

「 「
FOCUSING ON
BALANCED
GROWTH
」 」

ABOUT THIS REPORT

Samsung Securities shares its corporate vision, business strategies, and performance with its shareholders, clients, and other stakeholders through the publication of the Annual Integrated Report. Communicating our corporate philosophy and corporate data is an integral part of working towards sustainable growth. This is an integrated report prepared in accordance with the IIRC (International Integrated Reporting Council) <IR> framework.

Reporting Period

This report covers the financial performance and progress made towards sustainable practice from January 1 to December 31, 2019. For quantitative data requiring trend analysis, data from the past three to four years (2016-2019) is provided, while it also includes certain qualitative data up to May 2020.

Reporting Scope and Boundary

The report covers business activities of all our business premises including wholesale, domestic branches and overseas offices. However for overseas business, some social and environmental data is excluded from the report due to physical limitations in collecting relevant data.

Reporting Principles

The report is prepared based on the GRI Standards Reporting Guidelines and GRI Financial Services Sector Supplement (FSSS). It was prepared in accordance with the Core option.

Assurance

The financial information in this report was independently audited by Deloitte Anjin LLC. and received third-party assurance from the Korea Foundation for Quality in accordance with AA1000AS (2008) to ensure accuracy and objectivity of non-financial information.

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CORPORATE INFORMATION

HISTORY

2019 - 2011

2019	Ranked 1st in 2018 Fund Sales Assessment in the financial sector by Korea Financial Investors Protection Foundation Declared "Overseas Investment 2.0 Era" to lead the globalization of Korean asset management Expanded SNI(Samsung & Investment) service to all offices
2018	Introduced Korea's first "integrated deposit" service for overseas stocks Acquired stake in Dunkirk LNG terminal in France Signed MOU with Societe Generale
2017	Comprehensive business alliance with HSC Securities (Vietnam) Comprehensive business alliance with KGI Securities (Taiwan)
2016	Announced a new brand slogan Held the 1st Samsung Securities CEO Forum Held signing ceremony with KGI Securities (Taiwan) Opened Samsung financial center
2015	Declared Customer Protection Charter POP UMA surpassed sales of KRW 2 trillion
2014	Introduced a customer-oriented product recommendation system Alliance with Lombard Street Research & BCA Research
2013	Held a value statement proclamation ceremony Launched a next-gen financial IT system
2012	Launched retirement planning at all branches
2011	Signed an MOU with Huaxia Asset Management, the largest Asset Management company in China Declared CS Innovation (Gonggam 36.5) Obtained the Business Continuity Management (BCM) international certification

2010 - 2001

2010	Launched SNI, an exclusive brand for UHNW clients Joined the DJSI World Index as the first Korean financial company
2009	Declared brand management slogan: "Create with You" Launched POP, an advanced wealth management brand
2008	Launched industry-first optional commission-based customized fee service
2007	Underwrote the total value of the nation's treasury inflation protected securities (TIPS) for the first time in Korea Named 'Korea's Best Private Bank' by Asiamoney
2006	Designated as Korea's Top Research Company by Institutional Investor Magazine (U.S.) Selected as having the highest scores among securities companies by three domestic customer satisfaction indexes (KS-SQI, KCSI, and NCSI) Won in 9 categories of finance in the Asiamoney Brokers Poll 2006
2005	Launched the Fn Honors Club, a Financial Advisory service brand
2004	Launched the Samsung Cash Management Account (SMA) service Held the annual Samsung Global Investor Conference Declared the Samsung Securities WAY
2003	Obtained full London Stock Exchange membership Launched Samsung Wrap accounts
2002	Named the Best Investment Bank in Korea by Finance Asia Established Shanghai subsidiary
2001	Named the Best Equity House by Euromoney for the 3rd consecutive year

2000 - 1982

2000	Established Hong Kong subsidiary Merged with Samsung Investment Trust & Securities
1999	Launched the largest call center operation in Korea
1998	Established the New York subsidiary Began selling mutual funds for the first time in Korea
1996	Established the London subsidiary
1992	Incorporated into the Samsung Group Changed the company name to Samsung Securities
1991	Changed the company name to Kookje Securities and launched the securities business
1988	Listed on the Korea Exchange
1982	Held the Meeting of Promoters for Hanil Investment & Finance Held the inaugural General Meeting; Paid KRW 20 billion in capital

2019 AWARDS

2019 DJSI (Dow Jones Sustainability Indices)

By RobecoSAM
Included in DJSI World member for the 10th consecutive year

Ranked 1st in 2019 NCSI

(National Customer Satisfaction Index)
By Korea Productivity Center
Ranked two-time 1st in consignment purchase and financial instruments

2019 K-PBI (Korea Brand Power Index)

By Korea's Most Admired Companies
Ranked 1st for the 21st consecutive year, designated as a Golden Brand

2019 Best Korea Brand

By Interbrand
Ranked in the Top 50 for the 6th consecutive year



**FOCUSING ON
BALANCED GROWTH**

Dear Stakeholders,

Despite the challenging domestic and global market environment in 2019, I am pleased to report that Samsung Securities had another record-breaking year as we recorded consolidated net revenue of KRW 1.2 trillion and KRW 391.8 billion in net profit attributable to shareholders.

However, as we mark the beginning of a new decade in 2020, concerns over the spread of the novel coronavirus and the economic recession are generating extreme and unpredictable uncertainty in the global financial markets. As a faithful manager of our customers' assets, Samsung Securities is staying focused and doing all that we can to proactively respond to market changes.

As a result of fundamental paradigm changes in recent years, there has been significant upheaval in the securities industry, including low growth, deepening ultra-low interest rates, progress in digitization, and changes in capital market regulations. At Samsung Securities, we see these changes as an opportunity for growth rather than a crisis.

Leveraging our competitive strength in Wealth Management and by creating a synergy with IB/Trading, we achieved balanced growth. In fact, in 2019, the revenue generated from retail matched revenue from IB/Trading. We will continue to maximize the outcome through balanced-growth strategy.

Firstly, in our retail division, we will innovate our sales channels to establish a unique service that meets the discerning expectations of our customers. In regard to high-net worth individuals that form the best client base in the industry, we will increase our competitive advantage by expanding the number of dedicated branches and personnel. In the business owner/corporate market, one in which we witnessed substantial growth last year, we will further enhance our market dominance by focusing on upgrading our consulting expertise and IB-linked services. Furthermore, an advanced digital asset management service that combines our expertise in digital solutions

and distinguished consultation targeting self-directed clients will be launched for the first time in the industry, enabling us to pioneer a new market for the future.

This year in the IB division, on the back of our outstanding performance in the structured finance and M&A sectors in 2019, we will secure additional key talent in the stock acquisition and alternative investment sectors, whilst expanding our business areas and undertaking joint ventures with retail in order to further strengthen our leading position in the market.

In the Trading division, we will diversify our revenue streams by expanding our product lineup and strengthening our equity management capabilities.

In addition, we will not neglect our efforts to improve customer-centered management. Whilst the financial industry has recently faced a crisis of trust due to a flurry of adverse incidents, Samsung Securities, which has prioritized customer satisfaction and protection, has protected itself and its customers' assets from harm and earned the increased confidence of the market. As the most important value of Samsung Securities, we will continue to enhance our customer-centered management.

Cherished Stakeholders,

In addition to driving sustainable growth, Samsung Securities will ensure all of our business practices are carried out with transparency as we fulfill our social responsibility. Our dedication is unwavering, and we ask for your continued trust and support in the future of Samsung Securities.

I extend my best wishes for the health and safety of our stakeholders and families.

Thank you.

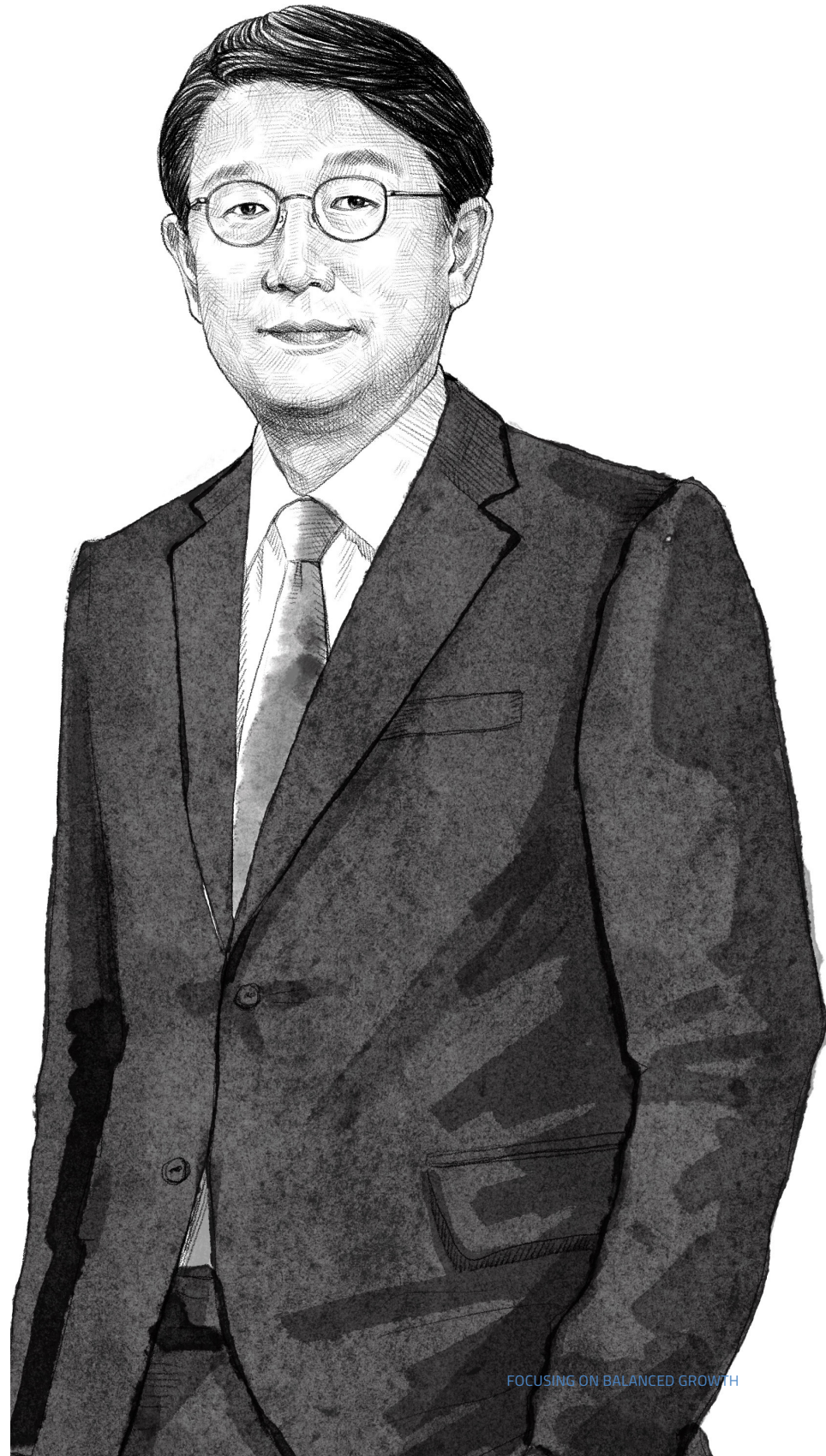
CEO MESS

We will strive
to improve
transparency
in management
and fulfill
our social
responsibilities.

CEO of Samsung Securities

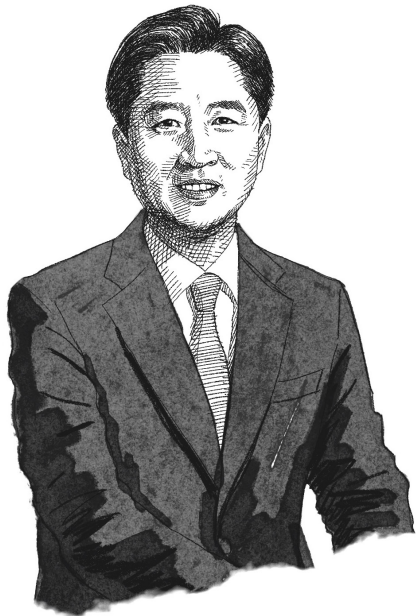
Seok Hoon Chang

장 석 훈



AGE

MANAGEMENT LETTER



“

Provide optimal solutions to clients based on ideal asset allocation and consulting service to carry out clients' investing styles and objectives.

”

Retail Division

Senior Executive Vice President

Jae Hun Sa

“

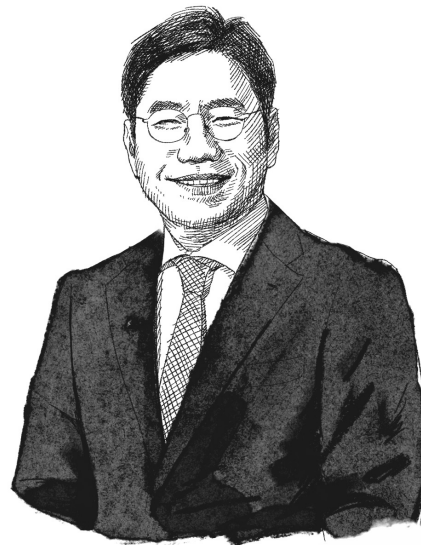
We will provide structured products, brokerage services for stock and futures options, and a diverse portfolio of investments that complement our customers' needs.

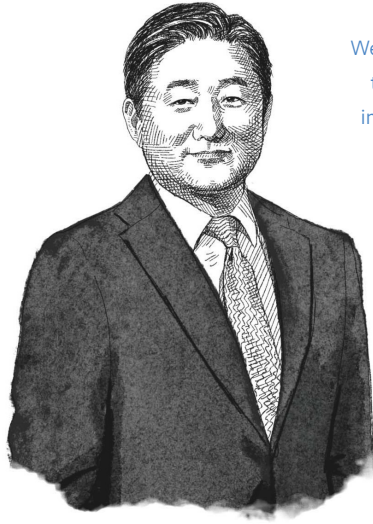
”

Sales & Trading Division

Executive Vice President

Bernard Park

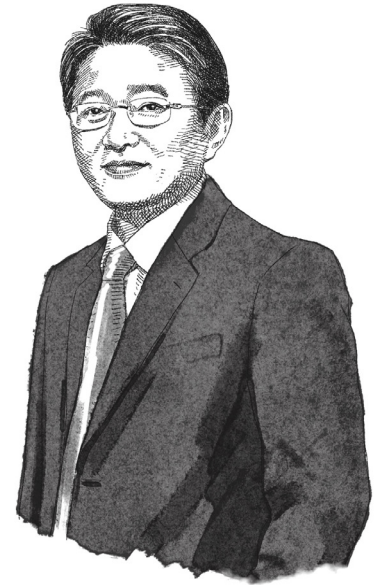




“
We will provide financing plans and investment opportunities tailored to the needs of businesses, the government, and investors, as well as offering optimal solutions for business success, including M&A and governance consulting.
”

IB Division

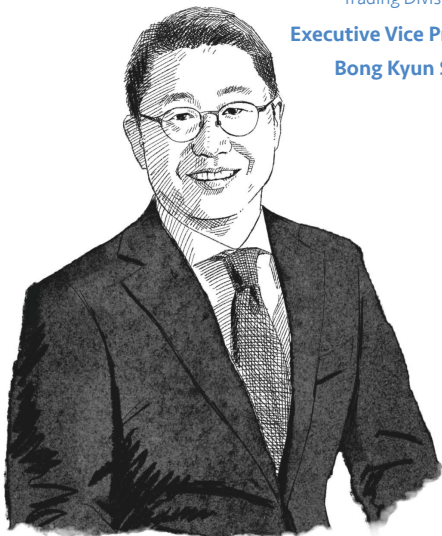
Executive Vice President
Weon Jung Shin



“
Through in-depth analysis, we strive to find stable investments that contribute to revenue generation, and provide diverse financial solutions for our customers, including fixed-rate products and FX services.
”

Trading Division

Executive Vice President
Bong Kyun Seo



“
Samsung Securities will focus all of our capabilities to offer the best products and services to our customers.
”

Management Support Division

Executive Vice President
Seung Ho Lee



1

OUR APPROACH

08 AT A GLANCE

14 INVESTMENT PORTFOLIO

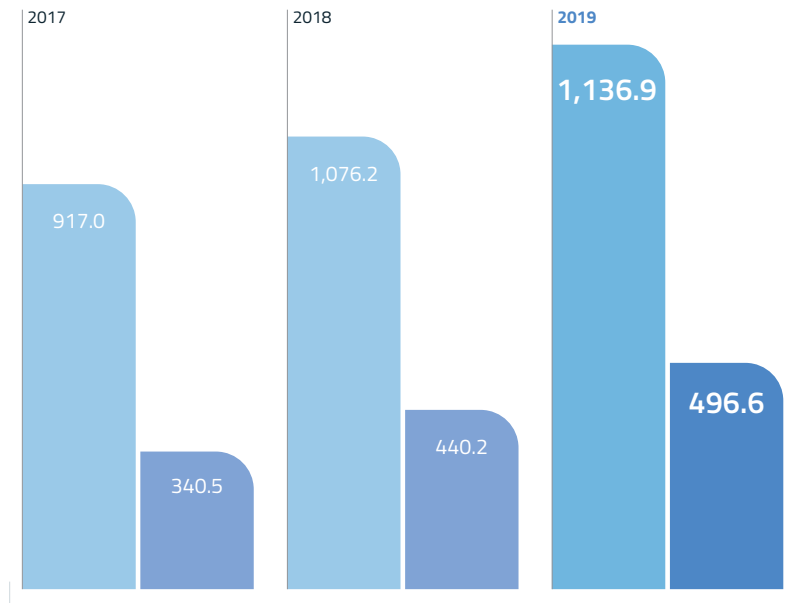
AT A GLANCE

Performance by Business Division

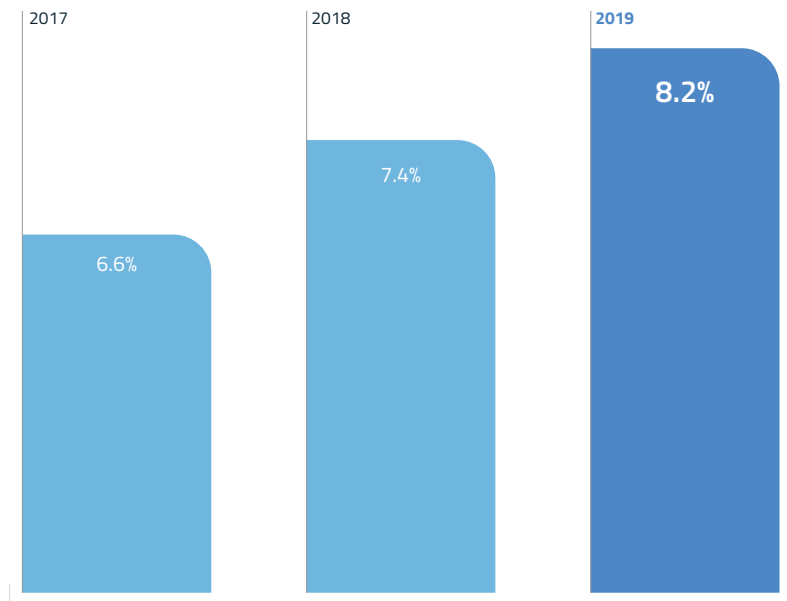
With balanced growth as its mid- to long-term goal, Samsung Securities focused on improving the competitiveness of IB/Trading business by staffing IB, S&T, risk, and research positions. As a result, 2019 net revenue reached a record high of KRW 1,136.9 billion with pretax income of KRW 496.6 billion. Our plan for 2020 is to initiate changes in terms of both quantity and quality by boosting sales performance of IB/Trading and innovating channel operations in retail division.

