



Green Guarantee Instruments and Support Processes of KODIT

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CHAPTER

01

Overview of KODIT

- KODIT at a Glance
- Fundamental Operating features
- The Source of Funding
- Core Business Areas

01 KODIT at a Glance



“



- Establishment
1976
- Status
Non-profit Special Legal
Entity

”

“



- Capital Fund
USD 8.4 Billion
- Outstanding Guarantee
USD 54.1 Billion
- Number of Guaranteed Companies
508,605

”

“



- Number of Employees
2,707
- Business Network
1 HQ, 9 Regional HQs, 110
Branches (* 10-startup
branches)

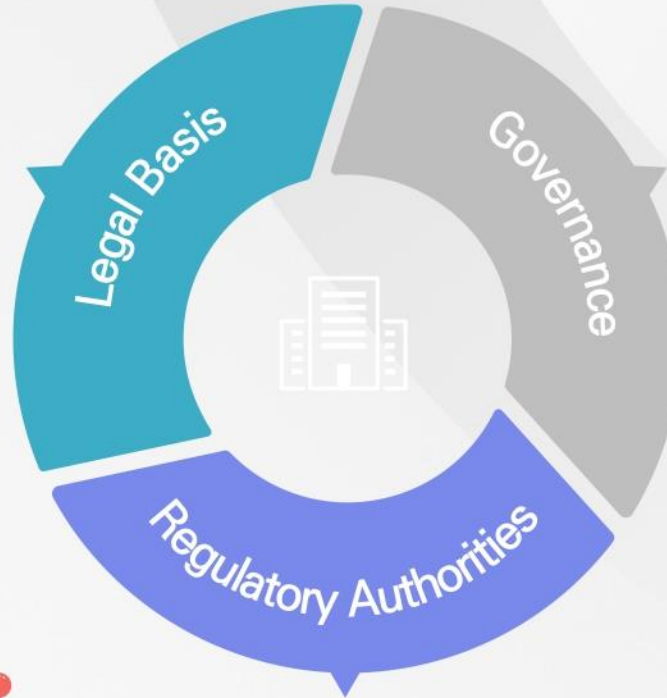
(USD 1 = KRW 1,470.0; as of December 2024)

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02 Fundamental Operating Features



Established by the Act on
Korea Credit Guarantee Fund



No Ownership applied
No shareholders



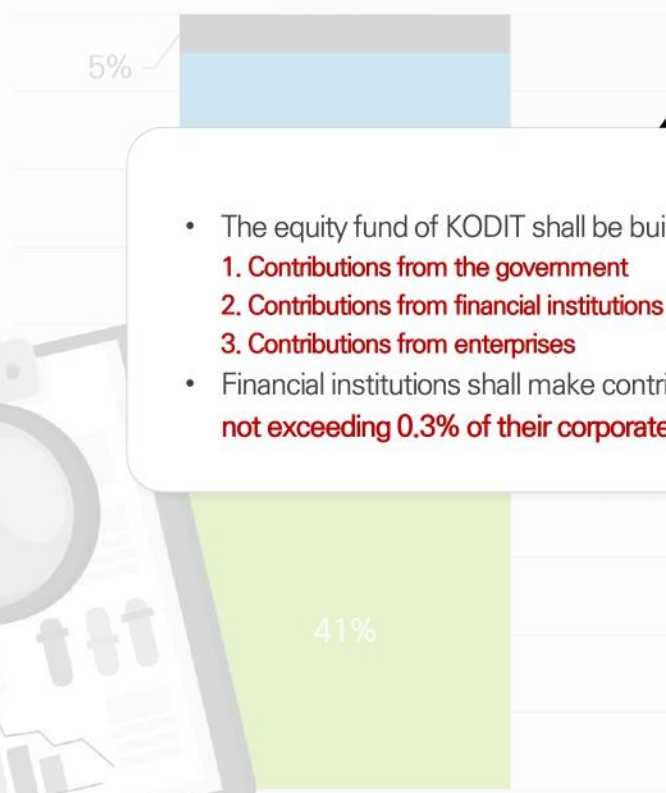
- Financial Service Commission (Supervision)
- Ministry of Economy and Finance (Budget, Manpower)
- National Assembly of Korea (National Audit)


03 The Source of Funding

- Capital fund is a fundamental resource to operate the credit guarantee business
- It is made up of contributions as follows

Capital Fund

■ The Gov't ■ Banks ■ Large Companies, etc.






✔ From the Government

Korea Credit Guarantee Fund Act Article 6

- The equity fund of KODIT shall be built up with resources falling under the followings:
 1. Contributions from the government
 2. Contributions from financial institutions
 3. Contributions from enterprises
- Financial institutions shall make contributions to KODIT such amount by the rate as prescribed in the Ordinance of the Prime Ministry, **not exceeding 0.3% of their corporate loans.**



✔ From Large Companies, Local Gov'ts, etc.

