

Mirae Asset Daewoo FY2020 2Q Earnings Release

Investor Relations Team

August 2020

Contents

1. FY2020 2Q Operating Summary
2. Performance by Business
3. Capital Utilization
4. Major Equity Investments
5. Miscellaneous
6. Investment Indices
7. Appendix

1. FY2020 2Q Operating Summary

(Separate) Net operating revenue W604.1bn / Operating profit W333.0bn

(Consolidated) Pretax income W415.3bn / Net income W304.1bn

[Income Statement]					
	(Unit: Wbn)				
	2Q19	3Q19	4Q19	1Q20	2Q20
Net Operating Revenue	458.7	392.6	386.3	325.5	604.1
BRKG fee	87.4	83.2	83.9	143.2	189.9
WM fee	56.0	48.1	49.3	50.5	46.2
IB fee	108.6	85.7	92.7	78.2	70.1
Trading Income	166.3	152.0	136.7	55.2	319.8
Interest P/L	68.1	50.6	46.0	24.5	37.7
Commission Exp, etc.	-27.6	-26.9	-22.3	-26.1	-59.5
SG&A Expenses	242.7	223.1	250.7	233.2	271.1
Operating Profit	216.0	169.5	135.6	92.3	333.0
(Consolidated) Pretax Income	292.5	191.7	184.8	150.7	415.3
(Consolidated) Net Income	219.4	137.7	139.0	107.1	304.1
(Consolidated) Net Income (Controlling interest)	218.4	136.9	136.7	107.8	300.7
(Consolidated) Equity Capital (controlling interest)	8,725.6	9,093.0	9,127.8	9,152.0	9,528.3
(Consolidated) ROE (Cumulative annualized, %)	9.05	8.00	7.56	4.72	8.76

[Key Points & Summary]

*(QoQ, Separate basis)

[Business Segment]

- Trading 48.2%, Brokerage 28.6%, IB 10.6%, Wealth Management 7.0%, Interest P/L 5.7%

[Brokerage] : Segment margin 28.6%

- Turnover M/S 11.9%(+0.9%p), Avg. commission rate 3.86bp(-0.17bp)
 - Brokerage assets(including deposits) W132.4tr(+25.5%), Global equity W11.4tr(+36.2%)
 - Number of HNW clients(with more than W100mn) 189K(+18.2%)

[Wealth Management] : Segment margin 7.0%

- Total WM(financial product sales) assets W127.2tr(+5.5%)
 - Pension assets W14.9tr(+5.6%), Mutual funds W52.6tr(+9.1%)

[Investment Banking] : Segment margin 10.6%

- Major IB Deals: Acquisition financing(LG CNS, SK Broadband, etc.),
 Construction PF(Daegu Namgu Daemyungdong, etc.)

[Trading] : Segment margin 48.2%

- Confident performance recognized due to fast recovery of major global indices and normalization of credit spread
 - Investment assets W7.9tr(-1.6%), Dividend income W75.8bn(-28.8%)

[Interest P/L] : Segment margin 5.7%

- Corporate loan revenue W25.7bn(+1.3%), Margin loan net revenue W39.8bn(+4.4%)
 - Corporate loan balance W2.1tr(-4.6%), Margin loan balance W4.6tr(+47.6%)

[Others(Consolidated)]

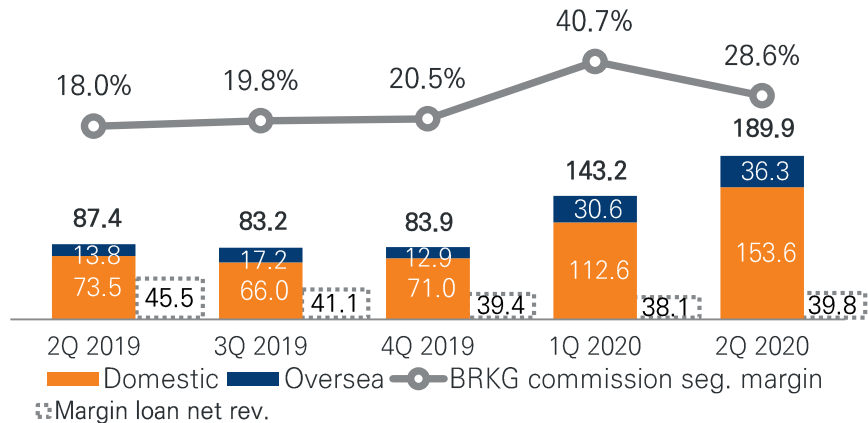
- Overseas subsidiaries pretax income W58.8bn(+33.0%)
 - ROE 8.76%(+4.04%p)
 - Equity capital(attributable to controlling interest) W9.53tr(+4.1%)

2(1). Performance by Business: Brokerage

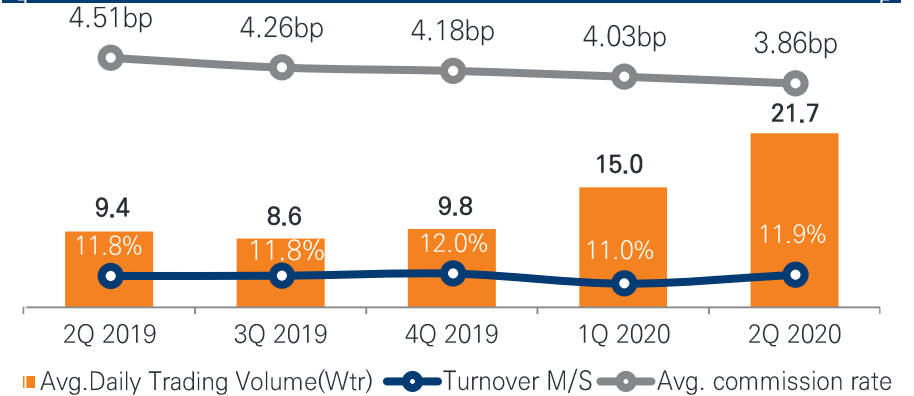
Local market trading volume (+44.8%) & global equity balance (+36.2%) increase contributed to overall brokerage revenue (+32.5%)

