



ANNUAL REPORT 2010

MAKING THE RIGHT MOVES

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Korea Eximbank has built a history of record setting achievements. We strive for excellence each and every day with the knowledge that the greatest successes belong to those looking ahead to the future.

As a pioneering force behind Korea's unparalleled economic advancement and the backbone of the nation's industrial strength, we proudly continue our tradition of commitment to our customers and their communities.

As we enter a new era in history, we will rise to future challenges by **making the right moves.**

Profile The Export-Import Bank of Korea (Korea Eximbank) is an official export credit agency (ECA) providing comprehensive export credit and guarantee programs to support Korean enterprises conducting overseas business. Since its establishment in 1976, the Bank has actively supported Korea's export-led economy and facilitated economic cooperation with foreign countries.

Korea Eximbank's primary services include export loans, trade finance, and guarantee programs structured to meet the needs of clients to complement and strengthen their global competitiveness. The Bank also provides overseas investment credit, import credit, and information services related to business opportunities abroad.

Furthermore, the Bank is responsible for the operation of two government funds: the Economic Development Cooperation Fund (EDCF), a Korean official development assistance program, and the Inter-Korean Cooperation Fund (IKCF), an economic cooperation program for North Korea.

As the leading policy bank of Korea, we strive to become a true global partner to our clients and their launch pad to the world.

More supports for Korea's overseas businesses



powering sustainable growth in Korea



As Korea's premier export credit agency, Korea Eximbank is responsible for the provision of comprehensive financing solutions to assist Korean companies succeed in overseas trade and investment. In 2010, we increased our volume of credit facilities by 15%, providing KRW 64 trillion in support as a true partner for sustainable growth in Korea.

TOTAL CREDIT FACILITIES





Less
environmental
impacts

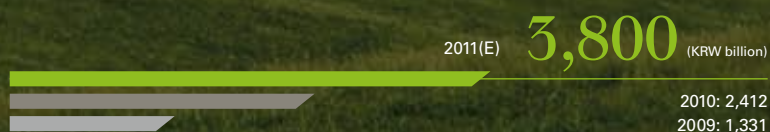


expanding green financing



Industrialization in developing countries is placing immense pressures on energy supplies and ecosystems. Working with international communities, Korea strives to mitigate climate change, and for its part, Korea Eximbank is assisting in the implementation of numerous green initiatives of the government and supporting green industries which will drive the green growth of the future.

FINANCING FOR GREEN INDUSTRIES



Multiply
Korea's influence
to the world





fostering Korea's cultural legacy



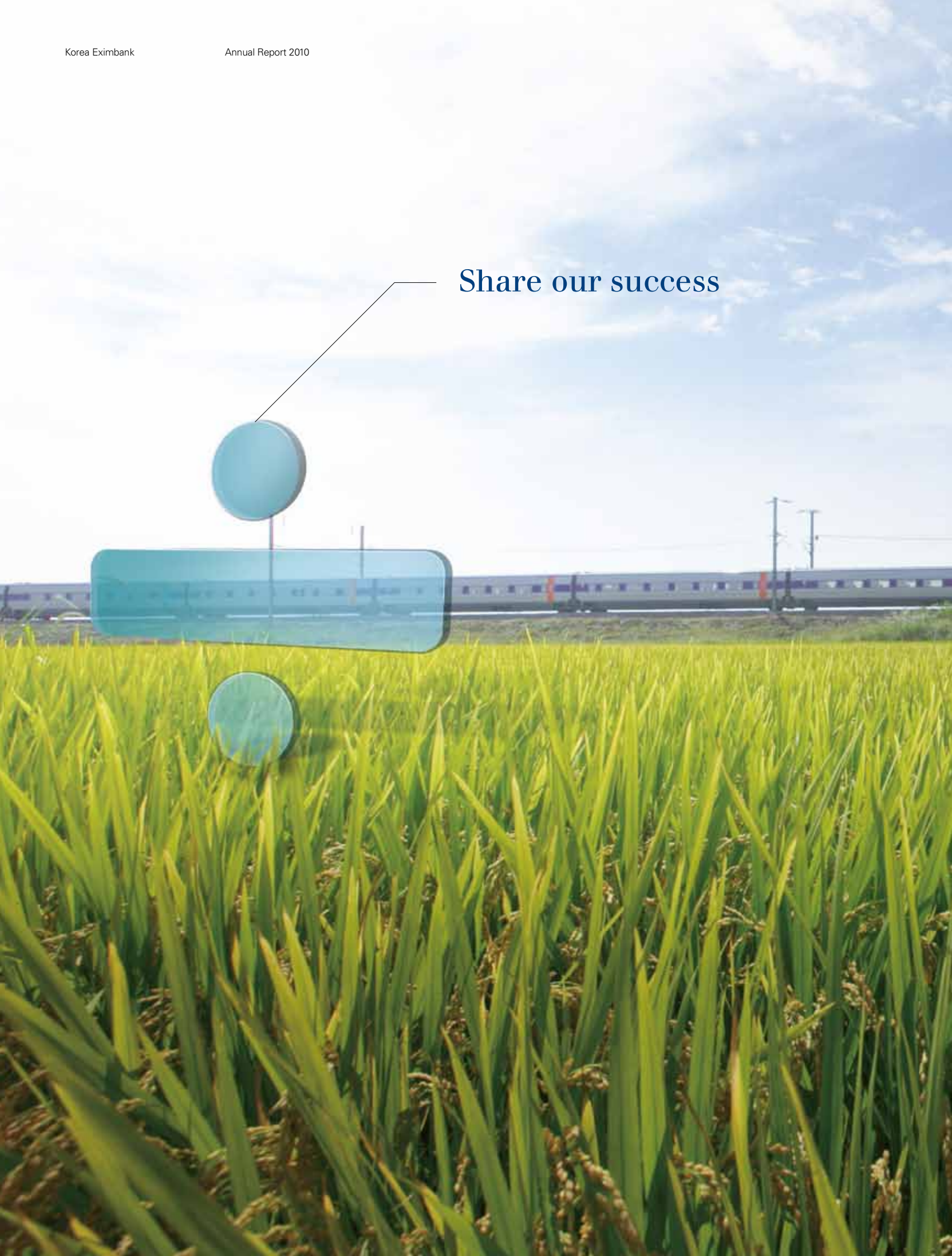
Building on the nation's success as a leading exporting country of tangible assets such as automobiles, ships, and IT products, Korea hopes to nurture the cultural contents industry as a future growth engine and expand Korea's influence in the world. In light of this, the Bank rendered total assistance amounting to KRW 66.5 billion to the sector in 2010. As a policy bank, we dedicated much of our efforts to supporting the export of the nation's intangible assets such as films, dramas, online games, and IT software through a wide range of financial products.

FINANCING FOR CULTURAL CONTENTS INDUSTRY

2011(E) **120.0** (KRW billion)

2010: 66.5
2009: 33.3

Share our success



assisting our neighbors go further

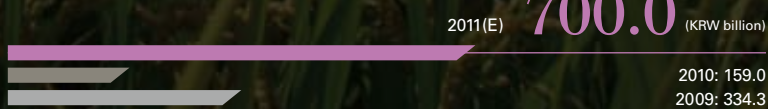


To be a good corporate citizen, a business must be responsible. We, at Korea Eximbank, share our progress with the international society and give back to the global community for a future worth living through various EDCF operations. We also strive to improve ties with North Korea through enhanced economic cooperation, humanitarian assistance, and mutual understanding.

EDCF DISBURSEMENTS



IKCF DISBURSEMENTS ¹



¹ Financial assistance and insurance program are included.

A man with dark hair and glasses, wearing a dark blue suit, a light blue shirt, and a light blue tie, stands in a hallway with large columns. He is smiling and has his hands in his pockets.

We have faithfully
executed our duties as
a key policy bank to
help the nation rebound
from the global crisis,
maintain a solid growth
momentum, and prepare
for future growth.

MESSAGE FROM THE CHAIRMAN & PRESIDENT

Building upon the successes of 2010, we will do our utmost to assist the nation achieve a target of USD 1 trillion in trade this year by expanding our supports to national strategic sectors.

In 2010, the Korean economy posted the most rapid economic recovery among OECD member countries and even exceeded economic totals achieved before the onset of the global financial crisis in 2008. GDP growth topped 6%, the highest level since 2003, and export volume reached an all-time record of USD 467 billion.

In terms of global activities, progress in concluding FTAs with the US and EU is expected to further expand business opportunities for Korean companies in overseas markets. In addition, the success of the G20 Seoul Summit Meeting, a gathering of world leaders to discuss measures for sustainable and balanced world growth, elevated Korea's image and prominence in the international community.

As the Chairman and President of Korea Eximbank, I am very proud that we, as a policy bank, have made significant contributions to national economic achievements by actively providing a wide range of financial products including export credits, overseas investment credits, and more.

In 2010, Korea Eximbank:

- provided credit facilities totaling KRW 64 trillion, an increase of 15% from 2009, and expanded the number of supported companies by 18%

- strengthened financial supports for renewable energy, energy efficiency, and eco-friendly industries in response to the Low Carbon, Green Growth Agenda of the Korean government by increasing disbursements 81.2% to total KRW 2.4 trillion
- increased supports for resource development projects with disbursements of KRW 3.4 trillion and developed various financial products tailored to the specific investment needs of the sector in order to secure stable supply of essential resources
- provided KRW 16 trillion to Korea's SMEs through export and overseas investment facilities in order to strengthen international competitiveness of SMEs

Fiscal uncertainties in several southern European countries and increased geopolitical risks on the Korean peninsula presented us with difficult challenges in 2010. However, by successfully and timely raising needed funds in the global market, the Bank was able to provide record levels of financial supports.

In order to effectively raise overseas capital and reduce related costs, the Bank closely monitored international financial markets and diversified its global IR activities. Through such strategies, the Bank became the first Korean financial institution last June to complete a 10-year global bond issue valued at USD 1.25 billion. The Bank also tapped into non-USD financial markets through issuance of a Formosa Bond and raised USD 3.6 billion in 13 different countries.

In addition to strengthening financial capacities of Korea Eximbank, we also strived to strengthen regional cooperation, particularly with Asia and Africa, as they represent the world's new growth engines leading the global economy.

In September, we successfully co-hosted the 2010 Korea Africa Economic Cooperation (KOAPEC) Ministerial Conference with the Ministry of Strategy and Finance and African Development Bank (AfDB). Under the theme of "Rising Africa,



Together with Korea,” over 45 ministerial-level officials from 35 African countries were gathered to share Korea’s economic development experience and discuss development strategies and models suited to the needs of African nations.

Also in September, the Bank chaired and hosted the 16th Annual Meeting of the Asian EXIM Banks Forum (AEBF). During the meeting, Korea Eximbank successfully led discussions about post-crisis challenges of Asian EXIM Banks as well as strategies to strengthen Asia’s integration and promote intra-regional trade and investments.

In 2010, Korea Eximbank continued to effectively and efficiently operate two government entrusted funds, the Economic Development Cooperation Fund (EDCF) and the Inter-Korean Cooperation Fund (IKCF). Most notably, we streamlined IKCF human resources and aid provision processes in order to swiftly respond to fluctuating inter-Korean relations.

With Korea’s accession to the OECD DAC, the international donor community, Korea Eximbank continued to expand commitment amounts to KRW 1.2 trillion and advanced ODA procedures for the benefit of recipient countries. In addition, Korea Eximbank founded the Asian Development Cooperation Meeting (ADCM) with the Korean government and related research institutions. Through the meeting, ODA policy makers from Asian donor countries and related MDB officials explored effective development cooperation strategies tailored to the characteristics of recipient countries in Asia.

Building upon the successes of 2010, the Korean government announced a 2011 trade target of USD 1 trillion and economic targets of increased employment and establishment of a solid framework for sustainable economic development. In support of such government targets, Korea Eximbank has established the following Bank goals for 2011:

- lead efforts to develop and promote exports in green industries such as nuclear power plants and renewable energy, and increase Bank capacities to fully implement the new Green Pioneer Program
- fully support natural resource development processes including exploration, development, production, and M&A in order to secure steady supplies of essential natural resources
- faithfully execute our duties as a key policy bank to provide comprehensive financing for large-scale projects such as high speed trains, nuclear power plants, etc., as financing needs for infrastructure development in developing countries are expected to skyrocket
- utilize supports for SMEs to transform companies into globally competitive companies in line with the Korean Hidden Champion Initiative launched in 2009

Rebuilding after the financial crisis of 2008-2009, countries are racing to strengthen national competitiveness by seeking new growth engines such as construction of nuclear power plants, implementation of large-scale infrastructure projects, and development of natural resources. With projects growing in size to reach mega-scales, greater financing capacities and closer cooperation with peer banks have become increasingly important. In response to such trends, leading ECAs are expanding financial supports for mega-sized mid- and long-term projects.

Korea Eximbank is determined to maximize financial and internal capacities to efficiently support large-scale projects and effectively assist customers secure global competitiveness in new growth industries.



To respond to such changing economic paradigms in a timely manner and fulfill our role as a bank specializing in long-term financing for overseas transactions, Korea Eximbank is preparing new visions and reorganizing strategic plans in commemoration of the Bank's 35th anniversary of establishment. Korea Eximbank is determined to maximize financial and internal capacities to efficiently support large-scale projects and effectively assist customers secure global competitiveness in new growth industries.

For over three decades, Korean Eximbank has grown ever stronger with the support of customers and partner institutions to serve an essential role in the development of the nation's export-oriented economy. We look forward to your continued support, now more than ever, as we face a critical juncture of changing economic environments. Working towards a common goal of making the right moves for a future of sustainable growth, I am certain that we will achieve even greater accomplishments in the months and years ahead. Thank you.

Yong Hwan Kim, Ph. D
Chairman & President

SENIOR MANAGEMENT

Building on the strength of our global financing experience, we will make every effort to rapidly respond to the needs of our clients.



YONG HWAN KIM

Chairman & President



DONG-SOO PARK

First Deputy President



DAE-WOO LEE

Auditor



JIN-KYUNG KIM

Second Deputy President



KI-SUB NAM

Head of New Growth Industry Credit Group



YOUNG-WHAN CHOI

Head of Export Credit Group I



JAIMIN LEE

Head of Export Credit Group II



SEOP SHIM

Head of Economic Development
Cooperation Fund Group



SEONG-GWAN NOH

Head of Inter-Korean Cooperation Fund Group



YOON-YUNG KIM

Head of Treasury & International
Relations Group



JUNG-SOO JANG

Head of Planning & Administration Group

SEUNG-HOH CHOI

Non-executive Director

WOO-KYU PARK

Non-executive Director

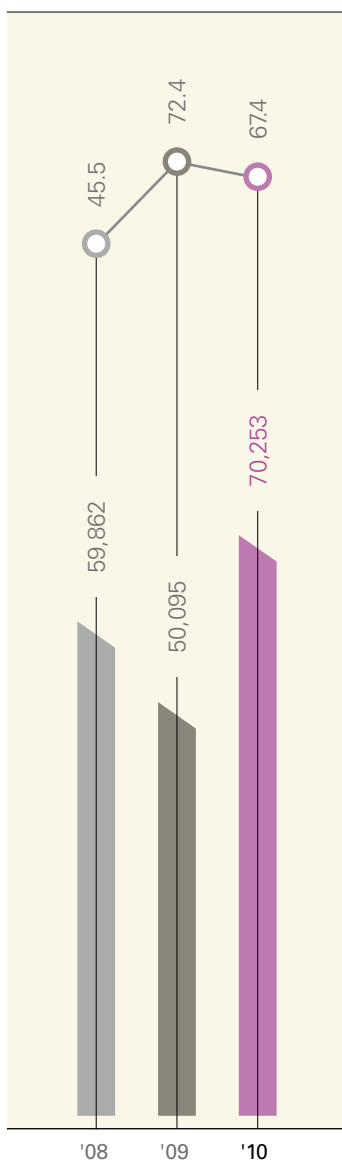
FINANCIAL HIGHLIGHTS

		2010	2009
	KRW billion	USD million	USD million
FOR THE YEAR			
Commitments	70,253	61,684	42,904
Loans	47,341	41,567	31,053
Guarantees	22,912	20,117	11,851
Disbursements	64,341	56,494	47,794
Loans	38,767	34,039	28,129
Guarantees	25,574	22,455	19,665
Net Income	67	59	22
AT YEAR-END			
Loans Outstanding	39,908	35,041	30,206
Guarantees Outstanding	44,176	38,788	38,682
Total Assets	46,689	40,995	35,995
Paid-in Capital	5,159	4,530	4,290
BIS RATIO (%)¹		10.78%	11.25%
EXCHANGE RATES (KRW/USD)		1,138.9	1,167.6

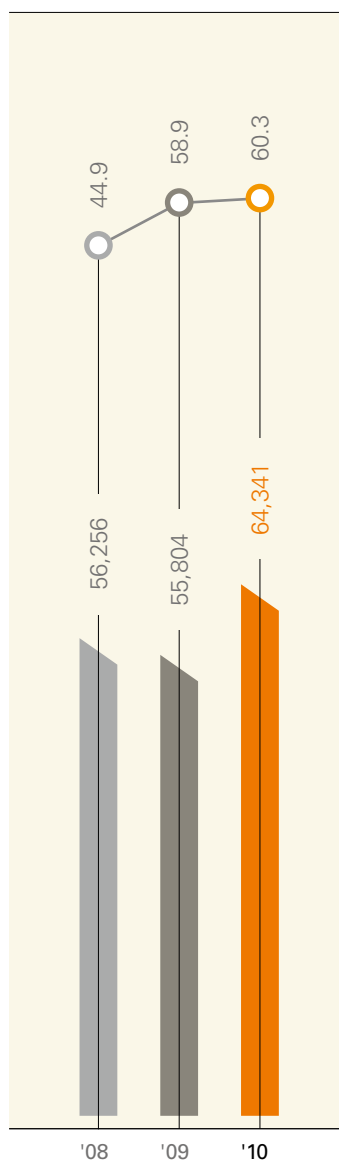
¹ Based on the Bank's 2010 consolidated balance sheet

KRW billion
 ○ Percent of loans

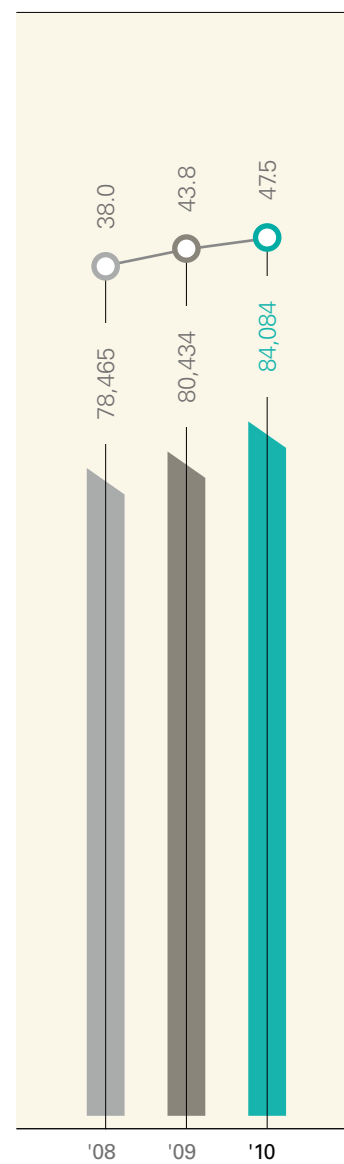
Total Commitments



Total Disbursements



Year-end Outstanding



2010 AT A GLANCE



Completion of Phase I of the Korean Hidden Champion Initiative

Korea Eximbank completed the first phase of the Korean Hidden Champion Initiative with 100 Hidden Champion candidates selected in 2010. Korean Hidden Champion candidates were selected based on their growth potential in terms of technological advancement, CEO capability, and financial stability. In order to enhance the effectiveness of the Hidden Champion Initiative, the Bank established a comprehensive support system providing customized financial services for each growth stage of candidate companies in line with a tailored master plan developed for each individual candidate company.

Successful Issuance of a 10-year Maturity Global Bond

On June 22, 2010, Korea Eximbank successfully issued a global bond with a face value of USD 1.25 billion. This was the first issuance of a dollar denominated 10-year maturity bond by a Korean institution since the global financial crisis. The Bank reaffirmed its position as a leading borrowing institution through the successful issuance of the bond despite negative market conditions such as the lingering uncertainty of the European fiscal crisis. The funds raised through bond issuance will be used to finance nuclear power plants, resource development, and green growth industries.



16th Annual Meeting of the Asian EXIM Banks Forum

Korea Eximbank hosted the 16th Annual Meeting of the Asian EXIM Banks Forum from September 28 to 30, 2010 in Busan, Korea. Ten member institutions including the ADB and six observer institutions were gathered together to discuss strategies and measures to strengthen Asia's integration, secure new growth engines, and promote inter-regional trade and investment under the theme of "Post-crisis Challenges of Asian EXIM Banks: Facilitating Sustainable and Balanced Growth." The conference served as a platform to explore opportunities for financial cooperation among the ECAs of Asia.



Provision of USD 76 million through EDCF for Mekong River Projects in Vietnam

On October 29, 2010, Korea Eximbank signed EDCF loan agreements totaling USD 76 million with the Ministry of Finance of Vietnam for three development projects near the Mekong River. This involves the construction of the GMS Southern Coastal Corridor, a 924km stretch of road connecting Thailand, Cambodia, and Vietnam. The corridor represents one of the main projects of the Mekong River Development Plan. Strengthened connectivity among countries along the Mekong River through construction of the corridor is anticipated to greatly assist Vietnam establish a foundation for sustainable economic growth.

Launch of the Green Pioneer Program

Korea Eximbank launched the Green Pioneer Program in order to provide systematic and effective support for the growth and expansion of industries related to green growth. The Green Pioneer Program, comprised of the Green Plant Program and Green Champion Program, is a comprehensive support system which aims to provide USD 20 billion annually on average to 200 green enterprises until 2020. The Bank plans to identify prospective businesses and provide them with project design development and advisory services as well as tailored financial support through export financing and EDCF.



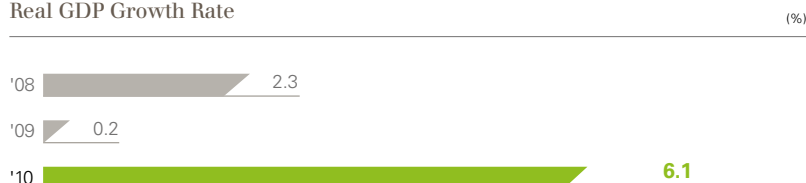
Provision of USD 296 million for Export of High-speed Trains

Korea Eximbank provided financing of USD 296 million for the export of high-speed trains by Hyundai Corporation to the Ukraine. This deal marks the first step in the Ukraine's approximately USD 3.6 billion railway modernization program, which aims to establish a safe and modern railway infrastructure and introduce 1,500 high-speed rail cars over the next ten years. Under this deal, Hyundai will supply 90 high-speed trains capable of traveling at a maximum speed of 160km per hour and contribute to increasing connectivity among the cities of the Ukraine.

ECONOMIC SITUATION & OUTLOOK

Korea has successfully diversified its export base beyond traditional developed markets to tap into newer, stronger sources of growth in emerging markets. Although global economic recovery remains fragile, we anticipate another strong year in 2011.

Real GDP Growth Rate



The Korean economy in 2010 grew at an annual rate of 6.1% as exports maintained an upward momentum fueled by gradual growth in the global economy led by developing countries, and robust private consumption and investment. The GDP growth rate of 2010 in the first quarter was 8.1% and 7.2% in the second quarter year-on-year. However, Korea's economic growth rates slowed in the second half of 2010 to normal and moderate levels. The GDP growth rate recorded 4.4% in the third quarter and 4.8% in the fourth quarter.

Exports, which have been a leading driving force of economic expansion, continued to improve steadily in 2010 thanks to the rapid economic recovery of trading partners, mainly emerging markets. Private consumption also continued its upward trend in 2010 recording a growth rate of 4.1% (year-on-year). The growth rate of facility investments remained high, recording 24.5% over the year, although the pace of growth has slowed. The rate of unemployment increased slightly by 0.1%p from the previous year, recording 3.7% for 2010.

