



Yuanta Securities Korea co.Ltd. Investor Relations

FY2019 4Q



元大證券

Yuanta
Securities (Korea)



*Yuanta
Securities (Korea)*

Disclaimer

This presentation material includes Yuanta Securities Korea's earnings, business goals, strategies, and corporate governance led by Yuanta Financial Holdings. Due to the predictable nature of markets, the content of this report may differ from actual data. Although we are not obliged to do so, the IR Team of Yuanta Securities Korea will update this material every quarter.

Contents

- I. FY2019 4Q Earnings Summary
- II. Profiles of Yuanta Securities and Yuanta Financial Holdings
- III. VISION & MISSION
- IV. Pro forma statement of financial conditions

I. FY2019 4Q Earnings Summary

Earnings and Assets under management

FY19 4Q Performance Summary

(Unit: ₩00mn, consolidated)

구분	4Q18	1Q19	2Q19	3Q19	4Q19
Brokerage fee	283	329	321	273	289
Wealth Management fee	102	116	139	107	120
Trading Income	85	210	201	173	85
Investment Banking fee	172	188	113	164	188
Interest Income	194	180	183	167	164
Others Income	55	33	0	3	7
General Expense	-745	-779	-760	-735	-748
Operating Profit	159	239	200	184	94
Pretax Income	166	275	212	197	98
Net Income	130	230	216	168	186

Business Summary

(Q&Q, Separate basis)

[Brokerage]

Profit Ratio 33.8%(+3.0%p)

[Wealth Management]

Profit Ratio 14.1%(+2.0%p)

[Trading]

Profit Ratio 10.0%(-9.5%p)

[Investment Banking]

Profit Ratio 22.0%(+3.1%p)

[Interest Income]

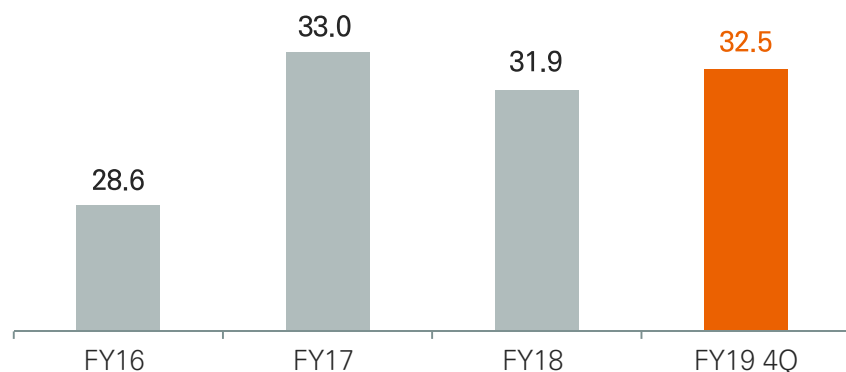
Profit Ratio 19.2%(+0.4%p)

I. FY2019 4Q Earnings Summary

Assets & Brokerage market share

Total assets under management

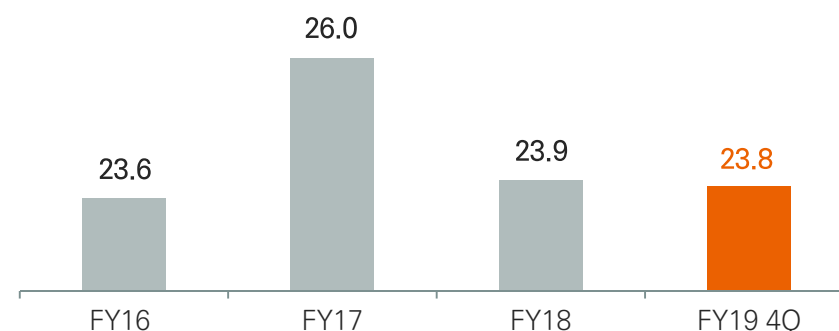
(Unit:₩1tn)



note) Sum of prop trading assets and assets of retail and institutional Investors

Retail assets under management

(Unit:₩1tn)



note) Sum of assets retail and institutional Investors

Brokerage market share (M/S)

