

KDB

Next-Generation Ship Finance

KDB Maritime Finance Center

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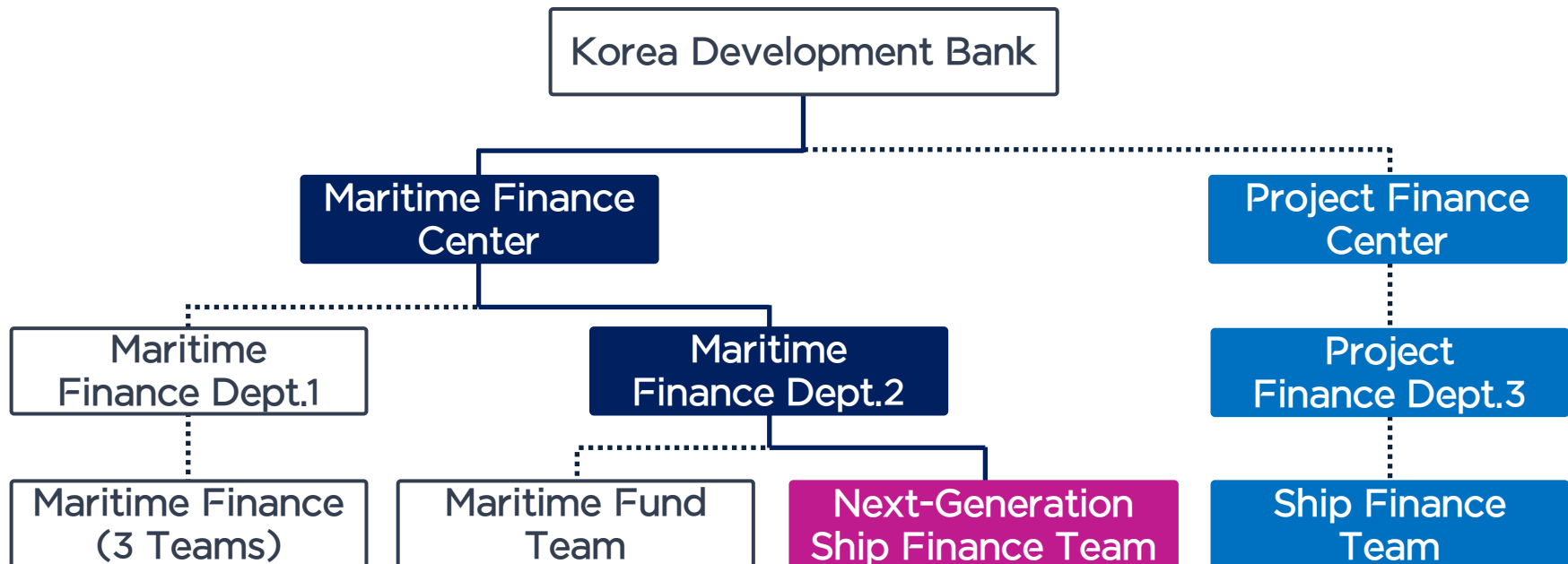
04 KDB's Green Ship Finance Products

Scope of KDB Ship Finance

Maritime Finance Dept.2 & Project Finance Dept.3 collaborate to provide comprehensive financial services tailored to the needs of both global and local shipping businesses.

