

FY2007 Earnings Release (April '07 ~ March '08)

Daewoo Securities Investor Presentation FY2007



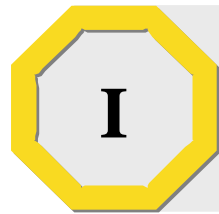
대우증권 | 
The Financial Leader

모두가 한 곳을 향한다고 모두가 그 길을 아는 것은 아닙니다

Table of Contents



I	Company Overview	3
II	Daewoo Securities' Strategy	7
III	Business Performance	13
IV	Operating Performance	24
V	Appendix	29



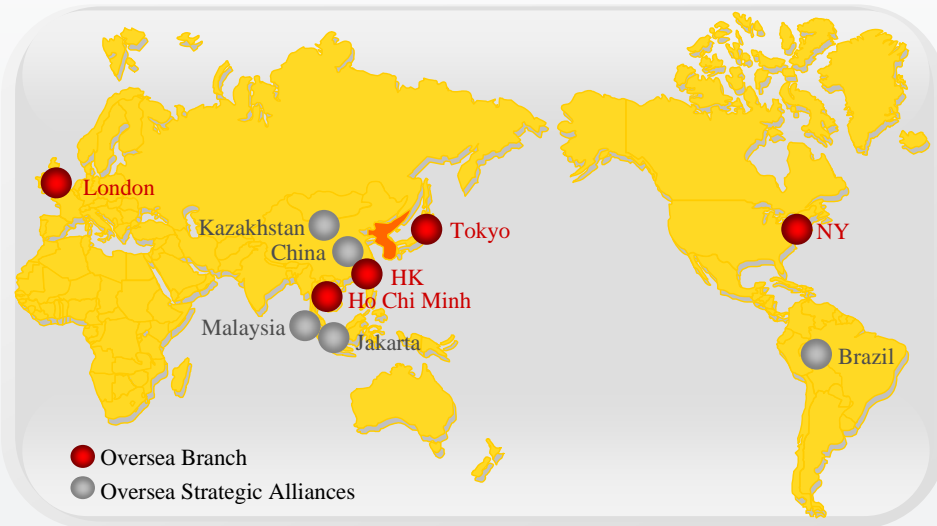
Company Overview

- **Company Profile**
- **Organization Chart**

Company Profile

Company Profile

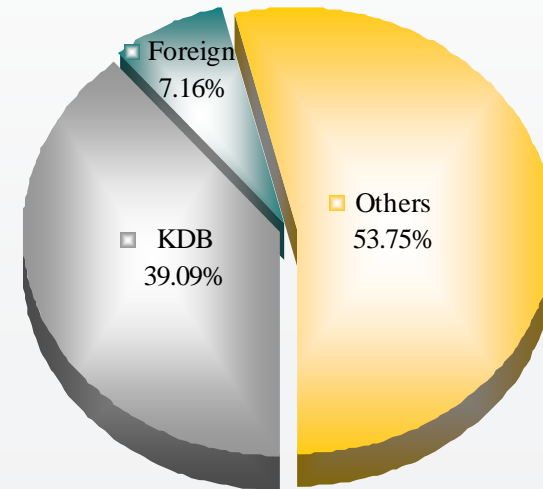
Established	SEP 23, 1970	(LISTED IN 1975)
CEO	Sung-Tae Kim	(MAY 2007)
Employees	3,111	(MAR 2008)
Credit Rating	AA	(Korea Ratings: SEP 2007)
Domestic Network	121 Branches (10 WM Centers/ 1 IB Center/ 3 Office)	
Overseas Network	3 Subsidiaries (HK, NY, LDN) 2 Representative Office (TKY, HCM)	



Shareholder Structure

(KRW)	Common Shares	Preferred Shares	Total
Market Capitalization:	4.49 tln	0.18 tln	4.67 tln
Share Price:	23,650	12,600	
Outstanding Shares:	190,100,891	14,075,750	204,176,641

as of MAR 2008



Organization Chart





Daewoo Securities' Strategy

- **Changes in Environment**
- **Relationship between strategies**
- **Plan 2010**
- **Vision 2015**
- **Year 2015 Projection**

Changes in Environment

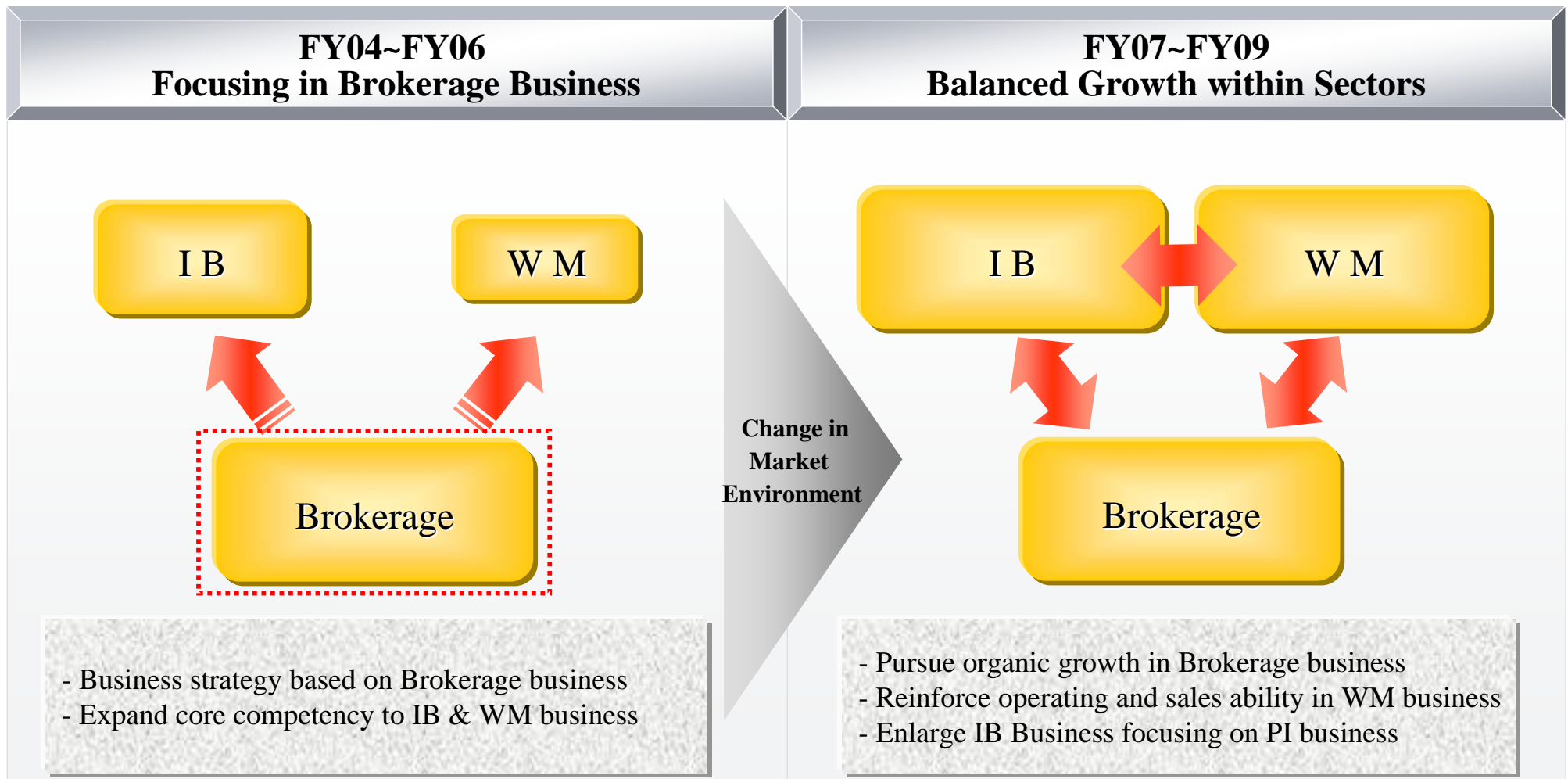
▣ Changes in the business environment induced shift in strategy

- Regulation changes derived from Capital Market Consolidation Act
: Competition within the industry → Competition between the industries
- Rapid growth in indirect investment
- Change in investor type (more foreign, less individual investors)
- Search for synergy in strategic alliance with KDB network

Redefined Daewoo Securities' strategy
to secure future growth in the rapidly changing financial industry environment.

