

Annual
Report
2000



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KEXIM

THE EXPORT-IMPORT BANK OF KOREA

Profile

The Export-Import Bank of Korea is a special governmental financial institution. It was established on July 1, 1976 under the Export-Import Bank of Korea Act. The primary objectives of the Bank are to facilitate the development of the national economy and to enhance economic cooperation with foreign countries.

To this end, the Bank extends financial support for export and import transactions, overseas investment projects, and the development of natural resources abroad by means of providing loans, guarantees, and other financial facilities.

The Bank has been administering the Economic Development Cooperation Fund (EDCF) since it was entrusted by the government in June 1987 to promote cooperation with developing countries.

In line with the government's initiative to promote mutual exchange and cooperation with North Korea, the Bank has also been handling the South and North Korea Cooperation Fund (SNKCF) since 1991.

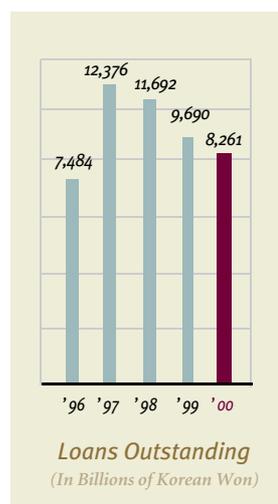
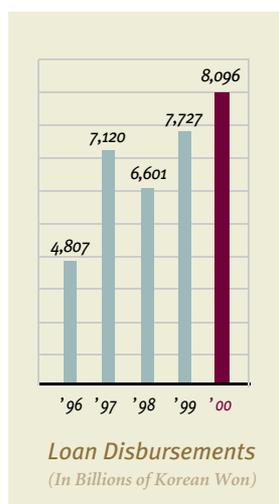
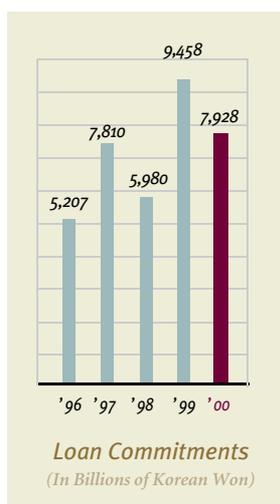
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Financial Highlights

	In Billions of Korean Won		In Millions of U.S. Dollars*	
	2000	1999	2000	1999
For the Year				
Loan Commitments	W 7,928	W 9,458	\$ 6,294	\$ 8,257
Loan Disbursements	8,096	7,727	6,427	6,746
Guarantees	4,901	2,919	3,891	2,548
Net income	14	10	11	9
At Year-end				
Loans Outstanding	8,261	9,690	6,558	8,460
Guarantees Outstanding	6,197	4,523	4,919	3,949
Total Assets	11,949	14,611	9,486	12,756
Paid-in Capital	2,676	2,476	2,124	2,162
BIS Capital Adequacy Ratio (%)	17.9	22.9	17.9	22.9

* Korean Won accounts are translated solely for convenience of the reader into U.S. dollars at W1, 259.7 against US \$1.0 and W1,145.4 on December 31, 2000 and 1999, respectively.



Message from the Chairman and President

The global economy further strengthened in 2000, with growth estimated to have reached more than 4.5%, the highest rate since 1988. This stronger-than-expected figure was fueled by continued expansion in advanced countries and sustained recovery in emerging-market economies. The U.S. economy, although weakening in the latter half of the year, continued to play a key role in accelerating global economic activity by growing more than 5% on an annual basis.

The Korean economy experienced a strong rebound for the second consecutive year, with GDP growing by 8.8%, despite unfavorable conditions such as ongoing financial and corporate restructuring, higher oil prices, and a fall in semiconductor prices on the world market. In the external sector, both trade and current accounts continued to record large surpluses, although smaller than in the previous year. Large current account surpluses, along with a resurgence of capital inflows, caused a rapid buildup of foreign exchange reserves, thereby improving Korea's external payments position.

The Bank's role as an official export credit agency (ECA) was once again underscored throughout the year, with a credit crunch still lingering in the domestic financial market in the aftermath of the currency crisis. The Bank's loan disbursements in 2000 totaled W8.1 trillion, a 4.8% increase over the previous year, marking the highest level in its history.

The primary recipient of the Bank's credit in 2000 was the shipbuilding industry, which ranked first in the world in new orders for the second consecutive year. The Bank's business focus was also on large-scale industrial projects in the developing world. In a bid to help Korean companies participate in those projects, the Bank reinforced a project finance scheme and broadened the

scope of its guarantee services. The loan and guarantee programs for overseas construction projects, in particular, were further streamlined to boost the overseas activities of domestic construction companies experiencing temporary liquidity problems.

Efforts to enlarge the financial assistance for small- and medium-sized enterprises (SMEs) continued during the year. The minimum lending and transaction amount limits were eased or lifted for direct loans supporting the export transactions of SMEs. The Bank also introduced fixed-rate lending for SME loans with a maturity of six months or less to alleviate the interest rate risk borne by these borrowers. As a result of these initiatives, loans to SMEs in 2000 increased by 12.9% over the previous year, raising their share of the Bank's total loan disbursements to 27.9%.

Despite unfavorable conditions such as a decrease in loan assets and a rise in the ratio of non-performing loans, the Bank's net income for the year increased by 43.3% over the previous year to W13.7 billion. There was no significant borrowing activity in 2000, as loan recoveries were more than adequate to cover the Bank's loan disbursements.

With regard to the risk management, the Bank introduced a total exposure limit system, whereby the Bank's various exposures to a customer are set and carefully managed. The Bank also introduced forward-looking criteria into its corporate credit evaluation system to strengthen the soundness of its lending.

Because of the economic slowdown currently experienced by the United States, Europe and Japan, the outlook for global growth in 2001 is not encouraging. The Korean economy is also likely to experience difficulties in 2001, being affected by a combination of the weak

performance of advanced economies and a faster-than-anticipated contraction in domestic business activities since the third quarter of 2000.

In this environment, the Bank's responsibility to contribute to the national economy by supporting external transactions will become greater than ever.

The focus of the Bank's policy in 2001 will remain on expanding support to SMEs, and energizing exports of capital goods and project finance transactions. In particular, SMEs engaged in high value-added industries such as information and technology, software, and high-tech will be given high priority.

In that the Bank, by the nature of its business, is exposed to various internal and external risks, we will strive to further perfect techniques that effectively manage risks at an appropriate level.

With regard to the operation of the government-entrusted Economic Development Cooperation Fund (EDCF), the Bank will expand bilateral policy dialogue with developing countries to better exchange views on prospective development projects. The Bank will also employ a method to make procurement bidding related to an EDCF project more efficient and transparent. As for the South & North Korea Cooperation Fund (SNKCF) operation, the Bank will assume a more active role in implementing programs for inter-Korean exchanges and cooperation, which developed significantly after the historic inter-Korean summit held in June 2000.

In addition, the Bank will have the honor of hosting the 7th Asian ECA Annual Meeting in 2001. We will use this opportunity to further strengthen cooperation with



ECAs in other countries and the international financial society, in the areas of policy and business.

We are well aware that the undertakings set out above will be challenging. Nevertheless, we are confident that these tasks can be accomplished, with management and staff working together to the best of their ability. Further, we will make every effort to help establish a solid foundation for the nation's economy that will allow us to reach new heights in the future.

A handwritten signature in black ink, reading "Young-hoi Lee". The signature is fluid and cursive.

LEE, YOUNG-HOI
Chairman and President

**Korea's economic expansion continued through 2000
notwithstanding restructuring
in the financial and corporate sectors.**

Economic Situation in 2000



The world economy further strengthened in 2000 and is likely to have approached a cyclical peak.

International Developments

The world economy strengthened remarkably in 2000 and is likely to have approached a cyclical peak. World economic activity proceeded at the fastest pace in over a decade, with global output growth estimated at 4.7%. Growth rates increased in all major regions of the world, led by the continued strength of the U.S. economy, a robust upswing in Europe, and consolidation of the recovery in Asia. However, the strong global recovery of 1999-2000, coupled with the sharp reduction in OPEC's oil supply, caused a surge in oil prices.

Among advanced countries, the continued strong expansion in the United States played a critical role in supporting global activity. The U.S. economy continued to go through a period of rapid change, with the adoption of new information and communications technologies contributing to a substantial acceleration in productivity growth. The continuing transformation boosted the estimated annual growth rate to 5.2% in 2000.

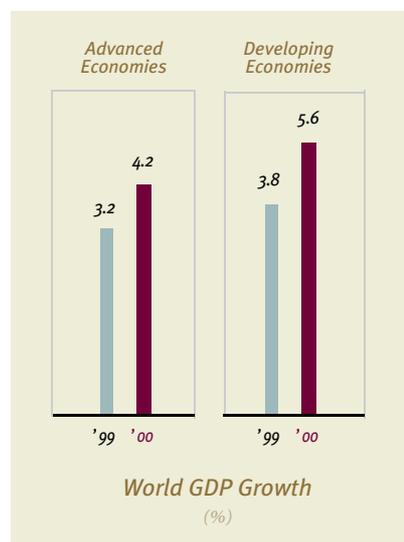
Japan appeared to be finally escaping from a long period of sluggish growth, with an estimated 1.4% rise in output in 2000. It appears that strengthening corporate profitability and investment, particularly in the high-technology sector, supported the modest recovery underway in that economy. The initiation of serious efforts toward financial and corporate restructuring was also a key factor in its recent recovery, although a lack of self-sustaining effective demand, especially from private consumers, remains a danger.

The European Union also experienced healthy expansion in 2000 with GDP growing 3.5%. All countries registered above-potential growth rates, and the pickup in activity was accompanied by a substantial decline in

unemployment. Most European countries made some progress in rendering labor markets more flexible and exposing product and service markets to greater competition. The recent decline in unemployment rates in the EU, together with a more than twofold increase in the value of M&A activities in the region, offered some indication of accelerated restructuring and improved business confidence. However, with some slack still remaining in labor and product markets, underlying inflation pressures were subdued.

The overall GDP of developing countries appears to have increased by 5.6% in 2000. Many that experienced sharp rebounds after the 1997-98 recession seem to have reached cyclical peaks. East Asian countries, hit hardest by the financial crisis, were the clearest examples of this. The strength of the recovery in Latin America was impressive, but momentum appeared to fade in the second half of the year. The recovery in the Russian Federation was also unexpectedly strong, though largely a function of high oil revenues. Sub-Saharan Africa experienced a less uniform recovery, as oil exporters gained and commodity-dependent oil-importing nations suffered large terms-of-trade losses.

World trade volume is estimated to have grown by a record 10.0% in the year. The current double-digit growth, the strongest since before the first oil shock of the early 1970s, was clearly a cyclical phenomenon tied to



robust world economic activity. During the upswing, as inventories were replenished and investments accelerated, trade expanded much faster than the economy as a whole.

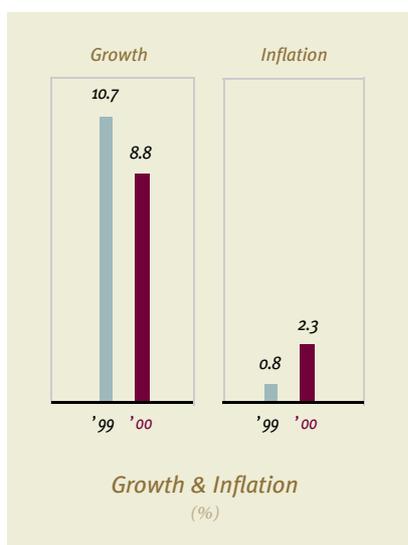
Oil prices surged by more than 50% in 2000, though inflation in both industrial and developing countries was relatively muted. However, developments in oil markets remain a major uncertainty in the outlook for the future.

Looking ahead, a modest slowdown is predicted for the global economy in the short term on the assumption that imbalances will be resolved in an orderly fashion. The global GDP growth rate is projected to reach 4.2% in 2001.

Growth in major industrial countries may be approaching a turning point; it is expected to slow from a rapid 3.9% pace in 2000 to 2.9% in 2001. Moderation of consumer demand in the United States, following interest rate increases and stock market declines, will be the principal factor behind this modest deceleration, while expansion in Europe continues and Japan's recovery gathers strength.

In emerging markets, economic fundamentals in most countries will continue to strengthen. Nevertheless, economic and financial imbalances in the U.S., Europe and Japan remain large, posing a continued risk to global expansion, with higher oil prices becoming a major concern.

Once stocks of durable goods and capital goods have adjusted, growth rates of trade should subside to around 8%, which is still a high level by historical standards.



Domestic Developments

The Korean economy has, by most indicators, returned to normal after experiencing a severe recession in 1998 and an equally marked rebound in 1999. Economic expansion continued through 2000 notwithstanding restructuring in the financial and corporate sectors.

Sustaining the recovery from the 1997 economic crisis required effective implementation of reforms to advance market-based restructuring of these two sectors. Over the past three years, the government implemented a wide range of structural reforms to overcome the economic crisis and lay the foundation for a free market. These efforts resulted in a resurgent economy, stable inflation, and low unemployment. Particularly significant were comprehensive reforms in the financial, corporate, labor, and public sectors, that enhanced the transparency and accountability of the economy as a whole.

Output growth is estimated to have reached 8.8% in 2000, a bit slower than the nearly 11% recorded in the previous year. However, this was an expected reaction to the strong rebound seen in 1999.

Real economic indicators showed some signs of adjustment after recovering rapidly through the middle of 2000. Industrial production growth slowed from September 2000 as the price of semiconductors fell and domestic demand weakened. It rose 16.6% for the whole year, down from a 24.2% gain in 1999. Facility investment, an indicator of future activity, recorded 29.3% growth, as the average manufacturing capacity utilization rate reached 78.7%.

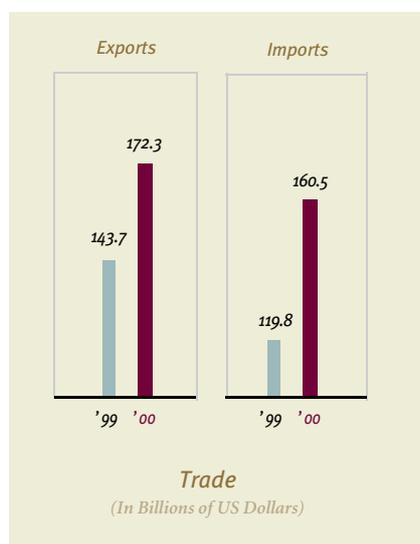
Exports and imports showed a strong upward trend, although import growth declined gradually from the second quarter. Exports for all of 2000 reached US\$172.3 billion, rising 19.9% year-on-year, mostly attributable to semiconductors, automobiles, and information technology industries. Meanwhile, imports reached US\$160.5 billion, a 34% increase from a year earlier. As exports offset imports, the trade balance showed a surplus of US\$11.8 billion, far exceeding the original forecast of US\$10 billion.

The Korean economy has returned to normal after a severe recession in 1998 and an equally marked rebound in 1999.

Despite the fact that the unemployment rate stabilized at 4.3% in 2000, concerns about unemployment are increasing, as Daewoo Motor declared bankruptcy and other non-viable companies were liquidated. The decline in the unemployment rate reversed in November.

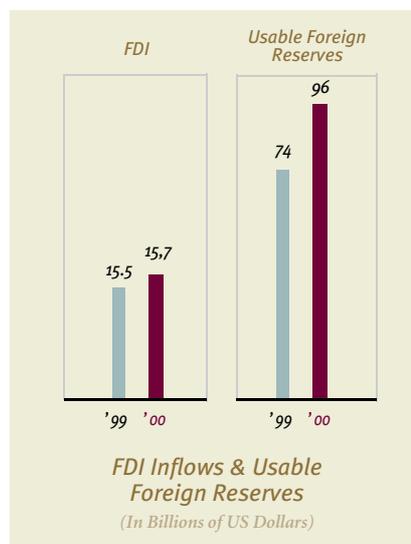
Inflation (CPI) was limited to around 2.3% for the year. Due to the fall in oil prices and stable prices of agricultural products, the consumer price index dropped slightly in 2000.

Despite the pessimistic economic forecast for 2001, promising signs for the Korean economy can be seen in a number of areas. International oil prices are expected to stabilize as the global economy slows down. Although semiconductors, one of Korea's main exports, recently suffered a precipitous drop in price, demand for



semiconductors will be bullish owing to a quickening product life cycle. International interest rates are expected to decline modestly, due to a slower U.S. economy and easing inflation pressure resulting from decreasing oil prices.

Output growth is projected at close to 6% in 2001. The uncertain economic outlook and unstable labor and capital markets will temporarily freeze private



consumption and investment sentiment. However, as uncertainties ease, private consumption and investment are expected to increase, and the economy will gain momentum through an expanding information infrastructure and an infusion of new information technology into traditional industries.

The unemployment rate should remain below 4%. Consumer inflation will stay at a 3% level for 2001 as a whole, with the anticipated stabilization of oil prices. The current account will record a surplus of five to seven billion dollars in 2001, as weak import demand offsets the sluggish export activities caused by a slowdown of the global economy and negative terms of trade.

A soft landing for the economy depends on effective action to resolve outstanding problems in the financial and corporate sectors. The risk of a second foreign-exchange crisis is minimal because Korea's foreign reserves exceeded US\$96 billion at the end of 2000, almost double its short-term foreign debt. The major risk on the external side would be a sharp slowdown in key overseas markets, particularly the United States.

Overall, Korea is likely to face further hardship in the first half of 2001. However, when all the reform programs are completed on schedule, the economy is expected to see a return to stable growth from the second half of the year.