Brokerage Revenue

(Unit: Wbn)



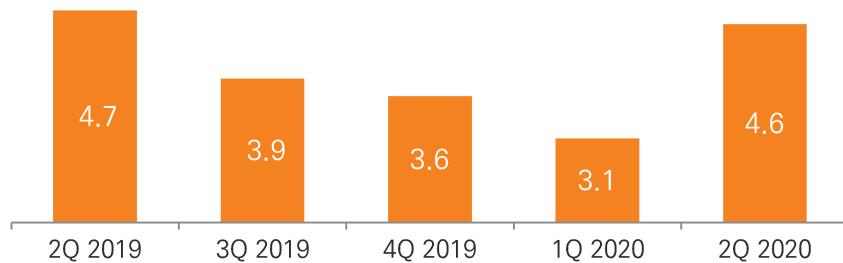
(Market) ADTV & (MA-DW) M/S, Avg. commission rate



Margin Loan Balance

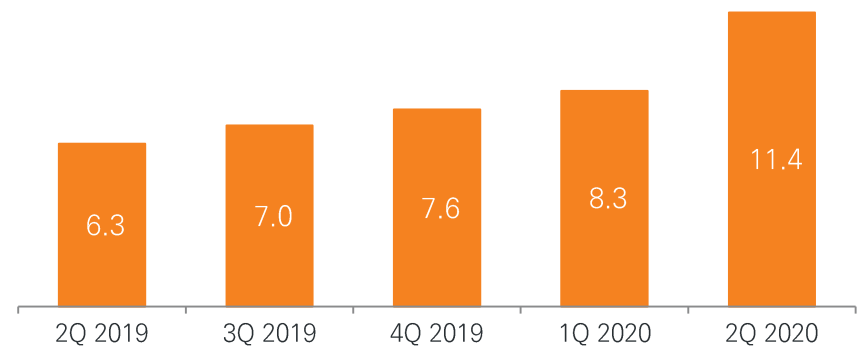
(Unit: Wtr)

(*Separate basis)



Global Equity Balance

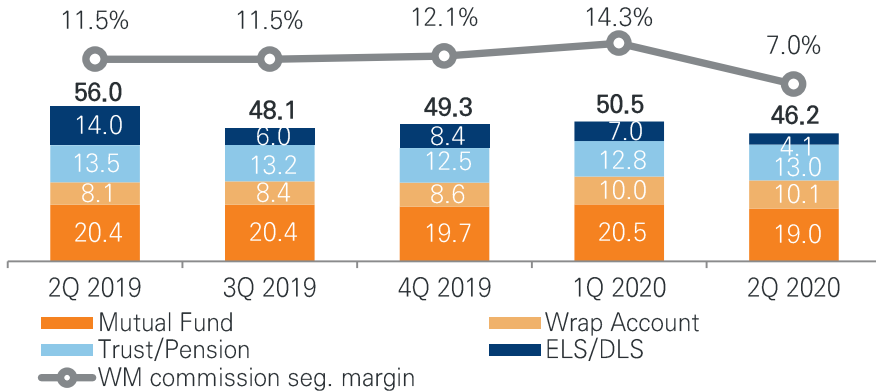
(Unit: Wtr)



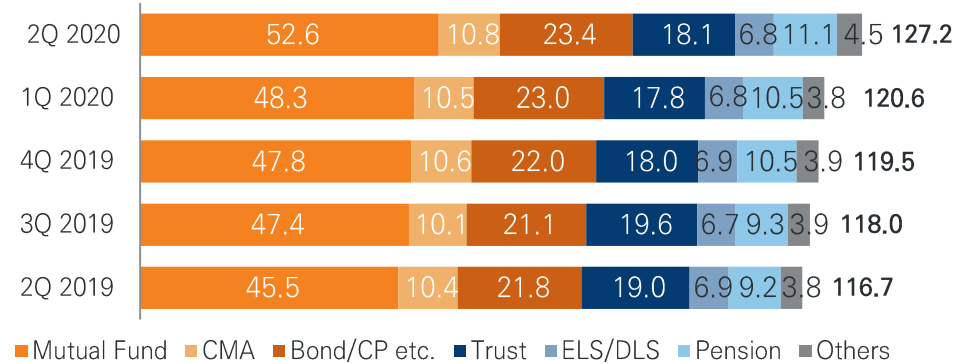
2(2). Performance by Business: Wealth Management

Increase in mutual fund balance (+9.1%) and pension reserves (+5.6%), but reduced issuance and redemption of derivative linked products led decrease in overall financial product sales revenue (-8.4%)

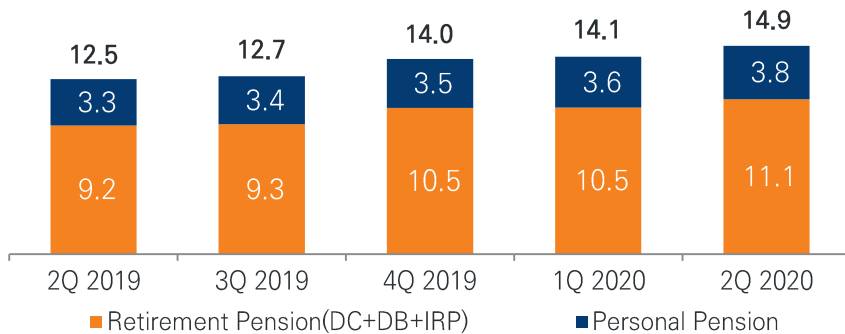
WM (Financial product sales) Revenue (Unit: Wbn)



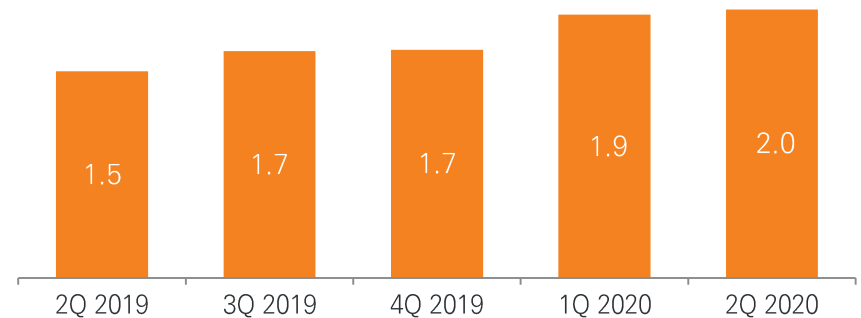
WM (Financial product sales) Assets (Unit: Wtr)



