



2017 KOSAF ANNUAL REPORT



“Your Dream
Comes True, Definitely”

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2017 KOSAF ANNUAL REPORT

“Your Dream
Comes True, Definitely”

Greetings from the Chairman

Hello?

I am Lee Joung-Woo, Chairman of the Korea Student Aid Foundation.

The KOSAF is a quasi-governmental organization established in 2009 to provide opportunities to those with their will and ability for higher education regardless of economic conditions. Since its establishment, the Foundation has implemented a variety of programs to alleviate the burden of higher education costs, improve student welfare, and cultivate future talents.

In 2017, we provided 4 trillion won worth of national grants to 1.1 million students per year, along with 1.8 trillion won in student loans to 620,000 students annually, with efforts to cut student loans. In addition, we opened our first student residential complex by private donations for university students' housing welfare, resulting in a variety of achievements that enable more students to devote their time to studying, away from the the burdens of tuition and housing expenses.

This annual report was produced to share transparency with the results of the government financial support policy and communicate with the public to ensure transparency in the work of the foundation and contribute to better policy formulation. I hope that this year's report will serve as a ladder of hope and opportunities for young people who have difficulty in studying due to economic conditions.

I hope that English version of this booklet will be a milestone for the establishment of desirable financial support policies abroad.

In the future, the KOSAF will put more effort to tackle the underprivileged classes that are blind in education, and will try hard to reduce the burden of universities, students, and parents. Thank you.

Korean Student Aid Foundation

Chairman, Lee Joung-Woo 李俊宇



KOSAF ANNUAL REPORT



Chapter 1

KOSAF Status and Direction

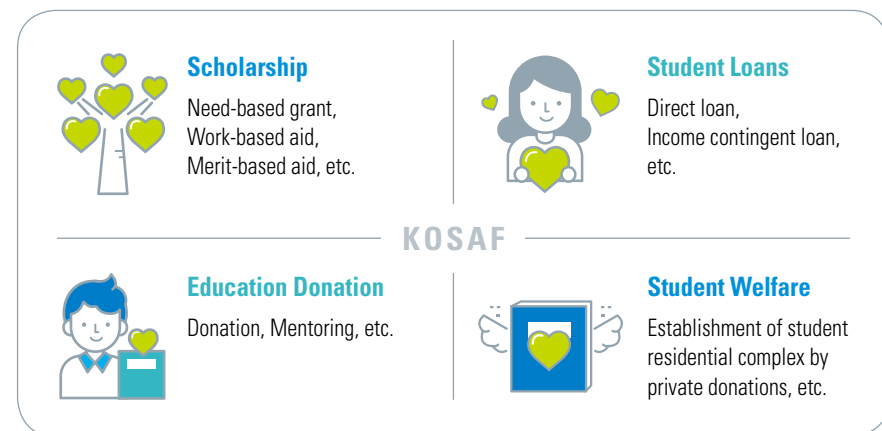
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Vision and Core Values

Vision and Core Values

The KOSAF is a quasi-governmental organization that conducts national grants projects, student loans projects, excellence scholarship projects, and student welfare projects so that anyone, regardless of their economic conditions, can have higher education opportunities depending on their will and ability.



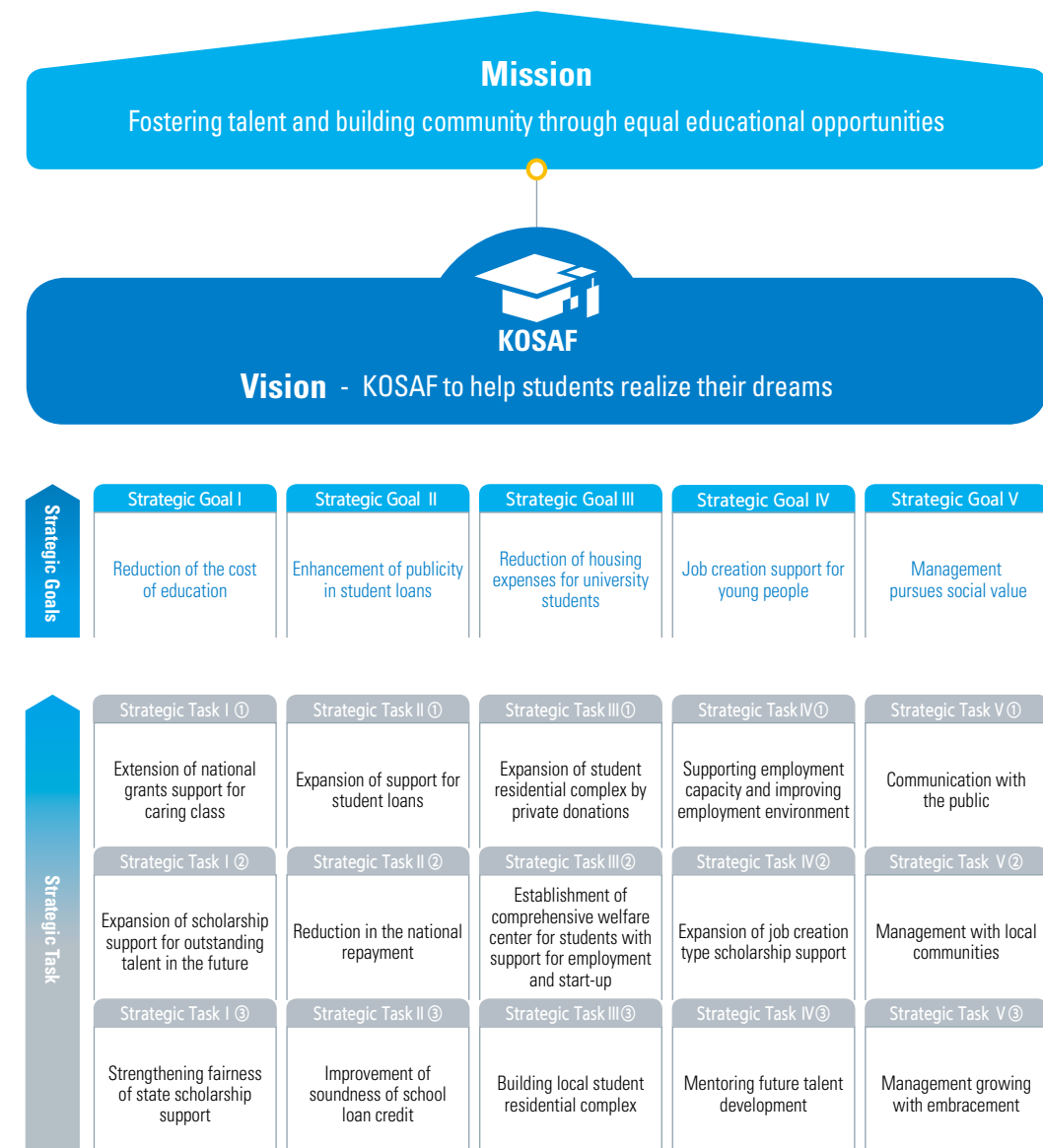
Purpose of Establishment

Scholarships and student loans are efficiently managed so that anyone can have higher education opportunities depending on their will and ability regardless of economic conditions.



Mission, Vision and Management Goals

Mission, Vision, 5 Strategic Goals, and 15 Strategic Tasks were established and organically linked while considering changes of business environments in the nation or abroad including governmental affairs.



Executives and Major Committees



Chairman
Lee, Joung Woo

- Professor Emeritus, Kyungpook National University
- Professor, Department of Economics and Commerce, Kyungpook National University
- Presidential Policy Specialist and Policy Planning Committee Chairperson
- Policy Director of the Presidential Secretariat



Executive Director
Lee, Kye Young

- Vice-Governor of Education, Jeju special self-governing provincial office of education
- Division Manager, Research and Development Division of Institute for Unification Education.
- Secretary General, The National Academy of Sciences, Republic of Korea



Executive Director
Cho, Sung Cheol

- Manager of Accounting, Fiscal Management Bureau of Ministry of Economy and Finance
- Manager of Budget security, Budget Office of Ministry of Economy and Finance
- Manager of Budget managing, Budget Office of Ministry of Economy and Finance

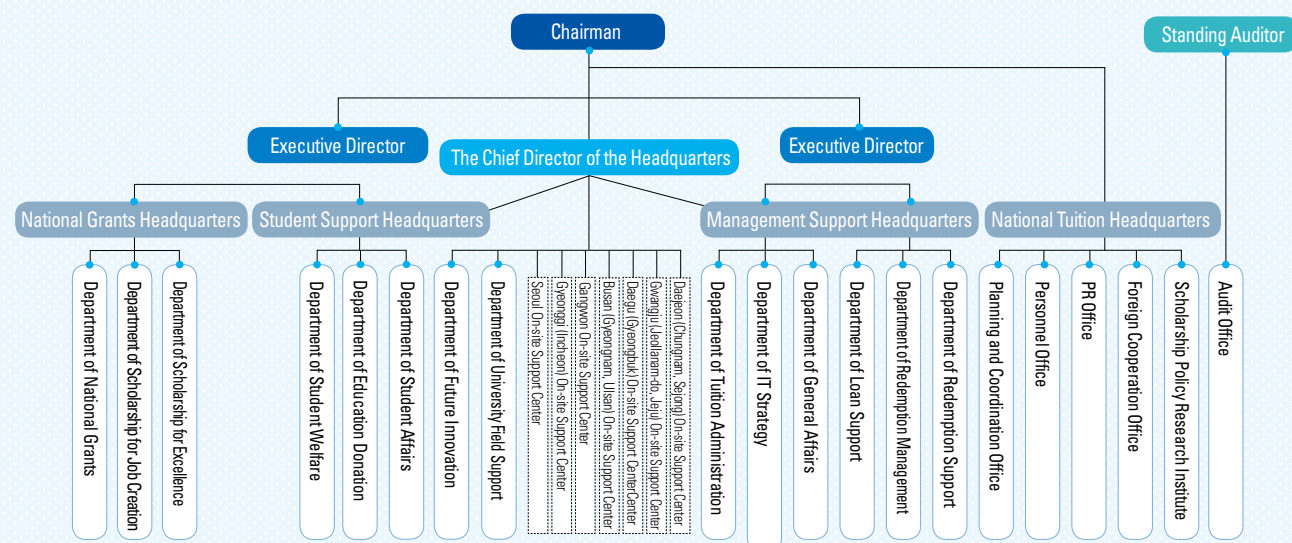
Board of Directors

The Board of Directors of the KOSAF, composed of 3 executive directors members and 9 non-executive directors, is the highest decision-making body of the foundation. It resolves important issues concerning the foundation's basic policy and decides its execution.

Standing executives	<ul style="list-style-type: none"> • Lee, Joung Woo, Chairman of KOSAF • Lee, Kye Young, Executive Director of KOSAF • Cho, Sung Cheol, Executive Director of KOSAF
Non-executive directors (Ex officio)	<ul style="list-style-type: none"> • Shim, Min Chul, University Academic Policy Officer, Department of Education • Choi, Sang Dae, Social Budgeter, Planning and Finance Department • Kim, Tae Hyun, Director of Financial Policy Bureau, Financial Services Commission
Non-executive directors (Commissioned)	<ul style="list-style-type: none"> • Lim, Yeon Gi, Professor, Department of Education, Kongju National University • Chae, Jae Eun, Professor of Public Administration, Gachon University • Kang, Myeong Sook, Professor, Department of Teaching, Baejae University • Um, Chang Ok, Professor, School of Economics and Commerce, Kyungpook National University • Lee, Won Chang, Attorney at Daegu Law Firm • Chang, Ji Ho, Professor, Department of Public Administration, Hankuk University of Foreign Studies

Organization

- 4 Headquarters 20 Divisions 7 On-site support centers



Major Committees

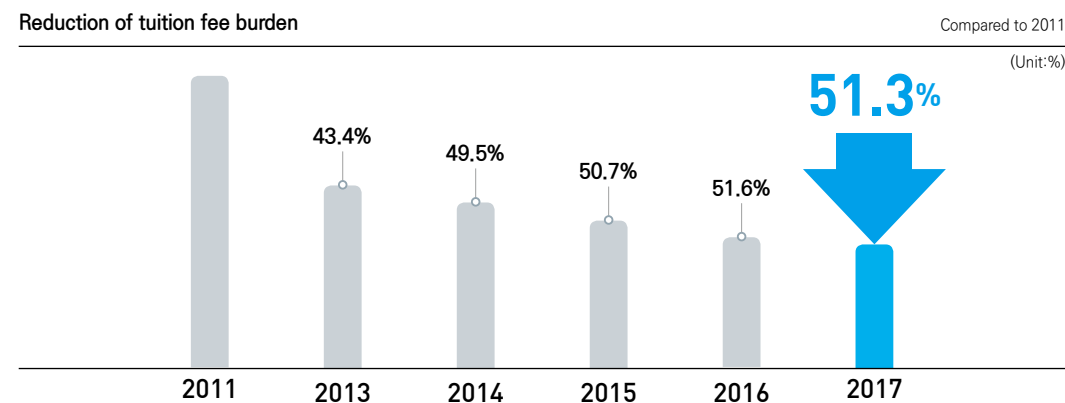
Executive Recommendation Committee	<ul style="list-style-type: none"> • Decide how to recruit executive candidates • Conduct Candidate Screening • Recommend candidate for officers pursuant to Article 26 of the Act on the Operation of Public Agencies • Discuss contractual matters with the presiding candidates and notify the Minister of Education
Risk Management Committee	<ul style="list-style-type: none"> • Deliberate on basic policy formulation for risk management • Establish limits on risk propensity, total risk capital, and risk type • Revise of risk management regulations
Asset Management Review Committee	<ul style="list-style-type: none"> • Deliberate on matters concerning the establishment and amendment of asset management guidelines • Deliberate on the asset management strategy • Deliberate on asset management evaluation and risk management • Deliberate on fund operability and evaluation
Ethics Management Committee	<ul style="list-style-type: none"> • Decide important policies decisions on ethical management promotion • Handle matters concerning the implementation of the Code of Conduct • Deliberate violations of employees' integrity obligations • Deliberate the decision on whether to disclose the internal regulations
Customer Satisfaction Committee	<ul style="list-style-type: none"> • Establish an annual master plan to promote customer satisfaction • Handle matters concerning the operation of the counseling center and evaluation of the service level • Amend Customer Charter

2017 Major Business Performances

We are working on various projects so that future talents can unleash passion and talents.

Maintain income-linked national grants policy to reduce tuition fee burden

- A total of 7.2 trillion won has been provided by the continuous support of the National grants (3.65 trillion won in 2016 → 3.63 trillion won in 2017), the government-funded scholarship (4 trillion won), and the university's own efforts (3.2 trillion won). In 2011, 51.3% of the total amount of the college tuition (14 trillion won) was given differently according to the income level of the applicants.



※ Reduction of tuition fee burden (Compared to 2011): (2013) 43.4% → (2014) 49.5% → (2015) 50.7% → (2016) 51.6% → (2017) 51.3%

- The operation of "Grade-C warning system" has been extended (1 time → 2 times) to support the National grants, up to twice, to low-income students even if they fall short of the grade required for the grant.
- To reduce the burden of tuition fees for multi-child family households, Multi-child Family (eligible from the 3rd child) National Grant has been extended to fourth grade.
- Improvement on the fairness of the National grants support by introducing "Foreign income and property report" for foreign nationals and strengthening the restriction of the National grants support for the university and students receiving scholarship through fraud.

Strengthening fairness in selection of financial support by improving Income Segmentation System

- Introduction of preliminary announcement of income interval (quintile) boundary value to enhance fairness of income interval
 - The income quintile value is calculated in conjunction with the median income announced by the Ministry of Health and Welfare. Since 2017, the income quintile value has been published in advance on the homepage so that students and parents can predict beforehand whether the National grants will be available to students and parents.
- The transparency of the process of calculating the income quintile has been enhanced by strengthening regulations on admission for foreign nationals who were able to receive school expenses even if they did not report overseas income or property.
 - For overseas students who do not voluntarily declare overseas income or property from the first semester of 2017 academic year, they have been excluded from the scholarship fund support as well as clawed back their scholarship.

Reduce the interest on university student loans by lowering the interest rate on student loans

- Decreased 0.25%p of the student loan rate from 2.5% per annum in the first semester of 2017 to 2.25% per annum, reducing the interest burden of about 9.4 billion won to 1.3 million students
- Efforts to maintain low interest rate policy on student loans in order to reduce the interest burden on student loan, which is the national government affair, despite the increasing tendency of the US benchmark interest rate and the average lending rate of commercial banks.

Status of reduction of student loans rate (Unit:%)

Semester	'09-2	'10-1	'10-2	'11-1	'12-1	'13-1	'15-2	'16-2	'17-2
Interest rate	5.8	5.7	5.2	4.9	3.9	2.9	2.7	2.5	2.25

Construction of student residential complex by private donations and alleviation of the burden of housing for university students

- In order to provide stable living space for university students, "Student residential complex by private donations" was constructed by using donation.
 - The first student residential complex was constructed by receiving real estate property from the Ministry of Education and the Ministry of Strategy and Finance etc., and funds from the 20 member companies of the National Bank Association.

- The residence fee is set at 150,000 won per month for 2 people per room.
 - Collaborating with universities to support housing scholarships (50,000 won)
- Collaborating with Goyang-si to promote community development programs such as personality education, job development, capacity development, and financial aid consultations through public relations for local residents.
- Providing open library and community space for communicating and exchanging with local residents.

