

# KEXIM's commitment to Green Financing

INVESTOR UPDATE

March 2019

## Recent Green Bond Issuance

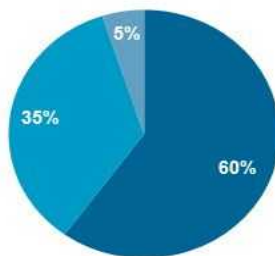
KEXIM continued to navigate the green bond market with innovative approaches and successfully secured funds to support the bank's green projects. The proceeds of KEXIM's green bonds, in whole or in part, will be used to extend loans to the projects eligible for support in accordance with KEXIM's green bond framework. These include projects related to fostering renewable energy, reducing carbon emissions, promoting energy efficiency, and encouraging environmentally - friendly operations.

### USD 400 million 5-year Formosa Green Bond

When KEXIM's inaugural USD 500 million Green Bond issued in 2013 matured in February 27, 2018, KEXIM again tapped into the green bond market. KEXIM issued a 5-year FRN Formosa Green Bond for the size of USD 400 million on March 8, 2018. The deal was highlighted since KEXIM was the second global issuer as well as the first Asian issuer (with the exception of Taiwanese institutions) of Formosa Green Bond. The offering demonstrated KEXIM's commitment on low carbon and climate resilient growth, while providing diversity of investment options to Formosa investors.

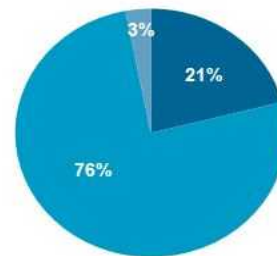
Breakdown by Region

■ Taiwan ■ ASIA ■ Europe/EMEA



Breakdown by Investor Type

■ AM/FM ■ Bank ■ etc



### KRW 350 billion 2-year Sustainable Development Goals(SDGs) Bond

In December 2018, KEXIM issued a KRW 350 billion SDGs bond to directly support the UN's SDGs. As it was the first time for KEXIM to issue SDGs bond, KEXIM newly established the SDGs bond framework and received second party opinion from PwC. The bank received high interest from various Korean investors as it was the first issuance of SDGs bond in the domestic market. The funds raised by the bond will be used to support projects that contribute towards achieving specific goals such as providing affordable clean energy(SDG 7).

Since 2013, KEXIM issued a total of 4 green bonds that amounts to USD 1,400 million in the global market. KEXIM expects that the SDGs bond issued will raise the importance of resolving climate and environmental degradation issues in the domestic market as well, while simultaneously stimulating Socially Responsible Investment(SRI).



## Use of Proceeds

Throughout 2018, the proceeds from KEXIM's outstanding green bonds were all used up, including the proceeds from USD 400 million 5-year Formosa Green Bond. (The use of proceeds from SDGs bond will be outlined in a separate newsletter)

We expect further growth in green assets at a stable pace since Korean manufacturers have strong edge on the production of fuel cell and solar panels, gradually expanding their global business.

Timing	Sector	Region	Description	Amount Executed (USD 1,000)
1H 2017	Solar Photovoltaic	US	Loans to 174 Power Global Corporation	15,000
1H 2017	Solar Photovoltaic	Malaysia	Loans to Malaysian Subsidiary of OCI Co.	71,300
1H 2017	Solar Photovoltaic	US	Loans to Hanwha Q Cells USD Corp	11,706
<b>INR 6.2 billion Green Private Placement issued in 2017</b>				<b>98,006</b>
4Q 2017	Wind Energy	Jordan	Fujeij Wind Power Project	36,189
1Q 2018	Wind Energy	Jordan	Fujeij Wind Power Project	1,095
1Q 2018	Solar Photovoltaic	US	Loans to 174 Power Global Corporation	40,000
1Q 2018	Hydroelectric Energy	Pakistan	Patrind Hydroelectric Power Project*	94,547
1Q 2018	Waste Management	Bahrain	Muharraq Wastewater Treatment Project*	102,516
1Q 2018	Hydroelectric Energy	Indonesia	Wampu Hydroelectric Power Project*	54,144
1Q 2018	Waste Energy	Indonesia	Off-gas Power Project*	71,509
<b>USD 400 million Formosa Green Bond issued in 2018</b>				<b>400,000</b>

\* These projects were financed from the proceeds of USD 500 million Green Bond issued in 2013. As the bond matured in February 27, 2018, the proceeds from USD 400 million Formosa Green Bonds were used to finance the outstanding amounts.

Here are the updates on the progress of major green projects that KEXIM provided financing.

### Wampu Hydroelectric Power Plant in Indonesia



Wampu Hydroelectric Power Plant is a project jointly participated by Korea Midland Power Co., Ltd. and POSCO Engineering Co. Ltd. The power plant has the capacity of 45MW and initiated its operation from April 2016. In 2018, the power plant generated a total of 233,910MWh.

The project was registered as a CDM project by the UNFCCC on October 31, 2011. According to the CDM monitoring report uploaded in UNFCCC website, amount of GHG emission reductions or net anthropogenic GHG removals achieved from January 1, 2013 to April 30, 2018 was 428,180 tCO<sub>2</sub>e.

### Fujeij Wind Power Plant in Jordan



KEXIM provided a total of USD 122million worth of financing to a wind power plant project in Jordan.

Fujeij Wind Power Company, the project company, is a wholly owned subsidiary of KEPCO(the "Korea Electric Power Corp"). Through the project, KEPCO has become the first Korean company to be a electricity producer and seller with a new and renewable energy plant in the Middle East.

The project is located at Fujeij, an area 150km southwest of Amman. The project consists of 27 Vestas V126-3.3MW wind turbine generators and is expected to start its operations in 2019.

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