuing enterprise.

The third category is electronic credit guarantee services, which is KODIT's introduction of electronic credit guarantee certificates — these are sent from KODIT to credit institutions via internet, in place of conventional letter of credit guarantees. Digitalised credit guarantee services allow companies applying for credit guarantees to reduce the number of visits to KODIT and financial institutions. In addition, electronic guarantee certificates are easier to store and safeguard than letter of credit guarantees. The chart below summarises the outstanding amount of credit guarantees.

	2023	2024	2025
	₩ (Unit: billions of Won)		
Type of Guarantee			
General Guarantee	61,821	62,497	62,403
Entrusted Guarantee for Micro and Small Enterprises	4,479	2,246	785
P-CBO Guarantee*	2,623	3,017	3,327
P-CBO Guarantee Supporting Key Industry*	–	–	–
P-CBO Guarantee (Bond Market Stabilisation)**	11,572	10,245	8,501
P-CBO Guarantee for COVID-19 Response**	–	–	–
Special Guarantee for Market Stabilisation**	–	–	–
Total Guarantee	80,495	78,005	75,016

* *P-CBO Guarantee & P-CBO Guarantee Supporting Key Industry were integrated into P-CBO Guarantee.*

** *P-CBO Guarantee for COVID-19 Response & Special Guarantee for Market were integrated into P-CBO Guarantee (bond market stabilisation)*

Credit Insurance Services

KODIT offers two types of credit insurance services: Bill Insurance Services and Receivables Insurance Services. KODIT introduced Bill Insurance Services in September 1997 and Receivables Insurance Services in March 2004 to protect SMEs from chain reaction bankruptcies arising from dishonoured commercial bills or non-payment of receivables for the goods and services that SMEs provided to buyers. KODIT's Corporate Bill Insurance is mainly purchased by suppliers who provide goods or services to cover the risk of non-payment by a buyer. KODIT's Sales Receivable Insurance is purchased by suppliers who provide goods or services to cover the risk of non-payment on sales receivables. KODIT underwrote credit insurance of approximately ₩21,535 billion in 2024 and ₩22,261 billion in 2025.

Infrastructure Credit Guarantee Services

Korea Infrastructure Credit Guarantee Fund (KICGF) was established in August 1994, under the provisions of the 'Act on Public-Private Partnerships in Infrastructure'. Initially, KICGF was operated by three institutions: Korea Development Bank, Korea Technology Credit Guarantee Fund and KODIT.

Later, in Jan 1999, KODIT took over the funds of the other two institutions and became the sole operator of KICGF. The objective of infrastructure credit guarantee services is to help private investment corporations obtain funds for facility construction. Infrastructure credit guarantee services have played a significant role in securing the financing of private investment corporations that lack the collateral for loans but have acceptable credit standings and strong prospects. Thus, KODIT induces private investments in government projects which contributes to enhancing the overall efficiency of government policies. KODIT facilitated a total of 21 cases worth approximately ₩3,140 billion for project operators that experienced difficulties in financing due to the sluggish domestic construction industry in 2024 and a total of 21 cases worth approximately ₩3,160 billion in 2025.

Start-up Support

In 2015, KODIT expanded its tailored startup support programme, reflecting characteristics of startups from pre-startup to growth stage. Specifically, KODIT systemised its pre-startup support programme by reinforcing its financial support and implemented guarantee scheme to realise a business idea by building co-support system with Creative Economy Town, professional idea evaluation organisation. In addition, KODIT extends credit to SMEs based on long-term trust regarding their technology and business values, and also introduced its startup guarantee programme to enhance success of technology-based startups.

Management Consulting Services

KODIT provides management consulting services to SMEs in an attempt to enhance their competitiveness and productivity. KODIT's services include assistance with data research, field research, report preparation and presentation. SMEs are generally said to have been the underdogs compared to large enterprises due to their weaknesses in working capital, manpower, technology and know-how.

Principal Properties

KODIT's registered office and head office is located at 7, Chemdan-ro (Sinseo-dong), Dong-gu, Daegu 41068, Korea. As of 31 March 2026, KODIT has 110 branches and 9 regional headquarters located throughout Korea.

Legal Proceedings

There are no material legal, regulatory, or administrative actions of significance or litigation currently pending or, to KODIT's knowledge, threatened against KODIT.

Employees

As of 31 March 2026, KODIT had 2,715 full-time employees (including the executive directors and officers) as well as 122 contract employees.

KODIT has a total of three labour unions. Labour unions have been divided according to employee type and were respectively formed in 1980, 2008, and 2018. As of 31 March 2026, approximately 93.0 per cent. of KODIT's eligible employees were members of one of the unions.

Management

Board of Policy

The Credit Guarantee Fund Act establishes a Board of Policy that formulates and enforces policies concerning the operation and management of KODIT according to the Credit Guarantee Fund Act, the Enforcement Decree of the Credit Guarantee Fund Act, and the Articles of Incorporation of KODIT. The Board of Policy also sets regulations for handling KODIT's affairs. Matters necessary for the operation of the Board of Policy are prescribed by Presidential Decree.

In accordance with the Credit Guarantee Fund Act, the Board of Policy is comprised of twelve members: the President & CEO of KODIT, one nominated by the FSC from among a pool of public officials belonging to the Commission, one nominated by the Minister of Finance and Economy from among a pool of public officials belonging to the Ministry, one nominated by the Administrator of Small and Medium Business Administration from among a pool of public officials belonging to the Administration, one nominated by the Governor of the Bank of Korea from among a pool of executives belonging to the Bank of Korea, one nominated by the President of the Industrial Bank of Korea from among a pool of officers belonging to the Industrial Bank of Korea, one executive officer nominated by the head of a financial institution designated by the FSC, three members from among a pool of officers or executives of financial institutions, and two members from among a pool of representatives of industry associations. The Board of Policy is chaired by the President & CEO of KODIT and under the Credit Guarantee Fund Act, the 12 members of the board each serves a two-year term. Regular meetings are held in February and November, and extraordinary meetings are held in cases of necessity.

Board of Directors

KODIT's Board of Directors was established by the Credit Guarantee Fund Act to deliberate on important operational details following the articles of association and operational guidelines. The Board of Directors resolves major issues concerning credit guarantees, guaranteed obligations, asset management, and investment. Under the Credit Guarantee Fund Act, the Board of Directors is composed of the President & CEO of KODIT, one Deputy President, directors (executive directors not exceeding five in total and non-executive directors not exceeding eight in total). Under Article 16 of the Credit Guarantee Fund Act, the President & CEO and the auditor are appointed by the FSC, and the Deputy President and all executive directors are appointed by the FSC upon the recommendation of the President & CEO. While the auditor is not represented on the Board, the auditor may attend meetings of the Board of Directors and state opinions. The President & CEO of KODIT convenes the Board of Directors and chairs the Board of Directors. Under the Credit Guarantee Fund Act, the President & CEO serves a three-year term. All other directors serve two-year terms.

The following table sets forth the names, years of birth, and positions of KODIT's current executive officers and executive directors as of 31 March 2026:

Name	Year of Birth	Position	Director Since	End of Term
Kang, Sungjun	1965	President & CEO	11 March 2026	10 March 2029
Lee, Ju-Young	1966	Deputy President	26 May 2025	25 May 2026
Kim, Seung-Kwan	1969	Senior Executive Director	26 May 2025	25 May 2027
Chae, Byung-Ho	1968	Senior Executive Director	5 July 2024	4 July 2026
Lee, Young-Woo	1968	Senior Executive Director	26 May 2025	25 May 2027
Yum, Jung-Won	1969	Senior Executive Director	5 July 2024	4 July 2026
Min, Jwa Hong	1965	Chief Audit Executive	19 September 2024	18 September 2026

Kang, Sungjun is KODIT's President and has been the CEO since 10 March 2026. He is a member of both KODIT's Board of Policy and Board of Directors. Prior to joining KODIT, he served as Secretary General for the National Economic Advisory Council, Deputy Minister for Fiscal Management Bureau of the Ministry of Finance and Economy (previously the Ministry of Economy and Finance), Auditor for the Bank of Korea and Professor and Executive Vice President for External and International Affairs, Seoul National University of Science and Technology.

Lee, Ju-Young has been Deputy President of KODIT since 2025 and a Senior Executive Director since 2023. He is a member of KODIT's Board of Directors. Prior to becoming Deputy President and a Senior Executive Director, he served as Director of KODIT's Seoul Seobu Business Headquarters.

Kim, Seung-Kwan has been a Senior Executive Director since 2025. He is a member of KODIT's Board of Director. Prior to becoming a Senior Executive Director, he served as Director of KODIT's Seoul Seobu Business Headquarters.

Chae, Byung-Ho has been a Senior Executive Director since 2024. He is a member of KODIT's Board of Directors. Prior to becoming a Senior Executive Director, he served as the Director of KODIT's Seoul Seobu Business Headquarters.

Lee, Young-Woo has been a Senior Executive Director since 2025. He is a member of KODIT's Board of Directors. Prior to becoming a Senior Executive Director, he served as the Chief Specialised Officer of the Office of National Security's National Cyber Risk Management Unit.

Yum, Jung-Won has been a Senior Executive Director since 2024. She is a member of KODIT's Board of Directors. Prior to becoming a Senior Executive Director, she served as Director of KODIT's Seoul Dongbu Business Headquarters.

Chief Audit Executive

Min, Jwa Hong has been the Chief Audit Executive of KODIT since 2024. Prior to becoming Chief Audit Executive, he served as Deputy Governor of the Bank of Korea.

Non-Executive Directors

The following table sets forth the names, years of birth, and positions of KODIT's non-executive directors as of 31 March 2026[1]:

Name	Year of Birth	Position	Director Since	End of Term
Lim, Sang-Jin	1966	Senior Non-executive Director	16 March 2026	15 March 2028
Rhee, Jang-Won	1967	Senior Non-executive Director	16 March 2026	15 March 2028
Han, Jae-Joon	1970	Senior Non-executive Director	16 March 2026	15 March 2028
Chang, Uk-Chin	1972	Senior Non-executive Director	16 March 2026	15 March 2028
Jung, Hwan	1963	Senior Non-executive Director	6 December 2023	5 December 2025
Choi, Yoo-Mi	1982	Senior Non-executive Director	6 December 2023	5 December 2025
Kim, Sung-Hyun	1967	Senior Non-executive Director	22 August 2024	21 August 2026
Hwang, Seong-Hyuk	1971	Senior Non-executive Director	22 August 2024	21 August 2026

Lim, Sang-Jin has been a Senior Non-executive Director since 2026. Previously, he served as Head of the HUB branch at Hana Bank.

Rhee, Jang-Won has been a Senior Non-executive Director since 2026. Currently, he serves as Investment Solicitor at Korea Investment & Securities.

Han, Jae-Joon has been a Senior Non-executive Director since 2026. Currently, he serves as Professor of Finance and Business Administration at Inha University.

Chang, Uk-Chin has been a Senior Non-executive Director since 2026. Currently, he serves as Deputy Branch Manager of KODIT's Seongnam Branch.

Jung, Hwan has been a Senior Non-executive Director since 2023. Previously, he served as Vice President at Shinhan Securities.

Choi, Yoo-Mi has been a Senior Non-executive Director since 2023. Currently, she serves as an attorney at Yulchon LLC.

Kim, Sung-Hyun has been a Senior Non-executive Director since 2024. Currently, he serves as Professor of Economics at Sungkyunkwan University.

Hwang, Seong-Hyuk has been a Senior Non-executive Director since 2024. Currently, he serves as Assistant Professor of Economics at Jeonbuk National University.

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[1] Officers and directors may continue to serve beyond the end of their respective terms until a successor is appointed.

Compensation of Executive Directors and Officers

The aggregate amount of remuneration paid and accrued to the executive directors and officers, including the auditor, as a group was ₩1.92 billion (which included bonus and incentive payments) for the year ended 31 December 2024, and ₩1.88 billion for the year ended 31 December 2025.

Risk Management

KODIT is exposed to risks relating to providing credit guarantees for SMEs, as well as risks relating to its operating environment. KODIT's objectives in risk management are to manage KODIT's underlying assets efficiently and help make better policy decisions. The principal types of risks faced are credit risk, liquidity risk and operational risk.

Policies and Procedures

KODIT's risk management framework is implemented in the form of a company-side risk management system that clearly sets basic principles, objectives and procedures. KODIT continuously develops and improves upon its risk management framework to maintain an integrated and comprehensive risk management and internal control system, making periodic evaluations and necessary adjustments to reflect the changing business and risk environments.

KODIT reports on a quarterly basis to the Risk Management Committee with respect to its overall risk profile.

Organisation

KODIT built an integrated risk management system to manage KODIT's underlying assets efficiently and help make better policy decisions. This system allows KODIT to flexibly deal with challenges from the ever-changing economic environment. In 2005, KODIT established the Innovation Strategy Office (renamed to the "Risk & Compliance Management Office" in 2024) to implement a company-wide risk management system that clearly sets basic principles, objectives and procedures. Since 2006, KODIT has been running the Enterprise Risk Management ("**ERM**") system for comprehensive risk management, and this system has undergone continuous improvement. KODIT runs this system in addition to the Credit Risk Alarm System ("**CeRAS**").

Risk & Compliance Management Office

Roles and Responsibilities

The Risk & Compliance Management Office is responsible for the efficient management of the various risks related to KODIT's business activities. The Risk & Compliance Management Office operates to maintain the soundness and stability of KODIT, and achieves this purpose by predicting, measuring and analysing the various risks.

The types of risks that the Risk & Compliance Management Office manages include: credit risks of companies that KODIT supports, liquidity risks to secure solvency, system and operational risks, information system risks, etc.

In order to meet these goals, the Risk & Compliance Management Office has been established as a department under the direct control of the Deputy President to enable management and control of KODIT as a whole, rather than belonging to one of the four business divisions of KODIT (Management Planning, Credit Business, Strategic Business and Management Support).

Members

The Risk & Compliance Management Office is composed of 25 members, including the head of the Risk & Compliance Management Office. Members have risk-related doctoral degrees and certifications and professionally manage the risks faced by KODIT. Specifically, members are classified as follows:

Title	Staff level	Main Responsibility	Number of team members (staff level)
Director General of Office	1	Overall Management	0
Director of Internal Control & Compliance Centre	2	Internal Control and Compliance Operations	9 (levels 3-5, Legal Advisors)
Director of Integrated Risk Management Planning Team . .	3	ERM	4 (levels 4-5)
Director of Credit Risk Team . . .	3	Credit Risk Management	4 (levels 4-5)
Director of Evaluation Model Team	3	Evaluation System Development	3 (levels 4-5)

Meetings, Reporting Requirements and Procedures

The Risk Management Committee and Risk Management Working Group also operate for the efficient risk management of KODIT.

The Risk Management Committee is the highest decision-making body in KODIT regarding risk management. The Committee establishes basic risk management policies and risk tolerance limits and develops measures against risks that appear on assessment results. The Chairman of the committee is the Deputy President of KODIT, and members consist of executives from the Management Planning and Credit Business Divisions as well as external members appointed by the President. The committee consists of 7 or less members and the number of external members is kept at a number of more than half of the total number of members to strengthen objectivity during decision-making processes. In 2023, the Risk Management Sub-Committee was established for the purpose of allocating risk tolerance limits relating to fund management. The Chairman of the sub-committee is the executive from the Management Planning Division and members consist of another executive therefrom as well as two external members appointed by the President.

The Risk Management Working Group's duties include promoting discussion and information-sharing between departments on risk management tasks, identifying insolvency trends of entities registering for credit guarantees, analysing causes and developing measures to address problems, etc. The Working Group comprises 24 members; the Director General of the Risk & Compliance Management Office serves as the Chairman for the Working Group and one Director from each department of KODIT is appointed as a member.

Additionally, the Risk & Compliance Management Office is required to report the status quo of potential risks, risk management methods, risk-related reviews and adjustments made to the Risk Management Committee.

Risk Management System

The Risk & Compliance Management Office is a department that efficiently manages risks related to KODIT's business activities by analysing and responding to potential risks in advance. The Risk & Compliance Management Office does so to maintain the soundness and stability of KODIT. On the other hand, the Audit Office is a department that inspects and audits KODIT employees' compliance with regulations, to ensure that KODIT's employees, as public officials of a public financial institution, are disciplined.

The Risk & Compliance Management Office comprehensively manages risks that may arise from KODIT's business activities. KODIT manages risks by classifying them as different types of risks (credit risk, liquidity risk, operational risk and IT risk).

Credit Risk

KODIT manages credit risk to monitor KODIT's basic assets and maintain KODIT's operational multiple at appropriate levels. Such management allows KODIT to maintain subrogation at a stable level by setting an appropriate risk acceptance rate for KODIT's guarantees and predicting and managing the impacts of potential insolvencies. To this end, the Risk & Compliance Management Office has

developed and operates credit and future growth evaluation systems that evaluate the credit capacities of companies before providing guarantees to them. In order to predict the potential losses that KODIT may incur by providing guarantees, the CeRAS and the insolvency prediction system are operated simultaneously with the Credit VaR system, which measures and manages EL (expected loss) and UL (unexpected loss), before providing guarantees to companies.

Liquidity Risk

KODIT manages liquidity risk to secure KODIT's payment capacity for its business activities. Liquidity risk is managed by maintaining the liquidity of KODIT at an appropriate level. To manage liquidity risk, relevant departments coordinate regular inspections of the accounts for credit guarantees (general and industry-based) and insurance to establish appropriate measures through the analyses of various scenarios.

Operational Risk

KODIT manages operational risk to maintain efficiency of its guarantee policies, system and appropriate operation. KODIT periodically monitors the risks arising from inefficient work processes, abnormal work patterns, absence of necessary systems and employees' violations of regulations or procedures. Furthermore, Risk Self Assessment ("**RSA**") allows employees to become aware of inappropriately conducted business, and regular institutional evaluations are performed to assess the adequateness of KODIT's systems in light of changes that occur in the business environment.

IT Risk

KODIT manages IT risk to increase its work efficiency through appropriate internal controls on the basis of information systems. KODIT seeks rational planning, development, investment, efficient operation of information systems and general information protection, by establishing standardised business procedures regarding informatisation, analysing returns on investments regarding informatisation and operating the information protection system.

Risk & Compliance Management Office's Relationship with the Auditing Office

The Auditing Office is a department independent from other departments of KODIT. The Auditing Office performs business audits, handles, prevents and provides guidance for various accidents and manages work related to the assessment and inspection of disciplinary procedures relating to public service.

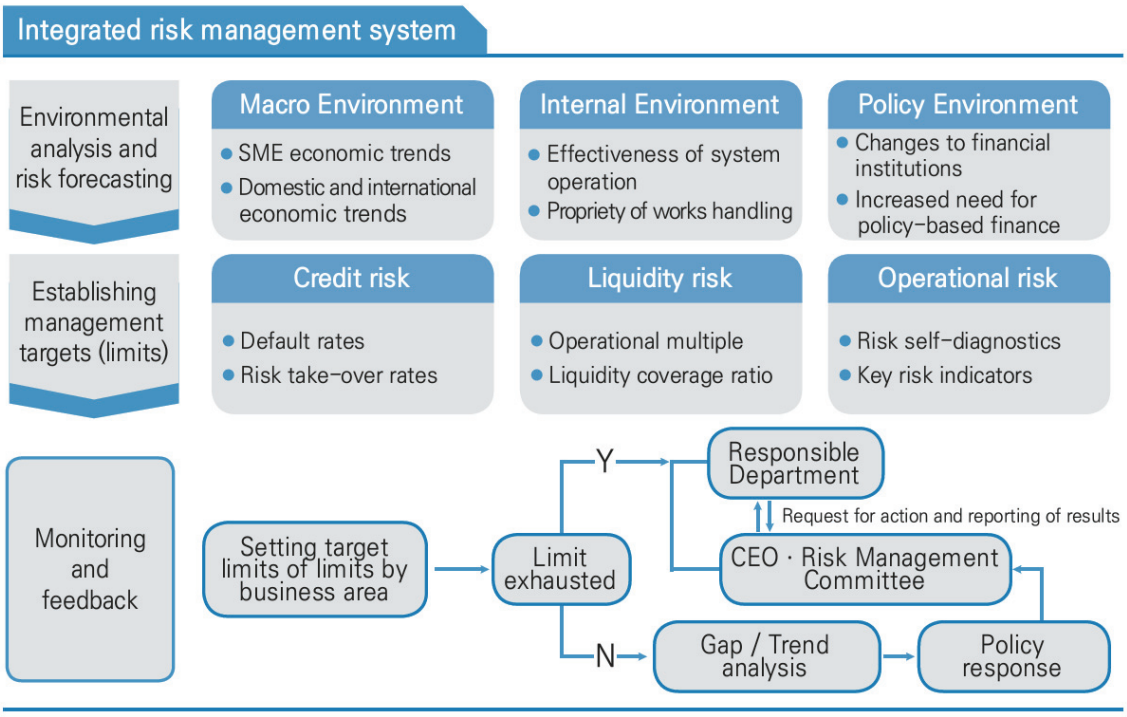
Regarding business audits, the Auditing Office establishes annual audit plans to inspect whether employees comply with relevant laws and internal regulations when handling business. Through audits, the Auditing Office also corrects the problematic behaviours of employees. Furthermore, the Auditing Office helps minimise errors when KODIT makes important management decisions, by releasing an auditor's opinion before final decisions are made.

Regarding the handling, prevention and provision of guidance for various accidents, the Auditing Office identifies in advance the types of accidents that may potentially occur at each branch of KODIT. In addition, the Auditing Office provides guidance on measures to handle accidents and attempts to prevent accidents by distributing audit white papers and audit findings in advance.

Regarding the assessment and inspection of disciplinary procedures relating to public service, the Auditing Office inspects violations by the employees of KODIT, as KODIT is a public financial corporation and its employees are public officials.

Risk Management Monitoring and Reporting

With the approval of the Risk Management Committee, limits are placed on the risk management indexes of each business division within KODIT at the start of each year. Monthly reports on combined risk management analyse trends and gaps between risk management indexes and their respective limits. The results are reported quarterly to the committee and form the basis of measures taken and decisions made.



Credit Risk Alarm System (CeRAS)

The CeRAS identifies and provides KODIT's branches with an early warning of potential defaults by guarantee-recipient companies. Those that trigger an alarm must undergo follow-up measures.

CeRAS has three sub-models: financial, dynamic and representative models. The financial model inspects financial items such as stability, profitability and growth; the dynamic model covers corporate credit and status and financial transactions; and the representative model focuses on data on financial transactions by the CEO. Inspection is done by using data gathered from credit reports, credit rating companies and credit information collection institutions. A credit risk alarm rating is assessed for each company (caution and warning) and KODIT's business organisation receives monthly notices. Companies receiving a "caution" or "warning" are categorised as special target groups. The branch conducts follow-up measures such as quarterly and biannual due diligence on these entities and could also perform a re-review. In particular, such companies with an alarm rating of "warning" are barred from receiving additional guarantees.

SELECTED FINANCIAL INFORMATION

The selected financial information in Won presented below is derived from the audited separate financial statements set forth in the appendices to this Offering Circular.

The following information should be read together with KODIT's audited separate financial statements and the accompanying notes set forth in the appendices to this Offering Circular.

Korea Credit Guarantee Fund
Statement of Financial Position

	Years ended 31 December	
	2024	2025
	Audited	
	₩ *(in millions of Won)*	
Assets		
Financial Assets	15,196,243	16,206,825
Cash and Cash Equivalents	156,796	182,601
Financial Instruments	3,687,000	3,147,500
Investment Securities	10,319,319	11,808,495
Government Investments	–	–
Loans	3,732	3,977
Accounts Receivables	175,742	85,095
Other Financial Assets	853,654	979,156
General Property, Plant and Equipment and Intangible Assets	539,626	559,748
General Property, Plant and Equipment	533,865	555,689
Intangible Assets	5,760	4,059
Other Assets	39,117	28,283
Total Assets	15,774,985	16,794,856
Liabilities		
Borrowings	132,770	134,042
Other Borrowings	132,770	134,042
Provisions	2,954,831	2,843,779
Provision for Guarantees	2,829,254	2,733,039
Other Long-Term Provisions	125,578	110,740
Other Liabilities	490,755	494,655
Total Liabilities	3,578,357	3,472,476
Net Assets		
General Net Assets	16,472,650	16,472,650
Reserves and Surplus	(4,828,375)	(4,154,341)
Net Asset Adjustment	552,354	1,004,071
Total Net Assets	12,196,629	13,322,380
Total Liabilities and Net Assets	15,774,986	16,794,856

Korea Credit Guarantee Fund
Statement of Financial Operations by Programme

	Years ended 31 December	
	2024	2025
	Audited	
	₩ (in millions of Won)	
Net Programme Costs	1,798,203	1,527,722
Administrative Expenses	125,816	124,933
Contribution Costs	12,219	6,699
Staff Costs	64,176	70,204
Operation Expenses	28,674	29,105
Depreciation Expenses	11,414	10,192
Other National Operating Expenses	9,333	8,733
Costs Not Assigned to Programmes	36,046	25,396
Interest Expenses	15	23
Operation Expenses	461	102
Revaluation Loss	1,161	2,957
Other National Operating Expenses	34,408	22,314
Revenues Not Assigned to Programmes	782,186	704,270
Income Generated in Exchange for Providing Goods and Services	1,874	1,773
Interest Income	249,043	154,971
Dividend Income	422	346
Gain on Disposal of Assets	529,796	544,477
Revaluation Gain	–	938
Other National Operating Income	1,051	1,765
Net Operating Costs	1,177,879	973,781
Non-Exchange Revenues and Others	1,550,021	1,547,815
Levies	1,272,425	1,302,370
Other Transfer Income	277,595	245,446
Net Operating Result	(372,141)	(574,034)

Korea Credit Guarantee Fund
Statement of Financial Operations by Nature

	Years ended 31 December	
	2024	2025
	Audited	
	₩ (in millions of Won)	
Revenue	3,422,755	3,538,871
Transfer Revenue	1,550,021	1,547,815
Levies	1,272,425	1,302,370
Other Transfer Revenue	277,595	245,446
National Operating Revenue	1,872,734	1,991,056
Revenue Generated in Exchange for Providing Goods and Services	16,443	15,483
Interest Revenue	255,394	160,543
Dividend Revenue	30,303	9,456
Gain on Disposal of Assets	695,958	760,773
Revaluation Gain	–	938
Other National Operating Revenue	874,636	1,043,862
Costs	3,050,613	2,964,837
Transfer Costs	12,303	6,790
Contribution Costs	12,219	6,699
Other transfer Costs	84	92
National Operating Expenses	3,038,310	2,958,047
Staff Costs	262,682	277,466
Interest Expenses	15	23
Operation Expenses	90,892	90,695
Depreciation Expenses	17,915	15,634
Revaluation Loss	1,161	2,957
Other National Operating Expenses	2,665,644	2,571,271
Net Operating Result	(372,141)	(574,034)

Korea Credit Guarantee Fund
Statement of Changes in Net Assets

	General Net Assets	Reserves and Surplus	Net Asset Adjustments	Total
		₩ (in millions of Won)		
2024				
Beginning Balance of Net Assets for Fiscal Year 2024	16,472,650	(5,280,516)	546,660	11,738,794
Balance at 31 December 2023 as Previously Reported	16,472,650	(5,280,516)	546,660	11,738,794
Net Operating Results	–	(372,141)	–	(372,141)
Adjustments	–	80,000	5,694	85,694
Gain (Loss) on Valuation of Investment Securities	–	–	8,008	8,008
Gain (Loss) on Revaluation of Net Assets	–	–	(2,314)	(2,314)
Other Increase (Decrease) in Net Assets	–	80,000	–	80,000
Closing Balance of Net Assets for Fiscal Year 2024	16,472,650	(4,828,375)	552,354	12,196,629
2025				
Beginning Balance of Net Assets for Fiscal Year 2025	16,472,650	(4,828,375)	552,354	12,196,629
Balance at 31 December 2024 as Previously Reported	16,472,650	(4,828,375)	552,354	12,196,629
Net Operating Results	–	(574,034)	–	(574,034)
Adjustments	–	100,000	451,717	551,717
Gain (Loss) on Valuation of Investment Securities	–		444,984	444,984
Gain (Loss) on Revaluation of Net Assets	–		6,733	6,733
Other Increase (Decrease) in Net Assets	–	100,000	–	100,000
Closing Balance of Net Assets for Fiscal Year 2025	16,472,650	(4,154,341)	1,004,071	13,322,380

Korea Credit Guarantee Fund
Statement of Cash Flow

	Year ended 31 December 2025
	Audited
	₩ *(in millions of Won)*
Cash Flow from Operating Activities	(133,641)
Cash Inflow from Operating Activities	3,603,418
Revenue from Levies and Penalties	1,302,370
Interest Income	196,763
Other Income	2,104,285
Cash Outflow from Operating Activities	3,737,059
Payment of Contribution Costs	6,699
Payment of Staff Costs	282,884
Other Payment	3,447,476
Cash Flow from Investing Activities	59,446
Cash Inflow from Investing Activities	5,677,626
Disposal of Financial Instruments and Investment Securities	5,670,332
Receipt of Loan	923
Disposal of General PP&E and Social Infrastructure	10
Other Income	6,361
Cash Outflow from Investment Activities	5,618,180
Acquisition of Financial Instruments and Investment Securities	5,532,317
Payment of Loan	1,191
Acquisition of General PP&E and Social Infrastructure	30,134
Acquisition of Intangible Assets	911
Other Payment	53,628
Cash Flow from Financing Activities	100,000
Cash Inflow from Financing Activities	100,000
Other Income	100,000
Cash Outflow from Financing Activities	–
Change in Cash	25,805
Beginning Balance of Cash	156,796
Closing Balance of Cash	182,601

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables
Statement of Financial Position

	Years ended 31 December	
	2024	2025
	Audited	
	₩ *(in millions of Won)*	
Assets		
Financial Assets	762,278	776,303
Cash and Cash Equivalents	1,202	2,044
Financial Instruments	490,500	514,800
Investment Securities	242,135	238,541
Accounts Receivables	22,713	13,700
Other Financial Assets	5,728	7,218
Tangible and Intangible Assets	54	499
Furniture and Fixtures, Office Equipment, Vehicles	54	499
Other Assets	3,200	4,494
Total Assets	765,532	781,296
Liabilities		
Borrowings	2,481	3,102
Other Borrowings	2,481	3,102
Provisions	264,265	277,015
Provision for Insurances	264,060	276,710
Other Provisions	205	305
Other Liabilities	30,998	31,107
Total Liabilities	297,744	311,223
Net Assets		
General Net Assets	10,000	10,000
Reserves and Surplus	456,192	461,667
Net Asset Adjustment	1,596	(1,595)
Total Net Assets	467,788	470,072
Total Liabilities and Net Assets	765,532	781,296

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables
Statement of Financial Operations by Programme

	Years ended 31 December	
	2024	2025
	Audited	
	₩ *(in millions of Won)*	
Net Programme Costs	40,690	39,081
Administrative Expenses	–	–
Costs Not Assigned to Programmes	1,004	1,634
Operating Expenses	684	687
Other National Operating Expenses	320	947
Revenues Not Assigned to Programmes	30,741	26,191
Interest Income	28,212	23,607
Gain on Disposal of Assets	2,418	2,479
Other National Operating Revenue	111	104
Net Operating Costs	10,952	14,524
Non-Exchange Revenues, etc.	–	–
Net Operating Results	10,952	14,524

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables
Statement of Financial Operations by Nature

	Years ended 31 December	
	2024	2025
	Audited	
	₩ (in millions of Won)	
Revenue	95,845	92,363
Transfer Revenue	–	–
National Operating Revenue	95,845	92,363
Interest Income	28,316	23,837
Gain on Disposal of Assets	2,418	2,502
Other National Operating Revenue	65,110	66,024
Expenses	106,797	106,887
Transfer Costs	–	–
National Operating Expenses	106,797	106,887
Staff Costs	23,644	24,907
Operating Expenses	6,072	6,020
Depreciation Expenses	44	49
Other National Operating Expenses	77,036	75,911
Net Operating Results	10,952	14,524

Korea Credit Guarantee Fund Insurance Account for SME Trade Receivables
Statement of Changes in Net Assets

	General Net Assets	Reserves and Surplus	Net Asset Adjustments	Total
		₩ (in millions of Won)		
2024				
Beginning Balance of Net Assets for Fiscal Year 2024	10,000	467,144	2,273	479,417
Balance at 31 December 2023 as Previously Reported	10,000	467,144	2,273	479,417
Net Operating Results	–	10,952	–	10,952
Adjustments	–	–	(677)	(677)
Gain (Loss) on Valuation of Investment Securities	–	–	(677)	(677)
Closing Balance of Net Assets for Fiscal Year 2024	10,000	456,192	1,596	467,788
2025				
Beginning Balance of Net Assets for Fiscal Year 2025	10,000	456,192	1,596	467,788
Balance at 31 December 2024 as Previously Reported	10,000	456,192	1,596	467,788
Net Operating Results	–	14,524	–	14,524
Adjustments	–	20,000	(3,191)	16,809
Gain (Loss) on Valuation of Investment Securities	–	–	(3,191)	(3,191)
Increase in Other Net Assets	–	20,000	–	20,000
Closing Balance of Net Assets for Fiscal Year 2025	10,000	461,667	(1,595)	470,072

Korea Credit Guarantee Fund Insurance Account for SME Trade Receivables
Statement of Cash Flow

	Year ended 31 December 2025
	Audited
	₩ *(in millions of Won)*
Cash Flow from Operating Activities	(1,425)
Cash Inflows from Operating Activities	91,537
Interest Income	33,087
Other Income	58,450
Cash Outflows from Operating Activities	92,962
Payment of Staff Costs	24,314
Other Payments	68,648
Cash Flow from Investing Activities	(17,733)
Cash Inflows from Investing Activities	753,022
Disposal of Financial Instruments and Investment Securities	732,898
Other Income	20,123
Cash Outflows from Investing Activities	770,755
Acquisition of Financial Instruments and Investment Securities	754,937
Acquisition of Furniture and Fixtures, Office Equipment, Vehicles	494
Other Payments	15,324
Cash Flow from Financing Activities	20,000
Cash Inflows from Financing Activities	20,000
Government Contributions	20,000
Cash Outflows from Financing Activities	–
Net Increase (Decrease) in Cash and Cash Equivalents	842
Cash and Cash Equivalents at the Beginning of the Year	1,202
Cash and Cash Equivalents at the End of the Year	2,044

Korea Infrastructure Credit Guarantee Fund
Statement of Financial Position

	Years ended 31 December	
	2024	2025
	Audited	
	₩ *(in millions of Won)*	
Assets		
Financial Assets	1,113,932	1,212,547
Cash and Cash Equivalents	2,266	2,081
Financial Instruments	280,700	198,200
Investment Securities	822,042	906,693
Accounts Receivables	8,925	5,573
Other Financial Assets	0	100,000
Tangible and Intangible Assets	4	4
Furniture and Fixtures, Office Equipment, Vehicles	4	4
Other Assets	–	–
Total Assets	1,113,936	1,212,551
Liabilities		
Borrowings	8,625	11,320
Other Borrowings	8,625	11,320
Provisions for Guarantees	75,616	73,777
Other Liabilities	2,503	2,853
Total Liabilities	86,745	87,950
Net Assets		
General Net Assets	248,000	248,000
Reserves and Surplus	756,509	823,225
Net Asset Adjustment	22,683	53,376
Total Net Assets	1,027,192	1,124,601
Total Liabilities and Net Assets	1,113,936	1,212,551

Korea Infrastructure Credit Guarantee Fund
Statement of Financial Operations by Programme

	Years ended 31 December	
	2024	2025
	Audited	
	₩ (in millions of Won)	
Net Programme Costs	(16,357)	(15,784)
Administrative Expenses	–	–
Costs Not Assigned to Programmes	16,561	19,449
Operating Expenses	420	375
Other National Operating Expenses	16,141	19,074
Revenues Not Assigned to Programmes	65,373	60,380
Interest Income	15,219	8,211
Dividend Income	520	92
Gain on Disposal of Assets	49,291	52,077
Other National Operating Revenue	343	1
Net Operating Costs	(65,170)	(56,715)
Non-exchange Revenues, etc.	–	–
Net Operating Results	(65,170)	(56,715)

Korea Infrastructure Credit Guarantee Fund
Statement of Financial Operations by Nature

	Years ended 31 December	
	2024	2025
	Audited	
	₩ (in millions of Won)	
Revenue	85,229	81,681
Transfer Revenue	–	–
National Operating Revenue	85,229	81,681
Interest Income	15,219	8,211
Dividend Income	520	92
Gain on Disposal of Assets	49,291	52,077
Other National Operating Revenue	20,198	21,301
Expenses	20,059	24,965
Transfer Costs	–	–
National Operating Expenses	20,059	24,965
Staff Costs	2,189	2,445
Operating Expenses	1,187	1,342
Depreciation Expenses	2	2
Other National Operating Expenses	16,682	21,176
Net Operating Results	(65,170)	(56,715)

Korea Infrastructure Credit Guarantee Fund
Statement of Changes in Net Assets

	General Net Assets	Reserves and Surplus	Net Asset Adjustments	Total
		₩ (in millions of Won)		
2024				
Beginning Balance of Net Assets for Fiscal Year 2024	248,000	681,340	26,346	955,686
Balance at 31 December 2023 as Previously Reported	248,000	681,340	26,346	955,686
Net Operating Results	–	(65,170)	–	(65,170)
Adjustments	–	10,000	(3,663)	6,337
Gain (Loss) on Valuation of Investment Securities	–	–	(3,663)	(3,663)
Increase in Other Net Assets	–	10,000	–	10,000
Closing Balance of Net Assets for Fiscal Year 2024	248,000	(756,509)	22,683	1,027,192
2025				
Beginning Balance of Net Assets for Fiscal Year 2025	248,000	756,509	22,683	1,027,192
Balance 31 December 2024 as Previously Reported	248,000	756,509	22,683	1,027,192
Net Operating Results	–	(56,715)	–	(56,715)
Adjustments	–	10,000	30,693	40,693
Gain (Loss) on Valuation of Investment Securities	–	–	30,693	30,693
Increase in Other Net Assets	–	10,000	–	10,000
Closing Balance of Net Assets for Fiscal Year 2025	248,000	823,225	53,376	1,124,601

Korea Infrastructure Credit Guarantee Fund
Statement of Cash Flows

	Year ended 31 December 2025
	Audited
	₩ (in millions of Won)
Cash Flow from Operating Activities	10,185
Cash Inflows from Operating Activities	31,492
Interest Income	12,353
Other Income	19,139
Cash Outflows from Operating Activities	21,308
Payment of Staff Costs	2,364
Other Payments	18,944
Cash Flow from Investing Activities	(20,370)
Cash Inflows from Investing Activities	410,438
Disposal of Financial Instruments and Investment Securities	410,438
Other Income	0
Cash Outflows from Investing Activities	430,808
Acquisition of Financial Instruments and Investment Securities	330,806
Acquisition of Furniture and Fixtures, Office Equipment, Vehicles	2
Other Payments	100,000
Cash Flow from Financing Activities	10,000
Cash Inflows from Financing Activities	10,000
Government Contributions	10,000
Cash Outflows from Financing Activities	–
Net Increase (Decrease) in Cash and Cash Equivalents	(185)
Cash and Cash Equivalents at the Beginning of the Year	2,266
Cash and Cash Equivalents at the End of the Year	2,081

THE REPUBLIC OF KOREA

Land and History

Territory and Population

Located generally south of the 38th parallel on the Korean peninsula, the Republic covers about 38,000 square miles, approximately one-fourth of which is arable. The Republic has a population of approximately 52 million people. The Republic's largest city and capital, Seoul, has a population of about 9 million people.

Map of the Republic of Korea



Political History

Dr. Rhee Seungman, who was elected President in each of 1948, 1952, 1956 and 1960, dominated the years after the Republic's founding in 1948. Shortly after President Rhee's resignation in 1960 in response to student-led demonstrations, a group of military leaders headed by Park Chung Hee assumed power by coup. The military leaders established a civilian government, and the Republic elected Mr. Park as President in October 1963. President Park served as President until his assassination in 1979 following a period of increasing strife between the Government and its critics. The Government declared martial law and formed an interim government under Prime Minister Choi Kyu Hah, who became the next President. After clashes between the Government and its critics, President Choi resigned, and General Chun Doo Hwan, who took control of the Korean army, became President in 1980.

In late 1980, the Republic approved, by national referendum, a new Constitution, providing for indirect election of the President by an electoral college and for certain democratic reforms, and shortly thereafter, in early 1981, re-elected President Chun.

Responding to public demonstrations in 1987, the legislature revised the Constitution to provide for direct election of the President. In December 1987, Roh Tae Woo won the presidency by a narrow plurality, after opposition parties led by Kim Young Sam and Kim Dae Jung failed to unite behind a single candidate. In February 1990, two opposition political parties, including the one led by Kim Young Sam, merged into President Roh's ruling Democratic Liberal Party.

In December 1992, the Republic elected Kim Young Sam as President. The election of a civilian and former opposition party leader considerably lessened the controversy concerning the legitimacy of the political regime. President Kim's administration reformed the political sector and deregulated and internationalised the Korean economy.

In December 1997, the Republic elected Kim Dae Jung as President. President Kim's party, the Millennium Democratic Party (formerly known as the National Congress for New Politics), formed a coalition with the United Liberal Democrats led by Kim Jong Pil, with Kim Jong Pil becoming the first prime minister in President Kim's administration. The coalition, which temporarily ended before the election held in April 2000, continued with the appointment of Lee Han Dong of the United Liberal Democrats as the Prime Minister in June 2000. The coalition again ended in September 2001.

