



Press Release

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Asset Management Companies' Earnings, 2019

Assets under management (AUM)—sum of fund assets and assets under discretionary management—by 292 asset management companies came to KRW1,136.5 trillion in total at the end of 2019, up KRW117.8 trillion or 11.6% from KRW1,018.7 trillion a year ago.

As of 2019 year-end, fund assets totaled KRW649.6 trillion, up KRW98.6 trillion or 17.9% from the same period a year earlier. To go into detail, privately-offered funds expanded KRW79.2 trillion from KRW333.2 trillion to KRW412.4 trillion from the end of 2018. In particular, special assets funds and real estate funds grew by KRW22.3 trillion and KRW21.9 trillion, respectively, compared to the previous year. Also, hybrid funds have risen KRW13.0 trillion from a year ago. Meanwhile, publicly offered funds increased from KRW217.8 trillion to KRW237.2 trillion as well. Bond funds increased KRW7.2 trillion, and stock funds also grew KRW4.6 trillion. In addition, MMFs increased KRW4.0 trillion from a year ago.

Furthermore, discretionary assets totaled KRW486.9 trillion at the end of 2019, up KRW19.2 trillion or 4.1% from KRW467.7 trillion a year earlier.

Table 1. Asset Management Companies' AUM, 2019*

	2017	2018	2019
AUM	949.6	1,018.7	1,136.5
Funds assets	497.2	551.0	649.6
Discretionary assets	452.4	467.7	486.9

*The figures on 2019 are preliminary as of the release date and subject to change.

Figure. Assets under Management, 2019*



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The asset management companies preliminarily reported KRW845.4 billion of net income for the year of 2019, which was KRW249.2 billion greater than the same period a year earlier. Operating income expanded KRW167.5 billion or 20.5% to KRW982.6 billion while non-operating income surged KRW131.0 billion to KRW115.5 billion.

Of the 292 asset management companies, 191 companies were in the black in 2019. The ratio of firms reporting net loss stood at 34.6% for the year, 5.3%p lower than the previous year. Meanwhile, the return on equity (ROE) was seen at 12.5% for 2019, up 1.4%p from the same period a year ago.

Table 2. Asset Management Companies' Net Income and ROE, 2019*

(In billions of KRW, percentage)

	2017	2018	2019
Net income	614.7	596.2	845.4
Operating income	781.9	815.1	982.6
Operating revenues	2,397.1	2,821.0	3,068.3
Operating expenses	1,615.2	2,005.8	2,085.7
Non-operating income	26.1	-15.5	115.5
Non-operating revenues	126.7	67.0	172.7
Non-operating expenses	100.7	82.5	57.1
ROE (annualized)	11.6	10.1	12.5

*The figures on 2019 are preliminary as of the release date and subject to change.

Table 3. Summary Income Statement, 2019*

(In billions of KRW)

	2018	2019
Operating revenues	2,821.0	3,068.3
Fees/Commissions	2,460.1	2,680.1
Fund-related fees/commissions	1,943.4	2,175.3
Discretionary advisory service fees	516.7	504.9
Gains from securities investment (derivatives included)	244.9	248.3
Interest income and others	115.9	139.8
Operating expenses	2,005.8	2,085.7
Selling and administrative expenses	1,545.3	1,725.9
Fee expenses	213.3	191.6
Losses on securities investment (derivatives included)	218.6	120.9
Others	28.6	47.2
Operating income	815.1	982.6
Non-operating income	-15.5	115.5
Non-operating revenues	57.0	172.7
Non-operating expenses	82.5	57.1
Net income	596.2	845.4

*The figures on 2019 are preliminary as of the release date and subject to change.



Fees and commissions revenues came to KRW2.6801 trillion in total for 2019, which grew KRW220.0 billion or 8.9% from KRW2.4601 trillion a year ago. Meanwhile, selling and administrative expenses totaled KRW1.7259 trillion, up KRW180.6 billion or 11.7% from KRW1.5453 trillion a year earlier. Some asset management companies were newly established in 2019, and the number of employees grew accordingly. This mostly contributed to the growth of selling and administrative expenses.

Table 4. Summary Balance Sheet, December 2019*

	(In billions of KRW)	
	Dec 2018	Dec 2019
Assets	7,673.0	9,438.8
Cash and deposits	2,026.0	2,301.1
Securities and derivatives	4,635.2	5,812.7
Securities	4,629.4	5,810.2
Derivatives	5.8	2.4
Other assets	1,011.7	1,325.1
Liabilities	1,562.5	1,990.2
Shareholder's equity	6,110.4	7,448.6
Capital	2,193.3	2,313.4

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Contact Person:

Park Mi-Kyung
Head of Public Relations Team
Public Affairs Department
Financial Supervisory Service
Tel: +82-2-3145-5803
Fax: +82-2-3145-5808
E-mail: pmk620@fss.or.kr