

Korean

Economic Snapshot

| April 2026 |

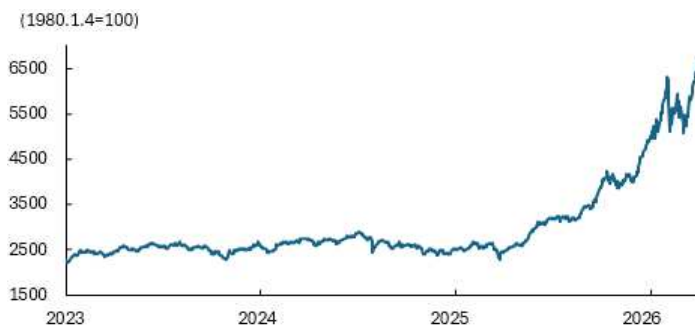
Indicators

GDP



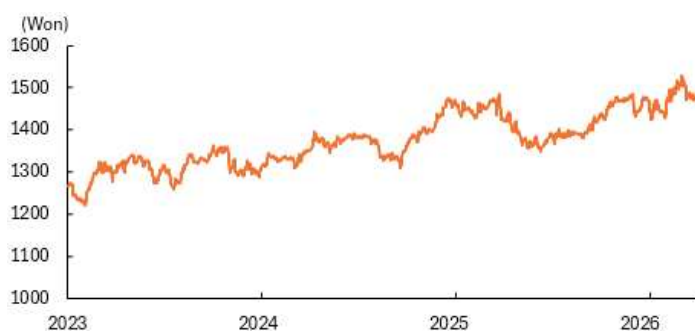
- GDP for 1Q26 grew 1.7% QoQ, highest since 2020 (3.6% YoY). The growth is mainly driven by strong semiconductor exports.

KOSPI Index



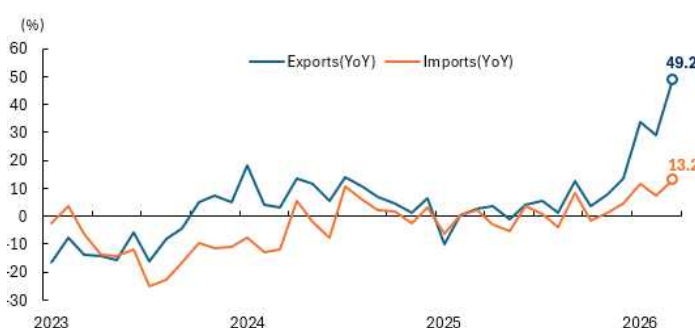
- The KOSPI hit an intraday record high of 6,700, driven by optimism over peace in the Middle East and strong gains among chipmakers.

Exchange Rate



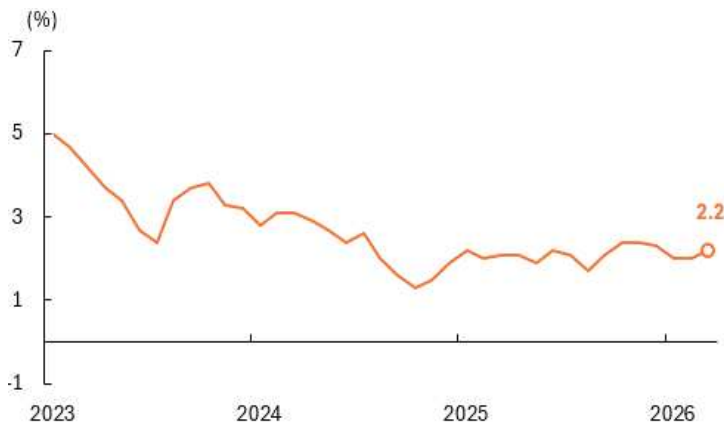
- The won stabilized in April, closing at 1,483.3 at month-end after weakening to 1,519 in early-April.
- Recent stabilization was supported by stronger demand from a bullish stock market and tax incentives by the newly launched Reshoring Investment Account (RIA).