Relationship between strategies

Accelerating growth through strengthened strategy



Plan 2010

「Plan 2010」 for each business sector

Brokerage Business

- Establish dominant status in Brokerage business through organic growth

WM Business

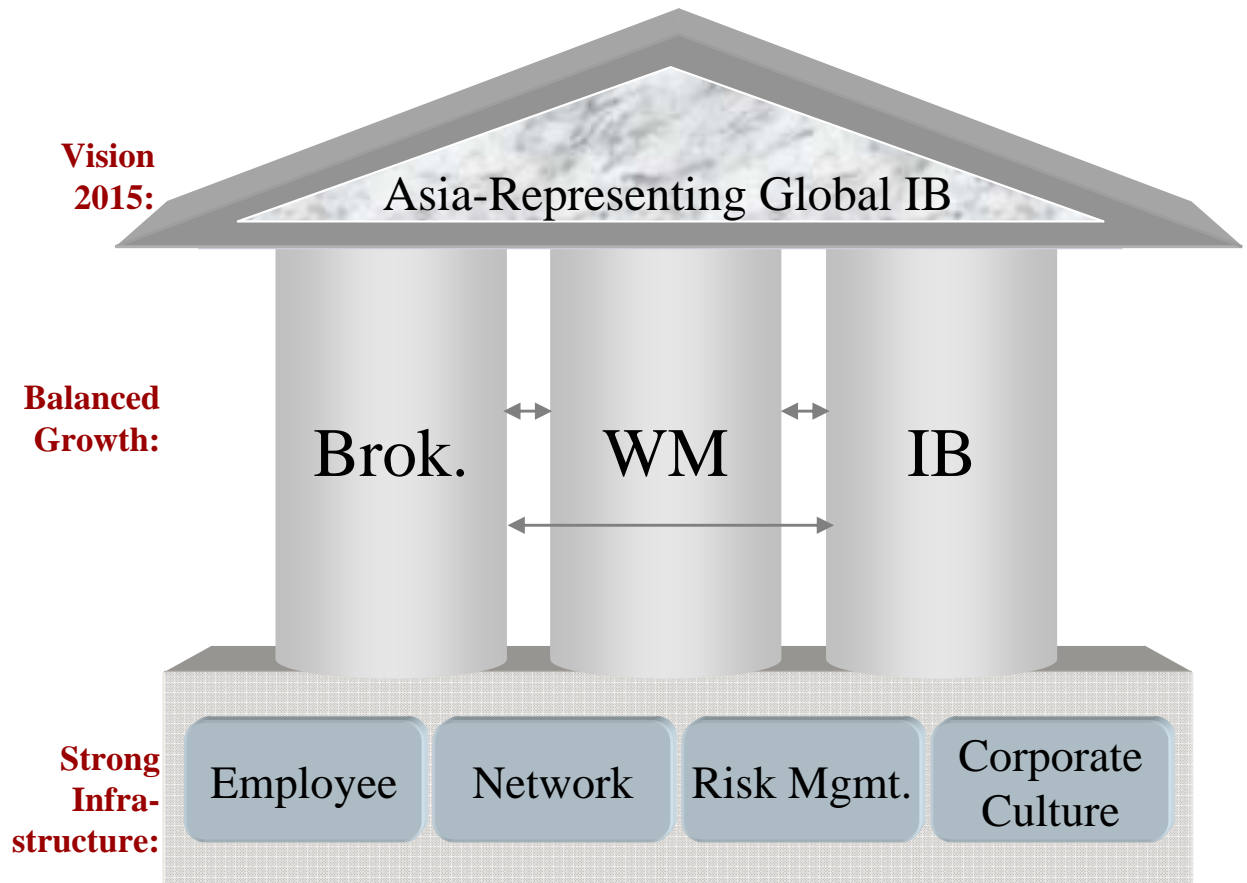
- Strengthen employee pool and consulting ability
→ Enlarge customer base

IB Business

- Establish strong Infrastructure through expanded IB business in Principal Investment

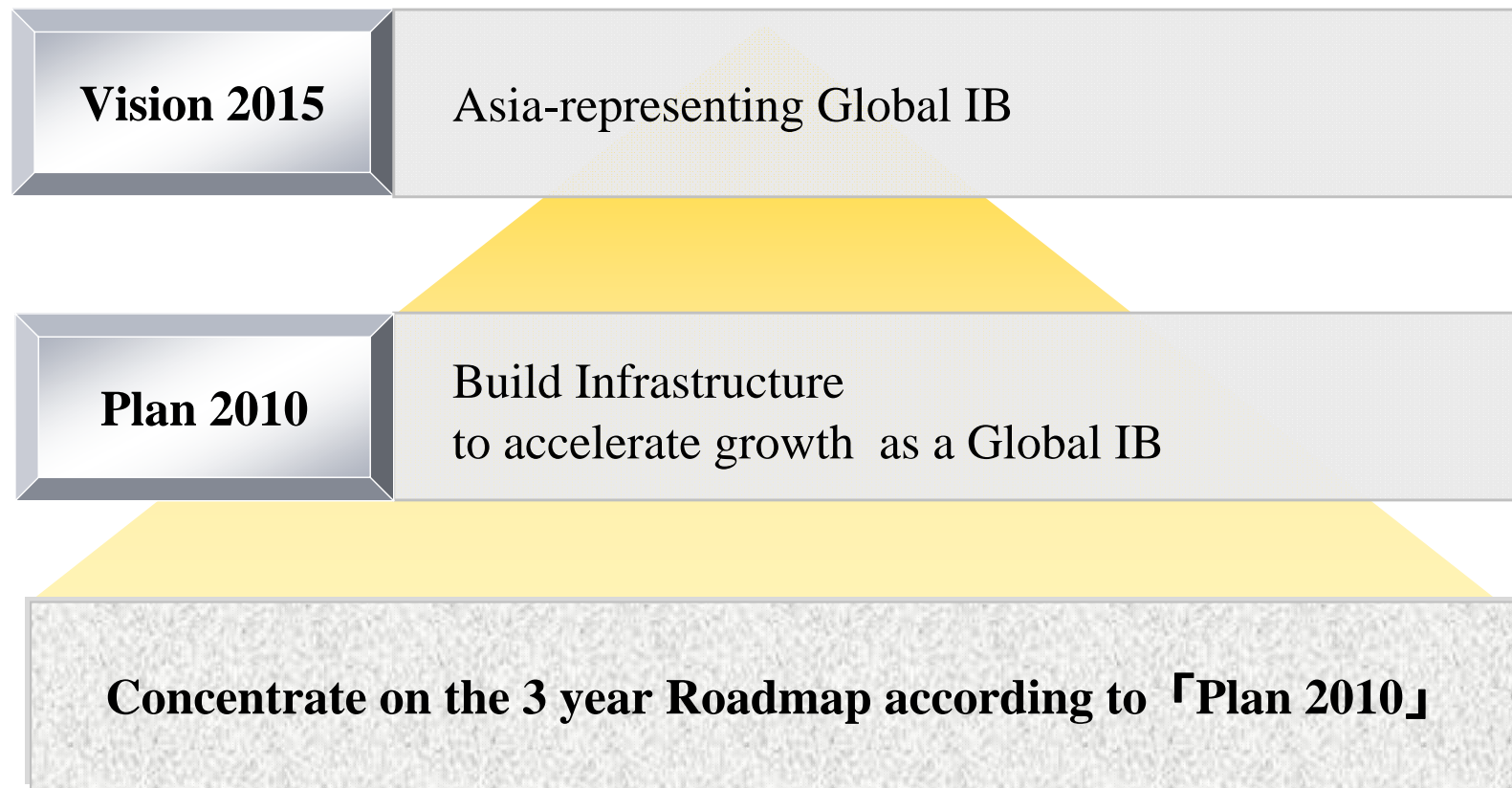
Infrastructure

- Improve risk management system, compliance and company culture to advanced level