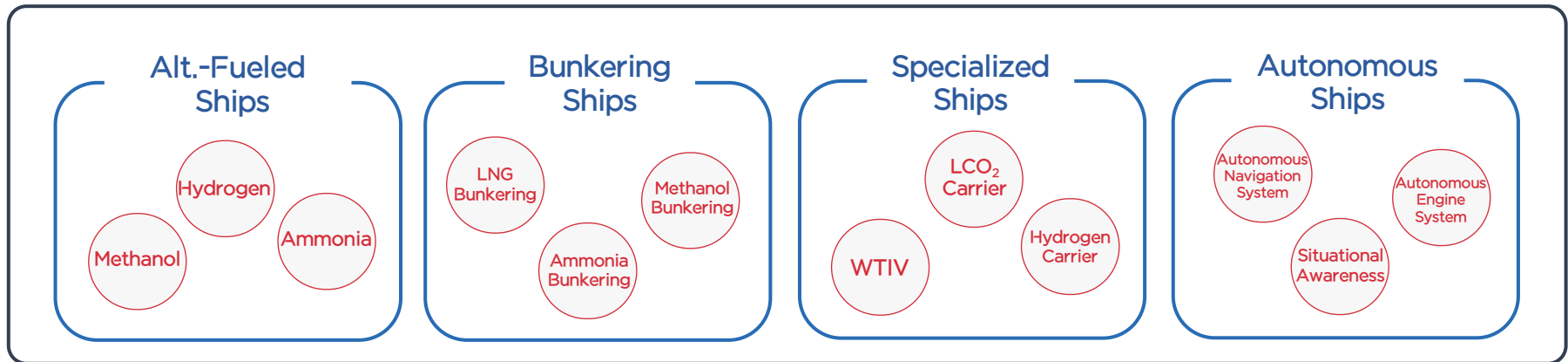
- Maritime Finance Dept.2, in particular, specializes in offering **Next-generation Ship financing** solutions.

