



Showing Balance, Delivering Trust

ANNUAL REPORT 2013

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Showing Balance, Delivering Trust

Guided by trust and a balanced perspective, Daishin Securities has been helping clients lead abundant and rewarding lives for half a century.

Daishin Securities is spearheading innovation and pursuing mutual growth with clients to promote financial balance and make tomorrow better than today.



Financial Highlights

Net income (Unit: KRW million)

17,172

(Unit: KRW million)	FY2011	FY2012
Operating revenues, net	455,758	348,828
Operating expenses	359,263	344,624
Operating income	96,494	14,204
Pre-tax income	125,546	18,748
Net income	90,719	17,172
Total assets	9,870,190	11,884,635
Total liabilities	8,134,546	10,210,200
Total shareholders' equity	1,735,644	1,674,435
Earnings per share (Unit: KRW, USD)	1,152	220

(Unit: USD 1,000)	FY2011	FY2012
Operating revenues, net	400,561	313,666
Operating expenses	315,753	309,886
Operating income	84,808	12,772
Pre-tax income	110,341	16,858
Net income	79,732	15,441
Total assets	8,674,802	10,686,660
Total liabilities	7,149,363	9,181,009
Total shareholders' equity	1,525,439	1,505,652
Earnings per share (Unit: KRW, USD)	1,152	220

Note) Based on the exchange rate as of March 31, 2013 (₩1,111.10./USD)
and as of March 31, 2012 (₩1,137.80/USD)

Company Overview

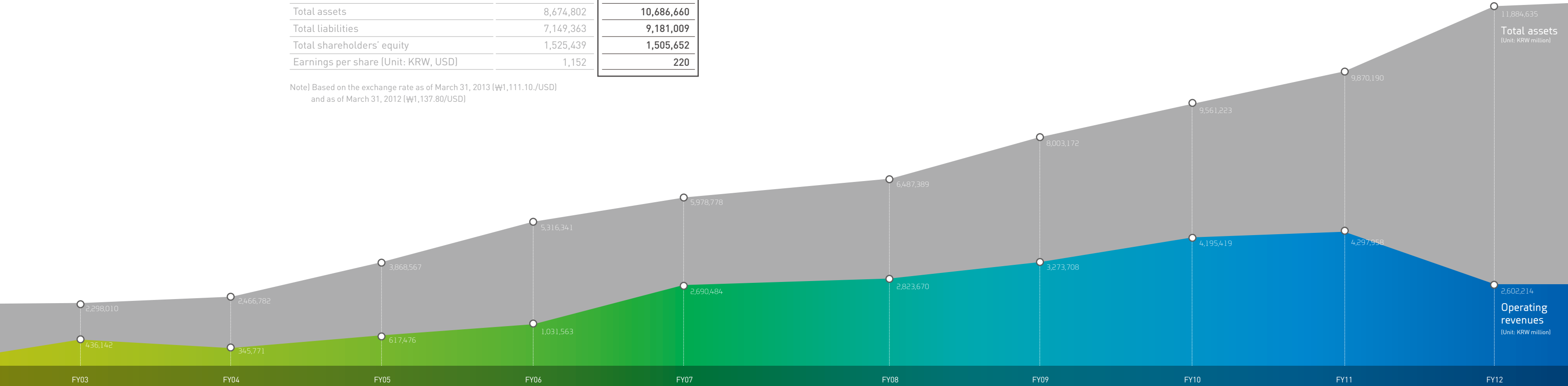
Paid-in capital (KRW in billion)

434.9

Total shareholders' equity
(KRW in billion)

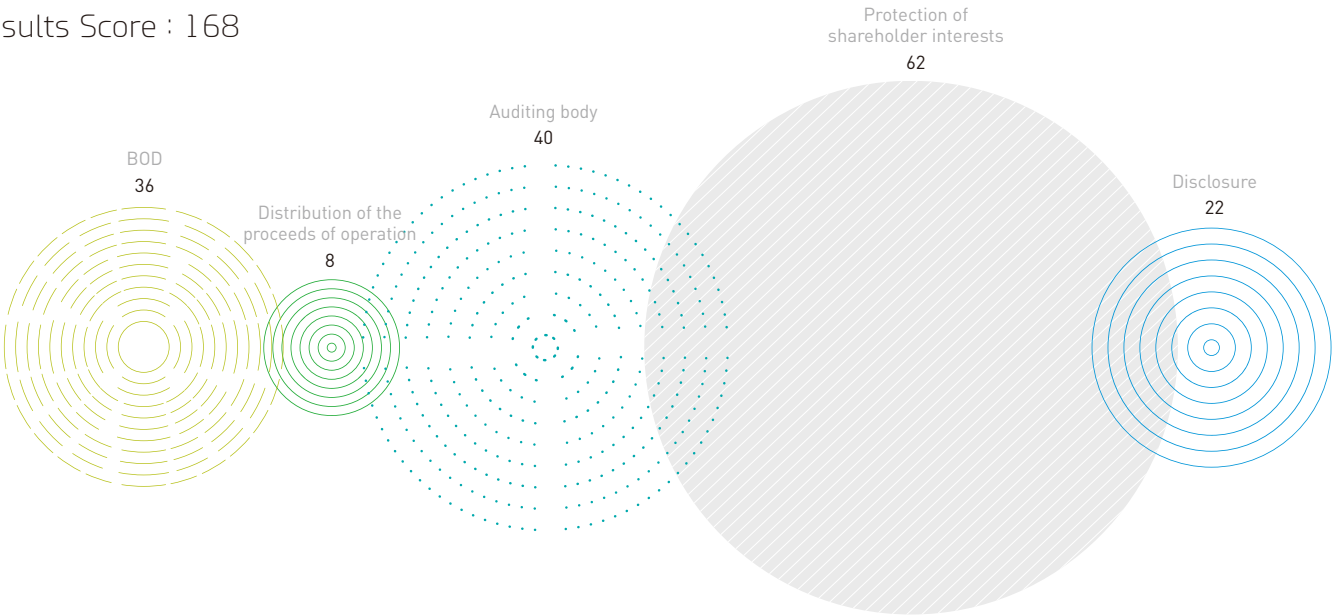
1,674.4

Industry	Finance and Investment
Main Business	Dealing, Brokerage, Underwriting, Investment Trust, Asset Management, etc.
Data established	June 20, 1962
Listing date	October 1, 1975
No. of employees	2,298 (as of the end of March 2013)
Domestic Network	84 branches (1 head office, 3 regional centers, 80 branch offices)
Overseas Network	1 overseas subsidiary (Hong Kong) 2 overseas offices (Tokyo, Shanghai)
Affiliates	Daishin Asset Management (www.ditm.co.kr) Daishin Economic Research Institute (www.deri.co.kr) Daishin Savings Bank (www.daishinbank.com) Daishin Securities Asia Limited Hong Kong
Head office	Daishin Securities Building, 34-8 Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea
Paid-in capital	KRW 434.9 billion (as of the end of March 2013)
Total shareholders' equity	KRW 1,674.4 billion (as of the end of March 2013)
Total assets	KRW 11,884.6 billion (as of the end of March 2013)



Corporate Governance & Shareholder Value

Corporate Governance Survey
Results Score : 168



Cash Dividends for 15 Consecutive Years

		FY98	FY99	FY00	FY01	FY02	FY03
Dividend per share (KRW)	Common stock	500	1,500	750	500	2,500	650
	Class 1 preferred stock	550	1,550	800	550	550	700
	Class 2 preferred stock	-	-	-	-	-	-
Dividend yield	Common stock	3.7%	8.8%	7.3%	1.9%	3.3%	3.8%
	Class 1 preferred stock	5.9%	12.2%	13.4%	4.4%	7.4%	7.4%
	Class 2 preferred stock	-	-	-	-	-	-
Net income (KRW in billion)		63.6	337.1	87.3	13.4	42.0	73.8
Total dividends (KRW in billion)		29.5	113.5	57.4	38.7	38.2	49.1
Payout ratio		46.4%	33.7%	65.7%	288.1%	90.9%	66.5%

2012 Corporate Governance
Survey Results



Score 168 points
Ranking 21st
(out of 710 listed companies)
Rating A (Overall ESG Rating B+)

2012 Credit ratings

Long-term(Corporate bond)

AA-
NICE

AA-
Korea Ratings

Short-term (CP)

A1
NICE

A1
Korea Ratings

FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
500	1,000	1,000	1,250	1,000	1,000	750	650	500
550	1,050	1,050	1,300	1,050	1,050	800	700	550
-	-	-	1,250	1,000	1,000	750	650	500
3.3%	4.9%	4.4%	5.2%	5.4%	5.9%	4.8%	5.3%	5.1%
5.1%	6.8%	7.2%	9.5%	12.9%	9.8%	7.7%	8.8%	8.4%
-	-	-	10.3%	13.6%	10.6%	8.10%	8.6%	8.2%
41.2	151.4	100.0	177.8	103.3	91.4	84.4	84.4	17.1
37.1	75.0	77.4	106.2	80.1	79.0	59.8	51.5	38.7
90.0%	47.6%	77.5%	59.7%	77.6%	86.5%	70.8%	56.8%	225.5%

Chairwoman's Message



Dear esteemed shareholders,
The investment environment improved somewhat in 2012. Although worries over the debt crisis in Europe resurfaced in the first half of the year, coordinated policy efforts in the euro-zone alleviated the fears in the latter half. In addition, quantitative easing measures across the globe resulted in abundant liquidity in international financial markets.

However, the languished global economy dampened sentiment among retail investors and sharply reduced stock market turnover. Reduced trading volume led to a sharp decline in brokerage commissions, a major income source for securities firms. This highlighted the need to seek and develop new sources of income. Daishin Securities responded to various challenges in an uncertain setting to make further strides toward its goal of achieving mutual growth with customers.

With a heightened sense of urgency, group-wide efforts were made to preserve profits in a slumping market. In addition to cost-saving measures, Daishin proceeded with branch consolidation to strengthen the wealth management business and ideas were pooled together from all personnel to uncover new business models. Operations were reinforced at Daishin Asset Management with the acquisition of Korea Creative Investment.

Our efforts over the past year were not merely intended to tackle immediate problems. Rather, they were aimed at paving the way toward sustainable growth, upgraded services for customers, and enhanced trust from shareholders.

Throughout Daishin Securities, every effort was made to achieve our business objectives. In investment banking, we exceeded our targets for rights offerings and corporate bonds despite the overall market slump. We also reached our targets in fixed income trading backed by stringent risk management and appropriate hedging strategies.

Turning to wealth management where competition was intense, we achieved growth in terms of collective investment securities, trust, and corporate pension assets. Our continued investment in the mobile segment resulted in market share expansion. We anticipate another year of uncertainty. Along with the outlook for prolonged fiscal woes in Europe and anemic recovery of developed economies, unfavorable factors at home include weakened export competitiveness due to a weak Japanese yen and the North Korea risk.

In the midst of the slumping brokerage market and low interest rates, competition will likely intensify among securities companies to come up with products and services that deliver higher returns.

To reinforce our presence as a leading financial services provider, we have adopted the following three strategies for fiscal 2013: 'Catch up Moving Target', 'Swift and Smart Organization', and 'Strengthen Asset-based Operations'. In addition to pursuing the adopted strategies, we will maintain effective risk management and proactively respond to uncertainties to enable stable profit generation.

With continued monitoring of the domestic and international financial markets, we will seek new income sources for future growth and move toward Daishin Financial Group's mission of "growing together with clients as their financial health partner."

We are now operating in an environment where uncertainty is the norm. In the face of an aging society, slow growth and low interest rates, financial institutions have to consider more than investment returns. Customer needs now include how to save on taxes, preparing for post-retirement life, and much more. Daishin will pay close attention to cater to individual needs. We believe maximizing customer satisfaction holds the key to sustaining growth and enhancing shareholder value.

Daishin will further build up its strengths as a financial group and grow and evolve with customers and shareholders.

Everyone at Daishin is firmly committed to delivering optimal services for customers and superior returns for shareholders. We look forward to your continued trust and encouragement.

Thank you.

A handwritten signature in black ink that reads "Lee Anh-Ryung".

Chairwoman AUH-RYUNG LEE

CEO Interview



Q. What is Daishin's business focus and strategy for fiscal 2013?

While the brokerage business is slumping, the wealth management market is expanding. Daishin Securities will develop financial products tailored to market and customer needs to firmly establish its asset-based operations. We are aiming for financial asset growth in excess of the market average growth rate.

With continued monitoring of the domestic and international financial markets, we will seek out new products and services that will contribute to future earnings. We will also keep a close watch for change in the pertinent regulations. We plan to set up an in-house product committee to explore financial products delivering stability and high returns in various parts of the world and to explore ideas that cater to diverse client needs.

As part of the government's creative economy initiative, the Korea New Exchange (KONEX) will be launched in July. Daishin Securities has already been selected as a nominated advisor and arranged the listing of three companies. In line with the government's policy direction, Daishin will reinforce investment banking operations with an emphasis on KONEX.

The fastest growing market segment in 2013 is overseas investment. We will promptly set up infrastructure for overseas stocks and bonds and expand related market share. We will tap into our existing customer base by taking advantage of loans secured by overseas stocks and bonds offered by our affiliate Daishin Savings Bank.

Q. Tell us about Daishin Financial Group's growth plans.

Daishin Financial Group intends to grow together with clients as their financial health partner. With the securities business at the core, the Group will generate synergy with the asset management arm, savings bank and economic research institute.

