

How to make best use of KEXIM Financing

4th Hellenic-Korean Maritime Cooperation Forum

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5th June 2024



KEXIM at a Glance



Specially Mandated Institution

- Established as an ECA in 1976 pursuant to the special act
“The Export-Import Bank of Korea Act”

100% Owned by Korean Government

Par with Korea’s Sovereign Ratings

MOODY'S
INVESTORS SERVICE

Aa2
(Stable)

STANDARD
& POOR'S

AA
(stable)

FitchRatings
KNOW YOUR RISK

AA-
(Stable)



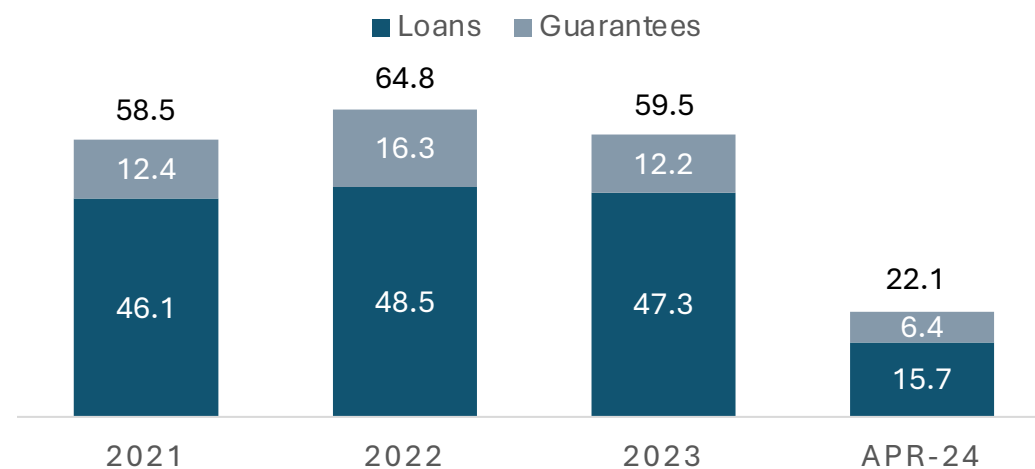
Total Credit Outstanding

(in \$ billions)



New Commitment

(in \$ billions)



