

Daewoo Securities

MAR 2010

KDB Financial Group

DAEWOO SECURITIES

Daewoo Securities

MAR 2010

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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.

Company Information

Daewoo Securities MAR 2010

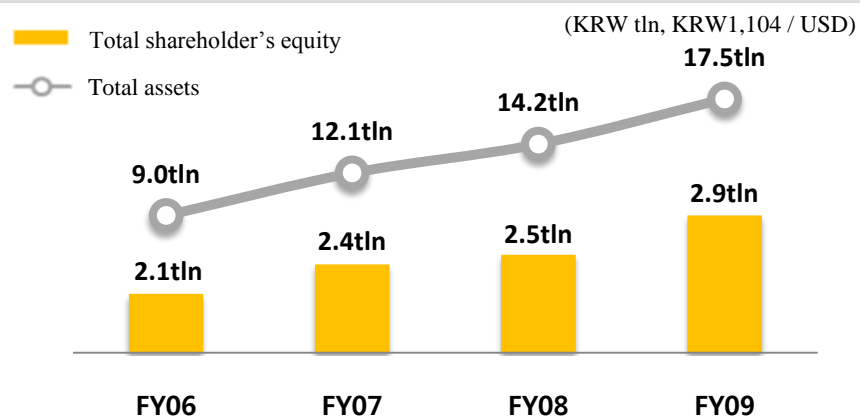
History

- 1970. Sep - Established as Dong Yang Securities
- 1983. Oct - Renamed as Daewoo Securities
- 1999. Oct - Split from Daewoo Group
- 2009. Oct - Established kdb Holdings Company & kdb holdings became major shareholder

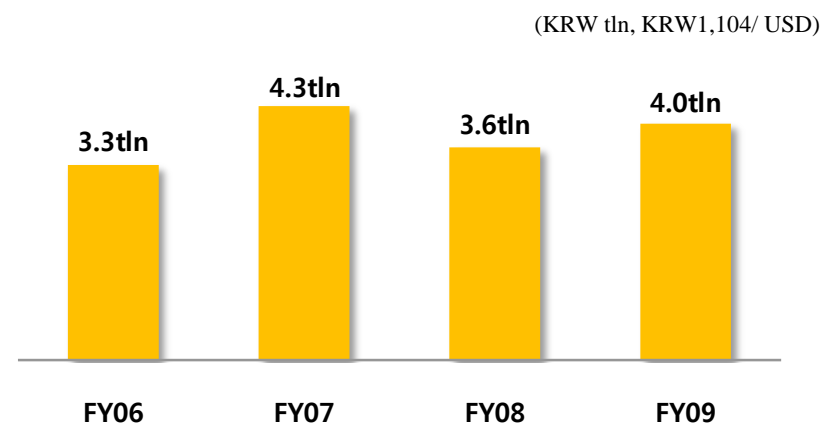
Network

- Domestic - 129 Branches
- Overseas - 3 Overseas Subsidiaries (New York, London, Hong Kong)
- 3 Regional Offices (Tokyo, Beijing, Ho Chi Minh)

