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GREENING CREDIT GUARANTEES: GREEN CREDIT GUARANTEE PROGRAMS OF KODIT

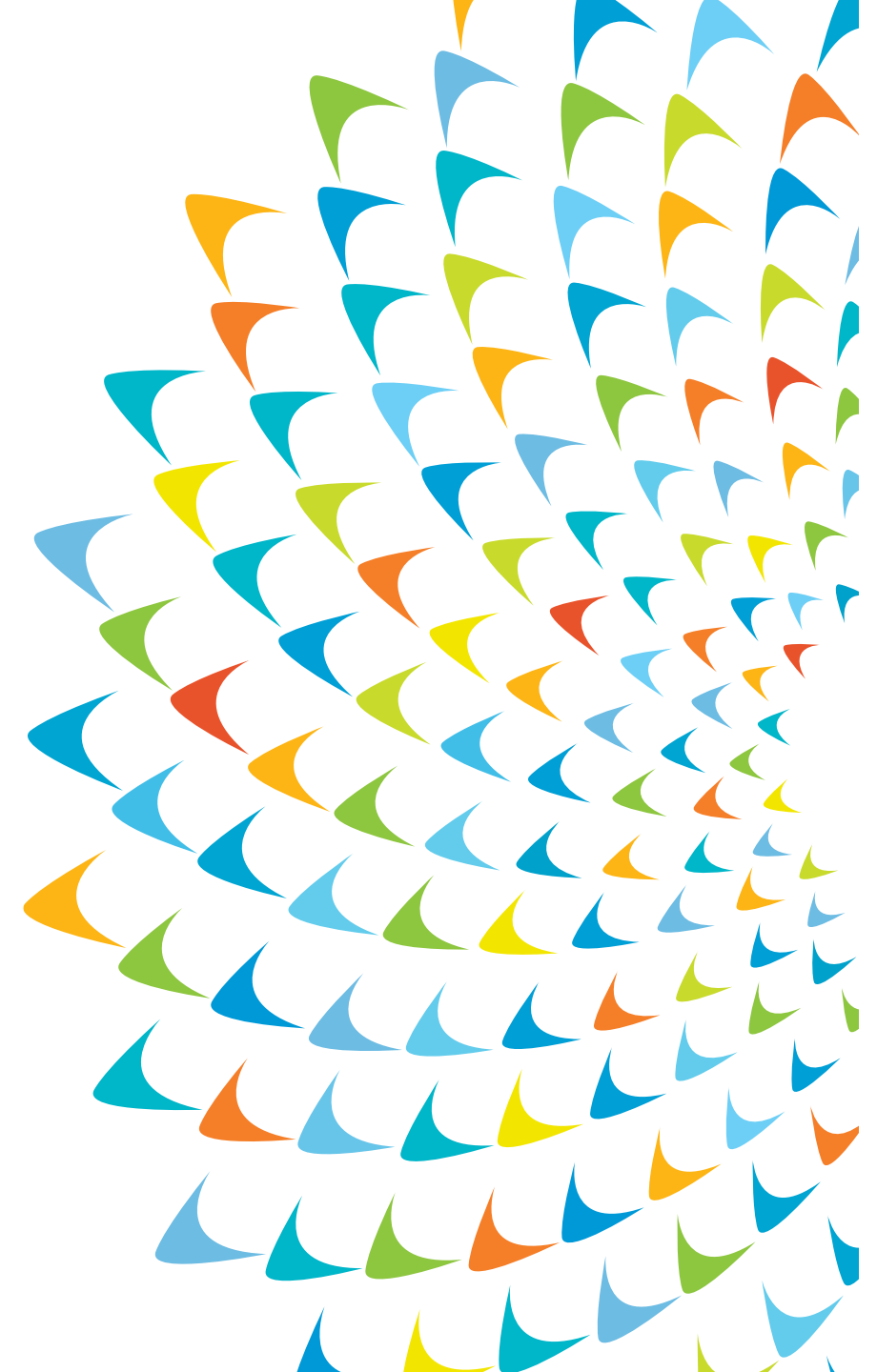
PSFI | PSOD
KOREA CREDIT GUARANTEE FUND

HEE WOONG YANG
21 AUGUST 2024



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1. OVERVIEW
2. DEEP DIVES
3. CASE STUDIES
4. PERFORMANCES
5. INSIGHTS





OVERVIEW : KODIT (KOREA CREDIT GUARANTEE FUND)



- **Establishment: 1976**
- **Status: Non-profit Special Legal Entity**



- **Capital Fund : USD 9.5 BN**
- **Outstanding Guarantee : USD 63.4 BN**
- **Guaranteed Enterprises : 559K**



- **Employees: 2,685**
- **Network: One HQ, Nine Regional HQs, 109 Branches**



OVERVIEW : KODIT (KOREA CREDIT GUARANTEE FUND)

Credit Guarantee

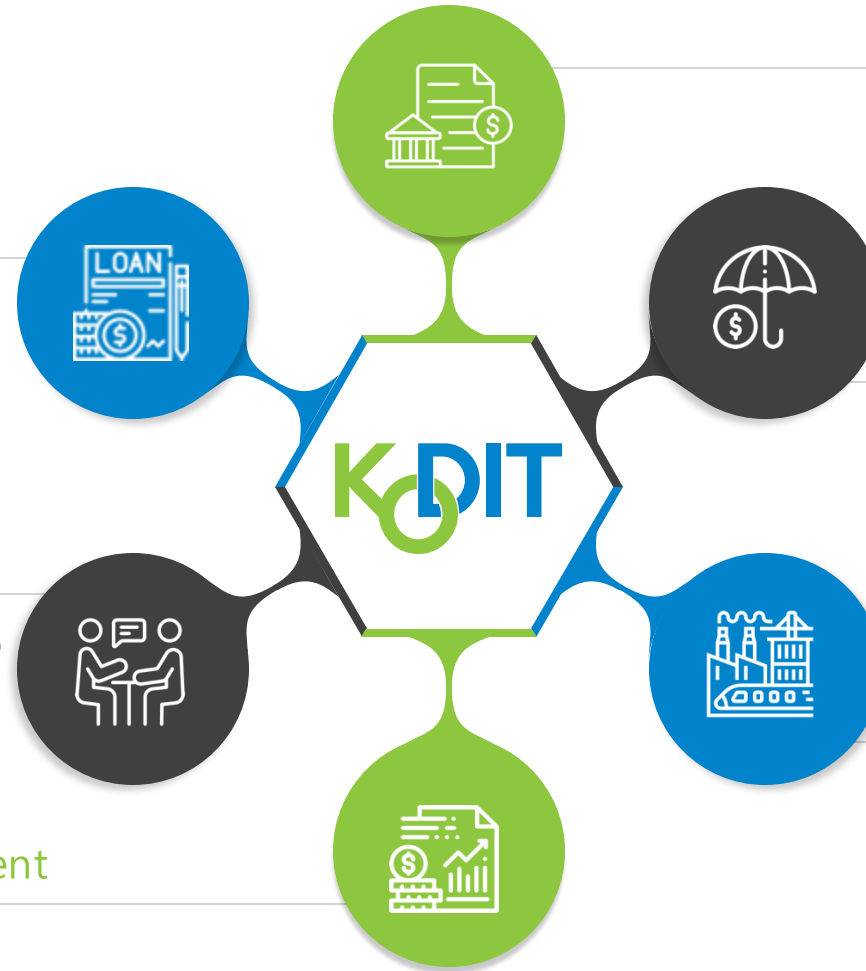
Enhances SME Financing by providing guarantees for bank loans or business liabilities