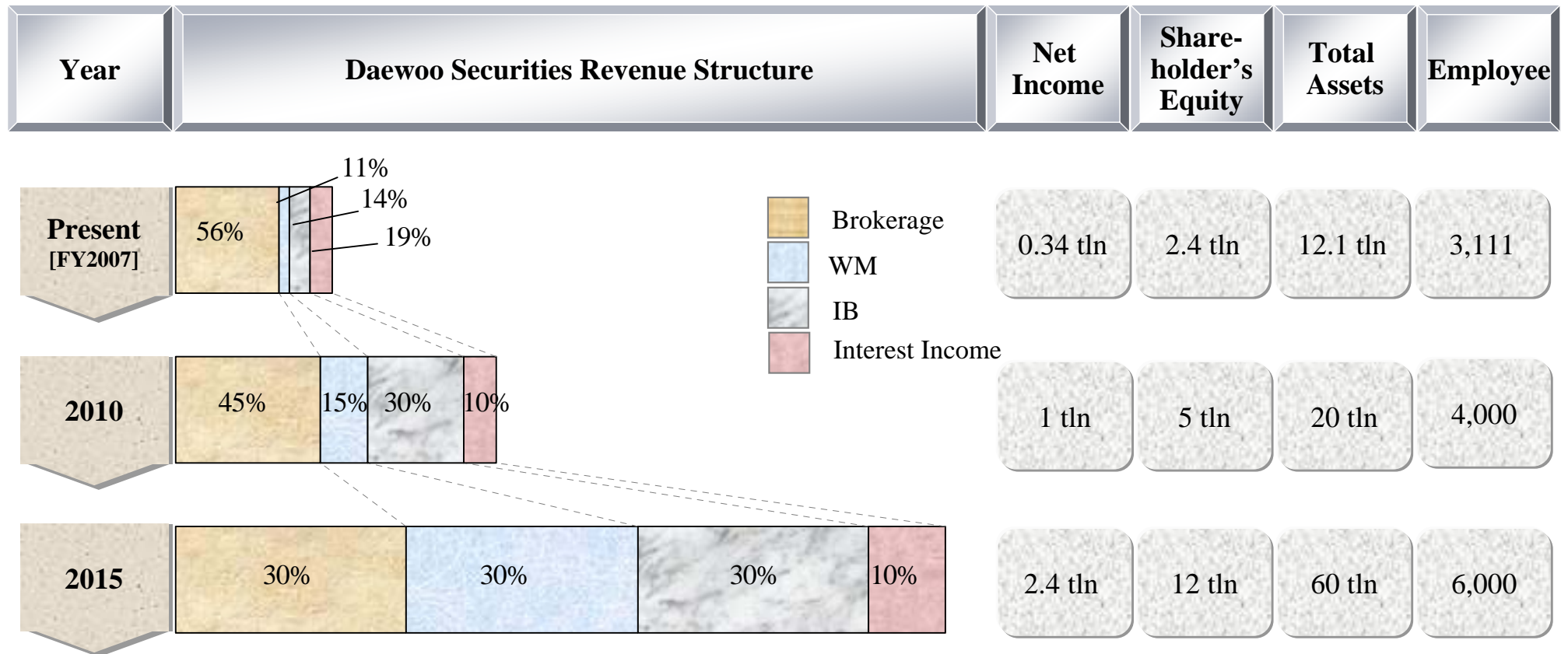
Vision 2015

- ▣ Straightly put 「Vision 2015」 leads DWS to Asia-representing Global IB



Year 2015 Projection

Expected revenue structure and key indicators for year 2015



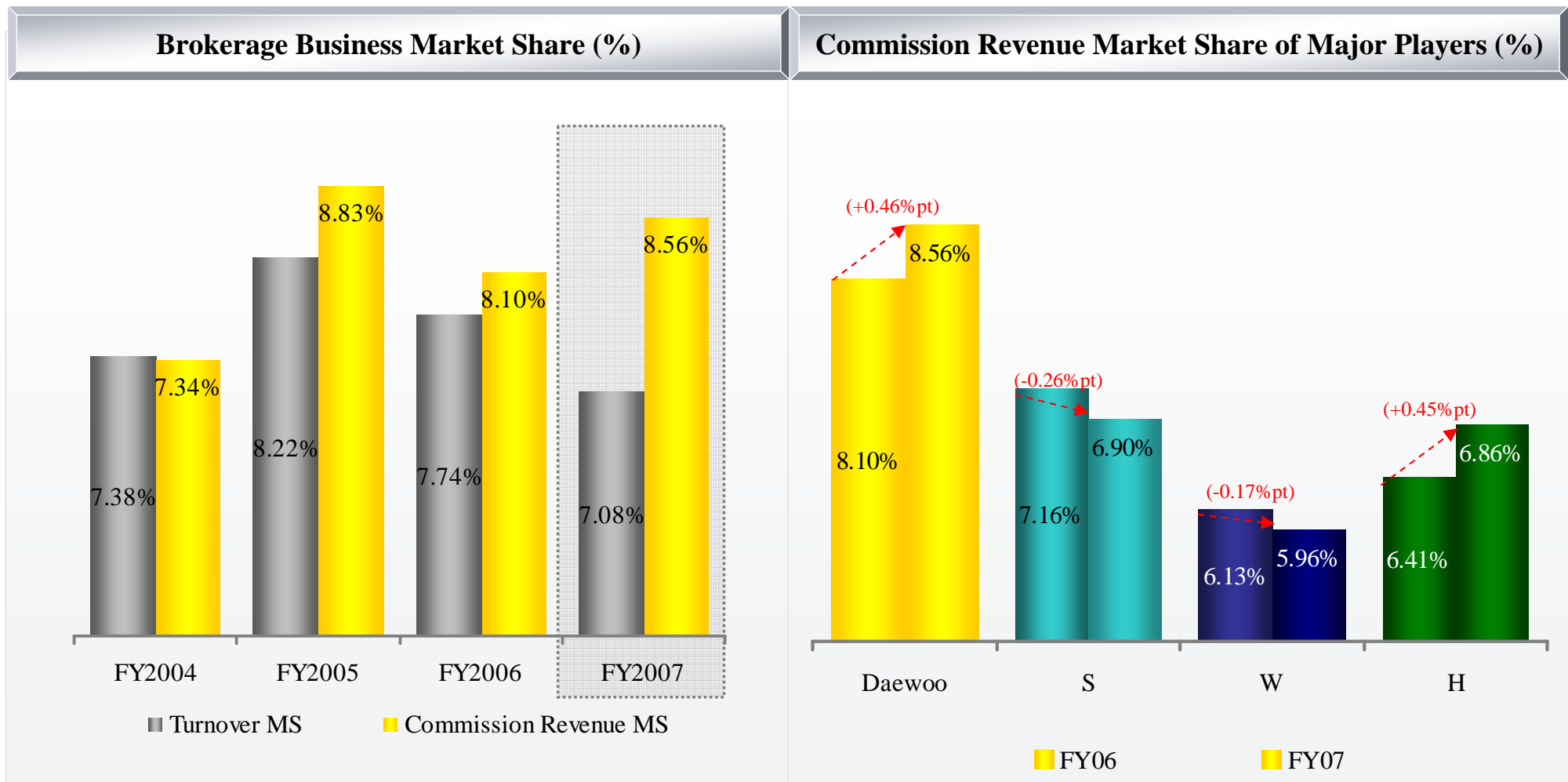


Business Performance

- Brokerage Business**
- IB Business**
- WM Business**
- OTC Derivatives Business**

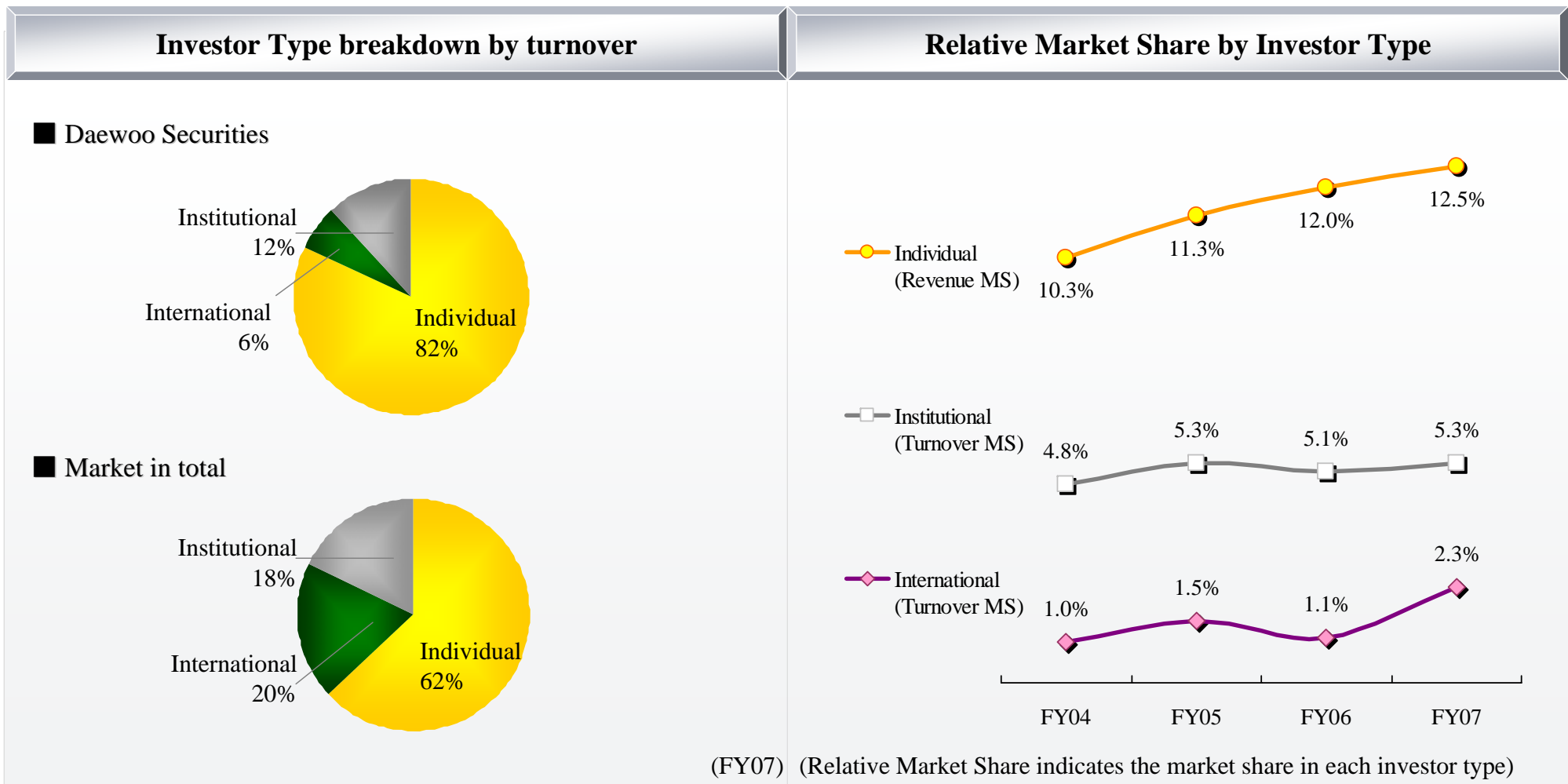
Brokerage Business I

■ Unwavering top market share in equity brokerage business



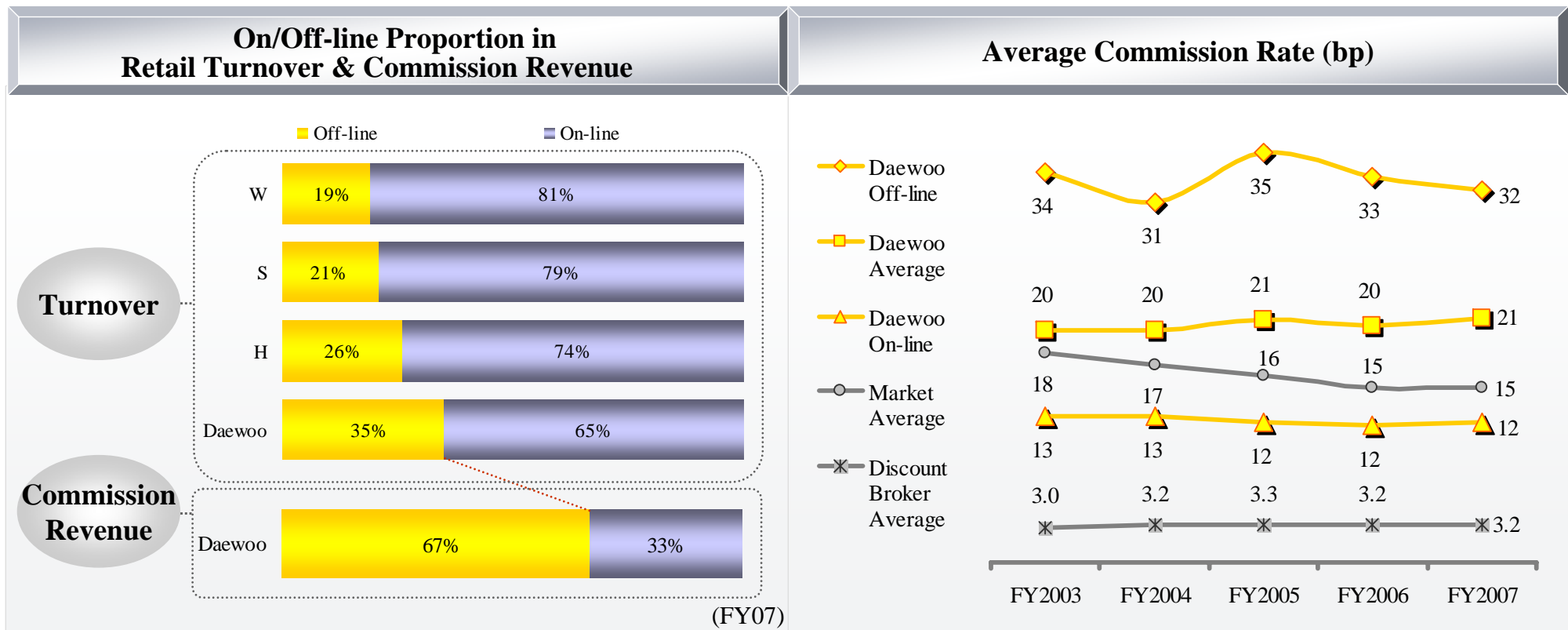
Brokerage Business II

Widening the gap with the runner-up company



Brokerage Business III

Enhance profitability through Off-line brokerage business



Daewoo Securities' Off-line Brokerage business provides a differentiated quality service.