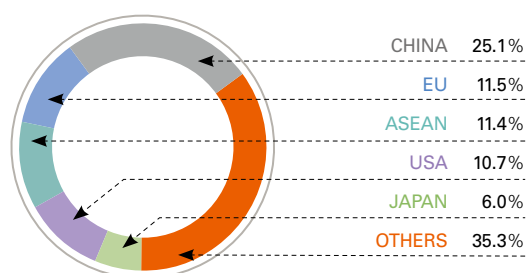
EXPORT TRENDS IN 2010

Korea's annual exports (customs-clearance basis) increased by 28.3% to total USD 466.4 billion in 2010, the highest amount ever recorded. Exports consistently recorded growth rates of over 20% throughout the year, with the exception of September with 16.2%. In the first quarter of 2010, exports increased by 35.8% over the same period of the previous year to stand at USD 101.1 billion, reflecting the increase in momentum from the previous quarter. During the second quarter, exports increased by 33.1% year-on-year to stand at USD 120.2 billion, continuing a favorable pace of increase. In the third and fourth quarters, exports increased by 22.7% (USD 116.3 billion) and 23.8% (USD 128.7 billion), continuing a high rate of growth. As a result, Korea ranked seventh among 70 major exporters in the World Trade Organization in 2010, a year in which China topped the list followed by the US and Germany. Korea's seventh place ranking represents further improvements from the previous year, when Korea ranked ninth on the list.

By export category, semi-conductors accounted for the largest amount with USD 50.7 billion and recorded the highest growth rate of 63.4%. Automobile parts recorded the second highest growth rate of 61.9%. Other categories recording over 30% growth rates included passenger cars (39.4%), petroleum products (37.3%), and general machinery (34.5%).

Korea's exports registered positive growth rates in every region except for Oceania. In terms of export markets, exports to China increased by 34.8%, accounting for 25.1% of Korea's total exports. Exports to major export markets including the US and Japan also increased by 32.3% and 29.4% respectively, while exports to the Middle East (18.0%) and the EU (14.8%) recorded relatively low growth rates.

Export Markets



IMPORT TRENDS IN 2010

Imports (customs-clearance basis) also increased by 31.6% to total USD 425.2 billion in 2010. As the global economy slowly recovered, unit prices for raw materials including crude oil rose to the \$80-\$90 range from \$60 in 2009 and domestic demand increased, pushing import growth higher than export growth rates. Imports increased throughout the year to record the highest growth rate of 48.9% in May and lowest growth rate of 17.6% in September. Imports of raw materials increased by 34.1% compared to the previous year, and imports of capital and consumer goods increased by 29.8% and 23.9%, respectively.

In 2010, Korea's trade balance recorded the highest trade surplus on record with USD 41.2 billion, an increase of 1.8% from the previous year. Korea maintained trade surpluses with most countries. In particular, Korea's trade surplus with China increased by 39.4% from the previous year. However, trade with Japan and the Middle East continued to be in deficit.

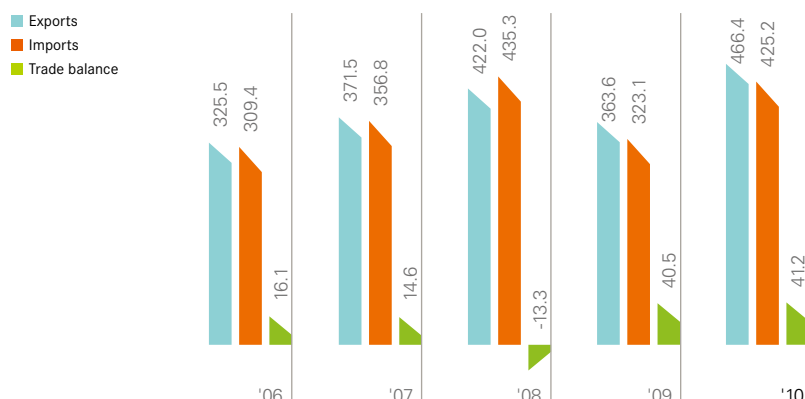
OVERSEAS DIRECT INVESTMENT TRENDS IN 2010

Due to the global economic recovery and a strong Korean won, Korea's overseas direct investments in 2010 increased by 14.3% to total USD 23.0 billion, a great improvement since it recorded a negative growth rate last year. The number of enterprises newly established in foreign countries by Korean direct investments also increased by 5.2% from 2009 to total 2,607.

While investment destinations were diversified to 113 countries worldwide, investment in the top three countries, the UK, US, and China, amounted to 41.9% of total overseas investment in 2010.

Exports, Imports & Trade Balance

(USD billion)



By investment category, the mining sector received the greatest investment amount of USD 7.2 billion, due to the promotion of overseas natural resource investment by the government. The second largest investment went to the manufacturing sector, followed by the financial and insurance activities sector. The mining, manufacturing, and financial and insurance sectors posted growth rates of 32.1%, 41.8%, and 80.0%, respectively.

Overseas Direct Investment

(Annual flow)

	2006	2007	2008	2009	2010
Amount (USD billion)	11.6	22.2	23.9	20.1	23.0
Change (%)	61.7	91.2	7.3	-15.7	14.3

OUTLOOK FOR 2011¹

The global economy in 2011 is forecast to maintain a gradual upward trend as the growth rate is expected to decrease slightly due to moderate base effects. The Korean economy is expected to maintain a steady pace of growth with balanced growth in exports and domestic demand and is projected to grow by approximately 4.2% in 2011, a level close to the nation's potential growth rate. Korea's GDP growth in the second half is projected to be higher than the first half, on a year-on-year basis, as momentum for economic recovery in advanced countries, including the US, is expected to gain strength.

Private consumption is expected to register 4.1% growth, similar to the growth rate of income, as overall economic conditions such as income and employment are projected to improve. In the first half of 2011, private consumption is forecast to grow with strong a growth rate of 4.3%. In the second half however, it is forecast to slow to 3.9%.

¹ "KDI Economic Outlook 2010-2nd Half" published by the Korea Development Institute, November 22, 2010. Trade figures quoted from "Trade Figures for 2010 and Forecast for 2011" published by the Ministry of Knowledge and Economy, January 3, 2011.

Industrial Plant Contracts

(USD billion)



The employment market is expected to improve from the previous year with the unemployment rate gradually stabilizing at an average of 3.6% in 2011. It is expected that despite a slight decrease in growth in 2011, the number of jobs is likely to rise by approximately 300,000 on an annual basis, helped by the steady rise in domestic demand.

Influenced by the continuing rise in demand, facility investment is projected to register a growth rate of 8.5%, lower than that of 2010, as export growth is expected to slow down with uncertainty over the domestic and external conditions and due to the base effect. The growth rate of facilities investment in the second half is expected to decline year-on-year from the first half from 11.0% to 6.3%.

Construction investment is forecast to record a growth rate of 3.4%, as the sluggish performance of the private sector gradually improves due to a decrease in unsold housing stocks and increase in demand for non-residential buildings induced by the economic recovery.

Exports in 2011 are forecast to increase with a growth rate of 9.8% to total USD 513 billion as overseas demand continues to increase driven by economic recoveries in emerging markets and conclusion of FTAs between Korea and the US and EU nations. However, compared to the growth rate of 28.3% in 2010, exports will increase at a slower pace due to intensifying export competition with other countries, strong value of the Korean won, and global tension on currency and trade.

Imports are projected to increase by 14.6% to USD 488 billion due to the rise in import demand caused by the stable growth of the domestic economy, appreciation of the Korean won, and rising crude oil prices. Korea's trade surplus is expected to decline to USD 25.0 billion from USD 41.2 billion in 2010 as the rise of import growth would be higher than export growth due to recovering domestic demand.

INDUSTRY OUTLOOK FOR 2011

Plant Industry¹

The total value of overseas plant orders awarded to Korean builders in 2010 was USD 64.5 billion, an increase of 39.3% from 2009. During the first half of the year, received orders totaled USD 33.5 billion, an increase of 383.4% from the previous year mainly due to the base effect of sluggish demand in the previous year and the UAE Nuclear Energy Power Plant (USD 18.6 billion) contract. The upward trend continued in the third quarter, with orders amounting to USD 17.3 billion, an increase of 8% year-on-year. Orders in the fourth quarter totaled USD 13.7 billion. The growth achieved despite the rising price of raw materials and strong euro, was mainly attributable to expanded investment in energy power plants in oil-producing countries and increased construction of industrial plants in developing countries.

Orders from the Middle East increased, especially UAE, accounting for 59.1% of the total and amounting to USD 38.1 billion, an increase of 22.5% from the previous year. UAE orders totaled USD 24.3 billion and orders from Saudi Arabia totaled USD 9.4 billion, while Australia, Kuwait, and India recorded USD 2.9 billion, USD 2.6 billion, and USD 2.5 billion, respectively. Korea Electric Power Corporation (KEPCO) secured the greatest contract amount with USD 18.6 billion in 2010, with Doosan Heavy Industries & Construction and GS E&C coming in second and third. Doosan and GS secured deals worth USD 7.8 billion and USD 4.8 billion, respectively.

In 2011, the global plant market is expected to sustain growth driven by facility expansion in developing countries. Despite fierce competition with companies from Europe and China, Korea aims to secure USD 70 billion in overseas plant orders for 2011.

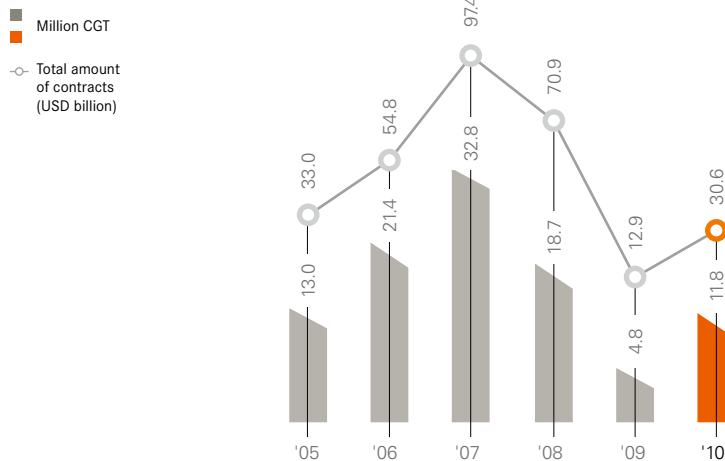
Shipbuilding Industry²

Influenced by the global economic recovery, new shipbuilding orders received by Korean shipbuilders grew by 144.9% to record 11.8 million CGT (Compensated Gross Tons) and the number of received orders rose by 160.2% to record 458. Contract amounts also increased to total USD 30.6 billion, a rise of 137.2% from the previous year. The global shipbuilding industry regained

¹ Figures for 2011 provided by the Ministry of Knowledge and Economy.

² "Trend in shipbuilding industry for 2010 and forecast for 2011" published by the Ministry of Knowledge and Economy, January 13, 2011.

Shipbuilding Contracts



its growth momentum with new orders totaled 1,754. The global total for shipbuilding orders totaled 33.8 million CGT, an increase of 134.2% from the previous year. China replaced Korea to rank #1 in the global shipbuilding industry in two consecutive years, both in terms of new orders and CGT. However, in terms of total amounts of new orders, Korea maintained its top position. Shipbuilding, with the second largest volume export categories, recorded USD 47.1 billion representing a growth rate of 10%.

With the continued global economic recovery, new orders are forecast to record annual growth of approximately 4% in 2011, but fewer ships will be constructed because the number of ships will be based on the decreased number of orders made in 2009 when the financial crisis was in full effect. Although Korea is expected to secure a number of large-scale offshore plant contracts and build a number of high value-added ships, ship exports by Korea in 2011 are projected to decrease by 5.6% to total USD 470 billion.

IT Industry³

In 2010, Korea's IT exports amounted to USD 154.0 billion, an increase of 27.3% over the previous year's total of USD 121.0 billion. However, with semi-conductors and display panels leading the recovery in the IT exports sector, the IT industry recorded a trade surplus of USD 78.2 billion in 2010. Semi-conductors became the first single export item to exceed USD 50 billion. Owing to increased demand and international sporting events such the World Cup and the Asian Games, display panel exports rose for the ninth consecutive year.

By region, exports to China accounted for 45.1% of total exports, a slight increase from last year's total of 41.5%. Export ratios to the US and EU recorded 12.0% and 12.2%, respectively. Compared to the previous year, exports to the US, EU, and Japan increased by 15.9%, 10.3%, and 18.7% respectively, while exports to China, ASEAN, and the Middle East increased by 38.1%, 29.4%, and 28.7%, respectively, indicating faster economic recoveries in emerging markets than those of developed countries.

As the global economic recovery continues, exports in the Korean IT sector in 2011 are projected to increase by 5%, recording the highest amount ever of over USD 160.0 billion. The main exports items, i.e. display panels and semi-conductors, are expected to increase due to a rise in global demand. Although the cellular phone sector was sluggish in 2010 with a growth rate of -13.7%, due to a decline in conventional mobile phone exports, outbound shipments of smart phones rose sharply, with 216.7% growth from 2009 amounts to total USD 65.4 billion. This impressive trend is expected to continue in 2011.

³ "Trade figures of IT industry for January 2011" published by the Ministry of Knowledge and Economy, February 7, 2011. Forecast figures quoted from "Trade Figures of IT Industry for 2010" published by the Ministry of Knowledge and Economy, January 6, 2011.

IT Sector Exports

(USD billion)





As an official export credit agency of Korea, we have a deep understanding of the dynamics that affect Korea's role in an integrated global economy. We are a partner for growth and development, and our activities impact the livelihoods, dreams, and opportunities of people around the world.



KOREA EXIMBANK 2010 OPERATION REVIEW

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Creating Innovative Green Financing



Korea Eximbank has made a long-term commitment to go beyond financing arrangements, and support green growth industries with customized plans for financing and consultation services from the bid preparation stage.

Amid rising concerns about global warming and energy depletion, Korea became the first country in the world to establish a law supporting a “Low Carbon, Green Growth” economy in April 2010. The law, titled “Framework Act on Low Carbon, Green Growth,” aims to promote economic development in harmony with the environment and enhance quality of life by utilizing green technologies and strengthening green industries fostering sustainable growth.

In support of the government’s initiative, the Bank extended a total of KRW 2,412 billion in 2010, which represents an increase of 81.2% from the previous year, to green industry sectors.

By sector, support to new environmental industries including renewable energy, energy efficiency, and nuclear power, more than doubled compared to that of 2009. Support for traditional eco-friendly industries, such as desalination, water treatment, and desulfurization, also increased by 15.7% from the previous year in line with respective export industry growths.



Despite high quality and competitive pricing, domestic green exporters continued to face difficulties in finding new business opportunities due to insufficient experience and the lack of performance records in overseas markets.

In order to help corporations overcome this obstacle, the Bank ambitiously moved toward green industrialization by adopting a new strategic approach titled the Green Pioneer Program (GPP).

The GPP is a two-fold program. The Green Plant Program aims to assist Korean firms formulate green plant projects and win contracts by providing development and advisory services as well as financial assistance while the Green Champion Program seeks to nurture green exporters by providing comprehensive solutions, both financial and non-financial, according to the development stage of each exporter. The Bank aims to provide a total of KRW 3.8 trillion in support through the GPP in 2011.

Minimizing the environmental impacts of infrastructure projects has now become one of the essential factors in due diligence when a bank provides financing in the international community. Korea Eximbank, through successful implementation of the GPP, is dedicated to nurturing green industries as the next engine for development and thus actively assisting Korea attain sustainable growth rather than merely meeting minimum obligations in green finance. The Bank also hopes to shine, much like a lighthouse, to help navigate through the new uncharted territory of green growth by continuing efforts to research green industry trends and new financing technologies, and to provide needed financial services to our valued clients in the green industry.

Korea Eximbank Financing for Green Growth Industries

(KRW billion, %)

Sector	2009	2010	Rate of Growth
New Environmental Industry	460	1,492	224.3
Traditional Eco-Friendly Industry	795	920	15.7
Knowledge & Cultural Contents Industry	76	- ¹	-
Total	1,331	2,412	81.2

¹ Due to reclassification of the green industry in 2010, the knowledge & cultural contents industry has been excluded from the green growth sector.

Creating Innovative SME Financing

Korea's SME sector is vibrant, creative, and technologically advanced. We support the best of the best SMEs with the "Korean Hidden Champion Initiative," a 10-year program to introduce hundreds of new exporters to the global market.



↑ Selected as a Korean Hidden Champion



↑ Site Visitation by Bank President to an SME Shipbuilder

The Bank considers SMEs as the backbone of Korea's economy and places great emphasis on providing assistance to SMEs. In recent years, exports by SMEs have continued to grow to represent approximately a third of the country's total exports. To better assist SMEs, which often face difficulties in securing appropriate financing and lack the know-how to enter overseas markets, the Bank enhanced comprehensive assistance programs for SMEs.

FINANCIAL SUPPORT FOR SMEs

Loans and Guarantees for SMEs

The Bank increased financial support for SMEs during 2010. As of the end of 2010, disbursements to SMEs increased by 6.7% from the previous year to total KRW 14.6 trillion (USD 12.8 billion). This represented 37.7% of total loan disbursements provided by the Bank. Loans outstanding towards SMEs increased by 13.7% from the previous year to KRW 8.4 trillion (USD 7.35 billion), which represented 21.3% of total loans outstanding provided by the Bank by the end of 2010.

NON-FINANCIAL SUPPORT FOR SMEs

The Bank also expanded non-financial support for SMEs in 2010. The Bank offered enhanced consulting services related to overseas investment and management of exchange-rate risks to assist SMEs develop into global leaders. In addition, the Korea Eximbank Forum for Export SMEs was held to identify the real needs of SMEs and provide a direct channel of communication between the Bank and CEOs of SMEs.

KOREAN HIDDEN CHAMPION INITIATIVE

After development by Korea Eximbank in November 2009, the Korean Hidden Champion Initiative, a 10-year program to nurture up to 300 SMEs to become Korean Hidden Champions, was successfully launched in 2010. The Bank defines a Korean Hidden Champion as a corporation with annual exports of more than USD 100 million and sustainable market dominating power in its respective sector.

As 2010 marked the full-scale launch of the initiative, Korea Eximbank selected 100 SMEs with high potential for technological advancement and growth as Hidden Champion candidates. The candidates were also selected for their "Hidden Champion DNA," which is characterized by large investments in R&D and strong desire for a globalization.



Korea Eximbank Financing for Hidden Champion Candidates

(KRW billion, %)

Financing Services	Amount	Percentage
Export Financing	795	77.0
Import Financing	151	14.6
Overseas Investment Financing	86	8.4
Total	1,032	100.0

In order to provide the selected candidates with tailored financing services, the Bank developed innovative financial products such as Export Credits for R&D and Export Credits for Overseas Market Development. The candidates also received tailored package loans, which customize various financial services based on individual firm's long-term business plans, in order to facilitate rapid implementation of the plans and eliminate difficulties in securing needed funds.

During 2010, selected Hidden Champion candidates received over KRW 1 trillion in financial services.

To provide Hidden Champion candidates with non-financial services, Korea Eximbank signed seven cooperative agreements with such organizations as Korea Technology Finance Corporation, KOTRA, Samsung C&T Corporation, Daewoo International Corporation, and the Korea Exchange. Through the agreements, Hidden Champion candidates received professional consultation services such as F/X risk management, technology consulting, overseas market development, IPO consulting, etc.

In 2011, Korea Eximbank will select 100 additional Hidden Champion candidates and provide selected candidates with financing of KRW 1.5 trillion.

Bank Account Activities

Korea Eximbank pursues the global mission of promoting international trade and cooperation among nations in all stages of development. Our financial support and advisory services promote trade, investment, and partnership for further development of economic infrastructure.



In 2010, Korea Eximbank continued to provide comprehensive support for Korean companies by introducing new financing programs and improving upon existing programs to be more customer-oriented, so as to help domestic entities maintain competitiveness in the global market. These efforts significantly increased the business performance of the Bank and contributed to the steady and stable growth of the Korean economy on the heels of a global economic crisis in 2008.

The Bank provided credits totaling KRW 64.3 trillion (KRW 38.7 trillion in loans and KRW 25.6 trillion in guarantees) equivalent to USD 56.5 billion. This amount represents the largest credit volume since the establishment of Korea Eximbank in 1976.

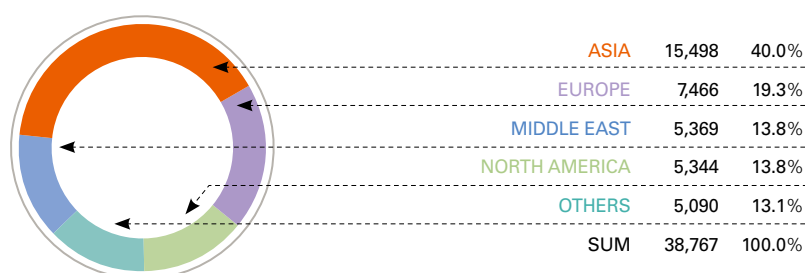
Export Credit, one of the Bank's three major financing programs, accounted for the largest share of loan disbursements with KRW 27.0 trillion (USD 23.7 billion), or 69.6%. Overseas Investment Credit and Import Credit accounted for 19.5% and 10.9%, amounting to KRW 7,551 billion (USD 6,630 million) and KRW 4,212 billion (USD 3,698 million) respectively.

Regionally, countries in Asia received the largest share of total loan disbursements with 40.0%, followed by countries in Europe (19.3%), the Middle East (13.8%), North America (13.8%), and other regions (13.1%).

Commitments of guarantees reached KRW 22.9 trillion (USD 20.1 billion), 63.6% of which was in the form of advance payment guarantees for shipbuilding and construction contracts.

Loan Disbursements by Region

(KRW billion)



Export Credit



Export Credit continued to constitute the largest amount of Korea Eximbank loan disbursements in 2010 and increased to KRW 27.0 trillion from KRW 25.3 trillion in the previous year, as a result of an increase in pre-delivery financing to shipbuilding and construction companies and strategic support for SMEs. The gross share, however, declined to 69.6% of total loan disbursements compared to 76.9% of the previous year owing to the relatively strong performance of Overseas Investment Credit, which is mainly extended to large companies.

Among items supported under Export Credit, ships comprised the largest portion with KRW 6,113 billion (USD 5,367 million, 22.6%), followed by industrial plants with KRW 4,048 billion (USD 3,554 million, 15.0%), and machinery with KRW 1,995 billion (USD 1,752 million, 7.4%).

Due to a significant rise in approvals for pre-delivery financing to shipbuilding and plant companies and Direct Loans, the Bank's Export Credit commitments in 2010 also grew by 24.8% year-on-year from KRW 28.5 trillion (USD 24.4 billion) to KRW 35.5 trillion (USD 31.2 billion).

Direct Loan

A Direct Loan, or Buyer Credit, is a type of export credit facility which assists foreign buyers purchase Korean goods and services. Under this program, the Bank directly enters into loan agreements with foreign buyers and provides them with loans in order to facilitate payments to Korean exporters when shipping schedules are fixed.

Exporters tend to prefer Buyer Credit over Supplier Credit mainly because they can realize cash earnings upon performing their export transactions without incurring debts.

In 2010, Bank disbursements of Direct Loans totaled KRW 1,300 billion (USD 1,142 million), a 36.2% decrease from the previous year due to a reduction in commitments for plant projects and a recession in the ship order market in the aftermath of the global financial crisis in 2008-2009. However, in terms of commitment amounts, the Bank increased Direct Loan approvals by 249.7% from KRW 819 billion (USD 701 million) to KRW 2,864 billion (USD 2,514 million) due to an increase in new large-scale plant and construction projects on the strength of gradual global economic recovery.



↑ Saudi Jubail Export Refinery Project

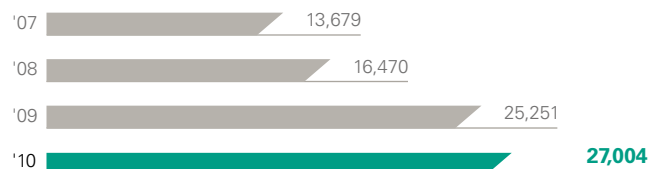
Project Financing & Structured Financing

In 2010, Bank disbursements through Project Financing (PF) and Structured Financing (SF) amounted to KRW 2,884 billion (USD 2,532 million).

