



The Export-Import Bank of Korea

Investor Presentation

November 2023

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Key Facts and Figures

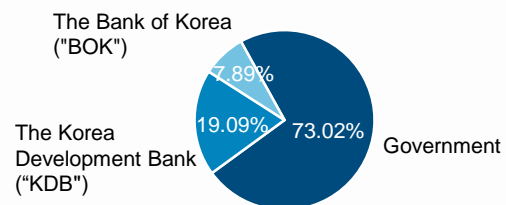


Government Linkage

✓ Ratings on Par with the Sovereign



✓ 100% Government Ownership



✓ De-facto Government Guarantee

"Any net loss incurred by the Export-Import Bank of Korea during any fiscal year shall be covered by its reserves. **If the reserves are insufficient** to cover the net loss, the **Government shall provide funds to cover such net loss.**"

- Article 37 of the KEXIM Act



Funding Activities

✓ A Seasoned and Frequent Issuer



5 benchmark offerings annually on average



2nd largest global bond issuer out of APAC



Over 30 funding currencies



Providing liquidity across the curve



Stable secondary performance



Operation and Financial Highlights¹

USD 97.4bn

Total Assets²

USD 322mn

Net Income³

USD 10.1bn

Paid-in Capital²

13.4%

BIS Ratio

USD 99.6bn

Total Loan and Guarantee Outstanding²

USD 59.3bn

Total Disbursements³



ESG

USD 8.5bn

Total ESG Bonds

1st Blue Bond

Out of Korea (2023)

1st Green Bond

Out of Asia (2013)



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01

A Leading Policy Bank in Korea

2023 INVESTOR PRESENTATION | NOVEMBER 2023



Korea's Official Export Credit Agency

Korea's key policy arm with 100% Government ownership

KEXIM at a Glance



Classification

- ✓ Sovereigns, Supranational and Agencies ("SSA")
- ✓ Export Credit Agency
- ✓ Schedule B issuer (Sovereign Status) under the U.S. Securities and Exchange Commission ("SEC")



Policy Mandate

- ✓ Promoting international business of Korean companies
- ✓ Operation of two Government-entrusted funds

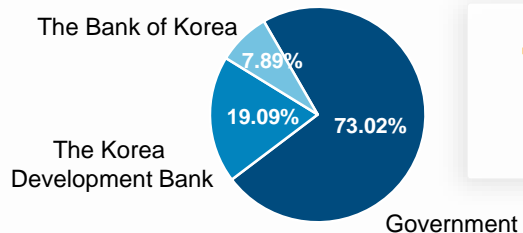


Ratings

- ✓ Aa2 / AA / AA- (all stable)
- ✓ On par with the sovereign



Ownership Structure



100% owned by the Government (directly and indirectly)

Key Operations as a Policy Implementation Arm

Export Credit Agency



Loans

- ✓ Provides loans to eligible entities related to exports, imports, and overseas investments



Guarantees

- ✓ Pays for loans or the beneficiary's demand for payment if the applicant (borrower) fails to make the payment or fulfill the contract

Government-entrusted Fund



Economic Development Cooperation Fund

- ✓ Promotes economic cooperation with developing countries by providing funding for their economic stability



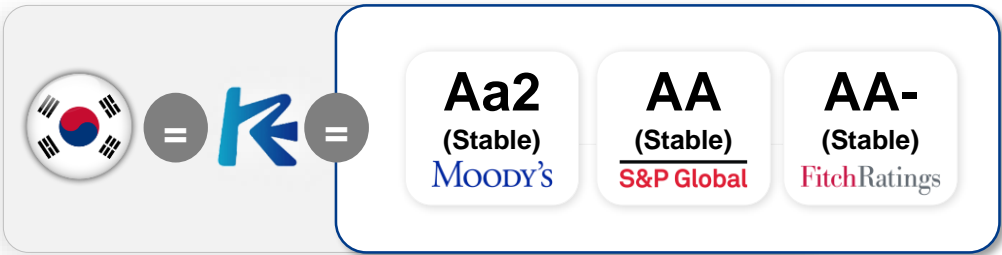
Inter-Korean Cooperation Fund

- ✓ Contributes to the economic cooperation and social / cultural exchange with North Korea by promoting economic and social projects

True Sovereign Credit

Ratings on par with the sovereign and exempt from standalone credit assessment

Ratings on Par with the Sovereign




De-facto Guarantee from the Government

“Any net loss incurred by the Export-Import Bank of Korea during any fiscal year shall be covered by its reserves. **If the reserves are insufficient to cover the net loss, the Government shall provide funds to cover such net loss.**”

- Article 37 of the KEXIM Act

Exempt from Standalone Credit Assessment by Rating Agencies

 Korea Eximbank <small>THE EXPORT-IMPORT BANK OF KOREA</small>		Policy Bank A	Policy Bank B	Quasi-sovereign A
Government Ownership		100%	68.5%	100%
Credit Ratings (M / S / F)		Aa2 / AA / AA-	Aa2 / AA- / AA-	Aa2 / AA / AA-
Schedule B Eligibility ¹		Yes	No	No
Standalone Credit Profile	Moody's	Not Applicable	ba2	ba2
	S&P Global	Not Applicable	bbb+	bb
	FitchRatings	Not Applicable	a-	Not Applicable

Moody's : “We do not assign a **Baseline Credit Assessment to KEXIM** because of our expectation of **extraordinary government support based on KEXIM's public-policy mandate to support Korea's export and import sectors...**”²

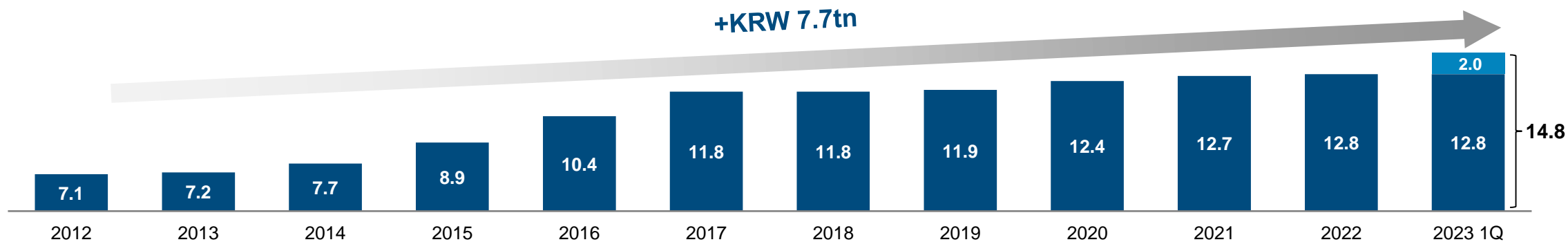
Source: Moody's, S&P, Fitch as of October 25, 2023
Note: ¹Recognized as a foreign government by the SEC; ²Opinions expressed by Moody's are solely the view of Moody's and are not meant to be representative

Solid Capital Base with Government Support

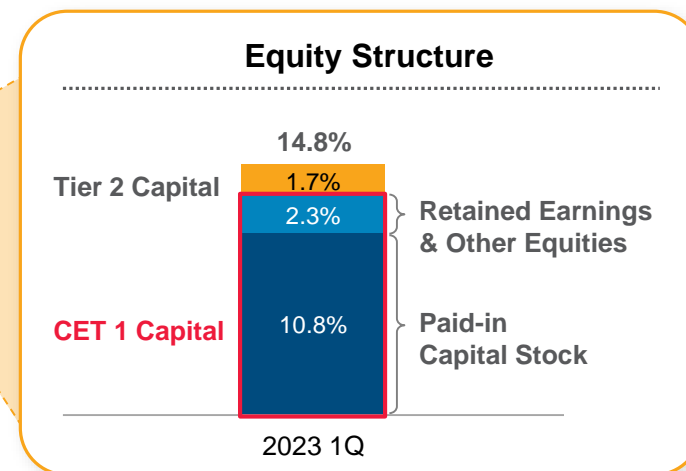
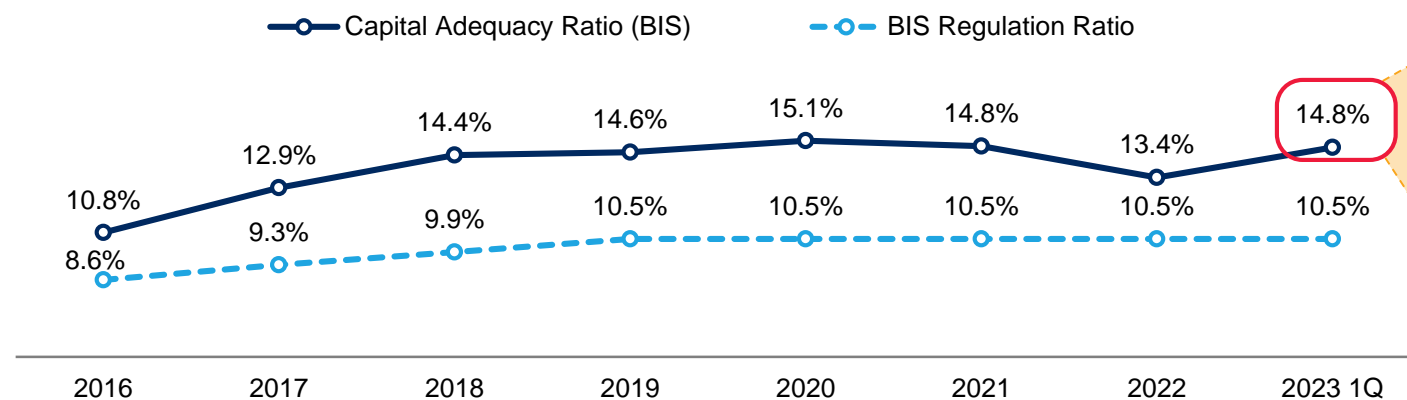
Robust capital adequacy ratio on the back of Government capital injections

Continued Government Capital Injections Showing Unwavering Commitment to KEXIM

(cumulative, KRW tn)



