OUR STORY FOR DIGITAL FINANCIAL INCLUSION

A Fintech’s Voyage To Advancing Inclusive Finance Through Digital Innovation In Addition To Open Banking and Open API in Financial Services

Michael Yongchoel Choi (ychoi@finset.io)
Chief Innovation Officer @ Korea Financial Solutions, Inc.
WHO WE ARE?

Korea Financial Solutions, Inc.

- Spinoff from KOSCOM behind KRX
- Industry-leading Fintech startup to democratize the loan market
- Fast-growing in 2020 with 105% MoM (total amount of approved loans so far: $1.5B)
- Working on advancing inclusive finance through digital innovation
WHAT’S DIGITAL FINANCIAL INCLUSION?

The World Bank says

- **Financial inclusion** means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

According to CGAP (Consultative Group to Assist the Poor) report, “Digital Financial Inclusion” in 2015

- “Digital financial inclusion” can be defined as digital access to and use of formal financial services by excluded and underserved populations. Such services should be suited to the customers’ needs and delivered responsibly, at a cost both affordable to customers and sustainable for providers.
# Open Banking and Open API

## Key Features of Open Banking in Korea from Financial Service Commission

- Open banking offers **six APIs** for enabling core banking services as follows:

<table>
<thead>
<tr>
<th>API type</th>
<th>Services</th>
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<tr>
<td><strong>Read APIs</strong> (account information services)</td>
<td>1. <strong>Account balance</strong>: enabling a customer to check balance at his/her own bank accounts</td>
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<td>2. <strong>Transaction history</strong>: enabling a customer to check transaction history with his/her accounts</td>
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<td>3. <strong>Account holder’s real name</strong>: enabling open banking service providers to access a customer’s account information to verify the validity of the account and identify the account holder’s real name</td>
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<td>4. <strong>Rempter’s information</strong>: enabling a customer to check the remitter’s name and account number</td>
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<td><strong>Write APIs</strong> (Wire transfer services)</td>
<td>5. <strong>Debit transfer</strong>: enabling open banking service providers to collect money from a customer’s account</td>
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<td>6. <strong>Credit transfer</strong>: enabling a customer to withdraw money from his/her bank account and credit it into another open banking service provider’s account</td>
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- Compared to open banking services in other countries, Korea’s open banking takes a step further by providing not just read APIs but also write APIs, **enabling wire transfer functions**.
OUR SOLUTIONS FOR DIGITAL FINANCIAL INCLUSION

1. Mobile Loan Marketplace
2. Smart Analytics Report
3. Debt Management Consulting Service
4. Alternative Credit Scoring
5. Financial Inclusion for Expats
#1: MOBILE LOAN MARKETPLACE

We are providing the **personalized** loan marketplace to each person based on their own credit score in addition to the general one.

We help each one have **digital access** to useful and affordable financial products and services regarding the credit loan.
We are issuing the tailored smart analytics report to each one by working together with KASFP (Korean Academic Society of Financial Planning) which has academic expertise in financial planning.

Each customized report to analyze each one’s credit issue and spending habits can help them be quickly adapted for better economic situation.
We run the debt management consulting service program to each one especially for the people with low credit score, along with KRIFI (Korea Research Institute For Financial Inclusion) which has expertise and experience in helping the poor people in a practical and sustainable way.

We are actively helping them live better lives with proactive debt management through digital transformation in our mobile app, named Finset N.
#4: ALTERNATIVE CREDIT SCORING

For better credit and lower interest rate, we are deploying and upgrading our own alternative credit scoring by utilizing each one’s asset information such as fund and stock market account.

When it comes to stock market account, we are using Open API from KOSCOM.
We, Korea Financial Solutions, are also working on advancing digital financial inclusion for the foreigners in Korea so that they are not under-served when it comes to financial services.

We run the mobile app service, named Finset Expats, to help the expats have digital access to useful and affordable financial products and services in Korea.
Implications of COVID-19 for our business is huge as it does for others. We are responding to challenging times to help our customers prepare for the future.

We are offering more personalized and tailored financial services, which are developed with our business partners together with digital technologies, so that each one can adapt rapidly in a COVID-19 world.
We, Korea Financial Solutions, will keep providing better financial services to advance digital financial inclusion for more people and even for small enterprises with Open Banking and Open API in addition to our innovative digital technologies in mobile, cloud native and AI/ML.

Thank you.