

CHANGE  
FOR  
SUSTAINABILITY

# CHANGE FOR SUSTAINABILITY

Sustainability Report 2010

Sustainability Report 2010

CHANGE FOR SUSTAINABILITY



Woori I&S Bldg, 23-4 Yeouido-dong, Yeongdeungpo-gu, Seoul 150-725, Korea  
[www.wooriwm.com](http://www.wooriwm.com)



# Publication of the Sustainability Report of Woori Investment & Securities

As the first sustainability report of Woori Investment & Securities, this report states the commitment of the Company to sustainable growth. With this report, the Company is establishing a firm basis for full-scale sustainability management. A special task force was formed to produce this report. Organized by the Corporate Strategy Department, the TF consists of employees selected from each department. All participants of the TF were interviewed to measure the level of the Company's sustainability performance from an internal perspective. Strategic tasks were then selected and workshops were held to establish Company-wide sustainability management strategies and to better understand the publication of sustainability reports. This report has been published thanks to the interest and organic work processes of all the TF's members. Woori Investment & Securities will continue to fulfill the expectations of stakeholders. Through this sustainability report and homepage, the Company will disclose timely data on its sustainability performance.

## Contributors

Organizers : Pyung-Ho Choi, Head of Strategy and Finance Division  
Jung-Ho Kim, Young-Jae Choi, Tae-Young Ha in Corporate Strategy Department

### Task Force for Sustainability Reports

You-Seok Na, Office of Achieving #1	Jae-Hoon Kim, HR Department
Sung-Ah Lee, Jung-Sik Kim, Mili Kim, Financial Planning & Control Department	Jae-Eun Jeon, HR Support Department
Yon-Ju Jin, Global Strategy Department	Dong-Il Choi, HR Development Department
Kyu-Sung, Mo Labor Union	Seok-Min Lee, Financial Management Department
Hun-Sang Sung, Jamie Wilson, Research Planning Team	Hong-Suk Choi, Yoon-Young Cho, Corporate Innovation Department
In-Cheol Song, Risk Management Department	Sung-Joon Ko, Dong-Su Kim, General Affairs Department
Ji-Hoon Kim, Marketing Department	Kyoo-Woong Yum, Compliance Department
Suh-Yeon Kwak, Legal Affairs Department	Myung-Jin Ju, Chul-Soon Lim, Dong-Hyun Song, Public Relations Department
Sung-Hwan Lee, Kim Ducky, Office of Corporate Social Responsibility	Jung Han, Alternative Investment Team
Joon-Ho Heo, Product Development Department	Sang-Won Jin, IB Strategy & Planning Department
Mu-Sang You, Dae-Chul Chae, Product Strategy Department	Ji-Hyun Oh, Product Innovation Team
Yun-Chul Kim, Service Control Department	Byung-Hee Jung, Wholesale Planning Team
Jae-Seung Shim, WM Strategy Department	

## For More Information on This Sustainability Report, Please Address Inquiries to :

Corporate Strategy Department, Woori Investment & Securities  
Woori I&S Bldg. 23-4 Yeouido-dong, Yeongdeungpo-gu, Seoul 150-725, Korea  
TEL +82-2-1544-0000 FAX +82-2-768-6749  
E-mail [sustain@wooriwm.com](mailto:sustain@wooriwm.com)  
Website [www.wooriwm.com](http://www.wooriwm.com)

Produced by Corporate Strategy Department, Woori Investment & Securities  
Designed by EcoFrontier

# Contents

## 02 CEO Message

## 04 Change For Sustainability

- 06 Global Mega Trends : Issues of Sustainability Management
- 08 Introduction to Woori Investment & Securities
- 10 Sustainable Corporate Governance
- 12 Sustainability Management at Woori Investment & Securities
- 14 Communication with Stakeholders
- 18 Sustainability Performance

## 20 Be Excellent & Proactive

- 22 Increasing Corporate Value for Greater Economic Benefit
- 26 Sustainable Portfolio Strategies toward Global IB
- 28 Premier Services to Satisfy More Customers

## 36 Be Professional & Synergetic

- 38 Raising Ethical Awareness toward Transparent Management
- 41 Fostering Professionalism and Pride
- 47 A Corporate Culture Innovating toward Openness
- 50 Advanced Partnership with Maximum Synergy

## 52 Be Harmonious & Responsible

- 54 Green Management and the Response to Climate Change
- 57 Corporate Citizenship for Win-win Growth

## 61 Appendix

- 62 Independent Assurance Statement on Sustainability Management
- 64 Independent Assurance Statement on Greenhouse Gas Inventory
- 66 GRI Index
- 70 UNGC Principle
- 71 ISO26000 Standard
- 73 Awards / Memberships
- 74 Financial Terminology
- 75 Voice of Stakeholders



### Cover Story

With an illustration that conveys the concept of leaping forward to achieve goals, the cover page communicates the enthusiastic commitment of Woori Investment & Securities to become a true leader in every respect, including sustainability management.



## BY FULFILLING ITS SOCIAL RESPONSIBILITIES, WOORI INVESTMENT & SECURITIES IS BECOMING A COMPANY THAT IS RESPECTED AND ADMIRERD BY ITS STAKEHOLDERS.



“I would like to express my deepest gratitude as our company publishes its first sustainability report, a fitting way to mark our 42<sup>nd</sup> anniversary. As we fulfill our responsibilities to the economy, the environment, and society, we are strengthening our reliability as a partner for our customers, shareholders, and employees, seeking mutually beneficial growth.”

### Another Step to Becoming One of Asia's Leading Investment Banks

During 2010 and 2011, despite the European debt crisis and provocations from North Korea, Woori Investment & Securities achieved results that attest to its reputation as a “company of many firsts” in its business areas.

With state-of-the-art asset management schemes and a wide array of innovative financial products, we have surpassed other major players in our share of the brokerage market, and as of March 2011, we have retained more than KRW145 trillion in assets under management (AUM). This achievement is a clear sign of our clients’ implicit trust in us.

Moreover, we have reinforced our dominance in bond underwriting and other key IB sectors such as IPOs

and M&As. This dominance is the result of our unmatched competencies in investment banking and our superior advisory expertise.

The world faces lingering uncertainties, including a deepening in the European financial crisis, a downgrade of the U.S. credit rating, and emerging signs of a double-dip recession. As we encounter these potential hardships, we will find opportunity in crisis – the opportunity to achieve our objective of becoming Korea’s best overall financial investment company. Moreover, through constant innovation, systematic approaches, and a stronger presence in overseas markets, we are preparing ourselves for a position as one of Asia’s leading investment banks.

### Consistent Growth and Success through Sustainability Management

The world’s leading companies are being called upon to fulfill their responsibilities to the environment and society and to look beyond merely boosting their own economic performance. Indeed, sustainability management is no longer just an option; it is crucial to a company’s survival and success, guaranteeing constant growth.

With a deep understanding of the importance of sustainability management, Woori Investment & Securities has steadily sought mutually beneficial growth with all stakeholders, whether economic, environmental, or social.

In 2010, Woori Investment & Securities actively participated in socially responsible investment. For example, it raised KRW 110 billion in funding for industries designated as new growth engines, including energy providers and those assisting the environment. We also launched an Office of Corporate Social Responsibility to support the scholarship of students from low-income families and to implement volunteer activities for underprivileged neighbors, thereby fulfilling our responsibility as corporate citizens through a wide range of corporate social contribution (CSR) activities for socially marginalized people. Furthermore, through an electronic approval system and mobile communications, we have become a leader in the low carbon, green growth movement by creating paperless business processes.

As a result, the Company received a Minister of Social Welfare Award in the social promotions category at the 2010 Korea Sustainable Management Awards. It has also been included in the DJSI Korea and the Korea Exchange Social Responsible Investment (KRX SRI) index, thereby signaling official, international recognition of the Company for its leadership in sustainability.

### A Corporate Citizen Leading by Example

As 2011 is the first year in its implementation of sustainability management, Woori Investment & Securities is making concerted efforts to become a corporate citizen that dedicates itself to the active pursuit of sustainable growth along with its stakeholders, including shareholders, customers, employees, partner companies, regional communities, and the government. We are laying a firm groundwork for sustainability management through three strategies, and we look forward to sharing the results of our performance with stakeholders.

First, we are implementing an efficient, effective sustainability management system that will make us a leading company in every respect. To this end, we will complete the formation of special units and a company-wide education system for sustainability management, and we will monitor these systems through an evaluation framework. In so doing, we will reflect non-financial factors in our management strategies, thereby addressing environmental and social issues and embedding sustainability management in our corporate culture.

Second, we will enhance our eco-friendly, green management for future generations. Acknowledging our responsibility to future generations, we will provide a line-up of additional green products and services. We will also directly or indirectly invest in green businesses and projects, creating additional business opportunities in eco-friendly areas. Through these socially responsible management activities, we will raise the level of customer satisfaction and further assist in the growth of eco-friendly businesses. Last, but not least, we will listen to the voices of our stakeholders through a range of communication channels. Acknowledging the importance of open communication in earning the trust and interest of stakeholders, we will voluntarily disclose our information to them through a variety of media, including sustainability reports and expanded participation in global initiatives. Additionally, we will more accurately reflect their suggestions and opinions in our management strategies.

### Dear Stakeholders

As we commence the publication of sustainability reports, we declare our commitment to becoming admired corporate citizens, inculcating the awareness of sustainability in the Company’s daily operations. We continue to seek a stronger position as a respected company with which customers want to trade. On behalf of everyone at Woori Investment & Securities, I thank you for your steadfast support and continuing encouragement, and I look forward to further growth with you.

Thank you.

2011. 11

Sung-Ho Hwang

President & CEO

Woori Investment & Securities



# Change for Sustainability

- 06 Global Mega Trends :  
Issues of Sustainability Management
- 08 Introduction to Woori Investment & Securities
- 10 Sustainable Corporate Governance
- 12 Sustainability Management at Woori Investment & Securities
- 14 Communication with Stakeholders
- 18 Sustainability Performance

## Our Approach

Woori Investment & Securities continually monitors factors in the external financial environment such as global mega trends, and determines appropriate countermeasures and opportunities, thereby laying a base for sustainable growth. The Company also links its vision and core values with its sustainability management framework. To achieve its vision, it also provides a roadmap for growth toward becoming a leading company in sustainability performance.

## Progress & Achievement

- Established Sustainability Management Strategies and Roadmap
- Selected Sustainability Management Action Plans
- Commitment to Sustainability Management Proclaimed
- Defined Seven Stakeholder Groups
- Expanded Communication with Stakeholders
- Major Issues Selected through the Materiality Test

## Strategic Direction

- Establishing a Special Unit and a Management System for Sustainability Management
- Strengthening Related Education and Training and Raising Employees' awareness
- Implementing a System for Evaluation of Sustainability Management Performance
- Expanding Participation in Global Initiatives



# Global Mega Trends : Issues of Sustainability Management

## Major Global Mega Trends

To guarantee sustainable growth, a corporation must sense future changes as early as possible and secure the competitive edge in order to adapt to those changes. As it conducts sustainability management activities, Woori Investment & Securities recognizes globalization, management integrity, demographic shifts, and climate change as major global mega trends.



## Globalization

Venturing into Global IB Markets [p.50](#)

As the world enters the 21st century, the center of the world's economic growth, which has been dominated by the industrialized countries, has shifted to other countries and regions. Developing countries, as emerging markets, have shown consistent toward growth based on higher productivity, expanded infrastructure, rising consumer power, and improved lifestyles. This growth is expected to continue accelerating due to relaxation of international trade and constant progress in information and communication technologies. Based on the competitiveness of the real economy, the developing countries are expected to stabilize and open their financial markets. Meanwhile, developed countries, which show somewhat stagnant growth, are expected to further concentrate on monetary soundness and public spending cuts to ensure economic stability. As a result, the financial markets and corporate management environment are expected to change gradually, and the world's financial markets are expected to become more advanced as they focus on the growth and development of the emerging markets.

### Activities of the Company

Along with the in global markets, the Korean domestic financial industry has transformed itself through constant innovation. Through strategic globalization, Woori Investment & Securities also contributes to the development of the domestic market. Since the launching of Korea's first investment banking center in Singapore in 2007, the Company has expanded its presence in Southeast Asia, including Indonesia and Vietnam. There, it has expanded its business scope into investment financing, hedge funds, and on- and off-line brokerage services. It has also sought new business opportunities through strategic alliances and M&As with local companies. Furthermore, the Company has accelerated its forays into other global financial markets based on its overseas networks, including eight local subsidiaries in major global cities such as Hong Kong, New York, London, and Beijing, and two major representative offices in Shanghai and Kuala Lumpur. Following several years of strategic planning and effort, the Company's global network has achieved recognition around the world, and it now plays a role as a financial consultant for the overseas marketing activities of Korean companies, as well as overseas companies who enter the Korean market.

## Management Integrity

Streamlining Risk Management [p.22](#)  
Raising Ethical Awareness toward Transparent Management [p.38](#)

Companies now pay increasing attention to non-financial factors such as ethical management, the commitment of the top management, brand management, and partnership with other companies. They assess the health of their management by looking beyond financial data, including other factors apart from current stock price indexes, disclosure of financial information, and industry growth projections. The Enron scandal in early 2000 led to the decline of investor confidence in corporate accounting and auditing. The BP oil spill in April 2010 damaged that corporation's public image as an eco-friendly company. Thus, corporations today are keenly aware of the necessity of an integrated risk management system that covers intangible assets, including trustworthiness and corporate image, to retain sound management. Recently, the significance of long-term risk management has gained more attention from a rising number of opinions that attribute the European financial crisis and the downgrade of the U.S. credit rating to short-sighted policies that focus on temporary solutions.

### Activities of the Company

Understanding the fact that the trustworthiness of a corporation significantly influences its performance and even survival, Woori Investment & Securities embeds ethical management in its daily operation. In addition to its Ethical Management Committee and Ethical Management Office, and appointments of ethical management officers, the Company has provided guidelines for internal control and ethical issues, including the code of ethics and internal compliance guidelines. Through self-inspection, the fulfillment of ethical performance is voluntarily monitored by individual employees or teams. Each year, the company also assesses the level of understanding and practice of ethical management in each department and branch. Furthermore, the Company focuses on long-term risk management to prevent risks that may arise if management concentrates on short-term performance. The Company operates a Risk Management Committee, a Risk Management Council, and a Risk Management Center, and conducts an integrated risk management system which is designed to share risk management information at every level, from executive to clerical, in a timely manner.

## Demographic Shifts

Industry-leading Products and Services [p.33](#)  
Corporate Culture Improvement Programs [p.48](#)

Economically advanced countries, including Korea, are facing an increasingly aging population, attributed to lower population growth rates that are in turn the result of low birth rates and higher life expectancies. These shifts are causing significant changes in their economies and societies. These changes may directly lead to sluggish economic growth due to shortages in key labor supply. In particular, the financial industry must address the prospects of an aging society in order to sustain and develop investment opportunities, funding activities, and product sales to individuals – areas that comprise the largest portion of business success. On the other hand, as a more positive result, so-called silver businesses will offer increasing promise, especially with financial products and services aimed at the aging.

### Activities of the Company

Woori Investment & Securities seeks business opportunities by considering the continuing influence that the aging have on society. The Company is accelerating the development of special products targeting the aging, while also leveraging its market-leading expertise in retirement pensions. As part of an agreement with employees, the Company will introduce a salary peak system from 2013, thereby extending the retirement age of branch heads to enable them to work into their 60s. The Company has introduced a group mentoring system to encourage the retirees to pass their expertise to the next generation, greatly contributing to the future success of the Company.

## Climate Change

Eco-friendly Products Introduced [p.28](#)  
Green Management and the Response to Climate Change [p.54](#)

The Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change, was introduced in 2005. Following the Korean government's unveiling of its new "Low Carbon, Green Growth" policies in 2008, a Framework Act on Low Carbon, Green Growth was promulgated in 2010 to cope with climate change, save energy, and nurture green businesses. Furthermore, the government introduced specific policies under the low-carbon, green-growth initiative, including a system for new targets to reduce energy usage and greenhouse gas emissions in 2011. As the financial industry relies knowledge-intensive services and human resources that cause little impact on the environment, until recently it has merely approached climate change issues from the perspectives of risk management and brand management. These days climate change is occupying an important position in corporate business strategies as demands increase for the financial industry to give greater emphasis to CSR activities and green growth.

### Activities of the Company

Woori Investment & Securities has already sought opportunities to influence the amelioration of climate change. As of July 2011, the Company has developed 17 financial products related to green growth and eco-friendliness, categorized into three areas, including eco-friendly industry, green/clean energy, and industries assisting agricultural. In 2010, Woori Investment & Securities raised KRW 110 billion in funds for industries designated as new growth engines, including energy and environment. Although Woori Investment & Securities is exempted in government targets from reporting on emission volumes as promptly as is required of other industries, it nevertheless voluntarily compiles greenhouse gas inventories along with other subsidiaries of the Woori Financial Group, and it manages resource consumption as it participates in the nation-wide "low carbon, green growth" movement.

# Introduction to Woori Investment & Securities

Since its inception in 1969 under the name Hanbo Securities, Woori Investment & Securities has played a leading role in the development of the Korean capital markets. The result of merger between LG Investment & Securities and Woori Securities in 2005, the Company has since strengthened its fundamentals to develop into a premiere financial investment institution, solidifying market leadership in its core business areas.

## Vision and Core Value

Woori Investment & Securities provides an outstanding, globally competitive line-up of products and services. With a vision of becoming the best overall investment financial company, it makes every effort to fulfill employees' dreams through mutually beneficial growth.

To become the best overall investment financial company, all employees at the Company strive to fulfill their duties with three core values: proactive spirit that embraces challenge, professionalism that increases each one's own competitiveness, and goal-oriented teamwork.

Despite the unfavorable market conditions that resulted from the global financial crisis, Woori Investment & Securities has maintained stable growth through its unique IB-type business model based on market-leading performance in its core businesses, including IB, trading, and WM, as well as proactive risk management. As financial institutions are required to fulfill their social responsibilities even more following the financial crisis, the Company actively copes with environmental and social issues in addition to financial performance.

Hereafter, based on these visions, goals, and core values, Woori Investment & Securities will continue to lay a firm base for its sustainable performance and the society's sustainable growth, thereby becoming the best overall investment financial company from every perspective.

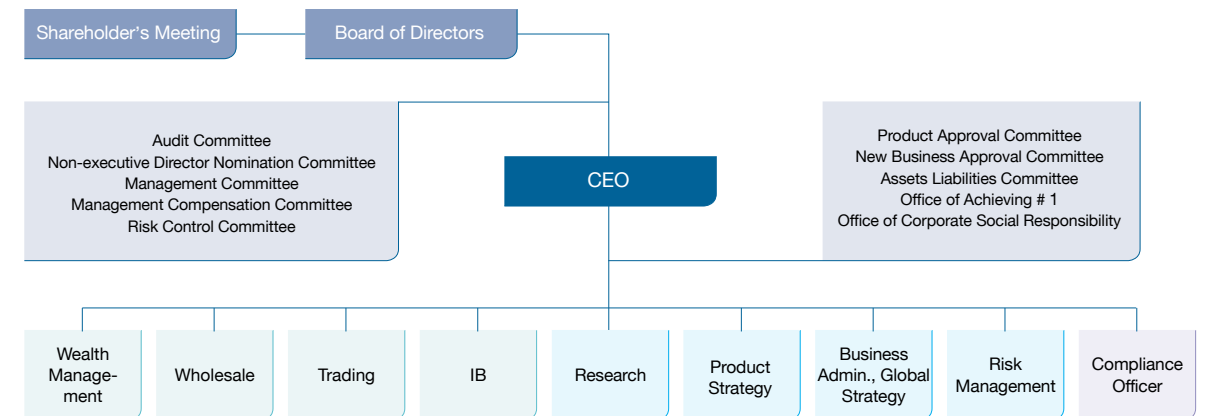
Corporate name	Woori Investment & Securities
Headquarters	Woori I&S Bldg. 23-4 Yeouido-dong, Yeongdeungpo-gu, Seoul 150-725, Korea
Date founded	January 16, 1969
CEO	Sung-Ho Hwang
Network	117 branches in Korea 8 overseas subsidiaries 5 overseas offices
Market capitalization	KRW 2.8 trillion (Including preferred stocks)
Major shareholders	Woori Financial Group: 30.6% (35% of common stock)
Total assets	KRW 19,359.2 billion
Total shareholder equities	KRW 2,628.7 billion
No. of Employees	2,965
Credit ratings	Fitch : BBB+ (Long-term Foreign Currency Issuer Default Rating)
	Moody's : Baa2 (Long-term Foreign Currency Issuer Default Rating)
	AA for corporate bonds from 3 domestic credit rating agencies ※ Highest rating among Korean securities companies

\* As of march, 2011 (The number of employees as of the 1<sup>st</sup> half, 2011)

Vision	To become the best overall investment financial company		
Goal	A company that fulfills dreams, with the company and its employees helping each other realize the corporate vision and individual aspirations Employee aspirations = To become the industry's best experts Company vision = To become the best overall investment financial company		
Core Values	<p><b>A proactive spirit that embraces challenges</b></p> <ul style="list-style-type: none"> <li>Take initiative in facing challenges and make commitment to action</li> <li>Seek new and creative methods from a positive standpoint</li> <li>Always aim for higher results</li> </ul>	<p><b>Pursuit of professionalism by increasing one's own competitiveness</b></p> <ul style="list-style-type: none"> <li>Continuously study and research the task at hand</li> <li>Take full responsibility for one's own work</li> </ul>	<p><b>Goal-oriented teamwork</b></p> <ul style="list-style-type: none"> <li>Clearly recognize team goals and gear one's performance towards the attainment of the goals</li> <li>Cooperate with team members to improve team effort</li> </ul>

## Organization

Led by the CEO, Woori Investment & Securities has four divisions, four departments, and a Compliance Officer. Each division is managed organically to boost efficiency in operation and maximize synergy with other subsidiaries of the Group.



## Overseas Network

As part of strategies for globalization, Woori Investment & Securities launched a London subsidiary in 1991, followed by local subsidiaries in New York and Hong Kong, establishing a base for entry into the most advanced financial markets by focusing on institutional brokerage and sales. The Company also began to make rapid strides in Asia by opening a Shanghai office in 2003, followed by establishment of a presence in Singapore, Ho Chi Minh, Kuala Lumpur and Jakarta. Woori Investment & Securities continues to strengthen its global presence with the aim of becoming a top-tier financial investment company in Asia.



# Sustainable Corporate Governance

## Board of Directors

### BOD Composition and Status

As the highest decision-making body, the board of directors approves and deliberates overall management strategies and guidelines. Chaired by the CFO of Woori Financial Group, the BOD consists of two executive directors, including the CEO, a non-managing outside director and five Non-executive directors, as of 2011.

In 2010, the Company more clearly delineated the roles of the chairman of the BOD and the CEO, thereby reinforcing the system of checks and balances within the BOD as well as the transparency of corporate governance. The Company appoints the CFO of Woori Financial Group as the BOD's chairman, and thus expects to create additional synergy within the Group.

The Non-executive directors are appointed from candidates who have in-depth knowledge and strong ethical beliefs in the financial industry. To ensure the independence of the BOD and fairness in election procedures, the Non-executive director Recommendation Committee screens candidates in observance of related regulations. The Non-executive directors are appointed at the general shareholders' meeting.

### Composition of the BOD

Classification	Name	Responsibility and position
Non-executive Directors	Dong-Hyuck Shin(Lead non-executive director)	Former Chairman, Korea Federation of Banks
	Sung-Keun Ha	Chairman, Korean Economic Association
	Byung-Rak Han	Former Executive Vice President, Chohung Bank
	In-Hak Jung	Former Editoralist, Seoul Shinmun
	Sung-Kyun Lim	Former Director, Gwangju Regional Tax Service
Directors	Sung-Ho Hwang	President & CEO, Woori I&S
	Duke-Hee Lee	Standing Auditor, Woori I&S
Non-managing Outside Director	Hyun-Jin Jung (BOD's Chairman)	CFO, Woori Financial Group

### BOD Performance in 2010

Details	Unit	Performance
% of non-executive directors	%	38
No. of non-executive directors	Persons	5
No. of regular meetings per Year	Times	4
No. of meetings convened in 2010	Times	14 (including 10 extraordinary meetings)
No. of issues resolved in 2010	Issues	26
No. of issues reported in 2010	Issues	28
% of non-executive directors' participation	%	98.4

### BOD Meetings and Roles

The BOD discusses and resolves issues stipulated in related regulations and the Articles of Incorporation or BOD regulations, including general shareholders' meetings, general management, financial management, and BOD management.

Regular BOD meetings and extraordinary board meetings are held separately to discuss and resolve major management issues.

In 2010, the BOD convened four regular meetings and 10 extraordinary meetings to resolve 26 out of 28 reported issues. The outside director participated in 98.4% of meetings.

Besides general management issues, the BOD also handles sustainability-related issues and makes effort to instill the value of sustainability management in the corporate culture.

### BOD Meeting Agenda in 2010

Classification	Date opened	Major agenda
Extraordinary 1 <sup>st</sup>	01. 07	Asset revaluation (draft) approved
Regular 1 <sup>st</sup>	01. 28	Financial statements (drafts) for 3 <sup>rd</sup> quarter FY 2009 approved, and two other issues
Extraordinary 2 <sup>nd</sup>	02. 19	Early repayment of treasure bonds (draft) approved
Extraordinary 3 <sup>rd</sup>	03. 03	Parc.1 investment (draft) approved, and one other issue
Extraordinary 4 <sup>th</sup>	04. 15	Operating report (draft) and financial statements (drafts) for the Audit Committee approved
Extraordinary 5 <sup>th</sup>	04. 19	KoFC New Growth Engine Fund GP investment (draft) approved
Regular 2 <sup>nd</sup>	05. 12	Convocation of general shareholders' meeting determined, and two other issues
Extraordinary 6 <sup>th</sup>	05. 28	Appointment of BOD chairman and lead Non-executive director, and four other issues
Regular 3 <sup>rd</sup>	07. 30	Financial statements (draft) for 1 <sup>st</sup> quarter FY 2010 approved, and two other issues
Extraordinary 7 <sup>th</sup>	09. 03	Disposal of Olympic Building (formal IT center) approved, and one other issue
Extraordinary 8 <sup>th</sup>	09. 29	Amendment to regulations of Management Development and Compensation Committee (draft) approved, and one other issue
Regular 4 <sup>th</sup>	10. 29	Financial statements(draft) for the 1st half of 2010 fiscal year approved
Extraordinary 9 <sup>th</sup>	11. 24	Three extraordinary issues reported
Extraordinary 10 <sup>th</sup>	12. 14	2011 Management plan (draft) approved

## Board Committee

To enhance the professionalism and transparency of the BOD and build sound corporate governance, Woori Investment & Securities operates five committees : Audit, Non-executive director Recommendation, Management Committee, Management Development and Compensation, and Risk Management.

