

2023 CIFIC ANNUAL REPORT

Council on International
Financial Cooperation

Sharing Korea's Financial Development Through Global Cooperation

2023 Annual Report
Council on International
Financial Cooperation

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Message from the Chairman



Bringing together key financial institutions and associations from the public and private sectors, the Council on International Financial Cooperation (hereinafter 'CIFC') has been executing diverse financial cooperation projects with major global financial institutions since its foundation. While sharing the knowledge and expertise of Korean financial institutions - accumulated and obtained during the course of Korea's economic and financial development - with partner countries and global institutions, CIFC remains committed to pioneering new trends through a wide range of projects.

The year 2023 marks an important milestone as CIFC celebrates its 10th anniversary. Over the past decade, CIFC has highlighted the importance of cooperation and cemented its reputation as a true global council for financial cooperation that facilitates exchanges and cooperation with 52 countries around the world through knowledge exchange programs and joint projects. The Council takes great pride in this achievement while extending sincere gratitude to the active participation and efforts of our 25 member institutions and 207 overseas partner institutions.

In particular, the year 2023 carried great significance in that CIFC's global cooperation projects, which had suffered major setbacks due to COVID-19 outbreak over the past 3 years, rebounded to pre-pandemic levels with numerous offline events and international cooperation projects resuming. The International Financial Cooperation Forum, jointly hosted by CIFC and the Financial Services Commission (FSC) every year since 2014, was suspended during the pandemic, was held twice to provide a platform for stronger partnerships. Furthermore,

with the hosting of the Korea-Thailand (June), and Korea-Indonesia (September) Financial Cooperation Forum, we brought bilateral ties between countries even closer, opened up channels for effective communication, and created opportunities to discuss new projects with local partner institutions. We also held Knowledge Sharing Seminars with World Bank and Inter-American Development Bank (November) to explore Korea's financial infrastructure, open banking and digital finance-related policies in greater detail, and share cases of cooperation.

Based on our experience thus far, CIFC will strengthen its role as a 'focal point for international cooperation', supporting both public and private financial institutions in Korea. The recent global financial landscape is undergoing sweeping changes with the advent of digital innovation, and financial innovation such as sustainable finance is generating increasing excitement. Against this backdrop, CIFC will strive to forge collaborative ties with a greater number of countries, support financial institutions' international cooperation, present a way forward for future finance in response to new changes, and remain committed to reinforcing the preeminence of K-finance on the global front.

We hope that our beloved members will also continue to reach out to CIFC to leverage opportunities for international expansion and actively pursue global projects going forward.

April 2024
Chairman of CIFC Hangyong Lee

Background



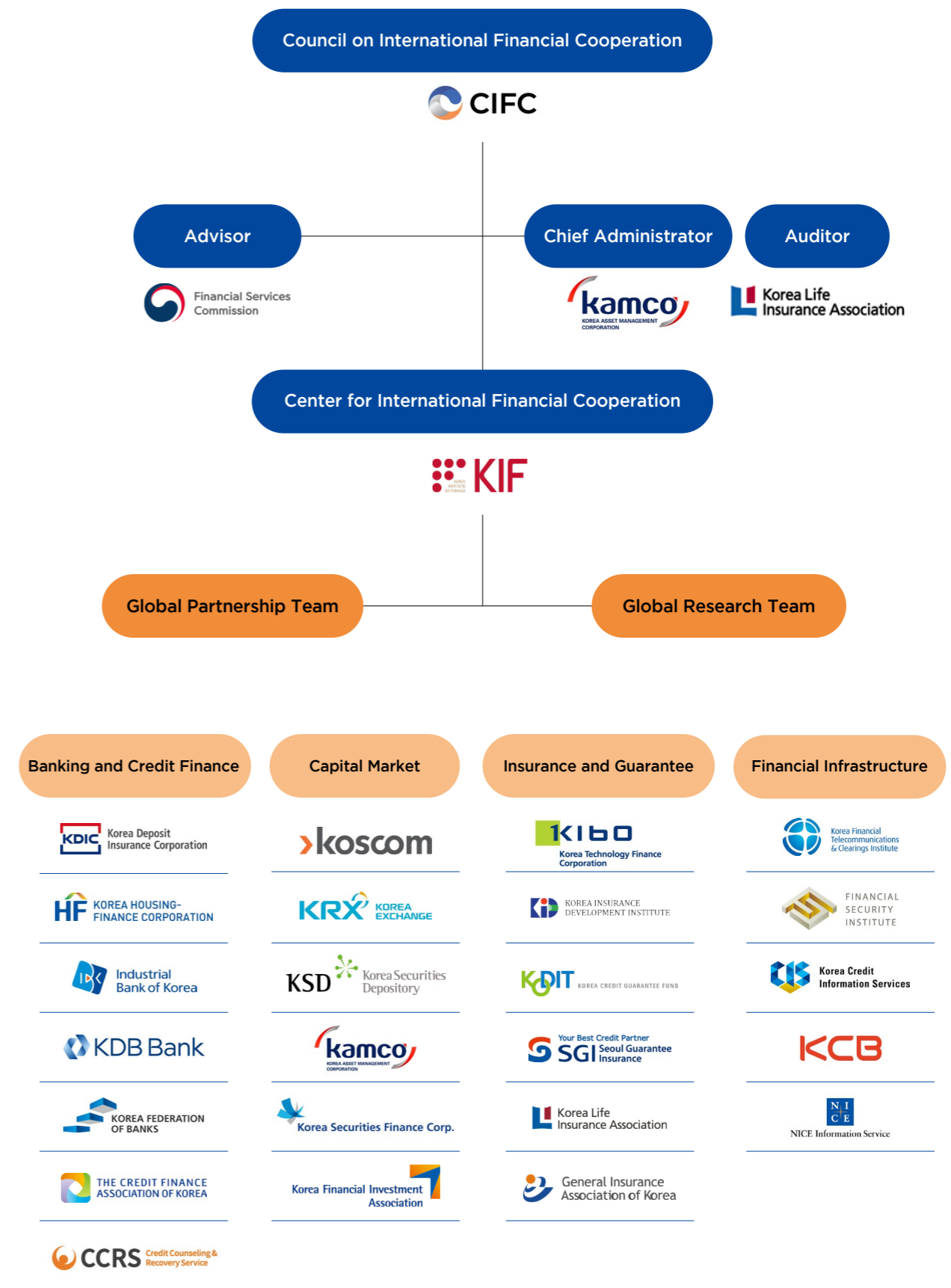
In October 2011, executives from major public and private financial institutions in Korea gathered under the leadership of the Financial Services Commission to discuss on how to facilitate effective and systematic global business, and financial cooperation.

At the first meeting, participants took stock of the progress made in global financial cooperation, shared their experience in the development of Korea's financial industry, and discussed necessary support for financial institutions' global expansion. At the second meeting held in November 2012, they agreed to establish a specialized council for international financial cooperation to support the global business of local financial institutions, and also strengthen global cooperation in the financial sector.

