The Export-Import Bank of Korea
Issue of US$500,000,000 Floating Rate Notes due 2028
(the "Notes")

under the
US$35,000,000,000 Global Medium Term Note Programme

Issue Price: 100 per cent.
Issue Date: 21 November 2023

This information package includes the offering circular dated 4 May 2023 in relation to the US$35,000,000,000 Global Medium Term Note Programme of The Export-Import Bank of Korea (the "**Issuer**") (the "**Offering Circular**") as supplemented from time to time, and the Pricing Supplement dated 8 November 2023 in respect of the Notes (the "**Pricing Supplement**", and together with the Offering Circular, the "**Information Package**").

The Notes will be issued by the Issuer.

Application will be made by the Issuer for the Notes to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**"). Application will also be made to list the Notes on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Notes will be listed and traded on TPEx pursuant to the applicable rules of TPEx. The effective date of the listing and trading of the Notes is on or about 21 November 2023.

TPEx is not responsible for the content of the Information Package and no representation is made by TPEx as to the accuracy or completeness of the Information Package. TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package. The admission to listing and trading of the Notes on TPEx shall not be taken as an indication of the merits of the Issuer or the Notes.

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional investor.

Lead Manager
Standard Chartered Bank (Taiwan) Limited

Joint Managers
Crédit Agricole Corporate and Investment Bank, Taipei Branch
Yuanta Securities Co., Ltd.

Co-Managers
Cathay United Bank Co., Ltd.
Fubon Securities Co., Ltd.
KGI Securities Co. Ltd.
Mega International Commercial Bank Co., Ltd.
President Securities Corporation
SinoPac Securities Corporation
Taishin International Bank Co., Ltd.

IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS WITH ADDRESSES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular as supplemented by the pricing supplement following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE RELEVANT SECURITIES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. By accepting the e-mail and accessing the following Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are non-U.S. persons and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and (2) you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that the following Offering Circular has been delivered to you on the basis that you are a person into whose possession the following Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following Offering Circular to any other person. If this is not the case, you must return this Offering Circular to us immediately.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers (as defined below) or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the issuer in such jurisdiction.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of the offering of the Notes (as defined below), including certain Managers, are "capital market intermediaries" (together, the "CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "Code"). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for the offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association (an "Association") with the Issuer, the CMI or the relevant group company (as the case may be). Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the

price discovery process in relation to the offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for the offering. Failure to provide such information may result in that order being rejected.

The following Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of Standard Chartered Bank (Taiwan) Limited, Crédit Agricole Corporate and Investment Bank, Taipei Branch, Yuanta Securities Co., Ltd., Cathay United Bank Co., Ltd., Fubon Securities Co., Ltd., KGI Securities Co. Ltd., Mega International Commercial Bank Co., Ltd., President Securities Corporation, SinoPac Securities Corporation or Taishin International Bank Co., Ltd. (collectively, the "**Managers**") nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Managers.

You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Pricing Supplement

THE EXPORT-IMPORT BANK OF KOREA
(acting through its principal office in Korea)

Issue of US$500,000,000 Floating Rate Notes due 2028 (the "Notes")

under the US$35,000,000,000
Global Medium Term Note Programme

THE NOTES TO WHICH THIS PRICING SUPPLEMENT RELATES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") — the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Lead Manager

Standard Chartered Bank (Taiwan) Limited

Joint Managers

Crédit Agricole Corporate and Investment Bank, Taipei Branch

Yuanta Securities Co., Ltd.

Co-Managers

Cathay United Bank Co., Ltd.

Fubon Securities Co., Ltd.

KGI Securities

Mega International Commercial Bank Co., Ltd.

President Securities Corporation

SinoPac Securities Corporation

Taishin International Bank, Co., Ltd.

The date of this Pricing Supplement is 8 November 2023.

The Export-Import Bank of Korea
Issue of US$500,000,000 Floating Rate Notes due 2028
under the US$35,000,000,000
Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein. The terms and conditions of the Notes (the "**Conditions**") shall consist of the terms and conditions set out in the offering circular dated 4 May 2023 (the "**Offering Circular**") as amended and supplemented below. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1.	Issuer:	The Export-Import Bank of Korea, acting through its principal office in Korea (the "**Issuer**")
2.	(i) Series Number:	2311_USD500M_58_1340_Formosa(CA-CIB,SC,Yuanta)
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	United States dollars ("**US$**" or "**USD**")
4.	Aggregate Nominal Amount:	
	(i) Series:	US$500,000,000
	(ii) Tranche:	US$500,000,000
5.	(i) Issue Price of Tranche:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net Proceeds (after deducting a combined management and selling commission but not estimated expenses):	US$498,500,000
	(iii) Use of Proceeds:	General corporate purposes
6.	(i) Specified Denominations:	US$200,000 with integral multiples of US$1,000 in excess thereof
	(ii) Calculation Amount:	US$1,000
7.	(i) Issue Date:	21 November 2023
	(ii) Interest Commencement Date:	21 November 2023
8.	Maturity Date:	21 November 2028
9.	Interest Basis:	Compounded Daily SOFR + 0.88 per cent. per annum Floating Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable

12.	Put/Call Options:	Not Applicable
13.	Listing:	Application will be made to list the Notes on Taipei Exchange ("**TPEx**"). Effective date of listing of the Notes on the TPEx is on or about 21 November 2023. Application will also be made to Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Notes on the SGX-ST.
14.	Method of distribution:	Syndicated
15.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
16.	Prohibition of Sales to UK Retail Investors:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions:		Not Applicable
18.	Floating Rate Note Provisions:		Applicable
	(i)	Specified Period(s)/Specified Interest Payment Dates:	Interest Payment Dates: Quarterly in arrears on 21 February, 21 May, 21 August and 21 November of each year, commencing on 21 February 2024, up to and including the Maturity Date, in accordance with the Business Day Convention.
	(ii)	Business Day Convention:	Modified Following Business Day Convention
	(iii)	Additional Business Centre(s):	London, New York City, Seoul and Taipei
	(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	Not Applicable
	(vi)	Screen Rate Determination:	
		- Reference Rate:	SOFR Benchmark
		- Interest Determination Date(s):	Fifth U.S. Government Securities Business Day prior to the last day of each Interest Period (which expression shall mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date)
		- Relevant Screen Page:	Not Applicable
		- SOFR Benchmark:	Compounded Daily SOFR
		- Compounded Daily	SOFR Lag

		SOFR:	
		- Lookback Days:	Five U.S. Government Securities Business Days
		- SOFR Observation Shift Days:	Not Applicable
		- SOFR $\text{Index}_{\text{Start}}$:	Not Applicable
		- SOFR $\text{Index}_{\text{End}}$:	Not Applicable
	(vii)	Reference Banks determination:	Not Applicable
	(viii)	ISDA Determination:	Not Applicable
		- Floating Rate Option:	Not Applicable
		- Designated Maturity:	Not Applicable
		- Reset Date:	Not Applicable
	(ix)	Margin(s):	Plus 0.88 per cent. per annum
	(x)	Minimum Rate of Interest:	Not Applicable
	(xi)	Maximum Rate of Interest:	Not Applicable
	(xii)	Day Count Fraction:	Actual/360, Adjusted
	(xiii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
19.	Zero Coupon Note Provisions:		Not Applicable
20.	Index Linked Interest Note Provisions:		Not Applicable
21.	Dual Currency Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

22.	Issuer Call:	Not Applicable
23.	Investor Put:	Not Applicable
24.	Final Redemption Amount:	Par
25.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(f)):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	Form of Notes:	Registered Notes; Regulation S Global Note
27.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York City, Seoul and Taipei
28.	Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	No
29.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
30.	Details relating to Instalment Notes: Instalment Date(s); Instalment Amount(s):	Not Applicable
31.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
32.	Other terms or special conditions:	Not Applicable

HONG KONG SFC CODE OF CONDUCT

33.	Rebates:	Not Applicable
34.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	Not Applicable
35.	Marketing and Investor Targeting Strategy:	Institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals

DISTRIBUTION

36.	(i) If syndicated, names of Managers:	*Lead Manager:* Standard Chartered Bank (Taiwan) Limited *Joint Managers:* Crédit Agricole Corporate and Investment Bank, Taipei Branch Yuanta Securities Co., Ltd. *Co-Managers:* Cathay United Bank Co., Ltd. Fubon Securities Co., Ltd.

		KGI Securities Co. Ltd. Mega International Commercial Bank Co., Ltd. President Securities Corporation SinoPac Securities Corporation Taishin International Bank Co., Ltd.
	(ii) Date of subscription agreement:	On or about 9 November 2023
	(iii) Stabilisation Manager(s) (if any):	Not Applicable
37.	If non-syndicated, name of relevant Dealer:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Compliance Category 2 / TEFRA not applicable
39.	Additional selling restrictions:	**The Republic of China ("ROC")** The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1 of Article 2–1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC (the "**TPEx Rules**"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional investor.

OPERATIONAL INFORMATION

40.	ISIN Code:	XS2716680744
41.	Common Code:	271668074
42.	Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s):	Not Applicable
43.	Delivery:	Delivery against payment
44.	Additional Paying Agent(s) (if any):	Not Applicable
45.	Additional Registrar (if any):	Not Applicable
46.	LEI:	549300APVP4R32PI3Y06

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association (an "Association") with the Issuer,

the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for the offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in the Offering Circular or this Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer (if applicable). In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to the Managers.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for the offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the offering. The Managers may be asked to demonstrate compliance with their obligations under the Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the US$35,000,000,000 Global Medium Term Note Programme of The Export-Import Bank of Korea, acting through its principal office in Korea.

Application will be made for the listing of the Notes on the TPEx pursuant to the applicable rules of the TPEx. The TPEx is not responsible for the content of this Pricing Supplement, the Offering Circular and any supplement or amendment thereto and no representation is made by the TPEx as to the accuracy or completeness of this Pricing Supplement, the Offering Circular and any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Pricing Supplement, the Offering Circular and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEx shall not to be taken as an indication of the merits of the Issuer or the Notes. No assurances can be given as to whether the Notes will be, or will remain, listed on the TPEx. If the Notes fail to, or cease to, be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

NOTICES

If and for so long as the Notes are listed on the TPEx and for so long as the rules of the TPEx so require, all notices regarding the Notes shall also be published on a website designated by the TPEx. For public access to this website, please visit:
https://www.tpex.org.tw/web/bond/publish/international_bond_search/memo_org.php?l=en-us.

ROC TAXATION

The following is a general description of the principal ROC tax consequences for investors receiving interest in respect of, or disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold to Professional Investors as defined under Paragraph 1 of Article 2–1 of the TPEx Rules of the ROC only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.

Interest on the Notes

As the Issuer of the Notes is not a ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid by the Issuer on the Notes.

Payments of any interest or deemed interest under the Notes to a ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interests or deemed interests in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interests or deemed interests and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollars ("**NT$**"). If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is NT$120,000 or below), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

ROC SETTLEMENT AND TRADING

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation ("**TDCC**") and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the Notes through the account of TDCC with Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") if it applies to TDCC (by filling in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive the distributions, such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

RECENT DEVELOPMENTS

This section provides information that supplements the information about our bank and the Republic included under the headings corresponding to the headings below in the offering circular dated May 4, 2023 (the "Offering Circular"). Defined terms used in this section have the meanings given to them in the Offering Circular. If the information in this section differs from the information in the Offering Circular, you should rely on the information in this section.

THE EXPORT-IMPORT BANK OF KOREA

Unless specified otherwise, the information provided below is stated on a separate basis in accordance with K-IFRS. Our financial information as of March 31, 2023 and for the three months ended March 31, 2023 and 2022 in this pricing supplement is presented based on our unaudited internal management accounts.

Overview

As of March 31, 2023, we had ₩93,848 billion of outstanding loans, including ₩42,559 billion of outstanding export credits, ₩37,513 billion of outstanding overseas investment credits and ₩9,662 billion of outstanding import credits, as compared to ₩91,725 billion of outstanding loans, including ₩41,619 billion of outstanding export credits, ₩36,405 billion of outstanding overseas investment credits and ₩8,589 billion of outstanding import credits as of December 31, 2022.

Capitalization

As of March 31, 2023, our authorized capital was ₩15,000 billion and our capitalization was as follows:

	March 31, 2023[1] (billions of Won) (unaudited)	
Long-Term Debt[2][3][4][5][6]:		
Borrowings in Korean Won	₩	—
Borrowings in Foreign Currencies		2,008
Export-Import Financing Debentures		56,613
Total Long-term Debt	₩	58,621
Capital and Reserves:		
Capital Stock[7]	₩	14,773
Additional Paid-in Capital		—
Capital Adjustments		(134)
Retained Earnings		2,425
Legal Reserve[8]		540
Voluntary Reserve[8]		1,376
Regulatory Reserve for Loan Losses[9]		—
Unappropriated Retained Earnings		509
Other Components of Equity		821
Total Capital and Reserves	₩	17,886
Total Capitalization	₩	76,507

(1) Except as described in this pricing supplement, there has been no material adverse change in our capitalization since March 31, 2023.
(2) Consists of borrowings and debentures with maturities of more than a year remaining.
(3) We have translated borrowings in foreign currencies as of March 31, 2023 into Won at the rate of ₩1,303.8 to US$1.00, which was the market average exchange rate as announced by the Seoul Monetary Brokerage Services Ltd., on March 31, 2023.

(4) As of March 31, 2023, we had contingent liabilities totaling ₩54,701 billion, which consisted of ₩40,684 billion under outstanding guarantees and acceptances and ₩14,017 billion under contingent guarantees and acceptances issued on behalf of our clients.

(5) As of March 31, 2023, we had entered into 566 interest rate related derivative contracts with a notional amount of ₩63,787 billion and 428 currency related derivative contracts with a notional amount of ₩30,166 billion in accordance with our policy to hedge interest rate and currency risks.

(6) See "The Export-Import Bank of Korea—Description of Assets and Liabilities—Sources of Funding" of the Offering Circular for an explanation of these sources of funds. All of our borrowings, whether domestic or international, are unsecured and unguaranteed.

(7) As of March 31, 2023, our authorized ordinary share capital was ₩15,000 billion and issued fully-paid ordinary share capital was ₩14,773 billion. For more information, see "The Export-Import Bank of Korea—Business—Government Support and Supervision" of the Offering Circular.

(8) See "The Export-Import Bank of Korea—Business—Government Support and Supervision" of the Offering Circular for a description of the manner in which annual net income is transferred to the legal reserve and may be transferred to the voluntary reserve.

(9) If the estimated allowance for credit loss determined by K-IFRS for accounting purposes is lower than that for regulatory purposes as required by Regulation on Supervision of Banking Business, we reserve such difference as regulatory reserve for loan losses.

Selected Financial Statement Data

The following tables present selected separate financial information as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and 2022, which has been derived from our unaudited separate internal management accounts as of March 31, 2023 and for the three months ended March 31, 2023 and 2022 prepared in accordance with K-IFRS.

	Three Months Ended March 31,	
	2023	2022
	(billions of Won) (unaudited)	
Income Statement Data		
Total Interest Income	₩ 1,365	₩ 467
Total Interest Expense	1,089	224
Net Interest Income	276	243
Operating Income	691	313
Income before Income Tax	692	312
Income Tax Expense	183	88
Net Income	509	224

	As of March 31, 2023 (unaudited)	As of December 31, 2022
	(billions of Won)	
Balance Sheet Data		
Total Loan Credits[1]	₩ 93,848	₩ 91,725
Total Borrowings[2]	100,742	97,905
Total Assets	127,143	122,070
Total Liabilities	109,257	106,634
Total Shareholders' Equity	17,886	15,436

(1) Gross amount, including domestic usance bills, foreign currency bills bought, advance payments on acceptances and guarantees, call loans, inter-bank loans in foreign currency, private placement corporate bonds in local currency and others and before deducting allowance for loan losses and net deferred loan origination fees and costs.

(2) Includes debentures.

For the first three months of 2023, we had net income of ₩509 billion compared to ₩224 billion for the first three months of 2022. The principal factor for the increase in net income included:

- a change to a reversal of impairment loss on credit of ₩183 billion for the first three months of 2023 compared to an additional impairment loss on credit of ₩29 billion for the corresponding period of 2022, mainly reflecting a general improvement in the overall asset quality of our loan portfolio in the first three months of 2023; and

- a 125% increase in net other operating income to ₩160 billion for the first three months of 2023 from ₩71 billion for the corresponding period of 2022, primarily due to an increase in net gain on fair value hedged items to ₩143 billion for the first three months of 2023 from ₩59 billion for the corresponding period of 2022.

The above factors were partially offset by a 108% increase in income tax expense to ₩183 billion for the first three months of 2023 from ₩88 billion for the corresponding period of 2022, primarily due to an increase in income before income tax to ₩692 billion for the first three months of 2023 from ₩312 billion for the corresponding period of 2022.

As of March 31, 2023, our total assets increased to ₩127,143 billion from ₩122,070 billion as of December 31, 2022, primarily due to an increase in marketable securities to ₩20,070 billion as of March 31, 2023 from ₩17,539 billion as of December 31, 2022 and an increase in Loan Credits to ₩93,848 billion as of March 31, 2023 from ₩91,725 billion as of December 31, 2022.

As of March 31, 2023, our total liabilities increased to ₩109,257 billion from ₩106,634 billion as of December 31, 2022, primarily due to an increase in debentures to ₩92,134 billion as of March 31, 2023 from ₩87,792 billion as of December 31, 2022.

As of March 31, 2023, our total shareholders' equity increased to ₩17,886 billion from ₩15,436 billion as of December 31, 2022, primarily due to an increase in capital stock to ₩14,773 billion as of March 31, 2023 from ₩12,773 billion as of December 31, 2022 due to the Government's contribution of ₩2,000 billion to our capital in the form of shares of Korea Land and Housing Corporation in March 2023, and an increase in retained earnings to ₩2,425 billion as of March 31, 2023 from ₩2,051 billion as of December 31, 2022.

Description of Assets and Liabilities

Economic Sanctions

The sixth paragraph under "The Export-Import Bank of Korea—Description of Assets and Liabilities—Economic Sanctions" in the Offering Circular shall be deleted and replaced with the following:

"We engage in limited business related to Russia, including dealings with the government of the Russian Federation under a legacy loan arrangement, the extension of credit to two Russian financial institutions that have been designated for U.S. (but not Singaporean) sanctions (one of which has been designated for U.S. blocking sanctions and one of which has been designated for U.S. non-blocking sanctions) and a guarantee arrangement involving a Russian company that has become subject to U.S. (but not Singaporean) sanctions."

The last paragraph under "The Export-Import Bank of Korea—Description of Assets and Liabilities—Economic Sanctions" in the Offering Circular shall be deleted and replaced with the following:

"We entered into a guarantee arrangement in 2020 that involves a Russian company that became subject to U.S. sanctions in 2023. To date, we have made no payments to the Russian company under the guarantee

arrangement. Our maximum liability under the guarantee arrangement, which will expire in 2025, is less than EUR 2 million. We will only engage in dealings under the guarantee arrangement that are fully compliant with applicable sanctions.

We do not have any other dealings with the government of the Russian Federation, any Russian Federation government stated-owned entities, or any other sanctioned Russian parties."

Debt

Debt Repayment Schedule

The following table sets out the principal repayment schedule for our debt outstanding as of March 31, 2023:

Debt Principal Repayment Schedule

Currency[1]	Maturing on or before December 31, 2023	2024	2025	2026	Thereafter
	(billions of won)				
Won	₩ 19,971	₩ 12,579	₩ 2,912	₩ 2,552	₩ 1,470
Foreign[2]	11,917	16,033	12,567	8,960	19,508
Total Won Equivalent	₩ 31,888	₩ 28,612	₩ 15,479	₩ 11,513	₩ 20,978

(1) Borrowings in foreign currency have been translated into Won at the market average exchange rates on March 31, 2023, as announced by the Seoul Money Brokerage Services Ltd.
(2) This figure includes debentures, bank loans, commercial papers and repurchase agreements.

As of March 31, 2023, our foreign currency assets maturing within three months, six months and one year exceeded our foreign currency liabilities coming due within such periods by US$3,138 million, US$5,771 million and US$7,830 million, respectively. As of March 31, 2023, our total foreign currency liabilities exceeded our total foreign currency assets by US$3,630 million.

Management and Employees

Management

The members of the Board of Directors are currently as follows:

Name	Board Member Since	Position
Hee-sung Yoon	July 27, 2022	Chairman and President
Woo-seog Kwon	May 15, 2021	Vice Chairman and Chief Operating Officer
Kiyeon Hwang	October 1, 2023	Executive Director
Jaimin Lee	September 18, 2021	Non-standing Executive Director
Tae-ho Yun	September 18, 2021	Non-standing Executive Director
Chang Huh	April 10, 2023	Non-standing Executive Director
Hye Jeong Nam	April 10, 2023	Non-standing Executive Director

THE REPUBLIC OF KOREA

The Economy

The following table sets forth information regarding certain of the Republic's key economic indicators for the periods indicated.

	As of or for the year ended December 31,				
	2018	2019	2020	2021	2022
	(billions of dollars and trillions of Won, except percentages)				
GDP Growth (at current prices)	3.4%	1.4%	0.8%	7.2%	3.9%[7]
GDP Growth (at chained 2015 year prices)	2.9%	2.2%	(0.7)%	4.3%	2.6%[7]
Inflation[1]	1.5%	0.4%	0.5%	2.5%	5.1%[7]
Unemployment[2]	3.8%	3.8%	4.0%	3.7%	2.9%[7]
Trade Surplus (Deficit)[3]	$ 69.7	$ 38.9	$ 44.9	$ 29.4	$ (47.8)[7]
Foreign Currency Reserves	$ 403.7	$ 408.8	$ 443.1	$ 463.1	$ 423.2
External Liabilities[4]	$ 441.2	$ 470.7	$ 550.6	$ 632.4	$ 664.5[7]
Fiscal Balance	₩ 31.2	₩ (12.0)	₩ (71.2)	₩ (30.5)	₩ (64.6)[7]
Direct Internal Debt of the Government[5] (as % of GDP[6])	35.6%	37.3%	44.0%	48.4%	51.9%
Direct External Debt of the Government[5] (as % of GDP[6])	0.4%	0.4%	0.5%	0.6%	0.6%

(1) Measured by the year-on-year change in the consumer price index with base year 2020, as announced by The Bank of Korea.
(2) Average for year.
(3) Derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.
(4) Calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010.
(5) Does not include guarantees by the Government. See "—Debt—External and Internal Debt of the Government—Guarantees by the Government" for information on outstanding guarantees by the Government.
(6) At chained 2015 year prices.
(7) Preliminary.

Source: The Bank of Korea

Gross Domestic Product

The following table sets out the composition of the Republic's GDP at current market and chained 2015 year prices and the annual average increase in the Republic's GDP.

Gross Domestic Product

	2018	2019	2020	2021	2022[1]	As % of GDP 2022[1]
			(billions of Won)			
Gross Domestic Product at Current Market Prices:						
Private	911,576.1	935,933.8	900,320.9	956,017.6	1,039,397.8	48.1
Government	304,692.7	328,663.2	350,094.3	377,759.9	405,704.6	18.8
Gross Capital Formation	597,687.4	606,119.4	618,792.5	672,469.8	717,305.9	33.2
Exports of Goods and Services	791,798.6	755,863.2	705,640.1	871,129.5	1,043,526.4	48.3
Less Imports of Goods and Services	(707,562.2)	(702,081.5)	(634,121.7)	(797,178.4)	(1,043,372.5)	(48.3)
Statistical Discrepancy	0.0	0.0	0.0	0.0	(788.3)	0.0
Expenditures on Gross Domestic Product	1,898,192.6	1,924,498.1	1,940,726.2	2,080,198.5	2,161,773.9	100.0
Net Factor Income from the Rest of the World	7,644.9	16,609.8	16,943.8	23,413.6	31,753.7	1.5
Gross National Income[2]	1,905,837.5	1,941,107.9	1,957,669.9	2,103,612.0	2,193,527.5	101.5
Gross Domestic Product at Chained 2015 Year Prices:						
Private	875,577.9	894,074.8	850,956.9	881,396.3	917,796.5	46.6
Government	285,892.6	304,189.9	319,677.8	337,191.8	350,749.1	17.8
Gross Capital Formation	569,403.6	558,468.9	563,419.4	579,842.4	578,412.3	29.4
Exports of Goods and Services	777,514.9	779,368	766,065.7	851,058.7	880,237.5	44.7
Less Imports of Goods and Services	(697,841.1)	(684,516.8)	(663,103.3)	(730,044.1)	(755,884.8)	(38.4)
Statistical Discrepancy	(1,324.7)	(1,432.8)	(1,118.9)	(1,312.6)	(1,635.8)	(0.1)
Expenditures on Gross Domestic Product[3]	1,812,005.4	1,852,666.4	1,839,523.3	1,918,709.9	1,968,839.5	100.0
Net Factor Income from the Rest of the World in the Terms of Trade	7,105.6	15,242.3	15,648.6	20,902.8	26,802.1	1.4
Trading Gains and Losses from Changes in the Terms of Trade	3,009.2	(39,420.2)	(25,611.8)	(46,225.4)	(115,340.2)	(5.9)
Gross National Income[4]	1,822,153.4	1,828,546.7	1,829,580.0	1,893,465.7	1,880,416	95.5
Percentage Increase (Decrease) of GDP over Previous Year:						
At Current Prices	3.4	1.4	0.8	7.2	3.9	
At Chained 2015 Year Prices	2.9	2.2	(0.7)	4.3	2.6	

(1) Preliminary.
(2) GDP plus net factor income from the rest of the world is equal to the Republic's gross national income.
(3) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.
(4) Under the "chain-linked" measure of Gross National Income, the components of Gross National Income will not necessarily add up to the total Gross National Income.

Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector at current market prices:

Gross Domestic Product by Economic Sector
(at current market prices)

	2018	2019	2020	2021	2022[1]	As % of GDP 2022[1]
			(billions of Won)			
Industrial Sectors:	679,405.1	661,008.8	665,744.4	713,251.7	721,339.7	33.4
Agriculture, Forestry and Fishing	33,150.1	32,099.3	34,267.8	38,601.5	35,488.7	1.6
Manufacturing, Mining and Quarrying	507,778.5	487,410.0	482,774.6	532,037.8	555,941.9	25.7
Mining and Quarrying	2,128.2	2,008.9	1,857.2	1,868.3	1,836.7	0.1
Manufacturing	505,650.2	485,401.2	480,917.4	530,169.6	554,105.1	25.6
Electricity, Gas and Water Supply	35,153.4	36,644.3	43,069.7	35,676.5	17,847.1	0.8
Construction	103,323.1	104,855.2	105,632.3	106,935.9	112,062.0	5.2
Services:	1,057,135.6	1,101,624.1	1,106,359.9	1,182,008.3	1,254,564.2	58.0
Wholesale and Retail Trade, Accommodation and Food Services	180,424.1	184,603.8	172,154.9	177,391.9	191,220.7	8.8
Transportation and Storage	57,925.7	60,688.7	54,956.0	66,627.9	74,832.6	3.5
Finance and Insurance	104,189.5	104,251.7	110,874.1	124,455.5	136,754.8	6.3
Real Estate	138,192.6	141,409.0	146,391.0	148,151.5	146,793.7	6.8
Information and Communication	79,536.2	83,040.6	88,417.0	97,188.8	99,179.1	4.6
Business Activities	165,545.5	175,384.5	180,600.8	192,737.3	205,351.5	9.5
Public Administration, Defense and Social Security	114,862.8	121,818.0	128,020.2	136,112.7	145,242.8	6.7
Education	90,676.5	94,401.2	93,046.1	98,794.6	102,188.8	4.7
Human Health and Social Work	81,128.2	89,510.8	92,680.3	99,169.0	105,301.4	4.9
Cultural and Other Services	44,654.5	46,515.8	39,219.5	41,379.1	47,699.0	2.2
Taxes Less Subsidies on Products	161,651.9	161,865.1	168,621.8	184,938.4	185,870.0	8.6
Gross Domestic Product at Current Market Prices	1,898,192.6	1,924,498.1	1,940,726.2	2,080,198.5	2,161,773.9	100.0
Net Factor Income from the Rest of the World	7,644.9	16,609.8	16,943.8	23,413.6	31,753.7	1.5
Gross National Income at Current Market Price	1,905,837.5	1,941,107.9	1,957,669.9	2,103,612.0	2,193,527.5	101.5

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's GDP per capita:

Gross Domestic Product per capita
(at current market prices)

	2018	2019	2020	2021	2022[1]
GDP per capita (thousands of Won)	36,782	37,218	37,440	40,201	41,872
GDP per capita (U.S. dollar)	33,429	31,929	31,727	35,128	32,410
Average Exchange Rate (in Won per U.S. dollar)	1,100.3	1,165.7	1,180.1	1,144.4	1,292.1

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's Gross National Income, or GNI, per capita:

Gross National Income per capita
(at current market prices)

	2018	2019	2020	2021	2022[1]
GNI per capita (thousands of Won)	36,930	37,539	37,766	40,654	42,487
GNI per capita (U.S. dollar)	33,564	32,204	32,004	35,523	32,886
Average Exchange Rate (in Won per U.S. dollar)	1,100.3	1,165.7	1,180.1	1,144.4	1,292.1

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector:

Gross Domestic Product by Economic Sector
(at chained 2015 year prices)

	2018	2019	2020	2021	2022[1]	As % of GDP 2022[1]
	(billions of Won)					
Industrial Sectors:	652,499.9	658,512.3	651,934.8	687,397.3	696,064.9	35.4
Agriculture, Forestry and Fishing	32,109.2	33,373.0	31,441.7	33,070.8	32,736.0	1.7
Manufacturing, Mining and Quarrying	485,567.2	490,846.2	485,538.2	519,805.5	527,287.6	26.8
Mining and Quarrying	2,041.6	1,915.7	1,853.4	1,939.9	1,834.5	0.1
Manufacturing	483,530.2	488,934.6	483,691.2	517,872.8	525,452.5	26.7
Electricity, Gas and Water Supply	43,082.6	44,927.6	46,762.2	48,045.1	48,938.2	2.5
Construction	91,740.9	89,365.5	88,192.7	86,475.9	87,103.1	4.4
Services:	1,010,422.7	1,044,553.5	1,036,168.9	1,075,565.9	1,120,754.2	56.9
Wholesale and Retail Trade, Accommodation and Food Services	172,543.2	178,609.6	168,669.4	171,001.2	182,997.1	9.3
Transportation and Storage	62,521.7	63,574.1	52,547.3	56,043.7	61,129.6	3.1
Finance and Insurance	98,999.6	102,359.9	112,144.8	119,973.2	123,605.1	6.3
Real Estate	133,422.5	135,309.3	138,375.2	140,325.4	140,309.9	7.1
Information and Communication	79,245.6	82,893.8	86,521.7	90,951.0	94,166.2	4.8
Business Activities	153,604.6	157,571.7	157,729.0	162,750.8	167,563.5	8.5
Public Administration, Defense and Social Security	104,100.5	108,116.5	111,463.5	115,519.0	118,963.4	6.0
Education	86,222.9	87,582.3	85,878.5	90,074.4	92,872.0	4.7
Human Health and Social Work	78,267.5	85,931.7	86,884.5	91,800.1	97,622.7	5.0
Cultural and Other Services	41,604.3	42,682.6	35,388.4	36,744.3	41,065.6	2.1
Taxes Less Subsidies on Products	149,011.6	150,146.3	152,185.4	158,055.5	154,621.9	7.9
Gross Domestic Product[2]	1,812,005.4	1,852,666.4	1,839,523.3	1,918,709.9	1,968,839.5	100.0

(1) Preliminary.
(2) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.
Source: The Bank of Korea

GDP growth in 2018 was 2.9% at chained 2015 year prices, as aggregate private and general government consumption expenditures increased by 3.7% and exports of goods and services increased by 4.0%, which more than offset a decrease in gross domestic fixed capital formation by 2.2% and an increase in imports of goods and services by 1.7%, each compared with 2017.

GDP growth in 2019 was 2.2% at chained 2015 year prices, as aggregate private and general government consumption expenditures increased by 3.2%, imports of goods and services decreased by 1.9% and exports of goods and services increased by 0.2%, which more than offset a decrease in gross domestic fixed capital formation by 2.1%, each compared with 2018.

GDP in 2020 contracted by 0.7% at chained 2015 year prices, primarily due to a 4.8% decrease in private consumption expenditures and a 1.7% decrease in exports of goods and services, which were offset in part by a 5.1% increase in general government consumption expenditures, a 3.5% increase in gross domestic fixed capital formation and a 3.1% decrease in imports of goods and services, each compared with 2019. The contraction of the Republic's GDP in 2020 was primarily due to the COVID-19 pandemic.

GDP growth in 2021 was 4.3% at chained 2015 year prices, as exports of goods and services increased by 11.1%, aggregate private and general government consumption expenditures increased by 4.1% and gross domestic fixed capital formation increased by 3.2%, which more than offset an increase in imports of goods and services by 10.1%, each compared with 2020.

Based on preliminary data, GDP growth in 2022 was 2.6% at chained 2015 year prices, as aggregate private and general government consumption expenditures increased by 4.1% and exports of goods and services increased by 3.4%, which more than offset an increase in imports of goods and services by 3.5% and a decrease in gross fixed capital formation by 0.5%, each compared with 2021.

Based on preliminary data, GDP growth in the first half of 2023 was 0.9% at chained 2015 year prices, primarily due to an increase in aggregate private and general government consumption expenditures by 2.9% and an increase in gross fixed capital formation by 3.1%, the effects of which were offset in large part by an increase in imports of goods and services by 4.1% and a decrease in exports of goods and services by 1.3%, each compared with the corresponding period of 2022.

Principal Sectors of the Economy

Prices, Wages and Employment

Based on preliminary data, the inflation rate was 4.0% and the unemployment rate was 3.0% in the first half of 2023.

The Financial System

Securities Markets

The Korea Composite Stock Price Index was 2,564.3 on June 30, 2023, 2,632.6 on July 31, 2023, 2,556.3 on August 31, 2023, 2,465.1 on September 27, 2023, 2,278.0 on October 31, 2023 and 2,502.4 on November 6, 2023.

Monetary Policy

Foreign Exchange

The market average exchange rate between the Won and the U.S. Dollar (in Won per one U.S. Dollar) as announced by the Seoul Money Brokerage Service Ltd. was Won 1,312.8 to US$1.00 on June 30, 2023, Won 1,280.0 to

US$1.00 on July 31, 2023, Won 1,321.4 to US$1.00 on August 31, 2023, Won 1,344.8 to US$1.00 on September 27, 2023, Won 1,352.8 to US$1.00 on October 31, 2023 and Won 1,325.8 to US$1.00 on November 6, 2023.

Balance of Payments and Foreign Trade

Balance of Payments

Based on preliminary data, the Republic recorded a current account surplus of US$2.4 billion in the first half of 2023. The current account surplus in the first half of 2023 decreased from the current account surplus of US$24.9 billion in the corresponding period of 2022, primarily due to a change from a surplus to a deficit from the goods account and an increase in deficit from the services account, the effects of which were offset in part by an increase in surplus from the income account.

Trade Balance

The following table summarizes the Republic's trade balance for the periods indicated:

Trade Balance

	Exports[1]	As % of GDP[2]	Imports[1]	As % of GDP[2]	Balance of Trade	Exports as % of Imports
	(billions of dollars, except percentages)					
2018	604.9	35.1%	535.2	31.0%	69.7	113.0
2019	542.2	32.8%	503.3	30.5%	38.9	107.7
2020	512.5	31.2%	467.6	28.4%	44.9	109.6
2021	644.4	35.5%	615.1	33.8%	29.3	104.8
2022[3]	683.6	40.9%	731.4	43.7%	(47.8)	93.5

(1) These entries are derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.
(2) At current market prices.
(3) Preliminary.
Source: The Bank of Korea; Korea Customs Service

Based on preliminary data, the Republic recorded a trade deficit of US$26.5 billion in the first half of 2023. Exports decreased by 12.4% to US$307.2 billion in the first half of 2023 from US$350.5 billion in the corresponding period of 2022, primarily due to a deterioration in the domestic economic conditions of the Republic's major trading partners and a downturn in the semiconductor industry. Imports decreased by 7.7% to US$333.6 billion in the first half of 2023 from US$361.4 billion in the corresponding period of 2022, primarily due to a decrease in energy and commodity prices, which also led to decreased unit prices of other major raw materials.

Foreign Currency Reserves

The amount of the Government's foreign currency reserves was US$414.1 billion as of September 30, 2023.

Offering Circular 4 May 2023

THE EXPORT-IMPORT BANK OF KOREA

(A statutory juridical entity established under The Export-Import Bank of Korea Act of 1969, as amended, in the Republic of Korea)

US$35,000,000,000
Global Medium Term Note Programme

Under this US$35,000,000,000 Global Medium Term Note Programme (the "Programme"), The Export-Import Bank of Korea (the "Issuer", the "Bank" or "KEXIM") acting through its principal office in Korea or any other overseas branch, as the case may be, may from time to time issue Medium Term Notes (the "Notes") denominated in such currencies as may be agreed with the Purchaser(s) (as defined below). This Offering Circular supersedes any previous offering circular and supplements thereto. Any Notes to be issued after the date hereof under the Programme are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Subject as set out herein, the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed US$35,000,000,000 (or its equivalent in other currencies at the time of agreement to issue, subject as further set out herein). Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes").

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 10 (each a "Dealer" and together the "Dealers", which expression shall include any additional Dealer appointed under the Programme from time to time). Notes may also be issued to persons other than Dealers. Dealers and such other persons are referred to as "Purchasers".

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the "Pricing Supplement") which, with respect to Notes to be listed and quoted on the SGX-ST, will be submitted to the SGX-ST before the date of listing of the Notes of such Tranche. The Issuer may also issue Notes listed on any alternative or additional stock exchange and may also issue unlisted Notes.

Arranger
CITIGROUP

Dealers

BMO Capital Markets
BofA Securities
Crédit Agricole CIB
ING
Morgan Stanley
Nomura Singapore Limited
Standard Chartered Bank
BNP PARIBAS
Citigroup
HSBC
J.P. Morgan
MUFG
Société Générale Corporate & Investment Banking
UBS

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the Issuer's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all the documents which are deemed to be incorporated herein by reference (see "Documents Incorporated By Reference" on page 8). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers (including any affiliate of any Dealer or any director, officer, employee or agent of any of them) as to the accuracy or completeness of the financial information contained in this Offering Circular, or any other financial statements or any further information supplied by the Dealers or on their behalf, in each case, in connection with the Programme or the Notes. To the fullest extent permitted by law, the Dealers (including any affiliate of any Dealer or any director, officer, employee or agent of any of them) accept no liability in relation to the financial or other information contained or incorporated by reference in this Offering Circular or any other statements made or purported to be made by the Dealers or on their behalf or any further information supplied by the Dealers or on their behalf, in each case, in connection with the Issuer, the Programme or the Notes or their distribution. The Dealers (including any affiliate of any Dealer or any director, officer, employee or agent of any of them) accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Offering Circular or any such statement or information. The statements made in this paragraph are without prejudice to the responsibility of the Issuer under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other financial statements or further information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either the Issuer or any of the Dealers.

This Offering Circular, any other financial statements and any further information supplied in connection with the Programme or the Notes are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either the Issuer or any of the Dealers that any recipient of this Offering Circular or any other financial statements or any further information supplied in connection with the Programme or the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. None of this Offering Circular, any other financial statements and any further information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Dealers or any of them to any person to subscribe for or to purchase any of the Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers (including any affiliate of any Dealer or any director, officer, employee or agent of any of them) expressly do not undertake to review the financial condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any of the Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in certain jurisdictions. For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "Subscription and Sale and Transfer and Selling Restrictions".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer (see "Subscription and Sale and Transfer and Selling Restrictions").

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

This Offering Circular is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

For the purposes of this provision, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer or Arranger at the time of issue in accordance with prevailing market conditions.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs and Institutional Accredited Investors (each as defined under "Form of the Notes") for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes have not been and will not be registered under the Securities Act, and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, or delivered directly or indirectly within the United States or for the account or benefit of U.S. persons as defined in Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act ("Rule 144A") or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Purchasers of Definitive IAI Registered Notes will be required to execute and deliver an IAI Investment Letter (as defined under "Terms and Conditions of the Notes"). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together, "Legended Notes") will be deemed, by its

acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "Subscription and Sale and Transfer and Selling Restrictions". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "Form of the Notes".

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT — EEA RETAIL INVESTORS

The Pricing Supplement in respect of any Notes may include a legend entitled "Prohibition of Sales to EEA Retail Investors", which will indicate: (A) that the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"); (B) that for these purposes, a retail investor in the EEA means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97 (as amended, "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"); and (C) that consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

A determination will be made in relation to each issue about whether the EU PRIIPs Regulation applies to the Notes constituting such issue.

IMPORTANT — UK RETAIL INVESTORS

The Pricing Supplement in respect of any Notes may include a legend entitled "Prohibition of Sales to UK Retail Investors", which will indicate: (A) that the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"); (B) that for these purposes, a retail investor in the UK means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (C) that consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared

and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

A determination will be made in relation to each issue about whether the UK PRIIPs Regulation applies to the Notes constituting such issue.

SINGAPORE INFORMATION

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") — Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 18 December 2020 (the "Deed Poll") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remains outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a statutory juridical entity established under The Export-Import Bank of Korea Act of 1969, as amended, in Korea. Substantially all of the officers of the Issuer and certain directors and other persons named herein reside in Korea, and substantially all or a significant portion of the assets of the officers and certain directors and other persons named herein that reside in Korea and substantially all of the assets of the Issuer are located in Korea. As a result, it may not be possible for investors to effect service of process outside Korea upon those persons or to enforce against them or against the Issuer in any jurisdiction outside Korea judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

CERTAIN DEFINED TERMS AND CONVENTIONS

Unless otherwise indicated, all references to "won", "Won" or "₩" contained in this Offering Circular are to the currency of Korea, references to "U.S. dollars", "Dollars", "USD", "$" or "US$" are to the currency of the United States of America, references to "Canadian Dollar" or "CAD" are to the currency of Canada, references to "Euro", "EUR" or "€" are to the currency of the European Union, references to "Chinese Renminbi" or "CNY" are to the currency of the People's Republic of China, references to "Swiss Franc" or "CHF" are to the currency of Switzerland, references to "Deutsche Mark" are to the currency of the Federal Republic of Germany, references to "Hong Kong Dollar" or "HKD" are to the currency of Hong Kong, S.A.R., references to "Turkish Lira" or "TRY" are to the currency of Turkey, references to "Malaysia Ringgit" or "MYR" are to the currency of Malaysia, references to "Brazilian Real" or "BRL" are to the currency of Federative Republic of Brazil, references to "Mexican Peso" or "MXN" are to the currency of the United Mexican States, references to "New Zealand Dollar" or "NZD" are to the currency of New Zealand, references to "Taiwan Dollar" or "TWD" are to the currency of Taiwan, references to "Thai Baht" or "THB" are to the currency of Thailand, references to "Australian Dollar" or "AUD" are to the currency of Australia, references to "Indian Rupee" or "INR" are to the currency of India, references to "Indonesian Rupiah" or "IDR" are to the currency of Indonesia, references to "Russian Ruble" or "RUB" are to the currency of the Russian Federation, references to "Swedish Krona" or "SEK" are to the currency of Sweden, references to "South African Rand" or "ZAR" are to the currency of South Africa, references to "Danish Krone" or "DKK" are to the currency of Denmark and references to "Peruvian Sol" or "PEN" are to the currency of Peru. Except where otherwise stated, Won amounts have been translated into Dollars at the rate of Won 1,267.3 to US$1.00, which was the market average exchange rate as announced by the Seoul Money Brokerage Services, Ltd. on 31 December 2022. No representation is made that the Won or Dollar amounts referred to herein could have been or could be converted into Dollars or Won, as the case may be, at any particular rate or at all.

References herein to "Korea" or the "Republic" are references to the Republic of Korea, and references herein to "Government" are references to the government of the Republic of Korea. References to "we", "us", "our", the "Issuer" or the "Bank" are references to The Export-Import Bank of Korea.

In this Offering Circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, actual numbers may differ from those contained herein due to rounding. All discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

The Issuer's financial statements and separate financial information included in this Offering Circular were prepared under International Financial Reporting Standards as adopted by Korea ("Korean IFRS" or "K-IFRS"). References in this Offering Circular to "separate" financial statements and information are to financial statements and information prepared on a non-consolidated basis. Unless specified otherwise, the Issuer's financial and other information included in this Offering Circular is presented on a separate basis in accordance with Korean IFRS and does not include such information with respect to its subsidiaries.

The Agency Agreement, the Deed of Covenant, the Deed Poll, the Notes, the Receipts and the Coupons (each as defined under "Terms and Conditions of the Notes") and any non-contractual obligations arising out of or in connection therewith will be governed by, and construed in accordance with, English law.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements", as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act, including statements regarding the Issuer's expectations and projections for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular are forward-looking statements. Although the Issuer believes that the expectations reflected in the forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. This Offering Circular discloses important factors that could cause actual results to differ materially from the Issuer's expectations ("Cautionary Statements"). All subsequent written and oral forward-looking statements attributable to the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by the Cautionary Statements.

Factors that could adversely affect the future performance of the Korean economy include:

- the occurrence of severe health epidemics in Korea or other parts of the world, including the COVID-19 pandemic, swine or avian flu, Ebola or Middle East respiratory syndrome;
- hostilities, political or social tensions involving Russia (including the invasion of Ukraine by Russia and ensuing actions that the United States and other countries have taken or may take in the future) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as the United States, Europe, Japan and China, or in emerging market economies in Asia or elsewhere, including as a result of the COVID-19 pandemic, deteriorating economic and trade relations between the United States and China and increased uncertainties in the global financial markets and industry;
- disruptions in the global supply chain for raw materials, natural resources, consumer goods, rare earth minerals, component parts and other supplies, including semiconductors, as a result of the COVID-19 pandemic, the invasion of Ukraine by Russia and ensuing sanctions against Russia, government policies, labor shortages and more recently, difficulties faced by several banks in the United States and Europe, among others;
- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve, Korea and other central banks;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, the euro or Japanese yen exchange rates or revaluation of the Chinese yuan and the depreciation of the Won against such currencies), interest rates, inflation rates or stock markets;
- difficulties in the financial sectors and increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;
- a substantial decrease in tax revenues and a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs, in particular in light of the Government's ongoing efforts to provide emergency relief payments relating to COVID-19 to households and corporations in need of funding, which, together, would lead to an increased Government budget deficit as well as an increase in the Government's debt;

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy, in particular due to the COVID-19 pandemic;
- increasing levels of household debt;
- increasing delinquencies and credit defaults by consumer and small- and medium-sized enterprise borrowers;
- substantial decreases in the market prices of Korean real estate;
- the continued growth of the Chinese economy, to the extent its benefits (such as increased exports to China) are outweighed by its costs (such as competition in export markets or for foreign investment and the relocation of the manufacturing base from Korea to China), as well as a slowdown in the growth of China's economy, which is Korea's most important export market;
- investigations of large Korean business groups and their senior management for possible misconduct;
- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;
- social and labor unrest;
- financial problems or lack of progress in the restructuring of Korean conglomerates, other large troubled companies, their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues at certain Korean companies;
- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;
- geo-political uncertainty and risk of further attacks by terrorist groups around the world;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy (such as the ongoing trade disputes with Japan);
- political uncertainty or increasing strife among or within political parties in Korea;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners;
- hostilities or political or social tensions involving oil-producing countries in the Middle East (including a potential escalation of hostilities between the United States and Iran) and Northern Africa and any material disruption in the supply of oil or sudden changes in the price of oil; and
- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States.

Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(1) the most recently published audited separate financial statements and consolidated annual financial statements (if any) and, if published later, the most recently published interim separate financial statements and consolidated financial statements (if any) of the Issuer from time to time (available on, for example, the website of the United Securities and Exchange Commission (http://www.sec.gov));

(2) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time; and

(3) The Export-Import Bank of Korea and The Republic of Korea sections in the most recent shelf registration statement or post-effective amendment filed with the United States Securities and Exchange Commission by the Bank and other reports (including any prospectus supplements) filed with the Securities and Exchange Commission by the Bank since the most recent filing of the shelf registration statement or post-effective amendment, as the case may be,

save that any statement contained herein or in a document all or the relative portion of which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document all or the relative portion of which is or is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any unaudited financial statements incorporated by reference herein should not be relied upon to provide the same quality of information associated with information that has been subject to an audit nor taken as an indication of the expected financial condition and results of operations of the Issuer for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Issuer's financial condition and results of operations.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Issuer at its registered office set out at the end of this Offering Circular.

The Issuer will, in connection with the listing and quotation of the Notes on the SGX-ST, so long as the rules of the SGX-ST so require, in the event of any material change which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes to be listed and quoted on the SGX-ST.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared.

DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer acting through its principal office in Korea or any other overseas branch, as the case may be, may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Purchaser(s) prior to the issue of the Notes and will be set out in the "Terms and Conditions of the Notes" endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "Form of the Notes".

This Offering Circular and any supplement will only be valid for the offering of Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed US$35,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "Form of the Notes") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "Form of the Notes") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "Form of the Notes") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

SUMMARY OF TERMS AND CONDITIONS OF THE NOTES AND THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined or used in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meaning in this summary:

Issuer	The Export-Import Bank of Korea, acting through its principal office in Korea or any other overseas branch (as specified in the relevant Pricing Supplement)
Description	Continuously offered Global Medium Term Note Programme
Size	Up to US$35,000,000,000 (or its equivalent in other currencies as described under "Description of the Programme") outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement
Arranger	Citigroup Global Markets Limited
Dealers	Bank of Montreal, London Branch BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank The Hongkong and Shanghai Banking Corporation Limited ING Bank N.V., Singapore Branch J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc MUFG Securities EMEA plc Nomura Singapore Limited Société Générale Standard Chartered Bank UBS AG Hong Kong Branch The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agents	Deutsche Bank AG, London Branch.

Transfer Agents	Deutsche Bank AG, Hong Kong Branch and Deutsche Bank Luxembourg S.A. or, if so specified in the applicable Pricing Supplement, Deutsche Bank Trust Company Americas.
Exchange Agent	Deutsche Bank AG, London Branch.
Registrar	Deutsche Bank Trust Company Americas or, if so specified in the applicable Pricing Supplement, Deutsche Bank Luxembourg S.A.
CMU Lodging Agent	Deutsche Bank AG, Hong Kong Branch (acting as either the CMU Lodging & Paying Agent or the CMU Registrar, as applicable)
Paying Agents	Deutsche Bank Luxembourg S.A., Deutsche Bank Trust Company Americas, the Fiscal Agent and the CMU Lodging Agent.
Method of Distribution	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency as may be agreed between the Issuer and the relevant Purchaser(s).
Maturities	Such maturities as may be agreed between the Issuer and the relevant Purchaser(s), subject to such minimum or maximum maturities as may be allowed or required from time to time, by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. **Notes with a maturity of less than one year:** Notes having a maturity of less than one year from the date of issue will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "Subscription and Sale and Transfer and Selling Restrictions."
Issue Price	Notes may be issued at par or at a discount to, or premium over, par and either on a fully paid or partly paid basis.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Purchaser(s).
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined either: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Purchaser(s) (as indicated in the applicable Pricing Supplement).

	The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Purchaser(s) for each Series of Floating Rate Notes. In the event of the discontinuation of a reference rate applicable to a Series of Floating Rate Notes specified in the applicable Pricing Supplement, then (a) Condition 4(b)(v) of the "Terms and Conditions of the Notes" shall apply if Benchmark Transition Event is specified in the applicable Pricing Supplement; (b) Condition 4(b)(vi) of the "Terms and Conditions of the Notes" shall apply if Benchmark Discontinuation (SOFR) is specified in the applicable Pricing Supplement; or (c) as otherwise provided in the applicable Pricing Supplement.
Index Linked Notes	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Purchaser(s) my agree (as indicated in the applicable Pricing Supplement).
Other Provisions in Relation to Floating Rate Notes and Index Linked Interest Notes	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.
Interest on Floating Rate Notes and Index Linked Notes	Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Purchaser(s), will be payable on Interest Payment Dates and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Purchaser(s).
Change of Interest Basis	Notes may be converted from one Interest Basis to another in the Dual Currency Notes in the manner set out in the applicable Pricing Supplement.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based upon such rates of exchange, as the Issuer and the relevant Purchaser(s) may agree (as indicated in the applicable Pricing Supplement).
Zero Coupon Notes	Zero Coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default), or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Pricing Supplement) to the relevant Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Purchaser(s). The applicable Pricing Supplement may provide that the Notes may be redeemable in two or more instalments in such amounts and on such dates and on such other terms as are indicated in such Pricing Supplement.
Denominations of Notes	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Purchaser(s) save that (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, (ii) the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or the United Kingdom or offered to the public

	in a Member State of the European Economic Area or the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) and (iii) the Definitive IAI Registered Notes will be issued only in minimum denominations of US$500,000 and integral multiples of US$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency).
Re-denomination	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro.
Taxation	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Korea, subject to customary exceptions, all as described in "Taxation".
Status	The Notes will be direct, unconditional, unsecured and unsubordinated general obligations of the Issuer and will rank *pari passu* among themselves, without any preference one over the other by reason of priority of date of issue or currency of payment or otherwise, and at least equally with all other outstanding unsecured and unsubordinated general obligations of the Issuer subject, in the event of insolvency, to laws of general applicability relating to or affecting creditors' rights.
Negative Pledge	There will be a negative pledge pursuant to which the Issuer will undertake not to create or permit to subsist any mortgage, charge, pledge or other security interest upon the whole or any part of its assets to secure any Long-Term External Debt (as defined in Condition 3(b)), or to secure any guarantee of indebtedness, unless the Notes shall be secured equally and rateably therewith, subject to certain exceptions as set out in Condition 3(b).
Cross Default and Cross Acceleration	There will be a cross default and a cross acceleration in respect of External Indebtedness of the Issuer in an aggregate principal amount of US$10,000,000 or more. "External Indebtedness" means any obligation for the payment or repayment of money borrowed which is denominated in a currency other than Won — see Condition 8.
Listing	Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
Selling Restrictions	There are restrictions on the sale of Notes and the distribution of offering material. See "Subscription and Sale and Transfer and Selling Restrictions". The Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "D Rules") unless the Notes are issued other than in circumstances in which the Notes will not constitute registration

	required obligations under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the applicable terms of such Notes as a transaction to which TEFRA is not applicable.

FORM OF THE NOTES

The Notes of each Series (as defined below) will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("Regulation S") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing and admission to trading) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, (unless this is a Zero Coupon Note) Interest Commencement Dates and/or Issue Prices.

Bearer Notes

Each Tranche of Bearer Notes will initially be represented by a temporary global note (a "Temporary Bearer Global Note") which will be delivered prior to the original issue date of the Tranche to either (i) a common depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") or (ii) a sub-custodian for the Hong Kong Monetary Authority ("HKMA") as operator of the Central Moneymarkets Unit Service (the "CMU Service").

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payment of principal and interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or Deutsche Bank AG, Hong Kong Branch (the "CMU Lodging Agent", which expression shall mean either the CMU Lodging & Paying Agent or the CMU Registrar, as applicable) and (in the case of a Temporary Bearer Global Note delivered to a common depositary for Euroclear and/or Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certification it has received) to the Fiscal Agent.

On and after the date (the "Exchange Date") which is 40 days after the date on which the Temporary Bearer Global Note is issued, interests in the Temporary Bearer Global Note will be exchangeable (provided that if it is a Partly Paid Note all instalments of the subscription monies due before the date of such exchange have been paid) upon request as described therein (a) unless otherwise specified in the applicable Pricing Supplement or the Temporary Bearer Global Note, for interests in a permanent global note (a "Permanent Bearer Global Note" and, together with a Temporary Bearer Global Note, each a "Bearer Global Note") without Coupons, Receipts or Talons or (b) if specified in the applicable Pricing Supplement or the Temporary Bearer Global Note and subject to such notice period as is specified in the Pricing Supplement or the Temporary Bearer Global Note, for definitive Bearer Notes, in each case against certification of beneficial ownership as required by U.S. Treasury regulations in accordance with the terms of the Temporary Bearer Global Note unless certification has already been given pursuant to the first sentence of the preceding paragraph. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified.

On and after the Exchange Date the holder of a Temporary Bearer Global Note will not be entitled to receive any payment of interest or principal thereon or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or definitive Bearer Note is improperly withheld or refused.

Payments of principal and interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) and save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached upon either (i) not less than 60 days' written notice (a) in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg, from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global

Note) to the Fiscal Agent as described therein and/or (b) in the case of Notes held through the CMU Service, from the relevant account holders therein to the CMU Lodging Agent as described therein; or (ii) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 8) has occurred and is continuing or (ii) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg, and in the case of Notes cleared through the CMU Service, the CMU Service, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Notes represented by the Permanent Bearer Global Note in definitive form (provided that, where the Bearer Notes are held through Euroclear and/or Clearstream, Luxembourg, such adverse tax consequences are as a result of a change in, or amendment to, the laws or regulation in, or of, Tax Jurisdiction (as defined in Condition 7)). The Issuer will promptly give notice to Noteholders in accordance with Condition 12 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by a Common Depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or, (b) in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Fiscal Agent or, as the case may be, the CMU Lodging Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Fiscal Agent or, as the case may be, the CMU Lodging Agent, requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent or, as the case may be, the CMU Lodging Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all Coupons, Receipts and Talons:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Receipts, Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment, redemption of principal in respect of such Bearer Notes, Receipts, Coupons or Talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "Regulation S Global Note"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or the CMU Service and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("QIBs") or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions ("Institutional Accredited Investors") and who execute and deliver an IAI Investment Letter (as defined in the "Terms and Conditions of the Notes") in which they agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "Rule 144A Global Note" and, together with a Regulation S Global Note, each a "Registered Global Note").

Registered Global Notes will either be deposited with (i) a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("DTC"), (ii) a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement, or (iii) a sub-custodian for the HKMA as operator of the CMU Service, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("Definitive IAI Registered Notes"). Unless otherwise set forth in the applicable Pricing Supplement, Definitive IAI Registered Notes will be issued only in minimum denominations of US$500,000 and integral multiples of US$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions

on transfer set forth therein and will bear the restrictive legend described under "Subscription and Sale and Transfer and Selling Restrictions". Institutional Accredited Investors that hold Definitive IAI Registered Notes may not elect to hold such Notes through DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, but transferees acquiring such Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144A under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "Subscription and Sale and Transfer and Selling Restrictions". The Registered Global Notes and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes at the close of business day before the relevant due date.

None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register as the registered holder of the Registered Notes in definitive form at the close of business on the third business day before the relevant due date.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) the Issuer has been notified that in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, both Euroclear and Clearstream, Luxembourg, and in the case of Notes held through the CMU Service, the CMU Service, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form.

The Issuer will promptly give notice to Noteholders in accordance with Condition 12 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for DTC or a nominee for a Common Depositary for Euroclear and/or Clearstream, Luxembourg, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) and/or, (b) in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Registrar or, as the case may be, the CMU Lodging Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar or, as the case may be, the CMU Lodging Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging Agent.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear, Clearstream, Luxembourg and the CMU Service, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "Subscription and Sale and Transfer and Selling Restrictions" on page 247.

General

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes"), the Fiscal Agent or, as the case may be, the CMU Lodging Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CMU instrument number, a CUSIP and CINS number which are different from the common code, ISIN, CMU instrument number, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear, Clearstream, Luxembourg and/or the CMU Service, each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the Central Moneymarkets Unit Rules ("CMU Rules") at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes may be accelerated by the holder thereof in certain circumstances described in "Terms and Conditions of the Notes — Events of Default". In such circumstances, where such Notes are still represented by a Global Note and a holder with Euroclear, Clearstream, Luxembourg, the CMU Service or the DTC of such Notes so represented and credited to his securities account gives written notice that it wishes to accelerate such Notes, unless payment has been made in full of the amount due in accordance with the terms of the Global Note, the Global Note will become void. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg, DTC and the CMU Service, under the terms of a deed of covenant (as amended and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 18 December 2020 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the "Terms and Conditions of the Notes" herein, in which event a new Offering Circular or a supplement to this Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note or, as the case may be, a Global Certificate representing such Notes is exchanged for definitive Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the definitive Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note or, as the case may be, a Global Certificate representing such Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Form of Pricing Supplement

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

[***Date***]

THE EXPORT-IMPORT BANK OF KOREA

(acting through its [principal office in Korea]/[(specify

other overseas branch) Branch])

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the

US$35,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. The terms and conditions of the Notes (the "Conditions") shall consist of the terms and conditions set out in the offering circular dated 4 May 2023 (the "Offering Circular") as amended and supplemented below. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

THE NOTES TO WHICH THIS PRICING SUPPLEMENT RELATES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL BE OFFERED AND SOLD ONLY [(I)] OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S [AND (II) WITH RESPECT TO NOTES IN REGISTERED FORM ONLY, WITHIN THE UNITED STATES IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED UNDER RULE 144A)] [1]**.**

In connection with this issue, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of the manufacturer's(/s') product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's(/s') target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's(/s') target market assessment) and determining appropriate distribution channels.

[The following legend should be included where item 15 below is marked as "Applicable".]

IMPORTANT – EEA RETAIL INVESTORS / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97 (as amended, "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in

[1] To be inserted in respect of an issue of Notes to qualified institutional buyers pursuant to Rule 144A.

Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

[*The following legend should be included where the issuance involves one or more UK MiFIR manufacturers*.]

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of the manufacturer's(/s') product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's(/s') target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's(/s') target market assessment) and determining appropriate distribution channels.

[The following legend should be included where item 16 below is marked as "Applicable".]

IMPORTANT –UK RETAIL INVESTORS / PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA")** — the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][2]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1	Issuer	The Export-Import Bank of Korea, acting through its [principal office in Korea]/[*specify other overseas branch*) Branch]
2	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)]
3	Specified Currency or Currencies:	[●]

[2] To be inserted if the Notes will be offered to investors in Singapore; for any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

4	Aggregate Nominal Amount:		
	(i)	[Series:	[●]]
	(ii)	[Tranche:	[●]]
5	(i)	[Issue Price of Tranche:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*if applicable*)]]
	(ii)	[Net Proceeds (*Required only for listed issues)*]:	[●]
6	(i)	Specified Denominations:	[●] (*N.B. In the case of Registered Notes, this means the minimum integral amount in which transfers can be made. For Registered Global Notes, consider including language substantially to the following effect (however, appropriate amendments should be made for different currencies) "EUR 100,000 and integral multiples of EUR 1,000 in excess thereof*") (*Note — where Bearer Notes with multiple denominations above U.S. $200,000 or equivalent are being used the following sample wording should be followed:* *"US$200,000 and integral multiples of US$1,000 in excess thereof up to and including US$399,000. No Notes in definitive form will be issued with a denomination above US$399,000."* (*N.B. If an issue of Notes is (i) NOT admitted to trading on an exchange within the European Economic Area or the United Kingdom; and (ii) only offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is not required to be published under the Prospectus Regulation the EUR100,000 minimum denomination is not required.*) *(N.B. If the issue proceeds are received by the Issuer in the United Kingdom and the Maturity Date is earlier than the first anniversary of the Issue Date, the Notes must have a minimum denomination of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another applicable exemption from section 19 of the Financial Services and Markets Act 2000 must be available).*
	(ii)	Calculation Amount:	(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: there must be a common factor in the case of two or more Specified Denominations*)
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)

8	Maturity Date:	*Fixed rate — specify date/Floating rate* — Interest Payment Date falling in or nearest to [*specify month and year*]][3] *(N.B. If the Maturity Date is earlier than the first anniversary of the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.)*
9	Interest Basis:	[[●] per cent. Fixed Rate] [[EURIBOR/HIBOR/SOFR] +/– [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11	Change of Interest or Redemption/ Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	Listing:	[Singapore Exchange Securities Trading Limited [4] /*specify other*/None]
14	Method of distribution:	[Syndicated/Non-syndicated]
15	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the EEA, "Applicable" should be specified*)
16	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

[3] Note that for Hong Kong dollar and Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

[4] For SGX-ST listing: For drawdowns under this Offering Circular, the Issuer's audited separate financial statements covering the fiscal year following the date of this Offering Circular, if available, shall be appended in full to the pricing supplement.

17	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi- annually/quarterly] in arrear] (*If payable other than annually, consider amending Condition 4*)
	(ii) Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date, commencing on [●]]/[*specify other*] (*NB: This will need to be amended in the case of long or short coupons*)
	(iii) Fixed Coupon Amount(s): (*Applicable to Notes in definitive form*)	[[●] per Calculation Amount/As per Condition 4(a)(i)/As per Condition 4(a)(ii)]
	(iv) Broken Amount(s): (*Applicable to Notes in definitive form*)	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/As per Condition 4(a)(i)/As per Condition 4(a)(ii)/Not Applicable]
	(v) Day Count Fraction:	[Actual/Actual(ICMA) or 30/360 or Actual/365 (Fixed) or Actual/360 (Fixed) or [*specify other*]] [Not Applicable][5]
	(vi) [Determination Date(s):	[●] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
	(vii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable] [*specify other*]
	(viii) Business Centre(s):	[Hong Kong or [●]][6] [Not Applicable]
	(ix) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Condition 4(a)(i) applies/Condition 4(a)(ii) applies. The Fiscal Agent will act as the Calculation Agent./None/*Give details*]
18	Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph.*)
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●] [*For the avoidance of doubt, Specified Interest Payment Dates are not subject to adjustment under (ii) below (Business Day Convention)*][7]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable] [*specify other*]
	(iii) Additional Business Centre(s):	[●]/[Not Applicable]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	[●]

[5] Applicable if Condition 4(a)(i)) is specified as being applicable in paragraph 17(ix).
[6] Applicable if Condition 4(a)(ii)) is specified as being applicable in paragraph 17(ix).
[7] If Interest Amount is to be determined on an unadjusted basis, specify Interest Payment Dates and insert italicised wording.

(vi)	Screen Rate Determination:	[●]
	– Reference Rate	(*Either EURIBOR, HIBOR, SOFR or other, although additional information is required if other — including fallback provisions in the Conditions*)
	– Interest Determination Date(s):	[●] (*First day of each Interest Period if Hong Kong dollar HIBOR and the second day on which T2 is open prior to the start of each Interest Period if EURIBOR*)
	– Relevant Screen Page:	[●] (*In the case of EURIBOR, if not Reuters page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	– SOFR Benchmark:	[Not Applicable/Compounded Daily SOFR/SOFR Index] (Only applicable where the Reference Rate is SOFR)
	– Compounded Daily SOFR:	[Not Applicable/SOFR Lag/SOFR Observation Shift] (Only applicable in the case of Compounded Daily SOFR)
	– Lookback Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (Only applicable in the case of SOFR Lag)
	– SOFR Observation Shift Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (Only applicable in the case of SOFR Observation Shift or SOFR Index)
	– SOFR $\text{Index}_{\text{Start}}$:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (Only applicable in the case of SOFR Index)
	– SOFR $\text{Index}_{\text{End}}$:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (Only applicable in the case of SOFR Index)
(vii)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(viii)	Margin(s):	[+/-] [●] per cent., per annum
(ix)	Minimum Rate of Interest:	[●] per cent., per annum
(x)	Maximum Rate of Interest:	[●] per cent., per annum
(xi)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) *Other*] (*See Condition 4 for alternatives*)

	(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions	[Benchmark Transition Event]/[Benchmark Discontinuation (SOFR)]/[*specify other if different from those set out in the Conditions*]
19	Zero Coupon Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i) Accrual Yield:	[●] per cent. per annum
	(ii) Reference price:	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
	(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 5(f)(iii) applies/specify other] (*Consider applicable Day Count Fraction if not U.S. dollar denominated*)
20	Index Linked Interest Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Index/Formula:	[*give or annex details*]
	(ii) Calculation Agent:	[●]
	(iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent): and Interest Amount (if not the Fiscal Agent):	[●]
	(iv) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(v) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(vii) Additional Business Centre(s):	[●]
	(viii) Minimum Rate of Interest:	[●] per cent. per annum
	(ix) Maximum Rate of Interest:	[●] per cent. per annum
	(x) Day Count Fraction:	[●]
21	Dual Currency Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent):	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

	(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

22	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(iii) If redeemable in part:	
	Minimum Redemption Amount:	[●]
	Maximum Redemption Amount:	[●]
	(iv) Notice period (if other than as set out in the Conditions):	[●] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent*)
23	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other/*see Appendix]
	(iii) Notice period (if other than as set out in the Conditions):	[●] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent*)
24	Final Redemption Amount:	[[●] per Calculation Amount/*specify other*/see Appendix]
25	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(f)):	[[●] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:[8]	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]*]

[8] [A subscription agreement substantially in the form set out in the Dealer Agreement must be entered into if the Notes are to be issued pursuant to Rule 144A or Section 4(a)(2).]