* KRW converted to US\$ at KRW1,300/US\$

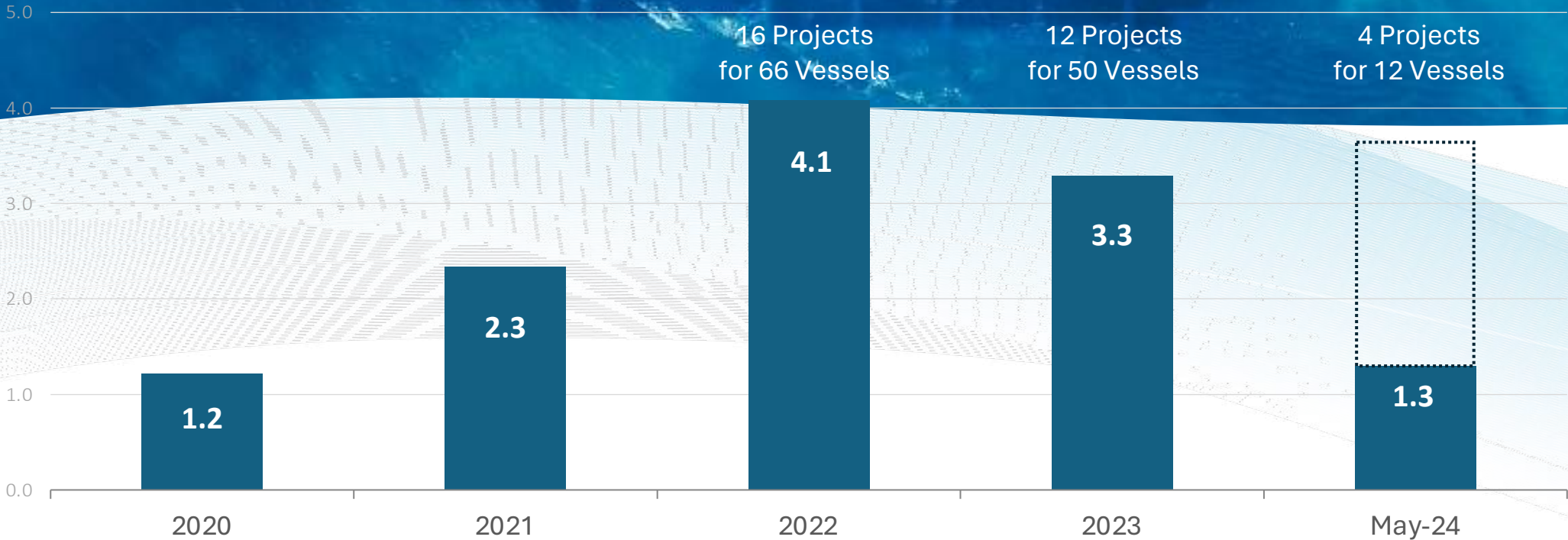


KEXIM Ship Financing Highlights

KEXIM Ship Financing Highlights
- Growth in New Commitment

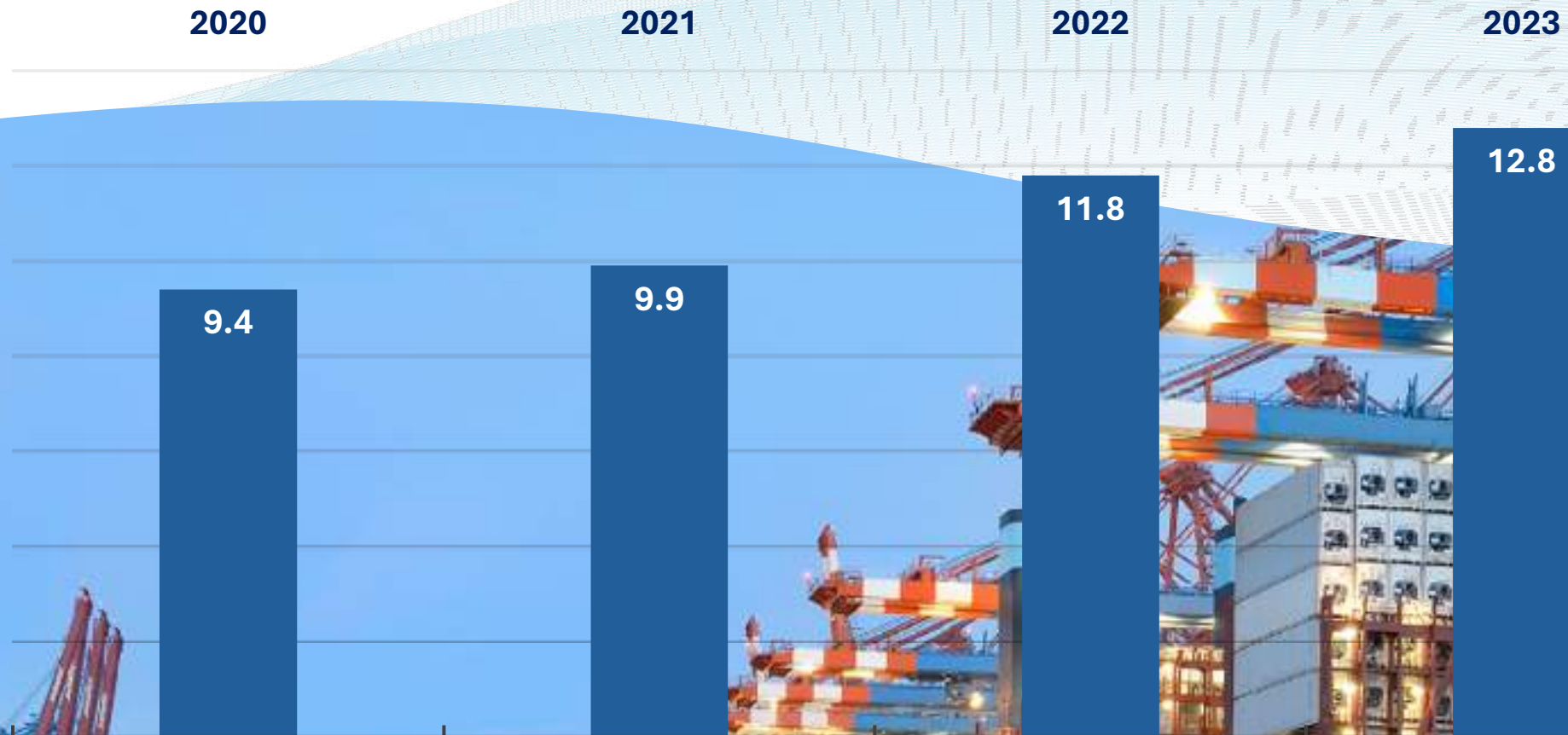


(in \$ billions)