Investment Banking Business I

■ Top performance in traditional Investment Banking business



(Unit : KRW bln, %)		FY2007	FY2006	FY2005
Corporate Bond *	Daewoo Sec.	2,733 (11%)	2,003 (12% / No. 1 MS)	1,801 (11% / No. 1 MS)
	Market Total Amt	25,472	16,231	17,157
ABS *	Daewoo Sec.	2,309 (17% / No. 1 MS)	2,173 (18% / No. 1 MS)	1,935 (11% / No. 1 MS)
	Market Total Amt	13,683	12,353	17,610
Rights Offering	Daewoo Sec.	340 (5%)	238 (8%)	266 (11% / No. 1 MS)
	Market Total Amt	7,202	3,029	2,489
IPO	Daewoo Sec.	163 (6%)	51 (6%)	1,034 (52% / No. 1 MS)
	Market Total Amt	2,553	847	1,985

* Performances from affiliated companies are excluded

Investment Banking II

▣ Paradigm shift in IB business, from underwriting to principal investments

Principal Investments				Proprietary Trading																																		
<p>■ PI expansion through leverage and capital increase</p> <table border="1"> <thead> <tr> <th>[as of MAR 08 / KRW bln]</th> <th>Invested Amount</th> <th>No. of Deals</th> <th>Representing Deals</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>236.2</td> <td>19</td> <td>Daewoo E&C (200bln), PEF, Pre-IPO Co.</td> </tr> <tr> <td>Fixed Income</td> <td>253.2</td> <td>28</td> <td>Project Financing, CB, BW, etc.</td> </tr> <tr> <td>Alternative Inv.</td> <td>76.0</td> <td>4</td> <td>Infra, Real Estate related Funds</td> </tr> <tr> <td>Total</td> <td>565.4</td> <td>51</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> Daewoo Securities principal investment scheme <ul style="list-style-type: none"> - Target IRR : 20% - Average duration : 1 year - Investments executed after thorough examination from Risk Management Dept. and Investment Committee 				[as of MAR 08 / KRW bln]	Invested Amount	No. of Deals	Representing Deals	Equity	236.2	19	Daewoo E&C (200bln), PEF, Pre-IPO Co.	Fixed Income	253.2	28	Project Financing, CB, BW, etc.	Alternative Inv.	76.0	4	Infra, Real Estate related Funds	Total	565.4	51		<p>■ Balanced revenue structure through increased Net gain on securities</p> <table border="1"> <thead> <tr> <th>[FY2007 / KRW bln]</th> <th>Avg. Monthly Operating Amt.</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>Stock</td> <td>48.6</td> <td>Equity portfolio yield+55.8% KOSPI yield +17.8%</td> </tr> <tr> <td>Bond</td> <td>341.4</td> <td>Treasury bonds, Bank issued bonds, etc</td> </tr> <tr> <td>Total</td> <td>390.0</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> Net revenue in equity, futures, option, and bond <ul style="list-style-type: none"> - FY07 : 62.3 bln - FY06 : 19.0 bln 			[FY2007 / KRW bln]	Avg. Monthly Operating Amt.	Others	Stock	48.6	Equity portfolio yield+55.8% KOSPI yield +17.8%	Bond	341.4	Treasury bonds, Bank issued bonds, etc	Total	390.0	
[as of MAR 08 / KRW bln]	Invested Amount	No. of Deals	Representing Deals																																			
Equity	236.2	19	Daewoo E&C (200bln), PEF, Pre-IPO Co.																																			
Fixed Income	253.2	28	Project Financing, CB, BW, etc.																																			
Alternative Inv.	76.0	4	Infra, Real Estate related Funds																																			
Total	565.4	51																																				
[FY2007 / KRW bln]	Avg. Monthly Operating Amt.	Others																																				
Stock	48.6	Equity portfolio yield+55.8% KOSPI yield +17.8%																																				
Bond	341.4	Treasury bonds, Bank issued bonds, etc																																				
Total	390.0																																					

Investment Banking III

■ Establishing global alliances with No.1 companies in emerging markets

China

- Signed PI Advisory contract with ‘Ind. and Com. Bank of China’ [DEC 07]
- Signed MOU agreement with ‘Galaxy Securities’ [OCT 07]
- Project financing of Set-Top Boxes(DSIT) in Hubei [APR 07]
- Project financing of office complex in Qingdao [APR 07]
- Managed the first Chinese company IPO in Korean stock market ‘Huafeng’ [NOV 07]
- Applied for QFII license



Malaysia

- Signed MOU agreement with CIMB (FEB 08)
 - Launched dual country fund (Malaysia-Indonesia) [APR 08]
 - Introducing Islam Sukuk to Korean companies
 - Cooperating in IB related deals and research
- Invested in Malaysian lumber company [MAY 07]



Vietnam

- Opened Ho Chi Minh Representative Office [NOV 07]
- Signed MOU agreement with Vietnam’s top tier Securities firm ‘BaoViet’ [JUN 07]



Brazil

- Signed MOU agreement with ‘Itau’ Financial Group [AUG 07]
- Invested in Brazil Futures Exchange (BM&F) IPO [DEC 07]



Kazakhstan

- Signed MOU agreement with ‘Halyk Finance’ [MAR 08]



Indonesia

- Invested in Indonesia’s biggest online securities firm ‘eTrading’ [JUN 07]
- Invested in Indonesian natural resource coal mining company ‘PT. BUI’ [JUL 06]
- Managed the issuance of EB of ‘PT. Eastlion Worldwide’



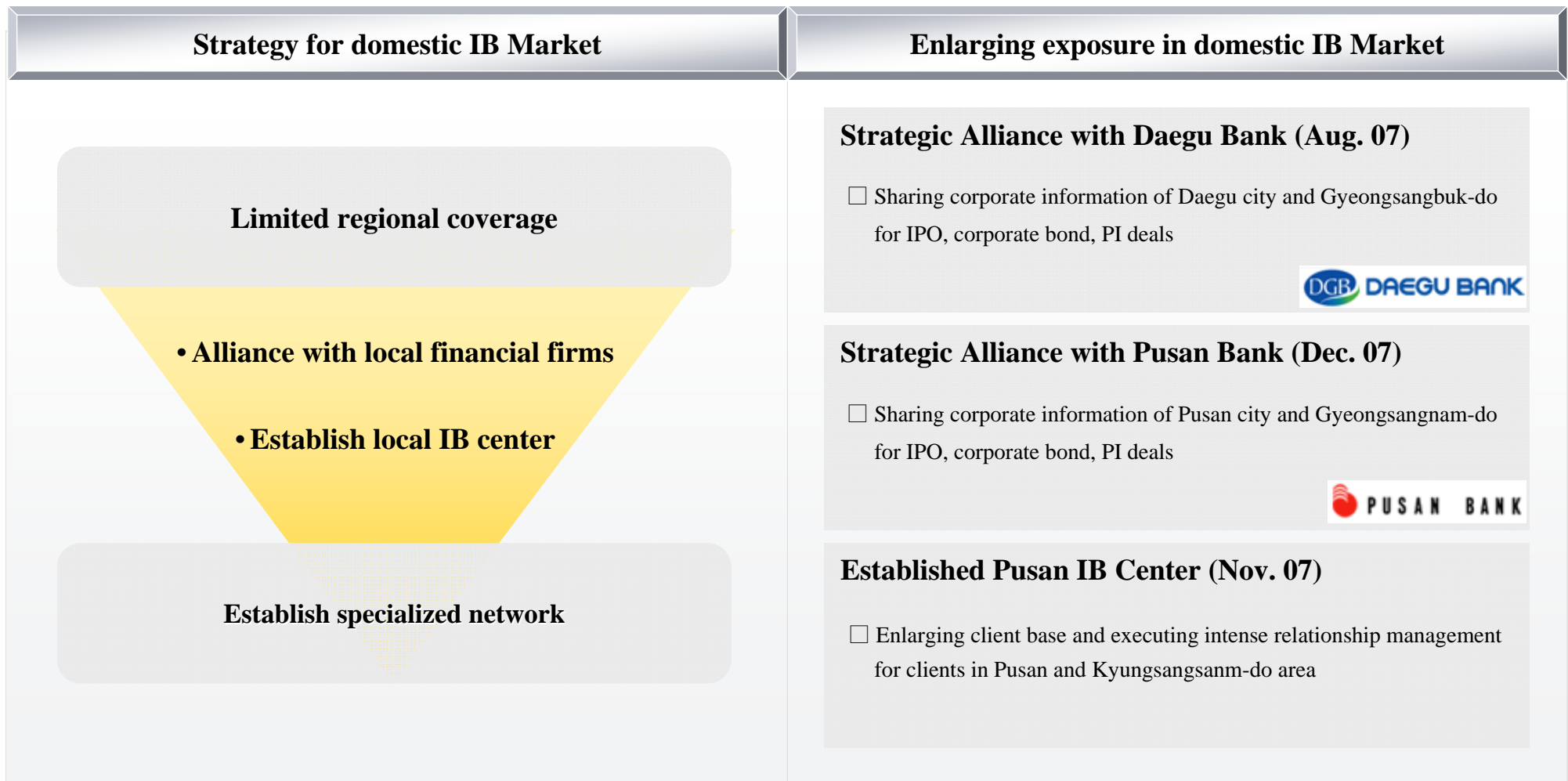
Japan

- Signed MOU agreement with ‘Mitsubishi UFJ Securities’ [JAN 07]
- Issued Yen currency based corporate bonds for Korean blue-chip companies through ‘Mitsubishi UFJ Securities’ [NOV 07]