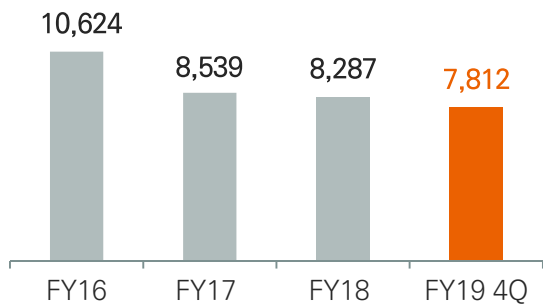
	Equity Brokerage	On-Line	Off-Line
FY15	2.70%	2.27%	0.43%
FY16	2.38%	2.02%	0.36%
FY17	2.20%	1.83%	0.37%
FY18	1.98%	1.70%	0.28%
FY19	1.75%	1.52%	0.23%

I. FY2019 4Q Earnings Summary

Financial instrument sales

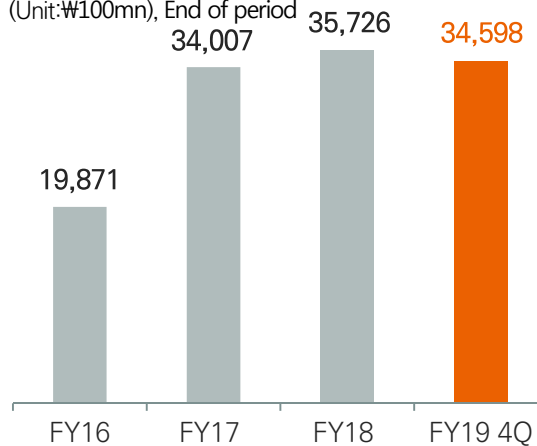
Equity type beneficiary certificate balance