		[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] *(*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "US$200,000 and integral multiples of US$1,000 in excess thereof up to and including US$399,000." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes*)] [Registered Notes: [Regulation S Global Note (US$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/held through the CMU Service]] [Rule 144A Global Note (US$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/held through the CMU Service] [Definitive IAI Registered Notes] (*In the case of an issue with more than one Global Note or a combination of one or more Global Notes and Definitive IAI Notes, specify the nominal amounts of each Global Note and, if applicable, the aggregate nominal amount of all Definitive IAI Notes if such information is available*)]
27	Additional Financial Centre(s) or other special provisions relating to Payment Day:	[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub- paragraphs 17(viii) and 18(iii) relate*)
28	Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
30	Details relating to Instalment Notes:	
	(i) Instalment Amount(s):	[Not Applicable/*give details*]
	(ii) Instalment Date(s):	[Not Applicable/*give details*]
31	Redenomination applicable:	Redenomination [not] applicable *(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))* *(If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Pricing Supplement)*
32	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

33	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Date of [Subscription] Agreement:	[●]
	(iii) Stabilisation Manager (if any):	[Not Applicable/*give names*]
34	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give names*]
35	U.S. Selling Restrictions[9]:	[Reg. S Category 2; TEFRA D (or, in respect of TEFRA D, any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)/TEFRA not applicable]
36	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

37	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg or DTC and the relevant identification number(s):	[CMU Service/Not Applicable/give name(s) and number(s)]
38	Delivery:	Delivery [against/free of] payment
39	Additional Paying Agent(s) (if any):	[●]
40	[In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:]	[Not Applicable/Luxembourg/Hong Kong]
41	[In the case of Bearer Notes, specify the location of the office of the Fiscal Agent if other than London]:	[Not Applicable/Hong Kong]
	ISIN:	[●]
	Common Code:	[●]
	LEI:	[[549300APVP4R32PI3Y06] (principal office)]/[[●]*(for any other Branch)*]

(*insert here any other relevant codes such as a CMU instrument number, CUSIP and CINS codes*)

[RISK REGARDING THE TRANSITION AWAY FROM LIBOR

The ICE Benchmark Administration, the administrator of the London Interbank Offered Rate ("LIBOR"), ceased publication of short-term U.S. dollar LIBOR settings and all non-U.S. dollar LIBOR settings on a representative basis after December 31, 2021, with plans to cease publication of all other U.S. dollar LIBOR settings after June 30, 2023.

Given the extensive use of LIBOR across financial markets, the transition away from LIBOR presents various risks and challenges to financial markets and institutions, including the Issuer. The ongoing transition away from LIBOR or any other interest rate benchmark could result in increased financial, operational, legal, reputational and/or compliance risks for the Issuer. For example, a significant challenge in the Issuer's benchmark transition has been managing the impact of the LIBOR transition on the contractual mechanics of LIBOR-based financial instruments and contracts that mature after the announced deadlines. Certain of these instruments and contracts may not provide for alternative reference rates, and even if such instruments and contracts provide for alternative reference rates, such alternative reference rates are likely to differ from the prior benchmark rates and may require the Issuer to pay interest at higher rates on the related obligations, which could adversely impact the Issuer's interest expense, results of operations and cash flows. While there are a number of international working groups focused on transition plans and the provision of fallback contract language that seek to minimize market disruption, replacement of LIBOR or any other benchmark, such as the Secured Overnight Financing Rate ("SOFR"), with a new benchmark rate could adversely impact the value of and return on existing instruments and contracts. Moreover, replacement of LIBOR or other benchmark rates could result in market dislocations and have other adverse consequences for market participants, including the potential for increased costs, and litigation risks stemming from potential disputes with customers and counterparties regarding the interpretation and enforceability of fallback contract language in the LIBOR-based financial instruments and contracts.] (*To be inserted in the case of a floating rate note issuance*).

[9] Ensure that the level of disclosure contained in the Offering Circular is appropriate in the case of Notes issued pursuant to Rule 144A or Section 4(a)(2).

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the US$35,000,000,000 Global Medium Term Note Programme of The Export-Import Bank of Korea, acting through its [principal office in Korea]/[(*specify other overseas branch*) Branch].

The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or the Notes.

[Application will be made for the Notes to be recognized under the SGX Sustainable Fixed Income initiative on the SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, the SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the SGX-ST's website.[10]]]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:_____

Duly authorised

By:_____

Duly authorised

[10] For listings on the SGX-ST: Paragraph to be included if the Notes are green/social/sustainability Notes and the Issuer intends to apply for recognition under SGX's Sustainable Fixed Income initiative.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Purchaser(s) at the time of issue but if not so permitted and agreed, such definitive Note will have endorsed upon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" above for the form of Pricing Supplements which will specify which terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by The Export-Import Bank of Korea (the "Issuer") pursuant to the Agency Agreement (as defined below). The applicable Pricing Supplement (as defined below) will indicate whether the Issuer is acting in relation to the Notes through its principal office in Korea or any other overseas branch.

References herein to the Notes shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a "Global Note"), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form ("Bearer Notes") issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form ("Registered Notes") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts and the Coupons have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") dated 18 December 2020 and made between the Issuer, Deutsche Bank AG, London Branch as issuing agent, fiscal agent and agent bank (the "Fiscal Agent" which expression shall include any successor as fiscal agent), Deutsche Bank AG, Hong Kong Branch as CMU lodging agent (the "CMU Lodging Agent", which expression shall (i) mean either the CMU Lodging & Paying Agent or the CMU Registrar, as applicable, and (ii) include any successor CMU lodging agent) and the other paying agents named therein (together with the Fiscal Agent and the CMU Lodging Agent, the "Paying Agents" which expression shall include any additional or successor paying agents), Deutsche Bank AG, London Branch as exchange agent (the "Exchange Agent", which expression shall include any successor exchange agent) and Deutsche Bank Trust Company Americas (or, if so specified in the applicable Pricing Supplement, Deutsche Bank Luxembourg S.A.) as registrar (the "Registrar", which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents). For the purposes of these Terms and Conditions, all references to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly.

All of the Notes from time to time issued by the Issuer which are for the time being outstanding are hereinafter referred to as the "Notes" and the term "Note" is to be construed accordingly. As used herein, "Series" means each original issue of Notes together with any further issues expressed to form a single issue with the original issue and the terms of which are (save for the Issue Date, the Interest Commencement Date and/or the Issue Price) otherwise identical (including whether or not the Notes are listed) and which are consolidated and form a single series and shall be deemed to include the temporary and permanent Global Notes and the definitive Notes of such Series and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly. As used herein, "Tranche" means all Notes of the same Series with the same Issue Date and Interest Commencement Date.

The Pricing Supplement in relation to this Note is attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Pricing Supplement" are to the Pricing Supplement attached hereto or endorsed hereon.

The holders for the time being of the Notes ("Noteholders"), which expression shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1, the holders of the Coupons (as defined below) appertaining to interest-bearing definitive Notes (the "Couponholders"), the holders of the Talons (as defined below) and the holders of the Receipts (as defined below) (the

"Receiptholders") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, which are binding on them.

Words and expressions defined in the Agency Agreement or defined or set out in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail. Copies of the Agency Agreement and the Pricing Supplement for the Notes of this Series are available from the specified office of each of the Paying Agents save that, in the case of any Pricing Supplement where the Note or Notes to which such Pricing Supplement relates are not listed on a stock exchange, such Pricing Supplement shall be available for inspection only, upon proof satisfactory to the relevant Paying Agent as to identity, by the holder of any Note to which such Pricing Supplement relates. The statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of an amended and restated deed of covenant (as amended and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 18 December 2020 and a deed poll (as amended and/or supplemented and/or restated from time to time, the "Deed Poll") dated 18 December 2020, each made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below). Copies of the Deed of Covenant and Deed Poll may be obtained upon request during normal business hours from the specified offices of each of the Fiscal Agent, the Registrar and the other Paying Agents, the Exchange Agent and the other Transfer Agents (such Agents and the Registrar being together referred to as the "Agents").

1. Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement in the Specified Currency and Specified Denomination(s) and definitive Notes of this Series will be serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note, or an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, a Dual Currency Redemption Note, a Partly Paid Note, an Instalment Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with interest coupons for the payment of interest ("Coupons") attached, and if applicable, talons for further Coupons ("Talons") attached, unless it is a Zero Coupon Note in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. If it is a definitive Bearer Note redeemable in instalments it is issued with receipts ("Receipts") attached for the payment of instalments of principal prior to such Bearer Note's stated maturity. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Subject as set out below, title to the Bearer Notes, the Coupons and Receipts will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Coupon or Receipt and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream, Luxembourg") and/or a subcustodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "CMU Service"), each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated, as between the Issuer and the holder of the Global Note, as a holder of such nominal amount of such Notes for all purposes other than for payment of principal (including premium (if any)) and interest on such Notes, the right to which shall be vested, as against the Issuer and any of the Paying Agents, solely in the bearer of the Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to its terms (and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly). Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU

Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) ("CMU Accountholders") and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

For so long as the Depository Trust Company ("DTC") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures of DTC, Euroclear, Clearstream, Luxembourg and the CMU Service, as the case may be. Any reference herein to DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Fiscal Agent.

2. Transfers of Registered Notes

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, the CMU Service, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, the CMU Service, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee or sub-custodian for DTC, the CMU Service, Euroclear or Clearstream, Luxembourg, as the case may be, shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee or sub-custodian of DTC, the CMU Service, Euroclear or Clearstream, Luxembourg, as the case may be, or to a successor of DTC, the CMU Service, Euroclear or Clearstream, Luxembourg, as the case may be, or such successor's nominee or subcustodian.

(b) Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2(e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 5, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

(A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(B) to a person who is an Institutional Accredited Investor, together with, in the case of (ii), a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "IAI Investment Letter"); or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction. In the case of (i)(A) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (i)(B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (I) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (II) such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, the CMU Service, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) Definitions

In this Condition, the following expressions shall have the following meanings:

"Distribution Compliance Period" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"Institutional Accredited Investor" means "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions;

"Legended Note" means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a Legend);

"QIB" means a qualified institutional buyer within the meaning of Rule 144A; "Regulation S" means Regulation S under the Securities Act;

"Regulation S Global Note" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"Rule 144A" means Rule 144A under the Securities Act;

"Rule 144A Global Note" means a Registered Global Note representing Notes sold in the United States to QIBs; and

"Securities Act" means the United States Securities Act of 1933, as amended.

3. Status and Negative Pledge

(a) Status

The Notes and the relative Coupons and Receipts are the direct, unconditional, unsubordinated and (subject to the provisions of Condition 3(b)) unsecured general obligations of the Issuer and will rank pari passu among themselves, without any preference one over the other by reason of priority of date of issue or currency of payment or otherwise, and at least equally with all other outstanding unsecured and unsubordinated general obligations of the Issuer subject, in the event of insolvency, to laws of general applicability relating to or affecting creditors' rights.

(b) Negative Pledge

So long as any of the Notes of this Series remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to be outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its assets, whether owned at the date of the Agency Agreement or thereafter acquired, to secure any Long-Term External Debt (as defined

below), or to secure any guarantee of indebtedness, unless the Notes, Receipts and Coupons of this Series shall be secured equally and rateably therewith, except that the Issuer may create or permit to arise or subsist:

(i) any mortgage, charge, pledge or other security interest in favor of the Government of the Republic or The Bank of Korea or any other agency or instrumentality of or controlled by the Government of the Republic;

(ii) any mortgage, charge, pledge or other security interest arising from, or any deposit or other arrangement made or entered into in connection with, the sale, assignment or other disposition or the discounting of any notes or receivables of the Issuer or any other transaction in the ordinary course of the Issuer's business; or

(iii) any mortgage, charge, pledge or other security interest upon any asset purchased by the Issuer (or documents of title thereto) or arising in connection with improvements to any asset of the Issuer as security for the unpaid balance of the purchase price thereof or costs of improvements thereto.

As used herein, "Long-Term External Debt" means any obligation for the payment or repayment of debt for borrowed money which is denominated in a currency other than the currency of the Republic and which has a final maturity of one year or more from its date of issuance.

4. Interest

(a) Interest on Fixed Rate Notes

(i) In the case of Fixed Rate Notes where Condition 4(a)(i) is specified as being applicable in the applicable Pricing Supplement, the following provisions will apply instead of Condition 4(a)(ii):

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

In these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Terms and Conditions:

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(I) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(II) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360;

(III) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Fixed Interest Period divided by 365; and

(IV) if "Actual/360 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Fixed Interest Period divided by 360.

In these Terms and Conditions:

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(ii) In the case of Fixed Rate Notes where Condition 4(a)(ii) is specified as being applicable in the applicable Pricing Supplement, the following provisions will apply instead of Condition 4(a)(i):

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. If any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in this Condition 4(a)(ii), "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on the second business day before the beginning of each Fixed Interest Period (each an "Interest Determination Date"), calculate the amount of interest payable per Calculation Amount for the relevant Fixed Interest Period. The determination of the amount of interest payable per Calculation Amount by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Calculation Amount for each Fixed Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth business day thereafter. The amount of interest payable per Calculation Amount and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest per Calculation Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 4(a)(ii) but no publication of the amount of interest payable per Calculation Amount so calculated need be made.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the actual number of days in the Fixed Interest Period concerned divided by 365, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition 4(a)(ii):

"business day" means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks are generally open for business and settlement of Hong Kong dollar and Renminbi payments in Hong Kong and the Business Centre specified in the applicable Pricing Supplement, respectively; and

"sub-unit" means, with respect to Hong Kong dollars and Renminbi, the lowest amount of such currency that is available as legal tender in Hong Kong and the PRC, respectively.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "Business Day" means a day which is both:

(I) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (1) London or (2) if the location of the office of the Fiscal Agent as specified in the applicable Pricing Supplement is not London, Hong Kong and any Additional Business Centre specified in the applicable Pricing Supplement; and

(II) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland or Hong Kong, respectively) or (2) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem or any successor system ("T2") is open for settlement of payments in euro.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions") and under which:

(1) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Eurozone inter-bank offered rate ("EURIBOR") or on the Hong Kong interbank offered rate ("HIBOR") or on the Secured Overnight Financing Rate ("SOFR"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Euro-zone" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or any other such page as may replace that page on the relevant service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) (the "Relevant Screen Page Rate") as at 11.00 a.m. (Brussels time, in the case of EURIBOR, or Hong Kong time, in the case of HIBOR, or New York City time, in the case of SOFR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, HIBOR or SOFR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph; *provided, however*, that Condition 4(b)(v) shall apply if the Issuer or its designee has determined that a Benchmark Transition Event (as defined in Condition 4(b)(v)) has occurred and Benchmark Transition Event is specified in the applicable Pricing Supplement.

(C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as SOFR Benchmark in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "SOFR Benchmark" will be determined based on Compounded Daily SOFR or SOFR Index, as follows (subject in each case to Condition 4(b)(vi) as further specified hereon)

(1) If Compounded Daily SOFR is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Lag is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(I) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"$SOFR_{i\text{-}xUSBD}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "i";

"Lookback Days" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall not be less than five U.S. Government Securities Business Days;

"d" means the number of calendar days in the relevant Interest Period;

"d_o" for any Interest Period means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"i" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period; and

"n_i" for any U.S. Government Securities Business Day "i" in the relevant Interest Period means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_{i\text{-}xUSBD}$ applies.

(II) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to

9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"$SOFR_i$" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"SOFR Observation Period" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"SOFR Observation Shift Days" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall not be less than five U.S. Government Securities Business Days;

"d" means the number of calendar days in the relevant SOFR Observation Period;

"d_o" for any SOFR Observation Period means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"i" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period; and

"n_i" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_i$ applies.

The following defined terms shall have the meanings set out below for purpose of this 4(b)(ii)(C)(1):

"Bloomberg Screen SOFRRATE Page" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"Reuters Page USDSOFR=" means the Reuters page designated "USDSOFR=" or any successor page or service;

"SOFR" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(a) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(b) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(c) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(b)(vi) shall apply as specified in the applicable Pricing Supplement;

"SOFR Determination Time" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(2) If SOFR Index is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"SOFR Index" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

(i) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(ii)(C)(1)(II) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean five U.S. Government Securities Business Days; or

(ii) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(b)(vi) shall apply as specified in the applicable Pricing Supplement;

"SOFR $Index_{End}$" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date), which shall not be less than five U.S. Government Securities Business Days;

"SOFR $Index_{Start}$" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified hereon prior to the first day of such Interest Period;

"SOFR Index Determination Time" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"SOFR Observation Period" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"SOFR Observation Shift Days" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

"d_c" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 4(b)(ii)(C):

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period unless otherwise agreed with the Calculation Agent;

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, or any successor source;

"SOFR Benchmark Replacement Date" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"SOFR Benchmark Transition Event" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark; and

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Whether or not a Minimum Rate of Interest or Maximum Rate of Interest is specified in the relevant Pricing Supplement, in no event shall the Rate of Interest (including any applicable Margin) be less than zero.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

(v) *Benchmark Discontinuation (General)*

(A) Independent Adviser: If a Benchmark Transition Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(v)(B) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with 4(b)(v)(D)). In making such determination, the Independent Adviser appointed pursuant to this Condition 4(b)(v) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, or the Noteholders for any determination made by it, pursuant to this Condition 4(b)(v).

If (i) the Issuer is unable to appoint an Independent Adviser, or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(v)(A) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to Floating Rate Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest determined using the Original Reference Rate last displayed on the Relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(b)(v)(A).

(B) Successor Rate or Alternative Rate: If the Independent Adviser determines that:

(1) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on Floating Rate Notes (subject to the operation of this Condition 4(b)(v)); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on Floating Rate Notes (subject to the operation of this Condition 4(b)(v)).

(C) Adjustment Spread: The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments: If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(b)(v) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments"), and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(v)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4(b)(v), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(b)(v) which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

(E) Notices, etc.: Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(b)(v) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 12, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by two directors of the Issuer:

(1) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(b)(v); and

(2) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 4(b)(v), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(b)(v), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(F) Survival of Original Reference Rate: Without prejudice to the obligations of the Issuer under Condition 4(b)(v)(A), Condition 4(b)(v)(B), Condition 4(b)(v)(C) and Condition 4(b)(v)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii) will continue to apply unless and until a Benchmark Transition Event has occurred.

(G) Definitions: As used in this Condition 4(b)(v):

"Adjustment Spread" means either (x) a spread (which may be positive, negative or zero) or (y) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) if no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(3) if the Independent Adviser determines that no such spread is customarily applied, the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(b)(v)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Floating Rate Notes;

"Benchmark Amendments" has the meaning given to it in Condition 4(b)(v)(D);

"Benchmark Replacement Conforming Changes" means, with respect to the Benchmark Amendments, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Amendments in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Amendments exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"Benchmark Transition Event" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Floating Rate Notes; or

(5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(6) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate,

provided that the Benchmark Transition Event shall be deemed to occur (i) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference

Rate or the discontinuation of the Original Reference Rate, as the case may be, (ii) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (iii) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Transition Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination;

"designee" means a designee as selected and separately appointed by the Issuer in writing;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(b)(v)(A);

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Floating Rate Notes;

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. In connection with the implementation of the Benchmark Amendments, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes (as defined herein) from time to time.

(vi) *Benchmark Discontinuation (SOFR)*

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified in the applicable Pricing Supplement:

(A) Benchmark Replacement: If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) SOFR Benchmark Replacement Conforming Changes: In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make SOFR Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(b)(vi). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Agents (if required). Further, none of the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations: Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(b)(vi), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (1) will be conclusive and binding absent manifest error, (2) will be made in the sole discretion of the Issuer or its designee, as applicable, and (3) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Certain Defined Terms: As used in this Condition 4(b)(vi):

"Benchmark" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"Benchmark Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the sum of:

(I) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(II) the Benchmark Replacement Adjustment;

(2) the sum of:

(I) the ISDA Fallback Rate; and

(II) the Benchmark Replacement Adjustment; or

(3) the sum of:

(I) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(II) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then- current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) in the case of sub-paragraph (1) or (2) of the definition of "Benchmark Event", the later of:

(I) the date of the public statement or publication of information referenced therein; and

(II) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of sub-paragraph (3) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"designee" means a designee as selected and separately appointed by the Issuer in writing;

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where SOFR Index is specified as applicable hereon), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the SOFR Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"SOFR Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary); and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; and

In these Terms and Conditions,

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

(i) If "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "30/360" "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$DayCounFractio=\frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)+(D_2-D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$DayCounFractio = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$DayCounFractio = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31 and D2 will be 30.

(vii) *Notification of Rate of Interest and Interest Amounts*

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 12. For the purposes of this paragraph, the expression "Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London or, if the Specified Currency is Renminbi, Hong Kong.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(1) the date on which all amounts due in respect of such Note have been paid; and

(2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 12.

5. Redemption and Purchase

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as provided below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the Specified Currency on the Maturity Date.

(b) Redemption for tax reasons

All the Notes of this Series, but not some only, may be redeemed at the option of the Issuer, at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Index Linked Interest Notes or Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 12, to the holders of the Notes of this Series (which notice shall be irrevocable), at their Early Redemption Amount referred to in Condition 5(f), together (if appropriate) with interest (if any) accrued to the date fixed for redemption, if:

(i) on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of Notes of this Series; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes of this Series then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having (unless otherwise specified in the applicable Pricing Supplement) given not more than 60 nor less than 30 days' notice, in accordance with Condition 12, to the holders of the Notes of this Series (which notice shall be irrevocable), redeem all or some only of the Notes of this Series then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with accrued interest. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, both as indicated in the applicable Pricing Supplement. In the case of a partial redemption of definitive Notes, the Notes to be redeemed will be selected individually by lot (in such place as the Fiscal Agent may approve and in such manner as the Fiscal Agent shall deem to be appropriate and fair) not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 12 not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a Global Note, the relevant interests in the Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC and/or the CMU Service (as appropriate).

(d) Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of this Note giving (unless otherwise specified in the Pricing Supplement) to the Issuer in accordance with Condition 12 not more than 60 nor less than 30 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Pricing Supplement in whole (but not in part) this Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If the Notes are in definitive form and held outside Euroclear, Clearstream, Luxembourg, DTC and the CMU Service, to exercise the right to require redemption of his Notes the holder of the Notes must deliver such Notes, in each case on any Business Day (as defined in Condition 6) falling within the notice period at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (in the case of

Bearer Notes) or the Registrar (in the case of Registered Notes) (a "Put Notice") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg, DTC or the CMU Service, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg, DTC and the CMU Service (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC, the CMU Service or any depositary for them to the Fiscal Agent by electronic means or notice being given to the CMU Lodging Agent) in a form acceptable to Euroclear, Clearstream, Luxembourg, DTC, the CMU Service and the CMU Lodging Agent from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg, DTC and the CMU Service given by a holder of any Note pursuant to this Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(d) and instead to declare such Note forthwith due and payable pursuant to Condition 8.

(e) Purchases

The Issuer may at any time purchase or otherwise acquire Notes of this Series in the open market or otherwise. Notes purchased or otherwise acquired by the Issuer may be held or resold or, at the discretion of the Issuer, surrendered to the Fiscal Agent for cancellation (together with (in the case of definitive Bearer Notes of this Series) any unmatured Coupons or Receipts attached thereto or purchased therewith). If purchases are made by tender, tenders must be made available to all holders of Notes of this Series alike.

(f) Early Redemption Amounts

For the purposes of Condition 5(b) and Condition 8, Notes will be redeemed at an amount (the "Early Redemption Amount") determined as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Pricing Supplement or, if no such amount or manner is set out in the Pricing Supplement, at their nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (II) in the case of Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the applicable Pricing Supplement.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(a), (b), (c) or (d) or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the

amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in this Condition 5(f)(iii) as though the references herein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "Reference Date") which is the earlier of:

(3) the day on which all sums due in respect of the Zero Coupon Note up to that day are received by or on behalf of the holder of such Note; and

(4) the day on which the Fiscal Agent has notified the holder thereof (either in accordance with Condition 12 or individually) of receipt of all sums due in respect thereof up to that date.

The calculation of the Amortised Face Amount in accordance with this Condition 5(f)(iii) will continue to be made, after as well as before judgement, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with any interest which may accrue in accordance with Condition 4(c).

(g) Cancellation

All Notes redeemed, and all Notes purchased or otherwise acquired as aforesaid and surrendered to the Fiscal Agent for cancellation, shall be cancelled (together, in the case of definitive Notes, with all unmatured Coupons and Receipts presented therewith), and thereafter may not be re-issued or re-sold.

(h) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(f) above.

(i) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition as amended by the applicable Pricing Supplement.

6. Payments

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland or Hong Kong, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto ("FATCA").

(b) Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes not held in the CMU Service will (subject as provided below) be made in the manner provided in Condition 6(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes not held in the CMU Service, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6(a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with Condition 6(a). Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Interest Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Interest Note or Long Maturity Note in definitive bearer form not held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

In the case of definitive Bearer Notes held in the CMU Service, payment will be made at the direction of the bearer to the CMU Accountholders and such payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note (i) in the case of a Bearer Global Note lodged with the CMU Service, at the direction of the bearer to the CMU Accountholders, or (ii) in the case of a Bearer Global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note (in the case of a Bearer Global Note not lodged with the CMU Service) by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable or (in the case of a Bearer Global Note lodged with the CMU Service) on withdrawal of such Bearer Global Note by the CMU Lodging Agent, and in each such case, such record shall be prima facie evidence that the payment in question has been made.

(d) Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the

Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business and in respect of Notes clearing through the DTC, a day on which DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland or Hong Kong, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business and in respect of Notes clearing through the DTC, a day on which DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note. Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Issuer to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement. In the case of Registered Note (whether or not in global form) held in the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligations of the Issuer in respect of that payment.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

The holder of a Global Note (if the Global Note is not lodged with the CMU Service) or the CMU Accountholder at the direction of the holder of a Global Note (if the Global Note is lodged with the CMU Service), shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg, DTC or the CMU Service, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Notes in definitive form only, the relevant place of presentation;

(B) any Additional Financial Centre specified in the applicable Pricing Supplement, provided that the named financial centre of the country of the relevant Specified Currency and the international central securities depositaries shall not be authorized or required by law or regulation to be closed;

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland or Hong Kong, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open for the settlement of payments in euro; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(f)(iii)); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

(h) Exchange of Talons

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any of the Paying Agents in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

7. Taxation

All payments of principal and/or interest in respect of the Notes, Receipts and Coupons of this Series will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) or any authority therein having power to tax, unless deduction or withholding of such tax is compelled by law. In that event the Issuer will pay such additional amounts as will result (after such deduction or withholding) in the receipt by the holders of the Notes, Receipts or Coupons of this Series of the amounts which would otherwise have been receivable (in the absence of such deduction or withholding), except that no such additional amount shall be payable in respect of any Note, Receipt or Coupon of this Series presented for payment:

(a) by or on behalf of a holder who is subject to such tax in respect of such Note, Receipt or Coupon by reason of his being connected with a Tax Jurisdiction otherwise than merely by holding such Note, Receipt or Coupon or receiving principal or interest in respect thereof; or

(b) held by, or by a third party on behalf of, a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its (or a fiduciary, settlor, member or shareholder, beneficiary of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation) having some present or former connection with the applicable Tax Jurisdiction (including being or having been a citizen or resident of such Tax Jurisdiction or being or having been engaged in trade or business or present therein having or having had a permanent establishment therein) other than the mere holding of such Note or Coupon; or

(c) by or on behalf of a holder who would not be liable for or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such holder fails to do so; or

(d) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional payment on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)); or

(e) by or on behalf of a holder which is or was a personal holding company, foreign personal holding company or passive foreign investment company with respect to the United States or a corporation that accumulates earnings to avoid United States federal income tax; or

(f) if such tax is an estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment, or governmental charge; or

(g) by or on behalf of a holder which is or has been a "10 per cent. shareholder" of the obligor of the Note as defined in Section 871(h)(3) of the Code or any successor provisions; or

(h) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the Code, U.S. Treasury regulations or administrative guidance promulgated thereunder or any law implementing an intergovernmental approach thereto; nor shall additional amounts be paid to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor of such fiduciary or partnership or beneficial owner would not have been entitled to such additional amounts had such beneficiary, settlor or beneficial owner been the holder of the Note.

Except as specifically provided in the Notes of this Series, the Issuer shall not be required to make any payment with respect to any tax, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein.

As used herein:

(i) The "Relevant Date" in relation to any Note, Receipt or Coupon means (A) the due date for payment thereof; or (B) (if the full amount of the monies payable on such date has not been received by the Fiscal Agent or the Registrar, as the case may be, on or prior to such due date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders of this Series in accordance with Condition 12 or individually; and

(ii) "Tax Jurisdiction" means (A) Korea or any political subdivision or any authority thereof or therein having power to tax and (B) if the Issuer is acting through an overseas branch (as specified in the applicable Pricing Supplement) the jurisdiction relating to such overseas branch or any political subdivision or any authority thereof or therein having power to tax.

8. Events of Default

In the event of any one or more of the following ("Events of Default"):

(a) default in any payment of principal in respect of any of the Notes, Receipts or Coupons of this Series (whether at maturity, upon redemption or otherwise), or in any payment of interest on any Notes, Receipts or Coupons of this Series, and the continuance of any such default for a period of 30 days; or

(b) default in the performance of or breach of any other covenant or agreement contained in the Notes of this Series and the continuance of such default for a period of 60 days after written notice thereof shall have first been given to the Issuer at the office of the Fiscal Agent by the holders of at least 10% of the aggregate principal amount of the Notes of this Series at the time outstanding; or

(c) any External Indebtedness (as defined below) of the Issuer in the aggregate principal amount of US$10,000,000 or more either (i) becoming due and payable prior to the due date for payment thereof by reason of default by the Issuer or (ii) not being repaid at maturity as extended by the period of grace, if any, applicable thereto, or any guarantee given by the Issuer in respect of External Indebtedness of any other person in the aggregate principal amount of US$10,000,000 or more not being honored when due and called, except in any such case where such External Indebtedness or guarantee is being contested in good faith by appropriate proceedings; or

(d) the Republic declaring a moratorium on the payment of any External Indebtedness (including obligations arising under guarantees) of the Republic or the Republic becoming liable to repay prematurely any sums in respect of such External Indebtedness (including obligations arising under guarantees) as a result of a default under, or breach of the terms applicable to, such External Indebtedness or such obligations, or the international monetary reserves of the Republic becoming subject to any lien, charge, mortgage, encumbrance or other security interest or any segregation or other preferential arrangement (whether or not constituting a security interest) for the benefit of any creditor or class of creditors; or

(e) the Republic ceasing to control (directly or indirectly) the Issuer or for any reason failing to provide the financial support to the Issuer stipulated as of the date of issue of the Notes of this Series by Article 37 of the KEXIM Act, as amended; or

(f) the Issuer being adjudicated or found bankrupt or insolvent or any order being made by a competent court or administrative agency or any resolution being passed by the Issuer to apply for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or a substantial part of its assets or the Issuer being wound up or dissolved or the Issuer ceasing to carry on the whole or substantially the whole of its business;

the holder for the time being of any Note of this Series may, at such holder's option, declare the principal of the Notes of this Series and the interest accrued hereon to be due and payable immediately by written notice to the Issuer and the Fiscal Agent in accordance with Condition 12, and unless all such defaults shall have been cured by the Issuer prior to receipt of such written notice, the principal of the Notes of this Series and the interest accrued thereon shall become and be immediately due and payable. Upon payment of such amount, all of the Issuer's obligations in respect of the payment of the principal of and interest, if any, on the Notes of this Series shall terminate. No periodic evidence is required to be furnished by the Issuer as to the absence of defaults.
For the purposes of this Condition:

"**Control**" means the acquisition or control of a majority of the voting share capital of the Issuer or the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; and

"**External Indebtedness**" means any obligation for the payment or repayment of money borrowed which is denominated in a currency other than the currency of the Republic.

9. Prescription

Claims for payment of principal in respect of the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of five years, and claims for payment of interest (if any) in respect of the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of two years, in each case from the Relevant Date (as defined in Condition 7) thereof, subject to the provisions of Condition 6. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6 above.

10. Replacement of Notes, Receipts and Coupons

If any Note (including any Global Note), Receipt or Coupon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

11. Meetings of Noteholders and Modification

The Agency Agreement contains provisions for convening meetings of the holders of the Notes of this Series to consider matters affecting their interests, including modifications by Extraordinary Resolution of the Terms and Conditions of such Notes. The quorum for any meeting convened to consider a resolution proposed as an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of such Notes for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Noteholders whatever the nominal amount of such Notes for the time being outstanding so held or represented, except that at any meeting, the business of which includes, *inter alia*, (i) modification of the Maturity Date of such Notes or reduction or cancellation of the nominal amount payable upon maturity or otherwise, or variation of the method of calculating the amount of principal payable on maturity or otherwise, (ii) reduction of the amount payable or modification of the payment date in respect of any interest in respect of such Notes or variation of the method of calculating the rate of interest in respect of such Notes, except as a result of any modification contemplated in Conditions 4(b)(v) and 4(b)(vi), (iii) reduction of any Minimum Interest Rate and/or Maximum Interest Rate, (iv) modification of the currency in which payments under such Notes and/or the Coupons appertaining thereto are to be made, (v) modification of the majority required to pass an Extraordinary Resolution or (vi) modification of the provisions of the Agency Agreement concerning this exception, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than a clear majority, of the nominal amount of such Notes for the time being outstanding. Any Extraordinary Resolution duly passed at any such meeting will be binding on all such Noteholders (whether or not they are present at such meeting) and on all Receiptholders and Couponholders relating to such Notes.

The Fiscal Agent may agree, without the consent of the holders of the Notes, Receipts or Coupons of this Series, to any modification to any of the provisions of the Agency Agreement or such Notes which is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on all such Noteholders, Receiptholders and Couponholders and, if the Fiscal Agent so requires, shall be notified to such Noteholders as soon as practicable thereafter in accordance with Condition 12.

12. Notices

(a) All notices regarding Bearer Notes of this Series will be valid if published in one leading London daily newspaper (which is expected to be the *Financial Times*). Any notice published as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bearer Notes of this Series in accordance with this Condition.

(b) All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address foreign) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

(c) Until such time as any definitive Notes are issued, there may, so long as all the Global Notes for this Series are held in their entirety on behalf of (i) Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted, in relation only to this Series, for such publication as aforesaid, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes of this Series and (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note and, in addition, in the case of both (i) and (ii) above, for so long as any Notes are listed on a stock

exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the persons shown in the relevant CMU Instrument Position Report.

(d) Notices or demands to be given or made by any holder of any Notes of this Series shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent or the Registrar (in the case of Registered Notes).

Whilst any Notes of this Series are represented by a Global Note, such notice or demand may be given or made by a holder of any of the Notes so represented to the Fiscal Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg and/or DTC and/or, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging Agent in Hong Kong, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service, as the case may be, may approve for this purpose.

13. Agents

The names of the initial Agents and their initial specified offices in respect of this Series of Notes are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents and/or to approve any change in the specified office of any Agent, provided that it will, so long as any of the Notes of this Series is outstanding, maintain (i) a Fiscal Agent and a Registrar, (ii) if and so long as any Notes of this Series are listed on any stock exchange or other relevant authority, a Paying Agent (in the case of Bearer Notes) (which may be the Fiscal Agent) and a Transfer Agent (in the case of Registered Notes) having a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority), (iii) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City, and (iv) so long as the Notes are listed and quoted on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the rules of the SGX-ST so require, if the Notes are issued in definitive form, a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST. Any such variation, termination, appointment or change shall only take effect (other than in the case of insolvency or of a Paying Agent failing to become or ceasing to be exempt from withholding pursuant to FATCA, when such termination or appointment, respectively, shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Noteholders of this Series in accordance with Condition 12 and provided further that neither the resignation nor removal of the Agent shall take effect, except in the case of insolvency as aforesaid, until a new Agent has been appointed. In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(d).

In acting under the Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationships of agency or trust to or with the Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions for the indemnification of the Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit.

14. Further Issues

The Issuer may from time to time without the consent of the relevant Noteholders, Couponholders or Receiptholders create and issue further Notes, having terms and conditions the same as the Notes of any Series, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes of any Series.

15. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any

indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgement, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgement or order.

16. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. Governing Law and Jurisdiction

The Notes, the Receipts, the Coupons, the Agency Agreement, the Deed of Covenant and any noncontractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Agency Agreement, the Deed Poll, and the Deed of Covenant are governed by, and shall be construed in accordance with, the laws of England.

The Issuer irrevocably agrees for the benefit of the Noteholders, Receiptholders and Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts or the Coupons (including a dispute relating to any noncontractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Agency Agreement, the Deed Poll, and/or the Deed of Covenant) and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") (including any Proceeding relating to any noncontractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Agency Agreement, the Deed Poll, and/or the Deed of Covenant) may be brought in the courts of England.

The Issuer irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably agrees that a judgement in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer hereby appoints Kexim Bank (UK) Limited at 3rd Floor, Moorgate Hall, 155 Moorgate, London EC2M 6XB, United Kingdom as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

In respect of any Proceedings, the Issuer hereby irrevocably consents to the giving of any relief and the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution (against any assets whatsoever, irrespective of their uses or intended uses), of any order or judgement made or given in any such Proceedings, and, to the extent that the Issuer may in any jurisdiction claim for itself or its assets, or have attributed to it or its assets, any right of immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, the Issuer hereby irrevocably agrees not to claim and waives such immunity to the fullest extent permitted by law.

USE OF PROCEEDS

The net proceeds of each issue of Notes will be used by the Issuer for its general operations, including the repayment of foreign currency obligations and the making of foreign currency loans.

THE EXPORT-IMPORT BANK OF KOREA

Overview

We were established in 1976 as a special governmental financial institution pursuant to the Export-Import Bank of Korea Act, as amended, or the KEXIM Act. Since our establishment, we have been promoting the export and competitiveness of Korean goods and services in international markets. To this end, we have introduced financing facilities and implemented lending policies that are responsive to the needs of Korean exporters.

Our primary purpose, as stated in the KEXIM Act, is to "promote the sound development of the national economy and economic cooperation with foreign countries by extending the financial aid required for export and import transactions, overseas investment and the development of natural resources abroad." Over the years, we have developed various financing facilities and lending policies that are consistent with the Government's overall economic policies. In the latter part of the 1980s, as a result of changing trade conditions and the increased internationalization of the Korean economy, overseas investment credits and import credits were promoted and began to constitute an important portion of our business. In recent years, we have focused on the development of new financing facilities, including structured financing for ships and project financing for the construction of industrial plants and the development of natural resources abroad.

As of December 31, 2022, we had ₩91,725 billion of outstanding loans, including ₩41,619 billion of outstanding export credits, ₩36,405 billion of outstanding overseas investment credits and ₩8,589 billion of outstanding import credits, as compared to ₩79,995 billion of outstanding loans, including ₩38,638 billion of outstanding export credits, ₩32,830 billion of outstanding overseas investment credits and ₩6,122 billion of outstanding import credits as of December 31, 2021.

Although our management has control of our day-to-day operations, our operations are subject to the close supervision of the Government. The Government's determination each fiscal year regarding the amount of financial support to extend to us, in the form of contributions to capital or transfers of our income to reserves, plays an important role in determining our lending capacity. The Government has the power to appoint or dismiss our President, Deputy President, Senior Executive Directors and Auditor.

The Government supports our operations pursuant to Article 37 of the KEXIM Act. Article 37 of the KEXIM Act provides that "the annual net losses of the Export-Import Bank of Korea shall be offset each year by the reserve, and if the reserve be insufficient, the Government shall provide funds to cover the deficit." As a result of the KEXIM Act, the Government is generally responsible for our operations and is legally obligated to replenish any deficit that arises if our reserves, consisting of our surplus and capital surplus items, are insufficient to cover any of our annual net losses. In light of the above, if we have insufficient funds to make any payment under any of our obligations, including the debt securities covered by this Offering Circular, the Government would take appropriate steps, such as by making a capital contribution, by allocating funds or by taking other action, to enable us to make such payment when due. The provisions of Article 37 do not, however, constitute a direct guarantee by the Government of our obligations, and the provisions of the KEXIM Act, including Article 37, may be amended at any time by action of the National Assembly.

In January 2014, the Government amended the KEXIM Act to:

- increase our authorized capital from ₩8,000 billion to ₩15,000 billion;
- expand our operation scope that enables us, among other things, to invest in (i) funds intended to support export and import transactions by small and medium-sized enterprises and (ii) special purpose companies that carry out value added overseas development projects in a flexible way; and
- reduce restrictions on our financing and investment activities by providing additional flexibility to us to cope with changes in market conditions.

In March 2016, the Government amended the KEXIM Act to strengthen its enforcement powers by allowing:

- the Minister of Economy and Finance to impose any necessary sanctions against our officers; and
- the Financial Services Commission to request the Minister of Economy and Finance to apply sanctions against our employees.

Capitalization

As of December 31, 2022, our authorized capital was ₩15,000 billion and our capitalization was as follows:

	December 31, 2022[1] (billions of Won)
Long-Term Debt [2][3][4][5][6]:	
Borrowings in Korean Won	₩ —
Borrowings in Foreign Currencies	1,959
Export-Import Financing Debentures	47,282
Total Long-Term Debt	₩ 49,241
Capital and Reserves:	
Capital Stock[7]	₩ 12,773
Additional Paid-in-Capital	—
Capital Adjustments	(134)
Retained Earnings	2,051
Legal Reserve[8]	501
Voluntary Reserve[8]	924
Regulatory Reserve for Loan Losses[9]	240
Unappropriated Retained Earnings	387
Other Components of Equity[10]	744
Total Capital and Reserve	₩ 15,436
Total Capitalization	₩ 64,677

(1) Except as described in this Offering Circular, there has been no material adverse change in our capitalization since December 31, 2022.
(2) Consists of borrowings and debentures with maturities of more than a year remaining.
(3) We have translated borrowings in foreign currencies as of December 31, 2022 into Won at the rate of ₩1,267.30 to US$1.00, which was the market average exchange rate as announced by the Seoul Money Brokerage Services Ltd., on December 31, 2022.
(4) As of December 31, 2022, we had contingent liabilities totaling ₩53,388 billion, which consisted of ₩39,373 billion under outstanding guarantees and acceptances and ₩14,016 billion under contingent guarantees and acceptances issued on behalf of our clients. For further information relating to our contingent liabilities under outstanding guarantees as of December 31, 2022, see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 36."
(5) As of December 31, 2022, we had entered into 466 interest rate related derivative contracts with a notional amount of ₩56,314 billion and 826 currency related derivative contracts with a notional amount of ₩126,041 billion in accordance with our policy to hedge interest rate and currency risks. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 20."
(6) See "—Description of Assets and Liabilities—Sources of Funding" for an explanation of these sources of funds. All our borrowings, whether domestic or international, are unsecured and unguaranteed.
(7) As of December 31, 2022, our authorized ordinary share capital was ₩15,000 billion and issued fully-paid capital stock was ₩12,773 billion. See "—Business—Government Support and Supervision."
(8) See "—Business—Government Support and Supervision" for a description of the manner in which annual net income is transferred to the legal reserve and may be transferred to the voluntary reserve.
(9) If the estimated allowance for credit loss determined by K-IFRS for the accounting purposes is lower than that for regulatory purposes as required by Regulation of Supervision of Banking Business, we reserve such difference as the regulatory reserve for loan losses. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 23."
(10) See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 22."

Business

Purpose and Authority

We were established in 1976 as a special governmental financial institution pursuant to the KEXIM Act. The KEXIM Act, the Enforcement Decree of the KEXIM Act, or the KEXIM Decree, and our Articles of Incorporation, or the By-laws, define and regulate our powers and authority. We are treated as a special juridical entity under Korean law and are not subject to certain of the laws regulating activities of commercial banks.

We were established, as stated in the KEXIM Act, to "promote the sound development of the national economy and economic cooperation with foreign countries by extending the financial aid required for export and import transactions, overseas investment and the development of natural resources abroad." As an instrument in serving the Government's public policy objectives, we do not seek

to maximize our profits. We do, however, strive to maintain an adequate level of profitability to strengthen our equity base in order to support the growth in the volume of our business.

Our primary purpose has been the provision of loans and guarantees to facilitate Korean companies' exports and overseas investments and projects. Most of our activities have been carried out pursuant to this authority.

We have the authority to undertake a range of financial activities. These fall into four principal categories:

- export credits;
- overseas investment credits;
- import credits; and
- guarantee facilities.

Export credits include loans to facilitate Korean exports of capital and non-capital goods and technical and non-technical services. Overseas investment credits consist of loans to finance Korean overseas investments and projects. Import credits include the extension of loans to finance Korean imports of essential materials and natural resources. Guarantee facilities are made available to support the obligations of Korean exporters and importers.

We also have the authority to administer, on behalf of the Government, the Government's Economic Development Cooperation Fund and the Inter-Korea Cooperation Fund, formerly known as South and North Korea Co-operation Fund.

We may also undertake other business activities incidental to the foregoing, including currency and interest rate swap transactions.

Government Support and Supervision

The Government's determination each fiscal year, regarding the amount of financial support to extend to us, plays an important role in determining our lending capacity. Such support has included contributions to capital, loans and transfers of our income to reserves.

Our authorized capital was ₩30 billion when the Government enacted the KEXIM Act in 1969. The National Assembly amended the KEXIM Act and increased our authorized capital to ₩150 billion in 1974, ₩500 billion in 1977, ₩1,000 billion in 1986, ₩2,000 billion in January 1998, ₩4,000 billion in September 1998 and ₩8,000 billion in January 2009. In January 2014, the Government further increased our authorized capital to ₩15,000 billion.

As of December 31, 1996, the capital contribution from the Government was approximately ₩686 billion, all in cash. Since 1997, the Government has made capital contributions not only in cash but also in the form of shares of common stock of Government-affiliated entities. Recent examples include the Government's contributions to our capital of (i) ₩10 billion, ₩935 billion, ₩10 billion, ₩65 billion, ₩26 billion, ₩30 billion, ₩578 billion, ₩110 billion, ₩29 billion, ₩160 billion and ₩25 billion in cash in July 2016, September 2016, October 2016, November 2016, May 2019, August 2019, July 2020, March 2021, April 2021, June 2021 and June 2022, respectively, and (ii) ₩500 billion in the form of shares of Korea Aerospace Industries Ltd. in June 2016, ₩125 billion in the form of shares of Yeosu Gwangyang Port Authority in May 2017, ₩125 billion in the form of shares of Incheon Port Authority in May 2017 and ₩1,167 billion in the form of shares of Korea Aerospace Industries Ltd. in June 2017, in order to enhance our capacity to finance projects, including large-scale overseas development projects. Taking into account these capital contributions, our total capital stock was ₩12,773 billion as of December 31, 2022. Most recently, in March 2023, the Government contributed ₩2,000 billion to our capital in the form of shares of Korea Land and Housing Corporation.

Pursuant to the KEXIM Act, only the Government, The Korea Development Bank, The Bank of Korea, certain designated domestic banking institutions, exporters' associations and international financial organizations may contribute to our capital stock. As of December 31, 2022, the Government directly owned 69% of our capital stock and indirectly owned, through The Bank of Korea and The Korea Development Bank, 9% and 22%, respectively, of our capital stock. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 1."

In addition to contributions to our capital, the Government provides funding for our financing activities. The Government has made loans available to us for our lending activities. See "—Description of Assets and Liabilities—Sources of Funding."

The Government also supports our operation pursuant to Articles 36 and 37 of the KEXIM Act. Article 36 of the KEXIM Act and the By-laws provide that we shall apply our net income earned during each fiscal year, after deduction of depreciation expense for such fiscal year, in the following manner and in order of priority:

- first, at least 10% of such net income is transferred to our legal reserve until the total amount of our legal reserve equals the total amount of our capital stock;
- second, if the Minister of Economy and Finance approves such distribution, the balance of any such net income, after such transfer to the legal reserve, is distributed to the institutions, other than the Government, that have contributed to our capital (up to a maximum 15% annual dividend rate); and
- third, the remaining balance of any such net income is distributed in whatever manner our Operations Committee determines and the Minister of Economy and Finance approves, such as additions to our voluntary reserve.

Article 37 of the KEXIM Act provides that "the annual net losses of the Export-Import Bank of Korea shall be offset each year by the reserve, and if the reserve be insufficient, the Government shall provide funds to cover the deficit." As a result of the KEXIM Act, the Government is generally responsible for our operations and is legally obligated to replenish any deficit that arises if our reserves are insufficient to cover any of our annual net losses. In light of this provision, if we have insufficient funds to make any payment under any of our obligations, the Government would take appropriate steps by making a capital contribution, by allocating funds or by taking other action to enable us to make such payment when due. The provisions of Article 37 do not, however, constitute a direct guarantee by the Government of our obligations, and the provisions of the KEXIM Act, including Article 37, may be amended at any time by action of the National Assembly.

The Government closely supervises our operations including in the following ways:

- the President of the Republic appoints our President upon the recommendation of the Minister of Economy and Finance;
- the Minister of Economy and Finance appoints our Deputy President and Senior Executive Directors upon the recommendation of our President;
- the Minister of Economy and Finance appoints our Auditor;
- one month prior to the beginning of each fiscal year, we must submit our proposed program of operations and budget for the fiscal year to the Minister of Economy and Finance for his approval and immediately after the approval of the Minister of Economy and Finance, we must report such program to the National Assembly;
- the Minister of Economy and Finance must approve our operating manual, which sets out guidelines for all principal operating matters, including the range of permitted financings;
- the Board of Audit and Inspection, a Government department, examines our settlement of accounts annually;
- each of the Minister of Economy and Finance and the Financial Services Commission has broad authority to require reports from us on any matter and to examine our books, records and other documents. On the basis of the reports and examinations, the Minister of Economy and Finance may issue any orders it deems necessary to enforce the KEXIM Act or delegate examinations to the Financial Services Commission;
- the Financial Services Commission may supervise our operations to ensure managerial soundness based upon the KEXIM Decree and the Supervisory Regulations of Banking Business legislated by the Financial Services Commission and may issue orders deemed necessary for such supervision;
- we must submit our annual report to the Ministry of Economy and Finance within three months following the end of each fiscal year and, upon request from the National Assembly during its annual audit period, to the National Assembly within ten days from the date of the request from the National Assembly, outlining our operations and analyzing our activities during the relevant fiscal year; and
- we may amend our By-laws and operating manual only with the approval of the Minister of Economy and Finance.

Selected Financial Statement Data

Except where expressly indicated otherwise in this Offering Circular, loans in Won and loans in foreign currencies (each before deducting allowance for loan losses) are collectively referred to as the "Loans"; bills bought, foreign exchange bought, advances for customers, call loans and interbank loans in foreign currencies (each before deducting allowance for loan losses) are collectively referred to as the "Other Loans"; Loans and Other Loans are collectively referred to as the "Loan Credits"; confirmed guarantees and acceptances are collectively referred to as the "Guarantees"; and Loan Credits and Guarantees are collectively referred to as the "Credit Exposure."

You should read the following selected financial statement data together with our separate financial statements and notes included in this Offering Circular.

	Year Ended December 31,		
	2020	2021	2022
	(billions of Won)		
Income Statement Data			
Total Interest Income	₩ 2,289	₩ 1,746	₩ 3,071
Total Interest Expense	1,408	841	2,118
Net Interest Income	881	904	952
Operating Income	271	743	569
Income before Income Tax	140	746	571
Income Tax Expense	38	199	184
Net Income	102	548	387

	As of December 31,	
	2021	2022
	(billions of Won)	
Balance Sheet Data		
Total Loan Credits[1]	₩ 79,995	₩ 91,725
Total Borrowings[2]	82,063	97,905
Total Assets	101,452	122,070
Total Liabilities	86,099	106,634
Total Shareholders' Equity	15,353	15,436

(1) Gross amount, including domestic usance bills, foreign currency bills bought, advance payments on acceptances and guarantees, call loans, interbank loans in foreign currency, private placement corporate bonds in local currency and others and before deducting allowance for loan losses and net deferred loan origination fees and costs. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 10."

(2) Includes debentures.

2022

We had net income of ₩387 billion in 2022 compared to ₩548 billion in 2021. The principal factors for the decrease in net income included:

- a 107.1% increase in net loss on hedging derivative assets to ₩3,224 billion in 2022 from ₩1,556 billion in 2021, primarily due to an increase in losses on hedging instruments to ₩3,716 billion in 2022 from ₩1,745 billion in 2021, resulting from increased volatility in exchange rates and interest rates in 2022;

- a change in net gain (loss) on financial assets at fair value through profit or loss to a net loss of ₩306 billion in 2022 from a net gain of ₩127 billion in 2021, primarily due to an increase in net loss on valuation of trading derivatives to ₩764 billion in 2022 from ₩140 billion in 2021; and

- an 84.0% increase in additional impairment loss on credit to ₩678 billion in 2022 from ₩368 billion in 2021, mainly reflecting a deterioration in the overall asset quality of our loan portfolio due to the general downturn of the economy in Korea and globally in 2022.

These factors were in large part offset by a 166.4% increase in net other operating income to ₩3,173 billion in 2022 from ₩1,191 billion in 2021, primarily due to an increase in net gain on fair value hedged items to ₩3,165 billion in 2022 from ₩1,232 billion in 2021.

As of December 31, 2022, our total assets increased by 20.3% to ₩122,070 billion from ₩101,452 billion as of December 31, 2021, primarily due to a 15.3% increase in loans at amortized cost to ₩89,300 billion as of December 31, 2022 from ₩77,458 billion as of December 31, 2021, and to lesser extents, a 122.5% increase in cash and due from financial institutions to ₩9,931 billion as of December 31, 2022 from ₩4,463 billion as of December 31, 2021 and a 60.6% increase in financial assets at fair value through profit or loss to ₩4,173 billion as of December 31, 2022 from ₩2,598 billion as of December 31, 2021.

As of December 31, 2022, our total liabilities increased by 23.9% to ₩106,634 billion from ₩86,099 billion as of December 31, 2021, primarily due to a 14.8% increase in debentures to ₩87,792 billion as of December 31, 2022 from ₩76,486 billion as of December 31, 2021 and an 81.3% increase in borrowings to ₩10,113 billion as of December 31, 2022 from ₩5,577 billion as of December 31, 2021.

As of December 31, 2022, our total shareholders' equity increased by 0.5% to ₩15,436 billion from ₩15,353 billion as of December 31, 2021, primarily due to a 10.5% increase in retained earnings to ₩2,051 billion as of December 31, 2022 from ₩1,856 billion as of December 31, 2021 and a 0.2% increase in capital stock to ₩12,773 billion as of December 31, 2022 from ₩12,748 billion as of December 31, 2021, the effects of which were offset in part by a change in gains (losses) on debt securities at fair value through other comprehensive income to a loss of ₩214 billion as of December 31, 2022 from a gain of ₩18 billion as of December 31, 2021.

2021

We had net income of ₩548 billion in 2021 compared to ₩102 billion in 2020. The principal factors for the increase in net income included:

- a 56% decrease in impairment loss on credit to W368 billion in 2021 from W838 billion in 2020, primarily reflecting a general improvement in asset quality of our loan portfolios as well as our preemptive measures to account for a potential increase in expected impairment loss that could result from a deterioration in the overall asset quality of our loan portfolio due to the COVID-19 pandemic in 2020, which was not repeated in 2021; and

- a change in net gain (loss) on investments in associates and subsidiaries to a net gain of W11 billion in 2021 from a net loss of W125 billion in 2020, primarily as a result of impairment losses recognized in connection with our investments in Korea Aerospace Industries in 2020, which was not repeated in 2021.

These factors were partially offset by a more than four-fold increase in income tax expense to ₩199 billion in 2021 from ₩38 billion in 2020, primarily due to an increase in profit before income tax to ₩746 billion in 2021 from ₩140 billion in 2020.

As of December 31, 2021, our total assets increased by 4% to ₩101,452 billion from ₩97,590 billion as of December 31, 2020, primarily due to a 6% increase in loans at amortized cost to ₩77,458 billion as of December 31, 2021 from ₩73,407 billion as of December 31, 2020 and a 15% increase in financial investments to ₩12,745 billion as of December 31, 2021 from ₩11,042 billion as of December 31, 2020, the effects of which were offset in part by a 63% decrease in hedging derivative assets to ₩562 billion as of December 31, 2021 from ₩1,500 billion as of December 31, 2020 and a 25% decrease in financial assets at fair value through profit or loss to ₩2,598 billion as of December 31, 2021 from ₩3,478 billion as of December 31, 2020.

As of December 31, 2021, our total liabilities increased by 4% to ₩86,099 billion from ₩83,121 billion as of December 31, 2020, primarily due to a 5% increase in debentures to W76,486 billion as of December 31, 2021 from W72,642 billion as of December 31, 2020, the effect of which was offset in part by a 24% decrease in other assets to ₩1,985 billion as of December 31, 2021 from ₩2,603 billion as of December 31, 2020 and an 8% decrease in borrowings to ₩5,577 billion as of December 31, 2021 from ₩6,077 billion as of December 31, 2020.

As of December 31, 2021, our total shareholders' equity increased by 6% to ₩15,353 billion from ₩14,469 billion as of December 31, 2020, primarily due to increases in retained earnings and capital stock.

Operations

Loan Operations

Our primary objective since our establishment has been to promote the export and competitiveness of Korean goods and services in international markets. To this end, we have introduced various financing facilities and implemented lending policies that are responsive to the needs of Korean exporters and foreign importers. Over the years, we have also developed financing facilities and lending policies that are consistent with the Government's overall economic policies. In the latter part of the 1980s, as a result of changing trade conditions and the increased internationalization of the Korean economy, overseas investment credits and import credits were promoted and began to constitute an important portion of our business. Our lending programs include (1) export credits to Korean exporters or foreign buyers of Korean goods and services, (2) overseas investment credits to Korean firms and (3) import credits to Korean importers.

Before approving a credit, we consider:

- economic benefits to the Republic;
- the industry's rank in the order of priorities established by the Government's export-import policy;
- credit risk associated with the loans to be extended; and
- the goal of diversifying our lending activities.

The KEXIM Act and the By-laws provide that we may extend credit only where repayment "is considered probable." Accordingly, we carefully investigate the financial position of each prospective borrower and the technical and financial aspects of the project to be financed, and a loan is made only if we believe there is reasonable assurance of repayment. See "—Credit Policies, Credit Approval and Risk Management—Credit Approval."

In 2022, we provided Loans of ₩59,110 billion, a decrease of 2% from the previous year, and our commitments of Loans amounted to ₩65,169 billion, an increase of 8% from the previous year. The decrease in disbursements of Loans was primarily attributable to decreased demand from the automobile industry and the increase in commitments for Loans was primarily attributable to increased demand from the shipbuilding industry.

The following table sets out the total amounts of our outstanding Loan Credits, categorized by type of credit:

	As of December 31,		
	2021	2022	As % of 2022 Total
	(billions of Won)		
Export Credits			
Industrial Plants	₩ 13,480	₩ 12,080	13%
Shipbuilding	6,517	6,964	8%
Ferrous & nonferrous metal products	2,492	2,753	3%
Petrochemical products	2,732	4,002	4%
Automobiles	2,568	3,116	3%
Electronic machineries	3,326	3,864	4%
Others[(1)]	7,523	8,839	10%
Sub-total	38,638	41,619	45%
Overseas Investment Credits	32,830	36,405	40%
Import Credits	6,122	8,589	9%
Others[(2)]	2,399	5,106	6%
Present Value Premium/Discount	6	6	0%
Total Loan Credits	₩ 79,995	₩ 91,725	100%

(1) Includes general machinery, service sector, etc.
(2) Includes call loans, loans for Inter-bank loans in foreign currency, advances for customers, etc.
Source: Internal accounting records

The following table sets out our new loan commitments, categorized by type of credit:

New Loan Credit Commitments by Type of Credit

	As of December 31, 2021	As of December 31, 2022	As % of 2022 Total
	(billions of Won)		
Export Credits			
Industrial Plants	₩ 576	₩ 1,114	2%
Shipbuilding	3,960	4,776	7%
Ferrous & nonferrous metal products	2,427	2,028	3%
Petrochemical products	4,941	4,822	7%
Automobiles	3,449	3,134	5%
Electronic machineries	4,959	4,024	6%
Others[(1)]	9,845	11,850	18%
Sub-total	30,158	31,749	49%
Overseas Investment Credits	18,003	22,715	35%
Import Credits	12,198	10,705	16%
Others	0	0	0%
Total	₩ 60,359	₩ 65,169	100%

(1) Includes general machinery, service sector, etc.
Source: Internal accounting records

Export Credits

We offer export credits to either domestic suppliers or foreign buyers to finance export transactions.

Export Credits to domestic suppliers include:

- export loans to Korean exporters that export capital goods such as ships, industrial plants and machinery;
- pre-shipment credit to Korean exporters or manufacturers producing export products;
- technical service credit to Korean companies that export technical services abroad, including overseas construction projects;
- short-term trade financing to Korean exporters that manufacture export goods under short-term export contracts;
- small business export credit to small and medium-sized enterprises that manufacture export goods or supply materials needed by their primary exporters;
- rediscount on trade bills to domestic commercial banks for exporters;
- forfaiting to Korean exporters by discounting trade bills under the usance line of credit from export transactions on a non-recourse basis; and
- export factoring to Korean exporters by discounting trade receivables that occurs from open account export transactions on credit on a non-recourse basis.

Export credits to foreign buyers include:

- direct loans to foreign buyers that purchase Korean goods and services;
- project finance to foreign companies that intend to import industrial plants, facilities and technical services from Korea for large-scale projects, of which the cash flows from such projects are the main source for repayment;
- structured finance to foreign shipping companies that purchase ships from Korean shipyards, of which the repayment usually depends on the cash flows generated by the operation of ships; and
- interbank export loans to creditworthy banks in foreign countries to help foreign buyers obtain credit for the purchase of goods and services of Korean origin.

As of December 31, 2022, export credits in the amount of ₩41,619 billion represented 45% of our total outstanding Loan Credits. Our disbursements of export credits in 2022 amounted to ₩31,731 billion, a decrease of 4% from the previous year, and our new commitments of export credits in 2022 amounted to ₩31,749 billion, an increase of 5% from the previous year.

We offer export credits to Korean companies in order to provide them with the funds required for the manufacture or construction of capital and non-capital goods and readying of technical services designated in our operating manual for export. Capital goods eligible for export credit financings currently include ships, industrial plants, industrial machinery and overseas construction projects. With respect to eligible items supported by our export credits, ships as well as industrial plants have traditionally had some of the largest shares of our export credit operations.

We offer export loans and technical service credits to domestic suppliers at fixed (no less than the Commercial Interest Reference Rate under the OECD Arrangement (as defined below)) or floating rates of interest with maturities of up to 12 years for ships and maturities of varying terms, from two to 18 years, for financings of other eligible items. We typically require a minimum down payment of 20% of the contract amount for ship export financings and a minimum down payment of 15% for financings of other eligible items. When the credit rating of a prospective borrower does not meet our internal rating criteria, these export credits are secured by promissory notes issued in connection with the relevant transaction, or letters of guarantees or letters of credit issued or confirmed by a creditworthy international bank or the importer's government or central bank. Other terms and conditions under such export credit facilities must be in accordance with the Arrangement on Guidelines for Officially Supported Export Credits by the Organization for Economic Cooperation and Development, or the OECD Arrangement. We offer direct loans to foreign buyers, project finance to project companies and structured finance for ships to foreign shipping companies under similar terms and conditions as export credit financings to domestic suppliers. We offer interbank export loans to overseas banks to facilitate imports by foreign importers of Korean manufactured goods. Interbank export loans are offered at fixed or floating rates of interest with maturities of up to ten years.

Overseas Investment Credits

We extend overseas investment credits to either Korean companies or foreign companies in which a Korean company has an equity share, to finance investments in eligible overseas businesses and projects. Such financing programs include:

- overseas investment credit to Korean companies that invest abroad in the form of capital subscription, acquisition of stocks and long-term credit;
- overseas project credit to Korean companies or their overseas subsidiaries engaging in businesses outside Korea;
- major resources development credit to Korean companies for development of natural resources and acquisition of mining rights abroad; and
- overseas business credit to foreign companies in which Korean companies have an equity stake, in the form of funds for purchasing equipment or working capital.

As of December 31, 2022, overseas investment credits amounted to ₩36,405 billion, representing 40% of our total outstanding Loan Credits. Our disbursements of overseas investment credits in 2022 amounted to ₩16,173 billion, a decrease of 4% from the previous year, and our new commitments of overseas investment credits in 2022 amounted to ₩22,715 billion, an increase of 26% from the previous year.

Proposals for overseas investment credits to finance the acquisition of important materials or the development of natural resources for the Korean economy, as determined by the Government, are given priority, together with projects that promote the export of Korean goods and services. As a result, projects financed by our overseas investment credit program have been mainly in the fields of manufacturing or development of natural resources.

We offer overseas investment credits at either fixed or floating rates of interest with maturities up to 30 years. Such facilities may require security in the form of a bank guarantee, pledge or mortgage on the borrower's local assets. Depending upon the size of the borrower, we will provide up to 100% of the financing required for the overseas investment project.

Import Credits

We offer import credits to Korean companies that directly import essential materials, natural resources and high-technology materials whose stable and timely supply is required for the national economy, or to Korean companies that import such items after developing them overseas. Import credits are extended for importation of eligible items, including nuclear fuels, aircraft, mineral ores, crude oil, lumber, wood pulp, grains, cotton, sugar, and equipment and machinery for research and development, and for use in advanced technological industries.

As of December 31, 2022, import credits in the amount of ₩8,589 billion represented 9% of our total outstanding Loan Credits. Our disbursements of import credits in 2022 amounted to ₩11,207 billion, an increase of 8% from the previous year, and our new commitments of import credits in 2022 amounted to ₩10,705 billion, a decrease of 12% from the previous year.

We offer import credits at either fixed or floating rates of interest with maturities up to ten years for equipment and machinery and shorter maturities of up to two years for other items, which may require security in the form of a bank guarantee, pledge or mortgage on the borrower's local assets. We generally provide up to 80% of the import contract amount, but provide up to 90% of the import contract amount in the case of small and medium-sized enterprises and up to 100% for transactions with a letter of credit opened by a bank.

Guarantee Operations

We provide guarantees in favor of Korean commercial banks and foreign banks or foreign importers in respect of the obligations of Korean exporters in order to facilitate export and import financings. Such guarantee programs for Korean exporters and importers include (1) financial guarantees to co-financing banks that provide loans for transactions that satisfy our eligibility requirements and (2) project-related guarantees to foreign importers for the performance of Korean exporters on eligible projects in the form of bid bonds, advance payment bonds, performance bonds and retention bonds. Guarantee commitments as of December 31, 2022 increased to ₩53,388 billion from ₩40,231 billion as of December 31, 2021. Guarantees we had confirmed as of December 31, 2022 increased to ₩39,373 billion from ₩30,069 billion as of December 31, 2021.

We mainly issue project-related guarantees, which include:

- advance payment guarantees that are issued to overseas importers of Korean goods and services to support obligations to refund down payments made to Korean exporters in the event of a failure to deliver the goods to be exported; and
- performance guarantees that are issued to foreign importers to support the performance by Korean exporters of their contractual obligations.

In 2022, we issued project-related confirmed guarantees in the amount of ₩11,951 billion, an increase of 44% from the previous year.

We also issue letters of credit to foreign exporters to assist in the financing of projects approved in connection with import credit loans, and to Korean exporters to assist in the financing of projects approved in connection with export credit loans.

For further information regarding our guarantee and letter of credit operations, see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 36."

Government Account Operations

Economic Development Cooperation Fund

In 1987, the Government established the Economic Development Cooperation Fund, or the EDCF, to provide loans, at concessional interest rates, to governments or agencies of developing countries for projects that contribute to industrial development or economic stabilization of such countries. We administer the EDCF on behalf of the Government and are responsible for project appraisal, documentation and administrative work relating to the EDCF Loans. The EDCF business accounts are maintained separately from our own account on behalf of the Government, and we derive no separate income or expenditures from our operation of the EDCF business. Government contributions constitute the primary funding source of the EDCF. Loan disbursements by the EDCF in 2022 amounted to ₩1,218 billion for 112 projects in 39 countries, a decrease of 1% from the previous year. As of December 31, 2022, the total outstanding loans extended by the EDCF was ₩10,875 billion, an increase of 11% from the previous year.

Inter-Korean Cooperation Fund

In 1991, the Government established the Inter-Korean Cooperation Fund, or the IKCF, to promote mutual exchanges and cooperation between the Republic and North Korea by engaging in funding and financing activities to support family reunions, cultural events, academic seminars, trade and economic cooperation between the two countries. We administer the IKCF under the initiative and policy coordination of the Ministry of Unification. The IKCF accounts are maintained separately from our own account on behalf of the Government. Government contributions are the major funding source of the IKCF. The IKCF disbursements during 2022 amounted to ₩78 billion for 535 projects, and cumulative total disbursements as of December 31, 2022 were ₩7,185 billion, an increase of 1% from ₩7,107 billion as of December 31, 2021.

Other Operations

We engage in various other activities related to our financing activities.

Activities in which we currently engage include:

- country information services performed by the Overseas Economic Research Institute, which conducts country studies and country risk evaluation to assist in the efficient utilization of our financial resources;
- export credit advisory services, which are aimed at bringing about a larger share of overseas bidding by giving Korean exporters a wide range of knowledge on the country, industry, market and financial situation of the importing country in the early stage of the tendering process or contract negotiations;
- consulting services by in-house professionals including lawyers, accountants and regional experts who consult on international transactions; and
- management of Korea's foreign direct investment database.

Description of Assets and Liabilities

Total Credit Exposure

We extend credits to support export and import transactions, overseas investment projects and other relevant products in various forms including loans and guarantees.

