



**ksure**  
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Let's Grow  
**TOGETHER**  
KOREA TRADE INSURANCE CORPORATION



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KOREA TRADE INSURANCE CORPORATION

# Annual Report 2011



# K-sure Profile



Korea Trade Insurance Corporation or K-sure was established in July 1992 with the goal of boosting the national competitiveness of Korea through the promotion of trade and overseas investment. We are an export insurance agency (ECA) that extends various trade (export/import) insurance and overseas investment/credit guarantee programs. As a trade and investment insurer under the Ministry of Knowledge Economy's supervision, we are responsible for the following roles:

- We extend diverse trade insurance programs to cover the risks related the exportation and importation of goods (including capital goods), overseas construction works and investments, management of foreign exchange and interest rate fluctuations, export of cultural goods and services, and other overseas transactions.
- We offer credit information services including credit research and buyer/seller credit information management and overseas debt collection services.
- We work as a “public corporation trusted by the people of Korea” with the emphasis on customer satisfaction through ethical and innovative management aimed at Integrity, Transparency, Sharing, and Communication.
- We duly commit our business volume approved by the National Assembly each year and responsibly invest the ‘Trade Insurance Fund’ entrusted by the government of Korea.
- We boost the role of trade insurance aimed at strengthening the national economy and contributing to economic development that leads trade and overseas investment activities.

K-sure transforms with the changing global trade environment by developing various trade insurance products and value-added services to promote the nation's exports and global trade. As of December 2011, a total of 443 K-sureans support trade from the headquarters in Seoul, 13 domestic branches, and one local office in Korea. Its international presence includes 11 representative offices and two resident representatives.



# K-sure History



- **1968**  
Dec. | The Export Insurance Act is adopted and proclaimed.
- **1969**  
Feb. | Korean Reinsurance Company (Korean Re) takes over the export credit insurance business from the government of Korea.
- **1977**  
Jan. | The Export-Import Bank of Korea takes over the export credit insurance business from Korean Re.
- **1979**  
Jan. | The governing authority of the export credit-insurance business transfers to the Ministry of Finance to the Ministry of Commerce and Industry.
- **1992**  
July | Korea Export Insurance Corporation (KEIC) established to take charge of the export credit insurance business.  
Nov. | The Export Credit Guarantee is launched.
- **1994**  
Nov. | The Short-Term Export Credit Insurance, Agro-Fisheries Export Insurance, and Market Development Insurance are launched.
- **1995**  
Dec. | The business volume of Export Credit Insurance exceeds KRW 10 trillion.
- **1996**  
Dec. | K-sure joins the OECD ECG and GOP Committee.
- **2000**  
Feb. | Foreign Exchange Risk Insurance is launched.
- **2003**  
Mar. | Reliability Insurance is launched.
- **2004**  
Jan. | Overseas debt collection services are launched.
- **2005**  
July | Service Export Credit Insurance is launched.  
Sept. | Resource development programs under Overseas Investment Insurance are launched.
- **2006**  
Nov. | Overseas Resources Development Fund Insurance is launched.  
Dec. | Overseas Business Financing Insurance is launched.
- **2007**  
Dec. | Cultural Export Insurance is launched.  
Overseas Marketing Insurance is launched.
- **2008**  
Mar. | Carbon Insurance Wrap is launched.  
Apr. | SME Plus+ Insurance is launched.  
May | Commodity Price Fluctuation Risk Insurance is launched.  
July | Agro-Fisheries Export Package Insurance is launched.  
Sept. | K-sure business volume exceeds KRW 100 trillion.  
Oct. | Trading Claim Insurance is launched.  
Dec. | Comprehensive Overseas Resource Development Insurance is launched.
- **2009**  
Apr. | Export Financing Facility (EFF) is launched.  
May | The Customer Service Center opens.
- **2010**  
July | KEIC assumes the new name, Korea Trade Insurance Corporation or K-sure, and NEW VISION 2020 is proclaimed.
- **2011**  
Trade Finance Magazine names K-sure as Best Asian ECA.  
The business volume of K-sure tops KRW 190 trillion.



# 2011 Highlights

## Organizational Restructuring

### New President inaugurated (July)

- Mr. Cho Kye-Ryong inaugurated as the 8th CEO, who led K-sure in its establishment efforts and served as its president.



### Organizational realignment for the era of USD 1-trillion in trade volume (September)

- Expansion of SMEs Business Departments to better support SMEs (3 teams under SMEs Business Department 1, and 4 teams under SMEs Business Department 2)
- The Customer Support Department was established (responsible for customer services and corporate social responsibility activities)
- The Risk Management Group was established to expand risk management activities to reduce losses (introduction of Risk Management Group)
- The Corporate Restructuring Department was established as the sole department to manage debts from restructuring enterprises
- The Trade Business Department's sales and evaluation functions were integrated to better serve customers



## Strengthen Global Competitiveness of Korean Companies Through New Product Development and Better Support

### The operation system of trade insurance overhauled (July)

- The operation of the trade insurance system was totally overhauled to boost K-sure's global competitiveness and advance its operational system. Our product portfolio was revised, the risk management organization was expanded and restructured, an integrated risk management system was set up, and various programs were introduced to foster the work of project finance (PF) experts.

### Measures to support strategic overseas markets implemented (September)

- Among emerging markets, 69 countries in Africa and 4 other strategically important regions were chosen as strategic markets and different measures of support tailoring for each region were adopted.

### More liquidity pumped to SMEs through the MOU concluded with domestic financial institutions (October)

- We secured more trade financing for outstanding SMEs through the MOU with Industrial Bank of Korea (IBK) and we extended more liquidity to reduce interest burden on exporters.



### The operation of Trade Champs Club improved and more members nominated (November)

- A custom-tailored support system was adopted to foster outstanding SMEs into global companies that receive customized services through K-sure's relations managers (RM) (the Trade Champs Club members increased from 37 in 2010 to 70 in 2011).



## Major events and awards

### Letter of Intent (LOI) concluded with various financial institutions for project finance support (February)

- The co-financing support system was set up with the conclusion of an LOI with 27 different domestic and global financial institutions to facilitate project financing to Korean companies involved in overseas projects.

### K-sure selected as Best Asian ECA by Trade Finance Magazine (June)

### K-sure named as a leading organization in implementing anti-corruption measures (December)

- K-sure was selected as an outstanding organization in the anti-corruption prevention measures category surveyed by Anti-Corruption and Civil Rights Commission of Korea.

### Hankyung financial daily newspaper nominated K-sure as the best public corporation in the advertising category (December)



# CEO Message



Take a giant step toward  
USD 2 trillion in trade

## Dear Clients,

In 2011 we are once again reminded that the words 'risk' and 'opportunity' are just two sides of the same coin. The world economy was sucked into the turmoil of another financial crisis stemming this time from Europe as it was struggling to step away from the global financial crisis, which originated from the U.S. Nobody could tell what the future held as one crisis followed another, including unrest in the MENA region.

Nonetheless, the Korean economy did not falter much despite all these external blows. Korea overcame the odds by becoming the 9th country in the world to attain the 1-trillion dollar trade mark. Amid these difficult times, we K-sureans strived to serve our exporters behind the scenes, and I am proud that we have achieved this milestone.

When the global financial crisis hit in 2008, we changed gears by strategically expanding our trade insurance support and proactively countering risk to transform 'risk' into 'opportunity'. Concluding that the world economy will continue to face various risk factors, we persevered in extending active support for our exporters. As a result, our total business volume hit a record high at KRW 192 trillion in 2011, a 2.7% increase from KRW 187 trillion in 2010.



Not satisfied with the quantitative growth, we went for qualitative growth as well to strengthen the Korean export competitiveness by linking trade insurance to actual exports.

All along the way, we had four goals in our mind.

**Firstly**, K-sure pursued new markets in the post-China era as the world economy seemed likely to falter long-term in both advanced and emerging economies. Thus, we selected Africa, Indonesian and other regions with a high growth potential as 'strategic emerging markets' and are helping Korean enterprises to enter these regions by extending tailored services.

**Secondly**, we focused on better supporting SMEs, as they form the foundation of industry along with conglomerates, by helping them grow and expand their horizons to encompass the global market. We put more personnel and energy into SMEs Business Department and activated our 'Trade Champs Club'. We chose small companies to foster into medium-sized enterprises. In the meantime, we strengthened our ties with domestic financial institutions including Industrial Bank of Korea to facilitate export financing for Korean businesses.

**Thirdly**, we boosted support for medium and long-term (MLT) project finance (PF) in the future growth engines including the engineering, procurement & construction (EPC) and resource development sectors. Amid the tightening global liquidity situation, we cooperated with other global ECAs from China, Japan, and Middle Eastern countries through our global network and successfully extended KRW 14 trillion in MLT project finance. Our efforts were recognized by Trade Finance Magazine that named K-sure as Best Asian ECA in June 2011.

**Fourthly**, the year 2011 offered K-sure time to restructure and prepare to propel the Korean economy forward beyond the USD 1-trillion mark in trade. In short, we completely overhauled the ways we operate. For instance, we revised our insurance product portfolio to boost our operation efficiency. We expanded our risk management capacity to counter external risks accompanying our increased business volume and to secure stability in our operation. Our decision-making process put more responsibility on the upper management. In addition, we introduced more advanced operation indices.

#### **Dear Valued Clients,**

The year 2012 is more meaningful to K-sure than any other year. It is the first year for Korea to take a giant step toward achieving the USD 2 trillion mark in trade and is the 20th anniversary of K-sure's establishment. Therefore, we promise to put forward new missions and strategies toward achieving this hallmark and to fulfill our goals.

I would like to ask for your friendship and support while we face new challenges as a 20-year-old who strives with passion and in the spirit of challenge.

Thank you very much.

**Cho, Kye-Ryoong**

Chairman & President  
Korea Trade Insurance Corporation

*Kye R. Cho*



# Export

# Environment and

Amid adverse global market conditions, K-sure remained dedicated to supporting Korean companies in their international trading.

Korea is at the crossroads where it has to leap forward, beyond the 1-trillion dollar mark, to reach 2-trillion dollars in trade. To help the country to achieve this goal, K-sure will play its role as a global ECA by better supporting strategic markets.



# Outlook



# 2011 Trade Environment and Performance



The world economy faced another crisis in 2011 as countries around the world sought new ways to overcome severe slumps during the global financial crisis. The unrest in the MENA region, the Japanese earthquake disaster, the U.S. credit rating downgrade, and other international factors blocked the world economy from its recovery. The European debt crisis stemming from Greece spread to Portugal, Italy and other regional economies, compounding global economic uncertainty. As the Eurozone and other advanced nations drifted to find solutions in securing financial health, they faced a dilemma -- whether to stimulate or tighten their economies.

Among those major economies, the U.S. showed employment and housing market slump along with a slow consumption recovery. In other parts of the globe, the Japanese trade balance turned around to deficit in 31 years. Concerns over a hard landing were raised as China showed sluggish consumption as well as exports. Growth momentum also slowed in emerging countries, which previously had showed relatively stable growth, as they adopted tightening policies to reduce inflation.

Despite all these difficulties, Korea became the 9th country in the world to achieve the one-trillion dollar trade mark, thanks to cooperation among the government, businesses and people. Compared to 2010, exports increased 19.3% to USD 556.5 billion, and imports, 23.3% to USD 524.5 billion. In short, the record-high trade surplus was achieved in 2011 at USD 33.3 billion. Reaching USD 1-trillion in trade was indeed significant in that the mark symbolizes a large economy.

Even among advanced economies, only the U.S., Germany, Japan and five other countries achieved this mark. Korea's exports and imports increased higher than those competing economies, despite global economic uncertainty.

Korea's trade increased steadily despite economic slowdown in the U.S., Europe and other advanced countries with the proven technical and cost competitiveness of Korean companies in the difficult global market. In particular, the country's major exports, including automobiles, vessels, and petrochemical products, were well accepted by global markets, and their export growth was high. The import of crude oil, natural gas, coal, and other commodities soared due to price hikes.

Compared to 2010, exports to Japan and other advanced countries leaped, leading the way toward the 1-trillion dollar trade mark. They also increased to Europe, but the increase was only 4.2% year-on-year because of the European debt crisis.

K-sure led the way toward the reaching the 1-trillion dollar trade mark by extending KRW 192 trillion in trade insurance for those companies seeking niches in global markets. As a result, it was named as Best Asian ECA by Trade Finance Magazine in 2011.

# 2012 Outlook



With such factors as delayed solutions to the European debt crisis and economic zone expansion through FTAs, the environment for international trade in 2012 is expected to be volatile, as risk and opportunity will coexist. Recovery in advanced economies is likely to be slow, with limited stimulus measures and the implementation of tightening policies amid weak recovery of the private sector, which has little capacity to make its own recovery. Emerging economies, on the other hand, are expected to face export slowdown, but their growth is not likely to slow significantly as their consumption is expected to increase.

The global trade volume is likely to drop to the 5% level, with decreased exports and imports with growth slowdown in advanced countries. With lagging advanced economies, growth slowdown is also expected in developing countries, but to a lesser degree.

