



# **BUSAN, THE FINANCIAL HUB**

2021



# BUSAN INTERNATIONAL FINANCIAL CENTER











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# Busan Metropolitan City at full throttle to rise as a Global Financial Hub!

From a major city in the southern part of Korea to the global financial hub, Busan marches forward

Powered by excellent infrastructure, competent workforce, and competitive incentives, Busan is gearing up to be a global financial city by converging new technologies and the financial industry in response to the rapidly changing paradigm in the financial sector.

We welcome you to **Busan**, a financial city ready for the future.



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### Attractive Busan

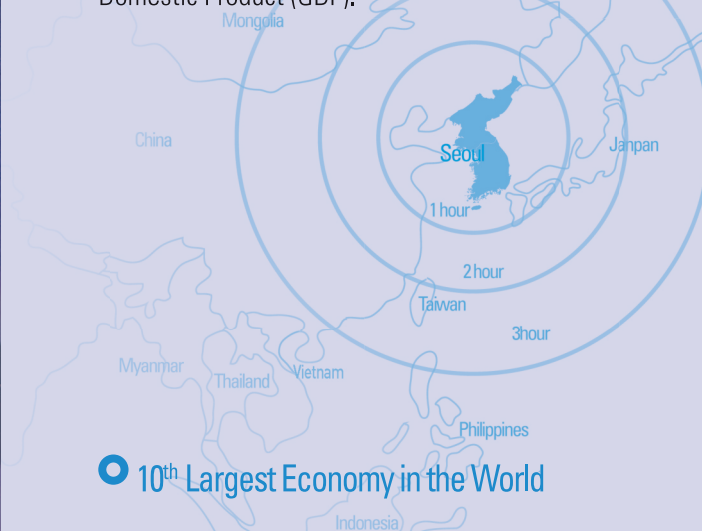
Hub of Global Logistics, Maritime City  
International Tourist City  
Global MICE City  
World-class IT City  
Major Development Projects  
Globally-connected City  
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# About Korea

## Center of Northeast Asia

Located in between China and Japan as two major economies, Korea holds a geographic advantage as the gateway of Northeast Asia. What's more, Korea is just a two-hour flight away from significant demands from 43 cities with more than a million citizens, which take 25% of the world's population and 20% of global Gross Domestic Product (GDP).



## 10<sup>th</sup> Largest Economy in the World

By the end of 2020, Korea is the 10<sup>th</sup> largest economy in the world, with a GDP of USD 1.6305 trillion. Korea has retained the credit rating of "AA" with a "Stable" outlook since Aug. 2016.

### GDP Ranking and Sovereign Credit Ratings of Major Economies

(Unit : USD billion)

No	Country	GDP	Sovereign Credit Rating
1	United States of America	20,936	AA+
2	People's Republic of China	14,722	A+
3	Japan	4,975	A+
4	Germany	3,846	AAA
5	United Kingdom	2,744	AA
6	France	2,630	AA
7	India	2,622	BBB-
8	Italy	1,886	BBB
9	Canada	1,644	AAA
10	Republic of Korea	1,630	AA
11	Russia	1,483	BBB-
12	Brazil	1,444	BB-

Source : World Bank, S&P Global, 2021



## Competitiveness of Korean Economy

Korea was ranked the world's 1<sup>st</sup> in the 2021 Bloomberg Innovation Index, in which the U.S. media company Bloomberg evaluates a nation's degree of innovation. Korea was also ranked 5<sup>th</sup> in the World Bank's Ease of Doing Business Index.

### 2021 Bloomberg Innovation Index : Top 10 Countries



Source : Bloomberg, International Labour Organization, International Monetary Fund, World Bank, Organization for Economic Co-operation and Development, World Intellectual Property Organization, United Nations Educational, Scientific, and Cultural Organization

#### Ease of Doing Business

No.	Country
1	New Zealand
2	Singapore
3	Hong Kong
4	Denmark
5	Republic of Korea
6	United States of America
7	Georgia
8	United Kingdom
9	Norway
10	Sweden

Source : World Bank Group, 2020

#### Rule of Law Index

No.	Country
1	Denmark
2	Norway
3	Finland
4	Sweden
5	Germany
6	Netherlands
7	New Zealand
8	Luxembourg
9	Austria
20	Republic of Korea

Source : Rule of Law Index, 2021  
World Justice Project

#### Number of Top Global Brands

No.	Country
1	People's Republic of China
2	Germany
3	United States of America
4	Italy
5	Japan
6	India
7	Netherlands
8	France
9	Spain
11	Republic of Korea

Source : UN Comtrade

#### World Top Trading Nations

No.	Country
1	People's Republic of China
2	United States of America
3	Germany
4	Netherlands
5	Japan
6	Hong Kong
7	Republic of Korea
8	Italy
9	France
10	Belgium

Source : UNCTAD, 2020

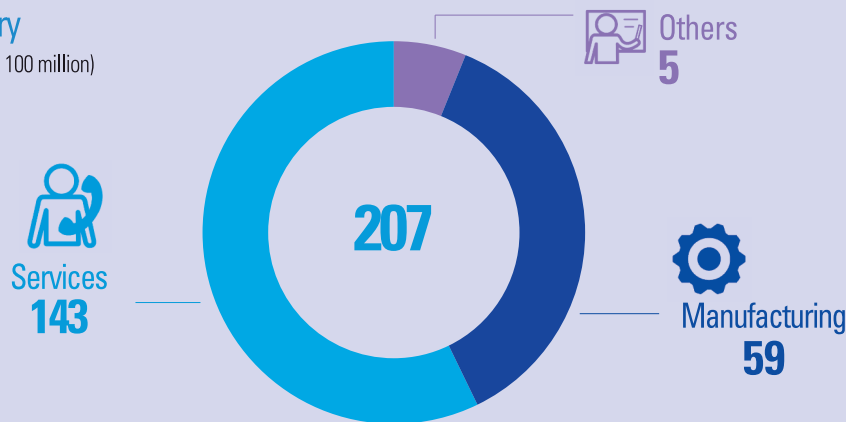


## Creating a Foreign Direct Investment-friendly Environment

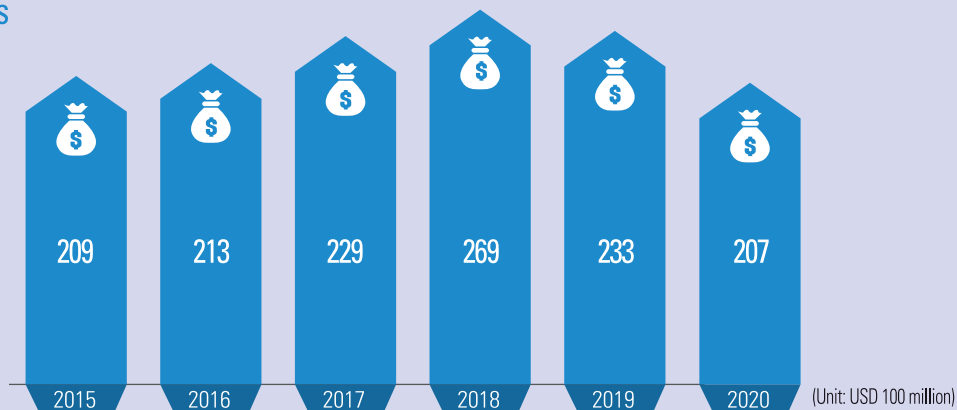
The Korean economy has advanced and globalized after overcoming the aftermath of the Asian financial crisis and created an environment where Foreign Direct Investment (FDI) can prosper. To this end, Korea has designated 27 complex-type foreign investment zones, 3 service-type, and 79 investment-type foreign investment zones to vitalize FDI and facilitate an optimal business environment for foreign companies. Although FDI has largely dropped due to the global economic crisis brought about by COVID-19, Korea has drawn about USD 20 billion worth of FDI for six consecutive years. Indeed, Korea has been globally recognized as an attractive investment destination.

### FDI per industry

As of 2020 (Unit: USD 100 million)



### FDI Inflows



### Current Status of FDI

(Unit: USD million)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	13,071	13,673	16,286	14,548	19,000	20,910	21,299	22,943	26,900	23,329	20,747
Manufacturing	6,657	5,657	6,097	4,648	7,646	4,565	5,133	7,247	10,049	8,219	5,970
Services	6,302	7,269	9,602	9,848	11,188	14,731	15,512	15,459	15,583	14,759	14,354

Source: Ministry of Trade, Industry and Energy, Trends of Foreign Direct Investment, 2021



## Financial Industry in Korea

The financial industry in Korea has continuously grown, with the contribution of the finance and insurance industries to its GDP rising from 5% in 2009 to 6.1% in 2020. Market capitalization is also hovering at the global Top-10 level. Furthermore, Korea is laying a solid foundation to expand the financial market by accumulating the world's third biggest pension funds.

