

**KDB DAEWOO SECURITIES
FY2011 ANNUAL REPORT**





The KDB Daewoo Securities FY2011 Annual Report

This report has been published in both paper and PDF formats. Despite our best efforts to minimize its environmental impact, the paper-based version still consumes significant amounts of pulp and requires a large amount of energy for its production. We invite you to also play a role in conserving resources and protecting the environment by making use of the PDF version of this report.

For over four decades,
KDB Daewoo Securities has led
Korea's financial industry.
With a passion for excellence,
we now envision our role
beyond domestic leadership.
The company has begun
to take on new challenges
to pioneer a new frontier
in Asia's investment banking.

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Management Innovation

FY2011 Highlights

Credit rating elevated to 'AA+' with successful capital increase

KDB Daewoo Securities (hereafter called Daewoo Securities) raised its capital to an industry-leading KRW 4 trillion by conducting new rights issues worth KRW 1,124.2 billion in November 2011. This helped the company to improve its credit rating to 'AA+ (Stable),' the highest attainable level in Korea's financial investment industry and a notch higher than its former 'AA (Positive).' It also strengthened the company's fundamentals, enabling it to embark upon even more future challenges and changes. Going forward, the company will add to its position as a key player in Korea's capital market by intensifying its advance into overseas financial markets, increasing its level of investments in new businesses, and consolidating its IT infrastructures.

Changed name to KDB Daewoo Securities

Daewoo Securities introduced its communicative name to KDB Daewoo Securities in September 2011. This was done for two main reasons: to generate synergies within the KDB Financial Group by adding its visual identity value to the company's operations, and to enhance its brand value by identifying it more closely with the KDB global brand. It also allowed the company to consolidate its status as the Group's major affiliate in charge of the investment banking domain. In addition, it enabled the Group to strengthen the collaboration between the corporate banking competencies of the Korea Development Bank and the capital market capabilities of Daewoo Securities.

Carried out innovations to retail business

Daewoo Securities' Retail Business Division carried out a series of innovations that has allowed the company to respond to a rapidly changing market environment in a speedier and more effective manner. The changes included reorganizing the company's job categories, operating processes, training and educational systems, and its job performance and compensation structures. All of these innovations are intended to strengthen the company's foundations for sustainable growth.

Introduction of Financial Consumer Protection Charter

Daewoo Securities introduced its Financial Consumer Protection Charter in October 2011. The charter includes the company's commitment to customer-oriented, responsible management, engaging in fair and equal treatment of clients, protecting the economically vulnerable, and increasing the openness and transparency of its operations. It also deals with understanding the needs and wants of its customers, offering them training in finance, establishing a customer-centered rewards structure, and ensuring the protection of customers' assets, personal information, and privacy. Much of the charter's strength arises from the fact that it reflects the general principles on financial consumer protection that have been developed by the OECD. Its overall thrust is to strengthen customers' trust and confidence in the company.



Introduced communicative name to KDB Daewoo Securities

New Businesses & Services

Launched Smart Compass smartphone investment information app 'Smart Compass'

Launched Smart Compass

Daewoo Securities launched its Smart Compass smartphone investment information app in April 2012. As the industry's first app designed exclusively for investment information, it provides customers with information about the company's research data and financial products, and enables it to be shared through a variety of SNS's, including Facebook. Prior to this, the company had introduced an upgraded version of its Smart Neo smartphone securities trading app in January. It included a new menu and screen colors and more functions, such as links to its private brokers.

KDB Daewoo Korea Conference 2012

Daewoo Securities hosted the KDB Daewoo Korea Conference 2012 on 26-27 March. More than forty Korean companies from a number of different industries participated. With many CEOs, CFOs, and IR executives attending, the conference has become an important venue for enhancing communications between leading Korean enterprises and major domestic and international institutional investors.

Variety of overseas investment products launched

Daewoo Securities launched its China Rising Wrap, which invests directly in Chinese stocks, on March 8, 2012. It follows in the footsteps of the company's Global Bond Trust – Brazil product, which was established last June 28 to invest in Brazilian government bonds. The China product is an overseas advisory wrap that invests in the Hong Kong, Shanghai B, and Shenzhen B markets. The safety and security of this product are enhanced because the company takes action only after acquiring the expert advice of HFT Investment Management, a locally-based asset management business.

Consignment sales of IFDs by Korea Development Bank

Daewoo Securities began consignment sales of industrial financial debentures (IFDs) last October 28. They are especially attractive because they offer customers stability, profitability, and liquidity at the same time. They can only be issued by the Korea Development Bank, and Daewoo Securities was commissioned to sell the @best one. This move enabled the company to expand its customer base and allowed the Bank to broaden its deposit base, creating even more synergies within the KDB Financial Group as a whole.

New Businesses & Services

Launched Smart Compass

KDB Daewoo Korea Conference 2012

Variety of overseas investment products launched

Consignment sales of IFDs by Korea Development Bank

Consignment sales of IFDs

Global Business

FY2011 Highlights

Established investment advisory in Beijing and elevated Tokyo representative office to branch status

Tokyo Branch Opening Ceremony



Daewoo Securities accelerated the growth of its overseas network by establishing an investment advisory company in Beijing and elevating its Tokyo representative office to branch status. The Beijing operation, which was established on August 12 with a paid-in capital of USD 5 million, will offer Chinese companies advice on IPOs, M&As, and how they can increase their level of outside investment. It will also enhance the company's competitiveness in the People's Republic of China. The Tokyo Branch will act as a bridgehead to mediate capital exchanges, including M&A and IPO investment funds, between Korean and Japanese companies. In addition, upgrading its status to branch office will strengthen its ability to target Japanese institutional investors dramatically.

Increased capital worth of Hong Kong subsidiary by USD 200 million; opened Global Trading Center



Following Daewoo Securities' establishment of its Asia-Pacific Headquarters in Hong Kong in 2010, operating capital has increased with an additional USD 100 million each in November 2011 and May 2012, respectively, totalling USD 300 million in paid-in-capital. This additional level of funding means that it can now afford to enter more new businesses and respond to global markets more effectively. In addition, it became the first subsidiary of a Korean-based securities firm to open a Global Trading Center in Hong Kong. The Center opened on February 10, 2012.

Strengthened global alliances

Daewoo Securities promotes cooperation in the capital market sector by signing collaboration agreements and establishing strategic partnerships with overseas financial companies and utilizing them to facilitate its overseas expansion strategies. The company signed exclusive domestic sales contracts with hedge fund management companies: IPM of Sweden, Marshall Wace of UK, and Mercury Capital Advisors of USA. In addition, it concluded an MOU with IS Investment, the largest securities firm in Turkey, calling for mutual cooperation in terms of corporate banking, asset management, stock brokering, and the sharing of data on Islamic financing and research activities.

Recognition

Industry-leading products, unparalleled management strategies, and unrivalled sales competencies

Daewoo Securities won the gold prize at the 17th Maekyung Financial Products Awards and the grand prize in the investment products category at the 2011 Herald Business Capital Market Awards for its Golden Age product, which offers customers a number of options for their retirement planning. The company was also selected as the best financial institution for derivatives in the securities category at the Korea Option, Swap & Derivatives Association (KOSDA) Awards, and won the grand prize in the derivative products category at the third annual Korea IB Awards.



Selected as Best Securities Company by Hankyung Business Weekly

Boosted reputation as Korea's leading securities industry player

Daewoo Securities won a 'triple crown,' being selected as the best securities company, analyst, and wholesale business team by Hankyung Business Weekly in both the first and second halves of 2011. It was the company's eighth straight year of being named the country's best securities firm. In addition, it was also lauded as the country's best ABS house in evaluations of underwriting capabilities at the 2011 Korea Capital Markets thebell League Table Awards. The award was given in recognition of Daewoo Securities concluding a deal worth KRW 1 trillion despite continuing slowdowns in the market.

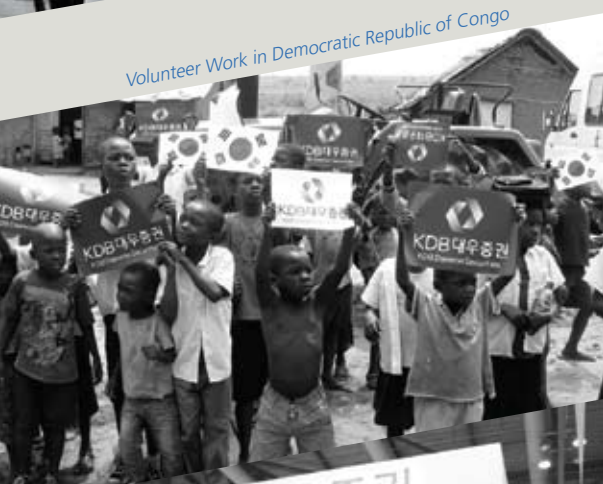
Corporate Citizenship



Home Language Speaking Contest for Multicultural Families

Carried out a broad array of multicultural family support activities

Daewoo Securities has been distributing free recipe calendars and books on Korean cooking to multicultural families in Korea since 2010. In March 2012, it published a cookbook that was translated into ten languages. All the proceeds from its sale will be used to fund further supports for these families. The company also sponsors five free hospitals and ten support centers for multicultural families across the country. In 2011, it introduced drawing and writing competitions for the children of multicultural families, as well as a contest in speaking their home language. As a result of these efforts, Daewoo Securities received a citation from the Minister of Gender Equality & Family at the 2011 National Multicultural Family Support Network Competition.



Volunteer Work in Democratic Republic of Congo

Social contribution initiatives in Africa

Daewoo Securities was the first Korean company to carry out its own volunteer services in the Democratic Republic of Congo. As part of its Future Management Committee's activities, more than twenty company employees visited the villages of Menkao and Mongata in the provinces of Kinshasa and Bandundo from November 14-17, delivering food and farming equipment and helping them to pave their roads. Going forward, the company will continue to strengthen its relationships in Africa and develop new business opportunities for the future.



Participated in Korea Donation for Education Expo

Contributing to the training and education of tomorrow's leaders

Daewoo Securities signed an MOU with the Ministry of Education, Science and Technology and the Korea Foundation for the Advancement of Science and Creativity on December 26 to help fund the training and education of tomorrow's leaders. As part of this program, the company operates a Practical Economic and Financial Specialist Program targeting teachers, as well as a Junior Finance Program for elementary and middle school students. Daewoo Securities was also the only player in the Korean financial industry to participate in the 2012 Korea Donation for Education Expo held in March, offering a variety of programs to give young people a concise understanding of the value of finance. Such programs included Growing a Financial Investment Tree, CEO Game, and Finding Jobs in the Financial Sector.

COMPANY OUTLINE

Business Type	Financial Investment
Business Areas	Brokerage, Investment Banking, Wealth Management, Sales & Trading
Date of Establishment	30 September 1970
Date of Listing	26 September 1975
CEO	Kee-Young Im
Number of Employees	3,140 (as of March 2012)
Domestic Network	107 branches (1 Retail Sales Department, 3 PB Class, 15 WM Class, 88 Branches)
Global Network	3 Subsidiaries (Hong Kong, New York, London), 1 Investment Advisory (Beijing), 1 Branch (Tokyo), 3 Representative Offices (Ho Chi Minh City, Beijing, Shanghai)
Address	Daewoo Securities Bldg., 34-3 Yeouido-Dong, Yeongdeungpo-Gu, Seoul

FINANCIAL HIGHLIGHTS

(Unit : KRW In billions)

	FY11	FY10	FY09
Operating Revenue	3,024.3	3,573.5	4,591.9
Operating Expenses	2,812.9	3,274.0	4,179.9
Operating Income	211.4	299.4	412.0
Income before Income Taxes	222.4	315.9	423.1
Net Income	166.9	225.9	319.1
Total Assets	22,463.4	19,411.9	17,503.8
Total Liabilities	18,490.5	16,680.4	14,647.8
Paid-in Capital	1,703.9	1,020.9	1,020.9
Total Shareholders' Equity	3,972.9	2,731.5	2,856.0
BPS (KRW)	12,343	14,754	15,024
PBR (X)	1.1	1.5	1.4
EPS (KRW)	632	1,044	1,567
PER (X)	20.9	21.5	13.0
ROE (%)	5.0	8.1	11.9

- FY 2011 and FY 2010 results are based on K-IFRS consolidated statements.
- PBR and PER are based on each fiscal year-end's share prices.
- The share price as of 31 March, 2012 was KRW 13,200.

SHARE INFORMATION

Number of Shares Issued
(Unit : Shares)

Common Shares

326,700,891

Preferred Shares

14,075,750

Credit Rating

Korea Ratings, Korea Information Service,
Nat'l Information & Credit Evaluation Rating

AA+ Stable

Moody's

Baa2 Stable

Share Ownership

Common shares, as of the end of March 2012

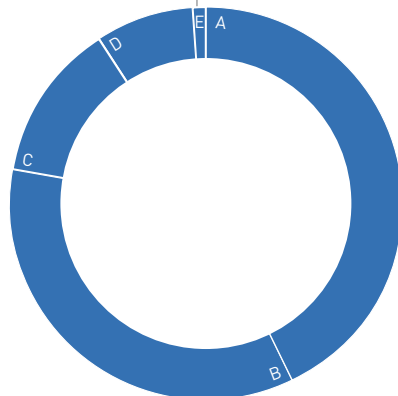
KDB Financial Group 43.0%

B Individual 34.7%

C Non-Korean 11.6%

D Institution 9.3%

E Treasury Stock 1.4%



KDB Financial Group's Vision

Pioneer Financial Group of Asia
A financial group always breaking new ground for the Korean financial industry.

KDB Daewoo Securities' Vision

Pioneer Investment Bank of Asia
Becoming one of Asia's premier financial groups, leading markets at home and abroad and securing core competencies based on continuous change and innovation.

KDB Daewoo Securities' Management Policies

Continued Investment in Innovation
Constantly innovating to cope with ever-increasing changes in the market and the needs of our customers.

Growing with Customers
Responding to the needs of our customers and providing them with new values.

Pioneering the Capital Market
Leading the Korean financial industry in determining new financial policies and creating new added values.

Expanding Overseas
Strengthening existing business domains and constantly adding new ones, with a focus on Asia's emerging markets.

Financial Consumer Protection Charter

1

Customer-centered, responsible management

Our most important management goal is to ensure the financial well-being of our customers.

2

Fair and equitable treatment

We treat all our customers in a fair and equitable manner. This applies particularly to how we price the products and services that we provide.

3

Protection of the economically disadvantaged

We support and protect the interests of the economically disadvantaged so that they can improve their quality of life.

4

Openness and transparency

We always keep our customers informed about the nature and characteristics of our products and services.

5

Understanding customers

We evaluate our customers' wants and needs and familiarize ourselves with their financial knowledge, goals, experience, and investment capacities before asking them to sign any contracts.

6

Offering training in finance

We offer our customers a broad range of educational channels and methods to help them understand finance-related risk and opportunity factors.

7

Customer-oriented compensation system

Our wage and incentive programs are structured so that our employees are always motivated to act in the best interests of our customers.

8

Protecting customer assets

We provide the industry's highest level of internal controls and safeguards to ensure that customers' assets are fully protected from such criminal activities as fraud, malfeasance, and embezzlement.

9

Safeguarding customer information and privacy

We establish and maintain necessary internal controls and safeguards to protect the personal and financial data of our customers. This includes defining how and why we collect, process, and share their data clearly.

CEO'S MESSAGE

FY2011 was another difficult year for the economies of Korea and the world. Since many of the aftereffects of the continuing financial crisis have still not been completely resolved, the new fiscal year will witness many changes, both politically and economically. For example, new leaders will be chosen in over sixty countries, including the China and the United States. It will also be a seminal year for Korea's financial investment companies - provided that they can overcome market uncertainties and the lingering aftereffects of the financial crisis and take advantage of new investment opportunities. In fiscal year 2012, KDB Daewoo Securities will continue with its goal of growing beyond the nation's number one financial investment company into a leading investment bank of Asia.



CEO's message

Dear valued shareholders and customers

I would like to begin this message by expressing my wholehearted gratitude for your unwavering trust, encouragement, and support.

The world economy in fiscal year 2011 was marked by the continuing aftermath of the financial meltdown that began away back in 2008. This included aggravated stock market conditions due to such negative factors as the fiscal crisis in the Euro zone, the first-ever downgrade of the United States' credit rating, and difficulties with consumer loans here in Korea. The end result of all these problems for Korea was an anemic growth rate of only 3%.

Despite this very unpromising operating climate, KDB Daewoo Securities managed to post a net income of KRW 166.9 billion, one of the highest in the industry, thanks to an ongoing series of innovations to all our business units which we first began in 2009. This enabled us to strengthen our position in the market as the nation's leading financial investment company, enjoying positive year-end results across the entire spectrum of our operations.