The Korea won to the U.S dollar exchange rates are expected to drop slowly, amid high volatility with uncertain global financial markets. The leading factors include the accumulation of account surplus, inward foreign investments, the European debt crisis, economic slowdown in advanced countries, increased geopolitical risk, etc.

The widely held view is that commodities prices are expected to drop slightly, due to concerns over the U.S. and European slowdown and ensuing slowdown in emerging economies. Oil prices are also

likely to drop slightly with the prospective of a better supply and demand situation. However, volatility is expected to increase due to existing negative factors affecting supply, such as the nuclear development program of Iran.

As for the outlook for Korean exports, one-digit growth is expected as the export of vessels, petrochemical products, semiconductors and other major export items would drop with lagging demand as a consequence to a weak export growth. Korean imports will drop notably due to slight drops in oil prices and slightly less import volume of crude oil compared to the 2011 level. In short, a trade surplus would be larger in 2012 as imports were to outweigh exports.

Korea is at the crossroads where it has to leap forward, beyond the 1-trillion dollar mark, to reach the 2-trillion dollar in trade. To help the country to achieve this goal, K-sure will play its role as a global ECA by better supporting strategic markets and SMEs to transform into global companies. Furthermore, it will work with the government and related organizations to boost global competitiveness of SMEs.



# Major Business

K-sure is a major contributor for Korea attaining the 1-trillion dollar mark in trade.

K-sure steadily increased its business volume for the past three years to overcome the global financial crisis stemming from the U.S. in 2008. The total business volume recorded KRW 165 trillion in 2009, KRW 187 trillion in 2010, and KRW 192 trillion in 2011.



# ESS Achievements





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# Operational Performance

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## 2011 Operational Performance

**A major contributor for Korea attaining the 1-trillion dollar mark in trade 1.6% year-on-year increase with KRW 192 trillion in business volume**

K-sure steadily increased its business volume for the past three years to overcome the global financial crisis stemming from the U.S. in 2008. The total business volume recorded KRW 165 trillion in 2010, KRW 187 trillion in 2011, and KRW 192 trillion in 2011.

These efforts contributed to Korea escaping the crisis early by helping Korea companies to actively enter global markets and expand their exports and for Korea attaining the 1-trillion dollar goal in trade as the 9th nation in the world to achieve this milestone.

By sector, the total business volume for automobile, steel, IT and other major exports increased 4.3% to KRW 169 trillion in 2011 from KRW 162 trillion in 2010. SMEs support remained the same at KRW 19 trillion.

**Operational system overhaul for a long-term and stable operation of trade insurance schemes**

K-sure overhauled its entire operational system to secure the basis for long-term stable operation amid increased risk, entailing quantitative easing with record high business volume and continuing global economic slowdown.

Operational readiness was secured for a better management for the following year. For example, the insurance and guarantee product portfolio was revised to rid it of ineffectiveness and internal processes renovated. The risk management system was restructured to bring health back to the Trade Insurance Fund marred by the financial crisis, and in preparation for future uncertainties. The scope of risk management was expanded, and advanced risk management techniques were introduced.

**SMEs-focused support expanded to boost their global competitiveness**

The SMEs Business Group was augmented and restructured from a 1-department/3-team to a 2-department/4-team structure to boost support for SMEs that are the basis of industry and foster their growth for the goal of boosting the quality of our services. In addition, the 'Trade Champs Club' program was extended to foster excellent medium-sized enterprises and boost their global competitiveness.



## Operational Plan for 2012

In 2012, the external environment surrounding Korea will be not easy as a result of lingering global financial uncertainty stemming from the European debt crisis, increased financing costs, and difficulty in securing medium- and long-term export financing. The global economy will be more dependent on those emerging regions including BRICs and CIVETS (Columbia, Indonesia, Vietnam, Turkey, and South Africa) that are likely to show relatively high growth. Thus, the year can provide Korean companies the opportunities to penetrate these promising markets in advance.

With 'New Beginning toward 2 trillion dollar Trade' as the 2012 business goal, we set up plans to support Korean businesses entering overseas markets and established the strategic support infrastructure, by leading the 'era of one-trillion dollar trade.'

To achieve this end, we plan to flexibly deal with the changing trade environment by setting aside the 'contingency ceiling' amounting to KRW 7 trillion in addition to KRW 190 trillion in the trade insurance business volume budget. The details of the execution plans include increased support for emergencies and special strategic markets to capture future markets. They also include boosting support for SMEs to help them enter the global market and extending more project finance support by enabling Korean businesses to win overseas projects in the infrastructure as well as resource development sectors.

The following are the basic goals in the 2012 business plans:

**Firstly**, we plan to help Korean businesses to capture future markets in emerging countries by extending continued support for these regions including Africa as market growth potential is now shifting from advanced to emerging economies.

**Secondly**, we plan to increase the proportion of direct support for SMEs to transform them into global companies for the goal of fostering future growth engines and extend more support to SMEs to transform from 'global beginners' to 'global experts' by setting up a support system tailored to their stage of growth.

**Thirdly**, we plan to counter slowdown in the project-finance market due to the European debt crisis and financial markets instability in advanced countries. To achieving this end we will be extending support to Korean companies in winning bids and participating in overseas EPC (engineering, procurement & construction) projects through such measures as boosting cooperation with commercial banks, creating a co-financing system with public financial institutions, and increasing reinsurance and coinsurance in conjunction with other ECAs.

We also plan to strengthen support for markets other than the Middle East, which traditionally has been the major area to receive export finance, to Africa, Latin America and other regions, to diversify EPC markets. Furthermore, we will work on risk diversification.

**Fourthly**, we will continue to boost risk management for real growth. In 2011, we concentrated our efforts in solidifying accuracy in our risk measurement by adopting an

advanced integrated risk management system. For 2012, we plan to focus on a stable business operation by strengthening risk measurement for each country and each industry as well as our risk analysis function.

**Fifthly**, we plan to offer our clients better access to information related to export insurance by improving customer services and support to implement customer-friendly management. We will offer more updated contents to meet customers' needs and continue to modify customer support by collecting VOC cases and customer services.

We will also change wording in our general terms and conditions of various insurance products for easier understanding and to minimize customer inconvenience and extend services based on communication and shared understanding.

**Sixthly**, we will try to become a socially responsible state-owned corporation that communicates with local communities by adopting a volunteering program specific to each business group whereby volunteering activities will be carried out throughout the year. Moreover, we will strive to make transparent and clean business culture part of our business by focusing on equal opportunity employment, job creation for young people and ethical business operation.

K-sure, which led the way for Korea achieving one-trillion dollar in trade, will now stand in the forefront in leading Korea in the era of post one-trillion dollar in trade. In short, we will strive to perform our duties for stable trade and overseas investment faithfully, amid lingering global financial uncertainties.

# Medium and Long-Term (MLT) Transactions

## Overview

Most commonly involving export transactions for capital goods industrial facilities, MLT transactions characteristically involve large contracts, long-term payment periods, and complex transaction structures. Rather than receiving their payments in long term, these exporters want to settle their receivables immediately on a progressive basis upon the shipment of goods manufactured, to reduce financial burden. Financing is usually covered under Buyer Export Credit Insurance when the buyer obtains own financing, at which time, ECA-backed financing is actively used for stable fund recovery.

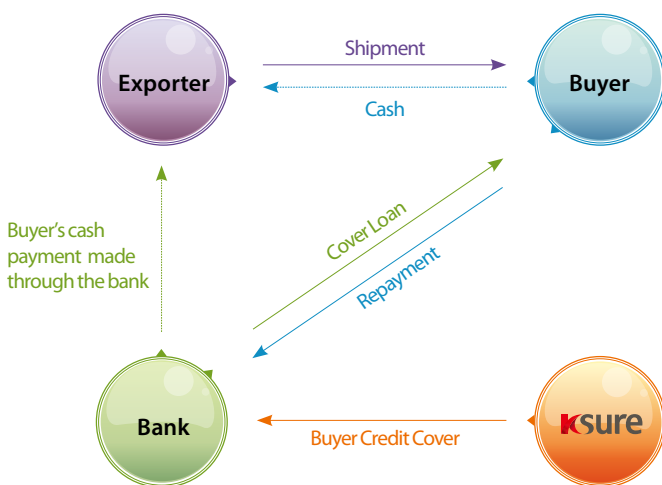
MLT Export Credit Insurance and Overseas Business Financing Insurance are the two products that represent K-sure's MLT insurance line. Covering those financial contracts between financial institutions and importers (buyers/borrowers) with their payment periods longer than two years, MLT Export Credit Insurance covers the former from the non-payment of principle and interest by the latter. For Overseas Business Financing Insurance, K-sure covers financial

institutions for the non-payment of principle and interest in those longer than two year MLT contracts involving Korean companies in their overseas investment activities such as equity acquisition, etc.

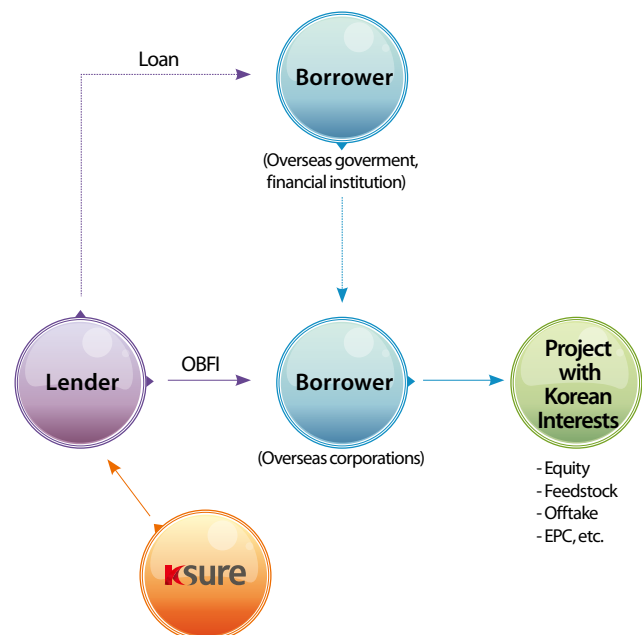
These programs complement financing from international financial markets, in which they are used to support the Korean export of EPC, ship and other capital goods and enable K-sure to help Korean companies to enter the global market and develop overseas resources.

Korean companies' international presence has soared since 2004 based on their operational know-how and improved technological competitiveness. They are becoming increasingly global with various projects won in the Middle East and Asia and more construction companies expanding their overseas works. The demand for ECA-backed loans is likely to increase and K-sure's MLT insurance programs, to become increasingly important.

### MLT Export Credit Insurance



### Overseas Business Financing Insurance





## Major Program Improvement and Business Performance

The 2011 project finance (PF) market continued its weak 2010 standing with global financial institutions limiting long-term financing due to credit crunch ensuing from the global financial crisis. The size of project financing is becoming increasing larger, as giant projects stem from the petrochemical and other sectors. Thus, the capacity to secure project financing became an important factor in the success of EPC and other capital goods exporters and so was the participation of ECA-backed project financing.

Furthermore, the potential for another financial crisis looms in Europe and other countries with soaring sovereign debts. The fact that European financial institutions are hesitant to become involved in project financing propelled the increased demand in ECA-backed financing, unlike in the past when they led ECA financing, as they try to secure more capital and dispose of assets with the tightening global regulatory standards on bank capital adequacy and others in line with the adoption of the Basel III Accord.

Amid this difficult global finance situation, K-sure worked hard to respond to the markets' needs by expanding long-term financing support to facilitate Korean businesses. These efforts were recognized by Trade Finance Magazine that named K-sure as Best Asian ECA in 2011. This accolade was won for the third time, following the ones in 2008 and 2009 and symbolizes K-sure's standing and roles in the global ECA market.

Particularly, K-sure's guarantees were ranked fourth in the '2011 Best Global ECA' category, following the export credit guarantees of Germany, France and Japan. Trade Finance Magazine and Project Finance Magazine awarded 'Deal of the Year' to K-sure-backed deals.

K-sure has strengthened MLT transactions support funded through project financing in emerging countries including those in the Asian region. One of the successful cases is the 1,120 Megawatt Coal Powered Plant Project in Vietnam where K-sure backed USD 840 million. This project is the largest IPP (investment pricing project) in Vietnam and the first case of a Korean company entering in the IPP sector in the country.

We are also continuing our active support for Korean companies to enter the overseas green growth sector through supporting biomass and clean development mechanism (CDM) projects in China. In the meantime, we are progressively revising our insurance schemes to better support medium-sized businesses to facilitate performance bond issuance and overseas project participation. We helped SMEs to gain more opportunities in the PF sector by hosting the Plant Industry Forum and engaging in other activities. We also concluded reinsurance and coinsurance MOUs with other ECAs to diversify the sources of project financing, and we are in the process of strengthening the cooperative network with non-European financial institutions including those from Japan and China.

In the ship sector, we boosted support for outstanding borrowers and the portion of the shipping industry that uses value-added ships. With the slowing ship industry due to the global financial crisis and the relative growth of the value creating off-shore plant industry, K-sure placed priority on supporting high-value ships, for instance by increasing the underwriting limit. Furthermore, our CEO actively sought out excellent borrowers and extended our support. For example, we backed the deal to export ten 13,000 TEU Korean container ships.