Organization



Next-Generation Ship Finance

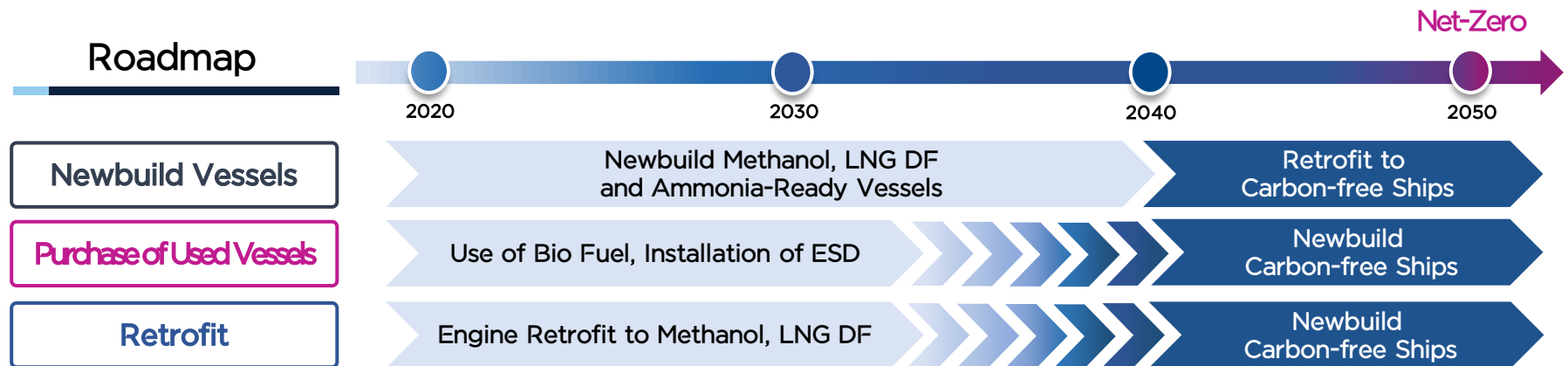
Types of Ships



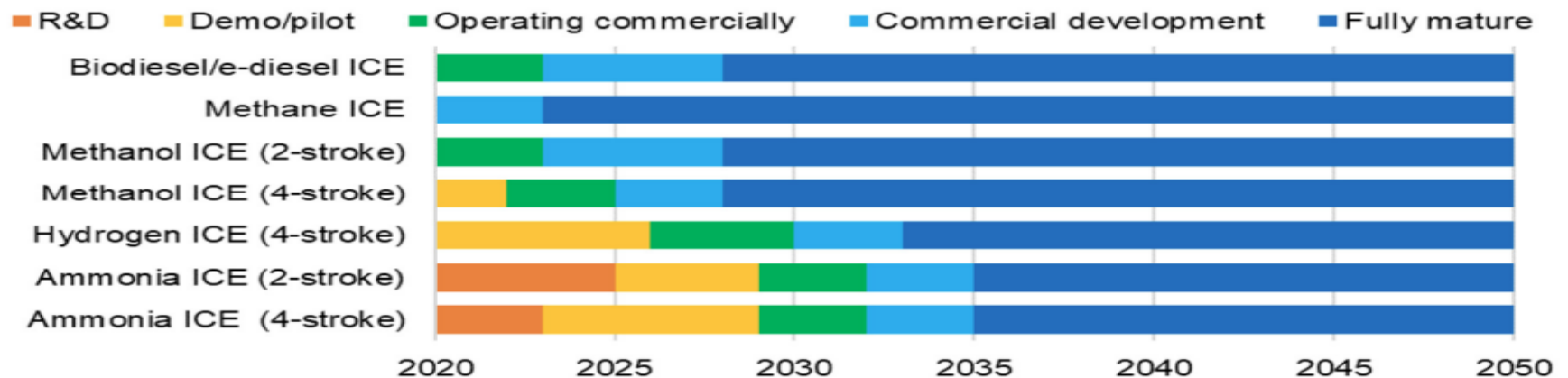
Major Projects in 2024

- One(1) LNG Bunkering Vessel for KLNG-KOGAS JV
- Six(6) Methanol DF PCTC Vessels for Eukor
- Two(2) WTIVs for Cadeler
- One(1) LNG Bunkering Vessel for KOLB

