

Daishin Securities Annual Report 2020

14	Company Overview
15	Credit Rating
16	Message from Chairwoman
18	CEO Interview
20	Board of Directors
22	External Evaluation of Management
23	Governance
24	Capital Stock & Dividend
25	2019 Strategic Goals
26	2020 Business Strategies
30	Business Results for Main Subsidiary Companies
31	Composition of FY2019 Net Operating Revenue
32	Financial Highlight
34	Performance by Business Unit
44	Results of Main Subsidiary Companies
56	Financial Report
76	Achievements
78	Social Contribution
80	History
81	Awards
82	Network
84	Company Executives
86	Organization Chart

FY19(59th)
2019.01.01~2019.12.31

FY18(58th)
2018.01.01~2018.12.31

FY17(57th)
2017.01.01~2017.12.31

Daishin Securities has been achieving steady growth, thanks to the support of its shareholders.

In 2019, we reorganized our business structure based on collaboration among our affiliates and laid a strong foundation for growth, despite difficult external circumstances.

All executives and employees promise to strive to achieve further growth, based on balanced performance and achievements across the whole company and its affiliates.

January 2, 2020
Daishin Financial Group
Chairwoman Auh-Ryung Lee's New Year's address

DISCOVERD

STARTED



REFINE



1962 – 2020

PLATINUM



**TO SEE
THE WAVES
AFAR,**

**TO SEEK
UNKNOWN
ANSWERS,**

**TO STAY
FOCUSED ON
THE FUNDAMENTALS,**

**TO FIND
THE HIDDEN
VALUES,**

**TO HELP
MAKE THINGS
HAPPEN.**



Daishin Securities

Total Asset

Total financial assets 246,598
(4QFY19) Unit: KRW 100 million

Bonds	16,830	Trust	57,773	RP (CMA)	44,038
ELS	3,525	Retirement	11,783	CD/CP, etc.	3,567
Funds	55,264	WRAP	52,647	Bancassurance	1,171

55,128.6 billion
KRW

Total Assets

32,120.9 billion
KRW

Financial Assets (Funds, Trusts, etc.)

24,659.8 billion
KRW

Entrusted Assets (Stocks, Bonds, etc.)

Company Overview

About us

As of December 31, 2019, separated basis

Business Type	Business Areas	Date of Establishment	Listing Date
Financial Investment Service	Dealings, brokerage, Trust, investment advisory, discretionary investment management, etc.	July 27, 1962	October 1, 1975
Head Office Address	Capital Stock	Total shareholders' equity	Total Assets
Daishin Finance Center, 343 Samil-daero, Jung-gu, Seoul, Korea	KRW 4,349 billion	KRW 1.8007 trillion (Consolidated KRW 2.0170 trillion)	KRW 13.4828 trillion (Consolidated KRW 19.4373 trillion)
Number of Employees	Domestic Network	Overseas Network	
1,455	48 (46 branches, 1 business department, 1 Private lounge)	2 overseas subsidiary (USA, Hong Kong), 1 overseas offices (Tokyo)	

Connected Summary of Financial Statements

Unit : KRW 1 billion

Category	FY17	FY18	FY19
Operating Revenue	3,548.4	2,557.0	2,696.7
Operating Expense	3,415.4	2,398.5	2,597.0
Operating Income	132.9	158.5	99.7
Non-operating Income	18.3	30.8	29.4
Net income before tax	151.3	189.3	129.1
Net Income	115.9	140.7	93.9
Total Assets	17,446.8	19,151.3	19,437.3
Total Liabilities	15,578.9	17,150.4	17,420.2
Total Capital	1,867.9	2,000.9	2,017.0
EPS for Common Stock(KRW)	1,615	1,961	1,310

Credit Ratings

Daishin Securities has held a credit rating of AA- from the top 3 credit assessment agencies in Korea (NICE Credit Information, Korea Ratings, and Korea Investors Service) since 2010.

Korea Investors Service



Separate Summary of Financial Statements

Unit : KRW 1 billion

Category	FY17	FY18	FY19
Operating Revenue	3,270.1	2,236.5	2,288.3
Operating Expense	3,217.2	2,108.8	2,189.4
Operating Income	52.9	127.6	98.9
Non-operating Income	20.1	18.3	19.0
Net income before tax	73.0	145.9	117.9
Net Income	61.4	114.8	87.9
Total Assets	13,512.6	14,016.3	13,482.8
Total Liabilities	11,795.1	12,221.1	11,682.1
Total Capital	1,717.5	1,795.1	1,800.7
EPS for Common Stock(KRW)	849	1,595	1,215



Message from Chairwoman

Daishin Securities will striving toward growth, based on policies oriented toward maximizing customer value and shareholder value, and meet the expectations of its shareholders.

Dear respected shareholders,

On behalf of all our executives and employees, I would like to express our profound gratitude toward all of you for your unwavering support and encouragement.

Daishin Securities has been achieving steady growth, thanks to the support of its shareholders. In 2019, we reorganized our business structure based on collaboration among the affiliates and laid a strong foundation for growth despite difficult external circumstances. All executives and employees promise to strive toward achieving further growth, based on balanced performance and achievements across the whole company and its affiliates.

Dear respected shareholders,

The business environment last year posed more difficulties than in the previous year. Economic recovery at home remained precarious due to the global economic slowdown caused by a contraction of world trade, and amidst the unanticipated crisis brought upon by the recent COVID-19 pandemic, the situation has grown even more uncertain.

In the securities industry, the situation has been particularly advantageous for large firms, and competition has been intensifying with the entry of massive tech companies into the market. It appears that without new businesses and differentiated profit models, it will become increasingly difficult to survive amidst the changing trends.

Despite such challenges in the management environment, we made remarkable achievements in line with the direction of our strategies by faithfully striving toward our strategic goals to be become differentiated (“unique”) and achieve optimization (“fitness”).

First, we dedicated ourselves to sourcing and selling safe products to our customers, with “safety” as the top priority, to better prepare against a global economic downturn, and we generated steady profits, irrespective of the market environment, by replacing existing assets with global assets characterized by low volatility through stringent risk management. In addition, we established Daishin Asset Trust as a subsidiary to secure a new source of income that encompasses the elements of finance and real estate. Furthermore, we made ceaseless efforts to improve our business efficiency as a way to boost productivity.

Dear respected shareholders,

In the coming business year marking the 60th anniversary of the founding of our company, all executives and employees will make concerted efforts to meet your expectations by generating profits and managing our performance in order to continue to grow. The strategic goals for this year can be summed up as reinforcing competitiveness (“unique”), improving professional expertise (“expert”) and securing leadership in the industry (“summit”). Based on the results of differentiating ourselves and pursuing optimized activities in the past two years, we will strengthen our differentiated competitiveness, improve our professional expertise, and create areas in which we can take leadership in 2020, marking our 60th anniversary.

First, in order to consolidate our competitiveness, we will devote ourselves to creating results through collaboration among

different divisions. The differentiated financial products we have created over the last two years have experienced astounding growth, and we will continue our efforts to bring about similar results in the areas of REITs, alternative investment, and products and services for UHNW customers among others, based on our professional expertise. We will focus on essential business areas by assigning clear goals to each, based on selection and concentration, and strengthen the competitiveness of our customer service to help customers generate greater returns.

Second, we will make sure that our systems and human resources are specialized in their respective fields. In order to promptly respond to the rapidly changing external environment, we plan on re-establishing the processes related to our products and customers and improving the management of resource allocation by considering related risks and performance. We will also help our staff build their job competencies through an expanded training scope so that we can gain greater professional expertise as a whole.

Last but not least, we will achieve leadership in the industry (“summit”), based on differentiated competencies (“unique”) and professional expertise (“expert”). Diverse business divisions will collaborate in the REITs area to create leading models in the industry and offer safe and differentiated financial products that meet customer needs and gain customer trust.

Dear respected shareholders,

The amount of capital has become a critical success factor in the financial investment industry. By reviewing ways to increase capital by continually generating profits, we will create a virtuous cycle that leads to enhanced competitiveness and value for our company and increased shareholder value along with growth. Daishin Securities will achieve growth, based on policies centered on customer value and shareholder value, and meet your expectations.

Thank you again for your trust and support. I wish you and your family good health and happiness in the year 2020. Thank you.

Chairwoman, Daishin Financial Group
Auh-Ryung Lee

이 어 룡



The management objective that will be the top priority for Daishin Securities this year will be risk management. Based on this, we will fortify the foundation for collaboration among our affiliates to secure new growth engines for the future.

CEO Interview

Dear respected shareholders,
I am Ik-Keun Oh, the newly appointed CEO
of Daishin Securities.

I would like to express my deepest gratitude to all of you for your support and encouragement last year.

Being assigned a critical role as the CEO makes me feel a heavy sense of responsibility, especially due to the challenges in business management today. There are a number of issues, both at home and abroad, that will need to be tackled. The COVID-19 pandemic, for instance, is expected to cause a downturn in the global economy, and trade and energy wars among global superpowers are still ongoing. The Korean economy, which is particularly vulnerable to external factors, has taken a blow as a result. The situation with the capital market also appears grim, and some are voicing concerns that both a “black swan” and a “gray rhino” will be present this year. It appears that the year 2020 will be marked by various uncertainties.

However, the capital market has always grown in times of crisis. The history of overcoming crises is also the history of the development of the capital market. Daishin Securities is a firm that is strong in times of crisis. The company has survived in the financial investment industry, which is characterized by constant ups and downs, and gained superb risk management capabilities over the years. I am certain that the executives and employees of Daishin Securities will be able to overcome the present adversities based on wisdom and concerted efforts. This is a promise to all of you.

Dear respected shareholders,

The keyword for the management of Daishin Securities last year was “safety.” The company maintained a conservative market outlook and stressed the need to prepare against the risk of increased volatility. The switch to a management strategy centering on risk management resulted in a decline in net income. This was countered by efforts to develop a profit model that would enable sustainable management. The profit portfolio was geared toward stability. Investments in high-risk assets were reduced, and fluctuations in income were lowered. The derivatives business including ELS was reduced, while investments in excellent global assets were increased from the currency point of view. Efforts were made to manage risks and secure future growth engines. We also laid the groundwork to achieve growth as a financial real estate group.

We also dedicated ourselves to enhancing shareholder value. To stabilize our stock prices, we repurchased our own stocks from the market. We acquired a total of 3.7 million common stocks and 350,000 preferred stocks. We even increased dividends by more than 60%. Dividends of KRW 1,000 per common stock, KRW 1,050 per first-preferred stock, and KRW 1,000 per second-preferred stock were paid out for a total of KRW 69 billion, with a payout ratio of 78.5%, based on separate financial statements. As a result, cash dividends were paid out for 22 consecutive years. As such, we will continue our efforts to boost value for our shareholders.

Dear respected shareholders,

The importance of equity is becoming increasingly more important, due to the focus of the financial investment business switching from consignment sales to investment banking (IB), wealth management (WM), and principal investment. Ultimately, the size of equity will be a determinant of the competitiveness of a securities firm. In order to gain a competitive edge and undergo sustainable growth, expanding equity will become crucial even for Daishin Securities. In addition to fortifying the internal reserves,

we will seek and implement various other measures to bolster our equity.

Going forward, we will maintain a dividend payout ratio of 30~40%, based on separate financial statements, under normal management circumstances. We will also create a virtuous cycle to boost our company's value by increasing equity and raise shareholder value by achieving further growth.

Dear respected shareholders,

The strategic goals of Daishin Securities for the year 2020 will be to strengthen our competitiveness, improve our expertise, and create areas in which we can lead the industry. We will build a competitive edge by promoting cooperation among business divisions and strive to make differentiated achievements. We will also endeavor to raise the capacities of our systems and human resources.

We have designated development of industry-leading models in the areas of REITs and alternative investment products as our mid- and long-term tasks. We will also launch comprehensive asset management services by collaborating with our affiliates. Of particular note, we will work together with Daishin Asset Trust, which has been recently founded, to become the No. 1 REITs and alternative investment house by gaining unrivaled expertise in REITs and alternative real estate investment.

The management objective that will be the top priority of Daishin Securities this year will be risk management. Based on this, we will fortify the foundation for collaboration among our affiliates to secure new growth engines for the future.

We will make every effort to raise equity and shareholder value despite the challenges ahead. And we will make sure to share the gains with our shareholders. I ask that you continue to provide us with your support.

Thank you.

CEO, Daishin Securities
Ik-Keun Oh

A handwritten signature in black ink, appearing to read 'Ik-Keun Oh', written in a fluid, cursive style.

Board of Directors

(as of April, 2020)

The Board of Directors of Daishin Securities is comprised of seven members. There are four outside directors forming the majority of the board (57.1%).

Management

Chairwoman,
Auh-Ryung Lee



CEO,
Ik-Keun Oh



President,
Hong-Seok Yang



External Directors

External Director
Byeong-Cheol Kim



Member of the Committee of Inspection at The Board of Audit And Inspection In Korea

Member of the Financial administration at the Financial Services Commission

Member of the Ministry of Personnel Management

External Director
Hong-Hee Cho



Head of Seoul Regional Tax Office

Advisor at Bae, Kim & Lee LLC

External Director
Ji-Won Lee



Deloitte Touche Tohmatsu Limited

CEO, L&C Tax Office

External Director
Chang-Se Lee



Head of Prosecutors in the Supreme Prosecutors' Office

Chief Inspector at Seoul Supreme Prosecutor's Office

Lawyer at Dongin Law Group

External Evaluation of Management Structure

Daishin Securities was ranked among the top companies in the corporate governance evaluations carried out by the Korea Corporate Governance Service and Sustainvest. We will continue to maintain transparency and professional expertise in our governance to ensure sustainable management.

Korea Corporate Governance Service



Rating B+
(4th among 28 companies)

Sustainvest



Rating BB
(3rd among 32 companies)

Governance

Daishin Securities pursues transparency and responsible management practices across all areas of decision-making, management activities, and the supervision system.

Daishin Securities pursues transparency and responsible management practices across all areas of decision-making, management activities and the supervision system. The company has set up an excellent governance model, based on efficiency and responsibility of the board, and is protecting the rights and interests of stakeholders and enhancing the value of the company. The board of directors is comprised of seven members, of which there are four outside directors accounting for 57.1% of all members. This is to harness the participation of individuals from diverse backgrounds with different areas of professional expertise to boost the board’s efficiency, in addition to having multiple outside directors whose independence has been verified to keep the board in check.

General Meeting of Shareholders

Board of Directors	Executive Nomination Committee	Nomination of candidates
CEO	Risk Management Committee	Deliberation and handling of risk issues
	Remuneration Committee	Preparation of a remuneration system for executives and assessment and determination of wages and bonuses
	Remuneration Committee	Evaluation and improvement of the appropriateness of the internal control system and management performance
	Management Committee	Deliberation and resolution on major decision-making issues concerning the management of the group

Capital Stock & Dividend

Types and Number of Stocks Issued

Common Stock	First-Preferred Stock	Second-Preferred Stock	Total Capital Stock
50,773,400 shares (KRW 253,867,000,000)	26,000,000 shares (KRW 130,000,000,000)	10,000,000 shares (KRW 50,000,000,000)	434,867,000,000 shares

Cash Dividends Paid out for 22 Consecutive Years

Unit : KRW (Dividend per share)
KRW 1 billion (Consolidated Net income & Total cash Dividends)

Daishin Securities has been paying out cash dividends for 22 consecutive years. In 2019, dividends of KRW 1,000 per common stock, KRW 1,050 per first-preferred stock, and KRW 1,000 per second-preferred stock were paid out. The total dividends paid out amounted to KRW69 billion, with a payout ratio of 73.%. We will continue maintaining a payout ratio of 30~40% based on individual net income under normal management conditions.

Year	Dividend per share			Dividend yield			Consolidated Net Income	Total Cash Dividends	Payout Ratio
	Common Stock	First Preferred Stock	Second Preferred Stock	Common Stock	First Preferred Stock	Second Preferred Stock			
FY19	1000	1050	1000	8.1%	11.1%	11.4%	93.9	69.0	73.5%
FY18	620	670	620	5.1%	7.2%	7.2%	140.7	45.5	32.3%
FY17	610	660	610	4.1%	6.6%	6.6%	115.9	44.7	38.5%
FY16	550	600	550	5.0%	7.8%	7.6%	74.0	40.3	54.5%
FY15	500	550	500	4.0%	6.9%	6.8%	136.2	36.6	26.9%
FY14	250	300	250	2.5%	4.6%	4.1%	43.7	19.4	44.4%
FY13	200	250	200	2.6%	4.4%	3.9%	15.1	16.3	107.9%
FY12	500	550	500	5.1%	8.4%	8.2%	3.4	38.7	1138.2%
FY11	650	700	650	5.3%	8.8%	8.6%	89.9	51.5	57.3%
FY10	750	800	750	4.8%	7.7%	8.1%	85.4	59.8	70.0%
FY09	1000	1050	1000	5.9%	9.8%	10.6%	91.4	79.0	86.5%
FY08	1000	1050	1000	5.4%	12.9%	13.6%	103.3	80.1	77.6%
FY07	1250	1300	1250	5.2%	9.5%	10.3%	177.8	106.2	59.7%
FY06	1000	1050	-	4.4%	7.2%	-	100.0	77.4	77.5
FY05	1000	1050	-	4.9%	6.8%	-	151.4	75.0	47.6%
FY04	500	550	-	3.3%	5.1%	-	41.2	37.1	90.0%
FY03	650	700	-	3.8%	7.4%	-	73.8	49.1	66.5%
FY02	500	550	-	3.3%	7.4%	-	42.0	38.2	90.9%
FY01	500	550	-	1.9%	4.4%	-	13.4	38.7	288.1%
FY00	750	800	-	7.3%	13.4%	-	87.3	57.4	65.7%
FY99	1500	1550	-	8.8%	12.1%	-	337.1	113.5	33.7%
FY98	500	550	-	3.7%	5.9%	-	63.6	29.5	46.4%

2019 Strategic Goals

The keyword for the 2019 management strategies was “safety.” [Stability was enhanced by increasing the ratio of global assets](#) with low volatility and high liquidity in the asset portfolios of the company and customers.