The Bank expanded its cooperative ties with international financial institutions and other ECAs.

Major Events of the Year



Top Management Changed

In April 2001, Young-Hoi Lee was appointed the twelfth Chairman and President of the Bank succeeding Mahn-Ki Yang. Prior to the appointment, Mr. Lee had served as Deputy Minister for Planning and Management and Economic Cooperation at the Ministry of Finance and Economy since June 1999.

Scope of Loan Eligibility Significantly Expanded

The Bank expanded the scope of items eligible for its export-related loans to domestic suppliers and foreign buyers to a great extent beginning January 18, 2000. Newly added items included a wide range of chemical products, plastics, rubber, ceramic products, glass, and musical instruments, which fall into the category of HS25-40, HS68-70, and HS91-92. This measure was mainly designed to better serve Korean SMEs, a large number of which produce and export the items mentioned above. Thanks to the enlarged scope of eligible items, the Bank was able to diversify its base of clients, which had mostly been limited to large enterprises at home and abroad.

International Cooperation Deepened

During the year, the Bank expanded and deepened its cooperative ties with international financial institutions and other export credit agencies (ECAs) around the world through a variety of measures.

The Bank entered into a business cooperation agreement with the European Bank for Reconstruction and Development (EBRD) in October to jointly implement the EBRD's Regional Trade Facilitation Program. The Program was launched with a view to helping revive Central and Eastern Europe and the CIS economies mainly through promoting the region's trade



Seminar on "Exploring New Ways for Cooperation between East Asian Countries after Financial Crisis"

with other countries. Under the Program, the EBRD issues guarantees in favor of the Bank to guarantee all or part of the obligations of local banks acceptable to the EBRD. At the same time, the Bank, acting as a confirming bank, is charged with confirming documentary letters of credit or trade-related standby letters of credit from local banks, examining shipping documents, honoring the L/Cs, and seeking reimbursement from the local banks.

In October, the Bank also held a briefing session under the title "Co-financing with the World Bank" for a group of business people representing Korean trading companies and financial institutions. At the session, Mr. Arif Zulfiqar, Director of Trust Fund and Co-financing Department at the World Bank, made a presentation on the World Bank's co-financing program and its experiences with international financial institutions.

The Bank invited key officers of PT Bank Ekspor of Indonesia and Bank Negara Malaysia to training programs. The Bank provided them with detailed information on the Bank's financing programs, funding activities, organization, business strategies and information systems, which could prove useful in their banks' operations.

Information and Banking Services on Internet Enhanced

On August 1, the Bank launched the Overseas Economic Information System (OEIS), replacing the Overseas

Investment Information System (OIS), which had been in operation since 1994. The main objective of the OEIS is to assist Korean enterprises in expanding their activities into overseas markets by providing up-to-date information about the economic performance and investment environment of developing countries, and statistics concerning overseas investments of Korean companies. The OEIS can be accessed easily on the Bank's website at www.koreaexim.go.kr.

The Bank began cyber-banking services on the internet for SMEs seeking financial support. Upon entering some basic facts about their companies and transactions, they are provided with information on financing programs that most suit their financial needs, research papers on countries and industries of concern to them, and loan officers' advice via the phone or e-mail. The service enables customers to save time and expense that would be spent on visiting the Bank for consultations about their transactions and applications for the Bank's loans.

Organization Restructured

To improve organizational efficiency and better position itself to adapt to the ever-changing business environment, the Bank continued to restructure its organization throughout the year.

In September, the Bank introduced a Regional Headquarters System to step up its business activities in the provinces, and established Youngnam Regional Headquarters, which is in charge of supervising and coordinating the roles and functions of its three branches in the southeastern part of Korea.

Recognizing the growing importance of international cooperation with overseas financial institutions and ECAs worldwide, the Bank also created an International Relations Office, which is primarily responsible for business with foreign entities such as overseas publicity activities, securing of cooperation agreements.

Because country risk assessment is a key element for successful performance as an export credit agency, the Bank set up a Country Risk Analysis Office within its Overseas Economic Research Institute. This body specializes in assessing country risk and researching investment environments of developing countries.

Financing Programs Improved

During the year, the Bank implemented various measures to refine and tailor its financing programs to customers' needs, thereby bolstering its overall competitiveness.

Responding aggressively to the growing demand for project financing, the Bank established special guidelines on providing financial support for export transactions on a project finance basis. In line with the OECD's Understanding on the Application of Flexibility to the Terms and Conditions of the Arrangement on Guidelines for Officially Supported Export Credits, the guidelines set out the terms and conditions of its support, together with screening, reviewing and approval procedures.

Early in the year, the Bank introduced a new credit rating system to determine applicant eligibility for loans and to establish financing terms and conditions according to the resultant credit ratings. Under the system, credit ratings of companies are classified into 10 categories ranging from P1 to F. SMEs with higher credit ratings have much easier access to the Bank's financial support.

The Bank eased its guidelines on financing and guarantee facility for overseas construction projects to expand its loans and such guarantee services as bid bonds, advance payment bonds, retention bonds, and

The Bank implemented various measures to refine and tailor its financing programs to customers' needs.

performance bonds in support of those kinds of projects. The revisions are expected to place Korean construction companies in a more competitive position in seeking contracts abroad.

Support for Small Business Enhanced

Throughout the year, the Bank's efforts to strengthen its support for SMEs continued. The Bank not only enhanced programs and procedures to support them, but also expanded client awareness activities such as explanatory meetings in many regions. The Bank also made efforts to supply them with more information on its financing programs through various channels.

As a result of these new efforts, loans to such small businesses rose 12.9% to W226.1 billion from the previous year, while the Bank's total loan disbursements showed a modest increase of 4.8%. As a result, their share in the Bank's total lending volume increased from 25.9% to 27.9%.



Signing Ceremony of Loan Agreement for New Car Project

Major Projects Supported

In collaboration with other ECAs including the Export-Import Bank of the United States (U.S. Ex-Im Bank) and Japan Bank for International Cooperation (JBIC), in March, the Bank made a commitment to extend US\$71 million on a project finance basis for the construction and operation of the Philippine Ilijan Power Plant Project. The power plant, with a total cost of US\$720 million, is to be constructed and operated for 20 years by the Korea Electric Power Corporation (KEPCO), Japan's Mitsubishi Corp., and others.

In conjunction with the U.S. Ex-Im Bank and eight international commercial banks, including Citibank and Fuji Bank, the Bank also approved US\$54 million in project financing to support two petrochemical projects in Mexico ordered by Petroles Mexicanos (PEMEX). Samsung Engineering Co. succeeded in winning the projects over competitors from Japan and Europe.

The Bank signed a trade-finance agreement with the National Bank for Foreign Economic Activity of the Republic of Uzbekistan (NBU) in March to provide a Relending Facility of US\$13 million. Under the agreement, NBU is expected to provide loans to local companies importing machinery from Korea, in particular to modernize silk-manufacturing equipment. The line of credit was extended as part of a bilateral economic cooperation program agreed upon at the summit meeting during President Kim Dae-Jung's visit to Uzbekistan in October 1999.

Loan disbursements showed a moderate increase in 2000.

Bank Operations

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Overview

The Bank's efforts have been directed at maintaining the nation's growth momentum and helping to level the playing field on which Korean companies must compete in global markets.

The Bank's loan disbursements in 2000 showed a moderate increase of 5% from a year earlier to W8,096 billion. However, lending volume on the basis of commitments decreased by 16% to W7,928 billion.

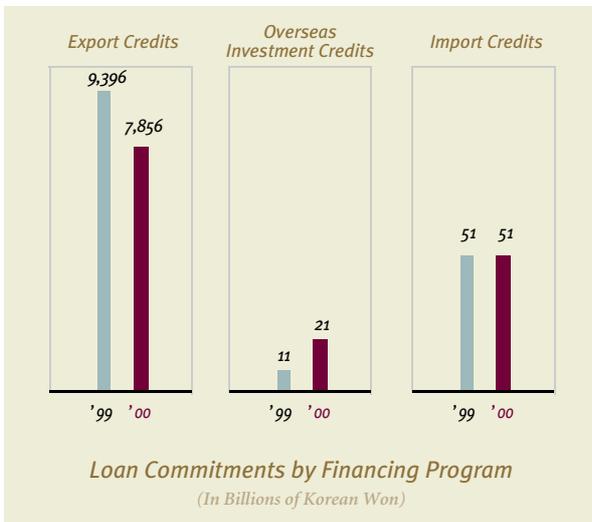
The main cause for the decline in loan commitments was a precipitous drop in demand due to both domestic and international factors. Domestically, large business entities, which have been the major beneficiaries of our short-term trade related financing, raised funds directly



those in 1999, on the basis of commitments, compensated for the downside potential in our loan operations.

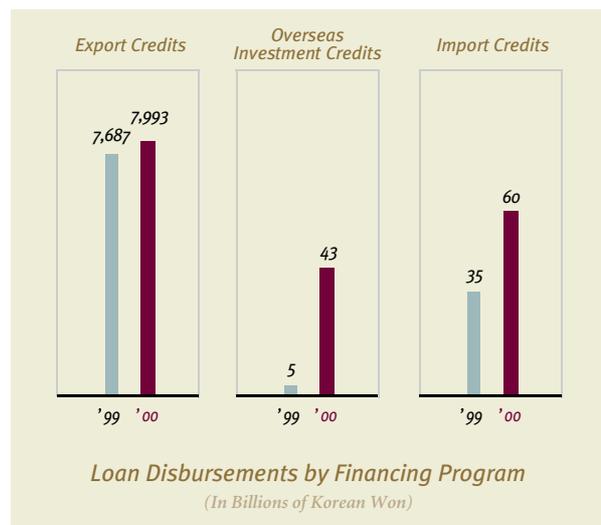
Of the types of financing programs, export credits comprised the largest share with W7,993 billion, or 98.7% of total loan disbursements, a 4% increase from the previous year.

Furthermore, overseas investment credits and import credits showed signs of recovery and increased 691% and 70%, respectively. The huge increase in overseas investment credits seems to reflect growing confidence in the corporate sector's willingness to expand its business scope overseas as nationwide corporate restructuring reaches its final stage.



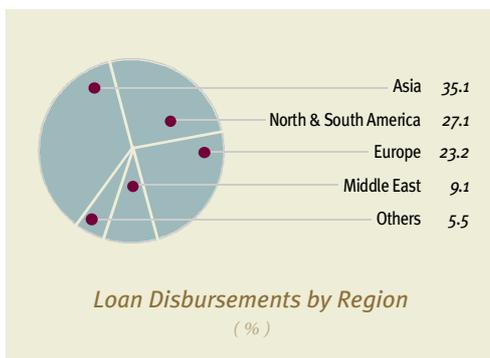
from capital markets rather than borrowing from financial institutions, so as to reduce their debt-to-equity ratio as part of their corporate restructuring. Internationally, SOC markets in developing countries did not yet show signs of full recovery from the financial turmoil that afflicted emerging markets worldwide in the late 1990s, including the Asian financial crisis.

On the other hand, the Bank's project-related guarantee operations, which increased 215% to W7,712 billion from



Regionally, Asia received the largest share with 37% of the total loan commitments, followed by Europe and North America with 27% and 20%, respectively.

Loans outstanding, excluding special programs for import financing and offshore banking business, decreased to W6,780 billion as of the end of 2000. This represents a 17% decrease from 1999. The regional



breakdown was: Asia, 46%; Europe, 24%; North America, 12%; the Middle East, 7%; Central & South America, 7%; and other regions, 4%. The decrease in loans outstanding was mainly caused by the reduction of underlying transactions suitable for medium- and long-term credit placed by overseas trading partners.

Lending to SMEs continued to expand in 2000, reflecting the Bank's ongoing efforts to allocate its financial resources in a more balanced way for the sound development of the national economy. The total lending



PEMEX Tula Refinery Project, Mexico

to SMEs reached W2,262 billion, or 28% of the total loan disbursements, and W2,288 billion, or 29% of the total loan commitments.

Export Credits

The recovery of oil prices and subsequent boom in the shipping industry helped our shipbuilding industry achieve a stellar performance in the year 2000. Total orders received reached US\$15.1 billion or 19.4 million gross tonnage, a 64% increase in terms of contract amount compared to 1999.

Meanwhile, total exports of industrial plants and machinery also showed signs of recovery in 2000. However, the demand for our financing for these items was negatively affected by a reduced appetite for short-term trade-related financing from the corporate sector, and a shrinking of underlying transactions suitable for our medium- and long-term financing programs.

Reflecting these downside variables, loan commitments recorded a somewhat sluggish performance in 2000. The total loan commitments dropped 16% to W7,928 billion from W9,458 billion in 1999.

As for regional shares of export loan commitments in order of size, Asia was highest at 37%. This was a four-percentage-point increase from the previous year, reflecting the region's recovery from the economic

Project-related guarantee operations achieved outstanding performance both in terms of commitments and actual issuance.

quagmire in the late 1990s. Europe stood at 27%, North America 20%, Central & South America 6%, and other regions 4%. Other than Asia and Oceania, the volume of export credit commitments decreased compared to 1999, with the Middle East showing a drop of 59%.

On the other hand, export credit disbursements surged by 11% to W2,843 billion from W2,542 billion in 1999, thanks to a backlog of loan commitments from previous years.

Of the full range of financing programs, rediscounted trade bills, introduced in 1998 to complement the downgrade in credit rating of our commercial financial institutions, still topped the list and comprised 44% of the total export loan disbursements, reaching W3,526 billion compared to W3,655 billion in 1999.

Reflecting the increase in new shipbuilding orders, financing for ships was greater than that for other export items. At W2,242 billion, up 35% from 1999, it accounted for 28% of the total export loan disbursements. In addition, 12.5% of export loan disbursements went to industrial plants, a 21% decrease from 1999. Machinery represented 6% at W46 billion, up 21% from the preceding year.

Export credit disbursements for 2000, by region and in their order of size, can be broken down into Asia 35%, Europe 23%, North America 20%, the Middle East 9%, Central & South America 7%, and others 5%.

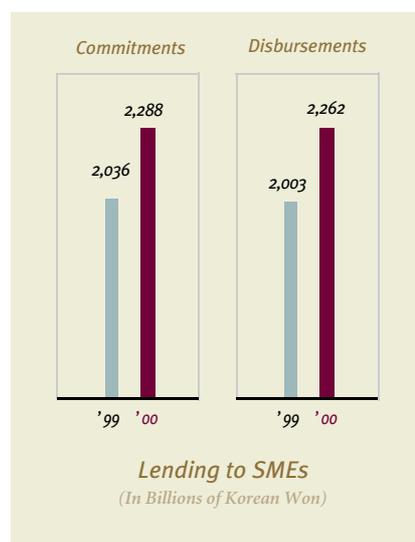
Relending facility increased 19% to W16.7 billion from W14.0 billion in 1999 on the basis of commitments. However, on the basis of disbursements, it showed a decrease of 27% to W12.8 billion, due to rather weak demand for small- and medium-size eligible transactions.

As of the end of the year 2000, 36 credit lines totaling US\$542 million were established in 22 countries, down from 39 credit lines totaling US\$591 million in 25 countries in the previous year.

Overseas Investment Credits

In 2000, overseas investment credits experienced a remarkable increase with commitments up 93% to W21 billion and disbursements up by 691% to W43 billion, compared to those in 1999.

In terms of regional representation of commitments for 2000, Asia topped the list with 82%, followed by Central and South America with 18%. With respect to disbursements, Asia accounted for 72%, Europe 18%, and others 10%.



However, the total amount, in terms of both commitments and disbursements, has not yet fully recovered to pre-crisis levels. The major reason for the decline is that Asia, which has been the major investing region since the early 1990s, has not yet fully recovered either economically or politically to provide enough incentives to attract foreign direct investments.

Import Credits

Import credits bottomed out from the stagnation after the crisis, with disbursements up 70% to W60 billion, and commitments down 1% to W51 billion from a year earlier.

By type of imports, energy resources accounted for 75% of total import credit commitments at W378 billion, mineral resources 15% at W7 billion, and capital goods 10% at W5 billion.

Regionally, North America took the largest portion with 85%, followed by Asia with 6%, Europe 5%, and others 4%, on a disbursement basis.

The performance of import credits is expected to grow from 2001 as the economy is on track for recovery. This, in turn, will automatically enhance demand for natural resources and capital goods, major items eligible for import credits from abroad.

Guarantees

Project-related guarantee operations achieved outstanding performance both in terms of commitments and actual issuance in 2000. They showed an increase of 215% to W7,712 billion on the basis of commitments, and 66% to W4,827 billion on the basis of actual issuance, compared to those in 1999.



Ilijan Gas-fired Combined Cycle Power Project, Philippines

In 2000, the Bank strengthened its efforts to expand project-related guarantee operations by establishing a new system to help Korean construction companies that were having temporary liquidity problems.

The objective of the program is to assist Korea's overseas construction industry, a world-class competitor in the installation of industrial plants, civil engineering and construction work, to continue operations in the world market.

By type of guarantee, the Bank committed W7,327 billion for advance payment guarantees, a 314% increase from a year before, W307 billion for performance, a 33% decrease; W18 billion for bids, a 84% decrease; and W60 billion for others.

Sources of Funds

The Bank raised a net total (new borrowings plus loan repayments by the Bank's clients less the repayments of the Bank's existing debt) of W9,388.3 billion during 2000, a 12.8% increase over the previous year's W8,325.3 billion. Most of the funds raised during the year were self-generated from the repayments of the Bank's outstanding loans. The total loan repayments (including prepayments) by the Bank's clients during 2000 reached W11,443.9 billion, up by 33.5% from W8,575.4 billion during 1999.

