

A Design of Alternative Fund Raising
of
NEADB :
Equity Financing through Private
Capital Market

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A Design of Alternative Fund Raising of NEADB: Equity Financing through Private Capital Market

Abstract

Original capital formation of NEADB seems to follow ADB formula, which is scheduled to acquire 50% of cash payment for 5 years and to obtain 50% by safety net basis. Regional stockholders would be People's Republic of China(hereinafter called PRC), Japan, Korea, Mongol, Russia, and Taiwan. Outside regional stockholders might be presumably U.S.A., EU, Australia, New Zealand, etc. The original design is based on the multinational public(or diplomatic) development bank character. Therefore, the key point of the fund raising method is that Japan, PRC, and Republic of Korea governments would make the seed capital formation of \$1 billion for 5 years. Rest of the capital is designed to be accrued through external payment guarantee.

However, the fundamental approach of Bush Administration seems to be Neo-Monroeism and vertical international integration of North, Middle and South American continents. This was confirmed by recent 2nd presidential press conference by stating American interest-firstism. Under these circumstances, U.S. major role and function of establishing NEADB is somewhat doubtful. There lies some 'raison d'être' of seeking an alternative, auxiliary approach by private financing channel, since smooth diplomatic solution of government to government fund raising among regional and outside regional nations seems to be difficult for the time being. For example, Japan Fund was established in 1964, and 20 years later, Korea Fund was successfully listed in New York Stock Exchange as a Maryland State Juridical Person.

As a rule, one fourth of authorized capital is paid-in capital, and the stock holding company can be set up. If the joint lead managers were selected in regional base, Japan's, PRC's (Hong Kong) and Korea's leading brokerage firms could be able to combine with U.S. and EU major investment bankers by setting up a syndication group. In case of global base fund-raising, New York, London, Zurich, Tokyo, Hong Kong, Sydney's leading underwriters should be participated. The key questions are who should be the lead manager of that syndication, where the location of the headquarter should be, and finally who will be the Governor (or CEO) and directors. If we intend to "go public", the "prospectus" should be made, and the road shows should be held among the global financial markets. This is the way of starting small and growing larger by purely commercial basis, as most of financial institutions of Northeast Asia regions are still premature.

I. Preface

Original Capital formation of NEADB seems to follow ADB formula, which is scheduled to acquire 50% of cash payment for 5 years and to obtain 50% by safety net basis. Regional stockholders would be People's Republic of China(hereinafter called PRC), Japan, Korea, Mongol, Russia and Taiwan. Outside regional stockholders might be presumably U.S.A., EU, Australia, New Zealand, etc. If I understand mechanism correctly, the original design is based on the multi-national public(or diplomatic) development bank character. Therefore, the key point of fund raising method is that seed capital formation would be made by Japan, PRC, and Republic of Korea government \$1 billion for 5 years. Rest of capital is designed to be accrued through external payment guarantee.

However, the fundamental approach of Bush Administration seems to be Neo-Monroeism and vertical international integration of North and South American Continent-Firstism, which was clarified by recent 2nd presidential press conference by stating American interest-firstism. Under these circumstances, U.S. major role and function of establishing NEADB is somewhat doubtful. There lies some 'raison d'être' of seeking an alternative, auxiliary approach by private financing channel, since smooth diplomatic solution of government to government fund raising among regional and outside regional nations seems to be difficult for the time being...

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II. Original Capital Formation of ADB Formula

1. Establishment Process and Objectives of ADB¹⁾

The design of ADB was presented at the 19th ECAFE(United Nations Economic Commission for Asia and the Far East) meeting in March, 1963. In October, 1964, General Secretariat released a report on “Specialists Group on ADB”.

