

Global Post Together with the People



우정사업본부
KOREA POST

2009

KOREA POST ANNUAL REPORT

www.koreapost.go.kr



- Global Post Office
- Express Mail Service
- Hi Technology Logistic System
- Expansion Automated Post Office
- Internet Service
- e-Post Bank
- Post Net

Connecting Korea!

Connecting Korea and the world!



Contents

- 04 Greetings from the President
- 06 History of the Organization
- 07 Organization Chart
- 08 Our Vision and Mission
- 10 Business Scope
- 20 Business Strategy
- 30 Corporate Responsibility
- 38 Major Achievements
- 58 Statistics
- 69 2009 Postage Stamps
- 72 Our Awards

Greetings from the President

For the past year, we found ourselves in the middle of the crisis. As alternative means of communication such as email and electronic billing develop, mail volume continues to decline. In addition, posts around the world face steep competition from private couriers as market opening accelerates and the postal monopoly seems to be ended. Likewise, our postal financial sector is expecting difficult times in the years ahead due to the imminent introduction of the Capital Market Act, specialized sales business for financial products and e-bank. On top of it, the economic recession swept through countries around the world.

In the face of these challenges, however, 40,000 employees of Korea Post have never been discouraged. We thought that adversity, whether at both the individual and corporate level, is a gift from God who trains us to make strong men. So, we responded with a focused effort to meet this unprecedented challenge.

We always put our top priority on customer trust. In the areas of postal savings and insurance, we have continued to develop customer-oriented services and new products. We are also committed to expanding logistics infrastructure to improve work process and applying high-end information technology to our postal system to increase overall service quality a level higher. As for corporate responsibility, we have implemented ethical management and actively sought a way to contribute to overcoming the economic recession and Low Carbon Green Growth, a vision for the next six decades.



“I believe adversity is a gift from God.

Now, our top priority is to turn crisis into an opportunity
to build a firm foundation for sustainable growth.”

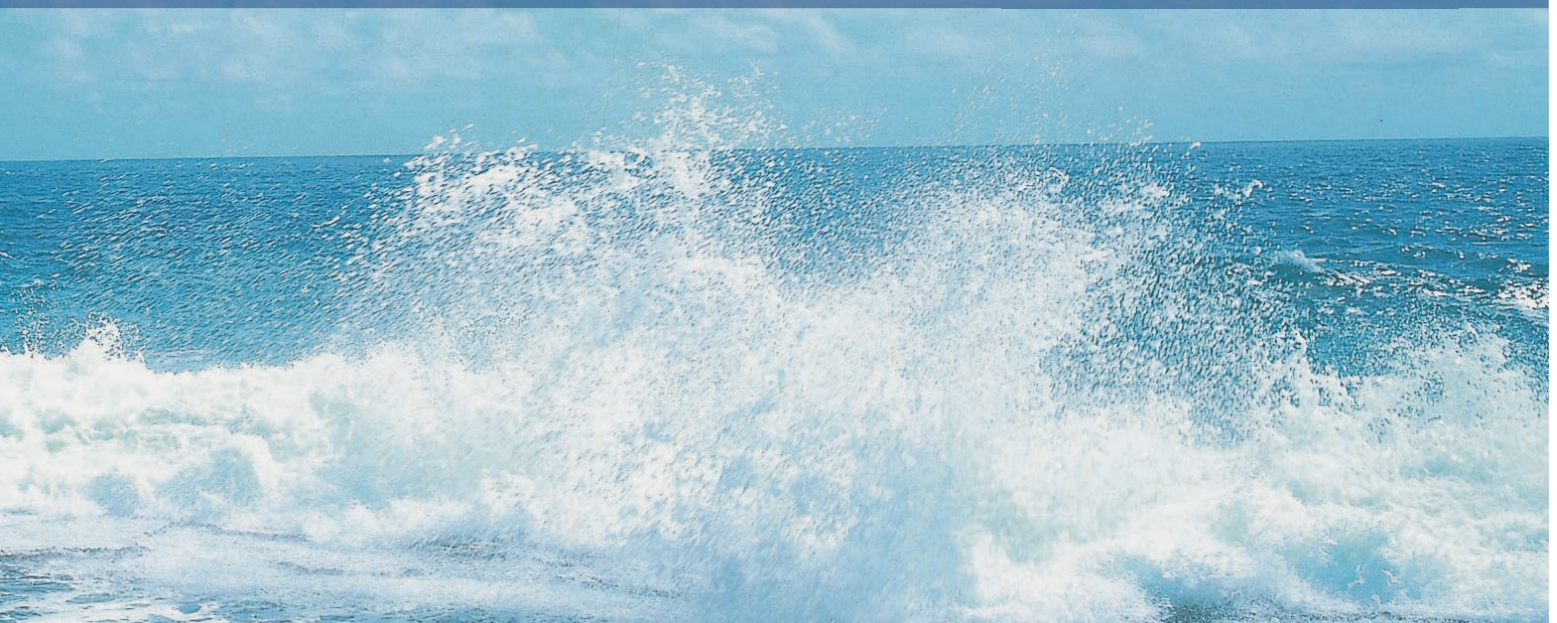


As a result of our extensive efforts, we have been able to have surplus for 12 consecutive years and we have ranked the top in customer satisfaction for the past 11 straight years. Our state-of-the-art postal logistics system is globally recognized for its excellence, and has become a benchmark for developing countries' postal modernization.

Today, fulfilling postal service obligation across rural, remote and metropolitan areas involves 3,700 Post Offices, state-of-the-art networks, logistics services and financial services. This can not be achieved just overnight: it is a legacy of our 125-year history; and it is our pride that no company can imitate. With this in mind, we will be fully committed to deliver trusted and affordable services at anytime and from anywhere.

Once again, we thank you for your continued interest and support.

Min NAMGUNG
President, Korea Post



History of the Organization

Looking back on more than our 100-year history, we are planning for one hundred years and more.

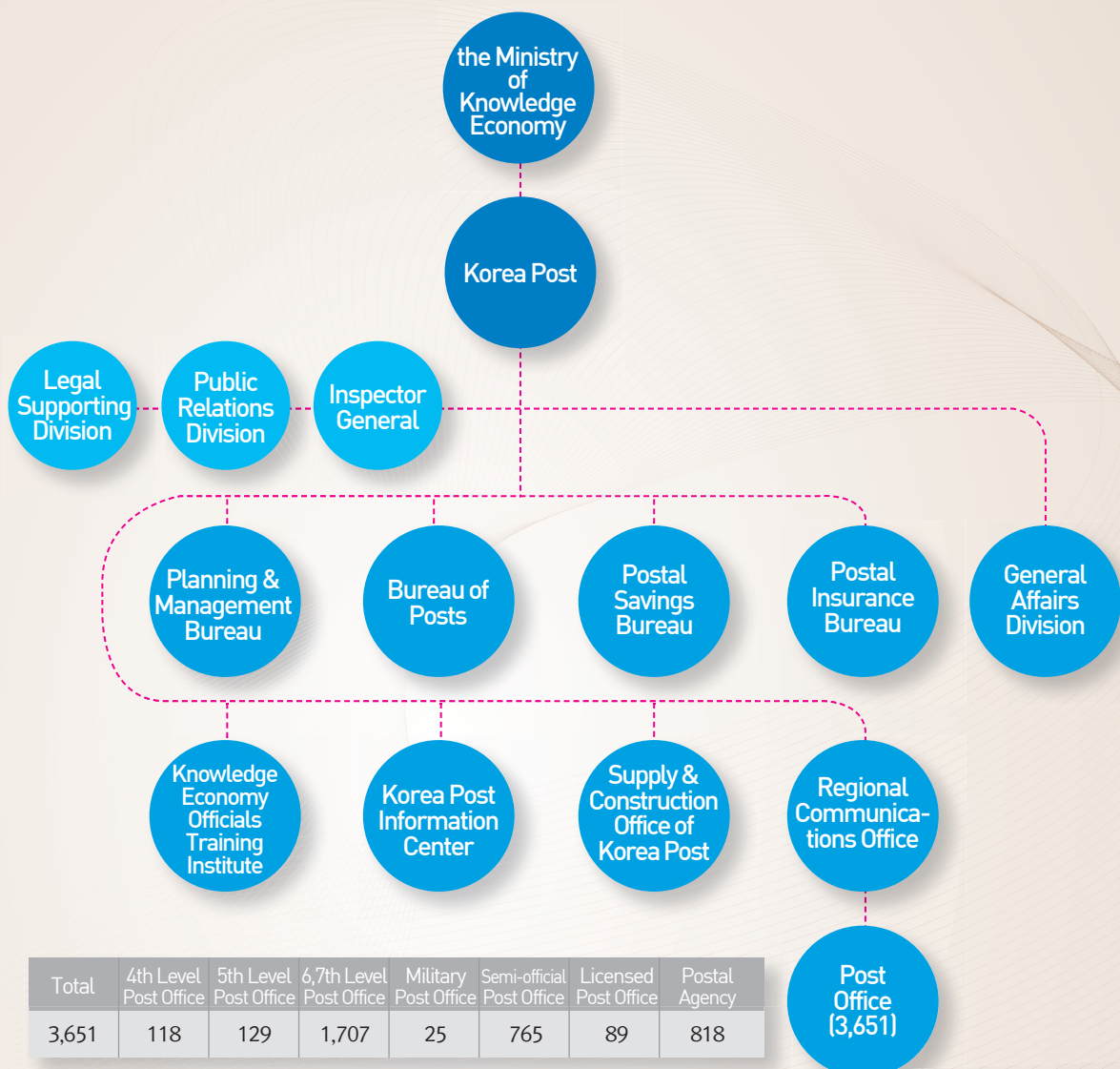
Founded in 1884 as the Postal Directorate, Korea Post has weathered many challenges and grown into a large governmental organization employing 43,000 staff in 3,700 Post Offices across the nation. When considering staff size alone, we rank the fifth largest enterprise in Korea, following Samsung, Hyundai Automobile, LG corp., and Korea Telecom(KT). We now deliver 4.8 billion mail pieces annually, and operate assets of 70 trillion won with our postal savings and insurance services combined. Now, we remain among Korea's indispensable organization, continuing to keep our eyes on the future.

- April 22, 1884 Postal Directorate founded
- November 18, 1884 Postal Directorate inaugurated
- March 23, 1900 Tongsinwon[Office of Communication] founded under the Ministry of Agriculture, Commerce and Industry of the Korean Empire
- August 15, 1948 Ministry of Communications(MOC) established
- December 23, 1994 Renamed as the Ministry of Information and Communication(MIC)
- July 1, 2000 Korea Post established
- February 29, 2008 Incorporated into the Ministry of Knowledge Economy



Organization Chart

Korea Post is a state-run organization operating under the Ministry of Knowledge Economy. However, different from other government organizations running with public funds largely collected through taxes, we operate an independent self-financing system. As a result of WTO agreements, market opening of the postal monopoly has become inevitable. In respond to a rapidly evolving business environment, Korea Post transformed its organizational structure in July 2000. Since then, we have focused on enhancing competitiveness by downsizing management organization, improving support process, and standardizing operations in every postal sector and department.



Our Vision and Mission

We offer ubiquitous postal services at anytime and from anywhere.

Our challenges to the future will continue

Different from private enterprises pursuing profit, we should serve the public interest and make profits at the same time. We're committed to keeping our services high-quality and convenient.

Mission

Based on the healthy business operation, we offer convenient and universal postal services for the nation at anytime from anywhere and contribute to promoting the public welfare.

Vision

Global Post Together with the People

Way



Slogan

Connecting Korea!

Based on our nationwide network, we connect people and businesses into a united nation.



Ubiquitous Post Service

2009 Annual Report



Business Scope

This is the world in which we deliver mail anytime, anywhere.
Our business scope is one that we imagine.



Postal Service

Our service is not limited to just deliver ordinary mails, parcels, door-to-door parcels and Express Mail Service(EMS). we are expanding our service boundaries to logistics and beyond.

IT-based Hybrid Mail Service

We launched Hybrid Mail Service in May 2004 by establishing the Hybrid Mail Automation System in Uijeongbu, Daegu, and Jeonju Mail Centers. The Hybrid Mail Service helps save logistics costs by shortening the end-to-end procedure from mail acceptance to delivery and reduce the delivery time drastically. It is a state-of-the-art postal service that has upgraded customer services.

We made further effort to cut down customers' burden by eliminating hybrid mail marketing fee(20won) and introducing a cost-saving system for hybrid mail production(90won).

Hybrid Mail Performance

(Unit : 1,000 items, million won)

Year	2005	2006	2007	2008	2009
Volume	34,769	54,949	86,243	94,551	100,036
Revenue	12,350	22,164	35,389	43,096	50,666

Congratulatory and condolence card to deliver your heartfelt messages

We have sold 17 types of congratulatory and condolence cards to deliver your heartfelt messages for different occasions since August 1998.

Plus, we also listened to customers' voice and created a giftcard, a convergence products of card and gift, worth 13 thousand won(2 types) or 8 thousand won(2 types), and 7 variations of invitation cards for wedding, first or 60th birthday and other events in November 2009.

Congratulatory and condolence card Performance

(Unit : 1,000 items, million won)

Year	2005	2006	2007	2008	2009
Volume	2,176	2,513	2,461	2,165	2,062
Revenue	4,314	4,536	4,286	4,058	3,854

Registered Mail Contract

We sign a contract with customers for registered mails, and provide services in accordance with the contract. The service is divided into two types regarding the weight of items: general and customized mails.

Registered Mail Contract

Class	Items (sorted by postage)	Charging system
General	Lighter than 10 times basic rate for ordinary mail (5g ~ 25g)	charge by weight
Customized	Over 10 times basic rate for ordinary mail (5g ~ 25g)	Flat fee

We implemented the contract service back in June 2005 to embrace customers' needs and to boost the competitiveness of ordinary registered mails, and have witnessed constant growth in the service volume.

Contracted Registered Mail Performance

(Unit : 1,000 items, million won)

Year	2005	2006	2007	2008	2009
Contracts	5	13	19	26	184
Volume	2,069	11,430	14,907	20,059	29,124
Revenue	3,220	19,109	25,533	35,166	50,164

We further elaborated the process by allowing customers to input delivery information into the business portal(<http://biz.epost.go.kr>) in advance, and thus reduce the registration time. Also users can check the information online.

Brochure Delivery Service to Create a Blue Ocean

We launched a 「Brochure Delivery Service」 in April 2008 in an attempt to convert the channel for product catalogues and promotion flyers to mail.

We found the service a new competitive market in the face of opening the postal market in 2008 and expanding E-billing, and implemented a trial service April 2008. Later, we entrusted an aggregator with the decision making authority to select delivery agents in April 2009, and allowed neighboring agents as well as contractors to receive the registration.

Brochure delivery service performance

(Unit : 1,000 items, million won)

Year	2008	2009	Differential
Volume	908	5,703	597% ↑
Revenue	99	693	

Catalogue Contract Rates with Bulk Discount

We introduced a catalogue contract rate system in December 2007 to attract diverged customers who once used our service.

We made a bulk discount rate of 51~60% for 50 thousand items per sending, departing from previous rate of 60% for 100~300 thousand, to better compete with private firms and implemented the new system in December 2009.

Catalogue Contract Rates

(Unit : 1,000 items, million won)

Year	2008	2009	Differential
Volume	87,213	96,258	14.9% ↑
Revenue	32,811	37,696	

Ever-growing ePOST Shopping

We launched the ePOST shopping in 1986 when the Ministry of Knowledge Economy(then the Communications Department) designed a public service to invigorate the farming and fishing industry and those regions, and to improve logistics of their products. We identified some 3,700 items including farm/marine/livestock products, handicraft and traditional liquors and activated their contracts and sales through our offices.

This service opens a direct market both for producers to sell their products and for consumers to buy quality goods without going to the production area.

The trading dealt with 451 items of 7,872 types in December 2009, and generated revenue of 166.9 billion won(MRO 4.9 billion won included) last year harnessing the Internet post office.

Customers can purchase quality goods in this market by visiting an adjacent post office in person or the Internet post office(www.epost.kr), or calling our customer center(1588-1300).

ePOST Shopping Yearly Performance

(Unit : 1,000 items, million won)

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Items	2,472	3,182	5,304	6,512	7,184	8,418	7,463	6,361	6,403	7,010	7,282
Volume	2,476	3,815	4,523	4,845	5,547	6,173	4,347	5,578	5,767	5,878	5,994
Revenue	55,105	78,845	90,824	99,862	112,486	125,571	107,538	124,868	143,637	154,231	166,905

Items in the ePOST Shopping

(As of Dec. 31. 2009)

	Farm products	Marine products	Livestock products	Handicraft	Traditional Liquor	Total
Items	310	94	14	31	2	451
Types	4,329	2,423	155	135	240	7,282

Financial Service

Our financial services are small, but powerful as much as large financial service providers.
We provide a safe, convenient and comprehensive financial service package.