Consulting

Provides consulting services to SMEs to enhance their competitiveness and productivity

Guarantee-aligned Equity Investment

Direct investments combined with guarantee enabling SMEs to secure funds through direct funding



Primary-CBO Guarantee

Enables companies to raise funds from the direct financial market by helping issue and sell their corporate bonds

Credit Insurance

Pays insurance money to sellers in case they fail to get repaid from buyers due to buyer's insolvency or default

Infrastructure Guarantee

Facilitates raising investment funds from the private sector for construction of infrastructure



OVERVIEW : KEYWORDS

FIVE KINDS OF PROGRAMS

**FOUR SPECIAL FUNDS
ONE ORDINARY FUND**

16-YEAR-OLD COMMITMENT

ESG VISION

**NINE REGIONAL HQ SUPPORT TEAMS
109 BRANCHES**

**K-ESG RATING SYSTEM
GREENWASHING PREVENTION**



DEEP DIVES: PROGRAMS

- 1 GREEN GUARANTEE
- 2 GREEN TRANSITION GUARANTEE
- 3 GREEN VENTURE GUARANTEE
- 4 JOINT PROJECT GUARANTEE
- 5 GREEN ABS* GUARANTEE

* ABS: Asset Backed Securities



DEEP DIVES: PROGRAMS

PROGRAMS	OBLIGORS	TARGETS	LIABILITIES
1 GREEN GUARANTEE	<ul style="list-style-type: none">• SMES• MID-SIZE COMPANIES	<ul style="list-style-type: none">• FACILITY ADOPTION• FACILITY MANUFACTURE	BANK LOANS
2 GREEN TRANSITION GUARANTEE	<ul style="list-style-type: none">• SMES• MID-SIZE COMPANIES	<ul style="list-style-type: none">• FACILITY TRANSITION• PROCESS TRANSITION• TECH TRANSITION	BANK LOANS
3 GREEN VENTURE GUARANTEE	<ul style="list-style-type: none">• CLIMATE TECH* COMPANIES	<ul style="list-style-type: none">• PRODUCTION• R&D	BANK LOANS
4 JOINT PROJECT GUARANTEE	<ul style="list-style-type: none">• SME SUPPLIERS*• MID-SIZE SUPPLIERS	<ul style="list-style-type: none">• GREEN JOINT PROJECTS• TECH-BASED INITIATIVES	BANK LOANS
5 GREEN ABS GUARANTEE	<ul style="list-style-type: none">• SMES• MID-SIZE COMPANIES	<ul style="list-style-type: none">• GREEN COMPANIES UNDER K-TAXONOMY	CREDIT LINE OF SPV

- Categories: Clean Tech, Carbon Tech, Eco Tech, Food Tech, and Geo Tech.
- Suppliers of large companies (Hyundai, Samsung Electronics, etc.)



DEEP DIVES: PROGRAMS

PROGRAMS	LIMITS*	FEES	PERKS
1 GREEN GUARANTEE	<ul style="list-style-type: none">SMES: USD 7.8 MNMSC*: USD 15.5 MN	<ul style="list-style-type: none">CREDIT RATING BASED RATEMAX 0.5% (AFTER PERKS)	<ul style="list-style-type: none">FEE: 0.2%p↓ (ADDITIONAL 0.5%↓*)CR*: MAX. 100%
2 GREEN TRANSITION GUARANTEE	<ul style="list-style-type: none">SMES: USD 7.8 MNMSC: USD 15.5 MN	<ul style="list-style-type: none">CREDIT RATING BASED RATEMAX 0.5% (AFTER PERKS)	<ul style="list-style-type: none">FEE: 0.2%p↓ (ADDITIONAL 0.5%↓*)CR: MAX. 100%
3 GREEN VENTURE GUARANTEE	<ul style="list-style-type: none">PRODUCTION: USD 733 KR&D: USD 78 K	<ul style="list-style-type: none">CREDIT RATING BASED RATE	<ul style="list-style-type: none">FEE: 0.4%p↓CR: MAX. 100%
4 JOINT PROJECT GUARANTEE	<ul style="list-style-type: none">PROJECT: USD 77.6 MN	<ul style="list-style-type: none">FIXED RATE: 0.8%	<ul style="list-style-type: none">FEE: 0.8%p↓*CR: MAX. 100%
5 GREEN ABS GUARANTEE	<ul style="list-style-type: none">SMES: USD 1.5 MNMSC: USD 81.5 MN	<ul style="list-style-type: none">CREDIT RATING BASED RATE	<ul style="list-style-type: none">FEE: 0.2 - 0.4%p↓CR: 100%

- USD 1 = KRW 1,288 as of Dec 2023
- MSC: Mid-Size Companies
- CR: Coverage Ratio
- Additional discount provided by banks in agreements with KODIT