The 21st ECAFE general meeting decided to establish “Advisory Committee on ADB”, composed of 9 country delegations. This committee conferred with 35 member country representative and submitted the special report with a draft of “Articles of Agreement of ADB”, which finally passed the 2nd cabinet meeting of “Asia Economic Cooperation”. On August 22, 1966. the afore-mentioned Articles of Agreement was ratified by 15 countries. Establishment general meeting was held by participating 32 country delegates in Tokyo, Japan in November and finally ADB started its opening business on December 19, 1966.

If we recall the establishment process, the most heated debates among member delegates were the location of headquarters in selection of between Tokyo and Manila. Final compromise were induced out the location of headquarter for Manila and Governor of ADB for Japanese. This will be a worthy lesson for establishing NEADB in the future.

Main objectives of ADB are aimed to promote the economic growth and cooperation within Asia and Pacific region. ADB's function can visualized as follows.

- 1) Promotion of public and private capital investment for development purposes
- 2) Supporting capital to the developing countries within region for the balanced economic development
- 3) Assisting adjustment of member country's development policy and plan in order to promote trade within the region
- 4) Extending technical assistance for development planning and implementation
- 5) Cooperation with international development organization

2. Member Countries and Voting Rights

Qualification of participation into ADB are restricted only to ESCAP members and UN and UN related organization. Outside regional members are limited to advanced countries. Entry decisions could be made two thirds of effective votes of three fourths of voting right at general meeting of ADB.

As of June, 1998, member countries are 41 countries within region, 16 countries outside region, and summing up total 57 countries. Member countries are authorized to have “basic voting rights” evenly distributed 20% of voting rights and “proportionate voting rights”, i.e. 1 voting right per 1 stock(10,000 SDR) in accordance with Article 33-1.

¹⁾ Jai Woong Lee, International Financial and Economic Institutions, Dasarang, 2000, pp. 171 ~ 174.

3. Capital and Borrowings²⁾

1) Capital

The financial sources of ADB are mainly composed of capital and borrowings. The capital can be classified into paid-in capital and callable capital.

The actual payment of paid-in capital are partially made by convertible currency and partially by member country currency. Practically, on the occasion of the 4th general increasing capital, the ratio of convertible currency was 40% of paid-in capital.

Paid-in capital by member country currency can be paid by promissory note or debenture issued by designated depository institution of member country or government. Afore-mentioned promissory note of debenture should be non-transferable and non-interest bearing note of certificate which must be paid upon the request of ADB.

On the other hand, the callable capital can not be used as a source of loan but the payment obligation arose when ADB requests the payment. Therefore, the callable capital can be utilized as a collateral for borrowing from international financial market. In this concept, the callable capital is contributing to the international financial market borrowing in indirect way.³⁾ The payment of callable capital is supposed to be paid by gold, convertible currency and DSM, but until now the request of payment of callable capital by ADB has not yet occurred.

Increase of ADB capital has been reviewed every 5 years and decided by 2/3 of members present, representing 3/4 of voting rights.

Since ADB is adopting authorized capital system, in case when total capital exceeds the authorized capital, ADB is obliged to take measures of increasing authorized capital. At the beginning of ADB establishment, the authorized capital was 1,100 million SDR. But, through consecutive general and special capital increase, the authorized capital reached to 34,910 million SDR(see table 16-1).

The most noteworthy fact of capital formation of ADB is the composition of capital, distinctively differentiated from private financial institution. At the end of 1997, the paid-in capital occupied only 2% while callable capital reached 98%. In addition, out of 2% of paid-in capital, the convertible currency occupied only 0.8% while the member country currency occupied 1.2%(see table 16-2). This is the typical public, international financial organization capital composition, far different from private international organization.

2) Borrowings

²⁾ Ditto, pp. 182 ~ 185.

³⁾ Lee-Jay Cho, Design of NEADB, NIRA Policy Research 2001, Volume 14, No. 2, pp. 9 ~ 10.

ADB refurnishes the sources of fund by borrowings from member government or international financial markets.

There is no clear definition of limitation of borrowing in the articles of agreement. Usually, the board of directors make it a rule to limit to the 95% of member country capital amount.