We have established a national financial network covering rural areas as well as big cities

We have opened up our postal financial business to the private financial sector and established business partnerships to provide one-stop finance services. These include savings and insurance, money exchange, overseas remittances and payment of bills. Our large financial network covers rural areas as well as the big cities.

Yearly record of partnership

	2002	2003	2004	2005	2006	2007	2008	2009
No. of partnership organizations	40	50	75	99	115	129	142	147
Increase rate (%)	—	25.0	50.0	32.0	16.2	12.2	10.1	3.5

Business Partnership Status

Type of Business	Content	Main partners
Sharing window service (4 areas)	<ul style="list-style-type: none"> Joint use of window service network SWIFT overseas remittance Money exchange service Post Office CMS deposit 	15 enterprises including Citibank, Korea Exchange Bank, Industrial Bank of Korea, Shinhan Bank, Shinhan Card, Hyundai Capital, Samsung Card and Kyobo Car Insurance
Partnership Card proxy service (3 areas)	<ul style="list-style-type: none"> Label of sales slip Issuing joint credit · check card Pre-paid card 	12 Enterprises Shinhan Card, Samsung Card, Korea Exchange Bank, Kookmin Bank, Hyundai Card, Lotte Card and Korea Smart Card
Business for Receiving Customer Payments (4 areas)	<ul style="list-style-type: none"> Real-time automatic withdrawal Virtual account service Service of inquiring individual account ownership Payment by phone and internet 	83 enterprises including Samsung Life Insurance, Kyobo Life Insurance, Mirae Assets, Korea Fire Insurance, Lotte Card, Allianz Life Insurance, Hanhwa Non-life Insurance, Hyundai Home Shopping, PCA Life, Korea Rail Corporation, LG Dacom, GS Home Shopping, Auction, Gate Bank, KT, and Korea Financial Telecommunications & Clearings
Business for opening stock account (2 areas)	<ul style="list-style-type: none"> Opening of stock account (partnership service with CMA) and issuing of stock card Opening of futures account and issuing of stock card 	12 enterprises including Kora Investment, Woori Investment, Daishin, Kyobo, Hyundai, Samsung, CJ, Hanhwa, Dongbu, Mirae Assets, Kiwoom Securities and Samsung Futures
Business for automated machine (two areas)	<ul style="list-style-type: none"> Using outdoor CD Cash advancement 	19 enterprises including Nice Money, , Nautilus Hyosung Inc, Han Net, Chungho Comnet, Shinhan Card, Samsung Card, Suhyup and Nonghyup
E-banking service (4 areas)	<ul style="list-style-type: none"> Service for credit information TV banking service Mobile banking service Authorized certificate service 	6 enterprises including Korea Credit Information, LGT, SKT, KTF, LG Dacom and Information Certificate.
Total	147 enterprises	147 enterprises

※ Joint business with 91 enterprises excluding overlapped ones

Joint business Status

(Unit: 1000 cases, million won)

	2005		2006		2007		2008		2009	
	case	commission	case	commission	case	commission	case	commission	case	commission
Sharing window service	4,061	4,706	3,705	4,445	3,372	4,149	3,058	3,708	2,742	3,134
Agency service for joint card	897	3,217	955	4,692	1,074	5,917	966	7,200	921	8,705
Business for receiving customer payments	25,739	2,167	19,598	2,252	19,502	2,414	19,704	2,590	26,374	3,701
Proxy service for stock account opening	86	598	91	565	307	996	611	1,091	768	1,262
Business for automated machine	5,865	3,326	7,003	3,328	7,325	3,031	7,275	2,811	7,448	2,763
E-banking service	812	456	1	2	1	3	744	194	1,254	309
Total	37,460	14,470	31,353	15,284	31,581	16,510	32,358	17,594	39,507	19,874

Annual status for installing 24-hour ATM machines

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Installation	11	40	75	98	107	107	30	154	78	60	170	171	122	1,223

* ATM machines so far installed in 44.5% of all post offices (2,747) in Korea

* Partner banks : Kookmin Bank (214%), Shinhan Bank (276%), Nonghyup (including regional nonghyup, 35%)

Carrying out roles as a national financial organization

We have increased our economic roles in the nation, such as providing funding that is necessary to expand Social Overhead Capital (SOC) and nurturing sound financial markets through depositing public capital management funds and purchasing government and public bonds issued by the Ministry of Strategy and Finance

Depositing Public Capital Management Funds and Purchasing Public Bonds

(Unit: 100 million won, based on balance)

	2004	2005	2006	2007	2008	2009
Public Capital Management Fund Deposit	114,615	103,684	84,549	49,250	29,698	14,304
Purchase of government and public bond	150,476	116,228	256,433	237,012	189,005	118,090
Total	265,091	219,912	340,982	286,262	218,703	132,394

* Deposit of public capital management fund and purchase of government and public bonds are decided through consultation with the Ministry of Strategy and Finance

We also support small and medium sized enterprises (SMEs) to secure their growth and to enhance their competitiveness through investment in financial products related to SME support funding. We faithfully conduct our public role by supporting regional development programs to revitalize local economies.

Support record to vitalize real economy in 2009

(Unit: 100 million won, %)

	Support for SMEs	Support for regional economy	Total
Goal	3,000	14,360	17,360
Actual Output	2,800	17,274	20,074
Achievement rate	93.3	120.3	115.6

* Fund operated by Korea Post of 1,072.4 billion won, deposited 440 billion won to local organizations (End of Dec. 2009)



Online Service

We are poised to take the lead new technologies.
To this end, we need to consistently meet customer expectations.
We have initiated an effort to develop future growth engines.

Advanced Internet Post Office(ePOST) System

The Internet post office, ePOST, offers numerous postal services that include a shopping mall, tracking registered mails, searching zip code and even locating mailboxes.

Our postal service consists of 24 different types including mail creation and registration for customers, and various parcel/EMS contracts. Our ePOST shopping has 5 categories of indigenous product transaction, e-open market, B2B, flower delivery and overseas delivery. Special features includes 5 convenience services such as searching zip code or whereabouts and reporting changed addresses.

To promote customers' convenience and accessibility we also developed and/or launched new services such as Internet postage stamp system*, online certification of contents* and , informing of changed addresses*.

- * Internet postage stamp: a service with which customers buy and print out a stamp online, and send a mail with the stamp on it
- * Online certification of contents: a service with which customers make a document with electronic signature online, save it in the form of electronic document, and load or send the document later via email or physical mails
- * Informing of changed address: a service that when a customer reports his or her changed address and agree to our service, we forward mails to the customer and inform the sender of the changed address

In addition, we improved the online registration process and service function to better our image, and upgraded customers' usability with advanced system features, personal information security and safe transaction.

With advanced online services, we had over 85.7 million parcel customers and 20.4 thousand of tracking service users in 2009.

ePOST performance

(Unit: thousand cases, million won)

Year	2004	2005	2006	2007	2008	2009
Postal service revenue	1,878	2,600	2,996	4,095	4,612	5,350
e-Post Shopping revenue	27,776	41,225	43,197	43,790	47,413	50,266
e-open market & B2B revenue	14	41,225	10,971	2,091	28,082	34,305
Door-to-Door Parcel Delivery(cases)	2,180	19,564	41,056	55,827	71,744	85,713
Track & Trace (cases)	20,798	110,285	179,176	205,070	305,766	204,462

Internet Postage Stamp System

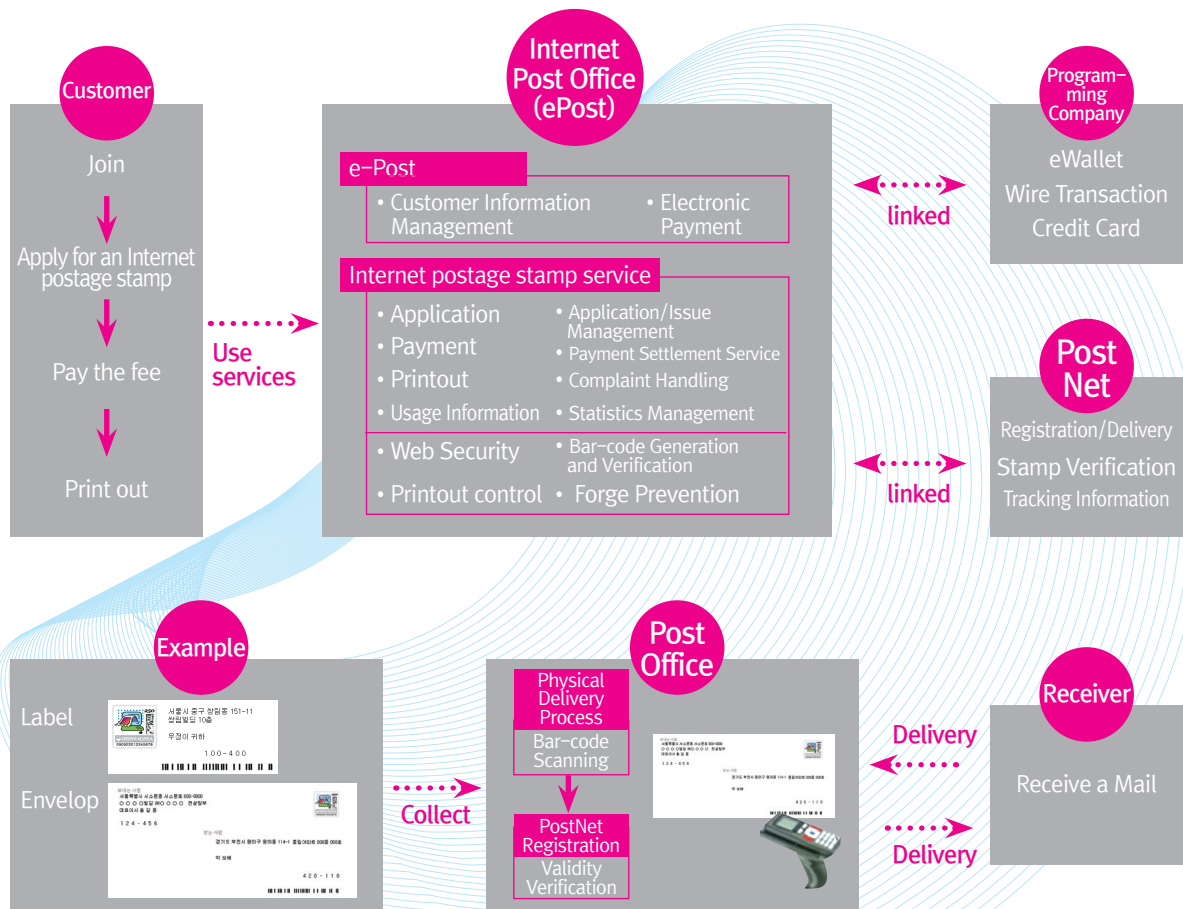
In an attempt to enhance customers' satisfaction and convenience, we ceaselessly develop new online services converging telecommunications and information technology. Among many, we implemented the Internet Postage Stamp system which enables customers to buy and print out postage stamps on our website(www.epost.go.kr) anytime and anywhere.

The stamp patterns adopted 2-dimensional bar code technology, and utilized 'Invisible WaterMark' to prevent forging or counterfeiting. Internet postage stamps will be verified its validity when registered through PostNet, and customers also can check the issuing record.

The sample of the Internet Postage Stamp



Detail Process and System the Internet Postage stamp



Global Service

We will continue to expand our business scope in cooperation with six billion global population.

UPU Activities

Korea Post dispatches delegates to a range of events hosted by UPU including Postal Operations Council(POC), Central Administration(CA) and e-Commerce conference. Our delegation involves in various activities by introducing our advanced postal services, and expands international cooperation in the postal sector.

In the POC of March 2009 our delegation attended the forum of global economy, financial crisis and postal response, and agreed upon the voice over further developing postal and financial services for a new boom era of the global economy.

In the CA of October 2009 our delegation participated in the vote to decide the 25th UPU schedule that will be held in Doha, Qatar in September 2012. The Korean representatives also actively took part in POC working level meetings to discuss e-service policies and technology standardization and gave a presentation on introducing PRem for postal services.

In the UPU high-level officials strategy meeting of 2010, the president of Korea Post is scheduled to present 'Green Post 2020 Strategy' to promote our eco-friendly growth strategy.

10th Korea-China-Japan High-level Postal Officials Meeting

The 10th High-level postal Officials Meeting, an annual event between Korea-China-Japan, was held in Nagasaki, Japan, from November 10 to 13, 2009 to explore plans for cooperation activities and discuss major policies on postal business.

In the meeting, 3 neighbors discussed various issues and signed MOUs. Agendas ranged from postal service responses to the changes, status and vision of e-commerce, postal service sectors' effort into environmental issues to establishing an electronic information system to provide customers with customs clearance information. In particular, the three non-English speaking nations shared potential difficulties with language when the customs clearance information via EDI system implements in earnest in 2013. Japanese delegation presented that they were working with UPU and ICAO to enable electronic devices containing lithium batteries to be delivered by mail. The three participants also agreed that Korea would hold the next annual meeting in 2010.



10th APPU (Asian-Pacific Postal Union) Executive Council(EC) Meeting

Korea Post, the host of the 9th APPU Congress in 2005, successfully served as Chair since the 2005 Seoul Congress and completed its 4-year term when the committee elected a new chair and vice chair in Oakland, New Zealand, from March 9 to 13, 2009.

For the last 4 years, Korea Post contributed to encouraging cooperation among member countries to adapt to a different postal environment in the era of information, and improving service quality and competitive edge of postal service.

We cemented partnership with other members and promoted Korea Postal IT during the session and will continue to lead the postal service development in the Asia Pacific region.

Activities for Postal IT Export

As we actively implemented postal IT and automation through PostNet System and 25 mail center network nationwide, we received increased attention from overseas Posts as well as UPU. Against this backdrop, we felt a strong need for a comprehensive support at the government level which helps Korean postal IT companies to advance into overseas market.

We have paved the way for supporting postal IT export by newly establishing divisions dedicated to export-support for postal IT companies, collecting information regarding postal modernization plans by each country, and forming a cooperation system between postal IT companies and the government.

We actively carry out diverse supporting activities such as hosting postal IT export meetings, dispatching representatives to facilitate postal IT export, signing MOUs with foreign countries, supporting the feasibility study(F/S) of postal modernization overseas, and publishing advertisement materials in English.

Supporting postal IT export activity status after establishing export-support dedicated team

Activities	Detail	Note
Hosting postal IT export meetings	19 sessions	
Dispatching representatives to facilitate postal IT export	82 personnel	7 sessions
Signing MOUs with foreign countries	8 countries	
Supporting for the F/S of postal modernization overseas	6 sessions	
Training foreign postal employees in Korea	162 personnel	35 sessions
Business scale of postal IT export	75.7 Billion Won	Year 2006
	122.0 Billion Won	Year 2007
	251.3 Billion Won	Year 2007
	305.0 Billion Won	Year 2009



5th Eurogiro Asia Pacific Conference

Korea Post has made a close tie with overseas partners in the financial service sector by attending financial conferences with UPU, APPU and WSBI. As a result, we firmly built partnership to facilitate international remittance, and enhance international finance and business competence so that we actively respond to the dynamic finance market of the world.

In July 2009 we also hosted 5th Eurogiro Asia Pacific Conference to step forward in the international financial conference sector.

2009 Annual Report



Business Strategy^o

We have a strategy for here to deal with private couriers
and we are making a model of the strategy.



Customer Satisfaction Management

“Customers” are the ultimate reason for our existence.
Our job is never finished until our customer is completely satisfied.

Pursuing total customer satisfaction management

We operate a VOC (Voice of Customer) system to respond to complaints in real time, analyzing them in different categories and reflect on the comments to improving our work processes. We also operate a 'Korea Post Customer Service Center' for one-stop handling of customer complains submitted to our headquarters.

In order to understand customer demands in real time, we have established an intelligent evaluation system. Also, to further improve our services, we foster CS professional human resources including CS managers, instructors for counter-manning CS and instructors for delivery CS.

We enhance our frontline service level by producing and distributing Korea Post CS education manuals as well as providing regular CS training to staff.

In addition, as part of a New-Start Plan for a leap forward in customer satisfaction management, we have introduced a four-step campaign called '2 · 3 · 4 Postal Service CS': Smile, ExperTise, Action and Reform.