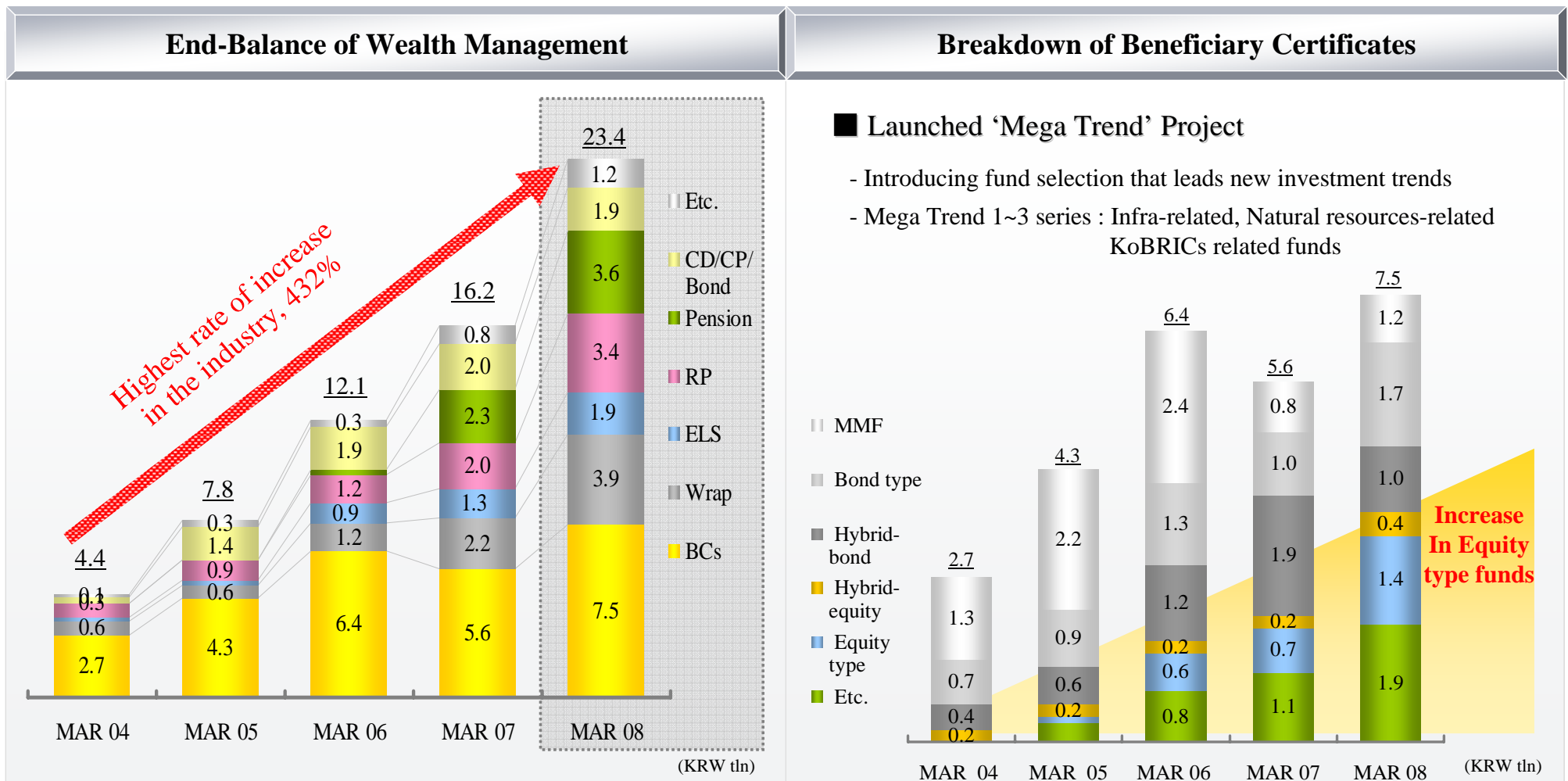
Investment Banking IV

- Expanding coverage in domestic market through IB center and strategic alliances



Wealth Management Business I

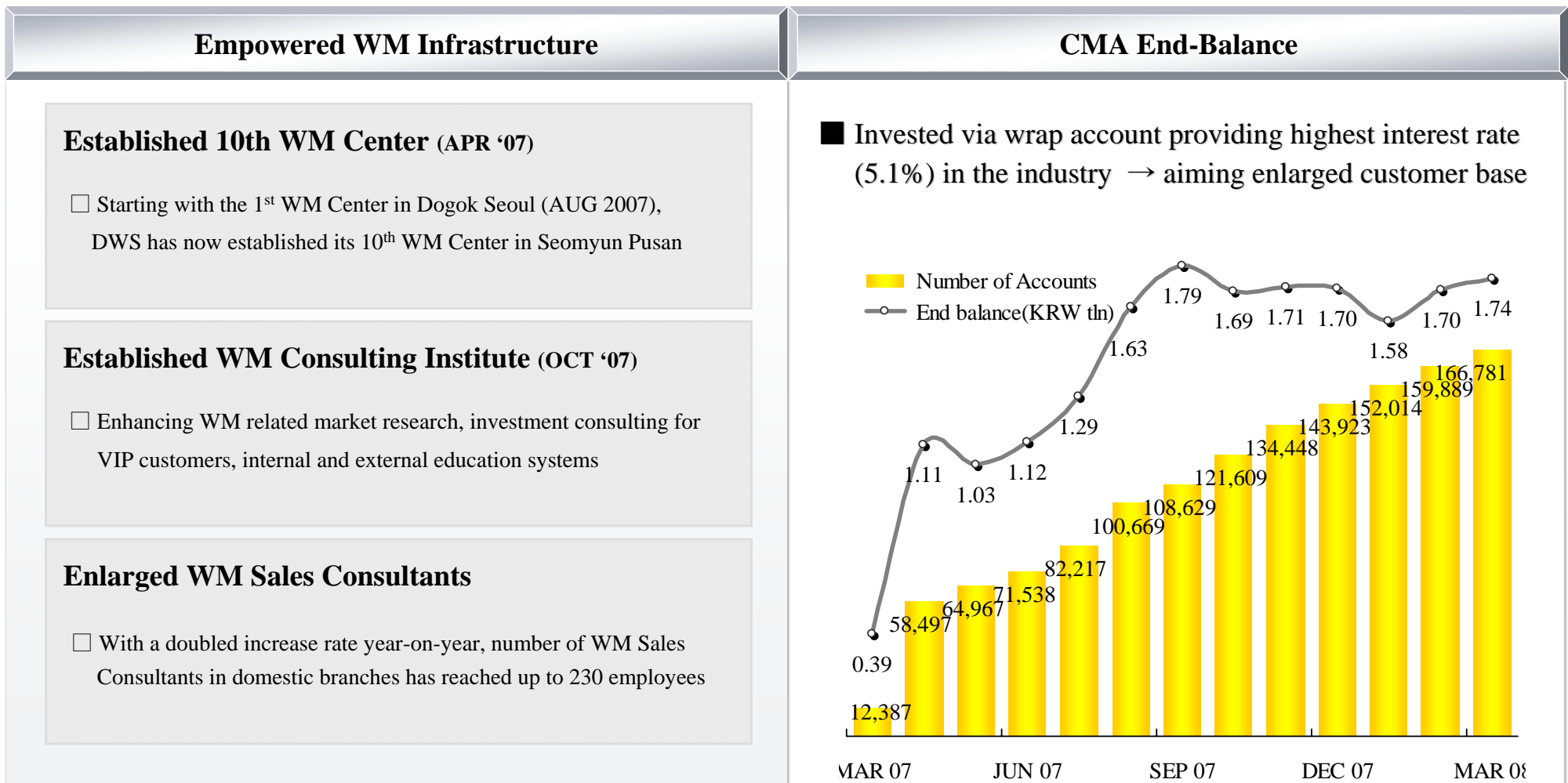
Industry's highest growth rate in wealth management business



* Etc. : REITs, Shipment related fund and etc.

