



Samsung Securities Co., Ltd.

2022 Earnings Release (Unaudited)

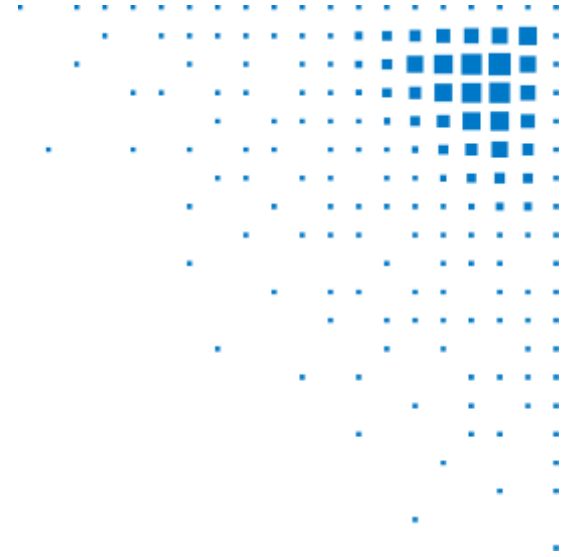
Feb, 2023

Investor Relations

**Samsung
Securities**

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Income Statement (Summary)

(KRW billion)

Separate basis	FY 2022	FY 2021	YoY	4Q 22	3Q 22	4Q 21	QoQ	YoY
Net revenues	1,292.1	2,172.5	-40.5%	207.5	344.1	415.8	-39.7%	-50.1%
Brokerage ¹	384.6	745.0	-48.4%	78.3	89.3	146.4	-12.3%	-46.5%
Financial product sales ²	286.5	411.7	-30.4%	67.7	72.2	72.3	-6.2%	-6.3%
Trading & interest income	395.1	761.6	-48.1%	28.8	126.7	123.3	-77.3%	-76.6%
Investment banking	226.8	251.9	-10.0%	36.6	51.6	72.5	-29.0%	-49.5%
Other ³	52.2	59.6	-12.4%	8.0	18.2	15.3	-56.1%	-47.8%
Commission expense	(53.0)	(57.3)	-7.5%	(12.0)	(13.8)	(14.0)	-13.4%	-14.5%
Operating expenses	769.8	883.9	-12.9%	207.6	199.5	228.0	+4.1%	-8.9%
Operating income	522.4	1,288.6	-59.5%	(0.1)	144.6	187.8	-	-
Pretax income	514.8	1,288.3	-60.0%	(3.1)	143.3	188.5	-	-
Income tax expense	137.3	351.5	-61.0%	2.7	29.4	51.5	-91.0%	-94.9%
Net income	377.5	936.7	-59.7%	(5.8)	113.8	137.0	-	-
ROE (Annualized)	6.3%	16.8%	-10.5%p	-0.4%	7.7%	9.3%	-8.1%p	-9.7%p
Consolidated basis	FY 2022	FY 2021	YoY	4Q 22	3Q 22	4Q 21	QoQ	YoY
Net revenues	1,401.1	2,241.8	-37.5%	248.4	367.5	433.6	-32.4%	-42.4%
Pretax income	575.9	1,327.2	-56.6%	21.0	156.1	198.3	-86.6%	-89.4%
Net income	423.9	965.3	-56.1%	11.9	123.5	144.1	-90.4%	-91.7%
ROE (Annualized)	6.9%	16.9%	-10.1%p	0.8%	8.1%	9.6%	-7.3%p	-8.8%p

¹ Brokerage commission excluding related costs

² Financial product sales include mutual funds, wrap accounts, OTC derivative products, bancassurance and trust (fixed income sales credit included in trading income)

³ Interest on securities loans, dividend from subsidiaries

Earnings Highlight

- **Samsung Securities reported consolidated pre-tax income of W575.9bn (-57% YoY), net income of W423.9bn (-56% YoY), and annualized ROE 6.9% (-10.1%p YoY) for FY2022**
- **Brokerage commission decreased as a result of stock market contraction** (W384.6bn, -48% YoY)
 - ✓ Domestic brokerage commission fell to W285.0bn (-52% YoY) reflecting lower equity trading value
 - ✓ Overseas stock trading value grew despite global stock market pullback (W35.1tn, 3% YoY)
 - ✓ With market value declining, retail client assets decreased to W270.3tn (-15% YoY)
- **Financial product sales decreased, reflecting decline in ELS early redemption volume and fund sales** (W286.5bn, -30% YoY)
 - ✓ Trust account balance (W7.2tn, +13% YoY) and sales both increased from FY2021 (W27.3bn, +4% YoY)
- **Trading income decreased, largely reflecting sluggish bond trading and weakened ELS trading income, whereas Interest income increased +8% YoY driven by improved profitability due to base rate increase**
- **IB revenue were slightly lower as market contraction led to deal delays** (W226.8bn, -10% YoY), **while Structured financing revenue remained similar to last year at 183.4bn (-3% YoY), largely reflecting the increase in the number of deals**

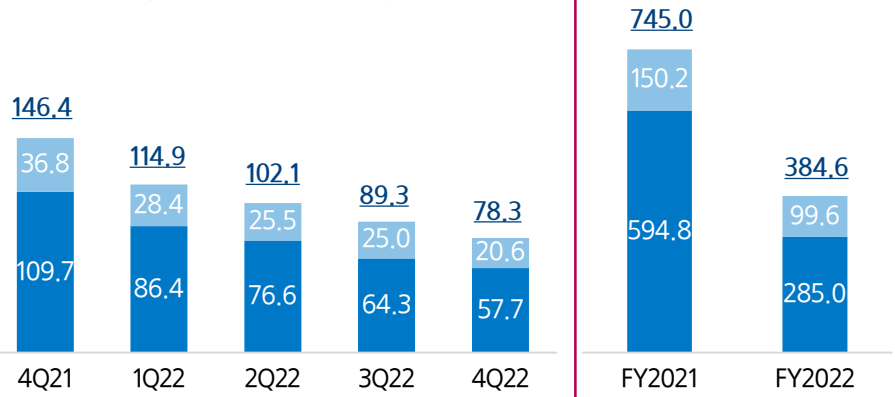
* Note: Separate basis except for pre-tax income and net income data

Brokerage Commission

[Brokerage Commission]

(KRW billion)