Roadmap to Net Zero

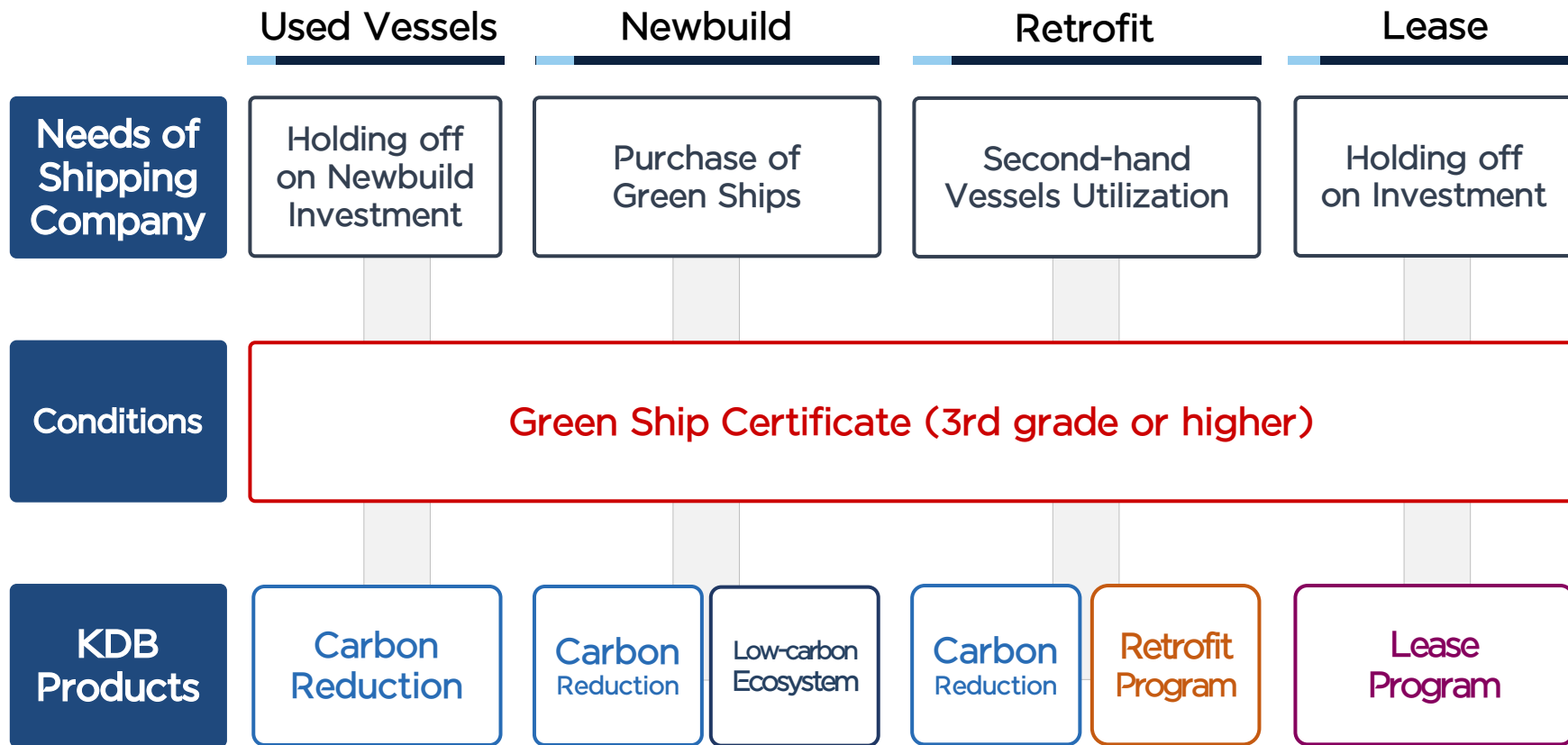


Forecast for Commercialization of Ship engines



Ricardo Energy & Environment and DNV(2023) Study on the readiness and availability of low-and zero-carbon ship technology and marine fuels. International Maritime Organization (IMO), Future Fuels and Technology Project. Available at: <https://greenvoyage2050.imo.org/wp-content/uploads/2023/08/Readiness-of-Low-Zero-Carbon-Marine-Fuels-Technology-Full-Report-v1.pdf>

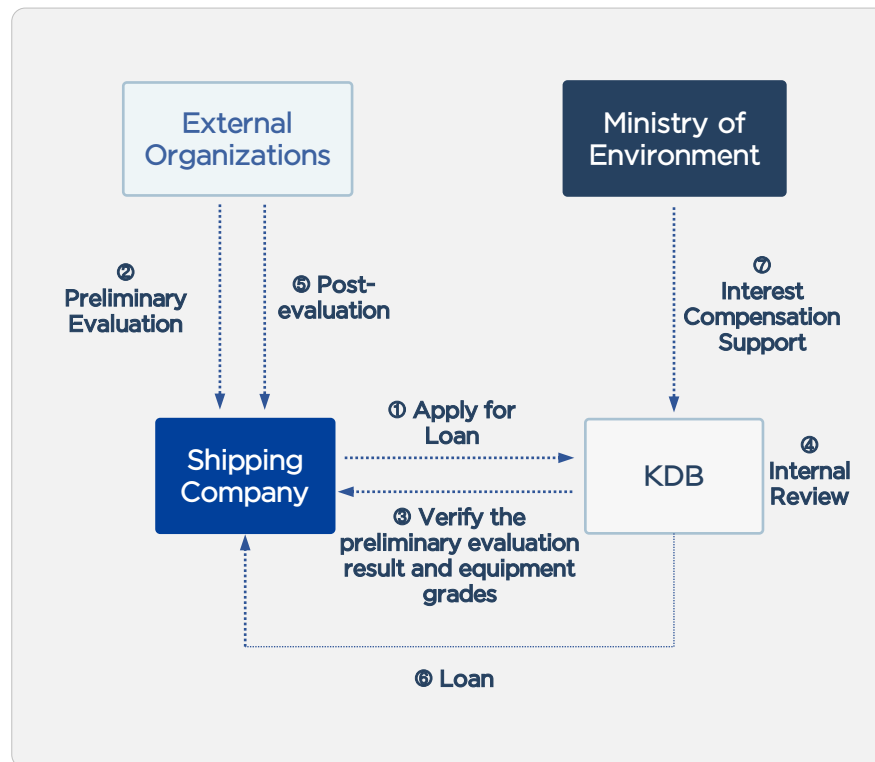
KDB's Green Ship Finance Products



(KDB Loan) Carbon Reduction

Providing necessary funds for capital expenditures related to the reduction of GHGs emissions and energy consumption, offering an interest discount of up to 1.50%p p.a..

