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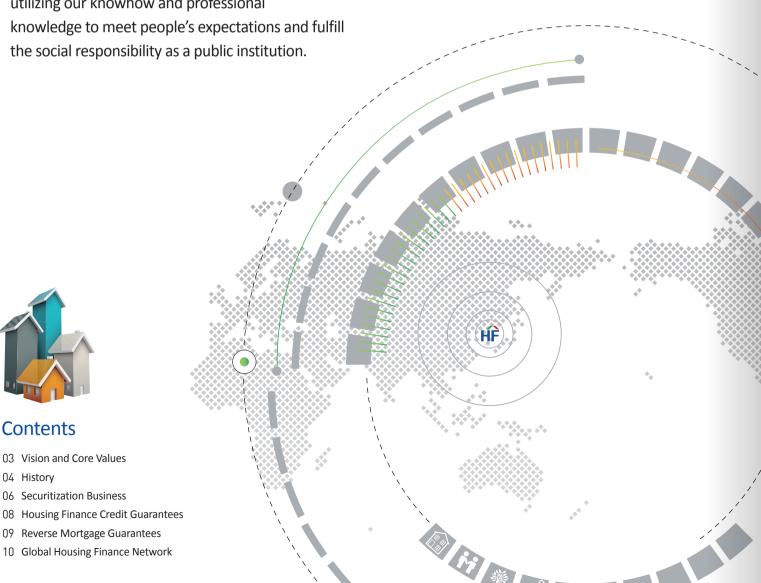
f facebook.com/HappyFinance viter.com/HF_HappyFinance blog.naver.com/kidarikhfc



The best housing finance institution growing with the happiness of people. Institution that improves the quality of life by enhancing the housing welfare of people

Korea Housing Finance Corporation has contributed to enhancing welfare of people and developing national economy by promoting long term and stable supply of housing finance. And we have performed a crucial role in supporting the Korean government's housing finance policy since its establishment in 2004.

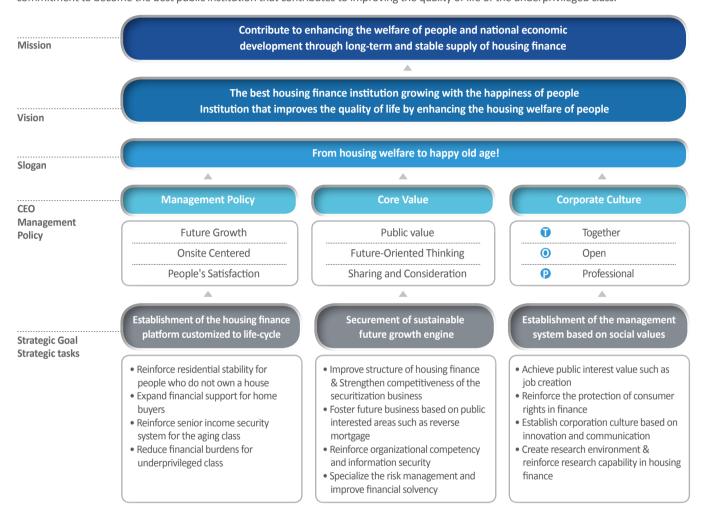
Looking ahead, we will provide the best housing finance service by utilizing our knowhow and professional



Vision & Core Value

Vision

The value and strategy system of HF pursues the happiness for the people as the highest value of growth in corporation and embodies the commitment to become the best public institution that contributes to improving the quality of life of the underprivileged class.



Mid-Long Term Management Strategy: 'Future Strategy 2027'

We have established a mid-long term management strategy in order to respond preemptively to the increase in volatility of global financial market and the reinforcement of government policies to support the underprivileged class and to secure sustainable future growth engine.

Future Strategy 2027 Goals

Supply Goal(Year 2027)	Details
Supply 179 trillion won for housing finance	 Provide 30 trillion KRW in policy mortgages for the structural improvement of the quality of household debts Issue 30 trillion KRW of collateralized securities to assist the procurement of a long term housing fund for financial institutions Provide 39.5 trillion KRW in Chonsei deposit guarantees to offer housing stability for low and middle income families who do not own home Provide 79.5 trillion KRW in Housing Reverse Mortgage for expanding financial support to secure the retirement of the elderly

History

SINCE 2004



- 03.01 Housing Finance Corporation founded
- 03.17 Business transfer agreement signed with KoMoCo
- 03.25 Launch of mortgage loans
- 06.02 Mortgage loan sales exceed 1 trillion KRW
- 06.15 First MBS transche issued(552 billion KRW)