### Current Status of Financial Institutions in Korea

As of the end of Jun. 2021

<b>Banks</b>	Domestic banks 19, branch offices of foreign banks 36
<b>Insurance</b>	Life insurance 24, general insurance 31
<b>Investment</b>	Asset management 335, investment advisory 239, securities 58, real property trust 14, futures 4, and general finance 1
<b>Credit-specialized</b>	New technology financial group 65, lease 26, installment finance 23, credit card 8
<b>Savings Banks</b>	79
<b>Mutual</b>	Agricultural co-op 1,118, credit union 873, forestry co-op 142, fisheries co-op 91
<b>Financial Holdings</b>	10

### Weight of Finance and Insurance Industries

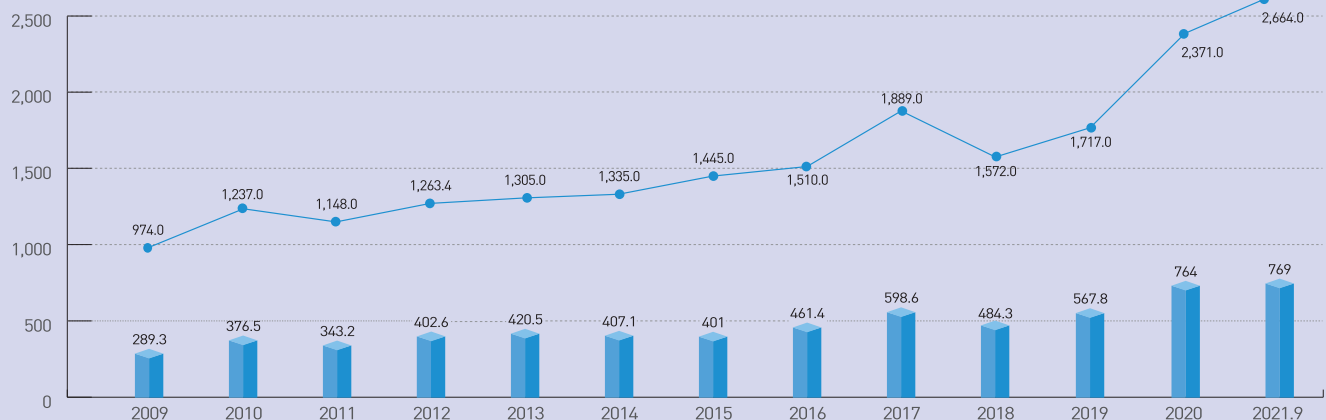
(Unit: KRW trillion, %)

Category	2009	2012	2015	2018	2019	2020
GDP	1,335.7	1,514.7	1,658.0	1,812.0	1,848.9	1831.2
Finance & Insurance	66.6	73.9	88.2	98.9	103.3	111.8
Weight	4.98	4.88	5.32	5.46	5.59	6.10

Source: Bank of Korea

### Aggregate Value of Listed Stocks and Foreigners' Holdings

(Unit: KRW trillion)



Source: Korea Exchange, Financial Supervisory Service

● Total market capitalization

■ Market value of stocks held by foreigners

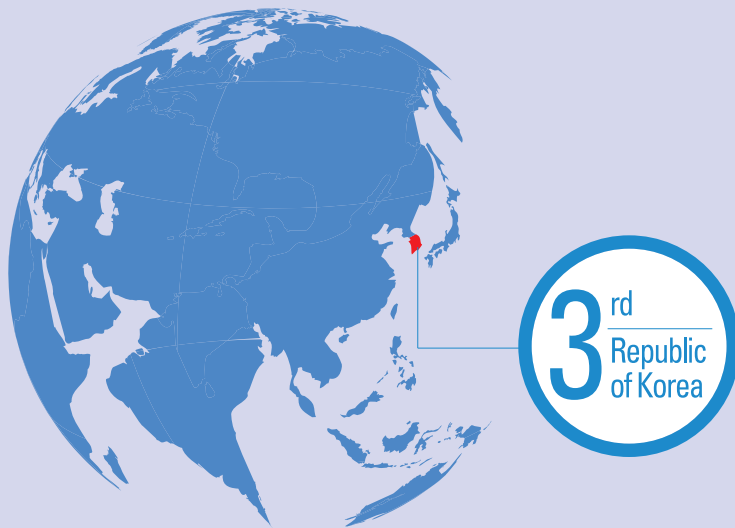


## Pension Funds

(Unit: USD billion)

No	Country	Pension Funds
1	Japan	1,719
2	Norway	1,305
3	Republic of Korea	765
4	United States of America	651
5	Netherlands	607

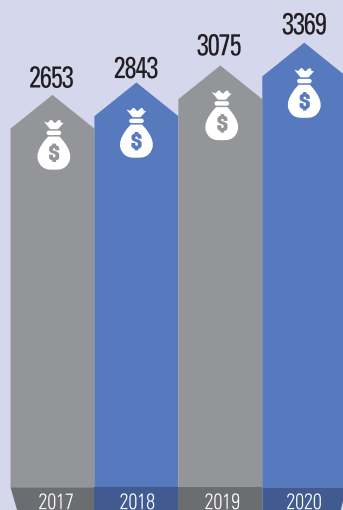
Source: Financial Services Commission, Pionline 2020



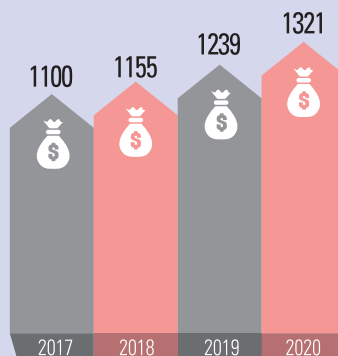
## Asset size per Industry

(As of the end of each year; unit: KRW trillion; Source: Financial Supervisory Service, Korea Federation of Savings Banks, Korea Financial Investment Association)

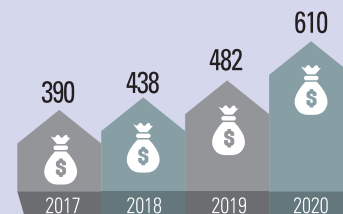
### Banking



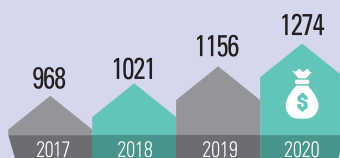
### Insurance



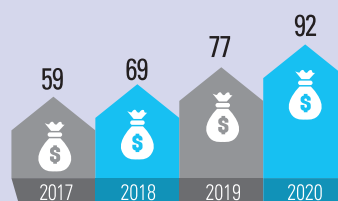
### Securities



### Asset Management



### Savings Bank

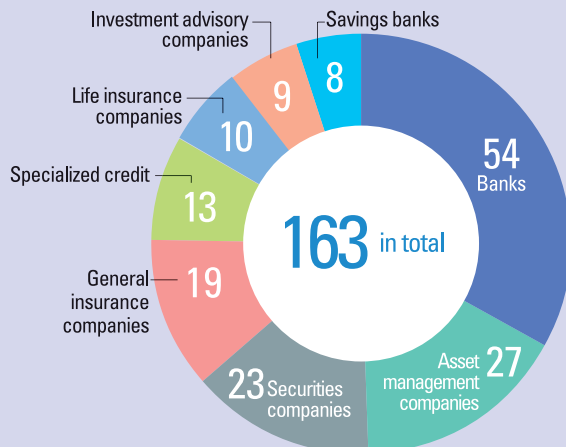




## Current Status of Foreign Financial Institutions in Korea

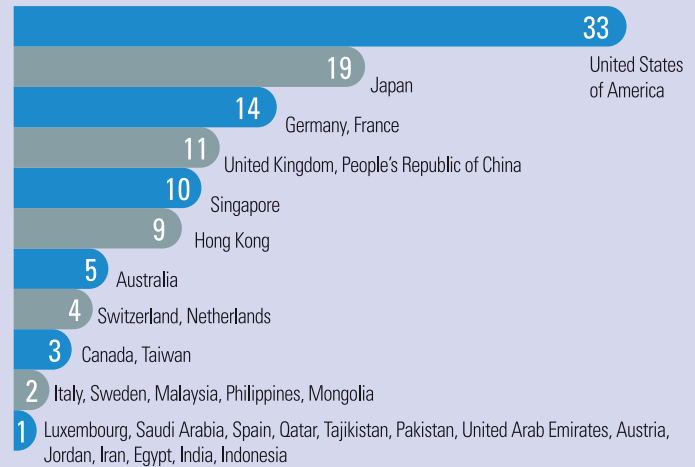
As of Jun. 2020, there are a total of 163 foreign financial institutions operating in Korea. When broken down into industries, these include 54 banks, 27 asset management companies, 23 securities companies, 19 general insurance companies, 13 specialized credit companies, 10 life insurance companies, 9 investment advisory companies, and 8 savings banks.

Foreign Financial Institutions in Korea per Industry



Source: Financial Supervisory Service, branch offices included

Foreign Financial Institutions in Korea per Nationality



## Regulatory Sandbox

The Regulatory Sandbox\* system is unleashing various services that can improve the quality of life of the public. Since its introduction on Jan. 17, 2019, a total of 548 projects have been approved as of the end of Nov. 2021. Among those, 513 projects (or 93%) were commercialized or acquired temporary permits.

\* A system which exempts from or delays existing regulation for a certain period when new services are launched.

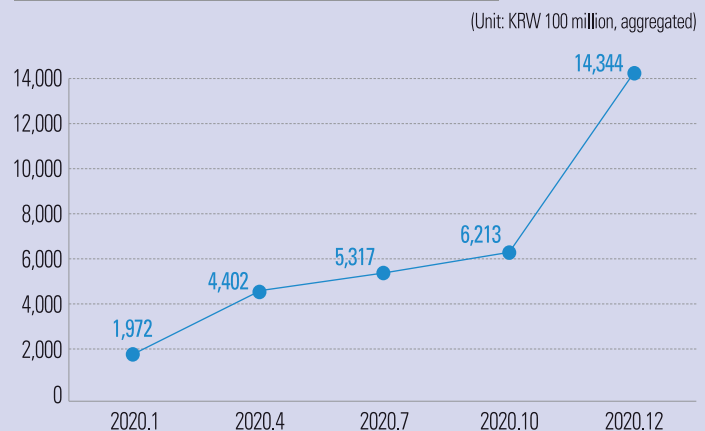
Current Status of Investment Attracted \* per Sector

(Aggregated as of Oct. 2021)

Sector	Investment Attracted
Convergence of ICTs	468
Convergence of Industries	642
Financial Innovation	5,887
Regulation-free Zone	7,309
Smart City	38
<b>Total</b>	<b>14,344</b>

\* Sum of Venture Capitals (VCs) and independent investment from corporates

Current Status of Investment Attracted per Time Point



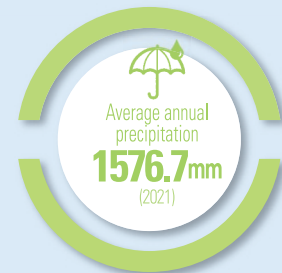
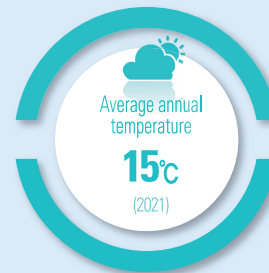
Source: Financial Supervisory Service

# About Busan

## Overview

Busan is a global logistics hub located at the gateway of Northeast Asia. The southeast economic bloc – composed of Busan, Ulsan, and Gyeongnam Province – is the main engine of the Korean industry.

