

## Daewoo Securities (006800.KS)

### With Passion and Challenge

#### Summary

##### Investor Relations

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**Mr. In-Soo Eom, Manager**

**Ms. In-Hye Hyung**

##### Company Description

Establishment Sep. 1970  
CEO Mr. Bok-Jo Sohn  
Employees 2,290  
Network 118 (1) branches,  
Overseas 3 subsidiaries,  
1 bank  
Paid-in Capital KRW 1,021bln  
Market Cap. KRW 662bln  
Shares in issue 204,176,641  
- Common 190,100,891  
- Preferred 14,075,750  
Price Range KRW 2,855 ~ 5,110  
(Apr.~Jun. 2003)  
Majority Korea Development Bank  
Shareholder (Ownership 39.1%)

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- ▣ **Daewoo Sec. posted operating income of KRW 3.1 bln and net profit of KRW 8.4 bln for 1QFY04 (Apr.~Jun. 2004).**

Daewoo Securities posted operating revenue of KRW 3.1 bln and net profit of 8.4 bln for the 1Q of FY2004. As stock market value decreased, both KSE and KOSDAQ brokerage commissions decreased, reducing operating income and net income QoQ from 4QFY03. (p. 2~4)

- ▣ **Daewoo Sec. showed stellar performance.**

Daewoo Securities' stock market share 1QFY04 is 6.46% which is a slight decrease from 7.01% of 4QFY03. As market value decreased and international investors trading increased, large domestic securities firms' market shares decreased as a whole. However, Daewoo Securities maintained its leading position in stock brokerage market and investment banking sector showed excellent performance and continued its first-class position in the field. And its upgraded prestige and excellence was recognized internationally. (p. 5~6)

- ▣ **Summarized PL**

[Table1] Summarized Income Statement

(KRW bln)	1QFY04	4QFY03	QoQ (%)	1QFY04	1QFY03	QoQ (%)
Operating Revenues	177	256	-31.1	177	198	-10.8
Operating Expenses	174	148	+17.1	174	154	+12.4
Operating Income	3	108	-97.1	3	44	-92.9
Ordinary Income	8	164	-94.9	8	37	-77.1
Net Income	8	164	-94.9	8	37	-77.0
EPS (KRW)	44	861	-94.9	44	192	-77.0
ROE (%)	0.7	15.1	-95.5	0.7	2.9	-77.0

※ EPS, ROE are not annualized.

# 1QFY2004 Earnings Release

Apr. ~ Jun. 2004

## Financials

### 1. Operating Revenues

*Operating revenues of KRW  
176.6 bln in 1QFY2004*

Due to foreign and domestic economic hardships, such as possible increase in the United States' interest rate, daily record-breaking in the oil price, and net sales of foreign investors, stock market value 1QFY04 dropped below KRW 200 trln and Daewoo Securities' operating revenues recorded KRW 176.6 bln 1QFY04, which is a 31.3% decrease QoQ compared to KRW 256.2 bln 4QFY03.

Commissions received recorded KRW 70.5 bln, which is a 5.4% decrease QoQ compared to KRW 74.6 bln 4QFY03. Brokerage commissions recorded KRW 56.2 bln, 9.2% decrease QoQ. As the Company plans to focus mainly on brokerage and to reinforce its market power, brokerage commissions are expected to grow in the near future.

As the volume of newly issued corporate bonds and rights issues increased, underwriting commissions recorded KRW 7.8 bln, a 25.8% increase QoQ compared to 4QFY03.

Interest income recorded KRW 26.8 bln 1QFY04, 61.8% increase compared to 1QFY03. Increase of bonds and interest on bonds along with increase of bonds sold under reverse resale agreements is the main reason for the increase of interest income. Dividends and distribution income increased by 300.8%, 1.1% each from KRW 2.9 bln and KRW 1.1 of 1QFY03. Gain on valuation of reserve for claims of customers' deposits-trust recorded KRW 11.5 bln, 4.1% increase QoQ from KRW 11.0 bln 4QFY04.

