

## **IR INFORMATION**

Settlement March 31

Regular Shareholders' Meeting June 1, 2010

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KDB Financial Group

# DAEWOO SECURITIES

A grayscale world map is centered on the page. Overlaid on the map are several thin, white, curved lines that connect various geographical locations, creating a network-like pattern. The lines are most prominent in the North Atlantic, Europe, and East Asia regions.

# DAEWOO SECURITIES

ANNUAL REPORT FY2009

KDB Financial Group  
**DAEWOO  
SECURITIES**

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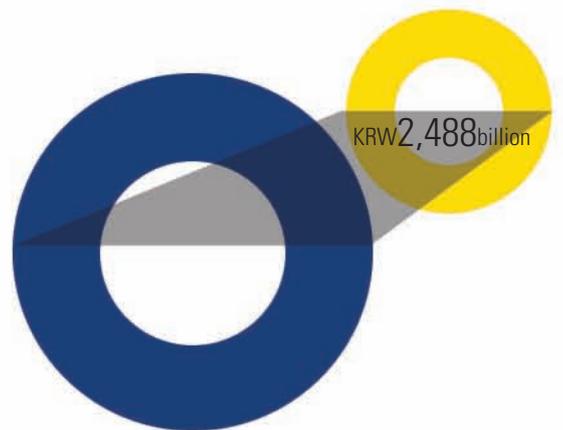
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## Financial Statements

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In FY2009, we astutely navigated our way through the global economic downturn to achieve industry leading results. Our operating income and net income amounted to KRW412.0 billion and KRW319.1 billion, respectively. It was the year in which we laid a solid foundation to take off as the premier global financial investment firm and cement our leadership in the Korean capital market.



KRW2,856billion

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**Total shareholders' equity**

Daewoo Securities' shareholders' equity increased 14.7% over the previous year to KRW2,856.0 billion, extending our lead over the nearest rival and demonstrating our financial strength.

## Financial Highlights

### Financial Status

(Unit: KRW billion)

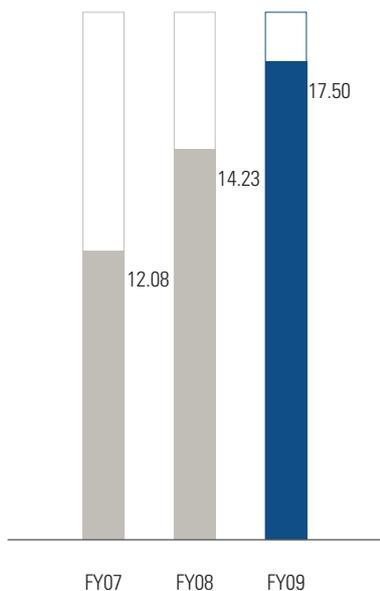
|                            | FY09     | FY08     | FY07     |
|----------------------------|----------|----------|----------|
| Operating Revenue          | 4,591.9  | 4,445.1  | 3,692.7  |
| Operating Expenses         | 4,179.9  | 4,241.3  | 3,230.6  |
| Operating Income           | 412.0    | 203.8    | 462.1    |
| Income before Income Taxes | 423.1    | 233.4    | 463.2    |
| Net Income                 | 319.1    | 180.5    | 336.8    |
| Total Assets               | 17,503.8 | 14,225.1 | 12,084.4 |
| Total Liabilities          | 14,647.8 | 11,735.4 | 9,659.1  |
| Paid-in Capital            | 1,020.9  | 1,020.9  | 1,020.9  |
| Total Shareholders' Equity | 2,856.0  | 2,489.7  | 2,425.3  |
| BPS(KRW)                   | 15,024   | 13,097   | 12,758   |
| PBR(X)                     | 1.4      | 1.4      | 1.7      |
| EPS(KRW)                   | 1,567    | 887      | 1,654    |
| PER(X)                     | 13.0     | 20.7     | 13.2     |
| ROE(%)                     | 11.9     | 7.3      | 14.8     |

\* PBR and PER are based on each corresponding fiscal year-end share prices.

\* Share price as of the end of FY2009 was KRW20,400

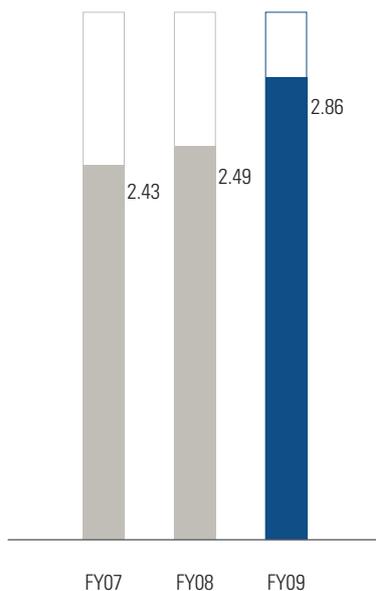
#### ● Total Assets

(Unit: KRW trillion)



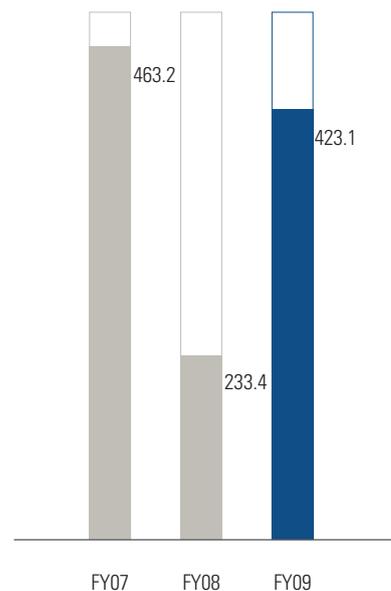
#### ● Total Shareholders' Equity

(Unit: KRW trillion)



#### ● Income before Income Taxes

(Unit: KRW billion)



# 1

## DAEWOO SECURITIES PROFILE

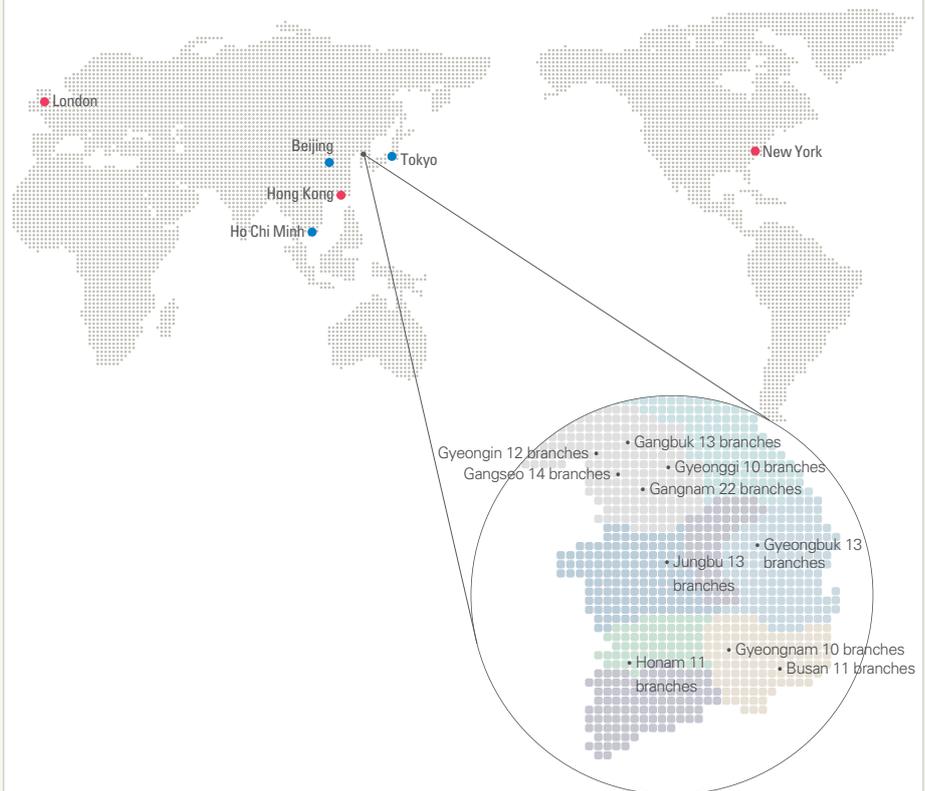
### General Information

|                                       |   |
|---------------------------------------|---|
| Industry                              | Securities  |
| Date established                      | September 23, 1970  |
| Date of listing on the Korea Exchange | September 26, 1975  |
| President & CEO                       | Kee-Young Im  |
| No. of employees                      | 3,261   |
| Domestic network                      | 129 branches (1 Retail Sales Department, 1 PB Class, 15 WM Class, 112 Branches)                               |
| Global network                        | 3 overseas subsidiaries (Hong Kong, New York, London), 3 representative offices (Tokyo, Ho Chi Minh, Beijing) |
| Headquarters' address                 | 34-3, Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea   |
| Telephone                             | +822-1588-3322  |

\* As of the end of March 2010

\* Please refer to pages 50-52 for detailed information on the domestic and global networks

- Overseas subsidiary
- Overseas representative office



# 2

## SHARE INFORMATION

### Number of Outstanding Shares

(Unit: share, KRW thousand)

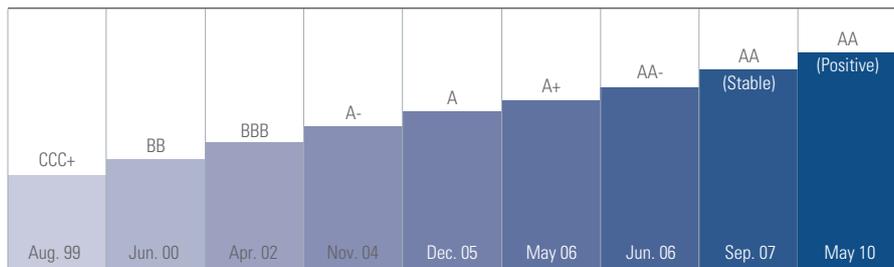
| Share type       | No. of shares      | Paid-in capital      | Percentage     |
|------------------|--------------------|----------------------|----------------|
| Common shares    | 190,100,891        | 950,504,455          | 93.11%         |
| Preferred shares | 14,075,750         | 70,378,750           | 6.89%          |
| <b>Total</b>     | <b>204,176,641</b> | <b>1,020,883,205</b> | <b>100.00%</b> |

### Share Price Information

|                                       | FY09   | FY08   | FY07   |
|---------------------------------------|--------|--------|--------|
| Market capitalization(KRW trillion)   | 3.98   | 3.58   | 4.33   |
| FY09 high(price of common share, KRW) | 25,200 | 24,500 | 36,750 |
| FY09 low(price of common share, KRW)  | 17,700 | 8,190  | 17,200 |

\*Including market capitalization of preferred stocks

### Credit Rating



\*Korea Investors Service, Korea Ratings

### Share Ownership



\*Based on common shares, as of the end of March 2010

# CEO Message



With customers' trust, employees' dedication  

---

and our track record in spearheading  

---

the Korean capital markets over the past 40 years,  

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Daewoo Securities will lead the global financial markets  

---

as Korea's representative financial brand.  

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Dear shareholders and customers,

I would like to begin by appreciating all of you for your trust and encouragement over the past year.

In FY2009, the entire world continued to reel from the turmoil brought on by the financial crisis. Amid the uncertainty, Daewoo Securities dedicated itself to strengthening its fundamentals with the devotion and hard work of its employees.

We have upheld our position as the market leader based on brokerage commission for the last fifth consecutive year. The balance in our wealth management accounts surpassed KRW39 trillion and annual net income amounted to KRW319.1 billion. Our credit rating was upgraded by one notch from AA (Stable) to AA (Positive).

Daewoo Securities received top honors at the 2009 Korea Securities Awards sponsored by Seoul Economic Daily and at the prestigious Maeil Business Newspaper Securities Award. We also had the highest number of best equity analysts in polls conducted by Korea Economic Daily and Maeil Business Newspaper.

To provide a more detailed look into our operating results in FY2009, I will present our performance by business segment in the following paragraphs.

## I Brokerage I

Once again, Daewoo Securities proved its dominance in the brokerage market. As the Korean stock market recovered from the global financial crisis, we harnessed our unrivaled sales capability to increase brokerage commission revenue by 35% over the previous year to KRW530.1 billion.

Over the past year, we organized high-quality in-house training to equip all sales personnel with the skills to serve the role of private banker. The resultant boost in their abilities contributed to expanding brokerage commission.

Through ongoing communication, we built up trust with our customers, which in turn reinforced our market presence in the retail and wholesale segments. We made meaningful advances in international brokerage, with our market share doubling from a year earlier to 4.6% which catapulted us to the No.2 position. In our domestic operations, we received the honor of “best institutional sales team” from Hankyung Business for the 10th time in a row. This distinction is announced every half year.

We will further our consulting capability through training and deliver high-quality research to enhance customers’ returns in FY2010. By offering differentiated services, we will strive to maintain our leadership in the brokerage business.

Unwavering trust of our customers and shareholders was vital in enabling Daewoo Securities to produce industry-leading results in FY2009.



## **I Sales & Trading and Wealth Management I**

Our trading business displayed significant top-line growth and enhanced profits led by "Made-In-Daewoo" products.

The balance in wealth management products topped KRW39 trillion as we posted the highest rate of increase. Earnings contribution from the sales & trading business rose to 31% in FY2009, making this segment a key source of income for Daewoo Securities.

Using our expertise in structured products, we expanded the supply of "Made-In-Daewoo" products with particular emphasis on timely delivery of products catering to customers' needs. Our superior market analysis and wealth management skills also played a role in boosting our performance.

In FY2010, we will focus our efforts on ensuring the sales and trading business fulfills its role as a product factory and develops into Asia's leading trading house that serves as a new growth engine for the company while offering more diverse investment opportunities for customers.

## **I Investment Banking I**

The investment banking business generated net revenue exceeding KRW80 billion, the highest ever in the history of Daewoo Securities.

We successfully closed several mega deals in FY2009. These include the IPO of Korea Life Insurance, the largest ever IPO in Korea, and the rights offering of Hynix Semiconductor. We also presented a new financial model with the listing of Daewoo Securities Green Korea Special Purpose Acquisition Company (SPAC), the first vehicle of its kind in Asia.

In recognition of its achievements, Daewoo Securities was honored at the 1st Hankyung IB Awards in the IPO category and named best lead manager at the 7th MoneyToday IB Awards.

In the year ahead, we will accelerate our efforts to grow into a global investment bank. On the domestic front, we will work together with Korea Development Bank (KDB) to take part in government-led projects like the privatization of public enterprises. Overseas, we will strengthen the function of our Hong Kong subsidiary to promote the listing of overseas companies in the Korean stock market, assist Korean companies in expanding into the Asian markets, and pursue mega deals in Asia.

## **I Launch of KDB Financial Group I**

Last October saw the birth of KDB Financial Group which comprises five subsidiaries engaged in the financial sector including Daewoo Securities and Korea Development Bank.

KDB Financial Group was established to enhance the Korean financial industry and promote financial exports to overseas markets. Daewoo Securities has a major role in achieving this vision and driving advances in the Korean economy.

The foundation of KDB Financial Group should provide new momentum for growth of financial and investment services as well as Daewoo Securities' advancement.

As a member of the group, we have access to our affiliates' extensive network of corporate clients and KDB's vast know-how related to overseas business. These advantages give us a strong footing to transition into a global financial and investment service provider.

As Korea's representative securities company, Daewoo Securities will pursue constant innovation to lead the domestic financial industry and compete on par with global investment banks.

For 2010, we have adopted the following as our business plans for the year.

- 1) With retail operations and sales & trading as the two main sources of income, we will pursue balanced growth of brokerage, wealth management, investment banking and overseas business.
- 2) As a member of KDB Financial Group, we will promote Korea's financial exports around the world and serve as a partner in implementing financial policy in areas such as green growth and privatization of public enterprises.
- 3) Led by the social volunteer group launched last year, we will carry out more systematic social contribution activities to share the support from our shareholders and customers with our underprivileged neighbors in society.

The modern philosopher Francis Bacon said, "If we are to achieve things never before accomplished, we must employ methods never before attempted." Building on its experience in shaping the Korean capital markets over the past four decades, Daewoo Securities will seize opportunities ahead of competing firms. We will use innovative methods to achieve unprecedented feats to become a global investment bank representing Asia.

I look forward to the continued support and trust of our customers and shareholders as we take the steps towards becoming Korea's foremost financial and investment service provider.

Thank you.



President and CEO

**Kee-Young Im**

A handwritten signature in black ink, reading "Im Kee-Young".