Due to the unexpectedly rapid growth in loan repayments, the Bank maintained ample liquidity throughout the year.

In addition, there was a capital subscription of W200 billion from the Bank of Korea during the year. As a result, the Bank's ownership as of the end of 2000 is as follows: Government 50.7%; Bank of Korea 43.5%; Korea Development Bank 5.8%.

The total paid-in capital as of the end of 2000 reached W2,675.8 billion, compared to W2,475.8 billion at the end of 1999.

Due to the sizeable increase in loan repayments combined with the new capital subscription, the Bank did not need to rely on either international capital markets, traditionally the major funding source, or the domestic capital market.

This increased liquidity allowed the Bank to repay loans in the amount of W2,035.6 billion, including prepayments of US \$660.0 million.



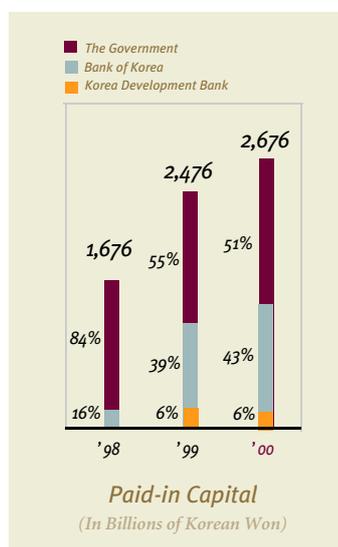
Tanir Bavi Power Barge Project, India

Revenues and Expenses

The Bank's total revenues during the year amounted to W1,220.9 billion, a 14.2% decrease compared with W1,393.7 billion in 1999. This was due largely to a decline of W153.4 billion for interest on loans, which totaled W616.3 billion. Other interest income, such as from deposits and call loans, also declined to W197.4 billion from W225.6 billion in 1999.

Primarily as a result of diminished interest expenses on borrowings and Export-Import Financing Debentures, total expenses dropped to W1,202.1 billion, a 13.2% decrease from the year before. The total amount of interest expenses fell by W142.0 billion.

Consequently, net income after taxes during the year recorded W13.7 billion, a 42.7% increase from the previous year's W9.6 billion.



**The EDCF has an important legacy that it will carry into the 21st century:
a commitment to helping develop other nations of the world.**

EDCF Operations





Capacity Expansion Project for Special Professional Education, Uzbekistan

As Korea bade farewell to the 20th century, it could look back on a myriad of experiences with both pleasant and unpleasant memories. The nation is well aware that it must understand its history in order to shape its future. Thus, Korea has learned, and is still learning, from its past. For example, over the past three years, Korea has been committed to overcoming the economic crisis through decisive restructuring. Nevertheless, the nation still faces a number of difficulties, primarily due to overseas factors that are beyond its control, that have triggered uncertainty throughout the domestic economy. However, the economy is expected to be back on track for stable growth in 2001, as the completion of all reform programs is running on schedule.

In the same way, the EDCF has an important legacy that it will carry into the 21st century: a commitment to helping develop other nations of the world. Even in the face of the economic downturn, Korea has strived for continued expansion of EDCF operations. However, the EDCF's volume of commitments and disbursements decreased slightly in 2000 compared with the previous year, largely owing to shrinking developmental demands and project delays in the wake of the global economic recession.

Funding Activities

Since its establishment in 1987, the EDCF has depended entirely on public resources to fund its assistance activities. Contributions from the general budget account and borrowings from the special budget account of the government are the major sources of funding. Since the economic crisis of 1997, however, there have been no such contributions or borrowings.

There was a slight increase of W48.0 billion in funding in 2000, mostly through interest earnings from the Fund's reserves. The total volume of the Fund at the end of the year stood at W1,420.4 billion. Of the accumulated amount since 1987, 37.3% (W529.9 billion) came from contributions from the general budget account, 19.0% (W269.6 billion) borrowings from the special budget account, and the remaining 43.7% (W620.9 billion) came from reserves.

Development Assistance Activities

In 2000, loan commitment amounts showed a slight decrease from the previous year, as there were difficulties in finding feasible projects on which both the EDCF and the recipient countries could agree. Loan disbursements were also down because of project delays. On a positive note, new loan agreements were signed for 16 projects worth W290.6 billion (US\$260.1 million) during the year.

Annual Commitments and Disbursements

(In Billions of Korean Won)

Year	1997	1998	1999	2000
Commitments	94.7	179.0	265.1	242.4
Disbursements	72.4	142.6	126.8	101.2

Loan Commitments

The loan commitment amount in 2000 was W242.4 billion (US\$209.4 million) for 12 projects, 8.6% below the previous year's W265.1 billion (US\$226.4 million). The largest recipient was China, with a total committed amount of W50.4 billion (US\$41.9 million) for three projects. Other recipient countries included Ghana (W43.8 billion), Sri Lanka (W33.8 billion), Indonesia (W33.8 billion), Bolivia (W25.9 billion), Bangladesh (W24.0 billion), Vietnam (W16.5 billion), and Myanmar (W14.2 billion). It should be noted that, in 2000, Bolivia was a first-time recipient of an EDCF loan.

Loan Commitments by Region

(In Billions of Korean Won, %)

Region	Year 2000		Accumulated Total*	
	Amount	Share	Amount	Share
Asia	172.6	71.2	968.2	64.1
Europe	-	-	224.8	14.9
Africa	43.8	18.1	132.2	8.8
America	26.0	10.7	175.0	11.6
Oceania	-	-	9.1	0.6
Total	242.4	100.0	1,509.3	100.0

* as of the end of 2000

Loan Commitments by Sector

(In Billions of Korean Won, %)

Sector	Year 2000		Accumulated Total*	
	Amount	Share	Amount	Share
Telecommunications	-	-	358.8	23.8
Transport	64.4	26.6	347.0	23.0
Energy	76.3	31.5	239.0	15.8
Health	51.1	21.1	194.9	12.9
Water Supply & Sanitation	38.6	15.9	90.6	6.0
Others	12.0	4.9	279.0	18.5
Total	242.4	100.0	1,509.3	100.0

* as of the end of 2000

Of the total commitments of W242.4 billion (US\$209.4 million) in 2000, more than two-thirds were made to Asia (71.2%). Africa ranked second with 18.1%, followed by South and Central America with 10.7%. As for distribution of the total loan commitments by sector, energy took the major share (31.5%), followed by transport (26.6%), and health (21.1%). As the figures indicate, economic infrastructure loans dominated.

With respect to the receipt of EDCF loans by income group, the least developed countries (LLDCs) received W38.2 billion (US\$32.6 million) on a commitment basis, representing 15.7% of the total. Another W144.5 billion (US\$124.5 million) or 59.6%, went to low-income countries (LICs), not including LLDCs, and W59.7 billion (US\$52.3 million) or 24.6%, was distributed to lower middle-income countries (LMICs). The share for LLDCs has yet to reach the level of the Development Assistance Committee (DAC) members' ODA, which recorded 29.3% in 1998-99. Therefore, in striving to give preferential support to the most needy, the EDCF will increasingly direct future efforts toward the LLDCs.

Loan Disbursements

Loan disbursements during the year amounted to W101.2 billion (US\$80.4 million) for 31 projects in 17 countries. The figure was down slightly compared with the previous record of 1999, as economic difficulties in the developing countries delayed progress on the projects.

As a result, the outstanding balance of EDCF loans at the end of 2000 stood at W585.6 billion (US\$464.9 million), up 19.2% from a year earlier. Taking into account that the outstanding balance was 38.8% of the accumulated

The EDCF has taken an active role in promoting ongoing policy dialogues with recipient countries.

commitments, one must conclude that there remains room to further accelerate disbursements.

Training Government Officials from Recipient Countries

The 4th EDCF Workshop was held to acquaint government officials from developing countries with Korea's development experience and loan procedures, so that projects can be carried out in a more efficient and timely manner.

The workshop was held from October 17 to 24, 2000 at the Bank's head office in Seoul and at its training center in Yongin. The 10 participants, who hold positions of director-level or above and are in charge of official borrowings in their respective governments, work at the Ministries of Finance of Bangladesh, China, Indonesia, Mongolia, Myanmar, Nepal, Sri Lanka, Philippines, Uzbekistan, and Vietnam.

During the workshop, participants attended lectures on Korea's economic cooperation policy and development experience and also enjoyed excursions to view industrial sites and to sightsee in historical areas.

Other Activities

The EDCF has taken an active role in promoting ongoing policy dialogues with recipient countries to explore financing possibilities and, in fact, developed new projects with China through this method in 2000. It also took part in most OECD Consultations Group Meetings and Meetings of Participants, where aid-related trade issues were discussed, including commercial viability and untying aid to the LLDCs.

In addition, the EDCF has continued efforts to establish a cooperative relationship with Korea International Cooperation Agency (KOICA), which provides technical cooperation and grant aid. As part of those efforts, they held joint consultations with Vietnam and Cambodia to choose prospective development study projects that could more easily qualify for EDCF loans. This initiative is expected to act as a catalyst for the EDCF to expedite its loan procedures and directly identify eligible projects.

In addition, post-evaluation was conducted for two completed projects during the year to enhance their quality. Lessons learned from these activities will be reflected in the identification, appraisal, implementation, and monitoring of new projects.



EDCF Workshop

Inter-Korean summit talks in Pyongyang highlighted the government's reconciliation and co-prosperity efforts.

SNKCF

Operations





Loan Agreement with Foreign Trade Bank of DPRK

Overview

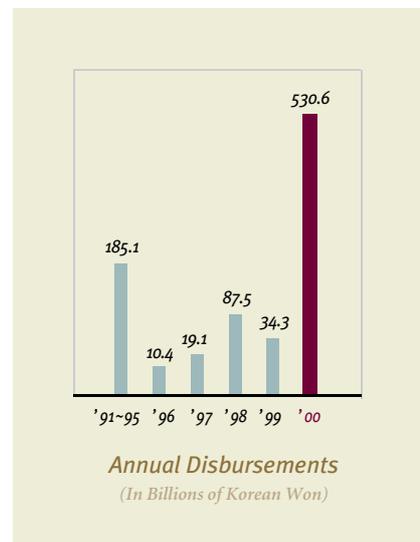
The Bank has operated the government-entrusted South and North Korea Cooperation Fund (SNKCF) since March 20, 1991. The primary function of the SNKCF, which was established by and is operated under the initiative and policy coordination of the Ministry of National Unification, is to promote mutual exchanges and cooperation with North Korea. Since its establishment, the SNKCF has maintained consistent growth, and its annual performance recorded all-time highs in both funding and financing activities in the year 2000.

Inter-Korean Developments

Inter-Korean summit talks in Pyongyang from June 13 to 15, 2000, the first since the division of the country, highlighted the government's reconciliation and co-prosperity efforts during the year. The summit, followed by a series of ministerial-level and working-level meetings, paved the way to consistently reduce confrontational tension and further consolidate mutual understanding and trust by, among other things, promptly resolving humanitarian issues such as

exchange visits by separated family members and relatives, and promoting balanced development. This inter-Korean dialogue is also aimed at eventually addressing the question of reunification. Accordingly, the government employed a variety of policy tools, including highly concessional food-loan and infrastructure reconstruction projects.

Encouraged by these favorable developments between the two Koreas, dialogue between relevant authorities and exchanges and cooperation in civic, cultural, sports, public health, environmental and other fields have gained considerable momentum for continued growth. The total volume of intra-Korean trade reached US\$425 million in 2000, an increase of 27.5% from US\$333 million in 1999. The number of South Korean visitors to the North passed 7,000, mainly as economic cooperation expanded and the need for replacement labor took place for the Light Water Reactor (LWR) Project. At the same time, the number of North Korean visitors to the South increased more than tenfold from 62 to 706. The Kumgang Mountain Tourism Development Project serviced 213,000 tourists from the South in the year 2000 alone. In addition, the government approved seven cooperation projects during the year, two in economic and five in socio-cultural fields.



SNKCF's annual performance recorded all-time highs in both funding and financing activities.

Funding Activities

The major funding sources of the SNKCF are contributions from the general budget account and private sources, borrowings from the State Bonds Management Fund, and reserves and financial returns on the SNKCF's portfolio investment.

In 2000, the SNKCF's total resources accumulated since its inception increased to W1,214.8 billion, up 46.5% from the previous year. The increase was mainly due to borrowings from the State Bonds Management Fund, which is the resource for loans to the Korean Peninsula Energy Development Organization (KEDO). The total volume of SNKCF funds, less W417.8 billion of loans outstanding at the end of the year, stood at W380.2 billion, of which 49.4% (W187.7 billion) was accounted for by cash and due from banks, 36.8% (W140.0 billion) by deposits at the State Bonds Management Fund, and 13.2% (W50.0 billion) by investment securities.

Assistance Activities

As changing the North's agricultural structure is in the government's long-term interest, the Bank continued assisting fertilizer aid projects through the Korea National Red Cross (KNRC) in the form of a W94.4 billion grant to enhance the agricultural productivity. Another area of humanitarian aid addressed during the year was food. In October 2000, the Bank signed a loan agreement with the Foreign Trade Bank of the DPRK to provide 500,000 tons of rice and corn worth US\$100 million. About three-fourths of the loan was disbursed by the end of the year, with the remaining to be made in the beginning of 2001. The year 2000 was the first in which disbursements for progress payments to KEDO for the LWR Project were made. The disbursement amount of the loan for the year was W325.9 billion. In furtherance of the government's initiative to enhance economic ties by building up

infrastructure, the Bank provided assistance in reconnecting the severed Kyongui railway line and re-establishing the roads between Seoul and North Korea's Shinuiju and Kaesong. In 2000, the Bank disbursed W14.6 billion to restore a sub-MDL (Military Demarcation Line) section, which is expected to be completed by September 2001.

SNKCF disbursements during the year amounted to W530.6 billion for 23 projects. As a result, cumulative total disbursements at the end of 2000 stood at W867.1 billion, up 157.7% from W336.5 billion at the end of 1999.

In 2000, the government revised the Guidelines for SNKCF Loans for Inter-Korean Economic Exchanges and Cooperation Projects. The revision foresaw that private-sector firms in the South seeking business opportunities with North Korea would be entitled to receive non-collateralized loans from the SNKCF under certain conditions. On December 16, 2000, the two Koreas agreed on investment protection, prevention of double taxation, procedures for resolution of commercial disputes, and clearing settlement. As a result, a clearing settlement system for economic transactions will likely be established in 2001. If designated as the clearing settlement bank, the Bank will be positioned to facilitate the trading of goods.



KEDO Light Water Reactor Project Site

Financial Report

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Balance Sheet

As of December 31, 2000 and 1999

	Korean Won		U.S. Dollars (Note 2)	
	2000	1999	2000	1999
ASSETS	(In millions)		(In thousands)	
Cash and due from banks (Notes 3, 19, 20 and 23)	W 1,283,635	W 2,182,936	\$ 1,019,001	\$ 1,732,901
Trading securities (Note 4)	40,855	98,985	32,432	78,578
Investment securities (Notes 5 and 20)	1,822,095	2,218,206	1,446,452	1,760,900
Loans (Notes 6, 7, 8, 19, 20 and 23)	7,600,033	9,179,384	6,033,209	7,286,960
Call loans (Notes 9, 19, 20 and 23)	940,750	269,105	746,805	213,626
Fixed assets (Notes 10 and 11)	17,617	17,873	13,985	14,188
Other assets (Notes 12, 20, 22, 23 and 25)	243,956	644,141	193,661	511,347
	W 11,948,941	W 14,610,630	\$ 9,485,545	\$ 11,598,500
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES:				
Borrowings (Notes 13, 19, 20 and 23)	W 4,045,708	W 6,025,116	\$ 3,211,644	\$ 4,782,977
Call money (Notes 14, 19, 20 and 23)	1,063,611	-	844,337	-
Debentures (Notes 15, 19, 20 and 23)	3,796,042	4,898,179	3,013,449	3,888,369
Other liabilities (Notes 16, 20, 23 and 25)	362,638	703,463	287,877	558,437
	9,267,999	11,626,758	7,357,307	9,229,783
SHAREHOLDERS' EQUITY (Note 17):				
Capital	2,675,755	2,475,755	2,124,121	1,965,353
Legal reserve	100,468	100,468	79,755	79,755
Voluntary reserve	207,371	302,918	164,619	240,469
Retained earnings (Net income W13,687 million in 2000 and W9,554 million in 1999)	-	-	-	-
Capital adjustments (Note 5)	(302,652)	104,731	(240,257)	83,140
	2,680,942	2,983,872	2,128,238	2,368,717
	W 11,948,941	W 14,610,630	\$ 9,485,545	\$ 11,598,500

The accompanying notes are an integral part of these non-consolidated statements.