In December 2002, the Republic elected Roh Moo Hyun as President. President Roh and his supporters left the Millennium Democratic Party in 2003 and formed a new party, the Uri Party, in November 2003. On 15 August 2007, 85 members of the National Assembly, previously belonging to the Uri Party, or the Democratic Party, formed the United New Democratic Party, or the UNDP. The Uri Party merged into the UNDP on 20 August 2007. In February 2008, the UNDP merged back into the Democratic Party. In December 2011, the Democratic Party merged with the Citizens Unity Party to form the Democratic United Party, which changed its name to the Democratic Party in May 2013.

In December 2007, the Republic elected Lee Myung-Bak as President. He commenced his term in February 2008. In April 2018, the Korean prosecutor's office indicted former President Lee on 16 counts of corruption, including bribery, abuse of power, embezzlement and other irregularities. In October 2018, a Seoul district court sentenced him to 15 years of prison term, which decision he subsequently appealed. In October 2020, the Supreme Court ruled against such appeal and sentenced him to 17 years of prison term. Subsequently, he was released from prison pursuant to a special presidential pardon in December 2022.

In December 2012, the Republic elected Park Geun-hye as President. She commenced her term in February 2013. In March 2017, the Constitutional Court unanimously upheld a parliamentary vote to impeach President Park, triggering her immediate dismissal, for a number of constitutional and criminal violations, including violation of the Constitution and abuse of power by allowing her confidant to exert influence on state affairs and allowing senior presidential aides to aid in her extortion from companies. After a series of trials, former President Park was sentenced to a combined 22 years of prison term and a fine of ₩21.5 billion. In light of her deteriorating health, however, former President Park was granted a special pardon by President Moon, her successor, and was released from prison in December 2021.

A special election to elect a successor to former President Park was held in May 2017 and the Republic elected Moon Jae-in as President. His term, which commenced on 10 May 2017, ended on 9 May 2022.

In March 2022, the Republic elected Yoon Suk-yeol as President. His term commenced on 10 May 2022. On 3 December 2024, President Yoon declared martial law, citing an urgent need to protect the Republic. The National Assembly swiftly voted to rescind the declaration of martial law, which led to President Yoon's revocation of the decree hours later. On 14 December 2024, the National Assembly voted in favour of President Yoon's impeachment, for his purported acts of insurrection, among others, which resulted in an immediate suspension of his presidential powers, with the prime minister simultaneously taking over the role of acting President. On 4 April 2025, the Constitutional Court unanimously upheld the National Assembly's vote to impeach President Yoon, triggering his immediate

dismissal. Subsequently, in February 2026, former President Yoon was sentenced to life imprisonment by the Seoul Central District Court for charges of leading an insurrection, abuse of power, obstruction of justice and other crimes relating to his declaration of martial law in December 2024.

A special election to elect a successor to former President Yoon was held in June 2025 and the country elected Lee Jae-myung as President for a five-year term. His term commenced on 4 June 2025.

Government and Politics

Government and Administrative Structure

Governmental authority in the Republic is centralised and concentrated in a strong presidency. The President is elected by popular vote and can only serve one term of five years. The President chairs the State Council, which consists of the President, the prime minister, the deputy prime ministers, the respective heads of Government ministries and the ministers of state. The President can select the members of the State Council and appoint or remove all other Government officials, except for elected local officials.

The President can veto new legislation and take emergency measures in cases of natural disaster, serious fiscal or economic crisis, state of war or other similar circumstances. The President must promptly seek the concurrence of the National Assembly for any emergency measures taken and failing to do so automatically invalidates the emergency measures. In the case of martial law, the President may declare martial law without the consent of the National Assembly; provided, however, that the President must notify the National Assembly without delay, and if the National Assembly, by a majority vote of its total members, requests the lifting of martial law, the President is constitutionally required to comply with such request.

The National Assembly exercises the Republic's legislative power. The Constitution and the Public Official Election Act provide for the direct election of about 84% of the members of the National Assembly and the distribution of the remaining seats proportionately among parties winning more than five seats in the direct election or receiving over 3% of the popular vote, although the provision requiring over 3% of the popular vote has been ruled unconstitutional by the Constitutional Court and is currently awaiting legislative amendment by the National Assembly. National Assembly members serve four-year terms. The National Assembly enacts laws, ratifies treaties and approves the national budget. The executive branch drafts most legislation and submits it to the National Assembly for approval.

The Republic's judicial branch comprises the Supreme Court, the Constitutional Court and lower courts of various levels. The President appoints the Chief Justice of the Supreme Court and appoints the other Justices of the Supreme Court upon the recommendation of the Chief Justice. All appointments to the Supreme Court require the consent of the National Assembly. The Chief Justice, with the consent of the conference of Supreme Court Justices, appoints all the other judges in Korea. Supreme Court Justices serve for six years and all other judges serve for ten years. Other than the Chief Justice, justices and judges may be reappointed to successive terms.

The President formally appoints all nine judges of the Constitutional Court, but three judges must be designated by the National Assembly and three by the Chief Justice of the Supreme Court. Constitutional Court judges serve for six years and may be reappointed to successive terms.

Administratively, the Republic comprises six provinces (Gyeonggi, Chungbuk, Chungnam, Jeonnam, Gyeongbuk and Gyeongnam), three special autonomous provinces (Jeju, Gangwon and Jeonbuk), one special city (Seoul), six metropolitan cities (Busan, Daegu, Incheon, Gwangju, Daejeon and Ulsan) and one special autonomous city (Sejong). On 1 July 2026, the Jeonnam Province and Gwangju Metropolitan City will be consolidated into Jeonnam-Gwangju Integrated Special City. From 1961 to 1995, the national government controlled the provinces and the President appointed provincial officials. Local autonomy, including the election of provincial officials, was reintroduced in June 1995.

Political Parties

The 22nd legislative general election was held on 10 April 2024 and the term of the National Assembly members elected in the 22nd legislative general election commenced on 30 May 2024. Currently, there are three major political parties: The Democratic Party of Korea, or the DPK, the People Power Party, or the PPP, and the Rebuilding Korea Party, or the RKP.

As of 31 March 2026, the parties control the following number of seats in the National Assembly:

	DPK	PPP	RKP	Others	Total
Number of seats	161	107	12	15	295

Relations with North Korea

Relations between the Republic and North Korea have been tense over most of the Republic's history. The Korean War began with the invasion of the Republic by communist forces from the north in 1950, which was repelled by the Republic and the United Nations forces led by the United States. Following a military stalemate, an armistice was reached establishing a demilitarised zone monitored by the United Nations in the vicinity of the 38th parallel in 1953.

North Korea maintains a military force estimated at more than a million regular troops, mostly concentrated near the northern side of the demilitarised zone, and approximately 7.6 million reserves. The Republic's military forces, composed of approximately 500,000 regular troops and 3.1 million reserves, maintain a state of military preparedness along the southern side of the demilitarised zone. In addition, the United States has maintained its military presence in the Republic since the signing of the armistice and currently has approximately 28,500 troops stationed in the Republic. The Republic and the United States share a joint command structure over their military forces in Korea. In October 2014, the United States and the Republic agreed to implement a conditions-based approach to the dissolution of their joint command structure at an appropriate future date, which would allow the Republic to assume the command of its own armed forces in the event of war on the Korean peninsula. Over the years, the Republic and the United States have entered into a series of Special Measures Agreements, or SMAs, which cover the Republic's contribution to the cost of maintaining the U.S. military presence in the Republic. In March 2021, the Republic and the United States reached an agreement to enter into a new six-year SMA, under which the Republic would increase its share of the cost of the American military presence in the Republic, which became effective in September 2021 upon ratification by the National Assembly.

The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. Political, military and security developments on the Korean Peninsula remain unpredictable and may adversely affect regional stability. Kim Jong-un, who assumed power in December 2011 following the death of his father, Kim Jong-il, continues to consolidate his authority, and the long-term direction of North Korea's political leadership, military posture and economic policies remains uncertain.

In addition, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapons, ballistic missile and satellite programmes as well as its hostile military and other actions against Korea. Some of the significant incidents in recent years include the following:

- From time to time, North Korea has conducted ballistic missile tests. In February 2016, North Korea launched a long-range rocket in violation of its agreement with the United States as well as United Nations sanctions barring it from conducting launches that use ballistic missile technology. Despite international condemnation, North Korea released a statement that it intends to continue its rocket launch programme and it conducted a series of ballistic missile tests in 2016 and 2017. In response, the United Nations Security Council issued unanimous statements condemning North Korea and agreeing to continue to closely monitor the situation and to take further significant measures, and in December 2017, unanimously passed a resolution extending existing sanctions

that were imposed on North Korea. Despite such actions, North Korea increased the frequency of its military actions since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite.

- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned North Korea's provocations and flagrant violations of relevant United Nations Security Council resolutions. Over the years, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea, as did the United States and the European Union.

- In August 2015, two Korean soldiers were injured in a landmine explosion near the Korean demilitarised zone. Claiming the landmines were set by North Koreans, the Korean army re-initiated its propaganda programme toward North Korea utilising loudspeakers near the demilitarised zone. In retaliation, the North Korean army fired artillery rounds on the loudspeakers, resulting in the highest level of military readiness for both Koreas.

- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than one hundred artillery shells that hit Korea's Yeonpyeong Island near the Northern Limit Line, which acts as the de facto maritime boundary between Korea and North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea. Although bilateral summit meetings were held between Korea and North Korea in April, May and September 2018 and between the United States and North Korea in June 2018, February 2019 and June 2019, there can be no assurance that the level of tension on the Korean peninsula will not escalate in the future or that such escalation will not have a material adverse impact on the Republic's economy and the Issuer. Any further increase in tension, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between the Republic and North Korea or between the United States and North Korea break down or further military hostilities occur, could have a material adverse effect on the Republic's economy and the Issuer. Over the longer term, reunification of the two Koreas could occur. Reunification may entail a significant economic commitment by the Republic.

Foreign Relations and International Organisations

The Republic maintains diplomatic relations with most nations of the world, most importantly with the United States with which it entered into a mutual defence treaty and several economic agreements. The Republic also has important relationships with Japan and China, its largest trading partners together with the United States.

The Republic belongs to a number of supranational organisations, including:

- United Nations;

- the International Monetary Fund, or the IMF;
- the World Bank;
- the Asian Development Bank, or the ADB;
- the Multilateral Investment Guarantee Agency;
- the International Finance Corporation;
- the International Development Association;
- the African Development Bank;
- the International Bank for Reconstruction and Development;
- the European Bank for Reconstruction and Development;
- the Bank for International Settlements;
- the World Health Organization, or the WHO;
- the World Trade Organization, or the WTO;
- the International Atomic Energy Agency, or the IAEA;
- the Inter-American Development Bank, or the IDB;
- the Organization for Economic Cooperation and Development, or the OECD; and
- the Asian Infrastructure Investment Bank.

The Economy

The following table sets forth information regarding certain of the Republic's key economic indicators for the periods indicated.

	As of or for the year ended 31 December				
	2021	**2022**	**2023**	**2024**	**2025**
	(billions of U.S. dollars and trillions of Won, except percentages)				
GDP Growth (at current prices)	7.9%	4.6%	3.7%	6.2%	4.2%[7]
GDP Growth (at chained 2020 year prices)	4.6%	2.7%	1.6%	2.0%[7]	1.0%[7]
Inflation[1]	2.5%	5.1%	3.6%	2.3%	2.1%[7]
Unemployment[2]	3.7%	2.9%	2.7%	2.8%	2.8%[7]
Trade Surplus (Deficit)[3]	$ 29.3	$ (47.8)	$ (10.3)	$ 51.8	$ 77.4[7]
Foreign Currency Reserves	$ 463.1	$ 423.2	$ 420.1	$ 415.6	$ 428.1
External Liabilities[4]	$ 630.7	$ 673.3	$ 677.3	$ 672.9	$ 766.9[7]
Fiscal Balance	₩ (30.5)	₩ (64.6)	₩ (36.8)	₩ (43.5)	N/A[8]
Direct Internal Debt of the Government[5] (as % of GDP[6])	43.1%	46.2%	48.1%	49.2%[7]	N/A[8]
Direct External Debt of the Government[5] (as % of GDP[6])	0.5%	0.5%	0.5%	0.5%[7]	0.6%[7]

(1) Measured by the year-on-year change in the consumer price index with base year 2020, as announced by The Bank of Korea.

(2) Average for year.

(3) Derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.

(4) Calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010.

(5) Does not include guarantees by the Government. See *"— Debt — External and Internal Debt of the Government — Guarantees by the Government"* for information on outstanding guarantees by the Government.

(6) At chained 2020 year prices.

(7) Preliminary.

(8) Not available.

Source: The Bank of Korea

Worldwide Economic and Financial Difficulties

In recent years, the global financial markets have experienced significant volatility as a result of, among other things:

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and ensuing actions that the United States and other countries have taken or may take in the future, such as the imposition of sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- disruptions in the global supply chain for raw materials, natural resources, consumer goods, rare earth minerals, component parts and other supplies, including as a result of health epidemics, government policies and labour shortages;
- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;
- a deterioration in economic and trade relations between the United States and its trading partners, including as a result of the imposition of significant tariffs by the United States on its trading partners;
- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;
- financial and social difficulties affecting many governments worldwide, in particular in Latin America and Europe;
- the occurrence of severe health epidemics, such as the COVID-19 pandemic;
- the slowdown of economic growth in China and other major emerging market economies; and
- fluctuations in oil and commodity prices.

There has been significant volatility in global financial markets resulting from, among others, the escalating hostilities in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel), the Russia-Ukraine war and ensuing sanctions against Russia, difficulties faced by several banks in the United States and Europe and significant fluctuations in policy interest rates globally, which has also led to significant volatility in the Korea Composite Stock Price Index in recent years. See "— *The Financial System — Securities Markets*". Declines in the index and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies and banks to raise capital. Moreover, the value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has depreciated significantly in recent years. A depreciation of the Won generally increases the cost of imported goods and services and the required amount of the Won revenue for Korean companies to service foreign currency-denominated debt.

In light of the high level of interdependence of the global economy, any of the foregoing developments could have a material adverse effect on the Korean economy and financial markets. In addition, in the event of difficult conditions in the global credit markets or a deterioration of the global economy in the future, the Korean economy could be adversely affected and Korean banks may be forced to fund their operations at a higher cost or may be unable to raise as much funding as they need to support their lending and other activities.

In addition to the global developments, domestic developments that could lead to or contribute to a material adverse effect on the Korean economy include, among other things, the following:

- a slowdown in consumer spending and depressed consumer sentiment due to the outbreak of infectious diseases, such as the COVID-19 pandemic;
- increasing delinquencies and credit defaults by consumer and small- and medium-sized enterprise borrowers, which may occur due to, among others, higher levels of market interest rates;
- steadily rising household debt consisting of housing loans and merchandise credit, which increased to approximately Won 1,978.8 trillion as of 31 December 2025 from Won 843.2 trillion as of 31 December 2010, primarily due to increases in mortgage loans and purchases with credit cards;
- deterioration in economic or diplomatic relations between Korea and other countries resulting from territorial or trade disputes or disagreements in foreign policy;
- a substantial increase in the Government's expenditures for pension and social welfare programmes, due in part to an ageing population (defined as the population of people aged 65 years or older) that accounted for approximately 20.3% of the Republic's total population as of 31 December 2025, an increase from 7.2% as of 31 December 2000, and is expected to surpass 23.6% in 2028;
- decreases in the market prices of Korean real estate; and
- the occurrence of severe health epidemics that affect the livestock industry.

Gross Domestic Product

GDP measures the market value of all final goods and services produced within a country for a given period and reveals whether a country's productive output rises or falls over time. Economists present GDP in both current market prices and "real" or "inflation-adjusted" terms. In March 2009, the Republic adopted a method known as the "chain-linked" measure of GDP, replacing the previous fixed-base, or "constant" measure of GDP, to show the real growth of the aggregate economic activity, as recommended by the System of National Accounts 1993. GDP at current market prices values a

country's output using the actual prices of each year, whereas the "chain-linked" measure of GDP is compiled by using "chained indices" linking volume growth between consecutive time periods. In March 2014, the Republic published a revised GDP calculation method by implementing the System of National Accounts 2008 and updating the reference year from 2005 to 2010 to align Korean national accounts statistics with the recommendations of the new international standards for compiling national economic accounts and to maintain comparability with other nations' accounts. The main components of these revisions include, among other things, (i) recognising expenditures for research and development and creative activity for the products of entertainment, literary and artistic originals as fixed investment, (ii) incorporating a wide array of new and revised source data such as the economic census, the population and housing census and 2010 benchmark input-output tables, which provide thorough and detailed information on the structure of the Korean economy, (iii) developing supply-use tables, which provide a statistical tool for ensuring consistency among the production, expenditure and income approaches to measuring GDP and (iv) recording merchandise trade transactions based on ownership changes rather than movements of goods across the national border. The Republic updated the reference year from 2010 to 2015 in July 2019, and from 2015 to 2020 in June 2024, to better align Korean national accounts statistics with the recommendations of the previously implemented System of National Accounts 2008, to accurately reflect recent economic structural changes, and to maintain comparability with other countries' accounts.

The following table sets out the composition of the Republic's GDP at current market and chained 2020 year prices and the annual average increase in the Republic's GDP.

Gross Domestic Product

	2021	2022	2023	2024[1]	2025[1]	As % of GDP 2025[1]
			(billions of Won)			
Gross Domestic Product at Current Market Prices:						
Private	1,046,772.2	1,139,397.2	1,203,106.7	1,239,725.4	1,278,989.4	48.0
Government	378,268.2	409,866.5	428,148.6	447,056.5	470,017.8	17.6
Gross Capital Formation	721,964.5	774,411.5	768,159.8	766,388.6	775,861.6	29.1
Exports of Goods and Services	874,074.3	1,052,553.6	995,305.3	1,134,176.9	1,218,826.5	45.8
Less Imports of Goods and Services	(799,166.2)	(1,052,447.3)	(986,033.0)	(1,030,011.0)	(1,081,278.8)	(40.6)
Statistical Discrepancy	0.0	0.0	0.0	(479.1)	926.1	0.0
Expenditures on Gross Domestic Product	2,221,912.9	2,323,781.5	2,408,687.4	2,556,857.4	2,663,342.6	100.0
Net Factor Income from the Rest of the World	23,413.6	28,055.4	34,674.5	36,904.7	45,758.4	1.7
Gross National Income[2]	2,245,326.5	2,351,837.0	2,443,361.9	2,593,762.0	2,709,101.0	101.7
Gross Domestic Product at Chained 2020 Year Prices:						
Private	1,020,878.4	1,063,928.5	1,085,426.6	1,097,036.0	1,111,481.8	48.0
Government	369,293.7	384,235.8	391,677.5	400,082.5	411,921.6	17.8
Gross Capital Formation	675,845.0	676,282.5	677,134.3	661,465.3	649,988.9	28.1
Exports of Goods and Services	789,432.2	820,347.6	848,332.6	906,303.1	944,563.0	40.8
Less Imports of Goods and Services	(701,537.0)	(730,672.0)	(752,696.6)	(771,407.8)	(801,057.4)	(34.6)
Statistical Discrepancy	(489.4)	(842.9)	(221.4)	220.2	1,302.8	0.1
Expenditures on Gross Domestic Product[3]	2,153,422.9	2,212,158.9	2,247,177.7	2,292,202.4	2,315,285.3	100.0
Net Factor Income from the Rest of the World in the Terms of Trade	22,553.7	25,584.2	31,083.4	32,301.5	39,522.2	1.7
Trading Gains and Losses from Changes in the Terms of Trade	(21,620.0)	(94,623.4)	(91,660.0)	(51,879.6)	(32,711.7)	(1.4)
Gross National Income[4]	2,154,356.5	2,143,107.5	2,186,579.3	2,272,601.1	2,322,060.1	100.3
Percentage Increase (Decrease) of GDP over Previous Year:						
At Current Prices	7.9	4.6	3.7	6.2	4.2	
At Chained 2020 Year Prices	4.6	2.7	1.6	2.0	1.0	

(1) Preliminary.

(2) GDP plus net factor income from the rest of the world is equal to the Republic's gross national income.

(3) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.

(4) Under the "chain-linked" measure of Gross National Income, the components of Gross National Income will not necessarily add up to the total Gross National Income.

Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector at current market prices:

Gross Domestic Product by Economic Sector
(at current market prices)

	2021	2022	2023	2024[(1)]	2025[(1)]	As % of GDP 2025[(1)]
			(billions of Won)			
Industrial Sectors:	773,620.4	789,147.0	818,260.2	904,125.1	953,326.3	35.8
Agriculture, Forestry and Fishing.	36,998.4	33,656.4	34,871.5	37,285.4	38,998.6	1.5
Manufacturing, Mining and Quarrying	585,053.1	617,557.4	615,334.3	682,814.6	732,398.4	27.5
Mining and Quarrying	1,843.5	1,807.8	2,199.5	2,231.0	1,941.2	0.1
Manufacturing.	583,209.6	615,749.6	613,134.8	680,583.6	730,457.2	27.4
Electricity, Gas and Water Supply	37,579.5	16,493.8	43,159.0	61,455.6	69,242.3	2.6
Construction	113,989.4	121,439.4	124,895.4	122,569.5	112,687.0	4.2
Services:	1,264,275.9	1,349,454.4	1,418,346.5	1,470,206.0	1,524,167.7	57.2
Wholesale and Retail Trade, Accommodation and Food Services.	227,253.6	248,366.2	257,714.3	264,793.9	278,206.4	10.4
Transportation and Storage	82,702.3	95,655.6	99,398.5	103,383.0	104,881.0	3.9
Finance and Insurance	124,021.2	136,404.4	138,480.1	139,729.3	142,416.6	5.3
Real Estate	162,658.9	158,314.6	161,757.8	168,109.5	172,537.9	6.5
Information and Communication	102,319.0	103,549.3	109,212.6	114,001.9	119,135.2	4.5
Business Activities	166,098.7	177,636.8	195,980.4	200,094.9	203,354.8	7.6
Public Administration, Defence and Social Security.	138,688.7	149,078.6	155,941.9	164,768.8	173,134.3	6.5
Education	96,862.5	101,581.8	105,710.7	109,857.9	113,764.0	4.3
Human Health and Social Work.	114,340.0	123,519.0	129,825.3	137,316.8	145,841.7	5.5
Cultural and Other Services	49,330.9	55,348.1	64,324.9	68,150.0	70,895.9	2.7
Taxes Less Subsidies on Products	184,016.7	185,180.2	172,080.7	182,526.4	185,848.6	7.0
Gross Domestic Product at Current Market Prices	2,221,912.9	2,323,781.5	2,408,687.4	2,556,857.4	2,663,342.6	100.0
Net Factor Income from the Rest of the World	23,413.6	28,055.4	34,674.5	36,904.7	45,758.4	1.7
Gross National Income at Current Market Price	2,245,326.5	2,351,837.0	2,443,361.9	2,593,762.0	2,709,101.0	101.7

(1) Preliminary.

Source: The Bank of Korea

The following table sets out the Republic's GDP per capita:

Gross Domestic Product per capita
(at current market prices)

	2021	2022	2023	2024[(1)]	2025[(1)]
GDP per capita (thousands of Won)	42,919	44,971	46,578	49,407	51,531
GDP per capita (U.S. dollar)	37,503	34,809	35,681	36,223	36,233
Average Exchange Rate (in Won per U.S. dollar).	1,144.4	1,292.0	1,305.4	1,364.0	1,422.2

(1) Preliminary.

Source: The Bank of Korea

The following table sets out the Republic's Gross National Income, or GNI, per capita:

Gross National Income per capita
(at current market prices)

	2021	2022	2023	2024[1]	2025[1]
GNI per capita (thousands of Won)	43,372	45,514	47,249	50,120	52,416
GNI per capita (U.S. dollar)	37,898	35,229	36,195	36,745	36,855
Average Exchange Rate (in Won per U.S. dollar)	1,144.4	1,292.0	1,305.4	1,364.0	1,422.2

(1) Preliminary

Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector:

Gross Domestic Product by Economic Sector
(at chained 2020 year prices)

	2021	2022	2023	2024[1]	2025[1]	As % of GDP 2025[1]
			(billions of Won)			
Industrial Sectors:	754,589.3	771,177.9	777,094.3	799,717.0	802,138.9	34.6
Agriculture, Forestry and Fishing	33,598.5	33,866.3	33,239.9	33,452.8	33,936.3	1.5
Manufacturing, Mining and Quarrying	565,269.6	579,036.4	587,525.2	612,533.6	624,722.4	27.0
Mining and Quarrying	1,974.8	1,785.3	1,748.2	1,620.8	1,475.9	0.1
Manufacturing	563,294.8	577,227.8	585,750.1	610,925.5	623,301.2	26.9
Electricity, Gas and Water Supply	46,403.2	48,020.4	46,767.1	48,309.2	48,084.8	2.1
Construction	109,318.0	110,254.8	109,562.1	105,421.4	95,395.4	4.1
Services:	1,222,603.2	1,269,070.6	1,303,096.2	1,324,200.8	1,347,266.1	58.2
Wholesale and Retail Trade, Accommodation and Food Services	219,693.4	231,974.4	225,315.5	222,021.2	224,754.0	9.7
Transportation and Storage	73,634.5	82,748.1	96,656.7	105,152.6	107,610.5	4.6
Finance and Insurance	117,411.7	120,645.5	121,470.6	125,704.2	132,357.0	5.7
Real Estate	163,741.0	160,447.8	161,591.7	164,810.0	165,196.1	7.1
Information and Communication	97,513.5	99,786.9	104,404.3	104,960.0	107,164.8	4.6
Business Activities	159,603.6	163,453.3	170,792.4	169,644.0	168,916.5	7.3
Public Administration, Defence and Social Security	134,868.3	139,003.2	141,575.3	144,757.3	147,981.0	6.4
Education	95,484.0	98,708.1	99,980.4	101,155.4	101,528.1	4.4
Human Health and Social Work	112,370.6	119,255.3	122,755.8	127,459.8	133,819.9	5.8
Cultural and Other Services	48,282.6	52,244.1	56,689.6	57,543.0	57,273.7	2.5
Taxes Less Subsidies on Products	176,230.4	172,134.2	165,969.0	168,062.9	166,180.6	7.2
Gross Domestic Product[2]	2,153,422.9	2,212,158.9	2,247,177.7	2,292,202.4	2,315,285.3	100.0

(1) Preliminary.

(2) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP

Source: The Bank of Korea

GDP growth in 2021 was 4.6% at chained 2020 year prices, as exports of goods and services increased by 10.8%, aggregate private and general government consumption expenditures increased by 4.2% and gross domestic fixed capital formation increased by 4.3%, which more than offset an increase in imports of goods and services by 10.2%, each compared with 2020.

GDP growth in 2022 was 2.7% at chained 2020 year prices, as aggregate private and general government consumption expenditures increased by 4.2% and exports of goods and services increased by 3.9%, which more than offset an increase in imports of goods and services by 4.2% and a decrease in gross fixed capital formation by 0.2%, each compared with 2021.

GDP growth in 2023 was 1.6% at chained 2020 year prices, as exports of goods and services increased by 3.4% and aggregate private and general government consumption expenditures increased by 2.0%, which was offset in significant part by a 3.0% increase in imports of goods and services, each compared with 2022.

Based on preliminary data, GDP growth in 2024 was 2.0% at chained 2020 year prices, as exports of goods and services increased by 6.8% and aggregate private and general government consumption expenditures increased by 1.4%, which was offset in part by a 2.5% increase in imports of goods and services and a 0.8% decrease in gross domestic fixed capital formation, each compared with 2023.

Based on preliminary data, GDP growth in 2025 was 1.0% at chained 2020 year prices, as exports of goods and services increased by 4.2% and aggregate private and general government consumption expenditures increased by 1.8%, which were offset in part by a 3.8% increase in imports of goods and services and a 3.2% decrease in gross domestic fixed capital formation, each compared with 2024.

Principal Sectors of the Economy

Industrial Sectors

The following table sets out production indices for the principal industrial products of the Republic and their relative contribution to total industrial production:

Industrial Production
(2020 = 100)

	Index Weight[1]	2021	2022	2023	2024[2]	2025[2]
Industries	10,000.0	107.8	108.5	109.0	113.1	119.1
Mining and Manufacturing	9,582.7	107.8	108.5	109.0	113.1	119.1
Mining	23.7	94.2	95.8	113.9	94.7	74.6
Manufacturing	9,559.0	107.8	108.5	109.0	113.1	119.1
Food Products	623.0	111.8	114.3	109.3	122.7	126.9
Beverage Products	131.0	93.0	91.4	76.5	74.4	74.4
Tobacco Products	37.3	88.4	93.2	100.9	114.3	96.2
Textiles	111.5	104.3	100.4	82.1	80.5	78.6
Wearing Apparel, Clothing Accessories and Fur Articles	77.7	150.2	139.3	142.6	92.4	105.9
Tanning and Dressing of Leather, Luggage and Footwear	16.9	92.0	78.7	49.5	39.4	36.4
Wood and Products of Wood and Cork (Except Furniture)	32.3	78.4	89.1	91.5	77.2	101.7
Pulp, Paper and Paper Products	157.7	97.6	95.5	94.1	104.1	109.3
Printing and Reproduction of Recorded Media	45.7	109.6	128.1	112.3	100.7	112.9
Coke, hard-coal and lignite fuel briquettes and Refined Petroleum Products	251.8	97.9	101.6	104.2	108.5	109.1
Chemicals and Chemical Products	696.5	105.9	93.6	91.0	95.8	95.8
Pharmaceuticals, Medicinal Chemicals and Botanical Products	329.9	95.3	111.6	141.3	158.0	194.4
Rubber and Plastic Products	446.8	104.5	110.8	112.9	120.5	118.6
Non-metallic Minerals	243.9	107.8	96.7	85.5	92.1	101.4
Basic Metals	655.4	101.0	95.5	97.1	96.9	95.3
Fabricated Metal Products	550.8	83.8	82.9	93.9	114.1	108.1
Electronic Components, Computer, Radio, Television and Communication Equipment and Apparatuses	1,794.2	340.0	314.5	330.0	335.4	364.0
Medical, Precision and Optical Instruments, Watches and Clocks	370.3	299.2	364.0	360.7	381.7	411.6
Electrical Equipment	453.3	112.6	136.8	120.4	94.7	92.3
Other Machinery and Equipment	825.1	117.1	113.8	109.3	102.3	111.1
Motor Vehicles, Trailers and Semitrailers	1,321.9	109.2	120.6	136.6	135.1	135.5
Other Transport Equipment	233.3	93.3	108.0	103.5	125.7	158.1
Furniture	38.3	88.9	79.9	65.7	59.3	47.8
Other Products	114.4	232.8	340.1	244.0	287.8	545.1
Electricity, Gas	417.3	104.9	107.5	103.5	104.7	105.6
Total Index	10,000.0	107.8	108.5	109.0	113.1	119.1

(1) Index weights were established on the basis of an industrial census in 2020 and reflect the average annual value added by production in each of the classifications shown, expressed as a percentage of total value added in the mining, manufacturing and electricity and gas industries in that year.

(2) Preliminary

Source: The Bank of Korea; Korea National Statistical Office

Industrial production increased by 7.8% in 2021, primarily due to increased exports and domestic consumption. Industrial production increased by 0.7% in 2022, primarily due to increased exports and domestic consumption. Industrial production increased by 0.5% in 2023, primarily due to increased exports. Industrial production increased by 4.1% in 2024, primarily due to increased exports. Based on preliminary data, industrial production increased by 6.0% in 2025, primarily due to increased exports.

Manufacturing

The manufacturing sector increased production by 7.8% in 2021, primarily due to increased demand for consumer electronics products, electronic components (including semiconductors) and machinery. The manufacturing sector increased production by 0.7% in 2022, primarily due to increased demand for electrical equipment and automobiles. The manufacturing sector increased production by 0.5% in 2023, primarily due to increased demand for automobiles and pharmaceuticals. The manufacturing sector increased production by 4.1% in 2024, primarily due to increased demand for electronic components (including semiconductors) and pharmaceuticals. Based on preliminary data, the manufacturing sector increased production by 6.0% in 2025, primarily due to increased demand for semiconductors and other transport equipment.

Automobiles. In 2021, automobile production decreased by 1.3% and domestic sales volume recorded a decrease of 8.5%, compared with 2020, primarily due to the global shortage of semiconductors amid the COVID-19 pandemic, but export sales volume recorded an increase of 8.6% compared with 2020, primarily due to an increase in the market share of domestic automobile manufacturers in the global automotive market. In 2022, automobile production increased by 8.5% and export sales volume recorded an increase of 12.7%, compared with 2021, primarily due to an increase in demand for Korean automobiles in the global automotive market as well as the gradual easing of the global shortage of automotive semiconductors in the second half of 2022, but domestic sales volume recorded a decrease of 3.2% compared with 2021, primarily due to the global shortage of automotive semiconductors during the first half of 2022. In 2023, automobile production increased by 13.0%, export sales volume recorded an increase of 20.3% and domestic sales volume recorded an increase of 3.3%, compared with 2022, primarily due to the continued easing of the global shortage of automotive semiconductors and increased global and domestic demand for environmentally-friendly automobiles. In 2024, automobile production decreased by 2.7% and domestic sales volume recorded a decrease of 6.5%, compared with 2023, primarily due to a decrease in demand for automobiles following a deterioration in domestic economic conditions, but export sales volume recorded an increase of 0.6% compared with 2023, primarily due to an increase in demand for environmentally-friendly automobiles in the global automotive market. Based on preliminary data, in 2025, automobile production decreased by 0.6% and export sales volume recorded a decrease of 1.7%, compared with 2024, primarily due to a decrease in automotive parts and increased overseas production, but domestic sales volume recorded an increase of 3.3%, compared with 2024, primarily due to increased domestic demand for environmentally-friendly automobiles.

Electronics. In 2021, electronics production amounted to ₩370,907 billion, an increase of 12.4% from the previous year, and exports amounted to US$227.6 billion, an increase of 24.0% from the previous year, primarily due to an increase in demand for semiconductors, display panels, mobile devices, solid state drives and secondary cell batteries. In 2021, export sales of semiconductor memory chips constituted approximately 20.0% of the Republic's total exports. In 2022, electronics production amounted to ₩378,091 billion, an increase of 1.9% from the previous year, and exports amounted to

US$233.2 billion, an increase of 2.5% from the previous year, primarily due to an increase in demand for semiconductors, display panels and secondary cell batteries. In 2022, export sales of semiconductor memory chips constituted approximately 19.1% of the Republic's total exports. Based on preliminary data, in 2023, electronics production amounted to ₩327,651 billion, a decrease of 13.3% from the previous year, and exports amounted to US$186.8 billion, a decrease of 19.9% from the previous year, primarily due to a decrease in demand for semiconductors, computers and other electronic apparatuses. In 2023, export sales of semiconductor memory chips constituted approximately 15.8% of the Republic's total exports. In 2024, electronics production amounted to ₩373,322 billion, an increase of 13.9% from the previous year, and exports amounted to US$235.1 billion, an increase of 25.9% from the previous year, primarily due to an increase in demand for semiconductors, computers and other electronic apparatuses. In 2024, export sales of semiconductor memory chips constituted approximately 20.8% of the Republic's total exports. Based on preliminary data, in 2025, exports amounted to US$264.3 billion, an increase of 12.4% from the previous year, primarily due to an increase in demand for semiconductors, computers, other electronic apparatuses and telecommunications equipment. In 2025, export sales of semiconductor memory chips constituted approximately 24.4% of the Republic's total exports.

Iron and Steel. In 2021, crude steel production totalled 70.4 million tons, an increase of 5.0% from 2020, primarily due to an increase in domestic demand for crude steel products following a gradual economic recovery from the COVID-19 pandemic, but export sales volume of iron and steel products decreased by 6.1%, primarily due to an increase in the price of steel products coupled with a decrease in global demand for crude steel products resulting from the COVID-19 pandemic. In 2022, crude steel production totalled 65.8 million tons, a decrease of 6.5% from 2021, primarily due to disruptions in supply chain resulting from the Russia-Ukraine war and the temporary closure of steel production plants in Korea due to a typhoon during the course of 2022, and export sales volume of iron and steel products decreased by 5.3%, primarily due to a decrease in global demand for crude steel products resulting from the lingering effects of the COVID-19 pandemic and a general slowdown of the global economy. In 2023, crude steel production totalled 66.7 million tons, an increase of 1.3% from 2022, primarily due to the re-opening of steel production plants in Korea following the recovery from the damage caused by a typhoon during 2022, and export sales volume of iron and steel products increased by 6.5%, primarily due to an increase in demand for crude steel products from North America and Japan. In 2024, crude steel production totalled 63.7 million tons, a decrease of 4.5% from 2023, primarily due to a decrease in domestic demand for crude steel products resulting from adverse conditions in the construction and shipbuilding industries, although export sales volume of iron and steel products increased by 3.7%, primarily due to an increase in demand for crude steel products from export destinations in Europe, Mexico and India. Based on preliminary data, in 2025, crude steel production totalled 62.2 million tons, a decrease of 2.4% from 2024, primarily due to a decrease in global demand for crude steel products as well as a decrease in domestic demand resulting from adverse conditions in the construction and real estate industries.

Shipbuilding. In 2021, the Republic's shipbuilding orders amounted to approximately 17 million compensated gross tons, an increase of 112.5% compared to 2020, primarily due to increased demand for container carriers and LNG carriers. In 2022, the Republic's shipbuilding orders amounted to approximately 16 million compensated gross tons, a decrease of 5.9% compared to 2021, primarily due to a decrease in demand for oil tankers and container carriers. In 2023, the Republic's shipbuilding orders amounted to approximately 10 million compensated gross tons, a decrease of 37.5% compared to 2022, primarily due to decreased demand for container carriers and LNG carriers. In 2024, the Republic's shipbuilding orders amounted to approximately 11 million compensated gross tons, an increase of 9.1% compared to 2023, primarily due to an increase in demand for LNG carriers, oil tankers and container carriers.

Agriculture, Forestry and Fisheries

The Government's agricultural policy has traditionally focused on:

- grain production;
- development of irrigation systems;
- land consolidation and reclamation;
- seed improvement;
- mechanisation measures to combat drought and flood damage; and
- increasing agricultural incomes.

Recently, however, the Government has increased emphasis on cultivating profitable crops and strengthening international competitiveness as a result of the continued opening of the domestic agricultural market.

In 2021, rice production increased 11.4% from 2020 to 3.9 million tons. In 2022, rice production decreased 2.6% from 2021 to 3.8 million tons. In 2023, rice production decreased 2.6% from 2022 to 3.7 million tons. In 2024, rice production decreased 2.7% from 2023 to 3.6 million tons. In 2025, rice production decreased 2.8% from 2024 to 3.5 million tons. Due to limited crop yields resulting from geographical and physical constraints, the Republic depends on imports for certain basic foodstuffs.

The Government is seeking to develop the fishing industry by encouraging the building of large fishing vessels and modernising fishing equipment, marketing techniques and distribution outlets.

In 2021, the agriculture, forestry and fisheries industry increased by 3.4% compared to 2020, primarily due to an increase in farming and fisheries production. In 2022, the agriculture, forestry and fisheries industry increased by 0.8% compared to 2021, primarily due to an increase in livestock production. In 2023, the agriculture, forestry and fisheries industry decreased by 1.8% compared to 2022, primarily due to a decrease in farming and livestock production. Based on preliminary data, in 2024, the agriculture, forestry and fisheries industry increased by 0.6% compared to 2023, primarily due to an increase in farming and livestock production. Based on preliminary data, in 2025, the agriculture, forestry and fisheries industry increased by 1.4% compared to 2024, primarily due to an increase in farming, livestock and fisheries production.

Construction

In 2021, the construction industry decreased by 0.9% compared to 2020, primarily due to a decrease in the construction of residential buildings. In 2022, the construction industry increased by 0.9% compared to 2021, primarily due to an increase in the construction of commercial buildings. In 2023, the construction industry decreased by 0.6% compared to 2022, primarily due to a decrease in the construction of residential buildings. Based on preliminary data, in 2024, the construction industry decreased by 3.8% compared to 2023, primarily due to a decrease in the construction of residential buildings. Based on preliminary data, in 2025, the construction industry decreased by 9.5% compared to 2024, primarily due to decreases in both residential and commercial buildings.

Electricity and Gas

The following table sets out the Republic's dependence on imports for energy consumption:

Dependence on Imports for Energy Consumption

	Total Primary Energy Supply	Imports	Imports Dependence Ratio
	(millions of tons of oil equivalents[1], except ratios)		
2021	300.4	284.8	94.8
2022	303.8	286.8	94.4
2023	298.1	279.3	93.7
2024[2]	304.3	284.2	93.4
2025[2]	298.8	277.6	92.9

(1) Conversion to tons of oil equivalents was calculated based on energy conversion factors under the Energy Act Enforcement Decree as amended in July 2017.

(2) Preliminary.

Source: Korea Energy Economics Institute; Korea National Statistical Office

Korea has almost no domestic oil or gas production and depends on imported oil and gas to meet its energy requirements. Accordingly, the international prices of oil and gas significantly affect the Korean economy. Any significant long-term increase in the prices of oil and gas (including as a result of the ongoing military conflict between Iran and other countries, including the United States and Israel, which has resulted in higher oil prices to date) will increase inflationary pressures in Korea and adversely affect the Republic's balance of trade.

To reduce its dependence on oil and gas imports, the Government has encouraged energy conservation and energy source diversification emphasising nuclear energy. The following table sets out the principal primary sources of energy supplied in the Republic, expressed in oil equivalents and as a percentage of total energy consumption.