Based on solid infrastructure and sustainable growth engines, Busan is stepping up as an international gateway city connecting the Pacific Rim with Eurasia.



Export

**11,320**

USD million



Import

**12,368**

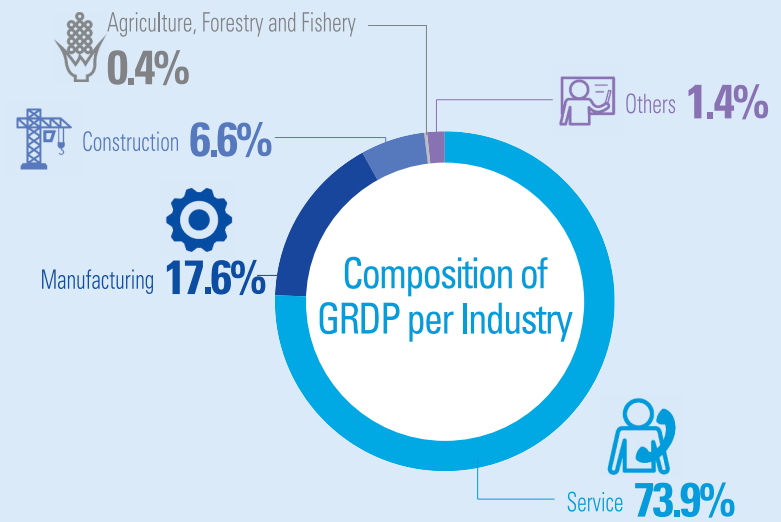
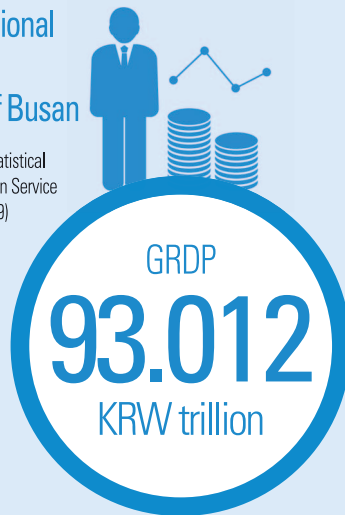
USD million

Source: Korean Statistical Information Service (as of 2020)



## Gross Regional Domestic Product of Busan

Source: Korean Statistical Information Service (as of 2019)



## Major Development Complexes in Busan

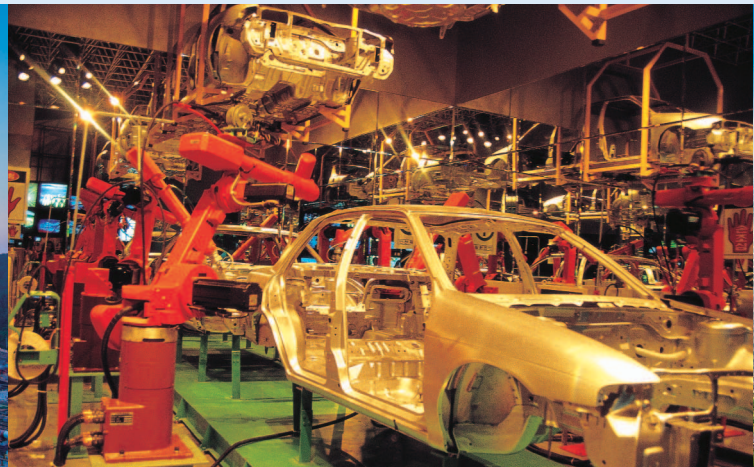


- 1 Centum District-2 Advanced Urban Industrial Complex
- 2 Osiria Tourism Complex
- 3 North Port Redevelopment Project
- 4 Busan Financial Hub
- 5 Southeast Radiology Industrial Complex
- 6 Ori General Industrial Complex
- 7 Eco Delta City Project
- 8 Myeongji International City
- 9 Cloud Data Center Model Complex
- 10 Mieum-Jisa Foreign Investment Zone
- 11 New Port Development Project



## Center of Southeast Economic Bloc

Korea's southeast economic bloc encompasses Busan, Ulsan, and Gyeongnam Province, where Korea's many symbolic industries operate in.





## Foreign Direct Investment and International Organizations

Busan is an international industrial city where foreign investment is actively made. As of Dec. 2020, Busan attracted a total of 2,468 FDIs which amounts to USD 7.528 billion since 1962.

### Current Status of Foreign Companies

**580** companies

(As of December 2019)

Renault Samsung Motors (Automobile), Bosch Rexroth Korea (Manufacturing), Wilo Pumps (Manufacturing), Rolls-Royce (R&D), Fraunhofer (R&D), Man Diesel & Turbo (Vessel parts), Wartsila (Vessel parts), Kongsberg (Shipbuilding equipment), LME (London Metal Exchange warehouse), Arker Solutions (Maritime plant), YK Steel (Metal) and others

### Current Status of International Organizations in Busan



Commission for  
the UNMCK  
(1951)



NOWPAP  
Secretariat  
(2004)



APEC  
Climate Center  
(2005)



APEC e-Learning  
Training Center  
(2006)



Unicef  
Field Office, Busan  
(2006)



FATF TREIN  
(2016)



## Center of Maritime Industry

### Global Top Share of Orders Obtained for Vessels

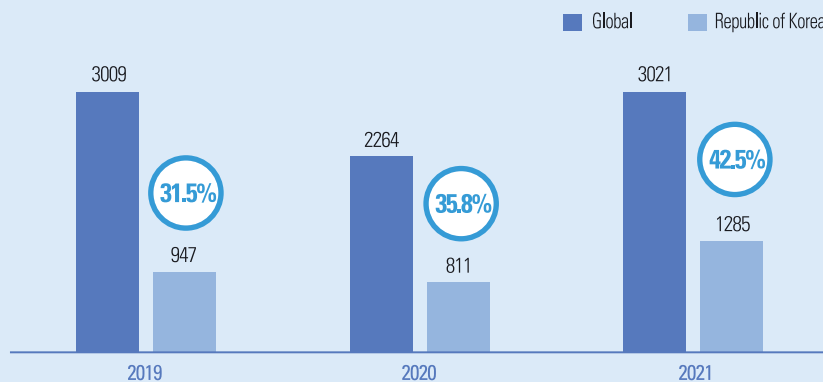
- Three Korean shipbuilding companies obtained the top share of global orders for three consecutive years (2019–Jul. 2021)
- Korea boasts of world-class shipbuilding technology of LNG vessels, tankers, and container vessels, which are high value-added vessels
- Korea accounts for more than 97% of newly placed global orders for LNG vessels (Jan.–Jul. 2021)

### World-class eco-friendly ship development technology

- Korea secures key technologies for eco-friendly hydrogen- and ammonia-powered vessels, as well as low-carbon/zero-carbon electric and hybrid vessels
- Hyundai Heavy Industries signed a contract to supply the world's first methanol-powered container vessel to Maersk (2021)

Obtained more than 30% of global orders for new vessels

(Unit: 10,000 CGT)



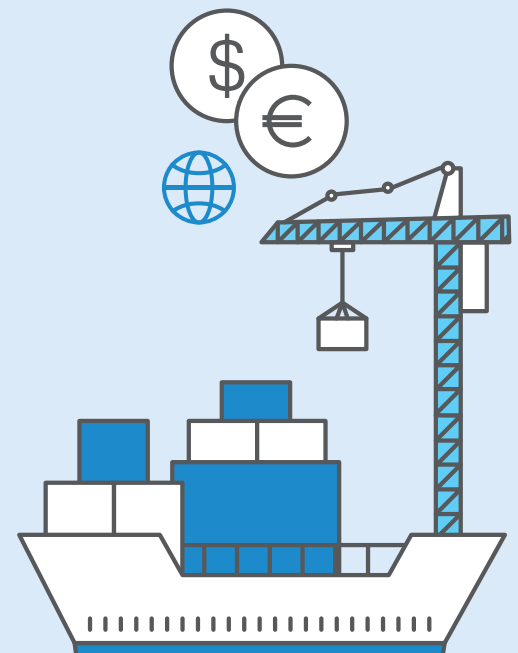
Source: Clarksons

Share of Orders Obtained per Vessel Type

	2019	2020	2021
Container	13.4%	19.4%	41.5%
LNG	43.9%	38%	24.2%
Tankers	20.8%	21.5%	12.2%
LPG	7.6%	4.7%	11.2%
Others	14.3%	16.4%	10.9%

Source: Clarksons

High value-added vessels (large containers, VLCC) 63% of placed global orders, vessels powered by eco-friendly fuel (LNG, LPG) 66% of obtained global orders (2021)





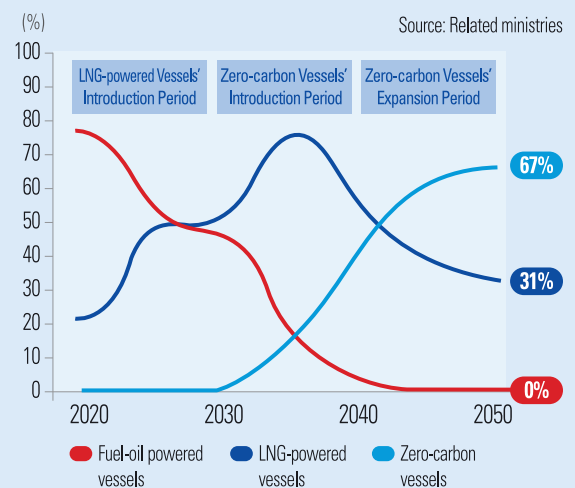


## Implementing World No.1 Strategies for Korean Maritime Industry

- Train 8,000 shipbuilding workforce and increase productivity by 30% (by 2030)
- Create World's top ecosystem for eco-friendly and maritime autonomous surface ships
- Discontinue building of fuel-powered vessels by 2050



Expected trends of new shipbuilding tonnage by propellant type



## Globalizing Busan with New Tri-port

Innovations in logistics directly translate into national competitiveness in this rapidly changing era of the Fourth Industrial Revolution. Busan will become the center of global logistics powered by innovations in port and railway logistics, along with the construction of the new 24H Gadeokdo New Airport.

