

Sept 26, 2017

# *Various Business Sectors of KODIT*

*Deputy Director*

*Jaehyung Park*

*Assistant Manager*

*Wooinn Park*

*Assistant Manager*

*Jinyoung Song*

*Assistant Manager*

*Dohoon Kim*



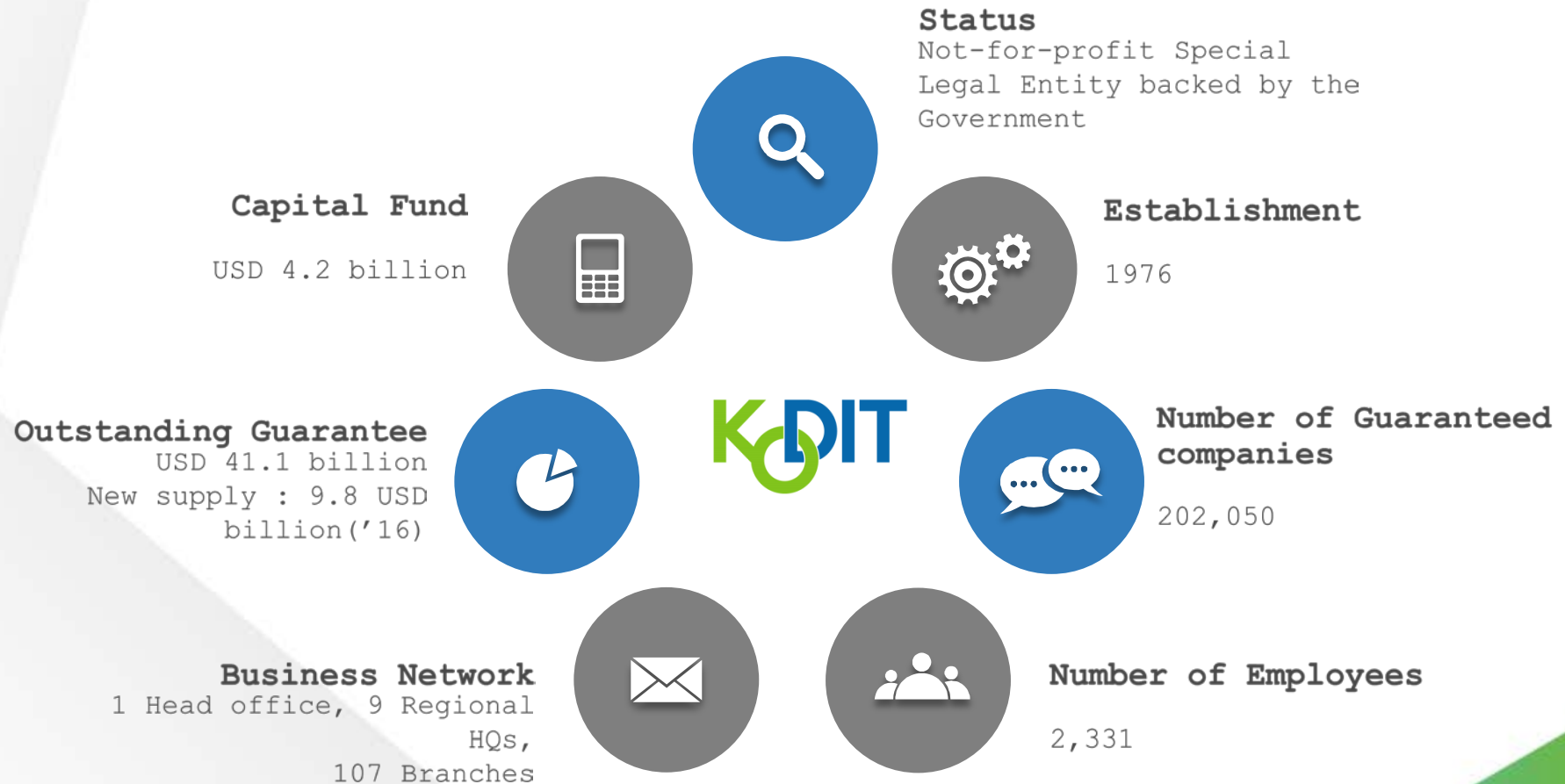
# CONTENTS

01. Overview of KODIT
02. Credit Insurance Business
03. Infrastructure Credit Guarantee
04. Business Supporting Service

# 1. Overview of KODIT

# Overview of KODIT

## KODIT KOREA CREDIT GUARANTEE FUND



# Overview of KODIT

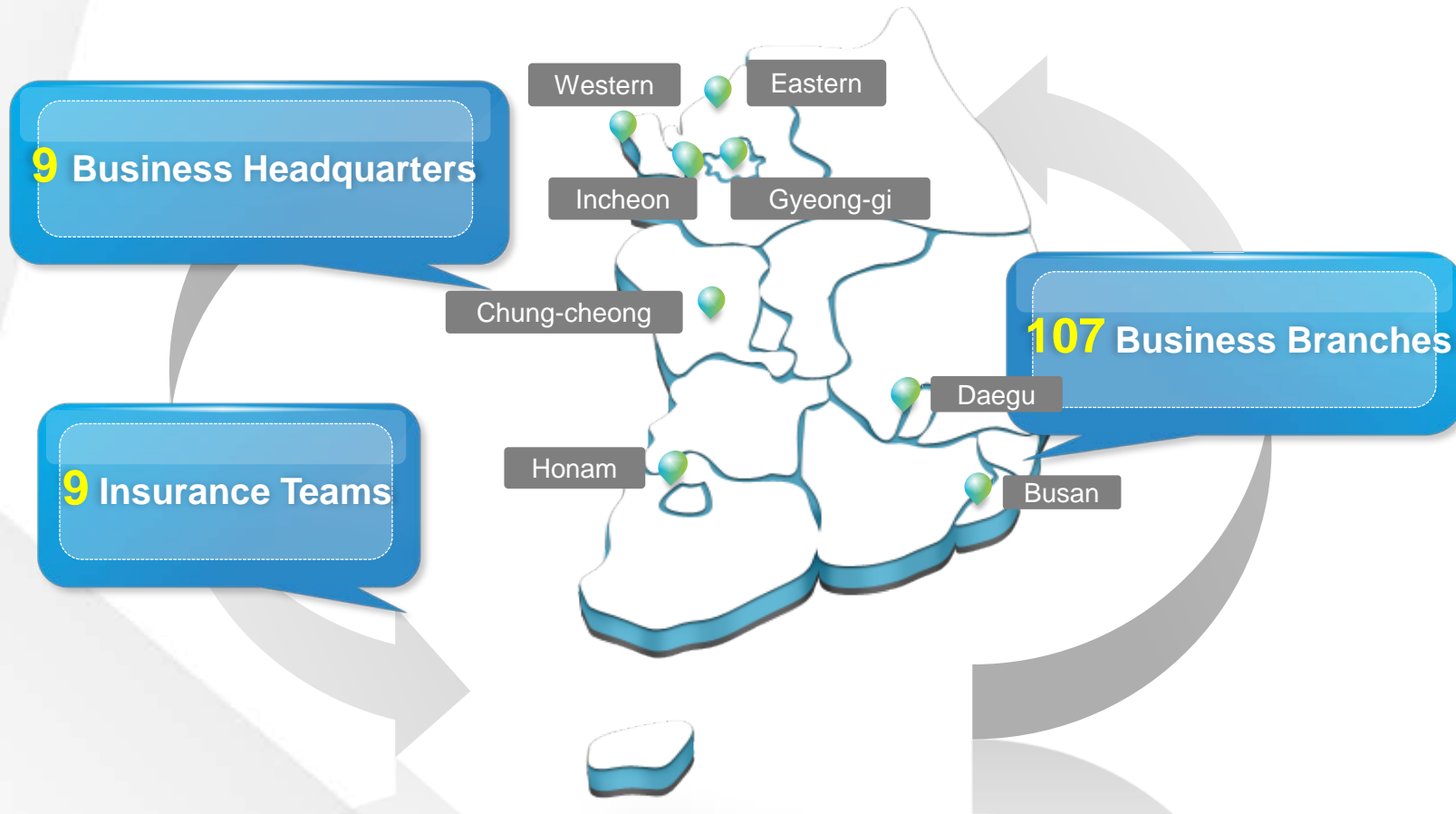
- Status: Non-profit Special Legal Entity backed by the Gov't
- Year of Establishment : 1976
- Capital Fund : USD 4.2 billion
- Outstanding Guarantee : USD 41.1 billion \* New supply: USD 9.8 billion ('16)
- Number of guaranteed companies : 202,050
- Number of Employees : 2,331
- Business Units : 1 Head office, 9 Regional Headquarters, 107 Branches, 15 Rechallenge Support Units, 11 Debt Collection Units, 9 Insurance Centers