Creating a customer-satisfaction culture with extensive operation of the CS Service Academy

We operate a specialized education system, a professional training center for fostering competitive and talented human resources by providing a basic course to improve service mindset, special courses and commissioned courses.

Starting with Busan Suyeong-dong Post Office in July 2001, we have opened a Service Academy in Chung-Cheong Post Office Headquarters and operate a total of six centers at present, training about 8,000 staff annually, which contributes greatly to the establishment of customer-driven services.

Realizing customer satisfaction through our Call Center operation

Following the establishment of the Call Center in November 2003, we provide one-stop services such as Track & Trace, Door-to-Door Parcel Delivery, Post Office Shopping and Online Flower Delivery to ensure civil service standardization, unification and specialization.

From accepting a customer complaint to handling and completion of a case, we deal with the entire procedure in real time and standardize the service with 'VOC (Voice of Customer) system.

Since Jan. 1, 2007, nationwide services have been provided, and in 2009, our 262 staff handled approximately 156 cases daily, as well as taking orders worth 25 billion won for our Door-to-Door Parcel Delivery, EMS and Post Office Shopping.

On Aug. 1, 2009, we launched a mobile phone text messaging and video consultation service for the hearing-impaired and people with speech disorders. With a text messaging service, customers can send their inquiries or complaints to the Post Office Customer Satisfaction Center (1588-1300) by SMS. These are then handled by our professional staff who will send a reply to customers' mobile phones.

The Post Office Customer Satisfaction Center obtained a KS (Korea Standard) certificate in service quality in Mar. 2009, promoting its image internationally as well as in Korea, and has improved our customer-centered system by introducing an ARS credit card payment system (Aug. 2009) and improving web pages for ordering and returns.

No. of Calls

(Unit: 1,000 cases, %)

구 분	2004	2005	2006	2007	2008	2009
No. of calls –	4,112	7,034	8,996	9,784	10,323	10,615
Increase rate	–	71.1	27.8	8.8	5.5	2.8
No. of calls	3,698	6,476	7,400	8,193	8,297	8,288
Increase rate	–	75.1	14.3	10.7	1.3	△ 0.1
No. of calls made per person (daily)	124	158	172	166	162	156

Short Message Service

We provide an SMS service to customers who use our registered postal parcel mailing service with notification of delivery time and proxy delivery.

Our delivery notification services include mail arrival at the airport, shipment for the flight, arrival in the destination country and completion of delivery. These have enabled us to win a good reputation among our EMS customers.

Short Message Service (SMS)

(Unit: 1,000 items)

	Registered Parcels (Domestic)		EMS (Int'l)	Post Office Shopping	Proxy Delivery	Others	Sub-total
	Delivery Notice	Delivery Result					
2005	17,455	2,709	444	319		305	21,232
2006	24,218	4,583	2,261	907	193	2,187	34,349
2007	41,246	6,917	4,640	1,251	5,584	4,445	64,083
2008	54,155	16,224	5,853	1,682	14,168	6,194	98,276
2009	67,894	13,099	7,515	1,711	22,249	11,171	123,639
Total	204,968	43,532	20,713	5,870	42,194	24,302	341,579

Providing mobile phone SMS Service

SMS service to customer's mobile phones with information such as whereabouts of registered mail and how to use mailing service. ☎ 1588-1300

Customers with 3G mobile phones can use our service with voice and images for tracing their mail. ☎ 070-7731-1300

Active outbound consultation for postal savings at Call Center

We have created another foundation for profit through an active outbound consultation service at the Call Center for postal savings, with analysis of the effectiveness of the outbound service and examining further addition of savings products sales function.

We have further enhanced the customer satisfaction level by conducting a Call Center customer satisfaction survey and expanding consultation channels (for example, we operate a 'phone consultation' on our website for postal finance home page).

※ Survey on Customer satisfaction by Korea Research, 7.30

- Korea Post Call Center for postal finance : 90points
- Kookmin Bank : 72.9 points
- Woori Bank : 79.6 points

Through WFMS system at our Call Center for postal savings, we have provided full time study program for the consultants, strengthening the professionalism of the consultants and establishing immediate answering system by flexible operation of human resources, improving customer consultation quality and enhancing customer satisfaction.

- Answering rate: 97.5% → 98.8%
- Call waiting duration: 6 seconds → 4.5 seconds

Developing various customer rights protection programs

In order to provide more convenient services for customers in handling operations of postal savings terms & conditions and joint savings accounts, we have improved the postal savings operation system.

We have helped protect customers' right by twice running campaigns to find dormant account holders (two times).

Human resource management

After all, we as human beings can utilize and develop cutting edge technologies. So, we try hard to find and train talented people to step onto a bigger stage.

Best practice guidance for postal personnel

We share the value with all members throughout the enterprise. It serves as a guideline not only to the company for establishing infrastructure but to the members for self-development.

Best practice guidance for postal personnel

1	Personal Values	One. Talents putting forth efforts consistently with creative thinking Two. Talents learning with open mind to new knowledge Three. Talents equipped with expertise in postal business through self-development and research
2	Customer Values	One. Talents who serve the nation(customers) Two. Talents practicing customer-satisfaction services Three. Talents who make the nation(customers) feel comfortable when using postal services
3	Values of Changes	One. Talents adapting themselves to the changing environments Two. Talents taking the lead of and practicing changes and innovations Three. Talents leading changes
4	Organization Values	One. Talents with a sense of ownership over postal companies Two. Talents with a passion for establishment and development of organization capacity Three. Talents with a passion and sincerity for the postal business

Firmly Established 6 Sigma Management Innovation

In order to better adapt to the ever-changing business environment, we launched the 6 sigma system back in August 2003 for the first time among government agencies. In the course of the process, we have cut down cost and improved work efficiency and customer satisfaction.

So far, 1,721 experts(51 MBBs, 167 BBs, 552 GBs, 951 Kick Win Leaders) with 1,547 tasks have delivered 158.2 billion won of financial achievement.

In September 2006, we won '2006 Korea 6 Sigma Management Award' and 'CEO of the Year Award' at the management quality evaluation hosted by KMA(Korean Management Association), and we also took up 'Management Quality Award' for 2 consecutive years at the Korea Management Award competition in 2008. With remarkable achievement we are officially recognized as a leader of innovative management.

In 2009, particularly, we established '6 Sigma Academy' in our training center to promote independent 6 sigma practices and are currently educating talents. The academy plays a significant role in securing an innovation leader, providing MBBs(Master Black Belt) as its own consultants who lead and teach both short-term and strategic tasks.

Yearly Records

	2003	2004	2005	2006	2007	2008	2009	Total
Task Implemented(Individual)	5	79	168	302	364	293	336	1,547
Experts(Individual) responsible for improvement	–	61	167	350	402	329	412	1,721
Financial Achievement (100million won)	–	120	260	370	311	217	304	1,582

Financial Management Innovation

In order to promote the strategic value of finance and financial competence itself, we hosted a round of lectures by external experts and 8 training sessions with the theme of financial innovation. Plus, we sponsor study groups of accounting personnel to boost their talent and morale. Among activities, we held presentation events twice and awarded 38 members for their accomplishment.

In order to improve accuracy and rationality of the postal service cost, we delivered cost accounting process education and examined cost types and related activities.

Financial Specialist Training

In order to elevate financial expertise, we commissioned specialized financial institutions to provide employees with training sessions such as prep-courses for financial certificates(AFPK and Bank Financial Planner) and general courses for boosting core competitiveness. In particular, we are well-equipped with experts to sell Korea Postal Fund products by supporting professional education.

Risk Management Specialist Training

In order to brace ourselves for the change in financial monitoring policy toward risk management oriented and to secure a better risk management system on a par with private firms', we self-inspected our competence and developed action plans to improve the practice.

We established infrastructures to cultivate risk management talents and currently operates "Risk School", an internal learning club, and ARM, academy for risk management.

Converting Insurance Managers into Financial Consultants

As insurance plans emerge as a tool of financial management as well as financial guarantees for potential risks, we renamed Korea Post insurance managers as 'Korea Post FC(Financial Consultant)' to offer customers more professional advice and planning.

Furthermore, we introduced a performance-based fee system to provide bigger incentives for some 4,000 Korea Post FCs, and provide them with sufficient education opportunities to inspire them with pride and morale.



Succeeding postal enterprise culture

We take pride in our 100-year legacy.
This has enabled us to create a powerful synergy.

Actively supporting club activities

We actively support club activities to promote improvement in quality of life and work productivity. We encourage a creative enterprise culture which enables our staff to remain focused and energetic. There were an estimated 417 clubs in operation based on the figures for the end of 2009.

	2003	2004	2005	2006	2007	2008	2009 (active)
No. of Club	1,245	1,402	1,483	1,660	1,760	1,320	2,014 (417)
Funding (million won)	124	146	170	117	119	138	139

Operating training centers for recreation

We have built 61 training centers (32 rented facilities) in well-known locations, many of them coastal areas, such as Seoguipo. We hold various competitions as well as workshops to provide space for family recreation, improve employees' quality of life and stimulate fresh ideas. We will continue to expand and improve facilities in an effort to provide rest and relaxation of our family of postal staff.

Usage of Training Facilities

	2002	2003	2004	2005	2006	2007	2008	2009
No. of training center facilities	46	46	45	42	50	57	58	61
No. of users (individual)	84,407	85,387	83,301	85,210	273,329	297,629	298,230	350,909

Supporting funeral supplies

We have been manufacturing and distributing Korea Post logo-printed funeral supplies and flags since 2006 in order to inspire a sense of pride and community spirit.

Content of distributed funeral supplies in 2009

	Seoul R.C.O.	Busan R.C.O.	Chungcheong R.C.O.	Jeanam R.C.O.	Gyeongbuk R.C.O.	Jeonbuk R.C.O.	Gangwon R.C.O.	Jeju R.C.O.	Knowledge Economy Officials Training Institute	Korea Post Information Center	Supply & Construction Office of Korea Post	Korea Post Headquarters	Total
No. of Inventory	71	44	35	29	35	17	20	4	1	1	1	1	259
No. of Distribution	719	349	215	190	258	137	103	22	3	20	7	2	2,025



Securing a base for making profits

We're continuing to pursue efforts to make profits to ensure sustainable growth and future growth engine.

Securing competitiveness with optimal postal transport system

With the completion of 25 Mail Centers in Korea, in Aug. 1, 2007, the railroad centered transportation system was totally reorganized to land route network and at the same time, with the analysis of regions and seasons for handling workload, the postal vehicles were organized to arrive at different times, optimizing the transportation network.

With the establishment of the Postal Logistics Monitoring System in July 13, 2005, the GIS/GPS based Monitoring System was constructed in December 2006, and it was upgraded in April 2007 to a system that can manage the postal logistics handling process real-time, which is a Comprehensive Monitoring System for Postal Logistics in order to improve service quality and reliability.

In November 2009, we have established company logistics system, by which the competitiveness is once again greatly enhanced.

Cost-cutting with improvement in working practices

In Sep 2008, in order to improve the efficiency of management, "public agency advancement promotion plan" was established which has helped improve and implement the overall system and work processes in Korea Post, succeeding in cost cut by reducing the gap in transportation expenses from the private enterprises.

Consistent operation of standardized transport cost to achieve renovation in management in Postal Services Development Company and Kotrans co Ltd has helped setting up a system for the competition with private enterprises.

In May 2009, Korea Postal Logistics (previously Postal Services Development Company) and Kotrans Co. Ltd. has introduced outsourcing 'Integrated planning executing and research (Korea Management Association Consultants) to efficiently incorporate investment from public enterprises.

Enhancing competitiveness in strategic businesses and innovation in work processes

Unique Logistic processing with Deliver/EMS differentiated from ordinary mail is established and integrating customer services from customers' point of view, we provide One-Stop service to business customers.

We endeavor to maximize work efficiency by searching and improving areas where information and automation is needed in the whole process of handling mails from reception to delivery.

Ensuring internal stability for existing projects

In order to reduce workload and transport cost we refrain from marketing for heavy weight, large scale parcels, but carry out 'proper pricing for parcels' etc, realizing ways to sustain continuous and healthy growth in existing businesses.

Acquiring future markets with IT infrastructure

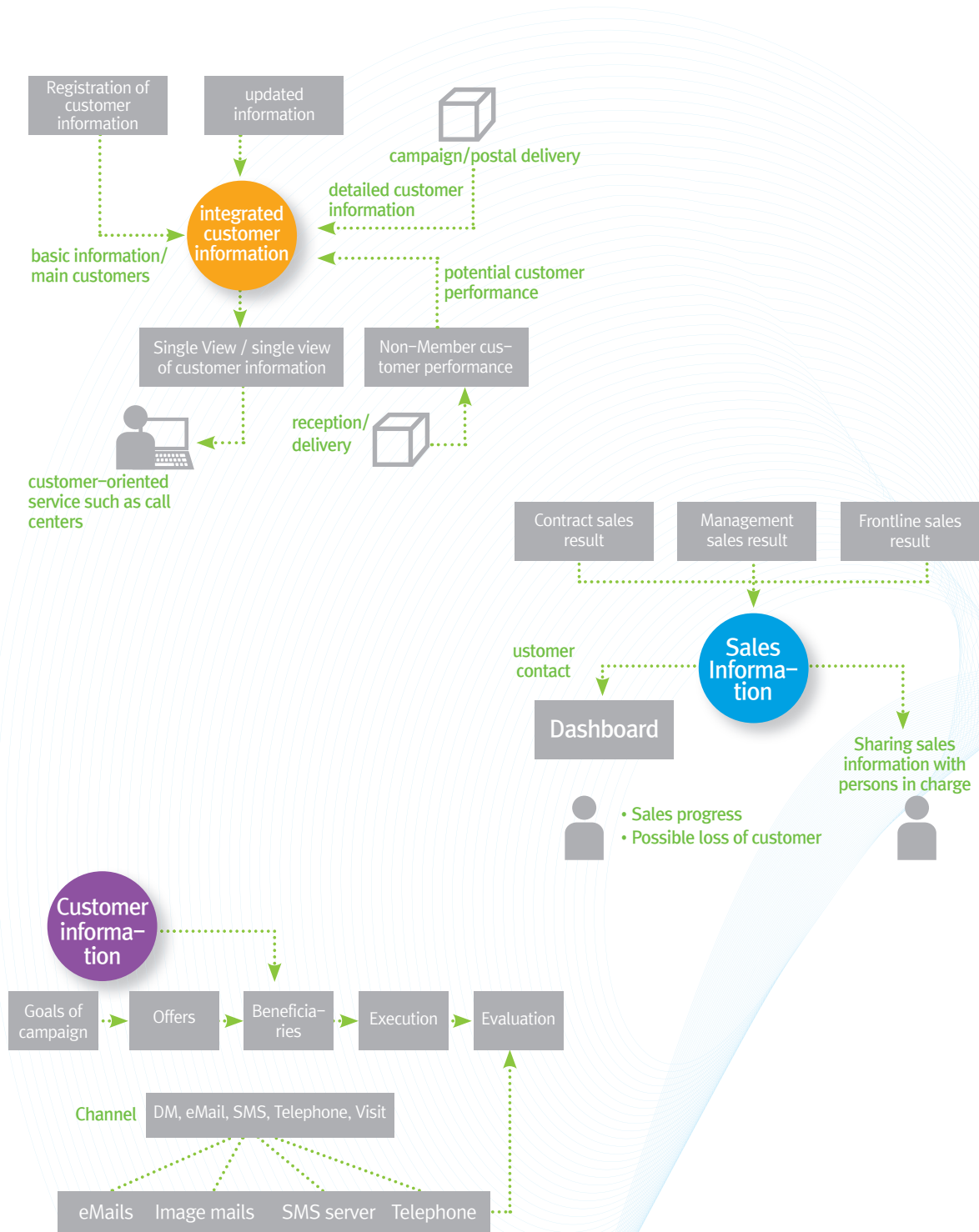
As in new services such as internet post office that provides internet stamps and on-line certification of contents, and electronic court notification, we endeavor to continuously search for new project to secure low cost high profit structure with profit diversification.

We actively search for taking up future market as in the case of As dual-income families increase, day time absence in households increase, intellectual manless delivery system is introduced where 24 hours reception is possible.

Systematic Support for Postal Marketing with Customer Management System

By customer-oriented information management, grasping customer performance, finding marketing target and sales campaigns through various channels including sales by phone or home visit have become possible.

Since the introduction of unified sales support system, a transparent sales status has become possible.



Ensuring effectiveness in managing exclusive postal rights and tackling unauthorized competition

In preparation for the revision in postal regulations and open market in postal business, we have secured a foundation for steady postal profit through promoting our exclusive postal rights and active tackling of unauthorized competition.