In February 2013, the Council on International Financial Cooperation was officially launched to share strategies on local financial institutions' global expansion, and facilitate cooperation among them. At the same time, the 'Center for International Financial Cooperation,' housed in the Korea Institute of Finance (KIF), was established as a secretariat office of the Council to provide practical support to the CIFIC and ramp up cooperation in the financial space.

Following its inception, CIFIC put together an official register of members as well as a set of operational rules, creating a basis for systematic activities and a strong momentum for business. It has been engaging in active efforts ever since, and currently has 25 public and private financial institutions and financial associations as its members.

Organization Chart



CIFC Key Milestones



2013 Launch of Council on International Financial Cooperation and the Center for International Financial Cooperation

- Feb** The 1st CIFC Brown Bag Meeting
- Jun** Knowledge Exchange Initiatives with Ministry of Finance, Uzbekistan
- Sep** Launched Official Website
- Nov** 2013 Annual Meeting



2014 Fueling international cooperation through financial sales diplomacy

- May** Meeting with Chairman of Financial Services Commission on Promoting Global Presence of the Korean Finance
- May** Korea-Myanmar-ADB Financial Cooperation Forum
- Aug** Korea-Thailand Financial Cooperation Seminar
- Dec** The 1st International Financial Cooperation Forum



2015 Strengthening the knowledge network and translating needs into policies

- May** Meeting on Global Cooperation Hosted by the Chairman of Financial Services Commission
- Jun** Conducted a Survey on Global Cooperation Plans of Domestic Financial Organizations
- Sep** Meeting on Supporting Global Cooperation Hosted by Standing Commissioner of Financial
- Dec** Published an In-Depth Study on the Indonesian Financial Market



2016 Diversifying global financial partners

- Mar** Knowledge Exchange Initiatives with Aloqabank, Uzbekistan
- Jul** Knowledge Exchange Initiatives with Ministry of National Planning and Economic Development, Myanmar
- Aug** Knowledge Exchange Initiatives with Ministry of Finance, Bank of Thailand, Thai Credit Guarantee Corporation, National Science and Technology Development Agency, Thailand
- Oct** Knowledge Exchange Initiatives with Ministry of Economic Affairs and Finance, Securities & Exchange Organization, Central Securities Depository, Iran Fara Bourse, Iran



2017 Facilitating closer exchanges through local events

- Jul** Mongolia-Korea Financial Cooperation Forum
- Sep** Korea-Thailand Financial Cooperation Forum
- Nov** The 4th Korea-UK Financial Cooperation Forum



2018 Boosting synergy with joint invitational training

- Jun** Joint Invitational Training with the Central Bank of Mongolia
- Aug** Joint Invitational Training with Myanmar Ministry of Planning and Investment
- Oct** Joint Invitational Training with Laos Ministry of Finance and Ministry of Planning and Investment
- Dec** Joint Invitational Training with Indonesia Central Securities Depository



2019 Paving the way for digital finance by sharing future agendas

- Jul** Seminar on the Role of Finance in the World of Digital Sharing Economy
- Oct** Seminar on the Changes Shaping the Future of the Insurance Industry
- Dec** The 6th International Financial Cooperation Forum



2020 Overcoming the COVID-19 crisis through business diversification

- Jul** Published CIFC Brochure
- Nov** Seminar on Exploring New Business Strategies for the Insurance Industry after COVID-19
- Dec** Research Projects on In-depth Study of Financial Environment and System (Kazakhstan, Uzbekistan, Azerbaijan)



2021 Seeking co-prosperity through new partnerships and communication

- Apr** Published CIFC 2020 Annual Report
- May** Korea-Indonesia Financial Cooperation Seminar
- Dec** CIFC Newsletters launched and of Website renewed



2022 Revitalizing overseas cooperation with offline businesses

- Jun** The 8th CIFC Workshop
- Sep** Knowledge Exchange Initiatives with Ministry of Finance, Central Bank, Central Securities Depository, State Assets Management Agency, Uzbekistan
- Oct** Cooperation Seminar with ASEAN-Korea Financial Cooperation Center



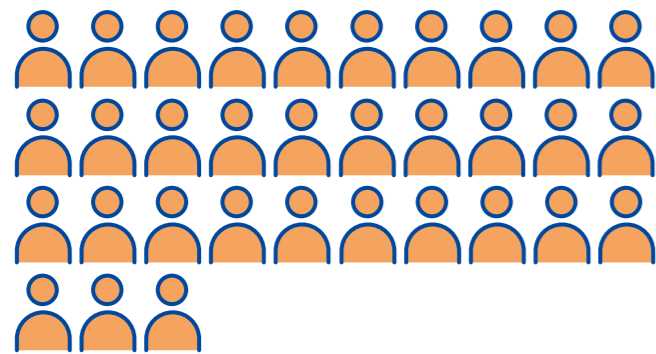
2023 Celebrating the 10th anniversary and creating opportunities for further growth

- Feb** The 7th International Financial Cooperation Forum and 10th Year Anniversary
- Jun** Korea-Thailand Financial Cooperation Forum
- Sep** Korea-Indonesia Financial Cooperation Forum
- Dec** The 8th International Financial Cooperation Forum

CIFC Footsteps

Since its foundation in 2013, CIFC has expanded in size (the number of member companies), as well as in terms of the global presence.

• CIFC enhances the status of Korean finance •



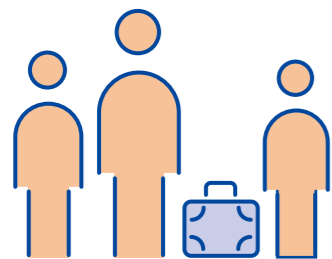
The number of International Financial Cooperation Forum participating countries

33

 Countries

• Taking the coordinates of K-finance around the world •

Number of total attendees



218

 People

Our Footsteps

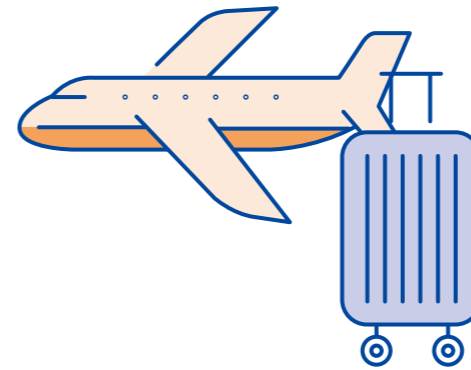


105,645

 miles

Sharing Experiences, Envisioning the Future, and sowing the Seeds of Global Financial Development.

