How MyData opens the next generation of Open Banking & Innovation

- Key implications for personal data protection amid COVID-19

Banksalad
December 17, 2020
Agenda Today

1. MyData Concept and Korean Gov’t efforts for Individual Data Rights Improvement

2. API-based Personalized Data Service Acceleration during COVID-19

3. Data-driven Open Innovation in Korea
Section 1. MyData Concept and Korean Gov’t efforts for Individual Data Rights Improvement
MyData vs. Big data

MyData is designed to promote personalized digital services

**Big data**

**Entity and rights**
- Company's right to use statistical data

**Impact**
- Statistical algorithm-based big data
- Big data utilization services

**Development method**
- Deregulation on the use of big data
- Data Integration within a single company

**MyData**

**Entity and rights**
- Individual's right to request data transfer

**Impact**
- Personalized data services
- Comprehensive management services

**Development method**
- Grant authority to request MyData transmission
- API-based data exchange between companies
Korea established a legislation for individual data protection

Timeline of MyData Implementation

- **Jan. 2020**: 3 Acts related to open data policy passed legislature
- **Aug. 2020**: Enforcement of ordinance published
- **Feb. 2021**: Licensing of MyData business begins (Approx. 40 companies)
- **Aug. 2021**: User’s right to data portability begins
- **Q3 2021**: Legal sanctions applied to denial of right to data portability

Right to Data Transfer in Korea

= Individual Right to Data Portability in EU

**Concept**
- Active right to transfer data to a third party based on individual’s request

**Interest**
- Execution of data transfer based on individual’s authorization only

**Third party that receives data**
- Third party designated by the individual only
Section 2. API-based Personalized Data Service Acceleration during COVID-19
### MyData drives a data transmission method from scraping to API

**Data Transfer via API starting from August 2021**

#### Changes in technical environment

<table>
<thead>
<tr>
<th>Scanning becomes prohibited and API becomes mandatory</th>
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<tbody>
<tr>
<td>More accurate and faster data exchange will take place with scalable data coverage ‘beyond finance industry’</td>
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#### Comparison between Scanning and API

<table>
<thead>
<tr>
<th>Ease of authentication</th>
<th>Download a public certificate to your device, or enter your ID/password for each organization</th>
<th>Through an in-app integrated certificate issuance and one-time authentication, all institutions become collectively integrated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed of update</td>
<td>Slow, depending on the number of steps in the scraping process</td>
<td>Very fast (more than 10 times faster) in sending and receiving data</td>
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<tr>
<td>Accuracy of information</td>
<td>Need to audit on a regular basis</td>
<td>Low chance of errors because data items are received as-is</td>
</tr>
<tr>
<td>Scalability of information</td>
<td>Growing number of non-scrapable data</td>
<td>Data aggregation service is growing</td>
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Key technologies for company’s digital competitiveness during COVID-19 and beyond

Data collection capabilities

<table>
<thead>
<tr>
<th>Data amount</th>
<th>Amount of data collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentication</td>
<td>Ease of authentication</td>
</tr>
<tr>
<td>Collection cycle</td>
<td>Real-time update cycle</td>
</tr>
<tr>
<td>Consent</td>
<td>Consent to data collection</td>
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Data utilization capabilities

<table>
<thead>
<tr>
<th>Consumer perspective</th>
<th>User-friendly UI / UX innovation</th>
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<tbody>
<tr>
<td>Real-time monitoring</td>
<td>More timely information</td>
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<tr>
<td>Service automation</td>
<td>Machine Learning-based services</td>
</tr>
<tr>
<td>Hyper-personalization</td>
<td>Data-driven hyper-personalized offerings</td>
</tr>
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</table>
“No-contact” Personal Finance Solution

Banksalad, a fintech company in Korea, empowers a “smart” life through data aggregation & intelligence

Big data-based system
Disconnected multiple data sources across sectors

- Data fragmentation
- Lack of personalized services
- Complex authentication process and difficulty in data usage

Right to transfer data

Banksalad
Provides **Personal Lifestyle Solutions** experience by integrating and connecting user’s data to identify services tailored to each individual

- Lifestyle Solutions based on integrated database
- Hyper-Personalized services
- Easy authentication and data accessibility
Personal, Financial & Lifecycle Solutions = Banksalad’s business transformation from Fintech to MyData platform
Section 3. Data-driven Open Innovation in Korea
API-based Open Innovation drives a Personal Life/Data Management Service

**MyData Business Evolution**

- Personal Finance Management
- Personal Life Management
- Personal Data Management

**Growth Strategy of Banksalad**

- Personal/Financial Service Curation Model
- Personal Lifestyle Curation Service
  - maximizing multi-dimensional data processing methodologies
- API-based Data-as-a-Service [DaaS] Model
  - (B2B, B2B2C)

The MyData Legislation encourages companies to create more inclusive services through data control transfer from enterprises to individuals.