

A hand holding a smartphone is the central focus, with various fintech-related icons like a padlock, a smartphone, a lightbulb, and a document floating around it. The background is a soft blue with bokeh light effects. A semi-transparent blue horizontal band is positioned across the middle of the image, containing the main title.





# Fintech in Korea

Fintech Center Korea

# I. Fintech by sector in Korea

## Banking(Simple Payment& Remittance)

### Comparison of Top 4 Simple Payment Service Platform

	 Samsung Pay	 Kakao Pay	 Naver Pay	 Toss
<b>Monthly Transaction</b>	KRW 1 Trillion (USD 835 Million)	KRW 4 Trillion (USD 3342 Million)	KRW 1.4 Trillion (USD 1169 Million)	KRW 4 Trillion (USD 3342 Million)
<b>Accumulated User</b>	14 Million (04.2019)	30 Million (08.2019)	30 Million (08.2019)	30 Million (08.2019)
<b>Note</b>	<ul style="list-style-type: none"> <li>Released in 08-2015</li> <li>NFC, MST method</li> <li>No.1 Market share in offline</li> <li>Service in 20 countries</li> </ul>	<ul style="list-style-type: none"> <li>Released in 2014 (The first)</li> <li>The highest monthly transaction</li> </ul>	<ul style="list-style-type: none"> <li>The highest accumulated user</li> <li>190K online member stores</li> <li>Plan to proceed financial service with Mirae Asset</li> </ul>	<ul style="list-style-type: none"> <li>Released in 02.2015</li> <li>Sell the Mini-Insurance</li> <li>Expansion Life-Finance Services</li> </ul>

Simple payment market rapidly grows in Korea(tripled in last 3 years)

## Neo Bank

### Current Status of Neo Bank

#### Success Factors

- 40 million KakaoTalk members
- Customer-friendly UI, UX
- Mobile-only strategies → Focusing on mobile
- Unconditional Loan at low interest rate

#### Effects

- Digitalization
- Non-face-to-face accounts & transactions
- High competition in bank ecosystem
- Importance of security
- Catfish effect
- Fusion and bundling service expansion → Strengthen link with other industry

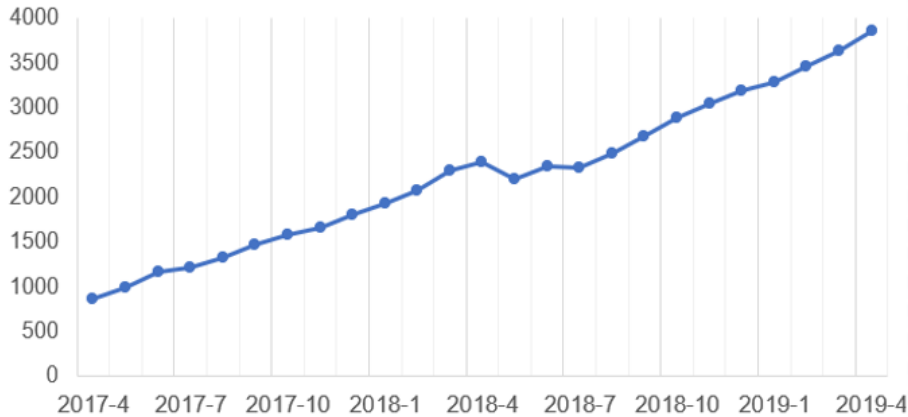
- Kakao Bank accumulated 4.35 million non-face-to-face accounts within 100 days after start of services
- It turned to a surplus in two years

# I. Fintech by sector in Korea

## ■ P2P Lending

### Current Status of P2P Lending

#### Accumulated P2P Amount of Loans' Increasing Progress in Korea



(Source : Korea P2P Finance Association)

Unit : KRW Billion

Risk management Know-how  
Stable management of overdue · poor  
Various investment product



Rapid growth of  
P2P finance

It is concerned because real estate-related loans are significant portion(86%) of total P2P lending

## ■ Robo-Advisor

### Current Status of Robo-Advisor

#### 'Koscom' Robo-advisor Test-bed

##### Robo-advisory Test-bed Rate of Return for 5 Months (Unit : %)

Type	Algorithm	Rate
Korean	Data and Analytics FASST Korea	9.7
	Kium Momentum	6.3
	QV Pension Portfolio	6.2
	KFI I77	6.0
	KB Robo-rider	5.9
	KODEX Robo-solution 1	5.5
	Daishin Robo-balance	5.4
	Kium Multi Asset	4.4
	KEB Hana_Craft Asset Allocation Alpha	4.1
	Samsung POP Robo Stock Fund	3.2
Overseas	KimRobo Global 01	9.1
	December USA Stock Solution	4.3
	ATOM Global Dynamic	2.5

\* 22-May-2017~26-Oct.