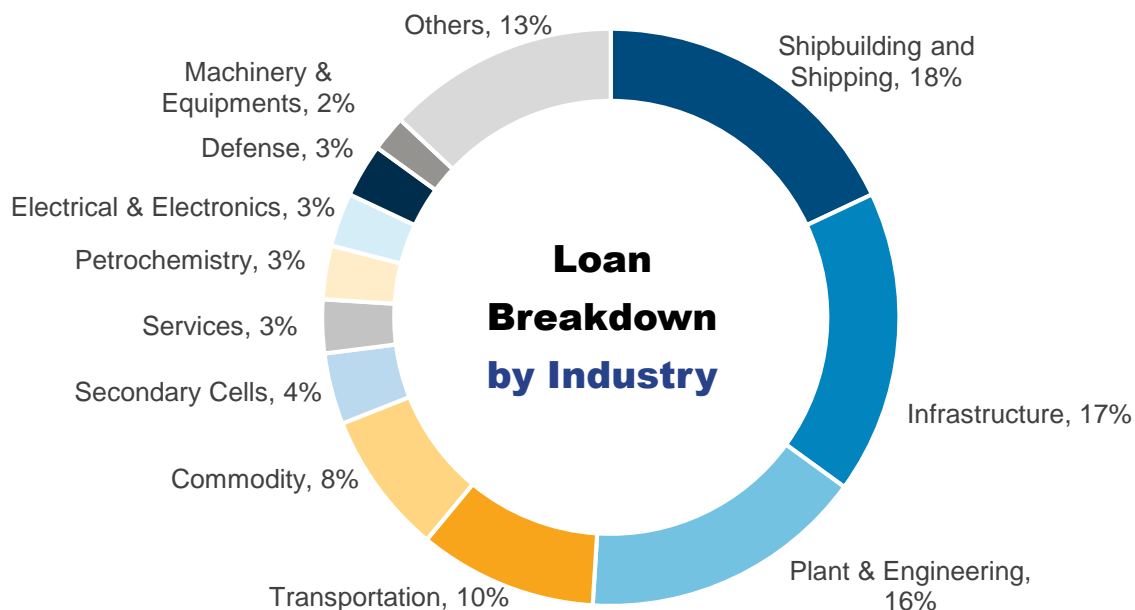
Capital Adequacy Ratio Far above the Regulatory Requirement



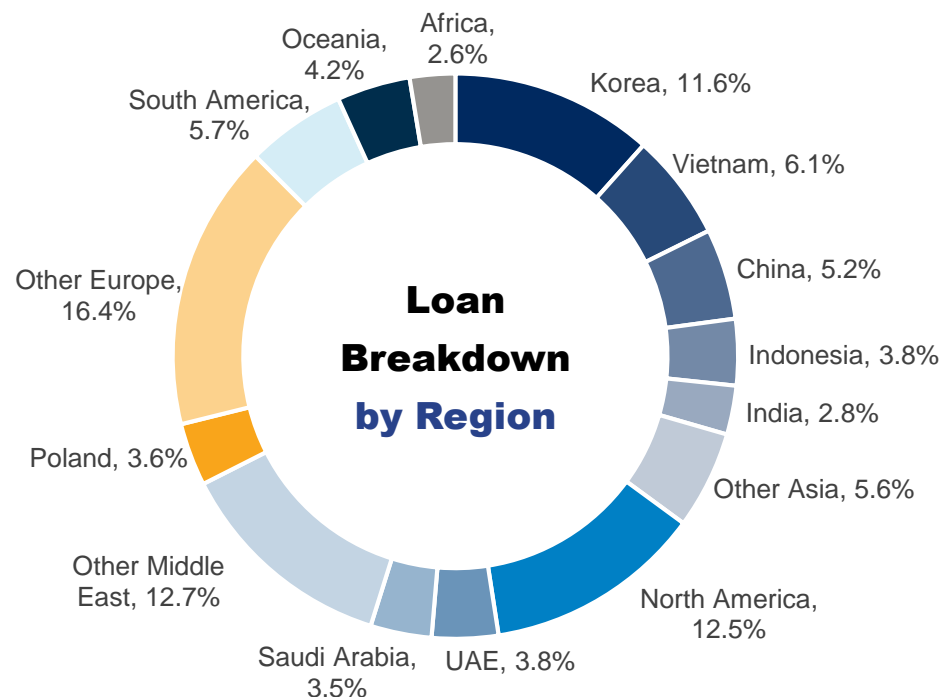
Key Supporter of Korea's Export Industry

Diversified loan portfolio covering Korea's major industries

Supporting Korea's major industries...



...in their offshore growth strategies



Key Companies Financed

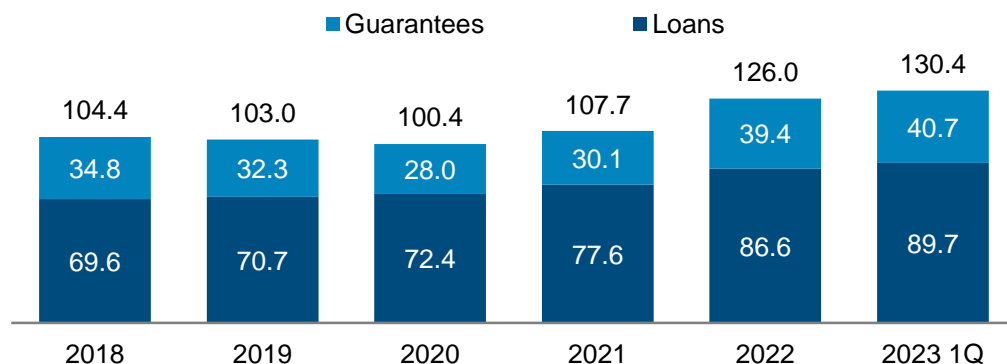


Robust Asset Quality with Sound Profitability

Prudent risk management beyond the policy mandate

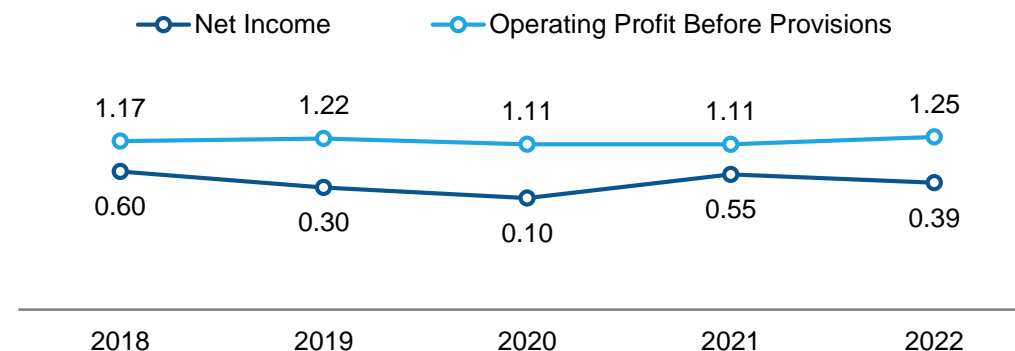
Stable Outstanding Credit Balance¹

(KRW tn)



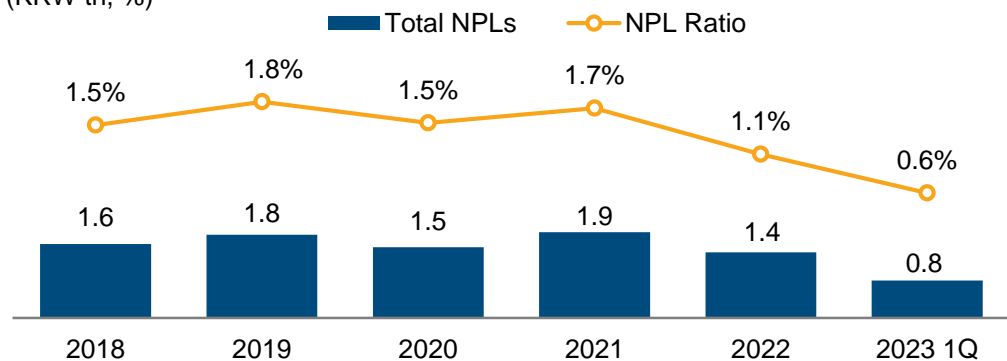
Policy Bank with Steady Profitability²

(KRW tn)



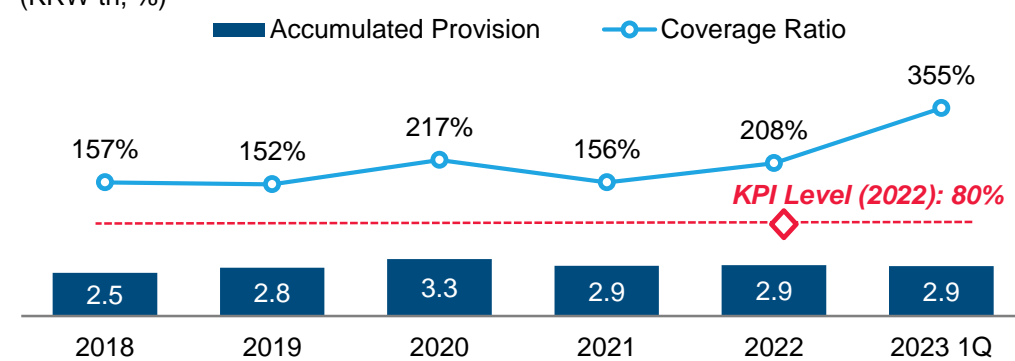
Well-managed & Downward Trending NPL Ratio¹

(KRW tn, %)



Prudent Coverage Ratio¹

(KRW tn, %)



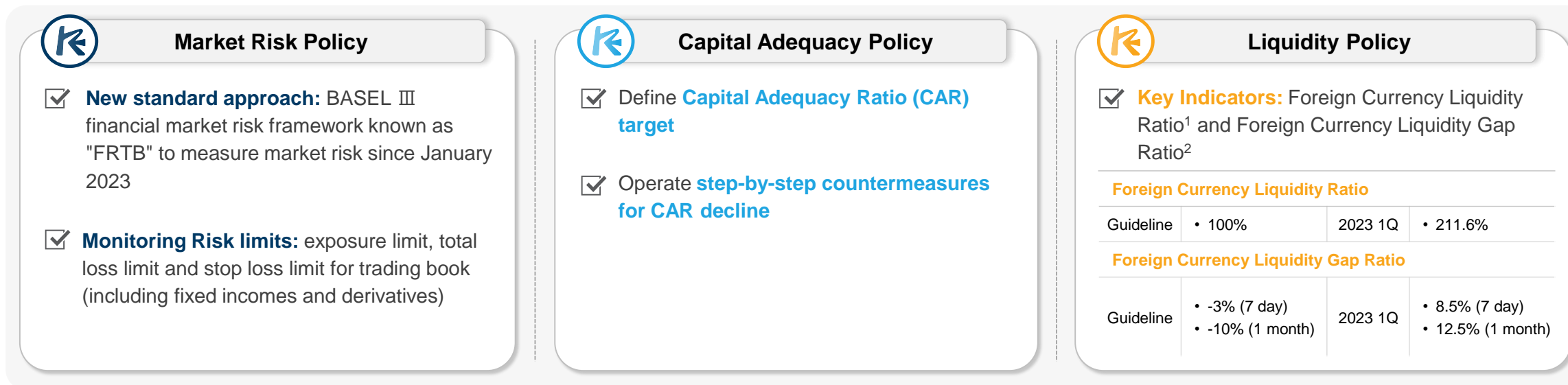
Proven Risk Management Policies

Balancing KEXIM's policy role and stability through credit cycles

Strong Risk Management Framework



Advanced Risk Management Policies



Source: KEXIM

Note: ¹(Foreign currency assets with remaining maturity of maximum 3 months) / (Foreign currency liabilities with remaining maturity of maximum 3 months); ²(Foreign currency assets with remaining maturity of maximum 7 days or 1 month – Foreign currency liabilities with remaining maturity of maximum 7 days of 1 month) / Total foreign currency assets

