



Investor Relations FY2011

Kiwoom Securities Co., Ltd. "No. 1 Securities Broker in Korea"

❖ Company Profile

Establishment

January 2000

**** Last updated: 31 Mar 2011**

C.E.O.

Mr. Yongwon Kwon

Employees

453 **

Listing

KOSPI-listed 2009 (A039490 KS)

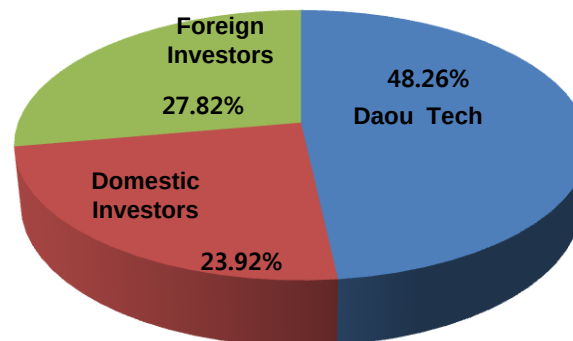
Shareholder's Equity

KRW 690.4 bln **

Outstanding Shares

22,099,740 Common Stock Shares**

Shareholder Structure **

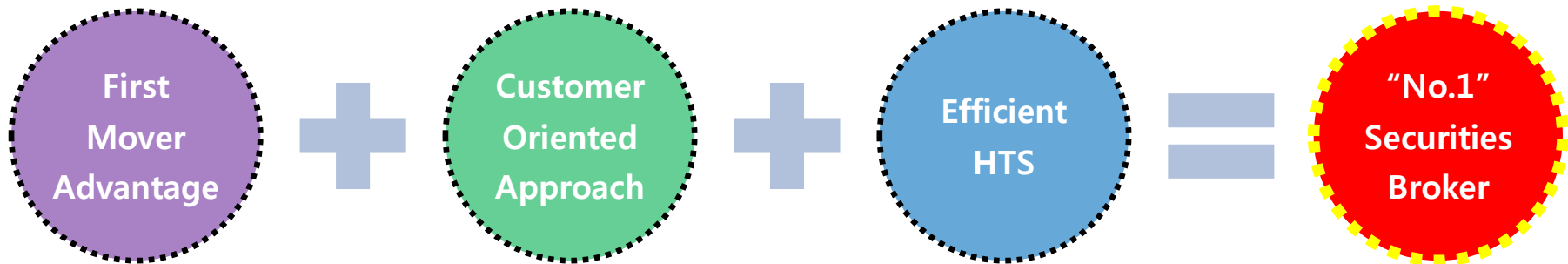
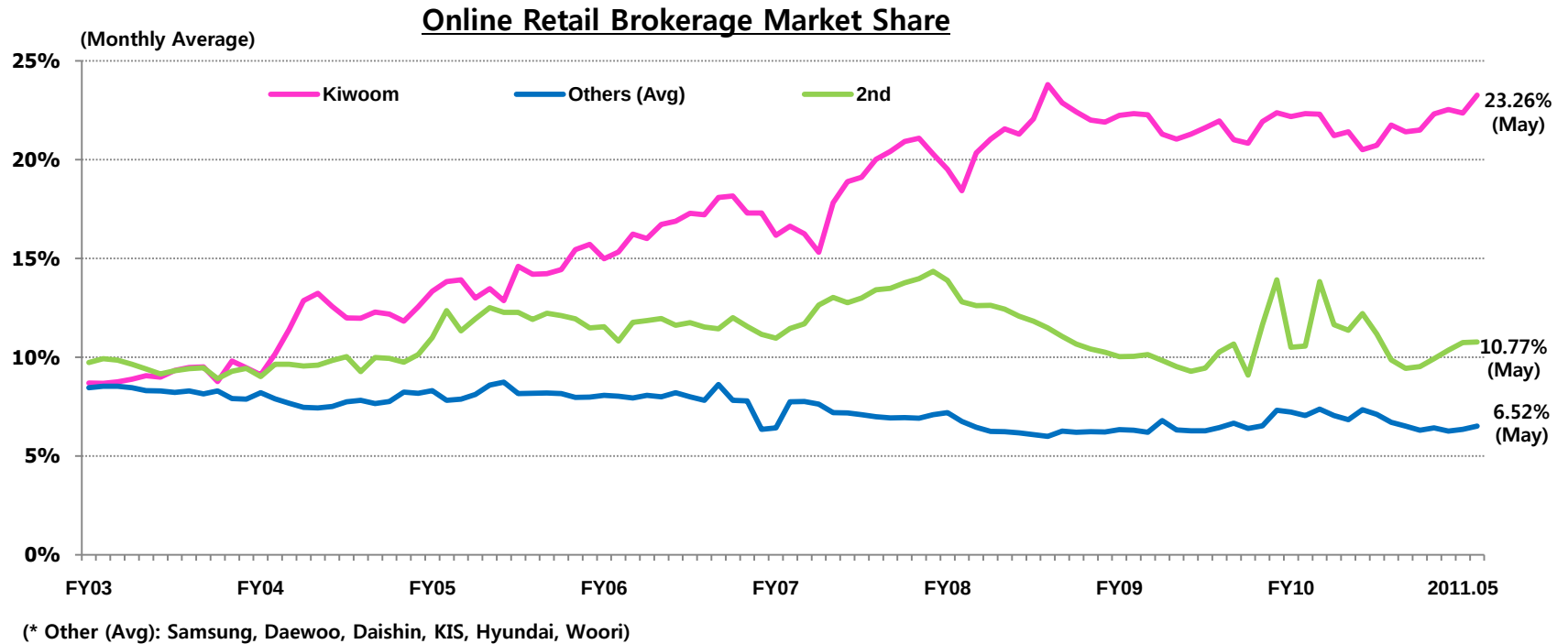