Expansion of Work-based aid to improve employment capacity of university students

- Expanded support for national work-study program to improve the stable academic conditions of low-income students and increase their employment capacity (227.1 billion won in 2016 → 250.1 billion won in 2017)

Annual status of the national work-study program

Year	2013	2014	2015	2016	2017
Budget	139 billion won	174.5 billion won	185.9 billion won	227.1 billion won	250.1 billion won

※ Excluded students' youth education support project and Multi-cultural & North Korean Defectors students Mentoring Program

- To improve the employment capacity of students under national work-study program, total of 34 universities were selected to be supported with 12 billion won in 2017 for the system of "career-oriented specialized universities" that we operated from 2015.

Creation of an environment to prevent multiple financial support to return evenly to students who need school tuition.

- Establishment of guidance system for eliminating multiple application for support, systematizing redundant support aftercare by establishing criteria such as recourse procedures including legal measures for graduates.
- Joint expansion of multiple application system's data processing with major institutions and increase in the number of participating institutions through holding regional business presentation.
 - Provided essential information for college life such as tuition, scholarships, housing, overseas study and training, employment and certification information etc.
- Improved student support information service to provide customized student financial design service focused on consumer.
 - Provided essential information for college life such as tuition, scholarships, housing, overseas study and training, employment and certification information etc.

Expanding on-site support centers by region (4 → 7 locations), stabilizing operations and alleviating staff workload

※ New installation of Gyeonggi, Gangwon and Daejeon centers, increasing from 4 sites in 2016 to 7 sites in 2017

※ The average inspection university per center was decreased by 25% from 52 schools in 2016 to 39 schools in 2017.

- Providing services such as briefing sessions and meetings for college and related organizations to increase customer communication and improve policy experience
- Improvement of appropriateness and transparency of national budget execution by reducing college repayment through the preparation of college site monitoring manual and preventive education

Enhanced customer satisfaction through active communication efforts

- Enhancing on-site and customer-oriented activities to provide customized contents on scholarship and tuition policies and visiting on-site service by classifying targets such as university students, parents, and potential university students.
 - (Customized briefing session: new students) Held a university-visit presentation session by region and supported the university's own briefing session in order to raise the understanding of the financial support system.
 - (Counseling booth: current student) Operated the daily support counseling booth at the university site.
 - (Entrance Fairs: potential university students) Collaborated with local governments and the Education Office to participate in admission and admission career fairs by region.
 - (University student public relations ambassador: current student) Promoted on-site publicity by publicizing ambassador of 300 college students nationwide and informing the foundation's business and purpose.

Activation of donation business

- Accumulated 53.5 billion won in donations and 2.5 billion won was given to scholarships to eliminate blind spots in education.

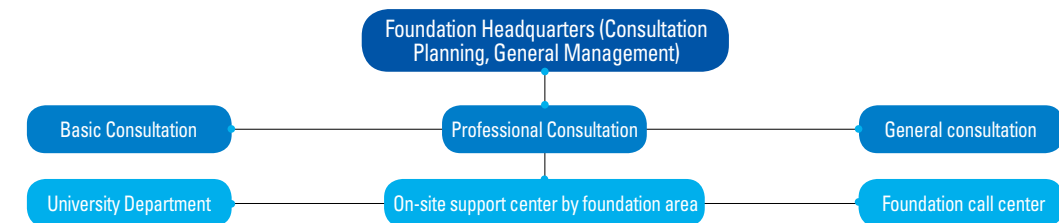
Strengthened publicity for the whole nation to secure national trust

- Establishment of a comprehensive support system for financial aid to promote public awareness of the nation by utilizing various public relations channels for each target
- Promoted awareness of National grants to potential beneficiaries through on-site publicity in primary, middle and high schools
 - Provided the role of public relations ambassador for students under national work-study program who are mentoring elementary, middle and high school students.
 - Created customized promotional posters for elementary, middle and high school and distribute them to elementary, middle, and high schools nationwide
- Cooperated with on-site support center and university student ambassador to expand publicity coverage nationwide
- Established a cooperation system with EBS, local government, and local media to enhance public relations effectiveness
 - Joint development and production of educational contents through the signing of business agreement with EBS, promotion of National grants promotion campaign
 - Collaborated with loan interest supporting institutions, donors, and local governments to co-promote educational funding policies.
- Strengthened online promotion by utilizing new social media channels.
 - Searched and utilized new social media promotion channels such as Podcast Radio Advertisement, Instagram, etc.

Operated a consultation center to reach customers

- Established and operate on-site customer satisfaction consultation system to provide prompt, accurate and friendly high quality consultation service
 - Establishment of on-site support centers to 7 regions and convergence operating system of call centers to strengthen accessibility of customer consulting service
- Establishment of customer-friendly financial support system by deducing and checking customer satisfaction management improvement project using VOC
 - VOC meetings are held regularly to share customer complaints closely with the business department and draw up improvement plans (Held VOC council 4 times)

Customer satisfaction counseling system



Expanded customer incentive system for good redeemers to improve redemption rate

- Expansion of the customer incentive system for good redeemers which is a policy to give additional credit points for students who redeem the direct loan in good faith into Income Contingent Loan
 - (Direct Loan) Additional credit point given to about 20,000 out of 770,000 good redeemers in 2017 (about 8,000 people had credit rating increased)
 - (Income Contingent Loan) Additional credit point given to about 8,000 people out of 180,000 good redeemers in 2017 (about 3,000 people had credit rating increased)

Put efforts in voluntary pre-debt adjustment to reduce redemption burden, diversification of redemption method

- Redemption of borrower's interest payment by improving the system so that the student can redeem the principal after deducting the voluntary repayment after the commencement of the repayment of Income Contingent Loan
- Pre-workout system allowed 938 people (4,390 cases) overdue borrowers to receive voluntary pre-debt adjustment prior to credit risk information registration
- In case of transfer of card points, Income Contingent Loan, agreement of student loan redemption by a third party's transfer, untact method has been granted to provide redemption convenience (intact → intact, untact).
- Supported 77,408 cases through which the borrower can change the terms of the loan (loan term, payment date, redemption method) in consideration of the financial situation of the borrower

Enhancement of user convenience in redemption of student loan by collaboration with government agencies and other financial institutions

- Constituted a consortium with the National Tax Service and the Ministry of Education to establish a mutual system for the purpose of supporting the deduction of principal and interest redemption tax credits by continuing efforts to improve the loan redemption system

Alleviate borrower's burden by allowing divided redemption arrangement for the person who is subject

- Previously, the provisional attachment was released only when the full redemption is made, but it is changed to the way to support the economic recovery of subject of the provisional attachment by allowing the dividend payment arrangement from May 2017
 - Signed 294 contracts (2,673 million won) since May, 2017

Expansion of reduction of delayed compensation for debt adjustment in order to reduce the debt burden on the borrower

- Expansion of credit recovery base for non-promisers of instalment by expanding reduction of debt adjustment delay compensation
 - Reduction of the redemption burden of about 100 million won per year occurs when 1.5%p reduction in debt adjustment delay compensation is applied.

Expansion of reduction of delayed compensation

Items		Debt adjustment delay compensation	
		Previous	Improved
Divided redemption by no-property and no-income	1st payment of 2% or more ~ less than 10%	6%	4.5%
Redemption by instalment by middle-sized company worker	1st payment of 2% or more	General 6% Plan 4.5%	4.5%
Special bonds without recourse gain such as an immunity determiner etc.	1st payment of 2% or more	3%	2%

Income Contingent Credit Recovery Service (ICCRS) expanded to external credit recovery support system

- Expansion of existing collaborative business centered on private companies to 3-Track including local governments, public corporations, public institutions, and successful employment package of the Ministry of Employment and Labor
 - (Support for public-linked credit recovery support) Provide the first payment of bad debtors or full payment of small debtors through donations from local governments, public institutions, public corporations, and the foundation
 - (Supporting the personalized employment linked credit recovery) Linked successful employment package (Ministry of Employment and Labor) from vocational education and counseling to actual employment to help bad debtors find the right job for themselves

Arranged a leap forward for "Trusted KOSAF" through systematic ethical management system

- Proactive efforts to prevent corruption by revising preemptive regulations for the improvement of vulnerable sectors and strengthening customized anti-corruption and integrity education
- Continuous monitoring of ethical management through various inspection activities of internal integrity executing organization and benchmarking of external excellent integrity institutions



2017 Highlights

We present hope of learning.
We support tomorrow of learning.

January 2



2017 Kick-off meeting

In celebration of the New Year, employees made a resolution to reduce tuition fees for university students and parents.

February 7



National grants Talent Corps Camp

A National grants talent volunteer camp was held for college students who were supported by the National grants to share their talents and knowledge in learning, career counseling, and so on.

February 23



Korea-Japan Student Financial Aid Policy Seminar

On February 23, the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the Ministry of Education, and the KOSAF held an international seminar on the Korea-Japan Student Financial Aid to discuss educational welfare policies at the Seoul office of the KOSAF.

March 3



Work Agreement with Korea Employment Information Agency

The KOSAF, together with the Korea Employment Information Agency, has signed a business agreement to promote employment for young people.

March 22



Opening Ceremony for Daejeon On-site Support Center

Daejeon on-site support center opened to further provide visiting service to students in Daejeon, Chungnam, Chungbuk and Sejong area.

April 6



Opening Ceremony for student residential complex

The opening ceremony of the "KOSAF- Bank student residential complex" was held. The building is built in joint with the KOSAF, and the first one is located in Goyang City, Gyeonggi-do, which was established by private donations.

April 27



8th Anniversary Ceremony

In May, 2009, the 8th anniversary of the foundation, employees gathered to share their accomplishments and to renew their resolutions.

May 15



Contract Agreement with the Korean Armed Forces Finance Team

The KOSAF has signed a business agreement with the Korean Armed Forces Finance Team to establish a mutual cooperation system to support military funding for soldiers and their children and to prevent redundant support.

June 22



Starting Ceremony of the 6th "Dream Challenger toward the World"

The starting ceremony of the 6th "Dream Challenger toward the World" was held to let the members to make their dreams come true in 5 Oceans and 6 Continents.

July 4



National University Scholarship, Student Loans Council Workshop for the First Half of 2017 Academic Year

The KOSAF held a joint workshop in the first half of 2017 academic year with the National University Scholarship and Student Loans Council, and held direct communication with university faculty members.

September 23



2017 KoMent Leader Mentoring Leadership Concert

The KOSAF held the 2017 KoMent Leader Mentoring Leadership Concert event on September 23 at KINTEX, Ilsan, with the theme of "Talent, Sharing, and Beginning of Change, Leading the Future Republic of Korea".

October 18



Starting Ceremony of Overseas Exploration of Blizzard Blue Lighthouse Scholarship Students

The starting ceremony of 2017 overseas exploration of Blizzard, "Realize Your Dream" was held at Seoul office of the foundation for the purpose of giving a global mind to Blizzard Blue Lighthouse scholarship students.

November 7



The 6th International Student Fund Forum

With a subject of "Searching the direction to support residential welfare of university students for establishing comprehensive scholarship support system," a number of experts from university students' residential welfare supporting institutions in Korea, France, and Germany gathered and had an enthusiastic discussion.

November 9



2017 "Hanmaeum" Workshop

The members of the foundation gathered in one place to share the results of the financial support policy and future direction, and strengthened the cohesion.

November 16



Grand Prize Won from Korea Internet Communication Award · Social Media Award

The KOSAF was awarded the grand prize for the social media sector and the Internet communication subject among the quasi-governmental organizations in the 10th Korea Internet Communication Award · Social Media Award.

December 8



Meeting Held to Improve the Policy on Interest Rate Support by Local Governments

At the meeting on the theme of the business on interest rate support by local governments, we had time to communicate about improvement direction of the support project with local government officials and municipalities.



2017 Trend of Higher Education

Average tuition fees (4-year tuition, compared to 2011)

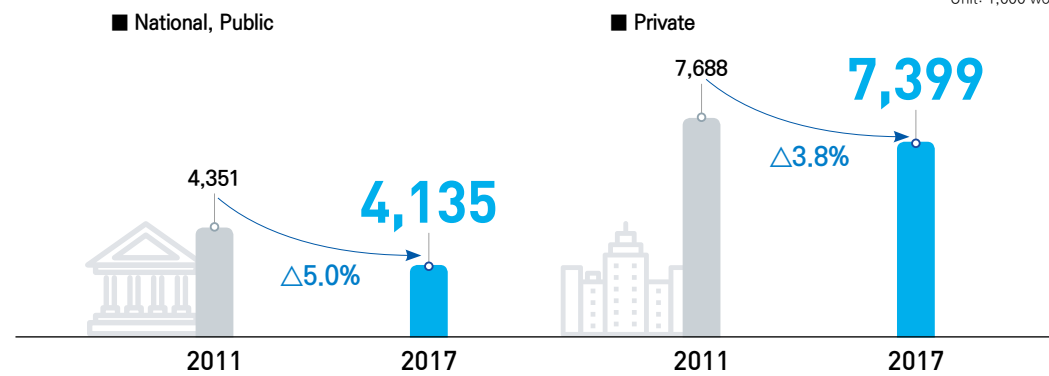
Since the introduction of the National grants, the rate of increase in tuition fees has remained stable.

- The enrollment fee for national and public universities has been abolished by the implementation of the national affairs project ('gradual abolition of the university enrollment fee'), and for the private university enrollment fee, the rest amount except for the actual cost is expected to be reduced gradually within the next five years.

Average tuition fee

over 4 years

Unit: 1,000 won



Average tuition and average enrollment fee in 2017

(Unit: 1,000 won, Annual amount)

Item	Average Tuition Fee			Change Rate	Average Enrollment Fee		
	2011	2017	Change Rate		2011	2017	Change rate
over 4-year	National/Public	4,351	4,135	Δ5.0%	166	149	Δ10.2%
	Private	7,688	7,399	Δ3.8%	793	773	Δ2.5%
	Total	6,947	6,663	Δ4.1%	650	634	Δ2.5%
2-year	National/Public	2,831	2,355	Δ16.8%	280	281	0.4%
	Private	6,208	5,987	Δ3.6%	673	659	Δ2.1%
	Total	6,143	5,918	Δ3.7%	665	652	Δ2.1%

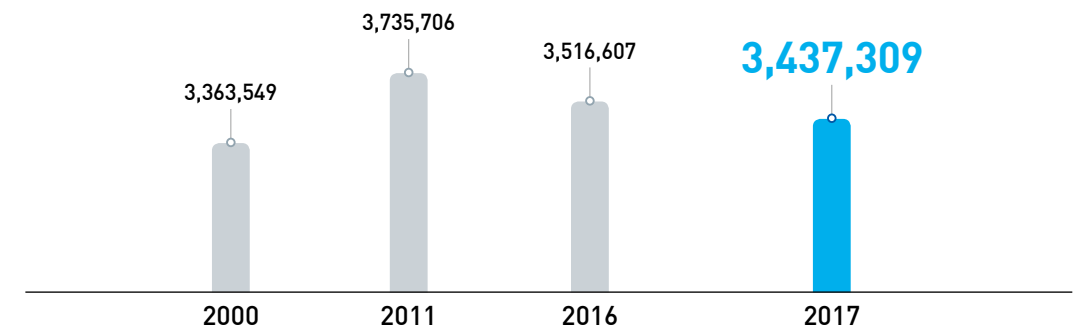
※ Excluding universities changed from industrial universities to general universities or from 2-year college to general universities.