- 07.18 Promotion of Science and Credit Guarantee for Student Loans Act enforced
- 07.19 HF designated as trustee for Student Loan
 Credit Guarantee Fund
- 09.28 Bogeumjari Loan trade name registered
- 10.25 Issued first SLBS(Student Loan–Backed Securities) (517 billion KRW)
- 10.31 Launch of Bogeumjari Loan as preferential interest rate mortgage loan for low-income non-home owners
- 11.08 Sales of Bogeumjari Loans exceeded 100,000



- 02.01 Launch of 30-year fixed-rate Bogeumjari Loan products
- 03.03 Collection Management Center and Seoul Nambu Branch opened
- 04.05 Launch of mortgage guarantee products
- 06.29 Launch of e-mortgage loan



- 01.11 Korea Housing Finance Corporation Act amendments promulgated to add reverse mortgage loans function
- 04.06 Busan Collection Management Center opened
- 05.09 Sales of Bogeumjari Loans reached 10 trillion KRW
- 07.12 Launch of reverse mortgage loans
- 08.02 Contact Center CQM(Contact Center Qualified Mark) accreditation acquired (Korea Contact Center Association)



- 03.18 Iksan Collection Management Center opened
- 03.20 Bucheon Collection Management Center opened
- 08.07 Sisterhood relationship signed with Chojeon 2–ri, Eumseong–eup
- 09.01 Electronic debt approval system goes into operation
- 09.30 The number of reverse mortgage (JTYK) subscribers surpassed 1.000



- 02.23 HF dubbed Most Respected Corporation in Korea by Korea Management
 Association Consulting
- 05.07 HF transferred student loan credit guarantee fund to Korea Student Aid Foundation
- 05.25 HF's paid-in capital exceeded 1 trillion KRW
- 09.30 Mortgage-MBS swap launched to provide liquidity to financial institutions
- 11.16 HF obtained international credit rating(Moody's:A2, S&P:A)
- 11.25 HF singled out for Excellence in Service
 Quality in the National Quality Management
 Contest, earns commendation by the
 Minister of Knowledge Economy



- 01.18 Contact Center awarded Excellence in Service
 Quality certification from the Agency for
 Technology and Standards
- 06.21 Launch of u-Bogeumjari Loan
- 07.15 First Dollar-denominated Covered Bonds issued(500 million USD)



- 01.03 Expanded support for prime rate

 Bogeumjari Loan
- 06.01 Expanded the number of u-Bogeumjari Loan handling institutions to 11
- 07.01 HF paid Bogeumjari Loan stamp fees for seniors over 70
- 08.19 Acquired international credit rating (Firch ratings)
- 08.23 Patented u-Bogeumjari Loan underwriting
- 12.07 Reverse mortgage subscribers surpassed 7,000



- 01.16 Launch of the prime rate Bogeumjari Loan II
- 02.27 Launch of Jinggeomdari Chonsei Deposit Loan Replacement that alleviates interest burden
- 03.09 Launch of Conforming Loans to support soft landing of household debts
- 08.07 Number of reverse mortgage subscribers surpassed 10,000
- 11.01 10 trillion KRW supplied in conforming loans
- 11.15 Redefined the corporate vision(The top housing financial partner for middle–income people)
- 12.13 Annual MBS issuance volume exceeded 20 trillion KRW
- 12.31 Ranked No.1 for a 4th consecutive year in the Public Corporation Customer Satisfaction Index(PCSI)



- 04.29 Carried out guarantees for interim deposits of installment–based rental houses
- 05.31 Launch of Switch Conforming Loans
- 06.01 Launch of Advance Subscription to Reverse

 Mortgage
- 07.01 Launch of Smart Housing Finance app for smartphone users
- 08.16 Number of reverse mortgage subscribers surpassed 15,000
- 08.19 The number of the Exemption Guarantee for Chonsei Lease Mortgage Loan II
- 11.18 Korea's first public corporation to issue electronic shortterm bonds
- 11.29 Launch of the reverse mortgage on defined period benefits
- 12.19 Ranked No. 1 in the Public Organization
 Anti–Corruption Competitiveness Evaluation
 by the Anti–Corruption & Civil Rights
 Commission



- 01.02 Launch of the Didimdol Loan
- 02.17 HF dubbed Most Respected Corporation in Korea(guarantee insurance category) by Korea Management Association Consulting for the 6th year in a row
- 03.19 Launch of the Economical e-Bogeumjari
- 04.30 Launch of the Mid-term Conforming Loan
- 04.03 Launch of the Loan Restructuring