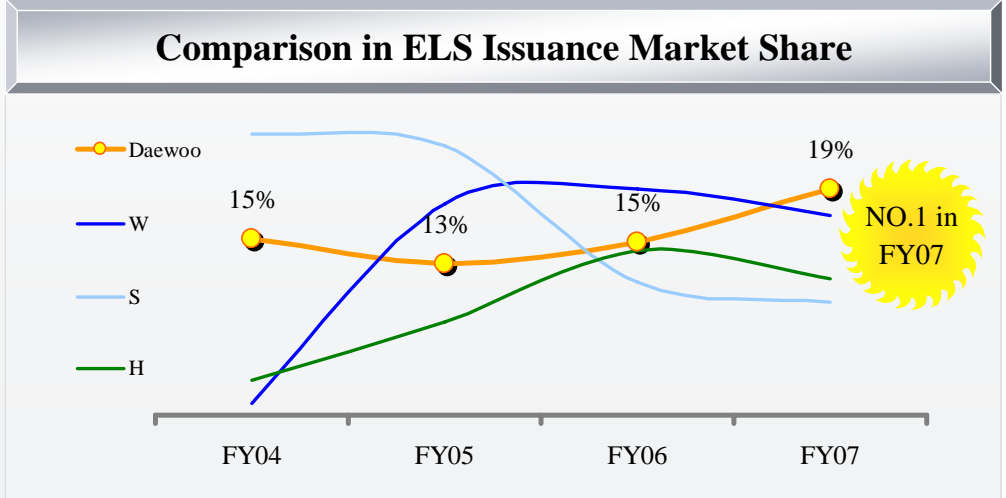
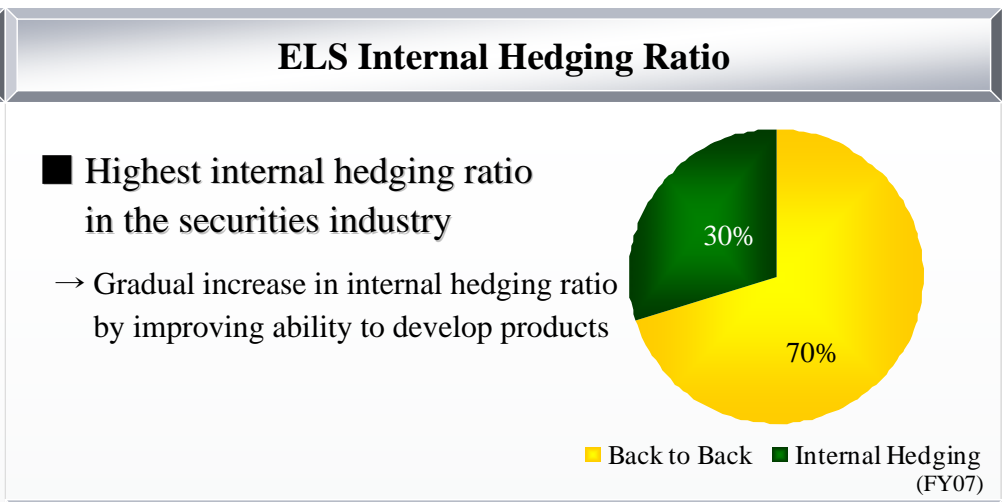
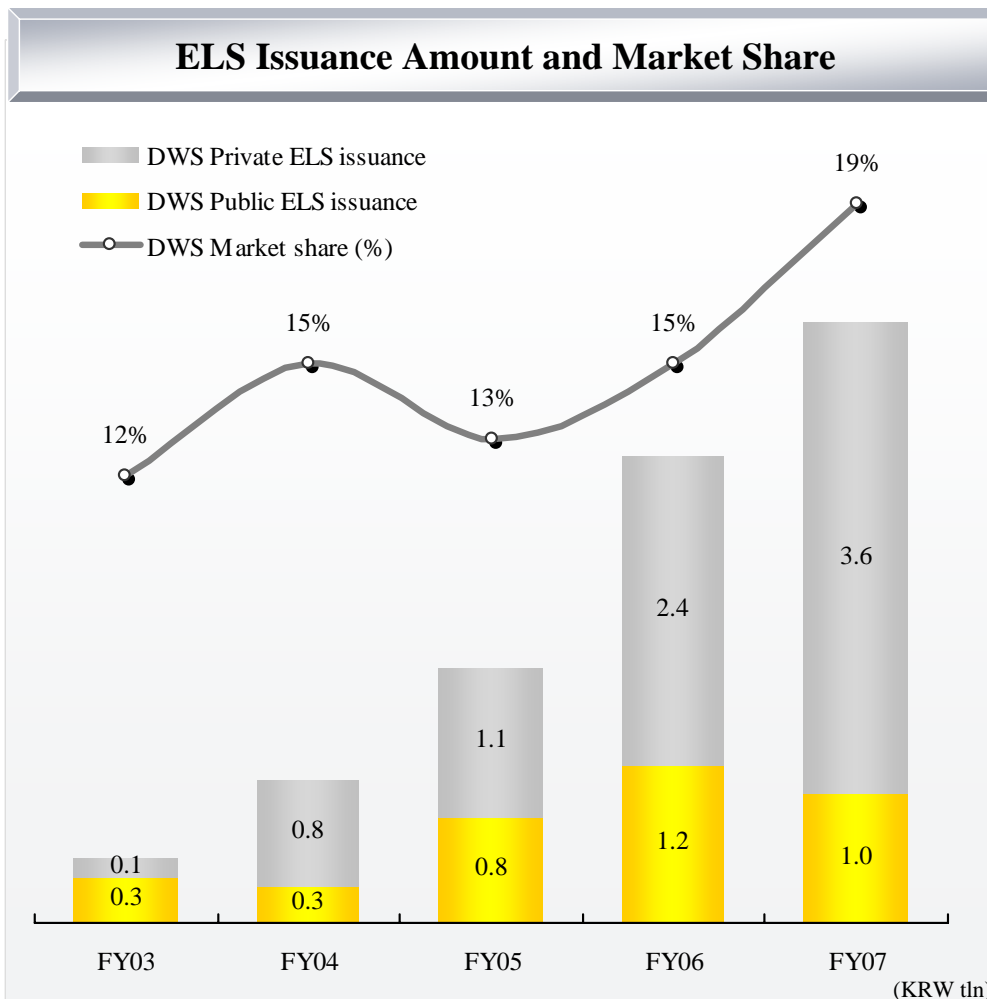
Wealth Management Business II

■ Securing a higher growth rate in WM business with empowered WM Infrastructure



Derivatives Business

▣ Top ELS issuance market share verifying future growth in derivatives business





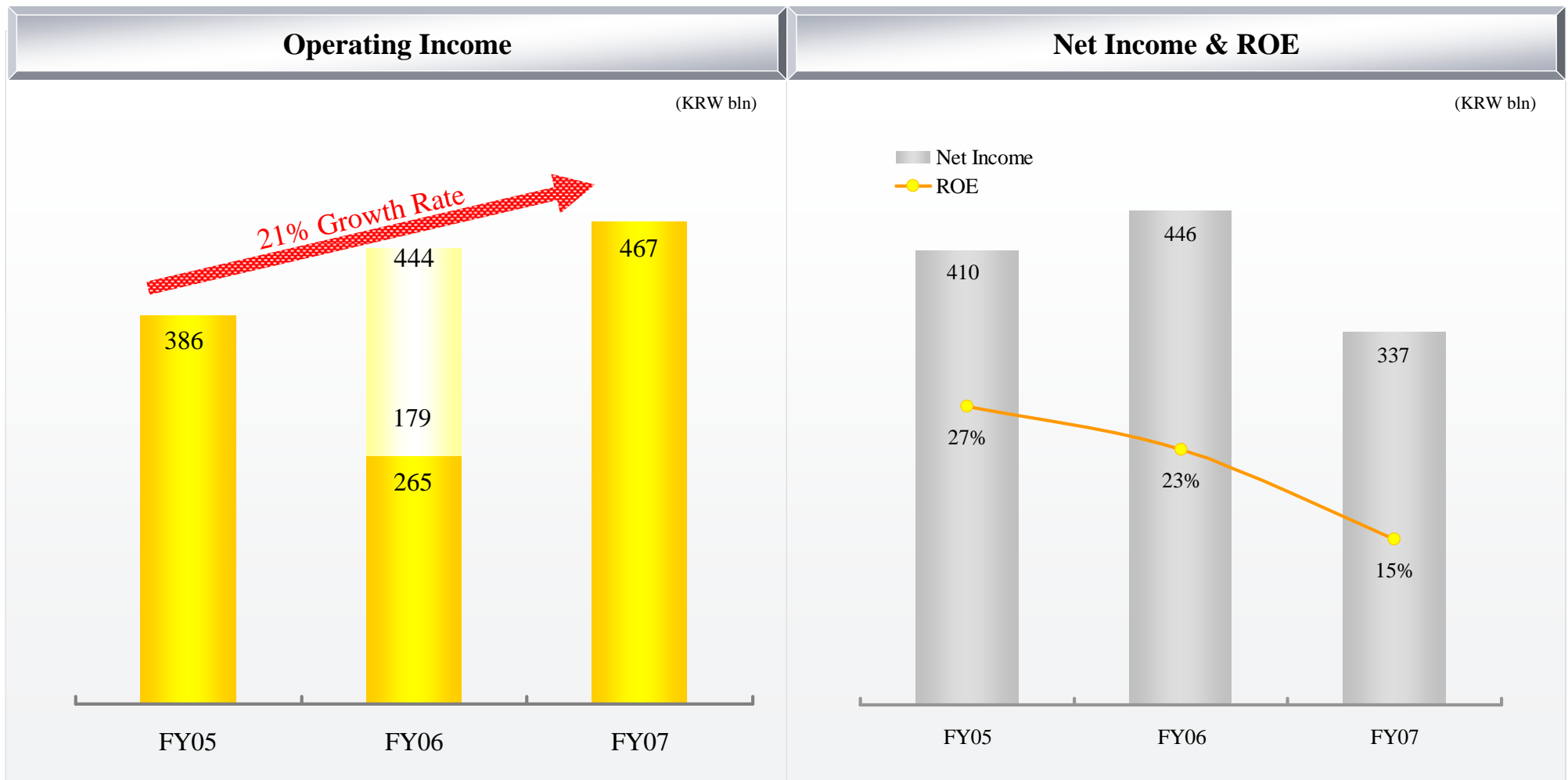
IV

Operating Results

- Operating & Net Income
- WM · IB business Income
- Cost Structure
- Income Structure

Operating & Net income

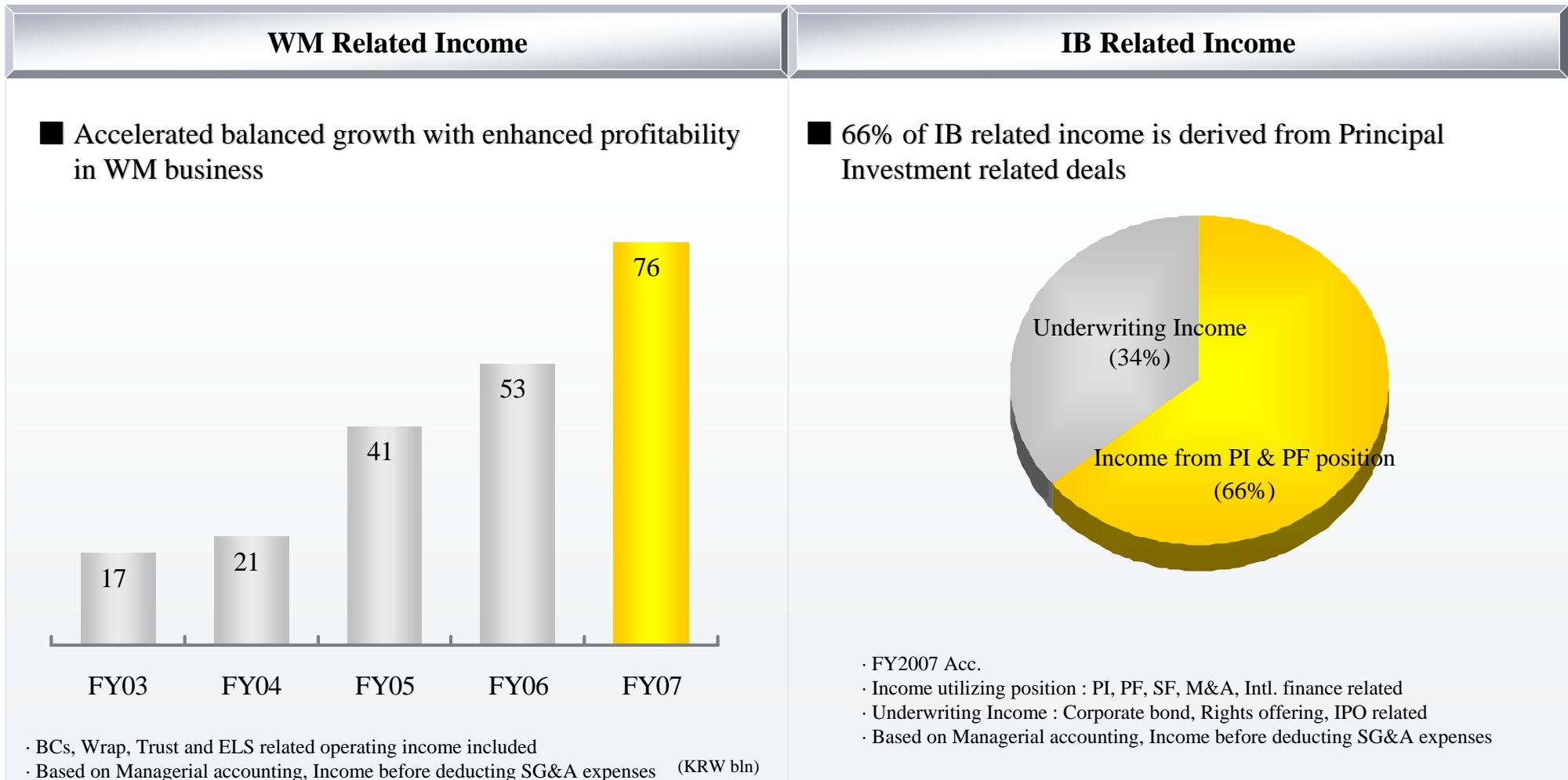
▣ Daewoo Securities' competitiveness proven by high operating income