Number of students in domestic higher education institutions (2000 ~ 2017)

- It peaked in 2011 and increased to 3.74 million students, but then gradually declined to 3.44 million students in 2017

Number of students in domestic higher education institutions

Unit: person



Number of students in domestic higher education institutions

(Unit: person)

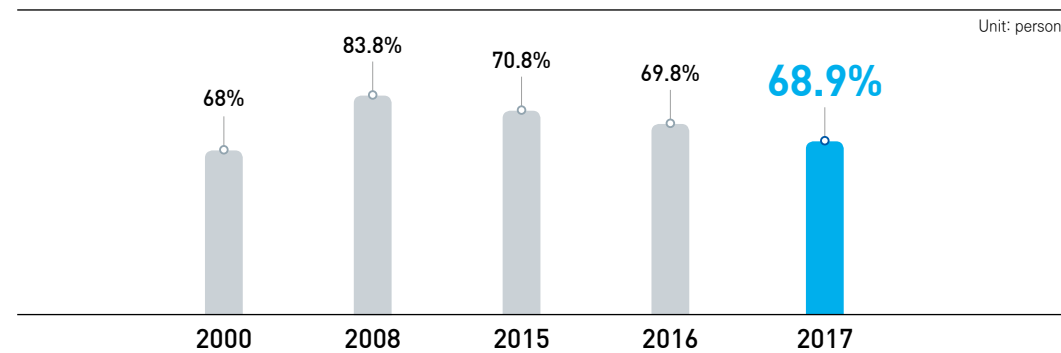
Item	2000	2011	2014	2015	2016	2017
General University	1,665,398	2,065,451	2,130,046	2,113,293	2,084,807	2,050,619
Educational University	20,907	20,241	16,566	15,967	15,903	15,839
Industrial University	170,622	122,916	60,082	44,679	33,245	25,343
Graduate School	229,437	329,933	330,872	333,478	332,768	326,315
2-year College	913,273	776,738	740,801	720,466	697,214	677,721
Others	363,912	420,427	390,380	380,188	352,670	341,472
Total	3,363,549	3,735,706	3,668,747	3,608,071	3,516,607	3,437,309

※ Source: Korea Education Development Institute, 「Basic Statistics for Education」

Percentage of enrollment in secondary education institutions (2000 ~ 2017)

- The rate of enrollment in secondary education institutions has gradually decreased since 2008 due to various reasons such as the decline in the population due to low birth rate and the recession of the college due to the employment recession.
 - (Enrollment rate of secondary education institutions) 68.0% in 2000 → 83.8% in 2008 → 69.8% in 2016 → 68.9% in 2017

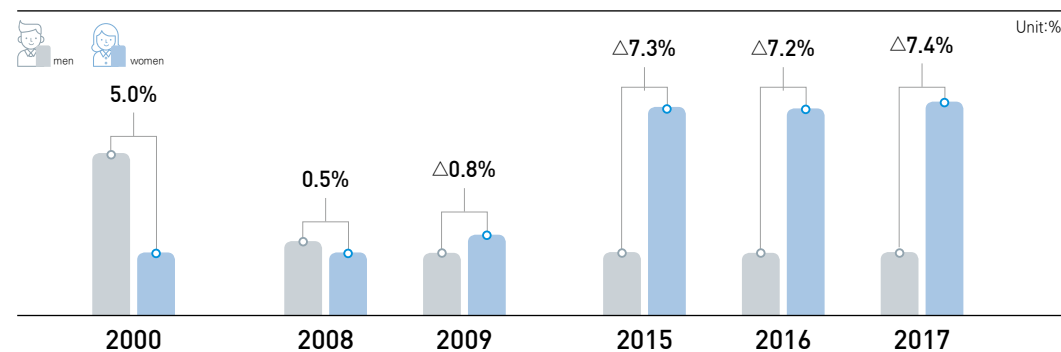
Percentage of enrollment in secondary education institutions



- By the early 2000s, males were more likely to enter secondary education than females, but since 2009, the rate of female enrollment has been higher than that of men, and the gap has increased since then.

(Difference of enrollment rate of men and women) 5.0%p in 2000 → 0.5%p in 2008 → Δ 0.8%p in 2009 → Δ 7.3%p in 2015 → Δ 7.2%p in 2016 → Δ 7.4%p in 2017

Difference of enrollment rate of men and women



Percentage of enrollment in secondary education institutions in Korea

(Unit:%)

Year	2000	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	68.0	83.8	81.9	79.0	72.5	71.3	70.7	70.9	70.8	69.8	68.9
Male	70.4	84.0	81.6	77.6	70.2	68.6	67.4	67.6	67.3	66.3	65.3
Female	65.4	83.5	82.4	80.5	75.0	74.3	74.5	74.6	74.6	73.5	72.7
Difference	5.0	0.5	Δ 0.8	Δ 2.9	Δ 4.8	Δ 5.7	Δ 7.1	Δ 7.0	Δ 7.3	Δ 7.2	Δ 7.4

※ Source: Korea Education Development Institute, 『Basic Statistics for Education』

Average annual ranking of tuition fees among OECD member countries (2016)

- The average annual tuition fee for Korea in 2016 academic year was lower than that of 2014 academic year (national/public \$4,773 / private \$8,554), resulting in national / public \$4,578 and private \$8,205.
 - (2011 academic year) national · Public \$5,395, Private \$9,383 → (2014 academic year) national · Public \$4,773, Private \$8,554 → (2016 academic year) national · Public \$4,578, Private \$8,205
 - Among the countries that submit the data, Korea's annual average tuition fees was lowered 3 steps and ranked 6th among the national and public universities compared to 2014 academic year, and was lowered 2 steps and ranked 4th among the private universities.

Average annual tuition fees among OECD member countries (as of 2016 academic year)

Country (Ranking)	US (1)	Chile (2)	Japan (3)	Canada (4)	Australia (5)
National/Public	8,202	7,654	5,229	4,939	4,763
Country (Ranking)	South Korea (6)	New Zealand (7)	Israel (8)	Netherland (9)	Spain (10)
National/Public	4,578	4,295	3,095	2,420	1,830
Country (Ranking)	US (1)	Australia (2)	Japan (3)	South Korea (4)	Israel (5)
Private	21,189	10,242	8,428	8,205	6,790
Country (Ranking)	Chile (6)	Mexico (7)	Norway (8)	Italy (9)	Slovakia (10)
Private	6,754	6,390	6,321	5,807	2,872

※ Source: OECD education index in 2017, PPP: Purchasing Power Parity,



We support for comprehensive scholarship.



3.9 trillion won

Status of scholarship support

Scholarship support amount

(Unit: 100 million won)

Year	2013	2014	2015	2016	2017
Amount	28,412	35,565	38,673	39,246	39,438

Support scale by scholarship support system

(Unit: million won)

Item	2015	2016	2017
National grants Type I	2,723,249	2,817,766	2,663,647
National grants Type II	700,665	577,846	699,813
Multi-Child Family(Eligible from the 3 rd child) National Grant	150,879	198,658	227,367
National work-study program	180,018	216,566	237,889
The Presidential Science Scholarship	5,834	5,913	6,154
The National Scholarship for Science and Engineering	61,747	60,221	52,787
The Next Century Humanities Scholarship	13,133	12,811	13,023
Arts & Sports Vision scholarship	1,061	2,620	2,215
National college scholarship	189	36	5
Graduates support Scholarship	4,996	4,952	4,137
Blue Lighthouse Scholarship	1,986	1,974	2,484
Blue Lighthouse Scholarship (Samsung)	3,586	3,406	3,823
Scholarship for the excellent student studying abroad (Dream Scholarship)	1,027	1,483	2,521
SME employment related Scholarship (Ladder of Hope Scholarship)	18,957	20,355	27,921
Total	3,867,327	3,924,607	3,943,786



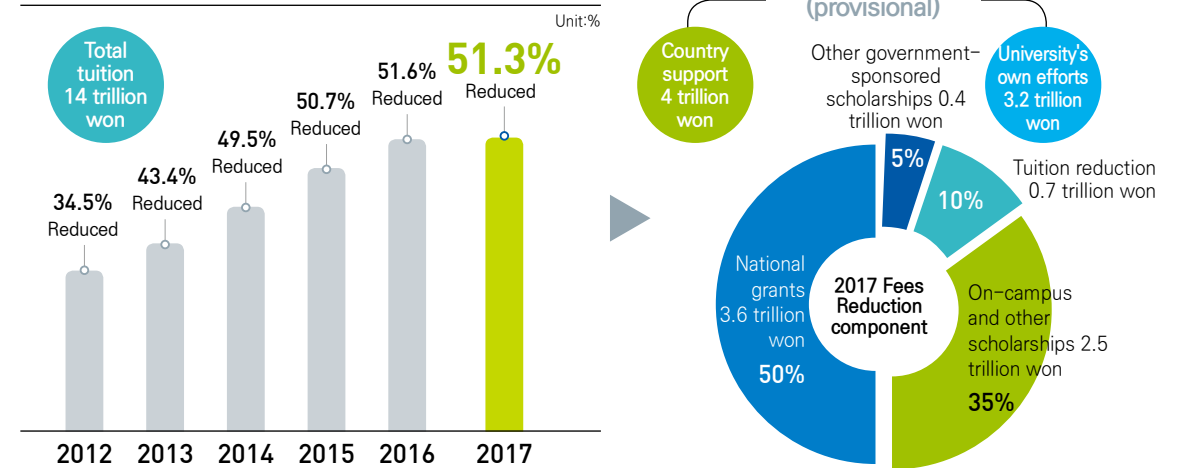
Various National grants support to alleviate the burden of tuition fees

The foundation supports various National grants such as income-linked scholarships, Work-based aid, and Merit-based aid to reduce the burden of tuition fees for students and parents, and to cultivate talented individuals who will lead the future of Korea.

- In 2017, 7.2 trillion won (4 trillion won from government, 3.2 trillion won from universities) was supported, compared to 14 trillion won in 2011, thus reducing the burden of tuition fees by 51.3%

 - Government: 1.9 trillion won (2012) → 3 trillion won (2013) → 3.7 trillion won (2014) → 3.9 trillion won (2015) → 4 trillion won (2016, 2017)
 - Universities: 2.9 trillion won (2012) → 3 trillion won (2013) → 3.2 trillion won (2014) → 3.2 trillion won (2015) → 3.2 trillion won (2016, 2017)

Effect of reducing tuition burden in 2017



Need-based grants
(National grants I · II, Multi-Child Family (Eligible from the 3rd child) National grant)

Supported **3.6** trillion won to **1,120,745** in 2017



Scholarship Support Status

- Supported 3.6 trillion won to 1,155,148 people in 2016 → 3.6 trillion won to 1,120,745 people in 2017

- We have introduced an income-linked National grants system to provide opportunities for higher education, regardless of economic conditions. In 2017, we provided a total of 3.6 trillion won to 1.12 million people.
- In order to encourage universities to voluntarily reduce tuition fees and increase scholarships, the government has reorganized the National grants Type II (university-affiliated type) allocation method.
 - Distributed the total budget for National grants Type II according to size of recognition of self-efforts by universities
- Even if low-income students do not meet the National grants requirement, the C-credit warning system that supports the National grants is extended up to twice (1 time in 2016 → 2 times in 2017).
 - * C Credits Warning: If the student in the Basic Livelihood Receiver ~ Income Level 2 (Quantile) has a grade of 70 points (C credits) the National grants are given twice with warning, and the grants are not given if the grade falls below 80 points(B credits) afterward.
- Enhancement of policy experience by strengthening support for Multi-child Family National grants
 - Expanded support (Grade 1~3 → Grade 1~4) for those who receive Multi-Child Family National grants to provide 4.5 million won per annum to the university students who are third child or more with the eighth section of income(quantile).
- Local talent scholarship selection criteria and budget allocation method revitalized to find various local talents and to train them
 - (2016) From the total budget allocation method, (2017) to the allocation is proportionate to the application amount for each university type.
 - Separated the selection type into excellent and autonomous talent and lowered grading requirements (GPA & National College Entrance Exam 2nd grade → 3rd grade, self-selected ratio increased from 30 → 50%)

Income-linked scholarships improved compared to the previous year

Item	2016	2017
Supporting	National grants Type I	National grants Type I
	Multi Child Family(Eligible from the 3 rd child) National grant	Multi Child Family(Eligible from the 3 rd child) National grant
Subject	<ul style="list-style-type: none"> · Type I: Income less than or equal to the 8th section(quantile) · Type II: University self-guided · Multiple: More than the third child in the 8th or lower income section (under 22 years of age) Grade 1~3 	<ul style="list-style-type: none"> · Type I: Income less than or equal to the 8th section(quantile) · Type II: University self-guided · Multiple: More than the third child in the 8th or lower income section (under 23 years of age) Grade 1~4
Budget	3.65 trillion won	3.63 trillion won

- In order to improve the credibility of National grants support, overseas income report has been introduced.
 - If there is a foreign national on the resident registration among a special admission candidate for foreign nationals(including those enrolled before 2017) and family members "overseas income and property registration" must be reported.

Work-based aid

National work-study Program

Supported **237.9** billion won to **121,916** people in 2017



Scholarship Support Status

- Supported 216.6 billion won to 113,529 people in 2016 → 237.9 billion won to 121,916 people in 2017

Scholarships were provided to support the tuition and living expenses of low-income university students to create stable academic conditions and to enhance the employment capacity of university students through various social and vocational experiences. In 2017, 121,916 people received 237.9 billion won.

- By receiving a business operation plan from each university and linking it with the evaluation at the time of budget allocation, we improved operational efficiency and enhanced university's responsibility on business operation.
- Pilot evaluation system for mutual evaluation between labor organization and scholarship students to be used as reference materials for scholarship assignment from the 2nd semester of 2016
- Increased transparency of the system by requiring mandatory disclosure of self-selection criteria for university students
- Improved to participate in both of the following programs: Youth education support of college student, Multi-cultural & North Korean Defector student Mentoring.
- The maximum working hours per semester is limited to 450 hours, ensuring scholars' studying time and providing more work opportunities for students

SME employment related scholarship (Ladder of Hope Scholarship)

Supported **27.9 billion won** to **4,152 people** in 2017

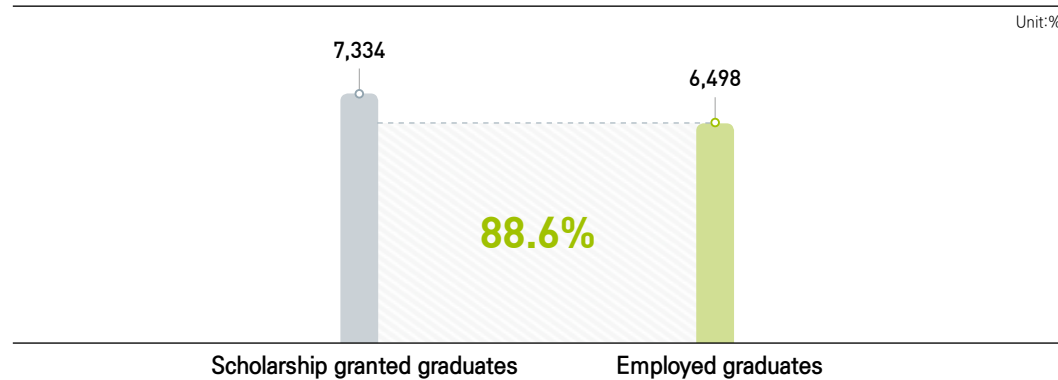


- Supported 20.4 billion won to 2,970 people in 2016 → 27.9 billion won to 4,152 people in 2017

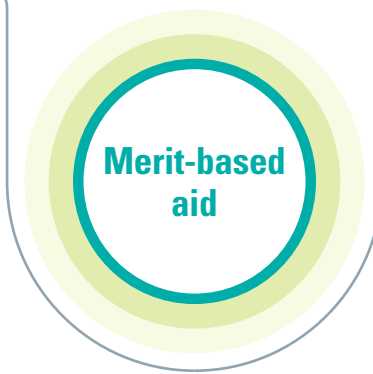
SME employment related scholarship (Ladder of Hope Scholarship) is a system to support a scholarship to a student who wishes to work at a small business or start a business to raise the employment rate of young people and contribute to the establishment of a foundation culture within the university.

In 2017, 27.9 billion won was given to 4,152 people. Of the 7,334 scholarship students who graduated in between 2013 and 2017, 6,498 people (88.6%) were employed by small and medium sized businesses.

Employment rate of SME employment related scholarship recipients From 2013 to 2017 Unit: %



- Reduced the burden on scholarship recipients (shortening the mandatory working period, expanding the range of employment, etc.)
- Provided information on holding excellent small and medium sized businesses and job fair for scholarship recipients
- Prevented the risk of non-compliance through the introduction of the guarantee insurance system and using the employment insurance information to track the course of the alumni.
- For postponement of employment such as unemployed persons, the government provided guidance on unemployment support programs.



Establishment of Merit-based aid system to lead the development of excellent talents in the country

The foundation supports a variety of scholarships so that talented people can concentrate on their studies. In particular, it focuses on finding and cultivating creative talents that meet the basic academic field and the future national strategic field.

- Establishment of a comprehensive support system to support human resources development in various fields such as humanities and social sciences, science and engineering, and arts and sports.

Excellent Scholarship Status

Item	HUMANITIES & SOCIAL SCIENCES	SCIENCE & ENGINEERING	ART & SPORTS	OVERSEAS STUDY	GRDUATE STUDENTS
Scholarship Name	The Next Century Humanities Scholarship	The Presidential Science Scholarship / The National Scholarship for Science and Engineering	Arts & Sports Vision scholarship	Scholarship for the excellent student studying abroad (Dream Scholarship)	Graduates support Scholarship

- Improved the scholarship examination system to focus on development possibility and excellence rather than quantitative indicators
 - Evaluation of the recipient's mid and long term development possibility through document review and in-depth interview
 - Establishment and selection of customized criteria for each university to found customized selection system

The Presidential Science Scholarship

Supported **6.2** billion won to
545 people in 2017



– Supported 5.9 billion won to 527 people in 2016 → 6.2 billion won to 545 people in 2017

The scholarship program is designed to provide scholarships to outstanding students in science and engineering field and to help excellent students enter the science and engineering field. In 2017, 545 students received 6.2 billion won.

- Mandatory annual social service for over 30 hours in order to improve the students' basic literacy and social responsibility.
- Opportunity to strengthen mutual ties and raise self-esteem by holding a "Dialogue with Future Scientists" where selected students and future science talents (Olympiad, science contest winners, etc.) can communicate
- Improvement of systematic follow-up management by establishing retrieval regulations for national scholarship projects of outstanding students in science and engineering

The National Scholarship for Science and Engineering

Supported **52.8** billion won to
10,216 people in 2017



– Supported 60.2 billion won to 12,799 people in 2016 → 52.8 billion won to 10,216 people in 2017

This scholarship is designed to educate students who are outstanding in the field of science and technology as core human resources of science and technology in Korea. In 2017, 10,216 students received 52.8 billion won.