KEXIM Business Plan for 2023

4 Core Strategies to expand KEXIM's policy roles

KEXIM has set up 4 core strategies to lead the way for Korean exports¹



※ Mid-Term Plan for 2023-2025

		2023	2024	2025
Credit	New Credit Supply	KRW 70tn (USD 55bn)	KRW 71tn (USD 56bn)	KRW 72tn (USD 57bn)
	Outstanding Credit Balance	KRW 139tn (USD 109bn)	KRW 142tn (USD 111bn)	KRW 145tn (USD 114bn)
Debt	Foreign CCY Funding ²	USD 16.5bn	USD 19bn	USD 19bn
	KRW CCY Funding	KRW 25tn (USD 20bn)	KRW 26tn (USD 20bn)	KRW 27tn (USD 21bn)

Continuous Efforts to Fulfill KEXIM's Policy Role

Business plans in line with Government's policy directions

KEXIM's roles under the Government's export growth plan



Korean Government's Policy Direction to Accelerate Export Recovery



Increase Financial & Fiscal Support

- ✓ **Trade finance: KRW184tn in 2H 2023**
- ✓ Government budget support: KRW1.5tn
- ✓ Fiscal aid: Expand export voucher program
- ✓ Tax support: Expand benefits for export business



Promote Export Diversification

- ✓ **Financial and fiscal support for export diversification**
- ✓ **Government support for large project contracts (Nuclear Power, Defense, Plants and Infrastructure)**



Expand Overseas Business

- ✓ Aim to achieve USD 35bn overseas projects
- ✓ **Increase capital of KEXIM to support large scale overseas projects**
- ✓ Diplomatic sales initiatives

➡ **As an export credit agency, KEXIM will play a crucial role in implementing the Government's export growth strategies**





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02

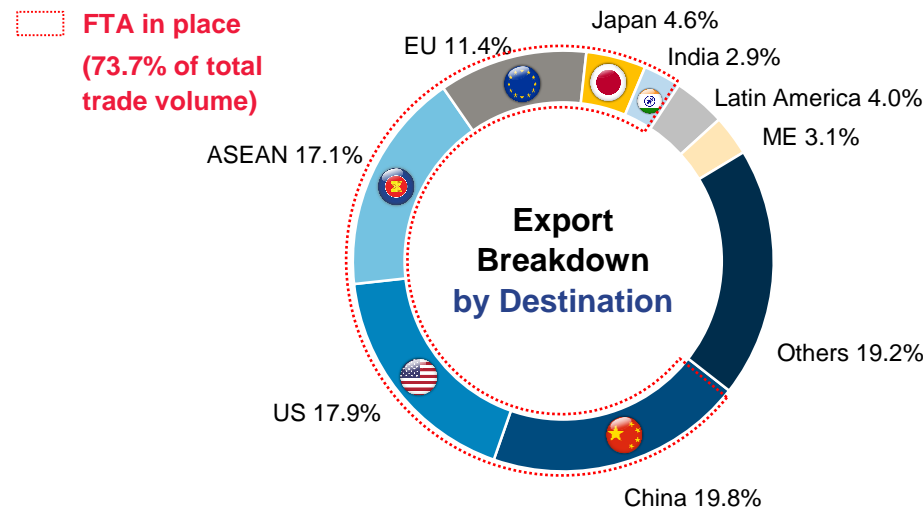
Korea as a Top Export Country



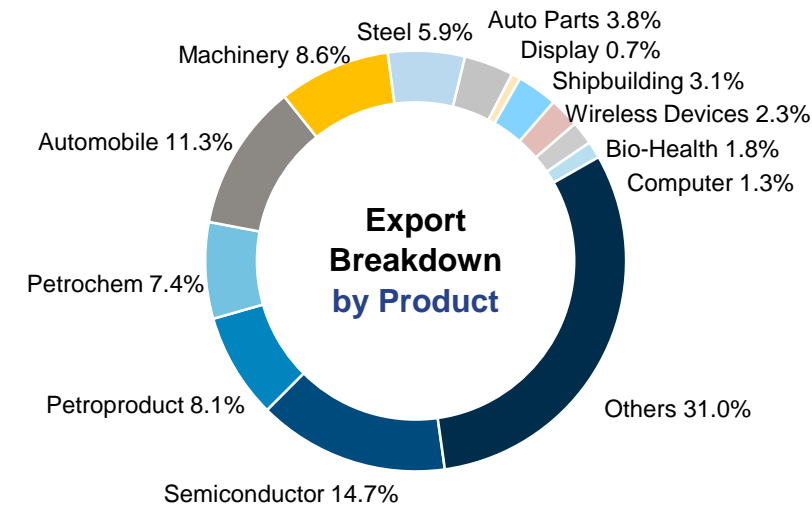
Well-balanced Export Portfolio

Extensive number of export products with diversified export partners

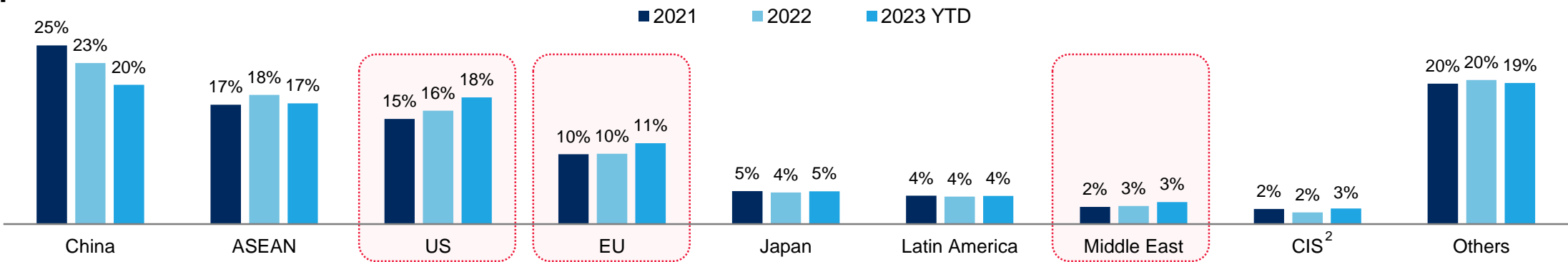
Varied Export Partners¹



Diversified Exports¹



Export Diversification



Source: MOTIE as of September 30, 2023
Note: ¹ 2023 Jan-Aug; ² Commonwealth of Independent States

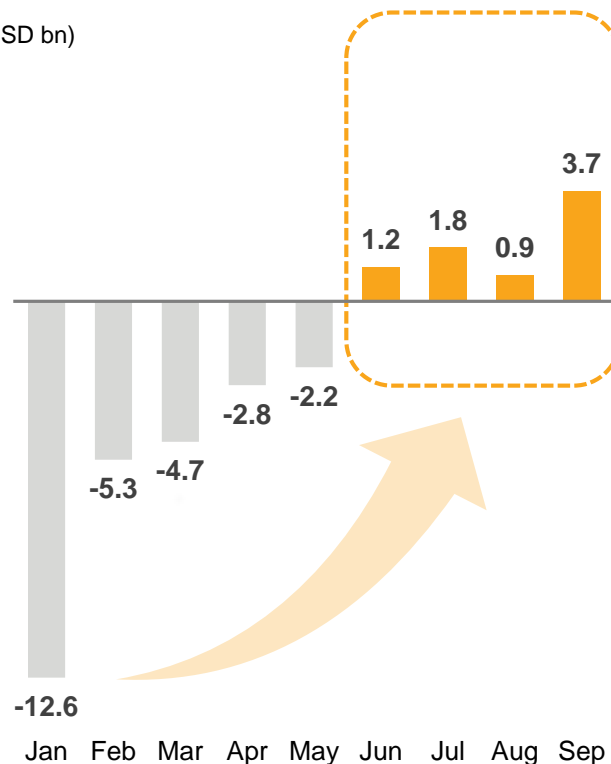
Exports Recovery on the Horizon

Three factors acting as tailwind to Korea's exports

Rationale Behind Trade Balance Recovery

< Monthly Trade Balance (2023) >

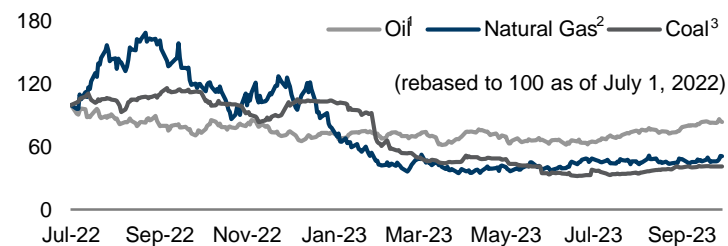
(USD bn)



1 Energy Price Stabilization

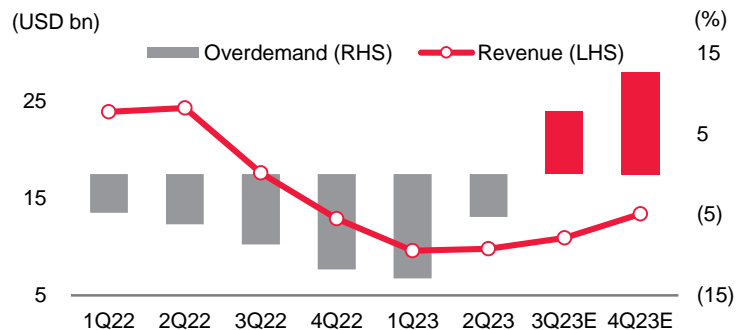
- ✓ Energy price: Downward trend since 2H2022