In March, Daishin Asset Management acquired a 100% stake in Korea Creative Investment. Work is underway for organizational and personnel integration. The combination of superior research capabilities of Daishin Securities and the strong capabilities of Korea Creative Investment is expected to produce meaningful synergy from the second half of 2013.

Daishin Savings Bank was set up in August 2011 via the P&A (purchase and assumption) method. It was created by bringing together Jungang Busan Savings Bank, Busan Il Savings Bank and Domin Mutual Savings & Finance. Over the past two fiscal years, work was carried out to enhance branch efficiency and set up a thorough risk management system. Efforts

to clean up asset quality have produced a healthy savings bank. Our target is to realize a turnaround to profits for the fiscal year beginning in the second half of 2013. For greater synergy with Daishin Securities, Daishin Savings Bank will step up cooperation in diverse areas including loan services for Daishin Securities' customers.

Daishin Economic Research Institute, the first economic research entity set up by a securities company, is preparing for a fresh start via organizational reshuffle. It is supporting the activities of its financial affiliates with in-depth research on wide-ranging topics, from financial engineering to asset allocation. In step with its role as a non-equity research center, Daishin Economic Research Institute presents strategies for allocating assets in multiple asset classes to clients of Daishin affiliates.

Daishin Financial Group will strengthen its presence and maximize synergy backed by expertise in the fields of securities, asset management, savings bank, and economic research. With efforts to develop a wide array of new products and services, the Group will expand its base of customer assets and generate stable income to drive sustained growth.

나재철

CEO JAI-CHEL NA

BOD & Corporate Governance



CEO **JAI-CHUL NA**

Chairwoman **AUH-RYUNG LEE**

Deputy President **HONG-SEOK YANG**

Outside Directors **CHAN-WOOK PARK**

Outside Directors **CHAN-SOO PARK**

Outside Directors **JUNG-HOON LEE**

Outside Directors **CHANG-BONG KIM**

Outside Directors **IN-HYUNG LEE**

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

- Assistant Deputy Director, Financial Supervisory Service
- Standing Auditor, LIG Indemnity Insurance
- Currently CEO, Harvest

- Partner, BKL LLC
- Chairman, Korea Arbitration Association
- Currently Lawyer

- Policy Assessment Commissioner, National Tax Service, Korea Customs Service and Ministry of Industry, Trade and Energy
- Business Assessment Commissioner, Ministry of Strategy and Finance
- Currently Professor, College of Business Administration, Chung-Ang University

- Associate Professor, College of Business Administration, University of Suwon
- Financial Market Development Commissioner, Financial Supervisory Commission
- Currently Senior Researcher, Korea Capital Market Institute

Corporate Governance

Daishin Securities upholds sound corporate governance and transparency through management by accountability overseen by an independent board of directors. Five of the nine members of the BOD are outside directors. Daishin Securities received an “A” rating in the 2012 corporate governance survey conducted by Korea Corporate Governance Service and ranked 21st among 710 listed companies. We received a total score of 168 points. Our scores surpassed the stock (KOSPI) market, securities industry and KOSPI 200 averages across most categories, from protection of shareholder interests, board of directors to auditing body and distribution of the proceeds of operation.

VISION

MISSION>>

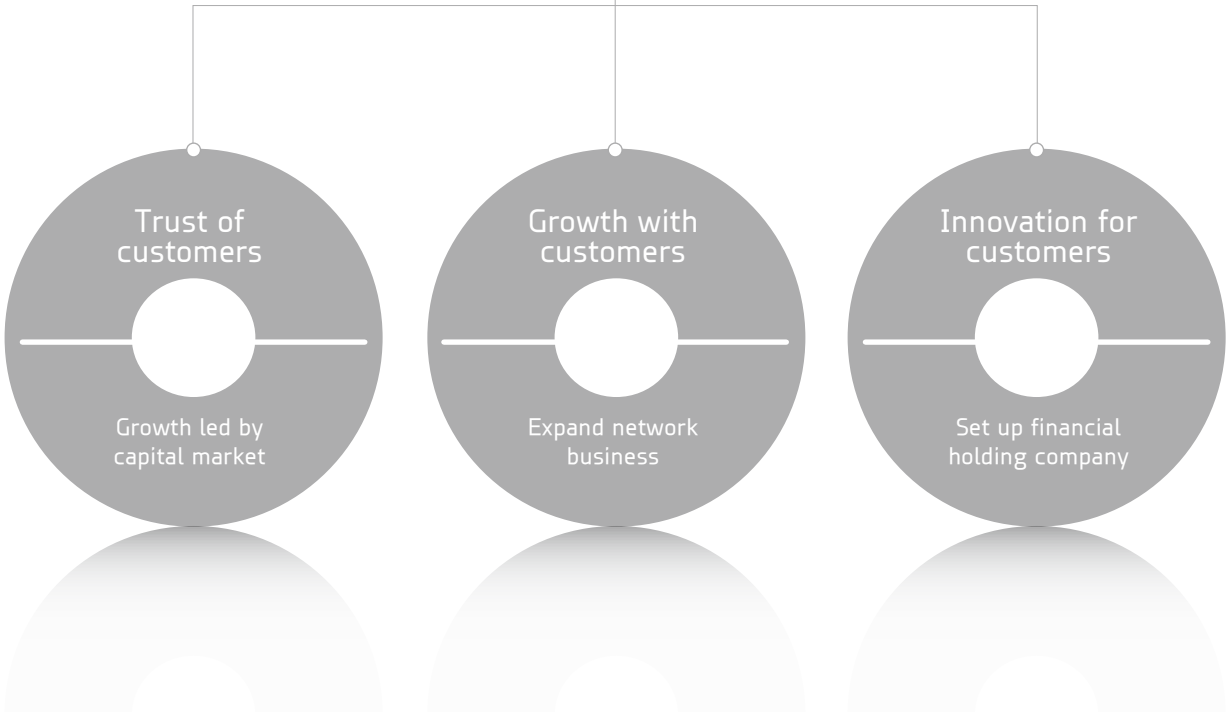
Grow with customers as their financial health partner

VISION>>

Underpinned by retail and risk management capabilities become the financial service group most trusted and preferred by all domestic financial customers and overseas brokerage customers

Core Values>>

Action Plans>>



Vision Roadmap>>

PHASE 1 (~2015)	Enhance core competencies to become Korea's leading financial group
	<div>Strengthen retail financial service<ul style="list-style-type: none">Acquire unparalleled risk management capabilitiesForm domestic alliances to enhance service</div> <div>Establish overseas network<ul style="list-style-type: none">Build foundation for overseas network</div>
PHASE 2 (~2017)	Expand network to lay the foundation for growth in Asia
	<div>Seize leadership in domestic retail finance<ul style="list-style-type: none">Join the top5Harness assets to bolster value chain (investment banking, capital market)Evolve into financial holding company</div> <div>Penetrate overseas markets<ul style="list-style-type: none">Penetrate markets harnessing key strengths (IT, trading, risk management)</div>
PHASE 3 (~2020)	Establish presence as leading financial group in Asia
	<div>Grow into Korea's foremost investment bank<ul style="list-style-type: none">Join the top 3Increase synergy within the Group</div> <div>Strengthen influence in Pan-Asia belt<ul style="list-style-type: none">Reinforce China/Southeast Asia network to prepare for opening of China's capital market</div>

Daishin Financial Group has established three-tier value system –mission, vision and core values. We also have drawn up a three-stage vision roadmap with specific objectives for 2015, 2017 and 2020. For 2015, the goal is to become Korea's leading financial group by enhancing core competencies. In domestic operations, we will strengthen retail financial service by concentrating Group resources on growing customer assets, acquiring unparalleled risk management capabilities, forming domestic alliances, and ensuring profit generation across the entire Group. In overseas operations, we will expand our overseas network to facilitate profit generation of local subsidiaries.

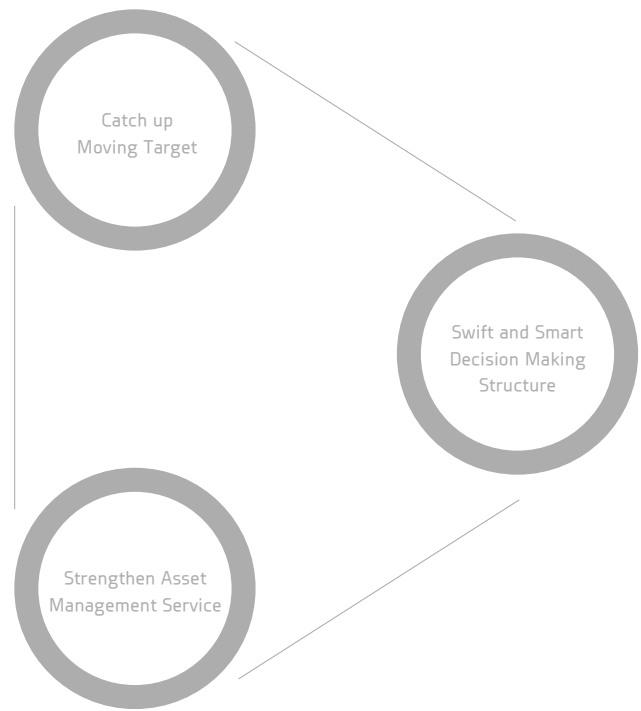
By 2017, Daishin Financial Group aims to seize leadership in retail finance and join the industry's top 5 companies in terms of customer assets and total assets on the domestic front. Group assets will be harnessed to reinforce investment banking and capital market operations to evolve into a financial holding company. Turning overseas, Daishin will expand its network to lay the foundation for growth in Asia. By doing so, Daishin will pursue alliance with local companies by drawing on the Group's key strengths, namely IT, trading and risk management.

By 2020, Daishin Financial Group will establish itself as the leading financial group in Asia. By increasing synergy within the Group, Daishin will join the ranks of the top 3 and grow into Korea's foremost investment bank. On the overseas front, Daishin will reinforce its China/Southeast Asia network to prepare for the opening of China's capital market.

Business Plans for FY2013

Daishin Securities has adopted a three-pronged strategy of **“Catch up Moving Target”, “Swift and Smart Decision Making Structure”** and **“Strengthen Asset Management Service”** in FY2013 with the aim to further solidify our position as a premier financial service provider on the back of our core competencies.

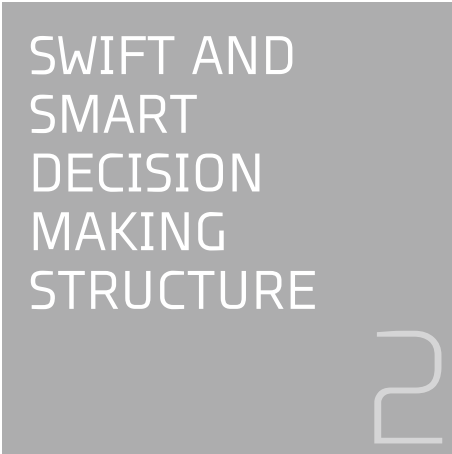
Under this strategy, we will be setting specific objectives and steering a course to become a dominant leader in the Korea’s capital market. Guided by the strategy and objectives, Daishin Securities will continue to do our best to grow together with customers as their financial health partner.



Set Clear Goals to Achieve Sustainable Growth

- **Achieve asset growth and NPBT surpassing the average growth rate of the market**

While the outlook of the stock brokerage market is unclear, asset management markets offering a wide range of products to meet diverse customer needs are continuously growing. Daishin Securities will sharpen our competitive edge by developing products and services that fully satisfy customer needs and market trends in FY2013. By doing so, we will be able to achieve asset growth surpassing the average growth of the market and take the lead in the asset management service. On top of that, we will be strengthening our leading position in terms of sustainable growth by improving P&L on the back of financial assets.



Stay Ahead in the face of Constant Market Change by Maximizing Efficiency and Promoting Greater Synergy

- **Low Cost, High Efficiency Structure**

In FY2013, Daishin Securities will continue to pursue strong growth and maximize efficiency through swift and smart decision-making and efficient human resource development. In particular, we will take preemptive approach to respond swiftly in a fast-changing market environment and ensure stable profit generation through prudent risk management. In addition, we also will explore ways to diversify products and income sources to sustain growth and enhance productivity by closely observing financial market trends at home and abroad.
- **Greater Synergy within the Group**

Much effort has been made to strengthen the framework for cooperation with the various business segments of Daishin Securities as well as ceaseless innovation. In FY2013, we will expand the cooperation to the Group level in order to promote greater synergy between business segments and among affiliates. Daishin Securities launched Daishin Savings Bank in 2011 through the acquisition of loans and assets of three savings banks and acquired Korea Creative Investment in 2012. In FY2013, we will make our utmost effort to enhance service to customers by leveraging creative collaborations across our affiliates. Particularly, significant effort will be directed at group-wide analysis on market trends and system change with the aim of preemptively responding to changes in the market environments.



