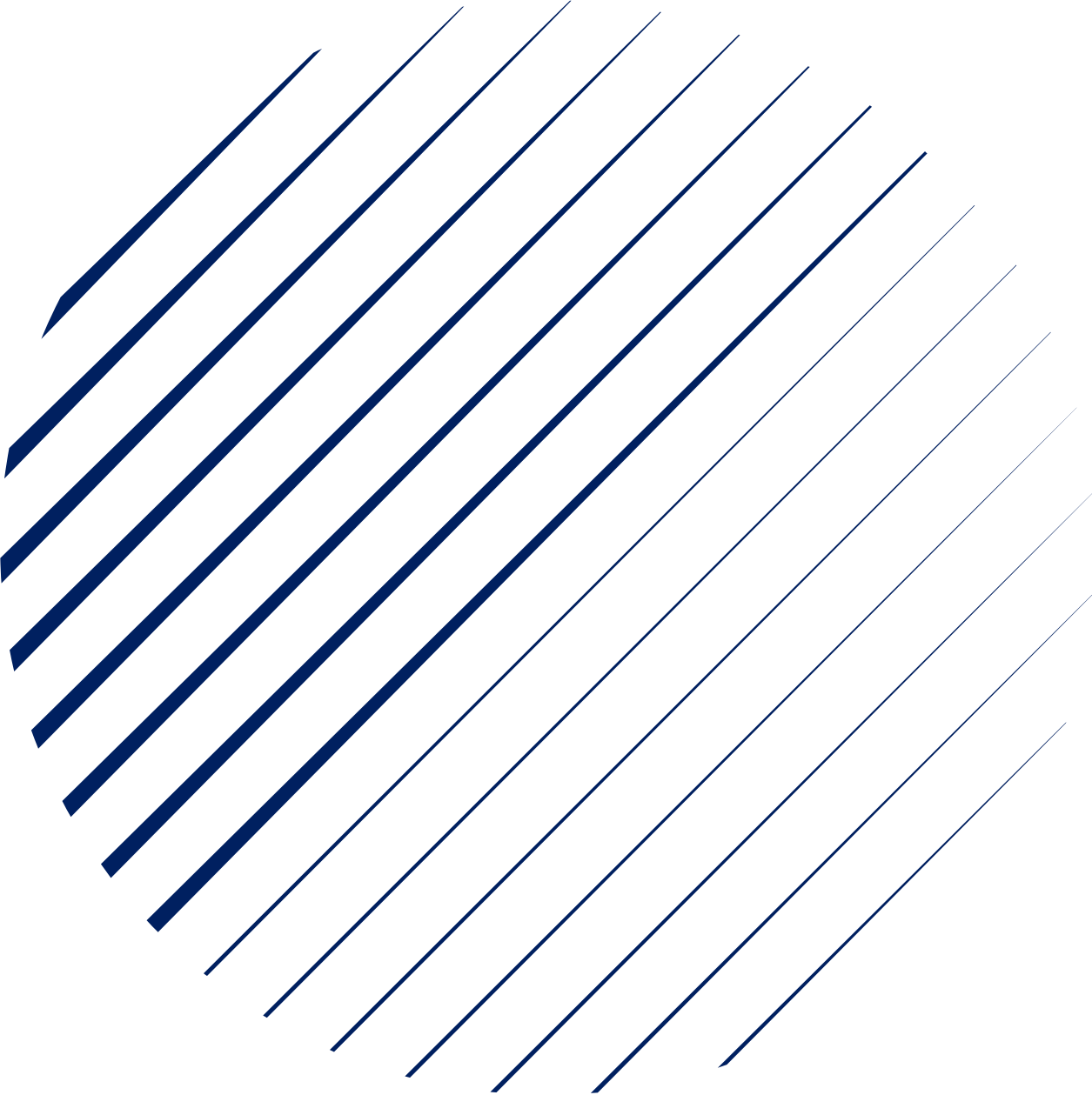


Economic Snapshot

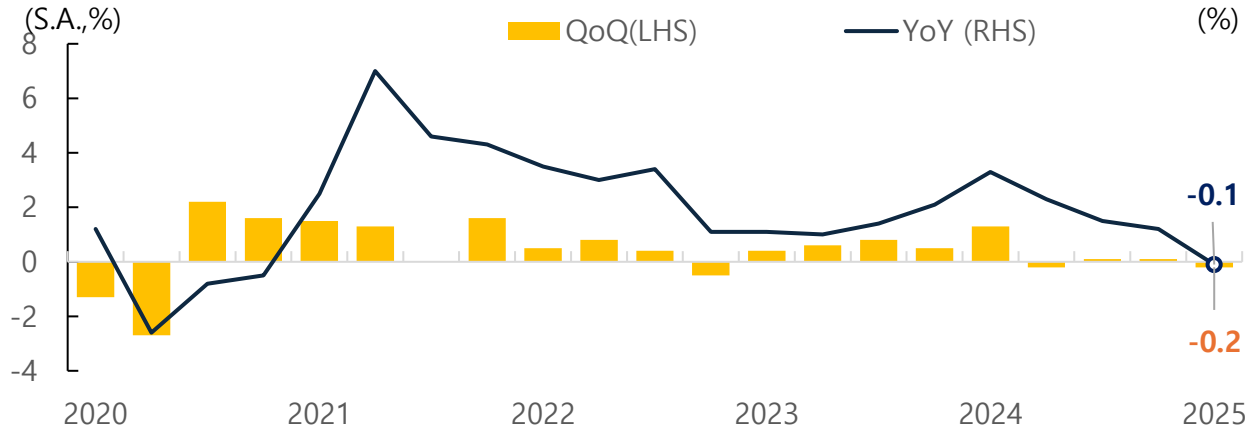


July 2025

Council on International Financial Cooperation

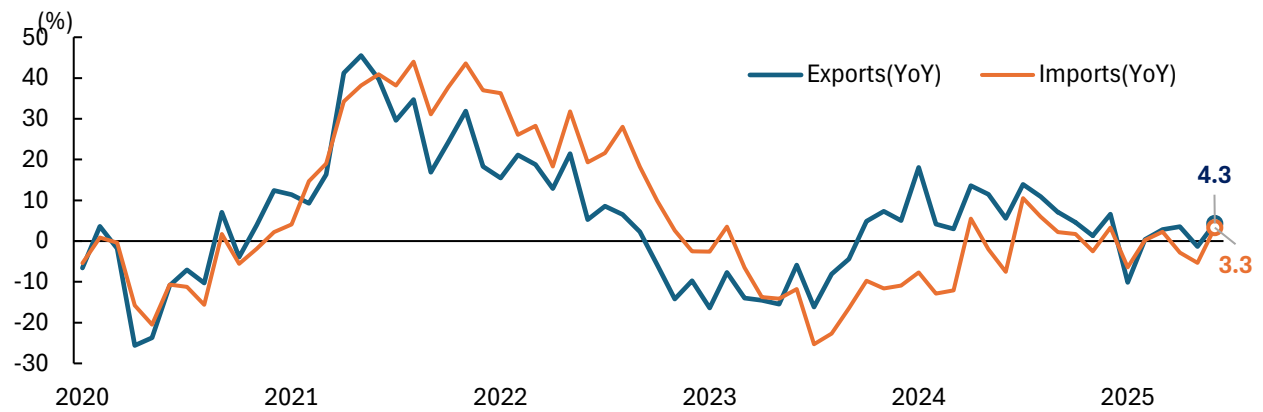
