

■ 1st Half 2004 Operating Performance

1. Transaction Volume

(KRW billion)

	1H03	FY2003	1Q04	1H04
Credit Card	58,732	94,699	12,718	24,875
Lump Sum Purchase	18,837	29,544	4,635	8,965
Installment Purchase	5,962	10,207	1,691	3,321
Cash Advance	33,933	54,948	6,393	12,589
Installment Finance	894	1,148	74	174
Consumer Loan	6,717	10,370	649	1,235
Refinanced Assets	4,575	7,650	512	794
Lease	140	197	5	68
Total	66,484	106,413	13,448	26,352

* accumulated from beginning of year

2. Card Members / Merchants

(thousand)

	1H03	FY2003	1Q04	1H04
Effective Card Members	11,431	10,669	10,195	9,977
Active Card Members 1)	8,743	7,585	7,052	6,805
Merchants	2,966	3,175	3,268	3,369

1) Members who used LG Card at least once in the last 6 months

3. FSC Asset Classification

(Managed base, as of end of June 2004)

(KRW billion)

	Normal	Precautionary	Substandard	Doubtful	Estimated Loss
Credit Card	6,078	209	-	340	218
Installment Finance	1,203	51	-	15	1
Consumer Loan	1,178	4,829	-	653	260
Lease	352	2	-	-	-
New Tech	-	-	-	-	-
Others	1,416	-	-	-	-
Total	10,228	5,092	-	1,008	479

* FSC loan loss reserve requirement: 1,788 billion won

4. Overdue Ratios (Including unbilled installment payments, Managed base)

◎ Total Earning Assets

(KRW billion)

		Mar. 2004	Apr. 2004	May 2004	Jun. 2004
Total Receivables		17,482	16,709	16,273	15,389
Overdue Receivables	1~30 days	1,417	1,460	1,462	1,357
	1~3 Months	1,055	991	1,082	1,039
	3~6 Months	1,659	1,475	1,238	1,047
	6 Months and over	277	324	652	503
Total overdue (30 days and over)		2,991	2,790	2,972	2,589
30+ days Overdue Ratio		17.11%	16.70%	18.26%	16.82%

◎ Credit Card Assets

(KRW billion)

		Mar. 2004	Apr. 2004	May 2004	Jun. 2004
Total Receivables		7,429	7,201	7,190	6,845
Overdue Receivables	1~30 days	400	375	435	409
	1~3 Months	318	253	232	209
	3~6 Months	572	564	471	340
	6 Months and over	91	116	266	218
Total overdue (30 days and over)		981	933	970	767
30+ days Overdue Ratio		13.20%	12.96%	13.50%	11.21%

◎ Card Loan Assets (Excluding refinanced assets)

(KRW billion)

		Mar. 2004	Apr. 2004	May 2004	Jun. 2004
Total Receivables		1,139	1,083	1,031	1,021
Overdue Receivables	1~30 days	88	81	82	75
	1~3 Months	62	50	43	36
	3~6 Months	103	93	77	57
	6 Months and over	40	51	74	93
Total overdue (30 days and over)		205	194	195	185
30+ days Overdue Ratio		17.99%	17.95%	18.87%	18.17%

◎ Refinanced Assets

(KRW billion)

		Mar. 2004	Apr. 2004	May 2004	Jun. 2004
Total Receivables		6,498	6,135	5,890	5,501
Overdue Receivables	1~30 days	681	768	712	661
	1~3 Months	553	578	699	706
	3~6 Months	879	723	601	572
	6 Months and over	128	128	260	160
Total overdue (30 days and over)		1,560	1,429	1,560	1,438
30+ days Overdue Ratio		24.01%	23.29%	26.48%	26.14%

5. Loan loss reserve & Charge-off (Managed base)

(KRW billion)

	1H03	FY2003	1Q04	1H04
Loan Loss Reserve Beginning Balance	2,278	2,278	5,448	5,448
Charge-offs *	2,617	4,696	2,009	3,231
Provisions	2,358	7,866	1,044	1,903
Loan Loss Reserve Ending Balance	2,019	5,448	4,483	4,120
Recoveries **	257	475	7	33
Net Provision Expense	2,102	7,391	1,037	1,870
Average Managed Earning Assets	31,171	27,615	18,708	17,416
Provisions / Avg. Mgd. Earning Assets	13.5%	26.8%	22.2%	21.5%
Net Charge-offs / Avg. Mgd. Earning Assets	15.1%	15.3%	42.8%	36.7%