Statements of Operations

For the Years Ended December 31, 2000 and 1999

	Korean Won		U.S. Dollars (Note 2)	
	2000	1999	2000	1999
OPERATING INCOME	(In millions)		(In thousands)	
INTEREST INCOME:				
Interest on due from banks	W 154,009	W 131,829	\$ 122,258	\$ 104,651
Interest on trading securities	-	4,516	-	3,585
Interest on investment securities	12,794	32,203	10,156	25,564
Interest on loans	616,311	769,691	489,252	611,011
Interest on call loans	26,888	53,138	21,345	42,183
Other	3,707	3,879	2,943	3,080
	<u>813,709</u>	<u>995,256</u>	<u>645,954</u>	<u>790,074</u>
OTHER OPERATING INCOME:				
Guarantee fees and commissions	53,152	59,497	42,194	47,231
Foreign exchange transaction gain	16,669	170,793	13,233	135,582
Gain on disposal of trading securities	2,576	29,213	2,045	23,190
Gain on redemption of trading securities	402	6,781	319	5,383
Gain on valuation of trading securities (Note 4)	109	12,846	87	10,198
Dividends on trading securities	1,246	2,521	989	2,001
Dividends on investment securities	7,528	3,227	5,976	2,562
Miscellaneous income	24,717	-	19,621	-
Gain on valuation of derivative instruments (Note 25)	98,041	-	77,829	-
Gain on valuation of fair value hedge	132,142	-	104,900	-
	<u>336,582</u>	<u>284,878</u>	<u>267,193</u>	<u>226,147</u>
	<u>1,150,291</u>	<u>1,280,134</u>	<u>913,147</u>	<u>1,016,221</u>
OPERATING EXPENSES				
INTEREST EXPENSES:				
Interest on borrowings	379,343	463,046	301,138	367,584
Interest on call money	3,034	1,040	2,409	826
Interest on debentures	259,202	319,389	205,765	253,544
Other	4,791	4,942	3,802	3,923
	<u>646,370</u>	<u>788,417</u>	<u>513,114</u>	<u>625,877</u>
OTHER OPERATING EXPENSES:				
Commissions	1,937	24,070	1,538	19,108
Foreign exchange transaction loss	25,700	248,845	20,402	197,543
Loss on valuation of trading securities	18,326	-	14,548	-
Loss on retirement of trading securities	8	-	6	-
Loss on disposal of trading securities	5	692	4	549
Administrative expenses (Note 21)	45,482	47,418	36,105	37,642
Loss on valuation of derivative instruments (Note 25)	157,898	-	125,346	-
Loss on valuation of fair value hedge	111,656	-	88,637	-
Provision for doubtful accounts	172,011	243,249	136,549	193,101
Other	-	14,570	-	11,566
	<u>533,023</u>	<u>578,844</u>	<u>423,135</u>	<u>459,509</u>
	<u>1,179,393</u>	<u>1,367,261</u>	<u>936,249</u>	<u>1,085,386</u>
OPERATING LOSS	W (29,102)	W (87,127)	\$ (23,102)	\$ (69,165)
NON-OPERATING INCOME (Note 18)	70,613	113,610	56,055	90,188
NON-OPERATING EXPENSES (Note 18)	22,730	12,466	18,044	9,896
ORDINARY INCOME	18,781	14,017	14,909	11,127
EXTRAORDINARY ITEMS	-	(32)	-	(25)
INCOME BEFORE INCOME TAX EXPENSE	18,781	13,985	14,909	11,102
INCOME TAX EXPENSE (Note 22)	5,094	4,431	4,044	3,518
NET INCOME	W 13,687	W 9,554	\$ 10,865	\$ 7,584

The accompanying notes are an integral part of these non-consolidated statements.

Statements of Dispositions of Deficit

For the Years Ended December 31, 2000 and 1999

	Korean Won		U.S. Dollars (Note 2)	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
ACCUMULATED DEFICIT BEFORE DISPOSITIONS:				
Undisposed accumulated deficit carried over from prior years	W	- W	\$	- \$
Cumulative effect on prior years of accounting changes (Note 2)	(108,743)	28,618	(86,325)	22,718
Loss on prior period error corrections	(490)	(1,495)	(388)	(1,186)
Net income	13,687	9,554	10,865	7,584
	(95,546)	36,677	(75,848)	29,116
DISPOSITIONS				
Transfer from voluntary reserve	95,546	-	75,848	-
	95,546	-	75,848	-
APPROPRIATIONS:				
Legal reserve	-	7,335	-	5,823
Voluntary reserve	-	29,342	-	23,293
	-	36,677	-	29,116
UNDISPOSED ACCUMULATED DEFICIT TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	W	- W	\$	- \$

The accompanying notes are an integral part of these non-consolidated statements.

Statements of Cash Flows

For the Years Ended December 31, 2000 and 1999

	Korean Won		U.S. Dollars (Note 2)	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	W 13,687	W 9,554	\$ 10,865	\$ 7,584
Addition of expenses not involving cash outflows:				
Interest on debentures (amortization of discounts)	4,175	3,565	3,314	2,830
Loss on disposal of trading securities	5	692	4	549
Loss on valuation of trading securities	18,326	-	14,548	-
Loss on retirement of trading securities	8	-	6	-
Provision for possible loan losses	172,011	243,249	136,549	193,101
Provision for possible loss on acceptances and guarantees	-	9,644	-	7,656
Provision for severance benefits	2,402	2,283	1,907	1,812
Depreciation	1,383	1,420	1,098	1,127
Loss on sale of loans	8,581	-	6,812	-
Loss on valuation of derivative instruments	84,024	-	66,702	-
Loss on valuation of fair value hedge	111,656	-	88,637	-
Loss on disposal of fixed assets	128	221	102	175
Investment securities impairment loss	6,154	11,620	4,885	9,224
Loss on disposal of investment securities	6,821	-	5,415	-
Loss on prior period error corrections	-	1,156	-	919
	415,674	273,850	329,979	217,393
Deduction of revenues not involving cash inflows:				
Gain on disposal of trading securities	2,576	29,213	2,045	23,190
Gain on redemption of trading securities	402	6,781	319	5,383
Gain on valuation of trading securities	109	12,846	87	10,198
Recovery of allowance for guaranty payments	24,715	-	19,620	-
Gain on sale of loans	9,665	-	7,672	-
Gain on valuation of derivative instruments	28,277	-	22,447	-
Gain on valuation of fair value hedge	132,142	-	104,900	-
Gain on disposal of fixed assets	6	3,269	5	2,595
Gain on valuation using equity method	18,980	2,501	15,067	1,985
Gain on disposal of investment securities	32,205	714	25,566	567
Gain on redemption of investment securities	243	-	192	-
Recovery of investment securities impairment loss	-	1,890	-	1,500
Gain on early termination of interest rate swaps	-	3,318	-	2,634
Reversal of reserve for loss from interest rate spread	-	101,412	-	80,505
	249,320	161,944	197,920	128,557

(continued)

	Korean Won		U.S. Dollars (Note 2)	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Changes in assets and liabilities resulting from operations:				
Decrease in loans	W 1,402,336	W 1,950,382	\$ 1,113,230	\$ 1,548,291
Decrease in other assets	40,579	156,342	32,213	124,111
Severance benefit payments	(497)	(7,841)	(395)	(6,224)
Decrease in other liabilities	(30,445)	(174,835)	(24,168)	(138,792)
	1,411,973	1,924,048	1,120,880	1,527,386
	1,592,014	2,045,508	1,263,804	1,623,806
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of trading securities	42,879	87,065	34,039	69,116
Proceeds from sale of investment securities	27,179	-	21,576	-
Acquisitions of investment securities	-	(303,896)	-	(241,245)
Rendering of call loans	(671,644)	-	(533,178)	-
Collections of call loans	-	565,737	-	449,105
Acquisition of fixed assets	(1,146)	-	(910)	-
Proceeds from sale of fixed assets	37	2,861	30	2,271
	(602,695)	351,767	(478,443)	279,247
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds of derivative assets	45,456	-	36,085	-
Repayment of derivative liabilities	(132,560)	-	(105,231)	-
Repayments of borrowings	(1,969,994)	(2,721,467)	(1,563,860)	(2,160,409)
Proceeds from call money	1,063,611	-	844,337	-
Repayments of call money	-	(111,763)	-	(88,722)
Repayments of debentures	(1,095,133)	(739,246)	(869,360)	(586,843)
Issuance of common stock	200,000	800,000	158,768	635,072
	(1,888,620)	(2,772,476)	(1,499,261)	(2,200,902)
NET DECREASE IN CASH	(899,301)	(375,201)	(713,900)	(297,849)
CASH, BEGINNING OF YEAR	2,182,936	2,558,137	1,732,901	2,030,750
CASH, END OF YEAR	W 1,283,635	W 2,182,936	\$ 1,019,001	\$ 1,732,901

The accompanying notes are an integral part of these non-consolidated statements.

Notes to Financial Statements

December 31, 2000 and 1999

1. GENERAL:

The Export-Import Bank of Korea (the Bank) was established in 1976 as a special financial institution under the Export-Import Bank of Korea Act to facilitate export and import transactions, overseas investments and overseas resources development through the extension of loans and other financial facilities. The Bank has six domestic branches, five overseas offices and four overseas subsidiaries as of December 31, 2000. As of December 31, 2000, the Bank has W4,000,000 million (US\$3,175,359 thousand) authorized capital, of which W2,675,755 million (US\$2,124,121 thousand) has been paid-in. The Bank is 50.7 percent, 43.5 percent and 5.8 percent owned by the government of the Republic of Korea, the Bank of Korea (BOK) and Korea Development Bank, respectively, as of December 31, 2000. The Bank, as an agent of the Government, has managed the Economic Development Cooperation Fund and the South and North Korea Cooperation Fund (the Funds) since June 1987 and March 1991, respectively. The Funds are managed under separate accounts from the Bank's own accounts and are not included in the accompanying non-consolidated financial statements. Government contributions constitute the primary source of revenues of the Funds.

Beginning in 1997, Korea and other countries in the Asia Pacific region experienced a severe contraction in substantially all aspects of their economies. This situation is commonly referred to as the 1997 Asian Financial Crisis. In response to this situation, the Korean government and the private sector began implementing structural reforms to historical business practices. Through early 2000, it was widely accepted that the economic situation had stabilized, but not fully recovered from the 1997 crisis.

The Korean economy is currently experiencing additional difficulties, particularly in the areas of restructuring private enterprises and reforming the banking industry. The Korean government continues to apply pressure to Korean companies to restructure into more efficient and profitable firms. The banking industry is currently undergoing forced consolidations and significant uncertainty exists with regard to the availability of short-term financing during the coming year. The Bank may be either directly or indirectly affected by the situation described above.

The accompanying non-consolidated financial statements reflect management's current assessment of the impact to date of the economic situation on the financial position of the Bank. Actual results may differ materially from management's current assessment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Significant accounting policies followed in preparing the accompanying non-consolidated financial statements are summarized below.

Basis of Non-Consolidated Financial Statement Presentation

The Bank maintains its official accounting records in Korean won and prepares its non-consolidated financial statements in the Korean language (Hangul) in conformity with the Export-Import Bank of Korea Act and bank accounting standards and accounting principles generally accepted in the Republic of Korea. Certain financial accounting

standards and banking accounting standards applied by the Bank that conform with those generally accepted in the Republic of Korea may not conform with generally accepted accounting principles and banking accounting practices in other countries. Accordingly, the accompanying non-consolidated financial statements are not intended for use by those who are not informed about Korean accounting principles and practices.

The accompanying non-consolidated financial statements have been condensed, restructured and translated into English (with certain expanded descriptions) from the Korean language non-consolidated financial statements. Some supplementary information included in the Korean language non-consolidated financial statements, but not required for a fair presentation of the Bank's financial position, results of operations or cash flows, is not presented in the accompanying non-consolidated financial statements.

The U.S. dollar amounts presented in these non-consolidated financial statements were computed by translating the Korean won into U.S. dollars based on BOK Basic Rate of W1,259.70 to US\$1.00 at December 31, 2000, solely for the convenience of the reader. The convenience translations into U.S. dollars should not be construed as representations that the Korean won amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

Significant Changes in Financial Accounting Standards in Korea

The Bank prepares its non-consolidated financial statements in conformity with the Export-Import Bank of Korea Act and bank accounting standards and accounting principles generally accepted in the Republic of Korea. During fiscal year 2000, the Bank implemented two new standards related to the accounting for derivative instruments and the accounting for previously deferred costs. Implementation of these changes in accounting principles resulted in a decrease of W108,743 million (US\$86,325 thousand) of beginning retained earnings and an increase of W26,051 million (US\$20,680 thousand) of 2000 net income as presented below.

Changes in accounting principles	Effects of changes in accounting principles on			
	2000		Beginning	
	Net earnings		deficit	
Application of accounting for derivative products	W	13,422	W	4,803
Written-off of deferred charges		12,770		(108,083)
Others		(141)		(5,463)
	W	26,051	W	(108,743)
Translation into U.S. dollars (In thousands)	\$	20,680	\$	(86,325)

Valuation of Trading Securities

Trading equity and debt securities are stated at acquisition cost plus incidental expenses. If the fair value of trading securities differs from the book value determined by the individual moving average method, trading securities are stated at fair value and the unrealized gain or loss is reflected in current operations.

Valuation of Investment Securities

(1) Equity Securities

Equity securities held for investment (excluding those of affiliates and subsidiaries discussed in the next paragraph) that are not actively quoted (unlisted securities) are stated at acquisition cost. Actively quoted (listed) securities, including those traded over-the-counter, are stated at fair value with a valuation gain or loss recorded as a capital adjustment. If the fair value of a listed equity security or the net equity value of an unlisted equity security held for

investment declines compared to acquisition cost and is not expected to recover (impaired investment security), the value of the equity security is adjusted to fair value or net equity value, with the valuation loss charged to current operations.

Equity securities held for investment that are in companies in which the Bank is able to exercise significant influence over the investees are accounted for using the equity method. The Bank's share in net income or net loss of investees is reflected in current operations. Changes in the retained earnings, capital surplus or other capital accounts of investees are accounted for as an adjustment to retained earnings or to capital adjustment.

The investment in the Stock Market Stabilization Fund (SMSF) is stated at fair value with the valuation gain or loss credited or charged to current operations. The stocks distributed by SMSF are recorded as trading or securities held for investment at fair value and treated as a return of investment. Cash distributed by SMSF as dividends or as a return of investment equity are also treated as a return of investment.

(2) Debt Securities

Debt securities held for investment are classified as either held-to-maturity investment debt securities or available-for-sale investment debt securities at the time of purchase. Investments in debt securities of the types indicated below are classified as available-for-sale investment debt securities.

- ① All held-to-maturity investment debt securities if some portion was sold during the current period
- ② Securities obliged to be sold before maturity by legal regulations
- ③ Securities accounted for as investment securities impairment loss

Held-to-maturity investment debt securities are stated at acquisition cost, as determined by the individual moving average method. When the face value of a held-to-maturity investment debt security differs from its acquisition cost, the effective interest method is applied to amortize the difference over the remaining term of the security. Available-for-sale investment debt securities are stated at fair value, with resulting valuation gains or losses recorded as a capital adjustment. If the fair value of a held-to-maturity or an available-for-sale investment debt security declines compared to the acquisition cost and is not expected to recover (impaired investment security), the carrying value of the debt security is adjusted to the fair value with resulting valuation loss charged to current operations.

(3) Gain or Loss on Valuation of Investment Securities

The net unrealized gain or loss, except for gain or loss on valuation of investment equity in SMSF, is presented as gain or loss on valuation of investment securities in capital adjustments. An unrealized valuation gain or loss of investment securities incurred in subsequent periods is deducted from or added to the previous balance of unrealized valuation gain or loss of investment securities. When investment securities are sold, the unrealized valuation gain or loss of investment securities included in the capital adjustment account is added to or deducted from gain or loss on disposal. With respect to an impaired investment security, any unrealized valuation gain or loss on the security previously included in the capital adjustment account is reversed.

(4) Recovery of Impaired Investment Securities

If the value of any investment equity security or investment debt security previously recognized as impaired subsequently recovers, in the case of marketable equity securities and available-for-sale debt securities, the increase in value is recorded in current operations up to the amount of the previously recognized impairment loss and any excess is recorded as a capital adjustment. In the case of unlisted equity securities and held-to-maturity debt securities, the increase in value is recorded in current operations, up to the amount of the previously recognized impairment loss.

(5) Reclassification of Securities

If the Bank's objectives change, a trading security can be reclassified to investment securities, but only as of a balance sheet date. The difference between the fair value of the security as of the balance sheet date and the book value is recognized as gain or loss on valuation of trading securities and credited or charged to current operations.

Investment securities cannot be reclassified to trading securities.

Allowance for Possible Losses on Loans and Confirmed Acceptances and Guarantees

The Bank classified corporate credits based on the borrowers' capacity to repay in consideration of the borrowers' business operation, financial position and future cash flows, past due period and status of any bankruptcy proceeding. Credits to small companies and to households, however, are classified by past due period and status of bankruptcy proceedings. The Bank generally classifies all credits to a single borrower in the same category of classification but guaranteed credits or credits collateralized by bank deposits, real estate and other assets may be classified differently based on the guarantor's capability to service such guarantee or based on the value of the collateral securing such credits.

The loans are classified as of the balance sheet dates as 'normal', 'precautionary', 'substandard', 'doubtful' and 'estimated loss'. An allowance is then calculated on the category balances using the prescribed percentages of 0.5 percent, 2 percent, 20 percent, 50 percent, and 100 percent, respectively.

The Bank also provides an allowance for possible losses on confirmed acceptances and guarantees. Confirmed acceptances and guarantees are classified as of the balance sheet dates using the same criteria of loan classification. An allowance is then calculated, using 20 percent for 'substandard', 50 percent for 'doubtful' and 100 percent for 'estimated loss'. No allowance is provided for those confirmed acceptances and guarantees classified as 'normal' and 'precautionary'. The allowance for possible losses on confirmed acceptances and guarantees is presented in other liabilities.

