

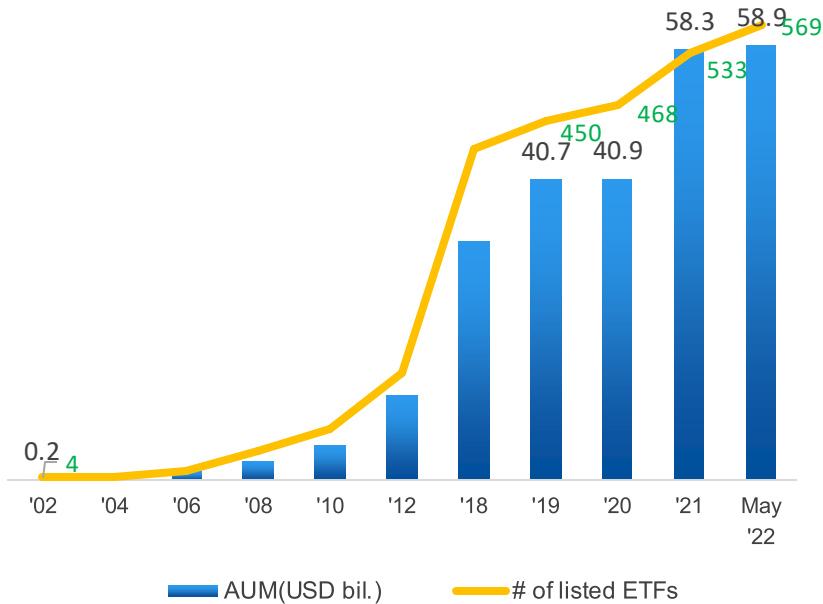
K O R E A E X C H A N G E

Overview of the Korean ETP Market

Market Overview – ETF

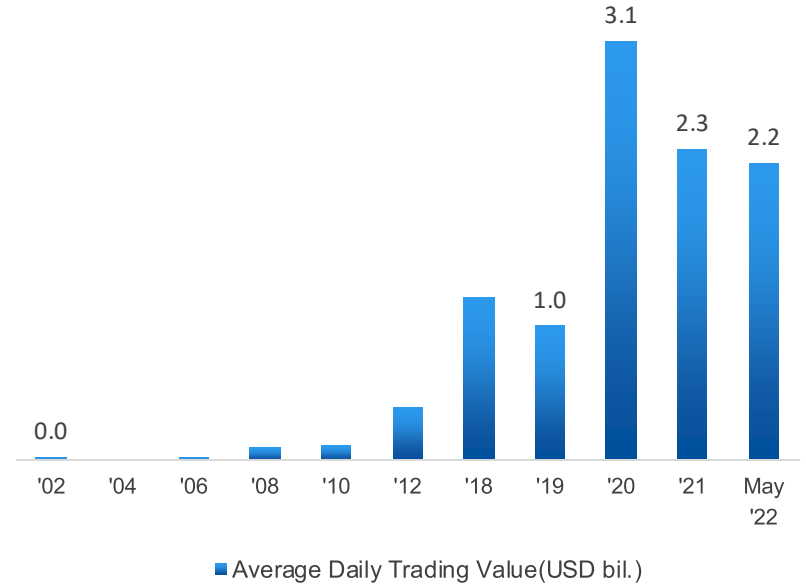
AUM & Listings

58.9 bil. in AUM and 551 listings as of May 2022



Trading Values

Stably maintaining 2.2 bil.

