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Video Report



Despite increasing risk exposure from expanding assets and leverage among large securities firms, the current Net Capital Ratio (NCR) framework does not adequately capture these risks. To strengthen risk sensitivity while maintaining a balance between financial soundness and industry growth, the NCR formula for large securities firms should revert to its pre-2016 structure, and a differentiated regulatory approach tailored to business scope and risk characteristics should apply to small- and medium-sized firms.

Enhancing the Prudential Framework for Securities Firms

Jong Soo Hong, Fellow at KDI



I. Introduction

As securities firms continue to grow rapidly in both asset size and functional scope, concerns have been raised that the current NCR framework may not adequately reflect the risks associated with this expansion, potentially creating regulatory gaps with implications for financial stability.

The IMA system, scheduled for end-2025, is expected to expand short-term funding capacity at large securities firms, potentially reinforcing further growth in asset size and market influence.

In Korea, securities firms have rapidly expanded in both scale and functional scope. These firms have expanded beyond stock brokerage and asset management into credit extension traditionally associated with banks, including corporate finance and real estate project finance (PF). This shift aligns with global trends following the 2007–09 global financial crisis, in which tighter prudential regulation of banks has coincided with the growing prominence of non-bank financial intermediaries.

With the objectives of fostering larger securities firms, enhancing competitiveness, and diversifying financial intermediation functions within the securities industry, Korean authorities introduced the Comprehensive Financial Investment Business Entity (CFIBE) framework in 2013. Between 2014 and 2016, a series of CFIBE-centered institutional reforms followed, including revisions to the formula for the Net Capital Ratio (NCR), a prudential regulation for securities firms. CFIBEs—securities firms with equity capital of at least 3 trillion won—are authorized to conduct a full range of financial investment activities, including investment banking (IB), asset management, and brokerage operations, leveraging their sizable capital bases. In 2016, the authorities announced measures to foster the development of large investment banks. Under this initiative, CFIBEs with equity capital exceeding 4 trillion won were permitted to issue short-term notes, and those with equity capital exceeding 8 trillion won were authorized to operate Investment Management Accounts (IMAs).¹⁾ Funds raised through short-term notes and IMAs were excluded from the leverage ratio regulation (1,100%), creating an incentive to facilitate the rapid expansion of corporate financing capacity (Financial Services Commission, 2025).

These institutional changes have driven the expansion of assets and leverage among large securities firms and are expected to continue reshaping the structure of Korea’s financial industry and markets. In particular, the introduction of IMAs at the end of 2025 is likely to bring additional changes to securities firms’ funding structures. Through IMAs, these firms can engage in short-term borrowing of up to 300% of equity capital—200% through short-term notes and an additional 100% through IMAs—allowing their asset size and market influence to expand further.

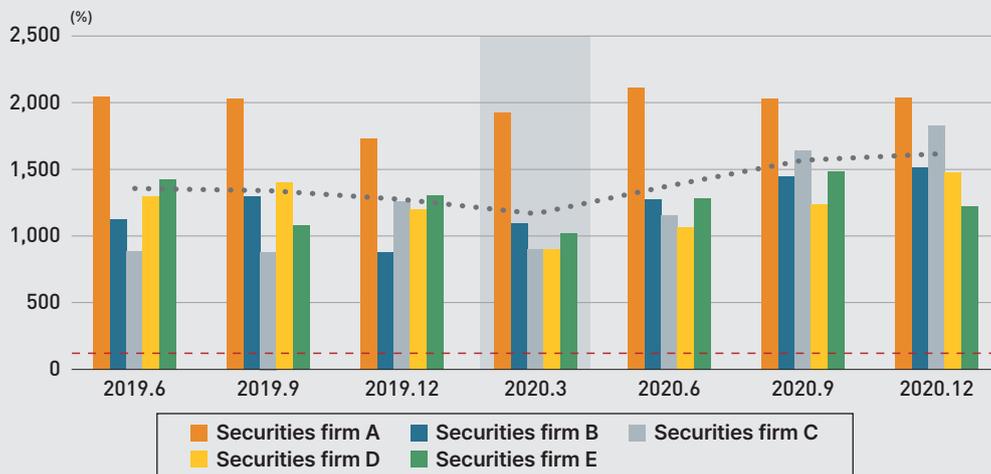
Despite this outward expansion in scale and functions, concerns

1) IMAs (Investment Management Accounts) are accounts operated exclusively by CFIBEs with equity capital of at least 8 trillion won, pooling client funds for integrated management and distributing investment returns to investors.

persist that the current NCR framework does not adequately reflect the risks associated with rising assets and leverage (Kim, 2023; Lee, 2022, etc.). The liquidity stress observed in the short-term funding market following the equity-linked securities (ELS) margin call episode in March 2020 demonstrated how liquidity and asset-quality risks at securities firms can propagate rapidly across the broader financial system, highlighting the need to assess the prudential framework governing securities firms (Box 1).