Primary Energy Supply by Source

	Coal		Gas		Oil		Nuclear		Others[1]		Total	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
	(millions of tons of oil equivalents[2], except percentages)											
2021	76,818	25.6	59,594	19.8	115,205	38.4	33,657	11.2	15,091	5.0	300,365	100.0
2022	75,803	25.0	59,096	19.5	114,676	37.7	37,500	12.3	16,732	5.5	303,807	100.0
2023	73,507	24.7	56,718	19.0	111,036	37.2	38,445	12.9	18,432	6.2	298,138	100.0
2024[3]	69,664	22.9	60,871	20.0	113,861	37.4	40,205	13.2	19,654	6.5	304,255	100.0
2025[3]	68,481	22.9	60,961	20.4	108,985	36.5	39,340	13.2	20,994	7.0	298,761	100.0

(1) Includes hydro-electric power, biofuels and waste-based energy, geothermal and solar power and heat.

(2) Conversion to tons of oil equivalents was calculated based on energy conversion factors under the Energy Act Enforcement Decree as amended in July 2017.

(3) Preliminary.

Source: Korea Energy Economics Institute; The Bank of Korea

The Republic's first nuclear power plant went into full operation in 1978 with a rated generating capacity of 587 megawatts. As of 31 December 2025, the Republic had 26 nuclear plants with a total estimated nuclear power installed generating capacity of 26,050 megawatts and four nuclear plants under construction.

In February 2025, the Government announced the Eleventh Basic Plan of Long-Term Electricity Supply and Demand for the period from 2024 to 2038, which focuses on, among other things, (i) promoting the use of scientific methods to estimate and calculate future electricity demand, (ii) pursuit of energy mix that prioritises supply stability, efficiency and carbon neutrality, (iii) expansion of carbon-free energy sources instead of converting ageing coal-fired generation plants into LNG power plants, (iv) expansion of power grid systems that take into account the construction of new facilities for renewable energy and (v) effective utilisation of the energy market to enhance supply stability and energy distribution. Furthermore, the Eleventh Basic Plan includes the following implementation measures: (i) continued utilisation of nuclear power as a carbon-free energy source, (ii) systematic expansion of renewable energy sources while attaining greenhouse gas reduction goals, (iii) expansion of clean hydrogen- and ammonia-based power generation and (iv) incorporation of district energy systems into the national electricity supply and demand management framework.

Services Sector

In 2021, the service industry increased by 8.8% compared to 2020 as the arts, sports and recreation related services sector increased by 18.8%, the information and communications sector increased by 14.6% and the transportation and storage sector increased by 11.9%, each compared with 2020. In 2022, the service industry increased by 11.6% compared to 2021 as the arts, sports and recreation related services sector increased by 48.5%, the transportation and storage sector increased by 30.5% and the accommodation and food services sector increased by 25.6%, each compared with 2021. In 2023, the service industry increased by 4.9% compared to 2022 as the arts, sports and recreation related services sector increased by 9.8%, the membership organisations, repair and other personal services sector increased by 9.6% and the financial and insurance activities sector increased by 8.8%, each compared with 2022. In 2024, the service industry increased by 3.3% compared to 2023 as the transportation and storage sector increased by 7.6%, the arts, sports and recreation related services sector increased by 3.8% and the human health and social work activities sector increased by 5.7%, each compared with 2023. Based on preliminary data, in 2025, the service industry increased by 3.3% compared to 2024 as the human health and social work activities sector increased by 6.9%, the information and communications sector increased by 4.6% and the financial and insurance activities sector increased by 4.2%, each compared with 2024.

Prices, Wages and Employment

The following table shows selected price and wage indices and unemployment rates:

	Producer Price Index[1]	Increase (Decrease) Over Previous Year	Consumer Price Index[1]	Increase (Decrease) Over Previous Year	Wage Index[1][2]	Increase (Decrease) Over Previous Year	Unemployment Rate[1][3]
	(2020=100)	*(%)*	*(2020=100)*	*(%)*	*(2015=100)*	*(%)*	*(%)*
2021	106.4	6.4	102.5	2.5	123.5	6.9	3.7
2022	115.3	8.4	107.7	5.1	130.7	5.8	2.9
2023	117.1	1.6	111.6	3.6	134.9	3.2	2.7
2024	119.1	1.7	114.2	2.3	138.4	2.6	2.8
2025	120.5	1.2	116.6	2.1	N/A[4]	N/A[4]	2.8

(1) Average for the year.

(2) Nominal wage index of average earnings in the manufacturing industry.

(3) Expressed as a percentage of the economically active population.

(4) Not available.

Source: The Bank of Korea; Korea National Statistical Office

In 2021, the inflation rate increased to 2.5%, primarily due to increases in agricultural and livestock product prices and oil prices. In 2022, the inflation rate increased to 5.1%, primarily due to increases in agricultural and livestock product prices and oil prices. In 2023, the inflation rate decreased to 3.6%, primarily due to a slower rate of increase in the prices of agricultural and livestock products and oil. In 2024, the inflation rate decreased to 2.3% despite increases in agricultural and livestock product prices, primarily due to a slower rate of increase in the prices of personal services, electricity, gas, water and processed goods and, to a lesser extent, a decrease in oil prices. Based on preliminary data, in 2025, the inflation rate decreased to 2.1%, primarily due to a slower rate of increase in the prices of agricultural and livestock product prices and oil prices.

In 2021, the unemployment rate decreased to 3.7%, reflecting a gradual recovery of the Korean economy from the COVID-19 pandemic. In 2022, the unemployment rate decreased to 2.9%, reflecting a gradual recovery of the Korean economy from the COVID-19 pandemic. In 2023, the unemployment rate decreased to 2.7%, primarily due to an increase in the number of workers employed in the service industry. In 2024, the unemployment rate increased to 2.8%, primarily due to a decrease in the number of workers employed in the manufacturing and construction sectors. Based on preliminary data, in 2025, the unemployment rate remained stable at 2.8%.

From 1992 to 2009, the economically active population of the Republic increased by approximately 24.8% to 24.3 million, while the number of employees increased by approximately 23.7% to 23.5 million. The economically active population over 15 years old as a percentage of the total over-15 population has remained between 62% and 65% over the past decade. Literacy among workers under 50 is almost universal. As of 31 December 2025, the economically active population of the Republic was 29.6 million and the number of employees was 28.8 million.

The following table shows selected employment information by industry and by gender:

	2021	2022	2023	2024	2025
	(all figures in percentages, except as indicated)				
Labour force (in thousands of persons)	27,273	28,089	28,416	28,576	28,769
Employment by Industry:					
Agriculture, Forestry and Fishing	5.3	5.4	5.3	5.2	4.8
Mining and Manufacturing	16.1	16.1	15.7	15.6	15.3
S.O.C & Services	78.6	78.5	79.0	79.2	79.9
Electricity, Transport, Communication and Finance	12.2	12.3	12.4	12.8	13.1
Business, Private & Public Service and Other Services	38.8	39.1	39.5	39.7	40.9
Construction	7.7	7.6	7.4	7.2	6.7
Wholesale & Retail Trade, Hotels and Restaurants	20.0	19.6	19.6	19.4	19.2
Total Employed	100.0	100.0	100.0	100.0	100.0
Employment by Gender:					
Male	57.0	56.7	56.1	55.7	55.4
Female	43.0	43.3	43.9	44.3	44.6
Total Employed	100.0	100.0	100.0	100.0	100.0

Source: The Bank of Korea

Pursuant to certain amendments to the Labor Standards Act that became effective on 1 July 2018, the maximum working hours of employees have been reduced from 68 hours per week to 52 hours per week, and the number of special industries that are exempt from restrictions on maximum working hours was significantly reduced. This maximum working hours restriction under the amended Labor Standards Act is in effect for workplaces with 300 or more workers from 1 July 2018, and has been extended to workplaces with 50 or more but fewer than 300 workers from 1 January 2020, and has been further extended to workplaces with five or more but fewer than 50 workers from 1 July 2021.

Labour unrest in connection with demands by unionised workers for better wages and working conditions and greater job security occurs from time to time in the Republic. Some of the significant incidents in recent years include the following:

- In November and December 2021, unionised workers at Hankook Tire & Technology, one of Korea's largest tyre makers, went on a full strike demanding higher wages and performance-based incentive payments.

- In 2021, unionised workers at CJ Logistics, one of Korea's largest freight transportation companies, went on a series of partial strikes and demonstrations, demanding higher wages commensurate with increases in parcel delivery fees.

- In June and November 2022, unionised truck drivers across various industries went on nationwide strikes demanding that a minimum pay system based on freight rates be made permanent and expanded in scope.

- In 2022, subcontracted workers of Daewoo Shipping and Marine Engineering went on a full strike demanding higher wages.

- In September 2023, the National Railroad Workers' Union went on strike demanding improved pay and working conditions and an expansion of the KTX bullet train services.

- In November 2023, unionised Seoul subway workers went on strike in protest of the city-run Seoul Metro's bid to downsize its workforce.

- In early 2024, thousands of doctors went on strike to protest the Government's plans to increase the number of medical school admissions, and to demand higher pay and reductions in their workload, among others.

- In December 2024, the National Railroad Workers' Union and Seoul Subway Workers' Union went on strike demanding increased pay and improved working conditions.

- In September and October 2025, unions representing airport workers across multiple airports in the Republic conducted coordinated strikes demanding improved pay, job security and working conditions.

- In December 2025 unionised workers at Korea Railroad Corporation and Seoul Metro went on a strike demanding increased pay, improved working conditions and staffing levels.

Actions such as these by labour unions may hinder implementation of the labour reform measures and disrupt the Government's plans to create a more flexible labour market. Although much effort is being expended to resolve labour disputes in a peaceful manner, there can be no assurance that further labour unrest will not occur in the future. Continued labour unrest in key industries of the Republic may have an adverse effect on the economy.

In 1997, the Korean Confederation of Trade Unions organised a political alliance, which led to the formation of the Democratic Labor Party in January 2000. The Democratic Labor Party merged with The New People's Participation Party and changed its name to The Unified Progressive Party, or the UPP, in December 2011. In October 2012, the UPP split and seven UPP members of the National Assembly and their supporters formed a new party, the Progressive Justice Party, which changed its name to the Justice Party in July 2013. In December 2014, the Constitutional Court ordered the dissolution of the UPP and the removal of the party's five lawmakers from the National Assembly for violating the Republic's Constitution after certain of its members were convicted of trying to instigate an armed rebellion and supporting North Korea. In the legislative general election held on 13 April 2016, the Justice Party won six seats in the National Assembly, and the members-elect began their four-year terms on 30 May 2016. As of 31 December 2025, the Justice Party did not hold any seat in the National Assembly.

Population and Birthrate

Both the population and birthrate in the Republic have been declining for most of the recent past. The following table shows the population and birthrate of the Republic:

	2021	2022	2023	2024	2025
Population (in thousands of persons)	51,639	51,439	51,325	51,217	51,117
Birthrate (percentage)[1]	0.81	0.78	0.72	0.75	N/A[2]

(1) Represents the average number of children a woman gives birth to over her lifetime.

(2) Not available.

Source: Ministry of the Interior and Safety; Korea National Statistical Office

The Financial System

Structure of the Financial Sector

The Republic's financial sector includes the following categories of financial institutions:

- The Bank of Korea;
- banking institutions;
- non-bank financial institutions; and
- other financial entities, including:
    - financial investment companies;
    - credit guarantee institutions;
    - venture capital companies; and
    - miscellaneous others.

To increase transparency in financial transactions and enhance the integrity and efficiency of the financial markets, Korean law requires that financial institutions confirm that their clients use their real names when transacting business. The Government also strengthened confidentiality protection for private financial transactions.

In July 2007, the Korean National Assembly passed the Financial Investment Services and Capital Markets Act, or the **FSCMA**, under which various industry-based capital markets regulatory systems were consolidated into a single regulatory system. The FSCMA, which became effective in February 2009, expands the scope of permitted investment-related financial products and activities through expansive definitions of financial instruments and function-based regulations that allow financial investment companies to offer a wider range of financial services, as well as strengthening investor protection and disclosure requirements.

Prior to the effective date of the FSCMA, separate laws regulated various types of financial institutions depending on the type of the financial institution (for example, securities companies, futures companies, trust business companies and asset management companies) and subjected financial institutions to different licencing and ongoing regulatory requirements (for example, under the Securities and Exchange Act, the Futures Trading Act and the Indirect Investment Asset Management Business Act). By applying one uniform set of rules to financial businesses having the same economic function, the FSCMA attempts to improve and address issues caused by the previous regulatory system under which the same

economic function relating to capital markets-related business were governed by multiple regulations. To this end, the FSCMA categorises capital markets-related businesses into six different functions as follows:

- investment dealing (trading and underwriting of financial investment products);
- investment brokerage (brokerage of financial investment products);
- collective investment (establishment of collective investment schemes and the management thereof);
- investment advice;
- discretionary investment management; and
- trusts (together with the five businesses set forth above, the Financial Investment Businesses).

Accordingly, all financial businesses relating to financial investment products are classified as one or more of the Financial Investment Businesses described above, and financial institutions are subject to the regulations applicable to their relevant Financial Investment Businesses, irrespective of what type of financial institution it is. For example, under the FSCMA, derivative businesses conducted by securities companies and futures companies are subject to the same regulations, at least in principle.

The banking business and the insurance business are not subject to the FSCMA and will continue to be regulated under separate laws; provided, however, that they are subject to the FSCMA if their activities involve any Financial Investment Businesses requiring a licence based on the FSCMA.

Banking Industry

The banking industry comprises commercial banks and specialised banks. Commercial banks serve the general public and corporate sectors. They include nationwide banks, regional banks and branches of foreign banks. Regional banks provide services similar to nationwide banks, but operate in a geographically restricted region. Branches of foreign banks have operated in the Republic since 1967 but provide a relatively small proportion of the Republic's banking services. As of 30 September 2025, there were seven nationwide banks, five regional banks, three internet-only banks and 33 foreign banks with branches operating in the Republic.

Specialised banks meet the needs of specific sectors of the economy in accordance with Government policy; they are organised under, or chartered by, special laws. Specialised banks include (i) The Korea Development Bank, (ii) The Export-Import Bank of Korea, (iii) Industrial Bank of Korea, (iv) SuHyup Bank and (v) NongHyup Bank. The Government has made capital contributions to three of these specialised banks as follows:

- **The Korea Development Bank**: the Government owns directly all of its paid-in capital and has made capital contributions since its establishment in 1954. Recent examples include the Government's contributions to its capital of ₩1,121 billion in 2021, ₩1,265 billion in 2022, ₩775 billion in 2023, ₩2,390 billion in 2024 and ₩855 billion in 2025. Taking into account these capital contributions, its total paid-in capital was ₩27,258 billion as of 31 December 2025.
- **The Export-Import Bank of Korea**: the Government owns, directly and indirectly, all of its paid-in capital and has made capital contributions since its establishment in 1976. Recent examples include the Government's contributions to its capital of ₩299 billion in 2021, ₩25 billion in 2022, ₩2,000 billion in 2023, ₩2,100 billion in 2024 and ₩300 billion in 2025. Taking into account these capital contributions, its total paid-in capital was ₩17,173 billion as of 31 December 2025.

- **Industrial Bank of Korea**: the Government directly owned 59.5% of its total shares (including common and preferred shares) as of 31 December 2025. The Government had owned all of the issued share capital of Industrial Bank of Korea until 1994, but the Government's minimum share ownership requirement was repealed in 1997, and the Government has since periodically adjusted its ownership percentage in Industrial Bank of Korea through transactions involving the purchase and sale of its common shares. In 2020, Industrial Bank of Korea issued an aggregate of 161,507,381 new common shares to the Government for a total of ₩1,266 billion in cash. In November 2020, Industrial Bank of Korea acquired from the Government and cancelled an aggregate of 44,847,038 perpetual preferred shares that it had previously issued to the Government. In May 2021, Industrial Bank of Korea issued and sold 5,636,227 new ordinary shares to the Government for an aggregate consideration of ₩49 billion in cash. Taking into account such transactions, its total paid-in capital was ₩4,211 billion as of 31 December 2025.

The economic difficulties in 1997 and 1998 caused an increase in Korean banks' non-performing assets and a decline in capital adequacy ratios of Korean banks. From 1998 through 2002, the Financial Services Commission amended banking regulations several times to adopt more stringent criteria for non-performing assets that more closely followed international standards.

The following table sets out the total loans (including loans in Won and loans in foreign currencies) and non-performing assets of Korean banks as of the dates indicated.

	Total Loans	Non-Performing Assets[1]	Percentage of Total
	(trillions of Won)		*(percentage)*
31 December 2021	2,371.9	11.8	0.5
31 December 2022	2,532.4	10.1	0.4
31 December 2023	2,629.0	12.5	0.5
31 December 2024	2,799.1	14.8	0.5
31 December 2025[2]	N/A[3]	N/A[3]	N/A[3]

(1) Assets classified as substandard or below.

(2) Preliminary.

(3) Not available.

Source: Financial Supervisory Service

In 2021, these banks posted an aggregate net profit of ₩16.9 trillion, compared to an aggregate net profit of ₩12.1 trillion in 2020, primarily due to the significant amount of gains recognised by The Korea Development Bank in connection with the exercise of its right to convert its convertible bonds issued by HMM Company Limited into common shares, which took place in June 2021, and to a lesser extent, increased net interest income and decreased loan loss provisions. In 2022, these banks posted an aggregate net profit of ₩18.5 trillion, compared to an aggregate net profit of ₩16.9 trillion in 2021, primarily due to increased net interest income reflecting the rise in interest rates during 2022. In 2023, these banks posted an aggregate net profit of ₩21.7 trillion, compared to an aggregate net profit of ₩18.5 trillion in 2022, primarily due to an increase in net interest income, which was offset in part by an increase in loan loss provisions. In 2024, these banks posted an aggregate net profit of ₩22.2 trillion, compared to an aggregate net profit of ₩21.7 trillion in 2023, primarily due to a decrease in loan loss provisions, which was offset in part by an increase in non-operating expenses. Based on preliminary data, in 2025, these banks posted an aggregate net profit of ₩24.1 trillion, compared to an aggregate net profit of ₩22.2 trillion in 2024, primarily due to a significant rise in foreign exchange and derivatives-related gains driven by heightened volatility in interest rates and exchange rates during 2025.

Non-Bank Financial Institutions

Non-bank financial institutions include:

- savings institutions, including trust accounts of banks, mutual savings banks, credit unions, mutual credit facilities, community credit cooperatives and postal savings;
- life insurance institutions; and
- credit card companies.

As of 30 September 2025, 79 mutual savings banks, 22 life insurance institutions, which include joint venture life insurance institutions and wholly-owned subsidiaries of foreign life insurance companies, and eight credit card companies operated in the Republic.

Money Markets

In the Republic, the money markets consist of the call market and markets for a wide range of other short-term financial instruments, including treasury bills, monetary stabilisation bonds, negotiable certificates of deposits, repurchase agreements and commercial paper.

Securities Markets

On 27 January 2005, the Korea Exchange was established pursuant to the now repealed Korea Securities and Futures Trading Act by consolidating the Korea Stock Exchange, the Korea Futures Exchange, the KOSDAQ Stock Market, Inc., or the KOSDAQ, and the KOSDAQ Committee of the Korea Securities Dealers Association, which had formerly managed the KOSDAQ. There are three major markets operated by the Korea Exchange: the KRX KOSPI Market, the KRX KOSDAQ Market, and the KRX Derivatives Market. The Korea Exchange has two trading floors located in Seoul, one for the KRX KOSPI Market and one for the KRX KOSDAQ Market, and one trading floor in Busan for the KRX Derivatives Market. The Korea Exchange is a joint stock company with limited liability, the shares of which are held by (i) financial investment companies that were formerly members of the Korea Futures Exchange or the Korea Stock Exchange and (ii) the stockholders of the KOSDAQ. Currently, the Korea Exchange is the only stock exchange in Korea and is operated by membership, having as its members Korean financial investment companies and some Korean branches of foreign financial investment companies.

The Korea Exchange publishes the Korea Composite Stock Price Index every ten seconds, which is an index of all equity securities listed on the Korea Exchange. The Korea Composite Stock Price Index is computed using the aggregate value method, whereby the market capitalisations of all listed companies are aggregated, subject to certain adjustments, and this aggregate is expressed as a percentage of the aggregate market capitalisation of all listed companies as of the base date, 4 January 1980.

The following table shows the value of the Korea Composite Stock Price Index as of the dates indicated:

30 December 2021	2,977.7
28 January 2022	2,663.3
28 February 2022	2,699.2
31 March 2022	2,757.7
29 April 2022	2,695.1
31 May 2022	2,685.9
30 June 2022	2,332.6
29 July 2022	2,451.5
31 August 2022	2,472.1
30 September 2022	2,155.5
31 October 2022	2,293.6
30 November 2022	2,472.5
29 December 2022	2,236.4
31 January 2023	2,425.1
28 February 2023	2,412.9

31 March 2023	2,476.9
28 April 2023	2,501.5
31 May 2023	2,577.1
30 June 2023	2,564.3
31 July 2023	2,632.6
31 August 2023	2,556.3
27 September 2023	2,465.1
31 October 2023	2,278.0
30 November 2023	2,535.3
28 December 2023	2,655.3
31 January 2024	2,497.1
29 February 2024	2,642.4
29 March 2024	2,746.6
30 April 2024	2,692.1
31 May 2024	2,636.5
28 June 2024	2,797.8
31 July 2024	2,770.7
30 August 2024	2,674.3
30 September 2024	2,593.3
31 October 2024	2,556.2
29 November 2024	2,455.9
30 December 2024	2,399.5
31 January 2025	2,517.4
28 February 2025	2,532.8
31 March 2025	2,481.1
30 April 2025	2,556.6
30 May 2025	2,697.7
30 June 2025	3,071.7
31 July 2025	3,245.4
29 August 2025	3,186.0
30 September 2025	3,424.6
31 October 2025	4,107.5
28 November 2025	3,926.6
30 December 2025	4,214.2
30 January 2026	5,224.4
27 February 2026	6,224.1
31 March 2026	5,052.5
30 April 2026	6,598.9

Over the years, liquidity and credit concerns and volatility in the global financial markets have led to fluctuations in the stock prices of Korean companies. In recent years, there was significant volatility in the stock prices of Korean companies due to geopolitical uncertainties, exchange rate fluctuations and changes in domestic economic conditions. The index was 7,493.2 on 15 May 2026.

Supervision System

The Office of Bank Supervision, the Securities Supervisory Board, the Insurance Supervisory Board and all other financial sector regulatory bodies merged in January 1999 to form the Financial Supervisory Service. The Financial Supervisory Service acts as the executive body of the Financial Services Commission. The Financial Services Commission reports to, but operates independently of, the Prime Minister's office.

The MOFE focuses on fiscal policy and foreign currency regulations. The Bank of Korea manages monetary policy focusing on price stabilisation.

Deposit Insurance System

The Republic's deposit insurance system insures amounts on deposit with banks, non-bank financial institutions, securities companies and life insurance companies.

The Depositor Protection Act of Korea provides for a deposit insurance system where the Korea Deposit Insurance Corporation guarantees to depositors the repayment of their eligible bank deposits. The deposit insurance system insures up to a total of ₩100 million per depositor per bank, which limit increased from ₩50 million through an amendment to the Presidential Decree to the Depositor Protection Act of Korea that became effective in September 2025.

The Government excluded certain deposits, such as repurchase agreements, from the insurance scheme, expanded the definition of insured financial institutions to which the insurance scheme would apply and gradually increased the insurance premium rates applicable to insured financial institutions.

Monetary Policy

The Bank of Korea

The Bank of Korea was established in 1950 as Korea's central bank and the Republic's sole currency issuing bank. A seven-member Monetary Policy Committee, chaired by the Governor of The Bank of Korea, formulates and controls monetary and credit policies.

Inflation targeting is the basic system of operation for Korean monetary policy. The consumer price index is used as The Bank of Korea's target indicator. To achieve its established inflation target, the Monetary Policy Committee of The Bank of Korea determines and announces the "Bank of Korea Base Rate", the reference rate applied in transactions such as repurchase agreements between The Bank of Korea and its financial institution counterparts. The Bank of Korea uses open market operations as its primary instrument to keep the call rate in line with the Monetary Policy Committee's target rate. In addition, The Bank of Korea is able to establish policies regarding its lending to banks in Korea and their reserve requirements.

Interest Rates

The Bank of Korea lowered its policy rate to 1.5% from 1.75% on 18 July 2019 and to 1.25% from 1.5% on 16 October 2019 to address the sluggishness of the global and domestic economy. On 16 March 2020, The Bank of Korea further lowered its policy rate to 0.75% from 1.25%, which was further lowered to 0.5% on 28 May 2020, in response to deteriorating economic conditions resulting from the COVID-19 pandemic. However, as the economy began to show signs of recovery from the COVID-19 pandemic starting from the second half of 2021, The Bank of Korea raised its policy rate from 0.50% to 0.75% on 26 August 2021, 1.00% on 25 November 2021 and 1.25% on 14 January 2022. Subsequently, in response to rising levels of household debt and inflationary pressures, The Bank of Korea continued to raise its policy rate to 1.50% on 14 April 2022, 1.75% on 26 May 2022, 2.25% on 13 July 2022, 2.50% on 25 August 2022, 3.00% on 12 October 2022, 3.25% on 24 November 2022 and 3.50% on 13 January 2023. More recently, however, The Bank of Korea began to lower its policy rate, to 3.25% on 11 October 2024, 3.00% on 28 November 2024, 2.75% on 25 February 2025 and 2.50% on 29 May 2025 in response to weak economic conditions in the Republic.

With the deregulation of interest rates on banks' demand deposits on 2 February 2004, The Bank of Korea completed the interest rate deregulation based upon the "Four-Stage Interest Rate Liberalization Plan" announced in 1991. The prohibition on the payment of interest on ordinary checking accounts was, however, maintained.

Money Supply

The following table shows the volume of the Republic's money supply:

	31 December				
	2021	**2022**	**2023**	**2024**	**2025**
			(billions of Won)		
Money Supply (M1)[(1)]	1,378,591.0	1,243,808.2	1,247,774.9	1,294,069.8	1,384,025.4
Quasi-money[(2)]	2,006,660.3	2,395,782.7	2,487,393.0	2,602,452.9	2,715,715.6
Money Supply (M2)[(3)]	3,385,251.3	3,639,590.9	3,735,167.9	3,896,522.7	4,099,741.0
Percentage Increase Over Previous Year	11.7%	7.5%	2.6%	4.3%	5.2%

(1) Consists of currency in circulation and demand and instant access savings deposits at financial institutions.

(2) Includes time and instalment savings deposits, marketable instruments, yield-based dividend instruments and financial debentures, excluding financial instruments with a maturity of more than two years.

(3) Money Supply (M2) is the sum of Money Supply (M1) and quasi-money.

Source: The Bank of Korea

Exchange Controls

Authorised foreign exchange banks, as registered with the MOFE, handle foreign exchange transactions. The Ministry has designated other types of financial institutions to handle foreign exchange transactions on a limited basis.

Korean laws and regulations generally require a report to either the MOFE, The Bank of Korea or authorised foreign exchange banks, as applicable, for issuances of international bonds and other instruments, overseas investments and certain other transactions involving foreign exchange payments.

In 1993, 1994 and 1995, the Government relaxed regulations of foreign exchange position ceilings and foreign exchange transaction documentation and created free Won accounts which may be opened by non-residents at Korean foreign exchange banks. The Won funds deposited into the free Won accounts may be converted into foreign currencies and remitted outside Korea without any governmental approval. In December 1996, after joining the OECD, the Republic freed the repatriation of investment funds, dividends and profits, as well as loan repayments and interest payments. The Government continues to reduce exchange controls in response to changes in the world economy, including the new trade regime under the WTO, anticipating that such foreign exchange reform will improve the Republic's competitiveness and encourage strategic alliances between domestic and foreign entities.

In September 1998, the National Assembly passed the Foreign Exchange Transactions Act, which became effective in April 1999 and has subsequently been amended numerous times. In principle, most currency and capital transactions, including, among others, the following transactions, have been liberalised:

- the investment in real property located overseas by Korean companies and financial institutions;
- the establishment of overseas branches and subsidiaries by Korean companies and financial institutions;
- the investment by non-residents in deposits and trust products having more than one year maturities; and
- the issuance of debentures by non-residents in the Korean market.

To minimise the adverse effects from further opening of the Korean capital markets, the MOFE is authorised to introduce a variable deposit requirement system to restrict the influx of short-term speculative funds.

The Government has also embarked on a second set of liberalisation initiatives starting in January 2001, under which ceilings on international payments for Korean residents have been eliminated, including overseas travel expenses, overseas inheritance remittances and emigration expenses. Overseas deposits, trusts, acquisitions of foreign securities and other foreign capital transactions made by residents and the making of deposits in Korean currency by non-residents have also been liberalised. In line with the foregoing liberalisation, measures will also be adopted to curb illegal foreign exchange transactions and to stabilise the foreign exchange market.

Effective as of 1 January 2006, the Government liberalised the regulations governing ''capital transactions''. The regulations provide that no regulatory approvals are required for any capital transactions. The capital transactions previously subject to approval requirements are now subject only to reporting requirements.

In January 2010, the Financial Supervisory Service introduced the Standards for Risk Management of Foreign Exchange Derivatives Transactions to the Enforcement Rules for Supervision of Banking Business to prevent over-hedging of foreign exchange risk by corporate investors. According to the standards as amended in June 2025, if a corporate investor, other than a financial institution or a public enterprise, wishes to enter into a currency forward, currency option, foreign exchange swap or currency swap agreement with a bank, the bank is required to verify whether the corporate investor's assets, liabilities or contracts face foreign exchange risks that could be mitigated by a currency forward, currency option, foreign exchange swap or currency swap agreement. In addition, the bank is required to ensure that the corporate investor's risk hedge ratio, which is the ratio of the aggregate notional amount to the aggregate amount of risk, does not exceed 125%.

Foreign Exchange

The following table shows the exchange rate between the Won and the U.S. dollar (in Won per U.S. dollar) as announced by the Seoul Money Brokerage Services, Ltd. as of the dates indicated:

	Won/U.S. dollar Exchange Rate
31 December 2021	1,185.5
28 January 2022	1,202.4
28 February 2022	1,202.7
31 March 2022	1,210.8
29 April 2022	1,269.4
31 May 2022	1,245.8
30 June 2022	1,299.4
29 July 2022	1,304.0
31 August 2022	1,347.5
30 September 2022	1,434.8
31 October 2022	1,419.3
30 November 2022	1,331.5
30 December 2022	1,267.3
31 January 2023	1,228.7
28 February 2023	1,317.4
31 March 2023	1,303.8
28 April 2023	1,339.9
31 May 2023	1,322.2
30 June 2023	1,312.8
31 July 2023	1,280.0
31 August 2023	1,321.4
27 September 2023	1,344.8
31 October 2023	1,352.8
30 November 2023	1,289.0

	Won/U.S. dollar Exchange Rate
29 December 2023	1,289.4
31 January 2024	1,330.6
29 February 2024	1,334.0
29 March 2024	1,346.8
30 April 2024	1,378.7
31 May 2024	1,376.5
28 June 2024	1,389.2
31 July 2024	1,384.6
30 August 2024	1,335.3
30 September 2024	1,319.6
31 October 2024	1,383.3
29 November 2024	1,394.7
31 December 2024	1,470.0
31 January 2025	1,433.3
28 February 2025	1,439.6
31 March 2025	1,466.5
30 April 2025	1,438.5
30 May 2025	1,381.4
30 June 2025	1,356.4
31 July 2025	1,382.9
29 August 2025	1,388.6
30 September 2025	1,402.2
31 October 2025	1,423.2
28 November 2025	1,464.8
30 December 2025	1,434.9
30 January 2026	1,427.0
27 February 2026	1,424.5
31 March 2026	1,513.4
30 April 2026	1,476.1

During the period from 2 January 2008 through 16 April 2009, the value of the Won relative to the U.S. dollar declined by approximately 29.9%, due primarily to adverse economic conditions resulting from liquidity and credit concerns and volatility in the global credit and financial markets and repatriations by foreign investors of their investments in the Korean stock market. The exchange rate between the Won and the U.S. dollar has fluctuated since then. In recent years, the value of the Won relative to the U.S. dollar depreciated significantly, due primarily to the COVID-19 pandemic, the Russia-Ukraine war and ensuing sanctions against Russia, the escalating hostilities in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and the political situation in Korea following the declaration of martial law by former President Yoon in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, among others. The Market Average Exchange Rate was Won1,491.8 to US$1.00 on 15 May 2026.

Balance of Payments and Foreign Trade

Balance of Payments

Balance of payments figures measure the relative flow of goods, services and capital into and out of the country as represented in the current balance and the capital balance. The current balance tracks a country's trade in goods and services and transfer payments and measures whether a country is living within its income from trading and investments. The capital balance covers all transactions involving the transfer of capital into and out of the country, including loans and investments. The overall balance represents the sum of the current and capital balances. An overall balance surplus indicates a net inflow of foreign currencies, thereby increasing demand for and strengthening the local currency. An overall balance deficit indicates a net outflow of foreign currencies, thereby decreasing demand for and weakening the local currency. The financial account mirrors the overall balance. If the overall balance is positive, the surplus, which represents the nation's savings, finances the overall deficit of the country's

trading partners. Accordingly, the financial account will indicate cash outflows equal to the overall surplus. If, however, the overall balance is negative, the nation has an international deficit which must be financed. Accordingly, the financial account will indicate cash inflows equal to the overall deficit.

The following table sets out certain information with respect to the Republic's balance of payments:

Balance of Payments[1]

Classification	2021	2022	2023	2024	2025[4]
			(millions of U.S. dollars)		
Current Account	83,879.1	23,238.4	32,530.2	99,973.5	123,053.8
Goods	79,659.1	18,334.7	44,630.5	110,910.0	138,073.2
Exports[2]	655,640.1	697,755.1	642,117.2	703,974.8	718,942.5
Imports[2]	575,981.0	679,420.4	597,486.7	593,064.8	580,869.3
Services	(8,994.4)	(10,750.7)	(30,742.5)	(29,428.4)	(34,519.4)
Income	19,305.8	19,784.8	25,208.5	26,779.5	27,918.9
Current Transfers	(6,091.4)	(4,130.4)	(6,566.3)	(8,287.6)	(8,418.9)
Capital and Financial Account	78,335.3	27,063.2	32,129.1	97,150.9	120,021.5
Capital Account	(155.3)	0.7	47.1	282.9	258.0
Financial Account[3]	78,490.6	27,062.5	32,082.0	96,868.0	119,763.5
Net Errors and Omissions	(5,233.2)	3,823.4	(495.3)	(3,388.4)	(3,548.3)

(1) Figures are prepared based on the sixth edition of the Balance of Payment Manual published by International Monetary Fund in December 2010 and implemented by the Government in December 2013. In December 2018, The Bank of Korea revised the Republic's balance of payments information to capture new economic activities and reflect the changes in raw data.

(2) These entries are derived from trade statistics and are valued on a free on board basis, meaning that the insurance and freight costs are not included.

(3) Includes borrowings from the IMF, syndicated bank loans and short-term borrowings.

(4) Preliminary.

Source: The Bank of Korea

The current account surplus in 2024 increased to US$100.0 billion in 2024 from the current account surplus of US$32.5 billion in 2023, primarily due to an increase in surplus from the goods account, an increase in surplus from the income account and a decrease in deficit from the services account. Based on preliminary data, the current account surplus in 2025 increased to US$123.1 billion in 2025 from the current account surplus of US$100.0 billion in 2024, primarily due to an increase in surplus from the goods account and an increase in surplus from the income account, the effects of which were offset in part by an increase in deficit from the services account.

Foreign Direct Investment

Since 1960, the Government has adopted a broad range of related laws, administrative rules and regulations that provide a framework for the conduct and regulation of foreign investment activities. In September 1998, the Government promulgated the Foreign Investment Promotion Act, or the FIPA, which replaced previous foreign direct investment related laws, rules and regulations, to promote inbound foreign investments by providing incentives to, and facilitating investment activities in the Republic by, foreign nationals. The FIPA prescribes, among others, procedural requirements for inbound foreign investments, incentives for foreign investments such as tax reductions, and requirements relating to designation and development of foreign investment target regions. The Government believes that providing a stable and receptive environment for foreign direct investment will accelerate the inflow of foreign capital, technology and management techniques, although certain foreign investments that may implicate national security are subject to review and may be restricted or conditioned, and, in such cases, regulatory approvals may be withheld pending completion of such review.

The following table sets forth information regarding annual foreign direct investment in the Republic for the periods indicated.

Foreign Direct Investment

	2021	2022	2023	2024	2025[2]
	(billions of U.S. dollars)				
Contracted and Reported Investment					
Greenfield Investment[1]	18.1	22.3	23.5	26.7	28.6
Merger & Acquisition	11.4	8.1	9.2	7.9	7.5
Total	29.5	30.4	32.7	34.6	36.1
Actual Investment	17.9	18.2	20.0	15.4	18.0

(1) Includes building new factories and operational facilities.

(2) Preliminary.

Source: Ministry of Trade, Industry and Resources

In 2024, the contracted and reported amount of foreign direct investment in the Republic increased to US$34.6 billion from US$32.7 billion in 2023, primarily due to an increase in foreign investment in the manufacturing sector to US$14.5 billion in 2024 from US$11.9 billion in 2023.

Based on preliminary data, in 2025, the contracted and reported amount of foreign direct investment in the Republic increased to US$36.1 billion from US$34.6 billion in 2024, primarily due to an increase in foreign investment in the manufacturing sector to US$15.8 billion in 2025 from US$14.5 billion in 2024.

The following table sets forth information regarding the source of foreign direct investment by region and country for the periods indicated:

Foreign Direct Investment by Region and Country

	2021	2022	2023	2024	2025
	(billions of U.S. dollars)				
North America					
U.S.A.	5.3	8.7	6.1	5.2	9.8
Others	1.6	5.8	6.5	5.5	5.3
	6.9	14.5	12.6	10.7	15.1
Asia					
Japan	1.2	1.5	1.3	6.1	4.4
Hong Kong	0.6	0.4	1.2	1.0	0.3
Singapore	4.2	3.2	2.7	2.4	2.5
China	1.9	1.5	1.6	5.8	3.6
Others	1.2	0.5	1.8	1.0	1.0
	9.1	7.1	8.6	16.3	11.8
European Union					
Ireland	1.8	0.1	0.0	0.0	0.0
Netherlands	1.0	4.9	1.1	0.9	0.8
Germany	2.8	0.5	0.2	0.3	0.6
France	0.2	0.2	1.2	0.9	3.8
Others	6.2	1.8	3.7	3.0	1.7
	12.0	7.5	6.2	5.1	6.9
Other regions and countries	1.5	1.3	5.3	2.5	2.3
Total	29.5	30.4	32.7	34.6	36.1

Source: Ministry of Trade, Industry and Resources

Trade Balance

Trade balance figures measure the difference between a country's exports and imports. If exports exceed imports the country has a trade balance surplus while if imports exceed exports the country has a deficit. A deficit, indicating that a country's receipts from abroad fall short of its payments to foreigners, must be financed, rendering the country a debtor nation. A surplus, indicating that a country's receipts exceed its payments to foreigners, allows the country to finance its trading partners' net deficit to the extent of the surplus, rendering the country a creditor nation.

The following table summarises the Republic's trade balance for the periods indicated:

Trade Balance

	Exports[1]	As % of GDP[2]	Imports[1]	As % of GDP[2]	Balance of Trade	Exports as % of Imports
	(billions of U.S. dollars, except percentages)					
2021	644.4	33.2%	615.1	31.7%	29.3	104.8%
2022	683.6	38.0%	731.4	40.7%	(47.8)	93.5%
2023	632.2	34.3%	642.6	34.8%	(10.4)	98.4%
2024	683.6	36.5%	631.8	33.7%	51.8	108.2%
2025[3]	709.3	37.9%	631.9	33.7%	77.4	112.2%

(1) These entries are derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.

(2) At current market prices.

(3) Preliminary.

Source: The Bank of Korea; Korea Customs Service

The Republic, due to its lack of natural resources, relies on extensive trading activity for growth. The Republic meets virtually all domestic requirements for petroleum, wood and rubber with imports, as well as much of its coal and iron needs. Exports consistently represent a high percentage of GDP and, accordingly, the international economic environment is of crucial importance to the Republic's economy. See " — *The Economy — Worldwide Economic and Financial Difficulties*".

The following tables give information regarding the Republic's exports and imports by major commodity groups:

Exports by Major Commodity Groups (C.I.F.)[1]

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[2]	As % of 2025 Total[2]
	(billions of U.S. dollars, except percentages)									
Foods & Consumer Goods	9.8	1.5	10.4	1.5	10.7	1.7	11.6	1.7	12.3	1.7
Raw Materials and Fuels	51.4	8.0	75.1	11.0	62.6	9.9	60.9	8.9	55.9	7.9
Petroleum & Derivatives	38.8	6.0	63.3	9.3	52.4	8.3	50.7	7.4	46.0	6.5
Others	12.6	2.0	11.8	1.7	10.2	1.6	10.2	1.5	9.9	1.4
Light Industrial Products	35.3	5.5	35.2	5.1	33.4	5.3	34.2	5.0	35.3	5.0
Heavy & Chemical Industrial Products	547.9	85.0	563.0	82.4	525.5	83.1	576.9	84.4	605.9	85.4
Electronic & Electronic Products	221.8	34.4	224.2	32.8	181.1	28.6	231.0	33.8	261.6	36.9
Chemicals & Chemical Products	91.9	14.3	98.0	14.3	86.6	13.7	83.6	12.2	78.3	11.0
Metal Goods	52.6	8.2	55.3	8.1	49.8	7.9	48.2	7.0	46.0	6.5
Machinery & Precision Equipment	70.9	11.0	70.9	10.4	72.6	11.5	72.4	10.6	69.9	9.9
Transport Equipment	94.2	14.6	98.4	14.4	118.2	18.7	120.6	17.6	127.0	17.9
Passenger Cars	44.3	6.9	51.7	7.6	68.3	10.8	68.3	10.0	68.5	9.7
Ships & Boats	22.4	3.5	17.6	2.6	20.8	3.3	24.5	3.6	30.4	4.3
Others	27.5	4.3	29.2	4.3	29.1	4.6	27.8	4.1	28.1	4.0
Others	16.6	2.6	16.1	2.4	17.2	2.7	21.2	3.1	23.1	3.3
Total	644.4	100.0	683.6	100.0	632.2	100.0	683.6	100.0	709.3	100.0

(1) These entries are derived from customs clearance statistics. C.I.F. means that the price of goods includes insurance and freight costs.