One of our most significant moves was to introduce a new communicative name-KDB Daewoo Securities. We did this for the purpose of generating synergies within the KDB Financial Group, as well as to raise our value as a global brand. In addition, we were the first member of Korea's financial investment industry to be awarded the highest attainable credit rating. This resulted, in part, from strengthening our fundamentals through a capital increase of KRW 1,124.2 billion. Along with such achievements, we took the lead in establishing a prime brokerage service department to gain an early edge in Korea's hedge fund market which launched in December of 2011.

Our retail business unit, which remains our primary business, underwent a series of changes to enable the balanced and sustainable growth of its brokerage and wealth management functions. Ranging all the way from our worksites to retail staff at our head office, they included alterations to our job category system, our customer management and operating processes, our training and educational systems, and our employee evaluation and incentive programs.

These changes allowed us to attract individual customer assets worth KRW 4 trillion. They also raised the skill sets of our sales employees. For example, we boasted 60% and 39%, respectively, of all the country's successful applicants to the Associate Financial Planner Korea and Certified Financial Planner qualifying examinations. In addition, we established a Financial Consumer Protection Charter under the slogan 'putting customers first.' This was yet another first for the industry in Korea.

We also strengthened our overseas operations, which we expect will become one of our most promising growth engines in the future. This included increasing the paid-in capital of our Hong Kong subsidiary to USD 300 million, the largest among any of the Korean securities companies in the region. We also opened a Global Trading Center in Hong Kong. This move, which took place in January 2012, was made to establish the facility as our premier base for our foreign-currency asset management operations. In addition, we increased our efficiencies by integrating the management of our Hong Kong subsidiary's self-managed books with the head office's foreign-currency assets, and added to our profitability by diversifying the range of our invested assets and offering such new investment products as G7 bonds.

As you can see, then, fiscal year 2011 was both challenging and eventful for us. In fiscal year 2012, we are expecting many more changes, both politically and economically. For example, new leaders will be chosen in over sixty countries, including the US and China. It will also be a seminal year for Korea's financial investment companies—provided that they can overcome such difficulties as market uncertainties and the lingering aftereffects of the financial crisis, and ultimately take advantage of new investment opportunities. If they do, they will be able to continue expanding both their operating areas and their business territories. In fiscal 2012, KDB Daewoo Securities will take on the following key tasks to nearing its goal of becoming Asia's pioneering investment bank.

First, we will accelerate the growth of our international business.

We have increased our capital over the past few years, with a particular focus on our Hong Kong operations. We have also put an efficient and effective operating system comprising a matrix organizational structure between the head office and our overseas bases in place. Categorized by business unit, its functions include equity sales, investment banking, and sales & trading. We also improved our earning power in the overseas sector by enhancing our capabilities, with a particular focus on revenue generation. These steps will, in turn, allow us to expedite the localization of our overseas bases, strengthen our business capabilities, develop emerging markets (particularly in Southeast and Central Asia), and add to the potential of our overseas network.



Secondly, we will make sure that our operations are based on profit-oriented, qualitative growth.

This means that we will connect each business unit's organizational and individual competencies, assets, and customer bases to our overall earnings. In addition, we will continue with our in-depth analyses of the market and our customers as a means of utilizing our human and material resources as efficiently as possible. We will also minimize unnecessary investments in new businesses and projects, and maximize the efficacy of those that we carry out by using our resources as wisely as we can.

Last, but not least, we will maximize the creation of synergies by emphasizing the need for collaboration and communication within the KDB Financial Group and between our divisions.

Today's reality is that changes in our operating environment (including the needs and wants of our customers) are becoming faster and more extensive as well as complicated. The best way to handle this challenge is to pursue inter-business unit cooperation and take maximum advantage of the skills, experience, and expertise that each unit can offer. If these steps are taken from a long-term perspective rather than to satisfy short-term, immediate needs, we will be able to satisfy the needs of the market and our customers, therefore generating even more value to customers and our operations.

Thomas Carlyle, a Scottish writer and thinker whose works were greatly esteemed more than a century ago, once said that "the block of granite which was an obstacle in the pathway of the weak becomes a stepping-stone in the pathway of the strong." In 2012, there are risks and opportunities everywhere. They can be seen as either obstacles or stepping stones. How we choose to view them will make a huge difference in how the future unfolds for us.

Here at KDB Daewoo Securities, our choice is clear. We will continue with our history of taking on bold challenges, leveraging the skills, capabilities, and innovations that we have amassed so far to guide our future successes. This will include developing new operating areas and business territories, and preemptively responding to changes in our environment both at home and abroad, so that we can always turn crises into opportunity. In our endeavor to become Asia's pioneering investment bank, we will continue to innovate and expand globally.

I look to you for your continuing encouragement and support.
Thank you.

Kee-Young Im
President & CEO



Boasting high capital strength and the industry's finest human resources

Boasting the finest human resources and the largest volume of equity capital in the domestic industry, we are leading the growth of Korea's capital market in terms of both quality and quantity. Now we are leveraging our skills and experience to generate new revenues through our overseas business.

KRW **4** trillion

**The largest shareholders' equity
in the industry**

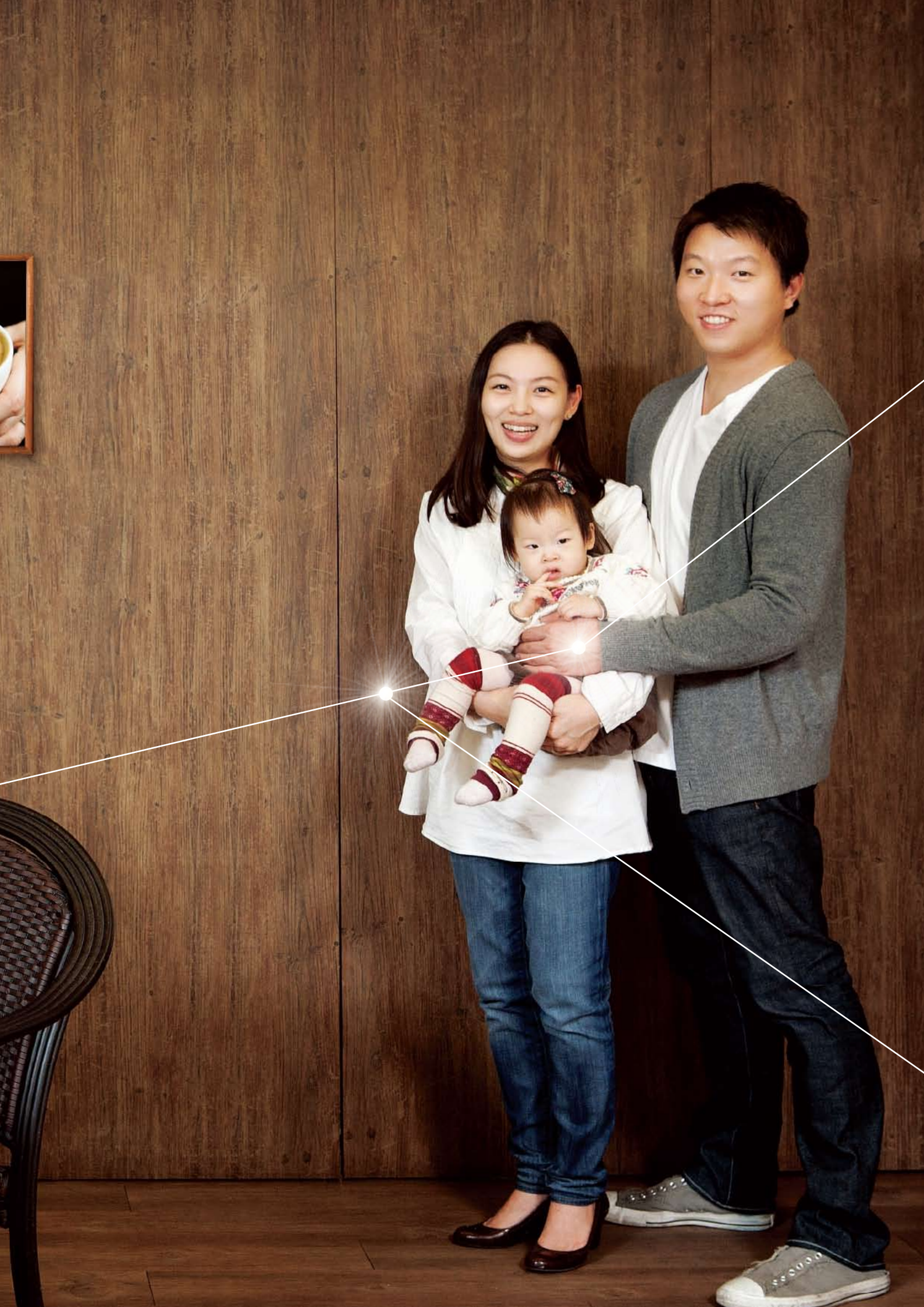
Growing with our customers

Our customers enjoy the industry's finest values. They include a wide range of high-quality financial products and services to meet their needs and ensure greater satisfaction.

KRW **47** trillion

**The largest wealth management
account balance in the industry**









A Pioneer in Asia

In 1994, we became the first Korean securities firm to establish a local subsidiary in Hong Kong. This was followed by an expansion of its capital base to USD 300 million, the largest among the Korean investment banks operating in Hong Kong. Today, we are continuing with our overseas successes by developing new markets in Southeast and Central Asia. In addition, we have introduced a matrix organizational system linking our Hong Kong facility with our head office.

USD **300** million

Equity capital of our Hong Kong subsidiary, the largest among all the Korean securities firms operating there



A group of children in a crowd, with one child in the foreground holding a sign that says 'KDB Daewoo Securities'. The child is smiling broadly and has their arm raised. The background shows other children, some looking towards the camera. The overall scene is bright and positive.

Bringing hope to the world

Sharing and caring in Africa

In the Democratic Republic of Congo, KDB Daewoo Securities donated farming equipment and helped pave roads in rural village areas. We wish to foster our dreams and hopes together with the world. We believe in sharing and caring with the larger society.

Management's Discussion & Analysis

Business Environment and Overview

Operating Results

Financial Position

Net Capital Ratio

Risk Management

1. BUSINESS ENVIRONMENT

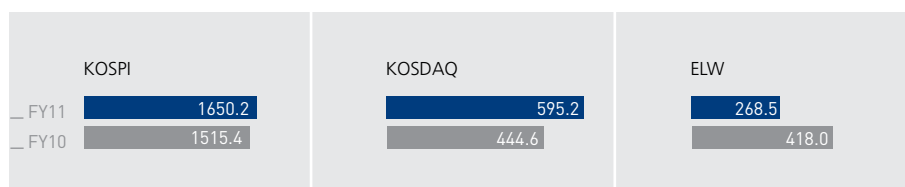
The Korea Composite Stock Price Index, or KOSPI, was hard-pressed to close FY2011 at even the 2,000 mark. Although it reached an all-time high exceeding 2,200 points early in the year, it began to slide by the beginning of the second half. The strongest example of the bourse's volatility was its nightmarish plunge to the 1,600 point level just a week after it had risen beyond 2,100. This ping-pong, on-off effect was dramatic proof of the negative impact of such events as the upward adjustment of the United States' debt limit, the first-ever downgrade to that country's credit rating, and the continuing financial crises in Europe.

Most of the market's instability and investor uneasiness were due to sovereign debt problems in Euro zone countries like Ireland, Spain, Portugal, and Italy. In an attempt to resolve the crises, the European Central Bank supplied liquidity to their financial institutions by carrying out long-term refinancing operations of over €1 trillion each on two occasions. These moves staved off the risk of a total financial collapse, and the mood of the financial market began to lighten. The KOSPI also began to rebound, led by the electrical and electronics industries. Although it failed to make up all the ground it had lost, it at least passed the 2,000 mark again.

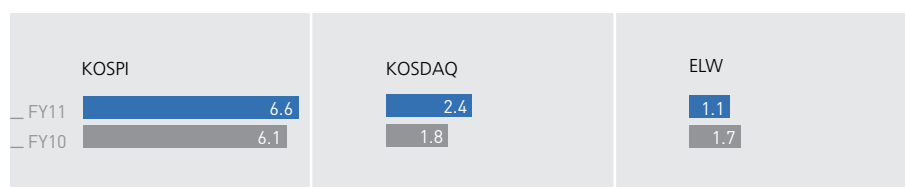
In 2011, the majority of Korea's business sectors (excluding food and beverages, electrical and electronics, and textiles and garments) experienced low earnings due to growing worries over the state of the domestic economy and the parlous finances of most of the world's advanced economies. Samsung Electronics was the brightest star in the country's financial firmament, leading the market upward after seeing the value of its stocks plummet to the KRW 600,000 mark in the aftermath of the downgrade of the United States' credit rating. The company rebounded dramatically in the second half of the year, with its stock value ballooning to over the KRW 1,300,000 level. Despite this, overall investor sentiment remained decidedly lackluster, with most stocks suffering net setbacks. In the end, the KOSPI closed FY 2011 at 2,014.04 pt., down 4.4% from the previous year, while the KOSDAQ, the nation's junior bourse, fell by 1.1% year-on-year to 519.56 pt. The KOSPI's average daily trading volume increased by about 9% from the year before to KRW 6.6 trillion, while the KOSDAQ's surged by 34% to KRW 2.4 trillion.

Buying by non-Korean investors amounted to KRW 5 trillion. They had dumped their holdings, most of which were European ones, because of the economic perils there, as well as worries about the slowing economy in the US. From the beginning of the fourth quarter, however, they reentered the Korean market with a vengeance as a result of the ECB bailout, helping it to record a net buying gain for the third straight year. Domestic investors proved to be more skittish, however, staying away from the market in droves. Individual investors sold stocks worth a net KRW 8 trillion. Investment trusts also

Total Market Trading Volume (Unit : KRW in trillions)



Average Daily Trading Volume (Unit : KRW in trillions)



Management's Discussion & Analysis

dumped holdings worth KRW 5 trillion due to worries over the withdrawal of capital from domestic equity funds.

Because market volatility grew with the appearance of every new and perceived risk, equity funds and wrap accounts, which both react badly to market instability, experienced low capital inflows. In contrast, the total value of the market's securitized derivatives, such as ELS and DLS, grew by KRW 16 trillion year-on-year to KRW 55 trillion. This occurred because they were seen as being safer.

2. OVERVIEW

In FY2011, Daewoo Securities posted KRW 3,024.3 billion in operating income, KRW 222.4 billion in income before income taxes, and KRW 166.9 billion in net income. Total assets at the end of the year were KRW 22,463.4 billion, total liabilities were KRW 18,490.5 billion, and equity capital was KRW 3,973.0 billion. We boasted the largest amount of equity capital in the industry after holding a KRW 1,124.2 billion rights offering last November.

Brokerage revenue fell over the year to KRW 384.5 billion. Despite this, we expanded our customer base by strengthening our PB sales abilities and enhancing and innovating our customer services. This resulted in a net increase of KRW 4.0 trillion in the value of our private assets.

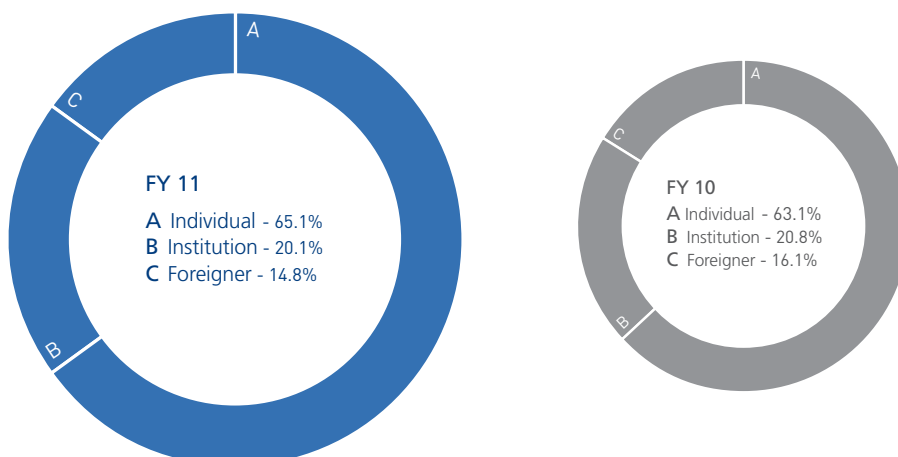
Wealth management revenue was KRW 100.8 billion, surpassing the KRW 100.0 billion mark for the first time in our history. Our wealth management account balance stood at KRW 47.0 trillion, the industry's highest level. This resulted from our ability to provide our customers with a wide variety of investment opportunities, including securitized derivatives, wraps, beneficial certificates, and trusts and pensions.