Exports and Imports



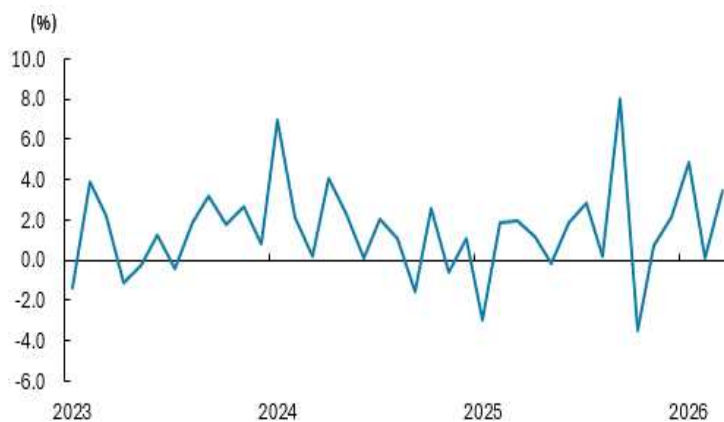
- Exports in March increased by 49.2% YoY. The rally is driven by strong exports of semiconductors (149.8%), petrol products (69.2%), wireless communication devices (13.1%) and ships (11.4%).
- Imports rose 13.2% YoY due to an increase in capital goods and raw materials.

CPI



- CPI rose 2.2% YoY in March, a 0.2%p increase from February.
- Petroleum products (9.9% YoY), industrial products (2.7%), and services (2.4%) increased. Agricultural, livestock, and fisheries products fell 0.6%.

Industrial Output (YoY %)



- Industrial output for March rose 3.5% YoY, but posted a 0.3% increase MoM.
- Mining and manufacturing (3.6%) and services (5.1%) led the growth, as well as retail sales (5.0%) and facility investment (9.2%).

Facility Investment & Construction Completion Rate (YoY %)



- Facility Investment: Increased by 9.2% YoY (1.5% MoM) due to higher investment in transportation equipment (+24.2%) and machinery (+3.5%).
- Construction completion rate decreased by 5.4% as building construction fell by 8.0%.

* All data are current as of the date of publication

CIFC

CIFC hosts Financial Cooperation Forums in India and Vietnam

CIFC organized Financial Cooperation Forums in India and Vietnam during FSC Chairman Lee Eog-weon's visits to the two countries, in conjunction with President Lee's state visits. At the Korea-India Financial Cooperation Forum, the authorities signed an MOU on financial hub cooperation, while KFTC and NPCI agreed to facilitate the integration of the cross-border QR code payments system between the two countries. In Vietnam, the FSC and the State Bank of Vietnam (SBV) discussed QR payment integration, digital finance, and NPL management. At the Vietnam-Korea Financial Cooperation Forum, SBV granted a license to the Industrial Bank of Korea, while KFTC and the National Payment Corporation of Vietnam (NAPAS) concluded an agreement on cross-border QR payments integration to facilitate the cross-border payments activities of banks and payments service providers.



CIFC concludes Knowledge Exchange Initiative for officials from six countries

CIFC hosted a financial cooperation seminar in Seoul for 14 financial officials from six Asian countries: Vietnam, Indonesia, Cambodia, the Philippines, Mongolia, and Uzbekistan. The seminar covered digital finance policy, payment infrastructure, open banking, virtual asset regulation, data governance, and AI risk management. Participants identified common policy needs, including regulatory sandbox frameworks, digital bank licensing, data protection systems, RegTech and SupTech capacity, digital asset rules, and standards for AI use. They stressed that Korea's policy experience and financial infrastructure can serve as a reference for home countries. The program also included capacity-building courses and visits to major Korean financial institutions to support practical exchange and future cooperation.