Product Structure



Features

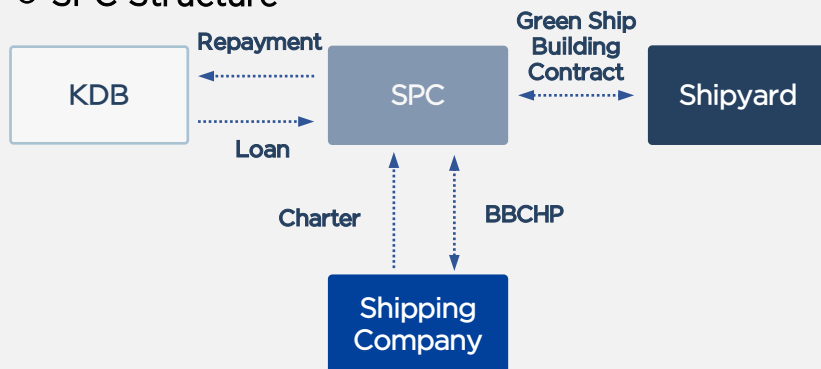
- **Loan Target**
Ships with Green Ship Certificate of grade 3 or higher (Retrofit, Newbuild, Used ship)
- **Loan Limit**
No limit per transaction or company (in KRW)
- **Loan Period**
Up to 10 years
- **Interest Rate***
Preferential rates and interest subsidies based on the level of contribution to GHG reduction
- **Others**
Carbon reduction verification will be conducted by external organizations after installation

(KDB Loan) Low-Carbon ecosystem

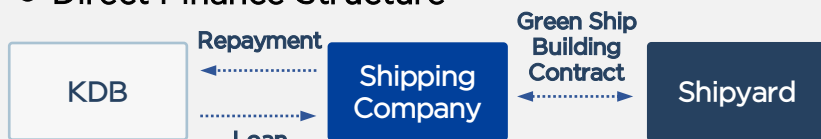
Providing necessary funds for capital expenditures related to fostering a low-carbon ecosystem.

Product Structure

○ SPC Structure



○ Direct Finance Structure



Features

○ Loan Target

Ships with Green Ship Certificate with 3 or higher
(Only applicable to newbuild vessels)

○ Loan Limit

No limit per transaction or company
(in KRW, USD, JPY, EUR)

○ Loan Period

Up to 20 years

○ Interest rate **

(KRW)

up to a 0.40%p p.a. discount
(0.90%p p.a. for small and mid-sized company)

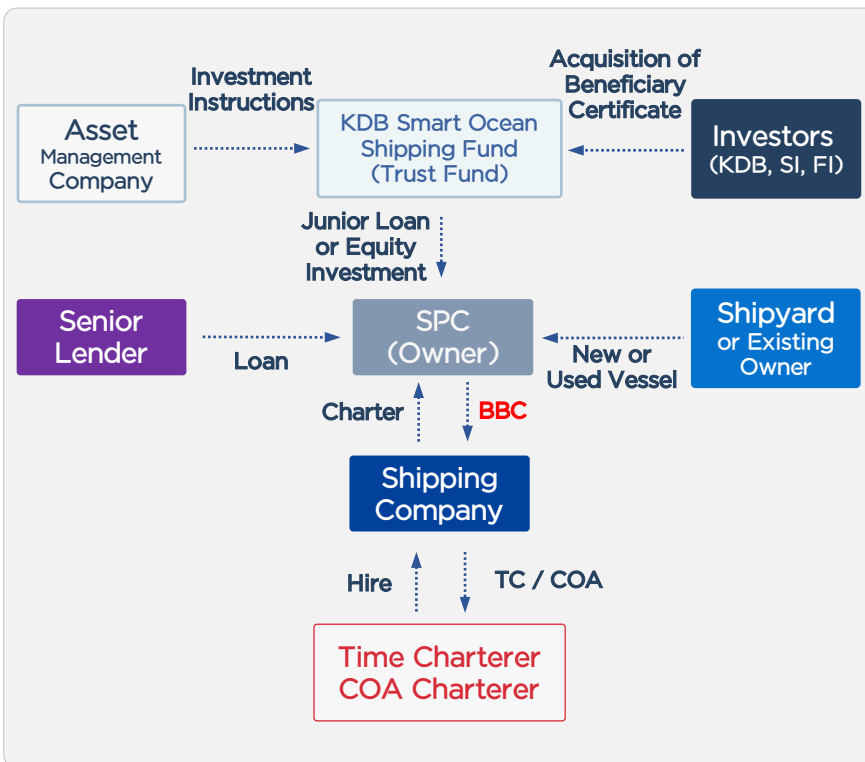
(USD, JPY, EUR)