Special contributions provided by above groups as to support specific industries or regions

* outstanding amount until the end of 2024

03 The Source of Funding

- Capital fund is a fundamental resource to operate the credit guarantee business
- It is made up of contributions as follows

Capital Fund

■ The Gov't ■ Banks ■ Large Companies, etc.



From the Government

Yearly contribution based on the overall economic outlook



From Financial Institutions (Banks)

Mandatory contributions in accordance with the Act on KODIT 0.225% of their corporate loans



From Large Companies, Local Gov'ts, etc.

Special contributions provided by above groups as to support specific industries or regions

* outstanding amount until the end of 2024

04 Core Business Areas

Credit Guarantee

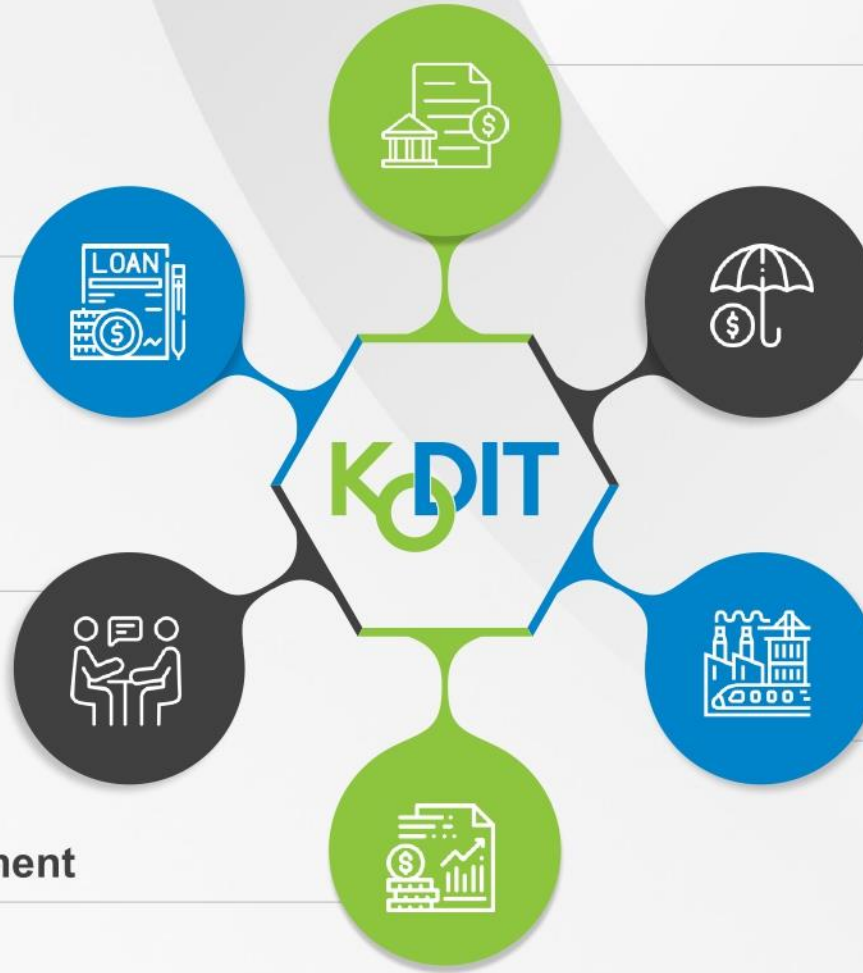
Enhances SME financing by providing guarantees for bank loans or business liabilities

Consulting

Provides consulting services to SMEs to enhance their competitiveness and productivity

Guarantee-aligned Equity Investment

Direct investment integrated into guarantee enables SMEs to secure funds through direct funding



Primary-CBO Guarantee

Enables companies to raise funds from the direct financial market by helping them 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



CHAPTER

02

KODIT's Green Finance

- Green Finance Masterplan
- Green Guarantee Products

01 Green Finance Masterplan



Global Trends

- Major global corporations have pledged carbon neutrality
- Carbon neutral practices are required across supply chains
- Domestic enterprises must adapt to remain competitive and comply with evolving global standards



Domestic Trends

- Korea has declared its goal to carbon neutrality by 2050
- In October 2022, the government launched the Carbon Neutrality and Green Growth Commission to drive national sustainability efforts
- Nationally Determined Contribution target was raised to 40%, reinforcing Korea's climate commitments



KODIT

- KODIT aims to take a leading role in providing financial and non-financial support for green growth of SMEs
- Wider adoption of carbon neutrality and green growth among SMEs would be facilitated by KODIT

01 Green Finance Masterplan

Mission

- Driving a sustainable future growth through corporate green growth

Vision

- A premier financial partner for green and sustainable business growth (Green Guarantee)

Core Value

- Client Focus
- Innovation
- Sustainability
- Global Partnership

Strategic Pillars (28 Action Plans)

- Pioneering new business frontiers (Data Center, Data Mining, Green ODA, etc)
- Establishing the infrastructure for green finance (K-taxonomy classification framework, climate technology capability assessment system, etc)
- Fostering a green growth ecosystem (Accelerating, green start-up, renewable energy, etc)
- Expanding the scale-up growth ladder (allocated greenhouse gas emission allowances, customized support for leading green tech, etc)