# 2009 Highlights

KDB Financial Group

**DAEWOO SECURITIES**



Won 'Grand Prize' at 2009 Korea Securities Awards  
by Seoul Economy (Nov. 2009)

Won 'Grand Prize' at the 12<sup>th</sup> Maekyung Award (Jan. 2010)



Reinforced market presence in retail brokerage business  
(Sep. 2009)

Introduced STORY, total wealth management brand (Dec. 2009)



Held the 11<sup>th</sup> Daewoo Securities Forum (Dec. 2009)

Launched X-Ray portfolio diagnosis service (Jan. 2010)



Organized Daewoo Securities Social Volunteer Corps (Jul. 2009)

KDB Financial Group joined Habitat for Humanity in building  
House of Hope (Oct. 2009)



## 01. Awards

### Won 'Grand Prize' at 2009 Korea Securities Awards by Seoul Economic Daily (Nov. 2009)

Daewoo Securities received top honors at the 2009 Korea Securities Award hosted by Seoul Economic Daily and sponsored by the Financial Services Commission and Korea Exchange. The selection committee comprised of six experts in each field gave a unanimous nod to the firm for reporting industry leading returns in 2009 due to aggressive sales activities based on rational risk management.

### Maekyung Securities Award Grand Prize (Jan. 2010)

Amid market uncertainty, Daewoo Securities delivered excellent results across nearly all business segments including brokerage, international business and investment banking. We also made significant headway in new fields with the introduction of Asia's first SPAC (Special Purpose Acquisition Company). Our achievements earned us the Grand Prize at the Maekyung Securities Award presented by Maeil Business Newspaper.

- May 2009 | Ranked 7th among Asia's top brokerage houses by Financial Times
- Jul. 2009 | Named Korea's best securities firm in stocks/bonds in 2009
- Jul. 2009 | Named the best securities firm, analyst, institutional sales team in the first half of 2009 by Hankyung Business
- Jul. 2009 | Named the best analyst in the first half of 2009 by Maekyung Economy
- Jul. 2009 | Won Financial Times/StarMine Global Analyst Awards
- Jan. 2010 | Named the best analyst in the second half of 2009 by Maekyung Economy
- Jan. 2010 | Named the best securities firm in the second half of 2009 by Hankyung Business
- Jan. 2010 | Named the Best Equity Deal by MoneyToday
- Jan. 2010 | Won in the IPO category at the first Korea IB Awards sponsored by Korea Economic Daily and Yonhap Infomax
- Jan. 2010 | Selected the Best Securities Firm by Chosun Ilbo and FnGuide

## 02. Growth and Performance

### Reinforced presence in retail market (Sep. 2009)

We are expanding branches that specializes in private banking and wealth management in Seoul's Gangnam area. Our goal is to



increase the customer base and financial assets in the affluent Gangnam area as a way to reinforce long-term growth in the retail sector with our industry-leading edge in sales competence.

**Introduced STORY, total wealth management brand (Dec. 2009)**

The total wealth management brand STORY was introduced in December 2009. The name represents Daewoo Securities' commitment to create a story of happiness and success with our customers by providing diverse products that meet customer demands and building credibility with professional consulting services.

- Apr. 2009 | Held opening ceremony of Beijing Representative Office, China
- Apr. 2009 | Held 'One kdb Synergy Award' ceremony
- Oct. 2009 | Launched 'One kdb CMA'
- Mar. 2010 | Signed a contract to list US-based CMET holdings on the Korean stock exchange
- Mar. 2010 | Set up Green Finance Promotion Committee

### 03. Customer and Shareholder-oriented Activities

**The 11th Daewoo Securities Investment Forum (Dec. 2009)**

Daewoo Securities Forum held in Dec. 2009, attracted 900 people. The largest ever crowd listened attentively to Daewoo Securities' outlook on the 2010 economy, stock market and global investment strategy. Participants especially responded favorably to the special lecture on industrial issues, introduced for the first time, which gave added significance to the forum.

**X-Ray portfolio diagnosis service (Jan. 2010)**

Teaming up with professional fund evaluation firm "Zero-in," the X-ray portfolio service allows investors to diagnose their own funds and provides them with alternate portfolio matching their investment tendencies. Both Daewoo Securities customers and customers from other firms can get objective assessment from the Daewoo Securities website.

- Apr. 2009 | Renewal of fund mall

- Apr. 2009 | Held 'Green Korea Securities Forum 2009'
- May 2009 | Held '2009 Daewoo Securities Forum' (market projection for 2H 09)
- Jun. 2009 | Held '2009 Daewoo Securities Global Retirement Pension Seminar'
- Jun. 2009 | Launched direct stock trading service in China
- Jun. 2009 | Held 'recycle forum'
- Aug. 2009 | Eliminated ATM fees from nationwide banks
- Aug. 2009 | Held 'H1N1 flu, diagnosis, semiconductor DDR3 forum'
- Sep. 2009 | The Ten Tenors concert to celebrate the firm's 39th anniversary
- Set. 2009 | Held 'Stem Cell Forum'
- Nov. 2009 | Corporate Day for overseas investors (Overseas IR)
- Jan. 2010 | Launched simultaneous service of domestic commodities futures, overseas futures, FX margin
- Feb. 2010 | Introduced fund recall system

### 04. Social Contribution

**Organized Daewoo Securities Volunteer Corps (Jul.2009)**

Guided by our philanthropic mission of "Cutting the chain of poverty," we organized Daewoo Securities Volunteer Corps to offer more systematic and sustainable support to our isolated neighbors. With the introduction of a matching grant system, we are encouraging greater employee involvement in social contribution actions that make a real difference in our communities.

**KDB Financial Group joined the Habitat for Humanity in building House of Hope (Oct. 2009)**

Five affiliates of KDB Financial Group including Daewoo Securities took part in the Habitat for Humanity project to build the House of Hope in Sinnamdong Hwaseong city, Gyeonggi-do. Over 100 employees from each affiliate donated their time in support of KDB Financial Group's first joint social contribution initiative. They also raised over KRW150 million and gave the money to the Habitat.

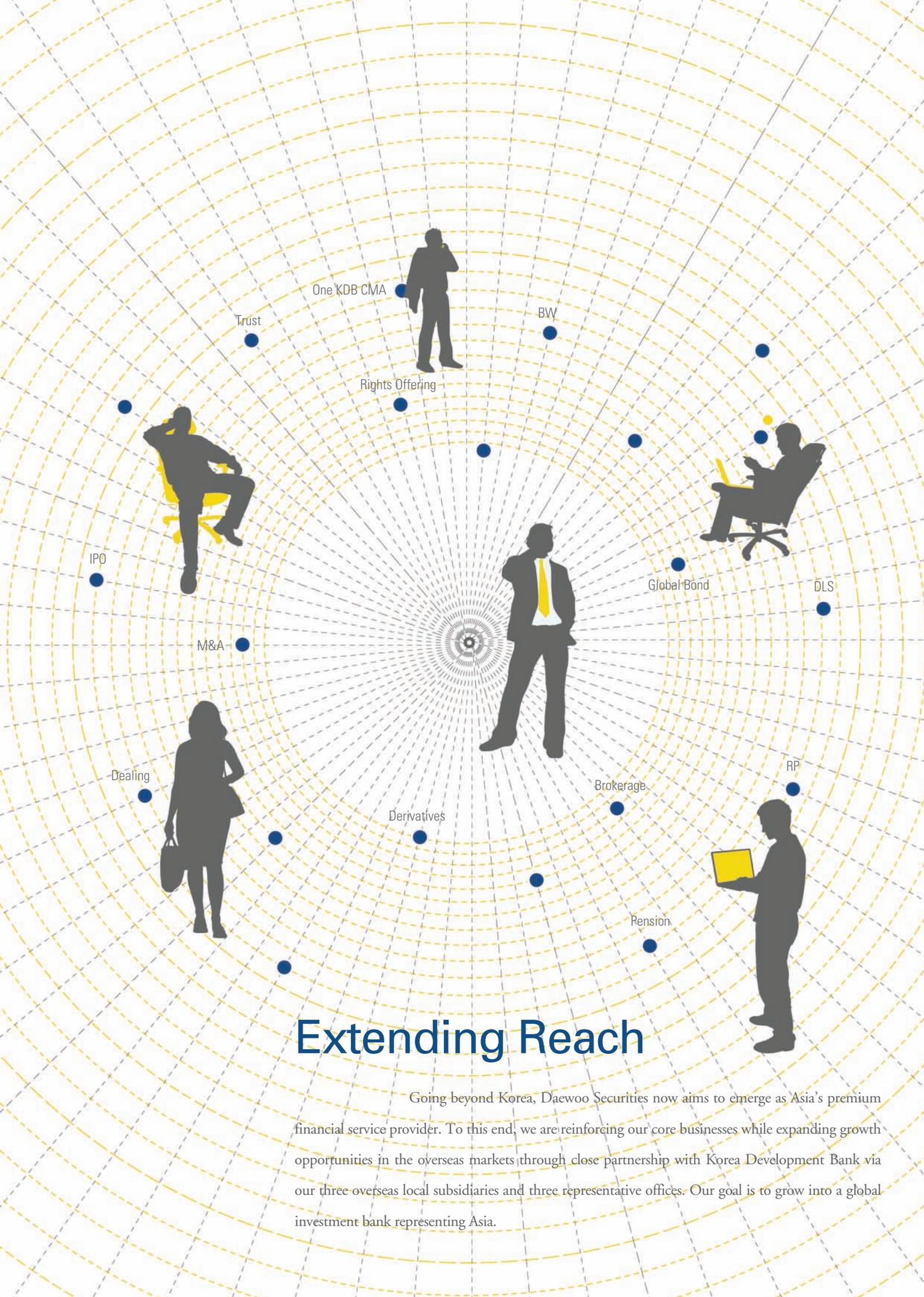
- Jul. 2009 | Signed an agreement to support Habitat of Humanity
- Sep. 2009 | Partner with Changwon City to launch Nubija donation type wrap
- Sep. 2009 | Donated a total of KRW780 million to support free clinic service for foreigners and multicultural families in rural community
- Dec. 2009 | Organized "Warm winter season" sharing event with multicultural families
- Feb. 2010 | Supported children of China-born multicultural families to visit their hometown
- Feb. 2010 | Joined in a campaign to send milk to North Korean children

Industry leader in brokerage, investment banking and ELS

# No.1

## As a Financial Frontrunner

| **Over the past forty years** since its inception, Daewoo Securities developed into an undisputable leader in the Korean market, driving changes with wealth of talent and insight. In FY2009, we captured a relative market share of 11.6% based on commission from retail brokerage and maintained leadership in the investment banking and ELS issuance markets including initial rights offering (IPO), rights issues and asset-backed securities (ABS). Pre-tax net income amounted to KRW423.1 billion, widening its lead over the No. 2 player. The industry leading capacity to generate profits attests to top-line and earnings growth.



# Extending Reach

Going beyond Korea, Daewoo Securities now aims to emerge as Asia's premium financial service provider. To this end, we are reinforcing our core businesses while expanding growth opportunities in the overseas markets through close partnership with Korea Development Bank via our three overseas local subsidiaries and three representative offices. Our goal is to grow into a global investment bank representing Asia.

KDB Financial Group's consolidated total assets  
(KRW trillion, as of end of December 2009)

# 157.2

As a Member of  
KDB Financial Group

| With the launch of KDB Financial Group in October 2009, Daewoo Securities became a part of the KDB Group family. The affiliation allows us to take advantage of the holding company by maximizing synergies and sharing customer information and to create new opportunity as a trusted financial firm. We also gained the upper hand in responding proactively to the changing financial landscape following introduction of the Financial Investment Services and Capital Markets Act.

Synergies

Efficiency

Core Value

Collaboration

Diversification

Competitive Power

# Amplifying Synergies

Through partnership with KDB, which boasts a wealth of investment banking experience and know-how, we will gain new momentum for growth by participating in mega deals, sharing upgraded capabilities and taking part in various public projects as the representative of the securities industry.

Satisfaction

Cooperation

Leading

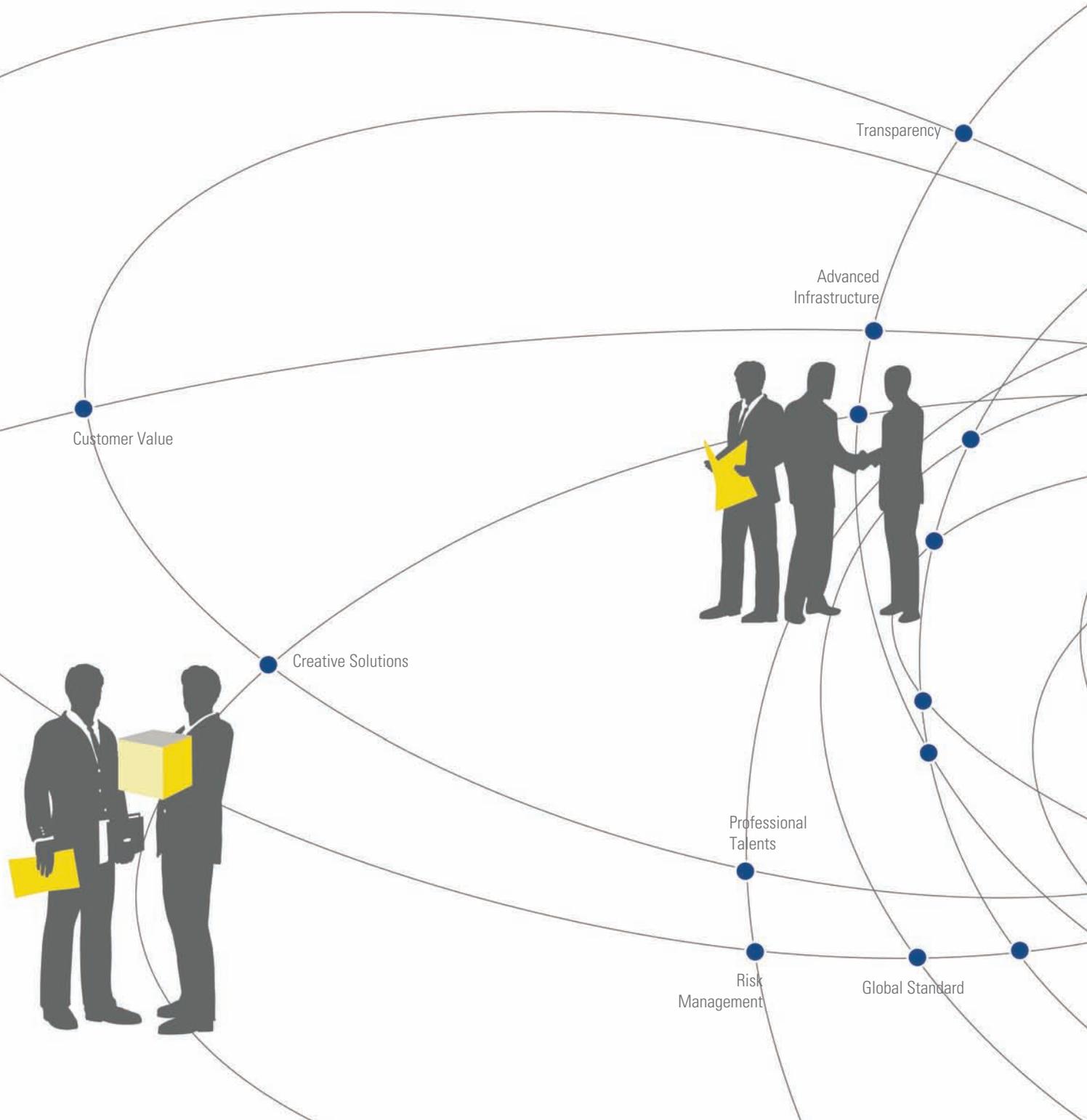


Daewoo Securities' WM balances (KRW trillion)

39.7

As a Trustworthy Partner

| Since its inception in 1970, Daewoo Securities has driven Korea's economy and spearheaded capital market growth on the strength of customer trust. We have opened a number of new branches including PB Class branches in FY2009 to offer greater customer convenience and best-in-class services. Our efforts led to continued expansion of our customer base and further solidified the foundation for sustainable growth.