Source : Koscom

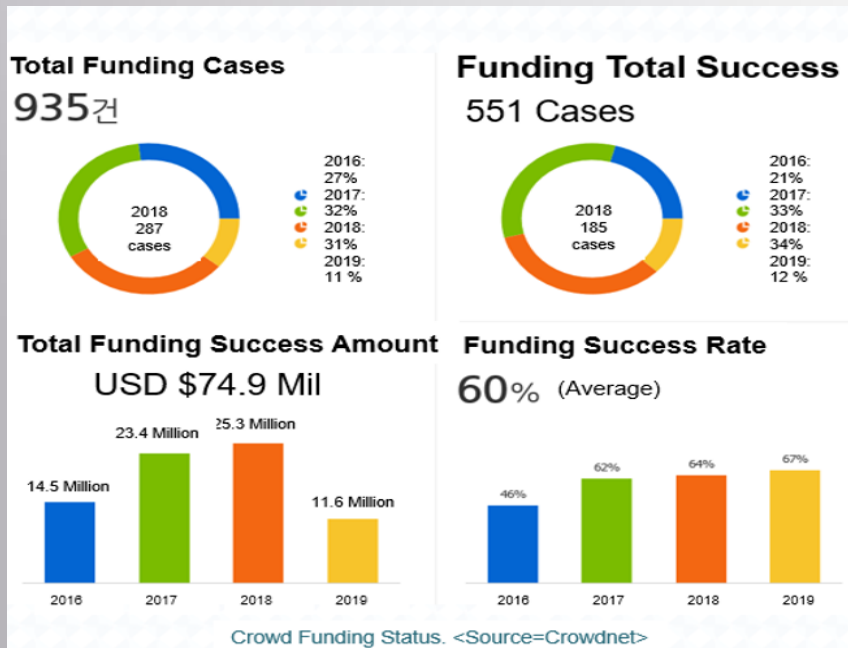
Robo-Advisor's growth potential is relatively high