Pension(Retirement, Personal) Assets (Unit: Wtr)



Wrap Accounts Balance (Unit: Wtr)

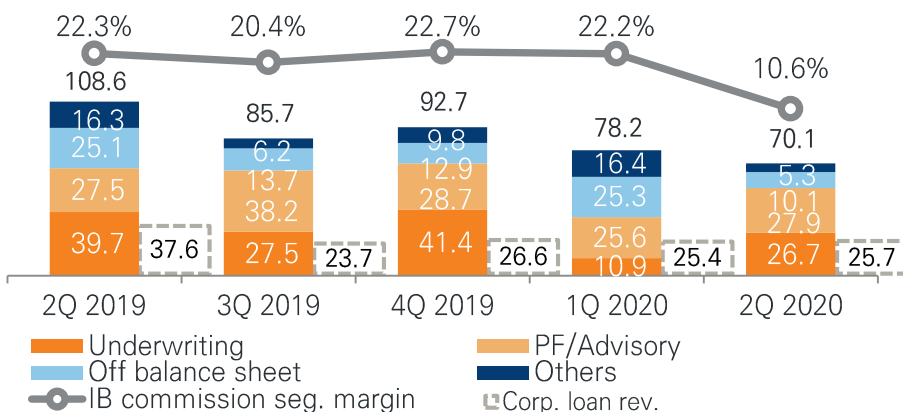


2(3). Performance by Business: Investment Banking

Increase in revenue of underwriting (+145.7%) & PF/advisory (+8.8%) regardless of prolonged untact sales condition affected by Covid-19 pandemic

IB Revenue

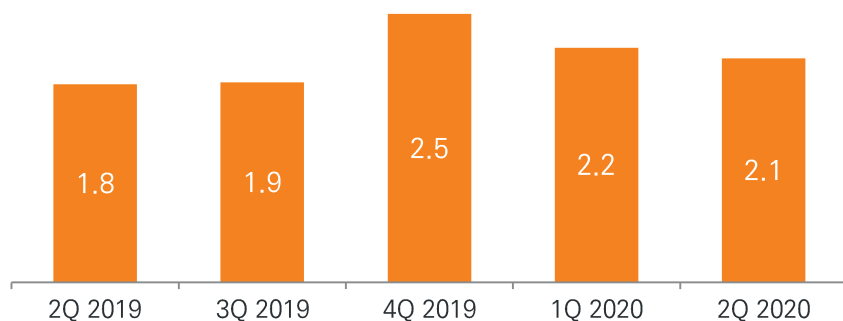
(Unit: Wbn)



Corporate Loan Balance

(Unit: Wtr)

(*Separate basis)



Recent Major IB Deal/Assets

Recent Major Investment Deals/Assets*	Size
LG CNS minority shares acquisition financing	W520bn
SK Broadband acquisition financing	W389bn
Vietnam landmark72 acquisition financing	W242bn
Daegu Namgu Daemyungdong mix-use building construction PF	W180bn
Hyundai Oil Bank hybrid bond liquidation	W51bn

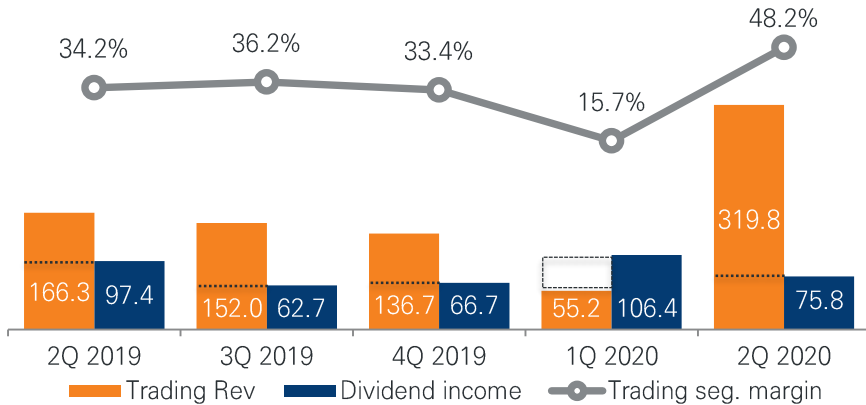
*Total deal size
 ※As of 2020.06.30

2(4). Performance by Business: Trading

Majority of revenue from 1) fixed income 2) PI and 3) OTC derivatives due to immediate recovery of major global indices and normalization of credit spread

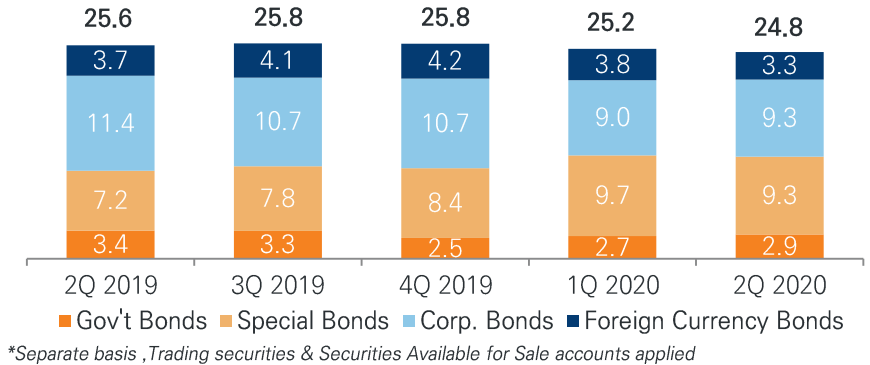
Trading Revenue

(Unit: Wbn)



