

A hand holding a gold pen is drawing a white outline of a house on a blue sky background. Inside the house outline, there are white silhouettes of a man, a woman, and a child holding hands. The background is a blue sky with white clouds, framed by a curved border with orange, green, and blue segments.

# **KHFC Social Covered Bond 2021 Post Issuance Reporting**

**Strictly Private & Confidential**



## KHFC Activities Update





# KHFC Activities Update

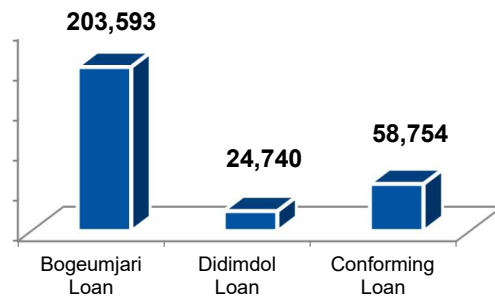


## KHFC Securitization Business

- KHFC supports homeownership of the people by providing long-term • fixed-rate • amortizing mortgage loans – Bogeumjari, Didimdol and Conforming Loans – and also procures funding for public mortgage loans in the capital markets through its issuance of MBS and Covered Bonds, thereby supporting housing welfare for the public

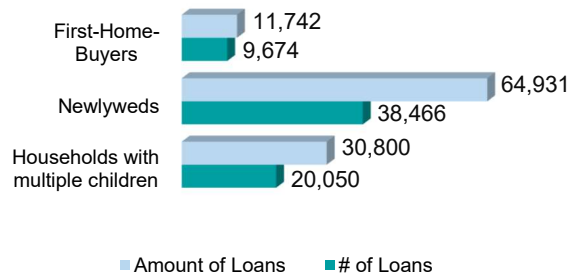
## Recent KHFC Securitization Business Overview (Annual achievement: July 2020 ~ June 2021)

(Unit: # of Loans)



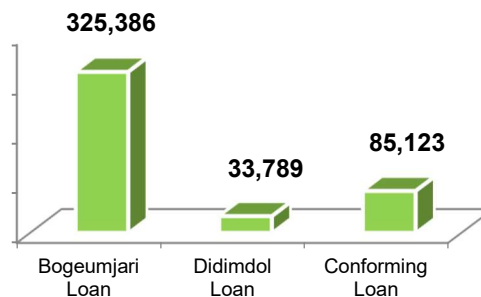
**Provided housing finance for 287,000+ households**

(Unit: KRW 100 million, # of Loans)



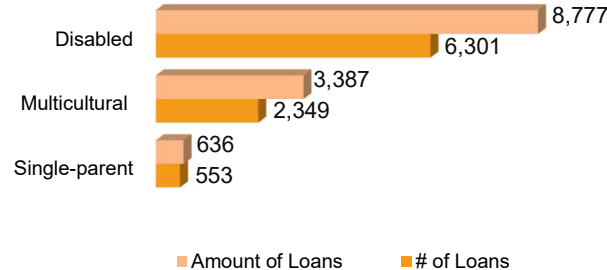
**Expanded housing finance supports for 68,000+ policy support targets**

(Unit: KRW 100 million)



**Financed KRW 44.4 trillion+ for homeownership**

(Unit: KRW 100 million, # of Loans)



**Enhanced housing stabilization for 9,000+ vulnerable groups**

<Allocation of Proceeds from Securitization>

(Unit: # of Loans, KRW 100 million)

Type	# of Loans	Amount
Bogeumjari Loan	203,593	325,386
Didimdol Loan	24,740	33,789
Conforming Loan	58,754	85,123
Total	287,087	444,297

<Loans to Policy Support Targets>

(Unit: # of Loans, KRW 100 million)

Type	# of Loans	Amount
First-Home-Buyers	9,674	11,742
Newlyweds	38,466	64,931
Households with multiple children	20,050	30,800
Total	68,190	107,473

<Loans to Vulnerable Groups>

(Unit: # of Loans, KRW 100 million)

Type	# of Loans	Amount
Single-parent	553	636
Multicultural	2,349	3,387
Disabled	6,301	8,777
Total	9,203	12,800



## **KHFC Social Covered Bond Allocation & Impact Reporting Summary**

# KHFC Social Covered Bond Issuance since 2019



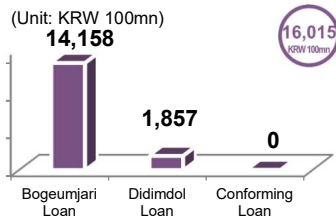
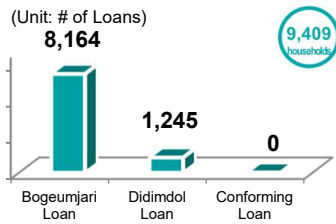
## KHFC Jun 2021 Social Covered Bond

*Lowest yielding EUR notes issued by KHFC*

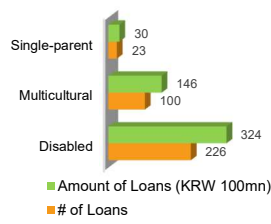
**KHFC**  
EUR 1 billion  
0.010% due 2026  
Social Covered Bond  
Jun 2021

**Social Covered Bond**  
Proceeds EUR 1bn  
Allocated Proceeds EUR 1bn

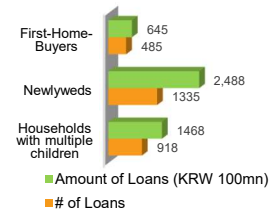
### Support for Homeownership



### Loans to Vulnerable Group



### Loans to Policy Support Targets



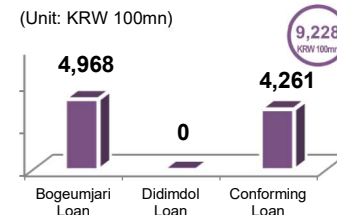
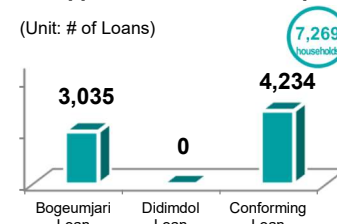
## KHFC Jul 2020 Covid-19 Response Social Covered Bond

*1st Covid-19 Response Covered-Bond out of Non-Eurozone*

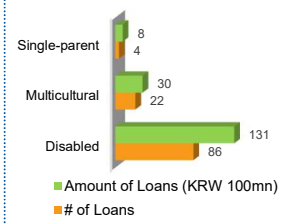
**KHFC**  
EUR 500 million  
0.010% due 2025  
Social Covered Bond  
Jul 2020

**Social Covered Bond**  
Proceeds EUR 500mn  
Allocated Proceeds EUR 500mn

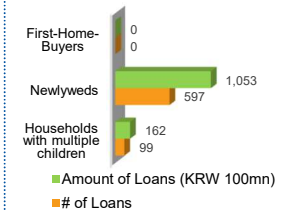
### Support for Homeownership



### Loans to Vulnerable Group



### Loans to Policy Support Targets



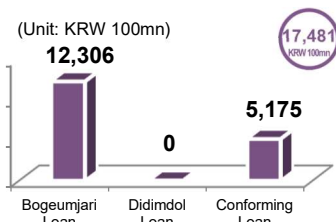
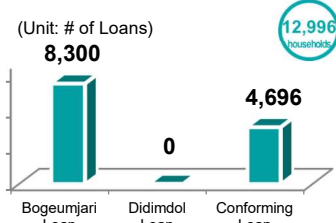
## KHFC Feb 2020 Social Covered Bond

*1st Negative Yielding Covered Bond out of Asia*

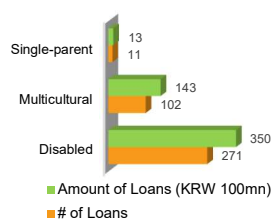
**KHFC**  
EUR 1 billion  
0.010% due 2025  
Social Covered Bond  
Feb 2020

**Social Covered Bond**  
Proceeds EUR 1bn  
Allocated Proceeds EUR 1bn

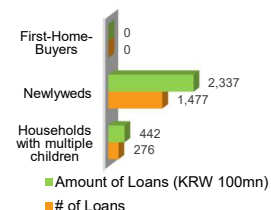
### Support for Homeownership



### Loans to Vulnerable Group



### Loans to Policy Support Targets



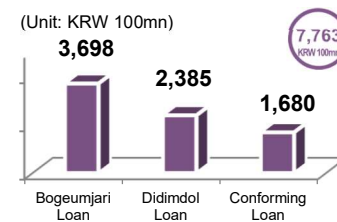
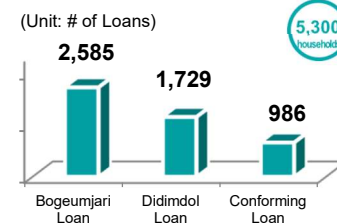
## KHFC Jun 2019 Social Covered Bond

*1st AAA EUR Social Covered Bond out of Asia*

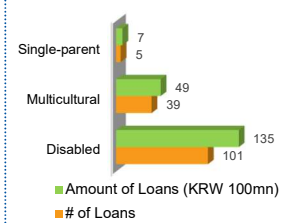
**KHFC**  
EUR 500 million  
0.100% due 2024  
Social Covered Bond  
Jun 2019

**Social Covered Bond**  
Proceeds EUR 500mn  
Allocated Proceeds EUR 500mn

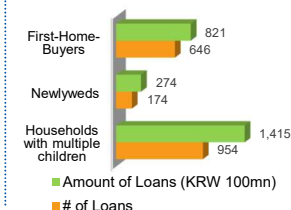
### Support for Homeownership



### Loans to Vulnerable Group



### Loans to Policy Support Targets







## **KHFC June 2021 Social Covered Bond Allocation & Impact Reporting**

# Jun 2021 Social Covered Bond Allocation Reporting

## Post-issuance Reporting for KHFC's Social Covered Bond



### Allocation of Net Proceeds

Social Covered Bond	Amount
Proceeds	EUR 1 billion
Allocated Proceeds	EUR 1 billion
Unallocated Proceeds	-

