

# Economic Snapshot

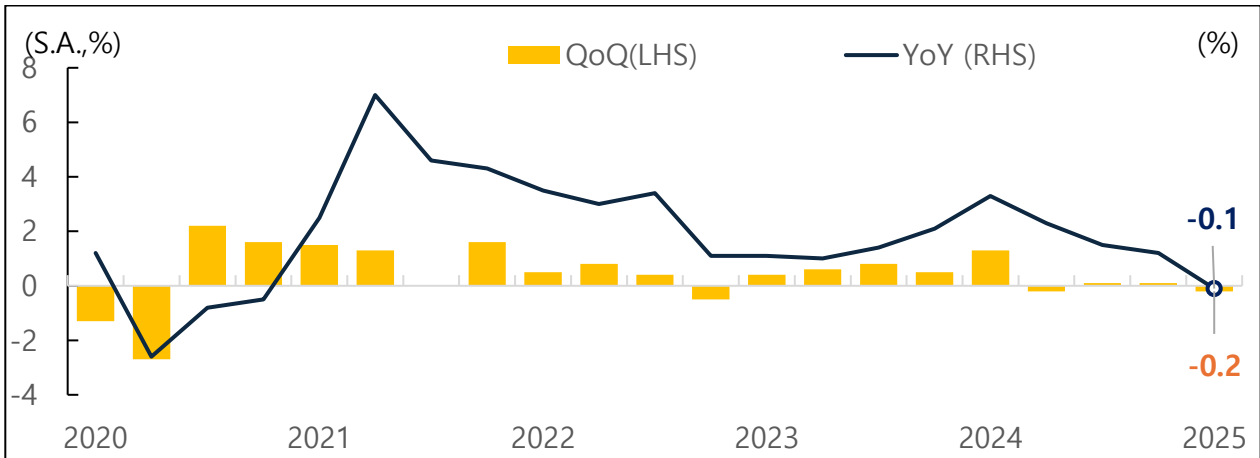


**June 2025**

Council on International Financial Cooperation

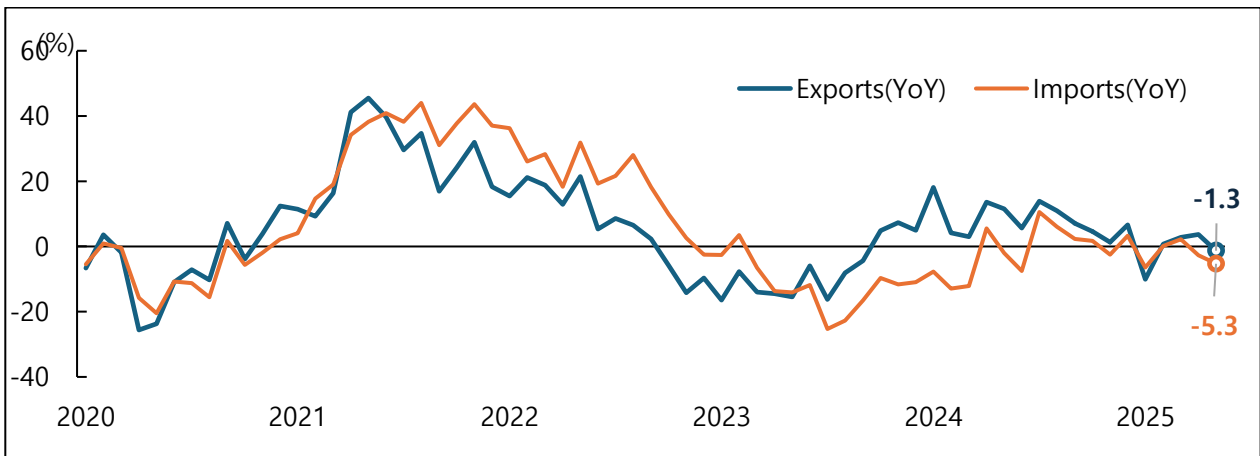
## Monthly Korean Economic Snapshot

### Real GDP Growth Rate



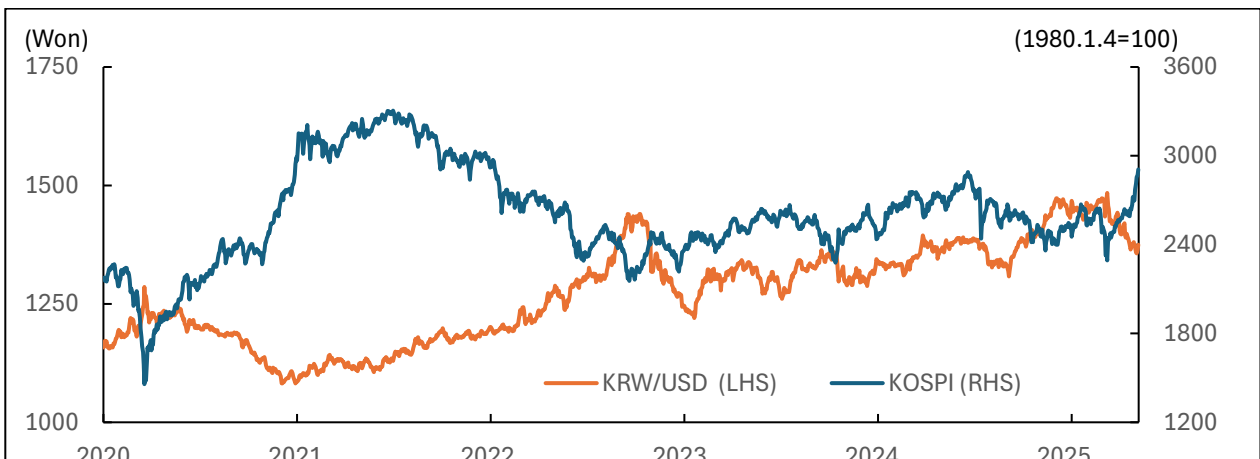
Real GDP contracted by 0.2% QoQ and 0.1% YoY in 24 Q4

