

2014 AECM Seminar

Beyond Financial Accessibility: Evolution of Credit Guarantee

CONTENTS

- I | Financial Environment of SMEs in Korea
- II | Roles of Credit Guarantee in Korea
- III | New Path of Credit Guarantee

Education

Seoul National University	Ph.D. in Economics	1995
	M.A. in Economics	1985

Experience

Korea Credit Guarantee Fund	Chairman & CEO	2013.10 ~
Korea Institute of Finance	Director Planning & Cooperation Division	1995~2013
Hana Financial Group	Deputy President	2005~2009
Financial Supervisory Commission	Director General Corporate Restructuring Bureau	1998~2001
Korea Investors Service	Director Credit Rating & Research	1988~1995

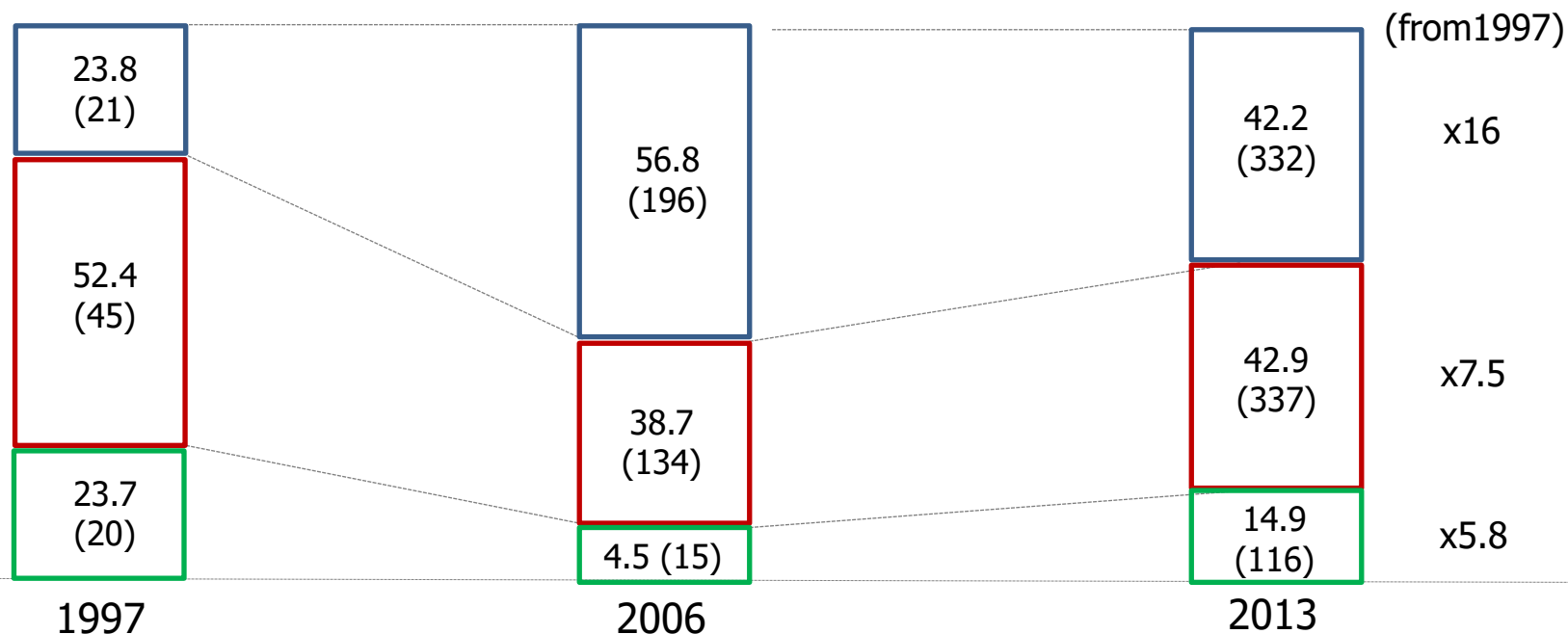
- Type of Organization : Governmental institution
- Year of Establishment : 1976
- Capital Fund : 4.7 billion EUR
- Business Line-up : Credit guarantee 28 billion EUR
P-CBO guarantee 4.7 billion EUR
SOC credit guarantee 2.3 billion EUR
Credit insurance 9.1 billion EUR
- Number of Beneficiaries : 223,000
- Number of Employees : 2,704
- Business Network : 9 business headquarters, 102 branches