*Lowest yielding EUR notes  
issued by KHFC*

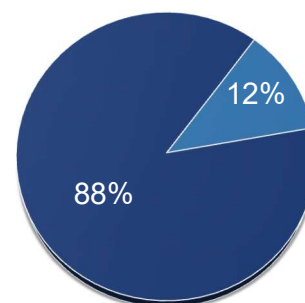


On June 29, 2021, KHFC successfully issued EUR 1 billion Social Covered Bonds. Despite rates volatility and concern over global economy related to Covid-19 variants, KHFC was able to price its notes at the lowest EUR yield backed by robust demand from high-quality investors including ESG-focused names recognizing KHFC's commitment towards enhancing social value especially for under-privileged population in Korea

On the day of KHFC's EUR 1 billion Social Covered Bond issuance, 100% of the net proceeds were exclusively used to purchase KHFC's public mortgage loans which support sustainable housing finance for low- to moderate income households in accordance with KHFC's Social Financing Framework

### Breakdown of Allocated Proceeds by Loan Product

Loan Product	Allocated Proceeds (KRW 100 million)	Number of Loans
Bogeumjari Loan	8,164	14,158
Didimdol Loan	1,245	1,857
Conforming Loan	-	-
Total	9,409	16,015



#### Bogeumjari Loan & Didimdol Loan:

Long-term, fixed rate, amortizing mortgage loans provided to help ordinary people realize the dream of owning a home

# Jun 2021 Social Covered Bond Impact Reporting

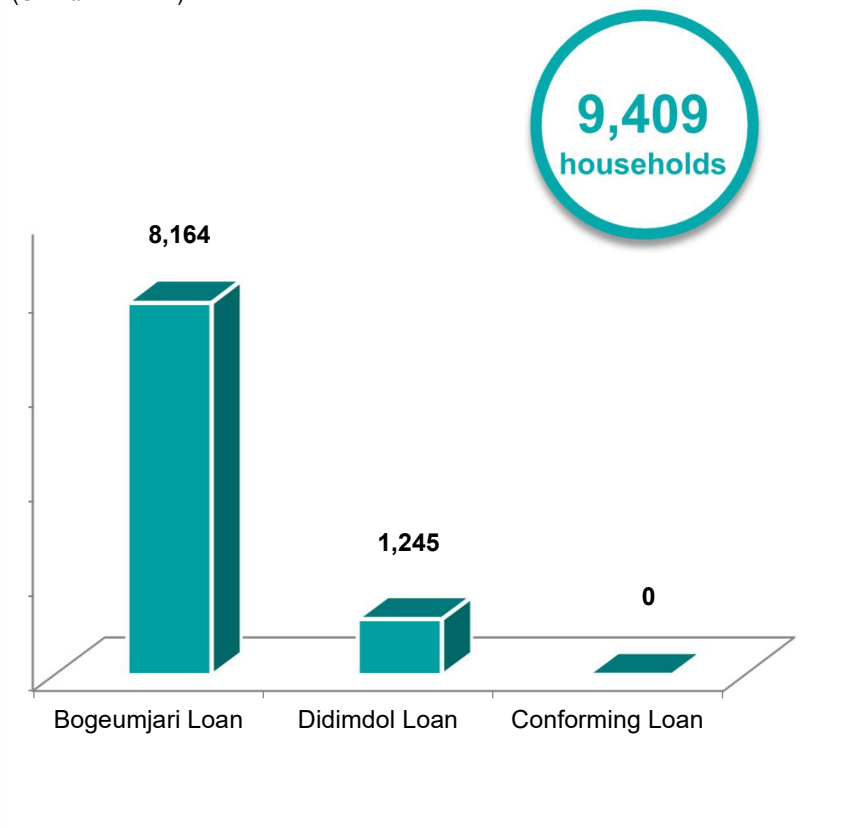


## Funding for Realization of Social Values

- With the proceeds (EUR 1 billion) from KHFC's Jun 2021 Social Covered Bond issuance, KHFC supplied KRW 1,601.5 billion of public mortgages, contributing to meeting demand from real home buyers and supporting 9,409 households

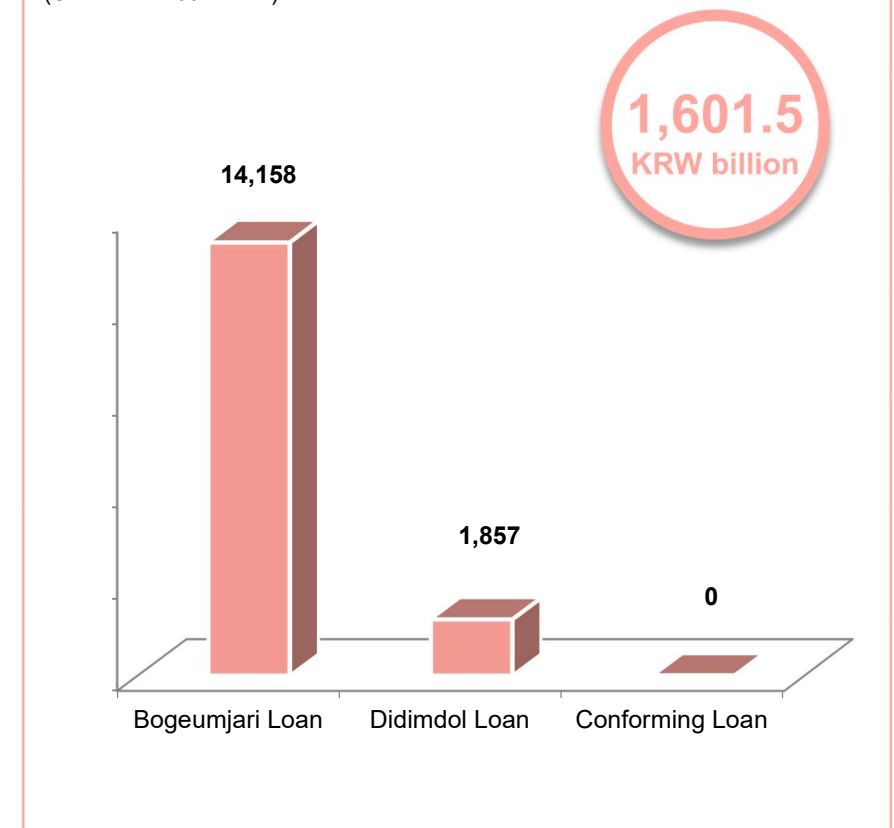
## Households supported by KHFC's Social Covered Bond

(Unit: # of Loans)



## Loan amount provided by KHFC's Social Covered Bond

(Unit: KRW 100 million)





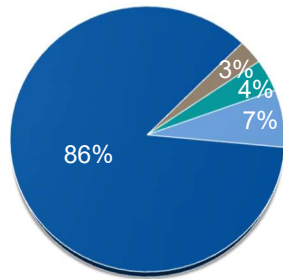
# Jun 2021 Social Covered Bond Impact Reporting

## KHFC's contribution to stable housing finance market



- KHFC has endeavored to improve the structure of the domestic mortgage loan market by actively supplying long-term (10yrs~) • fixed rate • amortizing mortgage loans

**Tenor**



■ ~10yrs ■ 10yrs~15yrs ■ 15yrs~20yrs ■ 20yrs~30yrs

Tenor	# of Loans	Amount (KRW 100 million)
~10yrs	572	545
10yrs~15yrs	517	606
15yrs~20yrs	840	1,176
20yrs~30yrs	7,480	13,688
Total	9,409	16,015

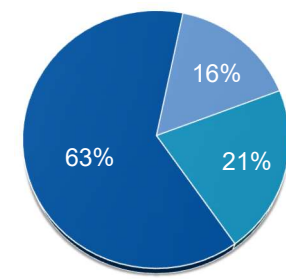
**Interest Rate Type**



■ Fixed Rate

Type	# of Loans	Amount (KRW 100 million)
Fixed Rate	9,409	16,015
Variable Rate	-	-
Total	9,409	16,015

**Repayment Type**



■ Equal P&I ■ Equal P ■ Incremental Installment

Type	# of Loans	Amount (KRW 100 million)
Equal P&I	6,227	10,107
Equal P	1,701	2,541
Incremental Installment	1,481	3,368
Total	9,409	16,015

# Jun 2021 Social Covered Bond Impact Reporting

## Contribution to housing welfare of low- to moderate income households

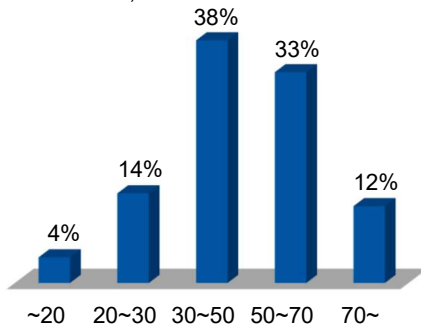


- KHFC has actively provided financial support for low-income households with public mortgage loans including Bogeumjari, Didimdol and Conforming Loans
- KHFC's mortgage loans included in the cover pool for its Jun 2021 Social Covered Bond were provided to low to moderate income households with an average age of 39.2 years and an average annual income of KRW 45.9 million

### Customer Information

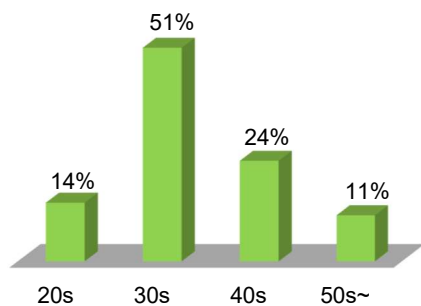
#### Income

(Unit: KRW million)



Income (KRW million)	# of Loans	Amount (KRW 100 million)
~20	557	632
20~30	1,513	2,195
30~50	3,592	6,127
50~70	2,744	5,206
70~	983	1,854
Total	9,409	16,015