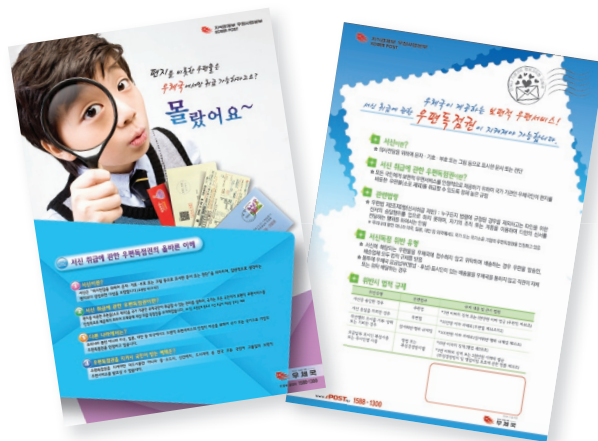
Dealing unauthorized competition with exclusive rights of Korea Post in mail handling (unit: case)

	uncovered cases	handling methods	
		warning letter	guidance by home visit or phone
2008	163	66	95
2009	1,218	458	536

To secure the effectiveness of managing unauthorized breach of exclusive postal rights, we have set up measures to enforce managing breach of postal exclusive rights and revised handling regulations.

Promoting public awareness about the necessity of state monopoly on postal materials to get a firm support for steady supply of general postal services.

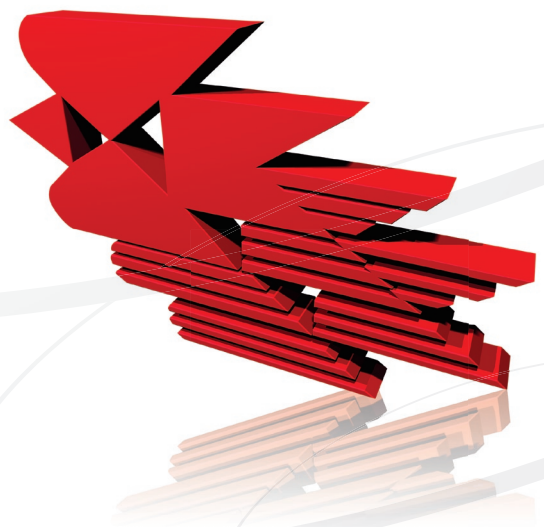
※ Producing and supplying of promotional material: four kinds (leaflets, posters, guides, handbook)/ 324,000 pieces





Corporate Responsibility

We want to deliver happiness as the way we deliver mail
across the country or across the globe.



Sharing post culture with the nation

Smiling culture of the post !
We are always with our nation.

Brand awareness

We managed various cultural events and campaigns on TV and billboards, and employed our workers as a ad model so that we boost our brand identity(BI) of each business unit and the overall corporate image.



Photo exhibition about caregivers for patients with no family



The third employee-model group

The Children's Painting Competition for elementary school students around the country was held from April 20 to May 15. This event was open in 1999 for the first time for the sake of social benefits of postal finance as well as cultivation of emotions and creativity of children. So far 1.71 million children have taken part in the competition.



The 11th Children's Painting Competition



Postmasters of more than 2,700 post offices around the country have visited elementary schools and conducted economy and finance education for 5th and 6th grade students since 2006. We held this event from April 1 to 30 this year to provide opportunities for children to learn economic and financial knowledge and to develop healthy monetary habits. We particularly offer such education program for the children living in remote areas and thus alienated from gaining finance information.



Post Office Economy & Finance Class for Children

Korea Stamp World

Korea Stamp World, a year-round center that provides people with chances to experience and learn the stamp culture, was opened on November 7, 2008 on the second basement floor of Post Tower, Seoul Central Post Office.

It serves as a venue of on-site learning for students and a tourist attraction for foreign visitors. It also displays stamps by season or by object which draws attention from stamp collectors. In addition, we hosted a special exhibition on Christmas, titled "Listening to Christmas stories of the world from stamps", and exhibited Christmas editions from all many countries. The event was a big success in that many children experienced Christmas culture of other countries and wrote a letter to Santa Clause.

Beautiful Stamps with Various Material

We reflect contemporary issues in our stamps to create public consensus on them. In 2009 we adopted ancient Korean history and issued the 'Jumong special edition'. Another example is that we printed the 'Love the earth · Go green · Recycle precious resources' special edition to promote protecting environment and saving energy.

We also designed and published sticker-stamps for the sake of convenience, diversified designs and materials, and adopted anti-counterfeiting measures to render stamps more valuable.

Cultivating Future Customers at School

We operate teaching programs on writing letters and creating stamp art works for both children and adolescents so that we not only secure future customers but help them develop a healthy hobby and sound mind.

We led stamp collecting clubs at over 200 school throughout the nation, and put continuous effort in connecting stamp culture with school education. The practice has been assisted by 「National Stamp and Letter Writing Committee」 led by school teachers.

In June we held 「Korea Philatelic Exhibition for Children」 in an attempt to encourage children's stamp collecting, and displayed children's stamp works. It was an opportunity for visitors to feel and experience stamp culture and to become close to the culture.

Culture of a Warm-hearted Letter Writing

In order to nurture decent values for adolescents and warm-hearted culture for our society, we biannually hold letter-writing contests in May and October with themes of 「Writing a letter in the Month of Gratitude」 and 「Writing a letter in the opening of fall」 respectively, designed for all the people. Each branch office managed to link the event with its local characteristics and consequently we made use of it to better the image of Korea Post.



A Sharing culture to encourage each other

Love grows with sharing !
Korea Post shares with you.

Voluntary service from the heart

Korea Post does its best to contribute to society as a public organization through various activities in areas such as social welfare, volunteer work and scholarship awards. This is done in cooperation with local authorities, using our 3,700 post office network nationwide.

Our 486 volunteer groups including the "Postal Volunteer Community" and "Postman 365 Volunteers," operate nationwide and are becoming good neighbors of people through voluntary works for underprivileged groups including the elderly living alone, the disabled and teenaged heads of households.

There is a charity activity called 'Dasarang Campaign' operated by the employees of Korea Post who voluntarily donate a certain amount of money each month to support the teenaged heads of households with various help including environment protection by prevention of mountain fires, supply of daily necessities and help with civil affairs, realizing "direct contribution to society by visiting in the field".

Operating "Santa Post Office"

We have been operating the "Santa Post Office" campaign during the Christmas and New Year period to deliver presents and hopeful messages to the underprivileged classes such as children as breadwinners and elderly people living alone. This has enabled us to promote the image of the postal business as well as to create loyal customers through various events that bring joy and happiness to customers using the post office.

The campaign was operated at two post offices in 2005 for the first time and since then, the number increased to 10 in 2006, and nine post offices were involved in 2007 and 2008. 11 post offices nationwide, including Seoul Central Post Office, operated the campaign from Dec. 14 to Dec. 31 in 2009.

For the five years from 2005 to 2009, "Santa Post Offices" have provided daily necessities to 1,640 households with 1,640 bags of 20kg rice, second-hand PCs, stationery and coal. In 2009, they visited ten welfare (medical) centers nationwide to hold various events such as magic shows for children and delivered presents of biscuits and underwear.

Following the example set in 2008, post offices in 2009 accepted gift boxes for needy neighbors and children from poor family backgrounds and delivered them on Christmas Eve. Our staff, acting as Father Christmas, delivered presents to 130 people during the last two years.



Brotherhood relationship with poor neighbors and free food supplies

Since 2002, we have appointed volunteers for "Post Office Sharers of Great Love," among mail carriers and postal insurance planners and established a sisterhood relationship with children as breadwinners, the elders living alone, single parent families, seriously ill patients and other socially alienated people. The volunteers of "Post Office Sharers of Great Love", after setting up 1:1 sisterhood relationship with underprivileged neighbors, visit them frequently to provide help such as cleaning and marketing. The number of volunteers are 500 at present, and so far total of about 27 billion won was used for the support.

Besides, postal employees from 3,600 post offices in the nation currently participate in year-round volunteering works and provide free meal service at each regional communications office.

More support for children in sheltered homes and homeless women

We provide economical and emotional support to children in 32 transitional shelters nationwide by running cultural camps (one night and two days) and various emotional support programs for the children suffering from domestic violence. In addition to it, we run a homeless day-care center called, "Room for Job and Culture" for women dwelling in and around Seoul Station so that those women can get rest during the daytime and relieve emotional stress by participating in positive and pleasant cultural programs and art activities. Our support programs for homeless women are to help them get a part-time job, gain a minimal amount of cost of living and encourage a willingness to work.

Quality of Life Enhancement Support for the Disabled

Postal Insurance has held the "National Wheelchair Basketball Games" since 2002 to encourage motives for rehabilitation among the disabled and to boost their confidence as well as promoting people's awareness. We also hold an annual event "Sea Fishing Competition for Visually Impaired People," to help them experience various possibilities and to heighten their determination to rehabilitate and to allow them to feel the joy of living.

Safety Network Project for Multi-cultural Families

Postal Insurance provides a support of about 100 million won every year for the project of "Safety Network for Multi-cultural Families." We have various education programs to prevent violence of interracial marriage couples, practical training programs for immigrant women's settlement as a community member in Korea and funding programs providing cost of living and medical fees for victims of family violence dwelling in five shelters nationwide. This project helped so far total 2,175 immigrant women since 2008 for stable settlement, and particularly, it tries to resolve conflicts in the families of interracial couples, focusing on the matter of domestic violence. It has been evaluated as highly satisfactory among users and they even feel it as a great help. Furthermore, we held 'Friendly Sports Day' in which 160 multicultural families participated in to narrow the gap between families and to understand each other.



Spreading our
shared culture to
across the world

We deliver the spirit of generous sharing
across the border.

Unifying Asia via Stamps! Successful Event Hosting, “PHILAKOREA 2009 24th Asian International Stamp Exhibition”

At the 125th anniversary of Korea Post foundation, we hosted the “PHILAKOREA 2009 24th Asian International Stamp Exhibition” to promote peace and friendship among Asian nations through postage stamp exchanges. 40 countries including Japan, China, Thailand, Singapore, Saudi Arabia, Australia and South Africa participated in the event spanning from July 30th to August 4th 2009.

In the course of the event, about 8,000 visitors came to learn and share different cultures everyday. It served as a good opportunity for children and adolescents to develop a sound hobby and for this nation to spread our excellent culture to the world and to enhance the reputation.



Supporting the Underprivileged World for Developing Postal Infrastructure by Donating Quality Service Fund(QSF)

We have donated QSF, assigned to Korea Post by UPU, to the global postal development project to build up postal infrastructure in the underdeveloped countries. In March 2009 we agreed to the usage of the fund, worth 500 thousand dollars, with UPU authorities at the POC session.

We decided to funnel the donation into training program operation for post employees in the poor countries and to further provide secondhand PCs for them. The secretariat of the UPU agreed to submit a proposal of post development plan for the underprivileged world to Korea Post. We also promised to dispatch experts for the project.

We will continue to work with the UPU secretariat for supporting those countries. In so doing, we will elevate our status in the international postal organizations.

As a member of POC we will cement our reputation as an opinion leader by actively participating in important decision making processes.



Secondhand PC Donation to the Underdeveloped World

We donate our second PCs to the National Information Society Agency(NIA) and the least developed countries to help them understand IT and make progress.

We donated 4,266 sets to the NIA and 500 to Cote d'Ivoire in 2009.



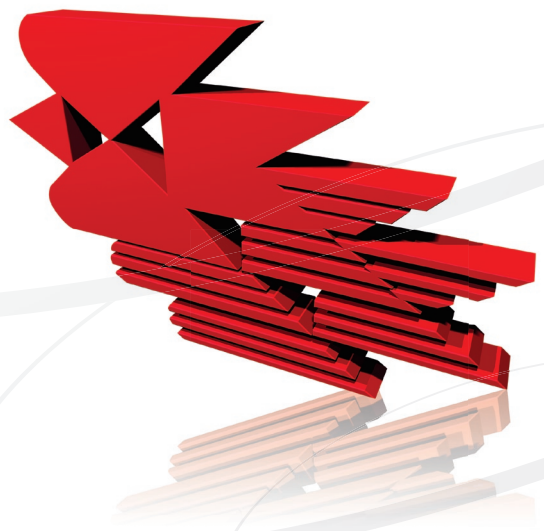
Secondhand PCs donation event to a remote village in Cote d'Ivoire





Major Achievements

With our mid and long-term plan,
we focus on strengthening internal capability
and deal with issues as they emerge.

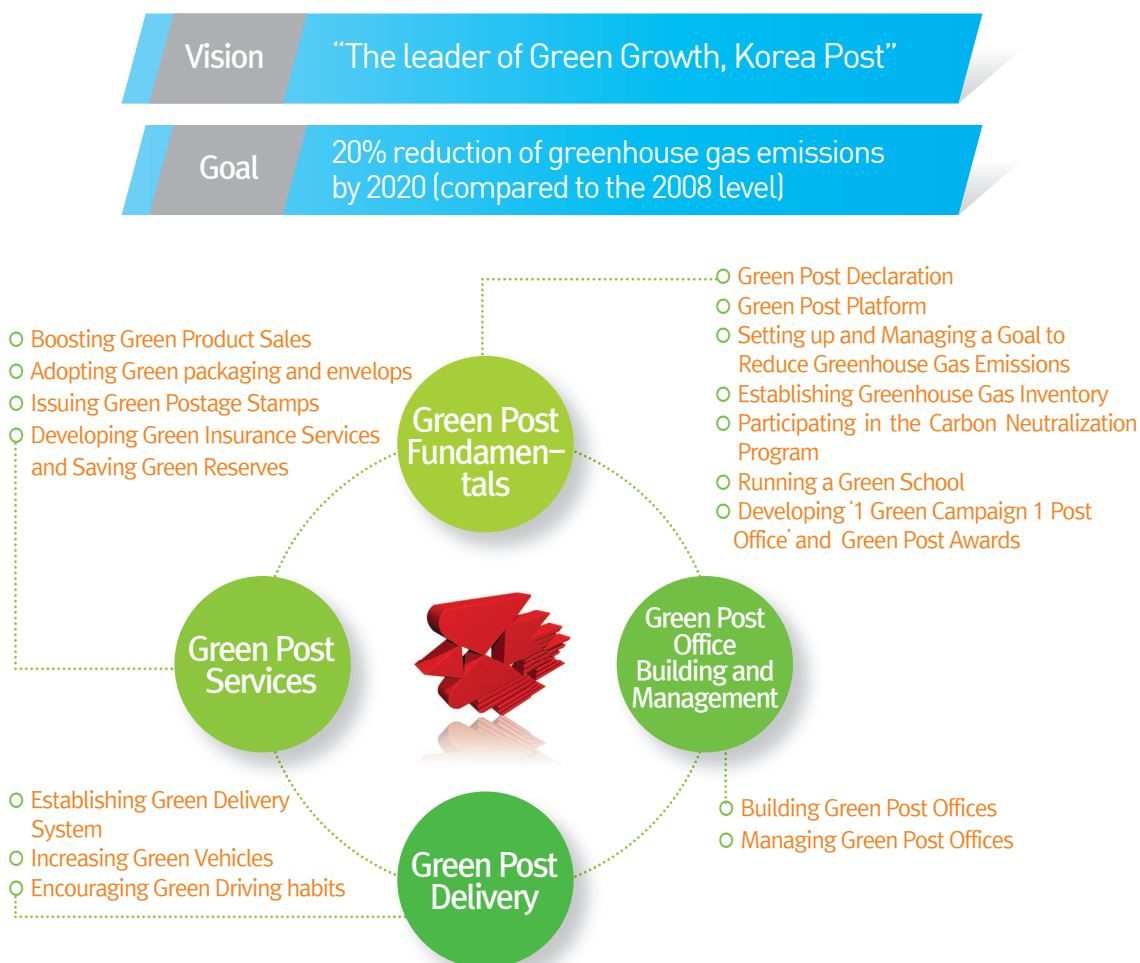


Low Carbon Green Growth

We developed '2020 Green Post Master Plan' to lead the effort to reduce greenhouse gas emissions.

Korea Post Low Carbon & Green Growth Strategy – 2020 Green Post

We actively participate in the nationwide green movement, trying to transform into a more environmentally-friendly business by declaring "2020 Green Post" strategy. We are already well-prepared for new laws on green growth and greenhouse gas emission cut, and energy saving policies on government agencies.



Green Postal Fundamentals

We laid out a greenhouse gas reduction target for the first time among government agencies and held a 'Green Postal declaration' ceremony (Jul. 1. 2009). We set up a Postal declaration and a code of conduct to accomplish the green goal.

