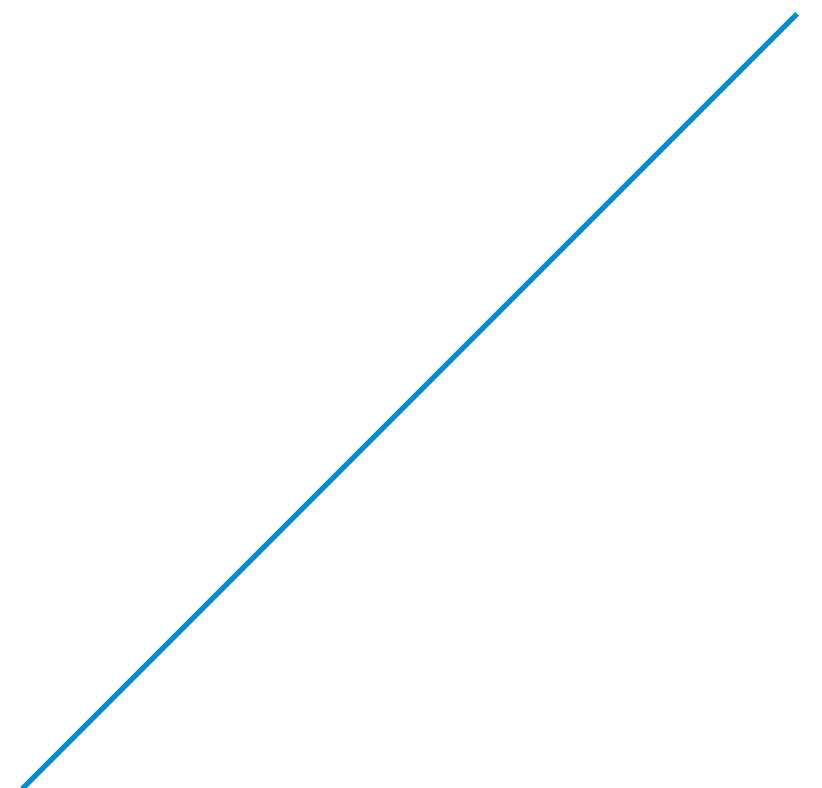




**DAISHIN  
SECURITIES  
ANNUAL  
REPORT 2016**







Capital Stock and Dividends

BOD

Message

Company Overview

# Introduction

# Company Overview

## General Information

|                            |   |
|----------------------------|---|
| Business type              | Financial investment service  |
| Business areas             | Dealings, brokerage, investment trust, investment advisory, discretionary investment management |
| Date of establishment      | July 27, 1962   |
| Listing date               | October 1, 1975   |
| Head office                | Daishin Securities Building, 16 Gukjegeumyung-ro 8-gil, Youngdeungpo-gu, Seoul, Korea           |
| Executives and employees   | 1,736   |
| Domestic network           | 55 offices (1 business dept., 1 business office, 53 branches)                                   |
| Overseas network           | 1 overseas subsidiary (Hong Kong) and 2 overseas offices (Tokyo and Shanghai)                   |
| Capital stock              | KRW 434.9 billion   |
| Total shareholders' equity | KRW 1,731.5 billion   |
| Total assets               | KRW 18,686 billion  |

As of the end of 2015, based on the Consolidated Financial Statements

## Credit Rating

|      |                      |                                      |
|------|----------------------|--------------------------------------|
| A    | A+                   | AA-                                  |
| 2006 | 2009<br>2008<br>2007 | 2014<br>2013<br>2012<br>2011<br>2010 |

## Condensed Financial Statements

FY13 April 1, 2013 ~ Dec. 31, 2013 (\* 9-month performance due to change in business period)  
FY14 Jan. 1, 2014 ~ Dec. 31, 2014  
FY15 Jan. 1, 2015 ~ Dec. 31, 2015

| Consolidated Financial Statements |            |            |            |
|-----------------------------------|------------|------------|------------|
| Unit: in thousands USD            | FY13       | FY14       | FY15       |
| Operating revenues                | 1,409,614  | 2,027,582  | 2,934,882  |
| Operating expenses                | 1,420,697  | 1,984,121  | 2,789,832  |
| Operating income                  | -11,083    | 43,462     | 145,049    |
| Non-operating income              | 32,418     | 3,843      | 9,063      |
| Net income before tax             | 21,335     | 47,305     | 154,112    |
| Net income                        | 14,318     | 39,736     | 116,125    |
| Total assets                      | 13,098,424 | 16,575,771 | 15,936,862 |
| Total liabilities                 | 11,549,641 | 15,081,278 | 14,460,088 |
| Total shareholders' equity        | 1,548,783  | 1,494,493  | 1,476,774  |
| EPS (Unit: KRW)                   | 187        | 574        | 1,893      |

\* Based exchange rate: Dec. 30, 2015: 1,172.50, Dec. 30, 2014: 1,099.30, Dec. 30, 2013: 1,055.40

| Non-Consolidated Financial Statements |            |            |            |
|---------------------------------------|------------|------------|------------|
| Unit: in thousands USD                | FY13       | FY14       | FY15       |
| Operating revenues                    | 1,361,876  | 1,864,034  | 2,746,627  |
| Operating expenses                    | 1,372,710  | 1,859,726  | 2,640,207  |
| Operating income                      | -10,833    | 4,309      | 106,420    |
| Non-operating income                  | 38,423     | 289        | 4,392      |
| Net income before tax                 | 27,590     | 4,598      | 110,812    |
| Net income                            | 22,648     | 4,139      | 82,236     |
| Total assets                          | 12,591,667 | 14,422,813 | 13,832,484 |
| Total liabilities                     | 11,018,867 | 12,942,597 | 12,399,412 |
| Total shareholders' equity            | 1,572,800  | 1,480,216  | 1,433,072  |
| EPS (Unit: KRW)                       | 304        | 47         | 1,336      |

\* Based exchange rate: Dec. 30, 2015: 1,172.50, Dec. 30, 2014: 1,099.30, Dec. 30, 2013: 1,055.40



## Message from Chairwoman

Dear respected shareholders,

I would like to extend my deepest gratitude for your unwavering support for Daishin Securities. For the past 55 years, Daishin Securities has achieved continued growth amidst your steadfast support and trust despite the incessant challenges and hardships.

At Daishin Securities, we have been discovering a wide range of new businesses to reinforce our growth engine for years. We have emerged as a financial group with a diverse business portfolio that includes NPL resolution, savings bank, asset management and private equity in addition to our traditional securities business. Last year, Daishin F&I, Savings Bank, Asset Management and Private Equity showed steady growth and achieved marked improvement in performance.

Korea has moved beyond an aged society, entering into a super-aged society. While life expectancy has increased to 100 years old, pension assets have decreased, with growing concerns over post-retirement life. In this day and age, one must begin investing and managing one's assets to enjoy a high quality of life for decades after retirement.

To provide lifelong asset management services to our customers, we have oriented our strategies toward WM, and spurred companywide efforts to strengthen our asset management products and services. We have further advanced our age-based tailored asset management services, and reinforced our personal pension and retirement pension plans. Also, an online asset management platform was created to allow our customers to obtain asset management services anytime, anywhere.

Since last year, we have been providing differentiated products and services through logic and view, based on the investment philosophy unique to our firm. Daishin Securities gained a favorable response from the market and our customers last year with the House View of "Invest in dollar assets," which was an accurate prediction of the global financial environment. The House View is Daishin's investment philosophy that arose from our contemplation of the ways to protect and increase our customers' assets. Instead of merely offering products and services, we're endeavoring to enhance customer value with a firm investment philosophy. We promise to help our customers design their future and build trust,

based on logic and view, from a long-term perspective.

Dear respected shareholders,

We are now in the midst of the fourth industrial revolution (Industry 4.0). Introduction of new frontier technologies will diminish the boundaries between business areas, and bring forth new challenges and opportunities. The emergence of fintech and mobile-oriented financial services have fundamentally changed the financial aspect of our lives, and an on-demand service for asset management, without temporal and spatial constraints, has become essential.

Change is not a choice, but an inevitable part of life. Companies that only reflect on its past and present will lag behind, whereas those that look toward the future will survive. We have already established future strategies based on environmental and trend analyses, and have been solidifying our competitiveness. Last year, we launched the Wealth Advisor, with a robo-advisory feature, and opened the era of artificial intelligence-based asset management. We have also taken a step further to develop algorithms and systems to advance our robo-advisory asset management service. At Daishin, we will strive to be at the forefront of change by developing and offering differentiated mobile services incorporating big data and robo-advisory technologies.

Dear respected shareholders,

The mission of Daishin is to become a "financial health partner that grows together with its customers." We will serve as financial doctors, dedicated to proper management of customer assets so that they may lead financially healthy lives throughout their lives.

On behalf of everyone at Daishin, I would like to express our sincere appreciation for your trust and support, and I asked for your continued interest in our company.

Chairwoman  
Auh-ryung Lee

*Auh-ryung Lee*





## CEO Interview

Q1. Please explain Daishin's business performance in 2015.

Our mission is to be a "financial health partner that grows together with its customers." The executives and employees of Daishin have embraced their responsibility to ensure the lifelong financial health of the customers amidst the current trends of low interest rate, low growth and an aging society.

The Daishin House View announced last year is the logic and view applied to protect and manage customer assets. Based on the House View, we successfully protected our customers' assets despite the increasing variability in the market, and received a favorable response from our customers.

Last year, the efforts of our company to develop differentiated business models finally began resulting in fruitful outcomes. The trading volume in the stock market plummeted due to unfavorable market conditions in the latter half of the year. Despite the bearish market sentiment that caused a marked drop in financial product sales, our affiliates achieved steady growth, and built a strong foundation for generating revenue.

Daishin F&I, acquired in 2014, recorded KRW 67.9 billion in earnings before tax last year, and proved once again the top NPL investment and recovery capacity in the industry. Daishin Savings Bank saw an increase in the loan amount to KRW 875.1 billion, and achieved stable growth, while Daishin Asset Management consolidated the foundation for generating revenue by launching the Asia Consumer Fund, Global High-Dividend Fund and others. Also, Daishin Private Equity, established in 2014, newly set a secondary fund last year to create a new source of revenue.

Daishin Securities has emerged as a comprehensive financial investment firm, together with its subsidiaries including Daishin F&I, Daishin Savings Bank, Daishin Asset Management and Daishin Private Equity. By reinforcing our core business capacities and creating new sources of revenue based on the synergistic effect of multiple businesses, we will strive to meet the expectations of our shareholders.

Q2. Please explain the management strategy for 2016. We plan on making the year 2016 acknowledged by our customers as the beginning of our journey as a company that offers logic and view, based on a differentiated

investment philosophy.

Last year, we announced the Daishin House View of "Invest in dollar assets," and received a great response in the market. The Daishin House View is our company's unique investment philosophy to protect and manage our customers' assets based on long-term market projections. Instead of merely offering products and services, we will manage the assets based on our differentiated investment philosophy, which will become our key competitiveness. We vow to build stronger customer trust by providing earnest asset management services based on logic and view with a sense of conviction.

Our second strategic goal is "customized rebalancing of assets for lifelong investment health." The asset management market in the low growth era will transition from a supplier-oriented model to a user-oriented model. There is now a need to manage customer assets, taking into consideration the specific needs such as tax reduction, inheritance and post-retirement years in addition to returns on investment. We will heed the needs of each of our customers and ensure true customer satisfaction.

Lastly, in response to the fourth industrial revolution, we plan on developing frontier mobile asset management services. We'll launch services geared toward individual investment inclinations using the robo-advisor technology and provide personalized portfolios. Also, we'll analyze individual investment objectives and inclinations based on big data, and ensure stability through global asset distribution.

In 2016, the executives and employees of Daishin will be united in our commitment to our management goals, and meet the expectations of our respected shareholders and investors.

CEO of Daishin Securities  
Jai-chel Na

나재철



# Board of Directors

## Board of Directors

Daishin Securities ensures transparency and practices responsible management in its decision-making, management and supervision activities. Based on the outstanding governance structure established based on BOD efficiency and responsibility, we protect the rights and interests of our stakeholders and enhance our corporate value. The BOD is comprised of eight directors, five of whom are outside directors. There are four committees under the BOD: Audit Committee, Outside Director Nomination Committee, Risk Management Committee, and Management Compensation Committee.



Chairperson Au-ryung Lee

Three Members of Management



Outside Director Chan-soo Park

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



Outside Director Chang-bong Kim

Government Policy Assessment Committee Member, National Tax Service, Korea Customs Service, Ministry of Trade, Industry, and Energy, Ministry of Strategy and Finance  
President, Korean Corporation Management Association  
Professor of Business Administration, Graduate School of Industry,

## External Evaluation of the Governance Structure

Daishin Securities received A Grade in the annual corporate governance evaluation survey conducted by the Korea Corporate Governance Service (CGS). CGS concluded that the governance system of Daishin Securities conforms to the corporate governance standards, and that there are no threats to the shareholder value as the governance risk is low.



CEO Jai-chel Na



President Hong-seok Yang



Outside Director Sang-myung Choung

Prosecutor General, Supreme Prosecutors' Office  
Chairperson, Hyunam Education Institution  
Attorney-at-law, Choung Sang-myung Law Firm



Outside Director Jae-kuk Shin

Director of Investigation Bureau, Gwangju Regional Tax Office  
Director of Investigation Bureau, Jungbu Regional Tax Office  
CEO, Lee&K Tax Consulting



Outsider Director Ji-won Lee

Employee, Samil PwC Korea  
CEO, L&C Tax Office



# Capital Stock and Dividends

## Types and Number of Stocks Issued

Daishin Securities has been practicing a shareholder-centered management philosophy to maximize shareholder value by enhancing the corporate value through balanced growth.

|                        |   |
|------------------------|---|
| Common stock           | 50,773,400 shares (amount: KRW 253,867,000,000) |
| First-preferred stock  | 26,000,000 shares (amount: KRW 130,000,000,000) |
| Second-preferred stock | 10,000,000 shares (amount: KRW 50,000,000,000)  |

Total capital stock

KRW 434,867,000,000

200,000 shares of treasury stock retired  
on September 16, 2002

## Cash Dividends Paid Out for 18 Consecutive Years

At Daishin Securities, we're committed to returning profits to the shareholders, as attested by the fact that we are the only major securities firm to pay out cash dividends for 18 years in a row. This is the result of developing our business model and diversifying our revenue structure to greatly enhance the quality of our earnings for the past several years. We will continue to practice transparent shareholder-centered management, based on our management goal to maximize shareholder value.

|                    |                        | FY98  | FY99  | FY00  | FY01   | FY02  | FY03  | FY04  |
|--------------------|------------------------|-------|-------|-------|--------|-------|-------|-------|
| Dividend per share | Common stock           | 500   | 1,500 | 750   | 500    | 500   | 650   | 500   |
|                    | First-preferred stock  | 550   | 1,550 | 800   | 550    | 550   | 700   | 550   |
|                    | Second-preferred stock | -     | -     | -     | -      | -     | -     | -     |
| Dividend yield     | Common stock           | 3.7%  | 8.8%  | 7.3%  | 1.9%   | 3.3%  | 3.8%  | 3.3%  |
|                    | First-preferred stock  | 5.9%  | 12.2% | 13.4% | 4.4%   | 7.4%  | 7.4%  | 5.1%  |
|                    | Second-preferred stock | -     | -     | -     | -      | -     | -     | -     |
| Payout ratio       |                        | 46.4% | 33.7% | 65.7% | 288.1% | 90.9% | 66.5% | 90.0% |