A noteworthy project supported under PF by the Bank in 2010 was the Saudi Jubail Export Refinery, one of the world's largest merchant green field refinery and petrochemical complex projects. The project was owned by two prominent sponsors, Saudi Aramco and Total, and was participated by representative Korean companies including Samsung Engineering Co. Ltd, SK Engineering & Construction Co. Ltd, and Daelim Industrial Co., Ltd as EPC contractors. With

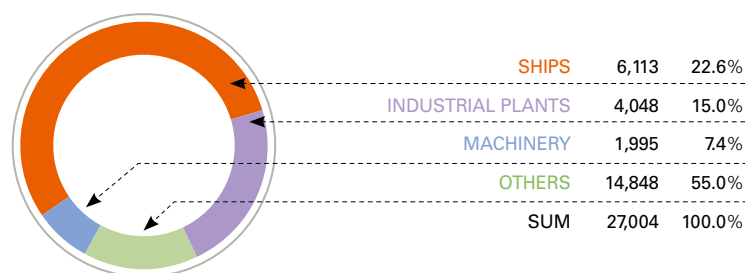
Export Loan Disbursements

(KRW billion)



Export Loan Disbursements by Item

(KRW billion)



total financing of USD 8.5 billion in debt and USD 5.5 billion in equity, Korea Eximbank provided USD 299 million in loans and USD 246 million in guarantees for commercial lenders. It is notable that the Bank extended USD 82 million in local currency (SAR) denominated guarantees to Saudi banks, broadening the customer base for Bank guarantee products. The project is one of the largest project-finance deals ever and was awarded “Oil & Gas Deal of 2010” by Project Finance International (PFI).

Interbank Export Credit

Interbank Export Credit (IEC) is a credit facility offered to foreign banks in the form of a credit line that can be utilized for loans to their clients importing Korean goods or conducting business transactions with Korean subsidiaries.

The amount disbursed under IEC increased by 90.0% to KRW 973 billion (USD 855 million) in 2010 from KRW 512 billion (USD 439 million) in 2009. The total volume of credit lines as of the end of 2010 stood at USD 3,080 million for 47 banks in 22 countries. Major clients of this program include creditworthy banks in emerging countries such as Russia, Uzbekistan, and India.

In 2010, 14 credit lines totaling USD 782 million were newly established for banks in seven countries including Bancomext (Banco Nacional de Comercio Exterior SNC) in Mexico and Indonesia Eximbank.

Forfaiting & Export Factoring

Forfaiting is a service which enables Korean exporters to conduct transactions with buyers in developing countries that are not readily financed by domestic commercial banks due to the high credit risks involved. The Bank negotiates the bills of exchange issued under relevant documentary letters of credit on a non-recourse basis without the need for additional collateral.

The volume of forfaiting has sharply increased since the service was first offered in 2001, reaching KRW 1,795 billion (USD 1,576 million) in 2010.

Export Factoring is a form of trade finance provided by purchasing, on a non-recourse basis, trade receivables occurring from open-account export transactions on credit.

The Bank initiated the program in 2005, marking the first introduction of the service to Korea on a non-recourse basis. In 2010, the Bank extended a total of KRW 2,610 billion (USD 2,292 million) in Export Factoring, a 63.0% increase from the previous year.

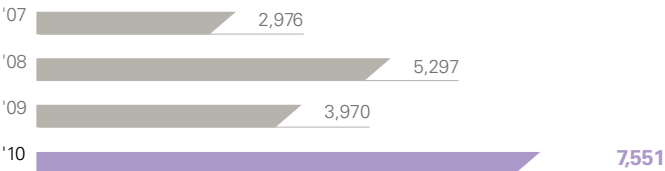




↑ Construction of Export Elevator

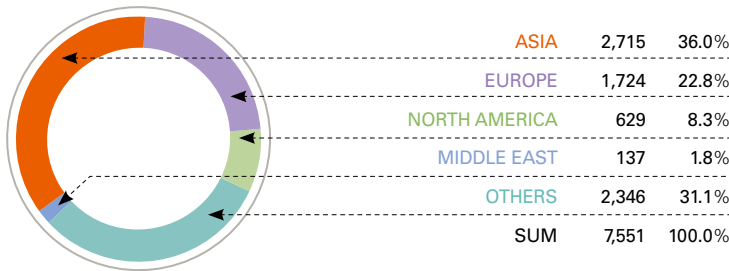
Overseas Investment Loan Disbursements

(KRW billion)



Overseas Investment Loan Disbursements by Region

(KRW billion)



Overseas Investment Credit



In 2010, Overseas Investment Credit realized outstanding performance to support global expansion of Korean business operations due to more favorable environment for overseas investment than the previous year. Disbursements increased sharply by 90.2% to KRW 7,551 billion (USD 6,630 million) from KRW 3,970 billion (USD 3,400 million) in the previous year.

In particular, in line with the Bank's strategy to strengthen its financial support to overseas natural resource development projects, disbursements for this sector in 2010 amounted to KRW 2,963 billion (USD 2,602 million), accounting for 39.2% of the total disbursement rendered through Overseas Investment Credit. This figure represents a 284% increase from disbursements made in the previous year.

By region, Asia received the largest portion with 36.0%, followed by Europe (22.8%), and North America (8.3%).

Import Credit

Import Credit facilitates the stable and timely import of essential materials and resources crucial to the national economy.

Since its introduction in 1988, the volume of Import Credit has increased substantially. In 2009 and 2010, total disbursements reached KRW 3,623 billion (USD 3,103 million) and KRW 4,212 billion (USD 3,698 million) respectively.

In 2010, mineral resources accounted for 43.0% of total disbursements with KRW 1,810 billion (USD 1,589 million), followed by high-tech products at 28.5% with KRW 1,201 billion (USD 1,055 million), agricultural resources at 8.7% with KRW 368 billion (USD 323 million), and forestry resources at 5.9% with KRW 250 billion (USD 220 million).

By region, the greatest amount of Import Credit was provided to Asia with 41.0%, followed by North America (26.6%), Latin America (9.5%), Oceania (8.4%), and other regions (14.4%).

Loans to SMEs

The Bank steadily expanded its financial support for SMEs with loans accounting for 21.3% of the Bank's total loans outstanding by the end of 2010. In 2010, the Bank's loan commitments and disbursements for SMEs amounted to KRW 17.4 trillion (USD 15.3 billion) and KRW 14.6 trillion (USD 12.8 billion), an increase of 6.4% and 6.7%, respectively, from the previous year.

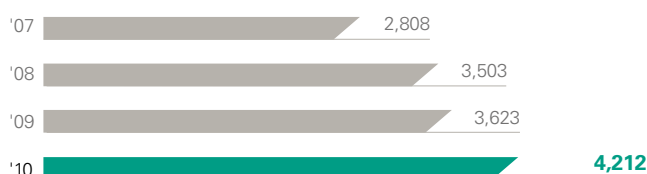
Guarantees

In 2010, the commitments for advance payment guarantees and performance guarantees totaled KRW 14.6 trillion (USD 12.8 billion) and KRW 3,383 billion (USD 2,971 million), respectively. These two types of guarantees accounted for approximately 91.3% of total project-related guarantee commitments.

In addition, the Bank authorized KRW 1,257 billion (USD 1,103 million) in the form of financial guarantees and KRW 1,992 billion (USD 1,749 million) in other trade-related guarantees.

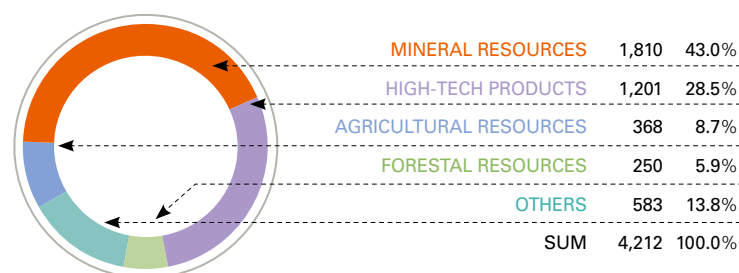
Import Loan Disbursements

(KRW billion)



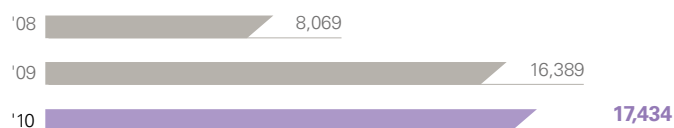
Import Loan Disbursements by Item

(KRW billion)



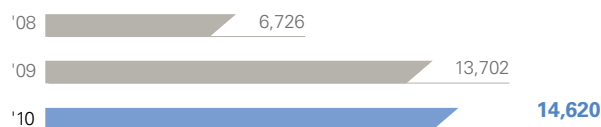
Loan Commitments to SMEs

(KRW billion)



Loan Disbursements to SMEs

(KRW billion)



Sources of Funds



Korea Eximbank raised a total of KRW 40.7 trillion in 2010, a 17.3% increase compared with the previous year's total of KRW 34.7 trillion. KRW 18.4 trillion (or USD 16.2 billion) of the funds raised over the last year was in forms of borrowings and bond issuances, while a significant portion of the rest was self-generated from repayment of the Bank's outstanding loans.

As a benchmark issuer in the international bond market, the Bank successfully issued a 5.5-year global bond of USD 1 billion in March, with the lowest spread over the US Treasury achieved by the Korean issuers since the global credit crisis erupted in 2008. The Bank subsequently issued 10-year and 10.25-year global bonds in June and October respectively, which paved the way for 10 year or longer issuances for other financial institutions in Korea. Through such issuance activities, the Bank achieved favorable pricing and reaffirmed its position as one of Korea's foremost issuers in the global financial market.

In 2010, the Bank pioneered sourcing of funds from non-US dollar niche markets to source USD 3.6 billion. The Bank was the first Korean issuer to tap into currencies of China, Peru, India, Indonesia, and the Philippines. In addition, the Bank was successful in raising USD 270 million with its inaugural Taiwan Formosa Bond, the first bond of its kind among Asian financial institutions. Efforts for diversification in terms of markets and currencies greatly supported Bank efforts to expand its investor base and raise funds in a cost-effective manner.

With increasing demand for KRW-denominated loans, we also expanded the Bank's presence in the domestic bond market by issuing KRW 8,920 billion in domestic bonds throughout the year. In particular, through the issuance of a single bond, the Bank raised KRW 200 billion with a 5-year maturity and matched the Bank's long-term KRW-denominated loan amount.

Furthermore, the government's injection of KRW 150 billion helped the Bank accumulate KRW 5,159 billion in paid-in capital. The active support of government through capital injections demonstrated the importance of the Bank in its role as a policy arm and as a safety net for financial markets.

Financial Status 2010



Assets and Liabilities

At the end of 2010, the Bank's total assets reached KRW 46.7 trillion, an 11.1% increase from the previous year's total of KRW 42.0 trillion. This increase was mostly due to an expansion in loan activities.



Total liabilities amounted to KRW 40.2 trillion, up 12.9% from the previous year's total of KRW 35.6 trillion, due to an increase in borrowings and debentures.

Korea Eximbank stockholder equity rose 0.9% from the previous year's total of KRW 6,463 billion to stand at KRW 6,523 billion. There was an injection of KRW 150 billion in capital stock from the government and an increase of KRW 41 billion in net income, but a decrease of KRW 153 billion in other comprehensive income including unrealized gains on available-for-sale securities.

Revenues and Expenses

The Bank's net interest income for 2010 stood at KRW 381 billion, up 72% from the previous year's total of KRW 221 billion due to a decrease in interest on debentures and borrowings. Net income recorded KRW 67 billion, up KRW 41 billion from the previous year's total of KRW 26 billion. The rise on net income was accounted for by gains on sales of available-for-sale securities.

Supporting Activities



Enhancing Partnerships

Throughout 2010, Korea Eximbank continued its efforts to expand overseas cooperative networks by concluding six agreements with multilateral development banks, major international financial institutions, policy banks, etc.

In March, the Bank signed an MOU with the World Bank affiliated Multilateral Investment Guarantee Agency (MIGA) in order to provide joint guarantees to Korean companies investing in developing countries. The MOU is expected to facilitate a greater entry of Korean companies into overseas markets by jointly supporting projects and reducing investment risks.

Cooperation in the natural resources development area has also increased. In June, Korea Eximbank entered into the Cooperation Agreement for the Panama Cobre Copper Mine Joint Development Project with Canadian resource developer Inmet, Korea Export Insurance Corporation (KEIC), and a consortium comprised of Korea Resources Corporation (KORES) and LS-Nikko Copper Inc. This agreement will help secure stable imports of copper, an essential raw material for the Korean economy.

Given that Korean and Japanese companies are increasingly forming consortiums in the plant market, the Bank also signed an MOU with Sumitomo Mitsui Banking Corporation (SMBC) in July to respond to increasing co-financing needs of companies in the two countries.



↑ MOU Signing Ceremony with Afreximbank

In addition, Korea Eximbank continued to diversify its regional range of operations. The Cooperation Agreements with the Development Bank of Kazakhstan (DBK) and the Bulgarian Development Bank (BDB) were concluded in April and in December, respectively, in order to promote bilateral trade and investments and increase financial cooperation to support development projects. As for the African region, where Korean companies are actively making inroads for infrastructure projects, the Bank concluded an MOU with the African Export-Import Bank (Afreximbank) during the 2010 KOAFEC Ministerial Conference held in Seoul last September.

Knowledge Sharing Activities

Korea Eximbank actively participates in knowledge sharing activities of the Korean government which aims to share the development experience of Korea with developing countries around the world. The successful export driven economic development model of Korea serves as a benchmark for many developing countries struggling to achieve economic growth. Understanding the importance of ECAs role in promoting exports, the Bank emphasizes the transfer of experience and knowledge gained from the establishment of an ECA and provision of export credits in Bank efforts to enhance the capacity of developing countries.

Following successful support for establishment of Vietnam Development Bank (VDB) in May 2006, Korea Eximbank continued in 2010 to assist VDB meet ECA requirements in providing export credits. Assistance encompassed training of local staff, various seminars and workshops on financial products, etc.



↑ Seminar on Export Capacity Building for the Dominican Republic



Also in 2010, the Bank launched a new knowledge sharing program for Uzbekistan by providing comprehensive consulting services for the development and implementation of national policies to promote exports and develop strategic industries.

In addition, the Bank reinforced the export capacity building program initiated for the Dominican Republic in 2008. Up to 2009, knowledge sharing activities for the Dominican Republic mainly focused on the development of social infrastructures to promote exports and the establishment of national development strategies. In 2010, Korea Eximbank launched a support program for the establishment of an ECA in the Dominican Republic to facilitate national exports.

Throughout the year, the Bank collaborated with related institutions such as Korea Development Institute (KDI) and KOTRA to hold a series of informative workshops and meetings about the Bank's organization and operations for government representatives of developing countries such as Sri Lanka and Cambodia. In addition, the Bank strategically utilized regional seminars hosted by embassies in Korea to introduce the Bank's financial services and also participated in workshops held by private companies to inform Korean companies of how to secure financing for large-scale deals in overseas markets.

Seminars and Workshops

Korea Eximbank hosted and organized a number of meaningful conferences and seminars in 2010, including the Ministerial Conference of Korea-Africa Economic Cooperation (KOAPEC), the 16th Annual Meeting of Asian EXIM Banks Forum, and various seminars providing useful information on regional trade and investment.

Under the theme of “Rising Africa, Together with Korea,” the KOAPEC conference brought together over 45 ministerial-level officials from 35 African countries and 150 African representatives of various fields in economics, energy, construction, IT, agriculture, and education. During the biggest Africa-related event ever held in Korea, a joint statement establishing comprehensive and long-term economic partnerships was declared. Also during the conference, Korea Eximbank signed a USD 50 million Interbank Export Credit Agreement with Afreximbank in order to support Korea’s exports to the African region, and arranged one-on-one business meetings between Korean enterprises and African representatives to facilitate identification of business opportunities in infrastructure, IT, resources, and energy.

As the chair of the 2010 Asian EXIM Banks Forum (AEBF), Korea Eximbank also hosted the 16th Annual Meeting from September 28 to 30, 2010 in Busan at Nurimaru APEC House. Under the theme of “Post-crisis Challenges of Asian EXIM Banks: Facilitating Sustainable and Balanced Growth,” ten member and six observer institutions discussed strategies and measures to strengthen Asia’s integration, secure new growth engines, and promote intra-regional trade and investment on the heels of one of the most sweeping global financial crises in history. Leading final procedures to conclude the Reciprocal Risk Participation Agreement and AEBF Membership Protocol, Korea Eximbank maximized its capacity and leadership to harmonize the varied opinions from member institutions and thus contributed to further expansion of AEBF’s economic influence in the region.

In an effort to further promote bilateral trade and investment activities, the Bank also co-hosted a regional investment seminar on Poland with the Polish embassy as a cooperative follow-up to the Cooperation Agreement with the Polish Information and Foreign Investment Agency concluded in 2009. The Bank successfully contributed to the seminar by inviting over 100 Korean companies which were interested in investing into Poland. In addition, the Bank also hosted the Annual Seminar for Foreign Counselors in Korea to introduce the Bank’s various financing programs such as export credit facilities, project finance services, and EDCF operations and to identify infrastructure or export related financing opportunities in developing countries.

Research & Information

The Bank provides in-depth research and statistical analysis of developing countries across Asia, Europe, the Middle East, and Africa. Reports on countries such as the Philippines, Mongolia, Yemen, UAE, Madagascar, Nicaragua, etc. contain country specific analysis of macroeconomic conditions, industries, political situations, credit ratings, and investment environments and respective foreign direct investment amounts in 2010 to serve as key references for financing decisions. The Bank also published strategic reports such as “Research on Effective Entry by Korean Companies into the Western Region of China,” “Expanding Cooperation with Eastern Europe after the Korea-EU FTA,” etc.



↑ Ministerial Conference of Korea-Africa
Economic Cooperation (KOAPEC)

Government Account Activities —EDCF

International trade often works better together with international aid. Acting primarily through EDCF, Korea Eximbank provides preferential loans and aid packages that promote sustainable development, social welfare, and environmental conservation.



2010 was a year of great achievements for EDCF. Loan commitments for the year totaled KRW 1,248 billion (USD 1,089 million), the highest amount since the Fund's establishment in 1987. EDCF loan disbursements for 2010 also increased substantially by surpassing KRW 400 billion with increases expected to continue in the coming years.

Also in 2010, several measures were instituted to improve aid effectiveness and quality. Representatively, the Korean government developed the "Basic Plan for International Development Cooperation 2011-2015," which EDCF will be expected to pursue in the coming years.

Co-financing activities with MDBs and objective evaluations by external assessors also contributed to strengthening harmonization, alignment, and managing for results as specified in the Paris Declaration on Aid Effectiveness.

Loan Commitments



Largest Commitments since EDCF Foundation

EDCF committed KRW 1,248 billion (USD 1,089 million) in new loans to 23 projects in 16 countries during 2010. This total represents a 1.0% increase over the previous year's total and is the largest commitment volume since EDCF foundation. As of the end of 2010, accumulated EDCF commitments reached KRW 6,934 billion (USD 6,290 million) for 251 projects in 46 countries.

Commitments by Region and Country

The largest portion of new commitments in 2010 was extended to Asia, reflecting Korea's close economic and diplomatic ties with many Asian countries. Loan commitments to Asian countries accounted for 60.5% of new loans for the year and two of the top three recipient countries were Asian countries. Vietnam was the largest recipient as an individual partner country for four consecutive years with a total commitment of KRW 308.3 billion. Indonesia ranked second largest with KRW 160.5 billion and Angola ranked third with KRW 111.6 billion. In terms of regional distribution, Africa took second place with 32.3% of new commitments in 2010, reflecting EDCF efforts to expand into Africa. For other regions such as Latin America, Central Asia, and the Middle East, EDCF will continue to expand its commitments.

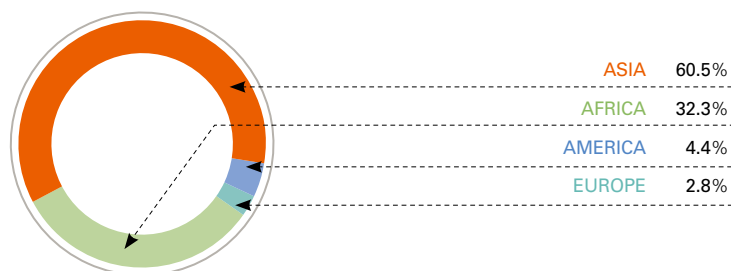
EDCF Loan Commitments

(KRW billion)

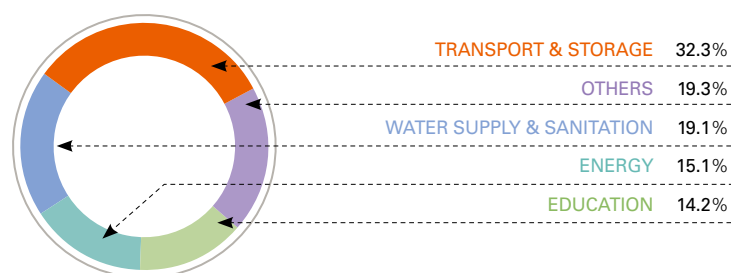


* Yearly EDCF commitment amounts have been converted at the 2010 year-end foreign exchange rate.

Loan Commitments by Region

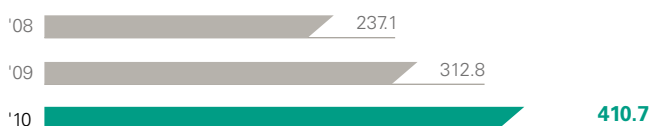


Loan Commitments by Sector



EDCF Loan Disbursements

(KRW billion)



Commitments by Sector

New commitments to economic infrastructure such as transportation, energy, and communications continued in 2010. At the same time, in line with international efforts under the Millennium Development Goals (MDGs), new commitments were also made to social infrastructure projects aiming to improve services such as water supply and sanitation, education, and public health. In the future, EDCF also plans to allocate a substantial portion of its financial resources to sectors related to the environment and agriculture in response to increased demand in partner countries and global concerns about climate warming and environmental degradation.

Loan Disbursements



Sharp Increase in Loan Disbursements

Loan disbursements totaled KRW 410.7 billion (USD 359.2 million) for 63 projects in 21 countries during 2010, representing a 31.3% increase from the previous year. This growth rate was much higher than that of commitments and is expected to continue to increase in the future based on recent significant increases in commitments. Cumulative EDCF loan disbursements totaled KRW 2,734 billion, or 39.4% of total commitments. Of the 251 committed projects, 185 projects received disbursements. At the end of 2010, the outstanding balance for EDCF totaled KRW 2,359 billion, approximately 18.2% more than KRW 1,996 billion recorded at the end of 2009.

Loan Disbursements by Region and Country

By region, Asia (76.3%) was the largest borrower for the year, followed by Africa (10.9%) and Europe (9.6%). By country, Vietnam was the largest borrower with KRW 79.4 billion, followed by Bangladesh, Sri Lanka, and Bosnia-Herzegovina.

Loan Disbursements by Sector

In response to increased commitment to the MDGs by the international community, loan disbursements were well balanced for both economic and social infrastructure developments. Of total loan disbursements made in 2010, the transportation sector accounted for 33.0%, followed by health (14.2%), education (11.2%), and energy (11.2%). These loan disbursements provided support for economic development and helped to enhance the quality of life in partner countries.

Other Activities



Role of Korea in Development Cooperation

Although the global development aid committed by the international community has continued to grow in recent years, there are still many developing countries requiring further assistance. Fundamental problems such as hunger, poverty, and infectious diseases still plague many parts of the world and rising food and fuel prices as well as climate change are posing new global challenges. Moreover, international efforts have yet to be coordinated and expanded within the framework provided by the MDGs.

As a new member of the OECD Development Assistance Committee (DAC), Korea aims to meet international development objectives by increasing and enhancing Korea's development assistance in accord with the size of Korea's economy and position in global affairs.