Against this backdrop, this study empirically examines the structural limitations and distortions embedded in the current NCR regime and proposes reform directions to better reflect the risks securities firms face.

Figure 1. Current NCRs of Five Large Securities Firms before and after COVID-19



Note: 1) The red dotted line denotes the NCR regulatory minimum of 100%; the black dotted line indicates the average NCR of large securities firms at each point in time; and the shaded area represents the COVID-19 period.
 2) Large securities firms refer to CFIBEs with equity capital of at least 4 trillion won.
 3) Based on consolidated capital adequacy statistics.

Source: Financial Statistics Information System; author's calculations.

The March 2020 margin call episode provides a clear illustration of how prudential vulnerabilities

[Box 1] The March 2020 Margin Call Episode in the Securities Sector

During the market stress induced by margin calls on securities firms in March 2020, prices of overseas underlying assets linked to equity-linked securities (ELS) issued by these firms declined sharply, triggering margin calls. As securities firms met these margin requirements by remitting additional foreign-currency funds to overseas clearinghouses, commercial paper (CP) rates spiked, while swap rates fell steeply. These developments led to

at securities firms can propagate across the broader financial system.

heightened volatility and reduced liquidity in both the domestic money market and the foreign exchange market (Hong, 2021²; Bank of Korea, 2022). Although shocks originating in the securities sector spread to other financial markets and generated broader instability, the NCRs of the five largest securities firms at the time remained well above the regulatory minimum of 100%. This divergence highlights the limitations of the current NCR framework as a prudential regulatory indicator.

II. Assets, Liabilities, and NCRs of Securities Firms

Led by large securities firms, assets and leverage have expanded rapidly, accompanied by increased derivatives investment and growing reliance on short-term funding instruments, including RP and short-term notes.

1. Assets and Liabilities

Figure 2 illustrates changes in the size of assets and liabilities, as well as leverage, across Korean securities firms. Their total assets expanded from 199.8 trillion won in 2010 to 851.7 trillion won in the first half of 2025, a 4.3-fold increase. In terms of asset composition, the shares of securities holdings, credit extension, and derivatives remained broadly stable, while their absolute levels rose steadily. Moreover, as the share of other assets increased, illiquid and off-balance-sheet assets,³ such as accounts receivable and other operating assets, made up a larger portion of total assets. This pattern suggests a gradual diversification of asset holdings beyond operating assets (Appendix Table 1).

Total liabilities increased roughly 4.6 times, from 162.6 trillion won in 2010 to 755.2 trillion won in 2025. In terms of liability composition, the share of other liability items, including short-term notes and derivative liabilities, expanded within borrowings. Short-term notes grew to 44.4 trillion won by 2025 after large securities firms were permitted to issue them in 2017. Derivative liabilities also rose with higher sales of structured products—equity-linked securities (ELS) and derivative-linked securities (DLS)—and the associated expansion of hedging positions. Given that short-term notes typically mature in less than one year and that the effective maturity of ELS/DLS generally ranges from three to six months, the funding structure of large securities firms has increasingly tilted toward short-term funding instruments.

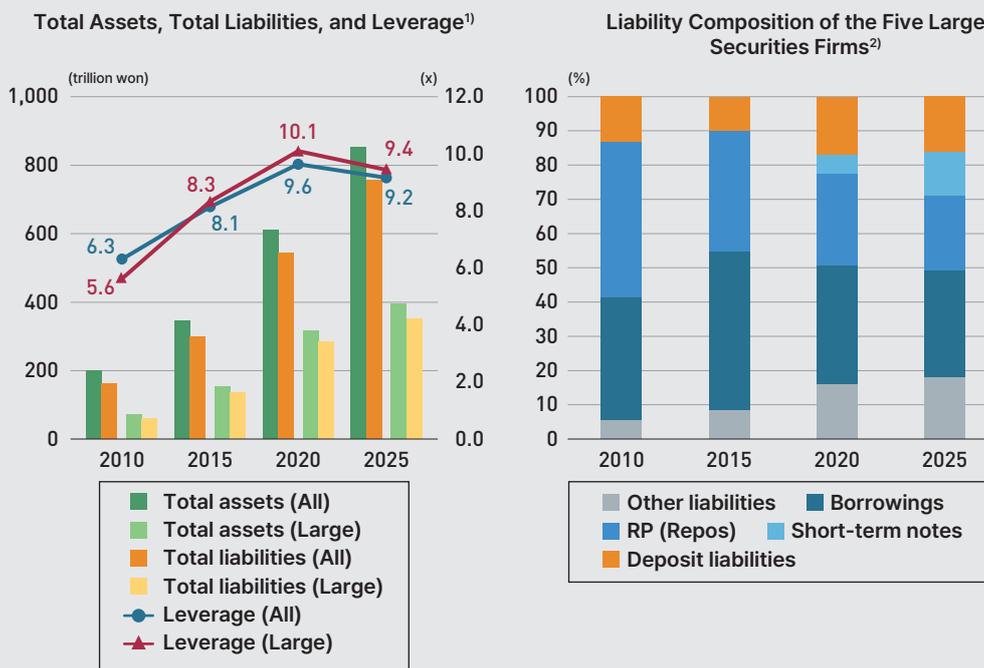
2) Hong (2021) analyzes risk-spillover transmission during the March 2020 ELS margin call episode, tracing a sequence from hedging of derivative-linked securities to foreign-currency margin calls and concurrent stress in money and foreign-currency funding markets.

