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Press Release

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CORPORATE CREDIT ASSESSMENT RESULTS

18 creditor banks have carried out regular assessments of large individual companies with credit facilities in excess of KRW 50 billion since April. In the second stage of the credit assessments, 433 companies were analyzed, and as a result, 33 companies are targeted for restructuring.

Of the 33 companies, 22 companies are C-rated which will accept creditor-led workout programs, and 11 companies are D-rated which will have to develop self-normalization efforts and apply for corporate restoration process.

Compared to the results from regular credit assessments in previous years*, this year there has been a large increase of companies that are up for restructuring. This is believed to have been resulted from creditor banks' active efforts for restructuring.

*2006/07/08: 3, 7, and 0 respectively

The total sum of credit facilities rendered to the 33 selected companies amounts to KRW 3.4 trillion. An increase of KRW 980 billion* of additional loan loss provisioning is expected within the financial sector.

*Banks/Mutual savings banks/Credit specialized companies:
KRW 830bn, 30bn, 20bn respectively

The assessments were originally planned to be completed by the end of June, but have been finalized earlier than expected to speed up the restructuring process. Consequently, the Mediation Committee for Creditor Financial Institutions will head the accelerated process of workout programs on selected companies to normalize operation as soon as possible.

Creditor banks will start conducting credit assessments of corporations with credit facilities under KRW 50 billion in July. The Corporate Credit Support Task Force will oversee the operation to ensure that the ongoing restructuring process goes as smoothly and effectively as possible.

Please be aware that, to minimize disruptions in regular operational activities of the



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companies that will undergo restructuring, their identities are not revealed.

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