01

Retail financial assets amounted to KRW 12 trillion, a 6% YOY increase, as a result of selling alternative investment products such as HIME and retail bonds. Real estate PF project funds characterized by high return and cashability at maturity and [products focusing on institutions in developed nations](#) such as the United States, Japan and Singapore were sourced and supplied.

02

As for the IPO Division in 2019, it successfully aided six companies in completing the IPO process, with a total value amounting to KRW 269.6 billion. After ranking 2nd in the industry in 2018, Daishin Securities [ranked 3rd in 2019, consolidating its status as a key IPO player.](#)

03

Daishin Asset Trust, a real estate trust company, was launched to achieve growth as a finance and real estate group. With the increase in revenues generated from the businesses of affiliates that are as directly linked to market conditions, [a relatively more stable and secure profit structure has been achieved.](#)

04

Real estate investment was increased in Manhattan, Tokyo, Singapore, and other geopolitically stable regions characterized by excellent liquidity and return on investment. [Stringent risk management was executed based on a highly stable currency portfolio consisting of the US dollar and Japanese yen.](#)

05

2020 Business Strategies

Unique Strengthening Competitiveness

Business

Clear goals
and tangible results

- **Clear goal for each business area**
Produce tangible results in at least two of the following areas: generating profits, increasing assets, and increasing customers (an increase at a certain level compared to the previous year)
- **Sound management and continued investment to prepare against fluctuations**
Flexible response to the market situation: assign goals in relation to fluctuations and invest in sound assets at home and abroad
- **Expansion of the Group's value chain**
Alternative investment products: Offering a wider array of sourcing and sales of safe products
REITs: Launch of publicly and privately offered REITs through collaboration among affiliates
UHNW customer service: Convergence service in finance and real estate

Customer

Competitive service
for each customer

- **Concentration on UHNW and HNW products & services**
UHNW services:
Diversification of product supply and real estate and asset management services and systems
- **Segmentation of mass and online customers**
Existing customers: Division of roles among organizations and enhancement of customer management
Offer stock and products that meet customer needs (Robo/pension) Turn mass customers into HNW individuals
- **Improved customer management focusing on IB and wholesale**
Reinforced management of existing customers (fortified strengths)
Discovery of differentiated profit models:
New businesses, package deals, etc.

Advance Improving Productivity

System

Prompt response to changes
in the business environment

- **Respond to uncertainties in the business environment**
Product sales: Sales and follow-up monitoring
Liquidity: Establish a liquidity risk manual for Daishin Securities and the Group (ensure liquidity based on a clear set of standards)
Operational risk: Shareholder and customer management manual
System: Speedy development of priority businesses and improved efficiency of unnecessary tasks
- **Organizations and personnel with professional expertise**
Secure professional experts and increase capacity building training
Reinforce the competencies to sell products (compliance with the informed sale processes)

Summit Reaching No.1 in the Industry within 3 Years

Allocation

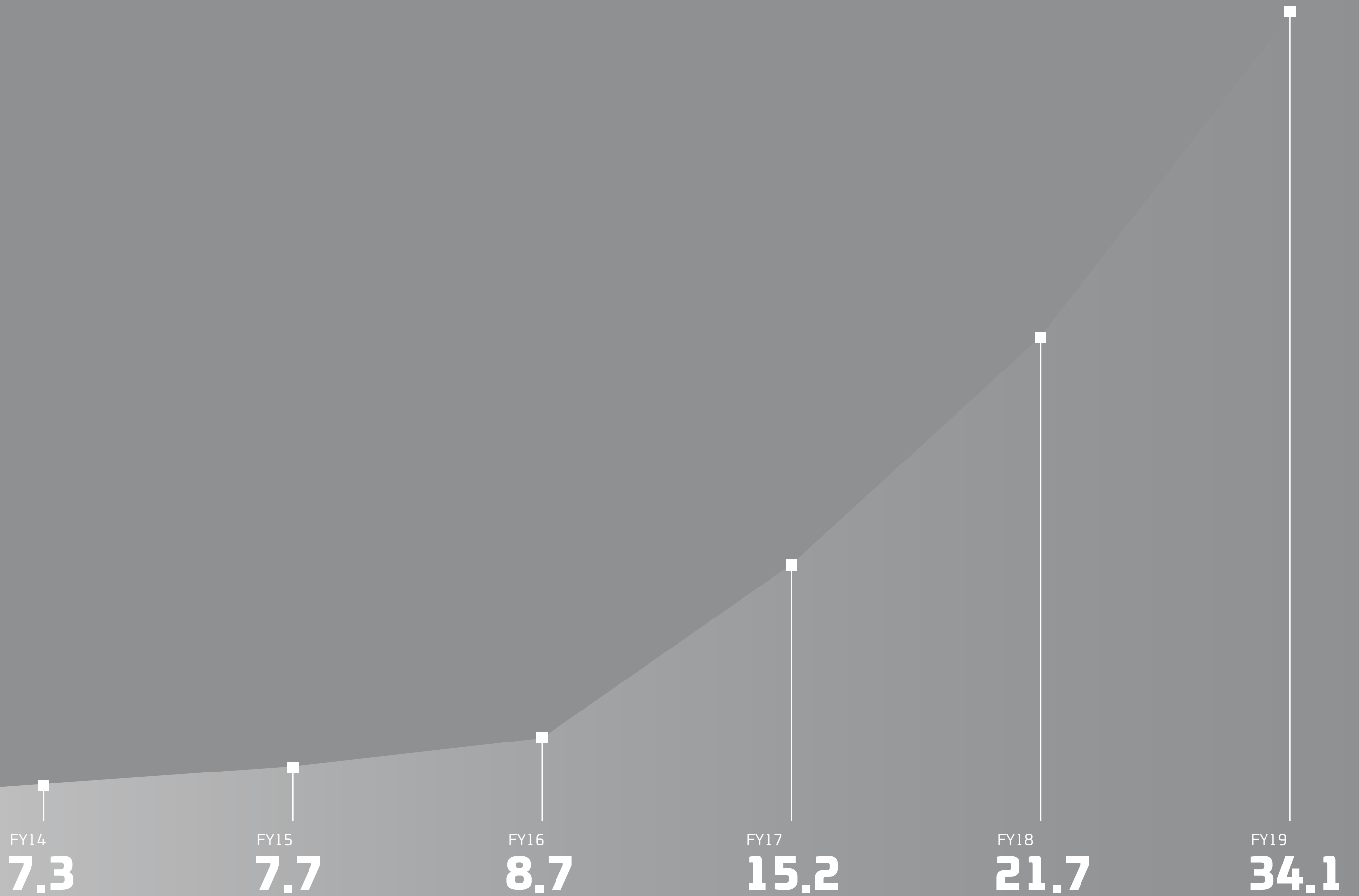
Strategic allocation
of resources

- **Intensive support for core businesses**
Development of tailored customer services
: Increased collaboration between Daishin Securities and the Group to develop services for HNW/UHNW customers and achieve the goals of core businesses in improving the overseas stock and foreign currency settlement system and processes (sharing of results among the business divisions)
- **Efficient resource management**
Efficient allocation of resources focusing on performance and based on risks (in consideration of ROI and RAROC)
Management of gains and losses (raising the cost efficiency and expanding the scope of targets to impute the IT costs):
Concentrate work on essential (necessary) tasks



Real Estate Rental Revenue

Unit : KRW 1 billion



Business Results for Main Subsidiary Companies

(KRW 1 billion)

Total Assets

13,482.8

Daishin
Securities

Total Capital

1,800.8

Pre-Tax Profit

117.9

Total Assets

3,888.7

Daishin
F&I

Total Capital

452.5

Pre-Tax Profit

12.9

Total Assets

1,553.0

Daishin
Savings Bank

Total Capital

204.4

Pre-Tax Profit

23.7

Total Assets

42.4

Daishin
Asset Management

Total Capital

38.6

Pre-Tax Profit

5.6

Total Assets

13.3

Daishin
Private Equity

Total Capital

11.3

Pre-Tax Profit

0.8

Total Assets

11.1

Daishin
Economic Research Institute

Total Capital

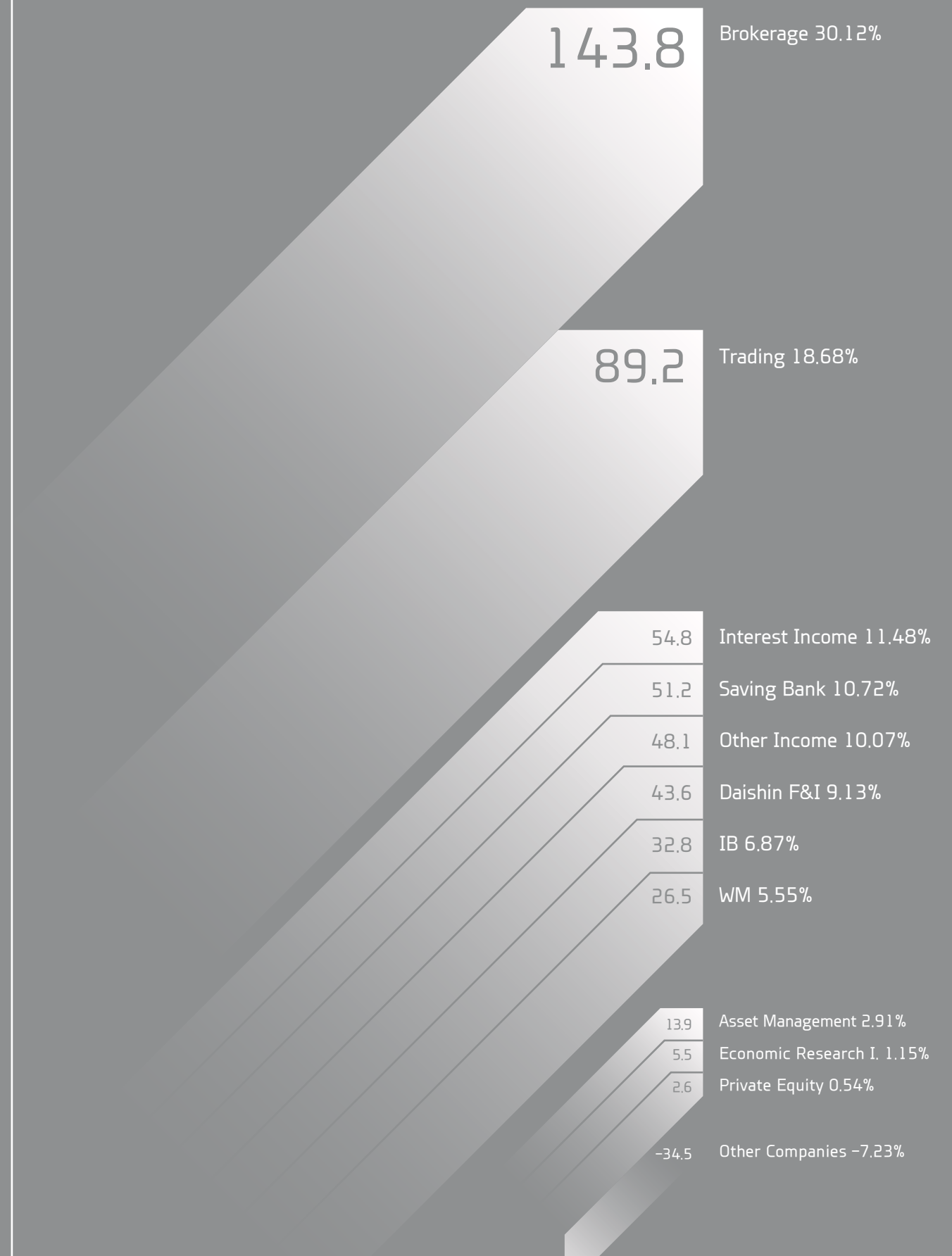
6.3

Pre-Tax Profit

-0.2

Composition of FY2019 Net Operating Revenue

[% / KRW 1 billion)



Financial Highlight

In the 2019 financial year, excellent performance results were attained in the areas of trading and IB, while wholly owned subsidiaries such as F&I and Savings Bank also generated steady profits, thereby contributing to the diversification of the Group’s business portfolio.

However, due to a decline in retail performance resulting from a decrease in the average daily transactions, net income in 2019 was recorded at KRW 93.9 billion, a 33.2% drop from 2018. Going forward, we will offer differentiated financial products and customer services in order to uphold our principle of protecting and building customer assets under any circumstances.

2019 Consolidated profit before tax

Unit : KRW 1 billion

129.1

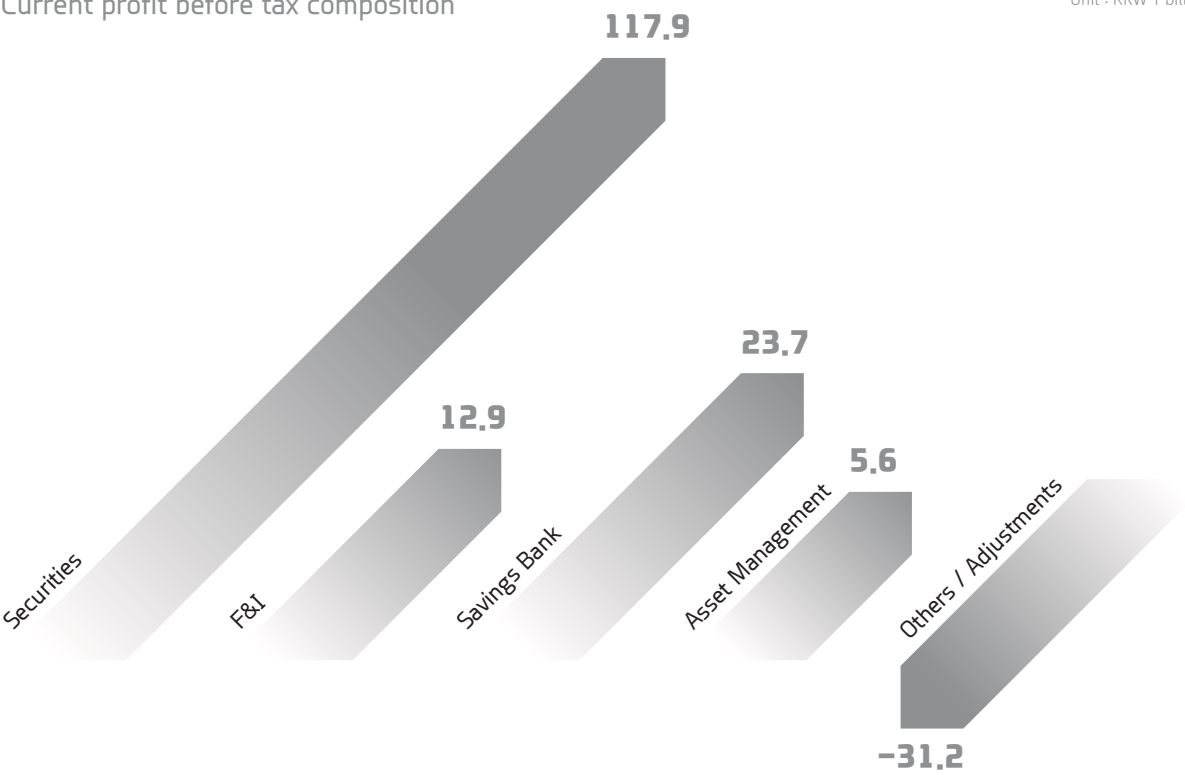
2019 Consolidated current net income

Unit : KRW 1 billion

93.9

Current profit before tax composition

Unit : KRW 1 billion



Recent Financial Performance

Unit : KRW 1 billion

Category	FY17	FY18	FY19
Net operating revenue	336.8	413.9	393.2
WM	22.8	27.7	26.5
Brokerage	153.2	195.6	143.8
Trading	32.4	51.1	89.2
IB	16.2	29.1	32.8
Interest income	63.5	69.2	54.8
Other	48.8	41.4	48.1
Selling and administrative expenses	283.9	286.4	294.3
Salaries and employee benefits	153.1	162.2	160.5
General administrative expenses	130.8	124.1	133.8
Operating income	52.9	127.6	98.9
Non-operating income and expenses	20.1	18.3	19.0
Daishin Securities	73.0	145.9	117.9
Daishin F&I	69.7	41.9	12.9
Daishin Saving Bank	32.5	33.7	23.7
Daishin Asset Management	3.2	0.2	5.6
Miscellaneous / adjustments	-27.1	-31.4	-31.2
Income before tax, consolidated	151.3	190.3	129.1
Net income, consolidated	115.9	140.7	93.9

WM Group

2019 Review

Despite the growing uncertainties in the financial market due to increased protectionism among other factors in 2019, WM business was catapulted to a whole new level by upgrading the value chain for products and services unique to the company and managing assets with increased customer value as the top priority.

Sales of alternative investment products were recorded at KRW 1 trillion as a result of expansion of the domestic and overseas product lineups. Meanwhile, financial products were diversified through trust and wrap accounts centering on bonds and short-term bonds, and as a result of the strategy to protect customer assets and efforts to expand the foothold for tWM business, financial assets surpassed KRW 12 trillion and total assets KRW 40 trillion.

Effective marketing and customer management were achieved by holding a wide range of seminars at the headquarters and branches in reflection of customer needs. A total of 108 elite private bankers were trained as financial specialists to provide consulting on not only taxation and real estate but business succession, inheritance, and corporate fund management. Through these efforts, asset management services unique to Daishin Securities were provided to its customers.