## Changes in Treasury Stock in 2015

|   | Base date      |                             | Common stock | First-preferred stock | Second-preferred stock |
|---|----------------|-----------------------------|--------------|-----------------------|------------------------|
| Beginning of period<br>Changes                    | Jan. 1, 2015   |                             | 8,604,183    | 4,000,000             | 840,000                |
|   | March 31, 2015 | Payment of deferred bonuses | 236,103      |                       |                        |
|   | April 24, 2015 | Purchase of treasury stocks | 1,800,000    | 600,000               | 240,000                |
|   | Dec. 30, 2015  | Payment of deferred bonuses | 65,006       |                       |                        |
| End of the term                                   | Dec. 30, 2015  |                             | 10,103,074   | 4,600,000             | 1,080,000              |
| Changed quantity to the total issued stocks ratio |                |                             | 19.9%        | 17.7%                 | 10.8%                  |

|  | FY05  | FY06  | FY07  | FY08  | FY09  | FY10  | FY11  | FY12   | FY13  | FY14   | FY15  |
|--|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|-------|
|  | 1,000 | 1,000 | 1,250 | 1,000 | 1,000 | 750   | 650   | 500    | 200   | 250    | 500   |
|  | 1,050 | 1,050 | 1,300 | 1,050 | 1,050 | 800   | 700   | 550    | 250   | 300    | 550   |
|  | -     | -     | 1,250 | 1,000 | 1,000 | 750   | 650   | 500    | 200   | 250    | 500   |
|  | 4.9%  | 4.4%  | 5.2%  | 5.4%  | 5.9%  | 4.8%  | 5.3%  | 5.1%   | 2.6%  | 2.5%   | 4.0%  |
|  | 6.8%  | 7.2%  | 9.5%  | 12.9% | 9.8%  | 7.7%  | 8.8%  | 8.4%   | 4.4%  | 4.6%   | 6.9%  |
|  | -     | -     | 10.3% | 13.6% | 10.6% | 8.10% | 8.6%  | 8.2%   | 3.9%  | 4.1%   | 6.8%  |
|  | 47.6% | 77.5% | 59.7% | 77.6% | 86.5% | 70.8% | 56.8% | 225.5% | 68.2% | 427.1% | 37.9% |

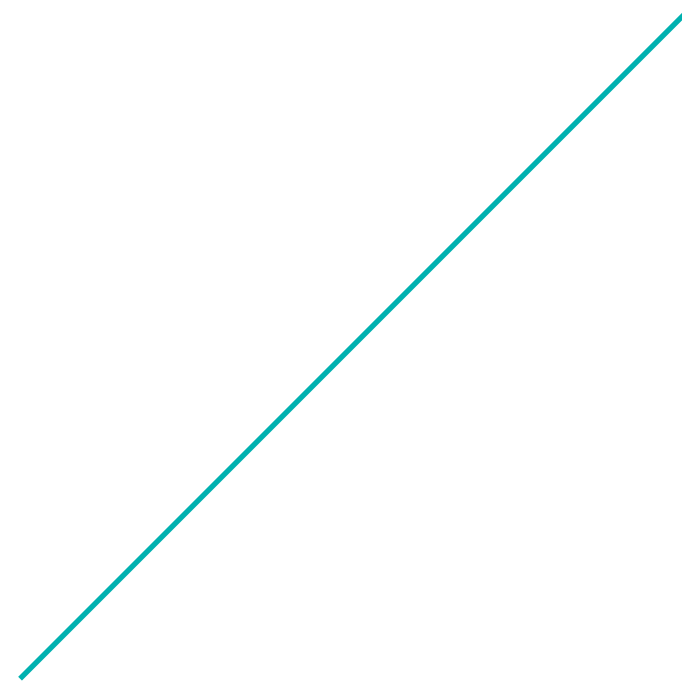
Subsidiary Information

2016 Strategic Goals and Specific Tasks

Business Performance

Business Model

# Business and Strategy



## A Competitive Financial Investment Firm with Differentiated Business Models

Daishin Securities has been expanding into diverse business areas for the past 5 years instead of maintaining a revenue structure that centers on brokerage services.

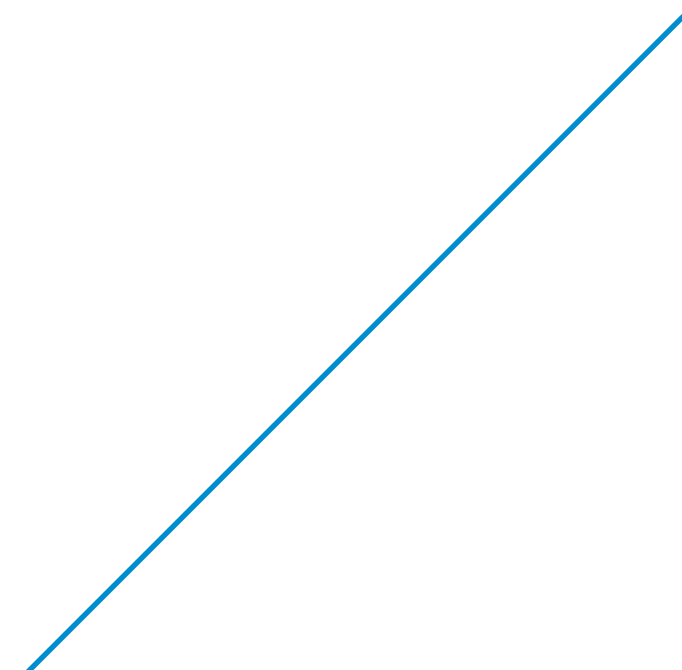
Now, Daishin Securities is creating value in a wide range of financial fields including asset management, loan, NPL, PE and others in addition to brokerage, WM, IB and its other traditional business areas.

Daishin Securities aims to create value and synergy by furthering the growth of each business model and converging different businesses.

Based on the new business areas, it endeavors to emerge as a competitive financial investment firm with differentiated business models.








## Business Model

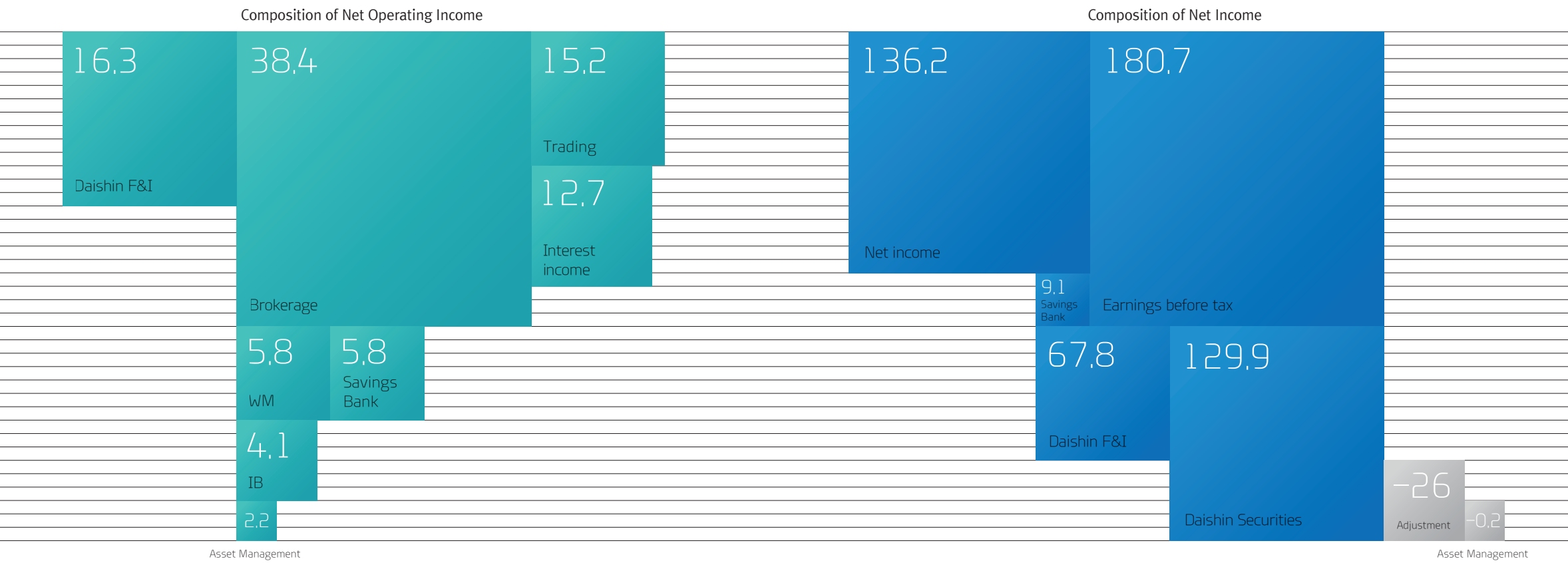
WM  
Brokerage  
Trading  
IB  
Interest  
F&I  
Savings Bank  
Asset Management  
Private Equity



# Business Performance

Unit: KRW billion

|                     | <br>Daishin<br>Securities | <br>Daishin<br>F&I | <br>Daishin<br>Savings Bank | <br>Daishin<br>Asset Management | <br>Daishin<br>Private Equity | <br>Daishin<br>Economic Research Institute | <br>Daishin<br>Securities Asia |
|---------------------|--|---|--|--|--|---|---|
| Total assets        | 16,218.6   | 2,009.6   | 1,030.7  | 38.1   | 9.9  | 8.7   | 6.5   |
| Total equity        | 1,680.3  | 376.7   | 124.1  | 33.6   | 9.8  | 6.7   | 5.8   |
| Earnings before tax | 129.9  | 67.8  | 9.1  | -0.2   | 0.2  | -0.1  | 0.3   |



\* Miscellaneous and adjustments:  
Daishin Private Equity, Daishin Economic Research Institute, Daishin Securities Asia, and other adjustment items, etc.

# 2016 Strategic Goals and Specific Tasks

At Daishin Securities, we set forth strategic goals reflecting the analysis of the future changes in the business management environment resulting from "low growth, low interest rate, and an aging society," and undertake specific tasks to achieve these goals. We endeavor to create differentiated investment portfolios based on logic and a long-term view, rather than simply offering one-time financial products. By scrupulously keeping track of the soundness of our customers' investments and providing age-based tailored asset management services, we will ensure our customers' financial soundness throughout their lives. Furthermore, we will response to the rapid changes in the financial environment including fintech to establish the next-generation mobile systems, and lead the online asset management market.

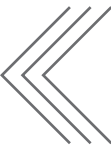
I. A company that offers logic and view



II. Tailored asset rebalancing  
for lifetime investment soundness



III. Trend-setting mobile services



- 1

Offer Daishin's unique investment philosophy (differentiation)
- 2

Expand the HNW customer base
- 3

Bolster the financial doctor's PB capacity and branding of the WM business
- 1

Set up age-based personalized services
- 2

Reinforce the pension business
- 1

Reinforce the sale of strategic mobile products
- 2

Reinforce personalized services
- 3

Set up differentiated mobile services that set new trends such as fintech





Daishin F&I is Korea's first private bad bank established for the resolution of non-performing loans. It was re-incepted under the umbrella of the Daishin Financial Group in May 2014.



Daishin Savings Bank is a member of the Daishin Financial Group that considers customer trust as the utmost value. It aims to become Korea's leading savings bank that's trusted by its customers.



Daishin Asset Management is an asset management firm, the establishment of which was wholly funded by Daishin Securities. Since the commencement of business as an investment consulting firm in March 1988, it has been committed to properly managing the assets of its customers.

## Subsidiary Information

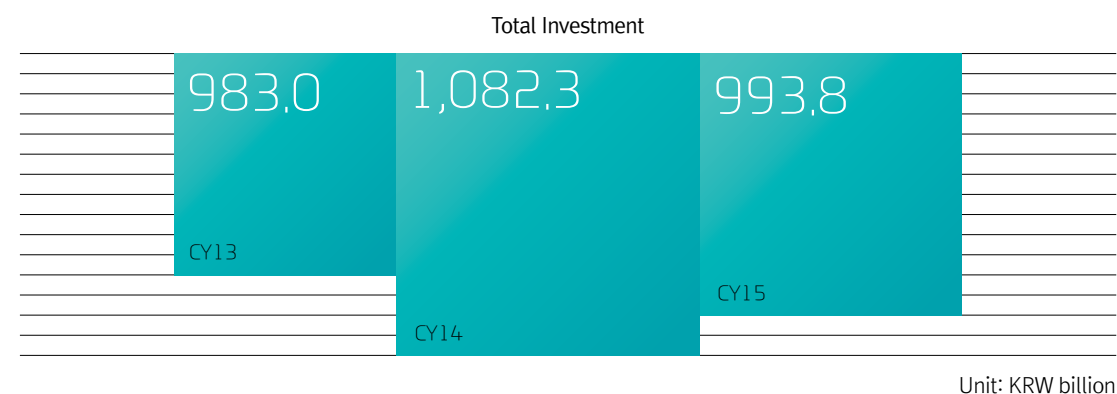
### Daishin F&I

#### Daishin F&I

Since its establishment in 2001, as Korea's first company to specialize in NPL investment, Daishin F&I has become a leader in the NPL industry. Its primary business areas are the acquisition and disposal of asset-backed securities (ABS), issued by liquidation firms using NPLs in accordance with the Asset-Backed Securitization Act, and investment into similar types of financial assets. Using its distinguished investment know-how and asset management system, Daishin F&I separates investment and asset management with efficiency, and has outstanding NPL investment and recovery capacity predicated on balance and control. In 2016, the company aims to emerge as a comprehensive investment firm by diversifying the sources of revenue and improving the rate of return. To this end, the revenue model will be consolidated by discovering new areas of investment in distressed debt markets and corporate restructuring markets in addition to its traditional NPL investments. Furthermore, Daishin F&I vows to gain distinctive competitiveness by producing synergy with the group affiliates including Daishin Securities, Savings Bank, and Asset Management.

#### 2015 Performance

Daishin F&I recorded KRW 2,009.6 billion in total assets and KRW 67.8 billion in net income before tax, based on the consolidated financial statements for 2015. Despite the fierce competition in the NPL market, the company exceeded the revenue target by diversifying its revenue structure and strengthening its asset management capacity.



| Unit: KRW billion     | CY13  | CY14    | CY15  |
|-----------------------|-------|---------|-------|
| Net income before tax | 56.8  | 71.8    | 67.8  |
| Total investment      | 983.0 | 1,082.3 | 993.8 |

# Subsidiary Information

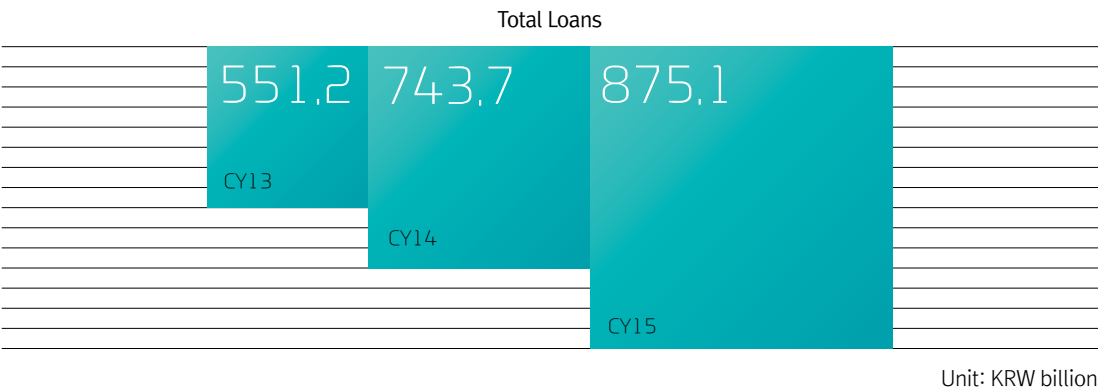
## Daishin Savings Bank

### Daishin Savings Bank

Daishin Savings Bank, the establishment of which was wholly funded by Daishin Securities, was set up through purchase and assumption (P&A) of Jungang Busan Savings Bank, Busan II Savings Bank, and Domin Mutual Savings and Finance in August 2011. With branches in Seoul, Gangwon and Busan, Daishin Savings Bank is recording steady growth based on its expertise in corporate finance and the synergy achieved with the Group. In 2016, Daishin Savings Bank aims to become an outstanding savings bank with more than KRW 1 trillion in loans. It will also expand its business in the small loan sector by diversifying the revenue sources through platform business alliances and intra-group business expansion and entering into the mid-interest rate loan market. The client base for the non-face-to-face business channels such as mobile and Internet banking services will be expanded in addition to the provision of diverse financial services.

### 2015 Performance

Daishin Savings Bank built the foundation for a stable loan-deposit margin based on balanced business and risk management. In 2015, the expansion of the business network in corporate finance as well as consumer finance led to a 17.7% increase in total loans to KRW 875.1 billion, while the income before tax was recorded at KRW 9.1 billion, which was a 59.6% YOY increase. The stable risk management system also helped improve the ratio of bank loans classified as substandard or below (SBL ratio) to 9.9%, which was a 6.4%p increase from the previous year.



| Unit: KRW billion         | CY13  | CY14  | CY15  |
|---------------------------|-------|-------|-------|
| Total loans <sup>1)</sup> | 551.2 | 743.7 | 875.1 |
| Income before tax         | -11.8 | 5.7   | 9.1   |
| SBL ratio                 | 30.4% | 16.3% | 9.9%  |

<sup>1)</sup> Total loans include provisional payments and premium.

