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THE EXPORT-IMPORT BANK OF KOREA

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THE EXPORT-IMPORT BANK OF KOREA ANNUAL REPORT 2003

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2003 | Annual Report

Creative Leader in Export Credit

**THE EXPORT-IMPORT
BANK OF KOREA**



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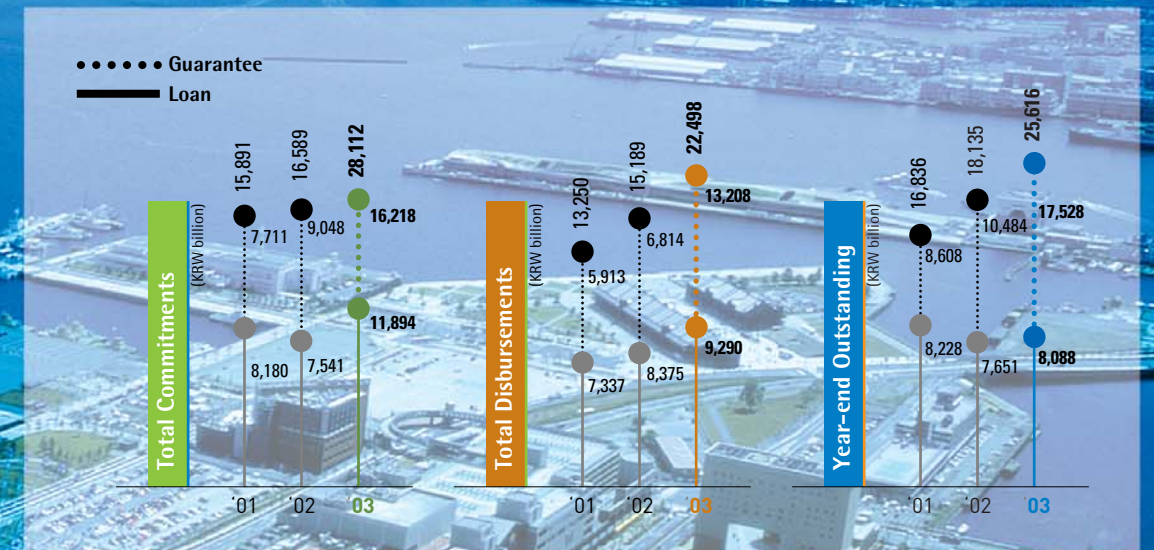
The Export-Import Bank of Korea is an official export credit agency providing comprehensive export credit and project finance to support Korean enterprises in conducting business internationally. Since its establishment in 1976, the Bank has endeavored to facilitate the development of the national economy and enhance economic cooperation with foreign countries as a financial catalyst.

The Bank's financial service embraces export loan, trade finance, and guarantee structured to the needs of various customers, complementing the client's utmost competitiveness in world market. The Bank also provides overseas investment credit, import credit, and information services on business opportunities abroad. The potential projects are realized through the Bank's capability to cover risk and bridge the liquidity gap in overseas transactions.

Furthermore, the Bank administers two government funds, a Korean ODA program and a cooperation program with North Korea: Economic Development Cooperation Fund(EDCF) and Inter-Korea Cooperation Fund(IKCF), respectively.

The Bank boasts of the highest credit rating among Korean financial institutions, and envisages "Creative Leader in Export Credit" trusted by Korean people and companies.

	KRW billion		US\$ million	
	2002	2003	2002	2003
For the Year				
Total Commitments	16,589	28,112	13,820	23,470
Loans	7,541	11,894	6,282	9,930
Guarantees	9,048	16,218	7,538	13,541
Total Disbursements	15,189	22,498	12,653	18,783
Loans	8,375	9,290	6,977	7,756
Guarantees	6,814	13,208	5,676	11,027
Net income	54	44	45	37
At Year-end				
Loans Outstanding	7,651	8,088	6,374	6,752
Guarantees Outstanding	10,484	17,528	8,734	14,633
Total Assets	10,607	11,282	8,836	9,419
Paid-in Capital	2,726	2,766	2,271	2,309
BIS Capital Adequacy Ratio(%)	14.7	14.2	14.7	14.2
<i>Converting Rates (KRW/US\$)</i>			1,200.4	1,197.8



| History |

1976

Established by the Export-Import Bank of Korea Act

1977

Manages Export Insurance Fund

1987

Operates EDCF, a Korean ODA program

1988

Opens Overseas Economic Research Institute

1991

Administers IKCF, a cooperation program with North Korea

1992

Relocates Export Insurance Fund to KEIC

2000

Financing activities exceed US\$10 billion

2002

Financing activities exceed US\$20 billion



| Message from the Chairman & President |

The year 2003 saw a general economic slowdown due to the reduction of domestic consumption and private investment. In spite of unfavorable circumstances, the annual export showed a robust growth of 19.3% from the previous year to US\$194 billion, serving as the main contributor to the 3.1% GDP growth last year.

Such vigorous expansion of exports was largely attributable to the Bank's endeavors to assist Korean exporters by offering various financial support. The Bank actively undertook its role as a major financial catalyst to provide a total credit of KRW22.5 trillion, increased by 48% from KRW15.2 trillion of 2002.

One of such impressive efforts was the direct loan to the National Iranian Oil Company (NIOC). The Bank approved US\$880 million for the South Pars phases 9 & 10 Gas Field Development Project in the aggregate amount of US\$1.9 billion, while the remainder was financed by other European ECAs. The international community is becoming increasingly aware of Korea's ability to carry out such high profile global projects and views the Bank as an efficient partner for collaborative financial solutions.

The Bank was active in arranging structured financing for ships by approving US\$886 million of loans for six projects worldwide. The structured financing of US\$363 million, which was arranged with a European bank as sub-participant to finance nine new containerships for a Canadian shipping company, illustrates the Bank's ability to combine export credit and commercial bank finance.

The Bank also strove to extend loans to promising small and medium-sized enterprises (SMEs) through innovative financing programs in response to the customer's demands and necessities. KRW2.2 trillion was mainly provided through the Small Business Export Credit program, along with the currency option to convert Korean Won to another foreign currency, thus actively undertaking the SMEs' foreign exchange risks. We also opened the "Export Consulting Center", offering a one-stop service rendering up-to-date market information as well as financial and legal consulting.

As for the Economic Development Cooperation Fund (EDCF) which stood at KRW1,565 billion in its total size at the end of 2003, the Bank is focusing on maximizing ODA effectiveness by concentrating our support in strategic areas such as Information Technology (IT), environment and education. Those areas have a substantial impact in the economies of the recipient countries.

With regard to the operation of the Inter-Korean Cooperation Fund (IKCF), the Bank was designated last September as the clearing bank for settling inter-Korean trade with the Foreign Trade Bank of North Korea as its counterpart. This reflects the

South and North Korean governments' recognition of the Bank's ability and experience as the administrator of the government-entrusted IKCF of which the total size was KRW4,262 billion at the end of 2003.

In line with the gradual recovery of the global economy mainly spurred by the U.S., the Korean economy in the year 2004 is forecasted to show a 5% growth rate. The Bank will continue to play the catalytic role in expanding Korean exports which are the main locomotives of the national economic growth through diverse and flexible financial programs. Against this backdrop, the Bank will expand its domestic and international networks by launching a subsidiary in Hong Kong and representative offices in Shanghai and New Delhi, as well as opening a local branch in Suwon, Gyeonggi Province.

Since my appointment last September, we set out to draw a three-year roadmap to firmly establish our status as a core bank for global business, while effectively bolstering the government's economic policies. Even though we are well aware of the difficulties awaiting us in the face of ever-changing global economic environment, we are determined to pursue our

efforts in specializing in three main areas of our business, Export Credit, EDCF and IKCF. With deepened expertise in our core activities and strengthened ties with global financial institutions, we will consolidate our status as the leading Export Credit Agency in Asia, trusted and respected by the international community.


Dong-Kyu Shin
Chairman & President



The Newly Appointed Chairman & President

Year 2003 had a major turning point as a new CEO was appointed to lead the Bank. Dr. Dong-kyu Shin, the newly appointed Chairman & President, began the first of a three-year term last September. Dr. Shin has travelled extensively and understands the inter-workings of the global economy, having received his Masters in Financial Economics at the University of Wales and Ph.D. in Economics at Kyunghee University in Seoul. He has previously served as the Deputy Minister of the Ministry of Finance and Economy and built his international career as Counselor of Finance and Economy at the Korean Embassy in Washington D.C., and a staff member of the Asian Development Bank.



Launch of the Knowledge Management System & Completion of the Next Generation Information System

In January, the Bank launched an online knowledge management system (KMS) that will facilitate the accumulation of core knowledge and its sharing among the Bank's staff, in line with the new paradigm of the 21st century business management. Such upgrading was made possible by the completion of the Next Generation Information System (NGIS) in April. NGIS development project, which was started in November 2001, renovated the Bank's information infrastructure, enhancing work efficiency and quality.

Opening of the Export Consulting Center

The Bank opened the Export Consulting Center that will provide a substantial one-stop service to Korean exporters seeking business opportunities overseas, by offering up-to-date market information as well as financial and legal consulting.



A Record Export Credit Financing for the South Pars Project in Iran

In 2003, the Bank made a turning point in its track record of Project Financing and Structured Financing. Among them, the most remarkable transaction was the direct loan to the National Iranian Oil Company (NIOC) to finance its US\$1.9 billion South Pars Phases 9 & 10 Gas Field Development Project. The Bank approved around US\$880 million and played a leading role with major European Export Credit Agencies (ECA) and commercial banks. The market appraised the loan, which was provided for NIOC's first structured finance deal, as an exemplary case which demonstrated the diversified function of the Bank as a leading ECA.



Making Inroads into Central and South America

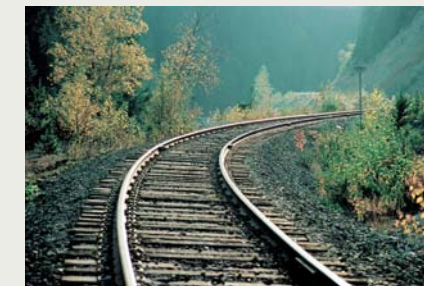
The Bank reopened its Mexico City Representative Office in November in order to meet the increasing demand from Korean companies making inroads into Central and South America. The office was closed in late 1998 as part of the organizational restructuring process during the Asian financial crisis. The office is expected to operate as a key station promoting economic cooperation among Mexico and Caribbean countries, while actively seeking entry into this regional market. The trade volume between Mexico and Korea has been steadily increasing since the 1990s, and Mexico has become one of Korea's major markets.

"Integrated Marketing" Introduced

The Bank initiated an innovative approach in penetrating into the global market through its new marketing program. The so-called "Integrated Marketing", which was carried out in Saudi Arabia, Turkey and UAE in June and Brazil, the Republic of Dominica and Mexico in November, respectively, aims at exploring future financing opportunities while being abroad to discuss ongoing projects. Under this program, the Bank expanded awareness of its activities through making presentations to potential project contractors and local financial institutions as well as gathering information on blue-chip companies in the region. It is expected to bring tangible results in the long run.

Designation as the official Inter-Korean Settlement Bank

As of September 8, 2003, the Bank was solely designated as the official Inter-Korean Settlement Bank for South Korea, as part of the Inter-Korean Agreement on economic cooperation with the Foreign Trade Bank of North Korea as its counterpart. The Bank will be in charge of establishing clearing accounts for settlements, which will eventually serve as a means to support trade facilitation between South and North Korea. The establishment of the Settlement Bank is expected to effectively save monetary and timely efforts of companies engaging in inter-Korean business transactions.



The Reopening of Financial Support for Russia

After a tentative agreement of rescheduling on former Soviet Union's debt to Korea in June 2003, the Bank decided to resume the financial supply to Russia for the first time since 1991-1992. As the first step, the Bank established a US\$90 million credit line to the 3 major commercial banks in Russia, Rosbank, Promsvyazbank, and Alfa-Bank, during the last quarter of 2003.

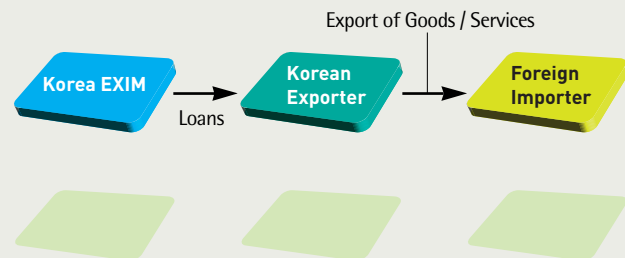
AT A GLANCE

>>> 2003 >>>

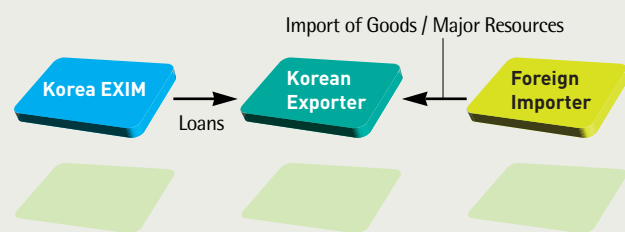
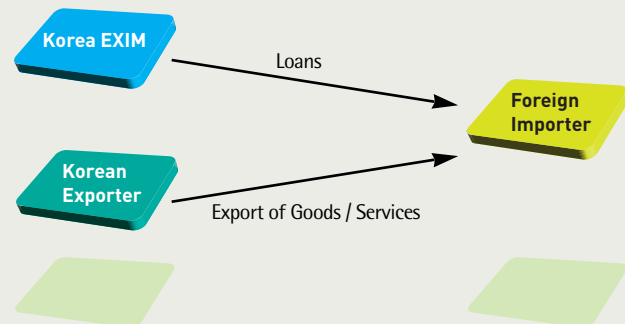


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Loans to Domestic Suppliers ●



Loans to Foreign Buyers ●●



Financing Programs for Export

Loans to Domestic Suppliers ●

Export Loan

Loan to Korean exporters that execute the export of capital goods such as industrial plants, ships, and industrial machinery

Technical Service Credit

Credit to Korean companies that export technical services, including overseas construction projects

Small Business Export Credit

Credit to SMEs that manufacture exporting goods or supply materials to primary exporters

Rediscount on Trade Bills

Trade financing to domestic commercial banks in the form of rediscounting trade bills already discounted by commercial banks for exporters

Forfaiting

Trade financing to Korean exporters in the form of discounting trade bills gained from transactions with developing countries without recourse or additional collateral

Loans to Foreign Buyers ●●

Direct Loan

Loan to foreign buyers that purchase Korean goods or technical services, in which the Bank directly enters into loan agreements with foreign buyers

Project Finance

Loan to foreign project companies that import plants, equipment, and technical services from Korea for the promotion of greenfield projects

Relending Facility

Line of credit to creditworthy banks in foreign countries to help foreign buyers obtain loans for the purchase of manufactured goods from Korea

Financing Programs for Import

Import Credit

Credit to Korean importers that import essential materials and major resources, of which stable and timely supply is required for Korean economy

Financing Programs for Overseas Investment

Overseas Investment Credit

Credit to Korean companies that invest abroad in the forms of equity participation or long-term loan

Overseas Project Credit

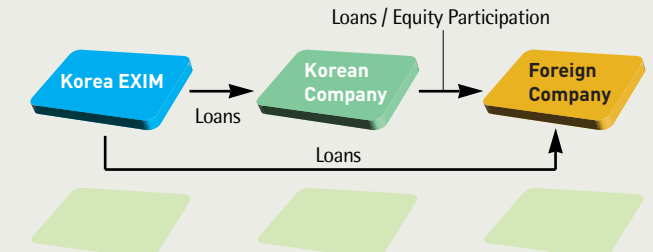
Credit to Korean companies engaged in business outside Korea to procure materials required for installing, expanding, and operating equipment or facilities abroad

Overseas Business Credit

Credit to foreign companies, in which a Korean company has an equity share, for purchasing equipment or working capital

Major Resources Development Credit

Credit to Korean companies that explore natural resources and acquire mining rights abroad



Guarantees & Other Support

Financial Guarantee

Guarantee to co-financing banks that provide loans to transactions that satisfy the Bank's eligibility

Project Related Guarantee

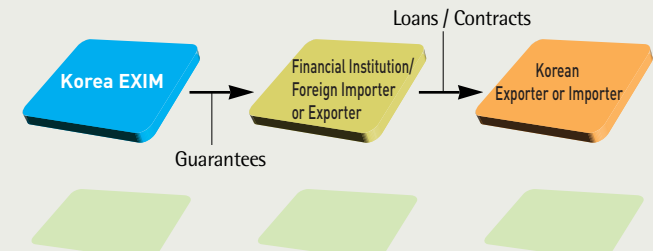
Guarantee to foreign importers for the performance of the eligible projects, in the forms of bid bond, advance payment bond, performance bond, retention bond, etc

Interest Rate Support

Support to financial institutions that co-finance export credit with the Bank at CIRR in accordance with the OECD Arrangement

L/C Confirmation Facility

Facility to confirm L/Cs, which are issued by foreign banks in developing countries, in favor of Korean exporters in relation to export transactions



Non-financial Service Programs

Country Information Service

Service on diverse and timely economic information on many countries worldwide by operating Overseas Economic Information System (OEIS) on the Bank's web site

Export Credit Advisory Service (ECAS)

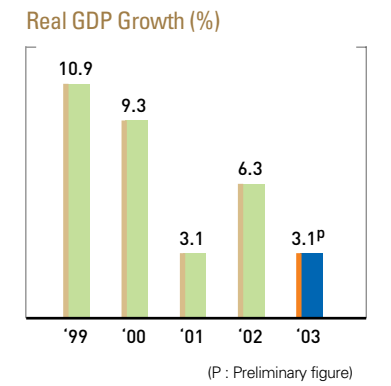
Financial consulting and information service on the country, industry, and market of the importing countries that are needed in the early stage of tendering process or contract negotiations

Legal Consulting Service

Legal consulting provided by in-house lawyers, such as reviewing international agreements and advising on legal issues related to financial transactions



The Korean economy in 2003 recorded its worst performance since the 1997-98 Asian financial crisis as domestic demand and corporate investment remained in a slump. However, as the global economy started to pick up, it showed signs of recovery from the third quarter with the rapid growth of exports. The GDP growth rate in 2003 recorded 3.1%, far short of its 5% forecast and less than half of 6.3% in 2002. This is largely attributed to extremely low facility investment and consumer spending.