Independently operated, the committees manage and monitor businesses and risks.

### Audit Committee

The Audit Committee consists of at least three directors appointed at general shareholders' meetings. At least two of the directors are independent. The committee enhances accounting and auditing practices, ensuring clean management company-wide.

### Non-executive Director Nomination Committee

Comprised of at least two directors, at least half of whom are Non-executive directors, the Non-executive Director Nomination Committee nominates candidates for Non-executive director posts at general shareholders' meetings. All five incumbent Non-executive directors were nominated by the committee.

### Management Committee

The Management Committee deliberates and resolves management-related issues, which are delegated by the BOD. Composed of at least two directors, the committee was convened 26 times to resolve 33 issues in 2010.

### Management Compensation Committee

By assigning performance targets for top management, the Management Development and Compensation Committee manage evaluation and compensation systems. With at least three directors whose terms are restricted to one year, the committee guarantees the transparency of evaluation and compensation procedures for top management. Sustainability management matters will be included in the criteria for evaluation later.

### Risk Control Committee

The Risk Control Committee supervises and resolves issues in observance of its guidelines, as well as risk issues as delegated by the BOD. The committee consists of at least three directors, and at least one Non-executive director.

## Evaluation of BOD Performance

The BOD assesses its own operations and the participation of its members, as well as disclosing assessment results prior to general shareholders' meeting. The performance of executives is evaluated abiding by the Group's guidelines on subsidiaries management. Each year, Non-executive directors must be evaluated in terms of their levels of participation in BOD meetings, professionalism, and other activities. The results of the evaluation are used as criteria for the recommendation of Non-executive directors.

Through clear evaluation of BOD members, the Company strives to maintain healthy corporate governance.

## Major Roles of Committees



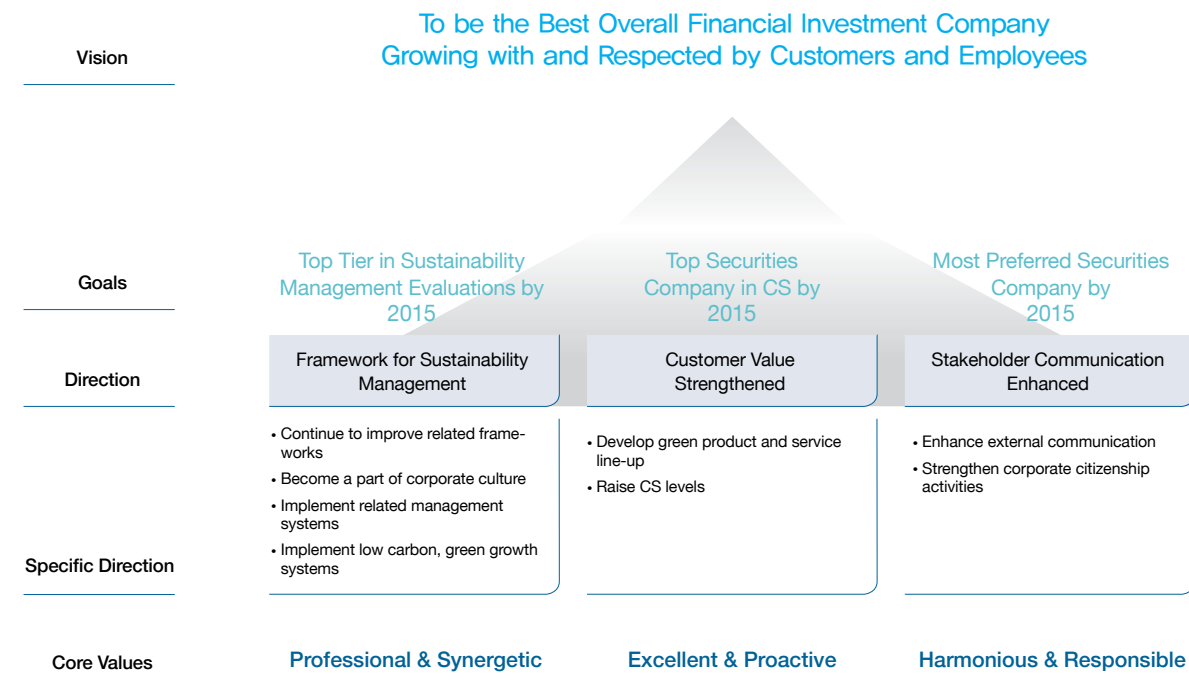
## Composition of Committees

Committees	No. of Directors			Directors
	Executive Directors	Non-executive directors	Non-managing Outside Directors	
Audit Committee	1	3	-	Byung-Rak Han, Sung-Kun Ha, Sung-Kyun Lim, Duke-Hee Lee
Non-executive Director Nomination Committee	1	2	-	Sung-Ho Hwang, Dong-Hyuk Shin, In-Hak Chung
Management Committee	1	-	1	Sung-Ho Hwang, Hyun-Jun Jung
Management Compensation Committee	-	2	1	Dong-Hyuk Shin, Hyun-Jun Jung, In-Hak Chung
Risk Control Committee	1	4	-	Sung-Ho Hwang, Sung-Kun Ha, Byung-Rak Han, In-Hak Chung, Sung-Kyun Lim

# Sustainability Management at Woori Investment & Securities

## Strategies for Sustainability Management

In 2011, Woori Investment & Securities reorganized its previous environmental, social and governance (ESG) activities, and promulgated the objectives and action plans for its sustainability management.



## Objectives and Direction of Sustainability Management

### Framework for Sustainability Management

To become a leader in sustainability management, a corporation is required to establish a strong internal sustainability management system first. Thus, Woori Investment & Securities has clearly declared its commitment to sustainability management, and has provided a framework for sustainability management. To this end, the Company is operating special units, as well as conducting a company-wide education program in sustainability management. Furthermore, it is monitoring quantitative performance and establishing an assessment system for that monitoring to reinforce its sustainability management.

### Customer Value Strengthened

Through its sustainability management, Woori Investment & Securities seeks growth opportunities and a stronger position as a respected company with which customers want to trade.

The Company is developing "green growth" related financial products and nurturing talent to secure a portfolio of green products and services. It also enhances customer satisfaction by developing and implementing a wide array of CS programs.

### Stakeholder Communication Enhanced

Open communication with outside stakeholders is essential to earning their trust. Acknowledging the importance of open communication, Woori Investment & Securities will respond to demands for disclosure of stakeholder information, and participate in various global initiatives for sustainability management. In accordance with its long-term strategies, the Company is also building an image as an admirable corporation that fulfills its social responsibility.

## Roadmap for Sustainability Management

To increase efficiency in its sustainability management, Woori Investment & Securities has provided a phased roadmap to accomplish Vision 2015.

	Present	Mid- to Long-term	Sustainable Growth
		Phase 2 Maturity	Phase 3 Top Tier
	Phase 1 Introduction	2012 ~ 2013	~ 2015
	~ 2011		
Framework for Sustainability Management	<ul style="list-style-type: none"> <li>Vision and roadmap</li> <li>Organization of sustainability management</li> <li>Energy and resource reduction programs</li> <li>Greenhouse gas emission management system</li> </ul>	<ul style="list-style-type: none"> <li>System for management of issues</li> <li>Education and training</li> <li>Awareness of sustainability management</li> <li>Low-carbon corporate culture</li> <li>Use of low-carbon green MRO*</li> </ul>	<ul style="list-style-type: none"> <li>Employment satisfaction</li> <li>Monitoring system</li> <li>Performance evaluation system</li> </ul>
Customer Value Strengthened	<ul style="list-style-type: none"> <li>Consumer communication</li> </ul>	<ul style="list-style-type: none"> <li>Competency in green financing</li> <li>Green financing products and services</li> </ul>	<ul style="list-style-type: none"> <li>CS system upgrade</li> </ul>
Stakeholder Communication Enhanced	<ul style="list-style-type: none"> <li>Information required by stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Global initiatives participation</li> <li>CS program systemization</li> </ul>	<ul style="list-style-type: none"> <li>CSR activities evaluation</li> </ul>

\* MRO : Maintenance, Repair and Operation

In the introduction phase, Woori Investment & Securities has first laid a firm base for full-scale sustainability management by promulgating its vision and roadmap, establishing a system to manage greenhouse gas emissions, and further strengthening customer communication. By the end of 2011, the Company will complete the formation of special units for sustainability management, and will begin publishing sustainability reports to actively fulfill the demands of stakeholders for related information.

In the maturity phase, from 2012 to 2013, the Company will focus on embedding sustainability management in its corporate culture. It will streamline its sustainability management system and raise employee awareness by implementing a special mechanism to handle practical issues directly related to daily operation, introducing various education and training sessions, and cultivating a low-carbon culture. By 2015, Woori Investment & Securities will grow into a fi-

ancial leader in sustainability management. Through existing "No.1 Indicators," the Company will measure and monitor quantitative performance regarding ESG issues, thereby increasing the satisfaction levels of all stakeholders, including employees and customers.

\* As a barometer for the Company's fulfillment of its vision of becoming Korea's best overall financial investment company, the criteria of "Number-One Indicators" include profitability, soundness, stability, size, turnover, risk management, and CS, as well as its weight in markets and the philosophy of the CEO. See "No.1 Indicators" on page 49 for details.



# Communication with Stakeholders

## Definition of Stakeholders

In accordance with the Company's core values, stakeholders are categorized into seven groups : customers, shareholders, partner companies, employees, regional communities, the government, and the next generation and the environment. The Company actively communicates with stakeholders through a variety of channels. These categories are defined as follows, in terms of core value, group, roles and responsibilities of the Company, and communication channels :

		Definition and Responsibilities	Communication Channels	Interviewees	Opinions and Suggestions of Stakeholders	Corresponding Sections
BE EXCELLENT & PROACTIVE	Customers	Placing the highest priority on customer satisfaction and well-being, the Company provides high-end products and services. The customer base includes individual investors and corporate clients of various industries and sizes. The Company strives achieve customer respect and admiration as a brand through strong ethical awareness and security of customer information.	VOCs, CS surveys, Customer Service Center, on-line bulletin board for outstanding customer suggestions, complaint center for fund sales, etc.	Soon-Hyuk Park, Customer with an Outstanding Suggestion	<ul style="list-style-type: none"> <li>Focus on streamlining services and diversifying CS programs rather than enhancing competitiveness in transaction fees</li> <li>Enhance "A Company with Many Firsts" image and disclose sustainability performance</li> <li>Contribute to society by developing SRI funds and eco-friendly products which guarantee stable profits</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Performance</li> <li>Premier Services to Satisfy More Customers</li> </ul>
	Shareholders	Regarding them as its most fundamental responsibility, the Company respects the rights of shareholders and reflects their opinions in management by considering them to be owners of the Company. Through timely disclosure and efficient management, the Company maintains and develops its assets and distributes gains fairly, maximizing the value of investment.	General shareholders' meeting, annual reports, homepage IR section, domestic and overseas conferences, analyst meetings, etc.	Ki-Hwa Jung, Executive Director, Strategic Planning Department, Woori Financial Group	<ul style="list-style-type: none"> <li>Enhance the corporate image through sustainability management as part of the domestic securities industry, which is vulnerable to market volatility and has a passive tendency in social responsibility</li> <li>Avoid misrepresentation of data in sustainability reports to provide shareholders and investors with meaningful, useful information</li> <li>Continue sustainable growth by linking various non-financial activities with the Group</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Management at Woori Investment &amp; Securities</li> <li>Corporate Citizenship for Win-win Growth</li> </ul>
	Partner Companies	Woori Investment & Securities seeks the advancement of the financial industry with various partner companies. Internally, it creates synergy with other subsidiaries of the Group, including banks and asset management companies. Externally, it has signed strategic alliances with domestic and overseas financial institutions in supply chains for product development, management, and sales.	In-company broadcasting, Group homepage, presentations, workshops, etc.	Kyeong-Sik Ryu, Manager, Marketing Department, Mirae Asset Fund Management	<ul style="list-style-type: none"> <li>Create ideas to develop financial products that maintain balance between maximization of customers' personal gains and expansion of social value by understanding changes in society and the markets, although difficult to do so given the nature of financial products, which emphasize personal gains</li> <li>Hold CSR and sustainability management education programs for asset managers, enabling them to explain SRI funds to customers with in-depth professional knowledge</li> <li>Develop flagship products by organizing related information</li> </ul>	<ul style="list-style-type: none"> <li>Premier Services to Satisfy More Customers</li> <li>Green Management and the Response to Climate Change</li> </ul>
BE PROFESSIONAL & SYNERGETIC	Employees	By acknowledging its employees as valuable assets and growth engines, the Company takes full responsibility for the most reasonable compensation and rewards of employees' efforts and performance. Woori Investment & Securities is building a desirable workplace that respects each employee and his or her competencies, thereby elevating pride in the Company.	Labor unions, intranet (Wing), grievance system, luncheons with the CEO, etc.	2,965 Employees	<ul style="list-style-type: none"> <li>Acknowledge the importance of active external disclosure of data on sustainability performance</li> <li>Expand into new business areas including PIs in renewable energies and special funds for carbon offsetting</li> <li>Develop the industry's best corporate welfare system based on industry-leading indicators, including welfare expenses per employee and annual leave credits</li> <li>Expand sustainability management education programs to raise the company-wide awareness</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Management at Woori Investment &amp; Securities</li> <li>Fostering Professionalism and Pride</li> <li>Green Management and the Response to Climate Change</li> </ul>
BE HARMONIOUS & RESPONSIBLE	Regional Communities	The Company's regional communities include beneficiaries of social contribution activities, local communities near branches, and the citizens directly or indirectly influenced by financial markets. By fulfilling its corporate citizenship, it curtails unnecessary social expenditure, thereby upgrading stakeholders' trust toward the financial industry as whole.	Woori Social Volunteer Groups, Social Responsibility Report, etc.	Se-Youn Kim, Manager, Sponsorship Development Team, World Vision	<ul style="list-style-type: none"> <li>Focus on long-term sponsorship in specific areas rather than multiple and simultaneous CSR activities in the short-term</li> <li>Adapt promptly to social issues, including greenbelt construction projects for carbon offsetting and emergency aid for regions suffering from climate change</li> <li>Develop varied programs to encourage the participation of employees and customers</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Citizenship for Win-win Growth</li> </ul>
	The Government	The government provides and institutional and social base to encourage companies to manage their businesses as consistently and smoothly as possible. The Company complies with regulations and fulfills its obligations within the boundaries required under government guidelines.	Meetings with the government, conferences organized by the government, joint cooperative programs, etc.	Dong-Ok Kim, Partner, Green Growth Planning Team, Green Growth Committee	<ul style="list-style-type: none"> <li>Use the preferred benefits of the Korea Stock Exchange for listing green and new-growth engine businesses</li> <li>Secure expertise in the carbon emissions rights market in response to planned introduction of a carbon emissions trading system</li> <li>As a leading IB, play an active role in fund-raising for green financing and the entire green industry</li> <li>Maintain the highest ethics and transparency, fulfilling the requirements of the government, as well as avoiding conflicts of interest with customers</li> </ul>	<ul style="list-style-type: none"> <li>Premier Services to Satisfy More Customers</li> <li>Raising Ethical Awareness toward Transparent Management</li> <li>Green Management and the Response to Climate Change</li> </ul>
	The Next Generations and Environment	As a mediator in capital markets, the Company encourages corporate clients to fulfill their responsibilities for the next generation and the environment. In particular, to address the impact of climate change on future generations and the environment, the Company seeks new investment opportunities in renewable energies and clean energy projects, and strictly controls greenhouse gas emissions.	Data disclosed to CDP, Green Financing Council, etc.	Jong-O Lee, Executive Secretary, Korea Sustainability Investment Forum (KoSIF)	<ul style="list-style-type: none"> <li>Encourage other companies to participate by raising funds for eco-friendly businesses through green financing services, and by developing green financing products</li> <li>Activate communication with a variety of stakeholders who may be effected by climate change to fulfill their demands for related information</li> <li>Carry out practical green management based on a greenhouse gas emissions management system</li> </ul>	<ul style="list-style-type: none"> <li>Green Management and the Response to Climate Change</li> </ul>

Prior to the publication of this sustainability report, Woori Investment & Securities conducted in-depth interviews with each stakeholder group. Through the interviews, the Company collected their suggestions and reflected them in this report as much as possible.

# Communication with Stakeholders

## Materiality Test

Unlike an annual report, which focuses primarily on economic performance, the scope of a sustainability report extends into coverage of environmental and social issues. Thus, a sustainability report must report risk factors, potential opportunities, and performance related to sustainability issues, which are associated with major businesses of the reporting company and are therefore of the highest importance to stakeholders. A materiality test, the most significant process in the reporting of sustainability performance, helps a company and its stakeholders to prioritize sustainability issues. In August 2011, Woori Investment & Securities conducted a materiality test and selected major issues to be addressed in this report, thereby demonstrating its responsibility in issues of interest to stakeholders.



## Special Cases

## SPECIAL CASE

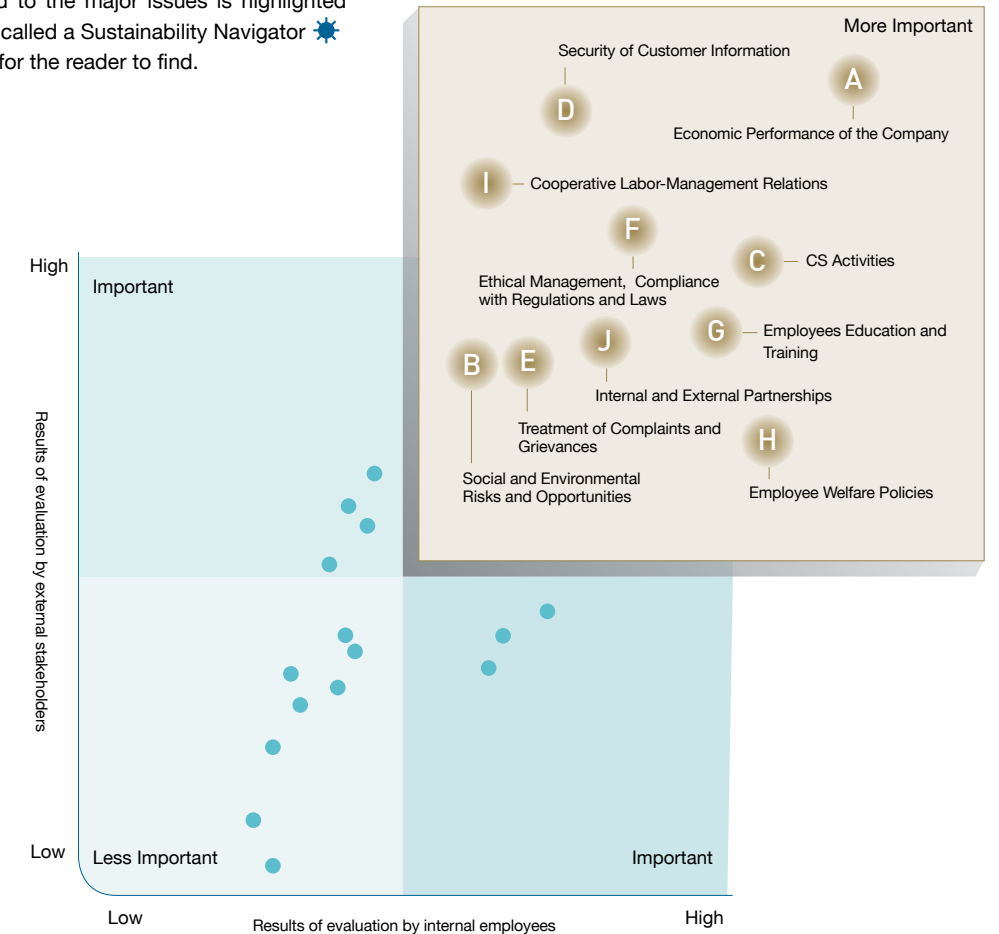
In August 2011, a TFT workshop was held for the sustainability managers of each department. At the workshop, participants voted on the activities they preferred for inclusion in a sustainability report aimed at outside stakeholders. The activities were renamed "Special Cases," when in turn become special sections in this report.

- Octo and Premier Blue, Asset Management Brands p. 29
- Industry-leading Products and Services p. 35
- Employee Assistance Program (EAP) p. 46
- The Woori Angel Fund p. 60



## Results of the Materiality Test

Based on the results of the materiality test, this report emphasizes certain major issues, while also covering other issues to maintain the overall balance in sustainability reporting. Information related to the major issues is highlighted through use of an icon called a Sustainability Navigator so that they are easier for the reader to find.



Indicators	Details	Pages in Report
A Economic Performance of the Company	Value Distributed by Stakeholder, Key Financial Performance Indicators	18, 24
B Social and Environmental Risks and Opportunities	Providing Sustainable Products and Services, Eco-friendly Businesses	28, 56
C CS Activities	Customer Satisfaction Activities, Collecting Customer Opinions, Treatment of Customer Complaints, Avoiding Mis-selling, CS Levels Increased	30-32
D Security of Customer Information	The Security of Customer Information	32
E Treatment of Complaints and Grievances	Treatment of Customer Complaints, Complaint Management System	32, 41
F Ethical Management, Compliance with Regulations and Laws	Implementing an Ethical Management System, Promoting Ethical Awareness among Officers and Employees, Programs of Ethical Management, Enhancing the Compliance Level	38-40
G Employees Education and Training	The WIS University System, Talent Development School, Fostering Core Talent, etc.	43
H Employee Welfare Policies	Welfare System, Employee Satisfaction Improvement Program, Employee Satisfaction and Engagement Survey	45-46
I Cooperative Labor-Management Relations	Cooperative Labor-management Relationship	49
J Internal and External Partnerships	Strengthened the Domestic and Overseas Partnerships, Creating Synergy within Woori Financial Group	50-51

※ The Issues are not listed in order of importance but in accordance with the table of contents

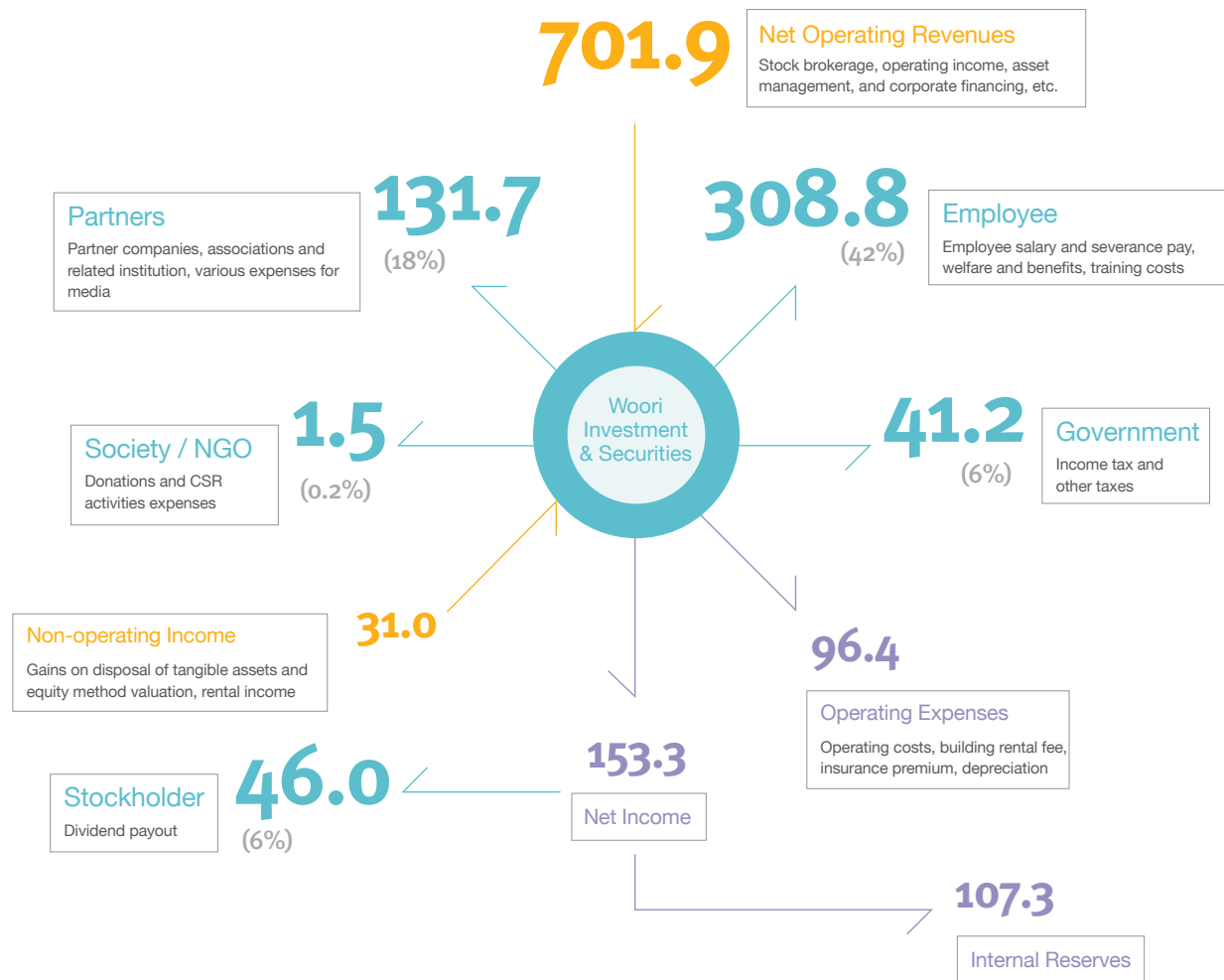
# Sustainability Performance

## Value Distributed by Stakeholder\*

Woori Investment & Securities meets its economic responsibilities by distributing the value created by its management activities to inside and outside stakeholders. In 2010, the Company generated KRW 701.9 billion from its net operating revenues (NOR), consisting of stock brokerage, asset management, and corporate financing, and distributed the NOR to shareholders, employees, partners, the government, and regional communities through various means. The Company shares its corporate value with stakeholders by seeking mutually beneficial growth with partners including partner companies, associations, and related institutions, and through CSR activities such as the Woori Angel Fund. It promotes the sustainable growth of its partners, which in turn contributes to the development of society as whole.

