

K-sure, Your Reliable Financial Partner

October, 2010

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I. K-sure in Brief(1)

Official Export Credit Agency (ECA) of Korea

Official ECA

- Wholly state-owned agency
- Established in 1992 and operates in accordance with Export Insurance Act

Trade Insurance Act (enacted in 1968)

- Trade Insurance Fund as financial resources
 - Any losses suffered in the fund shall be supplemented by the Korean Government (Fiscal back-up guaranteed)
- Annual Underwriting Limits approved by National Assembly (approximately US\$135bn for 2009)
- K-sure operates under the guidance of Ministry of Knowledge & Economy (MKE)

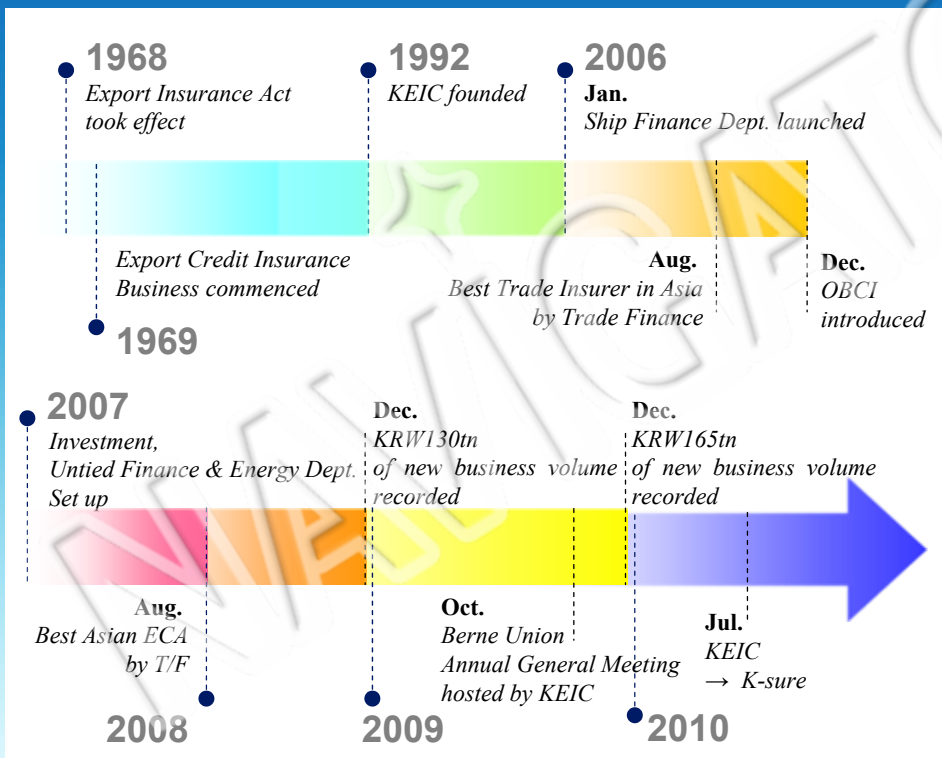
Role of K-sure

- Promotion of nation's export, overseas investment & other overseas business by providing various types of credit insurances & guarantees

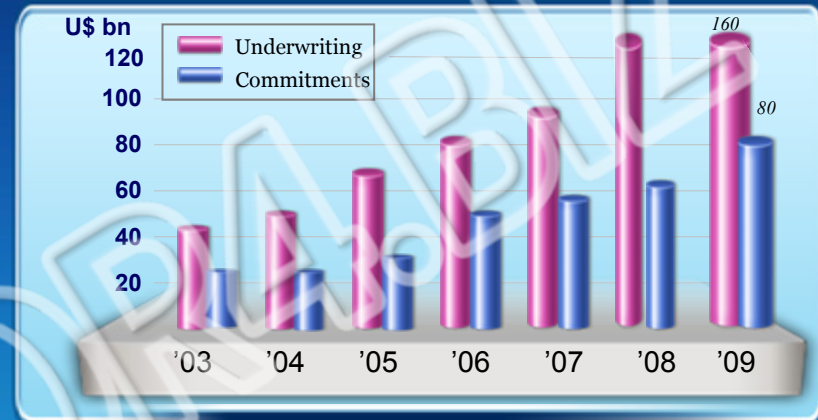
I. K-sure in Brief(2)

Since its establishment in 1992, K-sure's business field and volume have rapidly expanded