< Key Energy Prices >



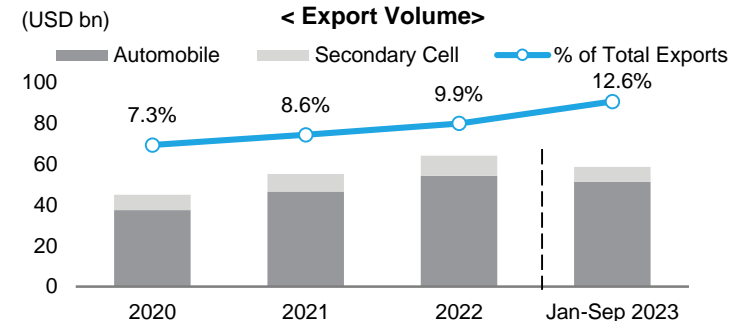
2 DRAM Sales Outlook

- ✓ Global demand for DRAM expected to rebound

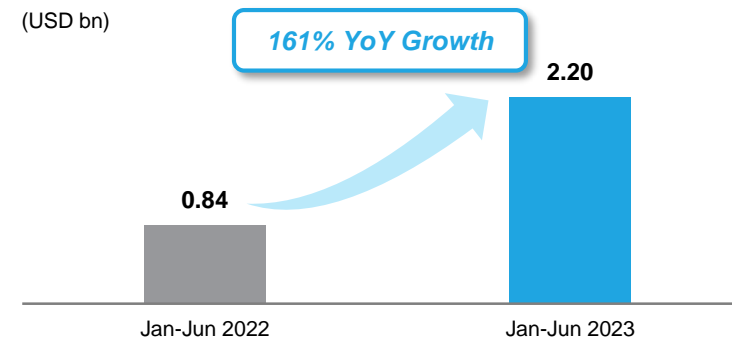


3 Auto and Battery Sector

- ✓ Automobile and Secondary Cell as new export drivers



<Secondary Cell Related Export to the US>

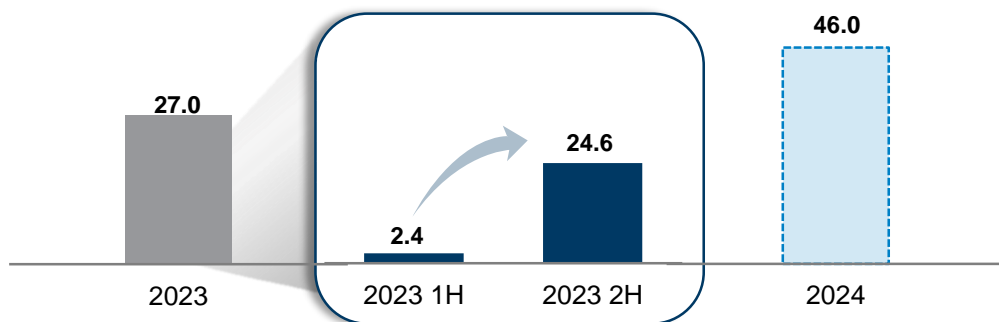


Resilient Korean Economy Despite Macro Headwinds

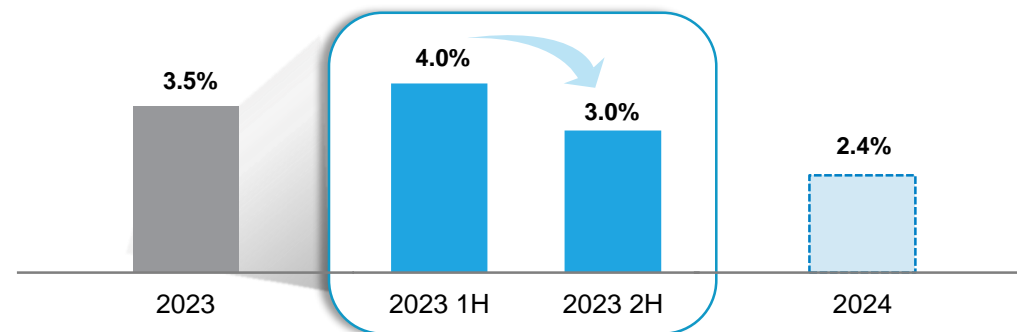
Economic recovery to accelerate into 2H 2023 and 2024

Current Account

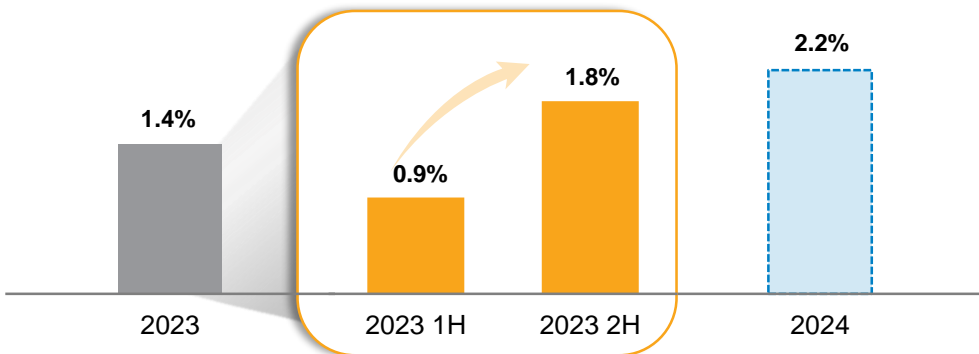
(USD bn)



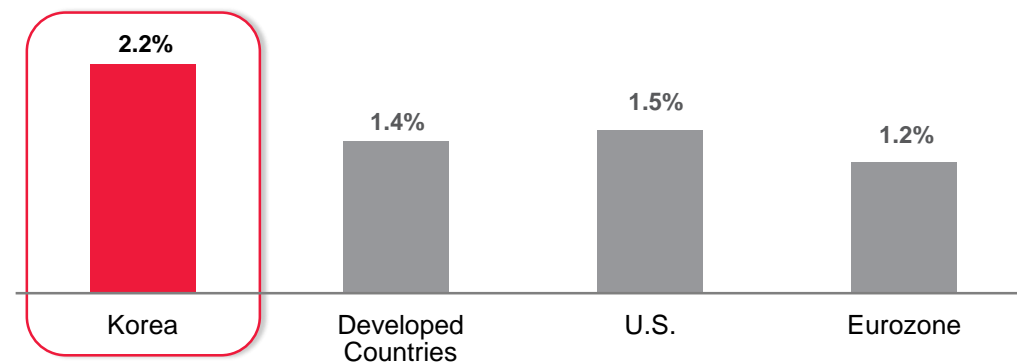
Inflation



Economic Growth



2024 Growth Forecasts





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Funding Activities



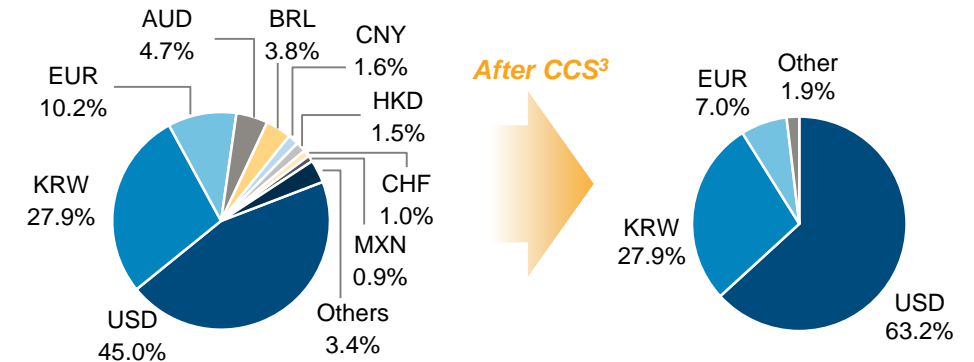
Active Foreign Currency Funding

One of the most sophisticated and largest bond issuers out of APAC

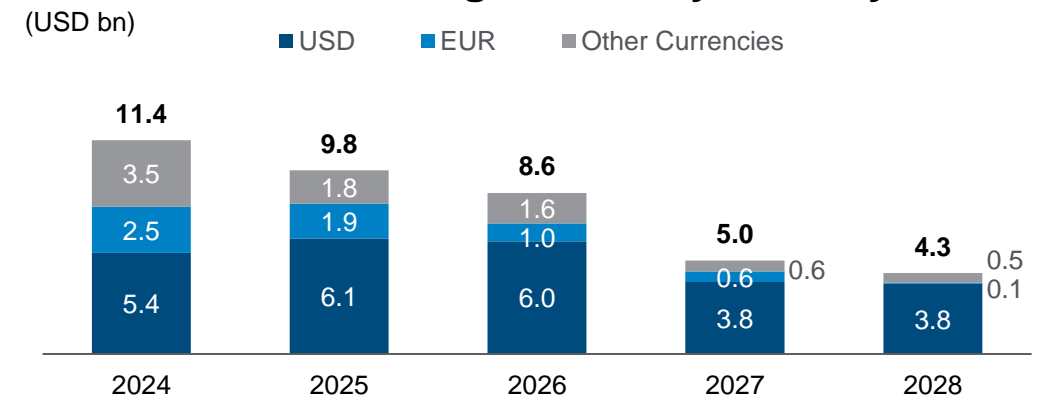
2nd Largest G2 Currency Issuer among APAC SSA¹

Rank	Issuer	Issuance Amount (USDmn)
1	ADB	24,372
2	 Korea Eximbank THE EXPORT-IMPORT BANK OF KOREA	7,882
3	JBIC	6,315
4	KDB	4,483
5	AIIB	4,312
6	DBJ	2,897