# Subsidiary Information

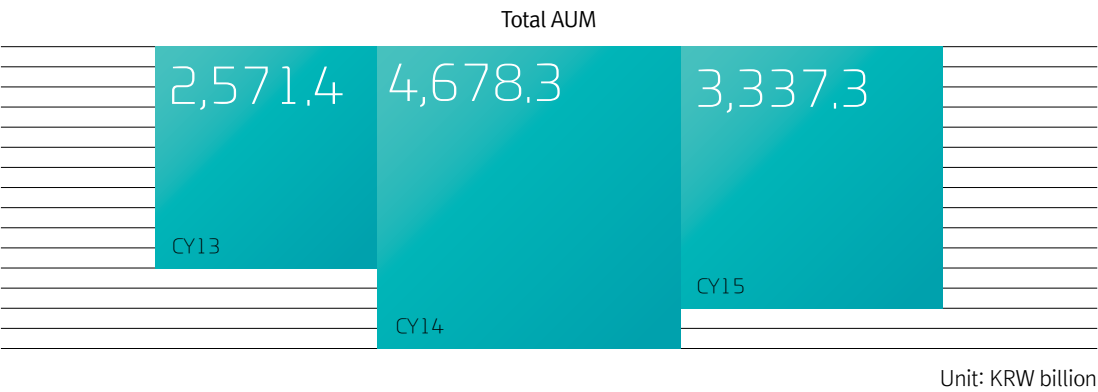
## Daishin Asset Management

### Daishin Asset Management

Daishin Asset Management was founded as Daishin Investment Consulting in March 1980 before being renamed as Daishin Investment and Trust Management in July 1996 and commencing the equity investment and trust management services. In May 2010, its name was changed to Daishin Asset Management, with the CI also changed, and it was merged with Korea Creative Investmentin March 2013 to begin the discretionary investment management and consultant wrap services. In 2016, the existing asset management firms will be presented with the challenge of emerging hedge fund management firms, and opportunities from the increased demand for absolute return and passive funds that are suitable for the era of low interest rate and aging society. With index and bond-type funds as its strategic products, Daishin Asset Management will steadily increase the assets under management (AUM) and strengthen its sources of revenue.

### 2015 Performance

The net income in 2015 was minus KRW 200 million, due to the rising non-operating expenses, while AUM, as of the end of 2015, was KRW 3.3 trillion, a 29.8% increase from 2013. Of particular note, AUM increased centering on the newly launched fund products such as the Global Strategy Multi-Asset Fund and the Global High-Dividend Fund, and contributed to the strengthening of the foundation for generating revenue.



| Unit: KRW billion   |                                      | CY13    | CY14    | CY15    |
|---------------------|--------------------------------------|---------|---------|---------|
| Total AUM           |                                      | 2,571.4 | 4,678.3 | 3,337.3 |
| Commission and fees | Asset management commission          | 0.8     | 0.8     | 0.9     |
|                     | Collective investment management fee | 2.1     | 7.5     | 7.2     |

Asset Quality and Risk Management

Performance by Business Unit

Financial Highlight

# Management's Discussion & Analysis

# Financial Highlight

## Based on Non-Consolidated Financial Statements for 2015

With all of the business units achieving surpluses, the net income in the 2015 fiscal year was KRW 96.4 billion, a KRW 91.9 billion increase from the previous year.

WM Unit, which presented differentiated services based on the Daishin House View, achieved a net income of KRW 30.7 billion, a 19.1% YOY increase, through an increase in sales of financial products such as ELS, funds and wraps. As for the Brokerage Unit, KRW 202.2 billion, a 39.7% YOY increase, was recorded as a result of recovery in the market trading volume and increase in the market share. The Trading Unit posted an income of KRW 80.3 billion, a 7.7% decrease from the previous year, due to delays in early redemptions of ELS and the negative market sentiment exacerbated by the plunge in ELS underlying asset index and uncertainty in the global stock market. The IB income posted at KRW 21.6 billion KRW, a 103.4% YOY increase, which was achieved through successful diversification of the revenue structure, centering on real estate and structured finance. Commissions and fees earned increased by 19.7% from the previous term to KRW 67.1 billion, thanks to the steady increase in credit loans and secured loans. As for miscellaneous income, it increased from KRW 28.6 billion to KRW 29.5 billion, in reflection of Daishin F&I's dividends of KRW 19.9 billion.

The sale and administrative expenses decreased by 4.3% to KRW 306.4 billion as a result of reduction in labor costs.

| Unit: KRW billion                          | FY13         | FY14         | FY15         |
|--|--------------|--------------|--------------|
| <b>Net operating income</b>                | <b>223.3</b> | <b>324.9</b> | <b>431.2</b> |
| Wealth Management                          | 14.9         | 25.8         | 30.7         |
| Brokerage                                  | 116.8        | 144.6        | 202.0        |
| Trading                                    | 47.6         | 87.0         | 80.3         |
| Investment Banking                         | 9.9          | 10.6         | 21.6         |
| Interest Income                            | 37.7         | 56.0         | 67.1         |
| Miscellaneous                              | -3.5         | 0.9          | 29.5         |
| <b>Selling and administrative expenses</b> | <b>234.8</b> | <b>320.2</b> | <b>306.4</b> |
| Salaries and employee benefits             | 131.9        | 191.3        | 171.9        |
| General administrative expenses            | 79.9         | 108.0        | 119.0        |
| Depreciation and amortization expenses     | 23.0         | 20.9         | 15.5         |
| <b>Operating income</b>                    | <b>-11.4</b> | <b>4.7</b>   | <b>124.8</b> |
| <b>Non-operating income and expenses</b>   | <b>40.6</b>  | <b>0.3</b>   | <b>5.1</b>   |
| <b>Net income before tax</b>               | <b>29.1</b>  | <b>5.0</b>   | <b>129.9</b> |
| <b>Net income for the term</b>             | <b>23.9</b>  | <b>4.5</b>   | <b>96.4</b>  |

# Performance by Business Unit

## Customer-based

### Financial Doctor MBA Program

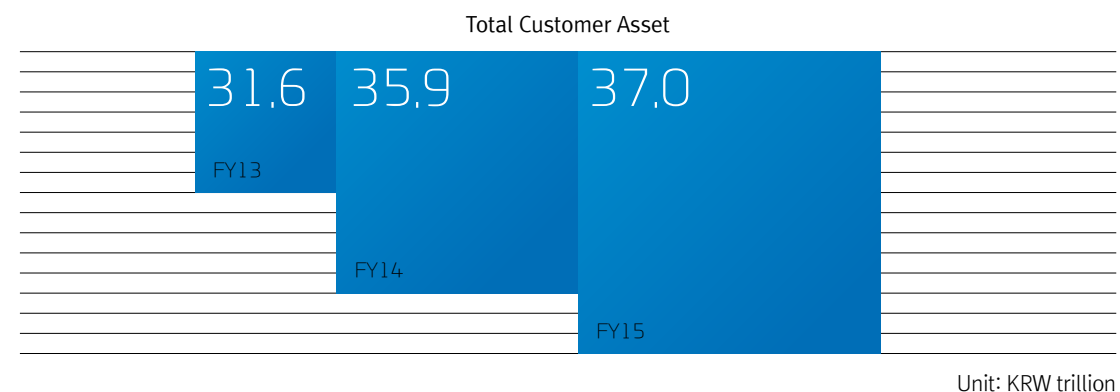
Financial doctors are specialized PBs that provide WM services, based on Daishin Securities' distinguished logic and view. The Financial Doctor MBA Program was launched in 2015 to provide tailored education according to the area of specialization. Among the 500 sales employees of Daishin Securities, an elite group of 45 financial doctors are chosen based on a competency review to take part in the program. Daishin Securities is devoting its capacity to nurture competent financial doctors who can be the "trusted partners of our customers."

### Customer Deposits

Customer deposits grew by 17.1% from KRW 31.6 trillion (end of 2013) to KRW 37.0 trillion (end of 2015). While ELS, bonds, trust and RP decreased from last year, funds, wrap and retirement pensions consistently increased in tandem with the rising demand for asset management. Our company is expanding our client base by launching a wide array of products including the Dollar Asset Focus Wrap, Dollar Asset ELS and Dollar RP based on the House View.

| Unit: KRW trillion | Entrusted assets | Financial assets |     |         |      |      |                 | Total financial assets | Total customer assets |
|--------------------|------------------|------------------|-----|---------|------|------|-----------------|------------------------|-----------------------|
|                    |                  | Bond             | ELS | RP(CMA) | Fund | WRAP | Trust and Other |                        |                       |
| 2013               | 16.0             | 2.3              | 1.4 | 3.3     | 3.8  | 0.1  | 4.7             | 15.6                   | 31.6                  |
| 2014               | 17.2             | 2.0              | 1.4 | 3.2     | 4.6  | 1.3  | 6.2             | 18.7                   | 35.9                  |
| 2015               | 21.8             | 1.5              | 1.2 | 2.7     | 4.6  | 2.8  | 2.4             | 15.2                   | 37.0                  |

\* Other: CD/CP, retirement pension, bancassurance





# Performance by Business Unit

## Wealth Management

### Revenue from the WM Unit

In 2015, our company proposed “Invest in dollar assets” as the Daishin House View, which is our unique investment philosophy implemented to maintain the financial soundness of our customers from a long-term perspective. Based on the Daishin House View, our company presented differentiated financial products such as the 100 Trillion Club ELS, Dollar RP and Dollar Asset Focus Wrap to invest in dollar assets. In 2015, with increased sales of financial products, the WB Unit generated KRW 30.7 billion in revenue, which was a 19.1% YOY increase.

In respect to the financial products, the widespread uncertainty in the global stock market caused sluggish sales of derivatives-linked securities, which resulted in the commission and fees from the sales of derivatives-linked securities to drop by 25.9% to KRW 8 billion. In contrast, the commission and fees from the sale of funds increased by 53.6% to KRW 14.9 billion. Thanks to the launch of diverse products such as the Daishin Masters Wrap and Daishin Mezzanine Wrap, the commission and fees from wrap sales recorded KRW 1.3 billion, an 85.7% YOY increase, while the remuneration from trusts increased by 41.3% to KRW 6.5 billion.

| Unit: KRW billion             | FY13 | FY14 | FY15 |
|-------------------------------|------|------|------|
| Derivatives-linked securities | 7.6  | 10.8 | 8.0  |
| Fund                          | 4.9  | 9.7  | 14.9 |
| Wrap                          | 0.1  | 0.7  | 1.3  |
| Trust                         | 2.3  | 4.6  | 6.5  |
| Total                         | 14.9 | 25.8 | 30.7 |

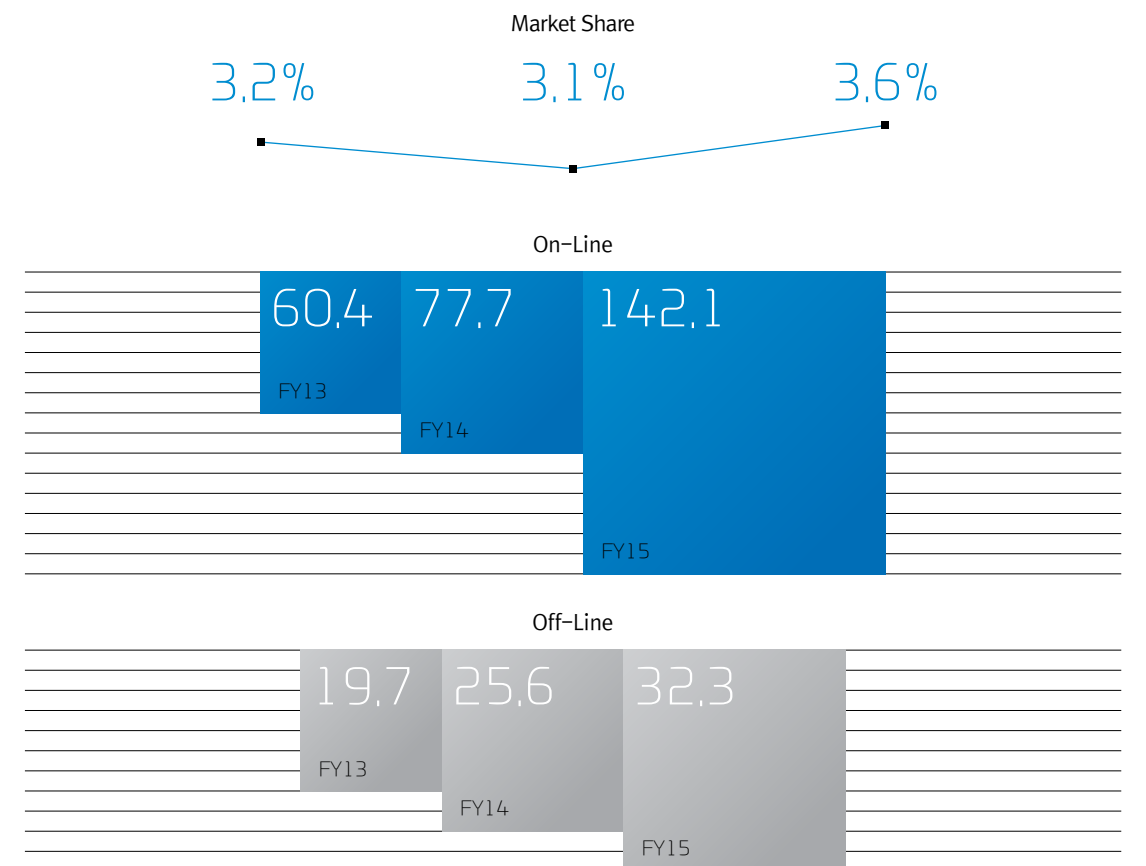
# Performance by Business Unit

## Brokerage

The revenue from brokerage services in FY2015 was recorded at KRW 202 billion, a 39.7% YOY increase, as a result of an increase in the market trading volume and market share. Total brokerage transaction amount increased by 68.8% to KRW 174.4 trillion, while the market share rose by 0.5%p to 3.6%.

| Unit: KRW billion | FY13  | FY14  | FY15  |
|-------------------|-------|-------|-------|
| Brokerage         | 116.8 | 144.6 | 202.0 |

### Total brokerage transaction amount and Market Share



\* Incl. futures/options, ETF and ELW

Unit: KRW trillion

# Performance by Business Unit

## Trading

The trading segment generated KRW 80.3 billion in revenue, which was a 7.7% YOY decrease, due to early redemptions of ELS and reduction in new issuances caused by the widespread uncertainty in the global stock market. Daishin Securities' trading segment aims to generate stable alpha revenue based on sales and trading. In 2016, efficiency will be maximized against the risk of assets under management by expanding into overseas products and books, and new alpha revenue will be generated through the discovery of overseas investors and formulation of new strategies.

| Unit: KRW billion | FY13 | FY14 | FY15 |
|-------------------|------|------|------|
| Trading           | 47.6 | 87.0 | 80.3 |

## Investment Banking

Thanks to the recovery of IPO performance and creation of new sources of revenue such as structured finance, the FY2015 IB revenue was recorded at KRW 21.6 billion, a 103.4% increase from the previous year. In 2016, the goal of the IB segment will be to reinforce its survival power by implementing progressive strategies. A total solution system will be established to provide preemptive integrated services depending on the market needs. Also, the IP business unit will improve coverage through selection and concentration, in response to the diverse changes in investment targets, products and regions, and provide diverse investment services including asset-backed securitization, M&A consulting and acquisition financing arrangement, and conversion into a holding company.

| Unit: KRW billion  | FY13 | FY14 | FY15 |
|--------------------|------|------|------|
| Investment Banking | 9.9  | 10.6 | 21.6 |