In the resource development sector, we set up six support strategies focusing on the development of seven strategically important minerals and energy resources for the Korean economy. In addition, we forged partnerships and cooperation with domestic and overseas resource development institutions. We contributed to Korea's securing a stable source of energy and a steppingstone for market entry into Indonesia, where K-sure extended financial support to a Korean developer that participates in a free-burning coal mine development project in Indonesia.

We also focused our energy in helping Korean companies in investing and developing overseas subsidiaries. This proactive support enabled Korean companies in securing more overseas projects and strengthened cooperation with other nations. Furthermore, it will contribute toward Korean companies securing overseas production basis, promoting long-term exports, and earning foreign dollars.

## Overview on and Analysis of MLT Volumes

The total MLT volume for 2011 increased 8.9% year on year (based on outstanding commitment) due to financing of projects that had been delayed with the global financial crisis. Major projects came from the power-generation and desalination industries. As of the end of 2011, our total outstanding commitment stood at KRW 50.7 trillion, among which MLT Export Credit Insurance was responsible for KRW 24 trillion and Overseas Business Financing Insurance, KRW 7.9 trillion, which was an increase of 13.6% and 24.6% year-on-year, respectively.

As for the commitment for each industry, the overseas EPC industry took up KRW 20.8 trillion, which was 41% of KRW 50.7 trillion in the total commitment. This 19.6% year-on-year increase came from an increased number of contracts won by Korean companies in the overseas EPC market. At KRW 17.9 trillion, the outstanding commitment in the ship industry took up 35% of the total commitment, which was a 3% increase from 2010.

As for the commitment for each region, the Middle East was offered the largest amount at KRW 17.5 trillion, followed by Asia and Europe. These three regions were responsible for 80% of the total commitment. Thus, K-sure plans to diversify its MLT regional portfolio by extending more support for emerging countries

### Outstanding MLT Commitment by Product

(Unit : KRW billion)

Product	'10 volume	'11 volume	YoY
MLT Export Credit Insurance	21,095	23,973	13.6%
Overseas Business Financing Insurance	6,359	7,921	24.6%
Export Bond Insurance	13,577	13,147	Δ3.2%
Others	5,517	5,663	2.6%
<b>Subtotal</b>	<b>46,548</b>	<b>50,704</b>	<b>8.9%</b>

### Outstanding MLT Commitment by Industry

(Unit : KRW billion)

Industry	'10 volume	'11 volume	YoY
EPC	17,357	20,760	19.6%
Ship	17,285	17,867	3.4%
Resource development	4,575	4,528	Δ1.0%
Others	7,331	7,549	2.9%
<b>Subtotal</b>	<b>46,548</b>	<b>50,704</b>	<b>8.9%</b>

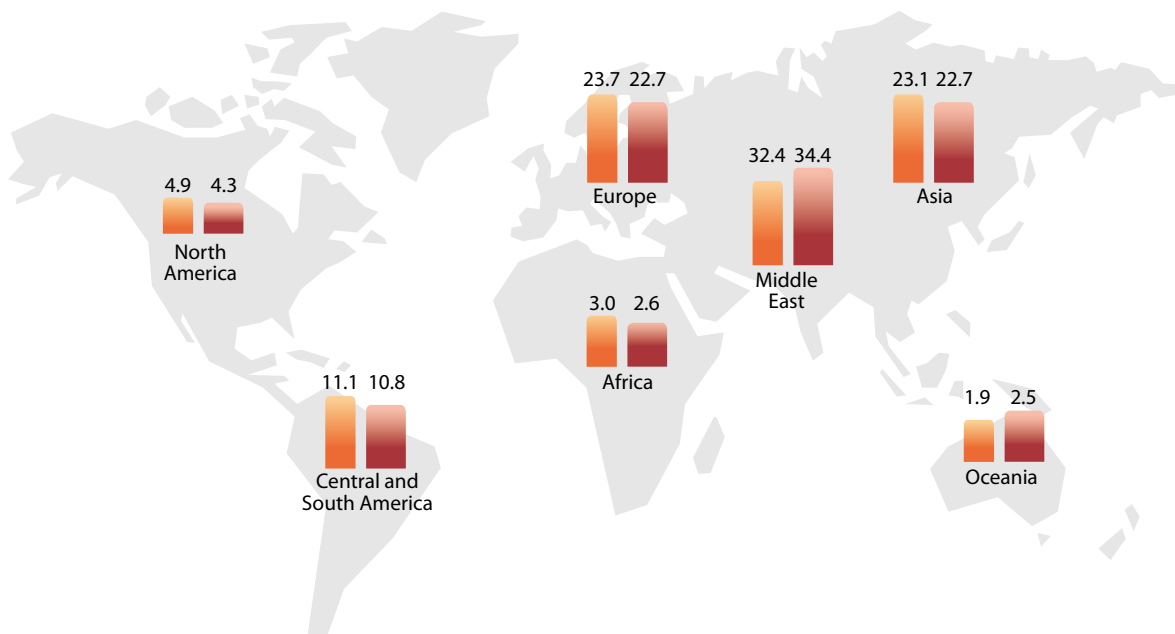


## Outstanding Portion of MLT Commitment by Region

(Unit : %)

Total of 100

2010 2011



## 2012 Business Plans

In 2012, K-sure plans to lead the effort to foster the sustainable future growth engines such as overseas EPC and resource development projects in Central Asian and other emerging economies. As these projects add high value and create decent jobs, K-sure will support Korean companies to enter these strategic markets early on. In the meantime, we are striving to provide tailored financing as resource development projects are evolving into package deals with investors more involved in the infrastructure and facility building, unlike in the past when they participated merely as equity investors.

Furthermore, we are building a global network with financial institutions and other ECAs to expand financing sources and secure stable financing, by focusing our energy into offering trade insurance

support for large, government-sponsored projects throughout the world.

At the same time, K-sure is enhancing its risk management system to proactively and scientifically manage losses ensuing from the increased MLT commitments and scale of projects. We will choose to focus our support to actively meet the increased demand for trade insurance. In short, we will offer solutions to the Korean economy as it takes a giant step into the future after the global financial crisis and strive to be a number one ECA in the world.

# Short-Term Export Credit Insurance


## Introduction

### Overview

Supporting exporters or financial institutions involved in short-term transactions with the payment period of two years or less, Short-Term(ST) Export Credit Insurance covers the commercial and political risks. The former include the termination of export contract by importer, importer's default, importer's delay or refusal to settle export proceeds, etc. The latter include a war or rebellion in the importing country, importing country limiting forex transactions, etc.

This program protects exporters from risky credit-based transactions and enables them to penetrate new markets by finding new importers, since the exporter is indemnified for a loss in case of non-payment. It helps financial institutions to expand financing by facilitating the extension of financing to high-risk export transactions.

### Short-Term Export Credit Insurance (Post-Shipment)

Explanation	Overview
<ul style="list-style-type: none"> <li>Parties to export transaction               <ul style="list-style-type: none"> <li>- Korean exporter ↔ Foreign importer</li> </ul> </li> <li>Covered risks               <ul style="list-style-type: none"> <li>- Political risks in importing country</li> <li>- Commercial risks from importer</li> </ul> </li> </ul>	 <pre> graph LR     Ksure((Ksure)) -- "1 Apply for insurance 2 Set limit" --&gt; Exporter((Exporter))     Exporter -- "3 Export" --&gt; Importer((Importer))     Importer -- "4 Settle 5 Unsettle" --&gt; Exporter     Exporter -- "6 Pay insurance proceeds" --&gt; Ksure           </pre>

### Classification of ST Export Credit Insurance based on financing function

ST Export Credit Insurance can be classified based on several factors. However, the most frequently used and meaningful classification is one based on the policyholder, which can be either an exporter or financial institution. Under this policyholder-based classification, ST Export Credit Insurance is a pure cover on the non-payment of export proceeds or cover to secure financing.

In the pure cover area where K-sure covers the risk of importer's non-payment, K-sure is trying to expand ST products such as forfeiting/factoring and other similar ST insurance products for the financing purposes to meet the increased demand by financial institutions to hedge risk and to boost competitiveness.

Categories	Non-financing	Financing
Policyholder	Exporter	Financial institution
Covered target	Export proceeds	Export receivables purchasing costs, etc.
Most used product	ST Export Credit Insurance (Post-Shipment)	Export Financing Facility (EFF) ST Export Credit Insurance (Forfeiting)

## Operation methods

Based on how they are run, ST Export Insurance can be classified into specific and comprehensive insurance products. Furthermore, comprehensive insurance can be operated as semi-comprehensive and by-sector (partial) comprehensive insurance.

Specific insurance is cover on a specific transaction that the policyholder thinks is highly risky. With comprehensive insurance, the

policyholder (the company using insurance) and insurer (K-sure) conclude a comprehensive provision on the scope of transactions such as for specific goods, settlement terms, etc., prior to the occurrence of applicable transactions that must be covered. Once this provision is in place, the policyholder is automatically covered. In other words, all transactions set under the comprehensive provision are covered automatically.

### Comparison between comprehensive insurance and specific insurance

Category		Comprehensive insurance	Specific insurance
Outline		· All transactions that fall under the set scope are covered.	· Insurance cover applied and extended for each transaction.
Advantages	Policyholder (user company)	· Good for high risk transactions · Low premiums	· Selective cover on only those high risk transactions possible
	Insurer (K-sure)	· Good for risk diversification	· K-sure can refuse cover on those high risk transactions
Disadvantages	Policyholder (user company)	· Cover also required for low risk transactions	· Difficulty in covering high risk transactions · Low premiums than comprehensive insurance policy
	Insurer (K-sure)	· Demand for cover on high risk transactions	· Risk diversification difficult

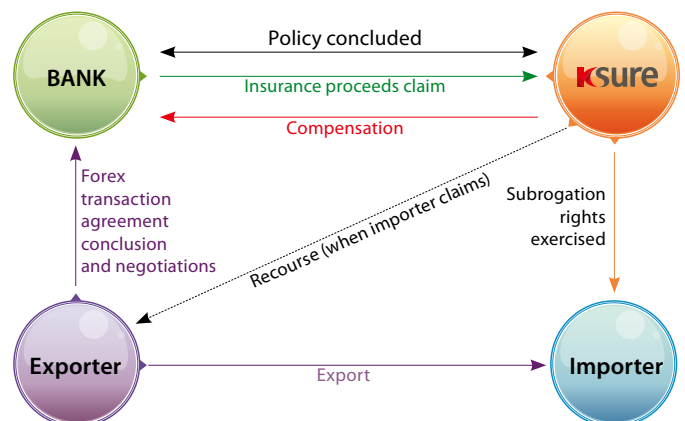
## Major Program Improvements

### Separate program introduced specifically targeting emerging markets

After the global financial crisis of 2008, the world economy is transforming from the G7-centered structure led by the U.S. and other advanced European countries into the G20-centered one with the rise of China, India and other emerging economies. As the global marketplace is expanding and diversifying at the same time, we see a soaring demand for our cover as more Korean exporters trade with emerging economies.

However, many difficulties are seen related to exports to emerging markets that are characterized by non-transparent accounting practices, lack of accounting systems and related laws including lack or inadequacy of credit information infrastructure, etc. As a result, exporters feel more need to use K-sure's insurance covering the exporters' risks.

### Structure of EFF





To meet this demand, K-sure adopted a program that is tailored to meet the needs of these exporters and designed based on the unique nature of emerging markets by taking account the lack of institutional infrastructure and minimizing factors marring exports.

Under the program, the emerging markets are categorized into

three types: intensive-cover, increasing-cover, and selective-cover types.

Each type is matched with tailored insurance products. As such, our 2011 business volume on emerging markets increased 11% to KRW 80 trillion, compared to that in 2010.

### MOUs concluded with financial institutions and active EFF usage for easier financing

Introduced in 2009, Export Financing Facility (EFF) covers non-payment of the applicable overseas account receivables sold by an exporter (to finance export transactions) to a bank.

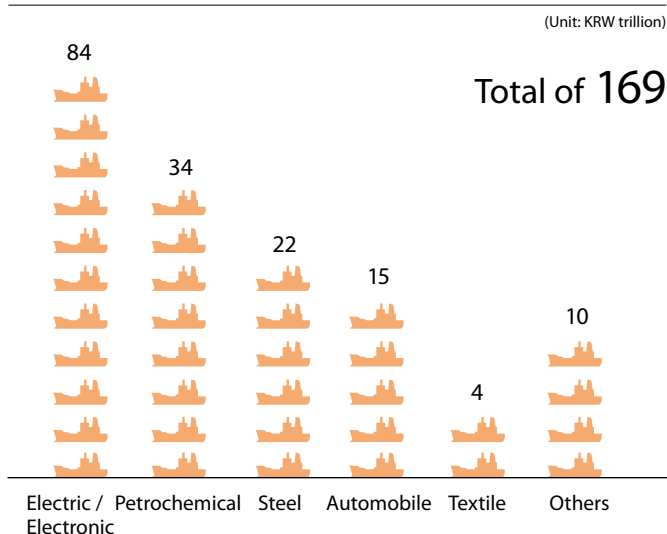
With the implementation of International Financial Reporting Standards (IFRS), non-recourse export receivables are not considered liability. As such, the demand for EFF is expected to increase with increased selling of overseas account receivables and foreign currency transactions of banks. In return, K-sure is trying to boost the usage of this program by concluding MOUs with major foreign banks.