Monthly Korean Economic Snapshot

Real GDP Growth Rate



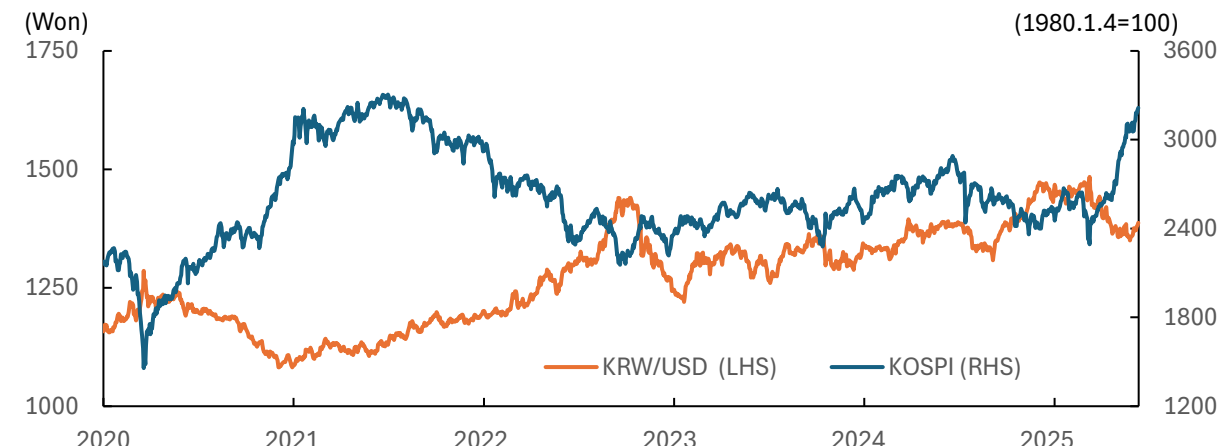
Real GDP contracted by 0.2% QoQ and 0.1% YoY in 24 Q4

Exports and Imports



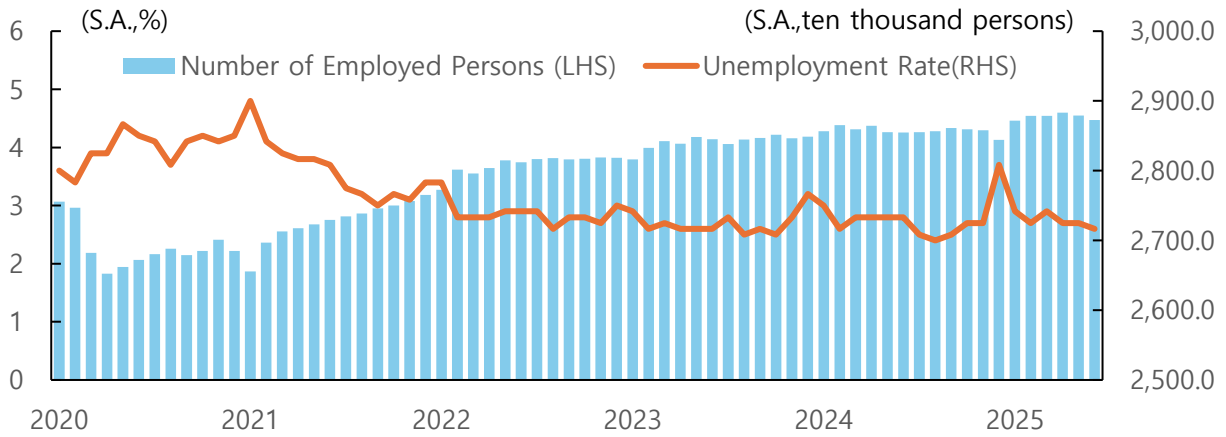