We already established a greenhouse gas inventory system to efficiently address the emissions, and always observing trivial habits such as turning off lights or recycling. Therefore, we are a bona fide leader of the 'low carbon green growth' campaign.

Building and Maintaining Green Post Offices

We further apply an 'Environmental building' certification to post office branches, and are driving a campaign to mark 'over 90 in the energy efficiency index'.

We already replaced 28,101 incandescent and fluorescent lights with LEDs, and will increase LED presence to over 30% of the new or refurbished post offices.

Green Postal Delivery

We cut down delivery distances by 30,816km and costs by 17.59 million won annually with use of IT services.

We are currently replacing delivery vehicles with LPG/LNG cars, and embedding anti-airpollution apparatuses onto old cars in order to reduce carbon dioxide emissions.

Delivery Vehicles

(Unit : vehicle)

		Diesel	Gasoline	Environmentally-friendly Cars					Total
				Compact car	LPG/LPI	Apparatus-embedded	Hybrid	Sub-total	
Vehicle	Car		122	352			21	373	495
	Van	20							20
	Truck	2,437			650	148		798	3,235
Total		2,457	122	352	650	148	21	1,171	3,750

Green Postal Services

We are currently providing 'Green School' education of differentiated environmental programs and building a green campus in the Knowledge and Economy Officials Training Institution.

We signed an agreement with the Korea Eco-Friendly Product Manufacturer Association and build up a 'Green Purchase Isle' in the e-POST to promote and support green products sale. Six stores are operating in the Isle.

We issued 4 postage stamps of green energy special edition(Solar heat, Solar, Wind and Tidal power generation) and sold 2.24 million copies so as to encourage consensus about the low carbon & green growth campaign.

For customers who send the same mails in bulk, we provide a paper-envelop service to eliminate envelopes with a small plastic window. In addition, we promoted an eco-friendly electronic mail service at the '2009 Low Carbon Green Growth Expo', co-hosted by the Green Growth Committee and the Ministry of Environment.

We executed 22 billion won in the eco-friendly SOC public works and 27.76 billion won in the renewable energy development and environment improvement works.

We launched an insurance policy, 'Green Bonus Savings Insurance' and have accumulated 'Green Reserves' with "less than 0.05% of the deposit". The fund will be assigned to supporting green public works such as planting or eco-friendly welfare for the underprivileged.

Korea Post Insurance Green Reserves

the passage of time		1 year	2 year	3 year	4 year	5 year	Total
Volume as-sumption	New Funding	2T	1T	1T	1T	1T	-
	Accumulation	2T	3T	4T	5T	6T	-
Green Reserves		1B	1.5B	2B	2.5B	3B	10B

(T: TRILLION WON, B: BILLION WON)

Innovative Logistics System

Cut down the last one second of delivery time!
We boldly invest in building up the infrastructure.

Reorganizing the Mail Handling Process at the Exchange Center

Since November 2008, we have reorganized the transportation process to efficiently handle transportation work, improve delivery rates of ordinary mail, and reduce costs of agency delivery service.

We managed to reduce 1.7 billion won of delivery cost and 33,000km of distance in 2009 as a result of ceaseless effort in reorganizing the transportation process, distributing delivery sequence sorting machines, and searching optimized delivery routes on the Internet.

Improvement of Mail Handling Process(Plan)

	Previous	Revised	Details
1st mail handling hours	01:00 ~ 02:00	Same as the previous hours	Next-day Morning Express, Next-day Express, registered parcel, full delivery of registered mail
2nd mail handling hours	06:00 ~ 07:00	02:00 ~ 03:00	Moved ahead 4 hours

※ Note: Flexible operation for exceptionally busy periods

Efficient Operation of Mail Centers

To efficiently handle ever-increasing parcels we divided the country into 7 mail centers and 8 districts, standardized the workload for each branch, reduced shipping costs by preventing delivery rebound, and thus optimized the logistics system.

Plus, we secured sufficient work space, created dedicated packages(2,700 parcel-dedicated palettes, 500 mail-center-dedicated palettes, 60,000 mail-dedicated box), and distributed motor tow trucks and conveyor belts to address exceptionally busy seasons such as harvesting time and the special communication period.

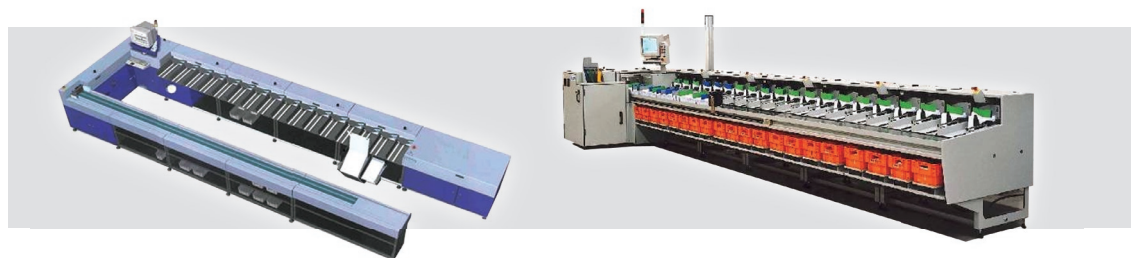
Furthermore, we made contracts with third parties for sending and receiving mails in both the East and the West Seoul Logistics Centers for the productivity sake. We improved field processes to eliminate unnecessary elements, and lifted on-time delivery and accurate sorting rate by developing programs to detect delivery errors.

Expanding Delivery Sequence Sorting Machine Distribution

Delivery Sequence Sorting Machines recognizing the address written in Korean were supplied to reduce manual handling and increase work efficiency. More attention is being paid to the improvement of working condition and delivery timing, and reduction of workload.

We will continue to distribute Delivery Sequence Sorters in order to improve working environment. Meanwhile as for the post offices unable to install such units due to limited space, we plan to add functions that include delivery sequence sorting for mail sorters to make sure to strengthen the delivery service capability.

Delivery sequence sorting machine feature



Delivery sequence sorting machine distribution by year

2006	2007	2008	2009	Total	Note
3	2	24	40	69	36offices

Automated Parcel Sorting System in Mail Centers

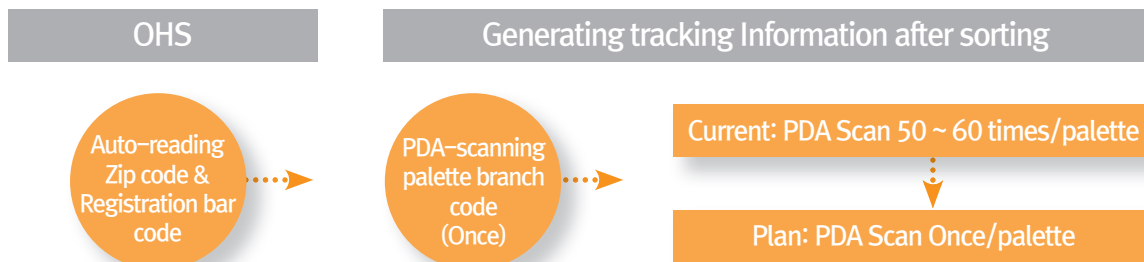
We have dramatically reduced parcel processing time by expanding “Simplified Registered Parcel System”, continuing last year’s practice.

The system includes a method that scans the last parcel of the palette by means of OHS of the parcel sorting machine. The new technique drastically shortened the process time from 4 to 2 seconds, and thus contributed to improving productivity and completing next-day delivery system.

Upgraded Parcel Sorting System

Year	2008	2009	Note
Upgrade-completed	East Seoun, Uijeongbu, Daejeon, Ulsan, Pohang, Yeongam Mail Centers, the West Seoul Logistics Center	Bucheon, Suwon, Busan, Changwon, Cheongju, Gwangju, Daegu, Gwangju, Jeonju, Wonju, Jeju Mail Centers	
Total	7 Hubs	10 Hubs	17

Workflow of the Simplified Parcel Sorting Process



Automatic mail sorting facility

To cope with a new address and zip code system, we introduced 2 standard UI packet sorting machines with extra features that include Korean character reading and delivery sequence sorting for mail sorters to Bucheon and Cheongju mail centers.

We will further adopt the same feature to 3 additional machines that are scheduled to be distributed next year, and to existing new OVISs.

Packet Sorting Machine Distribution

Year	1996	2002	2003	2004	2005	2007	2009	계
Packet sorting machines	4	16	21	5	6	5	2	59
Machine Type	Old	Old	Old	New	New	New	New	

Registered-mail sorting machine distribution

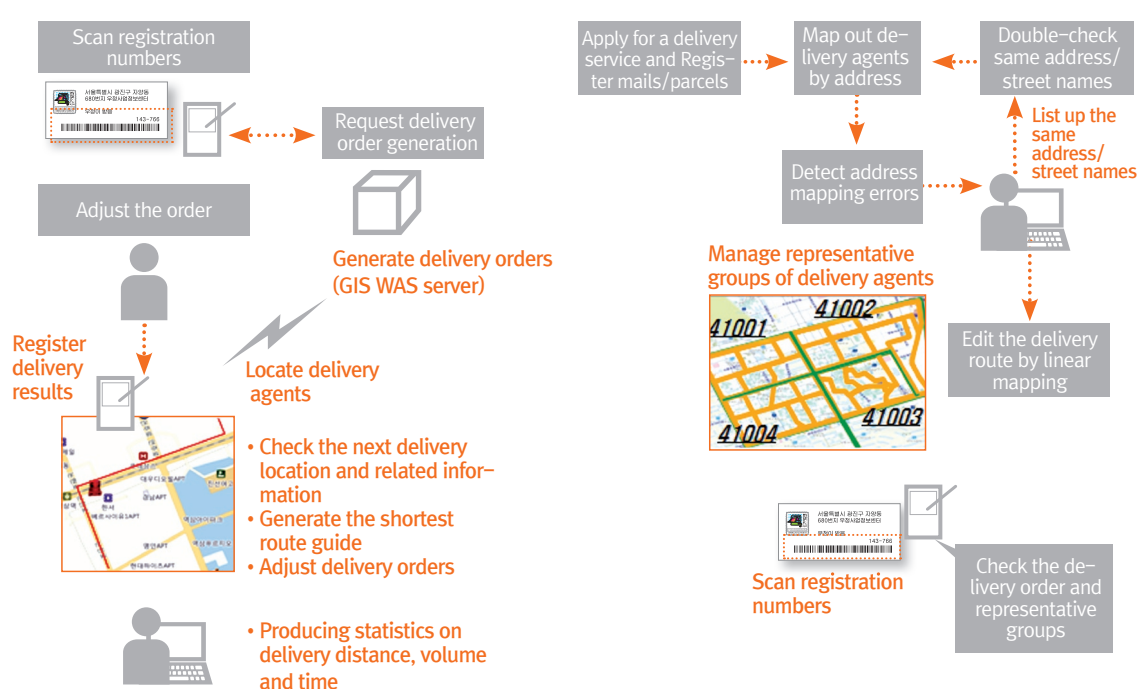
Year	2006	2007	2008	2009	Note
Registered-mail sorting machines	1	2	2	2	7
Mail Center	Seoul	East Seoul, Busan	Bucheon, Daegu	Suwon, Daejeon	

Establishing Delivery Sequence Sorting System

When a post officer scans a parcel registration number with PDA, the system automatically generates the delivery order so that the officer can load packages in accordance with the order.

We also utilize GPS/GIS functions that guides collection and delivery routes, and locates mail carriers.

We now can pull out accurate statistics by using delivery route information.



Expanding PDA Distribution for Mail Carriers

To minimize manual work in the delivery process, we provided mail carriers with mobile PDAs.

PDAs replaced paper delivery receipts and, reduced one work hour a day per mail carrier on average.

PDA distribution to mail carriers

(Unit : set)

Year	PDAs			Total PDAs in use
	for Collection & Delivery	for Parcel	Total	
2007	4,994	1,421	6,415	6,415
2008	5,618	1,357	6,975	6,975
2009	6,188	1,596	7,784	7,784
Total	16,800	4,374	21,174	21,174

Further Implementing the RFID System and Stabilizing in No Time

We expanded implementing RFID technology to more efficiently manage mail delivery and palettes. Accordingly, we put the RFID mail logistics information system in place in the 31 mail and logistics centers nationwide, installed 648 RFID readers at the entry/exit point of those centers and attached tags to 48,000 palettes starting from Sep. 1. 2009.

Rearranging Zip Codes and Issuing a Zip Code Index Book

We updated new zip codes generated by reorganized administrative districts and bulk mailers who acquired new numbers, in order to make sure that people can use correct zip codes as well as to improve automatic mail processing rate in the mail centers.

We published and distributed 360,000 zip code index books free of charge for the sake of customers' convenience. (Mar. 2009)

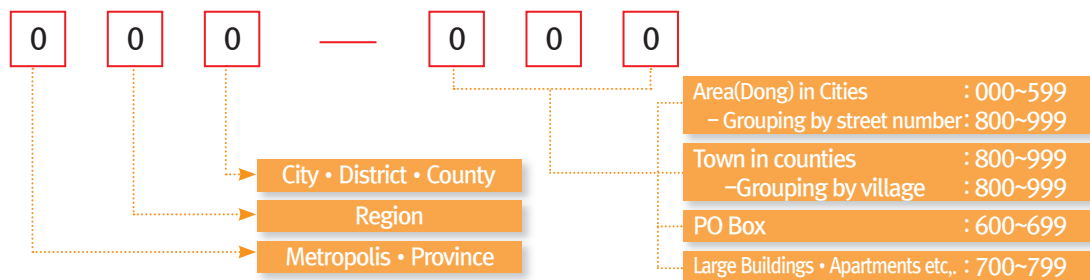
2009 Zip code rearrangement : 4 times / 2,598 cases

	New	Deleted	Altered	Total
Case	769	176	1,653	2,598

※ The number of Zip Code(As of Dec. 31. 2009)

- The number of Zip Code : 30,145 ⇒ 30,855(710 ↑)
- The number of Zip Code in the database : 50,419 ⇒ 51,196(777 ↑)

Zip Code System



Enhancing customer trust in delivery

Whenever and wherever our customers want, we provide customer-tailored delivery services.

Enhancing trust in mail delivery service

We notify the 'aiming rates of postal delivery' to customers, measure delivery performance on a regular basis, and thoroughly analyze causes of delay. As a result, such efforts have greatly contributed to the improvement of service reliability and quality.

We conduct 'Customer-Satisfaction Delivery Service' campaign to improve service quality, and achieved satisfactory level of service by selecting "best postmen" who provide excellent customer satisfaction every month and give overseas training opportunities, making the workplace exciting and joyful.

※ No. of selected people : 1,526 (including regular and stand-by delivery personnel) Overseas training: 15

In order to reduce workload for delivery staff (regular and stand-by) and to improve their benefit and work environment, we have increased the number of delivery staff (106 people), provided 187 more delivery vehicles and 40 MARS (Mail Automated Reordering Sorter).

Delivery Performance

(Unit: %)

	National Average		Achievement by region		
	Goal	Achievement	Within the same city/ county/ district	Within the same metropolitan area	Other cities/ provinces
Delivery standard (ordinary mail)	95.0	99.5	99.9	99.3	99.5
Delivery mistake for P.O. box	0.10	0.08			
Safety accident	2.5	1.73			

※ Delivery standard rate : on-time delivery within 3 days from acceptance

- Research method : Hyosan Management Institute Co. Ltd conducts researches for 217 major post offices nationwide four times a year.

- Mail volume measured : 30,022 items

- Target rate to reach delivery standard for ordinary mail(published) : 95%

Improving next-day delivery service

The establishment of the same-day pick-up and next-day delivery service system, together with Door-to-Door Parcel Delivery Service and real-time delivery information service via PDA, has substantially contributed to the improvement of customer satisfaction and strengthening of the competitive edge of the Door-to-Door Parcel Delivery Service.

Next-day delivery rate

	2002	2003	2004	2005	2006	2007	2008	2009
Next-day delivery rate	59.0%	77.0%	85.0%	90.4%	91.0%	91.7%	93.2%	94.0%
No. of PDA (total no.)	-	1,065 (1,065)	888 (1,953)	661 (2,614)	512 (3,126)	693 (3,819)	469 (4,288)	1,596 (4,374)
Vehicles supplied for parcel delivery	135	153	101	152	166	151	515	1,689

Expanding same-day dispatch service for international EMS mails

Implementing domestic EMS (Express Mail Service), items registered before noon are dispatched overseas on the same day, reducing the EMS delivery time. As a result, service quality in EMS delivery is enhanced and was effective in preparation of competition with private EMS delivery service providers.