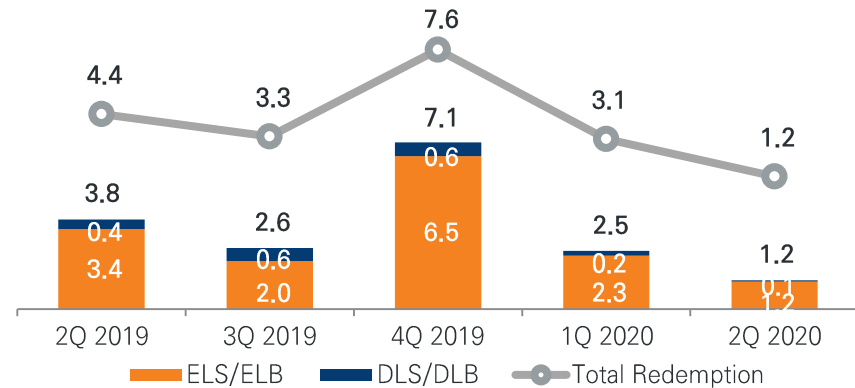
Fixed Income Balance

(Unit: Wtr)



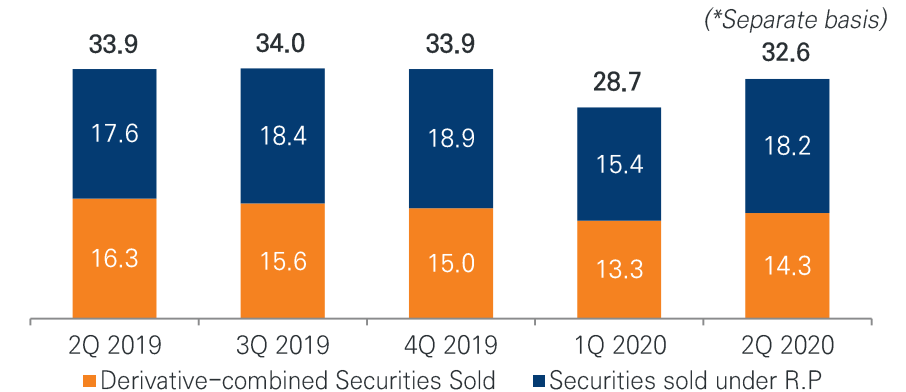
Derivative Instrument Issuance

(Units: Wtr)



Client Book Balance

(Unit: Wtr)

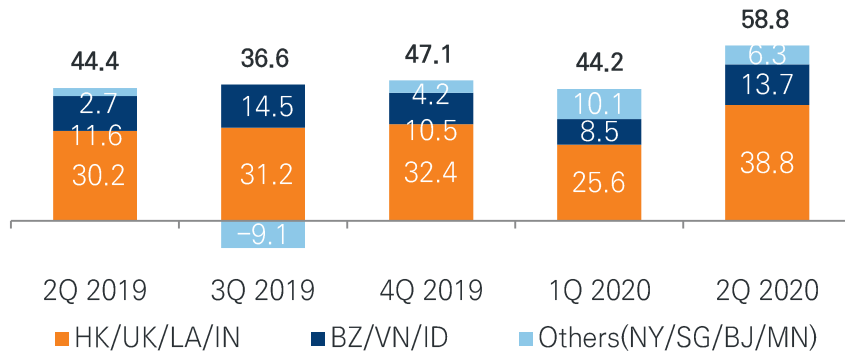


3. Capital Utilization (PI, Etc.)

Increase in revenue from overseas subsidiaries(+33.0%), 1) which verifies our differentiated strategy of overseas business among global pandemic, and 2) is expected further accelerated revenue contribution in the future

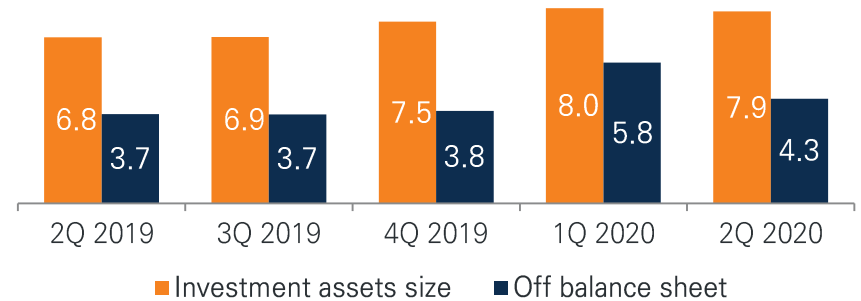
Overseas Subsidiaries

(EBT, Unit: Wbn)



Investment assets size & Off balance sheet

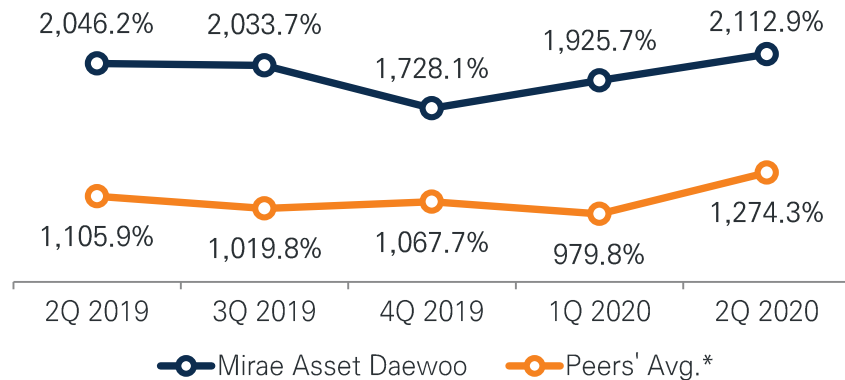
(Unit: Wtr)



*Consolidated basis

Net Capital Ratio(NCR) (Peers' avg. included)

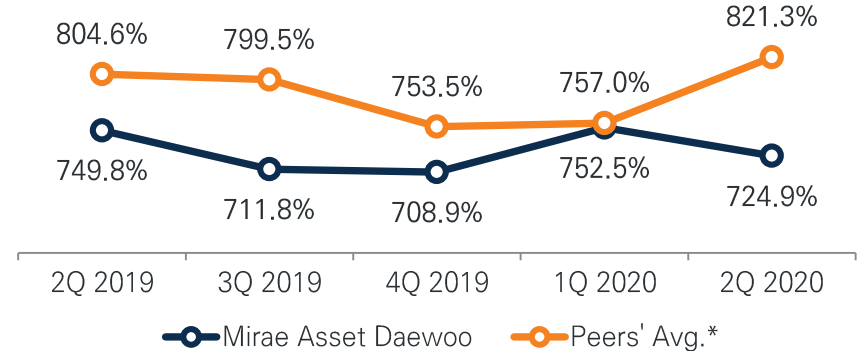
(* Consolidated basis)



*Korea sec., NH sec., Samsung sec., Meritz sec.