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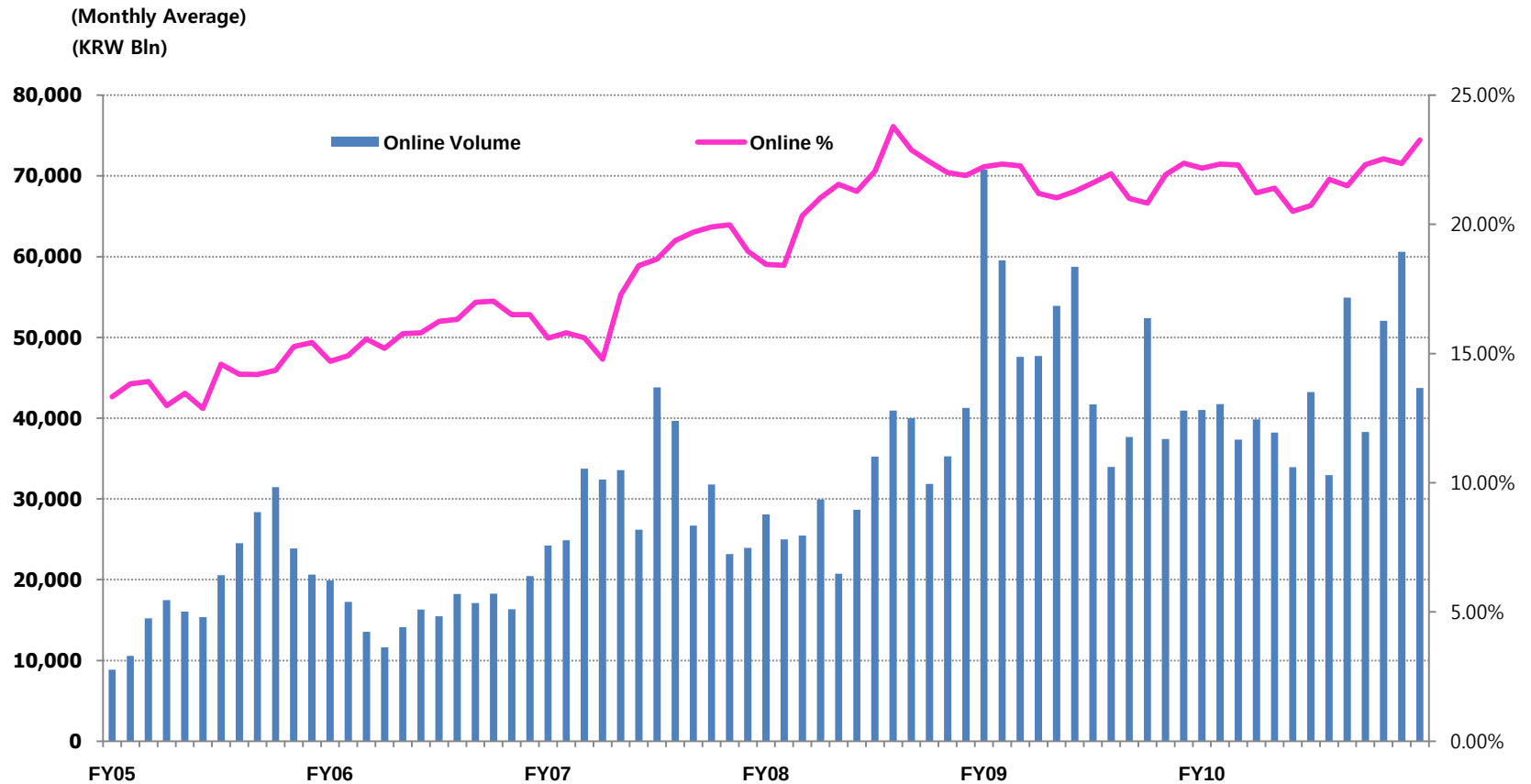
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❖ Kiwoom: No. 1 Online Market Player

