

Investor Q&A #5

Date	April 4, 2023
Investor Type/ Region	Central Bank / Southeast Asia
Q&As	<p>Q1) How often do you issue USD public bonds in a year? A1) For USD public offering, we normally issue 2-3 benchmark size bonds a year.</p> <p>Q2) Do you have any plans to issue another USD bond this year, and what would be the tenor for the new issuance? A2) Yes, for the next public offering, we are contemplating EUR or USD, depending on internal funding needs. The tranches would most likely be a combination of 3-, 5-, and/or 10-year tenors, but it will depend on the market situation. In addition, we have plans for USD public offerings in the second half of this year.</p> <p>Q3) Would KEXIM normally issue more than USD 500 million equivalent for public offerings? A3) That is the case for USD and EUR only, and we usually issue in smaller amounts for AUD bonds.</p> <p>Q4) Did the current crisis in banking sector have any impacts on KEXIM's USD credit spread? A4) We see the banking crisis to have caused minimal impact on our USD credit spreads. KEXIM has maintained strong financials, and most of the credit spread movement was caused by the volatility in the treasury market as a whole, rather than banking sector specific movement since the collapse of the Silicon Valley Bank ("SVB"). Moreover, KEXIM does not have any outstanding AT1, thus staying impervious to the Credit Suisse incident.</p> <p>Q5) Would you issue bonds with maturity longer than 10 years? We also have appetite in long-ends. A5) Intermediate tenor bonds (3-, and 5-year) are our usual preference for USD offerings, as our average asset duration stands at approximately 4 years. However, depending on the circumstances, we do issue longer term bonds of more than 10-year tenor to, for example, set up a benchmark, or benefit from arbitrage opportunities in the swap market.</p> <p>Q6) Are you planning to issue Green or Sustainability bonds in the future? We have internal policies that make us include certain amount of ESG bonds in our portfolio. A6) KEXIM is closely looking for opportunities to issue such bonds. We are monitoring some of our loan assets that falls into ESG categories, such as loans on EV batteries and renewable energy. Our ESG roadmap stipulates our ESG funding goal of USD 20 billion by 2030, which makes it around USD 2 billion ESG bond issuance per year on average. In that sense, we expect there would be another ESG type bond issuance this year.</p>