Diversified Foreign Currency Funding Sources²



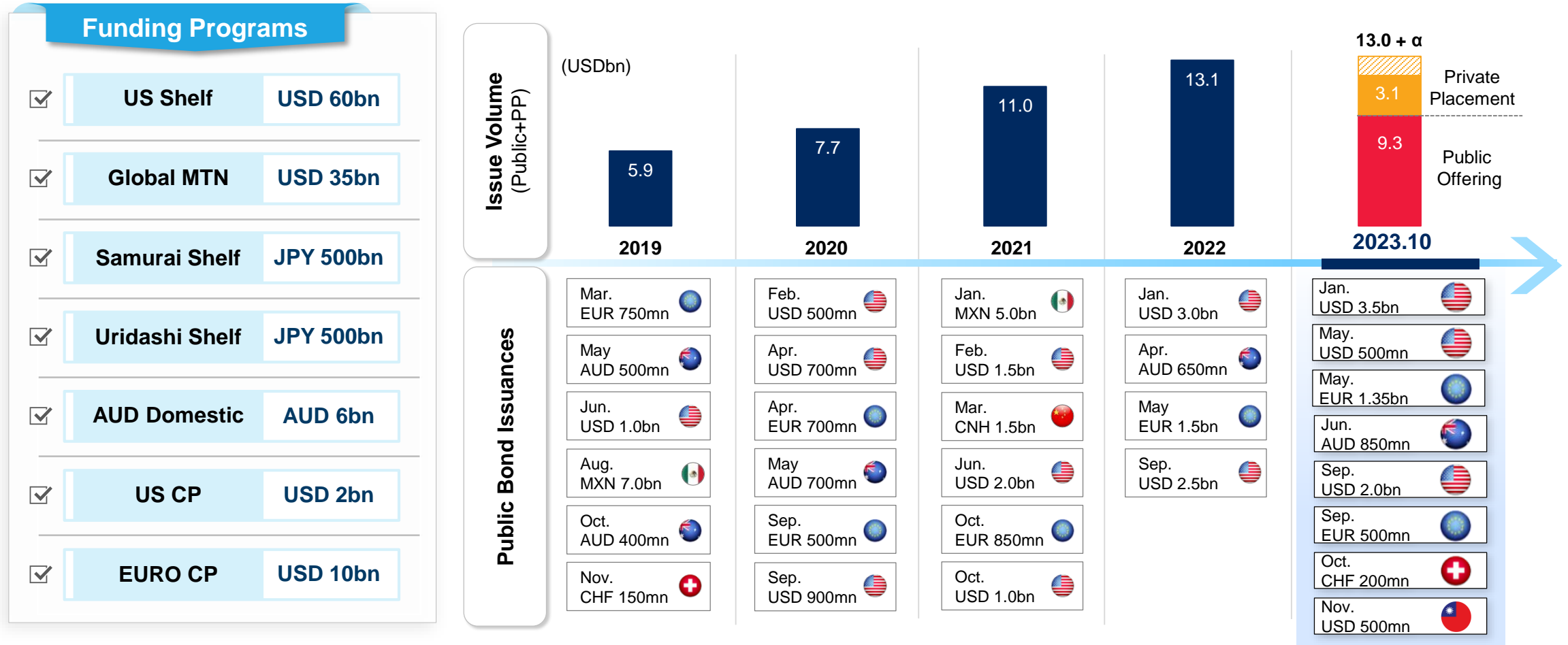
Well-distributed Foreign Currency Maturity Profile



Strong Presence in International Capital Markets

Establishing new benchmarks for Korean issuers across different currency markets

Presence in the Major Currency Bond Markets through various funding programs¹



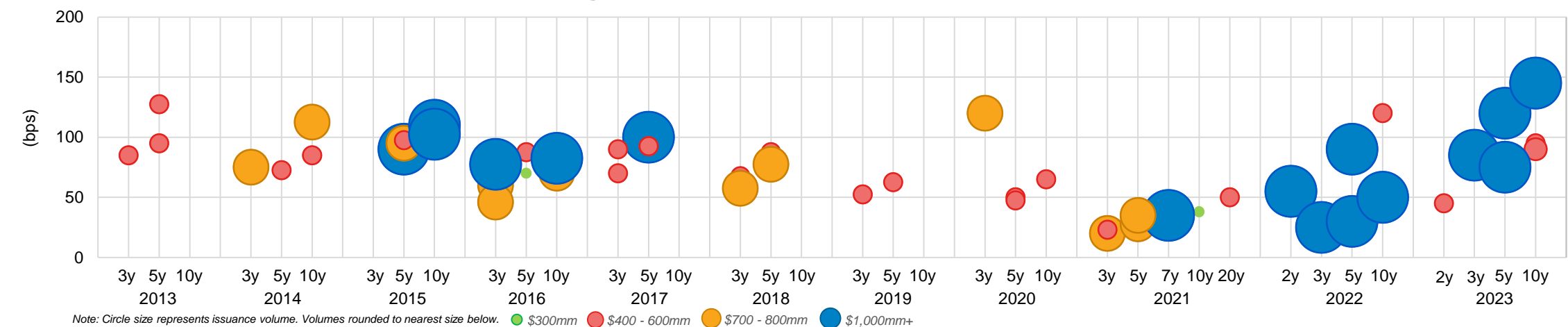
Source: Bloomberg as of October 25

Note: ¹Major currencies refer to USD, EUR, JPY, AUD, CHF, MXN and CNH

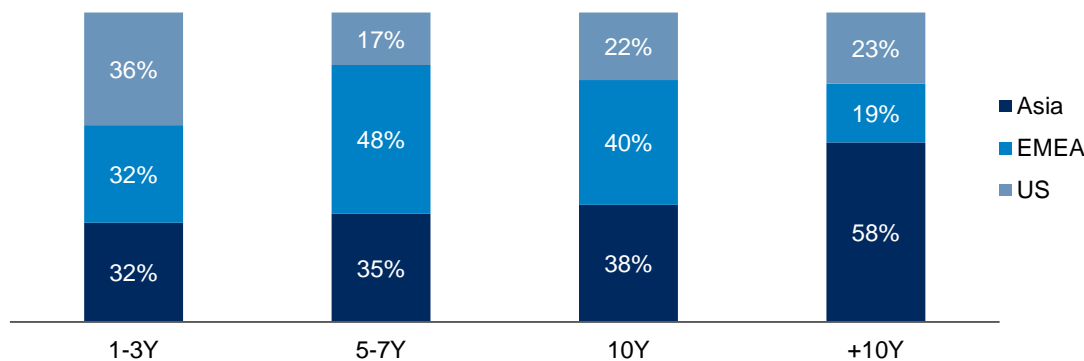
Strong Presence in International Capital Markets – USD

Well-established issuer in the USD bond market

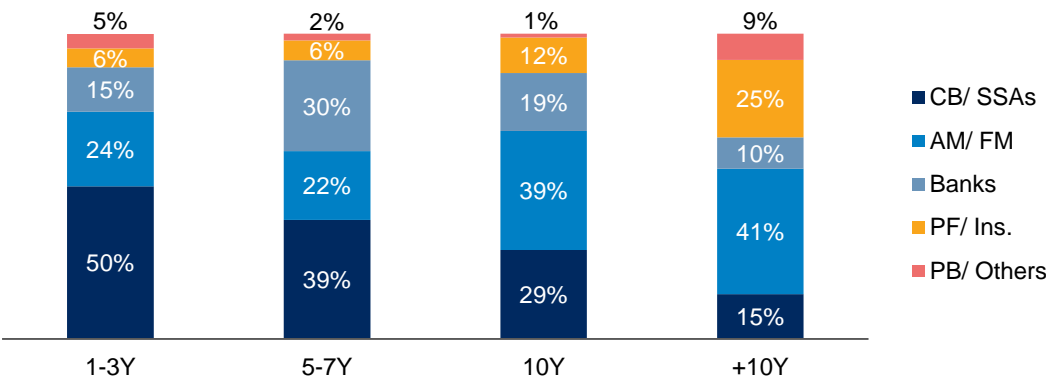
KEXIM Historical USD Benchmark Offerings – Reoffer Issuance Levels¹



Distribution by Investor Region²



Distribution by Investor Type²



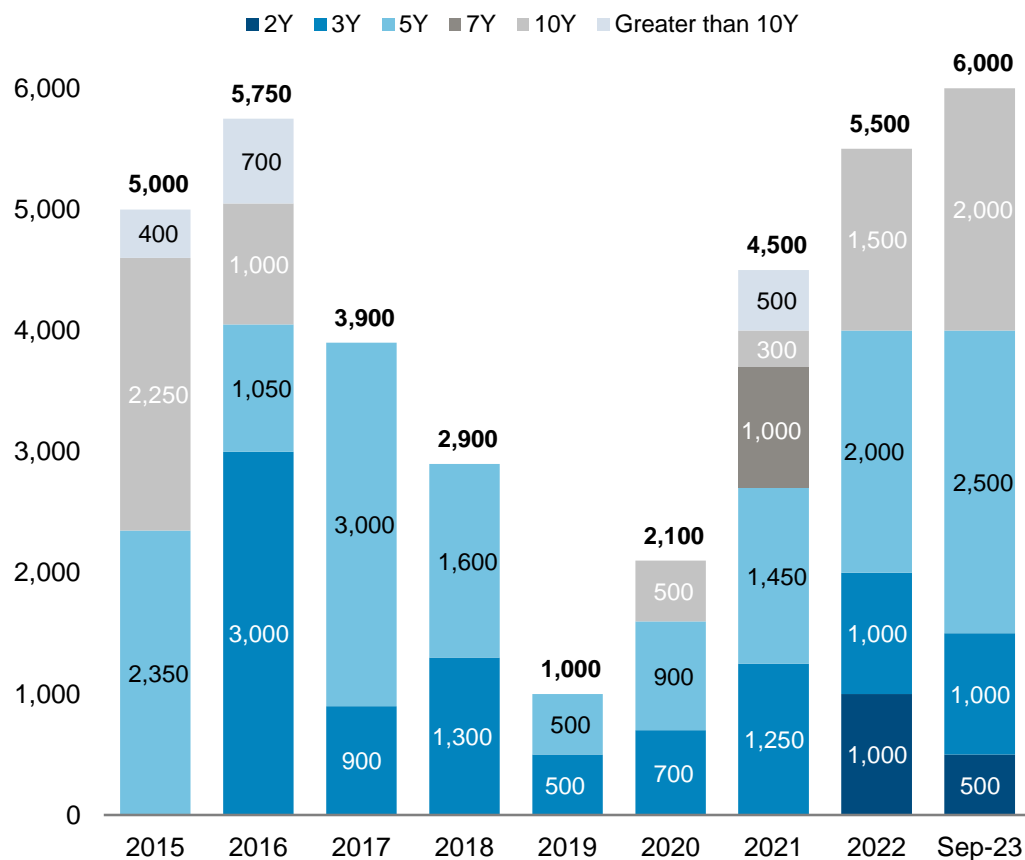
Source: Bloomberg as of October 25
Note: ¹Reoffer issuance levels vs. UST/3m\$/SOFR by tenor and year issued; ² KEXIM USD issuances since 2020