Revenue/Pretax Income (Separate)

(Unit: KRW 1 billion)



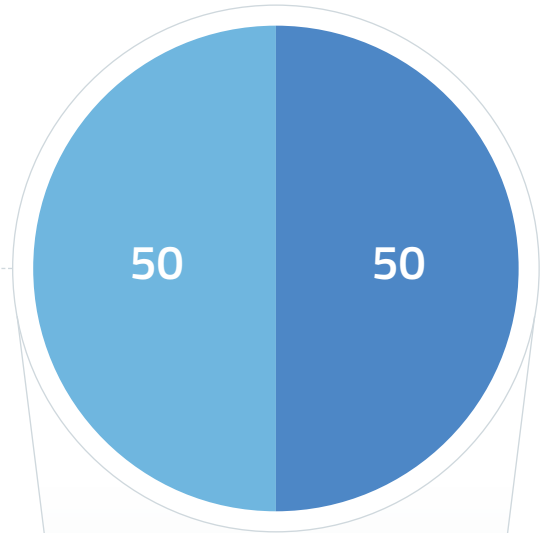
Return on Equity (Annual ROE)



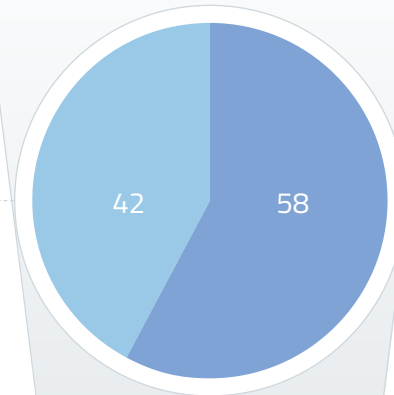
Percentage of revenue contribution by divisions (Consolidated)

2019
■ 1,221.7

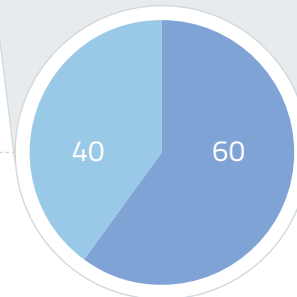
Improved IB/
Trading
performance



2018
■ 1,134.2



2017
■ 967.0



■ Net sales (KRW 1 billion) ● Retail ● IB/Trading

Retail

We gained strong momentum in growth by promoting wealth management for ultra-high net worth clients, proactively entering the overseas/alternative investments markets, and leading the popularization of digital asset management. Consequently, retail client deposit assets increased 14% year-on-year to KRW 183 trillion in 2019, whilst a strengthening of our competitiveness in the foreign investment market saw our income from overseas trade commissions, and the scale of our deposit assets, grow by 35% and 50% respectively year-on-year.

Retail Client Assets

(Unit: KRW 1 trillion)



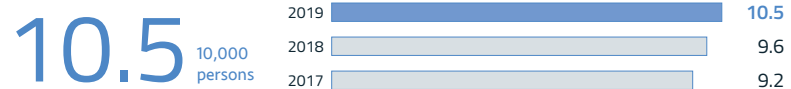
Net inflow volume (excluding evaluated price)

+18.2



Number of clients with at least KRW 100 million in assets

(Unit: 10k persons)



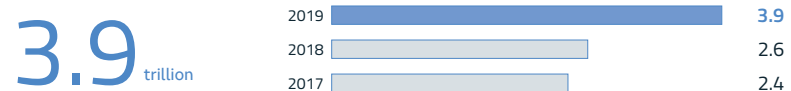
Overseas Brokerage Commissions

(Unit: KRW 1 billion)



Client Assets Invested in Overseas Stock Trading

(Unit: KRW 1 trillion)

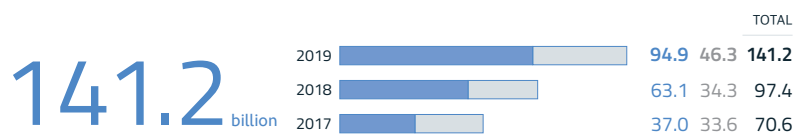


IB

Recorded KRW 141.2 billion, a 45-percent year-on-year increase, owing to large-scale investment in personnel and capital, as well as improved performance in structured financial products. In 2019, we added 66 new employees specializing in IB in order to gain a competitive edge, while both capital business and our traditional business areas grew by 50% and 35%, respectively, from the previous year.

Estimated Net Operating Income of IB

(Unit: KRW 1 billion)



■ Capital Business □ Traditional Business

※ Capital Business (real estate/infrastructure, acquisition financing, etc.) ※ Traditional Business (ECM, DCM, M&A)

Key IB Human Resources

(Unit: number of employees)

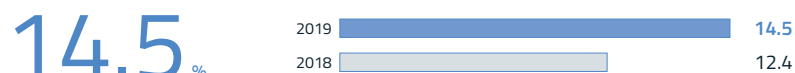


Sales & Trading

In 2019, we solidified our leadership position in the ELS sector with a 14.5% market share. In all ELS/DLS/RP sectors, we recorded year-on-year growth in terms of product management volume, reaching KRW 22.1 trillion in total as of the end of 2019.

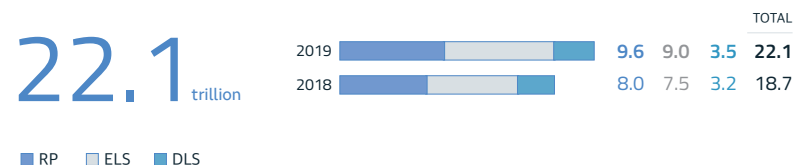
ELS M/S

(Unit: %)



Trading Income Related Assets

(Unit: KRW 1 trillion)

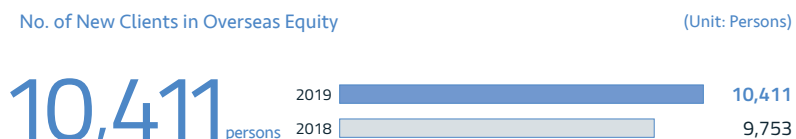
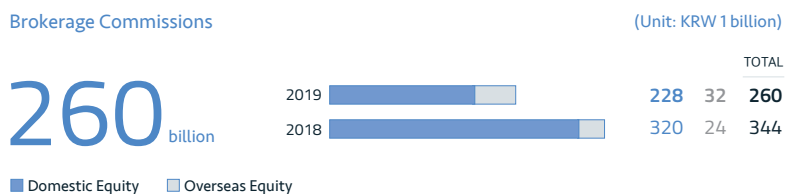


■ RP □ ELS ■ DLS

Sales Performance

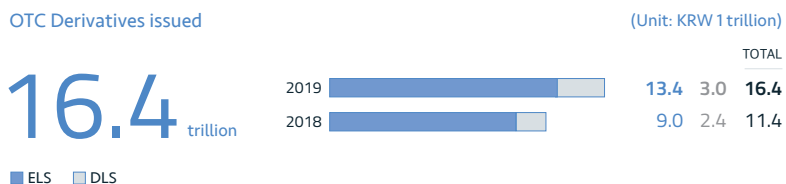
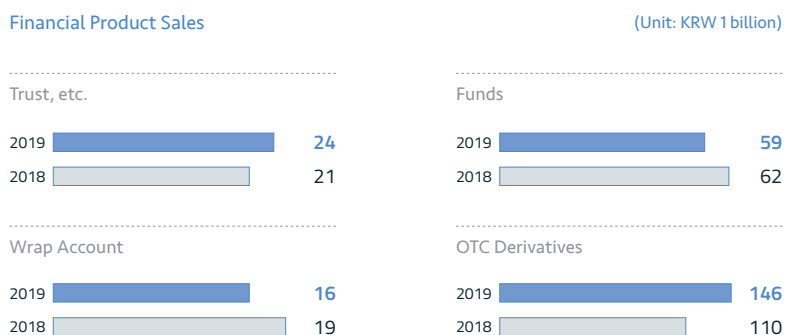
Brokerage Commissions

Samsung Securities recorded KRW 260 billion in brokerage commissions, a 24% decrease from the previous year, due to a decline in domestic trading and digital-based growth. In contrast, with the implementation of global asset management sales and marketing efforts which included the removal of a minimum commission for overseas trading, enhanced investment information offers and a new product lineup led to an increase of 22% and 7% in trading volume and the number of new clients, respectively.



Financial Product Sales

Despite a slight decrease in fund and wrap sales, financial product sales increased by 16% year-on-year reaching KRW 245.5 billion due to an increase in early repayment gains on OTC derivatives. Derivative bonds issuance reached KRW 16.4 trillion, accounting for a 43% rise, while M/S also increased from 11% to 15%, thus strengthening its market dominance.



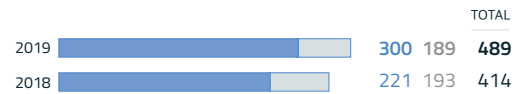
Trading and Interest Income

Income from trading and interest reached KRW 489.3 billion in 2019, equal to 18% growth compared to the previous year. Trading income in particular grew by 36% due to an increase in bond valuation gains driven by falling interest rates. Meanwhile, client cash deposits increased by 3%, while margin loans remained the same as the previous year.

Trading and Interest Income

(Unit: KRW 1 billion)

489 billion



■ Trading Income ■ Interest Income

Client Cash Deposits

(Unit: KRW 1 trillion)

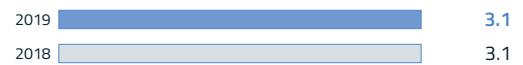
4.0 trillion



Margin Loans

(Unit: KRW 1 trillion)

3.1 trillion

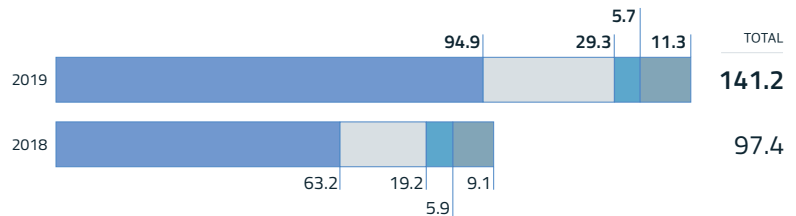


Investment Banking Revenue

Investment banking revenues grew by 45% based on strong performance in all sectors. Structured products in particular were up 51% as a number of real estate/infrastructure deals were finalized in Europe and the United States. Product supply to WM/wholesale increased by 29% year-on-year as real estate/infrastructure deals increased in size and number.

Investment Banking Revenue

(Unit: KRW 1 billion)



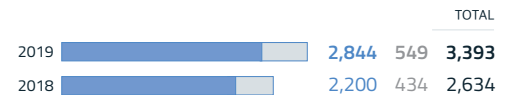
■ Structured Products ■ M&A ■ DCM ■ ECM

※ Structured products include revenue from related sources and foreign currency securities.

Product Supply to WM/Wholesale

(Unit: KRW 1 billion)

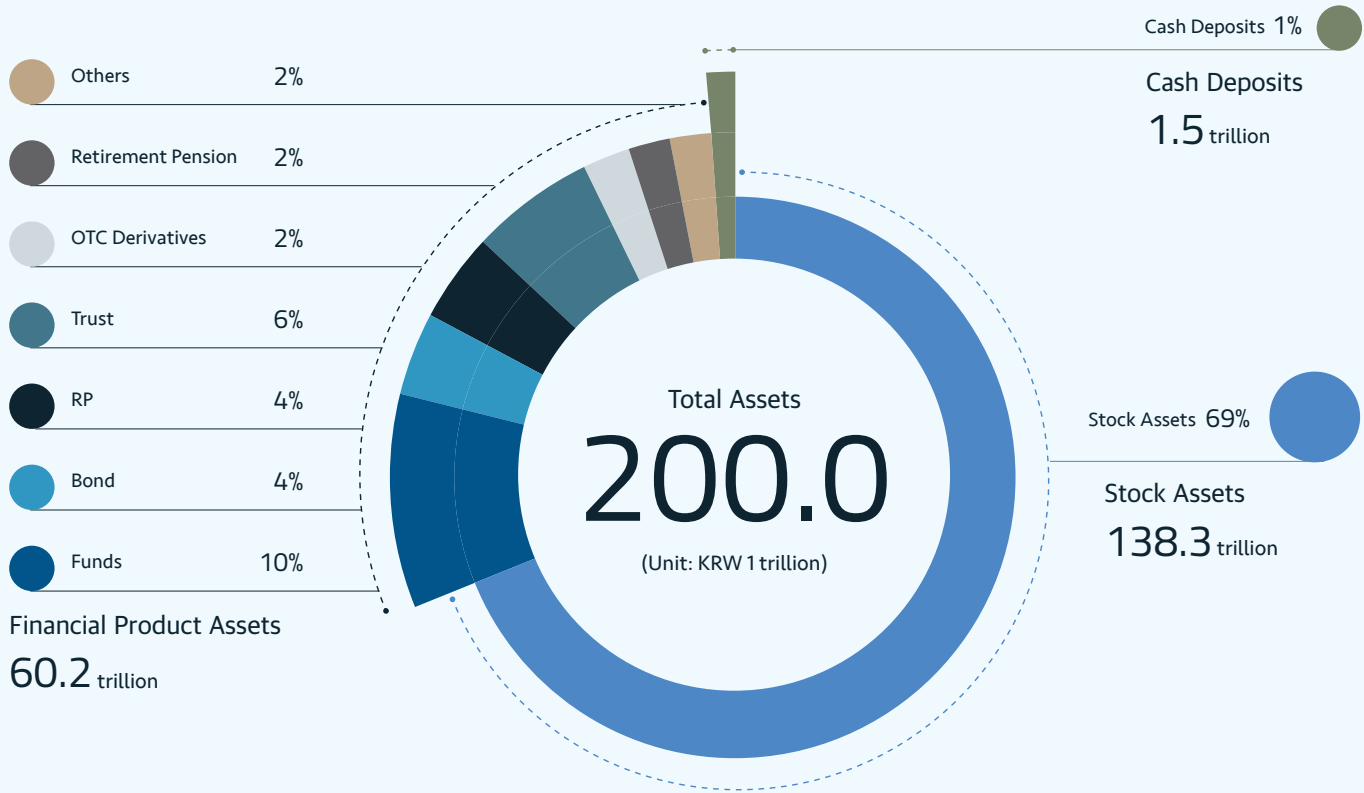
3,393 billion



■ Structured Products ■ ECM

INVESTMENT PORTFOLIO

Client Assets



Key Financial Indicators (Separate)



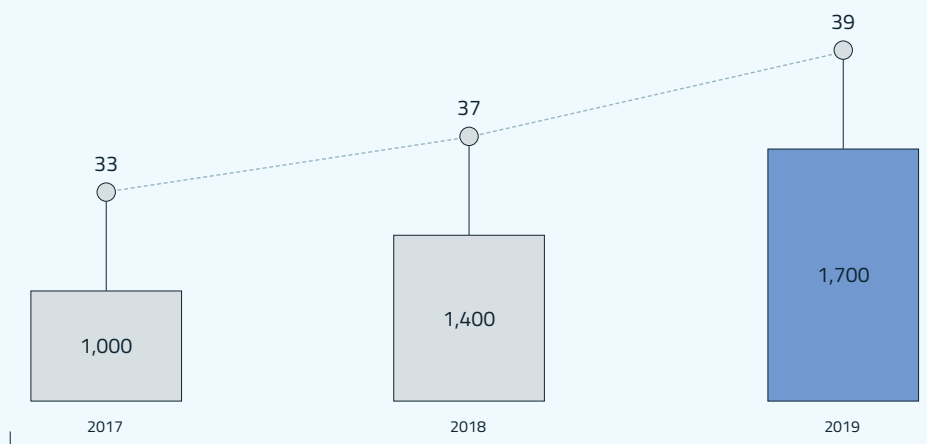
Dividend Payout Ratio and Dividend Per Share

Dividend Payout Ratio (%)

39

Dividend Per Share (KRW)

1,700



Financial Performance Highlights (Seperate)

Financial Information	Annual Performance (IFRS Separate/KRW 1 billion)		
	Dec. 2019	Dec. 2018	YoY
Balance Sheet Summary			
Total Assets	41,227.7	35,633.2	16%
Total Liabilities	36,362.8	31,025.2	17%
Total Equity	4,865.0	4,608.0	6%
Earnings Summary			
Net Income	1,136.9	1,076.2	6%
Brokerage	260.0	343.5	-24%
Financial Product Sales	245.6	211.8	16%
Investment Banking Revenue	141.2	97.4	45%
Trading and Interest Income	489.3	413.9	18%
Other	39.7	45.7	-13%
Commission Expenses	-38.9	-36.1	-
Operating Expenses	643.2	633.0	2%
Operating Income	493.7	433.2	14%
Pretax Income	496.6	440.2	13%
Net Income	370.2	320.7	15%

2

SUSTAINABLE MANAGEMENT

- 18 GOVERNANCE
- 22 RISK MANAGEMENT
- 24 ETHICAL MANAGEMENT
- 28 HUMAN RIGHTS

GOVERNANCE

Governance and Roles of the Board of Directors

Samsung Securities has established a stable and efficient governance system to ensure the company's ongoing growth and the protection of stakeholders' rights. The board of directors conforms to the law and to the company's articles of association and makes decisions on important management policies and matters delegated by shareholders' meetings. As the top standing decision-making committee, the board checks, balances, and assists management in exercising reasonable business discretion.

Transparency in Governance

Samsung Securities publishes the Annual Governance and Remuneration Report on Korea Exchange and website to ensure transparency in board activities and compensation, along with the results of internal and external evaluations on governance. By doing so, we protect the rights and interests of our stakeholders while improving our public relations and perception.

Independence and Efficiency

In order to ensure the transparent governance and the independence of the board of directors, Samsung Securities established a selection process for directors. At least half of the board should be made of independent non-executive directors, while the chair is appointed from among the non-executive directors in order to maintain effective management oversight and prevent conflict of interest. In addition, non-executive directors are allowed to serve in up to two other positions to maintain their efficiency as a board member. Currently, all four non-executive directors meet these requirements.

Appointment Process

The Nomination Committee was established to appoint non-executive directors with the required expertise and independence, and audit committee members to oversee internal processes and financial activities. Candidates are recommended based on their expertise, fairness, ethics, and diversity, and are subject to approval at the general shareholders' meeting.



Diversity and Expertise

Samsung Securities is committed to nominating candidates for directors who have expertise, independence, and diversity. Diversity is defined inclusively so that candidates from the field of finance, accounting, management, economy and law are nominated and appointed. Samsung Securities takes into account gender, race, ethnicity, and region of origin to maintain a healthy balance in the board composition and operation. As of March 2020, the average tenure of board members is 1.3 years, while there are four non-executive directors. Directors are appointed individually on an annual basis.

Seok Hoon Chang

CEO/Executive Director

Head of the Human Resources Unit
Head of the Business Administration

Expertise in finance and management

Appointed on March 21, 2018

Holds 6,196 shares of Samsung Securities.