The following table sets out our Credit Exposure as of December 31, 2021 and 2022, categorized by type of exposure extended:

		As of December 31,			
		2021		2022	
		(billions of Won, except for percentages)			
A	Loans in Won	₩ 24,238	22%	₩ 28,853	22%
B	Loans in Foreign Currencies	51,613	48%	57,760	45%
C	**Loans (A+B)**	75,851	70%	86,613	67%
D	Other Loans	4,144	4%	5,112	4%
E	**Loan Credits (C+D)**	79,995	74%	91,725	71%
F	Allowances for Loan Losses	(2,166)	(2)%	(2,013)	(2)%
G	**Loan Credits including allowance for loan losses (E-F)**	77,829	72%	89,712	69%
H	Guarantees	30,069	28%	39,373	31%
I	**Credit Exposure (G+H)**	107,898	100%	129,085	100%

Loan Credits by Geographic Area

The following table sets out the total amount of our outstanding Loan Credits as of December 31, 2021 and 2022, categorized by geographic area [(1)]:

	As of December 31,[(1)]		As % of
	2021	2022	2022 Total
	(billions of Won)		
Asia[(2)]	₩ 61,373	₩ 58,376	64%
Europe	9,625	13,347	15%
America	7,288	18,706	20%
Africa	1,708	1,296	1%
Total	₩ 79,995	₩ 91,725	100%

(1) For purposes of this table, export credits have been allocated to the geographic areas in which the foreign buyers of Korean exports are located; overseas investment credits have been allocated to the geographic areas in which the overseas investments being financed are located; and import credits have been allocated to the geographic areas in which the sellers of the imported goods are located.

(2) Includes Australia.

Source: Internal accounting records

Economic Sanctions

The U.S. government, including the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, administers and enforces certain laws and regulations, or U.S. primary sanctions, that prohibit or restrict dealings with or related to certain designated countries and territories, governments, entities and individuals, and entities majority-owned by such parties, that take place within U.S. jurisdiction. U.S. primary sanctions include territorial sanctions that broadly prohibit transactions or dealings with or in designated countries and jurisdictions (currently, Cuba, Iran, North Korea, Syria, and the Crimea region and so-called Donetsk People's Republic and Luhansk People's Republic of Ukraine); blocking sanctions that generally prohibit transactions or dealings with or involving blocked persons or the property or interests in property of blocked person; and non-blocking sanctions that prohibit or restrict specific kinds of transactions or dealings, including, for example, dealings in debt or equity issued by certain designated parties after certain dates. For example, Iran currently is and has been subject to U.S. territorial sanctions. In addition, as a result of the ongoing conflict involving Ukraine, the United States, along with the European Union, the United Kingdom, Korea, Singapore and other major jurisdictions, has adopted new, additional and/or enhanced sanctions on Russia. Although U.S. primary sanctions generally are not applicable to non-U.S. persons (although certain U.S. primary sanctions programs do apply to the non-U.S. subsidiaries of U.S. companies), non-U.S. persons can be held liable for violations of U.S. primary sanctions to the extent they participate in prohibited transactions or dealings within U.S. jurisdiction (including, for example, transactions or dealings involving U.S. goods, services or technology, U.S. persons, or U.S. dollar payments that are cleared by U.S. financial institutions). Violations of U.S. primary sanctions can result in substantial civil or, in the case of willful violations, criminal penalties.

In addition to U.S. primary sanctions, the United States has numerous so-called "secondary sanctions" programs that give the U.S. government authority to impose a variety of sanctions, including blocking sanctions, on non-U.S. parties that engage in sanctionable activities, including, for example, certain dealings relating to Iran and Russia or blocked persons, outside of U.S. jurisdiction. The imposition of U.S. secondary sanctions is not automatic, and instead requires specific action by the U.S. government. In practice, U.S. secondary sanctions are highly discretionary and may be strongly influenced by political considerations, and accordingly, are difficult to predict. Our business and reputation could be adversely affected, for example, if the U.S. government were to determine that our activities, or the activities of any of our counterparties, involve sanctionable activity under U.S. secondary sanctions.

In addition, the European Union, the United Kingdom, Korea, Singapore and other major jurisdictions administer and enforce their own sanctions programs that target certain countries and territories, governments, entities and individuals in varying respects that we or certain of our dealings may be subject to.

Furthermore, we are aware, through press reports and other means, of initiatives by certain governmental entities and institutions in the United States, such as universities and pension funds, to adopt laws, regulations or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with certain sanctioned countries, including Iran. For the reasons discussed below, it is possible that such initiatives may result in our being unable to gain or retain entities subject to such prohibitions as customers or as investors in our debt securities. In addition, our reputation may suffer due to our association with Iran and Russia. Such a result could have significant adverse effects on our business or the price of our debt securities.

Our business previously included activities related to Iran consisting solely of the extension of credit and financing provided in connection with the export of Korean goods and services to Iran and the disbursement of Iran-related credits directly to Korean suppliers or exporters. Such activities involved export-related credits to finance the export contracts of Korean exporters supplying goods and services to Iranian companies and Iranian financial institutions that may be subject to U.S. sanctions, including as a result of being indirectly owned or controlled by the Iranian government. These transactions did not involve U.S. persons, were not conducted in U.S. dollars, did not involve any U.S.-origin goods or services or any other U.S. jurisdictional nexus, and such transactions were subject to policies and procedures designed to ensure compliance with applicable Korean laws and regulations, including sanctions. We currently have no active dealings related to Iran. We did not have any credit or financing arrangements related to Iran as of December 31, 2020, 2021 and 2022, and did not derive any operating revenue from transactions with, involving, or related to Iran in 2020, 2021 and 2022.

We engage in limited business related to Russia, including dealings with the government of the Russian Federation under a legacy loan arrangement and the extension of credit to two Russian financial institutions that have been designated for U.S. (but not Singaporean) sanctions (one of which has been designated for U.S. blocking sanctions and one of which has been designated for U.S. non-blocking sanctions).

As of December 31, 2022, the government of the Russian Federation owed us approximately US$32 million pursuant to a legacy loan arrangement resulting from a commodity loan we extended to Vnesheconombank, formerly the Bank for Foreign Economic Affairs of the Soviet Union and now the Russian Federation state development corporation, in the early 1990s. The loan was initially guaranteed by the government of the Soviet Union; the guarantee was subsequently assumed by the government of the

Russian Federation. Our dealings under the loan arrangement are formally with the Ministry of Finance of the Russian Federation, which has been designated for various sanctions, including U.S. sanctions. As of December 31, 2022, the government of the Russian Federation has paid back approximately 89.3% of the loan. The loan is classified as precautionary in terms of asset quality (based on previous repayment activity and our internal credit rating system). The provisioning level we established for the credit exposure as of December 31, 2022 was 14.4%. Dealings with the government of the Russian Federation under the loan arrangement have historically included payments in U.S. dollars involving U.S. financial institutions. Our dealings under the loan arrangement with the government of the Russian Federation have been conducted at all times in full compliance with applicable sanctions. In February 2022, we paused all dealings (including any payments under the loan arrangement) with the government of the Russian Federation. In December 2022, we accepted a one-time payment of US$10 million from the government of the Russian Federation under the loan arrangement that was specifically authorized by OFAC. Besides that one-time payment, our dealings with the government of the Russian Federation remain paused. We are continuing to evaluate the loan arrangement and will only engage in additional dealings under the loan arrangement with the government of the Russian Federation that are fully compliant with applicable sanctions.

Our arrangements with two Russian financial institutions, which involve the extension of credit and have historically included dealings in U.S. dollars involving U.S. financial institutions, were all in place prior to February 2022. As of December 31, 2022, the two Russian financial institutions owed us approximately US$200 million. The provisioning level we established for that credit exposure as of December 31, 2022 was 80.5%. Our dealings with the Russian financial institutions have been conducted at all times in full compliance with applicable sanctions. In 2022, we paused all dealings with the Russian financial institutions, and such dealings remain paused, meaning we have not engaged in any additional dealings (including any payments under the credit arrangements) with the Russian financial institutions since February 2022 (even if the contemplated transactions would not have been prohibited or restricted by applicable sanctions) and we are currently unable to accept any payments from the Russian financial institutions under the credit arrangements. We are continuing to evaluate these credit arrangements and will only engage in additional dealings with the two relevant Russian financial institutions that are fully compliant with applicable sanctions.

We do not have any other dealings with the government of the Russian Federation, any Russian Federation government stated-owned entities, or any other sanctioned Russian parties.

Individual Exposure

The KEXIM Decree imposes limits on our aggregate credits extended to a single person or business group, with which requirements we are in compliance with as of the date hereof. However, our large exposure to various business groups in Korea means that we are also exposed to financial difficulties experienced by our borrowers as a result of, among other things, adverse economic conditions in Korea and globally. For example, the impact of the COVID-19 pandemic on the Korean economy, the invasion of Ukraine by Russia and ensuing actions taken by the United States and other countries, and rapid increases in policy interest rates globally (including Korea) to combat rising inflationary pressures have had, and may continue to have, an adverse impact on the business, activities and operations of many of our borrowers, including large business groups, which in turn could have an adverse impact on the ability of our borrowers to meet existing payment or other obligations to us. See "The Republic of Korea—The Economy—Worldwide Economic and Financial Difficulties." A continued deterioration in the financial condition of our borrowers could result in a deterioration in the quality of our loan portfolio, which in turn could result in an increase in delinquency ratios, increased charge-offs and higher provisioning, as well as an increase in impairment losses on such loans, which could have a material adverse impact on our business, financial condition or results of operations.

As of December 31, 2022, our largest Credit Exposure was to Daewoo Shipbuilding & Marine Engineering Co., Ltd., or DSME, in the amount of ₩5,407 billion. As of December 31, 2022, our second largest and third largest Credit Exposures, respectively, were to Samsung Heavy Industries Co., Ltd., in the amount of ₩4,071 billion and to Hyundai Heavy Industries Co., Ltd., or HHI in the amount of ₩3,274 billion.

The following table sets out our five largest Credit Exposures as of December 31, 2022[(1)]:

Rank	Name of Borrower	Loan Credits	Guarantees	Total
			(billions of Won)	
1	Daewoo Shipbuilding & Marine Engineering Co., Ltd.	₩ 580	₩ 4,827	₩ 5,407
2	Samsung Heavy Industries Co., Ltd.	948	3,123	4,071
3	Hyundai Heavy Industries Co., Ltd.	65	3,209	3,274
4	SK hynix Inc.	1,567	0	1,567
5	GS Engineering & Construction Corp.	765	702	1,467

(1) Excludes loans and guarantees extended to affiliates.
Source: Internal accounting records.

In recent years, DSME, one of the largest shipbuilding and offshore construction companies in Korea, suffered from financial difficulties primarily due to significant losses incurred in connection with the construction of offshore plants resulting from a prolonged slowdown in the global shipbuilding industry. In October 2015, we announced that we, along with The Korea Development Bank, plan to provide financial support to DSME, including provision of liquidity support of up to ₩4.2 trillion. In December 2016, in a bid to improve DSME's capital structure, we exchanged a term loan in the amount of ₩1 trillion provided by us to DSME for perpetual bonds newly issued by DSME, while The Korea Development Bank engaged in debt-for-equity swaps amounting to ₩1.8 trillion. In March 2017, we and The Korea Development Bank announced a second joint plan to provide an additional ₩2.9 trillion in financial support to DSME, which was approved by the other creditors in April 2017. Based on such plan, we exchanged a term loan in the amount of ₩1.28 trillion provided by us to DSME for perpetual bonds issued by DSME and The Korea Development Bank provided additional debt-to-equity swaps of ₩0.3 trillion in June 2017. Other creditors also provided debt-to-equity swaps for up to 80% of their debt with DSME and rescheduled the maturities of the remainder. Subsequently, in March 2019, HHI entered into a definitive agreement with The Korea Development Bank to acquire DSME. In January 2022, however, the European Commission announced that it would not grant approval for such acquisition due to anti-competition concerns for LNG carriers. In December 2022, Hanwha Group entered into a definitive agreement with The Korea Development Bank to acquire a 49.3% equity stake in DSME for approximately ₩2 trillion. The consummation of the acquisition currently remains subject to various conditions, including regulatory approval from a number of relevant jurisdictions.

Asset Quality

The Supervisory Regulation of Banking Business, or the Supervisory Regulation, legislated by the Financial Services Commission requires banks, including us, to analyze and classify their credits into one of five categories as normal, precautionary, substandard, doubtful or estimated loss by taking into account borrowers' repayment capacity as well as a number of other factors including the financial position, profitability, transaction history of the relevant borrower and the value of any collateral or guarantee taken as security for the extension of credit. Categorizations are applied to all loans except call loans and interbank loans, which are classified as normal. Credit categorizations are as follows:

Normal .....Credits extended to customers which, in consideration of their business and operations, financial conditions and future cash flows, do not raise concerns regarding their ability to repay the credits.

Precautionary .....Credits extended to customers (1) which, in consideration of their business and operations, financial conditions and future cash flows, are judged to have potential risks with respect to their ability to repay the credits in the future, although there have not occurred any immediate risks of default in repayment; or (2) which are in arrears for one month or more but less than three months.

Substandard .....(1) Credits extended to customers, which in consideration of their business and operations, financial conditions and future cash flows, are judged to have incurred considerable risks for default in repayment as the customers' ability to repay has deteriorated; or (2) that portion which is expected to be collected of total credits (a) extended to customers which have been in arrears for three months or more, (b) extended to customers which are judged to have incurred serious risks due to the occurrence of final refusal to pay their promissory notes, liquidation or bankruptcy proceedings, or closure of their businesses or (c) of "Doubtful Customers" or "Estimated-loss Customers" (each as defined below).

Doubtful .....That portion of credits in excess of the amount expected to be collected of total credits extended to (1) customers, or Doubtful Customers, which, in consideration of their business and operations, financial conditions and future cash flows, are judged to have incurred serious risks of default in repayment due to noticeable deterioration in their ability to repay; or (2) customers which have been in arrears for three months or more but less than twelve months.

Estimated Loss ....That portion of credits in excess of the amount expected to be collected of total credits extended to (1) customers, or Estimated-loss Customers, which, in consideration of their business and operations, financial conditions and future cash flows, are judged to have to be accounted as a loss as the inability to repay became certain due to serious deterioration in their ability to repay; (2) customers which have been in arrears for twelve months or more; or (3) customers which are judged to have incurred serious risks of default in repayment due to the occurrence of final refusal to pay their promissory notes, liquidation or bankruptcy proceedings, or closure of their businesses.

Under K-IFRS, we establish provisions for credit losses with respect to loans using either a case-by-case or collective approach. We assess individually significant loans on a case-by-case basis and other loans on a collective basis. In addition, if we determine that no objective evidence of impairment exists for a loan, we include such loan in a group of loans with similar credit risk characteristics and assess them collectively for impairment regardless of whether such loan is significant. If there is objective evidence that an impairment loss has been incurred for individually significant loans, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of the estimated future cash flows discounted at such asset's original effective interest rate. Future cash flows are estimated through a case-by-case analysis of individually assessed assets, which takes into account

the benefit of any guarantee or other collateral held. The value and timing of future cash flow receipts are based on available estimates in conjunction with facts available at the time of review and reassessed on a periodic basis as new information becomes available. For collectively assessed loans, we base the level of provisions for credit losses on a portfolio basis in light of the homogenous nature of the assets included in each portfolio. The provisions are determined based on a quantitative review of the relevant portfolio, taking into account such factors as the level of arrears, the value of any security, and historical and projected cash recovery trends over the recovery period. For more detailed information regarding our loan loss provisioning policy, see "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 3(7)."

Asset Classifications

The following table provides information on our loan loss reserves:

	As of December 31, 2021		As of December 31, 2022	
	Loan Amount[1]	Loan Loss Reserve[2][3]	Loan Amount[1]	Loan Loss Reserve[2][3]
	(billions of Won)			
Normal	₩ 138,298	₩ 779	₩ 159,106	₩ 808
Precautionary	9,667	797	11,754	1,448
Sub-standard	263	140	516	349
Doubtful	1,074	855	848	726
Estimated Loss	621	579	123	100
Total	₩ 149,923	₩ 3,151	₩ 172,347	₩ 3,432

(1) These figures include loans (excluding interbank loans and call loans), domestic usance bills, bills bought, notes bought, advances for customers, confirmed and unconfirmed acceptances and guarantees and unused loan commitments, among others.
(2) Consists of (i) allowance for loan losses, (ii) provisions for confirmed and unconfirmed acceptances and guarantees and (iii) certain financial guarantee contract liabilities.
(3) These figures include present value discount.

Reserves for Credit Losses

Non-performing assets, or NPAs, are defined as assets that are classified as substandard or below.

The following table sets out our 10 largest non-performing assets as of December 31, 2022:

Borrower	Loans	Guarantees	Total
	(billions of Won)		
EGYPTIAN REFINING COMPANY S.A.E.	₩ 493	₩ 142	₩ 635
Acwa Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret Anonim Sirketi	118	47	165
PJSC SOVCOMBANK	127	0	127
CREDIT BANK OF MOSCOW	125	0	125
GAZIANTEP HASTANE SAGLIK HIZMETLERI ISLETME YATIRIM ANONIM SIRKETI	81	34	115
DYNATEC MADAGASCAR S.A.	0	94	94
RECAUDO BOGOTA S.A.S.	22	0	22
SEADRILL FINANCE LIMITED	18	0	18
HYUNJIN MATERIALS CO., LTD.	15	0	15
LEEYOUNG INDUSTRIAL MACHINERY CO., LTD.	11	0	11
Total	₩ 1,010	₩ 316	₩ 1,326

We cannot provide any assurance that our current level of exposure to non-performing assets will continue in the future or that any of our borrowers (including our largest borrowers as described above) is not currently facing, or in the future will not face, material financial difficulties.

As of December 31, 2022, the amount of our non-performing assets was ₩1,487 billion, a decrease of 24% from ₩1,958 billion as of December 31, 2021. As of December 31, 2022, our non-performing asset ratio was 0.9%, compared to 1.3% as of December 31, 2021.

The following table sets forth our reserves for possible credit losses as of December 31, 2021 and 2022:

	As of December 31,	
	2021	2022
	(billions of Won, except for percentages)	
Loan Loss Reserve (A)[1]	₩ 3,151	₩ 3,432
NPA (B)[2]	1,958	1,487
Total Shareholders' Equity (C)	15,353	15,436
Reserve to NPA (A/B)	161%	231%
Equity at Risk (B-A)/C	—	—

(1) Consists of allowance for loan losses and provisions for confirmed acceptances and guarantees, excluding the regulatory reserve for loans and guarantees.
(2) Non-performing assets, which are defined as assets that are classified as substandard or below.
Source: Internal accounting records

The following table sets forth our actual loan loss reserve ratios as of December 31, 2021 and 2022:

Classification of Loans	Actual Reserve Coverage (as of December 31, 2021)	Actual Reserve Coverage (as of December 31, 2022)
Normal	0.6%	0.5%
Precautionary	8.2%	12.3%
Substandard	53.3%	67.7%
Doubtful	79.6%	85.6%
Estimated Loss	93.2%	81.8%

Investments

Under the KEXIM Decree, we are not allowed to hold stocks or securities of more than three years' maturity in excess of 60% of our equity capital. However, investment in the following securities is not subject to this restriction:

- Government bonds;
- BOK currency stabilization bonds;
- securities acquired via contributions by the Government; and
- securities acquired through investment approved by the Minister of Economy and Finance, for research related to our operations, for our financing or pursuant to Korean statutes.

As of December 31, 2022, our total investment in securities amounted to ₩15,300 billion, representing 13% of our total assets. Our securities portfolio consists primarily of financial assets at fair value through other comprehensive income, or FVOCI. Financial assets at FVOCI mainly consist of marketable securities (including equity securities in Industrial Bank of Korea which was recapitalized by the Government through us) and non-marketable securities (including equity securities in Korea Expressway Corporation and Korea Land & Housing Corporation).

The following table sets out the composition of our securities as of December 31, 2021 and 2022:

	As of December 31, 2021		As of December 31, 2022	
Type of Investment Securities	Amount	%	Amount	%
	(billions of Won, except for percentages)			
Financial Assets at FVOCI	₩ 11,814	83%	₩ 11,677	76%
Financial Assets at Amortized Cost	931	7	1,687	11
Investments in Associates and Subsidiaries	1,565	11	1,936	13
Total	₩ 14,310	100%	₩ 15,300	100%

For further information relating to the classification guidelines and methods of valuation of our financial instruments (including securities), see "—Financial Statements and the Auditors—Notes to separate financial statements and of and for the years ended December 31, 2022 and 2021—Notes 3 and 5."

Guarantees and Acceptances and Contingent Liabilities

We have credit risk factors that are not reflected on the balance sheet, which include risks associated with guarantees and acceptances. Guarantees and acceptances do not appear on the balance sheet, but rather are recorded as an off-balance sheet item in the notes to the financial statements. Guarantees and acceptances include financial guarantees, project-related guarantees, such as bid bond, advance payment bond, performance bond or retention bond, and acceptances and advances relating to trade financings such as letters of credit or import freight. Contingent liabilities, for which the guaranteed amounts were not finalized, appear as unconfirmed guarantees and acceptance items in the notes to the financial statements as off-balance sheet items.

As of December 31, 2022, we had issued a total amount of ₩39,373 billion in confirmed guarantees and acceptances, of which ₩34,071 billion, representing 87% of the total amount, was classified as normal, ₩4,975 billion, representing 13% of the total amount, was classified as precautionary, and ₩326 billion, representing 1% of the total amount, was classified as substandard or below.

Derivatives

The objective in our strategy and policies on derivatives is to actively manage and minimize our foreign exchange and interest rate risks. It is our policy to hedge all currency and interest rate risks wherever possible (taking into consideration the cost of hedging). We use various hedging instruments, including foreign exchange forwards and options, interest rate swaps, and cross currency swaps.

Under our internal trading rules that have been submitted to the Financial Supervisory Service, our policy is to engage in derivative transactions mainly for hedging our own position. As part of our total exposure management system, we monitor our exposure to derivatives and may make real-time inquiries, which enables our Risk Management Department to check our exposure on a regular basis. Under the guidelines set by the Financial Supervisory Service, we are required to submit reports on our derivatives exposure to the Financial Supervisory Service on a quarterly basis. As a measure to reduce the risk of intentional manipulation or error, we have separated responsibility for different functions such as initiation, authorization, approval, recording, monitoring and reporting to the Financial Supervisory Service. The Risk Management Department conducts regular reviews of derivative transactions to monitor any breach of compliance with the relevant regulatory requirements.

As of December 31, 2022, our outstanding loans made at floating rates of interest totaled ₩61,452 billion, whereas our outstanding borrowings made at floating rates of interest totaled ₩59,687 billion, including those raised in Australian Dollar, Euro and Brazil Real and swapped into U.S. dollar floating rate borrowings. As a result, we are exposed to possible interest rate risks to the extent that the amount of our borrowings made at floating rates of interest exceeds the amount of our loans made at floating rates of interest. Foreign exchange risk arises because a majority of our assets and liabilities are denominated in non-Won currencies. In order to match our currency and interest rate structure, we generally enter into swap transactions.

The following table shows the unsettled notional amounts and estimated fair values of derivatives we held as of the dates indicated.

	As of December 31,					
	2021			2022		
	Unsettled Notional Amount	Fair Value of Assets	Fair Value of Liabilities	Unsettled Notional Amount	Fair Value of Assets	Fair Value of Liabilities
	(billions of Won)					
Currency forwards	₩ 5,872	₩ 58	₩ 41	₩ 96,005	₩ 256	₩ 339
Currency swaps	26,113	604	873	30,036	1,127	1,978
Interest rate swaps	47,235	854	514	56,314	904	2,553
Total	₩ 79,220	₩ 1,516	₩ 1,428	₩ 182,355	₩ 2,287	₩ 4,870

As of December 31, 2022, we had entered into 826 currency related derivative contracts with a notional amount of ₩126,041 billion and had entered into 466 interest rate related derivative contracts with a notional amount of ₩56,314 billion. See "—Financial Statements and the Auditors—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 20."

Sources of Funding

We obtain funds primarily through borrowings from the issuance of bonds in both domestic and international capital markets, borrowings from domestic and foreign financial institutions, capital contributions and internally generated funds. Internally generated funds result from various activities we carry on and include principal and interest payments on our loans, fees from guarantee operations and other services, and income from marketable securities we hold.

We raised a net total of ₩73,072 billion (new borrowings plus loan repayments by our clients less repayment of our existing debt) during 2022, an 8% increase compared with the previous year's ₩67,611 billion. The total loan repayments, including prepayments by our clients, during 2022 amounted to ₩55,908 billion, a decrease of 7% from ₩59,912 billion during 2021.

Since our establishment, the Government has, from time to time, provided us with loans to support our lending to Korean exporters and provide liquidity to us. As of December 31, 2022, our outstanding borrowings from the Government amounted to ₩668 billion. We also issued Won-denominated domestic bonds in the aggregate amounts of ₩22,370 billion, ₩17,170 billion and ₩24,810 billion during 2020, 2021 and 2022, respectively.

We have diversified our funding sources by borrowing from various overseas sources and issuing long-term floating-rate notes and fixed-rate debentures in the international capital markets. These issues were in foreign currencies, including the U.S. dollar, Thai Baht, Australian Dollar, Euro, Hong Kong Dollar, Singapore Dollar, Swiss Franc, Brazilian Real, Mexican Peso, Peruvian Sol, Indian Rupee, Indonesian Rupiah, Chinese Yuan, New Zealand Dollar, Philippine Peso, South African Rand, Danish Krone, Swedish Krona, Czech Koruna, Norwegian Krone, British Pound, Canadian Dollar, Japanese Yen and Polish Zloty and have original maturities ranging from one to thirty years.

During 2022, we issued Eurobonds in the aggregate principal amount of US$6,858 million in various types of currencies under our existing medium term notes program, a 30% increase from US$5,280 million in 2021. These bond issues consisted of offerings of US$2,605 million, HKD 3,211 million, BRL 12,537 million, CNY 2,717 million, AUD 40 million and ZAR 3,500 million. In addition, we issued global bonds during 2022 in the aggregate amount of US$5,500 million under our U.S. shelf registration statement, or the U.S. Shelf Program, compared with US$3,500 million in 2021. As of December 31, 2022, the outstanding amounts of our notes and debentures were US$32,652 million, HKD 9,224 million, BRL 14,178 million, EUR 5,692 million, THB 6,380 million, CHF 1,250 million, AUD 4,224 million, INR 29,304 million, CNY 7,234 million, IDR 10,733,000 million, NZD 174 million, ZAR 6,115 million, NOK 2,250 million, GBP 36 million, CAD 65 million, SEK 250 million, MXN 13,000 million, SGD 67 million, CZK 3,420 million, PEN 275 million, PHP 4,400 million, JPY 52,745 million and PLN 194 million.

We also borrow from foreign financial institutions in the form of loans that are principally made by syndicates of commercial banks at floating or fixed interest rates and in foreign currencies, with original maturities ranging from one to five years. As of December 31, 2022, the outstanding amount of such borrowings from foreign financial institutions was US$1,296 million.

Our capital stock has increased from time to time since our establishment. From January 1998 to December 2022, the Government contributed ₩11,903 billion to our capital. As of December 31, 2022, our total capital stock amounted to ₩12,773 billion, and the Government, The Bank of Korea and The Korea Development Bank owned 69%, 9% and 22%, respectively, of our capital stock.

In connection with our fund raising activities, we have from time to time sold third parties promissory notes, including related guarantees, acquired as collateral in connection with export credit financings.

The KEXIM Act provides that the aggregate outstanding principal amount of all of our borrowings, including the total outstanding export-import financing debentures we issued in accordance with the KEXIM Decree, may not exceed an amount equal to thirty times the sum of our capital stock plus our reserves. As of December 31, 2022, the aggregate outstanding principal amount of our borrowings (including export-import financing debentures), which was ₩89,962 billion, was equal to 21% of the authorized amount of ₩433,140 billion.

We are not permitted to accept demand or time deposits.

Each year we must submit to the Government for its approval an operating plan which includes our target levels for different types of funding. The following table is the part of the operating plan dealing with fund-raising for 2023:

Sources of Fund	**(billions of Won)**
Capital Contribution	—
Borrowings	49,510
Net Collection of Loans	5,490
Collection of Loans	50,402
Repayment of Debts	(44,912)
Others	—

Sources of Fund	(billions of Won)
Total	₩ 55,000

Debt

Debt Repayment Schedule

The following table sets out the principal repayment schedule for our outstanding debt (consisting of borrowings and debentures) as of December 31, 2022:

Debt Principal Repayment Schedule

	Maturing on or before December 31,				
Currency[1]	**2023**	**2024**	**2025**	**2026**	**Thereafter**
	(billions of Won)				
Won	₩ 21,520	₩ 4,260	₩ 1,230	₩ 630	₩ 1,280
Foreign[2]	17,715	12,018	9,590	5,674	12,320
Total Won Equivalent	₩ 39,235	₩ 16,278	₩ 10,820	₩ 6,304	₩ 13,600

(1) Borrowings and debentures in foreign currency have been translated into Won at the market average exchange rates on December 31, 2022, as announced by the Seoul Money Brokerage Services Ltd.
(2) This figure includes debentures, bank loans, commercial papers and repurchase agreements.

Normally we determine the level of our foreign currency reserves based upon an estimate, at any given time, of aggregate loan disbursements to be made over the next two to three months. Our average foreign currency reserves in 2021 and 2022 were approximately US$3,882 million and US$5,063 million, respectively.

Although we currently believe that such reserves, together with additional borrowings available under our uncommitted short-term backup credit facilities and commercial paper programs, will be sufficient to repay our outstanding debt as it becomes due, there can be no assurance that we will continue to be able to borrow under such credit facilities, or that the devaluation of the Won will not adversely affect our ability to access funds sufficient to repay our foreign currency denominated indebtedness in the future. In addition to maintaining sufficient foreign currency reserves, we monitor the maturity profile of our foreign currency assets and liabilities to ensure that there are sufficient maturing assets to meet our liabilities as they become due.

As of December 31, 2022, our foreign currency assets maturing within three months, six months and one year exceeded our foreign currency liabilities coming due within such periods by US$9,377 million, US$8,368 million and US$4,762 million, respectively. As of December 31, 2022, our total foreign currency liabilities exceeded our total foreign currency assets by US$542 million.

Internal and External Debt of the Bank

The following table summarizes, as of December 31 of the years indicated, the outstanding internal debt of the Bank:

Internal Debt of the Bank

	(billions of Won)
2018	14,665
2019	15,405
2020	22,805
2021	22,910
2022	28,920

The following table sets out, by currency and the equivalent amount in U.S. Dollars, the outstanding external debt of the Bank as of December 31, 2022:

External Debt of the Bank

	Amount in Original Currency		Equivalent Amount in U.S. Dollars[1]	
	(billions)			
US$	US$	39.7	US$	39.7
Euro (EUR)	EUR	5.8		6.2
Brazilian real (BRL)	BRL	14.2		2.7

	Amount in Original Currency		Equivalent Amount in U.S. Dollars[1]
		(billions)	
Australian Dollars (AUD)	AUD	5.1	3.6
British Pound (GBP)	GBP	0.0	0.0
Thai Baht (THB)	THB	6.4	0.2
Hong Kong dollar (HKD)	HKD	9.2	1.2
Swiss franc (CHF)	CHF	1.3	1.4
Swedish Krona (SEK)	SEK	0.3	0.0
Indonesian rupiah (IDR)	IDR	10,733.0	0.7
Chinese Yuan (CNY)	CNY	7.2	1.0
Norwegian Krone (NOK)	NOK	2.3	0.2
Mexican Peso (MXN)	MXN	13.0	0.7
New Zealand Dollar (NZD)	NZD	0.2	0.1
Indian Rupee (INR)	INR	29.3	0.4
South African Rand (ZAR)	ZAR	6.1	0.4
Peru Nuevo sol (PEN)	PEN	0.3	0.1
Canadian Dollar (CAD)	CAD	0.1	0.1
Singapore Dollar (SGD)	SGD	0.1	0.0
Czech Koruna (CZK)	CZK	3.4	0.1
Polish Zloty (PLN)]	PLN	0.2	0.0
Japanese Yen (JPY)	JPY	52.7	0.4
Philippine Peso (PHP)	PHP	4.4	0.1
		US$	59.1

(1) Amounts expressed in currencies other than U.S. dollar are converted to U.S. dollar at the exchange rate announced by the Seoul Money Brokerage Services, Ltd. in effect on December 31, 2022 or the prevailing market rate on December 31, 2022.

The following table summarizes, as of December 31 of the years indicated, the outstanding external debt of the Bank:

External Debt of the Bank

	(billions of Won)
2018	56,594
2019	57,899
2020	54,677
2021	59,144
2022	74,486

For further information on the outstanding indebtedness of the Bank, see "—Tables and Supplementary Information."

Debt Record

We have never defaulted in the payment of principal of, or interest on, any of our obligations.

Credit Policies, Credit Approval and Risk Management

Credit Policies

The Credit Policy Department functions as our centralized policy-making and planning division with respect to our lending activities. The Credit Policy Department formulates and revises our internal regulations on loan programs, sets basic lending guidelines on a country basis and gathers data from our various operating groups and produces various internal and external reports.

Credit Approval

We have multiple levels of loan approval authority, depending on the loan amount and other factors such as the nature of the credit, the conditions of the transaction, and whether the loan is secured. Our Board of Directors can approve loans of any amount. The Chief Executive Credit Committee, Credit Committee, Loan Officer Committee, Director Generals and Directors each have authority to approve loans up to a specified amount. The amount differs depending on the type of loan and certain other factors, for example, whether a loan is collateralized or guaranteed.

At each level of authority, loan applications are reviewed on the basis of the feasibility of the project from a technical, financial and economic point of view in addition to evaluating the probability of recovery. In conducting such a review, the following factors are considered:

- eligibility of the transaction under our financing criteria;
- country risk of the country of the borrower and the country in which the related project is located;
- credit risk of the borrower;
- a supplier's ability to perform under the related supply contract;
- legal disputes over the related project and supply contract; and
- availability of collateral.

When the credit rating of a prospective borrower does not meet our internal rating criteria, our policy is to ensure that the loans are either guaranteed or made on a partially or fully secured basis. As of December 31, 2022, approximately 7% of our total outstanding loans were guaranteed or made on a partially or fully secured basis.

Risk Management

Our overall risk management policy is set by the Risk Management Committee, which meets on a quarterly basis and from time to time to establish tolerance limits for various exposures, whereas the overall risk management is overseen by the Risk Management Department, which is responsible for monitoring risk exposure.

The Risk Management Department reports our loan portfolio to the Financial Supervisory Service on a quarterly basis. The Risk Management Department also monitors our operating groups' compliance with internal guidelines and procedures. To manage

liquidity risk, we review the strategy for the sources and uses of funds, with each division submitting projected sources and uses to the Treasury Group. The Risk Management Department and the Treasury Group continually monitor our overall liquidity and the Treasury Group prepares both weekly and monthly cash flow forecasts. Our policy is to maintain a liquidity level, which can cover loan disbursements for a period of two to three months going forward. We protect ourselves from potential liquidity squeezes by maintaining sufficient amount of liquid assets with additional back-up of short-term credit lines.

Our core lending activities expose us to market risk, mostly in the form of interest rate and foreign currency risks. The Risk Management Department reports interest rate and foreign exchange gap positions to the Risk Management Committee on a quarterly basis. We also monitor changes in, and matches of, foreign currency assets and liabilities in order to reduce exposure to currency fluctuations. Recently, in light of the COVID-19 pandemic, rapid increases in policy interest rates globally (including Korea) to combat rising inflationary pressures, as well as the conflict involving Ukraine and Russia and the related economic and trade sanctions and restrictions adopted by the United States, the European Union, the United Kingdom, Korea, Singapore and other major jurisdictions, we have closely monitored foreign currency risks that could result from the depreciation of the Won against major foreign currencies (including the U.S. dollar), which in turn may increase our cost in servicing our foreign currency denominated debt and result in foreign exchange losses.

The Risk Management Department monitors various market indicators related to foreign currency liquidity on a regular basis and has been cooperating with other departments including the Treasury Group to effectively address any potential liquidity risk which may be associated with the conflict involving Ukraine and Russia.

One of the key components of our risk management policy, which also affects our fund-raising efforts, is to monitor matches of asset maturities and liability maturities. The average maturity as of December 31, 2022 for our Won- and foreign currency-denominated loans was 16 months and 46 months, respectively, and for Won- and foreign currency-denominated liabilities was 15 months and 32 months, respectively.

Our Risk Management Department also monitors and manages various operational risks that we face from time to time. For example, we have been monitoring and managing risks associated with the COVID-19 pandemic, in particular in connection with its impact on our labor productivity, such as disruption in the normal course of our business resulting from the potential contraction of the COVID-19 infection by our employees, which has often necessitated our employees to be quarantined and/or our offices to be temporarily shut down, or disruption resulting from the necessity for social distancing, including implementation of temporary adjustment of work arrangements requiring employees to work remotely.

In managing our risks, we follow an overall risk management process where we:

- determine the risk management objectives;
- identify key exposures;
- measure key risks; and
- monitor risk management results.

Our risk management system is a continuous system that is frequently evaluated and updated on an ongoing basis.

Capital Adequacy

Under the Financial Supervisory Service's guidelines on risk-adjusted capital which were introduced in consideration of the standards set by the Bank for International Settlements, all banks in Korea, including us, are required to maintain a capital adequacy ratio (Tier I and Tier II) of at least 8% on a consolidated basis. To the extent that we fail to maintain this ratio, the Korean regulatory authorities may require corrective measures ranging from management improvement recommendations to emergency measures such as disposal of assets.

The current capital adequacy requirements of the Financial Services Commission are derived from a new set of bank capital measures, referred to as Basel III, which the Basel Committee on Banking Supervision initially introduced in 2009 and began phasing in starting from 2013. Commencing in July 2013, the Financial Services Commission promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks, including us, were required to maintain a minimum ratio of Tier I common equity capital (which principally includes equity capital, capital surplus and retained earnings less reserve for credit losses) to risk-weighted assets of 3.5% and Tier I capital to risk-weighted assets of 4.5% from December 1, 2013, which minimum ratios were increased to 4.0% and 5.5%, respectively, from January 1, 2014 and increased further to 4.5% and 6.0%, respectively, from January 1, 2015. Such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets of 8.0%, which remains unchanged. The amended regulations also require an additional

capital conservation buffer of 2.5% in 2022 and 2023, as well as a potential counter-cyclical capital buffer of up to 2.5%, which is determined on a quarterly basis by the Financial Services Commission. Presently, the Financial Services Commission has set the counter-cyclical capital buffer at 0%. However, the Financial Services Commission has announced that it is considering raising such ratio during the second or third quarter of 2023. As of December 31, 2022, our capital adequacy ratio, on a consolidated basis, was 13.4%, a decrease from 14.8% as of December 31, 2021, which was primarily due to an increase in credit exposure.

The following table sets forth our capital base and capital adequacy ratios (on a consolidated basis) reported as of December 31, 2021 and 2022:

	As of December 31,	
	2021	2022
	(billions of Won, except for percentages)	
Tier I	₩ 15,185	₩ 15,315
Capital stock (including capital surplus and capital adjustments)	12,615	12,639
Retained Earnings[1]	1,919	2,154
Accumulated other comprehensive income	878	738
Others	2	3
Deductions from Tier I Capital	(229)	(219)
Capital Adjustments	—	—
Deferred Tax Asset	—	—
Others	(229)	(219)
Tier II (General Loan Loss Reserves)	1,788	2,186
Total Capital	16,973	17,501
Risk Adjusted Assets	114,401	130,726
Capital Adequacy Ratios		
Tier I common equity	13.3%	11.7%
Tier I	13.3%	11.7%
Tier I and Tier II	14.8%	13.4%

(1) Net amount after deducting regulatory reserve for loan losses.
Source: Internal accounting records

Overseas Operations

We maintain an international presence through 24 overseas representative offices, which are located in New York City, Tokyo, Beijing, São Paolo, Paris, Washington D.C., Shanghai, New Delhi, Dubai, Moscow, Mexico City, Tashkent, Hanoi, Manila, Jakarta, Yangon, Bogota, Istanbul, Dar es Salaam, Dhaka, Accra, Phnom Penh, Addis Ababa and Colombo.

We also have four wholly-owned subsidiaries: KEXIM Bank (UK) Ltd. in London, KEXIM (Asia) Ltd. in Hong Kong, KEXIM Vietnam Leasing Co., Ltd. in Ho Chi Minh City and KEXIM Global (Singapore) Ltd. in Singapore. These subsidiaries are engaged in the merchant banking and lease financing businesses, and assist us in raising overseas financing. We also own 85% of P.T. Koexim Mandiri Finance, a subsidiary in Jakarta, which is primarily engaged in the business of lease financing.

The table below sets forth brief details of our subsidiaries as of December 31, 2022:

	Principal Place of Business	Type of Business	Book Value	Bank's Holding
			(billions of Won)	(%)
Kexim Bank (UK) Ltd.	United Kingdom	Commercial Banking	₩ 138	100%
KEXIM (Asia) Ltd.	Hong Kong	Commercial Banking	168	100
P.T. Koexim Mandiri Finance	Indonesia	Leasing and Factoring	25	85
KEXIM Global (Singapore) Ltd.	Singapore	Commercial Banking	373	100
Kexim Vietnam Leasing Co., Ltd.	Vietnam	Leasing and Lending	58	100

Property

Our head office is located at 38 Eunhaeng-ro, Yeongdeungpo-gu, Seoul 07242, Korea, a 45,715 square meter building on a site of 9,110 square meters and owned by us. In addition to the head office, we own a staff training center located near Seoul on a site of 47,881 square meters and a marine finance center, a 4,423 square meter building, located in Busan on a site of 556 square meters. We also maintain 13 branches in Busan, Gwangju, Daegu, Changwon, Daejeon, Suwon, Incheon, Ulsan, Cheongju, Jeonju, Gumi, Yeosu and Wonju. Our domestic branch offices and overseas representative offices are located in facilities held under long-term leases.

Management and Employees

Management

Our governance and management is the responsibility of our Board of Directors, which has authority to decide important matters relating to our business. The Board of Directors is chaired by our President and is comprised of five members: the Chairman and President, the Vice Chairman and Chief Operating Officer, the Executive Director and two Non-standing Executive Directors. The Auditor may attend and state his/her opinion at the meetings of the Board of Directors. The President of Korea appoints our President upon the recommendation of the Minister of Economy and Finance. The Minister of Economy and Finance appoints the Vice Chairman and all Executive Directors upon the recommendation of our President. The Minister of Economy and Finance appoints the Auditor. All Board members and the Auditor serve for three years and are eligible for re-appointment for successive terms of office.

The members of the Board of Directors are currently as follows:

Name	Board Member Since	Position
Hee-sung Yoon	July 27, 2022	Chairman and President
Woo-seog Kwon	May 15, 2021	Vice Chairman and Chief Operating Officer
Tae-soo Kim	May 15, 2021	Executive Director
Jaimin Lee	September 18, 2021	Non-standing Executive Director
Tae-ho Yun	September 18, 2021	Non-standing Executive Director

Our basic policy guidelines for activities are established by the Operations Committee. According to the By-laws, the Operations Committee is composed of officials nominated as follows:

- President of KEXIM;
- official of the Ministry of Economy and Finance, nominated by the Minister of Economy and Finance;
- official of the Ministry of Foreign Affairs, nominated by the Minister of Foreign Affairs;
- official of the Ministry of Trade, Industry & Energy, nominated by the Minister of Trade, Industry & Energy;
- official of the Ministry of Land, Infrastructure and Transport, nominated by the Minister of Land, Infrastructure and Transport;
- official of the Ministry of Oceans and Fisheries, nominated by the Minister of Oceans and Fisheries;
- official of the Financial Services Commission, nominated by the Chairman of the Financial Services Commission;
- executive director of The Bank of Korea, nominated by the Governor of The Bank of Korea;
- executive director of the Korea Federation of Banks, nominated by the Chairman of the Korea Federation of Banks;
- representative of an exporters' association (Korea International Trade Association), nominated by the Minister of Economy and Finance after consultation with the Minister of Trade, Industry & Energy;
- executive director of the Korea Trade Insurance Corporation established under the Trade Insurance Act, nominated by the Chairman and President of the Korea Trade Insurance Corporation; and
- up to two persons who have extensive knowledge and experience in international economic cooperation work, recommended by our President and appointed by the Minister of Economy and Finance.

The members of the Operations Committee are currently as follows:

Name	Member Since	Position
Hee-sung Yoon	July 27, 2022	Chairman and President of KEXIM
Seong-Wook Kim	September 16, 2022	Deputy Minister for International Affairs, Ministry of Economy and Finance
Jae Kwon Kang	December 12, 2022	Deputy Minister for Economic Affairs, Ministry of Foreign Affairs
Wan Ki Kim	March 3, 2023	Deputy Minister for International Trade and Investment, Ministry of Trade, Industry & Energy
Sang-Moon Kim	August 22, 2022	Assistant Minister for Infrastructure Affairs, Ministry of Land, Infrastructure and Transport
Hyun Soo Yoon	August 10, 2022	Director General of Shipping and Logistics Bureau, Ministry of Oceans and Fisheries
Se-Hoon Lee	July 30, 2021	Secretary General, Financial Services Commission
Jong Ryeol Lee	July 20, 2022	Deputy Governor, The Bank of Korea
Ho Hyoung Lee	March 9, 2020	Senior Executive Director, Korea Federation of Banks
Marn Ki Jeong	September 21, 2022	Executive Vice Chairman, Korea International Trade Association
Ho Ill Kim	March 23, 2022	Deputy President, Korea Trade Insurance Corporation
Taeyoon Sung	May 4, 2021	Professor, Yonsei University
Hae Sun Park	February 16, 2022	Professor, Konkuk University

Employees

As of December 31, 2022, we had 1,236 employees, among whom 999 employees were members of our labor union. We have never experienced a work stoppage of a serious nature. Every two years, the management and union negotiate and enter into a collective bargaining agreement. The most recent collective bargaining agreement was entered into in October 2022.

Tables and Supplementary Information

A. External Debt of the Bank

(1) External Bonds of the Bank

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
USD	40,000,000	0.81	January 27, 2022	January 27, 2023*	40,000,000
USD	100,000,000	0.84	January 26, 2022	January 26, 2023*	100,000,000
USD	50,000,000	USD SOFR ON+0.75	November 3, 2022	November 3, 2025	50,000,000
USD	40,000,000	USD SOFR ON+1.20	October 31, 2022	October 31, 2027	40,000,000
USD	50,000,000	5.24	October 28, 2022	October 28, 2032	50,000,000
USD	50,000,000	USD SOFR ON+1.06	September 29, 2022	September 29, 2027	50,000,000
USD	50,000,000	USD SOFR ON+1.06	September 29, 2022	September 29, 2027	50,000,000
USD	400,000,000	USD SOFR ON+1.06	September 29, 2022	September 29, 2027	400,000,000
USD	50,000,000	USD SOFR ON+0.40	September 21, 2022	September 21, 2024	50,000,000
USD	50,000,000	5.00	September 22, 2022	September 22, 2042	50,000,000
USD	50,000,000	USD SOFR ON+1.03	September 20, 2022	September 20, 2027	50,000,000
USD	50,000,000	4.18	September 20, 2022	November 20, 2023	50,000,000
USD	50,000,000	3.96	September 15, 2022	September 15, 2025	50,000,000
USD	500,000,000	4.50	September 15, 2022	September 15, 2032	500,000,000
USD	1,000,000,000	4.25	September 15, 2022	September 15, 2027	1,000,000,000
USD	1,000,000,000	4.00	September 15, 2022	September 15, 2024	1,000,000,000
USD	50,000,000	USD SOFR Index+0.62	July 22, 2022	July 22, 2024	50,000,000
USD	50,000,000	USD SOFR ON+0.82	July 22, 2022	July 22, 2027	50,000,000
USD	45,000,000	3.67	July 20, 2022	July 20, 2023	45,000,000
USD	50,000,000	USD SOFR ON+0.82	July 21, 2022	July 21, 2027	50,000,000
USD	50,000,000	4.66	July 25, 2022	July 25, 2052	50,000,000
USD	100,000,000	3.44	July 5, 2022	July 5, 2023	100,000,000
USD	50,000,000	3.53	July 5, 2022	July 5, 2023	50,000,000
USD	50,000,000	2.14	March 28, 2022	September 27, 2023	50,000,000
USD	50,000,000	1.88	March 18, 2022	September 18, 2023	50,000,000
USD	40,000,000	1.37	March 7, 2022	March 7, 2023*	40,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
USD	50,000,000	1.74	March 2, 2022	September 2, 2023	50,000,000
USD	50,000,000	USD SOFR ON+0.47	February 8, 2022	February 8, 2027	50,000,000
USD	50,000,000	USD SOFR ON+0.47	February 8, 2022	February 8, 2027	50,000,000
USD	100,000,000	6.78	January 27, 2012	January 27, 2027	100,000,000
USD	50,000,000	USD SOFR ON+0.47	February 8, 2022	February 8, 2027	50,000,000
USD	100,000,000	0.82	February 7, 2022	February 7, 2023*	100,000,000
USD	200,000,000	2.45	February 10, 2022	February 10, 2034	200,000,000
USD	500,000,000	USD SOFR Index+0.25	February 4, 2022	February 4, 2023*	500,000,000
USD	40,000,000	0.82	January 25, 2022	January 25, 2023*	40,000,000
USD	700,000,000	1.63	January 18, 2022	January 18, 2027	700,000,000
USD	300,000,000	1.63	January 18, 2022	January 18, 2027	300,000,000
USD	1,000,000,000	2.13	January 18, 2022	January 18, 2032	1,000,000,000
USD	500,000,000	1.25	January 18, 2022	January 18, 2025	500,000,000
USD	500,000,000	1.25	January 18, 2022	January 18, 2025	500,000,000
USD	50,000,000	2.90	October 27, 2021	October 27, 2051	50,000,000
USD	50,000,000	4.37	August 27, 2013	February 27, 2025	50,000,000
USD	300,000,000	1.75	October 19, 2021	October 19, 2028	300,000,000
USD	700,000,000	1.75	October 19, 2021	October 19, 2028	700,000,000
USD	50,000,000	2.80	October 1, 2021	October 2, 2051	50,000,000
USD	40,000,000	2.80	September 16, 2021	September 16, 2051	40,000,000
USD	50,000,000	1.13	September 10, 2021	March 24, 2026	50,000,000
USD	50,000,000	0.92	September 9, 2021	September 9, 2025	50,000,000
USD	20,000,000	3.90	October 30, 2013	October 30, 2023	20,000,000
USD	49,000,000	3.81	October 30, 2013	October 30, 2023	49,000,000
USD	50,000,000	USD SOFR Index+0.25	August 5, 2021	August 5, 2024	50,000,000
USD	45,000,000	3.81	October 30, 2013	October 30, 2023	45,000,000
USD	25,000,000	3.81	October 30, 2013	October 30, 2023	25,000,000
USD	50,000,000	3.87	November 6, 2013	November 6, 2025	50,000,000
USD	50,000,000	3.66	November 6, 2013	November 6, 2023	50,000,000
USD	20,000,000	3.67	November 6, 2013	November 6, 2023	20,000,000
USD	40,000,000	3.73	November 7, 2013	November 7, 2023	40,000,000
USD	40,000,000	4.00	November 7, 2013	November 7, 2025	40,000,000
USD	20,000,000	3.71	November 7, 2013	November 7, 2023	20,000,000
USD	50,000,000	3.91	November 7, 2013	November 7, 2025	50,000,000
USD	50,000,000	4.03	November 8, 2013	November 8, 2025	50,000,000
USD	30,000,000	4.03	November 8, 2013	November 8, 2025	30,000,000
USD	20,000,000	4.03	November 8, 2013	November 8, 2025	20,000,000
USD	35,000,000	3.79	November 12, 2013	November 12, 2023	35,000,000
USD	50,000,000	3.76	November 8, 2013	November 8, 2023	50,000,000
USD	30,000,000	4.03	November 12, 2013	November 12, 2025	30,000,000
USD	750,000,000	4.00	January 14, 2014	January 14, 2024	750,000,000
USD	50,000,000	USD SOFR Index+0.25	August 5, 2021	August 5, 2024	50,000,000
USD	220,000,000	3.95	January 27, 2014	January 27, 2024	220,000,000
USD	50,000,000	4.14	January 28, 2014	January 28, 2026	50,000,000
USD	50,000,000	4.14	February 3, 2014	February 3, 2026	50,000,000
USD	50,000,000	4.14	February 3, 2014	February 3, 2026	50,000,000
USD	50,000,000	4.06	February 4, 2014	February 4, 2026	50,000,000
USD	50,000,000	4.07	February 4, 2014	February 4, 2026	50,000,000
USD	20,000,000	4.02	February 5, 2014	February 5, 2026	20,000,000
USD	30,000,000	4.00	February 18, 2014	February 18, 2026	30,000,000
USD	30,000,000	4.00	February 13, 2014	February 13, 2026	30,000,000
USD	40,000,000	4.04	February 19, 2014	February 19, 2026	40,000,000
USD	30,000,000	3.30	July 7, 2014	July 7, 2024	30,000,000
USD	500,000,000	3.25	August 12, 2014	August 12, 2026	500,000,000
USD	50,000,000	3.41	October 24, 2014	October 24, 2029	50,000,000
USD	50,000,000	3.41	October 24, 2014	October 24, 2029	50,000,000
USD	50,000,000	3.40	October 29, 2014	October 29, 2029	50,000,000
USD	50,000,000	3.23	October 30, 2014	October 30, 2026	50,000,000
USD	30,000,000	3.46	October 31, 2014	October 31, 2029	30,000,000
USD	50,000,000	3.50	November 6, 2014	November 6, 2029	50,000,000
USD	50,000,000	3.50	November 19, 2014	November 19, 2029	50,000,000
USD	50,000,000	3.53	November 20, 2014	November 20, 2029	50,000,000
USD	50,000,000	1.38	July 13, 2021	March 20, 2025	50,000,000
USD	50,000,000	3.50	November 25, 2014	November 26, 2029	50,000,000
USD	50,000,000	3.35	November 28, 2014	November 28, 2026	50,000,000
USD	1,250,000,000	2.88	January 21, 2015	January 21, 2025	1,250,000,000
USD	1,250,000,000	2.88	January 21, 2015	January 21, 2025	1,250,000,000
USD	50,000,000	2.62	February 27, 2015	February 27, 2023*	50,000,000
USD	50,000,000	3.02	March 4, 2015	March 4, 2030	50,000,000
USD	50,000,000	3.02	March 4, 2015	March 4, 2030	50,000,000
USD	50,000,000	2.81	March 6, 2015	March 6, 2025	50,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
USD	30,000,000	3.04	March 6, 2015	March 6, 2030	30,000,000
USD	30,000,000	3.04	March 6, 2015	March 6, 2030	30,000,000
USD	50,000,000	2.80	March 17, 2015	March 17, 2025	50,000,000
USD	50,000,000	2.85	March 10, 2015	March 10, 2025	50,000,000
USD	40,000,000	3.09	March 10, 2015	March 10, 2030	40,000,000
USD	50,000,000	2.70	April 1, 2015	April 1, 2027	50,000,000
USD	50,000,000	2.41	May 8, 2015	May 8, 2023	50,000,000
USD	50,000,000	2.41	May 11, 2015	May 11, 2023	50,000,000
USD	50,000,000	2.41	May 12, 2015	May 12, 2023	50,000,000
USD	50,000,000	2.55	May 27, 2015	May 27, 2023	50,000,000
USD	50,000,000	2.68	May 27, 2015	May 27, 2023	50,000,000
USD	50,000,000	2.62	May 28, 2015	May 28, 2023	50,000,000
USD	400,000,000	3.25	June 30, 2015	August 12, 2026	400,000,000
USD	30,000,000	3.33	August 4, 2015	August 4, 2027	30,000,000
USD	50,000,000	3.45	August 4, 2015	August 4, 2030	50,000,000
USD	50,000,000	3.05	September 1, 2015	September 1, 2025	50,000,000
USD	50,000,000	3.32	September 3, 2015	September 3, 2030	50,000,000
USD	1,000,000,000	3.25	November 10, 2015	November 10, 2025	1,000,000,000
USD	50,000,000	2.60	February 25, 2016	February 25, 2026	50,000,000
USD	50,000,000	2.60	February 25, 2016	February 25, 2026	50,000,000
USD	1,000,000,000	2.63	May 26, 2016	May 26, 2026	1,000,000,000
USD	1,000,000,000	2.63	May 26, 2016	May 26, 2026	1,000,000,000
USD	50,000,000	2.38	July 1, 2016	July 1, 2026	50,000,000
USD	50,000,000	2.09	July 22, 2016	July 22, 2026	50,000,000
USD	50,000,000	2.21	August 2, 2016	August 2, 2026	50,000,000
USD	50,000,000	3.09	August 2, 2016	August 2, 2031	50,000,000
USD	50,000,000	2.29	August 3, 2016	August 3, 2026	50,000,000
USD	50,000,000	2.29	August 17, 2016	August 17, 2026	50,000,000
USD	30,000,000	2.27	August 16, 2016	August 16, 2026	30,000,000
USD	45,000,000	3.25	August 19, 2016	August 19, 2031	45,000,000
USD	50,000,000	2.01	August 30, 2016	August 30, 2024	50,000,000
USD	700,000,000	2.38	October 21, 2016	April 21, 2027	700,000,000
USD	500,000,000	2.50	June 29, 2021	June 29, 2041	500,000,000
USD	50,000,000	2.74	November 17, 2016	November 17, 2028	50,000,000
USD	750,000,000	1.13	June 29, 2021	December 29, 2026	750,000,000
USD	50,000,000	3.23	December 12, 2016	December 12, 2028	50,000,000
USD	50,000,000	3.20	December 14, 2016	December 14, 2028	50,000,000
USD	750,000,000	0.63	June 29, 2021	June 29, 2024	750,000,000
USD	30,000,000	3.42	January 6, 2017	January 6, 2029	30,000,000
USD	30,000,000	3.42	January 6, 2017	January 6, 2029	30,000,000
USD	50,000,000	2.95	June 10, 2021	June 10, 2051	50,000,000
USD	200,000,000	0.00	May 27, 2021	April 27, 2024	200,000,000
USD	50,000,000	3.25	April 24, 2017	April 24, 2029	50,000,000
USD	50,000,000	3.54	April 24, 2017	April 26, 2032	50,000,000
USD	200,000,000	USD SOFR ON+0.47	May 6, 2021	May 6, 2026	200,000,000
USD	50,000,000	3.58	August 17, 2017	August 17, 2037	50,000,000
USD	50,000,000	3.56	August 18, 2017	August 18, 2037	50,000,000
USD	200,000,000	4.10	October 11, 2017	October 11, 2047	200,000,000
USD	400,000,000	USD SOFR ON+0.32	April 29, 2021	April 29, 2024	400,000,000
USD	50,000,000	3.65	October 25, 2017	October 25, 2047	50,000,000
USD	50,000,000	3.65	October 25, 2017	October 25, 2047	50,000,000
USD	50,000,000	3.55	November 8, 2017	November 8, 2037	50,000,000
USD	50,000,000	3.55	November 8, 2017	November 8, 2037	50,000,000
USD	50,000,000	3.65	November 17, 2017	November 17, 2047	50,000,000
USD	50,000,000	3.65	November 17, 2017	November 17, 2047	50,000,000
USD	50,000,000	3.65	November 27, 2017	November 27, 2047	50,000,000
USD	50,000,000	3.07	April 16, 2021	April 16, 2051	50,000,000
USD	50,000,000	0.66	April 13, 2021	April 12, 2024	50,000,000
USD	50,000,000	0.62	April 8, 2021	April 8, 2024	50,000,000
USD	300,000,000	1.13	March 24, 2021	March 24, 2026	300,000,000
USD	50,000,000	3.92	February 5, 2018	February 5, 2048	50,000,000
USD	50,000,000	0.39	March 19, 2021	2023-03-19*	50,000,000
USD	50,000,000	1.38	March 18, 2021	March 20, 2025	50,000,000
USD	240,000,000	USD SOFR ON+0.30	March 11, 2021	March 11, 2024	240,000,000
USD	50,000,000	0.45	March 15, 2021	March 15, 2024	50,000,000
USD	50,000,000	0.45	March 15, 2021	March 15, 2024	50,000,000
USD	50,000,000	1.38	March 9, 2021	March 20, 2025	50,000,000
USD	500,000,000	0.63	February 9, 2021	February 9, 2026	500,000,000
USD	300,000,000	1.38	February 9, 2021	February 9, 2031	300,000,000
USD	200,000,000	0.63	February 9, 2021	February 9, 2026	200,000,000
USD	500,000,000	0.38	February 9, 2021	February 9, 2024	500,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
USD	300,000,000	0.60	November 16, 2020	November 16, 2023	300,000,000
USD	400,000,000	LIBOR 3M+0.74	March 22, 2018	March 22, 2023*	400,000,000
USD	30,000,000	LIBOR 3M+0.6	March 20, 2018	March 20, 2023*	30,000,000
USD	50,000,000	2.60	December 7, 2020	December 7, 2050	50,000,000
USD	50,000,000	2.60	December 7, 2020	December 7, 2050	50,000,000
USD	50,000,000	2.30	December 15, 2020	December 15, 2050	50,000,000
USD	50,000,000	2.40	October 29, 2020	October 29, 2050	50,000,000
USD	700,000,000	0.78	June 1, 2018	June 1, 2023	700,000,000
USD	500,000,000	1.25	September 21, 2020	September 21, 2030	500,000,000
USD	400,000,000	0.75	September 21, 2020	September 21, 2025	400,000,000
USD	100,000,000	0.83	August 19, 2020	August 19, 2024	100,000,000
USD	50,000,000	0.00	August 12, 2020	August 12, 2023	50,000,000
USD	100,000,000	1.33	June 5, 2020	June 5, 2025	100,000,000
USD	100,000,000	1.22	June 5, 2020	June 5, 2024	100,000,000
USD	50,000,000	0.00	June 2, 2020	June 2, 2025	50,000,000
USD	700,000,000	0.00	April 27, 2020	April 27, 2023*	700,000,000
USD	50,000,000	0.00	April 24, 2020	July 24, 2025	50,000,000
USD	425,000,000	1.38	March 20, 2020	March 20, 2025	425,000,000
USD	30,200,000	3.09	November 5, 2018	November 8, 2023	30,200,000
USD	500,000,000	3.63	November 27, 2018	November 27, 2023	500,000,000
USD	500,000,000	1.88	February 12, 2020	February 12, 2025	500,000,000
USD	21,900,000	2.64	February 27, 2019	February 22, 2024	21,900,000
USD	21,200,000	1.30	August 29, 2019	August 28, 2024	21,200,000
USD	500,000,000	2.38	June 25, 2019	June 25, 2024	500,000,000
		Subtotal in Original Currency			USD 32,652,300,000
		Subtotal in Equivalent Amount of Won[1]			₩ 41,380,259,790,000
HKD	300,000,000	5.48	November 16, 2022	November 16, 2023	300,000,000
HKD	224,000,000	5.18	October 28, 2022	October 28, 2032	224,000,000
HKD	224,000,000	5.18	October 27, 2022	October 27, 2032	224,000,000
HKD	390,000,000	5.00	October 27, 2022	October 27, 2025	390,000,000
HKD	390,000,000	3.66	July 27, 2022	July 27, 2024	390,000,000
HKD	570,000,000	3.45	July 27, 2022	July 27, 2023	570,000,000
HKD	325,000,000	3.12	July 19, 2022	July 19, 2023	325,000,000
HKD	788,000,000	3.18	July 18, 2022	July 18, 2023	788,000,000
HKD	320,000,000	1.00	August 19, 2021	August 19, 2026	320,000,000
HKD	320,000,000	0.98	August 18, 2021	August 18, 2026	320,000,000
HKD	345,000,000	0.90	August 13, 2021	August 13, 2026	345,000,000
HKD	310,000,000	0.97	July 21, 2021	July 21, 2026	310,000,000
HKD	310,000,000	0.70	July 20, 2021	July 20, 2025	310,000,000
HKD	380,000,000	0.27	June 1, 2021	June 1, 2023	380,000,000
HKD	1,000,000,000	0.52	April 27, 2021	January 26, 2024	1,000,000,000
HKD	380,000,000	0.50	April 16, 2021	October 16, 2023	380,000,000
HKD	380,000,000	0.50	April 16, 2021	October 16, 2023	380,000,000
HKD	385,000,000	2.22	April 14, 2020	April 14, 2025	385,000,000
HKD	320,000,000	2.34	March 26, 2020	March 26, 2025	320,000,000
HKD	390,000,000	2.05	September 26, 2019	September 26, 2024	390,000,000
HKD	380,000,000	2.08	September 25, 2019	September 25, 2024	380,000,000
HKD	325,000,000	3.13	April 26, 2018	April 26, 2023*	325,000,000
HKD	235,000,000	2.87	February 27, 2018	February 27, 2023*	235,000,000
HKD	233,000,000	2.10	November 3, 2016	November 3, 2023	233,000,000
		Subtotal in Original Currency			HKD 9,224,000,000
		Subtotal in Equivalent Amount of Won[2]			₩ 1,499,361,200,000
MXN	1,000,000,000	10.05	June 24, 2022	April 28, 2025	1,000,000,000
MXN	5,000,000,000	TIIE 28D+0.2	January 26, 2021	January 20, 2026	5,000,000,000
MXN	7,000,000,000	7.93	August 8, 2019	July 30, 2026	7,000,000,000
		Subtotal in Original Currency			MXN 13,000,000,000
		Subtotal in Equivalent Amount of Won[3]			₩ 846,950,000,000
BRL	260,500,000	11.80	December 29, 2022	December 20, 2024	260,500,000
BRL	450,000,000	11.77	November 29, 2022	August 29, 2024	450,000,000
BRL	490,000,000	11.90	November 28, 2022	July 29, 2024	490,000,000
BRL	500,000,000	10.50	November 14, 2022	October 15, 2024	500,000,000
BRL	264,500,000	10.54	October 20, 2022	June 27, 2024	264,500,000
BRL	260,000,000	10.50	October 18, 2022	June 27, 2024	260,000,000
BRL	259,000,000	10.79	September 28, 2022	July 30, 2024	259,000,000
BRL	261,500,000	11.48	September 26, 2022	October 30, 2023	261,500,000
BRL	487,000,000	11.07	September 21, 2022	April 19, 2024	487,000,000
BRL	495,000,000	10.86	September 19, 2022	April 29, 2024	495,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date		Principal Amount Outstanding as of December 31, 2022
BRL	260,500,000	11.56	August 26, 2022	October 26, 2023		260,500,000
BRL	259,000,000	11.50	August 25, 2022	September 26, 2023		259,000,000
BRL	258,500,000	11.46	August 24, 2022	September 26, 2023		258,500,000
BRL	244,500,000	11.97	August 16, 2022	August 16, 2023		244,500,000
BRL	255,500,000	11.71	August 16, 2022	December 20, 2023		255,500,000
BRL	262,500,000	11.18	August 11, 2022	November 13, 2023		262,500,000
BRL	265,000,000	11.42	August 10, 2022	November 10, 2023		265,000,000
BRL	514,000,000	11.74	August 8, 2022	August 8, 2023		514,000,000
BRL	1,634,400,000	12.33	July 27, 2022	July 27, 2023		1,634,400,000
BRL	807,000,000	12.64	July 26, 2022	July 26, 2023		807,000,000
BRL	536,000,000	11.96	July 14, 2022	July 14, 2023		536,000,000
BRL	543,000,000	12.04	July 13, 2022	July 13, 2023		543,000,000
BRL	257,500,000	12.11	June 28, 2022	June 28, 2024		257,500,000
BRL	233,000,000	12.26	April 26, 2022	January 26, 2024		233,000,000
BRL	232,500,000	12.18	April 20, 2022	October 20, 2023		232,500,000
BRL	232,500,000	11.74	April 12, 2022	July 12, 2023		232,500,000
BRL	246,500,000	11.93	March 29, 2022	March 29, 2023*		246,500,000
BRL	255,500,000	11.21	March 23, 2022	April 3, 2024		255,500,000
BRL	253,500,000	11.35	March 21, 2022	April 2, 2024		253,500,000
BRL	252,000,000	11.21	March 18, 2022	March 18, 2024		252,000,000
BRL	254,000,000	11.07	March 14, 2022	March 14, 2024		254,000,000
BRL	252,500,000	10.92	March 11, 2022	March 11, 2024		252,500,000
BRL	250,000,000	11.09	November 30, 2021	November 30, 2023		250,000,000
BRL	850,000,000	7.15	August 11, 2021	February 3, 2023*		850,000,000
BRL	1,041,500,000	6.41	July 29, 2021	January 20, 2023*		1,041,500,000
		Subtotal in Original Currency			BRL	14,178,400,000
		Subtotal in Equivalent Amount of Won[4]			₩	3,398,846,048,000
EUR	50,000,000	1.38	November 11, 2022	November 24, 2025		50,000,000
EUR	50,000,000	1.38	November 11, 2022	November 24, 2025		50,000,000
EUR	100,000,000	1.15	August 4, 2022	August 4, 2023		100,000,000
EUR	950,000,000	1.38	May 24, 2022	November 24, 2025		950,000,000
EUR	550,000,000	EURIBOR 3M+1.00	May 24, 2022	May 24, 2024		550,000,000
EUR	45,000,000	2.63	April 25, 2022	April 25, 2052		45,000,000
EUR	850,000,000	0.00	October 19, 2021	October 19, 2024		850,000,000
EUR	500,000,000	0.00	September 21, 2020	September 21, 2023		500,000,000
EUR	700,000,000	0.83	April 27, 2020	April 27, 2025		700,000,000
EUR	150,000,000	0.14	December 16, 2019	December 16, 2024		150,000,000
EUR	750,000,000	0.38	March 26, 2019	March 26, 2024		750,000,000
EUR	20,000,000	1.54	August 23, 2018	August 23, 2028		20,000,000
EUR	30,000,000	1.53	August 13, 2018	August 13, 2028		30,000,000
EUR	25,000,000	1.64	August 6, 2018	August 6, 2030		25,000,000
EUR	25,000,000	1.64	August 6, 2018	August 6, 2030		25,000,000
EUR	750,000,000	0.63	July 11, 2018	July 11, 2023		750,000,000
EUR	30,000,000	3.60	July 19, 2012	July 19, 2027		30,000,000
EUR	117,000,000	3.88	July 12, 2012	July 12, 2032		117,000,000
		Subtotal in Original Currency			EUR	5,692,000,000
		Subtotal in Equivalent Amount of Won[5]			₩	7,691,030,400,000
THB	1,580,000,000	1.06	June 9, 2020	June 9, 2025		1,580,000,000
THB	500,000,000	4.78	July 31, 2013	July 31, 2025		500,000,000
THB	1,500,000,000	4.78	July 31, 2013	July 31, 2025		1,500,000,000
THB	2,800,000,000	4.34	March 11, 2013	March 11, 2023*		2,800,000,000
		Subtotal in Original Currency			THB	6,380,000,000
		Subtotal in Equivalent Amount of Won[6]			₩	233,890,800,000
CHF	150,000,000	0.00	November 27, 2019	May 27, 2025		150,000,000
CHF	300,000,000	0.38	July 11, 2018	July 11, 2024		300,000,000
CHF	150,000,000	0.25	March 6, 2018	March 6, 2023*		150,000,000
CHF	350,000,000	0.25	March 6, 2018	March 6, 2023*		350,000,000
CHF	250,000,000	0.17	July 18, 2017	July 18, 2025		250,000,000
CHF	5,000,000	2.10	September 6, 2013	December 30, 2023		5,000,000
CHF	45,000,000	2.10	September 5, 2013	December 30, 2023		45,000,000
		Subtotal in Original Currency			CHF	1,250,000,000
		Subtotal in Equivalent Amount of Won[7]			₩	1,716,087,500,000
AUD	40,000,000	5.90	November 4, 2022	November 4, 2037		40,000,000
AUD	250,000,000	BBSW 3M+0.8	July 25, 2022	July 25, 2023		250,000,000
AUD	450,000,000	BBSW 3M+1.0	April 7, 2022	April 7, 2027		450,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
AUD	200,000,000	3.55	April 7, 2022	April 7, 2025	200,000,000
AUD	60,000,000	2.70	December 22, 2021	December 22, 2036	60,000,000
AUD	55,000,000	BBSW+0.80	November 22, 2021	November 22, 2031	55,000,000
AUD	65,000,000	2.65	April 7, 2021	April 7, 2036	65,000,000
AUD	200,000,000	1.31	May 29, 2020	May 29, 2023	200,000,000
AUD	500,000,000	BBSW 3M+1.07	May 29, 2020	May 29, 2023	500,000,000
AUD	208,000,000	3.00	April 14, 2020	April 16, 2035	208,000,000
AUD	142,900,000	2.51	December 6, 2019	December 6, 2049	142,900,000
AUD	400,000,000	BBSW 3M+0.80	October 8, 2019	October 8, 2024	400,000,000
AUD	34,100,000	0.93	August 29, 2019	August 28, 2024	34,100,000
AUD	500,000,000	BBSW 3M+0.85	May 23, 2019	May 23, 2024	500,000,000
AUD	33,800,000	2.20	February 27, 2019	February 22, 2024	33,800,000
AUD	91,800,000	2.60	November 5, 2018	November 8, 2023	91,800,000
AUD	500,000,000	BBSW 3M+0.95	October 30, 2018	October 30, 2023	500,000,000
AUD	40,000,000	3.40	December 8, 2017	December 8, 2024	40,000,000
AUD	60,000,000	3.98	October 10, 2017	October 10, 2027	60,000,000
AUD	100,000,000	4.00	February 14, 2017	June 7, 2027	100,000,000
AUD	50,000,000	4.00	December 15, 2016	June 7, 2027	50,000,000
AUD	200,000,000	4.00	December 7, 2016	June 7, 2027	200,000,000
AUD	21,000,000	5.15	November 24, 2014	November 24, 2029	21,000,000
AUD	22,000,000	5.98	August 8, 2013	August 8, 2023	22,000,000
		Subtotal in Original Currency			AUD 4,223,600,000
		Subtotal in Equivalent Amount of Won[8]			₩ 3,625,580,476,000
INR	16,504,000,000	4.89	August 9, 2021	August 9, 2023	16,504,000,000
INR	3,250,000,000	7.15	April 18, 2018	April 18, 2025	3,250,000,000
INR	3,200,000,000	6.90	March 9, 2018	February 7, 2023*	3,200,000,000
INR	3,175,000,000	6.90	February 12, 2018	February 7, 2023*	3,175,000,000
INR	3,175,000,000	6.90	February 7, 2018	February 7, 2023*	3,175,000,000
		Subtotal in Original Currency			INR 29,304,000,000
		Subtotal in Equivalent Amount of Won[9]			₩ 448,644,240,000
CNY	320,000,000	3.23	July 8, 2022	July 8, 2023	320,000,000
CNY	270,000,000	3.31	July 5, 2022	July 5, 2023	270,000,000
CNY	600,000,000	3.28	March 21, 2022	March 21, 2023*	600,000,000
CNY	254,000,000	3.51	March 18, 2022	March 18, 2024	254,000,000
CNY	255,000,000	3.47	March 17, 2022	March 17, 2024	255,000,000
CNY	253,000,000	3.38	March 29, 2022	March 29, 2027	253,000,000
CNY	450,000,000	2.90	March 2, 2022	March 2, 2023*	450,000,000
CNY	315,000,000	2.95	March 2, 2022	March 2, 2023*	315,000,000
CNY	300,000,000	2.85	March 25, 2021	March 25, 2024	300,000,000
CNY	1,500,000,000	2.80	March 3, 2021	March 3, 2024	1,500,000,000
CNY	270,000,000	3.05	November 5, 2020	November 5, 2025	270,000,000
CNY	345,000,000	2.65	August 3, 2020	August 3, 2023	345,000,000
CNY	280,000,000	2.60	July 30, 2020	July 30, 2023	280,000,000
CNY	302,000,000	2.60	July 29, 2020	July 29, 2023	302,000,000
CNY	200,000,000	3.58	April 23, 2019	April 23, 2024	200,000,000
CNY	200,000,000	4.14	September 4, 2018	September 4, 2023	200,000,000
CNY	200,000,000	4.77	May 31, 2018	May 31, 2023	200,000,000
CNY	500,000,000	4.50	January 27, 2014	January 27, 2024	500,000,000
CNY	300,000,000	4.50	November 6, 2013	November 6, 2023	300,000,000
CNY	120,000,000	4.55	August 23, 2013	August 23, 2023	120,000,000
		Subtotal in Original Currency			CNY 7,234,000,000
		Subtotal in Equivalent Amount of Won[10]			₩ 1,312,536,960,000
IDR	700,000,000,000	5.10	April 21, 2021	April 21, 2023*	700,000,000,000
IDR	700,000,000,000	5.75	March 5, 2021	March 5, 2024	700,000,000,000
IDR	705,000,000,000	6.70	December 2, 2019	December 2, 2024	705,000,000,000
IDR	700,000,000,000	6.71	November 25, 2019	November 25, 2024	700,000,000,000
IDR	700,000,000,000	6.65	September 25, 2019	May 15, 2023	700,000,000,000
IDR	675,000,000,000	8.00	April 3, 2019	May 15, 2024	675,000,000,000
IDR	700,000,000,000	8.00	February 28, 2019	May 15, 2024	700,000,000,000
IDR	635,000,000,000	7.25	April 19, 2018	December 7, 2024	635,000,000,000
IDR	640,000,000,000	7.25	April 16, 2018	December 7, 2024	640,000,000,000
IDR	645,000,000,000	7.25	March 12, 2018	December 7, 2024	645,000,000,000
IDR	645,000,000,000	7.25	March 7, 2018	December 7, 2024	645,000,000,000
IDR	685,500,000,000	6.50	March 7, 2018	March 7, 2025	685,500,000,000
IDR	677,500,000,000	6.36	February 14, 2018	February 14, 2023*	677,500,000,000
IDR	625,000,000,000	7.25	February 5, 2018	December 7, 2024	625,000,000,000
IDR	630,000,000,000	7.25	January 19, 2018	December 7, 2024	630,000,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
IDR	670,000,000,000	7.25	December 7, 2017	December 7, 2024	670,000,000,000
		Subtotal in Original Currency			IDR 10,733,000,000,000
		Subtotal in Equivalent Amount of Won[11]			₩ 86,829,970,000,000
PEN	102,000,000	4.15	December 10, 2019	December 10, 2024	102,000,000
PEN	105,000,000	4.14	November 21, 2019	November 21, 2024	105,000,000
PEN	13,600,000	7.15	November 4, 2011	November 4, 2041	13,600,000
PEN	54,500,000	7.25	October 25, 2011	October 25, 2041	54,500,000
		Subtotal in Original Currency			PEN 275,100,000
		Subtotal in Equivalent Amount of Won[12]			₩ 92,048,460,000
NZD	60,000,000	3.09	November 24, 2021	November 24, 2026	60,000,000
NZD	60,000,000	2.62	September 15, 2021	September 15, 2031	60,000,000
NZD	54,000,000	2.65	June 8, 2021	June 8, 2031	54,000,000
		Subtotal in Original Currency			NZD 174,000,000
		Subtotal in Equivalent Amount of Won[13]			₩ 139,936,020,000
ZAR	1,500,000,000	6.11	March 22, 2022	March 22, 2023*	1,500,000,000
ZAR	2,000,000,000	5.82	March 14, 2022	March 14, 2023*	2,000,000,000
ZAR	715,000,000	8.05	September 28, 2021	September 28, 2031	715,000,000
ZAR	600,000,000	8.20	March 19, 2020	March 19, 2030	600,000,000
ZAR	600,000,000	8.43	November 27, 2019	November 27, 2026	600,000,000
ZAR	700,000,000	8.50	May 28, 2019	May 28, 2025	700,000,000
		Subtotal in Original Currency			ZAR 6,115,000,000
		Subtotal in Equivalent Amount of Won[14]			₩ 457,585,450,000
CAD	65,000,000	3.16	February 16, 2017	February 16, 2032	65,000,000
		Subtotal in Original Currency			CAD 65,000,000
		Subtotal in Equivalent Amount of Won[15]			₩ 60,799,700,000
GBP	36,000,000	1.93	March 7, 2022	March 7, 2029	36,000,000
		Subtotal in Original Currency			GBP 36,000,000
		Subtotal in Equivalent Amount of Won[16]			₩ 54,996,120,000
NOK	300,000,000	4.51	September 13, 2013	September 11, 2023	300,000,000
NOK	300,000,000	4.51	September 12, 2013	September 11, 2023	300,000,000
NOK	300,000,000	4.51	September 11, 2013	September 11, 2023	300,000,000
NOK	300,000,000	4.51	September 10, 2013	September 11, 2023	300,000,000
NOK	300,000,000	4.51	September 9, 2013	September 11, 2023	300,000,000
NOK	250,000,000	4.55	June 26, 2013	June 26, 2025	250,000,000
NOK	250,000,000	4.55	June 26, 2013	June 26, 2025	250,000,000
NOK	250,000,000	4.55	June 26, 2013	June 26, 2025	250,000,000
		Subtotal in Original Currency			NOK 2,250,000,000
		Subtotal in Equivalent Amount of Won[17]			₩ 288,270,000,000
SEK	250,000,000	1.28	December 11, 2017	December 11, 2024	250,000,000
		Subtotal in Original Currency			SEK 250,000,000
		Subtotal in Equivalent Amount of Won[18]			₩ 30,292,500,000
CZK	1,140,000,000	1.54	November 14, 2019	November 14, 2024	1,140,000,000
CZK	1,140,000,000	1.52	November 6, 2019	November 6, 2024	1,140,000,000
CZK	1,140,000,000	1.55	November 6, 2019	November 6, 2024	1,140,000,000
		Subtotal in Original Currency			CZK 3,420,000,000
		Subtotal in Equivalent Amount of Won[19]			₩ 191,007,000,000
PLN	194,000,000	2.12	October 25, 2019	October 25, 2024	194,000,000
		Subtotal in Original Currency			PLN 194,000,000
		Subtotal in Equivalent Amount of Won[20]			₩ 56,007,800,000
PHP	2,000,000,000	3.15	December 1, 2021	December 1, 2023	2,000,000,000
PHP	2,000,000,000	3.70	March 23, 2021	March 23, 2026	2,400,000,000
		Subtotal in Original Currency			PHP 4,400,000,000
		Subtotal in Equivalent Amount of Won[21]			₩ 99,880,000,000
SGD	67,000,000	3.70	July 19, 2022	July 19, 2023	67,000,000
		Subtotal in Original Currency			SGD 67,000,000
		Subtotal in Equivalent Amount of Won[22]			₩ 63,188,370,000
JPY	7,320,000,000	0.42	November 7, 2022	November 7, 2025	7,320,000,000
JPY	7,300,000,000	0.43	November 4, 2022	November 4, 2025	7,300,000,000