02 Green Finance Products



2-1 Green Finance Products for Bank Loans

✓ A. Zero Carbon Energy Guarantee (May 2025 – Present)

Funding Source: Ministry of Trade, Industry, and Energy; independent financial statements

Category	Cleantech Focused Enterprises	Zero Carbon Projects
Guarantee Targets	<p>“Cleantech focused enterprises” are defined as enterprises that possess technologies related to, or are engaged in the production of, items specified in the “Cleantech Item List.” This list broadly includes areas such as solar power generation, renewable thermal energy, biomass energy, smart grids, ICT-based energy management solutions and system operations, nuclear-based energy production, manufacturing and research of relevant materials, hydrogen energy, fuel cell power generation, next-generation secondary batteries, lithium-ion batteries, etc.</p> <p>(Facility Investment & Working Capital)</p>	<p>A guarantee scheme that facilitates project-based financing for the installation of zero-carbon energy facilities by zero-carbon energy producers (SPCs)</p> <p>(Facility Investment Only)</p>
Eligibility	No additional eligibility criteria are required, provided that applicants meet the aforementioned conditions	An SPC authorized by the government through the issuance of a power generation license and a development permit
Details	(Guarantee Ceiling) USD 14 Mil(KRW 20 Bil) for Middle standing enterprises and USD 7 Mil(KRW 10 Bil) for SMEs	
	<p>(Coverage Ratio) 90% but 100% coverage if the guarantee is terminated upon COD for facility investment</p> <p>(Fee rate) -0.3%p from risk-based fee rate</p>	<p>(Coverage Ratio) 95% but 100% coverage if the guarantee is terminated upon COD for facility investment</p> <p>(Fee rate) Fixed rate of 0.5%</p>

2-1 Green Finance Products for Bank Loans

✓ B. Green Fair Transition Guarantee (June 2022 – Present)

Funding Source: Ministry of Economy and Finance; independent financial statements

Category	Low-Carbon Transition Guarantee	Low-Carbon Technology Innovation Guarantee	Low-Carbon Project Guarantee
Guarantee Targets	<p>Supports financing for enterprises undertaking low-carbon transitions, including the adoption of low-carbon technologies, process improvements, and energy efficiency enhancements</p> <p>(Facility Investment & Working Capital) * Working capital only not allowed</p>	<p>Supports low-carbon technology innovators with stage-specific financing - covering R&D, commercialization, and scale-up - through both working capital and facility investment.</p> <p>(Facility Investment & Working Capital)</p>	<p>Facilitates financing for low-carbon initiatives, such as the deployment of renewable energy systems and the introduction of environmentally friendly transportation solutions</p> <p>(Facility Investment Only)</p>
Eligibility	<p>No additional eligibility criteria are required, provided that applicants meet the aforementioned conditions</p>	<p>No additional eligibility criteria are required, provided that applicants meet the aforementioned conditions</p>	<p>SPCs or enterprises authorized by the government through the issuance of a power generation license and a development permit</p> <p>SPCs or enterprises certified by the Korea Energy Agency under the K-RE100 initiative</p> <p>SPCs or enterprises implementing eco-friendly transportation solutions</p>

2-1 Green Finance Products for Bank Loans

☑ B. Green Fair Transition Guarantee (June 2022 – Present)

Category	Low-Carbon Transition Guarantee	Low-Carbon Technology Innovation Guarantee	Low-Carbon Project Guarantee
Details	<p>(Guarantee Ceiling) USD 14 Mil(KRW 20 Bil) for Middle standing enterprises and USD 7 Mil(KRW 10 Bil) for SMEs</p> <p>(Coverage Ratio) 90% but 100% coverage if the guarantee is terminated upon COD for facility investment</p> <p>(Fee rate) Fixed 0.5% for facility investment and -0.3~0.5%p from risk-based fee rate for working capital</p>	<p>R&D Stage (Guarantee Ceiling) USD 360K(KRW 500 Mil) (Coverage Ratio) 90% but 100% coverage if the guarantee is terminated upon COD for facility investment (Fee rate) -0.4%p from risk-based fee rate</p> <p>Commercialization Stage (Guarantee Ceiling) USD 720K(KRW 1 Bil) (Coverage Ratio) 90% but 100% coverage if the guarantee is terminated upon COD for facility investment (Fee rate) -0.3%p from risk-based fee rate</p> <p>Growth Stage (Guarantee Ceiling) USD 14 Mil(KRW 20 Bil) for Middle standing enterprises and USD 7 Mil(KRW 10 Bil) for SMEs (Coverage Ratio) 90% but 100% coverage if the guarantee is terminated upon COD for facility investment (Fee rate) -0.3%p from risk-based fee rate</p>	<p>(Guarantee Ceiling) USD 14 Mil(KRW 20 Bil) for Middle standing enterprises and USD 7 Mil(KRW 10 Bil) for SMEs</p> <p>(Coverage Ratio) 90% but 100% coverage if the guarantee is terminated upon COD for facility investment</p> <p>(Fee rate) Fixed 0.5%</p>