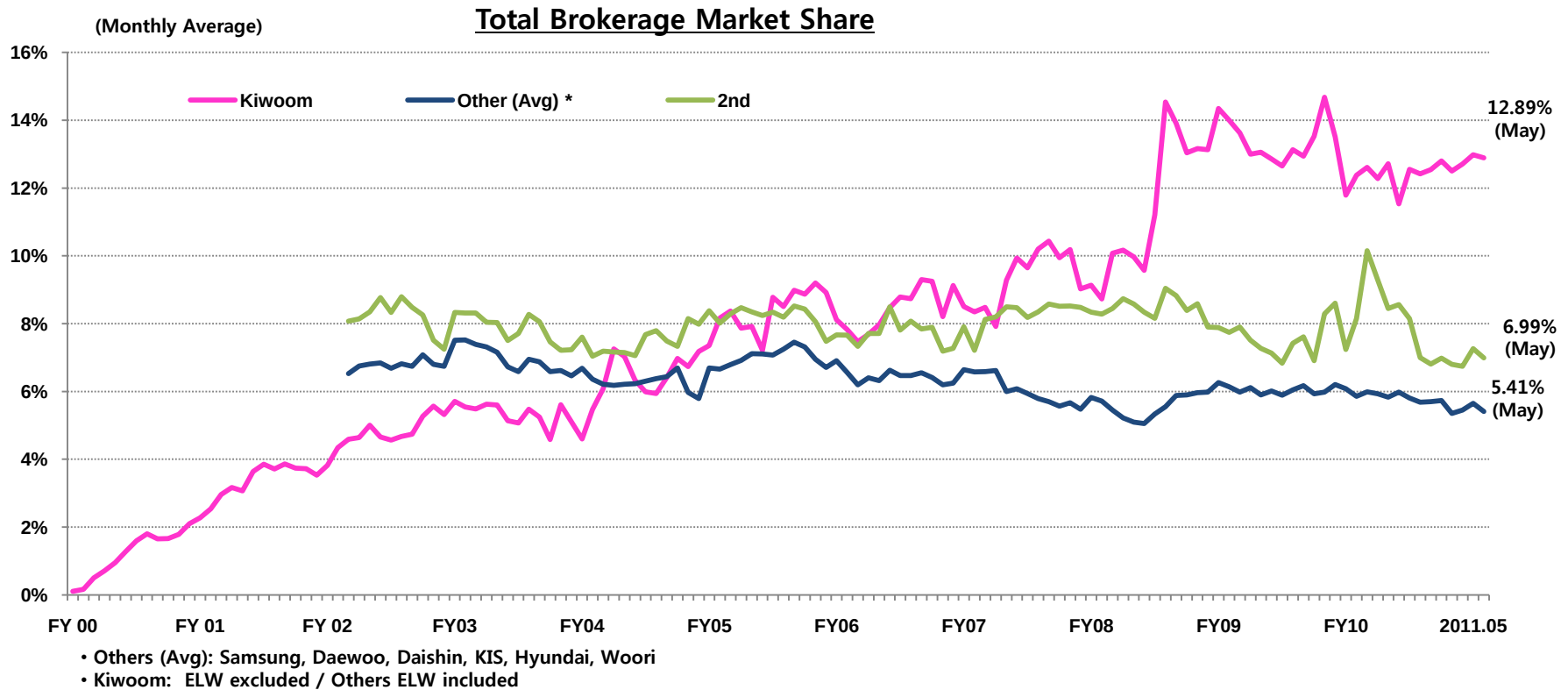


❖ Kiwoom: No. 1 Online Market Player

Online Retail Brokerage Market Share

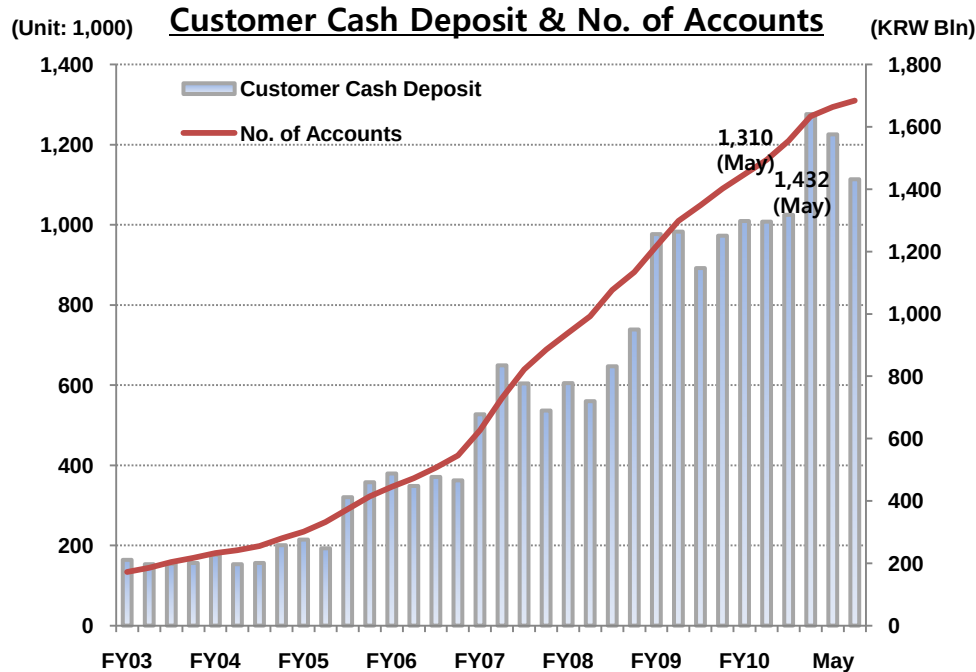


❖ Kiwoom: Market Leader for 6 years!

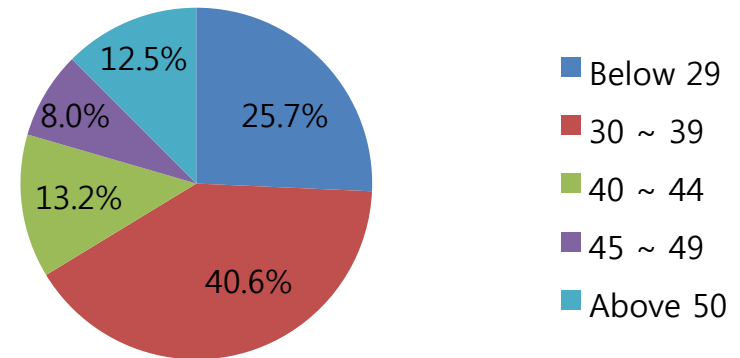


- ✓ No. 1 in Brokerage M/S for 6 consecutive years
- ✓ Lowest commission rate 1.5bps
- ✓ Successful acquisition of diverse customer(s)

❖ Expansion of Customer Base



New Customers - 2010



Select **"Kiwoom"** as their 1st trading channel

Expand Customer Base

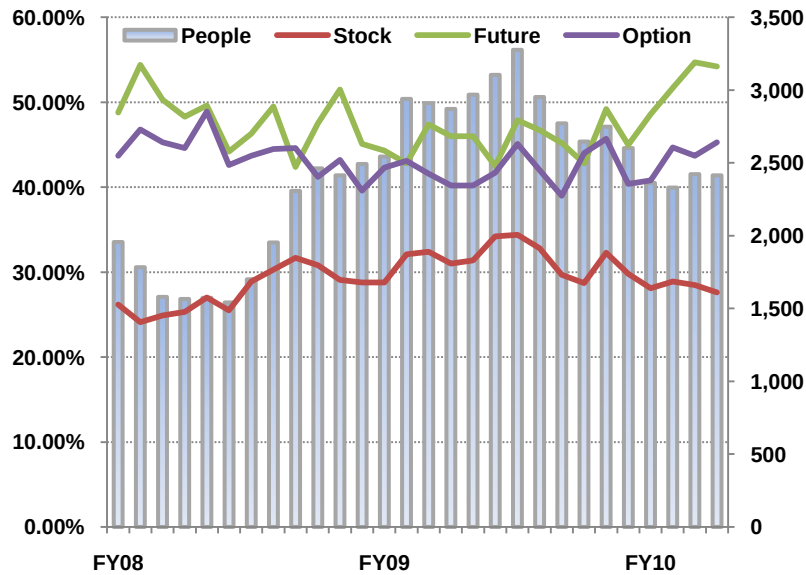
- ✓ Monthly No. of new accounts **15,735 (May 2011)**
- ✓ **Customer Cash Deposit 16.61% increase (Yearly Avg)**
 - FY09 1,228 bln KRW → FY11(May) 1,432 bln

New Customer Age Demographics

- ✓ **80% existing clientele below age 45**
- ✓ **Larger percentage of new incoming entrants to the "working world"**
 - 45.8% below age 35

❖ VIP Customer

VIP Customer Portion



		VIP Portion from Total Trade Value				
	FY10 Q4	Diff.	FY10 Q3	FY10 Q2	FY10 Q1	FY09
People	2,609	+245	2,364	2,380	2,372	2,862
Stock	27.84%	+0.91%	26.93%	27.59%	28.50%	31.38%
Futures	68.72%	+14.78%	53.94%	54.42%	51.75%	45.50%
Options	43.21%	+1.52%	41.69%	46.28%	43.22%	42.08%

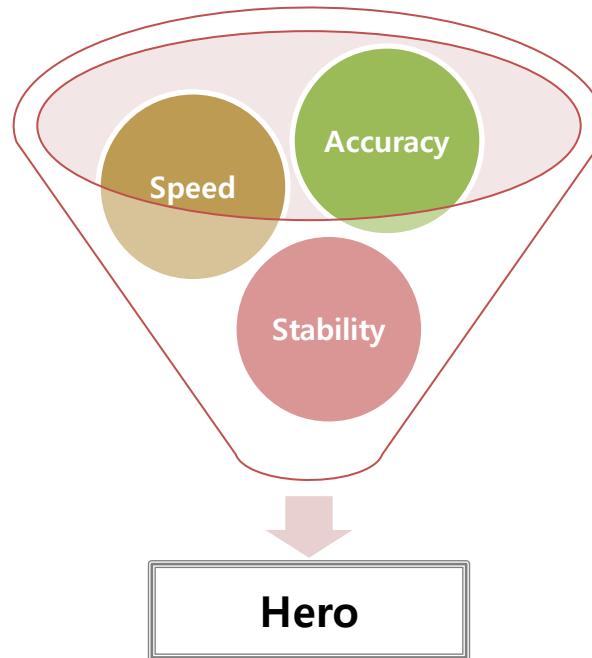
✓ Increase in VIP customers & VIP portion from Total Trade Value

- Rebound in retail participation
- Rebound trade activity in trade volume of KOSDAQ market



❖ Strong Trading System

[Top Priority for Kiwoom's HTS]

