COMPANY UPDATE

2026. 7. 31

Financial/Consumer Goods Team

Jaewoo Kim
Team Leader
jaewoo79.kim@samsung.com

Heejae Yoon
Research Associate
heejae23.yoon@samsung.com

Scan to go to
Research Center report database

Kbank (279570)

2Q review; focus on solid SOHO loan growth

- Kbank's 2Q net profit came in at KRW26.9b, down 19.1% q-q and below our expectations. The miss was largely due to a reduction in the gains from sale of loans. We take note of continued growth in interest income.
- Robust loan growth (up 13.9% y-y in 2Q) and the potential for further NIM improvement (resulting from the Bank of Korea's rate hikes in 2H) point to stronger earnings momentum.
- We maintain BUY rating. The stock is trading at a 2026 P/B of 0.83x, with potential for valuation rerating as its differentiated growth trajectory continues to be confirmed.

AT A GLANCE

BUY

Target price	KRW7,200	30.7%
Current price	**KRW5,510**	
Market cap	KRW2.2t/USD1.5b	
Shares (float)	405,695,151 (67.8%)	
52-week high/low	KRW8,330/KRW5,290	
Avg daily trading value (60-day)	KRW23.0b/ USD16.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kbank (%)	-3.0	0.0	0.0
Vs Kospi (%pts)	47.0	0.0	0.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	7,200	7,200	0.0%
2026E EPS	311	311	0.0%
2027E EPS	468	468	0.0%

SAMSUNG vs THE STREET

No of estimates	2
Target price	7,500
Recommendation	3.5

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

WHAT'S THE STORY?

Net profit down 19.1% q-q to KRW26.9b on a plunge in gains from sale of loans: Kbank reported 2Q net profit of KRW26.9b (down 19.1% q-q and 60.6% y-y; missing our expectations). While the bank demonstrated stable growth in interest income and disciplined cost management, 2Q operating profit slumped due to a sharp drop in gains from sale of loans (down KRW43.8b y-y and KRW5b q-q). Excluding this item, pre-tax profit rose 18.5% y-y and fell just 7.8% q-q.

Loans up a solid 5.5% q-q and 13.9% y-y in 2Q, driven by SOHO lending: SOHO loans were the primary driver of the bank's differentiated loan growth in 2Q. SOHO loan net additions accounted for more than half of the total net loan growth of KRW1t. The bank's loan growth, led by SOHO loans, is likely to sustain double-digit expansion.

NIM rises 4bps q-q; growth slows but expected to continue amid rate hiking cycle: NIM came in at 1.61% in 2Q, up 4 bps q-q. Although funding costs are likely to remain elevated in the near term, the Bank of Korea's rate hikes would create stronger potential for continued NIM expansion.

(Continued on the next page)

SUMMARY 2Q RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Operating profit	27.0	(61.4)	(16.8)	(26.3)	
Pre-prov op profit	78.3	(29.5)	(5.0)	(8.3)	
Provisioning	51.4	24.4	2.5	5.3	
Net profit	26.9	(60.6)	(19.1)	(28.3)	n/a
Major indicators (%, %pts)					
Loan growth	5.50	2.96	3.45		
NIM	1.61	0.25	0.04		
NPLs below subs	0.59	0.07	0.01		

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	n/a	18.0	11.9
P/B	n/a	0.84	0.8
Div yield (%)	-	-	-
EPS growth (% y-y)	-15.0	3.7	50.4
ROE (%)	5.4	5.0	6.8
Total payout ratio (%)	-	-	-
Per-share data (KRW)			
EPS	300	311	468
BVPS	5,781	6,648	7,116
DPS	-	-	-

Samsung Securities

Maintaining positive view—Confirmation of differentiated growth potential to lead to rerating: We stay positive about the bank. Trading at a 2026 P/B of 0.83x, it has strengthened its capital position with a CET-1 ratio of 18.1% in 2Q. This solid foundation supports expectations for continued profit growth, driven by differentiated loan expansion targeting SOHOs. Continued asset growth, combined with sustained improvements in NIM and CCR, should be critical to unlocking a valuation rerating.