Enhance Daishin Brand Value by further Sharpening Competitive Edge of Products and Services

- **Competitive Products and Services**

Daishin Securities has been making customer asset growth as top priority for the past fifty years. In FY2013, we will be dedicated to developing new products and strengthening line-up of premium products to increase customer assets. A growing number of customers are showing a strong interest in post-retirement financial planning. With this in mind, we will build up the infrastructure necessary to develop products and services that fully reflect customers’ needs and lifestyles and enhance employees’ capabilities so as to deliver greater value to customers.
- **Customer Service Innovation**

Daishin Securities has always been examining and carrying out business from the customer’s perspective. We are committed to improving service quality at our research centers targeting corporate customers and strive to come up with useful ideas to achieve qualitative growth. To meet diverse customer needs, we are planning to bolster our effort across all marketing communication channels. In particular, much effort will be directed at providing better service for customers using fast-growing mobile trading systems to deliver genuine satisfaction to customers.
- **Enhance Value of Daishin Brand**

We will be stepping up CI and brand communication living up to our 50 year tradition as a leading financial service provider in the security industry. To this end, we will increase the value of our financial health service and products by establishing our “Financial Clinic Service” while nurturing Daishin as the leading brand in the stock brokerage service through significantly enhanced CREON.



BALANCE IS

The power to effect change

Daishin Securities preserves financial balance with a flexible approach to an uncertain market. Daishin constantly seeks optimal solutions and aims for proactive and dynamic balance to hold steady under any circumstances. In an ever-changing environment, Daishin Securities strives for both stability and return. As your exclusive financial attending doctor, Daishin will present a new concept in financial balance and promote trust in finance.

2012 At a Glance and Awards



CYBOS Touch 3
The update of the mobile application CYBOS Touch 3 reflecting hundreds of customer suggestions made since 2011 was completed in September 2012. Thanks to the update, CYBOS Touch 3 now provides enhanced order function and stability. Also it boasts of faster connection, enhanced display speed and a newly added prompt order function. It also offers a new function of ordering various financial products while KOSPI200 Futures and EUREX-linked KOSPI200 Option trading functions are added to reflect constantly changing market environment and a growing interest in overseas derivatives. CYBOS Touch was ranked first in the second round of the evaluations conducted by 2012 Korea Smart Assessment Index in October 2012.

Primary Dealer of Inflation-Linked Treasury Bond Issuance
Daishin Securities served as a primary leader for Inflation-Linked Treasury Bond Issuance. Inflation-Linked Treasury Bond can be an attractive investment option providing inflation hedge and separate taxation benefit. Individuals can buy the bonds at a relatively lower price by using an auction system at the bond issuance market. At the auction held in Oct, the percentage of Inflation-Linked Treasury Bond represented more than 60% for the first time since the auction system began.



MOU for the Acquisition of Korea Creative Investment
Daishin Securities held a ceremony to sign a MOU to acquire 100% shares of Korea Creative Investment. Established in 2010, Korea Creative Investment is one of the top 5 investment advisory firms with 13 professional investment advisors. The contract amount held with the advisory firm stands at about KRW 590 billion and it will be headed by Jae-Hyung SEO.

Renewal of CREON Brand
Daishin Securities began new promotion activities on CREON in December 2012 focusing on its new feature of smartphone-based stock trading platform. We also released a “CREON Mobile” application enabling customers to conduct stock trading on their smartphones with a new brand log.



Launch Individual Retirement Pension (IRP)
Daishin Securities introduced an IRP plan. IRP is an evolved form of IRA (Individual Retirement Account) targeting those who are participating the existing retirement pensions (DB or DC) or who receive a lump-sum retirement allowance. Unlike IRA, retirement pension participants are obligated to subscribe to IRP. When retirement pension participants retire, retirement benefit is transferred to IRP account.

Trade Stocks in the US Stock Exchange
Daishin Securities launched a US stock trading service in May 2012, enabling customers to trade about 7,000 stocks listed on the NYSE, NASDAQ and the US OTC market on a real-time basis. The online stock trading platform provides a direct access to major stocks and EFT listed on the US stock markets.



Strategic Alliance with Okasan Securities
Daishin Securities formed a strategic alliance with Okasan Securities. The alliance upgraded cooperation between the two leading securities firms previously limied to only a few business segments such as brokerage service to a strategic partnership level. The two companies agreed to closely cooperate in a wider range of areas including IB, research, financial products and human resources affairs.



“Stock Loan” Service in Cooperation with Daishin Savings Bank
Daishin Securities began a “Stock Loan” service in partnership with Daishin Savings Bank in July 2012. Daishin Savings Bank lends against designated stock items. The loan amount ranges from KRW3 million to KRW300 million, up to 200% to 300% LTV. The loan period is up to six months and the interest rate of 7.5% p.a. applies.



Mobile Office Service
“Mobile Office Service” of Daishin Securities is designed to boost outbound sales activities. Through Mobile Office Service, customers, particularly those living in remote rural areas, can access our service our service beyond time/space constraints.

2012 Awards

Name of Awards	Detail	Date	Media
The bell Risk Manager Award and Strong Internal Control	Robust Risk Management Infrastructure	2012.03.14	thebell
Top rank at GBCI	Ranked No. 1 for consecutive four years	2012.03.22	GMC,JMAC
Herald Media Customer Satisfaction Award		2012.05.02	KSE
2012 Customer Service Brand Award		2012.05.04	Economist, Joong Ang Daily
2012 Korea Mobile Trading System Award	MTS - CYBOS TOUCH	2012.05.31	The Korea Economic Daily
Top rank at GCSI	Ranked No. 1 for consecutive six years	2012.06.28	GMC, JMAC
2012 Excellent Industrial Design Product Award	Daishin Securities Smart Uniform	2012.09.19	Ministry of Knowledge Economy, Korea Agency for Design Promotion
2012 Korea Mobile App Award	Financial Sector	2012.11.23	Korea Broadcasting and Communication Commission, Money Today
Korea Communications Award	History (More than 50 year history) Sector	2011.11.28	Korea Company Magazine Association
Web Award Korea	Securities Sector	2012.12.06	Korea Internet Professional Association
Smart App Award	Securities Sector (Daishin Securities CYBOS Touch)	2012.12.13	Korea Internet Professional Association
Market Leader of the Year	Retail Sector	2012.12.20	E-Today
2012 Korea Mobile Trading System Evaluation Award	Ranked No. 1 in Content Access Sector	2012.12.21	The Korea Economic Daily

Financial Clinic Service



Business Performance in FY2012

During FY2012, Daishin Securities was dedicated to growing customer assets based on various services provided to further establish “Financial Clinic Service” and diversifying our profit structure. In particular, we focused our effort on three aspects; growing financial assets, increasing the scale and efficiency of branch offices and exploring new sources of revenue.

First of all, Daishin Securities successfully expanded the customer base capitalizing on its competitive interest rates.

We shifted the focus our product line-up to offering tax benefits and stability through inflation-linked bonds and annuity insurance while providing brokerage service for Brazil Treasury bonds, special MMT for financial corporation customers and many other promotions and special discounts. Thanks to such effort, we surpassed the goal by 105% achieving the financial asset balance of KRW7,351.6 billion.

Second, Daishin raised it two branch offices to the status of the financial health service centers, newly established a branch office and integrated 32 branches with the aim of providing differentiated services and enhancing efficiency of branch operations.

We opened a financial heal service center in Gangnam district to cater to the needs of the region’s corporate customers and high net worth individuals and raised Gwangmyung branch which had strong growth potential to the status of the financial health service center.

Third, as part of effort to expand sources of revenue, Daishin offered equity-linked financial products and added collateral loan service to sharpen the competitive edge of CYBOS Touch. We endeavored to attract as many customers as possible by using online stock trading applications provided by outside service partners while improving customer satisfaction by paying closer attention to non face-to-face communication with customers and small-scale retail customers through our online consulting team. Thanks to such various efforts, the percentage of mobile stock trading increased twice compared to the previous fiscal year.

Meanwhile, effort to secure a strong customer base through SNS marketing continued while a wide range of activities such as college student reporters, blog activities and cultural events were carried out to further enhance customer satisfaction. We also outreached companies to help them open IRP or CMA accounts by using mobile offices, which demonstrated our strong commitment to expanding customer access channels.

Daishin Securities, based on its business principle and ethics, proposes investment portfolios which could better leverage our customers' profit by balancing risks.



Strategy and Objectives for FY2013

The low growth and low interest rate environment is expected to continue in 2013 with the global economy facing further downturn and advanced economies keeping interest rate low.

Although liquidity is increasing in the market thanks to low interest rates, the turnover in the stock market is still sluggish largely because of low growth trends. This, in turn, is posing challenges against offline stock trading, one of Daishin’s strengths, and we will not be able to adequately and promptly respond to changes in the market with the existing brokerage system.

To effectively respond to the changing environment, Daishin Securities will dedicate itself for asset growth focusing on financial assets of individual customers and profit growth in FY2013. To this end, we will pursue a smart and swift business structure to bolster capabilities and expand sources of revenue to improve productivity. More specifically, we are planning to come up with monthly/quarterly strategy for each business segment based on comprehensive analysis of market trends and performance for agile and flexible response to market changes.

Sales positions will be divided into two categories (IM/PM) with the aim to boost competencies and performance. We will bolster capabilities of employees who have strengths on brokerage service (IM) while building an effective sales capability for financial products (PM). At the same time, a performance assessment system will be upgraded to match the change and carry

out effective sales activities. In addition, a financial expert qualification system will be introduced to nurture professional financial consultants, which will further boost competencies and performance of the asset management service. With an upgraded performance assessment system, we intend to attract high-caliber outside talent while nurturing our internal competencies

With the aim to strengthen asset management service, Daishin will increase financial products targeting individual customers while making effort to enhance profitability of the products. To this end, we will be pursuing “Account Gathering” effect and expanding the customer base by sharpening the competitive edge of basic financial products such as CMA and installment-type investment products. We will make our growth sustainable by providing our strong line-up of strategic products and sound portfolios considering trends and profitability. Not only that, we also will increase products offering tax benefits and stability such as Brazil treasury bond and annuity insurance as an increasing number of customers overwhelmingly value stability over high returns. Outbound sales activities will be accelerated with service managers actively involved in the sales effort. Capitalizing on the newly established HNW department, we will offer tailed service such as portfolio check and tax consulting service with the goal of expanding the HNW customer base. Also, we will step up effort to invigorate loan service by expanding customer access channels.

Overseas Business



One of Daishin Securities' strategies for overseas expansion is to focus on the Asian market which has high growth potential from mid and long-term perspective, while minimizing the risk associated with the entry into a foreign market and developing overseas businesses that can lead to tangible result and profit. In order to meet the needs of financial customers for global investment products, the company has worked closely and organically with the main headquarters, overseas affiliates, overseas branches and partners with an aim to develop more competitive businesses. In line with the strategy, we established a local affiliate in Hong Kong and local branch offices in Shanghai and Tokyo while building partnership with local financial institutions that are equipped with competitive edge in the countries where direct entry does not deem fit.

Our priority in overseas expansion is to minimize the risk associated with entry into a new market and to pursue a business model through which our strengths can be fully utilized and which is fitting for the local financial environment. Daishin Securities is now pressing ahead with online business joint venture with Indonesian Mandiri Securities.

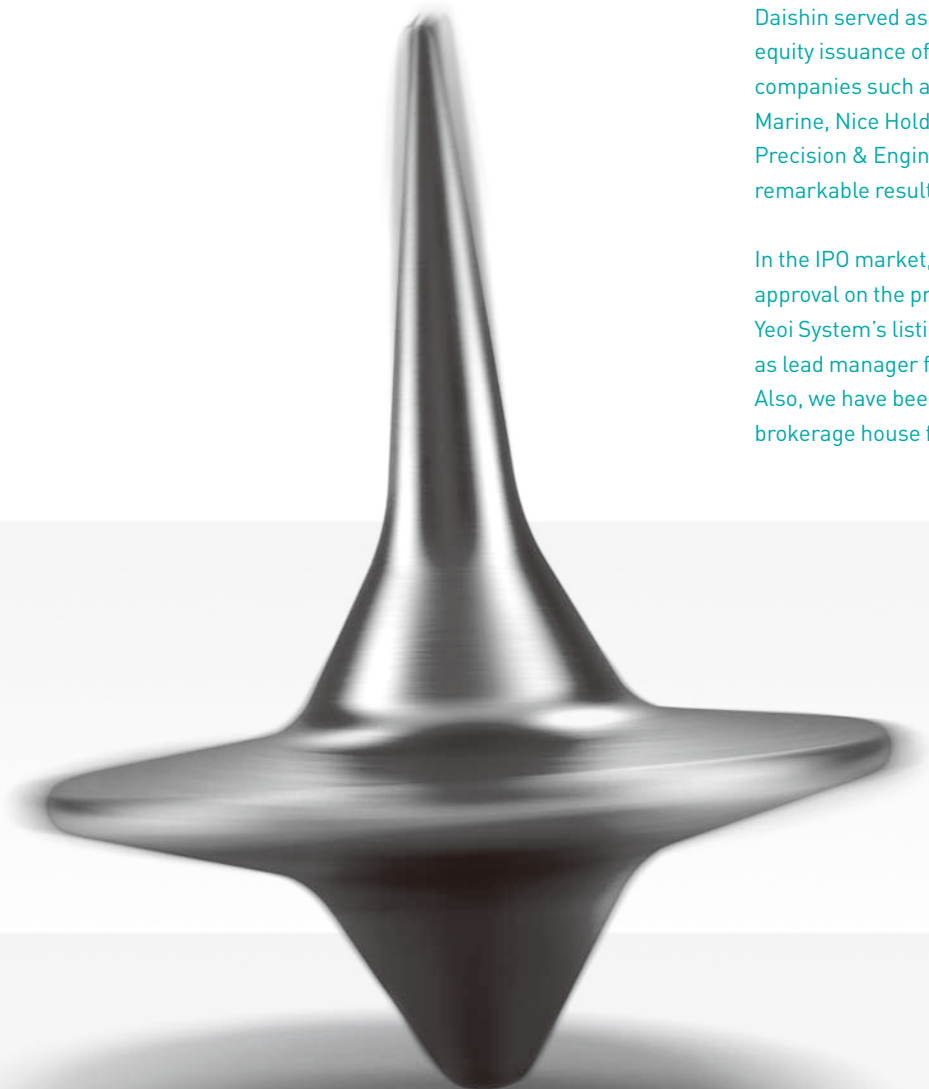
Daishin Securities, with its focus on the Asian market, engages in overseas businesses that could make profit with lower risks, and bring in tangible outcomes.

