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7-1. :

7-2. Balance Sheet

2001 3 31
Current period : March 31, 2001

| Federal Insurance Company Korea | | | | Unit : Korean Won | | | |
|--|---------------|----------------|---|-------------------|----------------|--------------------------------------|--|
| Assets | | Current period | | Current period | | Liabilities and stockholders' equity | |
| Description | Amount | Amount | Description | Amount | Amount | | |
| I. Invested Assets | | 7,283,630,737 | I. Liabilities | | 5,769,699,110 | | |
| Cash & Cash equivalent | | | Insurance Reserve | | | | |
| 1. Cash | 469,903 | | 1. Policy Reserve | 4,498,146,996 | | | |
| 2. Deposit | 5,978,793,682 | | (1) Reserve for Outstanding Claims | 1,021,249,746 | | | |
| (1) Current Deposit | 27,027,822 | | (2) Long-term Insurance Premium Reserve | 0 | | | |
| (2) Ordinary Deposit | 2,948,765,860 | | (3) Unearned Premium Reserve | 3,476,897,250 | | | |
| (3) Fixed Time Deposit | 3,000,000,000 | | (4) Reserve for Participating Policyholder's Dividends | 0 | | | |
| (4) Fixed Time Installment Deposit | 0 | | (5) Excess Participating Policyholder Dividend Reserve | 0 | | | |
| (5) Overseas Deposit | 0 | | 2. Catastrophe Reserve | 1,271,552,114 | | | |
| (6) Other Deposits | 3,000,000 | | II. Other Liabilities | | 3,147,937,226 | | |
| 3. Short Term Bills | 0 | | 1. Unpaid Payable | 377,079,690 | | | |
| 4. Money In Trust | 0 | | (1) Claims Payable | 0 | | | |
| 5. Deposit on Severance and Retirement Insurance | 0 | | (2) Due to Agents | 223,992,248 | | | |
| 6. Deposit on Futures Exchange | 0 | | (3) Premiums Refund Payable | 5,459,200 | | | |
| II. Marketable Securities | | 0 | (4) Coinsurance Accounts Payable | 0 | | | |
| 1. Stocks | | | (5) Due to Agency Business | 54,056,108 | | | |
| (1) Listed Stocks | | | (6) R/I Accounts Payable | 93,572,134 | | | |
| (2) Unlisted Stocks | | | (7) Foreign R/I Premium Payable | 0 | | | |
| 2. Government and Public Bonds | | | (8) Deposit on R/I Treaty Ceded | 0 | | | |
| 3. Special Bonds | | | 2. Other Accounts Payable | 755,631,610 | | | |
| 4. Corporate Bonds | | | 3. Accrued Expenses | 0 | | | |
| 5. Investment Funds | | | 4. Accrued Dividends | 0 | | | |
| 6. Overseas Securities | | | 5. Special Account(Debits) | 0 | | | |
| (1) Stocks | | | 6. Deferred Income Tax(Credits) | 0 | | | |
| (2) Bonds | | | 7. Reserve for Severance Benefits (National Pension Fund Benefits) | 782,253,008 | | | |
| (3) Other Overseas Securities | | | 8. Premiums Received | -48,335,500 | | | |
| 7. Other Securities | | | 9. Notes Payable | 135,396,698 | | | |
| III. Investment Securities | | 1,014,158,810 | 10. Bank Overdraft | 0 | | | |
| 1. Stocks | | | 11. Borrowings | 0 | | | |
| (1) Listed Stocks | | | 12. Advances from Customers | 0 | | | |
| (2) Special Affiliation | | | 13. Suspense Receipts | 2,522,084 | | | |
| (3) Other Stocks | | | 14. Withholdings | 32,521,570 | | | |
| 2. Money Invested | | | 15. Unearned Income | 0 | | | |
| (1) Special Affiliation | | | 16. Accrued Income Taxes | 0 | | | |
| (2) Other Money Invested | | | 17. Accrued VAT | 0 | | | |
| 3. Government and Public Bonds | | | 18. Inter-office Account Credits | 1,110,868,066 | | | |
| (1) Interim Sales | | | 19. Leasehold Deposits Received | 0 | | | |
| (2) Maturity holding | | | 20. Other Liabilities | 0 | | | |
| 4. Special Bonds | | | () Separat Account Liabilities | | | | |
| (1) Interim Sales | | | < > Total Liabilities | | 8,917,636,336 | | |
| (2) Maturity holding | | | [] Stockholders' Equity | | | | |
| 5. Corporate Bonds | | | III. Capital Stock | | 3,000,000,000 | | |
| (1) Interim Sales | | | 1. Common Stock | | | | |
| (2) Maturity holding | | | 2. Preferred Stock | | | | |
| 6. Investment Funds | | | IV. Subscription Deposits on New Stocks | | | | |
| 7. Overseas Securities | | | V. Capital Surplus | | 0 | | |
| (1) Stocks | | | 1. Paid-in-Capital In Excess of Par Value | | | | |
| (2) Bonds | | | 2. Gain on capital Reduction | | | | |
| (3) Other Overseas Securities | | | 3. Other Capital Surplus | | | | |
| 8. Other Securities | | | 4. Assets Revaluation Reserve | | | | |
| IV. Reserve for Doubtful Account | -1,458,333 | 290,208,342 | VI. Retained Earnings | | -1,129,215,106 | | |
| Discount Account | 0 | | 1. Legar Reserve | | | | |
| () Discount Account | 0 | | 2. Reserve for Business Rationalization | | | | |
| 1. Call loans | 0 | | 3. Reserve for Financial Structure Improvement | | | | |
| 2. Policy Loans | 0 | | 4. Voluntary Reserve | | | | |
| 3. Loan Secured by Securities | 0 | | 5. () Unappropriated Retained Earnings Carried over to subsequent Year | -1,129,215,106 | | | |
| 4. Secured by Real Estate Loan | 0 | | () (Net Income(Loss) for the Year) | -1,129,215,106 | | | |
| 5. Unsecured Loans | 0 | | VII. Capital Adjustment | | 0 | | |
| 6. Discount Note Loans | 0 | | 1. Discounts on Stock Issued | | | | |
| 7. Loan Secured by Third Party Guarantee | 291,666,675 | | 2. Pre-operating Dividends | | | | |
| 8. Other Loans | 0 | | 3. Treasury Stock | | | | |
| V. Real Estate | | 0 | | | | | |
| () Reserve for Loss on Devaluation | | | | | | | |
| (1) Land | 0 | | | | | | |
| (2) Buildings | 0 | | | | | | |
| () Accumulated Depreciation | 0 | | | | | | |
| (3) Structures | 0 | | | | | | |

