

# Income Statement (FY2005)

| In KrW  | 1Q, FY2005            | 2Q, FY2005             | 3Q, FY2005             | FY2005                 |
|---|-----------------------|------------------------|------------------------|------------------------|
| <b>Operating income</b>                               | <b>66,768,699,621</b> | <b>109,138,064,987</b> | <b>122,486,973,744</b> | <b>432,133,721,966</b> |
| 1. Commissions received                               | 32,744,853,515        | 56,349,471,243         | 68,540,868,854         | 234,076,310,580        |
| Brokerage commissions                                 | 20,989,371,957        | 34,934,411,190         | 43,988,160,943         | 142,433,285,801        |
| KSE   | 14,568,108,616        | 26,491,936,389         | 31,297,004,217         | 103,926,199,142        |
| KOSDAQ  | 6,146,108,430         | 8,378,394,131          | 12,520,463,949         | 37,769,147,799         |
| KOFEX   | 3,236,890             | 2,584,880              | 3,441,480              | 9,263,250              |
| Foreign currency securities transaction               | 261,916,331           | 59,512,260             | 164,806,097            | 712,866,320            |
| Bond transaction (OTC)                                |                       |                        |                        |                        |
| ECN   | 9,061,840             |                        |                        | 9,061,840              |
| Others  | 939,850               | 1,983,530              | 2,445,200              | 6,747,450              |
| Brokerage(OTC) commissions                            |                       |                        |                        |                        |
| Underwriting commissions                              | 1,184,000,000         | 4,911,273,865          | 2,161,710,900          | 9,701,561,716          |
| won denominated securities                            | 1,184,000,000         | 4,911,273,865          | 2,161,710,900          | 9,701,561,716          |
| foreign currency securities                           |                       |                        |                        |                        |
| Underwriting commissions on debentures                |                       |                        |                        |                        |
| Brokerage commissions on beneficiary certificate      | 7,144,178,108         | 11,382,803,143         | 16,393,060,734         | 56,883,302,992         |
| Management fee on wrap account and asset management   | 600,014,700           | 882,949,600            | 1,513,254,900          | 5,142,844,300          |
| Consulting fee  |                       |                        |                        |                        |
| Sales commissions on structured securities            |                       |                        |                        |                        |
| Trust fee   |                       |                        |                        |                        |
| Others (*1)   | 2,827,288,750         | 4,238,033,445          | 4,484,681,377          | 19,915,315,771         |
| 2. Interest income                                    | 6,558,834,724         | 12,845,599,197         | 14,331,219,690         | 48,796,056,710         |
| Interest on margin loans                              | 28,398,566            | 32,144,917             | 42,741,496             | 169,702,475            |
| Interest on loans                                     | 1,240,020,817         | 3,083,270,060          | 1,911,396,555          | 8,596,727,144          |
| Interest on bonds                                     | 2,017,988,237         | 2,161,538,996          | 2,571,163,642          | 10,371,557,707         |
| Interest on securities loaned                         |                       |                        |                        |                        |
| Interest on negotiable commercial papers              | 228,558               |                        | 1,610,477              | 1,878,076              |
| Interest on deposits with KSFC                        | 223,276,712           | 942,717,803            | 460,690,409            | 1,689,067,424          |
| Interest on certificate of deposits                   | 9,013,207             | 256,468                | 43,079,450             | 103,562,281            |
| Interest on deposits                                  | 386,178,900           | 810,880,538            | 670,431,811            | 2,956,311,583          |
| Interest on call loans                                | 15,244,788            | 78,573,543             | 43,777,659             | 168,484,201            |
| Interest on bonds purchased under resale              | 38,417,807            | 45,791,780             | 16,795,889             | 163,394,517            |
| Gain on transaction of certificate of de              | 21,925,993            | 2,448,438              | 6,956,661              | 32,746,114             |