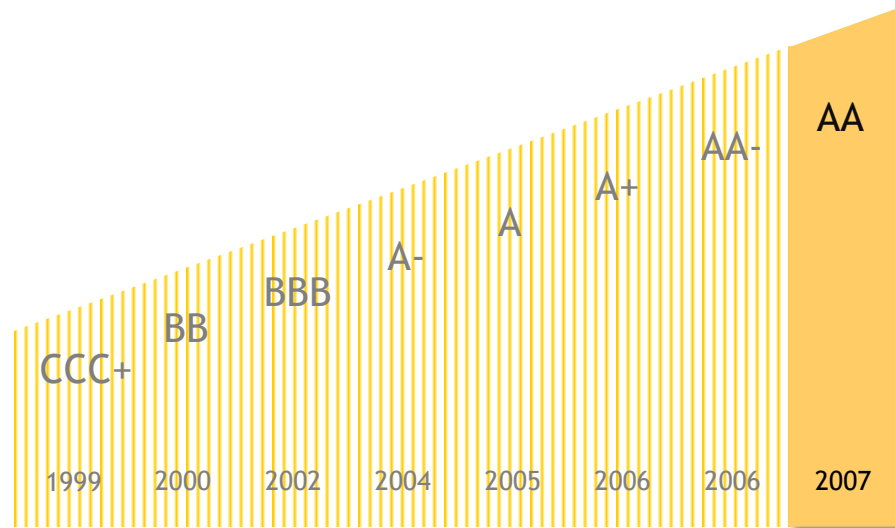
Financials



Market Capitalization

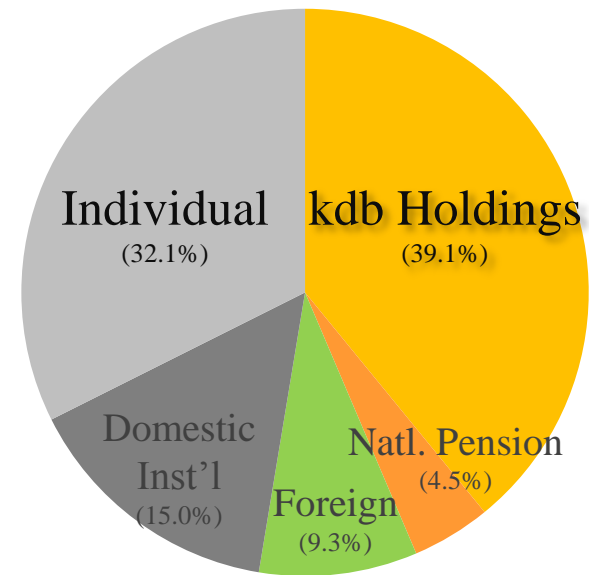


Credit Rating



* Source : Korean Credit Ratings

Shareholder Structure



* Common shares, As of Mar. 2010

◆ Maintained the top credit rating in the sector

◆ Well diversified shareholder structures

- Major 39.1%, Inst'l Investors 28.8%, Individuals 32.1%

FY09 Earnings Highlights

Daewoo Securities **MAR 2010**

Recorded net income of USD 289mln in FY09 (KRW 319bln, the highest level of income among competitors)

Retail Brokerage (* Refer to P.6)

- ◆ The daily market trading volume went up to KRW 9.2tln and the individual investors' portion increased to 67.7% in FY09.
- ◆ DWS concentrated on utilizing these favorable market environments as an opportunity to maximize profits, and as a result DWS' retail brokerage commissions on revenues rose to KRW 472bln (Up 36%, YoY).
- ❖ **FY09 Retail brokerage commission M/S : 11.6% (gap w/ 2nd ranked co: 2.2%p)**

Wholesale Brokerage (* Refer to P.7)

- ◆ **International brokerage** : In FY09, DWS' international brokerage M/S jumped to 4.6%, doubles of the last year's 2.3%.
DWS has enlarged market dominance in international wholesale brokerage through offering user-friendly DMA system and differentiated services based on DWS' high quality research paper
- ◆ **Domestic brokerage** : DWS has continuously acquired favorable reviews from domestic institutional clients and it enabled DWS to be selected as 'The Best Institutional Sales Team' by Hankyung Business Newspaper in second half of the 2009.
- ❖ **FY09 Wholesale brokerage turnover M/S : International 4.6% (2nd), Domestic 5.3% (3rd)**

WM (* Refer to P.8~9)

- ◆ DWS has fostered WM business through offering comprehensive products and high quality consulting services.
- ◆ Consequently, DWS' WM division delivered solid result with net revenues of KRW 691bln, and showed impressive growth of 43% with balances of KRW 39.6tln in FY09.
- ❖ **FY09 WM balances : USD 36 bln (KRW 39.7tln, up 11.8tln YoY)**

IB (* Refer to P.10~11)

- ◆ Commission revenues from IB business in FY09 significantly increased 96% year-on-year to KRW 83.5bln. A main reason for the increase was a growth in equity related deals as the stock market condition has been improved. On top of that, commission from advisory, which accounts for a large portion of IB revenue, increased 143% to KRW 39.6bln.
- ❖ **FY09 IB commission revenue : USD 7.6mln (KRW83.5bln, up 96% YoY)**

Sales & Trading (* Refer to P.12~13)

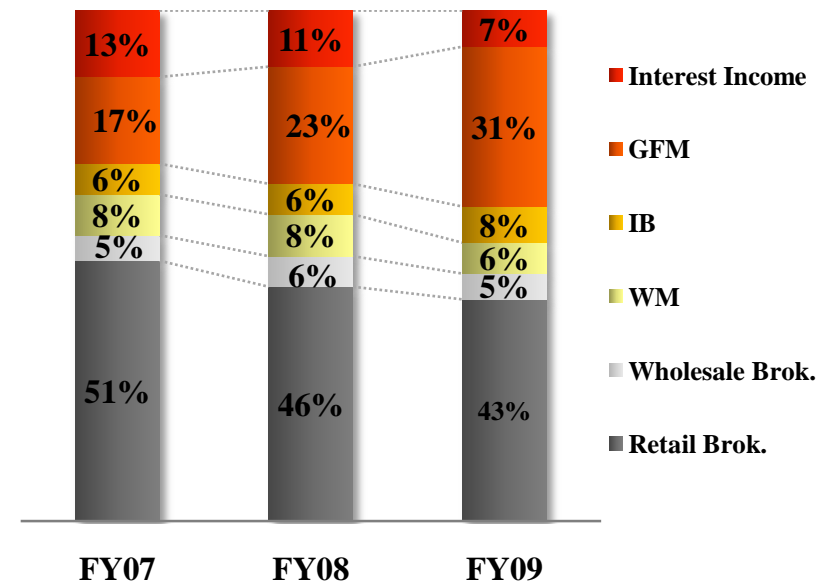
- ◆ DWS delivered exceptionally strong performance in Sales & Trading business in FY09. The revenue in Sales and Trading was KRW 350.8bln, 99% higher than the FY08. These results reflected strong net revenues in fixed income sector, which robustly grew compare to the year before.
- ❖ **FY09 Revenue in sales and trading: USD 317.9mln (KRW 351bln)**

* The exchange rate is KRW 1,104 / USD in this presentation material.