Net profit down 19.1% q-q to KRW26.9b on a plunge in gains from sale of loans: Kbank reported 2Q net profit of KRW26.9b (down 19.1% q-q and 60.6% y-y; missing our expectations). However, interest income continued to grow steadily, and operating expenses remained well controlled. The results were largely ascribable to a reduction in the gains from sale of loans (down KRW43.8b y-y and KRW5b q-q). Excluding the item, pre-tax profit rose 18.5% y-y and fell just 7.8% q-q.

Quarterly and annual net profit

(KRWb)	2Q25	3Q25	4Q25	1Q26	2Q26	Chg (% q-q)	Chg (% y-y)
Net profit	68.2	19.2	9.2	33.2	26.9	(19.1)	(60.6)
	2021A	2022A	2023A	2024A	2025A		
Annual net profit	22.5	83.6	12.8	132.6	112.7		
Change		61.0	(70.8)	119.8	(19.9)		
Growth (%)		270.6	(84.7)	934.9	(15.0)		

Source: Company data, Samsung Securities

Interest income up 2.1% q-q and 23.8% y-y, led by high loan growth and improving NIM: Interest income increased 2.1% q-q and 23.8% y-y, as: 1) loan growth, led by SOHO loans, rose 5.5% q-q and 13.9% y-y; and 2) NIM expanded 4 bps q-q to 1.61%.

NIM up 4bps q-q; the pace of growth slows, but...: NIM rose 4bps q-q to 1.61% in 2Q. The pace of NIM growth slowed q-q due to: 1) an increased share of secured/guaranteed loans in the SOHO portfolio; 2) an increase in the share of savings and time deposits in 1H26; and 3) rising funding costs.

...sustained NIM expansion in a rate-hike cycle to drive differentiated NII growth: While funding cost pressures are likely to persist for the time being, we believe the Bank of Korea's rate-hike cycle increases the likelihood that the company's NIM will continue to improve. A significant portion of its loan book is floating-rate, and the duration of its earning assets is shorter than that of its funding liabilities, suggesting that NIM should benefit more meaningfully during periods of rising interest rates. Combined with solid loan growth, continued NIM expansion is expected to drive differentiated growth in net interest income.

Interest income and key indicators

(KRWb)	2Q25	3Q25	4Q25	1Q26	2Q26	Chg (% q-q)	Chg (% y-y)
Interest income	258.8	267.3	277.6	272.6	279.1	2.4	7.9
Interest expenses	(155.5)	(155.9)	(156.6)	(147.3)	(151.3)	2.7	(2.7)
Net interest income (NII)	103.3	111.5	121.0	125.2	127.8	2.1	23.8
NIM (%)	1.36	1.38	1.43	1.57	1.61	0.04	0.25
Loan growth (% q-q)	2.5	2.8	2.9	2.0	5.5		
Loan growth (% y-y)	10.8	10.3	13.0	10.7	13.9		

Source: Company data, Samsung Securities

Loans up a solid 5.5% q-q and 13.9% y-y in 2Q, driven by SOHO lending: SOHO loans were the primary driver of the bank's differentiated loan growth in 2Q. SOHO loan net additions reached KRW548.5b, a sharp 19.9% q-q rise, accounting for more than half of the total net loan growth of KRW1t. During its 1Q earnings call, the bank outlined three key expectations: 1) accelerating SOHO loan growth in 2026; 2) annual SOHO loan expansion in excess of KRW2t; and 3) a full-year won-denominated loan growth target in the high single digits. With total loans up 7.7% in 1H, the bank's trajectory reinforces confidence in achieving these targets.

SOHO loan growth to remain differentiated—Improved lending conditions are noteworthy: Regarding SOHO loans, focus should be given to the facts that risks associated with them have declined, and upside potential for growth has increased. While macroeconomic risks (eg, geopolitical uncertainties) could still introduce volatility in SOHO loan quality, several factors support a favorable outlook: 1) rising nominal GDP growth and capital investment in 1Q, driven by export-oriented firms; 2) room for improvement in domestic consumption (which suggests that SOHO business conditions are more likely to improve than deteriorate); and 3) major banks' increasing focus on productive lending (a factor reducing the intensity of price competition compared to prior periods).

