

4QFY2005 Earnings Release

FY2005(April 2005~ March2006), 4Q(January 2006 ~ March 2006)

Daewoo Securities (006800.KS)

Summary

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Company Description

Establishment Sep. 1970
 CEO Sohn Bok-Jo (Mr.)
 Employees 2,451 (as of Mar. 31)
 Domestic Network 116branches, 1 office
 Overseas Network 3branches
 (HK, NY, LDN)
 Shareholder's Equity KRW1,734bln
 Major Shareholder Korea Development
 Bank (39.09%)

<Common Stock>

Outstanding Shares 190,100,891
 Market Capital* KRW 2,918bln
 (*as of Mar31 KRW 15,350)
 Price Quarterly
 High(4Q) KRW 20,100 (Jan. 13)
 Low(4Q) KRW 14,400 (Feb. 08)
 Daily Trading Vol. 6,626,296 Shares

<Preferred Stock>

Outstanding Shares 14,075,750
 Market Capital* KRW 151bln
 (*as of Mar31 KRW 10,700)
 Price Quarterly
 High(4Q) KRW 15,100 (Jan. 13)
 Low(4Q) KRW 10,700 (Mar. 31)
 Daily Trading Vol. 226,264 Shares

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■ FY2005 Operating Income KRW 386.2bln, Net Profit KRW 410.4bln

Daewoo Securities posted net income of KRW 410.4bln, the strongest net income since establishment. Especially, operating income increased by 335% to be 386.2bln in FY2005. As of March 31st 2006, the balance of total assets amounted 6.4tln, and total shareholder's equity posted 1.73tln.

■ Business Performances

Daewoo Securities continued to carry its No.1 position with stronger dominance in the brokerage market. The growth in market share was largely contributed by the Company's strong sales competency in the offline brokerage market.

The company also showed outstanding performance in underwriting. Daewoo saw 52% of market share in the local IPO market in FY2005. Also, the company performed dominantly in corporate bonds and ABS.

Furthermore, the total ending balance of asset management increased dramatically at a rate of 56%. Equity-Type Beneficiary Certificates and ELS products especially contributed to the sharp rise in wealth management.

■ Earnings

[Table 1] Earnings

(KRW bln)	4Q FY2005	4Q FY2004	QoQ	FY2005	FY2004	YoY
Operating Revenue	575	270	112.7%	1,858	824	125.5%
Operating Expenses	457	206	121.9%	1,472	735	100.2%
Operating Income	117	64	83.4%	386	89	334.9%
Ordinary Income	100	38	167.0%	395	(149)	Turn to Black
Net Income	94	38	149.7%	410	(149)	Turn to Black

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Financial Performance

[Table2] Earnings

(KRW mln)	4Q FY2005	4Q FY2004	QoQ	FY2005	FY2004	YoY
Net Commissions	178,379	102,337	1	598,000	275,163	1
Brokerage Commissions	136,555	88,619	1	491,687	242,663	1
Underwriting Commissions	14,367	5,944	1	34,489	23,704	0
Commissions on Sales of BCs & Wrap	5,084	4,092	0	19,205	18,044	0
Commissions on Sales of Structured Securities ¹	40,599	16,452	1	101,760	16,452	5
Other Commissions	-3,036	-2,795	0	6,662	3,074	1
Commissions Expenses	15,189	9,976	1	55,803	28,774	1
Net Interest²	45,472	21,827	1	142,309	71,977	1
Net Gain on Securities³	-10,960	17,194	-2	35,653	24,028	0
Other	-	-85	-	-	-44	-
Net Revenues	212,892	141,273	1	775,961	371,125	1
Selling & Administrative Expenses	95,683	77,305	0	389,713	282,288	0
Operating Income	117,209	63,967	1	386,249	88,837	3
Non-Operating Income	-16,787	-26,435	0	8,261	-237,778	Turn to Black
Ordinary Income	100,422	37,532	2	394,509	-148,941	Turn to Black
Income Tax (Benefit)	6,464	-	-	-15,914	-	-
Net Income	93,957	37,532	2	410,423		Turn to Black

1. Commissions on sales of structured securities(ELS) is included in net commissions due to revision of criteria in calculating net gain on securities, effective from FY2005.
2. Net interest= Interest revenue+Dividends income+Gain on valuation of reserve for claims of customers' deposits-trust-Interest Expense
3. Net gain on securities=Net gain on valuation of marketable securities/structured securities sold/derivatives, structured securities+Distribution income

1. Net Commissions

Net Commissions revenue increased by 117.3% YoY to KRW 598.0bln for FY2005.