2010 Economic Value Distribution

Unit : KRW billions



## The Level of Sustainability Management

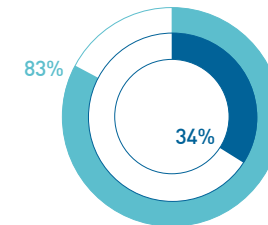
### Internal Survey on Sustainability Management

For the Company to achieve its vision and goals, the awareness and solidarity of all employees on the value of sustainability management is extremely important. Thus, Woori Investment & Securities conducts surveys for all employees and measures their levels of awareness, thereby reinforcing its ability to establish and implement action plans. The results of these surveys consistently reflect the Company's overall sustainability management while also serving to regularly assess changes in their awareness.

### Results of Internal Survey

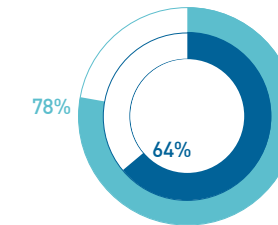
Target : 2,965 Employees Participants : 19 Officers / 756 Employees

1. Do you know about sustainability management?



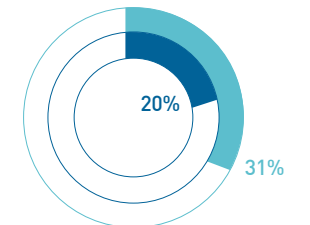
Survey said that the awareness level of officers is higher than that of employees.

2. What are the goals of the Company in sustainability management?



Survey reported that most employees hope the Company will become more globalized through sustainability management.

3. What is the first action the Company should take in sustainability management?



Survey stated that the commitment and leadership of the CEO is the first action to take in earning a reputation and trust from society.

## The Company's Reputation

### 2010 Korea Sustainable Management Awards

In recognition of its proactive corporate citizenship, the Company received a Minister of Social Welfare award in the social promotions category at the 2010 Korea Sustainable Management Awards organized by the Korea Economic Daily and supervised by the Korea Sustainable Management Evaluation (KSME).



### Inclusion in the DJSI Korea

The Dow Jones Sustainability Index (DJSI) is the world's first sustainability management index, jointly developed by Dow Jones, a leader in news and business information worldwide, and SAM, a global investment boutique headquartered in Switzerland that focuses on sustainability investing. In 2011, Woori Investment & Securities was included for the first time in the DJSI Korea, which exclusively evaluates 200 top-tier Korean corporations. This inclusion signals official, international recognition of the Company for its leadership in sustainability.



### Inclusion in the KRX SRI

The Korea Exchange Social Responsible Investment (KRX SRI) index fosters social responsible investment (SRI) activities and awareness in Korean companies. Woori Investment & Securities was included in the KRX SRI in September 2011, thereby demonstrating its outstanding sustainability performance externally.







Be  
Excellent &  
Proactive

- 22 Increasing Corporate Value for Greater Economic Benefit
- 28 Sustainable Portfolio Strategies toward Global IB
- 30 Premier Services to Satisfy More Customers

#### Our Approach

Woori Investment & Securities aims to become the best overall financial investment company. The Company enhances shareholder value through proactive risk management and voluntary IR disclosure, creates synergy with partner companies through close cooperation, and places the highest priority on the customer to create prestige services and brand value.

#### Progress & Achievement

- Launched a Mission Office Called Office of Achieving #1
- Achieved a No. 1 Ranking in Advisories for Domestic IPOs and M&As
- Expanded AUM for Three Consecutive Years
- Opened Korea's First Local Subsidiary in Singapore
- Signed MOUs with Overseas Financial Institutions
- Jointly Developed Products with Domestic Financial Institutions

#### Strategic Direction

- Enhancing Profitability by Developing the Industry's Best Green Financing Products
- Seeking Opportunities for Business and Joint Product Development with Domestic or Overseas Financial Institutions
- Monitoring Sustainability Issues according to Core Business Areas for Greater Economic Effect
- Securing Customer Trust by Expanding CS Services and Customer Information Securities

# Increasing Corporate Value for Greater Economic Benefit

## Streamlining Risk Management

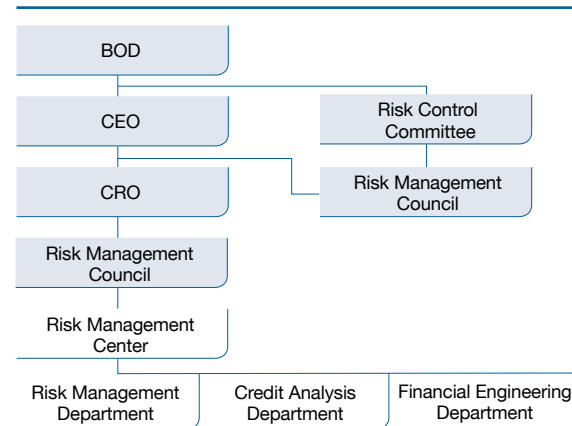
As financial markets change, securities companies are developing and selling a broader range of financial products. This extension inevitably raises concerns over risks, and therefore risk management has taken a more significant role. In particular, due to fluctuations in interest and foreign exchanges rates, countermeasures for potential losses are required for sound management of financial companies. Woori Investment & Securities proactively measures and controls risk factors in its business operations, such as revenue shortfalls, losses incurred from lower asset values, and losses on debt burdens. By doing so, the Company maximizes its corporate value and reinforces the soundness and stability of its financial management.

## Risk Management System

### Organizations of Risk Management

The Company operates a Risk Management Committee, which formulates and manages overall risk management guidelines, and a Risk Management Council, which is empowered by the Committee with responsibility for risk management. Furthermore, the Risk Management Center, a special unit, is full charge of company-wide risk management.

### Organizational Chart for Risk Management



Chaired by the CEO of the Company, the Risk Control Committee consists of four outside directors. This committee formulates basic risk management guidelines to coincide with management strategies and determines appropriate limits for risk tolerance. It also enacts and rescinds risk management regulations and deliberates on major business risks, such as the determination of equity investments of more than KRW 20 billion.

Chaired by the CRO, the Risk Management Council is composed of seven members to make decisions regarding major issues in risk management and financial stability. The council also deliberates on the company's fulfillment

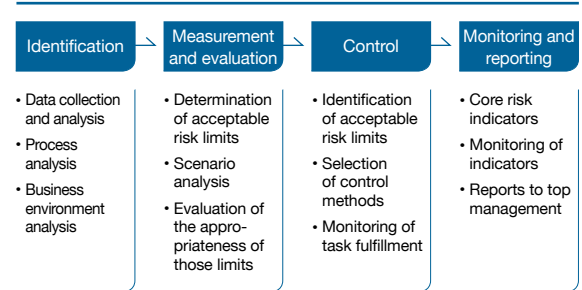
of the risk management guidelines, the management of acceptable levels of risk, promulgation and withdrawal of risk management guidelines, reviews of financial soundness, and principal investments of more than KRW 5 billion. The Risk Management Center is comprised of the Risk Management Department, Credit Analysis Department, and Financial Engineering Department. The Risk Management Department supervises risk management as related to control, reporting, and procedure. The Credit Analysis Department executes strategies and guidelines for credit reviews and credit risks, while the Financial Engineering Department examines product reliability by analyzing product structure and developing standards and evaluation models.

### Processes of Risk Management

The Company's risk management process consists of four steps: identification, measurement and evaluation, control, and monitoring and reporting. All decisions proceed through individual departments, the Risk Management Council, the Risk Management Committee, and the BOD. These processes are rationalized.

- Identification : Potential risks arising from business operation are identified and analyzed.
- Measurement and evaluation : Methods for measurement are selected according to risk type, followed by determination of acceptable limits for risk, and evaluation of the appropriateness of methods used in determining those limits.
- Control : Risks are controlled through selection of items to be reported on a daily, monthly, and quarterly basis to avoid, minimize, and maintain acceptable levels of risk.
- Monitoring and reporting : Risk levels are monitored to cope with changes in risk conditions; the paths, contents, and cycles for reports are also determined.

### Four Steps of Risk Management Processes



### Regulations of Risk Management

Woori Investment & Securities operates the Risk Control Committee and Risk Control Council, in accordance with related regulations and management guidelines. For internal risk management, the Company also observes special guidelines for market and credit risks in the guidelines.

## Countermeasures by Risk Factor

### Identification and Determination of Plans for Management of Risks

For securities companies, risks are classified as tangible and intangible. Tangible risks, which include those of credit, market, interest, liquidity, and operations, are measured using objective indicators. Intangible risks, which include those of legal, reputation, and system, are not measured with objective indicators.

### Tangible Risks

The Company defines as credit risk those losses that may result from a counterparty's refusal to honor a contractual credit obligation. Through an engine to measure credit risk, the Company ascertains the daily levels of exposure of financial products, including loans, investment securities, and derivatives, to credit risks. By setting credit limits, it also intensively manages credit risks from trading counterparties and large corporate affiliates.

The Company defines market risk as the threat of losses on a trading position that may result from market fluctuations. Through daily back-testing, the Company gauges the maximum loss a portfolio may incur during a fixed period of time, as well as market risks arising from changes in interest rates and the values of equities and trading positions in foreign exchanges. Through contingency analysis it also identifies exceptional events that may lead to market risks and measures potential losses due to such events.

The Company defines liquidity risk as losses that may result from a temporary shortage in funds; such shortages may result from a maturity mismatch or an unexpected capital outlay. The Company conducts liquidity analysis for all assets and liabilities. By assessing the effectiveness and actual steps of a contingency plan, it also provides countermeasures for each phase of crisis.

Operational risks are defined as exposure to losses arising from inappropriate or faulty work processes, internal workforce or systems, or certain external factors. To prevent such risks, each department implements its own check-list, such as Risk and Control Self-Assessment (RCSA), and monitors business performance based on core risk indicators.

### Intangible Risks

In addition to tangible risks, the Company operates integrated risk management to cover intangible risks. Intangible risks include legal, such as when a counter-party is not legally able to enter into a contract or legal obligation, risks to reputation, such as those caused by complaints or defamation of character, and systemic risks arising from bankruptcy or temporary shortages in the liquidity of counter-parties participating in a settlement.

### Integrated Risk Management System

In January 2009, Woori Investment & Securities completed development of an integrated risk management system to respond preemptively to changes in capital markets and to comply with the minimum standards of risk management for securities companies as prescribed by the FSS.

The integrated management system addresses a wide-range of risks, including market, credit, operational, asset liability management (ALM), and net-capital ratio management. The Company applies the system to risky assets, contingency analysis, and risk-adjusted performance measurement (RAPM). It is designed to share risk management information at every level, from executive to clerical, in a timely manner.

Woori Financial Group has introduced the first enterprise risk management system (ERMS) among Korean financial groups. ERMS integrates a wide range of risk management. The system also is used in the Company as well as the Group's other subsidiaries, including Woori Bank, Kwangju Bank, Kyongnam Bank, Woori Aviva Life Insurance, and Woori Financial.

Through the integrated risk management system, the Company continues to discover its vulnerabilities in risk management, to actively communicate with other subsidiaries, and to raise awareness of risk by providing sales teams with risk-related information.

### Integrated Risk Management System

Executive Risk Dashboard			
Executive Summary			
Key loan information	Asset management key information	Key company-wide information	
<ul style="list-style-type: none"> <li>• Exposure</li> <li>• Delinquency ratio</li> <li>• Asset quality</li> <li>• Loan loss provision</li> </ul>	<ul style="list-style-type: none"> <li>• Position</li> <li>• OTC</li> <li>• Market risks</li> <li>• PI</li> </ul>	<ul style="list-style-type: none"> <li>• Financial data</li> <li>• High risks</li> <li>• Interest/liquidity</li> <li>• Early warning</li> </ul>	
Risk Monitoring of Employees			
Loan analysis	Asset management analysis	Company-wide analysis	
<ul style="list-style-type: none"> <li>• Exposure</li> <li>• Customers' credit soundness</li> <li>• Delinquency ratio</li> <li>• Threat level</li> <li>• Asset quality</li> <li>• Bankruptcy/collection</li> </ul>	<ul style="list-style-type: none"> <li>• Position</li> <li>• OTC</li> <li>• Market risks</li> <li>• PI</li> <li>• Gain/loss</li> <li>• Market data</li> </ul>	<ul style="list-style-type: none"> <li>• Financial data</li> <li>• ALM</li> <li>• NCR</li> <li>• High risks</li> <li>• Tolerance limits</li> <li>• Early warning</li> </ul>	
Total Exposure			
Exposure	Tolerance limits	Portfolio analysis	Overlap borrowers check

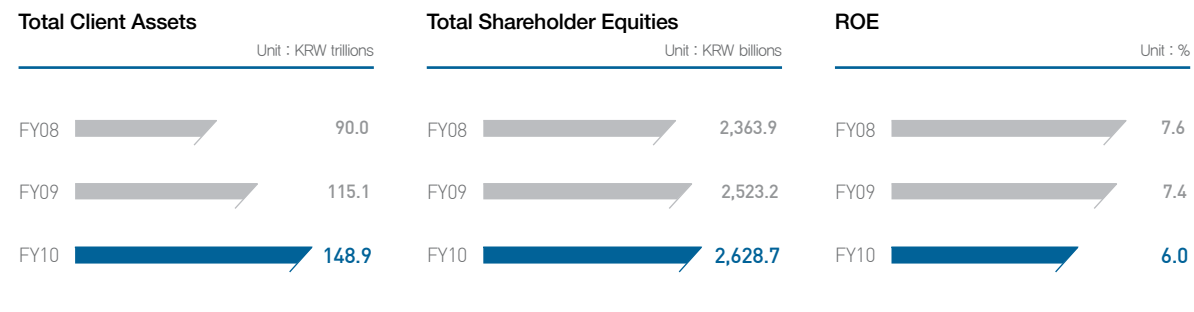
# Increasing Corporate Value for Greater Economic Benefit

## Key Financial Performance Indicators\*

In 2010, Woori Investment & Securities achieved the industry's best performance by fostering a corporate mindset emphasizing excellence in its major business areas with more than KRW145 trillion in assets under management (AUM), state-of-the-art wealth management schemes, and a wide array of innovative financial products.

	FY2008	FY2009	FY2010
<b>Statements of Income (KRW billions)</b>			
Operating Revenue	6,204.8	5,430.9	3,779.2
Operating Expense	5,967.1	5,236.6	3,614.2
Operating Income	237.7	194.3	165.0
Income before Income Tax	246.4	228.6	194.5
Net Income	181.8	180.5	153.3
<b>Statements of Financial Position (KRW billions)</b>			
Total Assets	17,831.4	18,406.6	19,359.2
Total Liabilities	15,467.5	15,883.4	16,730.5
Total Shareholder Equities	2,363.9	2,523.2	2,628.7
ROE *	7.6%	7.4%	6.0%
<b>Stock (KRW, number of shares)</b>			
Outstanding Shares	151,384,831	151,384,831	151,384,831
Common Stock	132,513,863	132,513,863	132,513,863
Preferred Stock	18,870,968	18,870,968	18,870,968
Dividend Payout			
Common Stock	550	350	300
Preferred Stock	600	400	350
Net Income per Common Share	1,287	1,305	1,108

\* ROE : Return On Equity



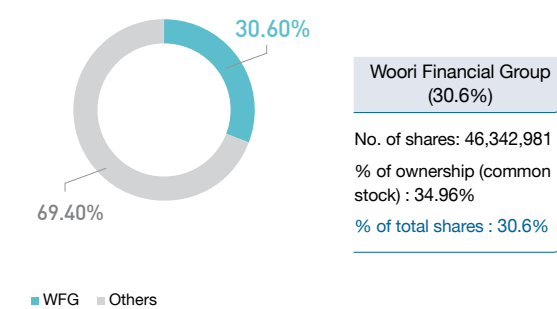
## Maximization of Shareholder Value

Based on the reputation and competency accumulated over years, Woori Investment & Securities has become a top player in its traditionally competitive businesses, such as IB and asset management. While maintaining its dominance in these areas, the Company is also creating an innovative, market-leading business model and securing new growth engines for the future.

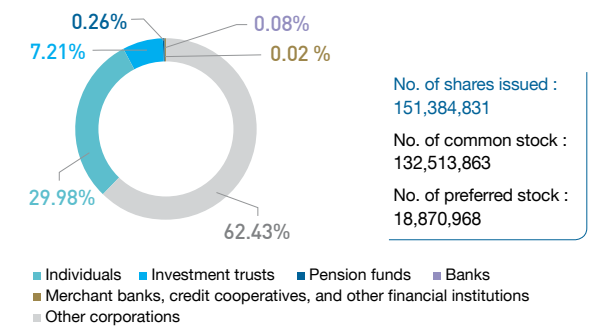
The Company also maximizes shareholder value by striking a balance between revenue structure and business growth and by enhancing corporate value through proactive risk management. Based on these approaches, the Company maintains the confidence of its shareholders as it offers them attainable goals for the future.

### Composition of Shareholders

#### Major Shareholders



#### Ownership Structure



\* Based on the total number of shares issued as of March 2011

### Protecting Shareholders Value

As the largest shareholder in the Company, Woori Financial Group provides constructive input and feedback on the Company's management, in compliance with the Group's guidelines for the management of subsidiaries. In addition, all minority opinions expressed at the general shareholders' meetings are actively reflected in management.

### IR Activities

Woori Investment & Securities regards investor relations and communications as interactive processes to upgrade corporate value. With this understanding, the Company communicates actively with shareholders through timely consultation with analysts and investors, conferences in Korea and abroad, non-deal roadshows, and meetings with analysts and journalists.

#### Number of IR Activities Held

Classification	Activities	Unit : Times			
		2008	2009	2010	1 <sup>st</sup> half of 2011
Disclosures	Woori conferences	2	3	3	2
	Analyst meetings	2	1	1	0
	Regular disclosures (earnings releases)	12	7	4	1
	Others (organized by other companies)	1	1	0	0
Events	Woori conferences	4	4	3	2
	Analyst meetings	2	2	2	0
	NDRs	0	0	2	1
	IR meetings	44	103	112	47
	Others (organized by other companies)	1	3	2	0

#### Organized 'Woori Investment Forum'

Since 2002, Woori Investment & Securities has regularly held Woori Investment Forums for domestic and overseas institutional investors and outstanding clients. Through these forums, the Company has provided in-depth analysis and overviews of stock markets and the economy, and it has recommended promising stocks to investors.





# Sustainable Portfolio Strategies toward Global IB

## Business Strategies of Woori Investment & Securities

Woori Investment & Securities has set its sights on becoming Asia's top-tier investment bank by 2015. Along the way, it is near to achieving its 2011 management objective of becoming Korea's leader in financial investment, with consistent innovation in its business model.

### Strategy Roadmap



With the synergy the Company creates among its major businesses, including investment Bank (IB), trading, and sales, it continuously seeks additional opportunities in complex M&A deals, active principal investment, private equity fund investment, and global coverage, thereby achieving consistent innovation in its business model.

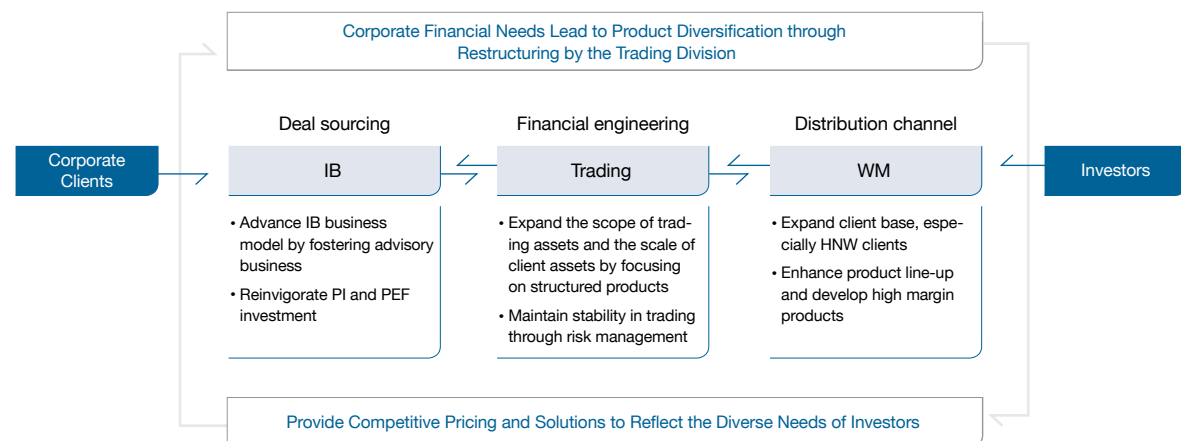
Additionally, the Company constantly creates additional revenue sources by expanding the scope of financial investment products, which has been dominated by investments developed domestically and externally but located in Korea, toward those located overseas, and by developing and supplying innovative products, such as those structured according to the Company's competencies in IB and trading.

Woori Investment & Securities is making every effort to become one of Asia's top-tier investment banks by 2015. The Company will share returns, including 25% in ROE targeted for 2015, with the society, shareholders, and employees, as well as preparing for the future through internal reserves, thereby growing into one of Asia's top tier investment banks.

## Unique Business Model

Woori Investment & Securities pursues sustainable growth through a unique IB-type business model based on effective, organic combination of three core areas : wealth management, investment banking, and trading. The model is unique and effective in that the characteristics of the three business activities complement one another to create the right product for the right investor at the right time. The Company secures choice investment deals through its IB operations, uses its trading arm to package the investments as structured products, and then sells the products to high net-worth customers through its wealth-management sales network.

### Business Model : Organic Combination of IB, Trading, and WM



## Introduction to Key Businesses

	IB	Trading	WM
Business Portfolio	<ul style="list-style-type: none"> <li>· Providing corporations with full solutions for funding activities</li> <li>· Improving clients' corporate value through consultations on acquisitions</li> <li>· Service areas including bond underwriting, secondary offerings, structural financing, global finance, M&amp;A advisories, PEFs</li> </ul>	<ul style="list-style-type: none"> <li>· Proprietary trading of equities, bonds, and derivatives, and client trading of ELS, DLS, and RP</li> <li>· Maintaining portfolio stability and profitability through risk management and in-depth market analysis</li> <li>· Service areas including IRS, CRS, Swap, ELW, ELS, DLS, and RP</li> </ul>	<ul style="list-style-type: none"> <li>· Brokerage and asset management consulting services through development and sales of diverse financial products</li> <li>· Service areas including beneficiary certificates, mutual funds, ELS, CP, RP, Wrap accounts, CMA, trust, retail bonds, and MMF</li> </ul>
Market Leadership	<ul style="list-style-type: none"> <li>· No. 1 in M&amp;A consultations for three consecutive years</li> <li>· Best equity linked bond house for the 3<sup>rd</sup> year in a row</li> <li>· No. 1 in landmark deals in the IPO market</li> </ul>	<ul style="list-style-type: none"> <li>· First to launch USD RP</li> <li>· No. 1 in RP sales</li> <li>· No. 1 in ELS sales</li> <li>· Best derivatives leader in 2010</li> <li>· Outstanding professional dealer for government bonds</li> </ul>	<ul style="list-style-type: none"> <li>· Octo : Best customer value product in asset management</li> <li>· No. 1 Market share in retail brokerage</li> </ul>
2010 Achievement	<p>In 2010, the Company led in both domestic DCM and ECM. Despite volatile market interest and sluggish real estate markets, it successfully played a lead-management role in corporate bond issues for LG Electronics and GS Caltex. The Company was selected for the Hyundai Home Shopping IPO despite an industry standard where overseas investment bankers are chosen due to their abilities to solicit global investors, thereby showcasing its international sales competencies.</p> <p>The Company's unsurpassed excellence in M&amp;A advisement continued in 2010. The Company played an advisory role in POSCO's acquisition of Daewoo International and CJ Group's consolidation of its media businesses. It jointly advised in the sale of Hyundai Engineering &amp; Construction, a landmark M&amp;A deal projected to be worth KRW 5.5 trillion.</p> <p>The Company also collected earnings in the Taiwanese multi-system cable operator TBC, reaping a 50% return in its four-year venture, thereby becoming the first Korean securities house to successfully make a direct overseas investment. In addition, the Company is expanding its global reach to premium sectors, such as lead management of domestic IPOs of global corporate and overseas bond issuance, that previously have been the exclusive territory of foreign players. In particular, the Company has been focusing on China to gain a head start in overseas presence.</p>	<p>In 2010, using its strengths in the structuring and management of equity derivatives, the Company issued 3.8 trillion won worth of ELSs, garnering 13% of the market. In particular, with regard to the public offerings of ELS, it has ranked first for four consecutive years since 2007. Having established the first units in the industry specialized in FICC (fixed income, currency, and commodity) in 2006, the Company has made remarkable progress in the non-equity derivatives sector, particularly in SWAP trading and the underwriting and sales of structured bonds. Furthermore, the Company is the undisputed market leader in ELW trading as a liquidity provider, thereby greatly contributing to the boom in the domestic ELW market.</p> <p>In addition, the Company has improved its global investment capabilities by expanding its product coverage with establishment of global trading and multi-asset trading systems. By signing ISDA (International Swaps and Derivatives Association) / CSA (Credit Support Annex) contracts with around 40 international IBs, it has reinforced its base for developing a wide range of globally competitive products.</p> <p>The Company manages and sells a variety of bond products based on its predominant bond sourcing capabilities and large customer base. Its RP book is the largest one in the industry that has earned a stable interest income. The Company focuses on securing stability in profit trading through stringent risk management. In institutional bond sales, it leads in domestic bond markets, especially bond underwriting and brokerage, driven by Korea's largest customer coverage and experienced, top-tier sales talent.</p>	<p>In 2010, the Company achieved its goal of dominating the brokerage market. In the wholesale sector, the Company expanded the coverage of its sales and research services for medium- and small-asset managers, advisory firms, and global funds. In the retail sector, the Company strengthened its channel competitiveness in cooperation with its Woori Financial Group affiliates while bolstering the equity consulting proficiency of its sales force. The Company provides quality services by offering a variety of purpose-specific portfolios, including 'Woori Stock Manager,' an online stock portfolio investment solution introduced in 2010.</p> <p>The Company became the first in the domestic financial investment industry to import PSR (portfolio strategy &amp; risk) analysis and launched a 'Fund GPS System' based on that analysis. The new system enables the Company to provide an asset management portfolio ideal for each customer by analyzing more than 200 types of leading domestic funds. As a result, the Company attracted KRW97.9 billion in net asset inflow as of March 2011, the industry's largest.</p> <p>In October 2010, the Company launched a 'WoW' (Wrap of Wrap) system, an advanced Wrap account platform that enables a multiple investment from one Wrap account into various products. In November 2010, the Company launched 'Premier Blue,' its asset management and life care services brand exclusively created for high-net-worth customers.</p>

# Premier Services to Satisfy More Customers

## Providing Sustainable Products and Services

Woori Investment & Securities develops financial products that acknowledge the influences of its management activities on environment and society. The Company develops special products that invest in projects to minimize the impact of climate change and to develop renewable energy, thereby assisting eco-friendly corporations and developing socially responsible products as a part of its CSR activities. Woori Investment & Securities raises society's awareness of environmental and social matters and plays a role as a sustainable financial institution that encourages sustainable investment from the private sector.

