



## Press Release

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For release at noon, September 2, 2021

### Securities and Futures Trading Companies' Earnings, Second Quarter 2021

#### Securities companies

Securities companies reported preliminary net income of KRW2.3172 trillion for the second quarter of 2021, down KRW677.1 billion or 22.6% from the first. Return on equity (ROE) stood at 7.5% (15.0% on an annualized basis) for the April-to-June period, up 3.8%p from 3.7% three months earlier.

Commission income of the securities companies came in at KRW4.1521 trillion in the three months to June, down KRW395.8 billion or 8.7% from three months earlier. Brokerage commissions shrank KRW522.0 billion or 20.7% to KRW1.9995 trillion as trading in the stock market decreased. Meanwhile, IB commissions increased KRW70.5 billion or 5.8% to KRW1.2778 trillion as well as wealth management commissions grew 0.2% to KRW332.5 billion from the three months prior.

Proprietary trading income shrank KRW185.8 billion or 17.2% quarter on quarter to KRW897.4 billion. Stock-related income declined 88.1% to KRW101.3 billion while bond-related income has risen by 45.8% to KRW611.6 billion. In addition, derivatives-related income soared 197.4% to KRW184.5 billion in the second quarter.

Other assets income came in at KRW1.5648 trillion in the second quarter of 2021, KRW3.7 billion greater than in the first. Also, selling and administrative expenses grew KRW23.3 billion to KRW3.1080 trillion quarter on quarter.

As of end-June 2021, the aggregate assets of the 58 securities companies came in at KRW629.7 trillion, up KRW10.8 trillion or 1.7% from the end of March 2021. The amount of securities holdings expanded by KRW6.9 trillion quarter on quarter as well as brokers' loan increased KRW2.3 trillion. This contributed to the securities firms' asset growth in the April-to-June period.

Meanwhile, the aggregate liabilities were up from KRW549.3 trillion to KRW556.1 trillion. Also, shareholders' equity increased by KRW4.0 trillion or 5.7% to KRW73.6 trillion in the three months to June.



The average net capital ratio (NCR) was seen at 746.6% for the April-to-June period of 2021, 25.1%p higher than 721.5% three months earlier. The leverage ratio averaged 658.1% for the second quarter, down 27.5%p from 685.6% for the first quarter.

**Table 1. Summary Income Statement of Securities Companies, Second Quarter 2021\***

(In billions of KRW)

	2021		2020	2021
	Q1	Q2	H1	H1
Commission income	4,547.9	<b>4,152.1</b>	6,213.1	<b>8,700.0</b>
Brokerage commissions	2,521.6	<b>1,999.5</b>	3,118.4	<b>4,521.1</b>
IB commissions	1,207.3	<b>1,277.8</b>	1,782.0	<b>2,485.1</b>
Wealth management commissions	331.9	<b>332.5</b>	483.5	<b>664.4</b>
Other commissions	487.2	<b>542.2</b>	829.2	<b>1,029.4</b>
Proprietary income	1,083.2	<b>897.4</b>	1,456.2	<b>1,980.6</b>
Stock-related income	853.1	<b>101.3</b>	-534.4	<b>954.4</b>
Bond-related income	419.6	<b>611.6</b>	3,894.0	<b>1,031.2</b>
Derivatives-related income	-189.4	<b>184.5</b>	-1,903.4	<b>-4.9</b>
Other assets income	1,561.1	<b>1,564.8</b>	1,173.0	<b>3,125.9</b>
FX-related income	37.5	<b>85.6</b>	384.9	<b>123.1</b>
Loans-related income	853.1	<b>901.5</b>	1,227.9	<b>1,754.6</b>
Funds-related income	670.5	<b>577.7</b>	-439.7	<b>1,248.2</b>
Other incomes	-95.2	<b>-305.5</b>	-979.3	<b>-400.7</b>
Selling and administrative expenses	3,084.7	<b>3,108.0</b>	4,668.2	<b>6,192.7</b>
Net income	2,994.3	<b>2,317.2</b>	2,338.9	<b>5,311.5</b>

\*The figures on Q2 2021 are preliminary as of the release date and subject to change.

**Table 2. NCR and Leverage Ratio of Securities Companies, Second Quarter 2021\***

(In percentage)

	Q1 2021	Q2 2021
Net capital ratio	721.5	<b>746.6</b>
Leverage ratio	685.6	<b>658.1</b>

\*The figures on Q2 2021 are preliminary as of the release date and subject to change.

### Futures trading companies

Futures trading companies reported KRW9.1 billion in net income for the second quarter of 2021, down KRW2.0 billion or 18.0% from three months earlier. Return on equity (ROE) of the futures trading companies stood at 1.8% (7.3% on an annualized basis), down 0.4%p from 2.2% the same period a year earlier.

**Table 3. Earnings of Futures Trading Companies, Second Quarter 2021\***

(In billions of KRW)

	2021		2020	2021
	Q1	Q2	H1	H1
Brokerage commissions	45.1	37.7	82.4	82.8
Proprietary income	3.9	4.5	5.3	8.4
Net income	11.1	9.1	21.8	20.1
ROE (%)	2.3	1.8	4.9	4.1

\*The figures on Q2 2021 are preliminary as of the release date and subject to change.



As of end-June 2021, the aggregate assets of the four futures trading companies came in at KRW4.3293 trillion, down KRW610.3 billion or 12.4% from three months earlier. Liabilities also decreased by KRW621.7 billion or 14.0% to KRW3.8253 trillion quarter on quarter. By contrast, shareholders' equity grew KRW11.5 billion or 2.3% to KRW504.0 billion in the second quarter of 2021.

The NCR for the futures trading companies has risen 23.6%p from 725.0% to 748.6% in the April-to-June period. The figures were somewhat higher than the average NCR of the securities firms.

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