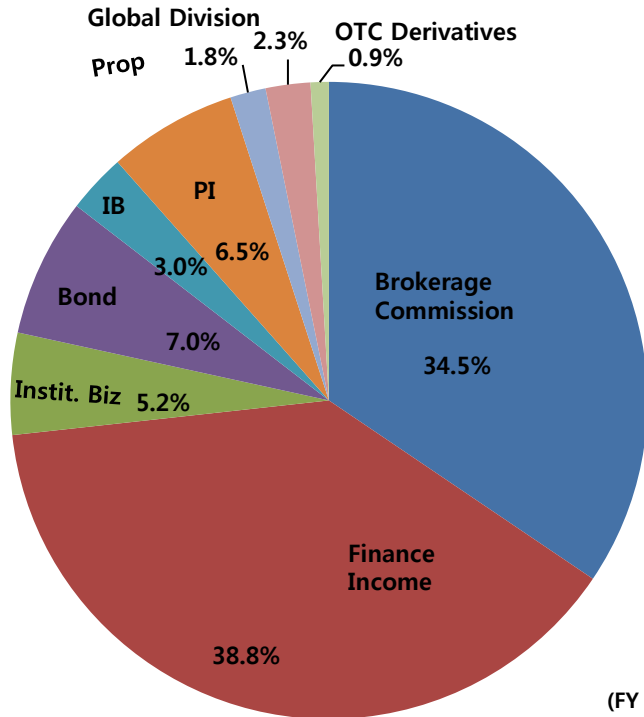


Kiwoom HTS's Key Points

- ✓ **Diverse Order Method(s)**
 - Immediate, Fast, bid order
- ✓ **Customer-centric live bulletin**
 - VoC (Voice-of-Customer)
- ✓ **Qualitative + Quantitative contents**
 - Diverse investment indices & news info
- ✓ **User-friendly**
 - Anywhere user login; same screen visibility
- ✓ **Real-time overseas stock**
 - Cross-border: China, Hong Kong, Japan, U.S.

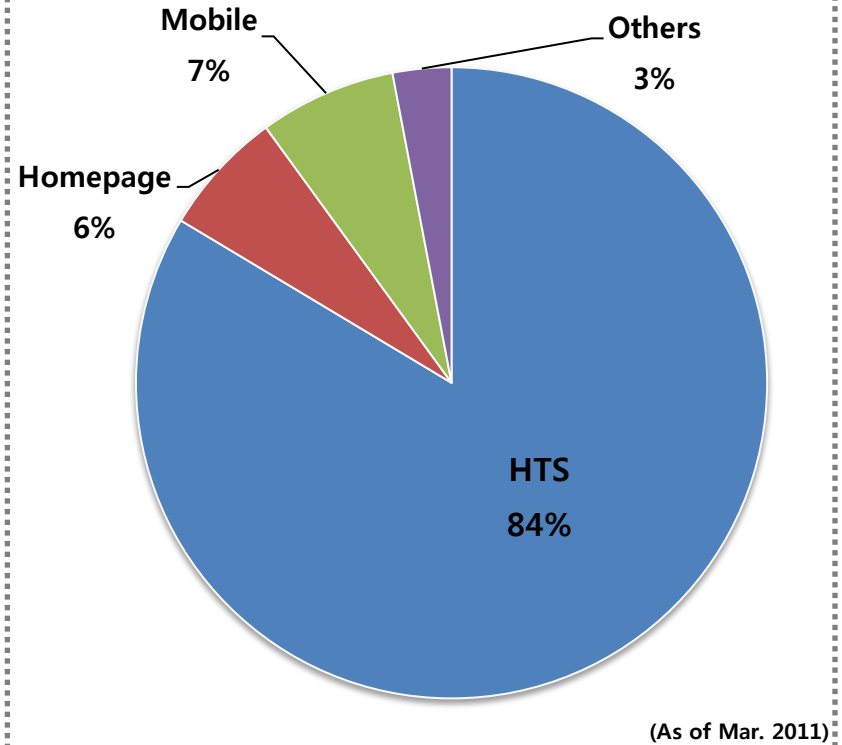
❖ Kiwoom: South Korea's No. 1 Securities Firm

Net Revenue Breakdown



(FY 2010)

Trade Channels

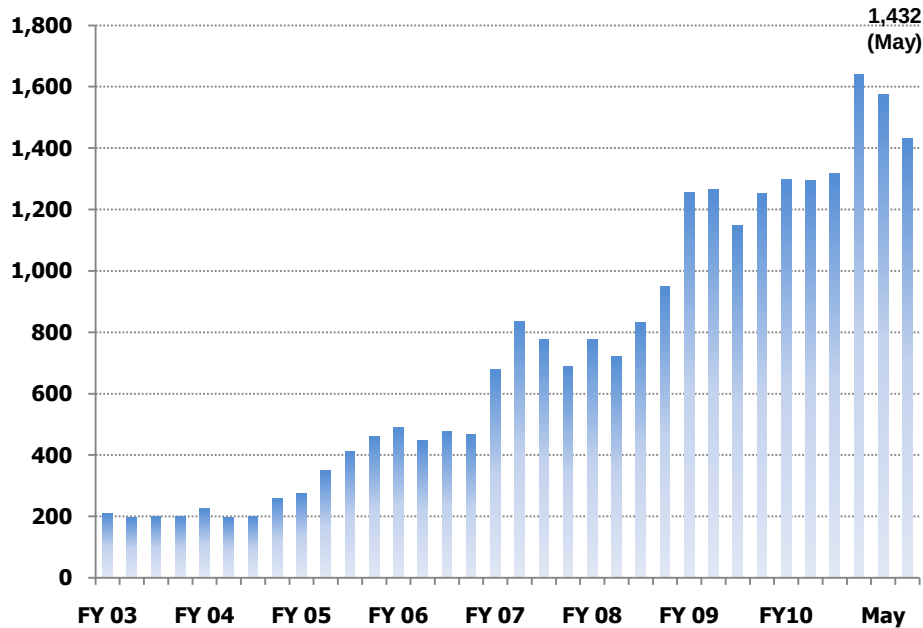


(As of Mar. 2011)

❖ Finance Income:

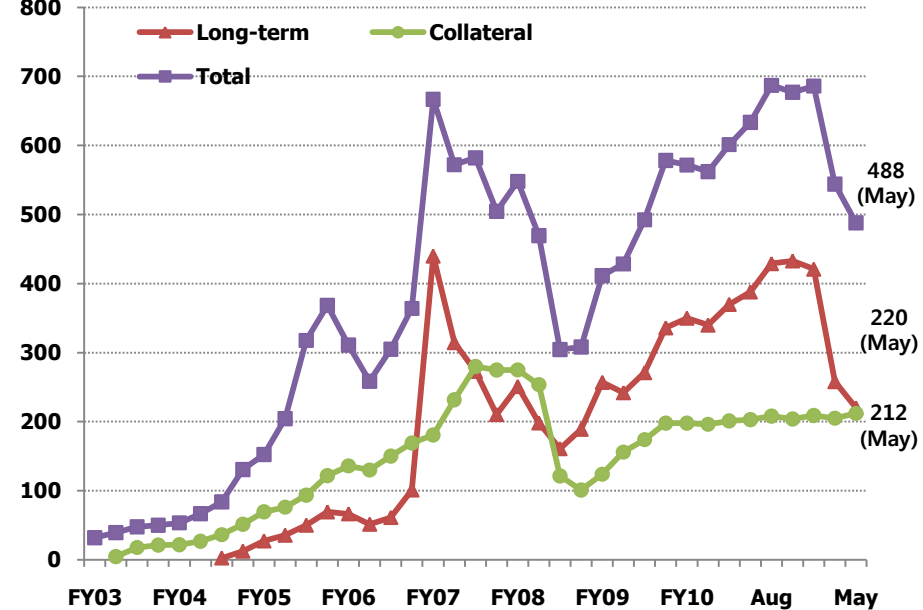
Customer Cash Deposit

(Unit KRW, Bln, Qtrly Avg)