Gain on structured securities sold transactions increased 330.6% QoQ from 4QFY03 recording KRW 14.9 bln in profit, and gain on derivatives transactions recorded KRW 25.6 bln, 51.9% increase QoQ from 4QFY03. The stock value the Company has soared up 4QFY03 making a large profit; however, those stock price remained steady 1QFY04 thus reducing gain on sales and valuation of trading securities QoQ. Gain on structured securities transactions from OTC such as ELS and warrants decreased as stock value dropped.

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## 2. Operating Expenses

*Operating expenses of KRW  
173.6 bln in 1QFY2004*

Salary which accounts for the largest part in operating expenses decreased by 6.8% QoQ. However, loss on structured securities and derivatives transactions, and valuation of trading securities increased and thus led 17.1% QoQ increase in operating expenses to KRW 173.6 bln.

[Table2] Operating Revenues/Expenses

KRW bln	FY04	FY03	QoQ (%)	FY04	FY03	QoQ (%)
	1Q	4Q		1Q	1Q	
<b>Operating Revenues</b>	<b>176.6</b>	<b>256.2</b>	<b>31.0</b>	<b>176.6</b>	<b>198.0</b>	<b>10.8</b>
Commissions Received	70.5	74.6	5.4	70.5	87.4	19.3
Brokerage Commissions	56.2	61.9	9.2	56.2	78.1	28.0
Underwriting Commissions	7.8	6.2	25.8	7.8	1.9	320.5
Brokerage Commissions on BCs	3.0	3.8	22.1	3.0	5.7	48.2
Wrap Commissions	1.9	1.2	63.3	1.9	0.1	1,489.8
Interest Income	26.8	22.8	17.5	26.8	16.6	61.8
Dividends & Distribution	3.9	2.7	46.6	3.9	1.8	121.8
Gains on Securities	75.3	155.5	46.6	75.3	92.0	121.8
Others	0.1	0.6	89.1	0.1	0.4	82.4
<b>Operating Expenses</b>	<b>173.6</b>	<b>148.3</b>	<b>17.1</b>	<b>173.6</b>	<b>154.4</b>	<b>12.4</b>
Commissions Expenses	7.4	6.7	11.4	7.4	8.5	12.7
Interest Expenses	24.7	24.9	0.8	24.7	21.0	17.9
Losses on Securities	64.4	34.0	89.5	64.4	51.2	25.7
General & Administrative Expenses	77.1	82.7	6.8	77.1	73.7	4.6
Salary	37.4	43.1	13.3	37.4	39.0	4.3
Credit Losses & Provisions	9.7	3.1	210.1	9.7	4.0	143.3
<b>Operating Income</b>	<b>3.1</b>	<b>107.9</b>	<b>97.2</b>	<b>3.1</b>	<b>43.6</b>	<b>93.0</b>

Commissions expenses marked KRW 7.4 bln and interest expenses KRW 24.7 bln 1QFY04. In May 2004, KRW 150 bln worth of corporate bonds were repaid, and interest expenses will improve this year since the Company plans to repay corporate bonds continuously as they near their maturity.

Credit losses recorded KRW 9.7 bln 1QFY04 mainly due to amount receivable in branches. Salary decreased by 13.3% QoQ, and general and administrative expenses recorded KRW 77.1 bln, a 6.8% decrease QoQ.

*Operating income of KRW  
3.1 bln*

Operating income 1QFY04 recorded KRW 3.1 bln, a noticeable decrease compared to 4QFY03 with lots of securities-related income.

# 1QFY2004 Earnings Release

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## 3. Non-Operating Income/Expenses & Net Income

*Non-operating income  
of 1QFY04 KRW 8.2 bln*

With the income from the GKO Russia Fund related lawsuit, non-operating income recorded KRW 68 bln 4QFY03. However, it recorded KRW 8.2 bln this quarter. Daewoo Securities sold the shares of Delta Info-Communication, and recorded the disposal gain of KRW 3.1 bln. Thus, the Company resolved all the uncertainties related to Delta Info-Communication through selling all the shares that the Company was forced to obtain to fulfill the duties of a broker in August 2002.