FY2005

Net Commissions

KRW 598.0bln

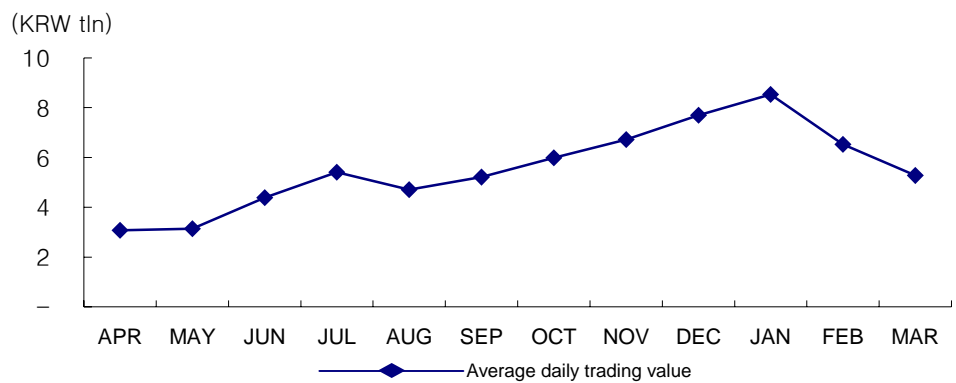
Brokerage commissions increased 102.6% from KRW 242.7bln to 491.7bln in FY2005, mainly due to the increase in average daily trading value and Daewoo Security's dominant market share. Also, successfully accomplishing the IPO deals with 'Lotte Shopping', 'Glovis', and 'The Basic House', underwriting commission revenue increased 45.5% to 34.5bln.

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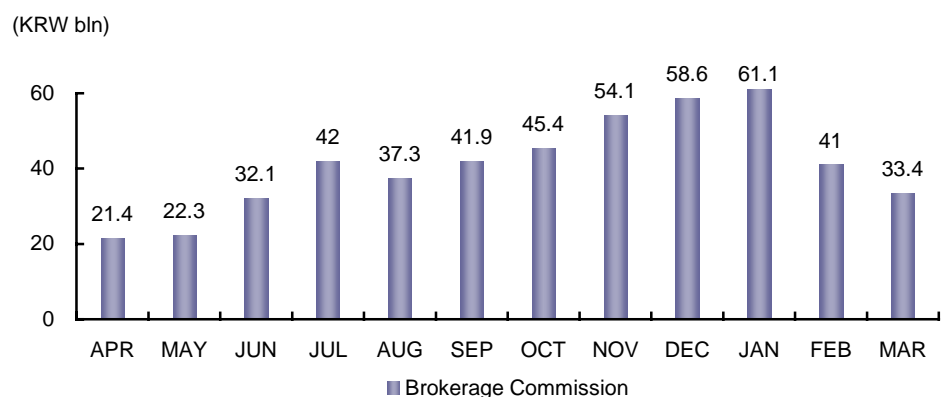
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Brokerage commissions in January recorded the highest monthly figure(KRW 61.1bln) since April 2002. The continuous growth in quarterly brokerage commissions supported stronger market dominance and sales competency. Especially, the company's sales strategy to focus on offline brokerage market contributed largely to the continuous growth in Daewoo's brokerage market share and commission revenue. The increase in brokerage commission revenue is also attributed by the brisk Korean market trading value; the average daily trading value recorded nearly 8.5tln in January, and on January 4th, daily trading value reached the highest (10.7tln) in FY2005.

[Graph1] Average Daily Trading Value



[Graph2] Monthly Brokerage Commissions



Underwriting Commissions revenue sharply increased by 71.4% QoQ to KRW 34.5bln for 4QFY2005. In particular, Daewoo Securities successfully managed the biggest deal in Korea with 'Lotte Shopping' contributing to an outstanding 52% market share in FY2005. Thanks to the brisk Korean stock market, many companies financed through rights issuance in FY2005. Daewoo played a major role in the rights issuance deals for listed companies in KOSDAQ. The

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company also showed fair performance in corporate bonds and ABS.

Commissions on sales of Beneficiary Certificates(BCs) & Wrap Accounts increased by 12.4% QoQ to KRW 5.1bln. In the fourth quarter, with anticipation of rise in interest rate to level down, bond type BCs had a significant rise by increasing 500bln QoQ. Products which have relatively high commission rates, including MasterWrap and ELS had continuous growth, rising 270.3bln, 207.7bln QoQ each. Especially, the end balance of Master Wrap increased 28.2% QoQ to be 1.2tn. Also, in the fourth quarter, trust business started out with a balance of 167.6bln.

Due to the revision of the criteria in calculating the net gain on securities, commissions on sales of Structured Securities is excluded from the calculation of net gain on securities and included in calculation of commissions revenue, effective from FY2005. Total Commissions on sales of Structured Securities for 4QFY05 posted KRW 40.6bln, up by 29.3% from the previous quarter. The sharp growth is incurred from the significant amount of Equity Linked Securities(ELS) issued during 4QFY05; total 933.4bln (28.7% QoQ). Also, Daewoo issued 329.7bln worth of Equity-Linked Warrants(ELW) in the newly introduced ELW market, opened in December 2005.

Commissions expense decreased by 8.3% QoQ to KRW 15.2bln. This is mainly driven by the decrease in trading commission fees due to temporary market adjustments.

2. Net Interest

Net interest income increased by 97.7% YoY to KRW 142.3bln in FY2005.