(2) Preliminary.

Source: The Bank of Korea; Korea Customs Service

Imports by Major Commodity Groups (C.I.F.)[(1)]

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[(2)]	As % of 2025 Total[(2)]
	(billions of dollars, except percentages)									
Industrial Materials and Fuels	302.6	49.2	393.8	53.8	328.4	51.1	308.3	48.8	285.6	45.2
Crude Petroleum	67.0	10.9	106.0	14.5	86.2	13.4	85.4	13.5	75.3	11.9
Mineral	33.3	5.4	31.3	4.3	27.1	4.2	25.9	4.1	28.0	4.4
Chemicals	60.4	9.8	70.2	9.6	64.8	10.1	55.5	8.8	54.5	8.6
Iron & Steel Products	22.2	3.6	22.7	3.1	21.3	3.3	20.5	3.2	18.2	2.9
Non-ferrous Metal	18.4	3.0	19.5	2.7	15.9	2.5	15.9	2.5	16.8	2.7
Others	101.3	16.5	144.1	19.7	113.1	17.6	105.1	16.6	92.8	14.7
Capital Goods	212.8	34.6	228.9	31.3	211.5	32.9	222.1	35.1	237.5	37.6
Machinery & Precision Equipment	70.0	11.4	68.6	9.4	66.1	10.3	67.8	10.7	75.1	11.9
Electric & Electronic Machines	127.6	20.7	144.8	19.8	129.3	20.1	135.4	21.4	143.8	22.8
Transport Equipment	13.0	2.1	13.2	1.8	13.7	2.1	16.3	2.6	15.9	2.5
Others	2.2	0.4	2.3	0.3	2.4	0.4	2.5	0.4	2.7	0.4
Consumer Goods	99.6	16.2	108.7	14.9	102.7	16.0	101.4	16.1	108.7	17.2
Cereals	8.9	1.4	11.3	1.5	9.8	1.5	8.7	1.4	7.9	1.2
Goods for Direct Consumption	25.7	4.2	29.0	4.0	27.5	4.3	27.7	4.4	29.1	4.6
Durable Consumer Goods	42.2	6.9	42.8	5.9	40.7	6.3	40.4	6.4	47.6	7.5
Nondurable Consumer Goods	22.8	3.7	25.6	3.5	24.7	3.8	24.6	3.9	24.1	3.8
Total	615.1	100.0	731.4	100.0	642.6	100.0	631.8	100.0	631.9	100.0

(1) These entries are derived from customs clearance statistics. C.I.F. means that the price of goods includes insurance and freight costs.

(2) Preliminary.

Source: The Bank of Korea; Korea Customs Service

In 2021, the Republic recorded a trade surplus of US$29.3 billion. Exports increased by 25.7% to US$644.4 billion in 2021 from US$512.5 billion in 2020, primarily due to a recovery of the global economy from the COVID-19 pandemic. Imports increased by 31.5% to US$615.1 billion in 2021 from US$467.6 billion in 2020, primarily due to an increase in domestic consumption as well as an increase in oil prices, which also led to increased unit prices of other major raw materials.

In 2022, the Republic recorded a trade deficit of US$47.8 billion. Exports increased by 6.1% to US$683.6 billion in 2022 from US$644.4 billion in 2021, primarily due to an improvement in the domestic economic conditions of the Republic's major trading partners. Imports increased by 18.9% to US$731.4 billion in 2022 from US$615.1 billion in 2021, primarily due to an increase in energy and commodity prices, which also led to increased unit prices of other major raw materials.

In 2023, the Republic recorded a trade deficit of US$10.4 billion. Exports decreased by 7.5% to US$632.2 billion in 2023 from US$683.6 billion in 2022, primarily due to a deterioration in the domestic economic conditions of the Republic's major trading partners and a downturn in the semiconductor industry. Imports decreased by 12.1% to US$642.6 billion in 2023 from US$731.4 billion in 2022, primarily due to a decrease in energy and commodity prices, which also led to decreased unit prices of other major raw materials.

In 2024, the Republic recorded a trade surplus of US$51.8 billion. Exports increased by 8.1% to US$683.6 billion in 2024 from US$632.2 billion in 2023, primarily due to a substantial growth in demand for semiconductor products globally and a general improvement in the domestic economic conditions of the Republic's major trading partners. Imports decreased by 1.7% to US$631.8 billion in 2024 from US$642.6 billion in 2023, primarily due to a decrease in oil prices, which also led to decreased unit prices of other major raw materials.

Based on preliminary data, in 2025, the Republic recorded a trade surplus of US$77.4 billion. Exports increased by 3.8% to US$709.3 billion in 2025 from US$683.6 billion in 2024, primarily due to substantial growth in demand for semiconductor products globally. Imports increased slightly to US$631.9 billion in 2025 from US$631.8 billion in 2024, primarily due to an increase in imports of semiconductor manufacturing equipment.

The following table sets forth the Republic's exports trading partners:

Exports

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[(1)]	As % of 2025 Total[(1)]
	(millions of U.S. dollars, except percentages)									
China	162,913.0	25.3	155,789.4	22.8	124,817.7	19.7	133,011.4	19.5	130,781.5	18.4
United States	95,902.0	14.9	109,765.7	16.1	115,696.3	18.3	127,761.4	18.7	122,850.9	17.3
Japan	30,061.8	4.7	30,606.3	4.5	29,000.6	4.6	29,607.2	4.3	28,307.9	4.0
Hong Kong	37,467.1	5.8	27,651.2	4.0	25,193.6	4.0	35,021.6	5.1	34,831.5	4.9
Singapore	14,148.5	2.2	20,205.4	3.0	18,752.0	3.0	18,224.2	2.7	19,552.9	2.8
Vietnam	56,728.5	8.8	60,963.7	8.9	53,479.5	8.5	58,323.0	8.5	62,775.1	8.8
Taiwan	24,285.3	3.8	26,198.2	3.8	20,178.8	3.2	33,969.1	5.0	49,070.1	6.9
India	15,603.3	2.4	18,870.1	2.8	17,949.6	2.8	18,696.1	2.7	19,230.7	2.7
Indonesia	8,550.3	1.3	10,215.9	1.5	9,140.2	1.4	7,948.3	1.2	6,994.7	1.0
Mexico	11,290.2	1.8	12,654.2	1.9	12,222.0	1.9	13,604.2	2.0	12,056.3	1.7
Australia	9,750.5	1.5	18,753.0	2.7	17,791.4	2.8	15,597.9	2.3	14,173.6	2.0
Germany	11,109.9	1.7	10,067.7	1.5	10,317.1	1.6	9,037.0	1.3	9,273.7	1.3
Others[(2)]	166,590.0	25.9	181,844.0	26.6	177,687.0	28.1	182,808.1	26.7	199,431.1	28.1
Total	644,400.4	100.0	683,584.8	100.0	632,225.8	100.0	683,609.5	100.0	709,330.0	100.0

(1) Preliminary.

(2) Includes more than 200 countries and regions.

Source: The Bank of Korea; Korea Customs Service

The following table sets forth the Republic's imports trading partners:

Imports

	2021	As % of 2021 Total	2022	As % of 2022 Total	2023	As % of 2023 Total	2024	As % of 2024 Total	2025[(1)]	As % of 2025 Total[(1)]
	(millions of U.S. dollars, except percentages)									
China	138,628.1	22.5	154,576.3	21.1	142,857.3	22.2	139,878.5	22.1	141,951.0	22.5
Japan	54,642.2	8.9	54,711.8	7.5	47,656.5	7.4	47,593.8	7.5	48,908.5	7.7
United States	73,213.4	11.9	81,784.7	11.2	71,272.0	11.1	72,132.3	11.4	73,366.0	11.6
Saudi Arabia	24,271.3	3.9	41,640.3	5.7	32,762.5	5.1	31,449.8	5.0	27,431.8	4.3
Qatar	11,611.1	1.9	16,567.2	2.3	14,998.9	2.3	14,208.3	2.2	9,923.5	1.6
Australia	32,918.0	5.4	44,929.4	6.1	32,823.0	5.1	29,954.7	4.7	32,091.0	5.1
Germany	21,996.3	3.6	23,614.9	3.2	23,611.2	3.7	22,292.2	3.5	21,629.1	3.4
Kuwait	8,253.9	1.3	12,401.9	1.7	9,659.0	1.5	8,849.7	1.4	7,924.1	1.3
Taiwan	23,485.8	3.8	28,274.6	3.9	24,370.6	3.8	30,224.9	4.8	32,324.4	5.1
United Arab Emirates	7,318.7	1.2	15,492.8	2.1	16,422.8	2.6	17,930.8	2.8	14,116.6	2.2
Indonesia	10,725.1	1.7	15,734.9	2.2	12,145.9	1.9	12,564.3	2.0	11,303.9	1.8
Malaysia	10,456.2	1.7	15,249.1	2.1	15,237.1	2.4	13,981.2	2.2	15,512.7	2.5
Others[(2)]	197,573.3	32.1	226,391.8	31.0	198,755.3	30.9	190,706.7	30.2	195,412.8	30.9
Total	615,093.4	100.0	731,369.7	100.0	642,572.1	100.0	631,767.2	100.0	631,895.4	100.0

(1) Preliminary.

(2) Includes more than 200 countries and regions.

Source: The Bank of Korea; Korea Customs Service

In recent years, the value of the Won relative to the U.S. dollar has depreciated significantly, in particular due to the impact of the COVID-19 pandemic, the Russia-Ukraine war and ensuing sanctions against Russia and the escalating hostilities in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel), and the political situation in Korea following the declaration of martial law by former President Yoon in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, among others. See "— *The Economy — Worldwide Economic and Financial Difficulties*". An appreciation of the Won against the U.S. dollar increases the Won value of the Republic's export sales and diminishes the price-competitiveness of export goods in foreign markets in U.S. dollar terms. However, it also decreases the cost of imported raw materials in Won terms and the cost in Won of servicing the Republic's U.S. dollar-denominated debt. In general, when the Won appreciates, export dependent sectors of the Korean economy, including automobiles, electronics and shipbuilding, suffer from the resulting pressure on the price-competitiveness of export goods, which may lead to reduced profit margins and loss in market share, more than offsetting a decrease in the cost of imported raw materials. If the export dependent sectors of the Korean economy suffer reduced profit margins or a net loss, it could result in a material adverse effect on the Korean economy.

Since the Government announced its plans to pursue free trade agreements, or FTAs, in 2003, the Republic has entered into FTAs with key trading partners. The Republic has had bilateral FTAs in effect with Chile since 2004, Singapore since 2006, India since 2010, Peru since 2011, the United States since 2012, Turkey since 2013, Australia since 2014, Canada, China, New Zealand and Vietnam since 2015, Colombia since July 2016, the United Kingdom since January 2021, Israel and Cambodia since December 2022, Indonesia since January 2023 and the Philippines since 2024. The Republic is currently in negotiations with a number of other key trading partners. In addition, the Republic has had regional FTAs in effect with the European Free Trade Association since 2006, the Association of Southeast Asian Nations since 2009, the European Union since 2011, with each of Panama, Costa Rica, Guatemala, Honduras, El Salvador and Nicaragua since 2021 and with the Regional Comprehensive Economic Partnership since 2022, and is currently negotiating additional regional FTAs. The Republic and Turkey have completed revisions to their bilateral FTA, which became effective in August 2018. The Republic and the United States have also completed revisions to their bilateral FTA, which became effective in January 2019.

Non-Commodities Trade Balance

The Republic had non-commodities trade surpluses of US$4.2 billion in 2021 and US$4.9 billion in 2022, and non-commodities trade deficits of US$12.1 billion in 2023 and US$10.9 billion in 2024. Based on preliminary data, the Republic had non-commodities trade deficits of US$15.0 billion in 2025.

Foreign Currency Reserves

The foreign currency reserves are external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs and for other related purposes. The following table shows the Republic's total official foreign currency reserves:

Total Official Reserves

	31 December				
	2021	2022	2023	2024	2025
	(millions of U.S. dollars)				
Gold	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.9
Foreign Exchange[(1)]	438,319.2	399,043.1	395,643.3	391,889.9	402,997.4
Total Gold and Foreign Exchange	443,114.0	403,837.9	400,438.1	396,684.7	407,792.3
Reserve Position at IMF	4,634.9	4,489.5	4,627.8	4,204.9	4,372.5
Special Drawing Rights	15,369.5	14,836.3	15,082.1	14,714.1	15,889.8
Total Official Reserves	$ 463,118.4	$ 423,163.7	$ 420,147.9	$ 415,603.8	$ 428,054.6

(1) More than 95% of the Republic's foreign currency reserves are comprised of convertible foreign currencies.

Source: The Bank of Korea; International Monetary Fund

The Government's foreign currency reserves increased to US$262.2 billion as of 31 December 2007 from US$8.9 billion as of 31 December 1997, primarily due to continued balance of trade surpluses and capital inflows. In 2008, the Government's foreign currency reserves decreased, falling to US$201.2 billion as of 31 December 2008, partially as a result of the Government's use of the foreign currency reserve to provide foreign currency liquidity to Korean financial institutions. The Government's foreign currency reserves increased to US$463.1 billion as of 31 December 2021, primarily due to continued trade surpluses and capital inflows. The Government's foreign currency reserves decreased to US$423.2 billion as of 31 December 2022, US$420.1 billion as of 31 December 2023 and US$415.6 billion as of 31 December 2024, however, primarily in relation to the depreciation of the Won against the U.S. dollar. The Government's foreign currency reserves increased to US$428.1 billion as of 31 December 2025, primarily due to continued balance of trade surpluses and capital inflows. The amount of the Government's foreign currency reserve was US$423.7 billion as of 31 March 2026.

Government Finance

Effective 2 January 2026, the responsibility of preparing the Government budget and administering the Government's finances has been transferred from the Ministry of Economy and Finance (re-named to the Ministry of Finance and Economy in February 2026) to the Ministry of Planning and Budget, a new ministry established under the Prime Minister's Office.

Under the National Finance Act, the Government's fiscal year commences on 1 January. The Government must submit the budget, which is drafted by the Minister of Planning and Budget and approved by the President of the Republic, to the National Assembly not later than 120 days prior to the start of the fiscal year, and may submit supplementary budgets revising the original budget at any time during the fiscal year.

2024 budgeted revenues decreased by 2.6% to ₩573.3 trillion from ₩588.6 trillion in 2023, led by a decrease in budgeted tax revenues (including taxes on income, profits and capital gains). 2024 budgeted expenditures and net lending increased by 2.7% to ₩617.7 trillion from ₩601.6 trillion in 2023, led by increases in budgeted expenditures on revitalisation of the economy. The 2024 budget anticipated a ₩44.4 trillion budget deficit.

2025 budgeted revenues increased by 4.7% to ₩600.3 trillion from ₩573.3 trillion in 2024, led by increases in budgeted tax revenues (including taxes on income, profits and capital gains). 2025 budgeted expenditures and net lending increased by 7.0% to ₩661.1 trillion from ₩617.7 trillion in 2024, led by increases in budgeted expenditures on revitalisation of the economy, including through supplementary budgets. The 2025 budget anticipated a ₩60.8 trillion budget deficit.

Based on preliminary data, 2026 budgeted revenues increased by 5.6% to ₩633.9 trillion from ₩600.3 trillion in 2025, led by increases in budgeted tax revenues (including taxes on income, profits and capital gains). 2026 budgeted expenditures and net lending increased by 3.8% to ₩686.6 trillion from ₩661.1 trillion in 2025, led by increases in budgeted expenditures on revitalisation of the economy. The 2026 budget anticipated a ₩52.7 trillion budget deficit.

Beginning in March 2020, the National Assembly approved a series of supplementary budgets as part of the Government's efforts to mitigate adverse effects on the Korean economy resulting from the COVID-19 pandemic. See "— The Economy — Worldwide Economic and Financial Difficulties". These supplementary budgets, which amounted to ₩66.8 trillion in 2020, ₩49.8 trillion in 2021 and ₩78.9 trillion in 2022, were some of the largest of their kind drawn up in response to an outbreak of an

infectious disease in Korea. The supplementary budgets were funded through the issuance of treasury bonds by the Government, The Bank of Korea's unappropriated surplus and other surplus funds available to the Government, among others.

Any significant increase in additional spending measures may lead to a budget deficit for 2026, which could result in a deterioration in the Government's fiscal position and an increase in borrowings.

The following table shows consolidated Government revenues and expenditures:

Consolidated Central Government Revenues and Expenditures

	Actual					Budget		
	2020	2021	2022	2023	2024	2024	2025	2026[1]
				(billions of Won)				
Total Revenues	446,628	537,619	588,332	543,586	560,088	573,261	600,296	633,871
Current Revenues	443,694	534,999	585,325	539,887	556,122	569,507	592,008	629,053
Total Tax Revenues	360,129	422,182	479,384	432,989	429,335	459,643	468,581	492,274
Taxes on income, profits and capital gains	148,622	184,509	232,319	196,253	179,929	203,425	210,386	218,568
Social security contributions	74,583	78,104	83,444	88,918	92,802	92,329	96,496	102,040
Tax on property	22,735	31,392	27,696	25,311	24,243	24,149	23,411	27,015
Taxes on goods and services	91,047	99,840	105,828	97,008	105,610	110,503	109,288	115,596
Taxes on international trade and transaction	7,059	8,227	10,324	7,288	6,972	8,907	8,409	7,221
Other tax	16,084	20,110	19,773	18,211	19,778	20,330	20,591	21,833
Non-Tax Revenues	83,565	112,818	105,941	106,898	126,787	109,864	123,427	136,780
Operating surpluses of departmental enterprise sales and property income	33,571	56,664	47,459	42,537	56,969	41,432	53,223	61,679
Administration fees & charges and non-industrial sales	9,929	10,865	11,434	12,428	12,787	13,357	13,913	15,062
Fines and forfeits	23,583	26,993	28,276	29,752	32,997	30,829	31,132	34,422
Contributions to government employee pension fund	13,876	14,918	16,348	18,149	19,988	20,322	21,196	22,010
Current revenue of non-financial public enterprises	2,606	3,378	2,425	4,032	4,046	3,925	3,964	3,607
Capital Revenues	2,934	2,620	3,007	3,700	3,966	3,754	8,288	4,818
Total Expenditures and Net Lending	517,781	568,113	652,902	580,354	603,609	617,664	661,124	686,564
Total Expenditures	489,966	538,034	622,997	559,707	580,113	593,643	639,168	665,473
Current Expenditures	455,098	502,191	585,593	523,270	542,859	553,669	598,070	623,402
Expenditure on goods and service	79,460	88,144	89,759	90,389	93,217	98,053	99,743	104,783
Interest payment	14,452	15,431	18,481	22,362	26,310	24,968	27,961	31,751
Subsidies and other current transfers	357,295	395,826	473,661	405,733	417,643	425,078	464,799	481,748
Current expenditure of non-financial public enterprises	3,891	2,790	3,692	4,785	5,688	5,570	5,567	5,119
Capital Expenditures	34,868	35,842	37,404	36,437	37,254	39,974	41,099	42,071
Net Lending	27,815	30,079	29,905	20,647	23,496	24,021	21,955	21,092

(1) Preliminary.

Source: Ministry of Finance and Economy; The Bank of Korea; Korea National Statistical Office

The consolidated Government account consists of a General Account, Special Accounts (including a non-financial public enterprise special account) and Public Funds. The Government segregates the accounts of certain functions of the Government into Special Accounts and Public Funds for more effective administration and fiscal control. The Special Accounts and Public Funds relate to business type activities, such as economic development, road and railway construction and maintenance, monopolies, and communications developments and the administration of loans received from official international financial organisations and foreign governments.

Revenues derive mainly from national taxes and non-tax revenues. Taxes in Korea can be roughly classified into the following types:

- income tax and capital gains tax,
- property tax,
- value-added tax,

- customs duty tax, and
- other taxes.

Income tax and capital gains tax are imposed on income derived from labour, business operation and ownership of assets and profits derived from capital appreciation. Income tax and capital gains tax, depending on the type of taxpayer, can be further classified into corporate income tax and individual income tax. Property tax is imposed on exchange or ownership of property and includes inheritance tax and gift tax. Value-added tax is imposed on value added to goods and services. Customs duty tax is imposed on imported goods. Other taxes include tax on certain securities transactions and a stamp tax for certain documents.

Expenditures include general administration, national defence, community service, education, health, social security, certain annuities and pensions and local finance, which involves the transfer of tax revenues to local governments.

For 2020, the Republic recorded total revenues of ₩446.6 trillion and total expenditures and net lending of ₩517.8 trillion. The Republic had a fiscal deficit of ₩71.2 trillion in 2020.

For 2021, the Republic recorded total revenues of ₩537.6 trillion and total expenditures and net lending of ₩568.1 trillion. The Republic had a fiscal deficit of ₩30.5 trillion in 2021.

For 2022, the Republic recorded total revenues of ₩588.3 trillion and total expenditures and net lending of ₩652.9 trillion. The Republic had a fiscal deficit of ₩64.6 trillion in 2022.

For 2023, the Republic recorded total revenues of ₩543.6 trillion and total expenditures and net lending of ₩580.4 trillion in 2023. The Republic had a fiscal deficit of ₩36.8 trillion in 2023.

For 2024, the Republic recorded total revenues of ₩560.1 trillion and total expenditures and net lending of ₩603.6 trillion. The Republic had a fiscal deficit of ₩43.5 trillion in 2024.

Debt

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of 31 December 2023 amounted to approximately ₩1,102.1 trillion, an increase of 5.6% over the previous year.

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of 31 December 2024 amounted to approximately ₩1,150.9 trillion, an increase of 4.4% over the previous year.

Effective 2 January 2026, the responsibility of administering the national debt of the Republic has been transferred from the MOFE to the Ministry of Planning and Budget.

External and Internal Debt of the Government

The following table sets out, by currency and the equivalent amount in U.S. dollars, the estimated outstanding direct external debt of the Government as of 31 December 2025:

Direct External Debt of the Government

	Amount in Original Currency	Equivalent Amount in U.S. dollars[(1)]
	(millions)	
US$.	US$7,125.0	US$7,125.0
Euro (EUR)	EUR2,100.0	US$2,467.1
Total		US$9,592.1

(1) Amounts expressed in currencies other than US$ are converted to US$ at the arbitrage rate announced by the Seoul Money Brokerage Services, Ltd. in effect on 31 December 2025.

The following table summarises, as of 31 December of the years indicated, the outstanding direct internal debt of the Republic:

Direct Internal Debt of the Government

	(billions of Won)
2020	808,941.0
2021	927,865.2
2022	1,021,574.4
2023	1,080,844.4
2024	1,128,191.5

The following table sets out all guarantees by the Government of indebtedness of others:

Guarantees by the Government

	31 December				
	2020	2021	2022	2023	2024
	(billions of Won)				
Domestic	12,490.0	10,930.0	10,620.0	10,460.0	10,960.0
External[(1)]	–	–	–	–	–
Total	12,490.0	10,930.0	10,620.0	10,460.0	10,960.0

(1) Converted to Won at foreign exchange banks' telegraphed transfer selling rates to customers or the Market Average Exchange Rates in effect on 31 December of each year.

For further information on the outstanding indebtedness, including guarantees, of the Republic, see "— Tables and Supplementary Information".

External Liabilities

The following tables set out certain information regarding the Republic's external liabilities calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010 and implemented by the Government in December 2013. Under BPM6, in particular, prepayments received in connection with the construction of ships are excluded from the external liabilities.

	31 December				
	2021	2022	2023	2024	2025[1]
	(billions of U.S. dollars)				
Long-term Liabilities	465.6	499.3	535.9	526.4	587.8
General Government	144.4	153.2	170.8	160.6	199.8
Monetary Authorities	35.9	25.0	22.5	23.4	24.9
Banks	128.1	146.8	147.6	137.0	136.4
Other Sectors	157.2	174.2	194.9	205.3	226.8
Short-term Liabilities	165.1	174.0	141.5	146.5	179.0
General Government	1.6	3.9	1.6	2.5	9.3
Monetary Authorities	9.7	4.7	3.9	3.3	4.2
Banks	124.3	129.7	102.6	107.3	123.5
Other Sectors	29.6	35.6	33.4	33.5	42.1
Total External Liabilities	630.7	673.3	677.3	672.9	766.9

(1) Preliminary.

Commitments to Assume Treasury Obligations

The Government may, if deemed necessary for recovery from disasters and calamities, make commitments to assume treasury obligations to the extent resolved by the National Assembly each fiscal year. In such cases, such commitments shall be executed in accordance with the procedures for spending reserve funds within general accounts.

Debt Record

The Government has always paid when due the full amount of principal of, interest on, and amortisation of sinking fund requirements of, all of its indebtedness.

Tables and Supplementary Information

A. External Debt of the Government

(1) External Bonds of the Government

Series	Issue Date	Maturity Date	Interest Rate (%)	Currency	Original Principal Amount	Principal Amount Outstanding as of 31 December 2025
2014-001	10 June 2014	10 June 2044	4.125	USD	1,000,000,000	1,000,000,000
2017-001	19 January 2017	19 January 2027	2.750	USD	1,000,000,000	1,000,000,000
2018-001	20 September 2018	20 September 2028	3.500	USD	500,000,000	500,000,000
2018-002	20 September 2018	20 September 2048	3.875	USD	500,000,000	500,000,000
2019-001	19 June 2019	19 June 2029	2.500	USD	1,000,000,000	1,000,000,000
2020-001	16 September 2020	16 September 2030	1.000	USD	625,000,000	625,000,000
2020-002	16 September 2020	16 September 2025	0.000	EUR	700,000,000	700,000,000
2021-001	15 October 2021	15 October 2026	0.000	EUR	700,000,000	700,000,000
2021-002	15 October 2021	15 October 2031	1.750	USD	500,000,000	500,000,000
2024-001	3 July 2024	3 July 2029	4.500	USD	1,000,000,000	1,000,000,000
2025-001	3 July 2025	3 July 2028	2.250	EUR	700,000,000	700,000,000
2025-002	3 July 2025	3 July 2032	2.875	EUR	700,000,000	700,000,000
2025-003	29 October 2025	29 October 2030	3.625	USD	1,000,000,000	1,000,000,000
						USD7,125,000,000
Total External Bonds in Original Currencies						**EUR2,100,000,000**
Total External Bonds in Equivalent Amount of Won[1]						**₩13,763,632,500,000**

(1) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to ₩1,434.9, the Market Average Exchange Rate in effect on 31 December 2025, as announced by Seoul Money Brokerage Services, Ltd. Euro amounts are converted to Won amounts at the rate of EUR 1.00 to ₩1,685.7, the Market Average Exchange Rate in effect on 31 December 2025, as announced by Seoul Money Brokerage Services, Ltd.

(2) External Borrowings of the Government.

None.

B. External Guaranteed Debt of the Government

None.

C. Internal Debt of the Government

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of 31 December 2024
	(%)			*(billions of Won)*
1. Bonds				
Interest-Bearing Treasury Bond for Treasury Bond Management Fund	0.750-5.750	2006-2024	2025-2074	1,047,874.2
Interest-Bearing Treasury Bond for National Housing I	1.000-1.750	2015-2024	2020-2029	79,100.9
Interest-Bearing Treasury Bond for National Housing II	0.0	2009-2017	2019-2029	1.9
Interest-Bearing Treasury Bond for National Housing III	–	–	–	0
Non-interest-Bearing Treasury Bond for Contribution to International Organisations[(1)]	0	1967-1985	–	9.4
Total Bonds				1,126,986.5
2. Borrowings				
Borrowings from The Bank of Korea	–	–	–	0
Borrowings from the Sports Promotion Fund	2.875-3.665	2023-2024	2025-2029	960.0
Borrowings from The Korea Foundation Fund	–	–	–	0
Borrowings from the Labor Welfare Promotion Fund	2.920-2.935	2024	2025	50.0
Borrowings from Korea Technology Finance Corporation	2.870-3.100	2024	2026	195.0
Borrowings from the Credit Guarantee Fund for Agriculture, Forestry and Fisheries Suppliers	–	–	–	0
Borrowings from the Government Employees' Pension Fund	–	–	–	0
Borrowings from the Film Industry Development Fund	–	–	–	0
Borrowings from the Korea Credit Guarantee Fund	–	–	–	0
Borrowings from the Housing Finance Credit Guarantee Fund	–	–	–	0
Borrowings from the Korea Infrastructure Credit Guarantee Fund	–	–	–	0
Total Borrowings				**1,205.0**
Total Internal Funded Debt				**1,128,191.5**

(1) Interest Rates and Years of Original Maturity not applicable.

D. Internal Guaranteed Debt of the Government

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of 31 December 2024
	(%)			*(billions of Won)*
1. Bonds of Government-Affiliated Corporations				
Korea Deposit Insurance Corporation	–	–	–	0
Korea Student Aid Foundation	1.230-5.480	2011-2024	2025-2044	10,350.0
Supply Chain Resilience Fund	2.820-2.960	2024	2026-2027	400.0
Key Industry Stabilization Fund	1.450-2.190	2020-2021	2025	210.0
Total Internal Guaranteed Debt				**10,960.0**

E. Others

Commitments to Assume Treasury Obligations

The Government may, if deemed necessary for recovery from disasters and calamities, make commitments to assume treasury obligations to the extent resolved by the National Assembly each fiscal year. In such cases, such commitments shall be executed in accordance with the procedures for spending reserve funds within general accounts.

TAXATION

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisors.

The taxation of non-resident individuals and non-resident corporations ("**Non-Residents**") depends on whether they have a "permanent establishment" (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean source income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

Tax on Interest

Interest on the Bonds paid to Non-Residents, being foreign currency denominated bonds issued outside of Korea, is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law (the "**STTCL**").

If the tax exemption under the STTCL referred to above were to cease to be in effect, the rate of income tax or corporation tax applicable to interest on the Bonds, for a Non-Resident without a permanent establishment in Korea, would be 14 per cent. of income. In addition, a tax surcharge called a local income tax would be imposed at the rate of 10 per cent. of the income tax or corporation tax (raising the total tax rate to 15.4 per cent.).

The tax is withheld by the payer of interest or, where the transfer takes place before interest payment is made, by the purchaser of the instrument, or a designated withholding agent of such payer or purchaser.

The tax rates may be reduced or exempted by an applicable tax treaty, convention or agreement between Korea and the country of the beneficial owner of the income. The relevant tax treaties are discussed below.

Capital Gains Tax

Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident without a permanent establishment in Korea from the sale of the Bonds to other Non-Residents (other than to their permanent establishments in Korea). In addition, capital gains earned by Non-Residents from the transfer of the Bonds taking place outside Korea are currently exempt from taxation by virtue of the STTCL, provided that the issuance of the Bonds is deemed to be an overseas issuance and is denominated in a foreign currency under the STTCL.

If the exclusion or exemption from Korean taxation referred to above were to cease to be in effect, in the absence of an applicable treaty eliminating tax on capital gains, the applicable rate of tax would be the lower of 11 per cent. (including local income tax) of the gross realisation proceeds or (subject to the production of satisfactory evidence of the acquisition cost and certain direct transaction costs of the relevant Bond) 22 per cent. (including local income tax) of the realised gain (i.e., the excess of the gross realisation proceeds over the acquisition cost and certain direct transaction costs) made. If such evidence shows that no gain (or a loss) was made on the sale, no Korean tax is payable. There is no provision under relevant Korean tax law to allow offsetting of gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of Bonds issued by Korean companies.

The purchaser or any other designated withholding agent of Bonds is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority. Unless the seller can claim the benefit of an exemption from tax under an applicable tax treaty

and on the failure of the seller to produce satisfactory evidence of his acquisition cost and certain direct transaction costs in relation to the Bonds being sold, the purchaser or such withholding agent must withhold an amount equal to 11 per cent. (including local income tax) of the gross realisation proceeds. The purchaser or withholding agent must pay any withholding tax to the competent Korean tax office no later than the tenth day of the month following the month in which the payment for the purchase of the relevant Bonds occurred. Failure to transmit the withheld tax to the Korean tax authorities in time subjects the purchaser or such withholding agent to penalties under Korean tax laws. The Korean tax authorities may attempt to collect such tax from a Non-Resident who is liable for payment of any Korean tax on gains, as a purchaser or withholding agent who is obliged to withhold such tax, through proceedings against payments due to the Non-Resident from its Korean investments and the assets or revenues of any of the Non-Resident's branch or representative offices in Korea.

Inheritance Tax and Gift Tax

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his death he was domiciled in Korea or resided in Korea for at least 183 days immediately prior to his death and (b) all property located in Korea that passes on death (irrespective of the domicile or the residence of the deceased). Gift tax is imposed in similar circumstances to the above. The taxes are imposed if the value of the relevant property is above a certain limit and the rate varies from 10 per cent. to 50 per cent.

Under Korean inheritance and gift tax laws, bonds issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned, and, consequently, the Korean inheritance and gift taxes will be imposed on transfers of the Bonds by inheritance or gift. Prospective purchasers should consult their personal tax advisors regarding the consequences of the imposition of the Korean inheritance or gift tax.

At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Stamp Duty and Securities Transaction Tax

No stamp, issue or registration duties will be payable in Korea by the holders of the Bonds in connection with the issue of the Bonds except for a nominal amount of stamp duty on certain documents executed in Korea which will be paid by the Issuer. A securities transaction tax will not be imposed on the transfer of the Bonds.

Tax Treaties

At the date of this Offering Circular, Korea has tax treaties with, *inter alia*, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom, the United States of America and etc., under which the rate of withholding tax on interest is reduced, generally to between 5 and 15 per cent. (including local income tax), and the tax on capital gains is often eliminated.

In order to claim the benefit of a tax rate reduction or tax exemption available under the applicable tax treaties, a Non-Resident holder should submit to the payer of such Korean source income an application (for reduced withholding tax rate, "application for entitlement to reduced tax rate" and in the case of exemption from withholding tax, "application for exemption" under a tax treaty along with a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident holder's residence country) as the beneficial owner ("**BO Application**"), provided that if such tax exemption is being sought by an entity for an amount that is Won 1 billion or more (including where the aggregate amount exempted within one year from the last day of the month in which the payment was made, is Won 1 billion or more), in addition to the certificate of tax residence issued by a competent authority of the Non-Resident holder's residence country, it will also be required to submit the names and addresses of all of the members of board of directors, the identities and shareholding percentages of all of shareholders (provided that if there are more than 100 shareholders, the Non-Resident holder may

instead provide a statement showing the total number of shareholders and aggregate investment amount from each country), and audit reports for the most recent three years submitted to the country of residence (or, if the entity has been in existence for less than three years, audit reports since incorporation). Such application should be submitted to the withholding agent prior to the payment date of the relevant income. Subject to certain exceptions, where the relevant income is paid to an overseas investment vehicle (which is not the beneficial owner of such income) ("**OIV**"), a beneficial owner claiming the benefit of an applicable tax treaty with respect to such income must submit its BO Application to such OIV, which must submit an OIV report and a schedule of beneficial owners (and the BO Applications collected from each beneficial owner, if such beneficial owner is applying for tax exemption) to the withholding agent prior to the payment date of such income. In the case of a tax exemption application, the withholding agent is required to submit such application (together with the applicable OIV report and the schedule of beneficial owners in the case of income paid to an OIV) to the relevant district tax office by the ninth day of the month following the date of the payment of such income. If there is no change in the contents of such application or OIV report, it is not required to submit such application or OIV report again within three years thereafter. On the other hand, in the case of an application for entitlement to reduced tax rate, the withholding agent is required to submit the application (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the end of February of the year following the date of the payment of such income. Effective from 1 January 2022, an OIV is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the OIV bears tax liabilities in the country in which it is established; and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of such OIV's residence will apply with respect to the relevant income paid to such OIV, subject to certain application requirements as prescribed by the Corporate Income Tax or Individual Income Tax Law. However, this requirement does not apply to exemptions under Korean tax law.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Bonds by a U.S. Holder (as defined below) and is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed Treasury regulations thereunder, the tax treaty between the United States and Korea (the "**Treaty**"), published rulings and court decisions all as of the date hereof, all of which are subject to change (including changes in effective dates and retroactive changes) or possible differing interpretations. This summary deals only with initial purchasers of the Bonds at the "issue price" (the first price at which a substantial amount of Bonds are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders and that will hold the Bonds as capital assets. This discussion does not cover all aspects of U.S. federal income tax that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Bonds by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (e.g., estate and gift tax). This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as banks and other financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, U.S. Holders subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement, dealers in securities or currencies, U.S. expatriates, investors holding the Bonds as a part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding Bonds in connection with a trade or business outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Bond that is, for U.S. federal income tax purposes:

(a) an individual who is a citizen or resident of the United States;

(b) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;

(c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

(d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Bonds will generally depend upon the status of such partner and the activities of such partnership. Prospective purchasers that are entities or arrangement treated as partnerships and their partners should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Bonds by the partnership.

Prospective investors considering the purchase of the Bonds should consult their own tax advisers concerning the particular U.S. federal income tax consequences of the purchase, ownership and disposition of the Bonds, as well as the consequences arising under the laws of any other taxing jurisdiction.

Payments of Interest

General

The gross amount of interest paid on a Bond (including any Additional Amounts and any Korean taxes withheld) generally will be taxable to a U.S. Holder as ordinary interest income at the time it is accrued or received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Effect of Korean Withholding Taxes.

Interest generally will constitute "passive category income" for purposes of the foreign tax credit limitation purposes. Non-refundable Korean withholding tax (at a rate not exceeding any applicable Treaty rate) may be creditable for U.S. federal income tax purposes, subject to applicable limitations. The rules governing foreign tax credits are complex and the final U.S. Treasury Regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable, and the Issuer does not intend to determine whether such requirements will be met in case Korean taxes are withheld. However, notices (the "**Notices**") from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Subject to certain limitations and requirements, in lieu of claiming a credit, a U.S. Holder may be able to take a deduction for such Korean taxes. An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder's taxable year. Prospective purchasers should consult their tax advisers concerning the application of the foreign tax credit rules to income attributable to the Bonds and the creditability (or alternatively, deductibility) of any Korean taxes withheld in their particular circumstances.

Sale, Exchange, Retirement, Redemption, or Other Taxable Disposition of Bonds

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Bond, a U.S. Holder generally will recognise gain or loss equal to the difference, if any, between the amount realised on the sale, exchange, retirement, redemption or other taxable disposition (other than amounts representing accrued and unpaid interest, which will be treated as ordinary interest income as described above under "— *Payments of Interest*") and such U.S. Holder's adjusted tax basis in the Bond, in each case as determined in U.S. dollars. A U.S. Holder's adjusted tax basis in a Bond generally will be its cost of the Bond.

Gain or loss recognised by a U.S. Holder on the sale, exchange, retirement, redemption, or other taxable disposition of a Bond generally will be treated as capital gain or loss. Any capital gain or loss will be long-term capital gain or loss if the Bond was held for more than one year. If the U.S. Holder is an individual, long-term capital gains generally are subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Any gain or loss realised on the sale, exchange, retirement, redemption or other taxable disposition of a Bond by a U.S. Holder generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any non-U.S. taxes imposed on a sale or disposition of the Bonds. Furthermore, U.S. Holders who are entitled to an exemption from Korean taxes on disposition gains will not be able to obtain credit for such Korean taxes. Moreover, under the Final FTC Regulations (but subject to the Notices described above), any non-U.S. tax imposed on the sale, exchange, retirement, redemption or other taxable disposition of a Bond by a U.S. Holder is unlikely to be treated as a creditable tax for the U.S. Holder. Non-U.S. taxes on disposition gains that are not creditable may possibly reduce the amount realised on the disposition of Bonds or alternatively may be deductible, subject to applicable limitations and conditions. The application of these rules is very complex, and prospective purchasers should consult their tax advisers regarding the U.S. federal income tax consequences if any non-U.S. taxes are imposed on disposition gains, including their ability to credit or deduct any non-U.S. tax against their U.S. federal income tax liability and the determination of the amount realised in their particular circumstances.

Backup Withholding and Information Reporting

Information reporting requirements generally will apply to payments of interest on the Bonds and to the proceeds of a sale, exchange, retirement, redemption or other taxable disposition of a Bond paid to a U.S. Holder unless such U.S. Holder is an exempt recipient, such as a corporation. Backup withholding will apply to those payments if a U.S. Holder fails to provide its taxpayer identification number, certified under penalties of perjury, or certification of exempt status, or if a U.S. Holder otherwise fails to comply with applicable requirements to establish an exemption.

Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their own tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of the Bonds, including requirements related to the holding of certain "specified foreign financial assets."

SUBSCRIPTION AND SALE

The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank and UBS AG Hong Kong Branch (the "**Managers**") have, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 18 May 2026 among the Managers, the Issuer and the Guarantor, agreed to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of the Bonds subject to certain conditions contained therein.

The Issuer will also reimburse the Managers in respect of certain of their expenses, and the Issuer and the Guarantor have agreed to indemnify the Managers against certain liabilities (including liabilities under the Securities Act), incurred in connection with the issue and sale of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

The initial issue price is set forth on the cover of this Offering Circular. After the Bonds are released for sale, the Managers may change the issue price and other selling terms. The offering of the Bonds by the Managers is subject to receipt and acceptance and subject to the Managers' right to reject any order in whole or in part.

