

Profile

The Export-Import Bank of Korea (“the Bank”) is an official export credit agency providing comprehensive export credit and project finance to support Korean enterprises in conducting business internationally. Since its establishment in 1976, the Bank has endeavored to facilitate the development of the national economy and enhance economic cooperation with foreign countries as a financial catalyst.

The Bank's financial service embraces export loan, trade finance, and guarantee structured to the needs of various customers, complementing the client's utmost competitiveness in world market. The Bank also provides overseas investment credit, import credit, and information services on business opportunities abroad. The potential projects are realized through the Bank's capability to cover risk and bridge the liquidity gap in overseas transactions.

Furthermore, the Bank administers two government funds, a Korean ODA program and a cooperation program with North Korea: Economic Development Cooperation Fund and Inter-Korea Cooperation Fund, respectively.

The Bank boasts of the highest credit rating among Korean financial institutions, and envisages “Creative Leader in Export Credit” trusted by Korean people and companies.

History

- 1976
Established by the Export-Import Bank of Korea Act
- 1977
Manages Export Insurance Fund
- 1987
Operates EDCF, a Korean ODA program
- 1988
Opens Overseas Economic Research Institute
- 1991
Administers IKCF (formerly known as SNKCF),
a cooperation program with North Korea
- 1992
Relocates Export Insurance Fund to KEIC
- 1995
Financing activities exceed US\$5 billion
- 2000
Financing activities exceed US\$10 billion

Contents

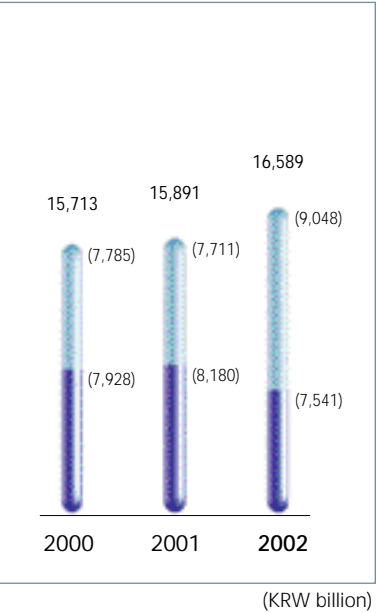
Financial Highlights	I 1 I
Message from the Chairman & President	I 2 I
Bank's Program Outline	I 4 I
Major Events of the Year 2002	I 6 I
Economic Situation in 2002	I 9 I
Bank Operations	I 13 I
Government Account Business	I 21 I
Supporting Activities	I 26 I
Financial Report	I 30 I
Organization Chart	I 72 I
Board of Directors	I 73 I
Principal Officers & Domestic Branches	I 74 I
Overseas Network	I 75 I

Financial Highlights

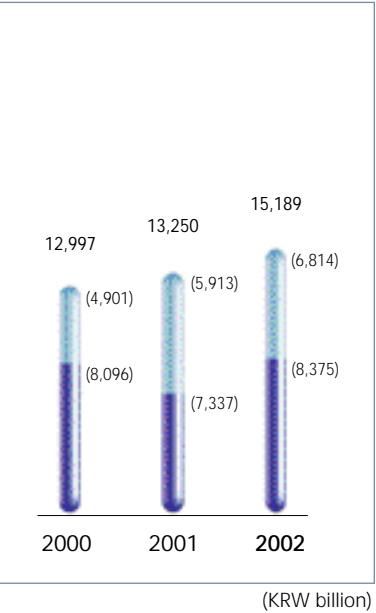
	KRW Billion		US\$ Million**	
	2001	2002	2001	2002
For the Year				
Total Commitments	15,891	16,589	13,238	13,820
Loans	8,180	7,541	6,814	6,282
Guarantees	7,711	9,048	6,424	7,538
Total Disbursements	13,250	15,189	11,038	12,653
Loans	7,337	8,375	6,112	6,977
Guarantees	5,913	6,814	4,926	5,676
Net Income	10*	54	8*	45
At Year-end				
Loans Outstanding	8,228	7,651	6,855	6,374
Guarantees Outstanding	8,608	10,484	7,171	8,734
Total Assets	11,071	10,607	9,223	8,836
Paid-in Capital	2,676	2,726	2,229	2,271
BIS Capital Adequacy Ratio (%)	14.8	14.7	14.8	14.7

* Adjusted according to the new accounting standard
** The U.S. dollar amounts are provided herein as supplementary information solely for the convenience of the reader at KRW1,200.4 : US\$1 on December 31, 2002.

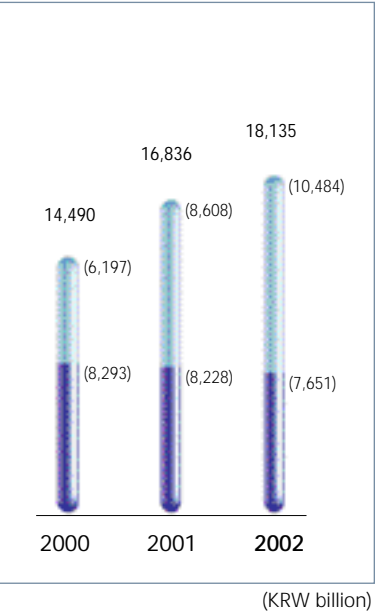
Total Commitments



Total Disbursements



Year-end Outstanding



Guarantee Loan

Message from the Chairman & President



The year 2002 saw major worldwide efforts to deal with the global downturn of 2001. Notably successful in those efforts was Korea, which not only recovered but also sustained output growth of 6%, thanks to its broad restructuring program in place since the 1997 financial crisis.

The past year has also been productive for the Bank. Financing activities marked the highest level in its history reaching KRW15.2 trillion, an increase of 14.6% from the previous year. In particular, the forfaiting business, introduced in late 2001 to absorb risks involved in transactions with relatively high-risk countries, was operated in earnest. The Bank launched a new lending program for small and medium-sized enterprises (SMEs) to hedge their foreign exchange risks arising from borrowings denominated

in foreign currencies. Thus, the Bank further strengthened its role as a risk-taker and creative leader supporting international transactions.

The Bank also supported ship exports with improved financial terms and conditions in line with the revised "Sector Understanding on Export Credits for Ships" under the "Arrangement on Guidelines for Officially Supported Export Credits", which went into effect on April 15, 2002. The applicable interest rate was changed from a fixed rate of 8% to a commercial interest reference rate (CIRR), and the maximum repayment term was extended from 8.5 years to 12 years. In addition, structured finance was provided to ship buyers, whereby the

Bank created diverse financial terms and conditions in accordance with buyers' needs, subject to WTO and the Sector Understanding.

Such notable achievements can be attributed to staff's efforts to meet the market demands through customer-centered and market-driven financing, a strategy I have stressed since my appointment as Chairman and President of the Bank.

Besides this remarkable performance in its operation, the Bank took meaningful steps forward in the area of organization and management last year. To strengthen the Bank's competitiveness and efficiently respond to the ever-changing business environment, the Bank reorganized its structure, following a recommendation by Arthur Andersen,

a global leader among consulting firms. The reorganization was focused on reinforcing the Bank's ability to provide medium- and long-term financing, one of its core businesses. Meanwhile, five new board members replaced outgoing members. Looking to the future, the Bank will commit itself to knowledge-based management, the new paradigm of 21st century business management.

Considering the geopolitical uncertainties, the outlook for global economic growth in 2003 appears dim. The future of the Korean economy is also unpredictable, depending on the outcome of the US-Iraq war and the North Korean nuclear issue, among others.


Recognizing the importance of the Bank's role in the Korean economy under all challenges, the Bank has set an ambitious operating target for 2003 to extend KRW16 trillion of credit. Part of the goal is to explore emerging markets and to prioritize high value-added industries such as information technology (IT) and biotechnology (BT). Paramount among the Bank's goals is prompt and unparalleled service that meets the diversified needs of clients everywhere.

Mitigating risks and sharing knowledge are vital for enhancing the quality of the Bank's credit services. Now, after a year of preparations, the new computerized system, called the next-generation information system (NGIS), has been completed. It provides a specific program for mitigating the Bank's increasing risks in proportion to credit volume. The NGIS will also expedite the sharing of knowledge that is gathered by staff members.

The Economic Development Cooperation Fund (EDCF) and the Inter-Korea Cooperation Fund (IKCF) are operated under the auspices of the government. To support both

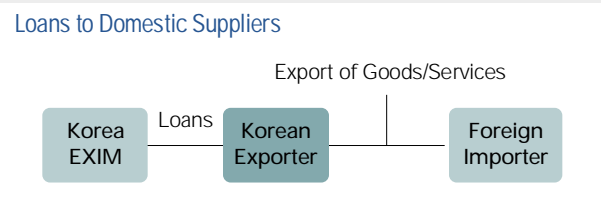
Funds, the government will commit additional contributions of KRW80 billion to EDCF and KRW300 billion to IKCF, respectively.

Regardless of the circumstances, the Bank will make every effort to meet challenges and to promote economic cooperation with other countries under the new "Participatory Government" of Korea, which was inaugurated in February.