FY2005

Net Interest

KRW 142.3bln

Combined interest revenue (interest revenue + dividends + gain on valuation of reserve for claims) amounted KRW 237.6bln, up 47.0% YoY. Out of the combined interest revenue, interest revenue rose 47.7% to 175.0bln, largely contributed by growth in interest income from sales of Daewoo's promoted lending product, called 'Ez-Revolving', and company-owned debentures. Also, interest on deposits with institutions jumped 27.4% to 51.8bln. The Company saw 95.3bln of gain on valuation of reserve for claims of customers' deposits-trust for FY2005.

Interest expense increased 6.3% YoY to KRW 95.3bln. This is mainly because interest on

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borrowings from KSFC(Korea Securities Finance Corp.) and interest on bonds sold under repurchase marked 523.2% and 23.8% growth, respectively. Interest on debentures, sharply dropped amid early repayment of subordinated bonds to creditors.

3. Net Gain on Securities

Net gain on securities rose to KRW 35.7bln on yearly-basis (48.7% YoY) for FY2005.

FY2005

Net Gain on Securities

KRW 35.7bln

Gain on structured securities transactions, such as ELS and ELW increased significantly from KRW 12.1bln to 126.3bln in FY2005 (increase of 945.0% YoY). Net gain on derivatives transactions, such as sales of futures and options turned to black to 12.6bln in FY2005. Net gain on sales of marketable securities increased by 610.0% to be 97.8bln in FY2005.

4. Selling & Administrative Expenses

Selling & administrative expenses rose 38.1% YoY from KRW 282.3bln to 389.7bln in FY2005.

FY2005

G&A Expenses

KRW 389.7bln

Total salary, severance & other employee benefits rose 56.0% YoY to KRW 159.7bln. The increase is mainly due to considerable incentive payout to sales people on their outstanding performance and increase in salary payment to newly employed sales force. The total number of employees at the end of March increased to 2,451, up 3.1% from the end of March 2005.

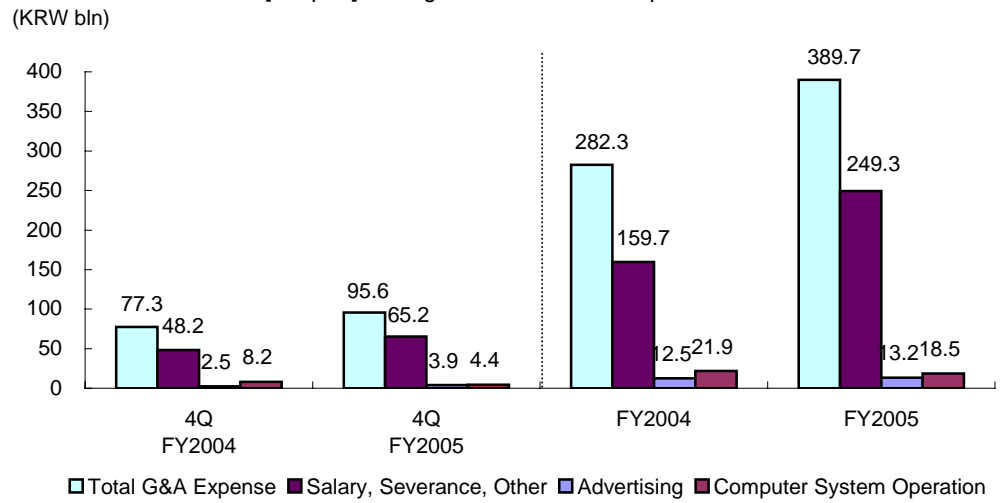
Depreciation, bad debt, and depletion expenses added up to be KRW 22.2bln, decreasing by 12.9% compared to FY2004. In the fixed expenses, computer system operation expense decreased 15.7% to be 18.5bln. Rental expenses decreased 7.0% to be 16bln. Tax expenses increased 135.5% from 8.5bln to 20.0bln in FY2005.



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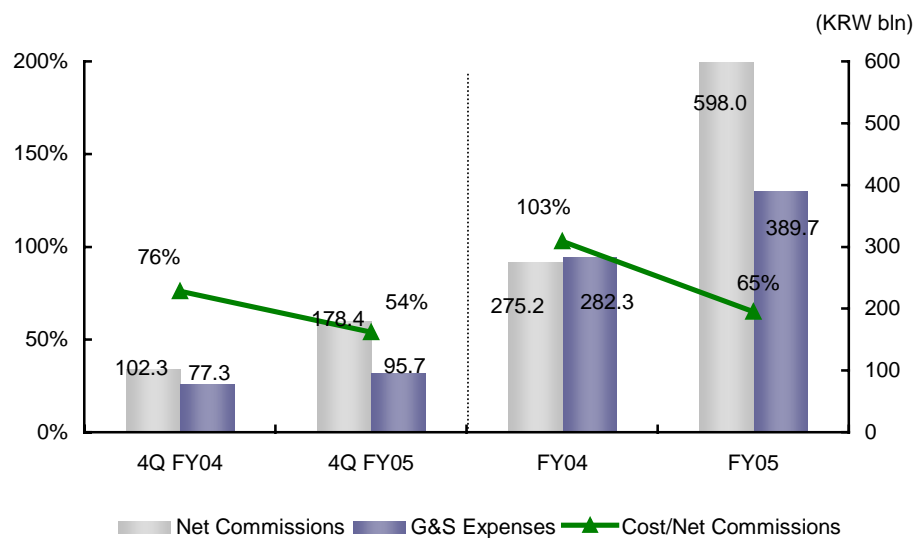
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[Graph3] Selling & Administrative Expenses



Based on the Company's strong sales competency and efficient cost structure built through liquidation, the ratio of cost against net commissions has fallen continuously. As the end of FY2005, the cost-to-net commissions ratio marked 65.2%, down by 38.0%pt from FY2004.