2020 Goals and Strategies

In 2020, the WM Group will strive to increase financial assets by KRW 2.2 billion and gain 1,000 customers with financial assets of KRW 300 million or more by implementing the following strategies:

First, product competitiveness will be bolstered through alternative investment products, which are core strategic products. REITs, set to be launched this year, can best demonstrate the synergy of the Group in real estate finance from launch to sale and management, and this particular product will be developed to the highest standard. Also, global investment products centering on developed nations such as the United States and Japan will continue to be offered to ensure a high ROI relative to risk.

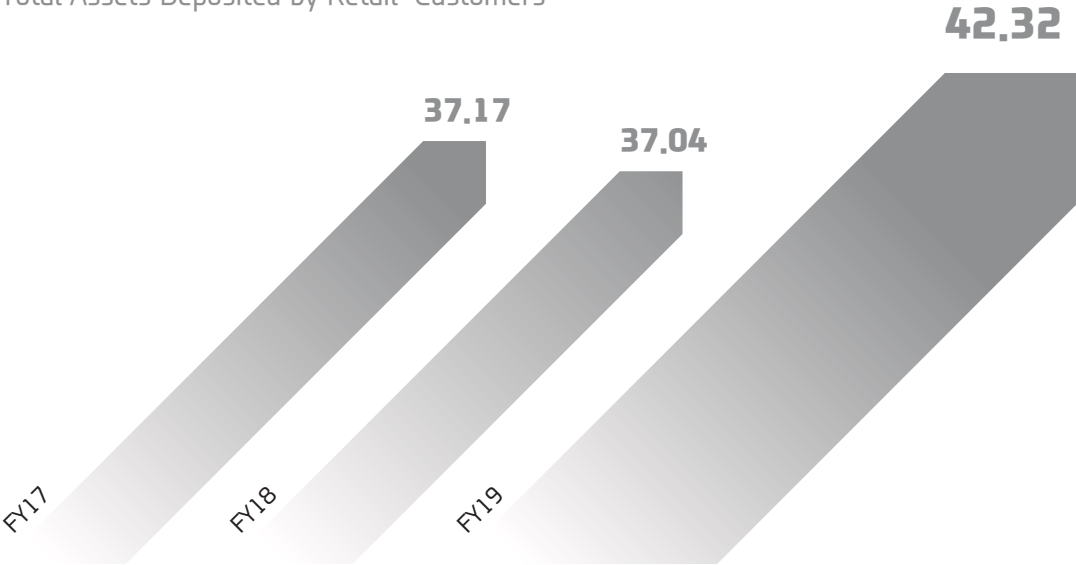
Second, retirement and private pensions services will be strengthened to help customers enjoy financial security in their retirement years. Solutions will be provided for improving performance related to pension assets, and efforts will also be continued to improve the customer-oriented operations. Pension customers will be managed across the company by providing timely consulting services in collaboration with the branches, and every effort will be made to expand the customer base.

Third, effective marketing will be pursued. Based on target marketing and “members get members (MGM)” marketing strategies, efforts will be made to broaden the customer base. Data-based customer management and marketing campaigns targeting customers who have previously invested in alternative investment products and general enterprises near the branches will be implemented so as to gain new customers and boost sales.

Going forward, relentless efforts will be made to provide optimum asset management solutions and genuine customer management services in order for Daishin to become a lifelong asset management partner that is trusted by its customers.

Total Assets Deposited by Retail Customers

Unit : KRW 1 trillion



Assets Deposited by Retail Customers

Unit : KRW 1 trillion

Category		FY17	FY18	FY19
Entrusted Assets		28.45	25.67	29.91
Financial Assets	Fund	2.51	3.73	3.42
	Trust	0.52	1.83	2.34
	Wrap	0.88	0.81	1.04
	Bond / ABSTB	1.31	1.18	1.44
	RP / CMA	2.50	2.54	2.63
	ELS	0.31	0.29	0.34
	Pension fund	0.70	0.85	1.07
Bancassurance		0.14	0.13	0.12
Total		8.86	11.37	12.41
Total assets		37.17	37.04	42.32

Pension Assets

Unit : KRW 100 million

Category	FY17	FY18	FY19
Retirement pension	6,855	8,588	10,665
Private pension	956	1,014	1,062
Total	7,811	9,602	11,727

Smart Biz Group

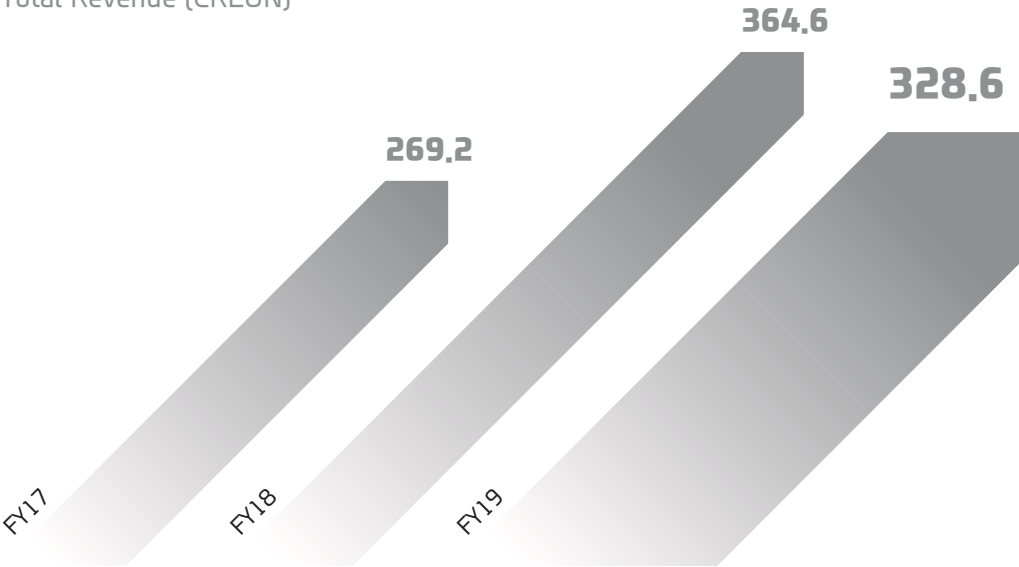
The Smart Biz Group is in charge of the the branches and online operations of CREON, an online brand of Daishin Securities.

The Smart Biz Group offers top-notch financial services to online customers of Daishin Securities and is further advancing online asset management services to attract more HNW customers. The Smart Biz Group is actively responding to the changes in the market resulting from expansion of the online market, increased use of mobile platforms, and increased investments in foreign stocks. In recent years, it has broadened its big data-based investment information services, foreign stock investments, and non-face-to-face services. Along with the growth of foreign stock investments, the trading volume of the company has more than tripled and emerged as the next big income source in the online business area. In 2020, there are plans to concentrate on profit/loss and asset management (WM) in the online business area. To better assist customers in becoming HNW individuals, efforts will be made to help them build their assets based on the differentiated financial products of Daishin that upsell their assets as well as robo-advisor funds.

CREON Unit : KRW 100 million

Category	FY17	FY18	FY19
Entrusted assets	122.9	160.4	147.9
Products	1.1	1.0	1.3
Interest	145.2	203.2	179.4
Total revenue	269.2	364.6	328.6

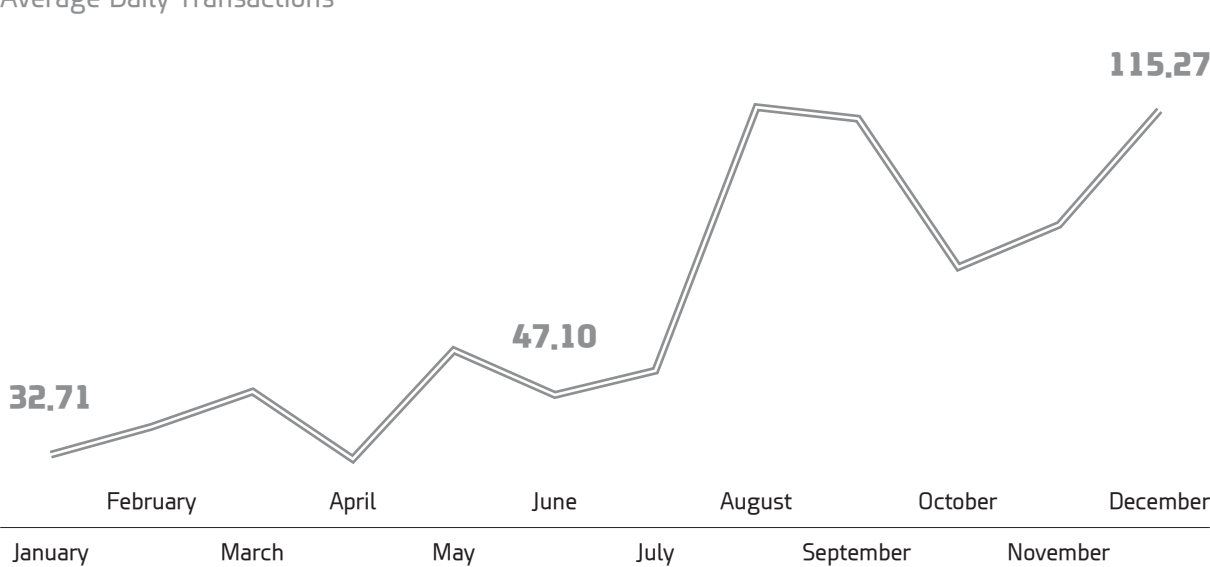
Total Revenue (CREON) Unit : KRW 100 million



Overseas Stock Trading (Daily Average) Unit : KRW 100 million

Category	United States	China	Hong Kong	Japan	Average daily agreement value
2019					
January	3,069	82	45	76	32.71
February	3,523	197	90	133	39.44
March	3,947	144	63	608	47.62
April	2,864	132	48	134	31.80
May	4,934	101	61	678	57.74
June	4,405	130	47	127	47.10
July	4,990	117	50	125	52.83
August	11,224	151	92	126	115.93
September	11,560	142	56	119	113.10
October	7,514	87	61	122	77.54
November	8,228	114	107	753	87.75
December	9,715	132	230	1,467	115.27

Average Daily Transactions Unit : KRW 100 million



Customer Asset Management Group

The Customer Asset Division is comprised of the Product Planning Department, Wrap Product Department, and Trust Business Department.

Product Planning Department

The Product Planning Department offers customers domestic and overseas funds with excellent stability and ROI in pursuit of the essential principles of WM: protect, build, spend, and gain. By sourcing and providing safe and stable funds, robust asset management is ensured. Catering to HNW customers, traditional investment products such as stocks, bonds, and raw materials as well as alternative investment products related to real estate, with excellent underlying assets and low volatility, are offered for sound asset management. Alternative investment products worth about KRW 2.4 trillion were launched in the retail area over the course of three years from 2017 to 2019, which catapulted the company to a leadership position in sourcing, selling, and consulting on alternative investment products. In 2020, the department will supply sound foreign real estate funds and REITs in regions with low geopolitical risks under a stringent risk management system, with the aim of turning Daishin into the No. 1 REITs and alternative investment house.

Wrap Product Department

The Wrap Product Department is entrusted with the task of making investment decisions by investors, and manages customer assets for each investor. Diverse assets including stocks, bonds, funds, ETF, and MMW, are used to provide individually tailored asset management services, and around KRW 6.2 trillion in customer assets is currently being managed. For the year 2020, the focus will be on risk management, as increased volatility is expected in the global market, and public offering REITs and alternative investment products will be actively utilized to provide asset management solutions that ensure stable and sustainable growth. Also, wrap accounts will be used to present solutions for investing in outstanding funds at low costs so as to help customers manage and build their assets.

Trust Business Department

The Trust Business Department offers customized products and services based on individually concluded contracts in order to manage the assets of corporations and UHWN individuals, unlike standardized funds. The department provides various services to help individuals build and balance their wealth based on their asset management, gift and inheritance plans, while offering customized trust products to corporations that meet their asset management guidelines, based on stringent risk assessments, so that corporate clients can manage their assets in a stable and secure manner. Services are concentrated on regular deposit security ABCP management, 증권사 협약 전담채신타 short-term bond trust, regular deposit trust, dollar asset trust, and soon, and individually tailored services will be provided through a fund trust, gift trust, treasury stock trust, non-listed stock trust, and SPC management. Gift services for tax avoidance and asset management of HNW individuals were developed in 2017, and top-notch services in the industry are being offered in this area.

Financial Product Assets

Unit : KRW 1 trillion

Category	Wholesale	Retail	Total
As of December 31, 2019			
Fund	3.6	3.4	7
Trust	3.4	2.4	5.8
Wrap account	4	2.2	6.2

Solution & Product Group

The market solutions segment is comprised of the Corporate Business Division, Overseas Investment Business Division, and Corporate Financial Product Division.

Overseas Investment Business Division

The Overseas Investment Business Division offers marketable securities brokerage services to investors. Brokerage services for foreign ETF, stocks, and bonds traded in the global market are offered to domestic investors, while domestic stock brokerage services are provided to offshore investors. Also, this segment is responsible for marketable securities brokerage services and non-face-to-face investment services provided on behalf of domestic asset management firms. In 2020, differentiated services will be offered to customers, based on years of trading experience and partnerships with diverse local entities, and the industry's best trading platform for the global investment market will be built. Furthermore, efforts will be made to emerge as the preeminent non-face-to-face investment brokerage service provider in line with the expansion of the fintech market.

The product segment is largely comprised of the Management Division (bonds, derivatives, and stock LP) and Sales Division (bonds and global derivatives).

Management Division

The Management Division expects that global political issues (US-China trade war, US Presidential Election, Brexit, etc.) and uncertainties in the global economy (geopolitical risks and impact of the pandemic) will lead to increased market volatility. Steady profits will be generated, with risk managed based on conservative management.

Corporate Business Division

The Corporate Business Division is tasked with selling stocks to institutional investors and offering stock lending brokerage services. Primary clients include pension fund operators, insurance companies, and asset management firms. Four teams are formed for each client to provide efficient and professional services. Profits are generated by providing securities firms, asset management firms, hedge fund operators, and others with brokerage services for lending of domestic and foreign stocks. In 2020, the division plans to offer more specialized services by working with the IB Division, Research & Strategy Division, and other relevant segments of Daishin Securities.

Corporate Financial Product Division

The Corporate Financial Product Division sells financial investment products, such as derivatives-linked securities (ELS, etc.), and offers a wide array of solutions such as wrap/trust products to satisfy the needs of domestic and foreign individual and corporate clients. At the same time, the overseas network is being expanded to gain improved competitiveness amidst expansion of foreign and alternative investment products. The division is also striving to play a leading role in the market based on close cooperation with relevant departments, and to supply related products in a stable and secure manner.

In 2020, market volatility is expected to increase even further due to a number of factors including political uncertainties across the world such as the US-China trade war, US Presidential Election, and Brexit, geopolitical risks concerning the Middle East and North Korea, and economic concerns resulting from the novel coronavirus. Greater regulatory restrictions and investor anxiety are also anticipated for financial products with complex structures, due to losses incurred by investors in DLF and Lime funds. In response, the product segment is formulating strategies to increase the supply of products that are both safe and offer excellent ROI. In addition to existing interest products, competitive foreign bonds, among other products, are being sought after in order to strengthen the retail product lineup, and hedge solutions using global derivative products will be offered to enable Daishin to become a leader in the derivatives field.

Sales Division

The Sales Division is striving to supply safe products and consolidating sales competitiveness by working together with the Management Division. It offers diverse solutions to meet the needs of customers. By closely cooperating with relevant departments, the Sales Division will help the company build competitiveness to gain leadership in the market and provide customers with the kind of value that only Daishin can offer, through a wide array of product solutions.

Investment Banking Group

The IB segment is comprised of the Coverage Division, ECM Division, IPO Division, and Advisory Department.

Coverage Division

The Coverage Division oversees underwriting, arrangement, offering, sales, etc. of public and private placement corporate bonds for enterprises and also serves as a solution provider by identifying the IB needs of enterprises. In 2019, it served the role of the main advisor on corporate bonds to Hite Jinro Holdings, Suheung and others, and took part in the underwriting group during the issuance of public placement corporate bonds for affiliates of Lotte, SK, GS, and CJ groups. Financial advice on the issuance of hybrid securities was provided to Asiana Airlines. In 2020, the Coverage Division will strive to expand coverage in the bond issuance market through aggressive business activities.

ECM Division

The ECM Division offers listed companies with fund-raising services through issuance of stocks and bonds, advice on merger and division, investment and management services for new technology investment associations, and other services. In 2019, it served as the key underwriter for capital increase amounting to KRW 107 billion in total and issued KRW 64.5 billion worth of privately placed convertible bonds. It also provided advice on stock exchange in three cases (CoAsia-Itswell, Wonik-Winix, BGF-BGF Post). In addition, it formed Daishin New Technology Investment Association No. 2 (KRW 20 billion in convertible bonds for LOT Vacuum), No. 3 (cost plus fee contract valued at KRW 50 billion between Maeil Holdings and 0 to 7), and No. 4 (KRW 10 billion in convertible bonds for Sangsin EDP), for which investment and management services are still being provided. In 2020, the division plans to carry out sales activities targeting enterprises with strong growth potential, based on various deal structures including the operations of a company specializing in investment in non-listed enterprises (BDC).

IPO Division

The IPO Division provides enterprises with advice and services related to listing and serves as a designated advisor to companies listed on KONEX. In 2019, Daishin Securities was ranked third in the IPO League Table compiled by The Bell. The IPO Division supervised the IPO of six companies, including EcoPro BM, Bridge Biotherapeutics, and i-Scream Edu, and participated in the underwriting group for the IPO of Mirae Asset Venture Investment, Zinus, and Hanwha Systems. It completed services for the listing of two new SPCs and the merger and listing of the SPAC between Neosem and Zinitix, and served the role of designated advisor for six companies listed on KONEX. In 2020, the IPO Division will continue to assist non-listed companies with an excellent track record in raising funds by becoming listed on the stock exchange and help Daishin maintain its top position in the IPO League Table.