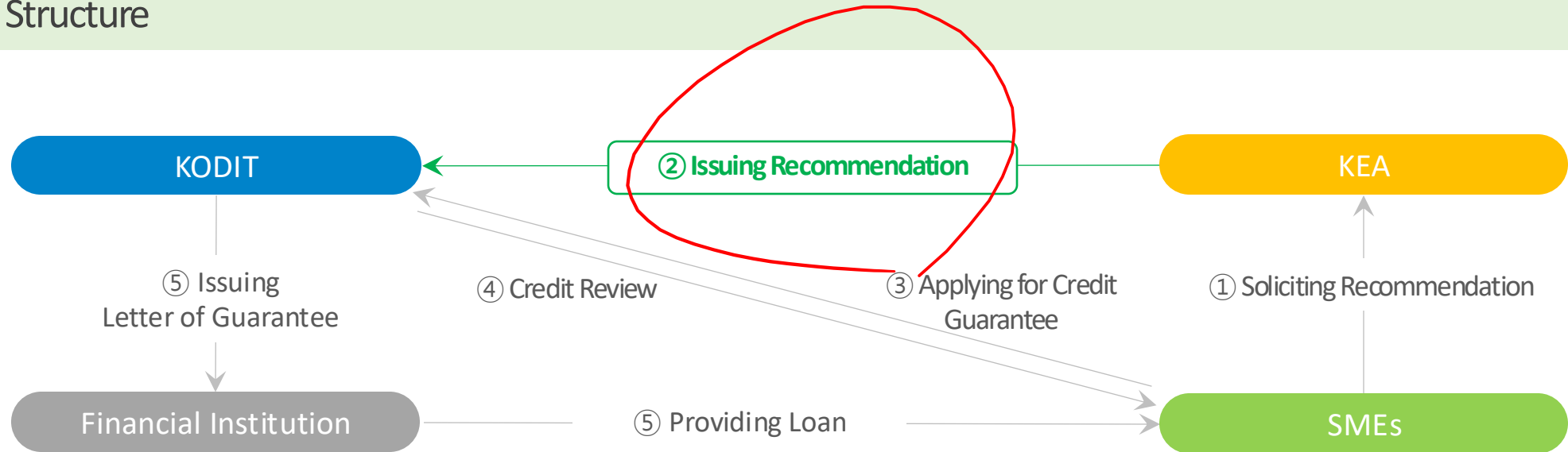
DEEP DIVES: PROGRAMS

PROGRAMS	COLLABORATIONS	FOCUSES
1 GREEN GUARANTEE	<ul style="list-style-type: none">• KEA*	<ul style="list-style-type: none">• CREDIT EVALUATION CENTER• BRANCHES
2 GREEN TRANSITION GUARANTEE	<ul style="list-style-type: none">• GREEN CONSULTING FIRMS	<ul style="list-style-type: none">• ESG GUARANTEE TEAMS• BRANCHES
3 GREEN VENTURE GUARANTEE	<ul style="list-style-type: none">• VENTURE BUSINESS EVALUATION INSTITUTIONS	<ul style="list-style-type: none">• STARTUP BRANCHES• BRANCHES
4 JOINT PROJECT GUARANTEE	<ul style="list-style-type: none">• LARGE COMPANIES	<ul style="list-style-type: none">• CREDIT ANALYSIS CENTER
5 GREEN ABS GUARANTEE	<ul style="list-style-type: none">• KEITI*	<ul style="list-style-type: none">• P-CBO* EVALUATION CENTER

- KEA: Korea Energy Agency.
- KEITI: Korea Environmental Industry & Technology Institute.
- P-CBO: Primary Collateralized Bond Obligation.

* Green Guarantee

☑ Structure



☑ Recommendation

Application online
at KEA (energy.or.kr)



Credit and Tech Review based on
certifications, financial statements, and IPs

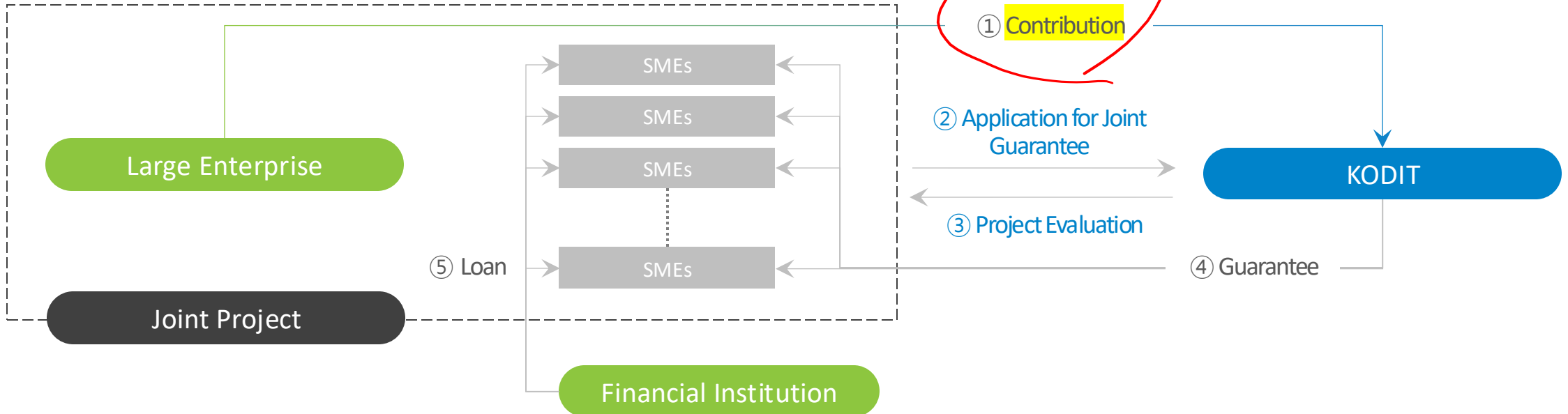


Issuance of Recommendation to KODIT,
which then proceeds with its process

• Source: KODIT presentation deliverables.