The Managers and certain of their respective affiliates have, from time to time, performed, and may in the future perform, certain investment banking, commercial banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates for which they have received or will receive customary fees and expenses.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer and the Guarantor.

The Managers or their respective affiliates may subscribe the Bonds for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be subscribers of the Bonds).

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Managers should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the Managers to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: hk_syndicate_omnibus@hsbc.com.hk; synhk@sc.com; ol-ubs-dcm-hk-syndicate@ubs.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and

providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the Managers with such evidence within the timeline requested.

Transfer Restrictions

Due to the following significant transfer restrictions applicable to the Bonds, investors are advised to consult legal counsel prior to making any reoffer, resale, pledge, transfer or disposal of the Bonds.

The Bonds have not been and will not be registered under the Securities Act or any other securities laws and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold in the United States only to QIB/QPs in reliance on the registration exemption in Rule 144A of the Securities Act. The international offering is being made outside the United States in offshore transactions pursuant to Regulation S under the Securities Act.

Transfer Restrictions under Korean Law

Each purchaser of the Bonds, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

(a) The Bonds have not been and will not be registered with the FSC under the FSCMA. Accordingly, the Bonds have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and the regulations thereunder) or to others for re-offering or resale, except as otherwise permitted by applicable Korean laws and regulations. In addition, within one year following the issuance of the Bonds, the Bonds may not be transferred to any resident of Korea other than a qualified institutional buyer (or a "**Korean QIB**," as defined in the Regulation on Issuance, Public Disclosure, etc. of Securities of Korea) registered with the Korea Financial Investment Association (the "**KOFIA**") for Korean QIB bond trading, provided that the amount of the Bonds acquired by such Korean QIBs in the primary market is limited to less than 20 per cent. of the aggregate issue amount of the Bonds.

(b) The Bonds will bear legends to the effect described in paragraph (a) above.

U.S. Transfer Restrictions

Each purchaser of the Bonds will be deemed to acknowledge, represent and agree and each person wishing to transfer an interest from one Global Certificate to another will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that in the case of the Restricted Global Certificate, it, and each person for which it is acting, is both a QIB and a QP and is acquiring such Bond (or beneficial interest therein) for its own account or for the account or accounts of one or more other persons, each of which is both a QIB and a QP and:

(1) it, and each person for which it is acting, is aware that the sale, resale, pledge, exchange or other transfer of such Bond (or beneficial interest therein) is being made in a transaction that is exempt from the registration requirements of the Securities Act pursuant to the requirements of Rule 144A;

(2) it, and each person for which it is acting, is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

(3) it, and each person for which it is acting, is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, such as a 401(k) plan, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A, holding the assets of such plan unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan or trust fund;

(4) it, and each account for which it is purchasing or otherwise acquiring such Bond (or beneficial interest therein), will purchase, hold or transfer at least US$200,000 (or its equivalent in any other currency in which the Bonds may be issued) of the Bonds (or beneficial interest therein);

(5) it, and each person for which it is acting, was not formed, reformed or recapitalised for the specific purpose of investing in such Bonds (or beneficial interest therein) and/or other securities of the Issuer or the Guarantor (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

(6) if it, or any person for which it is acting, is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons) and was formed on or before 30 April 1996, it has received the consent of its beneficial owners who acquired their interests on or before 30 April 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules and regulations promulgated thereunder;

(7) it, and each person for which it is acting, is not a corporation, partnership, common trust fund, special trust, pension fund or retirement plan, or other entity, in which the shareholders, partners, beneficiaries, beneficial owners, participants or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof, unless all such shareholders, partners, beneficiaries, owners, participants or other equity owners are both QIBs and QPs;

(8) it, and each person for which it is acting, has not invested more than 40 per cent. of its assets in such Bonds (or beneficial interest therein) and/or other securities of the Issuer or the Guarantor after giving effect to the purchase of such Bonds (or beneficial interest therein) (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

(9) it, and each person for which it is acting, understands that neither the Issuer nor the Guarantor will register as an investment company under the Investment Company Act and that the Issuer and the Guarantor are relying on the exemption provided by Section 3(c)(7) of the Investment Company Act in doing so. It, and each person for which it is acting, also understands and agrees that the Issuer and the Transfer Agent shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as the Issuer and the Transfer Agent may deem necessary in order to comply with applicable legal requirements;

(10) it, and each person for which it is acting, agrees that the Issuer shall be entitled to require any holder of the Restricted Global Certificate (or any holder of a beneficial interest therein) that is determined not to have been both a QIB and a QP (and to have met the other requirements set forth in this paragraph (a)) at the time of acquisition of such Restricted Global Certificate (or such beneficial interest) to sell such Restricted Global Certificate (or such beneficial interest) or, alternatively the Issuer shall be entitled to redeem such Restricted Global Certificate (or such beneficial interest), in accordance with the provisions applicable to such Bond;

(11) it, and each person for which it is acting, understands that the Issuer may receive a list of the participants from Euroclear, Clearstream or any other depositary holding beneficial interests in the Restricted Global Certificate;

(12) it, and each person for which it is acting, will provide notice of these transfer restrictions to any subsequent transferees and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic or beneficial interest in the Bonds acquired or reoffer, resell, pledge or otherwise transfer a Bond (or any beneficial interest therein) to any person except to a person that (x) meets all of the requirements in paragraphs (1) through this paragraph (12) and (y) agrees not to subsequently transfer such Bond or such beneficial interest therein except in accordance with these transfer restrictions; and

(13) it, and each person for which it is acting, understands that any sale or transfer to a person that does not comply with the requirements set forth in these paragraphs (1) through (12) will be null and void *ab initio* and not honoured by the Issuer;

(b) that in the case of the Unrestricted Global Certificate, it is outside the United States and is not a U.S. Investor and:

(1) it, and each person for which it is acting is a Non-U.S. Investor acquiring the Bonds (or a beneficial interest therein) in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S and in a principal amount of not less than US$200,000 (or its equivalent in any other currency in which the Bonds may be issued);

(2) it, and each person for which it is acting, understands that any resale or other transfer of the Bonds (or beneficial interests therein) in the United States or to any U.S. Persons to any person other than a person who is both a QIB and a QP, taking delivery in the form of the Restricted Global Certificate (or a beneficial interest therein), and meets the other requirements set forth under these transfer restrictions, shall not be permitted; and

(3) it, and each person for which it is acting, agrees that the Issuer shall be entitled to require any holder of the Unrestricted Global Certificate (or any holder of a beneficial interest therein) that is determined not to have been a Non-U.S. Investor acquiring such Unrestricted Global Certificate (or beneficial interest therein) in an offshore transaction at the time of acquisition of such Bond (or such beneficial interest) to sell such Bond (or such beneficial interest) or, alternatively the Issuer shall be entitled to redeem such Unrestricted Global Certificate (or such beneficial interest), in accordance with the provisions applicable to such Bond;

(c) that in addition to the restrictions set forth in paragraphs (a) and (b) above:

(1) it understands that the Bonds and the Guarantee are being offered only in transactions not involving any public offering within the meaning of the Securities Act and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (A)(i) to a person whom the purchaser reasonably believes is a person that is

both a QIB and a QP purchasing for its own account or for the account of a person that is both a QIB and a QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (B) in accordance with all applicable securities laws of the states of the United States, the transfer restrictions and the legend on such Bonds;

(2) it is not purchasing the beneficial interests in the Bonds with a view towards the resale, distribution or other disposition thereof in violation of the Securities Act. It understands that an investment in the Bonds involves certain risks, including the risk of loss of its entire investment in the Bonds under certain circumstances. It and each person for whom it is acting, has had access to this Offering Circular and such additional financial and other information concerning the Issuer, the Guarantor and the Bonds as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the beneficial interest in the Bonds, including an opportunity to ask questions of and request information from the Issuer and the Guarantor and to verify the accuracy of the information included or incorporated by reference herein that the Issuer, the Guarantor or the Managers could provide without unreasonable effort or expense. It understands and acknowledges that it must be prepared to hold its beneficial interest in the Bond until maturity and that no representation has been made as to availability of any exemption under the Securities Act or any state securities laws or securities laws of any other jurisdiction for resale of the beneficial interests in the Bonds;

(3) if a beneficial interest in the Restricted Global Certificate is transferred to a Non-U.S. Investor that is acquiring such Bond in an offshore transaction in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, the transferee will take such beneficial interest in the form of a beneficial interest (in the denomination so transferred) in the Unrestricted Global Certificate;

(4) if a beneficial interest in the Unrestricted Global Certificate is transferred to a person that is both a QIB and a QP in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 144A (in which case the transferor will inform the transferee that the transfer is being made in reliance on Rule 144A), the transferee will take such beneficial interest in the form of a beneficial interest (in the denomination so transferred) in the Restricted Global Certificate;

(5) either: (A) it is not, and for so long as it holds any beneficial interest in any Bonds will not be (i) an "**employee benefit plan**" subject to Part 4 of Subtitle B of Title I of ERISA; (ii) a "**plan**" to which Section 4975 of the Code applies; (iii) an entity whose underlying assets include "**plan assets**" (within the meaning of Section 3(42) of ERISA and United States Department of Labour Regulation 29 C.F.R. § 2510.3-101) by reason of such employee benefit plan or plan's investment in such entity (each of (i), (ii), and (iii), a "**Benefit Plan Investor**"); or (iv) a governmental plan (within the meaning of Section 3(32) of ERISA), a church plan (within the meaning of Section 3(33) of ERISA) that has not made an election under section 410(d) of the Code, or a non-United States plan (within the meaning of Section 4(b)(4) of ERISA) that is subject to any federal, state, local or non-United States laws that regulate its investments ("**Similar Law**"); or (B) its purchase and holding of this Bond will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental plan, church plan or non-United States plan that is subject to Similar Law, a violation of Similar Law) for which an applicable statutory, regulatory or administrative exemption is not available;

(6) in connection with the purchase of the Bonds: (A) none of the Issuer, the Guarantor, the Agents or the Managers, is acting as a fiduciary or financial or investment adviser for the holder; (B) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Guarantor, the Agents or the Managers other than any such representations of the Issuer as may be specifically set forth in this Offering Circular, and any representations expressly set forth in a written agreement with such party; (C) none of the Issuer, the Guarantor, the Agents or the Managers have given to the holder (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Bonds; (D) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction) based upon its own judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Guarantor, the Paying Agent or the Managers; (E) it has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Bonds with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (F) it is a sophisticated investor;

(7) for so long as the Issuer or the Guarantor relies on the exemption from the Investment Company Act provided by Section 3(c)(7) and the Bonds are held through Euroclear, Clearstream, the Bonds shall bear the applicable Rule 144A and Regulation S legend, the applicable legends shall not be removed and the Issuer shall provide the information needed for a QIB/QP to transfer the Bonds pursuant to Rule 144A; and

(8) any purported transfer of a Bond not in accordance with these transfer restrictions shall be null and void ab initio and shall not be given effect for any purpose;

(d) that it will, and will require each subsequent holder to, notify any purchaser of the Bonds from it of the resale restrictions referred to in paragraphs (a), (b) and (c) above;

(e) that Bonds initially offered in the United States to QIB/QPs will be represented by the Restricted Global Certificate and that Bonds offered outside the United States in reliance on Regulation S will be represented by the Unrestricted Global Certificate;

(f) that the Bonds represented by the Restricted Global Certificate and restricted Bonds that are Definitive Certificates, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND NEITHER KODIT GLOBAL 2026-1 CO., LTD. (THE "ISSUER") NOR KOREA CREDIT GUARANTEE FUND (THE "GUARANTOR") HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), IN RELIANCE ON THE EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) THEREOF. BENEFICIAL INTERESTS IN THIS BOND MAY BE SOLD, REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY: (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE SELLER REASONABLY BELIEVES IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A), (A "QUALIFIED

INSTITUTIONAL BUYER" OR "QIB") AND A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(a)(51)(A) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER) (A "QUALIFIED PURCHASER" OR "QP"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER OR (B) TO A PERSON THAT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S OF THE SECURITIES ACT ("REGULATION S")) NOR A U.S. RESIDENT (DEFINED AS A "U.S. PERSON" UNDER REGULATION S, AS SUCH TERM HAS BEEN INTERPRETED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION IN THE CONTEXT OF SECTION 7(D) OF THE INVESTMENT COMPANY ACT) (A "NON-U.S. INVESTOR"), IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S TAKING AN INTEREST IN THE UNRESTRICTED GLOBAL CERTIFICATE, AND IN EACH CASE (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE ISSUER OR THE TRANSFER AGENT MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

ANY SALE OR TRANSFER OF THE BOND EVIDENCED BY THIS RESTRICTED GLOBAL CERTIFICATE OR BENEFICIAL INTERESTS THEREIN TO A PERSON THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH HEREIN WILL BE NULL AND VOID AB INITIO AND NOT HONOURED BY THE ISSUER. IF AT ANY TIME THE ISSUER DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THE BONDS EVIDENCED BY THIS RESTRICTED GLOBAL CERTIFICATE OR BENEFICIAL INTERESTS THEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT, THE ISSUER SHALL REQUIRE SUCH HOLDER TO TRANSFER THE BONDS EVIDENCED BY THIS RESTRICTED GLOBAL CERTIFICATE (OR INTEREST THEREIN) TO A TRANSFEREE ACCEPTABLE TO THE ISSUER WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF THE BONDS EVIDENCED BY THIS RESTRICTED GLOBAL CERTIFICATE (OR INTEREST THEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE BONDS EVIDENCED BY THIS RESTRICTED GLOBAL CERTIFICATE, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE BONDS EVIDENCED BY THIS RESTRICTED GLOBAL CERTIFICATE EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN.";

(g) if it is outside the United States and is not a U.S. Person, that if it should resell or otherwise transfer the Bonds, it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB/QP in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Bonds represented by the Unrestricted Global Certificate and unrestricted Bonds that are Definitive Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND NEITHER KODIT GLOBAL 2026-1 CO., LTD. (THE "ISSUER") NOR KOREA CREDIT GUARANTEE FUND (THE "GUARANTOR") HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), IN RELIANCE ON THE

EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) THEREOF. BENEFICIAL INTERESTS IN THIS BOND MAY BE SOLD, REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A PERSON THAT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S OF THE SECURITIES ACT ("REGULATION S")) NOR A U.S. RESIDENT (DEFINED AS A "U.S. PERSON" UNDER REGULATION S, AS SUCH TERM HAS BEEN INTERPRETED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION IN THE CONTEXT OF SECTION 7(D) OF THE INVESTMENT COMPANY ACT) (A "NON-U.S. INVESTOR"), IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S TAKING AN INTEREST IN THE UNRESTRICTED GLOBAL CERTIFICATE OR (B) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE SELLER REASONABLY BELIEVES IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) (A ''QUALIFIED INSTITUTIONAL BUYER'' OR ''QIB'') AND A ''QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(a)(51)(A) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER) (A "QUALIFIED PURCHASER" OR "QP"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER (AND MEETS THE OTHER REQUIREMENTS FOR THE RESTRICTED GLOBAL CERTIFICATE) AND (C) IN EACH CASE (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE ISSUER OR THE TRANSFER AGENT MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

ANY SALE OR TRANSFER OF THE BOND EVIDENCED BY THIS UNRESTRICTED GLOBAL CERTIFICATE OR BENEFICIAL INTERESTS THEREIN TO A PERSON THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH HEREIN WILL BE NULL AND VOID AB INITIO AND NOT HONOURED BY THE ISSUER. IF AT ANY TIME THE ISSUER DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THE BONDS EVIDENCED BY THIS UNRESTRICTED GLOBAL CERTIFICATE OR BENEFICIAL INTERESTS THEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT, THE ISSUER SHALL REQUIRE SUCH HOLDER TO TRANSFER THE BONDS EVIDENCED BY THIS UNRESTRICTED GLOBAL CERTIFICATE (OR INTEREST THEREIN) TO A TRANSFEREE ACCEPTABLE TO THE ISSUER WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF BONDS EVIDENCED BY THIS UNRESTRICTED GLOBAL CERTIFICATE (OR INTEREST THEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE BONDS EVIDENCED BY THIS UNRESTRICTED GLOBAL CERTIFICATE, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE BONDS EVIDENCED BY THIS UNRESTRICTED GLOBAL CERTIFICATE EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN."; and

(h) that the Issuer, the Guarantor, the Agents, the Managers, or any of their respective representatives, agents, directors, officers, employees, advisers or affiliates or any person who controls any of them and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is

acquiring any Bonds as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

In connection with any Bonds which are offered or sold outside the United States in reliance on Regulation S (being the Unrestricted Global Certificate), no such Bonds have been offered, sold or delivered nor will be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (being the Distribution Compliance Period), and except in either case the purchaser, if a "**U.S. Resident**", is a QP, and the transaction is made in accordance with Regulation S under the Securities Act. Each Manager has further agreed that it will send to each purchaser to which it sells any Unrestricted Global Certificate during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Bonds, an offer or sale of such Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Selling Restrictions

The Managers have agreed that they will (to the best of their knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which they purchase, offer, sell or deliver the Bonds or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of the Bonds under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor or the Managers shall have any responsibility therefor.

If a jurisdiction requires that any offering of the Bonds be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the Issuer in such jurisdiction.

United Kingdom

The Managers have represented and agreed that:

(a) they have only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by them in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

The Managers have represented and agreed that:

(a) they have not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in

other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) they have not issued or had in their possession for the purposes of issue, and will not issue or have in their possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Bonds which are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, the Managers have represented and agreed that they have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

The Managers have acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Managers have represented, warranted and agreed that they have not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will they circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Republic of Italy

The offering of the Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Bonds may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Bonds be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Bonds or distribute any copy of this Offering Circular or any other document relating to the Bonds in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Bonds or distribution of copies of this Offering Circular or any other document relating to the Bonds in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Bonds described herein. The Bonds may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Bonds have been or will be filed with or approved by any Swiss regulatory authority. The Bonds are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority ("**FINMA**"), and investors in the Bonds will not benefit from protection or supervision by such authority.

Korea

The Bonds have not been and will not be registered with the FSC under the FSCMA. Accordingly, the Bonds have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the regulations thereunder) or to others for re-offering or resale, except as otherwise permitted by applicable Korean laws and regulations. In addition, within one year following the issuance of the Bonds, the Bonds may not be transferred to any resident of Korea other than a Korean QIB registered with the KOFIA for Korean QIB bond trading, provided that the amount of the Bonds acquired by such Korean QIBs in the primary market is limited to less than 20 per cent. of the aggregate issue amount of the Bonds.

UNITED STATES ERISA CONSIDERATIONS

*The following is a summary of certain considerations associated with the purchase of the Bonds by (i) employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Laws**"), and (iii) entities whose underlying assets are considered to include "**plan assets**" of any such plan, account or arrangement described in (i) and (ii) (each of the foregoing described in clauses (i), (ii) and (iii) referred to as a "**Plan**").*

Accordingly, each prospective investor should consult with its own counsel in order to understand the issues that affect or may affect the investor with respect to this investment. Furthermore, the issuance of the Bonds is not a representation by the Issuer that an investment in the Bonds meets all legal requirements applicable to investments by Benefit Plan Investors, governmental plans, certain church plans, or non-U.S. plans or that such an investment is appropriate for any particular Benefit Plan Investor, governmental plan, church plan, or non-U.S. plan.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a "**Covered Plan**") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the Bonds (or interest therein) of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. A fiduciary to any Plan will be deemed to acknowledge and agree by its purchase of a Bond (or interest therein) that the Issuer, the Guarantor, the Agents or any Manager and any affiliate thereof (the "**Transaction Parties**") did not provide the fiduciary or the Plan with any investment advice or recommendations with respect to its investment in the Bonds (or interest therein) and that the decision to invest in the Bonds (or interest therein) was made independently by the fiduciary of the Plan.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "**parties in interest**", within the meaning of ERISA, or "**disqualified persons**", within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of Bonds by a Covered Plan with respect to which any of the Transaction Parties is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labour (the "**DOL**") has issued prohibited transaction class exemptions, that may apply to the acquisition and holding of the Bonds, of which there are many. Each exemption contains conditions and limitations on its application. Fiduciaries of Covered Plans considering acquiring and/or holding the Bonds in reliance on an exemption should carefully review the

exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemption will be satisfied or that any exemption would apply to all possible transactions in connection with the purchase or holding of the Bonds.

As a general rule, certain employee benefit plans, such as governmental plans, certain church plans and non-United States plans, are not subject to the requirements of ERISA or Section 4975 of the Code, and the assets of such plans may be invested in the Bonds without regard to the ERISA and Code considerations described herein. An investment in the Bonds by such plans may, however, be subject to other applicable Similar Laws, which should be carefully considered by the fiduciary of any such plan before investing in the Bonds.

EVERY PLAN, GOVERNMENTAL PLAN, CHURCH PLAN OR NON-UNITED STATES PLAN CONSIDERING THE ACQUISITION OF THE BONDS SHOULD CONSULT WITH ITS COUNSEL WITH RESPECT TO THE POTENTIAL APPLICABILITY OF ERISA, SECTION 4975 OF THE CODE OR ANY SIMILAR LAW RELEVANT TO SUCH INVESTMENT.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Bonds will be passed upon for the Issuer and the Guarantor by Kim & Chang as to matters of Korean law and for the Managers by Linklaters LLP as matters of English law and U.S. law. Kim & Chang may rely as to all matters of English law and U.S. law on the opinion of Linklaters LLP and Linklaters LLP may rely as to all matters of Korean law on the opinion of Kim & Chang.

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors of Korea Credit Guarantee Fund

Opinion

We have audited the financial statements of Korea Credit Guarantee Fund (hereafter the "Fund"), which comprise the accompanying statements of financial position as of 31 December 2025 and 31 December 2024, and the statements of financial operations, statements of changes in net asset for the years then ended, and notes to the financial statements, including a summary of significant accounting policies. Meanwhile, due to the revision of national accounting standards, the statement of cash flow for the reporting period ended December 31, 2025, has been added to the Fund's financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of 31 December 2025 and 31 December 2024, and its financial performances and changes in its net asset for the years then ended and cash flow for the year ended December 31, 2025 in accordance with the Korean National Accounting Standards.

Basis of Opinion

We conducted our audit in accordance with the Korean Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements of Republic of Korea that are relevant to our audit of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Korean National Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for the assessment of the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns. Additionally, management is responsible for the usage of the going concern basis of accounting, unless management either intends to liquidate the Fund or to cease operations.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

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with the Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they are reasonably expected to influence the economic decision makings of users taken on the basis of these financial statements.

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the entire audit process. Additionally, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Additionally, we, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used for the preparation of the financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's usage of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exits related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control, etc., that we have identified during the audit.

Hanul LLC

Seoul, Korea
9 February 2026

This report is effective as of the date of this audit report. Therefore, subsequent events or circumstances may occur between the audit report date and the view date of report users that may have a material impact on the accompanying financial statements of the Fund and, if necessary, may possibly lead to the revision of the above audit report.

(Attachment) Financial Statements

Korea Credit Guarantee Fund

Period No. 50:

For the year ended December 31, 2025

Period No. 49:

For the year ended December 31, 2024

"The attached financial statements were prepared and translated into English by the Fund."

Won-Mok Choi, Chairman of Korea Credit Guarantee Fund

Headquarters : (Address) 7 Cheomdan-ro, Dong-gu, Daegu, Republic of Korea

(Telephone) 053-430-4223

Korea Credit Guarantee Fund
Statement of Financial Position

As of December 31, 2025 and 2024

(Unit: KRW)

Items	Note	As of December 31,	
		2025	2024
Assets			
I. Financial assets	2	16,206,825,178,919	15,196,243,038,695
1. Cash and cash equivalents	2-1	182,601,144,409	156,796,060,632
2. Financial instruments	2-2	3,147,500,000,000	3,687,000,000,000
3. Investment securities	2-3	11,808,495,454,456	10,319,319,330,733
4. Government investments	2-4	42,200	42,000
5. Loans	2-5	3,977,173,818	3,731,921,162
6. Accounts receivables	2-6	85,095,084,446	175,741,789,545
7. Other financial assets	2-7	979,156,279,590	853,653,894,623
II. General Property, Plant and Equipment and Intangible assets	3	559,747,791,565	539,625,559,641
1. General Property, Plant and Equipment	3-1, 3-2	555,688,749,602	533,865,118,030
2. Intangible assets	3-3	4,059,041,963	5,760,441,611
III. Other assets	4	28,283,446,895	39,116,723,142
Total Assets		16,794,856,417,379	15,774,985,321,478
Liabilities			
I. Borrowings	5	134,042,013,859	132,769,752,574
1. Other borrowings	5-1	134,042,013,859	132,769,752,574
II. Provisions	6	2,843,778,990,608	2,954,831,327,439
1. Provision for Guarantees	6-1	2,733,038,505,875	2,829,253,740,311
2. Other provisions	6-2	110,740,484,733	125,577,587,128
III. Other liabilities	7	494,654,957,578	490,754,986,870
Total liabilities		3,472,475,962,045	3,578,356,066,883
Net assets			
I. General net assets		16,472,649,906,634	16,472,649,906,634
II. Reserves and surplus		(4,154,340,547,709)	(4,828,374,715,234)
III. Net asset adjustment	13	1,004,071,096,409	552,354,063,195
Total net assets		13,322,380,455,334	12,196,629,254,595
Total liabilities and net assets		16,794,856,417,379	15,774,985,321,478

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund
Statement of Financial Operations by program

For the years ended December 31, 2025 and 2024

(Unit: KRW)

Items	Note	For the year ended December 31,					
		2025			2024		
		Total costs	Revenues	Net costs	Total costs	Revenues	Net costs
I. Net program costs	12	2,814,507,296,080	(1,286,785,267,911)	1,527,722,028,169	2,888,751,200,781	(1,090,548,378,476)	1,798,202,822,305
1. Program		2,814,507,296,080	(1,286,785,267,911)	1,527,722,028,169	2,888,751,200,781	(1,090,548,378,476)	1,798,202,822,305
II. Administrative expenses	12			124,933,133,182			125,816,157,088
1. Contribution costs				6,698,546,000			12,219,000,000
2. Staff costs				70,204,002,506			64,175,751,330
3. Operation expenses				29,105,361,392			28,673,742,978
4. Depreciation expenses				10,192,083,984			11,414,435,657
5. Other national operating expenses				8,733,139,300			9,333,227,123
III. Costs not assigned to programs	12			25,396,365,256			36,045,929,439
1. Interest expenses				23,446,211			15,438,048
2. Operation expenses				101,757,570			461,137,822
3. Revaluation loss				2,957,291,750			1,161,475,890
4. Other national operating expenses				22,313,869,725			34,407,877,679
IV. Revenues not assigned to programs	12			704,270,266,652			782,185,835,067
1. Income generated in exchange for providing goods and services				1,773,114,507			1,873,560,834
2. Interest income				154,970,928,132			249,043,390,158
3. Dividend income				346,405,800			421,861,300
4. Gain on disposal of assets				544,476,821,397			529,795,568,675
5. Revaluation gain				938,396,626			-
6. Other national operating income				1,764,600,190			1,051,454,100
V. Net operating costs (I+II+III-IV)				973,781,259,955			1,177,879,073,765
VI. Non-exchange Revenues and Others	12			1,547,815,427,480			1,550,020,514,077
1. Levies				1,302,369,748,096			1,272,425,465,335
2. Other transfer income				245,445,679,384			277,595,048,742
VII. Net operating result (V-VI)	12			(574,034,167,525)			(372,141,440,312)

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund
Statement of Financial Operations by nature

For the years ended December 31, 2025 and 2024

(Unit: KRW)

Items	Note	For the year ended December 31,	
		2025	2024
Revenue(I+II)		3,538,870,962,043	3,422,754,727,620
I. Transfer revenue	8	1,547,815,427,480	1,550,020,514,077
1. Levies		1,302,369,748,096	1,272,425,465,335
2. Other transfer revenue		245,445,679,384	277,595,048,742
II. National operating revenue	9	1,991,055,534,563	1,872,734,213,543
1. Revenue generated in exchange for providing goods and services		15,482,984,572	16,442,987,332
2. Interest revenue		160,542,914,980	255,393,914,944
3. Dividend revenue		9,455,934,744	30,303,205,648
4. Gain on disposal of assets		760,772,902,634	695,958,169,732
5. Revaluation gain		938,396,626	-
6. Other national operating revenue		1,043,862,401,007	874,635,935,887
Costs (III+IV)		2,964,836,794,518	3,050,613,287,308
III. Transfer costs	10	6,790,225,223	12,303,354,495
1. Contribution costs		6,698,546,000	12,219,000,000
2. Other transfer costs		91,679,223	84,354,495
IV. National operating expenses	11	2,958,046,569,295	3,038,309,932,813
1. Staff costs		277,465,712,227	262,681,778,344
2. Interest expenses		23,446,211	15,438,048
3. Operation expenses		90,694,832,349	90,892,244,736
4. Depreciation expenses		15,634,310,374	17,915,303,762
5. Revaluation loss		2,957,291,750	1,161,475,890
6. Other national operating expenses	11-1	2,571,270,976,384	2,665,643,692,033
Net operating result (Costs - Revenue)		(574,034,167,525)	(372,141,440,312)

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund

Statement of Changes in Net Assets

For the years ended December 31, 2025 and 2024

(Unit: KRW)

Items	Note	General net assets	Reserves and surplus	Net asset adjustments	Total
I. Beginning balance of net assets for fiscal year 2024		16,472,649,906,634	(5,280,516,155,546)	546,660,283,596	11,738,794,034,684
1. Balance at Dec. 31, 2023 as previously reported		16,472,649,906,634	(5,280,516,155,546)	546,660,283,596	11,738,794,034,684
II. Net operating results		-	(372,141,440,312)	-	(372,141,440,312)
III. Adjustments	13	-	80,000,000,000	5,693,779,599	85,693,779,599
1. Gain(loss) on valuation of investment securities		-	-	8,007,553,760	8,007,553,760
2. Gain(loss) on revaluation of net assets		-	-	(2,313,774,161)	(2,313,774,161)
3. Other increase(decrease) in net assets		-	80,000,000,000	-	80,000,000,000
IV. Closing balance of net assets for fiscal year 2024 (I-II+III)		16,472,649,906,634	(4,828,374,715,234)	552,354,063,195	12,196,629,254,595
V. Beginning balance of net assets for fiscal year 2025		16,472,649,906,634	(4,828,374,715,234)	552,354,063,195	12,196,629,254,595
1. Balance at Dec. 31, 2024 as previously reported		16,472,649,906,634	(4,828,374,715,234)	552,354,063,195	12,196,629,254,595
VI. Net operating results		-	(574,034,167,525)	-	(574,034,167,525)
VII. Adjustments	13	-	100,000,000,000	451,717,033,214	551,717,033,214
1. Gain(loss) on valuation of investment securities		-		444,983,914,370	444,983,914,370
2. Gain(loss) on revaluation of assets		-		6,733,118,844	6,733,118,844
3. Other increase(decrease) in net assets		-	100,000,000,000	-	100,000,000,000
VIII. Closing balance of net assets for fiscal year 2025 (V-VI+VII)		16,472,649,906,634	(4,154,340,547,709)	1,004,071,096,409	13,322,380,455,334

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund
Statement of Cash flow

For the year ended December 31, 2025

(Unit: KRW)

Items	Note	For the year ended December 31, 2025
I. Cash flow from operating activities	15-1	(133,641,111,124)
1. Cash inflow from operating activities		3,603,417,934,813
(1) Revenue from levies and penalties		1,302,369,748,096
(2) Interest income		196,763,209,564
(3) Other income		2,104,284,977,153
2. Cash outflow from operating activities		3,737,059,045,937
(1) Payment of contribution costs		6,698,546,000
(2) Payment of staff costs		282,884,014,465
(3) Other payment		3,447,476,485,472
II. Cash flow from investing activities	15-2	59,446,194,901
1. Cash inflow from investing activities		5,677,626,300,622
(1) Disposal of financial instruments and investment securities		5,670,332,417,533
(2) Receipt of loan		923,446,889
(3) Disposal of general PP&E and social infrastructure		9,678,000
(4) Other income		6,360,758,200
2. Cash outflow from investment activities		5,618,180,105,721
(1) Acquisition of financial instruments and investment securities		5,532,317,311,703
(2) Payment of loan		1,190,821,520
(3) Acquisition of general PP&E and social infrastructure		30,133,665,727
(4) Acquisition of intangible assets		910,544,900
(5) Other payment		53,627,761,871
III. Cash flow from financing activities	15-3	100,000,000,000
1. Cash inflow from financing activities		100,000,000,000
(1) Other income		100,000,000,000
2. Cash outflow from financing activities		-
IV. Change in cash(I+II+III)		25,805,083,777
V. Beginning balance of cash		156,796,060,632
VI. Closing balance of cash(IV+V)		182,601,144,409

"The accompanying notes are an integral part of these financial statements."

GENERAL INFORMATION OF FUND

The Korean Credit Guarantee Fund("KODIT" or "the Fund") was established in June 1976 under the Korea Credit Guarantee Fund Act. It is a comprehensive support organization for small and medium-sized enterprises that has made efforts to develop a balanced national economy by facilitating capital circulation through the issuance of guarantees of debts of companies with weak collateral capabilities and establishing sound credit order through efficient management and operation of credit information.

In order to achieve the purpose of the Korea Credit Guarantee Fund Act, the Fund performs affairs including the management of its fundamental property, credit guarantees, guarantee-linked investments, SME factoring, business administration guide, credit investigations and comprehensive management of credit information, exercise of the right to demand indemnity, investigation and research of the credit guarantee system, and any other related business affairs. As of December 31, 2025, the Fund has 9 business headquarters, inclusive of the headquarter located in Daegu, 110 business branches, 26 indemnity rights management branches, etc. The Fund's fundamental property were KRW 27,913 million at the time of establishment, and the Fund's fundamental property (net position) is KRW 13,322,380 million as of December 31, 2025.

1. SIGNIFICANT ACCOUNTING METHODS

1-1. National Accounting Entity: Not Applicable

1-2. Significant Accounting Policies

1) General Standards

The attached financial statements and supporting documents have been prepared by the Fund in accordance with the National Accounting Standards pursuant to Article 11, Paragraph 1 of the National Accounting Act. The reporting period for these financial statements is from January 1, 2025 to December 31, 2025.

2) Cash and Cash Equivalents

Currency and monetary substitutes such as checks issued by others, current and ordinary deposits, and investment securities and financial instruments that are easily convertible into cash without significant transaction costs and for which the risk of value fluctuation due to interest rate changes is insignificant, with a maturity or redemption date within three months at the time of acquisition, are treated as cash and cash equivalents.

3) Valuation of Investment Securities

Investment securities refer to securities representing property rights that can be traded in the market or are subjects of investment, acquired or held for the purpose of fund management.

Investment securities are classified into equity securities and debt securities.

The acquisition cost of investment securities is measured by adding incidental expenses to the fair value of the consideration provided for the acquisition of the investment securities (or the market price of the acquired investment securities if the fair value of the consideration provided is unknown).

Equity securities are valued at their acquisition cost, while debt securities are valued at their amortized acquisition cost. However, if the fair value can be reliably measured as of the balance sheet date, it is valued at that fair value, and the difference between the book value and the fair value is reflected in the net asset adjustment.

4) Valuation of Government Investments

Government investment refers to assets contributed pursuant to laws, etc., to acquire shares or equity securities of a private corporation operating a public interest project or a project necessary for the operation of the private economy. Government investment is valued at its acquisition cost. Government investment is classified into government-invested enterprise investment and non-government-invested enterprise investment depending on whether the subject of the investment falls under the category of a government-invested enterprise pursuant to Article 2 of the Enforcement Decree of the State Property Act.

5) Valuation of Loans

Loans are classified into government deposits and loans based on the source and nature of the funds.

Loans provided at an interest rate lower than the effective interest rate are classified as low-interest loans, and the subsidy cost incurred from providing such low-interest loans is set aside as the loan subsidy cost reserve.

The loan subsidy cost reserve is calculated as the difference between the principal of the loan and the present value of the estimated recoverable amount. The present value of the estimated recoverable amount is defined as the value obtained by discounting the estimated net cash inflow from the loan at the effective interest rate. The effective interest rate applied is the government bond interest rate with a maturity similar to that of the loan; however, if there are funds directly raised for the relevant loan project, the funding interest rate of such funds may be applied.

6) Valuation of Accounts Receivables, etc.

- Accounts Receivables

We establish an allowance for doubtful accounts based on the estimated bad debt calculated according to reliable and objective criteria for the balance of accounts receivables as of the balance sheet date.

- Other Financial Assets

<Right of Indemnity>

Receivables acquired due to the fulfillment of guarantee obligations, receivables acquired due to the fulfillment of reinsurance obligations to regional credit guarantee foundations, and advance payments (expenses incurred for the preservation and exercise of recourse claims) are accounted for under the category of recourse claims within other financial assets.

We establish an allowance for doubtful accounts for recourse claims by applying the experience loss rate (recourse claim bad debt rate), calculated based on the ratio of the cumulative amount of claims collected to the cumulative amount of claims generated over the past five years, to the balance of recourse claims as of the balance sheet date.

<Other Financial Assets>

Other financial assets refer to stocks and dividend receivables acquired in the course of business, such as project investments and the recovery of indemnity rights. Other financial assets are valued at their acquisition cost.

7) Valuation and Depreciation Methods for General Property, Plant and Equipment

The acquisition cost of General Property, Plant and Equipment(“PP&E”) is the sum of the construction cost or purchase price of the asset plus incidental acquisition costs.

Expenditures that extend the useful life of General PP&E or substantially increase their value are treated as an increase in assets, while expenditures for restoration or maintaining efficiency are treated as expenses.

General PP&E, excluding land, standing timber, government artworks and beautification items, and general PP&E under construction, are depreciated according to the useful lives and depreciation methods below. These depreciations are added to the accumulated depreciation and presented as a deduction from the asset.

< Useful Life and Depreciation Method >

Items	Useful Life	Depreciation Method
Buildings	40 years	Straight-line depreciation
Structures	40 years	
Machinery	5 years	Declining balance
Furniture and fixtures, office equipment, vehicles	5 years	
Other general property, plant and equipment	5 years	

8) Asset Revaluation

General PP&E are revalued when a significant difference arises between their fair value and book value after acquisition, or when the State-owned Property Management Agency has decided to revaluate the asset at a set interval.

For land, buildings, structures, and fixed machinery acquired prior to January 1, 2009, the first asset revaluation was performed on January 1, 2011, with January 1, 2011, serving as the revaluation reference date. Since then, asset revaluations have been conducted whenever a reason for revaluation arises, with the end of each reporting period serving as the revaluation reference date.

The revaluation amount shall be the fair value as of the revaluation reference date; however, if there is no reasonable evidence regarding the fair value of the asset, alternative valuation methods may be used to determine the revaluation amount. These alternative methods include publicly announced prices from reputable institutions or the depreciated replacement cost method.

When revaluing an asset, if there is accumulated depreciation, the existing accumulated depreciation is removed, and the amount adjusted as a result of this removal is included in the increase or decrease in the book value.

If the book value of an asset increases due to revaluation, the increase is recognized as "Asset Revaluation Gain" a net asset adjustment. However, if there is a "Asset Revaluation Loss" previously reflected in the financial results for the same asset, the amount is first recognized as "Reversal of Asset Revaluation Loss" up to the limit of that amount, and the remainder is recognized as "Asset Revaluation Gain."

If the book value of an asset decreases due to revaluation, the decrease is reflected in the financial results under the heading "Asset Revaluation Loss." However, if there is a "Asset Revaluation Gain," a net asset adjustment previously recognized for the same asset, the decrease in the asset due to revaluation is first deducted from "Asset Revaluation Gain" up to the limit of that amount, and the remainder is recognized as "Asset Revaluation Loss."

"Asset Revaluation Gain," which is a net asset adjustment recognized through the revaluation of an asset, is offset against related gains and losses when the asset is depreciated, disposed of, or scrapped.

9) Valuation and Amortization Methods for Intangible Assets

The acquisition cost of intangible assets is the sum of the development cost or purchase price of the asset and the incidental acquisition costs.

Intangible assets are amortized from the point at which they become available for use according to the useful life and amortization method below, and the amortization amount is presented by directly deducting it from the asset.

< Useful Life and Amortization Method >

Items	Useful Life	Depreciation Method
Industrial property rights	10 years	Straight-line depreciation
Software	5 years	

10) Impairment of Assets, etc.

Among assets listed on the Statement of Financial Position, except where otherwise specified in National Accounting Standards, if the recoverable value of an asset falls below its book value due to causes such as physical impairment or a sharp decline in market value, and the shortfall is significant, this shortfall is adjusted to the recoverable value by directly deducting it from the book value. The difference between the book value and the recoverable value is reflected in the financial results under the account of impairment loss for said asset.

However, if the recoverable value of an impaired asset recovers to a level equal to or greater than the book value it would have had the asset not been impaired in a subsequent period, this amount is reflected in the financial results under the account of reversal of impairment loss for said asset, limited to that book value.

11) Valuation of Borrowed Liabilities

In principle, borrowed liabilities are valued at their repayment value at maturity, except where otherwise specified in National Accounting Standards.

12) Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognized for amounts where, as of the Stated Financial Statement date, the timing or amount of expenditure is uncertain, but there is a high probability that resources will be outflowed to fulfill obligations borne by the Stated Financial Statement entity as of the Stated Financial Statement date due to past events or transactions, and such amount can be reasonably estimated.