Concerns over SOHO loans center on credit quality risks; the bank's capacity to manage these risks continues to strengthen: While the market remains cautious about potential credit risks from rapid SOHO loan growth, two key indicators prove the bank's improved risk management capability: 1) the proportion of secured loans (backed by real estate or guarantees) in total SOHO loans rose rapidly from 21.6% at end-2024 to 45.0% in 2Q26; and 2) the delinquency rate for this portfolio declined by 4bps q-q to 0.51%, sustaining its improvement trend. These developments underscore the bank's enhanced risk management capabilities for SOHO loans.

Loan trends

(KRWb)	2Q25	3Q25	4Q25	1Q26	2Q26	Chg (% q-q)	Chg (% y-y)	Change (y-y)
Unsecured	6,712.9	6,872.9	7,009.6	7,145.1	7,334.0	2.6	9.3	645.4
Jeonse/Wolse	2,287.2	2,212.3	2,137.2	1,988.1	2,082.2	4.7	(9.0)	(192.5)
Mortgages	6,385.7	6,341.2	6,404.5	6,252.4	6,363.0	1.8	(0.4)	64.6
General HH	406.7	500.3	516.4	616.1	704.6	14.4	73.2	334.9
SOHO	1,581.7	1,928.4	2,310.7	2,753.0	3,301.4	19.9	108.7	1,988.3
Total	17,374.2	17,855.2	18,378.4	18,754.7	19,785.2	5.5	13.9	2,840.7

Source: Company data, Samsung Securities

Credit cost down 3bps q-q to 1.04%--A positive development amid a challenging environment: Credit costs improved 3bps y-y to 1.04%, extending the downward trend. The bank's delinquency rate and NPL ratio remained flat q-q at 0.60% and 0.59%, respectively. Given the decline in NPL disposal gains, NPL sales have decreased significantly from previous levels. Amid the slowing pace of NPL sales and persistent macroeconomic headwinds (eg, geopolitical risks stemming from the Middle East), the bank's asset quality indicators have remained stable—a positive development.

Credit costs remain elevated relative to the banking sector—Gradual downward stabilization expected: The bank's credit cost of 1.04% is still unusually high compared to industry peers. However, given the significant improvement in asset quality relative to the past and a NPL coverage ratio of 261.3%, the bank's credit cost is likely to gradually narrow the gap with other banks and stabilize at lower levels.

Credit costs and asset quality

(KRWb)	2Q25	3Q25	4Q25	1Q26	2Q26	Growth (%, %pts q-q)	Growth (%, %pts y-y)
Total credit	17,374.2	17,855.2	18,378.4	18,754.7	19,785.2	5.5	13.9
Loan loss provisioning	41.3	52.1	65.1	50.1	51.4	2.5	24.4
Credit costs	0.95	1.17	1.42	1.07	1.04	(0.03)	0.09
NPL ratio (%)	0.51	0.54	0.57	0.58	0.59	0.01	0.07
Delinquency ratio (%)	0.59	0.56	0.60	0.61	0.60	(0.01)	0.01
Corporate (%)	0.93	0.62	0.6	0.55	0.51	(0.04)	(0.42)
Household (%)	0.56	0.56	0.6	0.62	0.62	0.00	0.06
Secured portion of loans vs SOHO loans (%)	30.5	34.3	38.5	43.1	45.0	1.9	14.5

Source: Company data, Samsung Securities

Fee income vs NII

(KRWb)	2Q25	3Q25	4Q25	1Q26	2Q26	Growth (%, %pts q-q)	Growth (%, %pts y-y)
Fee revenue	13.3	15.4	17.0	16.0	14.8	(7.6)	10.9
Fee expenses	(15.3)	(15.8)	(16.9)	(15.6)	(16.0)	2.5	4.9
Fee income	(2.0)	(0.4)	0.1	0.4	(1.3)	n/a	n/a
NII	103.3	111.5	121.0	125.2	127.8	2.1	23.8
Fee income portion vs NII (%)	(1.9)	(0.3)	0.1	0.3	(1.0)	(1.3)	0.9

Source: Company data, Samsung Securities

Securities-related gains

(KRWb)	2Q25	3Q25	4Q25	1Q26	2Q26	Growth (%, %pts q-q)	Growth (%, %pts y-y)
Securities-related gains	25.8	23.3	19.2	19.0	21.7	14.1	(15.9)

Source: Company data, Samsung Securities

Lowering earnings estimate and target price: We reduce our 2026 earnings forecast for Kbank from KRW144.2b to KRW116.9b to reflect: 1) the disappointing 2Q operating results; and 2) our view that gains from sale of loans—down significantly in 2Q—are unlikely to return to prior levels in the near term. Factoring in the revised estimate, we trim our target price to KRW7,200.