# Overview of KODIT



# Overview of KODIT



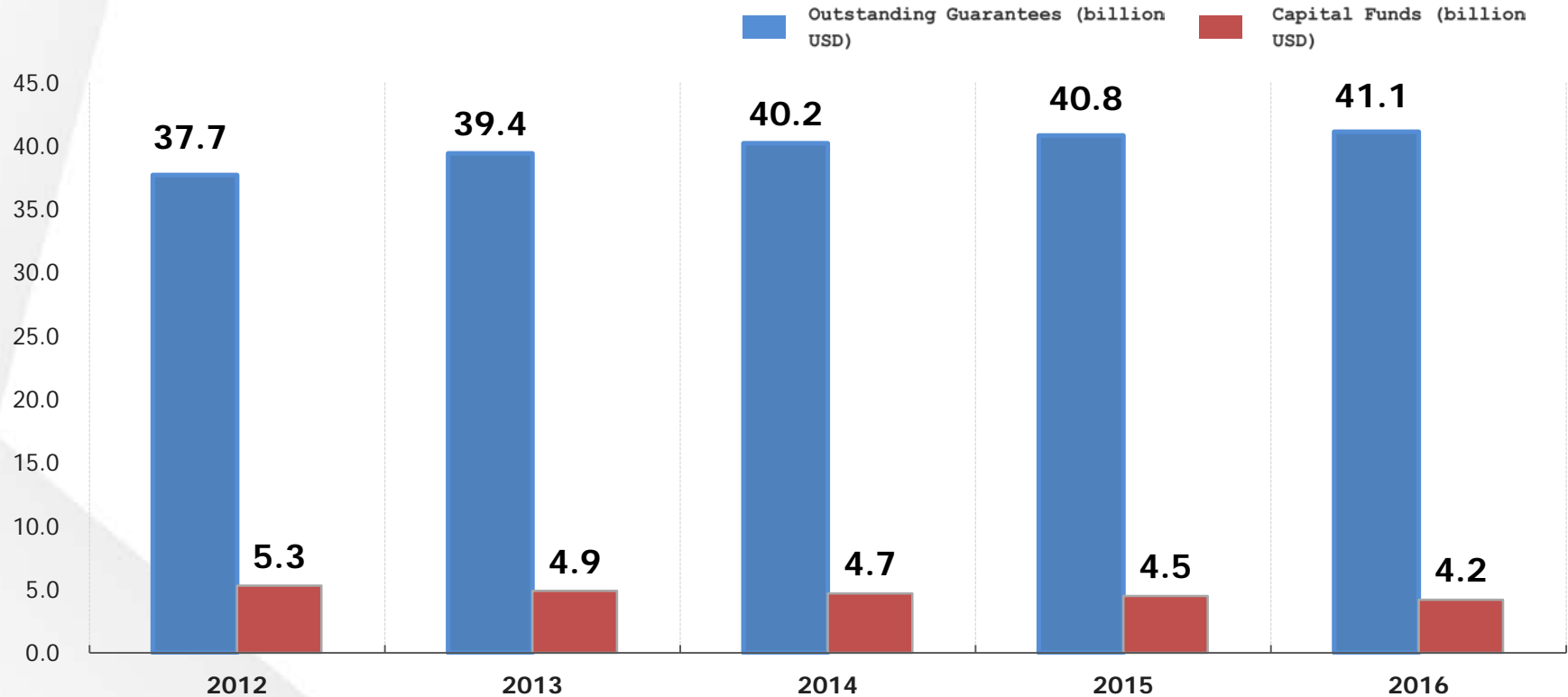
# Overview of KODIT

Category	Types of Guarantee	Guaranteed Liability
Indirect financing	Guarantee for bank loans	Bank loans Bank account with overdrafts
	Guarantee for bank guarantee (Letter of Credit)	Bank guarantee (Letter of Credit)
Direct financing	Guarantee for bond issuance	Corporate bond (P-CBO)
Business transaction	Guarantee for transaction liability	Notes payable, buyer's credit (Electronic)
Other products	Performance guarantee, Guarantee for tax payment, and etc.	



# Overview of KODIT

## Outstanding Guarantees and Capital Funds



(1 USD = 1,205 KRW)

# Overview of KODIT

## Contribution from Government and Banks



### Government (irregular)

Subject to yearly budget of the government



### Banks (regular)

Mandatory donation in proportion to monthly balance of outstanding corporate loans of commercial banks

\* Contribution rate ◦ KODIT 0.225%, ◦ KOTEC 0.135%, ◦ CGFs 0.02%



### Others (irregular)

Occasional contributions from large enterprises

#### ( Banks )

- ① Interest margin
- ② Reliable collateral

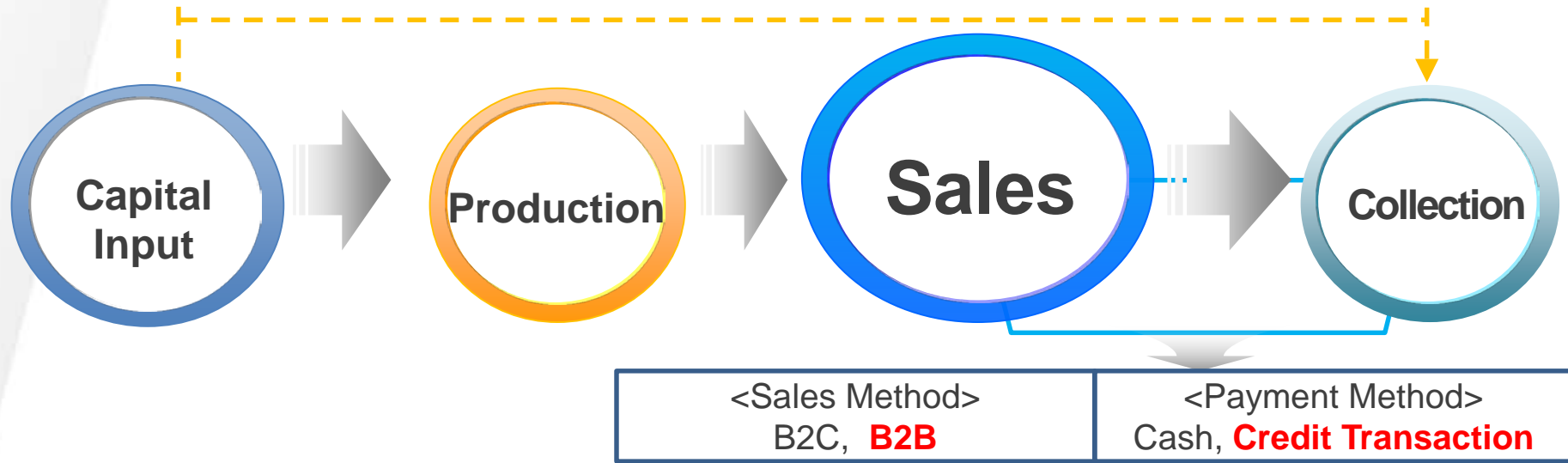
#### ( Large Enterprises )

- ① Stable supply
- ② Healthy vendor SMEs

## 2. Credit Insurance Business

# Credit Insurance - Introduction

## Flow of Capital Circulation



### ◆ Capital T/O Period 96days

Manufacturing	111일
Wholesale · Retail	55일
Construction	140일
Others	99일

### ◆ Account Receivable T/O: 51 days

Manufacturing	59일
Wholesale · Retail	55일
Construction	60일
Others	45일

# Credit Insurance - Introduction

## ○ Purpose of Credit Insurance

### Prevention of Chain reaction bankruptcies

Credit insurance breaks the chain of bankruptcies **in mid-course by compensating** within the insurance money for the amount of dishonoring bills, un-paid receivables etc

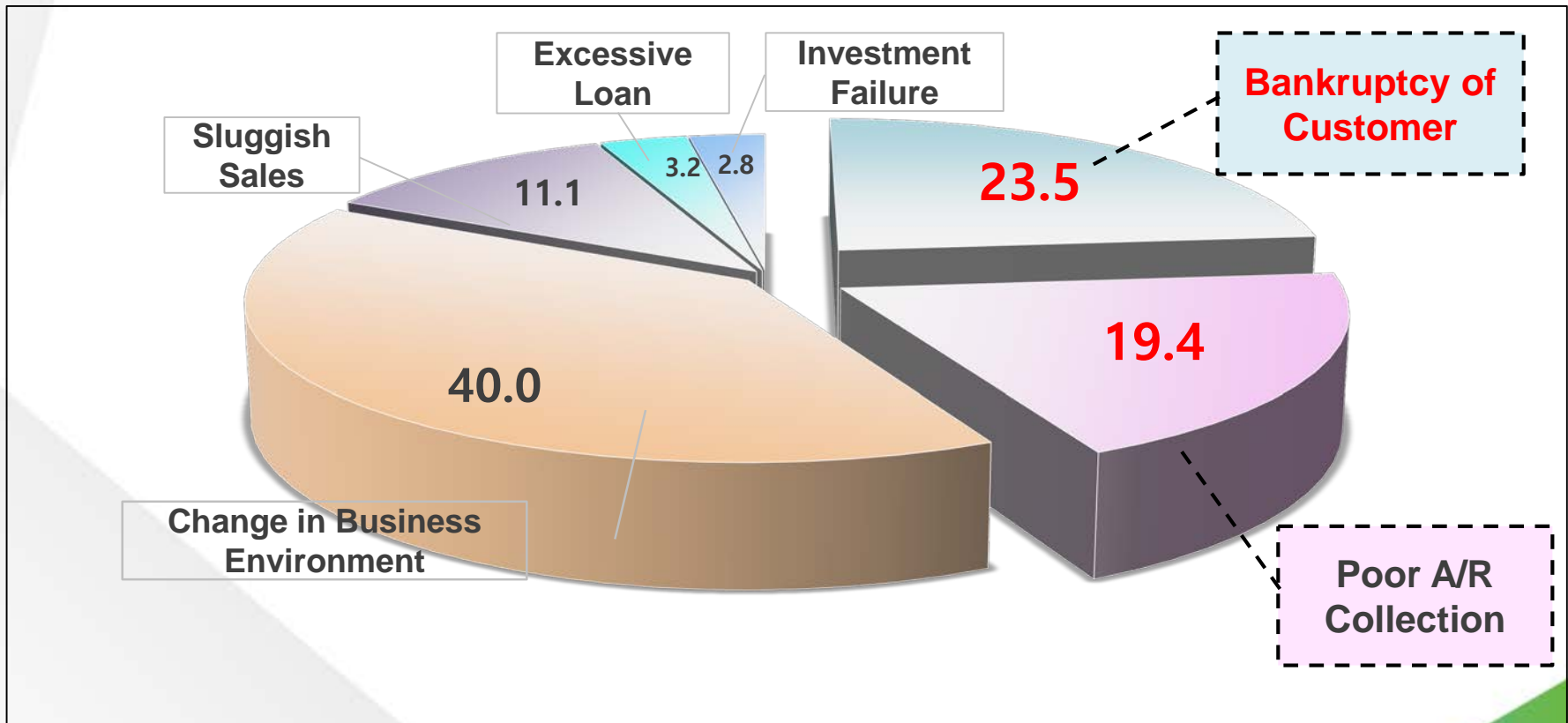
### Creation of stable management environment

The executive of an enterprise **may be liberated from the dangers of chain reaction bankruptcies** due to dishonoring bills or un-paid receivables by his clients