Capitalizing on our financial IT expertise, which is one of our biggest strengths, we successfully entered the Indonesian market, which boasts immense mid and long-term growth potential. We have adopted multi-faceted approaches such as seeking a direct entry into the market through M&A with overseas financial institutions and establishment of a corporation, and joint venture with overseas partners, foreign investment product development, and global IB business support.

In an effort to beef up global investment service, we introduce prominent overseas financial products to domestic investors providing solutions fitting for the needs of diversity in investment options, and have expanded investment product lines that are favored by investors and equipped with safety and profitability. In the brokerage sector, we have provided online foreign stock trading service through which customers can make a direct investment in the global financial markets such as US, Hong Kong, and Japanese stock market and in particular, we offer foreign derivative products and foreign exchange margin trading service, the vehicle where customers make an investment in U.S. CME market.

The company has been building network with leading global financial institutions to grow as a regional securities firm that represents Asia capitalizing on its presence in Hong Kong. We have focused on Asia's emerging markets with greater growth potential than advanced countries, while proceeding with continued cooperation with financial institutions in North America and Euro Zone, which will eventually result in our expansion into global financial market.

Investment Banking



For FY2012 our investment banking service group provided diverse financial services such as bond and stock issuance, right issue and initial public offerings to effectively assist prominent domestic companies with their fund raising effort. Along with such effort, we also continuously endeavored to bolster our competency to develop new products and provide optimal financing services for customers.

Daishin solidified its footing in the debt capital market (DCM) in FY2011. We serviced as lead manager for the bond issuance of SK Construction, SK Chemical, Korean Air, Hite Brewery, and Kumho Petrochemical while providing our services for corporate bond underwriting.

On the ECM (Equity Capital Market) front, Daishin served as lead manager for the equity issuance of prominent domestic companies such as Hyundai Merchant Marine, Nice Holdings and Oriental Precision & Engineering, achieving remarkable results.

In the IPO market, Daishin was behind the approval on the preliminary screening for Yeo System's listing at KOSDAQ and served as lead manager for many blue-chip SMEs. Also, we have been appointed as an advisory brokerage house for KONEX (Korea New

Exchange), a stock exchange exclusively for SMEs scheduled to open in July 2013, joining the effort to facilitate direct financing of venture start-ups and SMEs through the capital market.

In FY2013 IPO department will grow the underwriting business with active marketing and through close cooperation with other business groups within Daishin Securities including the retail segments. Moving forward, we will maintain the strong performance we achieved last year and step up effort to boost competency and performance as lead manager, expand underwriting business and produce substantial results in IPO markets.

In particular, Daishin will restructure the sales segments in the headquarters to better serve large-scale companies as well as outstanding SMEs. We will do our best to seek new business opportunities and bolster our sales competencies. Catching up with new regulations and systems concerning investment banking, we will strive to develop new products and prepare ourselves for the KONEX market to achieve market dominance in the new market.

Daishin Securities provides businesses with diverse financial services to effectively facilitate corporate financing activities while continuing its capacity-building efforts.

BALANCE IS

The power to achieve sustainability

Daishin Securities has grown over the years with a firm commitment to building a trustworthy company. Daishin is now embarking on a new challenge to grow with customers and shape a healthy financial world. Guided by trust and balance, Daishin Securities will open up a new road in finance to uphold the trust of each customer and realize a sustainable future.



Code of ethics

1. Ethics on customers

All staff make it the most important duty that they think and behave from customers’ point of view and create and provide customer value legitimately and fairly with the firm belief that customers is the basis and reason of company existence.

2. Staff work ethics

All staff shall make honesty and trust the most important value and shall carry out duty and mission through fair business performance based on moral ethics.

3. Ethics on shareholders

All staff shall protect shareholders’ interests and rights by diligently carrying duty to create steady profits in a sound and fair manner based on the principle of “public interests first” that realizes the ideal of our nation, society and all people.

4. Ethics on nation and society

Since company shall grow harmonized as a crucial corporate citizen that constitutes society, all staff shall assume social responsibility and contribute to national development by striving for the sound enhancement of company through reasonable and ethical business operation.

5. Ethics on business activities

All staff shall keep dignity as finance professionals in doing business and individual activities, observe moral ethics and all laws and shall not do any activity detrimental to social development or contrary to company goals and interests.

6. Ethics on fair competition

All staff shall diligently observe related laws of pertinent regions and value in all business and operation activities and promote friendly rival relationship in a fair and ethical manner.

Ethical management value system

1. Customer-focused

Daishin Securities fulfills its social responsibilities as a corporate citizen as it is involved in transparent and fair business activities and encourages its employees to abide by laws and regulations and corporate ethics. We will grow as a securities firm that develops with customers, shareholders and the government and shares the benefit of the values that we build up.

2. Talent-oriented

As the competitiveness of a financial institution hinges on the service quality driven by the employees’ qualifications and ethicality, employees’ loyalty and pride for the company is considered an important benchmark for sound management. Therefore, Daishin Securities pursues transparent and fair HR policy which helps foster quality human resources and which enables to allocate the right talent in the right place, and it will eventually contribute to individuals’ and company’s development.

3. "Law-abiding" Rationality

In dealing with all business activities, our employees comply with rules and regulations based on the established system. We proclaim that our ultimate goal is to make a contribution to the society as a responsible and ethical corporate citizen by attaching the biggest priority to fairness and transparency across all the stakeholders including customers, shareholders, the government, and the society as a whole.



Daishin’s social contribution

Based upon its corporate philosophy of giving back to society, Daishin Securities has constantly pursued social contribution activities since its inception through monetary donations and sponsorship to support local communities and residents in need. In the 1990s, most notably, the company launched Daishin Songchon Culture Foundation to find and foster the best and brightest minds in our local communities. Every year, the foundation offers scholarships to selected students and provides every possible support for health and medicine, art and culture, academic research, etc to remain faithful to our corporate ideology.

Daishin Songchon Culture Foundation

On 20 July 1990, for the first time in the securities industry, Daishin Securities launched Daishin Songchon Culture Foundation, a purely cultural foundation, to uphold its corporate philosophy of giving back to society. In fact, Daishin had operated a scholarship program through ‘Songchon Scholarship Foundation’ since 1976. In August 1987, the scholarship opportunities were further expanded to benefit more students. As the company increased its involvement in a variety of social activities as well as the scholarship program, there was a growing need for an institutionalized organization that can serve that purpose. In May 1990, the company set about creating a foundation, and in July the same year, Daishin Songchon Culture Foundation was established. The foundation offered a new opportunity for Dasihin Securities to give the profits earned from its corporate activities back to society in a more systematic fashion.

Daishin Songchon Culture Foundation’s major activities

Support for medical sector

- 1. Provides financial resources for academic institutes’ research activities
- 2. Offers financial support for cleft surgery

Support for sports promotion

- 1. Supports sports talent hunt in local communities
- 2. Provides financial support for training and equipment

Service to local communities

- 1. Operates Daishin Songchon Library
- 2. Supports the South Cholla Province’s Business Association

Scholarship · Academic support

- 1. Grants scholarships every year to academically outstanding but financially challenged students of local middle and high schools
- 2. Provides the basis for nurturing human resources for local and national development

Support for low-income · underprivileged families

- 1. Supports low-income, underprivileged families such as teen heads of households, single elderly households, and those living in abject poverty
- 2. Contributes to local communities

Social Contribution Activities



Daishin Securities Sponsors World Vision, an International Aid and Development Organization
Daishin Securities delivered a donation of KRW 9 million to World Vision, which is an aid organization operating internationally. The donation will go toward sponsor programs to help local undernourished children and the elderly living alone, regional development projects for underdeveloped countries, programs for those suffering from war, famine, and diseases, food crisis response and disaster response programs, and so on.

Daishin Songchon Cultural Foundation donated KRW 1 billion to Korea University Business School
Daishin Songchon Cultural Foundation held an event on 26 December at Korea University president’s office located in Anam-dong, Seoul to present KRW 1 billion to be devoted to building a large-scale lecture room. Donation was made in the form of development fund for the Korea University Business School eyeing to join the ranks of global top 50 business schools. The donation will be allocated to building a big auditorium within the Business School for undergraduate students.

Ceremony Held to Grant “Yang HyoeMoon Scholarship”
Daishin Securities presented KRW 200 million to ChungAng University on 28 December. The donation was funded by Daishin Securities and Daishin Songchon Cultural Foundation following the will of late Yang HyoeMoon (class of 1969/English Literature Department, former Daishin Securities’ President) and named “Yang HyoeMoon Scholarship.

New Hires Took Part in Charity Hike Event
Daishin Securities donated a fund gathered through charity hike event,” which took place as part of new recruits boot camp training, to the National Cancer Center. 57 employees including new hires and executives and staff joined the event and the company donated KRW 5,000 every 1km covered by each participating employee. The fund totaled KRW 11.4 million of all which was granted to the National Cancer Center.

Donation to National Museum of Korea
Daishin Financial Group offered academic research fund of KRW 6.6 million to National Museum of Korea on 14 December. Daishin Financial Group has donated KRW 5 million in 2009, KRW 5 million in 2010, and KRW 6 million in 2011, respectively and the latest offering brings the total donation to KRW 22.6 million as of 2012.



Daishin Songchon Cultural Foundation Sponsored Child Cleft Patients
Daishin Songchon Cultural Foundation signed an agreement with ChonNam National University Hospital on 9 November to provide medical support for child cleft patient. With the signing of the agreement, Daishin Songchon Cultural Foundation’s funding for medical cost amounts to a total of 420 million along with its engagement with Kunkuk University Medical Center and Pusan National University Hospital.



Water Well Drilling for an African Country
Daishin Securities and Daishin Asset Management sponsored KRW 8.47 million on 7 March, which was collected with sales profit from Global SRI Fund, to “I Love Africa,” an international aid organization focusing on African region. The donation will be used for water well drilling giving access to clean water to 600 elementary school students at Kinondoni Elementary School in Tanzania in the eastern part of Africa.

Scholarship Awarded in Fourth Quarter of FY2012
Daishin Financial Group selected scholarship recipients among underprivileged students and those showing excellent academic achievements across the nation and granted KRW 49,551,700 to 154 high school students in the fourth quarter of the year. Daishin has offered scholarship on a regular and continuing basis: KRW 49,551,700 in the second quarter and 135,784,650 in the third quarter.

Support for Seoul Philharmonic Orchestra
On 31 October, Daishin Songchon Cultural Foundation delivered academic research fund of KRW 2.5 million to the Seoul Philharmonic Orchestra. The Foundation supports various programs of the Seoul Philharmonic Orchestra that are designed to facilitate interactions with and reach out to the less fortunate through classical music. The donation takes the foundation’s support to KRW 5 million as of 2012 as it offered KRW 2.5 million in the year of 2011.

Support for Seongjeong Cultural Foundation
Daishin Songchon Cultural Foundation donated KRW10million to Seongjeong Cultural Foundation on June 15. Seongjeong Cultural Foundation was established to promote cultural and artistic activities and nurture professionals in the field. The donation will be spent for scholarship projects to foster cultural artists and art & culture exchange programs and support for cultural organizations for the youth.

Support for Korea Architectural History Association
KRW10 million in research fund was delivered to Korea Architectural History Association on April 20 by Daishin Songchon Cultural Foundation. Korea Architectural History Association is carrying out a wide range of activities including research on architectural history, publication of journals and research materials on architectural history.

March 2012 Donation to National Museum of Contemporary Art
On March 22, Daishin Songchon Cultural Foundation delivered KRW20 million to National Museum of Contemporary Art to support its research through the Korea Culture and Art Commission.



Daishin Securities undertakes diverse social contribution activities to help people in need in every corner of our society.



Management’s Discussion & Analysis

1. EXECUTIVE SUMMARY

In 2012, the volatility in the global financial markets continued to grow with Europe’s worsening fiscal crisis and America’s fiscal cliff. In the latter half of the year, however, the markets started showing signs of stability as a result of policy coordination and liquidity supply by major industrialized countries for global recovery. Meanwhile, the domestic stock markets, both primary and secondary, suffered a steep decline amid growing uncertainties in the economy and projections of weaker corporate profits. In the secondary market, the daily average trading volume dropped to a little over 6 trillion won and the futures and options markets lost their vibrancy as investors accelerated migration to safe assets and the turnover ratio plummeted. Despite a relatively steady recovery on the KOSDAQ, the share of retail investors in the total trading volume declined. The shares of online and mobile transactions rapidly expanded, resulting in lower commission rates and a prolonged stagnation of the brokerage market. In the primary market, the corporate bond issuance remained as strong as the previous year, underpinned by low interest rates and led by large corporations with good credit ratings. However, funds raised through IPOs and rights offerings fell by more than 80 percent compared with the previous year, resulting in the weakening of the stock market’s fund-raising function. With market presence of retail investors and turnover decreasing in fiscal 2012, brokerage commission income sharply declined. However, thanks to a stable growth in financial service, asset management, product operation and investment banking and diversified earning structure, the net operating revenues dropped by 23.5% only, recording KRW 348.8 billion in fiscal 2012. Despite company-wide cost reduction with the down trends in the industry, net profit reached KRW 17.1 billion, down 81.2% from a year earlier largely because of the reduction in net operating revenues.