### Airport

Gadeokdo New Airport

Air Logistics Complex



### Seaport

2<sup>nd</sup> New Port

One-stop logistics



Tri-port



Eurasia Railway

### Railway

Railway Infrastructure Expansion

#### Busan Port: World-class Port Infrastructure

- Equipped with major port infrastructure including world's 2<sup>nd</sup> largest transshipment cargo and 7<sup>th</sup> largest container port
- Plans for establishing international maritime tourism base and eco-friendly waterfront with the development of North Port



World's 2<sup>nd</sup>  
highest number of  
regular container  
routes (269)



Container cargo  
handled  
21,824 TEU



Total volume of  
transshipment  
handled  
12,020 TEU

#### Global Ranking of Transshipment Cargo

No.	Country	Transshipment volume
1	Singapore	32,118
2	Busan	11,638
3	Tanjung Pelepas	8,542
4	Port Klang	8,506
5	Dubai	7,340
6	Hong Kong	4,593

Source: Drewry Estimate, Mar. 2020





## ● Innovations in Aviation Logistics: Construction of Gadeokdo New Airport

- An airport operating 24H without noise pollution
- Capacity: Accommodating 35 million passengers and 990,000 tons of cargo annually
- Accessible within one hour from Busan, Ulsan, and Gyeongsang Province

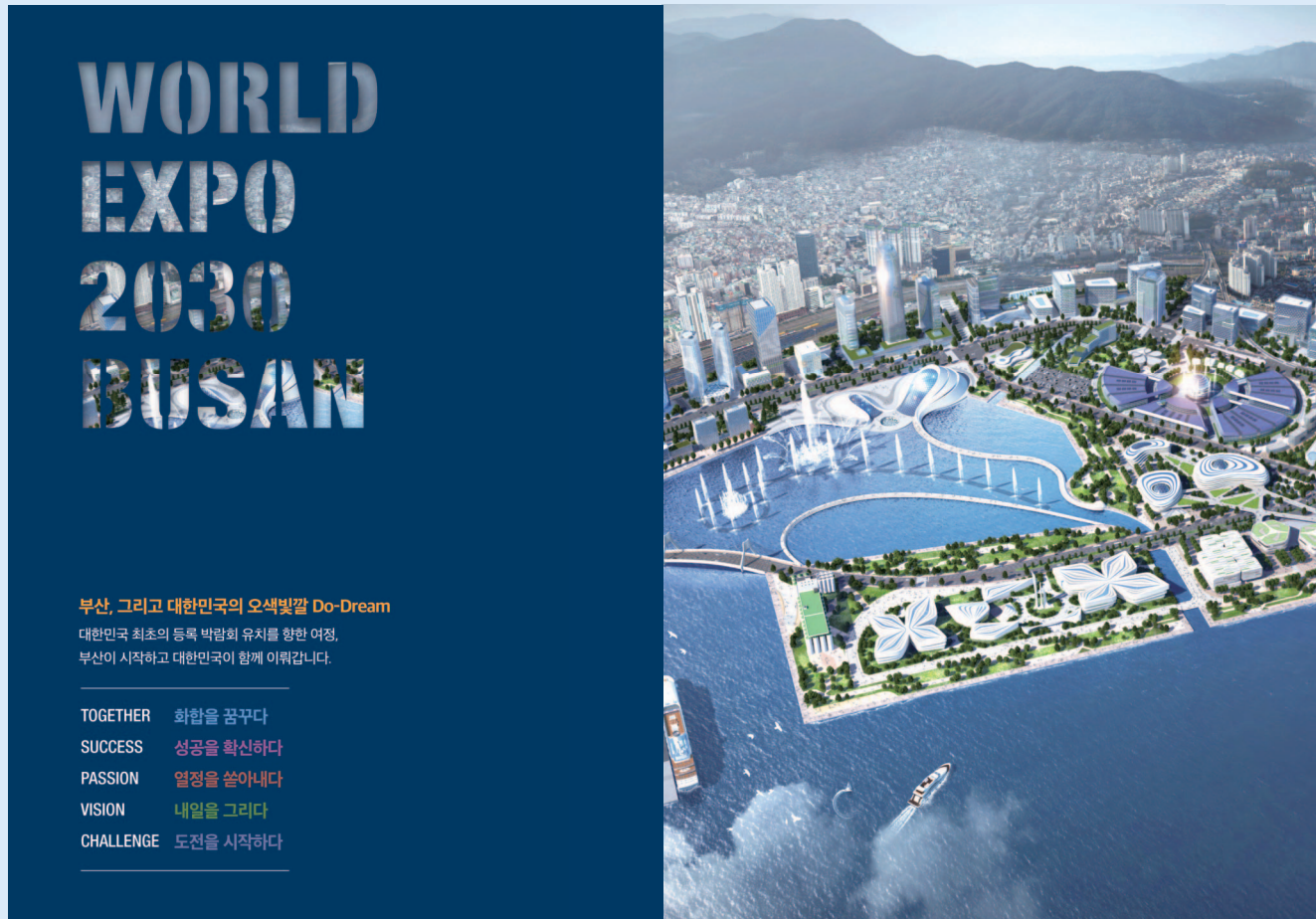
### Progress Made

- Enacted Special Act on the Construction of Gadeokdo New Airport (Mar. 16, 2021)
- 2021-2022: Conduct Pre-feasibility study and establish basic plan
- 2023: Initiate basic design
- 2029: Construction complete



## Plan for World EXPO 2030 Busan Korea

Busan is actively promoting to attract the World EXPO in Busan under the theme of “Transforming Our World, Navigating Toward a Better Future.”



### ○ Schedule for bidding and hosting the World EXPO 2030 Busan



Hosting Period	May 1 – Oct. 31, 2030
Venue	Part of North Port, Busan Metropolitan City
Participants	Around 200 countries and 32.18 million visitors
Expected Economic Value	Generate KRW 43 Tril. of production Trigger KRW 18 Tril. of added value Create 50 thousand jobs



## EXPO - Why Busan?

### Ample experiences in holding international events

- 2002 FIFA World Cup and Asian Games
- 2005 APEC Summit
- 2014, 2019 ASEAN-Republic of Korea Commemorative Summit

### Easy access and global business environment

- Highly accessible by plane, train, road as gateway city of Northeast Asia
- Trans-Pacific exchanges with the People's Republic of China, Japan, and Russia
- World's 7<sup>th</sup> largest port city with logistics, finance, Information and Communication Technology (ICT) networks

### Excellent global exhibition capacities

- Asia's 4<sup>th</sup> and world's 9<sup>th</sup> global MICE city
- Rich exhibition infrastructure, like Busan Exhibition Convention Center (BEXCO), and human resources
- Designated as international meeting complex zone by the Korean Ministry of Culture, Sports and Tourism in 2020

### Attractive international tourist city

- Blessed with natural environment, surrounded by ocean, rivers, and mountains
- Diverse high-quality tourism infrastructure
- Selected as International tourist city by the Korean Ministry of Culture, Sports and Tourism in 2020

### Expected Benefits



7<sup>th</sup> country to host  
3 global mega events



Reinforce Korea's global presence as a  
smart innovation powerhouse



Raise national profile as a bridging  
country with experiences as both least  
developed and developed country

## Stepping Up to Become a Future Digital Financial Platform

The Busan Metropolitan City has newly established the Finance and Blockchain Division in 2021 and the Busan Blockchain Industry Association to focus on fostering a blockchain industry ecosystem and step up to become a digital financial hub. Furthermore, Busan has applied innovative services applying blockchain technology, such as blockchain integrated service B PASS and Dongbaekjeon, and is developing into a future financial city.



**부산 블록체인 통합 서비스 B PASS (1인1전자지갑)**

Service actually proving  
Busan blockchain regulation-free zone

GET IT ON  
**Google Play**

Available on the iPhone  
**App Store**

- Identification: Busan Citizens' Card, Family Love Card, Library Membership Certificate, City Hall Visitor Certificate, etc.
- Connected with four major project apps of the special zone: Logistics, tourism, public safety, digital voucher
- Certifies 30 types of public certificates, such as Resident Registration Certificate, Certificate of Military Service, University Graduation Certificate, etc.



As Busan's local currency, "Dongbaekjeon" is a compound word of Busan's symbolic flower "Dongbaek (camellia flower)" and "Jeon (money)."

Number of users: Approx. 40 thousand  
(1/8 of Busan citizens)

Monthly Avg. payment: KRW 120 Bil.





## Held Digital Finance Festivals

### ○ NFT Busan 2021

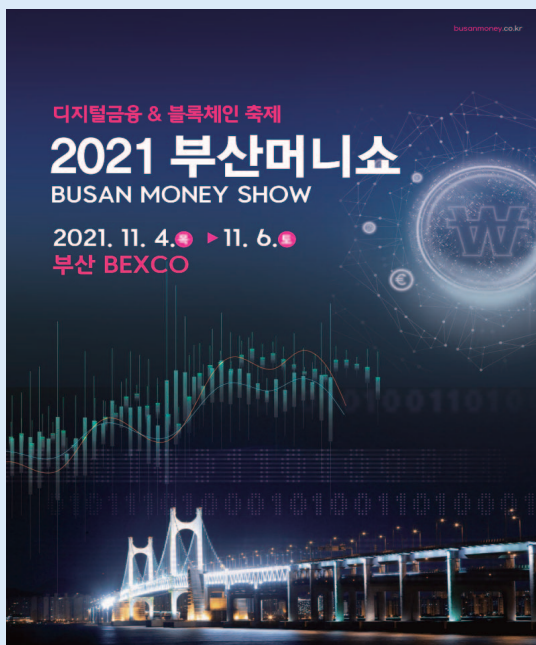


With the establishment of Busan Blockchain Industry Association, Busan is focusing on vitalizing the blockchain ecosystem.



As the largest NFT festival in Korea, the Association held the NFT Busan 2021, showcasing diverse contents on NFT and metaverse for Busan to become a blockchain city.