In the meantime, continuing from 2010 when we eased importer qualifications, we loosened our criteria on the scale of exporters and eased credit ratings standards for each category to help SMEs to have better access to our products.

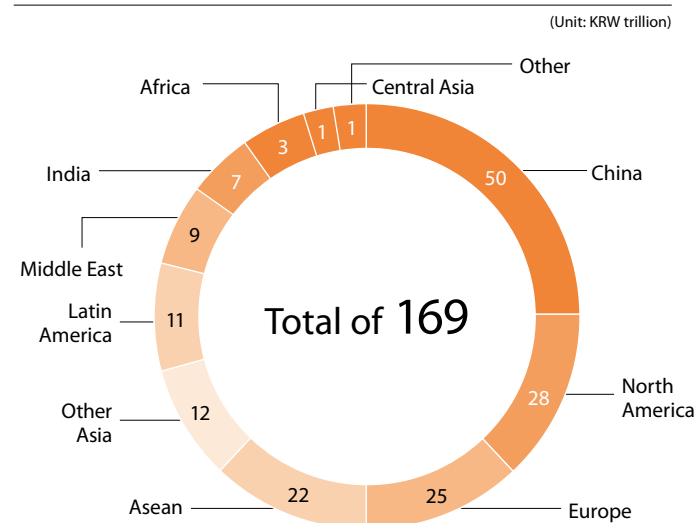
As a result, the EFF volume soared from KRW 22.3 billion in 2009 to KRW 141.5 billion in 2010 and KRW 1,313 billion in 2011. In short, K-sure contributed in boosting the efficiency in managing overseas account receivables of Korean exporters.

## Business Volume Overview

**Volume Per Major Industry**



**Volume Per Major Region**



# Export Credit Guarantees



## Overview

This program is operated as the Export Credit Guarantee (Pre-Shipment) and Export Credit Guarantee (Post-Shipment).

### Export Credit Guarantee (Pre-Shipment)

Under this program, K-sure becomes jointly liable for financing that an exporter secures from a bank when a FX bank or similar party extends a loan or offer a payment guarantee leveraged on K-sure's export credit guarantee. By doing so, this program helps exporters to secure financing to manufacture or process goods based on export contracts.

This guarantee is typically issued for a one-year term. Previously, we basically issued a new guarantee when and if an extension was needed: than the policyholder had to apply anew and the application was reviewed based on the existing guarantee. However, K-sure did away with the complicated application and review processes. Instead, starting in 2012, we review the amount of increase/decrease using a checklist and notify the applicable FX bank on the modification of any terms without issuing a new guarantee. In short, we improved the system to extend this guarantee easily and quickly.

### Export Credit Guarantee (Post-Shipment)

Under this program, K-sure becomes jointly liable for a loan extended by an FX bank for a Korean exporter based on our

guarantee. When the exporter cannot settle the financing extended by the FX bank upon its maturity due to the non-payment by the importer (including the issuing bank), K-sure covers the loss by the FX bank.

Furthermore, this guarantee is extended in conjunction with Short-term Export Credit Insurance. Thus, those exporters who exported normally without any fault of their own would be exempted from recourse since K-sure offsets insured debts from foreign exchange banks with insurance proceeds. We also offer Nego product with no conjunction to any other product for those exporters who do not want extra cover since their importers' non-payment risk is low.

## Benefits of K-sure's Programs

### Export Credit Guarantee (Pre-Shipment)

Upon the conclusion of export contracts, exporters typically secure funds needed to procure raw materials or manufacture products from commercial banks. At this time, banks usually ask for some type of security or collateral when extending this trade financing; however, export SMEs with lagging collateral capacity have difficulty in obtaining financing.

K-sure issues this unsecuritized export credit guarantee (ECG) taking into account the exporter's financial status, export performance, ability to carry out export, etc.,

for the goal of facilitating exporters.

Those exporters who finance their exports under K-sure's export credit guarantees can secure more financing than if they had financed through export financing on their own credit and can lower financing costs at the same time.

Banks also benefit through K-sure's cover by being able to offer larger corporate lending, minimizing the non-payment risk, and improving their BIS ratios.

### Export Credit Guarantee (Post-Shipment)

Leveraging upon their shipping documents including bills of exchange, exporters may obtain export proceeds from a foreign bank at the time of export based on credit. However, foreign banks ask for security since they have to pay the export proceeds with their own funds. In this case, K-sure's export credit guarantee functions as security.

In short, K-sure indemnifies a foreign exchange bank that has paid export proceeds through purchasing the shipping documents covered under K-sure's export credit guarantee cannot collect the export proceeds from the importer.

## Overview and Analysis of Business Volumes

The business volume from Export Credit Guarantee (Pre-Shipment) decreased 24.6% from KRW 4.4 trillion in 2010 to KRW 3.3 trillion in 2011. This drop was a result of the change in our underwriting strategy, where we went back to our normal practice in the late 2010 after expanding our credit lines to overcome the financial crisis in 2009.

On the other hand, the volume from Export Credit Guarantee (Post-Shipment) increased 44.1% from KRW 1.8 trillion in 2010 to KRW 2.6 trillion in 2011. This was due to the increased total export volume of Korea from USD 466.4 billion in 2010 to USD 556.5 billion in 2011, which entailed more purchases of shipping documents. In the meantime, K-sure deliberately decreased the business volume of Export Credit Guarantee (Pre-Shipment) but increased that of Export Credit Guarantee (Post-Shipment). Despite our goal of normalizing our export credit guarantee business, the total volume decreased only 4.6% from KRW 6.2 trillion in 2010 to KRW 5.9 trillion in 2011.

### Export Credit Guarantee (Pre-Shipment) Volume

(Unit: Case, KRW billion)

Category	2007	2008	2009	2010	2011
No. of cases	3,850	3,673	6,208	5,894	5,534
SMEs	3,844	3,667	6,170	5,859	5,490
Business Volume	833	1,046	4,545	4,393	3,311
SMEs	819	885	3,871	3,868	2,810

### Export Credit Guarantee (Post-Shipment) Volume

(Unit: Case, KRW billion)

Category	2007	2008	2009	2010	2011
No. of cases	6,412	6,896	10,122	12,105	13,643
SMEs	6,412	6,895	10,115	12,098	13,568
Business Volume	326	516	1,419	1,803	2,598
SMEs	326	516	1,379	1,773	2,429



# Foreign Exchange Risk Insurance



## Overview

This product indemnifies FX losses and redeems FX gains from foreign exchange fluctuations for exporters and overseas investors for the goal of hedging FX risk.

Its basic structure involves the difference between K-sure's insured FX rate and FX rate at the time of settlement. This difference, which could be a loss or a gain, is settled between K-sure and the policyholder at the end of the insured period. In short, this product is similar to the forward FX transactions in financial institutions.

Exporters and overseas investors can secure stable profits and remove the FX fluctuations risk by fixing future cash flow into the won currency.

Exporters may hedge the FX risk for a maximum period of up to three years, and overseas investors, up to 10 years, considering the long-term nature of overseas investments.

## Product Improvement

The following improvements have been made in 2011 as K-sure continues to improve our Foreign Exchange Risk Insurance to protect Korean businesses.

Firstly, we increased the FX risk insurance coverage ceilings to better meet the actual demand of domestic businesses that want to enroll in this product. On the other hand, we also focused on better risk management by differentiating ceilings for each business depending on its credit rating.

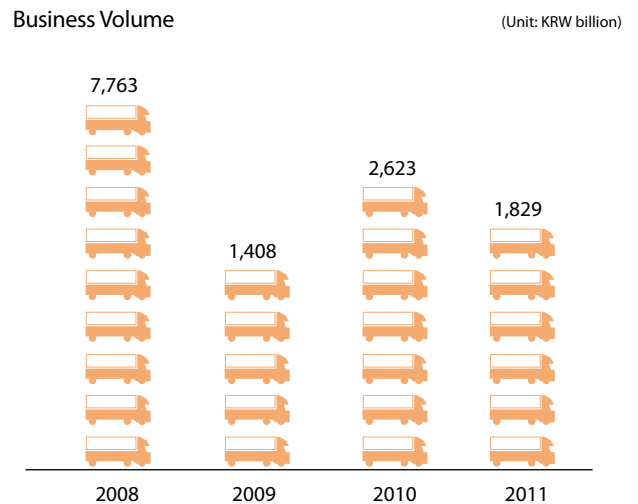
Secondly, we got rid of the line of foreign exchange risk insurance, i.e., the bidding arrangement, that mainly supported large corporations, which are able to hedge their own FX risk through financial institutions.

Thirdly, we cover one more currency, i.e., the Chinese yuan, in addition to the US dollar, the euro, and the Japanese yen. Although the yuan is not used frequently as a settlement currency at the moment, this measure was taken to proactively deal with increasing bilateral trade between Korea and China.

## Business Volume

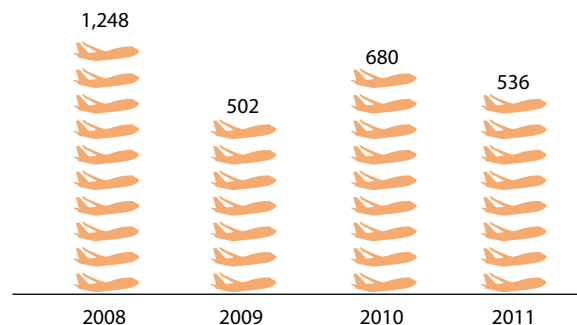
As foreign exchange rates stabilized, the Foreign Exchange Risk Insurance business volume decreased to KRW 1.8 trillion, in which a total of 536 businesses were covered under this scheme.

**Business Volume for Foreign Exchange Risk Insurance**



\* Excluding the business volume of those discontinued products under the FX risk insurance scheme.

No. of Businesses Covered



\* Excluding the users of those discontinued products under the FX risk insurance scheme.

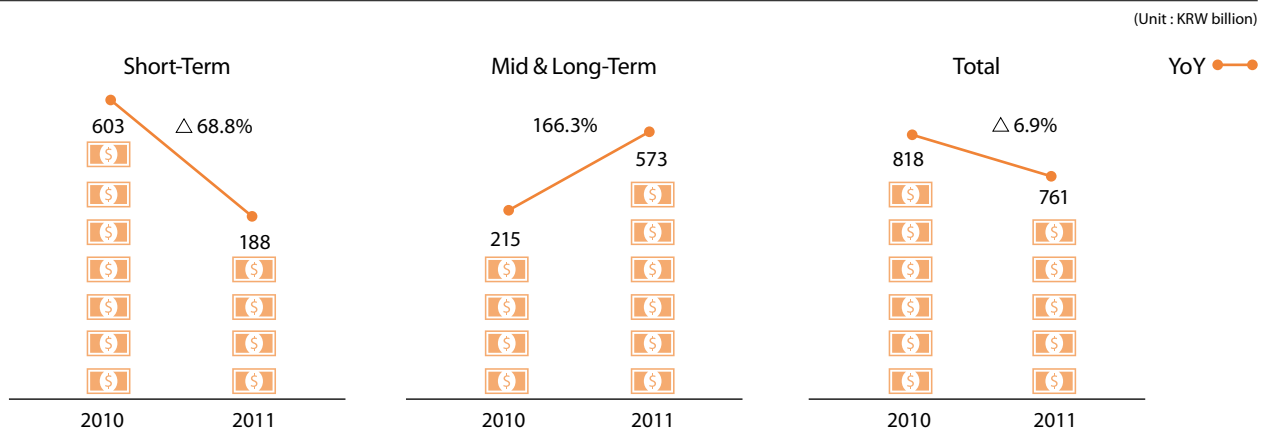
# Claims and Recoveries

## Claims

The total payment on claims for 2011 decreased 6.9% year-on-year to KRW 760.8 billion from KRW 817.6 billion in 2010. This figure excludes the business volumes of Foreign Exchange Risk Insurance and Interest Rate Risk Insurance, whose payments are hedged through financial institutions.

• By product category, a total of KRW 188.0 billion was indemnified in the short-term category in 2011, which was a 68.8% decrease compared to KRW 602.5 billion in 2010. The MLT category totaled KRW 572.8 billion, an increase of 166.3% compared to KRW 215.1 billion in the previous year.

### Claims Paid for Each Product



By country, the top 10 countries, including Indonesia, Brazil, and the U.S., were responsible for 74.0% of the total claims paid out.

This ratio was lower than 81.1% paid out for the top 10 countries in the previous year. By region, Asia (KRW 27.3 billion) and America (KRW 25.1 billion) topped all the other regions.