2-1 Green Finance Products for Bank Loans

✓ C. Green Venture Guarantee

To support the climate tech industry by helping start-ups to smoothly finance greenhouse gas reduction technologies and climate adaptation projects (Part of “Funding Support for Innovative Ventures and Start-ups and Plans to Strengthen Competitiveness” by Financial Services Commission and Ministry of SMEs and Startups)

Guarantee Targets	Climate Tech Growth Guarantee	Venture certified enterprises and start-ups that produce products or technologies in the field of Climate Tech
	Climate Tech R&D Guarantee	Venture certified enterprises and start-ups that are pursuing R&D on innovative technologies in Climate Tech
Eligibility	<ul style="list-style-type: none"> • Enterprises should be green venture certified and produce products or possess technologies in the field of Climate Tech 	
Details	<ul style="list-style-type: none"> • (Guarantee Limit) Climate Tech Growth USD 204K (KRW 0.3 Bil) / R&D Guarantee USD 79K (KRW 0.1 Bil) • (Fee Rate) Guarantee fee rate (maximum discount 0.4%p) and coverage ratio (90~100%) 	

2-1 Green Finance Products for Bank Loans

✓ D. Preferential Credit Guarantees for Carbon-Neutral Enterprises

The rationale to introduce this project is to establish a financial support mechanism for carbon-neutral enterprises committed to sustained greenhouse gas reduction, while developing a credit guarantee framework utilizing a greenhouse gas database.

Key Features

- Introduced as a follow-up to the "Business Agreement on Supporting Carbon-Neutral Enterprises Utilizing a Building Energy Database" between KODIT and the Korea Real Estate Board, is a specialized guarantee program designed to incentivize sustainable business practices
- Leveraging the national **Building Energy Integrated System Database** managed by the **Korea Real Estate Board**, this program assesses greenhouse gas emissions at business sites and applies a risk-based guarantee fee structure, offering preferential rates based on the borrower's annual greenhouse gas reduction performance

Eligibility

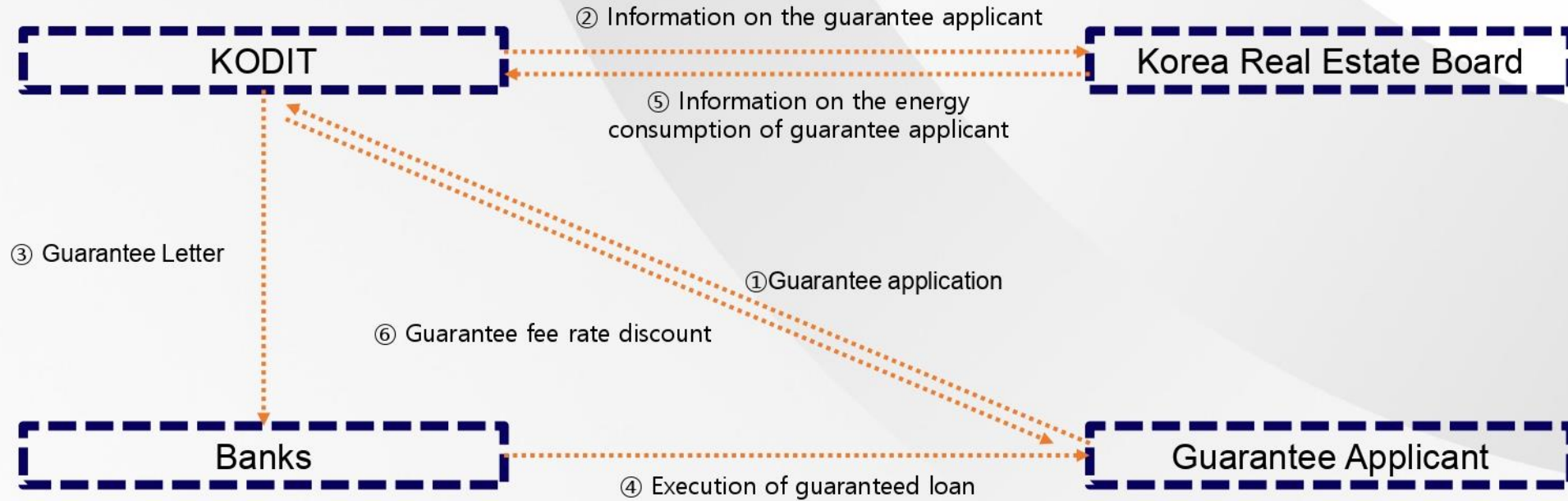
- Manufacturing enterprises with verifiable energy consumption data from the previous fiscal year (Working Capital Only)

Details

- **(Guarantee Limit)** USD 70K(KRW 100 Mil) for working capital loans
- **(Coverage Ratio)** 90%
- **(Fee rate)** Guarantee fee reduction of 0.3 %p for businesses that commit to greenhouse gas reduction agreements / 0.5%p demonstrating measurable reductions in building-related greenhouse gas emissions may receive an additional fee reduction of up to 0.5%p over a maximum period of five years

2-1 Green Finance Products for Bank Loans

✓ D. Preferential Credit Guarantees for Carbon-Neutral Enterprises



Building Greenhouse Gas (GHG) Emissions:

Refers to emissions resulting from energy consumption in business facilities associated with daily operations. This includes direct emissions from on-site use of thermal energy sources such as LNG, as well as indirect emissions from electricity supplied by external sources.