*Based on outstanding amount at the end of 2013

Structural Change in Bank Loan Portfolio

□ Household □ SME □ Large Enterprise

(Unit: %, billion €)



Comparison of Interest Rate Spread

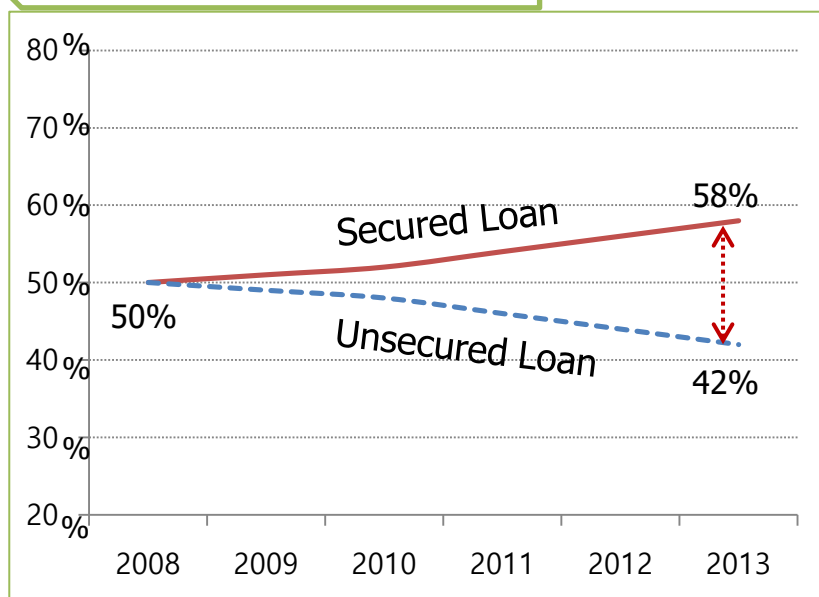
	Korea	Japan	US
Benchmark interest rate*	2.25	0.1	0~0.25
Interest rate spread	1.7	0.9	3.0
SME loan default rate	2.06	2.1**	1.83

*As of September 2014 ** Default rate of total lending

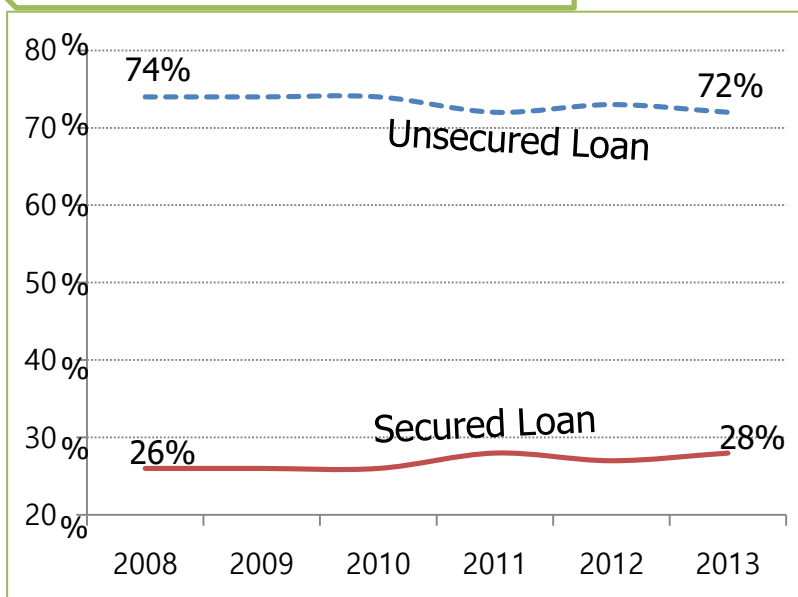
Source: IMD World Competitiveness Yearbook (2014)