IB revenue totaled KRW 43.6 billion. Although our profitability dropped slightly due to a sluggish equity capital market, we retained our strength as an IB power, ranking second in the industry in terms of ABS and recapitalization and third in terms of market share for IPOs.

Sales and trading revenue amounted to KRW 231.6 billion. Although our operating environment suffered from the effects of a flat yield curve and a bearish stock market, we consolidated our position as the country's leading trading house by seeking out new investment opportunities. These included advantageous hedge strategies and additions to our foreign-currency bond holdings.

We boasted the largest amount of equity capital in the industry after holding a KRW 1,124.2 billion rights offering last November.

Market Turnover Breakdown by Investor Type (Unit : %)



3. OPERATING RESULTS

1) BROKERAGE BUSINESS

Brokerage revenue fell by KRW 48.0 billion over the year to KRW 384.5 billion. This was caused by the KOSPI's sluggish movements and an increase in the number of online transactions. Despite this, the overall size of the market continued to grow, with total trading volume rising by about 6% year-on-year. Although our market share edged down slightly while we waited for our retail innovation strategies to kick in, it experienced a rapid recovery starting in the third quarter.

Retail Brokerage

Promoted Retail Innovations | We made many innovations to our retail business in 2011 to ensure the balanced and sustainable growth of our brokerage and wealth management businesses. They were carried out throughout the retail business, including customer management, our operating processes, our job category and training and educational systems, and our employee evaluation and incentive programs. This, of course, resulted in many changes at our worksites and our head office. In specific terms, we changed our job category system into a Private Banking (PB) system and enhanced our customer services through our one customer-one manager system and standardized operating processes. In addition, the retail staff at our head office created a free-standing PB consulting department. This included standardizing its PB sales and customer management processes and increasing its number of human resources in the areas of taxes, real estate, and bancassurance.

We also launched a number of industry-leading financial products, such as our Golden Age product. This resulted from strengthening our product development and supply functions. In addition, we took steps to ensure that high-quality investment information was delivered to our worksites promptly.

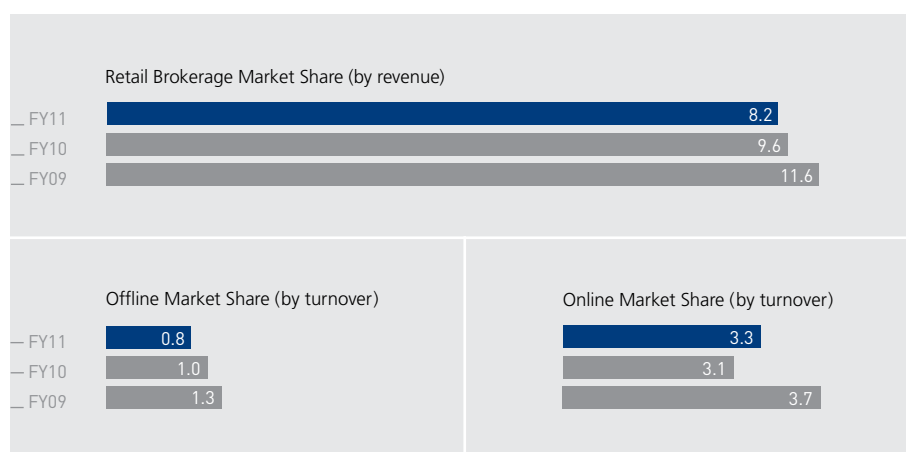
This was done through a newly established, retail-exclusive research organization. In addition, we boosted our competitiveness in southern Seoul through a strategy of selection and concentration. We also enhanced our productivity and added to our number of customer-oriented facilities. This was done by improving the efficiency of our branches and our operating environment. These steps helped us attract a net KRW 4 trillion in private assets, despite a slew of negative economic factors both at home and abroad.

We also enhanced the capabilities of our sales employees substantially. For example, we produced

Market Share in Brokerage (Unit : %)

		FY11	FY10	FY09
Commission Revenue	Company-wide	6.2	6.9	8.7
	Stock	5.7	6.4	8.1
	Futures	0.2	0.2	0.2
	Options	0.2	0.3	0.3
Turnover	Stock	5.6	6.0	7.2
	Futures	4.8	4.6	5.9
	Options	1.7	2.5	3.8

Retail Brokerage Market Share (Unit : %)



Management's Discussion & Analysis

60% and 39% of the successful applicants at the Associate Financial Planner Korea and Certified Financial Planner qualifying examinations, respectively. In addition, Daewoo Securities established the industry's first Financial Consumer Protection Charter.

Enhanced Competitiveness of Home Trading System (HTS) and Mobile Trading System (MTS) | Improvements in our QwayNEO ETF screens, and development of a 'Toktok' notification service enhanced the competitiveness of our HTS. All this was done following the optimization of our HTS screens in March 2011. This helped our online revenue to grow by 7.0% over the year, a significant rise over our growth rate of 2.0% in individual stock market transactions. Our online revenue share also increased, showing that our home trading system was an important contributor to our revenue while other innovations were taking place. In addition, we enhanced the competitiveness of our mobile trading system by developing the industry's highest-level, next-generation smartphone securities services. This was done by opening the SmartNEO to expand our smartphone services and functions. As a result, the average monthly number of customers using our mobile trading system rose by 74.4% over the year, contributing significantly to an overall 8.7% increase in our average monthly number of online active customers.

Domestic Wholesale Brokerage

Daewoo Securities has long been rated as the nation's best wholesale brokerage business by major corporate customers. Our highly experienced brokers offer clients timely investment advice and enhanced ability to close deals. Hankyung Business Weekly recently named us the industry's best wholesale brokerage team for the fourteenth consecutive time.

Our FY2011 market share for domestic wholesale brokerage turnover was 4.6%, the highest in the industry. We accomplished this feat even though there was no affiliation with major asset management companies.

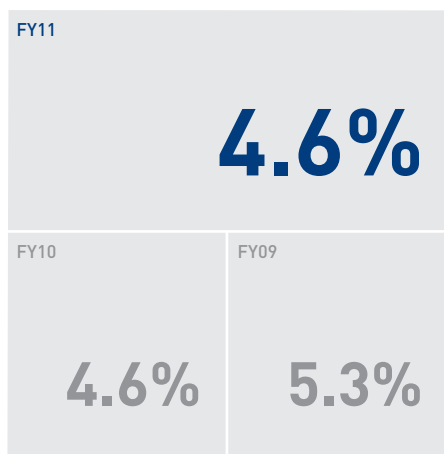
International Wholesale Brokerage

In FY2011, our international wholesale brokerage business focused on enhancing its qualitative capabilities, including its sales capacity and profitability, while maintaining its industry-leading sales of equities to institutional investors outside Korea.

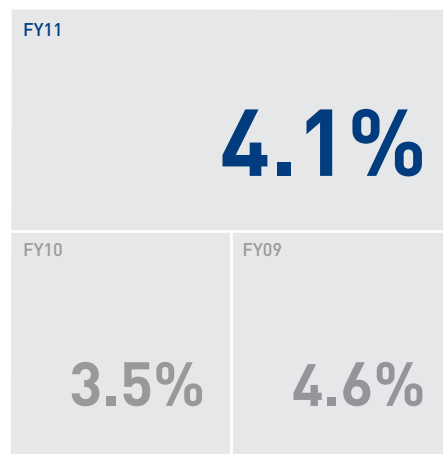
We also developed a highly efficient and organic sales infrastructure among the head office, the Asia-Pacific Headquarters in Hong Kong, and our branches. Furthermore, we saw an increase in local sales forces to reflect the opening of our representative office in Shanghai and the upgrading of our Tokyo representative office to an overseas branch. Going forward, we will concentrate on strengthening our internal competencies in international business, including the training and development of junior-level sales personnel.

Hankyung Business Weekly named KDB Daewoo Securities as the industry's best wholesale brokerage team for the fourteenth consecutive time. This reflects the ability of our highly experienced brokers to offer timely investment advice and close deals.

Domestic Wholesale Brokerage Market Share (by turnover)



International Wholesale Brokerage Market Share (by turnover)



Daewoo Securities hosted the KDB Daewoo Korea Conference 2012 on March 26 and 27. The event, which attracted forty-one leading Korean companies and sixty-four domestic and overseas institutions, featured meetings with their CEOs, CFOs, and investor relations executives. Going forward, we are planning to hold the conference annually.

Prime Brokerage Service (PBS)

2011 marked the launch of our prime brokerage business, following the opening of a hedge fund market that December. The PBS Department has continuously built up its infrastructure since early 2011 to ensure that it would enjoy a leading position in the market from the get-go. It also enhanced its status as an industry leader by participating in a wide range of activities and task forces in conjunction with such organizations as the Financial Services Commission, the Korea Financial Investment Association, and the Korea Securities Depository.

The department was also selected as a primary hedge fund broker by three major management companies, helping it to gain an early edge in this nascent market. It is continuously adding to its global network, strengthening its product line-up, and enhancing the talents of its human resources so that it can better assist domestic customers in acquiring overseas assets and improving their asset management strategies.

2) INVESTMENT BANKING (IB)

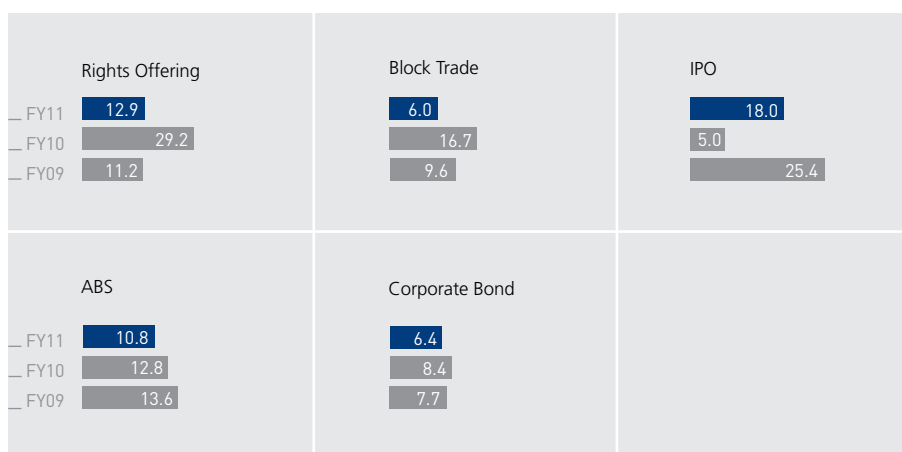
Our IB revenue fell from the year before to KRW 43.6 billion. This was mainly due to increasing stock price volatility influenced largely by the financial crisis in the Euro zone as well as a sluggish equity capital market derived from a reduction in corporate investments. Although the issuance volume in the debt capital market grew slightly thanks to low interest rates, its distorted commission structure meant that it failed to meet our expectations in terms of adding to our revenue. Despite this difficult market environment, such accomplishments displayed that we are still an IB powerhouse to be reckoned with at home. For example, our market share ranked us second in the industry in terms of ABS and recapitalization and third in terms of IPOs.

Led Industry in Terms of Major Deals in IB Market

Equity Capital Market _ We helped to rectify the financial situation of a number of large Korean enterprises by carrying out new rights issues and package deals. They included rights offerings for Hanjin Shipping (worth KRW 300.0 billion), STX (worth KRW 170.0 billion), and SM Entertainment (worth KRW 64.3 billion), and a package deal for Doosan Group (KRW 720.0 billion).

We also demonstrated our strength in the block trading domain. This included clinching large deals by advising on appropriate selling times to counter the volatility arising from problems in the Euro

Market Share by IB Sector (Unit : %)



Management's Discussion & Analysis

zone. They included a deal for Kumho Petrochemical worth KRW 409.0 billion, another for Daewoo Engineering & Construction worth KRW 122.9 billion, and a third for BS Financial Group worth KRW 82.4 billion.

We also acted as a lead manager for the IPOs of a number of large Korean companies. They included Hi Mart (worth KRW 420.0 billion), Huvis (worth KRW 200.1 billion), KT Skylife (worth KRW 42.5 billion), Kolon Plastics (worth KRW 37.4 billion), and YG Entertainment (worth KRW 42.3 billion). The YG Entertainment IPO attracted KRW 2.8 trillion in subscription guaranty funding, the highest ever in the ten-year history of IPOs on the KOSDAQ.

Debt Capital Market _ Our industry-leading structuring abilities and years of experience allowed us to carry out a number of major transactions. They included government policy deals for rental bond-backed securitization worth KRW 1.0 trillion by Korea Land & Housing Corporation, and a land account receivables-backed securitization by SH Corporation. We also participated in the primary collateralized bond obligations of Korea Credit Guarantee Fund (worth KRW 350.0 billion) and Korea Technology Finance Corporation (worth KRW 150.0 billion), both of which helped to alleviate the financial difficulties of smaller enterprises. Some of our other deals included a terminal installment payment bond-backed securitization by Hana SK Card worth KRW 4.0 trillion.

We also performed a leadership role in a number of corporate bonds issuances. They included GS Energy (worth KRW 600.0 billion), DongKuk Steel Mill (worth KRW 470.0 billion), Hyundai Steel (worth KRW 400.0 billion), GS EPS (worth KRW 350.0 billion), and GS Caltex (worth KRW 350.0 billion). We also led the industry by establishing our underwriting commission rates prior to improvements to the corporate bond system.

In terms of the global bond sector, which used to be dominated by overseas investment banks, we participated in the issuance of KoFC Global Bonds worth USD 750.0 million, KEXIM Global Bonds worth USD 2,250.0 million, and KDB Ringgit Bonds worth MYR 500.0 million. We also led in the issuance of onshore FRNs for KT (worth USD 100.0 million), Korean Air (worth USD 200.0 million), and Korea Electric Power Corporation (worth USD 100.0 million). In addition, we offered advice on the issuance of Private Samurai Bonds on three separate occasions.

Advisory Market _ We put together a number of large-scale deals in the M&A sector. They included advising on the KRW 170.0 billion sale of Daesun, the KRW 110.0 billion sale of Woori Capital, the KRW 1,900.0 billion sale of Korea Express, and KRW 536.5 billion worth of shares held in savings banks by Korea Deposit Insurance Corporation, or KDIC. The Daesun sale was completed despite a number of limiting factors, such as a change in the main sales agent, Daesun's rapidly deteriorating operating revenue, and a prolonged selling period. The sale of the shares of the six savings banks was also completed in an efficient manner.

IB Results by Sector (Unit : KRW in millions)

	FY11	FY10	FY09
Rights Offering	Ranked 2 nd	1 st	1 st
Daewoo Securities' underwriting	4,112	15,809	6,881
Total market value	31,829	54,149	61,599
Block Trade	5 th	2 nd	5 th
Daewoo Securities' sales	4,565	11,555	3,005
Total market value	76,185	69,263	31,309
IPO	3 rd	7 th	1 st
Daewoo Securities' underwriting	5,765	4,347	15,042
Total market value	32,063	86,210	59,273
ABS	2 nd	1 st	1 st
Daewoo Securities' underwriting	26,704	24,815	35,295
Total market value	247,970	193,411	260,422
Corporate Bond	7 th	4 th	5 th
Daewoo Securities' underwriting	44,721	39,397	34,053
Total market value	696,667	467,354	442,910

· Based on the Financial Supervisory Service's Data Analysis, Retrieval and Transfer (DART) system and the company's own calculations

In terms of the private equity business, we are assessing the advantages of investing in green growth and other promising companies through our New Growth Engine Green Future Private Equity Fund, which has a capitalization value of approximately KRW 100.0 billion.

Project Financing _ We posted stable operating results by expanding our operating areas beyond real estate to include energy, shipping, and raw materials. These moves were made to boost our returns in the face of a prolonged slump in the real estate market and the suspension of the business licenses of some savings banks due to project financing insolvencies.

In addition to providing our customers with a host of new investment opportunities by selling the Ankor oil field in the Gulf of Mexico, we helped to create synergies by collaborating and cooperating with many of the company's other divisions. In addition, we enhanced our expertise and broadened our range of investments by establishing a project financing department covering the power generation and energy sector.

Recognized for IB Competencies | Based on the above achievements, we were named the Best M&A Lead Manager at the 2012 Korea IB Awards held by Money Today and sponsored by the Financial Services Commission, Korea Exchange, and Korea Financial Investment Association. It was given in recognition of the role that we played in the sale of seven ailing savings banks and various other large-scale M&As.

