



## Press Release

For release at noon, June 16, 2020

### Securities and Futures Trading Companies' Earnings, First Quarter 2020

#### Securities companies

Securities companies reported net income of KRW527.4 billion for the first quarter of 2020, down KRW530.3 billion or 50.1% from three months earlier. The return on equity (ROE) for the first three months of 2020 stood at 0.9%, down 1.7% from the same period a year ago.

Commission income came to KRW2.9753 trillion in total, up KRW422.9 billion or 16.6% from the previous quarter. When it came to each commission's ratio, brokerage commissions increased 12.8% to 46.4%. By contrast, IB commissions decreased 9.4% to 30.4%. Proprietary trading income shrank KRW85.2 billion or 7.3% to KRW1.0788 trillion. Stock-related income fell KRW136.2 billion to KRW108.5 billion while bond-related income surged by KRW1.1611 trillion to 1.6417 trillion in the first quarter of 2020. Meanwhile, the amount of derivatives-related loss expanded 253.1% to minus KRW671.4 billion. In addition, selling and administrative expenses decreased KRW157.1 billion or 6.7% to KRW2.1745 trillion.

**Table 1. Summary Income Statement of Securities Companies, First Quarter 2020\***

(In billions of KRW)

	2019					2020
	Year	Q1	Q2	Q3	Q4	Q1
Commission income	9,493.8	2,242.2	2,477.5	2,221.6	2,552.4	<b>2,975.3</b>
Brokerage commissions	3,463.6	891.3	894.7	821.1	856.5	<b>1,379.8</b>
IB commissions	3,421.8	763.3	894.2	749.5	1,014.8	<b>904.1</b>
Wealth management commissions	1,058.0	256.2	298.0	255.6	248.3	<b>251.3</b>
Other commissions	1,550.3	331.5	390.6	395.4	432.8	<b>440.1</b>
Proprietary income	3,966.4	728.8	1,077.0	996.6	1,164.0	<b>1,078.8</b>
Stock-related income	530.8	260.8	-25.6	50.9	244.7	<b>108.5</b>
Bond-related income	6,751.9	2,060.4	2,352.1	1,858.7	480.6	<b>1,641.7</b>
Derivatives-related income	-3,316.3	-1,592.5	-1,249.4	-913.0	438.6	<b>-671.4</b>
Other assets income	4,092.1	1,479.1	937.6	791.8	883.5	<b>-882.7</b>
FX-related income	255.8	128.1	176.1	172.2	-220.6	<b>345.3</b>
Loans-related income	2,614.3	648.7	731.2	648.5	585.9	<b>625.2</b>
Funds-related income	1,222.0	702.4	30.3	-29.0	518.3	<b>-1,853.1</b>
Other incomes	-2,146.5	-359.5	-448.0	-615.1	-723.9	<b>-302.5</b>
Selling and administrative expenses	8,925.2	2,208.8	2,252.2	2,132.6	2,331.6	<b>2,174.5</b>
Net income	4,894.5	1,465.7	1,384.0	987.1	1,057.7	<b>527.4</b>

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



The aggregate assets of 56 securities companies came to KRW578.2 trillion for the first quarter of 2020, up KRW95.3 trillion or 19.7% from the previous quarter. To go into detail, cash and deposits expanded KRW40.2 trillion or 54.7% as well as bonds held by the securities firms grew KRW17.5 trillion or 8.3%. This contributed to the growth of the firms' aggregate assets. Furthermore, the aggregate liabilities also expanded from KRW421.1 trillion to KRW516.6 trillion during the same period. Meanwhile, shareholders' equity decreased KRW0.2 trillion or 0.3% from KRW61.8 trillion to KRW61.6 trillion.

The average net capital ratio (NCR) of the securities companies was seen at 546.2% for the first quarter of 2020, 9.7%p lower than 555.9% for the fourth quarter of 2019. Also, the leverage ratio averaged 741.1%, 60.8%p higher than the previous quarter.

**Table 2. NCR and Leverage Ratio of Securities Companies, 2019\***

	(In percentage)	
	Q4 2019	Q1 2020
Net capital ratio	555.9	<b>546.2</b>
Leverage ratio	680.3	<b>741.1</b>

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

### Futures trading companies

Futures trading companies reported net income of KRW11.6 billion for the first three months of 2020, 169.8% greater than the previous quarter. Meanwhile, the return of equity (ROE) of the futures trading companies stood at 2.6%, up 0.7%p from the same period a year earlier.

**Table 3. Earnings of Futures Trading Companies, First Quarter 2020\***

	(In billions of KRW)					
	2019					2020
	Year	Q1	Q2	Q3	Q4	Q1
Net income	26.1	7.0	7.6	7.2	4.3	<b>11.6</b>

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

The aggregate assets of four futures trading companies came to KRW5.6239 trillion for the first quarter, up KRW2.4658 trillion or 78.1% from three months earlier. Liabilities also increased from KRW2.7249 trillion to KRW5.1794 trillion. In addition, shareholders' equity grew KRW11.3 billion or 2.6% to KRW444.5 billion during the period.

The NCR for the futures trading companies has risen 8.9%p from 629.4% to 638.3% in the first quarter of 2020. The figures were somewhat higher than the average NCR of the securities firms.

###



Financial Supervisory Service  
[www.fss.or.kr](http://www.fss.or.kr)

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](mailto:pmk620@fss.or.kr)