

2017 1Q Financial Results

(April 26, 2017)

Beyond No.1 in Korea

BNK

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DISCLAIMER

The financial information presented herein is prepared on the basis of pre-audited financial of BNK Financial Group and is based upon the plans, strategies and expectations of the FG's management. All information described in this presentation should be treated as forward looking statements that are subject to risks and uncertainties. Actual results could vary materially from the expectations reflected in this presentation, thus the statements presented herein do not purport to be a complete description of the group's operations or future developments. Readers are cautioned not to place under reliance on these statements, which speak only as of the date of this presentation BNK Financial Group does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

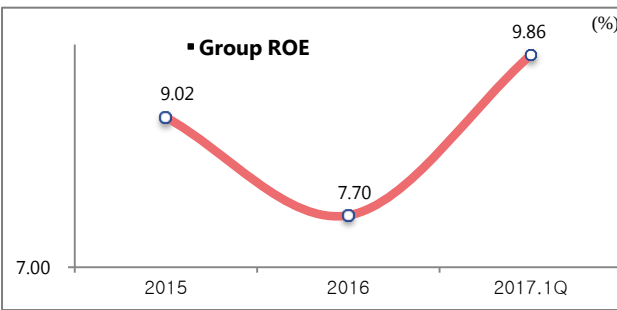
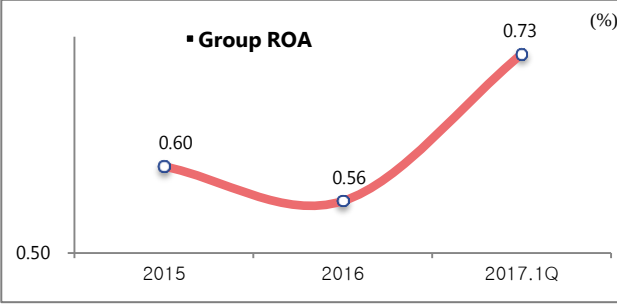
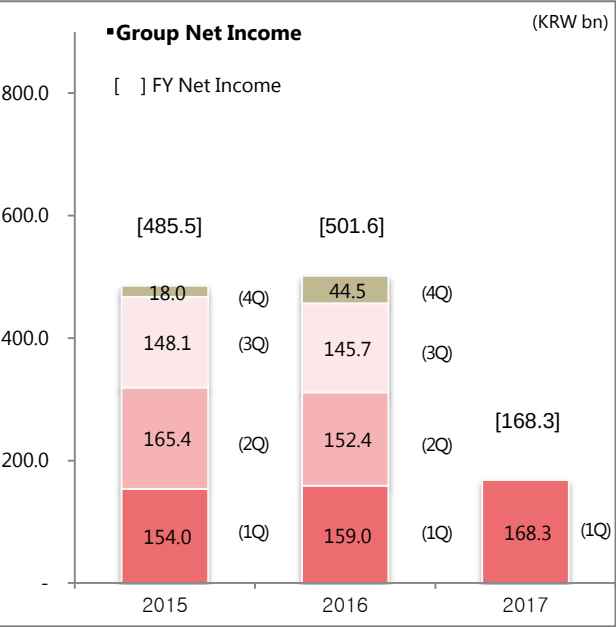
- Kyongnam Bank has been added October 10, 2014, with earnings consolidated starting from 4Q of 2014. As of June 4, 2015, Kyongnam Bank has become a 100% subsidiary of BNK Financial Group
- BNK Asset Management has been added July 28, 2015, and earnings will be consolidated starting from August 2015

I . 2017 1Q Group Highlights

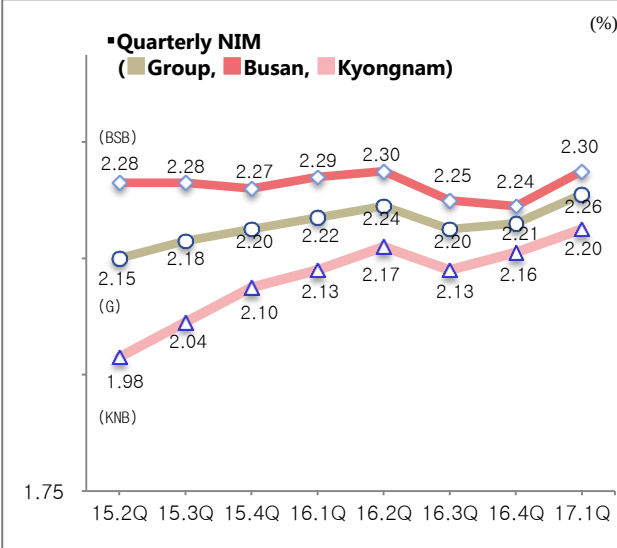
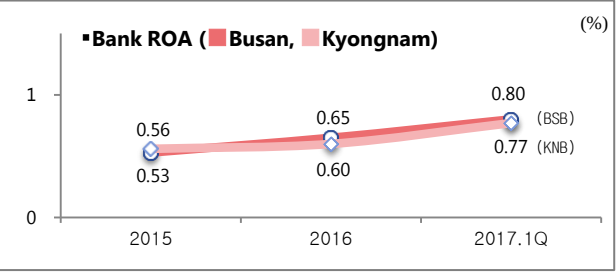
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1. Highlights – Profitability