■ Domestic Equity ■ Overseas Equity

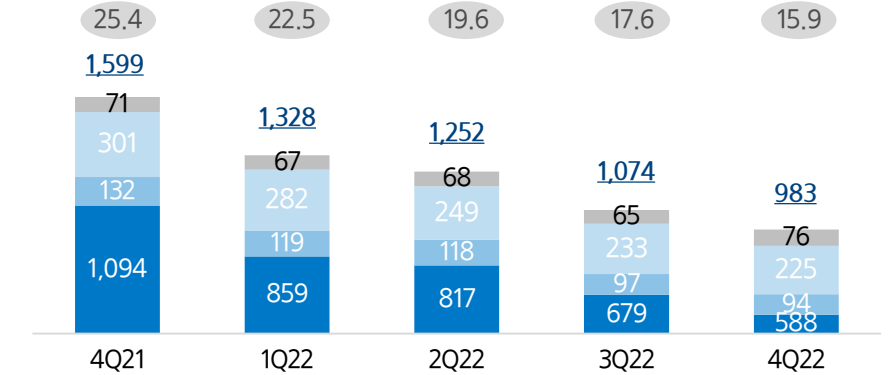


Note: Domestic equity includes futures, options, etc.

[Domestic Equity Trading Value]

(KRW trillion)

■ Individual ■ Domestic Institutions ■ Foreigner ■ Others
● Avg. Daily Trading Value

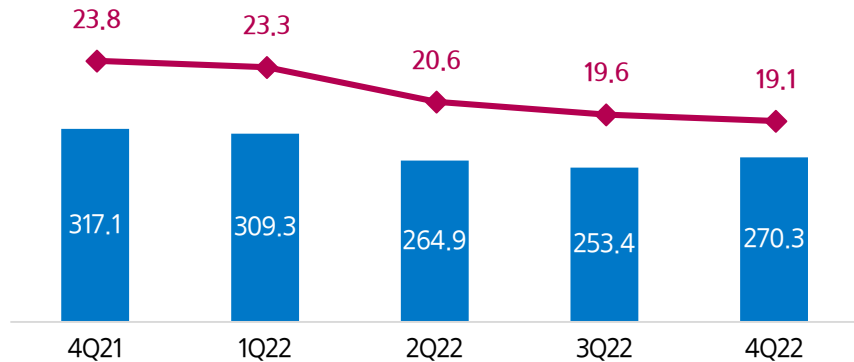


Note: ADT includes KOSPI, KOSDAQ, KONEX & ETP

[Retail Client Assets and # of HNWI Clients]

(KRW trillion, '000 clients)

■ Client Assets ◆ # of HNWI

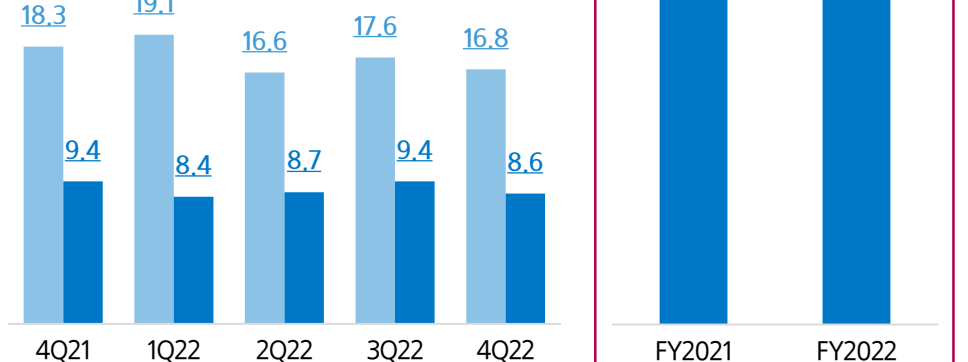


Note: HNWI with assets over 100million

[Overseas Equity Assets & Trading Value]

(KRW trillion)

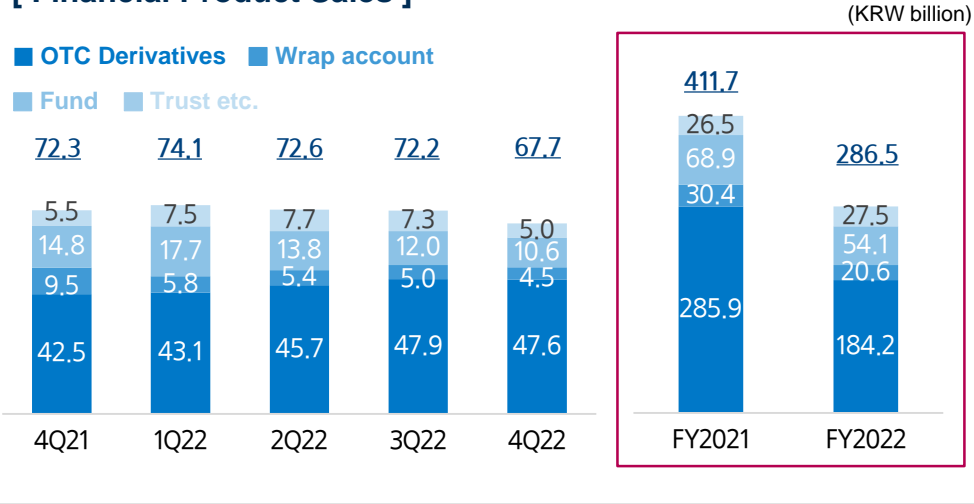
■ Total Assets ■ Trading Value



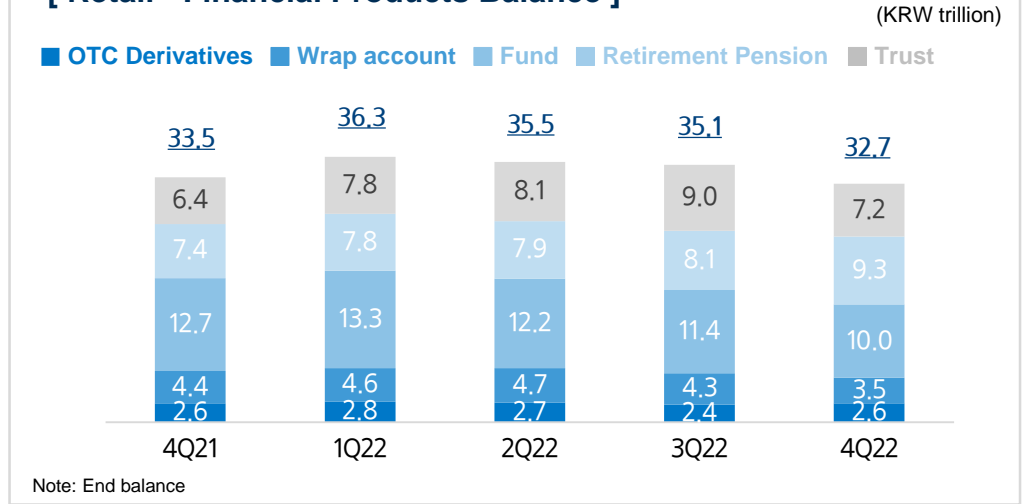
Note: Total assets based on quarter-end balance including deposits