### Exports and Imports



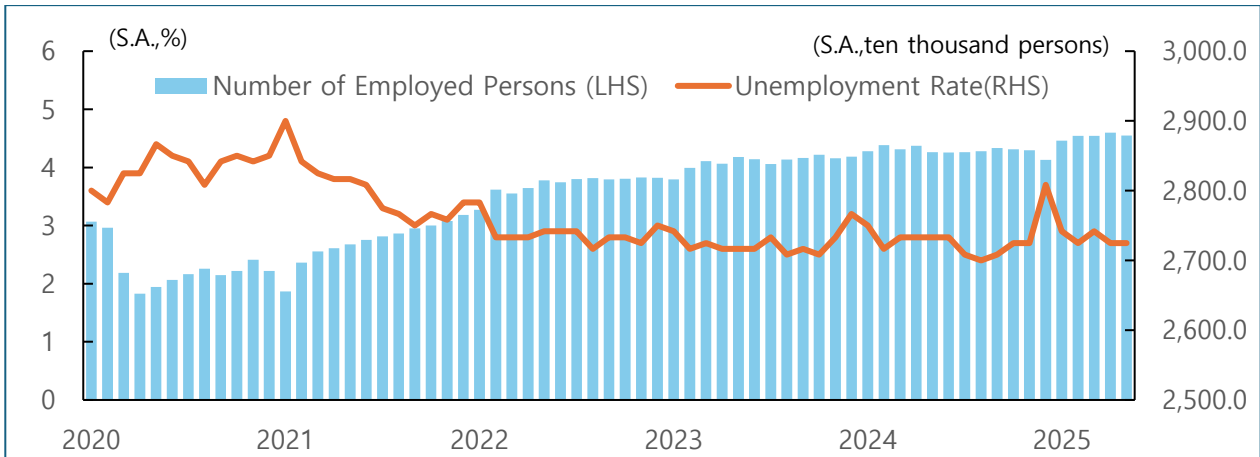
Exports contracted by 1.3% YoY while imports contracted by 5.3% YoY in May 2025.

### Exchange Rates and Stocks



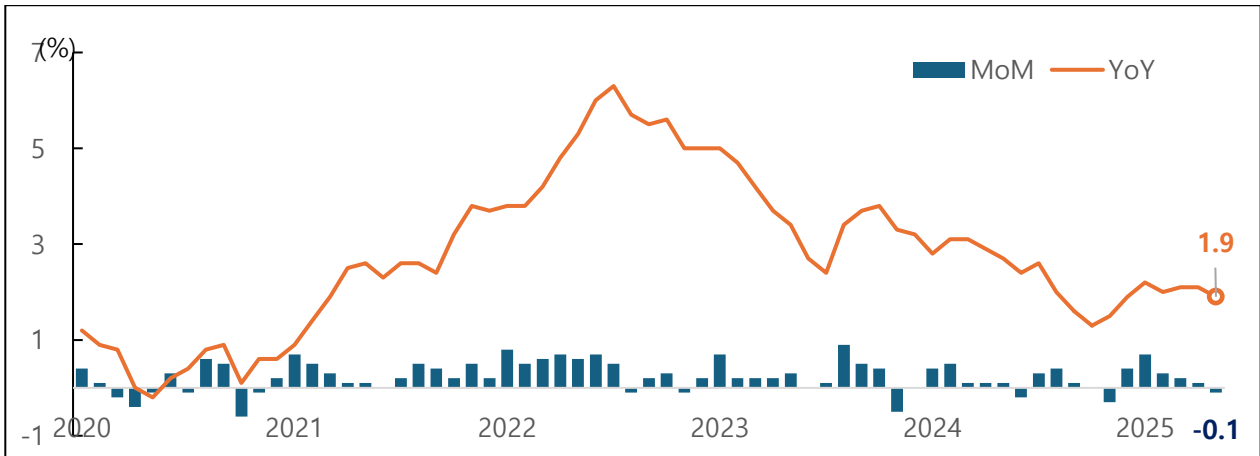
(Exchange rate) 1,416 in May → 1,358 in June, (KOSPI) → 2,608 in May → 2,907 in June