#### Age

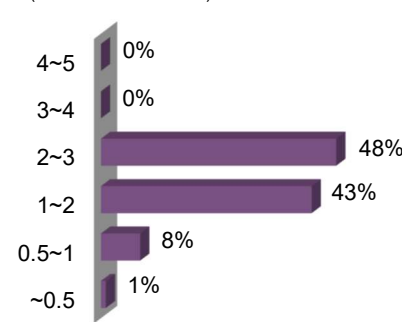


Age	# of Loans	Amount (KRW 100 million)
20s	1,249	2,207
30s	4,345	8,164
40s	2,505	3,910
50s~	1,310	1,733
Total	9,409	16,015

### Loan Information

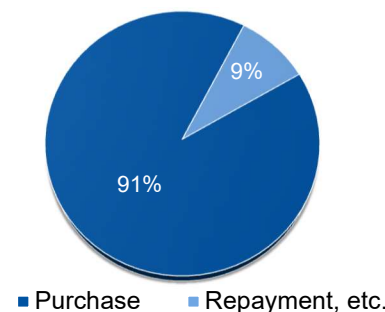
#### Loan Amount

(Unit: KRW 100 million)



Loan Amount (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~0.5	396	162
0.5~1	1,542	1,263
1~2	4,501	6,901
2~3	2,957	7,646
3~4	13	43
4~5	-	-
Total	9,409	16,051

#### Purpose



Purpose of Loan	# of Loans	Amount (KRW 100 million)
Purchase	8,325	14,533
Repayment, etc.	1,084	1,483
Total	9,409	16,015

# Jun 2021 Social Covered Bond Impact Reporting

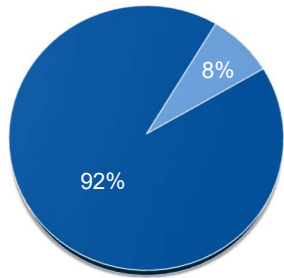
## Contribution to housing welfare of low- to moderate income households



- KHFC constantly aims to improve the housing welfare for the underprivileged population and eligible targets of policy support by providing stable housing finance, especially recognizing the low birth rate and increase in single families in Korea
- Public mortgage loans mainly target low- to moderate income households and real home buyers. The average housing price is KRW 308 million and the average housing area of 74.13m<sup>2</sup> which is less than the size of the national housing (85m<sup>2</sup>)

### Collateral Information

#### Size

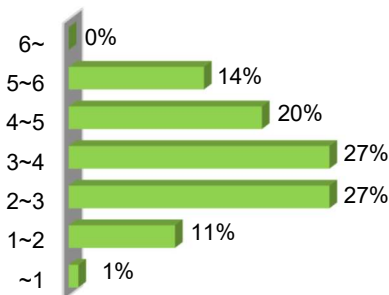


■ ~85m<sup>2</sup> ■ 85m<sup>2</sup>~

Type	# of Loans	Amount (KRW 100 million)
~85m <sup>2</sup>	8,725	14,704
85m <sup>2</sup> ~	684	1,312
Total	9,409	16,015

#### House Price

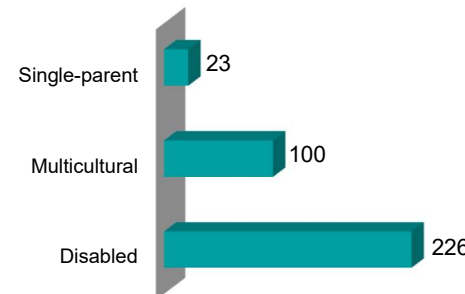
(Unit: KRW 100 million)



House Price (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~1	298	146
1~2	1,754	1,701
2~3	2,962	4,349
3~4	2,152	4,269
4~5	1,346	3,262
5~6	897	2,289
6~	-	-
Total	9,409	16,015

### Loans to Vulnerable Groups

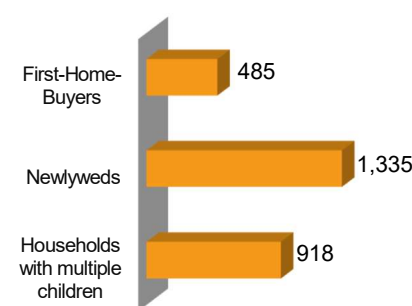
(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
Single-parent	23	30
Multicultural	100	146
Disabled	226	324

### Loans to Policy Support Targets

(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
First-Home-Buyers	485	645
Newlyweds	1,335	2,488
Households with multiple children	918	1,468





## **KHFC July 2020 Social Covered Bond Allocation & Impact Reporting**



# Jul 2020 Social Covered Bond Allocation Reporting

## Post-issuance Reporting for KHFC's Social Covered Bond



### Allocation of Net Proceeds

Social Covered Bond	Amount
Proceeds	EUR 500 million
Allocated Proceeds	EUR 500 million
Unallocated Proceeds	-

#### 1st Covid-19 Response Covered-Bond out of Non-Eurozone

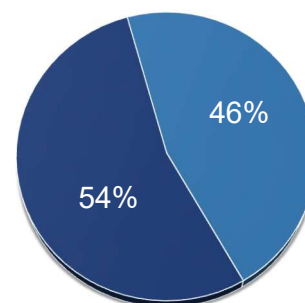


On July 7, 2020, KHFC successfully issued EUR 500 million Social Covered Bonds. With the 1st Covid-19 Response Social Covered Bond issuance out of Non-Eurozone, KHFC again proved its solidity, even during the pandemic, as a leading issuer out of Asia and contribution to realizing social values including stable supply of housing finance for low- to moderate income population

On the day of KHFC's inaugural Covid-19 Response Social Covered Bond issuance, 100% of the net proceeds were exclusively used to purchase KHFC's public mortgage loans which support sustainable housing finance for low- to moderate income households in accordance with KHFC's Social Financing Framework

### Breakdown of Allocated Proceeds by Loan Product

Loan Product	Allocated Proceeds (KRW 100 million)	Number of Loans
Bogeumjari Loan	4,968	3,035
Didimdol Loan	-	-
Conforming Loan	4,261	4,234
Total	9,228	7,269



#### Bogeumjari Loan & Didimdol Loan:

Long-term, fixed rate, amortizing mortgage loans provided to help ordinary people realize the dream of owning a home

#### Conforming Loan:

Long-term, fixed rate, amortizing mortgage loans designed to improve the structure of the mortgage market

# Jul 2020 Social Covered Bond Impact Reporting



## Funding for Realization of Social Values

- With the proceeds (EUR 500 million) from KHFC's Jul 2020 Social Covered Bond issuance, KHFC supplied KRW 922.8 billion of public mortgages, contributing to meeting demand from real home buyers and supporting 7,269 households

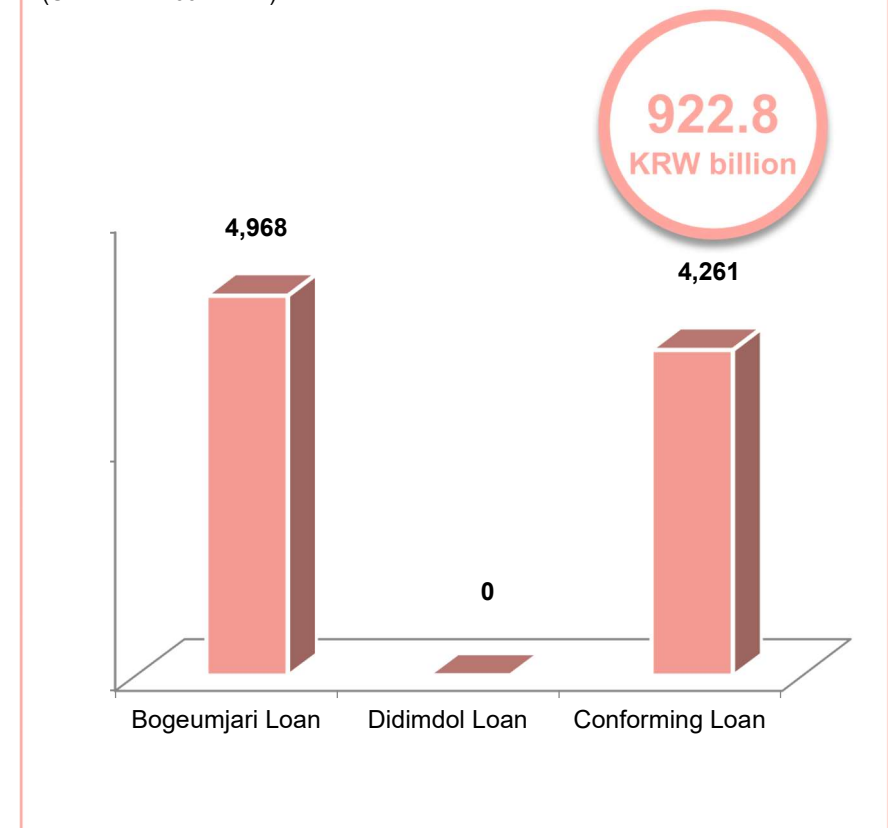
## Households supported by KHFC's Social Covered Bond

(Unit: # of Loans)



## Loan amount provided by KHFC's Social Covered Bond

(Unit: KRW 100 million)





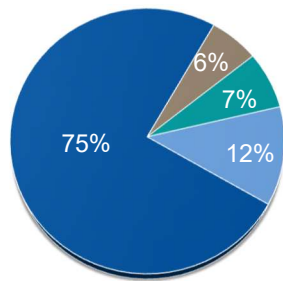
# Jul 2020 Social Covered Bond Impact Reporting

## KHFC's contribution to stable housing finance market



- KHFC has endeavored to improve the structure of the domestic mortgage loan market by actively supplying long-term (10yrs~) • fixed rate • amortizing mortgage loans

**Tenor**



■ ~10yrs ■ 10yrs~15yrs ■ 15yrs~20yrs ■ 20yrs~30yrs

Tenor	# of Loans	Amount (KRW 100 million)
~10yrs	779	587
10yrs~15yrs	661	648
15yrs~20yrs	1,058	1,088
20yrs~30yrs	4,771	6,905
Total	7,269	9,228