Financial Product Sales

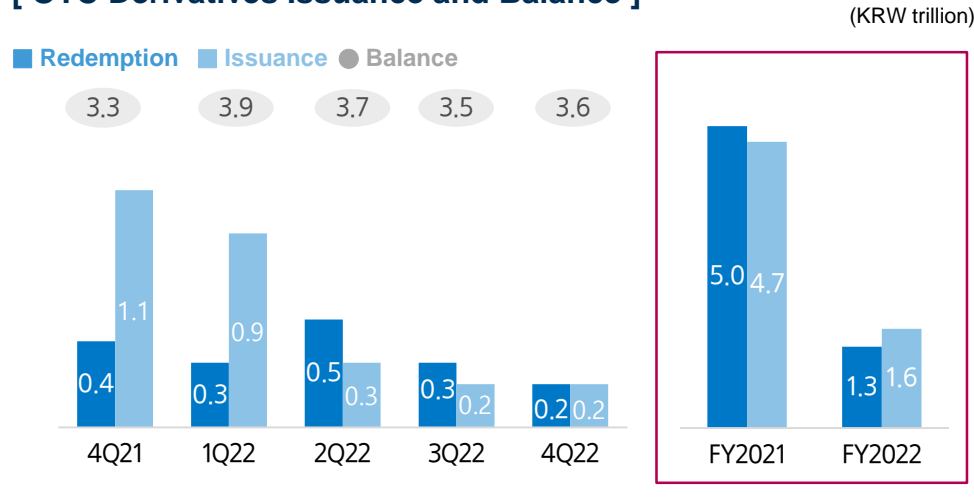
[Financial Product Sales]



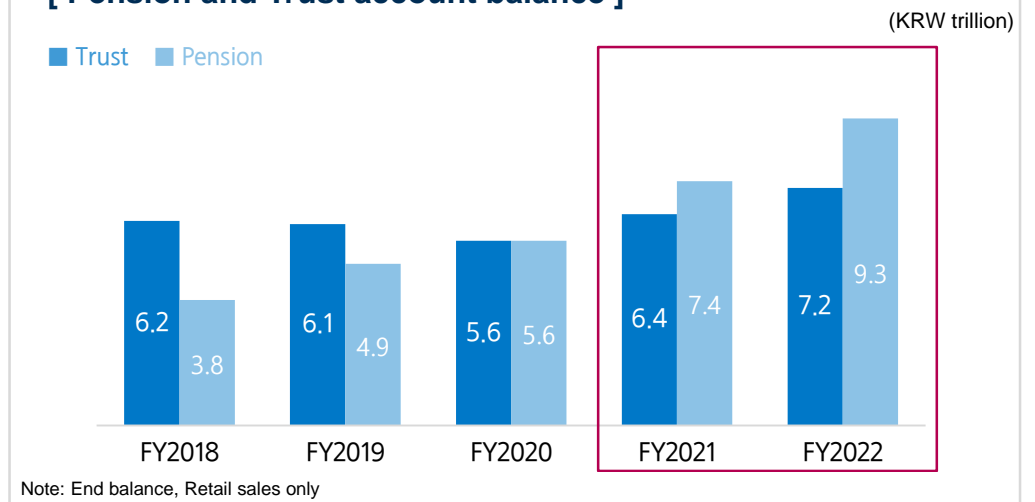
[Retail - Financial Products Balance]



[OTC Derivatives Issuance and Balance]



[Pension and Trust account balance]

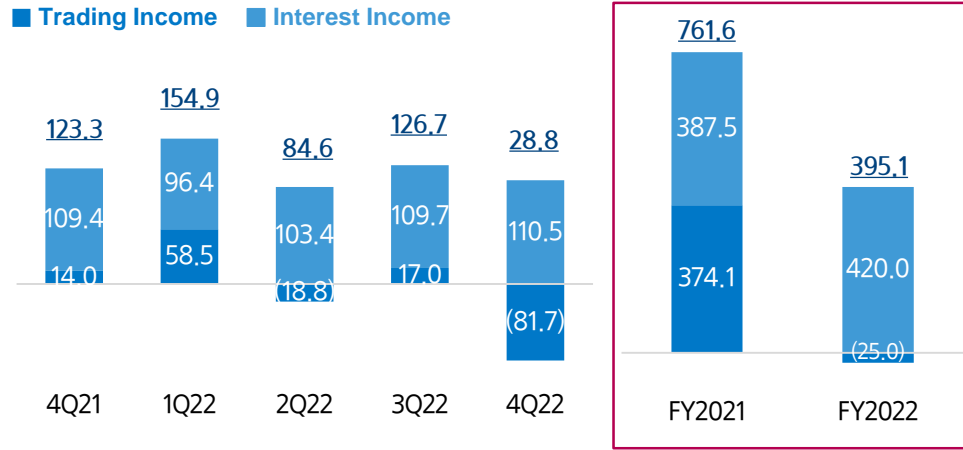


Trading & Interest Income

[Trading & Interest Income]