Maintaining positive view—Confirmation of differentiated growth potential to lead to rerating: We stay positive about the bank. First, it is trading at a 2026 P/B of just 0.83x—the lowest among internet primary banks. Second, with a CET-1 ratio of 18.1% as of end-2Q, it has a strong capital base to support differentiated loan growth exceeding 10%, primarily driven by lending to SOHOs. Third, this growth, coupled with a stable and declining credit cost ratio, is expected to fuel differentiate earnings expansion and rising ROE.

Changes to net profit estimates

(KRWb)	1Q26	2Q26	3Q26E	4Q26E	2025A	2026E	Chg (% y-y)
Old estimates	33.2	37.5	43.6	29.9	112.7	144.2	28.0
New estimates	33.2	26.9	33.1	23.8	112.7	116.9	3.7
Diff (%)		(28.3)	(24.2)	(20.6)		(18.9)	

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash & dues	1,015.3	1,413.5	1,431.6	1,570.1	1,686.2
Financial instruments	5,247.1	5,832.9	8,584.6	9,415.0	10,111.4
Net loans	24,404.5	24,065.3	23,618.2	27,465.3	32,077.2
Interest earning assets	**30,667**	**31,312**	**33,634**	**38,450**	**43,875**
Other assets	516	553	558	581	604
Total assets	**31,183**	**31,864**	**34,193**	**39,031**	**44,479**
Deposits	28,569	28,432	28,842	32,570	36,864
Borrowings /debentures / other	0	0	0	0	4
Interest bearing liabilities	**28,569**	**28,432**	**28,842**	**32,570**	**36,868**
Other liabilities	619	1,261	2,853	3,788	4,723
Total liabilities	**29,188**	**29,693**	**31,695**	**36,358**	**41,590**
Paid-in capital	1,878	1,878	2,028	2,028	2,028
Capital surplus	0	0	1	1	1
Retained earnings	113	224	338	514	729
Capital adjustment	2	2	2	2	2
Other	2	67	128	128	128
Total shareholder equity	**1,996**	**2,172**	**2,498**	**2,674**	**2,889**

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Net interest income before prov.	**481.5**	**444.2**	**528.4**	**647.0**	**763.2**
Loan—loss provisioning	(246.8)	(212.5)	(211.8)	(232.3)	(255.8)
Net interest income after prov.	**234.8**	**231.7**	**316.6**	**414.6**	**507.5**
Fee income	(0.3)	(2.6)	(1.8)	0.0	1.4
Other non-interest income	85.7	116.1	50.4	57.5	70.4
Gross income	**320.1**	**345.1**	**365.1**	**472.2**	**579.2**
SG&A expenses	(182.6)	(227.9)	(248.7)	(273.5)	(295.4)
Operating profit	**137.5**	**117.2**	**116.4**	**198.6**	**283.8**
Other non-operating income	(0.2)	0.0	0.1	0.1	0.1
Pre-tax profit	**137.3**	**113.7**	**116.6**	**198.7**	**284.0**
Taxes	(4.7)	(1.0)	0.3	(22.9)	(68.7)
Net profit	**132.6**	**112.7**	**116.9**	**175.9**	**215.2**
Pre-provisioning operating profit	384.3	329.7	328.2	430.9	539.6

Per-share data

Year-end Dec 31 (KRW)	2024	2025	2026E	2027E	2028E
EPS (KRW)	353	300	311	468	573
BVPS (KRW)	5,312	5,781	6,648	7,116	7,689
DPS (KRW)	-	-	-	-	-
Dividend payout ratio (%)	-	-	-	-	-
Total payout ratio (%)	-	-	-	-	-