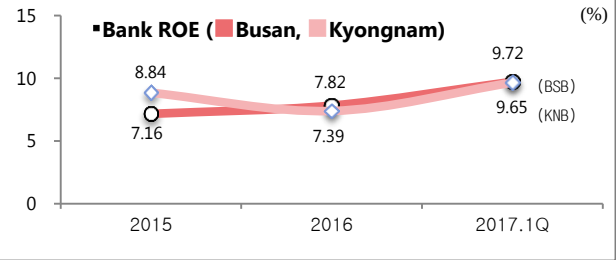
Profitability – Group Net Income, Group & Banks ROA, ROE, NIM



- ❖ (Group 1Q Net Income) : 168.3 KRW bn up by 5.8% YoY
- ❖ (Busan 1Q Net Income) : 101.7 KRW bn up by 14.0% YoY
- ❖ (Kyongnam 1Q Net Income) : 67.9 KRW bn down by 11.5% YoY
- ❖ (Non-Bank 1Q Net Income) : 20.1 KRW bn up by 4.1% YoY

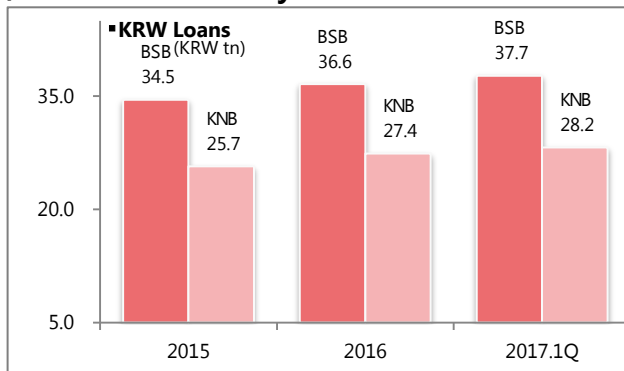
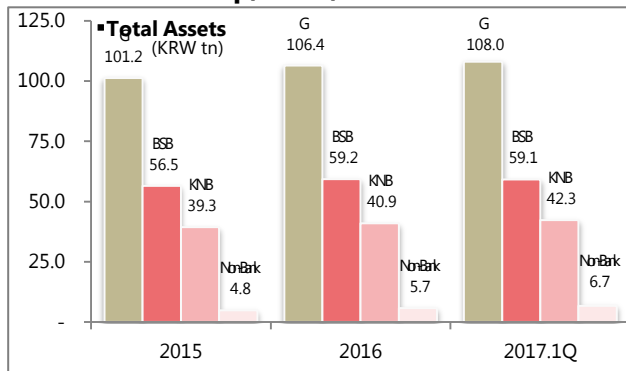


- ❖ Group 1Q ROA, ROE : 0.73%, 9.86%
- ❖ Busan 1Q ROA, ROE : 0.80%, 9.72%
- ❖ Kyongnam 1Q ROA, ROE : 0.77%, 9.65%
- ❖ Group 1Q NIM : 2.26%
- ❖ Busan 1Q NIM : 2.30%
- ❖ Kyongnam 1Q NIM : 2.20%