Milestone in History

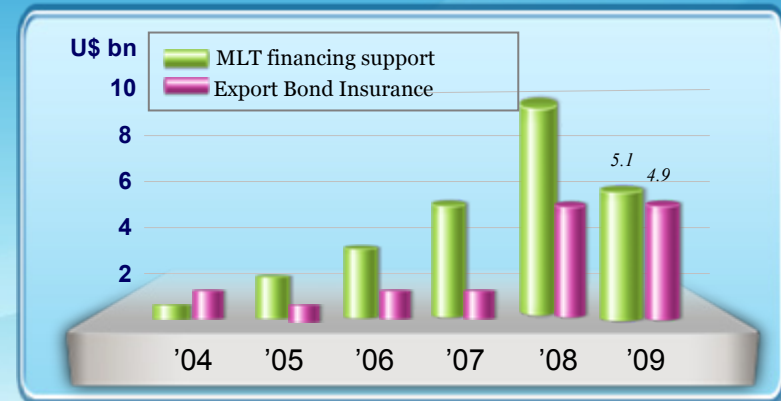


Underwriting Performances

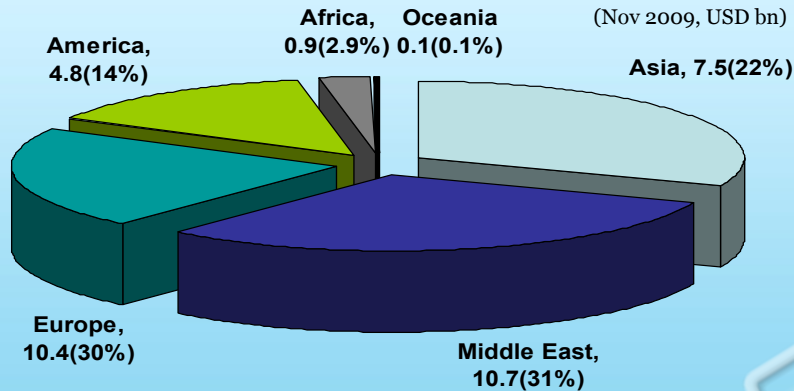


K-sure is worldwide renowned as one of the top-five ECAs.

MLT Financing Support & Export Bond Insurance



Portfolio Distribution by Region (MLT business)



Major Project & Locations

- *Commitments for energy project, in particular renewables such as solar, wind and CDM, in addition to petrochemical, power and ships expected to be increased.*
- *The Middle East and Asian regions focused so far; however, K-sure portfolio diversified to Latin America and Africa region in Power, SOC and natural resource development sector.*

Key Korean Companies as K-sure's Client

Plant Industry

- *Petro-chemical : Daelim corporation, SK construction, GS construction, Samsung Engineering, Hyundai Engineering, etc*
- *Power : Hyundai Heavy Industry, Posco construction, KEPCO, Doosan Heavy Industry, Samsung C&T, etc*
- *Desalination : Doosan Heavy Industry*

Ship-building Industry

- *Hyundai Heavy Industry*
- *Samsung Heavy Industry*
- *Daewoo Shipbuilding & Marine*
- *STX Shipbuilding & Marine*
- *Hyundai-Samho Shipbuilding, etc*

Natural Resources

- *Korea National Oil Corporation*
- *SK energy*
- *Daewoo International corporation*
- *LG Corporation*
- *STX Corporation*
- *KORES, etc*

II. Products for MLT Transaction(1)

● Financing Vehicle : Export Credit Insurance (Buyer Credit)

- Eligibility : capital goods & services supplied by Korean companies.
- Risk covered : comprehensive risk, *i.e.* it covers the non-payment risk of a borrower against a lending bank in any case of political or commercial risk.
- Percentage of Cover : up to 100%
- Maximum amount covered :
 - up to 85% of export contract value (offshore value, incl. goods & service from 3rd countries);
 - local costs not exceeding 30% of export contract value and;
 - 100% of K-sure Premium & IDC.
- Repayment term : over 2 years up to 10 years; 12 years(Power Plant) and 14 years(Project Finance)
- Premium : competitive rates on a case-by-case basis subject to the OECD Minimum Premium Rates
- Other conditions: compliance with the OECD rules on environment and anti-bribery.