Furthermore, contingent liabilities are disclosed in the notes when there are potential obligations whose existence is confirmed only by whether uncertain future events occur, even though past events have occurred; or when present obligations exist as a result of past events or transactions, but the probability of an outflow of resources with economic benefits is not very high, or the amount required to fulfill such obligations cannot be reliably estimated. Additionally, contingent assets are not recognized as assets; their details are disclosed in the notes only when there is a very high probability of an inflow of economic benefits.

- Provision for Guarantees

Provision for Guarantees is valued at the present value of the estimated net cash outflows to be borne by the government accounting entity due to the principal debtor's default. However, if it is difficult to estimate the present value of the estimated net cash outflows, the present value of the estimated net cash outflows may be the estimated loss calculated by applying reliable and objective criteria, such as the guaranteed party's credit risk, experience loss rates, and expected loss rates, to the outstanding guarantee balance as of the balance sheet date.

Provision for Guarantees is accumulated under the account of normal guarantee balances where no default event has occurred, and amounts that have become default events but remain unpaid due to reasons such as the payment due date not yet having arrived. Experience loss rates (guarantee default rate, subrogation payment rate, and bad debt rate for recourse claims) are applied to these amounts.

- Other Provisions

<Provision for Retirement Benefits>

In accordance with the employee severance pay regulations, we recognize the estimated severance pay payable in the event that all employees who have worked for at least one year as of the balance sheet date retire simultaneously as a provision for retirement benefits.

<Provision for Litigation>

Regarding the outcome of pending lawsuits in which we are a defendant, if the proceedings are expected to proceed unfavorably and there is a very high probability of incurring future losses, we establish a provision for litigation to account for foreseeable estimated losses.

13) Present Value Valuation

For receivables and payables arising from transactions with long-term installment conditions, long-term monetary loans, or similar transactions, valuation is performed at present value where the difference between the nominal value and the present value is significant.

Present value is discounted using the effective interest rate; if it is difficult to determine the effective interest rate, the yield on government bonds with similar conditions is used as the effective interest rate.

14) Definition and Recognition Criteria of Revenue

The Fund's revenue is classified into exchange revenue and non-exchange revenue based on its source.

Exchange revenue refers to revenue generated in exchange for the provision of goods or services; it is recognized when the revenue-generating activity is completed and the amount can be reasonably measured.

Non-exchange revenue refers to revenue such as levies, donations, gratuitous transfers, and penalties that arise without direct reciprocal consideration. In the case of non-exchange revenue, it is recognized in the financial statements when a claim for such revenue arises and the amount can be reasonably measured.

However, if the likelihood of an inflow of economic benefits from revenue-generating activities is low or if reliable measurement of the revenue amount is difficult, revenue is recognized at the time of cash inflow.

15) Definition and Recognition Criteria of Expenses

Expenses of the Fund are classified into transfer costs and state operating costs based on their nature.

Transfer costs refer to expenses incurred in transactions where consideration for the provision of goods, services, or other assets is not directly received, such as grant project costs and other transfer costs. State operating costs refer to all expenses other than transfer costs arising in connection with fiscal activities, such as personnel costs, interest expenses, and operating expenses.

Expenses are recognized when an asset decreases for the performance of fiscal activities, such as the provision of goods or services, and the amount can be reasonably measured, or when an obligation for expenditure exists in accordance with laws and regulations and the amount can be reasonably measured. Additionally, expenses are recognized when it is evident that the future economic benefits of an asset previously recognized as an asset have decreased or ceased, or when a liability has arisen or increased without the expenditure of resources.

16) Accounting Methods for Foreign Currency Assets and Liabilities

- Translation of Foreign Currency Guarantees

Foreign currency guarantees are translated using the exchange rate of Seoul Foreign Exchange Brokerage Co., Ltd. as of the date of the balance sheet.

17) Other Important Accounting Principles, etc.

- Contributions and Levies

Contributions refer to monetary assets provided without reciprocal consideration in accordance with relevant laws and regulations for the purpose of raising funds for non-profit organizations, etc., acting on behalf of government projects.

If the funds raised through contributions are used primarily for purposes that bring about changes in assets or liabilities, and the principal of the funds is maintained, this is reflected in the increase/decrease in other net assets of the Statement of Changes in Net Assets. On the other hand, if the funds raised through contributions are exhausted by covering operating expenses, etc., this is reflected in the non-exchange revenue of the Statement of Financial Operations.

Legacy refers to an obligation to make monetary payments other than taxes, imposed in accordance with the law regarding specific public interest projects, regardless of the provision of goods or services as stipulated in Article 2 of the Framework Act on the Management of Levies.

Unlike contributions, levies are obligations imposed restrictively only on those with a direct interest in the projects carried out by the fund; therefore, they are accounted for as non-exchange revenue in accordance with Article 28 of the Rules on National Accounting Standards.

- Use of Estimates

To prepare financial statements in accordance with national accounting standards, management uses many reasonable estimates and assumptions regarding the disclosure of amounts for assets and liabilities and provisions, as well as the measurement of revenues and expenses. These valuations may differ from actual values.

- Accounting Changes

In the event of a change in accounting policy, the impact of the change is applied retrospectively and reflected in the cumulative effect of the accounting change on the beginning net assets in the statement of changes in net assets for the fiscal year in which the new accounting policy applies and the fiscal year in which it is presented comparatively. However, if it is difficult to reasonably estimate the cumulative effect of the accounting policy change, the impact is reflected in the relevant fiscal year and subsequent periods.

In the event of a change in accounting estimates, the effect of the change is reflected in accounting periods following the fiscal year in which the change occurred.

- Correction of Errors

Correction of prior period errors refers to the discovery and correction of errors from the prior period or earlier in the current fiscal year.

If the prior period error correction is material, the prior period financial statements are restated by applying it retrospectively, and the effect of the prior period error correction is reflected in the prior period error correction gain or loss on the beginning net assets of the statement of changes in net assets for the fiscal year in which the error was discovered; if the prior period error correction is not material, it is reflected in the prior period error correction gain or loss on the statement of financial operations for the fiscal year in which the error was discovered.

1-3. Major Changes Following the Reorganization of the Financial Statement System

The system for preparing national settlements has been reorganized to enable the public to accurately assess the reality of fiscal management.

To enhance the analytical utility of the Statement of Fiscal Balance, financial assets and non-financial assets, as well as borrowed liabilities and provisions, have been newly established as intermediate categories. Additionally, to improve comprehensibility, the system has been changed to integrate items by considering the characteristics, liquidity, and importance of the operations.

The Statement of Fiscal Operations has been improved by adding a Statement of Fiscal Operations by Nature, which allows for the identification of the detailed composition of revenues and expenses, and by simplifying the complex and diverse classification of revenues and expenses.

A Cash Flow Statement has been newly established, which was previously only accessible through the settlement of revenues and expenditures. The Cash Flow Statement is a financial statement divided into operating, investing, and financing activities, allowing for the identification of detailed cash flows for each activity. It can serve as foundational data for analyzing the quality of cash flows by fiscal activity.

We have integrated and unified additional financial information, which was previously diversified across notes, mandatory supplementary information, and supporting specifications, into a single set of notes, and enhanced understandability by including additional information on account items that were not explained in previous settlement reports.

2. Financial Assets

The Fund's financial assets as of the dates of statement of financial position are as follows.

< Summary Table of Financial Assets >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Total		16,206,825,178,919	15,196,243,038,695
Cash and cash equivalents	Cash and cash equivalents	182,601,144,409	156,796,060,632
Subtotal of Cash and cash equivalents		182,601,144,409	156,796,060,632
Financial instruments	Time deposits	569,000,000,000	1,034,100,000,000
	Other financial instruments	2,578,500,000,000	2,652,900,000,000
Subtotal of Financial instruments		3,147,500,000,000	3,687,000,000,000
Investment securities	Equity securities (Note1)	10,897,915,504,040	9,142,841,228,541
	Debt securities	910,579,950,416	1,176,478,102,192
Subtotal of Investment securities		11,808,495,454,456	10,319,319,330,733
Government investments	Government-funded enterprise capital contributions	42,200	42,000
Subtotal of Government investments		42,200	42,000
Loans	General loans	1,624,108,000	1,496,835,849
	Low-interest loans	2,353,065,818	2,235,085,313
Subtotal of Loans		3,977,173,818	3,731,921,162
Accounts receivables	Uncollected revenue from goods and services	2,691,498	3,295,322
	Accrued interest income	64,518,587,701	147,738,879,647
	Accrued guarantee Income	222,755,153	207,348,931
	Other accounts receivables	20,351,050,094	27,792,265,645
Subtotal of Accounts receivables		85,095,084,446	175,741,789,545
Other financial assets	Indemnity rights	686,919,432,889	608,590,483,129
	Guarantee deposits	247,892,628,919	239,100,983,251
	Membership Rights	323,000,000	323,000,000
	Other financial assets (Note1)	44,021,217,782	5,639,428,243
Subtotal of Other financial assets		979,156,279,590	853,653,894,623

(Note 1) Debt-to-equity conversion shares acquired through the conversion of general guarantee recourse claims, and shares held in lieu of payment from a securitization company guarantee SPC as payment in lieu of payment, etc., have been reclassified as other financial assets starting from the current period, distinct from investment securities for fund management purposes.

2-1. Cash and cash equivalents

The Fund's Cash and cash equivalents as of the dates of statement of financial position are as follows.

< Details of Cash and cash equivalents >

(Unit: KRW)

Management subjects	Detailed management subjects	As of December 31,	
		2025	2024
Total		182,601,144,409	156,796,060,632
Cash and cash equivalents	Subtotal of Cash and cash equivalents	182,601,144,409	156,796,060,632
	Cash	1,510,157	1,679,039
	Ordinary deposits	1,261,544,033	214,537,481
	Other cash equivalents	181,338,090,219	156,579,844,112

2-2. Financial instruments

The Fund's Financial instruments as of the dates of statement of financial position are as follows.

< Details of Financial instruments >

(Unit: KRW)

Items		As of December 31,	
		2025	2024
Types	Time deposits	569,000,000,000	1,034,100,000,000
	Other financial instruments	2,578,500,000,000	2,652,900,000,000
Total		3,147,500,000,000	3,687,000,000,000
Maturity	Short-term	2,847,500,000,000	3,594,500,000,000
	Long-term	300,000,000,000	92,500,000,000

2-3. Investment securities

The Fund's investment securities as of the dates of statement of financial position are as follows.

< Details of Investment securities >

(Unit: KRW)

Items			As of December 31,	
			2025	2024
Types	Equity securities	Stocks (Note 1)	427,394,769,727	471,710,912,353
		Other equity securities (Note 2)	10,470,520,734,313	8,671,130,316,188
	Debt securities	Central government bonds	362,430,514,362	430,881,695,756
		Public bonds	10,433,232,609	30,355,291,686
		Municipal bonds	-	5,122,578,205
		Corporate bonds (Note 1)	537,716,203,445	710,118,536,545
Total			11,808,495,454,456	10,319,319,330,733
Maturity	Short-term	Short-term	10,514,590,503,073	8,848,055,228,404
	Long-term	Long-term	1,293,904,951,383	1,471,264,102,329

(Note 1) These include bonds and stocks, etc. acquired in connection with the guarantee-linked investment business.

(Note 2) These are beneficiary certificates invested in the pension fund investment pool.

1) Details of Investment Securities Valuation Gains/Loss and Investment Securities Impairment Losses

The details of the investment securities valuation gains/losses and investment securities impairment losses are as follows.

< Details of Investment Securities Valuation Gains/Loss and Investment Securities Impairment Losses >

(Unit: KRW)

Items		Book value		Acquisition costs		Cumulative valuation gains (losses)		Cumulative impairment losses	
		2025	2024	2025	2024	2025	2024	2025	2024
Total		11,808,495,454,456	10,319,319,330,733	11,121,507,559,924	10,270,624,893,579	754,378,710,880	310,111,179,771	(67,390,816,348)	(261,416,742,617)
Equity securities	Stocks	427,394,769,727	471,710,912,353	482,363,270,458	727,144,833,753	5,987,526,587	745,336,055	(60,956,027,318)	(256,179,257,455)
	Other equity securities	10,470,520,734,313	8,671,130,316,188	9,722,172,168,911	8,375,315,072,300	748,348,565,402	295,815,243,888	-	-
Debt securities	Central government bonds	362,430,514,362	430,881,695,756	363,678,055,435	427,100,013,712	(1,247,541,073)	3,781,682,044	-	-
	Public bonds	10,433,232,609	30,355,291,686	10,000,000,000	29,628,177,612	433,232,609	727,114,074	-	-
	Municipal bonds	-	5,122,578,205	-	5,000,000,000	-	122,578,205	-	-
	Corporate bonds	537,716,203,445	710,118,536,545	543,294,065,120	706,436,796,202	856,927,355	8,919,225,505	(6,434,789,030)	(5,237,485,162)

2-4. Government investments

The Fund's government investments as of the dates of statement of financial position are as follows.

< Details of Government investments >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Government investments	Total	42,200	42,000
	Investments other than government-funded enterprises	42,200	42,000

1) Government Capital Impairment Loss and Dividend Income

The details regarding the government capital impairment loss, dividend income, etc. are as follows.

(Unit: KRW)

Items	Acquisition costs		Book value		Cumulative impairment losses		Current year dividend income
	2025	2024	2025	2024	2025	2024	
Total	47,100	44,200	42,200	42,000	4,900	2,200	7,340,293,452

2-5. Loans

The Fund's loans as of the dates of statement of financial position are as follows.

< Details of loans >

(Unit: KRW)

Items			Interest rate(%)	As of December 31,	
				2025	2024
Types	General loans	Subtotal of General loans	4.16%	1,624,108,000	1,496,835,849
		Execution value		1,624,108,000	1,496,835,849
	Low-interest loans	Subtotal of Low-interest loans	0%	2,353,065,818	2,235,085,313
		Execution value		2,615,921,360	2,475,818,880
		(Provisions for loans)		(262,855,542)	(240,733,567)
Total				3,977,173,818	3,731,921,162
Accounts	Execution value			4,240,029,360	3,972,654,729
	(Provisions for loans)			(262,855,542)	(240,733,567)

The fund's loans consist of housing loans and tuition loans for employees.

1) Revenue and Expenses Related to Loans

The details of revenue and expenses related to loans for the current and prior periods are as follows.

(Unit: KRW)

Items			As of December 31,	
			2025	2024
Types	General loans	Interest income	70,526,219	88,357,264
	Low-interest loans	Cost of loan subsidy	91,679,223	84,354,495
		Interest income	69,557,248	71,231,524
Accounts	Cost of loan subsidy		91,679,223	84,354,495
	Interest income		140,083,467	159,588,788

2) Loan Program

(1) Overview of the Loan Program

The Fund's low-interest loans are tuition loans for employees and executives.

(2) Scale of the Loan Program

(Unit: KRW)

Items	As of December 31,	
	2025	2024
Low-interest loans	2,615,921,360	2,475,818,880
(Provisions for loans) (Note 1)	(262,855,542)	(240,733,567)
Total	2,353,065,818	2,235,085,313

(Note 1) The difference between the nominal amount of the loan and the present value of the cash flows according to the repayment schedule has been set.

< Detailed Status for the Current Year >

(Unit: KRW)

Loan program	Beginning balance (A)	Increase (B)	Decrease (C)	Ending balance (A+B-C)	(Provisions for loans)
Total	2,475,818,880	690,821,520	550,719,040	2,615,921,360	(262,855,542)
Tuition loans	2,475,818,880	690,821,520	550,719,040	2,615,921,360	(262,855,542)

< Detailed Status for the Prior Year >

(Unit: KRW)

Loan program	Beginning balance (A)	Increase (B)	Decrease (C)	Ending balance (A+B-C)	(Provisions for loans)
Total	2,531,352,710	1,048,168,300	1,103,702,130	2,475,818,880	(240,733,567)
Tuition loans	2,531,352,710	1,048,168,300	1,103,702,130	2,475,818,880	(240,733,567)

2-6. Accounts receivables

The Fund's Accounts receivables as of the dates of statement of financial position are as follows.

< Details of Accounts receivables >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Types	Uncollected revenue from goods and services	2,691,498	3,295,322
	Accrued interest income	64,518,587,701	147,738,879,647
	Accrued guarantee Income	222,755,153	207,348,931
	Other accounts receivables	20,351,050,094	27,792,265,645
Total		85,095,084,446	175,741,789,545
Maturity	Short-term	84,765,632,406	172,412,183,414
	Long-term	329,452,040	3,329,606,131

1) Details of Accounts Receivables Valuation

As of the dates of statement of financial position, the details of the valuation of bad debts, etc., of the Fund's accounts receivables are as follows.

< Valuation of Accounts Receivables for the Current Year >

(Unit: KRW)

Items		Nominal value(A)	(Allowance for Doubtful Accounts)(B)	Book value(A+B)
Uncollected revenue from goods and services		2,691,498	-	2,691,498
Accrued interest income	Financial instruments	51,208,355,632	-	51,208,355,632
	Loans	2,221,236	-	2,221,236
	Investment securities	13,006,543,204	-	13,006,543,204
	Others	301,467,629	-	301,467,629
Accrued guarantee Income		222,755,153	-	222,755,153
Other accounts receivables		20,351,050,094	-	20,351,050,094

< Valuation of Accounts Receivables for the Prior Year >

(Unit: KRW)

Items		Nominal value(A)	(Allowance for Doubtful Accounts)(B)	Book value(A+B)
Uncollected revenue from goods and services		3,295,322	-	3,295,322
Accrued interest income	Financial instruments	122,190,074,292	-	122,190,074,292
	Loans	2,020,922	-	2,020,922
	Investment securities	25,292,535,135	-	25,292,535,135
	Others	254,249,298	-	254,249,298
Accrued guarantee Income		207,348,931	-	207,348,931
Other accounts receivables		27,792,265,645	-	27,792,265,645

2-7. Other financial assets

The Fund's Other financial assets as of the dates of statement of financial position are as follows.

< Details of Other financial assets >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Types	Indemnity rights	686,919,432,889	608,590,483,129
	Guarantee deposits	247,892,628,919	239,100,983,251
	Membership Rights	323,000,000	323,000,000
	Other financial assets	44,021,217,782	5,639,428,243
Total		979,156,279,590	853,653,894,623
Maturity	Short-term	840,786,964,899	764,272,975,741
	Long-term	138,369,314,691	89,380,918,882

1) Indemnity rights

As of the dates of statement of financial position, the details of the valuation of bad debts, etc., of the Fund's Indemnity rights are as follows.

< Changes in Indemnity rights for the Current Year >

(Unit: KRW)

Items	Amount of Indemnity rights (A)	(Allowance for Doubtful Accounts)(B)	Book value(A+B)
Total	5,157,801,745,420	(4,470,882,312,531)	686,919,432,889

< Changes in Indemnity rights for the Prior Year >

(Unit: KRW)

Items	Amount of Indemnity rights (A)	(Allowance for Doubtful Accounts)(B)	Book value(A+B)
Total	4,374,046,929,667	(3,765,456,446,538)	608,590,483,129

2) Other Financial Assets

Shares acquired through debt-to-equity conversion resulting from the conversion of general guarantee recourse claims, shares secured by securitization company guarantees received as payment in kind from a securitization company guarantee SPC, etc., have been reclassified as other financial assets starting from the current period, distinct from investment securities for fund management purposes.

In addition, investments in cultural content projects, etc., are included.

3. General Property, Plant and Equipment and Intangible assets

The Fund's General PP&E and Intangible assets as of the dates of statement of financial position are as follows.

< Summary Table of General PP&E and Intangible Assets >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Total		559,747,791,565	539,625,559,641
General Property, Plant and Equipment	Land	358,584,354,467	352,583,074,767
	Buildings	183,584,323,000	166,123,221,512
	Structures	621,456,100	676,623,326
	Machinery	2,748,116,341	3,609,163,069
	Furniture and fixtures, office equipment, vehicles	6,872,617,221	5,857,374,180
	Other General PP&E	3,277,882,473	2,619,450,776
	General PP&E under construction	-	2,396,210,400
Subtotal of General PP&E		555,688,749,602	533,865,118,030
Intangible assets	Software	4,033,024,243	5,735,062,935
	Industrial property rights	26,017,720	25,378,676
Subtotal of Intangible assets		4,059,041,963	5,760,441,611

3-1. General Property, Plant and Equipment

The Fund's General PP&E as of the dates of statement of financial position are as follows.

(Unit: KRW)

Items		As of December 31,	
		2025	2024
Total		555,688,749,602	533,865,118,030
Land	Land	358,584,354,467	352,583,074,767
Subtotal of Land		358,584,354,467	352,583,074,767
Buildings	Buildings	280,646,961,059	255,803,870,566
	(Accumulated depreciation of Buildings)	(97,062,638,059)	(89,680,649,054)
Subtotal of Buildings		183,584,323,000	166,123,221,512
Structures	Structures	1,549,137,257	1,549,137,257
	(Accumulated depreciation of Structures)	(927,681,157)	(872,513,931)
Subtotal of Structures		621,456,100	676,623,326
Machinery	Machinery	42,446,243,598	42,133,709,873
	(Accumulated depreciation of Machinery)	(39,698,127,257)	(38,524,546,804)
Subtotal of Machinery		2,748,116,341	3,609,163,069
Furniture and fixtures, office equipment, vehicles	Furniture and fixtures, office equipment, vehicles	55,560,352,580	51,917,435,196
	(Accumulated depreciation of Furniture and fixtures, office equipment, vehicles)	(48,687,735,359)	(46,060,061,016)
Subtotal of Furniture and fixtures, office equipment, vehicles		6,872,617,221	5,857,374,180
Other General PP&E	Other General PP&E	24,510,796,679	22,578,881,901
	(Accumulated depreciation of Other General PP&E)	(21,232,914,206)	(19,959,431,125)
Subtotal of Other General PP&E		3,277,882,473	2,619,450,776
General PP&E under construction		-	2,396,210,400

1) The publicly announced value of the Fund's land

The publicly announced value of the Fund's land as of the dates of statement of financial position are as follows.

(Unit: KRW)

Item	As of December 31,					
	2025			2024		
	Area(m²)	Book value	Publicly announced value	Area(m²)	Book value	Publicly announced value
Land	121,487	358,584,354,467	382,284,502,973	121,321	352,583,074,767	369,989,981,948

2) Details of Changes in General PP&E

The details of changes in General PP&E are as follows. Details regarding asset revaluation are described in the notes to '3-2. Asset Revaluation'.

<Details of Changes in General PP&E for the Current Year>

(Unit: KRW)

General PP&E		Total	Land	Buildings	Structures	Machinery	Furniture and fixtures, office equipment, vehicles	Other general PP&E	General PP&E under construction
Beginning carrying amount		533,865,118,030	352,583,074,767	166,123,221,512	676,623,326	3,609,163,069	5,857,374,180	2,619,450,776	2,396,210,400
Details of Change	Additions	30,133,665,727	-	2,082,000,252	-	952,787,475	4,201,502,338	2,009,466,670	20,887,908,992
	Capital expenditures	-	-	-	-	-	-	-	-
	Replacement	-	1,254,693,960	22,029,425,432	-	-	-	-	(23,284,119,392)
	Disposals	(1,892,049)	-	-	-	(10,000)	(1,661,482)	(220,567)	-
	(Depreciation)	(13,022,365,826)	-	(6,651,555,490)	(21,573,912)	(1,813,824,203)	(3,184,597,815)	(1,350,814,406)	-
	Revaluation	4,714,223,720	4,746,585,740	1,231,294	(33,593,314)	-	-	-	-
	Other increase (decrease)	-	-	-	-	-	-	-	-
Ending carrying amount		555,688,749,602	358,584,354,467	183,584,323,000	621,456,100	2,748,116,341	6,872,617,221	3,277,882,473	-
Ending balance	Accumulated depreciation	207,609,096,038	-	97,062,638,059	927,681,157	39,698,127,257	48,687,735,359	21,232,914,206	-
	Revaluation gain	248,976,002,268	246,433,842,969	2,402,706,969	139,452,330	-	-	-	-

<Details of Changes in General PP&E for the Prior Year>

(Unit: KRW)

General PP&E		Total	Land	Buildings	Structures	Machinery	Furniture and fixtures, office equipment, vehicles	Other general PP&E	General PP&E under construction
Beginning carrying amount		545,684,699,486	355,360,238,314	175,072,523,200	774,429,797	4,162,044,048	7,470,576,464	2,844,887,663	-
Details of Change	Additions	7,566,008,420	-	-	-	1,668,940,372	2,357,778,990	1,143,078,658	2,396,210,400
	Capital expenditures	-	-	-	-	-	-	-	-
	Replacement	-	-	-	-	-	-	-	-
	Disposals	(2,313,451,050)	(1,615,687,657)	(657,947,393)	(33,840,220)	(181,000)	(4,702,363)	(1,092,417)	-
	(Depreciation)	(14,763,609,005)	-	(7,179,172,000)	(29,094,615)	(2,221,640,351)	(3,966,278,911)	(1,367,423,128)	-
	Revaluation	(2,308,529,821)	(1,161,475,890)	(1,112,182,295)	(34,871,636)	-	-	-	-
	Other increase (decrease)	-	-	-	-	-	-	-	-
Ending carrying amount		533,865,118,030	352,583,074,767	166,123,221,512	676,623,326	3,609,163,069	5,857,374,180	2,619,450,776	2,396,210,400
Ending balance	Accumulated depreciation	195,097,201,930	-	89,680,649,054	872,513,931	38,524,546,804	46,060,061,016	19,959,431,125	-
	Revaluation gain	242,242,883,424	238,729,965,479	3,339,872,301	173,045,644	-	-	-	-

3-2. Asset Revaluation

The details of the Asset Revaluation of General PP&E as of the dates of statement of financial position are as follows.

<The details of the Asset Revaluation>

(Unit: KRW)

Type of asset	Revaluation balance (A+B-C)	Carrying amount prior to revaluation (A)	Valuation Gain			Valuation Loss		
			Total of Valuation Gain(B)	Revaluation gain	Reversal of valuation loss	Total of Valuation Loss(C)	Revaluation loss	Offset of valuation gain
Total	543,121,189,343	537,269,882,688	8,808,598,405	7,870,201,779	938,396,626	2,957,291,750	2,957,291,750	-
General PP&E	543,121,189,343	537,269,882,688	8,808,598,405	7,870,201,779	938,396,626	2,957,291,750	2,957,291,750	-

1) Asset Revaluation : General PP&E

< Asset Revaluation : General PP&E >

(Unit: KRW)

Type of asset	Estimating Method and Significant Assumptions	Revaluation balance (A+B-C)	Carrying amount prior to revaluation (A)	Valuation Gain (B)	Valuation Loss (C)
Total of General PP&E		543,121,189,343	537,269,882,688	8,808,598,405	2,957,291,750
Land	Fair Value	10,578,380,000	2,874,502,510	7,703,877,490	-
	Publicly announced value	348,005,974,467	350,963,266,217	-	2,957,291,750
Buildings	Fair Value	1,192,011,300	253,614,674	938,396,626	-
	Amortized Replacement Cost Method(Price Multiple Method)	182,392,311,700	182,225,987,411	166,324,289	-
Structures	Amortized Replacement Cost Method(Price Multiple Method)	621,456,099	621,456,099	-	-
Machinery	Amortized Replacement Cost Method(Price Multiple Method)	331,055,777	331,055,777	-	-

3-3. Intangible Assets

The Fund's Intangible Assets as of the dates of statement of financial position are as follows.

< The details of Intangible Assets >

(Unit: KRW)

Management subjects	Detailed management subjects	As of December 31,	
		2025	2024
Total		4,059,041,963	5,760,441,611
Software	In-house software	688,980,828	1,369,987,831
	Purchased software	3,344,043,415	4,365,075,104
Subtotal of Software		4,033,024,243	5,735,062,935
Industrial property rights		26,017,720	25,378,676

1) Details of Changes in Intangible assets

The details of changes in Intangible assets are as follows.

< Details of Changes in Intangible assets for the Current Year >

(Unit: KRW)

Items		Total	Software	Industrial property rights
Beginning carrying amount		5,760,441,611	5,735,062,935	25,378,676
Details of Change	Additions	910,544,900	905,262,900	5,282,000
	Capital expenditures	-	-	-
	Replacement	-	-	-
	Disposals	-	-	-
	(Depreciation)	(2,611,944,548)	(2,607,301,592)	(4,642,956)
	Other increase(decrease)	-	-	-
Ending carrying amount		4,059,041,963	4,033,024,243	26,017,720

< Details of Changes in Intangible assets for the Prior Year >

(Unit: KRW)

Items		Total	Software	Industrial property rights
Beginning carrying amount		7,034,147,178	7,019,260,776	14,886,402
Details of Change	Additions	1,877,989,190	1,863,250,190	14,739,000
	Capital expenditures	-	-	-
	Replacement	-	-	-
	Disposals	-	-	-
	(Depreciation)	(3,151,694,757)	(3,147,448,031)	(4,246,726)
	Other increase(decrease)	-	-	-
Ending carrying amount		5,760,441,611	5,735,062,935	25,378,676

4. Other assets

The Fund's Other assets as of the dates of statement of financial position are as follows.

< Summary Table of Other Assets >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Total		28,283,446,895	39,116,723,142
Prepaid expenses	Other prepaid expenses	33,856,775	36,137,323
Subtotal of prepaid expenses		33,856,775	36,137,323
Advance payments		2,783,942,258	3,624,675,986
Prepaid corporate tax		25,374,683,320	35,388,755,040
Prepaid value added tax		90,964,542	67,154,793

5. Borrowings

The Fund's Borrowings as of the dates of statement of financial position are as follows.

< Summary Table of Borrowings >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Total		134,042,013,859	132,769,752,574
Other borrowings	Accounts payables	34,145,439,338	28,315,845,970
	Accrued expenses payable	28,163,215,038	23,034,688,002
	Withholdings	71,733,359,483	81,419,218,602
Subtotal of Other borrowings		134,042,013,859	132,769,752,574

5-1. Other borrowings

The Fund's Other borrowings as of the dates of statement of financial position are as follows.

< The details of Other borrowings >

(Unit: KRW)

Management subjects	Detailed management subjects	As of December 31,	
		2025	2024
Total		134,042,013,859	132,769,752,574
Accounts payables	Other Accounts payables	34,145,439,338	28,315,845,970
Subtotal of Accounts payables		34,145,439,338	28,315,845,970
Accrued expenses payable	Other Accrued expenses payable	28,163,215,038	23,034,688,002
Subtotal of Accrued expenses payable		28,163,215,038	23,034,688,002
Withholdings	value added tax Payables	195,232,601	177,453,342
	Deposits received	36,602,100,000	37,048,100,000
	Other Withholdings	34,936,026,882	44,193,665,260
Subtotal of Withholdings		71,733,359,483	81,419,218,602

6. Provisions

The Fund’s Provisions as of the dates of statement of financial position are as follows.

< Summary Table of Provisions >

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Total		2,843,778,990,608	2,954,831,327,439
Provision for guarantees		2,733,038,505,875	2,829,253,740,311
Other provisions	Provision for Litigation	589,928,161	12,993,859,685
	Provision for Retirement Benefits	110,150,556,572	112,583,727,443
Subtotal of Other provisions		110,740,484,733	125,577,587,128

6-1. Provision for guarantees

The Fund’s Guarantee provisions as of the dates of statement of financial position are as follows.

1) Status and main details of Guarantees

The Fund's guarantees consist of general guarantees, general securitization company guarantees, and bond market stabilization guarantees.

2) Details of Changes in Provision for guarantees

The details of changes in the Fund's provision for guarantees are as follows.

< The details of changes in Provision for guarantees >

(Unit: KRW)

Items		As of December 31,	
		2025	2024
Provision for guarantees	Beginning balance(A)	2,829,253,740,311	2,727,224,622,176
	Increase(B)	201,687,983,457	312,779,982,731
	Decrease(C)	297,903,217,893	210,750,864,596
	Ending balance(A+B-C)	2,733,038,505,875	2,829,253,740,311

3) Guarantees amount by guarantee type

The details of the payment guarantee amount and provision for guarantees are as follows.

< The details of the payment guarantee amount and provision for guarantees >

(Unit: KRW)

Items	Guarantees amount		Provisions rate(%)		Provision for guarantees	
	2025	2024	2025	2024	2025	2024
KODIT	77,678,623,737,934	79,471,074,194,567	3.52	3.56	2,733,038,505,875	2,829,253,740,311

4) Guarantee Revenue and Guarantee Costs

Guarantee revenue and guarantee costs are as follows.

< Guarantee revenue and guarantee costs >

(Unit: KRW)

Items	Guarantee revenue		Guarantee costs	
	2025	2024	2025	2024
KODIT	763,703,609,067	793,114,922,830	-	102,029,118,135

6-2. Other provisions

The Fund's Other provisions as of the dates of statement of financial position are as follows.

< The details of Other provisions >

(Unit: KRW)

Management subjects	Detailed management subjects	As of December 31,	
		2025	2024
Total		110,740,484,733	125,577,587,128
Provision for Litigation		589,928,161	12,993,859,685
Provision for Retirement Benefits	Allowance for severance and retirement benefits	297,045,945,172	282,017,061,968
	(Retirement insurance deposit)	(186,895,388,600)	(169,433,334,525)
Subtotal of Allowance for severance and retirement benefits		110,150,556,572	112,583,727,443

1) Provision for Litigation

The changes in the fund's litigation provisions are as follows.

< Changes in Litigation Provisions >

(Unit: KRW)

Items		As of December 31,	
		2025	2024
Provision for Litigation	Beginning balance(A)	12,993,859,685	5,916,698,339
	Increase(B)	2,302,803,041	7,753,209,908
	Decrease(C)	14,706,734,565	676,048,562
	Ending balance(A+B-C)	589,928,161	12,993,859,685

The revenue and expenses related to litigation provisions are as follows.

< Revenue and expenses related to litigation provisions >

(Unit: KRW)

Items		As of December 31,	
		2025	2024
Other national operating revenue	Reversal of litigation provisions	13,762,373	676,048,562
Other national operating expenses	Transfer to litigation provisions	2,302,803,041	7,753,209,908

2) Provision for Retirement Benefits

The changes in the fund's provision for Retirement Benefits are as follows.

< Changes in Provision for Retirement Benefits >

(Unit: KRW)

Items		As of December 31,	
		2025	2024
Estimated retirement benefits	Beginning balance(A)	282,017,061,968	269,946,832,017
	Severance payment(B)	20,106,915,416	19,902,112,060
	Increase in allowance for severance and retirement benefits(C)	35,135,798,620	31,972,342,011
	Ending balance(D=A-B+C)	297,045,945,172	282,017,061,968
Deduction items	Retirement insurance deposit	186,895,388,600	169,433,334,525
	Ending balance(E)	186,895,388,600	169,433,334,525
Provision for Retirement Benefits(D-E)		110,150,556,572	112,583,727,443

7. Other liabilities

The Fund’s Other liabilities as of the dates of statement of financial position are as follows.

(Unit: KRW)

Items	Management subjects	As of December 31,	
		2025	2024
Total		494,654,957,578	490,754,986,870
Unearned revenue	Other unearned revenue	491,283,204,338	487,177,583,738
Subtotal of unearned revenue		491,283,204,338	487,177,583,738
Advances Received		3,371,753,240	3,577,403,132

8. Transfer Revenue

The details of the fund's transfer revenue are as follows.

(Unit: KRW)

Items	Management subjects	For the year ended December 31,	
		2025	2024
Total		1,547,815,427,480	1,550,020,514,077
Levies (Note 1)		1,302,369,748,096	1,272,425,465,335
Other transfer revenue (Note 2)		245,445,679,384	277,595,048,742

(Note 1) Levies are statutory contribution borne by financial institutions in accordance with the Credit Guarantee Fund Act.

(Note 2) Other transfer revenue refers to contributions, etc., other than statutory contributions.

9. National operating revenue

The details of the fund's National operating revenue are as follows.

(Unit: KRW)

Items		For the year ended December 31,	
		2025	2024
Total		1,991,055,534,563	1,872,734,213,543
Revenue generated in exchange for providing goods and services	Revenue generated in exchange for services	14,843,406,625	15,750,713,358
	Other revenue generated in exchange for providing goods and services	639,577,947	692,273,974
Subtotal of Revenue generated in exchange for providing goods and services		15,482,984,572	16,442,987,332
Interest Revenue	Interest on financial instruments	121,060,879,972	199,296,699,488
	Interest on investment securities	34,030,965,666	49,745,020,451
	Interest on loan	140,083,467	159,588,788
	Other interest revenue	5,310,985,875	6,192,606,217
Subtotal of Interest Revenue		160,542,914,980	255,393,914,944
Dividend Revenue	Dividend from investments other than government-funded enterprises	7,340,293,452	16,041,348,369
	Dividend on investment securities	16,121,882	14,261,857,279
	Other dividend revenue	2,099,519,410	-
Subtotal of Dividend Revenue		9,455,934,744	30,303,205,648
Gain on disposal of assets	Gain on disposal of investment securities	579,687,581,388	695,059,290,702
	Gain on disposal of other investments	181,076,051,246	465,735,791
	Gain on disposal of General PP&E	9,270,000	433,143,239
Subtotal of Gain on disposal of assets		760,772,902,634	695,958,169,732
Revaluation gain	Reversal of asset revaluation losses	938,396,626	-
Subtotal of Revaluation gain		938,396,626	-
Other national operating Revenue	Reversal of provisions (Note1)	96,228,996,809	676,048,562
	Gain on guarantees	763,703,609,067	793,114,922,830
	Gain on prior period error corrections	32,493,304	135,559,779
	Gain from return of expenses	1,166,629,087	95,209,947
	Other revenue	182,730,672,740	80,614,194,769
Subtotal of Other national operating Revenue		1,043,862,401,007	874,635,935,887

(Note1) The reversal of provisions for the current year includes a reversal of guarantee provisions of 96,215,234,436 won.

10. Transfer costs

The details of the fund's transfer costs are as follows.

(Unit: KRW)

Items	Management subjects	For the year ended December 31,	
		2025	2024
Total		6,790,225,223	12,303,354,495
Contribution costs	General business contribution (Note1)	6,698,546,000	12,219,000,000
Subtotal of Contribution costs		6,698,546,000	12,219,000,000
Other transfer costs	Cost of Loan Subsidy	91,679,223	84,354,495
Subtotal of Other transfer costs		91,679,223	84,354,495

(Note1) General business contribution is the amount contributed to the in-house employee welfare fund.

11. National operating expenses

The details of the fund's National operating expenses are as follows.

(Unit: KRW)

Items	Management subjects	For the year ended December 31,	
		2025	2024
Total		2,958,046,569,295	3,038,309,932,813
Staff costs	Salaries and Wages	245,130,208,522	233,675,539,158
	Retirement benefits	32,335,503,705	29,006,239,186
Subtotal of Staff costs		277,465,712,227	262,681,778,344
Interest expenses	Other interest expenses	23,446,211	15,438,048
Subtotal of Interest expenses		23,446,211	15,438,048
Operation expenses	General expenses	16,785,296,442	17,773,265,133
	Taxes and dues	14,222,949,338	14,370,542,469
	Supplies expenses	3,586,593,521	3,459,750,704
	Business promotion expenses	3,042,290,615	3,046,632,206
	Rent expenses	9,618,335,108	9,120,945,656
	Fuel expenses	92,906,262	136,670,963
	Education & training expenses	3,565,065,335	3,444,059,790
	Travel expenses	3,940,896,175	3,881,813,612
	Employment benefits	13,278,874,148	13,202,036,953
	Employment burden fees	22,561,625,405	22,456,527,250
Subtotal of Operation expenses		90,694,832,349	90,892,244,736
Depreciation expenses	Depreciation of General PP&E	13,022,365,826	14,763,609,005
	Amortization of intangible assets	2,611,944,548	3,151,694,757
Subtotal of Depreciation expenses		15,634,310,374	17,915,303,762
Revaluation loss	Revaluation loss of assets	2,957,291,750	1,161,475,890
Subtotal of Revaluation loss		2,957,291,750	1,161,475,890
Other national operating expenses		2,571,270,976,384	2,665,643,692,033

11-1. Other national operating expenses

The details of the fund's other national operating expenses are as follows.

(Unit: KRW)

Items	Management subjects	For the year ended December 31,	
		2025	2024
Total		2,571,270,976,384	2,665,643,692,033
Other national operating expenses	Loss on disposal of assets	132,253,108,093	167,710,352,899
	Repair and maintenance costs of General PP&E	2,384,536,052	2,426,998,533
	Loss on retirement of assets	1,446,557	5,089,780
	Bad debt expenses(Note1)	2,379,075,915,817	2,336,830,820,530
	Impairment loss	14,859,732,246	12,951,588,306
	Provision expenses	-	102,029,118,135
	R&D Expenses	5,042,645,000	3,405,921,997
	Outsourcing expenses	26,246,227,790	25,227,760,766
	Loss on prior period error corrections	186,873,265	69,809,717
	Other expenses	11,220,491,564	14,986,231,370

(Note1) These are related to the fund's Indemnity rights.

12. Detailed financial operation table by program

The details of the fund's financial operations by program are as follows.