# Credit Insurance – Rationale of Credit Insurance

## Major Causes of SMEs' Default

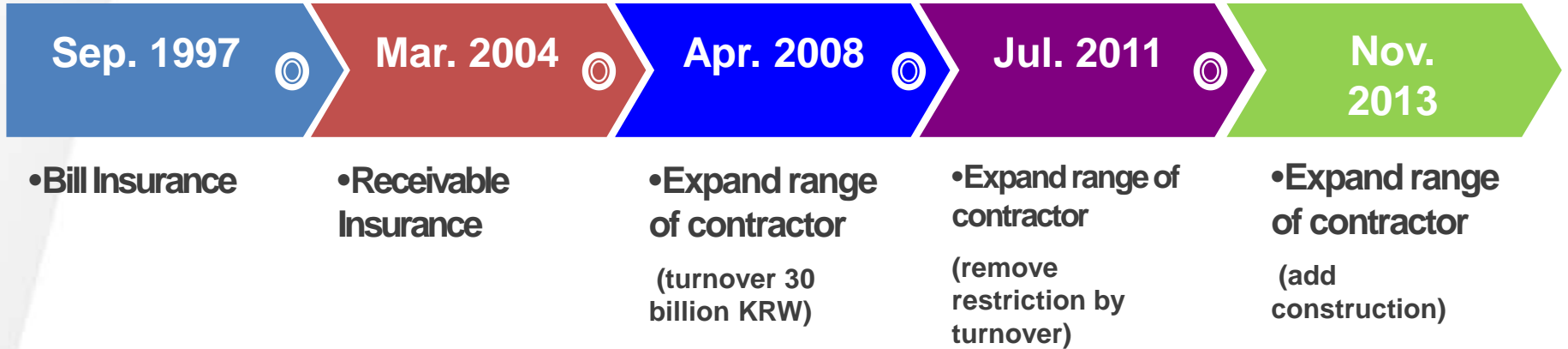
- Chain reaction bankruptcy caused by customers' insolvency  
**42.9% (Why Credit Insurance is required)**





# Credit Insurance Service of KODIT

## Development of Credit Insurance Services



**Following Foreign exchange Crisis in 1999, global financial Crisis in 2009, Government's change in policy from 2013, They have formed developing opportunity of Credit Insurance Business**

# Credit Insurance Service of KODIT

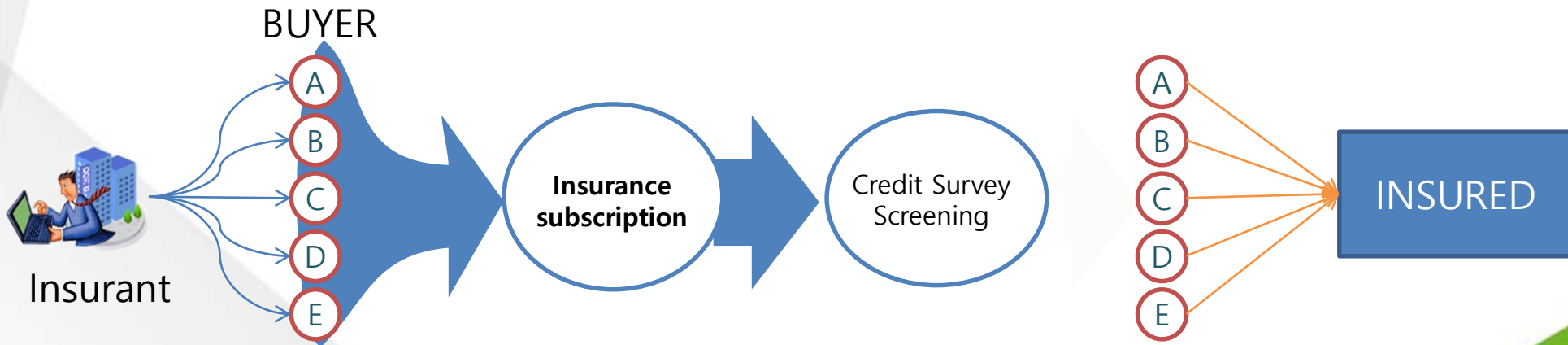
○ Main Products : Aggregate Insurance

## Coverage

- Receivables from buyers which are over 2% of insurant's (=seller) recent 1-year receivables

## Number of Buyers

- At least 5 Buyers, Max 50 buyers

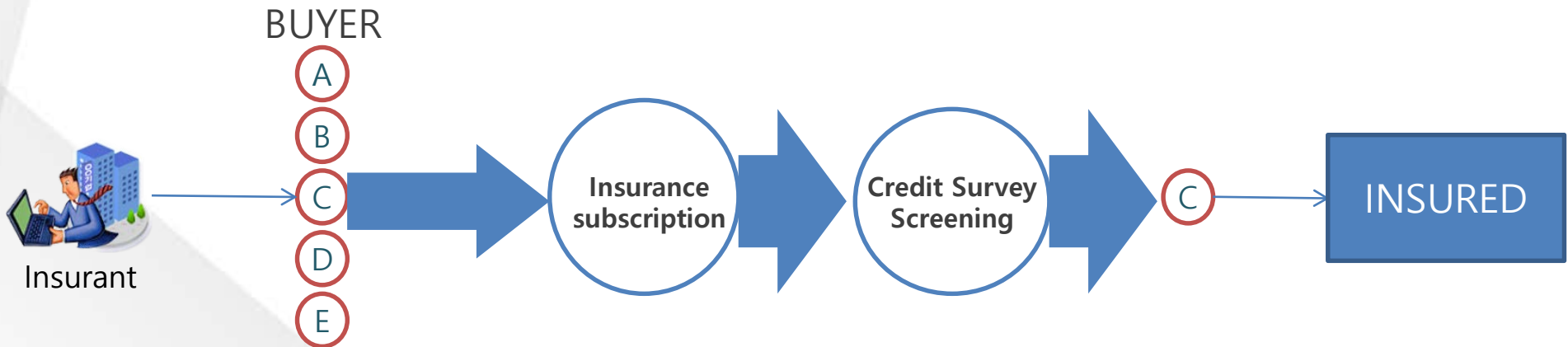


# Credit Insurance Service of KODIT

o Main Products : Individual Insurance

**Coverage** • Receivables from one buyer

**Number of Buyers** • 1 Buyer, No contract restriction under total insurance limit



# Credit Insurance Service of KODIT

## General Requirement of Insurant (Seller)

### Business Age

At least 2-year (aggregate insurance)  
At least 1-year (individual insurance)

### Credit Rating

OVER CCC

### Type of Business

All types of business  
except for construction, retail

# Credit Insurance Service of KODIT

## General Requirement of Buyer

### Business Age

No conditions. But for credit rating, at least 2-year's business age is required

### Credit Rating

Aggregate Insurance : over CCC  
Individual Insurance : over BB+

### Type of Business

No conditions

# Credit Insurance Service of KODIT

## ○ Restricted Buyers

**No Bankruptcy Possibility**

Government, Public institution, Financial institution

**High Fraud Possibility**

Buyer that has subordinate relationship with insurant

**Insufficient Credibility**

Buyer whose financial statements are unreliable

**Possibility of Insolvency**

Buyer that is vulnerable to economic condition

Buyer that is already behind of payment due for insurant

Buyer that pays receivables after 180 days for insurant



# Credit Insurance Service of KODIT

## Types of Non-Payment

When a buyer doesn't pay receivables within 60 days after predetermined settlement period

**Past Due Account**

**A bill of Dishonor**

When the bill issued by a buyer is dishonored

**Out of Business**

When a buyer files for court Receivership

**File for Court Receivership**

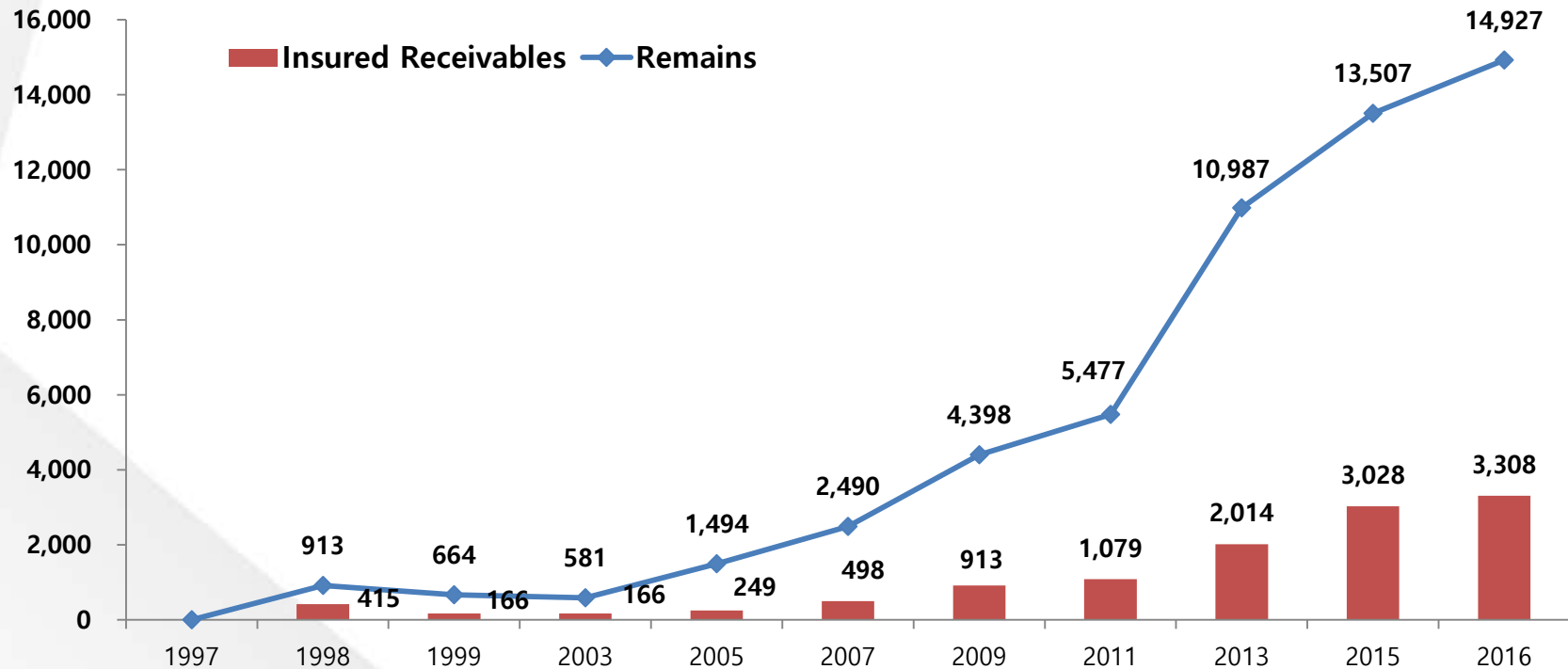
When a buyer is out of Business

# Future Direction

## Further Expansion of Credit Insurance

- Overcoming of financial crisis, change of public policy  
→ Strengthen credit insurance's role as policy tool