KEXIM Ship Financing Highlights

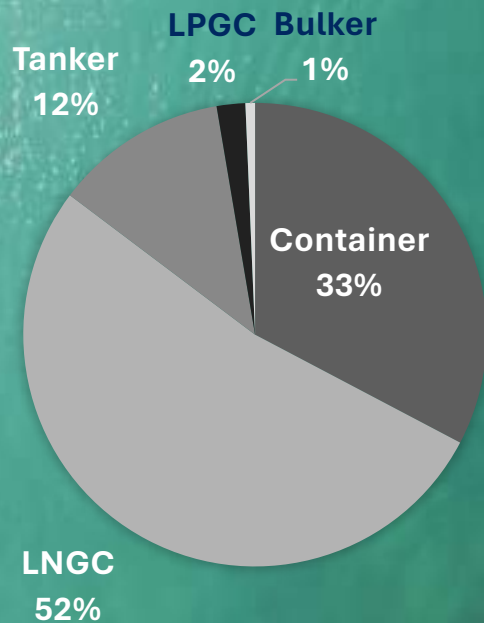
- Growth in Total Outstanding & Commitment



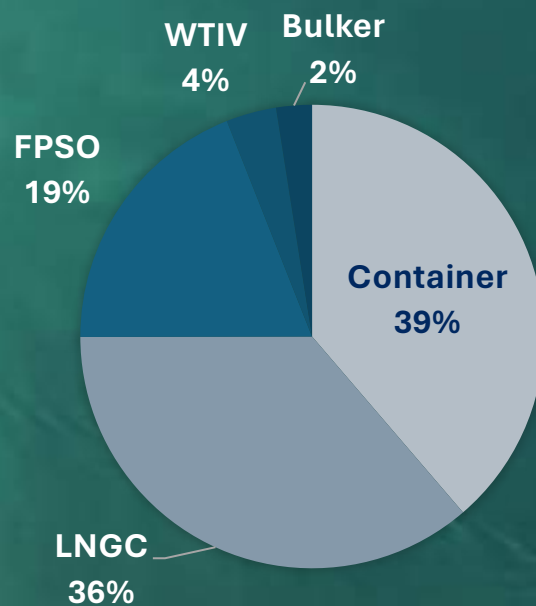
(in \$ billions)