Seung Ho Lee

Executive Director

Head of the Innovation Bureau
Head of the Business Administration Unit

Expertise in finance and management

Appointed on March 20, 2020

Holds 3,224 shares of Samsung Securities

Yeong Seop Lee

Non-executive Director

Professor of the Graduate School of International Studies,
Seoul National University
President of the Korea International Finance Association
Director of SNU Institute for Research in Finance and Economics

Expertise in finance and economics

Appointed on March 29, 2019

Beom Shik Chang

Non-executive Director

Professor of the Department of Economics,
Soongsil University
President of Seoul Ivy Forum
The chief member of Financial Development Council

Expertise in management and finance

Appointed on March 20, 2020

Jae Hun Sa

Executive Director

Head of the Institutional Business Unit
Head of the Wholesale Division

Expertise in finance and management

Appointed on March 24, 2017

Holds 4,000 shares of Samsung Securities

Bu Kyun Jeong

Chair of BoD/Non-executive Director

Manager at the Ministry of Finance and Economy
Director of the Korea Center for International Finance
Executive Secretary of the Public Fund Oversight Committee

Expertise in management/finance and economics

Appointed on March 21, 2018

Dong Hyun Ahn

Non-executive Director

Professor of the Department of Economics,
Seoul National University
Director of Korea Capital Market Institute
Member of the Public Fund Oversight Committee

Expertise in management/finance and economics

Appointed on March 29, 2019

Board Committee

To ensure a fast and informed decision-making process, Samsung Securities has organized the following six sub-committees under the board: Management Committee, Audit Committee, Nomination Committee, Risk Management Committee, Compensation Committee and Internal Trading Committee. The presence of non-executive directors is required to oversee the independence of external directors and ensure transparency in the reviewing and decision-making process for key agendas. As for major committees (e.g. Audit Committee), it is required that at least 2/3 of members are non-executive directors. The board makes decisions on their implementation and operation as well as on the appointment and dismissal of committee members, while each committee is in charge of decision-making as delegated by the board. In particular, both Audit Committee and the Risk Management Committee are dedicated to overseeing compliance in accordance with our internal control standards. Before board meetings are held, members are informed of the agenda for review and presented with additional information by company executives if necessary.

Composition and Roles of Committees

Committee	Roles	Members	No. of Members
Management Committee	Make decisions on overall business practices delegated by the board except for board resolutions	Seok Hoon Chang, Jae Hun Sa, Seung Ho Lee	3
Audit Committee	Conduct audits on overall business and accounting as well as on the job performance of directors	Bu Kyun Jeong, Yeong Seop Lee, Dong Hyun Ahn	3
Nomination Committee	Select, examine, and recommend qualified candidates for open executive positions	Yeong Seop Lee, Beom Shik Chang, Seok Hoon Chang	3
Risk Management Committee	Establish and oversee risk management policies for overall practices in an efficient manner	Dong Hyun Ahn, Bu Kyun Jeong, Seung Ho Lee	3
Compensation Committee	Evaluate and review the employee compensation system	Bu Kyun Jeong, Beom Shik Chang, Seung Ho Lee	3
Internal Trading Committee	Ensure transparency and objectivity in internal trading between affiliates	Yeong Seop Lee, Dong Hyun Ahn, Beom Shik Chang,	3

* Number of meetings held in 2019: 12 **2019 meeting attendance rate: 100% (As of the end of March 2020)

BoD Evaluation Criteria

The board of directors is evaluated in terms of composition, roles, responsibilities, and operation. Every year after the closing period, a self-evaluation is conducted with a focus on information provided for the engagement and decision-making process, compliance with laws, and sufficient review process to review their roles and responsibilities. Along with an evaluation of the level of expertise, understanding and independence of the board, non-executive directors, and the board secretary's office, both a qualitative and quantitative evaluation of engagement, expertise, diligence and contribution is reflected as part of the independent and comprehensive evaluation process.

BoD Composition	Role and Responsibilities of BoD	BoD Operation
<ul style="list-style-type: none"> • Appropriate number of board members • Diversity in composition • Suitability for independent decision-making • Representation for shareholders and stakeholders 	<ul style="list-style-type: none"> • Understanding of the agenda • Active engagement • Reference materials for decision-making • Exclusion of director personal interests 	<ul style="list-style-type: none"> • Compliance with relevant laws • Timely access to information needed for decision-making • Sufficient review process • Rationality of the decision-making process

Compensation and Shareholding Requirements

Samsung Securities organized the Compensation Committee to evaluate the performance of the board and determine its compensation. In order to measure the performance of executives, financial indicators such as pretax income, earnings per share, net operating capital ratio, and non-financial indicators such as consumer protection and compliance to reflect them in compensation

are used. Based on the performance evaluation, 40% of the total compensation is paid in cash while the remaining 60% is deferred for three years in the form of variable compensation and stock-linked cash. When determining the executive's performance-based compensation, the number of shares for deferred payment is determined and the deferred payment is paid for three years, the amount of which is subject to change depending on the stock price at the time of payment. Long-term incentive, based on a performance period (of at least three years), is a deferred incentive paid out over four-year period. In addition, any violation of company policy or interference with business operations may result in cancellation or reduction of the variable compensation.

Compensation for Directors

Registered Director	No. of Directors	Total Pay (KRW 1 million)	Avg. per Person (KRW 1 million)
Registered Director	2	2,029	1,015
Non-executive Director (excluding Audit Committee members)	-	25	25
Audit Committee Member	3	284	57

*No. of members : as of 31, December 2019 (As of the end of December 2019)
 *total pay : accumulated compensation of all directors and auditors in 2019
 *average compensation per person : total amount of pay divided by the number of directors and auditors

CEO-to-Employee Compensation Ratio

Total CEO Compensation (KRW 1 million)	Avg. Employee Compensation (KRW 1 million)	Ratio*
1,374	108	12.72

*Total CEO compensation divided by the average employee's compensation

Stock Ownership

Shareholders receive one voting right per share for all issued shares to ensure that the exercising of voting rights is equal. Samsung Life Insurance is the largest shareholder with 29.7%.

Shares Held by Major Shareholders

Major Shareholder	No. of Shares (Common)	Percentage (%)
Samsung Life Insurance, etc.*	26,559,372	29.7
Registered Executives	13,420	0
National Pension Service	11,163,401	12.5
Other	51,563,807	57.8
Total	89,300,000	100

*Samsung Life Insurance (including special accounts), Samsung Culture Foundation (As of the end of March 2020)

Shares Held by Directors and Special Interest Parties

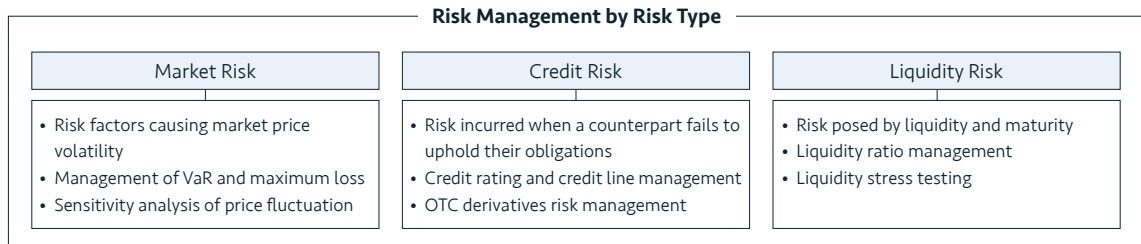
Name	Job Title	Shares
Seok Hoon Chang	CEO	6,196
Jae Hun Sa	Executive Director	4,000
Seung Ho Lee	Executive Director	3,224

(As of the end of March 2020)

RISK MANAGEMENT

Risk Management System

The Board of Directors of Samsung Securities is responding to risk-related issues by overseeing risk management tasks and organizing meetings at each decision-making stage. The Risk Management Executive Committee makes decisions by sales sector, while the Investment Acquisition Committee and Product Committee are subcommittees. Approvals from the subcommittees are reported to the upper level committee, and if further review is needed, the upper level committee reapproves the matter. To ensure an independent risk management process, the head of the trading division and executive officers in charge are not allowed to serve as the head of the risk management division or as the executive officer, while there is a chief risk officer who reports directly to the CEO to maintain independence in the process.



Risk Cost

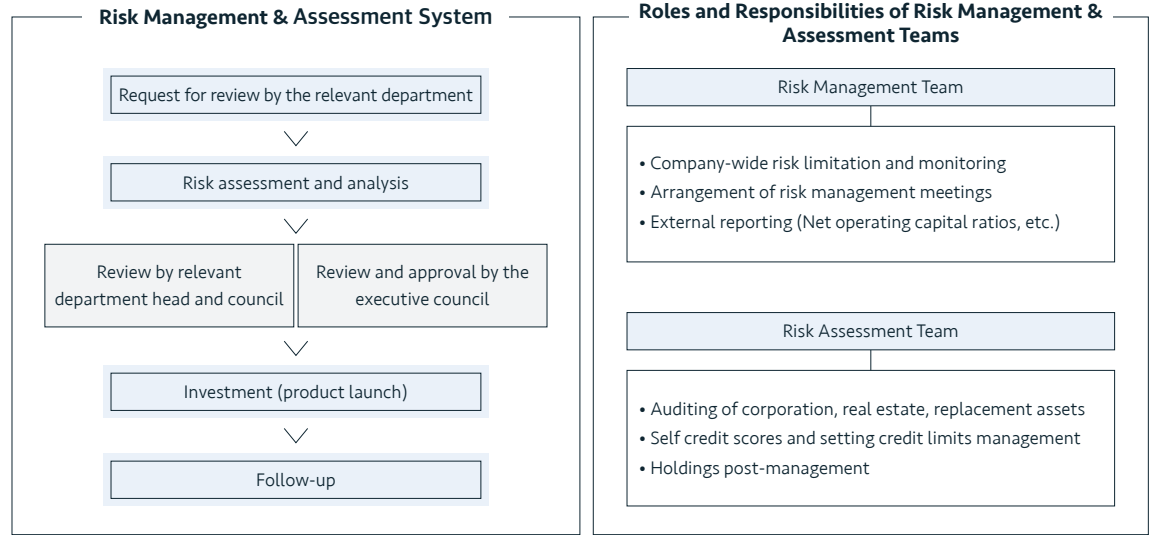
As part of RAPM, Samsung Securities implemented a specialized risk cost system where risk costs are calculated for each division and reflected in the performance bonus of executives and divisions (Retail, IB, Sales & Trading, etc.), while incorporating risk management into financial performance.

* RAPM (Risk Adjusted Performance Measurement): an indicator for assessing revenue creation against risk taken

Risk Indicator					
VaR	(Unit: KRW 1 billion)				
Category	FY 2019			FY 2018	
	Daily Avg.	Min	Max	Year End	Year End
Total VaR	10.4	6.2	17.9	11.4	12.9
Stock	5.1	1.3	13.5	4.6	11.1
Interest Rate	8.3	6.6	10.7	10	6.8
FX	0.1	0	0.3	0	0
Diversification Effect	-3.1	-1.7	-6.6	-3.3	-5.1

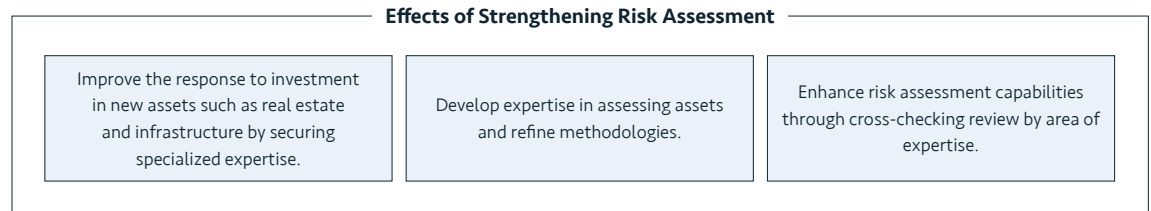
Net Capital Ratio	(Unit: %, %p, KRW 1 billion)		
Category	FY 2019	FY2018	YoY
Net Operating Capital	3,466	3,438	28
Risk Amount	2,327	1,346	981
Required Equity	130	130	0
Net Capital Ratio	876%	1,392%	-516%p

Strengthening Risk Management Assessment



Decision to Strengthen Risk Assessment

Amid low growth and low interest rates in Korea, investors are expanding beyond local stocks and bonds into domestic and overseas corporate lending, real estate finance, and infrastructure. In response to this trend, Samsung Securities has strengthened its assessment capabilities by hiring talented individuals for investment evaluation who are then assigned to evaluate the risk and profitability of investment assets using their expertise and experience.



Potential Risk

Potential Risk	Potential Impact on Business	Response to Risk
Regulatory risks of changes in laws or regulations due to the ESG risk awareness	Possibility of a client companies leaving the country due to business operation restrictions from changes in laws or systems.	<ul style="list-style-type: none"> Strengthen business trends monitoring of customers and competitors and corresponding financial markets Establish a response strategy for each scenario according to changes in the situation
Risk of business process change due to unpredictable social and environmental issues	Accelerated de-interaction of the entire sales process due to the spread of infectious diseases such as COVID-19	<ul style="list-style-type: none"> Strengthen internal capabilities for developing products and investments that incorporate digital technology Establish IT risk management system as a global investment company

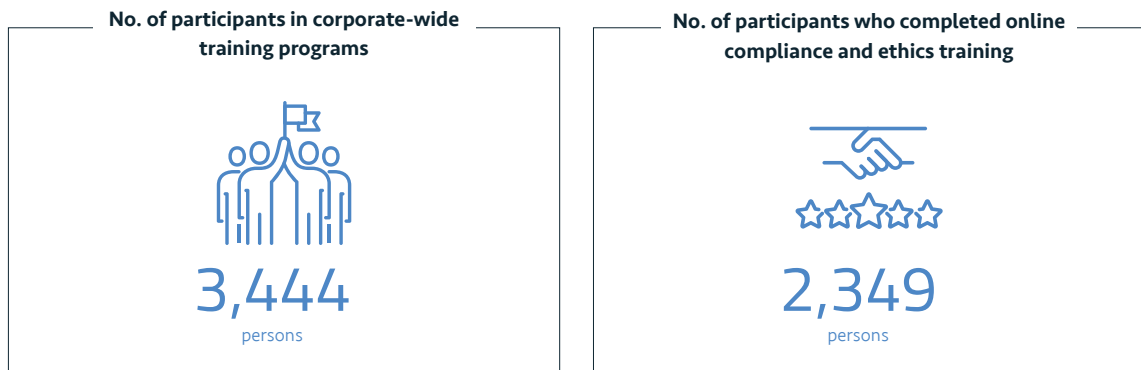
ETHICAL MANAGEMENT

Samsung Securities Code of Ethics

Samsung Securities has adopted a code of ethics and management principles that places client trust and compliance as the top priority and promotes ethical practice at a corporate-wide level to maintain a clean corporate culture.

Employee Ethics Training

Samsung Securities conducts annual employee training to promote compliance and ethical practices and raise awareness with a focus on general business operations, fair practice, consumer protection, and money laundering. Furthermore, every year, all executives and employees sign a pledge to renew their commitment to compliance with the company's business principles and ethical codes. Employee training on compliance with the Improper Solicitation and Graft Act is also carried out on an ongoing basis, while all teams review their compliance by preparing compliance monitoring reports every month.



Internal Control Management and Oversight Responsibility Regulations for Executives

Samsung Securities defines the responsibilities of executives in regard to management and oversight of internal controls in order to check compliance with internal control standards and take the necessary measures to prevent and respond to incidents.

Operation of Risk-based Anti-Money Laundering System

Samsung Securities implemented its own anti-money laundering system for each country, client, product, and service according to the level of risk, and conducts a company-wide risk assessment and improvement programs every year. In addition, a centralized monitoring system (AML Express) has been established to identify and raise the alarm for suspicious transactions and report high-risk transactions to the Korea Financial Intelligence Unit (KOFIU).

Engagement with Public Policy and Political Contributions

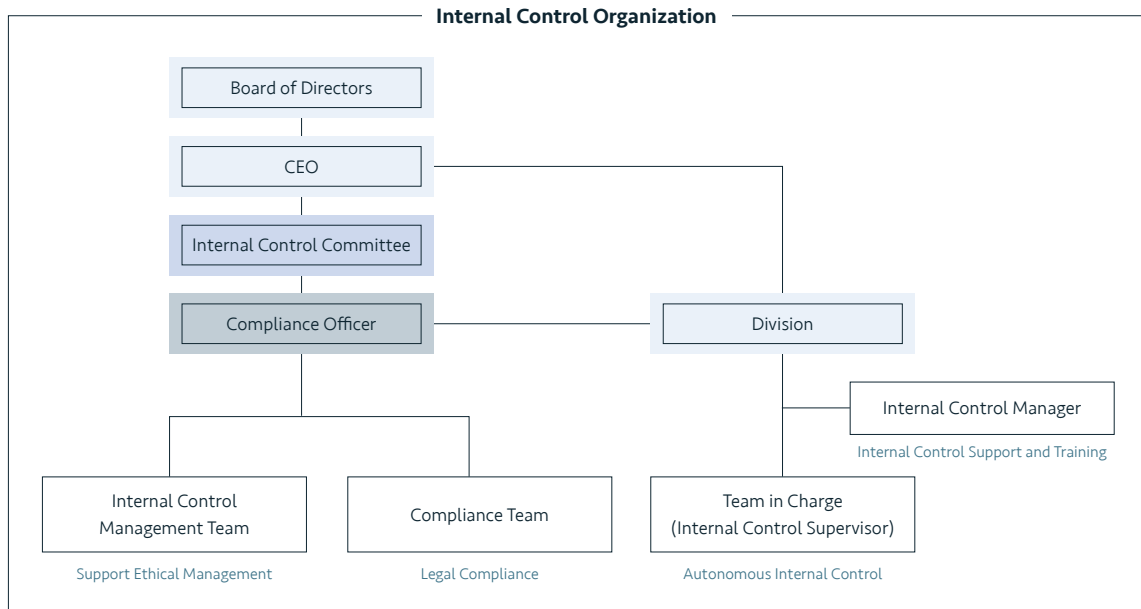
Samsung Securities stipulates a prohibition of political contributions in its management principles and ensures strict compliance through the Political Funds Act. The company does not advocate or provide political or election contributions that can directly affect company policies, or lobbying funds to support certain groups or parties. Thus, Samsung Securities is committed to creating public value through support for associations that guarantee political neutrality. (Prepare overview of the orientation of the associations and groups to be engaged, e.g. those promoting the financial sector) (It is necessary to check whether according to BoD policy there is a pre-approval process for contributions.)

Expenses for Relevant Institutes				
	2015	2016	2017	2018
Political Contributions	0	0	0	0
Contribution to Relevant Organizations (Association Membership Dues)	338	346	327	380
				(KRW 1 million)

External Membership Dues/Contributions		
Organization	Annual Payment	Description
Korea Center for International Finance	50	Full membership allotted charges
Korea Capital Market Institute	284.6	Contribution
Korea Securities Association	30	Contribution
Korea Derivatives Association	5	Public policy symposium sponsorship(one-time)
GFIN (Global Finance Networks)	10	Annual fee support for the purpose of research activities
Hankibum Foundation	5	Support for a benefit match to help children with heart disease(one-time)
		(As of 2019, KRW 1 million)

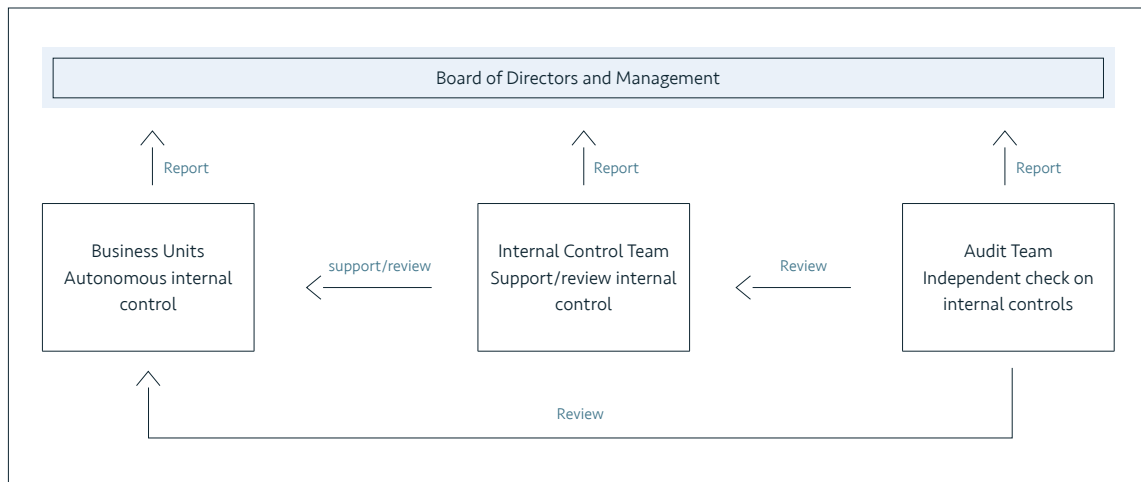
Internal Control System

The Internal Control Committee oversees and manages internal control at a company-wide level and has dedicated units to facilitate a more efficient work process. In addition, an internal control manager is appointed for each business division, while an internal control supervisor is designated within each team to provide an on-site autonomous internal control system.