- Improved to give a appreciation certificate of the Minister of Science and Technology, Ministry of Information and Communication to selected students to bring up self-esteem and sense of mission
- Improved of systematic follow-up management by retrieval reimbursement regulations for national scholarship projects of outstanding students in science and engineering

The Next Century Humanities Scholarship

Supported **13** billion won to
2,670 people in 2017



– Supported 12.8 billion won to 2,712 people in 2016 → 13 billion won to 2,670 people in 2017

This scholarship is designed to support outstanding students who have advanced into the humanities and social sciences to grow into a national core leader in the field of humanities and social sciences by creating an environment where they can concentrate on their studies without the burden of tuition fees.

In 2017, 2,670 students received 13 billion won.

Art & Sports Vision Scholarship

Supported **2.2** billion won to
305 people in 2017



– Supported 2.6 billion won to 412 people in 2016 → 2.2 billion won to 305 people in 2017

This scholarship is designed to cultivate talents who can lead the field of art and sports by providing scholarship to outstanding art and sports students.

In 2017, 305 students received 2.2 billion won.

Graduates Support Scholarship

Supported **4.1** billion won to
607 people in 2017



– Supported 5 billion won to 799 people in 2016 → 4.1 billion won to 607 people in 2017

This scholarship is designed to support the excellent master and doctoral students in the humanities and social sciences, art and sports and to promote the human resources development and basic research. In 2017, 607 people received 4.1 billion won.

Scholarship for the excellent student studying abroad
(Dream Scholarship)

Supported **2.5** billion won to
75 people in 2017



- Supported 1.5 billion won to 56 people in 2016 → 2.5 billion won to 75 people in 2017

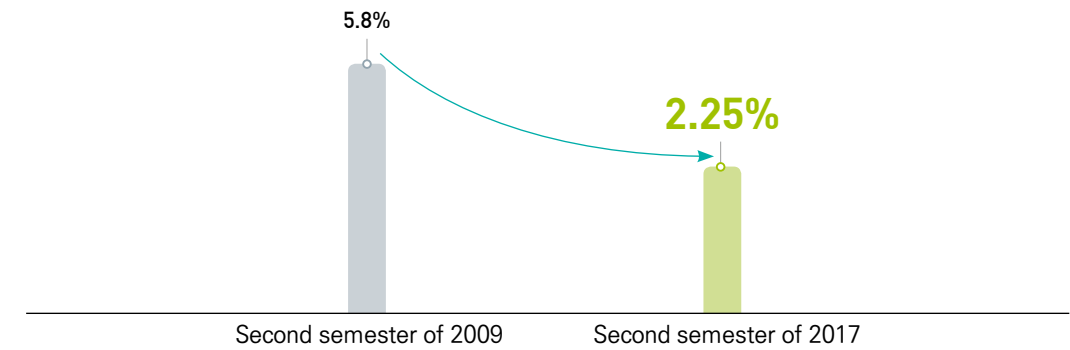
This scholarship is designed to provide opportunity of studying abroad to academically excellent high school students with low-income level, who have a willingness and enthusiasm for study. Targeted to academically excellent high school students with low-income level (beneficiary of national basic livelihood, lower income family) who are willing to enter foreign universities, study supporting grants (2nd grade of high school: 500 thousand won per month, 3rd grade of high school: 700 thousand won per month) are provided, and to those who are accepted by foreign universities, tuition and living expense up to USD 60,000 per annum is supported. In 2017, 75 students received 2.5 billion won.



Student
loans

The foundation has implemented a variety of student loans programs to alleviate the burden of tuition fees so that university students can concentrate on their studies.

Continuously reduced the student loans interest rate to alleviate the burden on university students

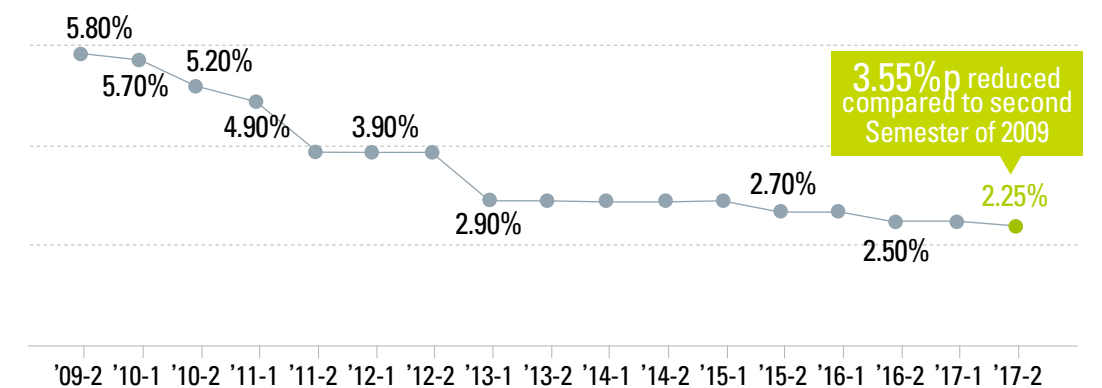


* Lowering the procurement rate by reducing the expenses by directly borrowing funds from the foundation

Progress of student loans interest rate change

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Semester	2	1 2	1 2	1 2	1 2	1 2	1 2	1 2	1 2
Interest rate	5.8%	5.7% 5.2%	4.9%	3.9%		2.9%		2.7%	2.5% 2.25%

Progress of student loan interest rate by year



Status of direct and income contingent loan support

616,863 cases
1.7 trillion won



(Unit: person, 100 million won)

Item	2012	2013	2014	2015	2016	2017
Number of People	727,667	784,800	783,722	712,679	656,839	616,863
Amount	23,264	25,520	24,217	21,254	19,128	17,437

Detailed usage

(Unit: person, 100 million won)

Item		2012	2013	2014	2015	2016	2017
Direct loan	Number of People	217,615	194,054	198,315	189,832	186,464	237,413
	Amount	8,115	7,709	7,831	7,549	7,145	8,391
Income contingent loan	Number of People	510,052	590,746	585,407	522,847	470,375	379,450
	Amount	15,149	17,811	16,386	13,705	11,983	9,046
Total	Number of People	727,667	784,800	783,722	712,679	656,839	616,863
	Amount	23,264	25,520	24,217	21,254	19,128	17,437

Status of loan for the students from rural area support

25,797 cases
60.5 billion won



(Unit: person, 100 million won)

Item	2013	2014	2015	2016	2017
Number of cases	40,267	41,661	37,191	28,974	25,797
Amount	1,021	997	901	680	605

Decline in application and support performance due to enhanced support of the National grants for the social underprivileged such as low-income level, decrease in the demand of higher education, and decrease in the number of college students in rural areas

Major Improvement on Tuition Loan System in 2017

Student loans interest rate cut to reduce the burden of student's loans interest

- The interest rate on student loans dropped 0.25%p from 2.5% in the first semester of 2017 to 2.25% in the second semester of 2017
 - Approximately 1.3 million students received about 9.4 billion won in interest-earning relief during the second semester of 2017

Expansion of the number of divisions available for living expense loans

- Limit of living expense loans per semester 2 times → 4 times
 - From 2017, the foundation relaxed the system so that borrowers can split loans four times within the limit per semester. Through this, an environment has been created in which a living expense plan is prepared during the semester, so that only the necessary amount of living expense can be used.
 - 73,145 out of 448,700 borrowers of living expense loans (about 16.3%) used the divided living expense loan, and the average living cost per lender per household was 94% of the whole average, proving the effect of reasonable loan support policy.

Usage status of living expense loan in 2017

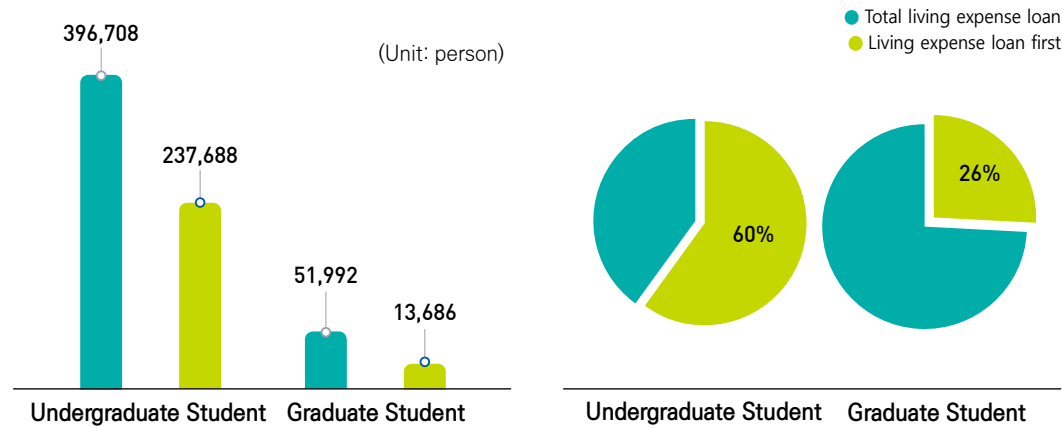
(Unit: person, million won)

Item		Number of people used	Used Amount	Average amount of loan per one instalment payer	Average amount of loan per one person's total cost of living
Income contingent loan	2 nd payment	35,511	46,972	1.32	1.37
	3 rd payment	14,079	18,874	1.34	
	4 th payment	12,510	15,772	1.26	
	Sub-total	62,100	81,618	1.31	
Direct loan	2 nd payment	6,857	6,024	0.88	0.95
	3 rd payment	2,464	2,226	0.9	
	4 th payment	1,724	1,498	0.87	
	Sub-total	11,045	9,748	0.88	

Mitigation of the conditions of living expense loan first for the prospective students

- In the case of current students, the requirement to support living expense first lending was eased only by income section and bachelor's information to improve timeliness of loan execution.
 - In 2017, among all 448,700 lenders, the number of living expense loan first was 251,374 students, resulting 56.0%.
 - The ratio of living expense loan first was 59.9% for undergraduates and 26.3% for graduate students, which satisfied the urgent need for lending of undergraduate students.

Status of current student's living expense loan first



Item	Total living expense loan		Living expense loan first		Rate		
	Persons	Amount	Persons	Amount	Persons	Amount	
Undergraduate students	Income contingent loan	307,868	4,224	197,860	2,762	64.3%	65.4%
	Direct loan	88,840	828	39,828	374	44.8%	45.2%
	Total	396,708	5,052	237,688	3,136	59.9%	62.1%
Graduate students	Income contingent loan	-	-	-	-	-	-
	Direct loan	51,992	505	13,686	134	26.3%	26.5%
	Total	51,992	505	13,686	134	26.3%	26.5%
Total	448,700	5,557	251,374	3,270	56.0%	58.8%	

Supplementing the system to protect the rights of university students in relation to student loans

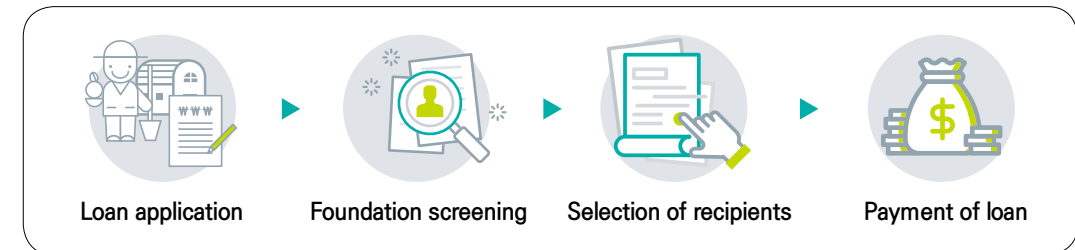
- Introduced the 'Student Loans Retirement System' which allows students to withdraw their student loans within 14 days after the student loans are executed
- Provide 'core manual' for understanding loan system at loan agreement stage
- Based on 365 days as a basis for collecting interest and delayed compensation, but starting from 2020, 366 days at the time of leap year will be applied to raise the rationality of the loan system

Efficient operation of loaning for students from rural area

- Systemized customized application procedure such as document confirmation and false applicant screening after the confirmation of basic information* with association of official data from the Ministry of Public Administration and security and the Ministry of Land, Transport and Maritime Affairs

* Confirmation of residency in rural areas (cooperation with Ministry of Public Administration and Security and Ministry of Land, Transport and Maritime Affairs), proof for actual working status, family relations, academic standards, etc.

Major Processes of Loans for students from rural area



- Individualized implementation of student through computerization of financial loan payment system
- Improving the redemption period based on the financial system and selecting a redemption period, and operating a system to renew the terms and extend the redemption period.
- Diversification of PR media for business of loans for students from rural area to contribute to the stable operation of the system by raising the rate of institutional grants
 - Text messaging application process by target applicant, letter sending, homepage and social media customized target advertisement, university banner production and distribution, etc.

Inner pre-workout (voluntary pre-arrangement)

938 people supported by pre-workout in 2017.



"Inner pre-workout system" which is to prevent increase of credit risk information registration through voluntary pre-debt adjustment is a system that allows individuals who have overdue student loans to apply for debt settlement and protect their personal credit before they are registered as a credit defaulter. As a Direct loans applicant who is overdue for 3 months or more, it is possible to use the debt adjustment system (divided redemption, damage deduction) in advance according to the applicant's own application.

In 2017, 938 people used inner pre-workout system.

Status of pre-workout support

* Target: lenders of overdue Direct loan(holder of distressed-debt of Direct loan over 3 months)

(unit: person)

Year	2013	2014	2015	2016	2017
Number of people	384	1,131	866	842	938

Credit recovery support

18,473 cases supported for credit recovery



- Supported a wide range of credit recovery schemes to ease debt burdens

In order to alleviate the burden of bad debtors the foundation has set up divided redemption system damage (delayed compensation) deduction reduction system, credit risk information registrant recovery, and a variety of credit recovery support.

Credit recovery support status in the recent 3 years

(Unit: case)

Item		2015	2016	2017
Divided Risk	General	7,802	4,864	3,972
	Damage deduction	11,477	14,902	10,788
Credit Risk Information Registrant Recovery		246	3,677	1,119
Normalization		3,030	2,749	2,594
Total		22,555	26,192	18,473

Divided redemption system

- If a person is registered as a credit distinction, he/she has to redeem the full amount of the debt at the same time, but now the payment is adjusted up to 20 years.

※ Credit information is released when a divided redemption agreement is concluded

Damage deduction system

- Supports credit recovery through reduction of delinquency interest, etc. to debtors whose assets are insufficient and their ability to redeem is insufficient

※ Credit information is released when a damage deduction agreement is concluded.

Credit risk information registrant recovery

- Provide an opportunity to release registered credit information for students who have not yet graduated from school or have not passed two years of graduation,
- (From 2015) Review of application by foundation for applicants only → (2016) Collective support for credit inspectors who are currently in university, are in absence, or have not passed two years after graduation

- (October, 2016) Reduction of credit interest information registration fee and delinquent interest rate by 50% for employees of small and medium sized businesses.

- To prevent job seekers from leaning away from large corporations and to alleviate gaps in small and medium sized businesses, thereby contributing to the recognition of small and medium sized businesses and improving working conditions.

Normalization system

- To help the debtor who has lost their benefit of time due to delinquency of student loans to be able to recover original loan condition when redeeming all overdue amount

Introduced credit recovery support system such as local self-governing bodies

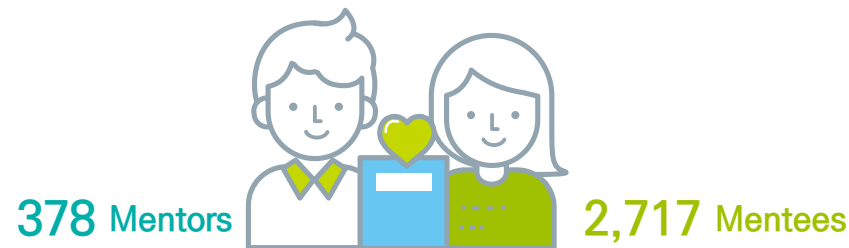
Signed a comprehensive business agreement with Seoul, Busan, Daegu, etc. through public relations and consultation with each local government

- Reducing the burden on the redemption of local indebted debtors and strengthening credit recovery support by the municipal support of financial resources and the foundation's release of information on credit stocks and offering divided redemption benefits with a conclusion of the Convention Concerning debtors who are living in the local governments



Social leader mentoring for university students (KoMent leader mentoring)

The foundation had social leaders to mentor university students for 9 years since 2010 to make students to become talented people in the future with dream, enthusiasm, right personality and leadership through mentoring for one year, providing 'social leader mentoring for young university students(KoMent leader mentoring)'.