At the end of 1997, the outstanding borrowings of ADB amounted \$17.5 billion, out of which long-term borrowing occupied \$14.2 billion while short-term borrowing occupied \$3.3 billion(see table 16-3).

III. Changing International Environment After Launching Bush Administration

1. Global Financial System(IMF, IBRD) versus Regional(ADB) and Sub-Regional(NEADB) Financial System

After World War II, the United States of America launched into global management by 5 pillars of key organization; United Nations Security Council, IMF, GATT, UNESCO, and International Court of Justice. Once Gibbon wrote in the "Rise and Fall of Roman Empire"; "Rome conquered the world three times, first by arms, second by law and third by culture". These five pillars were Gibbon's expanded tool of world management.

As far as global financial system is concerned, International Monetary Fund(IMF) and its affiliates, IBRD group, and regional financial institutions such as ADB, AfDB and EBRD took in charge of global and regional financial role and function(see table 16-4).

As global financial institution, IMF specialized on balance of payment loans for international equilibrium of currency on the basis of US dollar as a key currency system, IBRD on the project and program loan, IDA on the lower income country loans, IFC on the capital market formation, MIGA on the private investment guarantee, and finally ICSID on the investment disputes solutions.

As regional financial institution, for territorial diversion, IDB (Inter-American Development Bank) concentrated its activities on North, Middle and South American continent, EBRD on the European continent including system-changing countries, AfDB on the African continent, and finally ADB on the Asia and Oceania.⁴⁾

Under the present global and regional financial specialized institutional system, NEADB might be classified as a sub-regional financial institution on the special territory of ADB domain, unless otherwise NEADB aimed at differentiated identity, separated from ADB territorial role and function.

2. Raison d'être of NEADB after Bush Administration's Neo-Monroeism

Bush administration has been born out of somewhat complicated federal and state presidential election process. But the heavier burden of Bush administration seems to be how to recover out of already down-turned economic recession. Bush administration had 3 policy tools; lowering interest rate, tax-cut of \$1.3 billion, and weak-dollar policy for export-driving. But except low interest policy, tax-cut of

⁴⁾ Lee-Jay Cho, Design of NEADB, NIRA Policy Research 2001, Volume 14, No. 2, pp. 9~10.

\$1.3 billion for 10 years will have no or little effect while weak dollar policy turning into strong dollar policy because of confronting Japanese weak yen policy. Policy planners of Bush administration, therefore, are switching somewhat similar to Neo-Monroeism. Even President Bush proclaimed 'America-interest-firstism' at second press conference. In line with this ground norm, grand national defense policy is under evaluation and so-called NMD plan is setting up on the national security point of view. On international economic field, the weights are placing on the vertical integration of North, Middle, and South American continent rather than horizontal integration of Europe, Asia and Pacific. The idea seems to be an unification of NAFTA and Latin American Common Market, MERCOSUR, together with reinforcing Inter-American Development Bank. In order to utilize limited resources effectively, international financial planners of Bush camp are already standing by with a draft of Meltzer Commission Report, a Republican-oriented international organization reform plan. The basic ideas of the Meltzer Report are summarized ; first, IMF functions only less than 120 days short-term loans, second, IBRD transforms into World Development Agency like IDA⁵⁾ extending loans only lower income countries.

Under these changing circumstances, it is probably not easy to expect positive support from Bush administration to establishment of NEADB.

3. Comparison of IDB and ADB

The difference between Inter-American Development Bank(IDB) and Asian Development Bank(ADB) comes not only territorial coverage, i.e. American continent and Asia, but also establishing history and process, i.e. long and short, regional and out of regional from the point of view of United States.