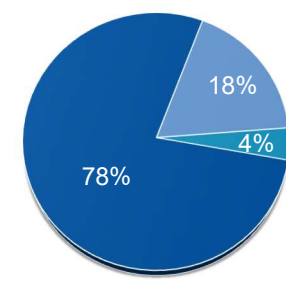
**Interest Rate Type**



■ Fixed Rate

Type	# of Loans	Amount (KRW 100 million)
Fixed Rate	7,269	9,228
Variable Rate	-	-
Total	7,269	9,228

**Repayment Type**



■ Equal P&I ■ Equal P ■ Incremental Installment

Type	# of Loans	Amount (KRW 100 million)
Equal P&I	5,686	7,219
Equal P	1,437	1,676
Incremental Installment	146	334
Total	7,269	9,228

# Jul 2020 Social Covered Bond Impact Reporting

## Contribution to housing welfare of low- to moderate income households

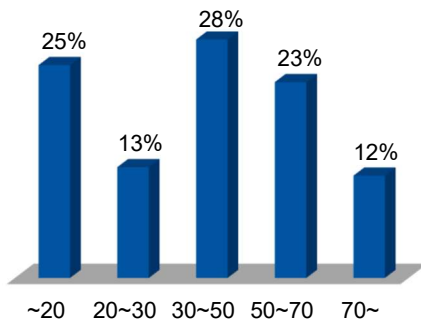


- KHFC has actively provided financial support for low-income households with public mortgage loans including Bogeumjari, Didimdol and Conforming Loans
- KHFC's mortgage loans included in the cover pool for its Jul 2020 Social Covered Bond were provided to low to moderate income households with an average age of 44.7 years and an average annual income of KRW 36.2 million

### Customer Information

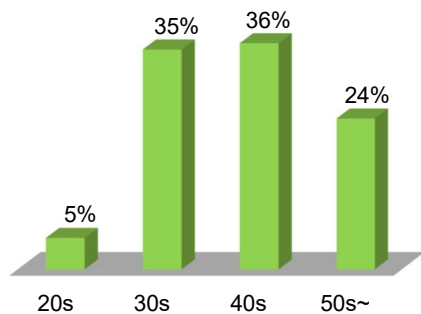
#### Income

(Unit: KRW million)



Income (KRW million)	# of Loans	Amount (KRW 100 million)
~20	2,796	2,308
20~30	946	1,178
30~50	1,678	2,539
50~70	1,232	2,103
70~	617	1,101
Total	7,269	9,228

#### Age

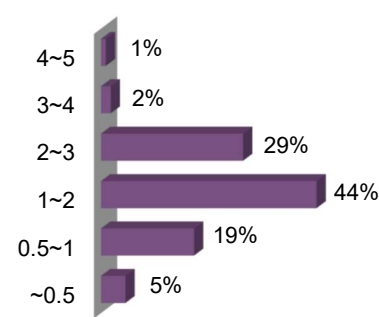


Age	# of Loans	Amount (KRW 100 million)
20s	348	483
30s	2,198	3,244
40s	2,600	3,303
50s~	2,123	2,199
Total	7,269	9,228

### Loan Information

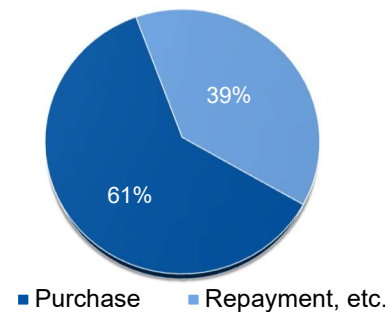
#### Loan Amount

(Unit: KRW 100 million)



Loan Amount (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~0.5	1,167	447
0.5~1	2,205	1,735
1~2	2,763	4,098
2~3	1,065	2,695
3~4	58	203
4~5	11	50
Total	7,269	9,228

#### Purpose



Purpose of Loan	# of Loans	Amount (KRW 100 million)
Purchase	4,180	5,659
Repayment, etc.	3,089	3,569
Total	7,269	9,228

# Jul 2020 Social Covered Bond Impact Reporting

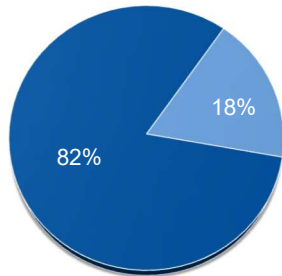
## Contribution to housing welfare of low- to moderate income households



- KHFC constantly aims to improve the housing welfare for the underprivileged population and eligible targets of policy support by providing stable housing finance, especially recognizing the low birth rate and increase in single families in Korea
- Public mortgage loans mainly target low- to moderate income households and real home buyers. The average housing price is KRW 246.2 million and the average housing area of 78.74m<sup>2</sup> which is less than the size of the national housing (85m<sup>2</sup>)

### Collateral Information

#### Size

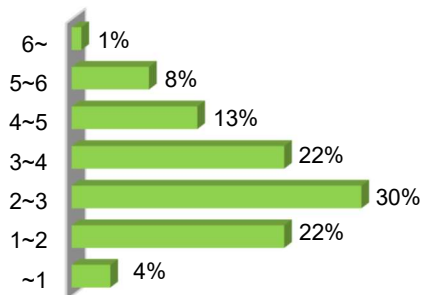


■ ~85m<sup>2</sup> ■ 85m<sup>2</sup>~

Type	# of Loans	Amount (KRW 100 million)
~85m <sup>2</sup>	6,329	7,545
85m <sup>2</sup> ~	940	1,683
Total	7,269	9,228

#### House Price

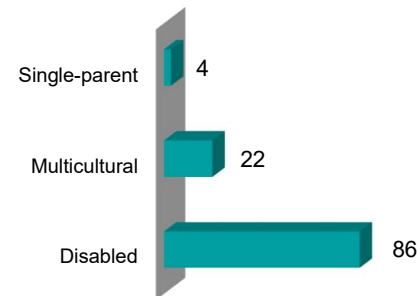
(Unit: KRW 100 million)



House Price (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~1	730	337
1~2	2,414	1,993
2~3	2,088	2,756
3~4	1,145	2,068
4~5	546	1,209
5~6	313	766
6~	33	100
Total	7,269	9,228

### Loans to Vulnerable Groups

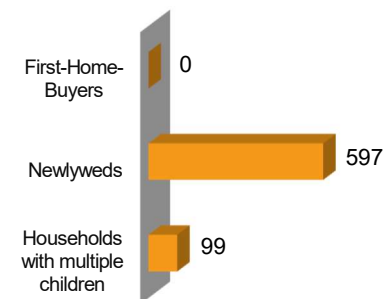
(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
Single-parent	4	8
Multicultural	22	30
Disabled	86	131

### Loans to Policy Support Targets

(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
First-Home-Buyers	-	-
Newlyweds	597	1,053
Households with multiple children	99	162





## **KHFC February 2020 Social Covered Bond Allocation & Impact Reporting**



# Feb 2020 Social Covered Bond Allocation Reporting

## Post-issuance Reporting for KHFC's Social Covered Bond



### Allocation of Net Proceeds

Social Covered Bond	Amount
Proceeds	EUR 1 billion
Allocated Proceeds	EUR 1 billion
Unallocated Proceeds	-

*1<sup>st</sup> Negative Yielding  
Covered Bond out of Asia*



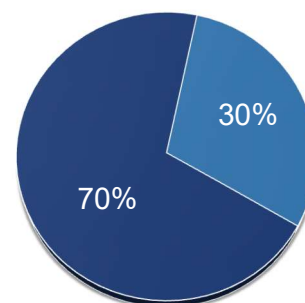
**KHFC**  
EUR 1 billion  
0.010% due 2025  
Social Covered Bond  
Feb 2020

On February 5, 2020, KHFC successfully issued EUR 1 billion Social Covered Bonds. With the 1<sup>st</sup> mega-size Social Covered Bonds issuance, KHFC again solidified its position as a leading and frequent Social issuer out of Asia and highlighted its contribution to realizing social values including stable supply of housing finance for low- to moderate income population

On the day of KHFC's inaugural negative yielding Social Covered Bond issuance, 100% of the net proceeds were exclusively used to purchase KHFC's public mortgage loans which support sustainable housing finance for low- to moderate income households in accordance with KHFC's Social Financing Framework

### Breakdown of Allocated Proceeds by Loan Product

Loan Product	Allocated Proceeds (KRW 100 million)	Number of Loans
Bogeumjari Loan	12,306	8,300
Didimdol Loan	-	-
Conforming Loan	5,175	4,696
<b>Total</b>	<b>17,481</b>	<b>12,996</b>



#### Bogeumjari Loan & Didimdol Loan:

Long-term, fixed rate, amortizing mortgage loans provided to help ordinary people realize the dream of owning a home

#### Conforming Loan:

Long-term, fixed rate, amortizing mortgage loans designed to improve the structure of the mortgage market