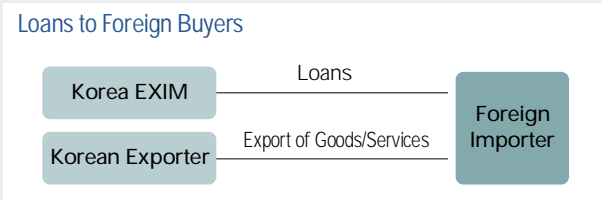

Young-Hoi Lee
Chairman & President

Bank's Program Outline

Financing Programs for Export

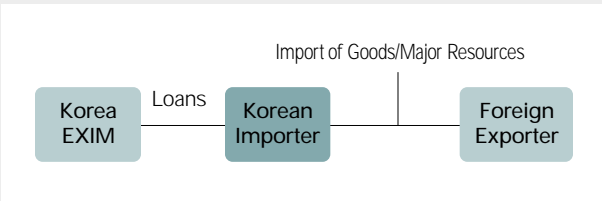


- Loans to Domestic Suppliers**
Export Loan
 Loan to Korean exporters that execute the export of capital goods such as industrial plants, ships, and industrial machinery
- Technical Service Credit**
 Credit to Korean companies that export technical services, including overseas construction projects
- Small Business Export Credit**
 Credit to SMEs that manufacture exporting goods or supply materials to primary exporters
- Rediscount on Trade Bills**
 Trade financing to domestic commercial banks in the form of rediscounting trade bills already discounted by commercial banks for exporters
- Forfaiting**
 Trade financing to Korean exporters in the form of discounting trade bills gained from transactions with developing countries without recourse or additional collateral



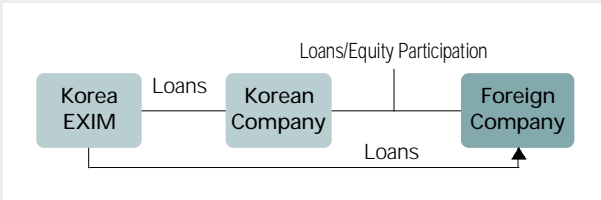
- Loans to Foreign Buyers**
Direct Loan
 Loan to foreign buyers that purchase Korean goods or technical services, in which the Bank directly enters into loan agreements with foreign buyers
- Project Finance**
 Loan to foreign project companies that import plants, equipment, and technical services from Korea for the promotion of greenfield projects
- Relending Facility**
 Line of credit to creditworthy banks in foreign countries to help foreign buyers obtain loans for the purchase of manufactured goods from Korea

Financing Programs for Import



- Import Credit**
 Credit to Korean importers that import essential materials and major resources, of which stable and timely supply is required for Korean economy

Financing Programs for Overseas Investment



- Overseas Investment Credit**
 Credit to Korean companies that invest abroad in the forms of equity participation or long-term loan
- Overseas Project Credit**
 Credit to Korean companies engaged in business outside Korea to procure materials required for installing, expanding, and operating equipment or facilities abroad
- Overseas Business Credit**
 Credit to foreign companies, in which a Korean company has an equity share, for purchasing equipment or working capital
- Major Resources Development Credit**
 Credit to Korean companies that explore natural resources and acquire mining rights abroad

Guarantees and Other Support



- Financial Guarantee**
 Guarantee to co-financing banks that provide loans to transactions that satisfy the Bank's eligibility

- Project Related Guarantee**
 Guarantee to foreign importers or exporters for the performance of the eligible projects, in the forms of bid bond, advance payment bond, performance bond, retention bond, etc.
- Interest Rate Support**
 Support to financial institutions that co-finance export credit with the Bank at CIRR in accordance with the OECD Guidelines
- L/C Confirmation Facility**
 Facility to ensure confirming L/Cs, which are issued by foreign banks in developing countries, in favor of Korean exporters in relation to export transactions

Non-financial Programs

- Country Information Service**
 Service on diverse and timely economic information on many countries worldwide by operating Overseas Economic Information System (OEIS) on the Bank's web site
- Export Credit Advisory Service (ECAS)**
 Financial consulting and information service on the country, industry, and market of the importing countries that are needed in the early stage of the tendering process or contract negotiations
- Consulting Service**
 Service related to international contracts or transactions provided by in-house lawyers

Major Events of the Year 2002

Changes in Top Management

The year 2002 saw major changes in the Bank's top management. Starting in March, Mr. Il-Sung Shin was newly appointed as Auditor of the Bank for a three-year term. Mr. Shin served as Aide to Deputy Prime Minister and Minister of Finance & Economy before the appointment. In April, Mr. Jin-Ho Kim was appointed as Executive Director of the Board of Directors succeeding Mr. Hyun-Chul Shin. Prior to his appointment, Mr. Kim was Director General of Overseas Economic Research Institute. Finally in May, four members were changed. Mr. Gyu Lee was promoted from Executive Director to Deputy President, and Mr. Tae-Hee Kim, Mr. Sang-Kyun Jo, and Mr. Dong-Kwan Kim were appointed Executive Directors. Mr. T. Kim had previously served as Director General of Busan Branch (Yeongnam Regional Headquarters), Mr. Jo Director General of Human Resources Department, and Mr. D. Kim Director General of Export Credit Group. It was notable that most of the new members were from inside personnel, contributing stability and continuity to the operations of the Bank.

Rearrangement of Organizational Structure

In February, the Bank rearranged five lending departments into four big groups in conformity with its credit types. The four groups are Export Credit Group, Trade Finance Group, SME Export Credit Group, and Overseas Investment Credit Group. Within each group, employees are divided into several teams to enhance efficiency in serving client companies. It was implemented according to the advice on organizational human resources management offered by Arthur Andersen, one of leading consulting firms. The aim is to meet the changing managerial environment and improve competitiveness as an ECA. The classification of the Bank's operation into four groups is based on customer-oriented mind, which enables its clients to easily contact and utilize the Bank according to their needs. Moreover, the groups take more responsibility for their operations, and offer more specialized financial services to their clients. The team-based management within each group will help it develop human resources efficiently and shorten the decision-making procedure.

Reopening of Moscow Representative Office and Cooperation Agreement Signed with Bank for Foreign Trade

The Bank reopened its Moscow Representative Office in November, the first among Korea's financial companies to do so after the financial crisis in the late 1990's. It is eager to use the office as a window to promote economic relationship between the two countries, and expects to actively provide financial services not only to Russia but also to CIS such as Kazakhstan and Uzbekistan. The first Moscow Representative Office was closed in November 1998 as part of the organizational restructuring process during the financial crisis. On the day of reopening, Korea Eximbank and Russia's Bank for Foreign Trade signed a cooperation agreement. The agreement is composed of two parts, which are master trade related program and information exchange.



Improvements to Credit Policy

On February 28, 2002, the National Assembly approved an amendment to the Export-Import Bank of Korea Act, making it possible for the Bank to be more active in dealing with changes in international trade and financial situations, and stronger in its complementary role to the commercial banking sector. The key change of the Act lies in foreign exchange service becoming a regular operation of the Bank, which, together with the financing programs, will diversify methods of supporting foreign trade and be more efficient in helping international businesses be less complicated. In addition, the Bank reformed the terms and conditions of export credits for ships as "Sector Understanding on Export Credits for Ships" of the OECD Guidelines was revised. The interest rate was changed from 8% to CIRR, and the maximum repayment term was expanded from 8.5 years to 12 years. Also, the Bank plans to broaden the scope of the financial program, including structured finance, to ship buyers abroad. This improvement of the program was designed to respond to the growing demand for ships in the future.

Multilateral L/C Confirmation Facility Signed

At the 8th Annual Meeting of Asian ECAs held in Kuala Lumpur, Malaysia in August, the Agreement for Multilateral L/C Confirmation Facility was signed by ECAs from six countries, including India, Indonesia, Japan, Korea, Malaysia, and Thailand. According to the facility, the signing counterparts are to provide confirmation or guarantee for L/Cs related to export-import transactions among the participating countries. Korea Eximbank first brought up the need for such a facility at the 7th Annual Meeting held in Seoul to promote more stable trade activities in the region. The objectives of the facility are to reduce the risk in collecting bills, activate financial services for trade, enhance cooperation within the region, and encourage intra-regional transactions.



Korea Eximbank's Euro Bond Sale



In November, the Bank's Euro bond deal was issued at 5-year U.S. Treasury yields plus 127 basis points in London, the lowest spread since the financial crisis. The deal was sized up to US\$700 million from the original US\$500 million as it distributed well in the European and Asian markets and investors showed keen interest, resulting in strong over-subscription. ABN AMRO, Barclays Capital, and UBS Warburg acted as lead managers and book runners. The success of the new deal can be attributed to good timing of positive sovereign ratings by Moody's and successful road shows in Hong Kong, Singapore, and London. Aside from Japan, Korea Eximbank's US\$700 million Euro bond is the largest for a single Asian institution to issue in the Euro bond market. The composition of the investors is 62% Asia (excluding Japan), 33% Europe, and 5% Japan.

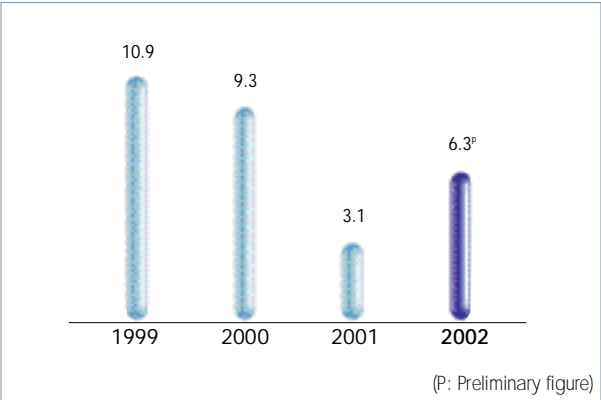


Economic Situation in 2002

Economic Situation in 2002

Korean economy experienced a relatively healthy growth in 2002 with the GDP growth expected to post around 6.3% in the face of a sluggish world economy. Mainly due to the success of the economic restructuring program initiated in the wake of the 1997 financial crisis and the underlying dynamism of the economy, Korea succeeded in escaping from the downward trend of its year-on-year GDP growth rate.

Real GDP Growth (%)



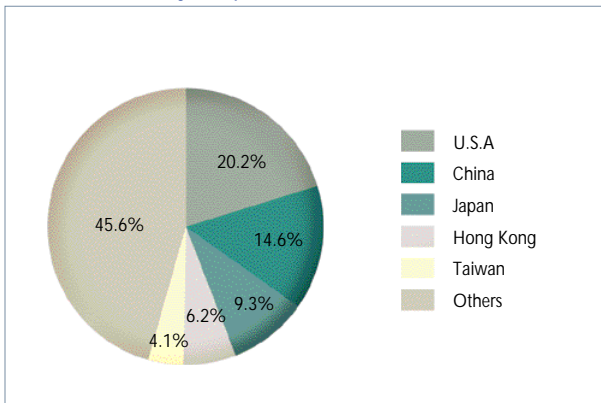
Export Trends in 2002

Exports in 2002 rose 8.0% from the previous year to US\$162 billion, while imports increased 7.8% to US\$152 billion. The general improvement in the unit prices of exports, especially those of automobiles, iron and steel, and petrochemical products, contributed to the relatively high growth rate of exports in 2002.