With investors’ preference shifting toward financial products that offer stable returns, the portion of stocks declined and the share of bonds and customized products catering to diverse needs such as CMA, ELS and retirement pension expanded. This shift will contribute to strengthening and diversifying future income. With a preemptive approach to dealing with stock market volatility, Daishin Securities has constructed its asset portfolio with an emphasis on safe assets. As of the end of March 2013, total assets were up by 20.4% from a year earlier to KRW 11.9 trillion. By rebalancing the asset portfolio centering on bonds offering low risk, solid returns and liquidity, the weighting of marketable securities topped 66%. The net capital ratio and the assets-to-liabilities ratio stood at 405.3% and 113.6%, respectively, indicating healthy asset quality. Upholding its commitment to enhancing shareholder value, Daishin Securities is the only major securities company in Korea to distribute cash dividends for 15 consecutive years.

Daily Average Turnover

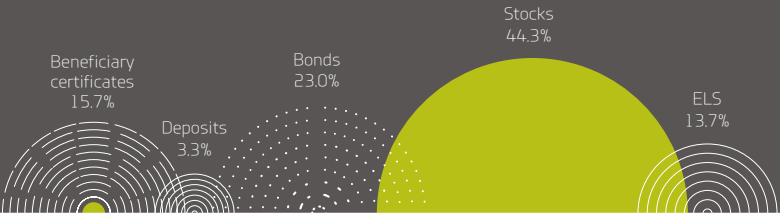
(KRW billion)		FY11	FY12	% YoY
Stock	KOSPI	6,584.9	4,318.8	-34.4
	KOSDAQ	2,380.8	1,934.6	-18.7
Futures		55,638.8	49,930.2	-10.3
Options		1,649.7	1,188.5	-28.0

2. OPERATING RESULTS

Net Operating Revenues

Despite the liquidity-backed stock market recovery in the second half of fiscal 2012, earnings from brokerage, the company’s main income source, plunged as a result of the weaker presence of retail investors, the drop in stock trading values and the decrease in commission rates caused by the growing share of online and mobile transactions.

Breakdown of Ccustomer Deposit Aassets



FINANCIAL REVIEW

FY2012 BUSINESS HIGHLIGHTS

- Global liquidity expanded as a result of the quantitative easing policies undertaken by major developed countries to respond to the deepening eurozone fiscal crisis, the US fiscal cliff and the economic slowdown
- Despite the rise in the stock price indexes since the latter half of 2012, the daily average trading volume fell sharply as the turnover ratio declined
- Customer service improvement continued with the launch of system that allows trading of US-listed stocks and “CREON Mobile”, a smart phone application
- The acquisition of 100 percent stake in “Korea Creative Investment”, a leading investment advisory firm, and the merger with “Daishin Asset Management” led to stronger competitiveness in sales and greater capabilities in customer asset management
- Company-wide cost reduction was pursued through a proactive response to lower brokerage commissions; and branch offices were consolidated and made bigger to ensure greater management efficiency
- Daishin Securities is the only major securities company in Korea to pay out cash dividends for 15 consecutive years. The dividend yield of its common stock was 5.1% with Class 1 preferred stock being 8.4% and Class 2 preferred stock being 8.2%, the highest level in the industry.

Management’s Discussion & Analysis

Still, under a management strategy powered by thorough risk management and low interest rates, Daishin's product operating revenues increased by 23.1% to KRW 91.2 billion. Thanks to stronger competitiveness in sales, the volume of customer deposit assets reached KRW 27.9 trillion at the end of March 2013, a 20.9% increase from the previous year, whereas commission income from wealth management remained similar to the previous year's level at KRW 14.8 billion. Income from financial service was kept at the same level as the year before despite a sharp drop in the stock trading values. Although the sluggish IPOs and rights offerings dealt a blow to the primary market, Daishin's investment banking sector did relatively well, exceeding its targets for rights offerings and corporate bond issuance. Net operating revenues in fiscal 2012 stood at KRW 348.8 billion, a 23.5% drop from the year before. In terms of earnings structures, the sales sector that includes product management, financial service and wealth management and the investment banking sector accounted for 50% of the revenues, helping to strengthen the profit-making business for the future and diversify the income sources.

Net Operating Revenues

[KRW billion]			
	FY11	FY12	% YoY
Brokerage	301.6	176.2	-41.6
Financial service (loan service)	48.7	47.6	-2.1
Wealth management	8.4	8.7	3.6
Capital markets (proprietary trading income)	74.1	91.2	23.1
Investment banking	14.5	12.5	-13.8
Others	8.4	12.7	51.2
Net operating revenues	455.8	348.8	-23.5

Breakdown of Net Operating Revenues

[%]			
	FY11	FY12	
Brokerage	66.2	50.5	
Financial service (loan service)	10.7	13.6	
Wealth management	1.8	2.5	
Capital markets (proprietary trading income)	16.3	26.1	
Investment banking	3.2	3.6	
Others	1.8	3.6	
Total	100.0	100.0	

As investors turned risk-averse in response to the global economic slowdown and increased financial market volatility, there was a growing demand for safe assets. Customer deposit assets in fiscal 2012 increased 20.9% to KRW 27.9 trillion. The proportion of relatively risky stocks decreased whereas customized financial products offering stable profits expanded their share with bonds increasing 74.8%, beneficiary certificates 46.8% and ELS 66.2%.

Customer Deposit Assets

[KRW billion]			
	FY11	FY12	% YoY
Stocks	13,109.7	12,359.5	-5.7
Bonds	3,665.7	6,408.9	74.8
Beneficiary certificates	2,987.5	4,385.4	46.8
ELS	2,305.1	3,831.1	66.2
Deposits	1,003.5	907.6	-9.6
Customer Deposit Assets	23,071.5	27,892.5	20.9

Breakdown of Customer Deposit Assets

[%]		
	FY11	FY12
Stocks	56.8	44.3
Bonds	15.9	23.0
Beneficiary certificates	12.9	15.7
ELS	10.0	13.7
Deposits	4.3	3.3
Total	100.0	100.0

Commission income from wealth management in fiscal 2012 only suffered a slight drop to KRW 14.8 billion despite the lower sales of collective investment securities and derivatives-linked securities. Such a fine performance was attributable to the increase in customer deposit assets that netted more wealth management commissions, Wrap commissions and trust account fees.

Commission Income from Wealth Management

[KRW billion]			
	FY11	FY12	% YoY
Collective investment securities	6.9	6.0	-12.7
Derivatives-combined securities	6.8	6.1	-9.5
Others	1.5	2.6	73.6
Commission from wealth management	15.2	14.8	-2.7

Investment banking provides a variety of financial services for companies to utilize to secure financing effectively. In the debt capital market, Daishin served as the lead manager for the corporate bond issuance of big Korean companies such as SK Construction, SK Chemical, Korean Air, Hite Jinro, and Kumho Petrochemical. Daishin demonstrated a fine performance in the equity capital market, too, playing a leading role in large-scale rights issuance of Hyundai Merchant Marine, NICE Holdings, Oriental Precision and Engineering. But in the midst of the overall downturn in the primary market in fiscal 2012, commission income from investment banking fell by 13.7% from the year before to KRW 12.4 billion.

Commission Income from Investment Banking

[KRW billion]			
	FY11	FY12	% YoY
Underwriting commission	10.5	9.0	-13.6
Advisory commission	4.0	3.4	-13.8
Commission from IB	14.5	12.5	-13.7

Management’s Discussion & Analysis

General and Administrative Expenses

In response to the sharp drop in brokerage commission income, the company’s main source of income, Daishin declared emergency operation and made company-wide cost-cutting efforts. The company secured stable profit bases by consolidating some of its branch offices and making them bigger to ensure more efficiency in management. In fiscal 2012, the company cut its general and admin expenses by 6.9% to KRW 334.8 billion by introducing a profit-linked merit pay system and curtailing labor costs, paid commissions and general admin expenses. But advertising costs rose by 10.1% to support TV advertisements for the company’s 50th anniversary and CREON Mobile.

Customer Deposit Assets

(KRW billion)	FY11	FY12	% YoY
Salaries & employee benefits	201.3	186.8	-7.2
IT operating expenses	21.9	21.7	-0.9
Rental expenses	10.8	11.3	4.6
Miscellaneous commissions	26.5	23.6	-11.0
Advertising expenses	12.7	14.0	10.1
Depreciation & amortization expenses	35.7	33.5	-6.1
Others	50.2	43.9	-12.5
G&A expenses	359.1	334.8	-6.9

Breakdown of G&A Expenses

(%)	FY11	FY12
Salaries & employee benefits	56.1	55.8
IT system operating expenses	6.1	6.5
Rents	3.0	3.4
Miscellaneous commissions	7.4	7.0
Advertising expenses	3.5	4.2
Depreciation & amortization expenses	9.9	10.0
Others	14.0	13.1
Total	100.0	100.0

Profitability and Shareholder Value

Daishin’s operating income in fiscal 2012 was KRW 2,602 billion, which included KRW 204.6 billion in brokerage commissions, KRW 1,263.3 billion in gains on valuation and disposition of securities, KRW 634.7 billion in income from derivatives and KRW 414.9 billion in interest income. The company drastically curtailed operating expenses by proactively responding to changes in the market environment and pursuing a thorough risk management. It also cut sales management expenses by improving management efficiency in an emergency operation mode. All this allowed the company to remain in the black, despite the stagnant performance of brokerage, with KRW 14.2 billion in operating income.

Operating Income

(KRW billion)	FY11	FY12	% YoY
Operating revenues	4,298.0	2,602.2	-39.5
Operating expenses	4,201.5	2,588.0	-38.4
Operating income	96.5	14.2	-85.3

On non-operating income, the company continued chalking up profits to contribute to improved profitability. Non-operating income dropped by 75.0% on year to KRW 13 billion whereas non-operating expenses fell by 63.3% to KRW 8.4 billion won. All told, net non-operating income stood at KRW 4.5 billion.

Net Non-operating Income

(KRW billion)	FY11	FY12	% YoY
Non-operating income	52.0	13.0	-75.1
Non-operating expenses	22.9	8.4	-63.3
Net non-operating income	29.1	4.5	-84.4

With both operating income and net non-operating income on a downward trend, the company’s pre-tax income dropped by 85.1% to KRW 18.7 billion and net income fell by 81.1% to KRW 17.2 billion.

Net Income

(KRW billion)	FY11	FY12	% YoY
Pre-tax income	125.5	18.7	-85.1
Corporate taxes	34.8	1.6	-95.5
Net income	90.7	17.2	-81.1

Daishin Securities maintains a dividend policy of returning wealth to shareholders. Income diversification and qualitative growth has enabled continued generation of profits for distribution to shareholders. Daishin is the only major securities company to pay out cash dividends for 15 straight years. For fiscal 2012, dividend per share was KRW 500 for common stock and Class 2 preferred stock and KRW 550 for Class 1 preferred stock. Total cash dividends amounted to KRW 38.7 billion and the payout ratio was 5.1%.

3. FINANCIAL CONDITIONS

Assets

Daishin Securities is looking beyond top-line growth and focusing on preemptive risk management and total wealth management to emerge as the premier financial service provider. As of March 31, 2013, total assets stood at KRW 11,884.6 billion, up 20.4% compared to a year earlier. Low-risk assets such as cash and deposits, government bonds and loans receivable comprised more than 80% of the asset portfolio.

Management’s Discussion & Analysis

In fiscal 2012, Daishin rebalanced its asset portfolio centering on bonds that carry low risk, sound returns and liquidity. As a result, the balance of marketable securities rose by 31.2% to KRW 7,813.8 billion.

Assets Portfolio

(KRW billion)	FY11	FY12	% YoY
Cash & deposits	1,240.9	1,639.5	32.1
Securities	5,955.6	7,813.8	31.2
Derivative assets	405.8	301.9	-25.7
Loans receivable, net	974.9	873.1	-10.4
Property & equipment, net	275.5	387.1	40.5
Other assets	1,017.3	869.8	-14.5
Total assets	9,870.2	11,884.6	20.4

Assets Breakdown

(%)	FY11	FY12
Cash & deposits	12.6	13.8
Securities	60.3	65.8
Derivative assets	4.1	2.5
Loans receivable, net	9.9	7.3
Property & equipment, net	2.8	3.3
Other assets	10.3	7.3
Total	100.0	100.0

Liabilities and Shareholders’ Equity

With market presence of retail investors and turnover decreasing due to the slowdown of the global economy and lingering uncertainties in the market, customer deposit liabilities including customer deposits, deposits for derivatives and collective investment securities reached KRW 907.6 billion, down by 9.6% from a year earlier. However, funds were raised through borrowings and securities sold such as securities sold under repurchase agreements and structured derivatives sold as the funding rate and spread showed stable movements with the low interest rate trends continuing. Along with the growth in the asset portfolio, total liabilities stood at KRW 10,210.2 billion at the end of March 2013, up 25.5% from a year earlier.