### Claims Paid for Each Country

(Unit : KRW billion)

Ranking	2010		2011	
	Country	Payment	Country	Amount
1	Hong Kong	51.3	Indonesia	15.3
2	Russia	51.2	Brazil	13.6
3	USA	17.3	USA	11.5
4	Jordan	11.2	India	5.4
5	Brazil	11.1	Greece	4.2
6	Sudan	8.2	Germany	4.0
7	Australia	6.8	Iran	3.4
8	Uzbekistan	6.4	Japan	3.2
9	Venezuela	5.5	Libya	3.2
10	China	5.0	Russia	2.7
<b>Subtotal</b>	-	<b>174.1</b>	-	<b>66.5</b>
Others	-	40.7	-	23.4
<b>Total</b>	-	<b>214.8</b>	-	<b>89.9</b>

\* Excluding derivatives (Foreign Exchange Risk Insurance and Interest Rate Risk Insurance) and domestic exporter risk products (Export Bond Insurance, Export Credit Guarantee, etc.)



## Loss rate and claim ratio

The total loss rate in 2011 (total insurance proceeds paid out against total premiums collected) dropped 39.1% points to 130.1% from the previous year's 169.2%. This figure excludes indemnifications for Foreign Exchange Risk Insurance and Interest Rate Risk Insurance and was due to an increase in the premiums collected from Import Insurance (21.0%↑) and decreased insurance proceeds paid out (6.9%↓). The total amount of recoveries made in 2011 was KRW 105.6 billion, a decrease of 23.8% at KRW 138.5 billion in 2010. However, the actual loss rate for the entire year improved 21.3% points, from 131.5% in 2010 to 110.2% in 2011, thanks to increased premiums collected from Import Insurance.

After hitting the record high at 0.63% in 2003, the claim ratio (total indemnification against total underwriting) stabilized at 0.44% in 2010 and 0.40% in 2011.

## Recoveries

### Overview

The total amount of recoveries made in 2011 was KRW 105.6 billion, which was a decrease of 23.8% from 2010 at KRW 138.5 billion.

The total amount of accrued debt, i.e., receivables not collected, as of the end of 2011 was KRW 5.6 trillion, out of which KRW 1.5 or 27.0% was collected. Out of this total collected, 55.2% came from overseas receivables and 44.8% from domestic receivables, showing a slightly higher level of collection from abroad.

### Recoveries per product category

Out of total recoveries, the amount of short-term category receivables was KRW 74.4 billion, responsible for 70.5% of the total recovered. The MLT category receivables were KRW 31.2 billion, responsible for 29.5% of the total recovered.

### Recoveries per country

Most recoveries came from Pakistan at KRW 15.4 billion, followed by the U.S. (7.9 billion) and Australia (KRW 6.6 billion).

All of recoveries from the top 10 countries came from the short-term category, except in the case of Pakistan (100% was from MLT-related recoveries).

### Recovered (Accrued as of the end of 2011)

(Unit: KRW billion)

Category	Overseas receivables	Domestic receivables	Total
Receivables occurred (a)	2,521	3,123	5,644
Recovered amount (b)	842	682	1,524
Recovery ratio (b/a)	33.4%	21.9%	27.0%

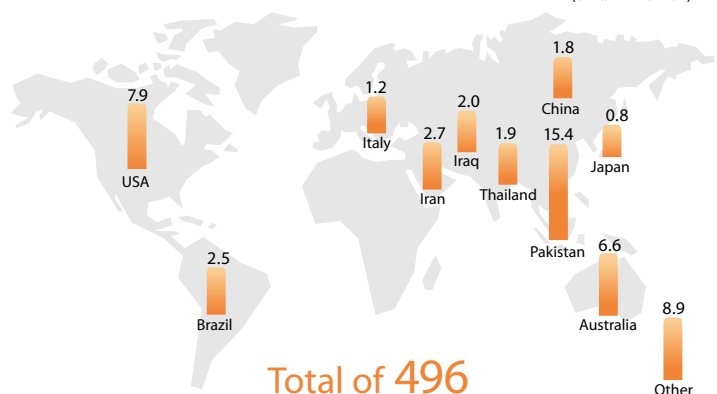
### Recoveries Per Product Category (as of the end of 2011)

(Unit: KRW billion)

Category	Recoveries	
	Amount	Ratio
Short-Term	74.4	70.5%
Mid & Long-Term	31.2	29.5%
<b>Total</b>	<b>105.6</b>	<b>100.0%</b>

### Recoveries Per Country (as of 2011)

(Unit: KRW billion)



\* Excluding derivatives (Foreign Exchange Risk Insurance and Interest Rate Risk Insurance) and domestic exporter risk products (Export Bond Insurance, Export Credit Guarantee, etc.)

# Buyer and Seller Credit Ratings



## Domestic and Overseas Credit Survey Services

K-sure collects credit information on overseas businesses and offers that information to domestic companies. This 'overseas buyer credit information' service is possible through K-sure's overseas representative offices and 77 credit survey agencies in 41 countries that have MOUs with K-sure.

As of the end of 2011, we have credit information on over 328,000 domestic sellers and overseas buyers. The number of our credit surveys increased steadily over the past years in which we completed 49,499 cases of credit surveys in 2011, which was an increase of about 7% from 46,216 cases in 2010.

The amount of credit information on domestic sellers that use trade insurance also increased steadily in the past years; it reached approximately 47,000 as of the end of 2011.

By continent, the most number of credit surveys came from Asia at 37.6%, followed by Europe (23.9%), Central and South America (13%), and North America (12.4%). By country, the most came from the U.S. (11.2%), followed by China (11%), Brazil (4.7%), and Japan (4%).

We proactively conduct credit research on those domestic sellers and overseas buyers that are heavily covered by K-sure to effectively deal with a difficult trade environment following the global financial crisis. To boost the quality of our credit information offered and to improve customer satisfaction, we have strengthened the contents of credit survey information. We frequently report on how our credit surveys are conducted to our clients. We adopted an on-line customer satisfaction survey to effectively and efficiently reflect our customers' needs.

 Number of Credit Surveys on Domestic and Overseas Businesses



 Number of Credit Survey on Domestic Companies



## Future direction

Through its evaluation and provision, credit information on domestic sellers and overseas buyers can be a leading indicator of trade insurance. This information is essential for healthy trade, stable operation of the 'Trade Fund', and long-term economic growth. It will be an important foundation for the future growth of K-sure.

Towards the goal of providing faster and accurate credit information, we continue to discover outstanding and competitive overseas credit research agencies for each region and conduct systematic evaluations on the management of these credit ratings agencies. In short, we provide competitive credit information services.

The automatic credit-ratings evaluation system of domestic sellers and overseas buyers has been expanded to swiftly meet the credit-information needs arising from the global economic crisis. We will continue to improve the contents of credit reports for customer satisfaction.

Beyond its primary goal of strengthening export support, credit information is a knowledge industry that will lead the future. We at K-sure work toward strengthening internal growth capacity and improving our work process and competitiveness. In short, we strive to help Korean businesses to enter overseas markets.

# Sovereign Credit Ratings



The Country and Industry Risk Ratings Team (for the evaluation of sovereign credit ratings) analyzes political and economic issues of all countries in the world quickly and accurately in order to evaluate risk for each country and show the direction when underwriting.

It is vital that we accurately understand political and economic situations and a country's ability to pay whenever K-sure extends a large cover on a certain country. Thus, we prepare in-depth reports covering a wide number of factors including various economic indices, sociopolitical stability, ability to settle, sovereign credit ratings, international market evaluation, etc., and use these reports during the underwriting review process.

We also publish 'spot news' reports by monitoring each continent on a continuing basis, which news proves useful whenever an emergency arises.

In 2011 the Country and Industry Risk Ratings Team published a total of 72 reports on political and economic trends, 9 in-depth reports, and 98 spot news reports. It also published and distributed the 'Sovereign Credit Ratings Handbook' containing information on 229 countries around the world. This information is easily accessible through our website at <http://www.ksure.or.kr/jsp/info/PolE-coBbsInq.jsp>.

Among those countries where our outstanding commitments are more than 20%, quarterly monitoring is conducted on those countries with high political risk such as the sovereign ratings higher than grade 4 and the claim ratio in the past year exceeding 5%. A checklist is prepared upon monitoring to mitigate and prevent political risk beforehand.

The Country and Industry Risk Ratings Team also participates in the OECD's Country Risk Expert Meeting four times a year to accurately evaluate our country ratings in par with other agencies. As of December 2011, a total of 166 countries were evaluated based on the OECD criteria. We evaluate the rest, ie., 93 countries, that are not evaluated through CRE, based on our own criteria. In short, we have sovereign credit ratings information on 259 countries in total.



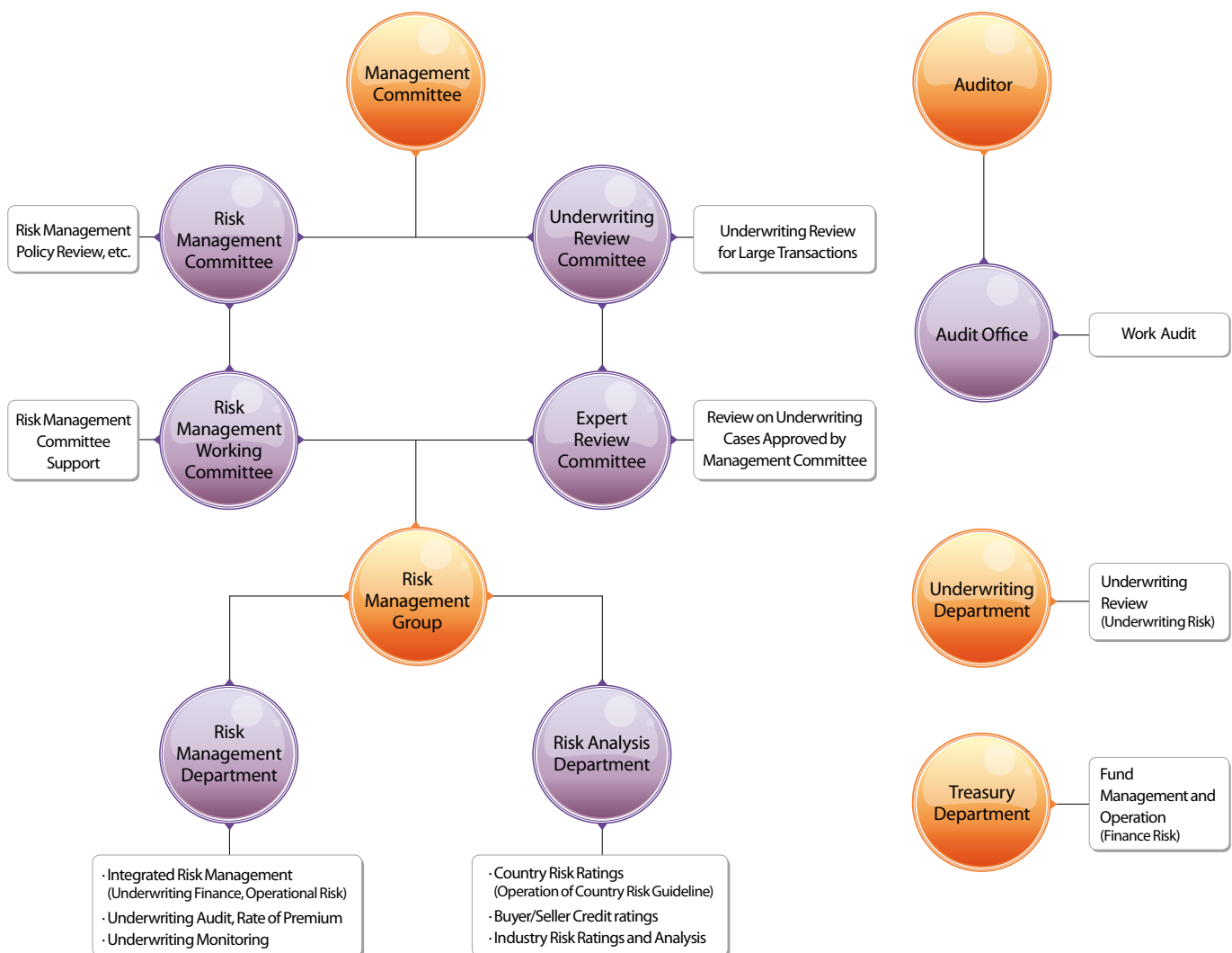


# Risk Management (RM)

We have set up the Risk Management Group and appointed Chief Risk Officer (CRO) to effectively manage risk that affects or is affected by K-sure's underwriting. Under the Group, the Risk Management Department and Risk Analysis Department were set up to be responsible for overall RM related business in the operation of various programs and schemes, conducting trade insurance business activities, management of the 'Trade Fund'.

Our Risk Management Committee was formed to promote objectivity and expertise in risk management by appointing a majority of outside members. The Committee's scope of work has been expanded recently to include underwriting reviews in some cases, in addition to its existing functions of reviewing the establishment of basic policy for existing risk management, measurement and evaluation of risks, set the underwriting limit for each sector, and 'Trade Fund' management policies.