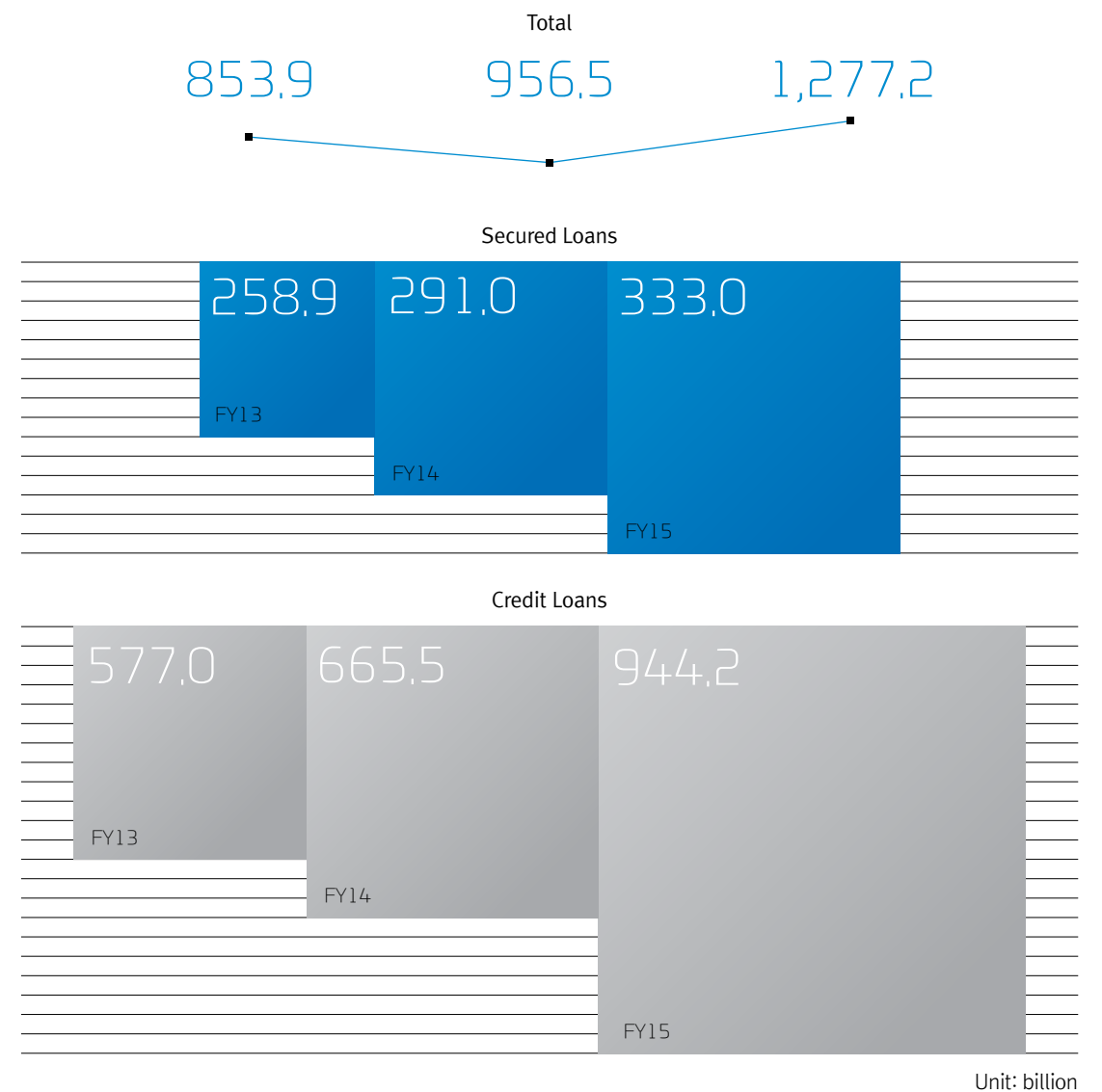
# Performance by Business Unit

## Interest Income

Daishin Securities' interest income is comprised of interest income generated from credit and secured loans, customer deposits and account receivable, and interest expenses on borrowings. The FY15 interest income was KRW 67.1 billion, which was 19.7% higher than the previous year. This was achieved due to the stable loan-deposit margin and increase in credit and secured loans. As of the end of 2015, the balance of credit and secured loans is KRW 1,277.2 billion, up 33.5% from last year.

| Unit: KRW billion | FY13 | FY14 | FY15 |
|-------------------|------|------|------|
| Interest income   | 37.7 | 56.0 | 67.1 |

### Secured and Credit Loans



# Performance by Business Unit

## Sale and Administrative Expenses

In the 2015 fiscal year, the sale and administrative expenses were recorded at KRW 306.4 billion, which decreased by 4.3% from the previous year as a result of reduce labor costs. Labor costs increased temporarily in the 2014 fiscal year, as it reflected the retirement benefit payout of KRW 34.5 billion; however, it decreased to KRW 171.9 billion, down by 11.4% from last year. The general administrative expenses, which include rent, commission and fees, and advertising costs, were KRW 119 billion, a 13.0% YOY increase. In the case of depreciation and amortization, it was recorded at KRW 15.5 billion, which decreased from last year by 25.8% with the sale of real estate properties outside Seoul.

| Unit: KRW billion               | FY13  | FY14  | FY15  |
|---------------------------------|-------|-------|-------|
| Labor costs                     | 134.0 | 194.0 | 171.9 |
| General administrative expenses | 77.8  | 105.3 | 119.0 |
| Depreciation and amortization   | 23.0  | 20.9  | 15.5  |
| Total                           | 234.8 | 320.2 | 306.4 |

# Asset Quality and Risk Management

## Fixed Income Portfolio

As of the end of 2015, the net present value (NPV) of the fix income assets of our company is KRW 7,109.5 billion in total, which was a 2.7% rise from the previous term. The NPV of no-risk assets including government bonds, municipal bonds, and specific laws bonds is KRW 5,219.8 billion, accounting for 73.4% of the total fix income assets.

| Unit: KRW billion            | FY13    | FY14    | FY15    |
|------------------------------|---------|---------|---------|
| Government bonds             | 1,108.3 | 1,791.1 | 2,383.6 |
| Municipal bonds              | 32.1    | 32.1    | 34.0    |
| Specific laws bonds          | 536.1   | 737.4   | 796.5   |
| Special financial bonds      | 768.8   | 876.7   | 809.1   |
| Monetary stabilization bonds | 1,515.9 | 1,088.1 | 1,196.6 |
| Corporate bonds              | 1,688.8 | 1,223.5 | 1,104.7 |
| Bank debentures              | 910.6   | 1,155.9 | 738.7   |
| Equity-linked bonds          | 6.5     | 14.6    | 46.3    |
| Total                        | 6,567.1 | 6,919.5 | 7,109.5 |

## Real Estate

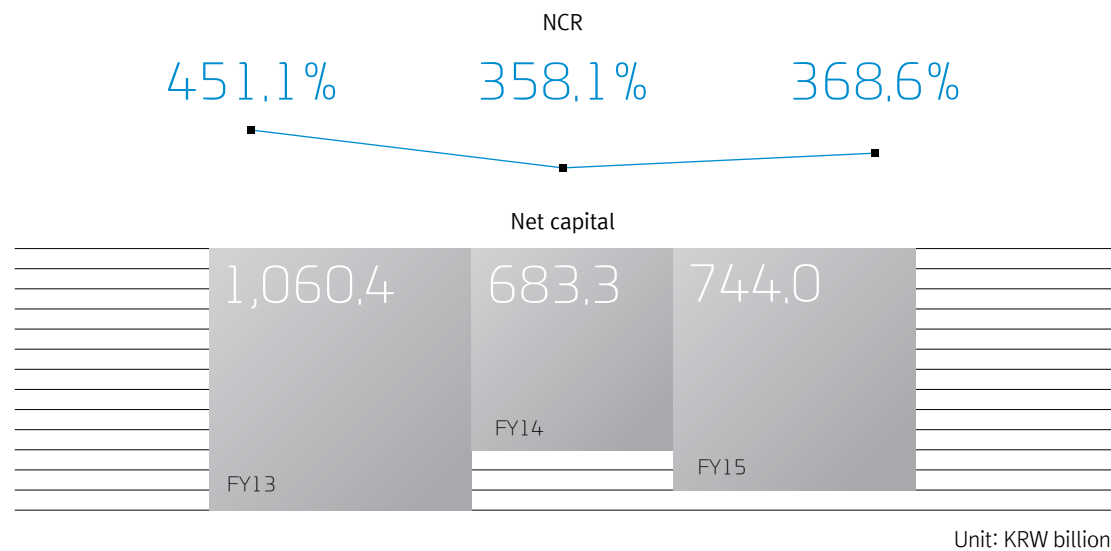
Daishin Securities' total real estate assets are comprised of tangible assets, which include land and buildings for business and assets under construction, and investment properties, including land and buildings. As of the end of 2014, the book value of real estate properties was KRW 503.4 billion, which includes accumulated depreciation. In consideration of long-term asset value, real estate properties outside Seoul have been sold, and the real estate portfolio is being restructured, centering on the core regions of Seoul such as Myeong-dong and Cheongdam.

| Unit: KRW billion          | Tangible assets | Investment property               | Total  |
|----------------------------|-----------------|-----------------------------------|--------|
| Land for business          | 244.4           | Land 108.8                        | 353.2  |
| Building for business      | 39.2            | Building 64.5                     | 103.7  |
| (Accumulated depreciation) | (12.4)          | (Accumulated depreciation) (15.1) | (27.5) |
| Asset under construction   | 74.0            |                                   | 74.0   |
| Total                      | 345.1           | Total 158.3                       | 503.4  |

# Asset Quality and Risk Management

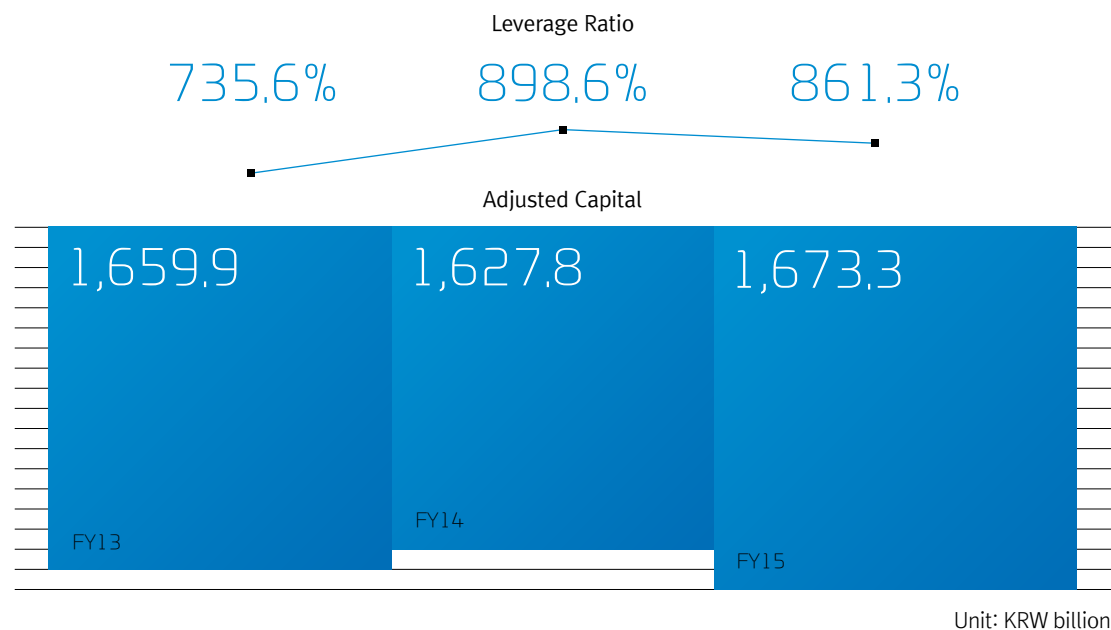
## Net Capital Ratio (NCR)

NCR in the 2015 fiscal year increased by 7.1%p to 368.6%. NCR dropped to 358.1% in 2014 following the acquisition of Daishin F&I, but since then, it has been on the rise along with increased net income.



## Leverage Ratio

The leverage ratio is calculated by subtracting the investor deposits, receivables for brokerage, and reserve for bad debts from the total assets and dividing the sum by adjusted capital. The leverage ratio in the 2015 fiscal year was 861.3%, which was down by 37.3%p from the previous year.



# Asset Quality and Risk Management

## Risk Management Organizations

### Risk Management Committee (RMC)

The Risk Management Committee is comprised of three registered directors: the CEO (Chair), president and one outside director. RMC formulates the comprehensive risk management policy, establishes and revises the risk management regulations and guidelines, approves the company-wide risk limits and risk measurement methods, sets the appropriate levels for asset quality, and approves the crisis response measures.

### Risk Management Execution Committee (RMEC)

The Risk Management Execution Committee is comprised of the Head of the Risk Management Dept. (Chair) and executive officers. RMEC approves the risk limit for each department and investment strategy, operate and manage the risk management system, approves principal investment over KRW 5 billion, and sets forth crisis response measures.

### Investment Review Committee (IRC)

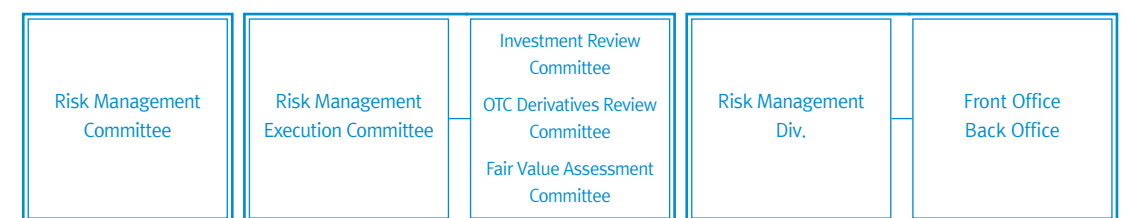
The Investment Review Committee is comprised of the Head of the Risk Management Div. (Chair) and the heads of working-level depts. IRC reviews appropriateness of investment, matters for consideration in relation to investment, credit, liquidity and legal risks, etc.

### OTC Derivatives Review Committee

The OTC Derivatives Review Committee is comprised of the head of the Trading Center (Chair) and the heads of working-level depts. The committee reviews the rationale for OTC derivatives transactions and the appropriateness of risk management policies for OTC derivatives operations.

### Fair Value Assessment Committee (FVAC)

The Fair Value Assessment Committee is comprised of the Head of the Risk Management Dept. (Chair) and the heads of working-level depts. FVAC approves and changes the derivatives pricing model.



## Risk Management System

Based on the integrated risk management solution of SAS, Daishin Securities has established a comprehensive risk management system for market, credit, operational and liquidity risks. The risk management system is designed to allow risk analyses of various OTC derivatives and swift response to any new OTC derivatives. Moreover, due to the critical nature of counterparty credit risk, Daishin has established a universal management system for the investment-grade bonds, and enhanced the analysis function and collateral management system. The integrated risk management system is operated to implement preemptive risk management and reinforce stress tests on the market, credit and liquidity risk management system.



Financial Statements

Independent Auditors' Report

# FY15 Financial Report

# Audit Report on the Consolidated Financial Statements

## Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Daishin Securities Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Korean Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with K-IFRS.

### Other Matter

The financial statements of Daishin Securities Co., Ltd. and its subsidiaries for the reporting period ending on December 31, 2014 were audited by another auditor in accordance with the auditing standards of the Republic of Korea, and appropriate opinion was declared in the audit report issued by the auditor concerned on March 6, 2015.