II. Products for MLT Transaction(2)

● Financing Vehicle : Overseas Business Credit Insurance ('untied to export')

- Eligibility : overseas business where Korean interests are facilitated by the participation of Korean cos. as shareholder, offtaker, O&M contractor, etc.
- Risk covered : comprehensive risk, i.e. it covers the non-payment risk of a borrower against a lending bank in any case of political risk or commercial risk.
- Percentage of Cover : up to 100%
- Maximum amount covered : overall project costs, including 100% of K-sure Premium and IDC.
- Repayment term : over 2 years up to 25 years
- ☞ The loan amount covered and the repayment term are determined by project feasibility including the future cash flow from the project.
- Premium : competitive rates on a case-by-case basis; OECD MPRs not applicable
- Other conditions : compliance with OECD rules on environment and anti-bribery

Bonds and Guarantees : Export Bond Insurance

- **Eligibility** : Performance bonds, e.g. Bid bond, P-bond, AP-bond, etc., relating to export contract for which Korean companies supply capital goods and services including construction
- **Risk covered** : bond-calling risk (fair and/or unfair), covering for a bond-issuing bank
- **Maximum amount covered** :
 - up to the credit limit for each Korean company and;
 - each bond insurance not exceeding 30% of export contract value.
- **Percentage of Cover** : up to 100% of the bond-issuing amount, subject to maximum amount limit
- **Premium** : competitive rates on a case-by-case basis
- **Current Issues**: K-sure is strengthening cooperation with leading bond-issuing banks
 - * K-sure is in process of joining SWIFT not later than Dec 2009

II. Products for MLT Transaction(4)

Other Products

- **Export Credit Insurance (supplier credit)**
- **Pre-shipment Guarantee**
- **Interest Make-up**
- **Overseas Investment Insurance (PRI)**
- **Overseas Investment Credit Insurance** : to finance overseas equity investments by Korean entities, provide cover for their non-payment risk to lending banks; if a default occurs, K-sure will have recourse to the investor.

III. Benefits for Client

Financial Institution

- repayment risk eliminated
- least impact on BIS ratio
Cf. K-sure-covered loan
weighed as 0 % RWA
- syndication easily achieved
- Performance Bonds' calling
risk removed

Sponsor

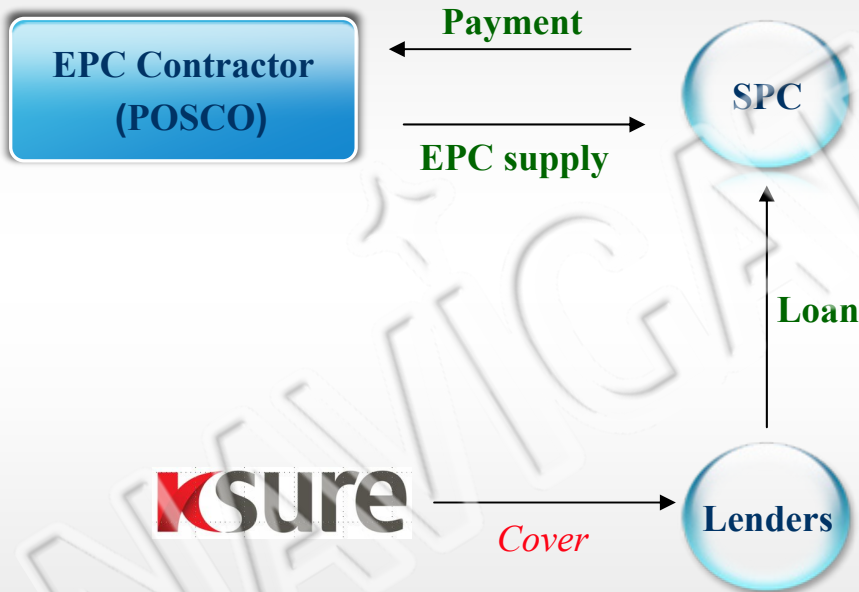
- long-term financing obtained
- relatively low-cost financing
- multi-sourcing financing
possible esp. in mega-size deal
- foreign direct investment
induced
- fixed-rate based financing
(if needed)
- non-performing risk of EPC
mitigated

Exporter / Investor

- competitiveness in financing
proposal secured
- buyer's payment risk
eliminated
- overseas business financed
- Performance Bonds
submitted

Power Plant Project in Chile

Angamos (coal-fired)