Despite severe external economic shocks, Korea did not waver in its commitments in terms of aid volume and aid effectiveness, placing the priority on meeting increasing demands for aid from developing countries. In fact, Korea increased ODA commitment volumes by 18.7% over the previous year to total USD 1,980 million in 2009. In addition, with new membership in the DAC in 2010, Korea strived to enhance aid effectiveness by actively participating in international discussions such as the Paris Declaration and the Accra Agenda for Action. Korea, as the host country of the 4th High Level Forum on Aid Effectiveness, will continue to expand partnership for development cooperation.

ODA Volume

Korea's net ODA disbursements in 2009¹ totaled USD 816 million², a 1.7% increase from 2008. An increase in bilateral loans from USD 171 million in 2008 to USD 214 million in 2009 was the main reason for the increase in net disbursements. Multilateral ODA, however, decreased slightly by 10% in 2009. Bilateral ODA accounted for 71.2% of the total, amounting to USD 581 million, while multilateral ODA constituted 28.8%, or USD 235 million. As a result of the increase in total ODA, the ODA/GNI ratio rose from 0.09% in 2008 to 0.10% in 2009.

Participation in the Future Carbon Fund Managed by the ADB

Upon the request of the Asian Development Bank (ADB), the Ministry of Strategy and Finance of Korea signed the Participation Agreement with the ADB on November 13, 2009. As per the agreement, the Ministry committed USD 20 million from EDCF to the Future Carbon Fund (FCF) and provided the first disbursement of USD 5 million on May 25, 2010. With this contribution, the Ministry served as a lead participant of the FCF together with the Swedish Energy Agency, the Ministry for Foreign Affairs of Finland, and Participatie Maatschappij Vlaanderen of Flemish Region of Belgium, POSCO, and Eneco Energy Trade B. V.

The FCF is a trust fund established and managed by the ADB on behalf of fund participants. It is a component of ADB's ongoing Carbon Market Initiative (CMI) which provides financial and technical support for CDM projects. The FCF provides financial support for greenhouse gas (GHG) mitigation projects in the developing member countries of the ADB. The FCF is anticipated to stimulate investments in GHG reduction projects by enabling project developers to gain immediate benefits after 2012.

¹ 2010 figures unavailable

² Korea's reported ODA volume excludes assistance to the Democratic People's Republic of Korea (North Korea). The ODA eligible portion of assistance to North Korea was approximately USD 26 million in 2009. This total comprises project aid (USD 23.9 million), technical co-operation (USD 0.4 million), developmental food aid (USD 0.7 million), and administrative costs (USD 1 million).

Enhancing the EDCF Assistance Program

EDCF strives to maximize its effectiveness through enhancement of various tools. In 2008, EDCF lowered its interest rate to 0.01~2.5% per annum from 0.5~3.0% per annum, and expanded the maximum repayment period up to 40 years with a 15-year grace period from 30 years with a 10-year grace period. As a result, the average grant element of projects has significantly improved since 2008, from 78.1% in 2008 to 87.9% in 2010. The increase in grants provided developing countries with the necessary capital for development under more favorable conditions.

Improving Efficiency through Framework Arrangements

As of the end of 2010, six Framework Arrangements (F/As) totaling USD 1.6 billion have been signed between the Korean government and the respective governments of six partner countries. Introduced in 2007, an F/A replaces multiple government arrangements which must be signed for each and every EDCF project. An individual arrangement normally takes several months to be concluded, often hampering timely implementation of the projects. However, the F/A improves the efficiency of inter-governmental administrative works by greatly reducing the time consumed in such processes.

The Korean government has established F/As with Bangladesh, Bolivia, Cambodia, Indonesia, Pakistan, the Philippines, Sri Lanka, Uzbekistan, Vietnam, and Yemen. Five more F/As are slated to be signed in 2011. The F/As will significantly contribute to improving the efficiency of EDCF operations.

Project Preparation Facilities for 21 Projects Totaling KRW 4.8 Billion in 2010

Project Preparation Facilities (PPF) is a grant-based technical assistance program which helps partner countries prepare EDCF loan applications. Through PPF, partner countries are able to establish accurate project scopes, estimate project costs, and conduct feasibility studies for economic, financial, and technical aspects. Probable economic and social impacts of a project can be anticipated more comprehensively through PPF.

Since its adoption in 2005, PPF has greatly contributed to the successful implementation of projects and assisted partner countries to identify and formulate new projects. As of the end of 2010, PPF has been extended to 69 projects in 26 partner countries, of which, 31 PPF projects in 18 countries have been approved for financing through EDCF loans. In 2010, EDCF supported 21 projects in 15 partner countries with KRW 4.8 billion in PPF.

In 2011, EDCF plans to increase PPF to KRW 6.0 billion. With increased EDCF commitment volumes, PPF will undoubtedly expand its role to enhance development of EDCF and partner countries.



↑ Completed Building for
the Batam e-Government Project
in Indonesia

EDCF Programs with Green Growth

Under the “Low Carbon, Green Growth” strategy as a national vision, the Korean government will raise the volume of green ODA up to 20% by 2011 and 30% by 2015. As “green” ODA is one of the priorities of EDCF, EDCF provides incentives for green ODA projects involving renewable energy, energy efficiency, and eco-friendly projects.

Under this plan, the proportion of green ODA has increased accordingly. Green ODA accounted for 13% of total EDCF commitments in 2007, but 22% in 2010. Total commitments to green ODA projects amounted to USD 1.2 billion since 1987, accounting for 19% of total EDCF commitments. In 2010 alone, EDCF approved five green projects totaling USD 243 million.

- Mongkol Borey Irrigation Dam Project in Cambodia (USD 19 million)
- Construction of Photovoltaic Power Plants Project in Mozambique (USD 35 million)
- Construction of Solid Waste Disposal Facilities Project in Sri Lanka (USD 34 million)
- Development of Karian Multipurpose Dam Project in Indonesia (USD 100 million)
- Wa Water Supply System Development Project (USD 55 million)

EDCF will continuously expand the volume of green ODA under the plan in order to contribute to efforts against climate change in partner countries.

Integrated ODA Policy for Increased Aid Effectiveness

The Korean national assembly passed the Framework Act on International Development Cooperation in 2009 to enhance aid effectiveness. Under this Framework Act, the Committee for International Development Cooperation (CIDC) developed the “Basic Plan for International Development Cooperation 2011–2015” in December 2010 to clearly outline the basic direction of international development cooperation policies as well as to specify the amount and management plan of international development cooperation. Korea Eximbank will strive to enhance EDCF policies and procedures under the Plan.

Establishment of an Integrated CPS for More Effective Aid

The Country Partnership Strategy (CPS) is a 5-year policy document of the Korean government to strengthen country specific collaboration. The CPS was introduced as part of Korea’s efforts to integrate the diverse ODA components of grants and concessional loans into one consistent ODA package.

The CPS reflects individual country’s development challenges and prioritizes poverty reduction and sustainable development. The CPS takes into consideration each country’s governance structure, institutional development, and implementation capacity.

In the process of establishing the CPS in individual countries, the Korean government takes into consideration specific demands, priorities, and development visions of partner countries. In order to develop a unified goal for all Korean ODA agencies, the integrated CPS is currently under establishment in three pilot countries. Partnership strategies for major partner countries will be fully introduced by 2012.

Government Account Activities –IKCF

Economic cooperation is an important element of South Korea's overall engagement strategy with North Korea. Through the Inter-Korean Cooperation Fund, Korea Eximbank enhances economic ties between the two Koreas in order to facilitate peaceful and successful reunification.





The Inter-Korean Cooperation Fund (IKCF) was established in 1990 under the Inter-Korean Cooperation Fund Act to promote mutual understanding and socio-economic interactions between South and North Korea.

Entrusted by the Korean government, the Bank assumed responsibility of operating IKCF in January 1991 and has since strived to facilitate inter-Korean relations by pursuing projects of economic, social, and humanitarian concerns under the initiative and policy coordination of the Korean government.

The Bank conducts various IKCF operations including aid, loan provisions, and an insurance program for trade and economic cooperation.

Inter-Korean Relationship



2010 will be remembered as one of the lowest times in recent history in terms of détente and the inter-Korean relationship with two serious acts of military provocation against South Korea by North Korea.

The first act of provocation involved the sinking of a South Korean naval patrol ship, the Cheonan, in March. This act of aggression led to a furious reaction by the Lee Myung Bak administration and South Korea severed almost all diplomatic and economic ties with North Korea on May 24.

The second act of provocation was the deadly shelling of Yeonpyeong Island on November 23 which led to the deaths of four people, including two civilians, and caused damage to South Korean military bases. In response, the South Korean military immediately returned fire with 80 rounds of K9 self-propelled Howitzers targeting North Korea's artillery bases in Gaemeori and Mudo. After this attack on the island, military tensions on the Korean peninsula were at their highest since the Korean War Armistice was agreed upon in 1953.

The US issued a warning to North Korea to stop provocations against South Korea and urged China to persuade North Korea to refrain from provoking South Korea and fulfill its denuclearization commitments.

China proposed six-party talks on Pyongyang's nuclear disarmament in a bid to defuse tensions on the Korean peninsula and suggested that the lead negotiators from the two Koreas, the US, Japan, China, and Russia meet in the near future to discuss easing of inter-Korean tensions.

In regard to reasons for the provocations, recent reports are adding weight to the view that North Korea's attack on Yeonpyeong Island, which is largely thought to have been premeditated, was connected to succession of power within the North Korean regime.

After the shelling of Yeonpyeong Island, the South Korean government, under pressure from an anxious and angry population, shifted to a more aggressive stance against North Korea. President Lee Myung Bak declared that he would order an attack on North Korean missile bases in the event of further provocations, while Pyongyang angrily denounced joint US-ROK naval exercises and threatened further artillery strikes. In the US, existing South Korean policies of restraint were increasingly interpreted as signs of weakness and many felt that the US and Korean governments should respond forcefully in order to deter further North Korean aggression. Redeployment of nuclear weapons on the Korean peninsula by the US had also been raised.

Despite the serious military provocations by North Korea in 2010 however, there is still hope for peace on the Korean peninsula and IKCF has continued ongoing efforts to provide assistance and institutional support.

Assistance Activities



In 2010, IKCF provided financial assistance totaling KRW 86.3 billion to 234 projects for various policy targets. The accumulated disbursement of IKCF since its establishment stood at KRW 5,597 billion as of the end of 2010, up 1.6% from the previous year's total of KRW 5,510 billion.

KRW 63.0 billion of support for 2010, representing 73.2% of total financial assistance, was distributed to projects facilitating economic cooperation between the two Koreas. Of this amount, KRW 41.6 billion in loans was extended to South Korean companies involved in bilateral trade and cooperative economic projects.

The Fund also extended KRW 17.7 billion to general infrastructure construction projects. In particular, KRW 4.2 billion was disbursed for the construction of entrance facilities for the Donghae Cross-border Railway as part of the project to reconnect the railroad and road between South and North Korea. This project was approved by IKCF on June 15, 2005 and included the construction of a storage facility for cargo trucks, access roads, and a checkpoint for plants and vegetation.

Developing the Kaesong Industrial Complex has also remained one of the Fund's main priorities during the year. The Fund provided KRW 3.7 billion for the construction of the Kaesong Industrial Complex Support Center, in line with government plans to develop Kaesong Industrial Complex into a global industrial zone much like Shenzhen, China. The support center consists of business buildings, exhibition halls, and international conference halls. It will provide public services and consulting services to companies in Kaesong as well as provide an arena for display and sale of company products.

26.8% of Fund resources was provided to humanitarian assistance and cultural programs. The Fund extended KRW 19.2 billion to projects for essential humanitarian assistance. In particular, KRW 11.3 billion was earmarked for the provision of Tamiflu, a vaccine for the H1N1 influenza virus. IKCF also provided a total of KRW 5.8 billion for financing flood aid to North Korea. In terms of cultural programs, IKCF disbursed KRW 2.0 billion for projects supporting family reunions. In the fall of 2010, a family reunion was held at Mount Geumgang Resort just in time for Chuseok, a major holiday in Korea equivalent to Thanksgiving in the US. The reunion was the first held in two years and considered a hopeful development in improving relations between the two Koreas. IKCF also provided KRW 2.1 billion for projects promoting cultural exchange.

At the same time, IKCF actively provided insurance coverage to companies to boost investments in North Korea despite heightened political tensions between North and South Korea.

The program was designed to support companies investing in and trading with the North by partially compensating for losses resulting from emergency situations such as political conflicts or unexpected turmoil. IKCF has improved the terms and conditions of the insurance program by increasing the coverage amount for each company and shortening the time required for payment. As a result, the contracted amount totaled KRW 529.3 billion as of the end of 2010 in an accumulated basis, an increase of 3.4% over the 2009 total of KRW 512.1 billion.

Accumulated IKCF Disbursements

(KRW billion)



Funding Activities



Major funding sources for IKCF include contributions from the Korean government, loans from the Public Capital Management Fund, and reserves and financial returns on IKCF's investment portfolio. Funding for IKCF since its establishment stood at KRW 10.6 trillion as of December 2010, of which KRW 949.1 billion was raised in 2010. Of the accrued amount, 41.5% (KRW 4,396 billion) was sourced through government contributions, 51.3% (KRW 5,441 billion) from the Public Capital Management Fund, and 7.2% (KRW 766.3 billion) from financial and miscellaneous returns.

Among total resources funded so far, KRW 5,597 billion was disbursed for fundamental business purposes with free aid totaling KRW 2,748 billion and loans totaling KRW 2,849 billion. KRW 3,183 billion and KRW 890.6 billion was disbursed for redemption of principal and financial costs of the Public Capital Management Fund. As of December 2010, IKCF cash reserves, including short- and long-term financial investments for future assistance, totaled KRW 933.6 billion.



↑ Factory in Kaesong Industrial Zone,
North Korea

The Bank and the Environment

Unfortunately, economic development is often achieved at the cost of the environment and/or society. Korea Eximbank works with the UN, OECD, and other organizations to ensure that the projects we fund have been carefully screened to minimize negative impacts to the environment.





Green Management



Environmental Review

Korea Eximbank extends financial support for medium- to long-term projects to assist Korean companies expand their exports to more areas of the world. While these projects bring economic benefits to importing countries, they may also incur negative impacts on the respective country's environment and society.

Thus, in consideration of the environmental and social impacts of some projects, we offer host countries comprehensive guidance for the assessment of environmental and social impacts of related projects, and preparation of mitigation measures. We also conduct post monitoring of such projects. Through these measures, we contribute to sustainable development while preventing, minimizing, or mitigating negative environmental and social impacts of projects.

In addition to these efforts, we have established internal policies and have been operating environmental and social review procedures in accordance with the OECD "Recommendation on Common Approaches on the Environment and Officially Supported Export Credits." As such, we refrain from approving loans for projects found to have severe adverse environmental and social impacts and insufficient mitigation measures through the environmental review. In addition, we specify the obligations of exporters, sponsors, or borrowers to implement mitigation measures and environmental monitoring in the loan agreement.

UNEP FI Korea Group Activities

The United Nations Environment Programme Finance Institute (UNEP FI) is a global partnership between the UNEP and financial institutions. Over 170 institutions including banks, insurers, and fund managers, work with the UNEP to assess the impacts of environmental and social considerations on financial performance. The UNEP FI Korea Group has held regular council meetings to discuss CDM, climate change, and related opportunities for financial institutions.

Since October 2005, Korea Eximbank has actively shared knowledge and experience related to sustainable activities and business models with other institutions through the UNEP FI Korea Group.

Ethics Management

As a leading policy bank, we believe it is our responsibility to exceed the public's expectations for corporate transparency. Our internal processes are geared toward ensuring total compliance with the highest ethical standards.



Practicing Ethics Management



In accordance with government policies to establish ethical work practices at all government workplaces, Korea Eximbank implements programs promoting sound work ethics and preventing corruption. In addition, the Bank emphasizes transparent and ethical management principles and customer-oriented management to serve as a model of a “clean bank” deserving of the full trust of our customers and the public.

Codes of Conduct

Since 2003, the Bank has enforced codes of conduct for all staff members and executives in order to become a clean organization that is trusted and respected by our customers and the public. The codes stipulate faithful execution of duties, customer-oriented management, and prohibition of sexual harassment while promoting anti-corruption and integrity through eradication of bribery and the clean report center. The codes also stipulate the duties for protection of whistleblowers. The codes of conduct are essentially the fundamental basis for ethics management of Korea Eximbank.

In addition, internal regulations require all board members to sign integrity pledges within one month of their appointment to ensure transparent and ethical management during their tenure.

Ethics Management Implementation Plan

In accordance with government ethics guidelines, the Bank establishes Annual Ethics Management Implementation Plans which specify concrete programs for ethics management within the Bank. On a quarterly basis, each department is required to report the results of implementation plans to the Human Resources department, which is in charge of ethics management and the collected results are reported to the Anti-corruption & Civil Rights Commission.

Self-diagnosis for Ethical Practices

The Online Self-diagnosis for Ethical Practices program is provided to the entire staff through the Bank’s intranet system to raise ethical awareness and faithful execution of duties. Introduced in 2006, the program involves asking employees a set of questions about ethical practices each quarter. Through the questionnaire, the Bank can enhance understanding of ethical standards and identify areas of weakness.

Ethics Education

The Bank dispatches employees yearly to integrity education seminars offered by the Anti-corruption & Civil Rights Commission. The seminars cover issues such as anti-corruption, integrity, and ethics awareness in public offices to increase ethical awareness among the staff and enhance integrity within the Bank. In addition to the seminars, the Bank implements its own quarterly education program on ethics. The Bank’s program also covers sexual harassment prevention policies and provides counselors for one-on-one assistance.

Performance Evaluation System

The performance evaluation system of Bank employees includes an index on ethics management to promote employee participation in ethics management and enhance awareness of anti-corruption and integrity in each department. The index measures implementation levels of ethics management initiatives and participation in the Self-diagnosis for Ethical Practices as well as anti-corruption and integrity education programs.

“Clean Card” System

The Bank implements the “Clean Card” system to promote transparency in customer-related activities. The system was adopted with the aim to promote self discipline and moral integrity in business relations. Under this system, inappropriate usage of corporate credit cards is strictly prohibited.

Ethics management goes beyond simple compliance with legal and economic responsibilities to encompass meeting social expectations for ethical management and activities. Ethics management looks at what is needed for more than value creation today to foster long-term sustainable growth. Korea Eximbank will continue to make every effort necessary to realize sustainable growth for the Bank.

Serving the Community

The staff and management of Korea Eximbank feel privileged to share our time and resources to improve the lives of neighbors, both at home and abroad. Our volunteer groups and financial donations support a wide variety of worthwhile causes.





↑ Volunteering at Holt Children's Services



↑ Donation of Heating Oil

Social Contributions



As the official export credit agency of Korea, Korea Eximbank believes its social responsibilities are as important as financial performance and achievements. As such, Korea Eximbank has made great efforts to contribute to social welfare and actively participated in community support programs to benefit the poor and marginalized groups.

Helping Our Neighbors

We value the virtue of helping others, especially those in need. Korea Eximbank encourages employees to get involved in their communities and volunteer for charities. In 2010, 475 employees volunteered with 80 programs at 29 charities including orphanages, nursing homes, homeless shelters, etc. and provided pro bono services for 11 social enterprises. Bank volunteers did what they could to help which included cleaning facilities and bathing children and the disabled.

In addition, employees actively participated in community programs by volunteering to teach students in elementary schools about the economy. The Bank is particularly proud that employees were able to utilize our specialized knowledge on finance and the economy to help young students learn basic economic concepts as well as provide social enterprises with professional services such as accounting, marketing, and corporate finance.

PRIMARY VOLUNTEER GROUPS

Volunteer Groups	Activities
7 Departments	• Employees in 7 departments and 10 branches volunteered at 19 charities.
10 Branches	
In-house Clubs	<ul style="list-style-type: none"> • Various in-house clubs organized outdoor activities such as hiking, sports, or cultural activities including outings to movie theaters with orphans. • Club members also donated food and supplies to charities.
New Employees	• To instill and foster a sense of social responsibility in new employees, the Bank encouraged their active participation in volunteer programs. New employee volunteers visited nursing homes to care for and assist disabled children.
Exim Pro Bono	• 27 employees provided pro bono professional services to 11 social enterprises in specialized areas such as accounting, marketing, business strategies, and corporate finance.
Holiday Volunteers	• Employees and their families volunteered in our community outreach "Holiday Volunteer Service Program."

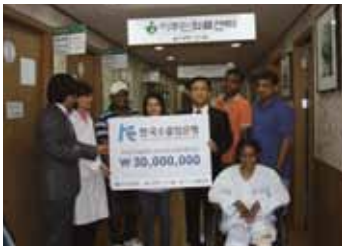
Donating to Those in Need

In 2010, Korea Eximbank donated approximately KRW 1,540 million to a variety of charitable events. This year in particular, the Bank focused on support for multicultural families. Women immigrating to Korea to marry Korean men and their biracial children are marginalized and have very little support programs for assistance. The Bank sponsored the establishment of four libraries with books in the languages of the immigrant women and supported development of educational programs for the children of multicultural families to help the children adapt to Korean society.

The Bank also supported the efforts of social enterprises which provide jobs for marginalized sectors of the population. The Bank provided KRW 100 million to 12 social enterprises employing temporary foreign workers, new immigrants from North Korea, and marriage immigrants. Bank efforts for social outreach and assistance were not limited to domestic programs as Korea Eximbank also made great efforts to serve the global community through international charities.

SERVING THE GLOBAL COMMUNITY

International Relief Organization	Amount (KRW million)	Activities
World Vision	20	• Donated food worth KRW 20 million to assist people living in poverty in Kokang Province, Myanmar.
COPION	22	• Dispatched employee volunteers to Mongolia to make repairs to the Korea-Mongolia Cultural Welfare Center and interact with the local community.
Good Neighbors International	20	• Donated KRW 20 million to build a daycare center and a library in a rural area of the Philippines.
Korea Food for the Hungry International (KFHI)	53	• Donated KRW 53 million to help make facility improvements to a rural elementary school in Vietnam. • Dispatched employee volunteers to foster relationships with the local community and demonstrate the Bank's commitment to social responsibility.



↑ Donation to the Medical Center for Immigrant Workers



↑ Volunteers Helping to Improve the Korea-Mongolia Cultural Welfare Center



Providing Educational Opportunities

Korea Eximbank believes all students should have educational opportunities as education is essential to nurturing contributing members of society. In 2010 alone, Korea Eximbank donated KRW 133 million for 122 students to provide more educational opportunities for students.

Korea Eximbank provided financial assistance mainly in the form of scholarships to help students complete their education. Since 2010, the scope of scholarship beneficiaries has been expanded to include students from North Korea.

Community Outreach through Sister-Community Programs

The Bank has maintained close relations with the rural community of Seongsu-Ri in Kangwon Province since 2005. To enhance our ties and better serve the community, the Bank collaborated with Yeouido St. Mary's Hospital to provide medical services and arranged a luncheon for immigrant women and their families residing in the area. Total support for our sister-community amounted to KRW 4 million won in 2010.

KOREA EXIMBANK 2010 FINANCIAL REVIEW

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Independent Auditors' Report

THE BOARD OF DIRECTORS AND STOCKHOLDERS
THE EXPORT-IMPORT BANK OF KOREA:

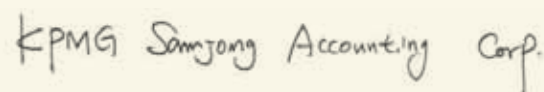
We have audited the accompanying non-consolidated statements of financial position of The Export-Import Bank of Korea (the "Bank") as of December 31, 2010 and 2009 and the related non-consolidated statements of income, appropriation of retained earnings, changes in equity and cash flows for the years 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 Bank as of December 31, 2010 and 2009 and the results of its operations, the appropriation of its retained earnings, the changes in its equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the Republic of Korea.

Without qualifying our opinion, we draw attention to the following:

As discussed in note 2(a) to the non-consolidated financial statements, accounting principles and auditing standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such non-consolidated financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying non-consolidated financial statements are for use by those knowledgeable about Korean accounting principles and auditing standards and their application in practice.