Improved Deal-Making Process | The IB business is continuously making improvements to its operating processes. In terms of the ECM, we introduced the industry's first-ever system for conducting due diligence of securities underwritings in collaboration with outside accounting and legal firms. We then applied it to the rights offering for SM Entertainment. In terms of DCM, we concentrated on keeping our internal processes in place. For example, we developed a series of regulations concerning our due diligence operations. Done in response to changes in the external environment, it included improvements to our systems.

Created New Revenue Sources | We were the first player in the industry to introduce commissions for subscriptions by overseas institutional investors. This was carried out after an in-depth analysis of practices at a number of overseas stock exchanges, including the HKEx in Hong Kong. For example, we charged overseas institutions that subscribed for the Huvis IPO a 1% commission, allowing us to generate even more revenue. This helped to make subscription commissions a practice throughout the entire industry.

In terms of the DCM, we received commissions for the issuance of AA or higher-grade UK gilts, such as GS Energy and GS EPS. This added to our reputation as a major underwriter.

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3) WEALTH MANAGEMENT (WM) BUSINESS

Daewoo Securities’ WM business is constantly improving the quality of its customer services. This includes offering clients a wide variety of products to meet their needs, developing a prime brokerage support system, and fostering the development of human resources who are familiar with all areas of the company’s brokerage and asset management operations. The wealth management sector’s revenue in FY2011 was KRW 100.8 billion, exceeding the KRW 100.0 billion mark for the first time since our founding. The WM account balance was KRW 47.0 trillion, up 4% over the year.

Launched New Products to Increase Revenue Sources and Grow Customer Base

In 2011, we became the first player in the industry to launch a monthly payment-type portfolio product. Called Golden Age, its total sales amounted to KRW 250.0 billion. We also introduced the Power Installment Package, a new investment tool that incorporates a variety of functions, ranging from installments to payments, into a single package. Its balance in terms of valuation was KRW 130 billion. In addition, we posted average monthly sales of KRW 100.0 billion for our 91-day, specially-offered interest-rate repurchase agreement product. We also achieved a net increase of KRW 4.0 trillion in the value of our private assets by increasing our prime brokerage customer base.

Generated Synergies within the KDB Financial Group | Some examples of how we created synergies among the Group’s affiliates included consignment sales of fixed-rate industrial financial debentures issued by the KDB Korea Development Bank and raising KRW 50.0 billion in sales of the KDB Secure and Solid Fund, a ten-year-maturity, capital-protected, monthly payment product. They each won first prize at the 2011 One KDB Synergy Awards as the leading synergy creators within the Group. In addition, we launched the KDB ELD, the first product in the securities industry to incorporate KDB deposits. Sales amounted to KRW 50.0 billion. We will continue to maximize synergies within the Group going forward by leveraging our management and product structuring capabilities and the Group’s reputation for safety and probity.

Strengthened Prime Brokerage Support System | We improved our image as a premium prime brokerage securities firm by offering our high net worth customers such support services as All In One Day, VIP one-on-one consulting, and resident tax services. This was done by adding to our number of specialist groups in all our areas of operation, including retirements, real estate, and taxes. We also enhanced our frontline workers’ support services and VIP consulting competencies.

In addition, we are increasing our ability to respond to movements in the stock market. For example, our Retail Investment Strategy Department, an exclusive prime brokerage research group, helped its customers improve their yields and short-term market responsiveness by offering them actual model portfolios and timely investment information.

We also enhanced our customer management operations and activities, in the belief that customer

WM revenue in FY 2011 exceeded KRW 100.0 billion. This had never happened before since our founding. It was accomplished in part by constantly improving the quality of our customer services and offering them a wide variety of products to meet their needs.

WM Balance (Unit : KRW in trillions)

FY11		47.0
FY10	FY09	
45.1	39.7	

WM Revenue (Unit : KRW in billions)

FY11		100.8
FY10	FY09	
99.5	69.1	

management is the ultimate basis of our prime brokerage operations. This included building a sales force automation customer management tool. We also helped to increase the efficiency of communications between the head office and its branches and among the branches themselves by opening a Retail Community. This had the additional effect of improving their operating environment.

4) SALES & TRADING

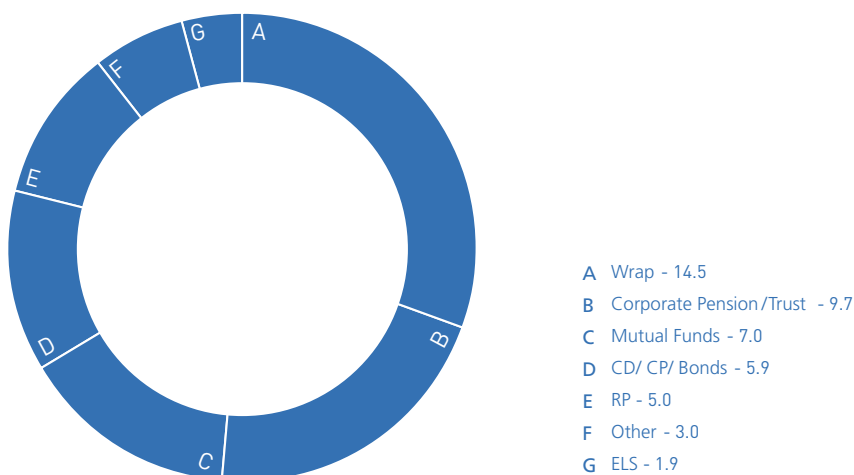
Our sales & trading global market business division generated KRW 231.6 billion in operating revenue in FY2011, maintaining its industry-leading position in spite of a very difficult operating environment. It also positioned itself as the company's main revenue source, contributing a full 29% to the company's total earnings.

Strengthened sales and syndication functions | Our sales & trading system was further consolidated when our Financial Product Sales Group was incorporated into the Global Market division in December 2011. Adding its institutional sales abilities to our existing product development function helped us to build a more efficient product supply structure that can respond to market changes and meet the needs of our customers in a timely manner. We were also able to rationalize our supply and management of new products through finetuning between our sales and our trading operations, this happened because our derivatives syndication functions, which we had established for the first time in the industry, were kept in place. We will maximize our earnings going forward by creating additional synergies among the company's divisions.

Established Hong Kong Sales & Trading Platform | 2011 was also meaningful because we established a Global Trading Center in Hong Kong, giving further impetus to our overseas expansion strategies in Asia. Following an increase in its capital base that allowed it to add its foreign-currency bond positions, the Center engages in overseas bond management. The establishment of the Center was made after it had completed a series of preparation projects over a time period of approximately two years. The process included recruiting a team of high-quality human resources, introducing a state-of-the-art trading system, and revising its rules and regulations. The Center will play a pivotal role in the company's evolution into a leading Asian investment bank by steadily increasing its weighting of revenue from its overseas sales & trading operations.

Fixed Income _ Our fixed income business is involved in bond dealing and brokerage, and repurchase agreement (RP) management and trading. In FY 2011, we recorded the industry's best revenue and management results. This was done through accurate market predictions and a range of strategies to maximize our return on overseas management. In addition, we maximized our global competitiveness and our earnings generating capacities by building an overseas bond trading desk. We also strengthened our global asset management foundations by increasing our foreign-currency

WM Balance Composition (Unit : KRW in trillions)



Management's Discussion & Analysis

bond positions. This allowed us to add to the proportion of revenue arising from their management relative to the total. In addition, we were named an Excellent Treasury Bond Dealer by the Ministry of Strategy and Finance for the second consecutive year.

Derivatives _ Our derivatives trading unit is tasked with supplying derivatives and hedge fund management and sales. We ranked first in the industry in terms of the value of equity-linked securities issuances for the fifth consecutive year, thanks to our unparalleled management and sales capabilities and a wide range of exciting new products. We have become the country's market leader by developing a broad range of our own new products and dealing in a wide variety of overseas structured ones. This part of our work is led by our derivatives syndicate trading desk. We have also earned our dominant position in the domestic securities industry by issuing DLS products that accept a wide variety of backup assets, such as interest rates, foreign exchange, and credits in the newly-rising domestic DLS market.

Proprietary Trading _ Our proprietary trading business includes principal investment (PI) and the proprietary trading of stocks, futures, and options. It added to its earnings by diversifying its range of investment vehicles, including Global Macro and cross-border IPOs, and promoting new businesses. It has accumulated an outstanding track record since 2007 by forming an exclusive organization and making full use of a variety of hedge management strategies. In addition to achieving an above-average rate of return in 2011, it obtained a track record certification from the Morningstar rating agency. It also acted as an incubator for the establishment of a hedge fund management company. For example, it served as a hedge fund supplier for the company.

5) INTEREST INCOME

Interest income in FY2011 was KRW 50.3 billion, down KRW 72.2 billion from a year ago. The main reason for this reduction was that deposit-related interest income rose by KRW 7.7 billion, while interests on loans and other interest income decreased by KRW 6.8 billion and KRW 2.7 billion, respectively. Another reason was a decline of KRW 70.4 billion in dividend income following the payment of a one-time cash dividend worth KRW 45.3 billion from Daewoo Capital CRV and another worth KRW 23.5 billion from consolidated beneficiary certificates in FY 2010.

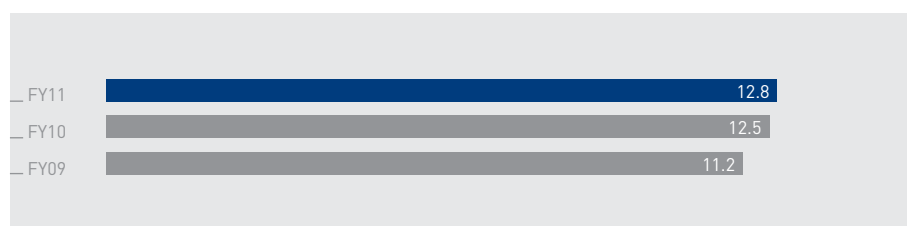
6) SELLING, GENERAL, AND ADMINISTRATIVE (SG&A) EXPENSES

SG&A expenses in FY2011 were KRW 562.9 billion, down KRW 101.1 billion over the year. This was primarily due to the end of our voluntary retirement program in FY2010, which had led to a temporary

SG&A Expenses (Unit : KRW in billions)

		FY11	FY10	FY09
Labor costs	Salaries	171.5	173.6	148.4
	Severance payments	40.8	61.8	29.7
	Fringe benefits	129.3	179.3	203.1
	Total	341.6	414.8	381.2
Computer system operating expenses		21.3	23.5	20.2
Rental expenses		19.4	26.6	17.1
Commissions paid		9.6	10.3	7.5
Entertainment expenses		7.7	7.6	7.7
Advertising expenses		27.8	40.2	37.8
Depreciation expenses		23.4	23.4	23.1
Research expenses		1.3	3.6	1.2
Training expenses		6.1	3.5	3.2
Amortization expenses on intangible assets		9.8	8.3	10.2
Taxes and dues		31.7	36.2	31.0
Other		63.5	66.0	53.6
Total		562.9	664.0	593.8

Asset Management Balance (Units : AUM, KRW in Trillions)



Variable & Fixed Salary Expenses (Unit : KRW in billions)

		FY11	FY10	FY09
Labor costs	Fixed	274.3	302.6	232.4
	Variable	67.3	112.1	148.8
Total		341.6	414.8	381.2

Summarized Balance Sheets (Unit : KRW in billions)

	2012.3.31	2011.3.31	2010.3.31
Cash and deposits	3,271.5	1,079.8	3,599.1
Securities	14,793.3	13,853.4	11,546.7
Derivatives	302.9	209.5	221.7
Loans	1,485.1	1,848.4	1,017.6
Tangible fixed assets	257.8	265.5	424.3
Other	2,352.8	2,155.3	694.4
Total assets	22,463.4	19,411.9	17,503.8
Deposits	1,740.1	2,089.7	2,520.4
Borrowings	15,022.4	12,724.5	11,329.7
Other liabilities	1,727.9	1,866.2	797.7
Total liabilities	18,490.4	16,680.4	14,647.8
Capital Stock	1,703.9	1,020.9	1,020.9
Capital surplus	661.0	224.8	222.8
Capital adjustments	-130.7	-133.9	-330.0
Accumulated other comprehensive income	134.4	114.8	167.9
Retained earnings	1,604.4	1,504.9	1,477.4
Total shareholders' equity	3,973.0	2,731.5	2,856.0
Total liabilities and shareholders' equity	22,463.4	19,411.9	17,503.8

· FY 2011 and 2010 results are based on K-IFRS and consolidated financial statements, while those for FY 2009 are based on Korean Generally Accepted Accounting Principles (K-GAAP).

increased by KRW 349.6 billion to KRW 1,740.1 billion. Other liabilities fell by KRW 138.3 billion because of a decrease in accounts payable.

Total shareholders' equity ballooned by KRW 45.5% (or KRW 1,241.5 billion) to KRW 3,973.0 billion from KRW 2,731.5 billion at the previous year-end. This reflected a capital increase of KRW 1,124.2 billion in November 2011. Capital stock increased by KRW 683.0 billion over the year to KRW 1,703.9 billion. The number of common shares outstanding was 302,670,891, while that of preferred shares was 14,075,750.

5. NET CAPITAL RATIO (NCR)

In order to maintain an appropriate level of financial soundness, we measure our net capital ratio on a regular basis. This system was introduced by the country's regulatory authorities and adopted by Daewoo Securities to increase the soundness of financial investment firms and protect investors in a rapidly changing financial environment. The ratio is calculated by dividing net working capital by total risk as of a set date. Net working capital is determined after subtracting non-liquid assets from shareholders' equity. In other words, it is the value that is obtained by subtracting total liabilities from total assets, the result of which is then adjusted by subtracting such mandatory deduction items as non-current assets and the company's provision for losses on loans. Total risk refers to quantified losses that may arise in the event of a market downturn. It reflects market, credit, and operational risk.

As at March 2012, our net capital ratio was 597.7%, placing it well above the figure stipulated by the central government's regulations. These are 150% for financial investment companies (Financial Investment Industry Regulations), 200% for dealing in new OTC derivatives (Financial Investment Services and Capital Market Act), and 300% for the new listing of ELS or ELW and to act as a liquidity provider (LP) (Regulations for listings on the Korea Stock Exchange and related businesses).

rise in severance payments of KRW 16.6 billion. Another contributor was a KRW 44.8 billion (or 40%) decline in our performance-linked labor costs. In addition, advertising expenses dropped by KRW 12.3 billion, while taxes and dues edged down by KRW 4.5 billion, following declines in securities transaction and education taxes.

4. FINANCIAL POSITION

Total assets at the end of FY 2011 were worth KRW 22,463.4 billion, an increase of 15.7% (or KRW 3,051.5 billion) from KRW 19,411.9 billion in FY 2010. Cash and deposits rose by KRW 2,191.7 billion, following increases in rights offerings and the issuance of securitized derivatives. Securities grew by 6.8% over the year to KRW 14,793.3 billion, reflecting a rise in Korean Won-currency bonds and foreign-currency bonds of KRW 246.7 billion and KRW 778.7 billion. The total of our loans fell by 20% to KRW 1,485.1 billion. PF loans decreased by KRW 435.3 billion, while the granting of credits grew by KRW 91.2 billion.

Total liabilities went up by 10.9% (or KRW 1,810.0 billion) to KRW 18,490.4 billion from KRW 16,680.4 billion the previous year. Securititized derivatives increased by KRW 2,799.9 billion due to a rise in the issuance of DLS and ELS, while borrowed liabilities fell by KRW 498.2 billion due to the repayment of borrowings from banks and a decline in RP sales by customers. Investors' deposits, including deposits by consignors and deposits for derivatives trading, de-

Management’s Discussion & Analysis

Surplus capital, which is an important indicator of an investment firm’s risk management capabilities, is calculated by subtracting its total risk from its net working capital. Our surplus capital by the end of March 2012 remained among the best in the industry, at KRW 2,698.1 billion.

6. RISK MANAGEMENT

Risk Management Principles | The term “risk” means the potential loss or losses that may arise in the course of conducting business. Opportunities for revenue generation require a certain amount of risk, but too high a level of exposure to it can lead to large losses in corporate and shareholder value. This means that efficient risk management is integral to the success of financial institutions. Daewoo Securities is committed to maximizing its own and its shareholders’ value by generating an optimum amount of revenue within an acceptable range of risk.