Export Trends in 2003

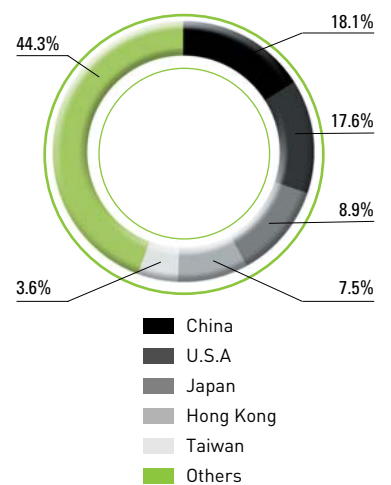
Exports in 2003 soared by 19.3% from the previous year to US\$193.8 billion, the second largest increase since 1995 following the 19.8% in 2000. Despite uncertain international surroundings caused by the Iraq war and SARS outbreak, exports showed a two-digit increase every month except May and a 20% overall increase since September, when the Won began to gain an advantage over the Yen.

Korea's leading export products such as semiconductors, automobiles, computers, telecommunications equipment, and ships largely contributed to the high export growth, while those of the so-called conventional products such as textile products decreased over time.

In particular, exports of wireless telecommunications equipment increased by 37.3%, posting US\$18.7 billion and that of automobiles rose 29.4% to US\$19.1 billion due to the improvement of its unit price. Exports of semiconductors and computers were also leading the momentum in the second half of the year coupled with the increasing output growth. However, the share of the top five export products out of total exports took up more than 43%, indicating the extent of Korea's export dependency on a few major products.

The year 2003 witnessed a noticeable change in Korea's major trading partners. While exports to the United States, traditionally the number one destination, slightly declined and ranked second, China became the number one country for the first time. Exports to China soared by 47.8% to US\$35.1 billion in 2003 thanks to China's rising purchasing power with increasing domestic demand for capital goods led by its fast economic growth.

Shares of Five Major Export Markets



On the whole, exports to the emerging markets greatly increased by 56%, mainly due to China and Hong Kong whereas those to the developed ones such as the U.S., EU, and Japan were only slightly improved or unchanged. A clear contraction in exports to Latin America was seen for the second consecutive year, showing a decline of 8.3% in 2002 and 0.7% in 2003.

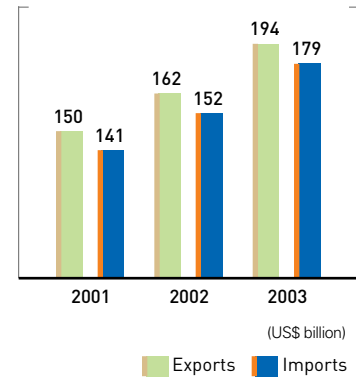
Import Trends in 2003

The strong performance of exports and increase in the unit price of major capital goods and raw materials played a major role in the increase of import amounts by 17.6% in 2003. The increased oil price led the rise in the amount of imports of raw materials by 16.9%, and the imports of semiconductor and parts, in particular, surpassed exports by more than US\$0.8 billion. Also, imports from China and Japan grew rapidly in the category of raw materials and machinery, respectively.

Posting a US\$15 billion trade surplus in 2003, the largest since 2000, Korea maintained its trade surplus for the sixth consecutive year since 1998. Consequently, the current account in 2003 reached US\$12.3 billion.

Economic Situation in 2003

Exports and Imports



Overseas Investment Trend in 2003

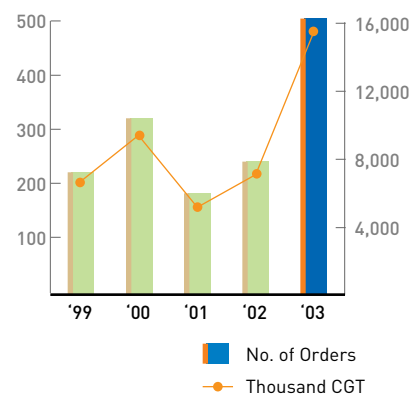
Korea's direct investment abroad fell by 12.4% to US\$5.44 billion in 2003 compared to US\$6.21 billion a year ago, as increasing uncertainty in the world economy combined with the slowdown of Korea's economic recovery contracted many companies' attitude toward investment. The number of investment cases was up 7.3% to 2,895 from 2,697 in 2002. China maintained its status as the largest recipient of direct investment from Korea by recording US\$2.49 billion, followed by the United States with US\$0.73 billion and Vietnam US\$0.7 billion. Investment in Asia rose by 29.7% to US\$3.93 billion assisted by increases in China and Vietnam, while those in Europe and North America dropped by 72.7% and 46.9%, respectively.

Trends of Major Industries in 2003

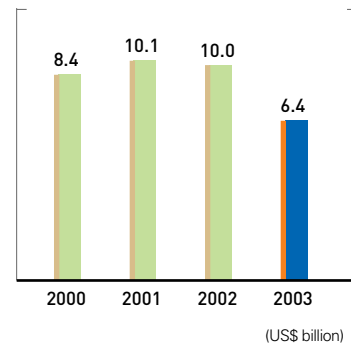
Shipbuilding Industry

The year 2003 was possibly the greatest year in Korea's thirty-four year shipbuilding history. Its landmark success can be summarized as 120.6% increase in ship orders, securing a three-year workload in advance, and US\$11 billion ship exports, a 3.6% increase from the year earlier. Looking at ship orders worldwide, Korea held over 50% of the market share, followed by Japan with 28.4% and Europe with 8.1%. The proportion of ship exports was 5.7% of total exports, slightly down from 6.7% the previous year, yet maintaining the position as Korea's fifth largest export item. Korea's shipyards constructed a total of 223 ships, 7.3 million CGT (compensated gross ton) in 2003, of which the so-called value-added ships such as mega containers and LNG carriers numbered 74. This trend was an indication that Korea's shipbuilding industry was achieving a competitive advantage in the global market through endless technical innovations and increased production efficiency. The prospect for 2004 is bright. Since the industry has already received enough orders to cover another three years, the number will slightly decline in 2004 or remain at a similar level for an average year of 7.5 million CGT. Construction of ships will be around 7.6 million CGT with exports amounting to US\$12 billion.

New Orders Placed with Korean Shipbuilders



Industrial Plant Contracts



Industrial Plants Industry

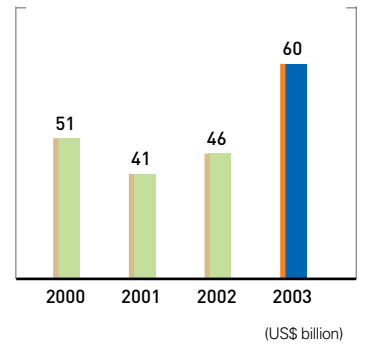
Overseas plant contracts secured by Korean firms during 2003 totaled US\$6.37 billion, down 36.7% from the US\$10 billion in 2002, the lowest amount since 1999. It was mainly due to unfavorable market conditions in the Middle East and Southeast Asia triggered by the war in Iraq and SARS. By region, the largest amount with US\$1.92 billion came from the Middle East, down 55% from the US\$4.27 in 2002. The rest of the region saw an average decline of 33%, Asia ranking second with US\$1.59 billion, followed by Africa(1.58), Europe(0.8) and North America(0.5). In particular, the European market experienced a remarkably high growth of 327.8% thanks to the US\$0.5 billion sea platform contract for the Sakhalin project. By category, power and desalination plants increased by 115.9% to US\$1.36 billion, while orders for power transmission & distribution, petrochemicals, and offshore platforms decreased compared to the average year.

In 2004, overseas plant contracts could reach about US\$10 billion thanks to the reconstruction boom in post-war Iraq. The estimated amount includes US\$6 billion from the Middle East and Africa, US\$2 billion from Asia, and the rest from Europe and Latin America.

IT Industry

Exports of IT industry products in 2003 reached US\$59.5 billion, up 22.1% from the previous year, and taking 30.7% of the total exports despite the stagnant IT business worldwide. Korea's superior technology and international competitiveness through continued efforts to develop new items and various marketing strategies were the engine for the success. Shares of semiconductors and related parts, wireless telecommunications equipment and LCD monitors soared, greatly contributing to the IT industry's revival in 2003. Posted as one of the core economic engines in the 21st century by the Korean government, the IT industry will continue to grow and is expected to be the main prop for Korea's development.

IT Products Exports



Outlook for 2004

In 2003, Korea re-emerged as the 12th largest trading power advancing one notch compared to the previous year. However, a number of uncertainties persist that can exert a great influence on the future of the economy such as intense confrontation between labor and management, increasing household debt delinquencies, and a high unemployment rate. Furthermore, financial market volatility that can be activated by strengthening the Won and rise in the interest rate can hold the growth, despite geopolitical risks in the Middle East and terrorism.

Entering the second year of President Roh's term, with the general election in the spring of 2004, expectation that the government and policymakers will accelerate structural reforms and boost the economy is running high. Thanks to buoyant exports and the progressive recovery of facilities investment in line with the growth of the global economy, the GDP growth rate in 2004 is forecasted to reach around 5% or slightly higher.





Overview

In 2003, the Bank aimed at supporting the nation's growth momentum and helping Korean companies compete in the global market. The Bank was able to conduct business more actively than the previous year by innovating new financial programs.

During this period, the Bank provided a total credit of KRW22,498 billion - KRW9,290 billion as loans and KRW13,208 billion as guarantees - the equivalent of US\$18,783 million, 48.1% more than that of a year earlier. This remarkable operational record was the highest in the Bank's history since it was established in 1976.

Of the types of financing programs, Export Credit comprised the largest share with KRW7,545 billion, or 81.2% of total loan disbursements. Overseas Investment Credit and Import Credit took 8.5% and 10.3% respectively, out of total loan disbursements, amounting to KRW788 billion and KRW956 billion.

The huge increase in Overseas Investment Credit is a significant indicator of the growing confidence in the corporate sector's willingness to expand its business scope overseas. The Bank's project-related guarantees also realized a remarkable achievement in terms of authorizations, recording KRW16,218 billion, of which 90% were in the form of advance payment guarantees.

Meanwhile, the Bank's credit commitments were KRW28,112 billion, up 69.5% from the previous year, KRW16,218 billion as guarantees and KRW11,894 billion as loans.

Regionally, Asia took the largest share with 40.0% of the Bank's total loan disbursements, followed by North America, Europe, the Middle East, and other regions with 18.4%, 17.9%, 12.8%, and 10.9%, respectively.

Export Credit

Export Credit, whose loan disbursement was KRW7,545 billion in 2003, has always been the largest contributor to the Bank's loan disbursements, e.g. comprising more than 90% of the total disbursements in the previous year. In 2003, however, the share of export credit decreased to 81.2% because of an increase in the share of Overseas Credit and Import Credit.

Among items supported by the Bank's Export Credit, ships took the lion's share with KRW1,773 billion, more than 23.5% of the total disbursement of Export Credit, followed by machinery with KRW690 billion (9.1%) and industrial plants with KRW334 billion (4.4%).

Thanks to an increase of loan approval in ships and industrial plants, the Bank's commitments of Export Credit in 2003 were noteworthy, up 55.6% to KRW10,153 billion, compared to those in 2002. Improvement in disbursement and activation of Technical Service Credit contributed to the increase in export loans for industrial plants and other capital goods in 2003.

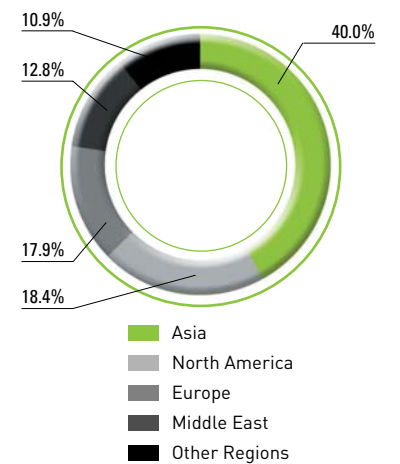
As for regional shares of Export Credit disbursements, Asia was the highest at 39%, Europe stood at 20%, North America 17%, the Middle East 14%, and other regions 10%. In terms of commitments, Asia also took first at 35%, followed by the Middle East 24%, North America 17%, Europe 16%, and other regions 8%.

Direct Loan

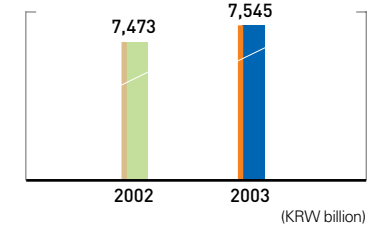
The growth of the Direct Loan or Buyer Credit was especially notable throughout the year 2003. Direct Loan is widely preferred by exporters in that reduction of the debt ratio is possible.

In order to further facilitate Buyer Credit, the Bank made an important policy change: within country exposure limits, the Bank made it a rule to provide Direct Loan for all export transactions based on sovereign risks with appropriate ratings, while also deciding to undertake importers' risks more actively. In this regard, the Bank provided a Direct Loan for many transactions with corporate risks such as IT projects in Indonesia and the United States.

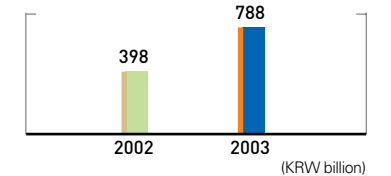
Loan Disbursement by Region



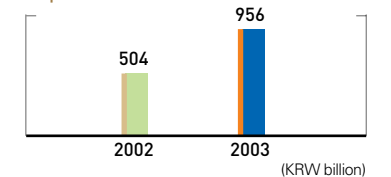
Export Credits



Overseas Investment Credits



Import Credits





In addition, the Bank diversified its markets and items of financial support and provided a Direct Loan for various types of projects, including the IT field, whereas in the past, the Bank's financial support had focused mainly on heavy industries such as plants and capital goods. With such flexible and active risk-taking approach, the Bank could meet the financing needs of Korean exporters and contribute more actively to the successful realization of their transactions. One of the most remarkable financing by Direct Loan in 2003 was the extending of US\$132.4 million to PT. Telekomunikasi Indonesia Tbk ("Telkom") for the purchase of fixed wireless access equipment from Samsung Electronics Co., Ltd. ("SEC"). Telkom, a state-run telecommunications company, plans to establish fixed wireless access service using "CDMA 2000 1 x" technology and equipment. Thus, Telkom made a US\$156 million supply agreement with SEC in December 2002. The project under the name of "T-21 Project", is constituted of a Network Switching System ("NSS"), and a Base Station System ("BSS") to provide wireless access service.

Project & Structured Finance

The Bank's financing of Project Finance and Structured Finance was particularly active, using innovative financing solutions.

In 2003, the Bank authorized US\$1.5 billion using Project Finance and Structured Finance, an amount 27 times the US\$56 million for the previous year. This remarkable increase resulted from the Bank's active response to the ever-changing market trends.

The major markets were in the Middle East and Latin America, where many oil & gas projects are viable through Project Finance or Structured Finance. Particularly, the Bank authorized a Structured Finance deal of US\$880 million for the South Pars Phases 9 & 10 project in Iran, one of the world's most active investors in oil & gas. As the economy in developing countries recovers from the current recession, viable projects using Project Finance is expected to arise in oil & gas development projects and petrochemical and power plant projects.

Structured Finance is also expected to be utilized extensively in shipbuilding. "Understanding on Export Credit for Ships", an agreement between OECD countries, was revised in favor of the borrowers in 2002. Interest rate was reduced from 8% to CIRR, offering a more competitive rate to the borrowers, and maximum repayment term was extended from 10 years to 12 years. The Bank is striving to make the most of such revision, supporting Structured Finance for export sales of vessels.

In May, the Bank decided to provide a total of US\$363 million in Structured Finance for ships to assist the export of Samsung Heavy Industries Co.'s four 8,100TEU container ships and five 4,250TEU container ships. Two of the 8,100TEU ships are for Danaos Holdings Ltd. of Greece, and the rest are for Seaspan Container Lines Ltd. of Canada.

Relending Facility

Relending Facility, another type of buyer credit provided by the Bank is a credit line extended to creditworthy banks in foreign countries to help foreign buyers obtain loans for the purchase of manufactured goods and services from Korea.

In 2003, Relending Facility increased 140% to KRW153 billion from KRW64 billion in 2002 on commitment basis. Moreover, the total amount financially supported through the program recorded KRW144 billion, an increase of 185% in 2003, compared to KRW51 billion in the previous year. The Middle East (Turkey), Latin America (Brazil) and CIS (Kazakhstan) are the primary customers who have actively utilized Relending Facility.

With eleven credit lines newly established, the total volume of credit lines at the end of 2003 was US\$736 million in 20 countries, including new credit lines to Costa Rica, Russia and the Middle East countries such as Egypt and Morocco.

The Relending Facility to Russia is especially meaningful to the Bank in that it decided to resume



financial transactions with Russia after the rescheduling of the former Soviet Union's debt to Korea was agreed to in September 2003. As the first step, the Bank established a US\$90 million credit line to the 3 major commercial banks in Russia - Rosbank, Promsvyazbank and Alfa-Bank - during the last quarter of 2003.

The Bank will make every effort to promote small and medium export transactions by setting up new credit lines in the areas where this type of financing is demanding.

Forfaiting

One of the most widely used services provided through the financial program is Forfaiting which aims at, promoting short-term exports to emerging markets. It is designed to help exporting companies whose bills of exchange related to transactions with developing countries are not readily accepted by domestic commercial banks due to high credit risk. The Bank negotiates these bills of exchange issued under usance Letters of Credit without recourse or additional collateral.