Advisory Department

The Advisory Division offers advice on M&A, financing/fund-raising, and attaining business objective and goals. In 2019, the division provided advisory services for five M&As, including Daekwang Construction's acquisition of Daehan Savings Bank, management buy out (MBO) of an automotive parts manufacturer, and transfer of a wholly owned subsidiary through stock exchange between Bubang and Cuchen. Also, it is actively carrying out acquisition financing deals and conversion into holding companies. In 2020, the Advisory Division will build its financial advisory capacity to gain prominence in big M&A deals and source diverse deals through its network of related companies and institutional investors.

IPO League Table

According to Money Today's The Bell

Category	FY17	FY18	FY19
Performance	KRW 122.9 billion	KRW 425.2 billion	KRW 281.2 billion
Number of cases	7	14	8
Market share	1.54%	14.36%	7.07%

The PF segment is comprised of PF 1 Division, PF 2 Division, and Alternative Investment Department

PF 1 and PF 2 Divisions

The PF 1 and PF 2 divisions are carrying out services across the areas of financing arrangement, loan participation, and structured finance for businesses requiring large amounts of funds such as real estate development projects. In 2019, it recorded KRW 52.7 billion in operating revenue. The PF divisions offer diverse alternative investment products through structured PF products, in which Daishin Securities has participated, to institutional investors as well as the HNW and UHNW customers of the company. In addition to investing in development projects, the business portfolio is being diversified by participation in the preferred stocks of real estate pre-purchase funds so as to diversify the sources of revenue. As a preemptive response to intensifying competition in the development market and tougher regulations on real estate, the PF divisions have created a portfolio focusing on non-residential properties (office-tels, logistics centers, knowledge industry centers, etc.). They are presenting diverse profit models, such as equity investment and bridge loans, and fortified supervision capacity, in addition to discovering new businesses including REITs by collaborating with affiliates including Daishin Asset Trust.

Alternative Investment Department

The Alternative Investment Department is tasked with underwriting, financial advisory, and financing arrangement services as well as discovery of structured products among alternative investment assets in Korea and abroad. To discover alternative investment assets such as real estate, infrastructure, and aircraft, the department is building a network with global IBs, asset management companies, and hedge fund operators. Using the know-how gained from dealing with diverse investment structures, including direct acquisition of real assets, assignment of shares of stock, and joint venture investment, the department offers excellent investment products to customers. It underwrote the fund providing loans for real estate properties in key gateway cities in Europe such as Berlin, Frankfurt, and Paris and landmark real estate properties in America. By structuralizing the products underwritten by the company, the department plans to continually discover structured alternative investment asset products for HNW customers and investors among publicly traded funds and REITs to help them create diversified investment portfolios.

Tangible Assets

Land for Business	153.0
Buildings for Business	187.3
Accumulated Depreciation (Building)	(26.0)
Assets Under Construction	1.0
Total	315.3

Investment Real Estate

Land	1,139.7
Buildings	930.7
(Accumulated Depreciation)	(19.2)
Total	2,051.2

Total	Unit : KRW 1 billion
1,292.7	
1,118.0	
(45.2)	
1.0	
2,366.5	

Selling and Administrative Expenses

Unit : KRW 1 billion

Category	FY17	FY18	FY19
Salaries and Employee Benefits ¹⁾	157.2	162.2	163.7
Electronic Data Process Expenses	25.0	26.4	22.0
Rents	8.0	8.5	2.0
Commissions Paid	27.0	25.3	27.1
Advertising Expenses	7.1	6.4	10.1
Depreciation and Amortization	20.2	20.4	35.0
Other ²⁾	39.4	37.3	34.3
Total	283.9	286.6	294.3

1) Salaries and Employee Benefits = Salary + Severance Pay + Early Retirement Allowance + Fringe Benefit Expenses

2) Other = Entertainment Expenses + Training Expenses + Taxes And Dues + Commissions + Other Expenses

Risk Management

Risk Management Organizations

Risk Management Committee (RMC)

The RMC is comprised of three registered directors including the CEO and two outside directors, with the chairperson appointed by the resolution of the RMC. It formulates a comprehensive risk management policy, establishes and revises risk management regulations and guidelines, approves risk limits and risk measurement methods, sets forth financial soundness criteria, and approves crisis response measures.

Investment Review Committee (IRC)

The IRC is comprised of the head of the Risk Management Department (chairperson) and the heads of working-level departments. It is responsible for deliberating on matters related to appropriateness of investment, matters to be considered by the company in relation to investment, credit risks, liquidity risks, legal risks, and so on.

Fair Value Assessment Committee (FVA)

The FVA is comprised of the head of the risk management segment (chairperson) and the heads of working-level departments. It is responsible for approving and changing pricing models for derivatives.

Risk Management Execution Committee (RMEC)

The RMEC is comprised of the head of the risk management segment (chairperson) and executive officers. It is responsible for approving the risk limit for the strategies implemented by each department, operating and managing the risk management system, improving credits, approving principal investments, and establishing crisis response measures.

OTC Derivatives Review Committee (ODRC)

It is comprised of the head of the product segment (chairperson) and the heads of working-level departments. It is responsible for reviewing the feasibility of over-the-counter derivatives transactions and the appropriateness of the risk management policy for exchange-traded derivatives, and so on.

Credit Loan Review Committee (CLRC)

The CLRC is comprised of the head of the risk management segment and the heads of working-level departments. It is responsible for selecting and restricting credit line items and reviewing exceptions for providing credit/loans.

Net Capital Ratio (NCR)

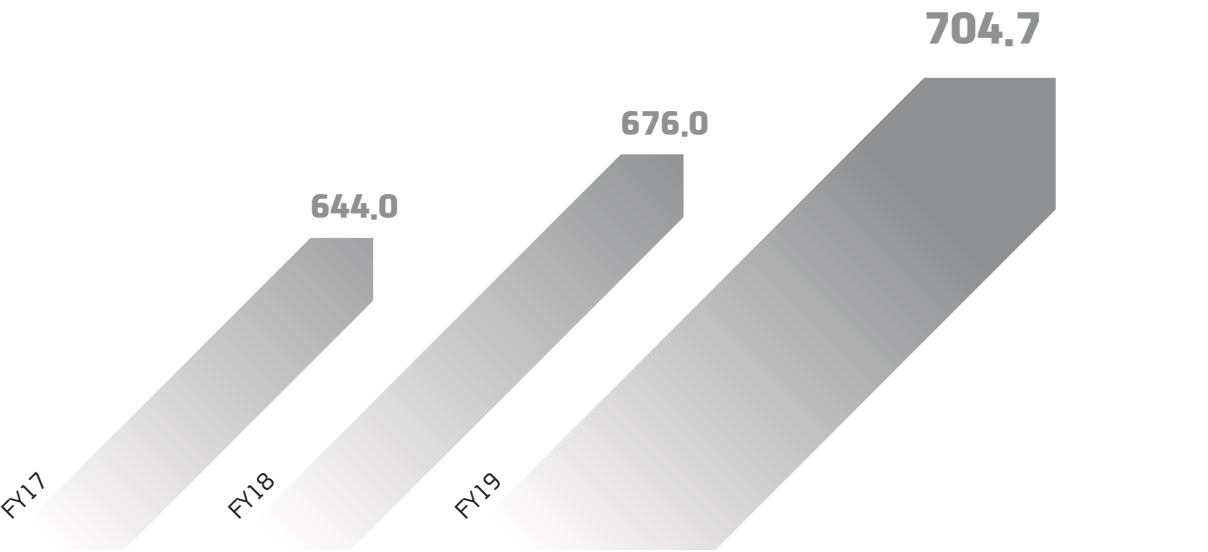
Unit : KRW 1 million

Category		FY17	FY18	FY19
NCR	Separate	376.8%	480.5%	301.8%
	Consolidated	397.6%	493.9%	386.1%
Net capital for business	Separate	695,934	899,627	687,797
	Consolidated	726,683	919,679	804,307
Surplus capital	Separate	506,456	645,741	405,225
	Consolidated	534,319	663,805	518,242

The net capital ratio (NCR) introduced in 2016 is calculated by dividing the surplus capital by the equity that needs to be maintained for each business unit. Surplus capital is calculated by subtracting the total risk amount, which is the predicted loss in the sales segment, by the net capital for business, which is the amount that can be immediately cashed. In 2019, the NCR was recorded at 386.1%, based on the consolidated financial statements, and 301.8%, based on the separate financial statement.

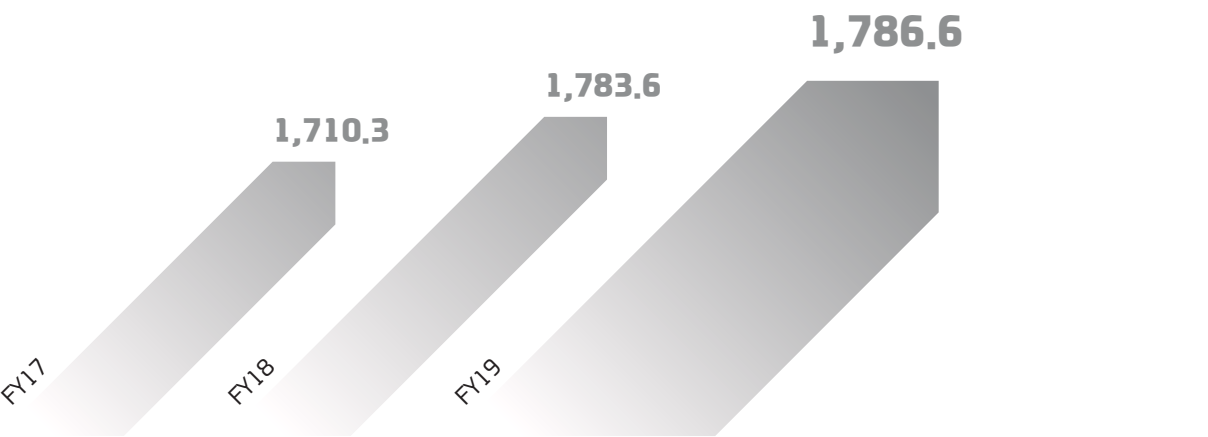
Leverage Ratio

Unit : %



Adjusted Equity

Unit : KRW 1 billion



The leverage ratio is calculated by dividing the amount obtained by subtracting the investor deposits, receivables from commissioned sales, bad debt reserve, etc. from the total assets by the adjusted equity. As of 2019, the leverage ratio dropped 116.3% year-over-year to 644.0%.

2020 Risk Management Measures

In 2020, efforts will be made to ensure close monitoring of environmental changes and investment assets to prepare against increased volatility in the domestic real estate market, growing risks in overseas alternative investments, and tougher regulations on real estate finance. Also, prompt and rational opinions will be provided to contribute to the strengthening of the value chain of the Daishin Group, and the Group's crisis response capacity will be strengthened by maintaining the total risks at appropriate levels.

Daishin F&I

Daishin F&I is Korea's first private bad bank established for the resolution of non-performing loans (NPLs). It is a leader in the NPL market that has been generating steady profits and fulfilling its CSR.

The key business areas of Daishin F&I include the acquisition and disposal of asset-backed securities (ABS) issued by companies, defined as securitization companies by the Asset-Backed Securitization Act, that convert NPLs into securitized assets, investing in collective investment vehicles, etc. defined by the Financial Investment Services and Capital Markets Act, corporate restructuring associations, defined by the Industrial Development Act, as well as marketable securities, bonds, and other similar financial assets.

2019 Business Performance

In 2019, the total investment amount of Daishin F&I reached approx. KRW 688.4 billion, of which KRW 301.3 billion was invested in NPLs, the company's key source of revenue. By making strategic investments focused on profitability, the company gained a market share of 8.5% in terms of investment amount, ranking fourth in the NPL industry, which is led by UAMCO with a market share of 42.4%. Aside from NPLs, Daishin F&I is carrying out investment activities in the areas of alternative investment, which includes real estate finance, and safe assets, as a way to diversify its investment portfolio. In 2019, it recorded KRW 3,891.5 billion in total assets and KRW 12.9 billion in pre-tax income, with a 2.6% ROE and 0.3% ROA.

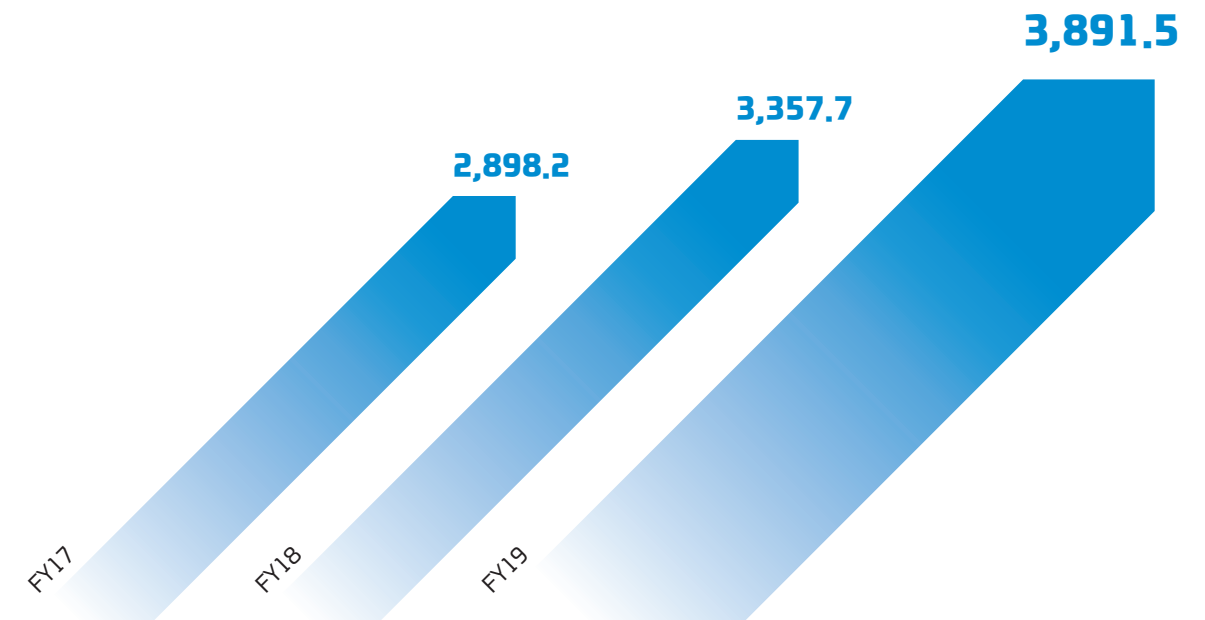
2020 Objectives

In 2020, Daishin F&I will continue its efforts to consolidate its foundation as a comprehensive investment company that ensures efficiency and stability by ① improving its asset and financial soundness, ② strengthening its risk management, ③ enhancing the efficiency of the organization, and ④ promoting collaborations within the Group.

Business Type	Other financial business (acquisition and disposal of ABS, etc.)
Business Area	NPL
Date of Establishment	May 7, 2014
Number of Employees	35
Head Office Address	343, Samil-daero, Jung-gu, Seoul, Republic of Korea (Daishin Finance Center)
Paid-In Capital	KRW 70 billion
Total Shareholders' Equity	KRW 452.4 billion
Total Assets	KRW 3,891.5 billion

Total Assets

Unit : KRW 100 million



2019 Net Income Before Tax

Unit : KRW 100 million

129

Total Investment

Unit : KRW 100 million

6,884

Category	FY17	FY18	FY19	Unit : KRW 100 million
Net income before tax	697	419	129	
Return on equity (ROE)	12.6%	6.9%	2.6%	

Daishin Savings Bank

Daishin Savings Bank is a financial institution that maintains customer trust as its top priority.

As a regional financial institution, Daishin Savings Bank has a network of six branches in Seoul, Gangwon, and Busan, and has been achieving steady growth by reinforcing its expertise in corporate finance and creating synergy with other companies of the Group. In 2019, Daishin Savings Bank saw sluggish growth due to the recession in the real estate market, but it continued its activities to emerge as a leader in the industry that sets new trends by boosting productivity and reinforcing risk management. There are plans to strengthen its foundation for sustainable business by maintaining a steady BIS ratio, reinforce review and follow-up management practices, and gain greater expertise in the credit loan business. In addition, a stable profit structure will be created by expanding investment in consumer finance beyond corporate finance.

2019 Business Performance

In 2019, Daishin Savings Bank concentrated its efforts on boosting productivity and reinforcing risk management, thereby generating a steady revenue despite economic challenges such as a slowdown in the real estate market. Total credit loans reached KRW 1,320.6 billion, resulting in KRW 23.9 billion in net income before tax and a surplus for seven consecutive terms. By implementing an optimized risk response system, the NPL ratio was recorded at 3.05%, a 0.8% improvement from the previous year.