Daewoo Securities' ownership rate of Seoul Investment Trust Management Co., Ltd., another company under equity method valuation, decreased from 81.85% to 29.24% as Korea Development Bank participated in the rights offerings of KRW 5 bln in May 2004. and the company name was changed to KDB Asset Management Co., Ltd. Including KRW 1.1 bln of gain on equity method valuation, non-operating income 1QFY04 is KRW 8.2 bln, 51.2% increase compared to KRW 5.4 bln of 1QFY03.

Non-operating expenses decreased 76.3% from KRW 12.0 bln 4QFY03 to KRW 2.8 bln 1QFY04. Loss on equity method valuation recorded KRW 0.6 bln, which is 78.9% decrease QoQ compared to 4QFY03. KRW 1.3 bln of loss on disposition of securities available for sale and KRW 0.9 of others are included in non-operating expenses.

*Net income of KRW 8.4  
bln*

Net income 1QFY04 recorded KRW 8.4 bln, 77.0% decrease compared to KRW 36.5bln 1QFY03.

## 4. Capital Adequacy Ratio

*Capital adequacy ratio  
452% as of June, 2004*

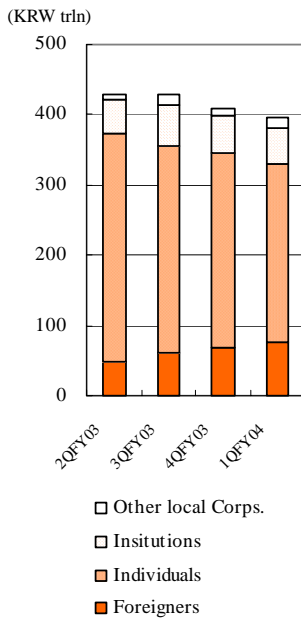
As of June 2004, the Company's capital adequacy ratio was 452%. Net working capital totaled KRW 827.8 bln and risk weighted assets amounted to KRW 183.1 bln.

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## Performances

[Graph1] Trading by Investor Group



**Stock market share 6.46%**

### 1. Brokerages

KSE market trading volume decreased to KRW 197.6 trln in 1QFY04, 3.1% decrease compared to KRW 203.9 trln in 4QFY03. KOSPI started to rise 1QFY04 until April 23 recording 930.06pt, the highest this year. However, due to foreign and domestic economic hardships, such as possible increase in the United States' interest rate, daily skyrocketing record-breaking in the oil price, and net sales of foreign investors, KOSPI recorded 728.98pt in May 17, the lowest this year and the daily trading volume dropped below KRW 2 trln in end-June. KSE trading volume recorded KRW 151.4 trln, a 4.1% decrease QoQ and KOSDAQ trading volume recorded KRW 46.1 trln, a 0.5% increase QoQ. (Graph 1)

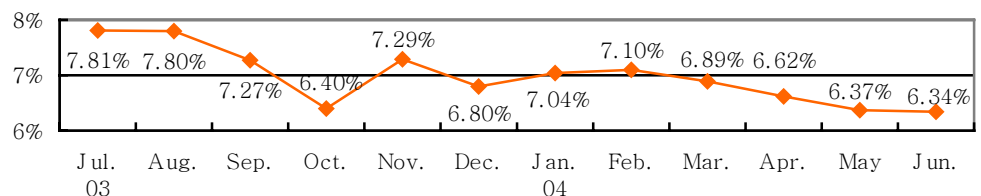
As trading volume dropped and trading volume of foreigners increased, market share in 1QFY04 decreased like most of large-sized domestic securities firms did and recorded 6.46%, 0.55%pt lower than 7.01% of 4QFY03. Online and offline market shares recorded 3.97% and 2.49% each, and KSE and KOSDAQ market shares recorded 6.21% and 7.26% each.