Forfaiting is a useful financing method for small and medium sized exporters with a low credit rating. Also, the total financing cost is predictable since the discount rate is fixed in advance. Through this tool, the Bank is able to strengthen ties with related financial institutions in emerging markets, and better support Korean exporters.

Although Forfaiting was introduced only recently, the total volume increased to KRW403 billion in 2003, and is expected to reach KRW450 billion in 2004 in line with the rising demand.

One of the impressive events in Forfaiting was the Bank's signing of a Business Cooperation Agreement in April with Bank Mellat, Seoul Branch. The purpose of this agreement is to support Korean exporters' increasing short-term export transactions with Iran, and improve local efficiency through Bank Mellat's cooperation in examining shipping documents and reimbursement of bills. The Forfeiting ceiling is US\$50 million with a maturity of one year which can be extended for an additional year.

Loans to SMEs

To facilitate support for Small and Medium sized Enterprises ("SMEs"), the Bank tailored its loan schemes to customers' needs, reflecting their growing importance in the national economy and increased trade volume.

In 2003, the Bank's total loan commitments to SMEs amounted to KRW2,161 billion and the total loan disbursements reached KRW2,063 billion, up 50.4% and 46.4% respectively from a year earlier.

Steep increase in commitments and disbursements to SMEs was mainly attributed to the Bank's new financing facilities such as loan with an option to convert from one currency to another, enabling SMEs to hedge foreign exchange risks.

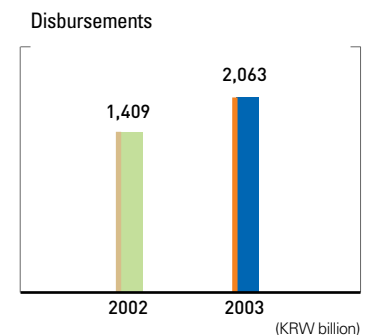
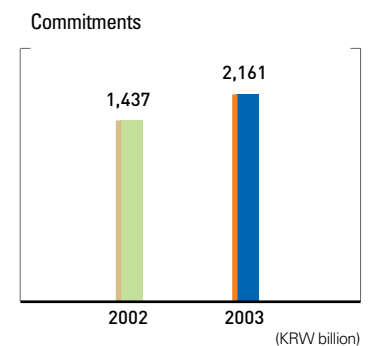
Import Credit

Import Credit is provided to Korean importers for the import of essential materials and major resources, of which stable and timely supply is critical to the national economy.

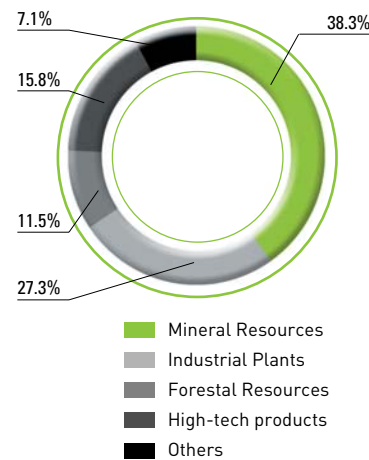
Since its introduction in 1988, Import Credit had shown a rather sluggish performance in total loan disbursements. However, in 2002, Import Credit realized a notable achievement showing a 308% increase from the previous year. The Bank made loan disbursements of KRW956 billion (89.6% increase from the previous year) in 2003, the highest level since its introduction.

Such a tremendous increase is the result of the increasing financial demand for raw materials and industrial plants. In addition, the achievement was also attributable to the Bank's efforts to enhance the program in favor of the borrowers: it expanded the eligible items to industrial plants (including cargo planes) and high-tech products.

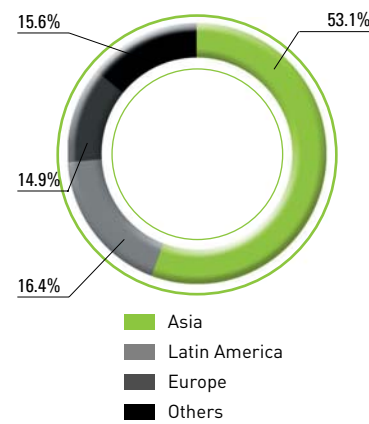
Loans to SMEs



Loan Disbursement by Item: Import Credit



Loan Disbursement by Region: Overseas Investment Credit



By type of imports, mineral resources accounted for 38.3% of the total disbursements with KRW367 billion, followed by industrial plants, including cargo planes 27.3% with KRW261 billion, forestal resources 11.5% with KRW109 billion, high-tech products 7.1% with KRW67 billion, and others 15.8% with KRW151 billion.

By region, North America took the largest portion with 35%, followed by Asia with 33%, the Middle East 14%, and others 18% on a disbursement basis.

One of the most remarkable financing projects in Import Credit was the US\$142.8 million loan to support purchasing of a cargo plane. The Bank's loan covered 90% of the total cost of the plane, which amounted to US\$158.6 million.

Overseas Investment Credit

The Bank's disbursements and commitments of Overseas Investment Credit in 2003 demonstrated an outstanding performance as disbursements increased by 97.8% to KRW788 billion and commitments by 52.4% to KRW806 billion, compared to those in 2002.

Regional distribution of disbursements and commitments of the Credit was similar to the previous year. Asia stood at the top with more than 50% in both disbursements and commitments, followed by Latin America and Europe with 16.4% and 14.9% in disbursements, respectively.

Guarantees

The Bank implemented various measures to refine and tailor its financing facilities to cope with the rapidly changing financial market conditions, thereby bolstering its competitiveness, which led to a marked increase in guarantee volume.

Especially, project-related guarantee programs were streamlined to boost overseas projects which contributed to empower the Bank's function. After the Asian economic crisis, project-related guarantees began to increase steadily due to the high creditworthiness of the Bank. The Bank saw an exceptional achievement in terms of commitments, recording KRW16,218 billion.

By type of guarantees, the Bank authorized KRW14,582 billion in the form of advance payment guarantees, 86% increase from the previous year, and KRW535 billion in performance guarantees. These two types of guarantees took approximately 93% of the total project-related guarantee commitments.

The total outstanding balance of project-related guarantee issuance at the end of 2003 reached KRW17,528 billion. By region, Europe came first with KRW7,524 billion (43%), followed by the Middle East with KRW2,879 billion (16%) and Africa with KRW2,766 billion (16%).

In addition to project-related guarantees, the Bank launched several new guarantee programs in the 2000s such as financial guarantees, interest rate support, and L/C confirmation facility to support the Korean companies' export transactions. With these newly adopted programs, the Bank is expected to meet the diversified financing needs of foreign buyers.

Sources of Funds

The Bank raised a net total (new borrowing plus loan repayments by the Bank's clients less repayment of the Bank's existing debt) of KRW9,812 billion during 2003, a 1.8% increase compared with the previous year's KRW9,639 billion. Most funds raised during the year were self-generated from repayments of the Bank's outstanding loans.

During 2003, the Bank issued Euro bonds equivalent to US\$1,588 million through various types of currencies under the MTN Program, a 120.6% increase compared with the previous year's US\$720 million. These issues consisted of US\$1,247 million, HKD1,317 million, JPY1,000 million, SGD250 million and AUD30 million.

Following the successful return to the international bond market after a five-year absence in 2002, the Bank issued Euro bonds of US\$900 million through public offerings during 2003. Public offerings by the Bank during 2003 consisted of both US\$400 million reopen issue in May and US\$500 million issue in November, respectively.

The syndicated loans and bilateral loans generated from the international financial market contributed as additional sources of the Bank's funding in 2003, with a net acquirement of US\$780 million.

In addition, the capital injection of KRW40 billion from the government during the year enabled the total paid-in capital to reach KRW2,766 billion. As a result, the Bank's ownership as of the end of 2003 stands at 52.3% for the Korean government, 42.1% for Bank of Korea, and 5.6% for Korea Development Bank.

Financial Status

Asset and Liabilities

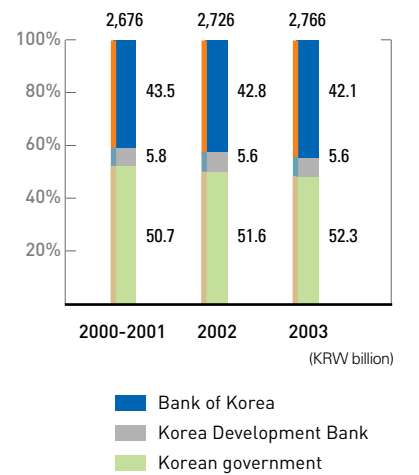
At the end of 2003, the Bank showed KRW11,282 billion in total assets, up 6.4% from the previous year's KRW10,607 billion for increase of loans in foreign currency. Total liabilities amounted to KRW8,103 billion, up 3.9% from the previous year's KRW7,797 billion, due to the increase of financing debentures in foreign currency.

Meantime, net assets marked KRW3,179 billion, up 13.1% from the previous year's KRW2,810 billion. There was an increase in paid-in capital from the government by KRW40 billion, an increase in retained earnings by KRW44 billion, and a decrease in loss on valuation of available-for-sale securities by KRW285 billion compared to the previous year.

Revenues and Expenses

The Bank's total revenues during the year posted KRW763 billion, total expenses KRW719 billion, and net income KRW44 billion. The net income decreased 18.8% from the previous year's KRW54 billion. Although there was an increase of income from guarantee fees and decrease in interest expense on borrowings, the burden of reserving an allowance for bad assets caused by corporate insolvency contributed to the decrease in net income.

Paid-in Capital





EDCF Operations

The Ministerial Meeting of the World Trade Organization (WTO) held in September 2003, with the goal of advancing the development objectives on the Doha Development Agenda (DDA), failed to reach an agreement. Facing the breakup of multilateral trade talks, more countries are turning to strengthening regional economic cooperation and trying to form a stronger partnership according to their geographic and economic interests. Responding to these changes, EDCF undertook extensive measures to expand its operations through two main initiatives: increasing the number of eligible countries and strengthening bilateral policy dialogue.

In 2003, the performance of EDCF remained subdued over the previous year. The decrease resulted from uncertainties in international development environment such as terrorism and the Iraq war coupled with slow progress in project preparation and implementation. Even in these challenging times, EDCF continued to make sustained efforts not only to expand its volume, but also to maximize aid effectiveness. Some of the policy improvements, including organization reshuffle focusing on its expertise and accountability of staff and streamlining the loan procedure, may hopefully contribute to boosting its performance both in terms of quality and quantity in 2004.

Development Assistance Activities

Loan Commitments

The commitments of new loans in 2003 were KRW209.1 billion (US\$171.0 million) for 9 projects, slightly down from KRW235.4 billion (US\$187.8 million) in 2002. The lower level of commitments was primarily attributable to reduced demand and the uncertain economic situation in developing countries to which EDCF is granted.

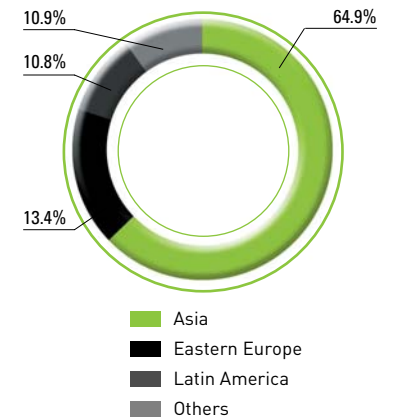
The largest recipient was Yemen with a total of KRW48.3 billion (US\$40.2 million) for two projects. China was the second largest recipient (KRW43.5 billion) for 2 projects. Other countries included the Philippines (KRW42.4 billion), Uzbekistan (KRW32.5 billion), Albania (KRW31.3 billion), Papua New Guinea (KRW7.7 billion), and Honduras (KRW3.0 billion). It should be noted that Albania and Yemen became first-time recipient countries of an EDCF loan in 2003.

Total commitments to date reached KRW1,971 billion (US\$171.1 million) for 116 projects in 37 countries. Asia (64.9%) accounted for the largest share of commitments, followed by Eastern Europe (13.4%) and Latin America (10.8%). In terms of sector distribution, transportation took the major share (26.2%), followed by telecommunications (18.2%), energy (13.7%), and health (12.0%).

Loan Disbursements

Loan disbursements during the year declined from KRW205 billion in 2002 (US\$170.7 million) to KRW137 billion (US\$114.4 million) in 2003, mainly due to the delay in concluding a loan agreement and suspension of the procurement procedures in recipient countries. In light of such an environment, it is imperative that EDCF takes the necessary measures to accelerate the lending cycle, thus shortening the time lag between the commitment and disbursement.

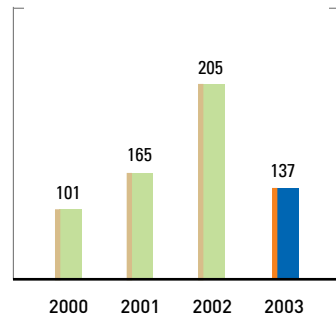
Loan Commitment by Region



Ex-post Evaluation

In recent years, the development community is putting greater emphasis on evaluation to enhance the aid quality and establish the best practice. In 2003, EDCF conducted ex-post evaluation of 12 completed projects, including the project for establishment of a technology development center in Kenya and construction of a special professional education facility in Uzbekistan. The lessons learned from such evaluation experience are an essential element in performance improvements and strategy formulation.

Annual Disbursements of EDCF



Funding Activities

EDCF has depended solely on public resources to finance its projects since it was incepted in 1987. More specifically, contributions from the general budget account and borrowings from the government's special budget account have been the major sources of funding. At the end of 2003, the total size of the fund stood at KRW1,565 billion. The increase in funding was attributable to new contribution of KRW80 billion, the amount which has been on hold since the financial crisis in 1998. Such replenishment would relieve the constraints of EDCF's funding capacity. To ensure that funds are available for lending and liquidity purposes, EDCF invests in local bond markets, including government and agency obligations, time deposits, and securities loans.

Of the total amount of KRW1,565 billion, 38.9% arose from the general account budget, 19.4% from the special account budget, and the remaining 47.1% from operation profit and reserves. Net income in 2003 was KRW32.8 billion, KRW3.8 billion lower than in 2002, reflecting reduced operational income from lower market interest rates.

The 7th EDCF Workshop

The 7th EDCF Workshop was successfully held for government officials from partner countries, providing the participants with an opportunity to learn about EDCF's loan program. More importantly, the Workshop was a dynamic process through which the participants could share Korea's development experience in an interactive manner. On EDCF's side, the Workshop was an excellent instrument for broadening the understanding of various dimensions of its bilateral loan management based on participant feedback.

The Workshop was held in October at the Bank's Head Office in Seoul and the Global Human Resource Development Center in Yongin, on the outskirts of Seoul. The ten participants were high and mid-level government officials in charge of official borrowing in the Ministry of Finance and Ministry of Foreign Affairs from Bangladesh, China, Honduras, Indonesia, Kazakhstan, Mongolia, the Philippines, Tajikistan, Tunisia, and Vietnam.

During the Workshop, the participants were given lectures on Korea's bilateral economic cooperation policy and development experience, and visited industrial and historical sites. In 2004, the Bank is planning to substantially increase the number of participants to 20, to reinforce its bilateral partnership with developing countries.

Other Activities

Consistent with our strategy, EDCF held policy dialogue with major partner countries - China, Vietnam, the Philippines, Indonesia, Cambodia and Uzbekistan - to establish a stronger partnership by identifying new projects more efficiently and systematically. Through these talks, EDCF was able to clearly understand the developmental needs of partner countries and establish a communication channel.

During 2003, EDCF enlarged the number of eligible countries from 76 to 83 countries, adding those which have potential for greater economic cooperation with Korea. This reflected the Bank's clear-cut philosophy of outreach to developing countries. In addition, it increased the number of target countries from 10 to 13.

On the organizational front, the former EDCF Department I and II were combined under the EDCF Group as part of the Bank's internal reorganization effort. EDCF Policy & Coordination Team is responsible for policy planning, OECD-related work, and ex-post evaluation. EDCF Departments I and II manage projects within their respective geographical areas. Project appraisal, execution, disbursements for projects in Asia and Oceania are managed by EDCF Department I while those in Latin America, Middle East, Commonwealth of Independent States and Africa are covered by EDCF Department II.

Additionally, EDCF held an open forum on EDCF policy direction aimed at enhancing the quality of its loan program. The participants from related ministries, Non-Government Organizations, and entrepreneurs all recognized the very important role of EDCF in development cooperation and emphasized the need to enlarge the scale of the Fund and maximize the effectiveness of its operations.

Since Korea became the 29th member of the Organization of Economic Cooperation and Development (OECD) in 1996, EDCF has actively participated in OECD Consultations Group Meetings and Meetings of Participants. These international forums enabled EDCF to monitor and analyze the range of issues linked to trade-related aid such as commercial viability and untied aid.

IKCF OPERATIONS

Overview

The Bank has operated the government-entrusted Inter-Korean Cooperation Fund (IKCF) since March 20, 1991. The primary function of IKCF, which was established by and operated under the initiative and policy coordination of the Ministry of Unification, is to promote reconciliation and cooperation with North Korea. Since the beginning, IKCF has maintained consistent growth and in the year 2003, there was as much progress in both funding and financing activities as in all the previous years.

Inter-Korean Development

After the historic South-North Summit held in 2000, inter-Korean relations entered a phase of building mutual trust. In 2003, as North Korea was persuaded to be incorporated as a member of the international community and to resolve the nuclear issue, expansion of inter-



Korean reconciliation and cooperation has continued.

Economic agreements in four areas - Investment Protection, Prevention of Double Taxation, Clearing Settlement and Procedures for Resolution of Commercial Disputes became effective in August and will contribute to providing an institutional framework for vitalizing inter-Korean economic cooperation. The Bank was designated to be in charge of Clearing Settlement of which the counterpart is the Foreign Trade Bank of North Korea. Working-level contacts between two Koreas made considerable progress, heightening possibilities for the start of Clearing Settlement in 2004.