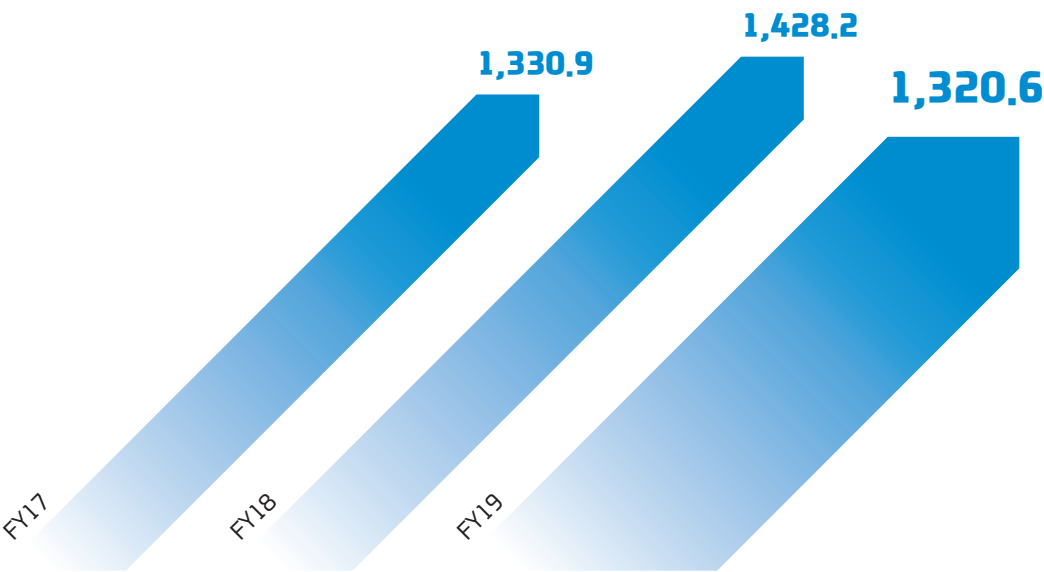
2020 Objectives

In 2020, Daishin Savings Bank will carry out full-fledged activities with the aim of becoming a leader in the industry that sets new trends by generating steady revenues. It will also continue its efforts to lay the groundwork for future growth based on strategies of reinforcing its sustainable organizational foundation based on differentiation (“Unique”), securing steady sources of revenue by gaining improved expertise (“Expert”), and reaching the top of the industry (“Summit”).

Business Type	Mutual savings bank
Business Area	Savings and deposits, loans, etc.
Date of Establishment	August 5, 2011
Number of Employees	185
Head Office Address	343, Samil-daero, Jung-gu, Seoul, Republic of Korea (Daishin Finance Center)
Network	6 branches (Sales Dept. head office, 2 branches in Seoul, 1 in Gangwon, and 2 in Busan)
Paid-In Capital	KRW 35.6 billion
Total Shareholders’ Equity	KRW 204.7 billion
Total Assets	KRW 1,553.0 billion

Total Credit Loans

Unit : KRW 100 million



2019 Net Income Before Tax

Unit : KRW 100 million

239

2019 NPL Ratio

Unit : %

3.1

Category	FY17	FY18	FY19
Total credit loans	1,330.9	1,428.2	1,320.6
Net income before tax	325	337	239
NPL ratio	4.3%	3.9%	3.1%

Daishin Asset Management

Daishin Asset Management is an asset management firm that demonstrates a competitive edge in alternative and passive investment products.

The company name was changed to Daishin Investment & Trust Corporation in July 1996 to initiate a stock-based investment and trust business. Its name was changed again to Daishin Asset Management in May 2010, and it was merged with the creative investment advisory segment in March 2013 to offer investment and wrap account services.

2019 Business Performance

In 2019, Daishin Asset Management set forth two strategic goals: stable supply of safe products and establishment of a surplus business structure. Based on these strategic goals, the company began expanding the supply of real estate financial products and enlarged passive funds. Internally speaking, management stability was ensured based on improved risk management and cost efficiency. By achieving internal and external growth through these efforts, the company achieved a 58% YOY increase in operating revenues.

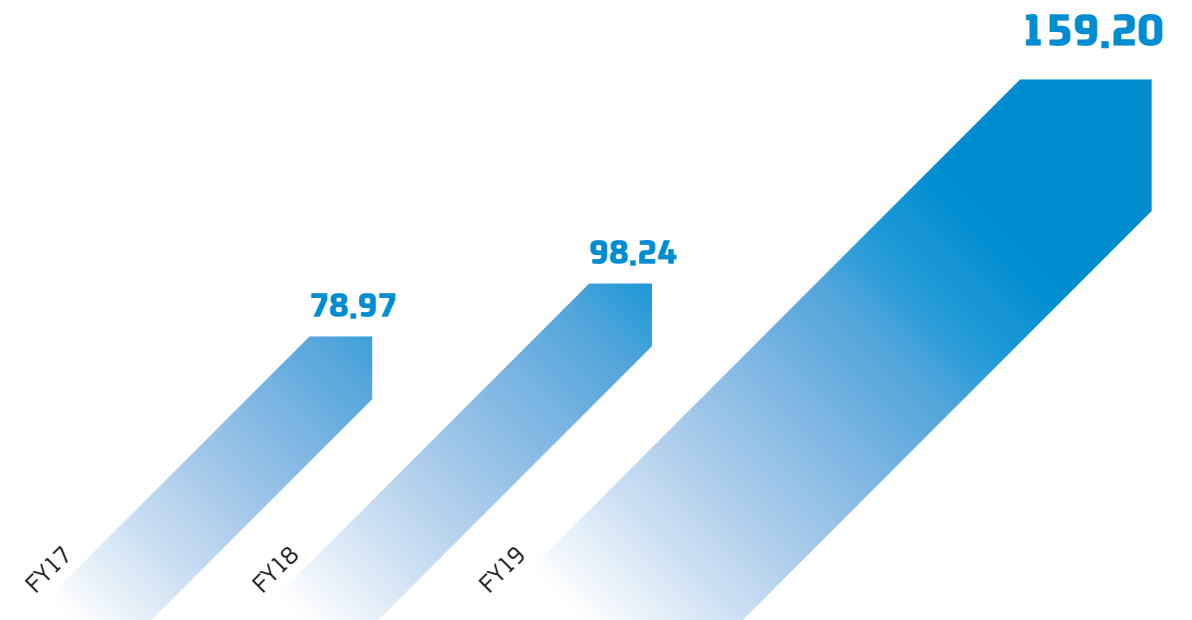
2020 Objectives

Worldwide contraction of the real economy and low interest rates are expected in the year 2020. Accordingly, there are plans to boost the amount entrusted in passive funds, centering on domestic bond-type funds and index funds, in the case of traditional assets, and the passive fund segment will be further reinforced based on a strategy to enter into new global index funds. Also, based on the expectation that the preference for medium-risk, medium-ROI products will continue, the company will continue offering verified real estate funds, as was the case last year. Passive funds and real estate funds make up the core business areas of the company, and by concentrating on these strengths, the company is expected to meet diverse customer needs and attain improved financial performance. Daishin Asset Management will be prepared against economic uncertainties and volatility at home and abroad by providing safe and differentiated products and engaging in stringent risk management. Additionally, the company will adhere to the asset management philosophy and principles and practice integrity management in order to earn customer trust.

Business Type	Asset management
Business Area	Investment sales, investment brokerage, collective investment, discretionary investment, and private equity fund investment
Date of Establishment	March 24, 1988
Number of Employees	59
Head Office Address	24, Myeong-dong 11-gil, Jung-gu, Seoul, Republic of Korea (China Construction Bank Tower)
Paid-In Capital	KRW 29.0 billion
Total Shareholders' Equity	KRW 38.6 billion
Total Assets	KRW 42.4 billion

Operating Revenues

Unit : KRW 100 million



2019 Operating Expenses

Unit : KRW 100 million

107.82

2019 Profit

Unit : %

51.0

Category	FY17	FY18	FY19	Unit : KRW 100 million
Operating revenues	78.97	98.24	159.20	
Operating expenses	91.5	96.17	107.82	
Profit	36.42	3.18	51.00	

Daishin Economic Research Institute

Daishin Economic Research Institute is Korea's one and only private economic research institute in the securities sector, and was founded in 1984. It has been contributing to the establishment of an advanced corporate governance structure in the capital market of Korea and underpinning the global competitiveness of the domestic financial investment industry.

The Daishin Economic Research Institute is comprised of two segments: the Governance Research Institute and the Financial Engineering Research Institute.

The Daishin Governance Research Institute is striving to become Korea's leading research institute in the area of governance research with profound insight regarding the capital market and corporate situations. It provides guidelines on the exercise of voting rights at the general meetings of shareholders and sound governance for listed companies to simultaneously promote their own value and the rights and interests of their shareholders. Furthermore, it carries out stewardship code establishment and ESG evaluations, based on a database concerning various governance data and professionals with extensive practical experience and competencies, thereby seeking ways for shareholder rights to be exercised in an active and comprehensive manner and providing consulting to help realize these measures.

The Daishin Financial Engineering Research Institute carries out research and development (R&D) projects on investment algorithms by incorporating the latest engineering techniques into traditional financial investment theories. This is to meet the growing demand for precise investment techniques and safe investment models, due to diversification of investment means and increased investment risks resulting from globalization of financial investment. In addition, the institute applies its research findings and outcomes to actual systems to develop innovative investment solutions and provide consulting on related matters.

2019 Performance

In 2019, the Daishin Governance Research Institute was chosen as a consulting service provider by 18 institutional investors, for which it provided services such as issue analysis, stewardship code establishment, preparation of shareholder activities, and ESG evaluations. In addition, reports were diversified with the publication of the ESG Weekly, Conglomerate Governance Report, Trend Report on Judicial Precedents and Enactment of States, and Exclusion Criteria for Overseas Pension and Funds Investment. The personal information system and others were upgraded, and atypical data on the executive of listed companies from the past 10 years were secured for commercialization. The institute is also equipped with systems for multi-faceted analysis by analyzing issues such as dividend models and accumulating various statistics related to ESG. The Daishin Governance Research Institute is dedicated to building market influence by participating in governance-related taskforce teams (TFTs) set up by the relevant authorities and making presentations as panelists at various forums. Based on these achievements, the institute will strive toward qualitative advancement, in addition to winning more consulting contracts in 2020. Furthermore, the number of advisory committees has been increased from one to four in order to build its professional competence, and experts from various fields are being recruited.

The Daishin Financial Engineering Research Institute has gained a diverse investment model lineup, with the "first to three" as well as the fifth robo-advisor model passing the Financial Services Commission's testbed, and successfully launched a robo-advisor for safe bond products. An app has been developed for the professional advisory system (PAS) 금융상품영업지원시스템 for financial products, which has been in operation for several years, thereby enhancing user convenience and accessibility.

2020 Objectives

In 2020, the Daishin Economic Research Institute will offer new services based on big data analysis and related projects and diversify its business areas, in addition to its existing portfolio consulting services provided to domestic and foreign institutions. By innovating the data processing processes, key strategic businesses of the research institute such as development of an ESG scoring model will be carried out with greater efficiency. Furthermore, the scope of the personnel and infrastructure for utilization of big data will be expanded, and special attention will be paid to the development of investment models for global investment.

Business Type	Management consulting, academic and research area, development of investment solutions, consulting on the exercise of voting rights at general meetings of shareholders, provision of database on issue analysis results, and ESG data services
Business Area	Governance research and financial engineering research
Date of Establishment	September 17, 1984
Number of Employees	35
Head Office Address	34-3, Samil-daero, Jung-gu, Seoul, Republic of Korea (Daishin Finance Center)
Paid-In Capital	KRW 5.0 billion
Total Shareholders' Equity	KRW 6.0 billion
Total Assets	KRW 6.4 billion

Daishin Private Equity

Daishin Private Equity has been achieving rapid growth each year, with a virtuous cycle created based on ongoing establishment of new funds, investment, and recovery, since the formulation of new strategies in August 2014.

Daishin Private Equity has been expanding the scope of its investment areas beyond growth capital and mezzanine to include secondary, co-investment and buyout investments. Gaining recognition for its management competency in the PEF market, the company has been managing an increasing amount of assets. It is currently managing four private equity funds, with investment from the National Pension Service, Industrial Bank of Korea, Industrial Worker's Accident Compensation Insurance and Prevention Fund, Teachers' Pension, Military Mutual Aid Association, Public Officials Benefit Association, Korea Scientists & Engineers Mutual-aid Association, and others, and two new funds will be formed in 2020 to make a total of six PEFs. Daishin Private Equity plans to gradually bolster its competitiveness by striving to achieve sustainable, long-term results, rather than short-term results, and make efforts to contribute to the betterment of the invested companies and the economy by improving their value through actively exercising management rights and improving their business structure.

Key Performance Results and Objectives

Daishin Private Equity was chosen as a joint general partner along with SK Securities (presently SKS Private Equity) for the first growth support fund operators carried out by the Industrial Bank of Korea in 2019. In addition to forming two new funds, the Daishin Value-Up No. 1 Private Equity Joint Venture, established in 2017, was successfully liquidated. A blind fund worth over KRW 250 billion is being created at present, and there are plans to launch Daishin-SKS Innovation No. 2 Private Equity Joint Venture in the first quarter of 2020. Also, in the first half of the year, a project fund worth about KRW 60 billion will be created. Daishin Private Equity, which is currently managing KRW 779.5 billion of assets, is striving to emerge as a differentiated growth-cap investment PEF company managing KRW 1 trillion by creating new blind funds and joint investment project funds with strategic investors.

Business Type	Private equity investment
Business Area	Private equity fund management
Date of Establishment	September 27, 2012
Number of Employees	10
Head Office Address	343, Samil-daero, Jung-gu, Seoul, Republic of Korea (Daishin Finance Center)
Paid-In Capital	KRW 10.0 billion
Total Shareholders' Equity	KRW 11.5 billion
Total Assets	KRW 13.4 billion

Daishin Asset Trust

Daishin Asset Trust is a comprehensive real estate finance company established in 2019 that engages in real estate trust and incidental businesses, REITs AMC business defined by the Real Estate Investment Company Act, mortgage bond trust business, urban re business, and consulting services.

Staffed with the industry's leading experts with various areas of expertise in their respective business areas, Daishin Asset Trust will fulfill its responsibilities and obligations and bring about positive changes in the industry based on a management philosophy centered on "harmony," "trust," and "innovation," and win-win relationships with its customers.

Key Performance Results and Objectives

Daishin Asset Trust is a financial company specializing in real estate investment that was established with 100% contributions from Daishin Securities. Based on the financial strength attested by a paid-in capital of KRW 100 billion, the company provides real estate development, management, and consulting services. In addition to ensuring business stability based on existing real estate trust products, the company is engaging in urban renewal and REITs projects and collaborating with affiliates of the Group to develop new real estate finance products, with the aim of securing future growth engines. Daishin Asset Trust will be committed to objective and transparent management of the entrusted properties, based on trust and the principle of win-win relationships, and become a trustworthy investment partner for its customers.

Business Type	Finance and real estate
Business Area	Real estate trust and incidental businesses, REITs AMC, urban renewal projects, consulting, mortgage bond trust, etc.
Date of Establishment	May 30, 2019
Number of Employees	50
Head Office Address	343, Samil-daero, Jung-gu, Seoul, Republic of Korea (Daishin Finance Center)
Paid-In Capital	KRW 100.0 billion
Total Shareholders' Equity	KRW 96.8 billion
Total Assets	KRW 100.3 billion



Korea (Myeongdong, Cheongdam, Wiryae, other key areas)

Overseas (USA, Japan, and Singapore)

Real Estate Investment Strategies of Daishin Securities

- 1) Invest in geopolitically stable regions
- 2) Invest in regions where decline in prices is relatively minor even during global economic crises or where the prices rebound quickly
- 3) Invest in key regions in the world characterized by excellent ROI and cashability



Audit Report on the Consolidated Financial Statements

Independent Auditor's Report

This report is effective as at March 12, 2020, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

To the Board of Directors and Shareholders of
Daishin Securities Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Daishin Securities Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair Value Measurement of Over-the-counter Derivatives and Derivatives-linked Securities classified as Level 3

Key Audit Matter

As explained in Note 6 to the consolidated financial statements, the Group classifies fair value hierarchy levels as levels 1, 2 and 3 based on observability of inputs used to measure the fair values of financial instruments. If more than one significant component of fair value measurement is unobservable in the market, such financial instruments is classified as level 3. As explained in Note 6 to the consolidated financial statements, financial instruments measured at fair value amounting to 2,720,841 million (financial assets: 539,940 million, financial liabilities: 2,180,901 million) were measured based on unobservable inputs, and therefore, were classified as level 3 as at December 31, 2019. As at December 31, 2019, over-the-counter derivatives and derivatives-linked securities classified as level 3 using unobservable inputs amount to 2,453,587 million (financial assets: 272,687 million, financial liabilities: 2,180,901 million). As explained in Note 6 to the consolidated financial statements, financial instruments classified as level 3 uses various valuation techniques and variables. There is an uncertainty of accounting estimates as results of measurement may significantly change depending on the management's determination on the valuation techniques and unobservable inputs. We considered that the fair value measurement of over-the-counter derivatives and derivatives-linked securities classified as level 3 is a key audit matter in consideration of their size, applicable valuation techniques and impact of unobservable inputs.

How our audit addressed the Key Audit Matter

We have performed the following audit procedures to address the above key audit matter:

- We obtained an understanding and evaluated the internal control related to measurement process of fair value, including management's use of external experts. - We reviewed the qualification and independence of external experts engaged by the Group.
- Control test: management review controls on the accuracy of external value interfaces and the results of fair value calculation. - We

reconciled external value and the accounting treatment. - We verified whether issuance information in the contract is consistent with issuance information used to measure the fair value on a sampling basis. - We independently performed recalculation on the samples of the Group's financial instruments by its type from help of internal experts, and reviewed the differences. - We assessed whether fair value hierarchy levels are categorized by nature of inputs used.

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hwi-Chul Jin, Certified Public Accountant.