[Table3] Market shares in brokerages

(KRW bln, %)		FY04	FY03	QoQ	FY04	FY03	QoQ
		1Q	4Q		1Q	1Q	
Stock	Market Value	3,239	3,398	-4.7%	3,239	3,756	-13.8%
	M/S	6.46%	7.01%	-7.8%	6.46%	7.66%	-15.7%
	KSE	6.21%	6.82%	-8.9%	6.21%	7.40%	-16.1%
	KOSDAQ	7.26%	7.66%	-5.2%	7.26%	8.10%	-10.4%
	Offline	2.49%	2.72%	-8.5%	2.49%	2.53%	-1.6%
Futures	Online	3.97%	4.29%	-7.5%	3.97%	5.13%	-22.6%
	M/S	1.32%	2.10%	-37.1%	1.32%	2.60%	-49.2%
Options	Online	0.87%	1.63%	-46.6%	0.87%	1.98%	-56.1%
	M/S	3.67%	3.72%	-1.3%	3.67%	4.19%	-12.4%
	OnlineS	3.16%	3.02%	+4.6%	3.16%	2.32%	+36.2%
Brokerage Commissions		56	62	-10.8%	56	78	-29.3%

※ Source : Internal data

[Graph 2] Monthly stock market shares



※ Source : Internal data

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## 2. Investment Banking

*Outstanding performance in right issues, corporate bonds, and ABS, etc.*

Daewoo Securities subscribed successfully the rights offering of Samsung Card in April which was worth of KRW 1,500 bln. Rights offerings of Samsung Card recorded KRW 3.8 bln of underwriting commissions and Daewoo Securities showed outstanding performance recording 87.4% of market share in rights offerings market. Both market shares in the issuance of corporate bonds and ABS more than doubled compared to 1QFY03 and continue to lead its position as No. 1 in the field. However, sales of ELS decreased slightly compared to 1QFY03.

[Table 4] Investment Banking Performance

KRW bln	Underwriting Amounts and Market Share					
	1QFY04		1QFY03		FY03	
IPO	9.8	10.3%	-	-	91	9.4%
Rights offerings	1,506	87.4%	21	62.3%	302	16.2%
Corporate bonds	733	12.1%	163	5.0%	1,754	11.7%
ABS and others	535	14.8%	490	7.2%	1,746	8.4%
ELS	106	8.9%	122	10.5%	494	12.3%

※ Excludes between-affiliates businesses

※ Source : Internal data

## 3. Wealth Management

*As of end-Jun. 2004,  
Sales balance of BCs  
KRW 2,963 bln*

Sales balance of BCs increased 2.8% QoQ and recorded KRW 2,963.2 bln at end-June as balance of wrap accounts increased 26.5% QoQ recording KRW 767.9 bln and balance of hybrid-type BCs increased 11.4% QoQ. However, as market commissions rates dropped, related commission income did not show big changes.

[Table 5] Balances of BCs

KRW bln	FY04	FY03	QoQ	FY04	FY03	QoQ	
	End-Jun.	End-Mar.		End-Jun.	End-Jun.		
BCs	Bond-type	1,998	2,004	-0.3%	1,998	2,168	-7.8%
	Hybrid-type	878	788	11.4%	878	845	3.9%
	Equity-type	75	76	-1.6%	75	57	32.3%
	Mutual fund	13	14	-5.6%	13	14	-5.6%
	<b>Total</b>	<b>2,963</b>	<b>2,882</b>	<b>2.8%</b>	<b>2,963</b>	<b>3,084</b>	<b>-3.9%</b>
Wrap	768	607	26.5%	768	-	-	
Commissions*	5	5	-1.9%	5	6	-16.2%	

※ Source : Internal data

\* Commissions = Brokerage commissions on BCs + Wrap commissions

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## News

### Mr. Bok-Jo Sohn as new CEO

At the Board of Directors on June 11, 2004 Mr. Bok-Jo Sohn was elected as CEO and president of Daewoo Securities.

With CEO Mr. Sohn, the Company decided 'Rebuilding the Basics of Securities Company' as the management goal of FY2004. Our main focus to achieve the goal will be strengthening our market share in brokerage, strengthening IB · trading · dealing parts, and achieving net income of more than KRW 1,200 bln. Regarding new business sectors, we will focus more on building a foundation for long-term growth.