* Joint Project Guarantee

☑ Structure



☑ Benefits

Contributions from large companies



Carry out projects that SME could not normally proceed due to lack of funds

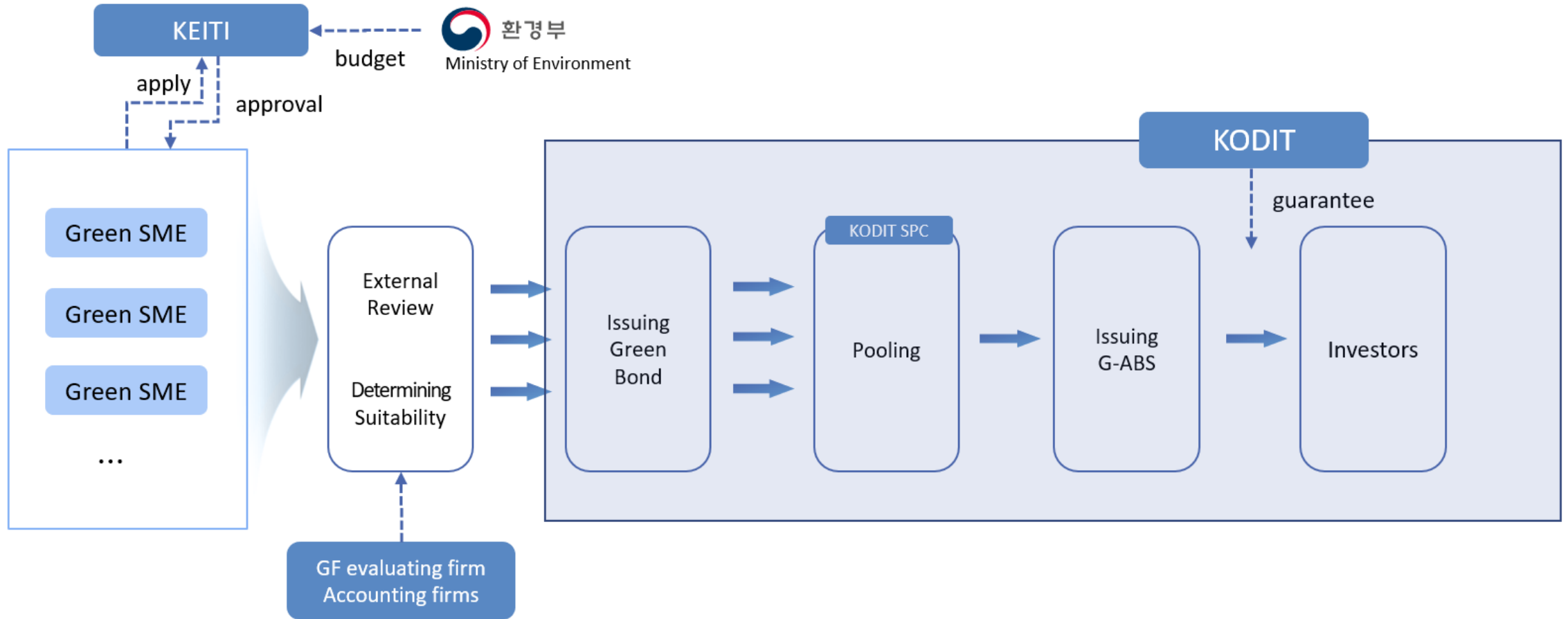


Generate business growth through large company-SME collaboration

• Source: KODIT presentation deliverables.



* Green ABS Guarantee



• Source: KODIT presentation deliverables.



DEEP DIVES: FOUR SPECIAL + ONE ORDINARY FUNDS

PROGRAMS	CATEGORY	FUNDS DONORS	TARGET*
① GREEN GUARANTEE	SPECIAL FUND	• GOVERNMENT (MOTIE*)	• MITIGATION • ADAPTATION
② GREEN TRANSITION GUARANTEE	SPECIAL FUND	• GOVERNMENT (MOEF*)	• MITIGATION
③ GREEN VENTURE GUARANTEE	ORDINARY FUND	• GOVERNMENT • BANKS	• MITIGATION
④ <u>JOINT PROJECT GUARANTEE</u>	SPECIAL FUND	• LARGE COMPANIES (CONGLOMERATES)	• MITIGATION
⑤ GREEN ABS GUARANTEE	SPECIAL FUND	• GOVERNMENT (MOE*)	• MITIGATION • ADAPTATION

- Main target: Climate change mitigation and adaptation.
- MOTIE: Ministry Of Trade, Industry, and Energy.
- MOEF: Ministry Of Economy and Finance.
- MOE: Ministry Of Environment



DEEP DIVES: FOUR SPECIAL & ONE ORDINARY FUNDS

Government



Ministry of Trade,
Industry and Energy



Ministry of Economy
and Finance



Ministry of Environment



Large Companies



Banks





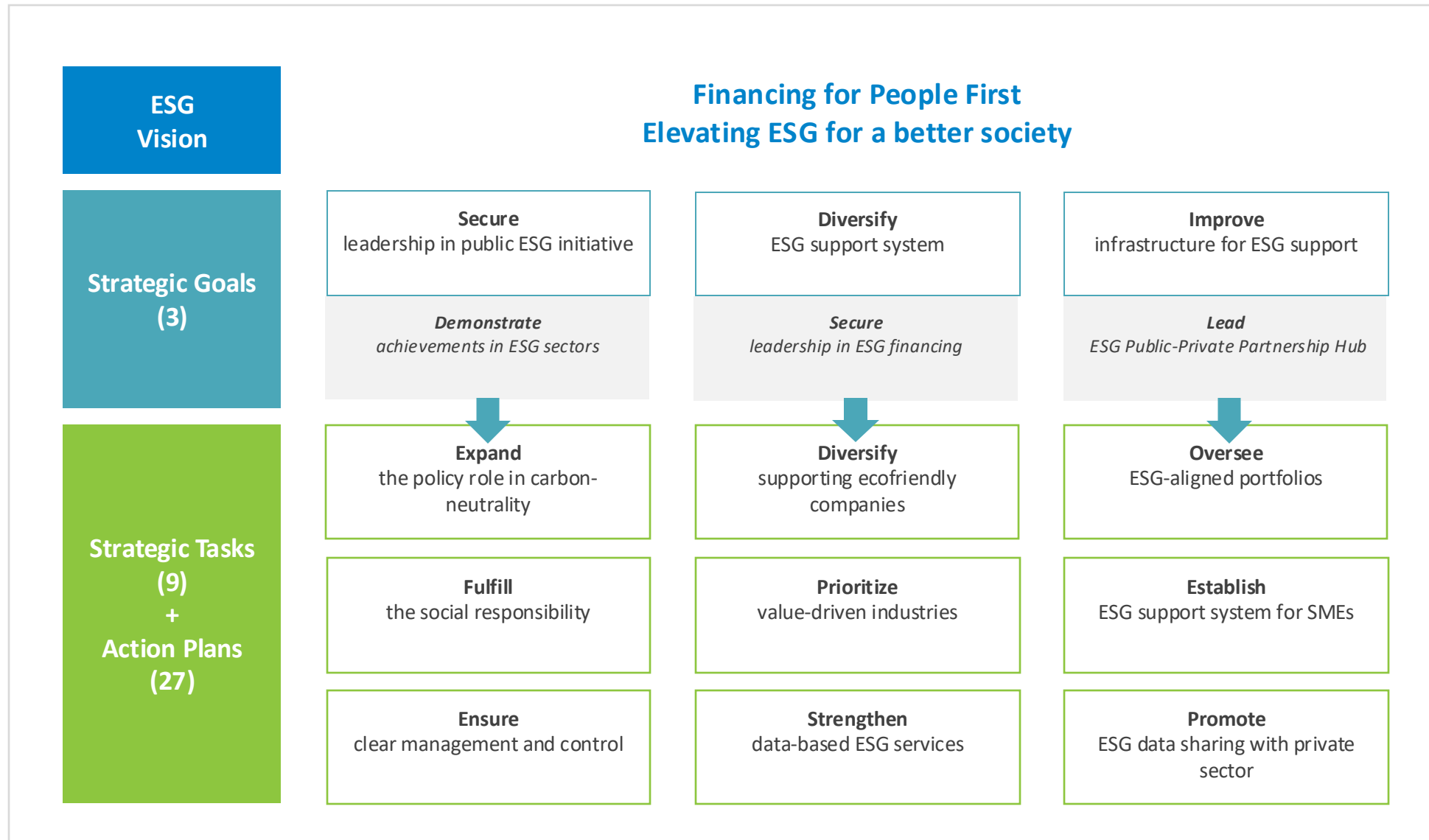
DEEP DIVES: 16-YEAR-OLD COMMITMENT



• Source: KODIT presentation deliverables.