Liabilities

(KRW billion)	FY11	FY12	% YoY
Deposits from customers	1,003.5	907.6	-9.6
Borrowings & securities sold	6,055.1	8,506.7	40.5
Derivatives liabilities	323.5	171.6	-47.0
Other liabilities	752.4	171.6	-17.2
Total liabilities	8,134.5	10,210.2	25.5

Liabilities Breakdown

(%)	FY11	FY12
Deposits from customers	12.3	8.9
Borrowings & securities sold	74.4	83.3
Derivatives liabilities	4.0	1.7
Other liabilities	9.3	6.1
Total	100.0	100.0

Daishin Securities has been paying out cash dividends for 15 straight years since fiscal 1998 for shareholder value, and the dividend amount per has been no less than KRW 500 for common stock thus far. Despite a sharp decline in net profit in fiscal 2012, we paid out cash dividends per share of KRW 500 for common stock and Class 2 preferred stock and KRW 550 for Class 1 preferred stock. Total dividends amounted to KRW 38.7 billion and retained earnings fell by 5.5% from the previous year. Accordingly, shareholder’s equity as of March 2013 recorded KRW 1,674.4 billion down 3.5% from a year earlier.

Shareholders’ Equity

(KRW billion)	FY11	FY12	% YoY
Capital stock	434.9	434.9	0.0
Capital surplus	699.7	699.3	-0.1
Accumulated other comprehensive income	113.0	105.7	-6.4
Retained earnings	620.8	586.9	-5.5
Capital adjustments	(132.7)	(152.3)	14.8
Total shareholders' equity	1,735.6	1,674.4	-3.5

Financial Soundness and Risk Management

Total risk exposure amount in fiscal 2012 was kept stable thanks to the systemic risk management. However, the net capital ratio declined by 103.1%p recording 405.3% as of the end of March 2012 owing to a decrease in net assets. The figure was above the 300% limit set by the Financial Supervisory Service (FSS) for companies that deal with OTC derivatives. The assets-to-liabilities ratio also stood about 115% exceeding the FSS requirement.

Asset Quality

(%)	FY11	FY12	% YoY
Net capital ratio	508.4	405.3	-103.1%p
Assets-to-liabilities ratio	117.5	113.6	-3.9%p

Business Outlook

As the persisting eurozone debt crisis is making the economic outlooks in advanced countries bleaker, uncertainties in the financial markets at home and abroad are expected to continue in 2013 due mainly to concerns over the US’ reduction in quantitative easing, weaker Yen hurting Korea’s export and North Korea’s nuclear issues. Particularly, with the volatility of the stock market increasing, turnovers are showing a slow recovery, which will intensify competitions in the brokerage service and create challenging environment in the securities industry. In response to the unclear outlook and increasing competitive pressure, Daishin Securities will sharpen the competitive edge of asset-based sales achieving significant increase in financial assets surpassing the industry average and building up stable earning structure. In addition, we will bolster “financial clinic service” which offers a balanced approach to investing and managing risk to develop tailored service that fully reflects the needs and life cycle of customers. Along with such effort, we also will establish effective risk management systems to proactively respond to the slowdown of the brokerage service sector and protracted low interest while enhancing profitability based on customers’ financial assets. Under our new mission of growing with customers as their financial health partner, we will strive to gain customers’ trust, achieve mutual growth, and pursue innovation to become the financial service group most trusted and preferred by all domestic financial customers and overseas brokerage customers.

Independent Auditors' Report

The Board of Directors
and Shareholders of
Daishin Securities Co., Ltd.:

We have audited the accompanying separate statement of financial position of Daishin Securities Co., Ltd. (the "Company") as of March 31, 2013 and the related separate statement of comprehensive income, changes in equity and cash flows for the year then ended. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Korean International Financial Reporting Standards. Our responsibility is to express an opinion on these separate financial statements based on our audit.

The accompanying separate statement of financial position of the Company as of March 31, 2012 and the related separate statements of comprehensive income, changes in equity and cash flows for the year then ended, were audited by Samil PwC, whose report thereon dated May 17, 2012, expressed an unqualified opinion. 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 separate financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Korean International Financial Reporting Standards. Without qualifying our opinion, we draw attention to the following: The procedures and practices utilized in the Republic of Korea to audit such separate financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report is for use by those knowledgeable about Korean auditing standards and their application in practice.

KPMG Samjong Accounting Corp.
KPMG Samjong Accounting Corp.
Seoul, Korea
May 23, 2013

This report is effective as of May 23, 2013, 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 separate financial statements and notes thereto. Accordingly, the readers of the auditreport should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Separate Statements of Financial Position

For the years ended March 31,
2013 and 2012

(In won)	2012	2013
Assets		
I. Cash and bank deposits	1,240,938,065,020	1,639,514,967,062
II. Financial assets at fair value through profit or loss	5,980,147,928,120	7,671,376,258,125
1. Financial assets held for trading	3,592,602,521,570	4,725,991,159,713
2. Derivative assets	405,820,516,970	301,866,978,866
3. Financial assets designated at fair value through profit and loss	1,981,724,889,580	2,643,518,119,546
III. Available-for-sale financial assets	209,758,835,697	178,765,887,326
IV. Investments in associates	177,776,855,442	269,928,412,278
V. Loans and receivables	974,941,768,978	873,132,865,412
VI. Current tax assets	4,379,818,556	23,860,503,150
VII. Property and equipment	275,543,443,241	387,132,886,437
VIII. Intangible assets	58,332,187,286	46,147,335,649
IX. Investment property	164,451,169,523	186,258,464,750
X. Non-current assets as held for sale	-	748,977,411
XI. Other assets	783,919,947,710	607,768,576,793
Total assets	9,870,190,019,573	11,884,635,134,393
Liabilities		
I. Financial liabilities at fair value through profit and loss	2,959,684,656,322	4,134,224,459,358
1. Financial liabilities held for trading	103,329,858,500	131,548,366,000
2. Derivative liabilities	548,530,860,944	206,209,707,349
3. Financial liabilities designated at fair value through profit and loss	2,307,823,936,878	3,796,466,386,009
II. Deposits received	1,003,537,129,408	907,600,954,337
III. Borrowings	3,299,349,663,746	4,324,741,155,584
IV. Debentures	119,556,037,037	219,369,613,074
V. Defined benefit liability and other long-term employee benefits	4,219,720,971	3,432,661,035
VI. Provisions	2,270,277,755	2,507,886,586
VII. Deferred tax liabilities	51,571,743,155	47,260,329,095
VIII. Other liabilities	694,356,493,416	571,062,818,912
Total liabilities	8,134,545,721,810	10,210,199,877,981
Equity		
I. Capital stock	434,867,000,000	434,867,000,000
II. Capital surplus	699,713,072,438	699,253,626,841
III. Accumulated other comprehensive income	112,959,650,984	105,697,614,463
IV. Retained earnings	620,771,958,479	586,888,758,278
V. Other components of equity	[132,667,384,138]	[152,271,743,170]
Total equity	1,735,644,297,763	1,674,435,256,412
Total liabilities and equity	9,870,190,019,573	11,884,635,134,393

Separate Statements of Comprehensive Income

For the years ended March 31,
2013 and 2012

(In won)	2012	2013
I.Commissions received and expenses, net	305,207,715,276	190,392,052,565
1. Commissions received	319,536,611,291	204,646,902,930
2. Commissions expenses	14,328,896,015	14,254,850,365
II. Interest income and expenses, net	(74,303,165,322)	(92,811,255,151)
1. Interest income	179,566,738,948	195,136,377,710
2. Interest expenses	253,869,904,270	287,947,632,861
III. Trading gains and losses, net	164,164,624,793	286,285,968,856
IV. Gains and losses on financial instrument designated at fair value through profit and loss, net	61,175,852,235	(36,074,059,028)
V. Other operating income and expenses	(487,126,702)	1,034,868,730
VI. Operating revenues, net	455,757,900,280	348,827,575,972
Selling and administrative expenses, net	359,263,465,747	334,623,829,244
1. Labor costs	201,511,496,052	186,624,376,599
2. Depreciation and amortization	35,703,989,514	33,528,468,867
3. Other selling and administrative expenses	122,047,980,181	114,470,983,778
VII. Operating income	96,494,434,533	14,203,746,728
VIII. Non-operating income and expenses	29,051,279,264	4,544,027,103
IX. Net income before income tax	125,545,713,797	18,747,773,831
X. Income tax expense	34,826,807,355	1,575,617,532
XI. Net income	90,718,906,442	17,172,156,299
XII. Other comprehensive income(loss) for the year, net of tax	11,213,474,213	(7,262,036,521)
XII. Total comprehensive income	101,932,380,655	9,910,119,778
XIV. Earnings per share		
1. Basic earnings per ordinary share	1,152	220
2. Basic earnings per preference share	1,206	243
3. Basic earnings per 2nd preference share	1,156	193
4. Diluted earnings per ordinary share	1,145	219
5. Diluted earnings per preference share	1,199	242
6. Diluted earnings per 2nd preference share	1,149	192

Separate Statements of Changes in Equity

For the years ended March 31,
2013 and 2012

(In won)	Common stock	Capital surplus	Accumulated other comprehensive income (loss)	Retained earnings	Other components of equity	Total
Balance at April 1, 2011	434,867,000,000	703,182,029,232	101,746,176,771	589,351,402,937	(133,077,609,598)	1,696,068,999,342
Comprehensive income						
Net income	-	-	-	90,718,906,442	-	90,718,906,442
Changes in value of available-for-sale	-	-	11,213,474,213	-	-	11,213,474,213
Transactions with equity holders						
Cash dividends	-	-	-	(59,768,350,900)	-	(59,768,350,900)
Changes in treasury stock	-	(3,468,956,794)	-	-	(1,230,324,982)	(4,699,281,776)
Others	-	-	-	470,000,000	1,640,550,442	2,110,550,442
Balance at March 31, 2012	434,867,000,000	699,713,072,438	112,959,650,984	620,771,958,479	(132,667,384,138)	1,735,644,297,763
Balance at April 1, 2012	434,867,000,000	699,713,072,438	112,959,650,984	620,771,958,479	(132,667,384,138)	1,735,644,297,763
Comprehensive income						
Net income	-	-	-	17,172,156,299	-	17,172,156,299
Changes in value of available-for-sale	-	-	(7,262,036,521)	-	-	(7,262,036,521)
Transactions with equity holders						
Cash dividends	-	-	-	(51,525,356,500)	-	(51,525,356,500)
Changes in treasury stock	-	(459,445,597)	-	-	(20,791,658,736)	(21,251,104,333)
Others	-	-	-	470,000,000	1,187,299,704	1,657,299,704
Balance at March 31, 2013	434,867,000,000	699,253,626,841	105,697,614,463	586,888,758,278	(152,271,743,170)	1,674,435,256,412

Separate Statements of Cash flows

For the years ended March 31,
2013 and 2012

(In won)	2012	2013
I. Cash flows from operating activities		
1. Net income	90,718,906,442	17,172,156,299
2. Adjustments in expenses and revenues		
(1) Gain(loss) on financial assets held for trading	9,451,965,567	(14,715,144,412)
(2) Gain(loss) on financial assets designated at fair value through profit loss	18,306,050,043	151,366,323,910
(3) Gain on derivatives	(12,559,777,521)	(123,050,732,740)
(4) Gain(loss) on loans and receivables	(141,122,746)	4,483,173,465
(5) Depreciation and amortization	35,703,989,514	33,528,468,867
(6) Gain(loss) on foreign currency translation	(1,981,789,584)	(830,384,009)
(7) Interest income(expenses)	74,303,165,322	92,811,255,151
(8) Gain on disposal of available-for-sale financial assets	(521,944,526)	(1,869,288,727)
(9) Loss on disposal of investments in associates and subsidiaries	1,116,887,082	-
(10) Loss on impairment of available-for-sale financial assets	6,917,849,727	6,089,065,005
(11) Gain(loss) on disposal of property and equipment	(18,284,773,364)	1,280,249,769
(12) Gain(loss) on disposal of intangible assets	(992,000,390)	74,094,940
(13) Gain(loss) on disposal of investment property	(18,691,223,862)	(931,515,772)
(14) Loss on impairment of intangible assets	639,437,323	1,603,500,001
(15) Employee benefits	2,160,833,119	4,297,681,827
(16) Others	(15,295,975,045)	(23,482,897,674)
(17) Dividends income	(7,139,380,724)	(13,898,758,849)
(18) Income tax expense	34,826,807,355	1,575,617,532
3. Changes in operating assets and liabilities		
(1) Increase/(decrease) in deposits	152,235,096,249	(500,731,868,814)
(2) Decrease/(Increase) in financial assets held for trading	(141,552,729,323)	1,110,910,003,963
(3) Increase in financial liabilities held for trading	44,608,068,685	20,250,982,938
(4) Increase in financial assets designated at fair value through profit and loss	(963,051,704,700)	(601,316,252,393)
(5) Increase in financial liabilities designated at fair value through profit and loss	876,630,135,900	1,276,799,147,648
(6) Increase(decrease) in derivative assets and liabilities	39,240,351,722	(114,286,197,447)
(7) Increase in loans and receivables	56,125,659,200	98,464,645,439
(8) Decrease(increase) in deposits received	(401,365,526,471)	(95,903,170,673)
(9) Increase(decrease) in borrowings	231,999,036,576	959,458,015,412
(10) Increase(decrease) in retirement benefit and employee benefits obligations	(1,839,380,602)	(1,966,039,751)
(11) Decrease(increase) in other assets	188,250,873,524	176,235,945,280
(12) Decrease(increase) in other liabilities	(382,080,485,012)	(128,180,988,553)
(13) Collective fund for default loss	493,799,045	1,217,578,379
4. Interests received	166,244,106,884	185,153,323,267
5. Interests paid	(247,219,213,004)	(285,532,395,310)
6. Dividends received	7,381,003,149	9,040,149,504
7. Income taxes paid	(23,901,174,085)	(22,902,546,433)
Net cash (used in) provided by operating activities	(199,264,178,531)	393,189,113