### Eco-friendly Products Introduced

The Company complies fully with the Korean government's Greenhouse Gas and Energy Target Management System, which prescribes targets for reductions in greenhouse gas emissions and energy consumption by large companies, and the Renewable Portfolio Standard, which requires increases in production of energy from renewable sources. As part of its compliance program, the Company develops and sells eco-friendly products to promote and support "low carbon, green growth" management in the corporate sector.

### Products Invested in Eco-friendly Industries

The Company develops special products to invest in "low carbon, green growth" businesses. These businesses increase efficiency in resource and energy usage through green technologies, as well as providing products and services that minimize environmental effects.

### Products for Green and Clean Energy

Woori Investment & Securities provides a range of products to invest in companies that excel in their response to climate change, whether in their development of alternative technologies for fossil fuels, renewable energy sources, or clean energy sources.

## Major Social Responsible Products

Sector	No. of products	Size of fund	Details
Eco-friendly industries	7	KRW 8.7 billion	Nurture next-generation core growth engines, including LED and secondary batteries.
Green/Clean energy	7	KRW 10.4 billion	To cope with rising demands in water resources, invest in industries for smart gauges, wastewater treatment, and water conversion.
Agricultural	3	KRW 8.3 billion	Invest in products that hedge inflationary risks due to short supply of agricultural products under global warming and climate change.
Children	7	KRW 7.8 billion	Cultivate children's sense of appropriate economic activity and economic independence.
Support for low-income families	11	KRW 1.8 trillion	Provide benefits such as loan support for mortgage-linked funds and participation in children's economics camps.
Contribution to regional communities	2	KRW 8.0 billion	Assist large-scale cultural events organized by general programming channel businesses.
Evaluation of corporate governance	4	KRW 24.7 billion	Improve fund profitability through the improvement of corporate governance and the growth of green businesses.

### Products for the Agricultural Sector

By investing in companies developing agricultural technologies, biofuels, and fertilizer, the Company continues to introduce exceptional products for the development of the agricultural sector.

### Social-responsible Product Developed

To adapt to rising interest in non-financial value derived from social and ethical performance, Woori Investment & Securities develops products that emphasize social responsibility and corporate governance.

### Children Product

The Company provides a set of products specialized in economics education for children, cultivating their sense of appropriate economic activity and relating to their knowledge as the leaders in the economy of the future.

### Support for Low-income Families

To assist low-income families in their economic activities, the Company provides special products to stabilize housing markets, solve housing issues, and stabilize consumer prices.

### Contribution to Regional Communities

The Company returns profits from its product sales to diverse groups in society through a set of region-friendly products to assist in the living expenses of the less fortunate in those areas, as well as special products to support cultural activities.

### Evaluation of Corporate Governance

The Company understands the importance of corporate governance in the growth of the corporate sector, and it encourages corporations to place the highest priority on creating shareholder value by considering corporate governance practices as criteria in establishing fund portfolios.

## Octo and Premier Blue, Asset Management Brands

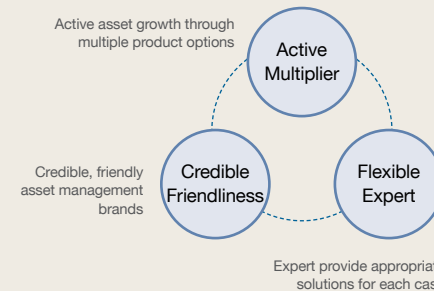
## SPECIAL CASE

### Octo : The Company's Representative Asset Management Brand

Introduced two years ahead of its competitor, Octo is the industry's first asset management brand, gathering the Company's collective expertise in asset management. Octo began as an integrated trading account combining eight services, including total collateral loans, Auto Money Back, check cards, integrated checking account balances, transfer/settlement/payment, bank deposit/withdrawal, stock trading, and financial product investment. With this expanded scope of products and services, Octo is now positioned as one of the most popular brands in the domestic industry. Through a family branding strategy, Octo now covers asset management products including Octo CMA and Octo Wrap, as well as services including Octofolio and the Fund GPS System. Though continual advertising and customer communication, Octo also helps customers understand complex financial products that

may be difficult for the consumer to assess. One of the features of this advertising is character marketing. For the first time in the Korean financial industry, Octo has successfully used character marketing and consistent communication to accompany its product-line expansion. The introduction of character is creating a sensation among financial products, which are difficult for the average customizer to understand. The use of character has provided Octo with a level of public recognition that sets it apart from the marketing strategies of competing companies. With brand communication based on stronger brand essence, the Company continues to develop the branding of Octo, thereby retaining the public perception of the brand as a leading asset management product.

### Brand Communication of Octo



### Brand Logo



### Brand Stretching (product and services)



### Brand Character



### Premier Blue : Asset Management Services for High-net-worth Clients

Premier Blue is an asset management and life care services brand created exclusively for high-net-worth customers at all Company branches. By offering asset management products and services customized for each target group, as well as membership services providing create a deep impression on clients, the Company is positioning Premier Blue as a premium asset management brand that provides premium value and fulfills the expectations of clients.



Targeted Financial Products and Services

Brand Essence : PRIDE  
Brand Slogan : No.1 Value Management

Sales Channels

Real private

Exclusively confidential / 1:1 customer services  
(Guarantee of customized investment information, exclusive privacy)

Exclusive

Exclusive membership services differentiated from more general services

Highest expert

Asset management provided by top-tier experts in the Company

# Premier Services to Satisfy More Customers

## Customer Satisfaction Activities

Through its guiding vision of "Growing with Clients by Delivering the Best Financial Value," Woori Investment & Securities conveys a strong commitment to its customers, who are its first priority. The Company emphasizes two approaches to enhancing customer satisfaction. It provides a comprehensive product line, and it collects and resolves customer complaints in the timeliest manner.

### CS Consulting System

As part of its comprehensive customer service, the Company provides the CS Clinic, a branch-to-branch consulting service led by a group of in-company experts in customer satisfaction. The consultants visit each branch to observe and collect data on the levels of customer service, procedures at customer contact points, and service environments. Based on their findings, they then provide solutions to any problems they may discover, thereby assisting in CS improvement activities company-wide.

The entire CS consultation process takes five days, including branch inspection, cause analysis, workshops, design of action plans, and provision of solutions. Follow-up services continue for one month after the initial consultation.

### CS Consultation Process

Process	Details
1 <sup>st</sup> Day Branch Inspection	- Pre-service inspection: CS surveys, telephone sound quality checks, VOC analysis - 1 <sup>st</sup> worksite inspection: video recording at branches, surveys, employee interviews, monitoring of environment and employees
2 <sup>nd</sup> Day Cause Analysis	- 2 <sup>nd</sup> worksite inspection: video recording at branches, monitoring of environment and employees - Analysis of problems at branches, preparation for workshops
3 <sup>rd</sup> Day Workshops	- Benchmarking of others (Securities companies, banks, and other financial institutions) - Workshops (VTR feedback, problem reviews, brainstorming for problem analysis)
4 <sup>th</sup> Day Action Plans	- Benchmarking others - Design of action plans by branch, team, and individual
5 <sup>th</sup> Day Solutions	- Reviews on action plans - Consultations and education at working sites
Follow-up Services	- One month of monitoring - Feedback to branches after evaluation

### Performance of CS Education Programs

Program	Details	2008	2009	2010	1 <sup>st</sup> half of 2011
CS mindset	Defining customers, changes in CS, understating customer desire, awareness of changes	137	91	182	106
Telephone etiquette	The importance of telephone etiquette, gentle telephone answers, feedbacks and individual coaching	186	66	237	106
Image consulting	The importance of image making, attractive facial expressions, feedback and individual coaching	195	162	384	121
Greeting visitors	Warmheartedness, gracious gestures, guiding, welcoming manners	141	147	223	195
Customer complaints	Understanding complaints by customer type, the three steps of a complaint, role plays	189	101	60	-

### CS Education Programs

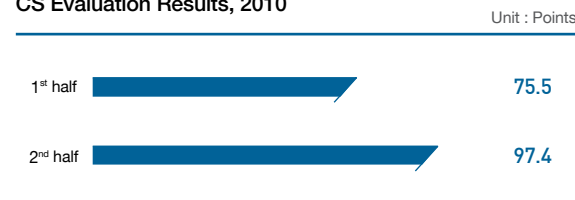
To standardize customer service throughout the Company, Woori Investment & Securities conducts several education programs for employees working at customer contact points at the head office and branches. Topics include CS mindset, telephone etiquette, image consulting, and dealing with customer complaints. To bring CS education programs closer to actual workplace experience, it also publishes manuals that cover basic service attitudes and the handling of private information, particularly in sensitive CS situations. The Company provides monthly CS information and education sessions for the business support managers (BSM) of each department, thereby raising company-wide interest in CS and improving the attitudes of employees.

### Evaluation of CS Levels

To encourage employees to improve their attitudes toward customer service, Woori Investment & Securities evaluates CS levels at each branch every six months. To ensure that evaluations are held under the most realistic conditions possible and reflect actual employee attitudes, the Company employs assessors from outside research institutions to visit each branch as if they are customers.

In results for the CS Level Evaluation in the second half of 2010, 109 branches scored 97.4 points on average, an improvement over the 75.5-point average of 116 branches in the first half of the year. This improvement was attributed to a more thorough understanding of duties by employees. Evaluation results are used for assessing each branch and for improving CS education courses.

### CS Evaluation Results, 2010



## Collecting Customer Opinions

Woori Investment & Securities operates a Voice of Customer (VOC) system to collect feedback and then to resolve customer issues promptly. By understanding customer complaints, the Company also considers ideas for improving management company-wide. It collects positive feedback and suggestions during consultations with customers. VOC data is classified by type and used to address complaints and understand the real needs of the customer. Through VOC reports, the Company shares the data with employees, thus making VOC an essential part of CS activities.

### Collection and Treatment of VOC Data

VOC data is collected through a variety of channels, including Internet websites, home-trading systems, branches, the Client Service Department, and customer letters. It is compiled in the database of an integrated VOC management system, where it is categorized into compliments, complaints, suggestions, inquiries, and consultations. The Client Service Department or related departments address participating customers through on-line bulletin boards, e-mails, and other on-line channels. The Company reports procedures for treating issues to customers in a way that is convenient to them.

In 2010, the Company collected 9,370 VOC instances. It responded in 9,149 of these instances, comprising 97.6%, and used them to design improvements.

The Company holds monthly meetings among departments to share the results of Client Service Department consultations and other VOC consultations, thereby improving CS activities in the workplace.

### Collection and Improvement of VOCs

Classification	2008	2009	2010	1 <sup>st</sup> half of 2011
No. Collected	8,445	9,664	9,370	3,783
No. of resolved, closed VOCs	8,354	9,580	9,149	3,460

### VOC Rewards

Each month, Woori Investment & Securities rewards customer who offer outstanding suggestions. These rewards raise customer awareness of the influence they may have through direct participation in the Company's management activities. This suggestion system has earned a reputation as a representative example of a program to collect and implements the input of customers.

### Major VOC Input in 2010

April	Suggestion that customers receive SMS notification of frozen accounts
June	Suggestion that features be added to the homepage for the customer to download and save transaction histories as Microsoft Excel files
July	Suggestion for an investment calendar with information on secondary offerings, execution rights, and public offerings
September	Suggestion that applications and proxy subscription agreements for public offerings be simplified at branches
December	Suggestion that reports provided by other six securities companies during the year be used in Company data for development of marketing strategies and products

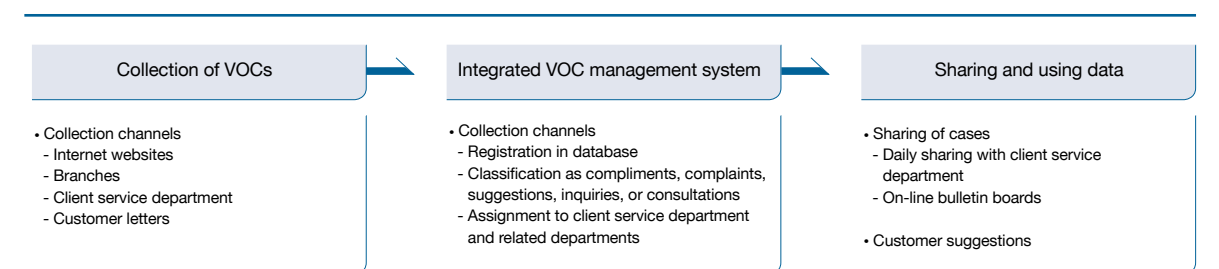
### VOCs Reflecting on the Company's Management

By streamlining the VOC system, the Company enhances its ability to resolve customer issues. Acknowledging the value of customer opinions as assets in business development, it also reflects VOC input in its overall management activities.

### Major Improvements in VOC

- VOC website implemented, enabling employees to check VOC status and recommended treatment on one screen  
: Company-wide interest in VOC generated through encouragement to share more VOC management information
- VOC unit launched within Client Service Department to manage VOC processes more systematically and consistently  
: Customer complaints resolved more promptly through one-call services, preventing secondary complaints.
- Formation of teams to resolve VOCs directly, reflecting actual customer needs more accurately  
: Issues addressed more promptly, with more specific resolution for each case

### Collection and VOC Treatment Process



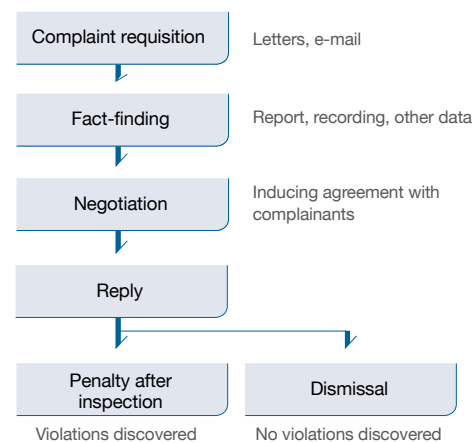


# Premier Services to Satisfy More Customers

## Treatment of Customer Complaints

Woori Investment & Securities has developed its own system to treat each complaint separately, designing a process to resolve each case promptly by understanding the nature of the complaint and the factors that have led to it. All complaints are resolved within 14 days after they are received. To prevent a recurrence of the most major issues, the Company selects some complaints and their resolutions as case studies in employee CS education programs.

### Complaints Treatment Process

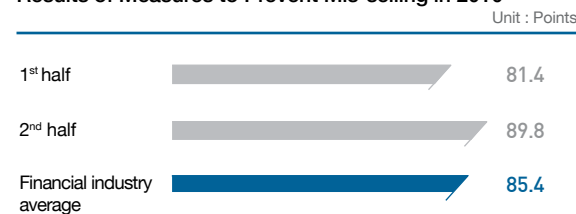


## Avoiding Mis-selling

Woori Investment & Securities recommends and sells products appropriate to the investment tendencies of each customer, based particularly on a customer's desired revenue structure and acceptable risk level. After a sale is made, the Company continues to provide timely information on the product, such as changes in yield rates and notification of countermeasures against unfavorable conditions in financial markets. It conducts other follow-up services as needed.

To understand the factors that may lead to mis-selling and prevent the problems caused by it, the Company conducts inspections of fund sales at each branch. This practice also promotes consumer rights through post-sales services and reinvigoration of marketing activities. In the second half of 2010, the Company scored an average of 89.8 points on measures to prevent mis-selling, 8.4 points higher than in the first half of the same year, based on FSS guidelines. These figures were also 4.4 points higher than the financial industry's average. The Company continues to improve the management of branches to avoid mis-selling.

### Results of Measures to Prevent Mis-selling in 2010



## The Security of Customer Information

Woori Investment & Securities has launched an Information Security Committee to solve issues in customer information and provide education programs on information security, thereby raising awareness of the importance information security.

The Company has in place an array of protection systems, including server technology to prevent hacking, Internet firewalls, a security control center, a password-protected database for customer information, filters for dangerous traffic, and an intrusion detection system. As a result, no penalties or complaints have been recorded against the Company's customer information security in the last three years.

## CS Levels Increased

The National Customer Satisfaction Index (NCSI) is an indicator presenting the level of satisfaction in Korean customer who have had direct experience with products and services in Korea or overseas.

In 2010, Woori Investment & Securities posted 70 points in the NCSI, slightly higher than the average of other securities companies, a rating attributed to its efforts to fulfill rising consumer expectations and levels of recognition since 2008. The Company is carrying out divisional improvement of the NCSI by setting up internal action plans.

### NCSI Survey Results



### Action Plan by Work Unit

Department	Action plan
Client service department	- Call Center services improved, including ARS with consultants - Services for handling VOC enhanced - Care services for non-controlled customers strengthened
WM Business promotion department	- Environments in underperforming branches improved
Marketing department	- Customer events and promotional activities expanded - Promotional activities strengthened for asset management brands and products
e-Business group	- Convenience and security of the home-trading system upgraded - Information in cyber-trading updated - Online trading for financial products upgraded
Operations & technology	- Infrastructure for service improvement expanded - The home-trading system used for an information channel
Public relations department	- Company reputation enhanced through advertising

## Customer-friendly Services

Woori Investment & Securities initiates industry-leading products and services, and provides online services with a clear market separation. In particular, the Company has achieved significant public attention for Octo, an advanced asset management product, and it has sharpened its edges in customer service through customer-friendly events to appeal to their needs in a variety of areas.

### Industry-leading Product and Services

#### Octo CMA Providing Additional Customer Benefits

Octo CMA, an advanced asset management product, combines all eight core financial trading services in one product. In 2008, the product completed the full elimination of transfer fees, thus increasing the level of customer satisfaction, and attracted significant customer interest with its easy deposit and withdrawal process and high interest rates, which are comparable to the rates earned in many timed deposits. Octo CMA also enables customers to manage all their securities and general services in the same account through the addition of services, including deposit/withdrawal, automatic salary deposits, and direct debits, similar to general banking accounts. Thus, Octo CMA offers customers the ability to apply benefits from other subsidiaries of the Woori Financial Group, including banking services, credit loans linked to Woori Card, and other credit card products.

#### Octo Retirement Pension

To address the issues posed by Korea's aging population, Woori Investment & Securities calls on its industry-leading expertise in retirement pensions. On the Octo Retirement Pension website, the Company provides convenient services for pension subscribers, including a guide to retirement pension plans, a pension mall for comparison of products, trading of products, and additional services.

In addition, the Company operates the Octo Asset Management Research Center to provide information to customers according to their individual investment tendencies and share current investment news. The center offers a variety of education programs, such as investment classes and a retirement pension school, to assist customers in understanding their retirement pensions.



<http://pension.wooriwm.com>

### Superior Online Services

#### The Mug Club

The Mug Club is a membership-only service provided by Baristas, consultants for investment information, and offering customers the opportunity to share a full range of financial information, both with the Company and with each other.

#### Key services of the mug club

- Investment information : stock recommendations through online bulletin boards, real-time stock market data and SMS services
- Investment consultation: advice on investing and holding stocks, either through telephone consultation or one-to-one instant messaging, along with more customized approaches
- Customer communities and investment presentations



<http://mugcafe.wooriwm.com>

#### TX : The Next Generation Online Trading System

TX is an online trading system made by the synergy between the Company and the Woori Financial Group. The system boasts its flexible fee structure varied by investment style, innovative trading system to help better decision-making, and compensation program to return 10% of stock trading fee.



[www.mytx.com/tx/index.jsp](http://www.mytx.com/tx/index.jsp)

# Premier Services to Satisfy More Customers

## Customer Loyalty Program

Woori Investment & Securities provides preferential benefits and monthly services for prime customers through a digitalized marketing system.

## Financial Investment Presentation

Through cooperation with journals, the Company organizes off-line presentations throughout Korea. At these presentations, the Company provides investment information, including economic issues, stock market data, and financial products in the news, as well as major issues of the time. Since 2008, it has held seven presentations with an average of 2,000 participants, demonstrating their popularity.

## Premier Blue Members

In April 2011, Woori Investment & Securities launched the Premier Blue service for its high-net-worth customers. The Company became the first securities institution to link concierge services with VIP benefits. The service provides VVIPs with exclusive preferential benefits, including life-care services through alliances with more than 100 companies, and customized one-to-one concierge services through the industry's first concierge center.



An Introductory Page Found on the Premier Blue Website

## VIP Invitation Event

Every month, Woori Investment & Securities holds several invitation events for preferred customers in consideration of the latest issues and trends in the markets.

The Company's VIP invitation events are unique in the creativity of their contents and organization and in their wide variety of service items. These sophisticated, high-end events have generated significant interest among customers, thereby boosting sales with a higher frequency of customer contacts.

## Communication Channels

Through diverse social networking services, Woori Investment & Securities assists its customers in beginning investment activities more easily, bringing investment information down to their level.



## Official Blog Launched

Through an official blog (www.wooriocto.com) launched in March 2011, the Company provides a range of investment information and financial product knowledge, along with timely posts offering information on current issues. Daily, the blog provides morning news, market briefings at the close of trading, as well as other in-depth financial information on financial markets and investment technologies. Additionally, the blog covers non-financial topics such as in-company news and social issues.

## Twitter and Facebook Accounts

In 2010, the Company launched a feed on Twitter (@wooriocto) to offer information on stock market conditions, market previews, corporate analysis, as well as a variety of marketing activities, such as "Cheering for the World Cup event". Twitter enables to address errors and complaints that occur on other blogs or portal sites, thus also strengthening its relationship with customers. In 2011, the Company also opened an official account at Facebook (www.facebook.com/wooriocto), further expanding its communication with customers.

## Industry-leading Products and Services

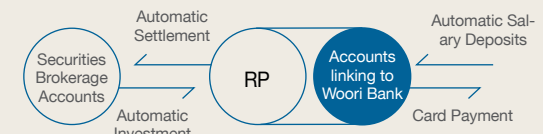
## SPECIAL CASE

### Auto-Money Back

**Investing idle "Money" and "Auto" Matically Giving the Gains "Back" to Customers**

Woori Investment & Securities has introduced an Auto-Money Back service to assist customers in investing idle money into RPs, and to return the gains automatically to customers. Such services are already been common for preferred customers in countries such as the U.S.

During 2010, enrolled customers earned a 2.65% yield through the Auto-Money Back service, higher than 1% of annual returns from interest on regular deposits. Thus, the Company has secured greater customer trust in its commitment to putting them first by returning interest income to them.



### Korea Life Cycle Fund

**An Asset Management Service for Each Milestone in Life**

As Korea faces an increasingly aging society, a lower retirement age, and rising education expenses, marriage funds, and housing funds, interest in early investment and long-term investment has risen. As a fund for a lifelong financial plan, the Company's Korea Life Cycle Fund provides customers with a designated maturity period for each milestone in life, including housing, children's educations, and retirement savings.

### The Financial Fund Management Method : Smart Investor

**The Industry's First Patented Product Petitioned by an Employee**

In August 2008, Woori Investment & Securities introduced the Financial Fund Management Method, a patented trading system that buys or sells stocks by setting a designated range for the decline of a stock price index. This system, developed and patented by an employee in the New Business Strategy Department, was launched in conjunction with the Woori Smart Invest fund for trading solutions and pension products. Focusing on authentic workplace experiences rather than the background of the developer, the patent was granted based on the system's contribution to stable customer asset growth and relief of stresses on sales agents.

Since the patent for the Financial Fund Management Method was registered, the number of patents for financial products or services in Korea has increased from 40 in 2008 to 3,000 in 2011. The Company continues to enhance its competitiveness in developing products and services similar to the Financial Fund Management Method.

### Woori WM Pension Trust

**The Industry's First Pension Trust that Preserves Principal and Protects Depositors**

Woori WM Pension Trust is a retirement savings product in which Customers deposit less than KRW 3 million per quarter for 10 years. At maturity, the trust provides pension benefits to depositors for more than five years beyond the age of 55.

Along the rising demand for pension-type products and the pressures of an aging population, public interest in attaining a healthy retirement has increased. The public is starting retirement savings earlier, and they are now seeking vehicles for more than 10 years of long-term pension contributions, thus, the number of pension trust subscribers is expected to continue growing.



### Woori Stock Manager :

**A Standard for Portfolio Investment**

**Korea's First On-line Stock Portfolio System**

As Korea's first on-line stock-focused portfolio system, Woori Stock Manager offers trading solutions that are more differentiated than those of other total-asset management services. With features such as portfolio set-up, performance management, and re-balancing, customers are able to build and systematically manage their own highly optimized portfolios.



http://wsm.wooriwm.com

"I never knew that an asset management system could receive a patent. The petition was suggested by one of my clients who is a university engineering professor."







# Be Professional & Synergetic

- 38 Raising Ethical Awareness toward Transparent Management
- 41 Fostering Professionalism and Pride
- 47 A Corporate Culture Innovating toward Openness
- 50 Advanced Partnership with Maximum Synergy

## Our Approach

Based on strong ethical awareness and industry-leading professionalism, Woori Investment & Securities continues to march forward. By building desirable workplaces for employees, the most valuable assets of the Company, and cooperative networks with partnering companies domestically and abroad, the Company achieves maximum synergy.