As of December 31, 2000, the Bank classified loans and confirmed acceptances and guarantees extended to borrowers under workout and court receivership and mediation as 'precautionary' and 'substandard' based on more detailed classification criteria than provided by the five categories. An allowance for possible losses on those credits was calculated on the balances using from 0.5 to 100 percent and the resulting effect was charged to current operations. The allowance for possible losses on confirmed acceptances and guarantees was provided only for those classified below 'substandard'.

Restructuring of Loans

A loan, whose contractual terms are modified in a troubled debt restructuring due to mutual agreement such as commencement of reorganization, court mediation and workout plans, is accounted for at the present value of expected future cash flows, if the book value of the loan differs from the present value. The difference between book value and present value is offset against the allowance for possible loan losses, and then any remaining amounts are charged to operations as bad debt expense. The difference between the book value of a loan and its present value is recorded as a present value discount, which is presented as a deduction from the loan. The present value discount is amortized over the remaining maturity using the effective interest rate method, and the amortization amount is recorded as interest income.

Fixed Assets

Fixed assets are stated at cost, except for the effect of any upward revaluation made in accordance with the Asset Revaluation Law of Korea. Routine maintenance and repairs are expensed at the time incurred. Expenditures that result in the enhancement of the value or extension of the useful lives of the facilities involved are capitalized as additions to fixed assets.

Depreciation is computed using the declining balance method (straight-line method for buildings purchased since January 1, 1995) based on the estimated useful lives of the assets:

	Useful Years
Buildings	10 - 60
Vehicles	4
Equipment and furniture	4 - 20

Deferred Charges

Through the year ended December 31, 1999, extraordinary borrowing costs, which had been approved by the Board of Directors of the Bank, had been recorded as deferred charges and were amortized using the straight-line method over the period from the date of borrowing to maturity date. Beginning January 1, 2000, such deferred charges have been written off and the effect of the change in accounting principle is reflected as a deduction from beginning retained earnings.

Amortization of Discount on Debentures

Discount on debentures issued is amortized over the period from the date of issuance to maturity using the effective interest rate method. Amortization of discount is recognized as interest expense on the debentures.

Accrued Severance Benefits

Employees and directors with more than one year of service are entitled to receive a lump-sum payment upon termination of their service with the Bank according to the Bank's severance benefits payment regulations, based on their length of service and rate of pay at the time of termination. The accrued severance benefits, which would be payable assuming all eligible employees and directors terminated their employment as of the balance sheet dates, amounted to W4,324 million (US\$3,433 thousand) and W2,434 million (US\$1,932 thousand) as of December 31, 2000 and 1999, respectively. The accrued severance benefits are included in other liabilities. Severance benefits of W497 million (US\$395 thousand) and W7,841 million (US\$6,224 thousand) were paid in 2000 and 1999, respectively.

Before April 1999, the Bank and its employees paid 3 percent and 6 percent, respectively, of monthly pay (as defined) to the National Pension Fund in accordance with the National Pension Law of Korea. The Bank paid half of the employees' 6 percent and is paid back at the termination of service by netting the receivable against the severance payment. Such receivables, totaling W52 million (US\$ 41 thousand) as of December 31, 2000 and W67 million (US\$ 53 thousand) as of December 31, 1999, are presented as a deduction from accrued severance benefits. Since April 1999, according to a revision in the National Pension Law, the Bank and its employees each pay 4.5 percent of monthly pay to the Fund.

Accounting for Derivative Instruments

From the beginning of 2000, the Bank has accounted for derivative instruments pursuant to the Interpretations on Financial Accounting Standards 53-70 on accounting for derivative instruments. Derivative instruments are classified as used for trading activities or for hedging activities according to their transaction purposes. All derivative instruments are accounted for at fair value with the valuation gain or loss recorded as an asset or liability. If the derivative instrument is not part of a transaction qualifying as a hedge, the adjustment to fair value is reflected in current operations. The accounting for derivative transactions that are part of a qualified hedge, based both on the purpose of the transaction and on meeting the specified criteria for hedge accounting, differs depending on whether the transaction is a fair value hedge or a cash flow hedge. Fair value hedge accounting is applied to a derivative instrument designated as hedging the exposure to changes in the fair value of an asset or a liability or a firm commitment (hedged item) that is attributable to a particular risk. The gain or loss both on the hedging derivative instruments and on the hedged item attributable to the hedged risk, are reflected in current operations. Cash flow hedge accounting is applied to a derivative

instrument designated as hedging the exposure to variability in expected future cash flows of an asset or a liability or a forecasted transaction that is attributable to a particular risk. The effective portion of gain or loss on a derivative instrument designated as a cash flow hedge is recorded as a capital adjustment and the ineffective portion is recorded in current operations. The effective portion of gain or loss recorded as a capital adjustment is reclassified to current earnings in the same period during which the hedged forecasted transaction affects earnings. If the hedged transaction results in the acquisition of an asset or the incurrence of a liability, the gain or loss in capital adjustment is added to or deducted from the asset or the liability. The accumulated gain or loss on both hedging derivative instruments and hedged items, which occurred prior to January 1, 2000 and to which fair value hedge accounting is applied, was reflected in beginning accumulated deficit as a cumulative effect of changes in accounting principles for derivative instruments. There were no cash flow hedging activities prior to January 1, 2000.

Prior to 2000, derivatives were classified into hedging transactions or trading transactions. Hedging derivative instruments, whose underlying assets were recorded at market value (including translations into Korean won of foreign currency denominated assets or liabilities) or trading derivative instruments were accounted for at market value with valuation gain or loss reflected in current operations. The gain or loss on hedging derivative instruments, whose underlying assets were not recorded at market value, was reflected in current operations at the time the gain or loss on the underlying assets was recorded in current operations. However, the underlying transactions of foreign currency forward contracts and foreign currency swaps was recorded at the contract foreign exchange rates. For foreign currency forward contracts, the difference between the revalued amounts of the underlying transaction using the spot rate and the contract rate was classified as a deferred loss (gain) on foreign currency forward contracts. This difference is amortized equally over the contract period.

Interest Income on Loans

The Bank recognizes interest income on loans on an accrual basis. However, interest income on loans having overdue interest and principal or loans whose interest income is not likely to be realized (except for a portion of loans which are guaranteed by governments and financial institutions or has collateral of bank deposits) is recognized on a cash basis.

Income Tax Expense

Income tax expense is the amount currently payable for the period added to or deducted from the change in deferred income tax. The difference between the amount currently payable for the period and income tax expense is accounted for as deferred income tax assets or liabilities and offset against income tax assets and liabilities in future periods.

Accounting for Foreign Currency Transactions and Translation

The Bank maintains its accounts in Korean won. Transactions in foreign currencies are recorded in Korean won based on the prevailing rate of exchange on the transaction date. The Korean won equivalent of monetary assets and liabilities denominated in foreign currencies are translated in these financial statements based on BOK Basic Rate (W1,259.70 and W1,145.40 to US\$1.00 at December 31, 2000 and 1999, respectively) or cross rates as of the balance sheet dates. Translation gains and losses on foreign currency denominated assets and liabilities are credited or charged to operations. Financial statements of overseas branches and subsidiaries in which investments are accounted for using equity method are translated based on BOK Basic Rate as of the balance sheet dates.

Ordinary Income per Common Share and Net Income per Common Share

Ordinary income per common share and net income per common share are not computed since the Bank has not issued shares of stock.

Effects of Changes in Financial Accounting Standards

The effects of changes in financial accounting standards on the non-consolidated financial statements are reflected directly in undisposed accumulated deficit carried over from prior years.

3. CASH AND DUE FROM BANKS:

Cash and due from banks as of December 31, 2000 and 1999 consist of:

Financial institution	Korean Won		U.S. Dollars		
	2000	1999	2000	1999	
	(In millions)		(In thousands)		
Due from banks in local currency					
Current deposits	KorAm Bank and other	W 423	W 1,516	\$ 336	\$ 1,203
Time deposits	KorAm Bank and other	140,000	40,000	111,138	31,754
Other	Industrial Bank of Korea and other	25,048	297,423	19,884	236,106
		165,471	338,939	131,358	269,063
Due from banks in foreign currency					
Current deposits	Korea Exchange Bank	3,361	114,283	2,668	90,722
Nostro account	BTC, N.Y. and other	31,808	152,765	25,250	121,271
Time deposits	Shinhan Bank and other	1,063,923	1,565,189	844,584	1,242,509
Other deposits	Paineweber Inc. and other	750	705	595	560
Offshore nostro account	Chase Manhattan Bank	56	746	44	592
Offshore time deposits	KorAm Bank	18,266	10,309	14,502	8,184
		1,118,164	1,843,997	887,643	1,463,838
		W 1,283,635	W 2,182,936	\$ 1,019,001	\$ 1,732,901

Restricted due from banks as of December 31, 2000 and 1999 consist of:

Financial institution	Korean Won		U.S. Dollars		
	2000	1999	2000	1999	
	(In millions)		(In thousands)		
Other deposits in local currency	Hanareum Merchant Bank	W 7,648	W -	\$ 6,071	\$ -
Nostro account in foreign currency	Industrial Bank of Japan	-	108,484	-	86,119
Offshore nostro account in foreign currency	Chase Manhattan Bank	-	746	-	592
		W 7,648	W 109,230	\$ 6,071	\$ 86,711

Other deposits in local currency was restricted in connection with a subrogation payment for a guaranty to a bankrupt merchant bank. Nostro account in foreign currency was received from The Export-Import Bank of Japan to support loans for import. Off-shore nostro account in foreign currency was restricted in connection with collection of receivables from sale of long-term installment notes.

4. TRADING SECURITIES:

(1) Trading securities as of December 31, 2000 and 1999 are listed stocks in Korea Stock Exchange and consist of :

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Korea Electric Power Corporation	W 37,284	W 73,110	\$ 29,598	\$ 58,038
CTI	451	-	358	-
Kia Motors	3,120	25,875	2,476	20,540
	W 40,855	W 98,985	\$ 32,432	\$ 78,578

(2) The valuation of trading securities as of December 31, 2000 is as follows:

	Korean Won		U.S. Dollars	
	Acquisition cost or book value	Fair value	Acquisition cost or book value	Fair value
	(In millions)		(In thousands)	
Korea Electric Power Corporation	W 55,610	W 37,284	\$ 44,145	\$ 29,598
CTI	342	451	271	358
Kia Motors	3,120	3,120	2,477	2,476
	W 59,072	W 40,855	\$ 46,893	\$ 32,432

Gain and loss on valuation of trading securities was W109 million(US\$87 thousand) and W18,326 million (US\$14,476 thousand), respectively.

(3) The valuation of trading securities as of December 31, 1999 is as follows:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Korea Electric Power Corporation	W 61,895	W 73,110	\$ 49,135	\$ 58,038
Kia Motors	24,244	25,875	19,246	20,540
	W 86,139	W 98,985	\$ 68,381	\$ 78,578

Gain on valuation of trading securities was W12,846 million (US\$10,198 thousand).

5. INVESTMENT SECURITIES:

(1) Investment securities as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Equity securities	W 1,567,464	W 1,349,507	\$ 1,244,315	\$ 1,071,292
Equity investments	1,055	1,055	838	838
Bonds	33	36	27	28
Investment securities in foreign currencies	253,393	867,458	201,153	688,623
Other	150	150	119	119
	W 1,822,095	W 2,218,206	\$ 1,446,452	\$ 1,760,900

As of December 31, 2000 and 1999, bonds consisting of national or public bonds including National Housing Bond were stated at acquisition cost and other investment securities consisting of stocks of Korea Signetics Co., Ltd. were stated at acquisition cost.

(2) Equity securities as of December 31, 2000 consist of the following:

	Percentage of ownership(%)	Korean Won		U.S. Dollars	
		Acquisition Cost	Book Value	Acquisition Cost	Book Value
		(In millions)		(In thousands)	
Marketable:					
Korea Tobacco & Ginseng Corporation	7.03	W 225,096	W 255,256	\$ 178,690	\$ 202,632
Korea Exchange Bank	18.15	418,184	99,980	331,971	79,368
Industrial Bank of Korea	4.00	54,650	40,660	43,383	32,278
Daewoo Corporation		73	48	58	38
		698,003	395,944	554,102	314,316
Non-marketable:					
Korea Exchange Bank (preferred stock)	-	400,000	400,000	317,536	317,536
Industrial Bank of Korea (preferred stock)	-	312,050	312,050	247,718	247,718
Korea Highway Corporation	4.15	450,000	450,000	357,228	357,228
Samho Heavy Industries Co., Ltd.	9.50	9,470	9,470	7,517	7,517
		1,171,520	1,171,520	929,999	929,999
		W 1,869,523	W 1,567,464	\$ 1,484,101	\$ 1,244,315

The difference of W302,059 million (US\$239,786 thousand) between acquisition cost and book value of marketable securities is recorded as gain on valuation of investment securities of W302,652 million (US\$ 240,257 thousand) in capital adjustment, net of loss on valuation of investment debt securities of W748 million (US\$594 thousand) and gain on valuation of other investment securities in foreign currency of W155 million (US \$123 thousand).

Equity securities as of December 31, 1999 consist of the following:

	Percentage of ownership(%)	Korean Won		U.S. Dollars	
		Acquisition Cost	Book Value	Acquisition Cost	Book Value
		(In millions)		(In thousands)	
Marketable:					
Korea Tobacco & Ginseng Corporation	11.5	W 360,000	W 539,302	\$ 285,782	\$ 428,119
Korea Exchange Bank	18.15	418,184	350,735	331,971	278,427
		778,184	890,037	617,753	706,546
Non-marketable:					
Korea Highway Corporation	5.10	450,000	450,000	357,228	357,228
Samho Heavy Industries Co., Ltd.	9.50	9,470	9,470	7,518	7,518
		459,470	459,470	364,746	364,746
		W 1,237,654	W 1,349,507	\$ 982,499	\$ 1,071,292

The difference of W104,731 million (US\$83,140 thousand) between acquisition cost and book value of marketable securities is recorded as gain on valuation of investment equity securities of W111,853 million (US\$ 88,793 thousand) in capital adjustment, net of loss on valuation of investment debt securities of W7,122 million (US\$5,654 thousand).

(3) Equity investments as of December 31, 2000 and 1999 consist of the following:

	Percentage of ownership(%)	Korean Won		U.S. Dollars	
		Acquisition Cost	Book Value	Acquisition Cost	Book Value
		(In millions)		(In thousands)	
Korea Asset Management Corporation	0.4	W 600	W 600	\$ 476	\$ 476
Korea Money Intermediary Co., Ltd.	0.6	55	55	44	44
NICE	1.7	400	400	318	318
		W 1,055	W 1,055	\$ 838	\$ 838

(4) Investment securities in foreign currencies as of December 31, 2000 and 1999 consist of:

Type	Korean Won		U.S. Dollars			
	2000	1999	2000	1999		
		(In millions)		(In thousands)		
Bonds	Floating rate notes (FRN) and other		W 91,336	W 656,212	\$ 72,506	\$ 520,927
Offshore investment securities	FRN		-	17,181	-	13,639
Overseas equity investments	KEXIM Bank (UK) Limited and others		92,895	90,238	73,744	71,635
Other	FRN and other		69,162	103,827	54,903	82,422
		W 253,393	W 867,458	\$ 201,153	\$ 688,623	

As of December 31, 2000, overseas equity investments above, which are accounted for using equity method, are as follows:

	Percentage of ownership(%)	Korean Won		U.S. Dollars	
		Acquisition Cost	Book Value	Acquisition Cost	Book Value
		(In millions)		(In thousands)	
KEXIM Bank UK Limited	100.00	W 39,709	W 40,740	\$ 31,523	\$ 32,341
KEXIM Asia Limited, HK	100.00	16,784	33,087	13,324	26,266
KEXIM Vietnam Leasing Co., Ltd.	100.00	9,913	11,497	7,869	9,127
PT KOEXIM BDN Finance	78.33	7,509	7,571	5,961	6,010
		W 73,915	W 92,895	\$ 58,677	\$ 73,744

The difference of W18,980 million (US\$ 15,066 thousand) between acquisition and book value, which is accounted for as gain on valuation using the equity method, is credited to current operations.

As of December 31, 1999, overseas equity investments, which are accounted for using the equity method, are as follows :

	Percentage of ownership(%)	Korean Won		U.S. Dollars	
		Acquisition Cost	Book Value	Acquisition Cost	Book Value
		(In millions)		(In thousands)	
KEXIM Bank UK Limited	100.00	W 26,650	W 39,709	\$ 21,156	\$ 31,523
KEXIM Asia Limited, HK	100.00	24,008	16,784	19,059	13,324
KEXIM International (Singapore) Ltd.	100.00	19,920	16,324	15,813	12,959
KEXIM Vietnam Leasing Co., Ltd.	100.00	8,624	9,913	6,846	7,869
PT KOEXIM BDN Finance	78.33	10,315	7,508	8,188	5,960
		W 89,517	W 90,238	\$ 71,062	\$ 71,635

The difference of W721 million (US\$ 573 thousand) between acquisition and book value consists of gain on valuation using equity method of W2,501 million (US\$ 1,985 thousand) credited to current operations, net of loss on valuation using the equity method of W1,780 million (US\$ 1,413 thousand) charged to beginning retained earnings.