Kyung-tae Ahn, Chairman & CEO of Samil PwC Korea  
92 Hangang-daero, Yongsan-gu, Seoul, Korea

# Consolidated Statement of Financial Position

## Daishin Securities Co., Ltd. and Subsidiaries

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account   | (Current) 55th Term   | (Previous) 54th Term  |
|---|-----------------------|-----------------------|
| <b>Assets</b>   |                       |                       |
| Cash and bank deposits  | 2,499,057,414         | 2,925,231,350         |
| Financial assets at fair value through profit or loss           | 10,087,154,830        | 10,043,647,988        |
| 1. Financial assets at fair value for trading                   | 4,506,061,738         | 5,133,346,405         |
| 2. Derivatives assets   | 547,141,179           | 375,595,297           |
| 3. Financial assets designated at fair value                    | 5,033,951,913         | 4,534,706,286         |
| Available-for-sale financial assets                             | 307,836,860           | 237,291,172           |
| Investments in associates                                       | 53,670,479            | 83,789,066            |
| Loans and receivables   | 3,978,362,136         | 3,410,617,487         |
| Current tax assets  | 58,748,078            | 39,214,597            |
| Property and equipment  | 389,203,479           | 369,367,275           |
| Intangible assets   | 106,445,175           | 108,601,149           |
| Investment property   | 144,954,712           | 196,923,703           |
| Non-current assets held for sale                                | 237,230,234           | 83,598,024            |
| Other assets  | 823,306,901           | 723,463,589           |
| <b>Total assets</b>   | <b>18,685,970,298</b> | <b>18,221,745,400</b> |
| <b>Liabilities</b>  |                       |                       |
| Financial liabilities at fair value through profit or loss      | 7,589,667,132         | 7,041,567,202         |
| 1. Financial liabilities at fair value for trading              | 143,715,585           | 220,157,712           |
| 2. Derivative liabilities                                       | 751,832,352           | 439,809,779           |
| 3. Financial liabilities designated at fair value               | 6,694,119,195         | 6,381,599,711         |
| Deposits received   | 2,159,147,148         | 1,658,572,763         |
| Borrowings  | 5,428,548,495         | 6,325,736,099         |
| Debentures  | 923,784,126           | 839,519,214           |
| Defined benefit liability and other long-term employee benefits | 3,823,061             | 3,343,595             |
| Provisions  | 6,879,404             | 8,329,036             |
| Accrued income tax  | -                     | 8,027,920             |
| Deferred tax liabilities  | 58,020,804            | 17,243,060            |
| Other liabilities   | 784,582,968           | 676,510,147           |
| <b>Total liabilities</b>  | <b>16,954,453,138</b> | <b>16,578,849,036</b> |
| <b>Equity</b>   |                       |                       |
| Equity attributable to owners of parent company                 | 1,731,449,591         | 1,642,831,076         |
| 1. Capital stock  | 434,867,000           | 434,867,000           |
| 2. Capital surplus  | 694,981,258           | 694,981,258           |
| 3. Accumulated other comprehensive income                       | 95,121,676            | 98,585,038            |
| 4. Retained earnings  | 693,227,574           | 576,044,246           |
| (Accumulated reserve for bad debts)                             | 5,320,412             | 4,652,625             |
| (Expected reserve for bad debts)                                | 1,620,509             | 667,787               |
| 5. Capital adjustment   | (186,747,917)         | (161,646,466)         |
| Non-controlling interests                                       | 67,569                | 65,288                |
| <b>Total equity</b>   | <b>1,731,517,160</b>  | <b>1,642,896,364</b>  |
| <b>Total liabilities and equity</b>                             | <b>18,685,970,298</b> | <b>18,221,745,400</b> |

Unit: KRW thousand

# Consolidated Statement of Comprehensive Income

Daishin Securities Co., Ltd. and Subsidiaries

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account   | (Current) 55th Term | (Previous) 54th Term |
|---|---------------------|----------------------|
| Commissions received and expenses, net  | 257,258,382         | 180,472,466          |
| 1. Commission received  | 295,313,129         | 205,454,467          |
| 2. Commission expenses  | 38,054,747          | 24,982,001           |
| Interest income and expenses, net   | 92,387,993          | 35,700,169           |
| 1. Interest income  | 273,095,683         | 214,082,462          |
| 2. Interest expenses  | 180,707,690         | 178,382,293          |
| Gains (losses) on financial instruments at fair value through profit or loss, net           | (97,193,576)        | 166,861,686          |
| Gain (losses) on financial instruments designated at fair value through profit or loss, net | 265,779,175         | 1,736,585            |
| Other operating income (expense)  | 8,576,935           | 25,958,734           |
| Operating income, net   | 526,808,909         | 410,729,640          |
| Selling and administrative expenses   | 356,738,540         | 362,952,262          |
| 1. Labor costs  | 204,905,746         | 218,230,390          |
| 2. Depreciation and amortization  | 20,334,108          | 25,354,218           |
| 3. Other selling and administrative expenses  | 131,498,686         | 119,367,654          |
| Operating income  | 170,070,369         | 47,777,378           |
| Non-operating income  | 10,626,460          | 4,224,575            |
| Profit before income tax  | 180,696,829         | 52,001,953           |
| Income tax expense  | 44,540,304          | 8,319,778            |
| Profit for the period   | 136,156,525         | 43,682,175           |
| Net income (loss) before reserve for bad debts  |                     |                      |
| Current term: KRW 134,537 million, Previous term: KRW 43,016 million                        |                     |                      |
| Total other comprehensive income (loss) for the period, net of tax                          | (3,459,996)         | (459,673)            |
| 1. Items that will or may be reclassified to profit or loss, net of tax                     | (2,556,174)         | 1,004,053            |
| 2. Items that will not be reclassified to profit or loss, net of tax                        | (903,822)           | (1,463,726)          |
| Total comprehensive income  | 132,696,529         | 43,222,502           |
| Profit for the year attribution to  | 136,156,525         | 43,682,175           |
| 1. Owner of the Group   | 136,157,610         | 43,684,590           |
| 2. Non-controlling interests  | (1,085)             | (2,415)              |
| Other comprehensive income for the year attributable to                                     | 132,696,529         | 43,222,502           |
| 1. Owner of the Group   | 132,694,248         | 43,224,904           |
| 2. Non-controlling interests  | 2,281               | (2,402)              |
| Earnings per share (in Korean won)  |                     |                      |
| Basic earnings per common share   | 1,893               | 574                  |
| Basic earnings per 1st preferred share  | 1,943               | 625                  |
| Basic earnings per 2nd preferred share  | 1,893               | 576                  |
| Diluted earnings per common share   | 1,882               | 570                  |
| Diluted earnings per 1st preferred share  | 1,932               | 621                  |
| Diluted earnings per 2nd preferred share  | 1,882               | 571                  |

Unit: KRW thousand

# Consolidated Statement of Changes in Equity

Daishin Securities Co., Ltd. and Subsidiaries

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account  | Equity attributable to the shareholders of the parent company |                 |  |                   |                     |   | Non-controlling interests | Total         |
|--|---|-----------------|--|-------------------|---------------------|---|---------------------------|---------------|
|  | Common stock  | Capital surplus | Accumulated other comprehensive income | Retained earnings | Capital adjustments | Subtotal of the equity attributable to shareholders of the parent company |                           |               |
| Balance at April 1, 2014 (Beginning of previous period)                                  | 434,867,000   | 696,199,190     | 99,044,724                             | 548,235,719       | (143,828,535)       | 1,634,518,098   | 67,690                    | 1,634,585,788 |
| Total comprehensive income   |   |                 |  |                   |                     |   |                           |               |
| Profit for the period  | -   | -               | -                                      | 43,684,590        | -                   | 43,684,590  | (2,415)                   | 43,682,175    |
| Net changes in unrealized fair value of financial assets available for sale              | -   | -               | (77,222)                               | -                 | -                   | (77,222)  | 13                        | (77,209)      |
| Net changes in accumulated comprehensive income of investments in associates, net of tax | -   | -               | 10,565                                 | -                 | -                   | 10,565  | -                         | 10,565        |
| Gain (loss) on translation of overseas operations  | -   | -               | 1,070,697                              | -                 | -                   | 1,070,697   | -                         | 1,070,697     |
| Remeasurements of the net defined benefit plan   | -   | -               | (1,463,726)                            | -                 | -                   | (1,463,726)   | -                         | (1,463,726)   |
| Transactions with equity holders   |   |                 |  |                   |                     |   |                           |               |
| Cash dividends   | -   | -               | -                                      | (15,914,998)      | -                   | (15,914,998)  | -                         | (15,914,998)  |
| Changes in treasury stock  | -   | (813,549)       | -                                      | -                 | (16,984,914)        | (17,798,463)  | -                         | (17,798,463)  |
| Other  | -   | (404,383)       | -                                      | 38,935            | (833,017)           | (1,198,465)   | -                         | (1,198,465)   |
| Balance at December 31, 2014 (End of previous period)                                    | 434,867,000   | 694,981,258     | 98,585,038                             | 576,044,246       | (161,646,466)       | 1,642,831,076   | 65,288                    | 1,642,896,364 |
| Balance at January 1, 2015 (Beginning of current period)                                 | 434,867,000   | 694,981,258     | 98,585,038                             | 576,044,246       | (161,646,466)       | 1,642,831,076   | 65,288                    | 1,642,896,364 |
| Total comprehensive income   |   |                 |  |                   |                     |   |                           |               |
| Total comprehensive income   | -   | -               | -                                      | 136,157,610       | -                   | 136,157,610   | (1,085)                   | 136,156,525   |
| Net changes in unrealized fair value of financial assets available for sale              | -   | -               | (3,312,478)                            | -                 | -                   | (3,312,478)   | 3,366                     | (3,309,112)   |
| Net changes in accumulated comprehensive income of investments in associates, net of tax | -   | -               | 13,473                                 | -                 | -                   | 13,473  | -                         | 13,473        |
| Gain (loss) on translation of overseas operations  | -   | -               | 739,465                                | -                 | -                   | 739,465   | -                         | 739,465       |
| Remeasurements of the net defined benefit plan   | -   | -               | (903,822)                              | -                 | -                   | (903,822)   | -                         | (903,822)     |
| Transactions with equity holders   |   |                 |  |                   |                     |   |                           |               |
| Cash dividends   | -   | -               | -                                      | (18,974,282)      | -                   | (18,974,282)  | -                         | (18,974,282)  |
| Changes in treasury stock  | -   | -               | -                                      | -                 | (22,780,260)        | (22,780,260)  | -                         | (22,780,260)  |
| Other  | -   | -               | -                                      | -                 | (2,321,191)         | (2,321,191)   | -                         | (2,321,191)   |
| Balance at December 31, 2015 (End of current period)                                     | 434,867,000   | 694,981,258     | 95,121,676                             | 693,227,574       | (186,747,917)       | 1,731,449,591   | 67,569                    | 1,731,517,160 |

Unit: KRW thousand

# Consolidated Statement of Cash flows

## Daishin Securities Co., Ltd. and Subsidiaries

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account   | (Current) 55th Term | (Previous) 54th Term |
|---|---------------------|----------------------|
| Cash flows from operating activities  | 342,420,719         | (226,477,163)        |
| 1. Profit for the period  | 136,156,525         | 43,682,175           |
| 2. Adjustments in expenses and revenues   | (370,294,052)       | (51,126,271)         |
| (1) Gain (loss) on financial assets held for trading, net                         | (33,886,451)        | (12,333,525)         |
| (2) Loss on financial assets designated at fair value through profit or loss, net | (252,230,364)       | (61,413,995)         |
| (3) Gain (loss) on derivatives  | 163,398,863         | 45,295,812           |
| (4) Gain (loss) on loans and receivables  | (15,642,300)        | (4,462,862)          |
| (5) Depreciation and amortization   | 20,334,108          | 25,354,218           |
| (6) Gain (loss) on foreign currency translation, net                              | (979,805)           | (2,504,792)          |
| (7) Interest income (expenses), net   | (270,699,066)       | (35,700,169)         |
| (8) Gain (loss) on available-for-sale financial assets, net                       | (5,237,450)         | (2,041,032)          |
| (9) Gain (loss) on investments in associates and subsidiaries, net                | (8,608,011)         | (5,703,966)          |
| (10) Gain (loss) on disposal of property and equipment, net                       | 554,514             | 5,939,729            |
| (11) Gain (loss) on intangible assets   | (142,932)           | (173,126)            |
| (12) Gain (loss) on disposal of investment property                               | 548,606             | (3,222,043)          |
| (13) Gain (loss) on non-current assets held for sale                              | 352,341             | (8,052,791)          |
| (14) Employee benefits  | 2,627,374           | 2,645,172            |
| (15) Other gains (losses)   | 159,858             | 8,880,308            |
| (16) Dividend income  | (15,383,641)        | (11,952,987)         |
| (17) Income tax expense   | 44,540,304          | 8,319,778            |
| 3. Changes in operating assets and liabilities                                    | 304,332,617         | (207,820,787)        |
| (1) Deposits  | 427,717,808         | (990,036,912)        |
| (2) Financial assets held for trading   | 665,646,271         | 138,123,748          |
| (3) Financial liabilities held for trading  | (76,567,562)        | (33,777,328)         |
| (4) Financial assets designated at fair value through profit or loss              | (821,358,452)       | (993,721,811)        |
| (5) Financial liabilities designated at fair value through profit or loss         | 516,025,128         | 1,647,548,208        |
| (6) Derivatives   | 56,308,374          | 80,974,662           |
| (7) Loans and receivables   | (444,140,002)       | (805,092,406)        |
| (8) Deposits received   | 500,465,808         | 241,094,423          |
| (9) Borrowings  | (517,065,131)       | 479,394,875          |
| (10) Retirement benefit and employee benefits obligations                         | (3,276,184)         | (3,222,463)          |
| (11) Other assets   | (110,008,381)       | (122,653,540)        |
| (12) Other liabilities  | 112,010,690         | 154,306,150          |
| (13) Collective fund for default loss   | (1,425,750)         | (758,393)            |
| 4. Interests received   | 535,960,213         | 196,888,677          |

| Account   | (Current) 55th Term | (Previous) 54th Term |
|---|---------------------|----------------------|
| 5. Interests paid   | (258,057,377)       | (182,746,017)        |
| 6. Dividends received   | 23,943,623          | 10,084,022           |
| 7. Income taxes paid  | (29,620,830)        | (35,438,962)         |
| Cash flows from investing activities                                      | (34,728,563)        | (303,268,858)        |
| 1. Payment for acquisition of available-for-sale financial assets         | (54,885,209)        | (22,100,000)         |
| 2. Proceeds from disposal of available-for-sale financial assets          | 21,351,749          | 16,422,975           |
| 3. Payment for acquisition of investments for associates                  | (5,718,823)         | (5,000,000)          |
| 4. Proceeds from disposal of investments for associates                   | 22,694,660          | 38,020,100           |
| 5. Payment for acquisition of subsidiaries (after deducting cash on hand) | 3,486,293           | (292,427,896)        |
| 6. Proceeds from disposal of subsidiaries (after deducting cash on hand)  | (49,097,671)        | -                    |
| 7. Proceeds from disposal of held-to-maturity investments                 | -                   | 1,300,000            |
| 8. Payment for acquisition of property and equipment                      | (48,806,954)        | (97,080,773)         |
| 9. Proceeds from disposal of property and equipment                       | 206,944             | 6,780,795            |
| 10. Payment for acquisition of intangible assets                          | (2,416,785)         | (46,511)             |
| 11. Proceeds from disposal of intangible assets                           | 1,075,950           | 750,000              |
| 12. Proceeds from disposal of investment properties                       | 9,795,544           | 9,580,000            |
| 13. Payment for restoration of property and equipment                     | -                   | (954,125)            |
| 14. Payment for acquisition of non-current assets held for sale           | -                   | (4,748,951)          |
| 15. Proceeds from disposal of non-current assets held for sale            | 60,519,457          | 32,099,767           |
| 16. Increase in deposits  | (2,693,552)         | (5,145,913)          |
| 17. Decrease in deposits  | 6,175,639           | 19,281,674           |
| 18. Acquisition of subsidiaries   | 3,584,195           | -                    |
| Cash flows from financing activities                                      | (309,206,741)       | 509,581,396          |
| 1. Issuance of debentures   | 470,000,000         | 300,177,573          |
| 2. Retirement of debentures   | (341,016,318)       | (185,190,000)        |
| 3. Net Increase (Decrease) in Debts                                       | (382,201,556)       | 435,404,225          |
| 4. Increase in guarantee deposits received                                | 2,949,863           | 8,153,775            |
| 5. Decrease in guarantee deposits received                                | (7,686,665)         | (11,551,360)         |
| 6. Payment for acquisition of treasury stock                              | (26,412,640)        | (21,497,819)         |
| 7. Payment of dividends   | (19,204,821)        | (15,914,998)         |
| 8. Increase in non-controlling interest (liabilities)                     | (5,634,604)         | -                    |
| Changes in cash and cash equivalents by foreign currency translation      | 3,362,136           | 2,154,787            |
| Net increase (decrease) in cash and cash equivalents (I+II+III+IV)        | 1,847,551           | (18,009,838)         |
| Cash and cash equivalents at beginning of period                          | 184,016,106         | 202,025,944          |
| Cash and cash equivalents at end of period                                | 185,863,657         | 184,016,106          |

Unit: KRW thousand

# Audit Report on the Financial Statements

## Independent Auditors' Report

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

We have audited the accompanying separate financial statements of Daishin Securities Co., Ltd. (hereinafter referred to as the "Company"), which comprise the statement of financial position as at December 31, 2015, the separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS"), and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audits. We conducted our audits in accordance with Korean Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2015, and its separate financial performance and its separate cash flows for the years then ended in accordance with K-IFRS.

### Other Matter

The financial statements of Daishin Securities Co., Ltd. for the reporting period ending on December 31, 2014 were audited by another auditor in accordance with the auditing standards of the Republic of Korea, and appropriate opinion was declared in the audit report issued by the auditor concerned on March 6, 2015.

