

Joint WFE Developing Markets Forum
- FIAB Annual Meeting

ETFs & ELWs

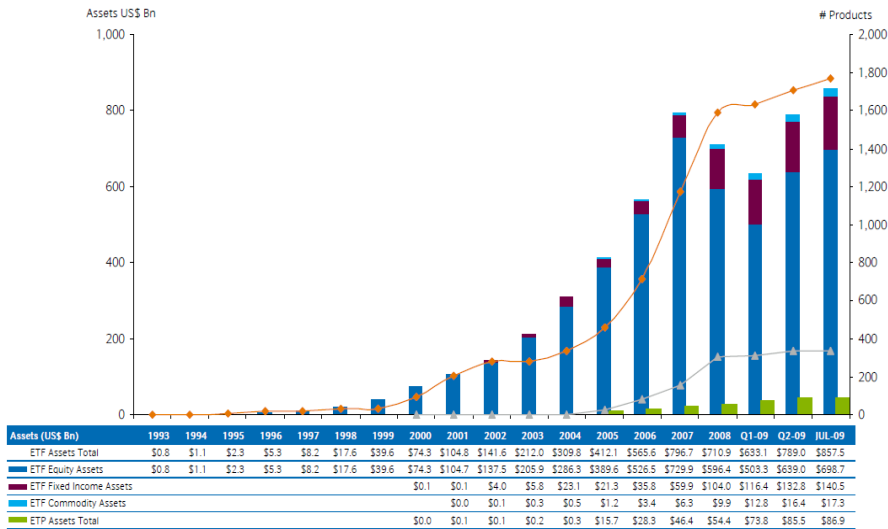
<Current Status, Success Factors & Future Outlooks>

Sep. 8, 2009

Hong-Sik Choi
Executive Director



Growth of ETF market



Growth of ETF market

Diversification of ETFs' Tracking Asset

	# of ETFs		Net Asset Value	
	#	%	NAV	%
Stock	1,398	81.9%	639.00	81.0%
Fixed Asset	210	12.3%	132.83	16.8%
Commodity	55	3.2%	16.37	2.0%
Hybrid	28	1.7%	0.35	0.1%
Currency	14	0.8%	0.43	0.1%
Others	2	0.1%	0.05	0.0%
Total	1,707	100.0%	789.04	100.0%

ETFs market – Asia/Pacific

Asia/Pacific region ETF listings (as of '09.6)

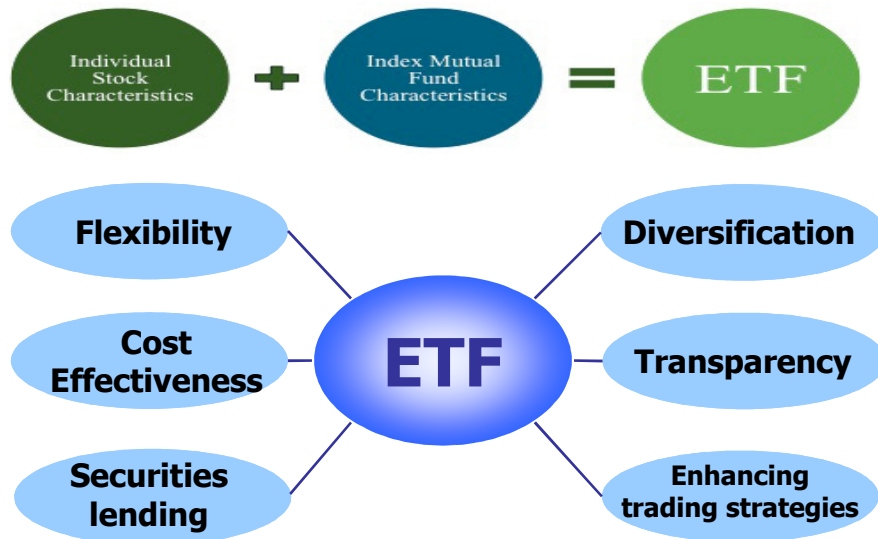
Country	# of ETFs	Managers	Net Asset Value
Japan	67	5	U\$25.49bn.
Korea	38	8	U\$1.83bn.
Singapore	34	6	U\$2.65bn.
Hong Kong	30	5	U\$17.13bn.
Australia	25	2	U\$1.35bn.
India	12	6	U\$0.82bn.
Taiwan	11	2	U\$1.84bn.
New Zealand	6	2	U\$0.37bn.
China	5	4	U\$4.71bn.
Malaysia	3	2	U\$0.32bn.
Thailand	2	2	U\$0.07bn.
Indonesia	1	1	U\$0.00bn.
Total	234	45	U\$56.58bn.