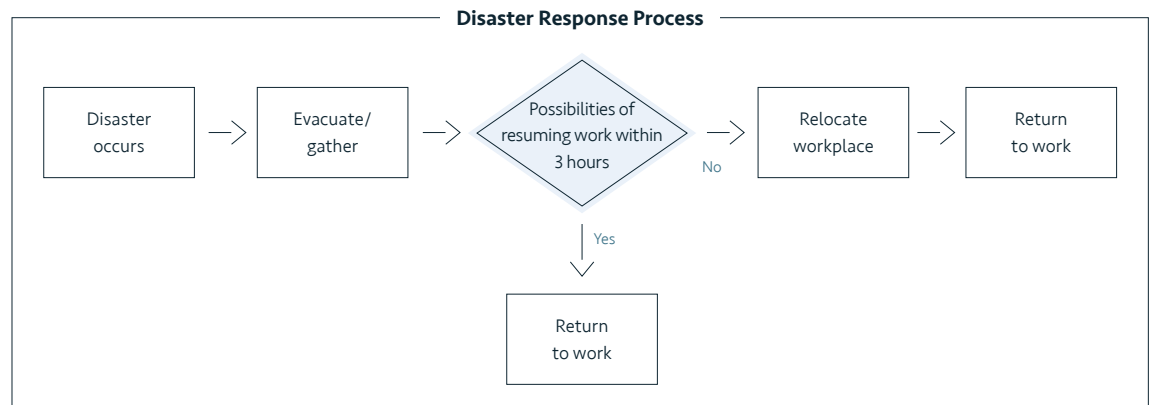
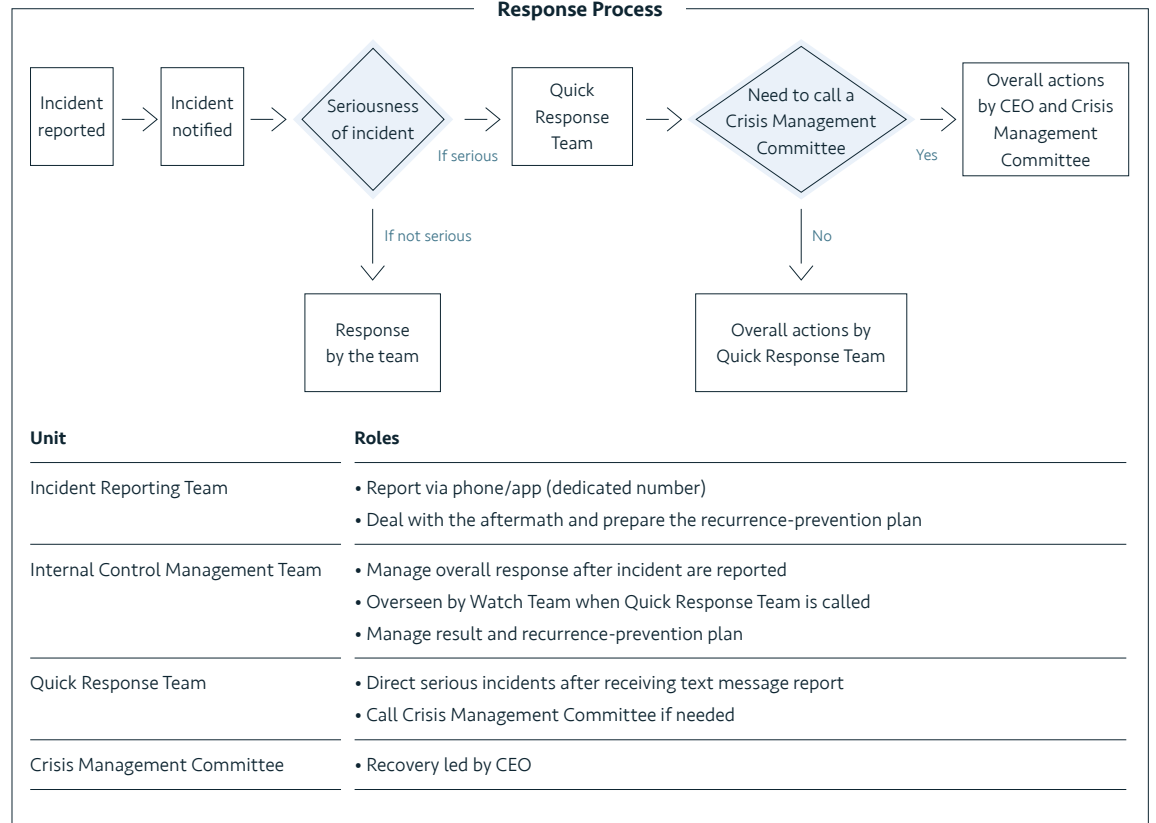
Basic Principles - Control and Balance

Each team is required to ensure compliance with due diligence obligations, with the Internal Control Team supporting and reviewing their compliance. In addition, the Audit Team independently monitors the management activities of both the business units and the internal control team.



Incident Response System

Samsung Securities established a systematic process to respond to incidents and disasters promptly in order to facilitate dissemination and response and minimize damage and loss to clients. If services are interrupted due to disaster, our response system is designed to expedite the recovery process.

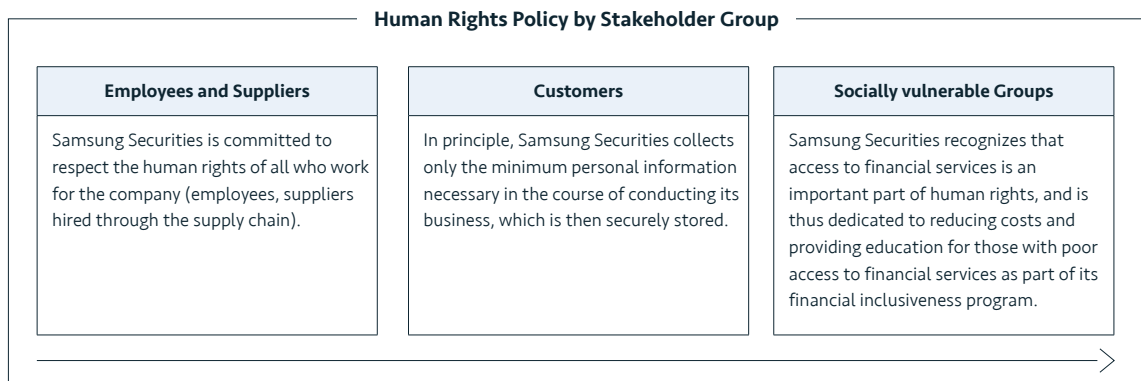
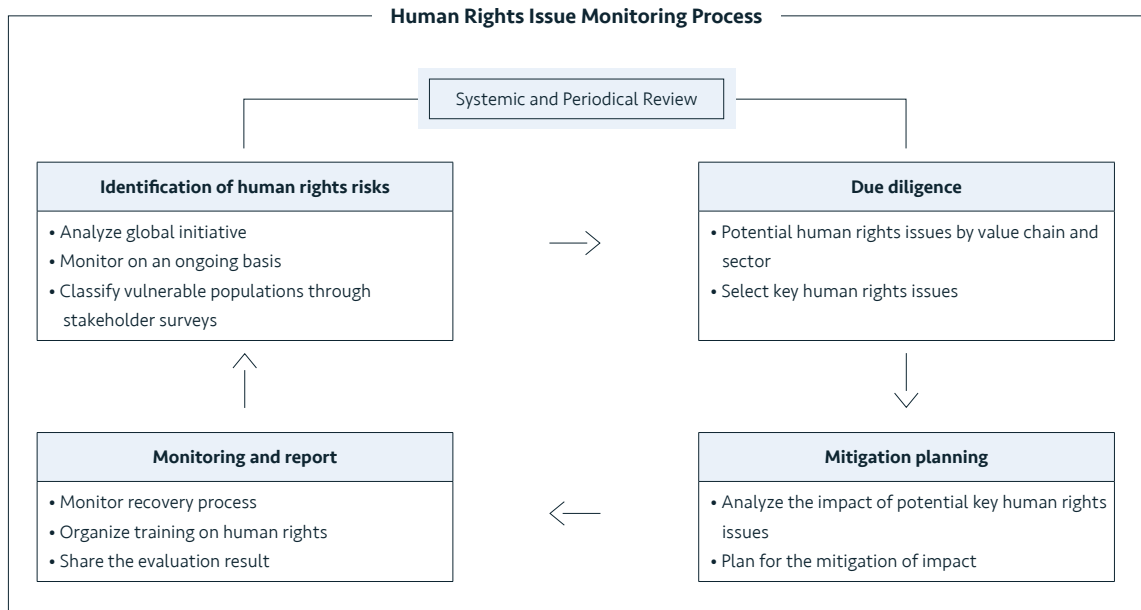


※ Response to infectious diseases in accordance with the infectious diseases crisis response plan (e.g. remote working, dispersed working, etc.)

HUMAN RIGHTS

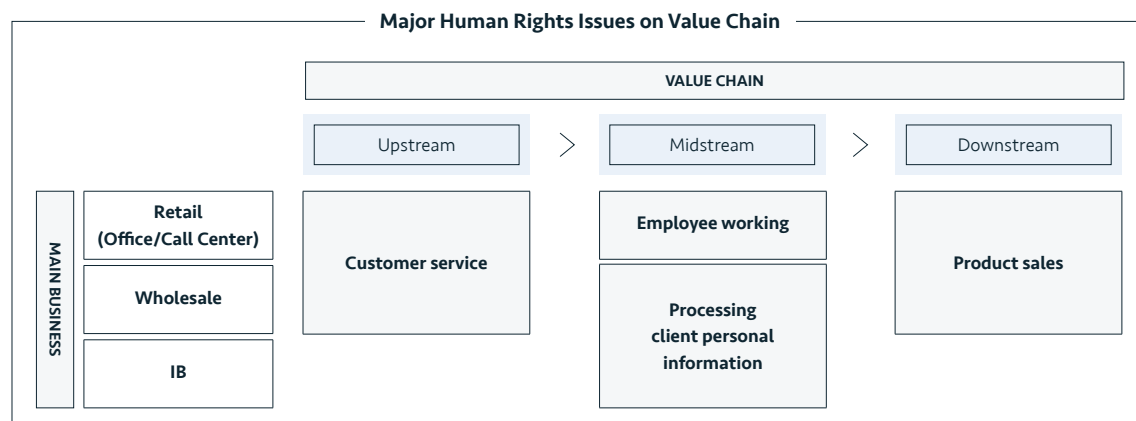
Human Rights Protection

Samsung Securities established human rights policies in accordance with the United Nations Global Compact Labor Standards Principles and the ILO Child Labor Prohibition Convention to protect the human rights of various stakeholders including customers, shareholders, employees, relevant organizations, partners, suppliers, and local communities. In order to implement human rights policies and identify potential human rights violations, we conduct due diligence and maintain communication with employees, partners, and customers, as well as socially vulnerable groups. Furthermore, all of the divisions including branches are audited on an annual basis to check for human rights violations that may occur in the workplace or during the client consultation process. In the event that a problem is detected, improvement and monitoring processes are implemented to prevent its recurrence.



Human Rights Protection Activities

Samsung Securities engages in various activities in response to major human rights issues. Employee training is conducted to prevent human rights violations in the workplace, while grievance resolution channels are implemented as part of employee mental health support programs. In particular, for employees who deal with high-risk clients in the process of consultation, separate protection measures have been established and implemented. In addition, we are committed to protecting client rights through the periodic monitoring of client management and by improving access to financial services for the underprivileged.



Mitigation and Recovery Measures

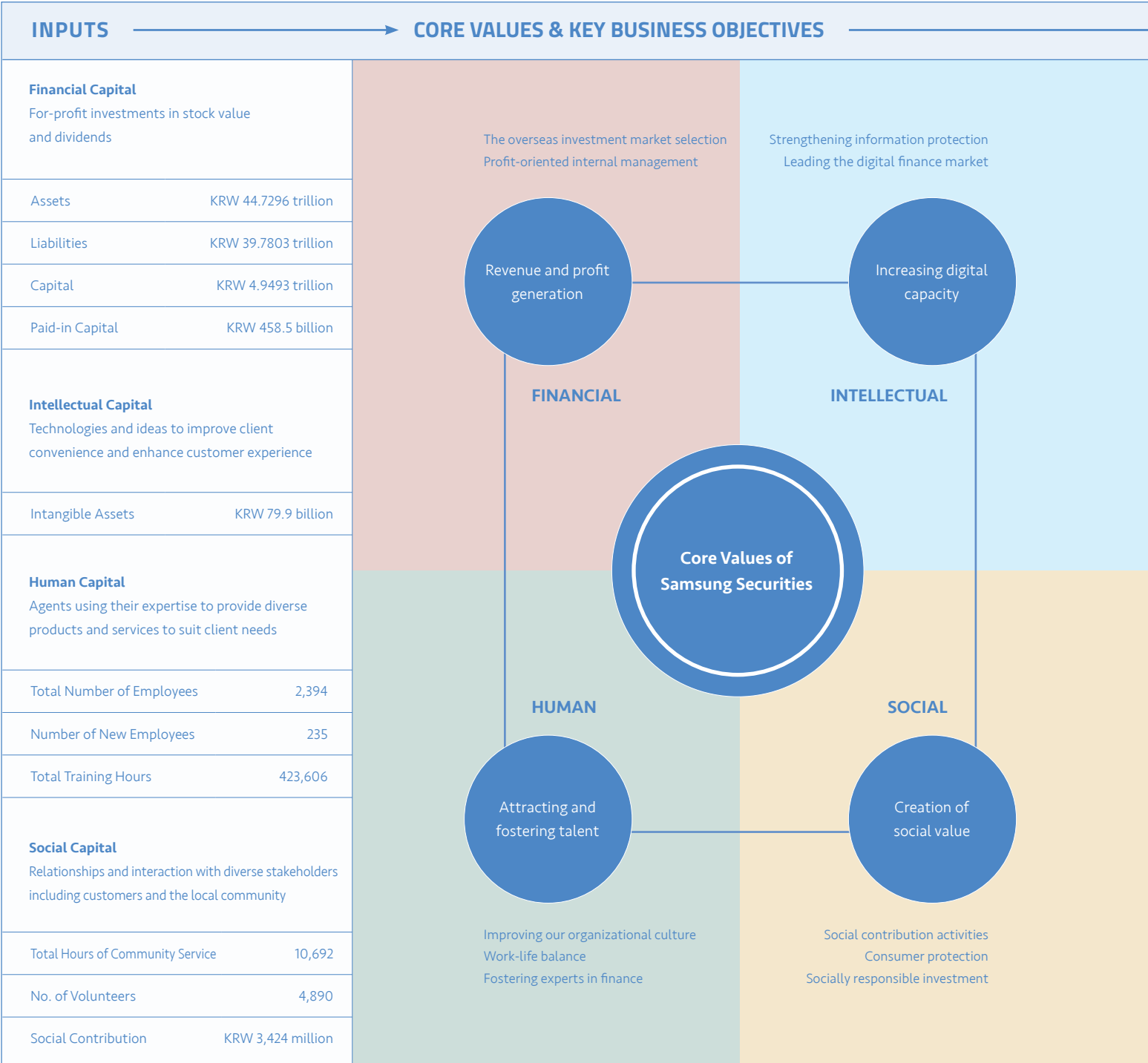
Key Stakeholders	Core Human Rights Issues	Protective Actions		
		Mitigation Plan	Applicable Workplace	Recovery Measures
General Employees	Human rights issues at work	<ul style="list-style-type: none"> Operate grievance handling channels Prevent sexual harassment Manage mental health 	Company-wide	<ul style="list-style-type: none"> Sexual harassment training 2,501 hours Employee mental health care program
Customer Service Employees	Potential human rights violations in customer consultation	<ul style="list-style-type: none"> Establish and apply protection measures and standards for customer service employees "Remind" training for customer service employees Customer-/Situation-based CS training 	Company-wide	<ul style="list-style-type: none"> 138 hours of employee training on human rights policy and procedures
Clients	Risk of personal information breaches	<ul style="list-style-type: none"> Conduct onsite inspection on personal data management Inspect data protection operation Audit information system security Conduct security audit for subsidiaries Operate abnormality detection system Verify use of fingerprints 	Company-wide	<ul style="list-style-type: none"> Onsite due diligence on personal data handling in all offices/ headquarters Semi-annual security training for all employees
Underprivileged Local Community	Limited access to financial services	<ul style="list-style-type: none"> Provide a commission discount for people with disabilities Operation visual ARS Organize Financial Education for Youth 	Company-wide	<ul style="list-style-type: none"> Financial Education for Youth 223,716 participants

3

OUR VALUE CREATION

- 32** CREATING SUSTAINABLE VALUE
- 34** FINANCIAL VALUE
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CREATING SUSTAINABLE VALUE



→ **OUTPUTS & OUTCOMES**

			Client	Shareholder	Government & Partner	Local Community & NGO	Employee	Future Generation		
STAKEHOLDER IMPACT	Financial Capital	Creating revenue/profit	●	●					Financial Capital Create an economic and sustainable growth engine	
									Net commission income	KRW 514.5 billion
									Operating income	KRW 517.6 billion
									Net income	KRW 391.8 billion
									Dividend	KRW 151.8 billion
	Intellectual Capital	Strengthen digital expertise	●		●		●		Intellectual Capital Digital financial innovation and security system enhancement	
									No. of new non-face-to-face accounts (cumulative)	460,000
									No. of information protection and personal verifications	102
	Human Capital	Recruit and develop talent			●	●	●		Human Capital Recruitment and development of financial experts	
									Training cost per person	KRW 1.96 million
									Training hours per person	180 hours
	Social Capital	Create social value	●	●	●	●	●	●	Social Capital Sustainable financial practice and social value creation	
									ESG products	KRW 22.1 billion
									No. of social contribution programs	6

FINANCIAL VALUE

Material Topic 1

Leading Global Investment Culture

TOPIC BACKGROUND

The financial investment sector is incredibly sensitive to diverse external factors and trends in the global financial markets. As such, and more than any other industry, changes must be responded to with a global perspective. Now, with a bullish outlook for global stock markets and increased volatility in the domestic market due to external factors, the exploration of overseas markets and responding to foreign investment demand are emerging as key areas of consideration. In the face of these changes, and to pursue new avenues of profit, securities companies should look to increase access to international stock trading whilst also expanding their range of alternative investments.

OUR APPROACH

Samsung Securities is striving to popularize global asset investment with its 'Foreign Investment 2.0' strategy, which focuses on the capabilities of employees, products and systems. In 2019, we proposed the inclusion of rate-based, dollar denominated assets in our investment portfolio by leveraging the reversal of interest rates between South Korea and the US. We have also expanded overseas investment from international stocks to rate-based assets. Moving forwards, we will continue to provide an optimized portfolio that includes dollar bonds and alternative products, and hence develop as a securities company that can lead the era of overseas investment.

2019 KEY PERFORMANCE



OUR COMMITMENT

Area of management	Goal	Time frame
Competitiveness in IB sector	Supplying KRW 4.7 trillion of alternative products	2023
Proportion of overseas assets (stocks and bonds)	30%	2023

LINK TO UN SDGs



Goal 8 (8.3)
Good work environment and economic growth

Promote development-oriented policies that support productive activities, good job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including access to financial services.

