

# Building New Trust by Harmonizing with Customers

Daishin Securities | 2010 Annual Report



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Founder of Daishin Securities  
Jae-Bong Yang

PROFILE

Jun. 1925	Born in Naju, Jeollanam-do	Jun. 1989	Establishes Daishin Life Insurance
Jan. 1944	Joins the Bank of Chosen	Jul. 1990	Chairman of Daishin Songchon Cultural Foundation (Current)
Mar. 1971	Branch Manager of Hanil Bank	1991~1993	President of Chonnam National University Alumni Association
Jul. 1973	Establishes Daehan Investment & Finance	Feb. 1992	Vice President of Korea-Japan Economic Association
Apr. 1975	Establishes Daishin Securities Company	Sep. 1994	Establishes KBC (Kwangju Broadcasting Company)
Sep. 1984	Establishes Daishin Economic Research Institute	Jun. 1995	Establishes Daishin Factoring
Feb. 1985	Vice Chairman of Korea Securities Dealers Association	Jul. 1998	Vice President of Korea Management Association (Current)
Mar. 1986	Senior member of Korea-Japan Cooperation Committee	Apr. 2001	Honorary Chairman of Daishin Group (Current)
Dec. 1986	Establishes Daishin Development & Finance Corp.		
Aug. 1987	Establishes Daishin Information & Comm.		
Apr. 1988	Establishes Daishin Asset Management Co.		

## NEW CORPORATE IDENTITY



## Trust & Harmony

Daishin Securities aspires to becoming a globally trusted company that is anchored in the principles of trust and harmony.

### Trust

Daishin Securities is a trusted company serving customers with professionalism, credibility and sincerity. Daishin Securities enhances trust in finance through expertise, integrity and consideration.

Expertise: Knowledge and experience worthy of respect from customers

Integrity: Sound values and conduct guided by ethical principles

Consideration: Attentive and thoughtful care that touches customers' hearts

### Harmony

Daishin Securities pursues triple-win value for customers, employees and the company.

Daishin Securities values harmony between people and harmony between work and society.

## COMPANY INTRODUCTION

Daishin Securities unveiled its new corporate identity (CI) upon the occasion of its 48<sup>th</sup> anniversary. The new CI advances our management philosophy of trust-based management to embody the values of trust and harmony.

The CI represents Daishin's commitment to placing priority on customer value and to building a relationship of trust and sincerity between customers and the company for mutual growth and advancement.

The symbol is a newly designed combination of the Korean letters 'ㄷ' and 'ㅅ' that appeared in our previous symbol. It expresses our tradition and credibility as a financial group along with change, youthful spirit and future-oriented drive that exemplifies Daishin Securities.

The two figures facing each other symbolize a balanced perspective on finance while conveying our commitment to harmony. The shift from a rectangular to a square shape and the empty space in the middle project a sense of simplicity and stability. The change from the previous green to achromatic color, which goes well with any hue, represents harmony.

Daishin Securities also developed a company font based on the symbol. Through clean linear lines and restrained diagonals, the font portrays Daishin Securities' stability, trustworthiness and harmony with customers.

Daishin has primarily used green as its representative color. However, we have now switched to a five-stage color scheme running from green to blue. Green conveys the emotional aspect of our objective, ie, pursuit of customer relationship built on integrity and consideration, while blue denotes the rational side, ie, expertise as a financial service provider and managing risk and return.

# THE YEAR 2010 IS A YEAR OF A NEW TRUST

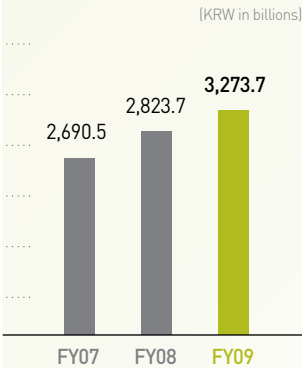


# FINANCIAL HIGHLIGHTS

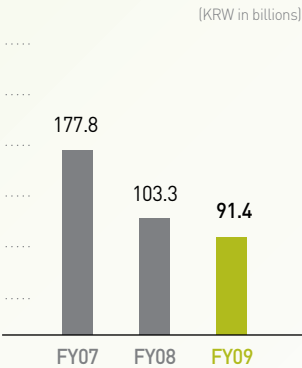
	[KRW in millions]		[USD in thousands]	
	FY09 March 2010	FY08 March 2009	FY09 March 2010	FY08 March 2009
Operating revenues	₩ 3,273,708	₩ 2,823,670	\$ 2,895,037	\$ 2,050,447
Operating expenses	3,100,879	2,723,541	2,742,200	1,977,737
Operating income	172,829	100,129	152,838	72,710
Pre-tax income	149,041	124,914	131,801	90,708
Net income	91,356	103,251	80,788	74,977
Total assets	8,003,171	6,487,389	7,077,442	4,710,906
Total liabilities	6,325,402	4,829,770	5,593,741	3,507,204
Total shareholders' equity	1,677,769	1,657,619	1,483,701	1,203,703
Earnings per share (KRW, USD)	₩ 1,190	₩ 1,317	\$ 1.05	\$ 0.96

Note) The translation of Korean won into US dollar has been made at the rate of ₩1,130.80/USD and ₩1,377.10/USD, respectively, the prevailing rate on March 31, 2010 and March 31, 2009

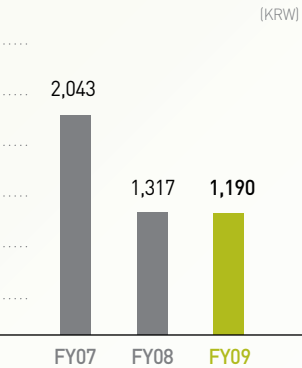
## Operating Revenues



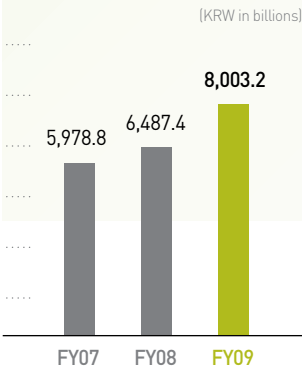
## Net Income



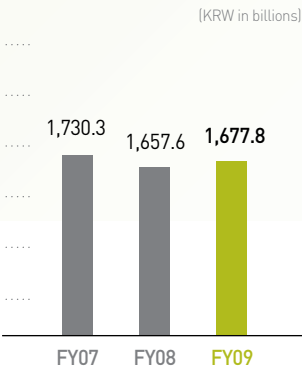
## EPS



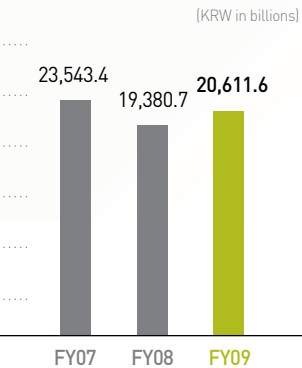
## Total Assets



## Total Shareholders' Equity



## Customer Deposit Assets



# 2009 AT A GLANCE & AWARDS



01

Sep. 29, 2009

## Upgrade in Credit Rating

The credit rating for Daishin Securities' long-term corporate bonds was upgraded by one notch from 'A+' to 'AA-'. The rating on short-term commercial paper was also raised by one notch from 'A2+' to 'A1'.

02

Oct. 20, 2009

## Inclusion in DJSI Korea

The Dow Jones Sustainability Korea Index (DJSI Korea) tracks sustainability leaders among Korea's 200 leading companies. Daishin Securities and two other securities firms are among the components of DJSI Korea. Daishin Securities received high marks for corporate governance, risk management and environmental performance.

03

Jan. 10, 2010

## "Financial Health" Service

The "financial health" service goes beyond the recommendation of certain stocks or funds to offer a total solution encompassing thorough follow-up care and risk management to protect customers' assets.

04

Jan. 28, 2010

## Recognition for Outstanding Compliance by KRX

Korea Exchange (KRX) recognized Daishin Securities and 'H' Securities for outstanding compliance in 2009. Daishin Securities was highly rated for keeping strict watch for unfair trading practices and building an integrated compliance system.

05

Feb. 4, 2010

## Daishin Investors Conference

Daishin Securities held the Daishin Investors Conference for overseas institutional investors in Hong Kong. Thirteen leading companies from Korea participated in the two-day event.

06

Apr. 1, 2010

## Ranked First in 2010 GBCI in Securities Category

Daishin Securities was ranked first in the 2010 GBCI (Global & Great Brand Competency Index) in the securities category by Japan Management Association Consultants (JMAC).

07

May 26, 2010

## 2010 Global Standard Management Award

Daishin Securities received the Global Standard Management Award in the information security management category. The award is presented by Korea Management Association Registrations & Assessments (KMAR).

08

Jun. 11, 2010

## Ranked First in 2010 GCSI in Securities Category

Daishin Securities ranked first in the 2010 Global Customer Satisfaction Competency Index (GCSI) in the securities category for the fourth straight year. The GCSI is released by Japan Management Association Consultants (JMAC).





## STARTING WITH THE CUSTOMER

### The Beginning of Trust Starts from thorough Understanding of Our Customers' Current Needs.

We revamped our organizational structure to better meet diverse customer needs and introduced the balanced scorecard (BSC) and financial health service to sharpen our competitive edge.

To help customers enjoy true financial happiness, we are tightening risk management to protect customers' assets and providing reliable financial services based on expertise, integrity and consideration for the customer. We aim to deliver services that protect, satisfy and delight customers rather than concentrate on short-term results.





**GROWING FROM NEW VALUE**

## Daishin Securities is Creating a Higher Value for Customers as Their Financial Doctor.

We are strengthening our relationship with customers as their financial doctor and providing thorough risk management and follow-up care to enhance customer value.

We will garner customer trust by developing new financial products incorporating our customer service philosophy and sincerity and by offering differentiated service. Daishin Securities will do its utmost to deliver brand value befitting Korea's foremost and trusted financial service provider.





**SERVING WITH SINCERITY**

## Daishin Securities is Building a Continuous Relationship for Life Based on Sincerity for Customers.

Daishin Securities is a standalone securities company which is rare among the industry majors in Korea. We have grown over the past 48 years through the ups and downs of the financial markets through preemptive and strategic risk management.

We maintain stringent risk management and internal controls to protect customers' assets and help customers enjoy financial happiness by offering balanced investment opportunities combining stability and solid returns. Daishin Securities will serve customers with sincerity as their financial doctor to become a globally trusted company promoting harmony with customers.



# CHAIRWOMAN'S MESSAGE

Along with prudent risk management, we took steps to promote transparent corporate governance and mutual growth with customers. As a result, Daishin Securities received a credit rating upgrade, was selected as a component of the Dow Jones Sustainability Korea Index (DJSI Korea), and named the top-ranked well-being and premium brand securities company by Japan Management Association Consultants (JMAC).

Chairwoman  
Auh-Ryung Lee

Lee AuhRyung



## Dear Shareholders of Daishin Securities,

Uncertainty continued to shadow the global economy in fiscal year 2009. As governments worldwide made concerted efforts to resolve the economic crisis, ensuring growth and survival amid the turbulence posed a major challenge for the corporate sector. As the year progressed, stimulus measures and low interest rates helped spark a gradual improvement in economic indicators and confidence slowly returned to the financial markets.

In Korea, introduction of the Financial Investment Services and Capital Markets Act is changing the landscape of the securities industry. The collapse of prominent global investment banks also led to a paradigm shift in the outlook for financial institutions.

All of us at Daishin Securities combined our efforts to strengthen the company's position in the market and prepare for a new take-off in the midst of the changing environment.

To spearhead new market trends while maintaining priority on the customer, we launched an innovative hybrid financial product called "Believe" service. In view of heightened emphasis on managing risks following the global financial meltdown, we adopted more stringent risk management practices to ensure stable asset structure and earnings.

Along with prudent risk management, we took steps to promote transparent corporate governance and mutual growth with customers. As a result, Daishin Securities received a credit rating upgrade, was selected as a component of the Dow Jones Sustainability Korea Index (DJSI Korea), and named the top-ranked well-being and premium brand securities company by Japan Management Association Consultants (JMAC).

