

Investor Q&A #4

Date	March 2023
Investor Type/ Region	Central Bank / LATAM
Q&As	<p>Q1) For Blue bond issued in January, what is the use of proceeds? A1) USD 1 billion Blue bond issued in January will be mostly allocated to a project related to methanol fuel vessels which has been already approved internally. We expect approximately 70% of the proceeds will be disbursed by 2025 for the project. Moreover, due to IMO regulation on Green house Gas(GHG) emission, there is a growing tendency of shipping companies ordering eco-friendly and low carbon vessels and we expect to finance additional projects as Korean shipbuilders possess competitiveness in such a field. The rest of 30% of the proceeds will be installed for these pipeline projects under consideration.</p> <p>Q2) Is Blue bond a new approach or has it been issued with the original framework? A2) We issued the Blue bond by a supplement of original framework. We are planning to consolidate the framework with the new updates in the second half of this year.</p> <p>Q3) Does KEXIM have ESG ratings? What is KEXIM's relationships with ESG rating providers such as MSCI and Sustainalytics? Investors consider ESG ratings important for SSAs. A3) KEXIM has ratings from MSCI, Sustainalytics, ISS ESG, etc., but we do not have direct relationships with the ESG rating agencies. We have updated our sustainable finance framework in 2021 and achieved a SPO(Second Party Opinion) from DNV. According to the framework, we are allocating the proceeds to relevant area and updating the Allocation and Impact Report on our website. Going forward, we will consistently disclose our activities related to ESG on our best effort.</p> <p>Q4) What is your funding target for ESG bonds this year? A4) We do not have a specific target amount for ESG bonds this year, but we will strive to issue ESG bonds as much as possible upon our endeavors to increase ESG assets that can be matched to our ESG bonds. For your reference, we are planning to issue around USD 20 billion amount in ESG bonds until 2030.</p> <p>Q5) Considering KEXIM's funding target this year, when would you expect to enter the market, in which tenors? A5) We are considering 1~2 additional USD bond issuances in the second half of this year. In terms of tenors, KEXIM is open to all short and long tenors. KEXIM's primary mandate is to provide adequate financings to Korean companies especially during global liquidity crunch. Therefore, we will continue to strive maintaining stable funding activities. Our total funding target amount for this year is around USD 15 billion, which is subject to change upon market condition and our internal plans. We are also going to be active in private placement market based on the communications with the investors. We are also planning to add more colors in term of currency diversification. We will proactively look out for non-USD public offering, after monitoring the developments in the swap market.</p>

Q6) Is there any reason why we were not fully allocated in your January 2023 transaction? We expect more allocation for your future public offerings.

A6) In terms of book allocation, although we highly appreciate every investors' participation in our public offerings, we could not allocate orders to each investor as much as we wanted in January transaction because we had over 300 investors per tranche with 7x-8x over-subscription rate. We are noted on your concern and will try to allocate as much as possible for our future transaction.

Q7) Do you have an ECP Programme? Do you have any daily limits for the issuance?

A7) Yes, we recently updated the ECP Programme, and the revised limit of the Programme is up to USD 10 billion. We do not have any daily limits but generally print around USD 100 – 300 million per issuance. We only enter the ECP market when we have needs for the short tenors, so we will keep you posted when we do. We are also willing to enter the ECP market until the US hours as well.