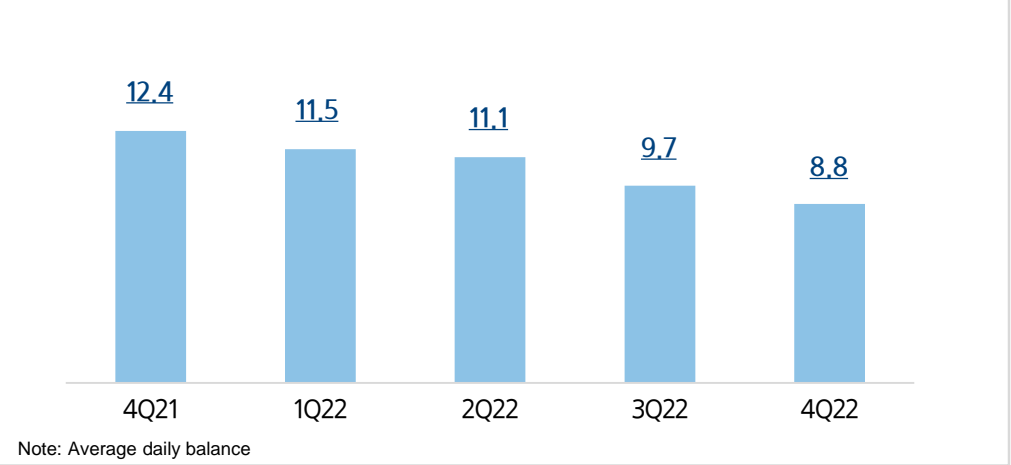
(KRW billion)

■ Trading Income ■ Interest Income



[Client Deposits]

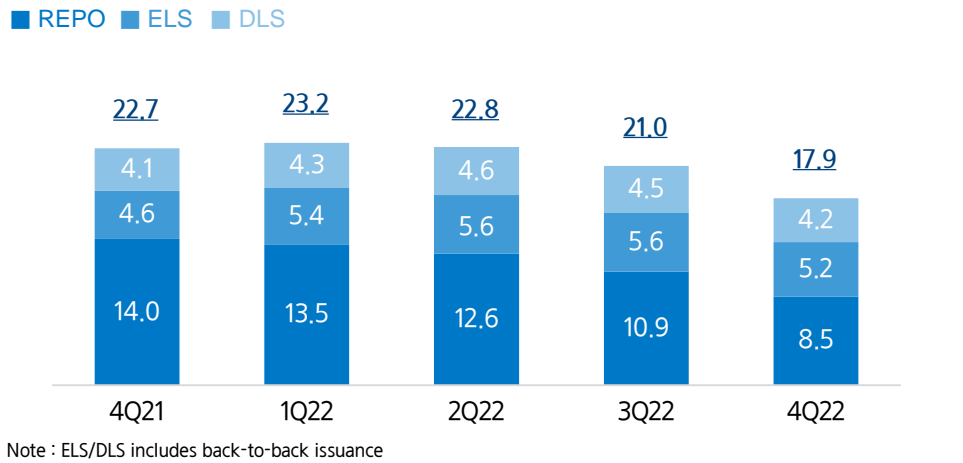
(KRW trillion)



[Trading Income Related Client Assets]

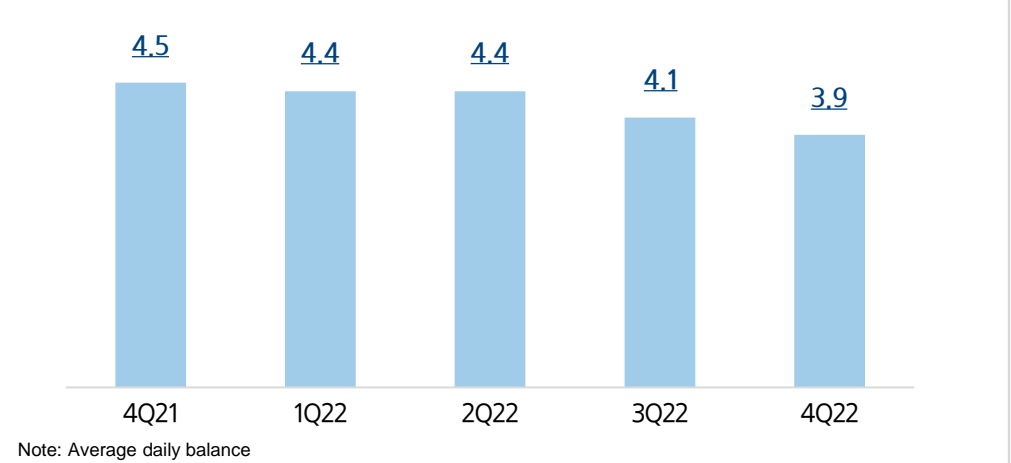
(KRW trillion)

■ REPO ■ ELS ■ DLS



[Margin Loan Balance]

(KRW trillion)