Participants	Event Details
 <b>10,000</b> visitors Approx. 8,000 offline and 1,500 online	 Blockchain Conference, Corporate PR, NFT auction, etc.

### ○ Busan Money Show



As Busan's representative finance festival, Busan Money Show offers not only stock, real estate, virtual assets, and other consumer finance-focused financial contents, but also digital finance, FinTech, blockchain, and other latest trends and technologies in the overall financial industry.

Participating Companies	Fostering Digital Finance
 <b>100</b> companies <b>250</b> booths Finance Publicity Hall, Digital Finance Technology Hall, Metaverse Hall, etc.	 Investment Relations (IR) Show and networking party held for investment in and fostering of financial startups

# About Busan Financial Hub

## Busan Financial Hub

Since its designation as a financial hub in Jan. 2009, Busan is developing into a financial hub city of Northeast Asia. In addition, Busan International Finance Center (BIFC) is leading the regional financial industry and economic growth backed by well-equipped infrastructure and Busan's real economy.

### Building a Cluster Specialized in Global Maritime Finance and Derivatives

- Marine Finance Center, Korea Marine Finance Corporation, and the Korea Ship Finance Company opened in BIFC. KAMCO Ship Investment Management relocated to Busan. Korea Ocean Business Corporation was established.
- Derivatives Research and Development Center was established within Korean Exchange (KFX). Gold Spot Market and Carbon Spot Market launched in BIFC. KRX designated as OTC Derivatives Trade Depository.

### Total Assets of Tenant Institutions in BIFC

Korea Asset Management Corporation

5.88

(Unit: KRW trillion)

Korea Securities Depository

5.01

Korea Technology Finance Corporation

3.57

Korea Exchange

8.32

Korea Housing & Urban Guarantee Corporation

7.80

BNK Busan Bank

60.39

Korea Housing Finance Corporation

153.59





## Overview of Busan International Finance Center (BIFC)

- Location: 40 Munhyeongeumyung-ro, Nam-gu, Busan, Korea
- Area: 102,352m<sup>2</sup>
- Complex Development Project

Category	Phase 1	Phase 2	Phase 3
Land Size	24,856m <sup>2</sup>	12,276m <sup>2</sup>	10,293m <sup>2</sup>
Application	Offices, commercial facilities	Offices, studio apartments, hotels, performance halls, commercial facilities, etc.	Business and community facilities
Construction Size	197,169m <sup>2</sup> , 4 underground floors, 63 aboveground floors	183,132m <sup>2</sup> , 7 underground floors, 49/36 aboveground floors (2 wings of a U-shaped building)	147,000m <sup>2</sup> , 45 floors
Project Period	Apr. 2008 - Jun. 2014	Aug. 2015 - Oct. 2018	First half of 2022-second half of 2025 (expected)
Development Status	Move-in completed in Dec. 2014	Completed in Nov. 2018	TBD

- Individual Development Project

	Korea Technology Finance Corporation	Busan HQ of Bank of Korea	BNK Busan Bank
Size	2 underground floors, 15 aboveground floors	1 underground floor, 4 aboveground floors	3 underground floors, 23 aboveground floors
Groundbreaking / completion	Feb. 2009/May 2011	Jan. 2011/Jun. 2013	Dec. 2011/Jul. 2014

### 3-Phase Action Plan for Specialized Finance



#### Laying Foundations for Financial Hub

- Masterplanning the development of the financial industry
- Completing the Munhyeon Financial District and relocating public institutions
- Utilizing core infrastructure (Training financial workforce, strengthening network, promoting globalization projects, etc.)



#### Fostering Specialized Finance and Building Global Finance Infrastructure

- Creating infrastructure for living environment (English, residence, medical, education, culture, etc.)
- Vitalizing derivatives market through derivatives exchanges
- Building a FinTech hub by clustering financial IT companies



#### Creating a Hub for Financial IT and Tech. Start-ups

- Establishing Munhyeon Technology Start-up Town
- Conducting pilot projects on building Korea-China crowd-funding platform
- Launching blockchain technology research center

## Tenants of BIFC

### Cluster of Financial Institutions

**10** public financial institutions

**10** private financial institutions

**5** finance related institutions

**1** international organization

**6** other institutions

- Around 4,400 employees in 32 organizations as of Nov. 2021

Public Financial Institutions (10)	Private Financial Institutions (10)	Finance-related Institutions (5)
<p>Korea Credit Guarantee Fund<sup>2)</sup></p> <p>Korea Technology Finance Corporation<sup>1)</sup></p> <p>The Export-Import Bank of Korea<sup>2)</sup></p> <p>Korea Development Bank<sup>2)</sup></p> <p>Korea Trade Insurance Corporation<sup>2)</sup></p> <p>Korea Housing &amp; Urban Guarantee Corporation<sup>1)</sup></p> <p>The Bank of Korea Busan Branch<sup>2)</sup></p> <p>Korea Securities Depository<sup>1)</sup></p> <p>Korea Asset Management Corporation<sup>1)</sup></p> <p>Korea Housing Finance Corporation<sup>1)</sup></p>	<p>BNK Busan Bank<sup>1)</sup></p> <p>Shinhan Bank<sup>3)</sup></p> <p>KB Kookmin Bank</p> <p>Woori Bank</p> <p>NH Bank</p> <p>NongHyup Life Insurance</p> <p>KAMCO Ship Investment<sup>1)</sup></p> <p>Korea Ship Finance Co.<sup>2)</sup></p> <p>Korea Marine Finance Corporation (KOMARF)</p> <p>Citibank Korea<sup>3)</sup></p>	<p>Korea Exchange<sup>1)</sup></p> <p>Busan International Finance Institute</p> <p>Korea Financial Investment Association Busan Regional Office</p> <p>Busan Finance Center</p> <p>Korea Securities Finance Corp.</p>
		International Organization (1)
		FATF TREIN (Financial Action Task Force Training and Research Institute)
		Other Institutions (6)
		<p>Global Fintech Industry Promotion Center</p> <p>Koscom Corporation Busan Center</p> <p>Korea Southern Power Company<sup>1)</sup></p> <p>International Plant-quarantine Accreditation Board</p> <p>Korea Commercial Arbitration Board</p> <p>Asia Pacific Maritime Arbitration Center</p>

Note: 1) HQs 2) Regional HQs 3) Local offices



## ● BIFC 63 Global Finance Cluster

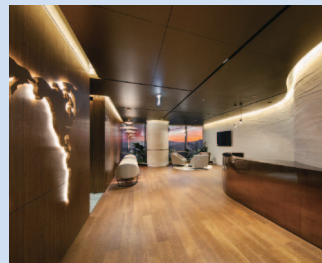
- Size: Around 10 foreign financial institutions and international organization
- Incentives: Free rental for office space on the 63<sup>rd</sup> floor of BIFC for three years, and can be extended up to 25 years based on evaluations held every three years
- Target: Foreign financial institution with more than one regular staff wishing to move into BIFC
  - Foreign company related to FinTech
  - Korean and global venture capital with fund investment of more than KRW 5 billion in the last three years (Approximately USD 4.2 million)
  - Government agency related to finance, public institution, United Nations-affiliated international organization
  - Corporation or company that the market deems necessary for the development of financial industry



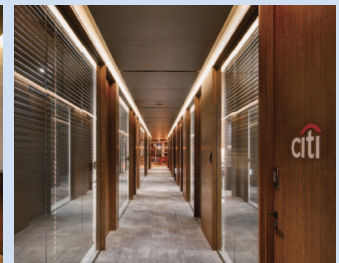
Main Lounge



Reception



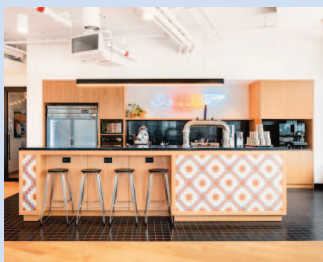
Office



## ● U-Space BIFC

U-Space BIFC is a platform to promote innovative digital finance, co-created by Busan Metropolitan City, BNK Financial Group, Global FinTech Industry Promotion Center, and WeWork in Oct. 2019.

Location	133 Jeonpodae-ro, Nam-gu, Busan, Korea (Munhyeon-dong) ※ Phase-2 of BIFC (Flr. 11 to 15), each floor (approx.661 m <sup>2</sup> ) allocated for exclusive use (total: 3,306 m <sup>2</sup> )
Purpose	Clustering, supporting, and activating financial technology (FinTech, blockchain, big data, and artificial intelligence (AI))
Opened on	Oct. 14, 2019
Facility	▶ Rooms for training, seminar, space for FinTech companies: 11th Flr. ▶ Dedicated space for FinTech companies (start-ups): 4 floors (11 to 13th Flr., part of 15th Flr.) ▶ Accelerator (AC), Venture Capital (VC), BNK FinTech Lab: 14th Flr.