(5) The portfolio of investment securities (excluding overseas equity investments) in foreign currencies by country as of December 31, 2000 is as follows:

	Amounts		Composition(%)
	Korean Won (In millions)	U.S. Dollars (Note 2) (In thousands)	
Asia			
South Korea	W 74,597	\$ 59,218	46.5
China	10,057	7,984	6.2
Thailand	11,335	8,998	7.0
Malaysia	8,631	6,852	5.4
Indonesia and others	26,140	20,751	16.3
	130,760	103,803	81.4
Europe			
Holland	-	-	-
Croatia and others	22,253	17,665	13.9
	22,253	17,665	13.9
America			
Mexico	-	-	-
Columbia	7,485	5,942	4.7
United States	-	-	-
	7,485	5,942	4.7
	W 160,498	\$ 127,410	100.0

The portfolio of investment securities (excluding overseas equity investments) in foreign currencies by country as of December 31, 1999 is as follows:

		Amounts		Composition (%)
		Korean Won (In millions)	U.S. Dollars (Note 2) (In thousands)	
Asia				
South Korea	W	100,029	\$ 79,407	12.9
China		21,057	16,716	2.7
Thailand		13,751	10,916	1.8
Malaysia		13,411	10,646	1.7
Indonesia and others		26,785	21,263	3.4
		175,033	138,948	22.5
Europe				
Holland		554,870	440,478	71.4
Croatia and others		23,051	18,299	3.0
		577,921	458,777	74.4
America				
Mexico		13,686	10,864	1.7
Columbia		6,882	5,463	0.9
United States		3,698	2,936	0.5
		24,266	19,263	3.1
	W	777,220	\$ 616,988	100.0

(6) The portfolio of investment securities (excluding overseas equity investments) in foreign currencies by foreign currency and type as of December 31, 2000 is as follows:

Currencies	Type	Amounts		Composition (%)
		Korean Won (In millions)	U.S. Dollars (Note 2) (In thousands)	
USD	FRN	W 39,114	\$ 31,050	24.4
	VRN	6,299	5,000	3.9
	Medium-term notes	6,299	5,000	7.8
	Euro bonds	41,141	32,659	25.6
	Global bonds	17,635	13,999	11.0
	Bonds	22,461	17,830	10.1
	Yankee bonds	15,777	12,524	9.8
	Convertible bonds	11,772	9,348	7.4
		W 160,498	\$ 127,410	100.0

The portfolio of investment securities (excluding overseas equity investments) in foreign currencies by foreign currency and type as of December 31, 1999 is as follows:

Currencies	Type	Amounts		Composition (%)
		Korean Won (In millions)	Foreign Currencies (In thousands)	
USD	FRN	W 592,237	\$ 470,141	76.2
	Medium-term notes	77,851	61,801	10.0
	Euro bonds	36,791	29,206	4.7
	Global bonds	15,937	12,651	2.1
	Bonds	14,601	11,591	1.9
	Yankee bonds	13,679	10,859	1.8
	Convertible bonds	9,575	7,602	1.2
		W 760,671	\$ 603,851	97.9
JPY	Samurai bonds	13,686	¥ 1,220,000	1.8
MYR	FRN	2,863	MYR 9,498	0.3
		W 777,220		100.0

6. LOANS:

(1) Loans as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Loans in local currency	W 1,748,577	W 1,354,657	\$ 1,388,090	\$ 1,075,381
Loans in foreign currencies	5,847,332	8,104,843	4,641,845	6,433,947
Bills bought	665,403	230,009	528,223	182,590
Advances for customers	31,249	28,517	24,807	22,638
	8,292,561	9,718,026	6,582,965	7,714,556
Allowance for possible loan losses	(664,988)	(506,421)	(527,894)	(402,017)
Present value discounts	(27,540)	(32,221)	(21,862)	(25,579)
	W 7,600,033	W 9,179,384	\$ 6,033,209	\$ 7,286,960

(2) Loans in local currency as of December 31, 2000 and 1999 consist of:

Industry	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Exporting loans	W 1,727,237	W 1,352,013	\$ 1,371,149	\$ 1,073,282
Importing loans	840	-	667	-
Privately placed bonds	20,500	2,644	16,274	2,099
	W 1,748,577	W 1,354,657	\$ 1,388,090	\$ 1,075,381

(3) Loans in local currency by industry as of December 31, 2000 and 1999 are as follows:

Industry	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Manufacturing	W 1,620,618	W 1,210,112	\$ 1,286,511	\$ 960,635
Construction	13,346	116,244	10,595	92,279
Wholesale, retail and customer good repairs	111,398	13,488	88,432	10,707
Transport, storage and communications	-	300	-	238
Real estate and renting	-	14,513	-	11,522
Others	3,215	-	2,552	-
	W 1,748,577	W 1,354,657	\$ 1,388,090	\$ 1,075,381

(4) Loans in foreign currencies as of December 31, 2000 and 1999 consist of:

Industry	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Export	W 2,769,800	W 3,239,464	\$ 2,198,777	\$ 2,571,615
Trade bill rediscount	722,267	1,771,570	573,364	1,406,343
Overseas investment	1,227,139	1,381,828	974,152	1,096,950
Import	332,763	388,853	264,161	308,687
Domestic import usance	157	818,586	125	649,826
Privately placed bonds	585,209	32,009	464,562	25,410
Offshore foreign currency	160,164	311,605	127,145	247,364
Other foreign currency	49,833	160,928	39,559	127,752
	W 5,847,332	W 8,104,843	\$ 4,641,845	\$ 6,433,947

- (5) Daewoo Group companies are under workout process including rescheduling of interest and principal and conversion to equity securities from loans. The Bank's outstanding loans, net of present value discount (including confirmed acceptances and guarantees), to Daewoo Group companies under workout as of December 31, 2000 amount to W2,880,100 million (US\$2,286,338 thousand). These loans are classified as normal, W492,700 million (US\$391,125 thousand), precautionary, W1,727,900 million (US\$1,371,676 thousand), substandard, W225,700 million (US\$179,170 thousand), doubtful, W433,800 million (US\$344,368 thousand), for which an allowance for possible loan losses (including allowance for possible losses on confirmed acceptances and guarantees) of W400,800 million (US\$318,171 thousand) was provided. Collectibility of these loans may be affected by the restructuring of companies under workout programs.
- (6) The Bank's outstanding loans, net of present value discount (including confirmed acceptances and guarantees) to companies (excluding Daewoo Group companies) under court receivership, composition, and workout as of December 31, 2000 amount to W280,300 million (US\$222,513 thousand). These loans are classified as normal, W85,800 million (US\$68,111 thousand), precautionary, W50,400 million (US\$40,010 thousand), substandard, W34,700 million (US\$27,546 thousand), doubtful, W97,200 million (US\$77,161 thousand), estimated loss, W12,200 million (US\$9,685 thousand), for which an allowance for possible loan losses (including allowance for possible losses on confirmed acceptances and guarantees) of W69,200 million (US\$54,934 thousand) was provided. Collectibility of these loans may be affected by the restructuring of companies under restructuring programs.
- (7) The Bank provided loans of US\$465,504 thousand for consumer products to the Bank for Foreign Affairs of the USSR in 1991 and 1992 with a guarantee of the Russian Government, which were scheduled to be repaid in 1993 and 1994. However, repayment of those loans and interest has been delayed due to the Russian economic crisis. Principal and interest paid during 2000 total US\$10,808 thousand. As of December 31, 2000, US\$263,825 thousand of those loans had not been repaid and was outstanding. Collectibility of these loans may be affected by the repayment negotiation in process.
- (8) Loans to financial institutions as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Loans with bills in foreign currency	W 335,265	W 319,581	\$ 266,147	\$ 253,696
Loans in deeds in foreign currency	381,441	277,031	302,803	219,918
Trade bill rediscount loans	722,267	1,771,570	573,364	1,406,343
	W 1,438,973	W 2,368,182	\$ 1,142,314	\$ 1,879,957

- (9) Loans in foreign currencies by country as of December 31, 2000 are as follows:

Countries of borrowers		Korean Won (In millions)	Composition (%)	U.S. Dollars (Note2) (In thousands)
Asia	South Korea	W 800,345	13.7	\$ 635,346
	China	714,947	12.2	567,553
	Thailand	154,205	2.6	122,414
	Indonesia	436,753	7.5	346,712
	India	534,630	9.1	424,411
	Iran	76,322	1.3	60,587
	Others	647,516	11.1	514,024
		3,364,718	57.5	2,671,047
Europe	Russia	332,340	5.7	263,825
	Poland	243,209	4.2	193,069
	United Kingdom	41,729	0.7	33,126
	Others	801,028	13.7	635,888
	1,418,306	24.3	1,125,908	
America	United States	469,928	8.0	373,048
	Mexico	141,348	2.5	112,208
	Others	288,010	4.9	228,633
	899,286	15.4	713,889	
Others	Australia and others	165,022	2.8	131,001
		W 5,847,332	100.0	\$ 4,641,845

(10) Loans in foreign currencies by country as of December 31, 1999 are as follows:

	Countries of borrowers		Korean Won (In millions)	Composition (%)	U.S. Dollars (Note2) (In thousands)
Asia	South Korea	W	2,698,791	33.3	\$ 2,142,408
	China		746,016	9.2	592,217
	Thailand		676,030	8.3	536,660
	Indonesia		556,364	6.9	441,664
	India		480,594	5.9	381,515
	Iran		170,181	2.1	135,096
	Others		750,537	9.3	595,806
			6,078,513	75.0	4,825,366
Europe	Russia		313,177	3.8	248,612
	Poland		257,264	3.2	204,226
	United Kingdom		90,083	1.1	71,511
	Others		362,615	4.5	287,859
			1,023,139	12.6	812,208
America	United States		443,619	5.5	352,162
	Mexico		138,099	1.7	109,628
	Others		266,550	3.3	211,599
			848,268	10.5	673,389
Others	Australia and others		154,923	1.9	122,984
		W	8,104,843	100.0	\$ 6,433,947

(11) Acceptances and guarantees issued in foreign currencies by country as of December 31, 2000 are as follows:

	Countries of borrowers		Korean Won (In millions)	Composition (%)	U.S. Dollars (Note2) (In thousands)
Asia	South Korea	W	9,593	-	\$ 7,615
	Thailand		13,667	0.2	10,849
	India		257,779	4.2	204,635
	Iran		330,771	5.4	262,579
	Others		966,825	15.7	767,505
			1,578,635	25.5	1,253,183
Europe	United Kingdom		73,867	1.2	58,639
	Norway		140,875	2.2	111,832
	Others		2,860,379	46.2	2,270,682
			3,075,121	49.6	2,441,153
America	United States		38,685	0.6	30,710
	Mexico		120,931	1.9	96,000
			198,734	3.2	157,763
	Others		784,457	12.7	622,733
			1,142,807	18.4	907,206
Others	Australia and others		400,430	6.5	317,878
		W	6,196,993	100.0	\$ 4,919,420

(12) Acceptances and guarantees issued in foreign currencies by country as of December 31, 1999 are as follows:

	Countries of borrowers		Korean Won (In millions)	Composition (%)	U.S. Dollars (Note2) (In thousands)
Asia	South Korea	W	21,935	0.5	\$ 17,413
	China		10,928	0.3	8,675
	Thailand		8,856	0.2	7,030
	Indonesia		4,165	0.1	3,306
	India		161,758	3.6	128,410
	Iran		390,691	8.6	310,146
	Others		894,582	19.7	710,155
			1,492,915	33.0	1,185,135
Europe	United Kingdom		284,401	6.3	225,769
	Norway		321,760	7.1	255,426
	Others		1,471,370	32.5	1,168,032
			2,077,531	45.9	1,649,227
The America	United States		59,902	1.3	47,553
	Mexico		109,958	2.4	87,289
	Bahamas		251,999	5.6	200,047
	Others		208,345	4.6	165,392
			630,204	13.9	500,281
Others	Australia and others		322,758	7.2	256,218
		W	4,523,408	100.0	\$ 3,590,861

7. RESTRUCTURING OF LOANS:

Outstanding restructured loans as of December 31, 2000 are as follows:

Type	Discount rate (%)		Loans		Present value discount (In millions)
			Korean Won (In millions)	U.S. Dollars (Note 2) (In thousands)	
Reorganization and court mediation	8.71 - 10.07	W	42,856	\$ 34,021	W 4,446
Workout programs	7.09 - 11.47		152,379	120,965	20,358
Individual agreements	8.64 - 11.87		70,315	55,818	2,736
		W	265,550	\$ 210,804	W 27,540

Outstanding restructured loans as of December 31, 1999 are as follows:

Type	Discount rate (%)		Loans		Present value discount (In millions)
			Korean Won (In millions)	U.S. Dollars (Note 2) (In thousands)	
Reorganization and court mediation	9.07 - 12.00	W	36,064	\$ 28,629	W 3,368
Workout programs	7.92 - 11.87		185,091	146,933	28,620
Individual agreements	10.54		1,123	891	233
		W	222,278	\$ 176,453	W 32,221

8. ALLOWANCE FOR POSSIBLE LOAN LOSSES:

Allowance for possible loan losses as of December 31, 2000 and 1999 is summarized as follows:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Loans in local currency	W 27,947	W 20,378	\$ 22,185	\$ 16,177
Loans in foreign currencies	611,424	466,108	485,373	370,015
Bills bought	15,786	16,212	12,532	12,870
Advances for customers	9,787	3,445	7,769	2,735
Suspense accounts	44	278	35	220
	W 664,988	W 506,421	\$ 527,894	\$ 402,017

9. CALL LOANS:

Call loans as of December 31, 2000 and 1999 consisted of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Loans in local currency	W 15,500	W 112,300	\$ 12,305	\$ 89,148
Loans in foreign currencies	925,250	156,805	734,500	124,478
	W 940,750	W 269,105	\$ 746,805	\$ 213,626

10. FIXED ASSETS:

Fixed assets as of December 31, 2000 and 1999 consist of the following:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Buildings	W 24,984	W 24,984	\$ 19,833	\$ 19,832
Vehicles	715	701	568	556
Equipment and furniture	8,442	8,405	6,702	6,674
	34,141	34,090	27,103	27,062
Less: Accumulated depreciation	(21,891)	(21,584)	(17,378)	(17,134)
	12,250	12,506	9,725	9,928
Land	4,341	4,341	3,446	3,446
Construction in progress	1,026	1,026	814	814
	W 17,617	W 17,873	\$ 13,985	\$ 14,188

As of December 31, 2000 and 1999, the value of the Bank-owned land (57,233 sq. meters) totals W42,014 million (US\$33,352 thousand) and W45,676 million (US\$36,259 thousand) in terms of land prices officially announced by the Korean government.

11. INSURED ASSETS:

As of December 31, 2000 and 1999, property, plant and equipment are insured for W19,425 million (US\$ 15,420 thousand) and W19,514 million (US\$15,491 thousand). In addition, the Bank carries casualty insurance for employees.

12. OTHER ASSETS:

(1) Other assets as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Guarantee deposits	W 10,936	W 10,963	\$ 8,681	\$ 8,703
Accounts receivable-other	7,650	1,064	6,072	845
Accrued income	90,373	105,404	71,742	83,674
Prepaid expenses	2,854	25,050	2,265	19,888
Deferred income tax assets (Note 22)	35,948	41,039	28,537	32,578
Derivative instrument assets (Note 25)	30,260	-	24,022	-
Sundry assets	65,935	460,621	52,342	365,659
	W 243,956	W 644,141	\$ 193,661	\$ 511,347

(2) Sundry assets among other assets as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Deferred loss on valuation of forward contracts purchased	W -	W 281,778	\$ -	\$ 223,687
Deferred charges	-	108,083	-	85,801
Long-term installment notes bought	56,969	52,632	45,224	41,781
Other	8,966	18,128	7,118	14,390
	W 65,935	W 460,621	\$ 52,342	\$ 365,659

13. BORROWINGS:

(1) Borrowings as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Borrowings in local currency	W 723,668	W 803,668	\$ 574,476	\$ 637,984
Borrowings in foreign currencies	3,322,040	5,221,448	2,637,168	4,144,993
	W 4,045,708	W 6,025,116	\$ 3,211,644	\$ 4,782,977

(2) Borrowings in local currency as of December 31, 2000 and 1999 consist of:

Borrowings from	Annual interest rate(%)	Korean Won		U.S. Dollars	
		2000	1999	2000	1999
		(In millions)		(In thousands)	
Korean Government	6.5~7.0	W 520,000	W 660,000	\$ 412,797	\$ 523,935
Industrial Bank of Korea	6.2	60,000	-	47,630	-
Korea Exchange Bank	1.61	143,668	143,668	114,049	114,049
		W 723,668	W 803,668	\$ 574,476	\$ 637,984

(3) Borrowings in foreign currencies as of December 31, 2000 and 1999 consist of:

Borrowings from	Annual interest rate(%)	Korean Won		U.S. Dollars	
		2000	1999	2000	1999
		(In millions)		(In thousands)	
Korean Government	6.78	W -	W 572,700	\$ -	\$ 454,632
National Investment Fund	7.0	1,895	5,510	1,504	4,374
BOK	7.08~7.10	-	263,442	-	209,131
Domestic financial institutions	6.62~7.14	2,869,031	3,483,792	2,277,551	2,765,573
Borrowings for relending	2.15	-	302,897	-	240,452
Foreign financial institutions	2.88~7.05	310,505	593,107	246,492	470,831
Foreign currency CP	6.84~6.86	125,970	-	100,000	-
		3,307,401	5,221,448	2,625,547	4,144,993
Adjustments		14,639	-	11,621	-
		W 3,322,040	W 5,221,448	\$ 2,637,168	\$ 4,144,993

Borrowings from BOK as of December 31, 1999 were received for the purpose of the Bank's working capital and lending, in accordance with government policies.