## K-sure's Risk Management Scheme





We classify the risk that occurs during the normal course of our management activities into three categories: underwriting, financial, and operational risk. The underwriting risk is defined as the risk that occurs consequent to the operation of the export insurance business. The financial risk occurs during the course of fund management. The operational risk is defined as the risk that occurs due to mishandling of business, system default, etc.

The underwriting risk can be further divided into credit risk and foreign exchange risk: the former is the risk of losses due to default of exporters, importers, importing countries, etc., and the latter, the risk of losses due to foreign exchange fluctuations. The financial risk can be further divided into the credit risk, market risk and liquidity risk. Credit risk is the risk of default of funds deposited institutions, bond-issuing institutions, etc. Market risk is the risk coming from price fluctuations in assets invested. Liquidity risk is the risk of losses coming from not being able to counter fund leak.

We are operating an integrated risk management system that manages the credit risk, market risk and operational risk using the integrated risk measurement engine and electronic data system.

For the integrated risk, the limits of permitted risk are set in the beginning of each year, based on the business plan and size of the available fund. The limit is set for each risk. The integrated risk and risk for each category are measured every day to calculate the amount of limits left, etc.

For the credit risk, the potential risk is measured for each risk factor such as exporter, importer, and importing country. Based on the calculated outcomes, the expected loss, unexpected loss, and the level of risk concentration are measured and reported regularly. In short risk management is conducted in a systematic and scientific manner.

The market risk is monitored every day to manage the risk of losses coming from foreign exchange and stock price fluctuations. The liquidity risk is managed by calculating an optimum level of liquidity within a set confidence interval determined using errors between the planned and actual amounts of earnings and expenses from the past.

The operational risk management system, which is part of the integrated risk management system, is used as the platform composed of Risk and Control Self-Assessment (RCSA) and Key Risk Indicators (KRI) to prevent the operational risk beforehand.

Aside from these methods, various other techniques and programs are used for systematic risk management. For instance, preliminary review and post-underwriting monitoring on a regular basis are conducted for large transactions. Furthermore, an underwriting ceiling is set for each importer and exporter, risk diversification through reinsurance, etc.

An underwriting limit is set for each cover in each product category. If a cover is extended beyond this limit, the Underwriting Review Committee and the Management Committee must review and decide whether to extend the cover. Monitoring is conducted for each country, industry, seller, and buyer on a regular basis (monthly, quarterly, semi-annually) using such factors as the expected default rate to detect any signs out of ordinary. The measures such as underwriting limit decrease, seeking risk mitigating factors, are implemented to proactively manage risk.

Particularly, Treaty Reinsurance has been concluded with Korean Reinsurance Company (Korean RE) for Short-Term Export Insurance, for a stable operation of our business through risk diversification. The Expert Review Committee composed of experts in their own fields has been set up to review when covering those large risky transactions. The Risk Control Team was newly set up within the Risk Management Department to handle insurance premium rates-related business, conduct credit evaluation, set underwriting ceilings, verify feasibility of various risk management programs, and perform risk review. In short, our risk management function is stronger now than it ever has been at any other time.



## K-sure strengthened cooperation with global ECAs through active participation in the Berne Union and OECD.

K-sure has fully engaged in the Berne Union and OECD activities in 2011 as well continuing from 2010, such as the selection of agenda, decision-making and initiation of various topics.

# K-sure and the Community

And K-sure practices corporate social responsibility in line with our vision of becoming a 'friendly and reliable public corporation.'

We strengthen the network with NGOs involved in social work, extend practical support to those socially marginalized, including multicultural families and foreign workers, and place various other efforts to fulfill CSR.

# International Cooperation

## Strengthen cooperation with global ECAs through active participation in the Berne Union

As a member of the BU Management Committee, K-sure is wholly engaged in the Berne Union (BU) activities in 2011 as well continuing from 2010, by participating in the selection of agenda and decision-making process and initiating various topics, etc.

- We are proud that a K-sure representative was appointed and superbly carried out his role as Vice Chair of the BU Short Term Committee in 2011. His appointment was the first time for any K-sure employee to take a leading role in the BU. Furthermore, he will continue his Vice Chairmanship in 2012 as well, which, we hope, will contribute to improving K-sure's standing at the BU.
- We shared information and engaged with other BU members by participating in the regular BU meetings including the Spring Meeting in Taiwan and the Annual General Meeting (AGM) in Hungary.

- Notably, we participated actively in the G20 ECAs and the World Bank Forum to seek means of mutual cooperation and to find solutions to increase global trade volume, further economic development, and foster export credit. In addition, K-sure employees shared experiences with other BU member colleagues by giving presentations on MLT insurance products and our project finance experiences during the training session of Regional Cooperation Group (RCG), a subgroup within the BU, in Hong Kong.

\* RCG (Regional Cooperation Group) is a meeting of 11 ECAs in the Asian Pacific region.



## Secured the platform of cooperation through MOUs concluded with international financial institutions and bilateral meetings

We concluded MOUs with major international financial institutions and other ECAs, which will function as the foundation for trade finance covered by K-sure.

- They include six institutions including NEXI of Japan (February, Reinsurance Agreement), the Asian Development Bank (March), GIEK of Norway (May), Taipei Export-Import Bank of China (TEBC) of Taiwan (May), UzbekInvest of Uzbekistan (August), and Coface of France (December, Reinsurance Agreement). We believe that these partners will help in promoting trade finance under K-sure's cover.

We are actively engaged in the bilateral meetings with Japan, China and France, which helped to strengthen cooperation with other ECAs by promoting information exchange with these important partners.

- The bilateral meeting was held with Sinosure of China in March and the one with NEXI of Japan in May. During these meetings we

shared information toward expanding bilateral trade and we deliberated in depth on the importance of ECA support to overcome the global financial crisis.

- In addition, the bilateral meeting was held with Coface of France for the first time in September 2011, where we concluded a reinsurance agreement to jointly support projects involving Korean and French companies. It opened the window for working-level cooperation on a regular basis with a European ECA.



## Active participation in the deliberation on the amendment to OECD export credit regulations OECD



K-sure is fully engaged in the OECD-related activities being part of the Korean delegations as the Participants to the Arrangement on Officially Supported Export Credits, Working Party on Export Credits and Credit Guarantees, Working Group of Experts on Premium and Related Conditions, and Country Risk Experts Meeting. In short, we are actively involved in the deliberation and formation of various export credit-related regulations in the OECD.

In 2011, we strived to ease the terms and conditions of ECA-backed financing for the EPC and renewable energy sectors. In September, we adopted the Malzkuhn-Drysdale Package, which is a new OECD MPR (minimum premium rates) system, which also takes into account the buyer credit risk. In addition, we are continuing our efforts to come up with measures to deal with the adoption of ship MRP.

## More knowledge sharing in our experiences on export insurance operation

Continuing from 2010, K-sure participated in the Knowledge Sharing Program in 2011 with Vietnam to help the country introduce an export insurance scheme. We extended several sessions of training and education in Vietnam as well as in Korea by inviting Vietnamese officials to share our know-how on trade insurance.

Furthermore, we shared our major interests and various methods of cooperation with other ECAs and related international institutions. For example, we invited mid-level management officials from GIEK, JBIC, EKN, MIGA and ASEAN and those from K-sure's counterparts including Sinosure ship finance personnel to share their know-how.



# Ethical Management



We at K-sure strive to become 'a global ECA that leads a strong trading nation', with the goal of attaining sustainable operations built on ethical management. This is why we adopted 'integrity' as the core value for all K-sureans and came up with the management vision of forming 'Clean K-sure trusted by Korean people and K-sure customers.'

Led by the Ethical Management Committee chaired by the president of K-sure, we pursue ethical management. Through the Customer Satisfaction Committee and by hosting the Kwangwhamoon Forum, we try to identify issues related to ethical management through tripartite cooperation with the government and businesses.

We have modified the way we evaluate the performance of executives in that we now rate their performance in terms of ethical management as well. Each of these executives enters into the 'Clean Work Agreement', which contributes toward the executives leading the implementation of ethical management.

To get rid of factors leading to internal corruption, we conduct the 'identifying one ethical management task for one department' campaign for the goal of determining those tasks that are prone to corruption and improve how we operate. Our internal regulations have been modified, and the system of evaluating the effects of corruption was strengthened to rid of the potential factors that might lead to corruption.

Different types of training and education are offered to different levels of personnel to set different roles befitting each level and to solidify the ethical management culture. Particularly, intense training is offered to new employees and young interns to make them aware of the meaning of and need for ethical management and to internalize the values of integrity.

The 'Integrity Club' was organized by K-sureans to intensify the basis for autonomous ethical management. It strives to internalize ethical management among K-sureans. For example, it holds workshops

on a regular basis to share and discuss common issues, participate in voluntary activities, and visit historic sites associated with Koreans of integrity in the past.

As part of the ethical management initiative, we at K-sure make efforts to observe the 10 universally accepted principles under the UN Global Compact after becoming a participant in August 2010.

We practice an 'equal society policy' where we employ those socially marginalized including the handicapped, veterans and those who have made distinguished services to the nation, high school graduates, and others.



We also try to make sure K-sureans can work in a family-oriented environment by giving the option of a flexible work schedule and guaranteeing child-birth and child-rearing leaves. In addition, K-sureans are given opportunities to foster their work as well as human capacities through various training and education programs at home and abroad.

Qualified K-sureans have the freedom to join a labor union, and we resolve labor-management issues based on the win-win principle.

We continue to offer trade insurance support for environmentally friendly projects including in the new and renewable energy sector through the Green Growth Business Department. We seek our own ways to save energy through an increased use of LED lights and keeping optimum indoor temperatures during winter and summer. Through such efforts as adopting electronic document-based reporting to save papers, we try to reduce our burden on the environment.

We also ardently abide by the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. It is indeed a sign of progress that the October 2011 Phase 3 Report on Implementing the OECD Anti-Bribery Convention in Korea mentioned that K-sure imposes the 'mandatory debarment of contractors found to have committed foreign bribery.'





# Customer Satisfaction



We strive to boost our customer satisfaction (CS) capacity in our customer-oriented operation for the goals of expanding international markets and our customer basis.

## Improved customer service by expanding the scope of the Customer Service Center.

We try to provide better customer service through such efforts as expanding the scope of services offered by the Customer Service Center. Through this center, which opened in May 2009, we now consult customers on new insurance products, make call services in regard to policies coming close to expiration, and provide information on services offered by local governments, and other services.

## Settlement of K-sure-wide CS culture

In 2011 we published the 'K-sure Customer Satisfaction' white paper. The book contains the results of comprehensive analysis on voice of customers (VOC), i.e., customer complaints, praises, and suggestions on each insurance product, each work process, and other applicable areas. The book is part of our efforts to settle K-sure-wide CS culture.

We reflected our customers' opinions on our programs based on those suggestions registered through the Customer Satisfaction Committee, which is an interactive channel of communication between K-sure and businesses. We offer better programs by reflecting CS-related improvements, general suggestions, K-sure service monitoring results. The activities of K-sureans are managed systematically through the CS mileage program, which functions as a great motivational factor for K-sureans to be involved in these activities.

## We opened a K-sure website exclusively accessible via smart phones

This K-sure website exclusively accessible through smart phones was opened in June 2011 to facilitate customer convenience as the number of smart-phone users increased.



# Corporate Social Responsibility



We practice corporate social responsibility in line with our vision of becoming a 'friendly and reliable public corporation.'

We strengthen the network with NGOs involved in social welfare, extend practical support to those socially marginalized persons, including multicultural families and foreign workers, and place various other efforts to fulfill CSR.

## Strengthen the network with NGOs involved in social welfare

Through the CSR MOU concluded with Jongro-Gu Office to discover and support those needing care in our community, we hosted a concert for marginalized children, made kimchi at an elderly shelter, delivered coals for elderly living alone, and carried out other volunteering activities.