**Unemployment Rate**



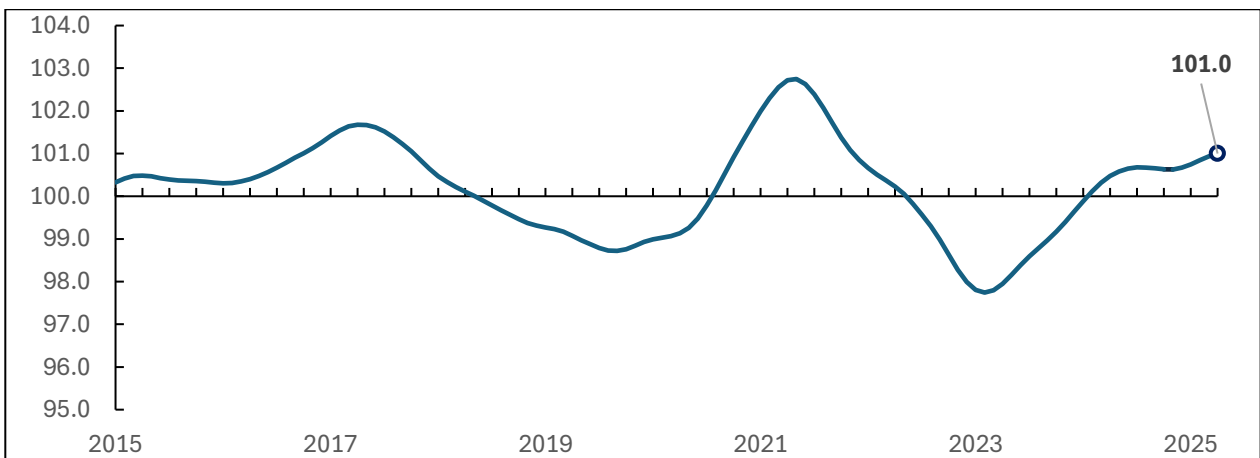
□ (Unemployment) May unemployment rate is 2.7% with 28.8M employed persons.

**CPI**



□ CPI contacted by 0.1% MoM and increased by 1.9% YoY in May

**Composite Leading Indicator**



□ The May leading indicator is 101.0 and continues to remain above 100 since Jan 2024.

## CIFC

### **CIFC will be hosting Korea-Mongolia Financial Cooperation Forum in Mongolia**

Council on International Financial Cooperation Forum will be hosting Korea-Mongolia Financial Cooperation Forum on 17 June in Ulaanbaatar, Mongolia, jointly with the Korean Financial Services Commission and Ministry of Finance of Mongolia. Themed *Developing Financial Markets, Securing Stability: A Joint Path to a Resilient Future*, the participants will deep-dive into capital market advancement, financial safety nets, institutional resilience, and financial innovations including Fintech, Open Data and AI.

### **2025 Visiting Professionals Program kicks off virtually**

The kick-off virtual meeting for the 2025 Visiting Professionals Program (ViPP) has officially started. Visiting Professionals from the National Bank of Georgia and Vietnam's National Credit Information Center (CIC) will collaborate with Korea Credit Information Services (KCIS) on joint research focusing on MyData services. The Visiting Professionals will conduct virtual research for four weeks, followed by an additional four weeks of in-person research in Korea during which they will be visiting different institutions to exchange/network/and learn.

## CIFC Members

### **KFB strengthens ties with Luxembourg and German financial communities** (Korean)

The Korea Federation of Banks visited Luxembourg and Germany to strengthen cooperation with local financial community and institutions. The delegation signed an MOU with the Luxembourg Bankers' Association and held meetings with Luxembourg for Finance and the Luxembourg House of Financial Technology to discuss financial strategy, digital innovation, and fintech policies. The delegation also discussed digital innovation, sustainable finance, and financial supervision with the German Banking Association.