(Unit: KRW)

Items	For the year ended December 31			
	2025		2024	
Ⅰ. Total program costs		2,814,507,296,080		2,888,751,200,781
Other transfer costs	91,679,223		84,354,495	
Staff costs	207,261,709,721		198,506,027,014	
Operation expenses	61,487,713,387		61,757,363,936	
Depreciation expenses	5,442,226,390		6,500,868,105	
Other national operating expenses	2,540,223,967,359		2,621,902,587,231	
Ⅱ. Program revenues		1,286,785,267,911		1,090,548,378,476
Revenue generated in exchange for providing goods and services	13,709,870,065		14,569,426,498	
Interest Revenue	5,571,986,848		6,350,524,786	
Dividend Revenue	9,109,528,944		29,881,344,348	
Gain on disposal of assets	216,296,081,237		166,162,601,057	
Other national operating revenue	1,042,097,800,817		873,584,481,787	
Ⅲ. Administrative expenses		124,933,133,182		125,816,157,088
Contribution costs	6,698,546,000		12,219,000,000	
Staff costs	70,204,002,506		64,175,751,330	
Operation expenses	29,105,361,392		28,673,742,978	
Depreciation expenses	10,192,083,984		11,414,435,657	
Other national operating expenses	8,733,139,300		9,333,227,123	
Ⅳ. Costs not assigned to programs		25,396,365,256		36,045,929,439
Interest expenses	23,446,211		15,438,048	
Operation expenses	101,757,570		461,137,822	
Revaluation loss	2,957,291,750		1,161,475,890	
Other national operating expenses	22,313,869,725		34,407,877,679	
Ⅴ. Revenues not assigned to programs		704,270,266,652		782,185,835,067
Revenue generated in exchange for providing goods and services	1,773,114,507		1,873,560,834	
Interest Revenue	154,970,928,132		249,043,390,158	
Dividend Revenue	346,405,800		421,861,300	
Gain on disposal of assets	544,476,821,397		529,795,568,675	
Revaluation gain	938,396,626		-	
Other national operating revenue	1,764,600,190		1,051,454,100	
Ⅵ. Net operating costs(Ⅰ-Ⅱ+Ⅲ+Ⅳ-Ⅴ)		973,781,259,955		1,177,879,073,765
Ⅶ. Non-exchange Revenues and Others		1,547,815,427,480		1,550,020,514,077
Levies	1,302,369,748,096		1,272,425,465,335	
Other transfer revenue	245,445,679,384		277,595,048,742	
Ⅷ. Net operating result(Ⅵ-Ⅶ)		(574,034,167,525)		(372,141,440,312)

13. NET ASSET ADJUSTMENTS

Increase and decrease in net asset adjustments for the years ended December 31, 2025 and 2024 are as follows.

(Unit: KRW)

Items		Beginning balance	Increase	Decrease	Ending balance
Total of net asset adjustments		552,354,063,195	4,793,965,519,374	4,342,248,486,160	1,004,071,096,409
Revaluation gain and loss on investment securities	Subtotal	310,111,179,771	4,786,095,317,595	4,341,111,403,225	755,095,094,141
	Revaluation gain	340,652,387,490	4,920,821,528,995	4,487,760,604,571	773,713,311,914
	Revaluation loss	30,541,207,719	134,726,211,400	146,649,201,346	18,618,217,773
Revaluation gain of assets	Subtotal	242,242,883,424	7,870,201,779	1,137,082,935	248,976,002,268
	Revaluation gain on General PP&E	242,242,883,424	7,870,201,779	1,137,082,935	248,976,002,268
Changes in other net assets	Subtotal	-	-	-	-
	Changes in other net assets(Note1)	-	-	-	-

(Note1) Government contributions received by the fund were treated as reserves and surplus on the statement of changes in net assets, rather than as adjustments to net assets.

14. Prior period error corrections and Change in accounting method

1) Correction of non-serious prior period errors

Regarding non-material prior period error corrections, prior period error correction gains(revenues not assigned to programs) of 32 million won and prior period error correction losses(costs not assigned to programs) of 187 million won were reflected in the current period statement of financial operations.

15. Cash Flow

The details of the fund's cash flows by activity are as follows.

15-1. Cash flow from operating activities

(Unit: KRW)

Items		2025
Sum of Cash flow from operating activities(A-B)		(133,641,111,124)
Sum of Cash inflow from operating activities(A)		3,603,417,934,813
Revenue from levies and penalties	levies	1,302,369,748,096
Subtotal of Revenue from levies and penalties		1,302,369,748,096
Interest income	Interest on financial instruments	164,124,473,512
	Interest on investment securities	31,431,824,911
	Interest on loan	85,257,300
	Other interest income	1,121,653,841
Subtotal of Interest income		196,763,209,564
Other income	Income generated in exchange for providing goods and services	18,615,074,600
	Dividend income	9,455,934,744
	Other Inflow	2,076,213,967,809
Subtotal of Other income		2,104,284,977,153
Sum of Cash outflow from operating activities(B)		3,737,059,045,937
Payment of contribution costs	Payment of General business contribution	6,698,546,000
Subtotal of Payment of contribution costs		6,698,546,000
Payment of staff costs	Salaries and Wages	253,563,914,179
	Retirement benefits	29,320,100,286
Subtotal of Payment of staff costs		282,884,014,465
Other payment	Operation expenses	99,925,467,360
	Repair and maintenance costs	2,384,536,052
	R&D Expenses	5,042,645,000
	Outsourcing expenses	26,246,227,790
	Other outflow	3,313,877,609,270
Subtotal of Other payment		3,447,476,485,472

15-2. Cash flow from investing activities

(Unit: KRW)

Items		2025
Sum of Cash flow from investing activities(A-B)		59,446,194,901
Sum of Cash inflow from investing activities(A)		5,677,626,300,622
Disposal of financial instruments and investment securities	Disposal of financial instruments	3,592,500,000,000
	Disposal of investment securities	2,077,832,417,533
Subtotal of Disposal of financial instruments and investment securities		5,670,332,417,533
Receipt of loan	Receipt of General loans	372,727,849
	Receipt of Low-interest loans	550,719,040
Subtotal of Receipt of loan		923,446,889
Disposal of general PP&E and social infrastructure	Disposal of Machinery	7,795,951
	Disposal of Furniture and fixtures, office equipment, vehicles	1,661,482
	Disposal of Other General PP&E	220,567
Subtotal of Disposal of general PP&E and social infrastructure		9,678,000
Other income	Disposal of Other financial instruments	6,360,758,200
Subtotal of Other income		6,360,758,200
Sum of Cash outflow from investment activities(B)		5,618,180,105,721
Acquisition of financial instruments and investment securities	Acquisition of financial instruments	3,053,000,000,000
	Acquisition of investment securities	2,479,317,311,703
Subtotal of Acquisition of financial instruments and investment securities		5,532,317,311,703
Payment of loan	Payment of General loans	500,000,000
	Payment of Low-interest loans	690,821,520
Subtotal of Payment of loan		1,190,821,520
Acquisition of general PP&E and social infrastructure	Acquisition of Buildings	2,082,000,252
	Acquisition of Machinery	952,787,475
	Acquisition of Furniture and fixtures, office equipment, vehicles	4,201,502,338
	Acquisition of Other General PP&E	2,009,466,670
	Acquisition of Land under construction	1,254,693,960
	Acquisition of Buildings under construction	19,633,215,032
Subtotal of Acquisition of general PP&E and social infrastructure		30,133,665,727
Acquisition of intangible assets		910,544,900
Other payment	Acquisition of Other financial instruments	53,627,761,871
Subtotal of Other payment		53,627,761,871

15-3. Cash flow from financing activities

(Unit: KRW)

Items	2025
Sum of Cash flow from financing activities(A-B)	100,000,000,000
Sum of Cash inflow from financing activities(A)	100,000,000,000
Other income	100,000,000,000
Sum of Cash outflow from financing activities(B)	-

16. CONTINGENCIES AND COMMITMENTS

16-1. Commitments

As of the date of statement of financial position, the Fund has entered into credit guarantee fund operation consignment agreements with Industrial Bank of Korea and 14 other banks. The consignment fee is 10% of revenue from consigned guarantees.

16-2. Assets used as collateral

Assets owned by the Fund used as collateral for the protection of lessee's rights as of the date of the statement of financial position are as follows.

(Unit: KRW)

Assets used as collateral	Carrying amount	Amount collateralized	Reason for providing collateral	Secured Creditors
Land, Buildings (KODIT Gyeonggi Debt Collection Unit)	9,705,315,000	492,000,000	Preservation of tenant rights	Suwon Central Credit Union
Buildings (KODIT Uijeongbu Branch)	509,054,155	1,000,000,000	Preservation of tenant rights	Korea Asset Management Corp.
Buildings (KODIT Anyang Branch)	1,558,122,462	3,350,000,000	Preservation of tenant rights	Hyundai Motor Company
Total	11,772,491,617	4,842,000,000		

16-3. Legal proceedings in process

Major ongoing litigations and claims as of the date of statement of financial position are as follows.

1) Total number of lawsuits and amount in controversy

(Unit: KRW)

Items	In case of the fund is the plaintiff		In case of the fund is the defendant	
	Number of lawsuits	Amount in controversy	Number of lawsuits	Amount in controversy
2025	1,910	410,270,480,042	65	35,081,899,620
2024	1,747	382,706,626,058	77	24,246,272,925

2) Important details of lawsuits

< Litigations where the Fund is the plaintiff >

(Unit : No. of cases, KRW)

Description of litigation	Court	Defendant	No. of cases	Amount of lawsuit
Payment order	Seoul central district court, etc.	OOO	1,097	179,704,983,978
Lawsuit for demand of indemnity payments	Daegu district court, etc.	OOO	370	136,706,723,979
Lawsuit for revocation of fraudulent act	Daejeon High court, etc.	OOO	332	62,569,035,514
Lawsuit for dividends objection	Gwangju High court, etc.	OOO	21	2,788,125,762
Lien search confirmation trial	Seoul Bankruptcy court, etc.	OOO	13	8,271,464,343
Lawsuit for compensation	Seoul High court, etc.	OOO	15	4,639,038,774
Lawsuit for collection	Yeoju district court, etc.	OOO	8	544,850,037
Disclaimer of corporate personality	Jeonju district court, etc	OOO	10	3,098,629,726
Continued usage of trade name	Daegu district court, etc.	OOO	5	597,158,676
Lawsuit for unjust enrichment	Seoul central district court, etc.	OOO	9	649,246,434
Cancellation of mortgage registration	Seoul northern district court, etc.	OOO	4	453,592,162
credit investigation confirmation trial	Suwon Bankruptcy court	OOO	1	3,556,210
3rd party's action for an objection	Seoul central district court	OOO	1	16,009,302
Transfer of business	Busan district court	OOO	1	37,367,742
Others	Suwon High court, etc.	OOO	23	10,190,697,403
Total			1,910	410,270,480,042

< Litigations where the Fund is the defendant >

(Unit : No. of cases, KRW)

Description of litigation	Court	Plaintiff	No. of cases	Amount of lawsuit
Objection of provisional seizure	Ulsan district court, etc.	OOO	9	2,082,111,868
Objection of provisional injunction	Mokpo branch of Gwangju district court, etc.	OOO	6	944,270,831
Lawsuit for performance of guarantee obligation	Jinju branch of Changwon district court, etc.	OOO	6	2,640,938,511
Lien search confirmation trial	Daegu district court, etc.	OOO	10	17,194,202,514
Lawsuit for dividends objection	Changwon district court, etc.	OOO	5	161,478,759
Lawsuit for unjust enrichment	Cheongju district court, etc.	OOO	4	267,665,506
Wage litigation	Seoul central district court, etc.	OOO	2	2,054,257,346
Cancellation of mortgage registration	Jinju branch of Changwon district court, etc.	OOO	6	4,762,963,382
Lawsuit for revocation of fraudulent act	Suwon district court	OOO	1	190,777,173
3rd party's action for an objection	Suwon district court	OOO	1	62,437,500
Lawsuit for compensation	Seoul central district court	OOO	1	1,120,000
Others	Cheongju district court, etc.	OOO	14	4,719,676,230
Total			65	35,081,899,620

17. Other information deemed important

17-1. Guarantee provisions and credit guarantees

1) Status of Guarantee Provisions by Guarantee Account

As of the dates of statement of financial position, the guarantee provisions and provisions rate by guarantee account are as follows.

(Unit: KRW)

Items	Guarantees amount		Provisions rate (%)		Provision for guarantees	
	2025	2024	2025	2024	2025	2024
General guarantee	65,850,892,787,264	66,208,365,024,453	3.92	3.86	2,580,174,845,069	2,554,769,737,223
P-CBO guarantee (general)	3,326,811,580,000	3,017,281,830,000	1.11	2.26	36,895,999,606	68,301,001,824
P-CBO guarantee (bond market stabilization)	8,500,919,370,670	10,245,427,340,114	1.36	2.01	115,967,661,200	206,183,001,264
Total	77,678,623,737,934	79,471,074,194,567	3.52	3.56	2,733,038,505,875	2,829,253,740,311

2) Status of Credit Guarantees by Type

(1) As of the date of statement of financial position, the guarantee balance for each guarantee type is as follows.

(Unit: KRW)

Items	Type	As of December 31,	
		2025	2024
General guarantee	Loan guarantees	61,933,893,729,079	62,070,932,752,780
	Guarantees of obligation guarantees	439,386,260,656	453,853,561,397
	Promissory note guarantees	33,144,200,000	40,269,400,000
	Non-banking financing guarantees	755,257,049,236	926,060,417,802
	Obligation guarantees	18,280,147,540	14,436,874,557
	Transaction collateral guarantees	2,670,931,400,753	2,702,812,017,917
Subtotal of General guarantee		65,850,892,787,264	66,208,365,024,453
P-CBO guarantee(general)		3,326,811,580,000	3,017,281,830,000
P-CBO guarantee(bond market stabilization)		8,500,919,370,670	10,245,427,340,114
Total		77,678,623,737,934	79,471,074,194,567

(2) As of the dates of statement of financial position, the Fund's guarantee amount in Korean won and foreign currencies are as follows.

(As of December 31, 2025)

(Unit: KRW)

Items	General guarantee	P-CBO Guarantee (general)	P-CBO guarantee (bond market stabilization)	Total
Korean won	65,421,741,283,090	3,326,811,580,000	6,887,970,096,220	75,636,522,959,310
Foreign currency	429,151,504,174	-	1,612,949,274,450	2,042,100,778,624
Total	65,850,892,787,264	3,326,811,580,000	8,500,919,370,670	77,678,623,737,934

(As of December 31, 2024)

(Unit: KRW)

Items	General guarantee	P-CBO Guarantee (general)	P-CBO guarantee (bond market stabilization)	Total
Korean won	65,767,087,438,615	3,017,281,830,000	8,641,691,051,714	77,426,060,320,329
Foreign currency	441,277,585,838	-	1,603,736,288,400	2,045,013,874,238
Total	66,208,365,024,453	3,017,281,830,000	10,245,427,340,114	79,471,074,194,567

(3) As of the dates of statement of financial position, the Fund's guarantee amount based on guarantee treatment type is as follows.

(Unit: KRW)

Treatment type	As of December 31,			
	2025		2024	
	Amount	Rate (%)	Amount	Rate (%)
Direct guarantee	75,574,807,210,637	97.29	75,632,531,672,983	95.17
Consignment guarantee	2,103,816,527,297	2.71	3,838,542,521,584	4.83
Total	77,678,623,737,934	100.00	79,471,074,194,567	100.00

(4) As of the dates of statement of financial position, the Fund's guarantee amount for each key industry are as follows.

(As of December 31, 2025)

(Unit: KRW)

Industry type	Direct guarantee		Consignment guarantee		Total	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Constructions	5,373,511,218,524	7.11	93,060,456,599	4.42	5,466,571,675,123	7.04
Manufacturing	26,731,088,702,387	35.37	401,637,820,994	19.09	27,132,726,523,381	34.93
Wholesale and retail	24,658,753,939,677	32.63	637,081,695,702	30.28	25,295,835,635,379	32.56
Others	18,811,453,350,049	24.89	972,036,554,002	46.20	19,783,489,904,051	25.47
Total	75,574,807,210,637	100.00	2,103,816,527,297	100.00	77,678,623,737,934	100.00

(As of December 31, 2024)

(Unit: KRW)

Industry type	Direct guarantee		Consignment guarantee		Total	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Constructions	5,764,428,310,768	7.62	161,602,883,030	4.21	5,926,031,193,798	7.46
Manufacturing	26,697,862,150,941	35.30	579,283,397,842	15.09	27,277,145,548,783	34.32
Wholesale and retail	24,562,269,516,822	32.48	1,114,790,613,660	29.04	25,677,060,130,482	32.31
Others	18,607,971,694,452	24.60	1,982,865,627,052	51.66	20,590,837,321,504	25.91
Total	75,632,531,672,983	100.00	3,838,542,521,584	100.00	79,471,074,194,567	100.00

(5) As of the dates of statement of financial position, the Fund's guarantee amount based on company size is as follows.

(As of December 31, 2025)

(Unit: KRW)

Customer type	Direct guarantee		Consignment guarantee		Total	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Small-and-medium sized enterprises	65,616,955,088,619	86.82	2,103,816,527,297	100.00	67,720,771,615,916	87.18
Middle market enterprises	9,320,800,824,298	12.33	-	-	9,320,800,824,298	12.00
Large enterprises	637,051,297,720	0.84	-	-	637,051,297,720	0.82
Total	75,574,807,210,637	100.00	2,103,816,527,297	100.00	77,678,623,737,934	100.00

(As of December 31, 2024)

(Unit: KRW)

Customer type	Direct guarantee		Consignment guarantee		Total	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Small-and-medium sized enterprises	65,000,227,747,559	85.94	3,838,542,521,584	100.00	68,838,770,269,143	86.62
Middle market enterprises	9,002,697,627,704	11.90	-	-	9,002,697,627,704	11.33
Large enterprises	1,629,606,297,720	2.15	-	-	1,629,606,297,720	2.05
Total	75,632,531,672,983	100.00	3,838,542,521,584	100.00	79,471,074,194,567	100.00

17-2. Finalization of financial statements

The Fund's financial statements for the year ended December 31, 2025 is expected to be finalized during the board meeting held on February 25, 2026.

Audit or Review Report on Internal Control Over Financial Reporting

The attached Report On Independent Auditor's Review of Internal Control Over Financial Reporting is prepared as reference for the audit performed for Korea Credit Guarantee Fund's financial statements for the fiscal year ending on December 31, 2025 and the review results of the Fund's internal control over financial reporting.

Attachments: 1. Report on Independent Auditor's Review of Internal Control Over Financial Reporting

2. Operating Status Report of Internal Control Over Financial Reporting

Report On Independent Auditor's Review of Internal Control Over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors of Korea Credit Guarantee Fund

We have reviewed the operating status of Internal Control over Financial Reporting of Korea Credit Guarantee Fund (hereafter the "Fund") as at December 31, 2025. Management is responsible for the design, operations, as well as the preparation of operating status report of internal control over financial reporting. Our responsibility it to review and prepare the review results of the materials prepared by management. In the attached Operating Status Report of Internal Control Over Financial Reporting, the Fund's management describes that "based on the review results of the operating status of internal control over financial reporting as at December 31, 2025, the Fund has maintained, in all material respects, effective internal control over financial reporting as at December 31, 2025, based on the Internal Accounting Control System Standards."

We conducted the review in accordance with Internal Accounting Control System Standards. Those standards require that we plan and perform the review to obtain assurance lower than that obtained from audit, of the results described in the operating status report of internal control over financial reporting prepared by management in all material respect. A review includes obtaining an understanding of internal control over financial reporting, inquiring management's review results of operating status of internal control over financial reporting, and verifying related documents within limited scope when deemed necessary, etc.

The Fund's internal control over financial reporting are the internal accounting control system standards enacted to provide reasonable assurance regarding the preparation and disclosure of reliable accounting information and financial statements in accordance with the Korean National Accounting Standards and the organization responsible for the management and operation of such standards. However, due to its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections based on the operating status results of internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our review of the operating status report of internal control over financial reporting prepared by management, no items with indications that that the content of the operating status report prepared by management were, in all material respects, not in accordance with the internal accounting control system standards were discovered.

On the other hand, our review was based on the internal control over financial reporting as at December 31, 2025 and have not performed a review on the internal control over financial reporting present after December 31, 2025. The current review report was prepared in accordance with the Act on External Audit on Stock Companies, and may not be appropriate for the usage of other purposes and for other users.

Hanul LLC

Seoul, Korea
9 February 2026

Operating Status Report of Internal Control Over Financial Reporting

Operating Status Report of Internal Control Over Financial Reporting_Korea Credit Guarantee Fund

내부회계관리 운영실태 보고서

신용보증기금 감사 귀하

본 내부회계관리자는 2025년 12월 31일 현재 신용보증기금의 내부회계관리제도의 설계 및 운영실태를 평가하였습니다.

내부회계관리제도의 설계 및 운영에 대한 책임은 본 내부회계관리자를 포함한 우리 기금의 경영진에 있습니다. 본 내부회계관리자는 신용보증기금의 내부회계관리제도가 신뢰할 수 있는 재무제표의 작성 및 공시를 위하여 재무제표의 왜곡을 초래할 수 있는 오류나 부정행위를 예방하고 적발할 수 있도록 효과적으로 설계 및 운영되고 있는 지의 여부에 대하여 평가하였습니다. 본 내부회계관리자는 내부회계관리제도의 설계 및 운영실태를 평가함에 있어 내부회계관리제도 모범 규준을 평가기준으로 사용하였습니다.

본 내부회계관리자의 내부회계 관리제도 운영실태 평가결과는 별첨과 같으며, 2025년 12월 31일 현재 신용보증기금의 내부회계 관리제도는 내부회계관리제도 모범규준에 근거하여 볼 때, 중요성의 관점에서 효과적으로 설계 및 운영되고 있다고 판단됩니다.

2026년 1월 14 일

내부회계관리자 이사 염 정 원 (서명)

Independent Auditor's Report

Based on a report originally issued in Korean

To the Board of Directors of Korea Credit Guarantee Fund Insurance Account for Small and Medium Enterprises Trades Receivables.

Opinion

We have audited the accompanying financial statements of Korea Credit Guarantee Fund Insurance Account for Small and Medium Enterprises Trades Receivables (hereafter the "Account"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the statements of financial operations, statements of changes in net asset for the years then ended, and notes to the financial statements, including a summary of significant accounting policies. Meanwhile, due to the revision of the Korean National Accounting Standards, the statement of cash flows for the reporting period ended December 31, 2025, has been added in the Account's financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Account as of December 31, 2025 and 2024, and its financial performances and changes in its net asset for the years then ended and cash flows for the year ended December 31, 2025 in accordance with the Korean National Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with the Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Account in accordance with the ethical requirements of Republic of Korea that are relevant to our audits of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Korean National Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for the assessment of the Account's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Account or to cease operations.

Those charged with governance are responsible for overseeing the Account's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Account's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Account to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Hanul LLC

Seoul, Korea
6 February 2026

This audit report is effective as of the date of this audit report. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the audit report date to the time this audit report is read. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

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(Attachment) Financial Statements

Korea Credit Guarantee Fund Insurance Account for Small and Medium Enterprises Trades Receivables

Period No. 29:

For the year ended December 31, 2025

Period No. 28:

For the year ended December 31, 2024

"The attached financial statements were prepared and translated into English by the Account."

Won-Mok Choi, Chairman of Korea Credit Guarantee Fund, the governing agency of Korea Credit Guarantee Fund Insurance Account for Small and Medium Enterprises Trades Receivables

Headquarters : (Address) 7 Cheomdan-ro, Dong-gu, Daegu, Republic of Korea

(Telephone) 053-430-4385

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables

(Unit : KRW)

Items	As of December 31,	
	2025	2024
Assets		
I. Financial assets (Note 2)	776,303,008,140	762,278,086,304
1. Cash and cash equivalents (Note 2-1)	2,043,601,157	1,201,790,055
2. Financial instruments (Note 2-2)	514,800,000,000	490,500,000,000
3. Investment securities (Note 2-3)	238,541,170,333	242,135,353,722
4. Accounts receivables (Note 2-4)	13,700,099,929	22,712,874,419
5. Other financial assets (Note 2-5)	7,218,136,721	5,728,068,108
II. Tangible and intangible assets (Note 3)	498,751,204	53,928,324
1. Furniture and fixtures, office equipment, vehicles (Note 3-1)	498,751,204	53,928,324
III. Other assets (Note 4)	4,493,896,940	3,199,744,640
Total Assets	781,295,656,284	765,531,759,268
Liabilities		
I. Borrowings (Note 5)	3,101,564,927	2,481,242,828
1. Other borrowings	3,101,564,927	2,481,242,828
II. Provisions (Note 6)	277,014,875,024	264,265,054,585
1. Provision for insurances (Note 6-1)	276,710,199,983	264,059,792,348
2. Other provisions	304,675,041	205,262,237
III. Other liabilities (Note 7)	31,106,872,303	30,997,814,280
Total liabilities	311,223,312,254	297,744,111,693
Net assets		
I. General net assets	10,000,000,000	10,000,000,000
II. Reserves and surplus	461,667,430,008	456,191,548,948
III. Net asset adjustment (Note 11)	(1,595,085,978)	1,596,098,627
Total net assets	470,072,344,030	467,787,647,575
Total liabilities and net assets	781,295,656,284	765,531,759,268

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables

(Unit : KRW)

Items	For the year ended December 31,					
	2025			2024		
	Total costs	Revenues	Net costs	Total costs	Revenues	Net costs
I. Net program costs (Note 10)	105,252,633,298	66,171,796,749	39,080,836,549	105,792,883,377	65,103,315,588	40,689,567,789
1. Program (SME Trades Receivables Insurance Business)	105,252,633,298	66,171,796,749	39,080,836,549	105,792,883,377	65,103,315,588	40,689,567,789
II. Administrative expenses			-			-
III. Costs not assigned to programs(Note 10)			1,634,060,999			1,004,151,684
1. Operating expenses			687,000,000			684,000,000
2. Other national operating expenses			947,060,999			320,151,684
IV. Revenues not assigned to programs (Note 10)			26,190,778,608			30,741,368,273
1. Interest income			23,607,223,633			28,212,204,628
2. Gain on disposal of Assets			2,479,489,161			2,418,318,942
3. Other national operating revenue			104,065,814			110,844,703
V. Net operating costs (I+II+III- IV)			14,524,118,940			10,952,351,200
VI. Non-exchange Revenues, etc.			-			-
VII. Net operating results (V-VI)			14,524,118,940			10,952,351,200

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables

(Unit : KRW)

Items	For the year ended December 31,	
	2025	2024
Revenue (I+II)	92,362,575,357	95,844,683,861
I. Transfer revenue	-	-
II. National operating revenue (Note 8)	92,362,575,357	95,844,683,861
1. Interest income	23,836,689,591	28,316,308,635
2. Gain on disposal of assets	2,502,264,444	2,418,318,942
3. Other national operating revenue	66,023,621,322	65,110,056,284
Expenses (III+IV)	106,886,694,297	106,797,035,061
III. Transfer costs	-	-
IV. National operating expenses (Note 9)	106,886,694,297	106,797,035,061
1. Staff costs	24,906,560,331	23,644,179,001
2. Operating expenses	6,020,030,308	6,072,264,294
3. Depreciation expenses	48,714,120	44,300,954
4. Other national operating expenses (Note 9-1)	75,911,389,538	77,036,290,812
Net operating results (Costs - Revenue)	14,524,118,940	10,952,351,200

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables

(Unit : KRW)

Items	General net assets	Reserves and surplus	Net asset adjustments	Total
I. Beginning balance of net assets for fiscal year 2024	10,000,000,000	467,143,900,148	2,273,121,252	479,417,021,400
1. Balance at Dec. 31, 2023 as previously reported	10,000,000,000	467,143,900,148	2,273,121,252	479,417,021,400
II. Net operating results	-	10,952,351,200	-	10,952,351,200
III. Adjustments	-	-	(677,022,625)	(677,022,625)
1. Gain(loss) on valuation of investment securities	-	-	(677,022,625)	(677,022,625)
IV. Closing balance of net assets for fiscal year 2024 (I-II+III)	10,000,000,000	456,191,548,948	1,596,098,627	467,787,647,575
V. Beginning balance of net assets for fiscal year 2025	10,000,000,000	456,191,548,948	1,596,098,627	467,787,647,575
1. Balance at Dec. 31, 2024 as previously reported	10,000,000,000	456,191,548,948	1,596,098,627	467,787,647,575
VI. Net operating results	-	14,524,118,940	-	14,524,118,940
VII. Adjustments	-	20,000,000,000	(3,191,184,605)	16,808,815,395
1. Gain(loss) on valuation of investment securities (Note 11)	-	-	(3,191,184,605)	(3,191,184,605)
2. Increase in other net assets	-	20,000,000,000	-	20,000,000,000
VIII. Closing balance of net assets for fiscal year 2025 (V - VI + VII)	10,000,000,000	461,667,430,008	(1,595,085,978)	470,072,344,030

"The accompanying notes are an integral part of these financial statements."

Korea Credit Guarantee Fund Insurance Account for SME Trades Receivables

(Unit : KRW)

	For the year ended December 31, 2025
I. Cash flow from operating activities (Note 13-1)	(1,425,237,616)
1. Cash inflows from operating activities	91,536,542,658
(1) Interest income	33,086,964,913
(2) Other income	58,449,577,745
2. Cash outflows from operating activities	92,961,780,274
(1) Payment of staff costs	24,313,537,976
(2) Other payments	68,648,242,298
II. Cash flow from investing activities (Note 13-2)	(17,732,951,282)
1. Cash inflows from investing activities	753,021,726,552
(1) Disposal of Financial Instruments and Investment Securities	732,898,267,968
(2) Other income	20,123,458,584
2. Cash outflows from investing activities	770,754,677,834
(1) Acquisition of Financial Instruments and Investment Securities	754,937,268,960
(2) Acquisition of furniture and fixtures, office equipment, vehicles (Note 3-1)	493,537,000
(3) Other Payments	15,323,871,874
III. Cash flow from financing activities (Note 13-3)	20,000,000,000
1. Cash inflows from financing activities	20,000,000,000
(1) Government contributions	20,000,000,000
2. Cash outflows from financing activities	-
IV. Net Increase (Decrease) in cash and cash equivalents (I + II + III)	841,811,102
V. Cash and cash equivalents at the beginning of the year	1,201,790,055
VI. Cash and cash equivalents at the end of the year	2,043,601,157

"The accompanying notes are an integral part of these financial statements."

GENERAL INFORMATION

The Korea Credit Guarantee Fund Insurance Account for Small and Medium Enterprises Trades Receivables ("the Account") was established in April 1997 under the Act on Special Measures for Support to Small Enterprises and Small Commercial and Industrial Businessmen (the Act was transferred to Small and Medium Enterprises Promotion Act) with fundamental property of KRW 10,000 million. The Account was established within Korea Credit Guarantee Fund in accordance with Article 2 of the Framework Act on Small and Medium Enterprises to avoid a chain reaction of bankruptcies of small and medium enterprises caused by default on promissory notes or bills of exchange related to business activities held by small and medium enterprises or by default on debts by debtors for trade receivables.

In order to achieve the purpose of the Small and Medium Enterprises Promotion Act, the Account performs affairs including affairs related to insurance for trade receivables of small and medium enterprises, operation and management of assets of the Account, matters concerning the payment of insurance money and exercise of subrogation rights, research on practices related to insurance for trade receivables of small and medium enterprises.

1. SIGNIFICANT ACCOUNTING POLICIES

1-1. National Accounting Entity: Not Applicable

1-2. Significant Accounting Policies

(1) General Standards

The attached financial statements have been prepared by the Korea Credit Guarantee Fund, the executing agency of entrusted projects under Article 61-4 of the Small and Medium Enterprises Promotion Act, in accordance with the National Accounting Standards pursuant to Article 11, Paragraph 1 of the National Accounting Act. The reporting period for these financial statements is from January 1 to December 31, 2025.

(2) Cash and Cash Equivalents

Currency and monetary substitutes such as checks issued by others, current and ordinary deposits, and investment securities and financial instruments that are easily convertible into cash without significant transaction costs and for which the risk of value fluctuation due to interest rate changes is insignificant, with a maturity or redemption date within three months at the time of acquisition, are treated as cash and cash equivalents.

(3) Valuation of Investment Securities

Investment securities are classified into equity securities and debt securities. Equity securities are valued at acquisition cost, debt securities at amortized cost, and securities paid in lieu of taxes at the amount recognized as national tax revenue. However, if the fair value can be reliably measured as of the date of the Statement of Financial Position, they are valued at fair value, with the difference between the book value and fair value reflected in the net asset adjustment.

If the recoverable amount of an investment security falls below its book value and the decline is prolonged with no possibility of recovery, the difference is recognized as an impairment loss and reflected in the net operating results.

(4) Assessment of Accounts Receivable, etc.

Accounts receivables are classified into accrued insurance income, accrued interest income, other account receivables etc. As of the date of the Statement of Financial Position, there are no assets among the Account's receivables subject to the allowance for doubtful accounts.

(5) Other Financial Assets

As of the date of the Statement of Financial Position, the Account recognizes Indemnity rights for the portion of paid insurance claims expected to be recovered in the future. This amount is calculated by applying the average recovery rate of the past five years to the insurance claims paid during the current period.

(6) Valuation and Depreciation of General Tangible Assets

The acquisition cost of general tangible assets consists of the construction cost or purchase price plus incidental acquisition costs.

Expenditures that extend the useful life or substantially increase the value of a general tangible asset are treated as increase in assets, while expenditures for restoration or maintenance of efficiency are treated as expenses.

General tangible assets are depreciated according to the following useful lives and methods. Accumulated depreciation is added to the accumulated depreciation account and presented as a deduction from the respective asset.

Items	Depreciation Method	Useful Life
Furniture and fixtures, office equipment, vehicles	Declining balance	5 years

(7) Asset Impairment

Except as otherwise provided in the National Accounting Standards, if the recoverable amount of an asset in the Statement of Financial Position falls below its book value due to physical damage or a sharp decline in market value, and the decline is significant, the book value is adjusted to the recoverable amount. The difference is reflected in the results of fiscal operations as an impairment loss. There were no impairments in the current or preceding year.

(8) Provisions, Contingent Liabilities, and Contingent Assets

At the reporting date, provisions are recognized when the entity has a present obligation as a result of past events or transactions, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reasonably estimated, even though the timing or amount of the expenditure may be uncertain.
In addition, contingent liabilities are disclosed in the notes when a potential obligation exists as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of uncertain future events, or when a present obligation exists but it is not highly probable that an outflow of resources embodying economic benefits will be required, or the amount of the obligation cannot be measured reliably.
Contingent assets are not recognized as assets; however, they are disclosed in the notes only when the inflow of economic benefits is highly probable.

- Provision for insurances
  The Account recognizes provision for insurances corresponding to payment reserve and contingency reserve, pursuant to Article 61-5 of the Small and Medium Enterprises Promotion Act and Article 52-3 of its Enforcement Decree.

- Other provisions
  With respect to pending lawsuits where the Account is a defendant, if an unfavorable outcome is highly probable and the resulting loss can be reliably estimated, the expected loss is recognized as a provision for litigation. Additionally, the amount of other reserve appropriations is recorded as other provisions.

(9) Definition and Recognition of Revenue

The Account's revenue is classified into exchange revenue and non-exchange revenue based on its source.

Exchange revenue represents government operating revenue generated in return for providing goods or services. Such revenue is recognized when the earnings process is complete and the amount can be measured reliably.

Non-exchange revenue generally arises without direct consideration. It is recognized in the financial statements when the right to receive the revenue is established and the amount can be measured reliably.

However, if it is not probable that economic benefits associated with the revenue-generating activity will flow in, or if the amount of revenue cannot be measured reliably, revenue may be recognized at the time cash is received. There was no non-exchange revenue arising from the Account during the current period.

(10) Definition and Recognition of Expenses

The Account's expenses are classified into transfer expenses and national operating expenses based on their nature.

Transfer costs refer to expenses incurred in transactions where no direct consideration—such as goods, services, or other assets—is received in return. These include national treasury subsidy project costs, contribution project costs, social insurance expenses, and local allocation taxes. They are recognized when there is an obligation to spend based on relevant laws and regulations, and the amount can be reasonably measured.
National operating costs refer to expenses incurred in transactions where no direct consideration—such as goods, services, or other assets—is received in return. These are recognized when it is clear that the future economic benefits of assets previously recognized have decreased or expired, or when liabilities have occurred or increased without an expenditure of resources.
As of the date of the Statement of Financial Operations, there are no transfer costs incurred in the insurance account.

1-3. Key Changes due to Financial Statement Restructuring

To enhance the analytical utility of the Statement of Financial Position, intermediate categories such as "Financial Assets/Non-Financial Assets" and "Borrowings/Provisions" were established. To improve understandability, the classification was changed from a simple liquidity-based format to an integrated format considering the nature of operations, liquidity, and materiality.

The Statement of Financial Operations by nature was added to the Statement of Financial Operations to provide a detailed breakdown of revenue and expenses, simplifying complex classifications while increasing utility.

The Statement of Cash Flows was newly established. It categorizes cash flows into operating, investing, and financing activities, providing a basis for analyzing the quality of cash flows for each fiscal activity.

Additional financial information previously scattered across notes, required supplementary information, and attached specifications has been integrated and unified into the Notes. Information on account items not previously explained in settlement reports has been added to improve clarity.

2. FINANCIAL ASSETS

The Account's Financial assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		776,303,008,140	762,278,086,304
Cash and cash equivalents	Cash and cash equivalents	2,043,601,157	1,201,790,055
Sub total		2,043,601,157	1,201,790,055
Financial instruments	Time deposit	139,100,000,000	92,000,000,000
	Other Financial instruments	375,700,000,000	398,500,000,000
Sub total		514,800,000,000	490,500,000,000
Investment securities	Equity securities	-	874,357,445
	Debt securities	238,541,170,333	241,260,996,277
Sub total		238,541,170,333	242,135,353,722
Accounts receivables	Accrued interest income	10,148,899,170	19,399,174,492
	Accrued insurance income	10,255,051	9,830,443
	Other accounts receivables	3,540,945,708	3,303,869,484
Sub total		13,700,099,929	22,712,874,419
Other financial assets	Indemnity rights	6,206,715,016	5,311,995,146
	Payment deposit	161,030,000	413,200,000
	Advance payment	3,917,812	2,872,962
	Other financial assets	846,473,893	-
Sub total		7,218,136,721	5,728,068,108

(*) Equity securities acquired through the conversion of right of indemnity have been reclassified as other financial assets starting from the current period, distinct from investment securities for fund management purposes.

2-1. Cash and Cash equivalents

The Account's Cash and cash equivalents as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		2,043,601,157	1,201,790,055
Cash and cash equivalents	Other cash equivalents	2,043,601,157	1,201,790,055

2-2. Financial instruments

The Account's Financial instruments as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Types	Time deposit	139,100,000,000	92,000,000,000
	Other Financial instruments (*)	375,700,000,000	398,500,000,000
Total		514,800,000,000	490,500,000,000
Maturity	Short-term	514,800,000,000	479,500,000,000
	Long-term	-	11,000,000,000

(*) Other financial instruments consist of Certificates of Deposit.

2-3. Investment securities

The Account's Investment securities as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items			As of December 31,	
			2025	2024
Type	Equity securities	Other equity securities	-	874,357,445
	Debt securities	Central government bonds	238,541,170,333	241,260,996,277
Total			238,541,170,333	242,135,353,722
Maturity	Long-term		238,541,170,333	242,135,353,722

(1) Valuation of investment securities as of the dates of statement of financial position are as follows. There is no impairment loss on investment securities for the current period.

(Unit : KRW)

Items		Book value		Acquisition cost		Cumulative valuation gains (losses)		Cumulative impairment losses	
		2025	2024	2025	2024	2025	2024	2025	2024
Total		238,541,170,333	242,135,353,722	240,136,256,311	242,858,028,444	(1,595,085,978)	1,596,098,627	-	(2,318,773,349)
Equity securities	Other equity securities	-	874,357,445	-	3,193,130,794	-	-	-	(2,318,773,349)
Debt securities	Central government bonds	238,541,170,333	241,260,996,277	240,136,256,311	239,664,897,650	(1,595,085,978)	1,596,098,627	-	-

2-4. Accounts Receivables

The Account's accounts receivables as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Types	Accrued interest income	10,148,899,170	19,399,174,492
	Accrued guarantee income	10,255,051	9,830,443
	Other accounts receivables	3,540,945,708	3,303,869,484
Total		13,700,099,929	22,712,874,419
Maturity	Short-term	13,700,099,929	22,416,109,488
	Long-term	-	296,764,931

2-5. Other financial assets

The Account's Other financial assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Types	Indemnity rights	6,206,715,016	5,311,995,146
	Payment deposit	161,030,000	413,200,000
	Payments on behalf of customers	3,917,812	2,872,962
	Other financial assets	846,473,893	-
Total		7,218,136,721	5,728,068,108
Maturity	Short-term	6,371,662,828	5,728,068,108
	Long-term	846,473,893	-

3. TANGIBLE AND INTANGIBLE ASSETS

The Account's tangible assets as of the dates of statement of financial position are as follows. There are no intangible assets owned by the Account.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		498,751,204	53,928,324
Tangible assets	Furniture and fixtures, office equipment, vehicles	498,751,204	53,928,324

3-1. Tangible assets

(1) The Account's tangible assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		498,751,204	53,928,324
Furniture and fixtures, office equipment, vehicles	Acquisition cost	774,477,400	280,940,400
	Accumulated depreciation	(275,726,196)	(227,012,076)

(2) Changes in carrying amount of furniture and fixtures, office equipment and vehicles for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Beginning carrying amount		53,928,324	98,229,278
Increase (Decrease)	Acquisition	493,537,000	-
	Depreciation	(48,714,120)	(44,300,954)
Ending carrying amount		498,751,204	53,928,324
Ending balance	Accumulated depreciation	275,726,196	227,012,076

4. OTHER ASSETS

The Account's other assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Accounts	As of December 31,	
	2025	2024
Total	4,493,896,940	3,199,744,640
Advance payment	408,535,790	290,885,530
Prepaid income tax	4,085,361,150	2,908,859,110

5. BORROWINGS

The Account's borrowings as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		3,101,564,927	2,481,242,828
Other borrowings	Accounts payable	160,795,572	102,399,608
	Accrued expenses	2,940,039,635	2,347,017,280
	Withholdings	729,720	31,825,940

6. PROVISIONS

The Account's provisions as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		277,014,875,024	264,265,054,585
Provision for insurances		276,710,199,983	264,059,792,348
Other provisions		304,675,041	205,262,237

6-1. Provision for insurances

(1) Status of guarantees

Provision for insurances consist of the estimated amounts of insurance claims that have occurred prior to the dates of statement of financial position but remain unpaid, as well as the estimated amounts set aside for future insurance claims that have not yet occurred as of the dates of statement of financial position.
However, if the methods for calculating reserves and provisions under relevant laws and regulations are similar to the method for estimating insurance claim payments, such reserves and provisions may be recognized as Provision for insurances.