The cooperation project already agreed upon between both Koreas proceeded favorably. The Seoul-Shinuiju railway is almost completed and expected to generate huge economic benefits, including a reduction in transportation costs in inter-Korean trade and provide a physical foundation for further economic cooperation. Gaesung Industrial Complex project, combining the capital and technology of South Korea with the labor of North Korea, was actualized as North Korea established the regulations governing the Gaesung Industrial Complex. 'Agreement on Entry/Departure Procedures and the Duration of Stay in Gaesung Industrial Complex and Mt. Geumgang' is to become effective in early 2004. This Agreement will contribute to the safe passage of visitors and goods, and overland tours to Mt. Geumgang which started in February with the opening of a trans-border road along the East coast.

The inter-Korean trade and economic cooperation projects driven by the private sector also showed solid improvement, especially marking a remarkable progress in the number of participants and variety of business items.

In 2003, the total volume of inter-Korean trade recorded US\$724 million, a 12.9% increase from US\$642 million of the previous year. With the expansion of trade and socio-cultural cooperation such as reunion of separated families, interchange of people increased as well. The number of South Korean visitors to the North reached 14,208, up 10.8 % from the previous year.

Assistance activities

To secure economic ties and boost inter-Korean trade and cooperation, IKCF assistance activities have continued. The construction projects to re-connect the Seoul-Shinuiju railway, build a Munsan-Gaesung highway and rebuild East Coast railway/highway continued to be supported by IKCF. These aid disbursements amounted to KRW65 billion. Economic cooperation has been also commenced in new fields such as resources development. IKCF decided to commit a loan of KRW6 billion to support the black lead mine exploration of Korea Resources Corporation.

IKCF continued assisting humanitarian aid projects. Fertilizer was provided through the Korea National Red Cross (KNRC) in the form of a KRW83.6 billion grant for enhancing agricultural productivity. Also, the Fund provided a loan of US\$106 million to the Foreign Trade Bank of North Korea for 400,000 tons of rice. The family reunion facility, which will be

founded in Mt. Geumgang is to be supported by IKCF. The amount approved by IKCF was KRW2 billion.

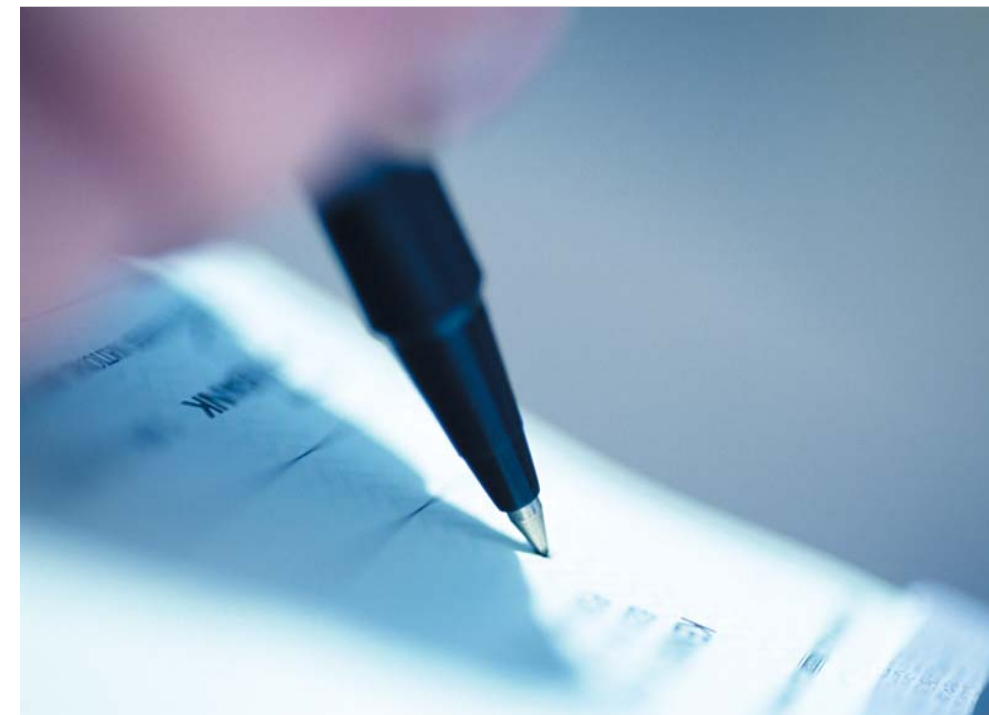
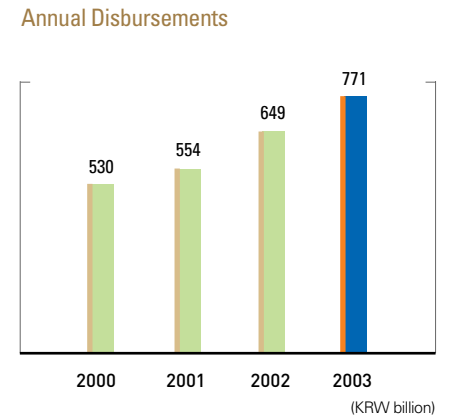
As a result, IKCF disbursements during the year amounted to KRW770.8 billion for 91 projects, and cumulative total disbursements at the end of 2003 stood at KRW2,841 billion, up 37.2 % from KRW2,071 billion at the end of 2002.

In 2003, the government revised the Guidelines for IKCF Act in accordance with the effectuation of Economic Agreements in four areas. The revision backs up risk of inter-Korean transactions, streamlines the lending procedures and improves its terms and conditions, facilitating the private sector firms' funding from the fund. Further growth of inter-Korean economic cooperation is expected in the following year as a result of this procedural innovation.

Funding activities

The major funding sources of IKCF are contributions from the general budget account, borrowings from the Public Capital Management Fund, and reserves and financial returns on the IKCF's portfolio investment.

In 2003, the total amount of IKCF increased by KRW1,169.5 billion, making the total accumulated resources of IKCF KRW4,261.9 billion, mostly through contributions by the government. Of the accumulated amount, 45.2% (KRW1,925 billion) came from contributions by the general budget account, 47.9% (KRW2,042.7 billion) as borrowings from the Public Capital Management Fund, and 6.8% (KRW290.4 billion) from reserves and financial returns.





Cooperation with Other Agencies

The Bank endeavors to seek common interest and strengthen mutual ties with various agencies through cooperation agreements.

In March, the Bank signed a cooperation agreement on forfaiting with Bank Mellat, Seoul branch. Under the agreement, Bank Mellat, Seoul branch shall be responsible for the actual forfaiting practice such as shipping document examination, while the Bank provides the financing and takes the credit risk of the L/C opening bank, thus boosting Korean export transactions to Iran.

The Bank signed a Bilateral L/C Confirmation Facility Agreement with the Export-Import Bank of Malaysia at the 9th Annual Meeting of the Asian ECAs held in Manila, the Philippines in October. Both ECAs will be able to actively support their exporters through such facility, furthering intra-regional trade and development.

In November, the Bank entered into a cooperation agreement with the Ministry of Economic Affairs and Statistics, the government of the Islamic Republic of Pakistan which aims at promoting information exchange and project cooperation. It is expected to assist Korean companies launching into the Pakistani market. In the long run, such framework will serve as a cornerstone in establishing the Bank's status as a major project sponsor in the region.

Workshops and Seminars

The Bank continued its efforts to effectively expand awareness of its activities and share information and experiences by hosting various workshops and seminars.

The Bank gave a general presentation on its role and function to the Export-Import Bank of China staff in March assisting it in drawing an outline for its long-term development. Such information exchange is expected to promote the Bank's image as an exemplary ECA actively offering its accumulated know-how to its counterparts seeking advice.

In September, the Bank provided a workshop for the delegation of Vietnamese officials. It covered mostly the Bank's administration, loan programs, risk management and the Economic Development Cooperation Fund (EDCF), substantially enhancing mutual understanding between the two countries.

Through the 7th Annual EDCF Workshop in October, the Bank informed the government officials from China, Indonesia, Tunisia, etc, on Korea's development assistance policy and concessionality study of assisted projects and initiated valuable discussion on the issue among the participants. Such deepened understanding of the mechanism will also ensure that EDCF loan projects are carried out more efficiently and swiftly.

A working-level meeting with the regional manager of the Canadian ECA, Export Development Canada (EDC) was arranged in October. It mainly centered on discussing ways to expand the two ECAs' business opportunities in the Asian high technology sector as well as co-financing for feasible projects.



Supporting Activities



The Bank hosted the 3rd Seminar for the Commercial Counselors' Club in December. Seventeen ambassadors or commercial counselors, mostly from developing countries attended the seminar and strengthened their network for potential economic collaboration. It served as a fruitful forum promoting the Bank's role through presentations on its financial services, EDCF program and providing a general analysis on the Korean economy and its future prospects.

Also, the Bank supported the EBRD & ADB Recruitment Mission in Korea, held at the Bank's Head Office in November. It enabled the institutions to raise their profile in Korea and identify potential candidates. Such activity served as a momentum for future substantial cooperation between the Bank and the financial organizations.



Research and Information

The Bank seeks to pursue in-depth research on country study, country risk evaluation, foreign direct investment and other economic issues related to the Bank's loan programs and management policies.

To meet the increasing need for information on the Chinese market, it published "Environment and Case Study of Investment in Eastern China" in January, forecasting a continual growth of investment in the region. It specifies major development plans and investment incentives in each province and also analyzes managerial accomplishments of Korean firms which have already invested in Eastern China.

In October, the Bank further expanded its research scope to Latin America and issued "Current Situation of the Latin American IT market and its Implications to the Korean Companies". It explains the emergence of the region to a potential IT power focusing on several factors such as government policy, infrastructure and the vast market and discusses effective strategies for the Korean companies to penetrate into the market.

Also, it released a special report called "Major Industries of India" dealing with the current status and prospects of industries such as telecommunications, power generation, textile and finance. Even though Korean companies entering the Indian market are steadily increasing, they are known to face tremendous difficulties in receiving substantial information on the subcontinent. This report will serve as a reliable source of information for Korean firms starting business in India.

The Bank published its 4th edition of "Analysis of Financial Status of Korean Firms' Overseas Subsidiaries" in November, covering 318 overseas subsidiaries of Korean companies with more than US\$10 million of foreign investment. It provides essential reference data such as financial status and cash flow to companies mapping out future investment scheme.

It also successfully carried out two research projects in 2003, under titles "Korean Government's Efforts to Enhance Public Relations on Economy" and "Ways to Help Korean IT SMEs Increase Global Competitiveness - From Export Credit Perspectives".

Such performances contributed to expand the Bank's business areas as well as enhancing awareness of its role, and further backing up government policymaking.

Consulting Services

The Bank provides Korean exporters with financial and legal consulting services. It furnishes SMEs with essential market information and financial consulting services through its Export Consulting Center, assisting their search for potential business opportunities overseas. It also offers legal consulting service through its in-house lawyers, by reviewing various agreements, providing sample agreement forms, as well as advising on legal issues to keep in mind before entering into a contract.

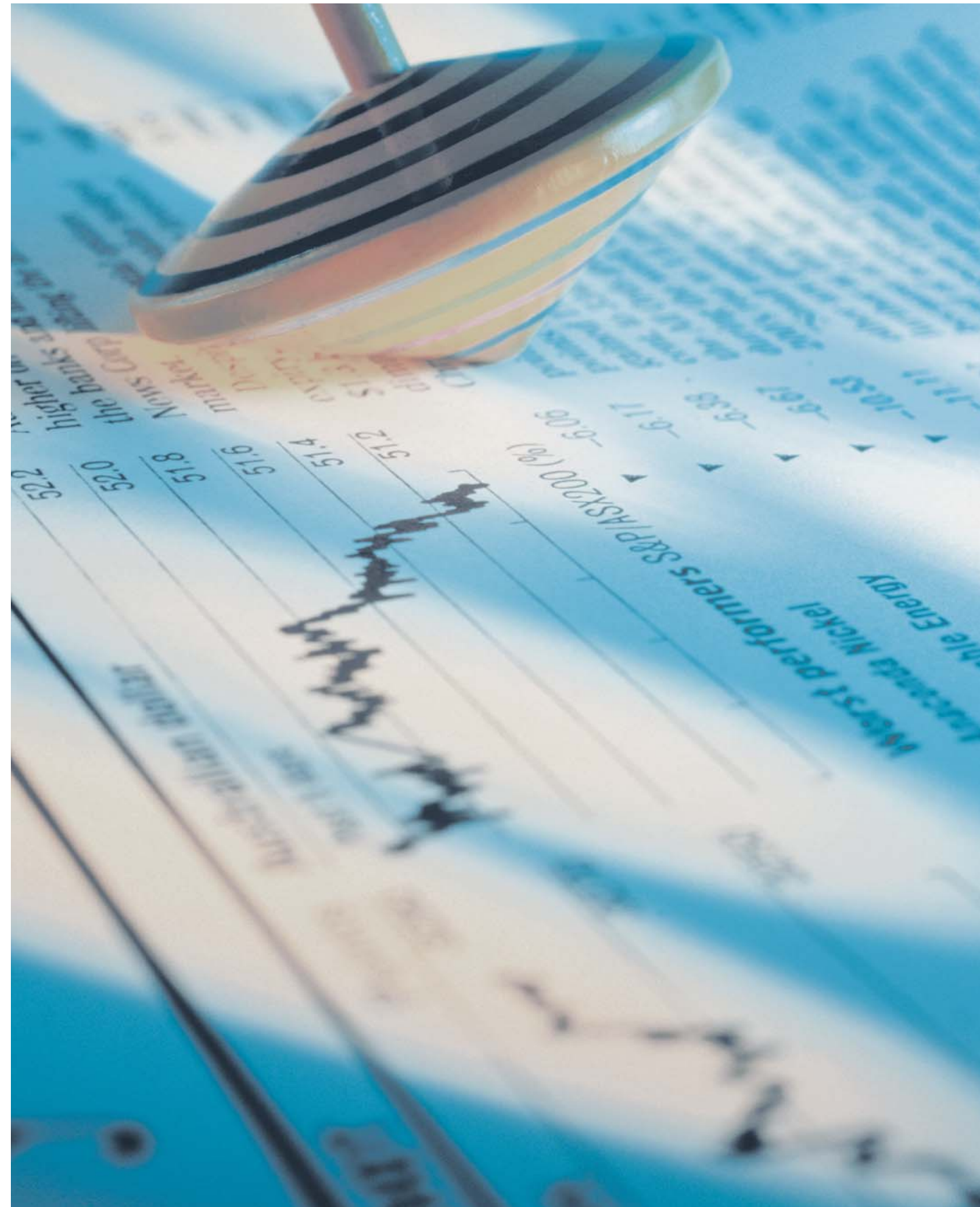


Balance Sheets

[DECEMBER 31, 2003 AND 2002]

(in millions of Won)

	2003	2002
Assets		
Cash and due from banks (Note 3, 21, 23, 24)	₩ 108,328	₩ 44,579
Trading securities (Note 4, 21, 23, 24)	-	13,191
Available-for-sale securities (Note 4, 21, 23, 24)	1,556,521	1,394,798
Held-to-maturity securities (Note 4, 21, 23, 24)	23,985	37,299
Investments in associates (Note 4, 21, 23, 24)	60,731	55,141
Loans (Note 5, 21, 22, 23, 24)	8,519,910	7,651,024
(Allowance for possible loan losses) (Note 6)	(466,708)	(455,772)
(Present value discounts)	(20,551)	(24,017)
Call Loans (Note 21, 22)	779,730	559,882
Foreign currency loans to banks (Note 21, 22)	480,229	1,070,757
Fixed assets (Note 7)	44,215	33,916
Other assets (Note 8, 14, 20, 22)	195,246	225,735
Total assets	₩ 11,281,636	₩ 10,606,533
Liabilities and Shareholders' Equity		
Borrowings (Note 9, 21, 23, 24)	₩ 3,461,340	₩ 4,654,203
Call money (Note 21)	-	237,721
Debentures (Note 10, 21, 23, 24)	4,279,590	2,663,815
Other liabilities (Note 11, 12, 13, 14, 15, 21, 22)	362,172	241,155
Total liabilities	8,103,102	7,796,894
Commitments and contingencies (Note 15)		
Shareholders' Equity		
Capital (Note 16)	2,765,755	2,725,755
Retained earnings (Note 17)	386,610	342,527
Capital adjustments (Note 18)	26,169	(258,643)
Total shareholders' equity	3,178,534	2,809,639
Total liabilities and shareholders' equity	₩ 11,281,636	₩ 10,606,533



Statements of Income

[DECEMBER 31, 2003 AND 2002]

	(in millions of Won)	
	2003	2002
Interest income (Note 24)		
Interest due from banks	₩ 1,648	₩ 1,919
Interest on available-for-sale securities	1,618	2,596
Interest on held-to-maturity securities	2,049	2,876
Interest on loans	365,321	440,236
	<u>370,636</u>	<u>447,627</u>
Interest expenses (Note 24)		
Interest on borrowings	83,426	158,309
Interest on debentures	176,584	140,784
	<u>260,010</u>	<u>299,093</u>
Net interest income	110,626	148,534
Provision for loan losses (Note 6)	53,629	88,243
Net interest income after provision for loan losses	<u>56,997</u>	<u>60,291</u>
Non-interest income		
Fee & commission income	102,710	71,550
Realized gain on trading securities	772	2,602
Unrealized gain on trading securities	2,382	214
Dividends on trading securities	570	869
Dividends on available-for-sale securities	10,549	21,432
Gain on foreign currency transactions	35,948	27,440
Gain on derivative transactions	57,812	22,201
Gain on valuation of derivative (Note 14)	26,549	33,741
Gain on fair value hedged items (Note 14)	30,720	-
Others	329	24
	<u>268,341</u>	<u>180,073</u>
Non-interest expenses		
Fee & commission expenses	2,364	2,029
Provisions for guarantees and acceptances losses (Note 13)	91,430	-
Realized loss on trading securities	1,930	2,483
Unrealized loss on trading securities	249	3,109
General and administrative expenses	72,142	58,630
Loss on foreign currency transactions	16,993	2,579
Loss on derivatives transactions	29,125	20,661
Loss on valuation of derivative (Note 14)	43,519	45,428
Gain on fair value hedged items (Note 14)	21,284	18,155
Others	64	23
	<u>279,100</u>	<u>153,097</u>
Operating income	46,238	87,267
Non-operating income (expenses), net	15,243	(16,395)
Net income before income tax expense	61,481	70,872
Income tax expense (Note 20)	17,398	16,586
Net income	<u>₩ 44,083</u>	<u>₩ 54,286</u>