KPMG Samjong Accounting Corp.
Seoul, Korea
February 28, 2011

This report is effective as of February 28, 2011, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying non-consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Non-Consolidated Statements of Financial Position

As of December 31, 2010 and 2009

(KRW million)		2010	2009
ASSETS			
Due from banks	NOTES 3, 19, 23	₩ 1,610,027	873,768
Securities	NOTES 4, 19	3,205,255	3,278,036
Loans, net	NOTES 5, 6, 19, 22	39,907,922	36,346,505
Property and equipment	NOTE 7	33,493	34,868
Other assets	NOTES 8, 15	1,932,785	1,494,640
Total assets		₩ 46,689,482	42,027,817
LIABILITIES			
Borrowings and debentures	NOTES 9, 19, 22	₩ 37,216,945	33,301,792
Other liabilities	NOTES 10, 11, 12, 15	2,949,651	2,262,670
Total liabilities		40,166,596	35,564,462
STOCKHOLDERS' EQUITY			
Common stock	NOTE 13	5,158,755	5,008,755
Accumulated other comprehensive income	NOTES 4, 20	197,740	350,392
Retained earnings	NOTE 13	1,166,391	1,104,208
Total stockholders' equity		6,522,886	6,463,355
Total liabilities and stockholders' equity		₩ 46,689,482	42,027,817

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statements of Income

For the years ended December 31, 2010 and 2009

(KRW million)		2010	2009
INTEREST INCOME	NOTES 16, 22		
Interest on due from banks	₩	24,819	17,804
Interest and dividends on securities		38,596	9,214
Interest on loans		1,263,668	1,418,051
		1,327,083	1,445,069
INTEREST EXPENSE	NOTES 16, 22		
Interest on call money		6,898	10,216
Interest on borrowings		46,089	137,746
Interest on debentures		893,528	1,075,981
		946,515	1,223,943
NET INTEREST INCOME		380,568	221,126
Provision for loan losses	NOTE 6	469,058	338,837
Net interest income after provision for loan losses		(88,490)	(117,711)
NON-INTEREST INCOME			
Fee and commission income	NOTE 22	269,781	247,002
Gain on sale of available-for-sale securities	NOTE 4	453,494	24,791
Gain from equity method accounted investment securities	NOTE 4	8,881	7,162
Gain on foreign currency transactions		851,707	959,997
Gain on derivatives transactions		264,311	517,540
Gain on valuation of derivatives	NOTE 15	702,963	640,340
Gain on valuation of fair value hedged items		210,264	110,856
Other		6,830	7,477
	₩	2,768,231	2,515,165

(Continued)

(KRW million)		2010	2009
NON-INTEREST EXPENSE			
Fee and commission expense	₩	2,903	3,972
General and administrative expense	NOTE 17	117,258	113,600
Impairment loss on available-for-sale securities		22	-
Loss from equity method accounted investment securities		-	80
Loss on foreign currency transactions		1,301,802	1,311,613
Loss on derivatives transactions		180,573	294,031
Loss on valuation of derivatives	NOTE 15	333,101	160,753
Loss on valuation of fair value hedged items		214,692	381,748
Contribution to fund		6,396	4,402
Provision for acceptances and guarantees losses	NOTE 11	412,613	56,158
Provision for unused loan commitments	NOTE 11	4,120	33,311
Other		7,958	3,717
		2,581,438	2,363,385
NET NON-INTEREST INCOME		186,793	151,780
INCOME BEFORE INCOMETAXES		98,303	34,069
INCOMETAXES	NOTE 18	31,600	8,240
NET INCOME	₩	66,703	25,829

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statements of Appropriation of Retained Earnings

For the years ended December 31, 2010 and 2009

Date of Appropriation for 2010: February 28, 2011

Date of Appropriation for 2009: February 26, 2010

(KRW million)	2010	2009
UNAPPROPRIATED RETAINED EARNINGS		
Balance at beginning of year	₩ -	-
Net income	66,703	25,829
BALANCE AT END OF YEAR BEFORE APPROPRIATION	66,703	25,829
APPROPRIATION OF RETAINED EARNINGS		
Legal reserve	13,341	5,166
Other reserve	41,022	16,143
Dividends NOTE 21	12,340	4,520
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED OVER TO SUBSEQUENT YEAR	₩ -	-

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statements of Changes in Equity

For the years ended December 31, 2010 and 2009

(KRW million)		2010			
		Common stock	Accumulated other comprehensive income	Retained earnings	Total stockholders' equity
Balance at January 1, 2010	₩	5,008,755	350,392	1,104,208	6,463,355
Dividends	NOTE 21	-	-	(4,520)	(4,520)
Issuance of common stock		150,000	-	-	150,000
Net income		-	-	66,703	66,703
Change in fair value of available-for-sale securities, net of tax	NOTE 20	-	(153,786)	-	(153,786)
Adjustment of equity of equity method investees	NOTE 20	-	1,134	-	1,134
Balance at December 31, 2010	₩	5,158,755	197,740	1,166,391	6,522,886

(KRW million)		2009			
		Common stock	Accumulated other comprehensive income	Retained earnings	Total stockholders' equity
Balance at January 1, 2009	₩	3,958,755	53,220	1,078,379	5,090,354
Issuance of common stock		1,050,000	-	-	1,050,000
Net income		-	-	25,829	25,829
Change in fair value of available-for-sale securities, net of tax	NOTE 20	-	292,108	-	292,108
Adjustment of equity of equity method investees	NOTE 20	-	5,064	-	5,064
Balance at December 31, 2009	₩	5,008,755	350,392	1,104,208	6,463,355

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statements of Cash Flows

For the years ended December 31, 2010 and 2009

(KRW million)	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	₩ 66,703	25,829
Adjustments for:		
Amortization of discounts on debentures	112,778	185,447
Provision for loan losses	469,058	338,837
Loss on foreign currency transactions	1,301,802	1,311,613
Depreciation	3,309	3,388
Amortization	1,122	1,019
Loss from equity method accounted investments	-	80
Provision for severance benefits	6,176	5,166
Loss on disposal of property and equipment	2	165
Provision for acceptances and guarantees losses	412,613	56,158
Provision for unused loan commitments	4,120	33,311
Loss on valuation of derivatives	333,101	160,753
Loss on valuation of fair value hedged items	214,692	381,748
Amortization of present value discount	(7,131)	(2,420,000)
Gain on foreign currency transactions	(851,707)	(959,997)
Gain on disposal of property and equipment	(95)	(275)
Gain from equity method accounted investments	(8,881)	(7,162)
Gain on valuation of derivatives	(702,963)	(640,340)
Gain on valuation of fair value hedged items	(210,264)	(110,856)
Others, net	756	46
	1,078,488	(1,660,899)
Changes in assets and liabilities:		
Decrease in available-for-sale securities, net	32,763	16,004
Increase in loans, net	(4,948,106)	(4,843,052)
Decrease in other assets, net	312,043	474,322
Decrease in other liabilities, net	(37,949)	(963,237)
Payment of severance benefits	(1,637)	(15,339)
	(4,642,886)	(5,331,302)
NET CASH USED IN OPERATING ACTIVITIES	₩ (3,497,695)	(6,966,372)

(Continued)

(KRW million)	2010	2009
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in equity method accounted investments	₩ -	83
Proceeds from sale of property and equipment	94	134
Proceeds from sale of other assets	-	4,773
Increase in equity method accounted investments	(116,561)	-
Acquisition of property and equipment	(1,936)	(2,132)
Acquisition of intangible assets	(1,427)	(2,526)
Acquisition of other assets	(4,494)	(2,248)
NET CASH USED IN INVESTING ACTIVITIES	(124,324)	(1,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,454,359	-
Proceeds from debentures	3,535,024	9,119,116
Proceeds from issuance of common stock	150,000	550,000
Repayment of borrowings	-	(2,058,739)
Repayment of debentures	(776,585)	-
Dividends paid	(4,520)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,358,278	7,610,377
NET INCREASE IN CASH AND DUE FROM BANKS	736,259	642,089
Cash and due from banks at beginning of period	873,768	231,679
CASH AND DUE FROM BANKS AT END OF PERIOD	NOTE 23 ₩ 1,610,027	873,768

See accompanying notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

December 31, 2010 and 2009

1. Organization and Description of Business

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 (the "EXIM Bank Act") to grant financial facilities for overseas trade (i.e. import and export), investments and resources development activities. As of December 31, 2010, the Bank operates 10 domestic branches, 4 overseas subsidiaries and 12 overseas offices.

The Bank's authorized capital is ₩8,000,000 million, and, through numerous capital increases since the establishment, its paid-in capital is ₩5,158,755 million as of December 31, 2010. The Government of the Republic of Korea (the "Government"), the Bank of Korea (the "BOK") and Korea Finance Corporation hold 74.44%, 22.58% and 2.98% of the ownership of the Bank, respectively, as of December 31, 2010.

The Bank, as a trustee of the Government, has managed the Economic Development Cooperation Fund, the Inter-Korean Cooperation Fund since June 1987, March 1991, respectively. The Funds are accounted independently and not included in the Bank's financial statements. The Bank receives a fee from the Government for the trustee service.

2. Basis of Presenting Financial Statements and Summary of Significant Accounting Policies

(a) Basis of Presenting Financial Statements

The Bank maintains its accounting records in Korean Won and prepares non-consolidated financial statements in the Korean language in conformity with accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Bank that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended solely for use by those who are informed about Korean accounting principles and practices. The accompanying non-consolidated financial statements have been condensed, restructured and translated into English from the Korean language non-consolidated financial statements.

Certain information attached to the Korean language non-consolidated financial statements, but not required for a fair presentation of the Bank's financial position, results of operations, cash flows or changes in equity is not presented in the accompanying non-consolidated financial statements.

(b) Revenue Recognition

The Bank recognizes interest income from deposits, loans and securities on an accrual basis. However, the Bank recognizes interest income when payments are received for the loans which principal or interest payments are overdue without guarantee of payment by financial institutions and of which repayment is significantly uncertain. The interest is accrued but not recognized on such loans amounted to ₩32,235 million and ₩26,698 million, respectively, as of December 31, 2010 and 2009. Any uncollected interest previously accrued on such loans is reversed and recorded as deduction of current period's interest income.

(c) Investments in Securities (Excluding Investments in Associates and Subsidiaries)

Classification Upon acquisition, the Bank classifies debt and equity securities (excluding investments in subsidiaries, associates and joint ventures) into the following categories: held-to-maturity, available-for-sale or trading securities.

Investments in debt securities where the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity. Securities that are acquired principally for the purpose of selling in the short term are classified as trading securities. Investments not classified as either held-to-maturity or trading securities are classified as available-for-sale securities.

Initial recognition Investments in securities (excluding investments in subsidiaries, associates and joint ventures) are initially recognized at cost.

Subsequent measurement and income recognition Trading securities are subsequently carried at fair value. Gains and losses arising from changes in the fair value of trading securities are included in the income statement in the period in which they arise. Available-for-sale securities are subsequently carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale securities are recognized as accumulated other comprehensive income, net of tax, directly in equity. Investments in available-for-sale securities that do not have readily determinable fair values are recognized at cost less impairment, if any. Held-to-maturity investments are carried at amortized cost with interest

income and expense recognized in the income statement using the effective interest method.

Fair value information The fair value of marketable securities is determined using quoted market prices as of the period end. Non-marketable debt securities are fair valued by discounting cash flows using the prevailing market rates for debt with a similar credit risk and remaining maturity. Credit risk is determined using the Bank's credit rating as announced by accredited credit rating agencies in Korea. The fair value of investments in money market funds is determined by investment management companies.

Impairment The Bank reviews investments in securities whenever events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable. Impairment losses are recognized when the reasonably estimated recoverable amounts are less than the carrying amount and it is not obviously evidenced that impairment is unnecessary.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized and a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in the asset in prior years.

(d) Investments in Associates and Subsidiaries

Associates are entities of the Bank and its subsidiaries that have the ability to significantly influence the financial and operating policies. It is presumed to have significant influence if the Bank holds directly or indirectly 15 percent or more of the voting power unless it can be clearly demonstrated that this is not the case. Subsidiaries are entities controlled by the Bank.

Investments in associates and subsidiaries are accounted for using the equity method of accounting and are initially recognized at cost.

The Bank's investments in associates and subsidiaries include goodwill identified on the acquisition date (net of any accumulated impairment loss). Goodwill is calculated as the excess of the acquisition cost of an investment in an associate or subsidiary over the Bank's share of the fair value of the identifiable net assets acquired. Goodwill is amortized using the straight-line method over its estimated useful life. Amortization of goodwill is recorded together with equity income (losses).

When events or circumstances indicate that the carrying value of goodwill may not be recoverable, the Bank reviews goodwill for impairment and records any impairment loss immediately in the statement of income.

The Bank's share of its post-acquisition profits or losses in investments in associates and subsidiaries is recognized in the income statement, and its share of post-acquisition movements in equity is recognized in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of each investment. Changes in the carrying amount of an investment resulting from dividends by an associate or subsidiary are recognized when the associate or subsidiary declares the dividend. When the Bank's share of losses in an associate or subsidiary equals or exceeds its interest in the associate or subsidiary, including preferred stock or other long term loans and receivables issued by the associate or subsidiary, the Bank does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or subsidiary.

If an associate or a subsidiary uses accounting policies or estimates other than those of the Bank for like transactions and events in similar circumstances, the Bank makes appropriate adjustments to conform the associate's accounting policies to those of the Bank when the associate's financial statements are used by the Bank in applying the equity method. However, under the revised SKAS No. 15 Equity Method of Accounting, in the event that accounting policies and estimates differ due to the application of Exceptions to Accounting for Small and Medium-Sized Entities or K-IFRS, no adjustments are made.

If the investee is a subsidiary, net income and net assets of the parent company's separate financial statements should agree with the parent company's share in the net income and net assets of the consolidated financial statements, except when the Company discontinues the application of the equity method due to its investment in a subsidiary being reduced to zero.

Unrealized gains on transactions between the Bank and its associates or subsidiaries are eliminated to the extent of the Bank's interest in each associate or subsidiary.

(e) Allowance for Loan Losses

Based on future loan repayment capacity of the borrower and past repayment history, the Bank classifies loans into five categories, "normal," "precautionary," "substandard," "doubtful" and "estimated loss," in accordance with the banking regulation in the Republic of Korea. Except for call loans and inter-bank loans with "normal" classification, the Bank provides allowance by each loan classification with the amount greater of using the expected loss method or the prescribed minimum levels of reserves in accordance with the Financial Supervisory Service Guideline ("FSS Guideline").

I) EXPECTED LOSS METHOD

The allowance for normal loans is calculated by multiplying each outstanding loan balance by probability of default ("PD") and loss given default ("LGD"). The Bank provides additional allowance for considering risks associated with a certain industry and country concentration. The allowances for loans classified other than "normal" are estimated based on expected future cash flows.

II) FSS GUIDELINE

The prescribed minimum levels of reserves in the Regulations for the Supervision of Banks guide are as follows:

Normal (*)	0.85%
Precautionary	7%
Substandard	20%
Doubtful	50%
Estimated loss	100%

(*) 0.9% for market sensitive sectors including construction, real estate and rental services, retail and wholesale, lodging and restaurant

(f) Troubled Debt Restructuring

Loans with modified contract terms by a trouble debt restructuring program are accounted for at the present value of the rescheduled future cash flow expected, of which the discount rate is same as the effective rate of the original loan. The excess of the carrying amount over the present value of expected cash flows is recorded in allowance for loan loss in the current period. The present value discounts are recorded in allowance for loan loss and reflected as a deduction from the nominal value of the loans. If the previously recognized allowance for loan loss is greater than the present value discount, the difference is recorded as reversal of allowance for loan loss.

(g) Deferred Loan Origination Fees

Certain fees associated with lending activities, which meet specified criteria, are deferred and amortized over the life of the loan as an adjustment to the carrying amount of the loan using the effective yield method and recognized as interest income.

(h) Property and Equipment

Property and equipment are stated at cost, except in the case of revaluations made in accordance with the Asset Revaluation Law, which allowed for asset revaluation prior to the Law being revoked on December 31, 2000. Assets acquired through investment in kind or donation are recorded at their fair value upon acquisition. For assets acquired in exchange for a non-monetary asset, the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident.

Significant additions or improvements extending the useful life of assets are capitalized. Normal maintenance and repairs are charged to expense as incurred.

Property and equipment are depreciated over the estimated useful lives of the assets using the following methods:

	Useful lives (years)	Depreciation method
Buildings	10 ~ 60	Straight-line (*)
Vehicles	4	Declining balance
Equipment	4 ~ 20	Declining balance

(*) Buildings acquired and related improvements made prior to January 1, 1995 are depreciated using the declining-balance method.

The Bank reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the expected estimated undiscounted future net cash flows from the use of the asset and its eventual disposal are less than its carrying amount.

(i) Intangible Assets

Intangible assets are stated at the production or purchase cost, plus incidental expenses and capital expenditures. Amortization is computed using the straight-line method over five years, and directly reduced from intangible assets.

Intangible assets are subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized by reducing the carrying amount to the recoverable amount.

(j) Discount (Premium) on Debentures

Discount (premium) on debentures issued, which represents the difference between the face value and issuance price of debentures, is amortized (accrued) using the effective interest rate method over the life of the debentures. The amount amortized (accrued) is included in interest expense.

(k) Retirement and Severance Benefits

Employees who have been with the Bank for more than one year are entitled to lump-sum payments based on salary rates and length of service at the time they leave the Bank. The Bank's estimated liability under the plan, which would be payable if all employees left at the end of the reporting period, is accrued in the accompanying non-consolidated statements of financial position.

Through March 1999, under the National Pension Scheme of Korea, the Bank transferred a certain portion of retirement allowances for employees to the National Pension Fund. The amount transferred reduced the retirement and severance benefit amount to be paid to the employees when they leave the Bank and is accordingly reflected in the accompanying non-consolidated financial statements as a reduction of the retirement and severance benefits liability. However, due to regulation effective April 1999, such transfers to the National Pension Fund are no longer required.

(l) Allowance for Acceptances and Guarantees

The Bank provides allowance for outstanding acceptances and guarantees, the amount after considering the credit conversion factors (CCF), using the same allowance methodology used for estimating allowance for loan loss. However, the Bank does not provide additional allowance for risks associated with a certain industry and country concentration for unconfirmed acceptances and guarantees.

(m) Allowance for Unused Loan Commitments

The Bank provides allowance for unused loan commitments, the amount after considering the credit conversion factors (CCF), using the same allowance methodology used for estimating allowance for loan loss. However, the Bank does not provide the additional allowance for risks associated with a certain industry and country concentration for unused loan commitments.

(n) Provisions

Provisions are recognized when all of the following are met: (1) the Bank has a present obligation as a result of a past event, (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (3) a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, a provision is recorded at the present value of the expenditures expected to be required to settle the obligation.

Where the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset when, and only when, it is virtually certain that reimbursement will be received if the Bank settles the obligation. The expense generated by the provision is presented net of the amount of expected reimbursement.

(o) Derivatives and Hedge Accounting

The Bank holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Attributable transaction costs are recognized in profit or loss when incurred.

Hedge accounting Where a derivative, which meets certain criteria, is used for hedging the exposure to changes in the fair value of a recognized asset, liability or firm commitment, it is designated as a fair value hedge. Where a derivative, which meets certain criteria, is used for hedging the exposure to the variability of the future cash flows of a forecasted transaction it is designated as a cash flow hedge.

The Bank documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting the changes in fair values or cash flows of hedged items.

Fair value hedge Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Derivatives that do not qualify for hedge accounting Changes in the fair value of derivative instruments that are not designated as fair value hedges are recognized immediately in the statement of income.

(p) Income Taxes

Income tax on the income or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are classified as current or non-current based on the classification of the related asset or liability for financial reporting or the expected reversal date of the temporary difference for those with no related asset or liability such as loss carryforwards and tax credit carryforwards. The deferred tax amounts are presented as a net current asset or liability and a net non-current asset or liability.

Changes in deferred taxes due to a change in the tax rate except for those related to items initially recognized outside profit or loss (either in other comprehensive income or directly in equity) are recognized as income in the current year.

(q) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Korean Won at the foreign exchange rate on the end of the reporting period, with the resulting gains or losses recognized in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated into Korean Won at ₩1,138.9 and ₩1,167.6 to USD 1 based on the basic exchange rate and the cross exchange rate announced by the Seoul Monetary Brokerage Services Ltd. on December 31, 2010 and 2009. Financial statements of foreign-based operations, branches and companies accounted for using the equity method, are translated at the rate of exchange on the end of the reporting period.

(r) Use of Estimates

The preparation of non-consolidated financial statements in accordance with accounting principles generally accepted in the Republic of Korea requires management to make estimates and assumptions that affect the amounts reported in the non-consolidated financial statements and related notes to non-consolidated financial statements. Actual results could differ from those estimates.

(s) Reclassification

Certain reclassifications have been made to the prior year non-consolidated financial statements to conform to the 2010 presentation.

3. Due from banks**(a) Due from banks as of December 31, 2010 and 2009 are as follows:**

(KRW million)	Financial institution	Interest (%)	2010	2009
Due from banks in local currency:	Reserve deposit	-	₩ 35	1
	Demand deposits	-	2,216	837
	Time deposits	2.7~3.6	1,223,000	620,000
	Certificate of deposits	2.8~3.3	44,177	-
	Others	1.9~3.3	296,200	226,400
			1,565,628	847,238
Due from banks in foreign currency:	Demand deposits	-	23,405	16,925
	Others	FFR-0.18 and others	20,994	9,605
			44,399	26,530
			₩ 1,610,027	873,768

(b) As of December 31, 2010 and 2009, the Bank does not have the restricted deposits.**(c) Due from banks by financial institution as of December 31, 2010 and 2009 are as follows:**

(KRW million)	2010			2009		
	Due from banks in local currency	Due from banks in foreign currencies	Total	Due from banks in local currency	Due from banks in foreign currencies	Total
BOK	₩ 35	-	35	1	-	1
Banks	1,315,593	43,902	1,359,495	847,237	26,407	873,644
Others	250,000	497	250,497	-	123	123
	₩ 1,565,628	44,399	1,610,027	847,238	26,530	873,768

(d) The maturities of due from banks as of December 31, 2010 and 2009 are as follows:

(KRW million)					2010
		Due in 3 months or less	Due after 3 months to 6 months	Due after 6 months to 12 months	Total
Due from banks in local currency	₩	1,033,015	319,881	212,732	1,565,628
Due from banks in foreign currencies		44,399	-	-	44,399
	₩	1,077,414	319,881	212,732	1,610,027

(KRW million)					2009
		Due in 3 months or less	Due after 3 months to 6 months	Due after 6 months to 12 months	Total
Due from banks in local currency	₩	732,238	115,000	-	847,238
Due from banks in foreign currencies		26,530	-	-	26,530
	₩	758,768	115,000	-	873,768

4. Securities

(a) Securities as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Equity securities			
Marketable equity securities	₩	807,977	1,132,414
Non-marketable equity securities		2,137,418	2,029,038
Beneficiary certificates		5,606	31
Equity investment		2,112	1,459
		2,953,113	3,162,942
Debt securities			
Other securities in foreign currencies		16,701	-
Equity method accounted investments		235,441	115,094
	₩	3,205,255	3,278,036

(b) Debt securities as of December 31, 2010 are as follows:

(KRW million)					
		Face amount	Acquisition costs	Amortized costs (*1)	Fair value (*2)
Other securities in foreign currencies	₩	41,359	16,019	16,019	16,701
					Book value
					16,701

(*1) The difference between face value and acquisition cost is amortized using the effective interest rate method.

(*2) Fair value of debt securities in foreign currency was calculated by using standard price for the latest transaction date presented by Euroclear, a securities and depository clearing house.