March 12, 2020

92 Hangang-daero, Yongsan-gu, Seoul, Korea

Young-Sik Kim, CEO of Samil PwC Korea

Consolidated Statements
of Financial Position

Daishin Securities Co., Ltd.
and Subsidiaries

Account	2019		2018	Unit: KRW 1 thousand
Assets				
I. Cash and bank deposits		2,357,596,116		2,127,570,263
II. Financial assets at fair value through profit or loss		8,444,688,656		8,526,290,106
1. Financial assets at fair value for trading	8,165,430,964		8,194,960,932	
2. Derivatives Assets	279,257,692		331,329,174	
III. Financial assets at fair value through other comprehensive income		183,381,155		166,865,226
IV. Investments in associates and joint ventures		221,732,761		141,464,899
V. Loans and receivables		4,363,040,893		4,567,458,991
VI. Current tax assets		19,933,266		3,036,162
VII. Property and equipment		402,844,277		337,505,147
VIII. Intangible assets		153,176,568		170,308,731
IX. Investment property		2,064,303,034		1,378,623,580
X. Non-current assets held for sale		223,730,499		311,016,669
XI. Deferred tax assets		107,167,032		85,519,531
XII. Other assets		606,903,984		1,109,079,965
XIII. Inventories		288,782,146		226,574,974
Total assets		19,437,280,387		19,151,314,244
Liabilities				
I. Financial liabilities at fair value through profit or loss		3,077,912,751		4,061,866,523
1. Financial liabilities at fair value for trading	5,067,432		66,325,384	
2. Derivatives Liabilities	300,299,632		401,124,304	
3. Financial liabilities designated at fair value	2,772,545,687		3,594,416,835	
II. Deposit liabilities		2,813,090,994		2,930,839,747
III. Borrowings		7,929,924,510		7,660,692,225
IV. Debentures		1,784,772,804		1,253,376,672
V. Defined benefit liabilities and other long-term employee benefits		8,245,890		7,410,088
VI. Provisions		16,309,889		15,949,670
VII. Current tax liabilities		5,240,664		13,373,944
VIII. Deferred tax liabilities		66,908,560		67,044,705
IX. Other liabilities		1,717,825,261		1,139,864,565
Total liabilities		17,420,231,323		17,150,418,139

Consolidated Statements of Financial Position
December 31, 2019 and 2018

Account	2019		2018	Unit: KRW 1 thousand
Equity				
I. Equity attributable to owners of the Group		1,984,474,468		1,969,186,752
1. Capital stock	434,867,000		434,867,000	
2. Capital surplus	694,981,258		694,981,258	
3. Accumulated other comprehensive income	127,829,995		113,090,211	
4. Retained earnings	952,748,176		903,137,906	
(Accumulated reserve for bad debts)	11,540,535		7,278,972	
(Expected reserve for bad debts)	2,253,967		4,261,563	
5. Capital adjustments	(225,951,961)		(176,889,623)	
II. Non-controlling interests		32,574,596		31,709,353
Total equity		2,017,049,064		2,000,896,105
Total liabilities and equity		19,437,280,387		19,151,314,244

Consolidated Statements of Comprehensive Income

Daishin Securities Co., Ltd.
and Subsidiaries

Account	2019	2018	Unit: KRW 1 thousand
I. Commissions income and expenses, net		229,487,630	260,464,097
1. Commissions income	273,043,557	313,284,882	
2. Commissions expenses	43,555,927	52,820,785	
II. Interest income and expenses, net		45,534,629	90,857,229
1. Interest income	299,959,701	290,446,622	
2. Interest expenses	254,425,072	199,589,393	
III. Gain on financial instruments at fair value through profit or loss, net		548,122,384	224,342,729
IV. Loss on financial instruments designated at fair value through profit or loss, net		(379,805,075)	(97,974,585)
V. Loss on credit loss, net		(52,356,966)	(44,858,418)
VI. Gain on disposal of financial assets at amortized cost		25,510,364	45,210,151
VII. Housing income and expenses, net		21,225,211	-
1. Income from sales of housing	111,338,429	-	
2. Cost of sales of housing	90,113,218	-	
VIII. Other operating income		39,807,284	35,877,574
IX. Operating revenues, net		477,525,461	513,918,777
X. Selling and administrative expenses		377,847,257	355,418,981
1. Employee benefits expense	202,886,196	196,127,835	
2. Depreciation and amortization	41,947,145	22,842,632	
3. Other selling and administrative expenses	133,013,916	136,448,514	
XI. Operating profit and loss		99,678,204	158,499,796
XII. Non-operating income, net		29,402,538	30,780,147
XIII. Profit before income tax		129,080,742	189,279,943
XIV. Income tax expense		35,125,253	48,555,235
XV. Profit for the year		93,955,489	140,724,708
(Total other comprehensive income for the year, net of tax Current term: KRW 92,459 million Previous term: KRW 136,582 million)			
XVI. Other comprehensive income for the year, net of tax		15,795,943	5,218,237
1. Items that will or may be reclassified to profit or loss, net of tax	6,446,283	1,448,399	
Share of other comprehensive income of associates	134,819	179,233	
Gain on translation of overseas operations	6,311,464	1,269,166	

Consolidated Statements of Financial Position
December 31, 2019 and 2018

Account	2019	2018	Unit: KRW 1 thousand
2. Items that will not be reclassified to profit or loss, net of tax	9,349,660	3,769,838	
Remeasurements of the net defined benefit plan	(1,142,804)	272,155	
Gain on valuation of financial assets at fair value through other comprehensive income	12,519,074	2,948,239	
Changes in the fluctuation of own credit risk of financial liabilities at fair value through profit or loss	(2,026,610)	549,444	
XVII. Total comprehensive income		109,751,432	145,942,945
Profit for the year attributable to:		93,955,489	140,724,708
1. Owners of the Group	94,712,829	140,844,121	
2. Non-controlling interests	(757,340)	(119,413)	
Other comprehensive income for the year attributable to:		109,751,432	145,942,945
1. Owners of the Group	109,452,613	146,062,358	
2. Non-controlling interests	298,819	(119,413)	
Earnings per share			
Basic earnings per ordinary share		1,310	1,961
Basic earnings per 1st preferred share		1,415	1,999
Basic earnings per 2nd preferred share		1,366	1,949
Diluted earnings per ordinary share		1,299	1,943
Diluted earnings per 1st preferred share		1,402	1,981
Diluted earnings per 2nd preferred share		1,353	1,931

Consolidated Statements of Changes in Equity

Daishin Securities Co., Ltd. and Subsidiaries

Account	Equity attributable to owners of the Group			
	Capital Stock	Capital Surplus	Accumulated Other Comprehensive Income	Retained Earnings
Balance at January 1, 2018	434,867,000	694,981,258	110,981,024	807,198,053
Change in accounting policy	-	-	(3,109,050)	(687,135)
	434,867,000	694,981,258	107,871,974	806,510,918
Comprehensive income				
Profit for the year	-	-	-	140,844,121
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	2,948,239	-
Changes in the fluctuation of own credit risk of financial liabilities at fair value through profit or loss	-	-	549,444	-
Share of other comprehensive income of associates	-	-	179,233	-
Gain on translation of overseas operations	-	-	1,269,166	-
Remeasurements of the net defined benefit plan	-	-	272,155	-
Transactions with equity holders				
Dividends paid	-	-	-	(44,217,133)
Changes in treasury shares	-	-	-	-
Others	-	-	-	-
Acquisition of subsidiaries	-	-	-	-
Balance at December 31, 2018	434,867,000	694,981,258	113,090,211	903,137,906
Balance at January 1, 2019	434,867,000	694,981,258	113,090,211	903,137,906
Change in accounting policy	-	-	-	(18,460)
	434,867,000	694,981,258	113,090,211	903,119,446
Comprehensive income				
Profit for the year	-	-	-	94,712,829
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	12,519,074	-
Changes in the fluctuation of own credit risk of financial liabilities at fair value through profit or loss	-	-	(2,026,610)	-
Share of other comprehensive income of associates	-	-	134,819	-
Gain on translation of overseas operations	-	-	5,256,321	-
Remeasurements of the net defined benefit plan	-	-	(1,143,820)	-
Transactions with equity holders				
Dividends paid	-	-	-	(45,084,099)
Changes in treasury shares	-	-	-	-
Others	-	-	-	-
Acquisition of subsidiaries	-	-	-	-
Balance at December 31, 2019	434,867,000	694,981,258	127,829,995	952,748,176

Consolidated Statements of Financial Position December 31, 2019 and 2018

Capital Adjustments	Total	Non-Controlling Interests	Total Equity	Unit: KR₩ 1 thousand
(180,298,903)	1,867,728,432	168,289	1,867,896,721	
-	(3,796,185)	-	(3,796,185)	
(180,298,903)	1,863,932,247	168,289	1,864,100,536	
-	140,844,121	(119,413)	140,724,708	
-	2,948,239	-	2,948,239	
-	549,444	-	549,444	
-	179,233	-	179,233	
-	1,269,166	-	1,269,166	
-	272,155	-	272,155	
-	(44,217,133)	-	(44,217,133)	
3,560,460	3,560,460	-	3,560,460	
(151,180)	(151,180)	-	(151,180)	
-	-	31,660,477	31,660,477	
(176,889,623)	1,969,186,752	31,709,353	2,000,896,105	
(176,889,623)	1,969,186,752	31,709,353	2,000,896,105	
-	(18,460)	-	(18,460)	
(176,889,623)	1,969,168,292	31,709,353	2,000,877,645	
-	94,712,829	(757,340)	93,955,489	
-	12,519,074	-	12,519,074	
-	(2,026,610)	-	(2,026,610)	
-	134,819	-	134,819	
-	5,256,321	1,055,143	6,311,464	
-	(1,143,820)	1,016	(1,142,804)	
-	(45,084,099)	-	(45,084,099)	
(46,996,608)	(46,996,608)	-	46,996,608	
(2,065,730)	(2,065,730)	-	(2,065,730)	
-	-	566,424	566,424	
(225,951,961)	1,984,474,468	32,574,596	2,017,049,064	

Consolidated Statements of Cash Flows

Daishin Securities Co., Ltd. and Subsidiaries

Account	2019	2018	Unit: KRW 1 thousand
I. Net cash outflow from operating activities		(722,309,206)	(1,598,084,884)
1. Profit for the year	93,955,489	140,724,708	
2. Adjustments in expenses and revenues	(116,445,956)	(201,950,266)	
(1) Gain on financial instruments at fair value through profit or loss	(123,984,451)	(60,818,847)	
(2) Gain on financial instruments designated at fair value through profit or loss	(940,399)	(88,191,612)	
(3) Loss on derivatives	50,887,312	73,202,093	
(4) Loss on financial assets at amortized cost	52,356,966	44,858,418	
(5) Depreciation and amortization	41,947,145	22,842,632	
(6) Gain on foreign currency translation, net	(17,089,201)	(2,461,079)	
(7) Net Interest income	(156,958,218)	(204,202,212)	
(8) Loss (gain) on investments in associates, net	4,290,841	(13,050,107)	
(9) Loss on disposal of property and equipment	135,628	61,197	
(10) Loss on disposal of intangible assets	33,000	22,000	
(11) Loss on property and equipment, net	(472,802)	-	
(12) Loss (gain) on intangible assets, net	2,922,158	(241,667)	
(13) Loss on investment property, net	2,298,748	-	
(14) Employee benefits	4,363,104	4,279,664	
(15) Others	(6,635,728)	(1,498,535)	
(16) Impairment loss on non-current assets held for sale, net	12,940,296	10,426,964	
(17) Gain on disposal of non-current assets held for sale	(6,551,676)	(15,365,051)	
(18) Dividend income	(11,113,932)	(20,369,360)	
(19) Income tax expense	35,125,253	48,555,236	
3. Changes in operating assets and liabilities	(760,288,858)	(1,647,686,694)	
(1) Bank deposits	18,601,780	229,418,212	
(2) Financial assets at fair value through profit or loss	140,937,239	(625,866,112)	
(3) Financial liabilities at fair value through profit or loss	(61,651,706)	(19,482,489)	
(4) Financial liabilities designated at fair value through profit or loss	(823,959,232)	8,973,474	
(5) Derivative assets and liabilities	(99,640,500)	11,886,988	
(6) Loans and receivables	126,711,192	(602,298,570)	
(7) Deposit liabilities	(117,582,284)	(123,358,079)	
(8) Borrowings	318,341,860	185,559,384	
(9) Retirement benefit and employee benefits obligations	(4,671,479)	(3,754,100)	
(10) Investment property	(436,658,437)	(355,589,261)	
(11) Other assets	432,839,927	234,657,306	
(12) Other liabilities	(209,141,761)	(375,666,005)	
(13) Inventories	(44,415,457)	(212,167,442)	
4. Interest received	437,803,992	413,528,723	

Consolidated Statements of Financial Position December 31, 2019 and 2018

Account	2019	2018	Unit: KRW 1 thousand
5. Interests paid	(309,958,462)	(253,206,072)	
6. Dividends received	11,761,230	19,590,786	
7. Income taxes paid	(79,136,641)	(69,086,069)	
II. Net cash inflow (outflow) from investing activities		34,048,655	(9,759,474)
1. Payment for acquisition of investments for associates	(122,659,190)	(32,401,487)	
2. Proceeds from disposal of investments for associates	39,798,793	4,143,568	
3. Payment for acquisition of investments for subsidiaries	39,423,223	(45,563,178)	
4. Proceeds from disposal of investments for subsidiaries	(2,941,626)	(698,140)	
5. Payment for acquisition of property and equipment	(44,915,522)	(19,065,731)	
6. Proceeds from disposal of property and equipment	5,110	28,764	
7. Payment for acquisition of intangible assets	(4,164,459)	(457,878)	
8. Proceeds from disposal of intangible assets	1,500,000	800,000	
9. Payment for acquisition of investment property	(2,632,791)	-	
10. Payment for acquisition of non-current assets held for sale	(11,855,156)	(17,578,974)	
11. Proceeds from disposal of non-current assets held for sale	149,747,780	144,008,579	
12. Increase in deposits	(4,634,921)	(6,307,805)	
13. Decrease in deposits	9,230,363	2,832,808	
14. Increase in advance payments	(11,852,949)	(39,500,000)	
III. Net cash inflow from financing activities		910,007,112	1,893,521,603
1. Issuance of debentures	812,556,160	739,287,026	
2. Repayment of debentures	(282,058,795)	(190,000,000)	
3. Net increase or decrease in borrowings	(115,101,800)	1,036,640,323	
4. Increase in leasehold deposit liabilities	597,319,899	357,942,839	
5. Decrease in leasehold deposit liabilities	(174,848)	(5,047,719)	
6. Decrease in other liabilities	(13,270,501)	-	
7. Acquisition of treasury shares	(51,429,948)	-	
8. Payment of dividends	(45,095,528)	(44,210,702)	
9. Proceeds from non-controlling interests	7,363,473	(1,090,164)	
10. Increase or decrease in non-controlling interests	(101,000)	-	
IV. Effects of exchange rate changes on cash and cash equivalents		2,114,080	958,748
V. Net increase in cash and cash equivalents (I+II+III+IV)		223,860,641	286,635,993
VI. Cash and cash equivalents at the beginning of the year		601,401,141	314,765,148
VII. Cash and cash equivalents at the end of the year		825,261,782	601,401,141

Audit Report on Financial Statements

Independent Auditor's Report

This report is effective as of March 12, 2020, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

To the Board of Directors and Shareholders of
Daishin Securities Co., Ltd.

Opinion

We have audited the accompanying separate financial statements of Daishin Securities Co., Ltd. (the Company), which comprise the separate statements of financial position as at December 31, 2019 and 2018, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Daishin Securities Co., Ltd. as at December 31, 2019 and 2018, and its separate financial performance and its separate cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as at December 31, 2019, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting, and our report dated March 12, 2020 expressed an unqualified opinion.

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair Value Measurement of Over-the-counter Derivatives and Derivatives-linked Securities classified as Level 3

Key Audit Matter

As explained in Note 5 to the separate financial statements, the Company classifies fair value hierarchy levels as levels 1, 2 and 3 based on observability of inputs used to measure the fair values of financial instruments. If more than one significant component of fair value measurement is unobservable in the market, such financial instrument is classified as level 3. As explained in Note 5 to the financial statements, financial instruments measured at fair value amounting to 2,687,719 million (financial assets: 506,818 million, financial liabilities: 2,180,901 million) were measured based on unobservable inputs, and therefore, were classified as level 3 as at December 31, 2019. As at December 31, 2019, over-the-counter derivatives and derivatives-linked securities classified as level 3 using unobservable inputs amounting to 2,453,587 million (financial assets: 272,687 million, financial liabilities: 2,180,901 million). As explained in Note 5 to the financial statements, financial instruments classified as level 3 uses various valuation techniques and variables. There is an uncertainty of accounting estimates as results of measurement may significantly change depending on the management's determination on the valuation techniques and unobservable inputs. We considered that the fair value measurement of over-the-counter derivatives and derivatives-linked securities classified as level 3 is a key audit matter in consideration of their size, applicable valuation techniques and impact of unobservable inputs.

How our audit addressed the Key Audit Matter

We have performed the following audit procedures to address the above key audit matter:

– We obtained an understanding and evaluated the internal control related to measurement process of fair value, including

management's use of external experts. – We reviewed the qualification and independence of external experts engaged by the Company. – Control test: management review controls on the accuracy of external value interfaces and the results of fair value calculation. – We reconciled external value and the accounting treatment. – We verified whether issuance information in the contract is consistent with issuance information used to measure the fair value on a sampling basis. – We independently performed recalculation on the samples of the Company's financial instruments by its type with internal experts, and reviewed the differences. – We assessed whether fair value hierarchy levels are categorized by nature of inputs used.

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hwi-Chul Jin, Certified Public Accountant.

March 12, 2020

92 Hangang-daero, Yongsan-gu, Seoul, Korea

Young-Sik Kim, CEO of Samil PwC Korea

Separate Statements of Financial Position

Daishin Securities Co., Ltd.