(2) Changes in carrying amount of provisions for guarantees for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Provisions for insurances	Beginning balance(A)	264,059,792,348	243,466,345,993
	Increase(B)	12,650,407,635	21,839,827,489
	Decrease(C)	-	1,246,381,134
	Ending balance(D=A+B-C)	276,710,199,983	264,059,792,348

(3) The details of provisions for insurances as of the dates of statement of financial position are as follows.

(Unit : KRW)

Insurance amount		Expected loss rate		Provisions for insurances	
2025	2024	2025	2024	2025	2024
6,421,870,225,352	6,363,338,999,680	4.31%	4.15%	276,710,199,983	264,059,792,348

(4) Insurance revenue and insurance expenses for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Insurance revenue		Insurance expense	
2025	2024	2025	2024
58,160,246,764	59,082,672,310	73,877,535,329	75,331,450,738

7. OTHER LIABILITIES

The Account's other liabilities as of the dates of statement of financial position are as follows.

(Unit : KRW)

Accounts	Detailed Accounts	As of December 31,	
		2025	2024
Total		31,106,872,303	30,997,814,280
Unearned income	Other unearned income	31,009,574,806	30,916,425,680
Advanced from customer		97,297,497	81,388,600

8. NATIONAL OPERATING REVENUE

The Account's national operating revenue for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		92,362,575,357	95,844,683,861
Interest income	Interest on financial instruments	17,118,100,120	20,111,739,408
	Interest on investment securities	6,485,082,630	8,097,227,303
	Other interest income	233,506,841	107,341,924
Sub total		23,836,689,591	28,316,308,635
Gain on disposal of Assets	Gain on disposal of investment securities	2,502,264,444	2,418,318,942
Sub total		2,502,264,444	2,418,318,942
Other national operating revenue	Reversal of Allowance for Doubtful Accounts	-	12,741,116
	Reversal of provisions	587,196	1,832,262,296
	Insurance revenue	58,160,246,764	59,082,672,310
	Gain on prior period error corrections	31,075,324	64,866,377
	Other income	7,831,712,038	4,117,514,185
Sub total		66,023,621,322	65,110,056,284

9. NATIONAL OPERATING EXPENSES

The Account's national operating expenses for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		106,886,694,297	106,797,035,061
Staff costs	Salaries and wages	22,426,538,029	21,069,059,545
	Retirement benefits	2,480,022,302	2,575,119,456
Sub total		24,906,560,331	23,644,179,001
Operating expenses	General administrative expenses	1,401,487,814	1,482,983,083
	Taxes and dues	247,257,865	207,091,250
	Supplies expenses	197,987,741	230,438,386
	Business promotion expenses	282,917,901	276,303,544
	Rental expenses	358,821,770	348,238,226
	Fuel expenses	6,750,636	7,909,088
	Education & training expenses	126,779,948	106,645,670
	Travel expenses	194,129,957	215,620,492
	Employee benefits	1,156,240,406	1,137,613,525
	Employment levy	2,047,656,270	2,059,421,030
Sub total		6,020,030,308	6,072,264,294
Depreciation expenses		48,714,120	44,300,954
Other national operating expenses		75,911,389,538	77,036,290,812

9-1. Other national operating expenses

The Account's other national operating expenses for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		75,911,389,538	77,036,290,812
Operating expenses	Loss on disposal of assets	644,264,220	42,186,061
	Repair and maintenance expenses	1,452,000	462,000
	Bad debt expense	8,919,902	-
	Impairment loss	1,908,289	2,550,798
	Insurance expenses	73,877,535,329	75,331,450,738
	R&D expenses	85,000,000	469,200,000
	Outsourcing expenses	488,191,000	453,722,911
	Loss on prior period error corrections	267,180,716	245,590,803
	Other expenses	536,938,082	491,127,501

10. STATEMENTS OF PROGRAM FINANCIAL OPERATIONS

(Unit : KRW)

Items	For the year ended December 31,	
	2025	2024
I. Net program costs	105,252,633,298	105,792,883,377
1. Labor cost	24,906,560,331	23,644,179,001
2. Operating expenses	5,333,030,308	5,388,264,294
3. Depreciation	48,714,120	44,300,954
4. Other national operating expenses	74,964,328,539	76,716,139,128
II. Program revenue	66,171,796,749	65,103,315,588
1. Other national operating revenue	229,465,958	104,104,007
2. Gain on disposal of assets	22,775,283	-
3. Other national operating revenue	65,919,555,508	64,999,211,581
III. Administrative expenses	-	-
IV. Costs not assigned to programs	1,634,060,999	1,004,151,684
1. Operating expenses	687,000,000	684,000,000
2. Other national operating expenses	947,060,999	320,151,684
V. Revenues not assigned to programs	26,190,778,608	30,741,368,273
1. Interest income	23,607,223,633	28,212,204,628
2. Gain on disposal of assets	2,479,489,161	2,418,318,942
3. Other national operating revenue	104,065,814	110,844,703
VI. Net operating costs (I-II+III+ IV-V)	14,524,118,940	10,952,351,200
VII. Non-exchange revenues, etc.	-	-
VIII. Net operating results (VI- VII)	14,524,118,940	10,952,351,200

11. NET ASSET ADJUSTMENTS

The Account’s net asset adjustments for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items		Beginning balance	Increase	Decrease	Ending balance
Total		1,596,098,627	(1,595,085,978)	1,596,098,627	(1,595,085,978)
Gain and loss on valuation of investment securities	Sub total	1,596,098,627	(1,595,085,978)	1,596,098,627	(1,595,085,978)
	Gain on valuation of investment securities	1,659,298,260	112,629,737	1,659,298,260	112,629,737
	Loss on valuation of investment securities	63,199,633	1,707,715,715	63,199,633	1,707,715,715

12. PRIOR PERIOD ERROR CORRECTION

The Account recognized 31 million KRW in gain on a prior period error correction (revenues not assigned to programs) and 267 million KRW in loss on prior-period error corrections (costs not assigned to programs) in the current Statement of Financial Operations, as the corrections were deemed immaterial.

13. CASH FLOWS

The Account's detail of cash flows by activities for the year ended December 31, 2025 are as follows.

13-1. Cash flows from operating activities

(Unit : KRW)

Items		For the year ended December 31, 2025
Cash flows from operating activities		(1,425,237,616)
Cash inflows from operating activities		91,536,542,658
Interest income	Interest on financial instruments	26,273,419,079
	Interest on investment securities	6,578,986,686
	Other interest income	234,559,148
Sub total		33,086,964,913
Other income	Other inflow	58,449,577,745
Sub total		58,449,577,745
Cash outflows from operating activities		92,961,780,274
Payment of staff costs	Salaries and wages	21,833,515,674
	Retirement benefits	2,480,022,302
Sub total		24,313,537,976
Other payment	Payment of operating expenses	6,051,126,528
	Payment of repair and maintenance expenses	1,452,000
	Payment of R&D expenses	85,000,000
	Payment of outsourcing expenses	488,191,000
	Other payment	62,022,472,770
Sub total		68,648,242,298

13-2. Cash flows from investing activities

(Unit : KRW)

Items		For the year ended December 31, 2025
Cash flows from investing activities		(17,732,951,282)
Cash inflows from investing activities		753,021,726,552
Disposal of financial instrument and investment securities	Disposal of financial instrument	493,002,264,444
	Disposal of investment securities	239,896,003,524
Sub total		732,898,267,968
Other income	Disposal of other financial assets	16,923,713,944
	Disposal of other non-financial assets	3,199,744,640
Sub total		20,123,458,584
Cash outflows from investing activities		770,754,677,834
Acquisition of financial instrument and investment securities	Acquisition of financial instrument	514,800,000,000
	Acquisition of investment securities	240,137,268,960
Sub total		754,937,268,960
Acquisition of tangible assets	Acquisition of furniture and fixtures, office equipment, vehicles	493,537,000
Sub total		493,537,000
Other payment	Acquisition of other financial assets	10,829,974,934
	Acquisition of other non-financial assets	4,493,896,940
Sub total		15,323,871,874

13-3. Cash flows from financing activities

(Unit : KRW)

Items	For the year ended December 31, 2025
Cash flows from financing activities	20,000,000,000
Cash inflows from financing activities	20,000,000,000
Government contributions	20,000,000,000
Cash outflows from financing activities	-

14. CONTINGENCIES AND COMMITMENTS

14-1. Legal proceedings in process

(1) The number of lawsuit and amount in controversy

(Unit : KRW)

As of December 31,	Defendant case	
	Number of lawsuits	Amount in controversy
2025	4	1,581,098,412
2024	4	1,581,098,412

(2) The detail of lawsuit

(Unit : KRW)

Court	Plaintiff	Defendant	Contents	amount	Status
Uijeongbu District Court	OO Co., Ltd.	Korea Credit Guarantee Fund	Lawsuit for insurance benefits	35,194,368	Court of first instance in progress
Daegu district court	OO Bank of Korea	Korea Credit Guarantee Fund	Lawsuit for collection	45,904,044	Win court of first instance; Court of appeals in progress
Seoul Central District Court	OO Co., Ltd.	Korea Credit Guarantee Fund	Lawsuit for insurance benefits	600,000,000	Win court of first instance
Seoul Central District Court	OO Co., Ltd.	Korea Credit Guarantee Fund	Lawsuit for insurance benefits	900,000,000	Court of first instance in progress

15. OTHER INFORMATION

15-1. Finalization of financial statements

The Account’s financial statements for the year ended December 31, 2025 is expected to be finalized during the board meeting held on February 25, 2026.

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Independent Auditor's Report

Based on a report originally issued in Korean

To the Board of Directors of Korea Infrastructure Credit Guarantee Fund

Opinion
We have audited the accompanying financial statements of Korea Infrastructure Credit Guarantee Fund (hereafter the "Fund"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the statements of financial operations, statements of changes in net asset for the years then ended, and notes to the financial statements, including a summary of significant accounting policies. Meanwhile, due to the revision of the Korean National Accounting Standards, the statement of cash flows for the reporting period ended December 31, 2025, has been added in the Fund's financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2025 and 2024, and its financial performances and changes in its net asset for the years then ended and cash flows for the year ended December 31, 2025 in accordance with the Korean National Accounting Standards.

Basis for Opinion
We conducted our audits in accordance with the Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements of Republic of Korea that are relevant to our audits of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Korean National Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for the assessment of the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Hanul LLC

Seoul, Korea
9 February 2026

This audit report is effective as of the date of this audit report. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the audit report date to the time this audit report is read. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

(Attachment) Financial Statements

Korea Infrastructure Credit Guarantee Fund

Period No. 31:

For the year ended December 31, 2025

Period No. 30:

For the year ended December 31, 2024

"The attached financial statements were prepared and translated into English by the Fund."

Won-Mok Choi, Chairman of Korea Credit Guarantee Fund, the governing agency of Korea Infrastructure Credit Guarantee Fund

Headquarters : (Address) 7 Cheomdan-ro, Dong-gu, Daegu, Republic of Korea

(Telephone) 053-430-4484

Korea Infrastructure Credit Guarantee Fund (Unit : KRW)

Items	As of December 31,	
	2025	2024
Assets		
I. Financial assets (Note 2)	1,212,546,850,033	1,113,932,472,400
1. Cash and cash equivalents (Note 2-1)	2,080,924,818	2,265,650,329
2. Financial instruments (Note 2-2)	198,200,000,000	280,700,000,000
3. Investment securities (Note 2-3)	906,693,183,363	822,041,599,547
4. Accounts receivables (Note 2-4)	5,572,590,852	8,925,071,424
5. Other financial assets (Note 2-5)	100,000,151,000	151,100
II. Tangible and intangible assets (Note 3)	3,764,188	3,937,184
1. Furniture and fixtures, office equipment, vehicles (Note 3-1)	3,764,188	3,937,184
III. Other assets	-	-
Total Assets	1,212,550,614,221	1,113,936,409,584
Liabilities		
I. Borrowings (Note 4)	11,319,929,731	8,625,264,816
1. Other borrowings (Note 4-1)	11,319,929,731	8,625,264,816
II. Provisions (Note 5)	73,776,839,375	75,616,490,930
1. Provision for guarantees (Note 5-1)	73,776,839,375	75,616,490,930
III. Other liabilities (Note 6)	2,853,237,508	2,502,753,880
Total liabilities	87,950,006,614	86,744,509,626
Net assets		
I. General net assets	248,000,000,000	248,000,000,000
II. Reserves and surplus	823,224,597,798	756,509,223,605
III. Net asset adjustment (Note 10)	53,376,009,809	22,682,676,353
Total net assets	1,124,600,607,607	1,027,191,899,958
Total liabilities and net assets	1,212,550,614,221	1,113,936,409,584

"The accompanying notes are an integral part of these financial statements."

Korea Infrastructure Credit Guarantee Fund (Unit : KRW)

Items	For the year ended December 31,					
	2025			2024		
	Total costs	Revenues	Net costs	Total costs	Revenues	Net costs
I. Net program costs (Note 9)	5,516,304,763	(21,300,324,147)	(15,784,019,384)	3,498,280,130	(19,855,112,690)	(16,356,832,560)
1. Program (support for industrial infrastructure)	5,516,304,763	(21,300,324,147)	(15,784,019,384)	3,498,280,130	(19,855,112,690)	(16,356,832,560)
II. Administrative expenses			-			-
III. Costs not assigned to programs(Note 9)			19,449,046,001			16,560,708,797
1. Operating expenses			375,000,000			420,000,000
2. Other national operating expenses			19,074,046,001			16,140,708,797
IV. Revenues not assigned to programs (Note 9)			60,380,400,810			65,373,420,823
1. Interest income			8,210,904,704			15,219,232,054
2. Dividend Income			91,515,824			519,974,007
3. Gain on disposal of Assets			52,076,940,270			49,291,214,747
4. Other national operating revenue			1,040,012			343,000,015
V. Net operating costs (I+II+III- IV)			(56,715,374,193)			(65,169,544,586)
VI. Non-exchange Revenues, etc.			-			-
VII. Net operating results (V-VI)			(56,715,374,193)			(65,169,544,586)

"The accompanying notes are an integral part of these financial statements."

Korea Infrastructure Credit Guarantee Fund (Unit : KRW)

Items	For the year ended December 31,	
	2025	2024
Revenue (I+II)	81,680,724,957	85,228,533,513
I. Transfer revenue	-	-
II. National operating revenue (Note 7)	81,680,724,957	85,228,533,513
1. Interest income	8,210,904,704	15,219,232,054
2. Dividend Income	91,515,824	519,974,007
3. Gain on disposal of assets	52,076,940,270	49,291,214,747
4. Other national operating revenue	21,301,364,159	20,198,112,705
Expenses (III+IV)	24,965,350,764	20,058,988,927
III. Transfer costs	-	-
IV. National operating expenses (Note 8)	24,965,350,764	20,058,988,927
1. Staff costs	2,445,147,512	2,188,670,554
2. Operating expenses	1,341,832,247	1,186,767,266
3. Depreciation expenses	1,957,996	1,792,796
4. Other national operating expenses (Note 8-1)	21,176,413,009	16,681,758,311
Net operating results (Costs - Revenue)	(56,715,374,193)	(65,169,544,586)

"The accompanying notes are an integral part of these financial statements."

Korea Infrastructure Credit Guarantee Fund (Unit : KRW)

Items	General net assets	Reserves and surplus	Net asset adjustments	Total
I. Beginning balance of net assets for fiscal year 2024	248,000,000,000	681,339,679,019	26,345,937,750	955,685,616,769
1. Balance at Dec. 31, 2023 as previously reported	248,000,000,000	681,339,679,019	26,345,937,750	955,685,616,769
II. Net operating results	-	(65,169,544,586)	-	(65,169,544,586)
III. Adjustments	-	10,000,000,000	(3,663,261,397)	6,336,738,603
1. Gain(loss) on valuation of investment securities	-	-	(3,663,261,397)	(3,663,261,397)
2. Increase in other net assets	-	10,000,000,000	-	10,000,000,000
IV. Closing balance of net assets for fiscal year 2024 (I-II+III)	248,000,000,000	756,509,223,605	22,682,676,353	1,027,191,899,958
V. Beginning balance of net assets for fiscal year 2025	248,000,000,000	756,509,223,605	22,682,676,353	1,027,191,899,958
1. Balance at Dec. 31, 2024 as previously reported	248,000,000,000	756,509,223,605	22,682,676,353	1,027,191,899,958
VI. Net operating results	-	(56,715,374,193)	-	(56,715,374,193)
VII. Adjustments	-	10,000,000,000	30,693,333,456	40,693,333,456
1. Gain(loss) on valuation of investment securities (Note 10)	-	-	30,693,333,456	30,693,333,456
2. Increase in other net assets	-	10,000,000,000	-	10,000,000,000
VIII. Closing balance of net assets for fiscal year 2025 (V - VI + VII)	248,000,000,000	823,224,597,798	53,376,009,809	1,124,600,607,607

"The accompanying notes are an integral part of these financial statements."

Korea Infrastructure Credit Guarantee Fund

	For the year ended December 31, 2025
I. Cash flow from operating activities (Note 12-1)	10,184,783,167
1. Cash inflows from operating activities	31,492,396,658
(1) Interest income	12,353,215,226
(2) Other income	19,139,181,432
2. Cash outflows from operating activities	21,307,613,491
(1) Payment of staff costs	2,363,506,763
(2) Other payments	18,944,106,728
II. Cash flow from investing activities (Note 12-2)	(20,369,508,678)
1. Cash inflows from investing activities	410,438,058,322
(1) Disposal of Financial Instruments and Investment Securities	410,438,058,222
(2) Other income	100
2. Cash outflows from investing activities	430,807,567,000
(1) Acquisition of Financial Instruments and Investment Securities	330,805,782,000
(2) Acquisition of furniture and fixtures, office equipment, vehicles (Note 3-1)	1,785,000
(3) Other Payments	100,000,000,000
III. Cash flow from financing activities (Note 12-3)	10,000,000,000
1. Cash inflows from financing activities	10,000,000,000
(1) Government contributions	10,000,000,000
2. Cash outflows from financing activities	-
IV. Net Increase (Decrease) in cash and cash equivalents (I + II + III)	(184,725,511)
V. Cash and cash equivalents at the beginning of the year	2,265,650,329
VI. Cash and cash equivalents at the end of the year	2,080,924,818

"The accompanying notes are an integral part of these financial statements."

GENERAL INFORMATION

The Korea Infrastructure Credit Guarantee Fund (“the Fund”) was established on August 3, 1994 under the Promotion of Private Capital into Infrastructure Investment Act (Current: Act on Public-Private Partnerships in Infrastructure) in order to provide credit guarantees to facilitate securing public-private partnership project fund. During the time of the Fund’s establishment, the Fund was managed by three agencies (Korea Credit Guarantee Fund, Korea Development Bank, and Credit Guarantee Fund for Technical Development). However, for efficient operations, as of January 1, 1999, the Fund has been and currently is under the management of an integrated management agency, Korea Credit Guarantee Fund.

In order to achieve the purpose of the Act on Public-Private Partnerships in Infrastructure, the Fund provides guarantees for and collects guarantee charges from concessionaires selected by the central government and local government and public-private partnership companies, during situations when those companies are raising funds from financial institutions.

1. SIGNIFICANT ACCOUNTING POLICIES

1-1. National Accounting Entity: Not Applicable

1-2. Significant Accounting Policies

(1) General Standards

The attached financial statements have been prepared by the Korea Credit Guarantee Fund (KODIT), the executing agency of entrusted projects under Article 30, Paragraph 2 of the "Act on Public-Private Partnerships in Infrastructure," in accordance with the National Accounting Standards pursuant to Article 11, Paragraph 1 of the "National Accounting Act." The reporting period for these financial statements is from January 1, 2025, to December 31, 2025.

(2) Cash and Cash Equivalents

Currency and monetary substitutes such as checks issued by others, current and ordinary deposits, and investment securities and financial instruments that are easily convertible into cash without significant transaction costs and for which the risk of value fluctuation due to interest rate changes is insignificant, with a maturity or redemption date within three months at the time of acquisition, are treated as cash and cash equivalents.

(3) Valuation of Investment Securities

Investment securities are classified into equity securities and debt securities. The acquisition cost of investment securities is measured at the fair value of the consideration given (or the market price of the acquired security if the fair value of the consideration is unknown) plus incidental costs.

Equity securities are valued at acquisition cost, debt securities at amortized cost, and securities paid in lieu of taxes at the amount recognized as national tax revenue. However, if the fair value can be reliably measured as of the date of the Statement of Financial Position, they are valued at fair value, with the difference between the book value and fair value reflected in the net asset adjustment.

If the recoverable amount of an investment security falls below its book value and the decline is prolonged with no possibility of recovery, the difference is recognized as an impairment loss and reflected in the net operating results.

(4) Valuation of Government investments

Government investments refer to assets contributed pursuant to applicable laws and regulations for the purpose of acquiring shares or equity interests in private entities that carry out public-interest projects or activities necessary for the operation of the private economy. Government contributions are measured at acquisition cost.

Government investments to government-invested enterprises and government dividend-paying entities are classified as “Investments in Government-Invested Enterprises,” while other contributions are classified as “Other Government Investments.”

(5) Assessment of Accounts Receivable, etc.

Accounts receivables are classified into accrued guarantee income, accrued interest income, etc. As of the date of the Statement of Financial Position, there are no assets among the Fund's receivables subject to the allowance for doubtful accounts.

(6) Other Financial Assets

Claims acquired through the fulfillment of guarantee obligations and payments made for the preservation and exercise of indemnity rights are recorded as "Indemnity rights" under other financial assets.
An allowance for doubtful accounts is established for the balance of indemnity rights as of the date of the Statement of Financial Position, based on reliable and objective criteria for estimating bad debt.

(7) Valuation and Depreciation of General Tangible Assets

The acquisition cost of general tangible assets consists of the construction cost or purchase price plus incidental acquisition costs.

Expenditures that extend the useful life or substantially increase the value of a general tangible asset are treated as increase in assets, while expenditures for restoration or maintenance of efficiency are treated as expenses.

General tangible assets are depreciated according to the following useful lives and methods. Accumulated depreciation is added to the accumulated depreciation account and presented as a deduction from the respective asset.

Items	Depreciation Method	Useful Life
Furniture and fixtures, office equipment, vehicles	Declining balance	5 years

(8) Asset Impairment

Except as otherwise provided in the National Accounting Standards, if the recoverable amount of an asset in the Statement of Financial Position falls below its book value due to physical damage or a sharp decline in market value, and the decline is significant, the book value is adjusted to the recoverable amount. The difference is reflected in the results of fiscal operations as an impairment loss. There were no impairments in the current or preceding year.

(9) Provisions, Contingent Liabilities, and Contingent Assets

At the reporting date, provisions are recognized when the entity has a present obligation as a result of past events or transactions, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reasonably estimated, even though the timing or amount of the expenditure may be uncertain.
In addition, contingent liabilities are disclosed in the notes when a potential obligation exists as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of uncertain future events, or when a present obligation exists but it is not highly probable that an outflow of resources embodying economic benefits will be required, or the amount of the obligation cannot be measured reliably.
Contingent assets are not recognized as assets; however, they are disclosed in the notes only when the inflow of economic benefits is highly probable.

- Provision for Guarantees
  Provision for guarantees is measured at the present value of the estimated net cash outflows that the government reporting entity is expected to incur due to the primary obligor's default. However, when it is difficult to reliably estimate the present value of such net cash outflows, the estimated expected loss—calculated by applying reliable and objective criteria such as the credit risk of the guaranteed party, historical loss rates, and expected loss rates to the outstanding guarantee balance as of the reporting date—may be used as a proxy for the present value of the estimated net cash outflows.
  The provision for guarantees is recognized by applying the expected default rate to the outstanding guarantee balance for each business segment.

(10) Definition and Recognition of Revenue

The Fund's revenue is classified into exchange revenue and non-exchange revenue based on its source.

Exchange revenue represents government operating revenue generated in return for providing goods or services. Such revenue is recognized when the earnings process is complete and the amount can be measured reliably.

Non-exchange revenue generally arises without direct consideration. It is recognized in the financial statements when the right to receive the revenue is established and the amount can be measured reliably.

However, if it is not probable that economic benefits associated with the revenue-generating activity will flow in, or if the amount of revenue cannot be measured reliably, revenue may be recognized at the time cash is received. There was no non-exchange revenue arising from the Fund during the current period.

(11) Definition and Recognition of Expenses

The Fund's expenses are classified into transfer expenses and national operating expenses based on their nature. Transfer expenses refer to costs incurred from transactions in which no direct consideration is received in exchange for providing goods, services, or other assets. Such expenses include government subsidy program costs, contribution program costs, and other transfer-related expenses. National Operating Expenses refer to all expenses other than transfer expenses related to fiscal activities, including personnel costs and operating expense. There were no transfer expenses incurred from the Fund during the current period.

Expenses are recognized when an obligation to pay exists under legislation and the amount can be reasonably measured. National operating expenses are recognized when it is evident that the future economic benefits of a previously recognized asset have decreased or expired, or when a liability has been incurred or increased without an outflow of resources.

1-3. Key Changes due to Financial Statement Restructuring

To enhance the analytical utility of the Statement of Financial Position, intermediate categories such as "Financial Assets/Non-Financial Assets" and "Borrowings/Provisions" were established. To improve understandability, the classification was changed from a simple liquidity-based format to an integrated format considering the nature of operations, liquidity, and materiality.

The Statement of Financial Operations by nature was added to the Statement of Financial Operations to provide a detailed breakdown of revenue and expenses, simplifying complex classifications while increasing utility.

The Statement of Cash Flows was newly established. It categorizes cash flows into operating, investing, and financing activities, providing a basis for analyzing the quality of cash flows for each fiscal activity.

Additional financial information previously scattered across notes, required supplementary information, and attached specifications has been integrated and unified into the Notes. Information on account items not previously explained in settlement reports has been added to improve clarity.

2. FINANCIAL ASSETS

The Fund's Financial assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		1,212,546,850,033	1,113,932,472,400
Cash and cash equivalents	Cash and cash equivalents	2,080,924,818	2,265,650,329
Sub total		2,080,924,818	2,265,650,329
Financial instruments	Time deposit	36,000,000,000	57,000,000,000
	Other Financial instruments	162,200,000,000	223,700,000,000
Sub total		198,200,000,000	280,700,000,000
Investment securities	Equity securities	906,693,183,363	822,041,599,547
Sub total		906,693,183,363	822,041,599,547
Accounts receivables	Accrued interest income	4,310,157,742	8,452,468,264
	Accrued guarantee income	1,262,433,110	472,603,160
Sub total		5,572,590,852	8,925,071,424
Other financial assets	Other financial assets	100,000,151,000	151,100
Sub total		100,000,151,000	151,100

2-1. Cash and Cash equivalents

The Fund's Cash and cash equivalents as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		2,080,924,818	2,265,650,329
Cash and cash equivalents	Other cash equivalents	2,080,924,818	2,265,650,329

2-2. Financial instruments

The Fund's Financial instruments as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Types	Time deposit	36,000,000,000	57,000,000,000
	Other Financial instruments (*)	162,200,000,000	223,700,000,000
Total		198,200,000,000	280,700,000,000
Maturity	Short-term	198,200,000,000	248,500,000,000
	Long-term	-	32,200,000,000

(*) Other financial instruments consist of Certificates of Deposit.

2-3. Investment securities

The Fund's Investment securities as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items			As of December 31,	
			2025	2024
Type	Equity securities	Other equity securities (*)	906,693,183,363	822,041,599,547
Total			906,693,183,363	822,041,599,547
Maturity	Short-term		906,693,183,363	822,041,599,547

(*) Beneficiary certificates invested in the Governmental Pension Fund Management Pool.

(1) Valuation of investment securities as of the dates of statement of financial position are as follows. There is no impairment loss on investment securities for the current period.

(Unit : KRW)

Items		Book value		Acquisition cost		Cumulative valuation gains (losses)	
		2025	2024	2025	2024	2025	2024
Total		906,693,183,363	822,041,599,547	853,317,173,554	799,358,923,194	53,376,009,809	22,682,676,353
Equity securities	Other equity securities	906,693,183,363	822,041,599,547	853,317,173,554	799,358,923,194	53,376,009,809	22,682,676,353

2-4. Accounts Receivables

The Fund's accounts receivables as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Types	Accrued interest income	4,310,157,742	8,452,468,264
	Accrued guarantee income	1,262,433,110	472,603,160
Total		5,572,590,852	8,925,071,424
Maturity	Short-term	5,572,590,852	8,047,141,034
	Long-term	-	877,930,390

2-5. Other financial assets

The Fund's Other financial assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Types	Indemnity rights	-	-
	Other financial assets	100,000,151,000	151,100
Total		100,000,151,000	151,100
Maturity	Long-term	100,000,151,000	151,100

(1) Indemnity rights

(Unit : KRW)

Items	As of December 31, 2025		
	Indemnity rights	Allowance for doubtful accounts	Book value
Total	1,830,381,018	(1,830,381,018)	-

(*) A provision for doubtful accounts has been recognized for one indemnity rights incurred during the current period.

(2) Other financial assets
Other financial assets consist of ₩100,000,000,000 in equity securities related to the "Special Infrastructure Fund for Investment" acquired for policy purposes, and ₩151,000 in contributions to guarantees for industrial infrastructure SPC.

3. TANGIBLE AND INTANGIBLE ASSETS

The Fund's tangible assets as of the dates of statement of financial position are as follows. There are no intangible assets owned by the Fund.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		3,764,188	3,937,184
Tangible assets	Furniture and fixtures, office equipment, vehicles	3,764,188	3,937,184

3-1. Tangible assets

(1) The Fund's tangible assets as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		3,764,188	3,937,184
Furniture and fixtures, office equipment, vehicles	Acquisition cost	21,391,990	19,606,990
	Accumulated depreciation	(17,627,802)	(15,669,806)

(2) Changes in carrying amount of furniture and fixtures, office equipment and vehicles for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Beginning carrying amount		3,937,184	3,743,280
Increase (Decrease)	Acquisition	1,785,000	1,986,700
	Depreciation	(1,957,996)	(1,792,796)
Ending carrying amount		3,764,188	3,937,184
Ending balance	Accumulated depreciation	17,627,802	15,669,806

4. BORROWINGS

The Fund's borrowings as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		11,319,929,731	8,625,264,816
Other borrowings	Accounts payable	22,042,135	12,653,740
	Accrued expenses	11,241,189,836	8,566,628,406
	Withholdings	56,697,760	45,982,670

4-1. Other borrowings

The Fund's other borrowings as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		11,319,929,731	8,625,264,816
Accounts payable	Other accounts payable	22,042,135	12,653,740
Sub total		22,042,135	12,653,740
Accrued expenses	Accrued expenses	10,957,916,383	8,367,046,382
	Accrued income taxes	283,273,453	199,582,024
Sub total		11,241,189,836	8,566,628,406
Withholdings	Other withholdings	56,697,760	45,982,670
Sub total		56,697,760	45,982,670

5. PROVISIONS

The Fund's provisions as of the dates of statement of financial position are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		73,776,839,375	75,616,490,930
Provision for guarantees		73,776,839,375	75,616,490,930

5-1. Provision for guarantees

(1) Status of guarantees

The Fund recognizes a provision for guarantees when the timing or amount of expenditure is uncertain, yet a present obligation exists as a result of past events or transactions. This applies when it is highly probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The provision for guarantees is measured at the present value of the estimated net cash outflows expected to be incurred by the Fund. However, if the present value of the estimated net cash outflows is difficult to determine, the estimated loss amount—calculated by applying reliable and objective criteria such as the credit risk of the guaranteed party, historical loss rates, and expected loss rates to the guarantee balance as of the reporting date—may be used as the present value.

The Fund establishes the provision for guarantees by applying a provision rate derived from a private-sector investment project evaluation model to the outstanding guarantee balance of each business type.

(2) Changes in carrying amount of provisions for guarantees for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items		As of December 31,	
		2025	2024
Provisions for guarantees	Beginning balance(A)	75,616,490,930	75,218,439,426
	Increase(B)	-	398,051,504
	Decrease(C)	(1,839,651,555)	-
	Ending balance(D=A+B-C)	73,776,839,375	75,616,490,930

(3) The details of provisions for guarantees as of the dates of statement of financial position are as follows.

(Unit : KRW)

Guarantee balance		Expected loss rate		provisions for guarantees	
2025	2024	2025	2024	2025	2024
8,243,911,851,873	7,921,366,160,219	0.895%	0.955%	73,776,839,375	75,616,490,930

(4) Guarantee revenue and guarantee expenses for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Guarantee revenue		Guarantee expense	
2025	2024	2025	2024
19,460,672,592	19,855,112,690	-	398,051,504

6. OTHER LIABILITIES

The Fund's other liabilities as of the dates of statement of financial position are as follows.

(Unit : KRW)

Accounts	Detailed Accounts	As of December 31,	
		2025	2024
Total		2,853,237,508	2,502,753,880
Unearned income	Other unearned income	2,853,130,320	2,488,375,030
Advanced from customer		107,188	14,378,850

7. NATIONAL OPERATING REVENUE

The Fund's national operating revenue for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		81,680,724,957	85,228,533,513
Interest income	Interest on financial instruments	8,210,904,704	15,219,232,054
Sub total		8,210,904,704	15,219,232,054
Dividend Income	Dividend on equity securities	91,515,824	519,974,007
Sub total		91,515,824	519,974,007
Gain on disposal of Assets	Gain on disposal of investment securities	52,076,940,270	49,291,214,747
Sub total		52,076,940,270	49,291,214,747
Other national operating revenue	Reversal of provisions	1,839,651,555	-
	Guarantee revenue	19,460,672,592	19,855,112,690
	Gain on prior period error corrections	12	15
	Other income	1,040,000	343,000,000
Sub total		21,301,364,159	20,198,112,705

8. NATIONAL OPERATING EXPENSES

The Fund's national operating expenses for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		24,965,350,764	20,058,988,927
Staff costs	Salaries and wages	2,274,747,899	1,943,813,480
	Retirement benefits	170,399,613	244,857,074
Sub total		2,445,147,512	2,188,670,554
Operating expenses	General administrative expenses	427,065,160	446,274,665
	Taxes and dues	283,929,194	263,328,881
	Supplies expenses	118,951,438	58,409,601
	Business promotion expenses	72,405,060	57,656,710
	Rental expenses	13,617,510	13,637,520
	Fuel expenses	1,840,713	1,047,009
	Education & training expenses	42,114,050	17,295,670
	Travel expenses	87,899,522	57,094,330
	Employee benefits	98,985,840	86,709,480
	Employment levy	195,023,760	185,313,400
Sub total		1,341,832,247	1,186,767,266
Depreciation expenses		1,957,996	1,792,796
Other national operating expenses		21,176,413,009	16,681,758,311

8-1. Other national operating expenses

The Fund's other national operating expenses for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items	Accounts	As of December 31,	
		2025	2024
Total		21,176,413,009	16,681,758,311
Operating expenses	Loss on disposal of assets	986,413,688	941,932,555
	Bad debt expense (*)	1,830,381,018	-
	Guarantee expenses	-	398,051,504
	R&D expenses	97,000,000	-
	Outsourcing expenses	111,707,000	55,436,700
	Other expenses	18,150,911,303	15,286,337,552

(*) Bad debt expenses are related to indemnity rights.

9. STATEMENTS OF PROGRAM FINANCIAL OPERATIONS

(Unit : KRW)

Items	For the year ended December 31,	
	2025	2024
I. Net program costs	5,516,304,763	3,498,280,130
1. Labor cost	2,445,147,512	2,188,670,554
2. Operating expenses	966,832,247	766,767,266
3. Depreciation	1,957,996	1,792,796
4. Other national operating expenses	2,102,367,008	541,049,514
II. Program revenue	21,300,324,147	19,855,112,690
1. Other national operating revenue	21,300,324,147	19,855,112,690
III. Administrative expenses	-	-
IV. Costs not assigned to programs	19,449,046,001	16,560,708,797
1. Operating expenses	375,000,000	420,000,000
2. Other national operating expenses	19,074,046,001	16,140,708,797
V. Revenues not assigned to programs	60,380,400,810	65,373,420,823
1. Interest income	8,210,904,704	15,219,232,054
2. Dividend Income	91,515,824	519,974,007
3. Gain on disposal of Assets	52,076,940,270	49,291,214,747
4. Other national operating revenue	1,040,012	343,000,015
VI. Net operating costs (I-II+III+ IV-V)	(56,715,374,193)	(65,169,544,586)
VII. Non-exchange revenues, etc.	-	-
VIII. Net operating results (VI- VII)	(56,715,374,193)	(65,169,544,586)

10. NET ASSET ADJUSTMENTS

The Fund's net asset adjustments for the years ended December 31, 2025 and 2024 are as follows.

(Unit : KRW)

Items		Beginning balance	Increase	Decrease	Ending balance
Total		22,682,676,353	367,297,387,646	336,604,054,190	53,376,009,809
Gain and loss on valuation of investment securities	Sub total	22,682,676,353	367,297,387,646	336,604,054,190	53,376,009,809
	Gain on valuation of investment securities	25,879,910,159	390,080,509,866	361,636,686,680	54,323,733,345
	Loss on valuation of investment securities	3,197,233,806	22,783,122,220	25,032,632,490	947,723,536

11. PRIOR PERIOD ERROR CORRECTION

The Fund recognized 12 won in gain on a prior period error correction (revenues not assigned to programs) in the current Statement of Financial Operations, as the corrections were deemed immaterial.

12. CASH FLOWS

The Fund's detail of cash flows by activities for the year ended December 31, 2025 are as follows.

12-1. Cash flows from operating activities

(Unit : KRW)

Items		For the year ended December 31, 2025
Cash flows from operating activities		10,184,783,167
Cash inflows from operating activities		31,492,396,658
Interest income	Interest on financial instruments	12,353,215,226
Sub total		12,353,215,226
Other income	Dividend Income	91,515,824
	Other inflow	19,047,665,608
Sub total		19,139,181,432
Cash outflows from operating activities		21,307,613,491
Payment of staff costs	Salaries and wages	2,193,107,150
	Retirement benefits	170,399,613
Sub total		2,363,506,763
Other payment	Payment of operating expenses	1,339,781,567
	Payment of R&D expenses	97,000,000
	Payment of outsourcing expenses	111,707,000
	Other payment	17,395,618,161
Sub total		18,944,106,728

12-2. Cash flows from investing activities

(Unit : KRW)

Items		For the year ended December 31, 2025
Cash flows from investing activities		(20,369,508,678)
Cash inflows from investing activities		410,438,058,322
Disposal of financial instrument and investment securities	Disposal of financial instrument	248,500,000,000
	Disposal of investment securities	161,938,058,222
Sub total		410,438,058,222
Other income	Disposal of other financial assets	100
Sub total		100
Cash outflows from investing activities		430,807,567,000
Acquisition of financial instrument and investment securities	Acquisition of financial instrument	166,000,000,000
	Acquisition of investment securities	164,805,782,000
Sub total		330,805,782,000
Acquisition of tangible assets	Acquisition of furniture and fixtures, office equipment, vehicles	1,785,000
Sub total		1,785,000
Other payment	Acquisition of other financial assets	100,000,000,000
Sub total		100,000,000,000

12-3. Cash flows from financing activities

(Unit : KRW)

Items	For the year ended December 31, 2025
Cash flows from financing activities	10,000,000,000
Cash inflows from financing activities	10,000,000,000
Government contributions	10,000,000,000
Cash outflows from financing activities	-

13. CONTINGENCIES AND COMMITMENTS

13-1. Legal proceedings in process

(1) The number of lawsuit and amount in controversy

(Unit : KRW)

Plaintiff case		Defendant case	
Number of lawsuits	Amount in controversy	Number of lawsuits	Amount in controversy
1	500,000,000	1	50,000,000

(2) The detail of lawsuit

(Unit : KRW)

Court	Plaintiff	Defendant	Contents	amount	Status
Seoul Central District Court	Fund	Jeollanamdo	Confirmation of the existence of a mortgage, etc.	500,000,000	First trial in progress
Seoul Central District Court	Jeollanamdo	Fund	Claim for cancellation of management and operation rights, etc.	50,000,000	First trial in progress

14. OTHER INFORMATION

14-1. Credit guarantee

As of the date of statement of financial position, the guarantee balance for each business type is as follows.

(Unit : KRW)

Items	As of December 31,	
	2025	2024
Road	3,985,386,501,038	3,936,805,745,213
Railway	2,154,501,668,896	1,998,800,000,000
Port	945,402,509,784	986,337,753,428
Tunnel	234,599,800,000	248,372,800,000
Bridge	211,300,000,000	238,900,000,000
Environment	242,875,428,981	237,429,343,534
Cultural tourism	212,998,783,390	129,661,714,824
School	216,115,124,945	91,867,611,918
Sports facilities	20,796,817,404	24,308,072,625
Telecommunication facilities	11,897,678,183	17,388,392,371
Others	8,037,539,252	11,494,726,306
Total	8,243,911,851,873	7,921,366,160,219

14.2 Finalization of financial statements

The Fund's financial statements for the year ended December 31, 2025 is expected to be finalized during the board meeting held on February 25, 2026.

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