Net income in FY09 recorded USD 289mln (KRW 319bln)

(KRW bln)	FY07	FY08	FY09
Operating revenue	1,012.5	702.8	1,048.8
Brokerage commissions	608.1	393.8	530.1
IB commissions	67.2	42.8	83.5
WM commissions	116.1	104.5	115.0
• Structured securities	77.0	70.5	67.9
Gain/loss on sales and valuation of securities	77.7	-46.5	49.4
Interest income/loss	215.4	263.2	335.6
△ Commission expenses	-71.8	-54.9	-64.7
SG&A expenses	537.1	478.3	593.8
Others*	-13.3	-20.7	-42.9
Operating income	462.1	203.8	412.0
Non-operating income	1.2	29.5	11.1
Net income (before tax)	463.2	233.4	423.1
Income tax expense	126.5	52.9	104.0
Net income	336.8	180.5	319.1

FY09 Revenue Structure



* GFM = PI, Prop. Trading, Fixed Income (incl. interest income)

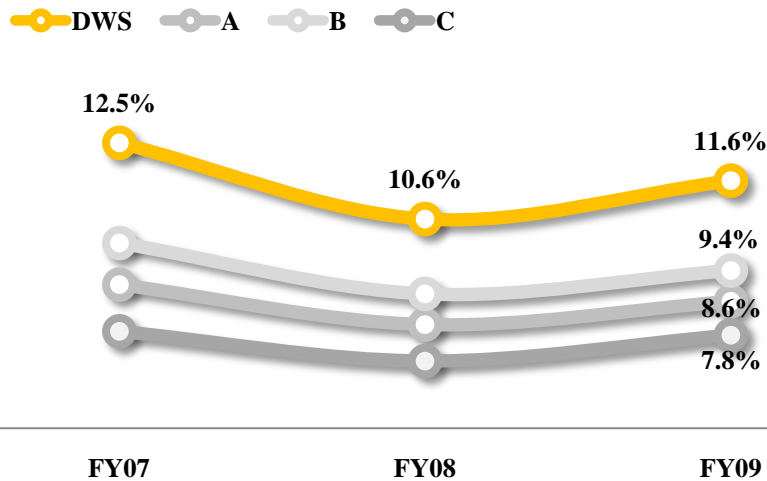
* Before deducting commission expenses

Performance by Division – Retail Brok.

Daewoo Securities MAR 2010

Maintained No.1 position in retail brokerage business

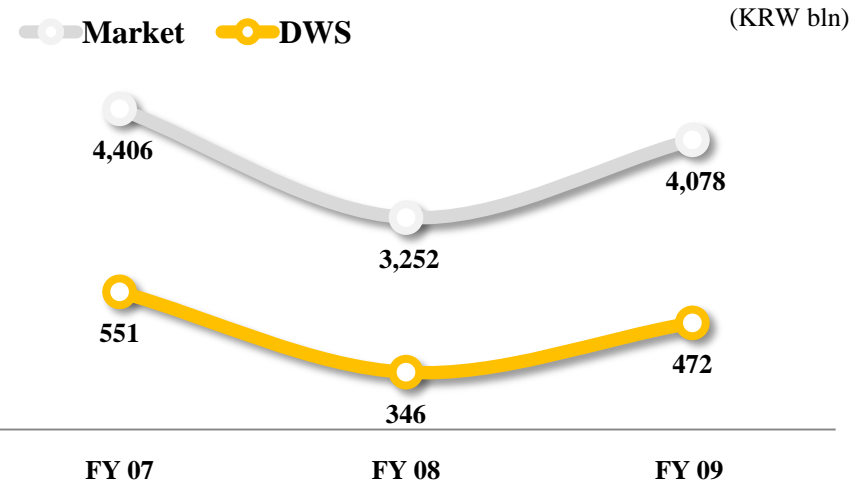
Retail brokerage M/S (by commission)



◆ As retail brokerage revenues increased by 36% resulting in commission revenues of KRW 472bln in financial year 2009, DWS could have continued to command the largest market shares (11.6%)

◆ It was possible to continue its leadership in retail brokerage division because DWS has delivered high quality one-to-one brokerage services based on the superior ability of each sales personnel.

DWS commission revenue in retail brok. market



◆ The daily market trading volume went up to KRW 9.2tln and the individual investors' portion increased to 67.7% in FY09.