Statements of Appropriations of Retained Earnings

[DECEMBER 31, 2003 AND 2002]

(Dates of Appropriation : February 25, 2004 and February 24, 2003 for the years ended December 31, 2003 and 2002, respectively)

	(in millions of Won)	
	2003	2002
Retained earnings before appropriations (accumulated deficit before disposition)		
Unappropriated retained earnings (accumulated deficit) carried over from prior year	₩ -	₩ (37,806)
Net income	44,083	54,286
	<u>44,083</u>	<u>16,480</u>
Appropriations (Note 17)		
Legal reserves	8,817	3,296
Voluntary reserves	35,266	13,184
	<u>44,083</u>	<u>16,480</u>
Unappropriated retained earnings (undisposed accumulated deficit) carried over to the subsequent year	₩ -	₩ -

Statements of Cash Flows

[DECEMBER 31, 2003 AND 2002]

	(in millions of Won)			
	2003		2002	
Cash flows from operating activities				
Net income	₩	44,083	₩	54,286
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Realized gain on trading securities, net		1,158		(119)
Unrealized gain on trading securities, net		(2,133)		2,895
Provisions for loan losses		53,629		88,243
Provisions for guarantees and acceptances losses		91,430		-
Loss (gain) on valuation of derivatives, net		16,970		11,686
Gain on fair value hedged items		(9,436)		18,155
Severance benefits		6,718		3,545
Depreciation and amortization		4,565		2,085
Loss on disposal of fixed assets, net		322		63
Realized loss (gain) on available-for-sale securities		(50,369)		10,437
Impairment on available-for-sale securities		5,721		4,248
Impairment on held-to-maturity securities		-		1,479
Unrealized gain on investment in associates, net		(1,086)		(792)
Others, net		24,917		11,196
Changes in operating assets and liabilities, net				
Loan		(1,073,254)		299,090
Other assets		29,113		39,741
Accrued severance benefits		(1,311)		(1,246)
Other liabilities		(1,162)		(95,371)
Net cash provided by (used in) operating activities	₩	(860,125)	₩	449,621
Cash flows from investing activities				
Decrease in trading securities	₩	16,200	₩	28,283
Decrease in available-for-sale securities		323,441		516,260
Decrease in held-to-maturities securities		13,216		11,913
Dividends from investment in associates		143		-
Decrease (increase) in call loans		(219,848)		371,457
Decrease (increase) in interbank loans		590,527		(948,756)
Disposal of tangible assets		72		9
Acquisition of tangible assets		(11,889)		(16,557)
Acquisition of intangible assets		(3,229)		-
Net cash provided by (used in) investing activities	₩	708,633	₩	(37,391)

Statements of Cash Flows

[DECEMBER 31, 2003 AND 2002]

	(in millions of Won)			
	2003		2002	
Cash flows from financing activities				
Decrease (increase) in borrowings, net	₩	(1,201,044)	₩	212,775
Decrease in call money		(237,721)		(42,279)
Issuance of debentures		2,646,607		953,443
Repayment of debentures		(1,014,645)		(1,424,443)
Decrease (increase) in derivative assets, net		27,786		(11,536)
Decrease in derivative liabilities		(45,742)		(139,803)
Increase in capital		40,000		50,000
Net cash provided by (used in) financing activities		215,241		(401,843)
Net increase in cash and due from banks		63,749		10,387
Cash and due from banks at the beginning of the year (Note 25)		44,579		34,192
Cash and due from banks at the end of the year (Note 25)	₩	108,328	₩	44,579

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

1. THE BANK

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 facilitate export and import transactions, overseas investments and overseas resources development through the extension of loans and other financial facilities. The Bank has seven domestic branches, eight overseas offices and three overseas subsidiaries as of December 31, 2003. As of December 31, 2003, the Bank has KRW 4,000,000 million of authorized capital, of which KRW 2,765,755 million has been paid-in. The Bank is 52.3%, 42.1% and 5.6% owned by the Government of the Republic of Korea (the "Government"), the Bank of Korea ("BOK") and Korea Development Bank, respectively, as of December 31, 2003. The Bank, as an agent of the Government, has managed the Economic Development Cooperation Fund and the Inter-Korean Cooperation Fund (the "Funds") since June 1987 and March 1991, respectively. The Funds are managed under separate accounts from the Bank's own accounts and are not included in the accompanying non-consolidated financial statements. Government contributions constitute the primary source of revenues of the Funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bank's non-consolidated financial statements were prepared in accordance with financial accounting standards generally accepted in the Republic of Korea and Statements of Korean Financial Accounting Standards No. 1 through No. 9 (No. 1 was in effect for the fiscal periods beginning after December 31, 2001 and No. 2 through No. 9 for the fiscal periods beginning after December 31, 2002). Significant accounting policies adopted by the Bank in preparation of financial statements are identical to the accounting policies followed by the Bank for the annual financial statements for the year ended December 31, 2002, except for the Statements of Korean Financial Accounting Standards in effect for the fiscal periods beginning after December 31, 2002.

The significant accounting policies followed by the Bank in the preparation of its financial statements are summarized below.

RECOGNITION OF INTEREST INCOME

The Bank recognizes interest income on loans and debt securities on an accrual basis. However, interest income on delinquent and dishonored loans and debt securities, other than those collateralized with security deposits or guaranteed by financial institutions, is recognized on a cash basis. Interest accrued but not recognized amounted to ₩5,494 million as of December 31, 2003.

TRANSLATION OF FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated into Korean Won at exchange rates announced by Seoul Money Brokerage Services, Ltd. at the balance sheet date (2003: USD 1: ₩1,197.8, 2002: USD 1: ₩1,200.4). The resulting translation gains or losses are reflected in other operating income or expenses.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

ALLOWANCES FOR LOAN LOSSES

The Bank calculates the allowance for possible loan losses based on borrowers' future debt service capacity ("Forward Looking Criteria (FLC)"). This credit rating model considers financial and non-financial factors of borrowers and classifies the borrowers' credit risk. Provisions are determined by applying the following minimum percentages to the various credit ratings:

Credit Ratings	Loan Classifications	Minimum Provision Percentage
P1 ~ P6	Normal	0.5% or above
SM	Precautionary	2% or above
S	Substandard	20% or above
D	Doubtful	50% or above
F	Estimated loss	100% or above

Provisions are applied to all loans except for call loans, bonds purchased under resale agreements and inter-bank loans, which are classified as "Normal".

The Bank's classification criteria for credit rating loans are as follows:

Classification	Description
Normal	Assets extended to customers who, in light of their management, financial position and future cash flows, are determined to pose no risk to the Bank's ability to collect the full amount of principal and interest as they become due.
Precautionary	Assets extended to customers who, in light of their management, financial position and future cash flows, are determined to have potential weaknesses that may lead to an inability to repay the full principal and interest as they become due in the near future, and have loan delinquencies of 1 month to 3 months.
Substandard	Assets extended to customers who, in light of their management, financial position and future cash flows, are determined to pose a considerable risk to the Bank's ability to collect the full principal and interest due to revealed weaknesses that may have diminished the customer's capacity to repay the loans in a satisfactory manner. Also includes portion of assets in the amount expected to be collected from customers who are classified as "Doubtful" and "Expected loss".
Doubtful	Portion of assets in excess of the amount expected to be collected from customers who, in light of their management, financial position and future cash flows, are determined to pose a significant risk to the Bank's ability to collect principal and interest due to a considerably weakened capacity to repay the loans in a satisfactory manner, and have loan delinquencies of 3 to 12 months.
Estimated Loss	Portion of assets in excess of the amount expected to be collected from customers whose credit must be accounted for as a loss, because, in light of their management, financial position and future cash flows, the Bank's collection of principal and interest is not probable in the foreseeable future due to a serious weakening of such customers' ability to repay the loan in a satisfactory manner, and have loan delinquencies of 12 months or longer.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

PRESENT VALUE DISCOUNTS

Troubled debt restructuring loans, which are modified as to outstanding principal, interest rate, and/or maturity under programs such as workout, court receivership, court mediation, or debt restructuring agreements of parties concerned, are carried at present value if the difference between the book value and the present value of the restructured loan is significant. When estimating the present value of the loans, the Bank applies the interest rate as of the inception of the loans, except for the interest rate of variable rate loans and extended maturity loans, which are adjusted to reflect the interest rate as of the restructuring date. The present value discounts are recorded by reclassifying allowances for loan losses and if additional allowances need to be provided for, the additional allowances are provided and recognized as provision for loan losses of the current period. These present value discounts are amortized using the effective interest method and are recognized as other interest income. Allowances for loan losses on the restructured loans are provided for based on the loan balances, net of present value discounts.

SECURITIES

Securities that are bought and held principally for the purpose of generating profits on short-term differences in price, and which are actively and frequently bought and sold, are classified as trading securities. Debt securities with fixed or determinable payments and fixed maturity, and which the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity securities. Investments classified as neither trading securities nor held-to-maturity securities are classified as available-for-sale securities.

The Bank included additional costs for acquisition of securities to the amounts paid and used them for each item or moving average to each group to calculate the acquisition cost of securities.

Trading and available-for-sale securities are carried at fair value, except for non-marketable equity securities classified as available-for-sale securities, which are carried at cost.

Unrealized holding gains or losses on trading securities are charged to current operations and those resulting from available-for-sale securities are recorded as capital adjustments, the accumulated amount of which shall be charged to operations when the related securities are sold or when an impairment loss on the securities is recognized.

Held-to-maturity securities are generally carried at amortized cost. Premiums and discounts on debt securities are amortized over the maturity period using the effective interest method.

Impairment losses are recognized in current operations when the recoverable amounts are less than the acquisition cost of equity securities or amortized cost of debt securities.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

INVESTMENTS IN ASSOCIATES

Investments in associates, over which the Bank exercises significant control or influence, are accounted for under the equity method. Under the equity method, the Bank records changes in its proportionate ownership of the associate in current operations, as capital adjustments or as adjustments to retained earnings, depending on the nature of the underlying change in the book value of the investment in associate.

The Bank discontinues the equity method of accounting for investments in associates when the Bank's share of accumulated losses equals the costs of the investments and until the subsequent cumulative changes in its proportionate net income of the associate equal its cumulative proportionate net losses not recognized during the periods when the equity method was suspended.

Differences between the initial purchase price and the Bank's initial proportionate ownership of the net book value of the associate are amortized or accreted using an appropriate method and the resulting amortization is charged to current operations.

Gains and losses recorded by the Bank from inter-company transactions with associates are fully eliminated. Gains and losses recorded by the associates from these transactions are proportionately eliminated, based on the Bank's percentage of ownership.

FIXED ASSETS AND RELATED DEPRECIATION

Tangible assets are recorded at cost, except for upward revaluation of certain assets in accordance with the Korean Asset Revaluation Law. Depreciation is computed using the declining-balance method over the estimated useful lives of the assets except for buildings acquired after January 1, 1995, which are depreciated using the straight-line method, and is presented as accumulated depreciation, which is a contra account of tangible assets in the financial statements.

The estimated useful lives and depreciation methods of the tangible assets are as follows:

Tangible Assets	Depreciation Method	Estimated Useful Lives
Buildings	Straight-line method	10 ~ 60 years
Vehicles	Declining-balance method	4 years
Furniture and fixtures	Declining-balance method	4 ~ 20 years

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

Expenditures that enhance the value or extend the useful life of the assets involved are capitalized as additions to tangible assets. Routine maintenance and repairs are recognized as expenses when incurred.

Intangible assets consist of manufacturing or purchasing costs and acquisition costs, which are amortized based on a straight-line method with estimated useful lives of 5 years and are presented in the financial statements, net of accumulated amortization.

The Bank adjusts the book value of a fixed asset to its recoverable amount and recognizes the difference as an impairment loss when the recoverable amount is significantly below the book value due to obsolescence or decline in market value. The subsequent increase in recoverable amount in excess of the book value is recognized, to the extent of the original book value before impairment, as reversal of fixed asset impairment losses.

DEBENTURE ISSUANCE COSTS

Debenture issuance costs are recorded as discounts on debentures and amortized over the maturity period of the debentures using the effective interest method.

ACCRUED SEVERANCE BENEFITS

Employees and directors with more than one year of service as of December 31, 2003 are entitled to receive a lump-sum payment upon termination of their employment with the Bank, based on their length of service and rate of pay at the time of termination. Additionally, the Bank records the contributions to pension funds, which grant the payment rights to its employees, and contributions to the National Pension Fund, as contra accounts of accrued severance benefits.

OUTSTANDING GUARANTEES AND ACCEPTANCES AND ALLOWANCES FOR LOSSES ON GUARANTEES AND ACCEPTANCES

Up to September 30, 2003, the Bank applied the credit risk classification used for loans to outstanding guarantees and acceptances, and provided allowances for losses of 20%, 50% and 100% on outstanding guarantees and acceptances classified as sub-standard, doubtful, and estimated loss, respectively. As of October 1, 2003, the Bank additionally provided allowances for losses of 0.5% and 2% on outstanding guarantees and acceptances classified as normal and precautionary, respectively.

DEFERRED INCOME TAXES

The Bank records the future tax effects of temporary differences between the financial and tax bases of assets and liabilities as deferred tax assets or liabilities. The tax effects of temporary differences arising from the cumulative effects of accounting changes are adjusted in retained earnings.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

DERIVATIVE INSTRUMENTS

Derivative instruments for trading or hedging purpose are recorded at fair value and resulting unrealized gains and losses are recognized in current operations, except for the effective portion of derivative transactions entered into for the purpose of cash-flow hedges, which is recorded as an adjustment to shareholders' equity.

Fair value hedge accounting is applied to a derivative instrument with the purpose of hedging the exposure to changes in the fair value of an asset or a liability or a firm commitment that is attributable to a particular risk. The gain or loss, both on the hedging derivative instrument and on the hedged item attributable to the hedged risk, is reflected in current operations.

Cash flow hedge accounting is applied to a derivative instrument with the purpose of hedging the exposure to variability in expected future cash flows of an asset or a liability or a forecasted transaction that is attributable to a particular risk. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is recorded as a capital adjustment and the ineffective portion is recognized in current operations. The effective portion of the gain or loss recorded as a capital adjustment is reclassified to current operations in the same period during which the hedged forecasted transaction affects earnings. If the hedged transaction results in the acquisition of an asset or the incurrence of a liability, the gain or loss recognized as a capital adjustment is added to or deducted from the asset or the liability.

STATEMENT OF CASH FLOWS

In the preparation of the statement of cash flows, the Bank has presented net amounts of cash inflows and cash outflows for items where the turnover is quick and the amounts are large.

EARNINGS PER SHARE

Earnings per share is not computed because the capital of the Bank does not stem from stock issuance.

ADJUSTMENTS OF PRIOR YEAR FINANCIAL STATEMENTS

In accordance with the Statements of Korean Financial Accounting Standards No. 6, "Subsequent Events", the Bank's retained earnings as of December 31, 2002 has been restated to amounts before appropriations. In accordance with the Statements of Korean Financial Accounting Standards No.1, "Changes in Accounting Principles and Error Correction", the balance sheet as of December 31, 2002 has been adjusted accordingly.

The financial statements of prior periods, presented for comparative purposes, were reclassified in accordance with Korean Financial Accounting Standards applicable to the Bank as of December 31, 2003. Such reclassification does not affect either prior year net income or net assets.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

3. DUE FROM BANKS

Due from banks as of December 31, 2003 and 2002 are summarized as follows:

		(in millions of Won)	
		2003	2002
Due from banks in Won			
Current deposits	Koram Bank and others	₩ 1,230	₩ 1,483
Certificates of Deposits	Hana Bank	59,403	-
Other deposits	National Federation of Fisheries Cooperatives	6,257	31,000
		<u>66,890</u>	<u>32,483</u>
Due from banks in foreign currencies			
Current deposits	Korea Exchange Bank	31,881	9,644
Demand deposits	Commerzbank and others	9,247	1,763
Off-shore due from banks on demand	CMB, New York and others	310	689
		<u>41,438</u>	<u>12,096</u>
Total		<u>₩ 108,328</u>	<u>₩ 44,579</u>

The maturities of due from banks as of December 31, 2003 are less than 3 months.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

4. SECURITIES

Trading securities as of December 31, 2003 and 2002 comprise the following:

		(in millions of Won)	
		Number of Shares	Fair value
			2003 2002
Trading			
Equity securities	Korea Electric Power Corp.	-	₩ - 13,000
	Shinwon, Inc.	-	191
			<u>₩ - 13,191</u>

Available-for-sale securities as of December 31, 2003 and 2002 comprise the following:

		(in millions of Won)			
		Amortized Cost	Unrealized	Unrealized	Fair value
					2003 2002
Available-for-sale					
Equity securities		₩ 1,505,049	₩ 123,149	₩ (99,346)	₩ 1,528,852 ₩ 1,366,557
Corporate debt securities(*)		25,303	2,366	-	27,669 28,241
		<u>₩ 1,530,352</u>	<u>₩ 125,515</u>	<u>₩ (99,346)</u>	<u>₩ 1,556,521 ₩ 1,394,798</u>

(*) Of the corporate debt securities, 20,380 million Won is pledged to borrowings and therefore are restricted.