# Enhancing Value

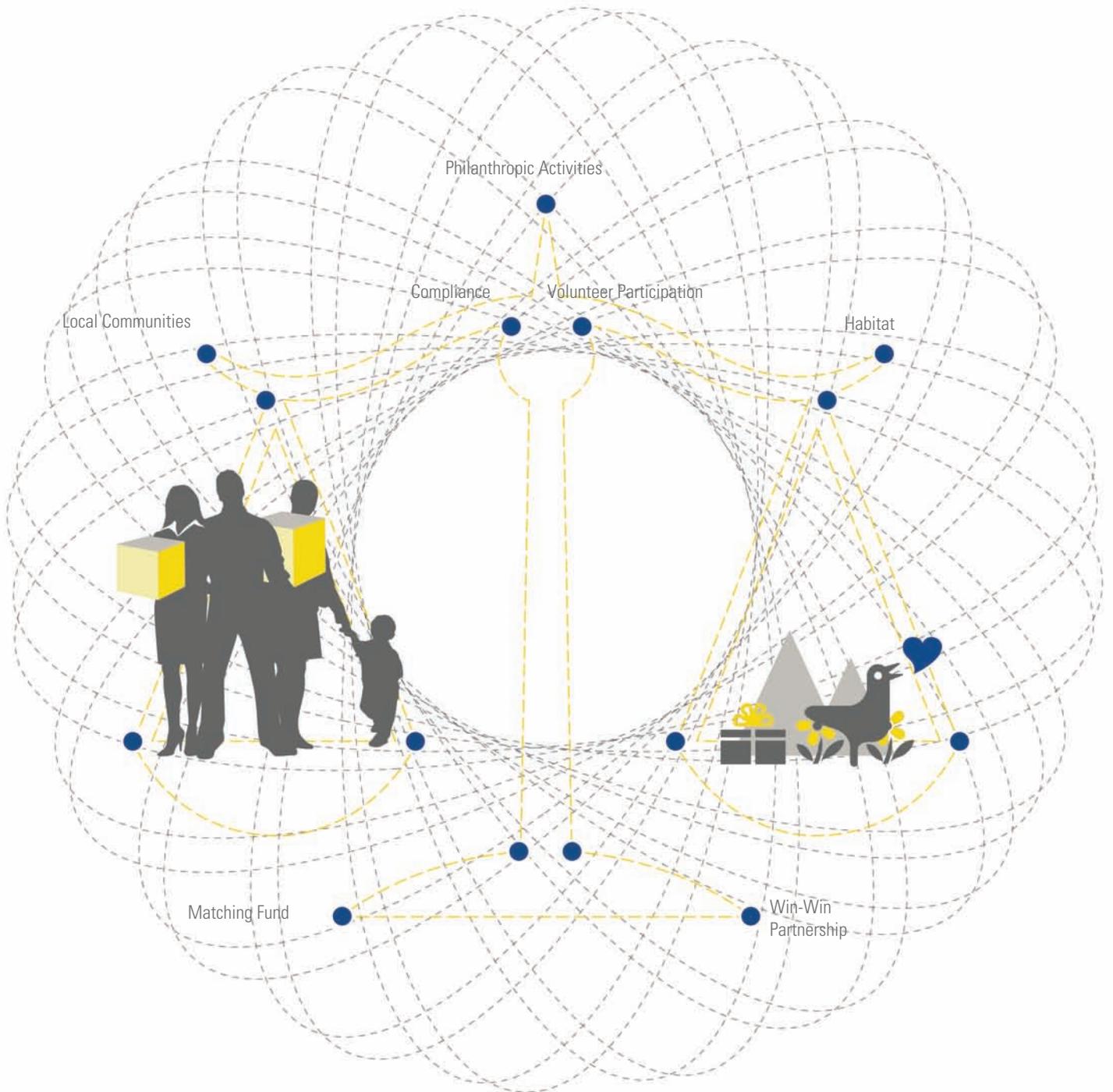
The best way to repay customers' trust is to enhance their asset value. Our industry leading talent, global level infrastructure and optimal financial solution are maximizing customer value. As we look towards another 40 years of success, we will always put the customers first.

Number of employees taking part in donation (persons)

# 2,792

## As a Corporate Citizen

| Daewoo Securities has generated solid returns based on transparent management. Now, we are taking actions to enhance stakeholder value and increase our community engagement as a responsible corporate citizen. For greater efficiency in carrying out philanthropic efforts, we created the volunteering corps in July 2009 and launched a variety of initiatives.



# Taking Responsibility

Daewoo Securities is the only firm in the industry to publish a sustainability report and disclose related activities and performances. We are committed to grow into a company that is trusted and respected by society by engaging in sustainable business practices that consider economic, environmental and societal issues in a balanced manner.

# MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion & Analysis is presented on a non-consolidated basis and has been classified in accordance with accounting principles generally accepted in Korea (Korean GAAP). The section contains plans, estimates and projections (forward-looking statements) with respect to the financial condition, results of operations, and business of Daewoo Securities, as well as the plans and objectives of the management of Daewoo Securities. Forward-looking statements speak only to conditions as of the date they are made, and Daewoo Securities undertakes no obligation to publicly update any of these statements in light of new information or future events. The term "the Company" when used without any other qualifying description will refer to "Daewoo Securities."

|                      |                   |                   |                     |                   |                 |
|----------------------|-------------------|-------------------|---------------------|-------------------|-----------------|
| Business Environment | Executive Summary | Operating Results | Financial Condition | Net Capital Ratio | Risk Management |
| 19                   | 20                | 21                | 31                  | 32                | 33              |

# 1

## BUSINESS ENVIRONMENT

The Korean stock market posted sharp gains in 2009 despite uncertainty sparked by global financial turmoil as financial and economic measures implemented by major economies across the globe helped to ease the panic. Foreign investors showed high interest in emerging Asian markets which showed comparatively healthier finances and stronger economic recovery than the US, UK and major EU nations, in addition to sound corporate earnings. Supported by foreign buying, the Korean stock market advanced along with other major emerging markets in Asia.

The KOSPI recovered to the pre-Lehman level, with momentum coming from the economic rebound driven by government stimulus, improving earnings in the IT and automotive sectors and increased foreign buying. Korea's inclusion in the FTSE developed market indices also attracted foreign investors and contributed to the KOSPI's advances.

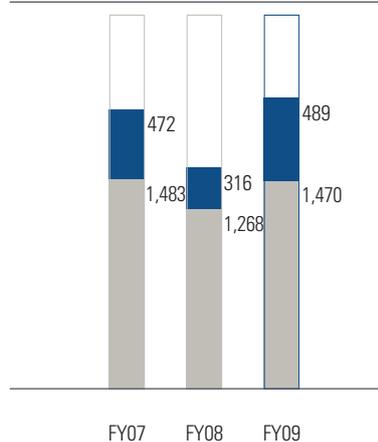
In contrast to aggressive foreign buying, domestic investors continued to reel from the trauma of the 2008 financial crisis. Depressed investor sentiment led to massive redemptions from equity-type funds. During FY2009, equity-type funds saw an outflow of KRW17 trillion whereas total bank deposits increased by approximately KRW100 trillion.

In FY2009, the KOSPI stood at 1,692.85pt, up 40.3% from a year earlier. KOSDAQ also gained 22.4%, closing at 515.74pt. The bullish market sparked a rise in stock market turnover. The daily trading value for the KOSPI market increased 13.7% to KRW5.8 trillion while that in the KOSDAQ market soared 82.8% to KRW2.3 trillion during the period.

Foreign investors were buyers whereas Korean institutional investors were sellers of Korean equities in FY2009. Foreigners stopped four consecutive-year selling sprees with net buying of KRW36 trillion. Accordingly, their holdings as a percentage of total market capitalization rose to 32%. On the other hand, Korean institutional investors recorded net selling of KRW27 trillion including KRW20 trillion by investment trust companies due mainly to fund redemptions.

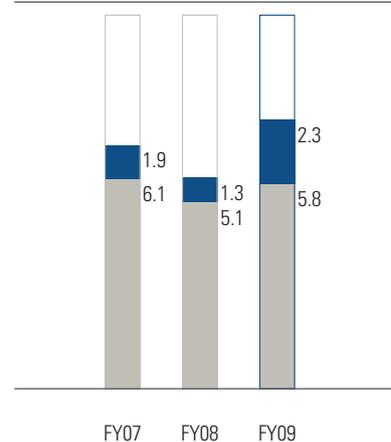
● Annual Trading Volume

(Unit: KRW trillion)



● Daily Average Trading Volume

(Unit: KRW trillion)



■ KOSDAQ ■ KOSPI

# 2

## EXECUTIVE SUMMARY

Abundant liquidity in the capital market caused by economic boosting measures by Korean government was attributable to big gain in the KOSPI index in FY2009. During the period, the stock market experienced increase in stock trading value and expansion of individual investors' weight. Our financial results also improved significantly in all business areas with net income of KRW319.1 billion, thus strengthening no. 1 position in the industry.

Brokerage business strengthened its undisputed leading position. Brokerage commission income increased 35% year-on-year to KRW530.1 billion, widening the gap on other securities firms. The rebounding economy and rising stock prices gave a boost to the primary market. Drawing on its competitive edge in the equity capital market (ECM), the investment banking business unit seized the largest market share in initial rights offering (IPO), rights issues and asset-backed securities (ABS). The wealth management business displayed growth in account balance and commissions led by growing sales of "Made-In-Daewoo" products. The overall balance in wealth management accounts increased by KRW11.8 trillion over the previous year to KRW39.7 trillion. The sales & trading business also recorded a significant increase in gains from trading. Meanwhile, SG&A expenses for the year grew by 24% to KRW593.8 billion, largely owing to an increase in variable labor cost associated with the improvement in operating performance.

### Summarized Income Statement

(Unit: KRW billion)

|  | FY09           | FY08         | FY07           |
|--|----------------|--------------|----------------|
| <b>Net operating revenue</b>                         | <b>1,048.8</b> | <b>702.8</b> | <b>1,012.5</b> |
| Brokerage commission                                 | 530.1          | 393.8        | 608.1          |
| IB commission  | 83.5           | 42.8         | 67.2           |
| Underwriting (stock)                                 | 20.5           | 4.5          | 8.9            |
| Underwriting (bond)                                  | 23.3           | 21.9         | 18.4           |
| PF and consulting                                    | 39.6           | 16.3         | 39.8           |
| WM commission  | 115.0          | 104.5        | 116.1          |
| Collective investment securities                     | 18.1           | 20.0         | 25.8           |
| Wrap account   | 16.0           | 10.1         | 11.2           |
| Trust  | 13.0           | 3.9          | 2.1            |
| Structured securities                                | 67.9           | 70.5         | 77.0           |
| Gain or loss on proprietary trading                  | 49.4           | △46.5        | 77.7           |
| Interest income (net)                                | 335.6          | 263.2        | 215.4          |
| Commission expenses etc.                             | △64.7          | △54.9        | △71.8          |
| <b>Selling, general, and administrative expenses</b> | <b>593.8</b>   | <b>478.3</b> | <b>537.1</b>   |
| Other operating income (net)                         | △42.9          | △20.7        | △13.3          |
| <b>Operating income</b>                              | <b>412.0</b>   | <b>203.8</b> | <b>462.1</b>   |
| Non-operating income (net)                           | 11.1           | 29.5         | 1.2            |
| <b>Income before income tax expenses</b>             | <b>423.1</b>   | <b>233.4</b> | <b>463.2</b>   |
| Income tax expenses                                  | 104.0          | 52.9         | 126.5          |
| <b>Net income</b>                                    | <b>319.1</b>   | <b>180.5</b> | <b>336.8</b>   |

# 3

## OPERATING RESULTS

### 1. Brokerage Business

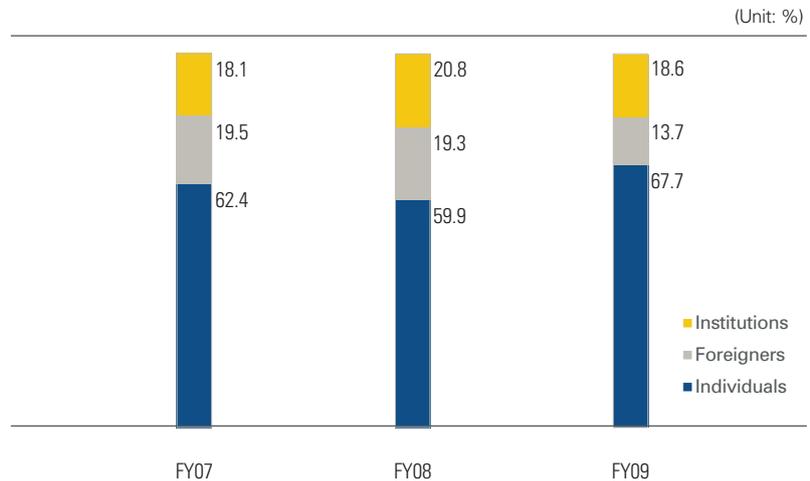
#### Maintaining unrivaled No. 1 position in the brokerage sector

Korean stock market showed a rapid recovery on the back of strong economic boosting measures such as low-interest policy and liquidity provision in FY2009. The KOSPI soared 40.3% to 1,692.85pt and the daily average trading volume also increased 34.6% to KRW9.2 trillion. During the period, the percentage of individual investors rose by 7.7%p to 67.7%. These favorable changes in the stock market made us create KRW530.1 billion of brokerage commission in FY2009 (KRW2.1 billion a day). Daewoo Securities which holds special strength in the offline brokerage sector based on extensive sales network enjoyed gains of market share from 7.2% in FY 2008 to 8.7% in FY2009.

#### Daewoo's M/S in Brokerage Business

|                    |         | FY09  | FY08  | FY07  |
|--------------------|---------|-------|-------|-------|
| Companywide        |         | 8.73% | 7.20% | 8.56% |
| Commission revenue | Stock   | 8.18% | 6.52% | 8.10% |
|                    | Futures | 0.21% | 0.27% | 0.16% |
|                    | Options | 0.34% | 0.40% | 0.31% |
| Turnover           | Stock   | 7.22% | 6.57% | 7.08% |
|                    | Futures | 6.49% | 7.21% | 7.34% |
|                    | Options | 3.83% | 2.98% | 3.73% |

#### ● Market Turnover Breakdown by Investor Type



# 3

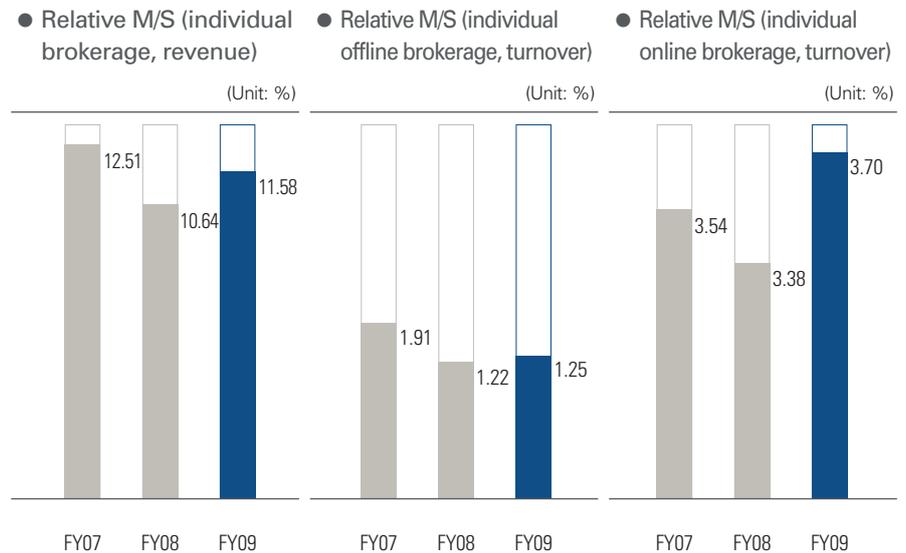
## OPERATING RESULTS

### Brokerage commission growth fueled by retail offline brokerage service

During the year, sales personnel received training to enable them to serve the role of private banker and to provide specialized investment consulting services to individual investors. The training bolstered retail sales power and Daewoo Securities seized the No.1 position in the retail brokerage market for the sixth consecutive year. Daewoo captured a relative market share of 11.6% based on commission from retail brokerage and widened its lead over the No.2 player to 2.2%p.

### Expansion of customer base in retail online brokerage market

Daewoo Securities further expanded its online customer base in FY2009 through its online discount brokerage service "Direct." This service was introduced in 2008 to expand the pool of younger clients. About 31,000 new accounts were opened in FY2009 and customer assets nearly doubled from KRW380 billion at the end of FY2008 to KRW710 billion at the end of FY2009. Daewoo's share of the overall online brokerage market (turnover basis) rose by 0.32%p to 3.70%.



# 3

## OPERATING RESULTS

### Expansion of trading infrastructure

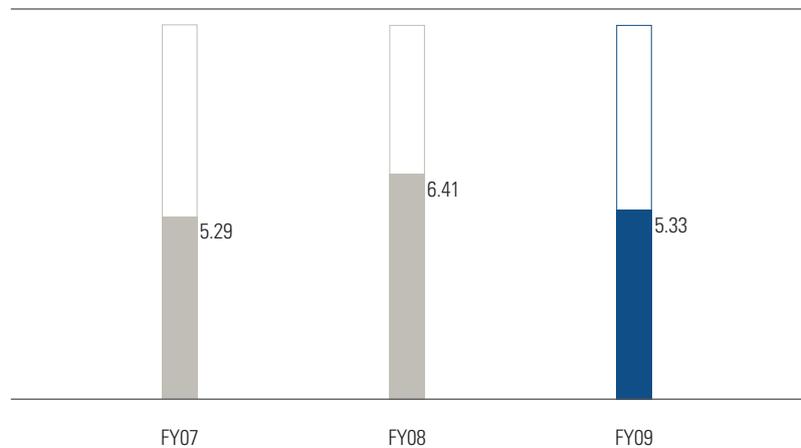
Daewoo Securities launched the home trading system (HTS) Qway NEO to offer more convenient transactions to customers and set up the smartphone mobile trading system (MTS) to enable transactions via smartphone. The scope of global trading service was extended to allow trading of B shares listed in the stock exchanges of Shanghai and Shenzhen through HTS. Direct trading service for Hong Kong-listed shares has been available since 2008.