(c) The maturities of debt securities as of December 31, 2010 are as follows:

(KRW million)

		Due in 1 year or less	Due after 1 year to 5 years	Due after 5 years to 10 years	Due after 5 years	Total
Other securities in foreign currencies	₩	-	-	1,100	15,601	16,701

(d) Marketable equity securities as of December 31, 2010 and 2009 are as follows:

(KRW million)

					2010
	No. of shares	Ownership (%)	Book value before fair value adjustment		Fair value (book value)
Korea Exchange Bank("KEB")	40,314,387	6.25	₩	584,559	475,710
Industrial Bank of Korea	8,501,153	1.56		119,016	159,396
Keumho Tires Co., Inc. (*)	7,197,800	7.93		36,191	40,891
SK Networks Co., Ltd. (*)	9,886,160	3.98		116,904	131,980
			₩	856,670	807,977

(*) Shares of Keumho Tires Co., Inc. are restricted for sale as of December 31, 2010. The Bank recorded the fair value of these securities restricted for sale by using the fair value information from the external pricing agency, the Korea Asset Pricing ("KAP"). The restriction on sale for shares of SK Networks was lifted.

(KRW million)

					2009
	No. of shares	Ownership (%)	Book value before fair value adjustment		Fair value (book value)
KEB	40,314,387	6.25	₩	255,190	584,559
Industrial Bank of Korea	8,501,153	1.56		65,374	119,016
Daewoo International Corporation (*)	10,996,400	11.24		225,096	311,935
SK Networks Co., Ltd. (*)	9,886,160	4.07		80,041	116,904
			₩	625,701	1,132,414

(*) These shares, except for 2,820,909 shares of SK Networks Co., Ltd., are restricted for sale as of December 31, 2009. The Bank recorded the fair value of these shares restricted for sale by using the fair value information from the external pricing agency, KAP.

(e) Non-marketable equity securities as of December 31, 2010 and 2009 are as follows:

(KRW million)					2010
	No. of shares	Ownership (%)	Book value before fair value adjustment	Book value (*)	
Korea Expressway Corp.	180,580,254	8.03	₩ 1,634,071	1,695,829	
Kyobo Life Insurance Co., Ltd.	1,199,001	5.85	288,659	307,704	
Industrial Bank of Korea (preferred stock)	6,210,000	6.34	78,246	104,794	
Korea Ship Finance	254,000	14.99	1,496	1,528	
Daewoo Electronics Corp.	224,580	0.21	175	194	
Pantech Co., Ltd.	58,713,052	3.56	24,425	23,837	
SB Telcom	420,984	3.29	210	210	
Hanchang Paper Co., Ltd	1,293,600	2.85	675	653	
Korea Data Systems Co., Ltd	320	0.24	2	1	
Others	1,055,014	-	1,704	2,668	
			₩ 2,029,663	2,137,418	

(*) As of December 31, 2010, the Bank recorded the fair value of the shares of Korea Expressway Corp., Kyobo Life Insurance Co., Ltd., Industrial Bank of Korea (preferred stock), Korea Ship Finance, Daewoo Electronics Corp., Pantech Co., Ltd., Hanchang Paper Co., Ltd. and Korea Data Systems Co., Ltd. by using the fair value information from KAP. The other securities were recorded at the acquisition costs since the fair value was not readily determinable. The shares of Daewoo Electronics Corp., Pantech Co., Ltd., SB Telcom, Hanchang Paper Co., Ltd. and Korea Data Systems Co., Ltd. are restricted for sale as of December 31, 2010.

(KRW million)					2009
	No. of shares	Ownership (%)	Book value before fair value adjustment	Book value (*)	
Korea Expressway Corp.	180,580,254	8.03	₩ 1,311,341	1,634,071	
Kyobo Life Insurance Co., Ltd.	1,199,001	5.85	288,659	288,659	
Industrial Bank of Korea (preferred stock)	6,210,000	6.34	42,979	78,246	
Korea Ship Finance	254,000	14.99	1,270	1,496	
Daewoo Electronics Corp.	224,580	0.21	157	175	
Pantech Co., Ltd.	58,713,052	3.56	419	24,425	
SB Telcom	420,984	3.29	210	210	
Hanchang Paper Co., Ltd	1,848,000	4.84	-	965	
Korea Data Systems Co., Ltd	320	0.24	2	2	
Others	105,786	-	789	789	
			₩ 1,645,826	2,029,038	

(*) As of December 31, 2009, the Bank recorded the fair value of the shares of Korea Expressway Corp., Industrial Bank of Korea (preferred stock), Korea Ship Finance, Daewoo Electronics Corp., Pantech Co., Ltd., Hanchang Paper Co., Ltd. and Korea Data Systems Co., Ltd. by using the fair value information from KAP. The other securities were recorded at the acquisition costs since the fair value was not readily determinable. The shares of Daewoo Electronics Corp., Pantech Co., Ltd., SB Telcom, Hanchang Paper Co., Ltd. and Korea Data Systems Co., Ltd. are restricted for sale as of December 31, 2009.

(f) Beneficiary certificates as of December 31, 2010 and 2009 are as follows:

(KRW million)				2010
	Ownership (%)		Book value before fair value adjustment	Book value
KEXIM Carbon Fund	14.97	₩	5,749	5,606

(KRW million)				2009
	Ownership (%)		Book value before fair value adjustment	Book value
KEXIM Carbon Fund	15.00	₩	31	31

(g) Equity investments as of December 31, 2010 and 2009 are as follows:

(KRW million)				2010
	Ownership (%)		Book value before fair value adjustment	Book value
Korea Asset Management Corporation	0.14	₩	1,220	1,220
Korea Money Brokerage Corporation	0.56		239	323
KEXIM Resource Development Fund 1	9.16		484	484
KEXIM Resource Development Fund 2	7.46		85	85
		₩	2,028	2,112

(KRW million)				2009
	Ownership (%)		Book value before adjustment	Book value
Korea Asset Management Corporation	0.14	₩	1,220	1,220
Korea Money Brokerage Corporation	0.56		56	239
		₩	1,276	1,459

(h) Disposal of securities for the years ended December 31, 2010 and December 31, 2009, respectively, were as follows:

(KRW million)					2010
	No. of shares	Disposal price	Acquisition costs	Realized gain	
Daewoo International Corporation	11,326,292	₩ 508,447	54,982	453,465	
Hanchang Paper Co., Ltd	554,400	306	277	29	
		₩ 508,753	55,259	453,494	

(KRW million)					2009
	No. of shares	Disposal price	Acquisition costs	Realized gain	
SK Networks Co., Ltd.	628,445	₩ 10,403	3,111	7,292	
Hyundai Corporation	1,031,600	19,736	12,829	6,907	
Daewoo International Corporation	329,892	10,539	-	10,539	
SG Global Corporation	18,903	148	95	53	
		₩ 40,826	16,035	24,791	

(i) Details of equity method accounted investments securities as of December 31, 2010 and 2009 are as follows:

(KRW million)	Ownership (%)	Acquisition costs	Book value	
			2010	2009
KEXIM Bank UK Limited	100.00	₩ 41,590	46,705	46,590
KEXIM Vietnam Leasing Co.	100.00	13,564	8,783	8,781
PT. KOEXIM Mandiri Finance	85.00	5,003	22,332	20,035
KEXIM Asia Limited	100.00	31,302	43,731	39,688
Credit Guarantee and Investment Fund("CGIF")	14.00	116,710	113,890	-
		₩ 208,169	235,441	115,094

(j) As of December 31, 2010 and 2009, the valuation gain and loss on equity method accounted investment securities are as follows:

(KRW million)							2010
		Beginning balances	Dividend	Gain (loss)	Accumulated other comprehensive income	Others	Ending balances
KEXIM Bank UK Limited	₩	46,590	(37)	3,130	-	(2,978)	46,705
KEXIM Vietnam Leasing Co.		8,781	-	217	-	(215)	8,783
PT. KOEXIM Mandiri Finance		20,035	(49)	1,891	-	455	22,332
KEXIM Asia Limited		39,688	(67)	3,643	1,455	(988)	43,731
CGIF		116,710	-	-	-	(2,820)	113,890
	₩	231,804	(153)	8,881	1,455	(6,546)	235,441

(KRW million)							2009
		Beginning balances	Dividend	Gain (loss)	Accumulated other comprehensive income	Others	Ending balances
KEXIM Bank UK Limited	₩	44,708	-	407	-	1,475	46,590
KEXIM Vietnam Leasing Co.		9,543	-	(80)	-	(682)	8,781
PT. KOEXIM Mandiri Finance		14,474	(51)	4,085	432	1,095	20,035
KEXIM Asia Limited		33,341	(32)	2,670	6,060	(2,351)	39,688
	₩	102,066	(83)	7,082	6,492	(463)	115,094

Due to the time lag in obtaining audited or reviewed financial statements of the investees for the preparation of the Bank's financial statements, the financial statements prepared by the investees' management have been used for equity method accounting. The Bank performed additional procedures to review the reliability of those financial statements prepared by the investees' management. According to an agreement of ASEAN Finance Minister Conference in May 2010, the Bank, on behalf of Korea Government, made an equity investment in CGIF in December 2010. During the current period, there were no operating activities. Therefore, equity method was not applied to the related investments in the current period.

(k) The summary of financial positions and operation results of the entities in equity method accounted investment securities as of December 31, 2010 and 2009 are as follows:

(KRW million)					2010
		Assets	Liabilities	Stockholders' equity	Net income
KEXIM Bank UK Limited	₩	423,828	380,091	43,737	1,472
KEXIM Vietnam Leasing Co		96,205	88,428	7,777	200
PT. KOEXIM Mandiri Finance		161,188	139,620	21,568	1,658
KEXIM Asia Limited		352,389	310,506	41,883	3,064
CGIF		797,230	-	797,230	-
	₩	1,830,840	918,645	912,195	6,394

(KRW million)					2009
		Assets	Liabilities	Stockholders' equity	Net income
KEXIM Bank UK Limited	₩	410,639	365,488	45,151	783
KEXIM Vietnam Leasing Co		84,030	76,139	7,891	(969)
PT. KOEXIM Mandiri Finance		140,935	121,406	19,529	1,125
KEXIM Asia Limited		330,439	292,032	38,400	1,376
	₩	966,043	855,072	110,971	2,315

(l) Changes in valuation gain (loss) on available-for-sale securities and equity method accounted investment securities recorded in other comprehensive income for the years ended December 31, 2010 and December 31, 2009, respectively, were as follows:

(KRW million)					2010
		Beginning balance	Unrealized gain	Disposition	Ending balance
Equity method accounted investments	₩	(747)	1,134	-	387
Available-for-sale securities: Equity securities		351,139	46,648	(200,434)	197,353
	₩	350,392	47,782	(200,434)	197,740

(KRW million)					2009
		Beginning balance	Unrealized gain	Disposition	Ending balance
Equity method accounted investments	₩	(5,811)	5,064	-	(747)
Available-for-sale securities: Equity securities		59,031	294,826	(2,718)	351,139
	₩	53,220	299,890	(2,718)	350,392

5. Loans

(a) Loans outstanding as of December 31, 2010 and 2009 are as follows:

(KRW million)	2010	2009
Loans in local currency:		
Loans for export	₩ 6,419,344	8,280,528
Loans for overseas investment	1,306,227	138,163
Loans for import	1,342,216	1,275,609
Others	22,091	16,178
	9,089,878	9,710,478
Loans in foreign currencies:		
Loans for export	13,457,453	12,815,378
Loans for overseas investment	12,398,219	10,256,463
Trading note rediscount loans	1,551,182	-
Loans for import	1,158,907	1,188,196
Overseas funding loans	735,268	703,052
Domestic usance bills	224,698	144,581
Inter-bank loans	158,957	141,280
Others	22,778	118
	29,707,462	25,249,068
Changes in fair values of loans in foreign currencies (*)	286,596	242,542
Deferred loan origination fees	(126,523)	(94,946)
	29,867,535	25,396,664
Bills bought in local currency	42,213	51,720
Bills bought in foreign currencies	867,119	559,591
Advances for customers	42,249	109,860
Call loans in foreign currencies	1,480,890	1,742,598
Total loans before allowances for loan losses	41,389,884	37,570,911
Allowance for loan losses	(1,481,962)	(1,224,406)
Loans, net of allowance for loan losses	₩ 39,907,922	36,346,505

(*) Interest rate swap was contracted to hedge the changes in the fair value of loan commitment in foreign currencies resulting from the volatility in interest rates. The gain on valuation of loan commitment, which was confirmed, was recognized as changes in fair values of loans in foreign currencies.

(b) Loans classified by customer as of December 31, 2010 and 2009 are as follows:

(KRW million)				2010	
		Loans in local currency	Loans in foreign currencies (*2)	Total	Ratio (%)
Large corporations	₩	6,546,068	12,362,787	18,908,855	48.74
Small and medium company (*1)		2,526,910	2,698,817	5,225,727	13.47
Public sector and others		16,900	14,645,858	14,662,758	37.79
	₩	9,089,878	29,707,462	38,797,340	100.00

(KRW million)				2009	
		Loans in local currency	Loans in foreign currencies (*2)	Total	Ratio (%)
Large corporations	₩	7,532,120	9,099,527	16,631,647	47.57
Small and medium company (*1)		2,178,358	2,010,546	4,188,904	11.98
Public sector and others		-	14,138,995	14,138,995	40.45
	₩	9,710,478	25,249,068	34,959,546	100.00

(*1) Small and medium company is defined in Paragraph 1 of Article 2 of the Small and Medium Company Law.

(*2) The amounts of loans in foreign currencies in the above table exclude deferred loan origination fees and changes in fair values of loans in foreign currencies.

(c) Loans to other financial institutions as of December 31, 2010 and 2009 are as follows:

(KRW million)				2010	
		Other banks	Others	Total	
Loans in local currency	₩	-	350,000	350,000	
Loans in foreign currencies		158,957	3,661,705	3,820,662	
Other		1,480,890	477,247	1,958,137	
	₩	1,639,847	4,488,952	6,128,799	

(KRW million)				2009	
		Other banks	Others	Total	
Loans in local currency	₩	-	451,500	451,500	
Loans in foreign currencies		141,280	2,439,325	2,580,605	
Other		1,742,598	231,041	1,973,639	
	₩	1,883,878	3,121,866	5,005,744	

(d) Loans classified by industry as of December 31, 2010 and 2009 are as follows:

(KRW million)						2010
		Loans in local currency	Loans in foreign currencies (*)	Others	Total	Ratio (%)
Manufacturing	₩	6,903,805	10,367,590	275,896	17,547,291	42.56
Transportation		181,990	7,857,902	-	8,039,892	19.50
Finance and insurance		350,000	3,820,662	1,958,138	6,128,800	14.86
Wholesale and retail		714,964	1,046,779	80,254	1,841,997	4.47
Real estate		-	21,070	-	21,070	0.05
Construction		834,967	911,146	-	1,746,113	4.24
Public sector and others		104,152	5,682,313	118,183	5,904,648	14.32
	₩	9,089,878	29,707,462	2,432,471	41,229,811	100.0

(KRW million)						2009
		Loans in local currency	Loans in foreign currencies (*)	Others	Total	Ratio (%)
Manufacturing	₩	8,171,704	8,551,178	380,397	17,103,279	45.70
Transportation		180,690	8,453,389	1,072	8,635,151	23.07
Finance and insurance		451,500	2,580,605	1,973,639	5,005,744	13.38
Wholesale and retail		149,544	951,228	81,598	1,182,370	3.16
Real estate		-	36,312	-	36,312	0.10
Construction		698,433	132,928	-	831,361	2.22
Public sector and others		58,607	4,543,428	27,063	4,629,098	12.37
	₩	9,710,478	25,249,068	2,463,769	37,423,315	100.00

(*) The amounts of loans in foreign currencies in the above table exclude deferred loan origination fees and changes in fair values of loans in foreign currencies.

(e) Loans classified by risk-possessive country as of December 31, 2010 and 2009 are as follows:

(KRW million)						2010
		Loans in local currency	Loans in foreign currencies (*)	Others	Total	Ratio (%)
Asia:						
Korea	₩	9,089,878	16,898,068	1,654,180	27,642,126	67.04
Saudi Arabia		-	1,685,814	62	1,685,876	4.09
Iran		-	1,180,086	59,176	1,239,262	3.00
Qatar		-	971,058	971	972,029	2.36
Singapore		-	682,114	30,864	712,978	1.73
Yemen		-	253,820	131	253,951	0.62
India		-	662,430	37,683	700,113	1.70
Indonesia		-	362,712	6,362	369,074	0.89
Others		-	927,008	213,449	1,140,457	2.77
		9,089,878	23,623,110	2,002,878	34,715,866	84.2
Europe:						
England		-	1,471,991	21,500	1,493,491	3.62
France		-	392,005	7,951	399,956	0.97
Sweden		-	578,941	-	578,941	1.41
Ireland		-	470,833	-	470,833	1.14
Belgium		-	372,793	7,893	380,686	0.92
Netherlands		-	217,960	56,945	274,905	0.67
Others		-	1,529,761	158,032	1,687,793	4.09
		-	5,034,284	252,321	5,286,605	12.82
America:						
Canada		-	319,404	41	319,445	0.77
Brazil		-	162,863	5,023	167,886	0.41
Peru		-	187,919	-	187,919	0.46
United States		-	164,823	156,346	321,169	0.78
Others		-	202,235	4,152	206,387	0.50
		-	1,037,244	165,562	1,202,806	2.92
Africa:						
Nigeria		-	12,824	-	12,824	0.03
Others		-	-	11,710	11,710	0.03
		-	12,824	11,710	24,534	0.06
	₩	9,089,878	29,707,462	2,432,471	41,229,811	100.00

(KRW million)

2009

		Loans in local currency	Loans in foreign currencies (*)	Others	Total	Ratio (%)
Asia:						
Korea	₩	9,710,478	12,079,955	1,463,862	23,254,295	62.14
Saudi Arabia		-	1,734,636	409	1,735,045	4.64
Iran		-	1,411,680	28,035	1,439,715	3.85
Qatar			1,100,148	497	1,100,645	2.94
Singapore		-	778,325	21,910	800,235	2.14
Oman		-	583,800	1,129	584,929	1.56
India		-	491,242	24,522	515,764	1.38
Indonesia		-	350,027	7,615	357,642	0.96
Others		-	931,402	238,261	1,169,663	3.12
		9,710,478	19,461,215	1,786,240	30,957,933	82.73
Europe:						
England		-	1,003,427	184,814	1,188,241	3.18
France		-	440,645	226,000	666,645	1.74
Sweden		-	652,494	-	652,494	1.29
Ireland		-	482,811	-	482,811	1.78
Others		-	2,171,089	190,297	2,361,386	6.31
		-	4,750,466	601,111	5,351,577	14.30
America:						
Canada		-	400,028	297	400,325	1.07
Brazil		-	185,648	-	185,648	0.50
Peru		-	156,593	-	156,593	0.42
United States		-	87,439	62,259	149,698	0.40
Others		-	207,679	175	207,854	0.55
		-	1,037,387	62,731	1,100,118	2.94
Africa:						
Algeria		-	-	11,804	11,804	0.03
Others		-	-	594	594	0.00
		-	-	12,398	12,398	0.03
Oceania:						
Australia and others		-	-	1,289	1,289	0.00
	₩	9,710,478	25,249,068	2,463,769	37,423,315	100.00

(*) The amounts of loans in foreign currencies in the above table exclude deferred loan origination fees and changes in fair values of loans in foreign currencies.

(f) The restructured loans as of December 31, 2010 are as follows:

(KRW million)

	Company		Loan Amount	Allowances (*)
Restoration procedure and rearrangement	Hanam Electronics Co., Ltd. and other 19 companies	₩	15,235	11,661
Individual agreements	Financial loan to Russia and other two companies		222,949	13,170
		₩	238,184	24,831

(*) Present value discounts relating to the restructured loans are excluded from these allowances.

(g) Changes in present value discounts relating to the restructured loans for the years ended December 31, 2010 and December 31, 2009 were as follows:

(KRW million)

							2010
	Discount rate (%)	Term (years)	Beginning balance	Addition	Amortization	Changes in exchange rate	Ending balance
Work-out process and rearrangement	9.04~13.85	3~10	₩ 5,585	3,212	(5,800)	(33)	2,964
Individual agreements (*)	4.12~5.30	9~18	36,819	-	(4,543)	(818)	31,458
			₩ 42,404	3,212	(10,343)	(851)	34,422

(KRW million)

							2009
	Discount rate (%)	Term (years)	Beginning balance	Addition	Amortization	Changes in exchange rate	Ending balance
Work-out process and rearrangement	4.22~4.99	9~10	₩ 159	7,085	(1,656)	(3)	5,585
Individual agreements (*)	4.12~5.30	9~18	44,865	-	(5,110)	(2,936)	36,819
			₩ 45,024	7,085	(6,766)	(2,939)	42,404

(*) As of February 20, 2004, the Bank restructured the remaining loan balance of USD299 million overdue loan to Russia (USD422 million - the principal and interest amounting to USD262 million and USD160 million, respectively at the time of restructuring) after the reduction of unpaid interest of USD123 million in accordance with the bilateral agreement between the Korean Government and Russian Government. As of December 31, 2010, the balance of restructured loan to Russia was ₩180,670 million and the balance of present value discounts was ₩27,773 million.

(h) For the year ended December 31, 2010, the Bank converted ₩38,832 million of loans to five borrowers including Keumho Tires Co., Inc. to equity, and recognized ₩2,011 million as provision for loan losses.

(i) The maturities of loans as of December 31, 2010 and 2009 are as follows:

(KRW million)						2010
		Loans in local currency	Loans in foreign currencies (*)	Others	Total	Ratio (%)
Due in 3 months or less	₩	1,483,544	4,471,776	2,245,581	8,200,901	19.89
Due after 3 months to 6 months		3,916,327	2,561,752	83,021	6,561,100	15.91
Due after 6 months to 1 year		700,156	3,595,668	21,981	4,317,805	10.47
Due after 1 year to 2 years		453,035	1,661,078	-	2,114,113	5.13
Due after 2 years to 3 years		872,534	2,412,046	-	3,284,580	7.97
Due after 3 years to 4 years		482,793	2,804,285	39,639	3,326,717	8.07
Due after 4 years to 5 years		603,979	5,397,044	-	6,001,023	14.56
Due after 5 years		577,510	6,803,813	42,249	7,423,572	18.00
	₩	9,089,878	29,707,462	2,432,471	41,229,811	100.00

(KRW million)						2009
		Loans in local currency	Loans in foreign currencies (*)	Others	Total	Ratio (%)
Due in 3 months or less	₩	3,012,086	2,613,575	2,203,636	7,829,297	20.92
Due after 3 months to 6 months		4,789,660	1,874,803	86,627	6,751,090	18.04
Due after 6 months to 1 year		1,025,934	1,920,469	13,283	2,959,686	7.91
Due after 1 year to 2 years		272,548	1,603,274	5,760	1,881,582	5.03
Due after 2 years to 3 years		160,841	1,305,902	-	1,466,743	3.92
Due after 3 years to 4 years		116,621	610,479	-	727,100	1.94
Due after 4 years to 5 years		22,638	1,570,408	-	1,593,046	4.26
Due after 5 years		310,150	13,750,158	154,463	14,214,771	37.98
	₩	9,710,478	25,249,068	2,463,769	37,423,315	100.00

(*) The amounts of loans in foreign currencies in the above table exclude deferred loan origination fees and changes in fair values of loans in foreign currencies.

6. Allowances for Loan Losses

(a) The allowances for loan losses as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Loans in local currency	₩	469,407	292,390
Loans in foreign currencies		950,967	814,162
Other loans		61,588	117,854
	₩	1,481,962	1,224,406

(b) As of December 31, 2010 and 2009, loan balances and allowances for loan losses by credit risk classification are as follows:

(KRW million)			2010		
			Balance (*)	Allowance	Provision ratio (%)
Loans in local currency	Normal	₩	7,620,754	117,324	1.54
	Precautionary		1,300,684	243,823	18.75
	Substandard		103,577	45,108	43.55
	Doubtful		33,991	32,280	94.97
	Estimated loss		30,872	30,872	100.00
			9,089,878	469,407	5.16
Loans in foreign currencies	Normal		28,750,584	700,433	2.44
	Precautionary		512,139	51,209	10.00
	Substandard		151,615	66,028	43.55
	Doubtful		16,890	16,020	94.85
	Estimated loss		117,277	117,277	100.00
			29,548,505	950,967	3.22
Other	Normal		877,144	18,224	2.08
	Precautionary		39,639	9,756	24.61
	Substandard		2,198	957	43.55
	Doubtful		5	5	94.65
	Estimated loss		32,646	32,646	100.00
			951,632	61,588	6.47
		₩	39,590,015	1,481,962	3.74

(*) The loan balances in the above table do not include the present value discounts. Inter-bank loans of ₩158,957 million and call loans of ₩1,480,890 million, which were classified as normal, are excluded from the loan balances in the above table, while suspense payments on credit of ₩51 million are included. Changes in fair values of loans in foreign currencies of ₩286,596 million and deferred loan origination fees of ₩(126,523) million are not included.