4 independent directors were elected too. Hwa-Sun Ryoo, CEO of Hankyung WOW TV, Hun Namgoong, former member of Monetary Policy Committee, Bank of Korea, Kwanhee Yoo, professor of accounting, Korea University, Beom-Sik Jang, professor of finance, Soongsil University.

### Awarded as the Best Broker by FinanceAsia



Daewoo Securities was awarded the Best Broker in FinanceAsia Country Awards 2004.

FinanceAsia commented in its July issue, "Daewoo Securities is one of the few brokers which can boast a rising market share".

The Company was also selected the Best Equity House by Asiamoney in May 2004. Daewoo Securities is being recognized both abroad and at home.

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## Appendix 1. Balance Sheet

Unit: KRW million	Jun-04	Mar-04	Jun-03
<b>Assets</b>			
Current assets	3,476,068	3,190,608	2,633,627
Cash and bank deposits	335,115	156,457	222,813
Deposits	1,037,887	1,048,025	1,135,123
Current securities	1,727,689	1,655,823	1,040,733
Structured securities	61,462	49,351	7,207
Options purchased	37	40	551
Loans	80,112	174,527	88,018
Other current assets	254,759	117,848	142,919
Allowance for credit loss (-)	20,993	11,464	3,738
Non-current assets	846,152	866,895	1,028,021
Non-current securities	440,196	449,266	497,802
Investment assets	111,339	116,620	121,651
Tangible fixed assets	259,952	262,653	290,018
Other non-current assets	34,665	38,357	118,549
<b>Total assets</b>	<b>4,322,220</b>	<b>4,057,503</b>	<b>3,661,648</b>
<b>Liabilities</b>			
Current liabilities	3,045,529	2,580,145	1,994,376
Call money	260,000	0	160,000
Short-term borrowings	0	20,000	40,000
Bonds sold under reverse resale agreements	862,219	717,663	158,989
Customers' deposits	991,477	1,012,964	1,224,631
Securities sold	2,972	3,453	844
Structured securities sold	196,043	228,160	99,087
Short position in options	511	3,155	424
Others	732,308	594,750	310,402
Long-term liabilities	33,714	232,428	526,685
Debenture	0	0	
Long-term borrowings	0	0	
Allowance for guarantees	0	62	1,652
Reserve for severance and retirement benefits	33,714	32,365	25,167
Others	0	200,000	499,866
<b>Total liabilities</b>	<b>3,079,243</b>	<b>2,812,573</b>	<b>2,521,061</b>
<b>Stockholders' equity</b>			
Paid-in Capital	1,020,883	1,020,883	1,020,883
Capital surplus	250,724	250,724	250,724
Retained earnings	207,244	198,093	101,907
Capital adjustment	-235,875	-224,771	-232,928
<b>Total stockholders' equity</b>	<b>1,242,976</b>	<b>1,244,930</b>	<b>1,140,586</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>4,322,220</b>	<b>4,057,503</b>	<b>3,661,648</b>



# 1QFY2004 Earnings Release

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## Appendix 2. Income Statement