14. CALL MONEY:

There was no call money as of December 31, 1999. Call money as of December 31, 2000 consists of:

	Financial institutions	Annual interest rate(%)	U.S. Dollars	
			Korean Won	(In thousands)
Call money in local currency	Industrial Bank of Korea	5.1	W 200,000	\$ 158,768
			70,000	55,569
		270,000	214,337	
Call money in foreign currency	BOK	-	793,611	630,000
			W 1,063,611	\$ 844,337

15. DEBENTURES:

(1) Debentures as of December 31, 2000 and 1999 consists of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Debentures in local currency (Discounts)	W -	W 250,000	\$ -	\$ 198,460
		(3,973)	-	(3,154)
Debentures in foreign currencies (Discounts)	3,779,955	4,661,783	3,000,679	3,700,709
	(5,456)	(9,631)	(4,331)	(7,646)
Adjustments	21,543	-	17,101	-
	W 3,796,042	W 4,898,179	\$ 3,013,449	\$ 3,888,369

(2) Debentures in local currency as of December 31, 1999 are as follows:

Type	Issuance date	Annual interest rate (%)	Expiration date	Amount	
				Korean Won	U.S. Dollars
				(In millions)	(In thousands)
Subordinated	March 1999	6.72	March 2000	W 50,000	\$ 39,692
	April 1999	6.24	April 2000	200,000	158,768
				250,000	198,460
(Discounts)				(3,973)	(3,154)
				W 246,027	\$ 195,306

There are no debentures in local currency as of December 31, 2000.

(3) Debentures in foreign currencies as of December 31, 2000 are as follows:

Currencies	Issuance date	Annual interest rate (%)	Expiration date	Amount	
U.S. dollars (In thousands)	February 15, 1996	6.375	February 15, 2006	USD	440,700
	June 25, 1996	7.25	June 25, 2001		200,000
	September 20, 1996	7.125	September 20, 2001		500,000
	October 20, 1996	6.5	November 15, 2003		340,000
	February 10, 1997	6.5	February 10, 2002		495,000
	March 25, 1997	7.1	March 15, 2002		650,000
				USD	2,625,700
Japanese Yen (In millions)	March 8, 1991	7.2	March 8, 2001	JPY	6,000
	December 19, 1995	4.1	December 19, 2005		10,00
				JPY	16,000
Deutsche Mark (In thousands)	March 20, 1997	6.0625	March 20, 2002	DEM	500,000
				DEM	500,000
Translation into Korean Won (In millions)				W	3,779,955
Adjustments (Discounts)					21,543
					(5,456)
				W	3,796,042

Debentures in foreign currencies as of December 31, 1999 are as follows:

Currencies	Issuance date	Annual interest rate (%)	Expiration date	Amount	
U.S. dollars (In thousands)	May 27, 1993	6.5	May 15, 2000	USD	200,000
	February 15, 1996	6.375	February 25, 2006		500,000
	June 25, 1996	7.25	June 25, 2001		200,000
	September 20, 1996	7.125	September 20, 2001		500,000
	November 20, 1996	6.5	November 15, 2003		340,000
	February 10, 1997	6.5	February 10, 2002		495,000
	March 25, 1997	7.1	March 25, 2002		650,000
	September 5, 1997	4.1	December 5, 2000		177,230
			USD	3,062,230	
Japanese Yen (In millions)	March 8, 1991	7.2	March 8, 2001	JPY	6,000
	February 23, 1995	4.35	February 23, 2000		20,000
	June 15, 1995	2.5	June 15, 2000		20,000
	December 19, 1995	4.1	December 19, 2005		10,000
			JPY	56,000	
Deutsche Mark (In thousands)	March 20, 1997	6.0625	March 20, 2002	DEM	500,000
	October 6, 1997	7.2875	October 6, 2000		500,000
			DEM	1,000,000	
Translation into Korean Won (In millions) (Discounts)				W	4,661,783
					(9,631)
				W	4,652,152

16. OTHER LIABILITIES:

(1) Other liabilities as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Accrued severance benefits (Note 2) (National pension conversion)	W 4,324	W 2,434	\$ 3,433	\$ 1,932
Allowance for possible losses on acceptances and guarantees	(52)	(66)	(41)	(52)
Foreign exchange remittance pending	-	24,715	-	19,620
Accounts payable-other	1,323	162	1,050	129
Accrued expenses	62,968	67,145	49,987	53,302
Unearned revenues	164,132	171,955	130,295	136,505
Deposits for letter of guarantees and others	15,887	37,511	12,613	29,778
Derivative instruments liabilities (Note 25)	397	403	312	319
Sundry liabilities	110,853	-	88,000	-
	2,806	399,204	2,228	316,904
	W 362,638	W 703,463	\$ 287,877	\$ 558,437

(2) Sundry liabilities among other liabilities as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Suspense payable	W 1,750	W 179	\$ 1,390	\$ 142
Withholding taxes	1,056	601	838	477
Deferred gain on hedging forward contracts	-	769	-	610
Deferred gain on early termination of interest rate swaps	-	22,828	-	18,122
Deferred gain on valuation of forward contracts sold	-	374,827	-	297,553
	W 2,806	W 399,204	\$ 2,228	\$ 316,904

17. SHAREHOLDERS' EQUITY:

(1) Capital

On December 22, 2000, the Bank increased its paid in capital by W200,000 million (US\$158,768 thousand). As of December 31, 2000, the Bank has W4,000,000 million (US\$3,175,360 thousand) of authorized capital, of which W2,675,755 million (US\$2,124,121 thousand) has been paid-in. The Bank has not issued shares.

(2) Legal reserve and voluntary reserve

The Export-Import Bank of Korea Act requires the Bank to appropriate 20 percent of unappropriated retained earnings as a legal reserve up to capital stock. The Bank appropriates the remaining amount of net income, net of legal reserve appropriation, as voluntary reserve.

(3) Capital adjustments

Capital adjustments as of December 31, 2000 and 1999 are as follows:

Borrowings from	Annual interest rate(%)	Korean Won		U.S. Dollars	
		2000	1999	2000	1999
		(In millions)		(In thousands)	
Loss on valuation of investment securities	Korea Exchange Bank and others	W (332,219)	W (67,449)	\$ (263,729)	\$ (53,544)
Loss on valuation of investment debt securities	Bonds in foreign currencies	(593)	(7,122)	(471)	(5,654)
Gain on valuation of investment equity securities	Korea Tobacco & Ginseng Corporation	30,160	179,302	23,943	142,338
		W (302,652)	W 104,731	\$ (240,257)	\$ 83,140

18. NON-OPERATING INCOME AND EXPENSES:

Non-operating income and expenses for the years ended December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Non-operating income:				
Gain on valuation using equity method	W 18,980	W 2,501	\$ 15,067	\$ 1,985
Gain on disposal of investment securities	32,205	714	25,566	567
Recovery of investment securities impairment loss	-	1,890	-	1,500
Gain on disposal of fixed asset	9,67	3,26	7,67	2,595
Rent	12	1	10	10
Gain on redemption of investment securities	241	-	191	-
Other	9,388	105,224	7,452	83,531
	<u>70,613</u>	<u>113,610</u>	<u>56,055</u>	<u>90,188</u>
Non-operating expenses:				
Loss on disposal of fixed assets	8,709	221	6,914	175
Investment securities impairment loss	6,154	11,620	4,885	9,224
Loss on disposal of investment securities	6,821	-	5,415	-
Other	1,046	625	830	497
	<u>W 22,730</u>	<u>W 12,466</u>	<u>\$ 18,044</u>	<u>\$ 9,896</u>

19. TERM STRUCTURE OF SIGNIFICANT ASSETS AND LIABILITIES:

The term structure of significant assets and liabilities as of December 31, 2000 are as follows (Unit: Won in millions):

	Less than 3 months	Less than 6 months	Less than 1 year	Less than 3 years	More than 3 years	Total
Due from banks						
Won	W 151,371	W 14,100	W -	W -	W -	W 165,471
Foreign currencies	1,118,164	-	-	-	-	1,118,164
Loans						
Won	749,809	661,123	174,947	116,851	45,847	1,748,577
Foreign currencies	840,265	553,967	389,976	1,299,221	3,460,555	6,543,984
Call Loans						
Won	15,500	-	-	-	-	15,500
Foreign currencies	925,250	-	-	-	-	925,250
	<u>W 3,800,359</u>	<u>W 1,229,190</u>	<u>W 564,923</u>	<u>W 1,416,072</u>	<u>W 3,506,402</u>	<u>W 10,516,946</u>
Borrowings						
Won	W 203,668	W -	W 140,000	W 270,000	W 110,000	W 723,668
Foreign currencies	284,167	640	261	260	3,022,073	3,307,401
Call money						
Won	270,000	-	-	-	-	270,000
Foreign currencies	793,611	-	-	-	-	793,611
Debentures						
Foreign currencies	65,536	251,798	629,461	2,166,712	660,992	3,774,499
	<u>W 1,616,982</u>	<u>W 252,438</u>	<u>W 769,722</u>	<u>W 2,436,972</u>	<u>W 3,793,065</u>	<u>W 8,869,179</u>

Bills bought and subrogation payment for guaranty are included in loans in foreign currencies.

20. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES:

Significant assets and liabilities denominated in foreign currencies as of December 31, 2000 are as follows:

	Korean Won		U.S. Dollars (Note 2)	
		(In millions)		(In thousands)
Assets				
Due from banks-foreign currencies	W	1,118,164	\$	887,643
Investment securities-foreign currencies		253,393		201,153
Loans in foreign currencies		5,847,332		4,641,845
Bills bought		665,403		528,223
Advances for customers		31,249		24,807
Call loans (Note 9)		925,250		734,500
Other assets		65,332		51,864
	W	8,906,123	\$	7,070,035
Liabilities				
Borrowings-foreign currencies	W	3,307,401	\$	2,625,547
Call money-foreign currencies		793,611		630,000
Debentures-foreign currencies		3,774,499		2,996,348
Other liabilities		66,369		52,685
	W	7,941,880	\$	6,304,580

Significant assets and liabilities denominated in foreign currencies as of December 31, 1999 are as follows:

	Korean Won		U.S. Dollars (Note 2)	
		(In millions)		(In thousands)
Assets				
Due from banks-foreign currencies	W	1,843,997	\$	1,463,838
Investment securities-foreign currencies		867,458		688,623
Loans in foreign currencies		8,104,843		6,433,947
Bills bought		230,009		182,590
Subrogation payment for guaranty		28,517		22,638
Call loans		156,805		124,478
Other assets		57,203		45,410
	W	11,288,832	\$	8,961,524
Liabilities				
Borrowings-foreign currencies	W	5,221,448	\$	4,144,993
Debentures-foreign currencies		4,652,152		3,693,063
Other liabilities		67,711		53,752
	W	9,941,311	\$	7,891,808

21. ADMINISTRATIVE EXPENSES:

Administrative expenses for the years ended December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Financial management expenses:				
Salaries and wages	W 26,864	W 21,732	\$ 21,326	\$ 17,252
Other	13,976	15,270	11,094	12,122
	<u>40,840</u>	<u>37,002</u>	<u>32,420</u>	<u>29,374</u>
Economic cooperation management expenses	387	253	307	201
Other administrative expenses:				
Provision for severance benefits	2,402	2,284	1,907	1,813
Depreciation	1,383	1,420	1,098	1,127
Taxes and dues	470	6,459	373	5,127
	<u>4,255</u>	<u>10,163</u>	<u>3,378</u>	<u>8,067</u>
	W 45,482	W 47,418	\$ 36,105	\$ 37,642

22. INCOME TAX EXPENSE:

(1) Tax reconciliation items

Tax reconciliation items between financial accounting income and taxable income for the year ended December 31, 2000 consist of:

	Korean Won		U.S. Dollars (Note 2)	
	(In millions)		(In thousands)	
Income before income tax expense	W	18,781	\$	14,909
Permanent differences				
Addition:				
Entertainment expenses in excess of amount allowed by tax law		500		397
Deduction:				
Dividends income		(7,897)		(6,269)
Recovery of allowance for possible loss on acceptances and guarantees		(15,072)		(11,965)
		<u>(22,469)</u>		<u>(17,837)</u>
Temporary differences				
Addition:				
Accrued severance benefits		752		597
Gain on valuation of trading securities at end of 1999		31,512		5,015
Investment securities impairment loss		8,347		6,626
Gain on valuation using equity method at end of 1999		2,501		1,985
Loss on valuation of borrowings		10,011		7,947
Loss on valuation of debentures issued		101,645		80,690
Loss on valuation of derivative instruments		84,023		66,701
Other		69		56
Deduction:				
Gain on valuation of trading securities		5,243		4,162
Allowance for possible loan losses at end of 1999		32,758		26,005
Allowance for possible loss on acceptances and guarantees at end of 1999		9,644		7,656
Gain on valuation using equity method		18,980		15,067
Recovery of investment securities impairment loss		33,546		26,630
Gain on valuation of borrowings		36,600		29,055
Gain on valuation of debentures issued		95,542		75,845
Gain on valuation of derivative instruments		28,277		22,447
Other		77		61
		<u>(21,807)</u>		<u>(17,311)</u>
Taxable loss	W	(25,495)	\$	(20,239)

(2) Cumulative temporary differences

Changes in cumulative temporary differences and deferred income tax assets for the year ended December 31, 2000 are as follows:

	Korean Won				U.S. Dollars	
	Beginning of year	(In millions)		End of year	(In thousands)	
		Addition	Deduction		End of year	
Accrued severance benefits	W 1,263	W 752	W -	W 2,015	\$ 1,600	
Depreciation	107	63	-	170	135	
Prepaid expenses	43	6	43	6	5	
Allowance for possible loan losses	42,396	-	32,758	9,638	7,651	
Not-used inventories	32	-	32	-	-	
Accrued income	-	(2)	-	(2)	(2)	
Trading securities	(31,512)	(5,243)	(31,512)	(5,243)	(4,162)	
Investment securities impairment loss	33,546	8,347	33,546	8,347	6,626	
Gain on valuation using equity method	(2,501)	(18,980)	(2,501)	(18,980)	(15,067)	
Allowance for possible loss on acceptances and guarantees	9,644	-	9,644	-	-	
Gain on valuation of borrowings	-	(36,600)	-	(36,600)	(29,055)	
Gain on valuation of debentures issued	-	(95,542)	-	(95,542)	(75,845)	
Gain on valuation of derivative instruments	-	(28,277)	-	(28,277)	(22,447)	
Loss on valuation of borrowings	-	10,011	-	10,011	7,947	
Loss on valuation of debentures issued	-	101,645	-	101,645	80,690	
Loss on valuation of derivative instruments	-	84,023	-	84,023	66,701	
Tax loss carryforwards	80,225	5,266	-	85,491	67,866	
Total	133,243	25,469	42,010	116,702	92,643	
Tax rate (%)	30.8			30.8	30.8	
Deferred income tax assets	W 41,039			W 35,945	\$ 28,535	

Potential tax benefits (deferred income tax assets) from tax loss carryforwards will expire after 2006 according to Corporate Income Tax Law. The Bank recognizes deferred income tax assets of W85,491 million(US\$ 67,866 thousand), net of unrealizable amounts of W20,000 million(US\$ 15,877 thousand).

(3) Income tax expense during 2000 consists of:

	Korean Won		U.S. Dollars (Note 2)	
	(In millions)		(In thousands)	
Income tax expense:				
Income tax payable	W -		\$ -	
Decrease in deferred income tax assets	5,094		4,044	
	W 5,094		\$ 4,044	
Income before income tax	W 18,781		\$ 14,909	

Effective tax rate is calculated based on income tax expense of W5,094 million divided by income before income tax expense of W18,781 million and is 27.1 percent.

23. TRANSACTIONS WITH RELATED PARTIES:

(1) Significant balances and transactions with related parties as of December 31, 2000 are as follows (Unit: Won in millions):

		Assets and liabilities		Income		Expenses	
KEXIM Bank (UK) Limited	Due from banks in foreign currencies	W	69,284	W	7,539	W	-
	Call loans in foreign currencies		-		229		-
	Other assets		185		-		-
KEXIM Asia Limited, HK	Due from banks in foreign currencies		-		2,105		-
	Call loans in foreign currencies		-		96		-
	Loans in foreign currencies		31,493		-		83
	Call money in foreign currencies		-		-		11
	Other liabilities		83		-		-
KEXIM Vietnam Leasing Co., Ltd.	Loans in foreign currencies		3,817		99		-
PT KOEXIM BDN Finance	Due from banks in foreign currencies		54,797		3,563		-
	Other assets		271		-		-
Total	Due from banks in foreign currencies		124,081		13,207		-
	Loans in foreign currencies		3,817		99		-
	Call loans in foreign currencies		-		325		-
	Other assets		456		-		-
	Borrowings in foreign currencies		31,493		-		83
	Call money in foreign currencies		-		-		11
	Other liabilities		83		-		-
		W	159,930	W	13,631	W	94

(2) Significant balances and transactions with related parties as of December 31, 1999 are as follows (Unit: Won in millions):

		Assets and liabilities		Income		Expenses	
KEXIM Bank (UK) Limited	Due from banks in foreign currencies	W	160,356	W	7,392	W	-
	Loans in foreign currencies		22,908		1,249		-
	Other assets		1,588		-		-
	Borrowings in foreign currencies		-		-		652
KEXIM Asia Limited, HK	Due from banks in foreign currencies		88,196		5,739		-
	Loans in foreign currencies		22,908		1,408		-
	Other assets		4,022		-		-
	Borrowings in foreign currencies		-		-		698
	Debentures in foreign currencies		11,339		-		859
	Other liabilities		68		-		-
KEXIM Vietnam Leasing Co., Ltd.	Loans in foreign currencies		94		58		-
	Other assets		1		-		-

		Assets and liabilities		Income		Expenses	
PT KOEXIM BDN Finance	Due from banks in foreign currencies	W	49,825	W	2,538	W	-
	Loans in foreign currencies		20,617		2,021		-
	Other assets		1,148		-		-
Total	Due from banks in foreign currencies		298,377		15,669		-
	Loans in foreign currencies		66,527		4,736		-
	Other assets		6,759		-		-
	Borrowings in foreign currencies		-		-		1,350
	Debentures in foreign currencies		11,339		-		859
	Other liabilities		68		-		-
		W	383,070	W	20,405	W	2,209

24. CONTINGENCIES AND COMMITMENTS:

(1) Acceptances and guarantees as of December 31, 2000 and 1999 consist of:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Confirmed acceptances and guarantees				
Acceptances	W -	W 21,935	\$ -	\$ 17,413
Others in foreign currencies	6,196,993	4,501,473	4,919,420	3,573,448
	W 6,196,993	W 4,523,408	\$ 4,919,420	\$ 3,590,861
Unconfirmed acceptances and guarantees				
Customer's liability on letters of credit	W 3,360	W 5,796	\$ 2,667	\$ 4,601
Others	4,214,762	1,436,998	3,345,846	1,140,746
	W 4,218,122	W 1,442,794	\$ 3,348,513	\$ 1,145,347

(2) As of December 31, 2000, the Bank had filed six lawsuits claiming damages amounting to W1,220 million (US\$968 thousand) and \$21,434 thousand. The outcome of these lawsuits cannot presently be determined.