Currency	Original Principal Amount	Interest Rate (%)	Issue Date	Maturity Date	Principal Amount Outstanding as of December 31, 2022
JPY …….....	7,150,000,000	0.26	September 15, 2022	September 15, 2025	7,150,000,000
JPY …….....	10,000,000,000	0.00	September 15, 2022	September 15, 2023	10,000,000,000
JPY …….....	7,000,000,000	0.26	September 14, 2022	September 14, 2025	7,000,000,000
JPY …….....	7,000,000,000	0.27	September 13, 2022	September 13, 2025	7,000,000,000
JPY …….....	6,975,000,000	0.25	September 8, 2022	September 8, 2025	6,975,000,000
		Subtotal in Original Currency			JPY 52,745,000,000
		Subtotal in Equivalent Amount of Won[23]			₩ 50,275,479,100,000
		Total External Bonds of the Bank in Equivalent Amount of Won			₩ 200,792,647,934,000

* Repaid on the respective maturity dates.

(1) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to Won 1,267.30, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(2) Hong Kong Dollar amounts are converted to Won amounts at the rate of HKD 1.00 to Won 162.55, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(3) Mexican Peso amounts are converted to Won amounts at the rate of MXN 1.00 to Won 65.15, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(4) Brazilian Real amounts are converted to Won amounts at the rate of BRL 1.00 to Won 239.72, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(5) Euro amounts are converted to Won amounts at the rate of EUR 1.00 to Won 1,351.20, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(6) Thai Baht amounts are converted to Won amounts at the rate of THB 1.00 to Won 36.66, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(7) Swiss Franc amounts are converted to Won amounts at the rate of CHF 1.00 to Won 1,372.87, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(8) Australian Dollar amounts are converted to Won amounts at the rate of AUD 1.00 to Won 858.41, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(9) Indian Rupee amounts are converted to Won amounts at the rate of INR 1.00 to Won 15.31, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(10) Chinese Yuan amounts are converted to Won amounts at the rate of CNY 1.00 to Won 181.44, the prevailing market rate on December 31, 2022.

(11) Indonesian Rupiah amounts are converted to Won amounts at the rate of IDR 100.00 to Won 8.09, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(12) Peruvian Sol amounts are converted to Won amounts at the rate of PEN 1.00 to Won 334.60, the prevailing market rate on December 31, 2022.

(13) New Zealand Dollar amounts are converted to Won amounts at the rate of NZD 1.00 to Won 804.23, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(14) South African Rand amounts are converted to Won amounts at the rate of ZAR 1.00 to Won 74.83, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(15) Canadian Dollar amounts are converted to Won amounts at the rate of CAD 1.00 to Won 935.38, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(16) Great Britain Pound amounts are converted to Won amounts at the rate of GBP 1.00 to Won 1,527.67, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(17) Norwegian Krone amounts are converted to Won amounts at the rate of NOK 1.00 to Won 128.12, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(18) Swedish Krona amounts are converted to Won amounts at the rate of SEK 1.00 to Won 121.17, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(19) Czech Koruna amounts are converted to Won amounts at the rate of CZK 1.00 to Won 55.85, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(20) Polish Zloty amounts are converted to Won amounts at the rate of PLN 1.00 to Won 288.70, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(21) Philippine Peso amounts are converted to Won amounts at the rate of PHP 1.00 to Won 22.70, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(22) Singaporean Dollar amounts are converted to Won amounts at the rate of SGD 1.00 to Won 943.11, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(23) Japanese Yen amounts are converted to Won amounts at the rate of JPY 1.00 to Won 953.18, the market average exchange rate in effect on December 31, 2022, as announced by Seoul Money Brokerage Services, Ltd.

(2) External Borrowings of the Bank

Lender	Classifications	Range of Interest Rates	Range of Years of Issue	Range of Years of Maturity	Principal Amount Outstanding as of December 31, 2022[1]
		(%)			(millions of Won)
MUFG.....	Borrowings from MUFG	LIBOR 3M+0.09	2022	2023	380,190
		3M Term SOFR +0.69	2022	2024	380,190
Bookook Securities	Borrowings from Bookook	3M Term SOFR+0.78	2022	2027	506,920

Lender	Classifications	Range of Interest Rates	Range of Years of Issue	Range of Years of Maturity	Principal Amount Outstanding as of December 31, 2022[1]
		(%)			(millions of Won)
HSBC	Borrowings from HSBC	3M Term SOFR +0.59	2022	2025	126,730
ANZ	Borrowings from ANZ	BBSY 3M+0.74	2022	2024	111,593
		BBSY 3M+0.89	2022	2025	643,808
Long-term Borrowings from Foreign Financial Institution					₩ 2,149,431
Compulsory Loan		LIBOR 3M + 0.64 ~ 0.78	2014	2024	₩ 667,867
Foreign Currency CP		-2.7 ~ 0.74	2022	2022	₩ 6,072,421
Others (including foreign banks and Credit Support Annexes)					₩ 539,749
Total External Borrowings of the Bank					₩ 9,429,467

(1) Converted to Won amounts at the relevant market average exchange rates in effect on December 31, 2022 as announced by Seoul Money Brokerage Services, Ltd.

B. Internal Debt of the Bank

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of December 31, 2022
	(%)			(millions of Won)
Bonds				
Short-term Won-denominated domestic bonds	0.75~1.72	2021	2022	₩ 15,320,000
Long-term Won-denominated domestic bonds	0.76~4.70	2015~2021	2022~2041	13,600,000
Total Bonds	0.75~4.70	2015~2021	2022~2041	28,920,000
Total Internal Debt	₩ 28,920,000			

Financial Statements and the Auditors

The Minister of Economy and Finance appoints our internal Auditor who is responsible for examining our financial operations and auditing our financial statements and accounting records. The present internal Auditor is Kim, Jong-cheol, who was appointed for a three-year term on January 25, 2021.

We prepare our financial statements annually for submission to the Minister of Economy and Finance, accompanied by an opinion of the Auditor. Although we are not legally required to have financial statements audited by external auditors, an independent public accounting firm has audited our separate financial statements since 1983 and consolidated financial statements since 1998. As of the date of this Offering Circular, our independent auditor is KPMG Samjong Accounting Corp., located at 27th Floor, Gangnam Finance Center, 152 Teheran-ro, Gangnam-gu, Seoul, 06236, Korea, which has audited our separate financial statements as of and for the years ended December 31, 2022 and 2021 included in this Offering Circular.

Our separate financial statements and information included in this Offering Circular were prepared under K-IFRS. For a summary of financial statement preparation and significant accounting policies, see "—Notes to Separate Financial Statements as of and for the years ended December 31, 2022 and 2021—Note 2." These principles and procedures differ in certain material respects from generally accepted accounting principles in the United States.

Independent Auditors' Report

(Based on a report originally issued in Korean)

The Board of Directors and Shareholders of
The Export-Import Bank of Korea:

(1) Opinion

We have audited the accompanying separate financial statements of the Export-Import Bank of Korea (the "Bank"), which comprise the separate statements of financial position as of December 31, 2022 and 2021, the separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as of December 31, 2022 and 2021, and its separate financial performance and its separate cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

(2) Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(3) Other Matter

The procedures and practices utilized in the Republic of Korea to audit such separate financial statements may differ from those generally accepted and applied in other countries.

(4) *Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements*

(5) Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

(6) In preparing the separate financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

(7) *Auditors' Responsibilities for the Audit of the Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used in the preparation of the separate financial statements and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.
Seoul, Korea
March 31, 2023

This report is effective as of March 31, 2023, 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 separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	December 31, 2022	December 31, 2021
	(Korean won in millions)	
ASSETS:		
Cash and due from financial institutions (Notes 4, 5 and 7)	₩ 9,931,012	₩ 4,462,685
Financial assets at fair value through profit or loss ("FVTPL") (Notes 4, 5, 8 and 20)	4,172,754	2,598,204
Hedging derivative assets (Notes 4, 5 and 20)	329,210	561,911
Loans at amortized cost (Notes 4, 5, 10 and 37)	89,300,057	77,458,119
Financial investments (Notes 4, 5 and 9)	13,363,826	12,745,359
Investments in associates and subsidiaries (Note 11)	1,935,869	1,565,153
Tangible assets, net (Note 12)	273,003	270,367
Intangible assets, net (Note 13)	42,813	34,452
Deferred tax assets (Note 34)	867,269	875,099
Retirement benefit assets, net (Note 18)	45,142	13,605
Other assets (Notes 4, 5, 14 and 37)	1,808,995	866,698
	₩ 122,069,950	₩ 101,451,652
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Financial liabilities at FVTPL (Notes 4, 5 and 20)	₩ 2,513,487	₩ 768,115
Hedging derivative liabilities (Notes 4, 5 and 20)	2,356,908	661,057
Borrowings (Notes 4, 5 and 15)	10,112,740	5,576,909
Debentures (Notes 4, 5 and 16)	87,791,623	76,486,053
Provisions (Note 17)	1,092,435	621,467
Other liabilities (Notes 4, 5, 19 and 37)	2,767,208	1,985,120
	106,634,401	86,098,721
STOCKHOLDERS' EQUITY:		
Capital stock (Note 1 and 21)	12,773,254	12,748,254
Capital adjustments	(133,840)	(133,716)
Other components of equity (Notes 20 and 22)	744,756	882,669
Retained earnings (Note 23) (Regulatory reserve for loan losses as of December 31, 2022 and 2021: ₩239,710 million and ₩149,219 million)	2,051,379	1,855,724
	15,435,549	15,352,931
	₩ 122,069,950	₩ 101,451,652

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	(Korean won in millions)	
OPERATING INCOME:		
Net interest income (Notes 24 and 37):		
Interest income	₩ 3,070,500	₩ 1,745,510
Interest expenses	(2,118,108)	(841,107)
	952,392	904,403
Net commission income (Notes 25 and 37):		
Commission income	362,932	309,947
Commission expenses	(26,194)	(21,105)
	336,738	288,842
Dividend income (Note 26)	60,627	49,889
Net gain (loss) on financial assets at FVTPL (Note 27)	(305,507)	126,987
Net gain (loss) on hedging derivative assets (Notes 20 and 28)	(3,223,739)	(1,556,271)
Net gain (loss) on financial investments (Note 29)	(47)	3,381
Net gain (loss) on foreign exchange transaction	514,938	355,702
Net other operating income (expenses) (Note 30)	3,173,480	1,191,183
Reversal of (Additional) impairment loss on credit (Note 31 and 37)	(677,995)	(368,469)
General and administrative expenses (Note 32)	(261,423)	(252,846)
Total operating income	569,464	742,801
NON-OPERATING INCOME (Note 33):		
Net gain (loss) on investments in associates and subsidiaries	5,545	10,931
Net other non-operating income (expenses)	(4,143)	(7,608)
	1,402	3,323
PROFIT BEFORE INCOME TAX	570,866	746,124
INCOME TAX EXPENSES (Note 34)	(183,955)	(198,585)
PROFIT FOR THE YEAR	386,911	547,539
(Profit for the year adjusted for regulatory reserve for loan losses for the years ended December 31, 2022 and 2021: ₩351,001 million and ₩457,048 million) (Note 23)		
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR (Note 22)		
Items not reclassified subsequently to profit or loss:		
Net gain (loss) on equity securities at FVOCI	37,176	91,968
Remeasurement of net defined benefit liabilities	23,879	9,248
Income tax effect	(2,878)	(24,495)
Items that are or may be reclassified subsequently to profit or loss:		
Net gain (loss) on debt securities at FVOCI	(302,298)	(442)
Net gain (loss) on valuation of cash flow hedge	46,612	3,913
Income tax effect	59,596	(840)
	(137,913)	79,352
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₩ 248,998	₩ 626,891

See accompanying notes to separate financial statements

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

			Other components of equity					
	Capital stock	Capital adjustments	Gain (loss) on valuation of financial assets at FVOCI	Gain (loss) on valuation of cash-flow hedge	Remeasurement, net of defined benefit liabilities	Gain (loss) on disposal of financial assets at FVOCI	Retained earnings	Total
	(Korean won in millions)							
January 1, 2021	₩ 12,449,456	₩ (132,271)	₩ 853,563	₩ 3	₩ 11,855	₩ (62,104)	₩ 1,348,944	₩14,469,446
Payment of dividends	-	-	-	-	-	-	(40,759)	(40,759)
Paid-in Capital Increase	298,798	(1,445)	-	-	-	-	-	297,353
Total comprehensive Income								626,891
Profit for the year	-	-	-	-	-	-	547,539	547,539
Other comprehensive income (loss):								79,352
Net loss on valuation of financial assets at FVOCI, net of tax	-	-	77,213	-	-	-	-	77,213
Net loss on valuation of cash flow hedge, net of tax	-	-	-	2,965	-	-	-	2,965
Remeasurement elements of defined benefit plans, net of tax	-	-	-	-	7,010	-	-	7,010
Net loss on disposal of financial assets at FVOCI, net of tax	-	-	-	-	-	(7,836)	-	(7,836)
December 31, 2021	₩ 12,748,254	₩ (133,716)	₩ 930,776	₩ 2,968	₩ 18,865	₩ (69,940)	₩ 1,855,724	₩15,352,931
January 1, 2022	₩ 12,748,254	₩ (133,716)	₩ 930,776	₩ 2,968	₩ 18,865	₩ (69,940)	₩ 1,855,724	₩15,352,931
Payment of dividends	-	-	-	-	-	-	(191,256)	(191,256)
Paid-in Capital Increase	25,000	(124)	-	-	-	-	-	24,876
Total comprehensive Income								248,998
Profit for the year	-	-	-	-	-	-	386,911	386,911
Other comprehensive income (loss):								(137,913)
Net loss on valuation of financial assets at FVOCI, net of tax	-	-	(268,456)	-	-	-	-	(268,456)
Net loss on valuation of cash flow hedge, net of tax	-	-	-	35,837	-	-	-	35,837
Remeasurement elements of defined benefit plans, net of tax	-	-	-	-	18,589	-	-	18,589
Net loss on disposal of financial assets at FVOCI, net of tax	-	-	-	-	-	76,117	-	76,117
December 31, 2022	₩ 12,773,254	₩ (133,840)	₩ 662,320	₩ 38,805	₩ 37,454	₩ 6,177	₩ 2,051,379	₩15,435,549

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	(Korean won in millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	₩ 386,911	₩ 547,539
Adjustments for:		
Income tax expense	183,954	198,585
Interest income	(3,070,500)	(1,745,510)
Interest expenses	2,118,108	841,107
Dividend and distribution income	(80,566)	(65,705)
Dividend received from subsidiaries and associates	(5,545)	(10,931)
Loss on financial assets at FVTPL	16,362	12,951
Loss on financial assets at FVOCI	144	-
Transfer to derivatives' credit risk provision	5,982	13,863
Loss on foreign exchange transactions	1,922,433	1,020,030
Impairment loss on credit	677,995	368,469
Loss on fair value hedged items	273,771	10,284
Depreciation and amortization	18,674	17,814
Loss on disposals of tangible, intangible and other assets	3	51
Loss on valuation of derivative assets for trading	2,330,999	996,182
Loss on valuation of derivative assets for hedging	2,324,297	1,248,226
Increase in other provisions	60	-
Retirement benefits	11,064	20,940
Gain on financial assets at FVTPL	(36,319)	(19,351)
Gain on financial assets at FVOCI	(97)	(3,381)
Reversal of derivatives' credit risk provision	(17,165)	(11,958)
Gain on foreign exchange transactions	(2,437,371)	(1,376,405)
Gain on fair value hedged items	(3,439,246)	(1,242,036)
Gain on valuation of derivative assets for trading	(1,567,207)	(856,142)
Gain on valuation of derivative assets for hedging	(297,788)	(32,458)
Gain on disposals of tangible, intangible and other assets	(86)	(119)
	(1,068,044)	(615,494)
Changes in operating assets and liabilities:		
Due from financial institutions	(3,865,143)	(352,285)
Financial assets and liabilities at FVTPL	(533,003)	774,772
Hedging derivative net assets	(79,832)	(31,913)
Loans at amortized cost	(8,988,823)	(55,232)
Other assets	(935,202)	(18,940)
Provisions	40,231	(399,031)
Payment of retirement benefits	(18,721)	(20,497)
Other liabilities	377,869	(624,198)
	(14,002,624)	(727,324)
Payment of income tax	(10,322)	(1,560)
Interest received	2,781,824	1,675,762
Interest paid	(1,621,718)	(698,358)
Dividend received	86,111	76,636
Net cash provided by (used in) operating activities	(13,447,862)	257,201

THE EXPORT-IMPORT BANK OF KOREA
SEPARATE STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	(Korean won in millions)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Disposal of financial investments	₩ 1,539,545	₩ 1,292,634
Disposal of investments in associates and subsidiaries	2,981	-
Disposal of tangible assets	161	44
Acquisition of financial investments	(1,977,923)	(2,350,334)
Acquisition of investments in associates and subsidiaries	(373,697)	(26,461)
Acquisition of tangible assets	(11,783)	(14,021)
Acquisition of intangible assets	(17,966)	(17,128)
Net cash used in investing activities	(838,682)	(1,115,266)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in call money	-	774,120
Proceeds from borrowings	11,683,576	3,521,006
Proceeds from debentures	20,853,080	15,724,020
Paid-in capital increase	25,000	298,798
Increase in deposits	2	192
Decrease in call money	(752,829)	-
Repayment of borrowings	(6,700,287)	(5,300,930)
Repayment of debentures	(9,245,611)	(14,138,292)
Expense related to paid-in capital increases	(124)	(1,445)
Payment of dividends	(191,255)	(40,759)
Decrease in deposits	(2)	-
Net cash provided by financing activities	15,671,550	836,710
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,385,006	(21,355)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	3,146,957	3,071,235
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES	249,994	97,077
CASH AND CASH EQUIVALENTS, END OF THE YEAR (Note 7 and 35)	₩ 4,781,957	₩ 3,146,957

See accompanying notes to separate financial statements.

THE EXPORT-IMPORT BANK OF KOREA
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

1. GENERAL:

(1) Summary of The Export-Import Bank of Korea

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., export and import), investments and resources development activities. As of December 31, 2022, the Bank operates a head office in Seoul, a domestic subsidiary, ten domestic branches, three domestic offices, five overseas subsidiaries and twenty-four overseas offices.

The Bank's authorized capital is ₩15,000,000 million, and through numerous capital increases since the establishment, its paid-in capital is ₩12,773,254 million as of December 31, 2022. The Government of the Republic of Korea (the "Government"), the Bank of Korea, and the Korea Development Bank hold 68.80%, 9.12%, and 22.08%, respectively, of the ownership of the Bank as of December 31, 2022.

The Bank, as a trustee of the Government, has managed the Economic Development Cooperation Fund ("EDCF") since June 1987 and the Inter-Korean Cooperation Fund ("IKCF") since March 1991. These funds are accounted for separately and are not included in the Bank's separate financial statements. The Bank receives fees from the Government for the trustee services.

(2) Summary of subsidiaries and associates

1) Subsidiaries of the Bank as of December 31, 2022 and 2021 are as follows:
(December 31, 2022)

Subsidiaries	Location	Capital stock		Main business	Number of shares owned	Percentage of ownership (%)	Financial statements as of
KEXIM Bank UK Limited	United Kingdom	GBP	81mil.	Finance	81,283,897	100.00	Dec. 31, 2022
KEXIM Vietnam Leasing Co. (*1)	Vietnam	USD	53mil.	Finance	-	100.00	Dec. 31, 2022
PT.KOEXIM Mandiri Finance	Indonesia	IDR	52,000mil.	Finance	442	85.00	Dec. 31, 2022
KEXIM Asia Limited	Hong Kong	USD	130mil.	Finance	130,000,000	100.00	Dec. 31, 2022
KEXIM Global(Singapore) Ltd	Singapore	USD	300mil.	Finance	300,000,000	100.00	Dec. 31, 2022
EXIM PLUS Co., Ltd.	Korea	KRW	950mil.	Service	190,000	100.00	Dec. 31, 2022

(*1) This entity does not issue share certificates.

(December 31, 2021)

Subsidiaries	Location	Capital stock		Main business	Number of shares owned	Percentage of ownership (%)	Financial statements as of
KEXIM Bank UK Limited	United Kingdom	GBP	81mil.	Finance	81,283,897	100.00	Dec. 31, 2021
KEXIM Vietnam Leasing Co. (*1)	Vietnam	USD	53mil.	Finance	-	100.00	Dec. 31, 2021
PT.KOEXIM Mandiri Finance	Indonesia	IDR	52,000mil.	Finance	442	85.00	Dec. 31, 2021
KEXIM Asia Limited	Hong Kong	USD	130mil.	Finance	130,000,000	100.00	Dec. 31, 2021
EXIM PLUS Co., Ltd.	Korea	KRW	950mil.	Service	190,000	100.00	Dec. 31, 2021

(*1) This entity does not issue share certificates.

2) Associates of the Bank as of December 31, 2022 and 2021 are as follows:

(December 31, 2022)

Associates	Location	Capital stock		Main business	Number of shares owned	Percentage of owner-ship (%)	Financial statements as of
Credit Guarantee and Investment Fund	Philippines	USD	1,149mil.	Financial service	171,400,000	14.92	Dec. 31, 2022
KTB Newlake Global Healthcare PEF	Korea	KRW	21,930mil.	Financial service	5,481,550,532	25.00	Dec. 31, 2022
Korea Aerospace Industries. Ltd.	Korea	KRW	487,376mil.	Manufacturing	25,745,964	26.41	Dec. 31, 2022
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	Korea	KRW	541,453mil.	Shipbuilding	-	-	Dec. 31, 2022
KB-Badgers Future Mobility ESG Fund Ⅰ	Korea	KRW	5,225mil.	Financial service	1,187,500,000	22.73	Dec. 31, 2022

(December 31, 2021)

Associates	Location	Capital stock		Main business	Number of shares owned	Percentage of owner-ship (%)	Financial statements as of
Credit Guarantee and Investment Fund	Philippines	USD	1,137mil.	Financial service	171,400,000	15.07	Dec. 31, 2021
KTB Newlake Global Healthcare PEF	Korea	KRW	33,850mil.	Financial service	8,462,558,125	25.00	Dec. 31, 2021
Korea Aerospace Industries. Ltd.	Korea	KRW	487,376mil.	Manufacturing	25,745,964	26.41	Dec. 31, 2021
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	Korea	KRW	541,453mil.	Shipbuilding	-	-	Dec. 31, 2021

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of Financial Statement Presentation

The Bank's separate financial statements are prepared under Korean International Financial Reporting Standards ("K-IFRS").

The Bank's financial statements are separate financial statements in accordance with K-IFRS No. 1027 'Separate Financial Statements'.

(2) Basis of measurement

The separate financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Derivative financial instruments measured at fair value
- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income
- Financial assets and liabilities designated as hedged items in a fair value hedge accounting of which changes in fair value attributable to the hedged risk are recognized in profit or loss
- Liabilities for defined benefit plans, which are recognized as net of the total present value of defined benefit obligations less the fair value of plan assets

(3) Functional and presentation currency

These separate financial statements are presented in Korean won, which is the currency of the primary economic environment in which the Bank operates.

(4) Significant Estimates and Judgments

The preparation of separate financial statements requires the application of accounting policies and certain critical accounting estimates and assumptions may have a significant impact on assets (liabilities) and income (expenses). The management's estimate may differ from the actual outcome if the management's estimate and assumption based on its best judgment at the reporting date are different from an actual environment.

Estimates and assumptions are continually evaluated and the change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or the period of the change and future periods, if the change affects both.

Uncertainty in estimates and assumptions with significant risk that will result in material adjustment are as follows:

1) Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Financial instruments that are not actively traded in the market and with less transparent market price, will have less objective fair value and will require judgment in liquidity, concentration, uncertainty in market factors and assumption in price determination and other risks.

As described in the significant accounting policies 'Recognition and Measurement of Financial Instruments' diverse valuation techniques are used to determine the fair value of financial instruments, from general market accepted valuation model to internally developed valuation model that incorporates various types of assumptions and variables.

2) Provision of credit losses (allowances for loan losses, provisions for acceptances and guarantees, financial guarantee contracts and unused loan commitments)

The Bank recognizes credit loss allowance for expected credit losses on debt instruments, loans and receivables that are measured at amortized cost, loan commitments and financial guarantee contracts in accordance with K-IFRS No. 1109 'Financial Instruments'. The allowance is determined by techniques, assumptions and input variables used by the Bank to measure expected future cash flows of individual financial instruments and to measure expected credit losses in a collective manner.

3) Defined benefit obligation

The present value of defined benefit obligations is measured by the independent actuaries using projected unit credit method. It is determined by actuarial assumptions and variables such as future increases in salaries, rate of retirement, discount rate and others.

4) Income taxes

The Bank has recognized current and deferred taxes that reflect tax consequences based on the best estimates in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. However, actual income taxes in the future may not be identical to the recognized deferred tax assets and liabilities, and this difference can affect current and deferred tax at the period when the final tax effect is determined.

5) Hedging relationship

The Bank expects a high hedge effectiveness throughout the hedging period in designating the hedging relationship and it is probable that the hedged transaction will be highly probable in the cash flow hedge.

(5) Changes in Accounting Policies

The Bank has adopted the same accounting policies that applied to the separate financial statements as of and for the year ended December 31, 2021, except for the application of the amended standards first effective from January 1, 2022, which are explained below.

1) Amendments to K-IFRS No.1116 Leases - COVID-19-Related Rent Concessions, etc. beyond June 30, 2021

The application of the practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification, is extended to lease payments originally due on or before June 30, 2022. A lessee shall apply the practical expedient consistently to eligible contracts with similar characteristics and in similar circumstances. The amendments should be applied for annual reporting periods beginning on or after April 1, 2021, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

2) Amendments to K-IFRS No.1016 Property, Plant and Equipment - Proceeds Before Intended Use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, as profit or loss. The amendments should be applied for annual reporting periods beginning on or after January 1, 2022, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

3) Amendments to K-IFRS No.1103 Business Combination – Reference to the Conceptual Framework

The amendments update a reference of definition of assets and liabilities to qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of K-IFRS No.1037 Provisions, Contingent Liabilities and Contingent Assets, and K-IFRS No.2121 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual reporting periods beginning on or after January 1, 2022, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

4) Amendments to K-IFRS No.1037 Provisions, Contingent liabilities and Contingent assets – Onerous Contracts: Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual reporting periods beginning on or after January 1, 2022, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) General

The significant accounting policies applied in the preparation of these separate financial statements after transition to K-IFRS are set out below.

(2) Investments in subsidiaries and associates

The accompanying separate financial statements have been prepared on a stand-alone basis in accordance with K-IFRS No.1027, 'Separate Financial Statements'. The Bank's investments in subsidiaries and associates are recorded at cost in accordance with K-IFRS No.1027. Dividend received from its subsidiaries and associates is recognized in profit or loss when the Bank is entitled to receive the dividend.

(3) Foreign Currency

1) Foreign currency transactions

In preparing the separate financial statements of the Bank, transactions in currencies other than the Bank's functional currency (foreign currencies) are recorded by applying the rates of exchange at the dates of the transactions.

At the end of each reporting period foreign currency monetary items are translated using the closing rate which is the spot exchange rate at the end of the reporting period. Non-monetary items that are measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise. When gains or losses on a non-monetary item are recognized in other comprehensive income, any exchange component of those gains or losses are recognized in other comprehensive income. Conversely, when gains or losses on a non-monetary item are recognized in profit or loss, any exchange component of those gains or losses are recognized in profit or loss.

2) Foreign operations

The results and financial position of all foreign operations, whose functional currency differs from the Bank's presentation currency, are translated into the Bank's presentation currency using the following procedures;

Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position. Income and expenses for statement of comprehensive income presented are translated at average exchange rates for the period.

Any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and are translated into the presentation currency at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, are reclassified from equity to profit or loss (as a reclassification adjustment) when the gains or losses on disposal are recognized. On the partial disposal of a subsidiary that includes a foreign operation, the Bank reattributes the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation, the Bank reclassifies to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

(4) Cash and cash equivalents

Cash and cash equivalents include cash on hand, foreign currency, and highly liquid short-term investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

(5) Non-derivative Financial Assets

Financial assets are recognized when the Bank becomes a party to the contractual provisions of the instrument. In addition, a regular way purchase or sale (a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market concerned) is recognized on the trade date.

A financial asset is measured initially at its fair value plus, for an item not at Fair Value Through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition of the financial asset. Transaction costs on the financial assets at FVTPL that are directly attributable to the acquisition are recognized in profit or loss as incurred.

1) Financial assets designated at FVTPL

Financial assets can be irrevocably designated as measured at FVTPL despite of classification standards stated below, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

2) Equity instruments

For the equity instruments that are not held for trading, at initial recognition, the Bank may make an irrevocable election to present subsequent changes in fair value in other comprehensive income. Equity instruments that are not classified as financial assets at Fair Value through Other Comprehensive Income ("FVOCI") are classified as financial assets at FVTPL.

The Bank subsequently measures all equity investments at fair value. Valuation gains or losses of the equity instruments that are classified as financial assets at FVOCI previously recognized as other comprehensive income is not reclassified as profit or loss on derecognition. The Bank recognizes dividends in profit or loss when the Bank's right to receive payments of the dividend is established.

Valuation gains or losses due to changes in fair value of the financial assets at FVTPL are recognized as gains or losses on financial assets at FVTPL. Impairment loss (reversal) on equity instruments at FVOCI is not recognized separately.

3) Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model in which the asset is managed and the contractual cash flow characteristics of the asset. Debt instruments are classified as financial assets at amortized cost, at FVOCI, or at FVTPL. Debt instruments are reclassified only when the Bank's business model changes.

① Financial assets at amortized cost

Assets that are held within a business model whose objective is to hold assets to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Impairment losses, and gains or losses on derecognition of the financial assets at amortized cost are recognized in profit or loss. Interest income on the effective interest method is included in the 'Interest income' in the separate statement of comprehensive income.

② Financial assets at FVOCI

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Other than impairment losses, interest income amortized using effective interest method and foreign exchange differences, gains or losses of the financial assets at FVOCI are recognized as other comprehensive income in equity. On derecognition, gains or losses accumulated in other comprehensive income are reclassified to profit or loss. The interest income on the effective interest method is included in the 'Interest income' in the separate statement of comprehensive income. Foreign exchange differences and impairment losses are included in the 'Net foreign currency transaction gain' and 'Impairment loss on credit' in the separate statement of comprehensive income, respectively.

③ Financial assets at FVTPL

Debt securities other than financial assets at amortized costs or FVOCI are classified at FVTPL. Unless hedge accounting is applied, gains or losses from financial assets at FVTPL are recognized as profit or loss and are included in 'Net gain on financial assets at fair value through profit or loss' in the separate statement of comprehensive income.

4) Embedded derivatives

Financial assets with embedded derivatives are classified regarding the entire hybrid contract, and the embedded derivatives are not separately recognized. The entire hybrid contract is considered when it is determined whether the contractual cash flows represent solely payments of principal and interest.

5) Derecognition of financial assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

If the Bank retains substantially all the risks and rewards of ownership of the transferred financial assets, the Bank continues to recognize the transferred financial assets and recognizes financial liabilities for the consideration received.

6) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the separate statement of financial position only when the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(6) Derivative Financial Instruments

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

1) Hedge accounting

The Bank holds forward exchange contracts, interest rate swaps, currency swaps and other derivative contracts to manage interest rate risk and foreign exchange risk. The Bank designated derivatives as hedging instruments to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecasted transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Bank formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship.

① Fair value hedge

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The gain or loss from remeasuring the hedging instrument at fair value for a derivative hedging instrument and the gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss in the same line item of the separate statement of comprehensive income.

The Bank discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, or if the hedge no longer meets the criteria. Any adjustment arising from G/L on the hedged item attributable to the hedged risk is amortized to profit or loss from the date the hedge accounting is discontinued.

② Cash flow hedge

When a derivative is designated to hedge the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income, net of tax, and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income is reclassified to profit or loss in the periods during which the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in profit or loss.

③ Net investment hedge

The portion of the change in fair value of a financial instrument designated as a hedging instrument that meets the requirements for hedge accounting for a net investment in a foreign operation is recognized in other comprehensive income and the ineffective portion of the hedge is recognized in profit or loss. The portion recognized as other comprehensive income that is effective as a hedge is recognized in the statement of comprehensive income as a result of reclassification adjustments in accordance with K-IFRS No. 1021, 'Effect of Changes in Foreign Exchange Rates' at the time of disposing of its overseas operations or disposing of a portion of its overseas operations to profit or loss.

2) Other derivative financial instruments
Changes in the fair value of other derivative financial instrument not designated as a hedging instrument are recognized immediately in profit or loss.

3) Unobservable valuation differences at initial recognition
Any difference between the fair value of over the counter derivatives at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognized in profit or loss but is recognized on a straight-line basis over the life of the instrument or immediately when the fair value becomes observable.

(7) Impairment: Financial assets

The Bank measures expected credit loss and recognizes loss allowance at the end of the reporting period for financial assets measured at amortized cost and fair value through other comprehensive income with the exception of financial asset measured at fair value through profit or loss.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. The Bank measures expected credit losses by reflecting reasonable and supportable information that is reasonably available at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future economic conditions.

The Bank uses the following three measurement techniques in accordance with K-IFRS:
- General approach: for financial assets and off-balance-sheet unused credit line that are not applied below two approaches
- Credit-impaired approach: for purchased or originated credit-impaired financial assets

Different measurement approaches are applied depending on significant increase in credit risk. 12 months expected credit losses is recognized when credit risk has not significantly increased since initial recognition. A loss allowance at an amount equal to lifetime expected credit losses is recognized when credit risk has significantly increased since initial recognition. Lifetime is presumed to be a period to the contractual maturity date of a financial asset (the expected life of the financial asset).

One or more of the following items is deemed significant increase in credit risk. When the contractual cash flows of a financial asset are renegotiated or otherwise modified, the Bank determines whether the credit risk has increased significantly since initial recognition using the following information.

- more than 30 days past due;
- decline in credit rating at period end by more than certain notches as compared to that at initial recognition;
- the soundness of the assets is under precautionary from the grade table by Korean Financial Supervisory service

The Bank generally deems one or more of the following items credit-impaired:

- no less than 90 days past due
- legal proceedings related to collection
- a borrower that has received a credit-warning from Korea Credit Information Services
- corporate borrowers that are considered impaired (internally rating S, D, or F)
- a borrower with the external auditor's opinion that is qualified or disclaimer
- negative capital and
- debt restructuring.

1) Forward-looking information
The Bank uses forward-looking information, when it measures expected credit losses.

The Bank assumes ‘probability of default’(PD), which is one of the risk components, has a certain correlation with the business cycle and calculates the expected credit loss by reflecting the forward-looking information with macroeconomic variables on the measurement inputs.

2) Measuring expected credit losses on financial assets at amortized cost
The amount of the loss on financial assets at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The Bank estimates expected future cash flows for financial assets that are individually significant (individual assessment of impairment).

For financial assets that are not individually significant, the Bank collectively estimates expected credit loss by grouping loans with homogeneous credit risk profile (collective assessment of impairment).

① Individual assessment of impairment
Individual assessment of impairment losses is calculated using management's best estimate on present value of expected future cash flows. The Bank uses all the available information including operating cash flow of the borrower and net realizable value of any collateral held.

② Collective assessment of impairment
Collective assessment of loss allowance involves historical loss experience along with incorporation of forward-looking information. Such process incorporates factors such as type of collateral, product and borrowers, credit rating, size of portfolio and recovery period and applies ‘probability of default’(PD) on a group of assets and ‘loss given default’(LGD) by type of recovery method. Also, the expected credit loss model involves certain assumption to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce gap between loss estimate and actual loss experience.

Lifetime expected credit loss as at the end of the reporting period is calculated by product based on the carrying amount net of expected repayment, PD for each period and LGD adjusted by change in carrying amount.

3) Measuring expected credit losses on financial assets at fair value through other comprehensive income
Measuring method of expected credit losses on financial assets at fair value through other comprehensive income is equal to the method of financial assets at amortized cost, except for loss allowances that are recognized as other comprehensive income. Amounts recognized in other comprehensive income for sale or repayment of financial assets at fair value through other comprehensive income are reclassified to profit or loss.

(8) Tangible assets

1) Recognition and measurement

All property and equipment that qualify for recognition as an asset are measured at their cost and subsequently carried at their cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures are capitalized only when they prolong the useful life or enhance values of the assets but the costs of the day-to-day servicing of the assets such as repair and maintenance costs are recognized in profit or loss as incurred. If part of an item of an asset has a useful life different from that of the entire asset, it is recognized as a separate asset.

2) Depreciation

Land is not depreciated whereas other property and equipment are depreciated using the method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Bank. The depreciable amount of an asset is determined after deducting its residual value.

The depreciation method is straight-line and estimated useful lives of the assets are as follows.

Property and equipment	Estimated useful lives
Buildings and structures	10–60 years
Leasehold Improvements	5 years
Vehicles	4 years
Tools, furniture and fixtures	4–20 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates or if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the changes are accounted for as a change in an accounting estimate.

(9) Intangible assets

Intangible assets are measured initially at cost and subsequently carried at its cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized using the straight-line method with no residual value over their estimated useful economic life since the assets are available for use.

Intangible assets	Estimated useful lives
Software	5 years
System development costs	5 years

The amortization period and the amortization method for intangible assets with a definite useful life are reviewed at least at each financial year-end. The useful life of an intangible asset that is not being amortized is reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If there is any change, it is accounted for as a change in an accounting estimate.

(10) Impairment of non-financial assets

The Bank assesses at the end of each reporting period whether there is any indication that a non-financial asset, except for deferred tax assets, assets arising from employee benefits and non-current assets (or group of assets to be sold) classified as held for sale, may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. However, irrespective of whether there is any indication of impairment, the Bank tests goodwill acquired in a business combination, an intangible asset with an indefinite useful life and an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

The recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Bank determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and such impairment loss is recognized immediately in profit or loss.

(11) Financial liabilities at FVTPL

Financial liabilities at FVTPL include contingent consideration that may be paid by an acquirer as part of a business combination to which K-IFRS No.1103, 'Business Combination' applies, short-term financial liabilities and financial liabilities recognized as financial liabilities at FVTPL initially. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Otherwise, the transaction cost is recognized in current profit or loss.

(12) Provisions

A provision is recognized if the Bank has a present obligation (legal or constructive) as a result of the past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision, and where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.
Provisions on confirmed and unconfirmed acceptances and guarantees, and unused credit line of corporate loans are recognized using valuation model that applies the credit conversion factor, default rates, and loss given default. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

(13) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer (the Bank) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognized at fair value and are amortized over the life of the contract. After initial recognition, financial guarantee contracts are measured at the greater of:

- The amount determined in accordance with K-IFRS No.1109, 'Financial Instruments' and
- The initial amount recognized, less, when appropriate, cumulative amortization recognized in accordance with K-IFRS No.1115, 'Revenue from Contracts with Customers'

(14) Equity and Reserve

Equity and Reserve are any contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities

(15) Interest income and expenses

Interest income and expenses are recognized using the effective interest method. Effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or groups of financial assets or financial liabilities) and of allocating the interest income or interest expenses over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Bank uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Interest on impaired financial assets is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(16) Fee and commission income

The Bank recognizes financial service fee in accordance with the accounting standard of the financial instrument related to the fees earned.

1) Fees that are an integral part of the effective interest of a financial instrument
Such fees are generally treated as adjustments of effective interest. Such fees may include compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, collateral and other security arrangements, negotiating the terms of the instrument, preparing and processing documents and closing the transaction and origination fees received on issuing financial liabilities measured at amortized cost. However, fees relating to the creation or acquisition of a financial asset at FVTPL are recognized as revenue immediately

2) Fees earned as services are provided
Such fees are recognized as revenue as the services are provided.

3) Fees that are earned on the execution of a significant act
Such fees are recognized as revenue when the significant act has been completed.

(17) Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. Dividend income from financial assets at FVTPL and financial investments is recognized in profit or loss as part of dividend income in the separate statements of comprehensive income.

(18) Employee compensation and benefits

1) Defined contribution plans

When employees render service related to defined contribution plans, contributions related to employees services are recognized in current profit or loss without contributions included in cost of assets. Contributions which are supposed to be paid are recognized in accrued expenses after deducting any amount already paid. Also, if contributions already paid exceed contributions which would be paid at the end of period, the amount of excess is recognized in prepaid expenses.

2) Defined benefit plans

The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Bank recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3) Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits are recognized in current profit and loss when employees render the related service. Short-term employee benefits are not discounted.

(19) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax and is recognized as profit or loss, except for taxes directly adjusted in equity or other comprehensive income and loss and for taxes that arise from business combination.

1) Current tax

Current income tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. The difference between the taxable profit and accounting profit may arise when income or expenses are included in accounting profit in one period, but is included in taxable profit in a different period, and if there is revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss). Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Bank offsets current income tax assets and current income tax liabilities if, and only if, the Bank has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2) Deferred tax

Deferred tax is recognized, using the asset-liability method, on temporary differences arising between the tax base amount of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred tax liabilities which the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. The Bank reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Bank offsets deferred tax assets and deferred tax liabilities when the Bank has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity; or different taxable entity which intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(20) New standards and interpretations not yet adopted

The following new standards and amendments to existing standards have been published and are mandatory for the Bank to adopt for annual periods beginning on or after January 1, 2023, and the Bank has not early adopted them.

The following new standards and amendments to existing standards are not expected to significantly affect the Bank:

1) Amendments to K-IFRS No.1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

   The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise the right to defer settlement of the liability or the management's expectations thereof. Also, the settlement of liability includes the transfer of the entity's own equity instruments; however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The amendments should be applied for annual reporting periods beginning on or after January 1, 2023, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

2) Amendments to K-IFRS No.1001 Presentation of Financial Statements – Accounting Policy Disclosure

   The amendments require an entity to define and disclose their material accounting policy information. The amendments should be applied for annual reporting periods beginning on or after January 1, 2023, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

3) Amendments to K-IFRS No.1008 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

   The amendments introduce the definition of accounting estimates and clarify how to distinguish changes in accounting estimates from changes in accounting policies. The amendments should be applied for annual reporting periods beginning on or after January 1, 2023, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

4) Amendments to K-IFRS No.1012 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

   The amendments narrow the scope of the deferred tax recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments should be applied for annual reporting periods beginning on or after January 1, 2023, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

5) Amendments to K-IFRS No.1001 Presentation of Financial Statements - Disclosure of gains or losses on valuation of financial liabilities subject to exercise price adjustment conditions

   The amendments require disclosures about gains or losses on valuation occurred for the reporting period (but are limited to those included in profit or loss) for the conversion options or warrants (or financial liabilities with warrants), if all or part of the financial instrument whose exercise price is adjusted due to the issuers' stock price fluctuations, are classified as financial liabilities according to paragraph 11 of K-IFRS No.1032 Financial Instruments: Presentation. The amendments should be applied for annual reporting periods beginning on or after January 1, 2023, and earlier application is permitted. The Bank does not expect that these amendments have a significant impact on the financial statements.

4. RISK MANAGEMENT:

4-1. Summary

(1) Overview of Risk Management Policy

The financial risks that the Bank is exposed to are credit risk, market risk, liquidity risk, operational risk, interest risk, credit concentration risk, strategy/reputational risk, outsourcing risk, settlement risk and others. Credit risk, market risk, liquidity risk, and operational risk have been recognized as the Bank's key risks.

The Bank's risk management system focuses on increasing transparency, developing risk management environment and preemptive response to risks due to rapid changes in financial environment to support the Bank's long-term strategy and business decision efficiently.

The note regarding financial risk management provides information about the risks that the Bank is exposed to, the objective, policies and process for managing the risk, the methods used to measure the risk and capital adequacy. Additional quantitative information is disclosed throughout the separate financial statements.

(2) Risk Management Group

1) Risk Management Committee

The Risk Management Committee establishes risk management strategies in accordance with the directives of the board of directors and determines the Bank's target risk appetite, approves significant risk matters and reviews the level of risks that the Bank is exposed to and the appropriateness of the Bank's risk management operations as an ultimate decision-making authority.

2) Risk Management Council

The Risk Management Council is a consultative group that reviews and makes decisions on matters delegated by the Risk Management Committee and discusses the detailed issues relating to the Bank's risk management.

3) Risk Management Practices Committee

The Risk Management Practices Committee assists the Risk Management Committee and the Risk Management Council. It performs practical work process relating to risk management plan, including targeted Bank for International Settlements ("BIS") ratio, risk management strategy, risk measurement, risk analysis, economic capital limit and others.

4-2. Credit risk

(1) Overview of Credit Risk

Credit risk is the risk of possible losses in an asset portfolio in the events of counterparty's default, breach of contract and deterioration in the credit quality of the counterparty. For the risk management reporting purposes, the individual borrower's default risk, country risk, specific risks and other credit risk exposure components are considered as a whole.

(2) Credit Risk Management

The Bank controls the credit concentration risk exposure by applying and managing total exposure limits to prevent the excessive risk concentration to specific industry and specific borrowers. The Bank maintains allowances for loan losses associated with credit risk on loans and receivables to manage its credit risk.

(3) Maximum exposure to credit risk

The Bank's maximum exposure of financial instruments to credit risk as of December 31, 2022 and 2021, is as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Cash and due from financial institutions	₩ 9,931,012	₩ 4,462,685
Financial assets at FVTPL	4,168,062	2,590,247
Hedging derivative assets	329,210	561,911
Loans at amortized cost (*1)	89,308,139	77,460,842
Financial investments	4,362,663	3,707,522
Other financial assets	1,645,865	838,645
Acceptances and guarantee contracts	53,388,080	40,231,483
Commitments (*2)	32,346,450	32,101,482
Total	₩ 195,479,481	₩ 161,954,817

(*1) Loans at amortized cost exclude loans valuation adjustment related to fair value hedging and allowances for loan losses.

(*2) Commitments exclude commitments on purchase of beneficiary certificates which are included in other commitments in Note 36.

(4) Credit risk of loans

The Bank maintains allowances for loan losses associated with credit risk on loans to manage its credit risk. Impairment loss on loans can be directly from the carrying amount of the asset or deducted using an allowance account.

The Bank measures the credit risk inherent in financial assets classified as loans and presents it in financial statements as Allowance for loan losses in the form of deduction from the carrying amount of the assets. The Bank writes off on non-profitable loans, non-recoverable loans, loans classified as estimated loss by asset quality category, loans requested to be written off by Financial Supervisory Service ("FSS") and others upon approval of Loan Management Committee.

Loans categorized as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Collective assessment:				
Best	₩ 30,155,535	₩ 5,469	₩ 1,905	₩ 30,162,909
Outstanding	33,368,921	1,521	11,150	33,381,592
Good	24,000,386	2,027,067	50,334	26,077,787
Below normal	-	194,819	308,213	503,032
Subtotal	87,524,842	2,228,876	371,602	90,125,320
Individual assessment:				
Best	-	-	4,266	4,266
Outstanding	-	-	-	-
Good	-	-	-	-
Below normal	-	928,236	666,689	1,594,925
Subtotal	-	928,236	670,955	1,599,191
Total	₩ 87,524,842	₩ 3,157,112	₩ 1,042,557	₩ 91,724,511
Net deferred loan origination fees and costs				(403,461)
Allowances				(2,012,911)
Total				₩ 89,308,139

(December 31, 2021)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Collective assessment:				
Best	₩ 25,780,685	₩ 1,846	₩ 10,011	₩ 25,792,542
Outstanding	27,937,616	-	5,000	27,942,616
Good	21,359,536	1,590,455	63,234	23,013,225
Below normal	-	385,669	81,028	466,697
Subtotal	75,077,837	1,977,970	159,273	77,215,080
Individual assessment:				
Best	-	-	3,991	3,991
Outstanding	-	-	-	-
Good	-	709,590	7,406	716,996
Below normal	-	757,796	1,300,691	2,058,487
Subtotal	-	1,467,386	1,312,088	2,779,474
Total	₩ 75,077,837	₩ 3,445,356	₩ 1,471,361	₩ 79,994,554
Net deferred loan origination fees and costs				(368,209)
Allowances				(2,165,503)
Total				₩ 77,460,842

The above carrying amounts exclude loan valuation adjustment related to fair value hedging amounting to ₩ (8,082) million and ₩(2,723) million as of December 31, 2022 and 2021, respectively.

(5) Credit quality of Financial investments (debt securities)

Financial investments (debt securities) exposed to credit risk as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Grade 1	₩ 4,362,663	₩ -	₩ -	₩ 4,362,663
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Grade 4	-	-	-	-
Grade 5	-	-	-	-
Total	₩ 4,362,663	₩ -	₩ -	₩ 4,362,663

(December 31, 2021)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Grade 1	₩ 3,707,522	₩ -	₩ -	₩ 3,707,522
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Grade 4	-	-	-	-
Grade 5	-	-	-	-
Total	₩ 3,707,522	₩ -	₩ -	₩ 3,707,522

(6) Concentration of credit risk

The amounts disclosed below exclude loan valuation adjustment related to fair value hedging amounting to ₩ (8,082) million and ₩(2,723) million as of December 31, 2022 and 2021, respectively.

1) Loans by country where the credit risk belongs to as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Asia:							
Korea	₩ 28,665,695	₩ 10,236,442	₩ 2,309,444	₩ 41,211,581	44.93	₩ (14,857)	₩ (682,166)
China	-	1,686,247	256,613	1,942,860	2.12	(1,024)	(24,458)
Saudi Arabia	-	2,123,068	7,429	2,130,497	2.32	(17,335)	(13,542)
India	-	2,737,735	38,294	2,776,029	3.03	(14,540)	(3,116)
Indonesia	15,000	2,872,577	13,577	2,901,154	3.16	(34,383)	(9,103)
Vietnam	-	4,283,876	78,780	4,362,656	4.76	(25,781)	(105,525)
Australia	-	469,043	-	469,043	0.51	(16,022)	(3,415)
Philippines	-	6,677	696	7,373	0.01	-	(420)
Qatar	-	471,410	-	471,410	0.51	(1,450)	(2,733)
Singapore	-	800,470	253,460	1,053,930	1.15	(3,506)	(3,050)
Oman	-	1,216,937	-	1,216,937	1.33	(13,066)	(16,918)
Hong Kong	-	280,707	711,195	991,902	1.08	-	(1,731)
The United Arab Emirates	-	6,356,459	3,013	6,359,472	6.93	(44,810)	(3,381)
Uzbekistan	-	1,108,308	-	1,108,308	1.21	(8,047)	(82,355)
Others	9,800	3,172,143	2,267,024	5,448,967	5.94	(79,288)	(110,739)
Subtotal	28,690,495	37,822,099	5,939,525	72,452,119	78.99	(274,109)	(1,062,652)
Europe:							
Russia	-	365,005	-	365,005	0.40	(269)	(209,032)
United Kingdom	-	1,360,193	15,058	1,375,251	1.50	(6,866)	(19,589)
France	-	218,679	1,655	220,334	0.24	(1,704)	(158)
Netherlands	-	-	23,560	23,560	0.03	-	(137)
Greece	-	1,835,089	-	1,835,089	2.00	(8,671)	(1,783)
Ireland	-	28,734	-	28,734	0.03	(224)	(65)
Türkiye	-	1,383,606	22,723	1,406,329	1.53	(11,270)	(178,378)
Germany	-	276,499	21,192	297,691	0.32	(184)	(1,161)
Ukraine	-	63,188	-	63,188	0.07	(45)	(128)
Hungary	-	1,893,201	-	1,893,201	2.06	(2,975)	(2,875)
Others	-	2,692,104	80,931	2,773,035	3.03	(13,350)	(8,811)
Subtotal	-	10,116,298	165,119	10,281,417	11.21	(45,558)	(422,117)
America:							
Panama	-	1,120,261	171,126	1,291,387	1.41	(4,137)	(1,268)
United States	-	2,497,356	8,123	2,505,479	2.73	(2,867)	(12,761)
The British Virgin Islands	-	7,501	-	7,501	0.01	-	-

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Mexico	-	315,642	-	315,642	0.34	(2,807)	(3,733)
Brazil	-	2,011,896	-	2,011,896	2.19	(3,326)	(5,272)
Others	-	1,268,288	-	1,268,288	1.39	(5,959)	(9,885)
Subtotal	-	7,220,944	179,249	7,400,193	8.07	(19,096)	(32,919)
Africa:							
Marshall Islands	-	507,862	-	507,862	0.55	(2,126)	(532)
Liberia	-	125,670	-	125,670	0.14	(9,202)	(259)
Nigeria	-	284,645	-	284,645	0.31	(4,648)	(5,802)
Morocco	-	80,731	-	80,731	0.09	(796)	(112)
Others	-	586,114	5,760	591,874	0.64	(47,926)	(488,518)
Subtotal	-	1,585,022	5,760	1,590,782	1.73	(64,698)	(495,223)
Total	₩ 28,690,495	₩ 56,744,363	₩ 6,289,653	₩ 91,724,511	100.00	₩ (403,461)	₩ (2,012,911)

(December 31, 2021)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Asia:							
Korea	₩ 24,210,953	₩ 7,741,888	₩ 2,038,511	₩ 33,991,352	42.49	₩ (22,202)	₩ (713,282)
China	-	2,324,587	411,263	2,735,850	3.42	(1,531)	(35,833)
Saudi Arabia	-	2,190,841	7,930	2,198,771	2.75	(24,914)	(13,240)
India	-	2,322,922	20,219	2,343,141	2.93	(16,348)	(3,099)
Indonesia	15,000	2,986,511	13,892	3,015,403	3.77	(42,164)	(6,304)
Vietnam	-	4,068,879	161,045	4,229,924	5.29	(26,414)	(46,057)
Australia	-	281,279	481	281,760	0.35	(16,307)	(2,744)
Philippines	-	15,458	-	15,458	0.02	(1)	(637)
Qatar	-	509,196	-	509,196	0.64	(1,727)	(2,914)
Singapore	-	579,042	23,013	602,055	0.75	(3,845)	(520)
Oman	-	1,170,554	-	1,170,554	1.46	(13,101)	(14,849)
Hong Kong	-	262,030	245,927	507,957	0.63	-	(1,024)
The United Arab Emirates	-	4,597,422	9,904	4,607,326	5.76	(19,130)	(2,329)
Uzbekistan	-	1,134,276	-	1,134,276	1.42	(8,870)	(30,918)
Others	11,400	3,209,925	808,949	4,030,274	5.04	(83,450)	(88,289)
Subtotal	24,237,353	33,394,810	3,741,134	61,373,297	76.72	(280,004)	(962,039)
Europe:							
Russia	-	348,174	-	348,174	0.44	(324)	(1,074)
United Kingdom	-	1,778,473	164,964	1,943,437	2.43	(10,402)	(427,599)
France	-	84,899	6,597	91,496	0.11	(630)	(78)
Netherlands	-	-	15,396	15,396	0.02	-	(88)
Greece	-	1,937,778	-	1,937,778	2.42	(9,648)	(2,844)
Ireland	-	53,802	-	53,802	0.07	(254)	(117)
Türkiye	-	1,343,317	16,570	1,359,887	1.70	(12,448)	(118,579)
Germany	-	299,618	16,770	316,388	0.40	(343)	(983)

	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)	Deferred loan origination fees	Allowances
Ukraine	-	60,128	-	60,128	0.08	(79)	(116)
Hungary	-	1,333,943	-	1,333,943	1.67	(1,746)	(1,929)
Others	-	2,025,612	139,083	2,164,695	2.69	(6,634)	(18,829)
Subtotal	-	9,265,744	359,380	9,625,124	12.03	(42,508)	(572,236)
America:							
Panama	-	1,054,208	27,034	1,081,242	1.35	(5,834)	(1,740)
United States	-	2,743,778	16,404	2,760,182	3.45	(3,521)	(15,001)
The British Virgin Islands	-	14,054	-	14,054	0.02	-	-
Mexico	-	337,718	-	337,718	0.42	(3,194)	(1,912)
Brazil	-	1,713,043	-	1,713,043	2.14	(3,683)	(5,718)
Others	-	1,381,962	-	1,381,962	1.73	(7,076)	(14,117)
Subtotal	-	7,244,763	43,438	7,288,201	9.11	(23,308)	(38,488)
Africa:							
Marshall Islands	-	546,075	-	546,075	0.68	(2,577)	(1,313)
Liberia	-	18,095	-	18,095	0.02	(324)	(69)
Nigeria	-	348,377	-	348,377	0.44	(6,017)	(6,443)
Morocco	-	96,955	-	96,955	0.12	(943)	(127)
Others	-	698,430	-	698,430	0.88	(12,528)	(584,788)
Subtotal	-	1,707,932	-	1,707,932	2.14	(22,389)	(592,740)
Total	₩ 24,237,353	₩ 51,613,249	₩ 4,143,952	₩ 79,994,554	100.00	₩ (368,209)	₩ (2,165,503)

2) Loans by industry as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Loans					Deferred loan origination fees	Allowances
	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)		
Manufacturing	₩ 15,239,184	₩ 27,145,888	₩ 479,733	₩ 42,864,805	46.73	₩ (167,426)	₩ (1,439,253)
Transportation	1,713,800	6,689,326	341,413	8,744,539	9.53	(44,042)	(97,147)
Financial institutions	9,298,997	6,469,119	5,413,523	21,181,639	23.09	(3,705)	(218,711)
Wholesale and retail	932,415	1,219,784	25,243	2,177,442	2.38	(1,946)	(13,434)
Real estate	-	500,463	1	500,464	0.55	(2,239)	(80,611)
Construction	404,960	2,071,318	2,371	2,478,649	2.70	(28,134)	(20,927)
Public sector and others	1,101,139	12,648,465	27,369	13,776,973	15.02	(155,969)	(142,828)
Total	₩ 28,690,495	₩ 56,744,363	₩ 6,289,653	₩ 91,724,511	100.00	₩ (403,461)	₩ (2,012,911)

(December 31, 2021)

	Loans					Deferred loan origination fees	Allowances
	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)		
Manufacturing	₩ 12,800,359	₩ 24,571,341	₩ 791,091	₩ 38,162,791	47.71	₩ (176,107)	₩ (1,401,287)
Transportation	1,295,966	6,976,031	245,434	8,517,431	10.65	(37,475)	(137,338)
Financial institutions	8,289,003	5,583,824	2,845,411	16,718,238	20.90	(8,171)	(23,955)
Wholesale and retail	887,494	830,269	66,748	1,784,511	2.23	(2,303)	(14,175)
Real estate	-	331,210	527	331,737	0.41	(1,927)	(44,164)
Construction	365,842	1,534,289	2,371	1,902,502	2.38	(26,505)	(15,492)
Public sector and others	598,689	11,786,285	192,370	12,577,344	15.72	(115,721)	(529,092)
Total	₩ 24,237,353	₩ 51,613,249	₩ 4,143,952	₩ 79,994,554	100.00	₩ (368,209)	₩ (2,165,503)

3) Concentration of credit risk of financial assets at FVTPL and financial investments (debt securities) by industry as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022		Dec. 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Financial Assets at FVTPL				
Government and government sponsored institutions	₩ 135,804	3.26	₩ 36,186	1.48
Banking and insurance	3,759,214	90.19	2,104,501	85.87
Others	273,044	6.55	310,130	12.65
Subtotal	4,168,062	100.00	2,450,817	100.00
Financial Assets at FVOCI				
Government and government sponsored institutions	1,490,379	55.70	1,766,442	63.63
Banking and insurance	799,192	29.86	607,725	21.89
Others	386,504	14.44	402,059	14.48
Subtotal	2,676,075	100.00	2,776,226	100.00
Securities at amortized cost				
Government and government sponsored institutions	1,358,147	80.53	594,569	63.84
Banking and insurance	202,318	12.00	124,687	13.39
Others	126,123	7.47	212,040	22.77
Subtotal	1,686,588	100.00	931,296	100.00
Hedging derivative assets				
Banking and insurance	329,210	100.00	561,911	100.00
Total	₩ 8,859,935		₩ 6,720,250	

4) Concentration of credit risk of financial assets at FVTPL and financial investments (debt securities) by country as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022		Dec. 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Financial Assets at FVTPL				

	Dec. 31, 2022		Dec. 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Korea	₩ 3,966,136	95.16	₩ 1,927,706	78.66
Others	201,926	4.84	523,111	21.34
Subtotal	4,168,062	100.00	2,450,817	100.00
Financial Assets at FVOCI				
Korea	1,283,346	47.96	1,377,709	49.63
Others	1,392,729	52.04	1,398,517	50.37
Subtotal	2,676,075	100.00	2,776,226	100.00
Securities at amortized cost				
Korea	884,045	52.42	295,640	31.75
Others	802,543	47.58	635,656	68.25
Subtotal	1,686,588	100.00	931,296	100.00
Hedging derivative assets				
Korea	231,022	70.17	180,630	32.15
Others	98,188	29.83	381,281	67.85
Subtotal	329,210	100.00	561,911	100.00
Total	₩ 8,859,935		₩ 6,720,250	

5) Credit enhancement and its financial effect as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Loans (*1)	Acceptances and guarantees	Unused loan commitments	Total	Ratio (%)
Maximum exposure to credit risk	₩ 89,308,139	₩ 53,388,080	₩ 32,346,450	₩ 175,042,669	100.00
Credit enhancement:					
Deposits and savings	195,478	53,983	6,005	255,466	0.15
Export guarantee insurance	339,601	584,313	2,136	926,050	0.53
Guarantee	1,795,814	1,723,608	178,543	3,697,965	2.11
Securities	22,211	42,449	-	64,660	0.04
Real estate	2,335,539	331,485	123,691	2,790,715	1.59
Ships	1,218,222	237,108	-	1,455,330	0.83
Others	42,196	-	-	42,196	0.02
Subtotal	5,949,061	2,972,946	310,375	9,232,382	5.27
Exposure to credit risk after deducting credit enhancement	₩ 83,359,078	₩ 50,415,134	₩ 32,036,075	₩ 165,810,287	94.73

(December 31, 2021)

	Loans (*1)	Acceptances and guarantees	Unused loan commitments	Total	Ratio (%)
Maximum exposure to credit risk	₩ 77,460,842	₩ 40,231,483	₩ 32,101,482	₩ 149,793,807	100.00
Credit enhancement:					
Deposits and savings	370,372	92,230	20,650	483,252	0.32
Export guarantee insurance	377,225	-	2,270	379,495	0.25
Guarantee	1,869,125	2,438,289	79,876	4,387,290	2.93

	Loans (*1)	Acceptances and guarantees	Unused loan commitments	Total	Ratio (%)
Securities	116,172	54,379	3,000	173,551	0.12
Real estate	2,340,034	520,125	458,278	3,318,437	2.22
Ships	761,363	137,849	-	899,212	0.60
Others	42,743	-	-	42,743	0.02
Subtotal	5,877,034	3,242,872	564,074	9,683,980	6.46
Exposure to credit risk after deducting credit enhancement	₩ 71,583,808	₩ 36,988,611	₩ 31,537,408	₩ 140,109,827	93.54

(*1) Loans exclude loans valuation adjustment related to fair value hedging.