Corporate debt securities are recorded at fair value using the quoted price provided by the foreign private bond pricing companies.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

As of December 31, 2003, available-for-sale equity securities are as follows:

				(in millions of Won)
Companies	Number of Shares	Ownership(%)	Book value	
Marketable				
Korea Exchange Bank	89,448,595	14.00	565,315	
Industrial Bank of Korea	40,501,153	10.00	267,307	
ShinDongBang Corp.	268,303	4.21	732	
Hyundai Corporation	798,200	3.48	2,410	
Daewoo Engineering & Construction Co., Ltd	2,475,000	0.74	13,786	
Daewoo International Corporation	10,996,400	11.63	80,274	
SK Networks Co., Ltd	16,032,400	4.75	54,783	
SK Networks Co., Ltd(Preferred Stock)	1,699,196	-	50,478	
Daewoo Precision Industries Co., Ltd	23,100	0.24	358	
Hanchang	95,949	3.22	264	
Others	91,303	-	260	
			₩ 1,035,967	
Non-marketable				
Industrial Bank of Korea (Preferred Stock)	6,210,000	-	₩ 40,986	
Koryo	3,312	0.05	-	
Orion Electric Co., Ltd	435,410	5.95	-	
Daewoo Electronics Corp.	224,580	0.21	791	
Korea Highway Corporation	45,000,000	2.89	450,000	
National Information & Credit Evaluation INC.	80,000	1.69	400	
Korea Asset Management Corporation	120,000	0.43	600	
Others	46,157	-	108	
			492,885	
			₩ 1,528,852	

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

Available-for-sale securities risk concentrations as of December 31, 2003 are as follows:

						(in millions of Won)
	Amounts in Won	Ratio(%)	Amounts in foreign currencies	Ratio(%)	Total	
By Country						
Korea	₩ 1,528,852	100.00	₩ 11,246	40.64	₩	1,540,098
India	-	-	6,562	23.72		6,562
Philippines	-	-	6,049	21.86		6,049
Hong Kong	-	-	3,812	13.78		3,812
	₩ 1,528,852	100.00	₩ 27,669	100.00	₩	1,556,521
By Type						
Equity Securities	₩ 1,528,852	100.00	₩ -	-	₩	1,528,852
Fixed Rate Bonds	-	-	26,429	95.52		26,429
Convertible Bonds	-	-	1,240	4.48		1,240
	₩ 1,528,852	100.00	₩ 27,669	100.00	₩	1,556,521
By Industry						
Financial institutions	₩ 873,609	57.14	₩ 9,035	32.65	₩	882,644
Government and municipalities	450,656	29.48	-	-		450,656
Wholesaling and retailing industries	188,045	12.30	-	-		188,045
Manufacturing industries	2,343	0.15	14,822	53.57		17,165
Constructing industries	13,786	0.90	-	-		13,786
Servicing industries	413	0.03	3,812	13.78		4,225
	₩ 1,528,852	100.00	₩ 27,669	100.00	₩	1,556,521

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

As of December 31, 2003, held-to-maturity securities are as follows:

(in millions of Won)					
Issuer	Interest Rate(%)	Book Value			
		2003	2002		
Corporate debt securities[*]	Woori Bank and others	1.16~7.60	₩ 23,985	₩	37,299

[*] Of the corporate debt securities, 19,105 million won is pledged to borrowings and therefore are restricted.

Held-to-maturity securities risk concentrations as of December 31, 2003 are as follows:

(in millions of Won)			
	Amounts in foreign currencies	Ratio(%)	
By Country			
Korea	₩	16,709	69.66
Malaysia		5,989	24.97
Cayman Islands		1,287	5.37
	₩	23,985	100.00
By Type			
Fixed Rate Bonds	₩	9,582	39.95
Floating Rate Bonds		14,403	60.05
	₩	23,985	100.00
By Industry			
Financial institutions	₩	17,996	75.03
Manufacturing industries		5,989	24.97
	₩	23,985	100.00

As of December 31, 2003, investments in associates are as follows:

(in millions of Won)								
Issuer	Owner-ship(%)	Acquisition Cost	Beginning Balance ^{1*}	Unrealized Gains(Losses) ^{2*}			Book Value	
				NI	R/E	C/A	2003	2002
KEXIM Bank (UK) Limited	100.00	₩ 42,585	₩ 44,176	₩ 622	₩ -	₩ -	₩ 44,798	₩ 39,938
KEXIM Vietnam Leasing Co., Ltd.	100.00	11,978	7,007	86	-	-	7,093	7,022
PT. KOEXIM Mandiri Finance	78.83	3,987	8,462	378	-	-	8,840	8,181
		₩ 58,550	₩ 59,645	₩ 1,086	₩ -	₩ -	₩ 60,731	₩ 55,141

1* The beginning balance is the prior year's book value adjusted by dividends and changes in foreign exchange rates.

2* The book value as of December 31, 2003 is based on the unaudited financial statements.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

As of December 31, 2003, impairment losses on securities are as follows:

(in millions of Won)				
Issuer	Acquisition Cost	Impairment Loss	Book Value	
Equity securities				
Koryo	₩ 500	₩ 500	₩	-
Orion Electric CRV	2,177	2,177		-
ShinDongBang Corp.	3,326	2,594		732
Daewoo Electronics Corp.	1,123	332		791
KDS(preferred convertible stock)	66	63		3
KDS(preferred callable stock)	66	55		11
	₩ 7,258	₩ 5,721	₩	1,537

The maturities of available-for-sale and held-to-maturity investments, excluding stocks and equity investments, as of December 31, 2003, are as follows:

(in millions of Won)						
Maturities	Available-for-sale		Held-to-maturity			
	Amortized cost	Fair value	Amortized cost	Fair value		
Due in 1 year or less	₩ 11,927	₩ 12,213	₩ 1,287	₩	1,287	
Due after 1 year to 5 years	13,618	15,456	22,698			22,698
	₩ 25,545	₩ 27,669	₩ 23,985	₩	23,985	

Interest income from investments for the year ended December 31, 2003 amounts to 3,667 million Won.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

5. LOANS

Loans as of December 31, 2003 and 2002 are summarized as follows:

		(in millions of Won)	
		2003	2002
Loans in Won	Loans for exporting funds	₩ 828,000	₩ 1,640,346
	Loans for overseas investments	10,061	406
	Loans for importing funds	340,288	132,403
	Others	239,674	5,097
	Private placement corporate bonds	7,770	33,134
	Loans for debt-equity swap	49,611	3,064
		₩ 1,475,404	₩ 1,814,450
Loans in foreign currencies	Loans for exporting funds	₩ 3,330,688	₩ 3,051,265
	Loans with trade bill rediscounts	489,898	403,703
	Loans for overseas investments	1,248,638	775,260
	Loans for importing funds	347,641	225,256
	Private placement corporate bonds	9,582	127,176
	Domestic import usance bills	81,955	-
	Off-shore loans in foreign currency	658,262	187,399
	Others	27,734	50,439
		₩ 6,194,398	₩ 4,820,498

Loan risk concentrations by industry as of December 31, 2003 are summarized as follows:

				(in millions of Won)			
		Loans in Won	Loans in foreign currencies	Total	Ratio(%)		
Corporate							
Manufacturing	₩	1,161,284	₩	2,435,289	₩	3,596,573	46.89
Construction		2,000		196,449		198,449	2.59
Wholesale and retail		305,238		631,023		936,261	12.21
Others		6,882		2,781,410		2,788,292	36.35
		1,475,404		6,044,171		7,519,575	98.04
Public and others							
		-		150,227		150,227	1.96
	₩	1,475,404	₩	6,194,398	₩	7,669,802	100.00

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

Loan risk concentrations by industry as of December 31, 2002 are summarized as follows:

					(in millions of Won)		
		Loans in Won	Loans in foreign currencies	Total	Ratio(%)		
Corporate							
Manufacturing	₩	1,771,573	₩	1,670,691	₩	3,442,264	51.88
Construction		7,905		60,236		68,141	1.03
Wholesale and retail		29,158		135,304		164,462	2.48
Others		5,814		1,218,062		1,223,876	18.44
		1,814,450		3,084,293		4,898,743	73.83
Public and others							
		-		1,736,205		1,736,205	26.17
	₩	1,814,450	₩	4,820,498	₩	6,634,948	100.00

Loan risk concentrations by country as of December 31, 2003 and 2002 are summarized as follows:

						(in millions of Won)	
Continents	Countries	2003		2002			
		Amount	Ratio(%)	Amount	Ratio(%)		
Asia	Korea	₩	381,049	6.15	₩	3,276,153	67.96
	China		578,013	9.33		271,788	5.64
	Indonesia		404,689	6.53		83,719	1.74
	India		240,503	3.88		81,312	1.69
	Vietnam		296,279	4.78		1,053	0.02
	Others		725,259	11.72		308,331	6.40
		2,625,792	42.39		4,022,356	83.45	
Europe	Russia		214,070	3.46		229,654	4.76
	Britain		86,253	1.39		36,012	0.75
	The Netherlands		15,046	0.24		120,173	2.49
	Others		975,065	15.74		26,049	0.54
		1,290,434	20.83		411,888	8.54	
America	United States		874,826	14.12		6,002	0.12
	Mexico		647,017	10.45		264,596	5.49
	Dominica		58,686	0.95		66,574	1.38
	Others		697,643	11.26		49,082	1.02
			2,278,172	36.78		386,254	8.01
		₩	6,194,398	100.00	₩	4,820,498	100.00

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

Loans to financial institutions as of December 31, 2003 and 2002 consist the following:

	(in millions of Won)	
	2003	2002
Call loans in Won	₩ 197,000	₩ 134,100
Call loans in foreign currencies	582,730	425,782
Interbank loans	480,229	1,070,757
Loans to financial institutions	1,478,194	1,159,772
	₩ 2,738,153	₩ 2,790,411

As of December 31, 2003, restructured loans due to workout plans or other similar restructuring programs are as follows:

	(in millions of Won)		
	Discount rate(%)	Amount	Present value discount
Court receivership and mediation	2.63 ~ 12.00	₩ 13,174	₩ 1,834
Workout	2.68 ~ 13.84	52,206	2,531
Individual agreements	5.30 ~ 7.05	70,954	16,186
		₩ 136,334	₩ 20,551

As of December 31, 2002, restructured loans due to workout plans or other similar restructuring programs are as follows:

	(in millions of Won)		
	Discount rate(%)	Amount	Present value discount
Court receivership and mediation	2.63 ~ 12.00	₩ 24,684	₩ 1,991
Workout	2.68 ~ 13.84	128,399	3,927
Individual agreements	5.30 ~ 7.05	68,637	18,099
		₩ 221,720	₩ 24,017

The maturities of loans as of December 31, 2003 are as follows:

	(in millions of Won)		
	Loans in Won	Loans in foreign currencies(*)	Total
Due in 3 months or less	₩ 336,620	₩ 732,225	₩ 1,068,845
Due after 3 months to 6 months	603,012	511,294	1,114,306
Due after 6 months to 1 year	166,829	736,073	902,902
Due after 1 year to 3 years	79,179	1,260,348	1,339,527
Due after 3 years	289,764	3,423,485	3,713,249
	₩ 1,475,404	₩ 6,663,425	₩ 8,138,829

(*) Loans in foreign currencies include bills bought and advances for customers net of present value discounts.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

6. ALLOWANCES FOR LOAN LOSSES

As of December 31, 2003, allowances for loan losses by credit risk classification are as follows:

		(in millions of Won)					
		Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Total
Loans in Won	Amount	₩ 1,175,655	₩ 5,691	₩ 283,674	₩ 10,309	₩ 75	₩ 1,475,404
	Allowance	12,414	620	138,888	9,495	75	161,492
	Ratio(%)	1.06	10.89	48.96	92.11	100.00	10.95
Loans in foreign currencies	Amount	5,686,978	209,485	38,212	255,318	-	6,189,993
	Allowance	46,581	25,123	17,450	189,092	-	278,246
	Ratio(%)	0.82	11.99	45.67	74.06	-	4.50
Bills bought in Won	Amount	405,424	52,342	-	-	-	457,766
	Allowance	3,041	8,898	-	-	-	11,939
	Ratio(%)	0.75	17.00	-	-	-	2.61
Bills bought in foreign currencies	Amount	341,677	-	18,853	-	-	360,530
	Allowance	3,262	-	9,238	-	-	12,500
	Ratio(%)	0.95	-	49.00	-	-	3.47
Advances for customers	Amount	997	14,669	-	-	-	15,666
	Allowance	7	2,494	-	-	-	2,501
	Ratio(%)	0.75	17.00	-	-	-	15.97
Suspense receivable as credit	Amount	-	-	75	-	-	75
	Allowance	-	-	30	-	-	30
	Ratio(%)	-	-	40.00	-	-	40.00
Total	Amount(*)	₩ 7,610,731	₩ 282,187	₩ 340,814	₩ 265,627	₩ 75	₩ 8,499,434
	Allowance	65,305	37,135	165,606	198,587	75	466,708
	Ratio(%)	0.86	13.16	48.59	74.76	100.00	5.49

(*) The above amounts of loan balances are net of present value discounts.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

As of December 31, 2002, allowances for loan losses by credit risk classification are as follows:

		(in millions of Won)					
		Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Total
Loans in Won	Amount	₩ 1,764,004	₩ 37,565	₩ 2,484	₩ 10,157	₩ 240	₩ 1,814,450
	Allowance	13,230	5,521	994	9,141	240	29,126
	Ratio(%)	0.75	14.70	40.02	90.00	100.00	1.60
Loans in foreign currencies	Amount	4,306,297	129,908	20,462	124,580	233,335	4,814,582
	Allowance	32,297	20,311	8,411	113,836	233,335	408,190
	Ratio(%)	0.75	15.63	41.11	91.38	100.00	8.48
Bills bought in Won	Amount	445,003	50,537	-	-	356	495,896
	Allowance	3,338	8,591	-	-	356	12,285
	Ratio(%)	0.75	17.00	-	-	100.00	2.48
Bills bought in foreign currencies	Amount	485,811	-	-	-	-	485,811
	Allowance	3,644	-	-	-	-	3,644
	Ratio(%)	0.75	-	-	-	-	0.75
Advances for customers	Amount	1,598	14,670	-	-	-	16,268
	Allowance	12	2,494	-	-	-	2,506
	Ratio(%)	0.75	17.00	-	-	-	15.40
Suspense receivable as credit	Amount	9	-	53	-	-	62
	Allowance	-	-	21	-	-	21
	Ratio(%)	-	-	39.62	-	-	33.87
Total	Amount(*)	₩ 7,002,722	₩ 232,680	₩ 22,999	₩ 134,737	₩ 233,931	₩ 7,627,069
	Allowance	52,521	36,917	9,426	122,977	233,931	455,772
	Ratio(%)	0.75	15.87	40.98	91.27	100.00	5.98

(*) The above amounts of loan balances are net of present value discounts.

The change in allowances for loan losses for the years ended December 31, 2003 and 2002 are as follows:

		(in millions of Won)	
		2003	2002
Beginning balance		₩ 455,772	₩ 463,356
Bad debt expense		53,629	88,243
Write-off		(8,632)	(47,431)
Others		(34,061)	(48,396)
Ending balance		₩ 466,708	₩ 455,772

As of December 31, 2003, 2002 and 2001, the ratio of allowances for loan losses to loans are as follows:

		(in millions of Won)		
		2003	2002	2001
Loans(*)		₩ 8,499,434	₩ 7,627,069	₩ 8,217,373
Allowances for loan losses		466,708	455,772	463,356
Ratio(%)		5.49	5.98	5.64

(*) The above amounts of loans are net of present value discounts.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

7. FIXED ASSETS

The changes in tangible assets for the year ended December 31, 2003 are as follows:

		(in millions of Won)					
		Land	Buildings	Vehicles	Equipments	Construction in-progress	Total
Acquisition cost							
Beginning balance		₩ 4,341	₩ 24,983	₩ 842	₩ 10,700	₩ 12,120	₩ 52,986
Acquisition/capital expenditure		-	-	301	2,048	9,540	11,889
Transfer		-	21,588	-	945	(21,660)	873
Disposal		-	(6,632)	(155)	(3,565)	-	(10,352)
		4,341	39,939	988	10,128	-	55,396
Accumulated depreciation							
Beginning balance		-	15,189	643	7,820	-	23,652
Depreciation expense		-	913	182	2,600	-	3,695
Disposal		-	(6,432)	(154)	(3,512)	-	(10,098)
		-	9,670	671	6,908	-	17,249
Book Value		₩ 4,341	₩ 30,269	₩ 317	₩ 3,220	₩ -	₩ 38,147

Tangible assets covered by insurance policies as of December 31, 2003 and 2002 are as follows:

		(in millions of Won)			
		Amount Insured		Insurance Company	Type of Insurance
		2003	2002		
Buildings		₩ 28,578	₩ 18,497	LG Insurance Co., Ltd	Fire insurance
Equipments		2,822	2,715	LG Insurance Co., Ltd	Fire insurance/ General property insurance
		₩ 31,400	₩ 21,212		

The head office and Global Human Resource Development Center are covered by gas insurance policy (60 million Won per employee and a maximum coverage of 300 million Won per accident) and automobile insurance policy.