CIFC Members

Industrial Bank of Korea Receives Approval from Vietnam Central Bank

Industrial Bank of Korea received [final approval to establish a local subsidiary](#) in Vietnam. The bank plans to launch the subsidiary in October and expand its network around industrial complexes. The subsidiary will support Korean companies entering Vietnam and provide policy finance for small and medium enterprises. IBK said the approval was backed by government support and will help strengthen Korea-Vietnam economic cooperation.

KFTC Expands Cross-Border QR Payment with Asian Countries

Korea Financial Telecommunications & Clearings Institute (KFTC) is actively expanding its QR-based cross-border payment system across Asia. In early April, KFTC launched Korea's first [cross-border QR payment service for Korea-Indonesia transactions](#) by linking KFTC's payment systems with Indonesia's designated national switch. KFTC also concluded an agreement [with its Vietnamese counterpart, NAPAS](#), on cross-border QR payments integration, and [partnered with its Indian counterpart, NPCI](#), for similar services. KFTC plans to roll out more QR payment services across Asia.

KAMCO to Cooperate with Asian Countries to Enhance Financial Stability

Korea Asset Management Corporation (KAMCO) is making strides in advancing financial stability in Asia through global cooperation. KAMCO agreed with Indonesia's Ministry of Finance to [improve state asset management](#) as Indonesia relocates its capital. The cooperation covers policy sharing, support for an online asset disposal system, asset development, training, and advisory programs. KAMCO will also provide policy advice based on Korea's state asset management model and support Indonesia's digital asset management system. At the same time, [KAMCO signed an addendum to its MOU with Vietnam Asset Management Company \(VAMC\)](#) to advance NPL resolution systems, support digital transformation, and build a market-based framework for financial distress management. The cooperation is expected to strengthen Vietnam's financial safety net and support Korean financial firms' entry into Vietnam's NPL market.

SGI Seoul Guarantee Opens Warsaw Office as First European Base

Seoul Guarantee Insurance has opened [an office in Warsaw as its first base in Europe](#). The company chose Poland for its role as a logistics and industrial hub. The new office will focus on building networks with local and regional financial institutions and supporting Korean companies entering the market. Ahead of the opening, SGI also signed an MOU in France with Crédit Agricole CIB to combine SGI's guarantee expertise with Crédit Agricole's global network and expand financial support for Korean companies overseas.

Financial Authorities and Policies

New Investment for High-tech Industry Worth KRW50 Trillion+ for 5 Years

The Financial Services Commission announced [new mega-projects investment for high-tech industries](#). The fund will provide more than KRW 50 trillion over five years through KRW 35 trillion in indirect investment, KRW 15 trillion in direct investment, and low-interest lending for SMEs and middle-market enterprises. Target sectors include biotech, vaccines, OLED displays, future mobility, defense, sovereign AI, energy infrastructure, and the Saemangeum development project. Fund managers will be selected in the second quarter, with investments expected to begin by year-end.

BOK Governor Pushes to Internationalize the Korean Won

BOK Governor Shin Hyun-song is placing payment and settlement infrastructure at the center of the [Bank of Korea's strategy to internationalize the Korean won](#). The plan includes an offshore won settlement system, expanded BOK-Wire+ operating hours, and stronger links with the CLS system. It also connects the BIS-led Project Agora with the BOK's Project Han River to explore wholesale CBDCs and deposit tokens for cross-border settlement.

FSS Adopts Zero-Tolerance Policy on Financial IT and Security Failures

Financial Supervisory Services Governor Lee Chan-jin said the agency will apply zero [tolerance to recurring IT and security incidents](#) caused by weak internal controls. The FSS is shifting to a preemptive supervisory model, while requiring financial firms to strengthen IT asset management, annual vulnerability reviews, and internal remediation. The FSS is also seeking legal revisions to raise hacking fines from KRW 5 billion to up to 3% of sales. Lawmakers and industry leaders backed stronger preventive risk management, updated response guidelines, and joint disaster recovery drills.