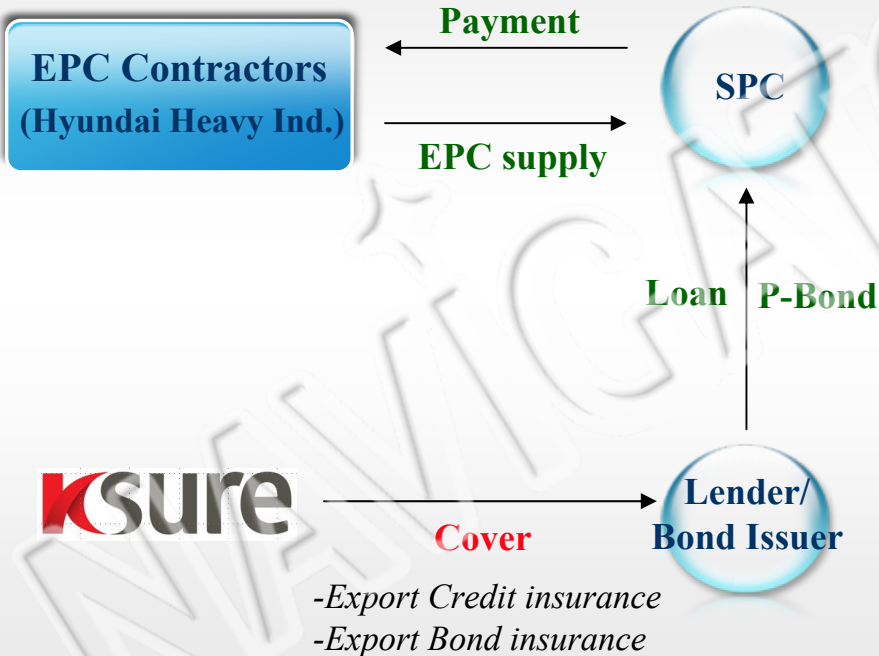
Key Features

- Project Finance Transaction
- Total Investment Cost (TIC) : US\$ 1.4bn
- Total Debt : US\$ 1.0bn
- K-sure-covered Loan : US\$ 675mn
 - Export Credit Insurance (Buyer Credit)
 - Repayment Term : 14 years
 - Percentage of Cover : 95%
- Awarded “Deals of the Year 2008” by PFI

IV. Case Studies(2)

Power Plant Project in Bahrain

Al Dur (gas-fired)



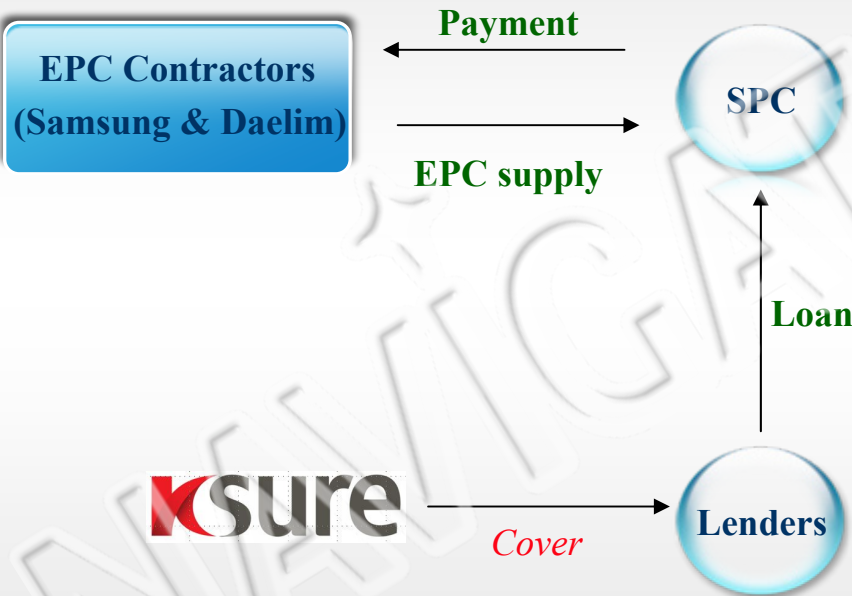
Key Features

- Project Finance Transaction
- TIC : US\$ 10.0bn
- Total Debt : US\$ 6.0bn
- K-sure-cover :
 - ♣ Export Credit Insurance (Buyer's Credit)
 - Amount / PoC : US\$350mn / 90%
 - Repayment Term : 7 years
 - Agent Bank : Calyon Bank
 - ♣ Export Bond Insurance
 - Amount / PoC : US\$341mn / 100%
 - Insurance Period: 2 years
 - Bond Issuer : Shinhan Bank