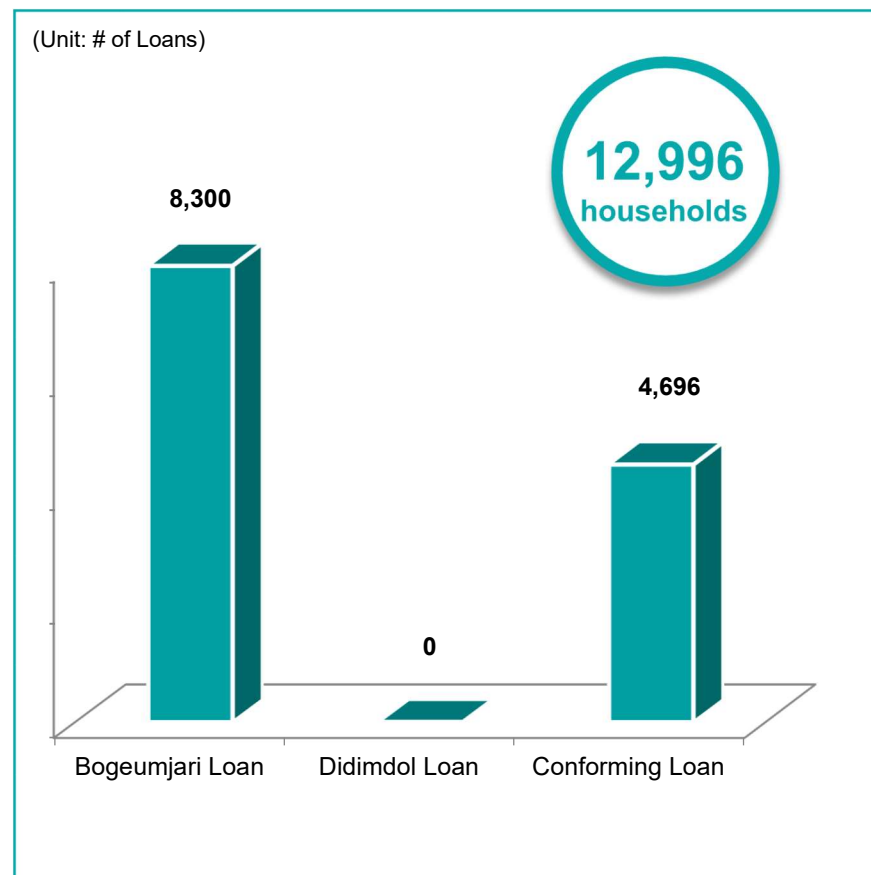
# Feb 2020 Social Covered Bond Impact Reporting



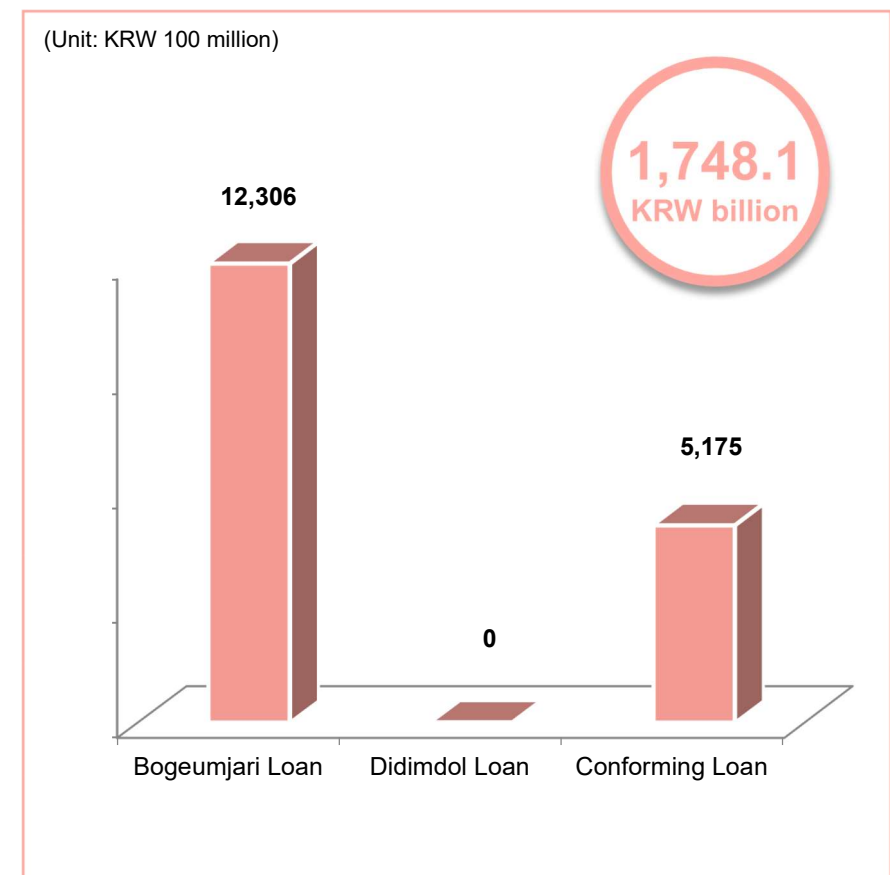
## Funding for Realization of Social Values

- With the proceeds (EUR 1 billion) from KHFC's Feb 2020 Social Covered Bond issuance, KHFC supplied KRW 1,748.1 billion of public mortgages, contributing to meeting demand from real home buyers and supporting 12,996 households

## Households supported by KHFC's Social Covered Bond



## Loan amount provided by KHFC's Social Covered Bond





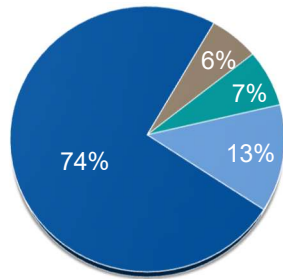
# Feb 2020 Social Covered Bond Impact Reporting

## KHFC's contribution to stable housing finance market



- KHFC has endeavored to improve the structure of the domestic mortgage loan market by actively supplying long-term (10yrs~) • fixed rate • amortizing mortgage loans

**Tenor**



■ ~10yrs ■ 10yrs~15yrs ■ 15yrs~20yrs ■ 20yrs~30yrs

Tenor	# of Loans	Amount (KRW 100 million)
~10yrs	1,253	1,008
10yrs~15yrs	1,208	1,270
15yrs~20yrs	1,877	2,183
20yrs~30yrs	8,658	13,020
Total	12,996	17,481

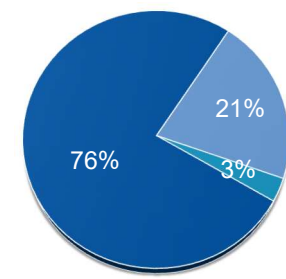
**Interest Rate Type**



■ Fixed Rate

Type	# of Loans	Amount (KRW 100 million)
Fixed Rate	12,996	17,481
Variable Rate	-	-
Total	12,996	17,481

**Repayment Type**



■ Equal P&I ■ Equal P ■ Incremental Installment

Type	# of Loans	Amount (KRW 100 million)
Equal P&I	9,796	13,368
Equal P	2,964	3,655
Incremental Installment	236	457
Total	12,996	17,481

# Feb 2020 Social Covered Bond Impact Reporting

## Contribution to housing welfare of low- to moderate income households

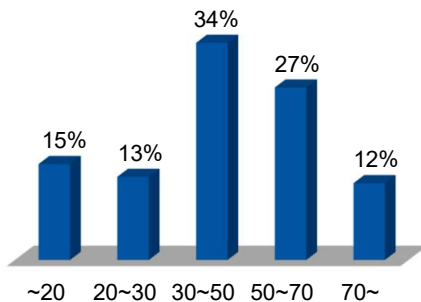


- KHFC has actively provided financial support for low-income households with public mortgage loans including Bogeumjari, Didimdol and Conforming Loans
- KHFC's mortgage loans included in the cover pool for its Feb 2020 Social Covered Bond were provided to low to moderate income households with an average age of 44.1 years and an average annual income of KRW 41.4 million

### Customer Information

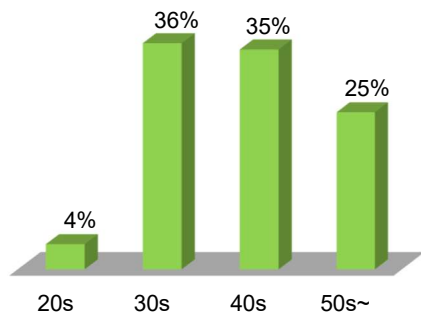
#### Income

(Unit: KRW million)



Income (KRW million)	# of Loans	Amount (KRW 100 million)
~20	2,980	2,582
20~30	1,720	2,222
30~50	4,064	5,910
50~70	2,951	4,657
70~	1,281	2,110
Total	12,996	17,481

#### Age

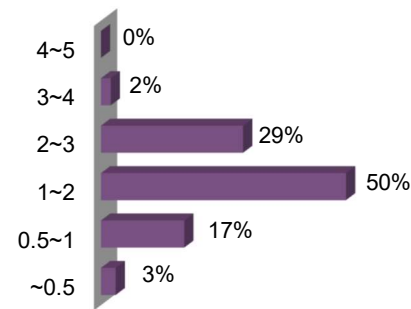


Age	# of Loans	Amount (KRW 100 million)
20s	592	783
30s	4,290	6,320
40s	4,524	6,082
50s~	3,590	4,296
Total	12,996	17,481

### Loan Information

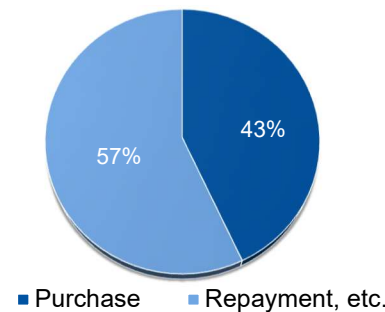
#### Loan Amount

(Unit: KRW 100 million)



Loan Amount (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~0.5	1,384	536
0.5~1	3,646	2,906
1~2	5,859	8,717
2~3	2,026	5,045
3~4	81	277
4~5	-	-
Total	12,996	17,481

#### Purpose



Purpose of Loan	# of Loans	Amount (KRW 100 million)
Purchase	5,583	7,587
Repayment, etc.	7,413	9,894
Total	12,996	17,481

# Feb 2020 Social Covered Bond Impact Reporting

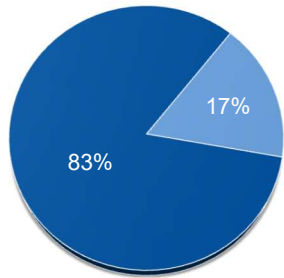
## Contribution to housing welfare of low- to moderate income households



- KHFC constantly aims to improve the housing welfare for the underprivileged population and eligible targets of policy support by providing stable housing finance, especially recognizing the low birth rate and increase in single families in Korea
- Public mortgage loans mainly target low- to moderate income households and real home buyers. The average housing price is KRW 261.4 million and the average housing area of 78.74m<sup>2</sup> which is less than the size of the national housing (85m<sup>2</sup>)