The idea of American regional bank originated way back 1890 when Inter-American conference was held, more than half a century ahead of global financial organization of IMF and IBRD. After the establishment of IMF and IBRD in 1947, Mexico and Peru raised strong proposal of IDB and, in 1954, Columbia and Chile proposed again the establishment of IDB at Organization of American States(OAS) but rejected by the U.S. on the ground that the role and function overlapped by IMF and IBRD. But the United States had gradually been shifting from former position into the vertical integration of American continent at Economic and Social Special Committee in August, 1958, since Cuba became socialist country, 'Liberation Theology' prevailed after Che Gebara's appearance.

In October 1958, a draft of IDB establishment was initiated and finalized in April 1959 and became effective on December 30, 1959 by completing 85% of member

⁵⁾ Robert A. Blecker, The IMF in a New Financial Architecture : An Evaluation of Alternative Proposals, Reforming International Financial Architecture: Emerging Market Perspective, IGE, KIEP, Korea, 2000, pp. 192~204.

country ratification. In February, 1960, the establishment of IDB general meeting was held in Washington, D.C. and started its business on October 1, 1960.

Besides this long historical background, it is noted that the voting rights of the United States occupied 34.66% and that of Canada 4.38%, regional developing countries 53.7% and outside regional countries only 7.20%. One of noteworthy facts is that only Australia out of Asia and Pacific region was admitted as a member, with only 0.08% of voting right.

Japan contributed \$100 million "Japan Special Fund" but not a member. Republic of Korea made an application of participation in August 1979 and expressed the special contribution in June, 1981, but still not yet received any response, only attending as an observer at annual meeting. The other feature is the establishment of Inter-American Investment Corporation, specifically investing private small and medium industry of Latin American countries, under separate legal entity out of IDB. Recently, the United States is particularly concerned with IDA because the omen of domino economic crises arose from Argentina and spreaded even to Brazil and other Latin American countries. As a result, the MERCOSUR meeting was cancelled in the end of March, 2001 and in the face of FTAA in the end of April, 2001, Chile and Uruguay began the bilateral negotiation with the U.S.A.

As far as ADB is concerned, the establishment process and objectives, member countries and voting rights and a capital and borrowing are all reviewed at Chapter II so that writer would like to refrain from overlapping explanation. From long establishing history of IDB, we should learn several lessons from IDB. Among other things, the United States historically, by her nature, had shown some strong reluctance of overlapping territorial role and function between global and regional financial institutions This character would be much more strong and positive in case of regional and sub-regional division of financial organization structure.

Therefore, effective solution of getting through this red-tape seems to be establishment such special fund as Asia Development Fund, more precisely—'North East Asia Special Fund' like African Development Fund or a number of special funds in European Bank for Reconstruction and Development (EBRD) like Russia Small Business Investment Special Fund. Otherwise, we can refer to the EBRD's 'system changing nation special support program', particularly on privatization, finance and energy industry. These seems to be some loopholes of alternative design even within the present framework of global and regional financial system in Asia by keeping in line with international public law and order.

IV. An Alternative Fund Raising through Private Capital Market : Japan or Korea Fund Formula.

1. Case Study : Korea Fund

Japan Fund was set up in 1964, the year of Tokyo Olympic and participation of OECD. Both Japan Fund and Korea Fund are close-ended country fund listed in New York Stock Exchange and managed by the U.S. investment management company with great success. Since both Funds are almost same in structure and character except timing of establishment, latest issued Korea Fund of 1984 will be quoted as a case study.

From the description of Prospectus of Korea Fund, it is quoted: "The Korea Fund, Inc.(the Fund) is a diversified, close-end investment company. Its investment objective is long-term capital appreciation through investment in securities, primarily equity securities, of Korean companies. It is expected that normally at least 80% of the Fund's assets will be invested in securities listed in the Korea Stock Exchange. No assurance can be given that the Fund's investment objective will be realized. Investment in Korea involves certain consideration, such as fluctuations of currency exchange rates, restrictions on foreign investment and repatriation of capital, and political and economic risks, which are not normally involved in the investment in the United States. See "Investment Objective and Policies" and "Special Considerations"(see table 16-5).