Main Lounge



Office Pantry



Office





## Establishment of an Educational System for Financial Experts

- Busan International Finance Institute established in Sep. 2014
- Creation of training system for shipping finance and specialized finance experts
- Establishment of Busan Graduate School specializing in finance in Sep. 2018

University	Department ( Major)	Degree	No. of Students
Pusan National University	Derivatives finance	Master's	25
Korea Maritime and Ocean University	Maritime finance	Master's	15

**102** programs **6,400** trainees per year (as of 2019)

## Major Courses in 2019

Course	Hosts	Period
Practices in Maritime and Shipping	Korea Banking Institute	April
Shipping Finance	Korea Banking Institute	Oct. - Dec.
Financial Market Analysis	Korea Banking Institute	March
Appraisal	Korea Banking Institute	May
Securities Laws and Regulations	KOFIA Busan	October
Retirement Finance	Korea Housing Finance Corporation	September
Housing Pension	Korea Housing Finance Corporation	May
Financial Practices Law	Korea Banking Institute	May
BIFC Finance	Busan Finance Center	Year-round
IB Expert Course	Korea Financial Investment Association	Year-round
Global Economic Trends and Asset Allocation	Korea Banking Institute	Year-round
Corporate Valuation	Korea Banking Institute	Year-round

## Enhancing Busan's Global Reputation as a Financial Hub

- Busan ranked 33rd in the Z/Yen Partner's Global Financial Centres Index (GFCI 30, Sep. 2021)
- One of nine future financial hub cities selected by CNN, US (Sep. 2014)
- "Busan Finance Center" became the 34th official member of "FC4S," International Network of Financial Centres for Sustainability (May 13, 2021)





## Competitive Incentives

### ● BIFC's Incentive System for Foreign Financial Institutions

Type	Target	Description			
		Establishment of HQ or Regional HQ	Establishment of Branch	Relocation of HQ or Regional HQ within Korea	Relocation of Branch within Korea
		(Overseas ▶ Busan)		(Other city ▶ Busan)	
Corporate Tax <sup>1)</sup> Income Tax <sup>1)</sup>	Financial institution with an investment of over KRW 2 billion and more than 10 regular employees	100% tax exemption for three years from the first tax year when the first income is made, 50% for the next two years		Not applicable	
Property Tax <sup>1) 2)</sup>		100% tax exemption for three years from the first date when tax liability is formed		Not applicable	
Acquisition Tax <sup>1) 3)</sup>		100% tax exemption for acquired property after startup (or new establishment) until Dec. 31, 2023		Not applicable	
Entrance Subsidy <sup>4)</sup>	Financial institution which establishes regional headquarters managing more than three countries or headquarters in Korea	Up to 50% of the expenses to purchase land or buildings or rent (up to KRW 5 billion per institution)	Not applicable	Up to 50% of the expenses to purchase land or buildings or rent (up to KRW 5 billion per institution)	Not applicable
Employment Subsidy <sup>4)</sup>	Financial institution with more than 10 regular employees for the last three months	KRW 600,000 per new employee after movement into BIFC (for up to six months, up to KRW 200 million per institution)			
Education/ Training Subsidy <sup>4)</sup>	Financial institution with training for more than one month to recruit more than 10 Korean employees	KRW 600,000 for education/training per new employee after relocation to BIFC (for up to six months, up to KRW 200 million per institution)			
Business Facility Installation Subsidy <sup>4)</sup>	Financial institution with more than 10 regular Korean employees	Up to 10% of the expenses required for installation of business facilities (up to KRW 1 billion per institution)			

※ Relevant laws

- 1) Article 121 (21) of the Restriction of Special Taxation Act and Article 116 (26) of the Enforcement Decree thereof
- 2) Article 7 (1) of the Busan Metropolitan City Namgu District Office Tax Reduction Ordinance (Restriction of Special Taxation Act Article 121 (21-3))
- 3) Article 12 (2) of the Busan Metropolitan City Tax Reduction Ordinance (Restriction of Special Taxation Act Article 121 (21-3))
- 4) Busan Metropolitan City Ordinance on Financial Industry Promotion (Articles 5, 6, 7, 8, and 12)



## Business-friendly Tax System: Corporate Tax Rate of Major Countries

(Unit: %)

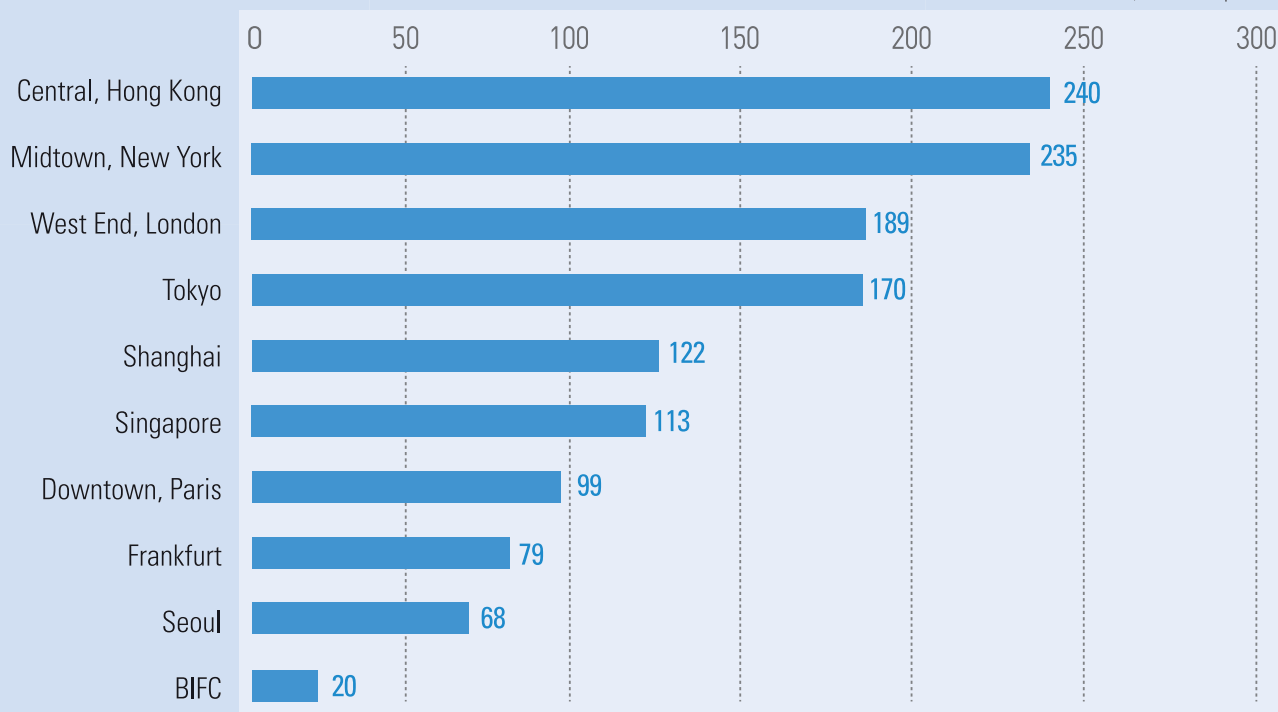
Country	2019	2020	2021
Australia	30.0	30.0	30.0
Canada	26.8	26.2	26.2
France	32.0	32.0	28.4
Germany	29.9	29.9	29.9
Italy	27.8	27.8	27.8
Japan	29.7	29.7	29.7
Republic of Korea	27.5	27.5	27.5
Luxembourg	24.9	24.9	24.9
Mexico	30.0	30.0	30.0
United Kingdom	19.0	19.0	19.0
United States of America	25.9	25.8	25.8

Source: OECD Stat, as of Nov. 2021

## Reasonable Office Rent

- Competitive office rent compared to major global cities

(Unit: USD / Square Feet)



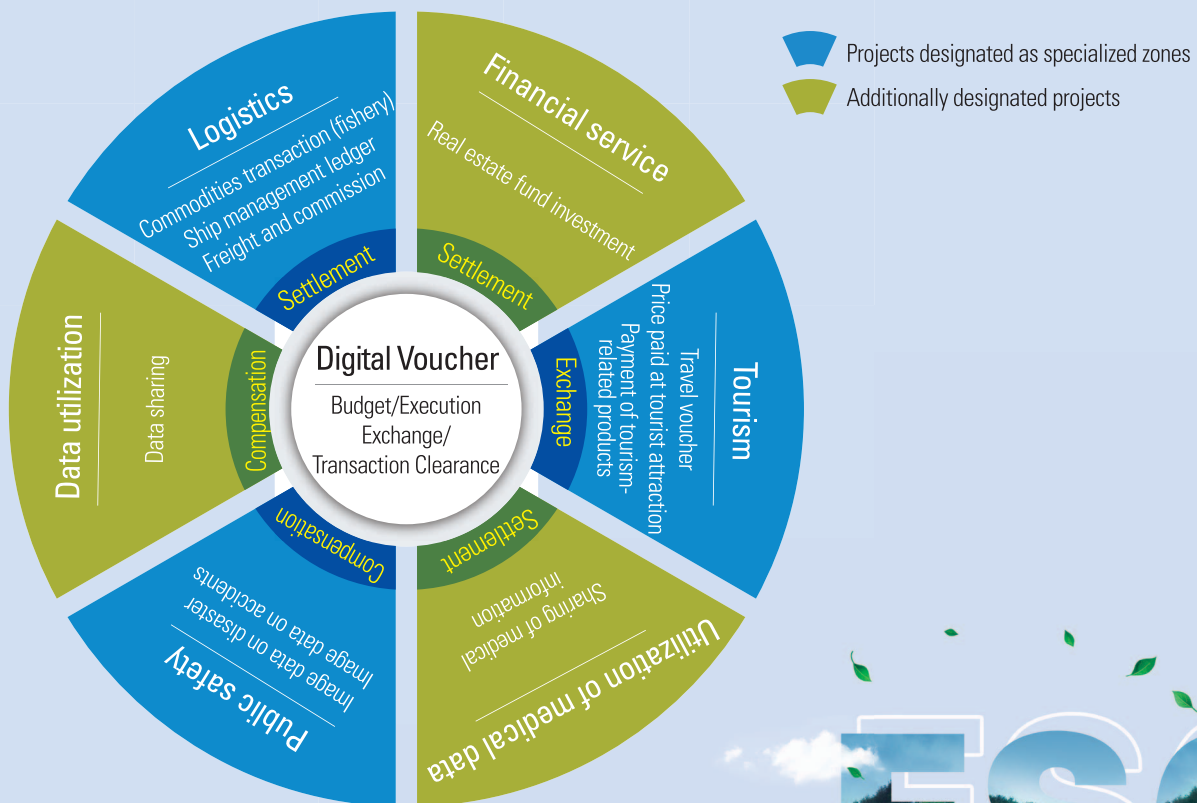
Source: The JLL Global Premium Office Rent Tracker, 2020

## Regulation-free Zone for Blockchain Technologies

Since the designation as a regulation-free zone for blockchain technologies by the Korean government in Jul. 2019, Busan has been serving as a testbed for innovative companies that can enjoy delay or exemption of various regulations and actively implement businesses by harnessing blockchain technologies.