### Among the top ranks in the institutional brokerage market

In addition to receiving high ratings from a diverse client base for its wholesale brokerage operations, Daewoo Securities was named “Best Institutional Sales Team” by Hankyung Business for the 10th time in a row in the publication’s half-yearly survey. With its superior execution capabilities and differentiated service, Daewoo is widening its lead over the nearest rival. However, the company’s market share inched down from the prior year to 5.33%. The contraction was brought on by adoption of the Financial Investment Services and Capital Markets Act which abolished the ceiling on orders an asset management firm can place with an affiliated securities company. Despite the absence of an asset management affiliate, Daewoo Securities will proceed with a profit-oriented strategy and sharpen its sales abilities to keep pace with the changing environment and uphold its market leadership.

#### ● Relative M/S (institutional brokerage, turnover)

(Unit: %)



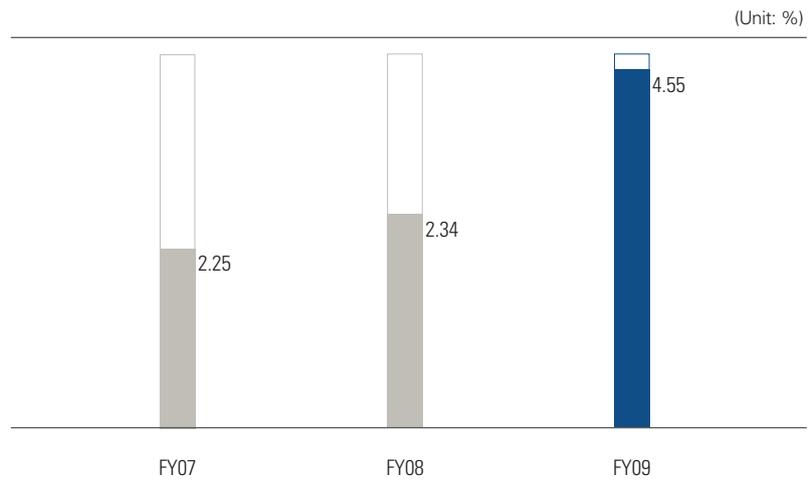
# 3

## OPERATING RESULTS

### Explosive growth in international brokerage business

The international business encompasses brokerage service for overseas institutional investors and related equity financing and equity swaps. In FY2009, foreign investors' share of market turnover slid by 5.6%p. Nevertheless, Daewoo Securities demonstrated robust growth in its international operations. The company's market share in international brokerage reached 4.55% in FY2009, a two-fold jump from 2.34% in FY2008, underpinned by a high-caliber sales team and enhanced DMA system. That placed Daewoo Securities in the No. 2 position in the international brokerage segment.

● Relative M/S (international brokerage, turnover)



Harnessing its industry-leading research, Daewoo held periodic marketing trips to meet with overseas institutional investors, non-deal roadshows (NDR) and the "Corporate Day" event. That combined with a speedy and stable DMA system allowed the company to win prominent new clients. In addition to the sales team at the headquarters, global equity sales teams have been created in subsidiaries in Hong Kong, New York and London. In a major brokerage poll, Daewoo Securities received votes from eight institutions as of the end of FY2009, a marked improvement over three institutions in FY2008. The company is presently drawing up a strategy to attract a Japanese pension fund as a new client in cooperation with a Qualified Foreign Institutional Investor (QFII).

A department for prime brokerage was set up in FY2009 in anticipation of a law for the creation of domestic hedge funds and expansion of the prime brokerage market in Korea. Lending has been designated as a core activity under this department and the business scope will be expanded to equity swaps and other products. The domestic prime brokerage market is still in its infancy but is fast growing. As a latecomer, Daewoo is strengthening its presence in this market by proactively responding to market changes.

# 3

## OPERATING RESULTS

### 2. Investment Banking Business

#### Commission from investment banking

Commission income from investment banking soared 95% year-on-year to KRW83.5 billion in FY2009. The traditional investment banking market, which includes IPOs and rights offerings, flourished amid a reviving economy and stock market. Reflective of its edge in ECM, Daewoo Securities recorded a sharp rise in equity underwriting commission as well as a jump in fee-based income from project financing and advisory service.

#### Leading the primary market with the largest market share

Securities issuance expanded in FY2009 as the primary market emerged from a slump. Growth was pronounced in the IPO segment which saw numerous mega deals. Growth was also noted for rights offerings and ABS issuance. Based on market share, Daewoo Securities captured the No.1 spot in IPO, rights issues and ABS. The company took second place in the equity-linked notes segment.

#### Investment Banking Performance by Sector

(Unit: KRW billion)

|  | FY09       | FY08       | FY07       |
|--|------------|------------|------------|
| <b>IPO</b>                             | <b>1st</b> | <b>1st</b> | <b>4th</b> |
| Daewoo Securities' underwriting amount | 1,504.2    | 150.9      | 163.2      |
| Total underwriting amount              | 5,926.1    | 728.5      | 2,552.8    |
| <b>Rights offering</b>                 | <b>1st</b> | <b>2nd</b> | <b>3rd</b> |
| Daewoo Securities' underwriting amount | 688.1      | 696.7      | 340.2      |
| Total underwriting amount              | 6,159.9    | 4,234.8    | 7,201.8    |
| <b>ABS</b>                             | <b>1st</b> | <b>1st</b> | <b>1st</b> |
| Daewoo Securities' underwriting amount | 3,319.4    | 2,373.0    | 2,309.6    |
| Total underwriting amount              | 21,107.9   | 15,577.0   | 14,366.7   |
| <b>Corporate bond</b>                  | <b>5th</b> | <b>3rd</b> | <b>4th</b> |
| Daewoo Securities' underwriting amount | 3,417.5    | 3,913.4    | 2,733.0    |
| Total underwriting amount              | 44,396.0   | 45,657.3   | 32,700.4   |

#### Investment Banking Market Share by Sector



# 3

## OPERATING RESULTS

### Outstanding track record through securing big deals in the IB market

#### I Equity Market I

Daewoo Securities maintained its leadership in the IPO market with a market share of 25.4%. The company served as lead manager for the KRW1.78 trillion IPO of Korea Life Insurance, the largest IPO in Korea at the time, and was behind the listing of Daewoo Securities Green Korea Special Purpose Acquisition Company (SPAC), the first vehicle of its kind in Asia. Daewoo also lead managed the IPO of Tong Yang Life Insurance, which was the first life insurer to be listed on the Korean stock market. Moreover, Daewoo Securities commanded the biggest share of the rights offering market. Daewoo was involved in the KRW724.5 billion rights offering of Hynix Semiconductor as well as the rights issuance by STX, Pyeongsan and Mysco. The company also led the block trade of shares of Woori Financial Group (KRW1,160 billion) and Hynix Semiconductor (KRW923.2 billion). Daewoo captured the second largest share of the equity-linked notes issuance market, serving as lead manager for the issuance of bond with warrants (BW) by Taihan Electric Wire, STX Offshore and Shipbuilding, and Namkwang Engineering & Construction.

#### I Debt Market I

Daewoo Securities was the market leader for the sixth year in a row in ABS issuance on the back of an improving economy, rising demand for debentures, and the company's knowhow in structured securities. Daewoo was involved in the Korea Credit Guarantee Fund's Primary CBO guarantee program designed to help SMEs facing financial difficulties and the issuance of secondary CBOs backed by a pool of bonds held by Korea Development Bank (KDB). Other deals during the year were securitization of project financing loans of top-ranked construction companies, non-performing loans (NPL), and mortgage backed securities (MBS). Separately, Daewoo Securities supported various companies in raising funds via issuance of corporate bonds. Particularly noteworthy was the issuance of KDB global bonds. As lead manager, Daewoo proved its capability in global bond issuance, an area that has been dominated by overseas investment banks.

#### I Advisory Market I

In the M&A advisory market, Daewoo Securities has been honing its abilities related to cross border deals by accumulating knowhow in the mid-size deal bracket and attracting high-caliber talent. Daewoo made strides in the private equity segment, raising KRW100 billion for the blind fund, Green Future PEF, in FY2009.

### Stable income generation from project financing and advisory

Based on a conservative approach, Daewoo Securities scaled back its position in project financing and focused on intermediary and advisory services that entail no risk. Income from project financing and advisory amounted to KRW39.6 billion in FY2009. The figure includes KRW11.2 billion in gains on the disposal of Hynix shares held by the company.

### External awards attest to investment banking capabilities

In recognition of its achievements, the investment banking business unit received various honors that enhanced the company's stature. Daewoo Securities was the winner in the IPO category at the 1st Hankyung IB Awards sponsored by Korea Economic Daily and Yonhap Infomax. Daewoo was also named best lead manager at the 7th MoneyToday IB Awards.

# 3

## OPERATING RESULTS

### Enhanced internal system for greater investor protection

Daewoo Securities implements stringent internal control processes, including internal reviews, to protect investors' interests while pursuing investment banking deals. The company is upgrading the deal process and maintains an internal deliberation body to review expected returns and appropriateness of all deals. The objective is to protect investors and manage reputation risk. For major deals, inspections are conducted by outside law firms and accounting firms for enhanced due diligence and an in-house system enables cross-checking with the pertinent departments.

### 3. Wealth Management (WM) Business

#### Growth in balance and commission from wealth management

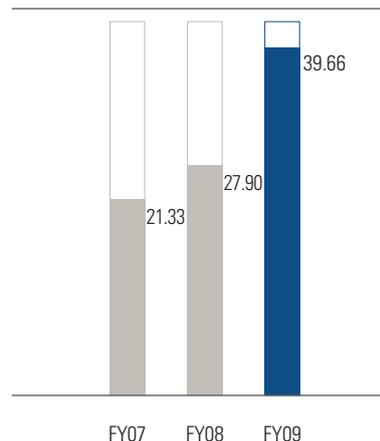
The balance in wealth management accounts grew by an impressive KRW11.8 trillion to KRW39.7 trillion at the end of FY2009. The balance in wrap accounts increased by KRW4.3 trillion to KRW10.3 trillion while the balance in trust accounts expanded by KRW3.2 trillion to KRW7.4 trillion. Commission from the wealth management business also showed significant growth. Commission amounted to KRW18.1 billion from collective investment securities, KRW16.0 billion from wrap accounts, KRW13.0 billion from trust accounts, and KRW22.0 billion from derivatives combined securities (KRW67.9 billion including trading margin).

#### Internal management capability gives a boost to Made-In-Daewoo products

The growth in balance and commission in FY2009 was the result of superior in-house management capability, which in turn helped to expand the offering of Made-In-Daewoo products and facilitate sales activities. The company reinforced employee training on wrap accounts and upgraded the management and monitoring system in order to enhance returns. To meet institutional investors' demands concerning short-term funds, Daewoo Securities introduced short-term products offering high yields. In the trust business, commission and balance were boosted by short-term products with competitive interest rates and the launch of high-yield products based on high interest deposits and derivatives. While aggressive marketing by small- and mid-size securities firms heightened competition in the ELS issuance market, Daewoo launched new products and capitalized on its retail and wholesale sales network. Consequently, Daewoo retained its market leadership for the third straight year, with ELS issuance totaling KRW2,205.9 billion and market share reaching 14.4%.

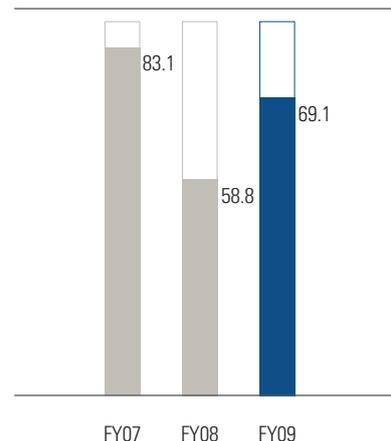
● Wealth Management Balance

(Unit: KRW trillion)



● Wealth Management Commission

(Unit: KRW billion)



\*Excluding trading margin from sales commissions on derivatives linked securities

# 3

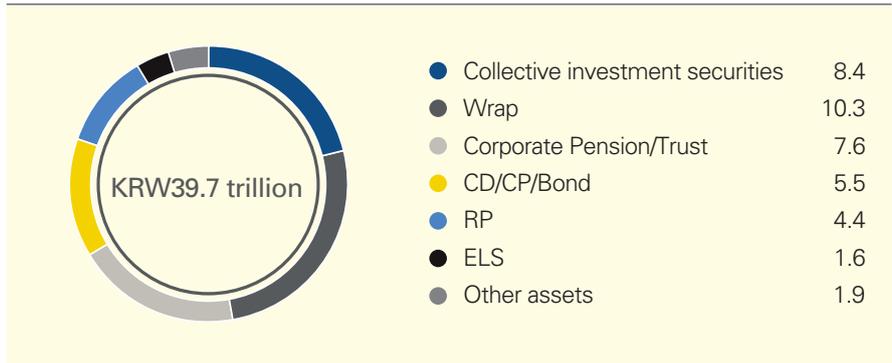
## OPERATING RESULTS

### Producing synergy with KDB Financial Group via One kdb products

Following the creation of KDB Financial Group in October 2009, Daewoo Securities introduced One kdb products offering stability and solid returns. Their launch paved the way for synergy with other group affiliates. Plans have been drawn up to introduce products that combine Daewoo Securities' investment products with Korea Development Bank's loans.

### Wealth Management Products

(Unit: KRW trillion)



### Wealth management brand - STORY

The wealth management brand STORY was launched in 2009. The brand name is based on the motivation that an individual's wealth management is a reflection of that person's life story. Under this brand, Daewoo Securities will deliver upgraded wealth management services with diverse products and provide optimal portfolios for clients through advanced management and analysis systems.

### Recognition for market-leading products

Daewoo Securities has received numerous awards for innovative products that have contributed to enhancing customer service and advancing the financial industry. "Star Portfolio" received an award for outstanding new product given by the Financial Supervisory Service. "Star Portfolio" presents clients with an optimal investment portfolio on a quarterly basis. For derivatives linked securities linked to interest rates, Daewoo won the 2009 Financial Service Innovation Award in the securities category given by MoneyToday.

# 3

## OPERATING RESULTS

### 4. Sales & Trading Business

#### Increased earnings contribution based on management and sales competencies

Daewoo Securities' sales and trading gains refer to income generated from the company's position in securities and investments. They include gains from stocks and stock futures, bonds, derivatives such as ELS, and principal investments.

#### I Fixed Income I

Bonds accounted for the largest proportion of gains from proprietary trading, with such gains amounting to KRW62.3 billion in FY2009. Market conditions were favorable as the government's low rate policy pulled down interest rates and diminishing credit risk narrowed credit spreads. With the trading balance growing to KRW9.9 trillion based on thorough market analysis and risk management, Daewoo Securities pursued a flexible strategy to maximize returns. When interest income of KRW255.6 billion from the bond position is included, total gains amount to KRW317.8 billion, implying that bond trading made a significant contribution to the company's overall income. Additionally, Daewoo ranked 2<sup>nd</sup> in the retail bond market, with retail bond sales, primarily comprising high grade bonds, jumping 86% year-on-year.

#### I Proprietary Trading I

In step with the reviving stock market, the average trading balance in equities increased from KRW35.6 billion in FY2008 to KRW85.5 billion in FY2009. Backed by an aggressive futures strategy, gains from stock and futures reached KRW29.8 billion. Gains from principal investments (valuation and disposal gains) were KRW26.8 billion, which included a contribution of KRW15.9 billion related to Daewoo Engineering & Construction.

#### I Derivatives I

Daewoo Securities has been spearheading the derivatives market since acquiring the OTC derivatives license in 2003. With new products that distinguish Daewoo from its competitors, the company ranked first in the ELS issuance market for three consecutive years. For its service as an ELW liquidity provider, Daewoo received an "A" rating from the Korea Exchange for six straight quarters. However, the company posted overall losses of KRW23.6 billion from derivatives (including ELS trading margin). The losses were mainly caused by valuation losses on ELS attributable to the ex-dividend effect.