Exports of IT related products such as telecommunications equipment, semiconductors, computers, and automobiles continued to be strong while those of the so-called conventional products such as textile products remained weak. Exports of wireless telecommunications equipment, in particular, increased by more than 38%, posting US\$13.6 billion. Exports of semiconductors and computers remained robust, increasing by more than 15% in 2002. Due to the sharp increase in exports of wireless telecommunications equipment, the share of the five major export products out of the entire exports soared from 38.9% in 2001 to 42.4% in 2002.

Korea's exports to five major trading partners grew slightly to 54.4%, mainly due to the sharp increase of 30.6% in exports to China. Exports to the European Union also increased by 10.5% and to ASEAN countries by 11.8%, thus posting double-digit growth from the preceding year. However, those to the U.S. rose by a meager 5% while exports to Japan declined by 8.3%. A contraction also occurred in Latin America, which saw a decline of 8.9% in 2002.

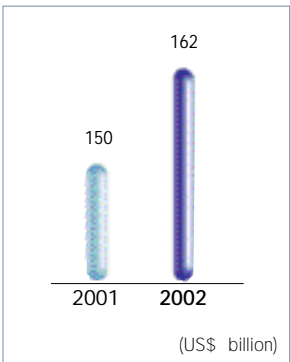
Shares of Five Major Export Markets



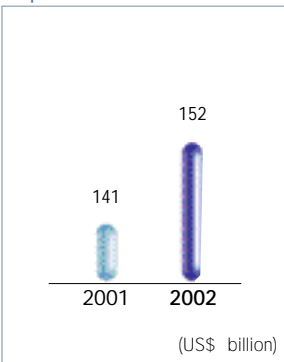
Import Trends in 2002

Steady growth of exports and the increase in the unit price of major capital goods and raw materials played a major role in the increase of import amounts by 7.8% in 2002. Imports of machinery, petrochemical products, and farm products grew by more than 10%, while those of oil contracted by 10% largely due to the stabilization of oil prices during the year

Exports



Imports



2002. Posting a US\$3 billion trade surplus in 2002, Korea's cumulative trade surpluses of more than US\$94 billion from 1998 to 2002 offset the entire trade deficit of US\$89.8 billion accumulated since the establishment of the Korean government in 1948.

Trends of Major Industries in 2002

Shipbuilding Industry

Korea exported US\$10.5 billion worth of ships in 2002, up 8.7% from a year earlier, the first time in thirty-three years that the amount of the nation's ship exports broke the US\$10 billion mark.

Korea began exporting ships in 1969 by delivering twenty deep-sea fishing trawlers to Taiwan, and entered the international shipbuilding market in earnest in 1974 when Hyundai Heavy Industries exported a large-scale oil tanker. Overseas shipment of ships posted US\$7.5 billion in 1999, US\$8.2 billion in 2000, and US\$9.9 billion in 2001.

In 2002, the proportion of ship exports increased to 6.7% of the total exports, up from 6.6% of the previous year, making them Korea's fourth largest export item.

Korean shipyards constructed a total of 210 ships in 2002, and shipped 209 of them to twenty-six countries. Of them, Greece bought the most with sixty, followed by Germany with thirty-four and Italy with twenty-one.

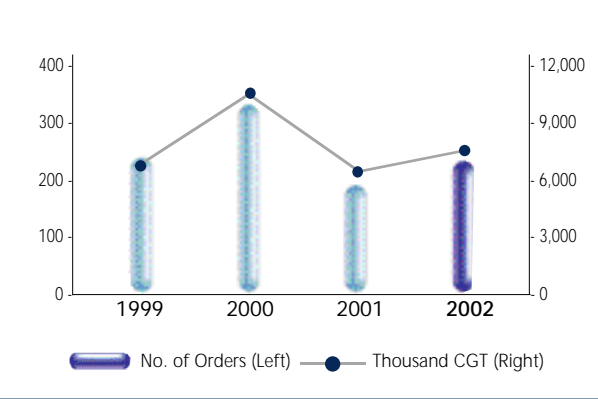
Orders for shipbuilding remained weak throughout the first nine months of 2002, recording a fall of 28.9% compared to the preceding year. However, they surged in the last quarter, pushing the annual growth rate up to 18.5%. In December alone, the nation received orders for 2.2 million CGT (compensated gross ton) of new ships.

Ship construction also set a new record in 2002, following 2001 with 6.8 million CGT.

For 2003, it is projected that orders and construction of ships

will maintain similar levels to those of last year with 7.5 to 7.7 million CGT and 6.8 to 7.0 million CGT, respectively, while exports are expected to increase to US\$10.7 billion.

New Orders Placed with Korean Shipbuilders



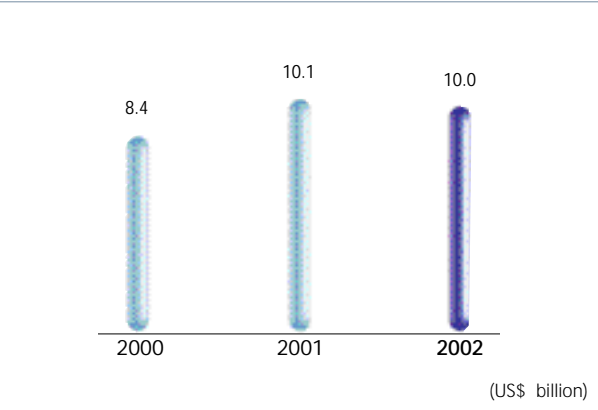
Industrial Plants Industry

Overseas plant contracts secured by Korean firms during 2002 totaled US\$10.0 billion, down 0.9% from the US\$10.1 billion in 2001, but more than US\$2.8 billion in 1998, US\$4 billion in 1999, and US\$8.4 billion in 2000.

By region, the largest portion with 49.1% of orders came from the Middle East, up 15.7% from the previous year, followed by Africa with 18.7%, up 0.6% from the preceding year.

On the other hand, the proportion of orders from Asia and North America declined to 23.5% and 6.7% from 25.3% and 15.6% a year earlier.

Industrial Plants Exports

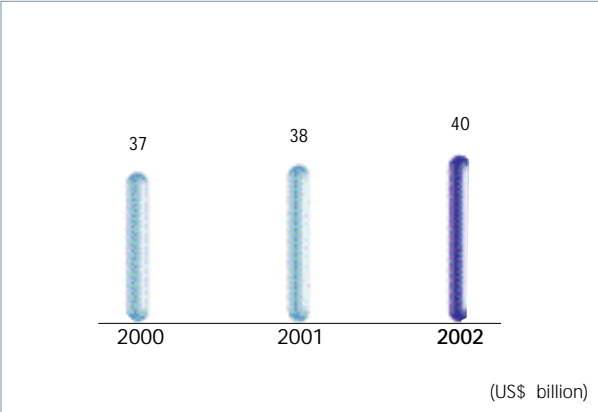


Though there are some variables such as the Middle East crisis, it is forecasted that overseas plant contracts for the year 2003 would be about US\$11 billion, up around 10% from 2002. The estimated amount includes US\$5 billion from the Middle East, US\$2.5 billion from Africa, US\$2 billion from Asia, and US\$1.5 billion from North & Central America.

Machinery Industry

Exports of machinery by Korean companies in 2002 reached US\$40.0 billion, a 5.3% increase compared to the previous year. Exports of transportation machinery and general machinery in 2002 grew by more than 10%, occupying 76% of total machinery exports. Exports of machinery in 2003 are expected to reach US\$43.2 billion.

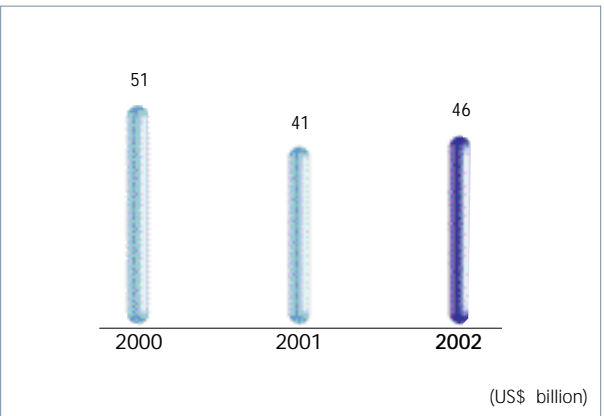
Machinery Exports



IT Industry

Exports of IT related products in 2002 reached US\$46.1 billion, taking 28.5% of the entire exports. Continued efforts to develop new export items and new target countries made a more than 12% increase in IT related exports in 2002 possible. Shares of wireless telecommunications equipment, LCD monitors, and notebooks soared, while those of semiconductors remained weak.

IT Products Exports



Conclusion

With the US-Iraq war and concern over North Korea's nuclear ambition, the outlook for Korean economy does not seem to be better than last year. However, the year 2003 is expected to mark another meaningful turning point in Korea's economic history with the inauguration of the 16th President Roh in February 2003. In the face of possible global depression caused by continued poor performance of the major countries, President Roh's new government promised ongoing structural reforms, capitalizing on growth potential by nurturing high-tech industries, and driving the main growth engine of the Korean economy, exports and imports, at full throttle.



Bank Operations

Overview

During 2002, the Bank endeavored to provide a financial solution to Korean companies engaged in foreign transactions with developing countries, through which the Bank could promote the export of capital goods. In addition, the Bank also made an effort to create new financial programs that were not provided by Korean commercial banks but essential to exporting companies.

In 2002, the Bank provided total credits of KRW15,189 billion, KRW8,375 billion as loans and KRW6,814 billion as guarantees, equivalent to US\$12,653 million, 14.6% more than that of a year earlier. This recognizable operational record was the largest in the Bank's history since its establishment in 1976.