3) Off-balance-sheet assets refer to assets and transactions not recorded directly on the balance sheet but may affect a securities firm's risk exposure or potential gains and losses, including derivative exposures, receivables, and contingent items such as guarantees and commitments.

These changes also point to a broadening of funding channels for securities firms into various forms linked to trading activities, product structuring, and operational needs.

With expanding assets and liabilities, leverage ratios increased. The average leverage ratio of all securities firms rose from 6.3 times in 2010 to 9.2 times in 2025, while the ratio for large securities firms increased more sharply, from 5.6 times to 9.4 times over the same period.

Figure 2. Total Assets, Total Liabilities, Leverage, and Liability Composition of Securities Firms



Note: 1) Leverage (right axis) is a weighted average based on assets.
 2) Blue shades denote borrowings; repos (RPs) and short-term notes are subcategories of borrowings.
 Source: Financial Statistics Information System; author's calculations.

2. NCR Regulation

In 2016, Korea revised the NCR formula, shifting the prudential orientation for securities firms from a going-concern to a gone-concern basis.

The expansion of assets and leverage among domestic securities firms has been shaped mainly by a series of policy-driven institutional changes. The reform of the NCR framework is a primary driver designed to encourage the growth of securities firms. Previously, NCR was calculated as the ratio of net operating capital to total risk.⁴⁾ Since 2016, the formula has changed to compare “safe capital,” net operating capital minus total risk, with the required minimum

4) Net operating capital is calculated by deducting illiquid assets from net assets and adding supplementary capital. Total risk is defined as the aggregate of quantified risks (market, credit, and operational risks). Required minimum capital is set at 70% of the minimum capital requirement for each financial investment business line.

capital. Required minimum capital is defined as 70% of the sum of the mandatory minimum equity capital across the financial investment business lines of a securities firm. For firms engaged in the full range of activities, including dealing and brokerage, the required minimum capital is fixed at approximately 134.2 billion won per firm (70% of 191.75 billion won). In the securities industry, capital regulation can be broadly divided into a going-concern perspective, which assumes the continuation of normal operations, and a gone-concern perspective, which prioritizes the protection of customer assets in the event of bankruptcy.⁵⁾ The previous NCR formula corresponded to the former, whereas the current one, introduced in 2016, aligns with the latter by requiring net capital to exceed risk assets.

$$\begin{aligned} \text{(Previous) } NCR &= \frac{\text{Net operating capital}}{\text{Total risk}} \\ \rightarrow \text{(Current) } NCR &= \frac{\text{Net operating capital} - \text{Total risk}}{\text{Required minimum capital}} \end{aligned}$$

While net operating capital for all securities firms grew 2.5 times (73.9 trillion won in 2025 from 29.4 trillion won in 2010), the total risk amount expanded roughly 7.5 times, far outpacing the pace of capital growth. This divergence is more pronounced among large securities firms, where net operating capital increased by approximately 3.6 times (from 10.5 trillion won in 2010 to 38.0 trillion won in 2025), while total risk rose by nearly 11-fold. In terms of risk composition, market risk—arising from fluctuations in equity prices, interest rates, and exchange rates—has consistently accounted for around 60% of total risk, even as its absolute magnitude increased markedly. At the same time, the share of credit risk rose from 25.0% to 34.0%, indicating expanding risk exposure across both market and credit dimensions. Despite total risk expanding much faster than net operating capital, NCR levels rose substantially: from 489% to 1,170% for all securities firms, and from 659% to 2,218% for large securities firms.