Rough character of Korea Fund is self-explanatory by above summary. The prospectus dated June 26, 1984 further prescribed that Korea Fund is composed of 5 million shares of \$0.01 par value common stock but price to public is \$12.0 summing up total \$60 million and that the shares are offered by such underwriters as the First Boston Corporation, Lehman Brothers(Shearson Lehman/American Express, Inc.), and International Finance Corporation when, as and if issued by the Fund and delivered to and accepted by the underwriters and subject to their right to reject orders in whole or in a part.

It is noteworthy that IFC was included in underwriters. Besides above three underwriters, joint lead managers, there were about 50 co-lead managers and managers, composed of world leading securities, investment trust, pension fund organizations(see table 16-6).

In short, contents of prospectus included ① Explanation of the Fund, ② Investment Objectives and Policies, ③ Offering, ④ Expected Listing ; NYSE, ⑤ Expected Symbol : KF, ⑥ Special Consideration, ⑦ Investment Advisors : Scudder, Stevens & Clark; Korean Advisor : Daewoo Research Institute, ⑧ Advisory Fees, ⑨ Custodian : Brown Brothers Harriman & Co ; Sub-Custodian : Seoul Branch of CITI Bank, N.A., ⑩ Underwriters : The First Boston Corporation, Shearson Lehman/American Express, Inc., and International Finance corporation. The prospectus also contained more than 11 pages of Korean securities market and 18 pages general information of Republic of Korea.⁶⁾

⁶⁾ Prospectus of Korea Fund, Inc., pp. 14 ~ 25, pp. 27 ~ 47.

2. Establishment of Regional Fund : NEAD Fund Approach

1) Territorial Coverage of NEADB

According to Dr. Lee-Jay Cho's article, Design of NEADB, the territorial coverage is defined to northeast Asia, namely northeast of PRC, Mongolia, Korean Peninsula, east asian part of Russia, and Japan.⁷⁾

2) Regional and out of Regional Stock-holders(investors)

Expected regional investors(stock-holders) are assumed PRC (including Hong Kong and Macao), Japan, the Republic of Korea(South), Russian and hopefully Taiwan(Formosa).

Expected out of regional investors(stock-holders) are assumed U.S.A., EU, Australia, New Zealand.

3) Composition of Capital of NEADB

According to Dr. Lee-Jay Cho's article, initial capital was proposed \$20 billion, out of which 50% will be paid-in cash payment through right offering over 5 years term. Remainder 50% will bear a form of callable capital which has no obligation of payment on the part of stock-holder(investors). Regional stock-holders share will be \$12 billion, 60% of total capital. Remainder 40% of capital will be raised by out of regional investors.⁸⁾

By quoting ADB model, 93% of capital is callable capital and 7% is pain-in capital which is equivalent to \$3.3 billion. On the basis of above \$3.3 billion, \$87 billion can be obtained by callable capital.

According to Dr. Cho's article, this ADB formula estimated respective country's contribution \$0.5 billion from Japan, \$0.25 billion from the Republic of Korea, \$0.2 billion from PRC for the duration of 5 years.⁹⁾ That means, on annual cash flow basis, NEADB is estimated to obtain about \$190 million.

4) Design of NEAD Fund

(1) Scheme of Fund

In accordance with discounted cash flow analysis of afore-mentioned \$190 million, the scheme of Fund would be around \$150 million. Allocation of fund-raising, in principle, should follow the proposed proportion of NEADB's regional and out of

⁷⁾ Lee-Jay Cho, Design of NEADB, NIRA Policy Study 2001, Vol. 14 No. 2, p. 1.

⁸⁾ Ditto, pp. 6~7.

⁹⁾ Ditto, pp. 7~8.

regional member countries in accordance afore-mentioned Dr. Cho's article.