IV. Case Studies(3)

Petrochemical Project in Saudi Arabia

Kayan



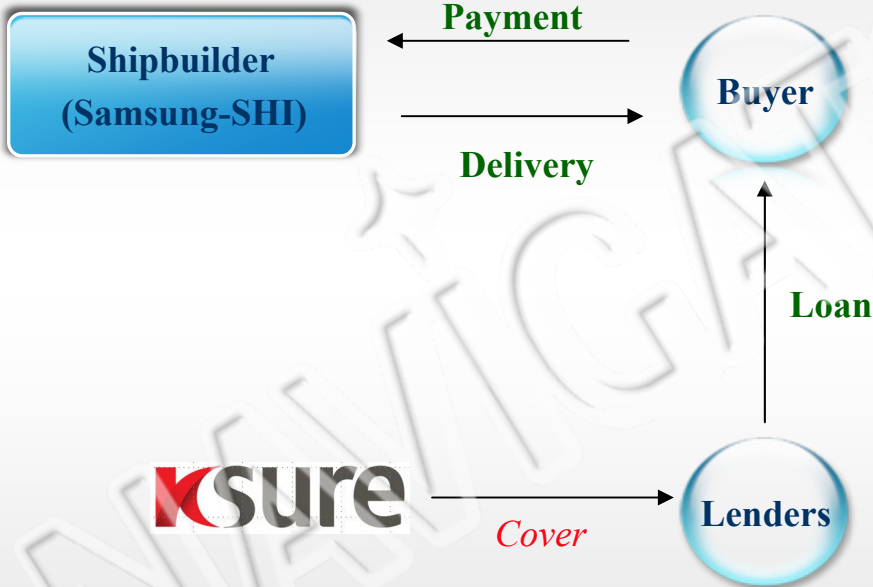
Key Features

- Project Finance Transaction
- TIC : US \$ 10.0bn
- Total Debt : US \$ 6.0bn
- K-sure-covered Loan : US \$ 500mn
 - Export Credit Insurance (Buyer Credit)
 - Repayment Term : 12 years
 - Percentage of Cover : 100%
- Other ECAs involved: ECGD(UK), SACE(I), etc
- Awarded “Deals of the Year 2008” by PF

IV. Case Studies(4)

Ship Project in Sweden

Stena (drill ship)



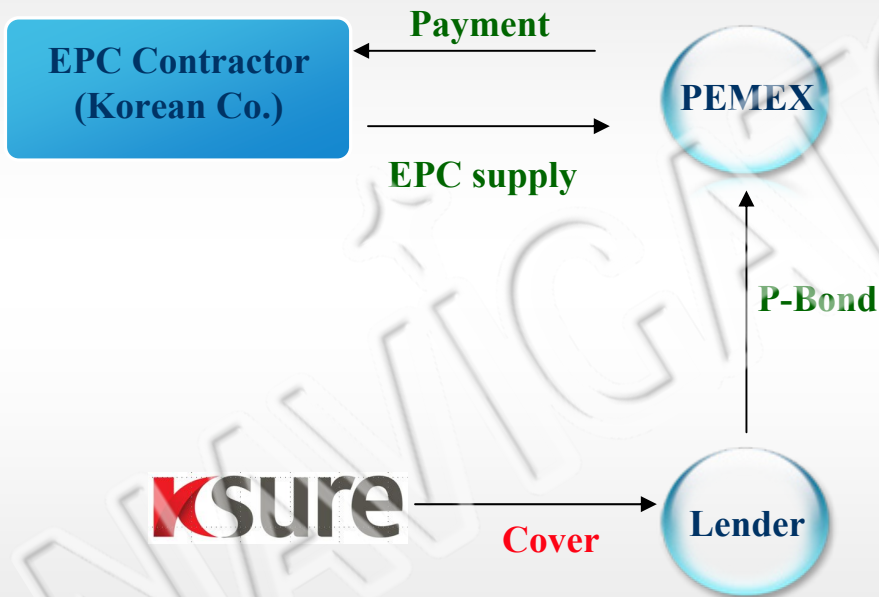
Key Features

- Shipping Finance
- TIC : US\$ 942mn
- Total Debt : US\$ 850mn
- K-sure-covered Loan : US\$ 850mn
 - Export Credit Insurance (Buyer Credit)
 - Repayment Term : 12 years
 - Percentage of Cover : 95%