business trips abroad



21

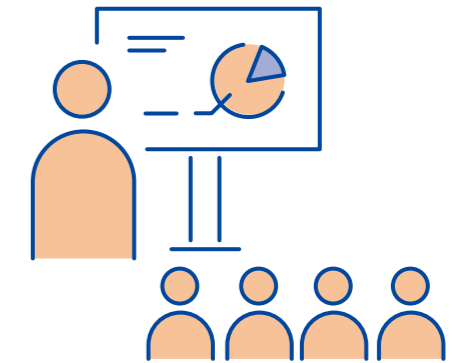
 Nights and

29

 Days

Invitational Seminars

28

 Taken place

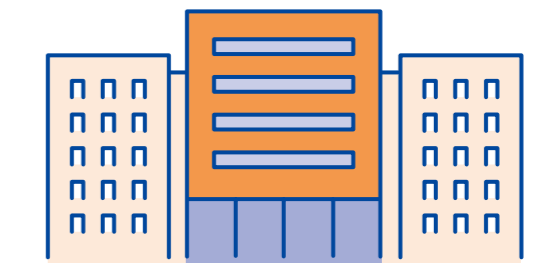
Study Visits



17

 Countries

47

 Institutions

Global Presence

Over the past 10 years, CIFIC has contributed to reinforcing Korea's global financial presence by collaborating with 207 global financial institutions across 52 countries

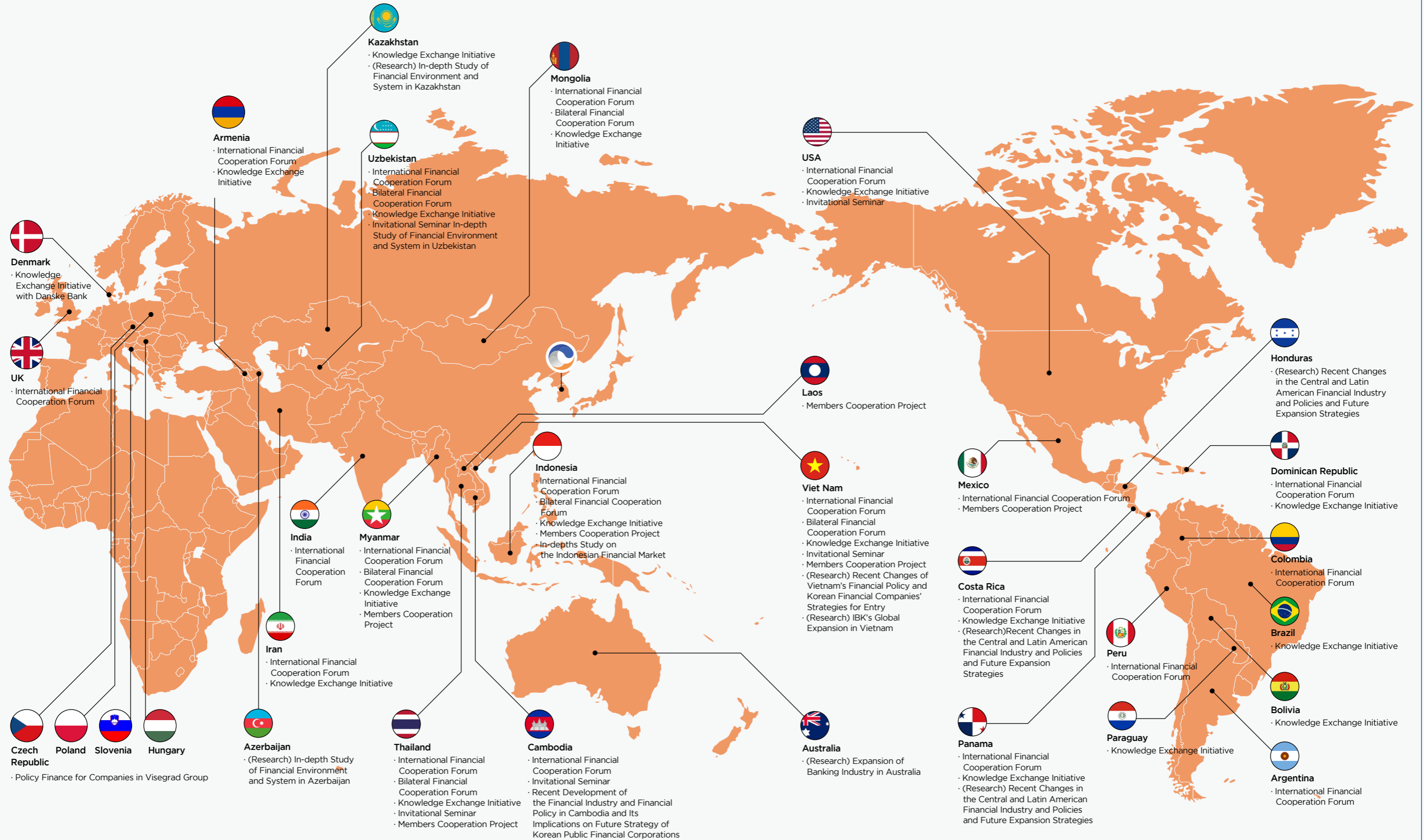
10 Years

Countries

52

Partner Institutions

207



Message from Member Institution



My sincere congratulations on the publication of the CIFIC Annual Report.

Ever since its establishment in 2013, the Council on International Financial Cooperation (hereinafter 'CIFIC') has been actively supporting member institutions by identifying hurdles to global business and obtaining support from financial authorities, and promoting various overseas financial cooperation projects.

On behalf of the Industrial Bank of Korea (hereinafter 'IBK'), I would like to extend our heartfelt gratitude to CIFIC for being a reliable partner to all its members including IBK. I am also deeply grateful for this opportunity to introduce IBK.

IBK is a special bank established in August 1961 in accordance with the Industrial Bank of Korea Act to help the growth of SMEs through an effective credit system. Since then, IBK has increasingly become a solid policy finance institution for SMEs, sharpening its competitive edge in SME financing by expanding sales infrastructure at home and abroad, and improving risk management capabilities over the past 60 years. Helping SMEs in times of national economic crises, IBK has grown into a financial group with total assets close to KRW 500tn.

In particular, last year, IBK provided KRW 65tn worth of financing, which was up KRW 9tn from the original plan, to alleviate the difficulties of SMEs and micro-enterprises suffering from high inflation and interest rates. The bank served its priority by implementing a comprehensive interest rate reduction package for SMEs worth KRW 1tn in total over the past 3 years alongside many other efforts to help SMEs. Additionally, IBK has achieved remarkable results such as historic highs in profits from non-Korean branches and CIBs, demonstrating balanced growth across both public and commercial sectors.

As a policy finance institution, IBK has successfully facilitated the virtuous cycle of market expansion by implementing various innovative efforts for corporate growth including establishing a venture capital subsidiary and an M&A center. Moreover, the bank has strived to support SMEs' the global businesses through the IBK global network comprised of 60 offices in 13 countries.

In recognition of such efforts, IBK has recently received a number of awards from renowned global financial outlets such as Global Finance and Asiamoney, including 'Global Best Bank for ESG-related Lending', and 'Best Bank for SME Finance in Korea'. Furthermore, IBK's efforts to support the sustainable growth of SMEs have been recognized internationally, with the CEO being selected as a 'key figure for SMEs' access to finance' by the OECD Headquarters on behalf of the bank. IBK will not rest on its laurels but will continue to strengthen communication and cooperation with countries such as Vietnam and Poland, where Korean companies are actively expanding their operations, on a journey to become an unparalleled, global top-tier financial group. We hope CIFIC will stand right beside us every step of the way.