up to a 0.20%p p.a. discount
(0.30%p for small and mid-sized company)

(KDB Fund) Lease Program

Supporting small and mid-sized shipping companies in acquiring green ships through an operating lease structure.

Product Structure



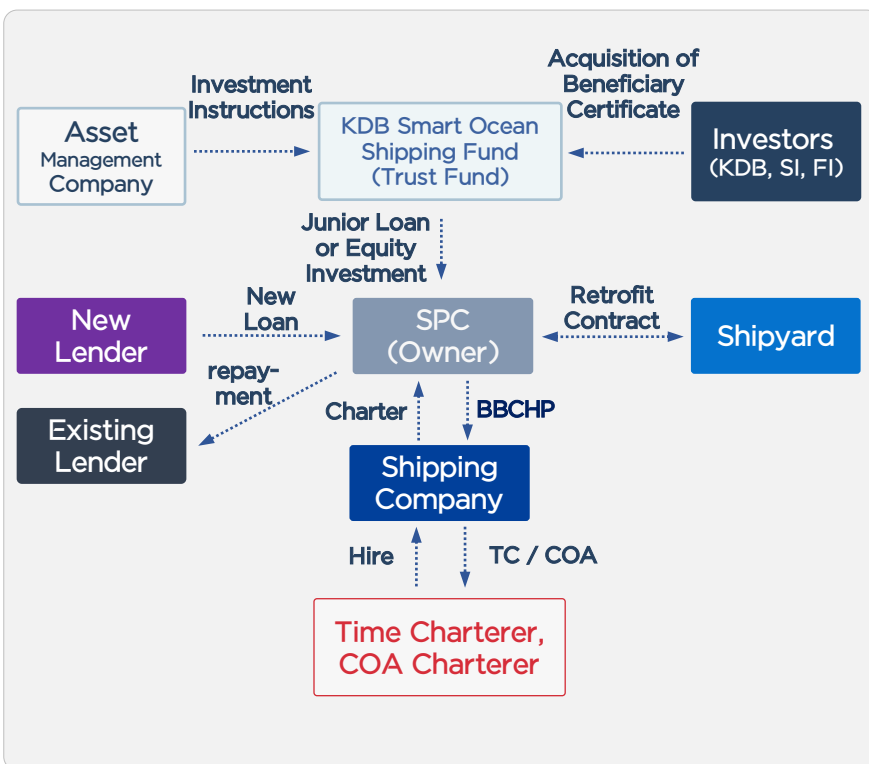
Features

- **Fund Target**
Small and mid-sized shipping companies
- **Types of Vessels**
Bulkers and tankers
- **Charter Period**
Cannot exceed 60% of a vessel's economic life.
Basic lease term(5-7yrs) + extension option(3-5yrs)
- **Fund Size**
Total of U\$1.4B (KDB limit : approximately U\$0.98B)
- **Types of Support**
Fund investment

(KDB Fund) Retrofit Program

Providing funds for the green retrofitting of ships to facilitate regulatory compliance in achieving Net-Zero.

Product Structure



Features

- **Fund Target**
Retrofits for hull Structures and machinery, including engine replacement.
- **Fund Size**
Total of U\$1.4B (KDB limit : approximately U\$0.98B)
- **Types of Support**
Fund investment
- **Others**
Provides refinancing for existing loans, including additional investment costs.