Margin Loan

(Unit KRW, Bln, Qtrly Avg)

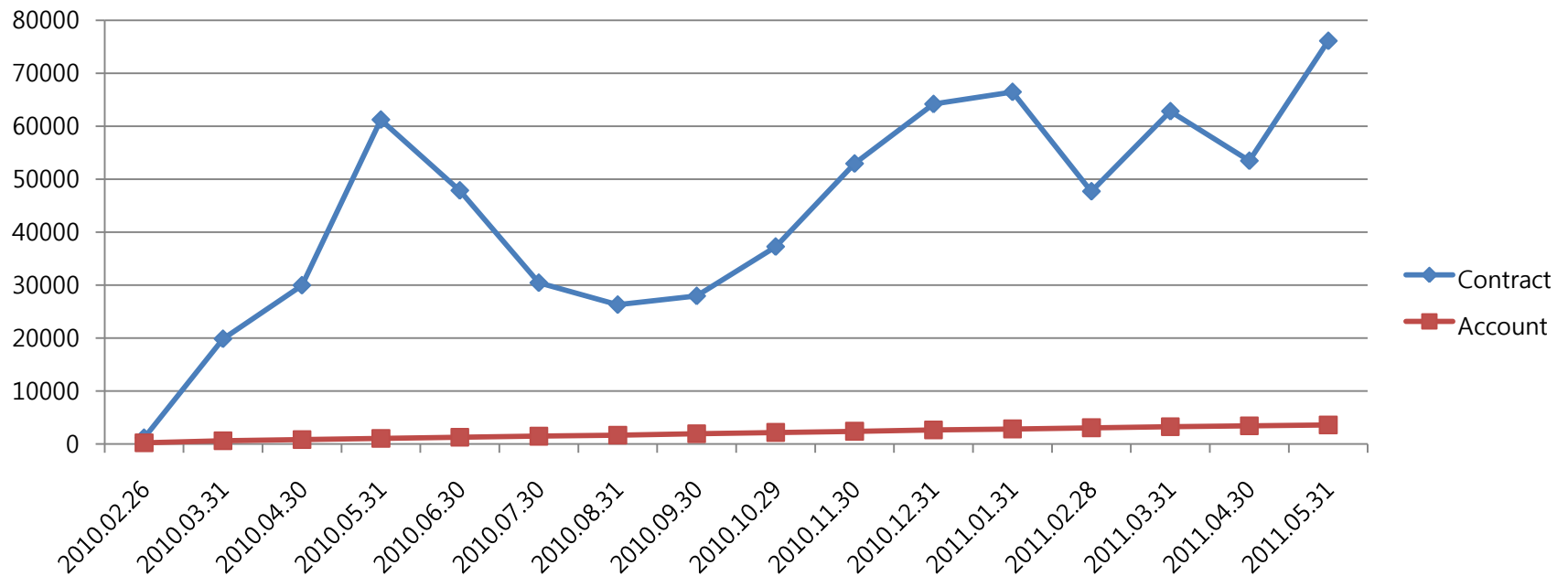


✓ Core Interest Income: Customer Cash Deposit, Margin Loan

❖ FY 2011 Sales Strategy

1. Increase Retail M/S
2. Focus on profitability
3. Successful settlement of new business(es)
 - ✓ Listed Derivatives (F/X Margin Trading, Domestic & Overseas Futures)
 - ✓ Manufacture (ELS/ELW Products)
 - ✓ Global Expansion – Indonesia M&A
 - ✓ Affiliate Expansion – Kiwoom Asset Management

❖ Kiwoom: F/X Margin Trading



- 
- ❖ Growth in Domestic FX Margin Market : Roughly 20% growth(390,000 contracts)
 - ❖ Successful launch of FX Margin biz : MS 15.97% (Total 2nd / Sec. 1st : As end of Mar. 2011)
 - ❖ Maintain system & enhance educational program

❖ Kiwoom : ELS / ELW

- ❖ ELS / ELW Biz launch Sept. 2010
- ❖ Issued 100 ELS & 117 ELW Products
- ❖ ELS – Equity Linked Securities
 - Hybrid debt securities whose return is connected to an underlying equity
 - Pay a higher yield than the underlying security & generally matures in 1 year
- ❖ ELW – Equity Linked Warrant
 - Certificate issued with a security giving the holder the option of buying a stock at a certain strike price for a certain period of time
- ❖ Affluent customer base allows us to provide diverse products to meet the needs of our customers

❖ Kiwoom's Subsidiary : Kiwoom Sec. Indonesia

❖ Kiwoom Securities Indonesia Overview

- Investment Cost : 12M USD / M&A Nov. 9, 2010
- HTS enhancement in progress → launch in June 2011



(As of 2010/ Currency 7.5 : 1 applied)

- Market Cap : 433 tril KRW (3,247tril IDR)
- Listed : 420
- Daily Trade Amount : 640.2 M
- Daily Trade Vol. : 5,432 M shares
- JCI (Jakarta Composite Index)
[Highest] 3,786p (10.12.9)
[Lowest] 2,475p (10. 2.8)
- Foreign composition : 31% (2009 25%)

※ Jan 3409p Feb 3470p

	2008	2009	2010
Trade Amount (1M IDR)	1,064,528 (142 tril KRW)	975,135 (130 tril KRW)	1,176,237 (157 tril KRW)
Trade Volume (100,000/share)	787,846	1,467,659	1,330,865
Currency (1U\$/IDR))	10,950	9,433	8,978
JCI	1,355p	2,534p	3,703p

❖ Kiwoom's Subsidiary : Kiwoom Asset Management

❖ Company Profile

- Established : Sept. 2, 2010
- CEO : SY Yoon
- Investment Cost : 20M USD
- License : Dec. 1, 2010

❖ Strategic Approach for Kiwoom Asset Management

- Expand brand awareness
- Provide diverse financial products to our existing customer base
- Prep for the revival of the fund market

❖ Kiwoom Asset Management – Main Funds

Valued Stock (Equity) A

- Front-end Load : 1.00% (Free)
- Kiwoom : 0.75%
- Asset Mgmt. : 0.75%
- Money maintenance : 0.03%
- Fund Agent : 0.015%

Total cost : 1.545%

Long-pole Triple Plus (Bond) A

- Front-end Load: 0.50% (Free)
- Kiwoom : 0.55%
- Asset Mgmt. : 0.30%
- Money maintenance : 0.03%
- Fund Agent : 0.02%

