Overview and key performances of the Korean ETF Market

Ⅰ. Market Overview

Ⅱ. Key Performances in 2022
I. Market Overview
ETF market of Korea has more room to grow compared to global markets

(ETF AUM/ stock market Cap. : USA 15.3%, UK 20.7%, KOR 3.8% / Jan. 2023 )
Market Overview - Korean ETF Market Highlights

Introduction of new flagship ETF is a driving force of the ETF market growth

- 2002: The First ETF Launched in Korea (4 issuers)
- 2007: Foreign Equity ETF
- 2006: Domestic Sector ETF
- 2009: Fixed income ETF Inverse (1X) ETF
- 2010: Leveraged ETF
- 2010: Synthetic ETF
- 2013: Inverse (2X) ETF
- 2015: Leveraged ETF
- 2015: Inverse (2X) ETF
- Jun. 2017: Active fixed-income ETF
- Sep. 2020: Active Equity ETF
- June 2022: Target Maturity Bond ETF
During pandemic, ADTV of ETF sharply increased from KRW 1.3 trillion to KRW 3.8 trillion.

Proportion of individual investors is steadily increasing since 2006 in terms of trading value.
Ⅱ. Key Performances in 2022
**2022 ETF Market – Trend of new listing**

Various ETF type introduced as smart solution for alternative investment

- **ETF (139)**
  - Domestic 40.0%
  - Foreign & Mix 60.0%

- New listings in 2022: **139 ETFs** (New listings in 2021: 90 ETFs)
  - New listings are mainly from Sector, Market rep., Bond

- Active equity ETFs launched in Sep. 2020, still at an early stage of development (total 55 listed)
  - Total active ETF market share representing less than 3% in terms of trading value, 15% AUM

- ESG related products continued (ESG bond active, hydrogen ETF)
Fixed-income ETFs showed net inflows in 2022 whereas most equity ETFs suffered from net outflows in 2022.
Thank You