Unit: USD million



# Future Direction

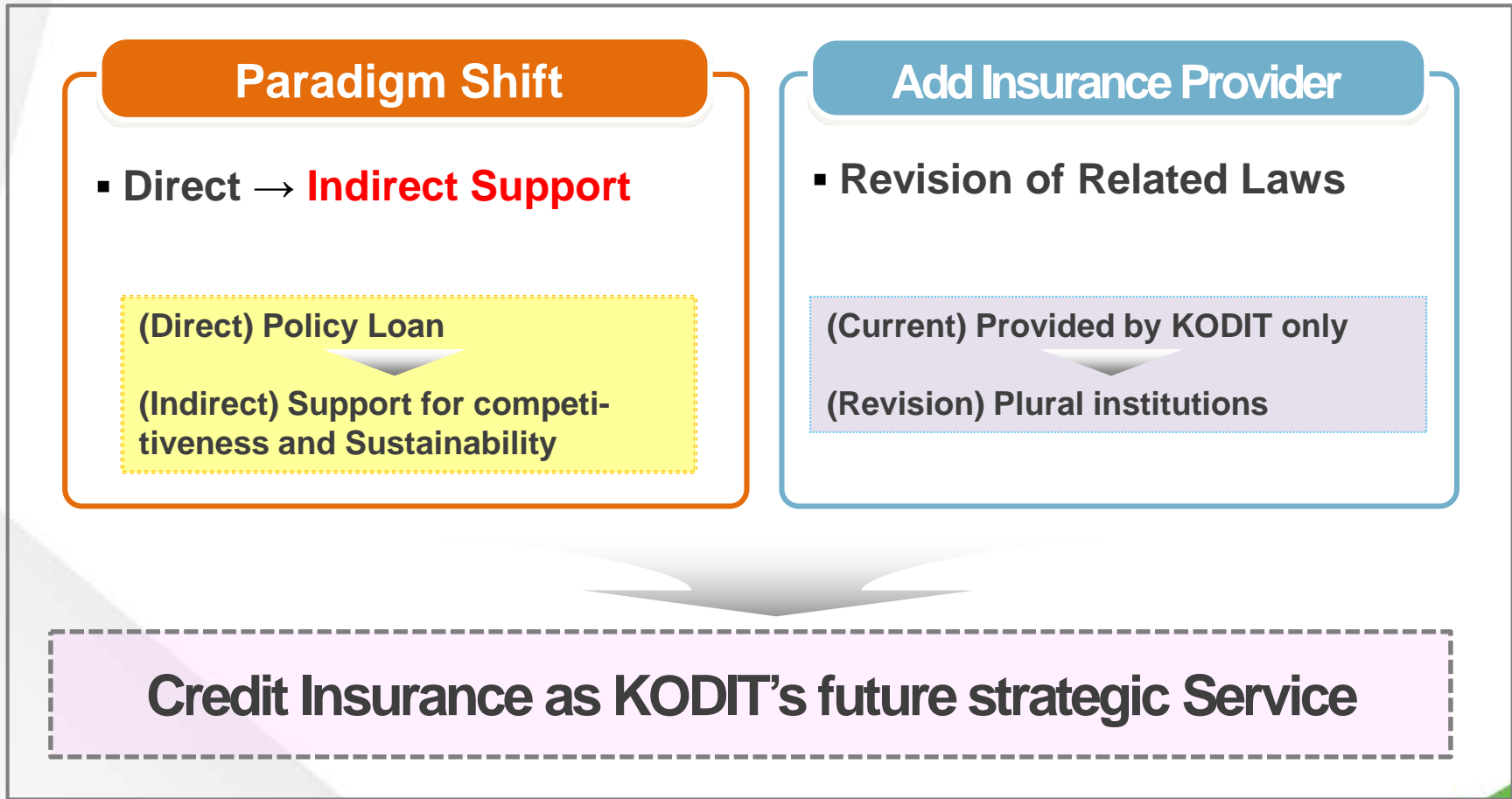
## ○ Credit Insurance Providers (year 16)

- (Early 20C) Public Insurance → (Mid 20C) Transition to Private

	Euler Hermes	Atradius	Coface
Establishment	1917	1925	1946
Total Asset	7.8 billion USD	5.3 billion USD	8.5 billion USD
Sales	3.1 billion USD	2.1 billion USD	1.7 billion USD
Income from Premium	2.6 billion USD	1.1 billion USD	1.3 billion USD
Net income	345 million USD	254 million USD	50 million USD
Products	Credit Insurance, Credit Information, Factoring, and etc.		
Credit Rating	AA-(S&P)	A3(Moody's)	AA-(Fitch)
Market Share	34%	20%	17%

