



# Implications of Fintech for Deposit Insurers

KOREA DEPOSIT INSURANCE CORPORATION

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Chairman and President

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# I. Introduction

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Innovation of Information and Communication Technology

Trend of the Technology Innovation

The Impact of New Technologies on the Financial Services Industry



**What Deposit Insurers Should do in Response to  
the Changing Financial Environment**



## **II. Innovative New Technologies that Replace Human Labor**

## II-1. Driverless Cars

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## II-2. Drone Deliveries

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## II-3. Autonomous Cargo Trucks

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## II-4. Medical Diagnosis by Computer

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## II-5. Unmanned Stores

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## II-6. One Thing in Common

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**Our efforts to provide goods and services in a more affordable and convenient way are replacing human labor**



### III. Changes in the Financial Industry

## III-1. Fintech

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Easier

+



Faster

+



Cheaper



Make Payments



Get a Loan



Manage Funds



Transfer Money

## III-2. Information Technology

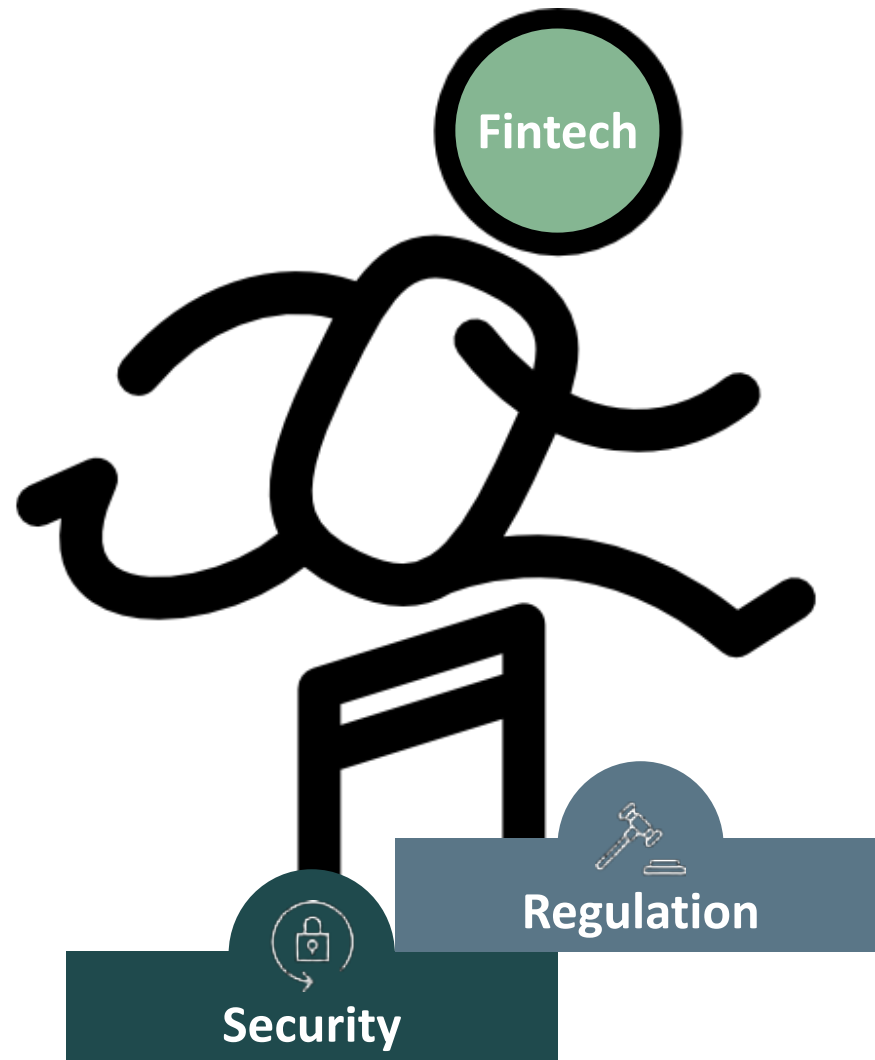
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**Traditional banks have to use information technology as a competitive weapon, and constantly try to make their customers' lives easier**