| Interest on advances for customers                    |                       |                        |                        |                        |
| Others  | 2,578,141,139         | 5,687,976,654          | 8,562,575,641          | 24,542,625,188         |
| 3. Dividends income                                   | 42,823,170            | 26,440,440             | 56,531                 | 222,830,614            |
| 4. Distribution income                                | 6,445,222             | 83,019,503             | 66,031,544             | 160,432,218            |
| 5. Gain on sales of current securities                | 7,624,100,088         | 9,727,067,996          | 11,223,667,603         | 45,806,159,259         |
| Gain on sales of stock                                | 1,286,008,860         | 1,511,689,707          | 2,656,785,316          | 6,168,384,984          |
| Gain on sales of warrants                             |                       |                        |                        |                        |
| Gain on sales of bonds                                | 5,814,004,498         | 7,683,220,425          | 7,456,245,653          | 27,330,823,248         |
| Gain on sales of beneficiary certificate              | 413,714,036           | 470,333,681            | 1,002,144,040          | 11,753,872,146         |
| Gain on sales of negotiable commercial paper          | 100,619,119           | 57,982,492             | 104,524,173            | 534,463,092            |
| Gain on redemption of current securities              | 9,753,575             | 3,841,691              | 3,968,421              | 18,615,789             |
| Others  |                       |                        |                        |                        |
| Gain on sales of stock                                |                       |                        |                        |                        |
| Gain on sales of stock warrants                       |                       |                        |                        |                        |
| Gain on sales of bonds                                |                       |                        |                        |                        |
| Gain on sales of beneficiary certificate              |                       |                        |                        |                        |
| Gain on sales of negotiable commercial paper          |                       |                        |                        |                        |
| Gain on redemption of trading securities              |                       |                        |                        |                        |
| 6. Gain on valuation of current securities            | 231,033,898           | 1,965,782,812          | 1,232,653,525          | 1,421,729,843          |
| Gain on valuation of stock                            | 24,846,251            | 1,440,873,705          | 654,245,707            | 192,253,476            |
| Gain on valuation of warrants                         |                       |                        |                        |                        |
| Gain on valuation of bonds                            | 205,105,977           | (160,206,453)          | (17,691,250)           |                        |
| Gain on valuation of beneficiary certificate          | 1,081,670             | 685,115,560            | 596,099,068            | 1,229,476,367          |
| Gain on valuation of negotiable commercial paper      |                       |                        |                        |                        |
| Others  |                       |                        |                        |                        |
| 7. Gain on structured securities transaction          |                       |                        |                        |                        |
| 1) Gain on sales of structured securities             |                       |                        |                        |                        |
| 2) Gain on valuation of structured securities         |                       |                        |                        |                        |
| 3) Gain on redemption of structured securities        |                       |                        |                        |                        |
| 8. Gain on valuation of trading securities            |                       | 11,820,000             | (10,730,000)           |                        |
| 9. Gain on structured securities sold transaction     |                       |                        |                        |                        |
| 1) Gain on valuation of structured securities sold    |                       |                        |                        |                        |
| 2) Gain on redemption of structured securities sold   |                       |                        |                        |                        |
| 10. Gain on valuation of Reserve for claims of custom | 3,284,569,360         | 3,778,859,320          | 5,039,618,102          | 18,383,758,873         |