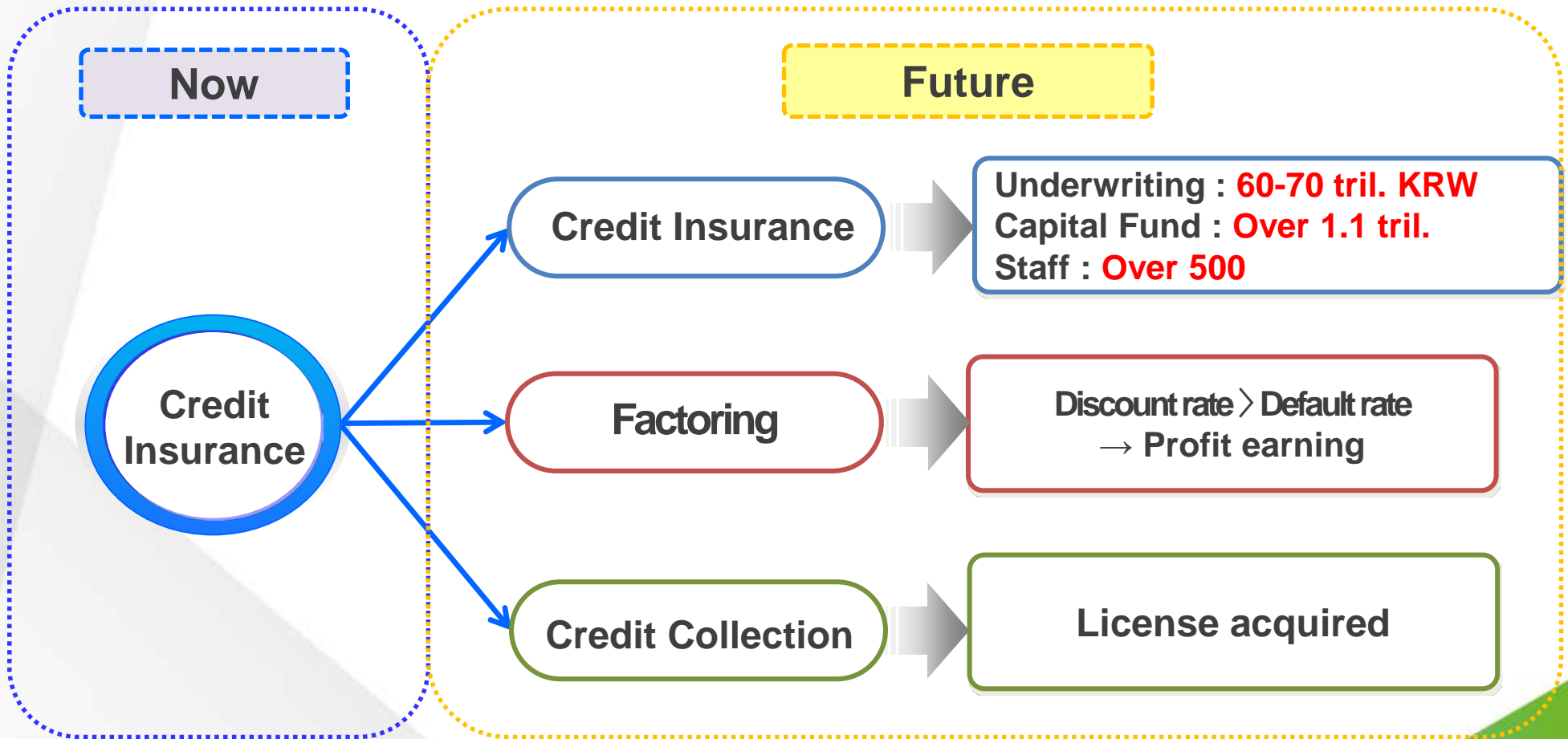
# Future Direction

## Change in Government Policy



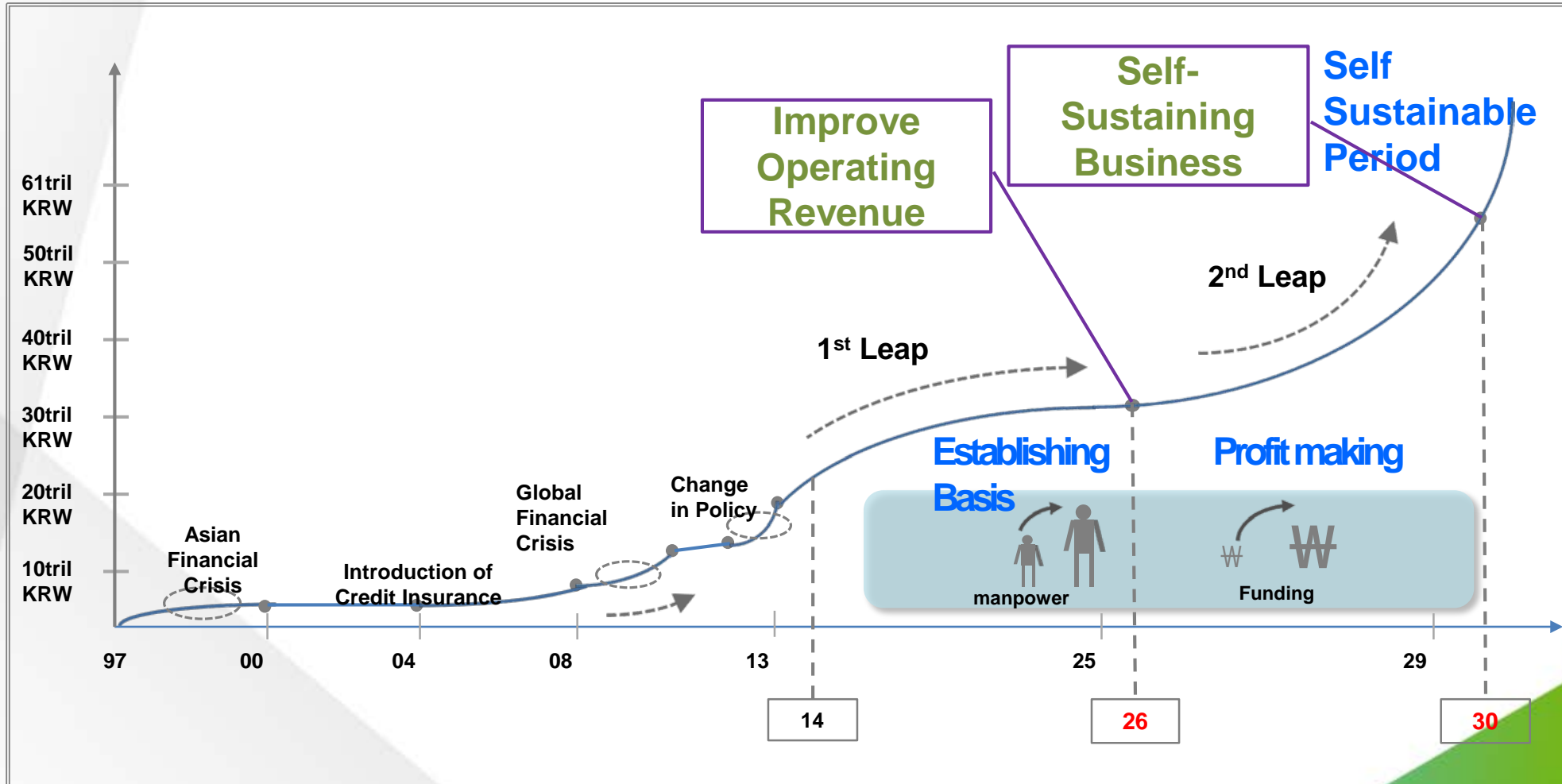
# Future Direction

Lead Future Development of KODIT by Expanding Credit Insurance Service



# Future Direction

## Mid to Long-term Roadmap





# 3. Infrastructure Guarantee Business

# Introduction to KICGF



## Purpose of the Establishment

Contribute to the timely expansion of infrastructure facilities and enhance the convenience of public life by supporting the PPP financing

● 『Act on Public-Private Partnerships in Infrastructure』 Article 30

\*Article 30(Establishment and Management of Infrastructure Credit Guarantee Fund)

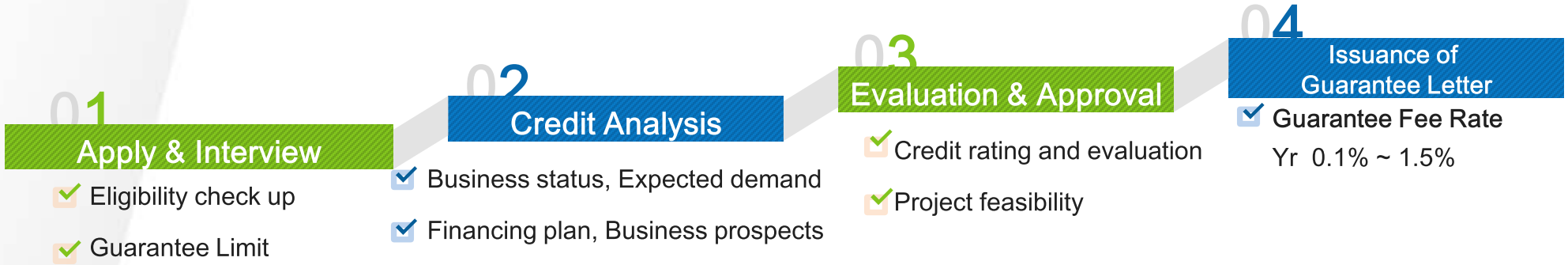
- 1 The Fund may be established in order to facilitate securing public-private partnership project fund and guarantee the pecuniary obligations falling under the each subparagraph of Article 34(1).
- 2 The Fund shall be managed and operated by the Credit Guarantee Fund pursuant to the Credit Guarantee Fund Act.

Supervision

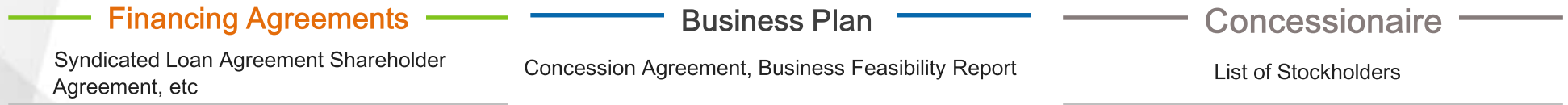


(PPP Policy Division of Fiscal Management Bureau)

# Guarantee Procedure of KICGF



## Documents Submitted



## Guarantee Limit & Guarantee Service Targets

### Limit

Guarantee limit for a project is up to KRW 400 bil(USD 354 mil)

Extra guarantee limit is applied in case of Bridge Financing Guarantee, which is up to KRW 300 bil(USD 266 mil)

### Targets

Financial institutions and foreign financial institutions

Including commercial banks, insurance corporations, trust companies, Korea Development Bank, Credit Business Division of National Agricultural Cooperative Federation(NH Bank)

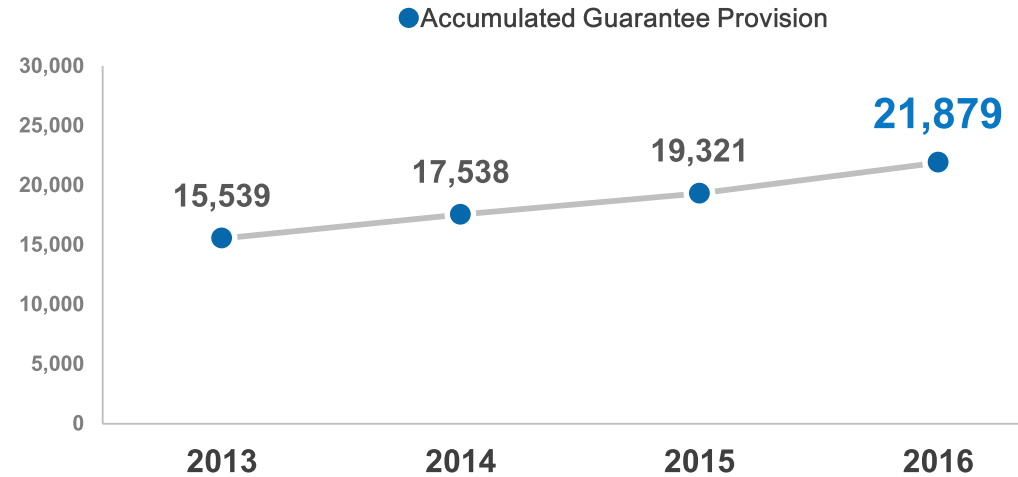
# Eligibility

## Eligible Infrastructure Facilities for Guarantee

Field	Types of Facilities
Roads (4) [48.7%]	Roads & appurtenances, Off street parking facilities, Intermodal transfer center and intelligent transport system, Bicycle roads
Railways(3) [14.6%]	Railroads, Railroad facilities, Urban railroads,
Harbors(3) [8.3%]	Harbor facilities, Fishing port, facilities subject to a new harbor construction project
Information & Communication networks(5)	Telecommunication facilities, Information and communications networks, High speed information and communications networks
	Spatial data system, Infrastructure of ubiquitous cities
Energy(4)	Electric source facilities, Gas supply facilities, Integrated energy facilities, New and renewable energy facilities
Environment (5)	Sewage systems, Public sewage terminal disposal facilities, excreta treatment facilities, facilities for the reused of sewage and wastewater, wastewater treatment terminal facilities
Logistics (2)	Logistics terminals & logistics complexes, bus terminals
Culture & Tourism(9)	Tourist destinations & resort complexes, juvenile training establishments, Specialized sports facilities & public sports facilities, Libraries, Museums and art galleries, International conference facilities, Cultural facilities
	Science museums
	Urban parks
Education (1)	Kindergartens & schools
National Defense(1)	Installations necessary for education training and barrack lives and other installations attached to military units;etc.
Welfare(5)	Residential care facilities, medical care facilities, and facilities for home care for elderly and etc.
Etc.(11) sum (53)	Natural and creational forest, Arboretums, Nurseries for Infant care and etc.