Over the years, CIFIC has consistently pursued international exchange and cooperation projects even amidst multiple global challenges, and this has been of great help to many member institutions, including IBK, in expanding their global network. Last year, we provided substantial help and support for global business by conducting research on selected themes that address the specific needs of member institutions. We look forward to CIFIC's continued development as a control tower for Korea's support for financial infrastructure exports, and pledge that IBK will remain firmly committed and engaged as a trusted member of the Council.

Once again, I would like to express by deepest congratulations on the publication of the CIFIC Annual Report, and sincerely wish CIFIC and its members institutions continued success.

April 2024
Chairman &
CEO Industrial Bank of Korea

Kim Sung-tae



2023 Business Report

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Knowledge Exchange Initiative

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Knowledge Sharing Seminars with International Organizations & Multilateral Banks

- 06 Inter-American Development Bank (IDB)
- CIFIC Knowledge Sharing Seminar
- 07 World Bank (WB)
- CIFIC Knowledge Sharing Seminar

CIFIC Research Projects
CIFIC Publications / CIFIC 10th Anniversary Projects
Meetings and Workshops

01

The 7th International Financial Cooperation Forum and 10th Year Anniversary

On February 20th, 2023, CIFIC hosted the 7th International Financial Cooperation Forum under the theme ‘Global Financial Cooperation in the Digital Transformation Era’ jointly with the FSC. The forum has been held annually since 2014, providing a platform for financial authorities and institutions at home and abroad to share financial insights and identify areas for cooperation. After a brief hiatus in 2020 due to the COVID-19 pandemic, the forum was resumed in 2023, CIFIC’s 10th year anniversary.



The 7th International Financial Cooperation Forum



The 7th International Financial Cooperation Forum was held on February 20th, 2023, at the Seoul Dragon City Grand Ballroom. The event was attended by 58 international participants, including top-level dignitaries such as Mahendra Siregar, Chief of the Financial Services Authority (OJK) of Indonesia, Teresa Czerwi ska, Vice President of the European Investment Bank (EIB), and senior financial officials from key partner countries such as Malaysia, Morocco, Mongolia, Vietnam and Thailand. Korean participants included the Chairman of FSC, Kim Joo-hyun, as well as 120 executives from CIFIC members and relevant institutions, making the event the largest in scale thus far.

Celebration of CIFIC’s 10th Year Anniversary

Commemorating the 10th anniversary of CIFIC’s establishment, the forum provided a platform to revisit the history of the Council and the achievements of members’ financial cooperation projects thus far. Chairman Jong-kyu Park of CIFIC emphasized that CIFIC has been striving for cross-border cooperation and exchanges with the countries at different stages of development, recognizing the importance of cooperation among various financial stakeholders. Chairman Kim of FSC highlighted in his welcome remarks that the most significant achievement of the Council was sharing the experience and know-hows of Korean financial institutions, which have successfully driven the country’s economic growth. Furthermore, in his congratulatory remarks, Chief of the OJK, Mahendra Siregar, said that the role of CIFIC is more important than ever, given the increasing significance of cooperation in the current geopolitical landscape. He further explained that CIFIC will help regulators maintain their supervisory functions while providing guidelines to relevant institutions in the financial market, which will ultimately help protect consumers. Head of the Center for International Financial Cooperation, Yoon-seok Lee, stressed that CIFIC has contributed greatly to strengthening the global competitiveness of its members, and that it will continue to work closely with its members to achieve global co-prosperity through financial cooperation.



The 8th International Financial Cooperation Forum

CIFC hosted the 8th International Financial Cooperation forum on December 4th, 2023, under the theme 'Trends in Global Financial Cooperation for Sustainability'.

The event brought together esteemed speakers from international organizations including the World Bank, Asian Development Bank, European Bank for Reconstruction and Development, and the European Investment Bank to learn from their insights, and provided an opportunity for networking and in-depth discussions on global financial cooperation trends for sustainability.



Trends for Sustainable Finance : A Global Perspective

Lalita Moorthy, Regional Director for East Asia and Pacific in the Equitable Growth, Finance and Institutions, World Bank Group(WBG)

Lalita Moorthy, Regional Director at World Bank, explained that sustainable finance primarily refers to investing financial resources in projects that pursue sustainable development or establishing regulatory and reporting frameworks for sustainability. She also added that shareholders may encourage companies to shift their behavior, or urge them to improve their ESG capabilities by proactively analyzing the impact of risk factors such as climate change on financial stability. Sustainable finance is increasingly becoming a global trend, and Korea is also seeing a rise in the number of ESG and green bonds issued, especially by the public companies. She concluded by pointing out that expanding sustainable finance necessitates developing international standards and strengthening interoperability at the national and regional levels, while also engaging latecomers in knowledge sharing with an inclusive attitude.

Innovative and Sustainable Finance for Asia and the Pacific

Thomas Kessler, Principal Finance Specialist, Asian Development Bank(ADB) / Yoonhee Kim, Financial Sector Specialist, Asian Development Bank(ADB)

Thomas Kessler and Yoonhee Kim, specialists at Asian Development Bank, spoke about how setting the ADB 2030 Climate Ambition has provided a concrete way forward for financial institutions to implement sustainable development for climate change adaptation and mitigation. They also mentioned the ongoing projects for developing various new financial products, and enhancing SMEs' access to finance, and explained how sustainable finance is an importance focus for the ADB, as demonstrated by its active engagement in the establishment of the framework. The speakers continued that developing countries still need to build financial market infrastructure, green bond rating systems, and credit guarantee systems, areas in which Korea can share its expertise. They closed the presentation by expressing hopes for even deeper cooperation in these potential fields.

Harnessing Financial Infrastructure for Asia and the Pacific

Alexander Saveliev, Director, SFS and Trade Finance, European Bank for Reconstruction and Development(EBRD)

Alexander Saveliev, Director of EBRD, explained that the Bank was founded with the goal of supporting former Soviet bloc transition from planned to market economies, and that 50% of the Bank's projects are implemented in partnership with the private sector to transform societies both at the individual and corporate levels. He also pointed out that EBRD's Trade Facilitation Programme (TFP) has grown rapidly over the past 8 years, with Green TFP accounting for 20% of the total. With the rising importance of green finance, EBRD has shifted from initially providing long-term loans to partner institutions and asking them to deploy through green finance, to gradually diversifying its financial products and more recently, identifying new areas of business to achieve the green transition of financial institutions.

Promoting Sustainable Finance : How Capital Markets Can Help

Auvo Kaikkonen, Head of EIB Regional Representation to China and Mongolia, European Investment Bank(EIB)

Auvo Kaikkonen, Head of EIB Regional Representation, touched on how the EIB was established to rebuild Europe after World War II, and noted that the Bank is now planning to invest outside of Europe to achieve carbon neutrality. He explained that the EIB is therefore working to create a concrete definition of green investment and provide financial and advisory services centered on climate change, innovation and development. He also mentioned that EIB is the largest issuer of green bonds in the world, and suggested that financial institutions should be able to catalyze the global transition to a sustainable economy. To this end, he emphasized that capital should be deployed transparently to create attractive projects and engage the private sector to a greater extent.