Up to 2017

Social leader mentoring for college students (KoMent leader mentoring) participation status

(unit: person)

Item	2010	2011	2012	2013	2014	2015	2016	2017	Subtotal
Mentor (Social leader)	100	204	302	401	300	280	260	378	2,225
Mentee (University Student)	819	1,587	2,457	3,246	2,559	2,409	2,190	2,717	17,984
Total	919	1,791	2,759	3,647	2,859	2,689	2,450	3,095	20,209

Establishment and operation of nationwide mentoring network for decentralization of local communities(centralized → regional decentralized) to support alienated areas and strengthen local talent cultivation

○ Mentoring system (regional decentralization) reorganization

- Establishment of regional mentoring infrastructure centered on 7 on-site support centers nationwide, securing excellent mentor pools by region (23 people in 2016 → 145 people in 2017) and non-metropolitan areas (724 people in 2016 → 1,194 people in 2017) and low income earners under the third income section (quantile) (753 people in 2016 → 1,146 people in 2017) by the expansion of support for university student mentees

○ Organization and operation of participant-oriented mentoring program

- New mentor academy, comment workshop (orientation), mentee team leadership education, leadership concert, regional mentor meeting

Target	Program	Content
New mentor	New mentor academy	Priority training such as commission and activity standard, activity support fee, main activity contents
Mentor, mentee team leader	Comment Workshop	Mentoring Vision Sharing and activity guidance Orientation
All mentors and mentees	Leadership Concert	Support to develop ability such as leadership lectures, capacity development lectures and activities, mentoring forums, etc.
Mentee team leader	Team Leadership Training	Role as a mentee team leader, main activity support contents, etc.
Mentor	Meetings by Region	Mentor network formation and institutional improvement

○ Diverse Mentoring Content for Mentee Competency Development

- Opened mentoring by region (7 times), social contribution program (3 times), external institution-associated professional capacity building program (2 times), company visit program (3 times)

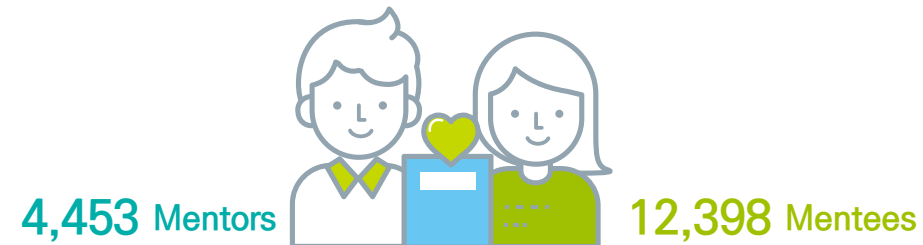
○ Achieving the highest level of satisfaction as a national program, participants and programs (2017 Leadership Concert)

- Included participation of key personnel such as Prime Minister (congratulatory address) and Ministry of Education, participation of 2,315 people in total (2,100 people in 2016) and 91.0% in overall satisfaction (80.9% in 2016) reached the record in its history.



Student talent mentoring camp program

Since 2010, the foundation has been providing mentoring camps with various educational programs for students with low-income or from less favored areas such as rural areas. Undergraduate students have been running programs such career counseling, special activities in art and sports, academic tutoring sessions to those elementary, middle, and high school students for more than 4 days during vacations (summer/winter).



Up to 2017

Status of participation in student talent donating camp

(Unit: person)

Item	2010	2011	2012	2013	2014	2015	2016	2017	Subtotal
Mentor (university Students)	985	2,561	5,619	6,112	6,312	4,234	4,464	4,453	34,740
Mentee (Elementary, Middle, High school Students)	4,013	6,670	14,068	15,688	21,889	11,515	12,197	12,398	98,438
Total	4,998	9,231	19,687	21,800	28,201	15,749	16,661	16,851	133,178

- Strengthened support for participating organizations in the marginalized area (primary, middle, high school, local children's centers etc.)
 - Of the 478 participating organizations in 2017, 247 (51.7%) institutions located in farming, mountain and fishing villages participated, resulting an increase of 5 institutions (0.4%p)
 - Of the 472 participating organizations in 2016, 242 (51.3%) institutions are from farming, mountain and fishing villages (Eup / Myeon / Li-located)
- Newly operated mentoring for students from rural areas, Multi-cultural & North Korean Defectors students Mentoring program
 - Supported the smooth school life by adding (new) mentoring camps for farming and fishing villagers, Multi-cultural & North Korean Defectors students Mentoring program
 - Participation of 459 Multi-cultural & North Korean Defectors students Mentoring program in total
 - Achieved 359 people (459%) out of originally aimed 100 people in 2017

- Practiced of site-centered management by new participation of camp staff

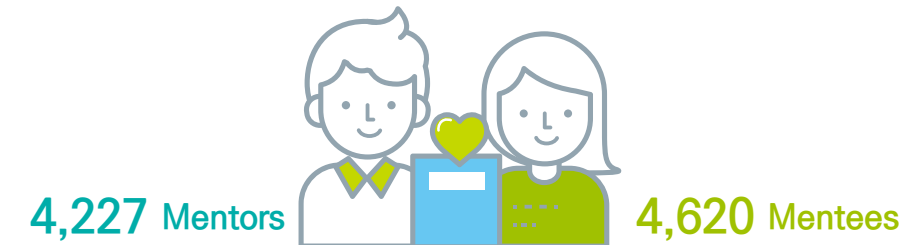
- Participation of Foundation staff to visit the 20 camps in summer and winter to promote field-based management (Strengthening stable network between foundation and institution)
 - A total of 76 people (about 1 ~ 3 persons per 18 departments) visited the Student talent donating program site to check on the gathering, activity status and opinions of participants (suggestions, satisfaction, major improvements, etc.)
 - 36 people participated in the summer of 2017 and 40 people participated in the winter of 2017

Multi-cultural & North Korean Defectors students Mentoring program

Contributed to social integration through Multi-cultural & North Korean Defectors students Mentoring program

The foundation provides mentoring for multi-cultural and North Korean defector students who need support for their academic ability and for adaptation to school life by having mentoring, career and problem-solving counseling, and opportunities for cultural experience activities to Multi-cultural & North Korean Defectors students Mentoring program.

In 2017, 4,227 mentors and 4,620 mentees participated. In addition, we made efforts to improve the quality of mentoring by obligating participants to advance education.



Up to 2017

Status of participation in Mentoring for Multi-cultural & North Korean Defectors students

(Unit: person)

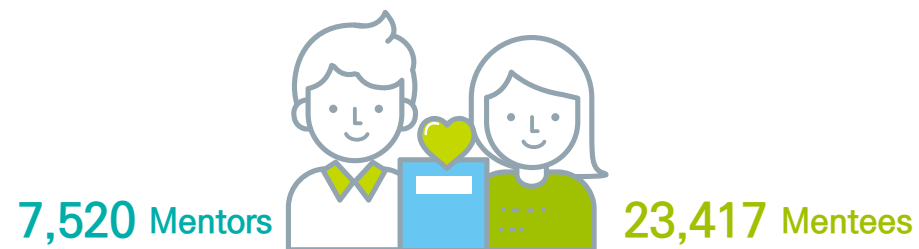
Item		2013	2014	2015	2016	2017
Multi-cultural & North Korean Defectors students Mentoring program	Mentor (sharing)	4,888	6,919	4,555	4,491	4,227
	Mentee (learning)	4,784	7,122	5,115	5,000	4,620
	Total	9,672	14,041	9,670	9,491	8,847

Youth education program supported by university students

Contributed to the elimination of social polarization through the support project for the youth education program supported by university student

Trough the youth education program supported by university students, the foundation provides opportunities for undergraduate students to share knowledge and experience gained through higher education courses for elementary, middle, and high school students from low-income families through the youth education support project for university students.

In 2017, 7,520 mentors and 23,417 mentees participated.

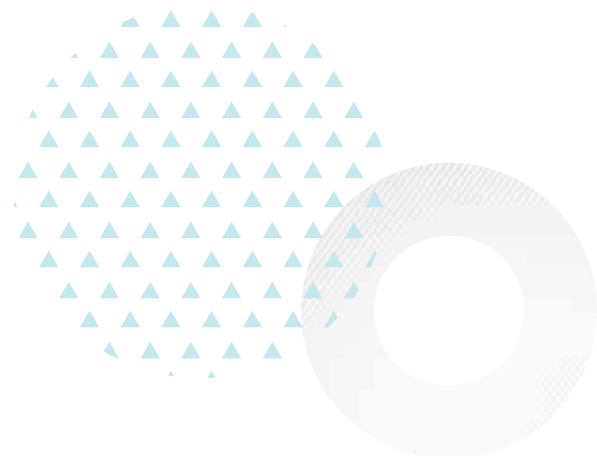


Up to 2017

Status of participation in the youth education program supported by university students

(Unit: person)

Item		2013	2014	2015	2016	2017
Youth education program supported by university students	Mentor (sharing)	15,032	14,222	14,774	8,591	7,520
	Mentee (learning)	50,952	38,190	43,604	44,243	23,417
	Total	65,984	52,412	58,378	52,834	30,937

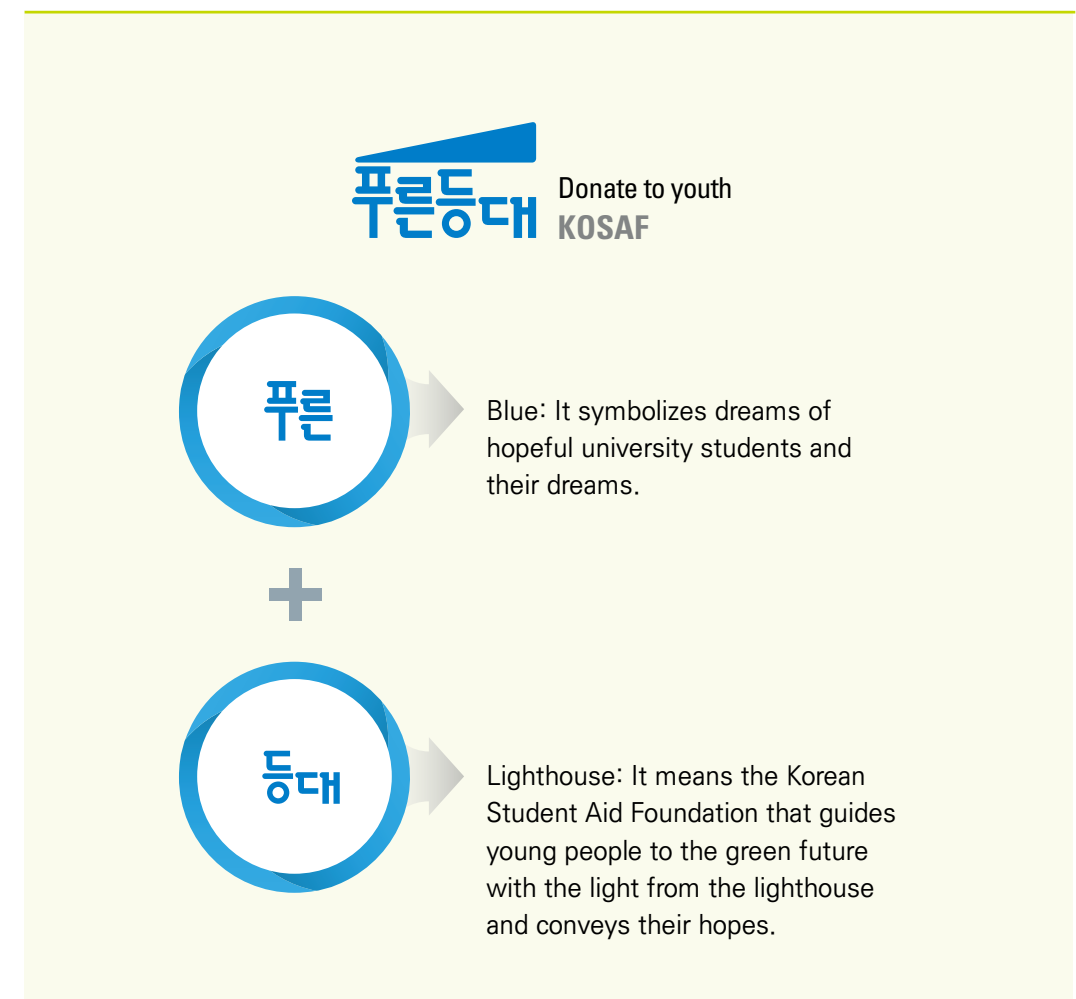


A donation to illuminate a young man's dream, a blue lighthouse

It is a 'blue lighthouse' that helps Korean youths overcome rough winds toward their dreams.

The foundation is running a donation project, "Blue Lighthouse", to supplement the blind spots of government financial aid and provide opportunities to break the link between poverty and nurturing the talents needed in each field of society.

KOSAF's "Blue Lighthouse" is a private livelihood that provides support for tuition and living expenses, support for talented students' dreams and talents to support university students to grow their future talents according to the sublime meaning of donors, and a donation-based student residential complex by private donations.



Blue Lighthouse Funds:

Total cumulative composition amount of 53.5 billion won (3 billion won in 2017)



Blue Lighthouse Fundraising Status

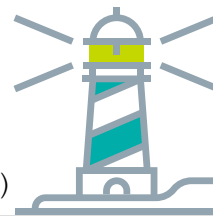
(Unit: million won)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Organizations	402	1,525	85	100	315	731	689	1,532	847
General Organizations	337	426	2,636	1,848	1,899	11,682	10,671	14,468	2041
Private	8	32	291	19	380	54	218	153	124
Total	747	1,983	3,012	1,967	2,594	12,467	11,578	16,153	3,012
Accumulated Total	747	2,730	5,742	7,709	10,303	22,770	34,348	50,501	53,513

Blue lighthouse scholarship project status

2.5 billion won for 1,435 people

(Cumulatively supported 13.2 billion won to 6,586 people)



– 2 billion won to 1,015 students in 2016 ⇨ 2.5 billion won to 1,435 students in 2017

Status of Blue lighthouse scholarship support

(Unit: person, million won)

Item	2010	2011	2012	2013	2014	2015	2016	2017	Total
Number of People	84	624	623	917	892	996	1,015	1,435	6,586
Amount	178	1,454	1,394	1,934	1,795	1,986	1,974	2,484	13,199

Blue lighthouse human resource support project

The foundation plans and manages customized programs that enable college students to grow their creative global talents, taking into consideration the social contribution direction of donations.

As a representative program, we have Fly Dream for the World sponsored by Woori Bank, Realize Your Dream sponsored by Blizzard Entertainment, and Multi-cultural Student Mentoring Excellence Sharing Program sponsored by Hana Financial Group.

Supported total 300 million won

(Cumulative 3.7 billion won)