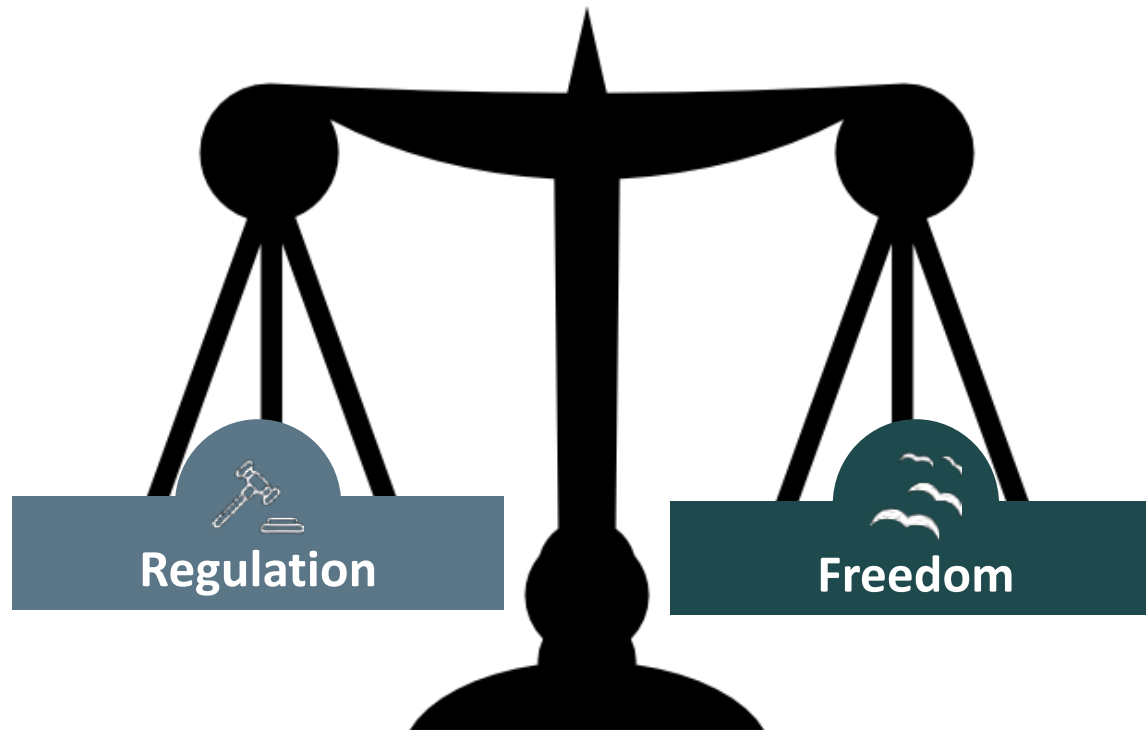
### III-3. Major Hurdles

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## III-4. Challenge for Financial Safety-net

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**Delicate Balance between Regulation and Freedom to Innovate**





