

Investor Q&A

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| Date | October 16, 2023 |
| Investor | Bank / US |
| Q&As | <p>Q1) Does KEXIM offer interest rate incentives to promote ESG loans to corporates?</p> <p>A1) KEXIM provides incentives on interest rates and sizes of ESG loans to ESG sectors such as wind power projects or secondary battery projects. Although greenium has been decreasing recently in international bond markets, we are committed to continue to issue ESG bonds on a regular basis in order to promote ESG loans to corporates.</p> <p>Q2) In the face of global trade slowdown and high interest rates, which industries in KEXIM's portfolio do you see as being particularly vulnerable?</p> <p>A2) At the moment, we have no concern over any specific industries. However we do note that credit quality of small sized corporates would be vulnerable to higher interest rate environment during the global monetary tightening cycle. As our exposure towards small sized corporates is less than 10% of our total portfolio, we expect limited impact in our financials from the downturn in credit quality of small sized corporates. However we will continue to keep monitoring their credits closely.</p> <p>Q3) Are there any alternative markets or currencies in which KEXIM plans to issue public bonds in the near future?</p> <p>A3) While in Aussie dollar or Swiss Franc markets we can secure benchmark lending size in a timely and frequent manner, it looks more challenging to secure significant amount in other niche currencies such as in Singapore dollars or Hong Kong Dollars. However we often take advantage of any price arbitrage to issue private placement bonds in alternative markets when possible.</p> |