- New Commitments by Vessel Type

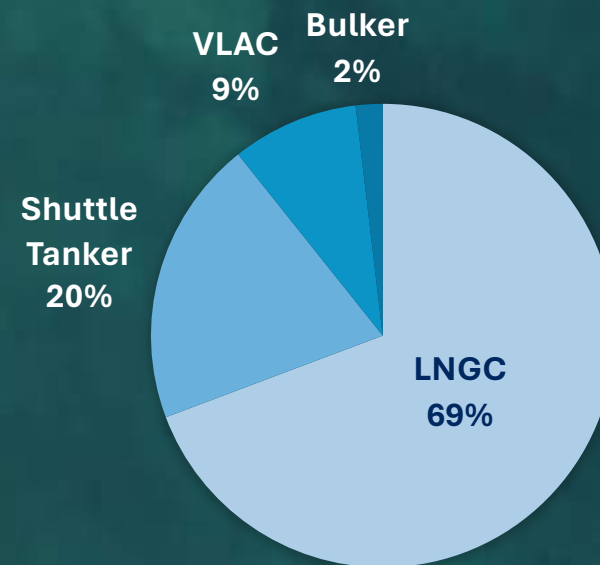
2022



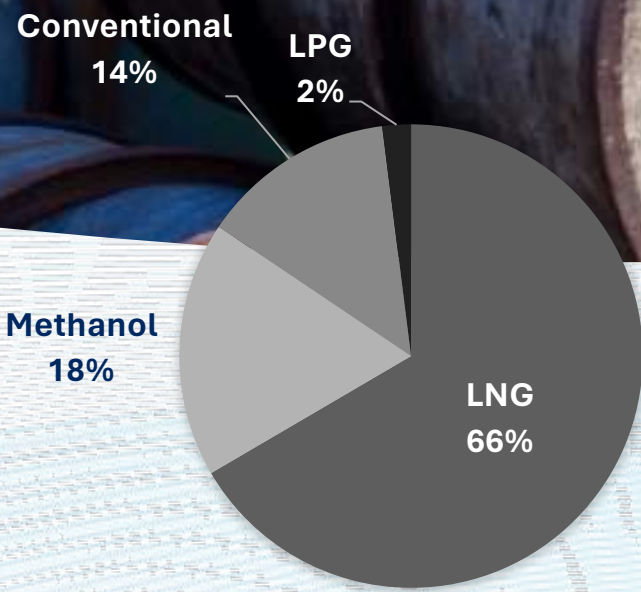
2023



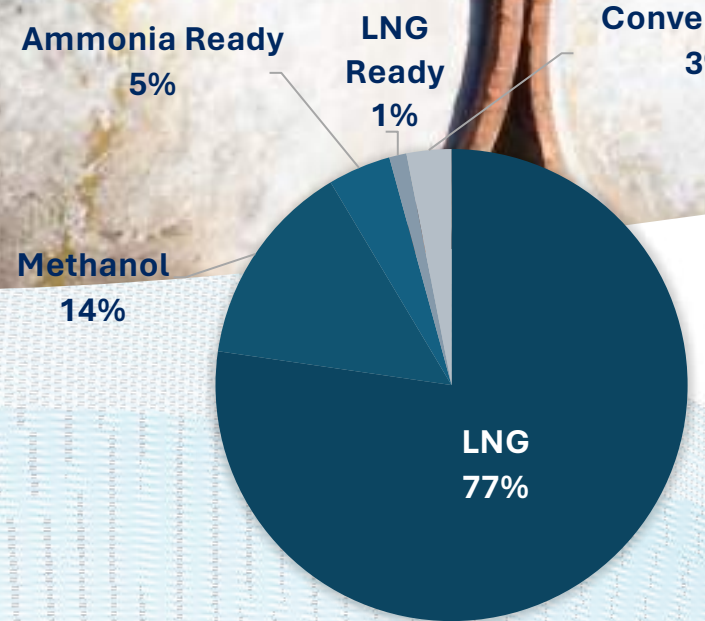
May 2024



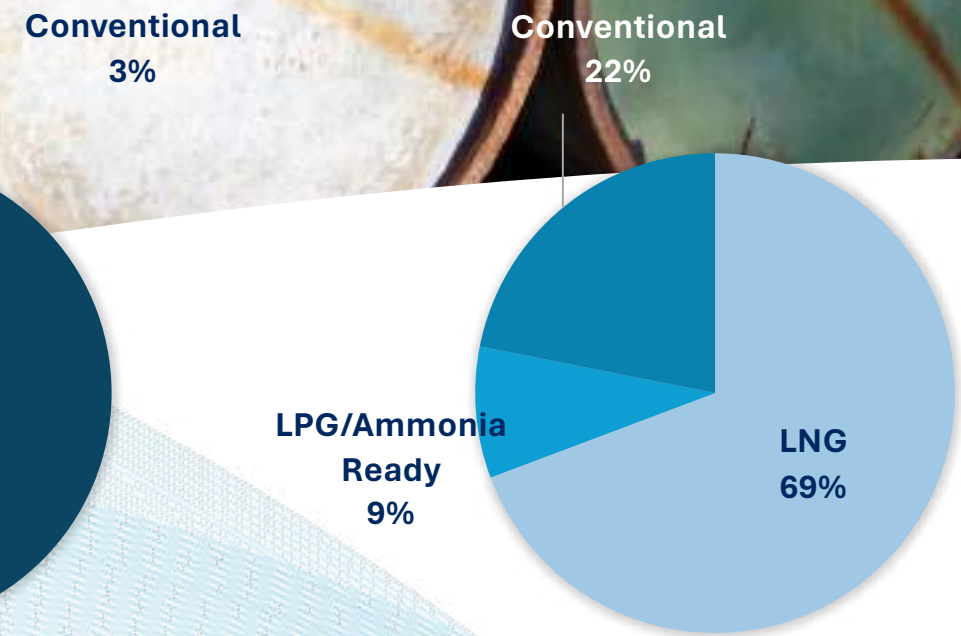
**KEXIM Ship Financing Highlights
- New Commitments by Fuel Type**



