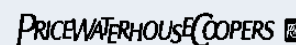


Report of Independent Accountants

(Trust Accounts)



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To the Board of Directors of
The Korea Development Bank

We have audited the accompanying balance sheets of The Korea Development Bank (the "Bank") Trust Accounts as of December 31, 2001 and 2000, and the related statements of operations, expressed in Korean Won. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bank Trust Accounts as of December 31, 2001 and 2000, and the results of its operations for the years then ended in accordance with the Trust Business Act and related regulations.

Without qualifying our opinion, we draw attention to Note 10 of the financial statements which states that the operations of the Bank Trust Accounts have been affected, and may continue to be affected for the foreseeable future, by the general unstable economic conditions in the Republic of Korea and in the Asia Pacific region. The ultimate effect of these uncertainties of the financial position of the Bank Trust Accounts as of the balance sheet date cannot presently be determined.

The amounts expressed in U.S. Dollars are provided solely for the convenience of the reader and have been translated on the basis set forth in Note 3 to the financial statements.

The accompanying financial statements are not intended to present the financial position, results of operations in accordance with the Trust Business Act and related regulations in countries and jurisdictions other than the Republic of Korea. The procedures and practices utilized to audit such financial statements may differ from those generally accepted and applied in other countries and jurisdictions. Accordingly, this report and the accompanying financial statements are not intended for use by those who are not informed about Korean Trust Business Act and related regulations in practice.

A handwritten signature in cursive script that reads "Samil Accounting Corporation".

Seoul, Korea
January 23, 2002