(Unit:₩100mn), End of period



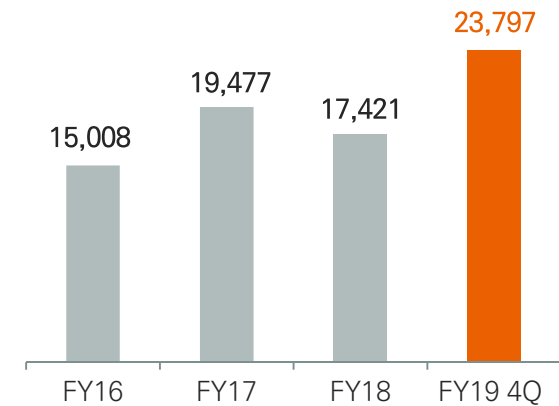
Commercial paper balance

(Unit:₩100mn), End of period



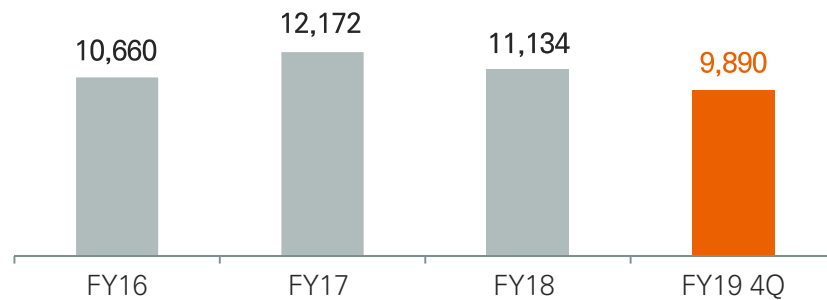
ELS,DLS Issuance

(Unit:₩100mn), Cumulative



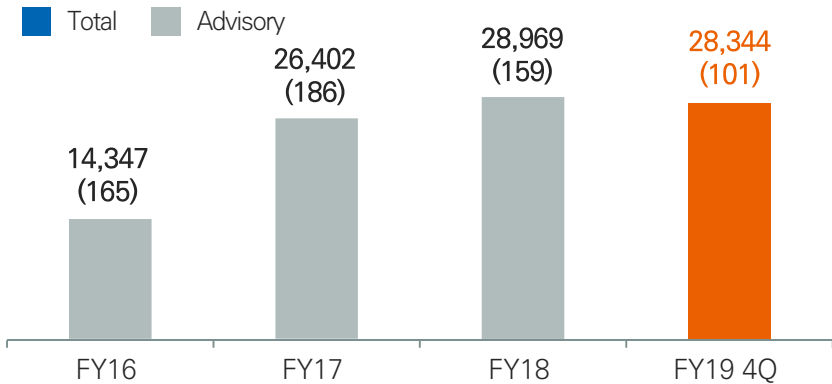
Bond sales

(Unit:₩100mn), Cumulative



Wrap account

(Unit:₩100mn), End of period



I. FY2019 3Q&4Q Earnings Summary

DCM



- ◆ KOREAN AIR (manager, BBB+)
- ◆ **W250bn** issued in total
- Ju 2019



- ◆ HANJIN (manager, BBB+)
- ◆ **W100bn** issued in total
- Ju 2019