Total cost : 0.90%

E-alpha Index (Equity-Derivative)

- Front-end Load : None
- Kiwoom : 0.01%
- Asset Mgmt. : 0.03%
- Money maintenance : 0.02%
- Fund Agent : 0.01%

Total cost : 0.07%

Little Giant(Equity) A

- Front-end Load : 1.00% (Free)
- Kiwoom : 0.75%
- Asset Mgmt. : 0.75%
- Money maintenance : 0.03%
- Fund Agent : 0.015%

Total cost : 1.545%

Absolute Return (Equity) A

- Front-end Load : 1.00% (Free)
- Kiwoom : 1.00%
- Asset Mgmt. : 0.50%
- Money maintenance : 0.03%
- Fund Agent : 0.02%

Total cost : 1.55%

❖ Kiwoom: Key Success Factors

- ✓ **Successful entry into online securities market**
- ✓ **Cutting Edge HTS**
- ✓ **Customer-focused Sales structure
(Structured margin level)**
- ✓ **Customer Satisfaction (VoC system)**
- ✓ **Creative Entrepreneurial Mindset**

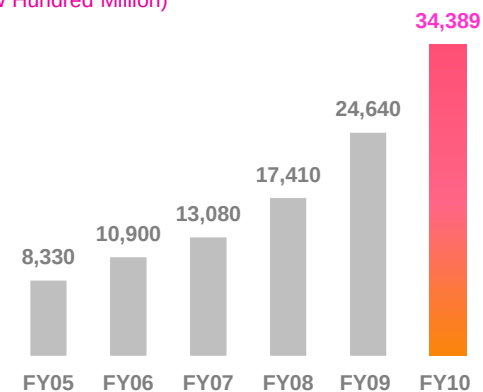


APPENDICES

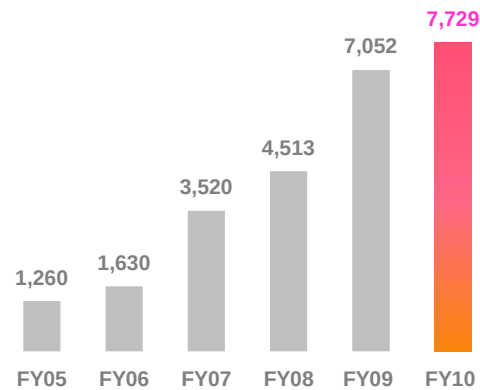
1. FINANCIAL HIGHLIGHTS
2. BALANCE SHEET
3. INCOME STATEMENT
4. EQUITY MARKET DATA
5. CUSTOMER-RELATED DATA

Appendix 1: Financial Highlights

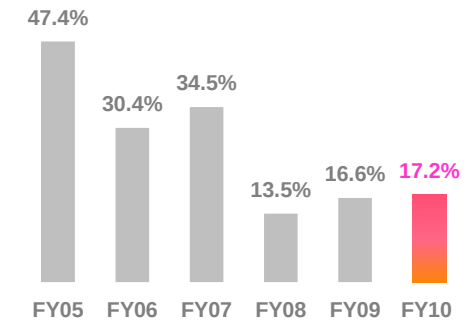
(KRW Hundred Million)



TOTAL ASSETS

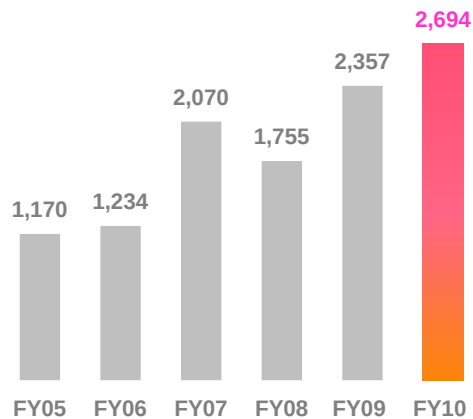


SHAREHOLDER'S EQUITY

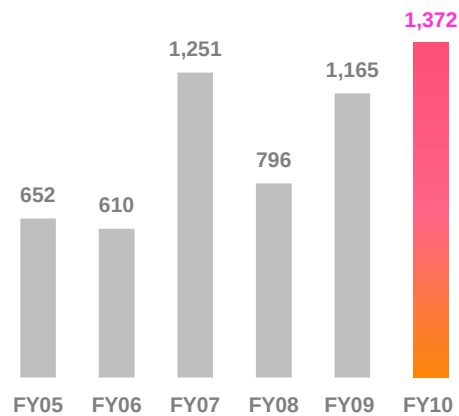


ROE

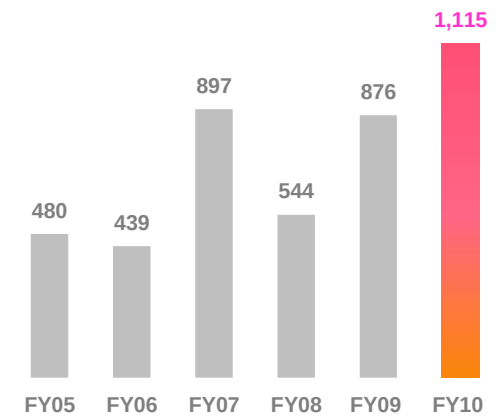
* Calculated with Annualized Net Income



TOTAL NET REVENUES



OPERATING PROFIT



NET INCOME

Appendix 2: Balance Sheet

(KRW Mil)

	FY10	FY09	FY08	FY07
Total Assets	3,438,946	2,464,221	1,741,188	1,308,436
1. Cash & Deposit	1,696,370	1,231,156	1,146,557	639,954
2. Securities	568,683	435,895	126,126	71,521
3. Derivatives	85	342	883	390
4. Loans	654,582	601,847	368,405	513,328
5. Tangible Fixed Assets	103,063	106,221	22,721	20,717
6. Other Assets	416,161	88,761	76,496	62,526
Total Liabilities	2,748,519	1,759,041	1,290,023	956,399
1. Deposit	1,851,442	1,342,639	1,117,713	707,780
2. Borrowings	513,877	342,485	123,730	199,514
3. Other Liabilities	383,200	73,918	48,580	49,105
Total Shareholder's Equity	690,426	705,180	451,165	352,036
1. Common Stock	121,722	121,722	97,297	81,081
2. Capital Surplus	275,931	275,931	123,186	87,615
3. Adjustments	-2,609	2,909	3,226	-277
4. Retained Earnings	292,570	303,384	227,455	183,617

※ New accounting standard applied since FY 2007

(KRW Mil)