Deep Liquidity and Stable Secondary Performance

Providing liquidity across the curve with stable secondary performance

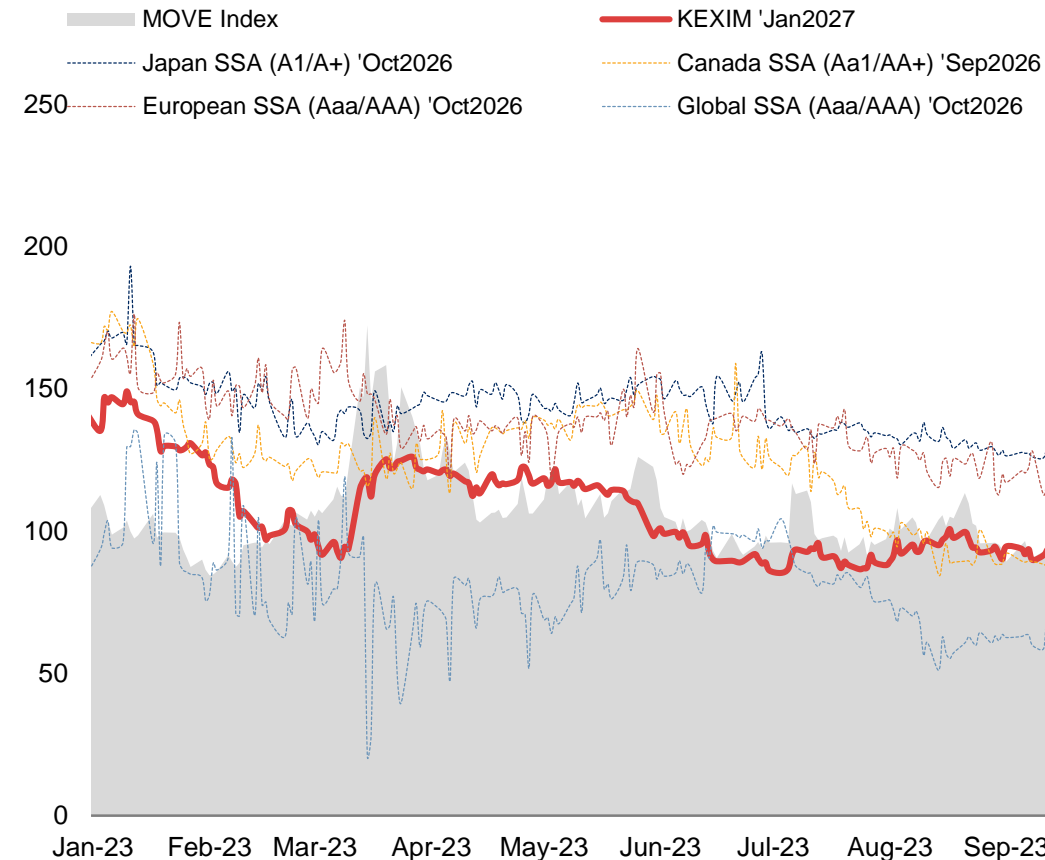
Providing Liquidity across the Curve¹

(USDmn)



Stable Secondary Performance²

(rebased to 100 as of July 1, 2022)



Source: Bloomberg as of October 25, 2023

Note: ¹Including USD-denominated public bond issuances; ²Secondary levels based on Bloomberg BVAL(based on Bloomberg Bid G Spread)



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Sustainability Initiatives



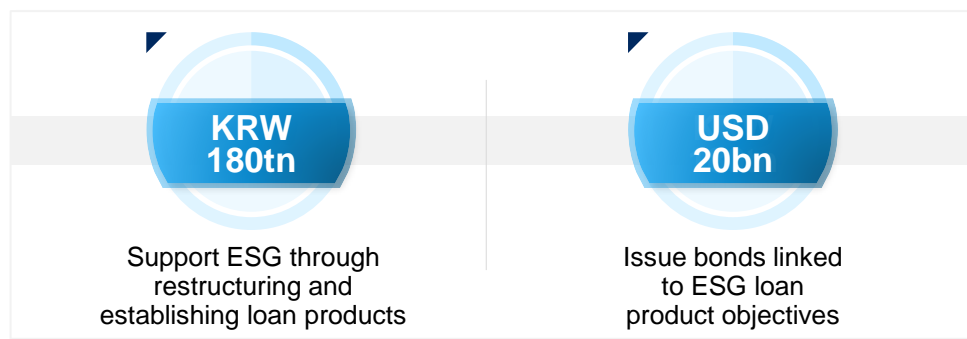
KEXIM ESG Roadmap

Ambitious goals to become a leader in ESG management

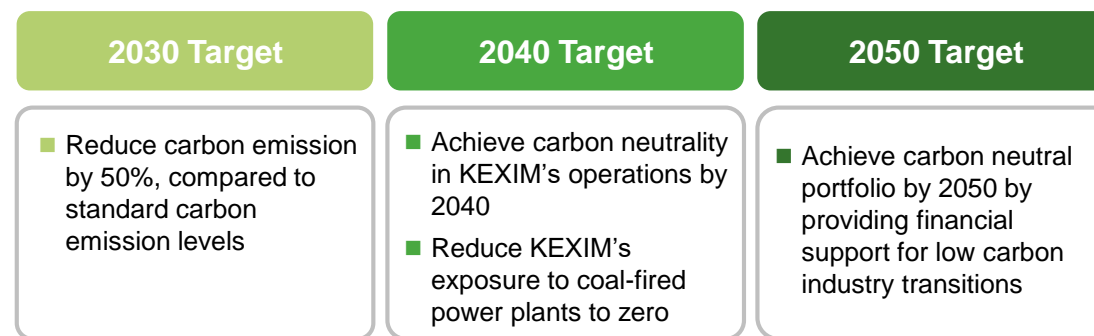
Step-by-step ESG Roadmap



Quantitative ESG Goals by 2030



Mid-to-long Term ESG Roadmap



2023 ESG Plan

Integrating ESG into KEXIM's business operations



We
Export
Sustainable
Growth

Focus on ESG Loan · Investment

- Promote ESG financing to foster an eco-friendly and low-carbon transition industrial ecosystem
 - Plan to provide KRW 15.1 trillion in ESG financing (21.6% of total financing)

Increase Issuance of ESG Bonds

- Increase ESG bond issuance and advance ESG bond management system
 - Issue ESG bond considering ESG bond market trend and ESG loan size
 - Strengthen external verification & reporting for the Sustainable Finance Framework and UOP of ESG bonds

Establish Climate Risk Management System

- Develop portfolio climate risk management system (develop carbon emission measurement standard & monitoring system)
- Advance climate impact assessment in environmental & social review

Strengthen ESG Activities in the Bank's Operations

- Follow 2040 bank-wide carbon neutrality roadmap (monitor carbon reduction plan implementation)
- Strengthen ethics-human rights in business management (develop women's leadership, examine board diversity)

Strengthen ESG Communications

- Increase ESG management communications and ESG disclosures (publish TCFD report and related disclosures etc.)



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Appendix

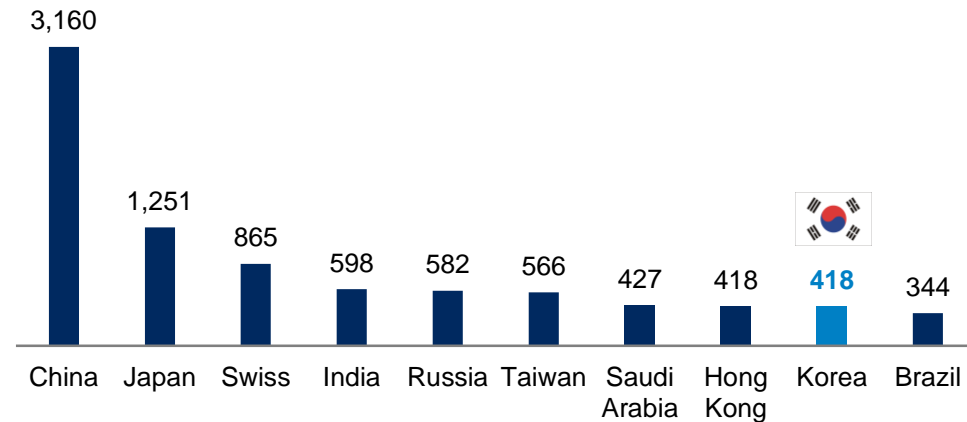


Appendix 1 | Korea - Maintaining External and Fiscal Soundness

Adequate buffer against unexpected shocks

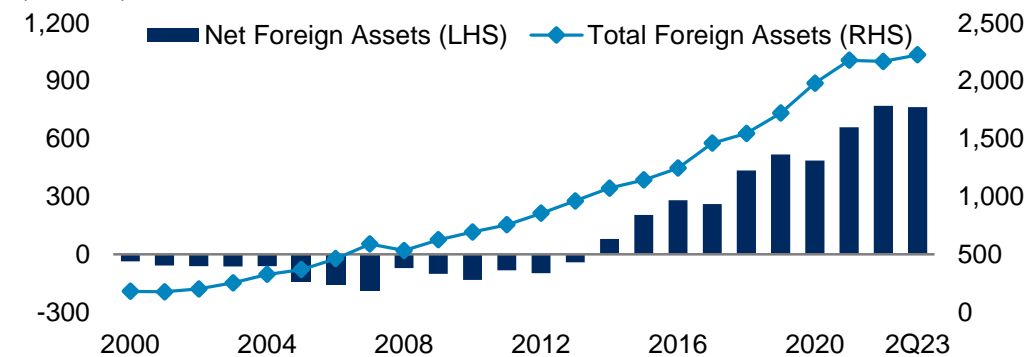
9th Largest FX Reserves¹

(USD bn)



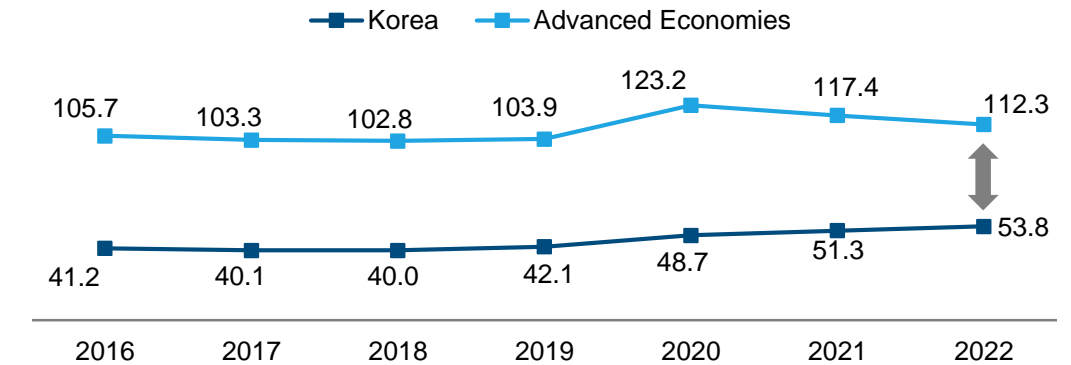
Total and Net Foreign Assets

(USD bn)