- ◆ LOTTE rental (manager, AA-)
- ◆ **W300bn** issued in total
- Oc 2019



- ◆ POSCO Enc (manager, A0)
- ◆ **W30bn** issued in total
- Oc 2019

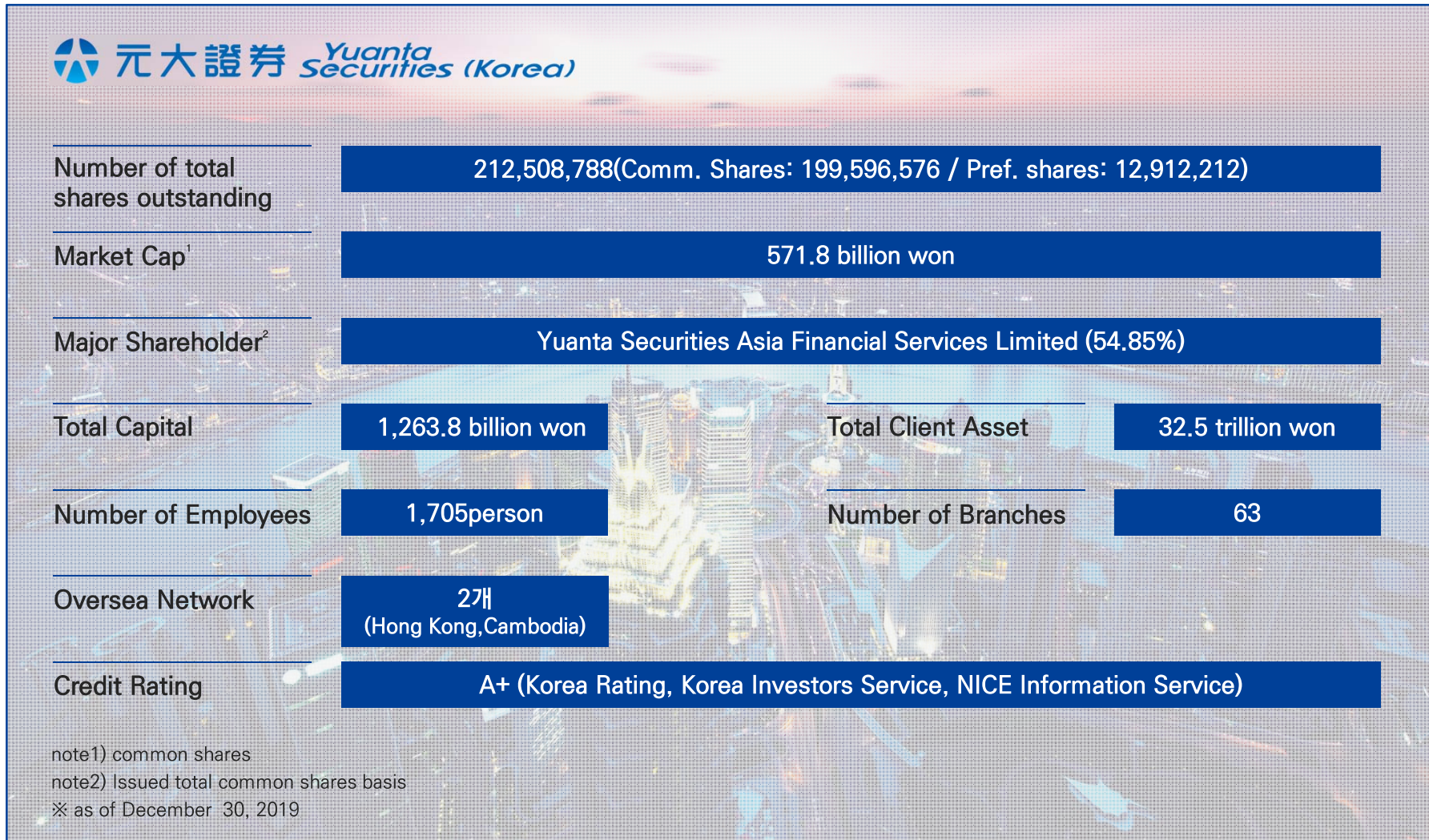
AF



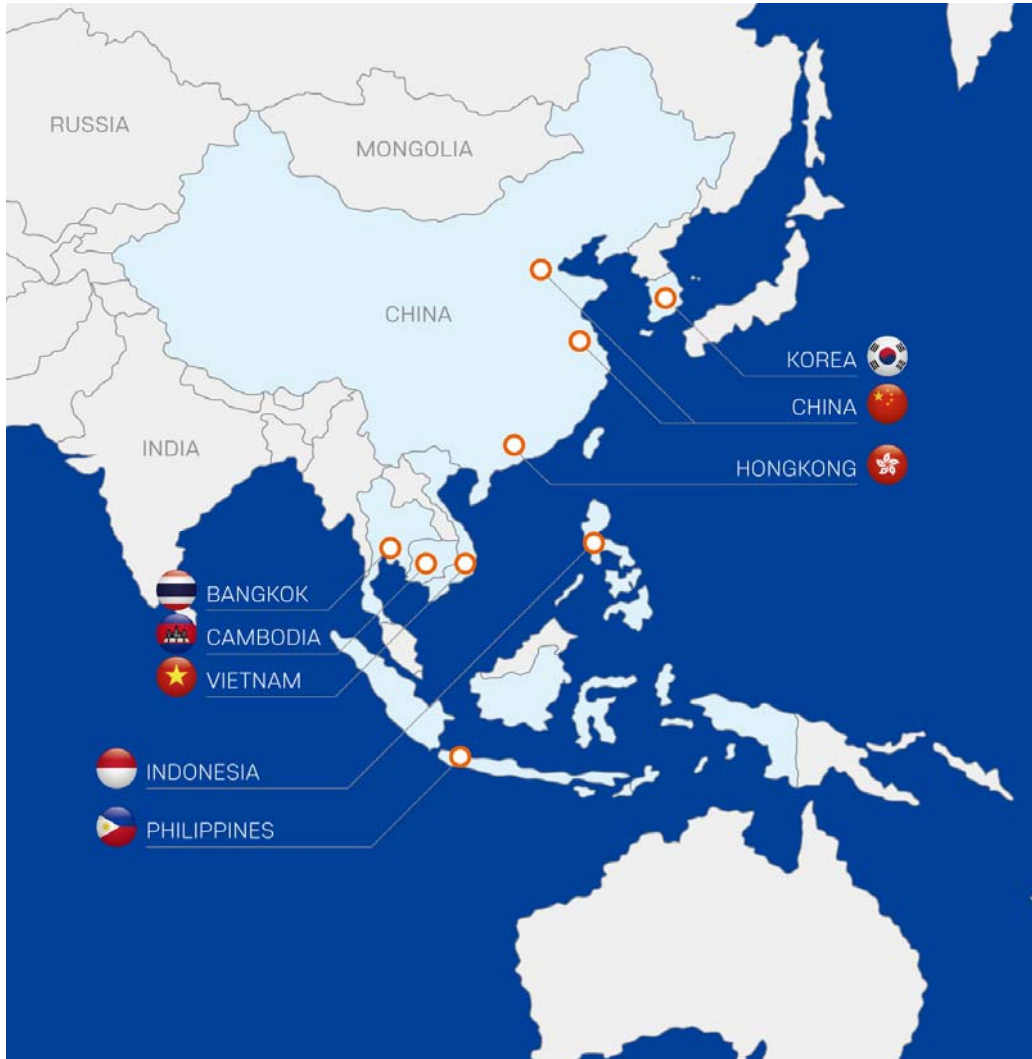
- ◆ Home plus(Re-financing)
- ◆ **W2,150bn** issued in total
- Oc 2019

- ◆ FY19 Yuanta Securities IB Business generates even results in DCM, ECM, SF, PF
- ◆ FY19 Yuanta Securities IB Business continue to achieve balanced growth by improving our market position and securing stable revenue sources