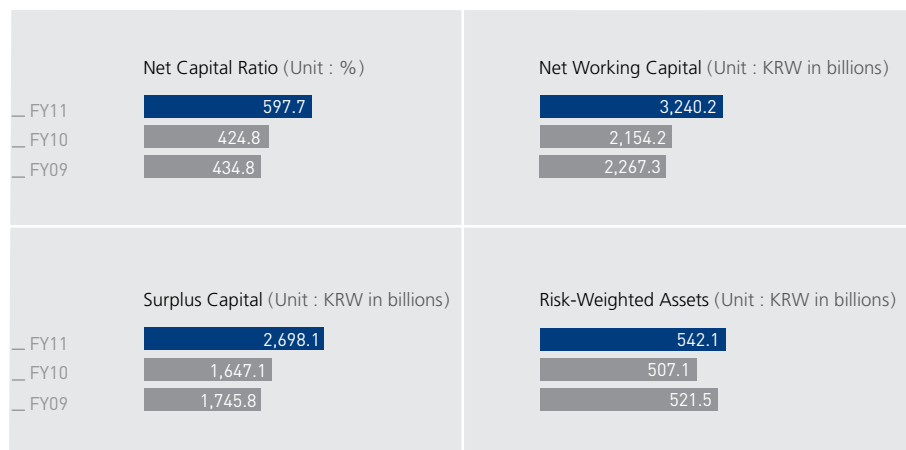
Daewoo Securities is exposed to market, credit, liquidity, operational, legal, and reputational risks. It is the company’s responsibility to identify, analyze, evaluate, and control them. It also mobilizes its most talented personnel and organizes its financial affairs in such a way as to maintain the most efficient and effective risk management policies and systems possible, making sure that they reflect the highest global standards. This has allowed the company to enjoy industry-leading results and the stable level of capital adequacy that is required by Korea’s Financial Supervisory Service.

Risk Management System | Daewoo Securities’ company-wide risk management system includes a welter of regulations, guidelines, and standards. In addition to observing all of the central government’s rules and regulations, it determines its own risk management issues and develops risk management regulations to achieve an optimum level of asset soundness and management stability. This results in the efficient management of risk and the effective distribution of all its investment resources. The company’s top risk management decision-making body is its Risk Management Committee. It also operates a Proprietary Asset Risk Management Council and a Trust Asset Risk Management Council, both of which deal with details and issues that have been delegated to them by the Risk Management Committee. In addition, it establishes guidelines for managing risk by asset type and exposure to risk. They 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.

In addition to risk management regulations, guidelines, and standards, Daewoo Securities has drawn up Assessment Regulations to promote the stability and efficient post-management of its investments and its credit-granting operations. They outline the procedures and methods that are needed to manage principal investments, acquisitions, and credit lines as well as monitor, recover, and manage non-performing loans. It has also developed a set of Investment Review Committee Regulations to guide the activities of the Investment Review Committee regarding principal investments and its other duties. The company has also drawn up Principal Investment Management Guidelines, Acquisition Review

We are committed to maximizing shareholder value and maintaining our position as a reputable and sustainable company through the practice of advanced, global-standard risk management processes and policies.

Net Capital Ratio



Guidelines, Non-Performing Loan Management Guidelines, and Real Estate Project Financing Risk Management Guidelines to ensure the efficient assessment and post-management of all the types of risk to which it is exposed.

Risk Management Organization | Daewoo Securities' risk management organization comprises a Risk Management Committee ("the 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, Risk Managers for each business, Risk Reporters for each department, and a company-wide Operational Risk Manager.

The Committee must consist of more than three Board of Directors (BOD) members, including at least one outside director. It is tasked with establishing risk management strategies that correspond to the company's operational strategies and supervising its risk management processes. Some of the major issues that the Committee deals with include enacting and revising risk management regulations, guidelines, and systems; setting adequate levels of financial soundness (including risk appetite and maximum permissible risk levels); developing criteria for judging liquidity crises and establishing contingency plans; determining the company's total risk limits; and approving large-sized credit lines and improvements and major changes to the entire risk management system.

The nomination and dismissal of Committee members are determined by the BOD. Its Chair is selected from among the BOD's members. In the event of a risk-related emergency that occurs while the Committee is unable to meet, the Chair is entitled to suspend the pertinent transaction or trust asset operation, readjust the company's position, and take any and all other measures related to the department(s) and employee(s) in question. The Proprietary Asset Risk Management Council and the Trust Asset Risk Management Council deal with details and issues that have been delegated to them by the Committee, and report the results of their deliberations to it.

The Proprietary Asset Risk Management Council's major functions include approving new transactions and the introduction of new products; the use of and changes to price valuation models; issues related to the incorporation of policy positions; and criteria for evaluating the risk-adjusted performances of relevant departments. It also authorizes the marketing activities and limits of each department, agrees to risks that exceed their allowable limits, and approves changes to the routine risk management system.

Members of the Council are assigned on an individual basis. The role of Chair is held by the Chief Risk Officer. In the event of an emergency concerning issues that are dealt with by the Council, the Chair is entitled to demand the suspension of the transaction, readjust the company's position, and take appropriate measures related to the department(s) and employee(s) in question.

The Trust Asset Risk Management Council's major functions include approving new transactions and the introduction of new products; certifying the classification of trust assets acquired for the company's own accounts; valuing bonds for which price information provided by bond rating companies is not applicable; and approving risk in excess of the limits related to the management of trust assets. Council members are appointed by the Committee, and the executive officer in charge of trust assets

Risk Management System

Regulations & Systems

- Risk Management Regulations
- Risk Management Committee Regulations
- Market Risk Management Guidelines
- Credit Risk Management Guidelines
- Liquidity Risk Management Guidelines
- Operational Risk Management Guidelines
- Overseas Network Risk Management Guidelines
- Trust Asset Management Guidelines
- Assessment Regulations
- Principal Investment Management Guidelines
- Acquisition Review Guidelines
- NPL Management Guidelines
- Real Estate Project Financing Risk Management Guidelines

Risk Management Organization

- Risk Management Committee
- Proprietary Asset Risk Management Council
- Trust Asset Risk Management Council
- Investment Review Committee
- Risk Management Executive
- Risk Management Department
- Investment & Credit Assessment Department
- Risk Manager
- Risk Reporter
- Operational Risk Manager

Risk Measuring Methods

- Standard VaR
- Internal VaR
- Exposure
- Sensitivity
- Simulation
- Liquidity Gap
- Stress Testing

Management’s Discussion & Analysis

serves as its Chair. In the event of an emergency concerning issues that are dealt with by the Council, the Chair is entitled to demand the suspension of the transaction, readjust the company’s position, and take appropriate measures related to the department(s) and employee(s) in question.

The Investment Review Committee carries out reviews of the company’s investment transactions. Composed of executive officers, it can convene at any time to facilitate smooth decision-making. Its major functions include conducting reviews of principal investments exceeding specified limits or the acquisition of assets for similar purposes; underwritings and the extensions of credit lines; and the designation of non-performing loans, position transfers, and alternative pricing for financial investments. The Chief Risk Officer (CRO) serves as the Chair of the Proprietary Asset Risk Management Council and the Investment Review Committee. He or she presides over the meetings of both bodies, and has overall authority over the risk management organization. The CRO can also take appropriate measures in the event of an emergency concerning the company’s risk management processes and/or policies.

The Risk Management Department is tasked with laying the foundations for the company’s sustainable growth. It does this by building a comprehensive risk management system and enhancing its risk management capabilities, so that the company’s equity capital is always protected and used in a stable and effective manner. It also plays a role in planning and coordinating overall risk management-related issues. This includes executing the risk management policies determined by the Committee or the Proprietary Asset Risk Management Council through appropriate procedures and systems, as well as overseeing practical business affairs to facilitate the operation of the Committee or the Proprietary Asset Risk Management Council. It also monitors the current status of the company’s asset management operations, and reports to senior management on overall risk management issues.

The Investment & Credit Assessment Department’s major functions include providing rational decisions based on comprehensive analyses of transactions related to principal investments; underwriting transactions and extensions of credit lines; and post-management after transactions have been executed to facilitate smooth recoveries, if needed. It also conducts reviews prior to the company’s investment transactions independently of the sales departments and supports the operations of the Investment Review Committee. Its post-management functions include monitoring investment positions, recoveries, and the management of non-performing loans.

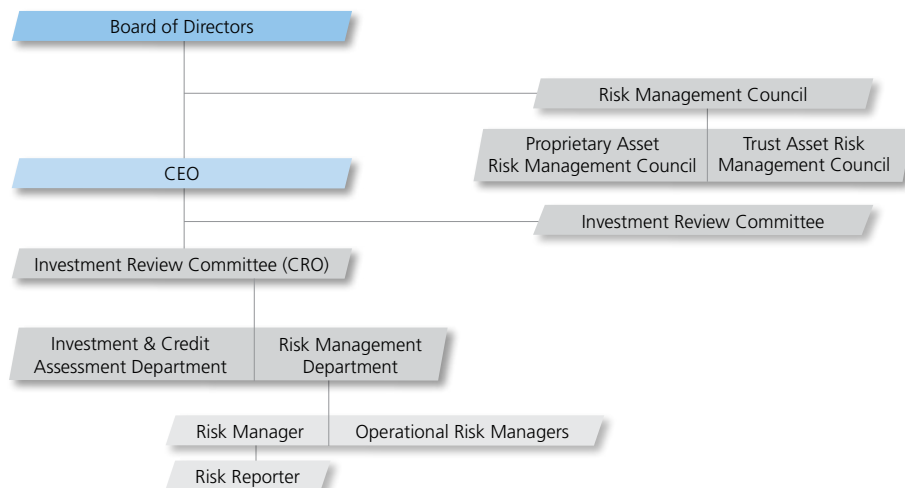
The Risk Manager for each business works independently of transaction-related departments. He or she reviews their operational positions and risks (including profits and losses from the transactions of each business division), reports the results to the head of his or her department, and notifies the Risk Management Department.

The Risk Reporter is selected by each transaction-related department. He or she reviews the transactions and the current status of each relevant department’s risk position, reports the results to the head of the relevant department and its Risk Manager, and notifies the Risk Management Department.

Operational Risk Managers are selected from each department and branch to take general charge of operational risk-related operations. This includes the RCSA (Risk & Control Self-Assessment), KRI (Key Risk Indicator) data input system, and the registration of losses.

The company’s commitment to systematic risk management includes building a global-standard risk management system that is adequately financed and staffed by highly-skilled personnel. This enables it to develop management systems and standards that fit each risk.

Risk Management Organization Chart



Management of Major Risk Factors

Market Risk _ Market risk refers to the potential loss that the company may incur in the course of conducting its asset management business due to untoward changes in equity prices, interest rates, and/or exchange rates. Daewoo Securities uses the standard market Value at Risk (VaR), set by Korea's Financial Supervisory Service (FSS) regulations, and internal market VaR, calculated by its own risk management system, to measure and control for market risk. VaR calculates the maximum loss to be expected on an investment over a given time period and given a specified degree of confidence when market prices move in an adverse direction under normal market conditions.

Although VaR can be an effective method for measuring market risk, it fails to provide information on possible losses in cases exceeding a given confidence level, since it is premised on normal market conditions. To mitigate this limitation, Daewoo Securities uses sensitivity monitoring and stress testing as additional indicators. It prepares assessment and analysis reports on current market risk on a daily, weekly, and monthly basis for submission to senior management. The reports also describe the current status of the company's capital adequacy, loss limit monitoring, major assets, and outline the results of its crisis scenario analyses.

Credit Risk _ Credit risk refers to losses that Daewoo Securities would incur if a counterparty failed to fulfill its contractual obligations (including the payment or repayment of principal) or discontinued a contract on the transactions of derivatives. To reduce its credit exposure, the company determines exposure limits according to the counterparty or its credit rating. It also maintains an appropriate level of capital adequacy by controlling VaR credit limits through the standard model. In addition, it monitors major counterparties in which it has an excessive degree of risk through the weekly and monthly monitoring of its current credit risk status.

Since transactions involving credit risk are usually large and difficult to securitize, developing proactive risk management strategies is essential. As a result, Daewoo Securities has established prior inspection processes that analyze both the quantity and the quality of all its transactions involving credit risk.

Liquidity Risk _ There are two types of liquidity risk. The first is market liquidity risk, which occurs when a firm is unable to acquire assets or dispose of them at normal market prices due to a lack of liquidity in the market or the invested assets. The other is prudential liquidity risk, which occurs when a company is unable to satisfy minimum liquidity guidelines, such as liquidity ratios. Daewoo Securities measures this type of risk by means of a liquidity risk management system, using liquidity gaps and ratios as key indicators. It gives weekly reports to senior management. The Finance Department does the same thing at regular intervals.

In addition to normal liquidity risk management, Daewoo Securities has developed contingency plans to deal with any liquidity crisis or crises that may arise. Crisis situations are classified into three categories--caution, alert, and risk--depending on the company's liquidity conditions and the level of stability in financial markets. Specific action plans have been prepared for each level.

Financial market stability is also monitored by selecting specific indicators that take into account the attributes of each management department. Senior management is briefed on a regular basis.

Operational Risk _ Operational risk is the risk of losses arising from shortcomings or failures in internal processes, people, or systems, or from external events. Daewoo Securities uses a value chain analysis for the systematic assessment of its company-wide business processes. This allows for a sophisticated degree of operational risk management, as well as the efficient control of its overall processes.

It also uses an operational risk management system for monitoring losses, risk and control self-assessments, managing key risk indicators, and measuring risk. In order to prevent repeat occurrences, the system collects data on past loss events and analyzes their root causes and types. In addition, it carries out regular risk and control self-assessments to facilitate the day-to-day monitoring of risk at the company-wide level. This helps it to manage operational risk factors, assess event types, and establish countermeasures. Key risk indicators are selected for the same purpose. The company uses both the standard model recommended by financial and investment industry regulations and its own internal model, the Advanced Measurement Approach, to calculate operational VaR.

Legal Risk _ Legal risk refers to potential losses 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 risks in its operational risk management system. It also has a legal affairs department that is tasked with handling legal risk.

Financial Statements

Independent auditors' report _ Consolidation

Consolidated statements of financial position

Consolidated statements of comprehensive income

Consolidated statements of changes in equity

Consolidated statements of cash flows

Independent auditors' report _ Separation

Separate statements of financial position

Separate statements of comprehensive income

Separate statements of changes in equity

Separate statements of cash flows

Statements of appropriations of retained earnings

Internal control over financial reporting review report

INDEPENDENT AUDITOR'S REPORT _ CONSOLIDATION

The Board of Directors and Stockholders

Daewoo Securities Co., Ltd.

We have audited the accompanying consolidated financial statements of Daewoo Securities Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position as of March 31, 2012, March 31, 2011 and April 1, 2010, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended March 31, 2012 and 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Daewoo Securities Co., Ltd. and its subsidiaries as of March 31, 2012, March 31, 2011 and April 1, 2010, and the results of its financial performance, and its cash flows for the years ended March 31, 2012 and 2011 in conformity with Korea International Financial Reporting Standard (K-IFRS).