### 5. Interest Income

Interest income increased 28% to KRW336.4 billion, mainly owing to the surge in interest on bonds from KRW177.5 billion to KRW255.6 billion. Main reason behind the surge in interest on bonds was an increase in bond balance which posted KRW9.9 trillion as at the end of the fiscal year compared to KRW6.7 trillion in the previous year-end. Increase in RP balance and bond position was attributable to a rise in bond balance. In the meantime, interest payment on RP declined substantially due to low interest environment. On the other hand, interest income from loans rose by KRW6.5 billion to KRW64.9 billion due mainly to increase in margin loans and loan receivable in the wake of bullish market while customer deposit related income plummeted by KRW19.3 billion to KRW28.7 billion due to a fall in interest on deposits with KSFC.

# 3

## OPERATING RESULTS

### 6. Selling, General & Administrative (SG&A) Expenses

SG&A expenses rose by 24% year-on-year to KRW593.8 billion, largely because improvement in operating performance required more variable labor expenses, which are linked to operating results. Labor expenses soared 132% to KRW148.8 billion from KRW64.2 billion recorded in the previous fiscal year. In addition, taxes and dues including education tax and securities-related tax increased by KRW107.0 billion while severance pay due to voluntary retirement plan implemented in February 2010 rose by KRW4.8 billion in FY2009. On the other hand, advertising expenses increased by KRW1.5 billion since we stepped up advertising through diverse channels except television.

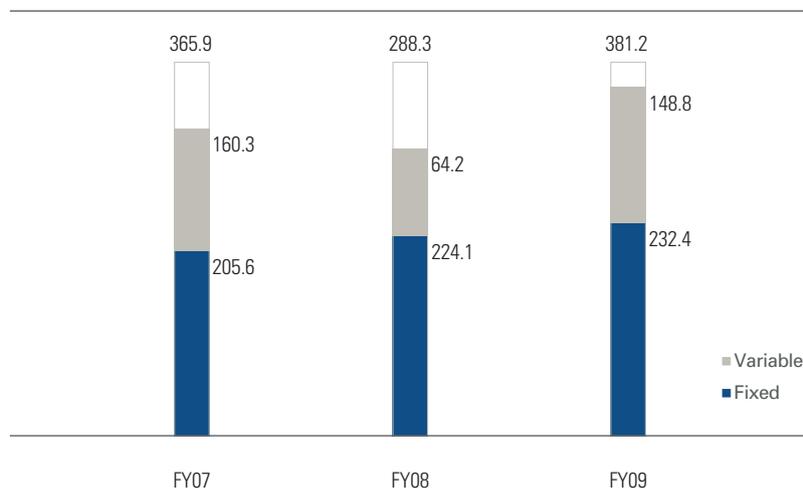
#### Selling, General & Administrative Expenses

(Unit: KRW billion)

|  | FY09         | FY08         | FY07         |
|--|--------------|--------------|--------------|
| Labor costs                                | 381.2        | 288.3        | 365.9        |
| Salaries                                   | 148.4        | 143.0        | 149.2        |
| Severance payments                         | 29.7         | 24.9         | 24.0         |
| Fringe benefits                            | 203.1        | 120.5        | 192.7        |
| Computer system operating expenses         | 20.2         | 19.6         | 19.7         |
| Rental expenses                            | 17.1         | 17.7         | 19.2         |
| Commissions paid                           | 7.5          | 7.1          | 6.7          |
| Entertainment expenses                     | 7.7          | 7.8          | 7.6          |
| Advertising expenses                       | 37.8         | 36.3         | 31.2         |
| Depreciation expenses                      | 23.1         | 22.8         | 17.2         |
| Research expenses                          | 1.2          | 2.1          | 0.5          |
| Training expenses                          | 3.2          | 3.8          | 4.0          |
| Amortization expenses on intangible assets | 10.2         | 6.2          | 3.0          |
| Taxes and dues                             | 31.0         | 20.3         | 21.9         |
| Others                                     | 53.6         | 46.2         | 40.3         |
| <b>Total</b>                               | <b>593.8</b> | <b>478.3</b> | <b>537.1</b> |

#### ● Variable & Fixed Salary Expenses

(Unit: KRW billion)



# 4

## FINANCIAL CONDITION

### Financial Condition

As of the end of FY2009, total assets stood at KRW17,503.8 billion, up by 23.0% from a year earlier (KRW14,225.1 billion). Total liabilities amounted to KRW14,647.8 billion (up 24.8%) and total shareholders' equity was KRW2,856.0 billion (up 14.7%). Daewoo Securities reaffirmed its financial stability and remained the industry leader in terms of shareholders' equity while widening the gap with the No.2 player. Marketable securities increased by 31.4% to KRW11,546.7 billion, mainly because bond holdings grew by KRW3,598.1 billion owing to the increase in RP balance and proprietary accounts. Derivatives shrank 25.3% to KRW221.7 billion due to exercising put options on Daewoo E&C. Loan assets surged by 63.5% to KRW1,017.6 billion due to increase in retail loans and securities in default.

Total liabilities increased by KRW2,912.4 billion to KRW14,647.8 billion, largely owing to the increases in customer deposits (up by KRW532.8 billion) and RP balance (up by KRW2,324.1 billion). Derivatives linked securities sold, RPs sold, customer deposits, and short/long-term borrowings respectively accounted for 23.5%, 41.5%, 16.8%, and 9.7% of total liabilities. Derivatives linked securities sold sagged down by 9.0% year-on-year to KRW3,442.8 billion while RPs sold increased 61.9% to KRW6,081.3 billion. Customer deposits were up 27.6% to reach KRW2,460.5 billion and short/long-term borrowings totaled KRW1,419.2 billion. As of the end of March 2010, total shareholders' equity was KRW2,856.0 billion, up by 14.7% from KRW2,489.8 billion recorded a year earlier. Capital stock was unchanged from a year ago at KRW1,020.9 billion. The total number of shares outstanding stood at 190,100,891 for common stock and 14,075,750 for preferred stock.

### Summarized Balance Sheet

(Unit: KRW billion)

|   | FY09            | FY08            | FY07            |
|---|-----------------|-----------------|-----------------|
| Cash and deposits                                 | 3,599.1         | 3,460.8         | 1,833.5         |
| Securities  | 11,546.7        | 8,788.7         | 8,441.8         |
| Derivatives                                       | 221.7           | 296.6           | 78.7            |
| Loans   | 1,017.6         | 622.3           | 1,032.7         |
| Tangible fixed assets                             | 424.3           | 426.0           | 244.8           |
| Others  | 694.3           | 630.7           | 423.0           |
| <b>Total assets</b>                               | <b>17,503.8</b> | <b>14,225.1</b> | <b>12,084.4</b> |
| Deposits  | 2,520.4         | 1,951.4         | 1,210.7         |
| Borrowings  | 11,329.7        | 9,224.2         | 7,908.7         |
| Other liabilities                                 | 797.7           | 559.7           | 539.8           |
| <b>Total liabilities</b>                          | <b>14,647.8</b> | <b>11,735.4</b> | <b>9,659.1</b>  |
| Paid-in capital                                   | 1,020.9         | 1,020.9         | 1,020.9         |
| Capital surplus                                   | 222.8           | 222.8           | 222.8           |
| Capital adjustments                               | -33.0           | -33.0           | -33.0           |
| Accumulated other comprehensive income            | 167.9           | 80.0            | 114.6           |
| Retained earnings                                 | 1,477.4         | 1,199.1         | 1,100.0         |
| <b>Total shareholders' equity</b>                 | <b>2,856.0</b>  | <b>2,489.8</b>  | <b>2,425.3</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>17,503.8</b> | <b>14,225.1</b> | <b>12,084.4</b> |

# 5

## NET CAPITAL RATIO

Daewoo Securities regularly measures and monitors the net capital ratio according to the standards set by the financial supervisory authorities in order to maintain financial soundness. The net capital ratio was introduced by the authorities as a way to promote the soundness of financial investment companies in a fast changing financial environment and ultimately to protect investors.

The net capital ratio is calculated by dividing the net working capital by total risk as of the day of calculation. Net working capital is obtained by subtracting illiquid assets from shareholders' equity. That is, total liabilities are subtracted from total assets, and then the necessary subtractions (eg, non-current assets) and additions (eg, debt without recourse) are made. Total risk is a quantification of losses that the company may incur if financial market conditions deteriorate. The figure includes market risk, credit risk, and operational risk.

As of March 2010, Daewoo Securities' net capital ratio stood at 434.8% (KRW2,267.3 billion in net working capital divided by KRW521.5 billion in total risk). The figure is above the legal requirement of 150% for securities businesses, the 200% requirement for dealing in new OTC derivatives, and the 300% required for listing of new ELS or ELW and to act as liquidity provider (LP). Surplus capital is obtained by subtracting total risk from net working capital and it indicates the ability of a financial investment company to meet its capital requirements. As of the end of March 2010, Daewoo Securities had surplus capital of KRW1,745.8 billion, the highest level in the industry.

### Net Capital Ratio

|                      | (Unit: KRW billion) |         |         |
|----------------------|---------------------|---------|---------|
|                      | FY09                | FY08    | FY07    |
| Net working capital  | 2,267.3             | 1,917.3 | 1,564.5 |
| Risk-weighted assets | 521.5               | 361.3   | 319.8   |
| Net capital ratio    | 434.8%              | 530.7%  | 489.2%  |
| Surplus capital      | 1,745.8             | 1,556.0 | 1,244.7 |

# 6

## RISK MANAGEMENT

### RISK MANAGEMENT PRINCIPLES

Risk is the potential loss that may arise in the course of conducting business. Therefore, efficient management of risk is the key to success for financial institutions. Opportunities for creating value would not exist without risk, but excessive risk exposure can lead to severe losses in corporate and shareholder value. Daewoo Securities' executive management fully understands the importance of effective risk management and strives to create the best value possible for both its shareholders and the company within an acceptable range of risks.

The risks that Daewoo Securities is exposed to in conducting business are classified into market, credit, liquidity, operational, legal, and reputation risks, and these must be comprehensively identified, monitored, and controlled. The company also mobilizes its most talented personnel and organizes its financial affairs to maintain risk management policies and systems that reflect global standards. Through these efforts, the company has secured both an industry leading performance and a stable level of capital adequacy as required by the financial supervisory board.

#### Risk Management System



Daewoo Securities maintains a companywide and comprehensive risk management system through diverse regulations, guidelines and standards. To begin with, the company prioritizes risk management issues according to government regulations and sets its own risk management regulations in order to achieve capital adequacy and stable risk management via the efficient management of risks and distribution of available investment resources. The company also operates a risk management committee which functions as the highest authority in the hierarchy of the risk management structure under the "risk management committee regulations." The company also operates the Proprietary Asset Risk Management Council and the Trust Asset Risk Management Council to deal with the details and the delegated issues of resolutions determined by the Committee. In addition, we established detailed risk guidelines to effectively manage risks by asset management type and risk exposure type. The guidelines include "Market Risk Management Guidelines," "Credit Risk Management Guidelines," "Liquidity Risk Management Guidelines," "Operational Risk Management Guidelines," "Overseas Network Risk Management Guidelines," and "Trust Asset Management Guidelines."

# 6

## RISK MANAGEMENT

In addition to the regulations, guidelines and standards related to risk management, Daewoo Securities has drawn up "Assessment Regulations" to promote stability and efficient follow-up on investments and credit lines extended. These regulations set forth procedures for principal investments, acquisitions and credit lines and for monitoring, recovery, and management of non-performing loans. The "Investment Review Committee Regulations" guide the activities of the Investment Review Committee on principal investments and other committee duties. Daewoo Securities has also drawn up "Principal Investment Management Guidelines," "Acquisition Review Guidelines," "Non-Performing Loan Management Guidelines," and "Real Estate Project Financing Risk Management Guidelines."

### Risk Management Organization

Daewoo Securities' risk management organization is comprised of a Risk Management Committee ("Committee"), a Proprietary Asset Risk Management Council, a Trust Asset Risk Management Council, an Investment Review Committee, a Chief Risk Officer, a Risk Management Department, an Investment & Credit Assessment Department, a risk manager from each business division level, and a risk reporter from every department, and an operational risk manager.

### Risk Management Organizational Chart



Comprised of more than three BOD members including at least one outside director, the Committee is at the head of the risk management-related decision making structure. The Committee prepares risk management strategies that correspond to the company's management strategies and supervises the risk management process. Major issues that the Committee reviews and resolves include enacting and revising risk management regulations, guidelines and systems, setting adequate capital ratio levels including risk appetite, approving criteria for judging liquidity crisis and contingency plans, approving total risk limits by year and quarter, setting liquidity risk limits, extending large-size credit lines, and approving improvements and major changes to the risk management system. The nomination and dismissal of Committee members is determined by the board of directors and the Committee chair is selected from among the members. In the event that it is impossible to call a Committee meeting in a risk-related emergency, the chair is entitled to authorize the suspension of the pertinent transaction or trust asset operation, readjustment of position, and other appropriate measures related to the pertinent department.

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## RISK MANAGEMENT

The Proprietary Asset Risk Management Council and the Trust Asset Risk Management Council deal with the details and the delegated issues of resolutions determined by the Committee and report the result to the Committee. The Proprietary Asset Risk Management Council's major functions include: approving the commencement of new transaction or introduction of new products, approving usage of and changes to price valuation models, approving issues related to the incorporation of policy position, approving criteria for evaluation of risk-adjusted performance of relevant departments, distributing limits approved by the Committee according to department and marketing activity, approving risks that exceed distributed limits, and approving changes to the routine risk management system. Members of the Council are assigned on an individual basis and the role of chair is held by the Chief Risk Officer (CRO). In the event of emergency related to issues dealt with by the Council, the chair of the Council is entitled to demand the suspension of the transaction, readjustment of position and appropriate measures related to the pertinent department and designated employee.

The Trust Asset Risk Management Council's major functions include: approving the commencement of new transaction or introduction of new products, approving the classification of trust assets acquired for the company's own accounts, valuing bonds for which price information provided by bond rating companies are not applicable, and approving risk in excess of the limit related to managing trust assets. Council members are appointed by the Committee and the executive officer in charge of trust assets serves as chair of the Council. In the event of emergency related to issues dealt with by the Council, the chair of the Council is entitled to demand the suspension of the transaction, readjustment of position and appropriate measures related to the pertinent department and designated employee.

The Investment Review Committee is the body responsible for conducting reviews on the company's investment transactions and is composed of executive officers. The Committee convenes regularly to facilitate investment decision-making. The Committee's major functions include conducting reviews on: principal investments exceeding a certain amount or the acquisition of assets for similar purposes; acquisitions and extension of credit lines; and designation of non-performing loans, position transfer and alternative prices for financial investments. The Chief Risk Officer (CRO) serves as chair of the Proprietary Asset Risk Management Council and the Investment Review Committee. The CRO presides over the meetings of the two bodies and has authority over the risk management organization. The CRO is also entitled to take appropriate measures in the event of an emergency concerning the company's risk management.

The risk management department builds a comprehensive risk management system and enhances risk management capacity so as to protect and enable the efficient usage of the company's equity capital, laying the foundation for sustainable growth. The risk management department executes risk management policies determined by the Committee or the Proprietary Asset Risk Management Council through appropriate procedures and systems, plans and controls all risk management-related issues and oversees the operation of the Committee or the Proprietary Asset Risk Management Council. The department also oversees reports on the current status of the company's asset management and reports on overall risk management issues to executive management. The Investment & Credit Assessment Department's major functions include: providing rational decisions based on comprehensive analysis of transactions related to principal investments, underwriting business and extension of credit lines; and follow-up after transactions are executed to

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## RISK MANAGEMENT

facilitate recovery. The department conducts reviews prior to the company's investment transactions independent from the sales departments and supports operation of the Investment Review Committee. Its responsibilities also extend to monitoring investment positions, recovery, and management of non-performing loans.

The risk manager, reporting to the division of the risk management department, works independently of transaction-related departments and assesses the operational positions and profit/loss of transactions and all related risk factors of each business division. The risk manager then reports the assessment results to the head of the division and notifies the risk management department. Risk reporters are selected from each transaction-related department to report on the current status of their departments' risk position and activities to the management of the transaction-related department and the division, and to report to the risk management department.

Operational risk managers are selected from each department and branch to manage operational risk works of relevant organizations such as (RCSA; Risk & Control Self Assessment), KRI (Key Risk Indicator) data input, and registration of loss cases.

### Management of Major Risk Factors

#### ● MARKET RISK

Market risk refers to the potential losses that the company may incur in the course of conducting asset management business due to changes in the market value of equity prices, interest rates and currency rates. Daewoo Securities mobilizes the standard market Value at Risk (VaR), set according to Korea's Financial Supervisory Service (FSS) regulations, and the internal market VaR, calculated by the company's internal risk management system, to monitor and control market risk. VaR calculates the maximum loss expected on an investment, over a given time period and given a specified degree of confidence level when the market price moves in an adverse direction under normal market conditions.