For the years ended March 31,
2013 and 2012

(In won)	2012	2013
II. Cash flows from investing activities		
1. Proceeds from disposal of available-for-sale financial assets	19,809,411,484	8,975,070,599
2. Proceeds from disposal of investments for associates and subsidiaries	6,394,143,112	2,184,403,935
3. Proceeds from disposal of property and equipment	35,188,777,967	829,129,500
4. Proceeds from intangible assets	3,103,795,200	2,747,012,450
5. Proceeds from disposal of intangible assets	53,378,000,003	15,500,000,000
6. Decrease in deposit	7,120,116,481	18,812,227,989
7. Payment for acquisition of available-for-sale financial assets	(11,027,930,130)	-
8. Payment for acquisition of investments for associates and subsidiaries	(144,030,816,326)	(89,074,760,771)
9. Payment for acquisition of property and equipment	(42,451,525,330)	(169,961,838,820)
10. Payment for acquisition of intangible assets	(464,298,000)	(2,669,729,498)
11. Increase in deposit	(11,076,505,826)	(3,594,053,902)
12. Increase in other assets	(143,702,385)	-
13. Payment for restoration of property and equipment	-	(424,329,000)
Net cash used in investing activities	(84,200,533,750)	(216,676,867,518)
III. Cash flows from financing activities		
1. Issuance of debentures	59,690,900,000	99,544,800,001
2. Increase in call money	61,800,000,000	1,173,800,000,000
3. Increase in borrowings	-	468,321,943,330
4. Increase in guarantee deposits received	53,185,301,340	2,302,735,112
5. Payment of dividends	(59,760,869,660)	(51,525,356,500)
6. Decrease in call money	-	1,235,600,000,000
7. Retirement of debentures	(60,000,000,000)	-
8. Decrease in borrowings	(109,972,882,853)	(340,588,466,905)
9. Decrease in guarantee deposits received	(67,511,806,237)	(4,261,449,793)
10. Payment for acquisition of treasury stocks	(12,263,794,600)	(23,329,189,800)
11. Decrease in other liabilities	(1,870,000)	-
Net cash (used in) provided by financing activities	(134,835,022,010)	88,665,015,445
IV. Changes in cash and cash equivalent by foreign currencies translation	6,814,916,178	(19,945,808)
V. Net increase (decrease) in cash and cash equivalents	(411,484,818,113)	(127,638,608,768)
VI. Cash and cash equivalents at beginning of year	664,333,694,348	252,848,876,235
VII. Cash and cash equivalents at end of year	252,848,876,235	125,210,267,467

Independent Auditors’ Review Report on Internal Control over Financial Reporting

To the President of
Daishin Securities Co., Ltd.

We have reviewed the accompanying Report on the Effectiveness of Internal Control over Financial Reporting (“ICFR”) of Daishin Securities Co., Ltd. [the “Company”] as of March 31, 2013. The Company’s management is responsible for designing and maintaining effective ICFR and for its assessment of the effectiveness of ICFR. Our responsibility is to review management’s assessment of ICFR and issue a report based on our review. In the accompanying report of management’s assessment of ICFR, the Company’s management stated: “Based on the assessment of the design and operation of the ICFR, there were no significant weakness in the Company’s ICFR as of March 31, 2013, in all material respects, in conformity with the Best Practice Guideline issued by the Internal Accounting Control System Operation Committee.”

We conducted our review in accordance with ICFR Review Standards, issued by the Korean Institute of Certified Public Accountants. Those Standards require that we plan and perform the review to obtain assurance of a level less than that of an audit as to whether Report on the Effectiveness of Internal Control over Financial Reporting is free of material misstatement. Our review consists principally of obtaining an understanding of the Company’s ICFR, inquiries of Company personnel about the details of the report, and tracing to related documents we considered necessary in the circumstances. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Company’s ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, however, ICFR may not prevent or detect misstatements. 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 Report on the Effectiveness of Internal Control over Financial Reporting as of March 31, 2013 is not prepared in all material respects, in accordance with ICFR Framework issued by the Internal Accounting Control System Operation Committee.

This report applies to the Company’s ICFR in existence as of March 31, 2013. We did not review the Company’s ICFR subsequent to March 31, 2013. This report has been prepared for Korean regulatory purposes, pursuant to the External Audit Law, and may not be appropriate for other purposes or for other users.

KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.
Seoul, Korea
May 23, 2013

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, 2013.

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, 2013, in accordance with the IACS standards.

April 25, 2013

KYUNG-SUN, CHO
Internal Accounting Control System Officer



JAI-CHEL NA
CEO



Company Executives

HEE-JIN KOO
Wholesale Group



KYU-SANG PARK
Wholesale Business Group



SEUNG-DUK YU
Capital Market Group



YOUNG-HOON BAE
Derivatives Business Group



KYUNG-HWAN AHN
Fixed Income Business Group



DONG-HOON LEE
Asset Management Group



HONG-JAI IM
Corporate Finance Group



WOO-CHUL JANG
Investment Banking Group



CHOON-SUN YOON
IB Finance Group



BYUNG-WAN LIM
Financial Health Service Group



KWANG-SOO JANG
Jungbu Regional Headquarters



HYUN-SIK LEE
Gangbuk Regional Headquarters



IN-SEOP GWON
Customer Financial Products Group



BYUNG-CHUEL KIM
IT SERVICE Dept.



KYUNG-SIK KIM
Audit Committee Member



HYEOK SONG
Managing Director Secretary Department



SONG-KYU KIM
Infra Structure Management Group



YUN-NAM CHO
Research Center



KYUNG-SUN CHO
Planning Group



MOON-SOO LEE
Risk Management Group



JUNG-SUK CHOI
Compliance Officer



DAE-HAN HONG
Human Resource Group



IN-SIG SHIN
Gangseo Regional Headquarters



CHANG-LYONG HA
Gangnam Regional Headquarters



DONG-HYEON PARK
Seobu Regional Headquarters



BONG-GYU KIM
Dongbu Regional Headquarters



JIN-KYU PARK
Financial Health Service Planning Group



History

1960		1970		1980		1990					
<div>1962.07.27</div> <div>Established as Sam-Rak Securities</div> <div>1968.07.08</div> <div>Renamed Jung-Bo Securities</div>		<div>1975.04.22</div> <div>Renamed Daishin Securities</div> <div>1975.10.01</div> <div>Listed on Korea Stock Exchange (now Korea Exchange)</div>		<div>1984.08.25</div> <div>Established Tokyo Representative Office in Japan</div> <div>1984.09.22</div> <div>Established Daishin Economic Research Institute</div> <div>1985.03.06</div> <div>Forged capital alliance with W.I.C.O., Hong Kong</div> <div>1985.04.12</div> <div>Forged capital alliance with Yamaichi Securities, Japan</div> <div>1985.05.28</div> <div>Relocated headquarters to Yeouido, Seoul</div> <div>1985.06.03</div> <div>Established New York Representative Office in the US</div>		<div>1986.06.20</div> <div>Established London Representative Office in England</div> <div>1986.11.27</div> <div>Established Daishin Development & Finance Co.</div> <div>1987.08.28</div> <div>Established Daishin IT Center</div> <div>1988.03.24</div> <div>Established Daishin Investment & Trust Consulting</div> <div>1989.05.30</div> <div>Established Zurich Representative Office in Switzerland</div> <div>1989.06.20</div> <div>Founded Daishin Life Insurance Co.</div>		<div>1990.07.20</div> <div>Established Daishin Songchon Cultural Foundation</div> <div>1991.07.12</div> <div>Upgraded London Representative Office into London Subsidiary</div> <div>1991.11.11</div> <div>Established Hong Kong Representative Office</div> <div>1992.10.02</div> <div>Changed the name of Daishin IT Center to Daishin Information & Communication Co.</div> <div>1995.06.20</div> <div>Established Daishin Factoring Service Co.</div> <div>1996.04.01</div> <div>Upgrade New York Representative Office into New York Subsidiary</div> <div>1996.06.12</div> <div>Established Shanghai Representative Office in China</div> <div>1996.07.01</div> <div>Changed the name of Daishin Investment & Trust Consulting to Daishin Asset Management</div>		<div>1996.11.23</div> <div>Introduced Korea's first "One Card System"</div> <div>1996.12.02</div> <div>Upgraded Tokyo Representative Office into Tokyo Branch</div> <div>1997.04.12</div> <div>Launched home trading system (CYBOS DOS version)</div> <div>1998.01.01</div> <div>Upgraded Hong Kong Representative Office into Hong Kong Subsidiary</div> <div>1998.04.27</div> <div>Retrenched overseas business: change subsidiaries to representative offices (London, New York, Tokyo)</div> <div>1998.06.09</div> <div>Introduced Internet trading, the first among large brokers</div> <div>1999.08.11</div> <div>Opened "Daishin Customer Service Call Center"</div> <div>1999.08.31</div> <div>Capital increase (new share issue via third party placement) and strategic alliance with Sumitomo Life Insurance, Japan</div>	
2000				2010							
<div>2000.08.09</div> <div>Numbered over 50 cyber sales offices within one year</div> <div>2002.09.16</div> <div>Retired 200,000 common shares of treasury stock</div> <div>2003.07.21</div> <div>Selected as a component of KODI (Korea Stock Price Dividend Index, an index of 50 component stocks)</div> <div>2003.12.01</div> <div>Selected as a component of KOGI (Korea Corporate Governance Stock Price Index)</div> <div>2004.03.26</div> <div>Received Good Compliance Member Award given by Korea Exchange</div> <div>2004.04.26</div> <div>Exported 'CYBOS 2004' to Polaris Securities of Taiwan</div>		<div>2004.06.15</div> <div>Recognized for outstanding corporate governance by Korea Exchange</div> <div>2004.12.27</div> <div>Launched new cyber trading system, "U-CYBOS"</div> <div>2005.09.26</div> <div>Road shows (major US cities including New York)</div> <div>2005.12.13</div> <div>Exported "CYBOS Futures Trading System" to Thailand</div> <div>2005.12.17</div> <div>Capital increase (new share issue via third party placement) and strategic alliance with SPARX Asset Management, Japan</div>		<div>2006.04.03</div> <div>Unveiled customer service charter</div> <div>2006.08.21</div> <div>Launched next generation ARS system</div> <div>2006.08.29</div> <div>Forged strategic alliance with Nikko Cordial Group of Japan</div> <div>2006.10.16</div> <div>Forged capital alliance with Nikko Cordial Group</div> <div>2007.04.15</div> <div>Launched next-generation home trading system, "U-CYBOS GLOBAL"</div> <div>2007.11.02</div> <div>Listed 20 million GDS on London Stock Exchange (capital increase by KRW 50 billion)</div>		<div>2008.02.13</div> <div>Reopened Hong Kong Subsidiary, Daishin Securities Asia, Limited</div> <div>2008.07.09</div> <div>Reopened Shanghai Representative Office in China</div> <div>2009.04.22</div> <div>Participated in Korea Financial Telecommunications and Clearings Institute project for fund transfer (retail payment)</div> <div>2009.05.04</div> <div>Opened next-generation financial system</div> <div>2009.10.20</div> <div>Selected as a component of the Dow Jones Sustainability Korea Index (DJSI Korea)</div>		<div>2010.01.09</div> <div>Unveiled financial clinic service</div> <div>2010.02.26</div> <div>Established SPAC (Special Purpose Acquisition Company)</div> <div>2010.05.28</div> <div>Unveiled new CI of Daishin Financial Group</div> <div>2011.08.31</div> <div>Launched Daishin Savings Bank</div> <div>2012.06.02</div> <div>Unveiled Daishin Financial Group</div> <div>2012.06.12</div> <div>Forged strategic alliance with Okasan Securities of Japan</div> <div>2012.06.20</div> <div>50th anniversary of Daishin Financial Group</div> <div>2013.03.22</div> <div>MOU for the Acquisition of Korea Creative Investment</div>			

Domestic Network & Overseas Network

Global network

1. Daishin Securities Asia Limited

28th FL, 8th Queen’s Road, Central, HK
Tel : 852-2167-8730, Fax : 852-2167-8911

2. Tokyo Representative Office

8th FL, NAX Bldg, 1-3-2, Shinkawa, Chuo-ku, Tokyo, 104-0033, Japan
Tel : 81-3-3551-8088, Fax : 81-3-3551-5533

3. Shanghai Representative Office

Room 809, Zhongrong Jasper Tower No.8,
Central of Yincheng Road Shanghai, 200120, PRC
Tel : 86-21-5010-5298, Fax : 86-21-5010-5296