June 14, 2012



ERNST & YOUNG HAN YOUNG

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This audit report is effective as of June 14, 2012, the independent auditors' report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditors' report date to the time this audit report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this audit report.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2012, March 31, 2011, and April 1, 2010

(Korean won in millions)

	March 31, 2012	March 31, 2011	April 1, 2010
Assets			
Cash and due from banks	3,271,463	1,079,824	748,259
Financial assets held-for-trading	7,863,002	7,160,848	8,411,519
Financial assets designated at FVTPL	1,972,663	1,943,410	2,705,487
Derivatives instruments assets	302,892	209,509	233,728
Financial assets available-for-sale	4,934,416	4,723,593	3,197,198
Loans	1,485,061	1,848,403	1,238,610
Investments in associates	23,212	25,549	41,813
Property and equipment	257,757	265,495	258,834
Investment property	103,750	102,880	106,660
Intangible assets	78,057	77,659	74,182
Current tax assets	11,968	3,159	2,943
Deferred income tax assets	64,584	65,989	5,441
Other assets	2,094,569	1,905,549	1,486,514
Total assets	22,463,394	19,411,867	18,511,188
Liabilities			
Financial liabilities held-for-trading	370,313	397,905	216,130
Financial liabilities designated at FVTPL	6,272,422	3,472,495	3,422,596
Derivatives instruments liabilities	277,563	171,187	172,408
Due to customers	1,740,118	2,089,705	2,520,258
Borrowings	7,226,631	7,724,864	7,397,351
Debt issued	875,515	958,092	359,053
Employee retirement benefit liabilities	186,265	165,461	136,854
Provisions	18,293	33,800	27,740
Current tax liabilities	1,938	10,730	177,614
Deferred tax liabilities	54	-	-
Other liabilities	1,521,340	1,656,167	1,339,425
Total liabilities	18,490,452	16,680,406	15,769,429
Equity			
Controlling interest:			
Capital stock	1,703,883	1,020,883	1,020,883
Capital surplus	660,954	224,833	222,752
Capital adjustments	(130,705)	(133,893)	(32,970)
Accumulated other comprehensive income	134,401	114,785	151,065
Retained earnings	1,604,409	1,504,853	1,380,029
Planned regulatory reserve for possible loan losses : ₩16,864 million at March 31, 2012 ₩386 million at March 31, 2011			
Non-controlling interest	-	-	-
Total equity	3,972,942	2,731,461	2,741,759
Total liabilities and equity	22,463,394	19,411,867	18,511,188

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	2012	2011
Operating income	3,024,277	3,573,452
Commission income	517,231	578,102
Gain on valuation and disposal of financial assets held-for-trading	266,633	339,878
Gain on valuation and redemption of financial liabilities held-for-trading	37,433	1,600
Gain on valuation and disposal of financial assets designated at FVTPL	89,665	107,529
Gain on valuation and redemption of financial liabilities designated at FVTPL	263,412	541,302
Gain on valuation and transaction of derivatives instruments	1,039,793	1,201,281
Gain on disposal of financial assets available-for-sale	41,744	65,514
Interest income	654,020	603,295
Other operating income	114,346	134,951
Operating expenses	2,812,852	3,274,048
Commission expenses	47,274	53,767
Loss on valuation and disposal of financial assets held-for-trading	227,239	259,397
Loss on valuation and redemption of financial liabilities held-for-trading	42,071	7,258
Loss on valuation and disposal of financial assets designated at FVTPL	14,177	45,617
Loss on valuation and redemption of financial liabilities designated at FVTPL	418,861	752,159
Loss on valuation and transaction of derivatives instruments	919,252	1,016,651
Loss on disposal of financial assets available-for-sale	47,267	79,457
Interest expense	449,300	349,264
General and administrative expenses	562,898	663,966
Other operating expenses	84,513	46,512
Net operating income	211,425	299,404
Non-operating income	27,016	39,747
Non-operating expenses	16,080	23,296
Net income before income tax	222,361	315,855
Income tax expense	55,444	89,926
Net income	166,917	225,929
Net income after adjusting regulatory reserve : ₩155,090 million for 2012		
Attributable to:		
Owners of the parent	166,917	225,929
Non-controlling interests	-	-
Other comprehensive income	19,616	(36,280)
Gain (loss) on valuation of financial assets available-for-sale	22,923	(41,500)
Equity adjustments from equity method valuation	(292)	838
Net gain on cash flow hedges	2,649	(2,366)
Exchange differences on translation of foreign operations	5,080	(4,180)
Tax effect on comprehensive income	(10,744)	10,928
Total comprehensive income	186,533	189,649
Attributable to:		
Owners of the parent	186,533	189,649
Non-controlling interests	-	-
Earning per share		
Basic and diluted (Korean won in unit)	632	1,044

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	Controlling interest					Total	Non-controlling interest	Total equity
	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings			
As of April 1, 2011	1,020,883	224,833	(133,893)	114,785	1,504,853	2,731,461	-	2,731,461
Comprehensive income								
Net income	-	-	-	-	166,917	166,917	-	166,917
Changes of other comprehensive income	-	-	-	19,616	-	19,616	-	19,616
Total comprehensive income	-	-	-	19,616	166,917	186,533	-	186,533
Transactions with shareholders								
Capital injection	683,000	437,235	-	-	-	1,120,235	-	1,120,235
Dividends	-	-	-	-	(79,517)	(79,517)	-	(79,517)
Disposal of treasury shares	-	219	3,188	-	-	3,407	-	3,407
Others	-	(1,333)	-	-	12,156	10,823	-	10,823
Total transactions with shareholders	683,000	436,121	3,188	-	(67,361)	1,054,948	-	1,054,948
As of March 31, 2012	1,703,883	660,954	(130,705)	134,401	1,604,409	3,972,942	-	3,972,942
As of April 1, 2010	1,020,883	222,752	(32,970)	151,065	1,380,029	2,741,759	-	2,741,759
Comprehensive income								
Net income	-	-	-	-	225,929	225,929	-	225,929
Changes of other comprehensive income	-	-	-	(36,280)	-	(36,280)	-	(36,280)
Total comprehensive income	-	-	-	(36,280)	225,929	189,649	-	189,649
Transactions with shareholders								
Dividends	-	-	-	-	(101,804)	(101,804)	-	(101,804)
Acquisition of treasury shares	-	-	(103,998)	-	-	(103,998)	-	(103,998)
Disposal of treasury shares	-	708	3,075	-	-	3,783	-	3,783
Others	-	1,373	-	-	699	2,072	-	2,072
Total transactions with shareholders	-	2,081	(100,923)	-	(101,105)	(199,947)	-	(199,947)
As of March 31, 2011	1,020,883	224,833	(133,893)	114,785	1,504,853	2,731,461	-	2,731,461

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	2012	2011
Cash flows from operating activities		
Net income before income tax	222,361	315,855
Adjustment for non-cash items	(221,729)	(245,299)
Interest income	(654,020)	(603,295)
Interest expense	449,300	349,265
Dividend income	(15,936)	(86,329)
Gain on valuation of financial assets held-for-trading	(10,054)	(9,743)
Gain on valuation of financial assets designated at FVTPL	(78,229)	(63,554)
Gain on disposal of financial assets available-for-sale	(35,213)	(48,012)
Impairment loss of financial assets available-for-sale	40,736	61,955
Equity method valuation	2,194	(6,175)
Loss on disposal of investments in associates	-	3,937
Provision for (reversal of) allowance for credit losses	3,202	(3,807)
Loss on disposal of property and equipment	670	578
Depreciation of property and equipment	23,394	23,380
Depreciation of investment property	1,886	1,865
Loss on disposal of intangible assets	330	-
Amortization of intangible assets	9,756	8,310
Impairment loss of intangible assets	1,858	-
Bad debt expense for other assets	1,340	(5,089)
Loss on valuation of financial liabilities held-for-trading	5,869	5,658
Loss on valuation of financial liabilities designated at FVTPL	69,142	112,475
Gain on valuation of derivatives instruments	(62,376)	(55,185)
Severance and retirement benefits	40,767	61,835
(Reversal of) loss provision	(4,424)	6,060
Loss (gain) on foreign currency translation	(11,921)	572
Changes in operating assets and liabilities:	(47,115)	774,328
Due from banks	(1,853,103)	(339,284)
Financial assets held-for-trading	(692,098)	1,260,414
Financial assets designated at FVTPL	48,977	825,631
Loans	360,140	(612,297)
Derivative instruments assets	224,257	188,228
Other assets	(184,096)	(422,755)
Financial liabilities held-for-trading	(32,230)	176,116
Financial liabilities designated at FVTPL	2,730,785	(62,576)
Due to customers	(349,587)	(430,553)
Derivative instruments liabilities	(146,237)	(112,412)
Payment of employee retirement benefits	(9,281)	(17,703)
Provisions	(11,083)	-
Other liabilities	(133,559)	321,519
Interest received	620,199	603,647
Interest paid	(442,577)	(355,553)
Dividend received	16,117	89,587
Income tax paid	(65,094)	(310,126)
Net cash flows provided by operating activities	82,162	872,439

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	2012	2011
Cash flows from Investing activities		
Disposal of property and equipment	-	15
Disposal of intangible assets	3,421	-
Disposal of investment in associates	-	25,051
Acquisition of investment in associates	(150)	(6,791)
Acquisition of financial assets available-for-sale	(194,757)	(1,581,839)
Acquisition of property and equipment	(19,609)	(28,763)
Acquisition of intangible assets	(13,876)	(11,811)
Decrease in lease key-money deposits paid	10,088	677
Net cash flows used in investing activities	(214,883)	(1,603,461)
Cash flows from financing activities		
Increase (decrease) in borrowings	(498,233)	327,512
Increase (decrease) in debts issued	(83,442)	600,000
Acquisition of treasury stocks	-	(103,998)
Disposal of treasury stocks	3,407	3,783
Capital injection	1,120,235	-
Increase in lease key-money deposits received	(3,115)	(1,617)
Dividends paid	(79,517)	(101,804)
Net cash flow provided by financing activities	459,335	723,876
Effect of exchange rate changes on cash and cash equivalents	251	(57)
Net increase (decrease) in cash and cash equivalents	326,865	(7,203)
Cash and cash equivalents at the beginning of the year	100,834	108,037
Cash and cash equivalents at the end of the year	427,699	100,834

INDEPENDENT AUDITOR'S REPORT _ SEPARATION

The Board of Directors and Stockholders

Daewoo Securities Co., Ltd.

We have audited the accompanying separate financial statements of Daewoo Securities Co., Ltd. (the "Company"), which comprise the separate statements of financial position as of March 31, 2012, March 31, 2011 and April 1, 2010, and the separate statements of comprehensive income, changes in equity and cash flows for the years ended March 31, 2012 and 2011. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these separate financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Daewoo Securities Co., Ltd. as of March 31, 2012, March 31, 2011 and April 1, 2010, and the results of its financial performance, and its cash flows for the years ended March 31, 2012 and 2011 in conformity with Korea International Financial Reporting Standard (K-IFRS).

June 14, 2012



ERNST & YOUNG HAN YOUNG

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This audit report is effective as of June 14, 2012, the independent auditors' report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditors' report date to the time this audit report is used. Such events and circumstances could significantly affect the accompanying separate financial statements and may result in modifications to this audit report.

SEPARATE STATEMENTS OF FINANCIAL POSITION

As of March 31, 2012, March 31, 2011, and April 1, 2010

(Korean won in millions)

	March 31, 2012	March 31, 2011	April 1, 2010
Assets			
Cash and due from banks	3,206,562	1,051,346	713,812
Financial assets held-for-trading	7,611,754	7,133,600	8,354,705
Financial assets designated at FVTPL	1,972,663	1,943,410	2,705,487
Derivatives instruments assets	302,829	209,563	233,882
Financial assets available-for-sale	4,715,663	4,568,844	3,151,627
Loans	1,485,057	1,679,820	997,832
Investments in associates and subsidiaries	380,375	233,854	214,035
Property and equipment	255,741	264,277	258,458
Investment property	103,750	102,880	106,660
Intangible assets	78,026	77,248	73,721
Current tax assets	10,138	-	-
Deferred income tax assets	65,052	62,717	3,765
Other assets	2,045,538	1,879,000	1,436,434
Total assets	22,233,148	19,206,559	18,250,418
Liabilities			
Financial liabilities held-for-trading	370,313	397,905	216,130
Financial liabilities designated at FVTPL	6,272,422	3,505,597	3,456,605
Derivatives instruments liabilities	276,263	168,752	169,351
Due to customers	1,740,975	2,090,651	2,520,427
Borrowings	7,061,605	7,511,007	7,142,252
Debt issued	875,514	958,042	359,002
Employee retirement benefit liabilities	186,265	165,461	136,854
Provisions	18,293	33,800	27,740
Current tax liabilities	-	10,730	177,614
Other liabilities	1,470,357	1,622,821	1,290,414
Total liabilities	18,272,007	16,464,766	15,496,389
Equity			
Capital stock	1,703,883	1,020,883	1,020,883
Capital surplus	660,954	223,500	222,792
Capital adjustments	(130,705)	(133,893)	(32,970)
Accumulated other comprehensive income	135,060	131,405	154,948
Retained earnings	1,591,949	1,499,898	1,388,376
Planned regulatory reserve for possible loan losses : ₩16,864 million at March 31, 2012 ₩386 million at March 31, 2011			
Total equity	3,961,141	2,741,793	2,754,029
Total liabilities and equity	22,233,148	19,206,559	18,250,418

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	2012	2011
Operating income	3,006,191	3,533,295
Commission income	515,558	572,347
Gain on valuation and disposal of financial assets held-for-trading	260,198	327,740
Gain on valuation and redemption of financial liabilities held-for-trading	37,433	1,629
Gain on valuation and disposal of financial assets designated at FVTPL	89,665	107,529
Gain on valuation and redemption of financial liabilities designated at FVTPL	263,412	542,209
Gain on valuation and transaction of derivatives instruments	1,039,166	1,201,449
Gain on disposal of financial assets available-for-sale	38,566	78,362
Interest income	641,675	584,169
Other operating income	120,518	117,861
Operating expenses	2,792,362	3,238,387
Commission expenses	56,397	63,890
Loss on valuation and disposal of financial assets held-for-trading	223,021	270,748
Loss on valuation and redemption of financial liabilities held-for-trading	42,070	7,288
Loss on valuation and disposal of financial assets designated at FVTPL	14,177	45,617
Loss on valuation and redemption of financial liabilities designated at FVTPL	418,861	752,159
Loss on valuation and transaction of derivatives instruments	915,476	1,014,546
Loss on disposal of financial assets available-for-sale	46,945	62,582
Interest expense	447,205	341,669
General and administrative expenses	545,438	647,484
Other operating expenses	82,772	32,404
Net operating income	213,829	294,908
Non-operating income	24,060	22,897
Non-operating expenses	14,701	17,278
Net income before income tax	223,188	300,527
Income tax expense	51,620	87,201
Net income	171,568	213,326
Net income after adjusting regulatory reserve : ₩155,090 million for 2012		
Other comprehensive income	3,655	(23,543)
Gain (loss) on valuation of financial assets available-for-sale	9,711	(30,182)
Tax effect on comprehensive income	(6,056)	6,639
Total comprehensive income for the year	175,223	189,783
Earning per share		
Basic and diluted (Korean won in unit)	649	986

SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total
As of April 1, 2011	1,020,883	223,500	(133,893)	131,405	1,499,898	2,741,793
Comprehensive income						
Net income	-	-	-	-	171,568	171,568
Gain on valuation of financial assets available-for-sale	-	-	-	3,655	-	3,655
Total comprehensive income	-	-	-	3,655	171,568	175,223
Transactions with shareholders						
Capital injection	683,000	437,235	-	-	-	1,120,235
Dividends	-	-	-	-	(79,517)	(79,517)
Disposal of treasury shares	-	219	3,188	-	-	3,407
Total transactions with shareholders	683,000	437,454	3,188	-	(79,517)	1,044,125
As of March 31, 2012	1,703,883	660,954	(130,705)	135,060	1,591,949	3,961,141
As of April 1, 2010	1,020,883	222,792	(32,970)	154,948	1,388,376	2,754,029
Comprehensive income						
Net income	-	-	-	-	213,326	213,326
Loss on valuation of financial assets available-for-sale	-	-	-	(23,543)	-	(23,543)
Total comprehensive income	-	-	-	(23,543)	213,326	189,783
Transactions with shareholders						
Dividends	-	-	-	-	(101,804)	(101,804)
Acquisition of treasury shares	-	-	(103,998)	-	-	(103,998)
Disposal of treasury shares	-	708	3,075	-	-	3,783
Total transactions with shareholders	-	708	(100,923)	-	(101,804)	(202,019)
As of March 31, 2011	1,020,883	223,500	(133,893)	131,405	1,499,898	2,741,793

SEPARATE STATEMENTS OF CASH FLOWS

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	2012	2011
Cash flows from operating activities		
Net income before income tax	223,188	300,527
Adjustment for non-cash items	(201,823)	(229,862)
Interest income	(641,675)	(584,169)
Interest expense	447,205	341,669
Dividend income	(15,160)	(60,505)
Gain on valuation of financial assets held-for-trading	(10,807)	(2,749)
Gain on valuation of financial assets designated at FVTPL	(78,229)	(63,554)
Gain on disposal of financial assets available-for-sale	(32,357)	(77,327)
Impairment loss of financial assets available-for-sale	40,736	61,547
Gain on disposal of investments in associates	-	(3,925)
Provision for (reversal of) allowance for credit losses	3,202	(3,087)
Loss on disposal of property and equipment	669	574
Depreciation of property and equipment	22,942	23,083
Depreciation of investment property	1,886	1,866
Loss on disposal of intangible assets	330	-
Amortization of intangible assets	9,732	8,285
Impairment loss of intangible assets	1,858	-
Bad debt expense for other assets	456	(5,089)
Loss on valuation of financial liabilities held-for-trading	5,869	5,659
Loss on valuation of financial liabilities designated at FVTPL	69,142	111,568
Gain on valuation of derivatives instruments	(63,965)	(51,569)
Severance and retirement benefits	40,767	61,801
(Reversal of) loss provision	(4,424)	6,060
Changes in operating assets and liabilities :	(29,070)	657,282
Due from banks	(1,865,134)	(344,116)
Financial assets held-for-trading	(467,347)	1,223,852
Financial assets designated at FVTPL	48,977	825,631
Loans	191,561	(672,125)
Derivative instruments assets	222,459	191,931
Other assets	(155,882)	(465,791)
Financial liabilities held-for-trading	(33,461)	176,116
Financial liabilities designated at FVTPL	2,697,683	(62,576)
Due to customers	(349,676)	(429,777)
Derivative instruments liabilities	(144,249)	(116,641)
Payment of employee retirement benefits	(8,728)	(15,384)
Provisions	(11,083)	-
Other liabilities	(154,190)	346,162
Interest received	607,629	585,908
Interest paid	(438,300)	(356,801)
Dividend received	15,342	63,762
Income tax paid	(80,879)	(306,397)
Net cash flows provided by operating activities	96,087	714,419