### **Financial Security Institute to enhance cybersecurity program with financial regulator**

The Financial Supervisory Service (FSS) will work with Financial Security Institute (FSI) to enhance counter-cybersecurity threats response in financial sector with the goal of establishing an integrated control system by year-end. The partnership will create a cybersecurity threat information-sharing system and joint training. The initiative includes preventive activities, such as simulated hacking and vulnerability reporting rewards, as well as a system for rapid reporting during financial crises.

### **Industrial Bank of Korea officially approved to operate in Vietnam**

Industrial Bank of Korea received official approval from The State Bank of Vietnam to begin establishing a local subsidiary, marking its fifth overseas branch after China, Indonesia, Myanmar, and Poland. The approval comes eight years after its initial application in 2017, making it the first foreign bank to initiate a subsidiary independently in the country. The new entity will serve Korean SMEs and local companies by offering loans, FX services, and startup support, strengthening Korea-Vietnam economic ties and expanding IBK's ASEAN presence.

### **Korea Credit Bureau partners with the Philippines counterpart for cross-border credit information linkage system**

ADVANCE.CBP and Korea Credit Bureau (KCB) signed an MOU to build an API-based cross-border credit information sharing system between Korea and the Philippines. The system will enable over 70,000 overseas Filipino workers in Korea to use Philippine credit records to access financial services. Koreans in the Philippines will also be able to use their Korean credit histories locally. The initiative supports financial inclusion, regional credit innovation, and improved financial access across borders.

### **Financial Supervisory Services meets Indonesian counterpart to enhance mutual understanding (Korean)**

The Financial Supervisory Service held a seminar at its headquarters with the Indonesia Financial Services Authority (OJK) to discuss and enhance understanding of Korean financial companies on Indonesia's new regulations. Due to its rich growth potential, Indonesia is one of the most favorite destinations for the Korean companies. FSS expects the seminar to help Korean companies comply with local regulations and support their sustainable growth abroad.

### **MOEF attends 34<sup>th</sup> EBRD Meeting in London**

The Ministry of Economy and Finance attended the 34th EBRD Annual Meeting held May 14–15 in London where member countries adopted the Strategic and Capital Framework 2026–2030 and Strategy Implementation Plan 2025–2027. Director General Moon Ji-sung emphasized mobilizing private capital and digital tech for green transition, strengthening governance, and enhancing impact measurement systems. MOEF had bilateral talks with EBRD officials on revising the Korea-EBRD Knowledge Management MOU, trust fund evaluation, and boosting Korean recruitment in EBRD, including for senior roles.

### **Bank of Korea urges commercial banks to participate in cross-border payment systems project**

Lee Chang-yong, Governor of the Bank of Korea, met commercial banks chiefs to encourage their participation in the central bank's digital currency (CBDC) project. This is part of *the Project Agora*, aimed at improving cross-border payment and settlement systems. The project, led by the Bank for International Settlements (BIS) and the International Financial Association, involves key countries including the U.S., U.K., Japan, France, Switzerland, Korea, and Mexico. Lee also highlighted *Project Han River*, a separate initiative.

### **KB Bank Indonesia appoints a new leader**

KB Bank Indonesia appointed Kunardy Darma Lie as its new leader, marking the first non-Korean to lead the bank's Indonesian businesses. Mr. Kunardy brings over 20 years of experience at Citibank, Deutsche Bank, and DBS Bank Indonesia. He will focus on stabilizing operations, strengthening risk controls, and enhancing governance. His appointment aligns with KB Financial Group's strategy for business expansion in Indonesia which it designates as its second home market.

### **Korean banks ask to enter virtual asset business**

Korea Federation of Banks (KFB) requested legal permission to enter the virtual asset sector and expand asset management services, a potential move towards issuing won-based stablecoins. Banks also seek broader rights to engage in non-financial businesses such as distribution, travel, and ICT to boost platform competitiveness. Meanwhile, the credit card industry plans to push for account issuance rights to streamline settlements and reduce intermediary fees.

### **KakaoBank is going global with strong success experience at home (Korean)**

KakaoBank's strong deposit base and digital banking success in Korea is driving global expansion. As of Q1 2025, its total deposits reached KRW 60.4 trillion, up 9.9% from the previous quarter. Growth was driven by demand and time deposits from 12 million group account users. KakaoBank's global strategy is composed of three pillars including market testing, joint ventures, and leading operations. It invested in Indonesia's Superbank, now profitable with over 3.2 million users. It also awaits final approval for a virtual bank license in Thailand with SCBx and WeBank. The bank plans M&A, acquiring new licenses, and developing AI-powered services to further enhance its competitiveness.

# *Connect for Shared Prosperity*



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