Unit: KRW million	FY2004	FY2003	QoQ	FY2004	FY2003	QoQ
	1Q	4Q	(%)	1Q	1Q	(%)
<b>Operating Revenues</b>	<b>176,640</b>	<b>256,159</b>	- <b>31.0</b>	<b>176,640</b>	<b>198,029</b>	- <b>10.8</b>
Commission received	70,532	74,562	- 5.4	70,532	87,366	- 19.3
Brokerage commissions	56,228	61,930	- 9.2	56,228	78,094	- 28.0
Underwriting commissions	7,840	6,234	25.8	7,840	1,864	320.5
Brokerage commissions on beneficiary certificates	2,961	3,800	- 22.1	2,961	5,714	- 48.2
Wrap commissions	1,928	1,181	63.3	1,928	121	1,489.8
Others	1,574	1,418	11.1	1,574	1,573	0.1
Interest income	26,807	22,818	17.5	26,807	16,568	61.8
Interest on margin loans	20,233	17,354	16.6	20,233	7,617	165.6
Interest on deposits with KSFC	1	5	- 72.3	1	7	- 80.4
Interest on deposits with institutions	1,259	1,023	23.1	1,259	2,641	- 52.3
Interest on call loans	832	446	86.4	832	494	68.4
Interest on advance for customers	227	54	322.6	227	313	- 27.5
Others	4,256	3,936	8.1	4,256	5,496	- 22.6
Dividends income	1,066	2,184	- 51.2	1,066	1,054	1.1
Distribution income	2,850	487	484.9	2,850	711	300.8
Gain on sales of current securities	8,811	56,030	- 84.3	8,811	10,804	- 18.4
Gain on sales of stock	4,258	6,766	- 37.1	4,258	5,902	- 27.9
Gain on sales of bonds	3,320	3,484	- 4.7	3,320	2,774	19.7
Gain on sales of beneficiary certificates	1,138	45,586	- 97.5	1,138	1,746	- 34.8
Others	96	194	- 50.7	96	381	- 74.9
Gain on valuation of current securities	13,192	65,206	- 79.8	13,192	23,225	- 43.2
Gain on valuation of stock	1,580	513	207.9	1,580	4,498	- 64.9
Gain on valuation of bonds	1,358	2,203	- 38.3	1,358	880	54.4
Gain on valuation of beneficiary certificates	10,253	62,490	- 83.6	10,253	17,847	- 42.6
Gain on structured securities transactions	986	2,961	- 66.7	986	1,623	- 39.3
Gain on sales of structured securities	-	601	-	-	-	-
Gain on valuation of structured securities	535	837	- 36.1	535	1,623	- 67.0
Gain on redemption of structured securities	450	1,522	- 70.4	450	-	-
Gain on valuation of trading securities sold	367	16	2,162.5	367	0	1,062,361.4
Gain on structured securities sold transactions	14,916	3,464	330.6	14,916	550	2,614.3
Gain on valuation of structured securities sold	14,417	2,753	423.7	14,417	550	2,523.4
Gain on redemption of structured securities sold	500	711	- 29.7	500	-	-
Gain on valuation of reserve for claims of customers' deposits-trust	11,458	11,009	4.1	11,458	12,005	- 4.6
Gain on derivatives transactions	25,594	16,847	51.9	25,594	43,769	- 41.5
Gain on futures transactions	10,893	2,471	340.8	10,893	8,859	23.0
Gain on exchange trading options transactions	13,099	10,919	20.0	13,099	34,501	- 62.0
Gain on OTC derivatives transactions	1,602	3,457	- 53.7	1,602	409	291.7
Other operating income	62	574	- 89.1	62	355	- 82.4
Reversal of allowance for allowances	-	-	-	-	-	-
Reversal of allowance for guarantees	62	574	- 89.1	62	355	- 82.4
Others	-	-	-	-	-	-
<b>Operating expenses</b>	<b>173,585</b>	<b>148,295</b>	<b>17.1</b>	<b>173,585</b>	<b>154,409</b>	<b>12.4</b>
Commission expenses	7,425	6,663	11.4	7,425	8,505	- 12.7
Trading commissions	3,922	3,645	7.6	3,922	6,106	- 35.8
Investment consultant fees	1,033	1,195	- 13.5	1,033	1,656	- 37.6
Other commissions	2,470	1,823	35.5	2,470	743	232.3