As of December 31, 2003 and 2002, the total government-posted prices of land are as follows:

		(in millions of Won)			
		2003		2002	
		Book Value	Appraisal Value	Book Value	Appraisal Value
Lands		₩ 4,341	₩ 53,787	₩ 4,341	₩ 48,001

The changes in intangible assets for the years ended December 31, 2003 and 2002 are as follows:

		(in millions of Won)			
		Beginning balance	Acquisition	Amortization and others	Ending balance
Development costs		₩ 4,582	₩ 3,229	₩ (1,743)	₩ 6,068

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

8. OTHER ASSETS

Other assets as of December 31, 2003 and 2002 are as follows:

	(in millions of Won)	
	2003	2002
Deferred gain from swap transaction	₩ 1,078	₩ -
Off-shore deferred gain from swap transaction	220	327
Deferred gain from foreign exchange	2	-
Suspense receivable as credit	75	62
Other suspense receivables	466	387
Other loans	6,951	6,745
Bills purchased on a deferred payment basis(Other)	-	54,287
Other assets	2,686	2,289
	₩ 11,478	₩ 64,097

9. BORROWINGS

Borrowings as of December 31, 2003 and 2002 are as follows:

		(in millions of Won)		
Borrowers	Annual Interest rates (%)	2003	2002	
Borrowings in Won				
Borrowings from governmental funds	Government	2.84	₩ 110,000	₩ 220,000
Short-term borrowings from domestic banks	Industrial Bank of Korea	-	-	200,000
	Hana Bank	-	-	100,000
		₩ 110,000	₩ 520,000	
Borrowings in foreign currencies				
Borrowings from the Government	Government	2.00	₩ 1,078,020	₩ 2,733,972
Borrowings from foreign banks	ABN AMRO Bank	1.23 ~ 3.16	2,267,330	1,392,604
		3,345,350	4,126,576	
Adjustments		5,990	7,627	
		₩ 3,351,340	₩ 4,134,203	

The maturities for borrowings are as follows:

(in millions of Won)			
	Borrowings in Won	Borrowings in foreign currencies	Total
Due in 3 months or less	₩ -	₩ 1,124,449	₩ 1,124,449
Due after 3 months to 6 months	-	721,052	721,052
Due after 6 months to 1 year	110,000	800,180	910,180
Due after 1 year to 3 years	-	666,075	666,075
Due after 3 years	-	39,584	39,584
	₩ 110,000	₩ 3,351,340	₩ 3,461,340

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

10. DEBENTURES

Debentures as of December 31, 2003 are as follows:

(in millions of Won, in thousands of foreign currencies)				
	Issuance date	Annual Interest rates (%)	Expiration date	Amount
US dollar export-import finance debentures	1996.02.15	6.38	2006.02.15	US\$ 420,700
	1996.11.20	6.50	2006.11.15	311,500
	1997.03.25	7.10	2007.03.15	649,900
	2002.11.27	4.25	2007.11.27	700,000
	2003.05.16	4.25	2007.11.27	400,000
	2003.06.11	1.55	2004.03.11	15,000
	2003.07.18	1.65	2006.07.18	50,000
	2003.07.18	1.65	2006.07.18	12,000
	2003.10.10	1.50	2005.10.10	30,000
	2003.11.06	4.25	2008.11.06	350,000
	2003.12.02	1.67	2006.12.02	50,000
	2003.12.09	1.51	2005.12.09	10,000
Total				US\$ 2,999,100
US dollar off-shore export-import finance debentures	2003.11.06	4.25	2008.11.06	US\$ 150,000
Singapore dollar export-import finance debentures	2003.06.30	1.03	2004.06.30	SGD 200,000
	2003.10.08	1.22	2004.10.08	50,000
Total				SGD 250,000
Japanese Yen export-import finance debentures	1995.12.19	4.10	2005.12.19	JPY 10,000,000
	2003.06.05	0.38	2004.03.05	1,000,000
Total				JPY 11,000,000
Australian Dollar export-import finance debentures	2003.09.05	5.95	2006.09.05	AUD 30,000
Hong Kong Dollar export-import finance debentures	2003.01.17	0.59	2006.01.17	HKD 287,000
	2003.07.02	0.44	2004.07.02	150,000
	2003.07.09	0.49	2004.07.09	80,000
	2003.07.30	0.55	2004.07.29	230,000
	2003.12.02	1.25	2004.12.02	400,000
	2003.12.19	2.40	2005.12.09	170,000
Total				HKD 1,317,000
Amounts converted to Won				4,301,029
Adjustment				(20,106)
Discount on bonds				(6,396)
Premium on bonds				5,063
Net amount				₩ 4,279,590

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

Debentures as of December 31, 2002 are as follows:

(in millions of Won, in thousands of foreign currencies)				
Issuance date	Annual interest rates(%)	Expiration date	Amount	
US Dollar export-import finance debentures	1996.02.15	2006.02.15	US\$	420,700
	1996.11.20	2003.11.15		340,000
	1997.03.25	2007.03.15		649,900
	2002.11.27	2007.11.27		700,000
Total			US\$	2,110,600
Japanese Yen export-import finance debentures	1995.12.19	2005.12.19	JPN	10,000,000
Hong Kong Dollar off-shore export -import finance debentures	2002.12.18	2003.12.17	HKD	156,000
Amounts converted to Won			₩	2,658,863
Adjustment				8,441
Discount on bonds				(3,489)
Net amount			₩	2,663,815

The maturities of debentures as of December 31, 2003 and 2002 are as follows:

(in millions of Won)	
	Amount
Due in 3 months or less	₩ 28,877
Due after 3 months to 6 months	140,622
Due after 6 months to 1 year	167,833
Due after 1 year to 3 years	1,268,465
Due after 3 years	2,675,126
	₩ 4,280,923

11. ACCRUED SEVERANCE BENEFITS

The changes in accrued severance benefits for the year ended December 31, 2003 are as follows:

(in millions of Won)					
	Beginning Balance	Amounts Provided	Amounts Paid Out	Ending Balance	
Accrued severance benefits	₩ 8,418	₩ 6,718	₩ 1,326	₩ 13,810	
Contribution to National Pension Fund	(30)	-	(15)	(15)	
	₩ 8,388	₩ 6,718	₩ 1,311	₩ 13,795	

The changes in accrued severance benefits for the year ended December 31, 2002 are as follows:

(in millions of Won)					
	Beginning Balance	Amounts Provided	Amounts Paid Out	Ending Balance	
Accrued severance benefits	₩ 6,125	₩ 3,545	₩ 1,252	₩ 8,418	
Contribution to National Pension Fund	(36)	-	(6)	(30)	
	₩ 6,089	₩ 3,545	₩ 1,246	₩ 8,388	

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

12. OTHER LIABILITIES

Other liabilities as of December 31, 2003 and 2002 are as follows:

(in millions of Won)			
	2003	2002	
Suspense receivable	₩ 4,429	₩	282
Off-shore suspense receivable	78		-
Withholding taxes	1,014		709
	₩ 5,521	₩	991

13. GUARANTEES AND ACCEPTANCES

Guarantees and acceptances as of December 31, 2003 and 2002 are as follows:

(in millions of Won)			
	2003	2002	
Guarantees and acceptances outstanding			
Contract performance	₩ 2,046,893	₩	1,919,777
Repayment of advances from customers	14,720,331		8,265,603
Acceptances	4,503		600
Import L/C acceptances	45,167		9,018
Others in foreign currencies	711,098		289,132
	17,527,992		10,484,130
Contingent guarantees and acceptances			
Letters of credit	192,245		124,285
Others	8,368,442		6,279,245
	8,560,687		6,403,530
	₩ 26,088,679	₩	16,887,660

As of December 31, 2003, the allowances for losses on guarantees and acceptances outstanding according to credit risk classifications are as follows:

(in millions of Won)						
Guarantees and acceptances outstanding in	Normal	Precautionary	Sub-standard	Doubtful	Estimated Loss	Total
Won	Balance ₩ 34,341	₩ -	₩ -	₩ -	₩ -	₩ 34,341
	Allowance 172	-	-	-	-	172
	Ratio (%) 0.50	-	-	-	-	0.50
Foreign currencies	Balance 17,240,975	252,676	-	-	-	17,493,651
	Allowance 86,205	5,053	-	-	-	91,258
	Ratio (%) 0.50	2.00	-	-	-	0.52
Total	Balance ₩ 17,275,316	₩ 252,676	₩ -	₩ -	₩ -	₩ 17,527,992
	Allowance 86,377	5,053	-	-	-	91,430
	Ratio (%) 0.50	2.00	-	-	-	0.52

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

The guarantees and acceptances risk concentration by country as of December 31, 2003 are as follows:

(in millions of Won)

	Guarantees and acceptances outstanding		Contingent guarantees and acceptances		Total	
	Balance	Ratio(%)	Balance	Ratio(%)	Balance	Ratio(%)
Asia						
India	₩ 265,531	1.51	₩ 43,671	0.51	₩ 309,202	1.19
Japan	739,858	4.22	41,615	0.49	781,473	3.00
Iran	566,889	3.23	52,193	0.61	619,082	2.37
U.A.E	348,575	1.99	-	-	348,575	1.34
Others	1,503,688	8.58	5,822,333	68.01	7,326,021	28.08
Europe						
France	733,639	4.19	19,067	0.22	752,706	2.89
Germany	4,466,941	25.49	25,483	0.30	4,492,424	17.22
Malta	-	-	83,932	0.98	83,932	0.32
Norway	596,130	3.40	412,122	4.81	1,008,252	3.86
England	438,432	2.50	36,865	0.43	475,297	1.82
Others	2,528,423	14.43	553,896	6.47	3,082,319	11.81
The Americas						
Bermuda	649,260	3.70	594,678	6.95	1,243,938	4.77
Panama	442,885	2.53	-	-	442,885	1.70
Others	850,994	4.86	57,353	0.67	908,347	3.48
Africa						
Liberia	2,362,699	13.48	569,519	6.65	2,932,218	11.24
Others	631,826	3.60	-	-	631,826	2.42
Oceania						
Marshall Islands	372,103	2.12	181,539	2.12	553,642	2.12
Others	30,119	0.17	66,421	0.78	96,540	0.37
	₩ 17,527,992	100.00	₩ 8,560,687	100.00	₩ 26,088,679	100.00

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

The guarantees and acceptances risk concentration by country as of December 31, 2002 are as follows:

(in millions of Won)

	Guarantees and acceptances outstanding		Contingent guarantees and acceptances		Total	
	Balance	Ratio(%)	Balance	Ratio(%)	Balance	Ratio(%)
Asia						
India	₩ 331,490	3.16	₩ 151,380	2.36	₩ 482,870	2.86
Japan	223,834	2.13	169,819	2.65	393,653	2.33
Iran	451,768	4.31	47,566	0.74	499,334	2.96
U.A.E	303,111	2.89	-	-	303,111	1.79
Others	1,551,028	14.79	652,749	10.19	2,203,777	13.05
Europe						
France	262,472	2.50	329,984	5.15	592,456	3.51
Germany	652,701	6.23	197,948	3.09	850,649	5.04
Malta	286,133	2.73	113,216	1.77	399,349	2.36
Norway	658,941	6.29	640,308	10.00	1,299,249	7.69
England	325,999	3.11	175,869	2.75	501,868	2.97
Others	651,847	6.22	550,202	8.59	1,202,049	7.12
The Americas						
Bermuda	540,515	5.16	821,872	12.84	1,362,387	8.07
Panama	518,416	4.94	232,133	3.63	750,549	4.44
Others	676,221	6.45	258,099	4.03	934,320	5.53
Africa						
Liberia	2,338,957	22.31	1,615,329	25.22	3,954,286	23.42
Others	436,036	4.16	46,506	0.73	482,542	2.86
Oceania						
Marshall Islands	261,690	2.50	361,079	5.64	622,769	3.69
Others	12,971	0.12	39,471	0.62	52,442	0.31
	₩ 10,484,130	100.00	₩ 6,403,530	100.00	₩ 16,887,660	100.00

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

14. DERIVATIVES

The Bank has entered into various derivative agreements with financial institutions, including interest rate swap contracts and currency swap contracts to hedge the risk from rapid fluctuations of interest and foreign exchange rates relating to investment securities, borrowings in foreign currencies and debentures in foreign currencies.

The notional amounts outstanding for derivative contracts as of December 31, 2003 and 2002 are as follows:

	(in millions of Won)					
	2003		2002			
	Trading	Hedge	Total	Trading	Hedge	Total
Interest related						
Swap	₩ -	₩ 1,907,371	₩ 1,907,371	₩ -	₩ 1,450,083	₩ 1,450,083
	-	1,907,371	1,907,371	-	1,450,083	1,450,083
Currency related						
Forward	-	34,559	34,559	-	-	-
Swap	-	684,309	684,309	-	314,641	314,641
	-	718,868	718,868	-	314,641	314,641
	₩ -	₩ 2,626,239	₩ 2,626,239	₩ -	₩ 1,764,724	₩ 1,764,724

The summary of derivative transactions for the year ended December 31, 2003 is as follows:

	(in millions of Won)			
	Valuation		Fair Value(B/S)	
	Gains(P/L)	Losses(P/L)	Asset	Liabilities
Interest related				
Swap	₩ 1,476	₩ 29,199	₩ 1,294	₩ 29,836
Currency related				
Forward	-	1,848	-	1,848
Swap	25,073	12,472	16,798	13,639
	25,073	14,320	16,798	15,487
	₩ 26,549	₩ 43,519	₩ 18,092	₩ 45,323

The Bank records changes of fair value in borrowings and debentures whose risks are hedged by derivative transactions as 'gain(loss) on valuation of fair value hedged items'. For the year ended December 31, 2003, in relation to these transactions, gain on valuation of fair value hedged items amounted to 30,720 million Won, and loss on valuation of fair value hedged items amounted to 21,284 million Won. For the year ended December 31, 2002, loss on valuation of fair value hedged items amounted to 18,155 million Won.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

15. COMMITMENTS AND CONTINGENCIES

As of December 31, 2003, seven legal actions, charged against the Bank, remain pending with an aggregate claim amount of 226,336 million Won, while one lawsuit, which the Bank has filed, remains pending with an aggregate amount of claims of 27,565 million Won.

Daewoo Motors, as a plaintiff, filed lawsuit against the Bank, in relation to settlement on loans by collateralized stock on November 2002, denying its obligation on redemption of the related loans. The court returned a verdict on July 1, 2003, in favor of the plaintiff which the Bank appealed the decision. As of December 31, 2003, the Bank recognized its total claim amount of 27,565 million Won as 'other allowance' in relation to the potential loss arising from the lawsuit.

In common with certain other Asian countries, the economic environment in the Republic of Korea continues to be volatile. In addition, the Korean government and the private sector continue to implement structural reforms to historical business practices, including corporate governance. The Bank may be either directly or indirectly affected by these volatile economic conditions and the reform program described above. The accompanying financial statements reflect management's assessment of the impact to date of the economic environment on the financial position and results of operations of the Bank. Actual results may differ materially from management's current assessment.

Loan exposures to certain companies, which are currently experiencing liquidity crisis as of December 31, 2003, comprise the following:

Company	(in millions of Won)				
	Loans (including guarantees and acceptances)				
	Amount	Present Value Discount	Allowance	Book Value	Securities
SK Networks Co., Ltd	₩ 278,576	₩ -	₩ 132,818	₩ 145,758	₩ 105,261
Hyundai Corporation	43,033	-	14,960	28,073	2,410
Daewoo Engineering & Construction Co., Ltd	53,634	2,286	385	50,963	13,786
Daewoo International Corporation	48,633	137	718	47,778	80,274
Orion Electric Co., Ltd.	5,969	-	5,372	597	-
Daewoo Electronics Corp.	4,725	-	458	4,267	791
Choongnam Spinning Co., Ltd.	4,583	209	4,155	219	-
ShinDongBang Corp.	14,669	-	2,494	12,175	732
Daewoo Electronics Co., Ltd.	5,430	-	41	5,389	-
Daewoo Precision Industries Co., Ltd.	95	-	18	77	397
Hanchang	703	-	275	428	264
KP Chemical Corporation	-	-	-	-	160
KDS Company Ltd.	-	-	-	-	13
	₩ 460,050	₩ 2,632	₩ 161,694	₩ 295,724	₩ 204,088

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

16. CAPITAL

The Bank has 4,000,000 million Won of authorized capital as of December 31, 2003 and 2,765,755 million Won and 2,725,755 million Won of capital stock as of December 31, 2003 and 2002, respectively. The Bank does not issue share certificates.

The changes in capital stock for the year ended December 31, 2003 are as follows:

	(in millions of Won)				
	2002		Capital increase	2003	
The Government	₩	1,407,169	40,000	₩	1,447,169
The Bank of Korea		1,165,000	-		1,165,000
The Korea Development Bank		153,586	-		153,586
	₩	2,725,755	₩ 40,000	₩	2,765,755

17. RETAINED EARNINGS

The Export-Import Bank of Korea Act requires the Bank to annually appropriate 20 percent of unappropriated retained earnings as a legal reserve up to the amount of paid-in capital.

The remaining balance, net of legal reserve and dividend payments, is appropriated to temporary reserve.

18. CAPITAL ADJUSTMENTS

The changes in capital adjustments for the year ended December 31, 2003 are as follows:

	(in millions of Won)			
	Beginning Balance	Changes	Sale/Realization	Ending Balance
Unrealized gain on available-for-sale securities	₩ (258,643)	₩ 285,470	₩ (658)	₩ 26,169

19. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended December 31, 2003 and 2002 are as follows:

	(in millions of Won)			
	2003		2002	
Financial management expenses				
Salaries and wages	₩	40,069	₩	33,543
Others		19,567		18,164
		59,636		51,707
Economic cooperation management expenses		501		507
Other general and administrative expenses				
Severance benefits		6,718		3,545
Depreciation		4,565		2,085
Taxes and dues		722		786
		12,005		6,416
	₩	72,142	₩	58,630

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

20. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2003 and 2002 are as follows:

	(in millions of Won)			
	2003		2002	
Income taxes payable	₩	49,750	₩	-
Deferred income taxes from temporary differences		(46,098)		21,590
Change in temporary differences due to tax adjustments		-		(5,004)
Retained earnings and other capital surplus adjustments		13,746		-
Income tax expense	₩	17,398	₩	16,586

Reconciliations of income before income taxes for financial reporting purposes and taxable income for corporate income tax reporting purposes for the years ended December 31, 2003 and 2002 are summarized as follows:

	(in millions of Won)			
	2003		2002	
Adjustments to increase taxable income				
Permanent difference:				
Excess of meal & entertainment expenses limit	₩	225	₩	472
Interest payable		260		-
Others		1,132		1,972
		1,617		2,444
Temporary difference(*)		436,569		147,144
	₩	438,186	₩	149,588
Adjustments to decrease taxable income				
Permanent difference:				
Dividend income	₩	(3,503)	₩	(15,462)
Temporary difference(*)		(273,538)		(251,282)
	₩	(277,041)	₩	(266,744)
Income tax expense based on the effective tax rate	₩	(53,857)	₩	-

(*) Prior year's adjusted tax amount confirmed in March 2003 amounts to a net increase of 2,594 million Won, which has been excluded.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

The significant changes in accumulated temporary differences and deferred income taxes for the year ended December 31, 2003 are as follows:

	(in millions of Won)					
	Beginning Balance	Increase	Decrease	Ending Balance	Deferred income tax debit(credit)	
Deferred income tax expenses						
Allowance for severance benefits	₩ 5,002	₩ 3,247	₩ -	₩ 8,249	₩	2,268
Allowance for loan losses	110,206	221,959	110,206	221,959		61,574
Loss on impairment of investment securities	21,646	5,721	-	27,367		7,526
Reserve for possible loss on acceptances and guarantees	-	91,430	-	91,430		5,431
Other allowances	-	27,565	-	27,565		7,580
Loss on valuation of derivatives	55,173	51,313	55,173	51,313		14,294
Others	54,916	21,928	54,756	22,088		2,806
	246,943	423,163	220,135	449,971		101,479
Deferred income tax benefits						
Gain on valuation of securities of affiliates	9,552	10,638	9,552	10,638		2,925
Gain on valuation of derivatives	19,329	38,198	19,329	38,198		10,555
Others	-	17,448	-	17,448		1,919
	28,881	66,284	28,881	66,284		15,399
	₩ 218,062	₩ 356,879	₩ 191,254	₩ 383,687	₩	86,080

Considering the characteristic of temporary differences, the Bank reported deferred income tax debit, net of the unrealizable amount.