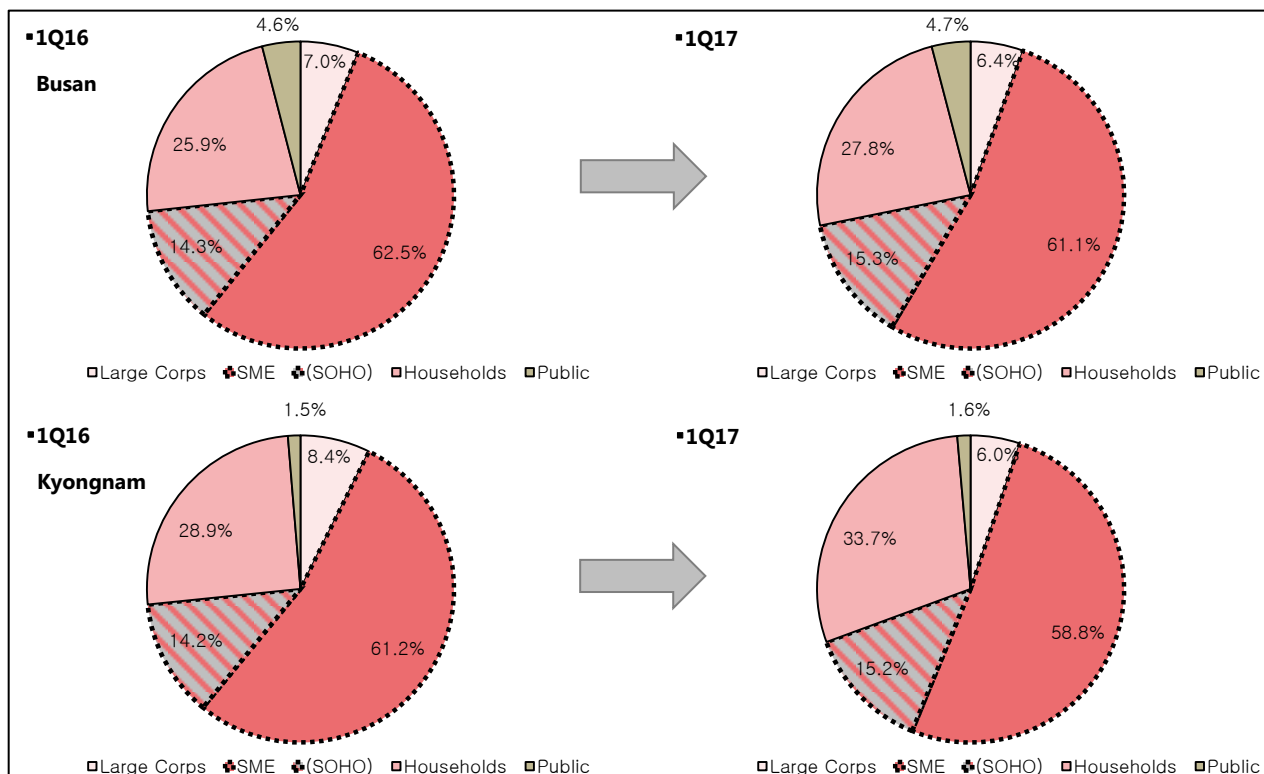


2. Highlights – Growth

■ Growth – Group, Bank, Non-Bank Total Assets, Total KRW Loans by Bank



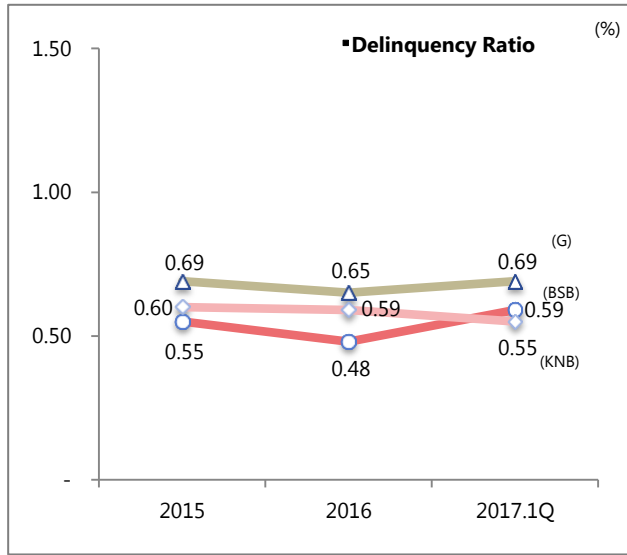
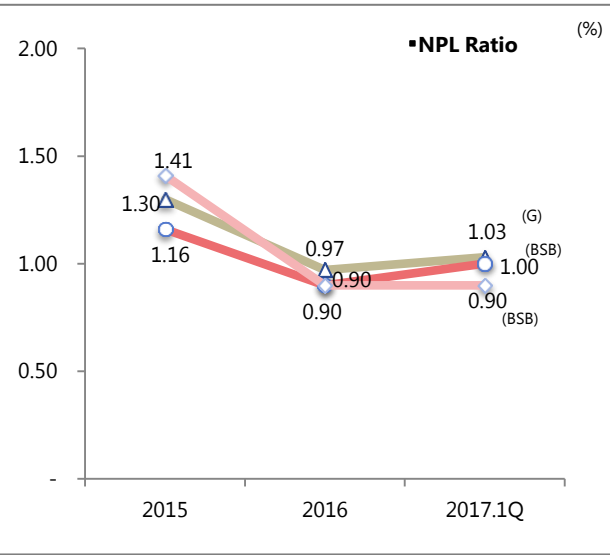
- ❖ **Group Total Assets : 108.0 KRW tn up by 1.6% QoQ**
- ❖ **Busan KRW Loans : 37.7 KRW tn up by 2.9% QoQ**
- ❖ **Kyongnam KRW Loans : 28.2 KRW tn up by 3.0% QoQ**