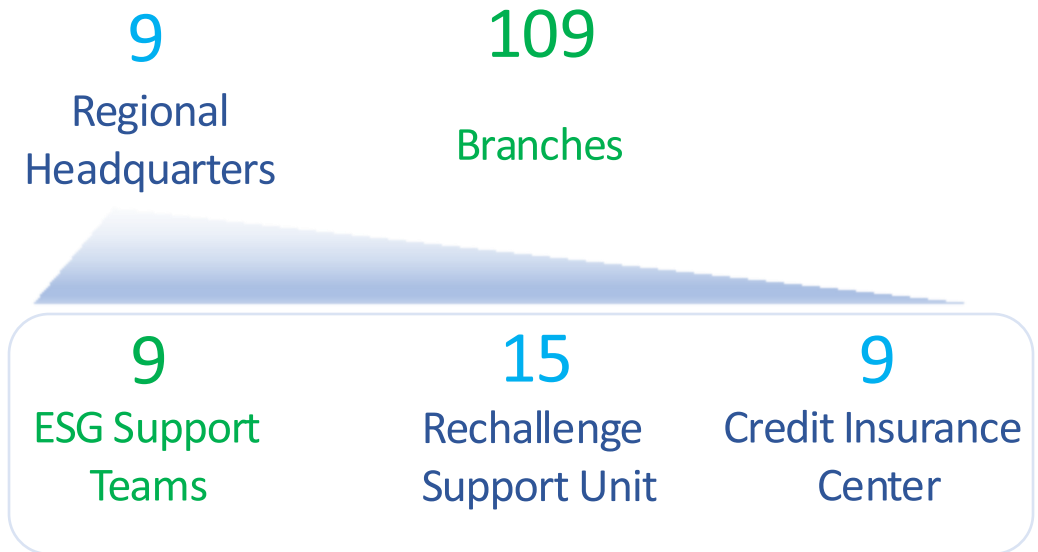
DEEP DIVES: ESG VISION



• Source: KODIT presentation deliverables.



DEEP DIVES: BUSINESS SUPPORT NETWORK



• Source: KODIT presentation deliverables.

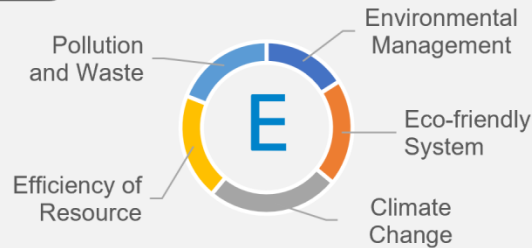


DEEP DIVES: K-ESG EVALUATION SYSTEM

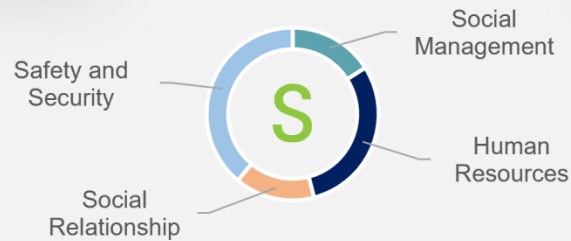
☑ The system is structured around 3 pillars, 12 themes, and 32 factors

12 ESG Evaluation Themes by Pillars

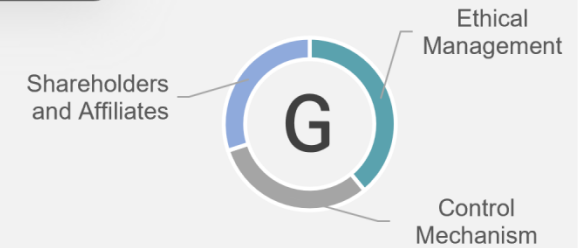
14 factors



11 factors



7 factors



Calculation Process of ESG Evaluation Rating

Pillar	Theme	Score
E	Environmental Management	80 (50)
	Eco-friendly System	
	Climate Change	
	Efficiency of Resource Using	
	Pollution and Waste	

+

Pillar	Theme	Score
S	Social Management	60 (30)
	Human Resources	
	Social Relationship	
	Safety and Security	
	Social Relationship	

+

Pillar	Theme	Score
G	Ethical Management	70 (20)
	Control Mechanism	
	Shareholders and Affiliates	

=

ESG Overall Score
72

Rating
K-ESG1
K-ESG2
K-ESG3
K-ESG4
K-ESG5
K-ESG6
K-ESG7



DEEP DIVES: GREENWASHING PREVENTION MEASURES

① ESG Management Capacity Assessment

- **Four groups:** Using a holistic approach, the K-ESG Evaluation System categorizes into Group 1 (Superb, K-ESG 1 and 2), Group 2 (Good, K-ESG 3), Group 3(Medium, K-ESG 4 and 5), Group 4 (Poor, K-ESG 6 and 7).

② Climate Change Response Technology Evaluation

- **10 ratings:** Based on quantitative and qualitative evaluations of R&D, commercialization, tech level, and profit prospects, CCRTE assigns companies ratings from TR 1 to 10.

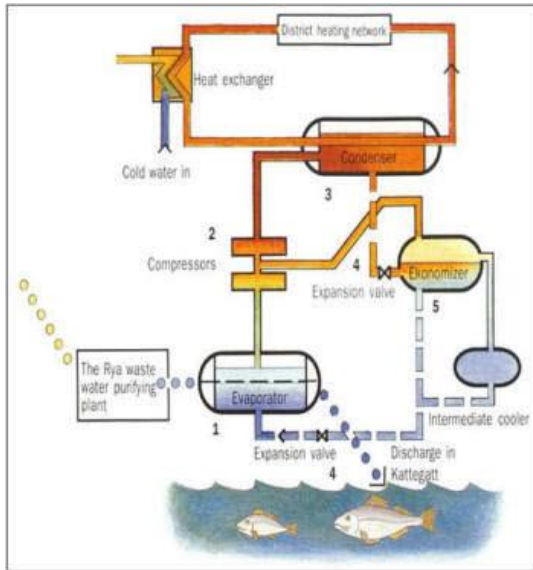
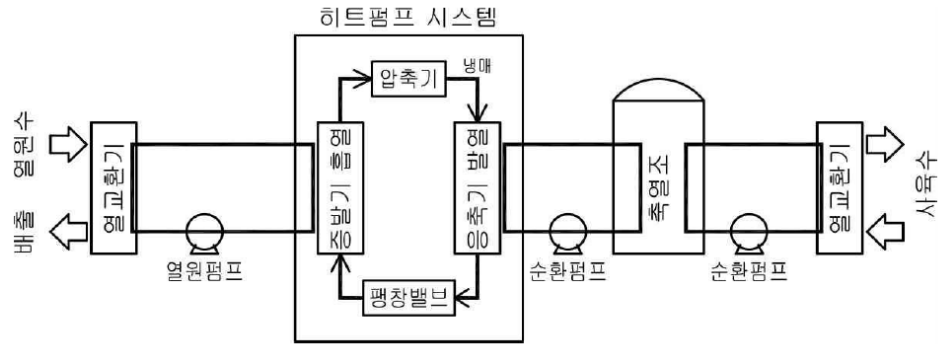
✓ ④ Carbon Neutrality Contributions Evaluation

- **GHG Emissions = Activity Data x GHG Emissions Factor*:** GHG reductions are calculated based on changes in facility capacity or energy consumption data.