With the support of our shareholders, everyone at Daishin Securities spared no effort in trying to produce solid operating results for fiscal 2009. Let's take a closer look at the numbers.

Daishin Securities recorded total operating revenue of KRW 3,273.7 billion. The amount includes KRW 361.6 billion in commission income, KRW 1,876.0 billion in gains on valuation and disposal of marketable securities, and KRW 763.1 billion in gains on derivative transactions.

Operating expense was KRW 3,100.9 billion and operating income was KRW 172.8 billion. Non-operating income totaled KRW 20.1 billion and non-operating expense reached KRW 43.8 billion. Pre-tax income was KRW 149.0 billion and net income amounted to KRW 91.4 billion.

We distributed cash dividends of KRW 1,000 per share for common stock and Class 2 preferred stock and KRW 1,050 for Class 1 preferred stock. With the dividend distribution, we maintained our commitment to enhancing shareholder value and became the only major securities firm to pay out cash dividends for 12 consecutive years.

Daishin Securities will continue to uphold its profit-oriented approach in the fiscal year 2010 and strive to meet the expectations of our valued shareholders.

Another difficult year lies ahead given fears that the European debt crisis will spill over into other regions, in addition to expectations for revaluation of the Chinese yuan and implementation of exit strategies. While we anticipate a tough environment, we will pursue a differentiated strategy and utilize our strengths to advance to the next level.

Our vision is to shape Daishin Securities into a trusted company that serves its customers with sincerity as a "financial doctor". To achieve this vision, we will implement a strategy based on the three themes of "financial growth," "enhanced operating efficiency" and "stronger relationship management." We will expand and upgrade the "financial health" service that was introduced last year and promote a new financial culture.

Daishin Securities has unveiled a new CI (corporate identity) which upholds its management philosophy and tradition shaped over the past five decades while embodying the company's aspirations and values for the future. We reaffirm our pledge to do our utmost to build a company that grows together with its customers and shareholders.

In closing, I would like to thank our shareholders for their wholehearted support for Daishin Securities. We ask for your continued trust and encouragement as we strive for new advances.

Thank you.

## CEO INTERVIEW

It is vital to grow and generate profits. But at Daishin Securities, we believe it is more important to help our customers enjoy true financial happiness. On that note, we will tighten risk management to protect customers' assets and provide reliable financial services based on expertise, integrity and consideration for the customer.

President & CEO  
Chung-Nam Roh



**Q** Please tell us about your performance in fiscal 2009 and business plans for fiscal 2010.

Despite a difficult environment created by the global financial crisis, we formulated a new strategy and prepared various mechanisms to establish Daishin Securities as a specialized financial services provider while pursuing change and innovation in 2009.

Daishin Securities' operating income in fiscal 2009 grew by 72.6% year-on-year to KRW 172.8 billion. The growth was largely attributable to an increase in commission received from brokerage operations, our area of strength, and increased proprietary trading income due to rising stock prices and low interest rates. Earnings were also boosted by new growth drivers from the wholesale segment including investment banking, wealth management and retirement pension.

Over the past few years, we have been carrying out a major overhaul of our earnings structure. The percentage of income from wealth management, principal investment, investment banking, and proprietary trading is steadily climbing. This shift implies greater earnings diversification and stability.

We will achieve our business targets in fiscal 2010 by reinforcing our brokerage operation and new growth drivers, namely investment banking, wealth management and retirement pension.

In addition to financial results, we plan to maximize management efficiency through the balanced scorecard. Under this management system, we will check whether goals and strategies are achieved and action plans are correctly implemented.

We will pay particular attention to promoting the "financial health" service which was launched last year. We will provide differentiated services that allow us to satisfy customers and win their trust amid fierce competition.

**Q** Tell us about the changes that have occurred since the FSCMA took effect and how things stand at this point.

The Financial Investment Services and Capital Markets Act (FSCMA) greatly strengthened the customer protection mechanism. Bearing that in mind, Daishin Securities has focused on increasing customers' value. While competition has heightened, we are upholding customer-oriented management to deliver services that protect and satisfy customers rather than concentrating on short-term results.

It is vital to grow and generate profits. But at Daishin Securities, we believe it is more important to help our customers enjoy true financial happiness. On that note, we will tighten risk management to protect customers' assets and provide reliable financial services based on expertise, integrity and consideration for the customer.

Daishin Securities has built an innovative retail business model. At the core of this model is the "financial health" service designed to deliver value that meets customers' demands. The service combines brokerage and wealth management to offer unrivaled financial consulting. It encompasses all aspects of investment and wealth management so that customers can enjoy financial happiness.

We will pursue triple-win value for customers, employees and the company to create happiness and ultimately become a globally trusted company promoting harmony with customers.

**Q** Daishin Securities has been included in DJSI Korea. What is the significance of this inclusion?

Daishin Securities was selected as a component of Dow Jones Sustainability Korea Index in October 2009. This indicates that Daishin Securities has received external recognition for maintaining stable and efficient processes and fulfilling its social and environmental responsibility.

Daishin Securities is a standalone securities company which is rare in Korea. We have grown over the past 48 years through the ups and downs of the financial markets by turning crisis into opportunity based on preemptive and strategic risk management. Stringent risk management is behind our reputation as a securities firm that shines brighter in times of crisis.

We have presented diverse growth models for sustained growth and practice socially responsible management. We are also taking the lead in environmental management with the launch of products to spearhead green finance such as the "Global Warming Fund" while carrying out social contribution activities through Daishin Songchon Cultural Foundation. These endeavors played a major role in our inclusion in DJSI Korea.



# MANAGEMENT & OUTSIDE DIRECTORS



## Management

**Auh-Ryung Lee**  
Chairwoman

- Chairwoman, Daishin Securities

**Hong-Seok Yang**  
Deputy President, CEO

- Managing Director, Daishin Asset Management
- Deputy President & CEO, Daishin Securities

**Chung-Nam Roh**  
President, CEO

- CEO, Daishin Asset Management
- President & CEO, Daishin Securities



## Outside Director

**Jung-Hoon Lee**  
Outside Director

- Managing Partner, Bae, Kim & Lee LLC
- Chairman, Korea Arbitration Association
- Lawyer

**Sung-Ho Kim**  
Outside Director

- Commissioner, Seoul Regional Tax Office; Administrator, Public Procurement Office
- Minister of Health and Welfare
- CEO, Research Institute of Advanced Management (RIAM)

**Chan-Wook Park**  
Outside Director

- Commissioner, Seoul Regional Tax Office
- Chairman, Jeongpyeong Scholarship Foundation
- P&B Tax Consulting

**Kie-Bae Yi**  
Outside Director

- Head Prosecutor, Suwon District Public Prosecutors' Office
- Managing Partner, Law Office LawWorld
- Lawyer

**In-Tae Hwang**  
Outside Director

- Standing Commissioner, Financial Supervisory Service
- Member, The Korea Accounting Standards Board, Korea Accounting Institute
- Dean of College of Business Administration, Chung-Ang University

At Daishin Securities, we are securing stakeholder trust through transparent and faithful business operations and building a BOD-centered management system of accountability under the supervision of independent outside directors.



Based on our solid financial strength and effective risk management system, we will pursue our unique growth strategy of "growth amid stability" by strengthening areas in which we have a competitive edge and increasing investment in areas with high growth potential.

# BUSINESS DAISHIN SECURITIES OVERVIEW



20●

## New Concept in Retail Service

- 01. "Financial Health" Service
- 02. "Believe" Service
- 03. Customer Satisfaction

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## Rebuilding Business Model Based On Core Competency

- 01. Reinforcing New Growth Drivers
- 02. Expansion of Headquarters Business
- 03. Extending Our Global Business



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## Sustainable Management System and Fulfilling CSR

- 01. Corporate Governance
- 02. Enhancing Shareholder Value
- 03. Stringent Risk Management
- 04. Social Responsibility

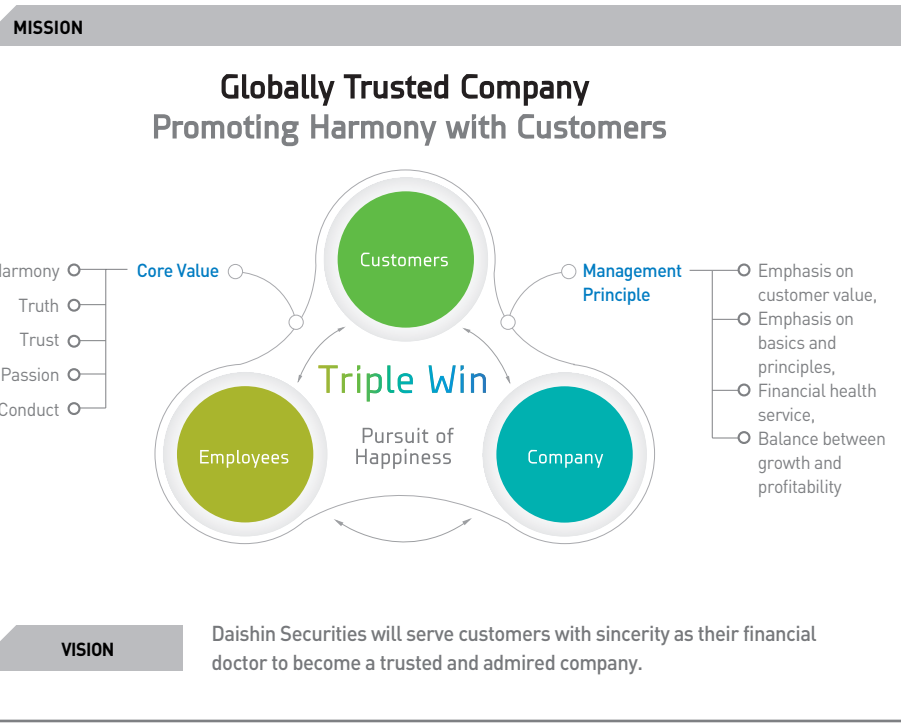


# NEW CONCEPT IN RETAIL SERVICE

Daishin Securities is committed to becoming a trusted company that serves customers with sincerity as their financial doctor. We are making every effort to deliver financial happiness to customers by protecting their assets through rigorous risk management. Our objective is to provide reliable financial services based on expertise, integrity and consideration for the customer.



## “Financial Health” Service





## "Believe" Service

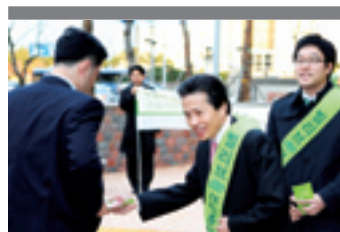
### INTRODUCTION OF BELIEVE



Daishin Securities launched the "Believe" service in October 2009. Rooted in the customer-oriented philosophy, this service was designed to prepare for the scheme allowing investors to transfer funds between fund distributors and to support the "financial health" service. "Believe" service is available to new fund subscribers and customers who transfer funds from other securities firms. It provides distinctive benefits including CMA with interest rates of up to 9% per annum and loans secured by funds with interest rates as low as 1% per annum.

Additionally, the "fund investment health" service provides customers with reviews of funds they currently hold along with financial advice. Instead of just receiving transaction reports, customers are given an assessment of investment products they hold as well as recommendations and follow-up service.

"Believe" service has gained much popularity. Daishin Securities captured 10% of market share based on inflow from fund transfers since the fund transfer scheme noted above went into effect. That is the second largest market share in the industry. Despite massive fund redemptions in Korea, Daishin Securities' fund assets have actually increased.



● Street promotion for Believe service  
● Daishin Securities' Believe service

## Customer Satisfaction

Daishin Securities revised its customer satisfaction strategy for successful execution of the "financial health" service.

To enhance customer service quality, we conduct a monthly customer satisfaction survey. Through the survey, we gauge satisfaction levels and hear the views of about 700 customers. The survey results are communicated to domestic branches on a half-yearly basis to encourage voluntary efforts to improve service quality.

To deliver unique customer satisfaction (CS) service and promote a customer-oriented culture, diverse CS activities will be carried out during the current fiscal year. We are conducting CS activities to boost employee unity and morale as well as activities to raise the CS mindset among customers, employees and the company. We also foster CS consultants to enhance the CS training scheme and customer satisfaction.