5) Under the going-concern perspective, regulation assumes that the financial institution continues normal operations and focuses on enhancing loss-absorption capacity and risk management to prevent insolvency *ex ante*. Basel III capital regulation, Japan's capital-adequacy ratio regulation for securities firms, and Korea's previous NCR framework fall under this category. Under the gone-concern perspective, the focus is on protecting customer assets and ensuring orderly resolution under the assumption that the institution fails. The U.S. broker-dealer NCR system is a representative example.

Table 1. Trends in Net Operating Capital and Total Risk of Securities Firms¹⁾²⁾³⁾

Classification	All securities firms				5 Large securities firms ⁴⁾			
	2010	2015	2020	2025	2010	2015	2020	2025
Net operating capital (A)	29.4	16.6	53.2	73.9	10.5	13.0	26.1	38.0
Total risk (B)	5.5	5.1	26.8	41.1	2.1	4.0	15.4	23.2
Market risk	-	3.3 (65%)	16.3 (61%)	23.6 (57%)	-	2.6 (65%)	10.1 (66%)	14.4 (62%)
Credit risk	-	1.3 (25%)	8.0 (30%)	14.0 (34%)	-	1.0 (26%)	4.0 (26%)	7.0 (30%)
Operational risk	-	0.5 (9%)	2.5 (9%)	3.6 (9%)	-	0.4 (9%)	1.3 (8%)	1.8 (8%)
Required minimum capital (N)	-	0.2	0.1	0.1	-	0.3	0.1	0.1
Previous NCR (%) (=A/B)	708	341	392	279	525	330	177	166
Current NCR (%) ⁵⁾⁶⁾ (=(A-B)/N)	489	607	766	1,170	659	677	1,616	2,218

Note: 1) Net operating capital, total risk, market risk, credit risk, and operational risk are reported as totals for all securities firms; previous NCR, current NCR, and required minimum capital are firm-level averages.

2) Figures for 2015 and 2020 refer to Q4; figures for 2025 refer to Q2.

3) Figures in parentheses represent shares of total risk.

4) Large securities firms are CFIEBs with equity capital of at least 4 trillion won.

5) The previous NCR is estimated on a stand-alone basis for 2015 and on a consolidated basis for 2020 and 2025 using the current NCR framework.

6) The current NCR for 2010 is estimated using the previous NCR for 2015 and the required minimum capital.

Source: Financial Statistics Information System; author's calculations.

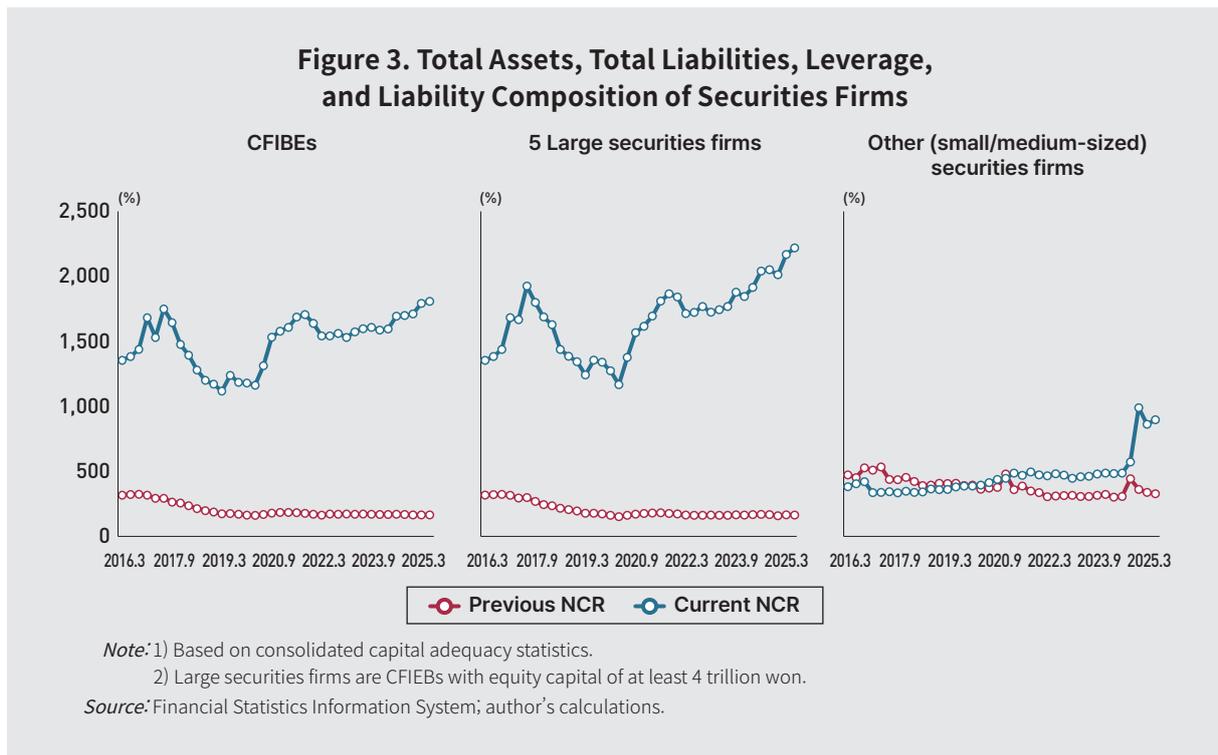
III. Problems with the Current NCR Formula