* Provided by Greenhouse Gas Inventory and Research Center under MOE (www.gir.go.kr).



CASE STUDIES: GREEN GUARANTEE



- COMPANY NAME : ❖❖❖
- ESTABLISHED: 2001
- BUSINESS: INDUSTRIAL FRIDGING MACHINE MAUFACTURE
- TECHNOLOGY: SEAWATER HEAT PUMP (PATENTED)
- EFFECTS: ENERGY EFFICIENCY 30%↑ COST 80%↓ → GHG↓
- FUTURE PLANS: SMART AQUAFARM, ECO-FRIENDLY PRODUCTS
- GUARANTEE CONDITIONS: CR 95%, FEE 0.2%p↓

• Source: KODIT presentation deliverables.
 • <https://www.etnews.com/201008300074>



CASE STUDIES: GREEN TRANSITION GUARANTEE

대외유출 금지 신청번호: 사행

탄소중립 기여도 평가 결과

신청기업명	
온실가스 감축량 산정대상	
신청기준일	

신용보증부 ESG금융센터

1. 사업 현황

1.1. 신청기업 일반현황

기업체명	▪
사업장 소재지	▪
업종	▪
주제품	▪

1.2. 온실가스 감축량 산정대상

□ 산정대상 현황

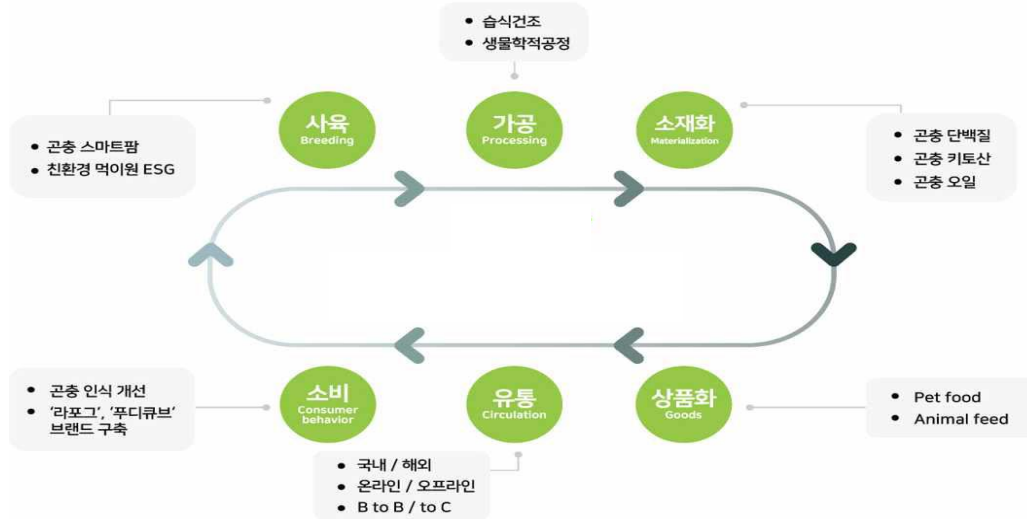
온실가스 감축량 산정대상	▪ 고효율 변압기
온실가스 감축량 산정부문	▪ 제품생산 (√) ▪ 기술 R&D ()
	▪ 기술 사업화 () ▪ 온실가스 감축시설 도입 등 ()
온실가스 감축량 산정단계	▪ 제조 전 단계 () ▪ 제조 단계 ()
	▪ 사용 단계 (√) ▪ 폐기 단계 ()
제품 인증 등	▪ 효율관리기자재 등록
	▪ ISO인증, KS인증, 혁신제품 지정 인증 등
생산과정, 영업활동 등	▪ 신청기업은 소비효율이 우수한 변압기를 개발·양산·생산 중에 있어 사용 단계에서 전력사용량 감소로 온실가스 저감에 기여

- COMPANY NAME : ◇ ◇ ◇
 - ESTABLISHED : 1994
 - BUSINESS: TRANSFORMER MAUFACTURING
 - TECHNOLOGY: HIGH EFFICIENCY TRANSFORMER
 - CERTIFICATES: ISO, KS, INNOVATIVE PRODUCT, ETC.
 - GHG REDUCTION: ENERGY EFFICIENCY ↑ CARBON EMISSION ↓
 - EVALUATION: CARBON NEUTRALITY CONTRIBUTIONS
- “GHG Emissions = Activity Data x GHG Emissions Factor”
- GUARANTEE CONDITIONS: CR 95%, FEE 0.5%p↓

• Source: KODIT presentation deliverables.



CASE STUDIES: GREEN VENTURE GUARANTEE



- COMPANY NAME : ◆◆◆
- ESTABLISHED : 2016
- BUSINESS: MIXED FODDER MAUFACTURING
- TECHNOLOGY: FEEDING BLACK SOLDIER FLY LARVAE WITH FOOD WASTE → “FOODTECH” FODDER
- CERTIFICATES: VENTURE BUSINESS CERTIFICATE
- EFFECTS: FOOD WASTE ↓ CARBON EMISSION ↓
- GUARANTEE CONDITIONS: CR 90%, FEE 0.4%p ↓

- Source: KODIT presentation deliverables.
- Mdpi.com (<https://www.mdpi.com/962610>)