Digital Transformation Cases and Seeking Partnership with Korea

Daniel Alejandro Stagno Izaguirre, Competitiveness, Technology and Innovation Specialist, Inter-American Development Bank(IDB)

Daniel Alejandro Stagno Izaguirre, specialist at IDB, presented on cases of digital transformation and ideas for potential cooperation with Korea. He warned that although the green transition and digital transformation are important and mutually complementary, digital transformation does not always mean green. He highlighted that in order for the two parties to create synergies, it is essential to ensure that the digital transformation is eco-friendly from the beginning. Moreover, he underscored the importance of focusing not only on technological cooperation but also on financial cooperation, and laying a solid groundwork for policies. He also added that the IDB is working to enhance the government's digital capacity, support the use of digital technologies, and strengthen the link between digital transformation and green transition for financial development in Latin America. However, as he pointed out, there is a great potential for cooperation with Korea as there is much more work to do in cybersecurity and regulation.

The Current ESG Business Opportunities and Fintech in Africa

Aisha Reheem, CEO, Farmz2U / Sungho Kang, Senior Expert of Climate Finance, United Nations Industrial Development Organization(UNIDO)

Aisha Reheem, CEO of Farmz2U spoke how the fintech industry is expanding rapidly in Africa and digital innovation is driving sustainable growth. She then expressed hopes for greater Korea-Africa cooperation as the discussions thus far have been short of expectations. Meanwhile, Sungho Kang, Senior Expert at UNIDO, delivered a presentation on how UNIDO is nurturing SMEs committed to sustainable development, and hosting the 'CleanTech Day' event to provide more opportunities for networking. He concluded by encouraging more active participation from Korea.

03 Korea-Thailand Financial Cooperation Forum

On June 13th, 2023, CIFIC hosted the Korea-Thailand Financial Cooperation Forum in Bangkok, Thailand, jointly with the FSC and the Bank of Thailand. The forum brought together around 90 participants including commissioners of the FSC Securities and Futures Commission, Governor of the Bank of Thailand, CIFIC business partners in Bangkok, and local financial industry representatives. Discussions were held on the current status of the respective financial markets and banking industries, as well as ways for cooperation in financial innovation and development. Most notably, participants were able to reaffirm the Thai authorities' strong interest in learning from Korea's advanced digital financial infrastructure, and align on closer cooperation going forward.



Korea-Thailand Financial Cooperation Forum

Chairman Jong-kyu Park of CIFIC kicked off the forum with his opening remarks, where he expressed his hopes for creating an opportunity to share experiences and insights in response to the rapidly changing financial landscape, and prepare for the future. Additionally, Governor Sethaput Suthiwartnarueput of the Bank of Thailand expressed in his welcoming remarks the Bank's strong interest in Korea's digital financial infrastructure, and willingness to continue cooperating with the Korean financial authorities. In his congratulatory remarks, Standing Commissioner Kim Jeong-kag of the FSC highlighted Korea's experiences of transferring its top-tier system and financial market know-hows to Thailand, and touched on the current status and necessity for Korea-Thailand financial cooperation. The forum, entitled 'The Future of Finance: Embracing Innovation and Competition', featured presentations by Assistant Governor Tharith Panpiemras of the Bank of Thailand, and Research Fellow Kwon Heung-jin of KIF, followed by a discussion among members to explore ways for future bilateral cooperation.

The Future of Finance: Embracing Innovation and Competition

Tharith Panpiemras, Assistant Governor,
Bank of Thailand

Assistant Governor Tharith Panpiemras of the Bank of Thailand gave a presentation on the role of banks and non-bank financial institutions in the capital market, the functions of the capital market and the competition therein. In particular, he underlined how foreign financial institutions are only playing limited roles even though the presence of non-bank financial institutions is increasing in the Thai retail finance market. Moreover, he explained how the Thai financial authorities are providing support for digital identity, digital payments, data utilization, and digital transformation in general, through necessary financial infrastructure and the regulatory sandbox.

Regulatory Challenges and Opportunities in the Rapidly Evolving Banking Landscape

Heung-jin Kwon, fellow Research,
Korea Institute of Finance

Heung-jin Kwon, Research fellow at Korea Institute of Finance, outlined that the recent changes in financial demands, intensifying competition among banks, big data and AI, and disintermediation of finance are all creating new opportunities for the banking sector, while also raising discussions on financial regulations. In particular, fundamental changes in the labor market due to population aging and AI have led to a decline in household lending that has served as the driving force behind the banking industry. Moreover, tighter competition amid information asymmetry has reduced the incentives for new approaches to information generation and loan selections, undermining the development of finance industry. In the face of such fast changes in the banking industry, he emphasized that we need a clearer definition of banks, equal regulation on banking intermediaries, and innovation-friendly policies to enhance financial stability, which will open up new opportunities.

Thailand-Korea Collaboration in Promoting Financial Innovation and Competition

Pariwat Kanithasen, Deputy Director of the Bank of Thailand, explained the payment system integration project Thailand is pursuing with ASEAN countries and commented that the cooperation with Korea can provide a great opportunity. Tawan Thammanichanon of Kasikon Bank introduced an innovative micropayment system that offers an average fee of less than 1% of the transaction amount, 24-hour financial transactions, high transparency without additional fees, digital channels, and stable account authorization. Furthermore, each institution had a chance to talk about the current status of Korea's financial system, the ideal way forward, and the key focus of their global projects. Korea Financial Telecommunications & Clearings Institute introduced its open banking system as an example of digital innovation by financial institutions, while Korea Deposit Insurance Company explained the Mistaken Remittance Return System. Korea Credit Guarantee Fund talked about the Business Analytics System on AI (BASA), and Korea Credit Bureau introduced alternative credit scoring systems.



04 Korea-Indonesia Financial Cooperation Forum

On September 4th, 2023, CIFIC hosted the Korea-Indonesia Financial Cooperation Forum in Jakarta, jointly with the FSC and the OJK. The title of the forum was 'Forging the Future of Finance: Strengthening Collaboration and Sustainable Finance in Korea and Indonesia', under which discussions on the current status of sustainable finance and ways to reinforce bilateral financial cooperation was held. The forum brought together around 100 participants including the Vice Chairman of FSC, Chairman of OJK, members of the local financial industry and delegations from CIFIC members, and provided an opportunity to explain the changes in the financial systems, regulations, and policies in both countries, and seek greater cooperation between CIFIC members and financial institutions in Indonesia.