Leading Global Investment Culture

Promoting Foreign Investment

Against the backdrop of low interest rates and low growth, Samsung Securities is actively promoting the globalization of asset management by expanding its foreign investment activities. As a result, overseas stock investments are becoming more accessible to ordinary investors, having once been limited to more proactive investors. Following a paradigm shift in foreign investment, Samsung Securities is now implementing a 3P strategy that focuses on strengthening its capabilities in three core areas: People, Process, and Product. Through the merger and subsequent restructuring of the Samsung Securities Research Center and Investment Strategy Center, we have established a strong research system to expand our global portfolio and are meeting our customers' needs through the development of financial products spanning 30 countries. In addition, at the "Investment Strategies in the Era of Foreign Investment 2.0" seminar in 2019, we presented the concept of foreign investment and demonstrated how to build a portfolio of global stocks and bonds. We were also able to promote overseas investment over the course of ten global asset management seminars.

Overseas Investment 2.0 Era 3P Strategy

PEOPLE	<ul style="list-style-type: none"> • Education to promote foreign investment capabilities for all PB • Restructuring our research system and expanding our overseas asset management coverage
PROCESS	<ul style="list-style-type: none"> • Improving convenience for investors through a designated dollar bonds desk
PRODUCTS	<ul style="list-style-type: none"> • Expansion of product lineup, including dollar bonds, foreign index-linked ELS, dollar-linked DLS and global ETF • Minimize the minimum investment unit for US Government bonds • Expanding the scope of brokerage to include high yield bonds • Providing market maker and secured loan services

Investment Strategies in the Era of Foreign Investment 2.0 Seminar

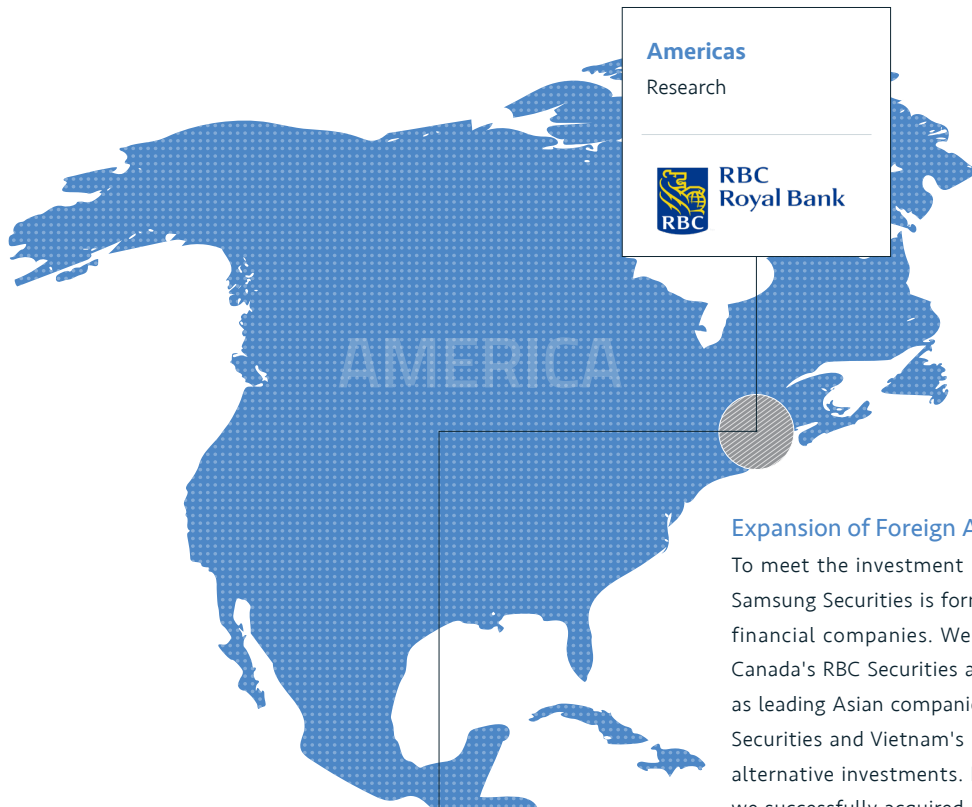


Global wealth management seminar



Global network





USA
Aircraft finance

Expansion of Foreign Alternative Investments Business

To meet the investment needs of ultra-wealthy and institutional investors, Samsung Securities is forming a global research network with leading foreign financial companies. We are working with France's Societe Generale (SG), Canada's RBC Securities and other global British and U.S. companies, as well as leading Asian companies such as China's Zhongxin Securities, Taiwan's KGI Securities and Vietnam's Ho Chi Minh Securities, to explore various forms of alternative investments. In 2019, and with Rothschild serving as our advisor, we successfully acquired a stake in a railway transportation leasing company operating on the London Thameslink route, in addition to purchasing office buildings in Japan and major European cities such as France, Germany, and Denmark. In order to expand our global infrastructure investment opportunities, in September 2019 we signed an MOU with Canada's Quebec Pension Fund (CDPQ), which operates KRW 296 trillion in assets. We look forward to exploring common infrastructure investment opportunities with CDPQ in the future, and to expanding the foundation of infrastructure investment in advanced countries.

Key Foreign Alternative Investments in 2019

Month	Details	Scope (Unit: KRW 1 billion)	Notes
Mar	Acquired stake in the Aoyama Building in Japan	135.7	
Mar	Acquired shares in British train company XLT	106.7	Rothchild contracted as consultants
Apr	Acquired equity interest in France's Lumiere office complex	105.4	
May	Acquired Crystal Park building in France	378.8	
Jun	Dusseldorf Amazon Warehouse	98.7	
Dec	Denmark DSV	115.7	

INTELLECTUAL VALUE

Material Topic 2

Digital Financial Process Innovation

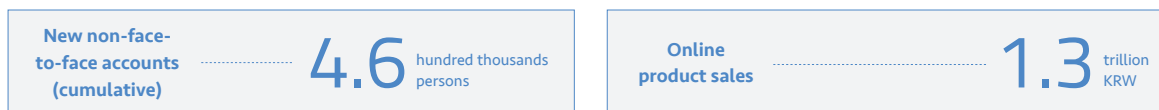
TOPIC BACKGROUND

As the paradigm has shifted to digital technology in recent years, many securities companies use cutting-edge technologies to meet the growing needs of clients as the development of mobile and information technology not only enhances the accessibility of clients, it also enables the trading of stocks and products in a way that meets client preferences. To embrace digital innovation, securities companies are focusing on developing more efficient and larger scale operations, while fintech companies are expanding their business areas with a comprehensive financial platform.

OUR APPROACH

In response to growing digital trends in the industry, Samsung Securities is committed to leading the digital asset management market by focusing on building a new service model to provide customer value-based platforms and solutions while diversifying the non-face-to-face channels to attract more clients. In addition, we provide IT-based investment information on a regular basis to increase the efficiency of offline channels.

2019 KEY PERFORMANCE



OUR COMMITMENT

Area of management	Goal	Time frame
Digital client assets	KRW 30 trillion	2023
Digital Business Model Innovation	Increase recommendation of data-related products	2022

LINK TO UN SDGs



Goal 9 (9.1)
Industry, Revolution
and social
infrastructure

We develop a high-quality, stable, sustainable and resilient infrastructure, including regional and cross-border infrastructure to support economic development and human well-being and to focus on affordable and equitable access for everyone.

Digital Financial Process Innovation

Company-wide Digitization

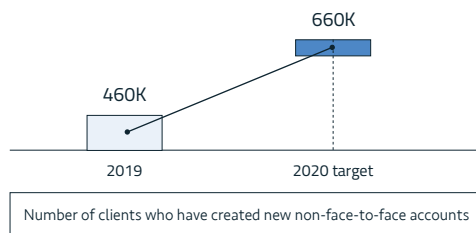
In April 2019, Samsung Securities established the Digital Intelligence division to implement its digitalization strategy and recruited experts from both inside and outside the company. The digitization process which had been mainly focused in retail has now been expanded to a company-wide level, while a master plan was created to define and establish business priorities, areas of focus, governance, a road map, and a plan to secure competence. The Retail division set up tasks to innovate the business model to transform branch/PB-centered asset management into digital asset management, while the Sales division at headquarters focuses on the automation of the work process and improving efficiency using core digital technologies such as AI/data. Also, to this end, we developed tasks to build data, IT, and HR infrastructure to facilitate the digitization process.

	Definition		Objective
Retail (WM)	Transform branch/PB-centered asset management into digital asset management by leveraging digitization and data across all clients, channels/services, and products		Retail Business model innovation
HQ Sales (S&T, IB)	Automate work processes and boost efficiency based on core digital technology, e.g. AI/data.		Create a work environment with a focus on the fundamentals
Infra	Data	Contribute to business performance through advanced data collection/analysis/utilization and personalized marketing	Boost marketing performance and enhance the decision-making process
	IT development	Develop digital channels and build IT/infrastructure to provide prompt and flexible support for external affiliates	Improve the competitiveness of our digital services
	Organization /manpower	Secure a governance system and expert talent to manage and perform key digital tasks related to data/IT/marketing	Strengthen the implementation process

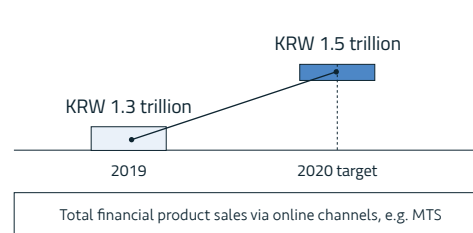
Digital Asset Management

Samsung Securities has improved its IT-based service and digital content to enable the company to provide asset management solutions that encompass creating accounts, investment information service, product selection, investment, as well as a follow-up process so that clients can do these by themselves. Our Digital Consultation Team provides phone/chat support to solve problems during non-face-to-face transaction processes. We also established a digital branch to provide support and enhance client experience. In addition to stocks, funds, and bonds, we offer a wide range of products to choose from including online ELS, wrap accounts, and Bancassurance, while we also create content to help investors gain insight and make better choices. We digitize text-based analog content and organize real-time online seminars such as “Samsung Securities Live” and “Video Report” as a platform through which to facilitate information sharing. Accordingly, the role of asset management, investment advisory, and insight provided in offline channels was expanded to multi-channel.

Number of new non-face-to-face accounts (Feb. 2016~)

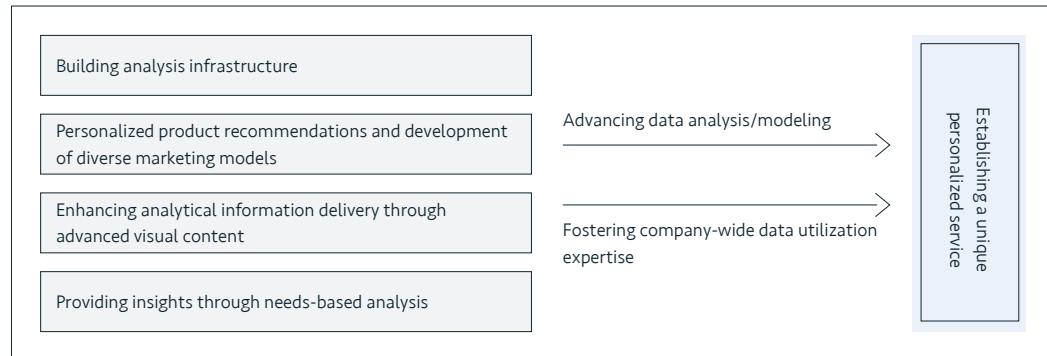


Online product sales



Advancing Data Analysis

Samsung Securities is committed to collecting a wide range of data and improving the application of analysis on unstructured data while focusing on systemic management of data quality and setting standards by recruiting experts specialized in big data, machine learning, and AI. Furthermore, we analyze the attributes of our clients and develop models for product recommendations, product development, and applications, as well as for marketing activities. Meanwhile, we support and expedite the decision-making process by providing analytical content such as BI visualization and by boosting data utilization and work efficiency.



Offering Unique Client Experience via Digital Channels

Samsung Securities established the UX Principles to provide a more consistent direction for the development of UX via digital channels. Based on the UX Principle, we improved our digital channels (mPOP/HTS/POP.com) and introduced new services to these channels for the convenience for our clients. Meanwhile, a new dedicated digital asset management service is under development, while the existing service has been improved so clients without experience using digital channels can understand the complex investment process and the structure of such products as overseas stocks, derivatives, and pension products. This upgrade in service enables us to offer more investment opportunities and diversify our revenue streams.

<p>mPOP</p> <ul style="list-style-type: none"> • MTS (mobile trading system) with simplified account opening process • Comprehensive one-stop asset management solutions, e.g. domestic/international stock/financial product trading, portfolio investment, and pension management 	<p>2018</p> <ul style="list-style-type: none"> • March: International stock trading in KRW service • April: Fund Robo Bulio Service • December: Domestic Preferred Stock Service <hr/> <p>2019</p> <ul style="list-style-type: none"> • March: mPOP UI Renewal Project (Home, Account Balance, Trading Consulting, International Stock Trading, etc.) • July: Improved financial transaction process e.g. IRP non-face-to-face 3-minute account opening • September: Introduced Specialized International Stock Service • October: AI Preferred Stock Analysis Service / Stocks Held by Advanced Traders Service • November: Built Online e-Voting System
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Strengthening Data Protection

Data Protection Systems/Initiatives

Establishing Data Protection Organization System

Samsung Securities has established a data protection team and IT security team that report to the Chief Information Security Officer (CISO) as part of the company-wide information security system. The data protection team establishes and implements security policies, and is in charge of protecting personal information, organizing a security council, and conducting physical security and data protection training. The IT security team focuses on building a security system for transactions and carrying out IT audits on a regular basis to prevent security breaches.

Name	Job Title	Experience	Roles
Seung Ho Lee Executive Vice President	CSO Security Executive	Samsung Securities Business Manager Samsung Securities Wholesale Manager	Roles of the company-wide Security Committee - Improving security policies, systems, and guidelines - Handling security incidents/violations - Establishing annual security plan and reporting the results - Performing other security-related matters
Do Hyung Kim Managing Director	CISO/CPO	Samsung Securities Information Strategy Team Leader	
Chan Woo Lee Managing Director	HR Support Manager	Former CSO Samsung Securities HR Team Leader	
Dong Shik Yu Managing Director	CIO	Mirae Asset Daewoo Digital Solution Manager	
Eun Ah Hwang Managing Director	Compliance Manager	Samsung Securities Legal Affairs Team Leader	

ISMS-P (Personal Information Security Management System) Certification

In response to the growing importance of digital-based financial services and non-face-to-face platforms, Samsung Securities recognizes the importance of personal data protection and has subsequently undertaken initiatives such as ISMS-P (Personal Information Security Management System) certification. As a result of our continued efforts to provide safer and more secure financial services, Samsung Securities met all 102 certification standards including 80 data protection and 22 personal data security requirements in 2019 and acquired ISMS-P certification for the first time in Korea.

Strengthening Data Protection Activities

Samsung Securities conducts online training twice a year for all employees as well as our suppliers to raise awareness of information security. Annual IT response training and monthly malware email simulation training is also held with the goal to enhance the company's response to security breaches. In addition, we designate a "Security Week" every month to share our security policies with team members through our branch office internal control managers and test our employees on the prevention of security breaches. Training on external system DDos and APT attacks is conducted through the Financial Security Service every year, while we test the prevention of intrusion and control performance with the Financial Security Service and Samsung Integrated Security Center on an ongoing basis.

Introducing Security Solutions

Creating a solution to inspect vulnerabilities in infrastructure	<ul style="list-style-type: none"> Enhancing security efficiency by introducing specialized automation solutions instead of manually checking system vulnerabilities Minimizing system vulnerability exposure by automatically and periodically checking for known vulnerabilities
Applying PC screen watermarks	<ul style="list-style-type: none"> Applying watermarks on PC screens to prevent the unauthorized access and leakage of information (e.g. screen captures, photographs) Identifying users by indicating user codes, serial numbers, and dates

HUMAN VALUE

Material Topic 3

Employee Development

TOPIC BACKGROUND

Employee development is an integral part of financial operations in response to a rapidly changing financial environment. Recently, securities companies are pursuing both quantitative and qualitative development of their human resources to drive the growth of overseas business and IB/Trading sectors. To this end, the financial industry provides systemic training and certification support for financial experts as part of the human resource development strategy.

OUR APPROACH

Samsung Securities recognizes that employee expertise and competency is an essential part of sustainable growth and subsequently provides various opportunities for training. Specifically, we help our employees create knowledge content in various fields and share the results to apply it in practice at a company-wide level. Going forward, we will continue to support employee development to help every member of our organization to reach their full potential.

2019 KEY PERFORMANCE

Training expense
per person

1.96 million
KRW

Training hours
per person

180 hours

OUR COMMITMENT

Area of management	Goal	Time frame
Comprehensive Competency Management System	220 hours of education per employee	2023
Fostering Financial Experts	350 CFP-certified, 100 CFA-certified	2023

LINK TO UN SDGs



Goal 4 (4.3)
Ensuring quality education
and promoting lifelong
learning opportunities

We truly increase the number of youth and adults with appropriate skills, such as professional and vocational skills required for job and entrepreneurship activities.

Developing Financial Experts

Support for Self-directed Learning

Samsung Securities established a systematic talent development program to help employees learn and develop expertise. To this end, we launched a comprehensive employee competency management portal (S Learning Mate) and supported the application of a mobile learning platform (CIC²). In addition, a new lunchtime-use training program, 'Lunch & Run', was launched, and the job training system was strengthened to enhance the professionalism of employees. In addition, we are actively supporting the acquisition of professional certifications to ensure global level of professionalism.

Certification Status (As of the end of December 2019)

<p>CFP 332 employees 191 employees (PB-certified) 23% (Ratio of CFP PB certification, the highest in the industry)</p>	<p>CFA 77 employees (the highest in the industry)</p>
<p>Comprehensive Competency Management System A system where employees develop their own training plan to improve upon areas of weakness and expertise and earn required credits.</p>	

Group-wide learning culture settlement

Knowledge Festa

Samsung Securities holds a Knowledge Festa every year as an enterprise-wide knowledge festival for employees to be able to acquire knowledge contents by interest and to share best examples for self-learning. We are establishing a group-wide learning culture by organizing programs with various contents such as sharing self-directed learning status, lectures, competitive PT for global frontier program, PT for the best learning floor, and awarding to outstanding learning organizations/individual.

Global Competency Development

Global Frontier Program

In response to the changing financial business environment, Samsung Securities has implemented an advanced global innovation expert development program where selected employees conduct research on the latest trends and new product/service ideas in other countries with specialist mentors. Participants in the program then present the ideas they developed through the program at the Knowledge Festa to share their insights and expertise.