CASE STUDIES: JOINT PROJECT GUARANTEE

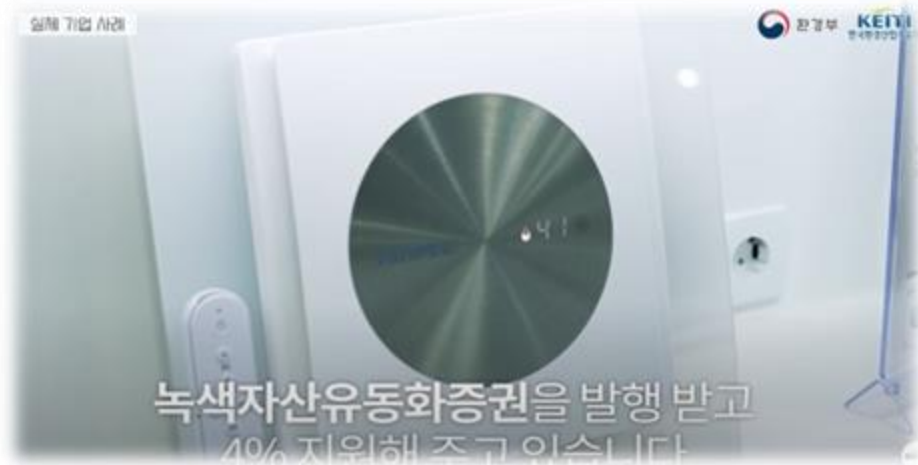


- PROJECT: e-GLOBAL MODULAR PLATFORM PROJECT
- LARGE COMPANY: HYUNDAI MOTORS GROUP
- SUPPLIERS: 11 SMES AND MID-SIZED COMPANIES
- EFFECTS: WIN-WIN COLLABORATION BETWEEN SME-LARGE COMPANY
 ,GHG REDUCTION, AND GREEN TRANSPORTATION
- CONTRIBUTION: USD 1.6 MN FROM THE LARGE COMPANY
- GUARANTEE AMOUNT: USD 16.8 MN
- GUARANTEE CONDITIONS: CR 100%, FEE 0.8%, MAX. 5-YEAR TENOR

• Source: KODIT presentation deliverables.
 • <https://www.hyundai.com/worldwide/ko/brand-journal/ioniq/e-gmp-revolution>



CASE STUDIES: GREEN ABS GUARANTEE



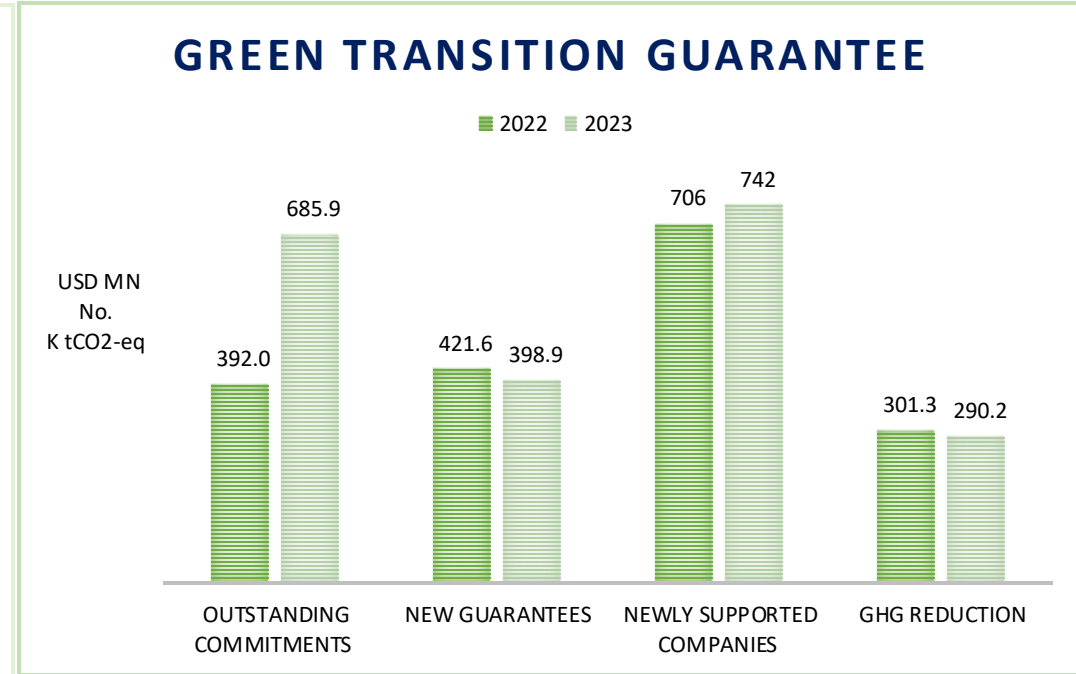
- COMPANY: @@@
- SERVICES: GREEN ENERGY OPERATION MANAGEMENT AND INVESTMENT PLATFORM
- GUARANTEE AMOUNT: USD 1.6 MN
- COMPANY: &&&
- PRODUCTS: VENTILATION FAN
- PERKS: INTEREST RATE REDUCED 4.6 → 0.6% (4.0% SUBSIDY)

■ BUDGET AND GUARANTEE AMOUNTS ARE INCREASING!

- BUDGET: (2023) USD 4.6 MN → (2024) USD 10.6 MN
- GUARANTEE AMOUNT: (2023) USD 120.7 MN → (2024^e) 201.9 MN

• Source: KEITI website (<https://youtu.be/OubelvUHvGY?si=0oShyq2oCEF7HRCh>)
<https://www.e2news.com/news/articleView.html?idxno=302537>

PERFORMANCE



GREEN VENTURE GUARANTEE 2023	Outstanding Commitments	USD 1.5 MN	New Guarantees	USD 1.5 MN	Newly Supported Companies	9
JOINT PROJECT GUARANTEE 2023	Outstanding Commitments	USD 254.0 MN	New Guarantees	USD 129.1 MN	Newly Supported Companies	132
GREEN ABS GUARANTEE 2023	Outstanding Commitments	USD 120.7 MN	New Guarantees	USD 120.7 MN	Newly Supported Companies	74

• Source: KODIT deliverables.




INSIGHTS

- ① UNITE FOR SUCCESS
- ② OFFER TANGIBLE SUPPORTS
- ③ HIGHLIGHT THE CASES
- ④ AMPLIFY THE IMPACT
- ⑤ GIVE IT A SHOT



INSIGHTS


RETAIL
CORPORATE
FINANCIAL INSTITUTIONS
INVESTOR RELATIONS
ABOUT TDB
ONLINE BANK
MN

LOAN AND REVOLVING CREDIT LINE FOR WORKING CAPITAL
INVESTMENT LOAN
FOREIGN LOAN
EQUIPMENT LOAN
GOLD AND GOLD ETF COLLATERALIZED LOAN
OVERDRAFT
PROJECT LOAN
COMMERCIAL MORTGAGE
RECEIVABLES SECURED LOAN
GREEN AND SOCIAL LOANS
JOB SUPPORT LOAN
AGREEMENT SECURED LOAN
CHAIN RECEI SECUR