- ❖ **Large Corps**
 - Busan : down by 0.6% YTD
 - Kyongnam : down by 2.4% YTD
- ❖ **SME**
 - Busan : down by 1.4% YTD
 - Kyongnam : down by 2.4% YTD
- ❖ **SOHO**
 - Busan : up by 1.0% YTD
 - Kyongnam : up by 1.0% YTD
- ❖ **Households**
 - Busan : up by 1.9% YTD
 - Kyongnam : up by 4.8% YTD

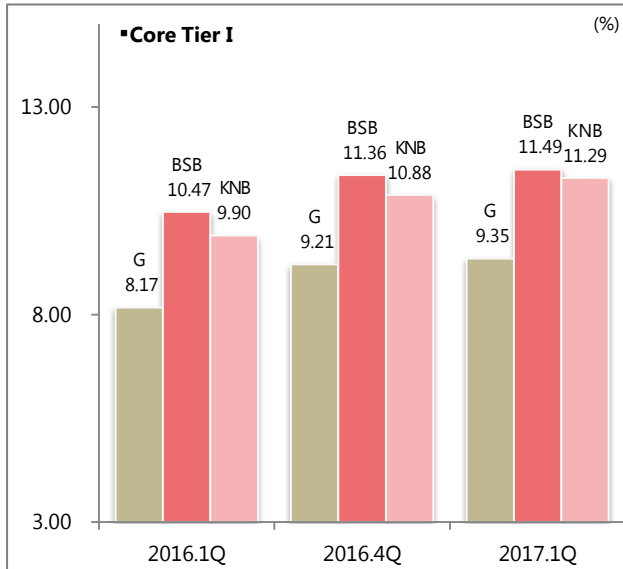
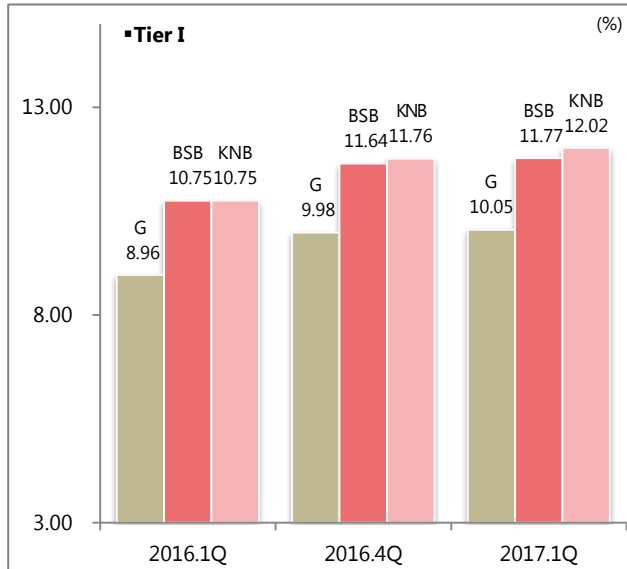
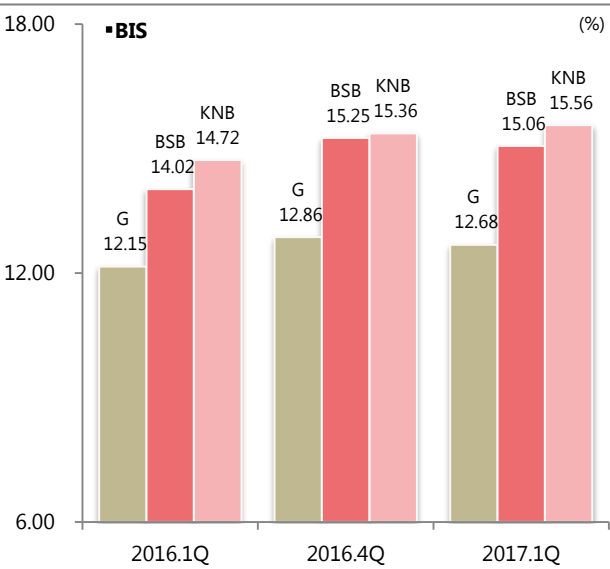
3. Highlights – Asset Quality, Capital Adequacy