Change of Domestic Express operation, interchange at Gimpo Aripot (start date : 2009. 4. 1.(Wed))

Before change	After change
Gimpo Airport → Gangseo Post Office in Seoul → Yangcheon Post Office in Seoul → Incheon Int'l postal logistics center (14:00~16:00)	Gimpo Airport → Incheon Int'l postal logistics center (15:20~16:00)

Effect of Change of Domestic Express operation, interchange at Gimpo

(Unit : 1,000 cases)

	Apr	May	June	July	Aug	Sep	Oct	Nov	Total
After change	114	114	118	122	109	133	135	136	981

※ Handling items per month : before change : 109,000 cases → after change: 123,000 cases (12.6% increased)

EMS delivery guarantee service

As for EMS (Express Mail Service) destined to KPG (Kahala* Posts Group) member Posts, the delivery date is specified upon mail acceptance and the total amount of postal charge is refunded if there are any delivery delays.

* Kahala: an area name in Honolulu Hawaii. The first KPG meeting of 6 Posts (Korea, Japan, China, Hong Kong, USA, Australia) in the Pacific-Rim region was held in Kahala in an effort to improve the EMS service quality.

Since the implementation of EMS Guarantee Service, the service quality of EMS destined to Kahala members has been drastically improved, and the number of countries applying for membership has increased accordingly.

As of the end of 2009, Korea provides the EMS guarantee service to seven member Posts and the service area will be expanded to France and Singapore in 2010.



Kahala member countries and EMS delivery guarantee service providers

Kahala countries (end of 2009)	Expansion of delivery guarantee service	
	As of the end of 2009	2010(planned)
Korea, Japan, China, Hong Kong, Australia, USA, UK, France, Spain, Singapore (10 Posts)	Japan, China, Hong Kong, Australia, USA, UK, Spain	France, Singapore

Information service for returned mail items

To provide more convenient service for enterprises that are bulk mailers, we provide information analysis (reasons of return including recipient's absence, change of address) in six analysis centers since Oct, 2007.

For customers who mail 10,000 items per case, we provide 0.5% discount once a month, and we charge 30 won per item for analyzed information provided by the analysis center.

Information service for returned mail items

(Unit : companies, 1,000 items, 1 million won)

	2007	2008	2009
No. of companies	4	20	78
Volume	403	4,751	20,978
Total sales	12	143	626

Customer-oriented Financial Service

Our financial services are small, but powerful as much as large financial service providers.

We provide safe, convenient and one-stop services.

Strong and Healthy Financial System

To protect customers' asset and to secure a healthy financial system, we developed and implemented a financial information system(FIS).

Establishment of the financial information system in 2009 to bolster the safety

FIS	Details
System to prevent telephone scams	• Detecting telephone scams and suspending payment
System to spot criminal accounts on sight	• Cooperating with the Police and reporting to them when any attempt to use a criminal account is detected
System to verify foreigners' personal information	• Verifying foreigners' real names in real time cooperating with the Justice Department
System to prevent money laundering	• Detecting signs of money laundering through financial institutions (work in progress)
System to prevent insurance scams	• Detecting signs of insurance scams (work in progress)
Regular monitoring system	• Detecting signs of problem in the process of internal tasks

Expanding Customer-oriented Electronic Financial Services

We have continuously promoted electronic financial services by adopting different marketing plans by channel and differentiated customer management and special events to vitalize core strategic products, and thus secured over 4 million customers so far.

We launched electronic financial system repairing works to replace outdated hardwares and complex softwares on June 23 2009 and expect to complete them by December 31 2010.

We extended the timespan for CD/ATM fee waiving(Weekdays 17:00→18:00, Sat 13:30→14:00) and the transaction limit to three consecutive times, and established 5 additional in-convenient-store banking services(total 8) for the sake of customers' accessibility and convenience.

In the same sense, we implemented a utility bill payment system online, simplified the telephone-banking process(4 steps to 2) and the emergency call process(4 to 1), and introduced a cash withdrawal service to VMmobile banking and a new design of ATM receipts.

eFinance service users

(Unit : Thousand, %)

	Target	Performance (Dec. 2009)	Comparison		Previous years	
			Differential	Rate(%)	Dec. 2008	Dec. 2007
Users	4,110	4,133	23	100.6	3,707	3,379

eTransaction uses and the rate by channel

(Unit : Thousand, %)

		Windows	Electronic Transaction						Total
			CD/ATM	Phone Banking	Internet Banking	Mobil Banking	IPTV Banking	Sub-Total	
Uses (%)	Dec.'09 (A)	37,422 (24.8)	88,199 (58.4)	10,449 (6.9)	13,610 (9.0)	1,223 (0.8)	0.099 (0.0)	113,481 (75.2)	150,903 (100)
	Nov.'09 (B)	34,195 (24.8)	80,729 (58.5)	9,527 (6.9)	12,550 (9.1)	1,084 (0.8)	0.099 (0.0)	103,890 (75.2)	138,085 (100)
	(A-B)	3,227 (25.2)	7,470 (58.3)	922 (7.2)	1,060 (8.3)	139 (1.1)	0.00 (0.0)	9,591 (74.8)	12,818 (100)
	2008	41,218 (24.3)	82,648 (61.6)	10,498 (6.2)	12,138 (7.3)	718 (0.5)	0.144 (0.0)	106,002 (75.7)	147,220 (100)
	2007	46,494 (29.4)	75,632 (54.2)	10,128 (7.4)	11,229 (8.6)	692 (0.5)	0.072 (0.0)	97,682 (70.6)	144,176 (100)

Increased Revenue from Post Savings

We set up and operate an interest rate management system to better adapt to the ever-changing financial environment, and bolster our marketing competence for the savings products so that we firmly made the ground for future growth.

We also elaborated savings customer management through a financial CRM system, improved preferential services, asset management and tax consulting, and even offered ski camps for VIPs to expand our customer base.

- Total Increase of Post Savings : 40.9 Trillion won('08) → 44.4 Trillion won('09)
- Customer Base for Post Savings : 11,699 thousand('08) → 12,095 thousand('09)
- VIPs : 131,644('08) → 206,577('09)

Announcing Korea Post Insurance Vision and Slogan

We declared our vision, "Convenient, Reliable and Excellent national insurance", to share with our employees and to help them work more efficiently/ We also announced our slogan, 'I trust U' to become closer to customers as a trustworthy national insurance.

Korea Post Insurance BI



Customer-oriented New Products

We conducted extensive market research on the environment and customer needs, and comparative research with competitors' as well as our existing products to maximize customer satisfaction.

Korea Post Savings New Products

New Postal Savings Item	Deposit Period	Interest Rate(%)	Deposit Limit	User and Feature
Junior Preferential Time Deposit	12 ~36 months	Up to 4.4% a year	over 10,000 won, no limit	<ul style="list-style-type: none"> • Any identifiable individual under 19 (1 account each individual) • Time Deposit for juniors only
Neighbor love Time Deposit	6 ~36 months	Up to 4.6% a year	over 10,000 won, no limit	<ul style="list-style-type: none"> • The underprivileged including people on social benefits • Public-service time deposit for the underprivileged

Korea Post Insurance New Products

Insurance item	Feature	Eligible Age	Insurance Period	Deposit Limit	Guarantees
Non-participating & big bonus savings insurance	<ul style="list-style-type: none"> • Non-participating insurance with market interest rate (lending rate-1%) • Receiving bonus interests when keeping the expiration date [1.5%(3years), 2.5%(5), 5.0%(10)] 	15 ~70	3 years 5 years 10years	1 ~40 million won	<ul style="list-style-type: none"> • Expiry insurance money, • Life insurance money
Non-participating & actual expense medical Insurance	<ul style="list-style-type: none"> • Adopting patients' out-of-pocket expense system • Low premium of 10 thousand won to minimize buyers' financial burden 	0 ~ 60	5 years	1 Account	<ul style="list-style-type: none"> • Hospitalization medical expense • Outpatient treatment expenses • Health care expenses
Non-participating & green bonus savings insurance	<ul style="list-style-type: none"> • Market interest rate (lending rate-1%) with a guarantee of 2.5% minimum rate • Receiving bonus interests when keeping the expiration date [0.6%(3years), 1.0%(5), 2.0%(10)] 	over 0	3 years 5 years 10years	1 ~40 million won	<ul style="list-style-type: none"> • Expiry insurance money • Insurance money according to the degree of the injury or damage

Financial Soundness

We're fully committed to transparent management and advanced financial techniques, and we do have a platform to protect customers assets.

Strong System to Prevent Potential Financial Disasters

We strengthened our internal monitoring system by enacting and implementing a 「Post Finance Anti-Accident Platform」 to prevent possible problems in the course of transaction.

Major points of 「Post Finance Anti-Accident Platform」 (Dec. 2009)



Fair Competition Measures

We enacted 'laws on post savings and insurance', enforcement ordinances and regulations to efficiently operate the financial business. We also expanded the portion of securities, and alleviated sanctions on savings fund administration.

We reorganized an internal transfer price(FTP) system in order to improve profitability of the savings fund and implemented an integrated revenue management system to cover every part of the job including organizations, products and cost per customer.

We also consulted management experts to boost financial performance as well as trust and transparency of our financial business, and posted the result of special account for postal savings for the first time in accordance with the postal savings and insurance standards to help customers make a reasonable decision.

Abiding by the postal savings and insurance standards, we are audited by an external accounting firm and submit reports about capital adequacy ratio of risk weighted assets to the Financial Committee so that we achieve a transparent and trustful management system.

Advanced Financial Management System

We raised operating profits of savings fund by employing tighter performance analysis and management measures after adopting strategic and tactic asset distribution and analysis measures in 2008.

We also developed 'EverRich Performance Matrix(Aug.19)' to evaluate specific financial performances including market timing and benchmark stock selection. We also examined adopting the GIPS* (Global Investment Performance Standards) to further strengthen our financial operation system.

* GIPS(Global Investment Performance Standard) : set of standards for the presentation of investment performance information, established with the aim of creating ethical, global and industry-wide methods of communicating investment results to prospective clients

We secured stable profits through advanced foreign investment processes and conducted biannual asset portfolio rebalancing to brace ourselves for greater investments in the future. We also worked with external consulting agencies to establish an excellent foreign investor database and to improve the foreign investment process in selecting overseas stock benchmarks.

Global Information Network and Partnership

We expanded our global information network based on the partnership with Postal savings research network, CoiAM and Korea Investment Corporation(KIC).

We also cemented our network with private research centers and global investment banks to bolster research competence. Furthermore, we built up strong overseas market research channels to deal with a possible recession or unstable financial market condition.

We prepared a safe and efficient transaction fundamental for over-the-counter derivatives after signing contracts with financial institutions at home and abroad according to the ISDA* terms and conditions.

* ISDA(International Swap and Derivatives Association) : trade organization of participants in the market for over-the-counter derivatives

Redefining Job Descriptions and Improving Efficiency

We held 4 sessions of policy agreement meetings on Postal finance business, and discussed major issues to enhance the efficiency.

We mended savings attachment processes such as implementing a digital seizing system of public pension and fund agencies.

We also improved public service systems including automatic calculation of local taxes, lowering check fees, and reorganizing the Postal financial network code system.

- Providing OCR equipment for branches(April)
- Reorganizing check issue and transaction fees(Apr.14)
- Rearranging the financial institution sharing code system(May.17)
- Amending terms and conditions of the payment agent contract and laying out a standard contract(Sep.30)
- Improving online cash delivery service processes(Jul.20)
- Implementing online cash services for non-members of the Postal Internet banking with use of virtual accounts(Nov.12)

Strengthening Financial Information System

We adopted a new paradigm and technologies of the financial industry, drew up a plan for establishing an integrated revenue management system, and put effort to establish an advanced financial information system.

We are always doing our best to provide a stable financial system without a hitch.



Establishment of top-notch IT foundation

We always search for optimal IT process that fully reflects customer needs.

Preparing foundation for sustainable growth with total managerial quality management

Getting ready for the market changes in Korea and overseas and the development of IT technology, we have established a new vision of Korea Post information and drew up a road map for IT strategies for the next five years (2010–2014).

We have obtained ISO 20000 certificate and have improved our service quality in all IT service managing systems. We have established information strategy plans for constructing To-Be model and remodeling for Korea Post's core infrastructure facilities (basic network) to prepare for the next ten years.

In preparation of possible cyber terrorist attacks that are becoming more intelligent and diversified, we reinforce our technology information protection system and have reached high level of inside information protection.

Through diversification of customer service procedures, we have achieved early uPOST

We have simplified registering work procedure by customer participation system and expansion of system connection for the customers to choose and use our mailing services.

By applying the RFID-related technology to the current postal logistics system, we have shortened the handling time of mail logistics process, improved working environment, and also have contributed in revitalization of domestic RFID business.

In order to prepare for the possible environment changes such as reduced monopoly in postal business and expanded alternative communications means, we have improved mailing service efficiency with measures including enlarged e-Biz service.

Using the mobile phone and SMS, we provide civil affairs services regarding tracing of mail or direction to a post office, and image communication service using 3G function.

Strengthening postal financial system through expanding information infrastructure

We have expanded information infrastructure in the preparation of changes in financial environment and to improve customer service by improving existing system and introducing new systems.

For early settlement of upgraded financial system, we have structured and operated T/F team to find out and resolve existing requests and reflect people's opinions.

We have established a management and operation system in order to react right away for the prevention of abnormal system disorder, diagnosis of the situation and handling measures, by securing professionals in each area for the sake of safe operation of financial system.

information-oriented achievement in 2009

	Name of Business	Details
Management Planning	1. Information-oriented vision of Korea Post and Mid- and long-term ('10~'14) strategies	<ul style="list-style-type: none"> • Setting up of basic strategies for research service (March) • Consulting with Information Propulsion Committee (April) • Placing business order for research services (May) • Designating contractor and signing contract (July) • Setting up mid- and long-term vision and strategies for Korea Post (Dec)
	2. Korea Post's basic network To-Be model plans and strategies	<ul style="list-style-type: none"> • Basic network To-Be model planning and strategies (April) • Consulting professional advisory committee and converging opinions (11.20) • Drawing up a final draft of basic planning(Dec)
	3. Establishing advanced IT governance system (IT total operation system 2nd step)	<ul style="list-style-type: none"> • Providing training for IT governance mind (Jan) • ITA usage in '08 and setting up plans for '09 (Feb) • Basic plans for IT total situation managing system (Mar) • Evaluating suggested plans, deciding on contractor, signing contract (May) • 2nd step report (June) and workshop (July) • 2nd step technical Advisory Committee and mid-term report (Oct)

	Name of Business	Details
	4. Enhancing quality control in Postal IT service	<ul style="list-style-type: none"> Integrated maintenance outsourcing for IT equipment (Jan) Basic plans for application of int'l process in maintaining IT equipment (Feb) One-Click report service for breakdown (Mar) Setting up postal IT organization and operating system (May) Participating in IT governance int'l conference (June) Obtaining IT equipment maintenance int'l standard certificate (ISO20000) (June)
	5. Maximizing usage of basic information infrastructure and efficiency in management	<ul style="list-style-type: none"> Setting up plans to supply office equipment for 2009 (Feb) Improving U-handbook system (Feb – July) SW management system and plans to check illegal SW (Mar) Evaluating information directives and reward programs (Apr) Hosting Information Competition for all staff in Korea Post (June) Increasing resources in postal administrative information system (Oct) Evaluating Information system in each department and award for excellence (Dec)
	6. Establishing integrated managing system to prevent real-time information leak	<ul style="list-style-type: none"> Taking measures to protect information in Korea Post in 2009 (Jan) Establishing information protection management system (Feb) Exchanging or upgrading IT equipments in integrated security control center (June) Introducing information leak block system for the prevention of information leakage in office and mail access machine (July) Countermeasure training against possible cyber-terrorism (Aug) Carrying out consultation for main Information and communication facilities for information protection (Oct)
	7. Blocking personal information leak through Homepage	<ul style="list-style-type: none"> Reinforcing checks on personal information exposure on Homepage (Feb) Announcing revised regulations on Homepage operation (May) Survey and analysis on Homepage customer satisfaction (Aug – Sep) Transferring to public I-Pin on Homepage (Oct)
	8. Reinforcing information protection management system for sub-organizations and external staff	<ul style="list-style-type: none"> Inspecting security education and existing status in sub-organizations (Apr) Inspecting security measures for long-term staying external staff in the departments (July) Diagnosing information protection status in sub-organizations and improving weak points (Nov)
Postal mail	1. Improving work process through upgraded system	<ul style="list-style-type: none"> Enlarging customer participation (Oct) Expanding system-connected organizations (20 organizations, during the year) Automated system in civil affairs (Dec) Improving order procedure in postal shopping at Call Center (June) Credit card payment system in Call Center (June) Establishing civil affairs management system (Dec) Transport management system (Dec)
	2. Establishing next generation postal logistics system 2nd step	<ul style="list-style-type: none"> Selecting business operator (Apr) Analysis/ planning for operational content Development and integration test (Oct) Execution (Nov)
	3. Upgrading postal logistics process through RFID system	<ul style="list-style-type: none"> Establishing RFID system (Sep) <ul style="list-style-type: none"> Where : in 31 post offices nationwide Installing RFID machine, attaching RFID tag and optimizing application system, monitoring system Establishing RFID test environment (Sep) Reviewing RFID application methods for transport vehicles (Oct) Reviewing equipment upgrade according to redistribution of frequency (Dec)
	4. Supplying optimized equipment for IT technology and logistics environment	<ul style="list-style-type: none"> Supplying optimized equipment for IT technology and logistics environment <ul style="list-style-type: none"> Planning (Jan), Announcement and contracting (Feb – June), Installation of equipments and take over (June – Nov) 15 kinds of PDA 7, 000 pieces, 18 billion won Model operation of new equipment <ul style="list-style-type: none"> Model operation of four exclusive card ATM (June) RF payment at un-manned counter (June) Model operation of three barcode quality measuring devices (June) Model operation of 20 scales that can be used as wheelbarrows (Nov)