Although VaR is a good market risk measurement method, it fails to provide information on possible losses in cases exceeding a given confidence level, as it is calculated under the premise of normal market conditions. To mitigate VaR shortfalls, Daewoo Securities utilizes additional indicators to manage market risk such as sensitivity monitoring and stress testing.

Daewoo Securities produces assessment and analysis reports on current market risk on a daily, weekly and monthly basis for submission to the top management. The reports also contain the current status of loss limit monitoring, assessments of major company assets, the results of crisis scenario analysis and the current status of capital adequacy.

#### ● CREDIT RISK

Credit risk refers to the losses that Daewoo Securities would incur if a counterparty or an issuer of securities or other instruments held by the company failed to fulfill its contractual obligations, or upon a deterioration in the credit quality of a third party, whose securities or other instruments, including OTC derivatives, are held by the company. To reduce our credit exposure, we assign exposure limits that vary according to the counterparty or their credit rating and utilize the standard model to maintain an appropriate level of capital adequacy through controlling VaR credit limits. Additionally, through regular monitoring - usually, weekly and monthly - of the current credit risk status; we focus on monitoring major counterparties in which we have excessive exposure.

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## RISK MANAGEMENT

Transactions involving credit risk are usually difficult to securitize due to their large volume. Therefore, proactive risk management strategies are imperative. Considering this characteristic of credit risk, Daewoo Securities undertakes mandatory proactive inspections of all transactions involving credit risk to reflect both qualitative and quantitative analyses in the inspection report process.

### ● LIQUIDITY RISK

Liquidity risk generally occurs in two types of situations. In the first, market liquidity risk may occur when a firm is unable to offset or eliminate a position without significantly affecting the market price because of inadequate market depth or market disruption. In the second, prudential liquidity risk may occur when a company is unable to maintain minimum liquidity ratios. To measure liquidity risks, Daewoo Securities operates a liquidity risk management system and uses liquidity gap and liquidity ratios as key indicators.

Daewoo Securities reports the liquidity risk status on a weekly and monthly basis to the executive management while the financial department also reports the current situation to the management regularly. In addition to managing normal liquidity risk, Daewoo Securities has drawn up emergency plans to deal with any liquidity crisis that may arise. Crisis situations are classified into the three categories of caution, alert and risk depending on the company's liquidity conditions and stability in the financial markets. Specific action plans have been prepared for each phase. Financial market stability is monitored based on indicators that take into account the attributes of each management department and the senior management is briefed on a regular basis.

### ● OPERATIONAL RISK

Operational risk is the risk of loss arising from shortcomings or failures in internal processes, people or systems, and from external events. Daewoo Securities uses the value chain analysis for systematic assessment of the companywide work process. This enables sophisticated operational risk management as well as efficient control of overall processes. We have in place an operational risk management system for loss monitoring, risk & control self-assessment, key risk indicator management and risk measurement. In order to prevent repeat occurrences, the system collects data on past incidences of loss events and analyzes their root causes and types. Regular risk and control self-assessments facilitate the day-to-day monitoring of risk at the companywide level for effective management of operational risk factors, event types and countermeasures. The selection of key risk indicators also enables us to mitigate operational risk. For calculation of operational VaR, we use both the standard model recommended by financial and investment industry regulations and our internal model (AMA; Advanced Measurement Approach).

### ● LEGAL RISK

Legal risk is the potential loss that the company may incur due to unexpected changes and / or the adverse impact of shortfalls in contracts and / or legal translations or changes in laws and regulations governing securities firms. Daewoo Securities includes these legal risks in its operational risk management system and assigns a legal affairs department to exclusively handle legal risk.

# FINANCIAL STATEMENTS

|                              |                                  |                      |   |                                 |                          |   |
|------------------------------|----------------------------------|----------------------|---|---------------------------------|--------------------------|---|
| Independent Auditor's Report | Statements of Financial Position | Statements of Income | Statements of Appropriations of Retained Earnings | Statements of Changes in Equity | Statements of Cash Flows | Internal Control over Financial Reporting Review Report |
| 39                           | 40                               | 42                   | 43  | 44                              | 45                       | 47  |

# INDEPENDENT AUDITOR'S REPORT

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## The Board of Directors and Stockholders Daewoo Securities Co., Ltd.

We have audited the accompanying statement of financial position of Daewoo Securities Co., Ltd. (the "Company") as of March 31, 2010, and the related statements of income, appropriation of retained earnings, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company as of March 31, 2009, presented for comparative purposes, were audited by Dasan Accounting Firm whose report dated May 19, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Daewoo Securities Co., Ltd. as of March 31, 2010, and the results of its operations, its changes in retained earnings and equity, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the Republic of Korea.

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations, changes in retained earnings and equity, and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those who are knowledgeable about Korean accounting principles and auditing standards and their application in practice.

May 17, 2010

A handwritten signature in black ink that reads 'Ernst &amp; Young Han Young'.

This audit report is effective as of May 17, 2010, the independent auditors' report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the auditors' report date to the time this audit report is used. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

# STATEMENTS OF FINANCIAL POSITION

As of March 31, 2010 and 2009

## Daewoo Securities Co., Ltd.

(Korean won in thousands)

|   | 2010                    | 2009                    |
|---|-------------------------|-------------------------|
| <b>Assets</b>   |                         |                         |
| Cash and deposits:  |                         |                         |
| Cash and cash equivalents   | ₩ 739,606,448           | ₩ 763,420,286           |
| Reserve for claims of customers' deposits (trust)   | 2,225,330,301           | 1,586,266,292           |
| Margin deposits for exchange-traded derivatives   | 6,682,589               | 6,477,627               |
| Long-term due from financial institutions   | 615,309,355             | 1,088,901,069           |
| Others  | 12,213,260              | 15,729,134              |
| Total cash and deposits   | 3,599,141,953           | 3,460,794,408           |
| Securities:   |                         |                         |
| Trading securities  | 7,743,248,127           | 7,106,981,197           |
| Available-for-sale securities   | 3,211,190,421           | 509,774,939             |
| Equity method investments   | 111,953,780             | 122,213,441             |
| Hybrid debt securities acquired   | 480,318,424             | 1,049,737,078           |
| Total securities  | 11,546,710,752          | 8,788,706,655           |
| Derivatives assets  | 221,745,779             | 296,586,014             |
| Loans:  |                         |                         |
| Broker's loans, net of allowance of ₩4,032,128 thousand<br>(March 31, 2009: ₩2,313,722 thousand)            | 802,286,380             | 460,323,690             |
| Loans purchased, net of allowance of ₩43,614,467 thousand<br>(March 31, 2009: ₩37,911,717 thousand)         | 88,358,007              | 125,129,950             |
| Advances for customers, net of allowance of ₩17,833,113 thousand<br>(March 31, 2009: ₩119,628,829 thousand) | 384,900                 | 581,626                 |
| Other loans, net of allowance of ₩35,708,742 thousand<br>(March 31, 2009: ₩29,893,297 thousand)             | 126,605,576             | 36,293,379              |
| Total loans   | 1,017,634,863           | 622,328,645             |
| Property and equipment, net   | 424,256,020             | 426,010,518             |
| Other assets:   |                         |                         |
| Receivables   | 355,769,077             | 298,671,746             |
| Accrued income  | 93,768,416              | 110,381,329             |
| Advanced payments   | 38,939,660              | 38,412,135              |
| Prepaid expenses  | 10,732,827              | 8,962,641               |
| Prepaid income tax  | -                       | 29,310,851              |
| Guarantee deposits  | 106,281,809             | 100,458,588             |
| Collective funds for default losses   | 7,616,604               | 7,108,824               |
| Intangible assets, net  | 41,617,026              | 20,845,277              |
| Others  | 39,605,167              | 16,527,011              |
| Total other assets  | 694,330,586             | 630,678,402             |
| <b>Total assets</b>   | <b>₩ 17,503,819,953</b> | <b>₩ 14,225,104,642</b> |

(Continued)

Daewoo Securities Co., Ltd.

(Korean won in thousands)

|   | 2010                    | 2009                    |
|---|-------------------------|-------------------------|
| <b>Liabilities and equity</b>                       |                         |                         |
| Liabilities:  |                         |                         |
| Deposits received:                                  |                         |                         |
| Customers' deposits:                                |                         |                         |
| Customers' deposits for stock trading               | ₩ 1,468,028,892         | ₩ 1,533,239,780         |
| Customers' deposits for futures and options trading | 862,039,829             | 281,845,725             |
| Customers' deposits for savings                     | 19,547,509              | 22,532,753              |
| Customers' deposits for fund investments            | 105,851,186             | 13,892,828              |
| Others  | 5,041,254               | 76,223,503              |
| Total customers' deposits                           | 2,460,508,670           | 1,927,734,589           |
| Guarantee deposits received                         | 24,934,954              | 23,677,501              |
| Others  | 34,983,820              | -                       |
| Hybrid debt securities acquired                     | 2,520,427,444           | 1,951,412,090           |
| Borrowing liabilities:                              |                         |                         |
| Call money  | 700,200,000             | 545,900,000             |
| Borrowings  | 360,000,000             | 260,000,000             |
| Bonds sold under repurchase agreements              | 6,081,255,837           | 3,757,198,677           |
| Derivatives liabilities                             | 169,525,163             | 496,196,747             |
| Securities sold                                     | 216,130,114             | 78,811,432              |
| Debentures  | 359,002,506             | 299,518,043             |
| Hybrid debt securities sold                         | 3,442,791,634           | 3,784,191,194           |
| Others  | 795,768                 | 2,410,979               |
| Total borrowing liabilities                         | 11,329,701,022          | 9,224,227,072           |
| Other liabilities:                                  |                         |                         |
| Accounts payable                                    | 318,554,363             | 259,175,408             |
| Accrued expenses                                    | 84,971,759              | 61,617,339              |
| Tenants deposits                                    | 32,514,632              | 33,902,233              |
| Unearned income                                     | 3,537,197               | 5,469,951               |
| Severance and retirement benefits, net              | 107,292,675             | 90,336,805              |
| Deferred income tax liabilities                     | 15,875,838              | 75,459,290              |
| Funding receivables                                 | 234,908,999             | 33,753,956              |
| Total other liabilities                             | 797,655,463             | 559,714,982             |
| Total liabilities                                   | 14,647,783,929          | 11,735,354,144          |
| Equity:   |                         |                         |
| Capital stock:                                      |                         |                         |
| Common stock  | 950,504,455             | 950,504,455             |
| Preferred stock                                     | 70,378,750              | 70,378,750              |
| Paid in capital in excess of par value              | 1,020,883,205           | 1,020,883,205           |
| Capital adjustment                                  | 222,792,047             | 222,792,047             |
| Capital adjustment                                  | (32,969,980)            | (32,969,980)            |
| Accumulated other comprehensive income              | 167,888,469             | 79,969,532              |
| Retained earnings                                   | 1,477,442,283           | 1,199,075,694           |
| Total equity  | 2,856,036,024           | 2,489,750,498           |
| <b>Total liabilities and equity</b>                 | <b>₩ 17,503,819,953</b> | <b>₩ 14,225,104,642</b> |

# STATEMENTS OF INCOME

For the years ended March 31, 2010 and 2009

## Daewoo Securities Co., Ltd.

(Korean won in thousands, except per share amounts)

|   | 2010               | 2009               |
|---|--------------------|--------------------|
| <b>Operating revenues:</b>                            |                    |                    |
| Commission income                                     | ₩ 721,922,332      | ₩ 552,216,645      |
| Gain on valuation and disposal of securities          | 1,494,573,072      | 1,628,514,476      |
| Gain on derivative transactions                       | 1,757,860,165      | 1,620,991,762      |
| Interest income                                       | 508,330,354        | 501,107,889        |
| Gain on valuation and disposal of loans               | 7,696,306          | 125,000            |
| Gain on foreign currency transactions and translation | 25,528,976         | 33,308,722         |
| Other operating income                                | 76,019,493         | 108,839,821        |
|   | 4,591,930,698      | 4,445,104,315      |
| <b>Operating expenses:</b>                            |                    |                    |
| Commission expense                                    | 69,319,960         | 57,901,933         |
| Loss on valuation and disposal of securities          | 2,045,739,497      | 1,281,769,408      |
| Loss on derivative transactions                       | 1,153,971,282      | 2,012,736,961      |
| Interest expense                                      | 240,859,904        | 314,967,128        |
| Loss on valuation and disposal of loans               | 25,570,275         | 25,767,551         |
| Loss on foreign currency transactions and translation | 20,211,248         | 22,894,108         |
| General and administrative expenses                   | 593,839,979        | 478,250,714        |
| Other operating expenses                              | 30,406,688         | 46,981,152         |
|   | 4,179,918,833      | 4,241,268,956      |
| <b>Operating income</b>                               | <b>412,011,865</b> | <b>203,835,359</b> |
| <b>Non-operating income:</b>                          |                    |                    |
| Gain on disposal of property and equipment            | 8,839              | 7,697              |
| Rental income   | 10,432,868         | 9,334,737          |
| Gain on valuation of equity method investments        | 3,494,674          | 3,010,460          |
| Gain on disposal of equity method investments         | 1,234              | -                  |
| Other non-operating income                            | 3,669,929          | 23,393,014         |
|   | 17,607,544         | 35,745,908         |
| <b>Non-operating expense:</b>                         |                    |                    |
| Loss on disposal of property and equipment            | 227,176            | 174,331            |
| Loss on valuation of equity method investments        | 673,688            | 3,381,100          |
| Donations   | 1,253,007          | 415,714            |
| Other non-operating expenses                          | 4,340,670          | 2,253,401          |
|   | 6,494,541          | 6,224,546          |
| <b>Income before income taxes</b>                     | <b>423,124,868</b> | <b>233,356,721</b> |
| <b>Provision for income taxes</b>                     | <b>104,036,748</b> | <b>52,852,860</b>  |
| <b>Net income</b>                                     | <b>319,088,120</b> | <b>180,503,861</b> |
| <b>Earnings per share:</b>                            |                    |                    |
| Basic   | ₩ 1,567            | ₩ 887              |

# STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

For the years ended March 31, 2010 and 2009

## Daewoo Securities Co., Ltd.

(Korean won in thousands)

|  | 2010                   | 2009                   |
|--|------------------------|------------------------|
| Retained earnings before appropriations:                                       |                        |                        |
| Unappropriated retained earnings carried forward from the prior year           | ₩ 1,125,740,601        | ₩ 990,030,425          |
| Net income for the year  | 319,088,120            | 180,503,861            |
|  | 1,444,828,721          | 1,170,534,286          |
| Appropriations:  |                        |                        |
| Long-term due from financial institutions                                      |                        |                        |
| Legal reserve  | 10,180,391             | 4,072,153              |
| Dividend   | 101,803,907            | 40,721,532             |
|  | 111,984,298            | 44,793,685             |
| <b>Unappropriated retained earnings to be carried forward to the next year</b> | <b>₩ 1,332,844,423</b> | <b>₩ 1,125,740,601</b> |

# STATEMENTS OF CHANGES IN EQUITY

For the years ended March 31, 2010 and 2009

## Daewoo Securities Co., Ltd.

(Korean won in thousands)

|   | Capital stock   | Capital surplus | Capital adjustment | Accumulated other comprehensive income | Retained earnings | Total           |
|---|-----------------|-----------------|--------------------|--|-------------------|-----------------|
| As of April 1, 2009   | ₩ 1,020,883,205 | ₩ 222,792,047   | ₩ (32,969,980)     | ₩ 79,969,533                           | ₩ 1,199,075,694   | ₩ 2,489,750,499 |
| Dividend  | -               | -               | -                  | -                                      | (40,721,532)      | (40,721,532)    |
| Net income  | -               | -               | -                  | -                                      | 319,088,120       | 319,088,120     |
| Gain on valuation of available-for-sale securities                        | -               | -               | -                  | 99,014,900                             | -                 | 99,014,900      |
| Changes in share of other comprehensive income of equity method investees | -               | -               | -                  | (11,095,963)                           | -                 | (11,095,963)    |
| As of March 31, 2010  | ₩ 1,020,883,205 | ₩ 222,792,047   | ₩ (32,969,980)     | ₩ 167,888,470                          | ₩ 1,477,442,282   | ₩ 2,856,036,024 |
| As of April 1, 2008   | ₩ 1,020,883,205 | ₩ 222,792,047   | ₩ (32,969,980)     | ₩ 114,577,249                          | ₩ 1,100,015,121   | ₩ 2,425,297,642 |
| Dividend  | -               | -               | -                  | -                                      | (81,443,288)      | (81,443,288)    |
| Net income  | -               | -               | -                  | -                                      | 180,503,861       | 180,503,861     |
| Gain on valuation of available-for-sale securities                        | -               | -               | -                  | (53,543,157)                           | -                 | (53,543,157)    |
| Changes in share of other comprehensive income of equity method investees | -               | -               | -                  | 18,935,441                             | -                 | 18,935,441      |
| As of March 31, 2009  | ₩ 1,020,883,205 | ₩ 222,792,047   | ₩ (32,969,980)     | ₩ 79,969,533                           | ₩ 1,199,075,694   | ₩ 2,489,750,499 |