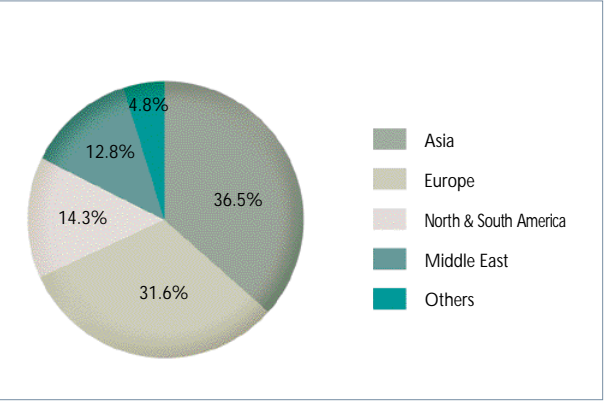
The increase in loan disbursements can be attributed both to import credit and overseas investment credits, which increased by 306.5% and 160.1%, respectively, from a year earlier. The disbursement of export credits also increased by 5.8% from the previous year.

The disbursement of import credit grew mostly due to the enhanced financial demand for raw materials, which were utilized for exports and domestic consumption. On the other hand, the increase in disbursements of overseas investment

credits was possible thanks to the stable growth of Korean firms' overseas direct investments that had shrunk since the Asian economic crisis.

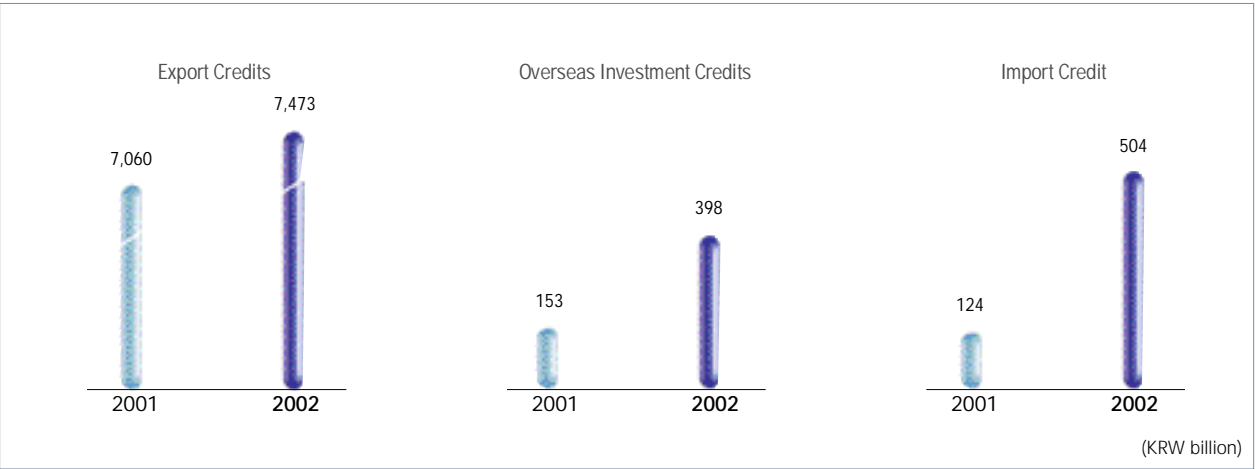
Regionally, Asia occupied the largest share with 36.5% of the Bank's total loan disbursements, followed by Europe, North & South America, the Middle East, and other regions with 31.6%, 14.3%, 12.8%, and 4.8%, respectively.

Loan Disbursements by Region



Meanwhile, the Bank's credit commitments were KRW16,589 billion, up 4.4% from a year earlier, KRW7,541 billion as loans and KRW9,048 billion as guarantees, 86.6% of which were in the form of advance payment guarantee.

Loan Disbursements by Financing Programs



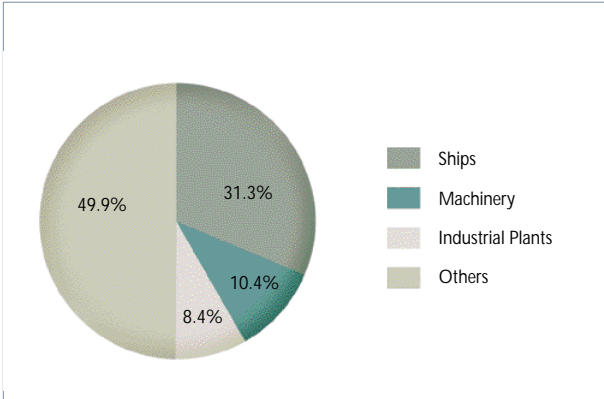
Bank Operations

Export Credits

Export credits, whose total disbursement in 2002 was KRW7,473 billion, had always been the biggest contributor to the Bank's loan disbursements, comprising more than 95% of the whole. In 2002, however, the share decreased to 89.2%.

By items, ships took the biggest share with KRW2,337 billion, more than 30% of the total disbursement of export credits, followed by machinery with KRW776 billion (10.4%) and industrial plants with KRW628 billion (8.4%).

Loan Disbursements by Item



Conversely, because of the decrease in authorizations for ships and industrial plants, the Bank's commitments on export credits in 2002 did not show a good result, down 16.9% to KRW6,527 billion, compared to 2001.

The decrease of commitments in export credits was not because of the decrease in the export amount of ships and industrial items which have been the major beneficiary of the credits, but because of the downward trend of the international market interest rate and decreased financial demand from exporting companies. Major Korean exporters were reluctant to use bank loans, instead they preferred raising funds from direct markets which was possible due to their successful corporate restructuring.

As for the regional shares of export credit disbursements, Asia was the highest at 36%, Europe stood at 27%, the Middle East

14%, North America 8%, and other regions 15%. In terms of commitments, Asia also took the first at 40%, followed by Europe 30%, the Middle East 11%, North America 9%, and other regions 10%.

Direct Loan

By the Bank's direct loan program, or buyer's credit, exporters are able to reduce their debt ratios simultaneously with settling export transactions immediately after they perform the obligations of export contracts. Exporters prefer buyer's credit because of these benefits, and it has constituted a major part of the Bank's medium- and long-term export credit performance.

In order to facilitate buyer's credit, the Bank made an important alteration to the program. Within country exposure limits, the Bank is to provide direct loans to all export transactions based on sovereign risks with certain ratings, while at the same time more actively undertake corporate risks. To back up corporate risk transactions, the Bank is going to set up a credit rating team that will conduct credit analysis of foreign corporate buyers in 2003.

Furthermore, the Bank tried to provide a line of credit to major foreign customers to simplify the authorization procedures. Such endeavor culminated in MOUs for a line of credit with major foreign buyers like National Iranian Oil Company (NIOC) of Iran and Petroleos Mexicanos (PEMEX) of Mexico, which are expected to contribute to the Bank's operational result.

Regionally, Asia had been a main customer of Korean industrial plant exports. However, the Middle East surged after the Asian economic crisis, and became the major industrial plant importer. This tendency kept up during 2002, and the biggest customers of direct loan were from both the Middle East and South America.

In December, Indonesian e-government project was authorized as a buyer's credit by the Bank's Credit Committee, with a total project cost of US\$73 million, of which 85% will

be supported by the Bank. As part of Korea-Indonesia economic cooperation in IT sector, the project was promoted by the information & communication ministries of the two countries. The project is to set up the basic foundation for e-government system such as network infrastructure for the stable supply of public information services. To implement the project, Indonesian Ministry of Information & Communication established a project company, PT. Prima Infokom Indonesia (PII), with investments from related public communication companies such as PT. Telkom and PT. PLN. Two Korean companies, KT Corporation and Ssangyong Information & Communication Corp., formed a consortium and made a supply agreement with PII in December 2002. KT is to provide a super-speed internet system design along with infrastructure installation, and purchase, install, and test run the equipment as well.

Project Finance

Export transactions being supported by project finance were not active in 2002, as developing countries had not fully recovered from the economic crisis.

However, important changes related to project finance were made by the Bank. Two project finance teams were newly organized to confront the shift of the capital export market environment in which the traditional government-backed export finance was substituted by project finance. Also, the Bank further expanded project finance support for overseas investment transactions to facilitate Korean companies' overseas resources development.

In 2002 for the first time in its history, the Bank authorized structured finance for the export sale of a vessel. This was possible because the OECD Sector Understanding on Export Credits for Ships had been changed in favor of the borrower. Interest rate was changed from 8% to CIRR, and maximum repayment term was expanded from 8.5 years to 12 years.

When the world economy, especially that of developing countries, recovers from the recent recession, project finance support is expected to grow in oil and gas development

projects and petrochemical and power projects. Structured finance is also expected to be utilized in shipbuilding.

In November, the Bank took part in a US\$40 million project finance for SK Eurochem Sp., a joint venture company established in Poland. The term loan, which was co-arranged with EBRD, is composed of a US\$20 million Korea Eximbank loan, US\$15 million EBRD loan, and US\$5 million loans from local banks of Poland. The co-arranged facility was the first instance where the Bank and EBRD worked together since the Framework Agreement on Co-financing was signed between the two institutions in April 1993.

Project Finance for Oil and Gas Projects in Mexico

In 2002, the Bank signed an MOU with Petroleos Mexicanos (PEMEX), establishing a US\$300 million line of credit for export credits aimed at promoting cooperation between the two nations. The line of credit is designed to promote the export of Korean capital goods and services necessary for oil and gas projects to be developed and implemented by PEMEX in Mexico. According to the MOU, the lender's financial assistance is not based on a payment guarantee from the Mexican government or its central bank but on PEMEX's own credit. PEMEX, one of the leading oil companies in the world market, was established by the Mexican government in 1938 as the nation's largest oil company.

In 1999, together with the Export-Import Bank of the United States (USEXIM), HERMES of Germany, and other international commercial banks, the Bank approved US\$200 million in project finance to support an oil refinery project in Mexico ordered by PEMEX. The total amount of the project was US\$1,631 million. The project is part of a strategic modernization program by PEMEX to repair outworn oil refinery factories and install additional facilities. SK Engineering & Corporation of Korea and Siemens AG of Germany participated in the project.

In addition, with the participation of USEXIM and eight other international commercial banks such as Citibank and Fuji Bank, in 2000, the Bank extended US\$54 million in project finance to help Samsung Engineering Corporation export oil refinery facilities in the modernization program executed by PEMEX.