Changes in Secured & Unsecured Corporate Loans

SME Loan

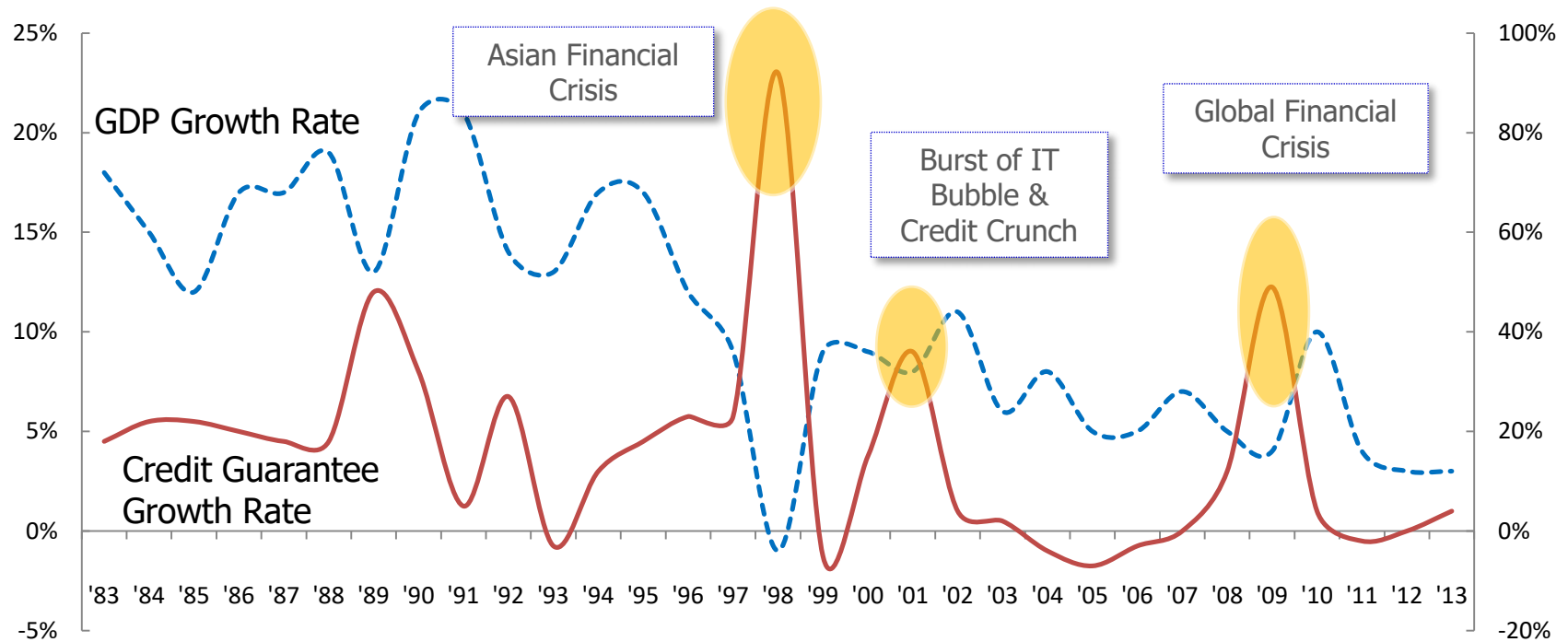


Large Corporation Loan



Source: Bank of Korea

Counter-Cyclical Effect



Source: Bank of Korea, KODIT

Increased Financial Accessibility of SMEs

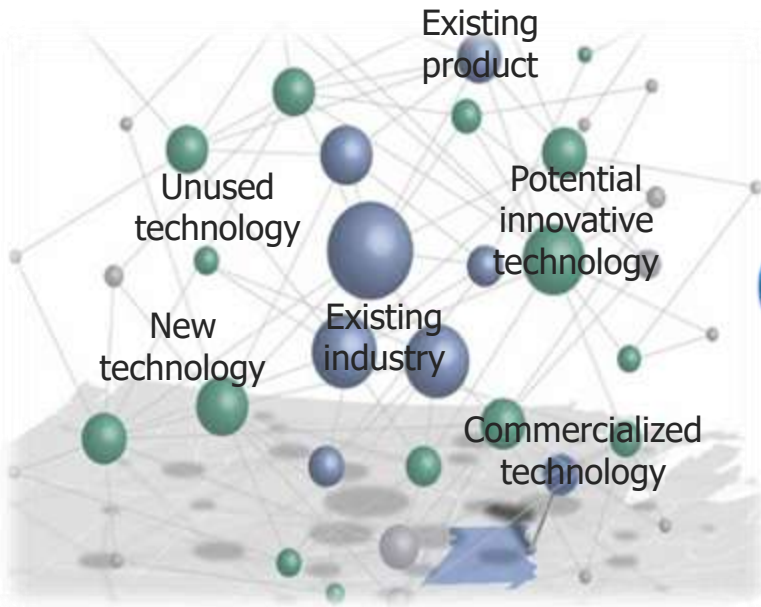


* Guaranteed loan : sum of loans guaranteed by KODIT, KOTEC and 16 local KGFs

Source: Bank of Korea, KODIT

Creative Economy & Innovative SMEs

Convergence



