Credit Guarantee Loan for Foreign-Invested Companies

Overview

- New program to offer credit guarantee-based loan for companies in new growth industries and foreign-invested companies, contributing to job creation
- Offering the benefits of guarantee fee discount and guarantee rate increase for eligible companies
- Loan product in partnership of KOTRA-KODIT-Shinhan Bank

Targets and Benefits

<table>
<thead>
<tr>
<th>Category</th>
<th>Loan with Guarantee Fee Support Agreement</th>
<th>Loan with Special Contribution Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets</td>
<td>① Companies related to new growth items 1) or contributing job creation 2) ② Companies in promising services fields 3)</td>
<td>① Among companies related to new growth items or contributing job creation, foreign-invested companies within 7 years since foundation ② Among promising start-up companies 4), foreign-invested companies within 3 years since foundation</td>
</tr>
<tr>
<td>Maturity</td>
<td>Extending the loan period, in line with extension of KODIT guarantee period (no limitation on maximum loan period)</td>
<td>① 11 years max - Repayment by installment after the first 3 years</td>
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<tr>
<td>Guarantee Rate</td>
<td>- As calculated for each customer (No additional preferential rate)</td>
<td>- First 3 years: 100% and for the following 3 years: 95%, for the remaining 5 years: as calculated for each customer</td>
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<tr>
<td>Guarantee Fee</td>
<td>0.2%p discount from the guarantee fee, calculated for each customer (for 3 years max)</td>
<td>0.2%p discount from the guarantee fee, calculated for each customer (for 6 years max)</td>
</tr>
</tbody>
</table>

1) Based on the criteria of new growth industry of the government, companies producing or having technologies on new growth 275 items in 9 themes
2) Companies meeting requirements of job creation companies, defined by KODIT
3) Companies qualified for the criteria of promising services, adopted by KODIT
4) Companies having professional accreditation or ideas, the key to business start-up, as defined by KODIT

* Please refer to explanations on the other side of the material. For more details, please contact us.

Loan Process

@ KOTRA
Recommendation of Candidate Companies

@ Shinhan
Loan Consultation and Application

@ KODIT
Guarantee Evaluation & Issuance

@ Shinhan
Loan Execution

Contact
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General Notes for Loans
1) In extending loans, additional expenses may be incurred to customers including stamp charge (50%) and penalty for premature redemption when the loan is repaid earlier than maturity. Loan rate is decided, based on credit rate of customers and when the credit rate changes after loan extension, the loan rate may also change. 2) When the loan is not repaid after maturity, delay penalty will be charged, as defined in the loan agreement and the loan holder may be placed to disadvantage including registration on the list of credit information watch list. 3) For those not qualified for loans, including those on the list of financial institutions for extra credit management, loan extension may be restricted. 4) For more details, please visit the website or contact branches (or the Department of Foreign Investment Business).

Pre-reviewed by Compliance Officer No. 2018-2-1979 (2018.8.29~2019.7.31)
Companies running new growth businesses

Companies, producing or having technologies on 275 items in 45 categories in 9 themes, as defined in the New Growth Criteria of the Government

- 9 Theme Industries
  ① High-tech manufacturing/automobile ② Chemical/new materials ③ Energy ④ Environment/sustainable industry ⑤ Health/diagnosis ⑥ Information/telecommunication ⑦ Electric/electronic ⑧ Sensor/measurement ⑨ Culture/contents

Job creation companies

Companies contributing to job creation, Gazelles companies, companies with robust quality jobs and companies contributing to youth job creation

- Companies contributing to job creation: Companies subject to employment boost benefits of the government, companies recognized for robust contribution to job creation, those with higher than 10% job increase from the previous year, companies making a U-turn within 2 years

- Gazelles companies: Companies achieving KRW 4 billion revenue within 5 years since foundation (higher than 20% revenue increase in 2 years) having more than 10 full-time employees (higher than 20% growth in no. of full-time employees in 2 years)

- Companies with robust job quality: ‘Excellent Employment Companies’ designated by KODIT

Promising Start-up Companies

Start-up SMEs, having core accreditation, ideas, technologies or knowledge, the key to business start-up

- Professional qualification start-up: Those with professional certificates, professors, PhDs, researchers, working in production field, technology or expertise who have working experiences for certain years and now running (or preparing to start) business in the field

- Idea start-up: Those winning awards in start-up competition or having patents, utility model or design rights and companies recommended by the central or municipal government or public institutes

- Technology/Knowledge start-up: Next generation growth industries, technology intensive companies, green growth companies and knowledge-based companies

Promising Service Companies

Companies running service businesses defined in the Standard Industry Code of KODIT

- Companies subject to 180 Standard Industry Code of KODIT, including Culture/contents (29), health/medical (11), education (7), software (6), logistics (24), tourism (10), R&D/knowledge (59), environment/business service (34)