Korea-Indonesia Financial Cooperation Forum

The forum began with the opening remarks from Chairman Jong-kyu Park of CIFIC, who highlighted the significance of the sustainable finance at the second Korea-Indonesia Financial Cooperation Forum since 2019. In his congratulatory remarks, Vice Chairman So-young Kim of FSC emphasized the close financial cooperation of both countries, and expressed his commitment to support private financial companies of both countries to engage in mutually beneficial and sustainable business, while continuing to share experience and know-how in financial innovation. In his welcoming remarks, Mr. Mahendra Siregar, Chief of the OJK, noted that Korean financial institutions, which have been expanding their presence in Indonesia, are also showing great interest in supporting Indonesia's economic and social development, which is also a good example of sustainable finance. Jarot Suroyo, Deputy Director of OJK, and Jean Lim, Senior Research Fellow at Korea Institute of Finance presented on sustainable finance in their respective countries. Korea Credit Guarantee Fund, Korea Technology Finance Corporation, Korea Insurance Development Institute, Korea Exchange, Korea Financial Telecommunications & Clearings Institute, and KCB gave presentations on Korea's financial infrastructure such as insurance and guarantee systems, securities and payment systems, and credit information, which are drawing much interest from the Indonesian financial industry.

Best Practices in Sustainable Finance from a Global Perspective

Francesco Strobbe, Lead Financial Sector
Economist, World Bank

Francesco Strobbe, Lead Financial Sector Economist at World Bank outlined recent global trends in sustainable finance and highlighted the Bank's policies including regulation and supervision, macroeconomic policies against climate change, incentivizing green investments and managing climate risks, as well as green financial instruments. The share of sustainable finance in entire financial industry remains minimal despite of recent increase in global recognition of it, he added. He continued to emphasize that some of the essential building blocks for a sustainable financial environment are in place, but many are still in their infancy and requires further development. On top this, he mentioned, we need comprehensive policies to drive impactful change that goes beyond the financial sector.

Current State and Challenges of Sustainable Finance in Indonesia

Jarot Suroyo, Deputy Director, OJK

Deputy Director Jarot Suroyo at the OJK explained that the biggest challenge Indonesia faces at this point is to drive sustainable economic growth through green projects. He mentioned that after presenting the first sustainable finance roadmap for 2015-2019, the country is currently implementing the second roadmap for 2021-2025, with the strategic objectives of enhancing the taxonomy, introducing carbon regulations, developing a green taxonomy based on disclosures, establishing a risk management system, creating a green project financing system, as well as capacity-building and raising awareness for shareholders. He also emphasized that the OJK is implementing sustainable finance principles for financial institutions, obligating annual sustainable action plans and sustainability reports, and encouraging social and environmental responsibilities. He concluded by expressing hopes for even deeper cooperation with Korea in sustainable finance-related capacity-building programs, regulatory discussions, technological support, joint research and business-to-business cooperation.

Sustainable Finance for Green Growth in Korea

Jean Lim, Senior Research Fellow,
Korea Institute of Finance

Senior Research Fellow Jean Lim of the KIF proposed a low-carbon transition as part of sustainable finance to support Korea's green growth. He explained that as Korea is facing secular stagnation of its economy due to a shrinking population, transition to a low-carbon economy can be a new paradigm to overcome the economic crisis. He also mentioned that if we could contain the average temperature increase by 1.5 through a low-carbon transition, we could prevent losses up to USD 1800tn globally, and KRW 3090tn for Korea. This cost-saving effects will become even more notable from 2050 onwards. The speaker wrapped up by commenting that benefits from climate damage-reduction and investment gains, combined, will offset the cost and investments for transition into the low-carbon economy.

Panel Discussion

In the first session on Insurance and Guarantee, the Korea Credit Guarantee Fund, Korea Technology Finance Corporation, and Korea Insurance Development Institute respectively presented on Korea's ESG system, green guarantee scheme, the carbon assessment model, data services and car insurance-related big data. The Indonesia Guarantee Corporation Association and Insurance Association each introduced their ESG plans, and the current status of the Indonesian insurance industry. The second session on Capital Markets featured presentations by the Korea Exchange on the structure and current status of the carbon market, the Indonesia Stock Exchange on the development of the Indonesian capital market and future cooperation with Korean counterparts, the Korea Securities Depository on bond-type crowd-funding, and the Indonesia Central Securities Depository on market trends in Indonesia and future development plans. After the presentations, the discussants shared ideas on ways to enhance bilateral cooperation. In the final session on Financial Infrastructure, the Korea Financial Telecommunications & Clearings Institute spoke about micropayment systems and examples of overseas consulting, the Korea Credit Bureau introduced alternative credit rating systems, and PEFINDO Credit Bureau and Credit Bureau Indonesia presented on financial infrastructure in Indonesia, which led to a discussion on potential areas for Korea-Indonesia cooperation.

05 Invitational Training for Vietnam and the Korea-Vietnam Financial Cooperation Seminar

CIFC invited 8 officials from the Vietnam Ministry of Finance and the State Bank of Vietnam to Korea from October 29th to November 2nd, 2023. During their visit, the Korea-Vietnam Financial Cooperation Seminar was held to discuss the latest trends in Vietnam's financial industry and share cases of Korean financial institutions' businesses in Vietnam and bilateral cooperation.



Korea-Vietnam Financial Cooperation Seminar

The Korea-Vietnam Financial Cooperation Seminar was held in the Lilac Room of Westin Josun Seoul on October 30th, 2023. Chairman Jong-kyu Park of CIFC kicked off the seminar with his opening remarks, followed by welcome remarks by Standing Commissioner Yong-jae Kim of FSC and congratulatory remarks by Ambassador Nguyen Vu Tung from the Embassy of Vietnam in Seoul.

The seminar explored current trends in the Vietnamese financial industry, shared insights on Korean financial institutions' business operations and partnership in Vietnam, thereby strengthening bilateral ties.

In Session 1, Officer Vu Thi Thao from the Vietnam Ministry of Finance delivered a presentation entitled 'Current Issues in Vietnamese Insurance Industry'. In the presentation, the speaker explained that Vietnamese insurance industry is currently moving toward openness, allowing foreign financial companies and reinsurers to enter the country and expand scope of business. Deputy Director General Le Anh Tuan from the National Credit Information Center of Vietnam also gave a presentation entitled 'Credit Information Systems in Vietnam'. The presentation touched on how Vietnam's credit reporting system has been in place since the 1990s, with the Credit Information Center (CIC) playing a central role under the State Bank of Vietnam (SBV). He highlighted that this system serves to support SBV's supervision of the banking industry and policy decisions, assist businesses and consumers in credit decision-making, and improve access to finance.

Session 2 featured Korea's cases. Shinhan Bank presented 'Shinhan Bank's Entry in Vietnam & Cooperation with Local Financial Institutions', while SGI introduced the SGI Insurance Hanoi Branch. NICE Information Service gave a presentation entitled NICE Information Service in Vietnam.

Invitational Training for Vietnam

The Vietnamese delegation also visited the General Insurance Association of Korea, Korea Life Insurance Association, Korea Credit Guarantee Fund, Korea Insurance Development Institute, Korea Federation of Banks, Industrial Bank of Korea, Seoul Guarantee Insurance, KCB, Financial Security Institute, NICE Information Service, and Korea Credit Information Services to learn from the experiences and know-hows and discuss future cooperation.

01



At the Korea Life Insurance Association, the Vietnamese delegation was briefed on the latest key issues in the Korean life insurance industry, recent regulatory updates and new product developments.

02



At the General Insurance Association of Korea, the delegation was briefed on the overview of Korea's insurance industry and had a meeting with major Korean insurers.