Kyung-tae Ahn, Chairman & CEO of Samil PwC Korea  
92 Hangang-daero, Yongsan-gu, Seoul, Korea

This report is effective as of March 6, 2016, 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 audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

# Statement of Financial Position

## Daishin Securities Co., Ltd.

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account   | Current) 55th Term    | (Previous) 54th Term  |
|---|-----------------------|-----------------------|
| <b>Assets</b>   |                       |                       |
| Cash and bank deposits  | 2,265,031,442         | 2,592,058,518         |
| Financial assets at fair value through profit or loss           | 10,318,984,124        | 10,037,233,488        |
| 1. Financial assets at fair value for trading                   | 4,500,013,789         | 5,126,938,173         |
| 2. Derivatives assets   | 547,141,179           | 375,589,029           |
| 3. Financial assets designated at fair value                    | 5,271,829,156         | 4,534,706,286         |
| Available-for-sale financial assets                             | 232,974,332           | 208,771,966           |
| Investments in associates                                       | 688,517,012           | 589,746,970           |
| Loans   | 1,283,672,166         | 1,113,219,658         |
| Current tax assets  | 57,641,438            | 39,198,242            |
| Property and equipment  | 367,254,801           | 338,806,667           |
| Intangible assets   | 27,902,732            | 28,228,513            |
| Investment property   | 158,287,983           | 216,761,737           |
| Non-current assets held for sale                                | 38,494,938            | 5,500,000             |
| Other assets  | 779,826,818           | 685,472,258           |
| <b>Total assets</b>   | <b>16,218,587,786</b> | <b>15,854,998,017</b> |
| <b>Liabilities</b>  |                       |                       |
| Financial liabilities at fair value through profit or loss      | 7,588,407,841         | 7,041,567,037         |
| 1. Financial liabilities at fair value for trading              | 143,715,585           | 220,157,712           |
| 2. Derivative liabilities                                       | 750,573,061           | 439,809,614           |
| 3. Financial liabilities designated at fair value               | 6,694,119,195         | 6,381,599,711         |
| Deposits received   | 1,351,182,927         | 917,049,680           |
| Borrowings  | 4,517,944,210         | 5,330,249,423         |
| Debentures  | 249,606,455           | 259,626,316           |
| Defined benefit liability and other long-term employee benefits | 2,408,858             | 2,333,444             |
| Provisions  | 3,111,195             | 3,356,840             |
| Deferred tax liabilities  | 89,358,228            | 41,112,428            |
| Other liabilities   | 736,291,176           | 632,501,822           |
| <b>Total liabilities</b>  | <b>14,538,310,890</b> | <b>14,227,796,990</b> |
| <b>Equity</b>   |                       |                       |
| Capital stock   | 434,867,000           | 434,867,000           |
| Capital surplus   | 694,981,258           | 694,981,258           |
| Accumulated other comprehensive income                          | 95,726,345            | 95,871,733            |
| Retained earnings   | 639,214,727           | 561,767,717           |
| (Accumulated reserve for bad debts)                             | 5,320,412             | 4,652,625             |
| (Expected reserve for bad debts)                                | 1,620,509             | 667,787               |
| Capital adjustment  | (184,512,434)         | (160,286,681)         |
| <b>Total equity</b>   | <b>1,680,276,896</b>  | <b>1,627,201,027</b>  |
| <b>Total liabilities and equity</b>                             | <b>16,218,587,786</b> | <b>15,854,998,017</b> |

Unit: KRW thousand

# Statement of Comprehensive Income

Daishin Securities Co., Ltd.

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account   | (Current) 55th Term | (Previous) 54th Term |
|---|---------------------|----------------------|
| Commissions received and expenses, net  | 263,322,918         | 175,354,739          |
| 1. Commission income  | 289,538,483         | 190,730,298          |
| 2. Commission expenses  | 26,215,565          | 15,375,559           |
| Interest income and expenses, net   | 595,150             | (31,053,263)         |
| Interest expenses   | 121,263,791         | 104,836,614          |
| Gains (losses) on financial instruments at fair value through profit or loss, net |                     |                      |
| Gains (losses) on financial instruments   | (94,460,912)        | 165,251,576          |
| at fair value designated at fair value through profit or loss, net                |                     |                      |
| Other operating income (expense)  | 265,756,419         | 1,736,585            |
| Operating income, net   | (3,983,755)         | 13,637,674           |
| Sale and administrative expenses  | 431,229,820         | 324,927,311          |
| 1. Labor costs  | 306,452,188         | 320,190,933          |
| 2. Depreciation and amortization  | 171,928,006         | 191,266,464          |
| 3. Other selling and administrative expenses                                      | 15,502,781          | 20,859,475           |
| Operating income  | 119,021,401         | 108,064,994          |
| Non-operating income  | 124,777,632         | 4,736,378            |
| Profit before income tax  | 5,149,144           | 318,043              |
| Income tax expense  | 129,926,776         | 5,054,421            |
| Profit for the period   | 33,505,485          | 504,852              |
| Net income (loss) before reserve for bad debts                                    | 96,421,291          | 4,549,569            |
| Current term: KRW 94,801 million, Previous term: KRW 3,882 million                |                     |                      |
| Other comprehensive income (loss) for the period, net of tax                      |                     |                      |
| 1. Items that will or may be reclassified to profit or loss, net of tax           | (145,388)           | (2,357,723)          |
| Gain (Loss) on valuation of financial assets available for sale                   |                     |                      |
| 2. Items that will not be reclassified to profit or loss, net of tax              | 109,027             | (944,180)            |
| Remeasurements of the net defined benefit plan                                    |                     |                      |
| Total comprehensive income  | (254,415)           | (1,413,543)          |
| Net income  | 96,275,903          | 2,191,846            |
| Earnings per share  |                     |                      |
| Basic earnings per ordinary share (Unit: KRW)                                     | 1,336               | 47                   |
| Basic earnings per first-preferred share (Unit: KRW)                              | 1,386               | 96                   |
| Basic earnings per second-preferred share (Unit: KRW)                             | 1,336               | 47                   |
| Diluted earnings per ordinary share (Unit: KRW)                                   | 1,328               | 46                   |
| Diluted earnings per first-preferred share (Unit: KRW)                            | 1,378               | 96                   |
| Diluted earnings per second-preferred share (Unit: KRW)                           | 1,328               | 46                   |

Unit: KRW thousand

# Statement of Changes in Equity

Daishin Securities Co., Ltd.

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account   | Common stock | Capital surplus | Accumulated other comprehensive income | Retained earnings | Other assets  | Total         |
|---|--------------|-----------------|--|-------------------|---------------|---------------|
| Balance at April 1, 2014<br>(Beginning of previous period)                  | 434,867,000  | 695,794,807     | 98,229,456                             | 573,133,146       | (142,090,964) | 1,659,933,445 |
| Total comprehensive income  |              |                 |  |                   |               |               |
| Profit for the period   | -            | -               | -                                      | 4,549,569         | -             | 4,549,569     |
| Net changes in unrealized fair value of financial assets available for sale | -            | -               | (944,180)                              | -                 | -             | (944,180)     |
| Remeasurements of the net defined benefit plan                              | -            | -               | (1,413,543)                            | -                 | -             | (1,413,543)   |
| Transactions with equity holders  |              |                 |  |                   |               |               |
| Cash dividends  | -            | -               | -                                      | (15,914,998)      | -             | (15,914,998)  |
| Changes in treasury stock   | -            | (813,549)       | -                                      | -                 | (16,984,914)  | (17,798,463)  |
| Other   | -            | -               | -                                      | -                 | (1,210,803)   | (1,210,803)   |
| Balance at December 31, 2014<br>(End of previous period)                    | 434,867,000  | 694,981,258     | 95,871,733                             | 561,767,717       | (160,286,681) | 1,627,201,027 |
| Balance at January 1, 2015<br>(Beginning of current period)                 | 434,867,000  | 694,981,258     | 95,871,733                             | 561,767,717       | (160,286,681) | 1,627,201,027 |
| Total comprehensive income  |              |                 |  |                   |               |               |
| Profit for the period   | -            | -               | -                                      | 96,421,291        | -             | 96,421,291    |
| Net changes in unrealized fair value of financial assets available for sale | -            | -               | 109,027                                | -                 | -             | 109,027       |
| Remeasurements of the net defined benefit plan                              | -            | -               | (254,415)                              | -                 | -             | (254,415)     |
| Transactions with equity holders  |              |                 |  |                   |               |               |
| Cash dividends  | -            | -               | -                                      | (18,974,281)      | -             | (18,974,281)  |
| Changes in treasury stock   | -            | -               | -                                      | -                 | (22,780,261)  | (22,780,261)  |
| Other   | -            | -               | -                                      | -                 | (1,445,492)   | (1,445,492)   |
| Balance at December 31, 2015<br>(End of current period)                     | 434,867,000  | 694,981,258     | 95,726,345                             | 639,214,727       | (184,512,434) | 1,680,276,896 |

Unit: KRW thousand



# Consolidated Statement of Cash flows

Daishin Securities Co., Ltd.

From December 31, 2014 ((Previous) 54th Term)  
To December 31, 2015 ((Current) 55th Term)

| Account  | (Current) 55th Term | (Previous) 54th Term |
|--|---------------------|----------------------|
| I. Cash flows from operating activities  | 523,346,369         | 175,852,338          |
| 1. Profit for the period   | 96,421,291          | 4,549,569            |
| 2. Adjustments in expenses and revenues  | (458,241,212)       | 20,773,810           |
| (1) Gain (loss) on financial assets held for trading, net                                | (35,761,500)        | (12,318,608)         |
| (2) Gain (loss) on financial assets designated at fair value through profit or loss, net | (341,961,401)       | (61,411,676)         |
| (3) Gain (loss) on derivatives   | 83,243,852          | 45,236,819           |
| (4) Gain (loss) on loans and receivables   | 7,249,168           | 46,063               |
| (5) Depreciation and amortization  | 15,502,781          | 20,859,475           |
| (6) Gain (loss) on foreign currency translation, net                                     | (1,409,238)         | (3,104,505)          |
| (7) Interest income (expenses), net  | (178,466,969)       | 31,053,262           |
| (8) Gain (loss) on the disposal of available-for-sale financial assets, net              | (944,282)           | (462,957)            |
| (9) Gain (loss) on investments in associates and subsidiaries, net                       | (127,701)           | 6,723,936            |
| (10) Gain (loss) on impairment of available-for-sale financial assets, net               | 604,720             | -                    |
| (11) Gain (loss) on disposal to property and equipment, net                              | 99,222              | 5,940,023            |
| (12) Gain (loss) on intangible assets  | 19,868              | -                    |
| (13) Gain (loss) on disposal of investment property                                      | 548,606             | (3,222,043)          |
| (14) Gain (loss) on disposal of assets held for sale                                     | 1,279,976           | (137,683)            |
| (15) Gain (loss) on impairment of intangible assets, net                                 | 44,333              | -                    |
| (16) Gain (loss) on impairment of other assets   | (563,852)           | -                    |
| (17) Employee benefits   | 1,415,250           | 1,956,433            |
| (18) Other gains (losses)  | (4,923,942)         | 2,838,868            |
| (19) Dividend income   | (37,595,588)        | (13,728,449)         |
| (20) Income tax expense  | 33,505,485          | 504,852              |
| 3. Changes in operating assets and liabilities   | 657,771,611         | 208,698,835          |
| (1) Deposits   | 354,835,345         | (922,147,409)        |
| (2) Financial assets held for trading  | 661,909,228         | 115,220,169          |
| (3) Financial liabilities held for trading   | (76,531,919)        | (33,779,647)         |
| (4) Financial assets designated at fair value through profit or loss                     | (804,916,655)       | (993,721,811)        |
| (5) Financial liabilities designated at fair value through profit or loss                | 722,274,671         | 1,647,548,208        |
| (6) Derivatives  | 56,833,895          | 82,015,080           |
| (7) Loans and receivables  | (172,985,566)       | (163,030,037)        |
| (8) Deposits received  | 434,024,669         | 11,296,782           |
| (9) Borrowings   | (517,065,131)       | 456,771,966          |
| (10) Retirement benefit and employee benefits obligations                                | (1,675,475)         | (2,320,432)          |

| Account   | (Current) 55th Term | (Previous) 54th Term |
|---|---------------------|----------------------|
| (11) Other assets   | (90,931,580)        | (141,020,790)        |
| (12) Other liabilities  | 93,425,879          | 152,625,149          |
| (13) Collective fund for default loss                                     | (1,425,750)         | (758,393)            |
| 4. Interests received   | 375,434,717         | 95,265,299           |
| 5. Interests paid   | (193,892,927)       | (140,394,280)        |
| 6. Dividends received   | 38,662,389          | 15,518,738           |
| 7. Income taxes paid  | 7,190,500           | (28,559,633)         |
| Cash flows from investing activities                                      | (141,443,836)       | (407,391,880)        |
| 1. Proceeds from disposal of available-for-sale financial assets          | 13,279,062          | 8,735,257            |
| 2. Proceeds from disposal of investments for subsidiaries and associates  | 7,285,314           | 38,405,412           |
| 3. Proceeds from disposal of property and equipment                       | 115,683             | 6,405,000            |
| 4. Proceeds from disposal of intangible assets                            | 965,950             | -                    |
| 5. Proceeds from disposal of investment properties                        | 9,246,939           | 9,580,000            |
| 6. Proceeds from disposal of non-current assets held for sale             | 17,130,287          | 4,013,000            |
| 7. Decrease in deposits   | 4,958,759           | 19,281,674           |
| 8. Payment for acquisition of available-for-sale financial assets         | (27,661,085)        | (22,100,000)         |
| 9. Payment for acquisition of investments for subsidiaries and associates | (118,468,848)       | (373,480,000)        |
| 10. Payment for acquisition of property and equipment                     | (47,998,964)        | (93,847,342)         |
| 11. Payment for acquisition of intangible assets                          | (1,800,576)         | -                    |
| 12. Increase in deposits  | (2,080,552)         | (3,503,335)          |
| 13. Payment for restoration of property and equipment                     | -                   | (881,546)            |
| 14. Increase in other liabilities (related to real estate property sale)  | 3,584,195           | -                    |
| Cash flows from financing activities                                      | (355,981,344)       | 64,568,962           |
| 1. Issuance of debentures   | 49,830,900          | -                    |
| 2. Net Increase (Decrease) in Debts                                       | (295,764,025)       | 103,814,768          |
| 3. Increase in guarantee deposits received                                | 3,022,310           | 8,153,775            |
| 4. Payment of dividends   | (18,971,224)        | (15,914,998)         |
| 5. Retirement of debentures   | (60,000,000)        | -                    |
| 6. Decrease in guarantee deposits received                                | (7,686,665)         | (9,986,764)          |
| 7. Payment for acquisition of treasury stock                              | (26,412,640)        | (21,497,819)         |
| Changes in cash and cash equivalents by foreign currency translation      | 3,354,371           | 2,154,787            |
| Net increase (decrease) in cash and cash equivalents (I+II+III+IV)        | 29,275,560          | (164,815,793)        |
| Cash and cash equivalents at beginning of period                          | 63,359,834          | 228,175,627          |
| Cash and cash equivalents at end of period                                | 92,635,394          | 63,359,834           |

Unit: KRW thousand

Organization Chart

Managerial Staff

Network

Social Contribution

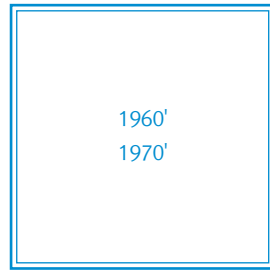
Achievements

Awards

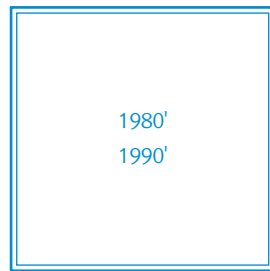
History

Appendix

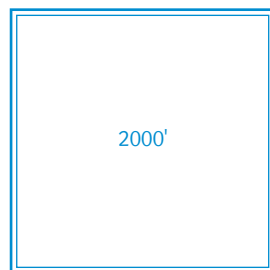
# History



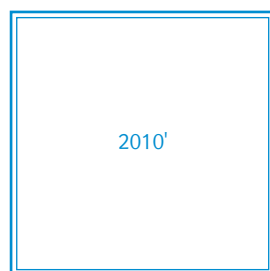
Jul. 27, 1962 Established as Sam-Rak Securities  
Apr. 22, 1975 Renamed as Daishin Securities  
Oct. 1, 1975 Listed on Korea Stock Exchange (presently Korea Exchange)



Aug. 25, 1984 Opened the Tokyo Office  
Sep. 22, 1984 Established Daishin Economic Research Institute  
Mar. 6, 1985 Concluded the Capital Joint Venture Agreement with Hong Kong W.I.C.O  
Mar. 24, 1988 Established Daishin Investment & Trust Consulting (presently Daishin Asset Management)  
Jul. 20, 1990 Established Daishin Songchon Cultural Foundation  
Apr. 12, 1997 Launched home trading system (CYBOS)