 Bogeumjari Loan
- 06.25 The number of reverse mortgage subscribers surpassed 20,000
- 06.25 Launch of the Adjustable-rate Conforming Loan
- 11.06 Launch of the t-Plus Bogeumjari Loan
- 11.03 Requirements for reverse mortgage loans for multi-home owners relaxed
- 11.12 Received the Korea Federation of Advertising Association's Special Prize at the Korea Advertisement Awards
- 12.19 Relocation of head office building to Busan International Finance Center (BIFC)



- 01.02 Launch of Monthly Rent Fund Guarantee
- 02.25 HF dubbed Most Respected Corporation in
- 03.02 Announced its new vision as 'Global ~ with people'
- 03.05 MBS surpassed 100 trillion KRW
- 03.24 Launch of Safe Conversion Conforming Loan
- 12.03 「Financial Consumer Protection Award」 to Retirement Finance Academy(Financial Consumer Agency)
- 12.14 Ranked No. 1 in evaluation of information security management by National Intelligence Service
- 12,31 MBS integrated announcement web portal (K–MBS) opened



- 02.15 Subscribers for the Reverse mortgage surpassed 30.000
- 04.25 Launched 3 types of modified KHFC reverse mortgage(Naejibyeongeum)
- 07.28 Published "70 Years of the Korea Housing Finance Corporation"
- 07.14 Ranked No. 1 in KSQI Public Service Industry for its customer interaction division (KMAC)
- 09.08 Held the 2016 Forum on Housing Finance to debate on increasing household debts in Korea
- 11.10 Won the Gold Award at the 2015 annual Report international contest (2016 SPOTLIGHT AWARDS)
- 11.11 Won an award for Best Practices in the Government 3.0 Competition11.25 Issued the first pass-through MBS(KRW 305.1 billion)
- 12.08 Received a Grade A evaluation for its integrity as a public institution 2016, and was designated an excellent public service for seven years running (Anti-Corruption and Civil Rights Commission)
- 12.15 Awarded the Trends in Financial Education Award for its Retirement Finance Academy (Financial Supervisor Service Governor's Award)



- 01.01 Launch of the Bogeumjari Loan exclusively eligible for new residents
- 01.13 Launch of the Fixed-rate Conforming Loan
- 01.16 Subscribers for the Reverse mortgage surpassed 40,000
- 04.17 Accomplished KRW 100 trillion supply of Conforming Loan
- 05.11 Launch of the Limited Collateral (Non-recourse) type of Didimdol Loan
- 05,26 MBS surpassed 200 trillion KRW
- 08.29 Established housing guarantee recovery support system after fulfilling legal repayment obligation
- 09.08 Held the 10th memorial event of launching reverse mortgage
- 10.10 Launched the agreed Chonsei fund guarantee customized for newlyweds and SME employees
- 11.16 Launced a complete non face-to-face Chonsei fund guarantee
- 11.28 Grand prize for Retirement Finance Academy in the Financial Consumer Protection Award by the Korea Economic Daily
- 12.05 2017 citation by Mayor of Busan Metropolitan City in Recognition of Contribution of Voluntary Work
- 12.06 Top ranking (grade 1) in integrity assessment of public institutions and designation as excellent institution for 8 consecutive years (by the Anti– Corruption & Civil Rights Commission)

Securitization Business

HF provides Bogeumjari Loans (long-term, fixed-rate amortized mortgage loans) to support the average Korean household with housing finance. We also issue mortgage-backed securities (MBS), contributing to the country's overall housing security and the advancement of Korea's housing finance system.



176,366

(Unit: 100 million KRW)

Conforming Loans 125,830

Volume of MBS Issued

(Unit: 100 million KRW)

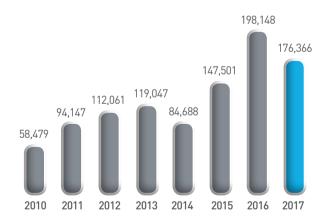
(Unit: 100 million KRW)

Provision of Bogeumjari Loan (including Didimdol Loan)

HF has introduced a long-term, fixed-rate and amortized mortgage product called Bogeumjari Loan to enhance the current Korean housing finance market which is dominated by adjustable-rate mortgage loans. We have provided Bogeumjari Loan (incl. Didimdol Loan) worth of KRW 121.8 trillion to more than one million households by 2017.