Growth of ETF market - KRX

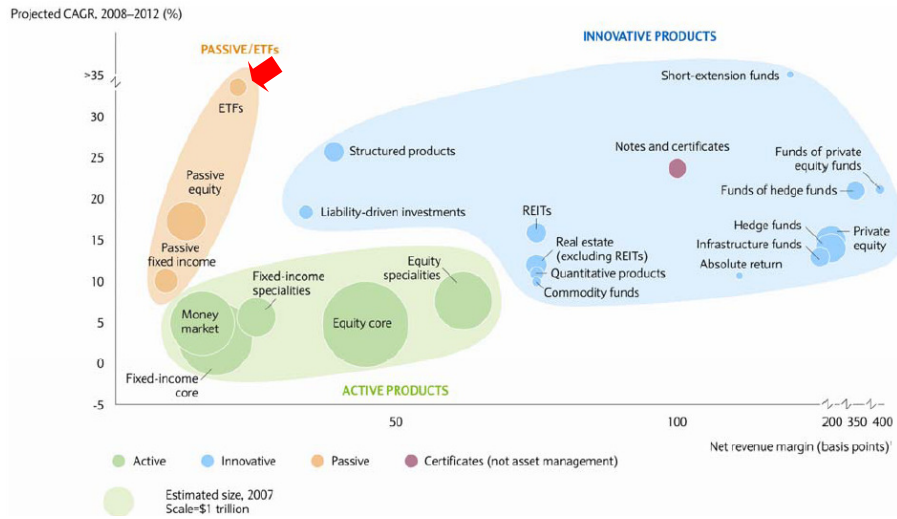
KRX ETF market

	'02	'03	'04	'05	'06	'07	'08	'09.6
# of ETFs	4	6	4	6	12	21	37	38
NAV (US\$ mil.)	287	586	408	671	1,301	2,022	2,828	1,768
Daily Trading Val. (US\$ mil.)	27.0	17.9	9.4	8.9	19.2	44.5	81.7	114.3

Growth factors of ETF industry



Future outlook of ETF industry



Future outlook of ETF industry

US Mutual Fund vs. ETF market

		2008	2015(exp.)
mutual funds	#	8,022	4,237
	asset size	U\$9.0 tril.	U\$6.75 tril.
ETFs	#	698	2,618
	asset size	U\$0.50 tril.	U\$1.15 tril.

* source : Novarica

Progress of Structured Products

Listed Structured Products (as of '09.6)

	'03	'04	'05	'06	'07	'08	'09.6
# of listing	36,213	47,582	92,531	165,133	317,035	488,982	474,981
trading value (US\$ bil.)	124	188	410	766	1,794	1,042	373

Progress of Structured Products

Listed Structured Products – Equity Linked Warrants in Korea

year	# of ELW			Issued amount(US\$ bil.)		
	Call	Put	Total	Call	Put	Total
'05	66	6	72	321	28	349
'06	1,141	246	1,387	2,170	568	2,738
'07	1,474	172	1,646	2,724	448	3,172
'08	2,339	274	2,613	3,622	622	4,244
'09.6	2,515	557	3,072	5,220	1,833	7,053

Growth factors

World

Tendency to seek high return investments
: due to the low interest rate before the crisis

Major revision of market regulations

Competition between financial institutions for new products

Exchanges' promotion for new revenue streams

Korea

Trading Convenience : trading method similar to stocks

LP's role to make up the liquidity level



KOREA EXCHANGE

Thank you !