Leverage Ratio (Peers' avg. included)

(* Separate basis)



*Korea sec., NH sec., Samsung sec., Meritz sec.

4. Mirae Asset Daewoo's Major Equity Investment Assets

Office Building

2006

China Shanghai Pudong office tower

2013

U.S Chicago 225 W.Wacker building

2014

U.S Washington D.C 1801K street building

2016

U.S Novo Nordisk N. America HQ

Vietnam Landmark 72

U.S Dallas State Farm MW. HQ

U.S Seattle Amazon HQ

2017

AU Canberra Fed Gov't Ministry of Edu. office

German Dusseldorf Vodafone HQ

Pangyo AlphaDom City

U.S Atlanta State Farm E. HQ

Gwacheon Office

2019

Japan Tokyo Aoyama building

France Tour Majunga

State Namsan office tower

Mok-dong KT Computer center

Hotel & Resort

2013

AU Sydney Four Seasons hotel

2015

U.S San Francisco Fairmont hotel

2016

U.S Waikiki Hyatt Regency hotel & spa

2017

U.S Las Vegas Cosmopolitan Hotel

2018

Vietnam Phu Quoc resort

U.S Fairmont Orchid Hawaii hotel

Infrastructure

2018

U.S New Jersey Gas cogeneration plant

Vietnam Hanoi Logistics

U.S Atlanta Amazon Logistics

2019

U.S Blue Racer Midstream

Poland Wroclaw&Konin Logistics

Pre-IPO

2018

China ride-hailing service Didi Chuxing

China Drone Manufacturer DJI

Southeast Asia ride-hailing service Grab

2019

Indonesia online market Bukalapak

India E-commerce food company Bigbasket

India ride-hailing service Ola

Indonesia food delivery service Happyfresh

2020

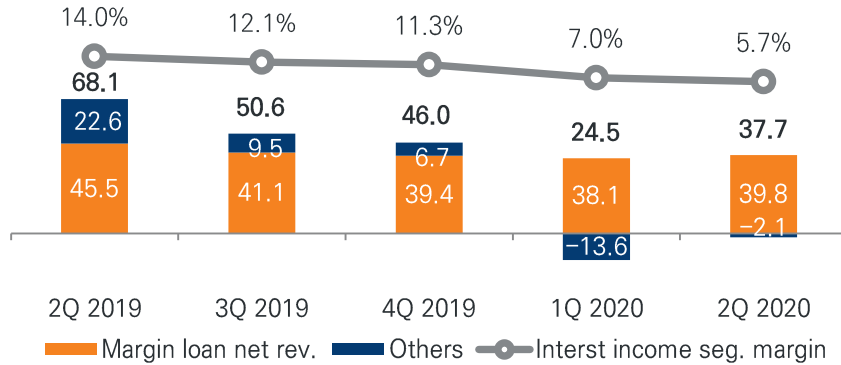
Naver Financial

5. Miscellaneous

Increase in interest income which includes margin loan (+53.9%) / Increase in total client assets and number of HNWI / Integration of domestic branches completed

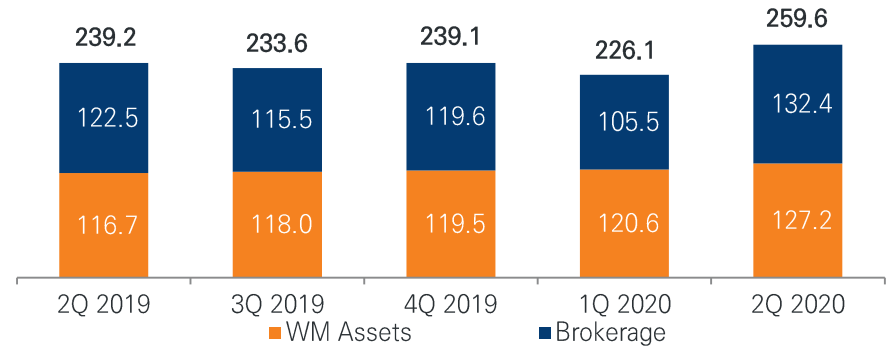
Interest Income

(Unit: Wbn)



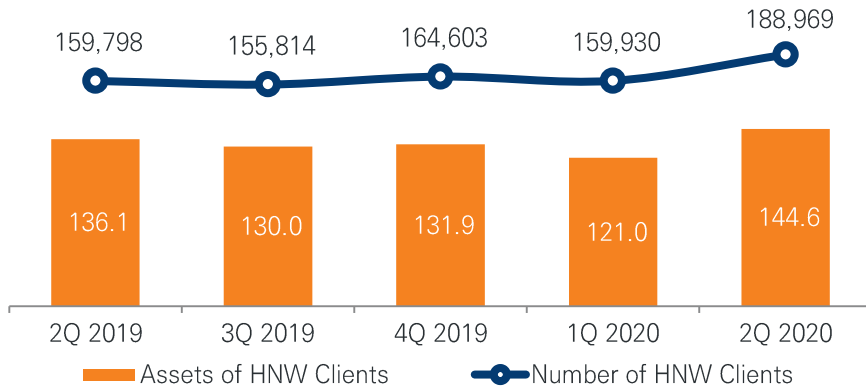
Total Client Assets

(Unit: Wtr)