[Graph4] Cost/Net Commissions(%)



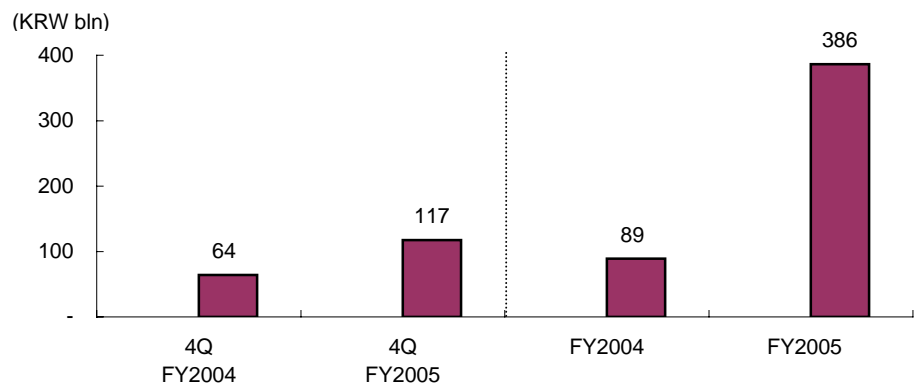
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5. Operating Income

Operating income continued to grow and marked KRW 386.2bln, up 334.8% YoY, for FY2005, which is the highest figure in the industry.

[Graph 5] Operating Income



6. Non-Operating Income & Net Income

Net non-operating income turned to black, recording KRW 8.3bln, for FY2005.

Ordinary Income

KRW 394.5bln

Non-operating income increased 78.2% to KRW 46.7bln in FY2005. Gain on disposition of securities available for sale increased from 0.6bln to 14.2bln.

Net Income

KRW 410.4bln

Despite the fact that loss on foreign currency transactions increased 169.2% to KRW 6.7bln, most of the other non-operating expenses decreased. Consequently, non-operating expense decreased 85.4% to 38.4bln in FY2005. There was no extra-ordinary gain or loss in FY2005.

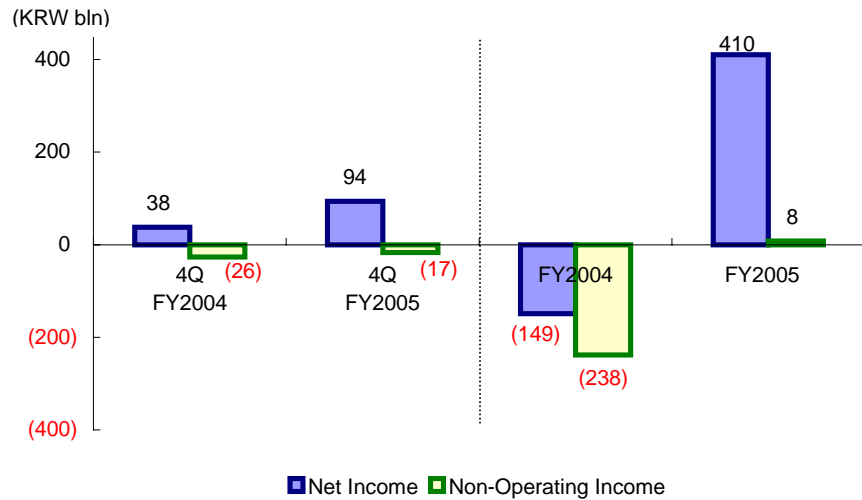
Due to tax deficit carried forward from FY1999, there are no tax expense in FY2005. Whereas, tax liability incurred from the gain on valuation of securities available for sale, was reflected as a tax benefit.

Ordinary income turned to black, recording KRW 394.5bln in FY2005. Net income also turned to black posting 410.4bln.

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[Graph 6] Non-Operating Income and Net Income