VOC (Voice of Customer) personnel have been designated at all 116 branches in Korea and the head office departments to enable responsible and swift response to customers' requests. Regulations stipulate that all VOC requests be handled within 24 hours after they are submitted. We also operate other channels including the company website, telephone, postcard and email to address issues related to customers' complaints without delay.

In recognition of high levels of customer satisfaction, Daishin Securities was ranked first in the GCSI (Global Customer Satisfaction Competency Index) by Japan Management Association Consultants (JMAC) for four years in a row.



● Keeping our ears open to customers' views  
● Activities to promote CS culture  
● Ranked First in 2010 GCSI in Securities Category





# REBUILDING BUSINESS MODEL BASED ON CORE COMPETENCY

Based on our solid financial strength and effective risk management system, we will pursue our unique growth strategy of “growth amid stability” by strengthening areas in which we have a competitive edge and increasing investment in areas with high growth potential.



## Reinforcing New Growth Drivers

### DAISHIN SECURITIES’ MANAGEMENT PRINCIPLES

Daishin Securities’ management principles serve as the compass guiding towards a “Great Company” and “Admired Company.”



Daishin Securities is rebuilding its business model. The goal is to sophisticate and differentiate our retail service and strengthen the headquarters’ sales edge.

For the past two years, our focus has been on providing differentiated retail service via the “financial health” service and online service. We plan to further concentrate our resources on successful implementation of the “financial health” service. To reinforce the headquarters’ sales capability, we expanded the wholesale, retirement pension, investment banking and capital market organizations. We will continue to make investments to develop these businesses as our new growth drivers.

Based on our solid financial strength and effective risk management system, we will pursue our unique growth strategy of “growth amid stability” by strengthening areas in which we have a competitive edge and increasing investment in areas with high growth potential.

For the past few years, Daishin has been proceeding with a major shift in the profit structure. Our plan is to gradually reduce the proportion of revenue from brokerage while slowly increasing the proportion of wealth management, investment banking, retirement pension and proprietary trading.



## Expansion of Headquarters Business

At Daishin, our mid-to-long term investment banking strategy is growth based on differentiation. On the back of our core strength in traditional investment banking activities, we will further hone our competitive edge in such high value-added operations as private equity funds (PEF), corporate restructuring and M&A, special purpose acquisition companies (SPAC) and structured finance.

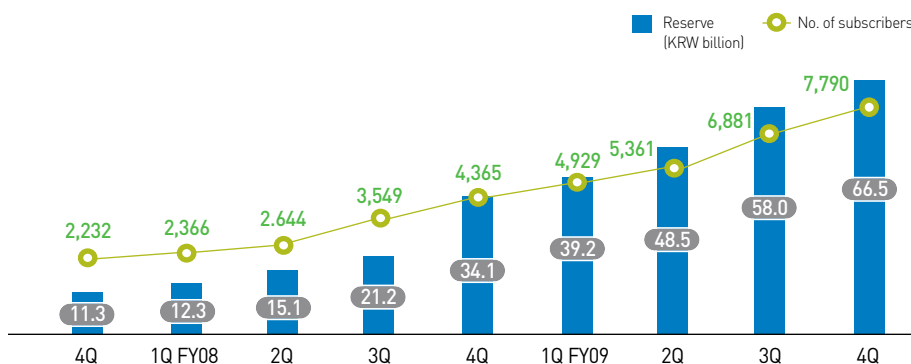
Since the introduction of the Financial Investment Services and Capital Markets Act, Daishin Securities has adopted an aggressive approach to expand the scope of its securities business. This has led to Daishin's obtaining licenses to engage in the payment settlement and futures operations. Our PEF business started with the launch of Daishin Pegasus PEF in 2008. Our other achievements in this area include the creation of a KRW 200 billion national pension PEF (Daishin-Heungkuk No.1 PEF) and acquisition of Korea Asset In Trust by MSB PEF.

The retirement pension business requires a long-term approach. This means we have to look beyond top-line growth in the near time and focus on maximizing profitability to satisfy customers and receive their trust.

Long tradition, insightful management knowhow and ability to design optimal products will help us generate greater profits as long as we take a prudent and constructive approach to our business. Daishin had the highest return among all retirement pension providers last year in the defined benefit category, demonstrating our exceptional skills in product design and management. This year, we will further improve performance of the defined contribution plan which has been the traditional core strength of securities companies. To this end, we intend to rely on the research center's asset allocation ability and management strategy.

Our research center is rated the best in the industry, garnering top honors in analyst polls conducted by Korea's major economic publications for the past two years. Harnessing our superior research capability, we are working to increase institutional clients' returns via IR activities, non-deal roadshows and company visits.

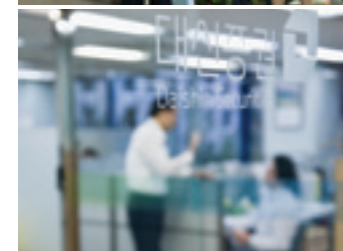
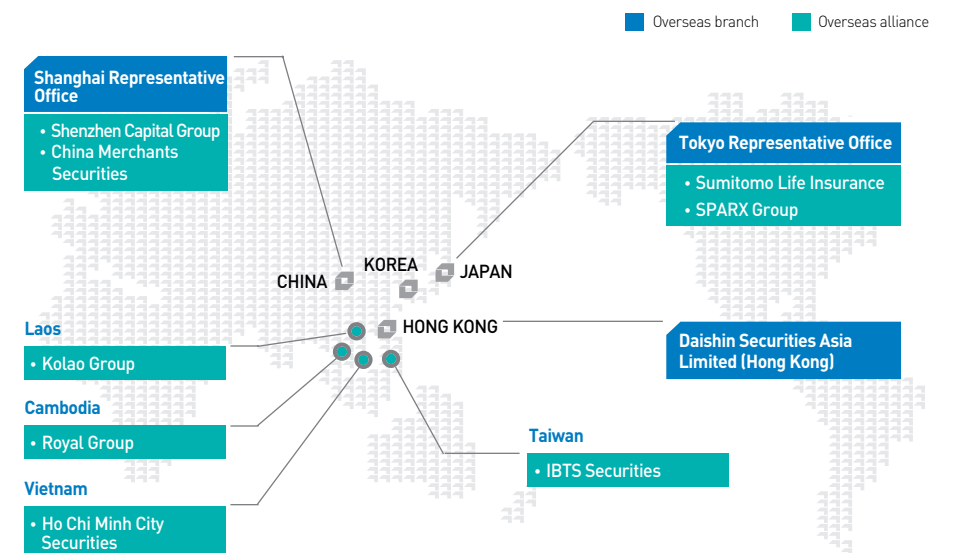
### RETIREMENT PENSION SUBSCRIPTION



● Signing of share transfer agreement for Korea Asset In Trust

## Extending Our Global Business

### OVERSEAS EXPANSION STRATEGY THROUGH PARTNERSHIP



Daishin Securities has been pursuing overseas business for the past several years. Our focus is on building a tangible sales base rather than top-line growth.

Our mid-to-long term goal is to transform into Asia's representative regional investment bank. We are seeking business opportunities in regions of Asia with high growth potential and our sales efforts are being concentrated in areas where we can excel.

To minimize risks and generate stable returns, we are forging alliances with leading regional partners well versed in the local financial landscape when entering a new market. Recently, we have been building our financial network by teaming up with China Merchants Securities and Shenzhen Capital Group in China as well as other local financial firms in Asian countries with promising growth prospects such as Taiwan, Vietnam, Cambodia and Laos.

In entering China, emerging as the world's largest financial market, we have partnered with China Merchants Securities to seek diverse business opportunities. Our Hong Kong subsidiary is taking the lead as we pursue expansion in Asia.

We have extended our brokerage service to enable trading of stocks listed in Japan, Hong Kong and China. We will continue to expand the service to US stocks, foreign derivative products and FX margin trading.



# SUSTAINABLE MANAGEMENT SYSTEM AND FULFILLING CSR

Inclusion in Korea Dividend Stock Price Index (KODI) in 2003

Inclusion in Korea Corporate Governance Stock Price Index (KOGI) in 2004

Inclusion in Dow Jones Sustainability Korea Index (DJSI Korea) in 2009

Daishin Securities is continuing to grow into a sustainable company by fulfilling its corporate social responsibility.

## Corporate Governance

At Daishin Securities, we are securing stakeholder trust through transparent and faithful business operations and building a BOD-centered management system of accountability under the supervision of independent outside directors.

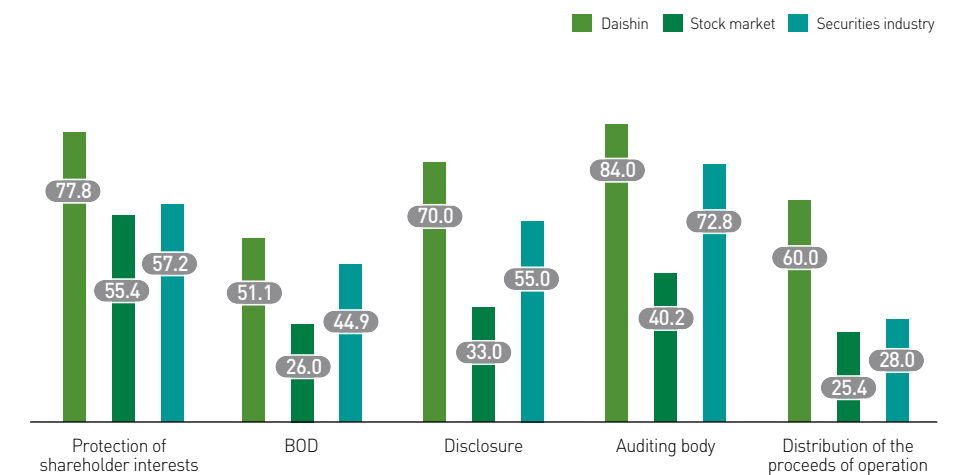
According to 2008 corporate governance evaluation results revealed by Korea Corporate Governance Service, Daishin was ranked 11th among 685 listed companies and received the rating of "Very Good".

Daishin Securities received high scores exceeding stock market and securities industry averages across all categories including protection of shareholder interests, board of directors, disclosure, auditing body, and distribution of the proceeds of operation.

We were incorporated into Dow Jones Sustainability Korea Index in October 2009. DJSI is the world's most recognized index tracking the financial performance of the leading sustainability-driven companies worldwide. It conducts in-depth assessment on companies' economic, environmental and social aspects with a focus on the long-term development of corporate value.

The current composition of DJSI (Dow Jones Sustainability Korea Index) which tracks Korea's 200 largest companies includes 41 companies in 24 industries. Among the 16 listed securities firms, only Daishin Securities and two others are included in the index. Daishin's inclusion in the index signifies a major step forward in becoming a sustainability driven company.

### 2008 CORPORATE GOVERNANCE SURVEY RESULT





Enhancing Shareholder Value

In FY2009, Daishin Securities maintained one of the industry’s highest dividend yields to enhance shareholder value. Our efforts to develop more sophisticated business models and diversify earnings for the past several years have greatly enhanced company profits and payout ratio. Accordingly, we became the first major securities firm in Korea to pay out cash dividends for twelve years in a row.

Daishin Securities distributed the same level of per share cash dividends in FY2009 as the previous year. We paid out KRW 1,000 for common stock, KRW 1,050 for Class 1 preferred stock, and KRW 1,000 for Class 2 preferred stock. We had the industry’s highest dividend yields with 5.9% for common stock, 9.8% for Class 1 preferred stock, and 10.6% for Class 2 preferred stock. Total dividends amounted to KRW 79 billion and the payout ratio was 86.5%.