- FY06 figures includes one-off gain from Daewoo Capital CRV amounting KRW179 bln
- Starting FY07 DWS is paying the full corporate tax rate of 27.5%
- FY07 figures are pre-audited / FY07 net income for competing companies are expected figures

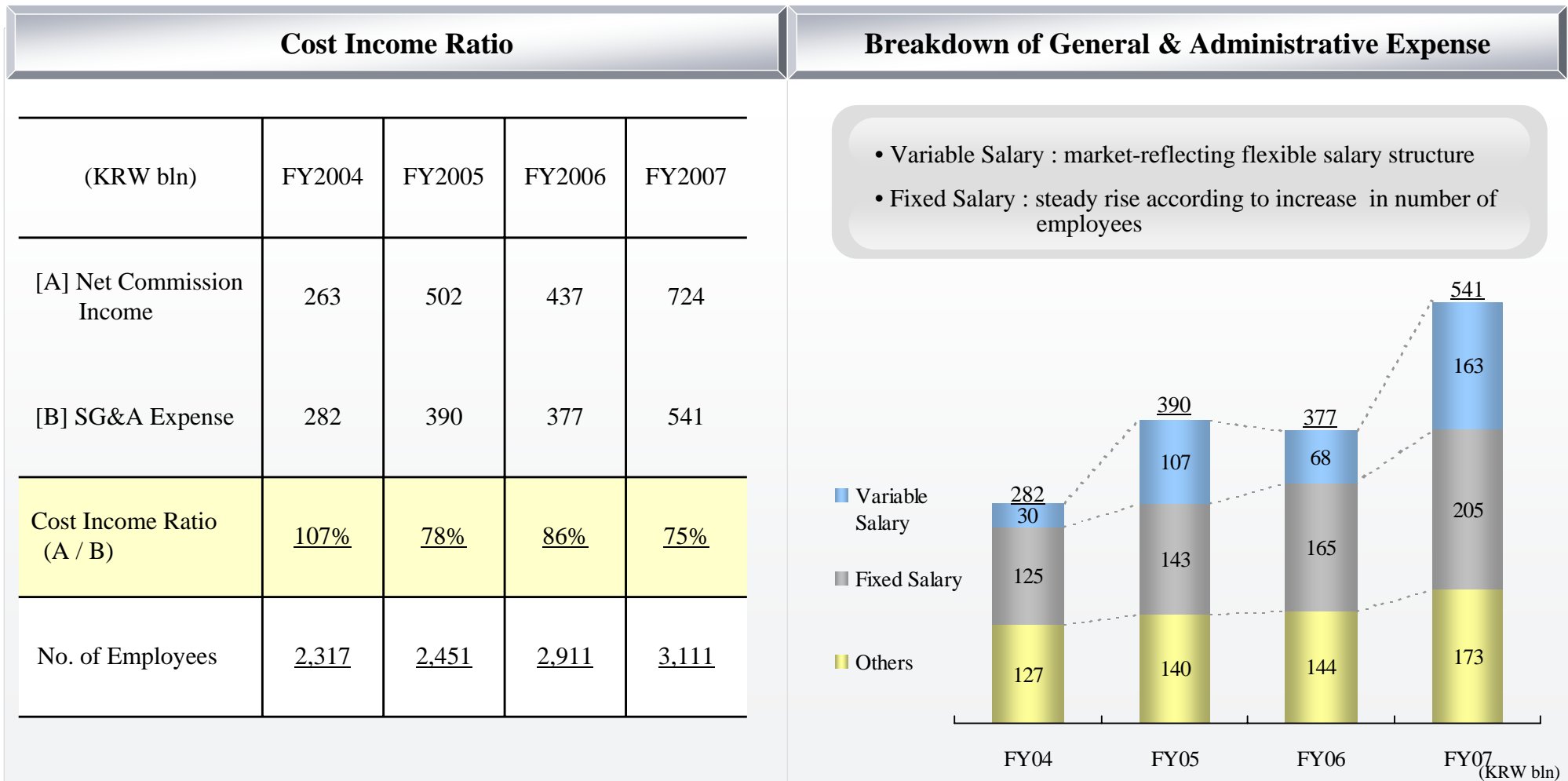
WM · IB Business Income

Income from WM & IB arising as a new revenue source



Cost Structure

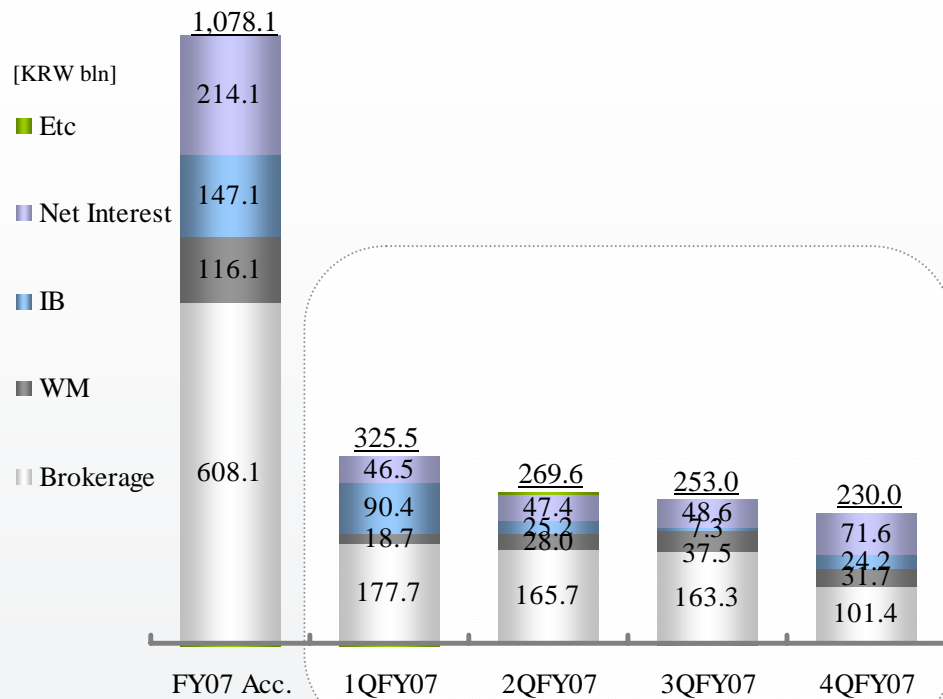
■ Accomplished outperforming efficiency and productivity



Income Structure

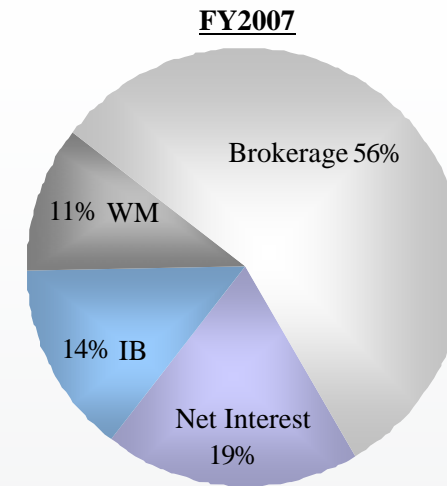
▣ Aiming for a balanced revenue structure

Net Revenue Breakdown by Amount



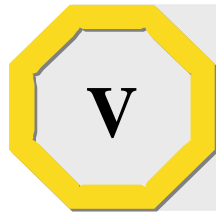
• Etc. : FY07 Acc. △7.2bln / 1QFY07 △7.8bln / 3QFY07 △3.7bln / 4QFY07 △1.1bln
 • Net Revenue : Operating Income before deducting SG&A expenses and commission expenses

Net Revenue Breakdown by Proportion



[Classifications on breakdown]

- Brokerage : Commission revenue
- WM : Commission on beneficiary certificates, wrap accounts, trust, and structured securities
- IB : Commission on underwriting & consulting, Net gain on Securities
- Net Interest : Interest income + dividend income + gain on valuation of reserve for claims of customers' deposits - Interest expense
- Others : Other operating income (others) - Other operating expenses



Appendix

- **Brand Recognition**
- **Domestic Commission Revenue Structure**
- **Summarized Financial Statement & Ratios**

Brand Recognition

Best Research House

- Korea Economic Daily
‘2007 Best Research House’
Awarded for 3 consecutive years
- Maeil Economic Daily
‘2006 Best Research House’
Awarded for 2 consecutive years