Creative Asset

Idea

Creativity

Knowledge



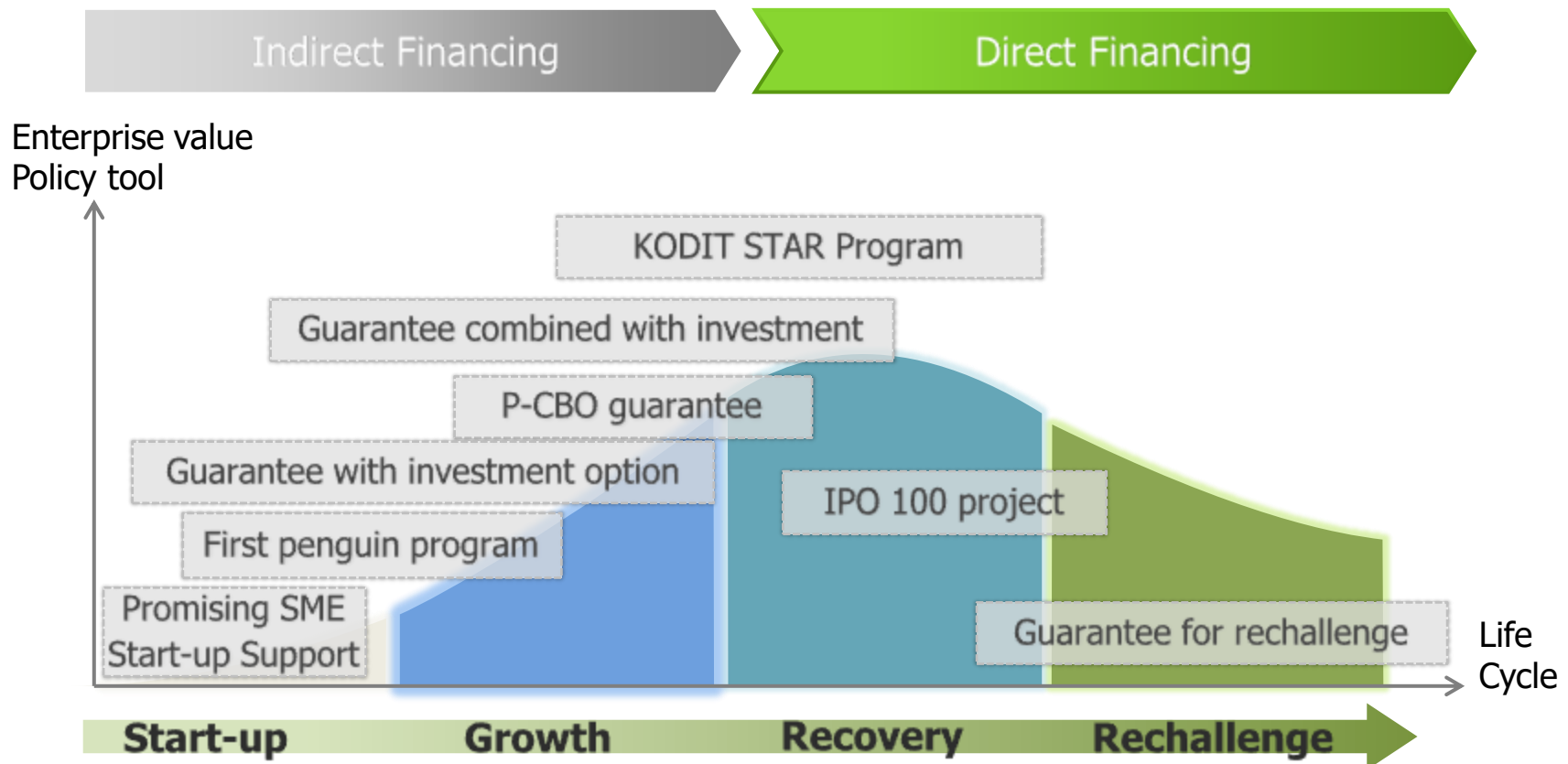
Spirit of Challenge

Opportunity

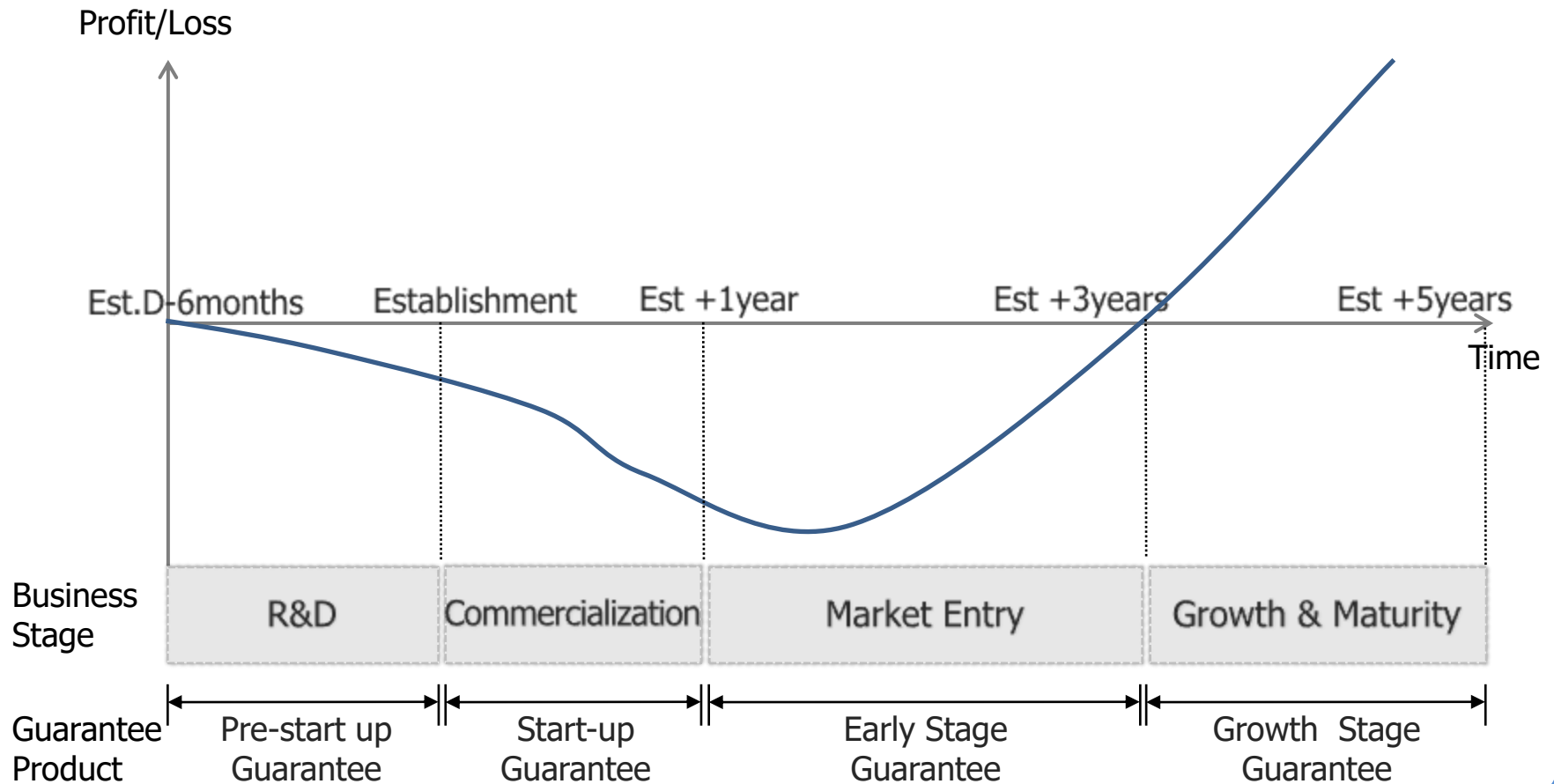
Entrepreneurship

Creation of
new market &
Reinforcement of
existing market

Policy Direction of KODIT in Creative Economy



Programs for Promising Start-Ups



- New Programs for Creative, Competitive and Global SMEs

KODIT STAR Program

- Support promising SMEs to grow medium & large enterprises
- Classification by growth stage :
Frontier STAR → Rising STAR → KODIT STAR

Global 500-500 Project

- Support exporting SMEs with technology and future prospect
- Assist the expansion of SMEs to have global presence

IPO 100 Project

- Promote growth of hidden champions through IPO
- (Financial support) P-CBO guarantee, guarantee with investment
(Non-financial support) IPO-consulting, joint I/R session, etc.

Thank you