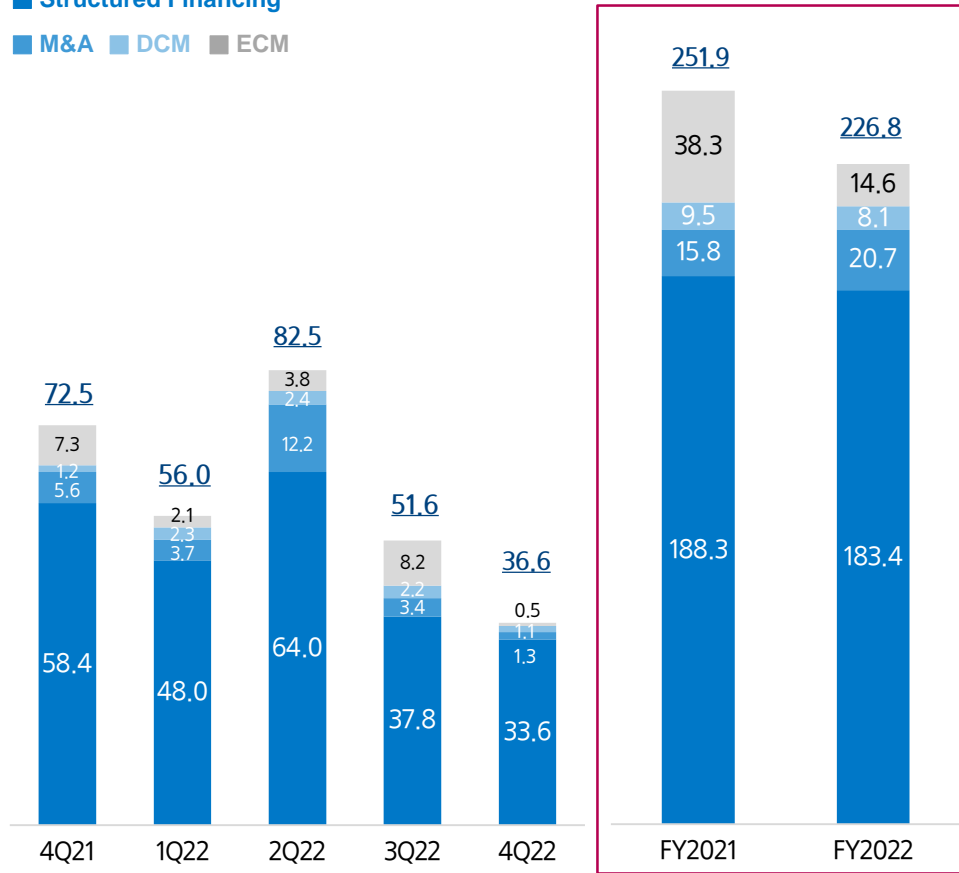


Investment Banking

[Investment Banking Revenue]

(KRW billion)

- Structured Financing
- M&A
- DCM
- ECM



[2022 Major Deals]

Mastern
PREMIER

IPO
Main underwriter

Laserssel ICH CO.,LTD.

IPO
Main underwriter

IPO
Main underwriter

SOCAR

IPO
Co-manager

OPENEDGES
Technology, Inc.

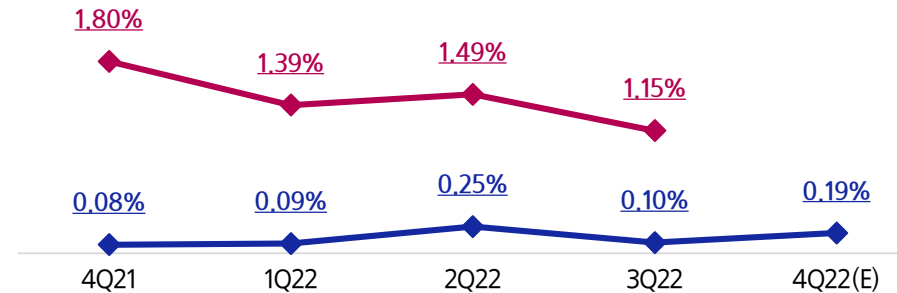
IPO
Main underwriter

SK reit

Right Issue
underwriter

[Non-performing Assets ratio]

- ◆ Samsung Securities
- ◆ Industry average

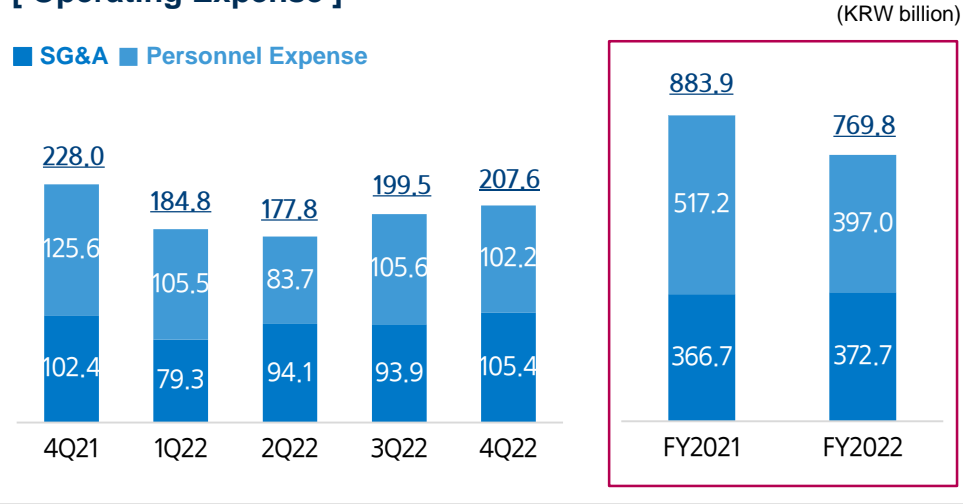


* Note : including debt guarantees

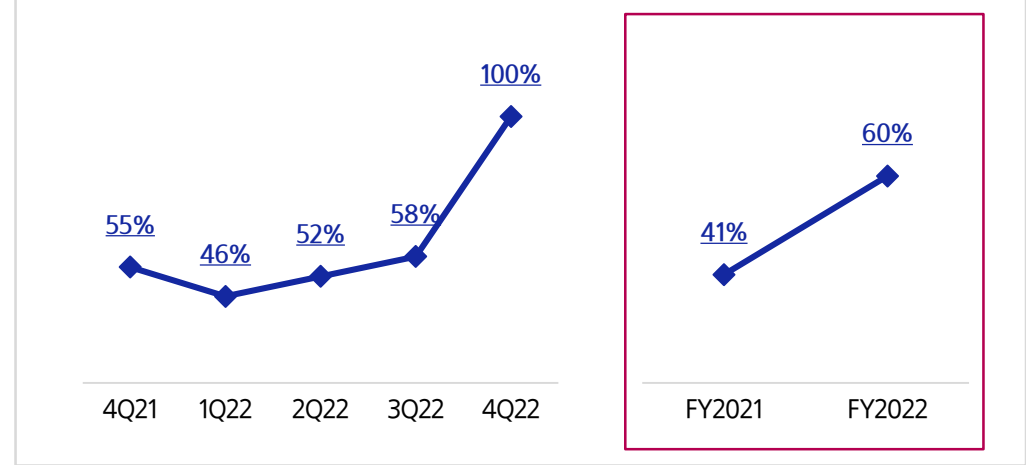
Operating Expense & Regulatory Ratios

[Operating Expense]