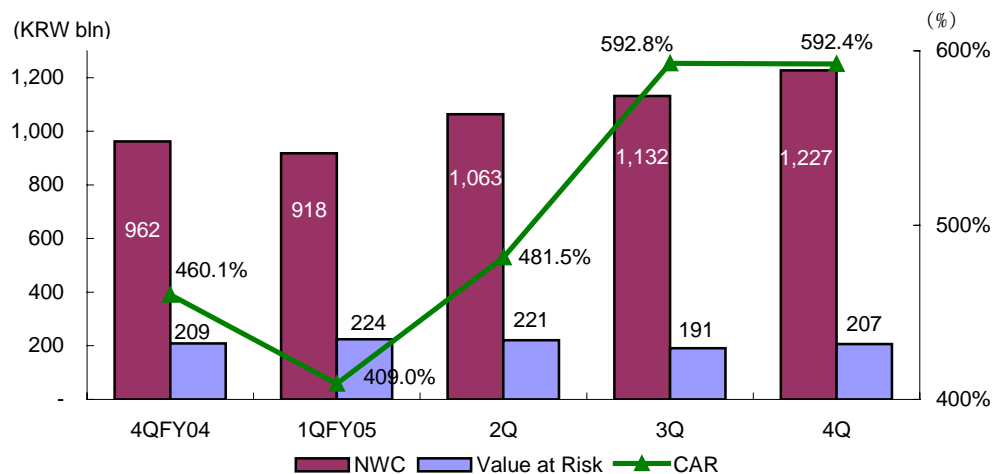
7. Capital Adequacy Ratio

As the end of Mar 2006,
CAR 592.4%

As the end of March 2006, the Company's capital adequacy ratio (CAR) jumped 132.3%(pt) to 592.4% YoY. The ending balance of net working capital (NWC) for FY2005 posted KRW 1.22tn, and total value at risk posted 207.1bln.

The value at risk decreased due to a decline in credit risk amid partial stake sales of Daewoo Capital CRV. However, the increase in selling and administrative expense leveled out the value at risk to decrease KRW 1.2bln to 207.1bln.

[Graph7] Quarterly Capital Adequacy Ratio (CAR)



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Business Performance

1. Brokerage

KOSPI Index continued its rally through 3QFY2005 and in January 2006 marked the highest point at 1,420pt. However, strong won currency, rise in the US rate of interest, and uncertainty on the performances of Korean companies contributed to adjustment in the stock market till the end of March. Still in such circumstances, 1300pt KOSPI index acted as the bottom line. Also, average daily trading value marked its highest point of KRW 8.5tln in January, and decreased for the next two consecutive month.

The Company continued to hold the top position, in terms of both turnover & commissions revenue, among local brokerage houses. Especially, Daewoo continued to play its dominant role in the retail brokerage market, posting 8.19% of market share on commissions-basis. Also, the disparity between the front-runner(Daewoo) and the second widened continuously, marking 0.93% at the end of March. Daewoo's competitive position in the retail market is mainly contributed by the continuous growth of the Company's market share in the retail offline market.

Leading Market Share in Brokerage Market

FY2005

Stock M/S (Turnover) 7.85%

Offline 3.09%, Online 4.76%

Stock M/S (Commissions)7.62%

Offline 4.23%, Online 2.82%

For FY05 the Company's average market share on turnover-basis increased by 11.5% to 8.22% YoY. Daewoo saw a sharp rise in its average market share on total commission-basis, marking 8.83%(+20.3% YoY), helped by stronger position in the offline market. The average commissions rate for 4QFY2005 posted 0.22%, and 0.23% for FY2005.

[Table 3] Brokerage Market Share (Turnover)

(%)		4Q FY2005	3Q FY2005	QoQ	FY2004	FY2004	YoY
Turnover							
Stock	Total M/S	7.85	8.16	-3.8%	8.22	7.37	11.5%
	KSE	7.98	7.81	2.2%	8.15	7.07	15.3%
	KOSDAQ	7.60	8.83	-13.9%	8.35	8.24	1.3%
	Offline	3.09	3.25	-4.9%	3.35	3.04	10.2%
	Online	4.76	4.91	-3.1%	4.85	4.33	12.0%
Futures	Total M/S	9.42	5.38	75.1%	7.74	3	158.0%
	Online	1.05	2.96	-64.5%	1.47	1.45	1.4%
Options	Total M/S	3.86	4.38	-11.9%	4.4	3.88	13.4%
	Online	2.77	3.11	-10.9%	3.08	2.83	8.8%

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[Table 4] Brokerage Market Share (Commissions)

(%, bln)		4Q FY2005	3Q FY2005	QoQ	FY2004	FY2004	YoY
Total Commissions		7.99	8.64	-7.5%	8.83	7.34	20.3%
Stock	Total MS	7.62	8.17	-6.7%	8.39	6.69	25.4%
	Offline	4.23	4.62	-8.4%	4.84	3.64	33.0%
	Online	2.83	3.11	-9.0%	2.96	2.56	15.6%
Futures	Total MS	0.12	0.2	-40.0%	0.15	0.22	-31.8%
	Online	0.09	0.15	-40.0%	0.11	0.14	-21.4%
Options	Total MS	0.25	0.27	-7.4%	0.3	0.44	-31.8%
	Online	0.20	0.21	-4.8%	0.24	0.33	-27.3%
Brokerage Commissions		135	88	54.7%	487	238	104.2%

※ Source : Internal Data

2. Investment Banking

(1) IPO

Outstanding Performance in IPO, Corporate Bonds & ABS

Daewoo Securities had remarkable performance in IPO, firmly ranking number one in the industry. In 4Q IPO business gained 71% of the market share, resulting KRW 708.4bln (+1,414% increase compared to last year same period). Hence in FY2005, IPO performances increased from 67.5bln to 1.03tln, taking 52% of the market share.