1. Size-induced Distortions

The current NCR formula has structural limitations in assessing and monitoring the capital adequacy of securities firms. First, even among securities firms with the same level of risk, increases in assets can mechanically improve the indicator. For instance, consider a firm with net operating capital of 1 trillion won and total risk of 0.5 trillion won, and another firm with net operating capital of 10 trillion won and total risk of 5 trillion won. Although the two firms have identical risk structures, the NCR of the larger firm is ten times that of the smaller firm. This outcome reflects a structural feature of the current NCR framework. The denominator—the required minimum capital—is fixed and does not scale with a firm's expanding asset base. As a result, NCR may signal stability or even improvement despite rising assets and increasing risk exposure. Such size-induced distortions have also been noted in previous studies (Kim, 2023).

Figure 3 illustrates time-series trends in the previous and current NCRs for CFIEBs, large securities firms, and small- and medium-sized

securities firms. Since 2016, the average current NCR has consistently remained well above the regulatory minimum of 100%, while the previous NCR has shown a clear downward trend. Notably, among large securities firms, the previous NCR has declined to levels close to the regulatory threshold of 150%. These trends suggest that, although large firms may appear financially sound under the current NCR due to size-induced distortions, their actual capital adequacy may have weakened.



2. Reduced Effectiveness of Regulation Due to Lower Leverage Sensitivity

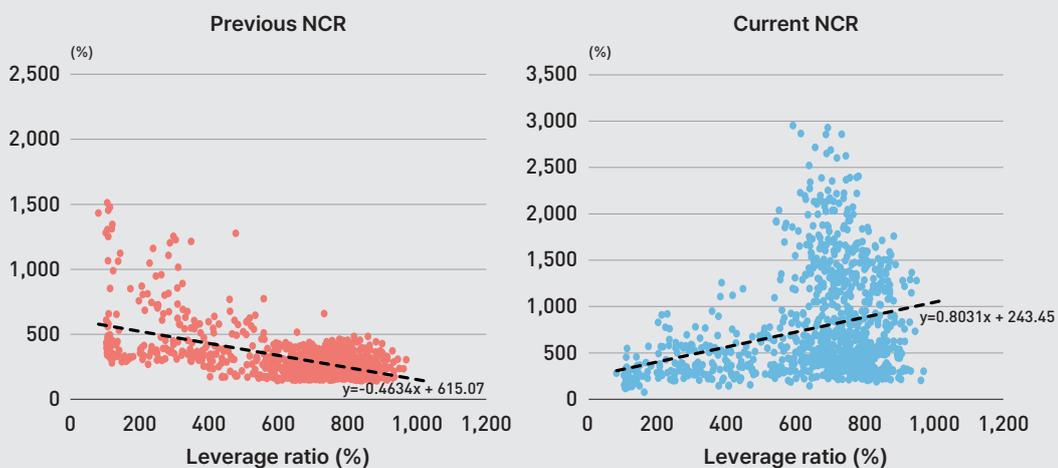
Under the current NCR framework, rising leverage is not adequately reflected in the indicator, weakening its role as a warning signal.

Second, the current NCR framework does not adequately reflect changes in leverage, one of the most fundamental risk indicators for financial institutions. In general, rising leverage indicates that borrowing is expanding faster than equity capital, implying increased risk exposure and worsening financial soundness. A well-designed prudential indicator should decline as leverage increases, signaling a weakening of financial soundness. Under the current NCR framework, however, this basic risk-signaling mechanism does not function as intended.