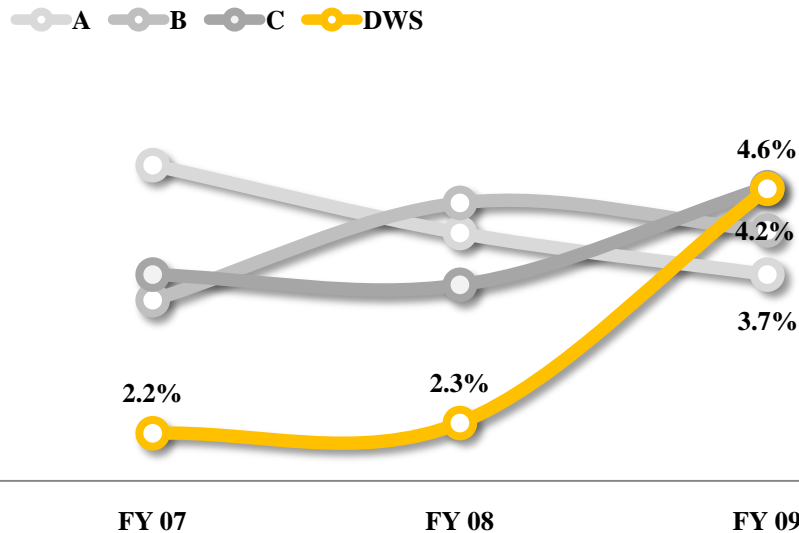
◆ DWS concentrated on utilizing these favorable market environments as an opportunity to maximize profits, and as a result DWS' retail brokerage commissions on revenues rose to KRW 472bln (Up 36%, YoY).

Performance by Division – Wholesale Brok.

Daewoo Securities MAR 2010

Secured the leading position in the wholesale brokerage business

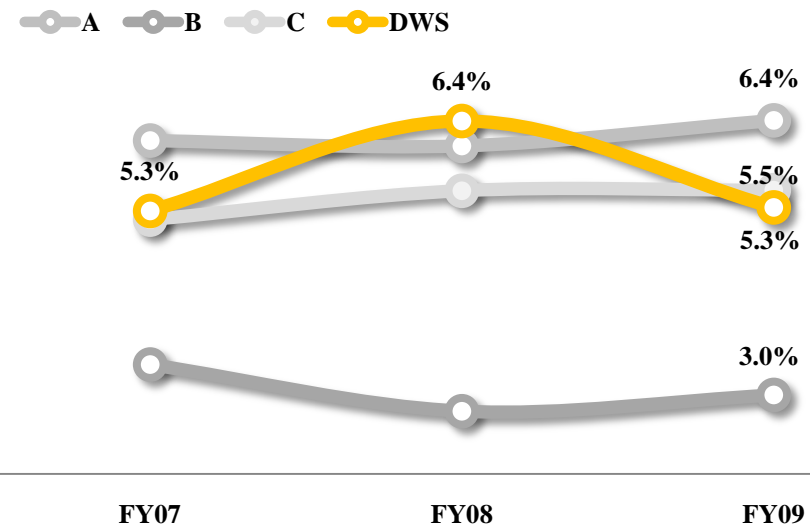
International wholesale brokerage M/S (by turnover)



◆ In FY09, DWS' international brokerage M/S jumped to 4.6%, doubles of the last year's 2.3% and it can be attributed to the following two factors.

◆ Firstly, DWS has provided user-friendly DMA system which enhanced its market position and newly attracted a number of prominent corporate clients. Secondly, DWS has offered upgraded services to foreign investors by providing English language research paper upon request.

Domestic wholesale brokerage M/S (by turnover)

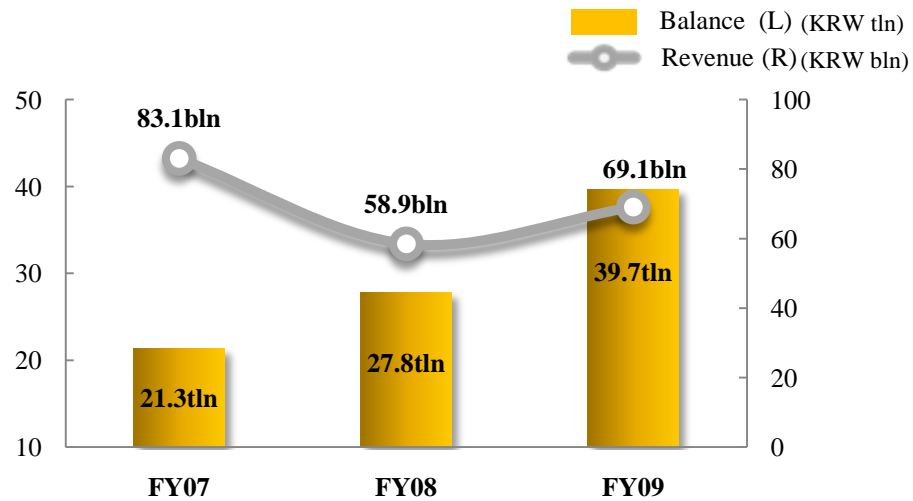


◆ DWS has continuously acquired favorable reviews from domestic institutional clients and it enabled DWS to be selected as 'The Best Institutional Sales Team' by Hankyung Business Newspaper in second half of the 2009.