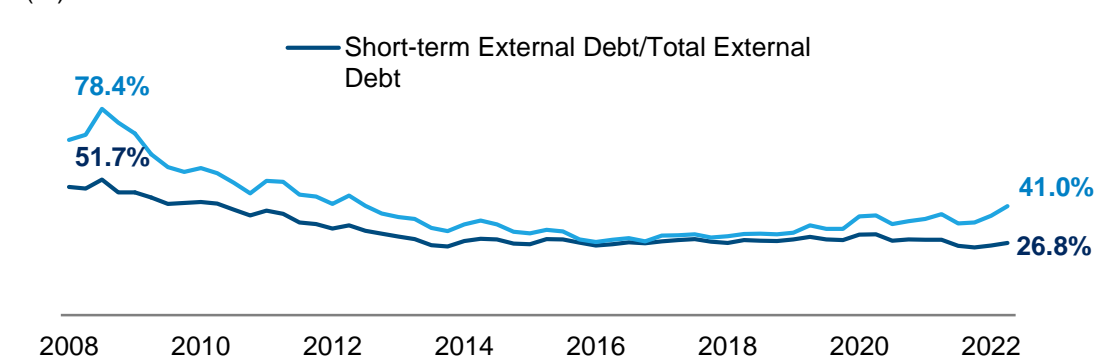
Well-managed Government Debt²

(% of GDP)



Relatively Low Short-term External Debt

(%)



Source: BOK, IMF

Note: ¹as of August 31, 2023; ²General Government gross debt which consists of all liabilities that require payments of interest and/or principal, including debt liabilities in the form of SDRs, currency and deposits, debt securities, loans, insurance, pensions, standardised guarantee schemes, and other accounts payable

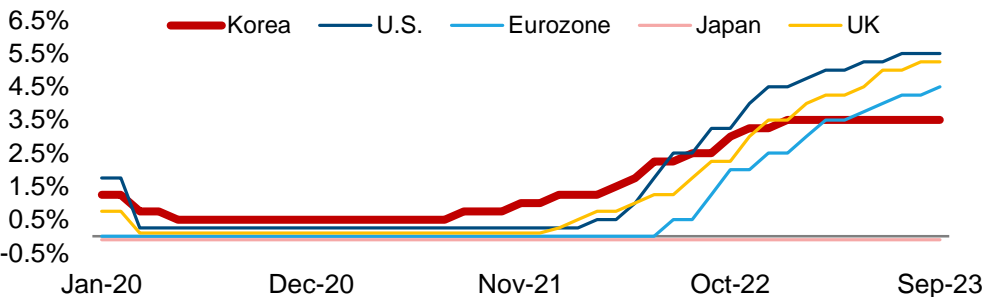
Appendix 1 | Korea - Inflation under Control

Pre-emptive rate hikes to tame inflation

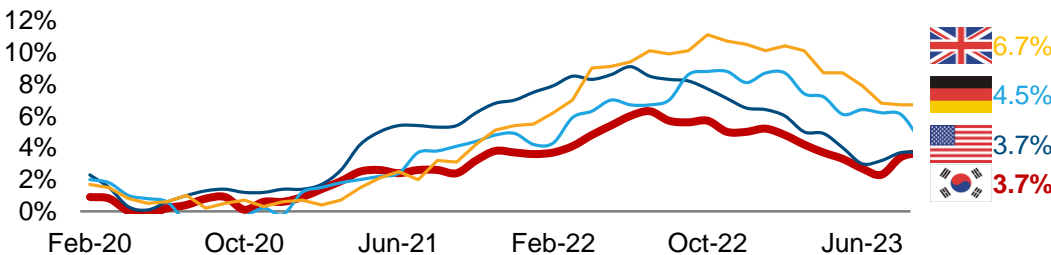
Inflation under Control with Pre-emptive Interest Rate Hikes

- BOK announced a series of pre-emptive rate hikes; one of the first central banks to start raising rates since August 2021 to curb inflation
- As of September 2023, Korean economy recorded CPI at 3.7% YoY, lower than most of global peers
- In October 2023, Monetary Policy Board of the BOK kept its base rate unchanged for six consecutive meetings

Pre-emptive Interest Rate Hikes to Curb Inflation



Korea Inflation Under Control and Below Peers (CPI YoY)¹



BOK Statement on Monetary Policy Decision in October

*"The Monetary Policy Board of the Bank of Korea decided today to **leave the Base Rate unchanged at 3.50%**.*

(...)

Looking ahead, it is forecast that consumer price inflation will fall to the lower-3% range at the end of this year and will continue to gradually moderate in 2024.

October 19, 2023

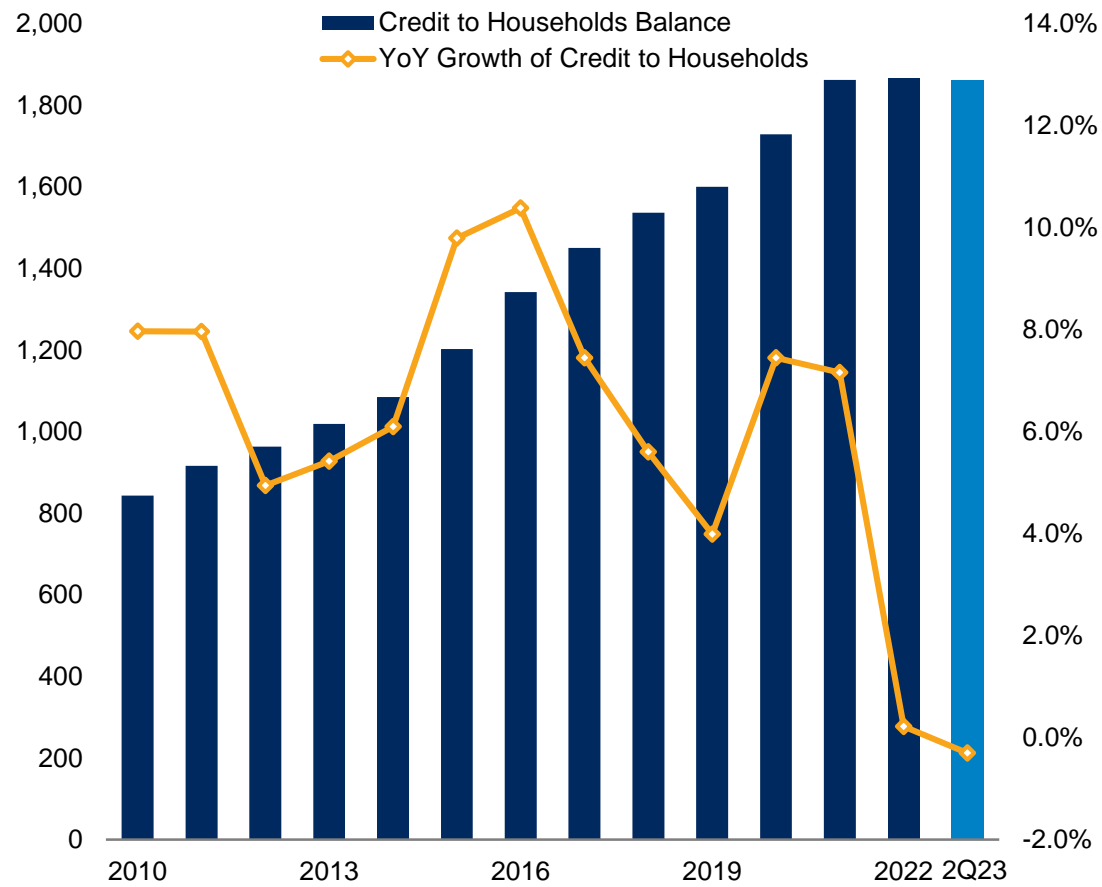
	GDP Forecast (YoY)	Headline CPI (YoY)	Unemployment Rate
August 2023	1.4%	3.5%	2.9%
May 2023	1.4%	3.5%	3.0%
Difference	-	-	-0.1%p

Appendix 1 | Korea - Well-controlled Household Debt

Deceleration of household debt growth & stable asset quality metrics

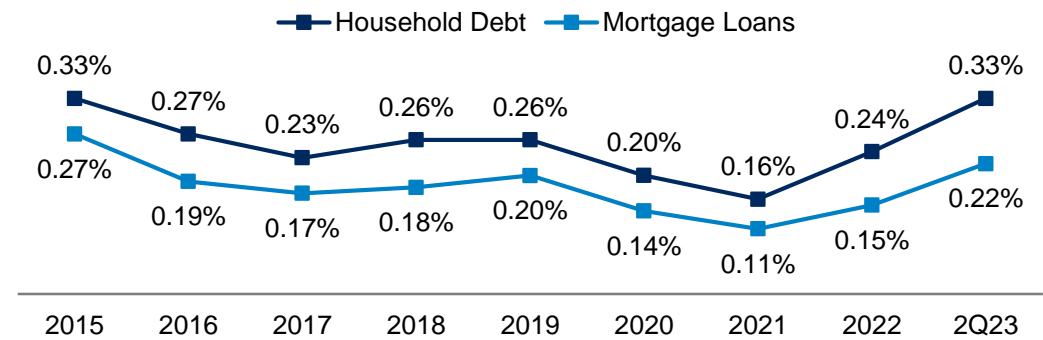
Household Debt Trends

(KRW tn, %)



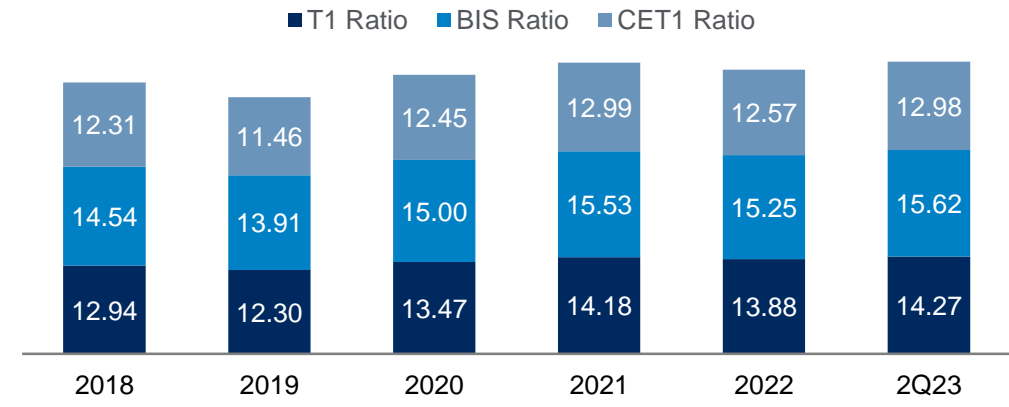
Asset Quality

(Household delinquency ratio, %)