(2) Underwriters

The underwriters should have international name value and market making career. Regional underwriters could be selected one of each major investors from Japan, PRC(Hong Kong included), the Republic of Korea. Out of regional underwriters could be chosen one of each major investors from the U.S.A., EU and Australia (New Zealand inclusive). Regional 3 underwriters should act as joint lead managers and out of regional underwriters might become co-lead managers and rest would be managers. But, it is strongly recommended that IFC and/or AFIC(Asia Finance and Investment Corporation) should be elected one of joint-lead manager.

(3) Expected Listing

The joint-lead managers could select the regional listing, preferably Tokyo, Hong Kong(or Shanghai B share), and Seoul. Co-lead managers could select, upon the consent of joint-lead managers, outside region, namely New York and/or London.

(4) Investment Advisors

Japan, PRC and the Republic of Korea joint-lead managers set up investment management company and each of joint-lead- managers' home country set up sub-investment advisors.

(5) Custodian

Custodian bank(or company) should be set up one of joint-lead managers' home country, namely bank located in Hong Kong or Tokyo or Seoul, which also become a sub-custodian if not selected as custodian.

(6) Other Miscellaneous Matters

follow the practice of Japan Fund or Korea Fund in accordance with bona fide agreement of member countries delegations.

V. Conclusion

The design of NEADB would be desirably concluded as follow.

First priority is to set up NEADB as prescribed in line with Dr. Lee-Jay Cho's paper, 'Design of NEADB' as mentioned previously. Some minor modification would be advisable, if may, by omitting somewhat overlapping territorial and scope of operational area with existing ADB. Also, patient diplomatic or international politic-economic endeavour should be exerted to setting up NEA cabinet meeting, together with out of regional countries by learning a lessons of Inter-American

Conference and Organization of American States in the birth of Inter-American Development Bank.

Second alternative is setting up 'Special Fund' covering North East Asian Area within the framework of ADB on the ground that out of total outstanding loans of \$20.9 billion, only Mongolian Republic had a benefit of mere \$3.8 million, 1.8% of ADF loans approved in the NEADB target area(see table 16-7).

Third alternative is setting up a 'Special Facility for sub-North East Asia' in IDA, similar to 'Special Facility for sub-Saharan Africa' donated by 18 developed nations through direct supporting fund in the amount of \$1.2 billion and special mutual financing fund in the amount of \$0.79 billion.¹⁰⁾

Fourth and last alternative is a design of alternative NEAD Fund raising through private capital market. The reason of quoting as last method of fund raising is that no privilege of callable capital as a public international financial institution like ADB, member countries' difference of level of capital market development as well as political ideology and system without any formal standing cabinet meeting like Inter-American Conference and Organization of American States exist. Only loose organization conference may be quoted as APEC, but it is too wide to be cohesive and binding organization.

In this respect, in case of choosing any alternative, the said regional countries and out of regional countries should set up an cabinet level organization through which regional financial cooperation like NEADB or NEAD Fund could be able to be born out. It is long way to go but like oriental proverb; 'Ten thousand miles should be started from first one step'. I think all of us at present are on the right track of that road with spirit of cooperation, as Lord Keynes mentioned.

¹⁰⁾ Jai Woong Lee, International Financial and Economic Institutions, Dasarang, 2000, p. 133.

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Table 1. Trends of Authorized Capital Increase

(unit: million SDR)

	FY	Increased Amount	Cumulative Amount
Establishing Capital	1966	–	1,100
1st General Increase	1971	1,650	2,750
Special Increase	1973 ~ 75	323	3,073
2nd General Increase	1976	4,148	7,221
3rd General Increase	1983	7,547	14,768
Special Increase	1985	235	15,003
Special Increase	1986	1,200	16,203
Special Increase	1988	622	16,825
Special Increase	1991	64	16,890
Special Increase	1993	315	17,205
4th General Increase	1994	17,705	34,910*

* As of Dec., 1997.