Bogeumjari Loan(incl. Didimdol Loan)

(Unit: 100 million KRW)



2017 Average Bogeumjari Loan Borrower and Houses

Average			
Age	41.5		
Annual Income	42 million KRW		
LTV	57.1%		
DTI	25.9%		
House type	Apartment 92.8%		
House floor area	73.5m²		
House price	250 million KRW		
	Age Annual Income LTV DTI House type House floor area		

Provision of Conforming Loan

HF has supplied conforming loan of KRW 108.2 trillion to total 1,057,000 households until 2017 including the supply of conforming loan worth of KRW 12.6 trillion to 103,000 households in 2017.

What are Conforming Loans?

Conforming loans are long term, fixed rate amortized mortgage loans that conform to HF's requirements for mortgage-backed securitization (issuing MBS). Loans of up to 500 million KRW can be borrowed for a home valued up to 900 million KRW, which can be amortized over 5 to 30 years. As the amount of the loan is determined based on the income level of individual borrowers, and while being a fixed rate, the principal and interest rate are amortized over a long period of time without lump sum repayment at maturity, this loan structure is safe from housing market depression or financial crisis.

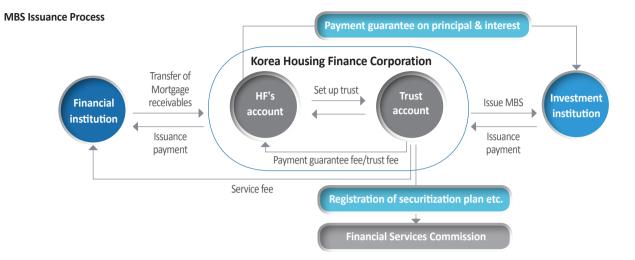
2017 Characteristics of Borrowers and Homes for Conforming Loans(Average)

Division	Average				
Customer	Age	48			
Information	CB grade	Grade 3			
Loan Information	LTV	63.3%			
Loan information	DTI	34.6%			
Collateral Information	House type	Apartment 72.0%			
Collateral Illiormation	House price	250 million KRW			

Mortgage-Backed Securities (MBS)

issues after taking over policy mortgage loans originated by financial give investors more confidence in MBS.

MBS(Mortgage Backed Securities) is a beneficiary securities that HF institutions. HF guarantees timely payment of principal and interest to



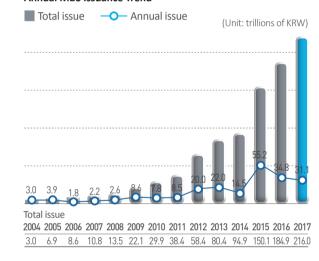
MBS Issuance Outline

Underlying assets	Mortgage Loans (Bogeumjari Loan, Didimdol Loan, Conforming Loan, etc.)	
Volume of issuance	Around 1 trillion KRW	
MBS issuer	Entrusted by HF(trustee: HF)	
Issuance structure	HF guarantees payment of principal and interest for MBS Multiple tranches set with various maturities (Maturity Tranching) 1yr, 2yr, and 3yr bonds are straight bonds (lump-sum payment at maturity) 5yr, 7yr, 10yr, 15yr and 20yr bonds are callable bonds (partial consecutive exercise of call option every three months in order of shortest maturity: different grace period given to bonds per maturities)	
MBS issuance conditions	Fixed rate(interest rate on a treasury bond + spread) AAA-credit rating, public offering, publicly traded on the Korea Stock Exchange	
Servicer	• Financial Institutions, HF	

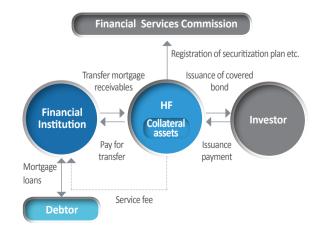
Covered Bond

Covered bonds, mainly promoted in Europe, are bonds issued by financial institutions as security for prime assets such as mortgage loans and public sector loans. Coverd bond holders will have a statutory priority right over the cover pool(mortgage loans), and the cover pool will be duly administered by cover pool monitor.

Annual MBS Issuance Trend



Covered Bond Issuance Process



Housing Finance Credit Guarantees

With the facilitation of housing finance through credit guarantee, the funds installed and managed to promote residential welfare of people have supported not only individual demander finance such as rental funds and purchasing funds but also supplier finance such as building and acquisition funds.