Account	2019	2018	Unit: KRW 1 thousand
Assets			
I. Cash and bank deposits		1,579,211,871	1,696,157,797
II. Financial assets at fair value through profit or loss		8,091,931,728	8,367,663,075
1. Financial assets at fair value through profit or loss	7,812,869,307	8,036,166,988	
2. Derivatives assets	279,062,421	331,496,087	
III. Financial assets at fair value through other comprehensive income		183,381,155	166,865,226
IV. Investments in associates and subsidiaries		980,868,031	844,993,061
V. Loans and receivables		1,375,464,544	1,318,018,730
VI. Current tax assets		1,302,416	-
VII. Property and equipment		307,349,661	281,779,011
VIII. Intangible assets		30,367,163	29,548,193
IX. Investment property		335,379,836	305,343,282
X. Other assets		597,589,806	1,005,925,773
Total assets		13,482,846,211	14,016,294,148
Liabilities			
I. Financial liabilities at fair value through profit or loss		3,077,735,569	4,061,316,639
1. Financial liabilities at fair value through profit or loss	5,067,432	66,325,384	
2. Derivative liabilities	300,122,450	400,574,420	
3. Financial liabilities designated at fair value through profit or loss	2,772,545,687	3,594,416,835	
II. Deposit liabilities		1,546,715,972	1,573,688,647
III. Borrowings		5,913,473,260	5,415,198,413
IV. Debentures		578,835,502	379,549,918
V. Employee benefit liabilities		4,014,525	5,744,584
VI. Provisions		101,412,668	63,449,420
VII. Current tax liabilities		-	6,148,962
VIII. Deferred tax liabilities		60,575,403	53,973,712
IX. Other liabilities		399,316,312	662,072,284
Total liabilities		11,682,079,211	12,221,142,579

Consolidated Statements of Financial Position December 31, 2019 and 2018

Account	2019	2018	Unit: KRW 1 thousand
Equity			
I. Capital stock	434,867,000	434,867,000	
II. Capital surplus	694,981,258	694,981,258	
III. Accumulated other comprehensive income	122,506,734	112,467,062	
IV. Retained earnings	770,308,280	727,430,846	
(Accumulated reserve for bad debts)	11,540,535	7,278,972	
(Expected reserve for bad debts)	2,253,967	4,261,563	
V. Capital adjustments	(221,896,272)	(174,594,597)	
Total equity	1,800,767,000	1,795,151,569	
Total liabilities and equity	13,482,846,211	14,016,294,148	

Separate Statements of Comprehensive Income

Daishin Securities Co., Ltd.

Consolidated Statements of Financial Position
December 31, 2019 and 2018

Account	2019	2018	Unit: KRW 1 thousand
I. Commissions income and expenses, net		251,581,584	274,238,088
1. Commissions income	269,083,070	297,484,177	
2. Commissions expenses	17,501,486	23,246,089	
II. Interest income and expenses, net		(47,226,689)	(16,055,102)
1. Interest income	88,026,212	96,243,761	
2. Interest expenses	135,252,901	112,298,863	
III. Gain on financial instruments at fair value through profit or loss		540,485,836	229,854,798
IV. Loss on financial instruments designated at fair value through profit or loss		(379,805,075)	(97,974,585)
V. Loss on credit loss		(2,453,601)	(2,396,317)
VI. Other operating income		30,681,018	26,287,206
VII. Operating revenues, net		393,263,073	413,954,088
VIII. Selling and administrative expenses, net		294,316,612	286,345,790
1. Employee benefits expense	160,556,692	158,976,206	
2. Depreciation and amortization	35,024,632	20,399,360	
3. Other selling and administrative expenses	98,735,288	106,970,224	
IX. Operating income		98,946,461	127,608,298
X. Non-operating income, net		18,989,374	18,297,244
XI. Profit before income tax		117,935,835	145,905,542
XII. Income tax expense		30,007,187	31,096,663
XIII. Profit for the year		87,928,648	114,808,879
Net income (loss) before reserve for bad debts			
Current term: KRW 85,675 million			
Previous term: KRW 110,547 million			
XIV. Other comprehensive income, net of tax		10,039,672	3,238,110
1. Items that will not be reclassified to profit or loss	10,039,672	3,238,110	
Gain on valuation of financial assets at fair value through other comprehensive income	12,519,075	2,948,239	
Changes in the own credit risk of financial liabilities designated at fair value through profit or loss	(2,026,610)	549,444	
Remeasurements of net defined benefit plan	(452,793)	(259,573)	
XV. Total comprehensive income for the year		97,968,320	118,046,989
XVI. Earnings per share			
Basic earnings per ordinary share		1,215	1,595
Basic earnings per 1st preferred share		1,316	1,636
Basic earnings per 2nd preferred share		1,267	1,586
Diluted earnings per ordinary share		1,205	1,581
Diluted earnings per 1st preferred share		1,304	1,622
Diluted earnings per 2nd preferred share		1,255	1,572

Separate Statements of Changes in Equity

Daishin Securities Co., Ltd.

Consolidated Statements of Financial Position
December 31, 2019 and 2018

Account	Capital Stock	Capital Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Capital Adjustments	Total
Balance at January 1, 2018	434,867,000	694,981,258	110,908,217	655,270,956	(178,497,402)	1,717,530,029
Changes in accounting policy	-	-	(1,679,265)	1,568,145	-	(111,120)
	434,867,000	694,981,258	109,228,952	656,839,101	(178,497,402)	1,717,418,909
Comprehensive income						
Profit for the year	-	-	-	114,808,879	-	114,808,879
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	2,948,239	-	-	2,948,239
Changes in the own credit risk of financial liabilities designated at fair value through profit or loss	-	-	549,444	-	-	549,444
Remeasurements of net defined benefit plan	-	-	(259,573)	-	-	(259,573)
Transactions with equity holders						
Dividends paid	-	-	-	(44,217,134)	-	(44,217,134)
Changes in treasury shares	-	-	-	-	3,560,459	3,560,459
Others	-	-	-	-	342,346	342,346
Balance at December 31, 2018	434,867,000	694,981,258	112,467,062	727,430,846	(174,594,597)	1,795,151,569
Balance at January 1, 2019	434,867,000	694,981,258	112,467,062	727,430,846	(174,594,597)	1,795,151,569
Changes in accounting policy	-	-	-	32,886	-	32,886
	434,867,000	694,981,258	112,467,062	727,463,732	(174,594,597)	1,795,184,455
Comprehensive income						
Profit for the year	-	-	-	87,928,648	-	87,928,648
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	12,519,075	-	-	12,519,075
Changes in the own credit risk of financial liabilities designated at fair value through profit or loss	-	-	(2,026,610)	-	-	(2,026,610)
Remeasurements of net defined benefit plan	-	-	(452,793)	-	-	(452,793)
Transactions with equity holders						
Dividends paid	-	-	-	(45,084,100)	-	(45,084,100)
Changes in treasury shares	-	-	-	-	(46,996,607)	(46,996,607)
Others	-	-	-	-	(305,068)	(305,068)
Balance at December 31, 2019	434,867,000	694,981,258	122,506,734	770,308,280	(221,896,272)	1,800,767,000

Separate Statements of Cash Flows

Daishin Securities Co., Ltd.

Account	2019	2018	Unit: KRW 1 thousand
I. Net cash outflow from operating activities		(234,789,456)	(618,759,307)
1. Profit for the year	87,928,648	114,808,879	
2. Adjustments in expenses and revenues	(143,158,023)	(157,113,073)	
(1) Gain on financial instruments at fair value through profit or loss, net	(122,364,407)	(65,869,206)	
(2) Gain on financial instruments designated at fair value through profit or loss, net	(940,399)	(88,191,612)	
(3) Loss on derivatives	51,414,894	72,912,956	
(4) Loss on financial assets at amortized cost, net	2,453,601	2,396,317	
(5) Depreciation and amortization	35,024,632	20,399,360	
(6) Gain on foreign currency translation	(16,236,155)	(1,475,329)	
(7) Interest income, net	(62,952,062)	(93,397,054)	
(8) Gain on investments in associates and subsidiaries, net	(812,468)	3,502,197	
(9) Loss on disposal of property and equipment, net	101,759	51,643	
(10) Loss on disposal of intangible assets, net	33,000	-	
(11) Loss (gain) on disposal of non-current assets held for sale, net	144,717	(12,627,614)	
(12) Impairment loss on property and equipment, net	(472,802)	-	
(13) Impairment loss on intangible assets	(199,000)	(241,667)	
(14) Impairment loss on investment property	2,298,748	-	
(15) Employee benefits	2,208,964	2,301,934	
(16) Others	(36,345,442)	8,484,122	
(17) Dividend income	(26,522,790)	(36,455,783)	
(18) Income tax expense	30,007,187	31,096,663	
3. Changes in operating assets and liabilities	(233,829,222)	(699,491,462)	
(1) Bank deposits	43,343,411	230,868,523	
(2) Financial assets at fair value through profit or loss	319,177,715	(778,530,412)	
(3) Financial liabilities at fair value through profit or loss	(61,651,706)	(19,482,490)	
(4) Financial liabilities designated at fair value through profit or loss	(823,959,232)	8,973,474	
(5) Derivative assets and liabilities	(99,433,197)	8,977,900	
(6) Loans and receivables	(58,608,563)	(7,354,151)	
(7) Deposit liabilities	(26,806,207)	(198,872,592)	
(8) Borrowings	294,323,421	206,873,035	
(9) Retirement benefit and employee benefits obligations	(2,786,154)	(2,235,222)	
(10) Other assets	486,192,625	275,255,183	
(11) Other liabilities	(303,621,335)	(423,964,710)	

Consolidated Statements of Financial Position December 31, 2019 and 2018

Account	2019	2018	Unit: KRW 1 thousand
4. Interest received	263,010,106	256,620,167	
5. Interests paid	(200,119,095)	(162,182,206)	
6. Dividends received	25,320,975	35,806,078	
7. Income taxes paid	(33,942,845)	(7,207,690)	
II. Net cash outflow from investing activities		(167,610,126)	(69,359,556)
1. Proceeds from disposal of investments for associates and subsidiaries	41,298,837	104,497,890	
2. Proceeds from disposal of property and equipment	5,110	14,849	
3. Proceeds from disposal of intangible assets	1,500,000	-	
4. Proceeds from disposal of non-current assets held for sale	4,488,000	45,400,00	
5. Decrease in deposits	5,400,386	2,477,000	
6. Decrease in lease liabilities	158,176	-	
7. Payment for acquisition of investments for associates and Subsidiaries	(172,594,850)	(199,396,675)	
8. Payment for acquisition of property and equipment	(42,154,527)	(16,621,117)	
9. Payment for acquisition of intangible assets	(2,638,600)	-	
10. Increase in deposits	(3,072,658)	(5,731,503)	
III. Net cash inflow from financing activities		301,929,799	815,950,495
1. Issuance of debentures	299,016,751	149,813,280	
2. Net Increase in borrowings	211,357,856	764,839,333	
3. Increase in leasehold deposit liabilities	898,277	556,304	
4. Payment of dividends	(45,077,051)	(44,210,702)	
5. Repayment of debentures	(100,000,000)	(50,000,000)	
6. Decrease in leasehold deposit liabilities	(177,598)	(5,047,720)	
7. Acquisition of treasury shares	(51,429,948)	-	
8. Decrease in other liabilities	(12,658,488)	-	
IV. Effects of exchange rate changes on cash and cash equivalents		2,095,192	1,111,197
V. Net increase (decrease) in cash and cash equivalents(I+II+III+IV)		(98,374,591)	128,942,829
VI. Cash and cash equivalents at the beginning of the year		285,557,881	156,615,052
VII. Cash and cash equivalents at the end of the year		187,183,290	285,557,881



Number of HNW Customers

HNW customers assets of KRW 100 million or more		UHNW customers assets of KRW 1 billion or more		Total customers
2019.1Q	38,244	2019.1Q	3,318	41,562
2019.2Q	39,222	2019.2Q	3,420	42,642
2019.3Q	39,095	2019.3Q	3,486	42,581
2019.4Q	36,327	2019.4Q	3,303	39,630
2020.1Q	37,029	2020.1Q	3,316	40,345

2019.1Q
38,244

2019.2Q
39,222

2019.3Q
39,095

2019.4Q
36,327

2020.1Q
37,029

Achievements

2019

Expanded Lineup of Foreign Stock Trading Countries

Daishin Securities launched a service for offline trading of foreign stocks in 13 countries. Previously, it had only been possible to engage in on/offline trading of stocks in four countries, i.e. the United States, China, Hong Kong, and Japan. The expanded lineup of countries for foreign stock trading will provide a broader opportunities to domestic investors looking to diversify their investment portfolios with global assets. The 13 countries that were newly added consisted of 9 European countries, i.e. the United Kingdom, Germany, France, Italy, Austria, Ireland, the Netherlands, Ireland, and Switzerland, as well as Vietnam, Singapore, Australia, and Canada.



Patented Touch-Based Screen Rotation Technology on Daishin Securities' MTS

Daishin Securities newly registered a patent on the technology applied to switch the orientation (landscape and portrait) of the MTS screen using the mobile UX touch gesture interface. The patented technology allows users to switch the orientation of their screen by making a touch gesture on MTS. This makes it easier for users to rotate the screen, without having to select the landscape orientation button on the app.



Daishin Gold Covered Call Target 5% Income ETN

Daishin Securities listed Daishin Gold Covered Call Target 5% Income ETN, which ensures stable premiums by purchasing gold futures and selling call options, and the ROI of which is determined by changes in the price of gold. This is a product targeting investors who expect a box pattern or a gradual uptrend in gold prices. It has been designed to generate additional returns when the gold price rises steadily and to reduce risk by recovering losses to the extent of the yen premium in the event of a price decline.



Daishin Securities Launches the Daishin Financial Service for KT GiGAa Genie Users

Daishin Securities is now offering financial services via KT's AI speaker, GiGA Genie. Through the Daishin Financial Service, users can gain access to the latest information on the domestic and overseas markets, investment information, and other financial services. Using the voice recognition feature of GiGA Genie, users can verbally ask questions to obtain information they need following a data analysis process.

2019

Live Streaming of Stock Market Forecasts on YouTube

Daishin Securities livestreamed a video titled, "The Market Situation at Your Fingertips," on YouTube. Based on the topic of "2019 2H Domestic and Overseas Economic and Stock Market Trends and Investment Strategies," 이경민 Kyung-min Lee, the Head of the Investment Strategy Team, diagnosed domestic and overseas economic and stock market trends with consideration of key global variables, and introduced scenario-based investment strategies and promising investment products.



Launch of Online Stock Trading Business in Thailand

Daishin Securities launched an online stock trading business together with Bualuang Securities in Thailand. Daishin Securities developed and set up an online stock trading system for Bualuang Securities and will be sharing the commission fees generated through the system. The two companies signed an MOU in 2016 and concluded an agreement on the online stock trading platform in 2017. Since then, the two parties have been cooperating in the online stock trading sector and operating Daishin HTS and MTS, which had been developed and set up according to the local circumstances, on a trial basis. Bualuang Securities, a wholly owned subsidiary of Bangkok Bank, has officially begun its online stock trading business through the parent company's network of some 1,000 branches. Through this newly launched business, the company is endeavoring to strengthen its consignment stock trading services and emerge as a leading securities firm in Thailand.

Daishin Creative Forum

Daishin Securities held the Daishin Creative Forum (DCF), inviting famous character and mascot producers and content creators among others to give special lectures and talks. Young-jin Yoo, the director of the Kakao Brand IP Team, who created Ryan, the famous lion character of Kakao Friends, and Hyun Kim, the designer behind Hodori, the mascot of the 1988 Summer Olympics in Seoul, and an advisor to Design Park, were invited to give lectures on the importance of brand design. Ji-hyun Ko, the creator of the popular YouTube channel, Korean English Man, and producer Cham behind Aejuga TV, shared their success stories.

Meeting with Customers for the Protection of Financial Consumers

Daishin Securities held two sessions of the Meeting with Customers for the Protection of Financial Consumers with attendees from various age groups. A total of sixteen Daishin Securities customers, including elderly financial consumers, attended the meetings to discuss the inconveniences they had faced in financial transactions and share their opinions on how the financial system could be improved. They also gave a wide range of suggestions such as the need to offer more diverse alternative investment products, sufficiently examine the products for sale, and reinforce the management and supervision functions. Based on the feedback obtained through these meetings, Daishin Securities plans to provide safe financial services that meet the needs of financial consumers by improving all areas of financial products from planning and development to sale and follow-up management.

Social Contribution

2019

Delivery of Donation of Love (Naju and Goesan)

Auh-Ryung Lee, the Chairwoman of Daishin Financial Group, paid a visit to Naju, Jeollanam-do Province and Goesan, Chungcheongnam-do Province in October 2019 to deliver the Donation of Love. Donations were provided to the Multicultural Family Support enter, social welfare facilities, care facilities for persons with developmental disabilities, and orphanage facilities n Naju as well as the Multicultural Family Suport Center and care facilities for persons with developmental disabilities in Goesan. This year marked the 16th anniversary of the launch of the Donation of Love, which began in 2004. This is a program that was funded by the late founder and chairman Jae-bong Yang in 1991 at his own expense. Since its launch, a helping hand was provided to those in need from all areas of society through scholarships, medical financial assistance for children with congenital disabilities, financial assistance for medical institutions and social welfare facilities, etc., and total donations to date have amounted to KRW 11.4 billion. The company will continue fulfill its corporate social responsibility and give back to society through various social contribution activities.



Delivery of Donation of Love (National Cancer Center)

Daishin Songchong Cultural Foundation gave a KRW 40 million ionation of Love to the National Cancer Center Development Fund. The fund has been set up to provide financial assistance for promotional, educational, diagnostic, and research programs for early diagnosis and prevention of cancer, support for domestic and international academic exchanges and conferences, and financial instance to low-income patientsor others in need. The Daishin Songchon Cultural Foundation has contributed a total of KRW 211,400,000 to the fund since 2011.

Delivery of Donation of Love (Child Welfare Facility & KBIZ SME Love Sharing Foundation)

The Daishin Songchon Cultural Foundation donated KRW 10 million to Dongmyeong Child Welfare Center and KRW 5 million to the KBIZ SME Love Sharing Foundation. The donations were used for care of underprivileged children staying at the child welfare center and to promote the welfare, education, and health of children from low-income families.

Delivery of Donation of Love (Community Chest of Korea)

The Daishin Songchon Cultural Foundation donated a KRW 100 million Donation of Love to the Community Chest of Korea for the 2019 Ondol of Hope: Warm Winter Program. The money was used to help people from marginalized classes facing financial difficulties pay for their living expenses and medical bills.