Exports increased by 4.3% YoY while imports increased by 3.3% YoY in June 2025.

Exchange Rates and Stocks



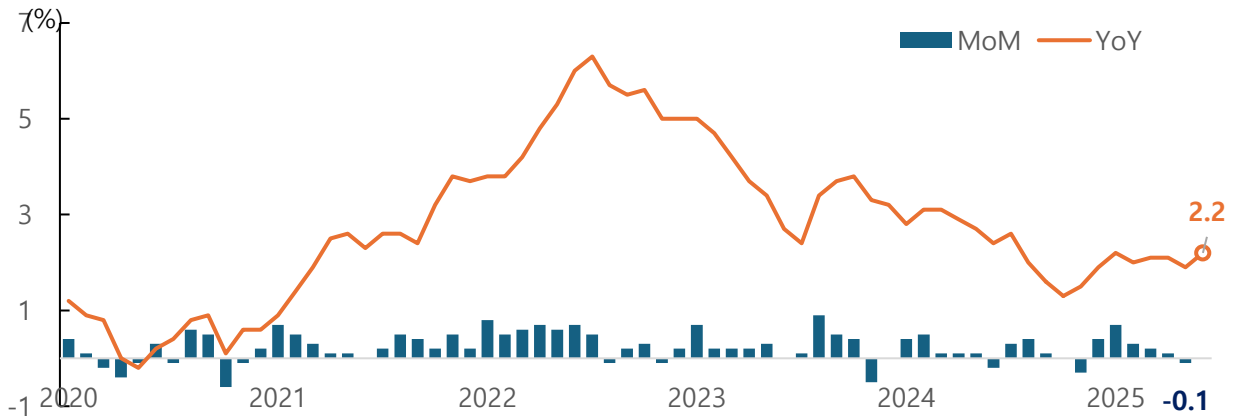
(Exchange rate) 1,358 in June → 1387.44 in July, (KOSPI) 2,907 in June → 3,215.28 in July