◆ DWS has reinforced the institutional brokerage business through a wide range of marketing activities and high quality research services. In addition, DWS has continued to offer differentiated corporate access service such as IR meetings and conferences for institutional investors.

Achieved stable income generation and rapid growth in WM business

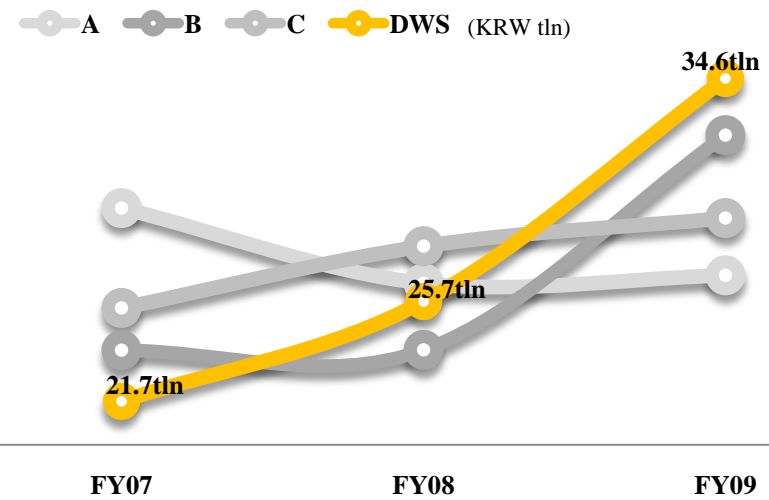
WM revenue and balance trend



* WM revenue = Beneficiary Certificates + Wrap + Trust + ELS Sales Margin

- ◆ DWS has fostered our WM business through offering comprehensive products and high quality consulting services.
- ◆ Consequently, DWS' WM division delivered solid result with net revenues of KRW 691bln, and showed impressive growth of 43% with balances of KRW 39.7tln in FY 2009.

DWS WM balance against peers



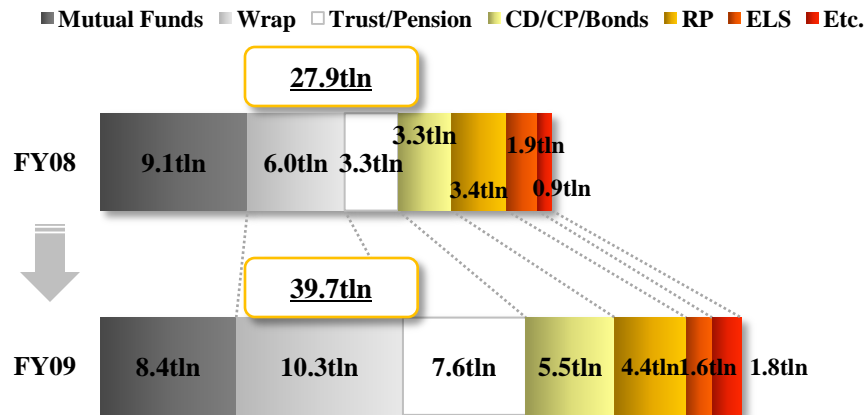
* By balance of major WM products

- ◆ DWS has strengthened our position as a market leader by offering customized services and competitive products.
- ◆ For instance, DWS has provided innovative products like 'Star Portfolio' and such products have meaningfully satisfied the various needs of end users.

Well diversified WM product portfolio led to the stable income to the company

WM products

(KRW tln)

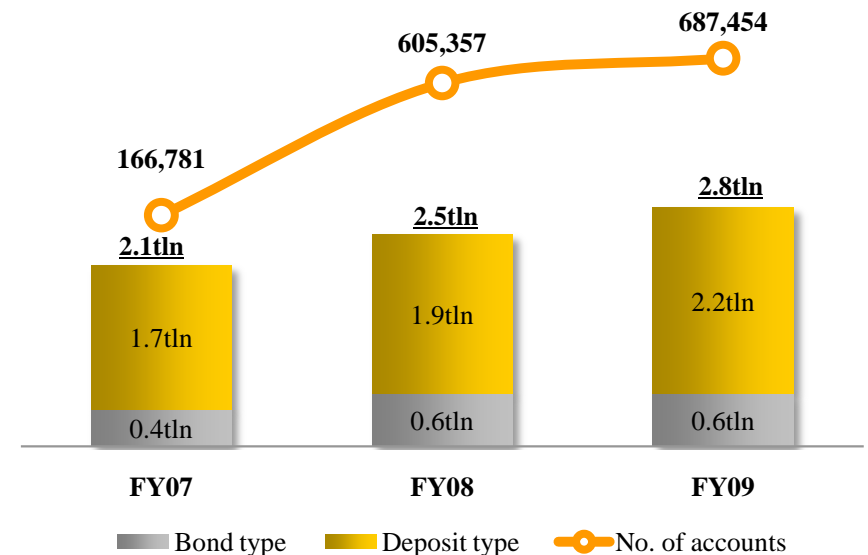


* Etc. : REITs, vessel-related fund and etc.

◆ DWS' well-diversified product portfolios contributed to stable income to the company.