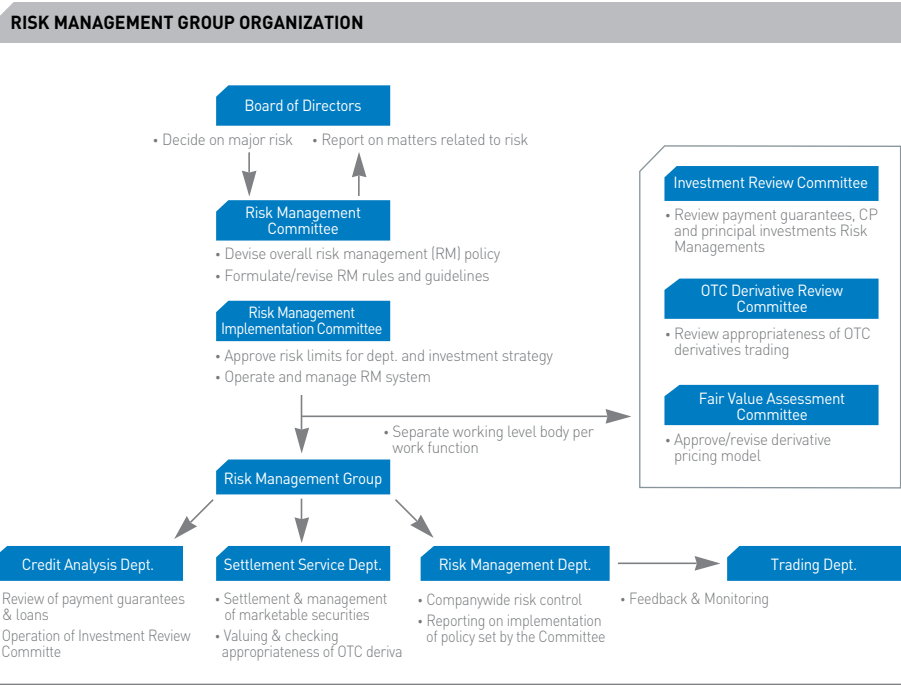
At Daishin, we have always put our clients’ needs first and strived to maximize shareholder value. We will continue to work towards creating greater value for our shareholders through sustained growth.



● General meeting of stockholders

		DIVIDENDS											
Classification		FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Per share dividend (KRW)	Common stock	500	1,500	750	500	500	650	500	1,000	1,000	1,250	1,000	1,000
	Class 1 preferred stock	550	1,550	800	550	550	700	550	1,050	1,050	1,300	1,050	1,050
	Class 2 preferred stock	-	-	-	-	-	-	-	-	-	1,250	1,000	1,000
Dividend yield	Common stock	3.7%	8.8%	7.3%	1.9%	3.3%	3.8%	3.3%	4.9%	4.4%	5.2%	5.4%	5.9%
	Class 1 preferred stock	5.9%	12.2%	13.4%	4.4%	7.4%	7.4%	5.1%	6.8%	7.2%	9.5%	12.9%	9.8%
	Class 2 preferred stock	-	-	-	-	-	-	-	-	-	10.3%	13.6%	10.6%
Net income (KRW billion)		63.6	337.1	87.3	13.4	42.0	73.8	41.2	157.4	100.0	177.8	103.3	91.4
Total dividends (KRW billion)		29.5	113.5	57.4	38.7	38.2	49.1	37.1	75.0	77.4	106.2	80.1	79.0
Payout ratio		46.4%	33.7%	65.7%	288.1%	90.9%	66.5%	90.0%	47.6%	77.5%	59.7%	77.6%	86.5%

Stringent Risk Management



Daishin Securities’ risk management aims to concentrate and professionalize systems and organizations under the mission of supporting sustainable management and financial stability based on enterprise risk management (ERM).

Although we demonstrated exceptional risk management capability as we emerged from the subprime loan crisis virtually unscathed, we tightened monitoring of derivatives-related risks to take timely action in a rapidly changing financial market. We have also introduced a system to deal with the possibility of increased operational risks due to financial uncertainties.

In terms of the organization, we separated the inspection function from the Risk Management Department to create the Credit Analysis Department to boost expertise and work efficiency. Subsequently in 2010, the Settlement Service Department was incorporated into the Risk Management Group to further strengthen the system of checks and balances of the front office function which is becoming more diverse and specialized.

In 2009, Korea’s leading credit rating agencies (Korea Ratings, NICE Investors Service) gave Daishin high marks for asset quality and liquidity, market position and profit generation ability from brokerage, and capital buffer. Accordingly, they raised our credit rating from A+ to AA-, which attests to confidence in Daishin’s financial stability and risk management capability.

## Social Responsibility – Admired Companionship

Since its inception, Daishin Securities has firmly believed in giving back to society. Our CSR (corporate social responsibility) initiatives focus on reaching out to our local communities and neighbors in need through donations and sponsorships.

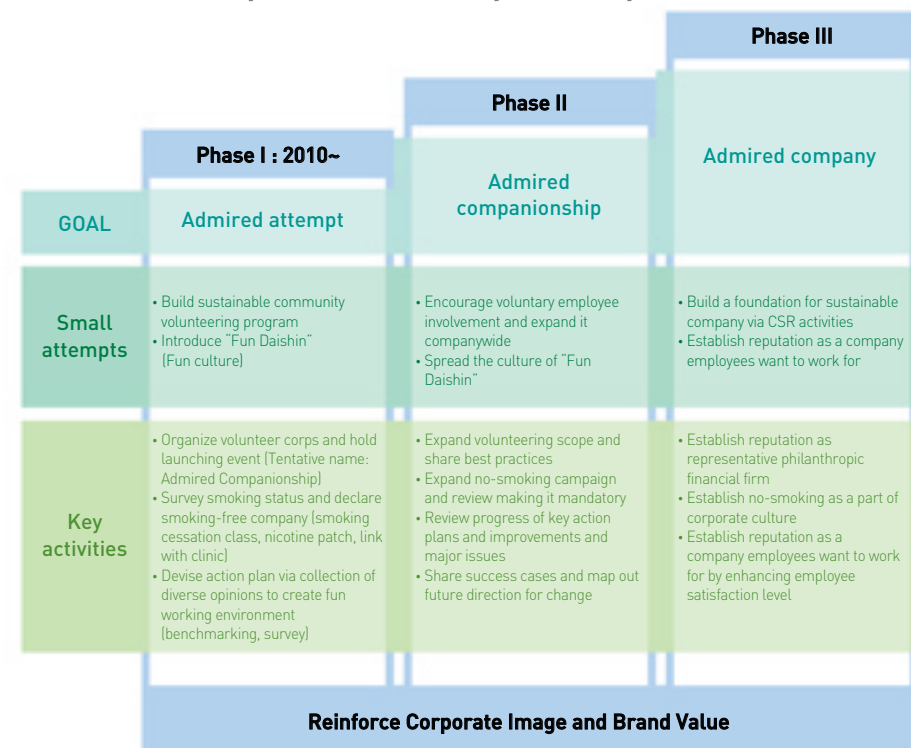
The Daishin Songchon Cultural Foundation, established in 1990, is at the forefront of spearheading our philanthropic endeavors. The foundation is involved in such programs as annual scholarships to discover and nurture local talent and support for healthcare, arts and culture, and academia. We expect 2010 to be the year in which we integrate our CSR initiatives into more effective and efficient system in order to build a sustainable management system by fulfilling our corporate social obligations.

To this end, we plan to promote the volunteer corps and carry out a wide range of community involvement programs.

We will also encourage employees to voluntarily engage in philanthropic efforts and instill the spirit of corporate citizenship across the company as we strive to build a foundation for a sustainable company.

### BUILDING SUSTAINABLE MANAGEMENT

## Building Sustainable Management by Fulfilling Corporate Social Responsibility



- New recruits' "March of Love" donation
- Foundation Chairman Yang Jae-bong delivers scholarship
- New recruits' "March of Love" donation
- Presenting donation to help isolated neighbors

### New Recruits Donate KRW 11 million through Charity Hike (Feb. 9, 2009)

New recruits to Daishin Securities took part in a 40-kilometer mountain trek and raised KRW 11 million which was donated to the Community Chest of Korea. The night trek was organized as part of self-discipline training for new recruits hired in the second half of the year. The company set aside KRW 5,000 for each kilometer traveled per person.

### Daishin Songchon Cultural Foundation Delivers Scholarships (Sep. 24, 2009)

Daishin Songchon Cultural Foundation presented scholarships worth KRW 260 million to students across Korea. The scholarships were presented at an elementary school in Naju, Jeollanam-do. The 165 recipients were selected based on financial need and scholastic achievement. They were recommended by school principals and subject to the Foundation's review. In addition, the Foundation offered soccer classes jointly with the professional soccer club, Chunnam Dragons, to 90 elementary school students in Naju. The classes are in line with the Foundation's commitment to nurturing promising young athletes.

### Daishin Songchon Cultural Foundation Presents Donation (Nov. 9, 2009)

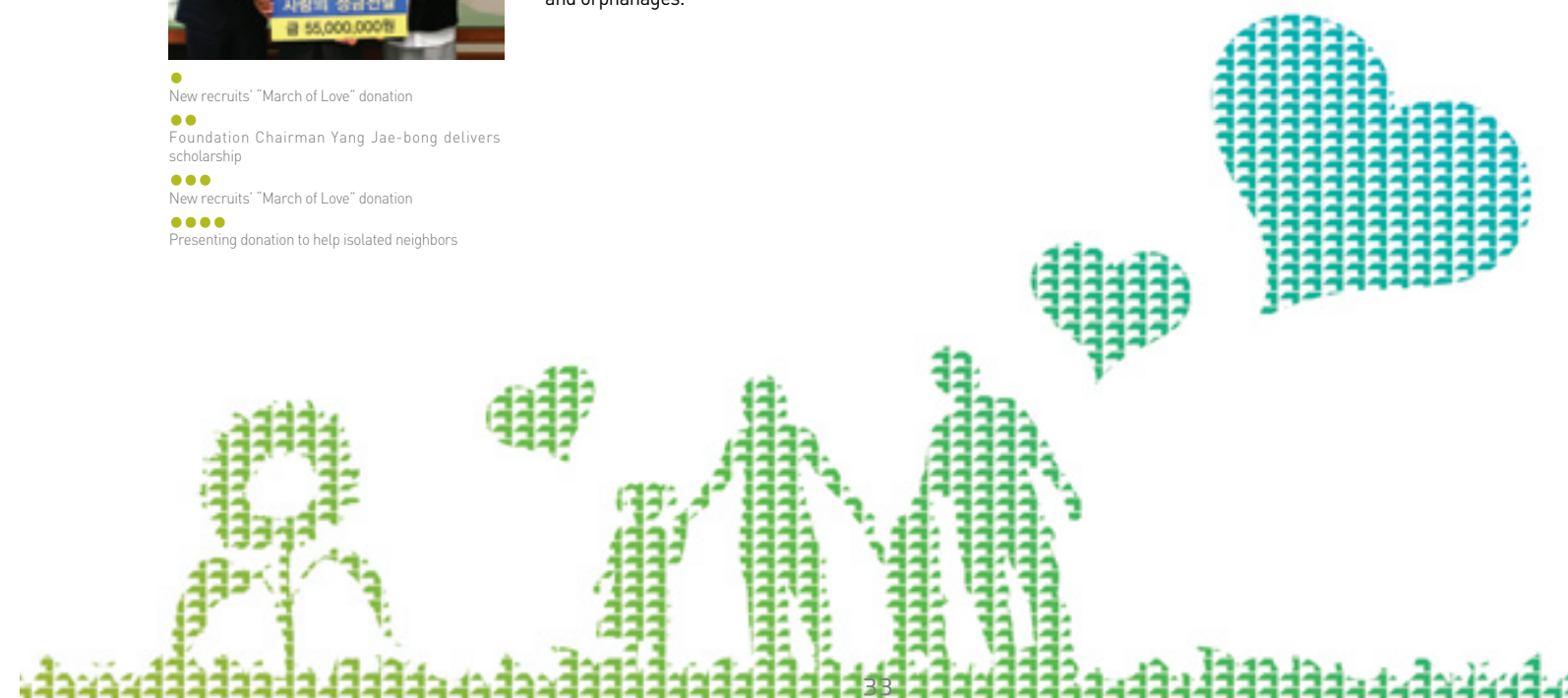
Yang Jae-bong, chairman of Daishin Songchon Cultural Foundation and founder of Daishin Securities, donated funds to support figure skating hopefuls. The donation marked the fourth giving in 2009. Along with soccer classes jointly conducted by Chunnam Dragons in September, the donation was part of the Foundation's drive to nurture promising young athletes.