### Collateral Information

#### Size

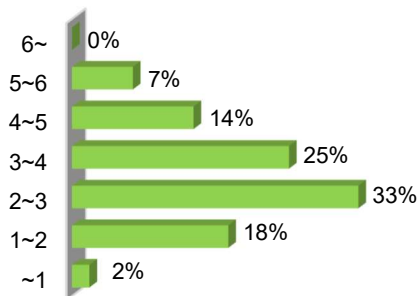


■ ~85m<sup>2</sup> ■ 85m<sup>2</sup>~

Type	# of Loans	Amount (KRW 100 million)
~85m <sup>2</sup>	11,360	14,563
85m <sup>2</sup> ~	1,636	2,918
Total	12,996	17,481

#### House Price

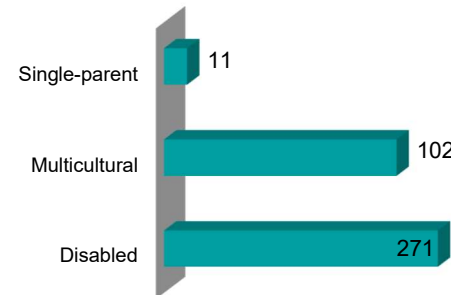
(Unit: KRW 100 million)



House Price (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~1	855	399
1~2	3,650	3,199
2~3	4,303	5,735
3~4	2,455	4,356
4~5	1,176	2,521
5~6	557	1,271
6~	-	-
Total	12,996	17,481

### Loans to Vulnerable Groups

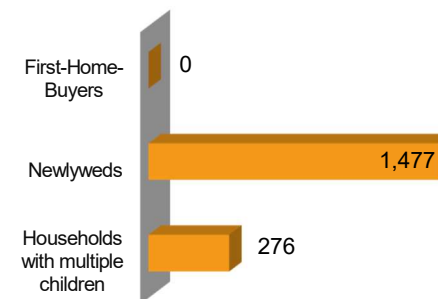
(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
Single-parent	11	13
Multicultural	102	143
Disabled	271	350

### Loans to Policy Support Targets

(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
First-Home-Buyers	-	-
Newlyweds	1,477	2,337
Households with multiple children	276	442



## **KHFC June 2019 Social Covered Bond Allocation & Impact Reporting**



# Jun 2019 Social Covered Bond Allocation Reporting

## Post-issuance Reporting for KHFC's Social Covered Bond



### Allocation of Net Proceeds

Social Covered Bond	Amount
Proceeds	EUR 500 million
Allocated Proceeds	EUR 500 million
Unallocated Proceeds	-

**1<sup>st</sup> AAA EUR Social Covered Bond out of Asia**



**KHFC**

EUR 500 million

0.100% due 2024

Social Covered Bond

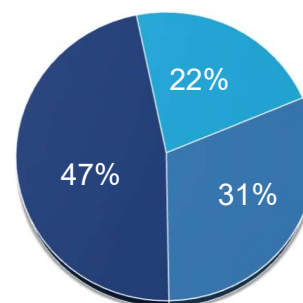
Jun 2019

On June 18, 2019, KHFC successfully printed its inaugural “AAA” rated Social Covered Bonds which marked the first-ever AAA EUR Social Covered Bonds from a non-European issuer. KHFC’s contribution to social values was once again internationally acknowledged and KHFC solidified its presence as one of the leading Social Covered Bond issuers in Asia

On the day of KHFC’s inaugural AAA Social Covered Bond issuance, 100% of the net proceeds were exclusively used to purchase KHFC’s public mortgage loans which support sustainable housing finance for low- to moderate income households in accordance with KHFC’s Social Financing Framework

### Breakdown of Allocated Proceeds by Loan Product

Loan Product	Allocated Proceeds (KRW 100 million)	Number of Loans
Bogeumjari Loan	3,698	2,585
Didimdol Loan	2,385	1,729
Conforming Loan	1,680	986
<b>Total</b>	<b>7,763</b>	<b>5,300</b>



#### Bogeumjari Loan & Didimdol Loan:

Long-term, fixed rate, amortizing mortgage loans provided to help ordinary people realize the dream of owning a home

#### Conforming Loan:

Long-term, fixed rate, amortizing mortgage loans designed to improve the structure of the mortgage market

# Jun 2019 Social Covered Bond Impact Reporting



## Funding for Realization of Social Values

- With the proceeds (EUR 500 million) from KHFC's Jun 2019 Social Covered Bond issuance, KHFC supplied KRW 776.3 billion of public mortgages, contributing to meeting demand from real home buyers and supporting 5,300 households

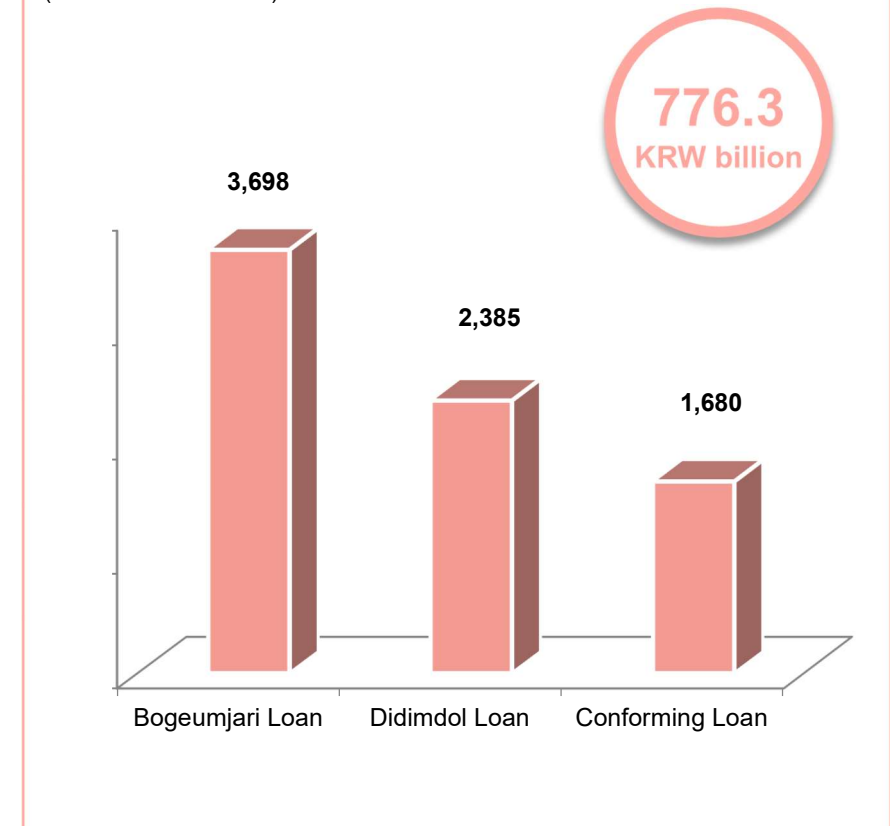
## Households supported by KHFC's 2019 Social Covered Bond

(Unit: # of Loans)



## Loan amount provided by KHFC's 2019 Social Covered Bond

(Unit: KRW 100 million)



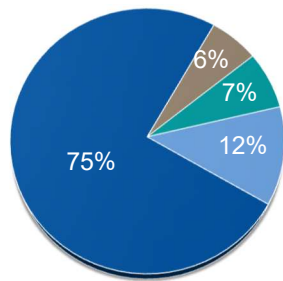
# Jun 2019 Social Covered Bond Impact Reporting

## KHFC's contribution to stable housing finance market



- KHFC has endeavored to improve the structure of the domestic mortgage loan market by actively supplying long-term (10yrs~) • fixed rate • amortizing mortgage loans

**Tenor**



■ ~10yrs ■ 10yrs~15yrs ■ 15yrs~20yrs ■ 20yrs~30yrs

Tenor	# of Loans	Amount (KRW 100 million)
~10yrs	505	462
10yrs~15yrs	480	577
15yrs~20yrs	689	899
20yrs~30yrs	3,626	5,825
Total	5,300	7,763

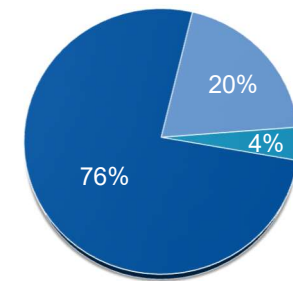
**Interest Rate Type**



■ Fixed Rate

Type	# of Loans	Amount (KRW 100 million)
Fixed Rate	5,300	7,763
Variable Rate	-	-
Total	5,300	7,763

**Repayment Type**



■ Equal P&I ■ Equal P ■ Incremental Installment

Type	# of Loans	Amount (KRW 100 million)
Equal P&I	3,972	5,905
Equal P	1,181	1,582
Incremental Installment	147	276
Total	5,300	7,763

# Jun 2019 Social Covered Bond Impact Reporting

## Contribution to housing welfare of low- to moderate income households

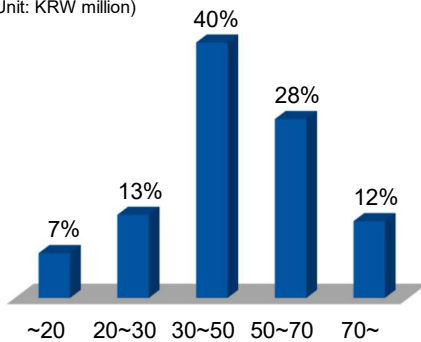


- KHFC has actively provided financial support for low-income households with public mortgage loans including Bogeumjari, Didimdol and Conforming Loans
- KHFC's mortgage loans included in the cover pool for its Jun 2019 Social Covered Bond were provided to low- to moderate income households with an average age of 40.3 years and an average annual income of KRW 44.5 million

### Customer Information

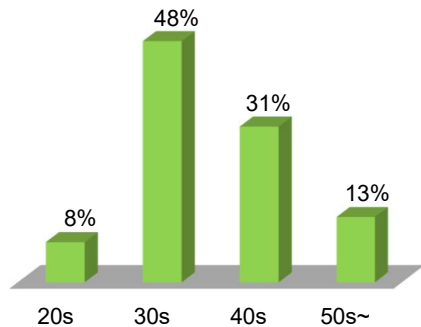
#### Income

(Unit: KRW million)



