



Press Release

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Asset Management Companies' Earnings, First Quarter 2020

Assets under management (AUM)—sum of fund assets and assets under discretionary management—by 300 asset management companies came to KRW1,149.4 trillion in total as of end-March 2020, up KRW12.9 trillion or 1.1% from KRW1,136.5 trillion three months earlier.

At the end of March 2020, fund assets totaled KRW659 trillion, KRW9.4 trillion greater than three months ago. When it came to publicly offered funds, fund assets increased KRW3.7 trillion from KRW237.2 trillion to KRW240.9 trillion during the period. To go into detail, MMFs and derivatives funds grew by KRW13.7 trillion and KRW3.3 trillion, respectively. However, stock funds shrank KRW10.6 trillion as well as bond funds decreased KRW2.3 trillion. Meanwhile, privately offered funds expanded KRW5.7 trillion to KRW418.1 trillion. In particular, real estate funds and special assets funds increased KRW3.6 trillion and KRW2.4 trillion.

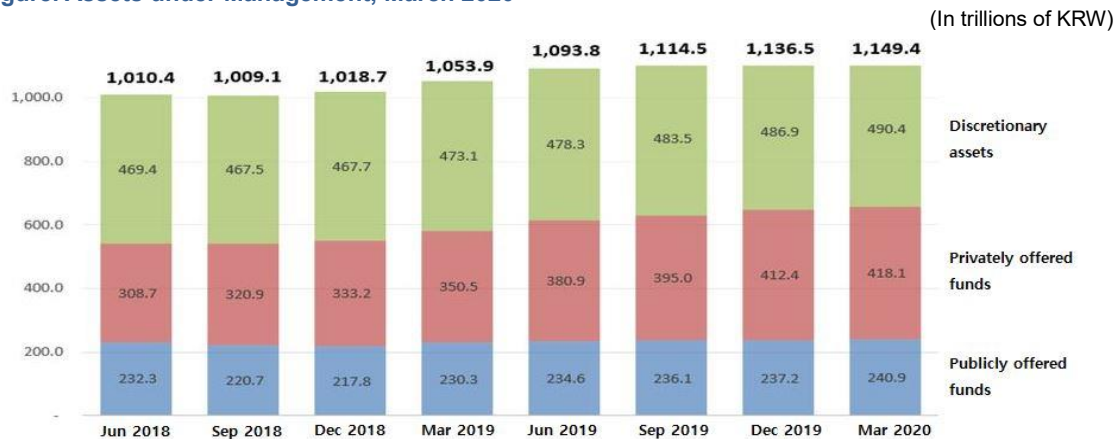
In addition, discretionary assets totaled KRW490.4 trillion at the end of March 2020, up KRW3.5 trillion or 0.7% from KRW486.9 trillion three months earlier.

Table 1. Asset Management Companies' AUM, March 2020*

	Mar 2019	Dec 2019	Mar 2020
AUM	1,053.9	1,136.5	1,149.4
Funds assets	580.8	649.6	659.0
Discretionary assets	473.1	486.9	490.4

*The figures on March 2020 are preliminary as of the release date and subject to change.

Figure. Assets under Management, March 2020*



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The asset management companies' preliminary net income for the first quarter of 2020 came to KRW116.4 billion, down KRW15.0 billion or 11.4% from three months earlier and down KRW127.5 billion or 52.3% from the same period a year earlier. Operating income decreased KRW66.2 billion to KRW135.4 billion while non-operating income grew KRW30.5 billion to KRW21.4 billion.

Of the 300 asset management companies, 113 companies were in the black in the January-to-March period. The ratio of firms reporting net loss stood at 62.3%, 27%p higher than the previous year. Meanwhile, the return of equity (ROE) was seen at 6.1% for the first quarter 2020, down 1.3%p from 7.4% three months earlier and also down 9.6%p from 15.7% a year earlier.

Table 2. Asset Management Companies' Net Income and ROE, First Quarter 2020*

(In billions of KRW)

	2019					2020
	Year	Q1	Q2	Q3	Q4	Q1
Net income	820.1	243.9	212.9	231.9	131.4	116.4
Operating income	968.6	272.2	245.7	249.1	201.6	135.4
Operating revenues	3,072.2	730.6	742.6	745.9	853.1	795.5
Operating expenses	2,103.6	458.4	496.9	496.8	651.6	660.1
Non-operating income	110.3	36.1	34.2	49.1	-9.1	21.4
Non-operating revenues	168.6	45.9	44.1	57.0	21.7	56.3
Non-operating expenses	58.3	9.7	9.9	7.9	30.7	34.9

*The figures on Q1 2020 are preliminary as of the release date and subject to change.

Table 3. Summary Income Statement, First Quarter 2020*

(In billions of KRW)

	Q4 2019	Q1 2020
Operating revenues	853.1	795.5
Fees/Commissions	738.9	706.2
Fund-related fees/commissions	595.9	573.8
Discretionary advisory service fees	143.0	132.4
Gains from securities investment (derivatives included)	79.9	53.2
Interest income and others	34.3	36.1
Operating expenses	651.6	660.1
Selling and administrative expenses	540.2	429.0
Fee expenses	57.4	49.9
Losses on securities investment (derivatives included)	32.3	168.5
Others	21.7	12.8
Operating income	201.6	135.4
Non-operating income	-9.1	21.4
Non-operating revenues	21.7	56.3
Non-operating expenses	30.7	34.9
Net income	131.4	116.4

*The figures on Q1 2020 are preliminary as of the release date and subject to change.



Fees and commissions revenues came to KRW706.2 billion in total for the first quarter 2020, down KRW32.7 billion or 4.4% from the previous quarter and up KRW99.6 billion or 16.4% from the same period a year ago. Meanwhile, selling and administrative expenses totaled KRW429.0 billion, down KRW111.2 billion or 20.6% from three months earlier.

Table 4. Summary Balance Sheet, March 2020*

	Dec 2019	Mar 2020
Assets	9,422.5	9,846.8
Cash and deposits	2,321.5	2,802.9
Securities and derivatives	5,765.9	5,711.4
Securities	5,764.6	5,710.5
Derivatives	1.3	0.9
Other assets	1,335.1	1,332.5
Liabilities	2,014.9	1,987.2
Shareholder's equity	7,407.6	7,859.6
Capital	2,313.4	2,841.3

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