### New Recruits Donate KRW 20.20 million through Charity Hike (Dec. 8, 2009)

New recruits to Daishin Securities took part in a 40-kilometer mountain trek as part of self-discipline training. Through the hike, they raised KRW 20.20 million which was donated to the Community Chest of Korea. The charity hike is held for new recruits every year to give them an opportunity to think about the importance of sharing and contributing to society.

### Daishin Songchon Cultural Foundation Reaches Out to The Needy (Dec. 14, 2009)

Daishin Songchon Cultural Foundation presented a donation to help the less fortunate in society as the year came to a close. The donation was presented to 12 charity groups which channeled the funds to minors who head their households, senior care facilities, social welfare centers, facilities for the disabled, and orphanages.





FINANCIAL  
D A I S H I N S E C U R I T I E S  
STATEMENTS

Korea’s leading credit rating agencies (Korea Ratings, NICE Investors Service) upgraded the rating on corporate bonds issued by Daishin Securities by one notch from A+ to AA- in 2009. The agencies gave the Company high marks for asset quality and liquidity, market position and profit generation ability from brokerage, and capital buffer.

Management’s Discussion and Analysis

FY2009 BUSINESS HIGHLIGHTS

- Revenue diversification with stable growth across the board from brokerage and capital market operations to investment banking, wealth management and retirement pension
- Wealth management revenue boosted by the launch of “Believe”, a comprehensive tailored solution in which the customer chooses the financial benefits
- Significant growth in commission from underwriting and financial advisory including acting as co-lead manager for the IPOs of Jinro and SK C&C
- 78.2% jump in revenue from capital market operations to KRW 121.0 billion largely due to bond valuation gains amid low interest rates
- Net operating revenue of KRW 520.3 billion (up 31.3%) and operating income of KRW 172.8 billion (up 72.6%)
- Upgrade in credit rating on corporate bonds by one notch from A+ to AA- by domestic rating agencies (Korea Ratings, NICE Investors Service)
- Only major securities firm in Korea to pay out cash dividends for 12 straight years and the industry’s highest dividend yields of 5.9% for common stock, 9.8% for Class 1 preferred stock and 10.6% for Class 2 preferred stock

EXECUTIVE SUMMARY

As the credit crisis swept the globe in 2009, governments worldwide introduced fiscal and monetary policies to revive the ailing economy and restore stability in the financial markets. In addition to implementing a USD 787.9 billion fiscal stimulus package, the US authorities announced a rescue plan to bail out distressed financial institutions and kept the benchmark interest rate at virtually zero. China unveiled a RMB 4 trillion (USD 580 billion, equivalent to 14% of China’s GDP) stimulus plan and subsidies for home appliance and automobile purchases to boost domestic consumption. Consequently, most of the developed economies passed the trough while emerging countries maintained growth.

Low interest rates and massive stimulus injections sparked a global economic recovery. The international capital markets displayed huge advances spurred by a sense of relief that the worst was over and abundant liquidity. The Korean stock market recovered at a fast pace with average daily turnover increasing by 14.0% for the KOSPI market and 82.8% for the KOSDAQ market in FY2009. As a percentage of overall trading, trading by retail investors climbed by 7.4%p to 67.3%, another indication of a market rally.

Average Daily Turnover

		FY08		FY09		% YoY	
Stock	KOSPI	5,113.0		5,823.2		14.0	
	KOSDAQ	1,272.7		2,326.3		82.8	
Futures		26,074.3		35,520.8		36.2	
Options		1,167.4		1,048.0		-10.2	

After tumbling below the 1,000 mark in October 2008, the KOSPI bounced back to 1,722 in January 2010. Although recent jitters caused by debt woes in Europe led to a market correction, the KOSPI closed at 1,692.85 on March 31, 2010, up by 40.3% from a year earlier. The KOSDAQ rebounded from 421.44 at end-March 2009 to 562.57 in May 2009. It closed at 515.74 on March 31, 2010, to post an annual gain of 22.4%.

# Management’s Discussion and Analysis

On the back of the market run-up, Daishin Securities recorded KRW 330.4 billion, up 21.1% in commission income in FY2009 including KRW 286.6 billion from stocks and KRW 43.0 billion from derivatives. Promotion of the newly introduced “Believe” service and growth in trust management fees raised revenue from wealth management by 17.9%. Low interest rates increased bond valuation gains, resulting in a 78.2% jump in revenue from capital market operations. Investment banking commission surged 155.9% as IPO underwriting and private equity funds gave a boost to underwriting and advisory fees received. With enhanced stability and diversification in earnings, operating income grew by 72.6% to KRW 172.8 billion and pre-tax income by 19.3% to KRW 149.0 billion. However, equity method valuation losses were not recognized as losses for tax purposes, which in turn raised the effective tax rate from 17.4% in the prior year to 38.7% in FY2009. As a result, net income decreased by 11.5% to KRW 91.4 billion.

Total assets in FY2009 grew by 23.4% to KRW 8,003.2 billion. The holding of marketable securities expanded, primarily in low-risk assets such as government bonds and monetary stabilization bonds. Loans receivable also increased due to the widening spread between the funding rate and lending rate. The Company put particular emphasis on preemptive risk management, securing liquidity through early recovery of principal investments and making full recovery of investments related to real estate project financing. Accordingly, the net capital ratio and the assets-to-liabilities ratio respectively stood at 733.6% and 120.9% at the end of March 2010. Both figures exceed the minimum required by the Financial Supervisory Service. Reflective of the Company’s commitment to enhancing shareholder value, Daishin Securities became the first major securities company in Korea to distribute cash dividends for 12 consecutive years and had the industry’s highest dividend yield of 5.9% for common stock.

## OPERATING RESULTS

### Net Operating Revenue

In FY2009, Daishin Securities made further strides in earnings diversification to establish a stable base of operations. The Company displayed growth in brokerage commission fueled by a rising stock market, in addition to solid growth in wealth management, capital market operations and investment banking. Daishin realigned its business structure to upgrade and differentiate retail services while simultaneously reinforcing wholesale operations. For the year, net operating revenue grew by 31.3% to KRW 520.3 billion. Net revenue from brokerage rose by 14.4% to KRW 332.3 billion underpinned by an increase in average daily turnover and stronger presence of retail investors in the stock market. Based on commissions received, Daishin Securities’ share of the stock brokerage market went up 0.2%p to 5.9%.

Revenue from capital markets grew by 78.2% to KRW 121.0 billion. The Company reduced its exposure to stocks and focused on low-risk assets such as government bonds and monetary stabilization bonds, and the government’s low interest rate policy led to a surge in bond valuation gains. In line with the emphasis on liquidity and risk management, the Company has zero exposure to real estate project financing and is concentrating on early recovery of principal investments.

Net Operating Revenues				(KRW billion)
	FY08	FY09		% YoY
Brokerage	290.5	332.3		14.4
Financial service (loan service)	36.6	35.2		-3.9
Wealth management	14.5	17.1		17.9
Capital markets (proprietary trading income)	67.9	121.0		78.2
Investment Banking	4.8	12.3		155.9
Others	(18.1)	2.5		-
Net operating revenues	396.1	520.3		31.3

# Management’s Discussion and Analysis

Breakdown of Net Operating Revenues			(%)
	FY08	FY09	
Brokerage	70.1	63.9	
Financial service (loan service)	8.8	6.8	
Wealth management	3.5	3.3	
Capital markets (proprietary trading income)	16.4	23.3	
Investment Banking	1.2	2.4	
Others	-	0.5	
Total	100.0	100.0	

Owing to heightened uncertainty in the stock market in the wake of the global financial crisis, the domestic equity-type fund market contracted by 12% to KRW 123 trillion. In contrast, Daishin Securities recorded a 3.3% increase in equity-type funds to KRW 398.7 billion following the launch of its comprehensive tailored solution, “Believe.” Growing investor preference for safe assets pushed up demand for MMF and bond-type beneficiary certificates (BCs). As a result, the balance of BCs swelled by 24.8% to KRW 3,403.1 billion and revenue from wealth management grew by 17.9% to KRW 17.1 billion.

Commission Income from Wealth Management				(KRW billion)
	FY08	FY09		% YoY
Collective investment securities	8.0	8.2		2.7
Derivatives-combined securities	5.9	7.5		26.6
Others	0.6	1.4		135.7
Commission from wealth management	14.5	17.1		17.9

Balance of Beneficiary Certificates				(KRW billion)
	FY08	FY09		% YoY
Beneficiary certificates (year-end)	2,726.9	3,403.1		24.8
MMF	1,076.6	1,388.8		29.0
Bond-type	312.5	609.8		95.1
Hybrid-type	287.1	317.6		10.6
Equity-type	385.9	398.7		3.3
Others*	664.9	688.2		3.5
BC Commission income	8.0	8.2		2.5

\* Others = overseas fund + derivatives fund + others



# Management’s Discussion and Analysis

Interest-earning assets are primarily composed of bonds and broker loans which offer stability and sound returns. Despite falling market interest rates, net interest income rose by 53.4% to KRW 120.3 billion, with an asset portfolio comprising mainly low-risk assets such as government bonds, monetary stabilization bonds and loans receivable. Broker loans are generating stable interest income with the spread exceeding 400bp because of a decline in the funding rate. As part of risk management, the Company carries out real-time stock price monitoring and requires a loan to collateral ratio of at least 140%.

Net Interest Income		(KRW billion)	
	FY08	FY09	% YoY
Interest income	209.1	230.5	10.2
Interest on bonds	128.5	153.5	19.5
Interest on loans	45.7	46.3	1.1
Interest on deposits	26.7	16.7	-37.6
Others	8.2	14.0	71.9
Interest expenses	130.7	110.2	-15.7
Net interest income	78.4	120.3	53.4

## General and Administrative Expenses

General and administrative (G&A) expenses rose by 17.4% to KRW 347.4 billion. The increase is attributable to growth in commission income and launch of “Believe” service which respectively raised performance bonus and advertising expenses, along with amortization. However, the growth in wages, which account for the largest portion of G&A expenses, was limited to 9.6% and wages amounted to KRW 197.4 billion. Although commission income increased at a double-digit rate, the Company exercised appropriate control over the performance bonus. Depreciation jumped by 54.4% to KRW 36.1 billion due to recognition of amortization expenses of KRW 9.0 billion related to development of the next-generation IT system and payment system.

G&A Expenses		(KRW billion)	
	FY08	FY09	% YoY
Salaries & employee benefits	180.0	197.4	9.6
IT operating expenses	22.5	23.1	2.6
Rental expenses	6.9	7.1	3.6
Miscellaneous commissions	20.7	23.0	11.1
Advertising expenses	5.6	21.6	287.5
Depreciation & amortisation expenses	23.4	36.1	54.5
Others	36.9	39.1	5.9
G&A expenses	296.0	347.4	17.4

# Management’s Discussion and Analysis

Breakdown of G&A Expenses		[%]	
	FY08	FY09	
Salaries & employee benefits	60.8	56.8	
IT operating expenses	7.6	6.7	
Rental expenses	2.3	2.1	
Miscellaneous commissions	7.0	6.6	
Advertising expenses	1.9	6.2	
Depreciation & amortisation expenses	7.9	10.47	
Others	12.5	11.3	
Total	100.0	100.0	

## Profitability and Shareholder Value

As globally concerted policy efforts and massive stimulus plans to tackle the global financial crisis helped to revive the stock market, Daishin Securities’ operating income soared 72.6% to KRW 172.8 billion and the operating income margin improved by 1.7%p to 5.3%. The improvements mainly stemmed from a boost in commission income from brokerage, the Company’s area of strength, and a surge in proprietary trading income driven by appreciating share prices and falling interest rates. Sound results from the wholesale business, encompassing investment banking, wealth management and retirement pension, also contributed to enhancing profitability.