	FY06	FY05	FY04
Total Assets	1,090,247	833,019	492,012
I. Current Assets	1,042,578	787,501	457,995
1. Cash and financial Inst.	56,388	40,075	49,054
2. deposit	475,144	393,622	236,322
3. Trading securities	55,201	35,502	21,592
4. Options purchased	3,247	430	311
5. Loans	331,664	195,258	89,060
6. Other current assets	123,432	124,886	62,792
7. Allowance for Loans	-2,498	-2,273	-1,137
II. Fixed Assets	47,670	45,518	34,016
1. Investment securities	8,091	7,226	5,519
2. Investment assets	11,380	10,399	6,638
3. PP&E	14,783	15,010	10,127
4. Other non-current assets	13,416	12,883	11,732
Total Liabilities	926,884	707,165	415,336
I. Current liabilities	925,207	706,172	415,117
1. Call money	0	25,500	12,200
2. Short-term borrowings	389,109	221,309	124,914
3. Customers' deposit	501,277	426,294	266,834
4. Securities sold	0	0	0
5. Options sold	753	516	149
6. Other current liabilities	34,068	32,553	11,020
II. Fixed liabilities	1,676	992	219
Total Shareholders' Equity	163,363	125,854	76,676
I. Paid-in capital	61,309	61,309	57,500
II. Capital surplus	2,134	2,134	2,139
IV. Retained earnings	100,031	62,260	17,179
V. Capital adjustments	-110	151	-142

Appendix 3-1: Income Statement (Annual)

(KRW Mil)

	FY10	FY09	FY08	FY07	FY06	FY05
Net Revenue	269,438	235,695	175,461	206,976	123,341	116,985
Brokerage Commission	125,906	121,144	97,355	104,006	60,456	69,315
Interest	99,687	73,224	61,758	68,308	40,463	35,749
Financial Product Sales	1,556	1,115	1,015	1,189	103	78
Investment Banking	10,256	15,637	5,665	10,703	6,687	2,394
Principal Investment	31,101	24,201	9,200	22,349	15,273	9,180
OTC Derivatives	977					
Others	-45	369	467	420	358	269
SG&A Expense	132,212	119,193	95,900	81,911	62,350	51,856
Compensation & Benefit	50,829	48,047	38,066	33,784	25,881	19,205
IT	27,832	24,070	20,214	14,631	11,605	10,245
Advertising	10,096	8,387	6,924	6,907	4,598	3,611
Fee	10,139	9,553	8,808	8,054	6,557	6,719
Property Rent	4,227	3,357	2,552	1,629	1,078	1,144
Depreciation	13,112	11,948	9,373	7,964	6,128	5,476
Others	15,977	13,831	9,964	8,942	6,505	5,458
Operating Profit	137,227	116,501	79,561	125,064	60,991	65,129
Net Profit	111,542	87,603	54,380	89,717	43,902	47,956

Appendix 3-2: Income Statement (Qtrly)

	(KRW Mil)							
	FY10 Q4	FY10 Q3	FY10Q2	FY10Q1	FY09Q4	FY09Q3	FY09Q2	FY09Q1
Net Revenue	66,449	67,712	70,584	64,694	58,030	56,550	57,787	63,328
Brokerage Commission	31,638	33,282	30,690	30,297	27,886	29,331	31,483	32,444
Interest	25,896	26,706	23,893	23,193	21,369	17,691	16,707	17,457
Financial Product Sales	548	487	272	250	256	274	264	321
Investment Banking	1,416	3,644	1,600	3,596	1,817	3,679	3,539	6,602
Principal Investment	6,864	2,995	14,130	7,113	6,655	5,436	5,709	6,401
OTC Derivatives	208	784	-15					
Others	-121	-185	16	245	44	136	85	104
SG&A Expense	36,045	32,267	33,278	30,621	33,822	29,387	28,476	27,508
Compensation & Benefit	14,374	11,403	14,088	10,964	15,644	10,528	11,644	10,231
IT	7,014	7,089	6,902	6,827	6,609	5,670	5,472	6,319
Advertising	3,348	2,652	1,933	2,162	1,196	2,693	1,819	2,679
Fee	2,986	2,323	2,298	2,532	2,468	2,482	2,692	1,911
Property Rent	1,139	1,074	1,082	933	891	883	868	715
Depreciation	3,220	3,254	3,303	3,334	3,172	3,055	2,952	2,769
Others	3,964	4,473	3,672	3,868	3,841	4,077	3,028	2,885
Operating Profit	30,403	35,445	37,306	34,073	24,207	27,163	29,311	35,820
Net Profit	23,402	27,330	28,950	31,860	18,838	19,323	22,123	27,319