### Major Projects of Regulation-free Zone for Blockchain Technologies

- Summary: Creating a blockchain ecosystem where social and economic values form a procyclical cycle by issuing and distributing digital vouchers (Stable Coin) through organic connection between regionally competitive industries (e.g., Logistics, tourism, public safety) and finance
- Six regulatory sandboxes
  - Logistics: Project: Blockchain-based smart maritime logistics platform service
  - Tourism: Blockchain-based Busan smart tour platform service
  - Public safety: Blockchain-based public safety image tipping off service
  - Finance: Digital ledger-based regional economy vitalizing service
  - Real estate: Blockchain-based real estate collective investment and profit distribution service
  - Medicine: Blockchain-based non-face-to-face platform service offering my medical data





## Policies for Promoting Busan as a Financial Hub

### ○ Driving Integration of Maritime Finance

- Activating of maritime policy finance
- Strengthening network between finance and maritime, shipbuilding, and logistics
- Building human and physical infrastructure for integrating maritime finance



### ○ Clustering Financial Technology Companies (e.g., FinTech)

- Leading convergence between new technology and finance (e.g. Launching testbed for financial regulation)
- Developing regulation-free zones for blockchain technologies led by blockchain base center
- Clustering FinTech companies and attracting financial IT companies

### ○ Strengthening Position as a Global Financial Hub

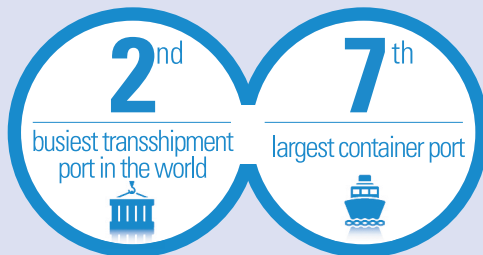
- Holding forums and seminars on maritime finance and derivatives
- Attracting finance events for public institutions, finance conferences, and events for private financial companies (or associations ) in Busan
- Hosting global finance events in Busan

### ○ Reinforcing the Financial Ecosystem in Connection with BIFC Tenant Institutions

- Collaborating with BIFC tenant institutions for developing the local economy
- Attracting relocation of other public financial institutions
- Inviting data/back-up centers of financial institutions home and abroad



## Hub of Global Logistics, Maritime City



World's 7<sup>th</sup> largest container port

**21,824,000TEU**

(2020, 75% of national total)

National total 29,101,000TEU

Import & Export 9,804,000TEU

Transshipment 12,020,000TEU  
(National Logistics Information Center)



### North Pole Route

While voyage to the North Pole takes longer than 100 days because of global warming and other factors from 2030 to 2040, the shipping time from Busan Port to Port of Rotterdam in the Netherlands will reduce by 42%, taking 14 days (or 14,300km) compared to the current Suez Canal route of 24 days (or 19,900km). As Busan is located en route to North Pole, Busan Port is expected to step up as the central hub for maritime logistics.

# Attractive Busan







## ◉ Maritime Cluster

- **Maritime Cluster in Dongsam Innovation District – Heart of Maritime R&D**

Dongsam Innovation District is the home to 16 maritime and fisheries research centers and public institutions, including the Korea Institute of Ocean Science and Technology, Korea Maritime Institute, Korea Hydrographic and Oceanographic Agency, National Fishery Products Quality Management Service, and others.

- **Logistics Cluster at New Port of Busan – Mega Port in Northeast Asia**

Busan New Port aims to develop as a mega port where ultra-large (30,000 TEU) vessels can approach by promoting the second new port with 21 berth capacity by 2040.

- **Maritime Industry Cluster in Wooam Pier at Busan Port**

Wooam Pier at Busan Port is transforming into an industrial cluster for maritime leisure vessels (e.g. Yacht and boat) and advanced maritime plants to cluster and promote the convergence of maritime and relevant industries.

- **Sea Food Industry Cluster**

Injected with KRW 128.5 billion of project fund and approximately 70,000 m<sup>2</sup> of land, the Sea Food Industry Cluster will be comprised of plants for developing seafood products, innovation and growth support center, multi-center for an export base, and others at Amnam-dong, Seo-gu, Busan.



## International Tourist City

### City of Tourism and Films

Lonely Planet's  
Best Place to Visit  
in Asia for 2018

1<sup>st</sup>

#### Reinvigorating marine cruise tourism

Attracting international cruise ships to Busan as a joint home port  
Developing and operating coastal cruise tourism products

#### Supporting the reinvigoration of medical tourism

Operating a volunteer interpreter program for medical tourism  
Established residential-type medical tourism cluster (2018)

#### Developing global tourism infrastructure

Established East Busan Tourism Complex (2017)  
Developed LCT In Haeundae Tourism Resort (2018)  
Established Busan Green Railway (2017)  
Hwangnyeong Mountain Observatory Tower (2017)



Total number of visitors to Busan International Film Festival (BIFF) (2019)

189,116

Number of films produced (2018)

324 films in 79 countries

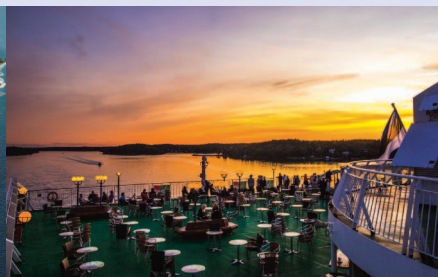
Total tourists  
25.33 million  
(2019)



Number of foreign tourists  
2.68 million  
(2019)

### City of Culture and Festivals

Promoting Osiria Tourism Complex, cruise maritime and medical tourism, hosting film festivals, fireworks festival, One Asia Festival, and many more



## Global MICE City

**900** or more  
conferences per year

**13<sup>th</sup>** in the world in terms of  
number of international  
meetings held

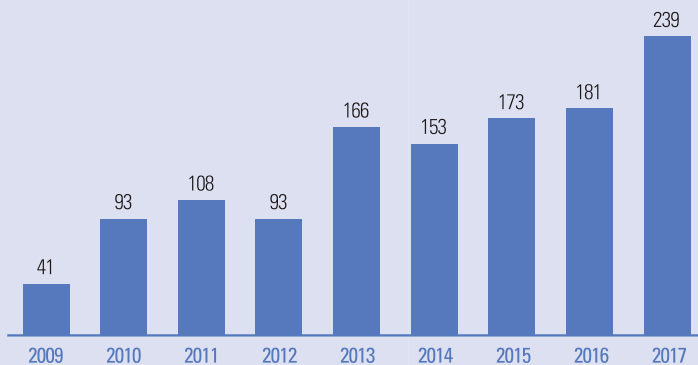
\* Source: Union of International Associations



### Recent Major International Meetings

- |             |   |
|-------------|---|
| <b>2011</b> | <ul style="list-style-type: none"> <li>- The 27th International Association of Ports and Harbors Congress (3,500)</li> <li>- The 10th International Congress on AIDS in Asia and the Pacific (3,500)</li> <li>- The 4th High Level Forum on Aid Effectiveness (2,500)</li> </ul>                                |
| <b>2012</b> | <ul style="list-style-type: none"> <li>- The 95th Lions International Convention in Busan (55,000)</li> <li>- The 19th International Conference on Magnetism (2,000)</li> <li>- The 27th Conference of Asia Pacific Academy of Ophthalmology (4,000)</li> </ul>   |
| <b>2013</b> | <ul style="list-style-type: none"> <li>- The 10th World Council of Churches (7,000)</li> <li>- The 27th IUSSP International Population Conference (3,000)</li> </ul>  |
| <b>2014</b> | <ul style="list-style-type: none"> <li>- The 9th International Aerosol Conference (7,000)</li> <li>- 2014 ITU Plenipotentiary Conference (3,000)</li> <li>- 2014 Conference of the Electric Power Supply Industry (3,000)</li> <li>- 2014 ASEAN-Republic of Korea (ROK) Commemorative Summit (3,500)</li> </ul> |
| <b>2015</b> | <ul style="list-style-type: none"> <li>- 2015 World Congress of International Stereoscopic Union (1,000)</li> <li>- CLEO Pacific Rim 2015 (1,000)</li> <li>- 2015 IDB-IIC Annual Meeting (3,000)</li> </ul>   |
| <b>2016</b> | <ul style="list-style-type: none"> <li>- The 20th International Vaccine Congress (2,500)</li> <li>- The 7th World Fisheries Congress (2,000)</li> <li>- The 11th International ISSX Meeting (3,000)</li> <li>- The 4th Plenary Meeting of FATF (3,000)</li> </ul>   |
| <b>2017</b> | <ul style="list-style-type: none"> <li>- ITU Telecom World (3,000)</li> </ul>   |
| <b>2018</b> | <ul style="list-style-type: none"> <li>- AIDB Annual Meeting (5,000)</li> <li>- The 82nd International Electrotechnical Commission General Meeting (3,000)</li> </ul>   |
| <b>2019</b> | <ul style="list-style-type: none"> <li>- 2019 ASEAN-ROK Commemorative Summit (5,000)</li> <li>- International Diabetes Federation Meeting (10,000)</li> </ul>   |

### The Fastest Growing Convention City in the World



Source: UIA's Meetings Statistics



## World-class IT City

### ○ Current Status of Cloud Data center Complex

Busan as the ICT-base city of Korea is the starting point of global submarine cable which connects Korea, Japan, China, United States, and Europe. Busan has secured stronger competitiveness in the information era by setting up a cloud data center to attract data centers of global companies wishing to establish their data centers in Asia.

### ○ Current Tenants of the Complex

- Completed construction of the Busan Global Cloud Data Center for LG CNS (May 2013)
- Opened Cloud Innovation Center for Amazon Web Services (AWS) (Sep. 2016)
- Completed construction of IT Center for BNK Financial Group (Jan. 2019)
- Completed construction of a data center\* for Microsoft at Mieum Industrial Complex (Jun. 2020)
  - ※ To be established as a legion composed of 6 data centers. Remaining 5 data centers to be constructed consecutively in line with data demands.
- Signed a Memorandum of Understanding (MOU) for investment in the construction of One Asia Network's cloud data center (Jun. 2021)

### ○ ICT Projects

- Developing workforce to prepare for the Fourth Industrial Revolution (e.g. Blockchain, AI, cloud, Internet of Things (IoT), etc.)
  - Actively train talents for future new technologies and industries
  - Preemptively respond to the Fourth Industrial Revolution and secure innovative growth engine in Busan
- Pursue Busan Eco Delta Smart City and Sasang Smart City
  - Create smart cities utilizing ICT technologies to improve urban problems, like traffic problems, environmental problems, housing problems, and inefficient facilities.