Figure 4 illustrates the correlation between leverage ratios and NCR for securities firms, showing how the two indicators move together. Under

the previous NCR framework, the relationship is clearly negative: as leverage increases, NCR declines. This pattern indicates that the previous NCR responded with relatively high sensitivity to changes in leverage, reflecting the link between rising leverage, increased risk exposure, and the rapid erosion of regulatory capital buffers. By contrast, under the current NCR framework, the relationship is distinctly positive, suggesting that the current NCR may fail to reflect actual risk conditions, even as leverage and risk exposure increase.

Figure 4. Relationship between Leverage and NCR under the Previous and Current Frameworks



Note: 1) Based on consolidated capital adequacy statistics.
 2) The black dotted line indicates the regression line.
Source: Financial Statistics Information System; author's calculations.

3. Systemic Risk Accumulation from Lack of Risk-Bearing Mechanisms

The systemic importance of large securities firms has steadily increased alongside their expanding assets and leverage.

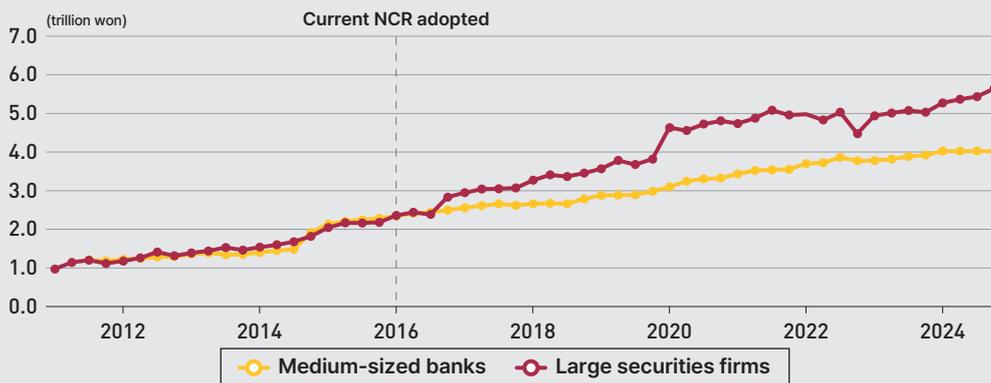
Third, because the current NCR framework fails to capture risk expansion in a timely manner, it may allow systemic risk to accumulate without imposing adequate penalties on risk-taking behavior. Systemic risk refers to a form of structural instability in which the insolvency or liquidity distress of an individual financial institution propagates through the broader financial system, potentially leading to credit contractions, sharp asset price corrections, and adverse spillovers to the real economy. Large financial institutions typically carry greater risk exposures and maintain stronger market linkages than smaller institutions, implying a larger systemic impact when distress materializes. The ELS margin call episode involving securities

firms in 2020, together with the short-term funding market stress triggered by concerns over real estate project finance (PF) exposures in 2022, illustrates how liquidity and asset-quality risks at securities firms can rapidly spread across financial markets.

In light of this, the study employs SRISK, a widely used measure of an individual institution's potential capital shortfall relative to the financial system as a whole. SRISK estimates the amount of capital an institution would need to raise to restore adequate capitalization in the event of a system-wide financial crisis (Brownlees and Engle, 2017). An SRISK analysis shows that the systemic importance of large securities firms has increased markedly since 2016. A comparison with medium-sized banks of similar scale—bank holding companies not designated as domestic systemically important banks (D-SIBs)⁶)—finds that systemic risk among large securities firms has risen at a significantly faster pace in recent years. Specifically, the average SRISK of large securities firms increased by approximately 4.5 times between 2011 and 2022 (from 1.2 trillion won to 5.4 trillion won), substantially exceeding the corresponding increase for medium-sized banks (2.8 times, from 1.4 trillion won to 4.0 trillion won) over the same period. This divergence widened notably after 2016, coinciding with the NCR reform into its current formula. This suggests that large securities firms have expanded their asset base, leverage, and risk-related activities more aggressively than medium-sized banks. As a result, their relative importance within the financial system and their potential contribution to systemic risk now exceed those of medium-sized banks.

6) Domestic systemically important banks (D-SIBs) are institutions subject to stronger prudential regulation due to their systemic importance within the financial system. In Korea, five major banking groups organized under bank holding companies are designated as D-SIBs. In this analysis, "medium-sized banks" refer to non-D-SIB bank holding companies.

Figure 5. SRISK Trends for Medium-sized Banks and Large Securities Firms



Note: 1) Medium-sized banks refer to bank holding companies that are not designated as D-SIBs.

Source: Financial Statistics Information System; FnGuide; author's calculations.

IV. Policy Agenda

To accurately reflect the risks associated with asset and leverage expansion at large securities firms, the NCR formula should return to “net operating capital ÷ total risk.”