	2012		2011	
Cash flows from Investing activities				
Disposal of property and equipment	-		20	
Disposal of intangible assets	3,060		-	
Acquisition of investment in associates	(154,416)		(57,229)	
Disposal of investment in associates	7,895		41,335	
Acquisition of financial assets available-for-sale	(145,488)		(1,431,619)	
Acquisition of property and equipment	(18,413)		(27,582)	
Acquisition of intangible assets	(17,420)		(11,812)	
Decrease in lease key-money deposits paid	10,561		767	
Net cash flows used in investing activities		(314,221)		(1,486,120)
Cash flows from financing activities				
Increase (decrease) in borrowings	(449,402)		368,756	
Increase (decrease) in debts issued	(83,392)		600,000	
Capital injection	1,120,235		-	
Acquisition of treasury stocks	-		(103,998)	
Disposal of treasury stocks	3,407		3,783	
Increase in lease key-money deposits received	(3,115)		(1,617)	
Dividends paid	(79,517)		(101,804)	
Net cash flow provided by financing activities		508,216		765,120
Effect of exchange rate changes on cash and cash equivalents		237		(222)
Net increase (decrease) in cash and cash equivalents		290,319		(6,803)
Cash and cash equivalents at the beginning of the year		72,803		79,606
Cash and cash equivalents at the end of the year		363,122		72,803

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

For the years ended March 31, 2012 and 2011

(Korean won in millions)

	2012		2011(*)	
Retained earnings before appropriations :		1,541,203		1,457,103
Unappropriated retained earnings carried forward from the prior year	1,369,635		1,332,844	
Cumulative effect of transition to K-IFRS	-		(89,067)	
Net income	171,568		213,326	
Appropriations :		75,919		87,468
Legal reserve	5,368		7,951	
Reserve for possible loan losses	16,864		-	
Dividends	53,687		79,517	
Cash dividends	53,687		79,517	
Common stock				
Current period : ₩160 (3.2%)				
Prior period : ₩400 (8.0%)				
Preferred stock				
Current period : ₩176 (3.5%)				
Prior period : ₩440 (8.8%)				
Unappropriated retained earnings to be carried forward to the next year		1,465,284		1,369,635

(*) Retained earnings before appropriations in prior year's statement of appropriations of retained earnings presented for the comparative purpose are restated according to K-IFRS. In addition, appropriations in prior year were approved by annual shareholders' meeting. Expected approval date and actual approval date of appropriations of retained earnings are June 29, 2012 and June 1, 2011, respectively.

INTERNAL CONTROL OVER FINANCIAL REPORTING REVIEW REPORT

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, 2012. The Company's management is responsible for design and operations of its ICFR, including the reporting of its operations. Our responsibility is to review the 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, no material weakness existed and the Company's ICFR has been effectively designed and operated as of March 31, 2012, 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 the management's report on the operations of the ICFR, nothing has come to our attention that causes us to believe that the 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, 2012, and we did not review the ICFR subsequent to March 31, 2012. 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.

June 14, 2012



ERNST & YOUNG HAN YOUNG

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This report is annexed in relation to the audit of the financial statements as of March 31, 2012 and the review of internal control over financial reporting pursuant to Article 2-3 of the Act on External Audit for Stock Companies of the Republic of Korea.



2012.03.14 Signed collaboration agreement with Mercury Capital Advisors of the USA



2008.02.19 MOU on strategic business alliance with CIMB in Malaysia



2007.11.06 Established Ho Chi Minh Representative Office



2006.07.30 Direct investment in overseas resources development project in Indonesia for the first time as a Korean financial investment firm



1991.09.17 Opening ceremony for London subsidiary

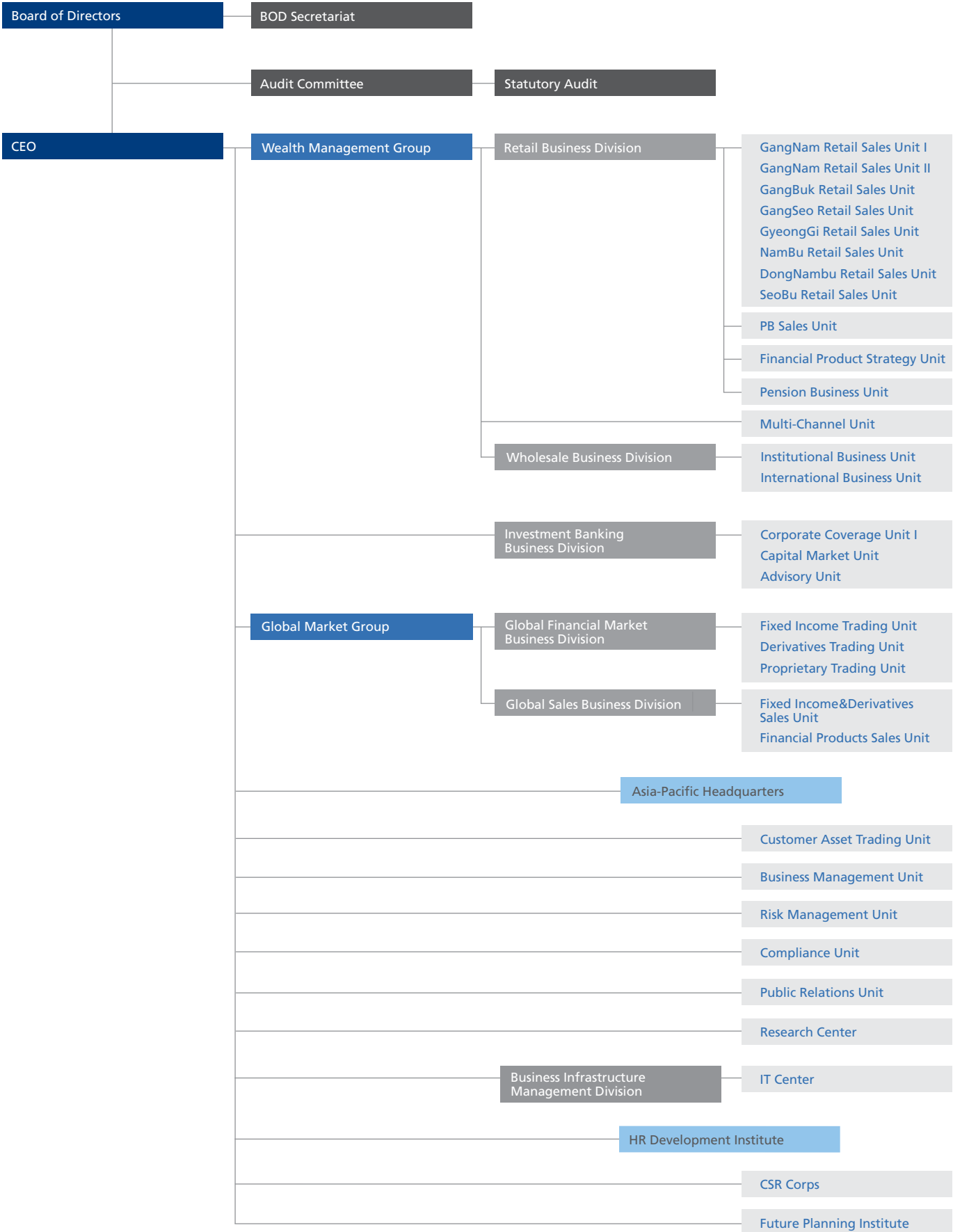


1984.05.19 Established Daewoo Economic Research Institute (the first privately funded research center in the industry)

CORPORATE HISTORY

2012	03-14	Signed collaboration agreement with Mercury Capital Advisors of the USA
	02-23	Signed collaboration agreement with Marshall Wace of the UK
	02-10	Opened Global Trading Center in Hong Kong, a first for a Korean securities firm
2011	12-28	Signed MOU for strategic alliance with IS Investment of Turkey
	12-06	Capital Increase of USD 100 million for Hong Kong subsidiary
	11-07	Credit rating upgraded to AA+ (Stable)
	11-03	Conducted new rights issues (Pay-up Day)
	08-30	Opened Tokyo Branch (elevated from representative office status)
	08-12	Established Daewoo Investment Advisory in Beijing
	01-17	Moody's rated the company Baa2
2010	12-08	Established Shanghai Representative Office
	12-01	Announced integrated Corporate Identity of KDB Financial Group
	10-15	Published the company's 40 years of history
	10-05	Signed collaboration agreement with Harcourt of Switzerland
	03-02	Listing of Daewoo Securities Green Korea SPAC
2009	10-28	KDB Financial Group established and becomes majority shareholder
2008	11-17	Established Beijing Representative Office
	08-18	Repurchased the head office building in Yeouido, Seoul
	06-13	Launched bank-associated brokerage service, "Direct we"
	02-19	MOU on strategic business alliance with Commerce International Merchant Bankers (CIMB) in Malaysia
	10-23	MOU with Galaxy Securities in China
2007	11-06	Established Ho Chi Minh Representative Office
	08-06	MOU on strategic business alliance with Itau Finance Group in Brazil (being the first Korean investment firm tapping the Latin American market)
	07-13	Invested in e Trading Securities in Indonesia
	05-04	Launched a table tennis team "Tornado"
	01-16	MOU on business collaboration with Mitsubishi UFJ Securities in Japan
	07-30	July Direct investment in overseas resources development project in Indonesia for the first time as a Korean financial investment firm
2006	07-03	Opened Tokyo Representative Office
	06-12	Opened the On-Mate service
2002	10-11	Obtained an authorization for OTC derivatives sales business for the first time in the industry
2000	05-16	Majority shareholder changed from Korea First Bank consortium to the Korea Development Bank from bank consortium
	01-20	Introduced ERP system
1999	10-01	Separated from Daewoo Group
	08-30	Majority shareholder changed from Daewoo Group to Korea First Bank consortium
1994	09-29	Established Magyar Daewoo Leasing Co., Ltd.
1993	10-23	Completed construction of Gwacheon Information Center and Human Resources Development Center
1992	07-07	Established subsidiary in New York as Daewoo Securities (America)
1991	05-03	Established Daewoo Securities (Europe) Ltd.
1984	05-19	Established Daewoo Economic Research Institute (the first privately funded research center in the industry)
1983	12-19	Acquired Sambo Securities Co., Ltd.
	10-24	Renamed as Daewoo Securities Co., Ltd.
1975	09-26	Initial Public Offering, paid-in capital increased to KRW 2 billion
1973	09-01	Acquired by Daewoo Corporation
1970	09-23	Established Dong Yang Securities Co., Ltd.