Operation Multiple

11.7

(Unit: Times)

Fundamental Asset

61,140

(Unit: 100 million KRW)

Guarantees Provided

366,677

(Unit: 100 million KRW)

Provision of Housing Finance Credit Guarantees

Since the installation of the Housing Finance Credit Guarantee fund in 1988, total KRW 343.87 trillion of guarantees have been supplied to total 10.74 million households including KRW 305.85 trillion to 8.23

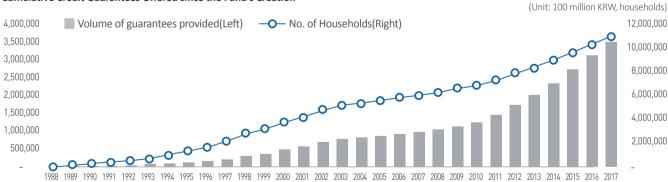
million households as individual guarantees and KRW 38.02 trillion to 2.51 million households as business guarantees.

Annual Provision of Credit Guarantee since HF's Establishment

(Unit: 100 million KRW)

Division	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Individual	31,321	41,657	35,870	44,787	58,564	87,040	111,402	200,351	268,255	255,159	308,780	354,230	376,842	344,600
House builder	7,195	6,397	5,344	6,102	9,039	9,505	3,501	6,349	7,331	10,649	9,992	20,542	24,131	22,077
Total	38,516	48,054	41,214	50,889	67,603	96,545	114,903	206,700	275,586	265,808	318,772	374,772	400,973	366,677

Cumulative Credit Guarantees Offered since the Fund's Creation



Main Customers of Housing Finance Credit Guarantees

The main customers of HF's individual credit guarantee program are individuals with an annual income of 30 million KRW or less, or a Credit Scoring System (CSS) grade of 6 or lower, and possessing a house up to 85m². And the main customers of HF's house builder guarantee program are small- and medium-sized construction firms whose financing abilities are relatively weak.

Reverse Mortgage Guarantees [JooTaekYeonKeum]

HF accomplished the number of accumulative borrowers exceeding 51,000(February 2018) since the launch of the Reverse mortgage guarantees in July 2007. HF will contribute to housing stability of People by developing reverse mortgages reflecting needs of customers through accumulative know-how.

Operation Multiple

15.1

(Unit: Times)

Volume of Payments

7,454

(Unit: 100 million KRW)

Guarantees Provided 106,969

(Unit: 100 million KRW)



Introduction to JooTaekYeonKeum (Reverse Mortgage Guarantees)

JooTaekYeonKeum is a policy assured by HF for the livelihood and housing stability of seniors by lending retirement fund in the form of monthly pension in return for guaranteeing the house.

Product Benefits

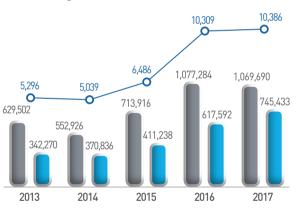
Lifelong residence & lifelong payment	· Both borrower and spouse are guaranteed to receive monthly payments for lifetime.
Government guarantee	·Since the government guarantees the program; there is no risk of discontinuance of monthly payments.
Low interest rate	$\label{eq:Application} \begin{tabular}{ll} \cdot Application of floating rate (3 month CD interest rate + 1.1\%p or COFIX interest rate + 0.85\%p), Lower interest rate than general mortgage loans \\ \end{tabular}$
Lower initial cost	·Lower initial cost with exemption to registration tax, local education tax, special tax for rural development, and the purchase of national housing bond
Tax benefits	· 25% exemption of property tax (However, for houses over 500 million KRW, exempt 25% of property tax corresponding to 500 million KRW · Income tax exemption on pension of up to 2 million KRW per year on loans interest cost

Users of Housing Reverse Mortgage

Average house price	287 million KRW
Average monthly payment	989,000 KRW
House type	Apartments 84.0%
Size	79.5% under 85m²
Average age	71.9
By region	Metropolitan area : 71.1% The provinces : 28.9%

Provision Status of Reverse Mortgages

- Amount of guarantee supplied(10 million KRW)
- Volume of payments(millions of KRW)
- **─**O No. of guarantee cases