Building GHG Emissions Intensity:

A performance indicator calculated by dividing the total building-related GHG emissions during a given period by the company's revenue for the same period.

Building GHG Reduction Rate:

The year-over-year percentage reduction in building GHG emissions intensity, measured by comparing the previous year's intensity to that of two years prior.

2-2 Green Finance Products for Loans from Financial Institution

✓ E. Customized Guarantee for Offshore Wind Projects(July 2025 – Present)

A guarantee scheme designed to support projects implemented through project financing, aimed at ensuring the stable construction, operation, and wider adoption of large-scale offshore wind power facilities

Funding Source: Ministry of Trade, Industry, and Energy; independent financial statements

Key Features

- Korea Energy Agency issues a Project Confirmation Letter to offshore wind power operators deemed to have significant industrial and economic impact, and recommends them to KODIT. Upon recommendation, KODIT conducts an evaluation using its offshore wind power assessment model and extends guarantee support based on the results (Facility Investment Only)

Eligibility

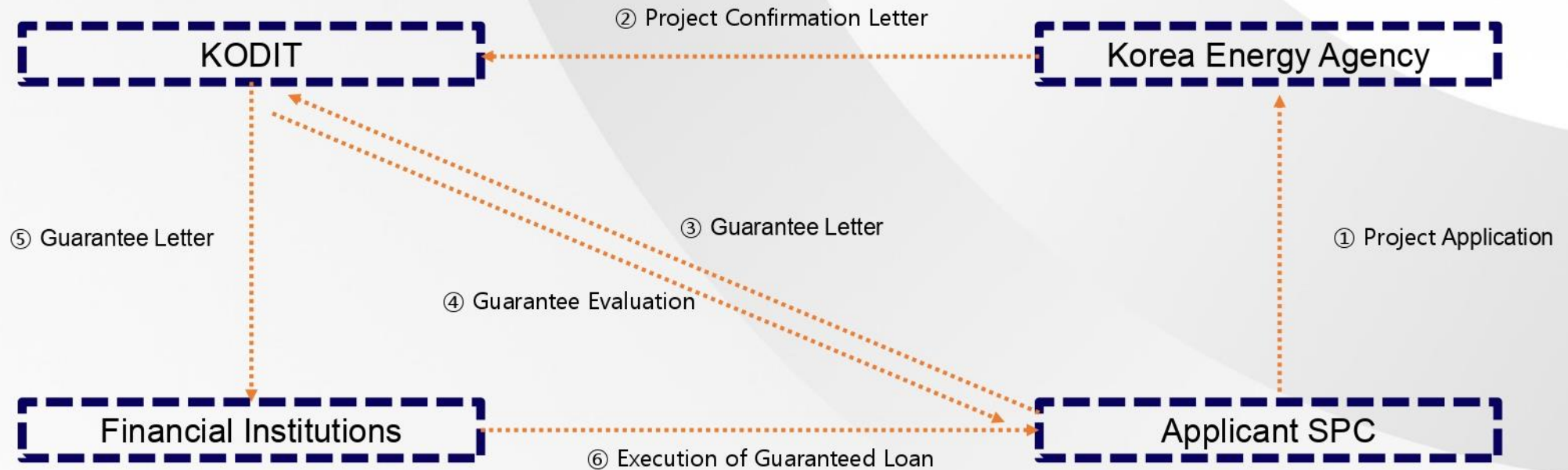
- An Applicant SPC should be confirmed and recommended by KEA

Details

- (Guarantee Limit) Min[USD 287 Mil(KRW 400 Bil), 60% of total debt]
- (Coverage Ratio) 100%
- (Fee Rate) Risk-based fee rate from 0.3%-1.6%

2-2 Green Finance Products for Loans from Financial Institution

✓ E. Customized Guarantee for Offshore Wind Projects(July 2025 – Present)



Financial Institutions:

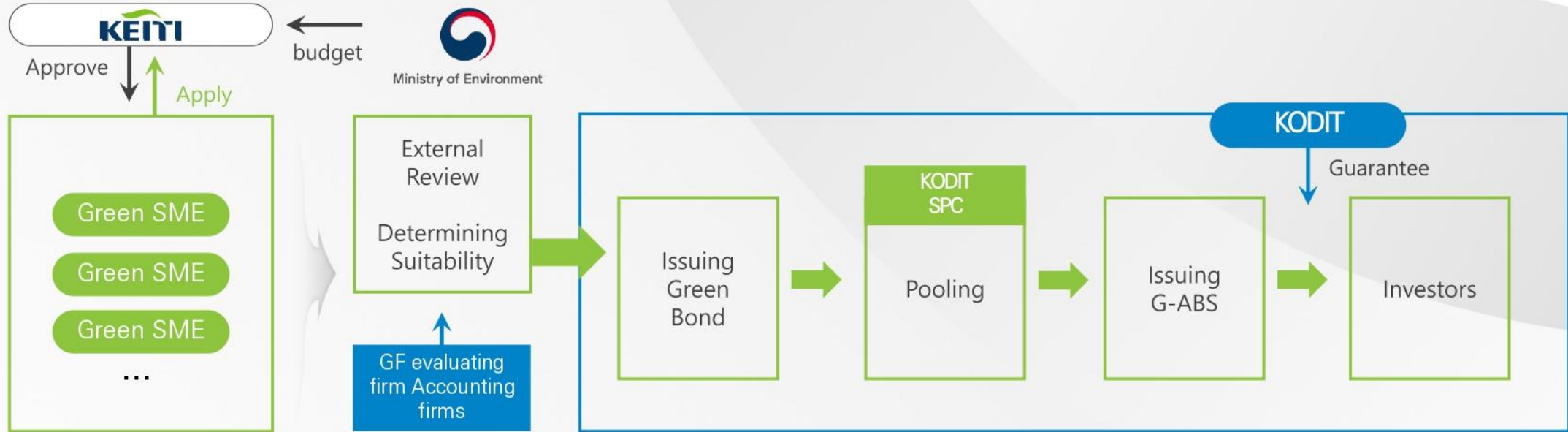
Considering that this guarantee scheme is intended to support Special Purpose Companies (SPCs) backed by multiple investors or sponsors, and given the relatively large scale of the project costs involved, **attracting private sector financing is critical**.

Accordingly, unlike general or green guarantee schemes, the range of eligible guarantee counterparties in Offshore Wind Projects has been expanded to include not only banks, but **also trustees and comprehensive financial institutions** under the Financial Investment Services and Capital Markets Act, **insurance companies** under the Insurance Business Act, **specialized credit finance companies** under the Specialized Credit Finance Business Act, and **investment companies and investment trusts(collective investment schemes)** governed by the Financial Investment Services and Capital Markets Act.

F. Structure of G-ABS

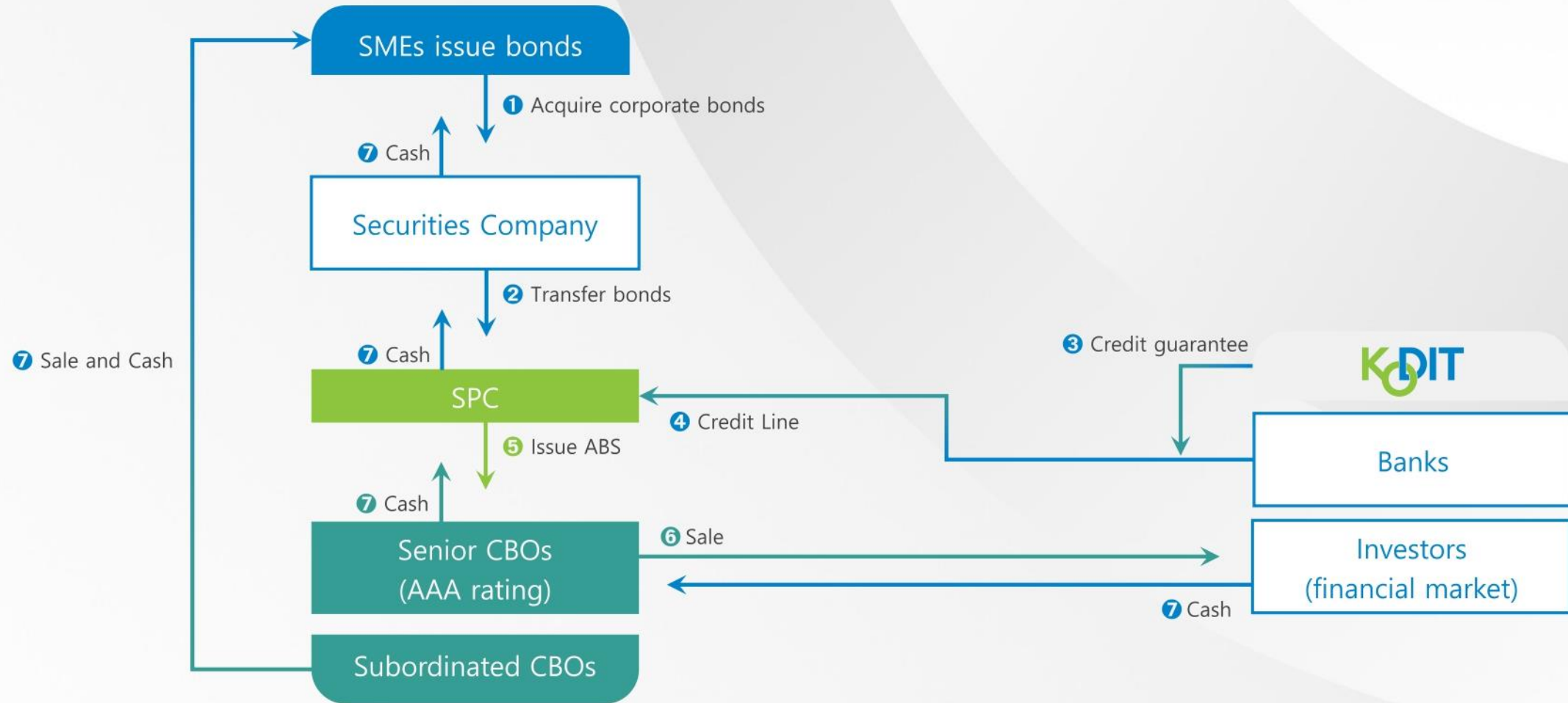
Green ABS (Asset Backed Securities) are issued by pooling the corporate bonds of enterprises which fall under the category of K-Taxonomy.