Daewoo's continuous search for competitive, large-sized initial deals has paid off. Daewoo successfully performed as a lead-manager for mega deals, including 'Lotte Shopping', 'Glovis' and 'The Basic House', in FY2005. Also, Daewoo managed IT companies such as Plantinet, Hana Micron, Infraware, and also some bio companies such as Medipost, Crystalnomix to go public in KOSDAQ.

[Table 5] IPO

(KRW bln %)	4Q FY2005	3Q FY2004	FY2005	FY2004
Market	998	285	1,985	1,178
Daewoo Sec. Underwriting Amt	708	50	1,034	68
Market Share	71%	18%	52%	6%

※ Source : Bloomberg

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(2) Corporate Bond and ABS

Daewoo Securities marked second place with a slight difference with the first in Corporate Bond business, and marked first place in ABS business.

The bond market in FY2005 saw a noticeable contraction in size, mainly driven by increasing concern of possible hike in call rate, and the active stock market. The Company, however, maintained its top position, in terms of both underwriting amount and market share, among local underwriters.

As for ABS, Daewoo successfully issued serial ABCP through the conduit method. The Company continued to strengthen its dominant market position through on-going development of new financing products and methods. Hence, took 11%(1.9tln) of the market share in FY2005.

[Table 6] Corporate Bonds & ABS

(KRW bln, %)	4Q FY2005	4Q FY2004	FY2005	FY2004
Corporate Bonds				
Market	3,108	4,816	17,157	21,447
Daewoo Sec. Underwriting Amt	181	440	1,801	2,704
Market Share	6%	9%	10%	13%
ABS				
Market	2,065	4,451	17,610	17,133
Daewoo Sec. Underwriting Amt	381	520	1,935	2,845
Market Share	18%	12%	11%	16.6%

※ Source : Bloomberg

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(3) Rights Offering

The number of listed companies funding from rights issuance sharply increased during FY2005, on the back of the recent stock market rally. The total underwriting amount for the market amounted KRW 700.6bln, 49 deals in 4QFY2005. Daewoo Securities managed 266.0bln, 30 deals in FY2005, achieving 11% of the market share.

[Table 7] Rights Offering

(KRW bln, %)	4Q FY2005	4Q FY2004	FY2005	FY2004
Market	701	2,284	2,489	4,463
Daewoo Sec. Underwriting Amt	46	12	266	1,533
Market Share	7%	1%	11%	34%
#of Deals(Mkt)	49	19	211	92
#of Deals(Daewoo)	6	1	30	8

※ Source : Bloomberg

(4) ELS

On the support of the Company's sales efforts and improved credit rating from 'A-' to 'A', the consolidated underwriting amount in ELS increased to KRW 1.9tln (+78.2 YoY). For 4QFY2005, Daewoo issued total 631.4bln of ELS. Also, Daewoo's market share marked 13%.

[Table 8] ELS

(KRW bln, %)	4Q FY2005	4Q FY2004	FY2005	FY2004
Market	4,496	2,720	15,488	7,336
Daewoo Sec. Underwriting Amt	631	687	1,949	1,094
Market Share	14%	25%	13%	15%

※ Source : Internal Data

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3. Asset Management

As the end of March 2006, total ending balance of asset management, including BCs, MMF, Wrap Accounts, RP, ELS, etc. increased by 16.3% to KRW 12.12bln from the end of March 2005. Daewoo saw nearly 56.4% growth in its balance from a year ago, helped by the Company's continuous development of competitive products and increasing indirect investment by retail.

**As the end of Mar.
2005,
Total ending balance
KRW 12.12tln**

Due to the recent stock market rally and weakened demand for fixed income on interest hike, total ending balance of BCs increased 90.4%(YoY) to KRW 3.95tln.

Daewoo is strategically emphasizing the sales capacity of high-profit products such as Wrap accounts, ELS, and equity type BCs. The end balance of wrap account increased by 28.6% QoQ to KRW 1.2tln and the end balance of ELS increased 28.6% to 933.4bln.

Commissions revenue on sales of BCs and Wrap Accounts totaled KRW 19.2bln, a 36.% rise on quarterly-basis, and a 6.7% increase on yearly-basis.

[Table 9] Asset Management

(KRW bln, As the end of)	Mar. FY2005	Dec. FY2004	QoQ	Mar. FY2004	YoY
BCs	3,957	3,257	21.5%	2,078	90.4%
Bond type	1,281	1,203	6.5%	929	37.9%
Bond-hybrid type	1,171	858	36.6%	607	92.9%
Equity-hybrid type	167	163	2.2%	159	4.8%
Equity type	551	503	9.6%	87	531.2%
Others	788	531	48.3%	296	166.4%
MMF	2,426	1,966	23.4%	2,214	9.6%
BCs & MMF	6,383	5,223	22.2%	4,292	48.7%
Wrap	1,228	958	28.2%	604	103.4%
Commissions*	19	14	36.2%	18	6.7%
RP	1,228	1,310	-6.3%	916	34.1%
CD/CP/Bonds	1,861	1,727	7.8%	1,419	31.1%
Others(ELS,REITs, etc.)	1,420	1,201	16.7%	520	172.9%
Total Balance	12,120	10,418	16.3%	7,750	56.4%