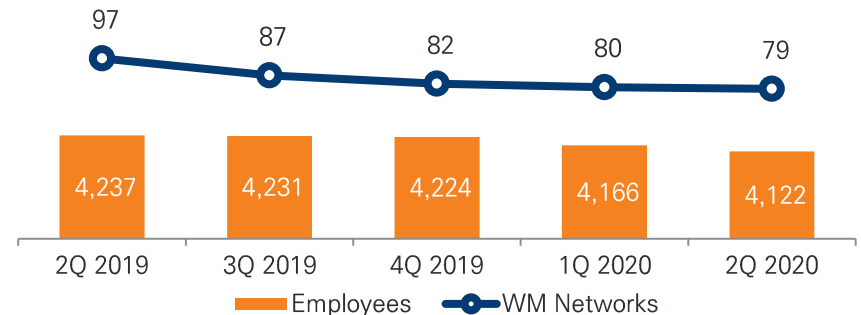


HNW Clients & Assets

(Unit: Wtr, person)



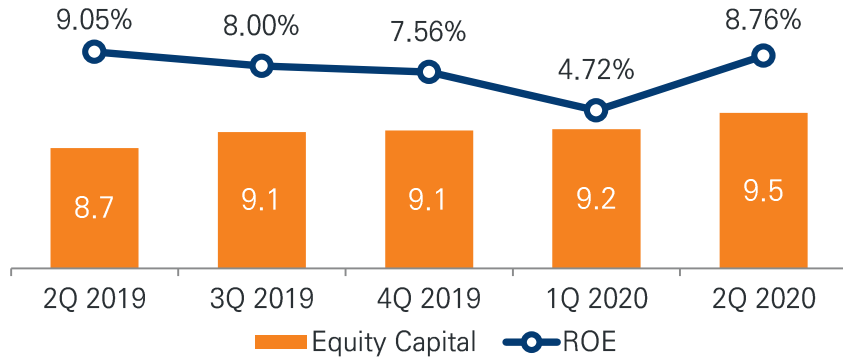
Employees & Networks



6. Investment Indices

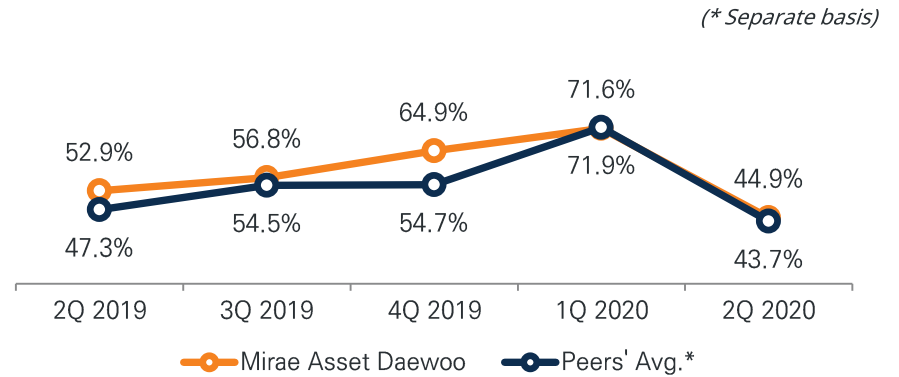
Annualized ROE 8.76% / SG&A to Net Operating Revenue 44.9% / BPS W13,920 & EPS W1,193

Equity Capital(controlling interest) & ROE (Unit: Wtr)



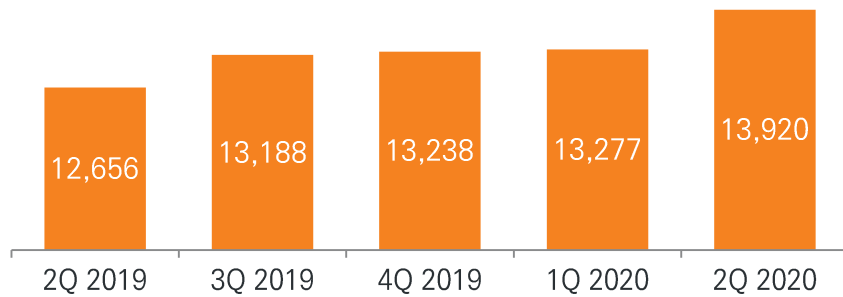
*(Consolidated)ROE=Cumulative annualized net income attributing to controlling interest / Equity capital attributing to controlling interest

SG&A to Net Operating Revenue (Peers' avg. included) (* Separate basis)



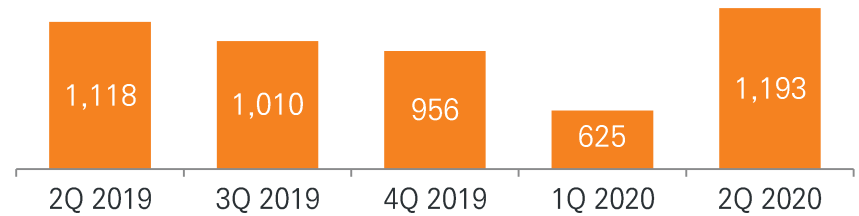
*Korea sec., NH sec., Samsung sec., Meritz sec. (excluding Korea sec, due to operating profit loss in 1Q20)

BPS (Unit: W)



*BPS=Equity capital attributing to controlling interest / Weighted averaged sum of outstanding number of Comm. shares, 2nd Pref. shares)

EPS (Unit: W)



*EPS=Cumulative annualized net income attributing to controlling interest / Weighted averaged sum of outstanding number of Comm. shares, 2nd Pref. shares)

7. Appendix

1. Corporate Overview
2. Group Structure
3. History
4. Core Strategies
5. Global Network

7-1. Corporate overview

Number of total shares outstanding	799,392,158 (Comm. shares : 645,316,408 / Pref. shares : 14,075,750 / 2 nd Pref. shares : 140,000,000)		
Market cap. ¹⁾	W4,304bn		
Major Shareholders ²⁾	Mirae Asset Capital (154,759,000, 23.98%) Treasury Stocks (108,581,606, 16.83%) ESOP (1,385,394, 0.21%)	National Pension (58,596,643, 9.08%) NAVER (47,393,364, 7.34%)	
Shareholders' Equity ³⁾	W9.53tr (consolidated) W8.88tr (separate)	Client Assets	W259.6tr
Employees	4,122 persons	Domestic Network	79 (67 WM, 12 Investment Center)
Credit Ratings	Baa2 (Moody's), BBB (S&P) AA (Korea Ratings, Korea Investors Service, NICE Information Service)		