Asset Quality – NPL, Delinquency Ratio



- ❖ **Group 1Q NPL Ratio 1.03%**
- ❖ **Group 1Q Delinquency Ratio 0.69%**
- ❖ **Busan 1Q NPL Ratio 1.00%**
- ❖ **Busan 1Q Delinquency Ratio 0.59%**
- ❖ **Kyongnam 1Q NPL Ratio 0.90%**
- ❖ **Kyongnam 1Q Delinquency Ratio 0.55%**

Capital Adequacy – BIS, Tier I, Core Tier I Ratio



4. Group Structure

(%, KRW bn, Accumulated)

BNK Financial Group

Establishment : 2011.03.15
Total Assets : 108,023.4
Net Income : 168.3
Employees : 8,087

Busan Bank

Estbmt : 1967.10.10
Branches : 272
Employees : 3,799

Total Shares Owned

100%

Total Assets

59,139.2

NetIncome

101.7

Kyongnam Bank

Estbmt : 1970.05.22
Added: 2014.10.10
Branches : 198
Employees : 3,035

Total Shares Owned

100%

Total Assets

42,334.1

NetIncome

67.9

Securities

Estbmt : 1997.06.02
Sec Added: 2009.11
Branches : 6
Employees : 206

Total Shares Owned

100%

Total Assets

1,248.4

NetIncome

△0.8

Capital

Estbmt : 2010.07.15
Branches : 27
Employees : 570

Total Shares Owned

100%

Total Assets

4,709.2

Net Income

17.8

MSB

Estbmt : 2011.12.13
Branches : 7
Employees : 117

Total Shares Owned

100%

Total Assets

761.8

NetIncome

2.6

Asset Mgt.

Estbmt : 2008.07.15
Added: 2015.07.28
Employees : 33

Total Shares Owned

51.01%

Total Assets

10.8

NetIncome

0.2

Credit Info.

Estbmt : 2003.06.17
Industry : Collection
Employees : 83

Total Shares Owned

100%

Total Assets

8.9

NetIncome

0.2

System

Estbmt : 2011.05.20
Industry : IT related
Employees : 153

Total Shares Owned

100%

Total Assets

9.9

NetIncome

0.1

Cambodia Subsidiary

Establishment : 2014.03.07
Employees : 105
Total Share's Owned : 100%
Total Assets : 10.2 KRW bn
2015.06 Start Operations

Myanmar Subsidiary

Establishment : 2014.03.21
Employees : 220
Total Share's Owned : 99.9%
Total Assets : 16.3 KRW bn
2014.12 Start Operations

Lao PDR Subsidiary

Establishment : 2015.04.24
Employees : 23
Total Share's Owned : 95% (Busan Bank 5%)
Total Assets : 11.2 KRW bn
2015.07 Start Operations

II. Profitability

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1. Group Earning Results

	17.1Q	16.1Q	YoY	16.4Q	QoQ
(KRW bn, %)					
Net Interest Income	555.3	515.9	7.6	551.9	0.6
Net Fee Income	43.2	45.0	△4.0	35.2	22.7
Others	△7.8	0.8	Net Loss	△66.7	-
SG&A(-)	253.5	252.4	0.4	344.9	△26.5
Provision Expense(-)	108.1	93.6	15.5	86.6	24.8
Non-Operating Income	△3.7	△0.2	-	△19.5	-
Earnings Before Income Tax	225.4	215.5	4.6	69.4	224.8
Income Tax Expense(-)	52.9	52.4	1.0	20.8	154.3
Net Income(A)	172.5	163.1	5.8	48.6	254.9
Net Income in Non-Controlling Interest(B)	4.2	4.1	2.4	4.1	2.4
Net Income in Controlling Interest(C) (C) = (A) - (B)	168.3	159.0	5.8	44.5	278.2