Unemployment Rate



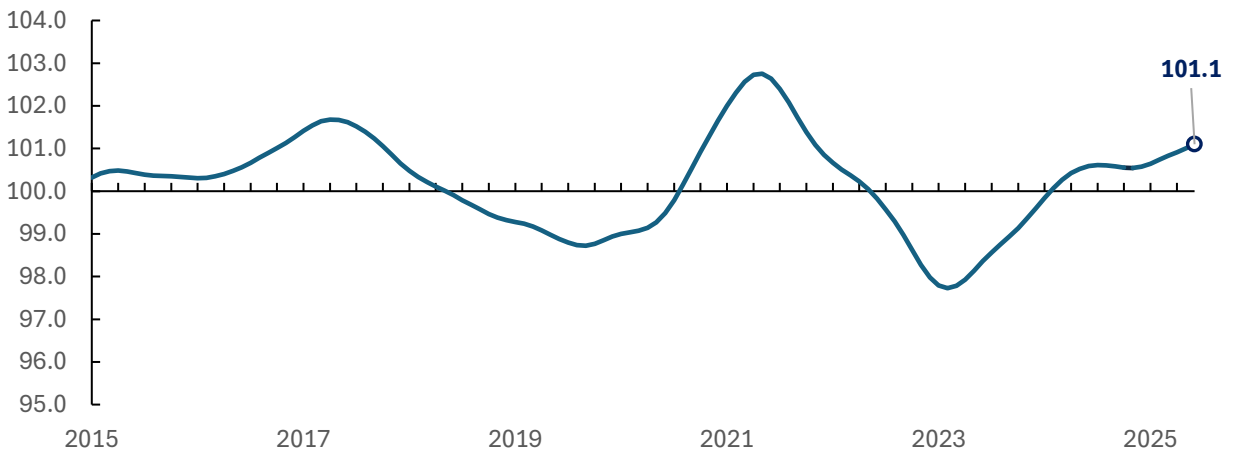
□ (Unemployment) June unemployment rate is 2.8% with 29.9M employed persons.

CPI



□ CPI remained flat at 0.0% MoM and increased by 2.2% YoY in June

Composite Leading Indicator



□ The June leading indicator is 101.1 and continues to remain above 100 since Jan 2024.

CIFIC

The 2nd ViPP (Visiting Professionals Program) Dissemination Seminar

CIFIC held the ViPP Dissemination Seminar in Seoul, Korea. This year's ViPP featured officials from Georgia National Bank (NBG) and Vietnam Credit Information Center (CIC) who examined Korea's MyData system with Korea Credit Information Services, a CIFIC member institution. The results will also be shared with policymakers at the CIC and the NBG. ViPP is a joint research program between CIFIC member institutions and partner organizations abroad.

Mr. Varlam Ebanoidze, Chief FinTech Officer at NBG, said Korea's MyData model shows how policy, infrastructure, and culture can build a trusted, citizen-focused data system. He also noted it offers Georgia a path to smart regulation and secure innovation aligned with EU standards. Ms. Nguyen Thi Minh Ngoc, Principal Official at the CIC, said Korea's MyData growth is driven by strong human-centric data governance and protection laws. She emphasized its value as a case study for Vietnam in strengthening data protection and boosting data use.