BOK Doubles Down on CBDC and Deposit Tokens Over Private Stablecoins

The Bank of Korea's new head reaffirms its digital currency policy on [regulated digital won framework centered on CBDC and deposit tokens](#). The BOK governor, Hyun Song Shin, has expressed concerns that [stablecoins could undermine monetary unity, monetary sovereignty, and financial stability](#). Instead, the BOK is prioritizing CBDC and bank deposit-based tokens as a safer infrastructure for digital payments, practical use cases, and the potential internationalization of the won. Through the second phase of Project Hangang, the BOK is working with nine banks to test real-world applications such as peer-to-peer transfers, government subsidies, and digital vouchers.

FSC to Strengthen Fintech Support and Promote AI Transformation

At the fintech-FSC gathering, the FSC Chairman said the [FSC will upgrade fintech support programs](#) to promote collaboration among startups, financial firms, and investors. The FSC will focus support on AI, data, regional startups, and young entrepreneurs. It will also pursue legal grounds for stablecoins and improve data-use regulations. To strengthen delivery, the FSC will launch regional public-private committees and an integrated information platform for startup support.

Market

Foreign Demand for Korean Treasury Bonds Rises After WGBI Inclusion

South Korea's inclusion in the [WGB \(World Government Bond Index\)](#) has lifted foreign demand for [Korean Treasury Bonds \(KTBs\)](#). From late March to late April, foreign investors net bought KRW 10 trillion in KTBs, raising total holdings to KRW 306.7 trillion. Investment focused on mid- to long-term maturities, led by 5-year and 10-year bonds. Passive inflows have begun, while active investors remain cautious due to rate volatility. The government expects stronger inflows from May as Korea's index weight rises, with potential Japanese fund entry from June.

Korea's Stock Market Rises to World's Eighth-Largest

Korea's stock market has become the [world's eighth-largest](#), with market capitalization rising 45% this year to \$4.04 trillion and surpassing the United Kingdom. Samsung Electronics and SK hynix led the rally, which now account for over 40% of KOSPI market value, with support from pro-market governance reforms. KOSPI crossed 6,700 intraday for the first time, while analysts see room for gains toward 8,000 as valuations normalize. In April, [foreign investors led the rally](#) with net purchase of 1.2319 trillion won.

Korea's Top Financial Groups Post Record Q1 Profit

Korea's four largest financial groups posted a [record combined net profit](#) of 5.32 trillion won in the first quarter. KB led with 1.89 trillion won (\uparrow 11.5%), followed by Shinhan at 1.62 trillion won (\uparrow 9.0%), Hana at 1.21 trillion won (\uparrow 8.0%), and Woori at 604 billion won (\downarrow 2.1%). Earnings were driven by higher interest income from wider lending margins and higher noninterest income from the stock market rally. The groups also moved to raise shareholder returns through treasury share cancellations and payout policy changes.

KakaoBank Expands to Mongolia, Accelerates AI-Driven Growth

Kakaobank will provide its nonfinancial [data-based credit scoring model](#) in Mongolia. The move follows its investment in Indonesia's Superbank and the planned launch of BankX in Thailand in the 1H 2027. The bank also plans to offer AI-powered translation services for foreign users and to issue and distribute won-backed stablecoins once relevant legislation is enacted. Domestically, KakaoBank will expand AI integration across services such as transfers and group accounts, with AI-driven spending guidance and an investment agent set to launch in the 3Q 2026.

Poland Emerges as Korean Finance's European Hub

[Poland is emerging as a European hub for Korean financial firms](#) as bilateral ties deepen and Korean defense exports expand. SGI Seoul Guarantee, KB Kookmin, Shinhan, Hana, Woori, and IBK have opened or prepared offices, branches, and subsidiaries in Poland to support defense exports through loans, guarantees, trade finance, and foreign exchange services. Korea's defense contract with Poland, worth \$44.2 billion, has also created demand for policy finance and commercial bank participation. Korean financial firms plan to use Poland as a base to expand in Europe and join future reconstruction projects after the Russia-Ukraine war.

Connect for Shared Prosperity