Operating Profitability		(KRW billion, %)	
	FY08	FY09	% YoY
Operating revenues	2,823.7	3,273.7	15.9
Operating income	100.1	172.8	72.6
Operating income margin	3.5	5.3	1.7%p

Non-operating income fell from the previous year to KRW 20.1 billion whereas non-operating expenses increased to KRW 43.8 billion which included equity method losses from Daishin Asset Management. On the whole, the Company recorded net non-operating expenses. For this reason, pre-tax income amounted to KRW 149.0 billion. The figure represents a year-on-year growth rate of 19.3% which is lower than the growth in operating income.

Non-operating Balance		(KRW billion, %)	
	FY08	FY09	% YoY
Non-operating income	27.1	20.1	-25.9
Non-operating expenses	2.3	43.8	1,824.7
Net non-operating income	24.8	[23.8]	-



# Management’s Discussion and Analysis

Net income in FY2009 dropped by 11.5% to KRW 91.4 billion. The main culprit behind the decrease is that equity method losses of KRW 39.8 billion were not recognized as losses for tax purposes. Consequently, the effective tax rate climbed from 17.4% in FY2008 to 38.7% in FY2009.

Net Income		(KRW billion, %)	
	FY08	FY09	% YoY
Net income	103.3	91.4	-11.5
Net income margin	3.7	2.8	-0.9%p
ROE	6.2	5.4	-0.8%p

Daishin Securities maintains an aggressive dividend policy as a way of enhancing shareholder value. Over the past several years, the Company has upgraded its business model and diversified its income structure. This, in turn, has strengthened its ability to distribute dividends and allowed Daishin to become the only major securities firm in Korea to pay out cash dividends for the 12th straight year in FY2009. Akin to FY2008, the Company distributed cash dividends of KRW 1,000 per share for common stock and Class 2 preferred stock and KRW 1,050 for Class 1 preferred stock. Moreover, Daishin had the industry’s highest dividend yields with 5.9% for common stock, 9.8% for Class 1 preferred stock, and 10.6% for Class 2 preferred stock. Total dividends amounted to KRW 79.0 billion and the payout ratio was 86.5%. Daishin Securities has continued to uphold shareholder-oriented management and will pursue sustainable growth to maximize value for shareholders.

## FINANCIAL CONDITIONS

### Assets

In step with enactment of the Financial Investment Services and Capital Markets Act in February 2009, Daishin Securities is looking beyond top-line growth and focusing on integrated and preemptive risk management and comprehensive wealth management service to grow into a world-class financial service provider.

As of the end of March 2010, total assets stood at KRW 8,003.2 billion, up by 23.4% compared to a year earlier. The Company’s asset portfolio is mostly composed of low-risk assets such as cash and deposits, government bonds and monetary stabilization bonds. Cash and deposits increased by 14.4% to KRW 1,579.4 billion. Marketable securities, mainly comprising safe and liquid bonds such as government and monetary stabilization bonds, swelled by 30.4% to KRW 4,342.6 billion. A favorable stock market helped to boost derivatives and loans receivable by 21.2% and 32.9% respectively to KRW 444.0 billion and KRW 837.3 billion.

Assets Portfolio		(KRW billion)	
	FY08	FY09	% YoY
Cash & deposits	1,381.1	1,579.4	14.4
Securities	3,329.7	4,342.6	30.4
Derivative assets	366.3	444.0	21.2
Loans receivable, net	630.2	837.3	32.9
Property & equipment, net	547.3	521.7	-4.7
Other assets	232.7	278.2	19.5
Total assets	6,487.4	8,003.2	23.4

# Management’s Discussion and Analysis

Assets Breakdown		[%]	
	FY08	FY09	
Cash & deposits	21.3	19.7	
Securities	51.3	54.3	
Derivative assets	5.6	5.5	
Loans receivable, net	9.7	10.5	
Property & equipment, net	8.4	6.5	
Other assets	3.6	3.5	
Total	100.0	100.0	

### Liabilities and Shareholders’ Equity

In tandem with asset expansion, total liabilities grew by 31.0% to reach KRW 6,325.4 billion as of the end of March 2010. Customer deposits were largely unchanged from a year earlier, but borrowings expanded by 39.8% to KRW 4,948.0 billion as the government’s low interest rate policy lowered the funding rate. In particular, CMA holders increased as investors flocked to short-term vehicles and securities sold under repurchase agreements rose by 56.0% to KRW 2,715.4 billion.

Liabilities		(KRW billion)	
	FY08	FY09	% YoY
Deposits from customers	1,134.3	1,092.9	-3.7
Borrowings & securities sold	3,538.1	4,948.0	39.8
Other liabilities	157.3	284.5	80.9
Total liabilities	4,829.8	6,325.4	31.0

Liabilities Breakdown		[%]	
	FY08	FY09	
Deposits from customers	23.5	17.3	
Borrowings & securities sold	73.3	78.2	
Other liabilities	3.3	4.5	
Total	100.0	100.0	

Although net income in FY2009 reached KRW 91.4 billion, total shareholders’ equity inched up just 1.2% to KRW 1,677.8 billion due to cash dividends and share buyback. Daishin Securities has continued to distribute dividends as a means of returning wealth to shareholders. With the distribution in FY2009, the Company became the sole major securities firm in Korea to pay out cash dividends for 12 years in a row. In addition, the Company spent KRW 13.4 billion to repurchase 1,500,000 shares of preferred stock in FY2009.



# Management’s Discussion and Analysis

Shareholders' Equity		(KRW billion)	
	FY08	FY09	% YoY
Capital stock	434.9	434.9	0.0
Capital surplus	715.8	713.1	-0.4
Capital adjustments	(139.0)	(1,41.2)	-
Accumulated other comprehensive income	61.1	74.7	22.4
Retained earnings	584.9	596.2	1.9
<b>Total shareholders' equity</b>	<b>1,657.6</b>	<b>1677.8</b>	<b>1.2</b>

## Financial Soundness and Risk Management

At the end of March 2010, the Company’s net capital ratio stood at 733.6%, falling by 110.7%p from a year earlier. But the figure was far above the 300% limit set by the Financial Supervisory Service (FSS) for companies that deal with OTC derivatives. Conversion of KRW 16.6 billion in corporate bonds issued by Kumho Industrial to equity reduced substandard or below loans and the coverage ratio for such loans improved by 2.6%p to 96.6%. The assets-to-liabilities ratio was 120.9%, exceeding the requirement set by FSS.

Korea’s leading credit rating agencies (Korea Ratings, NICE Investors Service) upgraded the rating on corporate bonds issued by Daishin Securities by one notch from A+ to AA- in 2009. The agencies gave the Company high marks for asset quality and liquidity, market position and profit generation ability from brokerage, and capital buffer. In October 2009, Daishin Securities was included as a component of the Dow Jones Sustainability Index Korea (DJSI Korea). This indicates that Daishin Securities has received external recognition for maintaining stable and efficient processes and fulfilling its social and environmental responsibility.

Asset Quality		[%]	
	FY08	FY09	% YoY
Net capital ratio	844.3	733.6	-110.7%p
Coverage ratio	94.0	96.6	2.6%p
Assets-to-liabilities ratio	127.8	120.9	-6.9%p

Daishin Securities is bolstering financial stability based on ERM (Enterprise Risk Management). In addition, the Company has adopted systems to manage risks related to derivatives and operational risks to prepare for greater volatility in the financial markets. In 2009, the Credit Analysis Department was created by separating the review function from the Risk Management Department for greater specialization of the review and risk management functions. Then in 2010, the Settlement Department was placed under the Risk Management Group to strengthen checks and balances on the ever diversifying front office operations.

# Management’s Discussion and Analysis

## BUSINESS OUTLOOK

Competitive pressure is likely to intensify in FY2010. The possibility of Europe’s debt crisis spilling over into other regions, yuan appreciation and implementation of exit strategies are expected to increase volatility in global financial markets. Domestic concerns include further deterioration in inter-Korean relations, interest rate hike, and the emergence of new small- to mid-size securities firms.

In spite of the anticipated hardships, Daishin Securities will pursue a differentiated strategy and focus on its core competencies to develop into Korea’s premier financial and investment service company. The Company will reinforce its brokerage operations while honing its capabilities in investment banking, wealth management and retirement pension. In addition to financial results, Daishin plans to maximize management efficiency through the balanced scorecard. Under this management system, the Company will check whether goals and strategies are achieved and action plans are correctly implemented.

Furthermore, Daishin will upgrade and expand the “financial health service” service launched in FY2009 to realize the vision of a trusted company that serves its customers with sincerity as a “financial doctor.” To achieve this vision, the Company will implement a strategy based on the three themes of “financial growth,” “enhanced operating efficiency” and “stronger relationship management” to emerge as an admired company pursuing development with customers and shareholders.



# Report of Independent Auditors



To the Board of Directors and Shareholders of  
Daishin Securities Co., Ltd.

We have audited the accompanying non-consolidated statements of financial position of Daishin Securities Co., Ltd. (the “Company”) as of March 31, 2010 and 2009, and the related non-consolidated statements of income, appropriations of retained earnings, changes in shareholders’ equity and cash flows for the years then ended, expressed in Korean won. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our 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 non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Daishin Securities Co., Ltd. as of March 31, 2010 and 2009, and the results of its operations, the changes in its retained earnings, the changes in its shareholders’ equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the Republic of Korea.

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

Seoul, Korea  
May 17, 2010

This report is effective as of May 17, 2010, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying non-consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

# Non-Consolidated Statements of Financial Position

March 31, 2010 and 2009

		(in thousands of Korean won)
	2010	2009
<b>Assets</b>		
Cash and cash equivalents	₩ 525,636,306	₩ 409,021,538
Deposits segregated under regulation	1,053,730,288	972,109,855
Trading securities	3,777,114,437	2,697,372,812
Available-for-sale securities	193,926,550	138,440,063
Equity-method investments	48,122,534	60,713,594
Derivatives-combined securities	323,438,263	433,176,449
Derivative assets	443,969,688	366,332,382
Loans receivable, net	837,278,686	630,169,682
Property and equipment, net	521,748,425	547,306,131
Intangible assets, net	50,306,489	30,314,940
Accounts receivable, net	54,654,973	34,313,048
Accrued revenue, net	41,078,070	40,931,852
Advanced payments	17,576,942	11,966,612
Guarantee deposits	63,671,446	63,555,539
Collective fund for default loss	6,229,887	5,403,190
Others	44,688,724	46,261,577
<b>Total assets</b>	₩ 8,003,171,708	₩ 6,487,389,264



# Non-Consolidated Statements of Financial Position

March 31, 2010 and 2009

	(in thousands of Korean won)	
	2010	2009
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>	₩	₩
Deposits from customers	1,092,887,769	1,134,342,861
Borrowings	777,876,183	409,583,235
Securities sold under repurchase agreements	2,715,353,102	1,740,559,485
Securities sold	34,394,428	2,579,222
Derivatives-combined securities sold	1,314,770,477	1,165,433,853
Derivative liabilities	45,812,760	160,310,563
Debentures, net	59,780,240	59,679,998
Accrued severance benefits, net	1,467,700	1,759,474
Income tax payable	59,870,235	-
Other accounts payable	103,869,209	29,443,514
Accrued expenses	20,423,725	15,898,095
Guarantee deposits received	56,571,735	65,937,175
Deferred income tax liabilities	35,576,132	40,093,889
Withholdings	5,135,025	2,633,876
Others	1,613,499	1,515,071
<b>Total liabilities</b>	<b>6,325,402,219</b>	<b>4,829,770,311</b>
Commitments and contingencies		
<b>Shareholders' equity</b>		
Capital stock		
Common stock	254,867,000	254,867,000
Preferred stock	180,000,000	180,000,000
Capital surplus	713,145,971	715,771,296
Capital adjustments	(141,203,280)	(139,041,646)
Accumulated other comprehensive income	74,737,527	61,081,074
Retained earnings	596,222,271	584,941,229
<b>Total shareholders' equity</b>	<b>1,677,769,489</b>	<b>1,657,618,953</b>
<b>Total liabilities and shareholders' equity</b>	<b>₩ 8,003,171,708</b>	<b>₩ 6,487,389,264</b>