**Korea-Mongolia Financial Cooperation Forum successfully held in Ulaanbaatar**

Korea-Mongolia Financial Cooperation Forum was held on 17 June in Ulaanbaatar, Mongolia. Co-hosted by CIFIC, Financial Services Commission of Korea and Ministry of Finance of Mongolia, the forum brought together financial industry leaders and policymakers from both countries. Under the theme *Developing Financial Markets, Securing Stability: A Joint Path to a Resilient Future*, the participants discussed capital market development, financial safety nets, and financial innovation. CIFIC member institutions also engaged with local financial institutions for networking and business developments.

CIFIC Members

Korea Technology Finance Corporation opens its first overseas branch in Singapore

Korea Technology Finance Corporation (KOTEC) opened its first overseas branch in Singapore, with the goal of building a global hub for technology finance. It signed an agreement with Shinhan Bank to jointly support companies entering Southeast Asia through financial services and tech-based evaluations. KOTEC also plans to open a second branch in Silicon Valley later this year.

State-run banks to play bigger roles in supporting economy

Korea Development Bank and Industrial Bank of Korea have launched major capital increases to align with the new government's push to support industries and small businesses. IBK raised KRW 111B by issuing new shares underwritten by the government, following a previous increase of KRW 388.2B. These moves support the creation of a KRW 100T fund aimed at developing Korea's tech sector. IBK also issued KRW 300B in subordinated bonds and a USD 1B bond to strengthen its BIS ratio and expand lending capacity. The government plans KRW 900B in support for small and venture firms, with IBK playing a key role.

Seoul Guarantee Insurance expands networks in China and Mongolia

Seoul Guarantee Insurance is expanding its network in the guarantee and credit insurance markets in

Mongolia and China. Mr. Myungsoon Lee, its CEO, met with Mongolian financial regulators and Mongolian National Reinsurance to discuss cooperation in supporting Korean companies in Mongolia. In China, SGI held talks with SINOSURE to explore reinsurance collaboration, SME credit rating expertise sharing, and joint debt collection.

Financial Authorities & Markets Players

2025 Korea Fintech Week to be held in November

The Financial Services Commission said that the 2025 Korea Fintech Week will be held from 26–28 November in Seoul under the theme *Fintech x AI: The Personalization of Finance*. The event will feature expanded global participation, including country-specific pavilions, global fintech unicorns, and renowned speakers. Key sessions will include topics on AI, payments systems, and quantum computing. A mobile business matching platform will launch in September to support networking. A new VC investment program, co-hosted by the FSS and KORFIN, will connect fintech firms and investors. Booth applications opened on June 16 and idea contest applications open August 4.

FSC designates seven non-holding financial groups

The Financial Services Commission designated seven non-holding financial groups—Samsung, Hanwha, Mirae Asset, Kyobo, Hyundai Motor, DB, and Daou Kiwoom—for 2025 oversight under the Act on the Supervision of Financial Conglomerates. These groups must appoint a representative financial entity, conduct regular risk inspections, establish internal control policies, and calculate capital adequacy ratios. The aim is to strengthen oversight and manage group-wide financial risks.

Hong Kong and Korea financial authorities agree to enhance regional collaboration

Hong Kong Financial Secretary Paul Chan visited Seoul on July 9, attending the Hong Kong-Korea Capital Markets Conference co-hosted by the Hong Kong Economic and Trade Office and the Korea Chamber of Commerce and Industry. He met with Korea's Financial Services Commission Chairman Kim Byung-hwan to discuss financial market developments and promote collaboration. Chan highlighted Hong Kong's market resilience, capital inflows, and opportunities in China's tech sector. He also encouraged deeper ties in capital markets, digital assets, and the Greater Bay Area.

Korean stocks at 4-year high

Korean stocks surged to a near 4-year high with the KOSPI at 3,103.64, up 2.96%. Foreign and institutional investors bought 694.5 billion won, while retail investors sold 641.8 billion won. Blue chips led gains, with Samsung Electronics and SK hynix rising 4.31% and 7.32%. Market sentiment was lifted by the ceasefire in the Middle East, falling oil prices, and a strong U.S. market. FSC, the financial regulator, will continue to implement measures to boost Korean stock markets including obligating corporate governance disclosure duty and stamping out unfair trading activities.