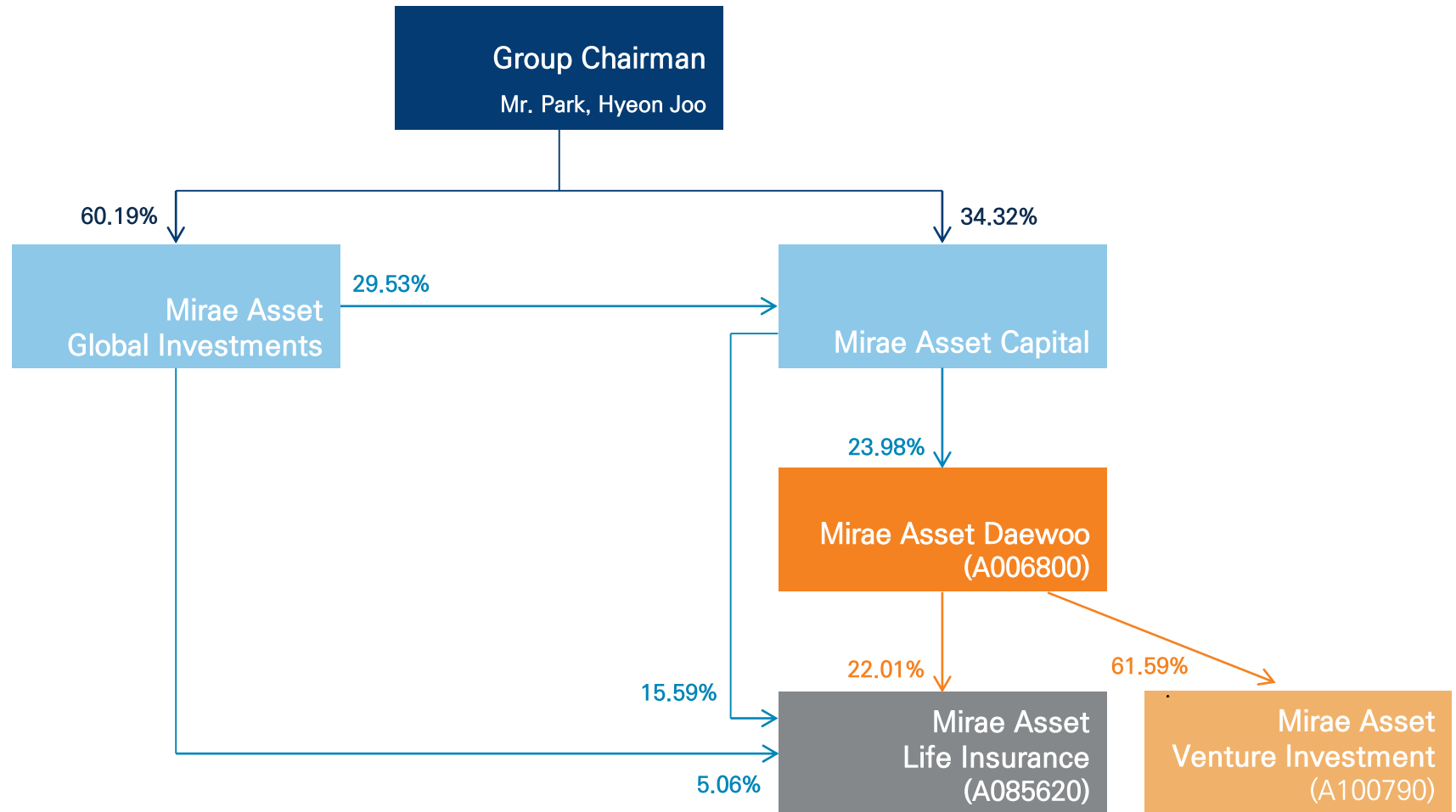
1) Market Cap: common shares, pref. shares, 2nd pref. shares

2) Issued total common shares basis

3) Consolidated shareholders' equity: controlling interests' basis (excluding shareholders' equity attributable to non-controlling interests)

※ As of June 30th 2020

7-2. Group structure

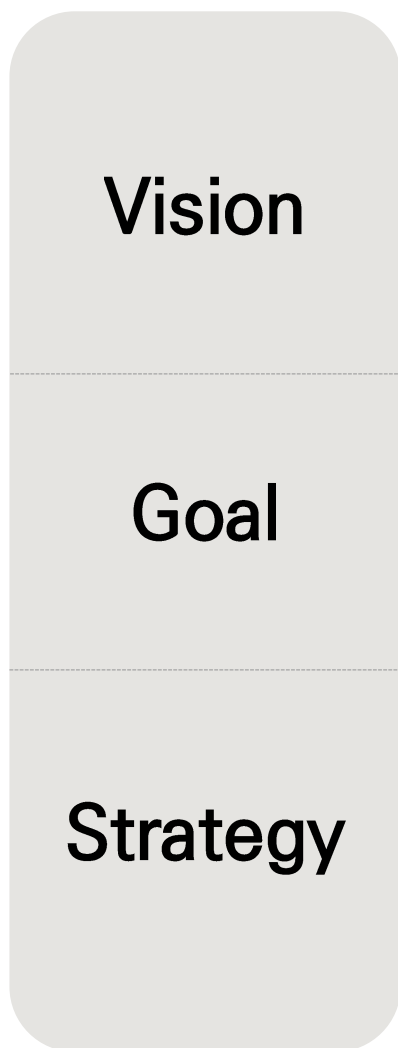


Note: 1) Percentage of ownership is calculated by total number of issued common shares excluding preferred stocks
 2) As of June 30th 2020