Year-end Dec 31 (%)	2024	2025	2026E	2027E	2028E
Return on avg assets	0.5	0.4	0.4	0.5	0.5
Return on avg equity	6.9	5.4	5.0	6.8	7.7
Loan growth	17.6	13.0	19.6	17.5	17.9
Deposit growth	49.8	(0.5)	1.4	12.9	13.2
Asset growth	45.6	2.2	7.3	14.2	14.0
Loans-to-deposit (KRW-denominated)	85.4	84.6	81.9	84.3	87.0
Net interest margin	1.9	1.4	1.6	1.8	1.8
Cost-to-income	32.2	40.9	43.1	38.8	35.4
BIS CAR, total	14.7	14.5	17.8	16.3	15.1
BIS CAR, Tier 1	13.5	12.4	16.8	15.4	14.3
BIS CAR, CET-1	13.5	13.4	17.5	16.1	14.9
Equity-to-assets	6.4	6.8	7.3	6.8	6.5

Source: Company data, Samsung Securities estimates

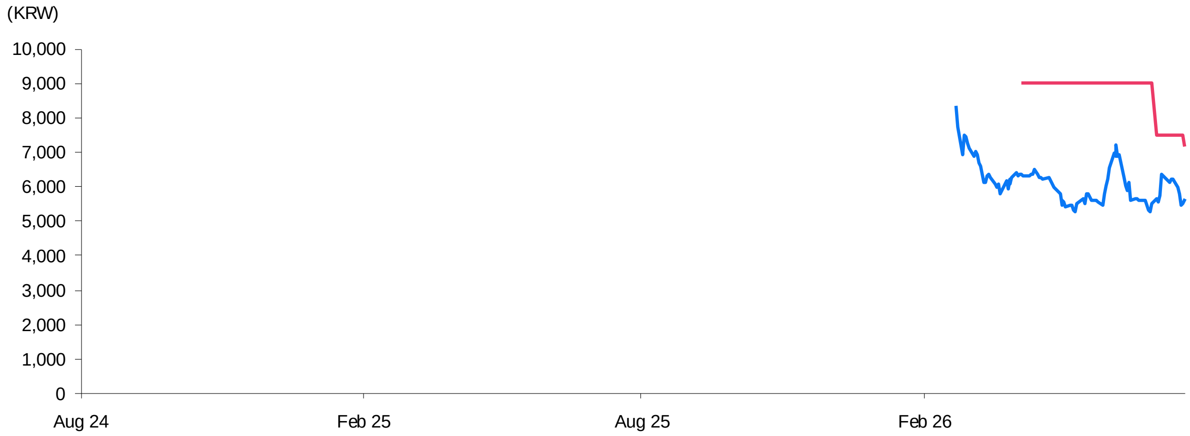
Year-end Dec 31	Pre-prov operating profit (KRWb)	Net profit (KRWb)	FD EPS (KRW)	Chg (%)	Adj. BVPS (KRW)	P/E (x)	P/B (x)	ROE (%)	ROA (%)	CET-1 (%)	Div. yield (%)
2024	384.3	132.6	353	934.9	5,312	n/a	n/a	0.5	6.9	13.5	0.0
2025	329.7	112.7	300	(15.0)	5,781	n/a	n/a	0.4	5.4	13.4	0.0
2026E	328.2	116.9	311	3.7	6,648	18.0	0.8	0.4	5.0	17.5	0.0
2027E	430.9	175.9	468	50.4	7,116	11.9	0.8	0.5	6.8	16.1	0.0
2028E	539.6	215.2	573	22.4	7,689	9.8	0.7	0.5	7.7	14.9	0.0

Source: Company data, Samsung Securities estimates

Compliance notice

- During the one year prior to 7/30 2026, Samsung Securities had participated as an underwriter in an IPO for Kbank.
- As of 7/30 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 7/30 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2026/4/17	7/13	7/31
Recommendation	BUY	BUY	BUY
Target price (KRW)	9000	7500	7200
Gap* (average)	-34.20	-20.69	
(max or min)**	-20.00	-14.80	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY Expected to increase in value by 15% or more within 12 months and is highly attractive within sector

HOLD Expected to increase/decrease in value by less than 15% within 12 months

SELL Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT Expected to outperform market by 5% or more within 12 months

NEUTRAL Expected to outperform/underperform market by less than 5% within 12 months

UNDERWEIGHT Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2026.06.30

BUY(85.5%)·HOLD(14.5%)·SELL(0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

**For more information,
please call our sales representatives:**

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953