	Name of Business	Details
Postal mail	5. Promoting internet business	<ul style="list-style-type: none"> • Extending B2B service including volume bidding function • Installing notice board for bulk purchase and improving register page for product name • Reinforcing security by extended application of public I-PIN • Establishing systems of on-line proof of content, on-line stamp and address transmission • Increasing on-line visitors with web accessibility by ePOST
Finance	1. Improving e-banking system	<ul style="list-style-type: none"> • Establishing Information strategy(3.31) • Establishing basic plans(5.13) • Selecting business operator and contracting (6.23) • Analysis and basic planning (Nov)
	2. Establishing operational risk-control system	<ul style="list-style-type: none"> • User education (4.7~4.17) • User test (4.27~5.12, 5.18~5.22) • System transition and operation (6.1)
	3. Establishing preventive system for money laundering	<ul style="list-style-type: none"> • Establishing Information strategy(3.31) • Establishing basic plans(5.14) • Selecting business operator and contracting (6.29) • Launching report (7.28) • Analysis and basic planning (Nov)
	4. Establishing preventive system in insurance fraud	<ul style="list-style-type: none"> • Establishing Information strategy (3.31) • Establishing basic plans (5.14) • Selecting business operator and contracting (6.29) • Launching report (7.28) • Analysis and basic planning (Nov)
	5. Establishing fund sales system	<ul style="list-style-type: none"> • Preparative proposal meeting(1.13) • Establishing basic plans (2.26) • Selecting business operator and contracting (3.30) • Completing analysis and planning stages (7.1) • User education (10.19.~10.20) • User test (10.23) • System rehearsal and transfer – operation (10.28)
	6. Establishing total profit managing system	<ul style="list-style-type: none"> • Establishing basic plans (5.14) • Selecting business operator and contracting (6.29) • Launching report (7.28) • Analysis and basic plannings (Nov)
	7. Securing operation of financial system and developing and providing new IT products	<ul style="list-style-type: none"> • Signing contract for IT development in financial operation • Agreements on service level for IT development outsourcing (Jan) • Inspecting and evaluating agreement on service level • Program execution tasks: monthly average 335 cases, monthly average 3,280 examples
	8. Supplying IT equipment for postal finance	<ul style="list-style-type: none"> • Introducing and executing plans (2.18) • Selecting business operator and contracting for financial access device (3.31) • Completing in establishment of financial IT equipment (7.17) • Investigating financial equipment operation (10.19 – 10.30)
	9. Installing 24 hour ATM in post office	<ul style="list-style-type: none"> • Installing more ATM for 24 hour service (122 new, 1,101 existing → total 1,223 places) • 2nd mid- and long- term planning for ATM installation(7.31) • Producing and distributing manual on 24 hour ATM design, construction and maintenance (9.2)

Amenities Expansion

The post office that you want to visit again!
The service that you want to receive again!
We always put ourselves in the customers' shoes.

Advancing Service Quality with Postal Kiosk Service(Postal Kiosks)

We installed Postal kiosks to reduce customers' waiting time in the post office and to provide more convenient mail service. We are running 24/7 postal kiosks in many public places including subway station.

Postal Kiosk Status

(Unit : sets)

Year	2003	2004	2005	2006	2007	2008	2009
Kiosk	166	167	151	130	130	139	139

Handling volume of Postal Kiosks in 2009

(Unit : case, thousand won)

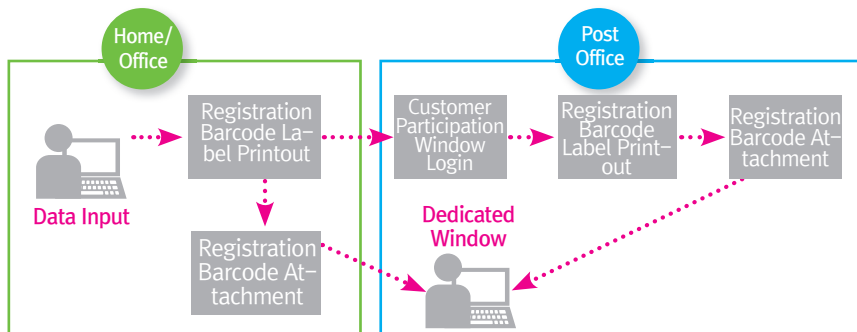
	Total	
	Volume	Revenue
Total of the year	2,052,975	3,188,198
Monthly average per set	1,231	1,911

Customer Participatory Mail Service

With this system customers input their registration number into a postal kiosk or our website, print out the registered bar code and check in the mail at the post office.

Customers can save waiting time and track the delivery status online.

Service Flow



Customer Participatory Kiosk



Role of Regional Information Center

We created a free Internet zone in our offices in an attempt to bridge the information gap between regions and classes and to accomplish our role in the information age.

Internet Plazas

(As of December 2009)

District	Seoul	Busan	Chun-gcheong	Jeonnam	Gyeongbuk	Jeonbuk	Gangwon	Jeju	Total
PC (sets)	709	406	457	241	512	225	130	27	2,707

We also operate 『Knowledge Cafes』 for citizens and businessmen when they need venue to share and search information or to have a coffee break.

Knowledge Cafes

(As of December 2009)

District	Seoul	Busan	Chun-gcheong	Jeonnam	Gyeongbuk	Jeonbuk	Gangwon	Jeju	Total
Operation centers	7	4	3	2	2	1	1	1	21

Bolstering the role as a government agency

Facilitating our nationwide network and business know-how, we set an example of helping alleviate your hardship.

Actively Supporting Government Work via Postal Information System

To revitalize the national economy, we appropriated a budget for building an information system(IS), carried it out and overly achieved our initial goal of early implementing the IS.

We support small and mid-sized(S&M) IT firms by hosting investment seminars on IT business and seminars on postal IT products of S&M enterprises, and expanding purchase of those products.

※ Purchase in 2009: 5,592 sets of S&M IT products(41% of the total)

We created and distributed campaign posters about energy saving practices related to the postal IT, and are currently promoting a green IT strategy.

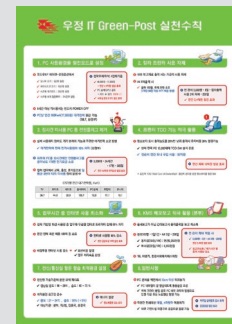
Investment seminar on IT business



Seminar on postal IT products of S&M enterprises



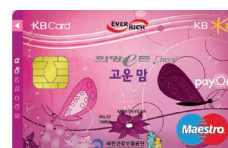
IT Green-Post guidance



Actively Responding to the Government Welfare Policy

We issue various electronic welfare voucher cards including vouchers for pregnancy and childbirth(Jan.29) and child-rearing(Sep.1), in an attempt to support the policies of the Ministry of Health and Welfare.

Electronic voucher card for pregnancy and childbirth



Electronic voucher card for child-rearing



Free Insurance

Korea Post Insurance public services aims at establishing a firm social safety net for the underprivileged, based on the postal network and the insurance business.

We put our best effort to perform systematic and trustful 'Socially Responsible Management' with help of the Public Service Operation Committee comprised of experts and social workers. We support the socially neglected class with insurance policies, and also categorize them into 4 different groups of children, women, senior citizens and the disabled, and help financially stabilize their livelihood.

We supported 19 billion won of public services from 1995 to 2009 and 2.04 billion into 14 projects in 2009 alone.

Creating Jobs for the Elderly

We join the movement of job creation for the senior citizens led by the government and launched a 'Silver door-to-door parcel delivery service program'.

We operated the program for 6 months from February 2009 by building up a consortium with 2 partners: the Ministry of health and welfare, the host of the campaign, and Eclue Unions Inc., a computing and managing agency.

Korea Post Insurance public services

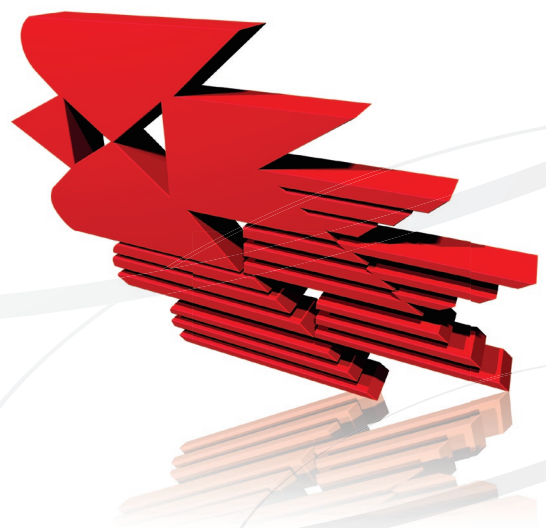
Public Service	Details
Sisterhood Relationship with Poor Neighbors	<ul style="list-style-type: none"> • Eligibility: Poor neighbors including a child head of household • Support : 500 children, 80,000won per month
Support for Children heads of household	<ul style="list-style-type: none"> • Eligibility: Children heads of household(age 6~15) • Support : Free insurance policies • Number : 100 children (3.7million won per head)
Medical Cost Support for Children with a Single Parent	<ul style="list-style-type: none"> • Eligibility: Children with a Low-income and Single-parent • Support : Free healthcare insurance policies • Number : 129 children (1.4million won per head)
Support for Disabled Cancer Patients	<ul style="list-style-type: none"> • Eligibility: Low-income and disable people • Support: Free healthcare insurance policies • Number : 302 people (800 thousand won per head)
Support for the National Wheelchair Basketball Competition	<ul style="list-style-type: none"> • Date : May. 4~8. 2009 (4days) • Venue : Fencing Stadium at the Olympics Park • Eligibility: 29 disabled basketball teams registered to the Korean wheelchair basketball federation
Free Food Support	<ul style="list-style-type: none"> • Eligibility: Senior citizens with no one to rely on • Venue : Seoul Elderly Welfare Center • Number : 2,000 people a month(1 million won a session)
Cultural Support for Children at institutions	<ul style="list-style-type: none"> • Eligibility: Some 500 Children at institutions in Seoul • Support for Special TV program and cultural events
Post Office House of Great Love and Support for Childhood Cancer Patients	<ul style="list-style-type: none"> • Providing 'House of Great Love' for accommodation(5 shelters) • Support for Childhood Cancer Treatment expenses(20 Children) • Learning Support(35 Children), Art Therapy(220 Children)
Medical and Cultural Support for Poor Senior Citizens	<ul style="list-style-type: none"> • Eligibility: 242 Poor Senior citizens with no one to rely on • Building a local medical network, medical cost and cultural support ※ Newly establishing heating cost support, Expanding urgent medical support
Support for Female Homeless with rehabilitation and self-support	<ul style="list-style-type: none"> • Eligibility: Female homeless and Mother-son families • Supporting rehabilitation and self-support through the work-culture center ※ Special support : Newly establishing free food support
Support for Children in Shelter for their emotional development	<ul style="list-style-type: none"> • Eligibility: 320 abused children in the 32 shelters nationwide • Support : Living, education and cultural cost for children
Safety Network Project for Multi-cultural Families	<ul style="list-style-type: none"> • Eligibility: 69 multi-cultural families 5 shelters for domestic violence victims • Education to prevent domestic violent(sexual assault), Support for the victims, Support for female immigrants etc.,
Support for Public Service Programs of the Broadcasting Companies	<ul style="list-style-type: none"> • Eligibility: Public Service TV Programs • Support: Donation to a certain social welfare organization etc.,
Campaigns and Events	<ul style="list-style-type: none"> • Volunteer campaign for sharing in the year-end • Events for Children heads of household • Repairing facilities at 'Post Office Houses of Great Love'





Statistics

We're keeping in mind that completing financial settlement for the year is not the end, but a new beginning of the future.



Balance Sheet Special account for postal service

(unit: 100 million won)

			2008	2009	Increase rate from previous year (%)
Assets	Current assets	Quick assets	3,121	2,104	△32.6
		Inventories	50	88	76.0
		Subtotal	3,171	2,192	△30.9
	Fixed assets	Investment assets	1,091	1,226	12.4
		Tangible assets	40,001	41,129	2.8
		Intangible assets	114	91	△20.2
		Subtotal	41,206	42,446	3.0
Total		44,377	44,638	0.6	
Liabilities and capital	Liabilities	Current liabilities	1,467	648	△55.8
		Long-term liabilities	10,039	10,304	2.6
		Subtotal	11,506	10,952	△4.8
	Capital	Paid-in capital	64	64	0.0
		Capital surplus	23,347	23,426	0.3
		Retained earnings	9,460	10,196	7.8
		Capital adjustment			
		Subtotal	32,871	33,686	2.5
Total		44,377	44,638	0.6	

Balance Sheet Special account for postal savings

(unit: 100 million won)

			2008	2009	Increase rate from previous year (%)
Assets	Current assets	Quick assets	268,342	174,303	△35.0
		Inventories	11	42	281.8
		Subtotal	268,353	174,345	△35.0
	Fixed Assets	Investment assets	209,062	285,929	36.8
		Tangible assets	8,616	9,817	13.9
		Intangible assets	292	273	△6.5
		Subtotal	217,970	296,019	35.8
Total		486,323	470,364	△3.3	
Liabilities and Capital	Liabilities	Liquid liabilities	465,095	442,264	△4.9
		Long-term liabilities		547	
		Subtotal	465,095	442,811	△4.8
	Capital	Paid-in capital		0	
		Capital surplus	5,273	5,289	0.3
		Profit surplus	15,992	16,085	0.6
		Capital adjustment	△37	6,179	
		Subtotal	21,228	27,553	29.8
Total		486,323	470,364	△3.3	

Statements of revenues and expenses

(unit: 100 million won)

	Account	2005	2006	2007	2008		2009		Increase rate from previous year (%)
Revenue	Special account for telecommunication business	52,420	53,632	52,757	Postal service	32,726	Postal service	32,601	△0.4
					Postal savings	24,990	Postal savings	33,080	32.4
					Total	57,716	Total	65,681	13.8
	Special account for postal insurance	4,934	5,336	5,964	5,774		5,704		△1.2
Expense	Special account for the telecommunication	48,390	48,904	47,495	Postal service	30,633	Postal service	31,700	3.5
					Postal savings	20,819	Postal savings	24,266	16.6
					Total	51,452	Total	55,966	8.8
	Special account for postal insurance	4,900	5,319	5,083	5,426		5,441		0.3



Revenues

(unit: 100 million won)

	Account		Item	Performance	
Revenues	Special account for postal service	Profit and loss account	Income from operations	23,757	
			Government property rent	270	
			Miscellaneous income	64	
			Transferred income	4,604	
			Balance brought forward from the previous year	1,238	
		Profit & loss total			29,933
		Capital account	Balance brought forward from the previous year	454	
			Income from government property sale	89	
			Government internal income and others	2,125	
			Capital total		
	Subtotal			32,601	
	Special account for postal savings	Profit and loss account	Income from Postal financial business	28,439	
			Miscellaneous income	4	
			Government internal income and other income	593	
			Balance brought forward from the previous year	3,886	
		Profit and loss total			32,922
		Capital account	Balance brought forward from the previous year	2	
			Government internal income and other income	156	
		Capital total			158
	Subtotal			33,080	
	Special account for postal insurance	Profit and loss	Add-on Insurance Fee	5,699	
			Miscellaneous income	5	
		Profit and loss total			5,704
		Subtotal			5,704
Annual Revenue Total			71,385		

Expenses

(unit : 100 million won)