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| In KrW  | 1Q, FY2005            | 2Q, FY2005            | 3Q, FY2005            | FY2005                 |
|---|-----------------------|-----------------------|-----------------------|------------------------|
| 11. Gain on derivatives transactions                                    | 16,264,744,744        | 24,326,405,676        | 22,037,837,095        | 83,180,418,969         |
| 1) Gain on futures transactions   |                       | 4,425,000             | 14,925,000            | 46,150,000             |
| Gain on sales of futures  |                       | 4,425,000             | 14,925,000            | 46,150,000             |
| Gain on settlement of futures   |                       |                       |                       |                        |
| Gain on foreign futures transactions                                    |                       |                       |                       |                        |
| 2) Gain on Exchange trading options transactions                        | 15,997,315,893        | 23,939,896,820        | 21,581,911,660        | 82,167,337,065         |
| Gain on sales of options  | 15,997,315,893        | 23,939,896,820        | 21,581,911,660        | 82,167,337,065         |
| Gain on valuation of options  |                       |                       |                       |                        |
| Gain on foreign options transactions                                    |                       |                       |                       |                        |
| 3) Gain on OTC derivatives transactions                                 | 267,428,851           | 382,083,856           | 441,000,435           | 966,931,904            |
| Gain on sales of OTC derivatives  | 209,522,574           | 439,990,133           | 306,232,435           | 966,931,904            |
| Gain on valuation of OTC derivatives                                    | 57,906,277            | (57,906,277)          | 134,768,000           |                        |
| 12. Other operating income  | 11,294,900            | 23,598,800            | 25,750,800            | 86,024,900             |
| Reversal of allowance for credit losses                                 |                       |                       |                       |                        |
| Reversal of allowance for guarantees                                    |                       |                       |                       |                        |
| Others  | 11,294,900            | 23,598,800            | 25,750,800            | 86,024,900             |
| <b>Operating expenses</b>   | <b>53,052,997,118</b> | <b>71,052,683,992</b> | <b>78,147,997,367</b> | <b>294,587,460,884</b> |
| 1. Commissions expense  | 6,088,898,402         | 9,194,820,427         | 11,103,859,382        | 37,311,997,079         |
| Trading commissions   | 5,514,858,624         | 8,303,028,151         | 10,258,431,797        | 34,095,081,346         |
| Investment consultant fees  | 71,338,967            | 85,859,293            | 56,360,226            | 284,409,377            |
| Sales fees on structured securities                                     |                       |                       |                       |                        |
| Other commissions   | 502,700,811           | 805,932,983           | 789,067,359           | 2,932,506,356          |
| 2. Interest expense   | 2,596,022,695         | 3,856,402,992         | 4,293,627,634         | 15,048,378,831         |
| Interest on borrowings from KSFC  | 439,865,747           | 1,456,575,338         | 727,334,140           | 2,738,832,755          |
| Interest on bank borrowings   | 410,910               | 767,052               |                       | 1,616,041              |
| Interest on proceeds from customer's short sale                         |                       |                       |                       |                        |
| Interest on customer's deposits   | 631,137,855           | 775,967,513           | 1,015,975,984         | 3,647,560,902          |
| Interest on bonds sold under repurchase                                 | 797,335,186           | 788,492,223           | 956,175,351           | 4,222,588,280          |
| Loss on transactions of certificate of deposits                         | 4,485                 | 156,599               |                       | 161,084                |
| Interest on call money  | 727,268,512           | 834,444,267           | 1,594,142,159         | 4,437,619,769          |
| Interest on debentures  |                       |                       |                       |                        |
| Others  |                       |                       |                       |                        |
| 3. Loss on sales of current securities                                  | 4,533,231,026         | 7,168,370,430         | 7,914,055,684         | 36,625,724,127         |
| Loss on sales of stock  | 599,148,424           | 172,364,479           | 410,163,701           | 1,716,533,277          |
| Loss on sales of warrants   |                       |                       |                       |                        |
| Loss on sales of bond   | 3,837,155,387         | 6,474,633,950         | 6,584,434,774         | 23,642,318,137         |
| Loss on sales of beneficiary certificate                                | 94,729,399            | 468,056,313           | 887,718,921           | 11,177,755,613         |
| Loss on sales of negotiable commercial papers                           | 1,257,550             | 5,893,647             | 30,175,342            | 37,326,539             |
| Loss on redemption of current securities                                | 940,266               | 47,422,041            | 1,562,946             | 51,790,561             |
| Others  |                       |                       |                       |                        |
| Loss on sales of stock  |                       |                       |                       |                        |
| Loss on sales of stock warrants   |                       |                       |                       |                        |
| Loss on sales of debentures   |                       |                       |                       |                        |
| Loss on sales of beneficiary certificate                                |                       |                       |                       |                        |
| Loss on sales of negotiable commercial paper                            |                       |                       |                       |                        |
| Loss on redemptions of trading securities                               |                       |                       |                       |                        |
| 4. Loss on valuation of trading securities                              | 97,286,322            | 425,185,891           | 244,018,548           | 493,758,625            |
| Loss on valuation of stock  | 1,437,069             | 20,083,943            | 224,567               |                        |
| Loss on valuation of stock warrants                                     |                       |                       |                       |                        |
| Loss on valuation of debentures   | 95,849,253            | 405,101,948           | 243,793,981           | 493,758,625            |
| Loss on valuation of beneficiary certificate                            |                       |                       |                       |                        |
| Loss on valuation of negotiable commercial paper                        |                       |                       |                       |                        |
| Others  |                       |                       |                       |                        |
| 5. Loss on structured securities transaction                            |                       |                       |                       |                        |
| 1) Loss on sales of structured securities                               |                       |                       |                       |                        |
| 2) Loss on valuation of structured securities                           |                       |                       |                       |                        |
| 3) Loss on redemption of structured securities                          |                       |                       |                       |                        |
| 6. Loss on valuation of trading securities sold                         |                       | 185,550,000           | (181,810,000)         |                        |
| 7. Loss on structured securities sold transaction                       |                       |                       |                       |                        |
| 1) Loss on valuation of structured securities sold                      |                       |                       |                       |                        |
| 2) Loss on redemption of structured securities sold                     |                       |                       |                       |                        |
| 8. Loss on valuation of reserve for claim of customers' deposits(trust) |                       |                       |                       |                        |
| 9. Loss on derivatives transactions                                     | 11,381,599,744        | 16,364,490,676        | 14,824,322,095        | 56,726,103,969         |
| 1) Loss on futures transactions   | 2,000,000             | 23,675,000            | 875,000               | 26,550,000             |
| Loss on sales of futures  | 2,000,000             | 23,675,000            | 875,000               | 26,550,000             |
| Loss on settlement of futures   |                       |                       |                       |                        |
| Loss on foreign futures transactions                                    |                       |                       |                       |                        |