* KODIT signed a "business agreement for the issuance of Green ABS with the KEITI (Korea Environmental Industry & Technology Institute)"



- Green ABS of SMEs was issued for the first time in Korea (May 2023)
- Interest rate reduction of 2.2-3.2%p by support from the Government

※ Process of P-CBO Guarantee





CHAPTER

03

K-Taxonomy Alignment Assessment

01 K-Taxonomy Alignment Assessment

✓ KODIT's K-Taxonomy Alignment Assessment

Key features of K-Taxonomy Alignment Assessment

Background & Needs

- Growing demand for **cooperation with the banking sector** to expand green finance
- Importance of establishing **standardized and consistent K-Taxonomy alignment criteria**
- Reducing the **evaluation burden** on financial institutions regarding green loan classification

Eligibility & Target Scope

Eligible Companies

- SMEs and mid-sized companies engaged in economic activities classified under the **Korean Green Taxonomy (K-Taxonomy)**
- * *The K-Taxonomy guideline currently defines 84 economic activities*

Applicable Guarantees

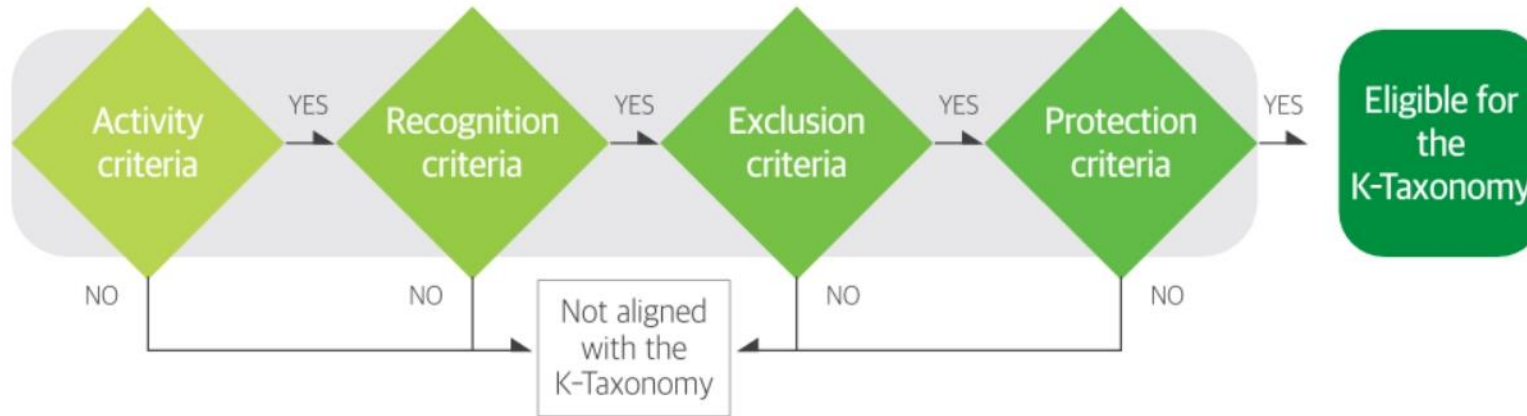
- Green Fair Transition Guarantee
- Zero Carbon Energy Guarantee



01 K-Taxonomy Alignment Assessment

☑ KODIT's K-Taxonomy Alignment Assessment

Alignment Assessment Process



- ① **Activity criteria** : To determine whether an economic activity meets the presented criteria
 - ② **Recognition criteria** : To determine whether an economic activity meets the technical standards to achieve at least one of the six environmental objectives
 - ③ **Exclusion criteria** : To determine whether an economic activity meets the criteria for judgment of serious environmental damage
 - ④ **Protection criteria** : To determine whether an economic activity violates laws pertaining to human rights, labor, safety, anti-corruption, destruction of cultural heritage, etc.
- ✘ *Even if not specified in the criteria above, the economic activity concerned should comply with all applicable domestic laws, public notifications, guidelines, criteria, etc*

※ K-Taxonomy Activities



Green Sector
77 activities

Economic Activities Essential for Carbon Neutrality
And Environmental Improvement

production of renewable energy, manufacture of EV, etc.