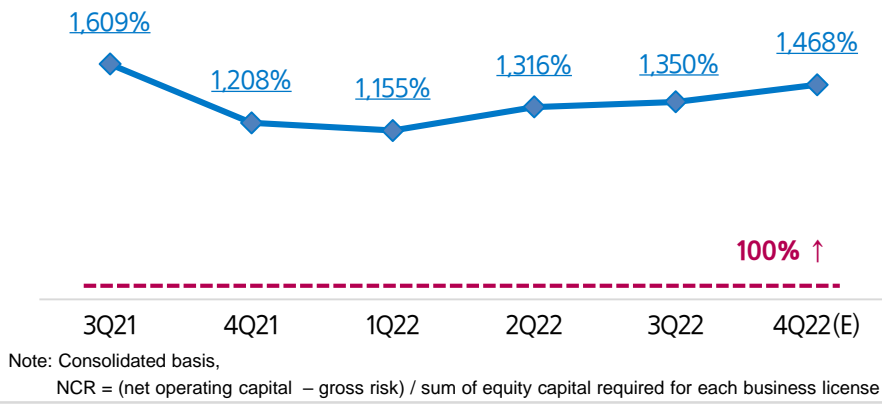
■ SG&A ■ Personnel Expense



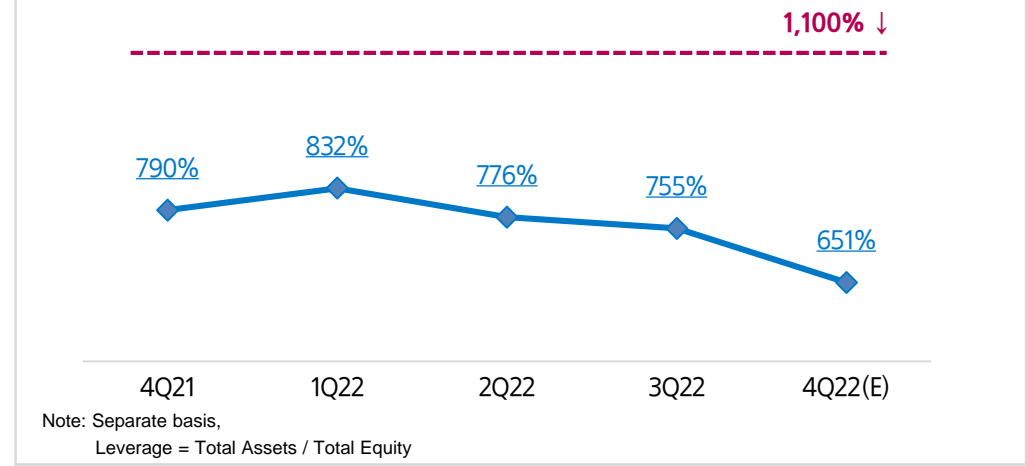
[Cost-to-Income]



[Net Capital Ratio]



[Leverage ratio]



2023 Business strategy & Targets

Establish stable business model, expand client base & IB coverage with strict risk management practice and improved business efficiency while constantly seeking for 'new source of income' to secure market power

Risk management

- ✓ **Preemptively minimize potential risk by conducting thorough evaluation of assets**
 - Eliminate risks to reduce operating profit volatility and capture new opportunities when markets improve
 - Conduct regular strategy reviews for different market scenarios based on House Research view
 - Focus on quality for PI business while actively seeking value investing opportunities
-

Expand client base and market share

- ✓ **Maximize in-house and out of house synergy opportunities and broaden HNWI/SME client base to secure market power**
 - Capture Monimo app based clients into loyal customers and leverage synergy driven business between retail channel and digital
 - Offer financial solutions such as IB/S&T joint sales to broaden HNWI Family office market share
 - Combine and enlarge branches to improve SME access and provide business life cycle based solutions
-

Early settlement of new businesses

- ✓ **Expand sources of income with early settlement of new businesses**
 - Pursue In-House AM business & productization of co-investments at different levels (i.e. Private/Mezzanine/Alternative funds)
 - Create profit through early actualization of OTC and private equity brokerage coverage expansion
 - Concretize action plan for STO business

Appendix

Company Overview **Financial Statements**

- Balance sheet
- Income statement

Company Overview

CEO	Mr. Seok-Hoon Chang	Number of branches	28 (1 office not incl.)
Market Cap.	KRW 2.8tn (As of Dec 29, 2022)	Number of Employees (Advisors)	2,437 (583)
Credit Rating	Baa2 Stable (Moody's) AA+ Stable (KIS rating)		
ESG Rating	MSCI ESG Score AA KCGS ESG Score A DJSI World Index Company		

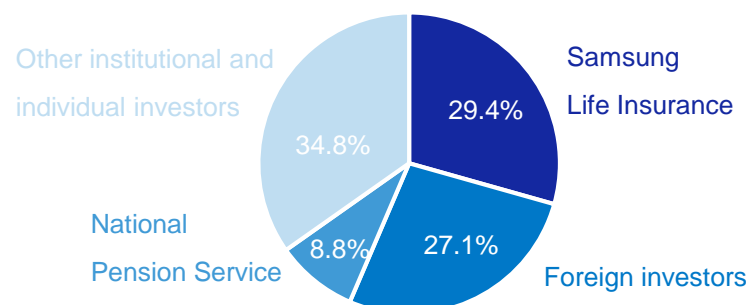
Key Financials

(KRW billion)

	FY2022	FY2021
Total assets	53,843	65,701
Shareholders' equity	6,197	6,081
Net income	423.9	965.3
ROE (Annualized)	6.9%	16.9%

Note: consolidated basis

Shareholder composition



Company History

- 1982 • Founded as Hanil Investment Finance
- 1988 • IPO (Listed on securities exchange)
- 1992 • Joined Samsung Group and renamed Samsung Securities
- 1998 • Started sale of mutual funds (First in Korea)
- 2000 • Merged with Samsung Investment Trust
- 2003 • Obtained full London Stock Exchange membership/
Launched Samsung Wrap Accounts
- 2005 • Signed MOU with CITIC Securities (China)
- 2006 • Won in 9 categories of finance in the Asiamoney Brokers Poll (First in Korea)
- 2007 • First Korean financial company to underwrite inflation-linked bonds
- 2010 • Joined the DJSI World Index (First in Korean financial industry)
- 2015 • Declared Customer Protection Charter
Recorded POP UMA sales of KRW 2 trillion
- 2017 • Signed comprehensive business alliance with HSC Securities (Vietnam)
- 2018 • Launched margin trading service for overseas stocks (First in Korea)
- 2020 • Recorded KRW 200 trillion client assets / Found ESG research institute
Rated 'A+' fund distributor for 4 consecutive years by "Korea Financial Investors Protection Foundation"
- 2021 • Launched stock and shares ISA (First in Korea)
Issued ESG rated green bonds (First in Korean financial industry)
Received ISO14001 certification
- 2022 • First company in the world to launch day-trading system for U.S Stocks
Launched Samsung Financial Group unified service application 'Monimo'
Included in DJSI World Index for 13 consecutive years