03



At Korea Credit Guarantee Fund(KCGF), the delegation was briefed on Korea's credit guarantee system and the organizations main functions including startup support schemes, digital transformation, and green finance as part of their innovative financial services.

04



At the Korea Insurance Development Institute, the delegation observed their IT infrastructure for data transmission and management used in calculating insurance rates, as well as their AI-powered automobile claims system.

05



The delegation visited Korea Credit Information Services and was briefed on the insurance credit information infrastructure and the system.

06



At Industrial Bank of Korea, we were given an overview of the Bank and its financial services for small and medium-sized enterprises.

07



At Seoul Guarantee Insurance, the delegation was introduced to the Hanoi branch in Vietnam and discussed joining the Vietnam Credit Information Center(CIC).

08



The delegation had a meeting with the executives at the Korea Federation of Banks and was briefed on Korea's banking industry.

09



At KCB, the delegation was briefed on the current state of the credit bureau industry in Korea and financial digital innovations led by alternative credit scoring. They also discussed ways to enhance cooperation between two parties.

10



At Nice Information Service, the delegation was briefed on Korea's credit information infrastructure and the witnessed demonstration of NICE's web services. They also discussed plans for Vietnam business.

11



At the Financial Security Institute, the delegation was briefed on FIS's main functions and its support for sustainable financial digital innovation.

06 Inter-American Development Bank (IDB) - CIFIC Knowledge Sharing Seminar



On November 28th, 2023, CIFIC hosted a joint seminar with the Inter-American Development Bank (IDB) at their headquarters in Washington, D.C. The event brought together around 30 officials from the IDB's Connectivity, Markets and Finance Division, Center for International Financial Cooperation, and CIFIC members.

Presentations were centered on Korea's digital finance policies, current and future prospects, roadmap for IDB-KRX cooperation, technology assessment systems to promote SMEs, and cooperation for financial stability in Asia, and ended up with in-depth discussions on ways to strengthen mutual cooperation.

Moreover, the seminar featured individual sessions with different institutions so that CIFIC members could engage with IDB's various divisions. Financial officers from the Ministry of Economy and Finance, KOTRA, and the Export-Import Bank of Korea were also invited to build networks and discuss potential collaboration with IDB and CIFIC members.



07 World Bank (WB) - CIFIC Knowledge Sharing Seminar



On November 29th, 2023, a Knowledge Sharing Seminar was held at the World Bank headquarters in Washington, D.C., with around 40 officials from the WB, the IMF, and delegations from CIFIC members, covering various topics.

The seminar was jointly organized by the WB's Finance, Competitiveness & Innovation division, the WB Seoul Office, and Center for International Financial Cooperation, and featured presentations on Korea's financial infrastructure and digital finance policies. Korean participants, including KIF presented on the

current status of open banking in Korea, fractional trading services for domestic stock, and examples of regional cooperation for financial stability in Asia, and held in-depth panel discussions.

Furthermore, individual meetings were held between WB's financial infrastructure, financial stability, and financing-related divisions and CIFIC members, to build networks for potential cooperation. Additionally, financial officials from the FSC, Ministry of Economy and Finance, and the Bank of Korea joined to share ideas on the current status of the local economy and cooperation in the financial sector. This provided opportunities to promote knowledge sharing and exchange among various countries and institutions.



CIFC Research Projects



In order to reflect the diverse research needs of members and provide practical assistance with overseas projects, research projects were conducted on the topics of select CIFC members: <IDB's role in Latin America's development finance and ways to strengthen its partnership with Korea (with Korea Technology Finance Corporation), <Enhancing KAMCO-CABEI public asset management (in conjunction with Korea Asset Management Corporation)> and <CIFC's mid to long-term development plan (in conjunction with Center for International Financial Cooperation).

IDB's role in Latin America's development finance and ways to strengthen its partnership with Korea



Korea Technology Finance Corporation

In this research, IDB's core businesses were examined and the potential for cooperation with Korean companies and financial institutions were explored.

BUFS Foundation for Industry-Academic Cooperation
| Professor Tae-hyuk Lee

The study concluded that in order to facilitate businesses of Korean companies in Central and Latin America, it is important to strengthen financial cooperation with investment funds, guarantee funds, and contribution funds. In particular, it is crucial to create a fund or guarantee system to support the financing of local companies, which will support both the growth of local companies and expansion of Korean companies.

Furthermore, the team discovered that the procurement business is important to encourage the participation of Korean companies. Actively engaging in G2G or ODA projects can open up more opportunities for Korean companies, and it is important to boost the participation of domestic companies especially when it comes to security equipment and systems, as well as smart healthcare.

Enhancement of KAMCO-CABEI public asset management



Korea Asset Management Corporation

Korea Institute of International Development (hereinafter KIID) conducted a study on Korea's state-owned property management system with member countries of the Central American Bank for Economic Integration (CABEI). The study provided an opportunity to share Korea's experiences in state-owned property management with countries in the Central American and Caribbean region and explore the possibility of future commercialization.

Korea Institute of International Development
| Professor Jae-sung Kwak

The main objective of the research was to identify ways to strengthen state-owned property management capabilities of key CABEI member countries and lay the groundwork for business development. To this end, the research and analysis focused on legal systems such as Korea's State Property Act, the role and organization of state-owned property management institutions, and the process and workflow of state-owned property management.

In particular, in terms of the legal system, the study examined whether or not there is an independent general law such as Korea's State Property Act, and identified the organization and role of state-owned property management agencies. It also verified whether the workflow of state-owned property management is clearly defined to assess the possibility of exporting systems and providing consulting.

Through the study, it was possible to look into the legal systems and state-owned property management systems of Central American and Caribbean countries and explore the applicability of Korea's state-owned property management system in these regions to seek future commercialization opportunities.

CIFC's mid to long-term development plans



CIFC
Korea Institute of Finance
| Research Fellow
Jeong-han Kim,
Hyun-tae Kim

A diverse demand for cooperation projects, skewed demand for networking projects from the members, and the lack of human and financial resources have limited CIFC's ability to expand its businesses. As such, the Council sought mid to long-term development plans centered on four pillars: networking, information management, training, and research.

With the overwhelming focus on networking projects, opinions were raised that an overseas research team should be established to enhance to meet the diverse needs of member institutions. The team is also expected to better coordinate networking projects.

Moreover, it was suggested that CIFC should thoroughly select cooperation projects over the short term, group them together, and effectively strengthen interconnections. This would help CIFC manage financial ODAs more efficiently, and play a more active role as an independent organization supporting overseas expansion of financial institutions.

Insurance-related legal and regulatory trends in major economies and case studies



Korea Insurance Development Institute, Korea Life Insurance Association, General Insurance Association of Korea

RMI Institute
| CEO Soon-jae Lee

The RMI Institute conducted a joint study with insurance-related CIFC members under the consensus that a regulatory innovation is necessary for the insurance industry due to rapidly changing industry environment led by recent digitalization and demographic changes. The Korea Insurance Development Institute, Korea Life Insurance Association, and General Insurance Association of Korea examined the regulatory trends of the insurance industry in Japan, the US, and Taiwan, and sought ways to improve regulations in the domestic insurance industry.