Bank Capital Buffers


(capital ratios, %)



Appendix 2 | KEXIM Bonds in the global bond market

KEXIM's positioning as a Global SSA issuer

Comparison with other SSA issuers¹

	Risk Weight (CRR)	LCR Treatment	ECB Repo Eligibility
 Korea Eximbank <small>THE EXPORT-IMPORT BANK OF KOREA</small> (Aa2/ AA/ AA-)	0%	Level 1 ²	Not Eligible
DBJ (A1/ A/ --)	20%	Level 2A	Not Eligible
JBIC (A1/ A+/ --)	20%	Level 2A	Not Eligible
JFM (A1/ A/ --)	20%	Level 2A	IV
Ontario (Aa3/ A+/ AA-)	20%	Level 2A	Not Eligible
Quebec (Aa2/ AA-/ AA-)	0%	Level 1	Not Eligible
SEK (Aa1/ AA+/ --)	20%	Level 2A	IG4
TEMASEK (Aaa/ AAA/ --)	20%	Level 2A	Not Eligible

Appendix 2 | KEXIM - Bonds as HQLA

KEXIM Bonds as HQLA (Level 1 Asset) under Korean LCR Regulation

BCBS Guideline for LCR – HQLA

Level 1 Assets

Asset Classification (Level 1 Assets)

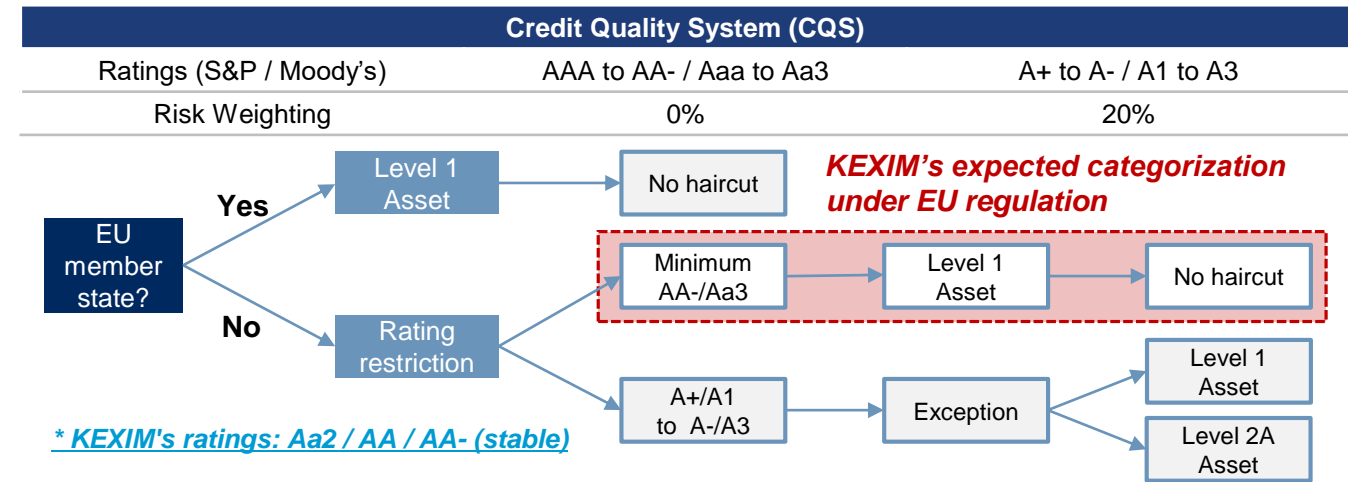
Marketable securities representing claims on or guaranteed by:

- Sovereigns
- Central banks
- Public sector enterprises
- The Bank for International Settlements
- The European Central Bank and European Community
- Multilateral development banks, and satisfying certain conditions

Korean LCR Regulation

- 1
 - Policy banks (KEXIM, KDB, IBK)’ marketable securities are classified as a **“Level 1 Assets” of High Quality Liquid Assets (“HQLA”)**
- 2
 - KEXIM classified as **“Public Sector Enterprises”** (Appendix 3-6, Section 22, Detailed Regulation on Supervision of Banking Business)

European Regulation (CRR)



Hong Kong LCR Rules

HONG KONG MONETARY AUTHORITY
香港金融管理局

Supervisory Policy Manual

LM-1	Regulatory Framework for Supervision of Liquidity Risk	V.3 – 28.08.20
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“In determining whether a financial institution in another country should be regarded as a PSE or sovereign entity, the MA may, where appropriate, have regard to the categorization adopted by the banking supervisory authority of the country concerned for LCR purposes.”

Appendix 2 | KEXIM - Bonds as HQLA

Korea's Supervisory and Regulatory Requirements deemed equivalent to EU CRR

European Commission: (EU) 2019/2166 of 16 December 2019

EC deems Korea as Equivalent in relation to CRR Provisions

COMMISSION IMPLEMENTING DECISION (EU) 2019/2166

of 16 December 2019

amending Implementing Decision 2014/908/EU as regards the inclusion of Serbia and South Korea in the lists of third countries and territories whose supervisory and regulatory requirements are considered equivalent for the purposes of the treatment of exposures in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council



EC deems Korean supervisory and regulatory requirements to be equivalent to that of the Union

(Moody's Regulatory News, December 18, 2019)

European Banking Authority (EBA)'s Opinion



The assessment by EBA recommended that the supervisory and regulatory frameworks applicable to credit institutions in these third countries (Korea) should be considered as equivalent to the Union legal framework for the purposes of Articles 107(3), 114(7), 115(4), 116(5), and Article 142 (2) of CRR.

EBA's Assessment in details (Annex)

ANNEX – Republic of South Korea

Topic VI		Liquidity	Topic Assessment
Rationale for section assessment		The framework for liquidity in Korea is equivalent to that of the EU and can be assessed as "equivalent" to the EU one. The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) are both established requirements in the jurisdiction.	Equivalent

HQLA in the EU

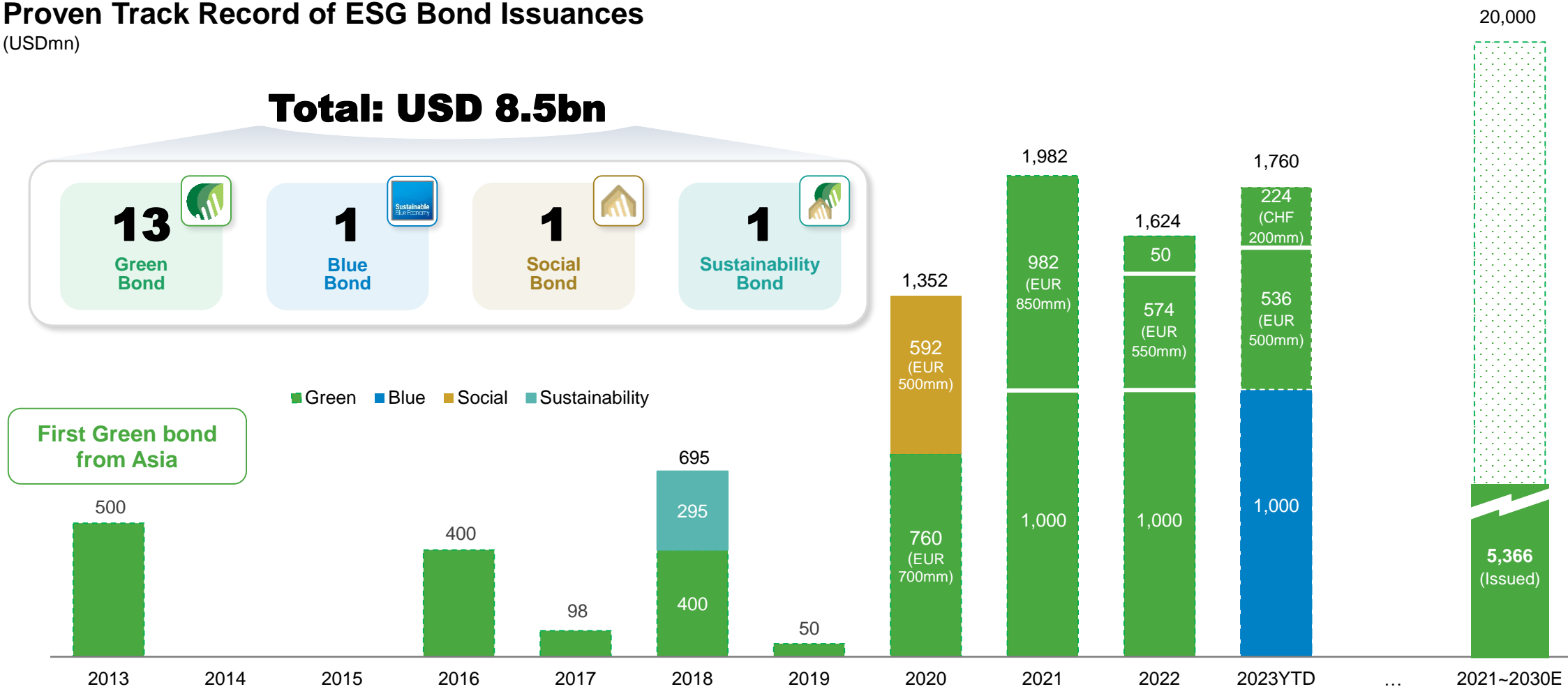
Asset class	Description	Level	Haircut
Public sector bonds	Bonds issued by Member States of the EU or their regional government or local authorities if exposure is treated (for regulatory purposes) as exposure to the respective Member State	1	0%
	Bonds issued by public sector entities (credit institutions, promotional banks) if exposure is treated as exposure to the respective central government, multilateral development bank or international organisation		

- Korea Sovereign (Aa2/AA/AA-) = **Credit Quality Step 1 / Risk weight 0% (EU CRR Article 114)**
- **KEXIM bonds fall under Level 1 of Korean regulatory requirements which are deemed as equivalent to EU CRR**

Appendix 3 | ESG Bond Issuance Track Record

Pioneer and now a leader in the ESG bond market

Proven Track Record of ESG Bond Issuances
(USDmn)



Source: Bloomberg as of October 25, 2023



Korea Eximbank
THE EXPORT-IMPORT BANK OF KOREA

KEXIM Website



**Financial
Statements**



**Sustainable
Finance Framework
(2023)**



**Framework SPO
(2023)**



ESG Roadmap



ESG Bond Website



**ESG
Communication
Report (2023)**



**Allocation & Impact
Report (2023)**