– 800 million won in 2016 ⇨ 300 million won in 2017 for program support

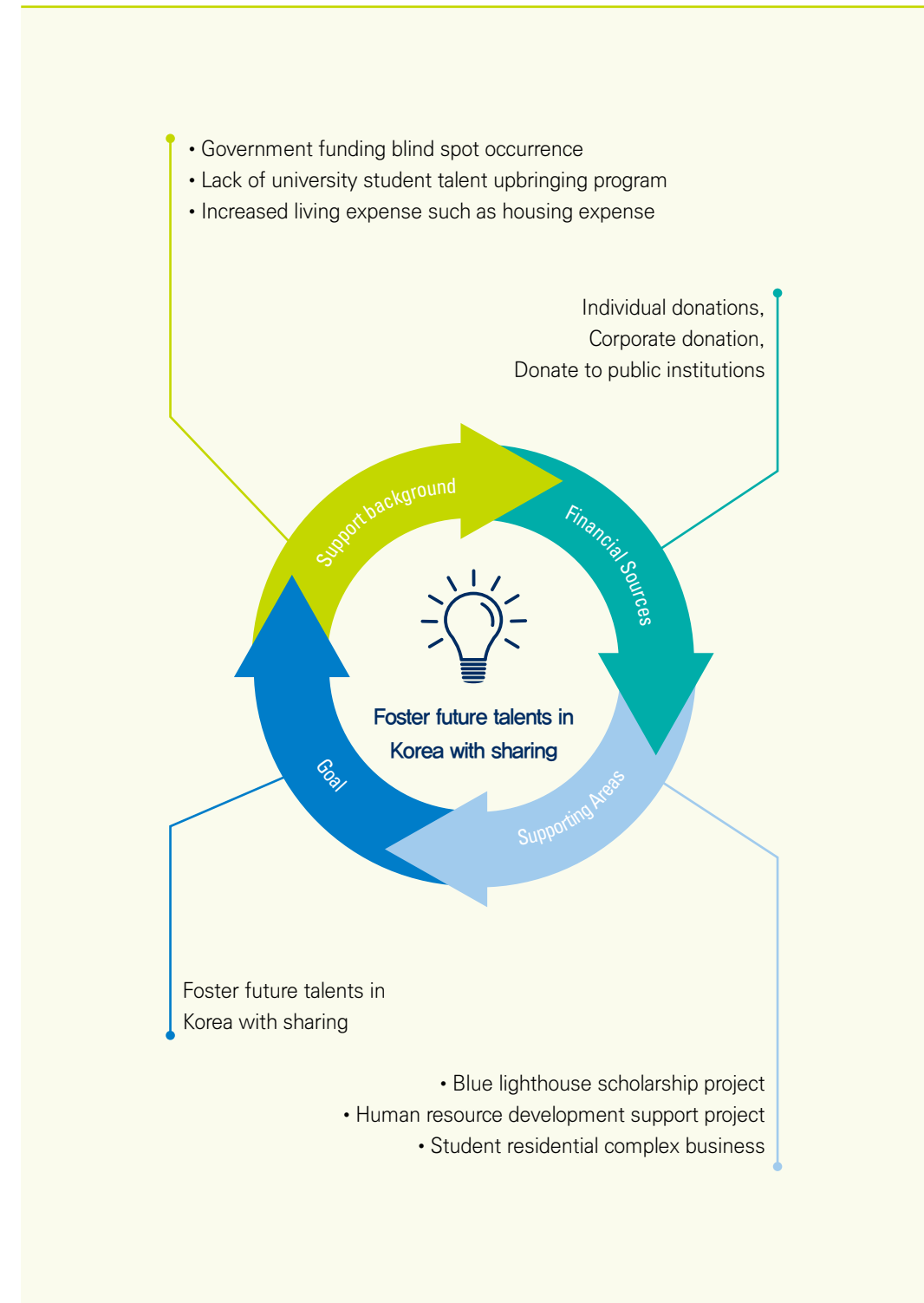
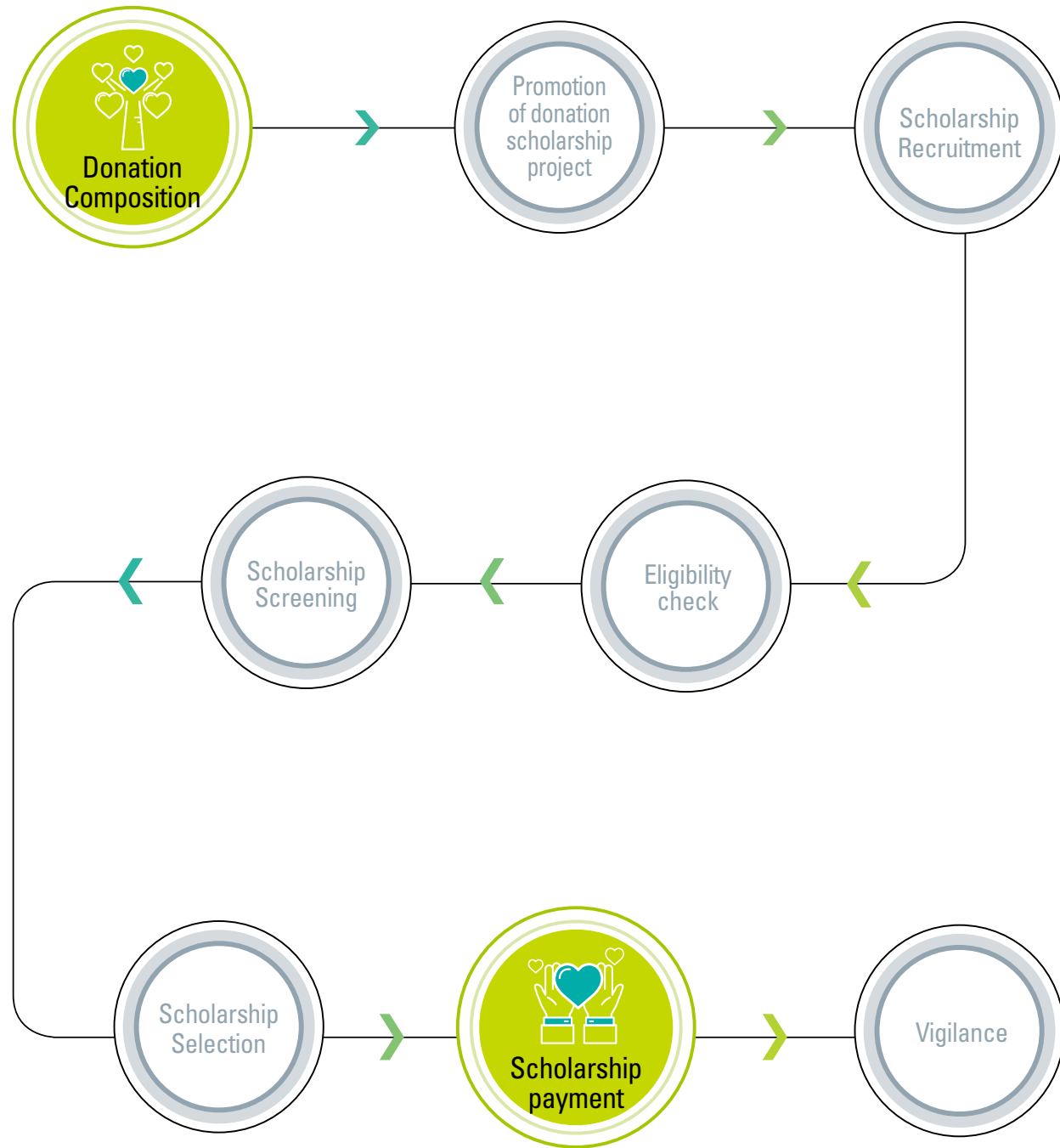
Status of blue lighthouse human resource development program support

(Unit: million won)

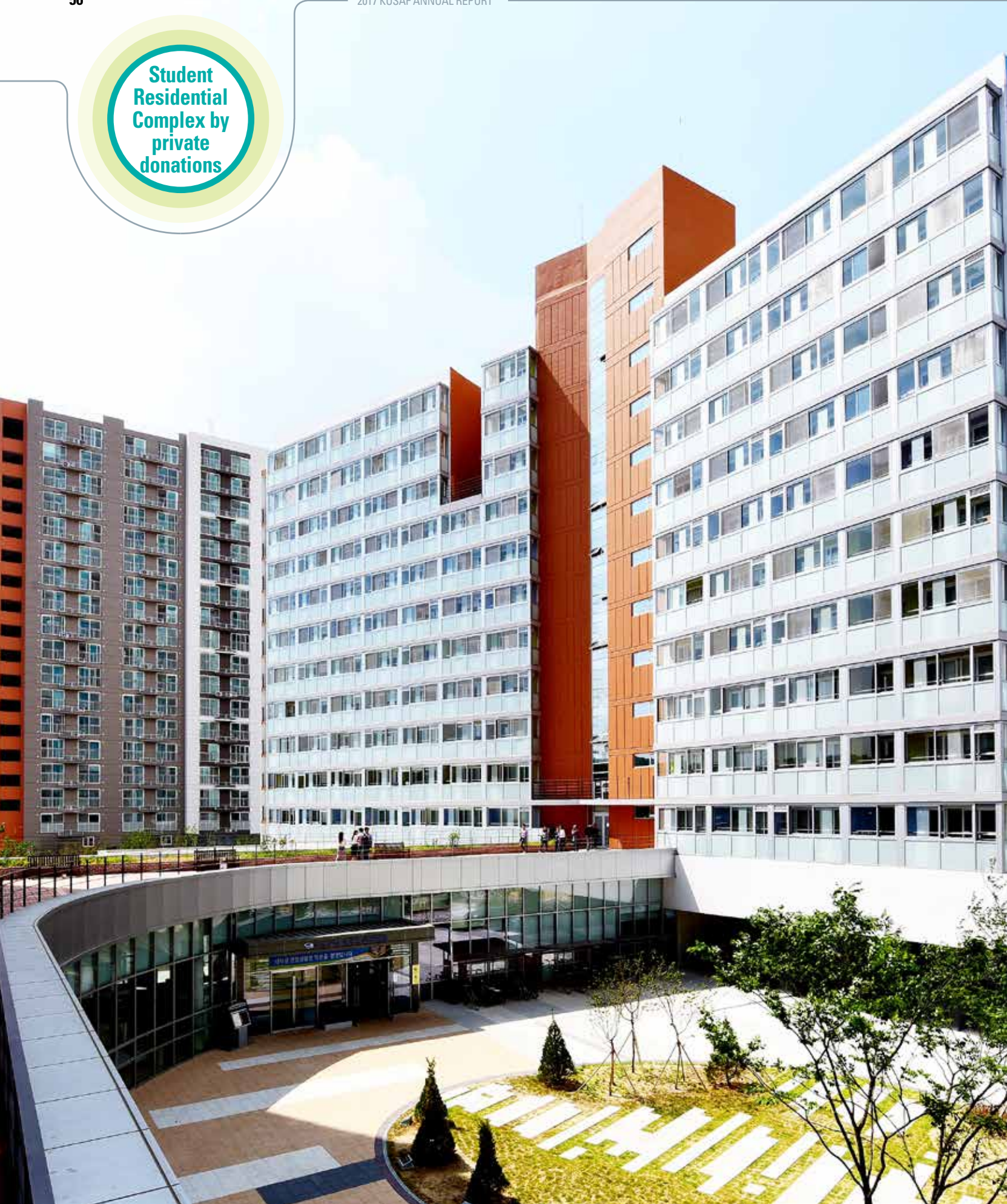
2011	2012	2013	2014	2015	2016	2017	Total
99	136	1,043	924	370	837	298	3,707

Donor	Business name	Business information	Enforcement Amount
Woori bank	Fly Dream to the World	Leadership cultivation through team-based dream activities from all over the world	232
Blizzard Entertainment	Realize Your Dream	Operation of Blizzard Overseas Trip Program	43
Hana Financial Group	Multicultural Student Mentoring Excellent Sharing Program	Support for multicultural mentor university students	6
Baeksan Publishing Co.	In-kind contribution (book) support	Book donations to student residential complex	10
L&J Co., Ltd.	In-kind contribution (bag) support	Student talent donating program	7

Operational process of donation and scholarship business



Student
Residential
Complex by
private
donations



"Supporting college students' homestay so that they can spread their talents without worrying about housing"

Establishment of the "student residential complex by private donations" (National Government Affair) to alleviate the housing burden of university students

- The student residential complex by private donations is the first step toward the implementation of the new government affair for, the 'expansion of the university housing capacity of 50,000 students', which has greatly contributed to raising the level of housing welfare of university students beyond the existing monetary financial support such as scholarships and student loans.
- Particularly, in addition to residence, we have established a plan for mutual growth in local areas such as personality education, job development support, and building a network of local library associations. In the future, we hope the student residential complex will evolve into spaces that support students' passion and dreams beyond simple residential spaces.,

A space for supporting the development of stable housing and creative talents of university students

Student residence support

Housing support for low-income university students / residence fee about 150,000 won per month / Capacity: Less than 1,000 students per residence

Human resource development space support

Social leaders Mentoring program for university students / Community-based social contribution activities / Support for university students' knowledge and service, talent donation / support for employment and start-up

Support for education and counseling

Financial and leadership education support / Supporting university students counseling center (student loans, scholarship, redemption, etc.)

Provision of cultural and educational space

Opening of library and study rooms / Operation of multimedia room, cafeteria, lecture halls, and club room etc. / Multi-purpose room and Talent cultivation room, etc.



Establishment of the "student residential complex by private donations" for the implementation of the new government affair

- The government affair to build a student residential complex by private donations for the implementation of the "Expansion of the university housing capacity of 50,000 students" (Establishment of student residential complex to hold approximately 5,000 students in the capital area as well as across the nation by 2022, (temporary name) Student welfare center, 200 students separately)

National Affairs 49-4 "Reducing tuition fees and housing expense"

Promoting the expansion of the university housing capacity of 50,000 students (30,000 actual residents) through the cooperation of relevant ministries and local autonomous entities

- Establishment of building the student residential complex by private donations and student general welfare center

Successful Opening of the First KOSAF student residential complex

- In March, 2017, the first KOSAF residence "KOSAF - Bank student residential complex" opened in Goyang-si, Gyeonggi-do with a capacity of 1,003 students
 - Residence fee is 150,000 won per month, 2 people per room

The first KOSAF Residence "KOSAF - Bank student residential complex" Opening Ceremony (April 6, 2017)



- The first residential complex of KOSAF is a private donation joint residence, property donated by the government free of state-owned land, the construction cost of 32.6 billion won donated by the National Bank Association and the 20 member companies, and construction and operation by the foundation made the building completed in December 2016. In 2017, 986 students from 62 universities were selected to live during the second semester.

Establishment of cooperative model of mutual development of student residential complex through collaboration with local government

- Concluded an agreement on "Establishment of a cooperative model for mutual development through collaboration with local communities" between Goyang-si and student residential complex to hold an autumn concert with local residents, expand transportation near the residence, and provide children's books for Morality Library.

Expansion of residence scholarship support for university students moving into the residential complex

- Reduced housing costs for 549 residents from 19 universities for the second semester of 2017 by expansion of housing scholarship support (50,000 won per month)
 - ※ Housing student scholarship support students pay a monthly rent of 100,000 won to reduce the 68.6% burden compared to the private residence fee (private operation, 318,000 won)

Amendment of the scholarship foundation law to establish grounds for reduction of electric charges in the residential complex

- Reform of the foundation law strengthens the welfare of students living in university residence
 - Established legal grounds for reduction of electricity tariffs, establishing a basis for using income-level quantification information

The second KOSAF student residential complex

- In May, 2017, it signed a business agreement with the Ministry of Education, Korea Hydro & Nuclear Power Co., and four municipalities (Gijang-gun, Ulju-gun, Gyeongju and Yeonggwang-gun) and the second student residential complex for those having economic difficulties is being constructed on the government land with donated 40 billion won from KHNP and four local governments. (Construction is expected to complete in 2020.)



“Becoming a scholarship policy research institute leading global student funding policy”

Holding a seminar on Korea–Japan tuition support policy to co-develop growth in the cultural area

- Established a basis for cooperation for the development of the financial aid system by providing a place for mutual discussion on the overall financial system between Korea and Japan

Seminar on Korea–Japan tuition support policy



- Expansion of business cooperation base for efficient financial support such as employee exchange training and seminar regularization
- Strengthening the foundation as a scholarship research institute leading domestic and foreign scholarship issues

The international student fund forum provided a turning point for the paradigm of university student housing welfare.

- In-depth debate with domestic and foreign experts to implement the national affair of the "Expansion of the university housing capacity of 50,000 people"
- Domestic and foreign related organizations shared the overall housing welfare program for university students and discuss future development plans

* Participated institutions: (overseas) Germany DSW, France CNOUS, (Domestic) KOSAF, SH, LH

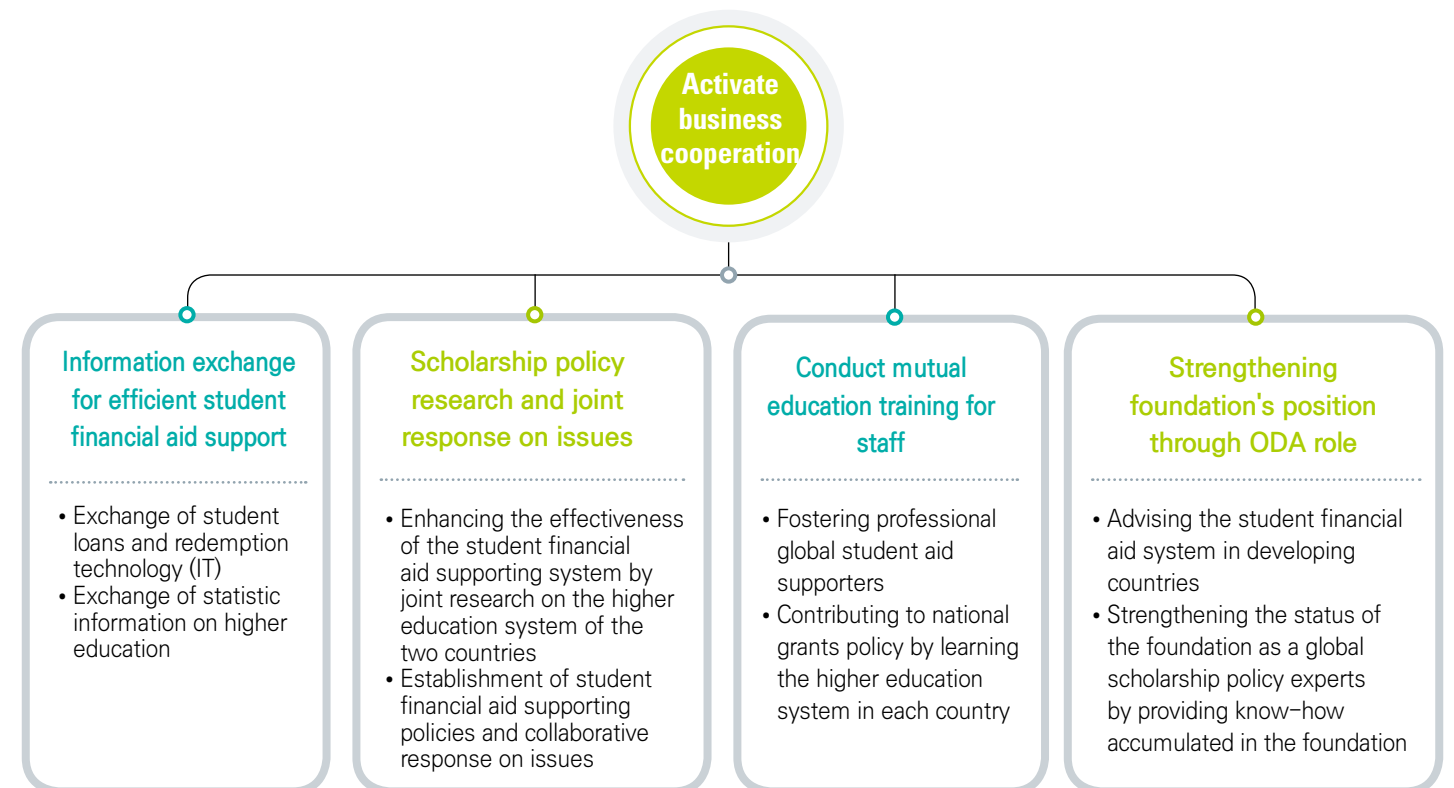
The 6th International Student Fund Forum



- Shifted the paradigm of university student housing welfare from living cost subsidy to national growth
- Opportunity to network with the leading institution of international higher education policy (ECSTA, NASPA)

Expansion of business cooperation system and exchange with overseas student financial aid supporting institutions

- Signed MOU with overseas student financial aid supporting institutions
 - (ICETEX, Colombia) Content exchange for the activation of information technology exchange and educational welfare expansion
 - Transfer of know-how of its student financial aid management system and exchange of information
 - (HESFB Uganda) Training support on student financial aid supporting system
 - Implementation on operational know-how including the National grants and student loans, student financial aid supporting laws and policies



KOSAF ANNUAL REPORT



Chapter 3

KOSAF trusted by the Citizens

Ethical Management	64
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The foundation believes that 'ethical management' based on principles and trust is a top priority in pursuing major projects such as financial support and human resource development support, and strives to be a trusted institution from the public through transparent and fair work.