PEMEX plans to make investments in oil and refinery development sector on a large scale. Therefore, the Bank expects the MOU to be the basis for promoting Korean companies' export of machinery and capital goods in oil and refinery development projects in the future.

Relending Facility

Relending facility has been given to financial institutions in developing countries to facilitate small and medium export transactions. In 2002, more than half of the disbursements of the facility were provided to support small and medium businesses.

The facility, which had not been active due to the economic recession in Central & South America where the demand for the credit was high in the past, resurged in the 2000s owing to the marketing activities of the Bank.

In 2002, disbursements were increased by 50% from a year earlier, mostly to the Middle East and CIS.

With seven lines of credit newly extended, the total volume of credit lines at the end of 2002 expanded to US\$761 million in twenty countries from US\$546 million in fifteen countries in 2001. New credit lines were established in North African countries such as Egypt and Morocco.

The Bank will make every effort to promote small and medium export transactions by setting up new credit lines in East Asia and Central America areas where this type of financing program is expected to be used most actively.

Forfaiting

The Bank launched a new program in early September 2001 targeted at promoting short-term exports to developing countries, particularly to enhance Korean exporting companies' competitiveness in the global market.

Forfaiting, a major service provided through the program, is designed to help exporting companies whose bills of exchange related to transactions with developing countries are not readily accepted by domestic commercial banks due to credit risks. The Bank negotiates the bills of exchange issued under usance L/Cs without recourse or additional collateral.

Forfaiting is useful for small exporters with a low credit rating, and the total financial cost is predictable, for the discount rate

is fixed in advance.

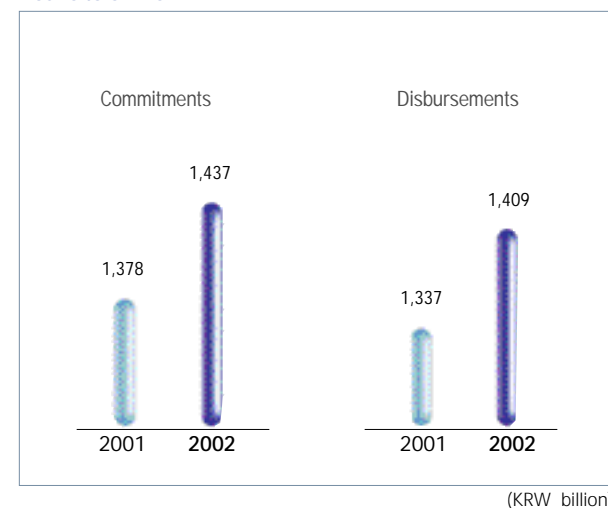
Although forfaiting was introduced only recently, the total volume increased to KRW168.6 billion in 2002, and is expected to grow to KRW188.2 billion in 2003, due to rising demand.

Loans to SMEs

With the understanding of the importance of export credits support to small and medium-sized businesses, the Bank made every effort to expand exposure to SMEs, which resulted in maintaining balance in providing financial support between SMEs and large companies.

In 2002, the Bank's total loan commitments to SMEs were KRW1,437 billion, and total loan disbursements KRW1,409 billion, up 4.3% and 5.4% from a year earlier, respectively.

Loans to SMEs



To help SMEs evade currency risks, export credit with the currency option to convert from USD or YEN to KRW was introduced in July 2002. With this improvement in the financing program, small business export credit authorizations amounted to KRW1,012 billion, a 13.1% increase over the previous year's performance.

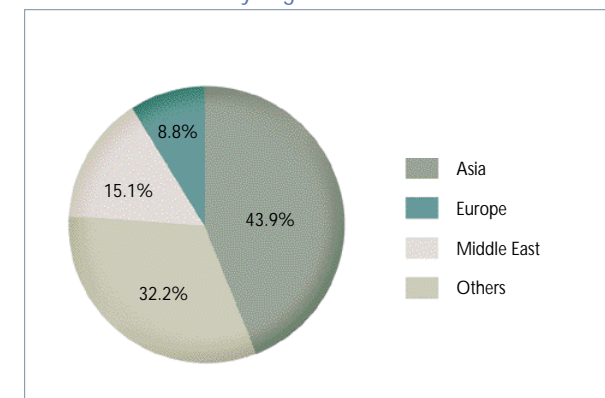
Overseas Investment Credits

The Bank's disbursements and commitments of overseas investment credits in 2002 demonstrated an outstanding performance with disbursements increased by 160.1% to KRW398 billion and commitments by 257.4% to KRW529 billion, compared to those in 2001.

Taking into account that direct overseas investments of Korean firms did not increase in 2002, this huge operational performance was possible thanks to the Bank's efforts to revitalize the program by incorporating customers' needs.

Regional distribution of disbursements and commitments of the credits were almost the same as those in the previous year. Asia stood at the top with more than 40% in both disbursements and commitments, followed by Europe with 32.2% in disbursements and 30.1% in commitments, and the Middle East with 15.1% in disbursements and 18.2% in commitments.

Loan Disbursements by Region



Besides, in accordance with the Korean firms' growing interest in developing overseas resources, the Bank made a new team in the Overseas Investment Credit Group to be solely devoted to supporting overseas resource development activities.

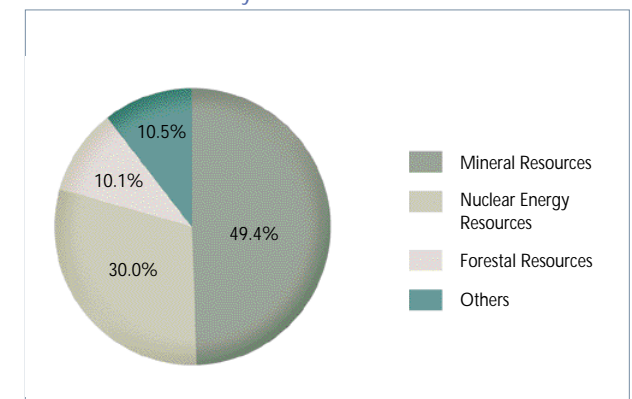
Import Credit

Import credit, which was introduced in 1988, had shown weak performance, and its share was just around 1% of the

Bank's total loan disbursements. Import credit disbursements in 2002, however, increased to KRW504 billion, or 6.0% of the Bank's total loan disbursements, the highest level since it was introduced.

Such a steep increase was mostly due to the increased financial demand for raw materials used for exports and domestic consumption. In addition, the Bank's efforts to improve the program also contributed to the achievement, as it expanded the eligible items and launched a revolving line of credit program.

Loan Disbursements by Item



By type of imports, mineral resources accounted for 49.4% of the total disbursements with KRW249 billion, followed by nuclear energy resources 30.0% with KRW151 billion and forestal resources 10.1% at KRW51 billion.

By region, Asia took the largest portion with 43%, followed by North America 37%, Oceania 8%, and others 12% on the disbursement basis.

Guarantees

Before 1997, the Bank's export credit support had mostly been conducted in the form of loans. After the Asian economic crisis, however, guarantee operations began to steadily increase mostly due to the relatively high credit rating of the Bank. Foreign contractors accepted project related guarantees issued exclusively by certain banks, including Korea

Eximbank, because the credit ratings of other Korean commercial institutions had deteriorated due to the economic crisis at that time.

In 2002, the guarantee business of the Bank realized a recognizable achievement in terms of commitments, recording KRW9,048 billion, which was even larger than the loan commitments for the year. This was the first occasion when the guarantee authorizations surpassed the loan authorizations since the Bank's establishment in 1976. The actual guarantee issuance also increased by 15.2% to KRW6,814 billion.

By type of guarantees, the Bank authorized KRW7,840 billion in the form of advance payment guarantee, a 14.5% increase from a year before, and KRW628 billion in performance guarantee, a 9.0% increase. These two types of guarantees took approximately 93.6% of the total project related guarantee commitments.

The total outstanding balance of project related guarantee issuance at the end of 2002 reached KRW10,484 billion. By region, Africa was the first with KRW2,672 billion (25.5%), followed by Europe KRW2,559 billion (24.4%) and the Middle East KRW1,918 billion (18.3%).



In addition to project related guarantees, the Bank launched several new guarantee programs in the 2000s such as financial guarantee, interest rate support, and L/C confirmation facility

to support the Korean companies' international transactions. With these newly introduced programs, the Bank expects to meet the diversified financing needs of foreign buyers.

Sources of Funds

The Bank raised a net total of KRW9,639 billion during 2002, a 23.8% increase compared with the previous year's KRW7,784 billion. Most funds raised during the year were self-generated by repayments of the Bank's outstanding loans. The total loan repayments, including prepayments by the Bank's clients during 2002, reached KRW9,104 billion, up 13.4% from KRW8,025 billion during 2001.

Also, the Bank raised US\$210 million and US\$250 million from international financial markets in February and March, respectively, through syndicated loans.

Furthermore, in preparation for the Bank's prepayment of US\$1.1 billion loan from IBRD slated for March 2003, the Bank tapped both the international loan and capital market consecutively in November with a US\$300 million syndicated loan and a US\$700 million Euro bond, respectively.

The year 2002 was a remarkable one in that the Bank successfully returned to the international bond market after a

five-year absence. Following propitious road shows in Hong Kong, Singapore, and London, the Euro bond deal was sized up to US\$700 million from an original US\$500 million owing to strong and solid orders of US\$1.8 billion.

In addition, there was a capital injection of KRW50 billion from the government during the year, the total paid-in capital reaching KRW2,725.8 billion. As a result, the Bank's ownership as of the end of 2002 is 51.6% the government, 42.8% Bank of Korea, and 5.6% Korea Development Bank.