# Non-Consolidated Statements of Income

For the years ended March 31, 2010 and 2009

	(in thousands of Korean won, except per share amounts)	
	2010	2009
<b>Operating revenues</b>		
Commissions received	₩ 361,643,566	₩ 293,114,678
Gain on sale of trading securities	106,405,009	104,083,162
Gain on valuation of trading securities	35,713,517	33,372,056
Gain on sale of available-for-sal securities	1,403,156	2,308,481
Recovery on impairment loss on available-for-sale securities	49,773	-
Gain on valuation of securities sold	436,222	-
Gain on derivatives-combined securitie transactions	212,463,187	38,755,058
Gain on derivatives-combined securities sold transactions	1,519,515,420	1,676,233,143
Gain on derivative transactions	763,148,244	410,669,648
Interest income	230,503,021	209,107,414
Reversal of allowance for doubtful accounts	4,457,195	4,166,517
Dividend income	5,068,088	4,322,427
Gain on valuation of deposits segregated under regulation	27,868,047	39,746,681
Others	5,033,563	7,790,979
	<b>3,273,708,008</b>	<b>2,823,670,244</b>
<b>Operating expenses</b>		
Commissions expense	21,939,676	19,685,357
Loss on sale of trading securities	91,942,871	138,521,575
Loss on valuation of trading securities	6,675,763	4,420,568
Loss on sale of available-for-sal Securities	766,050	802,286
Loss on impairment of available-for-sal securities	1,044,882	6,029,315
Loss on valuation of securities sold	1,543,677	263,882
Loss on derivatives-combined securitie transactions	5,493,740	225,828,176
Loss on derivatives-combined securities sold transactions	871,868,037	200,001,803
Loss on derivatives transactions	1,634,661,714	1,681,569,405
Interest expense	110,235,309	130,728,212
General and administrative expense	347,432,851	296,013,906
Bad debts expense	-	19,270,143
Others	7,274,773	406,482
	<b>3,100,879,343</b>	<b>2,723,541,110</b>
<b>Operating income</b>	<b>₩ 172,828,665</b>	<b>₩ 100,129,134</b>

# Non-Consolidated Statements of Income

For the years ended March 31, 2010 and 2009

	(in thousands of Korean won, except per share amounts)	
	2010	2009
<b>Non-operating income</b>		
Gain on disposal of property and equipment	₩ 3,389,229	₩ 7,330
Office rental income	12,494,467	13,479,206
Gain on valuation of equity-method investments	1,094,309	298,097
Others	3,079,134	13,277,757
	20,057,139	27,062,390
<b>Non-operating expenses</b>		
Loss on disposal of property and equipment	2,428,847	253,963
Loss on valuation of equity-method investments	39,787,899	793,021
Donation	1,234,624	1,221,943
Others	393,586	9,009
	43,844,956	2,277,936
<b>Net income before income taxes</b>		
	149,040,848	124,913,588
Income tax expense	57,685,317	21,662,244
<b>Net income</b>	₩ 91,355,531	₩ 103,251,344
Basic earnings per share (in Korean won)	₩ 1,190	₩ 1,317
Diluted earnings per share (in Korean won)	₩ 1,190	₩ 1,317

# Non-Consolidated Statements of Appropriations of Retained Earnings

For the years ended March 31, 2010 and 2009  
(Dates of appropriations: May 28, 2010 and May 29, 2009  
For the years ended March 31, 2010 and 2009, respectively)

	(in thousands of Korean won)	
	2010	2009
<b>Retained earnings before appropriations</b>		
Unappropriated retained earnings carried over from prior year	₩ 28,993,286	₩ 23,703,252
Net income	91,355,531	103,251,344
	120,348,817	126,954,596
<b>Transfer from reserve for loss on futures transactions</b>	-	120,628
<b>Appropriations</b>		
Legal reserves	7,901,448	8,007,449
Dividends	79,014,483	80,074,489
Voluntary reserves	10,000,000	10,000,000
	96,915,931	98,081,938
<b>Unappropriated retained earnings</b>		
carried forward to the subsequent year	₩ 23,432,886	₩ 28,993,286



# Non-Consolidated Statements of Changes in Shareholders' Equity

For the years ended March 31, 2010 and 2009

(in thousands of Korean won)							
	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Total	
Balance as of April 1, 2009	₩ 434,867,000	₩ 715,771,296	₩ (139,041,646)	₩ 61,081,074	₩ 584,941,229	₩ 1,657,618,953	
Cash dividends	-	-	-	-	(80,074,489)	(80,074,489)	
Retained earnings after appropriations	-	-	-	-	504,866,740	1,577,544,464	
Net income	-	-	-	-	91,355,531	91,355,531	
Changes in treasury stock	-	(2,625,325)	(2,089,445)	-	-	(4,714,770)	
Gain and loss on valuation of available-for-sale securities	-	-	-	15,390,165	-	15,390,165	
Changes in equity method investments	-	-	(72,189)	(1,733,712)	-	(1,805,901)	
Balance as of March 31, 2010	₩ 434,867,000	₩ 713,145,971	₩ (141,203,280)	₩ 74,737,527	₩ 596,222,271	₩ 1,677,769,489	
Balance as of April 1, 2008	₩ 434,867,000	₩ 717,846,169	₩ (78,044,740)	₩ 62,538,914	₩ 593,081,721	₩ 1,730,289,064	
Other appropriation	-	-	5,229,977	-	(5,229,977)	-	
Cash dividends	-	-	-	-	(106,161,859)	(106,161,859)	
Retained earnings after appropriations	-	-	-	-	481,689,885	1,624,127,205	
Net income	-	-	-	-	103,251,344	103,251,344	
Changes in treasury stock	-	(2,074,873)	(66,226,883)	-	-	(68,301,756)	
Gain and loss on valuation of available-for-sale securities	-	-	-	(4,052,870)	-	(4,052,870)	
Changes in equity method investments	-	-	-	2,595,030	-	2,595,030	
Balance as of March 31, 2009	₩ 434,867,000	₩ 715,771,296	₩ (139,041,646)	₩ 61,081,074	₩ 584,941,229	₩ 1,657,618,953	

# Non-Consolidated Statements of Cash Flows

For the years ended March 31, 2010 and 2009

(in thousands of Korean won)		
	2010	2009
Cash flows from operating activities		
Net income	₩ 91,355,531	₩ 103,251,344
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Loss (Gain) on disposal of trading securities, net	(14,462,138)	34,438,413
Gain on valuation of trading securities, net	(29,037,754)	(28,951,488)
Gain on sales of available-for-sale securities, net	(637,106)	(1,627,229)
Loss (Gain) on derivatives-combined securities transactions, net	(206,969,446)	187,073,118
Gain on derivatives-combined securities sold transactions, net	(647,647,383)	(1,476,231,340)
Loss on derivatives transactions, net	871,513,470	1,270,899,757
Loss on valuation of securities sold, net	1,107,455	263,882
Bad debts expense	-	19,270,143
Depreciation	27,109,571	23,395,755
Amortization	9,022,903	-
Loss (Gain) on disposal of property and equipment, net	(960,382)	246,633
Loss on impairment of available-for-sale securities	1,044,882	6,029,315
Provision for severance benefits	932,207	1,578,846
Loss on valuation of equity-method investments, net	38,693,589	494,924
Reversal of allowance for doubtful accounts	(4,517,844)	(4,166,517)
Gain on valuation of deposits segregated under regulation	(27,868,047)	(39,746,681)
Others, net	12,072,499	7,733,317
	120,752,007	103,952,192

# Non-Consolidated Statements of Cash Flows

For the years ended March 31, 2010 and 2009

	(in thousands of Korean won)	
	2010	2009
Changes in operating assets and liabilities		
Deposits segregated under regulation	₩ (53,793,368)	₩ (283,476,325)
Trading securities	(1,036,242,005)	(726,795,259)
Derivatives-combined securities	316,707,633	131,773,660
Loans receivable	(206,408,364)	215,059,768
Accounts receivable	(20,279,722)	(24,727,539)
Accrued revenue	(148,222)	(10,177,190)
Advanced payments	(5,610,330)	(4,371,987)
Collective fund for default loss	(826,697)	1,162,720
Derivative assets and liabilities	(1,063,648,579)	(986,815,110)
Deposits from customers	(41,473,708)	322,951,998
Securities sold	30,707,752	(10,692,527)
Derivatives-combined securities sold	796,984,008	1,258,913,721
Income tax payable	60,610,712	(45,479,882)
Other accounts payable	57,844,830	14,286,058
Accrued expenses	4,525,630	(4,034,973)
Withholdings	2,501,149	(6,623,770)
Deferred income tax	(8,369,576)	13,575,909
Decrease in severance insurance plan deposits	-	2,811,582
Payment of retirement trust	-	55,093
Payment of severance benefits	(1,469,907)	(318,787)
Securities sold under repurchase agreements	501,912,568	516,838,827
Others, net	4,272,253	(12,363,412)
	(662,203,943)	361,552,575
Net cash provided by (used in) operating activities	(541,451,936)	465,504,767
Cash flows from investing activities		
Decrease in time deposits, net	-	1,000,000
Decrease (Increase) in guarantee deposits, net	(115,908)	1,731,910
Disposal of property and equipment	8,647,211	14,270
Acquisition of property and equipment	(12,278,176)	(32,112,969)
Acquisition of intangible assets	(9,394,103)	(17,962,035)
Disposal of available-for-sale securities	5,739,209	38,054,397
Acquisition of available-for-sale securities	(42,033,323)	(72,320,670)
Decrease in equity-method investments	-	9,440,900
Increase in equity-method investments	(28,397,426)	(3,491,723)
Others	(2,331,985)	(8,021,261)
Net cash used in investing activities	(80,164,501)	(83,667,181)

# Non-Consolidated Statements of Cash Flows

For the years ended March 31, 2010 and 2009

	(in thousands of Korean won)	
	2010	2009
Cash flows from financing activities		
Increase (Decrease) in borrowings, net	₩ 368,292,948	₩ (203,914,947)
Acquisition of treasury stock	(13,480,247)	(77,503,777)
Decrease in guarantee deposits received, net	(9,365,440)	(5,102,877)
Issuance of debentures	-	59,678,900
Retirement of debentures	-	(10,000)
Payments of dividends	(80,097,105)	(106,147,158)
Increase in securities sold under repurchase agreements	472,881,049	-
Net cash provided by (used in) financing activities	738,231,205	(332,999,859)
Net increase in cash and cash equivalents	116,614,768	48,837,727
Cash and cash equivalents		
Beginning of year	409,021,538	360,183,811
End of year	₩ 525,636,306	₩ 409,021,538

■ For footnotes to Daishin Securities’s FY2009 financial statements, please refer to the audit report on the company website (www.daishin.com)



# Report of Independent Accountants' Review of Internal Accounting Control System

To the President of  
Daishin Securities Co., Ltd.

We have reviewed the accompanying management’s report on the operations of the Internal Accounting Control System (“IACS”) of Daishin Securities Co., Ltd. (the “Company”) as of March 31, 2010. The Company’s management is responsible for designing and operating IACS and for its assessment of the effectiveness of IACS. Our responsibility is to review the management’s report on the operations of the IACS and issue a report based on our review. The management’s report on the operations of the IACS of the Company states that “based on its assessment of the operations of the IACS as of March 31, 2010, the Company’s IACS has been designed and is operating effectively as of March 31, 2010 in all material respects, in accordance with the IACS standards established by the Internal Accounting Control System Operations Committee (IACSOC) of the Korea Listed Companies Association.”

Our review was conducted in accordance with the IACS review standards established by the Korean Institute of Certified Public Accountants. Those standards require that we plan and perform, in all material respects, the review of management’s report on the operations of the IACS to obtain a lower level of assurance than an audit. A review is to obtain an understanding of a company’s IACS and consists principally of inquiries of management and, when deemed necessary, a limited inspection of underlying documents, which is substantially less in scope than an audit.

A company’s IACS is a system to monitor and operate those policies and procedures designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the Republic of Korea. Because of its inherent limitations, IACS may not prevent or detect a material misstatement of the financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Our review is based on the Company’s IACS as of March 31, 2010, and we did not review management’s assessment of its IACS subsequent to March 31, 2010. This report has been prepared pursuant to the Acts on External Audit for Stock Companies in Korea and may not be appropriate for other purposes or for other users.