◆ Especially, Wrap and Trust/Pension made the biggest contribution to expanding the overall balance of WM in FY09. The sales of Wrap amounted to KRW 10.3tln (Up 72%, YoY) and the balance of trust/pensions increased from KRW 3.3tln to KRW 7.6tln (Up 130%, YoY)

CMA balance & accounts



◆ As of March 2010, the end balance of CMA totaled KRW 2.87tln with the number of accounts standing at 687,337. DWS may try to take advantage of the CMA customer bases to seek cross-selling opportunities as a way of driving long term growth.

◆ Aside from 'KSFC* deposit type CMA', DWS launched 'One-kdb deposit type CMA' to maximize synergy with kdb and this 'One-kdb product showed a big increase in both balances & accounts.

* KSFC : Korea Securities Finance Corporation

Performance by Division – IB

Daewoo Securities **MAR 2010**

Recorded 96% increase in revenue, by participating in major renowned deals

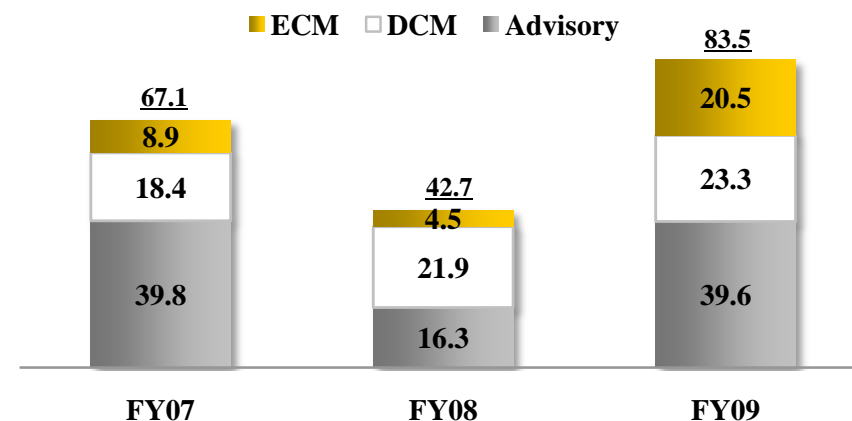
Domestic IB league table (FY09)

IPO			Right Offerings		
Rank	Book runner	M/S	Rank	Book runner	M/S
1	Daewoo Securities	25.4%	1	Daewoo Securities	11.2%
2	A	17.9%	2	A	9.7%
3	B	13.8%	3	B	9.6%
ABS			Mezzanine		
Rank	Book runner	M/S	Rank	Book runner	M/S
1	Daewoo Securities	15.7%	1	A	20.0%
2	A	9.4%	2	Daewoo Securities	15.4%
3	B	6.2%	3	B	9.4%

* Source : FSS (dart.fss.or.kr)

IB commission revenue

(KRW bln)



◆ Commission revenues from IB business in FY09 significantly increased 96% year-on-year to KRW 83.5bln. A main reason for the increase was a growth in equity related deals as the stock market condition has been improved. On top of that, commission from advisory, which accounts for a large portion of IB revenue, increased 143% to KRW 39.6bln.

◆ In particular, in FY2009, DWS has successfully led a number of mega deals such as Korea Life Insurance IPO, Tong Yang Life Insurance IPO and Hynix right offerings. Those feats allowed DWS to secure number one position in the IB market.

Acquired outstanding track record arisen from major deals

Participation in major deals in FY09



Biggest IPO deal in FY09

- Deal specifications to be confirmed



Major rights offering in 3Q

- KRW 127bln (USD 115mln)



Major Mezzanine deal in 3Q (CB & EB)

- KRW 90bln (USD 82mln)



Major Mezzanine deal in 3Q (BW)

- KRW 100bln (USD 91mln)



1st life insurance firm listed

- KRW 340bln (USD 308mln)



Major mezzanine deal in 1H (BW)

- KRW 180bln (USD 163mln)



Major mezzanine deal in 1H (BW)

- KRW 350bln (USD 317mln)



Largest rights offering in 1HFY09

- KRW 725bln (USD 657mln)



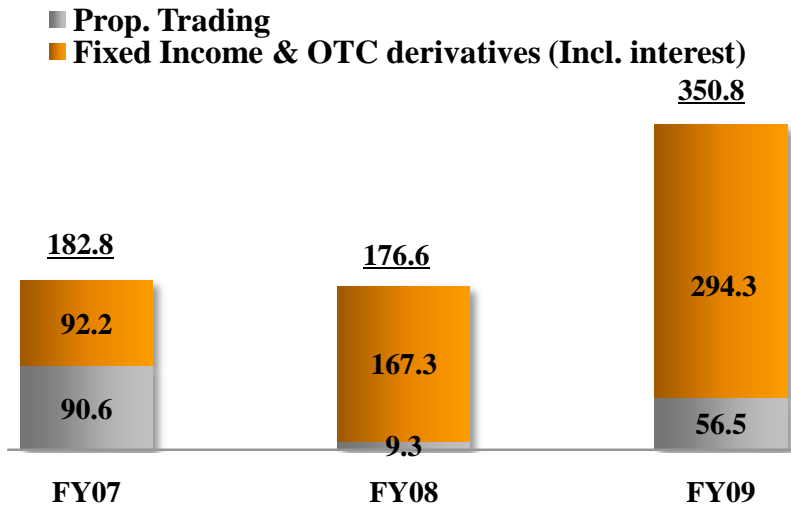
Largest mezzanine deal in 1H (BW)

