

Investor Q&A

Date	October 5, 2023
Investor	Bank / Asia
Q&As	<p>Q1) It looks like the asset quality of the Korean household debt has been deteriorating this year, with increasing delinquency ratios. What is the current situation?</p> <p>A1) As can be seen on page 29 of the presentation, delinquency ratios of household debts have gradually increased over the recent few years, with persisting high interest rate environment along with falling real estate prices. BOK's tightening policy has somewhat exacerbated interest burden for the households. However, the government and Bank of Korea are closely monitoring the debt levels and economic ramifications, implementing policies to gradually deleverage household debts as well as contain such debt levels so it would not spread into a systematic risk in the financial market. Meanwhile, unlike other Korean commercial lenders, KEXIM does not have any direct exposures to household loans and the real estate sector.</p> <p>Q2) Can you provide us with an update on KEXIM's key financials as of the first half of 2023?</p> <p>A2) Our BIS ratio stands at 15.23%, NPL ratio 0.53%, delinquency ratio 0.36%, and coverage ratio 383.4%, all of which have improved since the end of last year. We try to accumulate sufficient amount of provisions against potential restructuring of non-performing loans.</p> <p>Q3) What is your funding plan until next year?</p> <p>A3) Our funding target for foreign currency is 16.5 billion USD, where 80% of the target has been met up to date. In the 4Q of 2023, we will visit niche currency markets such as CHF, Formosa, and MXN, to raise the remaining funding amount. Funding plans for 2024 will be similar to this year, and we will update investors once we set next year's funding plan.</p>