### ○ Workforce Developing Projects

- Training core talents for converged security for blockchain-based FinTech at Pusan National University
- Attracting ICT R&D centers on AI and blockchain at universities
  - Established AI Grand ICT R&D center at Donggeui University
  - Established a blockchain platform R&D center at Pusan National University
- Created ICT Innovation Square at Gyeongnam Province to develop AI and blockchain experts
- Established Grand ICT R&D center at Southeast Korea to strengthen the competitiveness in the manufacturing industry through technology developments in "Smart Factory," including IoT, big data, cloud, AI, cyber security and others
- Established ROK-ASEAN ICT Convergence Village and base center for ASEAN students (follow-up project for 2019 ASEAN-ROK Commemorative Summit)





## Major Development Projects

### Centum District-2 Advanced Urban Industrial Complex

As the largest advanced industrial complex in Korea, the complex plans to attract various industrial facilities, including robot/sensor convergence parts, tourism MICE, ICT, bio-health, and image/content. In collaboration with Centum City, the complex will become an advanced industrial complex vital to the future growth of Busan.



### Osiria Tourism Complex

The numerous tourist attractions in Busan, including spas and classical temples along Korea's best beaches — Haeundae and Gwangalli — invite more than 2 million foreign and 26 million Korean tourists every year.



### North Port of Busan Redevelopment Project

The new Eurasia Gateway will integrate land and sea to connect the Pacific and Eurasian continent and establish Busan as an international gateway city. Furthermore, this project aims to recover the original downtown of Busan and vitalize the local economy by providing various waterfront areas for citizens and developing New Port of Busan and its adjacent areas simultaneously.



### Busan Financial Hub

In Jan. 2009, Busan has been designated as a financial hub specialized in maritime finance and derivatives. Neighboring the world's best shipbuilding yard, Busan boasts one of the world's highest transaction volume in derivatives. By clustering specialized finance industries, Busan is expected to step up as the hub for maritime finance in Northeast Asia.

5

### Southeast Radiology Industrial Complex

Busan plans to cluster the world's best radiology R&D centers to train experts in facilitating technological development and lead the radiology industry.



6

### Ori General Industrial Complex

With close proximity to Busan Beltway, Busan-Ulsan Expressway, and Gijang Main Road, the complex is expected synergize when aligned with other near industrial complexes in Myeongnye, Jangan, Banryong, and Jeonggwan. This synergy will vitalize the local economy and promote strategic industries to further develop Busan.



7

### Eco Delta City Project

The project will realize a city where man and nature live in harmony, culture and art coexist along the waterways, and Northeast Asian logistics and advanced industries converge to provide advanced industrial logistic services.



8

### Myeongji International City

Located at the heart of Busan-Jinhae Free Economic Zone and economic powerhouse of Gangseo metropolitan area, Myeongji International City plans to become an international business hub connected with Eco Delta City.



9

### Cloud Data Center Model Complex

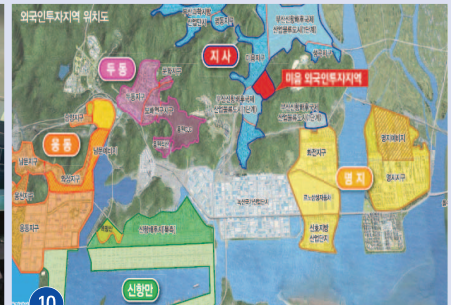
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10

### Mieum-Jisa Foreign Investment Zone

As an area dedicated to foreign investment, the zone will attract manufacturing and advanced parts and materials industries, including mechatronics, new material auto parts, shipbuilding materials, and others. The zone plans to develop into a hub to lead future growth.



11

### New Port Development Project

With the introduction of technologies of the Fourth Industrial Revolution, Busan New Port will develop into a smart and high-value-added logistics port. The zone will renovate into a logistics hub that organically connects logistics, business, culture, and daily life.

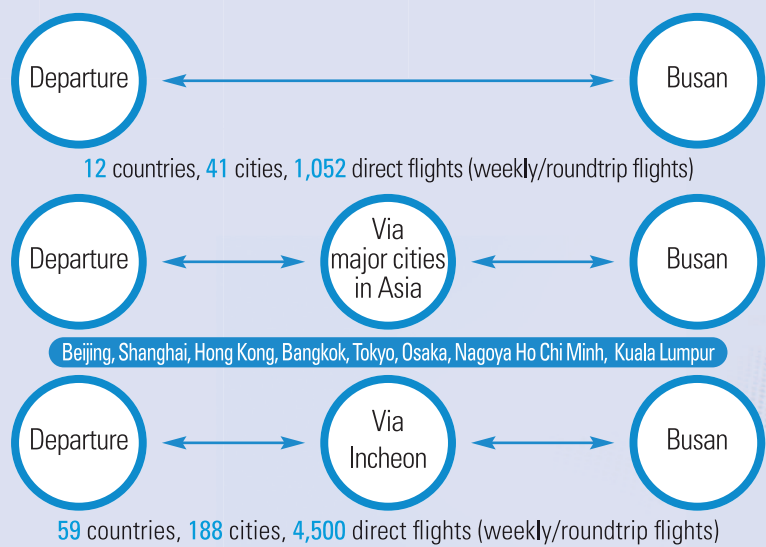




## Globally-connected City



Using Korea Train eXpress (KTX), it takes 2H17M from Busan to Seoul by train and 1H5M by flight from Busan to Seoul. For visitors transferring at Incheon International Airport while traveling from overseas, it takes 2H25M by train using KTX and 1H5M by flight to Busan. From Gimhae International Airport, the gateway to Busan, there are more than 1,000 direct flights to more than 40 cities every week and more than 10 million passengers use the airport annually. When traveling via Incheon International Airport, there are connections to 169 cities with 4,500 direct flights.



(As of Dec. 2019)





## Foreigner-friendly City

### Foreign Diplomatic Offices / Foreign Organizations

- Consulates (5 countries: United States of America, People's Republic of China, Russia, Japan, and Mongolia), Taipei Mission in Korea, Honorary Consulates (35 countries as of May 2020)
- Social Organizations (12: Busan Foundation for International Cooperation, Busan International Friendship Society, European Chamber of Commerce, Korea-Japan Friendship Association, etc.)
- Cultural Centers (2: Alliance Francaise de Busan, Goethe Zentrum Busan)

### Foreign Schools

Schools	Language	Level of Education
Lancaster University, England	English	Graduate School (signed MOU for establishment of a campus in 2017)
Busan International Foreign School	English (Europe)	Kindergarten, elementary school, junior-high school, high school
Busan Foreign School	English (United States)	Kindergarten, elementary school, junior-high school, high school
Busan Japanese School	Japanese (Japan)	Elementary school, junior-high school
Overseas Chinese Elementary School Busan	Chinese (China)	Kindergarten, elementary school
Overseas Chinese High School Busan	Chinese (China)	Junior-high school, high school

### Hospitals

- As of Dec. 2018, there are 29 general hospitals (including university hospitals) with 12,645 beds and 132 hospitals with 12,765 beds within the Busan Metropolitan City.

### Foreigner-friendly Living Environment

- Centum Marine City: Located with large department stores and cultural facilities where the Busan International Film Festival is held. Popular residential area among foreigners.
- Busan Global Center: Operating call centers dedicated to foreigners (medical/legal consultation), educational/cultural programs, and mobile counseling office.
- English FM broadcasting station (90.5MHz): Operating mentor programs between Koreans and foreigners, etc.

### Safe Community Recognized by International Organizations

- Safe Community certified by the World Health Organization (WHO) in 2013
- Ranked 9<sup>th</sup> in Asia (2<sup>nd</sup> in Korea) in Mercer's 2019 Quality of Living City Rankings



# Finance & Blockchain Division, Busan Metropolitan City

The Finance & Blockchain Division of the Busan Metropolitan City sets and implements policies to develop the financial industry as a future growth engine of Busan. In the fast-changing financial landscape across the world, we commit to ensuring that Busan steps up as a global financial city. Our commitment can be found in our active response to changes in the global financial environment and in attracting foreign financial institutions.

## Finance & Blockchain Division, Busan Metropolitan City

25F, 1001 Jungangdae-ro, Yeonje-gu, Busan, Republic of Korea (Zip code 47545)  
(Yeonsan-dong)

Tel: +82 51 888 4871~4873 / 888 4881~4883

Fax: +82 51 888-4869

[www.busan.go.kr](http://www.busan.go.kr)





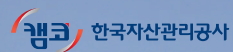
# Busan Finance Center

Busan Finance Center (BFC) was launched in July 2020 as an incorporated association built on a public-private partnership to develop strategies for Busan to become an international financial hub and act on policy initiatives to develop the local finance industry.

BFC, along with eight member institutions – Busan Metropolitan City, Korea Exchange, Korea Securities Depository, Korea Asset Management Corporation, Korea Housing Finance Corporation, Korea Ocean Business Corporation, BNK Busan Bank, and Korea Technology Finance Corporation – plans to prepare measures and execution strategies for Busan to step up as a financial hub, and work with related organizations to systematically pursue them.

BFC is always wide open for any inquiry on investment related to Busan financial hub.

52F, Busan International Finance Center (BIFC), 40 Munhyeongeumyung-ro, Nam-gu,  
Busan, Republic of Korea (Zip code 48400) (Munhyeon-dong)  
Tel: +82-51-631-0294~0295 Fax: +82-51-631-0298  
[www.kbfc.or.kr](http://www.kbfc.or.kr)





# ALL ROADS LEAD TO BUSAN



## INVITATION TO A GATEWAY OF THE WORLD

Busan is a starting point of North Pole Route and the final destination of the Trans-Eurasian railway with a competent triple logistics system involving the railway, port and airport.

Also the city has world's 7th largest port in terms of container cargo volume. With its strategic location, Busan takes the great leap to the maritime finance hub of Asia.

With the attractive incentives and strong support of the government, Busan is ready to support your business.