Customized education for vitalizing “Act on the Prohibition of Receiving Fraudulent Claims and Money”

- In order to enhance the understanding of all employees, we invited external professional instructors to conduct education related to the Banquet Law (October, 2017) and to provide quarterly training for outsiders
- Every Monday, we provide personalized education through a variety of contents such as ethics management self-diagnosis, appeal prohibition law and the Code of Conduct visualization to all employees through a pop-up window of internal system.

Activation of operation of ethical management execution organization

- To enhance the transparency of the project and to spread the integrity culture within the foundation, we operate ethical management execution organization such as integrity ombudsman (external) and integrity guard (internal)
 - An anti-corruption working group consisting of integrity ombudsman and integrity guard was held to check the foundation's main projects and integrity policies (March and September, 2017).
 - Through ethical management execution organization, anti-corruption and integrity measures take into account and the work characteristics of the foundation were identified and improved.
- Based on the discussions of implementing organizations such as the Integrity Ombudsman, corruption risk was prevented by amending the regulations and operating the self-monitoring system at all times.

Establishment of Integrity Cooperation System for the Proliferation of Integrity Culture in the Region

- Local governments, public institutions, and local communities cooperated to build integrity system, resulting an expansion of independent integrity culture within the region.
 - Participated with Daegu "Integrity Concert with Citizens" (May, 2017) to participate in a publicity campaign with seven public institutions to publicize the Act on the Prohibition of Receiving Fraudulent Claims and Money to citizens.
 - Establishing an Integrity Partnership with 9 public agencies transferring Daegu Innovation city to cooperate to expand the integrity culture of local communities



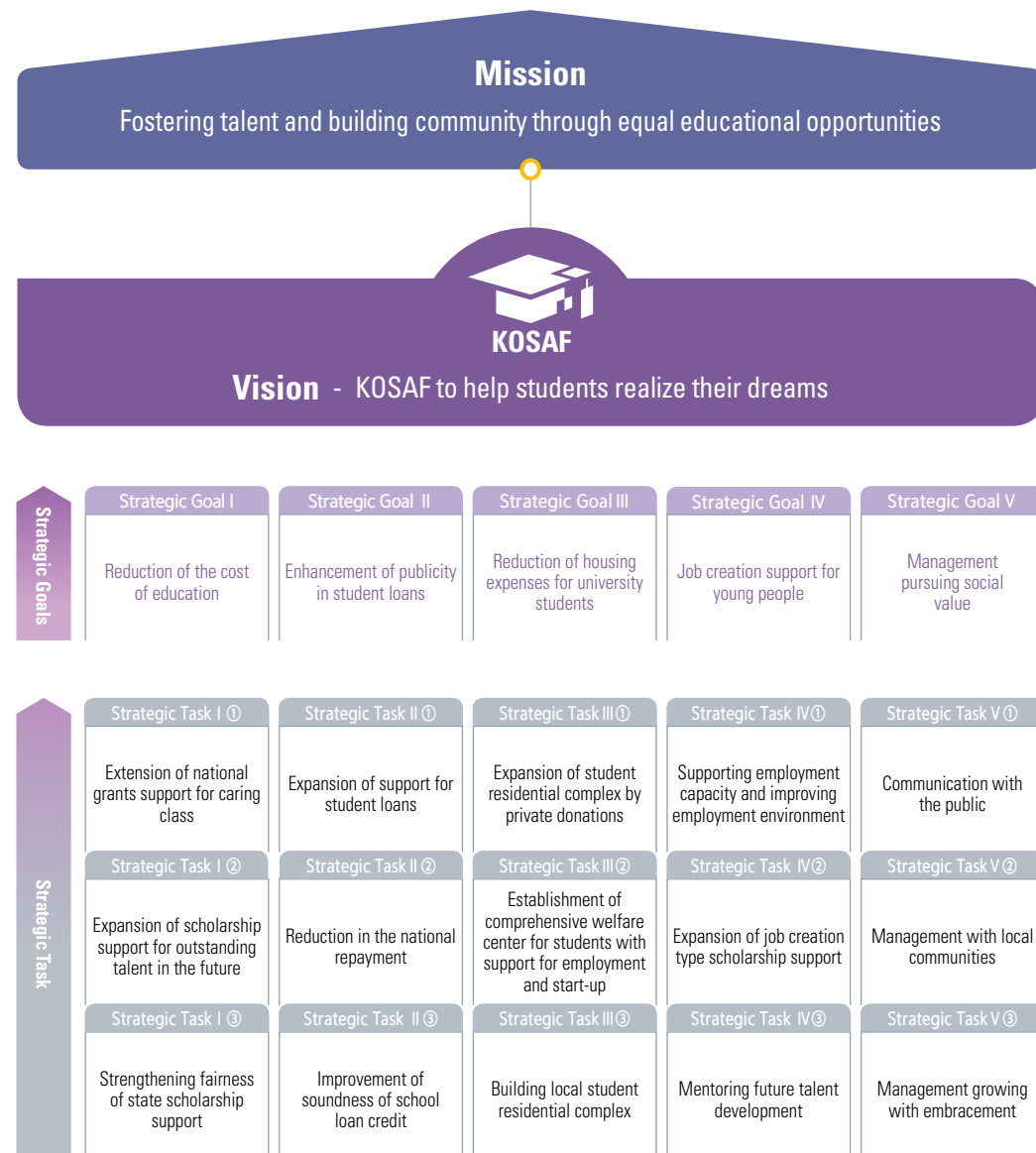
The foundation shares its specific and precise vision and strategies with its internal and external stakeholders to meet its objectives. Outside, we implemented a variety of sustainability management strategies to provide the best possible service to our customers and to maximize their internal capabilities and satisfaction.

Established a new management strategy system by securing the future direction of the foundation

- Mid and long-term strategy to secure the trust of the people to explore the future direction of the foundation and to secure the legitimacy of foundation existence
- Established a new management strategy system by discussing the development direction and strategy system of the foundation and reflecting the opinions of all employees, including opinions by position and department.
- The new management strategy system consists of missions, vision, strategic goals, and strategic tasks.
 - Clarified and establish the purpose of the foundation through the mission and presented the role and goal of the foundation through vision
 - Selected 5 strategic goals and 15 strategic tasks to define the foundation's direction

Established a fair recruitment promoted and promote a leading full-time job transition

- Established blind recruitment process so that the recruitment can be done according to person's ability by eliminating the possibility of involvement of prejudice and injustice according to evaluation stage for fair recruitment
- 57 non-regular workers were converted to full-time positions to rapidly resolve employment anxiety among them and to hire full-time workers for new recruitment.
 - Reduction of non-regular workers to 1% of total employees



Work-family balance and family-friendly personnel system

- Introduction of annual vacation savings system, enhancement of overtime work management due to shortening of working hours, improvement of system for eliminating long working culture and guaranteeing employee's resting rights
- Various systematic support such as promotion of maternity protection system and new care leave for childbirth and childcare so that newlyweds and childcare staff can cooperate with childbirth and childcare

- Expanded the use limit of flexible work arrangements and operating a family love day (Wednesdays and Fridays every week) to create a corporate culture that can realize life during the evening time

Customized welfare system adjusted to the citizen level

- Operate reasonable welfare system in line with the citizen level

Operated curriculum for internalizing management guidelines

- Set educational objectives as tasks to be accomplished in order to achieve strategic goals and to implement management guidelines.
- Established an employee training plan to reflect the needs of employees in the training process

Conducted training to enhance female manager professionalism

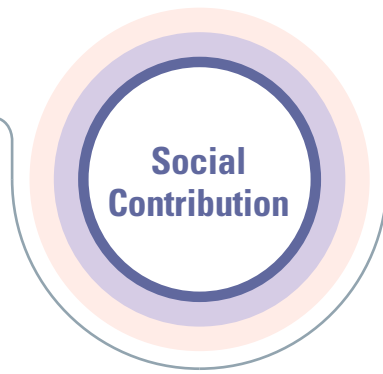
- Strengthened the professionalism of female managers by focusing on leadership
- Support for highly specialized courses through Korea Gender Equality Education Promotion Agency

Establishment of cooperative labor-management cooperation system and formation of reasonable labor-management relationship

- Employee-centered on-site management and active implementation of joint solutions by the management of the "Open Labor-Management Council", the workplace of free communication among workers and users
- Continuation of non-dispute collective agreement with reasonable labor-management relations (9 consecutive years)

Arranged a framework for leaning "Trusted KOSAF" through systematic ethical management system

- Proactive efforts to prevent corruption by revising preemptive regulations for the improvement of vulnerable sectors and strengthening customized anti-corruption and integrity education
- Continuous monitoring of ethical management through various inspection activities of internal integrity executing organization and benchmarking of external excellent integrity institute



The foundation is a public organization leading the sharing Service culture. It continues its activities to provide education for vulnerable groups and encourages tangible management. Especially in 2017, we made efforts to realize the social value of public institutions by expanding cooperation with local farmers and participating in cooperative activities with local residents.

Operated 'Smart Angels KOSAF' to return human resources to local communities

- Employees performed cultural and educational activities for low-income children, multicultural families, and other vulnerable groups to contribute to local welfare and sharing culture.
- Provided health checkups (immunizations etc.) and perform cultural experience activities for children with difficulties at home in the Dong-gu Regional Children's Center and the Ipseok Regional Children's Center in Daegu
- Jeil Christian Welfare Center and Namsan Welfare Foundation run various programs for weekend cultural experience and social independence for children of multicultural families and adults with intellectual disabilities.

Smart Angels KOSAF Program

Item	Supporting special activities for low-income children	Supporting special activities for multicultural families	Supporting activities for the adult intellectual disabled
Main Content	Support for health checkups (immunizations) and carry out cultural experience activities	Weekend culture experience activity support	Programs for social independence
Period of Activity	June, 2017 ~ December, 2017		
Institution Name	Dong-gu Regional Children's Center	Daegu Ipseok Regional Children's Center	Jeil Christian Welfare Center
Subject	Elementary and middle school students	Elementary students	Adult intellectual disabled
Activity Photos			

Establishment of 1 agency 2 markets, 1 company 2 villages for mutual growth of traditional market

- In order to revitalize the shrinking traditional market due to the economic downturn, visit to the traditional market in the lunar New Year holidays, talks with merchants, and purchase of goods in the traditional market was done.
- Exemplary external farming activities were promoted such as purchasing seasonal agricultural products, helping farmers to work in the farming season, and contributing to the increase of rural vitality and farm household income.

Sisterhood Programs

Item	1 agency 2 markets		1 company 2 villages
Main Content	Visit and use of sisterhood traditional market	Priority purchase of traditional market goods when purchasing foundation goods	Direct purchase of agricultural products, helping rural workers, supporting village projects, etc. Acquired certification for rural contribution in 2017
Visiting Markets	(Daegu) Dongdaegu New Market (Seoul) Manli Market		Seunggok Village, Sangju, Gyeongbuk Gudun Village, Yangpyeong, Gyeonggi
Activity Photos			

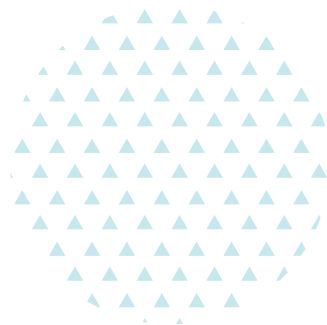


‘Joint social contribution of public institutions relocated to Daegu’ to support the underprivileged in the local community

- 9 public institutions moved to Daegu jointly carried out social contribution activities to strengthen support for the underprivileged in the local community and enhanced image of public institutions.
 - In the first half of 2017, donated goods were sent to 500 vulnerable families in Dong-gu and Seo-gu of Daegu. In the second half of the year, 500 families of elderly people living alone in Daegu were delivered with winter goods and contribution was made to community welfare.

Social contribution activities in 2017

Item	First half	Second half
Main Content	Supporting vulnerable families in the Dong-gu region	Delivery of winter goods to elderly people living alone in Daegu (The elderly person mind-and-bound business alone)
Date	June 13, 2017	December 19, 2017
Sponsorship Scale	1 million won	3 million won
Activity Photos		
Participating organizations	KOSAF, Credit Guarantee Fund, Korea Gas Corporation, Korea Appraisal Institute, Korea Education & Research Information Service, Korea Research Foundation, Korea Industrial Technology Evaluation and Management Institute, Korea Industrial Complex Corporation, Korea Information Technology Agency	



Achieve social value of public institutions through social contribution activities

- Promoted social contribution activities in the year to improve educational environment for vulnerable children and adolescents
 - Various social contribution activities such as improvement of learning environment of community welfare facilities, purification of environment near the foundation, and support for the visually impaired and elderly living alone

Foundation social contribution program in 2017

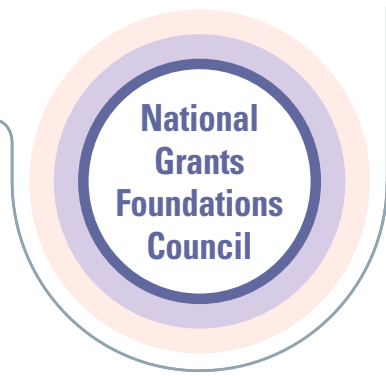
Supporting the improvement of learning environment	Joining a local campaign	Employee volunteering	Support for the visually impaired

Other activities

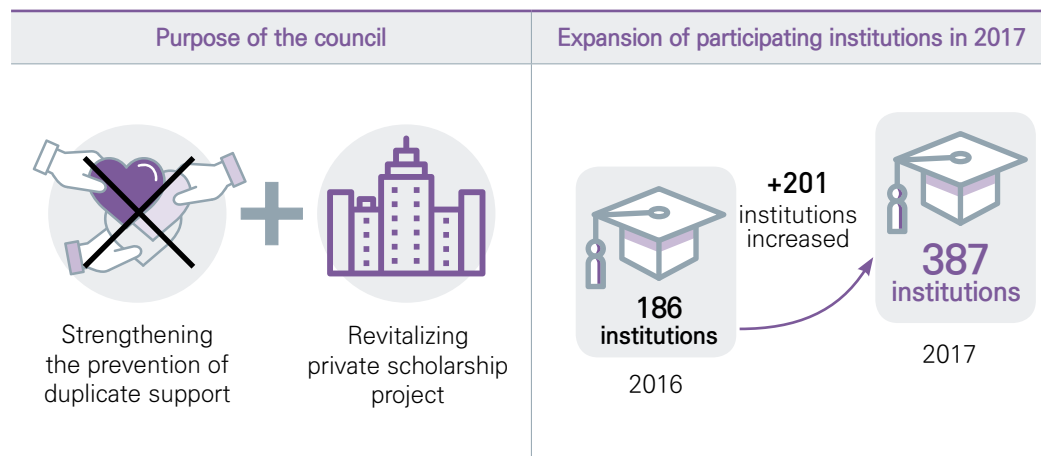
- Supported cultural experiences such as visiting the baseball field and supporting snacks and cheering bars for 986 low-income children and adolescents (40 institutions)
- Visited cultural performances and supplies to 97 people (7 organizations) including disabled people, their guardians and facility workers in Daegu
- Contribution to the improvement of the soldiers' morale and the improvement of the barracks environment in response to the month of the patriotism
- Participated actively in blood donation culture campaign by conducting blood donation campaign for employees in the first and the second half

Other social contribution activities

Child and youth culture experience support	Support for cultural performances for the disabled	Military service support	Employee Blood Donation Campaign

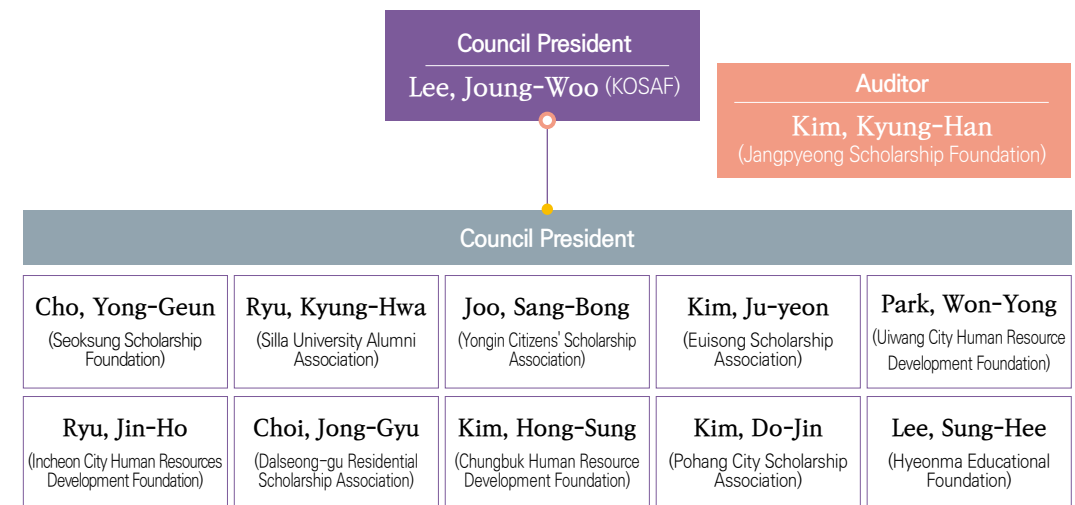


- The foundation established the National Grants Foundations Council (December, 2016) for the purpose of strengthening the prevention of duplication support and revitalizing the private scholarship project, and 387 (13.3%) out of 2,899 private scholarship foundations have joined as a member.
- The National Grants Foundations Council plays a variety of roles in establishing a public-private partnership system, holding regional briefing sessions to promote private scholarship projects, conducting tax and account training for member companies, and conducting research on ways to stimulate public-private partnership scholarship projects.