**K-Green
Taxonomy**
84 activities



**Transition
Sector**
7 activities

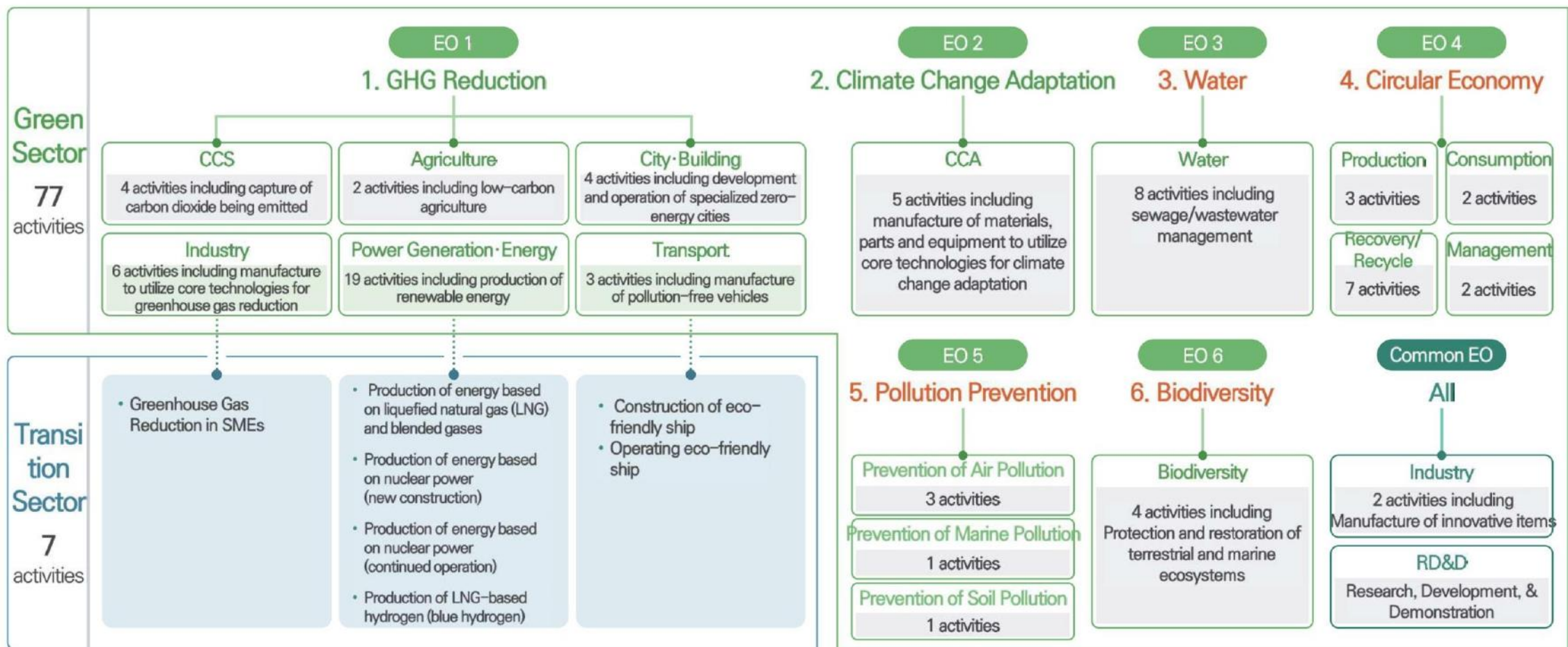
Economic Activities Temporarily Needed
During the Transition toward the Carbon Neutrality

production of energy based on LNG, etc.

Interim

Composition of K-Taxonomy

6 Environmental Objectives, 2 Sectors, 17 Fields and 84 Economic Activities





CHAPTER

04

Future Tasks & Supply Target

01 Future Tasks

1

Internal Capacity Building & Network Expansion

2024-2026

- New product development and enhancement
- Implementation of K-Taxonomy green assessment framework
- Establishment of dedicated green finance division

2

Independent Business Areas & Green Database

2026-2028

- Build comprehensive green finance support platform
- Expand Carbon Neutral Data Center capabilities
- Scale up guarantee programs and expand target sectors

3

Integrated Green Finance System & Globalization

2028-2030

- Establish position as a green finance total support institution
- Global expansion through ODA projects and international cooperation
- Contribute to Korea's 2050 carbon neutrality goal

02 Supply Target

Total Target: KRW 100 Trillion (USD 80 Billion) by 2030
Cumulative supply to support Korea's carbon neutrality goal