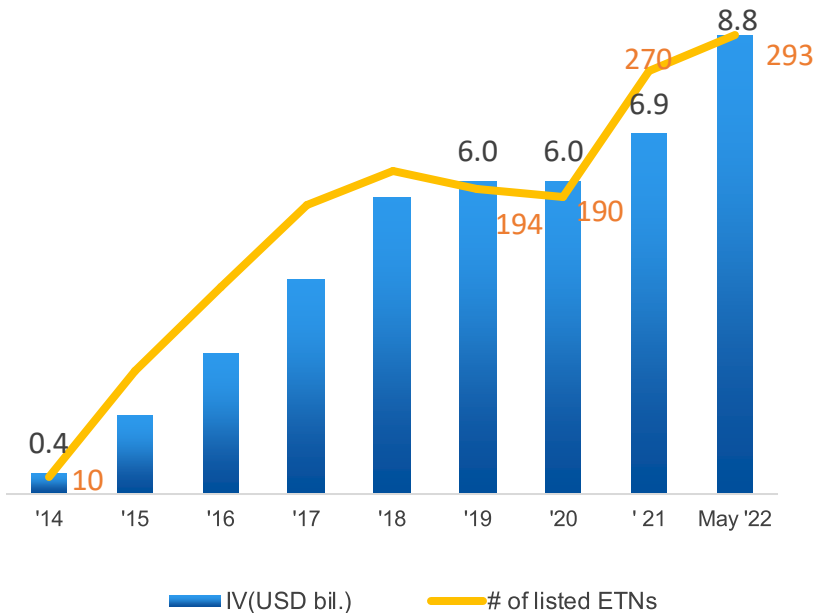


 CAGR of AUM is over 31.8% since its launch in 2002

Market Overview - ETN

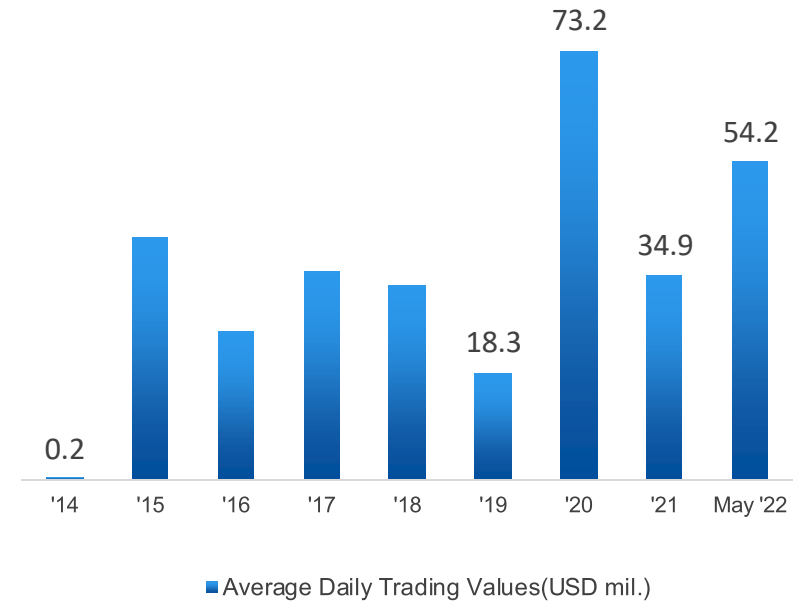
Indicative Value & Listings

Steady growth since its launch in 2014



Trading Values

Actively traded when market volatility increases



Flagship Products : Leveraged & Inverse (commodity, global index), VIX, Loss-limit

Market Overview – ETF

Comparison to the Global Market

Ranked 11th in AUM, 6th in # of Listed ETFs, 5th in ADTV (March 2022, ETFGI)

Global Ranking of ETF Market

AUM		(USD bil.)	the Number of Listed ETFs		ADTV(22.1Q)		(USD bil.)	
1	USA	6,883	1	USA	2,730	1	USA	216.5
2	UK	650	2	Canada	1,014	2	China	8.7
3	Japan	537	3	China	677	3	Japan	2.4
		:			:			
▶ 11	South Korea	62	▶ 6	South Korea	551	▶ 5	South Korea	2.0

Potential for Growth

Potential for growth, considering its size compared to the stock market

	USA	Germany	UK	Japan	S. Korea	China
Stock Mkt Cap. (A) (USD bil.)	49,628	2,170	3,565	6,003	2,117	12,699
ETF AUM(B) (USD bil.)	6,883	375	651	537	62	196
B / A	13.9%	17.3%	18.3%	8.9%	2.9%	1.5%