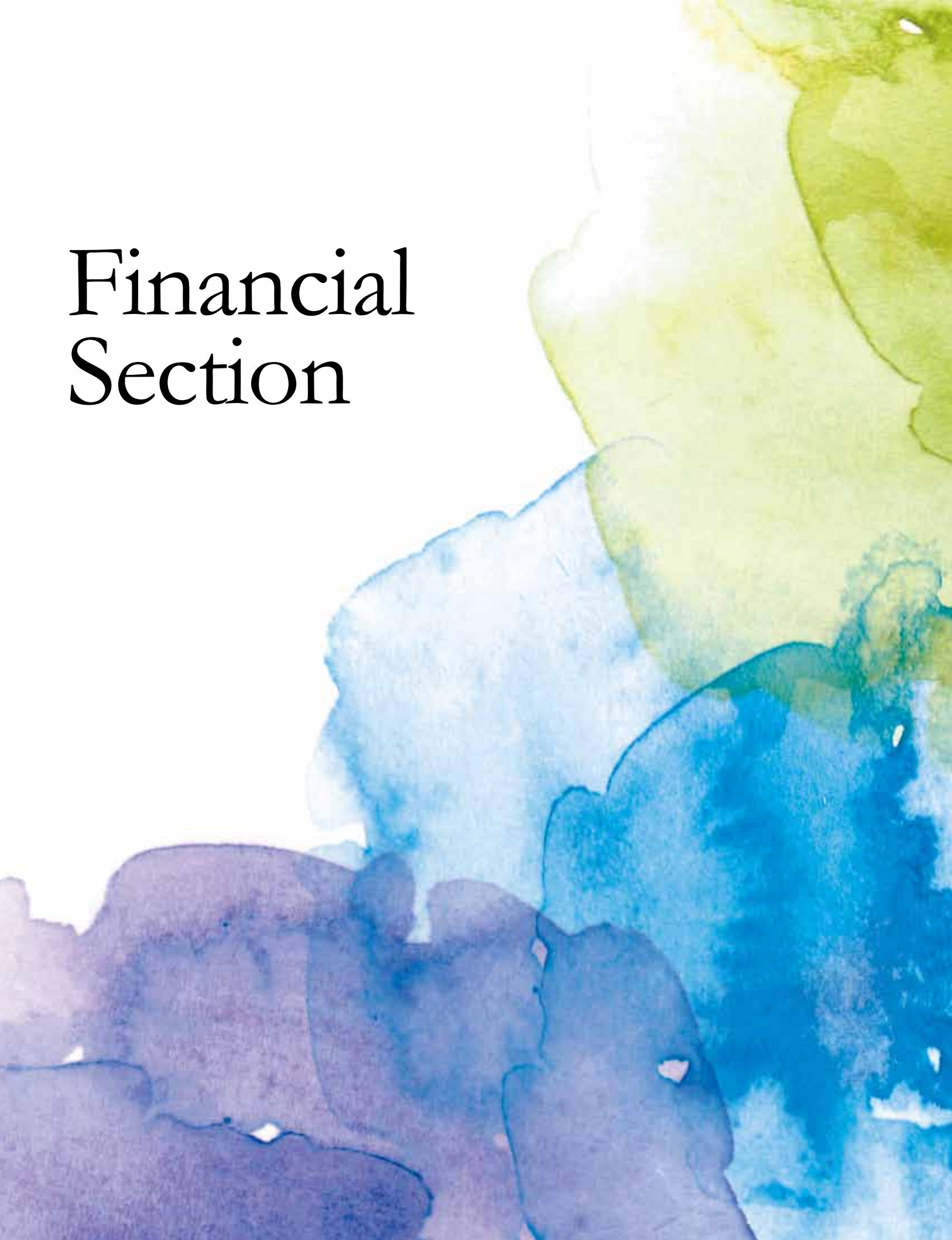
By networking with Korean Open Doctors Society, we offered free medical care for foreign workers in Korea and Vietnam veterans.

## K-sureans volunteering for the marginalized

K-sureans regularly visit 'Rafael's House', a shelter for severely handicapped children, on the first Thursday in each month to feed them meals, clean the shelter, and provide any services needed. We also visit "Theresa's House", an orphanage, on the third Thursday in each month to tend to children.



# Financial Section



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# Auditors' Report

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## Report of Independent Auditors

### To the Board of Directors of Korea Trade Insurance Corporation

We at Samil PwC have audited the accompanying consolidated balance sheets of Korea Trade Insurance Corporation in the management of its Trade Insurance Fund (hereinafter referred to as 'the Fund') as of December 31, 2011, and the related statements of comprehensive income, changes in capital, and cash flows in the period ended December 31, 2011. These financial statements are the responsibility of K-sure management. Our responsibility is to express an opinion on these financial statements based on our audits. We compared the consolidated balance sheets of K-sure in the fiscal year that ended December 31, 2010, which were audited by another audit firm (Deloitte Anjin LLC), and hereby submit this auditors' report for the period that ended December 31, 2011.

We conducted our audits in accordance with the auditing standards by the Korea Institute of Certified Public Accountants. 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 audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements for 2011 present fairly, in all material respects, the financial position of Korea Trade Insurance Corporation, and the results of its operations and its cash flows for the period ended December 31, 2011, in conformity with the accounting regulations of the Trade Fund cited in the footnote 2 and accounting principles generally accepted in Korea.

**Ahn, Kyung-Tae**

Chairman, Territory Senior Partner, CEO  
Samil PricewaterhouseCoopers

# Statement of Financial Position

The 43<sup>rd</sup> term as of December 31, 2011  
The 42<sup>nd</sup> term as of December 31, 2010  
Trade Insurance Fund (Formerly Export Insurance Fund)



(Unit : KRW million)

Accounts	The 43 <sup>rd</sup> (Current) Term		The 42 <sup>nd</sup> (Previous) Term	
	Amount		Amount	
<b>Assets</b>				
I. Cash & dues from banks		821,848		687,233
II. Securities		734,175		939,071
1. Trading securities	-		10,339	
2. Available for-sale securities	734,175		928,733	
III. Tangible assets		60,418		58,929
IV. Investment properties		33,832		34,062
V. Intangible assets		16,232		18,587
VI. Other assets		948,238		947,415
1. Premium receivables	392,158		287,037	
Allowance for bad debts	(12)		(12)	
2. Account receivables	107		238	
3. Accrued incomes	294,674		320,868	
Allowance for bad debts	(273,885)		(273,618)	
4. Income tax refund receivables	1,801		1,629	
5. Indemnity receivables	311,818		333,109	
6. Leasehold deposits	20,097		19,848	
7. Telephone subscription deposits	33		33	
8. Guarantee deposits	894		344	
9. Long-term loans to employees	2,686		2,736	
10. Derivatives	191,502		252,364	
11. Others	6,365		0	
<b>Total assets</b>		<b>2,614,743</b>		<b>2,685,297</b>
<b>Liabilities</b>				
I. Reserves for contingencies		1,461,347		1,348,616
1. Premium reserves for unexpired policies	856,491		682,053	
2. Payment receivables	604,856		666,563	
II. Other liabilities		131,467		182,586
1. Payables	3,812		3,578	
2. Accrued expenses	444		1,244	
3. Provision for severance benefits	14,386		11,504	
4. Prepaid premiums	10,498		5,309	
5. Deposits	369		5,673	
6. Derivatives	90,200		144,158	
7. Lease deposits	1,015		1,009	
8. Trust	8,417		-	
9. Others	2,327		10,111	
<b>Total liabilities</b>		<b>1,592,814</b>		<b>1,531,202</b>
<b>Capital</b>				
I. Contributions		2,069,824		2,039,824
1. Government contributions	2,034,824		2,034,824	
2. Other contributions	35,000		5,000	
II. Accumulated other comprehensive income		(1,361)		26,123
1. Gain/loss on valuation of available-for-sale appropriations (undisposed deficit)	(1,361)		26,123	
III. Deficit		(1,046,533)		(911,852)
1. Retained earnings before appropriations (undisposed deficit)	(1,046,533)		(911,852)	
<b>Total capital</b>		<b>1,021,930</b>		<b>1,154,095</b>
<b>Total liabilities and capital</b>		<b>2,614,743</b>		<b>2,685,297</b>

# Income Statement

43<sup>rd</sup> term: January 1, 2011 ~ December 31, 2011  
 42<sup>nd</sup> term: January 1, 2010 ~ December 31, 2010  
 Trade Insurance Fund (Formerly Export Insurance Fund)

(Unit : KRW million)

Accounts	The 43 <sup>rd</sup> (Current) Term		The 42 <sup>nd</sup> (Previous) Term	
		Amount		Amount
<b>I. Operating incomes</b>		2,473,435		2,397,690
1. Premium income		585,989		484,892
2. Claims received		191,654		470,303
3. Reinsurance income		14,173		9,242
4. Other operating income		1,681,618		1,433,254
1) Interest income	64,917		46,967	
2) Gain on valuation and disposition of trading securities	467		14,730	
Gain on valuation of trading securities	-		339	
Gain on disposition of trading securities	-		1,280	
Gain on disposition of held-to-maturity securities	467		13,111	
3) Commissions income	1,053		932	
4) Gains through indemnities	916		17,751	
5) Reversal of reserves for unexpired policies	682,053		555,690	
6) Reversal of reserves for outstanding claims	666,563		242,906	
7) Reversal of reserves for contingency	-		84,904	
8) Gain on derivative transactions	190,976		214,528	
9) Gain on valuation of derivatives	26,658		241,583	
10) Gain on valuation of foreign exchange risk insurance	28,100		4,244	
11) Gain on valuation of interest rate risk insurance	437		1,983	
12) Gain on foreign exchange transactions	17,349		5,439	
Gain on foreign currency transactions	6,489		3,990	
Gain on foreign exchange transactions	10,860		1,449	
13) Others	2,131		1,597	
<b>II. Operating expenses</b>		2,713,619		3,152,949
1. Expenses for claims paid		839,112		895,791
2. Expenses for returns of premium income		53,106		28,070
3. Expenses for reinsurance		19,068		14,379
4. Other operating expenses		1,722,922		2,139,995
1) Loss on valuation and sale of securities	428		400	
Loss on disposition of trading securities	37		-	
Loss on disposition of available-for-sale securities	376		-	
Loss on impairment of available-for-sale securities	15		400	
2) Fees	1,030		413	
3) Contribution to unearned premium reserves	857,030		681,965	
4) Contribution to reserves for outstanding claims	604,317		666,651	
5) Loss on derivatives transactions	181,767		309,611	
6) Loss on valuation of derivatives	43,866		45,614	
7) Loss on foreign exchange risk insurance	18,233		344,528	
8) Loss on foreign currency and exchange transactions	4,317		22,406	
Loss on foreign currency transactions	4,311		5,983	
Loss on foreign exchange transactions	5		16,423	
9) Expenses for debt recovery	8,088		7,095	
10) Expenses for bad debts	267		2,122	
11) Other operating expenses	3,581		2,122	
5. Administrative expenses		79,411		74,714
1) Personnel expenses	35,661		33,280	
2) Overhead expenses	33,363		33,557	
3) Severance benefits expenses	4,445		2,895	
4) Depreciation expenses	3,586		2,626	
5) Depreciation of intangible assets	2,356		2,356	
<b>III. Operating loss</b>		(240,184)		(755,258)
<b>IV. Non-operating income</b>		5,664		6,102
1. Income from disposition of tangible assets	62		33	
2. Income from lease	3,947		3,875	
3. Others	1,655		2,195	
<b>V. Non-operating expenses</b>		161		7,436,815
1. Loss from disposition of tangible assets	1		7	
2. Others	160		1	
<b>VI. Net loss before deduction of corporate tax expenses</b>		(234,681)		(749,163)
<b>VII. Expenses for corporate tax</b>		-		-
<b>VIII. Net income/loss</b>		(234,681)		(749,163)

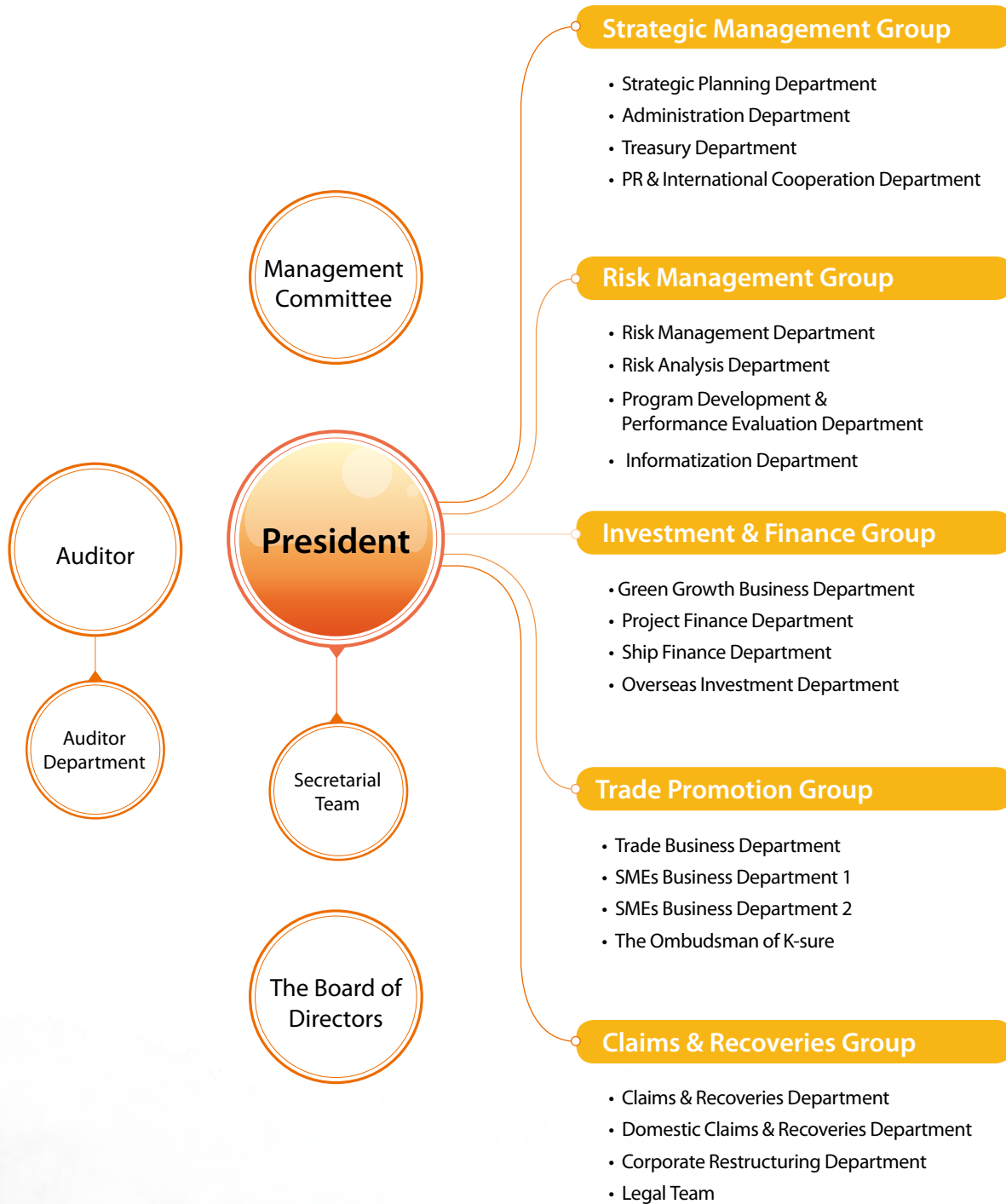
# Statement of Changes in Capital



(Unit : KRW million)