Apr. 26, 2004 Exported CYBOS to Taiwan-based Polaris Securities  
Dec. 13, 2005 Exported CYBOS Futures Trading System to Thailand-based Settrade  
Oct. 16, 2006 Formed strategic alliance with Nikko Cordial Group  
Nov. 2, 2007 Listed GDS on London Stock Exchange  
Feb. 13, 2008 Established Daishin Securities Asia Limited in Hong Kong  
May. 26, 2008 Opened the Shanghai Office



Apr. 6, 2010 Signed an MOU with Indonesia-based Mandiri Sekuritas  
Aug. 31, 2011 Launched Daishin Savings Bank  
Jun. 12, 2012 Formed a strategic alliance with Okasan Securities of Japan  
Jun. 20, 2012 Celebrated the 50th anniversary of the founding of Daishin Financial Group, proclaimed Daishin Financial Group  
Mar. 22, 2013 Merged Daishin Assent Management and Korea Creative Investment  
Apr. 17, 2014 Launched Daishin Private Equity  
May. 28, 2014 Launched Daishin F&I and Daishin AMC  
Jan. 15, 2015 Announcement of the Daishin House View

# Awards



Jan. 14, 2015



Mar. 17, 2015



Mar. 24, 2015



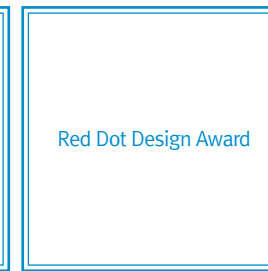
Mar. 26, 2015



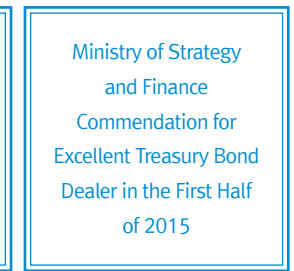
Apr. 7, 2015



Jun. 30, 2015



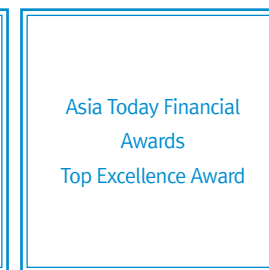
Aug. 11, 2015



Aug. 27, 2015



Sep. 21, 2015



Sep. 24, 2015



Oct. 28, 2015



Nov. 23, 2015



Nov. 26, 2015



Dec. 3, 2015



Dec. 9, 2015



Dec. 10, 2015

# Achievements

Jan. 19, 2015

**Daishin Securities launches “Daishin Balance CMS Shanghai–Hong Kong Stock Connect Wrap”**

Daishin Securities launched the “Daishin Balance CMS Shanghai–Hong Kong Stock Connect Wrap,” a wrap product for intensive investment into undervalued high-dividend stocks and domestic consumption blue chips in the Shanghai–Hong Kong Stock Connect that befit the Chinese government policy and trends. Portfolios are created based on bilateral research performed by Daishin’s researchers specializing in China and consulting by China Merchants Securities, which is the No. 3 securities firm in China. In accordance with China’s four new growth engines, which are “population policy,” “urbanization,” “consumption” and “environment,” investments are made in about 15 items. The only tax imposed on the trading profit from this product is the transfer income tax of 22%. Thus, tax-saving effect can be obtained, especially for large-sum investments, as the withholding tax is not imposed on investments in China.

February 2, 2015

**Daishin Securities sells Daishin Multi-Asset Fund**

Daishin Securities offers “Daishin Global Strategy Multi-Asset Fund, a fund of funds product where investment is made intensively into global income assets and dollar assets based on consulting from the U.S.-based Russell Investments. This is a strategic product presented based on Daishin Securities’ House View, which predicts a strong U.S. dollar. Amidst the economic recovery in the U.S., it is suitable to invest in the bullish dollar assets. Russell Investments provide the global market analysis and outlook data, and advise on the multi-asset investment ratio depending on the degree of appeal. Based on the multi-asset distribution strategy, investments are made into funds investing into income-type assets such as REITs/infrastructures and U.S.-centered global stock funds for a stable income. Also, investment is made into the Global Macro Fund to respond to the fluctuations in the exchange rate and indices resulting from the global economic trends and political issues, and the exposure to the foreign exchange rate risk allows for foreign-exchange profit at strong dollar.

March 9, 2015

**Daishin Economic Research Institute commences an analysis service for the agenda of general meetings of shareholders**

Daishin Economic Research Institute has newly launched an analysis service for the agenda of general meetings of shareholders of the top 400 listed companies on KOSPI and KOSDAQ to help institutional investors make investment decisions. Major agenda items introduced at the general meetings of shareholders are analyzed in-depth to provide diverse data. The aim is to enhance transparency of corporate governance and shareholder value. The 2015 Analysis of General Meetings of Shareholders offer the results of an analysis of notable matters pertaining to the enterprises that convened general meetings of shareholders in 2015. The trends related to dividends, appointment of directors/auditors, change of articles of incorporation, and remuneration limit for directors will be analyzed and the results will be provided along with opinions on individual enterprises.

March 16, 2016

**Daishin Securities launches the 100 Trillion Club ELS**

Daishin Securities launched the 100 Trillion Club ELS, where the basic assets are the top global companies with market value of more than KRW 100 trillion. The biggest strength of this product is stability. Investments are made into top global companies to ensure stability of the domestic and foreign index-type ELS level. The selected global companies are those with operations in multiple countries; thus, it will produce the effect of distributing investments across multiple countries and business areas. Also, the research center performs an analysis to finalize the basic asset and structure. The global companies that are selected are in diverse business areas including consumables, finance, communications and technology and such include Apple, Microsoft, McDonald’s, 3M, Google, Walmart, Samsung Electronics, and Gilead Sciences.

April 6, 2015

**Daishin Securities initiates special sales of dollar RP**

Daishin Securities are offering dollar repurchase agreements (RP) with a term of maturity of 91 days that provide add-on interest to personal customers. Daishin Securities presented “Invest in dollar assets” as the House View in 2015. The limited dollar RPs offer a higher interest rate than the dollar deposit products in the market. Any individual customers may register without condition. 1.1% has been added on to the interest rate of the existing dollar RP (0.9% annum) for an annual interest rate of 2%, and one can register with a minimum of USD 10,000 and up to USD 500,000.

Aug. 3, 2015

**Daishin Securities offers Daishin Global High-Dividend Stock Fund**

Daishin Securities is offering Daishin Global High-Dividend Stock Fund, where intensive investments are made into the global high-dividend stocks listed on the American stock exchanges. Investments are made into well-known top global companies such as P&G, Unilever, Apple and Intel if their corporate value and dividends are expected to rise. Instead of seeking short-term profits, we make investments into low-variability and high-dividend yield stocks from the mid- to long-term perspective. Appropriate stocks on the American stock exchanges are discovered based on research by Morning Star, and high dividend stocks and stocks with a high dividend payout ratio are selected to generate a stable income.

Aug. 31, 2015

**Daishin Securities offers Balance Public Offering Stocks Mezzanine Wrap**

Daishin Securities is offering the Balance Public Offering Mezzanine Wrap, a wrap product where investments are made into mezzanine securities, which are an intermediate between stocks and bonds, as well as stocks offered through IPO/paid-in capital increase. Mezzanine securities are a hybrid of stocks and bonds such as BW, CB and EB. When stock prices fall, mezzanine securities are retained as bonds, rather than being converted into stocks, whereas when stock prices rise, they are converted into stocks for a return on equity. Also, additional profits are sought through stocks offered through IPO/paid-in capital increase. Through the high yield fund priority assignment system, you can be assigned 10% of publicly offered stocks every year. Top companies are selected for investment through a collaboration with Daishin Securities Research Center.

Sept. 14, 2015

**Daishin Securities CREON kicks off the “Dream Realization Project: Season 2”**

CREON kicked off the “Dream Realization Project: Season 2,” where winners are chosen among the private investors who send in their own investment recipes to be provided KRW 50 million for investment purposes, and any and all proceeds from the investments are provided to the winners as prize money. This is a special event organized to instill confidence in private sectors so that they can strive toward their dreams and establish a sound investment culture. In

this project, participants must each create an investment recipe (portfolio) by selecting three out of the ten ingredients (investment items), and compete against one another to get the high return. Every week, 100 participants with the top rate of return are given prizes and an opportunity to share the dream they wish to achieve through stock investment. Also, 10 participants who send in their stories are provided with a funding of KRW 50 million for investment by CREON. They get to manage their investments for 8 weeks from November 2 to December 18, and all proceeds are given to the respective participants as the prize money.

Dec. 7, 2015

**Daishin Securities launches the Dollar Asset Focus Wrap**

Daishin Securities has launched the Daishin Balance Dollar Asset Focus Wrap, a 일임형wrap product aiming for alpha income based on a strong dollar by investing into ETF listed on the American stock exchanges using the global asset distribution strategy. This is a product developed based on the Daishin House View of “Invest in dollar assets” presented in 2015. The strategy is to invest in dollar assets that enable flexible response regardless of the market conditions to protect their assets, instead of aggressively seeking profits. This is an exchange risk exposure product, meaning that a strong dollar will yield additional profits. Global assets are selected and investment ratio is adjusted based on the analysis of the global market environment by Daishin Securities Research Center and Daishin Economic Research Institute. Later, based on the determined asset distribution strategy, the Wrap Business Dept. creates a model portfolio and invest into the ETF listed on the American stock exchanges for a stable income.

Dec. 31, 2015

**Daishin Savings Bank forms an alliance with Together, a P2P loan company**

Daishin Savings Bank signed a business alliance agreement with Together, a startup company specializing in real estate-secured loans, to carry out a platform business. P2P loan is an online platform through which investors are recruited to provide a loan to individuals or small- and medium-sized enterprises (SMEs). Together has introduced a “safety zone system” for real estate security assessment, and connects investors and those who need funding. Through the alliance, Daishin Savings Bank will be entrusted with the investment management accounts of investors of Together. There are plans to set up diverse alliance business models such as advancing the real estate risk management system.

# Social Contribution

Daishin Securities  
receives an appreciation  
plaque from the First  
Fleet of the ROK Navy

Jan. 29, 2015

Daishin Securities was given an appreciation plaque from the Republic of Korea Navy in the presence of CEO Jai-chel Na and Young-seok Kim, the Deputy Commander of the First Fleet. Daishin Securities' and the First Fleet of the ROK Navy concluded a sisterhood agreement on Pier 1 of the First Fleet of the ROK Navy located on the east coast of Gangwon-do in April 2012. Since then, Daishin Securities provided exercise equipment and facilities to the First Fleet, while Daishin Songchon Cultural Foundation has been providing scholarships to two children of the commissioned officers of the First Fleet every year.

Donation for academic  
research of Sungjung  
Cultural Foundation

April 30, 2015

Daishin Songchon Cultural Foundation donated KRW 10 million to Sungjung Cultural Foundation for academic research purposes. Sungjung Cultural Foundation was established with the aim of nurturing artists and professionals in the cultural sector, and promoting culture, arts and international cultural exchange. The financial assistance will be used to provide scholarships to artists and professionals in the cultural sector, and to operate businesses for international cultural exchange and a youth arts organization.

Donation to establish a  
children's garden in a  
vulnerable region

April 30, 2015

Daishin Songchon Cultural Foundation donated KRW 10 million to the Seoul Green Trust to create a children's garden in Yeokchon-dong, Eunpyeong-gu. It will serve as a playground for children from vulnerable households as well as a space for community activities. The garden will be looked after by the residents of the neighborhood.

Donation to the Friends  
of The National Museum  
of Korea (FNMK)

Oct. 13, 2015

Daishin Songchon Cultural Foundation donated KRW 3 million to support the academic research of the Friends of The National Museum of Korea (FNMK). FNMK is primarily involved in purchasing and donating relics and artifacts to museums, promoting academic research, providing academic support, running programs for culturally vulnerable classes and adolescents, and strengthening the cultural identity of multicultural families. Daishin Songchon Cultural Foundation has donated a total of KRW 28.4 billion to FNMK from 2009 to 2015.

Delivery of "Donation  
of Love" to the Baekje  
Period Sharing Campaign  
Headquarters

Nov. 3, 2015

Daishin Songchon Cultural Foundation has delivered KRW 10 million in Donation of Love to the Baekje Period Sharing Campaign Headquarters. The donation will be used to help low-income seniors who are living alone and are in need.

Daishin Financial Group  
delivers the "Donation  
of Love" to the Naju  
community

Dec. 15, 2015

Au-ryung Lee, the Chairperson of the Daishin Financial Group, visited social welfare facilities in Naju, Jeollanam-do to deliver the Donation of Love. The donation was made to help a care facility for the disabled as well as social welfare facilities and childcare facilities as a means to help the vulnerable classes and multicultural families in Naju. Chairperson Lee personally visited the facilities and encouraged the staff and beneficiaries. The Donation of Love Program of Daishin Financial Group was launched in 1991 to provide scholarships to students from families facing financial hardships. Since then, donations have been made to help various vulnerable classes by paying the medical costs of children with congenital defects, helping ex-convicts adapt to society, supporting medical facilities, and more. The total amount of donations made is KRW 8.6 billion to date.



Daishin Financial Group  
delivers the "Donation  
of Love" to vulnerable  
classes

Feb. 12, 2016

Chairperson Au-ryung Lee of the Daishin Financial Group visited Goesan in Chungcheongbuk-do to deliver the "Donation of Love." Daishin Financial Group has made donations to Goesan-gun for two years. This year, contributions were made to low-income families, the Multicultural Family Support Center and living facility for people with severe disabilities. Daishin is also involved in the Hope Network Project implemented by Goesan-gun. It's a private-public project aiming to provide support to those who are in the blind spots of public welfare programs such as low-income families and people with major disabilities. The Donation of Love will be used to eliminate the blind spots in the welfare system in Goesan-gun. Daishin Financial Group vows to continue fulfill its corporate social responsibility and contribute to society by sharing with others for mutual growth and prosperity.

# Network

## Overseas Network

|           |   |
|-----------|---|
| Tokyo     | 8F, NAX Bldg, 1-3-2, Shinkawa,Chuo-ku, Tokyo, 104-0033, Japan<br>Tel: 81-3-3551-8088 Fax: 81-3-3551-5533  |
| Shanghai  | Room1201B,China Merchants Tower No.161 Lujiazui East Road,<br>Pudong New Area,Shanghai, PRC 200120<br>Tel: 86-21-5010-5298 Fax: 86-21-5010-5296 |
| Hong Kong | Unit 1601, 16/F, Ruttonjee House, 11 Duddell Street, Central, Hong Kong<br>Tel: 852-2167-8730 Fax: 852-2167-8911                                |