# Income Statement (FY2005)

| In KrW   | 1Q, FY2005     | 2Q, FY2005      | 3Q, FY2005     | FY2005          |
|--|----------------|-----------------|----------------|-----------------|
| 2) Loss on Exchange trading options transactions     | 11,102,780,893 | 16,166,531,820  | 14,646,106,660 | 55,854,882,065  |
| Loss on sales of options                             | 11,102,780,893 | 16,166,531,820  | 14,646,106,660 | 55,854,882,065  |
| Loss on valuation of options                         |                |                 |                |                 |
| Loss on foreign options transactions                 |                |                 |                |                 |
| 3) Loss on OTC derivatives transactions              | 276,818,851    | 174,283,856     | 177,340,435    | 844,671,904     |
| Loss on sales of OTC derivatives                     | 276,818,851    | 113,318,142     | 238,306,149    | 792,066,704     |
| Loss on valuation of OTC derivatives                 |                | 60,965,714      | (60,965,714)   | 52,605,200      |
| 10. General and administrative expenses              | 28,355,958,929 | 33,857,863,576  | 39,949,924,024 | 148,381,498,253 |
| Salary   | 11,431,145,833 | 20,668,061,362  | 23,419,623,071 | 82,711,472,140  |
| Severance pay  | 705,902,570    | 622,723,450     | 662,137,890    | 2,694,191,840   |
| Other benefits for employees                         | 1,237,796,109  | 1,241,658,135   | 1,461,139,041  | 6,151,162,697   |
| Computer system operation expenses                   | 1,615,085,019  | 1,310,719,460   | 1,523,068,151  | 6,128,580,207   |
| Rental expenses                                      | 847,785,821    | 904,883,356     | 996,260,479    | 3,901,551,137   |
| Miscellaneous commissions                            | 1,405,760,151  | 1,772,384,429   | 1,664,995,352  | 6,349,894,733   |
| Entertainment expenses                               | 483,998,729    | 809,358,079     | 956,771,337    | 3,540,493,185   |
| Advertising expenses (A)                             | 2,922,138,579  | 3,521,171,166   | 3,568,444,147  | 14,431,873,373  |
| Advertising expenses (B)                             | 5,120,000      | 6,350,000       | 380,000        | 18,220,000      |
| Depreciation   | 1,182,864,593  | 1,289,943,157   | 1,297,913,696  | 5,172,930,116   |
| Research and study expense                           |                |                 |                |                 |
| Training expense                                     | 207,654,262    | 200,969,715     | 292,339,455    | 1,102,084,605   |
| Credit loss expenses                                 | 2,560,839,082  | (1,800,601,132) | 402,616,547    | 755,248,314     |
| Provision for allowances for guarantees              |                |                 |                |                 |
| Amortization of Intangible assets                    | 498,781,149    | 499,456,643     | 466,434,906    | 1,999,518,319   |
| Tax and dues   | 329,120,272    | 362,131,346     | 252,095,544    | 1,136,764,731   |
| Others   | 2,921,966,760  | 2,448,654,410   | 2,985,704,408  | 12,287,512,856  |
| Operating profit                                     | 13,715,702,503 | 38,085,380,995  | 44,338,976,377 | 137,546,261,082 |
| Non-operating income                                 | 78,490,137     | 2,281,719,215   | 1,918,409,439  | 4,636,386,720   |
| Gain on disposition of tangible assets               | 59,000         | 4,827,098       | 42,824,066     | 58,481,229      |
| Rental income  |                |                 |                |                 |
| Gain on disposition of securities available for sale |                |                 |                |                 |
| Gain on disposition of investment securities         |                | 222,563         |                | 334,062,563     |
| Gain on disposition of securities held to maturity   |                |                 |                |                 |
| Reversal of securities reduction loss                |                |                 |                |                 |
| Reversal of Investment securities reduction loss     |                |                 |                |                 |
| Gain on equity method valuation                      |                | 2,270,541,734   | 1,354,674,469  | 3,625,216,203   |
| Gain on foreign currency transactions                |                |                 |                |                 |