II. Profile of Yuanta Securities Korea and Yuanta Financial Holdings



II. Profile of Yuanta Securities Korea and Yuanta Financial Holdings



 元大證券 *Yuanta Securities (Korea)*

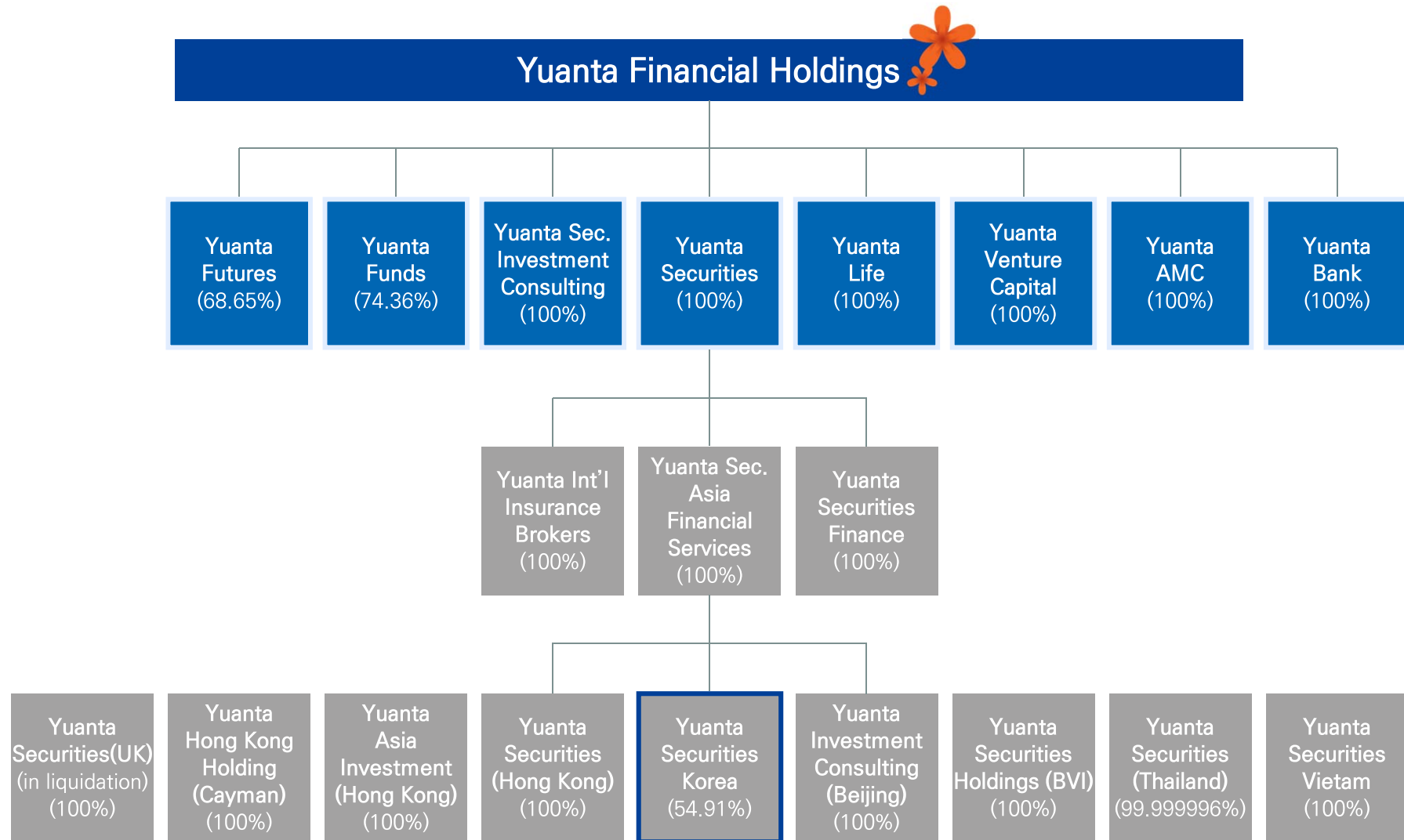
- ◆ Taiwan's largest financial group engaged in securities, banking, venture capital and futures in NE Asia's financial centers, including Korea, China, Taiwan, Hong Kong and London

Global credit rating (Fitch As of Jul, 2019)

[**BBB+**]

Yuanta Financial Holdings
Yuanta Securities
Hewlett-Packard(HP), Hyundai Motor(HMC)