Financial Status

Assets and Liabilities

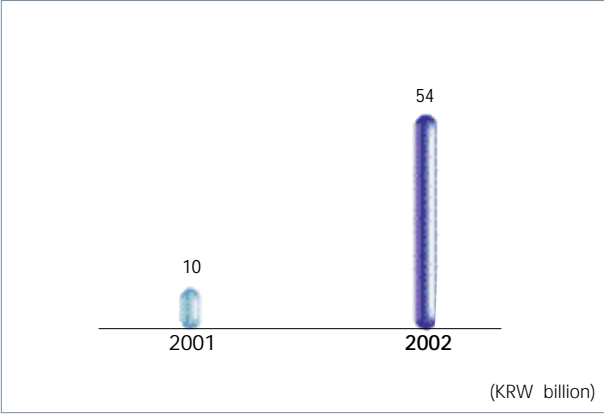
At the end of 2002, the Bank showed KRW10,607 billion in total assets, down 4.2% from the previous year's KRW11,071 billion, and total liabilities amounted to KRW7,797 billion, down 6.1% from the previous year's KRW8,301 billion. The sharp decrease of KRW exchange rate against USD affected the decreases in both assets and liabilities, because the majority of the Bank's assets and liabilities consist of foreign currency loans and borrowings.

Meantime, the net assets of 2002 and 2001 marked KRW2,810 billion and KRW2,770 billion, respectively. There were increases in paid-in capital by the government's KRW50 billion injection and in retained earnings by KRW54 billion, and a decrease in loss on valuation of investment securities by KRW65 billion.

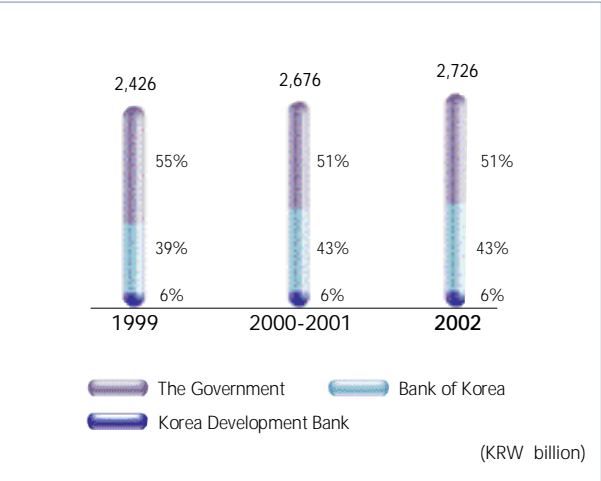
Revenues and Expenses

The Bank's total revenues during the year posted KRW641 billion, total expenses KRW587 billion, and net income KRW54 billion. The net income increased 454.9% from the previous year's KRW10 billion. Though there was a decrease in interest income on loans with a fall in interest rate, the income from guarantee fees and a decrease in interest expense on borrowings contributed to the increase in net income.

Net Income



Paid - in Capital





Government Account Business

EDCF Operations

With the promulgation of the millennium development goals, which aim to eradicate poverty and promote sustainable development, the international community addressed a new partnership between developed and developing countries and cooperation among all stakeholders to attain them.

In keeping pace with internationally agreed development goals, the Korean government has continuously striven to be part of the international community by expanding its official development assistance (ODA) program for sustainable economic development in developing countries. At the same time, the government has made concerted efforts to strengthen its economic cooperation with other developing countries by expanding the quality of its operations and increasing the Economic Development Cooperation Fund (EDCF). On the whole, EDCF's volume of commitments and disbursements greatly increased in 2002 compared to the previous year, with disbursements recording an all-time high.

Development Assistance Activities

In 2002, both commitments and disbursements of EDCF loans largely increased from the previous year, mainly as the result of strenuous efforts by the government to strengthen cooperation with developing countries and continuous growth of loan commitments made in previous years.

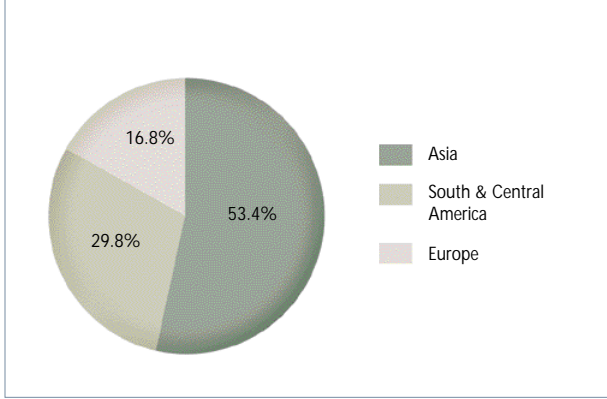
Loan Commitments

The loan commitment amount in 2002 was KRW234.5 billion for nine projects, 48.0% above the previous year's KRW158.4 billion. The largest recipient was Cambodia with a total amount of KRW57.7 billion for two projects. Turkey was the second largest recipient (KRW39.5 billion). Other recipient countries included Ecuador (KRW36.6 billion), Bangladesh (KRW34.1 billion), Costa Rica (KRW33.3 billion), Sri Lanka (KRW21.7 billion), and China (KRW11.6 billion). It should be noted that Costa Rica became a first-time recipient country of an EDCF loan in 2002.

Among the total commitments of KRW234.5 billion in 2002, more than half were made to Asia (53.4%), followed by South

& Central America with 29.8%. As for sector distribution, transport took the major share (35.6%), followed by education (29.7%), water supply (17.9%), and health (16.8%). As the figures indicate, loans for social infrastructure such as education, water supply, and health dominated, accounting for more than half of the total.

Loan Commitments by Region



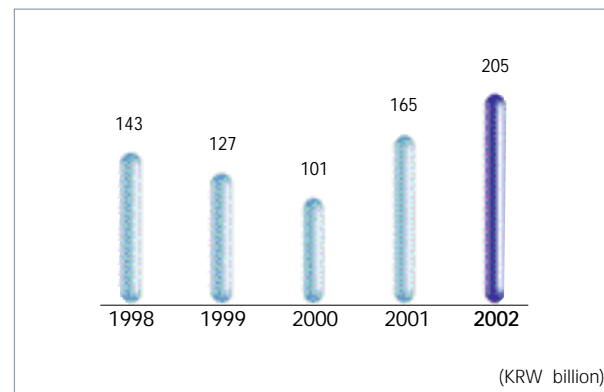
With respect to the destination of EDCF loans by income group, the least developed countries (LLDCs) received KRW91.9 billion on a commitment basis, representing 39.2% of the total. Another KRW69.9 billion or 29.8% went to lower middle-income countries (LMICs), and KRW72.7 billion or 31.0% was made to upper middle-income countries (UMICs).

Loan Disbursements

Loan disbursements during the year amounted to a record of KRW205.0 billion for thirty-three projects in eighteen countries, surpassing the previous high of KRW165.3 billion in 2001, mainly due to the continuous growth of loan commitments made in previous years.

As a result, the outstanding balance of EDCF loans at the end of 2002 stood at KRW923 billion, up 25.4% from a year earlier. In view of the fact that the outstanding balance was 52.1% of the accumulated commitments, there is still room to further accelerate disbursements.

Annual Disbursements of EDCF



Funding Activities

EDCF has depended solely on public resources to fund its assistance activities since its establishment in 1987. Contributions from the general budget account and borrowings from the government's special budget account have been the major sources of funding.

As there had been no such contributions or borrowings since 1997, there was not a large increase in funding in 2002. The increase was due only through interest earnings from domestic operation of the reserves. However, the year 2003 will see a big leap in funding as KRW80 billion from the general budget is scheduled to be contributed during the year.

The fund at the end of the year stood at KRW1,472.9 billion with a net income of KRW36.6 billion. Of the total accumulated amount since 1987, 36.0% came from contributions from the general budget account (KRW529.9 billion), 16.2% were borrowings from the special budget account (KRW238.3 billion), and the remaining 47.8% (KRW704.7 billion) came from reserves.

Workshop for Government Officials from Partner Countries

The 6th EDCF Workshop was held for government officials from developing countries to get acquainted with Korea's development experience and EDCF program, so that EDCF loan projects will be carried out more efficiently and swiftly.

The workshop was held in October at the Bank's head office

and its training center. The participants were high-level government officials in charge of official borrowing in the financial ministries of Bangladesh, Cambodia, Colombia, Indonesia, Mongolia, Morocco, Peru, the Philippines, Tunisia, and Uzbekistan.

During the workshop, the participants attended lectures on Korea's bilateral economic cooperation policy and development experience, and had excursion trips to industrial sites and historical areas. The workshop gave the participants an opportunity to better understand the Bank's EDCF program as well as Korea's development experience.



Other Activities

EDCF continued to seek co-financing with international financial institutions to adopt advanced management techniques and expand its scope of support. In 2002, EDCF supported Bolivia's bridge construction project in cooperation with Inter-American Development Bank (IDB). Also, EDCF participated in mixed-financing projects in cooperation with export credits of the Bank (portable water supply expansion project in Ecuador).

EDCF had policy dialogues with major partner countries to identify new projects more efficiently. Through them, EDCF understood the needs of partner countries and consolidated a communication channel with them. EDCF also participated in most OECD Consultations Group Meetings and Meetings of Participants to discuss trade related aid issues, including commercial viability and untied aid.

For more efficient aid implementation, EDCF Planning Office and EDCF Department were reorganized into EDCF Departments I and II. EDCF Department I is responsible for policy planning, OECD related operations, project appraisal, execution and disbursement of the loans, and post-evaluation of supported projects in Asian countries, including China. EDCF Department II is to manage projects outside Asia.

In addition, EDCF held an open forum on EDCF policy direction aimed at enhancing the quality of assistance to developing countries. The participants all agreed on the importance of EDCF's role in development cooperation, and stressed the need for expansion of the Fund and improvement of the operation for effective implementation.

IKCF Operations

Overview

The Bank has operated the government-entrusted Inter-Korea Cooperation Fund (IKCF, formerly known as SNKCF) since March 20, 1991. The primary function of IKCF, which was established by and operated under the initiative and policy coordination of the Ministry of Unification, is to promote reconciliation and cooperation with North Korea. Since the beginning, IKCF has maintained consistent growth, and in the year 2002, there was as much progress in both funding and financing activities as the previous year.

Inter-Korean Development

After the historic South-North Summit held in 2000, inter-Korean relations entered a phase where reconciliation and cooperation were possible, and there was significant progress in building mutual trust. The year 2002, however, saw the inter-Korean relationship fluctuating in the wake of the anti-terrorism campaign led by the U.S. and suspicion of the international society over North Korea's nuclear ambition.