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Unit: KRW million	FY2004	FY2003	QoQ	FY2004	FY2003	QoQ
	1Q	4Q	(%)	1Q	1Q	(%)
Interest expenses	24,717	24,923	- 0.8	24,717	20,971	17.9
Interest on borrowings from KSFC	214	131	63.2	214	825	- 74.1
Interest on customers' deposits	3,814	4,093	- 6.8	3,814	5,305	- 28.1
Interest on call money	1,913	1,474	29.8	1,913	1,869	2.3
Interest on debentures	9,749	11,492	- 15.2	9,749	11,716	- 16.8
Others	9,028	7,733	16.7	9,028	1,254	619.9
Loss on sales of current securities	11,567	9,805	18.0	11,567	3,083	275.2
Loss on sales of stock	8,250	2,203	274.6	8,250	714	1,054.9
Loss on sales of bonds	2,292	6,957	- 67.1	2,292	1,075	113.2
Loss on sales of beneficiary certificates	531	263	102.0	531	1,068	- 50.3
Others	493	383	28.9	493	226	118.4
Loss on valuation of current securities	7,235	1,583	N/A	7,235	2,308	213.5
Loss on valuation of stock	1,833	348	427.3	1,833	53	3,331.4
Loss on valuation of bonds	1,569	2,258	N/A	1,569	1,482	5.9
Loss on valuation of beneficiary certificates	3,833	327	1,072.2	3,833	773	395.9
Loss on structured securities transactions	12,861	1,447	788.6	12,861	303	4,150.2
Loss on valuation of structured securities	12,412	1,447	757.7	12,412	303	4,002.0
Loss on redemption of structured securities	448	-	-	448	-	-
Loss on valuation of trading securities sold	30	349	- 91.5	30	166	- 82.3
Loss on structured securities sold transactions	2,891	4,107	- 29.6	2,891	2,637	9.6
Loss on valuation of structured securities sold	2,238	343	551.9	2,238	2,637	- 15.1
Loss on redemption of structured securities sold	653	3,763	- 82.6	653	-	-
Loss on derivatives transactions	29,793	19,852	50.1	29,793	42,728	- 30.3
Loss on futures transactions	12,614	7,698	63.9	12,614	8,102	55.7
Loss on exchange trading options transactions	14,899	10,235	45.6	14,899	34,218	- 56.5
Loss on OTC derivatives transactions	2,281	1,919	18.8	2,281	409	457.7
Selling and administrative expenses	77,066	82,733	- 6.8	77,066	73,708	4.6
Salary, Severance pay, other benefits	37,359	43,101	- 13.3	37,359	39,040	- 4.3
Computer system operations expenses	6,043	6,220	- 2.9	6,043	6,223	- 2.9
Rental expenses	3,652	3,832	- 4.7	3,652	3,575	2.1
Advertising expenses	5,272	5,372	- 1.8	5,272	2,901	81.7
Depreciation	3,246	6,083	- 46.6	3,246	7,130	- 54.5
Credit loss expense	9,714	3,132	210.1	9,714	3,993	143.3
Provision for allowances for guarantees	-	-	-	-	-	-
Others	11,780	14,994	- 21.4	11,780	10,846	8.6
<b>Operating income</b>	<b>3,055</b>	<b>107,864</b>	<b>- 97.2</b>	<b>3,055</b>	<b>43,620</b>	<b>- 93.0</b>
<b>Non-operating income</b>	<b>8,201</b>	<b>67,986</b>	<b>- 87.9</b>	<b>8,201</b>	<b>5,423</b>	<b>51.2</b>
Rental Income	1,926	1,948	- 1.1	1,926	1,983	- 2.9
Gain on disposition of securities available for sale	3,126	3,268	- 4.3	3,126	17	18,702.9
Gain on equity method valuation	1,147	4,908	- 76.6	1,147	-	-
Others	2,002	57,862	- 96.5	2,002	3,423	- 41.5
<b>Non-operating expenses</b>	<b>2,849</b>	<b>12,038</b>	<b>- 76.3</b>	<b>2,849</b>	<b>12,296</b>	<b>- 76.8</b>
Loss on disposition of securities available for sale	1,336	15	8,703.6	1,336	7,857	- 83.0
Securities reduction loss	0	1,138	- 100.0	0	0	290.8
Loss on equity method valuation	620	2,941	- 78.9	620	-	-
Others	893	7,944	- 88.8	893	4,439	- 79.9
<b>Ordinary income</b>	<b>8,407</b>	<b>163,812</b>	<b>- 94.9</b>	<b>8,407</b>	<b>36,747</b>	<b>- 77.1</b>
<b>Extraordinary gain</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary loss</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>269</b>	<b>-</b>
<b>Net income</b>	<b>8,407</b>	<b>163,756</b>	<b>- 94.9</b>	<b>8,407</b>	<b>36,478</b>	<b>- 77.0</b>