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SECTION 1

KEXIM – Official Export Credit Agency
‘Official Export Credit Agency’ with unique mandate

Pivotal Role in the Korean Economy

Strong Gov’t Support

KEXIM is an Export Credit Agency mandated with promoting export and competitiveness of Korean goods and services

Overview

- Established in 1976 pursuant to the Export-Import Bank of Korea Act (the “KEXIM Act”)
- Operations in 19 countries
- Total Asset Size: KRW 62tn
- BIS Ratio: 11.18%

Key Operation

<table>
<thead>
<tr>
<th>Total Loan (KRW 51tn)</th>
<th>Export Credit</th>
<th>Import Credit</th>
<th>Overseas Investment Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Guarantee (KRW43tn)</td>
<td>Financial Guarantee</td>
<td>Project Related Guarantee</td>
<td></td>
</tr>
<tr>
<td>Gov’t Entrusted Fund (separate from KEXIM Account)</td>
<td>Economic Development Cooperation Fund (“EDCF”) since 1987</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inter-Korean Cooperation Fund (“IKCF”) since 1991</td>
<td></td>
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</tbody>
</table>

KRW/USD = 1,014.40 as of June 30, 2014
A 100% Government Owned Export Credit Agency

Export Credit Agency with Full Government Support

- Korea - The Export Import Bank of Korea
- Japan - Japan Bank for International Cooperation
- U.S.A. - Export-Import Bank of the United States
- U.K. - Export-Finance, Export-Credit Guarantee Department
- Germany - KfW Bankengruppe
- Canada - EDC

Categorized as “Sovereigns, Supranationals and Agencies” (SSA) by financial publication such as IFR and Global Capital (Euroweek)

- Like KEXIM, all other major Export Credit Agencies (ECAS) are wholly owned by its Government.
- There has been no precedent in which a country privatized its ECA.
SECTION 2

KEXIM & Green Dedication
KEXIM nurtures green projects by providing financial and non-financial support
KEXIM’s Green Dedication(2) - Green Initiatives

Engineering & Environmental Advisory Office

- Dedicated unit for environmental review since 2004
- Created to reduce environmental and social adverse impacts by monitoring and implementing appropriate mitigating measures

KEXIM’s Green Pioneer Program(GPP)

- Implemented in 2010 to assist Korean companies expand into overseas green markets

Environmental Due Diligence

- In accordance with OECD’s “The Recommendations on Common Approaches on the Environment and Officially Supported Export Credits”

Receive Loan Application

Classification & Environmental Impact Review

Information Disclosure & Monitoring

Green Plant

- Development of overseas opportunities
  - Advisor in formulating projects
  - Structuring financing with Debt, Equity and EDCF

Green Champion

- Promote green M&A and R&D
  - Financial Support
  - Structuring financing with Debt, Equity and EDCF
Green Project Cycle & Selection Framework

Selection Framework for Eligible Projects

“Candidate Projects”

- Financial Feasibility Assessment
- Climate Impact Assessment

Approval

“Green Candidate Projects”

Verification by KEXIM’s Green Finance Department

Environmental Impact Assessment

“Green Projects”

Loan Disbursement

Article 13 (Credit Bylaw)

A

Businesses endorsed by OECD’s Arrangements on Guidelines for Officially Supported Export Credits

B

Projects certified by the Green Certification System established under Korea’s Framework Act on Low Carbon, Green Growth

C

Renewable energy business defined by Korea’s Act on the Promotion of the Development, Use, and Diffusion of New and Renewable Energy

- KEXIM’s Definition of Green Projects
- Conducting technology or performing business which meet at least one of the three criteria
Project Example: Wind Power

Project Summary

- XXX, LLC

Project at a Glance

- The construction and operation of Wind Farms in Southern U.S.

KEXIM Financing

- US$98mn (Total Financing: US$169mn)

Mitigation

- Reduce carbon footprint by reducing greenhouse gas by generating power

Description

- Wind power consumes no fuel, and emits no air pollution, unlike fossil fuel power sources. The energy consumed to manufacture and transport the materials used to build a wind power plant is equal to the new energy produced by the plant within a few months. While a wind farm may cover a large area of land, many land uses such as agriculture are compatible, with only small areas of turbine foundations and infrastructure made unavailable for use.

- The sites are favorable for wind installation, due to excellent wind capacity conditions. The project will be comprised of installation of the generation wind turbines. The electricity generated by the project will be interconnecting to the nearby transmission line.
SECTION 3

KEXIM, Green Bond Challenge & Success
Why KEXIM for Green Bond?

KEXIM to widen new Investors Pool

KEXIM’s Green Bond

Conventional Investor → Conventional Green Investor

KEXIM’s Credit Rating Upgrade

“The only A or above rated economy” to experience credit rating upgrades from all three major rating agencies at the time of 2012

KEXIM’s Green Dedication

KEXIM’s “Green Growth Initiative” introduced in 2009

“Perfect Fit”

Green Bond
Second Opinion from Independent 3rd Party

CICERO
Center for International Climate and Environmental Research - Oslo

- Independent Research Center associated with the University of Oslo
- Established by Norwegian royal decree in 1990
- Conducts research on and provides information and expert advice about national and international issues related to climate change and climate policy.

Clarity

[KEXIM] clearly defines eligible projects … that will promote the transition to low-carbon and climate resilient growth. This definition is precise and reasonable.

Effectiveness

...selected projects will reduce the emission of greenhouse gases and therefore also “promote the transition to low carbon growth.”

Capabilities

I am confident that the KEXIM’s green staff has the necessary skills and competence … in accordance with international standards.

Other Notable Second Opinion Recipients

- The World Bank
- IFC (International Finance Corporation)
Who is KEXIM?
What green initiatives does KEXIM have?
Can they keep up to their initiatives?

Solid double-A issuer, official ECA of Korea
Strong dedication towards green initiatives
Trustworthy credit
KEXIM becomes Green in 2013

KEXIM Promulgates its Commitment towards Green Initiatives

Inaugural Green Bond Offering

- KEXIM’s commitment to green initiatives and sponsorship for sustainable growth
- The first benchmark Green Bond offering by Asian issuer, marking a pivotal step in expanding the issuer horizon of Green Bonds
- The deal primarily driven by green investors, many of whom were not often seen in typical EM transactions

[FinanceAsia] Going green? Buy a KEXIM bond
KEXIM sells Asia’s first US dollar “green bond”, raising $500 million. … the proceeds to extend loans to projects that promote the transition to “low carbon and climate resilient growth.” … “KEXIM did go to some length to reassure investors that it is ‘green’ enough,” said one source.

[Euroweek] Going green
One prime example of KEXIM’s expansion into new markets was its inaugural Green Bond. KEXIM brought the deal to access an entirely new investors base, while addressing the bank’s own green growth initiative … … the outcome was a success, bringing new investors to KEXIM’s bonds and bringing a double-A rated issuer to the Green Bond market.
Green Takeaways from KEXIM

- Openness to “New Ideas”
- Continued Efforts to expand Investor Base
- Market Receptiveness

<“Green Ripple Effect”>

• Create New Market
• Widen Investor Base by having green investors
• Expand Market Presence in terms of Width & Depth
- The End -

Thank you