ORGANIZATION CHART

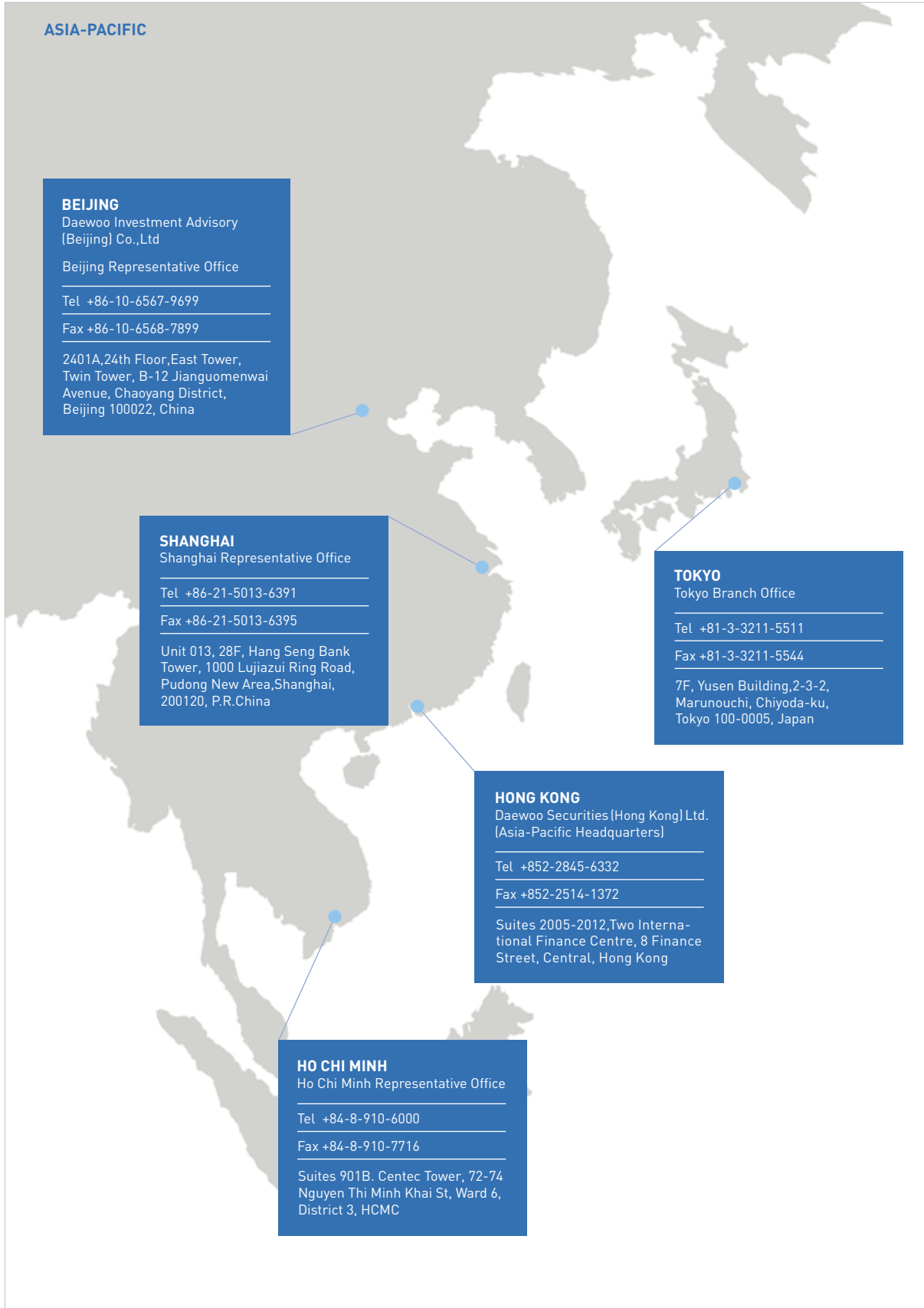


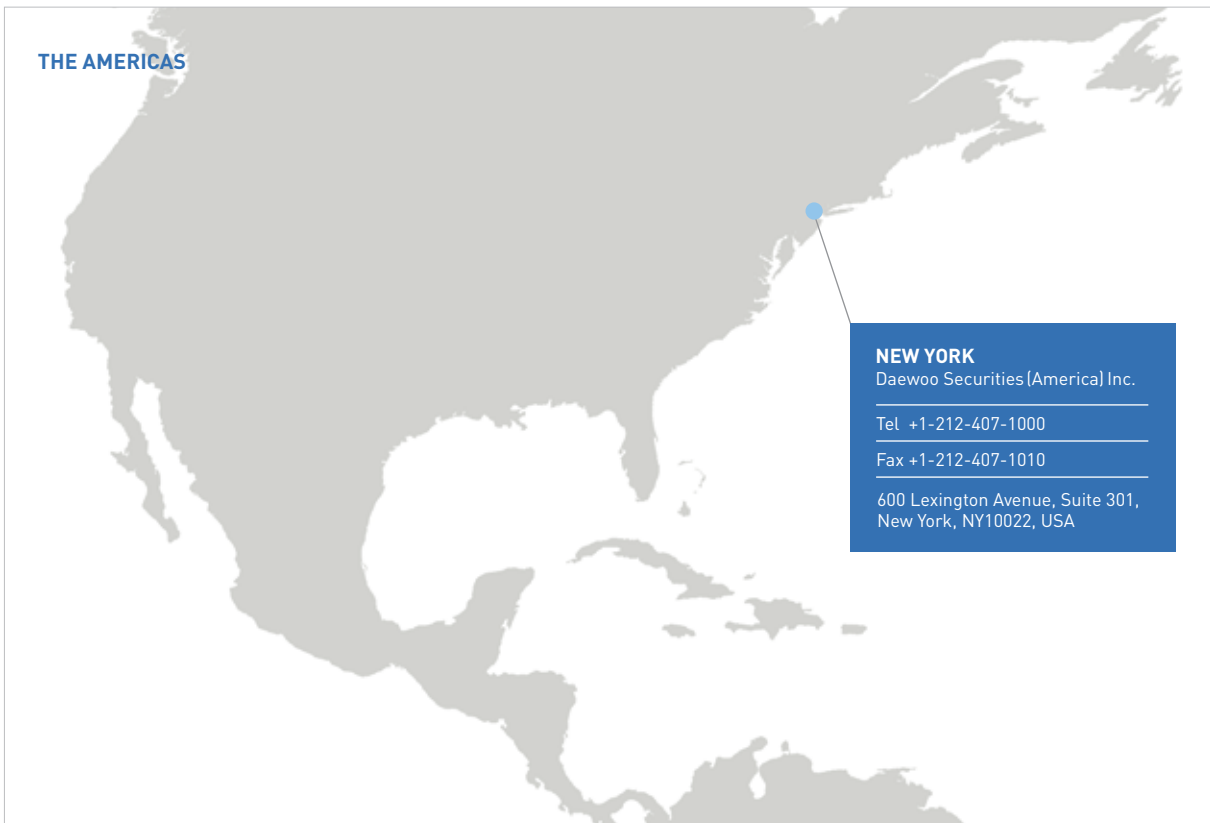
DOMESTIC NETWORK

	Branch	Tel	Address
North Seoul	PB Class Finance Center	02-734-9944	15F, Finance Bldg., 84 Taepyeongno 1-ga, Jung-gu, Seoul
	WM Class Yeokjeon	02-774-1921	2F, Seoul Square Bldg., 541 Namdaemunro 5-ga, Jung-gu, Seoul
	Konkuk Univ. Station	02-454-8484	3F, Star City the Classic 500, 227-342 Jayang-dong, Gwangjin-gu, Seoul
	Gwanghwamun	02-736-9170	2F, Royal Bldg., 5 Dangju-dong, Jongno-gu, Seoul
	Mapo	02-719-8861	3F, Korea Academytel II, 36 Dohwa-dong, Mapo-gu, Seoul
	Myeongdong	02-777-5400	6F, Gaeyang Bldg., 59-19 Myeong-dong, Jung-gu, Seoul
	Sanggye	02-934-2511	4F, Kyobo Life Insurance Bldg., 712-1 Sanggye-dong, Nowon-gu, Seoul
	Seongdong	02-2297-4466	3F, Narae Tower, 267-23 Haengdang-dong, Seongdong-gu, Seoul
	Sinchon	02-332-2321	3F, Geochon Bldg., 72-21 Changcheon-dong, Seodaemun-gu, Seoul
	Sales Department	02-768-3114	1,2F, Daewoo Securities Bldg., 34-3 Yeouido-dong, Yeongdeungpo-gu, Seoul
	Ichondong	02-797-9696	2F, Hangang Shopping Center, 300-27 Ichon 1-dong, Yongsan-gu, Seoul
	Janghanpyeong	02-2248-8700	1F, Geumpung Bldg., 235-2 Yongdap-dong, Seongdong-gu, Seoul
	Cheongnyangni	02-962-4911	1F, Seongil Bldg., 317 Cheongnyangni-dong, Dongdaemu-gu, Seoul
	South Seoul	PB Class Galleria	02-3445-9966
WM Class Gangnam		02-3429-0077	3F, Namgyeong Center Bldg., 141-35 Shinsa-dong, Gangnam-gu, Seoul
WM Class Dogok		02-573-5599	3F, Samsung Engineering Bldg., 467-14 Dogok-dong, Gangnam-gu, Seoul
WM Class Mokdong Central		02-2601-6191	3F, Trapalace Eastern Avenue, 962-1 Mok-dong, Yangcheon-gu, Seoul
WM Class Apgujeong		02-545-0361	2F, Yunggi Bldg., 614-3 Shinsa-dong, Gangnam-gu, Seoul
WM Class Yeoksam		02-568-8866	3F, Aju Bldg., 679-5 Yeoksam-dong, Gangnam-gu, Seoul
WM Class Jamshil		02-412-5588	4F, Sigma Tower, 7-19 Shincheon-dong, Songpa-gu, Seoul
WM Class Hanti		02-561-1133	2F, D_Mark Bldg., 1024 Daechi-dong, Gangnam-gu, Seoul
Garak		02-3401-5544	2F, East Building of IT Venture Tower, 78 Garakbon-dong, Songpa-gu, Seoul
Gasam		02-811-3888	2F, STX V Tower, 371-31 Gasan-dong, Geumcheon-gu, Seoul
Gangseo		02-2691-5774	2F, Wonpung Bldg., 998-9 Hwagok 6-dong, Gangseo-gu, Seoul
Gaebongdong		02-2616-6655	2F, Dorco Bldg., 157-13 Gaebong-dong, Guro-gu, Seoul
Gwanak		02-875-5454	3F, Dongjin Bldg., 32-8 Bongcheon 10-dong, Gwanak-gu, Seoul
Gyodae Station		02-592-5959	2F, Harim Bldg., 1674-4 Seocho-dong, Seocho-gu, Seoul
Daechi		02-3411-3111	4F, Daewon Bldg., 599 Daechi-dong, Gangnam-gu, Seoul
Doksandong		02-858-5511	2F, Konkuk Bldg., 288-1 Doksan-dong, Geumcheon-gu, Seoul
Mokdong		02-2649-0568	2F, Booyoung Green Town II, 908-28 Mok 5-dong, Yangcheon-gu, Seoul
Banpo		02-534-0142	4F, Raemian Firstige Arcade, 18-1 Banpo-dong, Seocho-gu, Seoul
Bangbae		02-3477-2251	3F, Soam Bldg., 811-6 Bangbae-dong, Seocho-gu, Seoul
Seochodong		02-3474-8383	1F, Daeryung Seocho Tower, 1337-20 Seocho-dong, Seocho-gu, Seoul
Songpa		02-419-5160	3F, Daejun Bldg., 286-5 Seokchon-dong, Songpa-gu, Seoul
Shinonhyeon		02-3478-2244	4F, Posco SS&CC, 748- Banpo-dong, Seocho-gu, Seoul
Shinsa		02-3446-9966	1,2F, Rex Tower, 1-3 Nonhyeon-dong, Gangnam-gu, Seoul
Yeoksamdong		02-556-9441	1F, Pungrim Bldg., 823 Yeoksam-dong, Gangnam-gu, Seoul
Yeongdeungpo		02-2632-8741	5F, Shinhan Bank Bldg., 57 Yeongdeungpo 4-ga, Yeongdeungpo-gu, Seoul
Olympic		02-404-8851	2F, #C, Olympic Apt.& Stores, 89-20 Bangi-dong, Songpa-gu, Seoul
Teheran Valley		02-564-3355	1F, Haeseong Bldg., 942 Daechi 3-dong, Gangnam-gu, Seoul
Gyeonggi & Incheon	WM Class Seohyeon	031-708-0528	4F, Hyeondae Plaza, 246-6 Seohyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi
	WM Class East Suwon	031-224-0123	2F, Center Bldg., 1124 Ingye-dong, Paldal-gu, Suwon-si, Gyeonggi
	Bucheon	032-667-7711	5F, Nonhyup Bldg., 1132 Jung 1-dong, Wonmi-gu, Bucheon-si, Gyeonggi
	Bupyeong	032-505-8451	5F, Geumnan Bldg., 549-5 Bupyeong-dong, Bupyeong-gu, Incheon
	Bundang	031-718-3311	2F, Intelligence I KINS tower, 25-1 Jeongja-dong, Bundang-gu, Seongnam-si, Gyeonggi
	Sanbon	031-394-0940	3F, Kookmin Bank Bldg., 1133-2 Sanbon-dong, Gunpo-si, Gyeonggi
	Sangdong	032-329-6633	3F, Gana Best Town III, 544-4 Sang-dong, Wonmi-gu, Bucheon-si, Gyeonggi
	Suwon	031-245-4171	3F, Noksan Bldg., 13-2 Gucheon-dong, Paldal-gu, Suwon-si, Gyeonggi
	Ansan	031-482-0055	3F, BYC Bldg., 706-5 Gojan-dong, Danwon-gu, Ansan-si, Gyeonggi
	Yeonsu	032-813-5588	2F, Somang Bldg., 503-3 Cheonghak-dong, Yeonsu-gu, Incheon
	Uijeongbu	031-877-8772	2F, Kyobo Life Insurance Bldg., 137-7 Uijeongbu-dong, Uijeongbu-si, Gyeonggi
	Incheon	032-763-4401	1,2,3F, Daewoo Securities Bldg., 2-41 Sinsaeng-dong, Jung-gu, Incheon
	Ilisan	031-921-3101	3F, Taeseung Bldg., 71-1 Juyeop-dong, Ilsanseo-gu, Goyang-si, Gyeonggi
	Juan	032-423-1100	3,4F, Daewoo Securities Bldg., 77-7 Juan-dong, Nam-gu, Incheon
	Pyeongchon	031-386-2323	3F, #A, Pyeongchon Acro Tower, 1591 Gwanyang-dong, Dongan-gu, Anyang-si, Gyeonggi
	Hwajeong	031-938-9911	3F, Hole in One Plaza, 970-2 Hwajeong-dong, Deokyang-gu, Goyang-si, Gyeonggi

	Branch	Tel	Address
Gangwon	Donghae	033-532-3340	2F, Donghae Bldg., 1078-3 Cheongok-dong, Donghae-si, Gangwon
	Sokcho	033-636-3900	2F, Bogwang Bldg., 669-9 Gyo-dong, Sokcho-si, Gangwon
	Wonju	033-745-1651	4,5F, SK Broadband Bldg., 232-1 Jungang-dong, Wonju-si, Gangwon
	Chuncheon	033-251-8851	3,4F, Daewoo Securities Bldg., 37-11 Joyang-dong, Chuncheon-si, Gangwon
Chungnam	Asan	041-549-2233	5F, UL City, 300-24 Oncheon-dong, Asan-si, Chungnam
	Cheonan	041-562-0311	3F, Posco the Sharp Arcade, 365-1 Sinbu-dong, Cheonan-si, Chungnam
Chungbuk & Daejeon	WM Class Dunsan	042-483-6555	2F, Finance Tower, 1413 Dunsan-dong, Seo-gu, Daejeon
	Daejeon	042-253-3301	2F, Hansol Bldg., 139-1 Eunhaeng-dong, Jung-gu, Daejeon
	Yongjeondong	042-627-4100	2F, Bukwang Bldg., 9-5 Hongdo-dong, Dong-gu, Daejeon
	Jecheon	043-642-6600	2F, Daemyeong Bldg., 29-2 Jungangno 2-ga, Jecheon-si, Chungbuk
	Cheongju	043-250-3311	1,2F, Daewoo Securities Bldg., 9-3 Bukmunno 1-ga, Sangdang-gu, Cheongju-si, Chungbuk
Gyeongbuk & Daegu	WM Class Beomeo	053-751-0345	3F, The Korean Teacher's Credit Union Hall, 177-4 Beomeo 2-dong, Suseong-gu, Daegu
	Gyeongsan	053-811-2211	2F, Donyun Bldg., 838-7 Jungbang-dong, Gyeongsan-si, Gyeongbuk
	Gyeongju	054-776-5533	1F, KT Gyeonju Office, 386-6 Seongdong-dong, Gyeongju-si, Gyeongbuk
	Gumi	054-451-1511	2F, Korea Development Bank Bldg., 78 Songjeong-dong, Gumi-si, Gyeongbuk
	Daegu Central	053-421-0141	2F, KT Smart Medi Tower, 74-15, Dongin-dong 2-ga, Jung-gu, Daegu
	Daegu	053-424-0311	3F, Deoksan Bldg., 96 Deoksan-dong, Jung-gu, Daegu
	Sangin	053-638-4100	2F, Sanin Plaza, 1512 Sangin-dong, Dalseo-gu, Daegu
	Seongseo	053-582-4567	4F, National Pension Corporation Bldg, 1198-5 Igok-dong, Dalseo-gu, Daegu
	Andong	054-841-2266	2F, Daewoo Securities Bldg., 85-3 Dongbu-dong, Andong-si, Gyeongbuk
	Chilgok	053-325-5533	2F, wooyoung Palace, 940 Taejeon-dong, Buk-gu, Daegu
Gyeongnam, Busan & Ulsan	Pohang	054-277-6655	1F, Daewoo Securities Bldg., 203-10 Jukdo-2dong, Buk-gu, Pohang-si, Gyeongbuk
	PB Class Centumcity	051-742-4747	2F, Daewoo WorldMark Arcade, 1488 Woo-dong, Haeundae-gu, Busan
	WM Class Beomil	051-644-0077	1F, Daewoo Securities Bldg., 828-1 Beomil-dong, Dong-gu, Busan
	WM Class Seomyeon	051-806-6001	7F, Ioncity, 257-3 Bujeon-dong, Busanjin-gu, Busan
	Geoje	055-688-0134	2,3F, Aju Businesstel, 534-5 Okpo-dong, Geoje-si, Gyeongnam
	Gimhae	055-324-2421	2F, Balgeun Medical Center, 1143-2 Nae-dong, Gimhae-si, Gyeongnam
	Namcheondong	051-625-0120	2F, Kolon Bldg., 36-7 Namcheon-dong, Suyeong-gu, Busan
	Noksan	051-941-2270	3F, JH Bldg., 1631-3 Songjeong-dong Gangseo-gu, Busan
	Dongnae	051-554-4111	2,3F, Daewoo Securities Bldg., 552 Suan-dong, Dongna-gu, Busan
	Masan Central	055-297-8851	2F, Muhak Bldg., 259-6 Seokjeon-dong, Hoewon-gu, Masan-si, Gyeongnam
	Busan	051-242-3351	5F, Korea Development Bank Bldg., 44-1 Jungangdong 2-ga, Jung-gu, Busan
	Sasang	051-327-8801	4F, M-City Bldg., 546-11 Gwaebeop-dong, Sasang-gu, Busan
	Saha	051-293-6644	2F, Samsung Electronic Bldg., 528-11 Hadan-dong, Saha-gu, Busan
	Ulsan South	052-258-7766	3F, Daewoo Securities Bldg., 1365-7 Dal-dong, Nam-gu, Ulsan
	Ulsan	052-244-8441	2F, Daeho Bldg., 666-53 Yaksa-dong, Jung-gu, Ulsan
	Jinju	055-742-3444	3F, Daewoo Securities Bldg., 5-7 Dongseong-dong, Jinju-si, Gyeongnam
	Changwon City	055-600-6000	2F, The City 7 Education & Culture Center, 333 Dudae-dong, Uichang-gu, Changwon-si, Gyeongnam
	Changwon	055-282-6900	2F, Daewoo Securities Bldg., 94-3 Jungang-dong, Changwon-si, Gyeongnam
	Tongyoung	055-643-8881	2F, Dongin Bldg., 1058-8 Mujeon-dong Tongyoung-si Gyeongnam
Haeundae	051-743-1211	7F, Maarina Center, 1434-1 Woo-1dong, Haeundae-gu, Busan	
Jeonbuk	Gunsan	063-443-1711	2F, You & Me Plaza, 100-14 Naun-dong, Gunsan-si, Jeonbuk
	Iksan	063-857-8811	3F, Saenan Bldg., 57 Chungmu-dong, Yeosu-si, Jeonbuk
	Jeonju	063-288-0011	1F, Daewoo Securities Bldg., 568-95 Seonosong-dong, Wansan-gu, Jeonju-si, Jeonbuk
	Hyojadong	063-227-1414	1F, Donga Bldg., 548 Hyojadong 1-ga, Wansan-gu, Jeonbuk
Jeonnam & Gwangju	WM Class Gwangju	062-227-6605	1F, Daewoo Securities Bldg., 62-17 Geumnamno 5-ga, Dong-gu, Gwangju
	Duamdong	062-267-8844	5F, Donggang Bldg., 821-2 Duam 2-dong, Buk-gu, Gwangju
	Mokpo	061-285-9911	3F, Ilhae Bldg., 868 Sang-dong, Mokpo-si, Jeonnam
	Suncheon	061-724-4422	2F, Kookmin Bank Bldg., 1324-2 Yeonhyang-dong, Suncheon-si, Jeonnam
	Yeosu	061-663-7997	2F, Korea Development Bank Bldg., 30 Hak-dong, Yeosu-si, Jeonnam
Jeju	Jeju	064-755-8851	2F, Daewoo Securities Bldg., 1431 Ildo-1dong, Jeju-si, Jeju

OVERSEAS NETWORK







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KDB Daewoo Securities

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