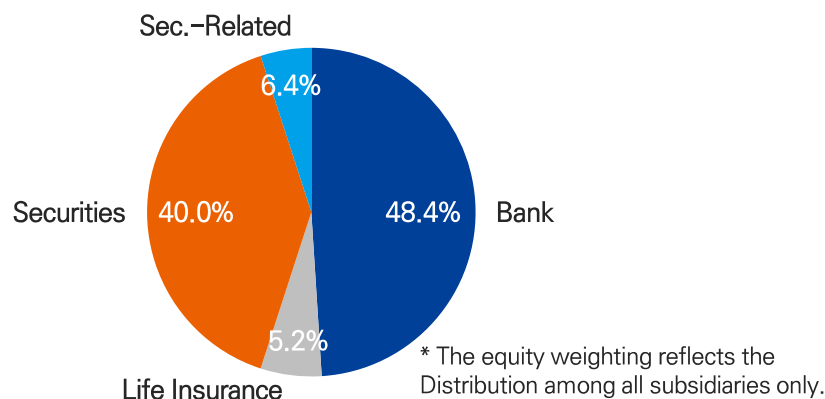
II. Profile of Yuanta Securities Korea and Yuanta Financial Holdings



※ As of December 30, 2019

II. Profile of Yuanta Securities Korea and Yuanta Financial Holdings Sec. & Bank Centric Financial Holdings

Equity Weighting (4Q19)



Capital Adequacy Ratio

구분	4Q19
Yuanta FHC	135.0%
Yuanta Securities	330.0%
Yuanta Bank	15.6%
Yuanta Life	250~300%

Brokerage market share (M/S)

(Unit: NT\$ mn)

구분	2018	2019	YoY	4Q18	3Q19	4Q19	QoQ	YoY
Total Assets	2,287,134	2,416,232	6%	2,287,134	2,373,599	2,416,232	2%	6%
Outstanding Shares (mn)	11,671	11,671	0%	11,671	11,671	11,671	0%	0%
Sharholders' Equity (standalone)	218,986	232,337	6%	218,986	229,404	232,337	1%	6%
BVPS	18.76	19.91	6%	18.76	19.66	19.91	1%	6%
Net Income (standalone)	18,679	20,569	10%	1,984	6,213	3,362	-46%	69%

III. VISION & MISSION

MISSION



We Create Fortune

We Know **Asia**
We Create **Fortune**



VISION



Asia's leading financial service provider realizing customers' financial goals



 元大證券 *Yuanta Securities (Korea)*

III. VISION & MISSION

tRadar 3.0

AI system that analyses share price fluctuations and picks stocks either in the “Sunshine” or “Fog” section

tRader Sunshine/Fog Signal

Up/Down trend of Sunshine/Fog



tRadar Quadrature system

0123 Buy & Sale timing

tRadar 신호강도 활용

매수 시



매도 시



! 색깔로 표시되는 신호강도 변동 검정(동일) / 파랑(하향) / 빨강(상향)

종목	현재 신호강도	차트강도	수급(기관)
삼성물산	3	3	0.00%
현대EP	3	3	-0.51%
우리투자	1	1	+0.14%
대한항공	3	3	-0.11%
K다우데이	0	0	+0.13%

Callouts:
 - 삼성물산: 지금 매수하면 막이네요! (신호강도상향)
 - 현대EP: 아직은 두고 보는 게 좋을 것 같아요 (신호강도동일)
 - K다우데이: 강력하게 매도를 추천합니다! (신호강도하향)

III. VISION & MISSION

tRadar 3.0

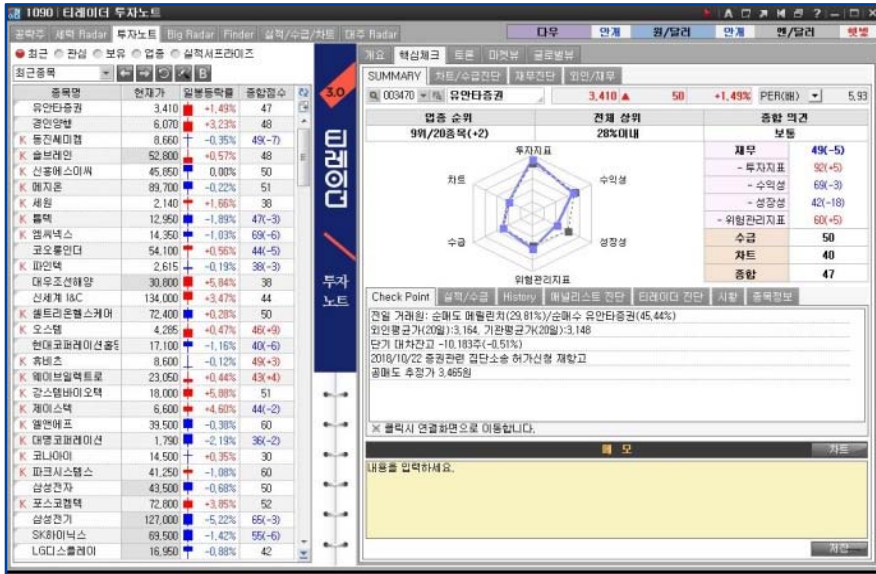
AI system that analyses share price fluctuations and picks stocks either in the “Sunshine” or “Fog” section