Carbon Reduction Interest Rate [Base rate + Margin - Preferential rate]

Base rate	(KRW) CD(3M), KDB Bonds(6M, 9M, 1Y and others)
Margin	Sum of the credit risk premium based on the customer's credit rating, KODIT contribution rate, education tax conversion rate, administrative cost and others.
Preferential rate	Preferential rates and interest subsidies based on the company's size and the evaluation grade(A-B grade) of contribution to GHGs reduction in the projects.

(%p p.a.)

	Small-sized	Mid-sized	Affiliates and others
A grade	△1.50	△1.30	△0.80
B grade	△1.40	△1.20	△0.70

※ (A grade) Capital expenditures in line with the 22 green economic activities** under the K-Taxonomy*
 (B grade) Capital expenditures in other equipment capable of reducing GHGs and energy consumption

* Available for verification on the Ministry of Environment(<http://me.go.kr>) or KEITI(<http://www.keiti.re.kr>)

** Compliance with activity standards and recognition criteria is required

Low-Carbon Ecosystem Interest Rate [Base rate + Margin - Preferential rate]

Base rate	(KRW) CD(3M), KDB Bonds(6M, 9M, 1Y and others) (USD, JPY, EUR) 3M Term SOFR(USD), 3M TORF(JPY), 3M Euribor(EUR), Swap rate by notified currency(USD, JPY, EUR) and others
Margin	Sum of the credit risk premium based on the customer's credit rating, KODIT contribution rate, education tax conversion rate, administrative cost and others.
Preferential rate	(KRW) up to a 0.40%p p.a. discount (0.90%p p.a. for small and mid-sized company) (USD, JPY, EUR) up to a 0.20%p p.a. discount (0.30%p for small and mid-sized company)

KDB Chief Compliance Officer Approval No. 2024-10-0004 (2024.10.25~2025.10.24)

- Please ensure to read the product memorandum and the terms and conditions before signing the contract.
- Loan limits and interest rates may vary depending on the financial consumer's creditworthiness, including credit rating, and the loan may be subject to restrictions.
- For products subject to a limit, the limit may be exhausted early.
- No revenue stamp fees are required for loans of up to KRW 50 million; however, any amounts exceeding this will be subject to revenue stamp fees on a tiered basis, with both the Bank and the financial consumer sharing the cost equally at 50%. Additional costs may arise, the details of which can be inquired about at the financial consumer's banking branch.
- Repayment of the loan can be made either as a lump sum or in installments, while interest payments will be made at set intervals (e.g., monthly) on a scheduled interest payment date.
- A prepayment fee may apply if the loan is repaid early but will be waived if three years have passed since the initial loan date.
 - $\text{Prepayment fee} = \text{Prepaid Principal Amount} \times \text{Prepayment Fee Rate} (1.2\% \text{ p.a. for floating-rate loans, } 1.4\% \text{ p.a. for fixed-rate loans}) \times (\text{Remaining Days of the Loan} / \text{Loan Period})$
- In the event of a delay in loan repayment or interest payment, a penalty interest rate will apply ([as of October 23, 2024] benchmark interest rate +3%, with a maximum of 15% p.a.). The financial consumer may be required to repay the entire principal amount along with interests before the loan term expires, and they may face credit and financial consequences.
- The financial consumer has the right to request a reduction in the interest rate from the Bank if they believe their credit situation has improved (e.g., enhancements in financial status, credit score, etc.) and can provide proof.
- The financial consumer is entitled to a full explanation of the product.
- If the loan amount exceeds your repayment ability, your personal credit score may decline.
- A decrease in your credit score may result in disadvantages related to future financial transactions.
- The content of this advertisement is based on information as of October 23, 2024, and may change due to market conditions.
- This advertisement complies with the procedures required by applicable laws and internal control standards.
- For other restrictions and detailed information about eligibility, please contact Maritime Finance Dept. 2 of KDB.

Thank you