Table 2. Trends of Capital Composition of ADB

(unit: %)

Composition Classification	Paid-in Capital	Convertible Currency	Member Country Currency	Callable Capital
Establishing Capital	50.0	25.0	25.0	50.0
1st General Increase	20.0	8.0	12.0	80.0
1973 Special Increase	32.0	14.8	17.0	68.0
2nd General Increase	10.0	4.0	6.0	90.0
3rd General Increase	5.0	2.0	3.0	95.0
1985 Special Increase	12.0	5.2	6.8	88.0
4th General Increase	2.0	0.8	1.2	98.0*

* As of Dec., 1997.

Table 3. ADB Borrowings by Annual Basis

(in million dollars)

Category \ FY	1994	1995	1996	1997	1996 ~ 97
Borrowing	1,335	1,715	584	5,588	25,305
Outstanding	3,717	14,636	13,697	17,542	

Table 4. Global and Regional Financial Institutions

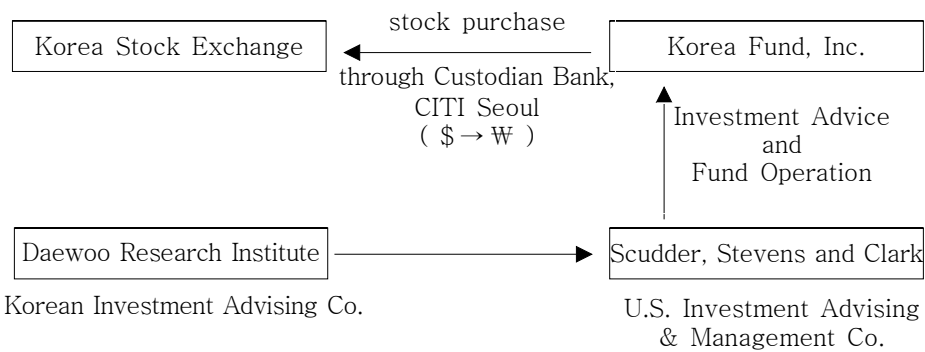
Territory \ Classification	Global Financial Inst.	Regional Financial Inst.	Sub-Regional Financial Inst.
BOP Loan	IMF	ADB – ADF (Asia in general)	
Project Loan	IBRD	AfDB – AfDF (Africa Continent)	
Lower Income Country	IDA	EBRD (Europe Continent)	
Capital Market Oriented	IFC	IDB (American Continent)	
Investment Guarantee	MIGA		
Disputes Solution	ICSID		

Table 5. Summary of Korea Fund Prospectus

Items	Summary
1. Fund Character	The Fund is a diversified, closed-end investment co. designed for U.S. and other country investors by investing listed stocks in Korean Stock Exchange.
2. Investment Objective and Policies	Long-term capital appreciation through equity investment in Korean securities, primarily equity securities, listed in Korean Stock Exchange
3. Underwriters	The common stock is being offered by a group of underwriters led by the First Boston Corp., Shearson Lehman/American Express Inc., International Finance Corporation, Daewoo Securities Co. Ltd., and Korea Associated Securities, Inc.
4. Advisors/Sub-Advisors	Scudder, Stevens and Clark(listed SEC) Daewoo Research Institute(listed SEC)
5. Amount	\$60,000,000 (Price to public per share : \$12.0)

source : Korea Fund Prospectus (J. W. Lee)

Table 6(diagram). Flow Chart of Korea Fund Operation



source: Jai Woong Lee, International Finance and Capital Market, Pummunsa, 1992, pp. 244 ~ 245.

Table 7. ADF Loans Approved by Country

(in million dollars)

Country	Loans Approved	Remarks(weight, %)
1. Pakistan	5,473.1	26.2
2. Bangladesh	5,331.9	25.5
3. Sri Lanka	1,969.8	9.4
4. Nepal	1,558.8	7.5
5. Vietnam	1,337.8	6.4
6. Philippines	1,108.7	5.3
:	:	:
:	:	:
10. Mongolia	377.5	1.8
Total	20,919.6	100.0

source : Jai Woong Lee, International Finance and Economic Institutions, Dasarang, 2000, p. 198.