	Account		Item	Performance
Annual Expendi- ture	Special account for postal service	Profit and loss account	Enhancing postal service competitiveness	7,153
			Supporting business management	4,765
			Supporting administrative affairs	14,037
			Transaction between account funds	1,080
			Other account transfer	2,125
		Profit and loss account total		29,160
		Capital account	Enhancing postal service competitiveness	251
			Supporting business management	2,160
			Other account transfer	129
		Profit and loss account total		2,540
	Special account for postal service subtotal			31,700
	Special account for postal savings	Profit and loss account	Enhancing the growth of postal savings service	20,942
			Support for administrative affairs of Korea Post	1
			Other account transfer	2,639
			Transaction between accounting funds	535
		profit and loss account total		24,117
		Capital account	Enhancing the growth of postal savings service	149
		Capital account total		149
	Subtotal			24,266
	Speical account- ing for postal insurance	Profit and loss account	Strengthening postal insurance service	2,799
			Other account transfer	1
			Transaction between accounting funds	2,504
			Transaction between accounting funds	137
		Profit and loss account total		5,441
	Special accounting for postal insurance total			
Annual expenditure total			61,407	

Statements of appropriation of retained earnings

(unit: 100 million won)

			2005	2006	2007	2008	2009	Increase rate from previous year (%)
Un-appropriation of retained earnings	S.A. for postal service Special savings		1,726	1,746	1,456	604	1,215	101.2
					1,106	281	390	38.8
	Gains on prior period adjustment	S.A. for postal service Special savings						
	Current net income	S.A. for postal service Special savings	1,726	1,746	1,456	604	1,215	101.2
					1,106	281	390	38.8
Appropriation of retained earnings	S.A. for postal service Special savings		1,726	1,746	1,456	604	1,215	101.2
					1,106	281	390	38.8
	Reserve for retained earnings	S.A. for postal service Special savings	1,296	1,746	1,456	352	815	131.5
					755	△467	109	
	Outflow into general account	S.A. for postal service Special savings	430	379		252	400	58.7
					351	748	281	△62.4

※ S.A. : Special Account

Cost accounting

(Unit : 100 million won)

		2005	2006	2007	2008	2009	Increase rate from previous year (%)
Postal service	Material	1,746	1,841	886	888	890	2.2
	Labor	10,186	10,481	12,093	12,465	12,357	△0.9
	Overhead	6,964	7,551	8,024	9,603	9,694	9.5
	Subtotal	18,896	19,874	21,003	22,956	22,941	△0.1
Postal financial service	Material	623	649	433	313	309	△0.1
	Labor	2,896	3,256	3,566	3,673	4,167	13.4
	Overhead	13,362	15,425	17,582	27,011	23,053	△14.6
	Subtotal	16,881	19,330	21,581	30,997	27,529	△11.2
Telecommunication	Material	66	11	3	1	0	0
	Labor	177	136	147	77	0	0
	Overhead	101	55	37	22	0	0
	Subtotal	344	202	187	100	0	0
Agency services	Material	32	23	7	6	6	0
	Labor	149	121	125	109	106	△2.7
	Overhead	70	64	42	59	35	△40.1
	Subtotal	251	208	174	174	147	△15.5
Total	Material	2,468	2,524	1,329	1,208	1,205	△0.2
	Labor	13,407	13,994	15,931	16,324	16,630	1.9
	Overhead	20,498	23,095	25,685	36,695	32,782	△10.7
	Subtotal	36,373	39,614	42,945	54,227	50,617	△6.7

Postal statistics

(unit : 1,000 items)

		2005	2006	2007	2008	2009	Increase rate from previous year (%)
Domestic mail	Ordinary mail	4,441,763	4,476,678	4,548,443	4,450,559	4,368,963	△1.8
	Registered ordinary mail	245,964	256,849	269,695	289,834	303,973	4.9
	Ordinary parcels	4,320	3,692	3,244	2,773	2,250	△18.7
	Registered parcels	70,929	91,046	107,741	126,633	141,389	11.6
Overseas mail	Ordinary mail	9,083	8,279	7,697	7,637	7,759	1.6
	Registered ordinary mail	547	541	538	536	701	30.8
	EMS	4,069	4,236	4,499	5,037	5,969	18.5
	Parcels	746	535	493	491	547	11.4
Total		4,777,421	4,841,856	4,942,350	4,883,500	4,831,552	△1.1
Average no. of mail items per person		97.9	98.8	100.3	99.1	99.1	△1.2
Average no. of daily mail items (unit: million)		17.3	19.4	19.7	19.8	18.9	△4.1

Postal facilities

(Unit : number/ unit)

	2004	2005	2006	2007	2008	2009	Remarks
Letter-boxes	33,544	30,001	27,317	25,547	23,761	23,057	△2.9
PO boxes	30,004	29,301	28,662	27,968	27,657	28,228	2.1
Automobiles	2,533	2,694	2,874	3,037	3,441	3,750	9.0
Motorcycles	13,640	13,911	14,087	14,243	14,212	14,084	△0.9
Postal delivery vehicles	29,004	32,025	35,417	40,164	45,021	47,334	5.1
Trolley	7,241	7,028	6,992	6,698	6,576	6,077	△7.6
Canceling machines	298	283	259	244	249	241	△3.2
Automatic canceling machine for postage paid items	484	487	470	434	407	419	2.9
Automatic vending machine	3,518	3,511	3,791	3,766	3,747	3,977	6.1

Postal monetary fund

(Unit : billion won)

	2004	2005	2006	2007	2008	2009	Increase rate from previous year (%)
Postal savings	35,488	37,468	40,124	40,190	47,154	44,151	△6.4
Postal insurance	21,749	18,303	19,416	21,066	22,699	26,584	17.1

Number of account of postal saving

(Unit : 1,000 accounts)

과 목	2004	2005	2006	2007	2008	2009	Increase rate from previous year (%)
Demand deposit	17,111	17,455	18,147	18,147	18,003	18,296	1.6
Installment saving	1,348	1,158	1,014	894	859	807	△6.1
Time deposit	1,234	1,228	1,245	1,292	1,538	1,443	△6.2
Repurchase bond	526	489	473	432	395	395	2.0
Total	20,219	20,330	20,878	20,765	20,795	20,949	0.7

Postal money orders

(단위 : 천 건, 억 원)

	2005	2006	2007	2008	2009	Increase rate from previous year (%)
No. of orders issued	3,620	3,688	2,599	2,328	2,091	△1.0
Amount of orders paid	2,683	2,524	2,043	1,855	1,705	△8.1

International remittances (Int'l remittances + SWIFT)

(Unit : 1,000 cases, 100 million won)

	2004		2005		2006		2007		2008		2009	
	Number of case	Amount	Number of case	Amount	Number of case	Amount	Number of case	Amount	Number of case	Amount	Number of case	Amount
Outgoing	3	12	8	51	23	142	43	279	53	356	59	441
Incoming	30	418	32	345	23	290	17	267	19	466	15	350
Total	33	430	40	396	46	432	60	546	72	822	74	791

Status of Issuance of Cashier's Checks

(Unit : 1,000 cases, billion won)

	2004	2005	2006	2007	2008	2009	Increase rate from previous year (%)
No. of orders issued	20,481	19,505	19,169	19,436	18,195	17,103	△6.0
Amount of orders paid	40,184	44,325	38,493	34,384	30,825	35,504	15.2

Deposits Product (21 products)

	Product name
Demand Deposit (6 products)	Passbook deposit, Savings Deposit, e-postbank Savings, Well-being Prime Savings, Deumppuk Prime Savings(MMDA), Junior Preferential Savings
Savings Accounts (7 products)	Time Deposit, Champion Time Deposit, EVERRICH Revolving Time Deposit, Silver Preferential Time Deposit, Silver Preferential Pension Deposit, Junior Preferential Time Deposit, Love-thy-Neighbor Time Deposit
Installment Type Savings (6 products)	Installment Savings, Love-thy-Neighbor Savings, Household Preferential Installment Savings, POSTBANK tax Shelter Savings for Housing, Loving Family Installment Saving, Junior Preferential Free Installment Savings
Others (2 products)	Repurchase Agreement Deposit (RP Deposit), Government Deposit

Postal insurance service

(Unit : 1,000 cases, 100 million won)

		2004	2005	2006	2007	2008	2009
Number of new contracts		2,351	1,828	1,893	1,611	1,717	1,535
New contract amount		295,645	329,365	315,518	278,835	268,407	238,686
No. of contracts held		8,776	9,072	9,744	10,126	10,475	10,645
Contract amount held		1,067,241	1,106,588	1,196,260	1,255,209	1,279,020	1,298,657
Import insurance bill	Guaranteed Insurance	21,346	20,857	26,594	28,603	29,383	29,419
	Savings insurance	42,615	38,828	28,028	29,096	27,375	46,146
	Total	63,961	59,685	54,622	57,699	56,758	75,565
Insurance money paid		57,507	101,155	46,410	43,311	47,137	44,700

Postal Insurance Product (17 products)

	Product name
Pension Insurance (2 products)	Postal Pension Insurance, Plus Pension Insurance,
Guaranteed Insurance (10 products)	Hi-Low Term Insurance, HIGH COVER Health Insurance, Postal Health Insurance, Postal Cancer Treatment Insurance, Child Health Care Insurance, Lifetime OK Insurance, Handicapped Pension Insurance, EVERRICH Accident Insurance, Safety Belt Insurance, Postal Medical Insurance
Savings Insurance (5 products)	EVERRICH Welfare Insurance, Green Bonus Savings Insurance, Long-term Housing Savings Insurance, Power Savings Installment Insurance, Essence Switch Insurance

Staff Information (based on fixed numbers)

(unit : person)

	Total	Civil Servant					Special Dep.	Contracted Profes- sional	Private police	Non-regular position		
		By contract	General	Functional	Special	Subtotal				Permanent contract	Fixed period contract	Total
Total	44,283	1	10,299	21,062	13	31,375	4,253	3	41	2,977	5,634	8,611
Headquarters	355	1	334	5	8	348		3		3	1	4
Direct Branches	555		461	68	2	531			5	2	17	19
Regional Com- munications Offices	43,373		9,504	20,989	3	30,496	4,253		36	2,972	5,616	8,588



2009 Postage Stamps



Bicentennial of Louis Braille's Birth Commemorative Stamp
(2 Jan. 2009)



International Year of Astronomy 2009 Commemorative Stamps
(15 Jan. 2009)



Rivers of Korea Series (3rd) (10 Feb. 2009)



The 60th Anniversary of Diplomatic Relations between Korea and Philippines Commemorative Stamps
(3 Mar. 2009)



Old & Historic Trees of Korea Series Stamps (1st)
(3 Apr. 2009)



The 60th Anniversary of the Republic of Korea Marine Corps Commemorative Stamp
(15 Apr. 2009)



Special Stamps for Asia Becoming One through Stamps
(22 Apr. 2009)



Love for the Earth Special Stamps (22 Apr. 2009)



Definitive Postage Stamp (2,000 won)
(25 May 2009)



Definitive Postage Stamp (1,000 won)
(17 Nov. 2009)



The 100th Anniversary of Korean Cartoon Commemorative Stamp
(2 Jun. 2009)



Korea - Mongolia - Kazakhstan Joint Issue
(12 Jun. 2009)



2009 Postage Stamps



World Heritage Special Stamps
(26 Jun. 2009)



Geumwawang of the Buyeo Kingdom
Special Stamps
(18 Aug. 2009)



Extreme Sports Series (4th)
(8 Sep. 2009)



3rd OECD World Forum
Commemorative Stamp
(27 Oct. 2009)



The 50th Anniversary of Diplomatic
Relations between Korea and Brazil
Commemorative Stamps
(30 Oct. 2009)



Philately Week Special Stamps
(30 Jul. 2009)



PHILAKOREA 2009 24th Asian International Stamp
Exhibition Commemorative Stamps (30 Jul. 2009)



Green Energy Special Stamps
(21 Aug. 2009)



Korean Rice Special Stamps
(25 Sep. 2009)



Groundbreaking Ceremonial for
The Taekwondo Park & Taekwondo
Day Commemorative Stamp
(4 Sep. 2009)



Korean Film Series (3rd) (27 Oct. 2009)



New Year's Greetings Stamp (1 Dec. 2009)

Epilogue 

We treasure the achievement
we have made so far.
We will continue our legacy of
delivering the value of our business.



Our Awards

It is more valuable that we bear fruit after having a hard time.
We will make ceaseless effort to go further.

Satisfaction Index(KCSI) Survey Conducted by the Korea Management Association Consultants(KMAC) for Eleven Consecutive Years

In KCSI (Korean Customer Satisfaction Index: a customer satisfaction index of products and services provided by industries in Korea) survey conducted by KMAC, we ranked the top in the general administration service sector for eleven straight years.

KCSI is designed to improve quality of living by protecting customer rights. It is conducted based on direct-visit and face-to-face interviews by interviewers, targeting adults who visit relevant agencies at least twice for the last 6 months and who reside in Seoul and large metropolitan areas.

General Administration Services Satisfaction Scores by Segment

Seg.	Postal Service	Electricity	Subway	Water Supply	Railroad	Register Office	Tax Office	Highway	Public Security Administration	Education
Score	70.2	69.4	62.7	61.1	59.9	57.7	55.1	51.3	48.5	40.1

※ Average score of overall industry: 63.9points('08: 60.8)/Manufacturing Industry : 68.1, Service Industry: 62.1



Gold Medal in EMS Service Quality Evaluation

We won the Gold medal in the EMS Service Quality Evaluation, awarded by the EMS Union General Assembly and ranked 2 in the customer satisfaction for the call center service.

KSQI certification for the Postal Finance Call Center for 2 consecutive years

Our call center was certified KSQI by the Korea Management Association in March 2009 for 2 years in a row and KS in September.

Placed No. 1 in National Customer Satisfaction Index(NCSI) of Public Administration Service for Eight Straight Years

We won the top ranking in 2008 NCSI with a score of 72 in the postal service. The 2008 NCSI is jointly organized by Korea Productivity Center, the Chosun Daily Newspaper and University of Michigan, as well as sponsored by the Ministry of Knowledge Economy.

NCSI is conducted based on direct-visit and face-to-face interviews by interviewers, targeting adults who visited relevant agencies(226 government agencies in the 35 industries) at least twice for the last 6 months and reside in Seoul and large metropolitan areas.

Public Service Satisfaction Scores by Segment

Seg.	Postal Service	Electricity	Tax Office	Railroad	Water Supply	Waste Management	Subway	Police
Score	72	71	71	68	65	65	64	62

Door-to-Door Parcel Delivery KCSI Ranking the Top in several surveys

We established an efficient system to provide a fast and accurately delivery service and have practiced impressive face-to-face services to differentiate ourselves from competitors. Although private logistics firms built up comparable infrastructure we still managed to win the top score at the surveys on customer satisfaction, which mainly attributes to our continuous effort to maintain quality services and your trust.

- No.1 in The most respectful Korean company: Feb. 2009
- No.1 in Korea Brand Power Index(K-BPI) for 5 consecutive years : Mar. 2009
- No.1 National Customer Satisfaction Index(NCSI) for 3 consecutive years : Apr. 2009
- No.1 Korea Service Quality Index(KS-SQI) for 3 consecutive years: Oct. 2009

The BEST IT Governance Public Institution

We employed standardized work processes to stabilize the advanced 'IT Comprehensive Management System', elevated our service level and completed the Postal IT Governance.

We won the "2009 IT Governance Award" at the International IT Conference in June and officially became the best IT Governance agency in the public sector.



"2009 IT Governance Award"

Post Office Customer Service Charter

All of our employees recognize that customer satisfaction management is our top value. We pledge to constantly improve our services that live up to the highest possible standards in our dealings with all our customers, and we will faithfully implement the followings :

We are dedicated to serving customers with a respectful and cordial manner and offering best postal services.

We will handle postal items with the utmost care and collect/deliver them fast and accurately.

We will provide reliable and convenient financial services at anytime from anywhere.

We will aim to handle and resolve customer complaints in a swift and impartial manner and we are ready to offer compensation for errors occurred during service rendering.

To conform to the above pledge, we will establish a specific set of Service Execution Standards and dutifully conform to it.

Bigger future! Together with the customers!

Tomorrow! Together!





우정사업본부
KOREA POST

(154-1 Seorin-dong) Jongno 6, Jongno-gu, Seoul 110-110

Tel. 82-2-2195-1082~6 Fax. 82-2-2195-1089 www.koreapost.go.kr

○ Global Post Office

○ Express Mail Service

○ HI Technology Logistic System

○ Expansion Automated Post Office

○ Internet Service

○ e-Post Bank

○ Post Net