6. Net Interest Spread (NIS)

	1H03	FY2003	1Q04	1H04
Product Yield	19.0%	18.9%	19.5%	19.4%
Funding Cost	6.3%	6.4%	6.7%	6.9%
Borrowings	6.1%	6.3%	6.8%	7.0%
Securitization	6.5%	6.5%	6.6%	6.6%
NIS	12.7%	12.5%	12.8%	12.5%

* accumulated from beginning of year

7. Funding (Managed base)

(KRW billion)

Breakdown		1H03	FY2003	1Q04	1H04
F u n d i n g	Short-term Borrowings	6,409	4,011	3,107	3,485
	Short-term Debentures	776	837	642	577
	Current portion of long-term debt	2,467	2,258	2,454	1,899
	Long-term Borrowings & Debentures	4,743	4,279	4,217	3,951
	Total Borrowings	14,395	11,386	10,421	9,911
	Securitized	12,931	8,408	4,954	5,471
	Total Funding	27,326	19,793	15,374	15,382
B a l a n c e	Debentures	7,499	6,972	5,248	4,360
	CP	6,222	1,843	2,895	3,281
	Others	674	2,571	2,278	2,270
	ABS	9,941	7,295	4,193	4,853
	Portfolio Sales	2,990	1,113	761	618
	Total Funding	27,326	19,793	15,374	15,382

8. Balance Sheet Summary (Reported)

(KRW billion)

Account	1H03	FY2003	1Q04	1H04
Total Assets	17,823	10,766	12,129	10,953
I . Earning Assets	11,653	12,343	11,983	10,391
1.Credit Card Assets	3,367	1,855	2,389	1,696
Lump Sum Purchase	1,013	423	518	292
Installment Purchase	1,377	669	908	468
Cash Advance	977	763	963	936
2.Installment Finance	1,253	1,317	943	747
3.Consumer Loan	6,622	6,562	5,726	4,867
4.Trust Assets *		2,436	2,776	2,934
5.New Tech Assets	5	5	5	-
6.Lease Assets	406	169	144	146
II . Loan Loss Reserve	Δ 2,019	Δ 5,023	Δ 4,280	Δ 3,766
III . Other Assets	8,189	3,445	4,427	4,328
Total Liabilities & Shareholders' Equity	17,823	10,766	12,129	10,953
Total Liabilities	16,438	13,979	12,424	11,784
I . Borrowings	14,390	12,436	11,132	10,486
Short-term borrowings	9,652	7,106	6,203	5,960
Long-term borrowings	4,743	4,279	4,217	3,951
Off-balance sheet funding	-	1,064	720	583
(Bond discount)	Δ 5	Δ 13	Δ 10	Δ 8
II . Other Liabilities	2,048	1,542	1,292	1,299
Total Shareholders' Equity	1,385	Δ 3,213	Δ 294	Δ 831
I . Paid-in Capital	595	786	1,740	40
II . Capital Surplus	421	452	14	1,713
III . Retained Earnings	417	Δ 4,435	Δ 4,314	Δ 4,796
IV . Capital Adjustments	Δ 48	Δ 16	2,266	2,211

* Trust Assets are Seller's Interest arising from asset securitization transactions

9. Income Statement Summary (Reported)

(KRW billion)

	1H03	FY2003	1Q04	1H04
I. Operating Revenue	2,620	4,393	1,122	1,803
Credit Card Income	659	1,201	237	491
Installment Finance Income	100	390	44	71
Consumer Finance Income	452	692	210	362
Lease Income	48	91	13	26
Interest Income	35	55	4	15
Securitization Income	1,276	1,897	594	812
Other Income	50	67	20	27
II. Operating Expense	1,265	2,593	479	878
Interest Expense	486	1,105	208	404
SG&A Expense	779	1,488	271	473
III. Pre-provision Income	1,354	1,800	643	926
IV. Loan loss provision expense	2,102	7,134	1,259	1,960
V. Operating Income	Δ 747	Δ 5,335	Δ 616	Δ 1,034
VI. Non-operating income or expense	Δ 16	Δ 238	70	6
VII. Ordinary Income	Δ 763	Δ 5,573	Δ 546	Δ 1,028
VIII. Extraordinary income or loss	16	16	667	667
IX. Net Income	Δ 747	Δ 5,599	121	Δ 361

10. SG&A Breakdown

(KRW billion)

	1H03	FY2003	1Q04	1H04
Marketing Expenses	151	179	22	49
Advertising	16	28	2	3
Acquisition Fee	50	65	4	10
Others	85	86	16	37
Collection Fee	125	197	20	30
Salaries and wages	66	144	32	61
Others	437	967	197	333
Total SG&A Expense	779	1,488	271	473
(SG&A / Average Managed Earning Assets)	(5.00%)	(5.39%)	(5.79%)	(5.44%)