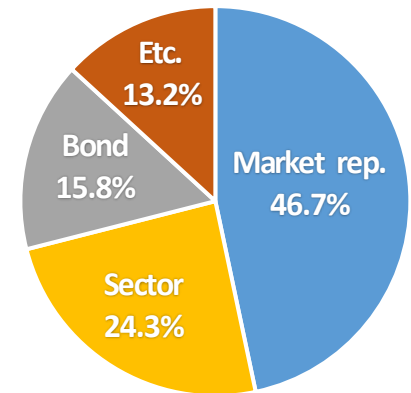
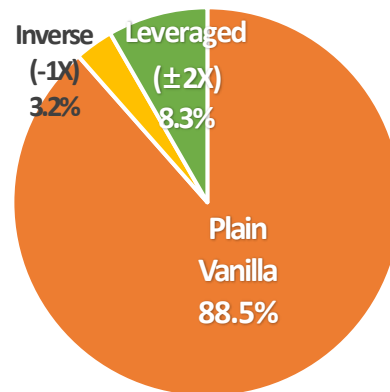
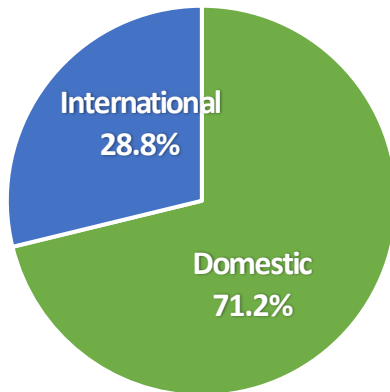
Market Overview - ETF

Account by Product Type

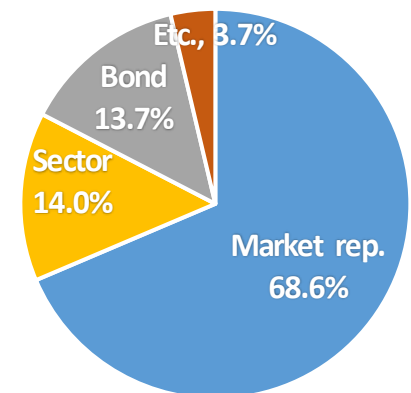
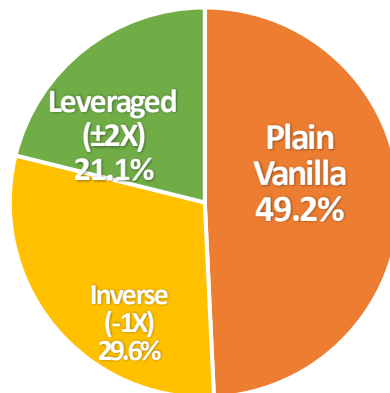
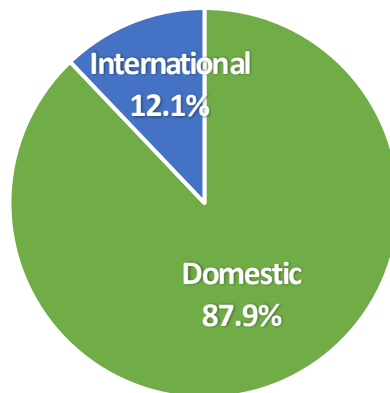
Sector ETFs increased in AUM m/s, Trading values m/s of L&I is still large but declined

* Sector AUM : ('19) 3.5% → (May '22) 24.3% / L&I ADTV : ('19) 59.6% → (May '22) 47.7 %