(KRW million)		2009		
		Balance (*)	Allowance	Provision ratio (%)
Loans in local currency	Normal	₩ 9,329,278	127,926	1.37
	Precautionary	199,356	34,630	17.37
	Substandard	86,511	37,677	43.55
	Doubtful	63,010	59,834	94.96
	Estimated loss	32,323	32,323	100.00
		9,710,478	292,390	3.01
Loans in foreign currencies	Normal	23,818,555	620,643	2.61
	Precautionary	1,162,912	111,747	9.61
	Substandard	75,369	32,830	43.56
	Doubtful	38,022	36,012	94.71
	Estimated loss	12,930	12,930	100.00
		25,107,788	814,162	3.24
Other	Normal	567,074	9,759	1.72
	Precautionary	59,938	14,168	23.64
	Substandard	-	-	-
	Doubtful	6,665	6,320	97.83
	Estimated loss	87,607	87,607	100.00
		721,284	117,854	16.33
	₩	35,539,550	1,224,406	3.45

(*) The loan balances in the above table do not include the present value discounts. Inter-bank loans of ₩141,280 million and call loans of ₩1,742,598 million, which were classified as normal, are excluded from the loan balances in the above table, while suspense payments on credit of ₩113 million are included. Changes in fair values of loans in foreign currencies of ₩242,542 million and deferred loan origination fees of ₩(94,946) million are not included.

(c) Changes in allowances for loan losses for the years ended December 31, 2010 and 2009, respectively, were as follows:

(KRW million)	2010	2009
Beginning balance	₩ 1,224,406	966,948
Provision for loan losses	469,058	338,837
Write-off	(155,007)	(12,650)
Debt to equity swap	(2,011)	(3,594)
Decrease in present value discounts	(10,343)	(6,766)
Changes in exchange rates and others	(44,141)	(58,369)
Ending balance	₩ 1,481,962	1,224,406

(d) The ratio of allowances to loans for the previous three periods were as follows:

(KRW million)	2010.12.31	2009.12.31	2008.12.31
Loans subject to allowance for loan losses	₩ 39,590,015	35,539,550	30,972,233
Allowances for loan losses	1,481,962	1,224,406	966,948
Ratio (%)	3.74	3.45	3.12

7. Property and Equipment

(a) Property and equipment and the related accumulated depreciation as of December 31, 2010 and 2009 were as follows:

(KRW million)		2010			2009		
		Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	₩	4,484	-	4,484	4,484	-	4,484
Buildings		44,612	18,794	25,818	44,612	17,292	27,320
Vehicles		2,452	1,738	714	2,302	1,521	781
Equipment		16,083	13,606	2,477	16,132	13,849	2,283
	₩	67,631	34,138	33,493	67,530	32,662	34,868

(b) The officially declared value of land at December 31, 2010 and December 31, 2009, as announced by the Ministry of Land, Transport and Maritime Affairs, was ₩103,096 million and ₩101,069 million, respectively. The officially declared value, which is used for government purposes, is not intended to represent fair value.

(c) Changes in book value of property and equipment for the years ended December 31, 2010 and 2009, respectively, were as follows:

(KRW million)		2010				
		Beginning balances	Acquisitions	Disposals	Depreciation	Ending balances
Land	₩	4,484	-	-	-	4,484
Buildings		27,320	-	-	1,502	25,818
Vehicles		781	499	-	566	714
Equipment		2,283	1,437	2	1,241	2,477
	₩	34,868	1,936	2	3,309	33,493

(KRW million)		2009				
		Beginning balances	Acquisitions	Disposals	Depreciation	Ending balances
Land	₩	4,484	-	-	-	4,484
Buildings		28,656	172	-	1,508	27,320
Vehicles		584	695	-	498	781
Equipment		2,403	1,265	3	1,382	2,283
	₩	36,127	2,132	3	3,388	34,868

(d) Insured assets as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010		2009	
	Insurance company	Book value	Insured amount	Book value	Insured amount
Buildings	Lotte Insurance Co., Ltd. and others	₩ 25,818	22,854	27,320	24,217
Equipment	LIG Insurance Co., Ltd. and others	2,477	2,198	2,283	2,283
		₩ 28,295	25,052	29,603	26,500

In addition to the above, the Bank carries a commercial liability package, and gas liability insurance with a maximum coverage of ₩80 million per accidental death and of ₩300 million per accidental property damage. All vehicles are covered by comprehensive auto insurance.

8. Other Assets

(a) Details of other assets as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Security deposits	₩	25,199	20,536
Accounts Receivable		44,756	242
Accrued income		371,933	506,180
Prepaid expenses		76,314	123,929
Deferred tax assets (note 18)		301,717	115,993
Derivative assets (note 15)		1,094,491	710,476
Intangible assets		3,675	3,370
Sundry assets			
Other loans		7,601	6,750
Other suspense payments		939	918
Suspense payments on credit		51	113
Membership certificates		6,098	6,122
Others		11	11
	₩	1,932,785	1,494,640

(b) Changes in intangible assets for the years ended December 31, 2010 and 2009, were as follows:

(KRW million)		2010	2009
Beginning balance	₩	3,370	1,863
Increase		1,427	2,526
Amortization		(1,122)	(1,019)
Ending balance	₩	3,675	3,370

9. Borrowings and Debentures

(a) Borrowings and debentures as of December 31, 2010 and 2009 consist of the following:

(KRW million)		2010	2009
Borrowings	₩	4,284,850	2,895,877
Debentures in local currency		6,251,042	6,977,349
Debentures in foreign currencies		26,681,053	23,428,566
	₩	37,216,945	33,301,792

(b) Details of borrowings of December 31, 2010 and 2009 are as follows:

(KRW million)	Interest rate (%)	2010	2009
Borrowings:			
Call money:			
Foreign currencies	Libor 1M + 0.34 and others	₩ 785,841	1,168
		785,841	1,168
Borrowings in foreign currencies:			
Borrowings from banks	Libor 3M + 0.39 and others	1,814,535	740,798
Commercial papers	0.38~1.71	1,397,136	1,971,163
Off-shore commercial papers	1.13~1.33	62,640	38,168
Other borrowings	0.79~3.91	224,698	144,580
		3,499,009	2,894,709
		₩ 4,284,850	2,895,877

(c) Details of debentures of December 31, 2010 and 2009 are as follows:

(KRW million)	Interest rate (%)	2010	2009
Debentures:			
Local currency:			
Floating rate debentures in local currency	CD + 0.14 and others	₩ 200,000	-
Fixed rate debentures in local currency	2.54~5.17	6,120,000	7,030,000
Discount on debentures		(68,958)	(52,651)
		₩ 6,251,042	6,977,349
Foreign currencies:			
Floating rate debentures in foreign currencies	Libor 3M + 0.95 and others	₩ 4,397,046	4,374,265
Fixed rate debentures in foreign currencies	0.7~10.85	21,986,520	18,779,566
		26,383,566	23,153,831
Gain on valuation of fair value hedged items, net		378,090	337,423
		26,761,656	23,491,254
Discounts on debentures, net		(80,603)	(62,688)
		₩ 26,681,053	23,428,566

(d) Call money and borrowings in foreign currencies from financial institution as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010			2009		
		Call money	Borrowings in foreign currencies	Total	Call money	Borrowings in foreign currencies	Total
Banks	₩	785,841	3,274,311	4,060,152	1,168	2,750,130	2,751,298
Others		-	224,698	224,698	-	144,579	144,579
	₩	785,841	3,499,009	4,284,850	1,168	2,894,709	2,895,877

(e) The maturities of borrowings and debentures by remaining period as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010					
		Due in 3 months or less	Due after 3 months to 6 months	Due after 6 months to 1 year	Due after 1 year to years	Due after 3 years	Total
Borrowings:							
Call money	₩	785,841	-	-	-	-	785,841
Borrowings in foreign currencies		1,995,361	483,696	186,743	833,209	-	3,499,009
	₩	2,781,202	483,696	186,743	833,209	-	4,284,850
Debentures:							
Debentures in local currency	₩	1,630,000	1,800,000	2,210,000	390,000	290,000	6,320,000
Debentures in foreign currencies		1,042,874	1,096,007	2,935,924	8,521,915	12,786,846	26,383,566
	₩	2,672,874	2,896,007	5,145,924	8,911,915	13,076,846	32,703,566

(KRW million)		2009					
		Due in 3 months or less	Due after 3 months to 6 months	Due after 6 months to 1 year	Due after 1 year to years	Due after 3 years	Total
Borrowings:							
Call money	₩	1,168	-	-	-	-	1,168
Borrowings in foreign currencies		1,463,180	1,085,037	346,492	-	-	2,894,709
	₩	1,464,348	1,085,037	346,492	-	-	2,895,877
Debentures:							
Debentures in local currency	₩	2,690,000	2,330,000	1,670,000	250,000	90,000	7,030,000
Debentures in foreign currencies		1,880,571	698,186	2,686,013	7,151,644	10,737,417	23,153,831
	₩	4,570,571	3,028,186	4,356,013	7,401,644	10,827,417	30,183,831

10. Other Liability

(a) Details of other liabilities as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Accrued retirement and severance benefits (note 12)	₩	25,302	20,763
Allowance for acceptances and guarantees (note 11)		874,080	476,522
Allowance for unused loan commitments (note 11)		69,055	67,121
Allowance for others		46,582	1,724
Foreign exchange settlement account-credit		346,179	99,836
Accounts payable		159,621	8,649
Accrued expenses		435,378	655,197
Unearned revenues		268,194	302,315
Guarantees deposits received		109	109
Derivative liabilities (note 15)		638,479	510,220
Sundry liabilities		86,672	120,214
	₩	2,949,651	2,262,670

(b) Details of sundry liabilities as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Suspense receipts	₩	85,826	118,808
Taxes withheld		840	1,405
Others		6	1
	₩	86,672	120,214

11. Acceptances, Guarantees and Loan Commitments

(a) Details of acceptances and guarantees as of December 31, 2010 and 2009 are as follows:

(KRW million)	2010	2009
Confirmed acceptances and guarantees:		
Local currency:		
Guarantees for performance of contracts	₩ 101,845	60,874
Guarantees for repayment of advances	159,658	105,811
Others	176,300	168,338
	437,803	335,023
Foreign currencies:		
Guarantees for performance of contracts	7,379,960	5,116,030
Guarantees for repayment of advances	32,396,456	36,333,463
Acceptances for letters of guarantee for importers letter	-	950
Acceptances on import credit memorandum	191,545	166,631
Others	3,770,143	3,212,973
	43,738,104	44,830,047
	₩ 44,175,907	45,165,070
Unconfirmed acceptances and guarantees:		
Letters of credit	₩ 112,000	215,318
Guarantees for repayment of advances	22,514,736	28,906,179
Others	1,345,786	1,582,657
	₩ 23,972,522	30,704,154

(b) As of December 31, 2010 and 2009, details of allowance for acceptances and guarantees outstanding are as follows:

(KRW million)	2010			2009		
	Acceptances and guarantees	Allowance (*)	Ratio (%)	Acceptances and guarantees	Allowance (*)	Ratio (%)
Confirmed acceptances and guarantees:						
Normal	₩ 40,907,098	365,676	0.89	44,225,154	305,269	0.69
Precautionary	3,114,102	284,954	9.15	909,633	80,326	8.83
Substandard	60,873	26,510	43.55	30,283	13,188	43.55
Doubtful	36	17	47.32	-	-	-
Estimated loss	93,798	60,680	64.69	-	-	-
	44,175,907	737,837	1.67	45,165,070	398,783	0.88
Unconfirmed acceptances and guarantees:						
Normal	21,508,124	39,069	0.18	30,058,127	53,720	0.18
Precautionary	2,436,931	92,147	3.78	645,591	23,925	3.71
Substandard	5,499	634	11.52	416	91	21.77
Doubtful	-	-	-	20	3	15.00
Estimated loss	21,968	4,393	20.00	-	-	-
	23,972,522	136,243	0.57	30,704,154	77,739	0.25
	₩ 68,148,429	874,080	1.28	75,869,224	476,522	0.63

(*) The Bank estimated allowance for the estimated losses on acceptances and guarantees considering the credit conversion factor by Financial Services Commission by applying the same methodology that was used to determine the allowance for loan losses.

(c) Changes in allowance for acceptances and guarantees for the years ended December 31, 2010 and December 31, 2009, were as follows:

(KRW million)		2010	2009
Beginning balance	₩	476,522	461,376
Provision for allowance for possible losses		412,613	56,158
Changes in foreign exchange rates and others		(15,055)	(41,012)
Ending balance	₩	874,080	476,522

(d) Acceptances and guarantees classified by industry as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010					
		Confirmed		Unconfirmed		Total	
		Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)
Manufacturing	₩	32,723,505	74.08	22,426,256	93.55	55,149,761	80.93
Construction		5,652,164	12.79	473,121	1.97	6,125,284	8.99
Service		2,778,246	6.29	56,408	0.24	2,834,654	4.16
Finance and insurance		933,221	2.11	32,952	0.14	966,174	1.42
Wholesale and retail		469,497	1.06	37,953	0.16	507,450	0.74
Others		1,619,274	3.67	945,832	3.94	2,565,106	3.76
	₩	44,175,907	100.00	23,972,522	100.00	68,148,429	100.00

(KRW million)		2009					
		Confirmed		Unconfirmed		Total	
		Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)
Manufacturing	₩	37,119,303	82.19	29,060,616	94.65	66,179,919	87.23
Construction		4,403,157	9.75	298,610	0.97	4,701,767	6.20
Finance and insurance		730,448	1.62	6,299	0.02	736,747	0.97
Wholesale and retail		286,577	0.63	78,019	0.25	364,596	0.48
Service		1,406,569	3.11	47,915	0.16	1,454,484	1.92
Others		1,219,016	2.70	1,212,695	3.95	2,431,711	3.20
	₩	45,165,070	100.00	30,704,154	100.00	75,869,224	100.00

(e) Acceptances and guarantees classified by risk-possessive country as of December 31, 2010 and 2009 are as follows:

(KRW million)							2010
		Confirmed		Unconfirmed		Total	
		Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)
Asia:							
Korea	₩	42,485,310	96.18	22,632,669	94.41	65,117,979	95.55
India		304,708	0.69	89,044	0.37	393,752	0.58
Yemen		169,213	0.38	-	-	169,213	0.25
Jordan		86,406	0.20	22,131	0.09	108,537	0.16
Japan		85,707	0.19	-	-	85,707	0.13
Hong Kong		68,334	0.15	-	-	68,334	0.10
Indonesia		71,809	0.16	36,614	0.15	108,423	0.16
Saudi Arabia		-	-	280,161	1.17	280,161	0.41
Others		141,891	0.32	32,579	0.14	174,470	0.25
		43,413,378	98.27	23,093,198	96.33	66,506,576	97.59
Europe:							
France		116,832	0.26	294,141	1.23	410,973	0.60
Greece		20,471	0.05	93,419	0.39	113,890	0.17
England		81,687	0.19	-	-	81,687	0.12
Russia		-	-	94,684	0.39	94,684	0.14
		218,990	0.50	482,244	2.01	701,234	1.03
America:							
Mexico		197,222	0.45	82,963	0.35	280,185	0.41
Peru		153,752	0.34	-	-	153,752	0.23
Canada		-	-	79,595	0.33	79,595	0.11
		350,974	0.79	162,558	0.68	513,532	0.75
Africa:							
Madagascar		192,565	0.44	29,520	0.12	222,085	0.33
Egypt		-	-	205,002	0.86	205,002	0.30
		192,565	0.44	234,522	0.98	427,087	0.63
	₩	44,175,907	100.00	23,972,522	100.00	68,148,429	100.00

(KRW million)

2009

		Confirmed		Unconfirmed		Total	
		Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)	Acceptances and guarantees	Ratio (%)
Asia:							
Korea	₩	43,660,178	96.67	29,322,783	95.50	72,982,961	96.20
India		223,528	0.49	196,179	0.64	419,707	0.55
Yemen		186,807	0.41	9	0.00	186,816	0.25
Jordan		35,957	0.08	75,316	0.25	111,273	0.15
Japan		78,261	0.17	-	0.00	78,261	0.10
Hong Kong		70,056	0.16	-	0.00	70,056	0.09
Others		94,243	0.21	50,634	0.16	144,877	0.19
		44,349,030	98.19	29,644,921	96.55	73,993,951	97.53
Europe:							
France		121,980	0.27	397,029	1.29	519,009	0.69
Luxemburg		153,865	0.34	-	0.00	153,865	0.21
Greece		19,922	0.04	96,838	0.32	116,760	0.15
England		48,717	0.11	-	0.00	48,717	0.06
Russia		-	0.00	26,062	0.08	26,062	0.03
		344,484	0.76	519,929	1.69	864,413	1.14
America:							
Mexico		109,976	0.24	182,924	0.60	292,900	0.39
Brazil		61,196	0.14	189,855	0.62	251,051	0.33
Peru		127,556	0.28	30,070	0.10	157,626	0.21
Canada		-	0.00	81,601	0.26	81,601	0.10
		298,728	0.66	484,450	1.58	783,178	1.03
Africa:							
Madagascar		172,828	0.39	54,854	0.18	227,682	0.30
	₩	45,165,070	100.00	30,704,154	100.00	75,869,224	100.00

(f) The ratio of allowance for acceptances and guarantees for the recent three years are as follows:

(KRW million)		2010.12.31	2009.12.31	2008.12.31
Acceptances and guarantees subject to allowances	₩	68,148,429	75,869,224	90,885,384
Allowances		874,080	476,522	461,376
Ratio (%)		1.28	0.63	0.51

(g) Details of unused loan commitments and related allowances as of December 31, 2010 and 2009 are as follows:

(KRW million)	2010	2009
Unused line of credit for unused loan commitments	₩ 11,343,105	8,288,933
Allowances (*)	69,055	67,121
Ratio (%)	0.61	0.81

(*) The Bank estimated allowance for the estimated losses on loan commitments considering the credit conversion factor by Financial Services Commission by applying the same methodology that was used to determine the allowance for loan losses.

(h) Changes in allowances for unused loan commitments for years ended December 31, 2010 and December 31, 2009, were as follows:

(KRW million)	2010	2009
Beginning balance	₩ 67,121	35,572
Provision for allowances for unused loan commitments	4,120	33,311
Changes in foreign exchange rates and others	(2,186)	(1,762)
Ending balance	₩ 69,055	67,121

12. Retirement and Severance Benefits

Changes in retirement and severance benefits for years ended December 31, 2010 and December 31, 2009, respectively, were as follows:

(KRW million)		2010
	Beginning balance	Ending balance
Retirement and severance benefits	₩ 20,763	25,302
	Provision	Payment
	₩ 20,763	1,637

(KRW million)		2009
	Beginning balance	Ending balance
Retirement and severance benefits	₩ 30,936	20,763
National Pension Fund	(5)	-
	₩ 30,931	15,334

13. Stockholders' Equity

(a) Capital Stock

As of December 31, 2010, the authorized capital and paid-in capital of the Bank are ₩8,000,000 million and ₩5,158,755 million, respectively. The Bank's capital has increased by ₩150,000 million due to the Government's contributions on January 28, 2010. The Bank does not issue share certificates.

(b) Retained Earnings**I) LEGAL RESERVE**

Pursuant to the EXIM Bank Act, the Bank appropriates twenty percent of net earnings for each accounting period as legal reserve until the accumulated reserve equals to its paid-in capital.

II) VOLUNTARY RESERVE

The Bank appropriates the remaining balance of net earnings, after the appropriation of legal reserve and declaration of dividends, to voluntary reserve.

14. Commitments and Contingencies**(a) Details of other commitments as of December 31, 2010 and 2009 are as follows:**

(KRW million)	2010	2009
Confirmed acceptances and guarantees	₩ 44,175,907	45,165,070
Unconfirmed acceptances and guarantees	23,972,522	30,704,154
Unused loan commitments	10,835,255	7,789,095
Other commitments	507,850	499,838
Written-off loans	326,341	176,275
	₩ 79,817,875	84,334,432

(b) Litigations

As of December 31, 2010, five lawsuits were filed by the Bank. The Bank's management is unable to estimate the impact from these lawsuits and the Bank's financial position and result of operation do not include the potential impact, if any from these lawsuits.

(c) Sale of the Shares of KEB

The Bank sold 30,865,792 shares of KEB to LSF-KEB Holdings, SCA ("LSF") on October 30, 2003 at ₩5,400 per share. LSF exercised its call option, which was issued by the Bank in relation to the aforementioned sales transaction, and additionally purchased 49,134,208 shares of KEB at ₩8,487.50 per share before the prior fiscal year.

In addition to the above transactions, under the mutual agreement between the Bank and LSF, the Bank has the right to ask LSF (Tag) or be asked by LSF (Drag) for selling the Bank's remaining holding shares of KEB to a counterparty at the same condition of LSF's sale.

On February 10, 2011, assuming that transactions under 'Sale and Purchase Agreement between Hana Financial Group and LSF ("LSF SPA")' would be consummated, the Bank agreed to acquire put options for its KEB shares from Hana Financial Group instead of exercising Tag (a right to ask for selling the Bank's remaining holding shares of KEB), and Hana Financial Group acquired call options for the Bank's KEB shares. The exercise period of the put options is six months from the next day of six months from the completion date of sales of KEB shares held by LSF. The exercise period of the call options is four months from the next day of eight months from the completion date of sales of KEB shares held by LSF. When options are exercised, the price per KEB share held by the Bank is sum of an actual price per KEB share paid to LSF under LSF SPA and interests with annual interest rate of 7% (or the highest guaranteed rate of return if Hana Financial Group guarantees over 7% rate of return to financial and strategic investors for funding of LSF's shares settlement). The Bank still holds rights to its holding shares of KEB as a shareholder after the agreement between the Bank and Hana Financial Group.

(d) MTN and CP programs

The Bank established a USD15 billion Global Medium Term Note Program (the "GMTN") on November 6, 1997, and USD4 billion and USD2 billion Commercial Paper programs on May 14, 1997 and May 16, 1997, respectively.

15. Derivative Instruments and Hedge Accounting

Details of derivative transactions as of, and for the years ended December 31, 2010 and December 31, 2009, are as follows:

(KRW million)								2010
		Unsettled notional amount			Valuation gain (loss) - (I/S)			Fair value (B/S) - assets (liabilities)
		Total	Hedging purpose	Hedge accounting purpose	Total	Hedging purpose	Hedge accounting purpose	
Currency forwards	₩	720,952	720,952	-	11,470 (-)5,203	11,470 (-)5,203	- -	11,470 (-)5,203
Currency swaps		9,461,112	1,240,476	8,220,636	546,304 (-)175,924	102,514 (-)7,905	443,790 (-)168,019	819,877 (-)213,527
Interest rate swaps		11,522,693	430,076	11,092,617	145,189 (-)151,974	691 (-)9,635	144,498 (-)142,339	263,144 (-)419,749
	₩	21,704,757	2,391,504	19,313,253	702,963 (-)333,101	114,675 (-)22,743	588,288 (-)310,358	1,094,491 (-)638,479

(KRW million)								2009
		Unsettled notional amount			Valuation gain (loss) - (I/S)			Fair value (B/S) - assets (liabilities)
		Total	Hedging purpose	Hedge accounting purpose	Total	Hedging purpose	Hedge accounting purpose	
Currency forwards	₩	1,639,368	1,639,368	-	19,967 (28,993)	19,967 (28,993)	- -	19,967 (28,993)
Currency swaps		8,882,054	1,564,046	7,318,008	338,947 (75,492)	30,808 (15,666)	308,139 (59,826)	554,441 (195,018)
Interest rate swaps		11,899,584	500,856	11,398,728	281,426 (56,268)	30,002 (1,505)	251,424 (54,763)	136,068 (286,209)
	₩	22,421,006	3,704,270	18,716,736	640,340 (160,753)	80,777 (46,164)	559,563 (114,589)	710,476 (510,220)

The Bank holds derivative instruments to hedge the interest rate and foreign exchange risks derived from its loan, debentures and borrowing activities. The notional amounts of unsettled derivative contracts and valuation gain or loss for hedge accounting purpose in the above table represent the derivative instruments accounted for using hedge accounting pursuant to the Interpretations on Financial Accounting Standards 53-70 "Accounting for Derivatives."

