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Press Release

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Preliminary Operating Results of Asset Management Companies: First Quarter, FY2006

Preliminary operating results from a total of 48 asset management companies show pretax income for the first quarter of FY2006 ended June 30 will come to KRW92.54 billion, up sharply from KRW21.59 billion a year earlier. A KRW67.44 billion increase in investment management fees driven by a surge in assets under management mostly contributed to the jump in pretax income for the period. Net income for the period is expected to total KRW72.54 billion.

Preliminary Operating Results of Asset Management Companies: (First Quarter of FY2006 ended June 30)

| | (In billion of won) | | | |
|----------------------------|---------------------|------------|--------|----------------|
| | Q1, FY2005 | Q1, FY2006 | Change | Percent Change |
| Operating Revenue | 118.46 | 198.49 | 80.03 | 67.6 |
| Investment management fees | 84.61 | 152.05 | 67.44 | 79.7 |
| Investment advisory fees | 21.90 | 30.62 | 8.72 | 39.8 |
| Operating expenses | 98.53 | 110.10 | 11.87 | 11.7 |
| Operating income | 19.93 | 88.39 | 68.46 | 343.5 |
| Pretax income | 21.59 | 92.54 | 70.95 | 328.6 |
| Net income | 12.71 | 72.54 | 59.83 | 470.7 |

Pretax income for domestic asset management companies (36) came to KRW72.03 billion, compared with KRW14.42 billion a year earlier. For foreign asset management companies (12), the total came to KRW20.51 billion, compared with KRW7.17 billion a year earlier.

As of the end of June, assets under management totaled KRW221.6 trillion, up slightly from the previous quarter's total of KRW221.3 trillion. Both stock funds and hybrid funds grew by KRW5.1 trillion and KRW3.7 trillion, respectively, but money market funds fell by KRW13.1 trillion during the period. Assets under management by domestic asset management companies came to KRW183.5 trillion. For foreign asset management companies, the total was KRW38.1 trillion.



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Operating Results of Domestic Asset Management Companies:
(First Quarter of FY2006 ended June 30)

| | Q1, FY2005 | Q1, FY2006 | Change | (In billion of won) Percent Change |
|----------------------------|------------|------------|--------|---------------------------------------|
| Operating Revenue | 87.96 | 146.37 | 58.41 | 66.4 |
| Investment management fees | 66.30 | 116.72 | 50.42 | 76.0 |
| Investment advisory fees | 12.70 | 16.93 | 4.23 | 33.3 |
| Operating expenses | 74.16 | 76.22 | 2.06 | 2.8 |
| Operating income | 13.80 | 70.15 | 56.35 | 408.3 |
| Pretax income | 14.42 | 72.03 | 57.61 | 399.5 |

Operating Results of Foreign Asset Management Companies:
(First Quarter of FY2006 ended June 30)

| | Q1, FY2005 | Q1, FY2006 | Change | (In billion of won) Percent Change |
|----------------------------|------------|------------|--------|---------------------------------------|
| Operating Revenue | 30.50 | 52.13 | 21.63 | 70.9 |
| Investment management fees | 18.31 | 35.33 | 17.02 | 93.1 |
| Investment advisory fees | 9.20 | 13.68 | 4.48 | 48.7 |
| Operating expenses | 24.37 | 33.88 | 9.51 | 39.0 |
| Operating income | 6.13 | 18.24 | 12.11 | 197.6 |
| Pretax income | 7.17 | 20.51 | 13.34 | 186.1 |

Note: Foreign asset management companies include those with 50% or more of the equity held by foreign entity; there were 11 foreign asset management companies in Q1, FY2005, and 12 in Q1, FY2006.

Contact Persons:

Heo Hoon
Head of Management Guidance Team
Asset Management Supervision Department
Financial Supervisory Service
(02) 3786-8329

Douglas Kim
Foreign Spokesperson
Financial Supervisory Commission
Financial Supervisory Service
(02) 3786-7915