To contain systemic risk originating from securities firms and promote financial market stability, a differentiated regulatory approach appears warranted. The pre-2016 NCR formula (net operating capital ÷ total risk) should be reinstated for large securities firms, with the current NCR retained for small- and medium-sized ones. Large securities firms have rapidly increased their systemic importance and market impact through expanding assets and rising leverage. The current NCR, however, does not adequately capture the associated risks, contributing to higher systemic risk in the sector. By contrast, for small- and medium-sized firms, retaining the current NCR framework is preferable, since applying the previous NCR regardless of scale or business characteristics may entail disproportionately strict prudential burdens.

Major economies support differentiated regulation based on size and function, guided by the principle of “strict for large institutions, simple for small ones.”⁷⁾ In the United States, the broker-dealer framework differentiates capital regulation based on asset size, distinguishing among the standard method, the alternative method, and the Alternative Net Capital (ANC) computation. Smaller firms typically face simpler, liquidity-focused requirements, while larger firms operate under more sophisticated, risk-weighted measures using internal models. Large investment banks, in particular, are incorporated into

7) Restoy (2019) demonstrates that major economies apply differentiated regulation based on size, risk, and complexity, imposing more stringent requirements on large, complex, and systemically important institutions while adopting simpler rules for small, non-complex firms.

Regulatory intensity should vary with firm size and business characteristics to balance financial stability with market dynamism.

As the scale and functional scope of securities firms expand, NCR reform should be the starting point for broader regulatory reforms to preempt the excessive accumulation of systemic risk.

bank holding companies, placing major securities firms under the Federal Reserve’s supervision and subjecting them to Basel III-type capital and leverage requirements. The European Union introduced the Investment Firms Regulation and Directive (IFR/IFD) in 2021, under which the largest securities firms (Class 1) are subject to Basel III-type regulation similar to that applied to banks, while Classes 2 and 3 entities face simplified capital requirements calibrated to size, business scope, and risk profiles. The United Kingdom likewise applies Basel III-type regulation to systemically important institutions while subjecting most securities firms to a simplified NCR-type regime (Lee, 2022).

The Basel III framework shares some features with Korea’s previous NCR regime, particularly its emphasis on maintaining capital ratios relative to risk-weighted assets and assessing capital adequacy from a going-concern basis. Considering these international practices and recent regulatory developments, Korea should move toward a size-based, differentiated prudential framework: the previous NCR formula (net operating capital ÷ total risk) should apply to the largest securities firms with substantial capital and high-risk activities, and the current NCR formula should continue to apply to smaller firms.

Meanwhile, Korea’s NCR framework does not sufficiently reflect liquidity risks, including short-term funding crunches. In major economies, including the U.K. and the E.U., liquidity regulation for large securities firms is likewise differentiated by systemic importance: large firms are subject to Basel-type liquidity requirements such as the Liquidity Coverage Ratio (LCR), while small- and medium-sized firms are subject only to basic liquidity requirements. In line with this global trend, Korea should, alongside size-based differentiation in the NCR framework, phase in Basel III-type liquidity requirements (e.g., the LCR) for large securities firms and introduce basic liquidity standards for smaller firms. In addition, there is a need to closely assess the increasing systemic importance of securities firms and determine whether to extend the Recovery and Resolution Plan (RRP)—currently applied to domestic systemically important financial institutions (D-SIFIs) and banks (D-SIBs)—to large securities firms. Requiring them to prepare *ex ante* for crisis response, liquidity sourcing, and loss absorption arrangements would help enhance resilience at the firm level and strengthen the stability of the financial system as a whole.

Moreover, implementation should follow a phased and balanced approach to safeguard capital market stability without undermining

the intermediation function. While the financial authorities recognize the direction of reform and the need for gradual implementation, regulatory changes have thus far been mainly framed as medium- to long-term tasks, with detailed implementation roadmaps still underdeveloped (Financial Services Commission, April 9, 2025). Some supplementary measures have been introduced for IMA operators. For example, amendments to the *Detailed Enforcement Rules of the Regulation on Financial Investment Business*⁸⁾ require IMA operators to maintain the NCR above 150% under the previous framework. Nevertheless, clear guidance on the timeline and scope of broader NCR reform remains limited. Accordingly, reform efforts should enhance the effectiveness and acceptability of the reforms by establishing predictable implementation schedules and coordinating with market participants, alongside a careful assessment of industry risk-management practices and their incorporation into the regulatory design.