Consolidated Balance Sheet

Appendix

(KRW billion)

	4Q 22	(QoQ)	(YoY)	3Q 22	2Q 22	1Q 22	4Q 21
Total asset	53,843	-15.7%	-18.1%	63,905	64,459	66,955	65,707
I. Cash and cash equivalents	2,849	-0.9%	-12.2%	2,875	3,479	3,745	3,244
II. Financial assets designated at Fair Value	27,156	-12.7%	-31.6%	31,121	33,713	36,474	39,715
III. Financial assets designated at OCI	4,515	-12.6%	+4.0%	5,165	4,466	4,225	4,342
IV. Financial assets designated at cost after amortization	18,847	-22.5%	+4.6%	24,309	22,371	22,098	18,018
V. Investments in associates	176	-4.9%	+28.0%	185	169	158	137
VI. Fixed assets	106	+3.9%	+1.6%	102	104	100	105
VII. Investments in real estate	-	-	-	-	-	-	-
VIII. Intangible assets	104	+11.9%	+21.1%	93	88	86	86
IX. Prepaid Tax	28	+175.1%	+275.2%	10	11	8	7
X. Deferred income tax assets	1	-25.1%	-9.4%	1	1	1	1
XI. Other Assets	60	+37.9%	+14.7%	44	57	58	53
Total liabilities	47,646	-17.5%	-20.1%	57,722	58,403	61,067	59,627
I. Financial liabilities at Fair Value	10,276	-14.3%	+2.6%	11,987	11,347	11,368	10,015
II. Deposits	13,359	-11.3%	-23.5%	15,057	15,172	16,764	17,468
III. Borrowings	17,186	-13.8%	-30.7%	19,930	22,119	23,029	24,806
IV. Debenture issued	3,400	-4.5%	+12.0%	3,561	3,870	3,105	3,035
V. Defined benefit liabilities	(7)	-	-	29	27	18	16
VI. Reserve for contingent liabilities	14	+1.8%	+6.6%	14	13	13	13
VII. Accrued income taxes	13	-11.0%	-94.4%	15	24	164	237
VIII. Deferred income tax liabilities	176	+2.8%	+35.2%	171	174	133	130
IX. Other liabilities	3,229	-53.6%	-17.3%	6,960	5,656	6,474	3,906
Total equity	6,197	+0.2%	+1.9%	6,183	6,056	5,888	6,081
I. Share capital	458	-	-	458	458	458	458
II. Capital surplus	1,743	-	-	1,743	1,743	1,743	1,743
III. Capital adjustment	(59)	-	-	(59)	(59)	(59)	(59)
IV. Accumulated OCI	220	+1.0%	+17.0%	218	214	183	188
V. Retained earnings	3,834	+0.3%	+2.3%	3,822	3,699	3,562	3,749
VI. Minority interest	-	-	-	-	-	-	-

Separate Balance Sheet

Appendix

(KRW billion)

	4Q 22	(QoQ)	(YoY)	3Q 22	2Q 22	1Q 22	4Q 21
Total asset	47,703	-16.4%	-20.0%	57,064	57,506	60,880	59,642
I. Cash and cash equivalents	2,763	-1.2%	-12.7%	2,795	3,386	3,669	3,165
II. Financial assets designated at Fair Value	27,419	-12.0%	-30.6%	31,147	33,729	36,382	39,513
III. Financial assets designated at OCI	4,495	-12.6%	+4.0%	5,142	4,443	4,207	4,324
IV. Financial assets designated at cost after amortization	12,387	-28.8%	+2.7%	17,386	15,350	16,025	12,059
V. Investments in associates	379	+1.4%	+8.5%	374	369	364	350
VI. Fixed assets	99	+5.4%	-0.01%	94	96	95	99
VII. Investments in real estate	-	-	-	-	-	-	-
VIII. Intangible assets	100	+12.3%	+21.4%	89	85	82	83
IX. Prepaid tax	16	-	-	-	-	-	-
X. Deferred income tax assets	-	-	-	-	-	-	-
XI. Other Assets	44	+19.8%	-11.5%	37	50	55	50
Total liabilities	41,724	-18.4%	-22.3%	51,110	51,649	55,154	53,716
I. Financial liabilities at Fair Value	10,276	-14.3%	+2.6%	11,987	11,347	11,368	10,015
II. Deposits	10,110	-13.1%	-32.5%	11,632	12,166	14,111	14,981
III. Borrowings	14,653	-13.3%	-31.8%	16,907	18,577	19,882	21,470
IV. Debenture issued	3,400	-4.5%	+12.0%	3,561	3,870	3,105	3,035
V. Defined benefit liabilities	(5)	-116.8%	-131.0%	30	28	19	16
VI. Reserve for contingent liabilities	17	+12.4%	+34.1%	15	14	13	13
VII. Accrued income taxes	-	-100.0%	-100.0%	7	17	157	231
VIII. Deferred income tax liabilities	169	+5.5%	+36.4%	160	164	128	124
IX. Other liabilities	3,103	-54.4%	-19.0%	6,812	5,466	6,372	3,830
Total equity	5,980	+0.4%	+0.9%	5,954	5,858	5,726	5,926
I. Share capital	458	-	-	458	458	458	458
II. Capital surplus	1,743	-	-	1,743	1,743	1,743	1,743
III. Capital adjustment	(36)	-	-	(36)	(36)	(36)	(36)
IV. Accumulated OCI	184	+20.6%	+9.5%	152	170	157	168
V. Retained earnings	3,630	-0.2%	+1.1%	3,636	3,522	3,403	3,592