# STATEMENTS OF CASH FLOWS

For the years ended March 31, 2010 and 2009

## Daewoo Securities Co., Ltd.

(Korean won in thousands)

|   | 2010          | 2009            |
|---|---------------|-----------------|
| Cash flows from operating activities:   |               |                 |
| Net income  | ₩ 319,088,120 | ₩ 180,503,861   |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |               |                 |
| Provision for severance and retirement benefits   | 29,719,572    | 24,913,972      |
| Depreciation  | 23,131,677    | 22,831,643      |
| Long-term due from financial institutions   | 54,474,834    | 30,826,592      |
| Gain on valuation of trading securities, net  | (84,459,925)  | (83,217,197)    |
| Gain on disposal of available-for-sale securities, net                                      | (45,264,351)  | (17,613,501)    |
| Loss on valuation of available-for-sale securities, net                                     | 1,669,155     | 81,837,496      |
| Impairment loss on available-for-sale securities, net                                       | 7,481,246     | 8,145,699       |
| Loss on valuation of securities sold , net  | 2,609,751     | 1,004,778       |
| Loss (gain) on valuation of hybrid debt securities acquired, net                            | (154,230,126) | 299,006,489     |
| Loss (gain) on valuation of hybrid debt securities sold, net                                | 477,407,426   | (799,820,269)   |
| Hybrid debt securities acquired   | (192,307,129) | 260,428,209     |
| Amortization of discount on debenture issued  | 554,863       | 411,137         |
| Amortization of present value discounts   | (1,006,526)   | (69,013)        |
| Gain on foreign exchange translation, net   | (351,799)     | (2,656,486)     |
| Gain on valuation of reserve for claims of customers' deposits                              | (52,521,273)  | (59,875,524)    |
| Loss (gain) on valuation of equity method securities, net                                   | (2,820,985)   | 370,640         |
| Others  | 12,814,532    | 3,568,853       |
| Changes in operating assets and liabilities:  |               |                 |
| Deposits  | (109,865,014) | (1,215,741,549) |
| Trading securities  | (592,306,507) | (1,373,766,150) |
| Hybrid debt securities acquired   | 723,648,781   | 597,985,792     |
| Derivatives assets  | 367,036,271   | (476,827,862)   |
| Broker's loans  | (343,681,096) | 333,285,560     |
| Loans purchased   | 25,219,193    | 46,788,333      |
| Receivables   | (48,463,461)  | (142,264,162)   |
| Accrued income  | 16,612,850    | (27,931,941)    |
| Other assets  | (42,939,442)  | (30,057,568)    |
| Customers' deposits   | 532,774,136   | 741,182,729     |
| Securities sold   | 134,708,932   | 53,460,895      |
| Hybrid debt securities sold   | (818,806,986) | 928,090,073     |
| Derivatives liabilities   | (443,381,789) | 454,901,913     |
| Payment of severance and retirement benefits  | (12,160,669)  | (9,094,513)     |
| Accrued income taxes  | 179,540,316   | (98,266,218)    |
| Accounts payable  | 38,977,481    | 88,053,716      |
| Accrued expenses  | 23,354,420    | (287,657)       |
| Unearned income   | (1,932,754)   | (6,001,333)     |
| Deferred income tax liabilities   | (87,609,065)  | 58,325,444      |

(Continued)

## STATEMENTS OF CASH FLOWS (CONT'D)

For the years ended March 31, 2010 and 2009

### Daewoo Securities Co., Ltd.

(Korean won in thousands, except per share amounts)

|  | 2010            | 2009          |
|--|-----------------|---------------|
| Withholding income taxes                                     | ₩ 7,318,603     | ₩ (6,002,798) |
| Other liabilities  | 77,040,415      | (7,860,332)   |
| Total adjustments  | (298,014,443)   | (321,934,110) |
| Net cash provided by (used in) operating activities          | 21,073,677      | (141,430,249) |
| Decrease (increase) in available-for-sale securities, net    | (2,550,234,746) | 66,228,087    |
| Decrease (increase) in call loan, net                        | (50,000,000)    | 55,000,000    |
| Proceeds from disposal of property and equipment             | 291,143         | 52,771        |
| Acquisition of property and equipment                        | (21,886,658)    | (204,245,844) |
| Decrease (increase) in collective fund for default loss, net | (507,779)       | 844,007       |
| Proceeds from disposal equity method investments             | 4,804,251       | -             |
| Acquisition of equity method investments                     | (2,720,000)     | (18,996,000)  |
| Increase in intangible assets                                | (7,020,922)     | (10,081,650)  |
| Increase of other assets                                     | (11,175,219)    | (36,365,697)  |
| Net cash used in investing activities                        | (2,638,449,930) | (109,572,326) |
| Cash flows from financing activities:                        |                 |               |
| Proceeds from call money, net                                | 154,300,000     | 49,900,000    |
| Proceeds from borrowings, net                                | 100,000,000     | 60,000,000    |
| Proceeds from issuance of debenture                          | 58,929,600      | -             |
| Increase in bonds sold under repurchase agreements, net      | 2,324,057,160   | 569,532,655   |
| Decrease in other borrowing liabilities                      | (1,615,212)     | (1,726,802)   |
| Increase in rental deposits received                         | (1,387,601)     | 3,744,739     |
| Payment of dividends   | (40,721,532)    | (81,443,287)  |
| Net cash provided by financing activities                    | 2,593,562,415   | 600,007,305   |
| Net increase (decrease) in cash and cash equivalents         | (23,813,838)    | 349,004,730   |
| Cash and cash equivalents at beginning of year               | 763,420,286     | 414,415,556   |
| Cash and cash equivalents at end of year                     | ₩ 739,606,448   | ₩ 763,420,286 |

# INTERNAL CONTROL OVER FINANCIAL REPORTING REVIEW REPORT

Taeyoung Bldg., 10-2, Yeouido-dong,  
Yeongdeungpo-gu, Seoul 150-777 Korea

TEL: +82-2-3787-6600, FAX: +82-2-783-5890  
[www.ey.com/kr](http://www.ey.com/kr)

## The Chief Executive Officer Daewoo Securities Co., Ltd.

We have reviewed the accompanying management's report on the operations of the internal control over financial reporting ("ICFR") of Daewoo Securities Co., Ltd. (the "Company") as of March 31, 2010. The Company's management is responsible for the design and operations of its ICFR, including the reporting of its operations. Our responsibility is to review management's ICFR report and issue a report based on our review. Management's report on the operations of the ICFR of the Company states that "Based on the assessment of the operations of the ICFR, the Company's ICFR has been effectively designed and has operated as of March 31, 2010, in all material respects, in accordance with the ICFR standard."

We conducted our review in accordance with the ICFR review standards established by the Korean Institute of Certified Public Accountants. These standards require that we plan and perform our review to obtain less assurance than an audit as to management's report on the operations of the ICFR. A review includes the procedures of obtaining an understanding of the ICFR, inquiring as to management's report on the operations of the ICFR and performing a review of related documentation within limited scope, if necessary.

A company's ICFR consists of an establishment of related policies and organization to ensure that it is designed to provide reasonable assurance on the reliability of financial reporting and the preparation of financial statements for external financial reporting purposes in accordance with accounting principles generally accepted in the Republic of Korea. However, because of its inherent limitations, the ICFR may not prevent or detect material misstatements of the financial statements. Also, projections of any assessment of the ICFR on future periods are subject to the risk that ICFR may become inadequate due to the changes in conditions, or that the degree of compliance with the policies or procedures may be significantly reduced.

Based on our review of management's report on the operations of the ICFR, nothing has come to our attention that causes us to believe that management's report referred to above is not presented fairly, in all material respects, in accordance with the ICFR standards.

We conducted our review of the ICFR in place as of March 31, 2010, and we did not review the ICFR subsequent to March 31, 2010. This report has been prepared for Korean regulatory purposes pursuant to the Act on External Audit for Stock Companies, and may not be appropriate for other purposes or for other users.

May 17, 2010

This report is annexed in relation to the audit of the financial statements as of March 31, 2010 and the review of internal accounting control system pursuant to Article 2-3 of the Act on External Audit for Stock Companies of the Republic of Korea.

# CORPORATE HISTORY

## 2010

Mar. 03 Listing of Daewoo Securities Green Korea SPAC (First of its kind in Asia)

## 2009

Oct. 28 Establishment of KDB Financial Group / Majority shareholder changed to KDB Holding Company  
Apr. 22 Strategic business alliance (MOU agreement) with Shinhan Card  
Mar. 02 Strategic business alliance (MOU agreement) with Woori Bank

## 2008

Dec. 02 Re-registered license on previous businesses under Capital Market Act  
Nov. 25 Re-acquired license on previous businesses under Capital Market Act  
Nov. 17 Established Beijing Representative Office  
Aug. 18 Repurchased the headquarter office building located in Youido-dong Seoul  
Jun. 13 Launched bank-related on-line service 'Direct we'  
Jun. 02 Alliance (MOU Agreement) with KAIST Graduate School of Finance  
Mar. 10 Strategic business alliance (MOU agreement) with Kazakhstan Halyk Finance  
Feb. 19 Strategic business alliance (MOU agreement) with Malaysia Commerce International Merchant Bankers (CIMB)  
Feb. 03 Opened next generation IT system named 'BESTezOn'

## 2007

Dec. 17 Strategic business alliance (MOU agreement) with NHN  
Dec. 10 Strategic business alliance (MOU agreement) with Pusan Bank  
Oct. 23 Strategic business alliance (MOU agreement) with China Galaxy Securities  
Oct. 09 Established Ho Chi Minh Representative Office  
Aug. 29 Strategic business alliance (MOU agreement) with Daegu Bank  
Aug. 06 Strategic business alliance (MOU agreement) with Brazil Itau Finance Group  
Aug. 01 Established 1st Wealth Management Center in Dogok-dong Seoul  
Jul. 13 Invested in eTrading Securities in Jakarta, Indonesia  
Jun. 25 Strategic business alliance (MOU agreement) with Vietnam Baoviet Securities  
May 04 Opening ceremony of Daewoo Securities Table Tennis Team 'Tornado'  
Mar. 22 Launched Daewoo Securities' CMA service  
Jan. 16 Strategic business alliance (MOU agreement) with Mitsubishi UFJ Securities

## 2006

Jul. 03 Re-opened Tokyo Representative Office  
Jun. 12 Launched On-mate service

## 2005

Sep. 23 Announced new corporate identity

## 2002

Oct. 11 Sales of OTC derivatives business authorized, the first in the industry to be authorized

## 2001

Oct. 15 Launched "BESTez Qway," cyber trading system

## 2000

Jul. 22 Established IT Control Room  
Jan. 20 Introduced enterprise resource planning system (ERP)

## 1999

Oct. 01 Separation from Daewoo Group  
Aug. 30 Majority shareholder changed to bank consortium from Daewoo Group

## 1994

Sep. 29 Established subsidiary in Hong Kong [Daewoo Securities (Hong Kong) Ltd.]

## 1993

Oct. 23 Completed construction of Gwacheon Information Center and Human Resources Development Center

## 1992

Aug. 05 Established subsidiary in the U.S. [Daewoo Securities (America) Ltd.]

## 1991

Sep. 01 Established subsidiary in Europe, London, U.K. [Daewoo Securities (Europe) Ltd.]

## 1984

May 19 Established Daewoo Economic Research Institute

## 1983

Dec. 19 Acquired Sambo Securities Co., Ltd.  
Oct. 20 Renamed as Daewoo Securities Co., Ltd.

## 1975

Sep. 26 Initial Public Offering : paid-in capital increased to KRW 2 billion

## 1973

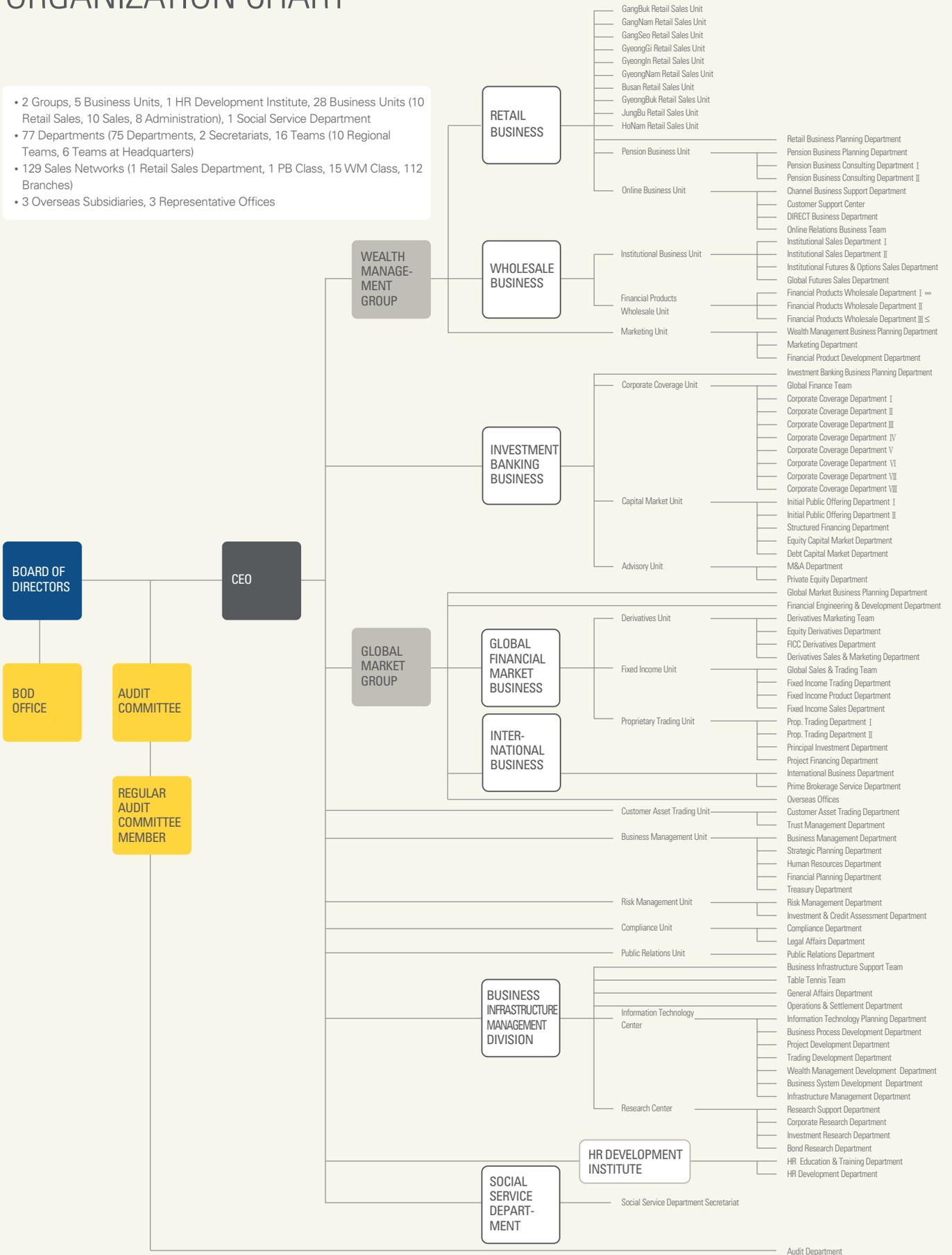
Sep. 01 Acquired from Daewoo Corporation

## 1970

Sep. 23 Established Dong Yang Securities Co., Ltd.