- KRW 400bln (USD 362mln)

Outstanding performance led by Sales & Trading business

Sales & Trading revenue

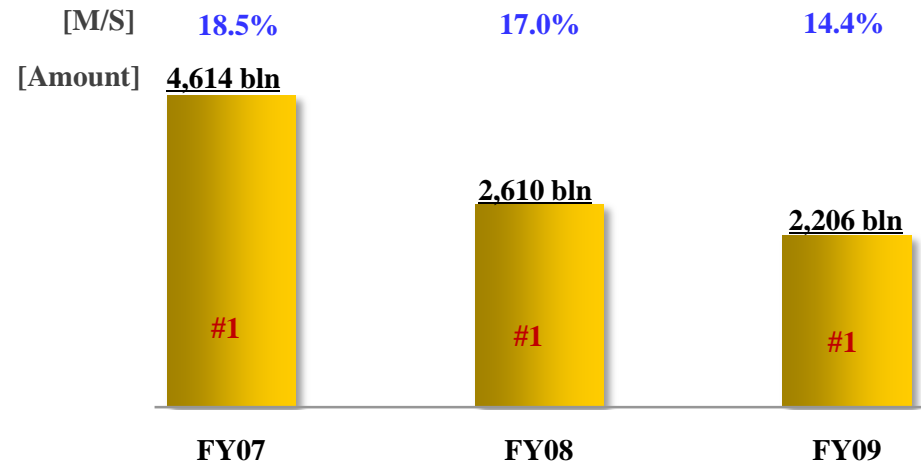
(KRW bln)



* Prop. Trading : PI, Stocks and Futures trading revenue

◆ DWS delivered exceptionally strong performance in Sales & Trading business. The revenue in Sales and Trading was KRW 350.8bln, 99% higher than the FY08. These results reflected strong net revenues in fixed income sector, which robustly grew compare to the year before.

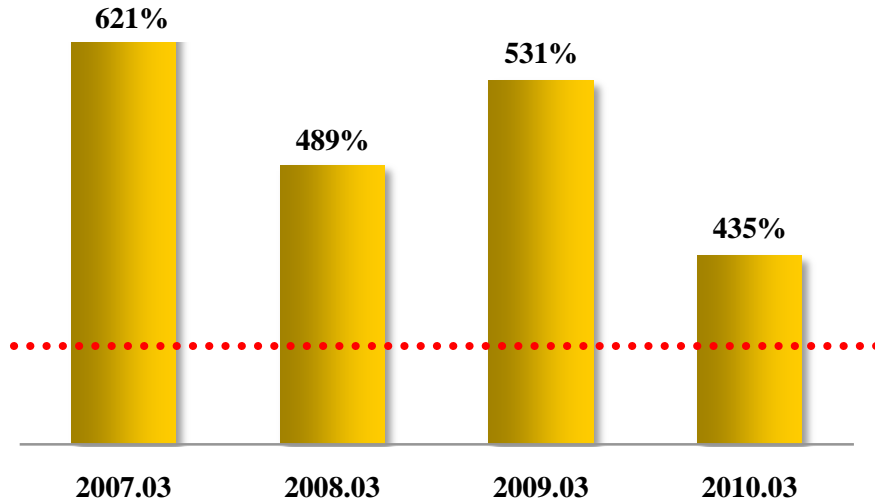
ELS M/S & Rank



◆ DWS has maintained No.1 position in ELS market for the last 3 consecutive years, thanks to DWS' superior product development capability and effective collaboration with retail sales network.

Stable asset management based on strict internal risk management

NCR(Net Capital Ratio)

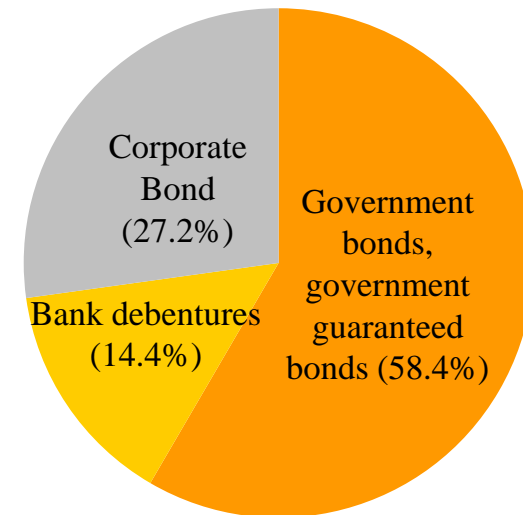


..... 300% NCR (based on OTC derivatives license)

◆ DWS regularly measures and monitors the NCR according to the standards set by the FSS. As of March 2010, DWS' NCR stood at 435%, and this figure meets the legal requirement of 300% for OTC business.