| Gain on foreign exchanges translation                |                |                 |                |                 |
| Gains on redemption of debentures                    |                |                 |                |                 |
| Gains on recovery of write-offs                      |                |                 | 1,369,454      |                 |
| Others   | 78,431,137     | 6,127,820       | 519,541,450    | 618,626,725     |
| Non-operating expenses                               | 72,422,902     | 12,153,420,417  | 155,366,285    | 13,834,120,451  |
| Loss on disposition of tangible assets               | 39,002,888     | 44,067,482      | 22,000         | 89,772,196      |
| Loss on disposition of securities available for sale |                |                 |                |                 |
| Loss on disposition of investment securi             |                | 8,008,501,170   |                | 8,844,094,653   |
| Loss disposition of securities held to maturity      |                |                 |                |                 |
| Securities reduction loss                            | 350,627        | 3,871,604,762   |                | 3,921,490,757   |
| Investment securities reduction loss                 |                |                 |                |                 |
| Loss on equity method valuation                      |                | 121,721,171     |                | 652,070,865     |
| Loss on foreign currency transactions                |                |                 |                |                 |
| Loss on foreign exchanges translation                |                |                 |                |                 |
| Loss on redemption of debentures                     |                |                 |                |                 |
| Donations  | 33,000,000     | 30,356,000      | 89,900,906     | 178,456,906     |
| Others   | 69,387         | 77,169,832      | 65,443,379     | 148,235,074     |
| Ordinary profit                                      | 13,721,769,738 | 28,213,679,793  | 46,102,019,531 | 128,348,527,351 |
| Extraordinary gain                                   |                |                 |                |                 |
| Gain on assets contributed                           |                |                 |                |                 |
| Gain on exemption of debts                           |                |                 |                |                 |
| Gain on insurance settlement                         |                |                 |                |                 |
| Others   |                |                 |                |                 |
| Extraordinary loss                                   |                |                 |                |                 |
| Casualty loss  |                |                 |                |                 |
| Accidental loss                                      |                |                 |                |                 |
| Compensation loss                                    |                |                 |                |                 |
| Loss on payment others                               |                |                 |                |                 |
| Loss on exemption of debts                           |                |                 |                |                 |
| Others   |                |                 |                |                 |
| Net income(loss) before income tax                   | 13,721,769,738 | 28,213,679,793  | 46,102,019,531 | 128,348,527,351 |

# Income Statement (FY2005)



| In KrW                        | 1Q, FY2005    | 2Q, FY2005     | 3Q, FY2005     | FY2005         |
|-------------------------------|---------------|----------------|----------------|----------------|
| Income tax expense            | 4,280,902,879 | 8,175,922,704  | 12,884,760,496 | 36,821,847,548 |
| Net income(loss) for the year | 9,440,866,859 | 20,037,757,089 | 33,217,259,035 | 91,526,679,803 |

1\* "Others" for Q1-Q3, FY2005 accounting for 11,550,003,572 includes the followings;  
(in million KrW)

|                      |       |
|----------------------|-------|
| Bancassurance        | 1,869 |
| Real Estate Advising | 3,510 |
| Structured Finance   | 5,057 |
| M&A Advising         | 1,045 |