Renowned Awards

- Korea Productivity Center
‘No.1 Securities House’ on 2007 National Customer Satisfaction Index [Dec 2007]
- Korea Chamber of Commerce and Industry
‘13th Corporate Innovation Awards’
President Presented Awards [NOV 2006]



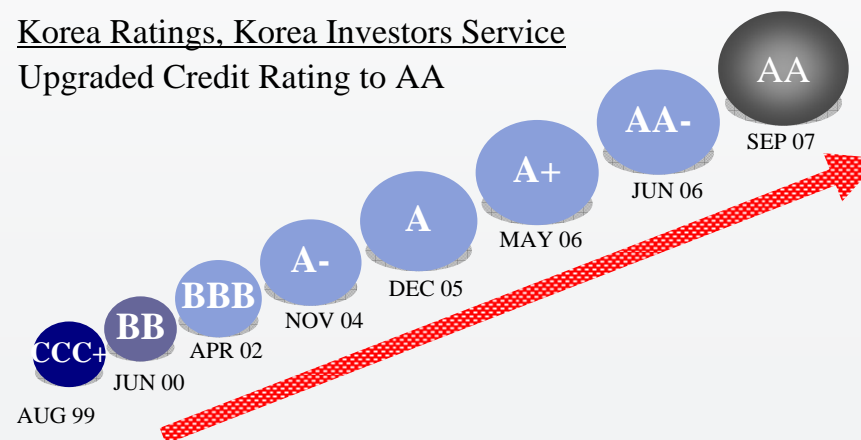
International Awards

- Asiamoney [JUN 2006]
‘Best Equity House in Korea’
Awarded for 4 consecutive years
- FinanceAsia [JUN 2006]
‘2006 Best Equity House in Korea’



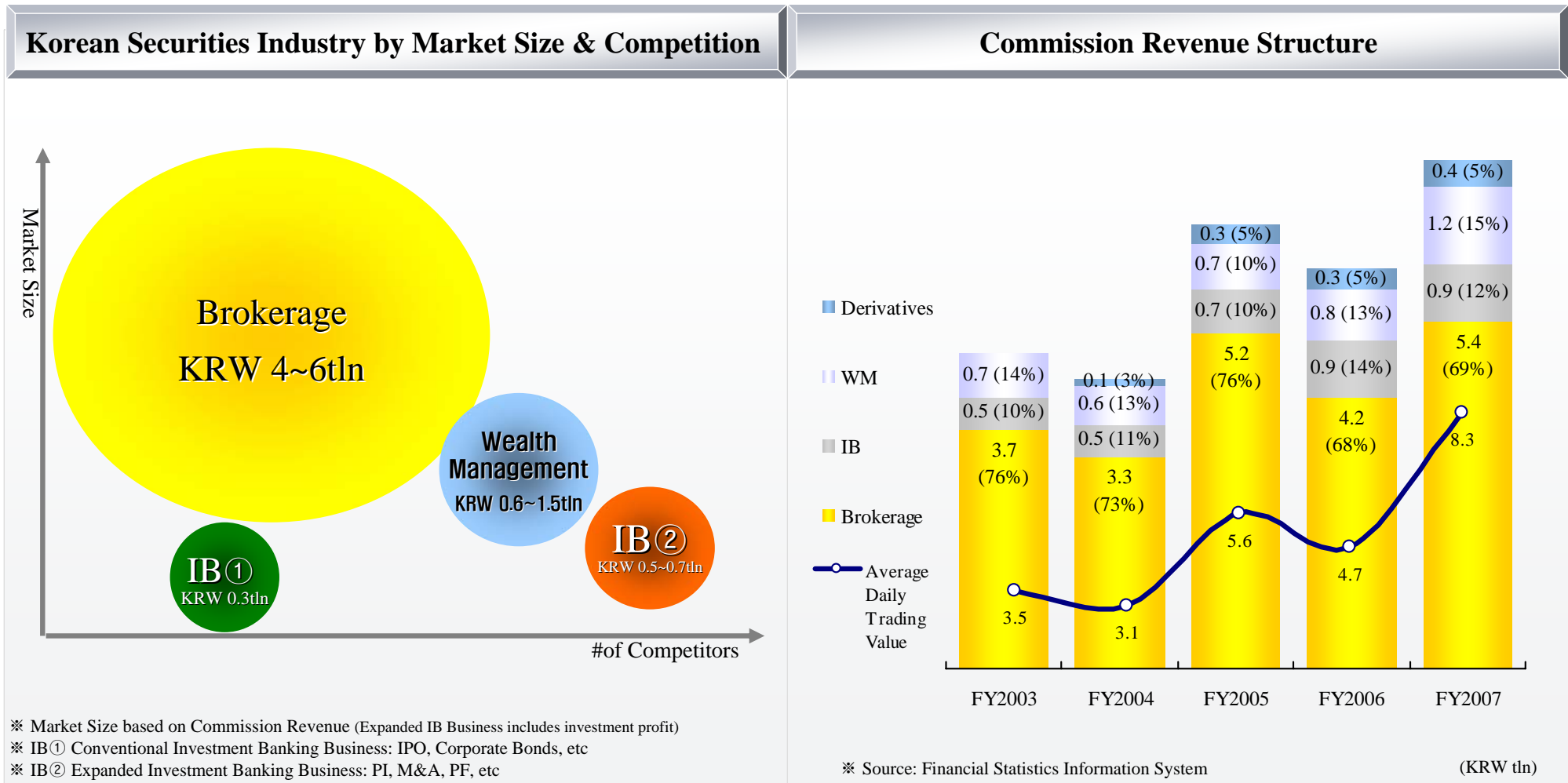
Best Credit Rating in Securities Industry

- Korea Ratings, Korea Investors Service
Upgraded Credit Rating to AA



Korean Securities Industry Commission Revenue Structure

■ Brokerage business is still the largest revenue source



Summarized Financial Statement & Ratios

Income Statement (KRW bln)	Annual					Net Quarter									
	200403	200503	200603	200703	200803	200603	200606	200609	200612	200703	200706	200709	200712	200803	
Operating Revenue	782	824	1,858	2,765	3,693	561	675	767	624	687	955	1,152	822	816	
Commission Revenue	323	291	654	483	794	194	127	112	121	123	219	210	217	149	
Brokerage commissions	279	243	492	374	608	137	103	86	91	93	178	166	163	101	
Underwriting commissions	19	24	34	21	27	14	3	5	7	5	7	6	10	4	
Brokerage commissions on beneficiary certificates	19	12	12	14	26	3	3	3	3	4	5	6	9	6	
Management fee on wrap account and asset management	2	6	7	8	11	2	2	2	2	2	3	3	3	3	
Consulting fee	0	4	6	9	16	1	2	2	4	1	7	6	2	0.6	
Interest income	82	118	175	228	334	52	49	58	61	60	67	72	94	103	
Operating Expense	622	735	1,472	2,310	3,231	443	609	701	563	436	784	1,051	717	732	
Commission expense	29	29	56	46	70	15	12	11	12	11	16	18	20	15	
Interest expense	90	90	95	137	204	25	26	35	37	38	39	44	61	62	
Selling and administrative expense	318	282	390	370	537	96	91	88	91	106	138	151	128	122	
Operating Income	160	89	386	456	462	117	66	67	60	251	172	101	105	84	
Non-Operating Income	-28	-238	8	15	1	-17	15	13	7	-8	0.5	102	-11	10	
Net Income Before Income Tax	133	-149	395	471	463	100	81	80	68	242	172	102	94	95	
Income Tax Expense	0	0	-16	25	126	6	0	-10	2	34	51	28	28	21	
Net Income	133	-149	410	446	337	94	81	90	66	209	122	74	67	74	
EPS(KRW)	697	-783	2,131	232	174	466	426	474	348	1,070	640	390	350	74	
Balance Sheet (KRW tln)															
Total Assets	4.06	5.05	6.50	9.00	12.07	6.50	8.12	8.93	9.20	9.00	10.78	11.07	11.96	12.08	
Total Liabilities	2.81	3.75	4.76	6.89	9.66	4.76	6.39	7.08	7.29	6.89	8.63	8.78	9.62	9.66	
Call Money	-	-	0.03	0.32	0.50	0.03	0.74	0.55	0.81	0.32	0.67	0.32	0.98	0.50	
Borrowings	0.02	0.02	-	-	0.20	-	0.04	0.02	0	0.10	0.18	0.24	0.21	0.20	
Debenture	-	0	0	0.03	0.30	0.01	0	0	0.30	0.30	0.30	0.30	0.30	0.30	
Total Shareholder's Equity	1.24	1.29	1.73	2.11	2.43	1.73	1.73	1.85	1.91	2.11	2.16	2.29	2.34	2.43	
Net Capital Ratio (%)															
Net Capital Ratio (%)	577.1	460.1	592.4	621.2	481.9	592.4	525.1	531.4	513.7	621.2	512.7	492.6	495.0	476.0	
Net working capital (KRW bln)	1,135	962	1,227	1,332	1,531	1,227	1,228	1,322	1,166	1,332	1,210	1,377	1,513	1,543	
Risk-weighted Assets (KRW bln)	197	209	207	214	318	207	234	249	227	214	236	280	306	324	
Financial Ratios															
	Annual					Annual									
	200403	200503	200603	200703	200803						200403	200503	200603	200703	200803
Common stock DPS(KRW)	-	-	400	400	400		ROE(%)		11.4	-11.7	27.1	23.2	14.8		
Preferred stock DPS(KRW)	-	-	440	440	440		PER(X)		7.3	N/A	7.6	7.7	14.6		
BPS(KRW)	6681	6945	9271	11,262	12,728		PBR(X)		0.8	1.0	1.8	1.6	1.7		

Daewoo Securities fiscal years ends at March 31st



Thank You

Daewoo Securities Co., Ltd.

Please direct additional queries to
Daewoo Securities Investor Relations at the following:

Tel: +82 2 768 2103/ 3903

Email: irteam@bestez.com

This presentation material is prepared by Daewoo Securities Co., Ltd. for the information of current and future investors of the company. The contents are preliminary figures and forward-looking statements based on Daewoo Securities' internal projection. All such statements are subject to certain risks and uncertainties that could cause actual results to differ from those in this material.