| Assets | | Current period | | Description | Liabilities and stockholders' equity | |
|--|----------------|----------------|----------------|--|--------------------------------------|--|
| Description | Current period | | Current period | | | |
| | Amount | Amount | Amount | | Amount | |
| (가) | 0 | | | Unissued Stock Dividend | | |
| Accumulated Depreciation | 0 | | | 5. 가 가) | | |
| (5) Overseas Real Estate | 0 | | | (가 가) | | |
| (가) | 0 | | | Gains on Valuation of Investment Securities | | |
| Accumulated Depreciation | 0 | | | (Losses on Valuation of Investment Securities) | | |
| (4) Construction in Progress | 0 | | | 6. | | |
| (가) | 3,504,790,493 | | | (Overseas Business Translation Credit(Debit) | | |
| Non Operating Assets | | | | 7. | | |
| I. Fixed Assets | 306,118,262 | | | | | |
| 1. Tangible Assets | 218,402,800 | | | < > | 1,870,784,894 | |
| (1) Furniture & Equipment | 237,193,760 | | | Total Shareholders' Equity | | |
| (가) | -76,181,229 | | | | | |
| Accumulated Depreciation | 86,725,000 | | | | | |
| (2) Vehicles | -29,334,731 | | | | | |
| (가) | 87,715,462 | | | | | |
| Accumulated Depreciation | 0 | | | | | |
| 2. Intangible Assets | 2,475,000 | | | | | |
| (1) Goodwill | 0 | | | | | |
| (2) Software | 85,240,462 | | | | | |
| (3) Organization Cost | 0 | | | | | |
| (4) Development Cost | 85,240,462 | | | | | |
| (5) Other Intangible Assets | 0 | | | | | |
| II. Other Assets | 3,198,672,231 | | | | | |
| 1. Insurance Receivable | 1,373,099,410 | | | | | |
| (Reserve for Bad Dbts | -14,238,449 | | | | | |
| (1) Premium Receivable | 628,895,841 | | | | | |
| (2) Due from Agents | 0 | | | | | |
| (3) Co-insurance Account Receivable | 15,241,212 | | | | | |
| (4) Due from Agency Receivable | 743,475,765 | | | | | |
| (5) Re-insurance Account Receivable | 0 | | | | | |
| (6) Overseas R/I account Receivable | -274,959 | | | | | |
| (7) Deposit on R/I Treaty Assumed | 22,172,411 | | | | | |
| 2. Other Account Receivable | 0 | | | | | |
| (Reserve for Doubtful Account | 1,654,126,980 | | | | | |
| 3. Leasehold & Other Deposits | 1,470,580,350 | | | | | |
| (1) Leasehold Deposit Received | 170,172,230 | | | | | |
| (2) Guarantee Deposit | 13,374,400 | | | | | |
| (3) Telex & Telephone Subscription Right | 11,691,052 | | | | | |
| 4. Accrued Income | -58,455 | | | | | |
| (Reserve for Doubtful Account | 12,074,023 | | | | | |
| 5. Prepaid Expense | 99,627,760 | | | | | |
| 6. Compensation Receivable | 0 | | | | | |
| 7. Deferred Acquisition Cost | 0 | | | | | |
| 8. Deferred Income Tax Debits | 13,366,600 | | | | | |
| 9. Notes Receivable | -66,833 | | | | | |
| (Reserve for Doubtful Account | 0 | | | | | |
| 10. Advanced Payments | 924,254 | | | | | |
| 11. 가 Suspense Prepayment Account | -4,621 | | | | | |
| (Reserve for Doubtful Account | 0 | | | | | |
| 12. 가 Suspense claims | 549,880 | | | | | |
| 13. Prepaid Income Taxes | 0 | | | | | |
| 14. 가 Prepaid VAT | 9,860,490 | | | | | |
| 15. () Inter-Office Accounts Debits | 0 | | | | | |
| 16. Security Deposit | 0 | | | | | |
| 17. Dishonored Bill | 0 | | | | | |
| (Reserve for Doubtful Account | 1,309,280 | | | | | |
| 18. Other Assets | | | | | | |
| (Separate Account Assets | | | | | | |
| < > | 10,788,421,230 | | | < > | 10,788,421,230 | |
| Total Assets | | | | Total Liabilities and Shareholders' Equity | | |

(3,000,000)