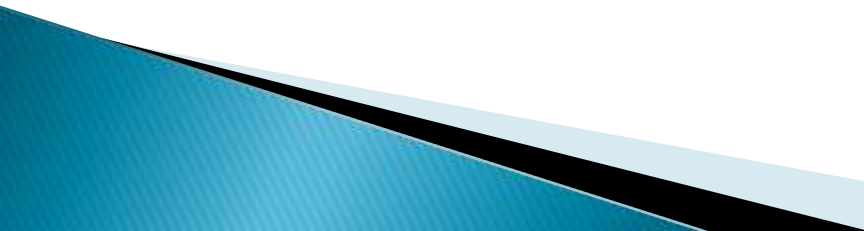


# Korea Technology Finance corporation (KOTEC)

Jong-Man Park  
Director, KOTEC

# Brief History of KOTEC

- ▶ Founded in 1989 by the government
  - ▶ Under 'Korea Technology Credit Guarantee Fund Act'
  - ▶ Mission
    - to enhance technological competitiveness of SMEs
    - to contribute to technological development of the nation
  - ▶ Launched technology appraisal system in 1999
- 

# Technology Appraisal Business

- ▶ Technology Appraisal of KOTEC
  - Systematic & in-depth procedure of technology valuation
- ▶ End results
  - Technology Appraisal Report with technology ratings or monetary values expressed on the cover

# Technology Appraisal Business

- ▶ Technology ratings
  - Essential factor in the credit guarantee decision
  - good reference for local banks' loan decision
- ▶ Monetary Value
  - Used for purchase or transfer of technologies, for M&A of technology business units
  - Collateral value of intellectual property such as patent


# Technology Appraisal Infrastructure

- ▶ Organization
  - 52 Technology Appraisal Centers(Branch)
  - Central Technology Appraisal Institute
  - 2 Technology Convergence Centers
- ▶ Manpower
  - over 530 in-house experts
  - over 1,000 external advisors

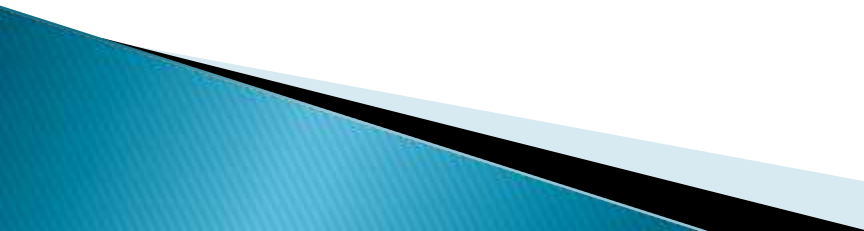
# Technology Appraisal Guarantee Scheme

- ▶ Primary product of KOTEC's credit guarantee business
- ▶ Feature: integration of technology appraisal into guarantee approval process
- ▶ Main tool: KTRS(KOTEC Technology Rating system)
  - Applicants' technology competence and future growth potentials are analyzed

# How KTRS works

- ▶ Each and every credit guarantee application go through the KTRS
  - ▶ 34 indices evaluated
  - ▶ 4 categories
    - CEO's competence
    - technological capability
    - marketability
    - business feasibility
- 

# How KTRS works

- ▶ Rating scale: AAA~D
  - ▶ guarantee eligibility: B or above
  - ▶ Various Models
    - Start-up Appraisal Model
    - R&D Appraisal Model
    - Knowledge Service Appraisal Model
    - Cultural Content Appraisal Model
- 



# Performance and role of the Technology Appraisal Guarantee Scheme

- ▶ The outstanding balance of credit guarantees stood at 20 trillion KRW as of June this year
- ▶ 91.4% of it offered through the Technology Appraisal Guarantee Scheme
- ▶ Role
  - Eased tech SMEs' credit crunch during Asian currency crisis & in the wake of the global financial crisis in 2008

# Thank you for listening!

Korea Technology Finance Corporation(KOTEC)