4-3. Liquidity risk

(1) Overview of liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations arising from financial liabilities as they become due. The Bank discloses all financial asset, financial liabilities and off-balance-sheet items, such as loan commitments and analysis of the contractual maturity, which are related to liquidity risk, into seven categories. The cash flows disclosed in the maturity analysis are undiscounted contractual amounts, including principal and future interest, which resulted in disagreement with the discounted cash flows included in the separate statements of financial position. However, for derivatives, each discounted cash flow consisting of current fair value is presented.

(2) Principles of the liquidity risk management

1) Liquidity risk is managed with integration. The Bank measures, reports and controls liquidity risk by quantification with reasonable method.

2) Liquidity risk reflects financing plans and fund-using plans, and the Bank reports the liquidity risk with preciseness, timeliness and consistency.

3) The Bank establishes liquidity risk management strategy by analyzing liquidity maturity, liquidity gap structure and market environment.

(3) Liquidity risk management

Risk management department monitors changes by liquidity risk sources and compliance of risk limits. It notifies related departments to prepare countermeasures in case the measured liquidity risk is close to risk limits. Also, it analyzes crisis situations and effects of the crisis situations and reports to the Risk Management Committee on a regular basis. Each related department monitors changes of liquidity risk sources and compliance of risk limits by itself and if exposure to new risk is expected, it discusses the matter with the head of risk management department.

(4) Measurement of liquidity risk

The Bank measures liquidity ratio, liquidity gap ratio and others for local currency and foreign currencies and simulates analysis reflecting market environment, product features and the Bank's strategies.

(5) Analysis on remaining contractual maturity of financial liabilities and off-balance-sheet items

Remaining contractual maturity and amount of financial liabilities and off-balance-sheet items as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	On demand	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year to 5 years	Over 5 years	Total
Financial liabilities:								
Financial liabilities at FVTPL	₩ 2,513,487	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 2,513,487
Hedging derivative liabilities	-	4,086	125,534	19,748	392,886	876,212	938,442	2,356,908
Borrowings	-	874,682	2,022,891	2,282,703	3,065,877	2,135,810	-	10,381,963
Debentures	-	1,163,134	7,694,833	9,377,102	19,730,207	47,780,202	13,041,873	98,787,351
Other financial liabilities	-	1,362,669	-	572	3,140	320,354	837,540	2,524,275
Total	₩ 2,513,487	₩ 3,404,571	₩ 9,843,258	₩ 11,680,125	₩ 23,192,110	₩ 51,112,578	₩ 14,817,855	₩ 116,563,984
Off-balance sheet items (*1):								
Commitments	₩ 32,346,450	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 32,346,450
Financial guarantee contracts	13,496,820	-	-	-	-	-	-	13,496,820
Total	₩ 45,843,270	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 45,843,270

(December 31, 2021)

	On demand	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year to 5 years	Over 5 years	Total
Financial liabilities:								
Financial liabilities at FVTPL	₩ 768,115	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 768,115
Hedging derivative liabilities	-	-	23,753	8,085	85,607	369,482	174,130	661,057
Borrowings	-	1,141,327	1,729,423	1,210,033	878,151	629,597	-	5,588,531
Debentures	-	2,726,529	4,083,166	6,716,159	14,114,830	43,283,095	11,094,508	82,018,287
Other financial liabilities	-	684,629	1,695	161	8,305	94,195	1,036,295	1,825,280
Total	₩ 768,115	₩ 4,552,485	₩ 5,838,037	₩ 7,934,438	₩ 15,086,893	₩ 44,376,369	₩ 12,304,933	₩ 90,861,270
Off-balance sheet items (*1):				-				
Commitments	₩ 32,101,482	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 32,101,482
Financial guarantee contracts	12,126,814	-	-	-	-	-	-	12,126,814
Total	₩ 44,228,296	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 44,228,296

(*1) Although financial guarantees and loan commitments provided by the Bank have maturities, the Bank should fulfill the obligation immediately when the counter party requests payments.

4-4. Market risk

(1) Overview of market risk

1) Definition of market risk

Market risk is the risk of possible losses that arise from the changes of market factors, such as interest rate, stock price, foreign exchange rate, commodity value. The Bank classifies exposures to market risk into either foreign exchange rate risk or interest rate risk. Foreign exchange risk is the possible losses on assets and liabilities denominated in foreign currencies due to changes of foreign exchange rate. Interest rate risk is the possible losses on assets and liabilities due to changes of interest rate.

2) Market risk management group

The Bank operates the Risk Management Committee and the Risk Management Council for managing risks and risk limits. The Risk Management Practices Committee assists the Risk Management Committee and the Risk Management Council for practical matters, such as managing adequate assets and liabilities by analyzing foreign exchange risk, interest rate risk, liquidity risk and effects by initiating new product. Market risk is managed by product and currency for minimizing segments exposed to changes of foreign exchange, interest rate and securities' price. Foreign exchange risk is measured by definite method. Interest rate risk is measured by IRRBB standards, definite method and probabilistic method and definite method is used for limits management. Meanwhile, the Bank performs financial crisis analysis supposing exceptional, but possible events for evaluating latent weakness. The analysis is used for important decision making, such as risk mitigation, emergency plan development and limit setup. The results of the analysis are reported to the board of directors and management on a quarterly basis.

(2) Foreign exchange risk

1) Management of foreign exchange risk

Foreign exchange risk management limit is set up and a risk management division head monitors changes of foreign exchange risk by source and compliance of risk limits regularly. A finance division head also monitors changes of foreign exchange risk by source and compliance of risk limits. The finance division head needs to cooperate with the risk management division head in case it is expected that the Bank will be exposed to a new risk. The risk management division head orders related divisions to prepare countermeasures in case it is apprehended that foreign exchange risk exceeds risk limit. If foreign exchange risk exceeds the risk limit, the risk management division head orders related divisions to prepare countermeasures and reports to Risk Management Committee after resolving the exceeded limit problem.

2) Measurement of foreign exchange risk

Foreign exchange risk is managed by foreign exchange VaR and foreign exchange position. Foreign exchange VaR is measured on a monthly basis and foreign exchange position is measured on a daily basis. It is measured separately by currency for assets and liabilities denominated in foreign currencies exceeding 5% of total assets and liabilities denominated in foreign currencies.

3) Measurement method

① Value at Risk (VaR)

The Bank uses a yearly VaR to measure market risk. The yearly VaR is a statistically estimated maximum amount of loss that could occur in one year under normal distribution of financial variables. The Bank calculates VaR using equal weighted-average method based on historical changes in market rates, prices and volatilities over the previous five years data and measures VaR at a 99% single tail confidence level. VaR is a commonly used market risk management technique. However, the method has some shortcomings.

VaR estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, as there may be conditions and circumstances in the future that the model does not anticipate. As a result, the timing and magnitude of the actual losses can be different, depending on the assumptions made at the time of calculation. In addition, the time periods used for the model, generally one day or 10 days are assumed to be a sufficient holding period before liquidating the relevant underlying positions. If these holding periods are not sufficient, or too long, the VaR results may understate or overstate the potential loss.

② Stress testing

The stress testing is carried out to analyze the abnormal market situation reflecting intrinsic volatility of foreign exchange that has significant influent on the value of portfolio.

③ Results of measurement

Results of foreign exchange VaR as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022				Dec. 31, 2021			
	Average	Minimum	Maximum	Ending	Average	Minimum	Maximum	Ending
Foreign exchange risk	₩ 43,362	₩ 15,318	₩ 78,559	₩ 25,191	₩ 30,800	₩ 11,568	₩ 56,546	₩ 11,568

(3) Interest rate risk

1) Management of interest rate risk

Interest rate risk management limit is set up and included in internal capital management limit. A risk management division head monitors changes of interest rate risk by source and compliance of risk limits regularly. A finance division head also monitors changes of interest rate risk by source and compliance of risk limits. The finance division head needs to cooperate with the risk management division head in case it is expected that the Bank will be exposed to a new risk. The risk management division head orders related divisions to prepare countermeasures in case it is apprehended that interest rate risk exceeds risk limit. If interest rate risk exceeds the risk limit, the risk management division head orders related divisions to prepare countermeasures and reports to Risk Management Committee after resolving the exceeded limit problem.

2) Measurement of interest rate risk

Interest rate risk is managed by measuring ΔNII (Change in Net Interest Income) and ΔEVE (Change in Economic Value of Equity) and uses interest rate sensitivity gap and duration gap as supplementary index. ΔNII and ΔEVE are measured on a monthly basis, and interest rate sensitivity gap and duration gap are measured on a daily basis. The Bank simulates analysis reflecting market environment, product features and the Bank's strategies.

3) Measurement method

① Change in Economic Value of Equity (ΔEVE)

The Bank uses a yearly ΔEVE to measure interest rate risk. The yearly ΔEVE is the maximum amount of loss that could occur in one year under normal distribution of financial variables. The Bank calculates the yearly Δ EVE by using variance-covariance method at a 99% single tail confidence level based on the previous five years

data using equal weighted-average method.

ΔEVE estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, as there may be conditions and circumstances in the future that the model does not anticipate. As a result, the timing and magnitude of the actual losses can be different depending on the assumptions made at the time of calculation.

② Stress testing

The stress testing is carried out to analyze the abnormal market situation reflecting intrinsic volatility of interest rate that has significant influence on the value of portfolio and is performed at least once in every quarter.

③ Results of measurement

Results of interest rate VaR as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022				Dec. 31, 2021			
	Average	Minimum	Maximum	Ending	Average	Minimum	Maximum	Ending
Interest rate risk	₩ 227,335	₩ 117,244	₩ 422,964	₩ 373,195	₩ 29,584	₩ 9,393	₩ 75,882	₩ 36,540

(4) Interest rate risk management

The Bank is closely monitoring the outputs of various industry groups and markets that manage the transition to the new interest rate benchmark, including announcements by IBOR regulation authority and various consultative bodies related to the transition to alternative interest rate. In response to these announcements, The Bank has completed most of the transition and replacement according to IBOR transition programs and plans consisting of major business areas such as finance, accounting, tax, legal, IT, and risk. The program is under the control of the CFO and related matters are reported to the board of directors. The Bank continues its efforts as a market participant to actively express opinions so that the index interest rate benchmark reform can be carried out in the direction of minimizing the financial and non-financial impacts and operational risks and minimizing confusion among stakeholders.

The carrying amount of financial instruments that have not been converted to alternative indicator interest rate as of December 31, 2022 is as follows (Korean won in millions):

	Exposure Amount(*1)			
Detail	USD	EUR	GBP	Others
Non-derivative financial assets				
Securities at FVTPL	₩ 45,433	₩ -	₩ -	₩ -
Securities at FVOCI	3,796	-	-	-
Loans at amortized cost	24,356,938	-	-	-
Acceptances and guarantee contracts(*2)	10,189,871	-	-	-
Derivative(*2)	15,278,075	-	-	-
Non-derivative financial liabilities			-	-
Borrowings	253,460	-	-	-

(*1) Exposure amount exclude financial instruments that will disappear before converting to alternative indicator interest rate.

(*2) Guarantees and derivatives are based on the nominal amount.

4-5. Capital risk

The Bank follows the standard of capital adequacy established by the Financial Services Commission. The standard is based on Basel III, which was established by Basel Committee on Banking Supervision in BIS. In Korea, this standard has been followed since December 2013. According to the standard, the Bank should maintain at least 8% or above of BIS capital ratio for risk-weighted asset, and quarterly report BIS capital ratio to the FSS.

According to Korean Banking Supervision rules for operations, the Bank's capitals are mainly divided into two categories:

1) Tier 1 capital (basic capital): Basic capital is composed of capital stock-common and other basic capital. Capital stock-common includes common stock satisfied with qualifications, capital surplus, retained earnings, accumulated other comprehensive income, other reserves and non-controlling interests among the common stock of consolidated subsidiaries. Other basic capital includes securities and capital surplus satisfied with qualifications.

2) Tier 2 capital (supplementary capital): Supplementary capital is composed of the securities and capital surplus satisfied with qualifications, non-controlling interests among the securities of consolidated subsidiaries and the amounts of less than below 1.25% of credit risk-weighted asset like allowance for credit losses in respect of credits classified as normal or precautionary.

The risk-weighted asset includes intrinsic risks in total assets, errors of internal operation processes and loss risk from external events. It indicates a size of assets reflecting the level of risks that the Bank bears. The Bank computes the risk-weighted asset by risks (credit risk, market risk and operational risk) and uses it for calculation of BIS capital ratio.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES:

5-1. Classification and fair value

(1) Carrying amounts and fair values of financial instruments as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022		Dec. 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and due from financial institutions	₩ 9,931,012	₩ 9,931,012	₩ 4,462,685	₩ 4,462,685
Financial assets at FVTPL	4,172,754	4,172,754	2,598,204	2,598,204
Hedging derivative assets	329,210	329,210	561,911	561,911
Loans at amortized cost	89,300,057	89,461,313	77,458,119	78,494,304
Financial assets at FVOCI	11,677,238	11,677,238	11,814,063	11,814,063
Securities at amortized cost	1,686,588	1,574,782	931,296	946,507
Other financial assets	1,645,865	1,645,865	838,645	838,645
Total	₩ 118,742,724	₩ 118,792,174	₩ 98,664,923	₩ 99,716,319
Financial liabilities:				
Financial liabilities at FVTPL	₩ 2,513,487	₩ 2,513,487	₩ 768,115	₩ 768,115
Hedging derivative liabilities	2,356,908	2,356,908	661,057	661,057
Borrowings	10,112,740	10,037,578	5,576,909	5,583,498
Debentures	87,791,623	87,500,087	76,486,053	77,379,590
Other financial liabilities	2,524,275	2,524,275	1,825,280	1,825,280
Total	₩ 105,299,033	₩ 104,932,335	₩ 85,317,414	₩ 86,217,540

Fair value is the amount at which the assets could be exchanged, or the liabilities could be settled in transection between knowledgeable and willing independent parties. For each class of financial assets and financial liabilities, the Bank discloses the fair value of that class of assets and liabilities in a way that permits them to be compared with their carrying amount at the end of each reporting period. The best estimated fair value is the published price quotation in an active market.

Methods for measuring fair value of financial instruments are as follows:

Financial instruments	Method of measuring fair value
Loans and receivables	As demand deposits and transferable deposits do not have maturity and are readily convertible to cash, the carrying amounts of these deposits approximate their fair values. Fair values of the deposits with the maturity of more than one year are determined by discounted cash flow model ("DCF model"). DCF model is also used to determine the fair value of loans. Fair value is determined by discounting the cash flows expected from each contractual period by applying the discount rates for each period.
Investment securities	Financial assets and liabilities at FVTPL and financial assets at FVOCI are measured at fair value using a quoted market price in an active market. If a quoted market price is not available, they are measured by using a price quoted by a third party, such as a pricing service or broker with the DCF model.
Derivatives	For exchange traded derivative, quoted price in active market is used to determine fair value and for OTC derivative, fair value is determined primarily using valuation techniques. The Bank uses internally developed valuation models using valuation techniques that are widely used by market participants to determine fair value of plain OTC derivatives including option, interest rate swap and currency swap based on observable market parameters. However, some complex financial instruments are valued using the results of independent pricing services, where part or all of the inputs are not observable in the market.
Borrowings	Fair value is determined using DCF model discounting contractual future cash flows by appropriate discount rate.
Debentures	Fair value of debentures denominated in local currency is determined by using the valuation of independent third-party pricing services in accordance with the market prices that are quoted in active markets. Fair value of debentures denominated in foreign currencies is determined by DCF model.

Fair values of financial assets and financial liabilities classified as fair value Level 3 of the fair value hierarchy are determined by using the valuation of independent third-party pricing services. Meanwhile, carrying amounts of other financial assets and financial liabilities are regarded as an approximation of fair values.

(2) Fair value hierarchy

1) The Bank classifies financial instruments as three level of fair value hierarchy as below:

Level 1: Financial instruments measured at quoted prices from active markets are classified as fair value Level 1. This level includes listed equity securities, derivatives, and government bonds traded in an active exchange market.

Level 2: Financial instruments measured using valuation techniques where all significant inputs are observable market data are classified as Level 2. This level includes the majority of debt and general OTC derivatives such as swap, futures and options

Level 3: Financial instruments measured using valuation techniques where one or more significant inputs are not based on observable market data are classified as Level 3. This level includes unlisted equity securities, structured bonds and OTC derivatives.

2) Fair value hierarchy of financial assets and liabilities, which are not measured at fair value as of December 31, 2022 and 2021, is as follows (Korean won in millions):

(December 31, 2022)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and due from financial Institutions	₩ 4,781,957	₩ -	₩ 5,149,055	₩ 9,931,012
Loans at amortized cost	-	-	89,461,313	89,461,313
Securities at amortized cost	-	1,574,782	-	1,574,782
Other financial assets	-	-	1,645,865	1,645,865
Total	₩ 4,781,957	₩ 1,574,782	₩ 96,256,233	₩ 102,612,972
Financial liabilities:				
Borrowings	₩ -	₩ 10,037,578	₩ -	₩ 10,037,578
Debentures	-	87,500,087	-	87,500,087
Other financial liabilities	-	-	2,524,275	2,524,275
Total	₩ -	₩ 97,537,665	₩ 2,524,275	₩ 100,061,940

(December 31, 2021)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and due from financial institutions	₩ 3,146,957	₩ -	₩ 1,315,728	₩ 4,462,685
Loans at amortized cost	-	-	78,494,304	78,494,304
Securities at amortized cost	-	946,507	-	946,507
Other financial assets	-	-	838,645	838,645
Total	₩ 3,146,957	₩ 946,507	₩ 80,648,677	₩ 84,742,141
Financial liabilities:				
Borrowings	₩ -	₩ 5,583,498	₩ -	₩ 5,583,498
Debentures	-	77,379,590	-	77,379,590
Other financial liabilities	-	-	1,825,280	1,825,280
Total	₩ -	₩ 82,963,088	₩ 1,825,280	₩ 84,788,368

3) Fair value hierarchy of financial assets and liabilities measured at fair value as of December 31, 2022, and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL	₩ -	₩ 2,879,445	₩ 1,293,309	₩ 4,172,754
Hedging derivative assets	-	328,688	522	329,210
Financial assets at FVOCI	518,407	2,676,075	8,482,756	11,677,238
	₩ 518,407	₩ 5,884,208	₩ 9,776,587	₩ 16,179,202
Financial liabilities:				
Financial liabilities at FVTPL	₩ -	₩ 1,840,344	₩ 673,143	₩ 2,513,487
Hedging derivative liabilities	-	1,728,285	628,623	2,356,908
	₩ -	₩ 3,568,629	₩ 1,301,766	₩ 4,870,395

(December 31, 2021)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL	₩ -	₩ 1,745,970	₩ 852,234	₩ 2,598,204
Hedging derivative assets	-	546,296	15,615	561,911
Financial assets at FVOCI	125,625	2,776,225	8,912,213	11,814,063
	₩ 125,625	₩ 5,068,491	₩ 9,780,062	₩ 14,974,178
Financial liabilities:				
Financial liabilities at FVTPL	₩ -	₩ 516,985	₩ 251,130	₩ 768,115
Hedging derivative liabilities	-	527,610	133,447	661,057
	₩ -	₩ 1,044,595	₩ 384,577	₩ 1,429,172

4) The valuation techniques and input variables of Level 2 financial instruments subsequently not measured at fair value as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Fair value		Valuation techniques	Input variables
Financial assets				
Financial assets at amortized cost				
Debt securities	₩	1,574,782	DCF Model	Discount rate
Financial liabilities				
Borrowings	₩	10,037,578	DCF Model	Discount rate
Debentures		87,500,087	DCF Model	Discount rate

(December 31, 2021)

	Fair value		Valuation techniques	Input variables
Financial assets				
Financial assets at amortized cost				
Debt securities	₩	946,507	DCF Model	Discount rate
Financial liabilities				
Borrowings	₩	5,583,498	DCF Model	Discount rate
Debentures		77,379,590	DCF Model	Discount rate

5) The valuation techniques and input variables of Level 3 financial instruments subsequently not measured at fair value as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Fair value		Valuation techniques	Input variables
Financial assets				
Cash and due from financial Institutions	₩	5,149,055	DCF Model	Discount rate
Loans at amortized cost		89,461,313	DCF Model	Discount rate
Other financial assets		1,645,865	DCF Model	Discount rate
Financial liabilities				
Other financial liabilities	₩	2,524,275	DCF Model	Discount rate

(December 31, 2021)

	Fair value		Valuation techniques	Input variables
Financial assets				
Cash and due from financial Institutions	₩	1,315,728	DCF Model	Discount rate
Loans at amortized cost		78,494,304	DCF Model	Discount rate
Other financial assets		838,645	DCF Model	Discount rate
Financial liabilities				
Other financial liabilities	₩	1,825,280	DCF Model	Discount rate

6) The valuation techniques and input variables of Level 2 financial instruments subsequently measured at fair value, as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Fair value	Valuation techniques	Input variables
Financial assets			
Financial assets at FVTPL:			
Debt securities	₩ 1,623,074	DCF Model	Discount rate
Derivative assets for trading	1,256,371	DCF Model	Discount rate
Hedging derivative assets	328,688	DCF Model	Discount rate
Financial assets at FVOCI:			
Debt securities	2,676,075	DCF Model	Discount rate
Financial liabilities			
Financial liabilities at FVTPL:			
Derivative liabilities for trading	₩ 1,840,344	DCF Model	Discount rate
Hedging derivative liabilities	1,728,285	DCF Model	Discount rate

(December 31, 2021)

	Fair value	Valuation techniques	Input variables
Financial assets			
Financial assets at FVTPL:			
Debt securities	₩ 1,042,384	DCF Model	Discount rate
Derivative assets for trading	703,586	DCF Model	Discount rate
Hedging derivative assets	546,296	DCF Model	Discount rate
Financial assets at FVOCI:			
Debt securities	2,776,225	DCF Model	Discount rate
Financial liabilities			
Financial liabilities at FVTPL:			
Derivative liabilities for trading	₩ 516,985	DCF Model	Discount rate
Hedging derivative liabilities	527,610	DCF Model	Discount rate

7) The valuation techniques and significant unobservable input variables of Level 3 financial instruments subsequently measured at fair value as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Fair value (Korean won in million)	Valuation techniques	Significant unobservable input factors	Range	Relationship between unobservable input factors and fair value estimates
Financial assets at FVTPL:					
Unlisted stock	₩ 4,691	Cost Methods	-	-	-
Beneficiary certificates	378,116	NAV Methods	-	-	-
Paid-in capital	233,794				
Loans	3,565	T-F Models	Volatility Riskfree Rate Risk Return	29.15% 3.76% 14.31%	If volatility is increased(decreased), If discount rate is decreased(increased), fair value is increased (decreased).
Derivatives	673,143	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative assets					
Derivatives	₩ 522	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Financial assets at FVOCI:					
Unlisted stock	₩ 8,455,796	DCF Model Binomial Model CCA Methods NAV Methods	Discount rate Growth rate Volatility	9.19% ~ 16.38% 0% 32.87% ~ 34.87%	If discount rate is decreased (increased)/ if growth rate is increased (decreased)/ if volatility is increased(decreased), fair value is increased (decreased).
Paid-in capital	26,960	NAV Methods	-	-	-
Financial liabilities at FVTPL:					
Derivatives	₩ 673,143	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative liabilities					
Derivatives	₩ 628,623	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).

(December 31, 2021)

	Fair value (Korean won in million)	Valuation techniques	Significant unobservable input factors	Range	Relationship between unobservable input factors and fair value estimates
Financial assets at FVTPL:					
Unlisted stock	₩ 7,957	Cost Methods	-	-	-
Beneficiary certificates	448,477	NAV Methods	-	-	-
Paid-in capital	139,430				
Loans	5,505	LSMC Simulation	Volatility	17.54%	If volatility is increased(decreased), fair value is increased (decreased).
Derivatives	250,865	Binomial Model Hull-White Model	Volatility Correlation	22.62% -0.8 ~ 1.0	If volatility is increased(decreased)/ if correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative assets					
Derivatives	₩ 15,615	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).
Financial assets at FVOCI:					
Unlisted stock	₩ 8,886,980	DCF Model Binomial Model CCA Methods NAV Methods	Discount rate Growth rate Volatility	7.69% ~ 15.41% 1% 22.62% ~ 25.09%	If discount rate is decreased (increased)/ if growth rate is increased (decreased)/ if volatility is increased(decreased), fair value is increased (decreased).
Paid-in capital	25,233	NAV Methods	-		-
Financial liabilities at FVTPL:					
Derivatives	₩ 251,130	Binomial Model Hull-White Model	Volatility Correlation	22.62% -0.8 ~ 1.0	If volatility is increased(decreased)/ if correlation is increased(decreased), fair value is increased (decreased).
Hedging derivative liabilities					
Derivatives	₩ 133,447	Hull-White Model	Correlation	-0.8 ~ 1.0	If correlation is increased(decreased), fair value is increased (decreased).

① Changes in Level 3 financial assets that are measured at fair value for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	Beginning balance	Profit (Loss)	Other comprehen-sive income (loss)	Purchases / Issues	Sales / Settlements	Transfers into Level 3 / Transfers out of Level 3	Ending balance
Financial assets							
Securities at FVTPL	₩ 595,864	₩ 57,680	₩ -	₩ 216,947	₩ (253,890)	₩ -	₩ 616,601
Loans at FVTPL	5,505	(289)	-	-	(1,651)	-	3,565
Derivative assets for trading	250,865	417,696	-	4,982	(400)	-	673,143
Hedging derivative assets	15,615	(14,877)	-	522	(738)	-	522
Financial assets at FVOCI	8,912,213	-	(77,005)	-	(292,712)	(59,740)	8,482,756
Total	₩ 9,780,062	₩ 460,210	₩ (77,005)	₩ 222,451	₩ (549,391)	₩ (59,740)	₩ 9,776,587
Financial liabilities							
Derivative liabilities for trading	₩ 251,130	₩ 417,420	₩ -	₩ 4,982	₩ (389)	₩ -	₩ 673,143
Hedging derivative liabilities	133,447	462,246	-	32,930	-	-	628,623
Total	₩ 384,577	₩ 879,666	₩ -	₩ 37,912	₩ (389)	₩ -	₩ 1,301,766

(2021)

	Beginning balance	Profit (Loss)	Other comprehen-sive income (loss)	Purchases / Issues	Sales / Settlements	Transfers into Level 3 / Transfers out of Level 3	Ending balance
Financial assets							
Securities at FVTPL	₩ 435,683	₩ 23,294	₩ -	₩ 174,683	₩ (37,796)	₩ -	₩ 595,864
Loans at FVTPL	10,423	505	-	5,000	(10,423)	-	5,505
Derivative assets for trading	77,995	84,501	-	89,495	(1,126)	-	250,865
Hedging derivative assets	74,547	(45,424)	-	-	(13,508)	-	15,615
Financial assets at FVOCI	8,433,866	-	170,286	380,521	(72,460)	-	8,912,213
Total	₩ 9,032,514	₩ 62,876	₩ 170,286	₩ 649,699	₩ (135,313)	₩ -	₩ 9,780,062
Financial liabilities							
Derivative liabilities for trading	₩ 66,053	₩ 96,708	₩ -	₩ 89,495	₩ (1,126)	₩ -	₩ 251,130
Hedging derivative liabilities	52,758	58,888	-	21,801	-	-	133,447
Total	₩ 118,811	₩ 155,596	₩ -	₩ 111,296	₩ (1,126)	₩ -	₩ 384,577

② In relation to changes in Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the year and total gains or losses for financial instruments held at the end of the reporting period in the separate statement of comprehensive income for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	Net gain (loss) from financial investments	
	2022	2021
Total gains (losses) on financial assets held at the end of year	₩ 460,210	₩ 62,876
Total gains (losses) on financial liabilities held at the end of year	879,666	155,596
Total gains (losses) included in profit or loss for the year	₩ (419,456)	₩ (92,720)

③ The sensitivity of fair value analysis for the Level 3 financial instruments

The Bank performed the sensitivity analysis for the Level 3 financial instruments for which fair value would be measured differently upon reasonably possible alternative assumptions. The Bank classified the effect from changes upon the alternative assumptions into favorable effect and unfavorable effect and presented the most favorable effect or the most unfavorable effect in the table hereunder. Stocks are the financial instruments subject to sensitivity analysis, which are classified as Level 3 and of which changes in fair value are recognized as other comprehensive income. Meanwhile, equity instruments, which are recognized as cost among the financial instruments and are classified as Level 3 are excluded from the sensitivity analysis.

Sensitivity analysis details per market risk variable of each Level 3 financial instrument held and measured at fair value as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Details(*1)	Profit (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Loans at FVTPL (*2)	₩ -	₩ -	₩ -	₩ -
Financial assets at FVOCI (*2,3)	-	-	88,840	(66,596)
Total	₩ -	₩ -	₩ 88,840	₩ (66,596)

(December 31, 2021)

Details(*1)	Profit (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Loans at FVTPL (*2)	₩ -	₩ -	₩ -	₩ -
Derivative assets for trading (*2)	53	(57)	-	-
Financial assets at FVOCI (*2,3)	-	-	24,258	(21,722)
Total	₩ 53	₩ (57)	₩ 24,258	₩ (21,722)
Financial liabilities:				
Derivative liabilities for trading (*2)	₩ 15	₩ (14)	₩ -	₩ -

(*1) The above level 3 financial instruments exclude which are practically impossible to perform sensitivity analysis effected by input variables amounting to ₩1,975,431 million and ₩649,942 million as of December 31, 2022 and 2021, respectively.

(*2) Changes in fair value are computed by increasing or decreasing the volatility of the underlying asset by 10%, which are unobservable inputs.

(*3) Changes in fair value of stocks are computed by increasing or decreasing growth rate by 0.5% and discount rate by 1%, which are unobservable inputs.

5-2. Classification by category of financial instruments

The carrying amounts of each category of financial assets and financial liabilities as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Hedging derivative assets	Total
Financial assets:					
Cash and due from financial institutions	₩ -	₩ 9,931,012	₩ -	₩ -	₩ 9,931,012
Financial assets at FVTPL	4,172,754	-	-	-	4,172,754
Hedging derivative assets	-	-	-	329,210	329,210
Loans at amortized cost	-	89,300,057	-	-	89,300,057
Financial investments	-	1,686,588	11,677,238	-	13,363,826
Other financial assets	-	1,645,865	-	-	1,645,865
Total	₩ 4,172,754	₩ 102,563,522	₩ 11,677,238	₩ 329,210	₩ 118,742,724

	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Hedging derivative liabilities	Total
Financial liabilities:				
Financial liabilities at FVTPL	₩ 2,513,487	₩ -	₩ -	₩ 2,513,487
Hedging derivative liabilities	-	-	2,356,908	2,356,908
Borrowings	-	10,112,740	-	10,112,740
Debentures	-	87,791,623	-	87,791,623
Other financial liabilities	-	2,524,275	-	2,524,275
Total	₩ 2,513,487	₩ 100,428,638	₩ 2,356,908	₩ 105,299,033

(December 31, 2021)

	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVOCI	Hedging derivative assets	Total
Financial assets:					
Cash and due from financial institutions	₩ -	₩ 4,462,685	₩ -	₩ -	₩ 4,462,685
Financial assets at FVTPL	2,598,204	-	-	-	2,598,204
Hedging derivative assets	-	-	-	561,911	561,911
Loans at amortized cost	-	77,458,119	-	-	77,458,119
Financial investments	-	931,296	11,814,063	-	12,745,359
Other financial assets	-	838,645	-	-	838,645
Total	₩ 2,598,204	₩ 83,690,745	₩ 11,814,063	₩ 561,911	₩ 98,664,923

	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Hedging derivative liabilities	Total
Financial liabilities:				
Financial liabilities at FVTPL	₩ 768,115	₩ -	₩ -	₩ 768,115
Hedging derivative liabilities	-	-	661,057	661,057
Borrowings	-	5,576,909	-	5,576,909
Debentures	-	76,486,053	-	76,486,053
Other financial liabilities	-	1,825,280	-	1,825,280
Total	₩ 768,115	₩ 83,888,242	₩ 661,057	₩ 85,317,414

5-3. Offset of financial instruments

The Bank holds the financial instruments, receivable and payable spot exchange which grant it the rights to offset in case of default, insolvency, or bankruptcy of the counterparties though it does not meet the criteria for offsetting of K-IFRS No. 1032. Cash collaterals do not meet the offsetting criteria in K-IFRS No. 1032, but they can be set off with net amounts of financial instruments, receivable and payable spot exchange.

The effects of netting agreements as of December 31, 2022 and 2021 are as follow (Korean won in millions):

(December 31, 2022)

	Gross amounts of recognized financial assets (liabilities)	Gross amounts of recognized financial liabilities (assets) to be setoff	Net amounts of financial assets (liabilities) presented in the separate statements of financial position	Amount that is not offset in the separate statements of financial position		Net amount
				Financial instruments	Cash collateral	
Financial assets:						
Derivatives	₩ 2,258,724	₩ -	₩ 2,258,724	₩ (1,268,098)	₩ (11,538)	₩ 979,088
Financial investments	479,592	-	479,592	(431,604)	-	47,988
Total	₩ 2,738,316	₩ -	₩ 2,738,316	₩ (1,699,702)	₩ (11,538)	₩ 1,027,076
Financial liabilities:						
Derivatives	₩ 4,870,395	₩ -	₩ 4,870,395	₩ (1,268,098)	₩ (1,157,908)	₩ 2,444,389
Securities sold under repurchase agreement	431,604	-	431,604	(431,604)	-	-
Total	₩ 5,301,999	₩ -	₩ 5,301,999	₩ (1,699,702)	₩ (1,157,908)	₩ 2,444,389

(December 31, 2021)

	Gross amounts of recognized financial assets (liabilities)	Gross amounts of recognized financial liabilities (assets) to be setoff	Net amounts of financial assets (liabilities) presented in the separate statements of financial position	Amount that is not offset in the separate statements of financial position		Net amount
				Financial instruments	Cash collateral	
Financial assets:						
Derivatives	₩ 1,515,937	₩ -	₩ 1,515,937	₩ (551,646)	₩ (267,064)	₩ 697,227
Financial investments	619,798	-	619,798	(590,003)	-	29,795
Total	₩ 2,135,735	₩ -	₩ 2,135,735	₩ (1,141,649)	₩ (267,064)	₩ 727,022
Financial liabilities:						
Derivatives	₩ 1,428,482	₩ -	₩ 1,428,482	₩ (551,646)	₩ (261,248)	₩ 615,588
Securities sold under repurchase agreement	590,003	-	590,003	(590,003)	-	-
Total	₩ 2,018,485	₩ -	₩ 2,018,485	₩ (1,141,649)	₩ (261,248)	₩ 615,588

5-4. Transfer of financial assets

The Bank continues to recognize the financial assets related to repurchase agreements on the statement of financial position since those transactions are not qualified for derecognition even though the Bank transfers the financial assets. Financial asset is sold under a repurchase agreements to repurchase some asset at fixed price. Thus, the Bank retains substantially all the risks and rewards of ownership of the financial asset.

Details of carrying amount of assets transferred and relevant liabilities as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022		Dec. 31, 2021	
	Carrying amount of transferred assets	Carrying amount of relevant liabilities	Carrying amount of transferred assets	Carrying amount of relevant liabilities
Securities sold under repurchase agreement	₩ 479,592	₩ 431,604	₩ 619,798	₩ 590,003

6. OPERATING SEGMENT:

Though the Bank conducts business activities related to financial services, in accordance with relevant laws, such as the Export-Import Bank of Korea Act, it does not report separate segment information, as management considers the Bank to be operating under one core business. As the Bank's originating location for all transactions is in Korea, the geographical information for revenue and non-current assets is omitted.

7. CASH AND DUE FROM FINANCIAL INSTITUTIONS:

(1) Cash and cash equivalents as of December 31, 2022 and 2021 are as follows (Korean won in millions):

Detail	Dec. 31, 2022	Dec. 31, 2021
Due from financial institutions in local currency	₩ 2,556,448	₩ 550,348
Due from financial institutions in foreign currencies	7,374,564	3,912,337
Subtotal	9,931,012	4,462,685
Restricted due from financial institutions	(2,949,055)	(770,103)
Due from financial institutions with original maturities of more than three months at acquisition date	(2,200,000)	(545,625)
Subtotal	(5,149,055)	(1,315,728)
Total (*1)	₩ 4,781,957	₩ 3,146,957

(*1) Equal to the cash and cash equivalents as presented on the separate statements of cash flows.

(2) Details of due from financial institutions as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022		Dec. 31, 2021	
Detail	Amount	Interest (%)	Amount	Interest (%)
Due from financial institutions in local currency:				
Demand deposits	₩ 1,100	0.00~0.10	₩ 1,076	-
Time deposits	2,200,000	3.63~5.71	490,000	0.89~2.08
Certificate of deposits	-	-	55,625	1.10
Others	355,200	0.95~3.95	3,500	0.85
Margin for derivatives	148	-	147	-
Subtotal	2,556,448		550,348	
Due from financial institutions in foreign currencies:				
Demand deposits	57,363	0.00~0.01	463,732	0.10~3.00
On demand	4,169,190	0.00~4.25	2,570,107	1.50~4.50
Offshore demand deposits	199,104	0.00~4.25	108,542	-
Others	2,021,432	4.30~4.33	302,748	-
Margin for derivatives	927,475	-	467,208	-
Subtotal	7,374,564		3,912,337	
Total	₩ 9,931,012		₩ 4,462,685	

(3) Restricted due from financial institutions as of December 31, 2022 and 2021 are as follows (Korean won in millions):

Detail	Financial Institution	Dec. 31, 2022	Dec. 31, 2021	Reason for restriction
Others	DEUTSCHE BANK TRUST COMPANY AMERICAS and others	₩ 2,949,055	₩ 770,103	Credit Support Annex (CSA) for derivative transactions

8. FINANCIAL ASSETS AT FVTPL:

Details of financial assets at FVTPL as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Debt securities in local currency		
Paid-in capital	₩ 222,358	₩ 128,230
Beneficiary certificates	1,945,090	1,264,654
Subtotal	2,167,448	1,392,884
Debt securities in foreign currencies		
Bonds	-	-
Paid-in capital	11,435	11,200
Beneficiary certificates	56,100	226,207
Subtotal	67,535	237,407
Equity securities in foreign currency stocks		
Stocks	4,692	7,957
Loans at FVTPL		
Private placement corporate bonds	3,565	5,505
Derivative assets for trading		
Equity related	-	425
Interest rates related	903,044	578,475
Foreign currencies related	1,026,470	375,551
Subtotal	1,929,514	954,451
Total	₩ 4,172,754	₩ 2,598,204

9. FINANCIAL INVESTMENTS:

Details of financial investments as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31 2021
Financial assets at FVOCI		
Debt securities in local currency		
National bond	₩ 780,612	₩ 1,043,724
Equity securities in local currency		
Stocks(*1)	8,816,550	9,012,604
Paid-in capital	26,960	25,233
Subtotal	8,843,510	9,037,837
Debt securities in foreign currencies		
Corporate bonds and etc. (*2)	1,895,463	1,732,502
Equity securities in foreign currency		
Stocks	157,653	-
Securities at amortized cost		
Debt securities in local currencies		
National bond	146,401	100,349
Public bond	9,999	-
Banking Institution bond	517,491	-
Subtotal	673,891	100,349
Debt securities in foreign currencies		
Corporate bonds and etc. (*2)	1,012,697	830,947
Total	₩ 13,363,826	₩ 12,745,359

(*1) The Bank designated the above equity instruments at FVOCI, in accordance with the Bank's policy requirements. Cumulative net gains or losses reclassified in equity arising from disposition of equity securities for the years ended December 31, 2022 and 2021 were ₩6,177 million and ₩(69,940) million, respectively, and there were no cumulated net gains or losses arising from the reclassification of the account for the years ended December 31, 2022 and 2021.

(*2) It includes debt securities, which are pledged as collateral amounting to ₩700,380 million and ₩796,269 million as of December 31, 2022 and 2021, respectively.

10. LOANS AT AMORTIZED COST:

Loans as presented below exclude loan valuation adjustment related to fair value hedging amounting to ₩(8,082) million and ₩(2,723) million as of December 31, 2022 and 2021, respectively.

(1) Details of loans as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Detail	Dec. 31, 2022	Dec. 31, 2021
Loans in local currency	Loans for export	₩ 19,323,322	₩ 15,845,235
	Loans for foreign investments	2,989,567	2,684,185
	Loans for import	5,329,803	4,704,973
	Troubled Debt Restructuring	827,268	838,370
	Others	220,535	164,590
	Subtotal	28,690,495	24,237,353
Loans in foreign currencies	Loans for export	23,272,064	23,126,917
	Loans for foreign investments	29,204,343	26,718,798
	Loans for rediscounted trading notes	494,247	71,130
	Loans for import	3,023,757	1,074,175
	Overseas funding loans	664,011	595,170
	Loans for economic cooperation	64,016	-
	Others	21,925	27,059
	Subtotal	56,744,363	51,613,249
Others	Domestic usance bills	235,258	342,594
	Foreign-currency bills bought	734,071	966,183
	Advance payments on acceptances and guarantees	54,242	190,325
	Call loans	4,721,502	1,337,100
	Interbank loans in foreign currency	388,580	1,066,950
	Private placement corporate bonds in local currency	156,000	240,800
	Subtotal	6,289,653	4,143,952
	Total	91,724,511	79,994,554
Net deferred loan origination fees and costs		(403,461)	(368,209)
Allowance for loan losses		(2,012,911)	(2,165,503)
	Total	₩ 89,308,139	₩ 77,460,842

(2) Loans classified by type of customers as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Detail	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)
Customer	Large enterprise	₩ 10,374,660	₩ 35,759,328	₩ 498,033	₩ 46,632,021	60.93
	Small and medium sized enterprise	8,928,437	6,384,461	186,088	15,498,986	20.25
	Public sector and others	4,687,376	9,524,326	192,009	14,403,711	18.82
	Subtotal	23,990,473	51,668,115	876,130	76,534,718	100.00
	Net deferred loan origination fees and costs	(6,589)	(394,898)	-	(401,487)	
	Allowance for loan losses	(385,304)	(1,371,033)	(40,052)	(1,796,389)	
	Subtotal	23,598,580	49,902,184	836,078	74,336,842	
Financial institution	Bank	4,700,022	2,103,161	4,699,932	11,503,115	75.73
	Others	-	2,973,087	713,591	3,686,678	24.27
	Subtotal	4,700,022	5,076,248	5,413,523	15,189,793	100.00
	Net deferred loan origination fees and costs	-	(1,974)	-	(1,974)	
	Allowance for loan losses	(394)	(215,930)	(198)	(216,522)	
	Subtotal	4,699,628	4,858,344	5,413,325	14,971,297	
	Total	₩ 28,298,208	₩ 54,760,528	₩ 6,249,403	₩ 89,308,139	

(December 31, 2021)

	Detail	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)
Customer	Large enterprise	₩ 9,260,632	₩ 32,241,314	₩ 898,326	₩ 42,400,272	61.73
	Small and medium sized enterprise	6,722,318	6,074,773	249,534	13,046,625	18.99
	Public sector and others	4,099,434	8,996,424	150,681	13,246,539	19.28
	Subtotal	20,082,384	47,312,511	1,298,541	68,693,436	100.00
	Net deferred loan origination fees and costs	(7,812)	(358,586)	-	(366,398)	
	Allowance for loan losses	(514,718)	(1,447,794)	(190,211)	(2,152,723)	
	Subtotal	19,559,854	45,506,131	1,108,330	66,174,315	
Financial institution	Bank	4,154,969	1,395,090	1,613,104	7,163,163	63.38
	Others	-	2,905,648	1,232,307	4,137,955	36.62
	Subtotal	4,154,969	4,300,738	2,845,411	11,301,118	100.00
	Net deferred loan origination fees and costs	-	(1,811)	-	(1,811)	
	Allowance for loan losses	(334)	(11,685)	(761)	(12,780)	

Detail	Loans in local currency	Loans in foreign currencies	Others	Total	Ratio (%)
Subtotal	4,154,635	4,287,242	2,844,650	11,286,527	
Total	₩ 23,714,489	₩ 49,793,373	₩ 3,952,980	₩ 77,460,842	

(3) Changes in allowance for loan losses for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 330,018	₩ 597,885	₩ 1,237,600	₩ 2,165,503
- Transfer to 12 months expected credit losses	6,815	(6,815)	-	-
- Transfer to lifetime expected credit losses	(21,612)	27,137	(5,525)	-
- Transfer to credit-impaired financial assets	(1,064)	(891)	1,955	-
Written-off	-	-	(28,405)	(28,405)
Collection of written-off loans	-	-	1,942	1,942
Loan-for-equity swap	-	-	(424,889)	(424,889)
Others	4	-	-	4
Unwinding effect	-	-	(4,467)	(4,467)
Foreign exchange translation	7,696	19,750	29,514	56,960
Additional provisions	50,653	114,665	80,945	246,263
Ending balance	₩ 372,510	₩ 751,731	₩ 888,670	₩ 2,012,911

(2021)

	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 321,298	₩ 1,116,426	₩ 1,063,671	₩ 2,501,395
- Transfer to 12 months expected credit losses	60,430	(657)	(59,773)	-
- Transfer to lifetime expected credit losses	(9,586)	59,601	(50,015)	-
- Transfer to credit-impaired financial assets	(3,255)	(212,903)	216,158	-
Written-off	-	-	(13,459)	(13,459)
Collection of written-off loans	-	-	13,711	13,711
Loan-for-equity swap	-	-	(463,894)	(463,894)
Others	(28,201)	(398,336)	-	(426,537)
Unwinding effect	-	-	(9,775)	(9,775)
Foreign exchange translation	10,049	40,174	25,167	75,390
Additional (Reversal of) provisions	(20,717)	(6,420)	515,809	488,672
Ending balance	₩ 330,018	₩ 597,885	₩ 1,237,600	₩ 2,165,503

11. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES:

(1) Details of investments in associates and subsidiaries as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Company	Detail	Location	Business	Year-end	Ownership (%)	Net asset (*1)	Carrying amount
KEXIM Bank UK Limited	Subsidiary	United Kingdom	Financial service	December	100.00	₩ 140,436	₩ 138,312
KEXIM Vietnam Leasing Co.	Subsidiary	Vietnam	Financial service	December	100.00	77,861	57,755
PT.KOEXIM Mandiri Finance	Subsidiary	Indonesia	Financial service	December	85.00	22,149	25,270
KEXIM Asia Limited	Subsidiary	Hong Kong	Financial service	December	100.00	204,352	167,839
KEXIM Global(Singapore) Ltd.	Subsidiary	Singapore	Financial service	December	100.00	377,007	372,510
EXIM PLUS Co., Ltd.	Subsidiary	Korea	Service	December	100.00	1,352	950
Credit Guarantee and Investment Fund (*2)	Associate	Philippines	Financial service	December	14.92	230,216	197,820
KTB Newlake Global Healthcare PEF	Associate	Korea	Financial service	December	25.00	4,842	5,482
Korea Aerospace Industries. Ltd.	Associate	Korea	Manufacturing	December	26.41	377,124	968,744
Daewoo Shipbuilding & Marine Engineering Co., Ltd (*3)	Associate	Korea	Shipbuilding	December	-	-	-
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	Korea	Financial service	December	22.73	820	1,187
Total							₩ 1,935,869

(December 31, 2021)

Company	Detail	Location	Business	Year-end	Ownership (%)	Net asset (*1)	Carrying amount
KEXIM Bank UK Limited	Subsidiary	United Kingdom	Financial service	December	100.00	₩ 152,401	₩ 138,312
KEXIM Vietnam Leasing Co.	Subsidiary	Vietnam	Financial service	December	100.00	70,499	57,755
PT.KOEXIM Mandiri Finance	Subsidiary	Indonesia	Financial service	December	85.00	22,338	25,270
KEXIM Asia Limited	Subsidiary	Hong Kong	Financial service	December	100.00	198,150	167,839
EXIM PLUS Co., Ltd.	Subsidiary	Korea	Service	December	100.00	1,180	950
Credit Guarantee and Investment Fund (*2)	Associate	Philippines	Financial service	December	15.07	230,767	197,820
KTB Newlake Global Healthcare PEF	Associate	Korea	Financial service	December	25.00	7,677	8,463
Korea Aerospace Industries. Ltd.	Associate	Korea	Manufacturing	December	26.41	335,227	968,744
Daewoo Shipbuilding & Marine Engineering Co., Ltd (*3)	Associate	Korea	Shipbuilding	December	-	-	-
Total							₩ 1,565,153

(*1) In cases of associates, the amounts represent net asset after considering percentage of ownership.
(*2) As of December 31, 2022 and 2021, this entity is classified into an associate because the Bank has significant influence in the way of representation on the board of directors or equivalent governing body of the investee.
(*3) This entity is not an associate with the current ownership; however, considering potential voting rights, the Bank has classified the entity as an associate. The Bank holds convertible bonds issued by the entity amounting to ₩2,332,832 million.

(2) Changes in investments in associates and subsidiaries for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

Company	Detail	Beginning balance	Acquisitions	Disposals	Impairment loss	Ending balance
KEXIM Bank UK Limited	Subsidiary	₩ 138,312	₩ -	₩ -	₩ -	₩ 138,312
KEXIM Vietnam Leasing Co.	Subsidiary	57,755	-	-	-	57,755
PT.KOEXIM Mandiri Finance	Subsidiary	25,270	-	-	-	25,270
KEXIM Asia Limited	Subsidiary	167,839	-	-	-	167,839
KEXIM Global(Singapore) Ltd.		-	372,510	-	-	372,510
EXIM PLUS Co., Ltd.	Subsidiary	950	-	-	-	950
Credit Guarantee and Investment Fund	Associate	197,820	-	-	-	197,820
KTB Newlake Global Healthcare PEF	Associate	8,463	-	(2,981)	-	5,482
Korea Aerospace Industries. Ltd.	Associate	968,744	-	-	-	968,744
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	Associate	-	-	-	-	-
KB-Badgers Future Mobility ESG Fund Ⅰ		-	1,187	-	-	1,187
Total		₩ 1,565,153	₩ 373,697	₩ (2,981)	₩ -	₩ 1,935,869

(2021)

Company	Detail	Beginning balance	Acquisitions	Disposals (*1)	Impairment loss	Ending balance
KEXIM Bank UK Limited	Subsidiary	₩ 138,312	₩ -	₩ -	₩ -	₩ 138,312
KEXIM Vietnam Leasing Co.	Subsidiary	57,755	-	-	-	57,755
PT.KOEXIM Mandiri Finance	Subsidiary	25,270	-	-	-	25,270
KEXIM Asia Limited	Subsidiary	167,839	-	-	-	167,839
EXIM PLUS Co., Ltd.	Subsidiary	950	-	-	-	950
Korea Asset Management Corporation	Associate	380,520	-	(380,520)	-	-
Credit Guarantee and Investment Fund	Associate	171,359	26,461	-	-	197,820
KTB Newlake Global Healthcare PEF	Associate	8,463	-	-	-	8,463
Korea Aerospace Industries. Ltd.	Associate	968,744	-	-	-	968,744
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	Associate	-	-	-	-	-
Total		₩ 1,919,212	₩ 26,461	₩ (380,520)	₩ -	₩ 1,565,153

(*1) As the Bank did not participate in the Korea Asset Management Corporation's paid-in capital increase and lost its significant influence over the Korea Asset Management Corporation for the year ended December 31, 2021 accordingly, it was reclassified from investments in associates to financial assets at FVOCI.

(3) Summarized financial information of associates and subsidiaries as of and for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Company	Assets	Liabilities	Operating income (loss)	Profit (Loss) for the year	Total comprehensive income (loss)
KEXIM Bank UK Limited	₩ 791,592	₩ 651,156	₩ 5,196	₩ 3,138	₩ (11,964)
KEXIM Vietnam Leasing Co.	247,692	169,831	3,056	2,544	7,362
PT.KOEXIM Mandiri Finance	161,656	139,508	658	431	(190)
KEXIM Asia Limited	909,779	705,427	7,237	5,971	6,202
KEXIM Global(Singapore) Ltd.	383,597	6,589	(3,158)	(3,164)	4,497
EXIM PLUS Co., Ltd.	2,407	1,055	108	172	172
Credit Guarantee and Investment Fund	1,653,409	110,405	19,719	10,534	(2,920)
KTB Newlake Global Healthcare PEF	19,426	55	1,236	1,236	1,236
Korea Aerospace Industries. Ltd.	7,795,181	6,341,964	141,618	115,919	175,268
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	12,235,665	11,490,693	(1,613,565)	(1,744,778)	(1,472,612)
KB-Badgers Future Mobility ESG Fund Ⅰ	3,607	-	(1,618)	(1,618)	(1,618)

(December 31, 2021)

Company	Assets	Liabilities	Operating income (loss)	Profit (Loss) for the year	Total comprehensive income (loss)
KEXIM Bank UK Limited	₩ 616,064	₩ 463,664	₩ 2,651	₩ (22)	₩ 8,281
KEXIM Vietnam Leasing Co.	252,008	181,509	1,614	1,400	7,133
PT.KOEXIM Mandiri Finance	167,815	145,477	590	(86)	1,449
KEXIM Asia Limited	735,531	537,381	5,756	4,515	18,221
EXIM PLUS Co., Ltd.	2,004	824	179	164	164
Credit Guarantee and Investment Fund	1,646,972	115,668	35,749	33,329	116,076
KTB Newlake Global Healthcare PEF	30,806	97	(99)	(99)	(99)
Korea Aerospace Industries. Ltd.	5,866,555	4,569,344	57,795	53,040	82,427
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	10,623,210	8,405,626	(1,754,651)	(1,699,829)	(1,650,289)

12. TANGIBLE ASSETS:

(1) Details of tangible assets as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Acquisition cost	Accumulated depreciation	Government grants	Carrying amount
Lands	₩ 190,807	₩ -	₩ -	₩ 190,807
Buildings	100,778	(44,039)	(17)	56,722
Leasehold improvements	1,668	(583)	-	1,085
Vehicles	4,406	(3,241)	(37)	1,128
Furniture and fixture	61,455	(43,913)	-	17,542
Construction in progress	5,719	-	-	5,719
Total	₩ 364,833	₩ (91,776)	₩ (54)	₩ 273,003

(December 31, 2021)

Detail	Acquisition cost	Accumulated depreciation	Government grants	Carrying amount
Lands	₩ 190,807	₩ -	₩ -	₩ 190,807
Buildings	100,778	(42,116)	(17)	58,645
Leasehold improvements	1,409	(261)	-	1,148
Vehicles	4,251	(3,118)	(4)	1,129
Furniture and fixture	56,296	(39,200)	-	17,096
Construction in progress	1,542	-	-	1,542
Total	₩ 355,083	₩ (84,695)	₩ (21)	₩ 270,367

(2) Changes in tangible assets for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

Detail	Beginning balance	Acquisitions	Disposals	Depreciation	Others	Ending balance
Lands	₩ 190,807	₩ -	₩ -	₩ -	₩ -	₩ 190,807
Buildings	58,645	-	-	(1,923)	-	56,722
Leasehold improvements	1,148	259	-	(322)	-	1,085
Vehicles	1,129	622	-	(580)	(43)	1,128
Furniture and fixture	17,096	6,768	(2)	(6,320)	-	17,542
Construction in progress	1,542	4,177	-	-	-	5,719
Total	₩ 270,367	₩ 11,826	₩ (2)	₩ (9,145)	₩ (43)	₩ 273,003

(2021)

Detail	Beginning balance	Acquisitions	Disposals	Depreciation	Others	Ending balance
Lands	₩ 190,807	₩ -	₩ -	₩ -	₩ -	₩ 190,807
Buildings	60,570	-	-	(1,925)	-	58,645
Leasehold improvements	172	1,192	-	(216)	-	1,148
Vehicles	1,258	323	-	(447)	(5)	1,129
Furniture and fixture	9,825	11,793	(54)	(4,468)	-	17,096
Construction in progress	455	1,087	-	-	-	1,542
Total	₩ 263,087	₩ 14,395	₩ (54)	₩ (7,056)	₩ (5)	₩ 270,367

13. INTANGIBLE ASSETS:

(1) Details of intangible assets as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Acquisition cost	Accumulated depreciation	Accumulated Impairment losses	Carrying amount
Computer software	₩ 39,404	₩ (26,802)	₩ -	₩ 12,602
System development fees	78,412	(51,873)	-	26,539
Memberships	3,838	-	(166)	3,672
Total	₩ 121,654	₩ (78,675)	₩ (166)	₩ 42,813

(December 31, 2021)

Detail	Acquisition cost	Accumulated depreciation	Accumulated Impairment losses	Carrying amount
Computer software	₩ 34,750	₩ (23,361)	₩ -	₩ 11,389
System development fees	65,192	(45,785)	-	19,407
Memberships	3,822	-	(166)	3,656
Total	₩ 103,764	₩ (69,146)	₩ (166)	₩ 34,452

(2) Changes in intangible assets for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

Detail	Beginning balance	Acquisitions	Disposals	Amortization	Reversal of (Additional) impairment	Ending balance
Computer software	₩ 11,389	₩ 4,654	₩ -	₩ (3,441)	₩ -	₩ 12,602
System development fees	19,407	13,220	-	(6,088)	-	26,539
Memberships	3,656	92	(76)	-	-	3,672
Total	₩ 34,452	₩ 17,966	₩ (76)	₩ (9,529)	₩ -	₩ 42,813

(2021)

Detail	Beginning balance	Acquisitions	Disposals	Amortization	Reversal of (Additional) impairment	Ending balance
Computer software	₩ 8,484	₩ 6,665	₩ -	₩ (3,760)	₩ -	₩ 11,389
System development fees	15,942	10,463	-	(6,998)	-	19,407
Memberships	3,656	-	-	-	-	3,656
Total	₩ 28,082	₩ 17,128	₩ -	₩ (10,758)	₩ -	₩ 34,452

14. OTHER ASSETS:

(1) Details of other assets as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Other financial assets:		
Guarantee deposits	₩ 48,800	₩ 47,909
Accounts receivable	384,640	34,738
Accrued income	1,237,376	763,984
Receivable spot exchange	43	48
Allowances for loan losses on other assets	(24,994)	(8,034)
Subtotal	1,645,865	838,645
Other assets:		
Advance payments	-	57
Prepaid expenses	125,943	9,863
Current income tax asset	1,921	8,782
Sundry assets	35,266	9,351
Subtotal	163,130	28,053
Total	₩ 1,808,995	₩ 866,698

(2) Changes in allowances for loan losses on other assets for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Beginning balance	₩ 8,034	₩ 29,592
Collection	5	71
Additional provisions (Reversal of provisions)	16,566	(22,356)
Others	389	727
Ending balance	₩ 24,994	₩ 8,034

15. BORROWINGS:

(1) Details of borrowings as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Lender	Interest rate (%)	Amount
Call money:			
call money dominated in foreign currencies	CANADIAN IMPERIAL BANK OF COMMERCE, HONGKONG	4.53	₩ 46,768
Sales of repurchase agreement:			
Sales of repurchase agreement	STANDARD CHARTERED BANK (HONG KONG) LIMITED and others	0.95 ~ 1.31	431,604
Borrowings in foreign currencies:			
Borrowings from the Government	MINISTRY OF ECONOMY AND FINANCE	LIBOR 3M+0.65 ~ LIBOR 3M+0.78	667,866
Short term borrowings from foreign financial institutions	MUFG Bank Seoul Branch(JP) and others	LIBOR 3M+0.09, 2.20	626,046
Short term borrowings from domestic financial institutions	Industrial and Commercial Bank of China Seoul Branch	3.61 ~ 3.63	247,124
Long term borrowings from foreign financial institutions	MUFG Bank Seoul Branch(JP)	USD Term SOFR 3M+0.69	1,769,241
Commercial papers denominated in foreign currencies	CITIBANK N.A., HONG KONG(US) and others	(-)0.49 ~ 3.57	5,645,822
Offshore commercial papers denominated in foreign currencies	BARCLAYS BANK PLC(GB)and others	(-)0.35 ~ 1.62	426,599
Others (Foreign banks)	DBS BANK LTD and others	0.06 ~ 0.30	235,258
Others (CSA)	BANK OF AMERICA (VM) and others	0.07	16,412
Subtotal			9,634,368
Total			₩ 10,112,740

(December 31, 2021)

Detail	Lender	Interest rate (%)	Amount
Call money:			
call money dominated in foreign currencies	WOORI BANK and others	0.19 ~0.25	₩ 652,025
Offshore call money dominated in foreign currencies	KEB HANA BANK	0.27	118,550
Subtotal			770,575
Sales of repurchase agreement:			
Sales of repurchase agreement	STANDARD CHARTERED BANK (HONG KONG) LIMITED	0.11	590,003
Borrowings in foreign currencies:			
Borrowings from the Government	MINISTRY OF ECONOMY AND FINANCE	LIBOR 3M+0.64 ~ LIBOR 3M+0.78	947,309
Long term borrowings from foreign financial institutions	BANK OF AMERICA, N.A, SEOUL BR. (US) and others	LIBOR 3M+0.47 ~ LIBOR 3M+0.55	474,200
Discount on borrowings			
Commercial papers denominated in foreign currencies	CITIBANK N.A., HONG KONG(US) and others	0.21 ~ 0.35	1,689,338
Offshore commercial papers denominated in foreign currencies	CITIBANK N.A., HONG KONG(US) and others	(-)0.57 ~ 0.25	305,785
Others (Foreign banks)	DBS BANK LTD and others	0.05 ~ 0.35	342,594

Others (CSA)	BANK OF AMERICA (VM) and others	0.07	457,105
Subtotal			4,216,331
Total			₩ 5,576,909

(2) Details of the borrowings from other financial institutions as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Type	Call-money	Sales of repurchase agreement	Borrowings in foreign currencies	Total
Commercial banks	₩ 46,768	₩ 431,604	₩ 8,966,502	₩ 9,444,874

(December 31, 2021)

Type	Call-money	Sales of repurchase agreement	Borrowings in foreign currencies	Total
Commercial banks	₩ 770,575	₩ 590,003	₩ 3,269,022	₩ 4,629,600

16. DEBENTURES:

Details of debentures as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022		Dec. 31, 2021	
Detail	Interest rate (%)	Amount	Interest rate (%)	Amount
Local currencies:				
Floating rate	31-Day CD+0.11~ 31-Day CD+0.60	₩ 4,090,000	31-Day CD+0.06~ 31-Day CD+0.12	₩ 3,100,000
Fixed rate	0.89 ~ 5.58	24,830,000	0.75~4.70	19,810,000
Subtotal		28,920,000		22,910,000
Fair value hedging adjusting		(170,631)		(63,620)
Discount on debentures		(195,715)		(47,322)
Subtotal		28,553,654		22,799,058
Foreign currencies:				
Floating rate	USD SOFR Index+0.25 ~ USD SOFR Index+0.775	9,443,252	Libor3M+0.20~ Libor3M+1.35	9,766,115
Fixed rate	0.00 ~ 12.60	52,761,984	0.00 ~ 11.09	43,801,187
Subtotal		62,205,236		53,567,302
Fair value hedging adjusting		(2,857,028)		205,544
Discount on debentures		(110,239)		(85,851)
Subtotal		59,237,969		53,686,995
Total		₩ 87,791,623		₩ 76,486,053

17. PROVISIONS:

(8) Details of provisions as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Provisions for acceptances and guarantees	₩ 597,078	₩ 380,983
Provisions for unused loan commitments	467,183	239,482
Other provisions	28,174	1,002
Total	₩ 1,092,435	₩ 621,467

(9) Changes in provisions for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	Acceptances and guarantees			
	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 52,984	₩ 311,291	₩ 16,708	₩ 380,983
- Transfer to 12 months expected credit losses	22,024	(22,024)	-	-
- Transfer to lifetime expected credit losses	(44)	44	-	-
- Transfer to credit-impaired financial assets	-	-	-	-
Foreign exchange translation	3,272	14,426	644	18,342
Additional provisions (Reversal of provisions)	(4,462)	209,372	(7,157)	197,753
Ending balance	₩ 73,774	₩ 513,109	₩ 10,195	₩ 597,078

	Unused loan commitments			
	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 37,640	₩ 199,789	₩ 2,053	₩ 239,482
- Transfer to 12 months expected credit losses	1,965	(1,965)	-	-
- Transfer to lifetime expected credit losses	(11)	142	(131)	-
- Transfer to credit-impaired financial assets	-	-	-	-
Foreign exchange translation	773	-	-	773
Additional provisions (Reversal of provisions)	16,562	212,113	(1,747)	226,928
Ending balance	₩ 56,929	₩ 410,079	₩ 175	₩ 467,183

(2021)

	Acceptances and guarantees			
	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 42,507	₩ 272,431	₩ 72,089	₩ 387,027
- Transfer to 12 months expected credit losses	11,480	(6,935)	(4,545)	-
- Transfer to lifetime expected credit losses	(10)	10	-	-
- Transfer to credit-impaired financial assets	(717)	-	717	-
Foreign exchange translation	2,349	12,463	626	15,438
Additional provisions (Reversal of provisions)	(2,625)	33,322	(52,179)	(21,482)
Ending balance	₩ 52,984	₩ 311,291	₩ 16,708	₩ 380,983

	Unused loan commitments			
	12 months expected credit losses	Lifetime expected credit losses	Credit-impaired financial assets	Total
Beginning balance	₩ 34,073	₩ 188,718	₩ 16,793	₩ 239,584
- Transfer to 12 months expected credit losses	15,000	-	(15,000)	-
- Transfer to lifetime expected credit losses	-	-	-	-
- Transfer to credit-impaired financial assets	(2)	-	2	-
Foreign exchange translation	1,026	-	41	1,067
Additional provisions (Reversal of provisions)	(12,457)	11,071	217	(1,169)
Ending balance	₩ 37,640	₩ 199,789	₩ 2,053	₩ 239,482

18. RETIREMENT BENEFIT PLAN:

The Bank operates both defined benefit plan and defined contribution plan.