※ Source : Internal Data

* Commissions = Commissions on sales of BCs & wrap commissions

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Daewoo Securities at a Glance



Korea IB Awards

Grand prize (Deputy Prime Minister & Minister of Finance Award) won for three consecutive years hosted by *Moneytoday* (April 2006)

IPO-type MasterWrap award won in the 11th *Maeil Economic Daily* Financial Product Awards

Best marketing company award won in the Korea Fund Awards co-hosted by *Maeil Economic Daily* and *ZeroIn* (February 2006)



Best IPO Underwriter award nominated by *Korea Exchange* (December 2005)

Best Customer Satisfaction Securities Company for two consecutive years nominated by *PAXNET* (December 2005)



Best Analyst and Securities Broker selected by *Maeil Economic Daily*, *The Hankyung Business Weekly*, *The Herald Business*

Reorganization in corporate structure

New divisions in trust, pension, and over the counter derivatives were formed

Detailed roadmap for KRW 5trn stock holder's equity

Formed detailed road map to bring equity capital up to KRW5 trillion with 30% of return on equity (ROE)

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Appendix 1. Balance Sheet

(KRW million)	As of December 31, 2005	As of December 31, 2004
ASSETS		
Current assets	5,663,026	4,157,205
Cash and bank deposits	44,662	136,154
Deposits	1,317,629	1,095,655
Securities	2,830,044	2,028,699
Structured securities	806,360	572,117
Options purchased	0	0
Loans	447,902	147,572
Other current assets	239,563	199,799
Allowance for credit loss(Current assets)	(23,135)	(22,791)
Non - current assets	833,200	891,086
Investment securities	472,330	505,102
Investment assets	109,939	109,773
Tangible fixed assets	232,488	249,434
Others non-current assets	18,443	26,776
TOTAL ASSETS	6,496,226	5,048,291
LIABILITIES		
Current liabilities	4,714,207	3,517,911
Call money	33,000	0
Short-term borrowings	0	20,000
Bonds sold under reverse resale agreements	1,461,190	1,036,486
Customers' deposits	1,427,668	1,144,952
Securities sold	3,286	3,755
Structured securities sold	1,423,730	868,683
Options sold	77	11
Others	365,256	444,026
Long-term liabilities	47,796	47,796
Debenture	1,000	1,000
Reserve for severance and retirement benefits	46,796	46,796
Others	0	200,000
TOTAL LIABILITIES	4,762,003	3,754,858
STOCKHOLDER'S EQUITY		
Stockholder's equity	1,020,883	1,020,883
Capital	222,361	226,608
Retained earnings	483,545	73,729
Capital adjustment	7,433	-27,788
TOTAL STOCKHOLDER'S EQUITY	1,734,222	1,293,433
LIABILITIES & TOTAL STOCKHOLDER'S EQUITY	6,496,226	5,048,291

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Appendix 2. Income Statement

(KRW million)	FY2005	FY2004	YoY
OPERATING REVENUES	1,858,205	823,889	125.5%
Commissions received	653,803	303,937	115.1%
Brokerage commissions	491,687	242,663	102.6%
Underwriting commissions	34,489	23,704	45.5%
Underwriting commissions on debentures	148	105	42.0%
Brokerage commissions on beneficiary certificates	12,181	11,842	2.9%
Wrap commissions	7,025	6,202	13.3%
Consulting fee	5,734	3,662	56.6%
Commissions on sale of structured securities	95,860	12,686	655.6%
Trust fees and commissions received from trust account	17		
Other	6,662	3,074	116.7%
Interest income	174,961	118,464	47.7%
Interest on margin loans	4,311	1,809	138.4%
Interest on loans	25,778	4,215	511.6%
Interest on bonds	103,835	85,593	21.3%
Interest on negotiable commercial papers	1,640	1,659	-1.1%
Interest on deposits with KSFC		1	-100.0%
Interest on certificate of deposit	75	253	-70.4%
Interest on deposits with institutions	13,700	6,446	112.5%
Interest on call loans	3,727	2,103	77.2%
Gain on transaction of certificate of deposit	16	61	-73.4%
Interest on advances for customers.	439	1,000	-56.1%
Interest on receivables	17,797	10,920	63.0%
Others	3,642	4,404	-17.3%
Dividends income	10,834	2,470	338.7%
Distribution income	13,322	35,392	-62.4%
Gain on sales of marketable securities	194,028	69,381	179.7%
Gain on sales of stock	150,604	36,894	308.2%
Gain on sales of stock warrants		22	-100.0%
Gain on sales of bonds	22,111	20,390	8.4%
Gain on sales of beneficiary certificates	18,146	11,795	53.8%
Gain on sales of negotiable commercial papers	211	189	11.4%
Gain on redemption of trading securities	2,949	45	6476.7%
Others	8	46	-83.4%
Gain on valuation of trading securities	23,839	7,918	201.1%
Gain on valuation of stock	2,407	1,239	94.2%
Gain on valuation of bonds	3,053	2,137	42.8%
Gain on valuation of beneficiary certificates	18,380	4,542	304.7%
Gain on structured securities transactions	126,259	12,083	945.0%
Gain on sales of structured securities	54		
Gain on valuation of structured securities	48,989	2,797	1651.4%
Gain on redemption of structured securities	77,216	9,285	731.6%
Gain on valuation of securities sold	66	198	-66.6%
Gain on structured securities sold	57,274	62,292	-8.1%
Gain on valuation of structured securities sold	24,488	53,456	-54.2%
Gain on redemption of structured securities sold	32,786	8,835	271.1%
Gain on valuation of reserve for claims of customers' deposits-trust	51,805	40,652	27.4%
Gain on derivatives transactions	551,802	171,040	222.6%
Gain on futures transactions	426,633	83,499	410.9%
Gain on Exchange trading options transactions	119,427	78,898	51.4%
Gain on OTC derivatives transactions	5,742	8,642	-33.6%
Gain on sales of loans	212		
Other operating income		62	