According to the revised Corporate Tax Act, deferred tax has been computed reflecting the revised tax rates of 29.7% and 27.5% in 2004 and 2005, respectively.

The statutory income tax rate applicable to the Bank, including resident tax surcharges, is approximately 29.7%. However, the effective tax rates for the years ended December 31, 2003 and 2002 are 28.3% and 23.4%, respectively, due to tax adjustments.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

21. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Significant assets and liabilities denominated in foreign currencies as of December 31, 2003 comprise the following:

	Total Balances			Major Denomination Currencies	
	Millions of Won	Thousands of USD (*)	Thousands of US Dollars	Thousands of EC Euro	Thousands of Japanese Yen
Assets					
Due from banks	41,438	34,595	1,529	4,978	1,382,438
Available-for-sale securities	27,669	23,100	23,100	-	-
Held-to-maturity securities	23,986	20,024	20,025	-	-
Loans	6,194,398	5,171,479	4,846,198	94,162	19,585,548
Bills bought	473,912	395,652	395,652	-	-
Foreign exchange bought	360,530	300,993	211,504	48,430	-
Advances to customers	1,306	1,090	1,090	-	-
Call loans	582,730	486,500	486,500	-	-
Interbank loans	480,229	400,926	400,926	-	-
Liabilities					
Borrowings	3,345,351	2,792,913	2,391,201	95,700	21,900,000
Call money	-	-	-	-	-
Debentures	4,299,697	3,589,662	3,147,927	-	11,000,000
Unsettled foreign exchange liabilities	39,642	33,096	33,043	42	-

(*) Foreign currencies other than US dollars are converted into US dollar amounts using the exchange rates provided by Seoul Money Brokerage Services, Ltd. at December 31, 2003.

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

22. RELATED PARTY TRANSACTIONS

Significant balances and transactions with related parties as of and for the year ended December 31 2003 are as follows:

(in millions of Won)					
Company	Account	Assets/ Liabilities	Income	Expense	
KEXIM Bank (UK) Limited	Due from banks in foreign currencies	₩ 146,132	₩ 2,582	₩ -	
	Call loans in foreign currencies	-	148	-	
	Loans in foreign currencies	11,978	285	-	
	Other assets	358	7	-	
	Other liabilities	6	-	-	
	Interest on export-import finance debentures in foreign currencies	5,598	-	201	
	KEXIM Vietnam Leasing Co., Ltd.	Loans in foreign currencies	37,482	468	-
Guarantees and acceptances		-	3	-	
Other assets		86	26	-	
PT KOEXIM Mandiri Finance	Due from banks in foreign currencies	-	501	-	
	Loans in foreign currencies	77,857	423	-	
	Call loans in foreign currencies	-	48	-	
	Other assets	281	1	-	

Significant balances and transactions with related parties as of and for the year ended December 31, 2002 are as follows:

(in millions of Won)					
Company	Account	Assets/ Liabilities	Income	Expense	
KEXIM Bank (UK) Limited	Due from banks in foreign currencies	₩ 160,854	₩ 1,517	₩ -	
	Call loans in foreign currencies	6,002	71	-	
	Loans in foreign currencies	12,004	-	-	
	Other assets	227	-	-	
	Interest on export-import finance debentures in foreign currencies	5,064	-	210	
KEXIM Vietnam Leasing Co., Ltd.	Loans in foreign currencies	13,897	256	-	
	Guarantees and acceptances	599	-	-	
	Other assets	62	9	-	
PT KOEXIM Mandiri Finance	Due from banks in foreign currencies	69,623	1,371	-	
	Loans in foreign currencies	12,004	361	-	
	Other assets	269	-	-	

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

23. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

The assets and liabilities related to transactions with financial institutions for the year ended December 31, 2003 are as follows:

(in millions of Won)					
	The Bank of Korea	Other banks	Other financial institutions	Total	
Cash and due from banks	₩ 80	₩ 108,248	₩ -	₩ 108,328	
Available-for-sale Securities	-	2,473	-	2,473	
Held-to-maturity Securities	-	16,710	-	16,710	
Loans	-	1,377,150	350	1,377,500	
Interbank Loans	-	1,259,959	-	1,259,959	
Borrowings	-	2,166,567	100,764	2,267,331	
	₩ 80	₩ 4,931,107	₩ 101,114	₩ 5,032,301	

24. INTEREST BEARING ASSETS AND LIABILITIES

Interest bearing assets and liabilities and related interest income and interest expenses for years ended December 31, 2003 and 2002 are as follows:

(in millions of Won)						
	Average balance	2003 Interest income	Annual yield(%)	Average balance	2002 Interest income	Annual yield(%)
Assets						
Due from banks in Won	₩ 35,121	₩ 1,298	3.70	₩ 39,091	₩ 1,545	3.95
Due from banks in foreign currencies	26,685	350	1.31	13,335	374	2.80
Available-for-sale securities	27,801	1,618	5.82	34,870	2,596	7.73
Held-to-maturities securities	33,614	2,049	6.10	58,107	2,876	4.95
Loans in Won	1,568,877	79,167	5.05	2,205,683	122,603	5.56
Loans in foreign currencies	5,190,267	217,957	4.20	5,222,782	249,357	4.77
Bills bought	455,889	34,101	7.48	549,799	44,842	8.16
Foreign exchange bought	479,227	9,835	2.05	141,837	3,958	2.79
Advances to customers	15,848	1,666	10.51	10,337	1,257	12.16
Call loans in Won	219,926	8,903	4.05	61,758	2,706	4.38
Call loans in foreign currencies	548,796	6,659	1.21	368,897	6,591	1.79
Interbank loans	433,684	7,033	1.62	435,192	8,922	2.05
	₩ 9,035,735	₩ 370,636		₩ 9,141,688	₩ 447,627	

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

(in millions of Won)						
	Average balance	2003 Interest income	Annual yield(%)	Average balance	2002 Interest income	Annual yield(%)
Liabilities						
Borrowings in Won	₩ 382,740	₩ 13,613	3.56	₩ 575,014	₩ 23,488	4.08
Borrowings in foreign currencies	3,194,517	66,221	2.07	4,052,654	119,599	2.95
Call money in Won	82,346	3,243	3.94	355,628	14,835	4.17
Call money in foreign currencies	24,426	349	1.43	17,735	387	2.18
Debentures in Won	-	-	-	183,643	10,080	5.49
Debentures in foreign currencies	3,364,963	176,584	5.25	2,093,744	130,704	6.24
	<u>₩ 7,048,992</u>	<u>₩ 260,010</u>		<u>₩ 7,278,418</u>	<u>₩ 299,093</u>	

25. STATEMENT OF CASH FLOWS

Cash and due from banks as of December 31, 2003 as presented in the statement of cash flows are as follows:

(in millions of Won)	
	Amount
Due from banks in Won	₩ 66,890
Due from banks in foreign currencies	41,438
	<u>₩ 108,328</u>

Major transactions that do not involve cash inflows and cash outflows for the years ended December 31, 2003 and 2002 are as follows:

(in millions of Won)			
	2003	2002	
Unrealized gains on available-for-sale securities	₩ 284,812	₩ 189,326	
Conversion of loans into trading securities	2,035	9,770	
Conversion of loans into available-for-sale securities	154,143	185,652	
Write-off of loans	8,632	47,431	

Notes to Financial Statements

[DECEMBER 31, 2003 AND 2002]

26. EMPLOYEE WELFARE

Employee welfare expenses during the years ended December 31, 2003 and 2002 are as follows:

(in millions of Won)			
	2003	2002	
Meal expense	₩ 62	₩ 897	
Medical expenses	153	91	
Fringe benefits	2,946	3,157	
Healthcare expenses	209	180	
	<u>₩ 3,370</u>	<u>₩ 4,325</u>	

27. CALCULATION OF ADDED VALUE

The accounts and amounts which are required to be disclosed in connection with the calculation of added value in relation to the Bank's operations for the years ended December 31, 2003 and 2002 are as follows:

(in millions of Won)			
	2003	2002	
Salaries and wages	₩ 40,069	₩ 33,543	
Provision for severance benefits	6,718	3,545	
Fringe benefits	3,370	4,325	
Rental fees	678	549	
Depreciation	3,695	2,085	
Withholding taxes	722	786	
	<u>₩ 55,252</u>	<u>₩ 44,833</u>	

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Bank, as of and for the year ended December 31, 2003, were approved by the board of directors on February 25, 2004.

Report of Independent Auditors

[DECEMBER 31, 2003 AND 2002]



Samil Pricewaterhouse Coopers
 Kukje Center Building
 191 Hankangro 2 ga, Yongsanku
 Seoul 140-702, KOREA
 (Yongsan P.O.Box 266, 140-600)

To the Shareholders and Board of Directors of the Export-Import Bank of Korea

We have audited the accompanying non-consolidated balance sheet of the Export-Import Bank of Korea ("the Bank") as of December 31, 2003, and the related non-consolidated statements of operations, appropriations of retained earnings and cash flows for the year then ended, expressed in Korean Won. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Bank as of and for the year ended December 31, 2002, presented herein for comparative purposes, were audited by Younghwa Accounting Corporation, whose report dated January 24, 2003, expressed an unqualified audit opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements as of and for the year ended December 31, 2003 referred to above present fairly, in all material respects, the financial position of the Export-Import Bank of Korea as of December 31, 2003, and the results of its operations, the changes in its retained earnings, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the Republic of Korea.

Without qualifying our opinion, we draw your attention to Note 2 of the financial statements, which states that the Bank modified the rates for determining the allowances for losses from guarantees and acceptances in anticipation of the increasing risk.

Loan Classification	Allowance rates before modification	Allowance rates after modification
Normal	0%	0.5%
Precautionary	0%	2.0%
Substandard	20.0%	20.0%
Doubtful	50.0%	50.0%
Estimated loss	100.0%	100.0%

This accounting change was accounted for prospectively, and as a result of the additional allowances for losses from guarantees and acceptances, decreased 2003 net income by ₩91,430 million.

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying non-consolidated financial statements are for use by those who are knowledgeable about Korean accounting principles or auditing standards and their application in practice.

Seoul, Korea
 January 24, 2004

Auditor's Statement

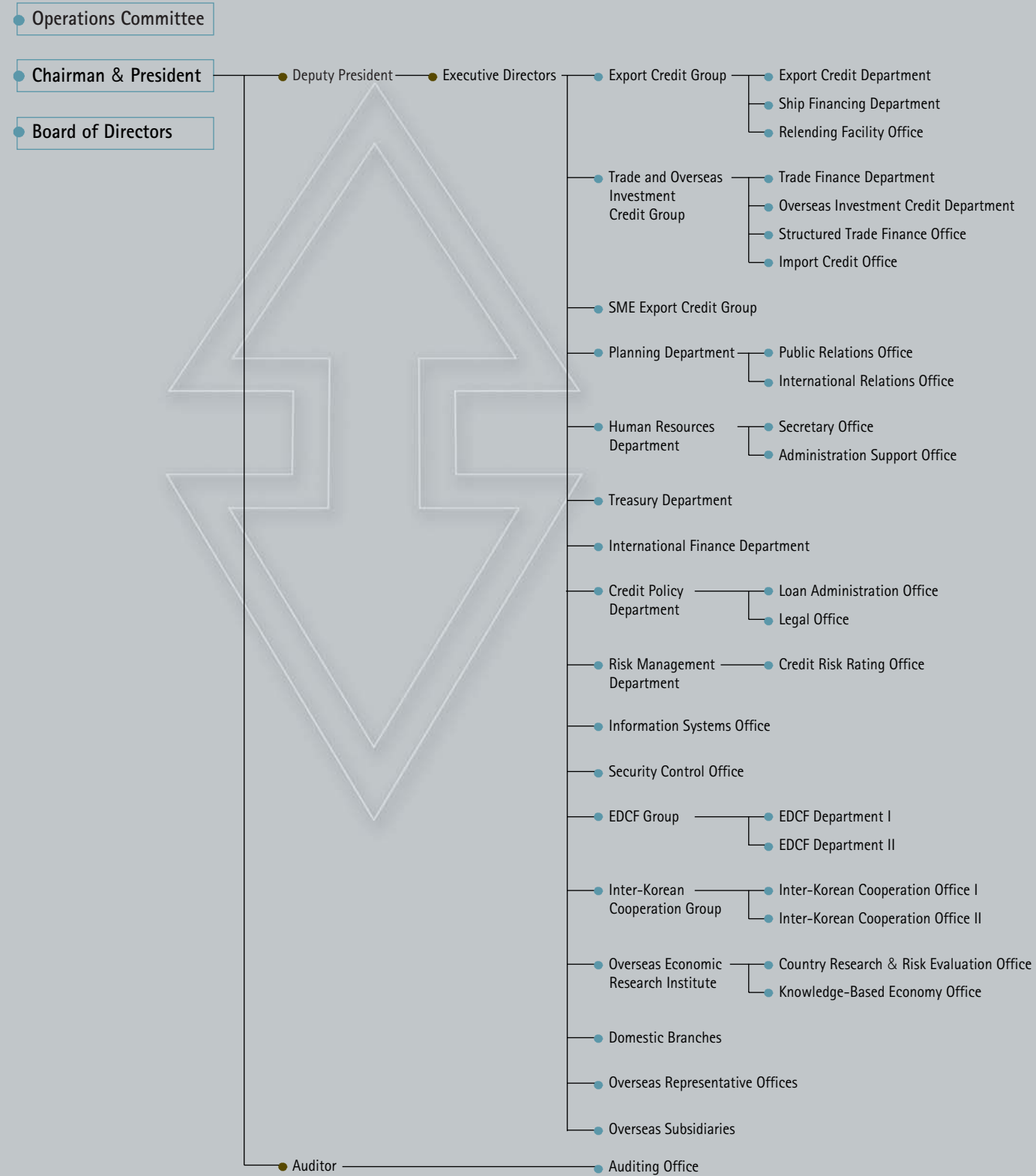
I have audited the accompanying balance sheets of The Export-Import Bank of Korea as of December 31, 2003 and 2002, and the related statements of income, retained earnings, and cash flows for the years then ended. I have conducted my audit in accordance with The Export-Import Bank of Korea Act and its related regulations.

The accounting principles and practices followed by The Export-Import Bank of Korea are in conformity with The Export-Import Bank of Korea Act and its related regulations, and with generally accepted accounting principles prevailing in the Republic of Korea. In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bank as of December 31, 2003 and 2002, and the result of its operation and cash flows for the years then ended, in conformity with such accounting principles and accounting practices applicable to the Bank in the Republic of Korea.

February 20, 2004

Shin, Il-Sung
 Auditor

| Organization Chart |



| Board of Directors |



Chairman and President
Dong-Kyu Shin



Deputy President
Gyu Lee



Auditor
Il-Sung Shin



Executive Director
Jin-Ho Kim



Executive Director
Tae-Hee Kim



Executive Director
Sang-Kyun Jo



Executive Director
Dong-Kwan Kim



Executive Director
Joong-Ouk Shin

PRINCIPAL OFFICERS

Export Credit Group Export Credit Department Ship Financing Department Relending Facility Office Trade and Overseas Investment Credit Group Trade Finance Department Overseas Investment Credit Department Structured Trade Finance Office Import Credit Office SME Export Credit Group Planning Department Public Relations Office International Relations Office Human Resources Department Secretary Office Administration Support Office Treasury Department International Finance Department	Director General	Credit Policy Department Loan Administration Office Legal Office Risk Management Department Credit Risk Rating Office Information Systems Office Security Control Office EDCF Group EDCF Department 1 EDCF Department 2 Inter-Korean Cooperation Group Inter-Korean Cooperation Office 1 Inter-Korean Cooperation Office 2 Overseas Economic Research Institute Country Research & Risk Evaluation Office Knowledge-Based Economy Office Auditing Office	Tae-sung Chung Sung-jae Song Kyung-moo Lee Young-kook Kwon Gil-sang Woo Su-jea Lee Nam Kuk Kim Tae-dong Park Tae-dong Park Joong-nae Lee Sang-hun Lee Shin-hack Kang Dong-ho Park Jaimin Lee Suk-kee Ko Joo-shik Kong Seung-kon Kim
	Yong-An Choi Doo-hwan Kwon Kew-hyuk Byun Young-bong Kim Wook Lee Chang-duck Kim Keun-joo Youk Ji-ho Choi Jung-jun Kim Young-pyo Hong Jin-kyung Kim Jung-Ha Choi Dong-soo Park Young-hoo Byun Wahnkil Chung Sung-Uk Hong		

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