## Progress & Achievement

- Promulgated the Guidelines for Internal Compliance Practices
- Conducted Programs to Help Employees to Keep Balance between Work and Life
- Implemented the Industry's Best HR Development System
- Embedded Innovation Activities in Corporate Culture

## Strategic Direction

- Enhancing the Transparency Management Based on Corporate Citizenship
- Strengthening Long-term Strategies by Fostering Professionals in Sustainability Management
- Leading the Sustainability of the Industry by Attracting Talent through Open Communication and Varied Welfare Programs



# Raising Ethical Awareness toward Transparent Management

## Implementing an Ethical Management System\*

By considering ethical responsibility as a fundamental part of its corporate identity, Woori Investment & Securities ensures that all decisions and daily operations conform to fulfill its principles of corporate ethics. The Company discloses information on ethical management on its website, demonstrating its commitment to ethical management to inside and outside stakeholders.

### Organizations of Ethical Management

The Ethical Management Committee, Ethical Management Office and Ethical Management Officers organically cultivate a culture of ethical management throughout the Company. Chaired by the CEO of the Company, the Ethical Management Committee consists of five executive officers. As the highest decision-making body regarding ethical management, the Committee enacts policies on ethical management, maintains and enforces the code of conduct and other regulations, and evaluates the fulfillment of ethical management.

Under the Compliance Department, the Ethical Management Office oversees the guidelines for ethical management, and conducts education and compliance programs. At least twice a year, this office assesses the Company's ethical management system and reports the results to the Ethical Management Committee.

In addition, 201 compliance managers (CMs) assigned to branches and the main office have been appointed as Ethical Management Officers to monitor the compliance of employees with ethical management policies.

### Code of Ethics

To become the highest rated financial investment company in terms of transparency, Woori Investment & Securities must first become a company respected by its customers, shareholders, the nation and society. It is quickly achieving these goals through the code of ethics promulgated by the Woori Financial Group in 2002.

The code of ethics includes codes of conduct and guidelines for the responsibilities and obligations of the stakeholder group. In particular, the code covers issues of improper conduct, including bribery, leaks of customer information, fair trade, political intervention, personal monetary transactions, and money laundering, through which a financial institution may negatively influence society if left unchecked.

### Code of Ethics Framework of the Woori Financial Group



## Guidelines for The Handling of Issues in the Financial Industry

### Bribery

- Officers and employees shall not be provided or given any money, valuables, entertainment, unfair benefits, or extraordinary gifts by members of the government, related authorities, or other interested parties in exchange for favorable or preferential consideration in the course of their duties.
- Officers and employees shall not accept bribes, ask for unjust favors, or request any preferential consideration from each other.
- Ceremonies and occasions common under Korean custom are exempted from the prohibitions above, including birthdays or family events. In unavoidable cases apart from these, employees must report to the Compliance Officer on their activities.

### Information Leakage

- In disclosing information on business operations, officers and employees shall not pursue personal gain or communicate in any way that may cause problems in society.
- Internal Company information shall not be disclosed to a third party unless done so in adherence to appropriate procedures as mandated in laws or regulations, nor without prior approval of the Company.

### Fair Trade

- To abide by the principles of the open market and free and fair competition, the Company shall observe the domestic and international business conventions and shall participate in the prevention of unfair trading practices.
- The Company shall observe domestic and overseas anti-corruption laws and regulations, including the Convention on Combating the Bribery of Foreign Public Officials, promulgated by the Organization of Economic Corporation and Development (OECD).
- Officers and employees shall not manipulate stock market prices to obtain unjust profits through falsification of information or improper conduct.
- The Company shall not be entrusted with false orders, which attempt to find unfair advantages in trading through the submission of a large amount of bids on unpromising trades and through repetitive adjustments or cancellations of orders to affect market prices.

### Political Intervention

- Officers and employees shall not demand support from any political party or candidate, nor make illegal political contributions or endorsements in any form. Political contributions made by officers and employees must adhere to laws and company regulations.
- The political rights of officers and employees shall be respected. However, officers and employees are strictly prohibited from issuing any political statements or engaging in political activities while using the company name.

### Personal Monetary Transactions

- Employees are prohibited from entering into agreements with each other on lending or with financial or mutual guarantee. They are also prohibited from entering into money transactions or guarantees on debt with customers.
- Employees shall not participate in brokerage or loan transactions, whether between customers or between customer and employee.

### Money Laundering

- Officers and employees or the Company shall raise awareness of illegal money laundering.
- Officers and employees shall report suspicious transactions to the Financial Intelligence Unit (FIU) through appropriate processes and methods.

## Promoting Ethical Awareness among Officers and Employees\*

### Ethics Education

Twice a year, the Company holds periodic ethical management education programs for all officers and employees, especially for persons in charge of ethical management. In addition, the Company provides a variety of on-the-job training programs for new recruits, new branch managers, branch sales team leaders, and the CFOs of local subsidiaries. The Company also holds group and on-line education sessions on ethical management.

These programs cover general topics including ethical management policies, guidelines, and related laws, as well as specific topics of interest such as the prevention of conflicts of interest, mis-selling, and money laundering. Through case studies of complaints as well as outstanding performance, the ethics education system enables employees to understand and apply ethical management in their own duties. The Company provides one hour a year in ethical management education for all officers and employees.

### Reward and Penalty System

Woori Investment & Securities provides a system of rewards and penalties to encourage ethical management. Through this system, the Company rewards employees who excel in ethical management, while imposing penalties on employees with violations.

Rewards are given to those who generate significant benefits or who prevent losses to the Company, as well as to those who contribute to the company's reputation as ethical role models and who promote the advancement of the ethical management system. On the other hand, penalties are imposed against those who violate ethics guidelines, discourage whistle-blowers, or engage in other misconduct that may lead damage or loss in the Company. This system of rewards and penalties applies to all officers, employees, and management alike. The holding company determines rewards and penalties for the top management.

During 2010, 14 officers and employees were rewarded, and no penalties were recorded.

### Compliance Newsletter

Every quarter, a newsletter is sent to all officers and employees to promote their understanding of compliance and ethical issues. Through the newsletters, the Company encourages its officers and employees to learn in greater depth about ethical management and related laws, as well as to practice them in their daily business.

## Programs of Ethical Management\*

### Monitoring for Unfair Trading

By identifying suspicious transactions and taking appropriate measures, Woori Investment & Securities prevents unfair trading at the earliest stages. To do so, the Company monitors accounts based on 10 criteria, including simultaneous deposits or withdrawal of large-scale funds, frequent inflows and outflows of stock, and activities that exceed the limits imposed on financial transactions by the supervisory institutions.

### Prevention of Money Laundering

In order to prevent the acceptance of illegal assets and money laundering, the Company classifies clients according to their risk of engaging such activities. It also monitors suspicious transactions and large cash transactions.

### Reporting of Bribery or Unfair Favors

In adherence to the guidelines on the reporting of bribery or unfair favors, all officers and employees must report to the Office of Ethical Management if they accept monetary instruments, valuables, or favors which exceed the amounts common in social custom.

### Reported Instances of Bribery or Unreasonable Favors

Unit : Cases

Year	Number of reports	Results
2008	14	- Letter of compliance officer sent
2009	9	- Points added to branch evaluations
2010	18	- Education program introduced
First half of 2011	7	

### The Whistle-blower System

To minimize impact from unethical behavior, the Company has established a system to encourage employees to report on activities that may violate ethics guidelines, company regulations, or work procedures. Whistle-blowers may report via telephone, e-mail, written documents, or the Compliance Plaza on the company intranet. The security of whistle-blowers is guaranteed.



A Introductory Page of Compliance Plaza

# Raising Ethical Awareness toward Transparent Management

## Monitoring of Ethical Management

Woori Investment & Securities actively conducts education programs of ethical management for all officers, employees, and management. The Company also monitors everyone to ensure that they fulfill related laws and regulations.

### Self-inspection of Internal Control

Woori Investment & Securities designates Compliance Managers (CMs) for each division and branch to promote Company-wide participation in internal control. Through self-inspection checklists and abiding by internal control standards, CMs identify violations which occasionally occur in sales and general operations. The results are recorded each month in daily inspection notes and reported to the Compliance Department.

### Key Criteria for Self-inspection

Inspect goods and real balances	Inspect details in applications and obtain approval from the person in charge
Inspect accounts that require the confidentiality of customer information, including balance and transaction records	Inspect futures and options accounts
Inspect performance of daily closing duties	Inspect the management of customer credit information
Inspect uncollected margin accounts	Inspect anti-money laundering mechanisms
Inspect credit management and loans	Inspect sales and promotional activities

### Evaluations of Ethical Management

Each year, the company assesses the level of understanding and practices of ethical management in each department and branch, which are graded in five levels: excellent, satisfactory, average, poor, or risky. The results of these assessments are used to improve the ethical management. In results for these evaluations in 2010, the number of branches graded as satisfactory increased by 14% compared to the previous year. The number of departments at the head office graded as excellent also rose by 3% increase in the same period. Woori Investment & Securities regards these results as an outcome of active employee participation in education and related programs, and continues to improve the quality of its evaluations through continual inspection.

### Performance of Ethical Management by Criteria

Criteria	Level of recognition		Level of action		Total
	e-Test for ethical management	Ethical management education	Compliance	Social contribution	
Standards	50	10	20	20	100
Score distribution	50	10	20	20	100

## Enhancing the Compliance Level

In adherence to internal control standards and the compliance manual, Woori Investment & Securities complies with laws, thereby contributing to stability in the capital markets. During the reporting period, no penalties or fines were imposed for unfair competition practices. Furthermore, no gifts or contributions, monetary or material, were given to political parties, and there were no illegal political activities.

### Fulfilling Its Tax Obligations

Woori Investment & Securities fully meets its responsibilities to pay taxes as a corporate citizen.

### Taxes paid by the Company

Classification	2008	2009	2010
Corporate tax	46,801	54,609	67,576
Residence tax	4,680	5,461	6,758
Special tax for farming and fishing communities	3	-	-
Total	51,484	60,070	74,334

\* The Company pays taxes twice each year : in November and during the first half of the following year.

### Abiding by Regulations in Advertising

The advertisement of financial investment products significantly affects the choices that potential customers and investors make. Accordingly, Woori Investment & Securities observes legal requirements for advertising, such as the requirement to convey precise information.

With the guidelines for the production of advertisements for investment products and services, Woori Investment & Securities establishes a legal basis for screening of such advertisements and clarifies criteria for their contents and formats, as well as raising the level of understanding of related personnel by illustrating examples of such advertisements. Complying with the Financial Investment Services and Capital Market Act, all such advertisements of the Company include the name of the financial investment companies, the details of financial investment products, and risk factors arising from investment. The Company also observes the mandatory notice provision required in the business regulations of the Korea Financial Investment Association for its all advertisements. There were no cases of violation or fine in the past three years.

### Strengthening of EMS Process

Woori Investment & Securities conducts the E-Marketing System (EMS) for its customer relationship management and other marketing activities. The Company also holds pre-screening services to weed out advertising phrases from contents of e-mails or SMS via the EMS. In July 2011, the Company restricted the contents of investment advertisements via the EMS to pre-approved ones only and prohibited editing processes of such advertisements.

# Fostering Professionalism and Pride

## Protection of Human Rights

As of June 2011, 2,965 officers and employees worked at Woori Investment & Securities, including 2,340 (78.9%) in full-time positions and 625 (21.1%) in temporary, fixed term positions. From 2010 to the first half of 2011, the Company hired 165 new recruits, while 1.82% of those new recruits left the Company during the same period. In compliance with the Labor Standards Act and the Equal Employment Opportunity Law, Woori Investment & Securities pursues reasonable recruiting procedures.

	2008	2009	2010	1 <sup>st</sup> half of 2011
Number of officers and employees	2,748	2,793	2,915	2,965
% of positions that are full-time / % that are fixed-term	81.0 / 19.0	80.4 / 19.6	77.7 / 22.3	78.9 / 21.1
% of fixed-term employees transitioning into full-time	16.3	25.0	8.9	9.6
% of employee resignations	10	8	11	3
Full-time employees resigning / fixed term employees resigning	7/24	4/27	7/25	2/10

## Gender Equality

Woori Investment & Securities guarantees equal opportunity to men and women in all personnel management practices including promotion and appointment of managers. As part of its efforts to address Korea's low-birth rate, the Company offers 120 days of pre-and post-maternity leave. It also guarantees a year-long maternity leave regardless of gender.

As a member of the financial industry, where male employees have traditionally predominated, Woori Investment & Securities actively nurtures female specialists. As of June 2011, female workers comprised 41.9% of all officers and employees, including executives, and 3.1% of top management, including executives and department heads.

	2008	2009	2010	1 <sup>st</sup> half of 2011
Male employees / Female employees	58/42	58/42	59/41	58/42
Female managers, incl. executives and department heads	1.8	2.9	3.1	3.1

## Diversity

In line with policies to diversify its business structure, Woori Investment & Securities hires talented individuals of various nationalities through its global networks. Under a set of policies called 'Harmony in Diversity,' the Company is implementing a personnel system optimized to encourage cultural values in each employee's daily duties, thereby developing the competencies required for globalization. Additionally, to protect the right to equal employment of persons with disabilities, the Company is expanding recruitment of the disabled.

	2008	2009	2010	1 <sup>st</sup> half of 2011
Employees with disabilities	0.2	1.2	0.5	0.0

## Ban on Child Labor and Forced Labor

Abiding by the International Labour Organization's *Convention Concerning the Prohibition and Immediate Action toward the Elimination of the Worst Forms of Child Labour* and requirements in Korea's *Labor Standards Act*, Woori Investment & Securities strictly prohibits any form of child labor or forced labor.

## Prevention of Sexual Harassment

Woori Investment & Securities is conducting a variety of activities to prevent sexual harassment, thereby protecting women's rights and cultivating a healthy corporate culture. Through distribution of an HR counseling bulletin over corporate intranet and the activities of a Grievance Committee, the Company collects reports on incidents of sexual harassment. It appoints managers in charge of sexual harassment prevention to provide discrete channels for counseling, and conducts frequent monitoring through certified internal labor attorneys. Once a year, the Company holds a one-hour educational session on prevention of sexual harassment for all officers and employees.

## Complaint Management System

Understanding and resolving the individual difficulties that all employees occasionally face is a significant responsibility for companies, and efforts to do so enhance efficiency and create a quality work environment. Woori Investment & Securities provides a complaint management system with features such as online HR counseling and a Grievance Committee. In particular, the Company protects the privacy of complainants through a confidential, restricted communication channel with human resource staff. In conjunction with the Department of Human Resources and Labor Unions, the Grievance Committee plays an essential role in communicating with employees through a wide range of channels.

# Fostering Professionalism and Pride

## Hiring Talented Individuals

### The Right People for Woori Investment & Securities Individuals Determined to be the Best

To become the best overall financial investment company, all officers and employees of Woori Investment & Securities aim to improve themselves and to attain high standards of excellence in their fields. Rather than focusing only on individuals who demonstrate outstanding talent, Woori Investment & Securities seeks individuals who also demonstrate unlimited potential and determination to be the best.

### Individuals with the Market Competitiveness and Professionalism

Woori Investment & Securities seeks individuals who enhance their personal and organizational competitiveness through continual self-development, even in a busy working environment. In so doing, the Company's business grows with the competence of talented individuals in the ever-changing capital market environment and regulations.

### Individuals who Contribute to Organizational Synergy

Woori Investment & Securities is transforming itself into a top-tier company by utilizing the synergy created by employees who put the well-being of their communities over individual interests. The Company's business structure by its very nature emphasizes cooperation among teams rather than individual abilities, and it thus nurtures employees who value teamwork and harmony with others.

## Woori Leadership Academy, a Space That Nurtures Talented Individuals

In April 2010, the Company launched the Woori Leadership Academy. As the name suggests, the Academy aims to become a leading human resources development (HRD) center to nurture the industry's leaders and promote the Company's vision of becoming the best financial investment company. In two buildings, including a three-story training center and a resident hall, the Academy provides lecture rooms in 12 sizes, including a main auditorium with a capacity of 600 seats and 53 accommodation facilities with a capacity of 120 visitors a day. It is equipped with sports facilities, including a natural grass field that meets global standards and other auxiliary sports fields. With these facilities, the Academy has earned accolades as the most prestigious HR training center in the Korean financial sector.

In 2010, along with the opening of the Academy, the Company also introduced other intensive programs, including an IB/Trading School and an economics camp for children, and further supported the activities of in-company informal clubs.



[www.woorileaders.com/leaders/intro.jsp](http://www.woorileaders.com/leaders/intro.jsp)

### The Internship Program

In its internship program, Woori Investment & Securities offers interns the opportunity to participate in activities beyond office clerical duties with high-quality on-the-job training. It has garnered positive responses from participants. Through four to six weeks of orientation sessions and one-on-one training with supervisors in each field, interns gain in-depth understanding of work-site operations. The interns also gain valuable experience in job interviews and work projects. Furthermore, the Company extends the horizons of its human resources as it offers favorable consideration to recruits who have completed the internship program, thereby securing talent that has been verified as outstanding while also contributing to job creation.

### Attracting Experts in Various Fields

Woori Investment & Securities maximizes job opportunities for individuals with no experience in the financial field, but who possess specific knowledge in other fields. To attract high-caliber experts in various fields, the Company conducts a dual recruitment channel system, including recommendations from each department and open recruitment.

## Nurturing Professionals

Through a variety of education programs, Woori Investment & Securities supports its staff and employees with the aim of attaining the industry's highest level of professional competency in every respect, including knowledge, skills, and attitudes. As part of its efforts, the Company introduced the Woori Investment & Securities (WIS) University, a unique HR management system that trains employees in growth strategies and corporate culture. The University currently holds two education courses in leadership and professionalism.

### Employee Education Programs

Classification	Unit	2008	2009	2010	1 <sup>st</sup> half of 2011
Participants*	Persons	17,019	31,310	13,821	7,068
Education expenses	KR W/ Person	163,055	79,043	176,668	135,533
Instructional Credits **	Hours/ Person	9.1	5.1	3.1	10.5

\* Number of participants is cumulative.  
(Participants who completed 10 courses = 10 Persons)

\*\* One credit equals eight hours of instruction

## The WIS University System

WIS University										
Leadership Course			Professional Course							
Enhancing the competence of each employee and developing an innovative corporate culture			Fostering the most competitive professionals in each field							
			WM			PB	HQ		Self-management	
			Planning	Product	Relationship					
Leader	Leaders Forum	Top manager courses	Value & Vision	Advanced	Statistics / Investment planning	Stock research	PB Clinic (Education customized to competence)	Development of HR programs according to core business area	Programs outsourced by units at the head office	OA / Foreign language / Culture / Refresher courses
	Support for outsourced education				Individual financial analysis	Stock management				
	Introduction to leadership				Retirement plans	Derivatives (intensive)				
Non-Leader	Shared competencies	MBA programs	Ethics/ Compliance/ Sexual harassment prevention/ Teamwork	Intermediate	Economic indexes	Industry research	CS (intensive) Psychology of VIPs CRM			
	Team leadership				Financial analysis	BC (intensive)				
	Orientation for new employees				Proposal preparation	Fixed income (intensive)				
				Basic	FX / Interest Rates	Basic/Technical analysis	DM/TM/ODS	PB School - Client assets - Portfolio asset management - Monitoring / Re-balancing - PB advisories		
			Macroeconomics		BC (basic)	Consulting/Compliant treatment				
			Investment theories/Financial Statement		ELS (basic)	CS (basic)				
					Mastering Microsoft Excel for financing	Fixed income (basic)	VIP culture Compliance (general) Teamwork			
					Mastering Microsoft PowerPoint for financing	Trust/Pension Insurance				

### Talent Development School

Woori Investment & Securities encourages employees to venture further into their fields of expertise and to fulfill their desire for growth as professionals. The Talent Development School offers all employees opportunities to participate in on-the-job training programs that can be customized to each field, such as IB and trading. The Company holds group education sessions one weekend every three months, featuring internal professional lecturers and outside experts. Through practical case studies, the School enables employees to better understand their own duties and obtain in-depth knowledge of the financial industry.

### Fostering Core Talent

The competitiveness of a company depends greatly on how it discovers and fosters talent in its human resources. Woori Investment & Securities seeks out talent through the Woori Talented Individual program, an HR development plan that helps talented individuals find the right career path according to their performance and potential. The School selects participants through the recommendation of each department and the approval of personnel managers. Participants are screened and counseled on their future careers through face-to-face meetings with the Council on HR Development and based on their performance, competence, and the strength or weakness of their potential.



# Fostering Professionalism and Pride

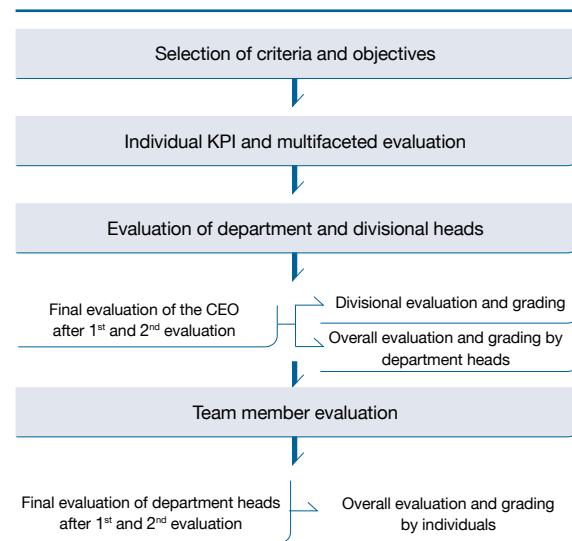
## Fair Performance Evaluation and Compensation

### Performance Appraisal System

For fair performance management, Woori Investment & Securities encourages officers and employees to set their own Individual Key Performance Indicators (KPI), which are based on divisional Management by Object (MBO). Thus, the Company is able to assess how the performance of each employee is appropriate to the goals of the organization. The Company assesses the performance of all officers and employees twice a year.

Through self-assessment and preliminary meetings, the Company continually improves the level of satisfaction of employees with their performance evaluations. In addition to quantitative analysis, the system measures multifaceted aspects such as individual competence and personality to maintain a balance between the two.

### Procedures for Performance Evaluation



### Criteria for Multifaceted Evaluation

Classification	Competency	Details
General criteria	Proactive challenger spirit	- Does the subject of evaluation take initiative in facing challenges and commit to action? - Does the subject proactively seek new and creative ways to obtain better performance?
	Professionalism	- Does the subject continue study and research for given tasks? - Does the subject accept full responsibility for and commitment to duties?
	Goal-oriented teamwork	- Does the subject understand team goals and prepare team members to performance toward those goals? - Does the subject cooperate with other team members to improve performance?
	Customer-focused management	- Does the subject create customer value by understanding customer needs and by promptly and accurately providing them with solutions?
	Ethical awareness	- Does the subject understand rules and regulations regarding given duties? - Does the subject think and act in adherence to regulations and codes of ethics?
	Innovative mindset	- Does the subject use opportunities and solve problems with originality, optimism, and creativity? - Does the subject consistently seek innovation to improve work processes and productivity?
Department heads	Leadership	- Does the subject nurture team members through appropriate empowerment, motivation and performance evaluations to obtain substantial results? - Does the subject serve as a role model with a high sense of responsibility?
Team members	Followership	- Does the subject actively follow the direction of team heads? - Does the subject succeed in changing and improving performance by offering creative, constructive ideas?

### Performance Compensation

Fair compensation for individual performance encourages the active participation of officers and employees in boosting a company's overall performance into the future. Thus, fair compensation is fundamental to sustaining a company's leadership in the market. Accordingly, Woori Investment & Securities maintains a reasonable, performance-based compensation process that relies on general consensus among employees and is therefore embedded in its corporate culture.

### Compensation Committee

Consisting of two outside directors and a member of the Risk Management Committee, the Compensation Committee oversees regulations for all compensation. The Committee assesses the performance of the top management, evaluates, and deliberates on the appropriate design and operation of compensation. It also gauges the level of fulfillment of FSS guidelines on compensation practices for financial investment companies, checks annual compensation, and reports the results to the FSS.

### Salary Systems and Performance Related Pay

Through the rational attribution of the Company's overall performance based on individual contribution, the salary system of Woori Investment & Securities focuses on enhancing long-term performance. To control risks, the Company has introduced schemes for flexible compensation, long-term performance-linked compensation, and deferred compensation.

The Company pays new recruits 380% of the minimum wage required by law. All officers and employees are compensated according to their abilities, regardless of basic salary, job position, or gender.

## Welfare System

By regarding its officers and employees as the most significant assets, Woori Investment & Securities offers a wide range of welfare programs to guarantee a stable living for its employees, thereby contributing to their self-development as well as the strength of the Company's business.

### Vacation and Leave

In addition to annual and menstrual leave required by law, the Company guarantees employees additional leave, including that granted for physical training and fitness, afternoons off, and refreshment breaks. It also supports childbirth and childcare by providing 120 days of pre- and post-childbirth leave, maternity leave, and the operation of breastfeeding rooms. In 2010, 101 female employees took pre- and post-childbirth leave, while 61 male employees took three days each of parental leave.

### Sabbatical Leave

Woori Investment & Securities grants days of sabbatical leave equivalent to the unused days of annual leave, thereby providing employees with the opportunity for longer vacations. Long-serving employees are able to apply for such leave every five years. Every January, the Company composes a list of employees eligible for sabbatical.

### Residential Assistance

Woori Investment & Securities provides special housing loans for employees who do not own homes. The following employees are eligible to apply for the loans: those who are married, or planning to be married, and who have more than two years of continual employment; unmarried first sons over 55 years of age, or first daughters over 50 years of age, with dependent parents. The Company also supports monthly rental payments for employees who are deployed to regional branches and who cannot rely on friends or family for support.

### Health and Medical Assistance

Through health and safety indicators, the Company provides medical expenses, sick leaves, and health exams for employees who suffer for diseases. Through group casualty insurance, the Company pays insurance premium upon death or three serious diseases including cancers, strokes, and acute myocardial infarction. The Company also supports medical expenses and provides health exams for employees' family.

### Education of Children

Woori Investment & Securities assists the children of employees with admission and tuition fees for middle and high school and university. The Company assists preschoolers with KRW 1.2 million annually for two years prior to entering schools.