Income (KRW million)	# of Loans	Amount (KRW 100 million)
~20	535	564
20~30	812	1,035
30~50	2,073	3,117
50~70	1,351	2,141
70~	529	905
Total	5,300	7,763

#### Age

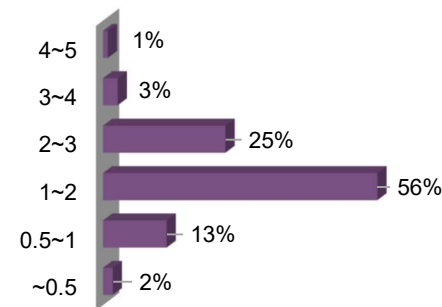


Age	# of Loans	Amount (KRW 100 million)
20s	447	632
30s	2,435	3,730
40s	1,625	2,385
50s~	793	1,015
Total	5,300	7,763

### Loan Information

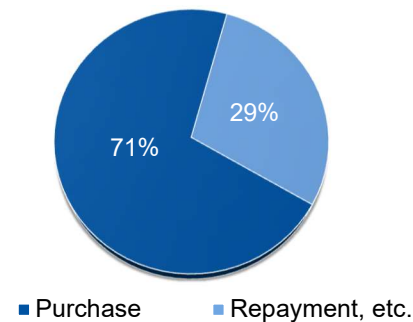
#### Loan Amount

(Unit: KRW 100 million)



Loan Amount (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~0.5	330	130
0.5~1	1,237	1,008
1~2	2,842	4,374
2~3	802	1,938
3~4	77	259
4~5	12	53
Total	5,300	7,763

#### Purpose



Purpose of Loan	# of Loans	Amount (KRW 100 million)
Purchase	3,790	5,477
Repayment, etc.	1,510	2,286
Total	5,300	7,763



# Jun 2019 Social Covered Bond Impact Reporting

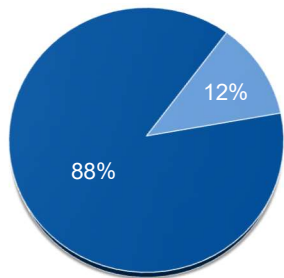
## Contribution to housing welfare of low- to moderate income households



- KHFC constantly aims to improve the housing welfare for the underprivileged population and eligible targets of policy support by providing stable housing finance, especially recognizing the low birth rate and increase in single families in Korea
- Public mortgage loans mainly target low- to moderate income households and real home buyers. The average housing price is KRW 270.4 million and the average housing area of 76.88m<sup>2</sup> which is less than the size of the national housing (85m<sup>2</sup>)

### Collateral Information

#### Size

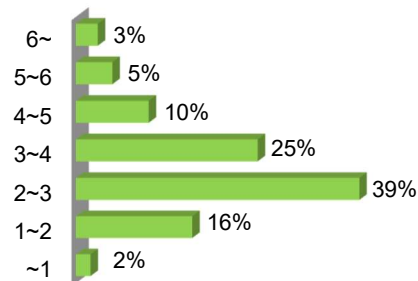


■ ~85m<sup>2</sup> ■ 85m<sup>2</sup>~

Type	# of Loans	Amount (KRW 100 million)
~85m <sup>2</sup>	4,830	6,850
85m <sup>2</sup> ~	470	913
Total	5,300	7,763

#### House Price

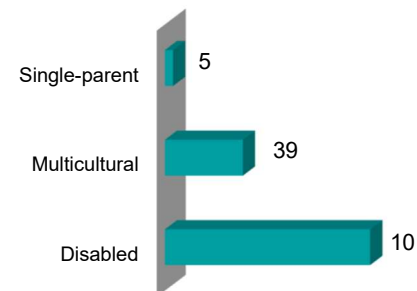
(Unit: KRW 100 million)



House Price (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~1	230	113
1~2	1,330	1,267
2~3	2,069	3,016
3~4	1,042	1,914
4~5	355	790
5~6	171	420
6~	103	244
Total	5,300	7,763

### Loans to Vulnerable Groups

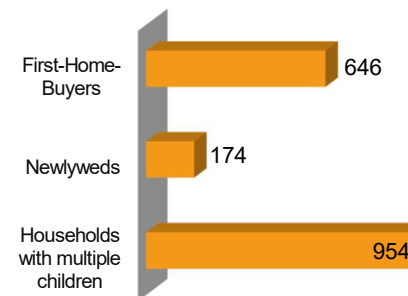
(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
Single-parent	5	7
Multicultural	39	49
Disabled	101	135

### Loans to Policy Support Targets

(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
First-Home-Buyers	646	821
Newlyweds	174	274
Households with multiple children	954	1,415



## **KHFC October 2018 Social Covered Bond Allocation & Impact Reporting**

# Oct 2018 Social Covered Bond Allocation Reporting

## Post-issuance Reporting for KHFC's Social Covered Bond



### Allocation of Net Proceeds

Social Covered Bond	Amount
Proceeds	EUR 500 million
Allocated Proceeds	EUR 500 million
Unallocated Proceeds	-

#### 1<sup>st</sup> EUR Social Covered Bond out of Asia



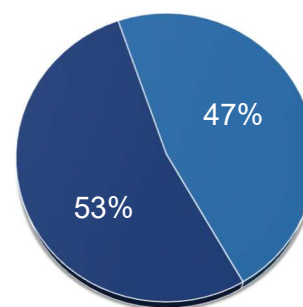
**KHFC**  
 EUR 500 million  
 0.750% due 2023  
 Social Covered Bond  
 Oct 2018

With solid international recognition that KHFC's public mortgages and securitization have contributed to the realization of social values, KHFC successfully issued the first-ever EUR Social Covered Bonds out of Asia on October 30, 2018

On the day of KHFC's inaugural Social Covered Bond issuance, 100% of the net proceeds were exclusively used to purchase KHFC's public mortgage loans which support sustainable housing finance for low- to moderate income households in accordance with KHFC's Social Financing Framework

### Breakdown of Allocated Proceeds by Loan Product

Sector of Activity	Allocated Proceeds (KRW 100 million)	Number of Loans
Bogeumjari Loan	3,847	2,650
Didimdol Loan	3,412	2,559
Conforming Loan	-	-
Total	7,259	5,209



#### Bogeumjari Loan & Didimdol Loan:

Long-term, fixed rate, amortizing mortgage loans provided to help ordinary people realize the dream of owning a home

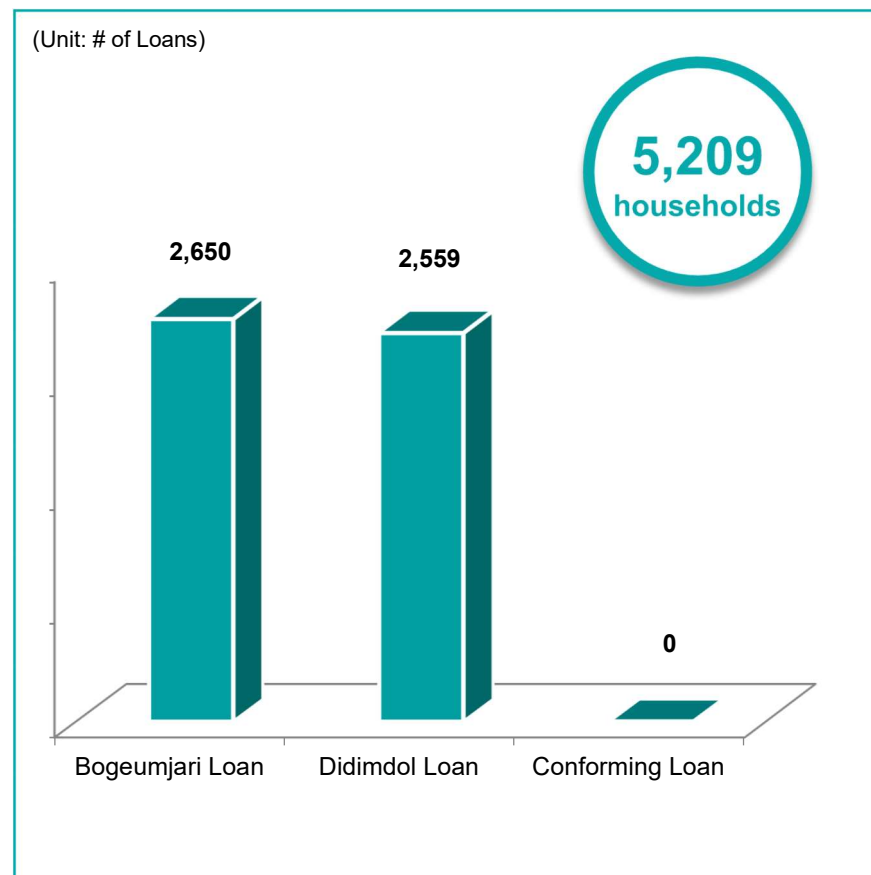
# Oct 2018 Social Covered Bond Impact Reporting