Nevertheless, economic and socio-cultural cooperation in both the inter-government and the private sector continued and made important progress. Inter-governmental

cooperation projects, such as reconnecting the Gyeongui railway/highway between Seoul and Shinuiju and the East Coast railway/highway between Jeonju and Kosung, were actively promoted to develop the infrastructure and enhance economic ties. Inter-Korean trade and some economic cooperation projects driven by the private sector also showed solid improvement, especially marking progress in the scope of participants and items of business. North Korea also showed a different attitude for economic recovery. They announced a series of economic programs incorporating elements of capitalism, set economic zones in Gyeseong and Mt. Geumgang regions, sent high-level delegates to observe the economic situation of South Korea, and participated in the Busan Asian Games as well.

In 2002, the total volume of inter-Korean trade recorded US\$642 million, a 59.3% increase from US\$403 million of the previous year. With the expansion of trade and socio-cultural cooperation such as the Mt. Geumgang tourism project, reunion of separated peoples and interchange of people increased. The number of South Korean visitors to the North reached 12,979, up 49.9% from last year, and North Koreans who visited South Korea totaled 1,052, the most ever in all years.



Assistance Activities

In an effort to secure economic ties by building up the infrastructure, the construction projects to reconnect the Seoul-Shinuiju railway and build a connecting highway between Munsan and Gyeseong continued to be financed by IKCF. These aid disbursements amounted to KRW26 billion.

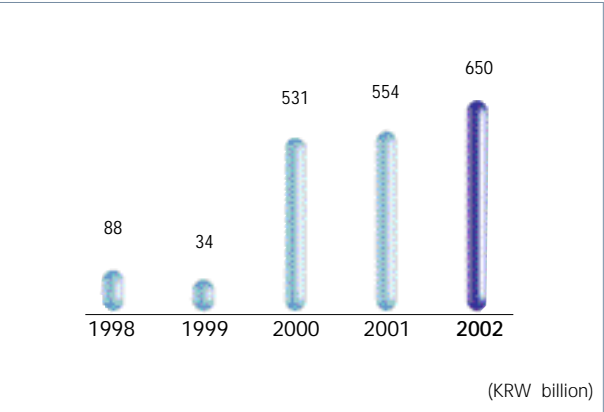
The year 2002 saw another vein connected between the South and the North, the decision to rebuild the East Coast railway. For this, the fund disbursed KRW8.5 billion during the year. In addition, KRW21.5 billion for revitalizing the Mt. Geumgang tourism project was financed to support South Koreans' visit to Mt. Geumgang.

IKCF continued assisting humanitarian aid projects. Fertilizer aid was provided through the Korea National Red Cross in the form of a KRW83.3 billion grant for enhancing agricultural productivity. Most of the humanitarian assistance during the year was food aid to relieve the dire food situation in North Korea. The fund disbursed KRW22.9 billion to provide 100 thousand tons of corn through the international organization, WFP (World Food Program). Also the fund loaned US\$81 million to the Foreign Trade Bank of North Korea for 400 thousand tons of rice.

As a result, IKCF disbursements during the year amounted to KRW650 billion for sixty-three projects, and cumulative total disbursements at the end of 2002 stood at KRW2,071 billion, up 45.7% from KRW1,421 billion at the end of 2001.

In 2002, the government revised the Guidelines for IKCF Act. The revision streamlines the lending procedures, and improves its terms and conditions so that private sector firms seeking business opportunities in the North can now facilitate much better support from the fund. Further growth of inter-Korean economic cooperation is expected in the following year as a result of this procedural convenience.

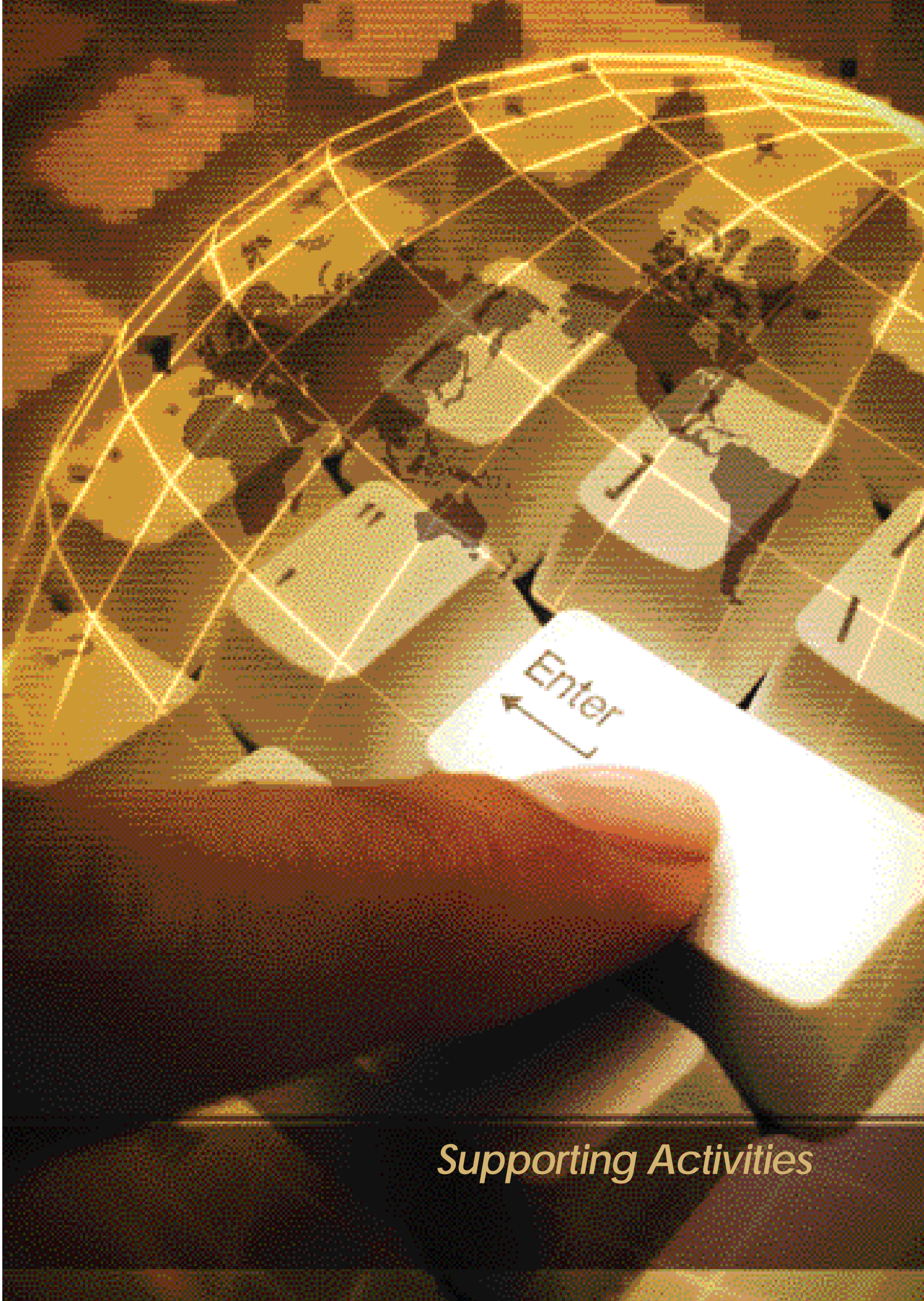
Annual Disbursements of IKCF



Funding Activities

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

In 2002, the total amount of IKCF increased by KRW1,037 billion, making the total accumulated resources of IKCF KRW3,092 billion, mostly through contributions by the government. Of the accumulated amount since its inception, 52.6% (KRW1,625 billion) came from contributions by the general budget account, 39.4% (KRW1,220 billion) borrowings from the Public Capital Management Fund, and 8.0% (KRW247 billion) reserves, financial returns, etc.



Supporting Activities

Supporting Activities

Cooperation with Other Agencies

The Bank actively promotes mutual cooperation with various agencies through cooperation agreements to provide the best financing services and share experiences and information.

In January, the Bank signed a tie-up pact with Landesbank Hessen-Thüringen Girozentrale (Helaba) of Germany to strengthen cooperation in information exchange and develop other financial supporting mechanisms. The pact is aimed at finding ways of exchanging information that facilitates co-financing arrangement, guarantee setups, and other financing activities. It is expected to provide a broader range of assistance to Korean companies engaged in trade and financial transactions, especially with countries in Eastern Europe.

Korea Eximbank and China Eximbank signed a cooperation agreement in May to promote exchange of information and project cooperation. The two institutions will work together to strengthen mutual relationship, covering such areas as financial cooperation, information exchanges in trade and project finance, personnel exchanges, etc. The agreement was signed at the Asia Development Bank (ADB) Annual Meeting held in Beijing. It is regarded as a significant importance for active works in the future, considering trade between the two countries recording US\$31.5 billion last year.



At the 8th Annual Meeting of Asian ECAs held in Kuala Lumpur, Malaysia in August, the Agreement for Multilateral L/C Confirmation Facility was signed by ECAs from six

countries, including India, Indonesia, Japan, Korea, Malaysia, and Thailand. Korea Eximbank first brought up the need for such a facility at the previous year's 7th Annual Meeting held in Seoul, by which participating ECAs mutually confirm or guarantee L/Cs opened for trade. The facility will contribute to boosting intra-regional trade, considered to be the best method of overcoming unfavorable economic situations and enhancing cooperation within the region.

For smoother export transactions with SMEs in local regions, the Bank made a cooperation agreement on forfaiting with Pusan Bank, Daegu Bank, and Kyongnam Bank in December. Forfaiting is a form of financing to exporting companies, in which the trade bills from export transactions with developing countries are discounted without recourse or additional collateral.



According to the agreement, the local banks take the burden of local risks such as company credit risk and shipping document examination risk, and the Bank takes the foreign risks such as country risk and foreign bank credit risk. SMEs doing business with developing countries are expected to benefit from the agreement.