2022



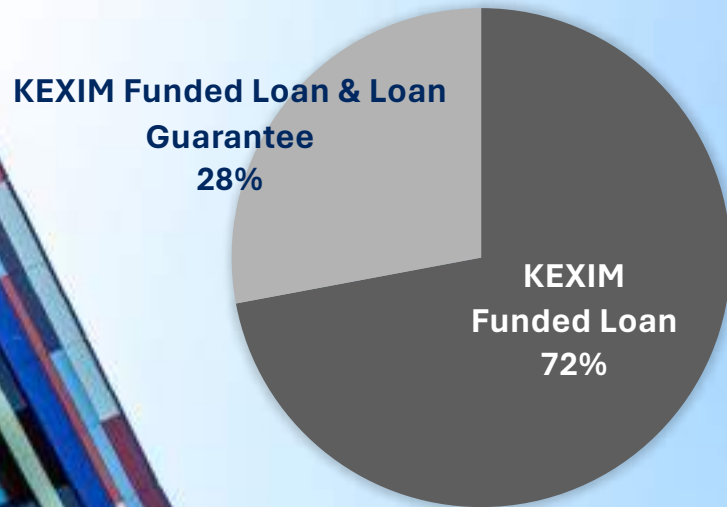
2023



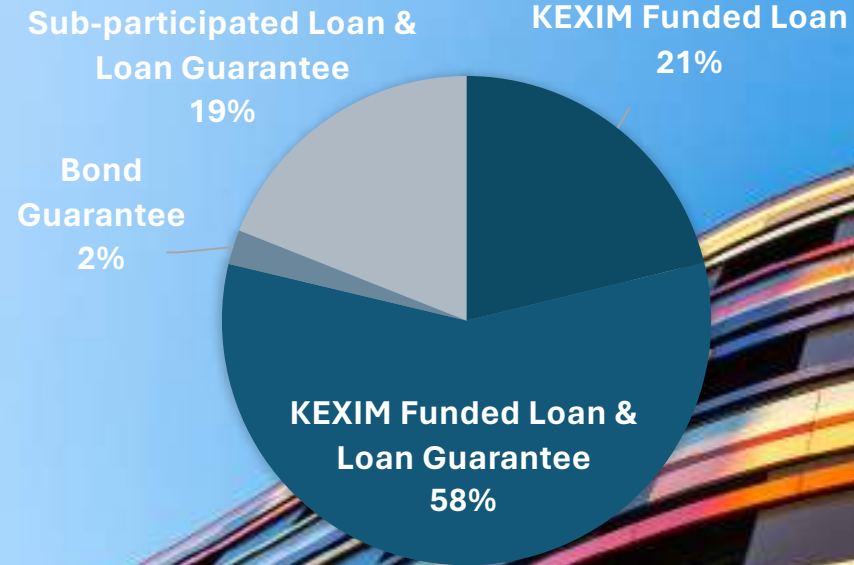
May 2024

KEXIM Ship Financing Highlights
- New Commitments by Financing Solution

2022



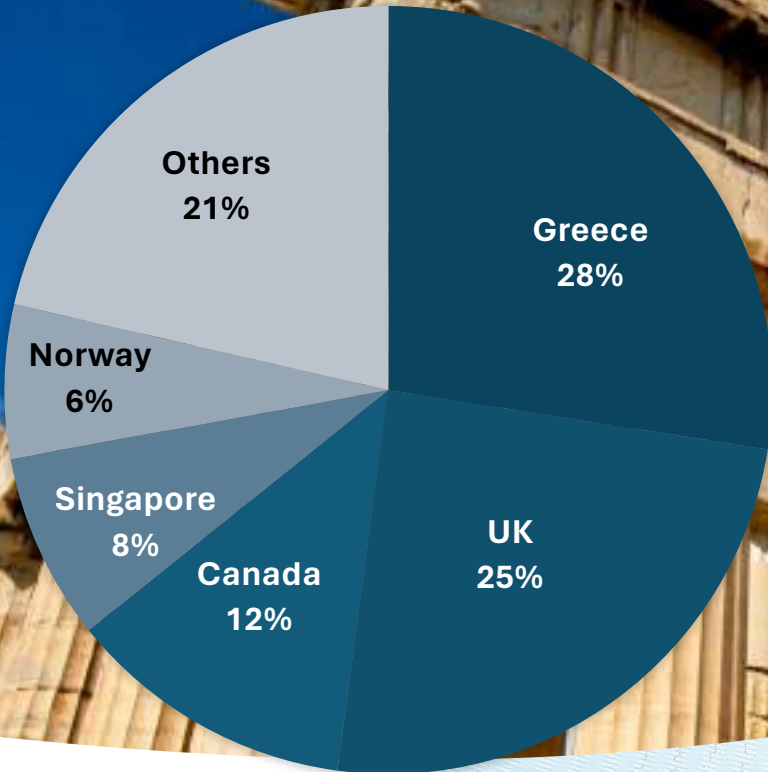
2023



May 2024

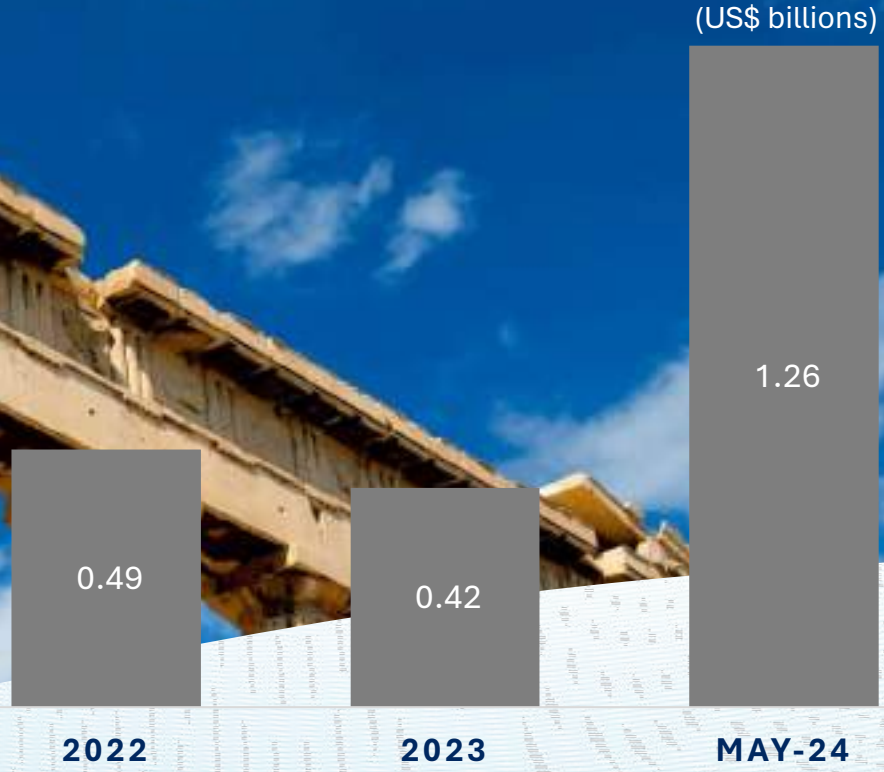


KEXIM Ship Financing Highlights
- Outstanding & New Commitment to Greek Projects



Outstanding Exposure by Country (May 2024)

* Korea excluded



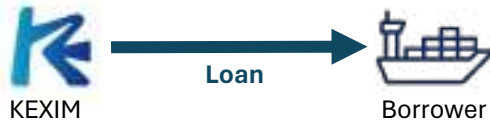
New Commitment to Greek owners

KEXIM Ship Financing Solutions



KEXIM Ship Financing Solutions
- Traditional Products

KEXIM Funded Loan



- **Straightforward loan** provided by KEXIM
- Exempt from **withholding tax** in many countries (KEXIM has special status in most of double taxation avoidance treaties)

Loan Guarantee



- **Unconditional & irrevocable**
- Covers **100%** of outstanding principal & interest
- **Up to 50%** of KEXIM facility (The remaining share must be Loan)
- Annual budget