Hedged items, for fair value hedge accounting purpose, consist of loans, debentures and borrowings. The Bank recognized gain of ₩49,836 million from the hedged item of loans and loss of ₩54,264 million from the hedged item of debentures, in the income statement, respectively, for the year ended December 31, 2010.

16. Interest Income and Expense

Average balances of the interest bearing assets and liabilities, and the related interest income and expenses as of and for years ended December 31, 2010 and 2009, are as follows:

(KRW million)		2010		2009	
		Average balance	Interest income / expense	Average balance	Interest income / expense
Interest bearing assets:					
Loans	₩	38,797,577	1,263,668	37,266,058	1,418,051
Due from banks		1,063,527	24,819	629,366	17,804
	₩	39,861,104	1,288,487	37,895,424	1,435,855
Interest bearing liabilities:					
Borrowings	₩	4,127,227	52,987	4,373,335	147,962
Debentures		30,772,404	893,528	29,077,879	1,075,981
	₩	34,899,631	946,515	33,451,214	1,223,943

17. General and Administrative Expense

Details of general and administrative expense for the years ended December 31, 2010 and December 31, 2009, are as follows:

(KRW million)		2010	2009
Financial management expenses:			
Salaries and wages	₩	62,711	59,897
Others		34,277	33,259
		96,988	93,156
Fund management expenses		1,051	757
Other general and administrative expenses:			
Retirement and severance benefits (note 12)		6,176	5,166
Depreciation (note 7)		3,309	3,388
Amortization of intangible assets (note 8)		1,122	1,019
Taxes and dues		8,612	5,591
Fund contributions		-	4,523
		19,219	19,687
	₩	117,258	113,600

18. Income Taxes

(a) The Bank is subject to income taxes on taxable income at the following normal tax rates.

Taxable income	2010	2011	2012	2013 and Thereafter
Up to ₩200 million	11%	11%	11%	11%
Over ₩200 million	24.2%	24.2%	22%	22%

(b) The components of income tax expense for the years ended December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Income tax	₩	174,270	1,011
Changes in deferred tax arising from temporary differences		(222,527)	127,850
Deferred income tax on tax loss carryforwards		36,803	(36,803)
Deferred tax effects directly charged to equity		43,054	(83,818)
Income tax expense	₩	31,600	8,240

(c) The income tax expense calculated by applying statutory tax rates to the Bank's income before income taxes for the year differs from the actual tax expense in the non-consolidated statement of income for the years ended December 31, 2010 and 2009 for the following reasons:

(KRW million)		2010	2009
Income before income taxes	₩	98,303	34,069
Income taxes at normal tax rates		23,763	8,220
Adjustment			
Tax-exempt benefits		(2,147)	(10)
Non-deduction expense		236	1,140
Tax effects of tax rate change		9,647	(1,144)
Others		101	34
Income tax expense	₩	31,600	8,240
Effective tax rate	%	32.15	24.19

(d) Deferred tax assets have been recognized as the Bank has determined it is probable that future profits will be available against which the Bank can utilize the related benefit.

(e) Changes in significant accumulated temporary differences and tax effects for the years ended December 31, 2010 and 2009 are as follows:

(KRW million)					2010
		Beginning balance	Decrease	Increase	Ending balance
Temporary differences:					
Loss on fair value hedges	₩	94,882	44,054	40,666	91,494
Depreciation		5,633	-	(1,140)	4,493
Retirement and severance benefits		24,846	-	(3,955)	20,891
Allowance for loan losses		470,989	-	185,439	656,428
Gain on valuation of equity method accounted investments		(31,398)	-	(8,881)	(40,279)
Loss on valuation of derivatives		(52,884)	(453,961)	-	401,077
Gain on valuation of derivatives		(200,254)	255,759	-	(456,013)
Available-for-sale securities (KEB)		(118,985)	-	-	(118,985)
Debt-to-equity swap		65,880	12,992	-	52,888
Allowance for acceptances and guarantees		476,523	-	397,557	874,080
Allowance for unused loan commitments		68,195	-	860	69,055
Others		(3,647)	1,632	34,806	29,527
Total temporary differences	₩	799,780	(139,524)	645,352	1,584,656
Tax effects of temporary differences					357,491
Tax effects of tax loss carryforwards					-
The deferred tax effects that were directly charged to equity					(55,774)
Deferred income tax assets	₩				301,717

(KRW million)					2009
		Beginning balance	Decrease	Increase	Ending balance
Temporary differences:					
Loss (gain) on fair value hedges	₩	(217,313)	(279,074)	33,121	94,882
Depreciation		4,018	-	1,615	5,633
Retirement and severance benefits		21,557	-	3,289	24,846
Allowance for loan losses		303,380	-	167,609	470,989
Gain on valuation of equity method accounted investments		(24,316)	-	(7,082)	(31,398)
Loss on valuation of derivatives		630,843	683,727	-	(52,884)
Gain on valuation of derivatives		(256,923)	(56,669)	-	(200,254)
Available-for-sale securities (KEB)		(118,985)	-	-	(118,985)
Debt-to-equity swap		68,603	2,723	-	65,880
Allowance for acceptances and guarantees		461,375	-	15,148	476,523
Allowance for unused loan commitments		35,572	-	32,623	68,195
Others		78,265	39,085	(42,827)	(3,647)
Total temporary differences	₩	986,076	389,792	203,496	799,780
Tax effects of temporary differences					178,019
Tax effects of tax loss carryforwards					36,803
The deferred tax effects that were directly charged to equity					(98,829)
Deferred income tax assets	₩				115,993

(f) Deferred tax assets and liabilities that were directly charged or credited to accumulated other comprehensive income as of December 31, 2010 and 2009 are as follows:

(KRW million)		2010		2009	
		Temporary differences	Deferred tax assets (liabilities)	Temporary differences	Deferred tax assets (liabilities)
Valuation gain(loss) on available-for-sale securities	₩	(197,162)	43,375	374,498	(82,390)
Valuation gain on equity for the equity method accounted securities		1,455	(321)	6,492	(1,428)
	₩	(195,707)	43,054	380,990	(83,818)

19. Foreign Currency Denominated Assets and Liabilities

(a) Details of assets denominated in foreign currencies as of December 31, 2010 and 2009 are as follows:

(USD thousand and KRW million)		2010		2009	
		In foreign currency (USD)	In local currency (Won)	In foreign currency (USD)	In local currency (Won)
Due from banks	\$	38,984	₩ 44,399	\$ 22,722	₩ 26,530
Available-for-sale securities		15,334	17,463	-	-
Equity method accounted investments		206,727	235,441	98,573	115,094
Call loans		1,300,281	1,480,890	1,492,461	1,742,598
Bills bought		761,365	867,119	479,266	559,591
Loans		26,084,346	29,707,462	21,624,759	25,249,068
Advance for customers		37,096	42,249	94,090	109,860
	\$	28,444,133	₩ 32,395,023	\$ 23,811,871	₩ 27,802,741

(b) Details of liabilities denominated in foreign currencies as of December 31, 2010 and 2009 are as follows:

(USD thousand and KRW million)		2010		2009	
		In foreign currency (USD)	In local currency (Won)	In foreign currency (USD)	In local currency (Won)
Call money	\$	690,000	₩ 785,841	\$ 1,000	₩ 1,168
Borrowings		3,077,679	3,505,169	2,479,196	2,894,709
Debentures		23,165,832	26,383,566	19,830,277	23,153,831
	\$	26,933,511	₩ 30,674,576	\$ 22,310,473	₩ 26,049,708

Foreign currencies other than U.S. Dollar are translated into U.S. dollar equivalent amounts at the exchange rates published by Seoul Money Brokerage Services, Ltd. (see note 2).

20. Comprehensive Income

Comprehensive income for the years ended December 31, 2010 and 2009 was as follows:

(KRW million)		2010	2009
Net income	₩	66,703	25,829
Change in fair value of available-for-sale securities, net of tax effect of ₩43,375		(153,786)	292,108
Adjustment of equity of equity method investees, net of tax effect of ₩(321)		1,134	5,064
Comprehensive income	₩	(85,949)	323,001

21. Dividends

(a) Details of dividends for the years ended December 31, 2010 and 2009 were as follows:

(KRW million)		2010	2009
Government of Korea	₩	9,186	3,330
The Bank of Korea		2,787	1,051
Korea Finance Corporation		367	139
	₩	12,340	4,520

(b) Dividends as a percentage of net income for the years ended December 31, 2010 and 2009 were as follows:

(KRW million)		2010	2009
Dividend amount	₩	12,340	4,520
Net income		66,703	25,829
Dividends as a percentage of net income	%	18.50	17.50

22. Transactions and Balances with Related Parties

(a) The Bank has the following related parties as of December 31, 2010 and 2009.

(KRW million)	No. of shares	Ownership (%)	2010 Capital	2009 Capital
KEXIM Bank UK Limited	20,000,000	100.00	₩ 35,154	37,555
KEXIM Vietnam Leasing Co. (*)	-	100.00	14,806	15,179
PT. KOEXIM Mandiri Finance	442	85.00	6,583	6,438
KEXIM Asia Limited	30,000,000	100.00	34,167	35,028
Credit Guarantee and Investment Fund (*)	-	14.00	113,890	-

(*) This entity does not issue share certificates.

(b) Significant balances and transactions with the related parties as of and for the year ended December 31, 2010 are as follows:

(KRW million)

Assets				2010
		Loans in foreign currencies	Call loans	Total
KEXIM Bank UK Limited	₩	187,919	3,784	191,703
KEXIM Vietnam Leasing Co.		82,001	-	82,001
PT. KOEXIM Mandiri Finance		138,946	-	138,946
KEXIM Asia Limited		74,029	22,289	96,318
	₩	482,895	26,073	508,968

(KRW million)

Liabilities				2010
		Borrowing in foreign currencies	Debentures in foreign currencies	Total
KEXIM Bank UK Limited	₩	-	5,695	5,695

(KRW million)

Transactions				2010
		Interest income	Interest expenses	Commission income
KEXIM Bank UK Limited	₩	2,607	155	10
KEXIM Vietnam Leasing Co.		648	-	3
PT. KOEXIM Mandiri Finance		1,169	-	-
KEXIM Asia Limited		1,400	-	35
	₩	5,824	155	48

(c) Significant balances and transactions with the related parties as of and for the year ended December 31, 2009 are as follows:

(KRW million)

Assets				2009
		Loans in foreign currencies	Call loans	Total
KEXIM Bank UK Limited	₩	87,570	183,313	270,883
KEXIM Vietnam Leasing Co.		72,391	-	72,391
PT. KOEXIM Mandiri Finance		120,496	-	120,496
KEXIM Asia Limited		52,542	86,968	139,510
	₩	332,999	270,281	603,280

(KRW million)

Liabilities				2009
		Borrowing in foreign currencies	Debentures in foreign currencies	Total
KEXIM Bank UK Limited	₩	-	5,838	5,838

(KRW million)

Transactions		Interest income	Interest expenses	Commission income
KEXIM Bank UK Limited	₩	2,931	333	-
KEXIM Vietnam Leasing Co.		1,380	-	2
PT. KOEXIM Mandiri Finance		3,013	-	-
KEXIM Asia Limited		3,865	252	16
	₩	11,189	585	18

23. Statements of Cash Flows

(a) Due from banks in the statements of cash flows as of December 31, 2010 and 2009 are as follows:

(KRW million)

	2010	2009
Due from banks in local currency	₩ 1,565,628	847,238
Due from banks in foreign currencies	44,399	26,530
	₩ 1,610,027	873,768

(b) Significant transactions not involving cash inflows or outflows for the years ended December 31, 2010 and 2009 were as follows:

(KRW million)

	2010	2009
Change in gain on valuation of available-for-sale securities	₩ (153,786)	292,108
Adjustment of equity of equity method investees	1,134	5,064
Debt-to-equity swap	36,820	10,052
Acquisition of securities through investment in kind	-	500,000

24. Employee Welfare

The Bank provides employee welfare programs including housing loans, cafeteria, scholarship, medical insurance, worker's compensation, gym and recreational facilities. The Bank's expenses on the employee welfare programs for the years ended December 31, 2010 and 2009 were as follows:

(KRW million)

	2010	2009
Meal expenses	₩ 108	123
Medical expenses	391	308
Fringe benefits	5,834	6,375
Healthcare expenses	371	371
	₩ 6,704	7,177

25. Value Added Information

Details of accounts included in the computation of value added for the years ended December 31, 2010 and 2009 are as follows:

(KRW million)		2010	2009
Salaries and wages	₩	62,711	59,897
Rent		550	670
Depreciation		3,309	3,388
Amortization of intangible assets		1,122	1,019
Taxes and dues		8,612	5,591
	₩	76,304	70,565

26. Date of Authorization for Issue

The 2010 financial statements were authorized for issue on February 28, 2011, at the Operation Committee of the Bank.

27. Planning and Adoption of K-IFRS (International Financing Reporting Standards)

The Financial Services Commission announced roadmap for the adoption of K-IFRS in March 2007, and the Bank plans to issue financial statements prepared in accordance with K-IFRS in the future. In August 2007 the Bank organized a Task Force Team to conduct internal training, and in August of 2009 the Bank engaged external advisors to analyze the main differences between the current GAAP and K-IFRS. The areas of accounting under the current financial statements for which the application of K-IFRS is expected to give rise to significant differences include loss provisions, financial instruments, property and equipment, intangible assets and employee benefits, among others.

FINANCIAL SERVICES

EXPORT FINANCING

Loans to Domestic Suppliers

EXPORT LOANS: Loans provided to Korean exporters of capital goods such as industrial plants, ships, and industrial machinery



SHORT-TERM EXPORT LOANS: Loans provided to Korean manufacturers for the export of goods under short-term export contracts

PRE-SHIPMENT CREDITS: Export loans provided to exporters or manufacturers for the funds needed in producing export goods before delivery to foreign importers

EXPORT CREDITS FOR SMEs

Network Loans · Comprehensive Export Loans for SMEs · Special Credit Loans for SMEs · Export Credits for Facility Expansion & Enlargement · Export Credits for R&D · Export Credits for Overseas Market Development

REDISCOUNT ON TRADE BILLS: Trade financing provided to domestic commercial banks in the form of rediscounting trade bills initially discounted by commercial banks for exporters

FORFAITING: Trade financing provided to Korean exporters conducting transactions with developing countries, in the form of discounting trade bills on a non-recourse basis without requiring additional collateral

EXPORT FACTORING: Trade financing provided to Korean exporters conducting export transactions on credit (including transaction on a D/A basis) in the form of discounting trade receivables on a without recourse basis

Loans to Foreign Buyers

DIRECT LOANS: Loans provided to foreign buyers that purchase Korean goods and services or technical services

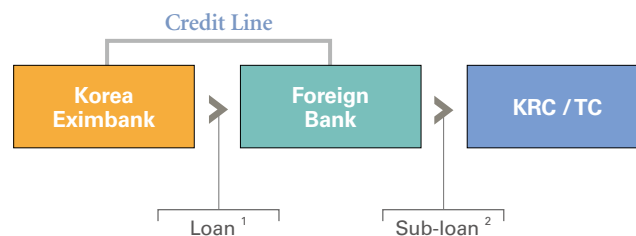


PROJECT FINANCE: Financing extended to greenfield projects whose main source of repayments are cash flows generated from the operation of the projects

STRUCTURED FINANCE: Financing provided to project companies or foreign companies for investment business (including ships) with the project cash flows and other assets as a security package

INTERBANK EXPORT LOANS: Credit facilities extended to foreign banks for the provision of loans to corporate clients for the payment of imported goods or services from Korea

UNTIED TWO-STEP LOANS: Credit facilities extended to foreign banks for the provision of loans to Korea related companies (KRCs) or transacting companies (TCs)



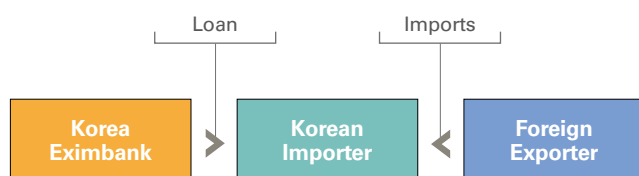
¹ Interbank export loans

² Untied two-step loans

IMPORT FINANCING

Loans to Domestic Suppliers

IMPORT CREDITS: Credits extended towards Korean importers of essential materials and major resources, whose stable and timely supply is required for the national economy

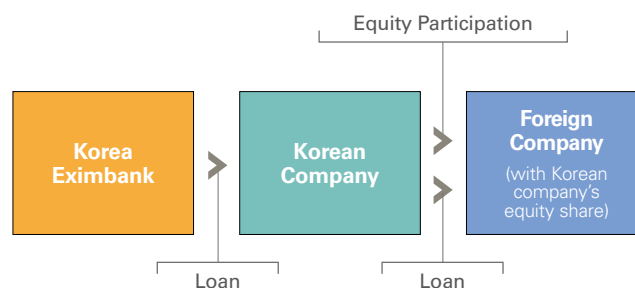


OVERSEAS INVESTMENT FINANCING

OVERSEAS INVESTMENT CREDITS: Credits in the form of equity participation or a long-term loan to Korean companies that invest in their overseas subsidiaries

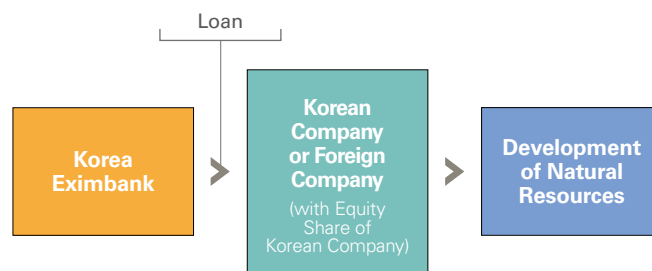
OVERSEAS PROJECT CREDITS: Credits to Korean companies engaged in business abroad to procure materials required for installing, expanding, and operating equipment or facilities

OVERSEAS BUSINESS CREDITS: Credits in the form of funds for purchasing equipment or working capital to foreign companies, in which a Korean company has equities



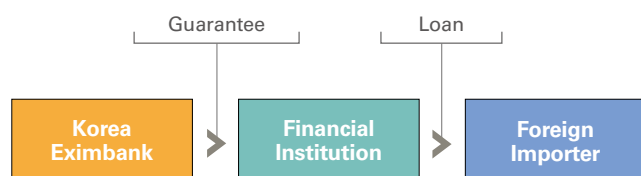
NATURAL RESOURCES DEVELOPMENT FINANCING

NATURAL RESOURCES DEVELOPMENT CREDITS: Credits to Korean companies (or foreign companies in which a Korean company has an equity share) conducting investment projects overseas for natural resources development



GUARANTEES AND OTHER SUPPORT

FINANCIAL GUARANTEES: Guarantees to co-financing banks that provide loans for eligible transactions



PROJECT RELATED GUARANTEES: Guarantees in the form of Bid Bond, Advance Payment Bond, Performance Bond, Retention Bond, etc., to foreign importers for the performance of an eligible project

L/C CONFIRMATION FACILITIES: Facilities which guarantee Korean exporters payment on L/Cs issued by foreign banks for exported goods or services

BOND INVESTMENT: Subscription, underwriting, investment, or guarantee of bonds issued by domestic or foreign companies eligible for Korea Eximbank's financing in conducting overseas transactions

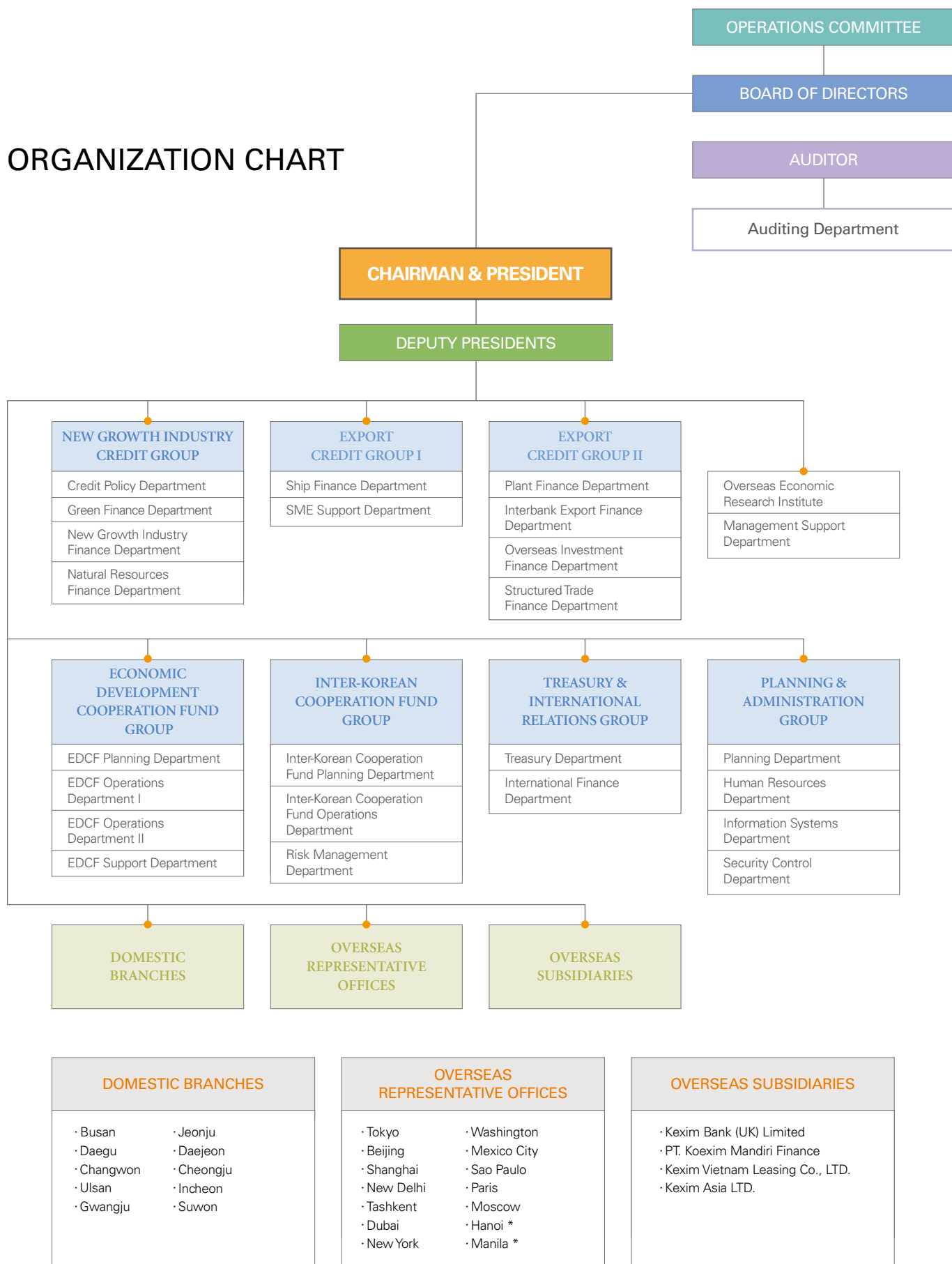
EQUITY INVESTMENT: Equity investments to a project company to which Korea Eximbank extends loans or guarantees for conducting overseas projects, or investments to a fund in case of green projects or natural resources development

NON-FINANCIAL SERVICES

COUNTRY INFORMATION SERVICE: Diverse and timely economic information of countries worldwide provided through the Overseas Economic Information System (OEIS) on the Bank's website

CONSULTING SERVICE: Legal counseling provided by in-house lawyers on international contracts or transactions

ORGANIZATION CHART



* Arrangement Committees for Establishment of Representative Offices

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