### Retirement Benefits

To strengthen the vested rights to retirement benefits and guarantee the stability of employees after retirement, Woori Investment & Securities provides a retirement benefit system. Employees are able to choose from two types of retirement plans : defined benefit (DB) and defined contribution (DC). Employees may change their plan from a DB to a DC only once during their employment.

## Employee Satisfaction Improvement Program

### Family Day

On Family Day, a monthly event to encourage family bonds, employees leave their offices at 5 p.m. Woori Investment & Securities regularly promotes the event through the active participation of top managers and monthly rewards to outstanding teams, thereby inculcating it throughout the corporate culture. Since event day was moved from Wednesday to Friday in February 2010, participation rates have increased.

### Informal Clubs

At Woori Investment & Securities, employees may participate in 26 informal clubs for hobbies and interests, fitness and health, mountain climbing, and social contribution activities. At least 1,406 officers and employees, or 48% of the total workforce, participate in more than one of these clubs.

### Informal Clubs by Area

Classification	Informal clubs
Hobbies and interests	- Playing goh
	- Travel and photography
	- Wine
	- Theater and concerts
Fitness and health	- Scuba diving
	- Fishing
	- In-line skating and skiing
	- Running
Social contribution	- Baseball
	- Basketball
	- Bicycling
	- Mountain climbing
Social contribution	- Keepers for sharing
	- Sharing of love
	- Choir
Social contribution	- Paper airplane
	- Blue sky
	- Paper airplane



Activities of Various Informal Clubs

# Fostering Professionalism and Pride

## Employee Satisfaction and Engagement Survey

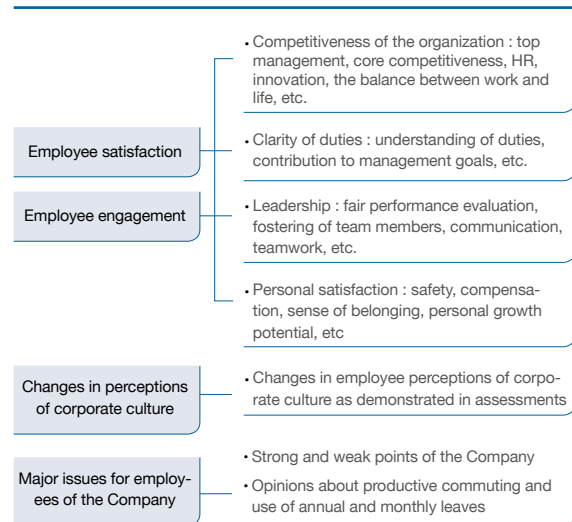
To cope with major changes in the management environment and to understand employee commitment to the vision of becoming Korea's best financial investment institution, the Company conducts surveys on employee satisfaction and engagement\*.

The criteria of the survey include the level of satisfaction and engagement, competitiveness of the organization, clarity of duties, leadership, personal satisfaction, and overall corporate culture. With such criteria, the Company may better understand the factors that influence employee engagement, while also documenting the Company's major issues and the corporate culture from the perspective of the employees.

Organized and implemented annually by the Corporate Innovation Department, all officers and employees participate anonymously in the survey, which is followed by analysis of responses according to rank. Thus, it provides a significant channel for the voices of employees, and the results are used for the improvement of the corporate culture.

\* Through the combination of two criteria-clarity of duties and sense of duty-the survey measures the amount of additional hours and energy, or the level of intellectual power, that employees contribute toward the Company's success.

### Criteria of Employee Satisfaction and Engagement Survey



## Employee Assistance Program (EAP)

## SPECIAL CASE

Recognizing that employment in the financial industry may create significant stress and emotional difficulty, rather than risk of physical harm, Woori Investment & Securities provides a system for mental health, in addition to physical care.

The Employee Assistance Program (EAP) is the Company's unique mental health management program to help employees to resolve problems arising from performance of duties and personal issues. In 2010, the Company became the first among Korean securities companies to introduce such a program.

Beyond basic issues such as human relations in the workplace and career development, the EAP offers consultation services with experts in a wide range of fields, including financial management and legal assistance, as well as family relations and childcare.

To assist employees showing signs of severe stress, the EAP enlists professional counselors from consulting institutions to provide in-depth guidance and effective resolutions. Each employee is allowed to apply for the counseling services up to eight times a year, with expenses fully paid by the Company.

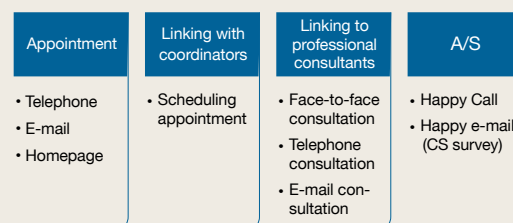
With services outsourced to a range of institutions, the EAP guarantees the privacy of employees seeking assistance and the confidentiality of counseling. Employees may also ask for additional management by professional individual coordinators. Furthermore, the EAP enables employees to maintain a balance between work and life, thereby improving overall efficiency.

The Company monitors the operational status of the EAP along five criteria: effectiveness of problem resolution; the attitudes of consultants and issues addressed in consultations; processes for linking with consultants; the consultation environment, and the number of consultations. In results of July 2011, the Company scored 92.3% for satisfaction from participating employees, higher than the average of 82% scored by other companies.

### Areas of EAP Consultation

Classification	Topic
Workplace issues	Workplace conflicts, stresses felt by middle managers, dealing with complaints, leadership, nurturing subordinates, career development, time management, motivation, etc.
Psychological and emotional issues	Human relations, communication, mental health (depression, anxiety, anger), social phobias, stresses from duties, etc.
Childcare	Education and career, growth (including adolescence), behavior disorders, personality, etc.
Spouse and family	Relationships with spouses, living apart from family because of work or education, dependent parents, dealing with mental illness in the family, etc.
Others	Legal advice, financial consulting, real estate, health (including smoking, drinking, obesity), medical information, tax information, etc.

### EAP Procedures



# A Corporate Culture Innovating toward Openness

## OneDo, a Group-wide Corporate Culture Innovation Campaign

Launched in 2010, *OneDo* is the slogan of the corporate culture innovation campaign of the Woori Financial Group. A compound word, it is formed from One, which represents both "each individual" and "the number one financial group," and Do, which signifies "action-oriented innovation." The slogan conveys the strong commitment of all employees to achieve their highest goal by sharing one vision and by enhancing efficiency and competitiveness in their daily operations.

### OneDo Programs

*WhyDea*, incorporating Why and Idea, is a system that encourages each employee to begin each task by asking "why." When employees have ideas for further improvement in their own duties, they may submit proposals to department or branch heads through the *WhyDea* system. Proposals are then put into practice after approval from the management. The system enables employees to better understand their own duties by reflecting on their personal performance, ultimately gaining a broader sense of their duties within the corporate context through examples shared company-wide.

### Maestro

Appointed by departments and branches, *Maestros* are leaders in innovation within their local workplaces. Currently, 180 officers and employees are designated as *Maestros*. In consideration of performance, leadership, and reputation, *Maestros* are selected from among the most active and creative personnel to play leading-roles in innovation.

### WhyTing

Led by *Maestros*, a *WhyTing* is a small-group meeting held in a department or branch. At a *WhyTing*, employees conduct brainstorming activities to gather ideas for improvement of the company's operations.

### Performance of OneDo

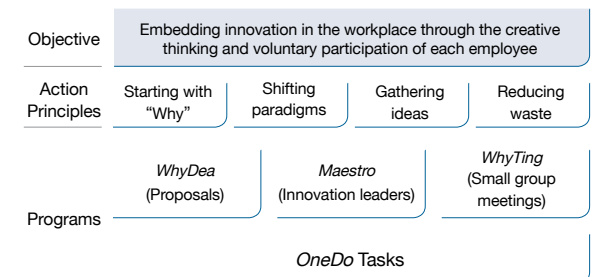
Since *OneDo* was introduced, some 700 *WhyTings* have been held, and 11,500 proposals have been submitted and implemented through the *WhyDea* system. Outstanding examples that have demonstrably contributed to innovation within the company have been rewarded. The Company designates every first and third Tuesday as *OneDo* Day, during which employees are encouraged to select tasks at *WhyTings* and to engage in reflective self-examination regarding selected tasks. It holds Best Practice events to reward teams and individuals who excel in *OneDo* activities and to share outstanding examples company-wide.

As a result of *OneDo* activities, the Company posted KRW 48.1 billion in financial performance created from expanded income, cost-savings, and lower opportunity costs.

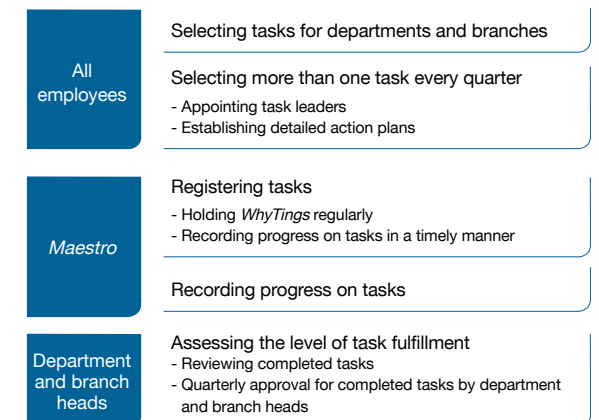
### The OneDo Emblem



### The OneDo System



### The WhyTing Process



### Rewards for OneDo

Classification	Frequency	Details	Rewards
<i>WhyTing</i>	Quarterly	Teams that excel in performance of tasks	Prize money
<i>WhyDea</i>	Quarterly	Individuals who excel in proposals	Prize money
<i>Maestro</i>	Annually	<i>Maestro</i> who excel in leadership	Overseas training
Outstanding teams or individuals	Half-yearly	Individuals or teams who excel in performance related to proposals	Prize money



# A Corporate Culture Innovating toward Openness

## Corporate Culture Improvement Programs

### The Smile & Hello Campaign

Greetings are the most basic and easiest ways to show respect and friendliness toward customers and colleagues. In the first half of 2010, Woori Investment & Securities implemented a Smile & Hello Campaign with the participation of all officers and employees, thereby promoting courteous etiquette throughout the Company and reinvigorating the work environment.

The campaign encourages the use of expressions of delight, cheerful greetings, kindness in telephone conversations, and polite elevator etiquette. Since the introduction of the campaign, the Company has obtained positive reactions from employees, including warmhearted greetings in main lobbies, elevators, and hallways between employees who had not met each other before.



A Poster for the Smile & Hello Campaign

### "My Workplace Influences Me"

The workplace is the largest part of an employee's daily life, and engagement and pride in the workplace depend on how organized and clean one keeps the workplace. Thus, Woori Investment & Securities has launched a campaign called "My Workplace Influences Me," which aims to create a positive, productive environment that enables employees to concentrate on their duties. Led by Maestros, all employees voluntarily participate in the campaign by cleaning up and organizing desks, drawers, and bookshelves, minimizing the number of documents, and prohibiting smoking in office areas.

### Fun Day

Once a month, the Company holds a Fun Day to encourage employees to leave the office on time and enjoy cultural activities together. By assisting in cultural expenses and in-company promotional activities, the Company helps employees to create a happy, productive work environment and to enhance teamwork. Twice a year since it was introduced in 2010, the Company has held an open contest for Fun Day.

### "Exciting Quality"

To accomplish its goal of becoming Korea's best overall financial investment institution by 2011, the Company has changed many of its work processes. Under the slogan of "Exciting Quality", customers are provided with products and services that exceed their expectations and extend their imaginations. Corporate officers and employees, as well, cultivate their work environments in ways that add to their own happiness. Every quarter, the Company selects ideas from employees and rewards their excellence as examples demonstrating the concept of Quality that Excites in sales, CS, and relations with colleagues

### Group Mentoring and Open Lectures

In 2010, Woori Investment & Securities introduced a group mentoring system covering a wide range of topics. Through small-scale mentoring groups and outdoor activities to augment regular lectures, the system fosters horizontal communications within the organization.

The Company also offers lunch-hour lectures on various topics, thereby helping employees develop their knowledge of new areas and to better understand major trends within the financial industry. Every first Friday, such lectures are offered on a wide range of topics, including humanities, science, culture, management, philosophy, and the arts. The Company continues to improve these lectures through employee surveys.



A Picture of "Delicious Sandwich," an Open Lunch-hour Lecture

## Fostering a Corporate Mindset to Be the Best

Through an advertising campaign entitled "A Company of Many Firsts," Woori Investment & Securities enhances public recognition of its excellence in businesses and services. In 2010, the Company received recognition as the best industry performer in 26 areas due to its efforts to foster a corporate mindset that is more appropriate for a best all-around financial investment company.

### Office of Achieving # 1

In December 2010, Woori Investment & Securities introduced the "Office of Achieving # 1" under the CEO to carry out strategies to become the best in every respect. The Office consists of core working groups representing the Company's key business units, including WM, wholesale, trading, and IB.

The Office informs employees the direction of the CEO and manages a database of "Number-One Indicators." To continue playing a leading-position in the market, the office also discovers and activates new businesses, determines deals which influence the Company's reputation, and ensures the creation of synergy between business units.

### No.1 Indicators

Woori Investment & Securities maintains "Number-One Indicators" classified into 58 criteria, including ROE, product diversification, individual productivity, and asset size. The indicators are more broadly classified into three categories: Operations, financial & productivity, and others.



## Cooperative Labor-management Relationship

In 2010, approximately 70% of employees participated in labor unions. By renewing collective agreements with labor unions each year, the Company guarantees the freedom of association and the right to collective bargaining and promotes reliable and cooperative relations between labor and management.

The Labor-Management Committee convenes every quarter and on demand. In the event of major changes in labor-management relations, all members of the committee meet to open briefing sessions. Labor unions receive notice of all collective bargaining meetings at least seven days prior to convening. Major changes in labor conditions and regulations are promptly reported to the labor unions.

www.woorinojo.or.kr

### Participation in Labor Unions by Rank and Gender

Unit : Number of persons

	Assistant general managers	Managers	Assistant managers	General employees	Total
Male	373	336	159	208	1,076
Female	56	123	130	685	994
Total	429	459	289	893	2,070

\* As of June, 2011

## Communication with Employees

### Open Communication with the CEO

#### CEO's Homepage

Through the CEO's homepage, Woori Investment & Securities provides a platform for sharing the management philosophy, vision, and other important messages with employees. The homepage is also used as a channel to collect employee complaints via interactive, direct communication with the CEO.

#### Hofday

To cultivate an open-door corporate culture, the Company holds "Hofdays with the CEO," an event between the CEO and employees at work sites. Held at the main office and regional branches, the event focuses on open-hearted conversation without formalities.

### Harmonization among Employees

#### Woori Dream Talks

In May 2010, "Woori Dream Talks," an event to encourage unity among employees, was held at the Woori Leadership Academy. Through this event, the Company provided employees with opportunities to rethink their visions of their own lives and the Company under the topic of "dream."



A Scene from the 2010 Woori Dream Talks

#### Amigote

"Amigote" means "buddy" in Spanish. It is a monthly periodical of the Company to the family of employees. The periodical shares the company's vision and provides news of employee activities and milestones. It also covers a full array of practical information for life, including travel, culture, and social issues.



# Advanced Partnership with Maximum Synergy

## Strengthened the Domestic and Overseas Partnerships

Woori Investment & Securities continues to strengthen its domestic and overseas cooperative relationships, thereby reinforcing its business competencies.

For instance, the Company is in the process of expanding its MOUs with partners as part of efforts to create greater customer and shareholder value, as well as developing products and attracting investors through an array of cooperative relationships. It is strengthening its investment network both globally and domestically and implementing a wide range of investment activities to maintain its edge in the Korean IB market – all major steps toward becoming one of Asia’s foremost regional players.

### Cooperation to Develop Products and Services

Through an MOU with Naver, Korea’s largest Internet portal, the Company has developed Woori Junior Naver Installment Fund, a product to promote healthy consumer habits among children and teenagers, thereby cultivating a sound investment culture from the earliest age.

In cooperation with the Korea Land & Housing Corporation (LH), the Company has also introduced the first mortgage-linked fund in the Korean investment industry, an initiative that corresponds with the Korean government’s policies to assist low-income families. By combining LH’s mortgage loans with the Company’s fund products, the fund helps low-income families attain their dreams of owning homes. Under the program, the Company sets aside a portion of its commissions as loan support for Customers who apply to LH for mortgages.

Through an MOU with the Construction Association of Korea, the Company also assists construction companies in achieving more effective asset management. The Company sells the housing bonds of member companies through special windows at branches. Preferential interest rates and customized financial consulting services are given to member companies to help them improve their convenience and economic value.

Through these close cooperative relationships, the Company continues to develop its financial services and create greater customer value.



An MOU with Korea Land & Housing Corporation

### Extending Business Horizons

Woori Investment & Securities is also expanding its partnerships with general agencies (GAs) to provide its customers with more professional, leading-edge financial products and systematic, tailored asset management.

The Company launched the industry’s first joint branches with a GA in 2008, when it entered into a strategic alliance with the Korea Financial Group (KFG) for the sale of products and the management of joint branches. Since then, it has signed MOUs with other GAs including Hankook Rich, Cais Investment, Bank Asset, and Dongbu Savings Bank.



An MOU with Korea Financial Group

### Venturing into Global IB Markets

The company continues to expand its presence in Southeast Asia. It launched its first joint local subsidiary in the region in Vietnam in 2007. Since then, it has opened an office in Kuala Lumpur and a local subsidiary in Indonesia, thereby participating actively in the region’s IB and linking local investors with their counterparts in Korea. To lay a bridgehead for entering local IB markets in Southeast Asia, the Company signed an MOU in 2007 with the AmBank Group, Malaysia’s premier financial services conglomerate, followed in 2010 by an agreement with Bahana Securities in Indonesia.

By signing an MOU in 2011 with China International Capital Corporation Limited (CICC), a leading player in China, the Company established a total coverage base for the financial markets of Greater China centered at a local subsidiary in Hong Kong. Thus, it also gained the opportunity to expand into other East Asian IB markets beyond the Southeast Asian region.



An MOU with China International Capital Corporation Limited

## Creating Synergy within Woori Financial Group

Woori Financial Group was established as Korea’s first financial holding company in April 2001 with the objective of evolving as a global player with a world-class competitive edge. As of 2011, the Group had 11 subsidiaries and 38 sub-subsidiaries. Through the creation of synergy among all subsidiaries, the Group has grown to become the largest financial conglomerate in Korea.

As one of these subsidiaries, Woori Investment & Securities plays a pivotal role in the development of the Group into a world-class financial institution, as well as in maximizing the creation of synergy within the Group.

### Maximizing the Creation of Synergy Group-wide

Woori Investment & Securities develops business models that contribute to the synergy with other subsidiaries, while also applying those models in its own business. As a result of this Group-wide synergy, the Company is able to provide customers with comprehensive financial solutions. It operates six complex branches and 17 joint branches with the Group’s banking subsidiaries. In 2010, the Company also implemented the Woori Bonus Family System, a loyalty program that rewards customers with preferential services when they conduct transactions with more than one subsidiary. The system provides these customers with summaries of their transactions across the Group.

The Company holds the highest synergy with Woori Bank, with which it maintains close links in several business areas. In 2010, the Company launched the Bank-Securities One Card, which links the Company’s CMA services with the Bank’s credit card service. The Company also launched services linked to Group accounts, a unity that enables its customers to deposit into, withdraw from, and transfer money across multiple Bank accounts.

In 2010, due in part to close cooperation with the Bank, the Company scored the highest points among securities companies in bidding for a housing fund wrap from the Ministry of Land, Transport and Maritime Affairs. Besides its relationship with Woori Bank, the Company also continues to expand IB-linked businesses through the networks of Kwangju Bank and Kyongnam Bank.

In 2011, the Company contributed to the Group’s effective funding activities through a series of outstanding trade operations. Depending on the credit ratings obtained by the Group, these operations may evolve into the Company’s strategic business model.

The creation of synergy also affects domestic branches, as well as overseas local subsidiaries.



The Scene Inside a Complex Branch

### Synergy among Key Businesses

In addition to the creation of Group-wide synergy, the Company is also implementing internal activities to create synergy between its businesses.

To strengthen synergy within the Company, it shares its core competencies among its key businesses, leading to better cycles for the generation of profits. For example, a matrix management system helps encourage its overseas offices and domestic departments to share expertise.

### The Group’s Integrated Data Center

In May 2010, the Company’s IT center merged with the Group’s Integrated Data Center.

As a top-tier smart data center equipped with green IT technologies, the integrated data center features an earthquake-resistant design rated to withstand magnitude-7 tremors. The Center also minimizes the risk of electrical power failures through a 24-hour emergency power generator array and dual power resources for overloads. The center also provides excellent security for its customer services through the latest systems, including a joint monitoring system.

Through the Integrated Data Center, Woori Investment & Securities expects to utilize its synergy from across the Group to protect customer information, while also sharing Group-wide infrastructure in the development of products and services, and providing a unified response to data errors.



A Picture of the Group’s Integrated Data Center



Opening Ceremony for the Group’s Integrated Data Center



# Be Harmonious & Responsible

54 Green Management and the Response to Climate Change  
57 Corporate Citizenship for Win-win Growth

## Our Approach

The scope of the Company's sustainability management broadens the environmental awareness of all members of society.

Based on active participation of employees, the Company conducts various green management Programs and expands sharing as a part of the local community.

## Progress & Achievement

Established a Green IT System

Expanded Opportunities for "Low Carbon, Green Growth" Businesses

Continued Diverse CSR Activities

## Strategic Direction

Reinforcing Systems to Cope with Climate Change and Assist in Expanding "Low Carbon, Green Growth" Activities

Conducting Full Strategic CSR Activities and Programs



# Green Management and the Response to Climate Change

## Management of Energy and Greenhouse Gas Emissions

Although its own operations have very little impact on the environment, Woori Investment & Securities actively participates in the Korean government's low-carbon, green-growth policy. The Company conducts a variety of activities to limit energy usage, greenhouse gas emissions, and resource consumption.

### Energy Usage

Woori Investment & Securities obtains its energy primarily from electrical power and liquid natural gas. Company vehicles use gasoline and diesel fuel.

To address rising concerns over energy consumption around the world and the inevitable connection between that consumption and greenhouse gas emissions, the Company makes every effort to control and save energy.

### Energy-savings

Every year, Woori Investment & Securities monitors energy savings in all of its main buildings. Based on the data it obtains through monitoring, the Company conducts cost-benefit analyses to compare the energy-saving targets set by each building with current usage.

The Company reduces energy consumption by adjusting schedules for cooling and heating systems, turning off unnecessary lights at offices, and installing LED lighting.

### Energy Savings at Buildings

Building	Energy-saving activities	
Head office	- Schedules adjusted for cooling, heating, and air filtration - Heat exchangers installed	- Hot water supplied on ground floors - Floor lamps replaced
Gwangju Building	- Schedules adjusted for cooling, heating, and air filtration - Hours of hot water supply reduced	- Uptime curtailed for ventilation systems in underground parking lots
Daejun Building	- Downtime extended for electrical signs	- Downtime increased for many machine rooms and hydroelectric power rooms
Ulsan Building	- Schedules adjusted for cooling and heating	- Uptime curtailed for ventilation systems in underground parking lots and machine rooms
Chuncheon Building	- Schedules adjusted for cooling, heating, and air filtration	- Downtime extended for electrical signs
Wonju Building	- Schedules adjusted for cooling, heating, and air filtration	- Usage of lamps reduced at offices
Busan Building	- Power factors managed - Schedules adjusted for cooling, heating, and air filtration - Conventional lighting replaced with energy-efficient systems	- Schedules adjusted for additional cooling and heating - Downtime extended on lighting fixtures
Suyeong Building	- Power factors managed - Switching systems separated - Footlights replaced - Schedules adjusted for cooling, heating, and air filtration	- Septic tank aeration times reduced - Downtime extended for lighting fixtures

Woori Investment & Securities assesses its annual energy and resource usage, reduction plans for all of its main buildings, and the resulting reductions in expenses. The Company is expanding its monitoring activities in order to save additional energy in the future.

### Greenhouse Gas Emissions

In 2011, the Korean government promulgated new targets for reductions in energy usage and greenhouse gas emissions. These targets required companies or workplaces which emit large amounts of greenhouse gases to report in a timely manner on emission volumes.

Although Woori Investment & Securities is exempt from these targets, it voluntarily installed a greenhouse-gas control system linked to the Group-wide system.

In September 2011, using this control system, the Company measured the volume of greenhouse gases emitted between 2008 and 2010 in 150 branches and facilities and completed third-party verification. Based on the energy consumption data it obtained, and with the volume of greenhouse gas emissions as a sum of direct (Scope 1) and indirect emissions (Scope 2), the Company emitted 29,475tCO<sub>2</sub> in greenhouse gases in 2010, revealing an increase from 2008.

Woori Investment & Securities is expanding its targets for the monitoring of greenhouse gases to include all workplaces, both owned and rented.

### Greenhouse Gas Emissions

	Unit : tCO <sub>2</sub>		
	2008	2009	2010
Scope 1	1,420	1,365	1,365
Scope 2	24,357	26,010	28,110
Total	25,777	27,375	29,475

### Energy Usage

	Unit	2008	2009	2010
LNG	Nm <sup>3</sup>	288,648	265,626	275,319
Diesel	ℓ	113,221	106,947	80,947
Kerosene	ℓ	165	-	-
Gasoline	ℓ	214,993	221,330	242,368
Electricity	MWh	51,828	55,314	59,767
Heating Systems	Gcal	976	1,059	1,192

### An IT System to Control Greenhouse Gas Emissions

Along with other subsidiaries in the Group, Woori Investment & Securities measures and sets targets for the reduction of greenhouse gas emissions. In 2010, the Company installed an IT system specifically to regulate emission sources and levels. The system detects emissions and gathers data at each branch. Using this data, the Company identifies sources of high greenhouse gas emissions then provides specific rates and methods of reduction. The system includes a carbon calculator which enables employees to check emissions from daily operation and to pursue appropriate reductions, thereby elevating their awareness of emissions.



Introductory Page for the IT System Controlling Greenhouse Gas Emissions



Picture of a Carbon Calculator

### Carbon Disclosure Project

With 60 countries participating, the Carbon Disclosure Project (CDP) is a global project in response to climate change. Among the participants are many of the world's leading financial and investment institutions, including major pension funds. Currently, more than 2,500 corporations around the world disclose data on their carbon emissions in surveys as requested by the project, including crisis and opportunity factors and countermeasures to climate change.