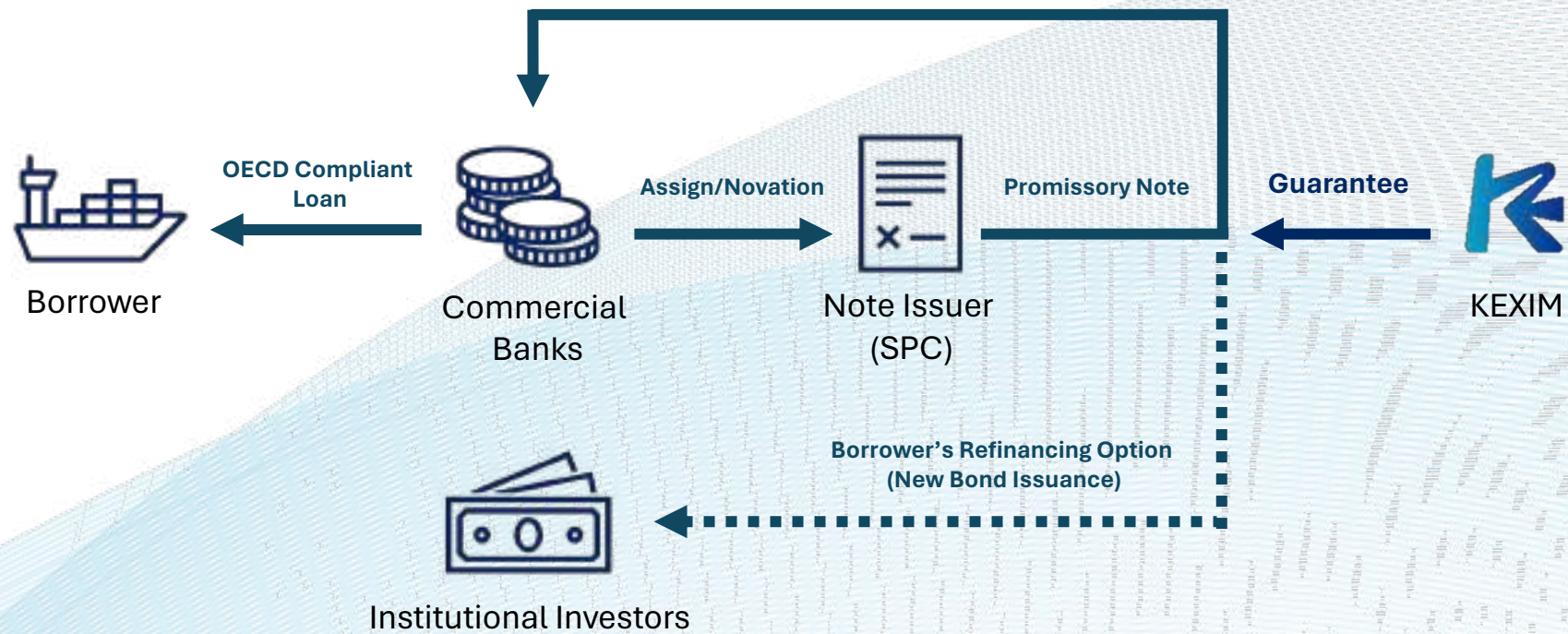
KEXIM Ship Financing Solutions - New Solutions



- **KEXIM is the lender of record**
- **Commercial banks** sub-participate with unconditional & irrevocable **recourse to KEXIM**
- Enables **competitive pricing**
- **Up to 100%** of KEXIM Facility
- Abundant budget

- Unconditional & irrevocable, 100% of obligations
- **Bond, note** or other types of **debt securities**
- **Securitisation** (pass-through)
- **Public or private** placement
- **Up to 100%** of KEXIM facility
- Abundant budget

- **OECD compliant loan** is provided and **securitized** into pass-through **promissory notes**
- The notes are **underwritten** by the **original lenders**
- The Borrower has an **option to refinance** by **issuing new bonds** (tap into the capital market)





KEXIM Ship Financing Terms



Amount

- **Max 80%** of the Contract Value (+ Guarantee Premium & Interest During Construction)

Maturity

- **KEXIM Funded Loan Tranche > Loan Guarantee Tranche**

- Up to **12 years** after Delivery

Repayment

- **Max Annual Equal* Instalment**

* In the case of a lease transaction, equal principal & interest combined allowed

Balloon

- **Not Allowed**

Interest Period

- **Max 6 Months**

Pricing

- **Internal Pricing Model**

- **Market Benchmark**

- **Uncovered Commercial** or **other ECA** Tranche Pricing

- **Secondary Market Bond** or **Credit Default Swap**



Amount

- **Max 85% of the Contract Value**
(+ Guarantee Premium & Interest During Construction)
- **KEXIM Funded Loan Tranche > Loan Guarantee Tranche**

Maturity

- Up to **15 years** after Delivery

Repayment

- **Max Annual Equal*/Unequal** Instalment**
* In the case of a lease transaction, equal principal & interest combined allowed
** If duly justified
- Weighted Average Life \leq Max {**65% of Maturity, 6 years**}