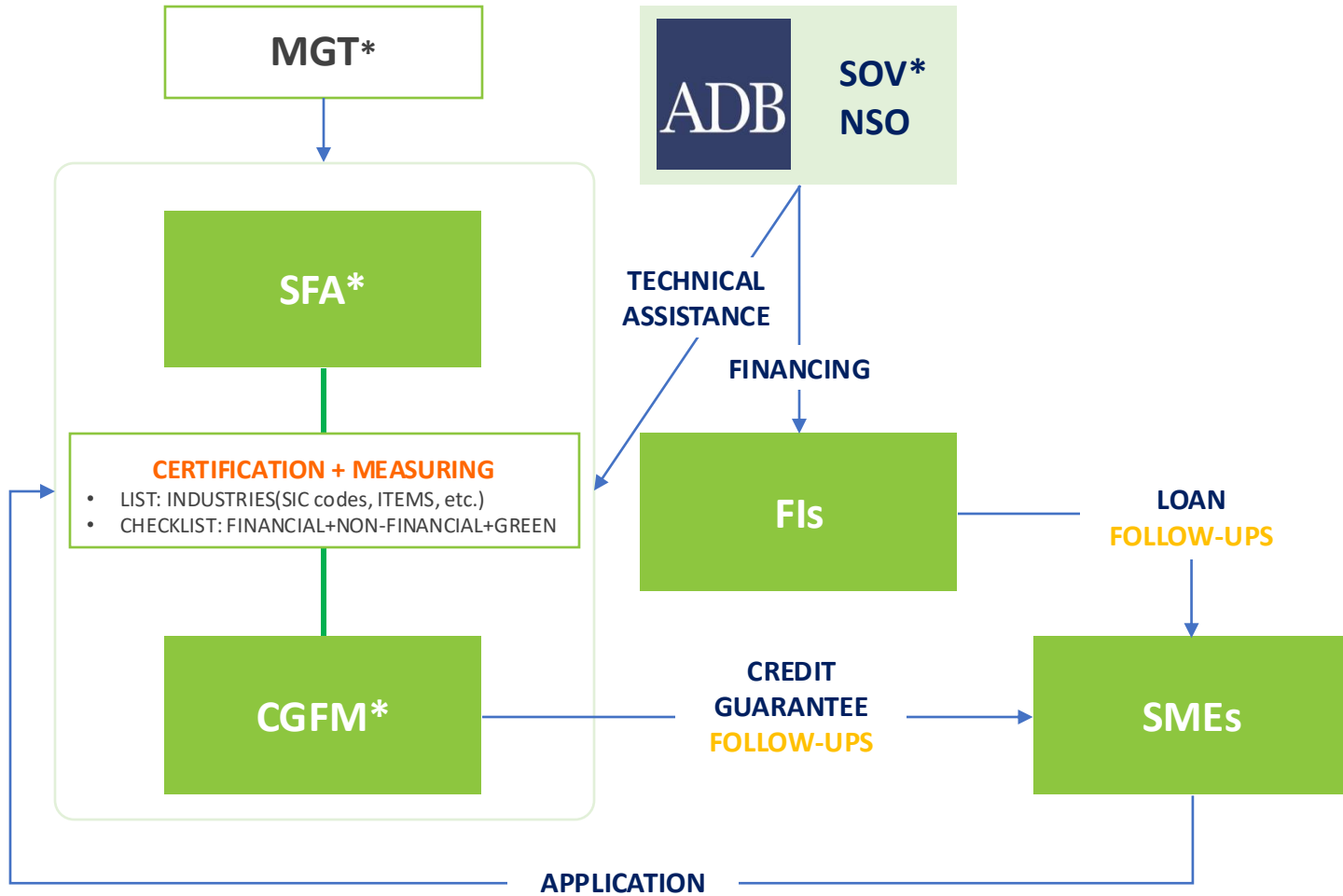
Trade and Development Bank has initiated the "Climate 30+ Green Recovery Program" to effectively achieve its targets to implement UN SDGs at an organizational level and to become a green bank, will lead to an accomplishment of TDB's long-term strategic goal, defined as to become an international bank. Business Green Loan has been offered on the market with favorable conditions such concessional interest rate and a relatively long tenor, which will further contribute to the successful operation of TDB's green recovery program by supporting the green and sustainable business operations of its esteemed customers.

▼ TERMS AND CONDITIONS

Type of Business Green loan	Business loan Revolving credit line Letter of Credit, Letter of Guarantee
Loan amount	The loan amount will be defined as per the project scope
Interest rate /mnt/	14.4%-16.8% per annum
Risk commission of confirming LC/LG	2.5%
Loan Tenor	Up to 60 months
Grace Period	Up to 12 months
Service Fee	0.5%
Collateral	Immovable and movable property

* Source: TDB website (<https://www.tdbm.mn/en/12712/c?m12712&mc=12716>)

INSIGHTS



- 1 COLLABORATION: GOV'T+PUBLIC+PRIVATE+MDB
- 2 PERKS: 3 UPS+1 DOWN→
LIMITS ↑ CR ↑ TENOR ↑ FEE↓
- 2 ELIGIBILITIES: (MSME) SIMPLE STANDARD
(SME) REGULAR STANDARD
- 2 FOLLOW-UPS: (MSME) ONCE A YEAR OR WAIVER
(SME) MORE THAN ONCE A YEAR
GREEN/CREDIT RATINGS
- 2 SUBSIDIES: INTEREST DISCOUNTS
- 3 4 PUBLIC RELATIONS: BEST PRACTICES
DISSEMINATION
ANNUAL REPORT
- 5 TIMELINE: TA → TASK FORCE → KICKOFF

- MGT: MONGOLIAN GREEN TAXONOMY
- SFA: SUSTAINABLE FINANCE ASSOCIATION
- CGFM: CREDIT GUARANTEE FUND OF MONGOLIA
- SOV, NSO: SOVEREIGN, NON-SOVEREIGN



JUST STEP UP



**“That’s one small step for man,
one giant leap for mankind.”**

- Neil Armstrong

* Source: How NASA Chose The Camera That Went To The Moon : NPR
(<https://www.npr.org/2019/07/13/735314929/the-camera-that-went-to-the-moon-and-changed-how-we-see-it>)



LIKE ARMSTRONG, NOT CYCLING

WHETHER IT IS BIG OR SMALL,
EVERY ACTION AGAINST
CLIMATE CHANGE MATTERS.



City of Armstrong

* Source: [Climate Action - City of Armstrong](https://cityofarmstrong.bc.ca/climate-action/) (https://cityofarmstrong.bc.ca/climate-action/)



AND RUN!

FIRST COME, FIRST SERVE



* Source: [First Come First Serve In Malay - 1st Come first serve... #OnlyInPNG #NATEL17 #png](#)
[| First ... / First come, first served is the third solo studio album by american recording artist kool keith, and the first he released under the alias dr. - foresdez](#)



Thank You



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