tRadar Invest Note

tRadar AI analyzes Information

BigRadar

Big data analyzes market sentiment



III. VISION & MISSION

tRadar 3.0

AI system that analyses share price fluctuations and picks stocks either in the “Sunshine” or “Fog” section

tRadar FINDER

Searching for stocks with sunshine/fog Signals and finance

Overseas network tRadar

Overseas stock selection and sale timing



III. VISION & MISSION

We Know China

Expansive Greater China network

Provides stock and sector reports of Yuanta's Local analysts in Greater China Provides real-time market information based on close collaboration with analysts on site

Yuanta Regional Monthly
July 15, 2016

Yuanta Industry Update
China: Food, Beverage & Tobacco
30 Jun, 2016

Top recommendations

- Jiangsu Yanghe (002304 CH, BUY): TP of RMB84, implying 16.8% upside.
- Kweichow Moutai (600519 CH, HOLD-OFF): TP of RMB265, implying 9.2% downside.

What's new?

- Price has been stabilized since 2H15 given end of destocking cycle and resilient demand.
- Recent price hikes of baijiu players such as Wuliangye and Yanghe imply a positive signal of recovery.

Industry outlook

- We expect a mild recovery for the baijiu industry, supported by general consumption demand and eased impact from the anti-graft campaign.
- The stabilized baijiu price and soaring advance receipts point to the industry bottoming out.

Baijiu Industry
Anticipating a mild recovery & rising prices
Please vote for Yuanta in this year's AsiaMoney poll, starting July 4!
A moderate recovery in the baijiu industry: We expect the baijiu industry to recover from the negative impact of China's anti-graft campaign and see a moderate recovery. We expect a single-digit growth rate in 2016 given 1) a solid recovery in the catering market, 2) price stabilization since 2H15 with the rising expectation of another round of baijiu price hikes, and 3) soaring advance receipts, which suggest positive feedback from distributors. We favor Jiangsu Yanghe (002304CH, BUY) as it is well-positioned in the mid-end market with potential consolidation as a catalyst. As share prices of baijiu players have risen to above its historical P/E thanks to increasing visibility of industry recovery, we find Yanghe is still attractive, with a share price with the potential to catch up to peers.
Rising expectations of another round of price hikes: The price has stabilized since 2H15 thanks to the end of the destocking cycle and resilient demand

Figure 1: Companies mentioned

Company	Ticker	Rating	TP (RMB)
Jiangsu Yanghe	002304 CH	BUY	84
Kweichow Moutai	600519 CH	HOLD-OFF	265

Source: Yuanta Investment Consulting

China Investment Strategy Content

Publishes "China Daily"
Provides information on 300 major SH-HK Stock Connect plays

The Greater China Daily

[음 식 료] 내몽고이리산업그룹(600887.SH)
内蒙古伊利实业集团股份有限公司

Analyst: 文獻(맹안준권)
wenxian001@pingan.com.cn
투자 의견: Strong Buy(강력 추천)
목표가: Not Rated

구분/상장일: 상해거래소 / 1996.03.12
소재지: 네이멍구자치구 후허하오터시
홈페이지: www.yili.com
주식발행현황: 유물A주 6,033,369,162주
최대주주: 호화홍투투자유한책임공사 8.79%

북경북진실업 vs. 상해A지수

매출구성(2015년 기준)

고가제품 매출 증가, 경쟁

- 액체우유 소비량 증가세 완화, 통계에 따르면 2015년 중국의 액체우유 소비량이 증가하면서 액체우유 소비량 시장규모의 확장은 구조적 임
- 고가제품의 매출 증가, 총이익 1Q16 중사 고가제품 인무시(安慕斯)는 80여위안에 달할 것으로 예상. 분기 매출도 20% 증가했다. 고가 총이익률은 안정적으로 상승할 것
- 시장경쟁 완화, 판매비용률 하락. 동사 제품의 시장 보급률이 상당히 가장 컸던 상은 요구르트의 1Q16 것이며 판매비용률 하락에 유리할