(1) Defined benefit plan

The Bank operates defined benefit plans, which have the following characteristics:

- The entity has the obligation to pay the agreed benefits to all its current and past employees.
- The entity is liable for actuarial risk (excess of actual payment against expected amount) and investment risk.

The present value of the defined benefit obligation recognized in the separate statements of financial position is calculated annually by independent actuaries in accordance with actuarial valuation method. The present value of the defined benefit obligation is calculated using the projected unit credit method ("PUC"). The data used in the PUC, such as interest rates, future salary increase rate, mortality rate, consumer price index and expected return on plan asset, are based on observable market data and historical data, which are annually updated.

Actuarial assumptions may differ from actual results due to change in the market, economic trend and mortality trend, which may affect defined benefit obligation liabilities and future payments. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the period incurred through other comprehensive income or loss.

(2) Details of net defined benefit liabilities (assets) as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Present value of defined benefit obligations	₩ 99,458	₩ 119,697
Fair value of plan assets	(144,600)	(133,302)
Net defined benefit liabilities (assets)	₩ (45,142)	₩ (13,605)

(3) Changes in net defined benefit obligations for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	Present value of the defined benefit obligations	Plan assets	Net defined benefit liabilities (assets)
Beginning balance	₩ 119,697	₩ (133,302)	₩ (13,605)
Contributions from the employer	-	(16,874)	(16,874)
Current-service cost	11,373	-	11,373
Interest expense (income)	4,234	(4,775)	(541)
Actuarial gains and losses arising from changes in demographic assumptions	1,408	-	1,408
Actuarial gains and losses arising from changes in financial assumptions	(26,129)	1,979	(24,150)
Actuarial gains and losses arising from experience adjustments	(1,137)	-	(1,137)
Past-service cost	-	-	-
Management fees on plan assets	-	232	232
Benefits paid	(9,988)	8,140	(1,848)
Ending balance	₩ 99,458	₩ (144,600)	₩ (45,142)

(2021)

	Present value of the defined benefit obligations	Plan assets	Net defined benefit liabilities (assets)
Beginning balance	₩ 111,011	₩ (115,812)	₩ (4,801)
Contributions from the employer	-	(20,500)	(20,500)
Current-service cost	11,407	-	11,407
Interest expense (income)	3,465	(3,640)	(175)
Actuarial gains and losses arising from changes in demographic assumptions	512	-	512
Actuarial gains and losses arising from changes in financial assumptions	(8,839)	1,603	(7,236)
Actuarial gains and losses arising from experience adjustments	(2,524)	-	(2,524)
Past-service cost	9,502	-	9,502
Management fees on plan assets	-	206	206
Benefits paid	(4,837)	4,841	4
Ending balance	₩ 119,697	₩ (133,302)	₩ (13,605)

(4) Details of fair value of plan assets as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Cash and cash equivalent	₩ -	₩ 49,707
Debt securities	8,102	-
Others	136,498	83,595
Total	₩ 144,600	₩ 133,302

(5) Actuarial assumptions used in retirement benefit obligations assessment as of December 31, 2022 and 2021 are as follows:

	Dec. 31, 2022	Dec. 31, 2021
Discount rate	5.87%	3.64%
Expected wage growth rate	1.37%	1.40%

(6) Assuming that all the other assumptions remain unchanged, the effect of changes in the significant actuarial assumptions which were made within the reasonable limit on retirement benefit obligations as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	1%p Increase	1%p Decrease
Change of discount rate	₩ (8,408)	₩ 9,782
Change of future salary increase rate	10,075	(8,842)

(December 31, 2021)

Detail	1%p Increase	1%p Decrease
Change of discount rate	₩ (11,774)	₩ 13,924
Change of future salary increase rate	14,036	(11,162)

The above sensitivity analysis does not present any actual changes in the retirement benefit obligations as there is no change in actuarial assumptions which is independently made due to the correlation among the assumptions. In addition, the actuarial present value of promised retirement benefits in the sensitivity analysis is determined using the projected unit credit method, which is used in the calculation of the retirement benefit obligations in the separate financial statements.

(7) Retirement benefit cost incurred from the defined contribution plan for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Retirement benefits	₩ 1,564	₩ 2,977

19. OTHER LIABILITIES:

(1) Details of other liabilities as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Other financial liabilities:		
Financial guarantee contract liabilities	₩ 1,161,253	₩ 1,140,299
Foreign exchanges payable	110	8
Accounts payable	369,796	23,806
Accrued expenses	992,763	660,814
Guarantee deposit received	353	353
Subtotal	2,524,275	1,825,280
Other liabilities:		
Allowance For Deferred Day 1 Profit Or Loss In Derivatives	9,515	-
Allowance for credit loss in derivatives	-	39,670
Unearned income	124,862	101,831
Current tax payable	102,200	-
Sundry liabilities	6,356	18,339
Subtotal	242,933	159,840
Total	₩ 2,767,208	₩ 1,985,120

(2) Changes in financial guarantee contract liabilities for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Beginning balance	₩ 1,140,299	₩ 1,182,101
Foreign exchange translation	48,611	58,185
Additional financial guarantee contract liabilities (Reversal of financial guarantee contract liabilities)	(9,963)	(75,587)
Others(*1)	(17,694)	(24,400)
Ending balance	₩ 1,161,253	₩ 1,140,299

(*1) Others are the effects of the change due to newly occurrence and the arrival of maturity of financial guarantee contracts evaluated by fair value the first time and the changes in discount rates.

20. DERIVATIVES:

The Bank operates derivatives both for trading and hedging purposes. Derivatives held for trading purpose are included in financial assets and liabilities at FVTPL.

(1) Fair value hedge

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. When applying fair value hedge, the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

The Bank shall discontinue prospectively the fair value hedge if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Bank revokes the designation. Any adjustment arising from the gain or loss on the hedged item attributable to the hedged risk to the carrying amount of a hedged financial instrument for which the effective interest method is used shall be amortized to profit or loss.

The Bank uses interest rate swaps for hedging changes of fair values in hedged items arising from changes in interest rates. The Bank also uses currency swaps for hedging changes of fair values in hedged items arising from changes in foreign exchange rates.

(2) Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss. When applying cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income; and the ineffective portion of the gain or loss on the hedging instrument are recognized in profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affect profit or loss.

The Bank shall discontinue prospectively the cash flow hedge if hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Bank revokes the designation. The forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective are reclassified from equity to profit or loss as a reclassification adjustment.

The Bank uses interest rate swaps for hedging changes of cash flows in hedged items arising from changes in interest rates. The Bank also uses currency swaps for hedging changes of cash flows in hedged items arising from changes in foreign exchange.

(3) Details of derivative assets and liabilities as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

		Derivative assets(*1)			
Detail	Notional amount	Fair value hedge	Cash flow hedge	Trading	Total
Interest:					
Interest rate swaps	₩ 56,314,118	₩ 522	₩ -	₩ 903,044	₩ 903,566
Currency:					
Currency forwards	96,005,661	-	-	256,184	256,184
Currency swaps	30,035,585	307,595	49,580	770,286	1,127,461
Subtotal	126,041,246	307,595	49,580	1,026,470	1,383,645
Total	₩ 182,355,364	₩ 308,117	₩ 49,580	₩ 1,929,514	₩ 2,287,211

(*1) Credit risk adjustments related to derivatives are excluded.

		Derivative liabilities			
Detail	Notional amount	Fair value hedge	Cash flow hedge	Trading	Total
Interest:					
Interest rate swaps	₩ 56,314,118	₩ 1,095,377	₩ -	₩ 1,457,447	₩ 2,552,824
Currency:					
Currency forwards	96,005,661	-	-	339,352	339,352
Currency swaps	30,035,585	1,261,531	-	716,688	1,978,219
Subtotal	126,041,246	1,261,531	-	1,056,040	2,317,571
Total	₩ 182,355,364	₩ 2,356,908	₩ -	₩ 2,513,487	₩ 4,870,395

(December 31, 2021)

Detail	Notional amount	Derivative assets: Fair value hedge	Derivative assets: Cash flow hedge	Derivative assets: Trading	Derivative assets: Total
Interest:					
Interest rate swaps	₩ 47,235,133	₩ 275,487	₩ -	₩ 578,475	₩ 853,962
Currency:					
Currency forwards	5,871,649	-	-	57,739	57,739
Currency swaps	26,112,779	282,508	3,916	317,812	604,236
Subtotal	31,984,428	282,508	3,916	375,551	661,975
Stock:					
Stock options	46,952	-	-	425	425
Total	₩ 79,266,513	₩ 557,995	₩ 3,916	₩ 954,451	₩ 1,516,362

Detail	Notional amount	Derivative liabilities: Fair value hedge	Derivative liabilities: Cash flow hedge	Derivative liabilities: Trading	Derivative liabilities: Total
Interest:					
Interest rate swaps	₩ 47,235,133	₩ 147,373	₩ -	₩ 367,018	₩ 514,391
Currency:					
Currency forwards	5,871,649	-	-	40,909	40,909
Currency swaps	26,112,779	513,684	-	359,498	873,182
Subtotal	31,984,428	513,684	-	400,407	914,091
Stock:					
Stock options	46,952	-	-	690	690
Total	₩ 79,266,513	₩ 661,057	₩ -	₩ 768,115	₩ 1,429,172

(4) Gains and losses from fair value hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Fair value hedge – hedged items	₩ 3,165,476	₩ 1,231,752
Fair value hedge – hedging instruments	₩ (3,229,844)	₩ (1,556,335)

(5) As a result of cash flow hedge, the Bank recognized ₩46,612 million and ₩3,913 million as other comprehensive income (loss) (before tax effect) for the years ended December 31, 2022 and 2021 and there is no ineffectiveness recognized in relation to cash flow hedge for the years ended December 31, 2022 and 2021.

(6) Hedge accounting

1) Purpose and strategy of hedge accounting

The Bank transacts with derivative financial instruments to hedge its interest rate risk and currency risk arising from the assets and liabilities of the Bank. The Bank applies the fair value hedge accounting for the changes in the market interest rates of the financial debentures in Korean won and foreign currency and the loans in foreign currency; and cash flow hedge accounting for interest rate swaps to hedge cash flow risk due to interest rates of the debentures in Korean won.

2) Nominal amount and average hedge ratio for derivatives as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Fair value hedges							
Nominal amount of hedged items	₩ 10,180,257	₩ 12,030,420	₩ 9,817,699	₩ 5,946,113	₩ 3,540,756	₩ 8,604,823	₩ 50,120,068
Nominal amount of hedging instruments	10,228,201	12,042,974	8,867,224	5,946,113	3,540,756	8,689,614	49,314,882
Average hedge ratio	100.47%	100.10%	90.32%	100.00%	100.00%	100.99%	98.39%
Cash flow hedges							
Nominal amount of hedged items	₩ -	₩ 111,593	₩ 643,808	₩ -	₩ -	₩ -	₩ 755,401
Nominal amount hedging instruments	-	111,593	643,808	-	-	-	755,401
Average hedge ratio	-	100.00%	100.00%	-	-	-	100.00%

(December 31, 2021)

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Fair value hedges							
Nominal amount of hedged items	₩ 6,662,420	₩ 6,872,921	₩ 9,069,369	₩ 7,143,818	₩ 5,552,558	₩ 7,382,156	₩ 42,683,242
Nominal amount of hedging instruments	6,649,848	6,872,921	9,072,215	6,254,693	5,552,558	7,433,170	41,835,405
Average hedge ratio	99.81%	100.00%	100.03%	87.55%	100.00%	100.69%	98.01%
Cash flow hedges							
Nominal amount of hedged items	₩ 59,275	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 59,275
Nominal amount hedging instruments	59,275	-	-	-	-	-	59,275
Average hedge ratio	100.00%	-	-	-	-	-	100.00%

3) Effect of hedge accounting on financial statement, statement of comprehensive income, statement of changes in equity

① Effect of hedging instruments on statement financial position, statement of comprehensive income, statement of changes in equity as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Nominal amount	Carrying amount of assets(*1)	Carrying amount of liabilities	Changes of fair value in the year
Fair value hedges				
Interest swap	₩ 34,285,517	₩ 522	₩ 1,095,377	₩ (2,935,547)
Currency swap	15,029,365	307,595	1,261,531	(722,761)
Subtotal	49,314,882	308,117	2,356,908	(3,658,308)
Cash flow hedges	755,401	49,580	-	45,664
Total	₩ 50,070,283	₩ 357,697	₩ 2,356,908	₩ (3,612,644)

(*1) Credit risk adjustments related to derivatives are excluded.

(December 31, 2021)

Detail	Nominal amount	Carrying amount of assets	Carrying amount of liabilities	Changes of fair value in the year
Fair value hedges				
Interest swap	₩ 28,537,438	₩ 275,487	₩ 147,373	₩ (797,378)
Currency swap	13,297,967	282,508	513,684	(791,844)
Subtotal	41,835,405	557,995	661,057	(1,589,222)
Cash flow hedges	59,275	3,916	-	3,916
Total	₩ 41,894,680	₩ 561,911	₩ 661,057	₩ (1,585,306)

② Effect of fair value hedged items on statement financial position, statement of comprehensive income, statement of changes in equity as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

	Statement financial position		Accumulated adjustment of fair value hedging		
Detail	Loan	Debenture	Asset	Liability	Changes of fair value in the year
Interest:					
Discontinuation of risk hedging					
Loans in foreign currencies	₩ 17,093	₩ -	₩ 402	₩ -	₩ (1,188)
Debentures in local currency	-	602,989	-	(170,631)	107,011
Debentures in foreign currencies	-	31,810,613	-	(2,602,017)	1,081,608
Subtotal	17,093	32,413,602	402	(2,772,648)	1,187,431
Currency:					
Loans in foreign currencies	149,661	-	(8,360)	-	(4,204)
Discontinuation of risk hedging					
Loans in foreign currencies	13,782	-	(67)	-	33
Debentures in foreign currencies	-	14,360,000	-	(253,171)	(254,124)
Discontinuation of risk hedging					
Debentures in foreign currencies	-	18,333	-	(1,840)	97
Subtotal	163,443	14,378,333	(8,427)	(255,011)	(258,198)
Total	₩ 180,536	₩ 46,791,935	₩ (8,025)	₩ (3,027,659)	₩ 929,233

(December 31, 2021)

Detail	Statement financial position		Accumulated adjustment of fair value hedging		Changes of fair value in the year
	Loan	Debenture	Asset	Liability	
Interest:					
Discontinuation of risk hedging					
Loans in foreign currencies	₩ 32,243	₩ -	₩ 1,533	₩ -	₩ (1,268)
Debentures in local currency	-	680,000	-	(63,620)	31,817
Debentures in foreign currencies	-	28,930,459	-	215,758	816,305
Subtotal	32,243	29,610,459	1,533	152,138	846,854
Currency:					
Loans in foreign currencies	148,898	-	(4,156)	-	(4,156)
Discontinuation of risk hedging					
Loans in foreign currencies	14,402	-	(100)	-	(16)
Debentures in foreign currencies	-	12,923,885	-	(8,277)	287,476
Discontinuation of risk hedging					
Debentures in foreign currencies	-	16,190	-	(1,937)	(98)
Subtotal	163,300	12,940,075	(4,256)	(10,214)	283,206
Total	₩ 195,543	₩ 42,550,534	₩ (2,723)	₩ 141,924	₩ 1,130,060

③ Effect of cash flow hedged items on statement financial position, statement of comprehensive income, statement of changes in equity as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Statements of Financial position	Accumulated adjustment of cash flow hedging	Changes of fair value in the year
Currency:			
Loans in foreign currencies	₩ 755,401	₩ 38,805	₩ (46,172)

(December 31, 2021)

Detail	Statements of Financial position	Accumulated adjustment of cash flow hedging	Changes of fair value in the year
Currency:			
Loans in foreign currencies	₩ 59,275	₩ 2,968	₩ (4,024)

4) Gains (losses) on hedged items and hedging instruments attributable to the hedged ineffectiveness for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	Losses on hedged items	Gains on hedging instruments	Hedge ineffectiveness recognized in profit (loss)
Fair value hedges	₩ 3,150,578	₩ (2,709,371)	₩ 441,207
Cash flow hedges	(46,172)	45,664	-
Total	₩ 3,104,406	₩ (2,663,707)	₩ 441,207

(2021)

	Losses on hedged items	Gains on hedging instruments	Hedge ineffectiveness recognized in profit (loss)
Fair value hedges	₩ 1,131,161	₩ (1,091,127)	₩ 40,034
Cash flow hedges	(4,024)	3,916	-
Total	₩ 1,127,137	₩ (1,087,211)	₩ 40,034

(7) Interest Rate Benchmark Reform

The hedging relationship to which the Bank applies fair value hedge and cash flow hedge is affected by the interest rate benchmark reform. The interest rate benchmarks that the hedging relationship is exposed to, are as follows (Korean won in millions):

Interest rate benchmark	Carrying amount of hedged items (assets)	Carrying amount of hedged items (liabilities)	Nominal amount of hedging instruments
KRW CD 3M	₩ -	₩ 160,000	₩ 116,343
KRW CMS 10Y	-	110,000	92,704
USD LIBOR 3M(*1)	141,301	25,140,478	24,258,546
USD LIBOR 6M(*1)	-	5,329,158	4,794,624
EURIBOR 3M	-	202,680	189,193
EURIBOR 6M	-	5,262,924	4,980,749
EUR CMS 20Y	-	250,000	190,889
EUR CMS 30Y	-	190,000	139,434
AUD BBSW 3M	-	1,373,456	1,365,907
AUD BBSYB 3M	-	755,401	750,334
NOK NIBOR 6M	-	48,765	49,118
Total	₩ 141,301	₩ 38,822,862	₩ 36,927,841

(*1) Hedged items and hedging instruments due before June 30, 2023, when the LIBOR interest rate will be ceased being published, are excluded.

21. CAPITAL STOCK:

As of December 31, 2022, the authorized capital and paid-in capital of the Bank are ₩15,000,000 million and ₩12,773,254 million, respectively. The Bank does not issue share certificates.

Changes in capital stock for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Beginning balance	₩ 12,748,254	₩ 12,449,456
Paid-in capital increase	25,000	298,798
Ending balance	₩ 12,773,254	₩ 12,748,254

22. OTHER COMPONENTS OF EQUITY:

(1) Details of other components of equity as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Gain (Loss) on equity securities at FVOCI	₩ 882,404	₩ 842,816
Gain (Loss) on debt securities at FVOCI	(213,907)	18,020
Gain (Loss) on valuation of cash flow hedge	38,805	2,968
Remeasurement of net defined benefit liabilities	37,454	18,865
Total	₩ 744,756	₩ 882,669

(2) Changes in other components for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	Beginning Balance	Increase (Decrease)	Tax effect	Ending balance
Gain (Loss) on equity securities at FVOCI	₩ 842,816	₩ 37,176	₩ 2,412	₩ 882,404
Gain (Loss) on debt securities at FVOCI	18,020	(302,298)	70,371	(213,907)
Gain (Loss) on valuation of cash flow hedge	2,968	46,612	(10,775)	38,805
Remeasurement of net defined benefit liabilities	18,865	23,879	(5,290)	37,454
Total	₩ 882,669	₩ (194,631)	₩ 56,718	₩ 744,756

(2021)

	Beginning Balance	Increase (Decrease)	Tax effect	Ending balance
Gain (Loss) on equity securities at FVOCI	₩ 773,104	₩ 91,968	₩ (22,256)	₩ 842,816
Gain (Loss) on debt securities at FVOCI	18,355	(442)	107	18,020
Gain (Loss) on valuation of cash flow hedge	3	3,913	(948)	2,968
Remeasurement of net defined benefit liabilities	11,855	9,248	(2,238)	18,865
Total	₩ 803,317	₩ 104,687	₩ (25,335)	₩ 882,669

23. RETAINED EARNINGS:

(1) Details of retained earnings as of as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Legal reserve (*1)	₩ 500,991	₩ 446,237
Voluntary reserve(*2)	923,767	712,729
Regulatory reserve for loan losses	239,710	149,219
Unappropriated retained earnings	386,911	547,539
Total	₩ 2,051,379	₩ 1,855,724

(*1) Pursuant to the EXIM Bank Act, the Bank appropriates 10% of separate profit for the year as legal reserve, until the accumulated reserve equals to its paid-in capital.

(*2) The Bank appropriates profit for the year, net of the regulatory reserve for loan losses and the dividends, as voluntary reserve.

(2) Changes in retained earnings for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Beginning balance	₩ 1,855,724	₩ 1,348,944
Profit for the year	386,911	547,539
Dividends	(191,256)	(40,759)
Ending balance	₩ 2,051,379	₩ 1,855,724

(3) Details of dividends for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
The Government	₩ 131,464	₩ 27,711
Bank of Korea	17,478	3,814
Korea Development Bank	42,314	9,234
Total	₩ 191,256	₩ 40,759

(4) Statements of appropriations of retained earnings for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022 (Expected date of appropriation: Mar. 31, 2022)		2021 (Date of appropriation: May. 6, 2022)	
I. Retained earnings before appropriations:	₩	386,911	₩	547,539
1. Unappropriated retained earnings carried over from prior years	-		-	
2. Profit for the year	386,911		547,539	
II. Other reserve transferred		-		-
III. Appropriations:		386,911		547,539
1. Legal reserve	38,691		54,754	
2. Dividend	135,419		191,256	
3. Other reserve	176,891		211,038	
4. Regulatory reserve for loan losses	35,910		90,491	
IV. Unappropriated retained earnings at the end of the year		-		-

(5) Regulatory reserve for loan losses

Regulatory reserve for loan losses is calculated and disclosed according to Article 29 (1) and (2), Regulation on Supervision of Banking Business. In accordance with Regulation on Supervision of Banking Business, etc., if the estimated allowance for credit loss determined by K-IFRS for the accounting purpose is lower than those for the regulatory purpose required by Regulation on Supervision of Banking Business, the Bank should reserve such difference as the regulatory reserve for loan losses. Due to the fact that regulatory reserve for loan losses is a voluntary reserve, the amounts that exceed the existing regulatory reserve for loan losses over the compulsory regulatory reserve for loan losses at the year-end date are reversed in profit. In case of accumulated deficit, the Bank should recommence setting aside regulatory reserve for loan losses at the time when accumulated deficit is reduced to zero.

1) Regulatory reserve for loan losses

Details of regulatory reserve for loan losses as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Dec. 31, 2022	Dec. 31, 2021
Accumulated regulatory reserve for loan losses	₩ 239,710	₩ 149,219
Expected regulatory reserve for loan losses	35,910	90,491
Regulatory reserve for loan losses	₩ 275,620	₩ 239,710

2) Provision for regulatory reserve for loan losses and profit for the year after adjusting regulatory reserve for loan losses.

Details of regulatory reserve for loan losses and profit for the year after adjusting the reserve for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Profit for the year	₩ 386,911	₩ 547,539
Provision for regulatory reserve for loan losses	35,910	90,491
Profit after adjusting the regulatory reserve for loan losses (*1)	₩ 351,001	₩ 457,048

(*1) Adjusted profit for the year considering reserve for loan losses as above is calculated by assuming that the provision in regulatory reserve for loan losses before income tax is reflected in profit for the year.

24. NET INTEREST INCOME:

Net interest income is the amount after deduction of interest expenses from interest income, and the details are as follows:

(1) Details of interest income for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Interest of due from financial institutions:		
Due from financial institutions in local currency	₩ 32,980	₩ 7,519
Due from financial institutions in foreign currencies	99,300	6,537
Subtotal	132,280	14,056
Interest of financial assets at FVTPL:		
Interest of securities at FVTPL	-	82
Interest of loans at FVTPL	-	565
Subtotal	-	647
Interest of financial investments:		
Interest of securities at FVOCI	47,847	33,932
Interest of securities at amortized cost	24,580	12,292
Subtotal	72,427	46,224
Interest of loans at amortized cost:		
Interest of loans in local currency	758,491	537,619
Interest of loans in foreign currencies	2,034,466	1,128,663
Interest of bills bought	20,383	11,961
Interest of advances for customers	293	987
Interest of call loans	42,967	2,291
Interest of interbank loans	9,193	2,658
Subtotal	2,865,793	1,684,179
Other interest income	-	404
Total	₩ 3,070,500	₩ 1,745,510

(2) Details of interest expenses for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Interest of borrowings:		
Interest of borrowings in foreign currencies	₩ 166,976	₩ 27,742
Interest of sales of repurchase agreement	10,343	582
Subtotal	177,319	28,324
Interest of call-money	1,922	744
Interest of debentures:		
Interest of debentures in local currency	561,506	268,912
Interest of debentures in foreign currencies	1,376,173	542,099
Subtotal	1,937,679	811,011
Other interest expense	1,188	1,028
Total	₩ 2,118,108	₩ 841,107

25. NET COMMISSION INCOME:

Net commission income is the amount after deduction of commission expenses from commission income, and the details are as follows.

(1) Details of commission income for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Commission income in local currency:		
Commission income on management of EDCF	₩ 21,382	₩ 20,820
Commission income on management of IKCF	2,170	2,200
Other commission income in local currency	1,344	1,973
Subtotal	24,896	24,993
Commission income in foreign currencies:		
Commission income on letters of credit	3,236	2,669
Commission income on confirmation on export letter of credit	-	13
Commission income on loan commitments	46,240	28,242
Management fees	214	71
Arrangement fees	17,036	2,399
Advisory fees	1,895	220
Prepayment fees	5,723	4,503
Sundry commission income on foreign exchange	81	313
Structuring fees	-	50
Brokerage fee for foreign currencies exchange funds	110	176
Other commission income in foreign currencies	4,843	5,443
Subtotal	79,378	44,099
Others:		
Other commission income	6,308	10,896
Guarantee fees in foreign currencies:		
Guarantee fees in foreign currencies	163,982	129,926
Premium for guarantee	88,368	100,033
Subtotal	252,350	229,959
Total	₩ 362,932	₩ 309,947

(2) Details of commission expenses for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Commission expenses in local currency:		
Commission expenses on domestic transactions	₩ 594	₩ 519
Commission expenses in foreign currencies:		
Commissions paid on borrowings in foreign currency	9,071	3,312
Sundry commission expenses on foreign exchange	6,069	3,975
Subtotal	15,140	7,287
Others:		
Other commission expenses	10,460	13,299
Total	₩ 26,194	₩ 21,105

26. DIVIDEND INCOME:

Details of dividend income for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Financial assets at FVOCI	₩ 60,627	₩ 49,889

27. GAIN (LOSS) ON FINANCIAL ASSETS AT FVTPL:

Details of gain (loss) on financial assets at FVTPL for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Securities at FVTPL:		
Gain on valuation	₩ 36,319	₩ 18,846
Loss on valuation	(16,073)	(12,951)
Gain on disposal	39,517	9,885
Loss on disposal	(2,609)	(1,936)
Others	19,939	15,816
Subtotal	77,093	29,660
Loans at FVTPL:		
Gain on valuation	-	505
Loss on valuation	(289)	-
Loss on disposal	(119)	(423)
Subtotal	(408)	82
Trading derivatives:		
Gain on valuation	1,567,207	856,142
Loss on valuation	(2,330,999)	(996,182)
Gain on transaction	1,617,433	909,941
Loss on transaction	(1,235,833)	(672,656)
Subtotal	(382,192)	97,245
Total	₩ (305,507)	₩ 126,987

28. GAIN (LOSS) ON HEDGING DERIVATIVES:

Details of gain (loss) on hedging derivatives for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Gain on hedging instruments	₩ 492,483	₩ 189,053
Loss on hedging instruments	(3,716,222)	(1,745,324)
Total	₩ (3,223,739)	₩ (1,556,271)

29. GAIN (LOSS) ON FINANCIAL INVESTMENTS:

Details of gain (loss) on financial investments for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Financial assets at FVOCI:		
Gain on disposals	₩ 97	₩ 3,381
Loss on disposals	(144)	-
Total	₩ (47)	₩ 3,381

30. OTHER OPERATING INCOME (EXPENSES):

Details of other operating income (expenses) for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Other operating income:		
Gain on sale of loans at amortized cost	₩ -	₩ 2,709
Gain on redemption of loans at amortized cost	-	337
Gain on fair value hedged items	3,439,247	1,242,036
Others	19,523	-
Subtotal	3,458,770	1,245,082
Other operating expenses:		
Loss on fair value hedged items	(273,771)	(10,284)
Contribution to miscellaneous funds	(4,598)	(4,751)
Loss on redemption of bonds	-	-
Transfer of other provisions	(60)	(28,917)
Others	(6,861)	(9,947)
Subtotal	(285,290)	(53,899)
Total	₩ 3,173,480	₩ 1,191,183

31. IMPAIRMENT LOSS (REVERSAL) ON CREDIT:

Details of impairment loss (reversal) on credit for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Loans at amortized cost	₩ 246,263	₩ 488,672
Other financial assets	16,566	(22,356)
Guarantees	197,753	(21,482)
Unused loan commitments	226,928	(1,169)
Financial guarantee contract	(9,963)	(75,587)
Financial assets at FVOCI	317	340
Securities at amortized cost	131	51
Total	₩ 677,995	₩ 368,469

32. GENERAL AND ADMINISTRATIVE EXPENSES:

Details of general and administrative expenses for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	Detail	2022	2021
General and administrative	Short-term salaries	₩ 121,037	₩ 116,996
Other expenses in financing department	Office expenses	81,866	73,592
	Subtotal	202,903	190,588
Office expenses of EDCF		2,249	1,331
General and administrative - Others	Retirement benefits (defined contributions)	1,564	2,977
	Retirement benefits (defined benefits)	11,064	20,940
	Depreciation of tangible assets	9,145	7,056
	Amortization of intangible assets	9,529	10,759
	Taxes and dues	23,613	17,195
	Donations and contributions	1,356	2,000
	Subtotal	56,271	60,927
	Total	₩ 261,423	₩ 252,846

33. NON-OPERATING INCOME (EXPENSES):

Details of non-operating income (expenses) for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	Detail	2022	2021
Gain (Loss) on investments in associates and subsidiaries	Dividend income	₩ 5,545	₩ 10,931
Other incomes	Gain on disposals of tangible assets	86	119
	Rental income	401	129
	Interest on other loans	134	75
	Revenue on research project	7,964	6,602
	Other miscellaneous income	980	450
	Subtotal	9,565	7,375
Other expenses	Loss on disposal of tangible assets	(2)	(51)
	Loss on disposal of intangible assets	(1)	-
	Donations and contributions	(5,673)	(7,159)
	Court cost	(849)	(1,018)
	Expenses on research project	(6,805)	(6,320)
	Other miscellaneous expenses	(378)	(435)
	Subtotal	(13,708)	(14,983)
	Total	₩ (4,143)	₩ (7,608)

34. INCOME TAX EXPENSE:

(1) Details of income tax expenses for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Current income tax payable	₩ 95,080	₩ (5,776)
Adjustment recognized in the current period for tax payable of prior periods	17,322	(74)
Changes in deferred income taxes due to temporary differences	(9,491)	232,271
Changes in deferred income taxes directly recognized in equity	81,044	(27,836)
Income tax expense	₩ 183,955	₩ 198,585

(2) Changes in temporary differences and deferred income tax assets (liabilities) for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

	Temporary differences			Deferred tax assets (liabilities) - ending balance
Detail	Beginning balance	Increase (Decrease)	Ending balance	
Depreciation	₩ 112	₩ 32	₩ 144	₩ 33
Fair value hedging income (loss)	144,646	(3,332,977)	(3,188,331)	(739,693)
Financial guarantee contract liability	971,196	(941)	970,255	225,099
Loans	(6,745)	1,073	(5,672)	(1,316)
Allowance for loan losses	457,061	292,556	749,617	173,911
Unused commitment provisions	239,482	227,701	467,183	108,387
Net deferred loan origination fees and costs	368,209	35,252	403,461	93,603
Long-term income in advance	(2,689)	974	(1,715)	(398)
Provisions for acceptances and guarantees	380,983	216,095	597,078	138,522
Loan-for-equity swap	1,234,314	161,881	1,396,195	323,917
Loss on valuation of derivatives	(253,407)	(538,627)	(792,034)	(183,752)
Gain on valuation of derivatives	(94,198)	2,835,806	2,741,608	636,053
Defined benefit liability	(6,492)	(477)	(6,969)	(1,617)
Accrued interest receivables and payables related to swap transaction	(304,990)	(65)	(305,055)	(70,773)
Tangible assets	(175,093)	(912)	(176,005)	(40,833)
Others	1,908,019	(70,950)	1,837,069	426,202
Subtotal	₩ 4,860,408	₩ (173,579)	₩ 4,686,829	₩ 1,087,345
Deferred income tax assets (liabilities) directly adjusted in equity				(220,076)
Total				₩ 867,269

(2021)

Detail	Temporary differences			Deferred tax assets (liabilities) - ending balance
	Beginning balance	Increase (Decrease)	Ending balance	
Depreciation	₩ 106	₩ 6	₩ 112	₩ 27
Fair value hedging income (loss)	1,375,588	(1,230,942)	144,646	35,004
Financial guarantee contract liability	1,050,102	(78,906)	971,196	235,030
Loans	(42,621)	35,876	(6,745)	(1,632)
Allowance for loan losses	984,662	(527,601)	457,061	110,609
Unused commitment provisions	239,584	(102)	239,482	57,955
Net deferred loan origination fees and costs	364,854	3,355	368,209	89,107
Long-term income in advance	(2,689)	-	(2,689)	(651)
Provisions for acceptances and guarantees	387,027	(6,044)	380,983	92,198
Loan-for-equity swap	1,176,609	57,705	1,234,314	298,704
Loss on valuation of derivatives	142,212	(395,619)	(253,407)	(61,324)
Gain on valuation of derivatives	(1,352,817)	1,258,619	(94,198)	(22,796)
Defined benefit liability	-	(6,492)	(6,492)	(1,571)
Accrued interest receivables and payables related to swap transaction	(316,122)	11,132	(304,990)	(73,808)
Tangible assets	(173,653)	(1,440)	(175,093)	(42,372)
Others	1,882,441	25,578	1,908,019	461,739
Subtotal	₩ 5,715,283	₩ (854,875)	₩ 4,860,408	₩ 1,176,219
Deferred income tax assets (liabilities) directly adjusted in equity				(301,120)
Total				₩ 875,099

(3) Details of the reconciliation between profit before income tax and income tax expense (benefit) for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

	2022	2021
Profit before income tax	₩ 570,866	₩ 746,124
Income tax calculated at statutory tax rate (11% up to 200 million, 22% over 200 million to 20 billion, 24.2% over 20 billion to 300 billion, and 27.5% over 300 billion)	146,626	194,822
Adjustments:		
Effect on non-taxable income	(2,866)	(27,471)
Effect on non-deductible expense	89	24,516
Effect on tax deduction	(15,256)	-
Others	38,040	6,792
Subtotal	20,007	3,837
Adjustment recognized as current tax for the prior periods	17,322	(74)
Income tax expense	₩ 183,955	₩ 198,585
Effective tax rate from operations	32.22%	26.62%

(4) Details of deferred tax relating to items that are recognized directly in equity as of December 31, 2022 and 2021 are as follows (Korean won in millions):

Detail	Dec. 31, 2022	Dec. 31, 2021
Loss on valuation of financial investments	₩ (200,076)	₩ (297,161)
Gain(Loss) on valuation of cash flow hedge	(11,722)	(948)
Remeasurement of net defined benefit liability	(11,314)	(6,023)
Total	₩ (223,112)	₩ (304,132)

(5) Unrecognized deferred tax assets and liabilities

The Bank does not recognize deferred tax liabilities for taxable temporary difference of ₩53,480 million related to investments in associates and subsidiaries as of December 31, 2022 because the Bank is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Bank also does not recognize deferred tax assets for deductible temporary differences of ₩4,469 million related to impairment loss of financial investments as of December 31, 2022 because the realizable period has already passed.

35. STATEMENTS OF CASH FLOWS:

(1) Details of non-cash flow transactions for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

Detail	2022	2021
Written-off	₩ 28,405	₩ 13,459
Transfer to financial investments from the investments in associates	-	380,520
Gain(Losses) on valuation of FVOCI Securities	268,457	101,864
Debt-Equity Swap of loans	424,889	463,894
Remeasurement of net defined benefit liability	23,879	9,248

(2) Changes in liabilities arising from financing activities for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

Detail	Borrowings	Debentures	Total
Beginning balance	₩ 5,576,909	₩ 76,486,053	₩ 82,062,962
Change in cash flows	4,230,460	11,607,469	15,837,929
Amortization	-	222,411	222,411
Foreign exchange transaction	305,371	2,645,370	2,950,741
Change in fair value hedged items	-	(3,169,680)	(3,169,680)
Ending balance	₩ 10,112,740	₩ 87,791,623	₩ 97,904,363

(2021)

Detail	Borrowings	Debentures	Total
Beginning balance	₩ 6,076,631	₩ 72,641,777	₩ 78,718,408
Change in cash flows	(1,005,804)	1,585,728	579,924
Amortization	135	119,042	119,177
Foreign exchange transaction	505,947	3,275,006	3,780,953
Change in fair value hedged items	-	(1,135,500)	(1,135,500)
Ending balance	₩ 5,576,909	₩ 76,486,053	₩ 82,062,962

36. CONTINGENT LIABILITIES AND COMMITMENTS:

(1) Details of contingent liabilities and commitments as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Detail	Dec. 31, 2022	Dec. 31, 2021
Guarantees	Confirmed	₩ 39,372,509	₩ 30,068,697
	Unconfirmed	14,015,571	10,162,786
	Subtotal	53,388,080	40,231,483
Loan commitments	Local currency, foreign currencies loan commitments	31,998,501	30,217,694
	Others	881,384	2,399,537
	Subtotal	32,879,885	32,617,231
	Total	₩ 86,267,965	₩ 72,848,714

(2) Details of guarantees that have been provided for others as of December 31, 2022 and 2021 are as follows (Korean won in millions):

	Detail	Dec. 31, 2022	Dec. 31, 2021
Confirmed guarantees	Local currency:		
	Performance of contracts	₩ 51,149	₩ 75,088
	Repayment of advances	65,877	76,183
	Others	36,752	38,742
	Subtotal	153,778	190,013
	Foreign currencies:		
	Performance of contracts	8,141,137	7,214,218
	Repayment of advances	16,386,175	9,117,665
	Acceptances of imported goods	5,726	1,902
	Acceptances of import letter of credit outstanding	65,471	237,980
	Foreign liabilities	11,233,647	10,009,388
	Others	3,386,575	3,297,531
	Subtotal	39,218,731	29,878,684
Unconfirmed guarantees	Foreign liabilities	1,686,845	1,040,401
	Repayment of advances	12,246,724	9,047,096
	Import letter of credit issued	81,968	75,254
	Others	34	35
	Subtotal	14,015,571	10,162,786

Detail	Dec. 31, 2022	Dec. 31, 2021
Total	₩ 53,388,080	₩ 40,231,483

(3) Details of guarantees classified by country as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail		Confirmed guarantees		Unconfirmed guarantees		Total	
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Asia	Korea	₩ 26,084,669	66.25	₩ 12,328,584	87.96	₩ 38,413,253	71.95
	China	139,708	0.35	-	0.00	139,708	0.26
	Saudi Arabia	1,125,810	2.86	-	0.00	1,125,810	2.11
	India	611,203	1.55	-	0.00	611,203	1.14
	Indonesia	761,936	1.94	198,396	1.42	960,332	1.80
	Vietnam	1,426,630	3.62	434,295	3.10	1,860,925	3.49
	Australia	184,734	0.47	-	0.00	184,734	0.35
	Qatar	202,033	0.51	-	0.00	202,033	0.38
	Singapore	184,201	0.47	-	0.00	184,201	0.35
	Oman	525,228	1.33	5,449	0.04	530,677	0.99
	Uzbekistan	299,939	0.76	-	0.00	299,939	0.56
	Others	2,588,970	6.59	758,274	5.41	3,347,244	6.27
	Subtotal	34,135,061	86.70	13,724,998	97.93	47,860,059	89.65
Europe	United Kingdom	179,233	0.46	-	0.00	179,233	0.34
	France	400,919	1.02	-	0.00	400,919	0.75
	Others	2,003,259	5.08	250,021	1.78	2,253,280	4.22
	Subtotal	2,583,411	6.56	250,021	1.78	2,833,432	5.31
America	United States	1,095,214	2.78	16,475	0.12	1,111,689	2.08
	Brazil	418,563	1.06	-	0.00	418,563	0.78
	Mexico	397,367	1.01	-	0.00	397,367	0.74
	Others	420,555	1.07	24,077	0.17	444,632	0.84
	Subtotal	2,331,699	5.92	40,552	0.29	2,372,251	4.44
Africa	Madagascar	93,683	0.24	-	0.00	93,683	0.18
	Others	228,655	0.58	-	0.00	228,655	0.42
	Subtotal	322,338	0.82	-	0.00	322,338	0.60
	Total	₩ 39,372,509	100.00	₩ 14,015,571	100.00	₩ 53,388,080	100.00

(December 31, 2021)

Detail		Confirmed guarantees		Unconfirmed guarantees		Total	
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Asia	Korea	₩ 18,382,248	61.13	₩ 9,121,271	89.75	₩ 27,503,519	68.36
	China	174,668	0.58	-	-	174,668	0.43
	Saudi Arabia	1,226,580	4.08	-	-	1,226,580	3.05
	India	587,733	1.95	-	-	587,733	1.46
	Indonesia	716,448	2.38	304,695	3.00	1,021,143	2.54
	Vietnam	1,100,647	3.66	433,889	4.27	1,534,536	3.81
	Australia	207,027	0.69	-	-	207,027	0.51
	Qatar	218,227	0.73	-	-	218,227	0.54
	Singapore	135,957	0.45	-	-	135,957	0.34
	Oman	506,487	1.68	37,498	0.37	543,985	1.35
	Uzbekistan	330,123	1.10	-	-	330,123	0.82
	Others	1,694,809	5.65	134,339	1.32	1,829,148	4.56
	Subtotal	25,280,954	84.08	10,031,692	98.71	35,312,646	87.77
Europe	United Kingdom	57,793	0.19	-	-	57,793	0.14
	France	249,712	0.83	-	-	249,712	0.62
	Others	1,816,658	6.04	77,274	0.76	1,893,932	4.71
	Subtotal	2,124,163	7.06	77,274	0.76	2,201,437	5.47
America	United States	966,069	3.22	13,041	0.13	979,110	2.43
	Brazil	400,481	1.33	-	-	400,481	1.00
	Mexico	406,125	1.35	-	-	406,125	1.01
	Bermuda	-	-	-	-	-	-
	Others	509,126	1.69	40,779	0.40	549,905	1.37
	Subtotal	2,281,801	7.59	53,820	0.53	2,335,621	5.81
Africa	Madagascar	87,636	0.29	-	-	87,636	0.22
	Others	294,143	0.98	-	-	294,143	0.73
	Subtotal	381,779	1.27	-	-	381,779	0.95
	Total	₩ 30,068,697	100.00	₩ 10,162,786	100.00	₩ 40,231,483	100.00

(4) Details of guarantees classified by industry as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Confirmed guarantees		Unconfirmed guarantees		Total	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Manufacturing	₩ 24,159,531	61.36	₩ 13,045,936	93.08	₩ 37,205,467	69.69
Transportation	2,403,519	6.10	43,727	0.31	2,447,246	4.58
Financial institution	867,051	2.20	142	0.00	867,193	1.62
Wholesale and retail	1,640,149	4.17	41,454	0.30	1,681,603	3.15
Real estate business	33,820	0.09	21,983	0.16	55,803	0.10
Construction	4,314,405	10.96	98,537	0.70	4,412,942	8.27
Public sector and others	5,954,034	15.12	763,792	5.45	6,717,826	12.59
Total	₩ 39,372,509	100.00	₩ 14,015,571	100.00	₩ 53,388,080	100.00

(December 31, 2021)

Detail	Confirmed guarantees		Unconfirmed guarantees		Total	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Manufacturing	₩ 15,695,679	52.20	₩ 8,938,321	87.95	₩ 24,634,000	61.22
Transportation	2,226,005	7.40	-	-	2,226,005	5.53
Financial institution	904,286	3.01	1,114	0.01	905,400	2.25
Wholesale and retail	734,150	2.44	43,915	0.43	778,065	1.93
Real estate business	42,562	0.14	48,556	0.48	91,118	0.23
Construction	5,250,974	17.46	78,279	0.77	5,329,253	13.25
Public sector and others	5,215,041	17.35	1,052,601	10.36	6,267,642	15.59
Total	₩ 30,068,697	100.00	₩ 10,162,786	100.00	₩ 40,231,483	100.00

(5) Global Medium-Term Note Program and CP programs

The Bank has been establishing the following programs regarding the issue of foreign currencies bonds and CPs:

1) Established on August 1, 1991, initially, and annually renewed, U.S. Shelf Registration to issue foreign bonds under the Securities and Exchange Commission rule of the United States of America with an issuance limit of USD 60 billion.

2) Established on May 14, 1997, and May 16, 1997, initially, and annually renewed, CP program to issue CPs with issuance limits of USD 6 billion and USD 2 billion, respectively.

3) Established on November 6, 1997, initially, and annually renewed, Global Medium-Term Note Program to issue mid-to-long-term foreign currencies bonds with an issuance limit of USD 32.5 billion.

4) Established in 1995, initially, and renewed every two years, Yen Shelf Registration to issue Samurai bond with an issuance limit of JPY 500 billion.

5) Established on May 31, 2010, Australian Domestic Debt Issuance Program to issue Kangaroo bond with limit of AUD 6 billion.

6) Established on January 17, 2011, and renewed every two years, Uridashi Shelf Registration to issue Uridashi bond with an issuance limit of JPY 500 billion.

(6) Litigations

As of December 31, 2022, 7 lawsuits (aggregated claim amount: ₩71,610 million) were filed as a plaintiff and 5 pending litigations as a defendant were filed (aggregated claim amount: ₩28,676 million). The Bank's management expects that there is no significant impact on the financial statements due to these lawsuits, but it is possible to make additional loss to the Bank due to the results of future litigation.

(7) Written-off loans

The Bank manages written-off loans that have claims on debtors due to the statute of limitations, uncollected after write-off, etc. The written-off loans as of December 31, 2022 and 2021 are ₩2,053,356 million and ₩2,053,343 million, respectively.

(8) COVID-19

The proliferation of COVID-19 has had a negative impact on the global economy, which may have a greater impact than the expected credit loss and potential impairment of assets in a particular portfolio, negatively impacting the profit generation capability of the Bank as follows:

- Uncertainty may arise about the credit risk of a borrower that could be affected by COVID-19.
- Uncertainty may arise about forward-looking macroeconomic information related to expected credit losses.
- Korean won may depreciate against major foreign currencies. This may result in an increase in principal and interest payments on liabilities denominated in foreign currencies, and losses on foreign exchange transactions.
- Possible significant decrease in the fair value of an entity affected by COVID-19 pandemic, in which the bank invested, may occur.

(9) Related to Ukraine crisis occurred in February 2022, international sanctions are being imposed to Russia. The sanctions may affect companies, industries, or economies which do business directly or indirectly with Russia, but the impact on the Bank's financial position and operation has yet to be observed. The Bank consistently monitors and controls the effects of Ukraine crisis.

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES:

Related parties consist of entities related to the Bank, postemployment benefits, a key management personnel and a close member of that person's family, an entity controlled or jointly controlled and an entity influenced significantly.

(1) Details of related parties as of December 31, 2022 are as follows:

Detail	Relationship	Ownership-percentage (%)
Parent:		
Korean government	Parent	68.80
Subsidiaries and Associates:		
KEXIM Bank UK Limited	Subsidiary	100.00
PT.KOEXIM Mandiri Finance	Subsidiary	85.00
KEXIM Vietnam Leasing Co.	Subsidiary	100.00
KEXIM Asia Limited	Subsidiary	100.00
KEXIM Global(Singapore) Ltd	Subsidiary	100.00
EXIM PLUS Co., Ltd.	Subsidiary	100.00
Credit Guarantee and Investment Fund	Associate	14.92
KTB Newlake Global Healthcare PEF	Associate	25.00
Korea Aerospace Industries. Ltd.	Associate	26.41
Daewoo Shipbuilding & Marine Engineering Co., Ltd	Associate	-
KB-Badgers Future Mobility ESG Fund Ⅰ	Associate	22.73

(2) Significant balances of receivables, payables and guarantees with the related parties

1) Significant balances of receivables and payables with the related parties as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Receivables	Allowance / Provisions	Payables
Subsidiaries:			
KEXIM Bank UK Limited	₩ 250,676	₩ -	₩ -
PT.KOEXIM Mandiri Finance	135,416	275	-
KEXIM Vietnam Leasing Co.	134,596	168	-
KEXIM Asia Limited	150,485	88	-
Subtotal	671,173	531	-
Associates:			
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	2,520,986	1,247,570	-
Korea Aerospace Industries. Ltd.	-	1,444	-
Subtotal	2,520,986	1,249,014	-
Total	₩ 3,192,159	₩ 1,249,545	₩ -

(December 31, 2021)

Detail	Receivables	Allowance / Provisions	Payables
Subsidiaries:			
KEXIM Bank UK Limited	₩ 177,709	₩ -	₩ -
PT.KOEXIM Mandiri Finance	143,543	267	-
KEXIM Vietnam Leasing Co.	144,256	315	1
KEXIM Asia Limited	129,953	81	-
Subtotal	595,461	663	1
Associates:			
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	2,524,098	433,756	-
Total	₩ 3,119,559	₩ 434,419	₩ 1

2) Guarantees provided to the related parties as of December 31, 2022 and 2021 are as follows (Korean won in millions):

(December 31, 2022)

Detail	Confirmed guarantees	Unconfirmed guarantees	Loan commitments	Other commitments
Subsidiaries:				
KEXIM Bank UK Limited	₩ -	₩ -	₩ 231,768	₩ -
PT.KOEXIM Mandiri Finance	-	-	55,761	-
KEXIM Vietnam Leasing Co.	-	142	115,434	-
KEXIM Asia Limited	-	-	194,290	-
Subtotal	-	142	597,253	-
Associates:				
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	4,826,783	4,128,813	1,450,000	140,549
Korea Aerospace Industries. Ltd.	1,377,023	-	-	-
Subtotal	6,203,806	4,128,813	1,450,000	140,549
Total	₩ 6,203,806	₩ 4,128,955	₩ 2,047,253	₩ 140,549

(December 31, 2021)

Detail	Confirmed guarantees	Unconfirmed guarantees	Loan commitments	Other commitments
Subsidiaries:				
KEXIM Bank UK Limited	₩ -	₩ -	₩ 232,365	₩ -
PT.KOEXIM Mandiri Finance	-	-	34,380	-
KEXIM Vietnam Leasing Co.	-	1,114	89,888	-
KEXIM Asia Limited	-	-	192,153	-
Subtotal	-	1,114	548,786	-
Associates:				
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	2,822,425	2,379,492	1,450,000	1,665,958
Total	₩ 2,822,425	₩ 2,380,606	₩ 1,998,786	₩ 1,665,958

(3) Profit and loss transactions with related parties

Profit and loss transactions with related parties for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

Detail	Revenue	Bad debt expenses	Expenses
Subsidiaries:			
KEXIM Bank UK Limited	₩ 4,782	₩ -	₩ -
PT.KOEXIM Mandiri Finance	3,281	7	-
KEXIM Vietnam Leasing Co.	3,163	(148)	-
KEXIM Asia Limited	3,482	5	-
EXIM PLUS Co., Ltd.	-	-	6,550
Subtotal	14,708	(136)	6,550
Associates:			
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	63,339	595,586	-
Korea Aerospace Industries. Ltd.	1,291	1,444	-
Subtotal	64,630	597,030	-
Total	₩ 79,338	₩ 596,894	₩ 6,550

(2021)

Detail	Revenue	Bad debt expenses	Expenses
Subsidiaries:			
KEXIM Bank UK Limited	₩ 395	₩ -	₩ -
PT.KOEXIM Mandiri Finance	598	17	-
KEXIM Vietnam Leasing Co.	561	49	-
KEXIM Asia Limited	810	(76)	-
EXIM PLUS Co., Ltd.	-	-	6,265
Subtotal	2,364	(10)	6,265
Associates:			
DAESUN Shipbuilding & Engineering Co., Ltd.(*1)	6,489	(114,648)	228
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	50,092	45,260	-
Subtotal	56,581	(69,388)	228
Total	₩ 58,945	₩ (69,398)	₩ 6,493

(*1) Profit and loss transactions before being excluded from the related parties for the year ended December 31, 2021.

(4) Loan transactions with related parties

Loan transactions with related parties for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

(2022)

Detail	Financing transaction	
	Loan	Collection
Subsidiaries:		
KEXIM Bank UK Limited	₩ 1,021,752	₩ 956,147
PT.KOEXIM Mandiri Finance	429,556	449,268
KEXIM Vietnam Leasing Co.	475,406	495,782
KEXIM Asia Limited	226,006	217,905
Associates:		
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	-	1,519
Total	₩ 2,152,720	₩ 2,120,621

(2021)

Detail	Financing transaction	
	Loan	Collection
Subsidiaries:		
KEXIM Bank UK Limited	₩ 353,591	₩ 354,388
PT.KOEXIM Mandiri Finance	288,237	294,080
KEXIM Vietnam Leasing Co.	273,001	252,213
KEXIM Asia Limited	110,055	153,988
Associates:		
DAESUN Shipbuilding & Engineering Co., Ltd.(*1)	84,259	506,111
Total	₩ 1,109,143	₩ 1,560,780

(*1) Loan transactions before being excluded from the related parties for the year ended December 31, 2021.

(5) Details of compensation for key executives for the years ended December 31, 2022 and 2021 are as follows (Korean won in millions):

Detail	2022	2021
Salaries	₩ 3,307	₩ 3,562
Severance and retirement benefits	258	404
Total	₩ 3,565	₩ 3,966

38. APPROVAL OF FINANCIAL STATEMENTS:

The financial statements of the Bank were approved by Board of Directors on March 24, 2023 and were finally approved by the Operations Committee on March 29, 2023.

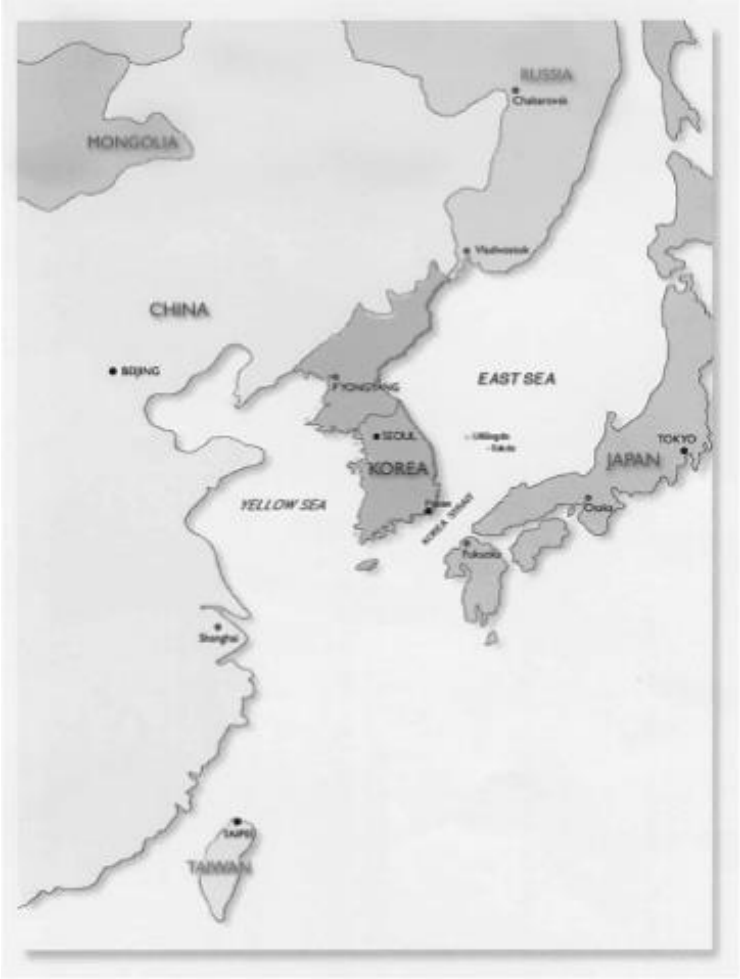
THE REPUBLIC OF KOREA

Land and History

Territory and Population

Located generally south of the 38th parallel on the Korean peninsula, The Republic of Korea covers about 38,000 square miles, approximately one-fourth of which is arable. The Republic has a population of approximately 51 million people. The country's largest city and capital, Seoul, has a population of about 10 million people.

Map of the Republic of Korea



Political History

Dr. Rhee Seungman, who was elected President in each of 1948, 1952, 1956 and 1960, dominated the years after the Republic's founding in 1948. Shortly after President Rhee's resignation in 1960 in response to student-led demonstrations, a group of military leaders headed by Park Chung Hee assumed power by coup. The military leaders established a civilian government, and the country elected Mr. Park as President in October 1963. President Park served as President until his assassination in 1979 following a period of increasing strife between the Government and its critics. The Government declared martial law and formed an interim government under Prime Minister Choi Kyu Hah, who became the next President. After clashes between the Government and its critics, President Choi resigned, and General Chun Doo Hwan, who took control of the Korean army, became President in 1980.

In late 1980, the country approved, by national referendum, a new Constitution, providing for indirect election of the President by an electoral college and for certain democratic reforms, and shortly thereafter, in early 1981, re-elected President Chun.

Responding to public demonstrations in 1987, the legislature revised the Constitution to provide for direct election of the President. In December 1987, Roh Tae Woo won the presidency by a narrow plurality, after opposition parties led by Kim Young Sam and Kim Dae Jung failed to unite behind a single candidate. In February 1990, two opposition political parties, including the one led by Kim Young Sam, merged into President Roh's ruling Democratic Liberal Party.

In December 1992, the country elected Kim Young Sam as President. The election of a civilian and former opposition party leader considerably lessened the controversy concerning the legitimacy of the political regime. President Kim's administration reformed the political sector and deregulated and internationalized the Korean economy.

In December 1997, the country elected Kim Dae Jung as President. President Kim's party, the Millennium Democratic Party (formerly known as the National Congress for New Politics), formed a coalition with the United Liberal Democrats led by Kim Jong Pil, with Kim Jong Pil becoming the first prime minister in President Kim's administration. The coalition, which temporarily ended before the election held in April 2000, continued with the appointment of Lee Han Dong of the United Liberal Democrats as the Prime Minister in June 2000. The coalition again ended in September 2001.

In December 2002, the country elected Roh Moo Hyun as President. President Roh and his supporters left the Millennium Democratic Party in 2003 and formed a new party, the Uri Party, in November 2003. On August 15, 2007, 85 members of the National Assembly, previously belonging to the Uri Party, or the Democratic Party, formed the United New Democratic Party, or the UNDP. The Uri Party merged into the UNDP on August 20, 2007. In February 2008, the UNDP merged back into the Democratic Party. In December 2011, the Democratic Party merged with the Citizens Unity Party to form the Democratic United Party, which changed its name to the Democratic Party in May 2013.

In December 2007, the country elected Lee Myung-Bak as President. He commenced his term on February 25, 2008. In April 2018, the Korean prosecutor's office indicted former President Lee on 16 counts of corruption, including bribery, abuse of power, embezzlement and other irregularities. In October 2018, a Seoul district court sentenced him to 15 years of prison term, which decision he subsequently appealed. In October 2020, the Supreme Court ruled against such appeal and sentenced him to 17 years of prison term. Subsequently, he was granted a special pardon by President Yoon, the current president of the Republic, and was released from prison in December 2022.

In December 2012, the country elected Park Geun-hye as President. She commenced her term on February 25, 2013. In March 2017, the Constitutional Court unanimously upheld a parliamentary vote to impeach President Park, triggering her immediate dismissal, for a number of constitutional and criminal violations, including violation of the Constitution and abuse of power by allowing her confidant to exert influence on state affairs and allowing senior presidential aides to aid in her extortion from companies. After a series of trials, former President Park was sentenced to a combined 22 years of prison term and a fine of ₩21.5 billion. In light of her deteriorating health, however, former President Park was granted a special pardon by President Moon, her successor, and was released from prison on December 31, 2021.

A special election to elect a successor to former President Park was held on May 9, 2017 and the country elected Moon Jae-in as President. His term, which commenced on May 10, 2017, ended on May 9, 2022.

In March 2022, the country elected Yoon Suk-yeol as President. His term commenced on May 10, 2022. The Yoon administration's key policy objectives include, among others, the following:

- mitigating the adverse effects of the COVID-19 pandemic on the Korean economy, including through the provision of relief packages in support of small businesses and the self-employed;
- stabilizing the housing market by increasing the supply of new homes and reforming property-related tax regulations;
- pursuing economic prosperity by promoting private sector growth and supporting the semiconductor, artificial intelligence, battery and other strategic industries;
- pursuing the denuclearization of the Korean Peninsula, enhancing Korea's core military capabilities and improving foreign relations and national security;
- pursuing enhanced environmental, social and corporate governance management, including through efforts to achieve carbon neutrality by reversing the previous administration's nuclear-phase out policy and combining renewable energy with nuclear power generation; and
- pursuing an efficient management of the government through various measures, including the establishment of a digital platform and the relocation of presidential offices.

Government and Politics

Government and Administrative Structure

Governmental authority in the Republic is centralized and concentrated in a strong presidency. The President is elected by popular vote and can only serve one term of five years. The President chairs the State Council, which consists of the President, the prime minister, the deputy prime ministers, the respective heads of Government ministries and the ministers of state. The President can select the members of the State Council and appoint or remove all other Government officials, except for elected local officials.

The President can veto new legislation and take emergency measures in cases of natural disaster, serious fiscal or economic crisis, state of war or other similar circumstances. The President must promptly seek the concurrence of the National Assembly for any emergency measures taken and failing to do so automatically invalidates the emergency measures. In the case of martial law, the President may declare martial law without the consent of the National Assembly; provided, however, that the National Assembly may request the President to rescind such martial law.

The National Assembly exercises the country's legislative power. The Constitution and the Public Official Election Act provide for the direct election of about 84% of the members of the National Assembly and the distribution of the remaining seats proportionately among parties winning more than five seats in the direct election or receiving over 3% of the popular vote. National Assembly members serve four-year terms. The National Assembly enacts laws, ratifies treaties and approves the national budget. The executive branch drafts most legislation and submits it to the National Assembly for approval.

The country's judicial branch comprises the Supreme Court, the Constitutional Court and lower courts of various levels. The President appoints the Chief Justice of the Supreme Court and appoints the other Justices of the Supreme Court upon the recommendation of the Chief Justice. All appointments to the Supreme Court require the consent of the National Assembly. The Chief Justice, with the consent of the conference of Supreme Court Justices, appoints all the other judges in Korea. Supreme Court Justices serve for six years and all other judges serve for ten years. Other than the Chief Justice, justices and judges may be reappointed to successive terms.

The President formally appoints all nine judges of the Constitutional Court, but three judges must be designated by the National Assembly and three by the Chief Justice of the Supreme Court. Constitutional Court judges serve for six years and may be reappointed to successive terms.

Administratively, the Republic comprises eight provinces, one special autonomous province (Jeju), one special city (Seoul), six metropolitan cities (Busan, Daegu, Incheon, Gwangju, Daejeon and Ulsan) and one special autonomous city (Sejong). From 1961 to 1995, the national government controlled the provinces and the President appointed provincial officials. Local autonomy, including the election of provincial officials, was reintroduced in June 1995.

Political Parties

The 21st legislative general election was held on April 15, 2020 and the term of the National Assembly members elected in the 21st legislative general election commenced on May 30, 2020. Currently, there are three major political parties: The Democratic Party of Korea, or the DPK, the People Power Party, or the PPP, and the Justice Party, or the JP.

As of April 30, 2023, the parties control the following number of seats in the National Assembly:

	DPK	PPP	JP	Others	Total
Number of seats	170	115	6	9	300

Relations with North Korea

Relations between the Republic and North Korea have been tense over most of the Republic's history. The Korean War began with the invasion of the Republic by communist forces from the north in 1950, which was repelled by the Republic and the United Nations forces led by the United States. Following a military stalemate, an armistice was reached establishing a demilitarized zone monitored by the United Nations in the vicinity of the 38th parallel in 1953.

North Korea maintains a military force estimated at more than a million regular troops, mostly concentrated near the northern side of the demilitarized zone, and approximately 7.6 million reserves. The Republic's military forces, composed of approximately 555,000 regular troops and 3.1 million reserves, maintain a state of military preparedness along the southern side of the demilitarized zone. In addition, the United States has maintained its military presence in the Republic since the signing of the armistice and currently has approximately 25,300 troops stationed in the Republic. The Republic and the United States share a joint command structure over their military forces in Korea. In October 2014, the United States and the Republic agreed to implement a conditions-based approach to the dissolution of their joint command structure at an appropriate future date, which would allow the Republic to assume the command of its own armed forces in the event of war on the Korean peninsula. Over the years, the Republic and the United States have entered into a series of Special Measures Agreements, or SMAs, which cover the Republic's contribution to the cost of maintaining the U.S. military presence in the Republic. In March 2021, the Republic and the United States reached an agreement to enter into a new six-year SMA, under which the Republic would increase its share of the cost of the American military presence in the Republic, which became effective in September 2021 upon ratification by the National Assembly.

The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. In particular, since the death of Kim Jong-il in December 2011, there has been increased uncertainty with respect to the future of North Korea's political leadership and concern regarding its implications for political and economic stability in the region. Kim Jong-il's third son, Kim Jong-un, has assumed power as his father's designated successor.

