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SBI Mortgage Secures Funding for Growing Demands of FLAT35

- ▶ **SBI Mortgage expands overdraft limit by 25.9 billion yen**
- ▶ **SBI Mortgage to heighten market presences through additional funding**

<February 13, 2013> SBI Mortgage has expanded its short-term financing resources to tap into the fast-growing demands for FLAT35, Japan's leading long-term fixed mortgage loan product.

SBI Mortgage (CEO Noriaki Maruyama), Japan's leading mortgage bank, announced on the 13th that the company raised its overdraft limit by 25.9 billion yen (300.4 billion won) to secure additional funding for coping with the huge increase in demand for FLAT35 and expanding the housing mortgage market.

The short-term loan is not made through ordinary lending but through the increase of the overdraft limit so that the new limit amounts to 179% of the company's equity. It was converted into Korean won by using the standard currency rate, 11.6010 won per yen, effective as of February 12, 2013.

Launched in 2007, Tsunagi Loan is a lending program for the purchase of residential land, targeting FLAT35 customers. While FLAT35 products are financed through securitization, the equity held by SBI Mortgage is directly used to finance the purchase of land for Tsunagi Loan. Its sales have increased in line with the increase in FLAT35 sales.

"The standard FLAT35 interest rate is at a record low level of around 2% in Japan in February, and the government is offering interest rate subsidies. These factors pushed up the demands for the execution of FLAT35. As the Japanese government plans to raise the consumption tax rate this year, the sales of homes and mortgage loan products are expected to increase substantially," said SBI Mortgage CEO Noriaki Maruyama. "The short-term financing program aims to proactively address the demands for FLAT35 and Tsunagi Loan, which are expected to grow rapidly in the future. As we have secured funds for mortgage loan businesses, we will aggressively expand our market presence as the largest mortgage bank." <End>