

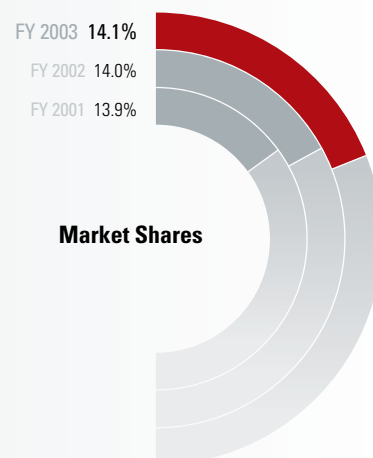
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Direct premiums written surged 10% to ₩737.3 billion in the first quarter of FY2004 despite a sluggish domestic economy. This strong performance raised the Company's overall market share 0.2%p year-on-year to 14.2%, making Dongbu Insurance the nation's third-largest in the non-life sector. Moreover, total assets stood at more than ₩4.27 trillion in June 2004, up 15% from a year earlier.

The entry of direct automobile insurance sales into the Korean market slowed growth in this sector for all the major players in FY 2003. Despite the severe competition, a concerted effort by Dongbu Insurance employees has contained the rising loss ratio for automobile insurance while strengthening the Company's position in commercial insurance lines.

A bullish stock market and restructured portfolio centered on non interest-bearing assets such as trading securities resulted in a solid return from asset management activities during FY 2003. While the Company maintains one of the lowest expense ratios, 22.7% in the Korean non-life industry thanks to an efficient approach to management innovation in the business lines. The prudent investment strategy has also been an important factor behind the Company's remaining in the black for the past ten years.

The increase in automobile insurance loss ratio brought negative underwriting results, lowering net income ₩33.8 billion year-on-year to ₩45.3 billion in FY 2003. On the other hand, adjusted net income (net income plus the increase in catastrophe reserve) totaled ₩63.1 billion for the year.



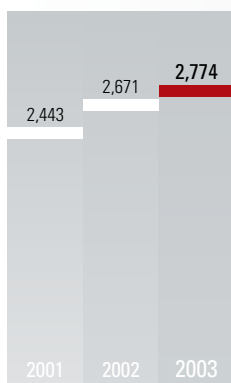
Financial Highlights

(Unit: Billions Won except per share amounts and percentage / U.S.dollars in millions)

	FY2001	FY2002	FY2003	U.S.dollars*
Direct premiums written	₩ 2,443	₩ 2,671	₩ 2,774	\$ 2,405
Net premiums earned	2,160	2,378	2,489	2,158
Net investment profit	195	111	181	157
Net income	149	79	45	39
Adjusted net income**	166	97	63	55
Total shareholders' equity	309	327	456	395
Catastrophe reserves	180	198	216	187
Adjusted shareholders' equity	489	525	673	582
Total asset	₩ 3,232	₩ 3,628	₩ 4,100	\$ 3,554

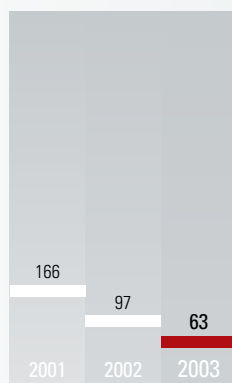
*The figures computed by the translating the Korean won into U.S.dollars based on the basic rate of ₩1,153.60 to US\$ 1.00 at March 31, 2004.

**Adjusted NI = Net Income + Increase of catastrophe reserves



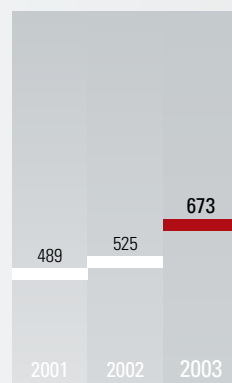
Direct premiums written

(Unit: Billions of Won)



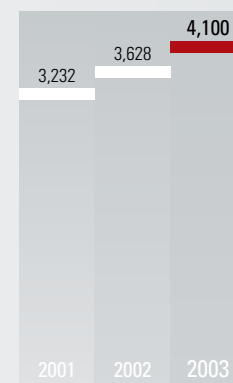
Adjusted net income

(Unit: Billions of Won)



Adjusted shareholder's equity

(Unit: Billions of Won)



Total asset

(Unit: Billions of Won)

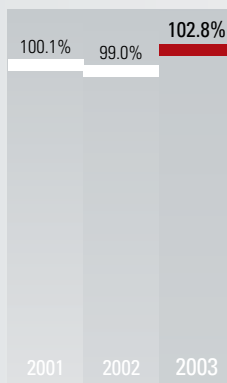
(Unit: Billions Won except per share amounts and percentage / U.S.dollars in millions)

	FY2001	FY2002	FY2003	U.S.dollars*
Loss ratio	75.9%	75.5%	80.1%	-
Combined ratio	100.1%	99.0%	102.8%	-
Solvency margin	₩ 513	₩ 536	₩ 697	\$ 604
Solvency margin ratio	188.2%	179.4%	224.6%	-
NPL ratio	5.2%	3.8%	3.9%	-
Net NPL ratio***	3.7%	2.6%	2.0%	-
EPS(Won)	₩ 2,383	₩ 1,262	₩ 723	-
ROIA	7.9%	3.8%	5.6%	-
ROA	5.0%	2.3%	1.2%	-
Adjusted ROA****	5.6%	2.8%	1.6%	-
ROE	62.3%	25.5%	11.8%	-
Adjusted ROE*****	40.2%	19.4%	10.7%	-
Payout ratio	6.3%	19.8%	34.6%	-

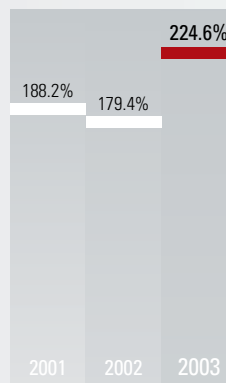
***Net NPL ratio = (NPL - Provision of NPL) / (Loans - total provisions)

****Adjusted ROA = Adjusted NI / [(Beginning total asset + Ending total asset) / 2]

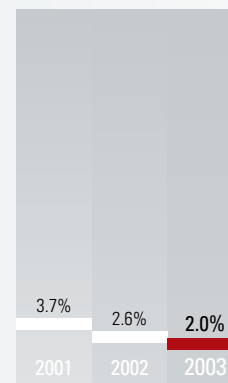
*****Adjusted ROE = Adjusted NI / [(Beginning shareholders equity + Beginning catastrophe reserve + Ending shareholders equity + Ending catastrophe reserve) / 2]



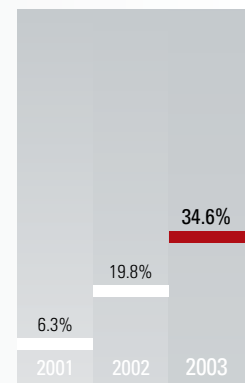
Combined ratio



Solvency margin ratio



Net NPL ratio



Payout ratio