# Performance of KICGF

## Accumulated Guarantee Provision(as of Dec 31, 2016)



※ Different refinancing guarantee procedures can take place for one PPP project and therefore each of the refinancing cases has been counted separately

## Guarantees Approved

2014

8 projects, including Guri-Pocheon Expressway

KRW 1,999 bil  
USD 1,626 mil

2015

12 projects, including Sillim Light Rail

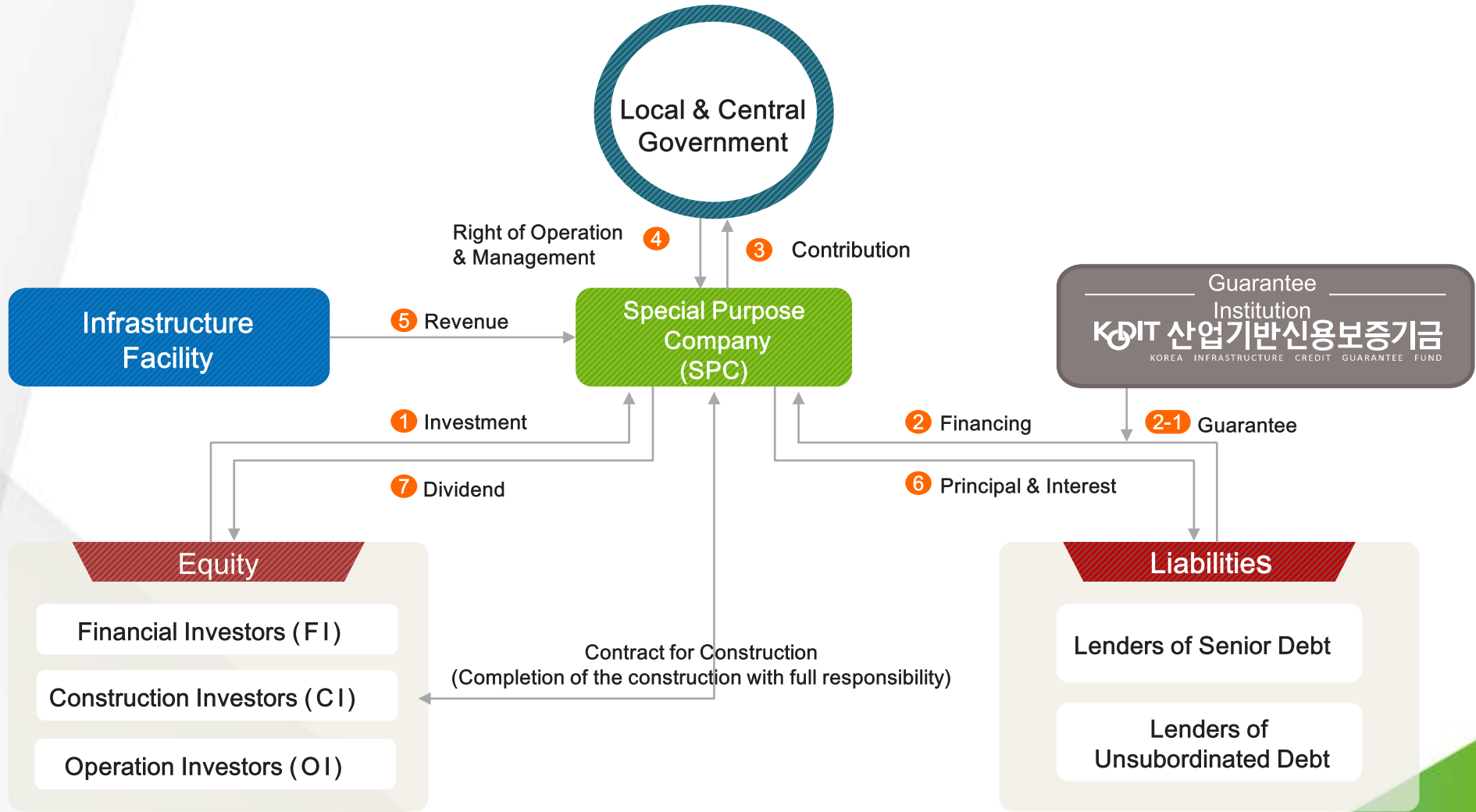
KRW 1,783 bil  
USD 1,450 mil

2016

10 projects, including Ulsan Bridge

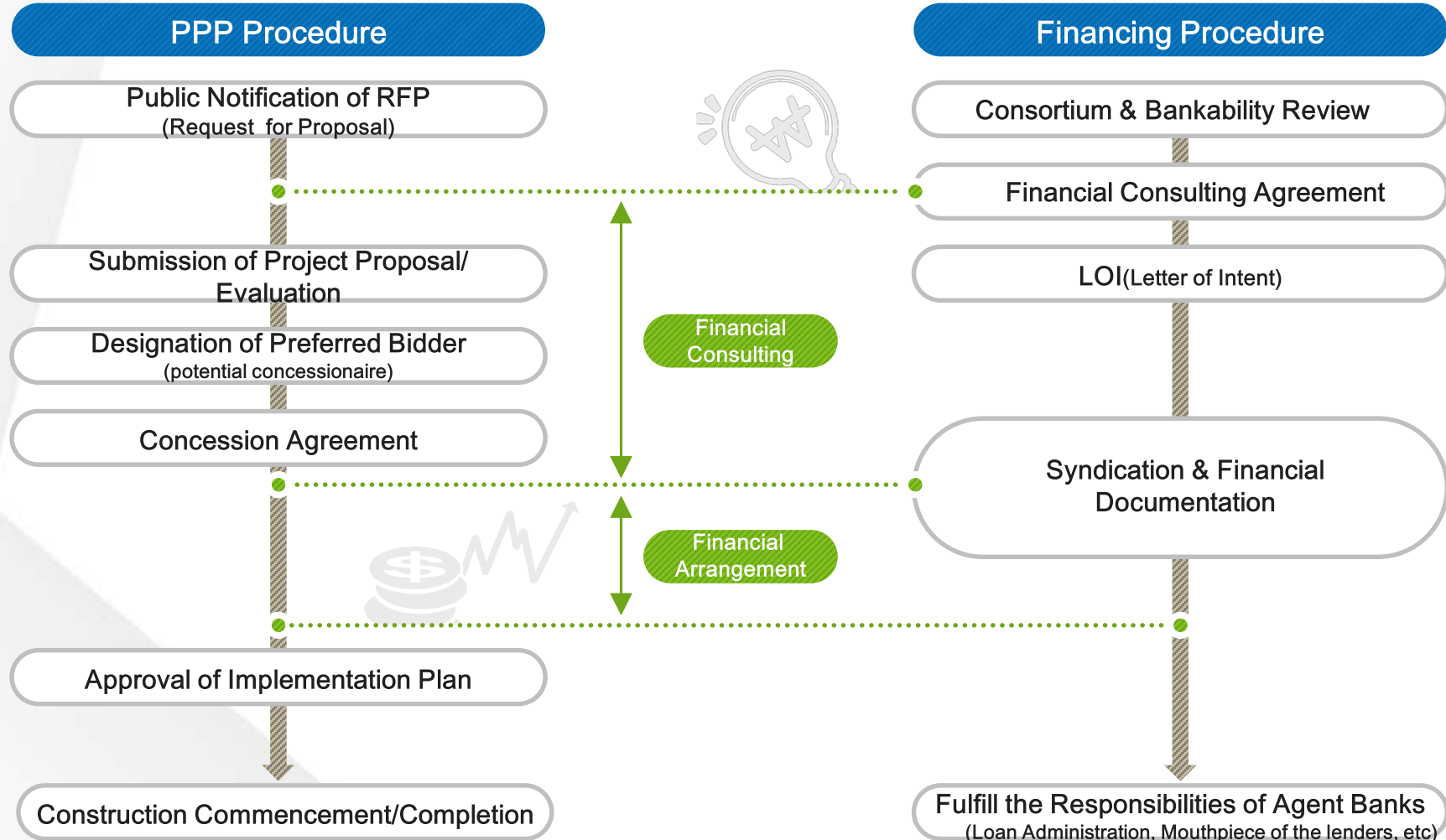
KRW 2,590 bil  
USD 2,106 mil

# Flowchart of Guarantee Issuance in PPP

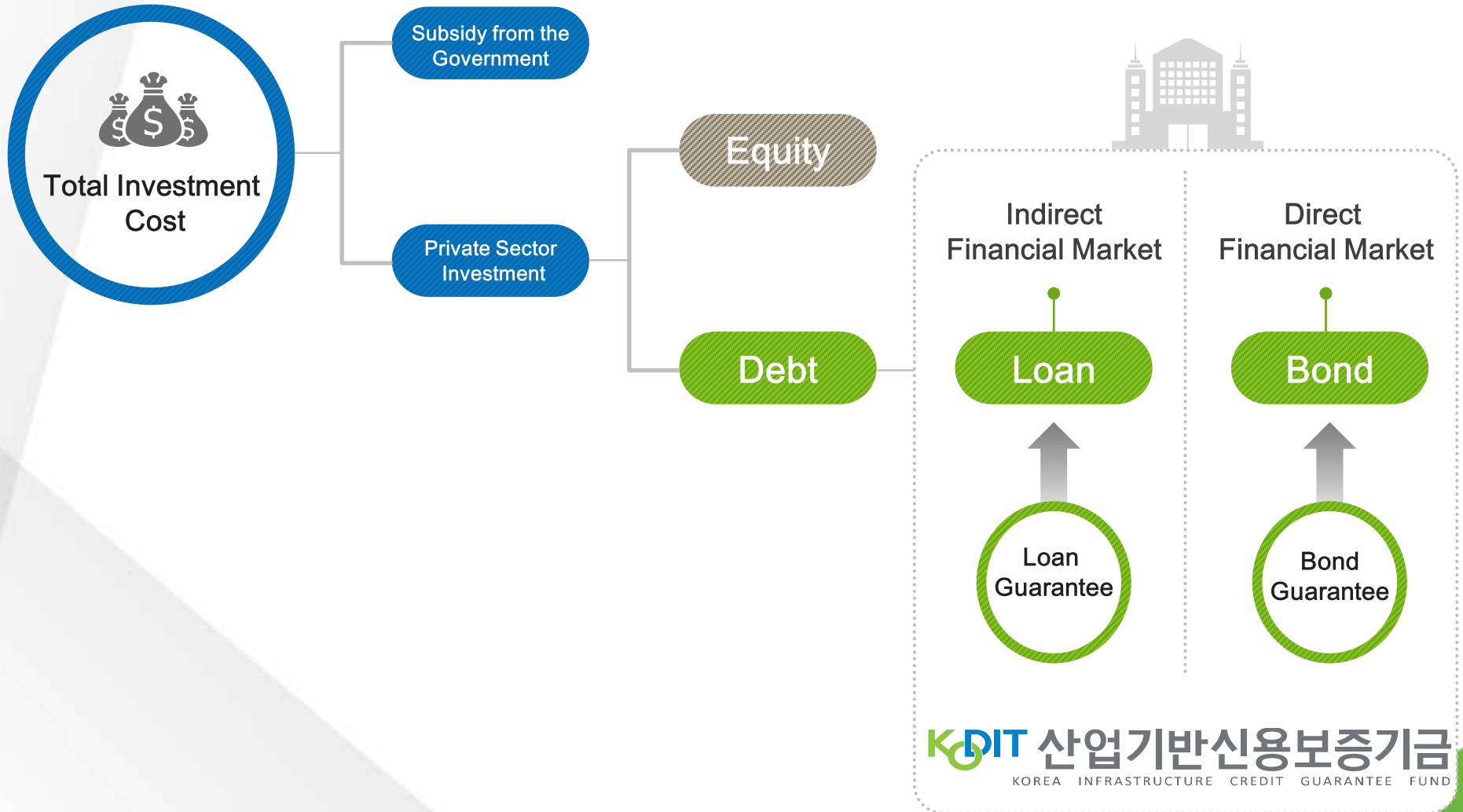




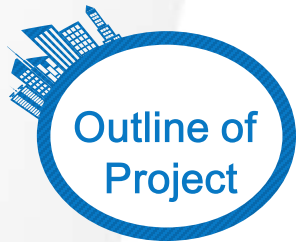
# Procedure of PPP



# Role of KICGF



# Funding Structure



**Project** | OOOO Expressway PPP (Unsolicited Project)

**Mode** | BTO

**Period** | 33 years

**Phase** | Construction

**Total Investment** | KRW 255 bil (USD 207 mil)

<ul style="list-style-type: none"> <li>Total Investment Cost</li> </ul> <p><b>255</b></p>	Total Project Cost <b>190.3</b> Interest <b>6.9</b> (construction phase) Reserves <b>57.8</b>	TOTAL COST
<ul style="list-style-type: none"> <li>Miscellaneous, etc</li> </ul> <p><b>10.8</b></p>	D S R A <b>10.8</b>	
<ul style="list-style-type: none"> <li>Total</li> </ul>	<p><b>KRW 265.8 bil</b></p>	



FUNDING	<ul style="list-style-type: none"> <li>Equity</li> </ul> <p><b>35.1</b></p>	CI <b>32.5</b> OI <b>2.6</b> FI <b>-</b>
	<ul style="list-style-type: none"> <li>Debt</li> </ul> <p><b>161</b></p>	Guaranteed Loan <b>145</b> Non Guaranteed Loan <b>16</b>
	<ul style="list-style-type: none"> <li>Govt Subsidy</li> </ul>	<p><b>69.7</b></p>
	<ul style="list-style-type: none"> <li>Total</li> </ul>	<p><b>KRW 265.8 bil</b></p>