In addition, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapons and ballistic missile programs as well as its hostile military and other actions against Korea. Some of the significant incidents in recent years include the following:

- From time to time, North Korea has conducted ballistic missile tests. In February 2016, North Korea launched a long-range rocket in violation of its agreement with the United States as well as United Nations sanctions barring it from conducting launches that use ballistic missile technology. Despite international condemnation, North Korea released a statement that it intends to continue its rocket launch program and it conducted a series of ballistic missile tests in 2016 and 2017. In response, the United Nations Security Council issued unanimous statements condemning North Korea and agreeing to continue to closely monitor the situation and to take further significant measures, and in December 2017, unanimously passed a resolution extending existing sanctions that were imposed on North Korea. Despite such actions, North Korea has increased the frequency of its missile tests in 2022, firing over 60 ballistic missiles, including multiple intercontinental ballistic missiles.
- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and conducted three rounds of nuclear tests between October 2006 and February 2013. In January 2016, North Korea conducted a fourth nuclear test, claiming that the test involved its first hydrogen bomb. In September 2016, North Korea conducted a fifth nuclear test, claiming to have successfully detonated a nuclear warhead that could be mounted on ballistic missiles. In September 2017, North Korea announced that it successfully conducted its sixth nuclear test by detonating a hydrogen bomb designed to be mounted on an intercontinental ballistic missile, which resulted in increased tensions in the region and elicited strong objections worldwide. In response to such tests (as well as North Korea's long-range ballistic missile program), the United Nations Security Council unanimously passed several rounds of resolutions condemning North Korea's actions and significantly expanding the scope of the sanctions applicable to North Korea, while the United States and the European Union also imposed additional sanctions on North Korea.
- In August 2015, two Korean soldiers were injured in a landmine explosion near the Korean demilitarized zone. Claiming the landmines were set by North Koreans, the Korean army re-initiated its propaganda program toward North Korea utilizing loudspeakers near the demilitarized zone. In retaliation, the North Korean army fired artillery rounds on the loudspeakers, resulting in the highest level of military readiness for both Koreas.
- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than one hundred artillery shells that hit Korea's Yeonpyeong Island near the Northern Limit Line, which acts as the de facto maritime boundary between Korea and North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea. Although bilateral summit meetings were held between Korea and North Korea in April and May 2018 and between the United States and North Korea in June 2018, February 2019 and June 2019, there can be no assurance that the level of tension on the Korean peninsula will not escalate in the future or that such escalation will not have a material adverse impact on the Republic's economy and us. Any further increase in tension, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts

between the Republic and North Korea break down or further military hostilities occur, could have a material adverse effect on the Republic's economy and us. Over the longer term, reunification of the two Koreas could occur. Reunification may entail a significant economic commitment by the Republic.

Foreign Relations and International Organizations

The Republic maintains diplomatic relations with most nations of the world, most importantly with the United States with which it entered into a mutual defense treaty and several economic agreements. The Republic also has important relationships with Japan and China, its largest trading partners together with the United States.

The Republic belongs to a number of supranational organizations, including:

- United Nations;
- the International Monetary Fund, or the IMF;
- the World Bank;
- the Asian Development Bank, or the ADB;
- the Multilateral Investment Guarantee Agency;
- the International Finance Corporation;
- the International Development Association;
- the African Development Bank;
- the International Bank for Reconstruction and Development;
- the European Bank for Reconstruction and Development;
- the Bank for International Settlements;
- the World Health Organization, or the WHO;
- the World Trade Organization, or the WTO;
- the International Atomic Energy Agency, or the IAEA;
- the Inter-American Development Bank, or the IDB;
- the Organization for Economic Cooperation and Development, or the OECD; and
- the Asian Infrastructure Investment Bank.

The Economy

The following table sets forth information regarding certain of the Republic's key economic indicators for the periods indicated.

	As of or for the year ended December 31,				
	2018	**2019**	**2020**	**2021**	**2022**
	(billions of dollars and trillions of Won, except percentages)				
GDP Growth (at current prices)	3.1%	1.3%	0.7%	7.2%[7]	3.8%[7]
GDP Growth (at chained 2015 year prices)	2.7%	2.3%	(0.7)%	4.3%[7]	2.6%[7]
Inflation[1]	1.5%	0.4%	0.5%	2.5%	5.1%[7]
Unemployment[2]	3.8%	3.8%	4.0%	3.7%	2.9%[7]
Trade Surplus (Deficit)[3]	$ 69.7	$ 38.9	$ 44.9	$ 29.4	$ (47.8)[7]
Foreign Currency Reserves	$ 403.7	$ 408.8	$ 443.1	$ 463.1	$ 423.2
External Liabilities[4]	$ 441.2	$ 470.7	$ 550.6	$ 632.4	$ 664.5[7]
Fiscal Balance	₩ 31.2	₩ (12.0)	₩ (71.2)	₩ (30.5)	₩ 64.6[7]
Direct Internal Debt of the Government[5] (as % of GDP[6])	35.6%	37.4%	44.2%	49.2%	N/A[8]
Direct External Debt of the Government[5] (as % of GDP[6])	0.4%	0.4%	0.5%	0.6%	N/A[8]

(1) Measured by the year-on-year change in the consumer price index with base year 2020, as announced by The Bank of Korea.
(2) Average for year.
(3) Derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.
(4) Calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010.
(5) Does not include guarantees by the Government. See "—Debt—External and Internal Debt of the Government—Guarantees by the Government" for information on outstanding guarantees by the Government.
(6) At chained 2015 year prices.
(7) Preliminary.
(8) Not available.

Source: The Bank of Korea

Worldwide Economic and Financial Difficulties

In recent years, the global financial markets have experienced significant volatility as a result of, among other things:

- the COVID-19 pandemic, as further described below;
- hostilities, political or social tensions involving Russia (including the invasion of Ukraine by Russia and ensuing actions that the United States and other countries have taken or may take in the future, such as the imposition of sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- interest rate fluctuations as well as perceived or actual changes in policy rates by, or other monetary and fiscal policies set forth by, the U.S. Federal Reserve and other central banks;
- disruptions in the global supply chain for raw materials, natural resources, consumer goods, rare earth minerals, component parts and other supplies, including as a result of the COVID-19 pandemic, government policies and labor shortages;
- adverse developments in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;
- a deterioration in economic and trade relations between the United States and its major trading partners, including China;
- financial and social difficulties affecting many governments worldwide, in particular in Latin America and Europe;
- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East;
- the slowdown of economic growth in China and other major emerging market economies;
- political and social instability in various countries in the Middle East, including Iran, Iraq, Syria and Yemen; and
- fluctuations in oil and commodity prices.

COVID-19, an infectious disease caused by severe acute respiratory syndrome coronavirus 2, has spread globally and was declared a "pandemic" by the WHO in March 2020. The COVID-19 pandemic has led to significant global economic and financial disruptions, including an adverse impact on international trade and business activities. Although there have been signs of recovery in the global economy resulting from the availability of COVID-19 vaccinations and gradual normalization of business activities, the extent to which the COVID-19 pandemic may continue to impact the global economy will depend on future developments, including the scope and duration of the COVID-19 pandemic as well as the timeliness and effectiveness of actions taken by governmental authorities, central banks, healthcare providers and other third parties around the world in order to contain and mitigate the effects of COVID-19. The possibility of a global recession in major markets due to the impact of COVID-19, including discrepancies in vaccine rollout rates, continued decline in consumer confidence and weakened demand for face-to-face services, could cause significant volatility in the global economic and financial systems.

There has been significant volatility in global financial markets resulting from, among others, the COVID-19 pandemic, Russia's invasion of Ukraine and ensuing sanctions against Russia, and more recently, difficulties faced by several banks in the United States and Europe, which has also led to significant volatility in the Korea Composite Stock Price Index in recent years. See "—The Financial System—Securities Markets". Declines in the index and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies and banks to raise capital. Moreover, the value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has fluctuated widely. A depreciation of the Won generally

increases the cost of imported goods and services and the required amount of the Won revenue for Korean companies to service foreign currency-denominated debt.

In light of the high level of interdependence of the global economy, any of the foregoing developments could have a material adverse effect on the Korean economy and financial markets. In addition, in the event of difficult conditions in the global credit markets or a deterioration of the global economy in the future, the Korean economy could be adversely affected and Korean banks may be forced to fund their operations at a higher cost or may be unable to raise as much funding as they need to support their lending and other activities.

In addition to the global developments, domestic developments that could lead to or contribute to a material adverse effect on the Korean economy include, among other things, the following:

- a slowdown in consumer spending and depressed consumer sentiment due to the outbreak of infectious diseases, such as the COVID-19 pandemic discussed above;
- increasing delinquencies and credit defaults by consumer and small- and medium-sized enterprise borrowers, which may occur due to, among others, the impact of the COVID-19 pandemic and the rise in interest rates;
- steadily rising household debt consisting of housing loans and merchandise credit, which increased to approximately Won 1,867.0 trillion as of December 31, 2022 from Won 843.2 trillion as of December 31, 2010, primarily due to increases in mortgage loans and purchases with credit cards;
- deterioration in economic or diplomatic relations between Korea and other countries resulting from territorial or trade disputes or disagreements in foreign policy;
- a substantial increase in the Government's expenditures for (i) fiscal stimulus measures to provide emergency relief payments to households and emergency loans to corporations in need of funding due to the COVID-19 pandemic and (ii) pension and social welfare programs, due in part to an aging population (defined as the population of people aged 65 years or older) that accounted for approximately 17.5% of the Republic's total population as of December 31, 2022, an increase from 7.2% as of December 31, 2000, and is expected to surpass 20.6% in 2025;
- decreases in the market prices of Korean real estate; and
- the occurrence of severe health epidemics that affect the livestock industry.

The first confirmed case of COVID-19 in Korea was announced in January 2020 and the subsequent spread of the virus has since resulted in more than 31 million confirmed cases and more than 34,000 fatalities related to COVID-19 reported in Korea as of April 30, 2023. During the course of the pandemic, the Government implemented a number of measures in order to contain the spread of the COVID-19 disease, including, among others, a nationwide order for social distancing and a mask mandate, implementation of strict self-isolation and quarantine measures for the infected, and the closure of public facilities. In addition, the Government implemented the following measures, among others, in order to alleviate the adverse impact of the COVID-19 pandemic on the Korean economy and stabilize the financial markets: (i) lowering of The Bank of Korea's policy rate from 1.25% to 0.75% in March 2020 and subsequently to 0.5% in May 2020, before gradually raising the policy rate back to pre-pandemic levels starting in August 2021 (see "—Monetary Policy—Interest Rates"), (ii) execution of a bilateral currency swap agreement with the U.S. Federal Reserve for the provision of US$60 billion in exchange for the Republic's Won-denominated treasury bonds in March 2020, which agreement expired in December 2021 after three renewals throughout 2020 and 2021, and (iii) execution of a number of supplementary budgets for spending on various measures to mitigate the adverse effects of the COVID-19 pandemic on the Korean economy, including in the form of loans, guarantees and maturity extensions for various entities facing liquidity crises, as well as emergency relief payments and expansion of social security contribution reliefs for those most impacted by the COVID-19 pandemic (see "—Government Finance").

In February 2021, the Government began its COVID-19 vaccination campaign, and as of April 30, 2023, more than 86% of the Korean population was fully vaccinated. With the gradual decline in the number of confirmed cases and the reduced severity of symptoms related to COVID-19, the Government began to lift most of its pandemic-related restrictions, including limits on private gatherings and restaurant hours. Most recently, as a major step toward the return to pre-pandemic normalcy, the Government removed the mask mandate for most indoor spaces as well as public transportation from January to March 2023, although the mask mandate currently still remains in place for certain places designated as high-risk. Given the intermittent resurgence in the number of confirmed cases, the Government currently plans to continue to carefully monitor the situation before reinstating any pandemic-related restrictions again, if at all.

Despite signs of recovery from the COVID-19 pandemic generally, the outlook for the Republic's economy and its financial services sector in 2023 and for the foreseeable future remains uncertain due to the impact of the COVID-19 pandemic on the Korean and global economies and financial markets, as well as factors such as fluctuations in oil and commodity prices, interest rates and exchange rates, rising inflationary pressures, higher unemployment, lower consumer confidence, stock market volatility, changes in fiscal and monetary policies, the ongoing military conflict involving Russia and Ukraine, difficulties faced by several banks in the United States and Europe, and continued tensions with North Korea.

Gross Domestic Product

GDP measures the market value of all final goods and services produced within a country for a given period and reveals whether a country's productive output rises or falls over time. Economists present GDP in both current market prices and "real" or "inflation-adjusted" terms. In March 2009, the Republic adopted a method known as the "chain-linked" measure of GDP, replacing the previous fixed-base, or "constant" measure of GDP, to show the real growth of the aggregate economic activity, as recommended by the System of National Accounts 1993. GDP at current market prices values a country's output using the actual prices of each year, whereas the "chain-linked" measure of GDP is compiled by using "chained indices" linking volume growth between consecutive time periods. In March 2014, the Republic published a revised GDP calculation method by implementing the System of National Accounts 2008 and updating the reference year from 2005 to 2010 to align Korean national accounts statistics with the recommendations of the new international standards for compiling national economic accounts and to maintain comparability with other nations' accounts. The main components of these revisions include, among other things, (i) recognizing expenditures for research and development and creative activity for the products of entertainment, literary and artistic originals as fixed investment, (ii) incorporating a wide array of new and revised source data such as the economic census, the population and housing census and 2010 benchmark input-output tables, which provide thorough and detailed information on the structure of the Korean economy, (iii) developing supply-use tables, which provide a statistical tool for ensuring consistency among the production, expenditure and income approaches to measuring GDP and (iv) recording merchandise trade transactions based on ownership changes rather than movements of goods across the national border. The Republic has updated the reference year from 2010 to 2015 in July 2019 to better align Korean national accounts statistics with the recommendations of the previously implemented System of National Accounts 2008 and to maintain comparability with other countries' accounts.

The following table sets out the composition of the Republic's GDP at current market and chained 2015 year prices and the annual average increase in the Republic's GDP.

Gross Domestic Product

	2018	2019	2020	2021[1]	2022[1]	As % of GDP 2022[1]
			(billions of Won)			
Gross Domestic Product at Current Market Prices:						
Private	908,273.7	931,669.5	897,449.2	955,779.6	1,040,363.7	48.4
Government	305,513.0	329,295.5	349,122.5	376,218.8	402,837.3	18.7
Gross Capital Formation	592,858.4	601,581.4	615,921.9	664,794.7	713,024.3	33.2
Exports of Goods and Services	788,279.0	766,602.0	704,554.0	870,831.7	1,037,793.1	48.3
Less Imports of Goods and Services	(701,150.7)	(710,990.2)	(633,487.5)	(796,694.3)	(1,043,600.0)	(48.5)
Statistical Discrepancy	(276.4)	881.5	(407.7)	727.5	157.3	0.0
Expenditures on Gross Domestic Product	1,893,497.0	1,919,039.9	1,933,152.4	2,071,658.0	2,150,575.8	100.0
Net Factor Income from the Rest of the World	4,955.7	16,675.3	14,868.3	23,063.3	28,299.9	1.3
Gross National Income[2]	1,898,452.7	1,935,715.2	1,948,020.7	2,094,721.3	2,178,875.7	101.3
Gross Domestic Product at Chained 2015 Year Prices:						
Private	872,304.4	890,167.7	849,072.1	882,459.9	920,719.5	46.9
Government	286,644.8	304,760.3	319,321.3	337,684.6	351,624.6	17.9
Gross Capital Formation	566,376.1	555,494.6	561,440.4	576,617.3	574,457.6	29.2
Exports of Goods and Services	773,752.6	790,874.0	765,015.6	849,146.7	876,338.7	44.6
Less Imports of Goods and Services	(691,374.1)	(693,412.8)	(661,725.2)	(729,824.9)	(756,773.8)	(38.5)
Statistical Discrepancy	(2,511.7)	(1,429.8)	199.6	(993.1)	(945.0)	0.0
Expenditures on Gross Domestic Product[3]	1,807,735.9	1,848,958.5	1,836,881.1	1,915,777.5	1,964,831.7	100.0

	2018	2019	2020	2021[1]	2022[1]	As % of GDP 2022[1]
			(billions of Won)			
Net Factor Income from the Rest of the World in the Terms of Trade	4,519.5	15,335.4	13,772.4	20,784.9	24,023.4	1.2
Trading Gains and Losses from Changes in the Terms of Trade	3,272.8	(40,224.9)	(26,407.1)	(44,730.4)	(115,648.1)	(5.9)
Gross National Income[4]	1,815,558.4	1,824,136.5	1,824,242.5	1,891,893.2	1,873,275.2	95.3
Percentage Increase (Decrease) of GDP over Previous Year:						
At Current Prices	3.1	1.3	0.7	7.2	3.8	
At Chained 2015 Year Prices	2.7	2.3	(0.7)	4.3	2.6	

(1) Preliminary.
(2) GDP plus net factor income from the rest of the world is equal to the Republic's gross national income.
(3) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.
(4) Under the "chain-linked" measure of Gross National Income, the components of Gross National Income will not necessarily add up to the total Gross National Income.

Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector at current market prices:

Gross Domestic Product by Economic Sector
(at current market prices)

	2018	2019	2020	2021[1]	2022[1]	As % of GDP 2022[1]
			(billions of Won)			
Industrial Sectors:	680,553.1	661,196.9	665,292.9	709,244.0	717,086.0	33.3
Agriculture, Forestry and Fishing	34,528.9	31,134.9	35,421.0	37,075.4	34,116.5	1.6
Manufacturing, Mining and Quarrying	506,854.7	487,889.2	481,573.6	529,346.9	553,026.6	25.7
Mining and Quarrying	2,247.7	1,943.6	1,945.1	1,862.8	1,872.8	0.1
Manufacturing	504,607.0	485,945.6	479,628.5	527,484.1	551,153.8	25.6
Electricity, Gas and Water Supply	36,813.2	36,580.7	43,118.7	36,090.3	18,781.2	0.9
Construction	102,356.3	105,592.1	105,179.6	106,731.4	111,161.7	5.2
Services:	1,049,864.7	1,095,424.2	1,104,240.8	1,180,337.3	1,252,558.6	58.2
Wholesale and Retail Trade, Accommodation and Food Services	180,661.0	180,358.0	172,245.3	180,652.2	194,505.1	9.0
Transportation and Storage	57,088.1	59,949.6	56,077.8	66,481.7	75,432.1	3.5
Finance and Insurance	104,336.2	104,718.6	110,441.3	124,125.5	135,635.0	6.3
Real Estate	135,890.3	142,735.8	145,464.2	147,903.4	146,437.2	6.8
Information and Communication	79,242.9	82,602.9	87,500.1	97,570.2	100,466.8	4.7
Business Activities	161,832.1	175,225.1	179,476.6	191,980.6	204,665.5	9.5
Public Administration, Defense and Social Security	115,086.1	122,162.4	128,647.1	135,111.1	142,999.3	6.6
Education	90,933.2	93,717.9	92,681.0	97,719.1	101,548.4	4.7
Human Health and Social Work	80,937.0	88,588.1	93,245.6	98,091.9	104,090.2	4.8
Cultural and Other Services	43,857.8	45,365.8	38,461.8	40,701.6	46,779.0	2.2
Taxes Less Subsidies on Products	163,079.3	162,418.6	163,618.9	182,076.8	180,931.1	8.4
Gross Domestic Product at Current Market Prices	1,893,497.0	1,919,039.9	1,933,152.4	2,071,658.0	2,150,575.8	100.0
Net Factor Income from the Rest of the World	4,955.7	16,675.3	14,868.3	23,063.3	28,299.9	1.3
Gross National Income at Current Market Price	1,898,452.7	1,935,715.1	1,948,020.7	2,094,721.3	2,178,875.7	101.3

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's GDP per capita:

Gross Domestic Product per capita
(at current market prices)

	2018	2019	2020	2021[1]	2022[1]
GDP per capita (thousands of Won)	36,782	37,218	37,334	40,036	41,655
GDP per capita (U.S. dollar)	33,429	31,929	31,637	34,984	32,237
Average Exchange Rate (in Won per U.S. dollar)	1,100.3	1,165.7	1,180.1	1,144.4	1,292.1

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's Gross National Income, or GNI, per capita:

Gross National Income per capita
(at current market prices)

	2018	2019	2020	2021[1]	2022[1]
GNI per capita (thousands of Won)	36,930	37,539	37,621	40,482	42,203
GNI per capita (U.S. dollar)	33,564	32,204	31,881	35,373	32,661
Average Exchange Rate (in Won per U.S. dollar)	1,100.3	1,165.7	1,180.1	1,144.4	1,292.1

(1) Preliminary.
Source: The Bank of Korea

The following table sets out the Republic's GDP by economic sector:

Gross Domestic Product by Economic Sector
(at chained 2015 year prices)

	2018	2019	2020	2021[1]	2022[1]	As % of GDP 2022[1]
			(billions of Won)			
Industrial Sectors:	654,072.8	658,741.5	653,510.5	686,043.1	693,728.9	35.3
Agriculture, Forestry and Fishing	32,540.4	32,859.2	32,054.3	32,634.3	32,222.4	1.6
Manufacturing, Mining and Quarrying	485,854.0	491,476.4	486,556.9	518,896.7	525,857.6	26.8
Mining and Quarrying	2,030.9	1,863.6	1,908.1	1,871.9	1,771.3	0.1
Manufacturing	483,823.1	489,612.8	484,648.8	517,024.8	524,086.3	26.7
Electricity, Gas and Water Supply	45,116.2	44,921.8	46,810.9	48,610.4	49,529.6	2.5
Construction	90,562.2	89,484.1	88,088.4	85,901.7	86,119.3	4.4
Services:	1,003,834.7	1,039,879.8	1,033,780.7	1,075,172.3	1,119,900.7	57.0
Wholesale and Retail Trade, Accommodation and Food Services	171,599.5	174,419.9	168,483.3	174,342.0	186,202.1	9.5
Transportation and Storage	61,888.5	62,746.9	53,954.4	55,309.9	60,388.1	3.1
Finance and Insurance	98,999.7	103,386.2	111,653.9	119,643.6	122,560.5	6.2
Real Estate	132,057.6	136,593.8	137,650.2	139,493.7	139,489.8	7.1
Information and Communication	78,941.7	82,473.3	85,520.8	91,317.4	95,332.2	4.9
Business Activities	150,522.3	157,790.8	156,898.3	162,133.3	166,150.2	8.5
Public Administration, Defense and Social Security	104,100.3	108,219.5	112,395.7	115,622.7	119,270.8	6.1
Education	86,440.9	87,493.6	85,465.3	89,488.1	92,660.1	4.7
Human Health and Social Work	78,160.0	85,046.7	87,053.5	91,405.7	97,117.1	4.9
Cultural and Other Services	41,218.1	41,709.1	34,705.3	36,415.9	40,729.8	2.1
Taxes Less Subsidies on Products	149,966.5	150,812.7	150,084.3	156,836.6	153,667.3	7.8
Gross Domestic Product[2]	1,807,735.9	1,848,958.5	1,836,881.1	1,915,777.5	1,964,831.7	100.0

(1) Preliminary.
(2) Under the "chain-linked" measure of GDP, the components of GDP will not necessarily add up to the total GDP.
Source: The Bank of Korea

GDP growth in 2018 was 2.7% at chained 2015 year prices, as aggregate private and general government consumption expenditures increased by 3.5% and exports of goods and services increased by 3.5%, which more than offset a decrease in gross domestic fixed capital formation by 2.4% and an increase in imports of goods and services by 0.8%, each compared with 2017.

GDP growth in 2019 was 2.3% at chained 2015 year prices, as aggregate private and general government consumption expenditures increased by 3.1%, exports of goods and services increased by 2.2% and imports of goods and services decreased by 0.3%, which more than offset a decrease in gross domestic fixed capital formation by 2.9%, each compared with 2018.

GDP in 2020 contracted by 0.7% at chained 2015 year prices, primarily due to a 4.6% decrease in private consumption expenditures and a 3.3% decrease in exports of goods and services, which were offset in part by a 4.8% increase in general government consumption expenditures, a 2.6% increase in gross domestic fixed capital formation and a 3.3% decrease in imports of goods and services, each compared with 2019. The contraction of the Republic's GDP in 2020 was primarily due to the COVID-19 pandemic.

Based on preliminary data, GDP growth in 2021 was 4.3% at chained 2015 year prices, as exports of goods and services increased by 11.0%, aggregate private and general government consumption expenditures increased by 4.4% and gross domestic fixed capital formation increased by 3.7%, which more than offset an increase in imports of goods and services by 10.3%, each compared with 2020.

Based on preliminary data, GDP growth in 2022 was 2.6% at chained 2015 year prices, as aggregate private and general government consumption expenditures increased by 4.3% and exports of goods and services increased by 3.2%, which more than offset an increase in imports of goods and services by 3.7% and a decrease in gross fixed capital formation by 0.8%, each compared with 2021.

Principal Sectors of the Economy

Industrial Sectors

The following table sets out production indices for the principal industrial products of the Republic and their relative contribution to total industrial production:

Industrial Production
(2020 = 100)

	Index Weight[1]	2018	2019	2020	2021	2022[2]
Industries	10,000.0	99.4	100.3	100.0	107.7	108.2
Mining and Manufacturing	9,593.5	99.4	100.3	100.0	107.7	108.2
Mining	24.0	69.8	70.2	100.0	93.6	96.2
Manufacturing	9,569.5	99.4	100.4	100.0	107.7	108.2
Food Products	451.8	90.9	96.3	100.0	111.0	110.2
Beverage Products	88.5	110.5	112.5	100.0	93.0	91.4
Tobacco Products	42.4	86.4	92.9	100.0	88.4	93.2
Textiles	113.4	133.3	121.2	100.0	104.2	100.4
Wearing Apparel, Clothing Accessories and Fur Articles	69.8	243.1	158.9	100.0	133.3	109.1
Tanning and Dressing of Leather, Luggage and Footwear	16.4	184.8	180.7	100.0	92.0	78.7
Wood and Products of Wood and Cork (Except Furniture)	32.5	145.1	94.0	100.0	80.8	87.2
Pulp, Paper and Paper Products	135.0	109.4	106.4	100.0	97.6	95.6
Printing and Reproduction of Recorded Media	41.8	110.9	119.4	100.0	109.4	129.0
Coke, hard-coal and lignite fuel briquettes and Refined Petroleum Products	192.4	110.4	107.0	100.0	98.3	101.9
Chemicals and Chemical Products	854.2	97.7	100.8	100.0	105.9	93.5
Pharmaceuticals, Medicinal Chemicals and Botanical Products	295.8	87.9	77.6	100.0	96.5	113.4
Rubber and Plastic Products	411.4	107.0	111.3	100.0	104.9	111.5

	Index Weight[1]	2018	2019	2020	2021	2022[2]
Non-metallic Minerals	214.5	107.4	110.9	100.0	119.7	102.0
Basic Metals	662.2	108.0	106.1	100.0	100.9	95.6
Fabricated Metal Products	459.3	108.4	114.3	100.0	82.0	80.1
Electronic Components, Computer, Radio, Television and Communication Equipment and Apparatuses	2,657.7	334.7	303.0	100.0	340.8	313.6
Medical, Precision and Optical Instruments, Watches and Clocks	408.1	376.1	336.9	100.0	298.0	362.8
Electrical Equipment	445.8	96.6	105.4	100.0	111.8	138.2
Other Machinery and Equipment	737.3	109.6	104.0	100.0	116.6	113.9
Motor Vehicles, Trailers and Semitrailers	987.5	125.7	122.8	100.0	109.6	121.2
Other Transport Equipment	127.3	83.8	98.4	100.0	93.6	108.4
Furniture	51.6	107.9	90.2	100.0	72.4	62.9
Other Products	39.1	107.7	107.0	100.0	233.5	330.3
Electricity, Gas	406.5	105.8	103.0	100.0	104.9	107.5
Total Index	10,000.0	99.4	100.3	100.0	107.7	108.2

(1) Index weights were established on the basis of an industrial census in 2020 and reflect the average annual value added by production in each of the classifications shown, expressed as a percentage of total value added in the mining, manufacturing and electricity and gas industries in that year.
(2) Preliminary.
Source: The Bank of Korea; Korea National Statistical Office

Industrial production increased by 1.2% in 2018, primarily due to increased domestic consumption and exports. Industrial production increased by 0.9% in 2019, primarily due to increased domestic consumption. Industrial production decreased by 0.3% in 2020, primarily due to decreased domestic consumption and exports resulting from the COVID-19 pandemic. Industrial production increased by 7.7% in 2021, primarily due to increased exports and domestic consumption. Based on preliminary data, industrial production increased by 0.5% in 2022, primarily due to increased exports and domestic consumption.

Manufacturing

The manufacturing sector increased production by 1.2% in 2018, primarily due to increased demand for consumer electronics products and electronic components (including semiconductors). The manufacturing sector increased production by 0.9% in 2019, primarily due to increased demand for consumer electronics products and electronic components (including semiconductors). The manufacturing sector decreased production by 0.4% in 2020, primarily due to decreased demand for automobiles. The manufacturing sector increased production by 7.7% in 2021, primarily due to increased demand for consumer electronics products, electronic components (including semiconductors) and machinery. Based on preliminary data, the manufacturing sector increased production by 0.5% in 2022, primarily due to increased demand for electronic components (including semiconductors) and automobiles.

Automobiles. In 2018, automobile production decreased by 2.1%, domestic sales volume recorded a decrease of 0.5% and exports sales volume recorded a decrease of 3.2%, compared with 2017, primarily due to decreased domestic production of automobiles resulting mainly from partial strikes by unionized workers of automobile manufacturers and the restructuring of GM Korea's production units and decreased exports to countries in South America and the Middle East. In 2019, automobile production decreased by 1.9%, domestic sales volume recorded a decrease of 1.8% and export sales volume recorded a decrease of 2.0%, compared with 2018, primarily due to decreased domestic production of automobiles resulting mainly from partial strikes by unionized workers of automobile manufacturers, increased overseas production, decreased domestic demand for automobiles and decreased demand for automobiles in China. In 2020, automobile production decreased by 11.2% and export sales volume recorded a decrease of 21.4%, compared with 2019, primarily due to a general decline in global demand for automobiles caused by the COVID-19 pandemic, which outpaced a 4.7% increase in domestic sales volume from 2019 to 2020, primarily due to increased domestic demand for automobiles. In 2021, automobile production decreased by 1.3% and domestic sales volume recorded a decrease of 8.5%, compared with 2020, primarily due to the global shortage of semiconductors amid the COVID-19 pandemic, but exports sales volume recorded an increase of 8.6% compared with 2020, primarily due to an increase in the market share of domestic automobile manufacturers in the global automotive market. Based on preliminary data, in 2022, automobile production increased by 8.5% and exports sales volume recorded an increase of 12.7%, compared with 2021, primarily due to an increase in demand for Korean automobiles in the global automotive market as well as the gradual easing of the global shortage of automotive semiconductors in the second half of 2022, but domestic sales volume recorded a decrease of 3.2% compared with 2021, primarily due to the global shortage of automotive semiconductors during the first half of 2022.

Electronics. In 2018, electronics production amounted to ₩365,548 billion, an increase of 6.6% from the previous year, and exports amounted to US$220.3 billion, an increase of 11.5% from the previous year, primarily due to increases in demand for semiconductors and lithium-ion batteries. In 2018, export sales of semiconductor memory chips constituted approximately 21.2% of the Republic's total exports. In 2019, electronics production amounted to ₩322,729 billion, a decrease of 11.7% from the previous year, and exports amounted to US$176.9 billion, a decrease of 19.7% from the previous year, primarily due to a significant decrease in semiconductor prices. In 2019, export sales of semiconductor memory chips constituted approximately 17.6% of the Republic's total exports. In 2020, electronics production amounted to ₩332,084 billion, an increase of 2.9% from the previous year, and exports of electronics amounted to US$183.5 billion, an increase of 3.7% from the previous year, primarily due to an increase in demand for semiconductors, computers and other electronic apparatuses. In 2020, export sales of semiconductor memory chips constituted approximately 19.5% of the Republic's total exports. In 2021, electronics production amounted to ₩368,407 billion, an increase of 10.9% from the previous year, and exports amounted to US$227.6 billion, an increase of 24.0% from the previous year, primarily due to an increase in demand for semiconductors, display panels, mobile devices, solid state drives and secondary cell batteries. In 2021, export sales of semiconductor memory chips constituted approximately 20.0% of the Republic's total exports. Based on preliminary data, in 2022, electronics production amounted to ₩369,552 billion, an increase of 0.3% from the previous year, and exports amounted to US$233.3 billion, an increase of 2.5% from the previous year, primarily due to an increase in demand for semiconductors, display panels and secondary cell batteries. In 2022, export sales of semiconductor memory chips constituted approximately 19.1% of the Republic's total exports.

Iron and Steel. In 2018, crude steel production totaled 72.5 million tons, an increase of 1.9% from 2017, primarily due to the recovery of the domestic shipbuilding industry, but export sales volume of iron and steel products decreased by 3.9%, primarily due to restrictions on imports of steel products imposed by the United States, Canada and the European Union. In 2019, crude steel production totaled 71.4 million tons, a decrease of 1.5% from 2018, primarily due to adverse conditions in the construction and shipbuilding industries, and export sales volume of iron and steel products decreased by 0.2%, primarily due to continued restrictions on imports of steel products imposed by the United States, Canada and the European Union. In 2020, crude steel production totaled 67.1 million tons, a decrease of 6.0% from 2019, primarily due to adverse conditions in the construction and shipbuilding industries in light of the COVID-19 pandemic, and export sales volume of iron and steel products decreased by 4.9%, primarily due to a decrease in global demand for crude steel products resulting from the COVID-19 pandemic. In 2021, crude steel production totaled 70.4 million tons, an increase of 4.9% from 2020, primarily due to an increase in domestic demand for crude steel products following a gradual economic recovery from the COVID-19 pandemic, but export sales volume of iron and steel products decreased by 6.1%, primarily due to an increase in the price of steel products coupled with a decrease in global demand for crude steel products resulting from the COVID-19 pandemic. Based on preliminary data, in 2022, crude steel production totaled 65.9 million tons, a decrease of 6.4% from 2021, primarily due to disruptions in supply chain resulting from the invasion of Ukraine by Russia and the temporary closure of steel production plants in Korea due to typhoons during the course of 2022, and export sales volume of iron and steel products decreased by 5.3%, primarily due to a decrease in global demand for crude steel products resulting from the lingering effects of the COVID-19 pandemic and a general slowdown of the global economy.

Shipbuilding. In 2018, the Republic's shipbuilding orders amounted to approximately 13 million compensated gross tons, an increase of 62.5% compared to 2017, primarily due to increased demand for LNG carriers, oil tankers and container carriers. In 2019, the Republic's shipbuilding orders amounted to approximately 10 million compensated gross tons, a decrease of 23.1% compared to 2018, primarily due to decreased demand for container carriers and bulk carriers, which more than offset increased demand for LNG carriers. In 2020, the Republic's shipbuilding orders amounted to approximately 8 million compensated gross tons, a decrease of 20.0% compared to 2019, primarily due to the adverse conditions in the domestic and global shipbuilding industry resulting from the COVID-19 pandemic. In 2021, the Republic's shipbuilding orders amounted to approximately 17 million compensated gross tons, an increase of 112.5% compared to 2020, primarily due to increased demand for container carriers and LNG carriers. Based on preliminary data, in 2022, the Republic's shipbuilding orders amounted to approximately 16 million compensated gross tons, a decrease of 5.9% compared to 2021, primarily due to a decrease in demand for oil tankers and container carriers.

Agriculture, Forestry and Fisheries

The Government's agricultural policy has traditionally focused on:

- grain production;
- development of irrigation systems;
- land consolidation and reclamation;
- seed improvement;
- mechanization measures to combat drought and flood damage; and

- increasing agricultural incomes.

Recently, however, the Government has increased emphasis on cultivating profitable crops and strengthening international competitiveness as a result of the continued opening of the domestic agricultural market.

In 2018, rice production decreased 2.5% from 2017 to 3.9 million tons. In 2019, rice production decreased 5.1% from 2018 to 3.7 million tons. In 2020, rice production decreased 5.4% from 2019 to 3.5 million tons. In 2021, rice production increased 11.4% from 2020 to 3.9 million tons. In 2022, rice production decreased 2.6% from 2021 to 3.8 million tons. Due to limited crop yields resulting from geographical and physical constraints, the Republic depends on imports for certain basic foodstuffs.

The Government is seeking to develop the fishing industry by encouraging the building of large fishing vessels and modernizing fishing equipment, marketing techniques and distribution outlets.

In 2018, the agriculture, forestry and fisheries industry increased by 0.2% compared to 2017, primarily due to an increase in livestock production. In 2019, the agriculture, forestry and fisheries industry increased by 3.9% compared to 2018, primarily due to an increase in farming and livestock production. In 2020, the agriculture, forestry and fisheries industry decreased by 5.8% compared to 2019, primarily due to a decrease in farming and livestock production. In 2021, the agriculture, forestry and fisheries industry increased by 3.8% compared to 2020, primarily due to an increase in farming and fisheries production. Based on preliminary data, in 2022, the agriculture, forestry and fisheries industry decreased by 1.3% compared to 2021, primarily due to a decrease in farming and fisheries production.

Construction

In 2018, the construction industry decreased by 2.8% compared to 2017, primarily due to a decrease in the construction of residential and commercial buildings. In 2019, the construction industry decreased by 2.6% compared to 2018, primarily due to a continued decrease in the construction of residential buildings. In 2020, the construction industry decreased by 1.4% compared to 2019, primarily due to a decrease in the construction of residential buildings. In 2021, the construction industry decreased by 2.1% compared to 2020, primarily due to a decrease in the construction of residential buildings. Based on preliminary data, in 2022, the construction industry increased by 2.7% compared to 2021, primarily due to an increase in the construction of commercial buildings.

Electricity and Gas

The following table sets out the Republic's dependence on imports for energy consumption:

Dependence on Imports for Energy Consumption

	Total Primary Energy Supply	Imports	Imports Dependence Ratio
	(millions of tons of oil equivalents[1], except ratios)		
2018	300.7	288.1	95.8
2019	297.6	284.8	95.7
2020	285.5	271.2	95.0
2021	300.4	284.8	94.8
2022[2]	300.2	284.6	94.8

(1) Conversion to tons of oil equivalents was calculated based on energy conversion factors under the Energy Act Enforcement Decree as amended in July 2017.
(2) Preliminary.
Source: Korea Energy Economics Institute; Korea National Statistical Office

Korea has almost no domestic oil or gas production and depends on imported oil and gas to meet its energy requirements. Accordingly, the international prices of oil and gas significantly affect the Korean economy. Any significant long-term increase in the prices of oil and gas will increase inflationary pressures in Korea and adversely affect the Republic's balance of trade.

To reduce its dependence on oil and gas imports, the Government has encouraged energy conservation and energy source diversification emphasizing nuclear energy. The following table sets out the principal primary sources of energy supplied in the Republic, expressed in oil equivalents and as a percentage of total energy consumption.

Primary Energy Supply by Source

	Coal		Gas		Oil		Nuclear		Others[1]		Total	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
	(millions of tons of oil equivalents[2], except percentages)											
2018.....	90,965	30.2	55,090	18.3	114,450	38.1	28,437	9.5	11,796	3.9	300,738	100.0
2019.....	85,048	28.6	53,875	18.1	115,408	38.8	31,079	10.4	12,201	4.1	297,612	100.0
2020.....	75,983	26.6	53,947	18.9	107,970	37.8	34,119	11.9	13,524	4.7	285,543	100.0
2021.....	76,968	25.6	59,622	19.8	115,107	38.3	33,657	11.2	15,091	5.0	300,447	100.0
2022[3]....	76,010	25.3	59,165	19.7	112,222	37.4	37,500	12.5	15,290	5.1	300,186	100.0

(1) Includes hydro-electric power, biofuels and waste-based energy, geothermal and solar power and heat.
(2) Conversion to tons of oil equivalents was calculated based on energy conversion factors under the Energy Act Enforcement Decree as amended in July 2017.
(3) Preliminary.
Source: Korea Energy Economics Institute; The Bank of Korea

The Republic's first nuclear power plant went into full operation in 1978 with a rated generating capacity of 587 megawatts. As of December 31, 2022, the Republic had 25 nuclear plants with a total estimated nuclear power installed generating capacity of 24,650 megawatts and four nuclear plants under construction.

In January 2023, the Government announced the Tenth Basic Plan of Long-Term Electricity Supply and Demand for the period from 2022 to 2036, which focuses on, among other things, (i) establishing a stable and safe source of energy supply for the long term, (ii) setting attainable goals for energy transition through a balanced mix of nuclear power and renewable energy, (iii) reducing greenhouse gas by cutting back on coal-fired generation, and (iv) diversifying the electricity market system and promoting fair competition in the renewable energy market. Furthermore, the Tenth Basic Plan includes the following implementation measures: (i) the previously suspended construction of two nuclear power units will be resumed, (ii) existing nuclear power plants will continue their operation, (iii) 28 coal-fired generation plants will be retired and converted to LNG fuel use by 2036, (iv) ammonia-coal and hydrogen-LNG co-firing will be introduced to reduce greenhouse gas, and (v) domestic renewable energy generation capacity will be expanded to 108.3 gigawatts by 2036.

Services Sector

In 2018, the service industry increased by 3.8% compared to 2017 as the health and social work sector increased by 8.2%, the finance and insurance sector increased by 5.6% and the public administration and defense sector increased by 3.4%, each compared with 2017. In 2019, the service industry increased by 3.4% compared to 2018 as the health and social work sector increased by 8.7%, the public administration and defense sector increased by 4.0% and the finance and insurance sector increased by 4.4%, each compared with 2018. In 2020, the service industry decreased by 1.0% compared to 2019 as the wholesale and retail trade, accommodation and food services sector decreased by 5.7%, the transportation and storage sector decreased by 15.1% and the cultural and other services sector decreased by 18.7%, each compared with 2019. In 2021, the service industry increased by 3.7% compared to 2020 as the finance and insurance sector increased by 6.1%, the wholesale and retail trade, accommodation and food services sector increased by 3.3% and the information and communication sector increased by 6.0%, each compared with 2020. Based on preliminary data, in 2022, the service industry increased by 11.5% compared to 2021 as the arts, sports and recreation-related services sector increased by 49.5%, the transportation and storage sector increased by 29.7% and the accommodation and food services sector increased by 25.7%, each compared with 2021.

Prices, Wages and Employment

The following table shows selected price and wage indices and unemployment rates:

	Producer Price Index[1]	Increase (Decrease) Over Previous Year	Consumer Price Index[1]	Increase (Decrease) Over Previous Year	Wage Index[1][2]	Increase (Decrease) Over Previous Year	Unemployment Rate[1][3]
	(2015=100)	(%)	(2020=100)	(%)	(2015=100)	(%)	(%)
2018.....	103.5	1.9	99.1	1.5	113.6	6.8	3.8
2019.....	103.5	0.0	99.5	0.4	116.2	2.3	3.8

	Producer Price Index[1]	Increase (Decrease) Over Previous Year	Consumer Price Index[1]	Increase (Decrease) Over Previous Year	Wage Index[1][2]	Increase (Decrease) Over Previous Year	Unemployment Rate[1][3]
	(2015=100)	(%)	(2020=100)	(%)	(2015=100)	(%)	(%)
2020	103.0	(0.5)	100.0	0.5	115.5	(0.6)	4.0
2021	109.6	6.4	102.5	2.5	123.5	6.9	3.7
2022	118.7	8.3	107.7	5.1	130.7	5.8	2.9

(1) Average for year.
(2) Nominal wage index of average earnings in the manufacturing industry.
(3) Expressed as a percentage of the economically active population.
Source: The Bank of Korea; Korea National Statistical Office

In 2018, the inflation rate decreased to 1.5%, primarily due to a slowdown in the growth rate of agricultural goods and oil prices. In 2019, the inflation rate decreased to 0.4%, primarily due to decreases in the prices of agricultural and livestock products and oil. In 2020, the inflation rate increased to 0.5%, primarily due to increases in agricultural and livestock product prices. In 2021, the inflation rate increased to 2.5%, primarily due to increases in agricultural and livestock product prices and oil prices. Based on preliminary data, in 2022, the inflation rate increased to 5.1%, primarily due to increases in agricultural and livestock product prices and oil prices.

In 2018, the unemployment rate increased to 3.8%, primarily due to the continued sluggishness of the domestic economy. In 2019, the unemployment rate remained constant at 3.8%. In 2020, the unemployment rate increased to 4.0%, primarily due to the COVID-19 pandemic. In 2021, the unemployment rate decreased to 3.7%, reflecting a gradual recovery of the Korean economy from the COVID-19 pandemic. Based on preliminary data, in 2022, the unemployment rate decreased to 2.9%, reflecting a gradual recovery of the Korean economy from the COVID-19 pandemic.

From 1992 to 2009, the economically active population of the Republic increased by approximately 24.8% to 24.3 million, while the number of employees increased by approximately 23.7% to 23.5 million. The economically active population over 15 years old as a percentage of the total over-15 population has remained between 61% and 64% over the past decade. Literacy among workers under 50 is almost universal. As of December 31, 2022, the economically active population of the Republic was 28.9 million and the number of employees was 28.1 million.

The following table shows selected employment information by industry and by gender:

	2018	2019	2020	2021	2022
	(all figures in percentages, except as indicated)				
Labor force (in thousands of persons)	26,822	27,123	26,904	27,273	28,089
Employment by Industry:					
Agriculture, Forestry and Fishing	5.0	5.1	5.4	5.3	5.4
Mining and Manufacturing	16.9	16.4	16.3	16.1	16.1
S.O.C & Services	78.1	78.5	78.3	78.6	78.5
Electricity, Transport, Communication and Finance	11.8	11.7	11.8	12.3	12.4
Business, Private & Public Service and Other Services	36.5	37.4	38.0	38.6	39.0
Construction	7.6	7.4	7.5	7.7	7.6
Wholesale & Retail Trade, Hotels and Restaurants	22.2	22.0	21.0	20.0	19.6
Total Employed	100.0	100.0	100.0	100.0	100.0
Employment by Gender:					
Male	57.3	57.0	57.2	57.0	56.7
Female	42.7	43.0	42.8	43.0	43.3
Total Employed	100.0	100.0	100.0	100.0	100.0

Source: The Bank of Korea

Pursuant to certain amendments to the Labor Standards Act that became effective on July 1, 2018, the maximum working hours of employees has been reduced from 68 hours per week to 52 hours per week, and the number of special industries that are exempt from restrictions on maximum working hours will be significantly reduced. This new maximum working hours restriction under the amended Labor Standards Act is in effect for workplaces with 300 or more workers from July 1, 2018, and has been extended to

workplaces with 50 or more but fewer than 300 workers from January 1, 2020, and has been further extended to workplaces with five or more but fewer than 50 workers from July 1, 2021.

Labor unrest in connection with demands by unionized workers for better wages and working conditions and greater job security occur from time to time in the Republic. Some of the significant incidents in recent years include the following:

- In July 2018, unionized workers at Hyundai Heavy Industries went on full strike demanding higher wages.
- In May 2019, unionized bus drivers launched a nationwide strike seeking higher wages and increased manpower in time for the 52-hour work week that was implemented in July 2019.
- In September 2019, unionized workers at GM Korea went on full strike, the first in more than 20 years, demanding higher wages and protesting against GM Korea's restructuring plans.
- In October and November 2019, several thousand members of the National Railroad Workers' Union went on full strike demanding a normalization of wages and requesting the hiring of additional personnel.
- In October, November and December 2020, unionized workers at GM Korea went on partial strikes during wage and collective agreement negotiations.
- In November and December 2020, unionized workers at Kia went on partial strikes demanding higher wages, performance-based incentives and other benefits.
- In November and December 2021, unionized workers at Hankook Tire & Technology, one of Korea's largest tire makers, went on a full strike demanding higher wages and performance-based incentive payments.
- In 2021, unionized workers at CJ Logistics, one of Korea's largest freight transportation companies, went on a series of partial strikes and demonstrations, demanding higher wages commensurate with increases in parcel delivery fees.
- In June and November 2022, unionized truck drivers across various industries went on nationwide strikes demanding that a minimum pay system based on freight rates be made permanent and expanded in scope.
- In 2022, subcontracted workers of Daewoo Shipping and Marine Engineering went on a full strike demanding higher wages.

Actions such as these by labor unions may hinder implementation of the labor reform measures and disrupt the Government's plans to create a more flexible labor market. Although much effort is being expended to resolve labor disputes in a peaceful manner, there can be no assurance that further labor unrest will not occur in the future. Continued labor unrest in key industries of the Republic may have an adverse effect on the economy.

In 1997, the Korean Confederation of Trade Unions organized a political alliance, which led to the formation of the Democratic Labor Party in January 2000. The Democratic Labor Party merged with The New People's Participation Party and changed its name to The Unified Progressive Party, or the UPP, in December 2011. In October 2012, the UPP split and seven UPP members of the National Assembly and their supporters formed a new party, the Progressive Justice Party, which changed its name to the Justice Party in July 2013. In December 2014, the Constitutional Court ordered the dissolution of the UPP and the removal of the party's five lawmakers from the National Assembly for violating the Republic's Constitution after certain of its members were convicted of trying to instigate an armed rebellion and supporting North Korea. In the legislative general election held on April 13, 2016, the Justice Party won six seats in the National Assembly, and the members-elect began their four-year terms on May 30, 2016. As of December 31, 2022, the Justice Party held six seats in the National Assembly.

The Financial System

Structure of the Financial Sector

The Republic's financial sector includes the following categories of financial institutions:

- The Bank of Korea;
- banking institutions;
- non-bank financial institutions; and
- other financial entities, including:
    - financial investment companies;

- credit guarantee institutions;
- venture capital companies; and
- miscellaneous others.

To increase transparency in financial transactions and enhance the integrity and efficiency of the financial markets, Korean law requires that financial institutions confirm that their clients use their real names when transacting business. The Government also strengthened confidentiality protection for private financial transactions.

In July 2007, the Korean National Assembly passed the Financial Investment Services and Capital Markets Act, or the FSCMA, under which various industry-based capital markets regulatory systems were consolidated into a single regulatory system. The FSCMA, which became effective in February 2009, expands the scope of permitted investment-related financial products and activities through expansive definitions of financial instruments and function-based regulations that allow financial investment companies to offer a wider range of financial services, as well as strengthening investor protection and disclosure requirements.

Prior to the effective date of the FSCMA, separate laws regulated various types of financial institutions depending on the type of the financial institution (for example, securities companies, futures companies, trust business companies and asset management companies) and subjected financial institutions to different licensing and ongoing regulatory requirements (for example, under the Securities and Exchange Act, the Futures Trading Act and the Indirect Investment Asset Management Business Act). By applying one uniform set of rules to financial businesses having the same economic function, the FSCMA attempts to improve and address issues caused by the previous regulatory system under which the same economic function relating to capital markets-related business were governed by multiple regulations. To this end, the FSCMA categorizes capital markets-related businesses into six different functions as follows:

- investment dealing (trading and underwriting of financial investment products);
- investment brokerage (brokerage of financial investment products);
- collective investment (establishment of collective investment schemes and the management thereof);
- investment advice;
- discretionary investment management; and
- trusts (together with the five businesses set forth above, the Financial Investment Businesses).

Accordingly, all financial businesses relating to financial investment products are classified as one or more of the Financial Investment Businesses described above, and financial institutions are subject to the regulations applicable to their relevant Financial Investment Businesses, irrespective of what type of financial institution it is. For example, under the FSCMA, derivative businesses conducted by securities companies and future companies are subject to the same regulations, at least in principle.

The banking business and the insurance business are not subject to the FSCMA and will continue to be regulated under separate laws; provided, however, that they are subject to the FSCMA if their activities involve any Financial Investment Businesses requiring a license based on the FSCMA.

Banking Industry

The banking industry comprises commercial banks and specialized banks. Commercial banks serve the general public and corporate sectors. They include nationwide banks, regional banks and branches of foreign banks. Regional banks provide services similar to nationwide banks, but operate in a geographically restricted region. Branches of foreign banks have operated in the Republic since 1967 but provide a relatively small proportion of the country's banking services. As of December 31, 2022, there were six nationwide banks, six regional banks, three internet-only banks and 35 foreign banks with branches operating in the Republic.

Specialized banks meet the needs of specific sectors of the economy in accordance with Government policy; they are organized under, or chartered by, special laws. Specialized banks include (i) The Korea Development Bank, (ii) The Export-Import Bank of Korea, (iii) Industrial Bank of Korea, (iv) SuHyup Bank and (v) NongHyup Bank. The Government has made capital contributions to three of these specialized banks as follows:

- **The Korea Development Bank**: the Government owns directly all of its paid-in capital and has made capital contributions since its establishment in 1954. Recent examples include the Government's contributions to its capital of ₩170 billion in 2018, ₩555 billion in 2019, ₩2,103 billion in 2020, ₩1,121 billion in 2021 and ₩1,265 billion in 2022. Taking into account these capital contributions, its total paid-in capital was ₩23,152 billion as of December 31, 2022.

- **The Export-Import Bank of Korea**: the Government owns, directly and indirectly, all of its paid-in capital and has made capital contributions since its establishment in 1976. Recent examples include the Government's contributions to its capital of ₩56 billion in 2019, ₩578 billion in 2020, ₩299 billion in 2021 and ₩25 billion in 2022. Taking into account these capital contributions, its total paid-in capital was ₩12,773 billion as of December 31, 2022.
- **Industrial Bank of Korea**: the Government directly owned 59.5% of its total shares (including common and preferred shares) as of December 31, 2022. The Government had owned all of the issued share capital of Industrial Bank of Korea until 1994, but the Government's minimum share ownership requirement was repealed in 1997, and the Government has since periodically adjusted its ownership percentage in Industrial Bank of Korea through transactions involving the purchase and sale of its common shares. In 2019, Industrial Bank of Korea issued an aggregate of 17,178,164 new common shares to the Government for a total of ₩225 billion in cash. In 2020, Industrial Bank of Korea issued an aggregate of 161,507,381 new common shares to the Government for a total of ₩1,266 billion in cash. In November 2020, Industrial Bank of Korea acquired from the Government and cancelled an aggregate of 44,847,038 perpetual preferred shares that it had previously issued to the Government. In May 2021, Industrial Bank of Korea issued and sold 5,636,227 new ordinary shares to the Government for an aggregate consideration of ₩49 billion in cash. Taking into account such transactions, its total paid-in capital was ₩4,211 billion as of December 31, 2022.

The economic difficulties in 1997 and 1998 caused an increase in Korean banks' non-performing assets and a decline in capital adequacy ratios of Korean banks. From 1998 through 2002, the Financial Services Commission amended banking regulations several times to adopt more stringent criteria for non-performing assets that more closely followed international standards.

The following table sets out the total loans (including loans in Won and loans in foreign currencies) and non-performing assets of Korean banks as of the dates indicated.

	Total Loans	Non-Performing Assets[1]	Percentage of Total
	(trillions of won)		(percentage)
December 31, 2018	1,872.6	18.2	1.0
December 31, 2019	1,980.6	15.3	0.8
December 31, 2020	2,171.7	13.9	0.6
December 31, 2021	2,371.9	11.8	0.5
December 31, 2022[2]	2,532.4	10.1	0.4

(1) Assets classified as substandard or below.
(2) Preliminary.
Source: Financial Supervisory Service

In 2018, these banks posted an aggregate net profit of ₩15.6 trillion, compared to an aggregate net profit of ₩11.2 trillion in 2017, primarily due to increased net interest income and decreased loan loss provisions, which more than offset a decrease in net non-interest income. In 2019, these banks posted an aggregate net profit of ₩13.9 trillion, compared to an aggregate net profit of ₩15.6 trillion in 2018, primarily due to losses on investments in subsidiaries and associates in 2019 compared to gains on investments in subsidiaries and associates in 2018, which more than offset decreased loan loss provisions. In 2020, these banks posted an aggregate net profit of ₩12.1 trillion, compared to an aggregate net profit of ₩13.9 trillion in 2019, primarily due to increased loan loss provisions. In 2021, these banks posted an aggregate net profit of ₩16.9 trillion, compared to an aggregate net profit of ₩12.1 trillion in 2020, primarily due to the significant amount of gains recognized by The Korea Development Bank in connection with the exercise of its right to convert its convertible bonds issued by HMM Company Limited into common shares, which took place in June 2021, and to a lesser extent, increased net interest income and decreased loan loss provisions. Based on preliminary data, in 2022, these banks posted an aggregate net profit of ₩18.5 trillion, compared to an aggregate net profit of ₩16.9 trillion in 2021, primarily due to increased net interest income reflecting the rise in interest rates during 2022.

Non-Bank Financial Institutions

Non-bank financial institutions include:

- savings institutions, including trust accounts of banks, mutual savings banks, credit unions, mutual credit facilities, community credit cooperatives and postal savings;
- life insurance institutions; and
- credit card companies.

As of December 31, 2022, 79 mutual savings banks, 23 life insurance institutions, which includes joint venture life insurance institutions and wholly-owned subsidiaries of foreign life insurance companies, and eight credit card companies operated in the Republic.

Money Markets

In the Republic, the money markets consist of the call market and markets for a wide range of other short-term financial instruments, including treasury bills, monetary stabilization bonds, negotiable certificates of deposits, repurchase agreements and commercial paper.

Securities Markets

On January 27, 2005, the Korea Exchange was established pursuant to the now repealed Korea Securities and Futures Trading Act by consolidating the Korea Stock Exchange, the Korea Futures Exchange, the KOSDAQ Stock Market, Inc., or the KOSDAQ, and the KOSDAQ Committee of the Korea Securities Dealers Association, which had formerly managed the KOSDAQ. There are three major markets operated by the Korea Exchange: the KRX KOSPI Market, the KRX KOSDAQ Market, and the KRX Derivatives Market. The Korea Exchange has two trading floors located in Seoul, one for the KRX KOSPI Market and one for the KRX KOSDAQ Market, and one trading floor in Busan for the KRX Derivatives Market. The Korea Exchange is a joint stock company with limited liability, the shares of which are held by (i) financial investment companies that were formerly members of the Korea Futures Exchange or the Korea Stock Exchange and (ii) the stockholders of the KOSDAQ. Currently, the Korea Exchange is the only stock exchange in Korea and is operated by membership, having as its members Korean financial investment companies and some Korean branches of foreign financial investment companies.

The Korea Exchange publishes the Korea Composite Stock Price Index every ten seconds, which is an index of all equity securities listed on the Korea Exchange. The Korea Composite Stock Price Index is computed using the aggregate value method, whereby the market capitalizations of all listed companies are aggregated, subject to certain adjustments, and this aggregate is expressed as a percentage of the aggregate market capitalization of all listed companies as of the base date, January 4, 1980.

The following table shows the value of the Korea Composite Stock Price Index as of the dates indicated:

December 28, 2018	2,041.0
January 31, 2019	2,204.9
February 28, 2019	2,195.4
March 29, 2019	2,140.7
April 30, 2019	2,203.6
May 31, 2019	2,041.7
June 28, 2019	2,130.6
July 31, 2019	2,024.6
August 30, 2019	1,967.8
September 30, 2019	2,063.1
October 31, 2019	2,083.5
November 29, 2019	2,088.0
December 30, 2019	2,197.7
January 31, 2020	2,119.0
February 28, 2020	1,987.0
March 31, 2020	1,754.6
April 29, 2020	1,947.6
May 29, 2020	2,029.6
June 30, 2020	2,108.3
July 31, 2020	2,249.4
August 31, 2020	2,326.2
September 29, 2020	2,327.9
October 30, 2020	2,267.2
November 30, 2020	2,591.3
December 30, 2020	2,873.5
January 29, 2021	2,976.2
February 26, 2021	3,013.0
March 31, 2021	3,061.4
April 30, 2021	3,147.9
May 31, 2021	3,203.9
June 30, 2021	3,296.7
July 30, 2021	3,202.3
August 31, 2021	3,199.3
September 30, 2021	3,068.8
October 29, 2021	2,970.7
November 30, 2021	2,839.0
December 30, 2021	2,977.7
January 28, 2022	2,663.3
February 28, 2022	2,699.2
March 31, 2022	2,757.7
April 29, 2022	2,695.1
May 31, 2022	2,685.9
June 30, 2022	2,332.6
July 29, 2022	2,451.5
August 31, 2022	2,472.1
September 30, 2022	2,155.5
October 31, 2022	2,293.6
November 30, 2022	2,472.5
December 29, 2022	2,236.4
January 31, 2023	2,425.1
February 28, 2023	2,412.9
March 31, 2023	2,476.9
April 28, 2023	2,501.5

Over the years, liquidity and credit concerns and volatility in the global financial markets have led to fluctuations in the stock prices of Korean companies. In recent years, there was significant volatility in the stock prices of Korean companies due to deteriorating market conditions domestically and abroad. The index was 2,501.4 on May 3, 2023.

Supervision System

The Office of Bank Supervision, the Securities Supervisory Board, the Insurance Supervisory Board and all other financial sector regulatory bodies merged in January 1999 to form the Financial Supervisory Service. The Financial Services Commission acts as the executive body over the Financial Supervisory Service. The Financial Services Commission reports to, but operates independently of, the Prime Minister's office.

The Ministry of Economy and Finance focuses on financial policy and foreign currency regulations. The Bank of Korea manages monetary policy focusing on price stabilization.

Deposit Insurance System

The Republic's deposit insurance system insures amounts on deposit with banks, non-bank financial institutions, securities companies and life insurance companies.

Since January 2001, deposits at any single financial institution are insured only up to ₩50 million per person regardless of the amount deposited.

The Government excluded certain deposits, such as repurchase agreements, from the insurance scheme, expanded the definition of unsound financial institutions to which the insurance scheme would apply and gradually increased the insurance premiums payable by insured financial institutions.

Monetary Policy

The Bank of Korea

The Bank of Korea was established in 1950 as Korea's central bank and the country's sole currency issuing bank. A seven-member Monetary Policy Committee, chaired by the Governor of The Bank of Korea, formulates and controls monetary and credit policies.

Inflation targeting is the basic system of operation for Korean monetary policy. The consumer price index is used as The Bank of Korea's target indicator. To achieve its established inflation target, the Monetary Policy Committee of The Bank of Korea determines and announces the "Bank of Korea Base Rate", the reference rate applied in transactions such as repurchase agreements between The Bank of Korea and its financial institution counterparts. The Bank of Korea uses open market operations as its primary instrument to keep the call rate in line with the Monetary Policy Committee's target rate. In addition, The Bank of Korea is able to establish policies regarding its lending to banks in Korea and their reserve requirements.

Interest Rates

On November 30, 2017, The Bank of Korea raised its policy rate to 1.5% from 1.25%, which was further raised to 1.75% on November 30, 2018, in response to signs of inflationary pressures and the continued growth of the global and domestic economy. The Bank of Korea lowered its policy rate to 1.5% from 1.75% on July 18, 2019 and to 1.25% from 1.5% on October 16, 2019 to address the sluggishness of the global and domestic economy. On March 16, 2020, The Bank of Korea further lowered its policy rate to 0.75% from 1.25%, which was further lowered to 0.5% on May 28, 2020, in response to deteriorating economic conditions resulting from the COVID-19 pandemic. However, as the economy began to show signs of recovery from the COVID-19 pandemic starting from the second half of 2021, The Bank of Korea raised its policy rate from 0.50% to 0.75% on August 26, 2021, 1.00% on November 25, 2021, 1.25% on January 14, 2022, 1.50% on April 14, 2022, 1.75% on May 26, 2022, 2.25% on July 13, 2022, 2.50% on August 25, 2022, 3.00% on October 12, 2022, 3.25% on November 24, 2022 and 3.50% on January 13, 2023 in response to rising levels of household debt and inflationary pressures.

With the deregulation of interest rates on banks' demand deposits on February 2, 2004, The Bank of Korea completed the interest rate deregulation based upon the "Four-Stage Interest Rate Liberalization Plan" announced in 1991. The prohibition on the payment of interest on ordinary checking accounts was, however, maintained.

Money Supply

The following table shows the volume of the Republic's money supply:

	December 31,				
	2018	2019	2020	2021	2022
			(billions of Won)		
Money Supply (M1)[1]	865,851.8	952,922.8	1,197,828.9	1,372,336.6	1,236,983.3
Quasi-money[2]	1,834,510.6	1,960,686.8	2,002,006.8	2,241,351.0	2,521,252.2
Money Supply (M2)[3]	2,700,362.4	2,913,609.6	3,199,835.7	3,613,687.6	3,758,235.5
Percentage Increase Over Previous Year	6.7%	7.9%	9.8%	12.9%	4.0%

(1) Consists of currency in circulation and demand and instant access savings deposits at financial institutions.
(2) Includes time and installment savings deposits, marketable instruments, yield-based dividend instruments and financial debentures, excluding financial instruments with a maturity of more than two years.
(3) Money Supply (M2) is the sum of Money Supply (M1) and quasi-money.
Source: The Bank of Korea

Exchange Controls

Authorized foreign exchange banks, as registered with the Ministry of Economy and Finance, handle foreign exchange transactions. The ministry has designated other types of financial institutions to handle foreign exchange transactions on a limited basis.

Korean laws and regulations generally require a report to either the Ministry of Economy and Finance, The Bank of Korea or authorized foreign exchange banks, as applicable, for issuances of international bonds and other instruments, overseas investments and certain other transactions involving foreign exchange payments.

In 1994 and 1995, the Government relaxed regulations of foreign exchange position ceilings and foreign exchange transaction documentation and created free Won accounts which may be opened by non-residents at Korean foreign exchange banks. The Won funds deposited into the free Won accounts may be converted into foreign currencies and remitted outside Korea without any governmental approval. In December 1996, after joining the OECD, the Republic freed the repatriation of investment funds, dividends and profits, as well as loan repayments and interest payments. The Government continues to reduce exchange controls in response to changes in the world economy, including the new trade regime under the WTO, anticipating that such foreign exchange reform will improve the Republic's competitiveness and encourage strategic alliances between domestic and foreign entities.

In September 1998, the National Assembly passed the Foreign Exchange Transactions Act, which became effective in April 1999 and has subsequently been amended numerous times. In principle, most currency and capital transactions, including, among others, the following transactions, have been liberalized:

- the investment in real property located overseas by Korean companies and financial institutions;
- the establishment of overseas branches and subsidiaries by Korean companies and financial institutions;
- the investment by non-residents in deposits and trust products having more than one year maturities; and
- the issuance of debentures by non-residents in the Korean market.

To minimize the adverse effects from further opening of the Korean capital markets, the Ministry of Economy and Finance is authorized to introduce a variable deposit requirement system to restrict the influx of short-term speculative funds.

The Government has also embarked on a second set of liberalization initiatives starting in January 2001, under which ceilings on international payments for Korean residents have been eliminated, including overseas travel expenses, overseas inheritance remittances and emigration expenses. Overseas deposits, trusts, acquisitions of foreign securities and other foreign capital transactions made by residents and the making of deposits in Korean currency by non-residents have also been liberalized. In line with the foregoing liberalization, measures will also be adopted to curb illegal foreign exchange transactions and to stabilize the foreign exchange market.

Effective as of January 1, 2006, the Government liberalized the regulations governing "capital transactions". The regulations provide that no regulatory approvals are required for any capital transactions. The capital transactions previously subject to approval requirements are now subject only to reporting requirements.

In January 2010, the Financial Supervisory Services released *FX Derivative Transactions Risk Management Guideline* to prevent over-hedging of foreign exchange risk by corporate investors. According to the guideline as amended in December 2014, if a corporate investor, other than a financial institution or a public enterprise, wishes to enter into a currency forward, currency option, foreign exchange swap or currency swap agreement with a bank, the bank is required to verify whether the corporate investor's assets, liabilities or contracts face foreign exchange risks that could be mitigated by a currency forward, currency option, foreign exchange swap or currency swap

agreement. In addition, the bank is required to ensure that the corporate investor's risk hedge ratio, which is the ratio of the aggregate notional amount to the aggregate amount of risk, does not exceed 100%.

Foreign Exchange

The following table shows the exchange rate between the Won and the U.S. Dollar (in Won per U.S. Dollar) as announced by the Seoul Money Brokerage Services, Ltd. as of the dates indicated:

	Won/U.S. Dollar Exchange Rate
December 31, 2018	1,118.1
January 31, 2019	1,117.2
February 28, 2019	1,117.8
March 29, 2019	1,137.8
April 30, 2019	1,158.2
May 31, 2019	1,190.0
June 28, 2019	1,156.8
July 31, 2019	1,182.0
August 30, 2019	1,215.2
September 30, 2019	1,201.3
October 31, 2019	1,168.4
November 29, 2019	1,179.3
December 31, 2019	1,157.8
January 31, 2020	1,183.5
February 28, 2020	1,215.9
March 31, 2020	1,222.6
April 29, 2020	1,225.2
May 29, 2020	1,239.4
June 30, 2020	1,200.7
July 31, 2020	1,191.4
August 31, 2020	1,185.1
September 29, 2020	1,173.5
October 30, 2020	1,133.4
November 30, 2020	1,104.4
December 31, 2020	1,088.0
January 29, 2021	1,114.6
February 26, 2021	1,108.4
March 31, 2021	1,133.5
April 30, 2021	1,119.4
May 31, 2021	1,116.0
June 30, 2021	1,130.0
July 30, 2021	1,147.4
August 31, 2021	1,164.4
September 30, 2021	1,184.9
October 29, 2021	1,171.7
November 30, 2021	1,193.4
December 31, 2021	1,185.5
January 28, 2022	1,202.4
February 28, 2022	1,202.7
March 31, 2022	1,210.8
April 29, 2022	1,269.4
May 31, 2022	1,245.8
June 30, 2022	1,299.4
July 29, 2022	1,304.0
August 31, 2022	1,347.5
September 30, 2022	1,434.8
October 31, 2022	1,419.3
November 30, 2022	1,331.5
December 30, 2022	1,267.3
January 31, 2023	1,228.7
February 28, 2023	1,317.4
March 31, 2023	1,303.8
April 28, 2023	1,339.9

During the period from January 2, 2008 through April 16, 2009, the value of the Won relative to the U.S. dollar declined by approximately 29.9%, due primarily to adverse economic conditions resulting from liquidity and credit concerns and volatility in the global credit and financial markets and repatriations by foreign investors of their investments in the Korean stock market. The exchange rate between the Won and the U.S. Dollar has fluctuated since then. In 2021, 2022 and in recent months, the value of the Won relative to the U.S. dollar fluctuated significantly, due primarily to the impact of the COVID-19 pandemic, the invasion of Ukraine by Russia and the ensuing sanctions against Russia and, more recently, the widening difference in policy rates between the United States and the Republic, among others. The market average exchange rate was Won 1,340.2 to US$1.00 on May 3, 2023.