Woori Investment & Securities joined the CDP as a signatory in 2011, and each year since 2009, it has disclosed information on its carbon emissions in order to respond to rising demands for corporations to play a greater role in addressing climate change. In so doing, it also increases its role as a responsible member of the financial sector.

**CARBON DISCLOSURE PROJECT**

## Green Offices Saving Resources

### Resource Consumption

In 2010, Woori Investment & Securities consumed 89,029 m<sup>3</sup> of water and 9,826 boxes of paper. By recognizing those two as major resources, the Company manages the related data.

### Water and Paper Consumption

	Unit	2008	2009	2010
Water	m <sup>3</sup>	96,585	99,016	89,029
Paper	Box	10,435	10,174	9,826

\* 1Box=2,500 Pages of Paper

### Resource-saving Activities

Woori Investment & Securities makes every effort to reduce its water usage, particularly cold water, in each of its main buildings.

The Company also implemented an electronic approval system in 2010 to reduce the volume of paper used for photocopying, printing, and contract forms. During 2010, 55,230 proposals were approved electronically, thereby reducing consumption by 348 boxes compared to 2009.

### Woori Office, a Mobile Office System

In 2010, the Company launched Woori Office, a mobile system to increase efficiency, reduce resource consumption, and minimize the impact caused by the movement of employees. Through this system, the Company is adapting to rapidly changing markets and providing timely solutions to customers, increasing customer satisfaction and minimizing the effect on the environment.



A Monitor for the Mobile Office System



# Green Management and the Response to Climate Change

## Eco-friendly Businesses ★

In response to the Korean government's policy of low carbon, green growth and the rising interest in environmental issues domestically and overseas, Woori Investment & Securities creates business opportunities in the environmental sector and contributes to green growth.

Accordingly, the Company is exploring new business opportunities in renewable energy and carbon emissions, as well as aggressively expanding investment in green industries. In so doing, Woori Investment & Securities continues to establish cooperative relationships with overseas corporations and to contribute to the growth of green industry as a part of the global IB market.

### Korean Government Policy on Green Financing

In January 2009, the Korean government declared 17 industries in 3 categories to be new growth engines for economic development. Accordingly, the government has implemented a range of action plans to reinvigorate related financial activities, which include the raising and management of an investment fund for new growth engines, establishment of a fund inflow system in pace with green industry growth, and the launch of a green certification\* system.

Currently, action plans are proceeding in two categories: policy and private financing, and financial infrastructure and investment environments. Through these plans, the government seeks to motivate companies that show promise in green technologies with reliable financial support and to develop a friendlier investment environment, particularly in capital markets, for new growth fields. As a leading private investment company that understands these changes in the financial markets, the Company makes every effort to support businesses that qualify as new growth engines.

### Green Industry Investment Fund

Social Responsible Investment (SRI) funds are invested primarily in companies that fulfill their social responsibilities from the perspectives of environment, social development, and corporate governance. Woori Investment & Securities has developed a Green Industry Investment Fund that mostly invests in eco-friendly businesses, including companies that participate in green projects or produce eco-friendly products, and suppliers in the renewable energy industry.

Woori Investment & Securities sells 17 financial products, amounting to KRW27.4 billion, related to green growth and eco-friendliness.

### Assisting in Financing Green Businesses

Through precise value reviews provided by an investment information center, the Company advises investors on how to buy stock in undervalued green businesses that use green technologies. It also assists undervalued green businesses in obtaining capital increases or making initial public offerings.

### Investment in Green Companies and Projects

Woori Investment & Securities indirectly invests in green projects, including the overseas projects of Korean companies possessing high potential in nuclear technologies, projects that acquire carbon emission rights, and projects that produce propellers for wind power generation.

In addition, the Company activates principal investment in promising green businesses. In 2011, as an example of effective principal investment, the Company invested KRW 20 billion in a green company that produces photovoltaic power systems, as well as KRW 5 billion in a manufacturer of photovoltaic cell modules. The Company assists the funding activities of green businesses which possess promising technologies in the renewable energy sector, but which have difficulty obtaining funding, through a variety of methods in financing, such as underwriting of convertible bonds.

### An Example of Renewable Energy Investment

In 2010, Woori Investment & Securities raised KRW 110 billion in funds for industries designated as new growth engines. Through these investment activities, the Company has greatly contributed to the development of the nation's new growth engines, including energy, environment, and IT, thereby maintaining its reputation as a leading fund manager for these industries.

#### Investment in New Growth Engine Businesses

Industries	Investment targets
Energy	<ul style="list-style-type: none"> <li>- Manufacturers of equipment and materials for electric power generation</li> <li>- Manufacturers of equipment and materials for photovoltaic power generation</li> <li>- Manufacturers of equipment and materials for wind power generation</li> </ul>
Environment	<ul style="list-style-type: none"> <li>- Companies handling greenhouse gas emissions</li> <li>- Companies possessing water treatment technologies</li> <li>- Companies possessing waste treatment technologies</li> </ul>
IT	<ul style="list-style-type: none"> <li>- Developers of equipment and materials for miniature semiconductors</li> <li>- Companies possessing domestically developed technologies for 4G telecom and smartphones</li> <li>- Companies possessing 3D TV technologies, developers of LCD materials</li> </ul>
Others	<ul style="list-style-type: none"> <li>- Manufacturers of equipment and components for LED and AMOLED</li> <li>- Companies related to secondary battery technologies and fuel cell vehicles</li> </ul>

\* Green Certification is a government initiative to relieve the burden on private investment through verification on green technology and a feasibility test of green businesses. It also encourages voluntary investments from the private sector, thereby promoting the rapid growth of green technologies, markets, and industries.

# Corporate Citizenship for Win-win Growth

## Direction and Organizations of Social Contribution

In 2005, Woori Investment & Securities unveiled "Bright world with us," a slogan for its social contribution programs. The slogan conveys the Company's commitment to the happiness of its customers as a good neighbor and faithful partner. Under this slogan, the Company implements a wide range of corporate social contribution (CSR) activities, including social welfare, scholarships and academic financing, culture and the arts, sports, and volunteer activities for regional communities.

Woori Investment & Securities continues to grow with its stakeholders through differentiated CSR systems and programs to encourage employee participation, and through active communications with regional communities. Furthermore, as Korea's representative securities institution, the Company strives to become a workplace where employees can dream and take pride.

### Special Office for CSR

In November 2010, the Company launched the Office of Corporate Social Responsibility for efficient communication of its CSR activities. The office is in charge of planning all company-wide CSR activities, as well as assisting each department and division in pursuing CSR activities. Ultimately, the office embeds CSR activities into the corporate culture.

### Encouraging the CSR Activities of Employees

Through the Volunteer Management System (VMS), Woori Investment & Securities encourages employee participation in CSR activities and raises the awareness of employees who do not participate. The system enables the Company to manage its CSR activities with systematic approaches and to certify CSR activities. With the firm base laid by the system, the Company expects that participation targets will extend to the families of employees and even to customers.

The Company also assists employees in charge of CSR activities in outside personal education programs, and encourages employees to share opinions on CSR activities through informal meetings.

### Support for Multicultural Families

To demonstrate its respect for cultural minorities in Korean society, Woori Investment & Securities offers support to multicultural families.

In January 2010, the Company organized a group wedding ceremony for multicultural couples at a sports complex in Daegu. Through the variety of events, contests, and recreational activities featured, the Company provided some happy memories for the just-married multicultural couples – memories that removed linguistic and cultural barriers.

In April 2010, the Company held a song contest for multicultural families to encourage understanding of diverse cultures in regional communities. The contest also provided an occasion for employees to enjoy folk games and traditional food from six countries, including China, Vietnam, and the Philippines, thereby contributing to meaningful exchange and understanding of cultures.



### Social Volunteer Groups

In addition to company-wide CSR activities led by the Office of Corporate Social Responsibility, the Company also provides support for employees in volunteer groups. This support strengthens the sense of unity among employees, increases their sense of pride in the Company, and promotes active communication with regional communities.

#### Social Volunteer Groups and Activities

Groups	Members	Date created	Annual volunteer hours	Major activities
Keepers for sharing (Daegu regional HQ)	72	July 2005	26 hours	Free meals, sharing of coal, kimchi sharing, free beverages to regional nursing homes, and donations
Paper airplane	68	Oct. 2005	80 hours	Meal service to aged at a social welfare center on every Wednesday, and support for facility and meal expenses
Sharing of love	42	Feb. 2006	25 hours	Sharing of new year's day food with senior citizens who live alone, kimchi sharing, financial support for living expenses, support to children from broken families
Blue sky	62	Dec. 2005	70 hours	Sisterhood with orphanages for gift-giving to orphans

#### Major Performance of CSR Activities

Details	Results
No. of participants in CSR activities in a year	3,617 people
Hours of CSR activities in a year	12,521 hours
Hours of CSR activities per employee	3.47 hours / person
Expenditure for CSR activities	KRW 963 million

# Corporate Citizenship for Win-win Growth

## Social Welfare and Regional Communities Supports

### One Company, One Village

Each year, Woori Investment & Securities holds a campaign called "One company, one village" to reinvigorate Korean rural economies. During this campaign, the Company provides KRW 60 million to purchase agricultural products. The agricultural products purchased in the campaign are given to underprivileged neighbor during holidays, fulfilling the true meaning of CSR activities.

In May 2010, some 70 employees volunteered to help farming families at the Company's Sisterhood Village. The Company is planning additional volunteer activities to continue helping rural families.



### Nurturing the Next Generation

In August 2010, the Company signed a sisterhood agreement with "Hansarang local youth center" to help teenagers and children in low-income families. The Wholesale Division of Woori Investment & Securities coordinates activities.

In August 2010, under this sisterhood agreement, the Company organized a program called Happy Summer Camp, with 10 employees participating as marshals.



### The "Rice of Charity" Campaign

In November 2010, in cooperation with the Global Together volunteer organization, the Company helped organize a campaign called "Rice of Charity," during which it delivered rice to low-income families in an area that had recently suffered heavy rain.

In December 2010, the Company held a "Rice of Charity" event at a social welfare center, where 250 bags of rice were delivered to 50 senior citizen centers.



## Helping Our Underprivileged Neighbors

During the 2010 holiday season, the Company held a charity event for the underprivileged called "Let's Make Love Lunch Sets" in the auditorium at its headquarters. With 70 employees participating, lunch sets were delivered to 2,226 recipients in conjunction with World Vision, an international relief organization.

The Company also participated in a volunteer activity organized for the elderly by the Woori Financial Group. During the event, employees treated recipients with special meals and New Year's Day gifts. As part of its "One Company, One village" campaign, more than 1,200 bags of apples and rice were also purchased and delivered.

The Company is seeking additional opportunities to visit the underprivileged during holidays, thereby better understanding and supporting them.



## Financial Education and Scholarship

### Children's Economics Camp

Since 2003, the Company has offered Economics Camps for the children of customers. With a hands-on, experiential approach, these educational camps help guide children in developing healthy views of economics and consumerism – values that are not commonly taught in most educational programs. Through such programs, the Company helps children develop into leaders for the next generation.



Octo Junior Economics Camp Held in August

### Tree of Hope Scholarship Program

Between 2005 and 2010, the Company supported 143 high school students from needy families with a total of KRW 460 million through a scholarship program called Tree of Hope. In March 2011, the Company held a home-coming day to celebrate the students' entrance into universities with assistance from these scholarships. With academic assistance programs such as Tree of Hope, the Company demonstrates its respect for students – respect which outlasts the financial support.

## A Letter of Thanks from a Tree of Hope Scholar

"I will return this kindness to society."

Jun-hyuk Han, high school student

First, I would like to express my gratitude to everyone who has helped me. I am always especially thankful for my parents, who work hard to give their three children opportunities to study despite unfavorable economic conditions. I do not know how to repay the interest and consideration that everyone gave me when I felt discouraged. Thanks to their helping hand, I was able study hard without worrying about the financial burden, and I was finally able to enter Korea University. I am so proud of all the contributors to the Tree of Hope at Woori Investment & Securities. You provide so much help to students like me who come from needy families.

(An excerpt from the student's letter)



### Open Investment Competition for University Students

To cultivate a healthy investment culture, the Company held an open investment competition for university students in November 2010. For students who attained the highest rankings in the competition, the Company provided scholarships and internship opportunities. The Company expects the competition to provide a model for solving the high unemployment rates that currently affect college graduates.

## Culture and Arts, and Sports

### Support for Sports Events

Since 2008, the Company has sponsored a women's golf championship, which has in turn contributed to the discovery of talented players in women's golf. In April 2011, the Company introduced a professional golf team featuring nine players. During off-season, the players will participate in a variety of CSR activities, including volunteer activities and financial donations. In May 2011, they visited unfortunate patients in a hospital and presented donations.



The Company's Professional Golf Team Visited Unfortunate Patients

### An MOU to Support the Theater Industry

In June 2010, the Company signed an MOU with the Seoul Theatre Association (STA) to provide financial support for theater troupes. Under this MOU, the Company regularly purchases admission tickets from these theater groups, which are associated with the STA. In particular, by allocating 20% of ticket purchases to financially struggling theatre groups, the Company seeks to support the theater industry and to promote art among its staff, employees, and customers.



# Corporate Citizenship for Win-win Growth

## The Woori Angel Fund

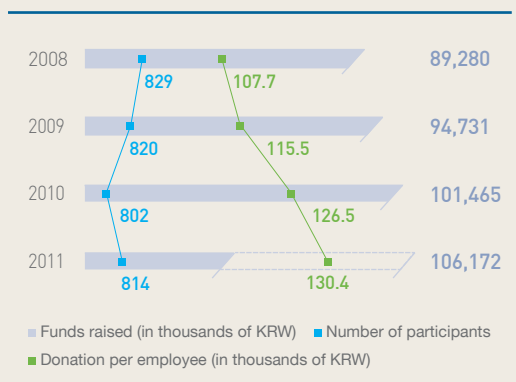
In partnership with the international relief organization World Vision, each month since 2005 the Company, together with its staff and employees, has provided financial support to the needy through the Woori Angel Fund. By matching contributions from its staff and employees, the Company donates a monthly average of KRW 1.6 million to various social service organizations.

The Woori Angel Fund is an essential financial resource for World Vision in its many relief programs, and as such it is earning a reputation as a role model for various other institutions.

Inside the Company, the Fund has become a part of corporate culture through the active participation of employees. Beyond indirect involvement in fund-raising, employees are able to participate directly in CSR activities as they give to people in need.

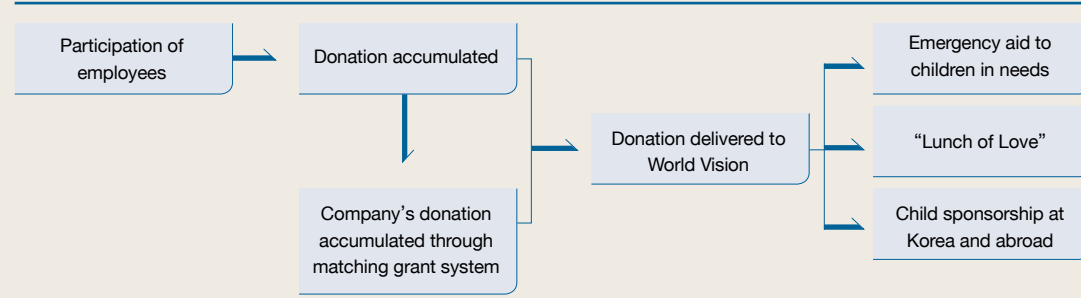
Currently, 800 employees participate in the Fund, raising KRW 106.2 million since 2008. The amount of donation per employee has also grown year by year. The Company will continue to encourage employee participation in the Fund as an important part of their CSR activities, thereby further increasing the volume of CSR activities.

## SPECIAL CASE



\* The numbers are anticipated based on data as of the first half of 2011

### Management Process of Woori Angel Fund



- 62 Independent Assurance Statement on Sustainability Management
- 64 Independent Assurance Statement on Greenhouse Gas Inventory
- 66 GRI Index
- 70 UNGC Principle
- 71 ISO26000 Standard
- 73 Awards / Memberships
- 74 Financial Terminology
- 75 Voice of Stakeholders

# Appendix



# Independent Assurance Statement on Sustainability Management

## To the Readers of the Sustainability Report of Woori Investment & Securities

### 1. Introduction

This auditor was asked by Woori Investment and Securities Co. (Woori I&S) to independently review information specified in its 2010 Sustainability Report. The management of Woori I&S is responsible for the production of this sustainability report. The responsibility of the auditor is to express his or her opinions on whether this report is produced in conformity with the GRI G3.1 Guidelines and GRI Financial Services Sector Supplement (FSSS).

### 2. The Scope of Assurance

The sustainability report of Woori I&S contains the company's efforts at sustainability management and performances of the activities of core issues for stakeholders in three areas: the economy, society and the environment. This auditor reviewed the following:

- Whether financial data was properly extracted from Woori I&S's 2008, 2009 and 2010 financial reports or not, and
- Whether information in the social and environmental sectors is correct and unbiased and data management systems are reliably managed or not.

### 3. Assurance Criteria

The auditor reviewed the report in accordance with Chung-Ang University's Assurance Protocol for Sustainability Reporting (CAU-APSR).

\* The CAU-APSR is based on the following:

- Global Reporting Initiative(GRI) Sustainability Reporting Guidelines 3.1
- AA1000AS(2008) Assurance Standard from Accountability
- International Standard on Assurance Engagements 3000(ISAE3000) from IFAC

### 4. Independence

Except for the third-party assurance report, the auditor has no relationship for a commercial purpose with Woori I&S.

### 5. Major Assurance Procedures

The auditor carried out assurance activities by following these steps.

- Phase I : The auditor conducted an overall evaluation by drawing up an assurance plan with the management of Woori I&S, reviewing the draft and searching various sources.
- Phase II : The auditor interviewed the management and key staff members of Woori I&S at the headquarters of the company and together, the auditor and company personnel checked the draft. At the same time, the auditor carried out an evaluation of the quality of the data management system.
- Phase III : The auditor put results of reviews and analyses together, wrote the content of analyses and discussions in documents and in the final step, produced the assurance report.

### 6. Conclusion

The auditor has judged that the report strictly follows the GRI G3.1 Guidelines and GRI Financial Services Sector Supplement (FSSS) and does not have any significant errors or biases. The following are evaluations in accordance with detailed assurance principles of the CAU-APSR.

- Materiality : The auditor has found that the demands of stakeholders are properly satisfied by the ten core issues selected through the materiality evaluation.
- Completeness : In terms of the scope, boundaries and period of the report, the report does not omit important information and deals with diverse information in a balanced manner.
- Neutrality : This report provides neutral and unbiased information by minimizing the room for error, distortions or biases about the selection and report of information related to performances of sustainable management.
- Reliability : The accuracy and comparability of information in the report is well maintained. The quality of information collection, recording and delivery systems stands at a reliable level.
- Responsiveness : The level of information disclosure of the report and the company's explanations of policies, strategies and plans are judged to be thorough enough for the readers to evaluate the company's capabilities to deal with sustainability issues and efforts at sustainability.
- Stakeholder inclusiveness : The company selected stakeholders and encouraged them to take part via effective and systematic methods. Stakeholders' demands are appropriately feedback to corporate strategies and goals.

### 7. Opportunities for Improvement

In accordance with an assurance process conducted as stated above, we have suggested following recommendation to be improved and Woori Investment & Securities has accepted to implement.

- Woori Investment & Securities has established sustainability management strategy and rearranged corporate ESG activities with an objective of being Top Tier sustainable company By 2015. However, in order to incorporate sustainability performance into corporate value, it is required to keenly integrate sustainability management strategy with existing corporate management strategy and to reflect to management systems throughly so that Woori Investment & Securities can create substantive corporate performance.
- To become a Global leading Investment Bank, It is required for Woori Investment & Securities to find out diverse strategic tasks and to reflect them into 'Vision 2015 sustainability management road map'.



September, 2011  
 Ji-in Jang,  
 Director, Accounting Research Institute, Chung-Ang University,  
 Chairman of CDP-Korea, Ph.D. Business Administration

장지인

# Independent Assurance Statement on Greenhouse Gas Inventory

## 1. Introduction

DNV Certification Ltd. (hereinafter referred to as "DNV") was commissioned to verify Greenhouse Gas Emissions from the calendar year of 2008~2010, based upon a limited level of assurance. Woori Investment & Securities Co., Ltd. (hereinafter referred to as "Woori Investment & Securities") is responsible for the preparation of the GHG emissions data on the basis set out within the WRI/WBCSD GHG protocol : 2004 and the principles set out in ISO 14064-1 : 2006. Our responsibility in performing this work is to the management of Woori Investment & Securities only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

## 2. Scope of Verification

The emissions data covered by our examination comprise Direct GHG Emissions(Scope 1 emissions, emissions from Stationary combustion, Mobile emission) and Energy indirect emissions (Scope 2 emissions, Emissions from purchased electricity and steam) at the following scope in Korea as provided in the statement :

- Reporting period : Calendar year of 2008~2010
- Reporting boundary : Head office and 149 branch offices

## 3. Verification Approach

The verification was conducted by DNV in June, August, and September 2011 and performed in accordance with the verification principles and tasks outlined in ISO 14064-3 : 2006. DNV planned and performed the verification work to obtain all the information deemed necessary to provide us with sufficient evidence so that verification opinion can be concluded regarding the completeness of the statement dated on 17th August 2011 and the reported emission figures in ton CO<sub>2</sub> equivalent.

The verification team carried out the desk review on the statement as well as the relevant evidences and conducted the site visits as parts of the verification activities.

## 4. Conclusion

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions data indicated below are not materially correct except the qualification given below. The GHG Emissions of Woori Investment & Securities for the year from 2008 to 2010 were confirmed as below :

- Recommendation : It is recommended that the responsible for GHG data gathering be trained and QA/QC be performed on a regular basis.

Operational boundary	Unit : ton CO <sub>2</sub> -eq		
	Yr. 2008	Yr. 2009	Yr. 2010
Direct emissions(Scope 1)	1,420	1,365	1,365
Energy indirect emissions(Scope 2)	24,357	26,010	28,110
Total	25,777	27,375	29,475



16<sup>th</sup> September 2011  
Seoul, Korea

Tae-Ho Kim  
Lead verifier

In-Kyoon Ahn  
Country Manager

DNV Certification Co., Lt

# GRI Index

## Abiding by the G3.1 guidelines

The Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines have been developed in response to the increasing numbers of organizations that publish sustainability reports. While following the G3 guidelines promulgated in 2006, the GRI has witnessed the difficulties that organizations have in measuring indicators of social issues. The GRI has also faced challenges encouraging organizations to disclose information on their efforts to diversify, including gender equality. Thus, the GRI introduced the G3.1 guidelines in March 2011 as a result of years of research by working groups covering comprehensive areas in human rights, local communities, and gender issues. In adherence with G3.1 guidelines, Woori Investment & Securities also publishes sustainability reports to play a leading role in sustainability management.

\* Founded in 1997 mainly by the Boston-based non-profit CERES and United Nations Environment Programme (UNEP), the Global Reporting Initiative (GRI) is a network-based organization that produces a comprehensive sustainability reporting framework widely used around the world.