10 | Global Housing Finance Network Business Status and Management Outcome | 11

Global Housing Finance Network





1. Municpality Finance Plc 2. Suomen Hypoteekkiyhdistys Mortgage Society of Finland

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04 Denmark 1. BRFkredit a/s

> 2. Realkreditradet - Association of Danish Mortgage Banks

05 Lithuania Mortgage Insurance Company of

06 United Kingdom 1. Building Societies Association

2 Devonshire Solicitors 3. Financial Times

Germany
1. European Central Bank (ECB) 2. Association of Private German

> Bausnarkassen 3. Association of Public German Bausparkassen

4. Deutsche Bank Bauspar AG

1. International Union for Housing Finance (IUHF)

2. European Federation of Building Societies

3. European Mortgage Federation 4. European Covered Bond Council (ECBC)

09 Czech Republic

 Association of Czech Building Savings Banks

2. Stavebni sporitelna Ceske sporitelny, a.s.(Bausparkasse of the Czech savings banks)

1. Prva Stavebna Sporiteľ na a.s. 2. Wustenrot stavebna sporitelna a.s.

11 Hungary Fundamenta Lakaskassza Zrt.

French Savings Banks National Association(Federation Nationale des Caissesd' Epargne)

(13) Austria

1. Raiffeisen Bausparkasse Gesellschaft mbH

2. S-Bausparkasse der osterreichischen Sparkassen

Romania BCR Banca pentru Locuinte S.A.

(15) Croatia

1. Prva stambena stedionica d.d.

2. Raiffeisen stambena stedionica d.d.

3. Wustenrot stambena stedionica d.d.

Malta Folkes

17 Cyprus

Housing Finance Corporation

1. Institute for Urban Economics 2. The Guild of National Cooperative Societies of Russia

19 Algeria

Societe de Refinancement Hypothecaire

20 Nigeria

Dunn Loren Merrifield Advisors Ltd.

21 Uganda

Ecobank Uganda Ltd

22 Kenya

Housing Finance Company of Kenya Ltd.

23 Tanzania Bank of Tanzania

Zimbabwe Central Africa Building Society

25 Botswana

Botswana Building Society

26 South Africa

1. African Union for Housing Finance

2. Bella Casa Housing Developments Ltd. 3. The Banking Association South Africa

27 Palestine

 Palestine Capital Market Authority (PCMA)

2. Palestine Mortgage and Housing Corporation (PMHC)

28 Azerbaijan

Azerbaijan Mortgage Fund

29 Kazakhstan

1. House Construction Savings Bank of Kazakhstan JSC

2. Kazakhstan Mortgage Company

30 India

1. Dewan Housing Finance Corporation Ltd.

2. Housing Development Finance Corporation Ltd.

3. National Housing Bank

31 Sri Lanka

National Savings Bank



32 Mongolia Mongolian Mortgage Corporation / MIK Co. Ltd.

33 China Beijing Housing Fund Management Center

34 Thailand

1. Government Housing Bank 2. Secondary Mortgage Corporation

35 Singapore Housing and Development Board

Hong Kong

1. Hong Kong Housing Authority 2. The Hong Kong Mortgage Corporation Limited (HKMC)

37 Philippines 1. National Home Mortgage

Corporation (NHMFC) 2. Home Development Mutual Fund. Pag-IBIG Fund

Malaysia
Cagamas Berhad

(39) Myanmar Construction and Housing Develpment

Bank (CHDB 40 Indonesia

1. PT Sarana Multigriya Finansial (Persero)) 2. Asian Secondary Mortgage Market Association(ASSMMA)

1. Japan Housing Finance Agency 2. Ministry of Land, Infrastructure, Tranport and Tourism

42 Australia Mortgage & Finance Association of Australia

43 New Zealand

(4) Canada

1. Canada Mortgage & Housing Corporation

2. Terra Housing Consultants International Ltd.

45 United States of America

1. Government National Mortgage Association (GNMA)

2. Federal Home Loan Mortgage Corporation (FHLMC, Freddie Mac) 3. Federal National Mortgage

Association(FNMA, Fannie Mae) 4. U.S. Department of Housing and

Urban Development (HUD) 5. Federal Housing Finance Agency (FHFA)

6. Housing Finance Information Network

(HOFINET) 7. Mortgage Bankers Association of America (MBA)

46 Jamaica

1. Caribbean Association of Housing Finance Institutions (CASHFI)

2. Jamaica Mortgage Bank 3. National Housing Trust

47 Dominican Republic Asociacion Popular de Ahorrosy Prestamos

48 Saint Lucia

St. Lucia Mortgage Finance Co. Ltd. 49 Brazil

Inter-American Housing Union (UNIAPRAVI)

51) Chile Conavicoop

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4th floor, Suncheon LG building, 9 Yeonhwang Joongang Sangga-gil, Suncheon-si, Jeollanam-do +82-61-760-6700

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