실적&밸류에이션

구분	2014(A)	2015
매출액	54,436	
매출액증가율	13.93	
지배주순이익	4,144	
순이익증가율	30.03	
ROE	22.24	
EPS(위안)	1.35	
PER	12.81	

자료: Wind, 맹안준권 Global Blue팀

IV. Balance sheet(consolidated)

	FY19	FY18	FY17	FY16	FY15
Asset					
I . Cash and deposits	1,470,665,407	1,390,050,620	1,484,413,354	1,333,476,766	1,315,130,488
II . Financial asset designated at fair value through P/L	7,562,036,915	7,278,203,351	6,911,185,922	6,135,704,072	5,058,924,623
III . Available for sale securities	198,544,092	199,393,679	301,188,003	299,457,838	231,672,439
IV . Loans	2,385,518,421	2,412,264,205	2,182,776,535	1,903,349,284	1,616,366,500
V . Tangible assets	133,057,977	62,984,771	64,335,803	66,983,466	68,116,475
VI . Other	391,070,687	324,386,659	486,687,947	365,555,425	371,715,839
Total Asset	12,342,336,324	11,861,797,105	11,651,173,407	10,363,054,944	8,923,245,082
Liabilities					
I . Deposits	2,754,456,770	2,554,079,404	2,788,214,967	2,735,551,683	2,763,919,642
II . Financial liabilities designated at fair value through P/L	2,433,072,407	2,049,814,297	1,907,149,701	1,333,353,673	1,116,695,777
III . Borrowings and debentures	5,108,886,126	5,442,036,146	5,260,645,267	4,942,641,964	3,728,884,401
IV . Other	782,114,426	626,328,896	595,733,772	318,790,276	324,038,867
Total Liabilities	11,078,529,730	10,672,258,743	10,551,743,707	9,330,337,596	7,933,538,687
Total Equity	1,263,806,593	1,189,538,362	1,099,429,700	1,032,717,348	989,706,395
Total Liabilities and Equity	12,342,336,324	11,861,797,105	11,651,173,407	10,363,054,944	8,923,245,082

IV. Income statement(consolidated)

	FY19	FY18	FY17	FY16	FY15
Operating revenue	2,131,848,842	2,037,181,455	1,928,025,083	1,460,456,185	1,217,436,226
I . Fee income	227,046,095	269,556,006	226,570,758	201,425,765	249,275,708
II . Gain on valuation (sales) of financial products	1,503,129,303	1,385,527,314	1,395,266,160	977,692,012	702,512,270
III . Interest income	222,330,438	212,175,359	185,179,634	164,248,628	163,997,983
IV . Gain on valuation (sales) of loans	3,834,287	440,572	286,858	9,839,417	471,924
V . Gain on FX transactions	47,458,248	61,623,262	41,639,903	42,977,600	36,412,269
VI . Other	128,050,467	107,858,942	79,081,770	64,272,763	64,766,072
Operating expense	2,060,037,675	1,946,033,709	1,869,573,197	1,447,286,784	1,195,425,793
I . Fee expense	25,469,497	28,374,926	27,186,554	20,353,476	18,425,603
II . Loss on valuation (sales) of financial products	1,466,447,979	1,318,977,952	1,308,592,252	963,631,217	697,434,613
III . Interest expense	122,225,420	116,757,832	99,356,764	105,612,676	110,025,583
IV . Loss on valuation (sales) of loans	2,393,172	6,696,743	177,167	-	10,339,734
V . Loss on FX transactions	41,147,985	56,635,437	83,319,817	40,289,921	27,826,334
VI . SG&A	307,903,357	333,661,674	301,483,506	292,352,231	323,654,470
VII . Other	94,450,263	84,929,145	49,457,137	25,047,263	7,719,456
Operating profit	71,811,166	91,147,746	58,451,886	13,169,401	22,010,433
Non-operating income	16,033,821	30,517,541	22,305,669	27,659,558	29,600,820
Net profit	80,930,031	104,712,022	70,682,652	31,307,655	58,138,792



元大證券

*Yuanta
Securities (Korea)*