→ estimated KRW 2 trillion(USD 1,670) in 2021

# I. Fintech by sector in Korea

## ■ Crowdfunding

### Current Status of Crowdfunding



**50mil US\$ in 2017 -> 260 mil US\$ in 2019(5times in 3 years)**

-> very rapid growth

## ■ Insurance

### Major Insurance companies' Insurtech innovation

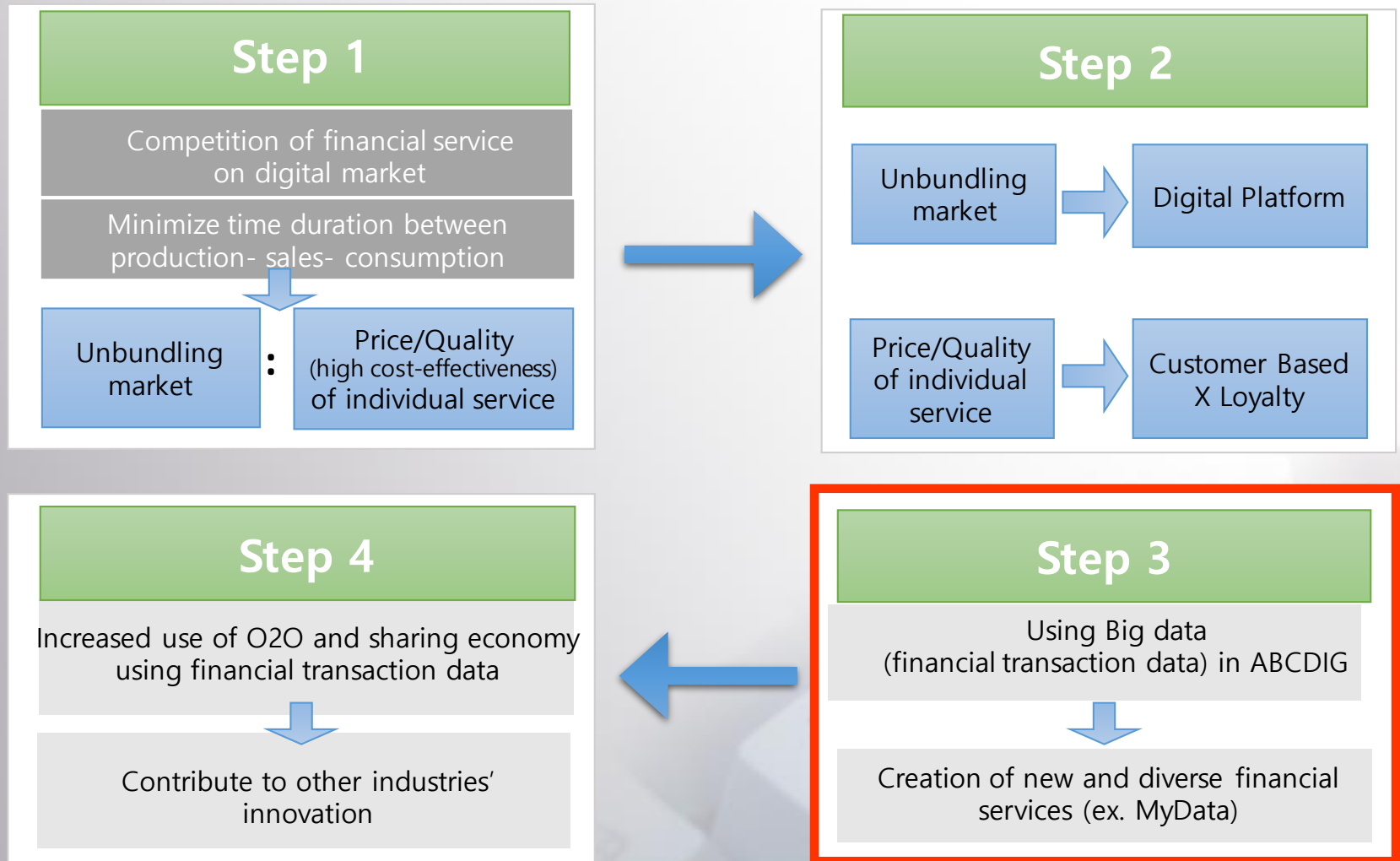
Insurance Company	Contents
SAMSUNG LIFE INSURANCE	Establish CVC for Insurtech Startup Investment
KYOBO LIFE INSURANCE	Launch Blockchain Combined Disease Prediction Service
HANWHA GENERAL INSURANCE	SK telecom- Hyundai Motor establishes "Internet based Insurance company"
DB INSURANCE	Signed an MoU for Insurtech research with Korea Internet&Security Agency
KB INSURANCE	MoU signed by three parties to prepare a simple claim system
HANA LIFE INSURANCE	Signed with InsureTech Company "Ubicare" to develop health-enhancing products

**Driving habit-linked & Health-linked insurances start to release onto the market**

→ Health care Insurtech products have increased in recent years due to aging society and bigdata analysis

## II. Fintech Innovation Stage

- Four step of innovation in finance to support innovative growth



## IV. Environmental Change in Fintech Industry

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### ▪ 2 environmental changes based on the Financial Innovation Support Act

The Korean National Assembly passed a legislation called the Financial Innovation Support Act (the “FinISA”) on December 7, 2018. Base on this Act, **Regulatory Sandbox policy** and **Open Banking** came into force.

- ① **Regulatory Sandbox (120 Innovative Services, 33 Designated Agents, 18 Consignment Test)**
- ② **Buckle down to Open Banking**

### ▪ The amendments to the three major data privacy laws

- ① **Personal Information Protection Act**
- ② **Act on Promotion of Information and Communications Network Utilization and Information Protection**
- ③ **Credit Information Use and Protection Act**

### ▪ **FinDX(Financial Data Exchange Platform, [www.data.go.kr](http://www.data.go.kr))**

- ① Opening “FinDX” in May 2020
- ② **Trading Data** : financial, e-commerce, distribution, real-estate, AI, telecommunication, medical(Only partially allowed by law) etc.



# V. Challenge for Fintech Industry

## ▪ New Business Model : MyData

### Concepts & Business Model of MyData

#### ① Concepts

- Gather MyData based on the “Right to Data Portability” collected by a third party(MyData company)

#### ② Business Model

- To see integrated individual’s own financial information
- More efficient asset management for individual