2019 Scholarships

In 2019, the Daishin Songchon Cultural Foundation awarded 78 high school students and 21 college students with scholarships amounting to a total of 233,347,117. Each year, the foundation selects students from families that are struggling financially and students with excellent grades and provides them with scholarships to help them further their studies with peace of mind.

2019

Sponsorship of Naju Football Class

The Daishin Songchon Cultural Foundation provided KRW 22 million to the 10th Daishin Songchon Dragons Naju Football Class. As part of its social contribution activities in the local community, the foundation opened the Daishin Songchon Dragons Naju Soccer Class in 2009 to improve the domestic sports environment and discover promising athletes early on to contribute to the advancement of Korean football (soccer). Each year, 70 elementary school students from Naju are recruited to receive training at Naju Elementary School, together with the professional football club, Jeonnam Dragons, once a week. Members are provided with uniforms and tracksuits, and players with excellent potential and skills are discovered and trained together with Jeonnam Dragons. They are also given opportunities to take part in K-League Youth Club competitions and escort the Jeonnam Dragons players during home games, in addition to receiving football training.

National Health Support Program (Financial Assistance for Children with Cleft Lip and Palate)

The Daishin Songchon Cultural Foundation made donations to help pay for the medical bills of children with cleft lip and palate at Seoul National University Bundang Hospital and Gangdong Sacred Heart Hospital who had been unable to undergo surgery due to the financial situation of their families. This program aimed at helping children with cleft lip and palate has been carried out since 1996, and KRW 394,360,401 has been donated thus far to bring smiles to the faces of 425 children.

Scholarships (Sangmyung University)

The Daishin Songchon Cultural Foundation provided Sangmyeong University with KRW 50 million to be provided as scholarships. As a result, scholarships were awarded to students with excellent grades displaying exemplary conduct, based on their families' financial situations.

Donation to the National Museum of Modern and Contemporary Art

The Daishin Songchon Cultural Foundation delivered KRW 20 million for academic research to the National Museum of Modern and Contemporary Art Sponsorship Society via the National Museum of Modern and Contemporary Art Promotion Foundation. The sponsorship society engages in a wide range of projects and programs, collecting and preserving artworks, providing support for modern art research, planning and hosting of permanent exhibitions, and development and implementation of education programs, carrying academic programs and publications, engaging in international exchanges of information on modern artworks, and more. The Daishin Songchon Cultural Foundation has provided the sponsorship society with a total of KRW 160 million since 2012.

Sponsorship of Water Recreation Camp for Persons with Disabilities

The Daishin Songchon Cultural Foundation provided a KRW 1 million Donation of Love to the Securities mission. The donation was used toward hosting a water recreation camp for persons with disabilities, held as a way to serve and share love with others. The Daishin Songchon Cultural Foundation has provided the church with KRW 7 million in donations since 2012.

2019 Book Report Contest

The Daishin Songchon Cultural Foundation held a book report contest, with the aim of helping students nominated for scholarships develop good character. One Grand Prize winner, two Top Excellence Prize winners, five Excellence Prize winners, and one Encourage Prize winners were chosen and awarded monetary prizes.

History

1960 – 1979

- 1962. 07. 27 Established Samrak Securities
- 1975. 04. 22 Changed corporate name to Daishin Securities
- 1975. 10. 01 Opened stock market in Seoul stock exchange (currently KRX)

1980 – 1999

- 1984. 08. 25 Opened office in Tokyo
- 1984. 09. 22 Established Daishin Economic Research Institute
- 1985. 05. 28 Moved company HQ to Yeoui-do
- 1986. 11. 27 Established Daishin Comprehensive Development Securities
- 1987. 08. 28 Established Daishin Computing & Information Center
- 1988. 03. 24 Established Daishin Investment Foundation (currently Daishin Asset Management)
- 1990. 07. 20 Established Daishin New Spring cultural foundation
- 1995. 06. 20 Established Daishin Factoring Corporation
- 1997. 04. 12 Opened home training system (CYBOS)
- 1998. 06. 09 Launched internet web-training
- 1999. 08. 31 Allied with Sumitomo Life Insurance Company for capital and tasks

2000 – 2009

- 2002. 09. 16 Profit incinerated 200,000 common stocks
- 2003. 07. 21 Selected as KODI company
- 2003. 12. 01 Selected as KOGI company
- 2004. 04. 26 Exported CYBOS to the Polaris Securities in Taiwan
- 2004. 06. 15 Selected outstanding corporate management company by KRX
- 2005. 12. 13 Exported CYBOS gift transaction system to Settrade in Thailand
- 2006. 10. 16 Allied with Nikko Cordial Securities for cash and tasks
- 2007. 11. 02 Opened stocks in GDS
- 2008. 02. 13 Established company branch in Hong Kong
- 2008. 05. 26 Established branch in Shanghai
- 2009. 10. 20 Selected among Dowjones Corporate Sustainability management

2010 – 2019

- 2010. 01. 09 Prearrangement of financial stock
- 2010. 04. 06 Signed MOU agreement with Mandiri Securities, Indonesia
- 2011. 08. 31 Launched Daishin Savings Bank
- 2012. 06. 12 Signed strategic partnership with Okasang, Securities, Japan
- 2012. 06. 20 50 years anniversary of the opening of Daishin Securities, proclaimed Daishin Securities
- 2014. 04. 17 Launched Daishin Private Equity
- 2014. 05. 08 Launched Daishin F&I, Daishin AMC
- 2015. 01. 15 Announced Daishin House View
- 2016. 10. 09 Registered as innovative technology business
- 2016. 11. 14 Signed a strategic partnership with Bu Allahu Securities, Thailand
- 2016. 12. 01 Signed stock broker agreement with Malayan Banking Berhand
- 2016. 12. 26 Moved Daishin Securities Group HQ to Myeong-dong
- 2017. 08. 29 Established local subsidiary in Singapore
- 2018. 06. 11 Established local subsidiary in New York
- 2019. 03. 03 Acquired preliminary license for real estate trust business (Daishin Securities)
- 2019. 07. 29 Launched Daishin Asset Trust
- 2019. 12. 24 Closed down local subsidiary in Hong Kong

2020 –

- 2020. 02.19 Acquired official license as a REITs asset management company (Daishin Asset Trust)

Awards

2019

- | | | |
|----------|---|--|
| 2019. 02 | iF Design Awards | Winner (Annual Report) / iF |
| 2019. 02 | 7th NewsPim Capital Market Awards | Best Innovation Award / NewsPim |
| 2019. 03 | 24th Maeil Business Newspaper Financial Product Awrds | Top Excellence Award / Maeil Business Newspaper |
| 2019. 10 | 2019 Asia Smart Trading System Awards | STS Award / Asia Business Daily |
| 2019. 10 | 2019 Herald Investment Awards | Research Prize / Herald Coporation |
| 2019. 11 | 2019 Newsys Korea Securities IR Awards | Top Prize in the Retail Sector / Newsys |
| 2019. 11 | 2019 Korea Securities Awards | Top Excellence in Consumer Protection / Seoul Economic Daily |
| 2019. 12 | 2019 Asia Capital Investment Awards | Top Excellence in Research / Asia Business Daily |

Network

Domestic Business Network (Finance & Economy 1)

Gangnam Seolleung Center	1F & 2F, HLMC Building, 420, Teheran-ro, Gangnam-gu, Seoul	02-569-9233
Gwanghwamun Center	1F & 2F, Jeokseon Hyundai Building, 130, Sajik-ro, Jongno-gu, Seoul	02-735-7571
Mok-dong WM Center	2F, Trapalace Eastern Avenue, 299, Omok-ro, Yangcheon-gu, Seoul	02-2653-7778
Bundang Center	3F, KOSCOM Building, 27, Hwangsaewol-ro 360beon-gil, Bundang-gu, Seongnam-si	031-702-5400
Apgujeong WM Center	2F, Yeongsin Building, 218, Apgujeong-ro, Gangnam-gu, Seoul	02-546-3901
Gwangmyeong Center	3F, Gwangmyeong Building, 1, Cheolsan-ro, Gwangmyeong-si, Gyeonggi-do	02-2681-2311
Banpo WM Center	2F, Banpo Xi Plaza, 24, Jamwon-ro, Seocho-gu, Seoul	02-592-6200
Incheon Center	3F, Manhattan Building, 4, Inha-ro 489beon-gil, Inha-ro, Namdong-gu, Incheon	032-435-8700
Jamsil WM Center	3F, Trizium Sangga, 61, Seokchonhosu-ro, Songpa-gu, Seoul	02-421-2332
Myeongil-dong Branch	2F, Inno Sense Building, 1596, Yangjae-daero, Gangdong-gu, Seoul	02-3426-3551
Bucheon Branch	2F, Byzantium, 91, Gilju-ro, Wonmi-gu, Bucheon-si, Gyeonggi-do	032-667-1512
Suwon Branch	4F, Seyeong Building, 199, Gwongwang-ro, Paldal-gu, Suwon-si, Gyeonggi-do	031-224-9900
Pyeongchon Branch	2F, Intops Building, 206, Simin-daero, Dongan-gu, Anyang-si, Gyeonggi-do	031-388-2400
Meister Club	2F, Jangmi Sangga, 112, Olympic-ro 35-gil, Songpa-gu, Seoul	02-3432-4950

Domestic Business Network (Finance & Economy 2)

Gangnam-daero Center	2F, Yadel Finance Building, 292, Gangnam-daero, Gangnam-gu, Seoul	02-3462-1630
Dogok WM Center	2F, Dongha Building, 2913, Nambusunhwan-ro, Gangnm-gu, Seoul	02-553-8400
Yeouido Sales Dept.	2F, Allianz Tower, 147, Uisadang-daero, Yeongdeungpo-gu, Seoul	02-6951-0123
Osan Center	2F, Inno Sense Building, 129, Seongho-daero, Osan-si, Gyeonggi-do	031-375-8377
Nowon Branch	1F, SK Broadband Building, 466, Nohae-ro, Nowon-gu, Seoul	02-3391-4654
Daerim-dong Branch	1F, Daishin Securities Building, 641, Siheung-daero, Yeongdeungpo-gu, Seoul	02-849-4923
Suji Branch	3F, Seho Building, 52, Seongbok 2-ro, Suji-gu, Yongin-si, Gyeonggi-do	031-265-2733
Sinchon Branch	5F, Dongin Building, 144, Seogang-ro, Mapo-gu, Seoul	02-719-3713
Ilsan Branch	2F, Jeongdo Plaza, 1419, Jungang-ro, Ilsanseo-gu, Goyang-si, Gyeonggi-do	031-919-5033
Cheongdam WM Center	1F, F.C.S. Cheongdam Center, 707, Yeongdong-daero, Gangnam-gu, Seoul	02-3443-0100
Sadang Branch	3F, Golden Cinema Tower, 89, Dongjak-daero, Dongjak-gu, Seoul	02-3474-0600
Songdo Branch	2F, Songdo Millennium Building, 69, Convensia-daero, Yeonsu-gu, Incheon	032-763-8108

Domestic Business Network (Headquarter)

Sales Department	3F, Daishin Finance Center, 343, Samil-daero, Jung-gu, Seoul	02-757-8211
------------------	--	-------------

Domestic Business Network (Eastern Region)

Daegu Center	3F, Byucksan Tower, 1748, Dalgubeol-daero, Dalseo-gu , Daegu	053-558-6300
Dongdaegu Branch	2F, Beomu Building, 2392, Dalgubeol-daero, Suseong-gu, Daegu	053-751-6040
Dongnae WM Center	2F, Daishin Securities Building, 212, Cheongnyeol-daero, Dongnae-gu, Busan	051-556-8200
Busan Center	3F, Seomyeon Finance Building, 709, Jungang-daero, Busanjin-gu, Busan	051-806-5561
Ulsan Branch	3F, Cheil Fire Insurance Building, 262, Samsan-ro, Nam-gu, Ulsan	052-265-2265
Jeju Branch	3F, Segi Smart Building, 3339, 1110-ro, Jeju-si, Jeju-do	064-743-4131
Changwon Center	4F, Suhyup Building, 113, Sangnam-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do	055-281-6404
Pohang Branch	1F, Gyeongnim Building, 8, Sicheong-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do	054-273-4411
Haeundae Branch	3F, Marina Center, 154, Haeundaehaebyeon-ro, Haeundae-gu, Busan	051-704-3800

Domestic Business Network (Western Region)

Gwangyang Branch	1F, Haeun Building, 63, Jungdong-ro, Gwangyang-si, Jeollanam-do	061-791-7800
Gwangju Center	1F, Daishin Securities Building, 147, Geumnam-ro, Dong-gu, Gwangju	062-223-6601
Gunsan Branch	3F, Cheongdam Building, 188, Susong-ro, Gunsan-si, Jeollabuk-do	063-442-3151
Naju Branch	2F, Vision Tower, 685, Bitgaram-ro, Naju-si, Jeollanam-do	061-337-9696
Daejeon Center	2F, MyeongdongPlaza, 226, Daedeok-daero, Seo-gu, Daejeon	042-482-1221
Mokpo Branch	3F, Port Mode Building, 95, Ogam-ro, Mokpo-si, Jeollanam-do	061-284-4611
Sangmu WM Center	2F, Aju Building, 64, Sangmujungang-ro, Seo-gu, Gwangju	062-371-0017
Suncheon Branch	1F, Chungwoo E&C Building, 296, Isu-ro, Suncheon-si, Jeollanam-do	061-724-8440
Jeonju Branch	3F, Gyeseong Building, 246, Hongsan-ro, Wansan-gu, Jeonju-si, Jeollabuk-do	063-275-4600
Cheonan Center	3F, Marvelous T Tower, 92, Buldang 22-daero, Seobuk-gu, Cheonan-si, Chungcheongnam-do	041-578-0535
Cheongju Branch	3F, Heungbok Dream Mall Building, 48, Daenong-ro, Heungdeok-gu, Chungju-si, Chungcheongbuk-do	043-222-7290

Global Network

USA	160 Greentree Drive, Suite 101, Dover, DE 19904, USA	1-646-791-0990
Singapore	Suite2, Level42, Suntec Tower 3, 8 Temasek Boulevard Singapore 038988	65-6829-2305
Tokyo	8F, Nax Bldg, 1-3-2, Shinkawa, Chuo-ku, Tokyo, 104-0033, Japan	81-3-3551-8088

Company Executives

WM Group

Head of WM Group
In-Sig Shin



Head of Eastern
WM Division
Jung-Hwa Lee



Head of Finance &
Economy 1 WM Div.
Jae-Joong Jung



Head of Western
WM Division
Youn-Kyu Jung



Head of Finance &
Economy 2 WM Div.
Min-soo Im



Investment Banking Group

Head of PF Division
Taek-Hyeon Gwon



Head of IB Division
Sung-Jun Park



Solution & Product Group

Head of Product
Group
Byung-Sik Moon



Head of Market
Solution Group
Jae-Woo Lee



Headquarter Functions

Head of Management
Strategie
Bum-Chul Kim



Head of Secretary
& Brand Group
Hyeok Song



Head of Risk
Management Group
Gi-mo Gil



Head of Customer
Asset Div. & PR Group
Kyung-Sun Cho



Head of Legal
Compliance Group
Dae-Han Hong



Head of Strategic
Support Group
Seung-wook Jin



Head of Research
Center
Yeon-woo Jeong



Head of Management
Planning Group
Seong-keun Lee



Head of Management
Support Group
Su-chang Kim



Head of IT Group
Jong-guk Hong



Head of Legal
Support Group
Geun-yeong Choi



Head of Smart Biz
Group
Sang-Won Kim



Head of Audit Group
Seong-Won Kim



Head of Information
Protection Group
Tae-Am Jung



Organization Chart

General Meeting of Shareholders		
Board of Directors		
Chairwoman		
CEO	Customer Asset Division	Product Planning Dept. Wrap Business Dept. Trust Business Dept.
IB Group	IB Division	ECM Dept. Coverage Dept. IPO Dept. Advisory Dept.
	PF Division	PF1 Dept. PF2 Dept. Alternative Investment Dept.
	Secretary/Brand Strategy Group	Secretary Office Brand Strategy Office Club1962
	Management Planning Division (CFO)	Management Planning Office Financial Treasury Dept. Informatization Dept.
Management Strategy (CSO)	Strategic Support Division	Strategic Support Office Overseas Office
	Private Lounge Division	Daishin Nine One Private Lounge Private Support Team
	Management Support Division	Human Resources Dept. Infrastructure Service Dept. Settlement Service Dept.
	IT Division	IT Support Dept. IT Development Dept.
	Smart Biz Division	Smart Biz Dept. Prime Business Dept. Customer Service Center

Management Committee

Audit Committee

	Research Center	Long-Term Strategy Research Dept. Asset Research Dept.
Solution & Product Group	Market Solution Division	Institutional Business Dept. Foreign Investment Business Dept. Institutional Financial Product Business Dept.
	Product Division	Asset Management Division Global Derivative Product Division Bond Sales Division
WM Group		WM Service Dept. Pension Business Dept. Sales Dept.
	4WM Division	
	Risk Management Division (Chief Risk Officer, CRO)	Risk Management Dept.
	Information Protection Group (Chief Information Security Officer)	Information Protection Dept.
	Compliance Group (Compliance Officer, CCO)	Compliance Dept. Financial Consumer Protection Dept.
	PR Division	PR Office
	Legal Support Division	Legal Support Office
	Audit Division	Audit Office

Date of Publication June, 2020

Publisher Auh-ryung Lee

Publishing Organization Daishin Securities Co., LTD.



Production Daishin Securities Public Relationship Dept.

Design & Planning Daishin Securities Brand Strategy Dept.

Design JAworkshop

Address Daishin Finance Center, 343 Samil-daero, Jung-gu, Seoul, Korea

Tel 02-769-2117

Fax 0505-088-4161

Mail irmaster@daishin.com

Daishin Securities