## Domestic Network

| Seoul Region            |  |
|-------------------------|--|
| Business Dept.          | Daishin Securities Building, 16 Gukjegeumyung-ro 8-gil, Youngdeungpo-gu,Seoul, (02) 769-2000       |
| Dongdaemun              | 3F Hanil BLDG, 199 Jong-ro. Jongno-gu, Seoul, (02) 741-1711  |
| Gwanghwamun             | 1F,2FJeokseon Hyundai BLDG, 130 Jong-ro, Jongno-gu, Seoul (02) 735-7571                            |
| Sinchon                 | 5F Dongin BLDG, 144 Sogang-ro, Mapo-gu, Seoul (02) 719-3713  |
| Myeong-dong Center      | Jeunggwon BLDG, 13 Jung-gu, Seoul (02) 757-8211  |
| Nowon                   | 1F SK Broadband BLDG, 466 Nohae-ro, Nowon-gu, Seoul (02) 3391-4654                                 |
| Daerimdong              | 1F Daishin Securities BLDG, 641 Siheung-daero, Yeongdeungpo-gu, Seoul (02) 849-4923                |
| Mok-dong                | 2F GwangjangSangga BLDG, 49 Mokdongseo-ro, Yangcheon-gu, Seoul (02) 2653-7778                      |
| Ichon-dong              | 4F Cheil BLDG, 302-44 Ichon 1-dong, Yongsan-gu, Seoul (02) 749-4800                                |
| Gangnamdaero Center     | 2F Yardell Finance BLDG, 292 Gangnam-daero, Gangnam-gu, Seoul (02) 3462-1630                       |
| Myeongil-dong           | 2F Innocence BLDG, 1598 Yangjae-daero, Gangdong-gu, Seoul (02) 3426-3551                           |
| Apgujeong               | 2F Yeongsin BLDG, 218 Apgujeong-ro, Gangnam-gu, Seoul (02) 546-3901                                |
| Banpo                   | 3F East Wing, Banpo Twin BLDG, 26 Gomurae-ro, Seocho-gu, Seoul (02) 592-6200                       |
| Cheongdam               | 1F Financial Doctor Cheongdam Center BLDG,<br>707 Yeongdong-daero, Gangnam-gu,Seoul (02) 3443-0100 |
| Sadang                  | 3F Golden Cinema Tower, 89 Dongjak-daero, Dongjak-gu, Seoul(02) 3474-0600                          |
| Yangjaedong             | 2F One Stone Hofficetel, 79 Nonhyeon-ro, Seocho-gu, Seoul(02) 574-0300                             |
| GangnamSeolleung Center | 1F, 2F High Living BLDG, 420 Teheran-ro, Gangnam-gu, Seoul (02) 569-9233                           |
| Dogok Station           | 2F Dongha BLDG, 2913 Nambusunhwan-ro, Gangnam-gu, Seoul(02) 553-8400                               |
| Jamsil-Sincheon         | 3F Trazium 3F, 61 Seokchonhosu-ro, Songpa-gu, Seoul (02) 421-2332                                  |
| Meister Club Jamsil     | 2F JangmiSangga, 104 Olympic-ro 35-gil, Songpa-gu, Seoul(02) 3432-4950                             |

| Gyeonggi-do        |   |
|--------------------|---|
| Bupyeong           | 5F Core BLDG, 4 Gwangjang-ro, Bupyeong-gu, Incheon (032) 763-8108   |
| Namincheon         | 3F Korea Land and Housing Corp. BLDG, 126 Yesul-ro, Namdong-gu,Incheon (032) 435-8700                     |
| Gwangmyeong Center | Gwangmyeong Center 2F Daishin Securities BLDG, 16 Cheolsan-ro, Gwangmyeong-si, Gyeonggi-do (02) 2681-2311 |
| Bucheon            | 2F Bizantium, 91 Gilju-ro, Wonmi-gu, Bucheon-si, Gyeonggi-do, Korea (032) 667-1512                        |
| Pyeongchon         | 2F Intops BLDG, 206 Simin-daero, Dongan-gu, Anyang-si, Gyeonggi-do (031) 388-2400                         |
| Ansan              | 4F BYC BLDG, 181 Gwangdeok-daero, Danwon-gu, Ansan-si, Gyeonggi-do (031) 405-9090                         |
| Ilsan              | 2F Jeongdo Plaza, 1419 Jungang-ro, Ilsanseo-gu, Goyang-si, Gyeonggi-do (031) 919-5033                     |
| Songtan            | 3F Bumhan Plumbing BLDG, 33 Gwangwangteukgu-ro, Pyeongtaek-si, Gyeonggi-do (031) 663-1901                 |
| Suwon              | 4F Seyoung BLDG, 199 Gwongwang-ro, Paldal-gu, Suwon-si, Gyeonggi-do (031) 224-9900                        |
| Osan Center        | 2F Innocence BLDG, 129 Seongho-daero, Osan-si, Gyeonggi-do (031) 375-8377                                 |
| Bundang Center     | 3F Coscom BLDG, 27 Hwangsaeul-ro 360, Bundang-gu, Seongnam-si, Gyeonggi-do (031) 702-5400                 |
| Suji               | 3F Seho BLDG, 52 Seongbok 2-ro, Suji-gu, Yongin-si, Gyeonggi-do (031) 265-2733                            |

| Gyeongsang-do |  |
|---------------|--|
| Busan Center  | 3F Seomyeon Finance BLDG, 709 Jungang-daero, Busanjin-gu, Busan (051) 806-5561           |
| Dongnae       | 2F Daishin Securities BLDG, 212 Chungnyeol-daero, Dongnae-gu, Busan (051) 556-8200       |
| Haeundae      | 3F Marina Center, 154 Haeundaehaebyeon-ro, Haeundae-gu, Busan (051) 704-3800             |
| Daegu Center  | 3F Byucksan Tower, 1748 Dalgubeol-daero, Dalseo-gu, Daegu (053) 558-6300                 |
| Dongdaegu     | 2F Beomu BLDG, 2392 Dalgubeol-daero, Suseong-gu, Daegu (053) 751-6040                    |
| Bokhyun       | 3F Daehyun BLDG, 150 Dongbuk-ro, Buk-gu, Daegu (053) 958-1711                            |
| Mugeo-dong    | 2F Daishin Securities (Namun Plaza), 17 Bukbusunhwando-ro, Nam-gu, Ulsan (052) 224-5500  |
| Ulsan         | 3F Cheil Insurance BLDG, 262 Samsan-ro, Nam-gu, Ulsan (052) 265-2266                     |
| Pohang        | 1F Gyeongnim BLDG, 8 Sicheong-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do (054) 273-4411     |
| Jinju         | 3F Ivy Tower, 888 Jinju-daero, Jinju-si, Gyeongsangnam-do (055) 763-3900                 |
| Changwon      | 3F Suhyp BLDG, 113 Sangnam-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do (055) 281-6404 |

| Jeolla-do      |  |
|----------------|--|
| Gwangju Center | 1F Daishin Securities BLDG, 147 Geumnam-ro, Dong-gu, Gwangju(062) 223-6601                   |
| Sangmu         | 2F Korea Professor Mutual Society BLDG, 98 Sangmujungang-ro, Seo-gu, Gwangju (062) 371-0017  |
| Jeonju         | 2F Daishin Securities BLDG, 235 Paldal-ro, Wansan-gu, Jeonju-si, Jeollabuk-do (063) 275-4600 |
| Gunsan         | 1F First BLDG, 192 Susong-ro, Gunsan-si, Jeollabuk-do (063) 442-3151                         |
| Suncheon       | 1F Chungwoo E&C, 296 Isu-ro, Suncheon-si, Jeollanam-do (061) 724-8440                        |
| Gwangyang      | 1F Haewoon BLDG, 63 Jungdong-ro, Gwangyang-si, Jeollanam-do (061) 791-7800                   |
| Naju           | 3F Songhyeon BLDG, 182-1 Naju-ro, Naju-si, Jeollanam-do (061) 337-9696                       |
| Mokpo          | 3F Promo BLDG, 95 Ogam-ro, Mokpo-si, Jeollanam-do (061)                                      |

| Chungcheong-do |   |
|----------------|---|
| Dunsan         | 2F Daewoo Topia, 223 Daedeok-daero, Seo-gu, Daejeon(042) 482-1221                                       |
| Cheongju       | 3F Heungbok Dream Mall BLDG, 47 Daenong-ro, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do (043) 222-7290 |
| Cheonan        | 2F Dongbang BLDG, 296-10 Seobu-daero, Seobuk-gu, Cheonan-si, Chungcheongnam-do (041) 578-0535           |

| Jeju-do |   |
|---------|---|
| Jeju    | 1F Segi Smart BLDG, 3339 1100-ro, Jeju-si, Jeju-do (064) 743-4131 |



# Managerial Staff

## IB Business Group



Head of  
IB Business Group  
Tae-young Jung



Head of  
IB Sector I  
Woo-chul Jang



Head of  
IB Sector II  
Yeo-seon Han

## Wholesale Business Group



Head of Wholesale  
Business Group  
Young-hoon Bae



Director of Wholesale  
Business Div.  
Jae-joong Kim



Director of Structured  
Products Div.  
Hwan-moak Lee

## Financial Doctor Business Group



Head of Financial Doctor  
Business Group  
In-sig Shin



Director of  
Financial Doctor Div.  
In-sub Kwon



Director of  
Smart Finance Div.  
Kyung-chan Kim



Director of  
Gang Regional Div.  
Chang-lyong Ha



Director of  
Gangbuk Regional Div.  
Jae-joong Jung



Director of  
Seobu Regional Div.  
Dong-hyeon Park



Director of  
Dongbu Regional Div.  
Jung-hwa Lee

## Customer Management Head Div.

### In-charge of Information Protection

### In-charge of Future Strategies



Director of  
Customer Asset Div.  
Seung-duk Ryu



In-charge of  
Information Protection  
Byung-chuel Kim



In-charge of  
Future Strategies  
Bum-Chul Kim

## In-charge of Audit

### In-charge of Secretary/Brand

### Infrastructure Management Div.



In-charge of  
Audit  
Kyung-sik Kim



In-charge of  
Secretary/Brand  
Hyeok Song



Director of Infrastructure  
Management Div.  
Song-gyu Kim

## Research Center

### Planning Div.

### HR Capacity-Building Center

### Trading Center

### Operations & Technology Div.

### Risk Management Div.

### Compliance Support Div.



Head of  
the Research Center  
Yun-nam Cho



Director of  
Planning Div.  
Kyung-sun Cho



Head of  
the HR Development Center  
Dae-han Hong



Head of  
the Trading Center  
Dong-hoon Lee



Director of  
Operations & Technology Div.  
Myung-jae Choi

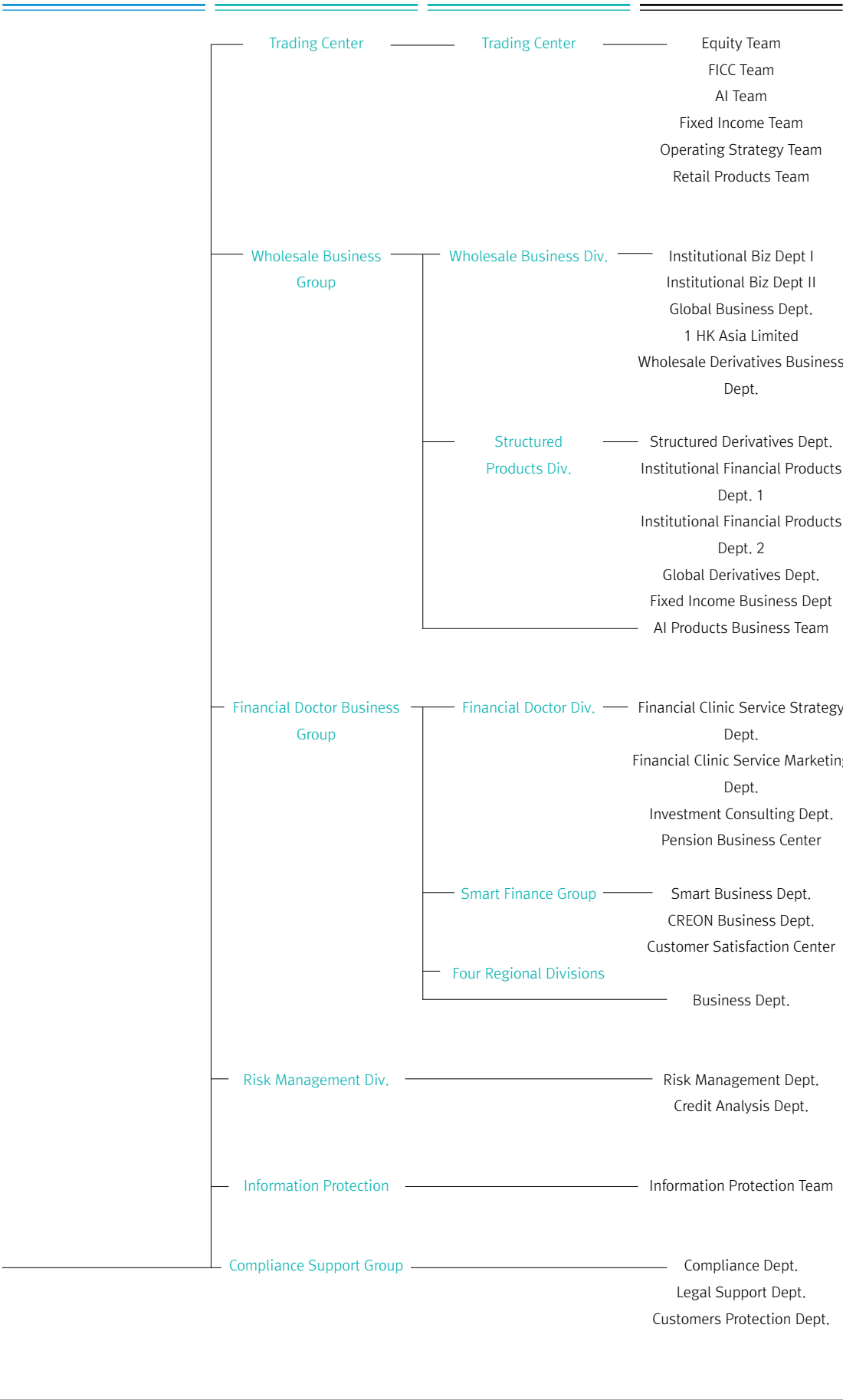
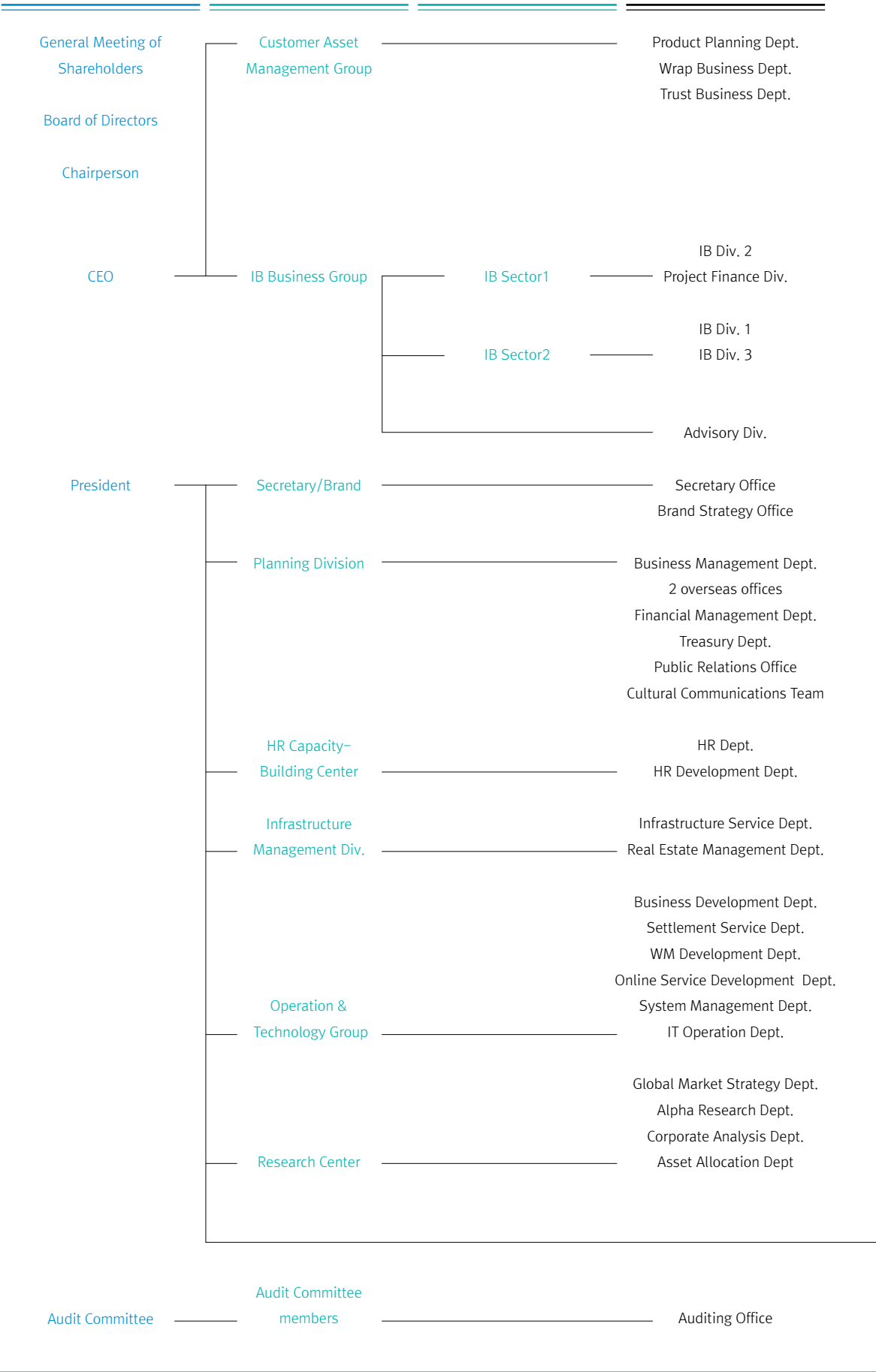


Director of  
Risk Management Div.  
Moon-soo Lee



Director of  
Compliance Support Div.  
Jung-suk Choi

# Organization Chart



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16 Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul, Korea  
T. (02) 769-2117   F. (02) 769-2815   E. irmaster@daishin.com