25. DERIVATIVE INSTRUMENTS:

Notional amounts, valuation gain and loss and assets and liabilities of outstanding derivative instruments as of December 31, 2000 are as follows (Unit : Won in millions):

	Notional amounts		Valuation gain and loss		Accumulated valuation gain and loss	
	Trading transaction	Hedging Transaction	Trading transaction	Hedging transaction	Assets	Liabilities
Currency swaps	W 125,970	W 625,403	W -	W 14,163	W 9,352	W 107,672
	-	-	(6,919)	(75,329)	-	-
Interest rate swaps	-	1,487,706	-	14,114	10,908	3,181
	-	-	-	(1,776)	-	-
	W 125,970	W 2,113,109	W (6,919)	W (48,828)	W 30,260	W 110,853

26. EMPLOYEE BENEFITS:

Employee benefit expenses during the years ended December 31, 2000 and 1999 are as follows:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Meal expenses	W 1,119	W 1,107	\$ 888	\$ 879
Medical expenses	72	80	57	64
Fringe benefits	2,268	3,610	1,800	2,866
Healthcare expenses	185	45	147	36
Clothing expenses	12	9	10	6
	W 3,656	W 4,851	\$ 2,902	\$ 3,851

27. EXPERT TRAINING EXPENSES:

For the years ended December 31, 2000 and 1999, the Bank paid W433 million (US\$334 thousand) and W379 million (US\$301 thousand) to local and foreign training institutes for expert training instruction.

28. VALUE-ADDED:

Significant accounts to calculate value-added of the Bank for the years ended December 31, 2000 and 1999 are as follows:

	Korean Won		U.S. Dollars	
	2000	1999	2000	1999
	(In millions)		(In thousands)	
Salaries and wages	W 26,864	W 21,732	\$ 21,326	\$ 17,252
Provision for accrued severance benefits	2,402	2,284	1,907	1,813
Fringe benefits	3,656	4,851	2,902	3,851
Rental expense	48	52	38	41
Depreciation	1,383	1,420	1,098	1,127
Taxes and dues	470	7,457	373	5,920
	W 34,823	W 37,796	\$ 27,644	\$ 30,004

Report of Independent Public Accountants

ANJIN & Co. ARTHUR ANDERSEN

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Telephone +82 2 6676-1000 Facsimile +82 2 785-4753

To The Export-Import Bank of Korea

We have audited the accompanying non-consolidated balance sheets of The Export-Import Bank of Korea (the "Bank") as of December 31, 2000 and 1999 and the related statements of operations, dispositions of deficit and cash flows for the years then ended. These non-consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Export-Import Bank of Korea as of December 31, 2000 and 1999, and the results of its operations, the changes in its deficit and its cash flows for the years then ended, in conformity with the Export-Import Bank of Korea Act and bank accounting standards and financial accounting principles generally accepted in the Republic of Korea (see Note 2).

The translated amounts in the accompanying non-consolidated financial statements have been translated into US\$, solely for the convenience of the reader, on the basis set forth in Note 2 to the non-consolidated financial statements.

As discussed in Note 17, the Bank increased its paid in capital by W200,000 million (US\$158,768 thousand) on December 22, 2000. As of December 31, 2000, the Bank has W4,000,000 million (US\$3,175,359 thousand) of authorized capital, of which W2,675,755 million (US\$2,124,121 thousand) has been paid-in.

As explained in Note 2, the Bank prepares its non-consolidated financial statements in conformity with the Export-Import Bank of Korea Act and bank accounting standards and accounting principles generally accepted in the Republic of Korea. During fiscal year 2000, the Bank implemented two new standards related to the accounting for derivative instruments and the accounting for previously deferred costs. Implementation of these changes in accounting principles resulted in a decrease of W108,743 million (US\$86,325 thousand) of beginning retained earnings and an increase of W26,051 million (US\$20,680 thousand) in fiscal year 2000 net income.

As disclosed in Note 6, Daewoo Group companies are under workout process including rescheduling of interest and principal and conversion to equity securities from loans. The Bank's outstanding loans, net of present value discount (including confirmed acceptances and guarantees), to Daewoo Group companies under workout as of December 31, 2000 amount to W2,880,100 million (US\$2,286,338 thousand). These loans are classified as normal, W492,700 million (US\$391,125 thousand), precautionary, W1,727,900 million (US\$1,371,676 thousand), substandard, W225,700 million (US\$179,170 thousand), doubtful, W433,800 million (US\$344,368 thousand), for which an allowance for possible loan losses (including allowance for possible losses on confirmed acceptances and guarantees) of W400,800 million (US\$318,171 thousand) was provided. Collectibility of these loans may be affected by the restructuring of companies under workout programs.

As disclosed in Note 6, the Bank's outstanding loans, net of present value discount (including confirmed acceptances and guarantees) to companies (excluding Daewoo Group companies) under court receivership, composition, and workout as of December 31, 2000 amount to W280,300 million (US\$222,513 thousand). These loans are classified as normal, W85,800 million (US\$68,111 thousand), precautionary, W50,400 million (US\$40,010 thousand), substandard, W34,700 million (US\$27,546 thousand), doubtful, W97,200 million (US\$77,161 thousand), estimated loss, W12,200 million (US\$9,685 thousand), for which an allowance for possible loan losses (including allowance for possible losses on confirmed acceptances and guarantees) of W69,200 million (US\$54,934 thousand) was provided. Collectibility of these

loans may be affected by the restructuring of companies under restructuring programs.

As more fully discussed in Note 6, the Bank provided loans of US\$465,504 thousand for consumer products to the Bank for Foreign Affairs of the USSR in 1991 and 1992 with a guarantee of the Russian Government, which were scheduled to be repaid in 1993 and 1994. However, repayment of those loans and interest has been delayed due to the Russian economic crisis. Principal and interest paid during 2000 total US\$10,808 thousand. As of December 31, 2000, US\$263,825 thousand of those loans had not been repaid and was outstanding. Collectibility of these loans may be affected by the repayment negotiation in process.

Without qualifying our opinion, we draw attention to Note 1 to the non-consolidated financial statements. The operations of the Bank have been significantly affected, and may continue to be affected for the foreseeable future, by the general adverse economic conditions in the Republic of Korea and in the Asia Pacific region. The ultimate effect of these significant uncertainties on the financial position of the Bank as of the balance sheet dates cannot presently be determined and, accordingly, no adjustments have been made in the accompanying non-consolidated financial statements related to such uncertainties.

The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. The procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries and jurisdictions. Accordingly, this report and the accompanying non-consolidated financial statements are not intended for use by those who are not informed about Korean accounting principles or auditing standards and their application in practice.

Seoul, Korea

January 20, 2001



Auditor's Statement

I have audited the balance sheets of The Export-Import Bank of Korea as of December 31, 2000, and the related statements of operations, appropriations of retained earnings and cash flows for the year then ended. My audit was made in accordance with The Export-Import Bank of Korea Act and its related regulations.

The accounting principles and practices followed by The Export-Import Bank of Korea are in conformity with The Export-Import Bank of Korea Act and its related regulations, and with generally accepted accounting principles prevailing in the Republic of Korea. In my opinion, the financial statements referred to above present fairly the financial position of the Bank as of December 31, 2000 and 1999, and the result of its operation for the year then ended, in conformity with such accounting principles and accounting practices applicable to the Bank in the Republic of Korea.

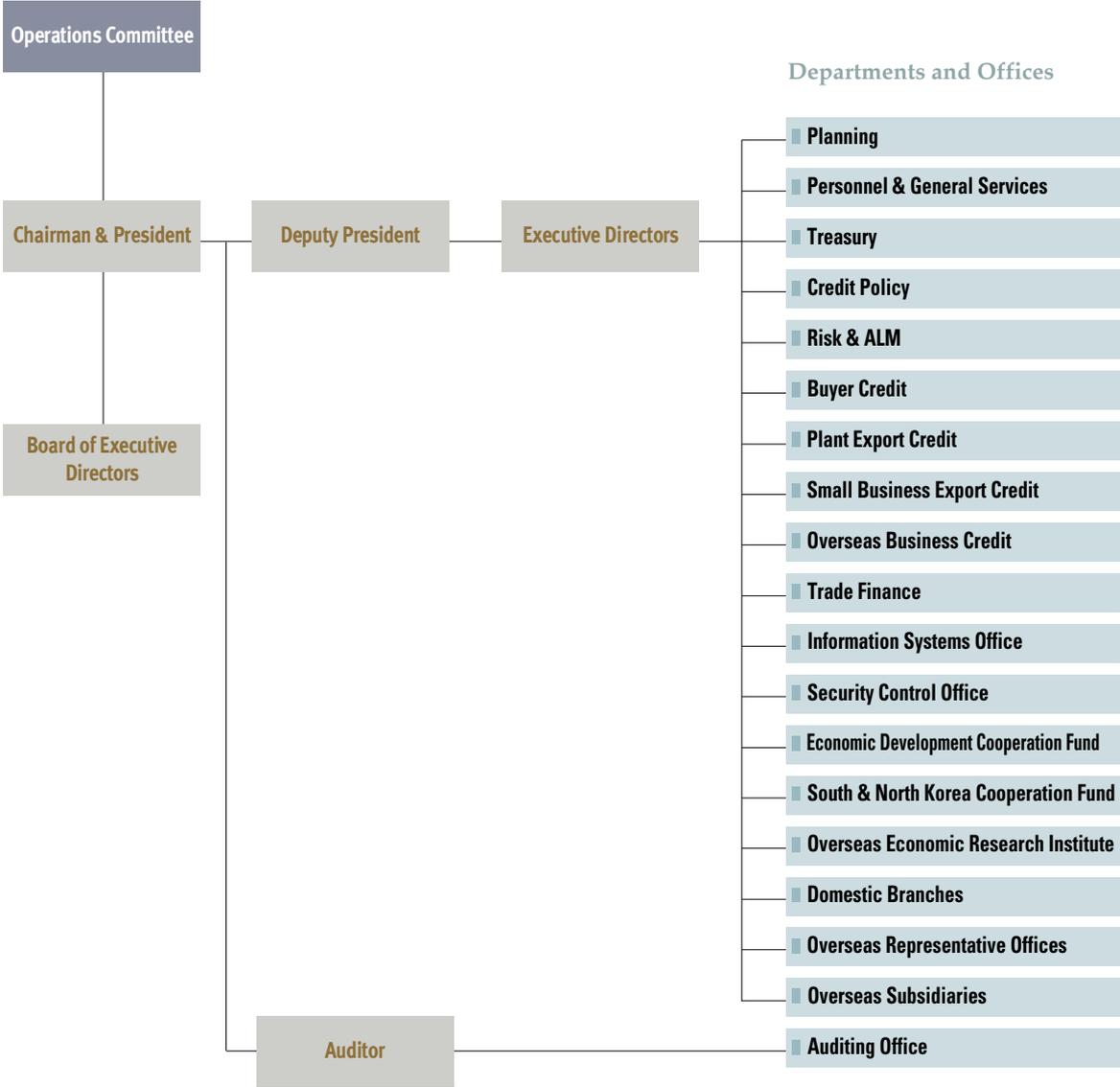
February 19, 2001



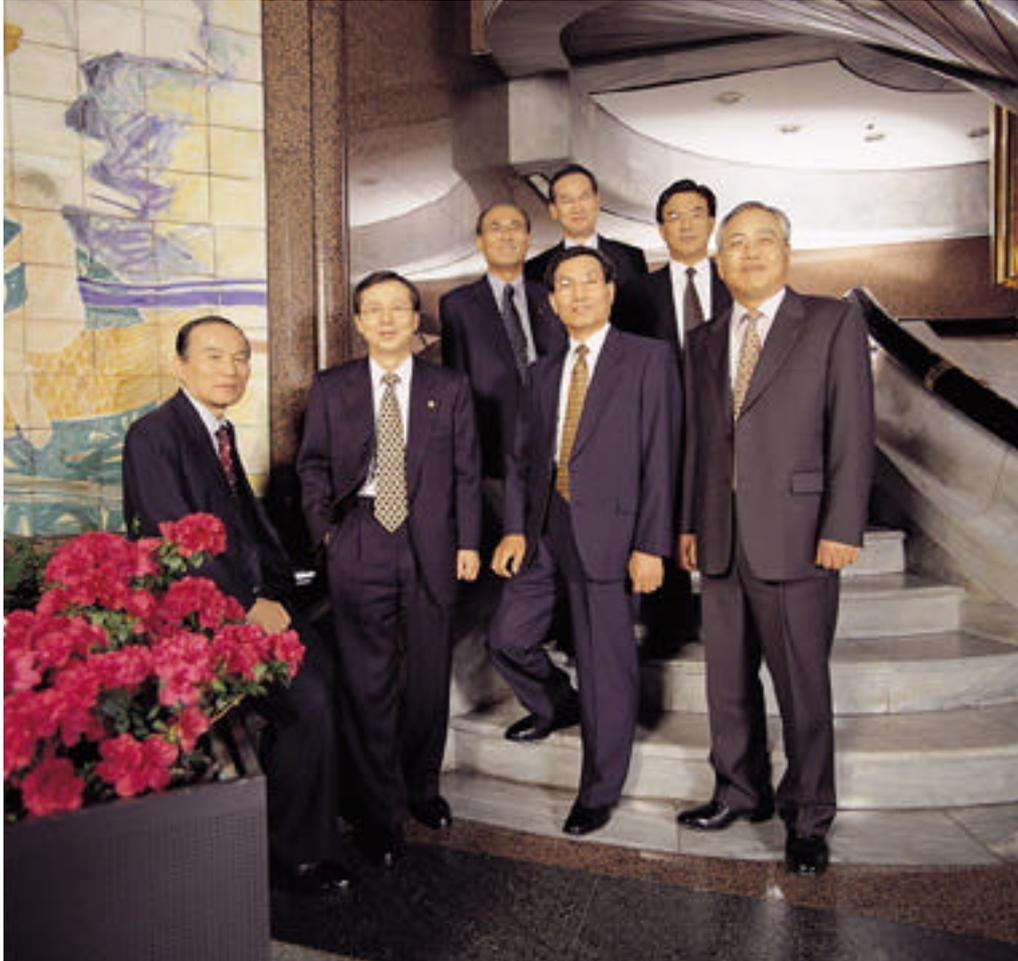
Ji, Yong-Ki

Auditor

Organization Chart



Board of Directors



(Front: left to right) Yong-Ki Ji, Young-Hoi Lee, Moon-Mo Chung, Hyun-Chul Shin.

(Back: left to right) Ki-Hark Yoon, Sung-Kyu Kim, Gyu Lee.

<i>Chairman and President</i>	Lee, Young-Hoi
<i>Deputy President</i>	Chung, Moon-Mo
<i>Auditor</i>	Ji, Yong-Ki
<i>Executive Directors</i>	Shin, Hyun-Chul
	Yoon, Ki-Hark
	Kim, Sung-Kyu
	Lee, Gyu

Principal Officers and Domestic Branches

PRINCIPAL OFFICERS

Departments & Offices

Planning
Personnel & General Services
Treasury
Credit Policy
Risk & ALM
Buyer Credit
Plant Export Credit
Small Business Export Credit
Overseas Business Credit
Trade Finance
Information Systems Office
Security Control Office
Auditing Office
Economic Development
Cooperation Fund
South & North Korea
Cooperation Fund
Overseas Economic Research Institute

Directors

Ji-Ho Choi
Sang-Hun Lee
Sung-Uk Hong
Yong-An Choi
Hee-Sun Yoo
Jin-Ho Kim
Dong-Kwan Kim
Kyung-Suk Hong
Jung-Jun Kim
Joong-Ouk Shin
Jung-Ha Choi
Jeong-Boo Han
Yeon-Soo Park
Sang-Kyun Jo
Sung-Soo Lim
Ki-Jae Song

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Inchon Branch

General Manager: Chang-Un Lee
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1127, Guwol-dong, Namdong-gu, Inchon 405-220
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HEAD OFFICE AND DOMESTIC BRANCHES

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