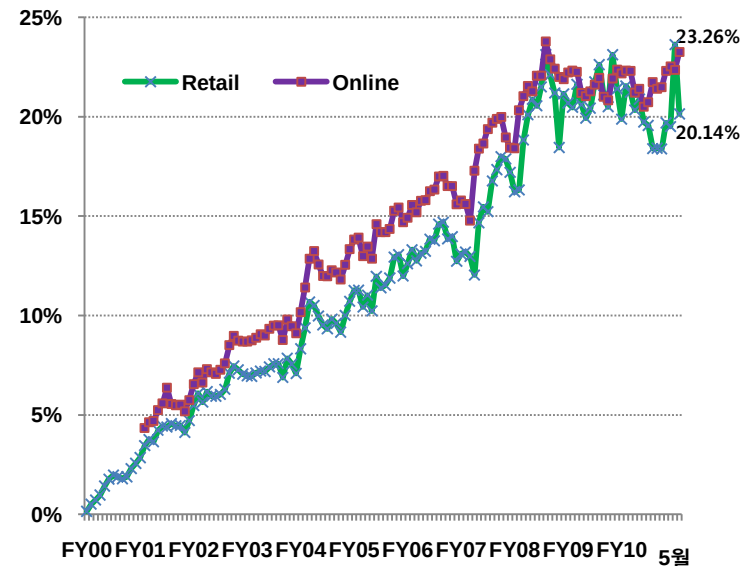
Appendix 4: Market share Data

	KIWOOM				KIWOOM		
	Total	Retail	Online		Total	Retail	Online
	FY06				FY09		
Apr	8.11%	11.99%	14.70%	Apr	14.35%	20.69%	22.23%
May	7.83%	12.61%	14.92%	May	14.00%	20.47%	22.33%
Jun	7.47%	13.31%	15.57%	Jun	13.63%	21.63%	22.26%
Jul	7.68%	12.75%	15.20%	Jul	13.00%	20.61%	21.20%
Aug	7.97%	13.14%	15.77%	Aug	13.06%	19.93%	21.03%
Sept	8.47%	13.22%	15.80%	Sept	12.86%	20.43%	21.28%
Oct	8.79%	13.84%	16.25%	Oct	12.65%	21.75%	21.61%
Nov	8.73%	13.75%	16.33%	Nov	13.13%	22.62%	21.96%
Dec	9.29%	14.59%	16.99%	Dec	12.94%	21.10%	21.00%
Jan	9.25%	14.69%	17.03%	Jan	13.53%	20.50%	20.82%
Feb	8.21%	13.86%	16.51%	Feb	14.68%	23.12%	21.92%
Mar	9.13%	13.97%	16.51%	Mar	13.51%	21.40%	22.37%
FY07				FY10			
Apr	8.50%	13.10%	15.60%	Apr	11.79%	19.88%	22.17%
May	8.34%	13.20%	15.80%	May	12.38%	21.55%	22.33%
Jun	8.48%	12.97%	15.61%	Jun	12.61%	21.23%	22.30%
Jul	7.91%	12.04%	14.78%	Jul	12.28%	20.34%	21.22%
Aug	9.29%	14.67%	17.28%	Aug	12.72%	20.88%	21.40%
Sept	9.97%	15.47%	18.40%	Sept	11.53%	19.73%	20.50%
Oct	9.66%	15.22%	18.65%	Oct	12.55%	19.56%	20.73%
Nov	10.20%	16.77%	19.37%	Nov	12.42%	18.40%	21.74%
Dec	10.44%	17.34%	19.70%	Dec	12.54%	18.42%	21.40%
Jan	9.94%	17.99%	19.90%	Jan	12.80%	18.38%	21.49%
Feb	10.18%	17.88%	19.98%	Feb	12.50%	19.69%	22.31%
Mar	9.02%	17.20%	18.96%	Mar	12.71%	19.51%	22.54%
FY08				FY11			
Apr	9.14%	16.23%	18.45%	Apr	12.98%	23.63%	22.36%
May	8.73%	16.32%	18.42%	May	12.89%	20.14%	23.26%
Jun	10.08%	18.83%	20.33%				
Jul	10.17%	20.10%	21.03%				
Aug	9.97%	20.87%	21.55%				
Sept	9.57%	20.55%	21.28%				
Oct	11.21%	21.50%	22.06%				
Nov	14.54%	23.12%	23.79%				
Dec	13.91%	22.11%	22.88%				
Jan	13.04%	21.20%	22.42%				
Feb	13.16%	18.45%	22.00%				
Mar	13.13%	21.15%	21.89%				

Total Brokerage Market Share



Retail & Online Market Share

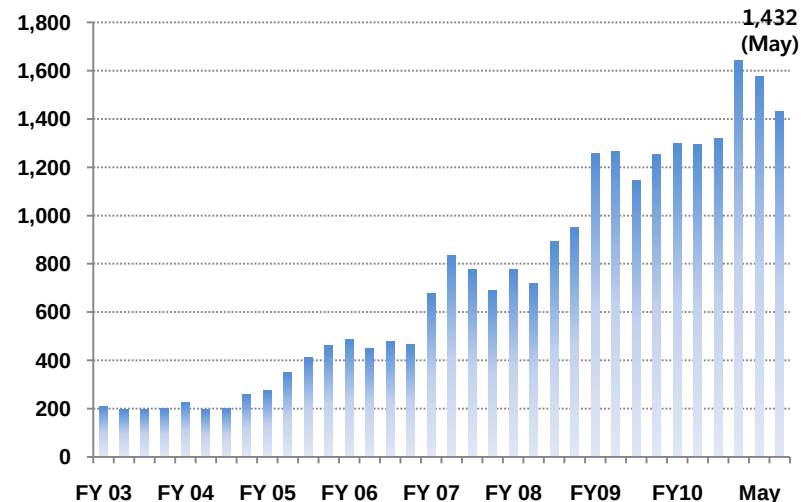


Appendix 5: Customer Data

	Customer Assets (KRW Bln)	No. of Accounts	Customers' Loan (KRW Bln / Qtrly Average)			Customer Cash Deposit (KRW Bln / Qtrly Average)
			Short-term Margin	Long-term Margin	Collateral	
FY03		133,700	32			211
Q2		144,337	35		4	197
Q3		158,545	30		18	198
Q4	866	169,369	29		21	201
FY04	791	181,022	32		22	227
Q2	860	188,566	40		27	197
Q3	984	198,655	45	3	36	201
Q4	1,411	217,745	67	12	52	258
FY05	1,670	234,649	56	27	70	276
Q2	2,076	258,738	93	36	76	348
Q3	2,664	290,370	174	50	94	412
Q4	2,825	321,941	177	69	122	460
FY06	2,744	346,084	108	67	136	488
Q2	3,197	367,503	77	51	130	448
Q3	3,392	393,884	93	61	150	477
Q4	3,941	424,755	94	101	169	466
FY07	5,454	487,581	46	440	181	678
Q2	6,545	568,649	26	315	232	835
Q3	6,531	639,466	29	273	280	777
Q4	6,428	689,043	19	210	275	690
FY08	6,498	730,269	22	251	275	778
Q2	5,567	771,908	17	198	254	720
Q3	5,011	837,086	22	161	122	832
Q4	6,206	882,042	18	189	101	950
FY09	7,364	946,694	30	257	124	1,256
Q2	8,540	1,009,967	30	242	156	1,264
Q3	8,308	1,048,637	47.4	271	174	1,147
Q4	8,750	1,090,705	26.0	340	196.2	1,228
FY10	8,818	1,126,198	30.2	370	201	1,298
Q2	9,438	1,162,309	48	382	203	1,296
Q3	10,334	1,209,464	50	429	208	1,318
Q4	11,263	1,271,099	52	438	203	1,641
Apr	11,731	1,294,313	81	258	205	1,576
May	11,080	1,310,048	56	220	212	1,432

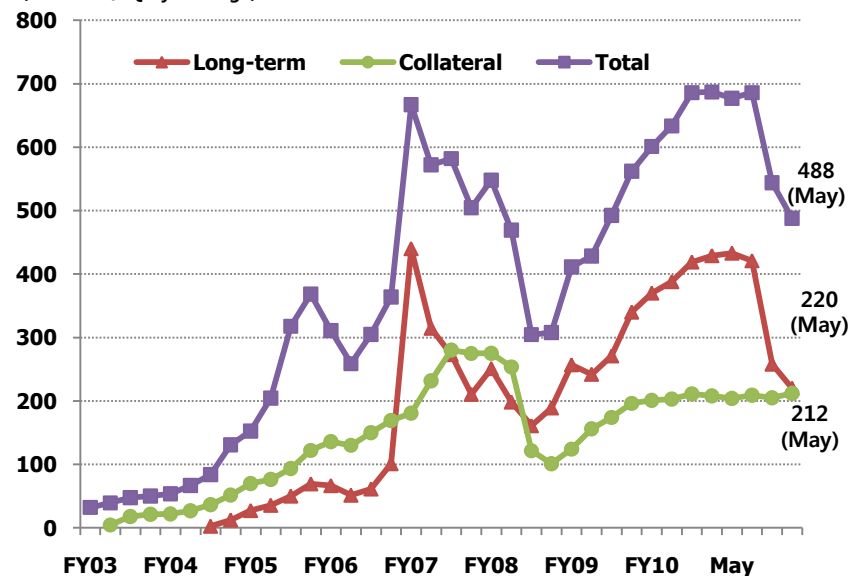
(KRW Bln / Qtrly Average)

Customer Cash Deposit



(KRW Bln / Qtrly Average)

Margin Loan



IR Contact

IR Team

ir@kiwoom.com

+82-2-3787-5236