Knowledge Festa



Final announcement of selected members in global frontier program



Improving Organizational Culture

Organization Culture Innovation

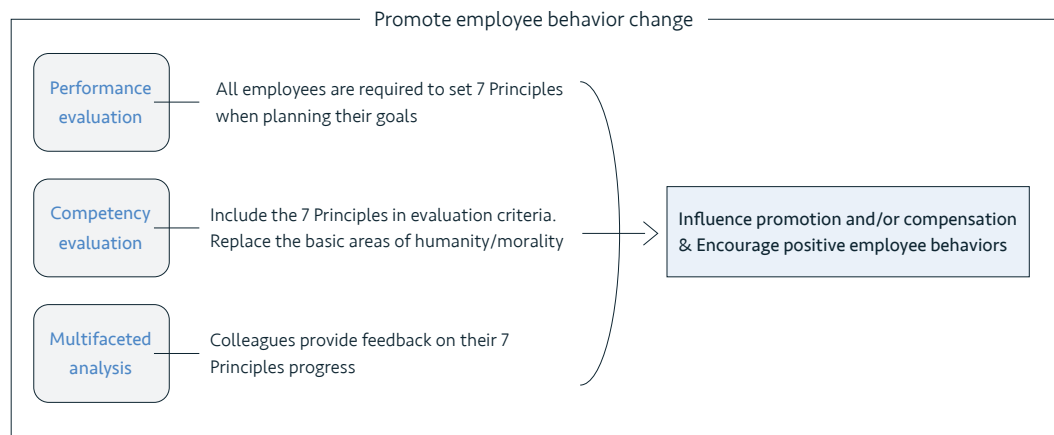
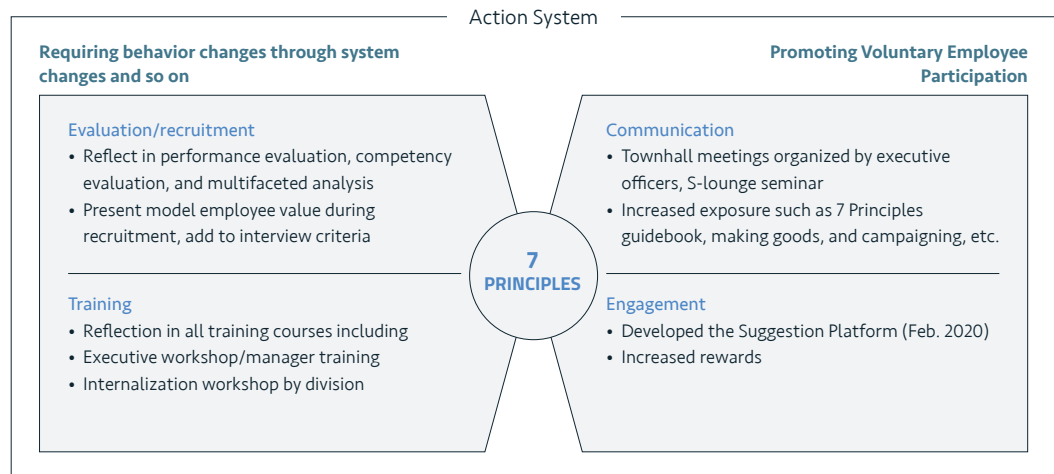
7 Principles, Our Promise for Growth and Happiness

Samsung Securities established and presented "7 Principles" to foster a healthy organizational culture that supports sustainable growth and boosts employee satisfaction.

The 7 Principles are specific and action-oriented principles that we pursue and apply to our organizational culture. They consist of 3 clear action guidelines and are based on employee communication, advice from consulting firms/experts, and benchmarking. The principles are reflected in employee training, performance evaluation, and in the recruitment process.

- | | |
|---|---|
| 1. We value content more than form. | 5. We communicate with humility and respect each other. |
| 2. We seek to change small things first. | 6. We do not seek why things cannot be done, but ways to do things. |
| 3. We question ourselves and ponder how to become better. | 7. We do not do things that shame our family. |
| 4. We seek to do right whatever we do. | |

Internalization of the 7 Principles





1

We value content more than form.



2

We seek to change small things first.



3

We question ourselves and ponder how to become better.



4

We seek to do right whatever we do.



5

We communicate with humility and respect each other.



6

We do not seek why things cannot be done, but ways to do things.



7

We do not do things that shame our family.

Work-Life Balance

Flexible Work Schedule

Samsung Securities implemented a system that allows employees to adjust their work schedules depending on their job requirements. Pregnant employees and those subject to maternity protection can work shorter hours if they meet certain criteria. We will continue to comply with the 52-hour workweek policy and introduce various programs to improve the efficiency and productivity of our employees.

Family Friendly and Organizational Support

Family Friendly Program

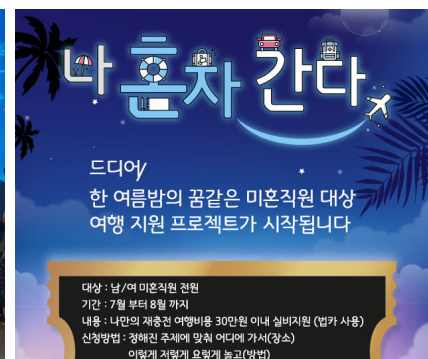
In order to create a family-friendly work environment, Samsung Securities provides various programs including company tours for employees' parents, a vocational experience program for children, family picnics at Everland, family communication and empathy lectures, and rural/mud flat experiences. These programs are designed to help our employees maintain a healthy work-life balance.

I Go Alone

Samsung Securities organized a travel support program for single employees. Eligible employees can plan their travel using various "solo traveling" programs such as local festivals, music festivals, camping and glamping, and exploring domestic tourist attractions. By doing so, we support our employees to relax during their vacation and get rejuvenated.

New Healing Camp

Samsung Securities organizes an employee well-being program at the Hongcheon Healice Seon Village to help all employees build an energetic and healthy organizational culture. Under the four categories of "Mind, Body, Relax, and Food", various programs such as meditation, massage, stretching, and healthy cooking are offered to join and relieve stress.



Employee Welfare and pregnancy/childcare support

Livelihood Support	<ul style="list-style-type: none"> • Housing purchase and rent support • Company housing and rental deposit support • Congratulatory and condolence leave and money • Long service leave and vacation expense • 4 major insurances (National Health Insurance, National Pension Insurance, Employment Insurance, and Industrial Accident Compensation Insurance)
Healthcare Support	<ul style="list-style-type: none"> • Fitness center/counseling center • Medical expense support • Medical check-up (including spouses)
Education Support for Children	<ul style="list-style-type: none"> • Gift for school enrollment • Middle and high school uniform expense • Tuition support (kindergarten, middle/high school/university) • Cultural/art experience programs
Leisure Support	<ul style="list-style-type: none"> • Welfare program points • Nationwide resorts/Caribbean Bay • Support for corporate club activities • Employee meditation training • Wedding support center (free use of company wedding hall)

Daycare	2 daycare centers within company headquarters (Seocho 1 daycare center, Seocho2 daycare center)	Maternity Leave	<ul style="list-style-type: none"> • Up to 90 days of leave before and after childbirth as specified by law • 90 days paid maternity leave is paid 100% for 2 months, partly paid for the third month
Parental Leave	Non-paid leave for up to 2 years after childbirth	Infertility Leave	Up to one year of leave for female employees over 35 years of age or those who have been married for 5 years and diagnosed with infertility



SOCIAL VALUE

Material Topic 4

Promoting Financial Consumer Rights

TOPIC BACKGROUND

Today, the financial investment industry provides a wide range of services with added convenience through digital innovation. However, the importance of the ability of consumers to choose the right services and information has increased. As a result, securities companies are committed to introducing various programs that allow consumers to protect their information from financial risk.

OUR APPROACH

Samsung Securities provides useful financial life information through the website "Consumer Protection Square" and promptly resolves inconveniences. In 2019, launching the mobile consumer protection square and reorganizing UI helps increase consumer accessibility and convenience. In addition, we are making efforts to enhance the rights and interests of consumers by providing customized financial education to the vulnerable groups such as the elderly.

2019 KEY PERFORMANCE

Cases of customer service improvement

11 cases

Web Accessibility Certification

Accredited for 6 consecutive years

OUR COMMITMENT

Area of management	Goal	Time frame
Consumer protection	Development of a comprehensive consumer protection system	2021

LINK TO UN SDGs



Goal 9 (9.1)
Industry, innovation, and infrastructure

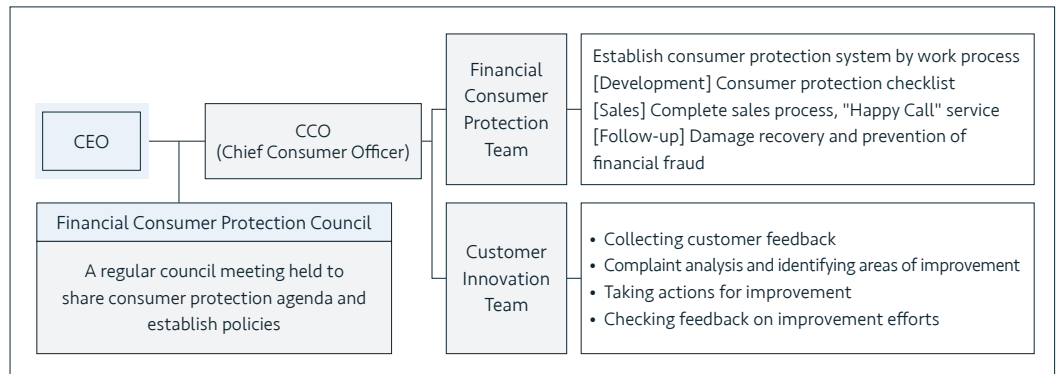
We develop a high-quality, stable, sustainable and resilient infrastructure, including regional and cross-border infrastructure to support economic development and human well-being and to focus on affordable and equitable access for everyone.

Protecting Financial Consumers

Financial Consumer Protection System

Since 2013, Samsung Securities has appointed a Chief Consumer Officer (CCO) who reports directly to the CEO. This year, the Consumer Protection Center was organized under the CCO. Additionally, the Financial Consumer Protection Council was established to develop consumer protection policies and share their status on a regular basis. The Financial Consumer Protection Team implements a solid financial consumer protection system which includes system and process maintenance at each stage, while the Customer Innovation Team reflects the customer feedback in policy.

Consumer Protection Organization



Mission: Establish an effective financial consumer protection system and reflect feedback for the purpose of improvement

Prevent incomplete sales and take prompt measures to recover damage to consumers by upgrading the development-sales-follow-up process

Analyze customer feedback to identify areas of improvement and support action plans

Respond to upcoming changes in the system that will be implemented in 2020 (revised standards, introduction of complex products, etc.).

A comprehensive consumer protection system (tentatively titled) which unifies handling of complaints, VOC, consumer protection, and improvement control process is under development.

Strengthening financial consumer protection

Samsung Securities established a Consumer Protection Center in 2019 to strengthen the group-wide consumer protection business. Before the product/service is provided, it is checked once more from the consumer's point of view, and complaints are actively identified and improved. In addition, we are striving to improve the rights of consumers who use Samsung Securities through customized training on consumer protection for each department.

Social Responsibility Investment

Expanding CSR Investment

Samsung Securities invests in small and medium-sized enterprises (SMEs) that have financing difficulties through technology financing and products related to governance, responsible investment, and the environment. Additionally, we are making a positive impact on finance as we work to nurture companies with sound governance by providing consultations to strengthen their competitiveness.

Increasing Technology Financing



Samsung Securities is contributing to the formation of a corporate eco-system and long-term growth through investments in technology finance, including small and medium-sized companies with outstanding technology and promising venture companies. In particular, by investing in industries, companies and technologies related to the 4th Industrial Revolution issue, we are actively utilizing it to expand investment opportunities and new business opportunities such as listing on KOSDAQ, M&A, and block deals as the target companies grow.

Sustainable Finance

Governance & Responsible Investment Products

In response to the movement to improve corporate governance at domestic and abroad, Samsung Securities sells funds that invest in undervalued companies with superior governance. In addition, we are selling a number of responsible investment funds that invest in companies that fulfill social responsibilities remarkably, and we plan to continuously expand related products.

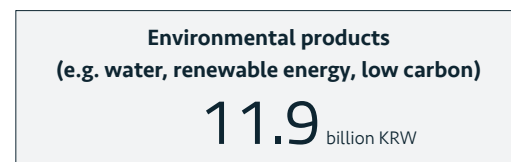
Environmental Products

In order to promote awareness of the environment and reduce environmental impacts such as climate change, we offer products related to renewable energy and carbon emissions reduction. In addition, when considering investments in securities (products) that contribute to resolving international environmental issues, including renewable energy and water resources, we strive to ensure that our decisions reflect qualitative information like the results of environmental effects evaluations.

Equity investment in 119MW solar energy power generation portfolio in France

We are in the process of exploring and promoting eco-friendly business ventures. In 2019, we contributed to the environmental cause by purchasing shares in a 119MW renewable energy portfolio, consisting of 14 solar power plants in France. Moving forwards, we will continue to fulfill our social responsibilities as a financial company through eco-friendly investments, and sustain our efforts to stimulate investment in the development and expansion of eco-friendly technologies.

ESG Product Status



(As of the end of December 2019)

Sustainable Products & Services

(Unit: KRW 100 million)

BUSINESS DIVISION	PART	PRODUCTS & SERVICES	SIZE
IB	Green/Sustainable Infrastructure Finance	Samchully European Solar Opportunity Fund 1	715
		Vietnam Cam Lam Solar Project Bridge Loan	324
		Acquired shares in British train company XLT	765
	Advisory Services on ESG Topics	Macquarie Korea Opportunities Management; Waste incineration firm liquidation advisory	1,300
Retail	Sustainable Investment Products - Governance	Samsung Governance Plus Specialized Private Fund 1(Equity)	34.8
		HanaUBS Public Offering Stock & Governance Fund (Bond-Mixed)	2.8
		Midas Responsible Investment Fund(Equity)	46.1
		Samsung Good Responsible Investment Fund 1(Equity)	3.8
		HI Social Responsible Investment Fund(Equity)	0.5
		SHBNPP Tops Beautiful SRI Fund 2(Equity)	9.1
		SHBNPP Tops Beautiful SRI Asset Allocation Private Fund 1(Mixed)	2.3
		WooriG Active SRI Fund(Equity)	2.8
		Sustainable Investment Products - Environment	Samsung F&T Global Megatrend Holder Fund H (Equity-Fund of Funds)
	Samsung F&T Global Megatrend Holder Fund UH (Equity-Fund of Funds)		9.6
	Samsung Global Water Fund 1(Equity-Fund of Funds)		18.0
	Samsung Global Water Fund 2(Equity-Fund of Funds)		0.7
	Samsung Classic Global Water Pension Holder Fund H (Equity-Fund of Funds)		0.1
	Samsung Retirement Pension Global Water 40 Securities 1 (Bond-Mixed)		2.9
	Samsung Global Clean Energy Fund 1(Equity-Fund of Funds)		36.1
	Samsung Classic Global Clean Energy Pension Holder Fund H (Equity-Fund of Funds)		0.7
	Samsung Retirement Pension Global Clean Energy 40 Securities Holder 1(Bond-Mixed)		0.3
	Samsung Global Clean Energy Fund 2(Equity-Fund of Funds)		0.3
		Korea Private Carbon Special Asset 1st Investment Company (Monetary Rights)	25.9

CSR Activities

Social Contribution and Local Community Support

Samsung Securities organizes various CSR programs to build a social safety net and promote the spirit of sharing. Under the title 'Go Together To the Future! Enabling People', we are increasing our contribution to education and childcare to help children and young people follow their dreams while raising awareness through employee CSR programs. By doing so, we are developing a positive image of our company and the financial industry and creating value for our local community.

Support for Building Social Safety Net

	<p>Direction</p> <p>Supporting stable growth and sustainable social development in the capital market by providing creative and reasonable financial solutions</p>	<p>UN SDGs alignment</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>
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Financial Education for Youth

Our Financial Education for Youth program is designed to enable children and young people to form a solid base of economy awareness and develop rational decision-making skills as part of our CSR program. We send student instructors to welfare facilities to offer economy education programs where participants can learn about the economy through play and experience. The program is organized through a partnership with the social welfare corporation "Kids and Future Foundation" and 101 nationwide social welfare centers. Since 2005, we have provided support for 230,000 children and 543 social welfare centers in 12 areas across the country.

"YAHQ" Volunteer Group

Once a year, we organize a program with the college student volunteer group "YAHQ" that students become instructors for Financial Education for Youth. The YAHQ Volunteer Group, which started in 2009, is now in its 10th year and has been participated in by 1,724 students. They join the education program twice a month and participate in various activities including "Economics Golden Bell Camp" and content creation.

		2019	2018	2017
Financial Education for Youth	Participants (cumulative)	223,716	207,991	192,991
	Classes (cumulative)	7,278	7,194	7,110
YAHQ Volunteer Group	Student participants	252	252	151

(Unit: students, classes)

Future Scholarship Fund

The Future Scholarship Fund is a program that helps students prepare for the future through scholarships. Recipients are selected from among the Financial Education for Youth program participants.

Vision Maru, Youth Study Rooms

Vision Maru is an afterschool children and youth support program that builds study rooms in social welfare centers with outdated facilities and provides afterschool learning, career research, and counseling. Since 2012 when the first study room was created, we have provided 38 study rooms.

Promoting the Spirit of Sharing



Direction

Employee participation
in social service and donation

UN SDGs alignment

Reduce inequality within
and among countries

Nanumi Volunteer Group

There are 165 volunteer teams nationwide as part of the Samsung Securities Volunteer Group. In order to support volunteer activities, we introduced paid volunteer service during working hours for which leaders choose a CSR theme that is ideal for the local community and organize various activities. In addition, employees donate to the "Nanumi Fund" on a monthly basis to support their local communities and help people in need. This fund, the contributions to which are matched by the company, is used for CSR donation.

		2019	2018	2017
Nanumi Fund	Donation	285	290	280

(Unit: KRW 1 million)

Support for Building a Social Safety Net



Direction

Strengthening and promoting
a social, economic and political
perspective for all, regardless of
a person's background

UN SDGs alignment

By 2030, empower and promote the social,
economic and political inclusion of all, irrespective
of age, sex, disability, race, ethnicity, origin,
religion or economic or other status

"Happy Cook" for Financially Disadvantaged Children

"Happy Cook" is a program that provides free meals and cooking classes for underprivileged children and young people at 55 local children centers nationwide. Ingredients are supplied from affiliated rural communities as part of our local community support program.

		2019	2018
Happy Cook		55	38

(Unit: organization)



4

SUSTAINABLE RECORD

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SUSTAINABILITY STRATEGY








Sustainable Management for Social Responsibility

In 2015, the United Nations announced 17 Sustainable Development Goals (SDGs) and 169 targets to be implemented by 2030. Samsung Securities is expanding its social responsibility programs by aligning sustainability practice with the United Nations' SDGs to promote balanced and integrated growth. Of these 17 SDGs, Samsung Securities has identified five of them – namely 4, 7, 8, 9 and 10 – that are crucial to the company's sustainable business and clearly discloses their progress and performance within the report.