AUM



Trading Values



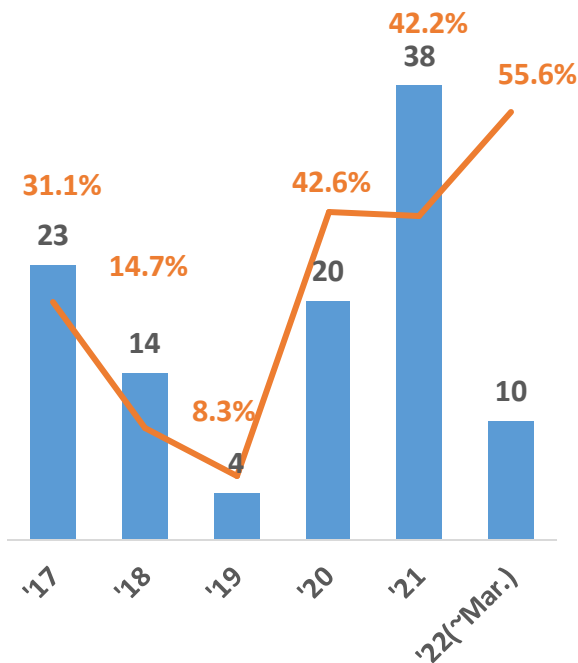
Market Overview - ETF

New Listings

Recent new listings of ETFs are mainly from sector, active, international ETFs

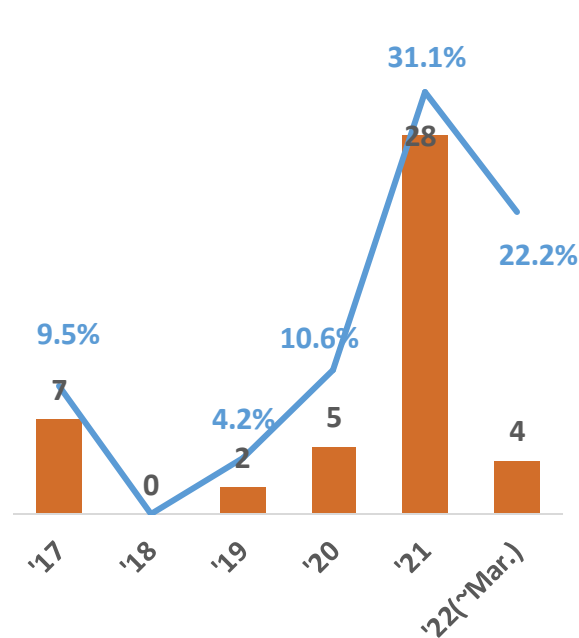
Sector ETF new listings

(Unit : #, ratio%)



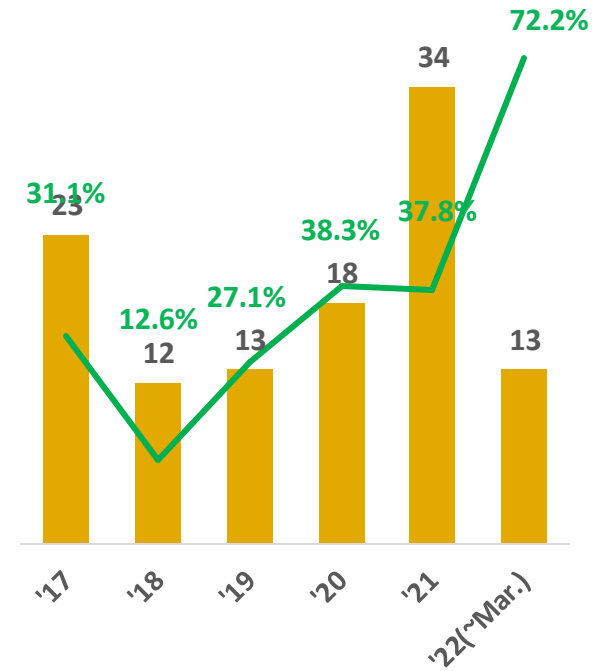
Active ETF new listings

(Unit : #, ratio%)



Int'l ETF new listings

(Unit : #, ratio%)



Market Overview - ETF

Growing ETF investment in Pension Accounts (retirement+personal)

Long-term ETF investment through pension accounts has consolidated Korean ETF market

Pension account

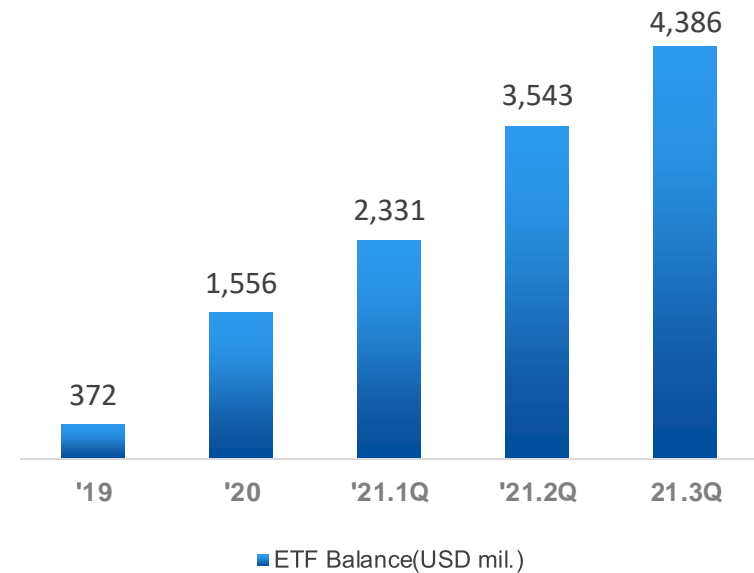
- ❖ Tax efficiency
 - Income Deduction
 - Tax Deferral



Benefits of ETF

- ❖ Easy access
- ❖ Transparency
- ❖ Diversified Portfolio

Increasing ETF Balance in Pension Accounts



* Data from major 5 securities companies
Source : Seoul Economic Daily & estimates