## DSRA(Debt Service Reserve Account)

- Additional security measure for lenders to provide a cash buffer during periods where cash available for debt service is less than the scheduled payments
- Deposit which is equal to a given number of months projected debt service obligation (usually 3 months)

# What we do in KICGF

## ○ Main Businesses



## ○ Benefits of Guarantees

### Concessionaire



- Securing funds for business
- Enhance the business prospect by financing with low interest rate

### Government



- Mark down the prices, hence reduce the financial expenditure of the government with low interest rate in case of MRG and SCS implementation

### Financial Institutions



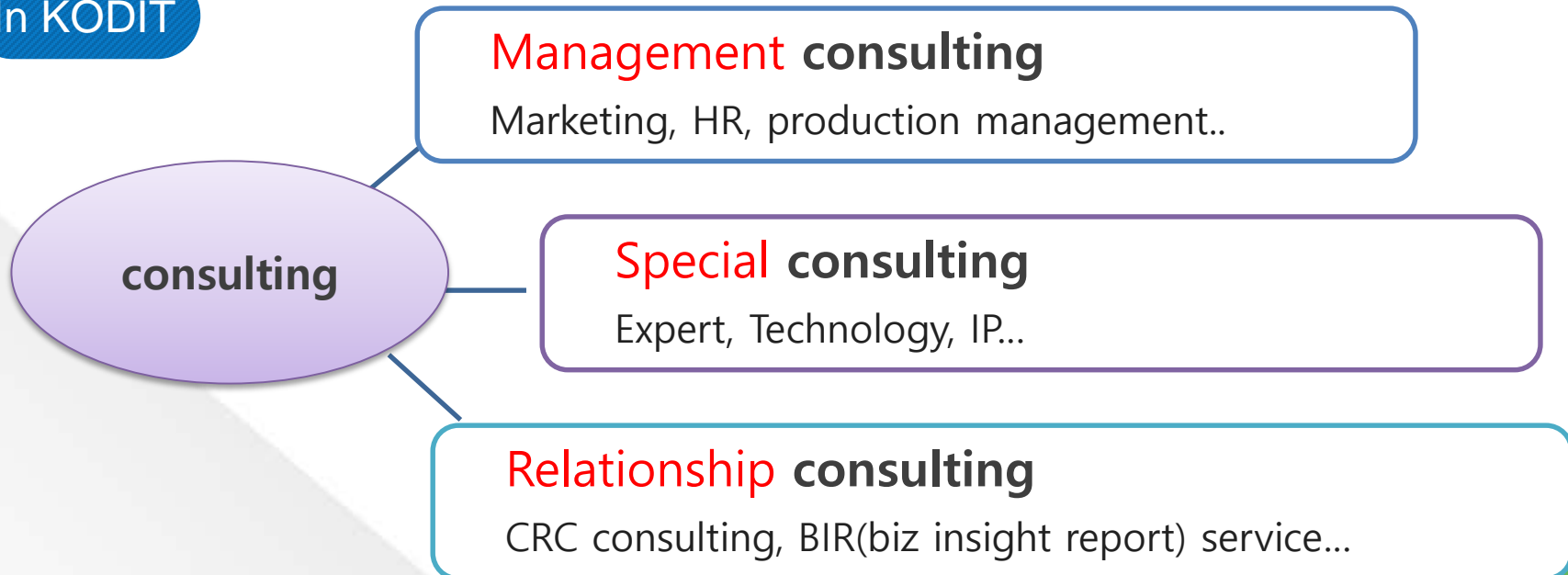
- Cross check the business feasibility by the credit evaluation of KICGF
- Risk-hedge of the repayment of principal and interest

# 4. Business Supporting Service

# Consulting Services

- Provides Consulting services to SMEs in an attempt to enhance their competitiveness and productivity
- General Business consulting; Business strategy; HR management, Marketing; Financial management...

In KODIT



# Consulting Services – CRC(Credit Risk Control) Consulting

Teach the importance of credit risk management and will help enterprises enhance the capacity of self-credit risk control

Target

- SMEs with low credit

Consultant

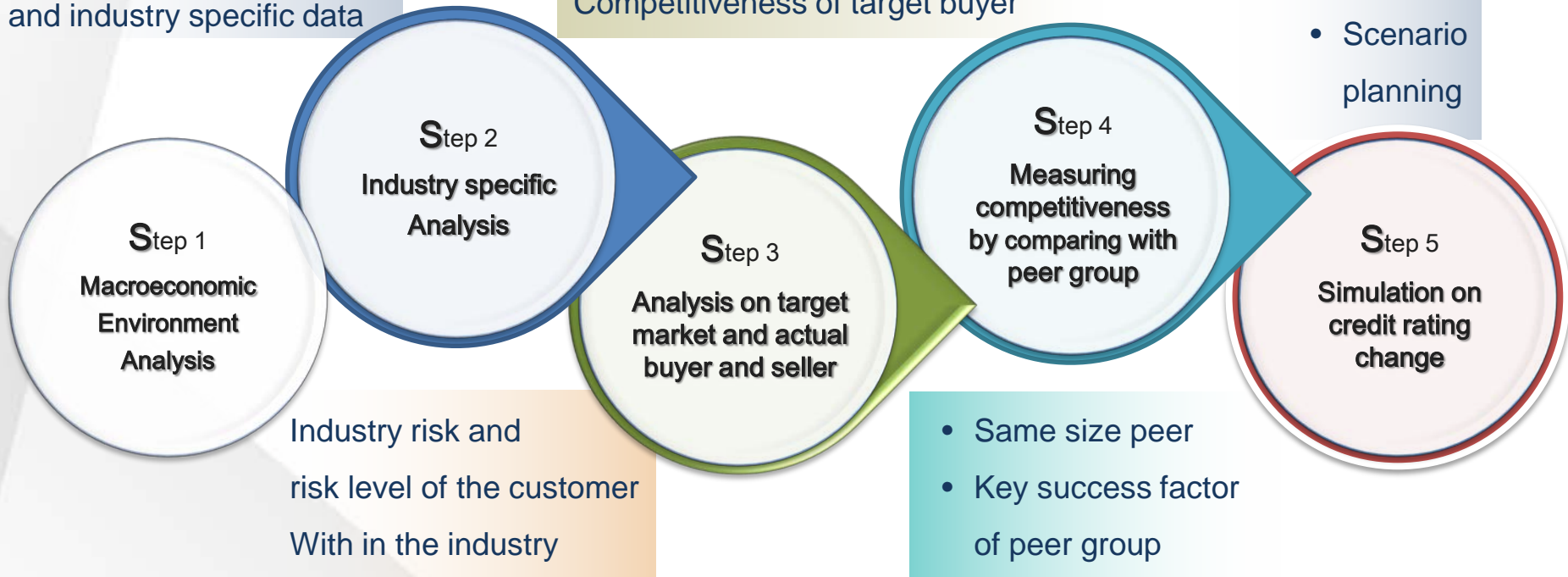
- KODIT employees (branch offices)

Method

- Own credit analysis system

# Consulting Services – CRC(Credit Risk Control) Consulting

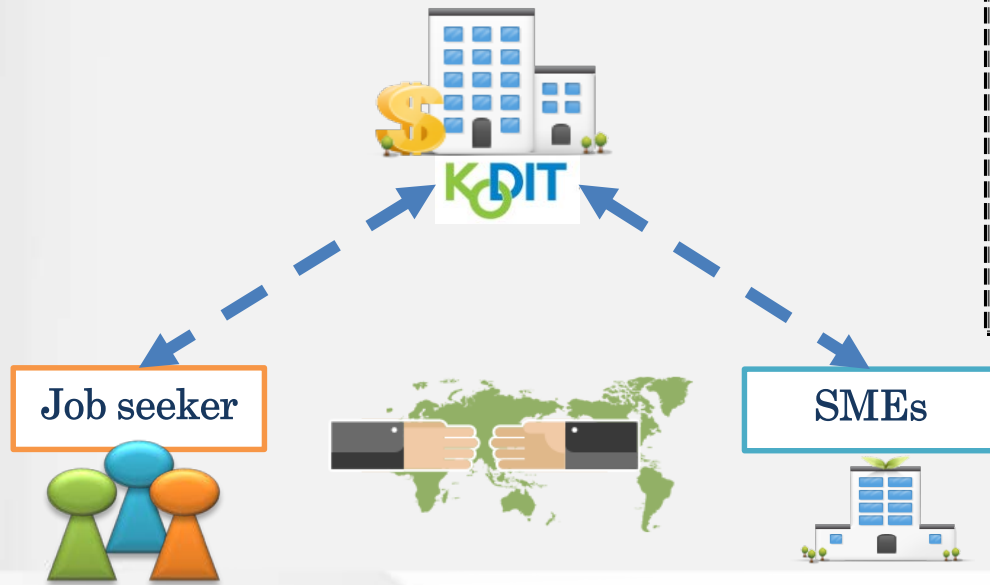
Analyzing the current status  
Using statistics on general  
and industry specific data





# Job Matching Services

- Services connecting to SMEs and job seekers.