IV. Case Studies(5)

Refinery Modernization Project in Mexico

PEMEX Minatitlan Package VI



Key Features

- EPC Contract Amount : US\$ 154mn
- K-sure-insured Amount : US\$15mn

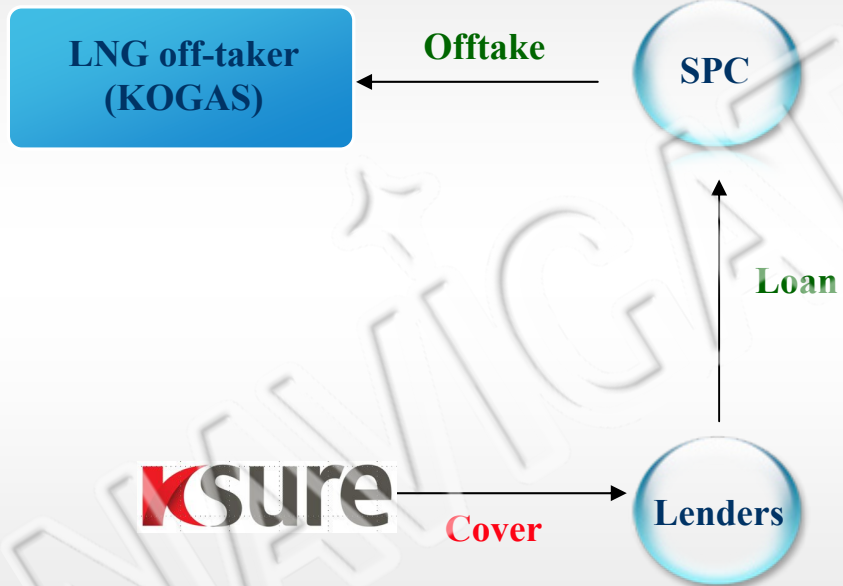
- Performance Bond Insurance
- 10% of Contract Amount

* Minatitlan Package III & IV also supported through Export Credit Insurance (B/C) in cooperation with CESCE, Spain's ECA.

● Natural Resources Development Project in Russia

Sakhalin LNG Phase II

Key Features



- Oil/Gas Development & LNG Plant Construction
- TIC: US\$ 23.4bn
- Total Debt: US\$ 6.7bn
- K-sure-covered Loan : US\$ 300m
 - Overseas Business Credit Insurance
 - Repayment Term : 12 years
 - Percentage of Cover : 100%
- Other ECA involved: JBIC(Japan)

TRADE FINANCE
The global magazine for export and commodity finance

ProjectFinance

Awards for Excellence



Best Asian ECA(2008, 2009)

Best Trade Insurer In Asia(2006)

Deals of the Year



Deals of the Year

Deals of the Year



- An Hoa Paper (2009)
- Hyundai Motors Russia (2009)
- Dung Quat Refinery (2009)
- Kayan Petrochemical (2008)
- Mundra Power(2008)

- Rabigh IPP(2009)
- Al Dur IWPP(2009)
- Kayan Petrochemical (2008)
- Ma'aden Petrochemical (2008)
- Marafiq IWPP(2007)

VI. Major Track Record(1)

Power/Petrochemical/Refinery Projects ('04-'09)

MAPNA
(Power Plant)




EUR153M
W. Atradius,
Hermes, ECGD

TUPRAS
(Refinery)




US\$54M
W. CESCE

Amir Kbir
(NPC, LDPE)



US\$117M
W. ECGD

SIPP
(Petochemical)



EUR224M
W. SACE, Hermes

Al Dur
(IWPP)



US\$350M
US Exim

Marafiq
(IWPP)



US\$916M

Kayan
(Petrochemical)



US\$670M
W. SACE, ECGD

Ma'aden
(Petrochemical)



US\$551M

Tata Power
(Power Plant)



US\$380M
W. ADB, IFC

Angamos
(Power Plant)



US\$1,030M

* The above amounts are K-sure-insured ones which include accrued interests during the loan life.

VI. Major Track Record(2)

Ship Projects ('08-'09)

Teekay



US\$482M
Tankers

Seaspan



US\$235M
Containers

Emarat



US\$433M
Tankers

MSC



US\$760M
Containers

Stena



US\$1,073M
Drill Ship

QGTC



US\$612M
LNG Ships

Stolt-Nielsen




US\$740M
Tankers

CMA-CGM



US\$516M
Containers

A P Moller-Maersk



US\$301M
Containers

Angola LNG



US\$447M
LNG ships

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Thank you for your attention

Kim Chong Ho

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