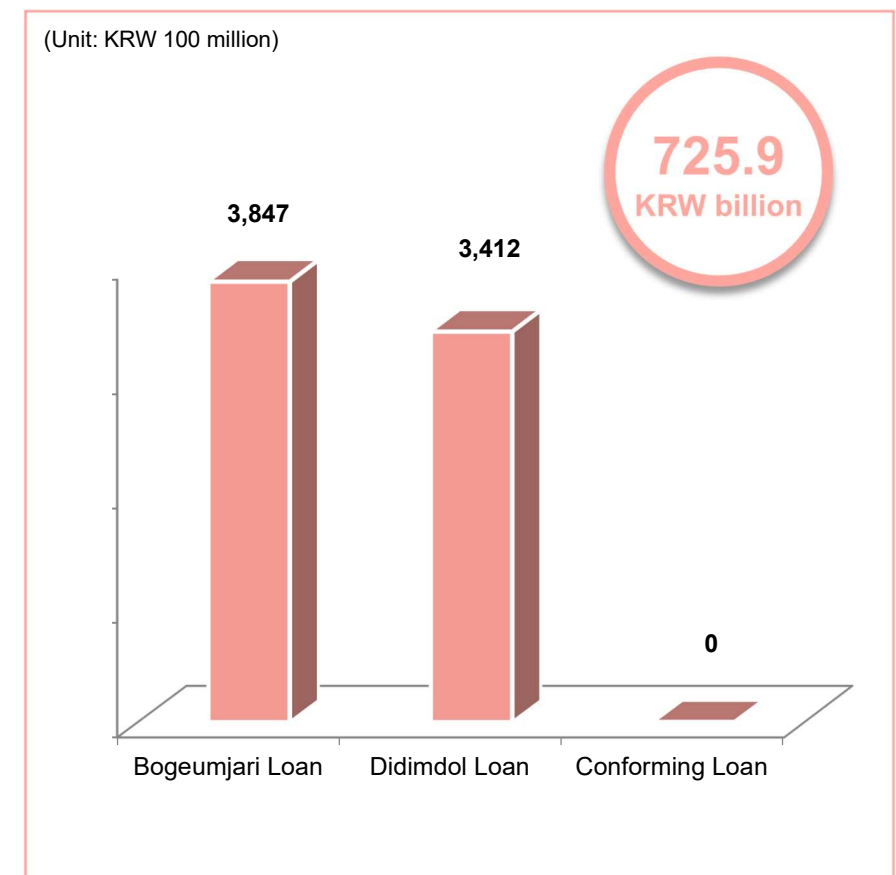
## Funding for Realization of Social Values

- With the proceeds (EUR 500 million) from KHFC's Oct 2018 Social Covered Bond issuance, KHFC supplied KRW 725.9 billion of public mortgages, contributing to meeting demand from real home buyers and supporting 5,209 households

## Households supported by KHFC's Social Covered Bond



## Loan amount provided by KHFC's Social Covered Bond





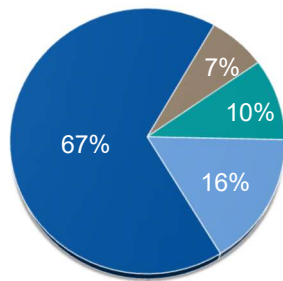
# Oct 2018 Social Covered Bond Impact Reporting

## KHFC's contribution to stable housing finance market



- KHFC has endeavored to improve the structure of the domestic mortgage loan market by actively supplying long-term (10yrs~) • fixed rate • amortizing mortgage loans

**Tenor**



■ ~10yrs ■ 10yrs~15yrs ■ 15yrs~20yrs ■ 20yrs~30yrs

Tenor	# of Loans	Amount (KRW 100 million)
~10yrs	577	512
10yrs~15yrs	617	735
15yrs~20yrs	868	1,156
20yrs~30yr	3,147	4,856
Total	5,209	7,259

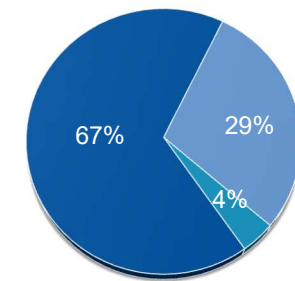
**Interest Rate Type**



■ Fixed Rate

Type	# of Loans	Amount (KRW 100 million)
Fixed Rate	5,209	7,259
Variable Rate	-	-
Total	5,209	7,259

**Repayment Type**



■ Equal P&I ■ Equal P ■ Incremental Installment

Type	# of Loans	Amount (KRW 100 million)
Equal P&I	3,454	4,861
Equal P	1,591	2,108
Incremental Installment	164	290
Total	5,209	7,259

# Oct 2018 Social Covered Bond Impact Reporting

## Contribution to housing welfare of low- to moderate income households

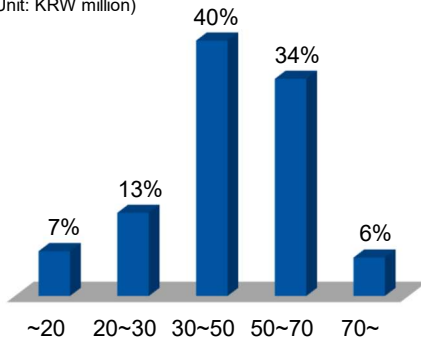


- KHFC has actively provided financial support for low-income households with public mortgage loans including Bogeumjari, Didimdol and Conforming Loans
- KHFC's mortgage loans included in the cover pool for its Oct 2018 Social Covered Bond were provided to low- to moderate income households with an average age of 38.1 years and an average annual income of KRW 44.0 million

### Customer Information

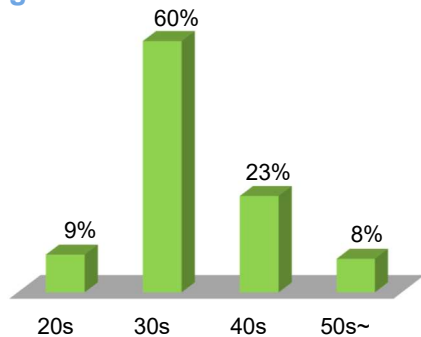
#### Income

(Unit: KRW million)



Income (KRW million)	# of Loans	Amount (KRW 100 million)
~20	465	492
20~30	745	921
30~50	2,082	2,895
50~70	1,627	2,502
70~	290	449
Total	5,209	7,259

#### Age

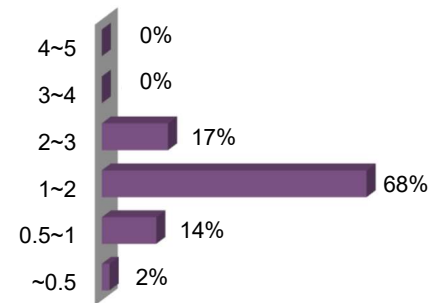


Age	# of Loans	Amount (KRW 100 million)
20s	514	680
30s	2,942	4,333
40s	1,275	1,687
50s~	479	559
Total	5,210	7,259

### Loan Information

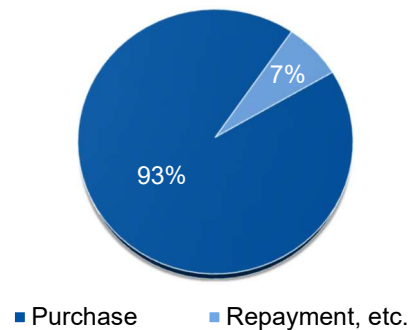
#### Loan Amount

(Unit: KRW 100 million)



Loan Amount (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~0.5	350	143
0.5~1	1,233	991
1~2	3,137	4,918
2~3	487	1,200
3~4	2	7
4~5	-	-
Total	5,209	7,259

#### Purpose of Loan



Purpose of Loan	# of Loans	Amount (KRW 100 million)
Purchase	4,780	6,752
Repayment, etc.	429	507
Total	5,209	7,259

# Oct 2018 Social Covered Bond Impact Reporting

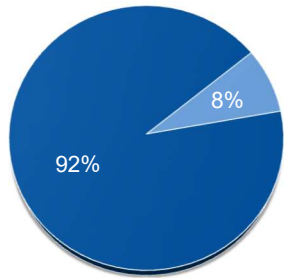
## Contribution to housing welfare of low- to moderate income households



- KHFC constantly aims to improve the housing welfare for the underprivileged population and eligible targets of policy support by providing stable housing finance, especially recognizing the low birth rate and increase in single families in Korea
- Public mortgage loans mainly target low- to moderate income households and real home buyers. The average housing price is KRW 258.0 million and the average housing area of 74.91m<sup>2</sup> which is less than the size of the national housing (85m<sup>2</sup>)

### Collateral Information

#### Size

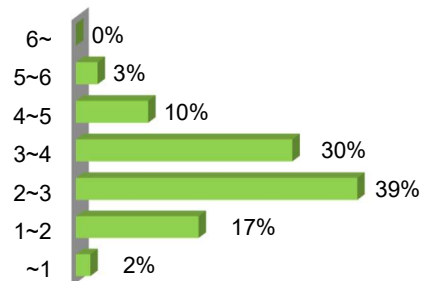


■ ~85m<sup>2</sup> ■ 85m<sup>2</sup>~

Type	# of Loans	Amount (KRW 100 million)
~85m <sup>2</sup>	4,876	6,680
85m <sup>2</sup> ~	333	579
Total	5,209	7,259

#### House Price

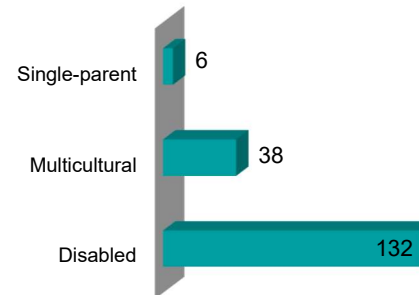
(Unit: KRW 100 million)



House Price (KRW 100 million)	# of Loans	Amount (KRW 100 million)
~1	258	131
1~2	1,309	1,238
2~3	1,986	2,827
3~4	1,233	2,163
4~5	332	690
5~6	91	210
6~	-	-
Total	5,209	7,259

### Loans to Vulnerable Groups

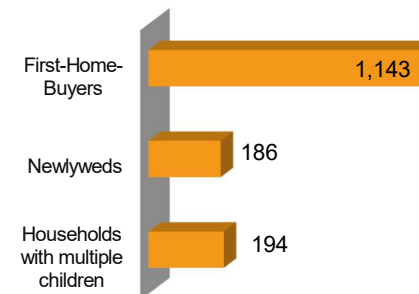
(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
Single-parent	6	6
Multicultural	38	50
Disabled	132	172

### Loans to Policy Support Targets

(Unit: # of Loans)



Type	# of Loans	Amount (KRW 100 million)
First-Home-Buyers	1,143	1,468
Newlyweds	186	278
Households with multiple children	194	280



**THANK YOU**