*2010.03 figure before audit.

Bond portfolio (as of Mar 2010)



◆ The bonds held by DWS can be broken down to 58.4% in government and government-guaranteed bonds, 27.2% in corporate bonds and the remaining 14.4% in bank debentures.

Strong brand power in all core businesses

Best securities firm · research house

- Hankyung Business Weekly
‘Best Securities firm · Research House · Institutional Broker of second half 2009’
- Maekyung Economy Weekly
‘Best Research House of second half 2009’



International awards

- Asiamoney [JUN 2009, 2004 ~ 2007]
‘Best Equity House in Korea’
- FinanceAsia [JUN 2009]
‘2009 Best Equity House in Korea’
- The Asset [SEP 2006]
‘2006 Best Bond House in Korea’



Renowned awards

- Maekyung Daily
‘Best Securities House at 12th Maekyung Award [Jan 2010]’
- Seoul Economy Daily
‘Grand Prize in Customer Satisfaction’ at 2008 Korea Securities Awards’ [Dec 2008]
- 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’ [Nov 2006]



Recognized in IB business

‘MONEYTODAY’ Korea IB Awards

- 5th : Best Structured Security of the Year [May 2008]
- 4th : Best PI/PEF Deal of the Year [April 2007]
- 3rd : Best Lead Manager of the Year [April 2006]
- 2nd : Best Lead Manager of the Year [March 2005]
- 1st : Best Deal, Bond House, M&A company of the Year [May 2004]



Appendix – Financial Statements

Daewoo Securities **MAR 2010**

Annual base

Quarterly base

[KRW bln]	Annual			
	FY2006 (07.03)	FY2007 (08.03)	FY2008 (09.03)	FY2009 (10.03)
Operating Revenue	820	1,013	703	1,049
Brokerage Commissions	372	608	394	530
IB Commissions	40	67	43	84
WM Commissions	69	116	104	115
(Structured Securities)	46	77	71	68
Gain or Loss of Sales and Valuation of Securities	103	78	-47	49
Interest Income/Loss	280	215	263	336
Commission Expense	-44	-72	-55	-65
SG&A	370	537	478	594
Others	5	-13	-21	-43
Operating Income	456	462	204	412
Non Operating Income	15	1	30	11
Net Income Before Income Tax	471	463	233	423
Income Tax Expense	25	126	53	104
Net Income	446	337	181	319
Balance Sheet (KRW tln)				
Total Assets	9.00	12.07	14.23	17.51
Total Liabilities	6.89	9.66	11.74	14.66
Total Shareholder's Equity	2.11	2.43	2.49	2.86
Net Capital Ratio (NCR)				
Net Capital Ratio (%)	621%	489%	531%	435%
Net working capital (KRW bln)	1,332	1,565	1,917	2,267
Risk-weightes assets (KRW bln)	214	320	361	522

	Net Quarter								
	4QFY07	1QFY08	2QFY08	3QFY08	4QFY08	1QFY09	2QFY09	3QFY09	4QFY09
Operating Revenue	215	185	77	229	212	291	231	201	326
Brokerage Commissions	101	110	83	99	101	173	149	97	110
IB Commissions	15	12	8	10	13	23	14	16	31
WM Commissions	32	44	26	16	19	32	26	27	30
(Structured Securities)	23	34	17	9	10	22	15	15	17
Gain or Loss of Sales and Valuation of Securities	9	-33	-83	50	19	4	-18	-8	72
Interest Income/Loss	72	65	59	63	76	78	78	83	97
Commission Expense	-14	-13	-15	-9	-18	-19	-17	-14	-14
SG&A	121	129	107	123	120	134	154	136	170
Others	-9	4	4	-13	-15	-2	7	-47	-2
Operating Income	85	60	-26	93	77	155	84	18	154
Non Operating Income	10	2	2	20	6	5	6	2	-1
Net Income Before Income Tax	95	62	-24	113	83	160	90	21	153
Income Tax Expense	-7	18	-6	28	13	39	23	6	35
Net Income	102	45	-18	84	70	121	66	14	118
Balance Sheet (KRW tln)									
Total Assets	12.08	13.70	14.09	13.07	14.23	15.80	17.15	15.33	17.51
Total Liabilities	9.66	11.32	11.75	10.68	11.74	13.22	14.48	12.61	14.66
Total Shareholder's Equity	2.43	2.38	2.34	2.39	2.49	2.58	2.67	2.72	2.86
Net Capital Ratio (NCR)									
Net Capital Ratio (%)	489%	461%	469%	509%	531%	503%	485%	463%	435%
Net working capital (KRW bln)	1,565	1,562	1,552	1,635	1,917	2,083	2,118	2,177	2,267
Risk-weightes assets (KRW bln)	320	339	331	321	361	414	437	470	522

KDB Financial Group

DAEWOO SECURITIES

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