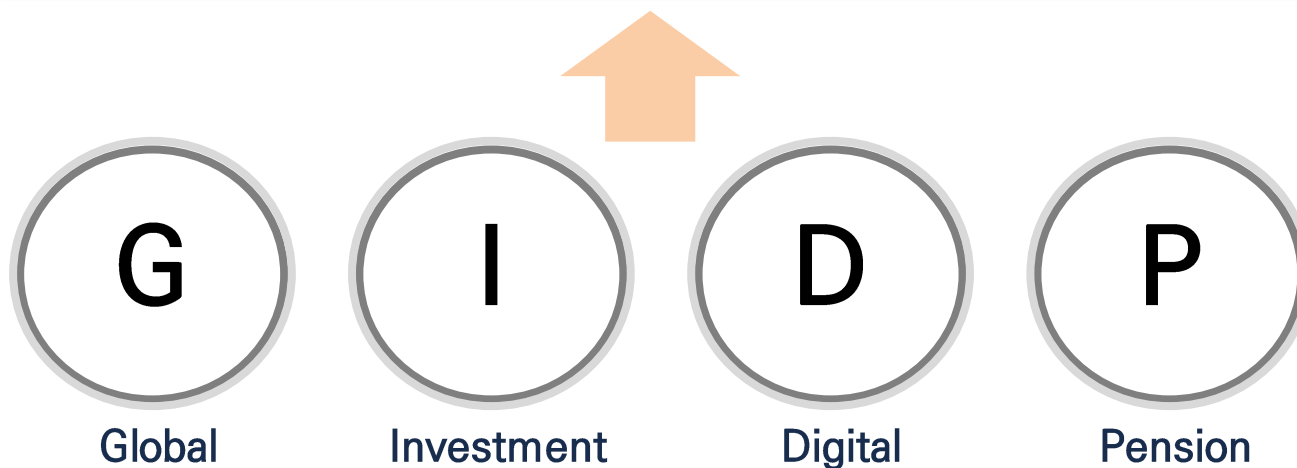
7-3. History



7-4. Core Strategy



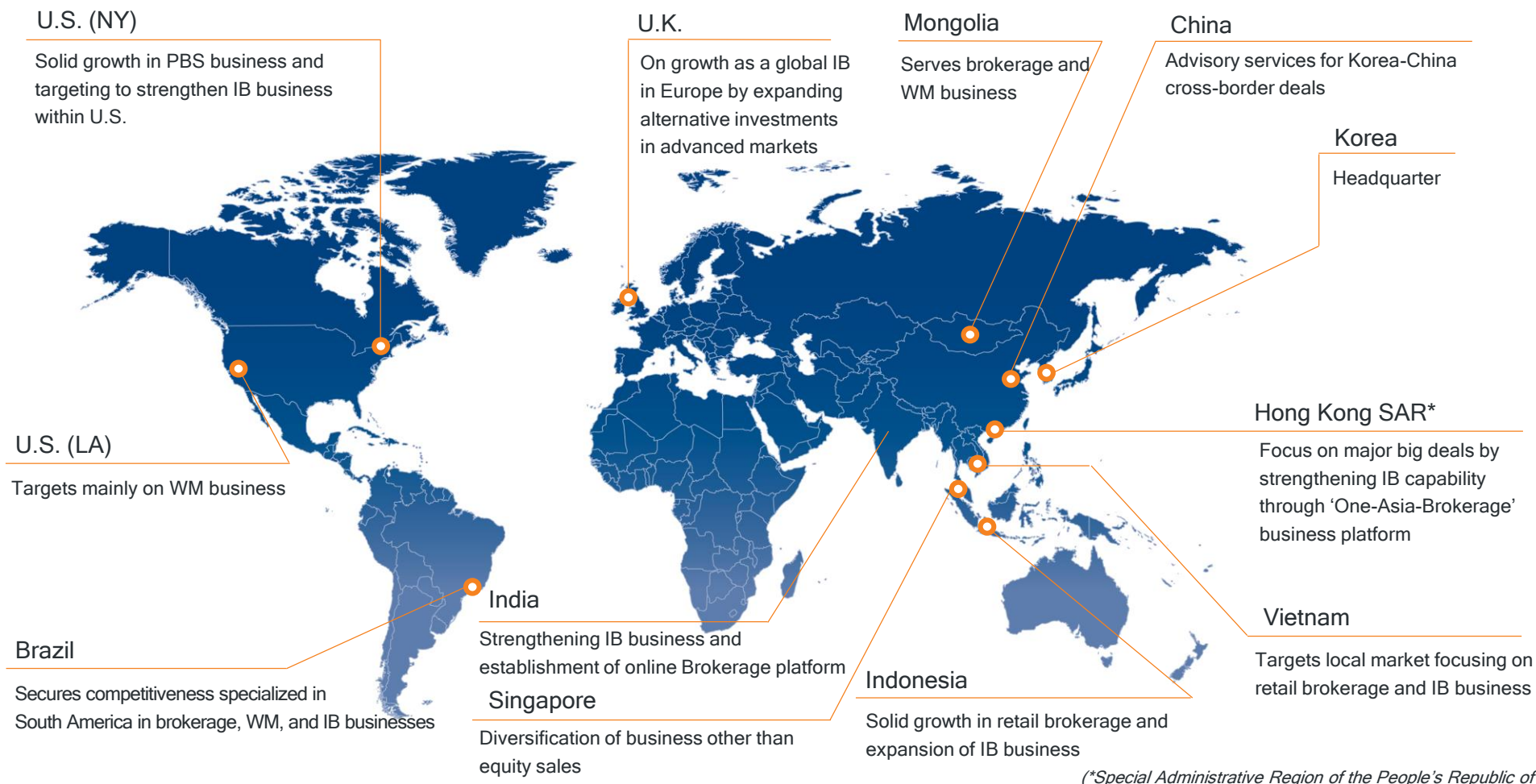
As a *Global Financial Group*, we pursue excellence in investment management to help our clients achieve their long-term objectives



7-5. Global Network

Extensive global network with IB·Trading·PBS businesses over 10 countries

11 overseas subsidiaries and 3 overseas representative offices



End of Document