FOCUS AREA	KEY ISSUES	STRATEGIC APPROACH
Financial Value	Leading global investment culture	<ul style="list-style-type: none"> • Increase foreign investment under foreign with 'Foreign Investment 2.0' strategy • Implement a 3P strategy that focuses on strengthening its capabilities in three core areas: People, Process, and Product
Intellectual Value	Digital financial process innovation	<ul style="list-style-type: none"> • Introduce a digital service model for digital asset management • Diversify non-face-to-face channels
Human Value	Employee development	<ul style="list-style-type: none"> • Provide employees with a wider range of opportunities for education and skill development • Encourage employees to build knowledge assets and share on a group-wide basis
Social Value	Promoting financial consumer rights	<ul style="list-style-type: none"> • Provide increased access to an online consumer protection board • Provide customized financial education programs to enhance customer rights
	Social responsibility investment and CSR activities	<ul style="list-style-type: none"> • Expand a product portfolio that integrate ESG (Environmental, Social and Governance) factors • Undertake CSR initiatives in support of strengthening a social safety net and promoting the spirit of sharing

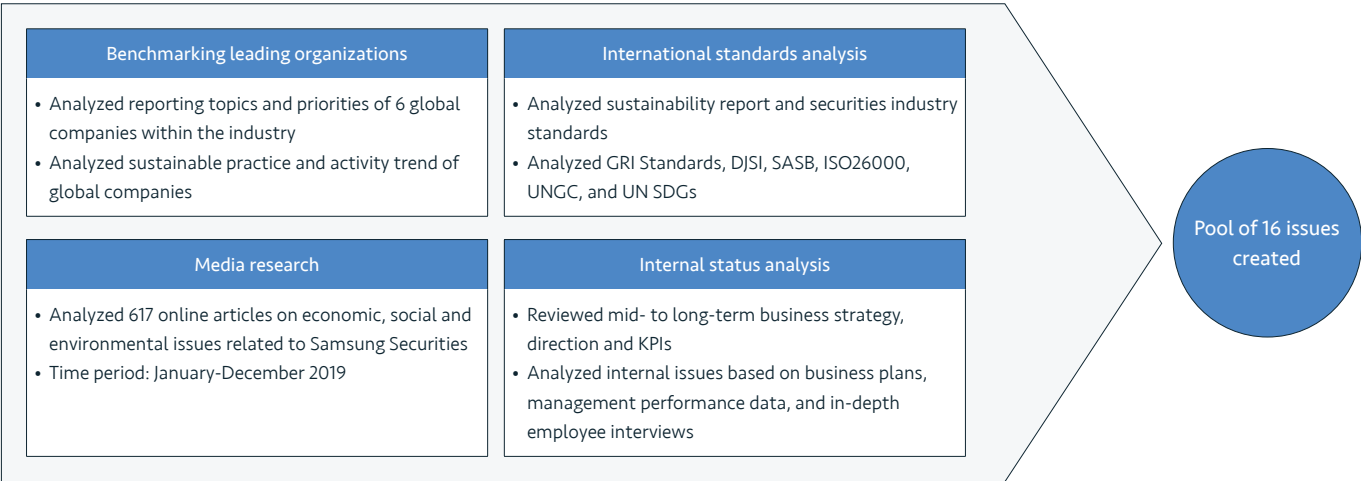
17 Sustainable Development Goals		Goal 9
		Industry Innovation and Infra (Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation)
Goal 1	No Poverty (End poverty in all its forms everywhere)	Goal 10
		Reduced Inequalities (Reduce income inequality within and among countries)
Goal 2	Zero Hunger (End hunger, achieve food security and improved nutrition, and promote sustainable agriculture)	Goal 11
		Sustainable Cities and Communities (Make cities and human settlements inclusive, safe, resilient, and sustainable)
Goal 3	Good Health and Well-Being (Ensure healthy lives and promote well-being for all at all ages)	Goal 12
		Responsible Consumption & Production (Ensure sustainable consumption and production patterns)
Goal 4	Quality Education (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)	Goal 13
		Climate Action (Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy)
Goal 5	Gender Equality (Achieve gender equality and empower all women and girls)	Goal 14
		Life below Water (Conserve and sustainably use the oceans, seas, and marine resources for sustainable development)
Goal 6	Clean Water and Sanitation (Ensure availability and sustainable management of water and sanitation for all)	Goal 15
		Life on Land (Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss)
Goal 7	Affordable and Clean Energy (Ensure access to affordable, reliable, sustainable, and modern energy for all)	Goal 16
		Peace, Justice and Strong Institutions (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels)
Goal 8	Decent Work and Economic Growth (Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all)	Goal 17
		Partnerships for the Goals (Strengthen the means of implementation and revitalize the global partnership for sustainable development)

LINKAGE TO UN SDGs	IMPLEMENT ACTION PLANS	KPIs	TARGET YEAR
	<ul style="list-style-type: none"> Serve customer needs for foreign investment through development of financial products spanning 30 countries Expand a foreign investment portfolio with enhanced access for investing customers 	<ul style="list-style-type: none"> To supply KRW 4.7 trillion of alternative products in IB sector To achieve a 30% proportion of overseas assets 	2023
	<ul style="list-style-type: none"> Develop a master plan for company-wide digitalization Strengthen data protection activities by introducing security solutions 	<ul style="list-style-type: none"> To obtain KRW 40 trillion of digital client assets 	2023
	<ul style="list-style-type: none"> Encouraging employees' self-directed learning by operating a comprehensive employee competency management portal Presented "7 principles" to foster autonomous work environment Flexible work schedule and welfare for work-life balance 	<ul style="list-style-type: none"> To obtain a 100% credit completion rate for the Overall Competency Management System for employees To transform financial experts to a total of 350 CFPs and 100 CFAs 	2023 2023
	<ul style="list-style-type: none"> Organizing a Customer Protection Center under a Chief Consumer Officer (CCO) Improving access to financial products and services for socially vulnerable segments of the population 	<ul style="list-style-type: none"> Authenticated 102 standards for information protection and personal verifications Resolved 11 customer dissatisfaction cases Provided 14,365 hours of education for information security 	-
  	<ul style="list-style-type: none"> Expanding a portfolio for green investment Increasing the number of sustainable products and services Financial Education for Youth, College Student Volunteers, YAHU, NANUMI Volunteers, etc. 	<ul style="list-style-type: none"> Obtained a growth rate for green financial products Invested KRW 3.42 billion in social contribution projects Empowered 4,890 employees to participate in social contribution projects Provided 223,716 young adults with free financial education 	2023

MATERIALITY ASSESSMENT

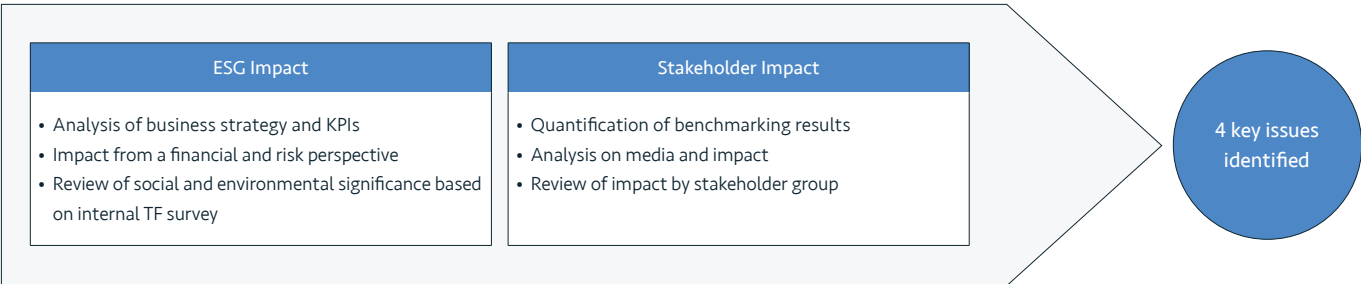
Materiality Test Process

In order to select key reporting topics and prepare the content of this report, a materiality test has been conducted in reference to the Global Reporting Initiative (GRI) reporting principles, "Sustainability Context", "Materiality", "Stakeholder Engagement", and "Completeness", along with AccountAbility's Five Part Materiality Test methodology and <IR> Framework's reporting principles. Specifically, a pool of 16 issues has been identified through the corporate vision and strategy, global industrial issues, and media research.

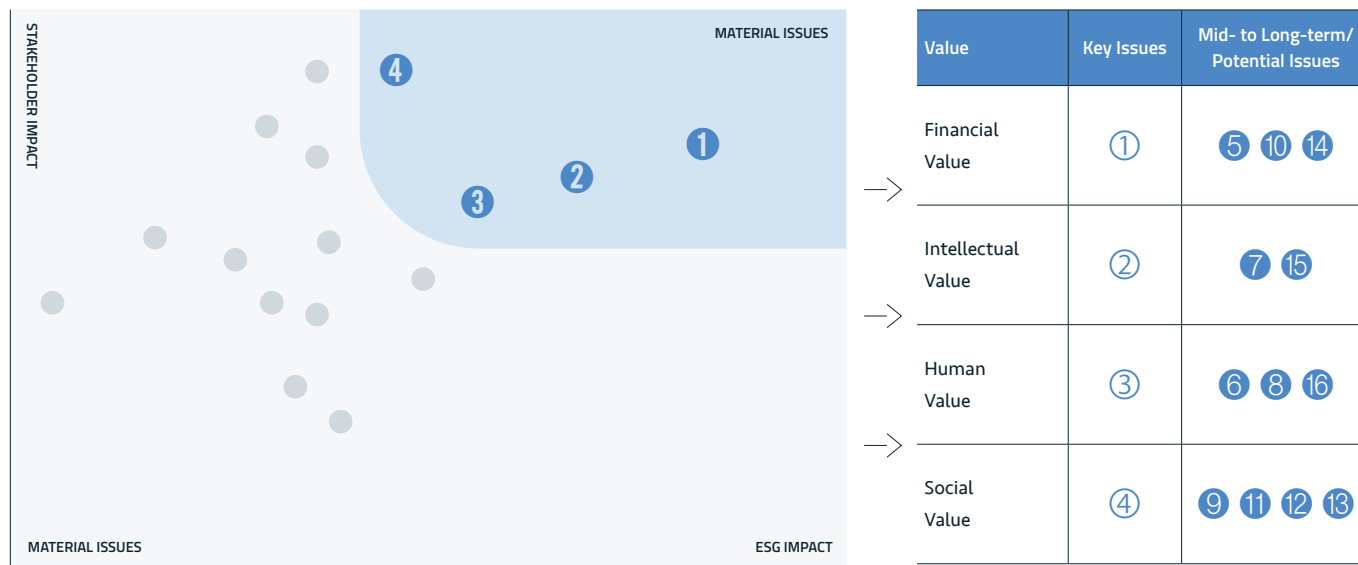


Verification of Materiality Test

The pool of 16 issues selected through materiality test is prioritized by quantifying the economic, social, and environmental (ESG) impact, as well as the business impact on stakeholders. The level of ESG impact was evaluated in consideration of financial and non-financial impacts on Samsung Securities' business operations and strategic alignment, while the impact on stakeholders was reviewed with a focus on business cost, revenue, and risk. Ultimately, four key issues have been defined.



Materiality Test Matrix



Value	Material Issues	Core issues' impact on business			GRI Topic	UN SDGs	Page
		Risk	Cost	Revenue			
Financial Value	1. Leading Global Investment Culture			●	Direct Economic Impacts (GRI 201)		34-37
Intellectual Value	2. Digital Financial Process Innovation		●	●	Indirect Economic Impacts (GRI 203)		38-41
Human Value	3. Employee Development	●		●	Training and Education (GRI 404)		42-47
Social Value	4. Promoting Financial Consumer Rights	●			Compliance (GRI 419)		48-53

- 5. Sound Governance and Transparency
- 6. Ethical Practice and Compliance
- 7. Promote Customer Satisfaction and Brand Management
- 8. Recruitment, Compensation and Employment Stability
- 9. Financial Industry-Specific Strategic CSR
- 10. Fair Marketing and Product Information Disclosure

- 11. Expand Social Responsibility Investment
- 12. Stakeholder Engagement and Communication
- 13. Create Financial Ecosystem through Venture Support
- 14. Enhance Business Risk Management
- 15. Enhance Access to Financial Transaction System
- 16. Respecting Human Rights and Work-Life Balance

STAKEHOLDER COMMUNICATION

Samsung Securities defines customers, shareholders, government and partners, local community and NGOs, employees, and future generations as its six major stakeholders for sustainable practices. In addition, various communication support activities are carried out to identify stakeholders' respective demands and reflect them in our business practices.

STAKEHOLDER GROUP	ACTIVITIES & DIRECTION	COMMUNICATION CHANNEL	EXPECTATION
Customer	Strive for customer-oriented management based on active communication	VOC/CS Survey Seminar	Protect personal data Improve customer satisfaction
Shareholders	Share management status through general meetings of shareholders	General Meeting of Shareholders IR Activities	Increase shareholder value Establish sound corporate governance
Government, Partners (Suppliers)	Comply with government policies and maintain cooperative relationships	Public Hearing Seminars	Comply with regulations Ensure ethical practices
Local Community, NGOs	Contribute to local communities through industry-specific CSR programs	Social Volunteer Group Nanumi Fund	Support low-income families Boost local economy
Employees	Secure and develop talents through open recruitment, advanced training, and various welfare benefits	VOE Multifaceted Evaluation	Compensate based on fair performance evaluation Support self-development and welfare benefits
Future Generations	Engage in activities to support future generations and create eco-friendly culture as a corporate citizen	YAHO Volunteer Group Financial Education for Youth	Invest in youth education and environment

ENVIRONMENTAL · SOCIAL DATA

CATEGORY		UNIT	2019	2018	2017	2016
Raw materials (paper)	Reports	10K sheets	989	1,195	655	583
	Bank slips	10K sheets	200	238	217	253
	Photocopy paper	10K sheets	1,399	1,731	1,500	1,638
	Total	10K sheets	2,588	3,164	2,327	2,474
Energy	City gas	m ³	176,473	212,178	209,656	65,048
	Gasoline	ℓ	141,354	169,546	170,075	184,329
	Diesel	ℓ	3,345	3,006	11,100	15,626
	Electricity	MWh	1,219	1,212	1,193	1,935
	Electricity expenses	KRW million	178	175	171	403
Energy intensity (energy use per unit area)	City gas	tCO ₂ eq/m ²	6.9	8.4	8.3	4.0
	Electricity	tCO ₂ eq/m ²	0.05	0.05	0.04	0.11
Greenhouse gas*	Scope 1 (Direct emissions)	tCO ₂ eq	700	848	866	589
	Scope 2 (Indirect emissions)	tCO ₂ eq	540	538	528	817
	Total business trip distance	km	5,469,553	5,169,089	4,858,103	5,032,312
	Scope 3 (Other indirect emissions)**	kg CO ₂ eq	347,366	335,726	302,207	318,626
Greenhouse gas intensity (emissions per unit area)	City Gas (Scope 1)	tCO ₂ eq/m ²	0.02	0.02	0.02	0.01
	Electricity (Scope 2)	tCO ₂ eq/m ²	0.02	0.02	0.02	0.05
Water	Water supply	m ³	20,938	22,083	19,999	16,861
Waste	Landfill waste	ton	3	5	8	313
Employee occupational accidents	Number of fatalities	persons	0	0	0	0
	Absence	day	0	0	0	0
	Absentee rate	%	0	0	0	0

*calculated based on the information of city gas, electricity consumption and transport distance in accordance with IPCC 2006
**included headquarters and IT centers
***multiplying total distance of business trip by emission factor by each transportation

2019 Target

- Scope 1(tCO₂eq): 806
- Scope 2(tCO₂eq): 537
- Business Trip distance(km): 4,910,635
- Waste(ton): 4

CATEGORY		UNIT	2019	2018	2017	2016		
Collective bargaining agreements (labor unions/ Labor- Management Council)	Membership in labor unions	persons	264	269	274	292		
	Employees eligible for membership in labor unions	persons	2,394	2,272	2,242	2,138		
	Ratio of membership in labor unions	%	11	12	12	14		
Stakeholder relationships	National Customer Satisfaction Information (NCSI)*	%	77	75	76	72.8		
	Employee satisfaction	%	73.5	72.0	70.8	69.6		
	Membership in associations	Member of Financial Supervisory Service, Korea Financial Investment Association, Korea Capital Market Institute, International Finance Center and Korean Securities Association						
Employee Status	Total employees	Male	Persons	1,443	1,357	1,366	1,309	
		Female	Persons	951	915	876	829	
		Total	Persons	2,394	2,272	2,242	2,138	
	New hires	Male	Persons	163	115	112	102	
		Female	Persons	72	79	67	45	
		Total	Persons	235	194	179	147	
	Resignees	Male	Persons	50	80	52	59	
		Female	Persons	11	22	13	12	
		Total	Persons	61	102	65	71	
	Turnover rate (voluntary, involuntary)	Male	%	3.50%	5.90%	4.00%	4.50%	
		Female	%	1.20%	2.40%	1.60%	1.40%	
		Total	%	2.50%	4.50%	3.00%	1.30%	
	Retirees	Male	Persons	67	90	69	101	
		Female	Persons	32	51	30	56	
		Total	Persons	99	141	99	157	
	Retirement rate	Male	%	4.60%	6.60%	5.30%	7.60%	
		Female	%	3.40%	5.80%	3.60%	6.50%	
		Total	%	4.10%	6.20%	4.60%	7.30%	
	Governance structure & employee diversity	Executives	Male	Persons	24	23	25	25
			Female	Persons	2	2	2	2
		Managers	Male	Persons	1,049	959	941	863
Female			Persons	360	321	289	268	
Staff		Male	Persons	370	375	400	421	
		Female	Persons	589	592	585	559	
Positions with sales generated (excluding positions in HR, IT, and Legal Affairs)		Male	Persons	788	735	-	-	
		Female	Persons	262	252	-	-	
Total		Male	Persons	1,443	1,357	1,366	1,309	
		Female	Persons	951	915	876	829	

* 2019 Target : 76

CATEGORY			UNIT	2019	2018	2017	2016
Employment classification	Employment type	Regular	Persons	2,128	2,090	2,055	1,985
		Temporary	Persons	266	182	187	153
	Local employment	Locally hired managers	Persons	11	11	10	8
		Total number of managers	Persons	1,435	1,305	1,257	1,158
		Ratio of locally hired managers	%	1%	1%	1%	1%
		Female managers	Persons	362	323	291	270
	Female employees	Total number of managers	Persons	1,435	1,305	1,257	1,158
		Ratio of female managers	%	25%	25%	23%	23%
		Disabled	Persons	60	60	59	59
	Minority groups	Diversity indicator-Minority groups (e.g. veterans)	Persons	51	49	51	52
Employees by Age Group	Under 30	Male	Persons	134	154	131	127
		Female	Persons	234	276	251	248
	30~39	Male	Persons	568	509	530	494
		Female	Persons	431	407	400	409
	40~49	Male	Persons	490	549	567	583
		Female	Persons	265	224	219	168
	Over 50	Male	Persons	251	145	138	105
		Female	Persons	21	8	6	4
	Total	Male	Persons	1,443	1,357	1,366	1309
		Female	Persons	951	915	876	829
Regular evaluations on work performance and career development	Number of employees subject to regular performance evaluations		Persons	2,450	2,356	2,329	2,246
	Number of employees who received regular performance evaluations		Persons	2,393	2,296	2,236	2,153
	Employees who received regular performance evaluations		%	98%	97%	96%	96%
Parental leave	Maternity leave	Employees on parental leave to return in the year	Persons	21	17	11	11
		Male employees on parental leave	Persons	4	8	8	5
		Female employees on parental leave	Persons	59	63	71	77
	Parental leave	Number of employees returning from parental leave	Persons	65	66	59	59
		Ratio of employees returning from leave	%	91%	96%	83%	92%

CATEGORY		UNIT	2019	2018	2017	2016
Training (job training)	Hours of training per person	Hours	179.8	109	119	120
	Training expenses per person	KRW 10,000	196	185	203	196
	Total hours of training	Hours	423,606	249,470	266,715	256,560
	Total training expenses	KRW 100 million	46.1	42.2	45.6	42
	Total number of participants	Persons	2,356	2,286	2,247	2,138
Sexual harassment training	Total number of participants	Persons	2,501	2,313	2,373	2,327
	Total hours of training	Hours	2,501	2,313	2,373	2,327
Anti-corruption training	Total number of participants	Persons	4,216	2,502	2,183	2,208
	Total hours of training	Hours	4,595	6,607	3,703	11,148
Information security training	Total number of participants	Persons	2,417	2,285	2,478	2,481
	Total hours of training	Hours	14,365	14,135	16,545	16,374
Safety and healthcare training	CPR: Hours of training	Hours	93	725	475	1,000
	Evacuation drill: Hours of training	Hours	74	42	589	950
Employee training on human rights policy and procedures	Total number of participants	Persons	92	80	85	90
	Total hours of training	Hours	138	200	170	90
Social contribution	Total amount of contribution	KRW 100 million	34.2	32.5	32.8	31.1
	Education	KRW 100 million	19.8	21.6	16.4	5.9
	Welfare	KRW 100 million	10.2	7.2	7.4	7.1
	Others (charity organization, NGO, education/research institutes, etc.)	KRW 100 million	4.2	3.7	6.2	15.4
	Matching grant expenses (Employees) / Nanumi Fund	KRW 100 million	2.9	2.9	2.8	2.8
	Total number of employees participating in social contributions	Persons	4,890	4,240	3,991	4,100
	Hours of social contribution activities	Hours	10,692	11,228	10,730	11,969
	Spot donation payment	KRW	100,000,000	40,000,000	-	-
	Business support payment of local communities	KRW	140,000,000	168,000,000	-	-