The launch of IMA products in December 2025 may further expand the role of large securities firms in financial markets. Reforming the NCR framework should therefore serve as the foundational first step toward strengthening prudential regulation for securities firms and laying the groundwork for a more sophisticated risk-management framework. Given their direct participation in a wide range of financial markets, advancing detailed risk-management capabilities and strengthening internal controls and risk-management functions will become increasingly important policy priorities. To ensure that the expanding functions of securities firms do not lead to excessive systemic risk, comprehensive and systematic improvements to the prudential regulatory framework are needed. ■

8) Financial Supervisory Service (FSS), Detailed Enforcement Rules of the Regulation on Financial Investment Business, Article 3-20-6 (Special Provision on the Calculation of the Net Capital Ratio for Assets Managed with Funds Entrusted under Investment Management Accounts) [effective November 25, 2025; FSS Detailed Enforcement Rules (as enacted and amended)]. Under this provision, IMA operators are required to cover any principal shortfall of entrusted funds and to set aside loss provisions of at least 5% of the principal. Where the ratio of net operating capital to total risk (NCR) exceeds 150%, only 50% of assets managed under IMAs are included in the NCR calculation.

Appendix

Appendix Table 1. Status of Securities Firms' Assets and Liabilities¹⁾²⁾

(trillion won, %)

Classification	All securities firms				5 Large securities firms ³⁾			
	2010	2015	2020	2025	2010	2015	2020	2025
Total assets	199.8	344.5	610.1	851.7	73.5	154.7	315.5	394.5
Cash and deposits	43.5 (22%)	61.0 (18%)	111.3 (18%)	139.3 (16%)	14.4 (20%)	27.7 (18%)	54.6 (17%)	65.1 (17%)
Securities	116.9 (59%)	224.7 (65%)	350.1 (57%)	489.2 (57%)	46.2 (63%)	105.3 (68%)	187.6 (59%)	229.1 (58%)
Loans and receivables	21.5 (11%)	26.4 (8%)	60.6 (10%)	86.6 (10%)	7.4 (10%)	11.4 (7%)	30.7 (10%)	43.9 (11%)
Credit extension	12.3 (6%)	17.6 (5%)	36.9 (6%)	45.0 (5%)	5.2 (7%)	8.0 (5%)	20.0 (6%)	22.8 (6%)
Derivative assets	4.1 (2%)	7.8 (2%)	13.3 (2%)	19.5 (2%)	1.2 (2%)	2.8 (2%)	5.1 (2%)	6.1 (2%)
Other assets ⁴⁾	13.8 (7%)	24.6 (7%)	74.8 (12%)	117.1 (14%)	4.3 (6%)	7.6 (5%)	37.4 (12%)	50.2 (13%)
Total liabilities	162.6	268.4	542.3	755.2	60.3	135.8	285.0	352.4
Deposit liabilities	23.1 (14%)	32.3 (11%)	95.1 (18%)	116.5 (15%)	7.9 (13%)	13.4 (10%)	48.2 (17%)	57.0 (16%)
Customer deposits	22.7 (14%)	31.8 (11%)	90.4 (17%)	103.0 (14%)	7.9 (13%)	13.2 (10%)	46.1 (16%)	53.3 (15%)
Borrowings	125.1 (77%)	233.3 (78%)	354.4 (65%)	494.4 (65%)	48.9 (81%)	110.8 (82%)	190.8 (67%)	231.2 (66%)
RP (Repos)	58.9 (36%)	99.9 (33%)	150.6 (28%)	196.1 (26%)	27.3 (45%)	47.9 (35%)	76.3 (27%)	77.6 (22%)
Short-term notes ⁵⁾	-	-	15.6 (3%)	44.4 (6%)	-	-	15.6 (5%)	44.4 (13%)
Other liabilities ⁶⁾	14.5 (9%)	32.9 (11%)	92.7 (17%)	144.2 (19%)	3.4 (6%)	11.7 (9%)	46.1 (16%)	64.3 (18%)
Total equity	37.2	46.0	67.8	96.5	13.2	18.9	30.4	42.1
Leverage (X) ⁷⁾	6.3	8.1	9.6	9.2	5.6	8.3	10.1	9.4

Note: 1) Figures for 2015 and 2020 refer to Q4; figures for 2025 refer to Q2.

2) For total assets, figures in parentheses indicate the share in total assets; for total liabilities, figures in parentheses indicate the share in total liabilities.

3) Large securities firms are CFIBEs with equity capital of at least 4 trillion won.

4) Other assets are defined as total assets excluding cash and deposits, securities, loans, and derivatives assets.

5) Short-term notes issued under CFIBE accounts.

6) Sum of derivatives liabilities and other liabilities.

7) A weighted average based on assets.

Source: Financial Statistics Information System; author's calculations.

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