Accounts	Contributions	Comprehensive income	Retained earnings (deficits)	Total
January 1, 2010 (beginning of the previous year)	2,039,824	1,553	(312,689)	1,728,689
Government contributions	-	-	150,000	150,000
Gains on valuation of available-for-sale securities	-	24,569	-	24,569
Net income/loss	-	-	(749,163)	(749,163)
December 31, 2010 (end of the previous year)	2,039,824	26,123	(911,852)	1,154,095
January 1, 2011(beginning of the current year)	2,039,824	26,123	(911,852)	1,154,095
Government contributions	130,000	-	-	130,000
Deficit carried forward	(100,000)	-	100,000	-
Losses on valuation of available-for-sale securities	-	(27,484)	-	(27,484)
Net income/loss	-	-	(234,681)	(234,681)
December 31, 2011 (end of the current year)	2,069,824	(1,361)	(1,046,533)	1,021,930

# Organizational Structure





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# Management

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**Cho, Kye-Ryoong**  
Chairman and President



**Park, Joung-Chan**  
Auditor



**Kwon, Moon-Hong**  
Deputy President



**Lee, Gae-Min**  
Non-Executive Senior Director



**Ham, Jin-Gyu**  
Non-Executive Director



**Lee, Jae-Kook**  
Non-Executive Director



**Kim, Sun-Ki**  
Executive Director



**Choo, Byung-Yang**  
Executive Director



**Lee, Kyu-Cheul**  
Executive Director



**Park, Sang-Hee**  
Executive Director



**Kim, Dong-Sun**  
Non-Executive Director



**Kim, Dong-Soo**  
Non-Executive Director



**Oh, Mi-Young**  
Non-Executive Director

# Domestic and Overseas Networks

## Domestic Branches

### Seoul Branch

#1304 Trade Tower,  
511 Youngdong-daero (Samsung-dong),  
Gangnam-gu, Seoul, 135-729  
Tel : (82-2)551-0481~5  
Fax : (82-2)551-0487

### Busan Branch

9F Korea Development Bank Building, 136  
Daechung-ro(Jungang-dong 2-ga),  
Jung-gu, Busan, 600-012  
Tel : (82-51)245-3981~3  
Fax : (82-51)246-9833

### Daegu-Gyeongbuk Branch

17F Samsung Financial Plaza, 2095  
Dalgubuyul-daero (Duksan-dong),  
Jung-gu, Daegu, 700-742  
Tel : (82-53)252-4932~5  
Fax : (82-53)256-2684

### Incheon Branch

6F Daewoo Securities Building,  
407 Kyungin-ro (Juan-dong),  
Nam-gu, Incheon, 402-835  
Tel : (82-32)422-2713~7  
Fax : (82-32)422-2718

### Gwangju-Jeonnam Branch

11F Gwangju Bank Building,  
225 Jaebong-ro (Daein-dong),  
Dong-gu, Gwangju, 501-730  
Tel : (82-62)226-4820~2  
Fax : (82-62)226-4824

### Daejeon-Chungnam Branch

8F Kumho Life Insurance Building,  
800 Kyeryong-ro (Oryudong),  
Jung-gu, Daejeon, 301-736  
Tel : (82-42)526-3291~4  
Fax : (82-42)526-3295

### Ulsan Branch

10F TYS Building,  
197 Samsan-ro (Dal-dong),  
Nam-gu, Ulsan, 680-805  
Tel : (82-52)261-1833~6  
Fax : (82-52)261-1837

### Gyeonggi Branch

8F Gyeonggi SME Support Center Building,  
511 Kwonkwang-ro (Ieui-dong), Yeongtong-gu,  
Suwon, Gyeonggi, 443-766  
Tel : (82-31)259-7602~10  
Fax : (82-31)259-7607

### Northern Gyeonggi Branch

8F Kyobo Life Insurance Building,  
1181 Jungang-ro (Jangang-dong), Ilsandong-gu,  
Goyang, Gyeonggi, 410-837  
Tel : (82-31)932-3501~6  
Fax : (82-31)932-3507

### Gangwon Branch

6F Samsung Life Insurance Building,  
2 Wonil-ro (Indong),  
Wonju, Gwangwon, 220-070  
Tel : (82-33)765-1060~4  
Fax : (82-33)765-1065

### Chungbuk Branch

4F Chungbuk SME Support Center Building,  
50 Poongsan-ro (Gakyeong-dong),  
Heungdeok-gu, Cheongju, Chungbuk, 361-802  
Tel : (82-43)236-1301~4  
Fax : (82-43)236-1305

### Jeonbuk Branch

5F KTCU Building,  
1 Onkoul-ro (Seosin-dong), Wansan-gu,  
Jeonju, Jeonbuk, 560-821  
Tel : (82-63)276-2360~3  
Fax : (82-63)276-2364

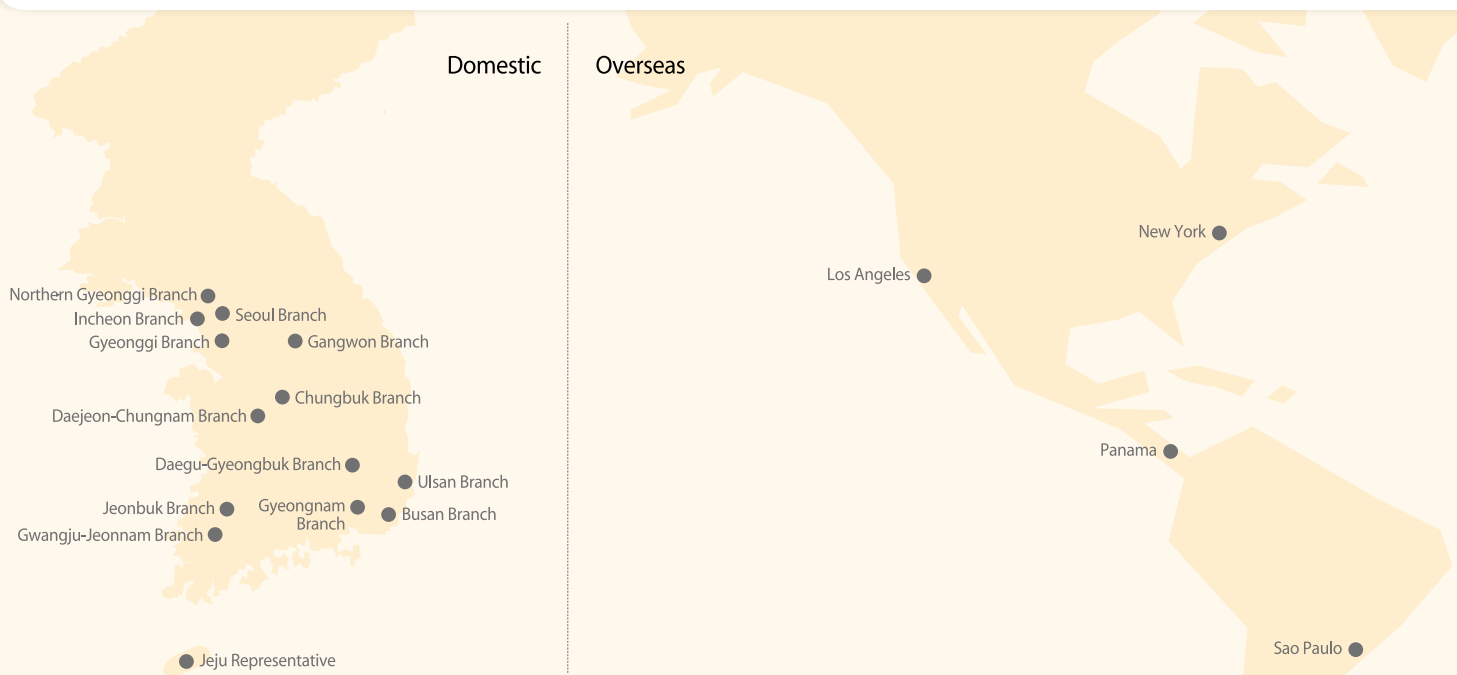
### Gyeongnam Branch

5F Gyeongnam Trade Center,  
257 Joongang-daero (Yongho-dong),  
Changwon, Gyeongnam, 641-740  
Tel : (82-55)286-9394~6  
Fax : (82-55)286-9399

## Domestic Representative Office

### Jeju Representative

4F Jeju SME Support Center Building,  
473 Yeonsam-ro (Ido2-dong), Jeju City,  
Jeju Special Self-Governing Province, 690-732  
Tel : (82-64)751-6601~2  
Fax : (82-64)751-6603





## Overseas Representative Offices

### Los Angeles Representative Office

915 Wilshire Blvd., Suite 1640, Los Angeles,  
CA 90017, U. S. A.  
Tel : (1-213)622-4314~5, 4330  
Fax : (1-213)622-5316

### Beijing Representative Office

Room 915, Silver Tower Bldg, 2 North Dongsanhuan  
Rd., Chaoyang Dist., Beijing 100027, China  
Tel : (86-10)6410-6437~9  
Fax : (86-10)6410-6440

### Sao Paulo Representative Office

Alameda Santos, 880, 5º Andar Conj. 52/53  
CEP: 01418-100-Cerqueira Cesar, Sao Paulo SP, Brasil  
Tel : (55-11)3284-1105, 3285-1951  
Fax : (55-11)3284-4081

### Paris Representative Office

13 Rue Camille Desmoulins, 92441,  
Issy-Les-Moulineaux Cedex, France  
Tel : (33-1)5804-2674  
Fax : (33-1)5804-2673

### Shanghai Representative Office

Room 2210, Maxdo Center, No 8, Xingyi Road,  
Shanghai, China  
Tel : (86-21)5208-1181~2  
Fax : (86-21)5208-1186

### Hochiminh Representative Office

Diamond Plaza (#1207), 34 Le Duan St., Dist.1,  
Hochiminh City, Vietnam  
Tel : (84-8)3824-6844~5  
Fax : (84-8)3824-6846

### New York Representative Office

460 Park AVE, 21th Floor, NEW YORK,  
NY 10022, U. S. A.  
Tel : (1-212)355-2505  
Fax : (1-212)355-6231

### Jakarta Representative Office

Wisma GKBI 21st. Fl., Suite 2104, Jl.  
Jendral Sudirman Kav.28, Jakarta 10210 Indonesia  
Tel : (62-21)570-5565, 5790-1060  
Fax : (62-21)574-1470

### New Delhi Representative Office

Unit No. 306, Rectangle-1, D-4, Saket,  
New Delhi-110017, India  
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Fax : (91-11)4057-5046

### Panama Representative Office

KEIC Panama Corp. Calle 50, Torre Global Bank,  
Piso 33, Oficina 3304, Panama City, Panama  
Tel : (507)394-9170~1  
Fax : (507)394-9173

### Tokyo Representative Office

Room 1056, South Tower 10th Floor, Yurakucho Denki  
Bldg. 7-1, Yurakucho 1-chom, Chiyoda-Ku, Tokyo, Japan  
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Fax : (81-3)3216-0602

## Overseas Representative

### Moscow Resident Representative

Office No. 948, 12 Mezhdunarodnaya-2,  
Krasnopresnenskaya nab., 123610, Moscow, Russia  
Tel : (7-495)258-1539~41  
Fax : (7-495)258-1542

## Secondment

### Johannesburg, South Africa

#### (Seconded to KOTRA Korea Business Center)

18th Floor, Sandton City Office Tower, Cnr. Rivonia  
Road & 5th Street, Sandton, PO Box 786703, Sandton  
City 2146, South Africa  
Tel : (27-11)-784-0607  
Fax : (27-495)-784-0623