Workshops and Seminars

The Bank endeavors to seek effective ways to share information and experiences with foreign financial institutions by organizing various workshops and seminars to expand awareness of its activities.

In March, the Bank provided a tailored workshop for a Vietnamese economic development team of government officials, which came to Korea to get information on experiences and techniques gained from Korea's economic development. The workshop included a general presentation on the Bank's role and function, especially EDCF program, and gave an opportunity to enhance mutual cooperation between the two countries.

The Bank hosted the 2nd Consultation Meeting with Japan Bank for International Cooperation (JBIC), setting up a cooperation channel to promote mutual interest of businesses and look for promising co-financing projects. Held in September, the two institutions had an in-depth discussion on collaboration in Free Trade Agreement between Japan and Korea, sharing information and experiences on co-financing in export credit (including One Stop Shop Agreement), and country risk evaluation of major Asian countries. The participants were from the working-level staff of both institutions, and more discussions are to be continued through a regular channel.



In July, a working-level staff team of China Eximbank joined an eight-week training program at Korea Eximbank. The program, which was the first since the Bank's establishment, covered various operations of the Bank such as export credit, risk management and credit rating system, and country risk evaluation methodology. The Bank expects it to improve mutual understanding and cooperation between the two institutions, and build new experience for its staff as well.

The 6th Annual EDCF Workshop was held at the Bank in October. The participants were high-level government officials in charge of official borrowing in the financial ministries of Bangladesh, Cambodia, Colombia, Indonesia, Mongolia, Morocco, Peru, the Philippines, Tunisia, and Uzbekistan. During the workshop, the participants widened their understanding of Korea's development experience and EDCF loan policy and procedures. The Bank expects it to upgrade the nation's image as an aid donor and promote cooperation with the countries of the participants.

In November, the Bank held the 2nd Seminar for the Commercial Counselors' Club in Seoul. Sixteen commercial counselors attended the seminar, mainly from developing countries' embassies. Presentations were made on the Bank's financial services, forex business, and EDCF program. The participants had the opportunity to open up a business channel for future cooperation, discuss ways to strengthen the relationship with one another, and promote mutually beneficial projects.

In association with European Bank for Reconstruction and Development (EBRD), the Bank supported the business conference for high-ranking governmental officials from Central Asia held in Seoul. The objective of the conference was to assist Korean companies find new businesses and investment opportunities in Central Asia such as Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. At the conference, the Bank had the opportunity to provide useful information on Korean companies' activities in this region and cooperate with EBRD and Central Asian governments.

Research and Information

The Bank conducts research on country study, foreign direct investment, and economic issues related to its activities and industries such as ships, industrial plants, oil refineries, etc. It also informs the public of its activity through reports, periodicals, and occasional papers.

The Bank has been focusing on business environment of major trading partners, especially that of China. In January, the Bank published a book titled “Case Study and Business Environment of Overseas Investment in West China”. The book covers business analysis of Korean overseas companies that invested in the region, including business environment and policy on foreign direct investment.

In addition, “Analysis of Korean Overseas Investment Companies in China” was published in January. In this book, the Bank analyzed forty-eight Korean companies that invested more than US\$10 million in China. The analysis is done on financial status, sales structure, and investment effect categorized by the types of industry and holding companies in Korea. The book is expected to help Korean institutions and companies in adopting overseas investment policies or planning to establish new businesses in China.

To boost interest on industrial plants sector in Central Asia, the Bank, in charge of market research team consisting of government officials, published “Market Trends of Industrial Plants in Kazakhstan and Uzbekistan” in August. As a report of market research, it includes market environment on plants and construction, business environment on foreign direct investment, and strategic advice on the expansion of business opportunities in the region.

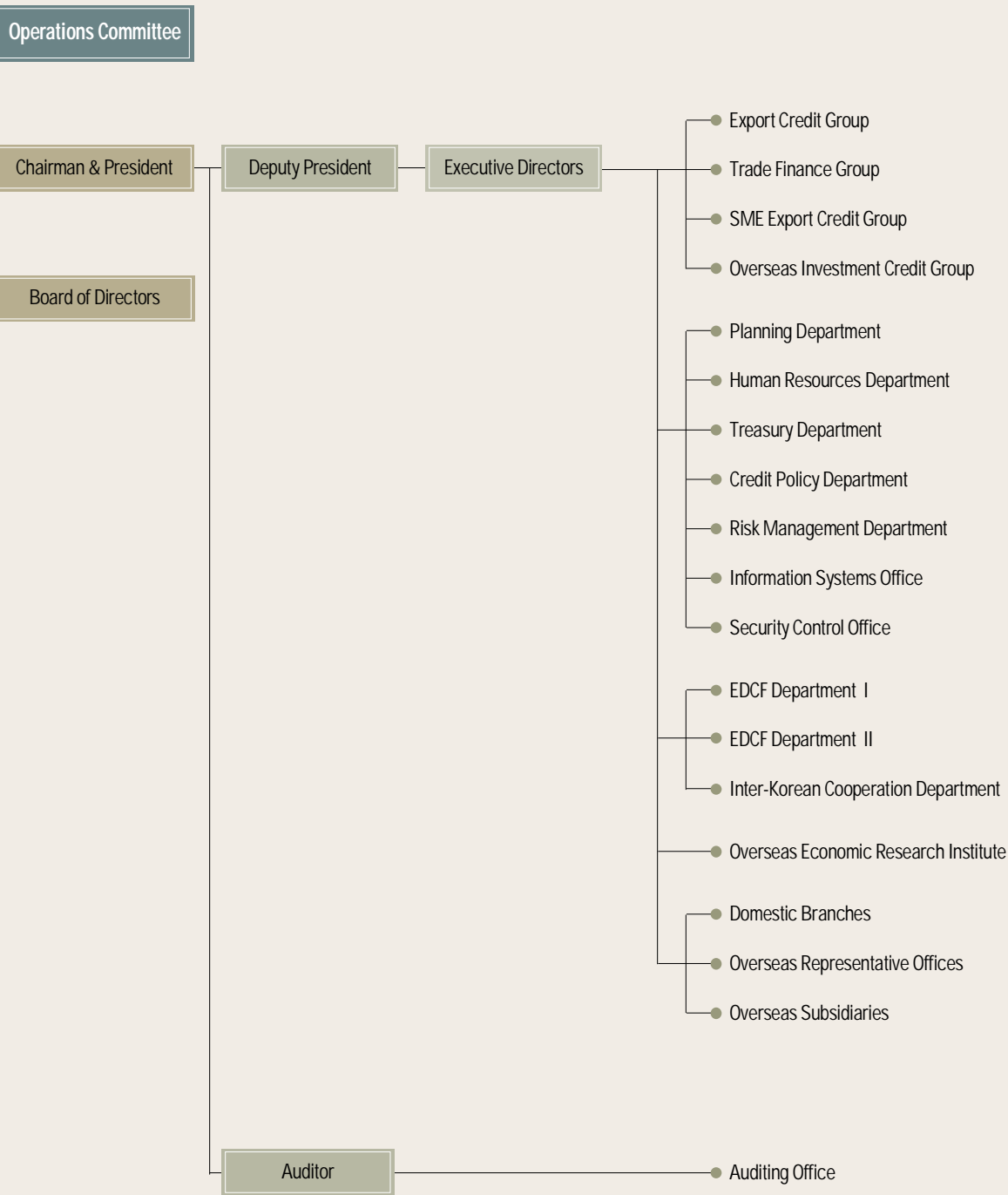
Moreover, the Bank published “Analysis of Financial Status of Korean Firms’ Overseas Subsidiaries” in December. The booklet analyzes whole financial data ranging from financial status to cash flow of 276 overseas subsidiaries of Korean companies with more than US\$10 million of overseas investment. This is the third edition since 1998, containing financial data on 16 billion or 63.8% of the total Korean overseas investment cases. The Bank distributed the booklet to related institutions and companies to be utilized in setting up an overseas investment policy and strategy.



10	PROPERTY, PLANT, AND EQUIPMENT	
11	ACCUMULATED DEPRECIATION	
12	OTHER ASSETS	
13		
14		TOTAL ASSETS
15	LIABILITIES & NET WORTH	
16	ACCOUNTS PAYABLE	
17	NOTES PAYABLE	
18	TAXES PAYABLE	
19		
20		TOTAL CURRENT LIABILITIES
21	LONG-TERM DEBT	
22	OTHER LIABILITIES	
23		
24		TOTAL LIABILITIES

Financial Report

Organization Chart



Board of Directors



Chairman & President
Young-Hoi Lee



Deputy President
Gyu Lee



Auditor
Il-Sung Shin



Executive Director
Jin-Ho Kim



Executive Director
Sang-Kyun Jo



Executive Director
Tae-Hee Kim



Executive Director
Dong-Kwan Kim

Principal Officers & Domestic Branches

PRINCIPAL OFFICERS

Export Credit Group	Director General	Credit Policy Department	Director General
Ship Financing Office	Tae-Dong Park	Loan Administration Office	Ji-Ho Choi
Trade Finance Group	Pyung-Ku Lee	Legal Office	Sung-Jae Song
Structured Trade Finance Office	Joong-Ouk Shin	Risk Management Department	Kyung-Moo Lee
Import Credit Office	Say-Young Park	Credit Risk Rating Office	Hee-Sun Yoo
SME Export Credit Group	Keun-Joo Youk	Information Systems Office	Chang-Duck Kim
Overseas Investment Credit Group	Yeon-Soo Park	Security Control Office	Su-Jea Lee
Planning Department	Kyung-Suk Hong	EDCF Department I	Nam-Kuk Kim
Secretary Office	Yong-An Choi	EDCF Department II	Sung-Soo Lim
Public Relations Office	Dong-Soo Park	Inter-Korean Cooperation Department	Joong-Nae Lee
International Relations Office	Dong-Ho Park	Inter-Korean Reconciliation Support Office	Sang-Hun Lee
Human Resources Department	Succ-Young Kim	Overseas Economic Research Institute	Baek-Kyu Kim
Administration Support Office	Jung-Ha Choi	Country Research & Risk Evaluation Office	Jai-Min Lee
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