# ORGANIZATION CHART

- 2 Groups, 5 Business Units, 1 HR Development Institute, 28 Business Units (10 Retail Sales, 10 Sales, 8 Administration), 1 Social Service Department
- 77 Departments (75 Departments, 2 Secretariats, 16 Teams (10 Regional Teams, 6 Teams at Headquarters))
- 129 Sales Networks (1 Retail Sales Department, 1 PB Class, 15 WM Class, 112 Branches)
- 3 Overseas Subsidiaries, 3 Representative Offices



# DOMESTIC NETWORK

| Branch               | Address   | Tel            |
|----------------------|---|----------------|
| <b>• South Seoul</b> |   |                |
| Garak                | 78 Garakbon-dong, Songpa-gu, Seoul              | 82-2-3401-5544 |
| Gyodae Station       | 1674-4 Seocho-dong, Seocho-gu, Seoul            | 82-2-592-5959  |
| Gildong              | 458-5 Gil-dong, Gangdong-gu, Seoul              | 82-2-474-1255  |
| Daechi               | 599 Daechi-dong, Gangnam-gu, Seoul              | 82-2-3411-3111 |
| Banpo                | 18-1 Banpo-dong, Seocho-gu, Seoul               | 82-2-534-0142  |
| Bangbae              | 811-6 Bangbae-dong, Seocho-gu, Seoul            | 82-2-3477-2251 |
| Seochodong           | 1337-20 Seocho-dong, Seocho-gu, Seoul           | 82-2-3474-8383 |
| Songpa               | 286-5 Seokchon-dong, Songpa-gu, Seoul           | 82-2-419-5160  |
| Shincheon            | 35-2 Jamsil-dong, Songpa-gu, Seoul              | 82-2-2202-5566 |
| Yangjaedong          | 275-2 Yangjae-dong, Seocho-gu, Seoul            | 82-2-575-2411  |
| Yeoksamdong          | 823 Yeoksam-dong, Gangnam-gu, Seoul             | 82-2-556-9441  |
| Olympic              | 89-20 Bangi-dong, Songpa-gu, Seoul              | 82-2-404-8851  |
| WM Class Dogok       | 467-14 Dogok-dong, Gangnam-gu, Seoul            | 82-2-573-5599  |
| WM Class Apgujeong   | 614-3 Shinsa-dong, Gangnam-gu, Seoul            | 82-2-3446-4488 |
| WM Class Jamshil     | 7-19 Shincheon-dong, Songpa-gu, Seoul           | 82-2-412-5588  |
| Cheongdam            | 41-2 Cheongdam 2-dong, Gangnam-gu, Seoul        | 82-2-511-9111  |
| Teheran Valley       | 942 Daechi 3-dong, Gangnam-gu, Seoul            | 82-2-564-3355  |
| WM Class Gangnam     | 141-35 Shinsa-dong, Gangnam-gu, Seoul           | 82-2-3429-0077 |
| PB Class Galleria    | 79 Cheongdam 2-dong, Gangnam-gu, Seoul          | 82-2-3445-9966 |
| WM Class Yeoksam     | 679-5 Yeoksam-dong, Gangnam-gu, Seoul           | 82-2-568-8866  |
| Shinnonhyeon         | 748- Banpo-dong, Seocho-gu, Seoul               | 82-2-3478-2244 |
| WM Class Hanti       | 1024 Daechi-dong, Gangnam-gu, Seoul             | 82-2-561-1133  |
| <b>• North Seoul</b> |   |                |
| Gwanggyo             | 33 Seorin-dong, Jongno-gu, Seoul                | 82-2-734-9944  |
| Gwanghwamun          | 5 Dangju-dong, Jongno-gu, Seoul                 | 82-2-736-9170  |
| Guri                 | 293 Inchang-dong, Guri-si, Gyeonggi-do          | 82-31-569-8855 |
| Myeongdong           | 59-19 Myeong-dong, Jung-gu, Seoul               | 82-2-777-5400  |
| Sanggye              | 712-1 Sanggye-dong, Nowon-gu, Seoul             | 82-2-934-2511  |
| Seongdong            | 267-23 Haengdang-dong, Seongdong-gu, Seoul      | 82-2-2297-4466 |
| Sejongno             | 146-1 Susong-dong, Jongno-gu, Seoul             | 82-2-735-9961  |
| Suyu                 | 230-7 Suyu 3-dong, Gangbuk-gu, Seoul            | 82-2-986-4554  |
| Uijeongbu            | 137-7 Uijeongbu-dong, Uijeongbu-si, Gyeonggi-do | 82-31-877-8772 |
| Janghanpyeong        | 235-2 Yongdap-dong, Seongdong-gu, Seoul         | 82-2-2248-8700 |
| Cheongnyangni        | 317 Cheongnyangni-dong, Dongdaemu-gu, Seoul     | 82-2-962-4911  |
| Chungmuro            | 64-5 Chungmuro 2-ga, Jung-gu, Seoul             | 82-2-778-5116  |
| Taepyeongno          | 45 Namdaemunro 4-ga, Jung-gu, Seoul             | 82-2-778-5800  |

| Branch                       | Address   | Tel            |
|------------------------------|---|----------------|
| <b>• West Seoul</b>          |   |                |
| Eunpyeong                    | 396-1 Galbyeon-dong, Eunpyeong-gu, Seoul                  | 82-2-383-5500  |
| Ichondong                    | 300-15 Ichon 1-dong, Yongsan-gu, Seoul                    | 82-2-797-9696  |
| WM Class Yeokjeon            | 581 Namdaemunro 5-ga, Jung-gu, Seoul                      | 82-2-774-1921  |
| STX Seoul Tower              | 631 Namdaemunro 5-ga, Jung-gu, Seoul                      | 82-2-773-8811  |
| Gangseo                      | 998-9 Hwagok 6-dong, Gangseo-gu, Seoul                    | 82-2-2691-5774 |
| Gwanak                       | 32-8 Bongcheon 10-dong, Gwanak-gu, Seoul                  | 82-2-875-5454  |
| Mapo                         | 36 Dohwa-dong, Mapo-gu, Seoul                             | 82-2-719-8861  |
| Mokdong                      | 908-28 Mok 5-dong, Yangcheon-gu, Seoul                    | 82-2-2649-0568 |
| Boramae                      | 395-69 Sindaebang-dong, Dongjak-gu, Seoul                 | 82-2-836-0141  |
| Sincheon                     | 72-21 Changcheon-dong, Seodaemun-gu, Seoul                | 82-2-332-2321  |
| Yangcheon                    | 323-6 Sinjeong-dong, Yangcheon-gu, Seoul                  | 82-2-2644-1361 |
| Yeongdeungpo                 | 57 Yeongdeungpo 4-ga, Yeongdeungpo-gu, Seoul              | 82-2-2632-8741 |
| Sales Department             | 34-3 Yeuido-dong, Yeongdeungpo-gu, Seoul                  | 82-2-768-3114  |
| WM Class Mokdong Central     | 962-1 Mok-dong, Yangcheon-gu, Seoul                       | 82-2-2601-6191 |
| <b>• Gyeonggi</b>            |   |                |
| Dongtan                      | 107-1 Bansong-dong, Hwaseong-si, Gyeonggi-do              | 82-31-613-9955 |
| Bundang                      | 25-1 Jeongja-dong, Bundang-gu, Seongnam-si, Gyeonggi-do   | 82-31-718-3311 |
| Sanbon                       | 1133-2 Sanbon-dong, Gunpo-si, Gyeonggi-do                 | 82-31-394-0940 |
| Suwon                        | 13-2 Gucheon-dong, Paldal-gu, Suwon-si, Gyeonggi-do       | 82-31-245-4171 |
| Ansan                        | 706-5 Gojan-dong, Danwon-gu, Ansan-si, Gyeonggi-do        | 82-31-482-0055 |
| Anyang                       | 627-3 Anyang 5-dong, Manan-gu, Anyang-si, Gyeonggi-do     | 82-31-448-2211 |
| Yatap                        | 366-1 Yatap-dong, Bundang-gu, Seongnam-si, Gyeonggi-do    | 82-31-702-3232 |
| WM Class East Suwon          | 1124 Ingye-dong, Paldal-gu, Suwon-si, Gyeonggi-do         | 82-31-224-0123 |
| WM Class Seohyeon            | 246-6 Seohyeon-dong, Bundang-gu, Seongnam-si, Gyeonggi-do | 82-31-708-0528 |
| Pyeongchon                   | 1591 Gwanyang-dong, Dongan-gu, Anyang-si, Gyeonggi-do     | 82-31-386-2323 |
| <b>• Ilsan &amp; Incheon</b> |   |                |
| Gaebongdong                  | 157-13 Gaebong-dong, Guro-gu, Seoul                       | 82-2-2616-6655 |
| Doksandong                   | 288-1 Doksan-dong, Geumcheon-gu, Seoul                    | 82-2-858-5511  |
| Sindorim                     | 338 Sindorim-dong, Guro-gu, Seoul                         | 82-2-2632-2222 |
| Ilsan                        | 71-1 Juyeop-dong, Ilsanseo-gu, Goyang-si, Gyeonggi-do     | 82-31-921-3101 |
| Ilsan Madu                   | 805 Madu 2-dong, Ilsandong-gu, Goyang-si, Gyeonggi-do     | 82-31-906-8877 |
| Hwajeong                     | 970-2 Hwajeong-dong, Deokyang-gu, Goyang-si, Gyeonggi-do  | 82-31-938-9811 |
| Bucheon                      | 1132 Jung 1-dong, Wonmi-gu, Bucheon-si, Gyeonggi-do       | 82-32-667-7711 |
| Bupyeong                     | 549-5 Bupyeong-dong, Bupyeong-gu, Incheon                 | 82-32-505-8451 |
| Sangdong                     | 544-4 Sang-dong, Wonmi-gu, Bucheon-si, Gyeonggi-do        | 82-32-329-6633 |
| Yeonsu                       | 503-3 Cheonghak-dong, Yeonsu-gu, Incheon                  | 82-32-813-5588 |
| Incheon                      | 2-41 Sinsaeng-dong, Jung-gu, Incheon                      | 82-32-763-4401 |
| Juan                         | 77-7 Juan-dong, Nam-gu, Incheon                           | 82-32-423-1100 |

| Branch                       | Address   | Tel            |
|------------------------------|---|----------------|
| <b>• Daegu and Gyeongbuk</b> |   |                |
| Gyeongsan                    | 870-6 Jungbang-dong, Gyeongsan-si, Gyeongsangbuk-do         | 82-53-811-2211 |
| Gyeongju                     | 386-6 Seongdong-dong, Gyeongju-si, Gyeongsangbuk-do         | 82-54-776-5533 |
| Gumi                         | 78 Songjeong-dong, Gumi-si, Gyeongsangbuk-do                | 82-54-451-1511 |
| Daegu                        | 96 Deoksan-dong, Jung-gu, Daegu                             | 82-53-424-0311 |
| Daegu WWest                  | 452-1 Gamsam-dong, Dalseo-gu, Daegu                         | 82-53-564-1133 |
| Daegu Central                | 6-1 Bukseongno 1-ga, Jung-gu, Daegu                         | 82-53-421-0141 |
| Sangin                       | 1512 Sangin-dong, Dalseo-gu, Daegu                          | 82-53-638-4100 |
| Seongseo                     | 1198-5 Igok-dong, Dalseo-gu, Daegu                          | 82-53-582-4567 |
| Andong                       | 85-3 Dongbu-dong, Andong-si, Gyeongsangbuk-do               | 82-54-841-2266 |
| WM Class Beomeo              | 177-4 Beomeo 2-dong, Suseong-gu, Daegu                      | 82-53-751-0345 |
| Chilgok                      | 940 Taejeon-dong, Buk-gu, Daegu                             | 82-53-325-5533 |
| Pohang                       | 203-10 Jukdo-dong, Buk-gu, Pohang-si, Gyeongsangbuk-do      | 82-54-277-6655 |
| Pohang North                 | 1462-13 Jangseong-dong, Buk-gu, Pohang-si, Gyeongsangbuk-do | 82-54-244-3232 |
| <b>• Ulsan and Gyeongnam</b> |   |                |
| Geoje                        | 534-5 Okpo-dong, Geoje-si, Gyeongsangnam-do                 | 82-55-688-0134 |
| Geoje Sinhyeon               | 961-29 Gohyeon-ri, Sinhyeon-eup, Geoje-si, Gyeongsangnam-do | 82-55-638-3900 |
| Masan                        | 69-2 Jungseong-dong, Masan-si, Gyeongsangnam-do             | 82-55-245-3990 |
| Masan Central                | 259-6 Seokjeon-dong, Hoewon-gu, Masan-si, Gyeongsangnam-do  | 82-55-297-8851 |
| Jinju                        | 5-7 Dongseong-dong, Jinju-si, Gyeongsangnam-do              | 82-55-742-3444 |
| Changwon                     | 94-3 Jungang-dong, Changwon-si, Gyeongsangnam-do            | 82-55-282-6900 |
| Changwon City                | 333 Duda-dong, Changwon-si, Gyeongsangnam-do                | 82-55-600-6000 |
| Ulsan                        | 666-53 Yaksa-dong, Jung-gu, Ulsan                           | 82-52-244-8441 |
| Ulsan South                  | 1365-7 Dal-dong, Nam-gu, Ulsan                              | 82-52-258-7766 |

| Branch                                    | Address  | Tel            |
|---|--|----------------|
| <b>• Busan</b>                            |  |                |
| Gimhae                                    | 1143-2 Nae-dong, Gimhae-si, Gyeongsangnam-do                     | 82-55-324-2421 |
| Namcheondong                              | 36-7 Namcheon-dong, Suyeong-gu, Busan                            | 82-51-625-0120 |
| Dongnae                                   | 552 Suan-dong, Dongna-gu, Busan                                  | 82-51-554-4111 |
| Busan                                     | 44-1 Jungangdong 2-ga, Jung-gu, Busan                            | 82-51-242-3351 |
| Sasang                                    | 546-11 Gwaebeop-dong, Sasang-gu, Busan                           | 82-51-327-8801 |
| Saha                                      | 528-11 Hadan-dong, Saha-gu, Busan                                | 82-51-293-6644 |
| Yeonsandong                               | 1242-8 Yeonsan-dong, Yeonje-gu, Busan                            | 82-51-852-8558 |
| WM Class Beomil                           | 828-1 Beomil-dong, Dong-gu, Busan                                | 82-51-644-0077 |
| WM Class Seomyeon                         | 257-3 Bujeon-dong, Busanjin-gu, Busan                            | 82-51-806-6001 |
| Haeundae                                  | 1406-2 Wwoo-dong, Haeundae-gu, Busan                             | 82-51-743-1211 |
| <b>• Daejeon, Chungcheong and Gangwon</b> |  |                |
| Daejeon                                   | 139-1 Eunhaeng-dong, Jung-gu, Daejeon                            | 82-42-253-3301 |
| Donghae                                   | 1078-3 Cheongok-dong, Donghae-si, Gangwon-do                     | 82-33-532-3340 |
| West Cheongju                             | 261-5 Sachang-dong, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do | 82-43-268-7711 |
| Sokcho                                    | 669-9 Gyo-dong, Sokcho-si, Gangwon-do                            | 82-33-636-3900 |
| Asan                                      | 300-24 Oncheon-dong, Asan-si, Chungcheongnam-do                  | 82-41-549-2233 |
| Yongjeondong                              | 9-5 Hongdo-dong, Dong-gu, Daejeon                                | 82-42-627-4100 |
| Wonju                                     | 232-1 Jungang-dong, Wonju-si, Gangwon-do                         | 82-33-745-1651 |
| WM Class unsan                            | 1413 Dunsan-dong, Seo-gu, Daejeon                                | 82-42-483-6555 |
| Jecheon                                   | 29-2 Jungangno 2-ga, Jecheon-si, Chungcheongbuk-do               | 82-43-642-6600 |
| Cheonan                                   | 365-1 Sinbu-dong, Cheonan-si, Chungcheongnam-do                  | 82-41-562-0311 |
| Cheongju                                  | 9-3 Bukmunno 1-ga, Sangdang-gu, Cheongju-si, Chungcheongbuk-do   | 82-43-250-3311 |
| Chuncheon                                 | 37-11 Joyang-dong, Chuncheon-si, Gangwon-do                      | 82-33-251-8851 |
| Hongcheon                                 | 399 Heemang-ri, Hongcheon-eup, Hongcheon-gun, Gangwon-do         | 82-33-435-3322 |
| <b>• Gwangju, Honam and Jeju</b>          |  |                |
| Gunsan                                    | 100-14 Naun-dong, Gunsan-si, Jeollabuk-do                        | 82-63-443-1711 |
| Duamdong                                  | 821-2 Duam 2-dong, Buk-gu, Gwangju                               | 82-62-267-8844 |
| Mokpo                                     | 1123 Sang-dong, Mokpo-si, Jeollanam-do                           | 82-61-285-9911 |
| Sangmu                                    | 1180 Chipyeong-dong, Seo-gu, Gwangju                             | 82-62-371-7600 |
| Suncheon                                  | 1324-2 Yeonhyang-dong, Suncheon-si, Jeollanam-do                 | 82-61-724-4422 |
| Yeosu                                     | 502-1 Chungmu-dong, Yeosu-si, Jeollanam-do                       | 82-61-663-7997 |
| WM Class wangu                            | 62-17 Geumnamno 5-ga, Dong-gu, Gwangju                           | 82-62-227-6605 |
| Jeonju                                    | 568-95 Seonosong-dong, Wansan-gu, Jeonju-si, Jeollabuk-do        | 82-63-288-0011 |
| Jeju                                      | 1431 Ildoil-dong, Jeju-si, Jeju-do                               | 82-64-755-8851 |
| Hyojadong                                 | 548 Hyojadong 1-ga, Wansan-gu, Jeollabuk-do                      | 82-63-227-1414 |

## OVERSEAS NETWORK



|                                    | Office                                   | Address  | Tel             | Fax             |
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