CATEGORY		UNIT	2019	2018	2017	2016
Youth Economics Security Academy	Number of participants (cumulative)	Persons	223,716	207,991	192,991	184,351
	Number of classes (cumulative)	Classes	7,278	7,194	7,110	7,058
YAHQ Volunteer Group	Number of volunteers	Persons	252	252	151	132
Tax	EBT	KRW	496,724,253,883	440,209,413,239	340,542,212,729	-
	Income tax (income stated)	KRW	126,510,873,111	119,475,956,245	83,676,113,268	-
	Income tax/EBT	%	25.5	27.1	24.6	-
	Income tax expenses	KRW	58,871,524,196	159,856,463,874	103,636,860,912	-
	Income tax expenses/EBT	%	11.9	36.3	30.4	-
Anti-corruption	Number of total business sites	Sites	69	74	74	73
	Number of business sites for which corruption risks have been assessed	Sites	69	74	74	73
	Ratio of business sites for which corruption risks have been assessed	%	100	100	100	100
Anticompetitive practices	No. of Legal actions on unfair transactions including anticompetitive practices and monopoly/ oligopoly	Cases	0	0	0	0
Compliance	Number of monetary sanctions due to breaches of regulations	Cases	4	6	1	0
	Number of lawsuits due to breaches of regulations	Cases	0	0	0	0

FINANCIAL DATA

Consolidated Financial Statements

A. Consolidated Financial Position

Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
I. Cash and cash equivalents	1,351,167,790,517	1,238,465,314,893
II-1. Financial assets at fair value through profit or loss	-	-
II-2. Financial assets measured at fair value through profit or loss	28,546,759,977,330	22,411,890,207,118
III-1. Financial assets available for sale	-	-
III-2. Financial assets measured at fair value through other comprehensive income	3,102,386,384,355	3,295,150,693,745
IV-1. Loans and receivables	-	-
IV-2. Financial assets measured at amortized cost	11,419,621,191,053	11,149,526,394,638
V. Investments in associates	80,918,146,032	85,234,550,939
VI. Fixed assets	86,720,737,087	44,485,070,089
VII. Property investments	-	-
VIII. Intangible assets	79,909,150,976	85,109,002,366
IX. Prepaid tax	22,578,230,555	3,267,775,915
X. Deferred income tax assets	1,796,576,785	1,594,690,125
XI. Other assets	37,733,214,123	15,920,279,136
Total asset	44,729,591,398,813	38,330,643,978,964

A. Consolidated Financial Position
Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
I-1. Financial liabilities at fair value through profit or loss	-	-
I-2. Financial liabilities measured at fair value through profit or loss	12,576,226,205,133	11,822,197,132,151
II. Deposits	7,040,450,566,624	5,835,991,949,803
III. Borrowings	17,322,239,333,073	13,476,359,587,630
IV. Debenture issued	739,502,947,947	668,956,244,066
V. Defined benefit liabilities	21,357,750,346	15,863,569,689
VI. Reserve for contingent liabilities	14,352,453,951	12,493,836,908
VII. Accrued income taxes	4,107,225,273	87,231,043,089
VIII. Deferred income tax liabilities	97,931,988,711	19,352,979,104
IX. Other liabilities	1,964,144,402,331	1,730,091,596,246
Total liabilities	39,780,312,873,389	33,668,537,938,686
Equity attributable to owners of parent	4,949,278,525,424	4,662,106,040,278
I. Share capital	458,478,080,000	458,478,080,000
II. Capital surplus	1,743,464,342,352	1,743,464,342,352
III. Capital adjustment	-58,577,164,985	-58,577,164,985
IV. Accumulated other comprehensive income (loss)	181,457,758,757	160,988,890,091
V. Retained earnings		
(Reserves for credit losses		
Dec. 31, 2019: 56,190,861,537		
Dec. 31, 2018: 60,956,209,126		
Dec. 31, 2017: 15,700,145,279	2,624,455,509,300	2,357,751,892,820
Expected reserves for credit losses		
Dec. 31, 2019: 4,015,376,159		
Dec. 31, 2018: (-)4,765,347,589		
Dec. 31, 2017: 45,256,063,847		
Non-controlling interests	-	-
Total equity	4,949,278,525,424	4,662,106,040,278
Total liabilities and equity	44,729,591,398,813	38,330,643,978,964

B. Separate Comprehensive Income
Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
I. Net commission fees	514,548,597,187	566,779,771,571
1. Commissions received	637,705,383,217	682,160,664,366
2. Commissions expense	123,156,786,030	115,380,892,795
II. Net Interest Income	508,678,844,407	469,740,423,410
1. Interest income	-	-
2. Interest on cash and cash equivalents	33,317,441,169	12,178,866,693
3. Interest on loans and receivables	312,077,149,697	285,081,579,273
4. Interest on financial assets available for sale	53,774,021,937	81,260,416,094
5. Interest on trading securities	417,938,961,960	357,927,013,723
6. Interest expenses	308,428,730,356	266,707,452,373
III-1. Net trading income (loss)	-	-
1. Trading income from trading instruments	-	-
2. Trading income from derivatives	-	-
3. Income from financial instruments designated at fair value	-	-
4. Trading loss from trading instruments	-	-
5. Trading loss from derivatives	-	-
6. Loss on financial instruments designated at fair value	-	-
III-2. Net trading income (loss) at fair value through profit or loss	73,615,875,614	34,986,646,693
1. Trading income from trading instruments	227,863,972,790	171,503,675,624
2. Trading income from debt instruments	386,807,365,106	314,584,929,502
3. Trading income from derivatives	3,686,565,359,173	2,108,649,043,648
4. Gain on derivative-combined security designated at FV	219,401,953,962	431,037,343,235
5. Foreign exchange gain	165,604,374,579	99,674,345,138
6. Trading loss from trading instruments	138,673,042,616	160,369,321,470
7. Trading loss from debt instruments	185,203,163,508	216,025,890,150
8. Trading loss from derivatives	2,858,839,646,050	2,154,594,945,090
9. Loss on derivative-combined security designated at FV	1,265,814,726,002	484,692,134,206
10. Foreign exchange loss	164,096,571,820	74,780,399,538
IV. Other operating profit and loss	124,957,048,104	62,689,830,861
1. Other operating revenue	515,095,270,137	346,144,487,192
2. Other operating expenses	390,138,222,033	283,454,656,331
V. Net Operating Revenue (I+II+III+IV)	1,221,800,365,312	1,134,196,672,535
VI. Personnel expenses	388,619,583,182	380,338,151,416
VII. General and administrative expenses	315,621,727,022	295,731,775,540
VIII. Operating profit	517,559,055,108	458,126,745,579

B. Separate Comprehensive Income
Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
IX. Non-operating Income_Gain	10,158,657,532	10,402,505,097
X. Non-operating Income_Loss	5,004,352,949	7,128,044,971
XI. Net income (loss) before income tax from continuing operations	522,713,359,691	461,401,205,705
XII. Income tax expense from continuing operations	130,884,435,461	127,315,660,890
XIV. Net income (loss) from continuing operations	391,828,924,230	334,085,544,815
1. Net income (loss) attributable to owners of parent (Net income after reserves for credit losses Dec. 31, 2019: 387,813,548,071 Dec. 31, 2018: 338,850,892,404)	391,828,924,230	334,085,544,815
2. Non-controlling interests	-	-
XV. Other comprehensive income	20,363,560,916	8,048,674,602
Items not subsequently reclassified to profit or loss:		
1. Remeasurement of the defined benefit liabilities	-8,675,331,959	-4,997,309,430
2. Gain (loss) on related to equity instruments at fair value through other comprehensive income	19,740,877,953	-4,780,749,029
3. Change in value of financial liabilities measured and designated at fair value through profit or loss	-771,937,221	344,203,857
Items subsequently reclassified to profit or loss:		
1. Gains on valuation of available-for-sale financial assets	-	-
2. Change in value of liability products measured at fair value through other comprehensive income	1,610,898,151	10,632,088,414
3. Cumulative translation adjustments for overseas subsidiaries and branches	7,700,124,439	7,161,395,185
4. Gains/losses on valuation of investment stock using the equity method	758,929,553	-310,954,395
XVI. Total comprehensive income	412,192,485,146	342,134,219,417
1. Comprehensive income attributable to owners of parent	412,192,485,146	342,134,219,417
2. Non-controlling interests	-	-
XVII. Earnings per share attributable to owners of parent		
Basic and diluted earnings per share	4,388	3,741

Separate Financial Statements

A. Separate Financial Position Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
I. Cash and cash equivalents	1,265,975,700,726	1,223,657,187,591
II-1. Financial assets at fair value through profit or loss	-	-
II-2. Financial assets measured at fair value through profit or loss	28,366,142,061,093	22,438,741,366,003
III-1. Financial assets available for sale	-	-
III-2. Financial assets measured at fair value through other comprehensive income	3,089,007,616,755	3,282,428,024,603
IV-1. Loans and receivables	-	-
IV-2. Financial assets measured at amortized cost	7,744,668,678,778	8,210,957,077,668
V. Investments in associates	579,062,822,873	339,214,446,059
VI. Fixed assets	77,007,064,971	42,178,848,351
VII. Property investments	-	-
VIII. Intangible assets	76,019,946,448	82,059,911,751
IX. Prepaid tax	17,072,257,372	-
X. Other assets	12,779,375,270	13,983,840,961
Total asset	41,227,735,524,286	35,633,220,702,987

A. Separate Financial Position
Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
I-1. Financial liabilities at fair value through profit or loss	-	-
I-2. Financial liabilities measured at fair value through profit or loss	12,576,226,205,133	11,821,581,336,577
II. Deposits	5,529,122,011,299	4,365,692,349,068
III. Borrowings	15,464,298,568,354	12,339,607,982,548
IV. Debenture issued	739,502,947,947	668,956,244,066
V. Defined benefit liabilities	21,193,716,563	15,650,222,455
VI. Reserve for contingent liabilities	14,437,035,209	12,577,401,948
VII. Accrued income taxes	-	82,282,852,573
VIII. Deferred income tax liabilities	97,486,644,360	17,863,995,254
IX. Other liabilities	1,920,498,206,525	1,701,037,574,595
Total liabilities	36,362,765,335,390	31,025,249,959,084
I. Share capital	458,478,080,000	458,478,080,000
II. Capital surplus	1,743,470,991,091	1,743,470,991,091
III Capital adjustment	-36,410,301,212	-36,410,301,212
IV. Accumulated other comprehensive income (loss)	168,864,097,479	157,174,069,508
V. Retained earnings		
(Reserves for credit losses		
Dec. 31, 2019: 56,190,861,537		
Dec. 31, 2018: 60,956,209,126		
Dec. 31, 2017: 15,700,145,279	2,530,567,321,538	2,285,257,904,516
Expected reserves for credit losses		
Dec. 31, 2019: 4,015,376,159		
Dec. 31, 2018: (-)4,765,347,589		
Dec. 31, 2017: 45,256,063,847		
Total equity	4,864,970,188,896	4,607,970,743,903
Total liabilities and equity	41,227,735,524,286	35,633,220,702,987

B. Separate Comprehensive Income
Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
I. Net commission fees	495,908,121,471	534,207,430,272
1. Commissions received	612,325,531,283	644,139,697,315
2. Commissions expense	116,417,409,812	109,932,267,043
II . Net Interest Income	422,197,270,790	426,763,818,053
1. Interest income	-	-
2. Interest on cash and cash equivalents	9,676,425,083	10,507,241,329
3. Interest on loans and receivables	226,165,074,824	225,942,082,485
4. Interest on financial assets available for sale	53,774,021,937	81,260,416,094
5. Interest on trading securities	407,033,676,813	353,614,025,898
6. Interest expenses	274,451,927,867	244,559,947,753
III-1. Net trading income (loss)	-	-
1. Trading income from trading instruments	-	-
2. Trading income from derivatives	-	-
3. Income from financial instruments designated at fair value	-	-
4. Trading loss from trading instruments	-	-
5. Trading loss from derivatives	-	-
6. Loss on financial instruments designated at fair value	-	-
III-2. Net trading income (loss) at fair value through profit or loss	90,229,322,397	41,354,603,360
1. Trading income from trading instruments	227,863,972,790	171,503,675,624
2. Trading income from debt instruments	402,250,150,629	320,158,652,676
3. Trading income from derivatives	3,687,745,716,795	2,108,642,822,358
4. Gain on derivative-combined security designated at FV	219,401,953,962	431,037,343,235
5. Foreign exchange gain	165,604,374,579	99,674,345,138
6. Trading loss from trading instruments	138,542,145,262	160,369,321,470
7. Trading loss from debt instruments	185,200,255,512	216,021,620,972
8. Trading loss from derivatives	2,858,983,147,762	2,153,798,759,485
9. Loss on derivative-combined security designated at FV	1,265,814,726,002	484,692,134,206
10. Foreign exchange loss	164,096,571,820	74,780,399,538
IV . Other operating profit and loss	128,661,238,669	73,898,138,954
1. Other operating revenue	515,336,557,574	357,015,987,028
2. Other operating expenses	386,675,318,905	283,117,848,074
V . Net Operating Revenue (I+II+III+IV)	1,136,995,953,327	1,076,223,990,639
VI. Personnel expenses	368,515,548,810	361,704,024,633
VII. General and administrative expenses	274,667,953,090	271,316,615,175
VIII. Operating profit	493,812,451,427	443,203,350,831
IX. Non-operating Income_Gain	7,592,632,693	3,666,573,225

B. Separate Comprehensive Income
Samsung Securities Co., Ltd. and its Subsidiaries

(Unit: KRW)

ITEMS	38 th	37 th
	2019.12	2018.12
X. Non-operating Income_Loss	4,680,830,237	6,660,510,817
X I . Net income (loss) before income tax from continuing operations	496,724,253,883	440,209,413,239
X II . Income tax expense from continuing operations	126,510,873,111	119,475,956,245
X III . Net Income		
(Net income after reserves for credit losses		
Dec. 31, 2019: 366,198,004,613	370,213,380,772	320,733,456,994
Dec. 31, 2018: 325,498,804,583)		
X IV . Other comprehensive income	11,806,064,221	1,569,991,019
Items not subsequently reclassified to profit or loss		
1. Remeasurement of the defined benefit liabilities	-8,137,979,146	-4,790,544,462
2. Gain (loss) on related to equity instruments at fair value through other comprehensive income	19,105,082,437	-4,615,756,790
3. Change in value of financial liabilities measured and designated at fair value through profit or loss	-771,937,221	344,203,857
Items subsequently reclassified to profit or loss		
1. Gains on valuation of available-for-sale financial assets	-	-
2. Change in value of investments in subsidiaries	1,610,898,151	10,632,088,414
3. Change in value of investments in associates	-	-
X V . Total comprehensive income	382,019,444,993	322,303,448,013
X VI . Earnings per share		
Basic and diluted earnings per share	4,146	3,592

GRI STANDARDS INDEX

Universal Standards

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THIRD PARTY ASSURANCE

Assurance Statement on the 'SAMSUNG SECURITIES REPORT 2019'

To the Stakeholder of Samsung Securities

KFQ has been requested by Samsung Securities to provide independent assurance on the Samsung Securities Report 2019 (further 'the Report'). Our responsibility is to perform an assurance and to provide assurance statement based on the work carried out. KFQ was not involved in the process of preparing the Report thus Samsung Securities has responsibility to the contents contained in the Report.

Standards and Scope

The assurance was planned and carried out according to the following standards and scope:

- Compliance with GRI Standards according to the criteria of 'Core Option'
- Compliance with GRI Standards regarding principles for defining report content and report quality
- Application of Type 1 and moderate level approach according to AA1000APS (2008) and AA1000AS (2008)
- Linking sustainable management activities with UN SDGs

Methodology

In order to assess the suitability of the contents of the report, we reviewed the process for preparation of the Report, for expressive errors as well as for data and information gathering. We checked the non-financial information in the Report against evidence provided by Samsung Securities and information gathered from media by KFQ from a sustainable perspective. In the case of financial information, it was checked whether the data identified through Data Analysis, Retrieval and Transfer System (<http://dart.fss.or.kr>) is correctly reported. Through on-site verification, we reviewed a series of processes for materiality assessment, data collection and report preparation. After we confirmed that some errors, inappropriate information and ambiguous expression found in above process are properly complemented in final report provided by Samsung Securities.

Limitations

The completeness and responsiveness of sustainability performance in the report has inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. Also, on the environmental and social aspects, we conducted assessment in limited extent by crosschecking between data gathered by Samsung Securities and information included in the Report due to security measure of Samsung Securities. In accordance with the terms of our engagement, the scope of our work included review on information and evidence provided by Samsung Securities in limited extent.

Findings and Conclusions

As a result of the above our work, we confirm that the content of this report meets the requirements of the 'Core option' of GRI Standards and that KFQ has secured a reasonable basis for Type 1 assurance level as per AA1000 APS(2008) and AA1000 AS(2008). And we could not find any material error or inappropriate information of the final Report against the following principles:

- **Inclusivity:** Samsung Securities has engaged and communicated with stakeholders in the process of developing a strategic response and communicating sustainability.
 - KFAQ confirmed that Samsung Securities has gathered stakeholders' views and expectations by selecting six main stakeholders and reflected them in sustainable management. In addition, the Samsung Securities has established a stakeholder engagement process to disclose key issues affecting stakeholders in the report and these issues are appropriately reflected in the sustainable management activities aligned with UN SDGs.

- **Materiality:** Whether material topics of sustainable are considered in overall Samsung Securities' strategy, governance and activities.
 - Samsung Securities identifies and prioritizes issues to be reported by applying the materiality assessment process and reported relevant sustainable management activities and performance. And Samsung Securities has analyzed both impact of ESG and its stakeholders and linked its business strategies.

- **Responsiveness:** Samsung Securities has responded interest and expectations of stakeholders affecting sustainable performance through establishing communication process with stakeholders.
 - Samsung Securities has been reporting activities and performance that addresses needs and concerns of stakeholders which were identified from materiality assessment process and responds to their opinion by taking into consideration for its overall management.

Recommendation for improvement

KFAQ recommends the followings for advanced approach to achieve Samsung Securities' sustainable management goal and provide its performance effectively in the next report:

- We hope to strengthen the role of the board of directors and committees on sustainability, and internalize sustainable management by taking into account the economic, environmental, and social aspects of the board's performance evaluation in the long term, thereby solidifying sustainable management activities at the entire level of Samsung Securities.
- In the long term, we hope to communicate with more stakeholders and meet their concerns by strengthening the channels so that the opinions of various stakeholders other than executives and employees can be reflected in the issue that will be subject to future reporting.

Competency and independence

The assurance team was formed in accordance with KFAQ's internal regulations. KFAQ has no conflict of interest which could threaten the independence and impartiality of verification, other than providing third-party audit services in the Samsung Securities business.



June, 2020
Seoul, Korea
Ji Young Song, CEO

Ji Young Song

CORPORATE INFORMATION



Representative Wealth Management Brand

POP is an acronym of Platform of Private Banking Service. It is Samsung Securities' representative wealth management brand standing for "wealth management for everyone"

Product/System Brand

POP UMA[®]

Professionally Managed Private
Investment Account

POP Robo

Robo Advisor-based Wealth
Management Service

POP 골든에그

Retirement Wealth
Management Service

POP 골든랩

Wrap Account

Smart Advisor

Online Wealth Management
Service Platform

삼성ETN

Samsung Securities ETN Brand

Membership Service Brand

HONORS

VIP Membership Service

POP Corporate Service

Corporate VIP Service

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We help enrich
the lives of our clients
and grow together



This product is made of FSC®-certified and other controlled material.

**SAMSUNG
SECURITIES**



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