**Characteristics** of job market for SMEs ;

Want trained employees,  
Occasional employment &  
Need incentives for  
employment...

# Job Cloud : on-line job matching services

Job seekers and SMEs share job information on KODIT Job Cloud

## 창업 및 경영지원 등

30년간 축적한 노하우를 바탕으로 창업과 경영을 지원하는 서비스입니다.

### Job Cloud

중소기업 일자리

- ▣ 개인회원
- ▣ 기업회원
- ▣ 채용정보
- ▣ 커뮤니티

영업점검서비스

신용보증기금 영업점검안내

원격지원 서비스

고객센터 1588-6565

평일 09:30 ~ 18:00 (공휴일은 휴무)

KODIT에서 일자리찾기

01 로그인

02 검색 및  
개인회원등록

03 이력서 작성

04 채용정보검색

05

입사 지원

홈 > 주요업무 > 창업 및 경영지원 등 > 캠퍼스 > 중소기업 일자리
스크랩

공지사항 !

- 입사지원 매뉴얼 (구직자용)
- 채용공고 등록 매뉴얼 (기업용)
- 취업오디션 입사지원매뉴얼 (지원자용)
- 이력서등록 오류사항 해결방법

KODIT 채용공고관

전체 채용공고

기업특성별  
채용공고

업종별 채용공고

직종별 채용공고

지역별 채용공고

KODIT 맞춤형인재관

신입 인재 정보

경력 인재 정보

은퇴 재취업

특성화고  
인재 정보

희망사다리  
장학생

삼성 그룹  
인재 특별관

HOT JOB more >

<p style="font-size: x-small; margin: 0;"><b>별일컴퓨터자동차</b></p> <p style="font-size: x-small; margin: 0;">자동차정비요원 모집</p>	<p style="font-size: x-small; margin: 0;"><b>아람인테크</b></p> <p style="font-size: x-small; margin: 0;">구내식당 주방 직원 모집</p>	<p style="font-size: x-small; margin: 0;"><b>은광어패럴</b></p> <p style="font-size: x-small; margin: 0;">(2017.09.13.(수) 인천...</p>
<p style="font-size: x-small; margin: 0;"><b>(주) 옐로우핀</b></p> <p style="font-size: x-small; margin: 0;">남대문 갑확도매전문 직원모집</p>	<p style="font-size: x-small; margin: 0;"><b>(주) 에스플러텍</b></p> <p style="font-size: x-small; margin: 0;">생산자동화 설비 압출기 조직원(생...</p>	<p style="font-size: x-small; margin: 0;"><b>(주) 비즈로밀텍</b></p> <p style="font-size: x-small; margin: 0;">(주)비즈로밀텍 생산관리원</p>
<p style="font-size: x-small; margin: 0;"><b>새통영병원</b></p> <p style="font-size: x-small; margin: 0;">간호부 구인</p>	<p style="font-size: x-small; margin: 0;"><b>(주) 비즈로밀텍</b></p> <p style="font-size: x-small; margin: 0;">(주)비즈로밀텍 품질평가원 모집</p>	<p style="font-size: x-small; margin: 0;"><b>(주) 비즈로밀텍</b></p> <p style="font-size: x-small; margin: 0;">(주)비즈로밀텍 특수견지 개발 연...</p>

Quick Menu

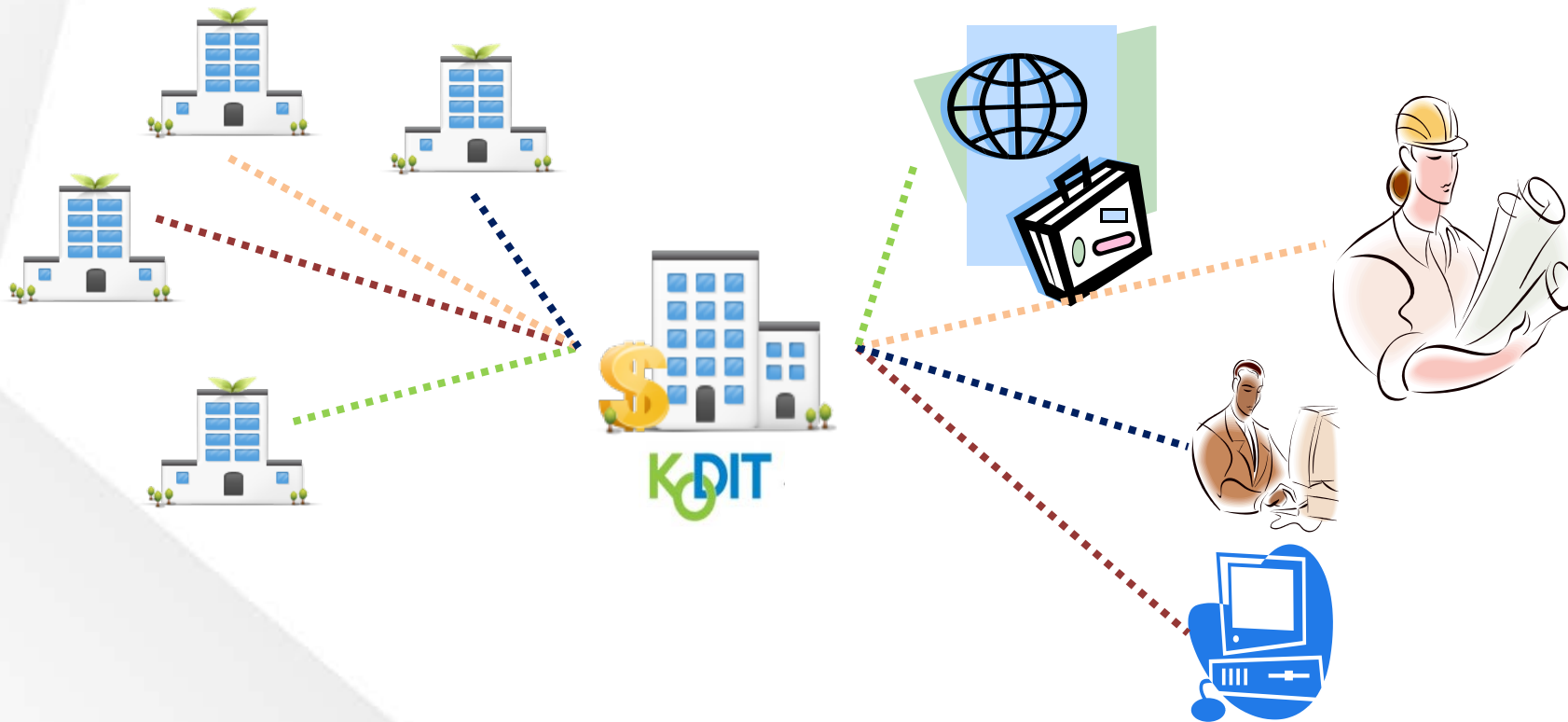
- 각종서식
- 보증상당신청
- 보험상당신청
- 담당자찾기
- 영업점찾기
- 매각자료조회
- 입찰공고
- 기업개요표

**KODIT** 신용보증기금  
KOREA CREDIT GUARANTEE FUND

**KODIT** 신용보증기금  
KOREA CREDIT GUARANTEE FUND

# Management Supporting Service

- Provide professional advice to M&A, startup, or financial matters...  
Concept : free, easy to access, professional



# Service list

Startup consulting  
M&A  
Finance & Tax  
Global Business  
Etc.

The screenshot shows the K-DIT website interface. A green box highlights the 'Service list' which includes Startup consulting, M&A, Finance & Tax, Global Business, and Etc. Below this, a green arrow points to a sidebar menu where '수출입' (Export/Import) is selected. The main content area displays a list of articles under the '수출입' category, with the first article being '수출방법 문의' (Export method inquiry).

- ▣ 경영자문 개요
- ▣ 창업상담
- ▣ M&A전략
- ▣ 법률
- ▣ 세무회계
- ▣ 수출입
- ▣ 해외비즈니스
- ▣ 인사조직
- ▣ 영업마케팅
- ▣ 생산관리
- ▣ 경영전략
- ▣ IT등

## 수출입

번호	제목	작성자	등록일	답변여부	조회수
178	수출방법 문의	박용택	2015-11-24	답변완료	323
177	[수입] 수출자를 신용할 만한 정보를 구하는 방법을 문의드립니다..	정현수	2014-11-24	답변완료	580
176	수입대금문의 에 대한 답변	최찬일	2012-08-22	접수완료	1562
175	수입대금 대출관련	하성만	2012-08-21	접수완료	1463
174	이번에 수출업을 하고자 합니다.	백두희	2010-09-15	답변완료	2384
173	에스크로우 신용강이란	에스크로우	2009-06-15	답변완료	1548
172	이자어음부 신용강이란	신용강	2009-06-15	답변완료	1363
171	수입하는 기업 선정에 대한 질의	선적	2009-06-15	답변완료	1278
170	수입방법에 대한 소개?	수입승인	2009-06-15	답변완료	1448
169	수출관련 세금계산서	황경남	2009-06-12	답변완료	1449

출력수 10 이통 << < 1 2 3 4 5 > >>

글등록





# Thank you