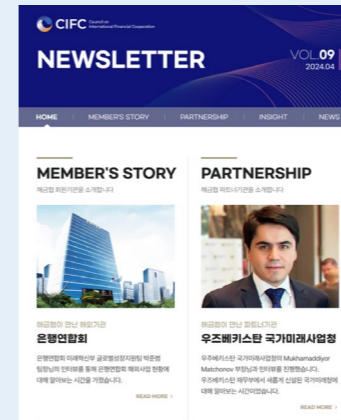
Some of the main regulatory trends that were examined included regulations on global business, data utilization and digitalization, prohibiting collusion in the insurance sector, and personal information retention period. It was found that whereas Japan and Taiwan actively support global business, the US has in place a strong legal system to regulate monopolistic behavior in the insurance industry. Additionally, regulations on data retention periods seem to be becoming more stringent due to privacy laws such as GDPR. Considering these regulatory trends, the study concluded that the domestic insurance industry needs to adapt to the changing environment and secure competitiveness through appropriate regulatory innovation.

CIFC Publications

CIFC Email Subscription

CIFC has launched an email subscription service to provide the latest information on global business and finance, reports from international organizations, and technical assistance(TA) announcement by multilateral development banks. Emails were sent out six times in 2023, with each issue delivering a wide range of useful information for domestic and foreign stakeholders.

CIFC Newsletter



CIFC has published a newsletter four times (quarterly) to share the news of member and partner institutions. Issue no.5 of the newsletter introduced the role and functions of Korea Credit Information Services and featured an interview with Commissioner Jung-hoon Park of Korea Financial Intelligence Unit. It also included a special op-ed on the 10th anniversary of CIFC, and updates on the opening of the 7th International Financial Cooperation Forum.

Issue no.6 of the newsletter highlighted the role and activities of the Korea Technology Finance Corporation, and captured the latest trends in the market through an interview with Financial Officer Young-im Kim from the Korean Embassy in Thailand. It also featured an article on KOICA's ODA trends, as well as a list of must-visit restaurants and souvenir shops.

Issue no.7 of the newsletter included an overview of the Korea Financial Investment Association, an interview with Assistant Governor Tharith Panpiemras of the Bank of Thailand, op-ed on the Mydata trends, and a list of financial authority websites by country.

Issue no.8 of the newsletter featured the role and activities of the Korea Asset Management Corporation, an interview with Lead Economist Francesco Strobbe at World Bank Indonesia, an op-ed on open-banking by the KFTC, as well as a list of nice restaurants and agencies in Indonesia.

CIFC 10th Anniversary Projects

Publication of the CIFC 10th Anniversary Report



The <CIFC 10th Anniversary Report> was published in order to commemorate the 10th anniversary of CIFC. The report introduces the history of the Council and its various projects and achievements, highlights the outcomes of its members' international financial cooperation projects, and proposes ways forward for future financial cooperation. The report consists of the history and key achievements of CIFC, the achievements of its 23 members, and an appendix with an overview of the Council and current status of representatives at member institutions.

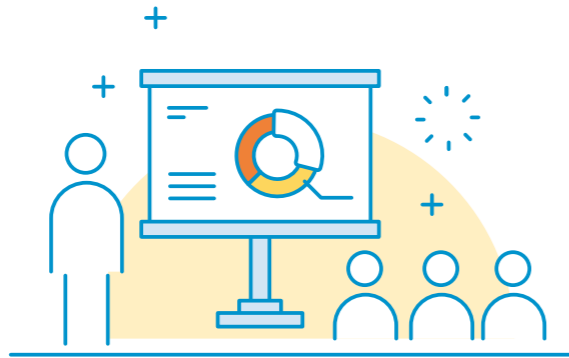
VR Exhibition to Commemorate CIFC's 10th Anniversary



To celebrate its 10th anniversary, CIFC put together a VR memorial. The exhibition provides easy access to the history of the Council and its various achievements, and also features booths representing CIFC members to highlight their expertise and competitiveness.

The memorial consists of a gallery encapsulating the history and development of CIFC, a gallery showing business achievements, and an audio-visual hall where you can watch videos of special events. Moreover, each member has its own booth through which they can introduce content and receive inquiries.

Meetings and Workshops



January General Meeting

Date and Time	January 27th (Fri), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The January general meeting was convened to share 2022 CIFIC business report and financial report, 2023 CIFIC business and budget plans, membership fees for 2023, welcome Credit Counseling & Recovery Service as a new member, and appointment of a new auditor and general manager.

March General Meeting

Date and Time	March 24th (Fri), 2023, 14:00
Venue	Seminar Room, 14th floor, KFB building
Agenda	The March general meeting was convened to discuss CIFIC's key projects in the first half of the year such as workshops, research projects, joint invitational training, Korea-Thailand Financial Cooperation Forum, etc.

April General Meeting and Workshop

Date and Time	April 28th (Fri), 2023, 11:00
Venue	Paraspara Seoul
Agenda	The April general meeting was convened to discuss key projects such as the Korea-Thailand Financial Cooperation Forum, research projects on ways to enhance CIFIC activities, publication of newsletter Issue no.6, and invitational training for overseas officials and financial experts, etc.

May General Meeting

Date and Time	May 26th (Fri), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The May general meeting was convened to discuss key projects such as the Korea-Thailand Financial Cooperation Forum, and invitational training for financial officials from Vietnam.

June General Meeting

Date and Time	June 30th (Fri), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The June general meeting was convened to discuss key projects in the second half of the year including the Korea-Indonesia Financial Cooperation Forum, invitational training for financial officials from Vietnam, and the 8th International Financial Cooperation Forum.

July General Meeting

Date and Time	July 19th (Wed), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The July general meeting was convened to discuss key projects in the second half of 2023 including the Korea-Indonesia Financial Cooperation Forum, and invitational training for financial officials from Vietnam.

September General Meeting

Date and Time	September 22nd (Fri), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The September general meeting was convened to discuss key projects in the second half of 2023 including invitational training for financial officials from Vietnam, support for joint business trips among members, and the 8th International Financial Cooperation Forum.

October General Meeting

Date and Time	October 20th (Fri), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The October general meeting was convened to discuss key projects in the second half of 2023 including invitational training for financial officials from Vietnam, re-appropriation of 2023 business expenses, support for joint business trips among members, and the 8th International Financial Cooperation Forum.

November General Meeting

Date and Time	November 17th (Fri), 2023, 14:00
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The November general meeting was convened to discuss key projects in the second half of 2023 including support for joint business trips among members, the 8th International Financial Cooperation Forum, re-appropriation of 2023 business expenses, and future development plans for CIFIC.

December General Meeting

Date and Time	December 15th (Fri), 2023, 16:30
Venue	Grand Conference Room, 8th floor, KIF building
Agenda	The December general meeting was convened to discuss feedbacks on increasing membership fees for 2024, share 2023 CIFIC performance, and review CIFIC business plans for 2024.



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