Consolidated Income Statement

Appendix

	4Q 22	(QoQ)	(YoY)	3Q 22	2Q 22	1Q 22	4Q 21	2022	2021	(YoY)
	(KRW billion)									
Net revenues	248.4	-32.4%	-42.4%	367.5	368.6	416.5	431.2	1,401.1	2,241.8	-37.5%
Brokerage commissions	93.1	-9.9%	-41.2%	103.3	115.1	127.1	158.4	438.6	791.9	-44.6%
Financial product sales	67.7	-6.2%	-6.3%	72.2	72.6	74.0	72.3	286.5	411.7	-30.4%
(Wrap account)	4.5	-10.1%	-52.7%	5.0	5.4	5.8	9.5	20.6	30.4	-32.0%
(Fund)	10.6	-11.6%	-28.2%	12.0	13.8	17.7	14.8	54.1	68.9	-21.4%
(OTC derivatives)	47.6	-0.6%	+12.1%	47.9	45.7	43.1	42.5	184.2	285.9	-35.6%
(Others)	5.0	-31.5%	-9.8%	7.3	7.7	7.5	5.5	27.5	26.5	+3.7%
Trading and interest income	60.6	-59.8%	-56.5%	150.8	119.7	172.0	139.3	503.1	840.4	-40.1%
Investment banking	21.9	-37.5%	-59.2%	35.0	62.9	35.3	53.7	155.2	165.1	-6.0%
Other income	19.0	+44.6%	+16.0%	13.1	20.6	19.6	16.4	72.4	71.9	+0.8%
Commission expenses	(13.9)	+100.4%	+56.3%	(6.9)	(22.4)	(11.6)	(8.9)	(54.7)	(39.1)	+39.9%
Operating expenses	221.0	+4.6%	-8.2%	211.3	185.9	204.3	240.8	822.5	933.1	-11.9%
Personnel expenses	110.5	-2.2%	-15.8%	113.1	89.5	111.2	131.3	424.3	539.1	-21.3%
Depreciation & Amortization	14.6	+4.8%	+4.9%	13.9	13.4	13.8	13.9	55.6	56.1	-0.8%
G&A expenses	95.8	+13.6%	+0.3%	84.4	83.0	79.3	95.6	342.5	337.9	+1.4%
(IT expenses)	24.9	+5.8%	+3.4%	23.5	24.5	22.6	24.0	95.4	89.1	+7.1%
(Rent)	1.2	+6.3%	-18.5%	1.2	1.1	1.5	1.5	5.1	5.9	-14.0%
(Advertisement)	20.1	+48.2%	+30.9%	13.6	13.1	1.9	15.3	48.7	53.6	-9.1%
(Others)	49.7	+7.6%	-9.1%	46.1	44.3	53.3	54.7	193.3	189.3	+2.1%
Operating income	27.5	-82.4%	-85.6%	156.2	182.8	212.2	190.4	578.6	1,308.7	-55.8%
Non-operating revenues	(6.5)	+5,646%	-	(0.1)	(0.4)	4.2	7.4	(2.7)	18.5	-114.7%
Pretax income	21.0	-86.6%	-89.4%	156.1	182.4	216.4	197.9	575.9	1,327.2	-56.6%
Income tax expense	9.1	-72.1%	-83.2%	32.6	45.6	64.7	54.2	152.0	361.8	-58.0%
Net income	11.9	-90.4%	-91.7%	123.5	136.8	151.8	143.6	423.9	965.3	-56.1%
(Majority share)	11.9	-90.4%	-91.7%	123.5	136.8	151.8	143.6	423.9	965.3	-56.1%

Separate Income Statement

Appendix

(KRW billion)

	4Q 22	(QoQ)	(YoY)	3Q 22	2Q 22	1Q 22	4Q 21	2022	2021	(YoY)
Net revenues	207.5	-39.7%	-50.1%	344.1	340.5	400.0	415.8	1,292.1	2,172.5	-40.5%
Brokerage commissions	78.3	-12.3%	-46.5%	89.3	102.1	114.9	146.4	384.6	745.0	-48.4%
Financial product sales	67.7	-6.2%	-6.3%	72.2	72.6	74.1	72.3	286.5	411.7	-30.4%
(Wrap account)	4.5	-10.1%	-52.7%	5.0	5.4	5.8	9.5	20.6	30.4	-32.0%
(Fund)	10.6	-11.6%	-28.2%	12.0	13.8	17.7	14.8	54.1	68.9	-21.4%
(OTC derivatives)	47.6	-0.6%	+12.1%	47.9	45.7	43.1	42.5	184.2	285.9	-35.6%
(Others)	5.0	-31.5%	-9.8%	7.3	7.7	7.5	5.5	27.5	26.5	+3.8%
Trading and interest income	28.8	-77.3%	-76.6%	126.7	84.6	154.9	123.3	395.1	761.6	-48.1%
Investment banking	36.6	-29.0%	-49.5%	51.6	82.5	56.0	72.5	226.8	251.9	-10.0%
Other income	8.0	-56.1%	-47.8%	18.2	12.4	13.7	15.3	52.2	59.6	-12.4%
Commission expenses	(12.0)	-13.4%	-14.5%	(13.8)	(13.7)	(13.5)	(14.0)	(53.0)	(57.3)	-7.5%
Operating expenses	207.6	+4.1%	-8.9%	199.5	177.8	184.8	228.0	769.8	883.9	-12.9%
Personnel expenses	102.2	-3.2%	-18.6%	105.6	83.7	105.5	125.6	397.0	517.2	-23.2%
Depreciation & Amortization	13.5	+5.1%	+5.0%	12.8	12.5	12.7	12.8	51.5	51.8	-0.5%
G&A expenses	91.9	+13.4%	+2.7%	81.1	81.6	66.6	89.6	321.2	314.9	+2.0%
(IT expenses)	23.0	+6.6%	+3.4%	21.6	22.7	20.8	22.2	88.0	82.2	+7.1%
(Rent)	1.0	+7.4%	-22.2%	0.9	0.9	1.3	1.2	4.0	4.7	-16.3%
(Advertisement)	19.2	+44.7%	+26.6%	13.2	12.8	1.7	15.1	46.9	52.9	-11.3%
(Others)	48.9	+7.6%	-4.1%	45.4	45.3	42.9	51.0	182.4	175.1	+4.2%
Operating income	(0,1)	-	-	144.6	162.7	215.2	187.8	522.4	1,288.6	-59.5%
Non-operating revenues	(3.0)	+120.5%	-	(1.4)	(2.0)	(1.3)	0.7	(7.6)	(0.3)	+2,639%
Pretax income	(3.1)	-	-	143.3	160.7	213.9	188.5	514.8	1,288.3	-60.0%
Income tax expense	2.7	-91.0%	-94.9%	29.4	41.8	63.4	51.5	137.3	351.5	-61.0%
Net income	(5.8)	-	-	113.8	118.9	150.5	137.0	377.5	936.7	-59.7%

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