Balloon

- **Less than 30%** of Principal

Interest Period

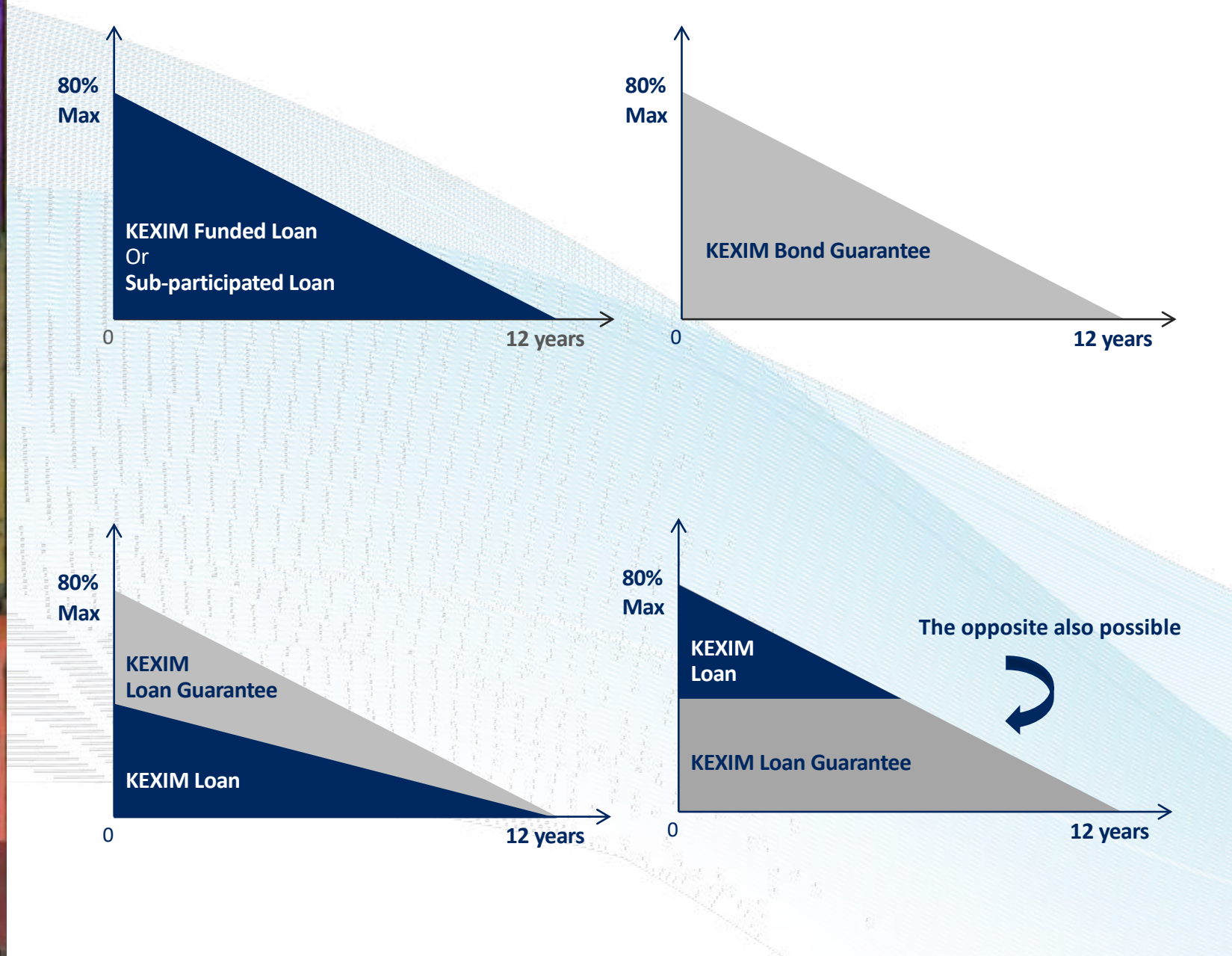
- **Max 6*** Months
* Exceptionally 12 months can be allowed

Pricing

- **Internal Pricing Model**
- **Market Benchmark**
 - **Uncovered Commercial** or **other ECA** Tranche Pricing
 - **Secondary Market Bond** or **Credit Default Swap**
- **OECD Minimum Premium Rate**



KEXIM Ship Financing Terms
- Example of KEXIM Loan & Guarantee Profiles





KEXIM Ship Financing Terms
 - Example Structures to achieve Longer Profiles



Key Takeaways

-
- KEXIM financing is more **Flexible** than you might think

- Keep in **Direct Touch**

- Find a good **Commercial Financing Partner**

- Make use of **KEXIM's New Financing Solutions**

Key Takeaways

- KEXIM Strategies

- **Similar new commitment target**
- More efforts to **expand the client base**
- Keep prioritising **more efficient, less carbon intensive ships**
- Promote **new financing solutions**
- Strengthen **cooperation with financing partners**

Key Takeaways

- KEXIM Global Network

- **London, Hong Kong and Singapore** subsidiaries offer **Loans with Commercial Terms**
- They can offer loans **Independently** (with or without KEXIM affiliation)
- They are the **Point of Contact, Agent & Liaison** for any KEXIM project



KEXIM Bank (UK) Ltd.

KEXIM Asia (Hong Kong) Ltd.

KEXIM Global (Singapore) Ltd.



Thank you

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 **Korea Eximbank**
THE EXPORT-IMPORT BANK OF KOREA

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