Balance of Payments and Foreign Trade

Balance of Payments

Balance of payments figures measure the relative flow of goods, services and capital into and out of the country as represented in the current balance and the capital balance. The current balance tracks a country's trade in goods and services and transfer payments and measures whether a country is living within its income from trading and investments. The capital balance covers all transactions involving the transfer of capital into and out of the country, including loans and investments. The overall balance represents the sum of the current and capital balances. An overall balance surplus indicates a net inflow of foreign currencies, thereby increasing demand for and strengthening the local currency. An overall balance deficit indicates a net outflow of foreign currencies, thereby decreasing demand for and weakening the local currency. The financial account mirrors the overall balance. If the overall balance is positive, the surplus, which represents the nation's savings, finances the overall deficit of the country's trading partners. Accordingly, the financial account will indicate cash outflows equal to the overall surplus. If, however, the overall balance is negative, the nation has an international deficit which must be financed. Accordingly, the financial account will indicate cash inflows equal to the overall deficit.

The following table sets out certain information with respect to the Republic's balance of payments:

Balance of Payments[1]

Classification	2018	2019	2020	2021	2022[4]
			(millions of dollars)		
Current Account	77,466.5	59,676.1	75,902.2	85,228.2	29,830.9
Goods	110,086.8	79,812.1	80,604.8	75,730.9	15,060.9
Exports[2]	626,266.5	556,667.9	517,909.3	649,475.2	690,461.8
Imports[2]	516,179.7	476,855.8	437,304.5	573,744.3	675,400.9
Services	(29,369.4)	(26,845.3)	(14,670.1)	(5,286.7)	(5,547.5)
Income	4,901.9	12,856.0	13,486.9	19,444.9	22,884.2
Current Transfers	(8,152.8)	(6,146.7)	(3,519.4)	(4,660.9)	(2,566.7)
Capital and Financial Account	76,790.1	58,857.6	80,996.4	78,335.3	38,834.7
Capital Account	316.7	(169.3)	(386.3)	(155.3)	1.3
Financial Account[3]	76,473.4	59,026.9	81,382.7	78,490.6	38,833.4
Net Errors and Omissions	(1,309.8)	(479.9)	5,866.8	(6,582.3)	9,001.2

(1) Figures are prepared based on the sixth edition of the Balance of Payment Manual published by International Monetary Fund in December 2010 and implemented by the Government in December 2013. In December 2018, The Bank of Korea revised the Republic's balance of payments information to capture new economic activities and reflect the changes in raw data.
(2) These entries are derived from trade statistics and are valued on a free on board basis, meaning that the insurance and freight costs are not included.
(3) Includes borrowings from the IMF, syndicated bank loans and short-term borrowings.
(4) Preliminary.
Source: The Bank of Korea

The current account surplus in 2021 increased to US$85.2 billion from the current account surplus of US$75.9 billion in 2020, primarily due to a decrease in deficit from the services account and an increase in surplus from the income account, the effect of which was offset in part by a decrease in surplus from the goods account. Based on preliminary data, the current account surplus in 2022 decreased to US$29.8 billion from the current account surplus of US$85.2 billion in 2021, primarily due to a decrease in surplus from the goods account, the effect of which was offset in part by an increase in surplus from the income account and a decrease in deficit from the current transfers account.

Foreign Direct Investment

Since 1960, the Government has adopted a broad range of related laws, administrative rules and regulations that provide a framework for the conduct and regulation of foreign investment activities. In September 1998, the Government promulgated the Foreign Investment Promotion Act, or the FIPA, which replaced previous foreign direct investment related laws, rules and regulations, to promote inbound foreign investments by providing incentives to, and facilitating investment activities in the Republic by, foreign nationals. The FIPA prescribes, among others, procedural requirements for inbound foreign investments, incentives for foreign investments such as tax reductions, and requirements relating to designation and development of foreign investment target regions. The Government believes that providing a stable and receptive environment for foreign direct investment will accelerate the inflow of foreign capital, technology and management techniques.

The following table sets forth information regarding annual foreign direct investment in the Republic for the periods indicated.

Foreign Direct Investment

	2018	2019	2020	2021	2022[2]
	(billions of dollars)				
Contracted and Reported Investment					
Greenfield Investment[1]	20.0	15.9	14.5	18.1	22.3
Merger & Acquisition	6.9	7.4	6.2	11.4	8.1
Total	26.9	23.3	20.7	29.5	30.5
Actual Investment	17.3	13.4	11.4	18.6	18.0

(1) Includes building new factories and operational facilities.
(2) Preliminary.
Source: Ministry of Trade, Industry and Energy

In 2021, the contracted and reported amount of foreign direct investment in the Republic increased to US$29.5 billion from US$20.7 billion in 2020, primarily due to a increase in foreign investment in the services sector to US$23.6 billion in 2021 from US$14.4 billion in 2020.

Based on preliminary data, in 2022, the contracted and reported amount of foreign direct investment in the Republic increased to US$30.5 billion from US$29.5 billion in 2021, primarily due to an increase in foreign investment in the manufacturing sector to US$12.5 billion in 2022 from US$5.0 billion in 2021.

The following table sets forth information regarding the source of foreign direct investment by region and country for the periods indicated:

Foreign Direct Investment by Region and Country

	2018	2019	2020	2021	2022
	(billions of dollars)				
North America					
U.S.A.	5.9	6.8	5.3	5.3	8.7
Others	1.9	1.7	3.5	1.6	5.8
	7.8	8.6	8.8	6.9	14.5
Asia					
Japan	1.3	1.4	0.8	1.2	1.5
Hong Kong	1.5	1.9	1.1	0.6	0.4
Singapore	1.5	1.3	2.3	4.2	3.2
China	2.7	1.0	2.0	1.9	1.5
Others	2.4	1.0	0.4	1.2	0.5
	9.4	6.6	6.6	9.1	7.1
Europe					
Netherlands	1.4	1.7	0.6	1.0	4.9
England	1.2	2.1	0.7	0.8	0.6
Germany	0.5	0.4	0.5	2.8	0.5
France	0.7	0.1	0.2	0.2	0.2
Others	5.2	3.1	2.8	8.0	1.9
	9.0	7.4	4.8	12.8	8.1
Others regions and countries	0.6	0.7	0.5	0.7	0.8
Total	26.9	23.3	20.7	29.5	30.5

Source: Ministry of Trade, Industry and Energy

Trade Balance

Trade balance figures measure the difference between a country's exports and imports. If exports exceed imports the country has a trade balance surplus while if imports exceed exports the country has a deficit. A deficit, indicating that a country's receipts from abroad fall short of its payments to foreigners, must be financed, rendering the country a debtor nation. A surplus, indicating that a country's receipts exceed its payments to foreigners, allows the country to finance its trading partners' net deficit to the extent of the surplus, rendering the country a creditor nation.

The following table summarizes the Republic's trade balance for the periods indicated:

Trade Balance

	Exports(1)	As % of GDP(2)	Imports(1)	As % of GDP(2)	Balance of Trade	Exports as % of Imports
	(billions of dollars, except percentages)					
2018	604.9	35.2%	535.2	31.1%	69.7	113.0
2019	542.2	33.0%	503.3	30.7%	38.9	107.7
2020	512.5	31.3%	467.6	28.5%	44.9	109.6
2021	644.4	35.8%	615.1	34.2%	29.3	104.8
2022(3)	683.6	41.1%	731.4	43.9%	(47.8)	93.5

(1) These entries are derived from customs clearance statistics on a C.I.F. basis, meaning that the price of goods includes insurance and freight cost.
(2) At current market prices.
(3) Preliminary.
Source: The Bank of Korea; Korea Customs Service

The Republic, due to its lack of natural resources, relies on extensive trading activity for growth. The country meets virtually all domestic requirements for petroleum, wood and rubber with imports, as well as much of its coal and iron needs. Exports consistently

represent a high percentage of GDP and, accordingly, the international economic environment is of crucial importance to the Republic's economy. See "—The Economy—Worldwide Economic and Financial Difficulties".

The following tables give information regarding the Republic's exports and imports by major commodity groups:

Exports by Major Commodity Groups (C.I.F.)[1]

	2018	As % of 2018 Total	2019	As % of 2019 Total	2020	As % of 2020 Total	2021	As % of 2021 Total	2022[2]	As % of 2022 Total[2]
	(billions of dollars, except percentages)									
Foods & Consumer Goods	7.9	1.3	8.2	1.5	8.6	1.7	9.8	1.5	10.4	1.5
Raw Materials and Fuels	55.1	9.1	48.8	9.0	32.1	6.3	51.4	8.0	75.2	11.0
Petroleum & Derivatives	47.0	7.8	41.3	7.6	24.7	4.8	38.8	6.0	63.4	9.3
Others	8.1	1.3	7.5	1.4	7.4	1.4	12.6	2.0	11.8	1.7
Light Industrial Products	35.8	5.9	34.2	6.3	32.4	6.3	35.3	5.5	35.2	5.1
Heavy & Chemical Industrial Products	506.1	83.7	451.0	83.2	439.3	85.7	547.9	85.0	563.0	82.4
Electronic & Electronic Products	214.8	35.5	171.4	31.6	178.5	34.8	221.8	34.4	224.3	32.8
Chemicals & Chemical Products	74.0	12.2	67.4	12.4	66.6	13.0	91.9	14.3	98.0	14.3
Metal Goods	48.1	8.0	44.1	8.1	39.6	7.7	52.6	8.2	55.3	8.1
Machinery & Precision Equipment	69.4	11.5	67.6	12.5	63.4	12.4	70.9	11.0	70.9	10.4
Transport Equipment	87.4	14.4	87.7	16.2	77.6	15.1	94.2	14.6	98.5	14.4
Passenger Cars	38.2	6.3	40.5	7.5	35.6	6.9	44.3	6.9	51.7	7.6
Ship & Boat	20.7	3.4	19.5	3.6	19.2	3.7	22.4	3.5	17.6	2.6
Others	28.4	4.7	27.7	5.1	22.8	4.4	27.5	4.3	29.2	4.3
Others	12.5	2.1	12.7	2.3	13.6	2.7	16.6	2.6	16.0	2.3
Total	604.9	100.0	542.2	100.0	512.5	100.0	644.4	100.0	683.6	100.0

(1) These entries are derived from customs clearance statistics. C.I.F. means that the price of goods includes insurance and freight costs.
(2) Preliminary.
Source: The Bank of Korea; Korea Customs Service

Imports by Major Commodity Groups (C.I.F.)[1]

	2018	As % of 2018 Total	2019	As % of 2019 Total	2020	As % of 2020 Total	2021	As % of 2021 Total	2022[2]	As % of 2022 Total[2]
	(billions of dollars, except percentages)									
Industrial Materials and Fuels	279.0	52.1	254.0	50.5	206.3	44.1	302.6	49.2	393.6	53.8
Crude Petroleum	80.4	15.0	70.3	14.0	44.5	9.5	67.0	10.9	105.8	14.5
Mineral	22.0	4.1	21.7	4.3	21.4	4.6	33.3	5.4	31.3	4.3
Chemicals	50.0	9.3	47.0	9.3	46.4	9.9	60.4	9.8	70.2	9.6
Iron & Steel Products	19.7	3.7	19.8	3.9	15.2	3.3	22.2	3.6	22.7	3.1
Non-ferrous Metal	12.8	2.4	12.0	2.4	11.7	2.5	18.4	3.0	19.5	2.7
Others	94.1	17.6	83.2	16.5	67.1	14.3	101.3	16.5	144.1	19.7
Capital Goods	174.6	32.6	164.9	32.8	177.1	37.9	212.8	34.6	228.9	31.3
Machinery & Precision Equipment	60.5	11.3	50.7	10.1	57.9	12.4	70.0	11.4	68.7	9.4
Electric & Electronic Machines	100.4	18.8	100.4	20.0	105.1	22.5	127.6	20.7	144.7	19.8
Transport Equipment	11.5	2.1	11.6	2.3	11.9	2.5	13.0	2.1	13.2	1.8
Others	2.2	0.4	2.1	0.4	2.3	0.5	2.2	0.4	2.3	0.3
Consumer Goods	81.6	15.2	84.5	16.8	84.2	18.0	99.6	16.2	108.7	14.9
Cereals	6.8	1.3	6.9	1.4	7.1	1.5	8.9	1.4	11.3	1.5
Goods for Direct Consumption	22.3	4.2	22.2	4.4	22.3	4.8	25.7	4.2	29.0	4.0
Consumer Durable Goods	32.2	6.0	34.5	6.9	34.9	7.5	42.2	6.9	42.8	5.9
Consumer Nondurable Goods	20.3	3.8	20.9	4.2	20.0	4.3	22.8	3.7	25.6	3.5
Total	535.2	100.0	503.3	100.0	467.6	100.0	615.1	100.0	731.4	100.0

(1) These entries are derived from customs clearance statistics. C.I.F. means that the price of goods includes insurance and freight costs.
(2) Preliminary.
Source: The Bank of Korea; Korea Customs Service

In 2018, the Republic recorded a trade surplus of US$69.7 billion. Exports increased by 5.4% to US$604.9 billion in 2018 from US$573.7 billion in 2017, primarily due to increased demand for semiconductors and petroleum products. Imports increased by 11.8% to US$535.2 billion in 2018 from US$478.5 billion in 2017, primarily due to an increase in oil prices, which also led to increased unit prices of other major raw materials.

In 2019, the Republic recorded a trade surplus of US$38.9 billion. Exports decreased by 10.4% to US$542.2 billion in 2019 from US$604.9 billion in 2018, primarily due to a significant decrease in semiconductor prices. Imports decreased by 6.0% to US$503.3 billion in 2019 from US$535.2 billion in 2018, primarily due to a decrease in oil prices, which also led to decreased unit prices of other major raw materials.

In 2020, the Republic recorded a trade surplus of US$44.9 billion. Exports decreased by 5.5% to US$512.5 billion in 2020 from US$542.2 billion in 2019, primarily due to a slowdown of the global economy resulting from the COVID-19 pandemic. Imports decreased by 7.1% to US$467.6 billion in 2020 from US$503.3 billion in 2019, primarily due to a decrease in oil prices, which also led to decreased unit prices of other major raw materials, as well as decreased domestic consumption, which were mainly attributed to the COVID-19 pandemic.

In 2021, the Republic recorded a trade surplus of US$29.3 billion. Exports increased by 25.7% to US$644.4 billion in 2021 from US$512.5 billion in 2020, primarily due to a recovery of the global economy from the COVID-19 pandemic. Imports increased by 31.5% to US$615.1 billion in 2021 from US$467.6 billion in 2020, primarily due to an increase in domestic consumption as well as an increase in oil prices, which also led to increased unit prices of other major raw materials.

Based on preliminary data, in 2022, the Republic recorded a trade deficit of US$47.8 billion. Exports increased by 6.1% to US$683.6 billion in 2022 from US$644.4 billion in 2021, primarily due to an improvement in the domestic economic conditions of the Republic's major trading partners. Imports increased by 18.9% to US$731.4 billion in 2022 from US$615.1 billion in 2021, primarily due to an increase in energy and commodity prices, which also led to increased unit prices of other major raw materials.

The following table sets forth the Republic's exports trading partners:

Exports

	2018	As % of 2018 Total	2019	As % of 2019 Total	2020	As % of 2020 Total	2021	As % of 2021 Total	2022[1]	As % of 2022 Total[1]
	(millions of dollars, except percentages)									
China	162,125.1	26.8	136,202.5	25.1	132,565.4	25.9	162,913.0	25.3	155,789.4	22.8
United States	72,719.9	12.0	73,343.9	13.5	74,115.8	14.5	95,902.0	14.9	109,765.7	16.1
Japan	30,528.6	5.0	28,420.2	5.2	25,097.7	4.9	30,061.8	4.7	30,606.3	4.5
Hong Kong	45,996.4	7.6	31,912.9	5.9	30,653.8	6.0	37,467.1	5.8	27,651.2	4.0
Singapore	11,782.2	1.9	12,768.0	2.4	9,828.4	1.9	14,148.5	2.2	20,205.4	3.0
Vietnam	48,622.1	8.0	48,177.7	8.9	48,510.6	9.5	56,728.5	8.8	60,972.0	8.9
Taiwan	20,783.5	3.4	15,666.3	2.9	16,465.4	3.2	24,285.3	3.8	26,198.2	3.8
India	15,606.2	2.6	15,096.3	2.8	11,937.3	2.3	15,603.3	2.4	18,870.1	2.8
Indonesia	8,833.2	1.5	7,650.1	1.4	6,312.9	1.2	8,550.3	1.3	10,215.9	1.5
Mexico	11,458.2	1.9	10,927.0	2.0	8,241.0	1.6	11,290.2	1.8	12,654.2	1.9
Australia	9,610.4	1.6	7,890.6	1.5	6,188.5	1.2	9,750.5	1.5	18,753.0	2.7
Germany	9,372.7	1.5	8,685.7	1.6	9,576.1	1.9	11,109.9	1.7	10,067.7	1.5
Others[2]	157,421.2	26.0	145,491.4	26.8	133,005.1	26.0	166,590.0	25.9	181,835.7	26.6
Total	604,859.7	100.0	542,232.6	100.0	512,498.0	100.0	644,400.4	100.0	683,584.8	100.0

(1) Preliminary.
(2) Includes more than 200 countries and regions.
Source: The Bank of Korea; Korea Customs Service

The following table sets forth the Republic's imports trading partners:

Imports

	2018	As % of 2018 Total	2019	As % of 2019 Total	2020	As % of 2020 Total	2021	As % of 2021 Total	2022[1]	As % of 2022 Total[1]
	(millions of dollars, except percentages)									
China	106,488.6	19.9	107,228.7	21.3	108,884.6	23.3	138,628.1	22.5	154,576.3	21.1
Japan	54,603.7	10.2	47,580.9	9.5	46,023.0	9.8	54,642.2	8.9	54,711.8	7.5
United States	58,868.3	11.0	61,878.6	12.3	57,492.2	12.3	73,213.4	11.9	81,784.7	11.2
Saudi Arabia	26,335.8	4.9	21,840.6	4.3	15,979.6	3.4	24,271.3	3.9	41,640.3	5.7
Qatar	16,293.6	3.0	13,036.6	2.6	7,562.1	1.6	11,611.1	1.9	16,567.2	2.3
Australia	20,718.6	3.9	20,608.2	4.1	18,707.1	4.0	32,918.0	5.4	44,929.4	6.1
Germany	20,854.0	3.9	19,936.9	4.0	20,680.9	4.4	21,996.3	3.6	23,614.9	3.2
Kuwait	12,794.3	2.4	10,771.1	2.1	5,827.9	1.2	8,253.9	1.3	12,401.9	1.7
Taiwan	16,738.4	3.1	15,717.7	3.1	17,837.0	3.8	23,485.8	3.8	28,274.6	3.9
United Arab Emirates	9,287.4	1.7	8,991.1	1.8	5,692.7	1.2	7,318.7	1.2	15,492.8	2.1
Indonesia	11,161.2	2.1	8,819.8	1.8	7,594.7	1.6	10,725.1	1.7	15,734.9	2.2
Malaysia	10,205.7	1.9	9,279.9	1.8	8,892.6	1.9	10,456.2	1.7	15,249.1	2.1
Others[2]	170,852.9	31.9	157,652.8	31.3	146,458.4	31.3	197,573.3	32.1	226,391.8	31.0
Total	535,202.4	100.0	503,342.9	100.0	467,632.8	100.0	615,093.4	100.0	731,369.7	100.0

(1) Preliminary.
(2) Includes more than 200 countries and regions.
Source: The Bank of Korea; Korea Customs Service

The outbreak of severe health epidemics in Korea and various parts of the world, including the COVID-19 pandemic, raises significant uncertainty about prospects for international trade and economic growth for affected countries, as well as world economic prospects in general. Although the domestic and global economy has recovered generally from the COVID-19 pandemic in recent months, global economic uncertainties in relation to COVID-19, in particular the extent to which the COVID-19 pandemic affects international trade, are expected to continue in 2023. In order to contain further spread of such epidemics and to prevent the outbreak of similar epidemics in the future, the Government continues to cooperate actively with regional and international efforts to develop and implement various measures to combat such outbreaks. See "—The Economy—Worldwide Economic and Financial Difficulties".

In 2020, 2021, 2022 and in recent months, the value of the Won relative to the U.S. dollar and Japanese Yen has fluctuated widely, in particular due to the impact of the COVID-19 pandemic, the invasion of Ukraine by Russia and the ensuing sanctions against Russia and, more recently, the widening difference in policy rates between the United States and the Republic, among others. See "—The Economy—Worldwide Economic and Financial Difficulties". An appreciation of the Won against the U.S. dollar and Japanese Yen increases the Won value of the Republic's export sales and diminishes the price-competitiveness of export goods in foreign markets in U.S. dollar and Japanese Yen terms, respectively. However, it also decreases the cost of imported raw materials in Won terms and the cost in Won of servicing the Republic's U.S. dollar and Japanese Yen denominated debt. In general, when the Won appreciates, export dependent sectors of the Korean economy, including automobiles, electronics and shipbuilding, suffer from the resulting pressure on the price-competitiveness of export goods, which may lead to reduced profit margins and loss in market share, more than offsetting a decrease in the cost of imported raw materials. If the export dependent sectors of the Korean economy suffer reduced profit margins or a net loss, it could result in a material adverse effect on the Korean economy.

Since the Government announced its plans to pursue free trade agreements, or FTAs, in 2003, the Republic has entered into FTAs with key trading partners. The Republic has had bilateral FTAs in effect with Chile since 2004, Singapore since 2006, India since 2010, Peru since 2011, the United States since 2012, Turkey since 2013, Australia since 2014, Canada, China, New Zealand and Vietnam since 2015, Colombia since July 2016, the United Kingdom since January 2021, Israel and Cambodia since December 2022 and Indonesia since January 2023. The Republic is currently in negotiations with a number of other key trading partners. In addition, the Republic has had regional FTAs in effect with the European Free Trade Association since 2006, the Association of Southeast Asian Nations since 2009, the European Union since 2011, with each of Panama, Costa Rica, Guatemala, Honduras, El Salvador and Nicaragua since 2021 and with the Regional Comprehensive Economic Partnership since 2022, and is currently negotiating additional regional FTAs. The Republic and Turkey have completed revisions to their bilateral FTA, which became effective in August 2018. The Republic and the United States have also completed revisions to their bilateral FTA, which became effective in January 2019.

Non-Commodities Trade Balance

The Republic had non-commodities trade deficits of US$32.6 billion in 2018, US$20.1 billion in 2019, US$4.7 billion in 2020 and US$12.1 billion in 2021. Based on preliminary data, the Republic had a non-commodities trade surplus of US$9.5 billion in 2022.

Foreign Currency Reserves

The foreign currency reserves are external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs and for other related purposes. The following table shows the Republic's total official foreign currency reserves:

Total Official Reserves

	December 31,				
	2018	2019	2020	2021	2022
	(millions of dollars)				
Gold	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.8	$ 4,794.8
Foreign Exchange[(1)]	393,332.5	397,876.1	430,117.2	438,319.2	399,043.1
Total Gold and Foreign Exchange	398,127.2	402,670.9	434,912.0	443,114.0	403,837.9
Reserve Position at IMF	2,140.4	2,792.9	4,815.3	4,634.9	4,489.5
Special Drawing Rights	3,426.6	3,352.4	3,370.8	15,369.5	14,836.3
Total Official Reserves	$ 403,694.3	$ 408,816.1	$ 443,098.1	$ 463,118.4	$ 423,163.7

(1) More than 95% of the Republic's foreign currency reserves are comprised of convertible foreign currencies.
Source: The Bank of Korea; International Monetary Fund

The Government's foreign currency reserves increased to US$262.2 billion as of December 31, 2007 from US$8.9 billion as of December 31, 1997, primarily due to continued balance of trade surpluses and capital inflows. In 2008, the Government's foreign currency reserves decreased, falling to US$201.2 billion as of December 31, 2008, partially as a result of the Government's use of the foreign currency reserve to provide foreign currency liquidity to Korean financial institutions. The Government's foreign currency reserves increased to US$403.7 billion as of December 31, 2018, US$408.8 billion as of December 31, 2019, US$443.1 billion as of December 31, 2020 and US$463.1 billion as of December 31, 2021, primarily due to continued trade surpluses and capital inflows. The Government's foreign currency reserves decreased to US$423.2 billion as of December 31, 2022, however, primarily in relation to the depreciation of the Won against the U.S. dollar. The amount of the Government's foreign currency reserve was US$426.1 billion as of March 31, 2023.

Government Finance

The Ministry of Economy and Finance prepares the Government budget and administers the Government's finances.

The Government's fiscal year commences on January 1. The Government must submit the budget, which is drafted by the Minister of Economy and Finance and approved by the President of the Republic, to the National Assembly not later than 90 days prior to the start of the fiscal year and may submit supplementary budgets revising the original budget at any time during the fiscal year.

2021 budgeted revenues remained relatively stable at ₩450.9 trillion from 2020. 2021 budgeted expenditures and net lending increased by 9.3% to ₩526.3 trillion from ₩481.4 trillion in 2020, led by increases in budgeted expenditures on recovery from the COVID-19 pandemic (including support for individuals and businesses adversely impacted by the COVID-19 pandemic, procurement of COVID-19 vaccines and enhancement of medical facilities and other infrastructure, among others) and revitalization of the economy (public housing, job creation, research and development, social security and welfare services, among others). The 2021 budget anticipated a ₩75.4 trillion budget deficit.

2022 budgeted revenues increased by 14.8% to ₩517.7 trillion from ₩450.9 trillion in 2021, led by an increase in budgeted tax revenues (including taxes on income, profits and capital gains as well as taxes on goods and services). 2022 budgeted expenditures and net lending increased by 8.6% to ₩571.8 trillion from ₩526.3 trillion in 2021, led by increases in budgeted expenditures on recovery from the COVID-19 pandemic (including support for small businesses) and revitalization of the economy. The 2022 budget anticipated a ₩54.1 trillion budget deficit.

Beginning in March 2020, the National Assembly approved a series of supplementary budgets as part of the Government's efforts to mitigate adverse effects on the Korean economy resulting from the COVID-19 pandemic. See "—The Economy—Worldwide Economic and Financial Difficulties". These supplementary budgets, which amounted to ₩66.8 trillion in 2020, ₩49.8 trillion in 2021 and ₩78.9 trillion in 2022, have been some of the largest of their kind drawn up in response to an outbreak of an infectious disease in Korea, and have been used for the following purposes: (i) provision of loans and guarantees for small businesses, (ii) relief packages and household support, including daycare vouchers and emergency livelihood support, (iii) disease prevention (including purchases and administration of vaccines), testing and treatment, (iv) various forms of financial support for local communities most affected by the COVID-19 pandemic and (v) measures to revitalize the economy from the impact of the COVID-19 pandemic. The supplementary budgets have been funded through the issuance of treasury bonds by the Government, The Bank of Korea's unappropriated surplus and other surplus funds available to the Government, among others.

Any significant increase in additional spending measures as stipulated by the supplementary budgets (including relief packages) may lead to a budget deficit for 2023, which could result in a deterioration in the Government's fiscal position and an increase in borrowings.

The following table shows consolidated Government revenues and expenditures:

Consolidated Central Government Revenues and Expenditures

	Actual					Budget[1]		
	2018	2019	2020	2021	2022[2]	2020	2021	2022
	(billions of Won)							
Total Revenues	438,262	443,853	446,628	537,619	588,332	450,873	450,905	517,701
Current Revenues	435,558	441,148	443,694	534,999	585,325	447,925	447,865	514,696
Total Tax Revenues	358,424	363,005	360,129	422,182	479,384	365,389	359,775	424,050
Taxes on income, profits and capital gains	155,399	155,736	148,622	184,509	232,319	152,837	143,121	180,740
Social security contributions	64,854	69,550	74,583	78,104	83,444	73,392	77,032	80,666
Tax on property	15,473	15,474	22,735	31,392	27,696	16,013	19,300	28,047
Taxes on goods and services	99,056	98,614	91,047	99,840	105,828	98,154	95,658	106,738
Taxes on international trade and transaction	8,815	7,882	7,059	8,227	10,324	8,791	8,347	8,735
Other tax	14,828	15,748	16,084	20,110	19,773	16,202	16,316	19,124
Non-Tax Revenues	77,134	78,143	83,565	112,818	105,941	82,536	88,091	90,646
Operating surpluses of departmental enterprise sales and property income	28,616	29,345	33,571	56,664	47,459	31,026	32,791	34,628
Administration fees & charges and non-industrial sales	9,004	10,181	9,929	10,865	11,434	10,355	10,724	11,402
Fines and forfeits	24,455	22,554	23,583	26,993	28,276	24,643	26,950	25,501
Contributions to government employee pension fund	13,206	13,523	13,876	14,918	16,348	13,944	15,385	16,633
Current revenue of non-financial public enterprises	1,853	2,540	2,606	3,378	2,425	2,568	2,241	2,483
Capital Revenues	2,703	2,705	2,934	2,620	3,007	2,948	3,040	3,006
Total Expenditures and Net Lending	407,099	455,850	517,781	568,113	652,902	481,352	526,292	571,814
Total Expenditures	389,610	436,698	489,966	538,034	622,997	460,044	496,661	546,446
Current Expenditures	360,176	387,100	455,098	502,191	585,593	426,721	459,333	506,262
Expenditure on goods and service	71,459	60,196	79,460	88,144	89,759	85,521	94,636	94,814
Interest payment	14,287	13,837	14,452	15,431	18,481	15,525	17,254	17,928
Subsidies and other current transfers	272,080	309,575	357,295	395,826	473,661	321,672	343,636	389,599
Current expenditure of non-financial public enterprises	2,350	3,492	3,891	2,790	3,692	4,003	3,807	3,922
Capital Expenditures	29,434	49,598	34,868	35,842	37,404	33,323	37,328	40,184
Net Lending	17,489	19,152	27,815	30,079	29,905	21,308	29,631	25,369

(1) Budget information for 2023 is not yet available.
(2) Preliminary.
Source: Ministry of Economy and Finance; The Bank of Korea; Korea National Statistical Office

The consolidated Government account consists of a General Account, Special Accounts (including a non-financial public enterprise special account) and Public Funds. The Government segregates the accounts of certain functions of the Government into Special Accounts and Public Funds for more effective administration and fiscal control. The Special Accounts and Public Funds relate to business type activities, such as economic development, road and railway construction and maintenance, monopolies, and communications developments and the administration of loans received from official international financial organizations and foreign governments.

Revenues derive mainly from national taxes and non-tax revenues. Taxes in Korea can be roughly classified into the following types:

- income tax and capital gains tax,

- property tax,
- value-added tax,
- customs duty tax, and
- other taxes.

Income tax and capital gains tax are imposed on income derived from labor, business operation and ownership of assets and profits derived from capital appreciation. Income tax and capital gains tax, depending on the type of taxpayer, can be further classified into corporate income tax and individual income tax. Property tax is imposed on exchange or ownership of property and includes inheritance tax and gift tax. Value-added tax is imposed on value added to goods and services. Customs duty tax is imposed on imported goods. Other taxes include tax on certain securities transactions and a stamp tax for certain documents.

Expenditures include general administration, national defense, community service, education, health, social security, certain annuities and pensions and local finance, which involves the transfer of tax revenues to local governments.

For 2018, the Republic recorded total revenues of ₩438.3 trillion and total expenditures and net lending of ₩407.1 trillion. The Republic had a fiscal surplus of ₩31.2 trillion in 2018.

For 2019, the Republic recorded total revenues of ₩443.9 trillion and total expenditures and net lending of ₩455.9 trillion. The Republic had a fiscal deficit of ₩12.0 trillion in 2019.

For 2020, the Republic recorded total revenues of ₩446.6 trillion and total expenditures and net lending of ₩517.8 trillion. The Republic had a fiscal deficit of ₩71.2 trillion in 2020.

For 2021, the Republic recorded total revenues of W537.6 trillion and total expenditures and net lending of W568.1 trillion. The Republic had a fiscal deficit of W30.5 trillion in 2021.

Based on preliminary data, the Republic recorded total revenues of W588.3 trillion and total expenditures and net lending of W652.9 trillion in 2022. The Republic had a fiscal deficit of W64.6 trillion in 2022.

Debt

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of December 31, 2020 amounted to approximately ₩831.7 trillion, an increase of 16.5% over the previous year.

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of December 31, 2021 amounted to approximately ₩950.0 trillion, an increase of 14.2% over the previous year.

The Government expects that the amount of the Government's debt will further increase in 2023 as it continues to support the Republic's economic recovery and prepare for the transition to a post-pandemic economy. The Ministry of Economy and Finance administers the national debt of the Republic.

External and Internal Debt of the Government

The following table sets out, by currency and the equivalent amount in U.S. dollars, the estimated outstanding direct external debt of the Government as of December 31, 2021:

Direct External Debt of the Government

	Amount in Original Currency	Equivalent Amount in U.S. Dollars (1)
	(millions)	
US$	US$ 7,025.0	US$ 7,025.0
Euro (EUR)	EUR 2,150.0	2,429.5
Total		US$ 9,454.5

(1) Amounts expressed in currencies other than US$ are converted to US$ at the arbitrage rate announced by the Seoul Money Brokerage Services, Ltd. in effect on December 31, 2021.

The following table summarizes, as of December 31 of the years indicated, the outstanding direct internal debt of the Republic:

Direct Internal Debt of the Government

	(billions of Won)
2017	619,971.9
2018	643,550.9
2019	690,524.1
2020	808,941.0
2021	927,865.2

The following table sets out all guarantees by the Government of indebtedness of others:

Guarantees by the Government

	December 31,				
	2017	2018	2019	2020	2021
	(billions of Won)				
Domestic	21,130.5	17,016.3	14,760.0	12,490.0	10,930.0
External[1]	—	—	—	—	—
Total	21,130.5	17,016.3	14,760.0	12,490.0	10,930.0

(1) Converted to Won at foreign exchange banks' telegraphed transfer selling rates to customers or the market average exchange rates in effect on December 31 of each year.

For further information on the outstanding indebtedness, including guarantees, of the Republic, see "—Tables and Supplementary Information".

External Liabilities

The following tables set out certain information regarding the Republic's external liabilities calculated under the criteria based on the sixth edition of the Balance of Payment Manual published by the International Monetary Fund in December 2010 and implemented by the Government in December 2013. Under BPM6, in particular, prepayments received in connection with the construction of ships are excluded from the external liabilities.

	December 31,				
	2018	2019	2020	2021	2022[1]
	(billions of dollars)				
Long-term Liabilities	315.6	335.3	390.6	467.7	497.8
General Government	83.5	91.2	119.4	142.8	153.1
Monetary Authorities	15.2	14.4	15.0	35.9	25.1
Banks	100.1	104.4	112.2	128.1	146.8
Other Sectors	116.8	125.2	144.0	160.9	172.8
Short-term Liabilities	125.6	135.5	160.1	164.7	166.7
General Government	1.0	1.6	2.1	1.6	1.2
Monetary Authorities	12.8	10.9	10.8	9.6	4.8
Banks	90.3	102.0	122.0	123.6	128.7
Other Sectors	21.5	21.0	25.2	29.9	32.0
Total External Liabilities	441.2	470.7	550.6	632.4	664.5

(1) Preliminary.

Commitments to Assume Treasury Obligations

The Government may, if deemed necessary for recovery from disasters and calamities, make commitments to assume treasury obligations to the extent resolved by the National Assembly each fiscal year. In such cases, such commitments shall be executed in accordance with the procedures for spending reserve funds within general accounts. As of January 4, 2023, such commitments assumed by the Government amounted to ₩0.1 trillion.

Debt Record

The Government has always paid when due the full amount of principal of, interest on, and amortization of sinking fund requirements of, all of its indebtedness.

Tables and Supplementary Information

A. External Debt of the Government

(1) External Bonds of the Government

Series	Issue Date	Maturity Date	Interest Rate (%)	Currency	Original Principal Amount	Principal Amount Outstanding as of December 31, 2021
2005-001	November 2, 2005	November 3, 2025	5.625	USD	400,000,000	400,000,000
2013-001	September 11, 2013	September 11, 2023	3.875	USD	1,000,000,000	1,000,000,000
2014-001	June 10, 2014	June 10, 2044	4.125	USD	1,000,000,000	1,000,000,000
2014-002	June 10, 2014	June 10, 2024	2.125	EUR	750,000,000	750,000,000
2017-001	January 19, 2017	January 19, 2027	2.750	USD	1,000,000,000	1,000,000,000
2018-001	September 20, 2018	September 20, 2028	3.500	USD	500,000,000	500,000,000
2018-002	September 20, 2018	September 20, 2048	3.875	USD	500,000,000	500,000,000
2019-001	June 19, 2019	June 19, 2029	2.500	USD	1,000,000,000	1,000,000,000
2019-002	June 19, 2019	June 19, 2024	2.000	USD	500,000,000	500,000,000
2020-001	September 16, 2020	September 16, 2030	1.000	USD	625,000,000	625,000,000
2020-002	September 16, 2020	September 16, 2025	0.000	EUR	700,000,000	700,000,000
2021-001	October 15, 2021	October 15, 2026	0.000	EUR	700,000,000	700,000,000
2021-002	October 15, 2021	October 15, 2031	1.750	USD	500,000,000	500,000,000
Total External Bonds in Original Currencies						USD 7,025,000,000
						EUR 2,150,000,000
Total External Bonds in Equivalent Amount of Won[(1)]						₩ 11,214,168,500,000

(1) U.S. dollar amounts are converted to Won amounts at the rate of US$1.00 to ₩1,185.5, the market average exchange rate in effect on December 31, 2021, as announced by Seoul Money Brokerage Services, Ltd. Euro amounts are converted to Won amounts at the rate of EUR 1.00 to ₩1,342.34, the market average exchange rate in effect on December 31, 2021, as announced by Seoul Money Brokerage Services, Ltd.

(2) External Borrowings of the Government

None.

B. External Guaranteed Debt of the Government

None.

C. Internal Debt of the Government

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of December 31, 2021
	(%)			(billions of Won)
1. Bonds				
Interest-Bearing Treasury Bond for Treasury Bond Management Fund	0.750-5.750	2006-2021	2022-2070	843,660.1
Interest-Bearing Treasury Bond for National Housing I	1.00-3.00	2012-2021	2017-2026	82,132.8
Interest-Bearing Treasury Bond for National Housing II	0.0-3.0	1997-2017	2019-2029	19.8
Interest-Bearing Treasury Bond for National Housing III	0	2005	2015	0
Non-interest-Bearing Treasury Bond for Contribution to International Organizations[(1)]	0	1968-1985	—	9.4
Total Bonds				925,822.1
2. Borrowings				
Borrowings from The Bank of Korea	—	—	—	0
Borrowings from the Sports Promotion Fund	1.060-1.920	2020-2021	2022-2023	940.0
Borrowings from The Korea Foundation Fund	0.955-1.285	2020-2021	2022	78.1
Borrowings from the Labor Welfare Promotion Fund	—	—	—	0
Borrowings from Korea Technology Finance Corporation	0.81-2.34	2018-2020	2022	195.0
Borrowings from the Credit Guarantee Fund for Agriculture, Forestry and Fisheries Suppliers	—	—	—	0
Borrowings from the Government Employees' Pension Fund	—	—	—	0
Borrowings from the Film Industry Development Fund	—	—	—	0
Borrowings from the Korea Credit Guarantee Fund	0.81	2020	2023	250.0
Borrowings from the Housing Finance Credit Guarantee Fund	0.815-1.285	2020	2023	530.0
Borrowings from the Korea Infrastructure Credit Guarantee Fund	0.81	2020	2023	50.0
Total Borrowings				2,043.1
Total Internal Funded Debt				927,865.2

(1) Interest Rates and Years of Original Maturity not applicable.

D. Internal Guaranteed Debt of the Government

Title	Range of Interest Rates	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of December 31, 2021
	(%)			(billions of Won)
1. Bonds of Government-Affiliated Corporations				
Korea Deposit Insurance Corporation	—	—	—	0
Korea Student Aid Foundation	0.00-4.79	2011-2021	2022-2041	10,180.0
Key Industry Stabilization Fund	0.94-2.19	2020-2021	2022-2025	750.0
Total Internal Guaranteed Debt				10,930.0

E. Others

Commitments to Assume Treasury Obligations

The Government may, if deemed necessary for recovery from disasters and calamities, make commitments to assume treasury obligations to the extent resolved by the National Assembly each fiscal year. In such cases, such commitments shall be executed in accordance with the procedures for spending reserve funds within general accounts. As of January 4, 2023, such commitments assumed by the Government amounted to ₩0.1 trillion.

TAXATION

United States Federal Income Taxation Considerations

The following is a summary of certain United States federal income tax considerations that may be relevant to a beneficial owner of a Note that is a citizen or resident of the United States or a domestic corporation for U.S. federal income tax purposes or that otherwise is subject to United States federal income taxation on a net income basis in respect of the Notes (a "United States holder"). This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly on a retroactive basis. This summary deals only with United States holders that will hold Notes as capital assets, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, nonresident alien individuals who are present in the United States for 183 days or more in a taxable year, entities taxed as partnerships or the partners therein, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a functional currency other than the U.S. dollar. This summary does not address United States state, local and non-United States tax consequences, the Medicare tax on certain investment income, special timing rules prescribed under section 451(b) of the Code or the alternative minimum tax. Any special United States federal income tax considerations relevant to a particular issue of Notes, including any Zero Coupon Notes, will be provided in the applicable Pricing Supplement. Because Bearer Notes cannot be offered or sold in connection with their initial distribution to United States citizens or residents (or to other persons located in the United States), this summary does not discuss special tax considerations relevant to the ownership and disposal of Bearer Notes by United States holders.

Investors should consult their own tax advisers in determining the tax consequences to them of holding Notes, including the application to their particular situation of the United States federal income tax considerations discussed below, as well as the application of state, local, non-U.S. or other tax laws.

Payments of Interest

Payments of "qualified stated interest" (as defined below under "Original Issue Discount") on a Note, but excluding any pre-issuance accrued interest, will be taxable to a United States holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the United States holder's method of tax accounting). If such payments of interest are made with respect to a Note denominated in a single currency other than the U.S. dollar (a "Foreign Currency Note"), the amount of interest income realized by a United States holder that uses the cash method of tax accounting will be the U.S. dollar value of the Specified Currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. An accrual method holder will accrue interest income on the Note in the relevant foreign currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the accrual method holder's taxable year), or, at the accrual method holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. An accrual method holder that makes such election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the Internal Revenue Service (the "IRS"). An accrual method holder will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. Amounts attributable to pre-issuance accrued interest will generally not be includible in income, except to the extent of foreign currency gain or loss attributable to any changes in exchange rates during the period between the date the United States holder acquired the Note and the first Interest Payment Date. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Note.

Payments of interest and original issue discount on the Notes to a United States holder may be subject to Korean withholding taxes. As discussed under "*Terms and Conditions of the Notes—Taxation*," the Issuer may be liable for the payment of additional amounts to United States holders so that United States holders receive the same amounts they would have received had no Korean withholding taxes been imposed. For U.S. federal income tax purposes, United States holders would be treated as having actually received the amount of Korean taxes withheld by the Issuer with respect to a Note (including any amounts withheld in respect of additional amounts paid to offset such withholding), and as then having actually paid over the withheld taxes to the Korean taxing authorities. As a result, the amount of interest income included in gross income for U.S. federal income tax purposes by a United States holder with respect to a payment of interest or original issue discount may be greater than the amount of cash actually received (or receivable) by the United States holder from the Issuer with respect to the payment.

Subject to generally applicable limitations and conditions, Korean interest withholding tax paid at the appropriate rate applicable to the United States holder may be eligible for credit against such United States holder's U.S. federal income tax liability. These generally applicable limitations and conditions include new requirements recently adopted by the IRS and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a United States holder. The application of these requirements to the Korean tax on interest is uncertain and we have not determined whether these requirements have been met. If the Korean interest tax is not a creditable tax or the United States holder does not elect to claim a foreign tax credit for any foreign income taxes, the United States holder may be able to deduct the Korean tax in computing such United States holder's taxable income for U.S. federal income tax purposes. Interest and additional amounts will constitute income from sources without the United States and, for United States holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a United States holder's particular circumstances and involve the application of complex rules to those circumstances. United States holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Purchase, Sale and Retirement of Notes

A United States holder's tax basis in a Note generally will equal the cost of such Note to such holder, increased by any amounts includible in income by the holder as original issue discount and market discount and reduced by any amortized premium (each as described below) and any payments other than payments of qualified stated interest (as defined below under "Original Issue Discount") made on such Note. In the case of a Foreign Currency Note, the cost of such Note to a United States holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder (and, if it so elects, an accrual method holder) will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a United States holder's tax basis in a Note in respect of original issue discount, market discount and premium denominated in a Specified Currency will be determined in the manner described under "Original Issue Discount" and "Premium and Market Discount" below. The conversion of U.S. dollars to a Specified Currency and the immediate use of the Specified Currency to purchase a Foreign Currency Note generally will not result in taxable gain or loss for a United States holder.

Upon the sale, exchange or retirement of a Note, a United States holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the United States holder's tax basis in such Note. If a United States holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the Specified Currency received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis United States holder, and if it so elects, an accrual method holder will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual method holders in respect of the purchase and sale of Foreign Currency Notes traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a United States holder generally will be long-term capital gain or loss if the United States holder has held the Note for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations.

Gain or loss recognized by a United States holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes.

Capital gain or loss recognized by a United States holder on the sale or other disposition of the Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Under the new foreign tax credit requirements recently adopted by the IRS, any Korean tax imposed on the sale or other disposition of the Notes generally will not be treated as a creditable tax for U.S. foreign tax credit purposes. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the Notes even if the United States holder has elected to claim a foreign tax credit for other taxes in the same year. United States holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the Notes and any Korean tax imposed on such sale or disposition.

Original Issue Discount

United States holders of Original Issue Discount Notes (as defined below) generally will be subject to the special tax accounting rules for obligations issued with original issue discount ("OID") provided by the Code and certain regulations promulgated thereunder (the "OID Regulations"). United States holders of such Notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for United States federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

If the Issuer issues Notes at a discount from their stated redemption price at maturity, and such discount is equal to or more than the product of one-fourth of one percent (0.25%) of the stated redemption price at maturity of the Notes and the number of full years to their maturity (the "*de minimis* Threshold"), the Notes will be "Original Issue Discount Notes." The difference between the issue price and the stated redemption price at maturity of the Notes will be the OID. The "issue price" of the Notes will be the first price at which a substantial amount of the Notes are sold to the public (*i.e.*, excluding sales of Notes to underwriters, placement agents, wholesalers, or similar persons). The "stated redemption price at maturity" will include all payments under the Notes other than payments of qualified stated interest (as defined below).

In general, each United States holder of an Original Issue Discount Note, regardless of whether such holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the "daily portions" of OID on the Note for all days during the taxable year that the United States holder owns the Note. The daily portions of OID on an Original Issue Discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an Original Issue Discount Note allocable to each accrual period is determined by (a) multiplying the "adjusted issue price" (as defined below) of the Original Issue Discount Note at the beginning of the accrual period by the yield to maturity of such Original Issue Discount Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest (as defined below) allocable to that accrual period. The yield to maturity of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The "adjusted issue price" of an Original Issue Discount Note at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Note in all prior accrual periods. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually during the entire term of an Original Issue Discount Note at a single fixed rate of interest or, subject to certain conditions, based on one or more interest indices. In the case of an Original Issue Discount Note that is a Floating Rate Note, both the "yield to maturity" and "qualified stated interest" will generally be determined for these purposes as though the Original Issue Discount Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.) As a result of this "constant yield" method of including OID in income, the amounts includible in income by a United States holder in respect of an Original Issue Discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A United States holder generally may make an irrevocable election to include in its income its entire return on a Note (i.e., the excess of all remaining payments to be received on the Note, including payments of qualified stated interest, over the amount paid by such United States holder for such Note) under the constant-yield method described above. For Notes purchased at a premium or bearing market discount in the hands of the United States holder, the United States holder making such election will also be deemed to have made the election (discussed below in "—Premium and Market Discount") to amortize premium or to accrue market discount in income currently on a constant-yield basis.

In the case of an Original Issue Discount Note that is also a Foreign Currency Note, a United States holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the Specified Currency using the constant-yield method described above, and (b) translating the amount of the Specified Currency so derived at the average exchange rate in effect during that accrual period (or portion thereof within a United States holder's taxable year) or, at the United States holder's election (as described above under "—Payments of Interest"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a United States holder of an Original Issue Discount Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar Original Issue Discount Note denominated in U.S. dollars. All payments on an Original Issue Discount Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection

with a payment of an amount that is not qualified stated interest or the sale or retirement of the Original Issue Discount Note), a United States holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the Original Issue Discount Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

If a Note provides for a scheduled accrual period that is longer than one year (for example, as a result of a long initial period on a Note with interest that is generally paid on an annual basis), then stated interest on the Note will not qualify as "qualified stated interest" under the OID Regulations. As a result, the Note would be an Original Issue Discount Note. In that event, among other things, a cash-method United States holders will be required to accrue stated interest on the Note under the rules for OID described above, and all United States holders will be required to accrue OID that would otherwise fall under the *de minimis* Threshold.

A subsequent United States holder of an Original Issue Discount Note that purchases the Note at a cost less than its remaining redemption amount (as defined below), or an initial United States holder that purchases an Original Issue Discount Note at a price other than the Note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the United States holder acquires the Original Issue Discount Note at a price greater than its adjusted issue price, such holder is required to reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining redemption amount" for a Note is the total of all future payments to be made on the Note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as "qualified stated interest" and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note does not qualify as a "variable rate debt instrument", such Note will be subject to special rules (the "Contingent Payment Regulations") that govern the tax treatment of debt obligations that provide for contingent payments ("Contingent Debt Obligations"). The timing, amount and character of income from a Note subject to the Contingent Payment Regulations may differ significantly from the timing, amount and character of income that would otherwise apply. Purchasers of Notes subject to the Contingent Payment Regulations should consult their own tax advisers with respect to the tax consequences of holding such Notes.

Certain of the Notes may be subject to special redemption, repayment or interest rate reset features, as indicated in the applicable Pricing Supplement. Notes containing such features, in particular Original Issue Discount Notes, may be subject to special rules that differ from the general rules discussed above. Purchasers of Notes with such features should carefully examine the applicable Pricing Supplement and should consult their own tax advisers with respect to such Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the purchased Notes.

Premium and Market Discount

A United States holder of a Note that purchases the Note at a cost greater than its remaining redemption amount (as defined in the third preceding paragraph) will be considered to have purchased the Note at a premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the United States holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A United States holder that elects to amortize such premium must reduce its tax basis in a Note by the amount of the premium amortized during its holding period. Original Issue Discount Notes purchased at a premium will not be subject to the OID rules described above. In the case of premium in respect of a Foreign Currency Note, a United States holder should calculate the amortization of such premium in the Specified Currency. Amortization deductions attributable to a period reduce interest payments in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the United States holder for such interest payments. Exchange gain or loss will be realized with respect to amortized bond premium on such a Note based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the Note and the exchange rate on the date on which the United States holder acquired the Note. With respect to a United States holder that does not elect to amortize bond premium, the amount of bond premium will be included in the United States holder's tax basis when the Note matures or is disposed of by the United States holder. Therefore, a United States holder that does not elect to amortize such premium generally will be required to treat the premium as capital loss when the Note matures or is disposed of.

If a United States holder of a Note purchases the Note at a price that is lower than its remaining redemption amount, or in the case of an Original Issue Discount Note, its adjusted issue price, by at least 0.25% of its remaining redemption amount multiplied by the number of remaining whole years to maturity, the Note will be considered to have "market discount" in the hands of such United States holder. In such case, gain realized by the United States holder on the disposition of the Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by such United States holder. In addition, the United States holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry

the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of such Note, or, at the election of the holder, under a constant yield method. Market discount on a Foreign Currency Note will be accrued by a United States holder in the Specified Currency. The amount includible in income by a United States holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the United States holder.

A United States holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a United States holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the United States holder's taxable year). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Short-Term Notes

The rules set forth above will also generally apply to Notes having maturities of not more than one year ("Short-Term Notes"), but with certain modifications.

First, the OID Regulations treat *none* of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be Original Issue Discount Notes. OID will be treated as accruing on a Short-Term Note ratably, or at the election of a United States holder, under a constant yield method.

Second, a United States holder of a Short-Term Note that uses the cash method of tax accounting and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a United States holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the Maturity of the Note or its earlier disposition in a taxable transaction. In addition, such a United States holder will be required to treat any gain realized on a sale, exchange or retirement of the Note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the Note during the period the United States holder held the Note. Notwithstanding the foregoing, a cash-basis United States holder of a Short-Term Note may elect to accrue OID into income on a current basis or to accrue the "acquisition discount" on the Note under the rules described below. If the United States holder elects to accrue OID or acquisition discount, the limitation on the deductibility of interest described above will not apply.

Accrual method holders and certain cash-basis United States holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include original issue discount on a Short-Term Note in income on a current basis. Alternatively, a United States holder of a Short-Term Note can elect to accrue the "acquisition discount", if any, with respect to the Note on a current basis. If such an election is made, the OID rules will not apply to the Note. Acquisition discount is the excess of the Short-Term Note's stated redemption price at maturity (i.e., all amounts payable on the Short-Term Note) over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the United States holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules will not apply to a Short-Term Note.

Indexed Notes and Other Notes Providing for Contingent Payments

The Contingent Payment Regulations, which govern the tax treatment of Contingent Debt Obligations, generally require accrual of interest income on a constant-yield basis in respect of such obligations at a yield determined at the time of their issuance, and may require adjustments to such accruals when any contingent payments are made. A detailed description of the tax considerations relevant to United States holders of any contingent debt obligations will be provided in the applicable Pricing Supplement.

Information Reporting and Backup Withholding

Information Returns are required to be filed with the IRS with respect to payments made to, and the proceeds of dispositions of Notes effected by, certain United States taxpayers. In addition, certain United States taxpayers may be subject to United States backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Persons holding Notes who are not United States taxpayers may be required to comply with applicable certification

procedures to establish that they are not United States taxpayers in order to avoid the application of such information reporting requirements and backup withholding tax. The amount of any backup withholding from a payment to a United States or non-United States taxpayer will be allowed as a credit against the taxpayer's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

Specified Foreign Financial Assets

Certain United States holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 on the last day of the taxable year or US$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-United States financial institution, as well as securities issued by a non-United States issuer (which would include Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. United States Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Persons considering the purchase of Notes are encouraged to consult with their own tax advisers regarding the possible application of these rules to their investment in Notes, including the application of the rules to their particular circumstances.

Foreign Currency Notes and Reportable Transactions

A United States holder that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A United States holder may be required to treat a foreign currency exchange loss relating to a Foreign Currency Note as a reportable transaction if the loss exceeds US$50,000 in a single taxable year if the United States holder is an individual or trust, or higher amounts for other United States holders. In the event the acquisition, ownership or disposition of a Foreign Currency Note constitutes participation in a "reportable transaction" for purposes of these rules, a United States holder will be required to disclose its investment to the IRS, currently on IRS Form 8886. Persons considering the purchaser of Notes should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Foreign Currency Notes.

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

The taxation of non-resident individuals and non-Korean corporations ("Non-Residents") generally depends on whether they have a "permanent establishment" (as defined under Korean law) in Korea to which the relevant Korean source income is attributable or with which such relevant Korean source income is effectively connected. Non-Residents without such a permanent establishment in Korea are taxed in the manner described below. Non-Residents with such permanent establishment are taxed in accordance with different rules.

Income Tax and Corporation Tax on Interest

Interest on the Notes paid to Non-Residents is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law of Korea (the "STTCL") subject to the discussion below applicable to the Notes, so far as the Notes are "foreign currency denominated bonds issued outside Korea" under the STTCL. In this regard, the Korean tax authority issued a ruling on 1st September, 1990 to the effect that "Notes Issuance Facility, USCP, Euro CP and Banker's Acceptance, etc." are not treated as "foreign currency denominated bonds."

If not exempt under STTCL, the rate of income tax or corporation tax applicable to interest or any premium on the Notes, for a Non-Resident without a permanent establishment in Korea, is currently 14 per cent. In addition, a tax surcharge, called a local income tax is imposed at the rate of 10 per cent. of the income or corporation tax (raising the total tax rate to 15.4 per cent.). The tax is withheld by the payer or the Issuer. These tax rates may be reduced by an applicable tax treaty, convention or agreement between Korea and the country of the recipient of the income. The relevant tax treaties are discussed below under "—Tax Treaties."

Capital Gains Tax

The Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident without a permanent establishment in Korea from the sale of the Notes to a Non-Resident (other than to its permanent establishment in Korea). In addition, capital gains earned by a

Non-Resident without a permanent establishment from the transfer outside Korea of the Notes are currently exempt from taxation by virtue of STTCL, provided that the issuance of the Notes is deemed to be an overseas issuance under the STTCL.

In the absence of an applicable tax treaty or any other special tax laws eliminating the capital gains tax, the applicable rate of tax is the lower of 11 per cent. (including local income tax) of the gross realization proceeds (the "Gross Realization Proceeds") and (subject to the production of satisfactory evidence of the acquisition cost and the certain direct transfer cost of the relevant Notes) 22 per cent. (including local income tax) of the gain made. The gain is calculated as the Gross Realization Proceeds less the acquisition cost and the certain direct transfer cost (including taxes, dues and brokerage commissions paid in direct connection with the acquisition and transfer of the Notes). There is no provision under the relevant Korean law for offsetting gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of securities of Korean companies.

The purchaser or any other designated withholding agent of Notes is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority no later than the tenth day of the month following the month in which the sale of the relevant Notes occurred. Unless the seller can claim the benefit of an exemption from the tax under an applicable tax treaty or in the absence of the seller producing satisfactory evidence of his acquisition cost and the transfer cost in relation to the Notes being sold, the purchaser or such withholding agent must withhold an amount equal to 11 per cent. (including local income tax) of the Gross Realization Proceeds.

Inheritance Tax and Gift Tax

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his death he was domiciled in Korea and (b) all property located in Korea which passes on death (irrespective of the domicile of the deceased). Gift tax is imposed in similar circumstances to the above. The taxes are imposed if the value of the relevant property is above a certain limit and the rate varies from 10 per cent. to 50 per cent. according to the value of the relevant property and the identity of the parties involved.

Under the Korean inheritance and gift tax laws, any Notes issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned, however, holders of any Notes will not be deemed to be resident, domiciled or carrying on business by reason only of holding such Notes.

Stamp Duty and Securities Transaction Tax

No stamp, issue or registration duties will be payable in Korea by the Noteholders or the Couponholders in connection with the issue of the Notes. A securities transaction tax will not be imposed on the transfer of Notes.

Tax Treaties

At the date of this Offering Circular, Korea has tax treaties with over 80 countries including *inter alia* Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, the People's Republic of China, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America whereunder the rate of withholding tax on interest is reduced, generally to between 5 per cent. and 15 per cent. including local income tax, and the tax on capital gains is often eliminated.

Each Non-Resident Noteholder should enquire for himself whether he is entitled to the benefit of a tax treaty with respect to any transaction involving the Notes. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the Issuer a certificate as to his tax residence. In the absence of sufficient proof, the Issuer must undertake to withhold taxes in accordance with the above discussion.

In addition, subject to certain exceptions, in order to receive the benefit of a tax exemption available under any applicable tax treaty, you may also be required to submit to the payer of such Korean source income an application for tax exemption under a tax treaty, together with documents evidencing that you are a beneficial owner of such Korean source income (the "Beneficial Owner Evidencing Documents"), which include, in principle, a certificate as to your country of tax residence. In the event (a) a party claiming the benefits of a tax treaty is a non-Korean corporation (excluding the instance where the payment is received by an overseas investment vehicle as described below) and (b) the total amount of tax applicable for the tax exemption under the tax treaty is ₩1 billion or more (including the instance where the total amount of tax previously exempted by a tax treaty is ₩1 billion or more for the past one year from the last day of the month in which the payment of such Korean source income was made), such corporation will be required to submit (a) the name and addresses of the members of the board of directors, (b) the personal details of shareholders and the status of their current equity holdings and (c) the audit reports submitted to its county of tax residence for the immediately preceding three years to the payer of such Korean source income in addition to the Beneficial Owner Evidencing Documents.

Subject to certain exceptions, the Korean tax laws also require an overseas investment vehicle (which is defined as an organization established in a foreign jurisdiction that manages funds collected through investment solicitation by way of acquiring, disposing or otherwise investing in proprietary targets and then distributes the outcome of such management to investors) to obtain the application for tax exemption from the beneficial owners together with the Beneficial Owner Evidencing Documents and submit a report of overseas investment vehicle to the payer, together with a detailed statement on the beneficial owner of the income and the obtained application for exemption and the Beneficial Owner Evidencing Documents from the beneficial owner. The payer of such Korean source income, in turn, will be required to submit such exemption application to the relevant district tax office in Korea by the ninth day of the month following the date of the first payment of such income. Furthermore, the Corporation Income Tax Law (the "CITL") and Individual Income Tax Law (the "IITL") require the beneficial owner to submit an application for entitlement to a preferential tax rate together with evidence of tax residence (including a certificate of tax residence of the beneficial owner issued by a competent authority of the country of tax residence of the beneficial owner) to a withholding obligor paying Korean source income in order to benefit from the available reduced tax rate pursuant to the relevant tax treaty. Subject to certain exceptions, the CITL and IITL also require an overseas investment vehicle to obtain the application for entitlement to a preferential tax rate together with evidence of tax residence (including a certificate of tax residence of the beneficial owner issued by a competent authority of the country of tax residence of the beneficial owner) from the beneficial owners and submit a report of overseas investment vehicle to the withholding obligor, together with a detailed statement on the beneficial owner of the income.

If there is no change in the contents of application for a tax exemption or preferential tax rate, such application is not required to be submitted again within 3 years thereafter. And if the beneficial owner was unable to receive the benefit of a tax exemption or preferential tax rate due to his or her failure to timely submit such application, the beneficial owner may still receive tax treaty benefits by claiming tax refund with evidentiary documents to the relevant tax office within five years of the last day of the month during which the payment of such income occurred.

At present, Korea has not entered into any tax treaties regarding its inheritance or gift tax.

The Proposed Financial Transaction Tax

The European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common financial transaction tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "Participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT remains subject to negotiation between the Participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated dealer agreement dated 18 December 2020 (as amended and/or supplemented from time to time, the "Dealer Agreement"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Dealer Agreement the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of the Notes under the Programme.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes. Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (iii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(d) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(l), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER

OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR RESALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (i)(A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(h) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see "Form of the Notes".

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of this Offering Circular and such other information as it deems necessary in order to make its investment decision;

(j) that the Institutional Accredited Investor understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not

been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in this Offering Circular and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(k) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(l) that the Institutional Accredited Investor is an Institutional Accredited Investor within the meaning of Rule 501(a)(l), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(m) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(n) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least US$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than US$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, US$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, US$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Selling Restrictions

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder. The applicable terms of the Notes will identify whether D Rules apply or whether TEFRA is not applicable. Where the applicable terms of the Notes state that the D Rules are applicable, the issuance of such Notes shall be subject to such additional United States selling restrictions with respect to TEFRA as the Issuer and relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("Regulation S Notes"), each Dealer has represented and agreed, and each other Purchaser will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each other Purchaser will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is US$100,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Deed Poll to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Each issuance of Dual Currency Notes or Index Linked Notes shall be subject to such additional United States selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

This Offering Circular is only being distributed to and is only directed at (i) persons who are outside the UK or (ii) investment professionals falling within Article 19(5) of the Order or (iii) high net worth entities, and relevant persons. The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms contained in the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction under the UK Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", in relation to the UK, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the UK, except that it may make an offer of such Notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) as permitted under the UK Prospectus Regulation, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA;

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA and regulations made thereunder.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms contained in the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each a "Relevant State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

France

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) no prospectus, offering circular or pricing supplement has been submitted to *the Autorité des marches financiers* (including any amendment, supplement or replacement thereto in connection with the offering contemplated by this Offering Circular; and

(b) it has only offered or sold and will only offer or sell, directly or indirectly, any Notes in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and under Article L.411-2 1° of the *Code monétaire et financier*, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, this Offering Circular, the relevant Pricing Supplement or any other offering material relating to the Notes, to qualified investors as defined in Article 2(e) of the Prospectus Regulation and in Article L.411-2 1° of the French *Code monétaire et financier*.

Italy

None of the Notes, the offering of which is contemplated by this Offering Circular, has been cleared with the *Commissione Nazionale per la Società e la Borsa* ("CONSOB") (the Italian securities exchange commission) pursuant to Italian securities legislation. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Notes will be required to represent and agree, that the Notes may not, and will not, be offered, sold or delivered, directly or indirectly, nor may or will copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy ("Italy"), except:

(a) to qualified investors, as defined in Article 2, letter (e) of Regulation (EU) 2017/1129 (the "Prospectus Regulation") pursuant to Article 1, fourth paragraph, letter a) of the Prospectus Regulation; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation.

In addition, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations and, in particular, must be carried out:

(i) by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Italian Financial Act, Legislative Decree No. 385 of September 1, 1993 (the "Italian Banking Act"), each as amended from time to time;

(ii) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and

(iii) in compliance with any other applicable laws and regulations or requirements that may be imposed from time to time by the Bank of Italy, CONSOB or any other Italian authority.

Any investor purchasing the Notes is exclusively responsible for ensuring that any offer or resale of the Notes it purchased occurs in compliance with applicable laws and regulations. No person resident or located in Italy other than the original addressees of this document may rely on this document or its contents.

This Offering Circular, any other document relating to the Notes, and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 1 of the Prospectus Regulation, are not to be distributed, for any reason, to any third party resident or located in Italy.

Switzerland

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act ("FinSA"), and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to an offering of Notes contemplated by this Offering Circular, nor the Company or the Notes have been or will be filed with or approved by any Swiss regulatory authority. Such Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection or supervision by such authority.

Japan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Korea

Each Dealer has represented and agreed that Notes subscribed by it will be subscribed by it as principal and that it will not, directly or indirectly, offer, sell or deliver any Notes in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and its Enforcement Decree) or to others for re-offering or re-sale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and its Enforcement Decree) except as otherwise permitted by applicable Korean laws and regulations. Each Dealer has undertaken that it will ensure that each securities dealer to whom it sells Notes will agree that it is purchasing such Notes as principal and that it will not re-offer or re-sell any Notes, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea except as aforesaid.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 of Singapore (the "SFA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA — Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

People's Republic of China

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the People's Republic of China.

General

Each Dealer has represented and agreed, and each other Purchaser will be required to represent and agree, that (to the best of its knowledge and belief) it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have responsibility therefor. If a jurisdiction requires that an offering of Notes be made by a licenced broker or dealer and the Dealers or any affiliate of the Dealers is a licenced broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Offering Circular.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. The Dealers and certain of their affiliates may have performed, and may in the future perform, certain investment banking, advisory services and other commercial dealings in the ordinary course of business for the Issuer, its subsidiaries, affiliates, jointly controlled entities and/or associated companies from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of their business. The Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution.

The Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of the Issuer or its subsidiaries, jointly controlled entities or associates, including Notes issued under the Programme, at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers, holders or sellers of Notes).

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in Korea in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Executive Directors of the Issuer passed on 19 September 1997.

2. Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST.

3. Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2022 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2022.

4. Except as disclosed in Note 36 of the notes to the Issuer's separate financial statements as of and for the years ended 31 December 2022 and 2021, neither the Issuer nor any of its subsidiaries is involved in any legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Circular, a significant effect on the financial position of the Group or of the Issuer nor is the Issuer aware that any such proceedings are pending or threatened.

5. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

6. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The appropriate Common Codes for each issue allocated by Euroclear and Clearstream, Luxembourg will be contained in the relevant Pricing Supplement. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction. The Issuer may also apply to have the Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN, Common Code and the CMU instrument number, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement. The Legal Entity Identifier (LEI) of the Issuer is 549300APVP4R32PI3Y06.

7. For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of the Fiscal Agent:

(a) the Agency Agreement (which includes the form of the Global Notes, the Global Certificates, the Definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);

(b) the Dealer Agreement;

(c) the Deed of Covenant;

(d) the Deed Poll;

(e) the KEXIM Act, the KEXIM Enforcement Decree and the Articles of Incorporation of the Issuer;

(f) the most recent publicly available audited separate financial statements of the Issuer beginning with such financial statements for the years ended 31 December 2022 and 2021;

(g) any Pricing Supplement relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (in the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Pricing Supplement will only be available for inspection by the relevant Noteholders);

(h) the current listing particulars in relation to the Programme, together with any amendments; and

(i) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular.

8. Copies of the latest annual report and audited non-consolidated accounts of the Issuer may be obtained, and copies of the Agency Agreement, the Deed of Covenant and the Deed Poll will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The Issuer does not publish interim financial statements.

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EXCHANGE AGENT

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1 Unless otherwise specified in the applicable Pricing Supplement, Deutsche Bank AG, London Branch will act as Fiscal Agent.

2 Unless otherwise specified in the applicable Pricing Supplement, Deutsche Bank Trust Company Americas will act as Registrar.

3 Unless otherwise specified in the applicable Pricing Supplement, Deutsche Bank AG, Hong Kong Branch and Deutsche Bank Luxembourg S.A. will act as Transfer Agent.

CMU LODGING & PAYING AGENT AND CMU REGISTRAR

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