● -Fully reported, ◐ -Partially reported, ○ -Not reported

GRI Index	Description	Level of disclosure	Page
<b>Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization	●	2-3
1.2	Description of key impacts, risks, and opportunities	●	6-7
<b>Organizational Profile</b>			
2.1	Name of the organization	●	8
2.2	Primary brands, products, and/or services	●	27-28
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	●	8-9
2.4	Location of organization's headquarters	●	8
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	●	8-9
2.6	Nature of ownership and legal form	●	25
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	●	8-9
2.8	Scale of the reporting organization	●	8
2.9	Significant changes during the reporting period regarding size, structure, or ownership	●	10-11, 25
2.10	Awards received in the reporting period	●	73
<b>Report Parameters</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	●	Front cover
3.2	Date of most recent previous report (if any)	●	Front cover
3.3	Reporting cycle (annual, biennial, etc.)	●	Front cover
3.4	Contact point for questions	●	Back cover
3.5	Process for defining report content	●	16-17
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	●	Front cover
3.7	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope)	●	Front cover
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	●	Front cover
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	●	Front cover, 54
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	●	First time reporting
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	First time reporting
3.12	Table identifying the location of the Standard Disclosures in the report	●	66-69
3.13	Policy and current practice with regard to seeking external assurance for the report	●	Front cover, 62-65
<b>Governance, Commitments, and Engagement</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	◐	10-11
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	10
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	●	10
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	10
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	●	11
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	10
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	●	10
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	●	12, 38, 57

GRI Index	Description	Reference	Level of disclosure	Page
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles		●	10-11
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance		●	11
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization		●	22-23
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		●	55, 70
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations		●	73
4.14	List of stakeholder groups engaged by the organization		●	14-15
4.15	Basis for identification and selection of stakeholders with whom to engage		●	14
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		●	14-15
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting		●	15
<b>Economic</b>				
<b>Disclosure on Management Approach</b>				21
EC1	Direct economic value generated and distributed	Distribution of economic value by stakeholder, Economic value generated directly by the Company	●	18, 24
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risk management, Eco-friendly products development, Green business supports	◐	22-23, 28, 56
EC3	Coverage of the organization's defined benefit plan obligations	Welfare and benefit program (including retirement pension)	◐	45
EC4	Significant financial assistance received from government	Zero	●	-
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Range of ratios of standard entry level wage compared to local minimum wage (basic salary besides incentives)	◐	44
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Internal management system development in process	○	-
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Internal management system development in process	◐	-
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Social welfare, Local communities supports, Financial education, Scholarship, Sports or cultural and Arts supports	●	58-60
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Economic value distributed by stakeholder, Eco-friendly and social-friendly products development	●	18, 28
<b>Environmental</b>				
<b>Disclosure on Management Approach</b>				53
EN1	Materials used by weight or volume	Use of paper	●	55
EN2	Percentage of materials used that are recycled input materials	No use of recycled input materials	○	-
EN3	Direct energy consumption by primary energy source	Energy consumption, including gas, gasoline, diesel, etc.	◐	54
EN4	Indirect energy consumption by primary source	Energy consumption, including electricity	◐	54
EN5	Energy saved due to conservation and efficiency improvements	Energy-savings at the head office and other buildings, Resource reduction programs	●	54-55
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Not applicable (Excluding new growth engine businesses investment)	●	-
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Energy-savings at the head office and other buildings, Green offices by saving resources	●	54-55
EN8	Total water withdrawal by source	Use of water	◐	55
EN9	Water sources significantly affected by withdrawal of water	Not applicable (Use of public water supply)	●	-
EN10	Percentage and total volume of water recycled and reused	No reuse or recycle of water	●	-
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable (No ecological reserves)	●	-
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not applicable (No ecological reserves)	●	-
EN13	Habitats protected or restored	Not applicable (No ecological reserves)	●	-
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Not applicable (No ecological reserves)	●	-
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not applicable (No ecological reserves)	●	-
EN16	Total direct and indirect greenhouse gas emissions by weight	Greenhouse gas emitted from management activities	●	54
EN17	Other relevant indirect greenhouse gas emissions by weight	Greenhouse gas emitted from management activities	●	54
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Greenhouse gas emission management IT system, Energy-savings at the head office and other buildings, Resource reduction programs	◐	54-55
EN19	Emissions of ozone-depleting substances by weight	Not applicable (No emissions of ozone-depleting substances)	●	-
EN20	NOx, SOx, and other significant air emissions by type and weight	Not applicable (No NOx, SOx, and other significant air emissions)	●	-
EN21	Total water discharge by quality and destination	Not applicable (Integrated sewerage treatment system)	●	-
EN22	Total weight of waste by type and disposal method	All waster material treated in compliance with laws	●	-
EN23	Total number and volume of significant spills	Not applicable (All waster material treated in adherence with laws)	●	-
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Not applicable (No transported, imported, exported, or treated waste)	●	-



GRI Index	Description	Reference	Level of disclosure	Page
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Not applicable (No ecological reserves)	●	-
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Greenhouse gas emitted from management activities	●	54
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not applicable (No packaging materials due to the industry)	●	-
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No violations recorded in compliance with environmental laws and regulations	●	-
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Use of oil used for the Company's vehicles	●	54
EN30	Total environmental protection expenditures and investments by type	Development and sales of green industry investment fund, Investment in green businesses and projects	●	56
<b>Labor</b>				
<b>Disclosure on Management Approach</b>				37
LA1	Total workforce by employment type, employment contract, and region	Total workforce by employment type, employment contract, and region	●	41
LA2	Total number and rate of employee turnover by age group, gender, and region	Total number and rate of employee turnover	●	41
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Welfare and benefits program, Employees satisfaction improvement program	●	45
LA4	Percentage of employees covered by collective bargaining agreements	Labor union activities, Labor-management council	●	49
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Notice about significant operational changes, minimum notice period	●	49
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Composition of employees represented labor unions	●	49
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Internal management system development in process	●	-
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Welfare and benefits programs, EAP	●	45-46
LA9	Health and safety topics covered in formal agreements with trade unions	Labor unions activities, Labor-management council	●	49
LA10	Average hours of training per year per employee by employee category	Annual education hours per employee, expenses	●	43
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	WIS University, In-company HR development school, Core talent development program	●	43
LA12	Percentage of employees receiving regular performance and career development reviews	Rate of employees targeting for performance evaluation and career development	●	41, 44
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Rate of disabled, female workers, female managers	●	41
LA14	Ratio of basic salary of men to women by employee category	Rate between genders for basic salary	●	44
LA15	Return to work and retention rates after parental leave, by gender	Pre-and post-maternity leaves, Childcare leave	●	41, 45
<b>Human Rights</b>				
<b>Disclosure on Management Approach</b>				37
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Participation in UN Global Compact, Fulfillment of 10 principles	●	70
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Participation in UN Global Compact, Fulfillment of 10 principles	●	70
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Ethical management education programs, Sexual harassment prevention education	●	39, 41
HR4	Total number of incidents of discrimination and actions taken	No discrimination recorded	●	-
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	No labor disputes recorded	●	-
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Child labor prohibited	●	41
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	Forced labor prohibited	●	41
HR8	Percentage of security employee trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Internal management system development in process	○	-
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not applicable	●	-
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	All nations and major workplaces of the Company	●	8-9
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	Grievance treatment system	●	41
<b>Society</b>				
<b>Disclosure on Management Approach</b>				37, 53
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	CSR strategies and organizations, Social welfare, Local communities supports, Financial education, Scholarship, Sports or cultural and Arts supports	●	57-60
SO2	Percentage and total number of business units analyzed for risks related to corruption	Ethical management program, Monitoring of ethical management status	●	39-40

GRI Index	Description	Reference	Level of disclosure	Page
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Ethical management education program, Sexual harassment prevention program	●	39, 41
SO4	Actions taken in response to incidents of corruption	Ethical management program, Monitoring of ethical management status	●	39-40
SO5	Public policy positions and participation in public policy development and lobbying	Participation in the government's public policy to promote green financing	●	56
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Political intervention related guidelines are included in the code of ethics	●	38
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Compliance with regulations in investment advertisement, Enhancement of EMS process	●	40
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Enhancement of compliance	●	40
SO9	Operations with significant potential or actual negative impacts on local communities	No workplace recorded for negative influences	●	-
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	No workplace recorded for negative influences	●	-
<b>Product Responsibility</b>				
<b>Disclosure on Management Approach</b>				21
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Not applicable	○	-
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	No such incident	●	-
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Business performance and portfolio disclosed	●	25, 27
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Mis-selling of financial products avoided	●	32
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	CS program, VOC system, CS survey	●	30-32
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Development of guidelines for advertisement, abiding with Capital Market and Financial Investment Service Act and the guidelines of KSDA	●	40
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Development of guidelines for advertisement, abiding with Capital Market and Financial Investment Service Act and the guidelines of KSDA	●	40
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No. of data loss of customer information, violations for information securities regulation, penalty amount	●	32
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No. of data loss of customer information, violations for information securities regulation, penalty amount	●	32
<b>Financial Service Sector Supplement</b>				
<b>Disclosure on Management Approach</b>				5, 21, 37, 53
FS1	Policies with specific environmental and social components applied to business lines	Sustainability management of the Company	●	12
FS2	Procedures for assessing and screening environmental and social risks in business lines	Integrated risk management system, Greenhouse gas emission management system	●	22-23, 55
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Assessment of CS level, VOC system, Grievance treatment system, Financial product with post-sale services	●	30-32
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	CS education program, Ethical management education program	●	30, 39
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Eco-friendly product development, Development and sales of funds green industries investment funds, Investment in green businesses and projects, Assist of capital increases of green businesses	●	28, 56
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	The weight of eco-friendly products in total sales of products and services, Development and sales of funds green industries investment funds, Investment in green businesses and projects	●	28, 56
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	The weight of socially responsible products in total sales of products and services	●	28
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	The weight of eco-friendly products in total sales of products and services	●	28, 56
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Risk management system, Integrated risk management system	●	22-23
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Internal management system development in process	○	-
FS11	Percentage of assets subject to positive and negative environmental or social screening	Internal management system development in process	○	-
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Voting policies applied to environmental or social issues for shares over which the Company holds the right to vote shares or advises on voting	●	10
FS13	Access points in low-populated or economically disadvantaged areas by type	Network with Woori Bank, as well as Kwangju Bank and Kyungnam Bank	●	51
FS14	Initiatives to improve access to financial services for disadvantaged people	Development of mortgage-linked fund, Tree of Hope scholarship program	●	50, 59
FS15	Policies for the fair design and sale of financial products and services.	Monitoring of unfair trade, Money-laundering prevention system	●	39
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Junior economics camp, Open investment competition	●	34, 59

# UNGC Principle



## Enrollment in the UN Global Compact

In September 2011, Woori Investment & Securities enrolled in the UN Global Compact, an initiative seeking to promote responsible global citizenship. The Company complies with 10 universally accepted principles of the Compact in the areas of human rights, labor, environment, and anti-corruption.

In observance of the principles, Woori Investment & Securities continues to respect human rights and basic labor rights, to invest in and develop the products of eco-friendly businesses to cope with the world-wise environmental impacts, and to conduct programs in and reinvigorate monitoring of ethical management as a part of its corporate culture. Detailed actions and performance related to the 10 principles are reported in the pages presented in a table below:

### UN Global Compact Principles and Related Activities

Area	Principle	Related Activities	GRI	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	- Compliance with child labor prevention agreement, Prohibition of child and forced labors - Implementation of ethical management system, Efforts to raise employees' ethical awareness, Monitoring of ethical management	HR1 HR2 HR3 HR4 HR5 HR6 HR7 HR8 HR9	38-41
	2. Make sure that they are not complicit in human rights abuses	- Gender equality, Respect for diversity, Sexual harassment prevention activities	HR1 HR2 HR8	
	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	- Respect for Labor unions - Implementation of labor-management council	HR5 LA4 LA5	49
Labor	4. The elimination of all forms of forced and compulsory labour;	- Compliance with child labor prevention agreement, Prohibition of child and forced labors	HR7	41
	5. The effective abolition of child labour; and	- Compliance with Labor Standards Act	HR6	41
	6. The elimination of discrimination in respect of employment and occupation	- Guidelines of gender equality - Employment rate of the disabled and female workers, rate of female managers - Rate between genders for basic salary	HR4 LA2 LA10 LA13 LA14	41, 44
Environment	7. Businesses should support a precautionary approach to environmental challenges;	- Management and monitoring of energy consumption and greenhouse gas emission - Energy-savings through replacement of facilities and equipment - Participation in CDP	4.11	54-55
	8. Undertake initiatives to promote greater environmental responsibility; and	- Management and monitoring of energy consumption and greenhouse gas emission - Energy-savings through replacement of facilities and equipment - Implementation of greenhouse gas emission management IT system - Participation in CDP - Participation in the government's promotion of green businesses	EN5 EN6 EN7 EN10 EN14 EN18 EN26 EN27	54-56
	9. Encourage the development and diffusion of environmentally friendly technologies	- Implementation of greenhouse gas emission management IT system - Introduction of electronic approval system - Launching of a mobile office system	EN2 EN5 EN6 EN7 EN10 EN18 EN26 EN27	55
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	- Ethical Management Committee, Ethical Management Office and 201 Ethical Management Officers - Introduction of the code of ethics - Ethical management education program - Ethical management implementation program (including unfair trade monitoring, money-laundering prevention system, reporting of bribes, whistle-blower system - Monitoring of ethical management status - Compliance Newsletter	SO2 SO3 SO4	38-40

# ISO26000 Standard

## Complying with ISO26000

In November 2010, the International Organization for Standardization (ISO) introduced ISO26000, a guideline and standard, consisting of the seven core subjects of social responsibility : organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

As a voluntary international standard, the ISO26000 is not a management system standard, nor intended or appropriate for certification purposes or regulatory or contractual use. Even though ISO26000 does not contain requirements, Woori Investment & Securities is carrying out stakeholder-oriented management and is expanding the scope of its sustainability management based on the standard.

Core Subject	Issue	Related Activities	Page
Organizational governance		Inside BOD, Audit, Non-executive Director Nomination, Management, Management Compensation, and Risk Management Control Committees operated	9, 11, 22
	Due diligence	Audit Committee, Grievance treatment system	11, 41
	Human rights risk situations	Human rights protection to cultivate a corporate culture that respects employees	41
	Avoidance of complicity	No supports recorded for organizations that abuse human rights	-
Human rights	Resolving grievances	Grievance system, Cyber consulting for personnel	41
	Discrimination and vulnerable groups	Sexual harassment prevention activities, Compliance with the Equal Employment Opportunity Law, Employment rate of disabled, Prohibitions of child and forced labors	41
	Civil and political rights	Open communication with the CEO (CEO's homepage, Hofday with the CEO), Exchange and harmony among employees, Labor-management council held quarterly	49
	Economic, social and cultural rights	Vacation and leave, Sabbatical leave, Residential assistance, Health and medical assistance, Education of children, Retirement benefits, Family Day, and Informal clubs	45
Labor practices	Fundamental principles and rights at work	Compliance with child labor prohibition agreement, Labor Standards Act, ILO, and Collective Agreement	41, 49
	Employment and employment relationships	Status of employees, Human rights protection for employees (Gender equality, Diversity, Child and forced labor prohibition, Sexual harassment prevention), Cooperative labor-management relationship	41, 49
	Conditions of work and social protection	Vacation and leave, Sabbatical leave, Residential assistance, Health and medical assistance, Education of children, Retirement benefits, Family Day, and Informal clubs	45
	Social dialogue	Corporate culture innovation : OneDo, Organizational culture improvement, Cooperative labor-management relationship, Communication with employees	47-49
The environment	Health and safety at work	Health and medical assistance (welfare and benefit programs), Mental health supports, Employee Assistance Program (EAP)	45-46
	Human development and training in the workplace	WIS University, In-company HR development school, Core talent development programs	43
	Prevention of pollution	Energy-savings, Greenhouse emission management IT system, Resource consumption management, Electronic approval system, Mobile offices	54-55
	Sustainable resource use	Resource consumption management, Electronic approval system, Mobile offices	55
The environment	Climate change mitigation and adaptation	Energy-savings, Greenhouse emission management IT system, Resource consumption management, Electronic approval system, Mobile offices	54-55
	Protection of the environment, biodiversity and restoration of natural habitats	Development and sales of green industry investment fund, Investment in green businesses and projects	56

# ISO26000 Standard

Core Subject	Issue	Related Activities	Page
Fair operating practices	Anti-corruption	Monitoring of unfair trade, Money-laundering prevention system, Reporting of bribes, Whistle-blower system, Assessment of ethical management status	39-40
	Responsible political involvement	Political intervention related guidelines are included in the code of ethics, Participation in the government's public policy to promote green financing	38, 56
	Fair competition	Fair trade related guidelines are included in the code of ethics, Monitoring of unfair trade	38-39
	Promoting social responsibility in the value chain	Monitoring of unfair trade, Money-laundering prevention system, Reporting of bribes, Whistle-blower system	39
	Respect for property rights	Not applicable	-
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	Compliance with regulations in investment advertisement, Enhancement of EMS process	40
	Protecting consumers' health and safety	Financial product with post-sale services, Information securities, Financial investment presentation	32, 34
	Sustainable consumption	Sustainability products and services (Eco-friendly and social responsible products development)	28
	Consumer service, support, and complaint and dispute resolution	CS programs, VOC system, Financial product with post-sale services, Grievance treatment system, CS survey	30-32
	Consumer data protection and privacy	Information securities for customer safety	32
	Access to essential services	Not applicable	-
	Education and awareness	Mug Club service, Junior economics camp, Financial investment presentation, Official blog, Twitter, and Facebook accounts	33-34, 59
	Community involvement	CSR organizations, Employee CSR certification system, Volunteer activities, Social welfare, Local communities supports, Financial education, Scholarship, Sports or cultural and Arts supports	57-60
	Education and culture	Tree of Hope scholarship program, Junior economics camp, Sports support, MOU to support the theater industry	59
	Employment creation and skills development	Tree of Hope scholarship program	59
Community involvement and development	Technology development and access	Not applicable	-
	Wealth and income creation	Distribution of value with stakeholders, "One Company, One Village" campaign, MOU to support the theater industry	18, 58-59
	Health	Health exam, Medical assistance, Other employee welfare programs	45
	Social investment	Development and sales of green industry investment fund, Assist of capital increases of green businesses, Investment in green businesses and projects, Woori Angel Fund	56, 60

# Awards / Membership

## Awards

Date	Description	Sponsor
2011.01.25	2010 Korea Capital Market League Table Awards – Best Equity Linked Bond House	MoneyToday and thebell
2011.01.25	Won a Grand Prize at 2011 Korea First Brand (Comprehensive asset management)	Korea Consumer's Forum and Korea Economic Daily
2011.01.27	2010 Excellent Compliance Member Awards	Korea Exchange
2011.02.24	2011 Asia Economy Fund Awards – Named the 'best seller'	Financial Supervisory Service
2011.03.05	Won a Grand Prize at The 19th Korea Marketing Frontier Awards	Korean Marketing Association
2011.03.09	Won a Grand Prize at 2011 e-Biz Brand Innovation Awards (4th)	Korea Economic Magazine
2011.04.29	2011 Korea Herald Business Capital Market Awards – Won a 'Research winner'	Herald Business
2011.05.24	The 8 <sup>th</sup> Money Today IB Awards – Best Company/Best P/PEF Leader	MoneyToday
2010.10.28	2010 Korea Sustainability Management Award (Won an award by Ministry of Health-Welfare)	Korea Economic Daily
2010.07.06	Named the best customer-value product in asset management at the "2010 THE PROUD Awards"	KMAC
2010.05.19	Won the Best Derivatives Leader Award	MoneyToday
2010.04.23	2010 Capital Market Award(1B Grand Prize-KOFIA Award)	Herald Business
2010.03.18	Won "the Best Sales Company" (Grand Prize at the 1st Asia Fund Awards, a President of Korea Financial Investment Association Award)	Asia Business Daily
2010.02.19	Won a Grand Prize for having the most reliable brand chosen by consumers in the comprehensive asset management category	Chosun Daily
2010.01.20	Won the IB Award	Korea Economic Daily and Yonhap Infomax
2010.01.19	Best Equity House, Best IPO House, Best ELB (Equity-linked bond)House, Best SB (Straight bond)	MoneyToday and thebell

## Membership

Group	Purpose of Establishment	Date of Join
Korea Listed Companies Association	To protect rights and profits of listed companies, strengthen relationship, and protect investors	1975.09.30
The Federation of Korean Industries	To develop free market and sound development of national economy	1975.10.31
Korea Management Association (KMA)	To support business innovation and enhance competitiveness of companies, industries, and public sector	1982.11.31
Association of Listed Companies' Auditors	To figure out overall status of audit system and present improvement measures	1997.03.01
Korea M&A Association	To provide efficient corporate restructuring opportunity, prevent die out of useful corporate assets	2002.07.19
Korea Capital Market Institute	To suggest direction of capital market through studies on securities industry, financial products, and markets	2006.01.16
The Korea Employers Federation	To stabilize industry and promote economic development	2006.12.18
KOSDA	To seek development of domestic derivatives market through information sharing and improving derivatives business	2007.04.20
Seoul IB Forum	To enhance IB industry to global level, enhance value of financial industry	2007.10.08
Association of Compliance Officers	To share right compliance culture through survey, research, and training of Compliance system	2009.04.17
The Institute of Internal Auditors	To improve expertise of auditors, supplement internal audit system	2009.06.08
Korea CEO Research Forum	To study and assess CEO in a fair manner	2010.03.16
Korea Mecenat Association	To contribute to society and enhance competitiveness through support for culture and arts	2010.07.29



# Financial Terminology

## ABS (Asset Backed Securities)

It means a financial security backed by a loan, lease, or specific assets of a financial institution or a company. It is a derivative security, meaning by pooling a part of assets to ABS, securities are issued and principal and interests of the securities are redeemed with cash flow from ABS.

## CMA (Cash Management Account)

In direct meaning, it means cash account or comprehensive asset management account. It is a financial product which invests money deposited by customers into CP, CD, or government bonds and returns profits to the customers.

## CP (Commercial Paper)

It is a kind of short-term bill, which is issued by good credit-rated companies for the purpose of raising funds for operation of companies. At maturity, principal and interest should be paid in lump sum.

## CRS (Cross Currency Swap)

It means currency swap, meaning exchange cross currency at the beginning and ending of contract period. Also, exchange is exchanged along with principal. "CRS receive" means paying Won currency and receiving dollar, and "CRS pay" means the reverse.

## DLS (Derivatives Linked Securities)

It is similar to ELS, but has profit structure with interest rate, raw materials, or exchange rate as underlying assets.

## ELS (Equity Linked Securities)

Investment return is decided in accordance with changes in stock price or linkage with stock index. If certain condition is satisfied until maturity, decided yield is paid.

## ELW (Equity Linked Warrant)

Similar to ELS, it is linked to stock price. It means the right to sell or purchase underlying assets at agreed-upon price.

## FICC (Fixed Income, Currency, Commodity)

It means division to develop, operate, and sell derivatives related to FX, interest, and commodity. Based on interest rate, credit, commodity, and so on, it provides customized products including swap and option products.

## IRS (Interest Rate Swap)

It means exchange fixed interest and floating interest during agreed-upon period. "IRS receive" means receiving fixed interest and paying CD floating interest. The counter party's interest flow is called, "IRS pay."

## KOBA Warrant

It is the ELW where Knock-Out condition is assigned to general warrant. When price of assets arrives or exceeds Knock-Out Barrier, ELW will be no more effective. If price of assets arrives the decided price for knock-out, transaction will be immediately stopped, and such transaction item will be delisted. Then, the issue should pay residual value of the ELW to investor.

## MMF (Money Market Fund)

It is a financial product which invests into short-term financial products such as CP with maturity less than 1 year, CD, or Call so that fluctuation of interests can be rapidly reflected into fund yield.

## PSR (Price Sales Ratio)

It means the value by dividing stock price by sales per share (PSR = Price / Sales). It indicates the ratio of current stock price with sales per share, and also means expected value of growth of sales in the stand point of current stock price.

## RP (Repurchase Agreement)

It means bonds with repurchase agreement. A financial institution sells bonds with repurchase agreement and repurchases the bonds with some interest after agreed-upon period.

## SWAP

It means currency exchange transaction (E.g : dollar/Won), reflecting gap of interest rate of currencies of each party. It is used for exchange risk hedging, fund raising, or fund operating.

# Voice of Stakeholders

Woori Investment & Securities has published the first sustainability report. Making our best effort to disclose performance of last 3 years, we could found that there are still many parts to be improved. To provide more informative and meaningful sustainability report at next time, we would love to hear your opinion and expectation. Please give us your valued opinion on following survey through the e-mail or fax, we will sincerely consider each one of them in making sustainability report in the future. Thank you.

## 01 Which Stakeholder group do you belong to?

- ① Customer      ② Shareholder      ③ Business partner      ④ Employee      ⑤ Local Community  
⑥ Government      ⑦ Financial Institution      ⑧ Journalist      ⑨ Others(      )

## 02 Did this report help you understand sustainability activities in Woori Investment & Securities?

- ① Very helpful      ② Helpful      ③ Normal      ④ Not helpful      ⑤ Absolutely not helpful

## 03 Which part of the report were you most interested in?

- ① CEO message      ② Change for Sustainability      ③ Be Excellent & Proactive  
④ Be Professional & Synergetic      ⑤ Be Harmonious & Responsible      ⑥ Others(      )

## 04 Please rate each of the following Woori Investment & Securities' sustainability activities.

	Poor		Normal		Excellent
① Economic performance	1	2	3	4	5
② Social/environmental crisis and chance management	1	2	3	4	5
③ Customer satisfaction	1	2	3	4	5
④ Customer privacy protection	1	2	3	4	5
⑤ Customer complaint/grievance handling process	1	2	3	4	5
⑥ Ethics management and compliance	1	2	3	4	5
⑦ Training and education for officers/employees	1	2	3	4	5
⑧ Welfare benefits for officers/employees	1	2	3	4	5
⑨ Cooperative labor-management relationship	1	2	3	4	5
⑩ Internal/external partnership	1	2	3	4	5

## 05 Which aspect of the report were you most satisfied?

- ① Title of the report      ② Design of the report      ③ Table of contents      ④ Contents of the report      ⑤ Others

## 06 Please feel free to express your opinion or suggestion regarding Woori Investment & Securities' sustainability management.

# Publication of the Sustainability Report of Woori Investment & Securities

As the first sustainability report of Woori Investment & Securities, this report states the commitment of the Company to sustainable growth. With this report, the Company is establishing a firm basis for full-scale sustainability management.

A special task force was formed to produce this report. Organized by the Corporate Strategy Department, the TF consists of employees selected from each department. All participants of the TF were interviewed to measure the level of the Company's sustainability performance from an internal perspective. Strategic tasks were then selected and workshops were held to establish Company-wide sustainability management strategies and to better understand the publication of sustainability reports. This report has been published thanks to the interest and organic work processes of all the TF's members.

Woori Investment & Securities will continue to fulfill the expectations of stakeholders. Through this sustainability report and homepage, the Company will disclose timely data on its sustainability performance.

## Contributors

Organizers : Pyung-Ho Choi, Head of Strategy and Finance Division

Jung-Ho Kim, Young-Jae Choi, Tae-Young Ha in Corporate Strategy Department

### Task Force for Sustainability Reports

You-Seok Na, Office of Achieving #1

Sung-Ah Lee, Jung-Sik Kim, Mili Kim, Financial Planning & Control Department

Yon-Ju Jin, Global Strategy Department

Kyu-Sung, Mo Labor Union

Hun-Sang Sung, Jamie Wilson, Research Planning Team

In-Cheol Song, Risk Management Department

Ji-Hoon Kim, Marketing Department

Suh-Yyon Kwak, Legal Affairs Department

Sung-Hwan Lee, Kim Ducky, Office of Corporate Social Responsibility

Joon-Ho Heo, Product Development Department

Mu-Sang You, Dae-Chul Chae, Product Strategy Department

Yun-Chul Kim, Service Control Department

Jae-Seung Shim, WM Strategy Department

Jae-Hoon Kim, HR Department

Jae-Eun Jeon, HR Support Department

Dong-Il Choi, HR Development Department

Seok-Min Lee, Financial Management Department

Hong-Suk Choi, Yoon-Young Cho, Corporate Innovation Department

Sung-Joon Ko, Dong-Su Kim, General Affairs Department

Kyoo-Woong Yum, Compliance Department

Myung-Jin Ju, Chul-Soon Lim, Dong-Hyun Song, Public Relations Department

Jung Han, Alternative Investment Team

Sang-Won Jin, IB Strategy & Planning Department

Ji-Hyun Oh, Product Innovation Team

Byung-Hee Jung, Wholesale Planning Team

## For More Information on This Sustainability Report, Please Address Inquiries to :

Corporate Strategy Department, Woori Investment & Securities

Woori I&S Bldg. 23-4 Yeouido-dong, Yeongdeungpo-gu, Seoul 150-725, Korea

TEL +82-2-1544-0000 FAX +82-2-768-6749

E-mail [sustain@wooriwm.com](mailto:sustain@wooriwm.com)

Website [www.wooriwm.com](http://www.wooriwm.com)

Produced by Corporate Strategy Department, Woori Investment & Securities

Designed by EcoFrontier