Domestic Network

1. **Gangnam-Seolleung center** : 1, 2F Hiliving Bldg., 890-16, Daechi 4-dong, Gangnam-gu, Seoul, Korea [02] 569-9233
2. **Gangnam-Yeoksam center** : 2F IL Finance Bldg., 943, Dogok 1-dong, Gangnam-gu, Seoul, Korea [02] 3462-1630
3. **Gwangmyeong center** : 2F Daishin Securities Bldg., 270, Cheolsan 3-dong, Gwangmyeong-si, Gyeonggi-do, Korea [02] 2681-2311
4. **Gwangyang** : 1F Haeun Bldg., 1318-3, Jung-dong, Gwangyang-si, Jeollanam-do, Korea [061] 791-7800
5. **Gwangju** : 2F Eye Ophthalmic Clinic Bldg., 294-5, Jinwol-dong, Nam-gu, Gwangju, Korea [062] 232-0111
6. **Gwanghwamun** : 1st, 2nd Floor Jeokseon Hyundai Bldg., Jeokseon-dong, Jongno-gu, Seoul, Korea [02] 735-7571
7. **Guri** : 3F Remax Bldg., 676-1, Inchang-dong, Guri-si, Gyeonggi-do, Korea [031] 568-6600
8. **Gumi** : 459-3, Songjeong-dong, Gumi-si, Gyeongsangbuk-do, Korea [054] 455-4600
9. **Gunsan** : 1F First Bldg., 852-1, Susong-dong, Gunsan-si, Jeollabuk-do, Korea[063] 442-3151
10. **Naju** : 3F Songhyeon Bldg., 88-2, Jungang-dong, Naju-si, Jeollanam-do, Korea [061] 337-9696
11. **Nam-Incheon** : 3F Korea Land & Housing Coporation Bldg., 1464, Guwol 1-dong, Namdong-gu, Incheon, Korea [032] 435-8700
12. **Nonhyeon tation** : 2F, 19-7, Nonhyeon 1-dong, Gangnam-gu, Seoul, Korea [02] 3442-7500
13. **Daegu** : 2F Daishin Securities ldg., 30, Su-dong, Jung-gu, Daegu, Korea [053] 256-0063
14. **Daegu-seo** : 3F Byeoksan Tower, 470-1, Duryu 3-dong, Dalseo-gu, Daegu, Korea [053] 558-6300
15. **Daerimdong** : 1F Daishin Securities Bldg., 986-4, Daerim 1-dong, Yeongdeungpo-gu, Seoul, Korea [02] 849-4923
16. **Daejeon** : 1F Daishin Securities Bldg., 494-2, Daeheung-dong, Jung-gu, Daejeon, Korea [042] 253-6181
17. **Dogokyeok** : 2F Dongha Bldg., 629, Daechi 1-dong, Gangnam-gu, Seoul, Korea [02] 553-8400
18. **Dong-daegu** : 2F Beomu Bldg., 561-1, Beomeo 1-dong, Suseong-gu, Daegu, Korea [053] 751-6040
19. **Dongdaemun** : 3F Hanil Bldg., 5, Jongno 4-ga, Jongno-gu, Seoul, Korea [02] 741-1711
20. **Dongnae** : 2F Daishin Securities Bldg., 1-11, Suan-dong, Dongnae-gu, Busan, Korea [051] 556-8200
21. **Dunsan** : 2F Daewootopia, 1033, Dunsan 2-dong, Seo-gu, Daejeon, Korea [042] 482-1221
22. **Masan** : 1, 2F Daishin Securities Bldg., 113, Namseong-dong, Masanhappo-gu, Changwon-si, Gyeongsangnam-do, Korea [055] 243-2000
23. **Mapo** : 1F Samchang Bldg., 173, Gongdeok-dong, Mapo-gu, Seoul, Korea[02] 701-7282
24. **Myeongdong** : 3F Securites Bldg., 59-1, Myeong-dong 1-ga, Jung-gu, Seoul, Korea [02] 757-8211
25. **Myeongildong** : 2F Daishin Securities Bldg., 335-3, Myeongil 1-dong, Gangdong-gu, Seoul, Korea [02] 3426-3551
26. **Mokdong** : 2F Daishin Securities Bldg., 908, Mok 5-dong, Yangcheon-gu, Seoul, Korea [02] 2653-7778
27. **Namun** : 3F Promo Bldg., 860-1, Sang-dong, Mokpo-si, Jeollanam-do, Korea [061] 284-4611

28. **Mugeodong** : 2F Namun Plaza, 299-10, Mugeo-dong, Nam-gu, Ulsan, Korea [052] 224-5500
29. **Mudeung** : 1F Daishin Securities Bldg., 42, Geumnamno 5-ga, Dong-gu, Gwangju, Korea [062] 223-6601
30. **Banpo** : 3rd Floor East Bldg, Banpo twin Bldg, 52-1, Banpo 4-dong, Seocho-gu, Seoul, Korea [02] 592-6200
31. **Bokhyeon** : 3F Daehyeon Bldg., 1237-1, Sangyeok 3-dong, Buk-gu, Daegu, Korea [053] 958-1711
32. **Busan** : 1F Daishin Securitits Bldg., 10, Jungang-dong 2-ga, Jung-gu, Busan, Korea [051] 241-1500
33. **Bujeondong** : 3F Seomyun Finance Bldg., 255-33, Bujeon 2-dong, Busanjin-gu, Busan, Korea [051] 806-5561
34. **Bucheon** : 2F Byzantium, 534-6, Sang 3-dong, Wonmi-gu, Bucheon-si, Gyeonggi-do, Korea [032] 667-1512
35. **Bucheonyeok** : 2F Sejeon Bldg., 534-14, Simgokbon 1-dong, Sosa-gu, Bucheon-si, Gyeonggi-do, Korea [032] 651-0830
36. **Buk-incheon** : 2F, 246-6, Hyoseong 1-dong, Gyeyang-gu, Incheon, Korea [032] 543-4500
37. **Bundang** : 3F Koscom Bldg., 246-4, Seohyeon-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea [031] 702-5400
38. **Sadang** : 3F Golden Cinema Tower., 147-53, Sadang 2-dong, Dongjak-gu, Seoul, Korea [02] 3474-0600
39. **Saha** : 3F Cheonggyeong Bldg., 589-16, Hadan 1-dong, Saha-gu, Busan, Korea [051] 206-7474
40. **Sanggyedong** : 3F IBK Bldg., 716-1, Sanggye 2-dong, Nowon-gu, Seoul, Korea [02] 3391-4654
41. **Sangmu** : 2F Korea Professor Mutual Society Bldg., 1213-3, Chipyeong-dong, Seo-gu, Gwangju, Korea [062] 371-0017
42. **Seosan** : 1F Daishin Securities Bldg., 985-1, Dongmun-dong, Seosan-si, Chungcheongnam-do, Korea [041] 664-2151
43. **Seochodong** : 3F KAIS Bldg., 1657-5, Seocho 1-dong, Seocho-gu, Seoul, Korea [02] 3477-2070
44. **Songtan** : 3F Daishin Securities Bldg., 817-4, Seojeong-dong, Pyeongtaek-si, Gyeonggi-do, Korea [031] 663-1901
45. **Suwan** : 2F SI Tower, 1427, Suwan-dong, Gwangsan-gu, Gwangju, Korea [062] 362-2300
46. **Suwon** : 4F Seyoung Bldg., 1038-2, Ingye-dong, Paldal-gu, Suwon-si, Gyeonggi-do, Korea [031] 224-9900
47. **Suji** : 3F Seho Bldg., 57-1, Seongbok-dong, Suji-gu, Yongin-si, Gyeonggi-do, Korea [031] 265-2733
48. **Suncheon** : 4F Daemyeong Bldg., 1343-4, Yeonhyang-dong, Suncheon-si, Jeollanam-do, Korea [061] 724-8440
49. **Siheungdong** : 3F Seopyeong Bldg., 883-5, Siheung 1-dong, Geumcheon-gu, Seoul, Korea [02] 806-2077
50. **Sinchon** : 5F Dongin Bldg., 107-1, Nogosan-dong, Mapo-gu, Seoul, Korea [02] 719-3713
51. **Ansan** : 2F Jungang Market Bldg., 535, Gojan 2-dong, Danwon-gu, Ansan-si, Gyeonggi-do, Korea [031] 405-9090
52. **Anjung** : 3F IMAX Bldg., 249, Hyeonhwa-ri, Anjung-eup, Pyeongtaek-si, Gyeonggi-do, Korea [031] 681-8900
53. **Apgujeong** : 2F Yeongsin Bldg., 615-2, Sinsa-dong, Gangnam-gu, Seoul, Korea [02] 546-3901
54. **Yangjaedong** : 2F Windstone Bldg., 275-2, Yangjae 2-dong, Seocho-gu, Seoul, Korea [02] 574-0300

55. **Yeosu** : 1F Ire Town, 36-1, Hak-dong, Yeosu-si, Jeollanam-do, Korea [061] 683-3280
56. **Yeomchangdong** : 2F, 282-23, Yeomchang-dong, Gangseo-gu, Seoul, Korea [02] 3661-2904
57. **Yeongdong** : 2F Songchon Bldg., 642-9, Yeoksam 1-dong, Gangnam-gu, Seoul, Korea [02] 2185-5000
58. **Yeongdeungpo** : 3F Shinhan Bank Bldg., 57, Yeongdeungpo-dong 4-ga, Yeongdeungpo-gu, Seoul, Korea [02] 2678-8611
59. **Business Dept.** : 34-8, Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea [02] 769-2000
60. **Osan** : 2F Daishin Securities Bldg., 925-8, Osan-dong, Osan-si, Gyeonggi-do, Korea [031] 375-8377
61. **Olympic** : 3F Olympic Plaza Shopping Center, 89-11, Bangi 2-dong, Songpa-gu, Seoul, Korea [02] 404-3100
62. **Yongsan Citypark** : 101-#106 Yongsan-Citypark, 63-389, Hangangno 3-ga, Yongsan-gu, Seoul, Korea [02] 749-4800
63. **Ulsan** : 1F Daishin Securities Bldg., 63-5, Haksan-dong, Jung-gu, Ulsan, Korea [052] 244-5100
64. **UlsanNam** : 3F Hanhwa General Insurance Bldg., 1474-2, Samsan-dong, Nam-gu, Ulsan, Korea [052] 265-2266
65. **Wonju** : 2F Center Plaza, 1641-8, Musil-dong, Wonju-si, Gangwon-do, Korea [033] 732-1711
66. **Incheon** : 3F Deokwon Bldg., 24-1, Dap-dong, Jung-gu, Incheon, Korea [032] 763-8108
67. **Ilsan** : 2F Jeongdo Plaza, 106-1, Juyeop 1-dong, Ilsanseo-gu, Goyang-si, Gyeonggi-do, Korea [031] 919-5033
68. **Jamsil-Sincheon** : 3F Trizium Shopping Center, 35-2, Jamsil 3-dong, Songpa-gu, Seoul, Korea [02] 421-2332
69. **Jangandong** : 1F Yangji Bldg., 464-3, Jangan 1-dong, Dongdaemun-gu, Seoul, Korea [02] 2215-4114
70. **Jeonju** : 2nd Daishin Securities Bldg., 636-1, Seonosong-dong, Wansan-gu, Jeonju-si, Jeollabuk-do, Korea [063] 275-4600
71. **Jeongjadong** : 2nd Jeljon tower 3cha, 156-1, Jeongja-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea [031] 726-7007
72. **Jeju** : 1F Tower-Proville 2325-6, Yeon-dong, Jeju-si, Jeju-do, Korea [064] 743-4131
73. **Jongno** : 2F Alpha Bldg., 70, Seorin-dong, Jongno-gu, Seoul, Korea [02] 733-8800
74. **Jinju** : 3F Ivy Tower, 414-10, Chiram-dong, Jinju-si, Gyeongsangnam-do, Korea [055] 763-3900
75. **Changwon** : 4F Suhyup Bldg., 77-1, Sangnam-dong, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea [055] 281-6404
76. **Cheonan** : 2F Dongbang Bldg., 390, Ssangyong 1-dong, Seobuk-gu, Cheonan-si, Chungcheongnam-do, Korea [041] 578-0535
77. **Cheongdam** : 4F Geumha Bldg., 41-2, Cheongdam-dong, Gangnam-gu, Seoul, Korea [02] 3443-0100
78. **Cheongju** : 2F Daishin Securities Bldg., 62, Bungmunno 1-ga, Sangdang-gu, Cheongju-si, Chungcheong buk-do, Korea [043] 222-7290
79. **Pangyo** : S-#206 2F H-Square, 680, Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea [031] 8018-4100
80. **Pyeongchon** : 2F Intops Bldg., 1042-1, Beomgye-dong, Dongan-gu, Anyang-si, Gyeonggi-do, Korea [031] 388-2400
81. **Pohang** : 1F Gyeongrim Bldg., 1002, Daejam-dong, Nam-gu, Pohang-si, Gyeongsangbuk-do, Korea [054] 273-4411
82. **Hagyedong** : 2F Daishin Securities Bldg., 256-8, Hagye-dong, Nowon-gu, Seoul, Korea [02] 976-4793
83. **Haeundae** : 3F Marina Center, 1434-1, U 1-dong, Haeundae-gu, Busan, Korea [051] 704-3800
84. **Hongjedong** : 5F Hongje Bldg., 301-2, Hongje 3-dong, Seodaemun-gu, Seoul, Korea [02] 395-8000

Organization Chart