Major Korean banks to establish JV on won-based stablecoin

Backed by Financial Services Commission and interest groups, major banks plan to form a joint corporation to issue a stablecoin pegged to the Korean won. The consortium partners with the Open Blockchain and DID Association and the Financial Supervisory Service. The project aims to reduce reliance on foreign stablecoins and will explore both trust-based and deposit token models. The initiative follows the Basic Digital Asset Act and is expected to launch by late 2025 or early 2026. Use cases include domestic payments, remittances, and web3 services, pending regulatory approval and user trust.

Korean insurers plan to launch climate insurance program

The government and insurance industry plan to launch a pilot climate insurance program in 2026 to help outdoor workers affected by extreme heat. The policy will compensate for income loss when work halts due to heatwave warnings, targeting vulnerable day-laborers. The General Insurance Association of Korea is leading the development. Local governments agreeing to suspend outdoor work during heatwaves will be eligible, with financial support for premiums coming from the central government.

KakaoBank secures virtual bank license in Thailand

KakaoBank secured approval from Ministry of Finance of Thailand to operate a virtual bank in partnership with SCBX -Thailand's leading financial group - marking Korea's return to the Thai banking market after 25 years. The consortium was selected for its digital banking expertise and localization strategies. KakaoBank aims to support Korean firms entering Thailand through this platform. Operations are set to launch in the second half of 2026 after a one-year preparation phase.

Hanwha Life Indonesia completes investment in Indonesia's NobuBank

Hanwha Life Indonesia has completed overseas banking investment by acquiring a 40% stake in Indonesia's PT Bank Nationalnobu Tbk (NobuBank). This move follows a stock purchase agreement signed with Lippo Group - Nobu Bank's parent - in 2024. Nobu Bank posted strong growth with net income rising from KRW 12B in 2023 to KRW 27.9B in 2024. Hanwha Life aims to integrate its financial expertise with Nobu's local network to target Indonesia's young population and expand its presence in Southeast Asia.

Korean banks see higher returns on overseas businesses

Korean banks earned \$1.6B in net profit from global operations in 2024, up 21.3% year-on-year, driven by stronger margins and lower loan-loss expenses, according to the FSS. Offshore profits accounted for 10% of total sector income, rising 63% over two years. Net income grew in the US and Singapore but declined in Indonesia and China. Overseas branches rose to 206, with Asia holding 68% of locations. Total overseas assets reached \$217 billion, led by the US, China, and Hong Kong. Cambodia scored highest in localization, with strong performance in Indonesia, Japan, and the Philippines.

Korean financial holding firms to post record H1 net profit over KRW 10 trillion (Korean)

The combined net profit of Korea's four major financial holding companies—KB, Shinhan, Hana, and Woori—is projected to surpass KRW 10 trillion in H1 2025, marking a 7.2% increase year-on-year – the highest net profit record for half-a-year. The rise is driven by widened net interest margins. KB Financial leads with an estimated KRW 3.33 trillion. Shareholder return rates, combining dividends and buybacks, are expected to reach 50%, up from the 30% range in early 2023. KB may hit 54%. Shinhan and Hana follow with around 45%. Woori is constrained due to recent acquisitions.

Connect for Shared Prosperity



TEL [02-3705-6330](tel:02-3705-6330) | FAX 02-3705-6288 | E-mail cifc@kif.re.kr

Supervised by Financial Services Commission (FSC) and staffed by Korea Institute of Finance, Korea's leading economic and finance think-tank, Council on International Financial Cooperation (henceforth, CIFIC) is the collective voice of the Korean finance with 25 member institutions including five financial associations. Dedicated in fostering global financial cooperation and network, we build constructive relationships with the global financial communities by exchanging financial knowledge and insights, while also promoting potential business partnerships. For more information about us, please visit our homepage at www.cifc.or.kr.

Economic Snapshot is a monthly newsletter intended to share the latest financial and economic news with our global network. All contents in this newsletter are open information that can be shared. If you wish to be delisted from our mailing list, please notify us by replying to this email.

© 2025. For information, contact Council on International Financial Cooperation