Samil PricewaterhouseCoopers  
May 17, 2010

# Report on the Operations of the Internal Accounting Control System

To the Board of Directors and Audit Committee of  
Daishin Securities Co., Ltd.

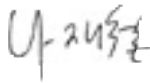
I, as the Internal Accounting Control Officer (“IACO”) of Daishin Securities Co. Ltd. (“the Company”), assessed the status of the design and operations of the Company’s internal accounting control system (“IACS”) for the year ended March 31, 2010.

The Company’s management including the IACO is responsible for designing and operating the IACS. I, as the IACO, assessed whether the IACS has been effectively designed and is operating to prevent and detect any error or fraud which may cause misstatements to the financial statements, for the purpose of establishing the reliability of financial reporting and the preparation of financial statements for external purposes. I, as the IACO, applied the IACS standard to assess the design and operations of the IACS.

Based on the assessment on the operations of the IACS, in all material respects, the design and operations of the Company’s IACS were effective as of March 31, 2010, in accordance with the IACS standards.

April 28, 2010

Jai-Chel Na  
Internal Accounting Control System Officer



Chung-Nam Roh  
President and Chief Executive Officer



# COMPANY EXECUTIVES



**Jai-Chel Na**

Deputy President  
Planning Group  
Wholesale Group



**Young-Un Kim**

Executive Managing Director  
Administration Support Group



**Young-Min Ko**

Executive Managing Director  
Financial Clinic Group



**Yong-Hyeon Kim**

Executive Managing Director  
Risk Management Group



**Jong-Tae Choi**

Executive Managing Director  
Gangnam Regional  
Headquarters



**Yang-Hyun Han**

Managing Director  
Dongbu Regional Headquarters



**Kwan-Cheol Lee**

Managing Director  
Seobu Regional Headquarters



**Dong-Heul Lim**

Managing Director  
Gangbuk Regional  
Headquarters



**Ki-Hoon Kim**

Audit Committee Member



**Young-Kyun Han**

Executive Managing Director  
Corporate Pension Consulting  
Group



**Hee-Jin Koo**

Executive Managing Director  
Research Center



**Joseph S.D. Yu**

Executive Managing Director  
Capital Market Group



**Jun-Yoo Lee**

Managing Director  
Jungbu Regional Headquarters



**Hae-Boong Nam**

Managing Director  
Gangseo Regional Headquarters



**Hyeok Song**

Managing Director  
Secretary Dept.



**Kyu-Sang Park**

Director  
Wholesale 1 Group



**Jung-Seok Moon**

Executive Managing Director  
Corporate Pension Business  
Group



**Hong-Jae Im**

Executive Managing Director  
Investment Banking Group



**Byung-Chuel Kim**

Executive Managing Director  
Information Technology Group



**Byung-Wan Lim**

Executive Managing Director  
Logic & Portfolio Center



**Chang-Hwa Rhee**

Director  
Wholesale 2 Group



**Hong-Seok Suh**

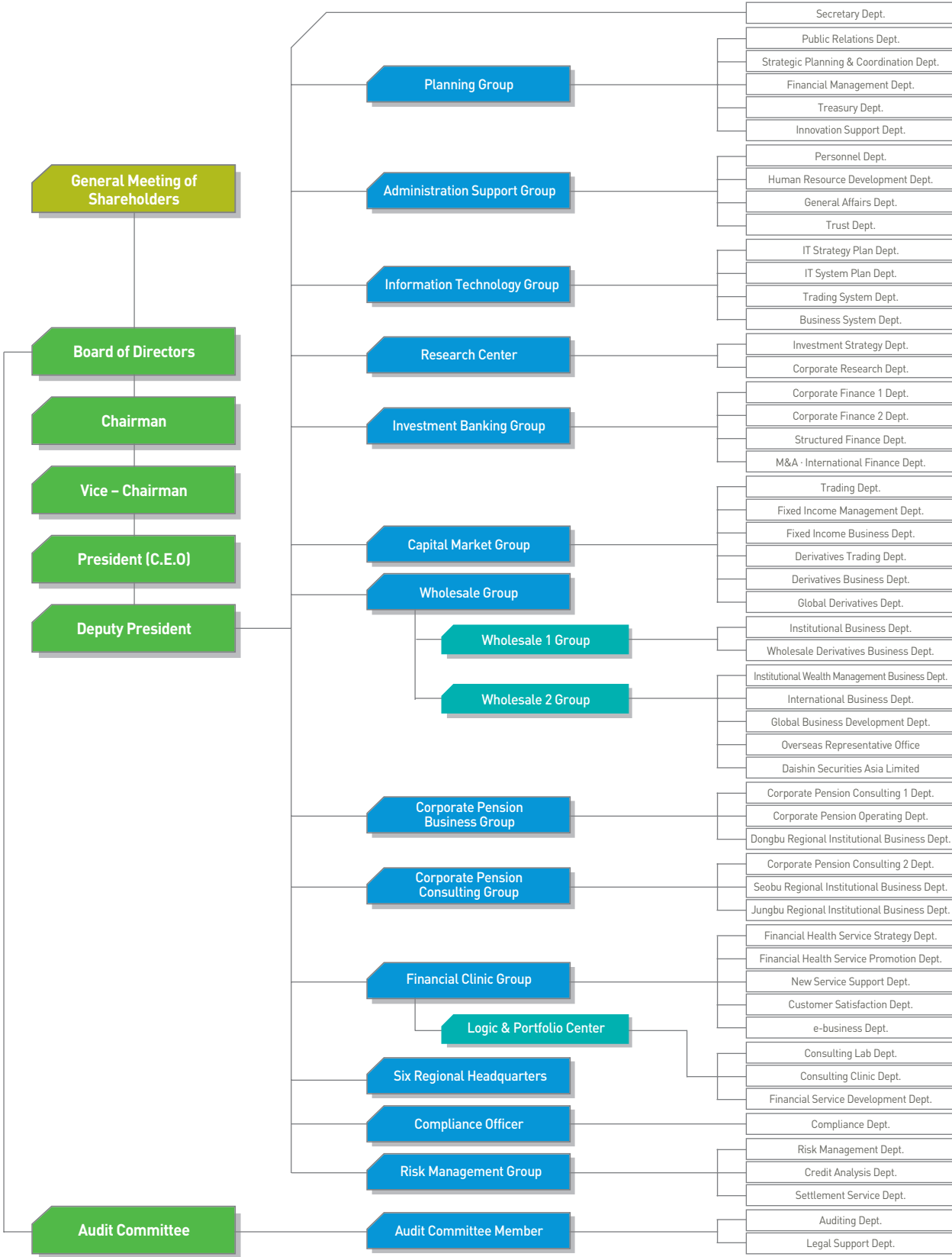
Head of Compliance



CORPORATE HISTORY

1962	Jun. 27	Established as Sam-Lark Securities
1968	Jun. 08	Renamed Chung-Bo Securities
1975	Apr. 22	Renamed Daishin Securities
	Oct. 01	Listed on Korea Stock Exchange (now Korea Exchange)
1984	Aug. 25	Established Tokyo Representative Office in Japan
	Sep. 22	Established Daishin Economic Research Institute
1985	Mar. 06	Forged capital alliance with W.I.C.O., Hong Kong
	Apr. 12	Forged capital alliance with Yamaichi Securities, Japan
	May. 28	Relocated headquarters to Yeoido, Seoul
1988	Mar. 24	Established Daishin Investment Consulting Co.
1990	Jul. 20	Established Daishin Songchon Cultural Foundation
1996	Jul. 01	Changed the name of Daishin Investment Consulting Co. to Daishin Asset Management Co.
	Nov. 23	Introduced Korea's first "One Card System"
1997	Apr. 12	Launched home trading system (CYBOS DOS version)
1998	Jun. 09	Introduced Internet trading, the first among large brokers
1999	Aug. 31	Capital increase (new share issue via third party placement) - strategic alliance with Sumitomo Life Insurance, Japan
	Nov. 03	Capital increase (rights offering)
2002	Sep. 16	Retired 200,000 common shares of treasury stock
2003	Jul. 21	Selected as a component of KODI (Korea Stock Price Dividend Index, an index of 50 component stocks)
	Sep. 04	Registered as insurance sales agent financial institution
	Dec. 01	Selected as a component of KOGI (Korea Corporate Governance Stock Price Index)
2004	Mar. 10	Received Good Compliance Member Award given by Korea Exchange
	Jun. 03	Recognized for outstanding corporate governance by Korea Exchange
	Jun. 23	Registered to engage in investment advisory business
2005	Feb. 25	Received approval to deal in OTC derivatives products
	Sep. 26	Road shows (major US cities including New York)
	Dec. 09	Received approval to engage in trust business
	Dec. 09	Registered to engage in retirement pension business
	Dec. 17	Capital increase (new share issue via third party placement) - strategic alliance with SPARX Asset Management, Japan
2006	Aug. 21	Launched next generation ARS system
	Aug. 29	Forged strategic alliance with Nikko Cordial Group of Japan
	Oct. 16	Forged capital alliance with Nikko Cordial Group
2007	Nov. 03	Listed 20 million GDS on London Stock Exchange (capital increase by KRW 50 billion)
2008	Feb. 13	Established Daishin Securities Asia, Limited, Hong Kong (Hong Kong subsidiary)
	May 26	Established Shanghai Representative Office in China
	Sep. 12	Added an affiliate with the establishment of private equity fund, Daishin Pegasus No.1
2009	Feb. 04	Shift to financial investment business with the implementation of Financial Investment Services and Capital Markets Act
	Feb. 05	Daishin Securities Asia Limited, Hong Kong, launches operation
	Apr. 22	Participation in Korea Financial Telecommunications and Clearings Institute project for fund transfer (Retail payment)
	May 04	Opened next-generation financial system
	Aug. 19	Addition of a subsidiary after creation of Daishin MSB Private Equity Fund (PEF)
	Oct. 20	Selected as a component of the Dow Jones Sustainability Korea Index (DJSI Korea)
	Dec. 18	Addition to financial investment license: approval for trading/brokerage (domestic) of exchange-traded derivatives.
2010	Apr. 12	Addition of a subsidiary after creation of Daishin-Heungkuk Private Equity Fund No. 1 (PEF)

ORGANIZATION CHART





## CORPORATE DATA

<b>Company name</b>	Daishin Securities Co., Ltd.
<b>Date established</b>	June 20, 1962
<b>Head office</b>	Daishin Securities Building 34-8 Yeoido-dong, Yeongdeungpo-gu, Seoul, Korea Tel : 82-2-769-2000, Fax : 82-2-769-2815
<b>Website</b>	www.daishin.com
<b>No. of employees</b>	2,128 (as of end of March 2010)
<b>Paid-in capital</b>	KRW 434.9 billion (as of end of March 2010)
<b>Shareholders' equity</b>	KRW 1,677.8 billion (as of end of March 2010)
<b>No. of shares</b>	Common stock : 50,773,400 Class 1 preferred stock : 26,000,000 Class 2 preferred stock : 10,000,000
<b>Branches</b>	Domestic branches: 116, Overseas subsidiary: 1, Overseas offices: 2
<b>Global network</b>	<p><b>Daishin Securities Asia Limited, Hong Kong</b> 28th FL, 8th Queen's Road, Central, HK Tel : 852-2167-8730, Fax : 852-2167-8911</p> <p><b>Tokyo Representative Office</b> 8th FL, NAX Bldg, 1-3-2, Shinkawa, Chuo-ku, Tokyo, 104-0033, Japan Tel : 81-3-3551-8088, Fax : 81-3-3551-5533</p> <p><b>Shanghai Representative Office</b> Room 809, Zhongrong Jasper Tower No.8, Central of Yincheng Road Shanghai, 200120, PRC Tel : 86-21-5010-5298, Fax : 86-21-5010-5296</p>
<b>Affiliates</b>	Daishin Asset Management (www.ditm.co.kr) Daishin Economic Research Institute (www.deri.co.kr) Daishin Securities Asia Limited, Hong Kong

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