## IV. The Role of Deposit Insurers

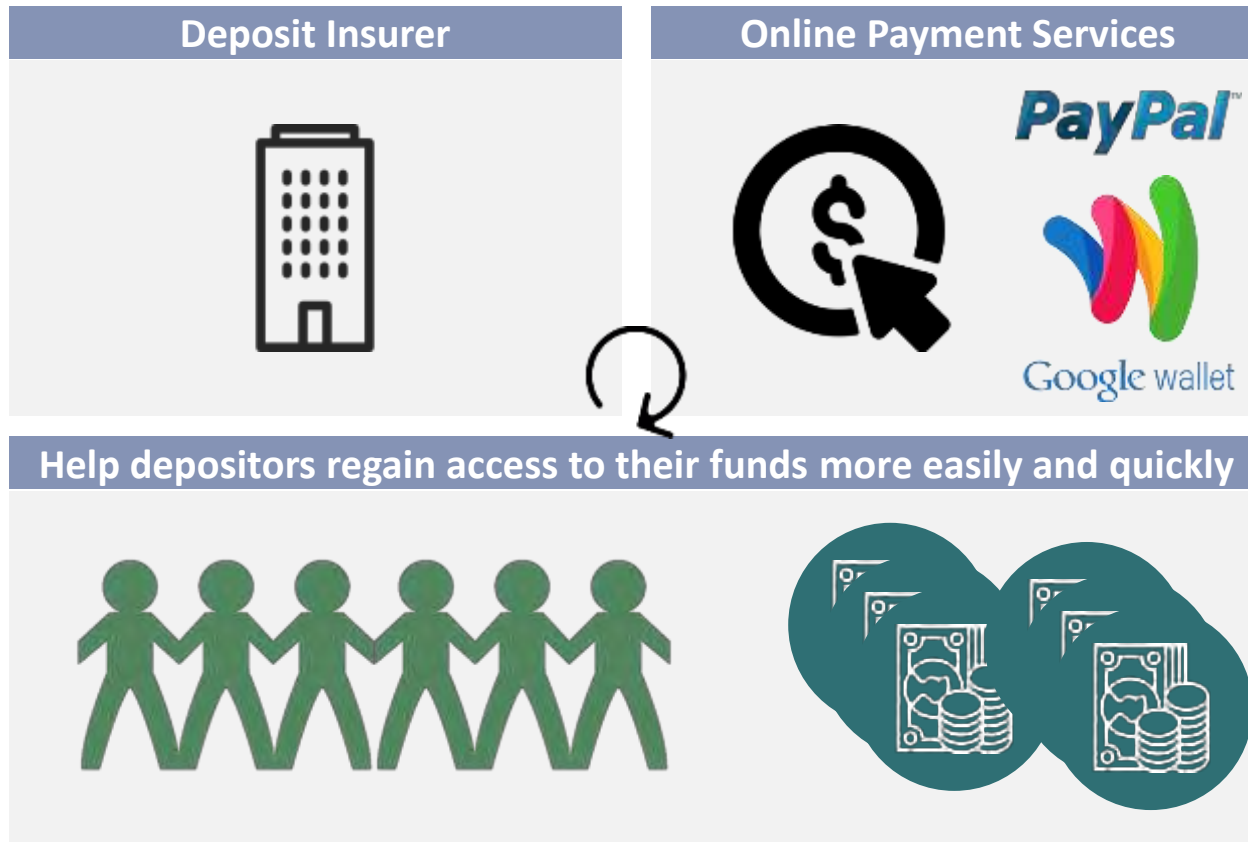
## IV-1. Response to Fintech



Discuss whether digital money that exists only as data, in addition to “real” money, should be protected by DI

## IV-2. Use of Fintech

### A. Online Payment Services



## IV-2. Use of Fintech

### B. Distributed Ledger Technology

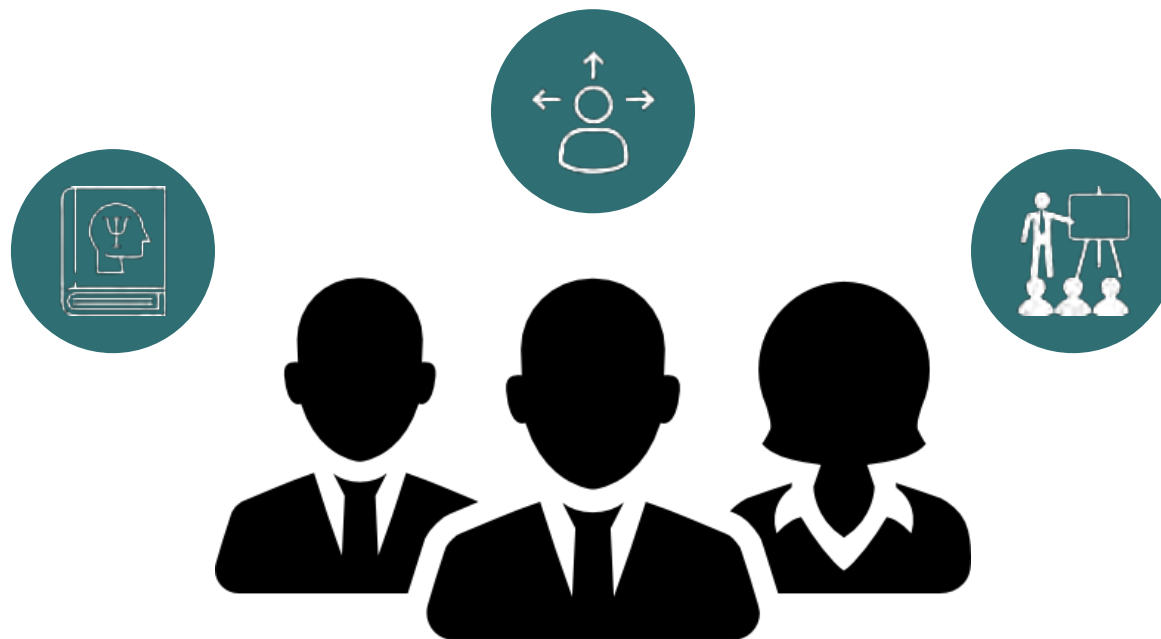


Source: 'The Fintech 2.0 Paper' (Santander, 2015)

**Much potential to increase the accuracy of deposit insurance premium calculations and deposit reimbursements**

## IV-3. Recruitment and Training of Workers

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No matter how “intelligent” the machines may become,  
it is people who build and program those machines.

**Let's look forward to the future  
with wonder rather than fear!**