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(KRW million)	FY2005	FY2005	QoQ
OPERATING EXPENSES	1,471,956	735,052	100.3%
Commissions expense	55,803	28,774	93.9%
Trading commissions	30,568	15,596	96.0%
Investment consultant fees	11,103	4,443	149.9%
Other commissions	14,133	8,735	61.8%
Interest expenses	95,291	89,609	6.3%
Interest on borrowings from KSFC	7,077	1,136	523.2%
Interest on customer's deposits	14,376	11,617	23.8%
Interest on bonds sold under repurchase	48,951	34,662	41.2%
Loss on transactions of certificates of deposits	1	11	-92.9%
Interest on call money	12,680	10,888	16.5%
Interest on debentures	9,771	28,214	-65.4%
Others	2,434	3,082	-21.0%
Loss on sales of trading securities	96,189	67,804	41.9%
Loss on sales of stock	67,253	31,041	116.7%
Loss on sales of stock warrants		0	
Loss on sales of debentures	22,141	13,536	63.6%
Loss on sales of beneficiary certificates	2,659	18,581	-85.7%
Loss on sales of negotiable commercial papers	22	28	-21.4%
Loss on redemption of trading securities	4,114	4,618	-10.9%
Loss on valuation of marketable securities	16,544	25,745	-35.7%
Loss on valuation of stock	10,220	3,011	239.5%
Loss on valuation of debentures	5,525	3,757	47.1%
Loss on valuation of beneficiary certificates	798	18,977	-95.8%
Loss on structured securities transaction	45,219	38,259	18.2%
Loss on sales of structured securities	95		
Loss on valuation of structured securities	21,716	29,776	-27.1%
Loss on redemption of structured securities	23,408	8,482	176.0%
Loss on valuation of trading securities sold	691	437	58.0%
Loss on structured securities transaction sold	233,113	30,358	667.9%
Loss on valuation of structured securities sold	91,502	17,878	411.8%
Loss on redemption of structured securities sold	141,611	12,480	1034.7%
Loss on derivatives transactions	539,218	171,672	214.1%
Loss on futures transactions	418,342	87,784	376.6%
Loss on exchange trading options transactions	116,118	77,874	49.1%
Loss on OTC derivatives transactions	4,758	6,014	-20.9%
Loss on sales of loans	176		
Selling and administrative expenses	389,713	282,288	38.1%
Salary, Severance pay, other benefits	249,266	159,686	56.1%
Computer system operations expenses	18,494	21,926	-15.7%
Rental expenses	16,017	14,974	7.0%
Advertising expenses	13,199	12,474	5.8%
Depreciation	12,087	12,738	-5.1%
Credit loss expense	7,203	8,235	-12.5%
Others	73,448	52,256	40.6%
Other operating expense		106	
OPERATING INCOME	386,249	88,837	334.8%

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NON - OPERATING INCOME	46,710	26,247	78.0%
Gain on disposition of tangible assets	1,147	3,210	-64.3%
Rental income	8,242	7,872	4.7%
Gain on disposition of securities available for sale	14,187	632	2145.9%
Gain on equity method securities	10,121	6,119	65.4%
Reversal of reduction loss on securities		3,126	
Gain on equity method valuation	3,926	482	714.4%
Gain on foreign currency transactions		27	
Gain on foreign exchanges translation	245	2,734	-91.1%
Gain on recovery of write-offs	38		
Others	8,803	2,044	330.8%
NON - OPERATING EXPENSES	38,449	264,025	-85.4%
Loss on disposition of tangible assets	352	212	65.7%
Loss on disposition of securities available for sale	937	5,149	-81.8%
Reduction loss on securities available for sale	115	210,572	-99.9%
Loss on equity method valuation	2,534	2,228	13.8%
Loss on equity method securities	2,408	278	765.7%
Loss on foreign currency transactions	6,684	2,483	169.2%
Loss on foreign exchanges translation	152	1,200	-87.3%
Loss on bond redemption	1,500		
Donations	466	92	404.6%
Others	23,302	41,811	-44.3%
ORDINARY INCOME (LOSS)	394,509	(-)148,941	<i>Turn to Black</i>
Income tax expense (benefit)	(-)15,914		
NET INCOME (LOSS)	410,423	(-)148,941	<i>Turn to Black</i>