- In particular, in the year of 2017, we have laid the foundation for promoting the scholarship business through cooperation and communication with the private scholarship foundation of the National Grants Foundations Council, and strived to strengthen the project to prevent duplication support based on the public-private partnership system.

Organization of the National Grants Foundations Council

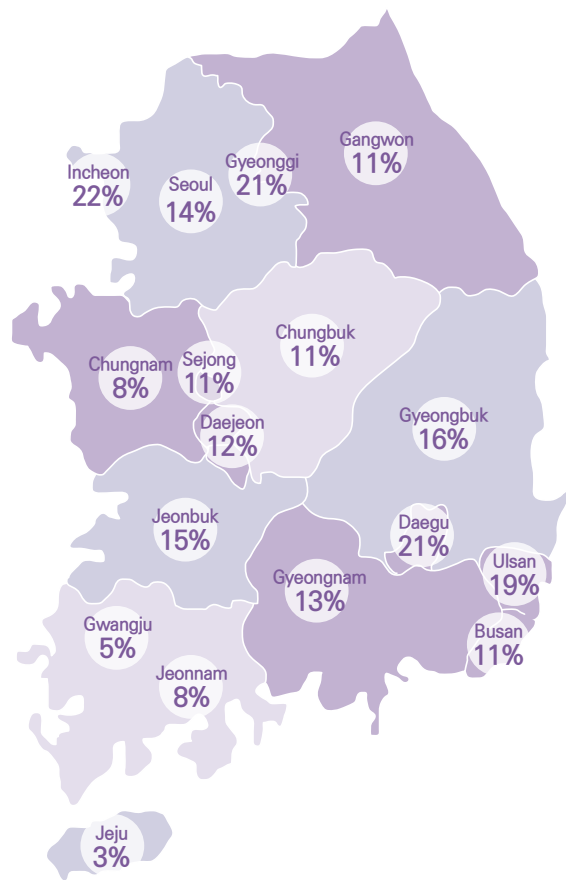


※ Approximately 200 scholarship foundations gathered and held regular general meeting (December 27, 2017)

- The members of the National Grants Foundations Council have greatly increased from 186 institutions in 2016 to 387 institutions in 2017, contributing to the development of scholarship policies in Korea through various methods such as publication of scholarship information and development of public-private partnership financial programs.



Status of National Grants Foundations Council membership in 2017



Region	Subject institutions	Registered institutions	Registration rate
Gangwon	169	19	11%
Gyeonggi	243	51	21%
Gyeongnam	143	19	13%
Gyeongbuk	161	26	16%
Gwangju	167	8	5%
Daegu	117	24	21%
Daejeon	57	7	12%
Busan	226	24	11%
Seoul	972	134	14%
Sejong	9	1	11%
Ulsan	27	5	19%
Incheon	60	13	22%
Jeonnam	165	14	8%
Jeonbuk	152	23	15%
Jeju	35	1	3%
Chungnam	114	9	8%
Chungbuk	82	9	11%
Total	2,899	387	13%

(Unit: unit)

Item	Number of institutions	Collection agency
Municipality	49	Gangwon Human Resource Development Foundation, Daejeon Talent Development Foundation, Andong City Scholarship Foundation, etc.
Private	51	Lotte Scholarship Foundation, OK Baejeong Scholarship Foundation, STX Scholarship Foundation, etc.
Sum	100	-

Developed a public-private scholarship business model

- The National Grants Foundations Council has established a basis of supporting residential grants for the residents of KOSAF student residential complex.

Sharing scholarship research results

- Planned to utilize the result as a basis for establishing policies to stimulate private scholarship foundation scholarship projects in the future
 - ※ "Plan to revitalize domestic scholarship business through change of management supervision and support system of private scholarship foundation" (Professor, Jung, Sung-Soo, Daegu Educational Univeristy, October ~ November, 2017)

Contributed to reinforcement of the prevention of duplicate support system by holding regional briefing session

- One-stop counseling booth for 'prevention of duplicate support' to promote the participation of 17 regions and actively participate in anti-multiple-application projects

Published the 'National grants Information House at a Glance' incorporating scattered scholarship information

- We collected 250 scholarship information from 100 institutions, published and distributed it to 400 universities and 600 private scholarship foundations.
- Customized scholarship information provided the opportunity to enjoy equal scholarship benefits from existing beneficiaries to prospective beneficiaries.



KOSAF ANNUAL REPORT



Chapter 4

Financial Status

Financial Status in 2017	78
Profit/Loss in 2017	80



Financial Status in 2017

- At the end of 2017, the total assets of the foundation decreased by 294.2 billion won to 12 trillion 474.8 billion won, the main reason is that the amount of loans (△169.1 billion won) decreased due to the increase in scholarship funding (14.5 billion won) and a decrease in enrollment in higher education institutions (about 57,000 students).
- Total liabilities were 11 trillion 668.6 billion won, down by 345.1 billion won from the previous year, this is due to the fact that the amount of funds from the college loan, which is the source of the student loans, decreased as the student loans became net withdrawal period (higher than 146.7 billion won in return on supply).

2017 Financial statement (summary)

(Unit: 100 million won)

Item	2017(A)		2016(B)		Change (A-B)
Assets	124,748	100%	127,690	100%	△2,942
Deposit ¹⁾	4,670	4%	4,753	4%	△83
Loan receivables ²⁾	113,267	91%	115,347	90%	△2,080
Accrued profit	5,013	4%	4,734	4%	279
Other assets	1,798	1%	2,856	2%	△1,058
Debts	116,686	100%	120,137	100%	△3,451
Foundation bonds (face value)	114,300	98%	116,600	97%	△2,300
Other liabilities	2,386	2%	3,537	3%	△1,151
Capital	8,062	100%	7,553	100%	509
Basic property	127	2%	127	2%	-
Retained earnings	7,935	98%	7,426	98%	509

¹⁾ Amount after deduction of government subsidy

²⁾ Amount after subtracting present value discount, allowance for loan loss, government subsidy

Financial Status in 2017

(Unit: 100 million won)

Item	2017(A)	2016(B)	Change (A-B)
Deposit ¹⁾	4,670	4,342	328
Securities ²⁾	-	411	△411
Loan receivables	112,742	114,813	△2,071
- Direct loan	49,576	52,457	△2,881
- Income contingent loan	68,756	67,373	1,383
- Rural school funds	4,009	4,387	△378
- Other loans	209	204	5
(Present value discount difference)	(844)	(988)	144
Assets			
(Allowance for doubtful accounts)	(5,300)	(4,703)	△597
(Government subsidy)	(3,664)	(3,917)	253
Nominal bond	525	534	△9
Receivables	11	4	7
Accrued profit	5,013	4,734	279
Tangible assets	139	350	△211
Intangible assets other than sales permit	296	25	271
Other assets	1,352	2,477	△1,125
Total assets	124,748	127,690	△2,942
Foundation bonds (corporate bonds)	115,224	118,719	△3,495
Financial guarantee provision	55	76	△21
Prepaid income	1	1	-
Debts			
Accrued expenses	984	1,052	△68
Accounts Payable	149	106	43
Deferred income tax (liability)	-	1	△1
Others (Derivative liabilities)	273	182	91
Total Debt	116,686	120,137	△3,451
Capital			
Basic property	127.01	127.01	-
Other legal reserves	6,487	6,748	△261
Unappropriated retained earnings (Net Income)	521	503	18
Accumulated other comprehensive income	514	△243	757
Other capital	△9	△4	△5
Other capital	422	422	-
Total amount of capital	8,062	7,553	509

¹⁾ Cash and cash equivalents and short-term financial instruments (short-term deposits), long-term financial instruments (term deposits)

²⁾ Short-term trading securities, available-for-sale securities, held-to-maturity securities



Profit / Loss in 2017

- In 2017, the foundation's total revenues amounted to 4 trillion 644.5 billion won, with a total cost of 4 trillion 593.1 billion won, with net income of 51.4 billion won. Net income increased by 75.7 billion won on year, mainly due to a decrease in loan loss provision expenses.
- Business profit increased by 27 billion won compared with the previous year, due to the increase in the number of funded projects and management and operation expenses, including National grants and outstanding scholarships.
- Financial gains and losses decreased by 25.1 billion won due to the decrease in loan receivables, but 58 billion won increased from the previous year due to decrease in interest expenses and bad debt expenses.

2017 Income statement (summary)

(Unit: 100 million won)

Item	2017(A)	2016(B)	Change (A-B)
Business Revenue (a)	41,748	41,314	434
Business costs (b)	40,835	40,671	164
Business profit and loss (c = a-b)	913	643	270
Financial revenue (d)	4,662	4,262	400
Financial costs (e)	4,878	5,058	△180
Financial income (f = d-e)	△216	△796	580
Other transaction income (g)	△183	△90	△93
Profit or loss (h = c + f + g)	514	△243	757

Profit / Loss in 2017

(Unit: 100 million won)

Item	2017(A)	2016(B)	Change (A-B)
1. Business (Sales) Revenue	41,748	41,314	434
Previous earnings	41,697	41,144	553
Guarantee revenue	3	7	△4
Donation revenue	30	161	△131
Other business revenues	18	2	16
2. Business (sales) expense	40,835	40,671	164
Direct business expense	39,487	39,308	179
Fee costs	716	765	△49
Management operating expenses	632	598	34
3. Business (sales) profit (= 1-2)	913	643	270
4. Other income	36	36	-
5. Other expenses	207	122	85
6. Other Income	-	2	△2
7. Financial income	4,662	4,262	400
Interest income (loan)	3,221	3,517	△296
Interest income (deposit)	183	138	45
Other financial income	1,258	607	651
8. Financial Costs	4,878	5,058	△180
Interest expense	2,821	3,093	△272
Bad debt expenses	601	1,510	△909
Other financial costs	1,456	455	1,001
9. Income before income taxes (= 3 + 4-5 + 6 + 7-8)	526	△237	763
10. Income tax expense	12	6	6
11. Net income (= 9-10)	514	△243	757

History

2008

- February** 'Establishment of customized National grants system'
- May** Establishment of basic plan for 'Establishment of customized National grants system'
- October** Korea Student Aid Foundation (KOSAF) established

2010

- January** KOSAF Started offering Income Contingent Loan(ICL)
- May** Korea Human Resource Mentoring Network (KORMENT) launched
- June** Held The 1st International Student Fund Forum
- July** Moody's long-term credit rating A1, Fitch long-term bond A+ (same as national credit rating)
- November** Acquired KS Qualification for KOSAF service center

2012

- January** Awarded the 8th Webaward Korea Nonprofit Organization Grand Prize
Implementation of the National grants System (1.75 trillion won per year)
- March** Won 2012 Happiness Social Contribution Grand Prize
- October** International Business Awards Gold Medal of Consumer Marketing Campaign of the Year
- November** Won the 22nd Korea Communications Best Advertising and Public Service Campaign Award
The 5th Korea Internet Communication & Social Media Awards
Held the 3rd International Student Fund Forum
- December** Won Excellence Award in Public Institutions from 2012 Korea Blog Award
Won the 9th Webaward Korea Webzine Excellence Award

2009

- January** Passed National Assembly Law on Establishment of KOSAF
- February** Law Fear and KOSAF Foundation Committee
- April** KOSAF IT Infrastructure Construction
- May** Establishment of KOSAF (the first chairman, Dr. Lee, Kyung-Sook)
- June** Acquired AAA credit rating for KOSAF
- July** Implemented financial loans of KOSAF, first issue of foundation funds

2011

- June** Acquired grade A of public institution management evaluation agency in 2010 (first among the newly established institutions)
- July** National statutory donation group appointed
- September** Obtained family-friendly management certification from Ministry of Gender Equality and Family
- October** Won Main Award in the International Business Awards Financial Service
- November** Designated as a financial-type public
Held the 2nd International Student Fund Forum
2011 Spotlight Awards Education / Research / Foundation Annual Report Bronze Award
- December** Loan rate cuts for the first semester of 2012 (4.9% → 3.9%) and relaxation of the qualification criteria for student loans after graduation (B or higher credits → C or higher credits)

2013

- January** Student loans interest rate cut (3.9% → 2.9%)
Expansion of National grants fund for half-price tuition payment (2.7 trillion won per year)
- March** Won 2013 Happiness Social Contribution Grand Prize (2nd consecutive year)
- May** Inauguration of the 2nd Chairman, Kwak, Byeong-Sun
- October** Won the Gold Prize in the Technology Section of the International Business Awards (won for three consecutive years)
- November** Received the Grand Prize in the 6th Korea Internet Communication Communication Administrative Division
2013 Korea's Best Public Service Award
- December** Received the Minister's Award from the Ministry of Gender Equality and Family for the 23rd Korea Communications Awards

2015

- January** Korea Student Aid Foundation Converting low-interest loans (ending May, 2015)
Support for the expansion of scholarship to complete income-related half-price tuition (3.9 trillion won per year)
- May** Held the 4th International Student Fund Forum
- June** Environmental management system (ISO14001) certification
- July** Student loans interest rate cut (2.9% → 2.7%)
- September** 1st Goyang-si student residential complex started for construction
- November** Korea Student Aid Foundation headquarters moved to Daegu
- December** Won the Grand Prize in the Electronic Communication Division of Korea Communications Award in 2015
Won the Grand Prize in the Public Sector of the 8th Korea Internet Communication Awards

2017

- January** Opened Gyeonggi student financial aid center (customized counseling center)
- February** Held a seminar on student financial aid for Korea and Japan
- March** Opened KOSAF's first student residential complex by private donations
- March** Opened Daejeon student financial aid center (customized counseling center)
- April** Opened Kangwon student financial aid center (customized counseling center)
- July** Student loan interest rate cut (2.5% → 2.25%)
- November** Held the 6th International Student Fund Forum

2014

- January** Expansion of the National grants fund supporting the low income group (3.5 trillion won per year)
- March** Won 2014 Happiness Social Contribution Grand Prize (Awarded for 3 consecutive years)
- June** Won 2014 Sejongdaewang Sharing Service Award and the National Assembly Ethics Committee Award
- July** Opened Korea Student Aid Foundation Low interest rate conversion loan
Implementation Personalized Counseling Center (Busan Student Support Center)
- November** Recognized as an excellent institution for human resources development in the public sector (Best HRD) in 2014

2016

- May** Inauguration of the 3rd Chairman, Ahn, Yang-Ok
- May** Held the 5th International Student Fund Forum
- July** Student loans interest rate cut (2.7% → 2.5%)
- September** Improved system to prevent duplication of school expenses
- December** Completion of the first student residential complex in Goyang-si

International Cooperation Network



The foundation has international cooperation with more than 40 organizations in 26 countries, and has been working on various aspects to establish international networks such as hosting international forums and seminars every year and signing MOUs.

Through this, we intend to become a world-class scholarship policy institution that can present the leading financial support role model in the future.

KOSAF International Cooperation Network

- Japan**
- MEXT(Ministry of Education, Culture, Sports, Science and Technology)
 - JASSO(Japan Student Services Organization)

- U.K.**
- HEFCE(Higher Education Funding Council for England)
 - SLC(Student Loans Company)

- Sweden**
- CSN(Swedish Board for Study Support)

- Netherland**
- Ministry Of Education, Culture and Science)
 - DUO(Dienst Uitvoering Onderwijs)

- Australia**
- Department of Edu. And Training
 - ATO(Australian Taxation Office)

- Canada**
- NSLSC(National Student Loans Service Centre)

- U.S.**
- U.S. Department of Education
 - FSA(Federal Student Aid)
 - IRS(Internal Revenue Service)
 - TICAS(The Institute for College Access & Success)

- China**
- Sectional Area(Mainland China, Taiwan, Hongkong) Ministry of Education
 - Embassy of the Republic of Korea in Education in China

- Luxemburg**
- University of Luxembourg

- Malaysia**
- Ministry Of Education Malaysia
 - PTPK(Skills Development Fund Corporation)

- Mongol**
- Ministry Of Education

- Thailand**
- Ministry Of Education

- Brunei**
- Ministry Of Education

- Indonesia**
- Ministry Of Education

- Vietnam**
- Ministry Of Education

- Ethiopia**
- Ministry Of Education

- Slovenia**
- Ministry Of Education

- Singapore**
- Ministry Of Education
 - NUS(National University of Singapore)

- Columbia**
- ICETEX

- Uganda**
- HEFSB(Higher Education Students Financing Board)

- France**
- CNOUS

- Finland**
- KELA
 - University of Helsinki

- Germany**
- BMBF(Federal Ministry of Education)
 - DAAD (German Academic Exchange Service)

- New Zealand**
- Ministry of Education
 - Inland Revenue
 - Ministry of Social Development

- Denmark**
- SU(State Educational Grant and Loan Scheme)

- Taiwan**
- Ministry of Education Republic of China(Taiwan)