2. Subsidiaries Earning Results

(KRW bn, %)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Bank(A)	169.6	165.9	2.2	70.7	139.9
Busan	101.7	89.2	14.0	51.0	99.4
Kyongnam	67.9	76.7	△11.5	19.7	244.7
Non-Bank(B)	20.1	19.3	4.1	△4.0	Net Gain
Securities	△0.8	1.7	Net Loss	3.3	Net Loss
Capital	17.8	15.6	14.1	7.8	128.2
MSB	2.6	1.9	36.8	△15.7	Net Gain
Asset Management ¹⁾	0.2	△0.1	Net Gain	0.1	100.0
Credit Information	0.2	0.1	100.0	0.2	0.0
System	0.1	0.1	0.0	0.3	△66.7
Financial Group & Unconsolidated Portion(C)	△17.2	△22.1	-	△18.1	-
Net Income in Non-Controlling Interest (D)	4.2	4.1	2.4	4.1	2.4
Net Income in Controlling Interest(E) (E=A+B+C-D)	168.3	159.0	5.8	44.5	278.2

3. Banks Earning Results

☐ Busan

☐ Kyongnam

	17.1Q	16.1Q	YoY	16.4Q	QoQ		17.1Q	16.1Q	YoY	16.4Q	QoQ
(KRW bn, %, %p)						(KRW bn, %, %p)					
Net Interest Income	294.6	281.1	4.8	292.1	0.9	Net Interest Income	205.7	188.3	9.2	203.4	1.1
Net Fee Income	19.8	22.1	△10.4	14.0	41.4	Net Fee Income	10.7	10.6	0.9	8.4	27.4
Fees from Trust Account	5.4	5.6	△3.6	4.8	12.5	Fees from Trust Account	1.8	1.4	28.6	1.7	5.9
Others	△10.7	△8.1	-	△33.2	-	Others	△2.9	2.8	Net Loss	△28.2	-
SG&A(-)	123.4	124.6	△1.0	187.0	△34.0	SG&A(-)	93.7	93.2	0.5	119.1	△21.3
Provision Expense(-)	51.9	59.3	△12.5	26.4	96.6	Provision Expense(-)	32.8	13.7	139.4	38.4	△14.6
Net Operating Income	133.8	116.8	14.6	64.3	108.1	Net Operating Income	88.8	96.2	△7.7	27.8	219.4
Non-Operating Income	△2.6	△1.5	-	1.0	Net Loss	Non-Operating Income	△1.4	2.7	Net Loss	△3.0	-
Earnings Before Income Taxes	131.2	115.3	13.8	65.3	100.9	Earnings Before Income Taxes	87.4	98.9	△11.6	24.8	252.4
Income Tax Expenses(-)	29.5	26.1	13.0	14.3	106.3	Income Tax Expenses(-)	19.5	22.2	△12.2	5.1	282.4
Net Income	101.7	89.2	14.0	51.0	99.4	Net Income	67.9	76.7	△11.5	19.7	244.7
ROA	0.80	0.90	△0.10			ROA	0.77	0.89	△0.12		
ROE	9.72	11.73	△2.01			ROE	9.65	12.71	△3.06		

4. Banks NIM & NIS

□ Busan

(KRW bn, %, %p)	17.1Q	16.4Q	QoQ
NIM(Quarterly)	2.30	2.24	0.06
NIS	2.67	2.59	0.08
Interest Rate on KRW Loans	3.82	3.74	0.08
Households	3.17	3.14	0.03
Corporate	3.70	3.64	0.06
Interest Rate paid on KRW Deposits	1.15	1.15	0.00
Average Interest Earning Assets	46,138.2	46,223.6	△0.2

NIM(Accumulated)	2.30	2.27	0.03
NIS	2.67	2.61	0.06
Interest Rate on KRW Loans	3.82	3.85	△0.03
Households	3.17	3.23	△0.06
Corporate	3.70	3.76	△0.06
Interest Rate paid on KRW Deposits	1.15	1.24	△0.09
Average Interest Earning Assets	46,138.2	45,337.5	1.8

□ Kyongnam

(KRW bn, %, %p)	17.1Q	16.4Q	QoQ
NIM(Quarterly)	2.20	2.16	0.04
NIS	2.48	2.45	0.03
Interest Rate on KRW Loans	3.74	3.72	0.02
Households	3.07	3.01	0.06
Corporate	3.74	3.72	0.02
Interest Rate paid on KRW Deposits	1.26	1.27	△0.01
Average Interest Earning Assets	33,612.2	33,155.4	1.4

NIM(Accumulated)	2.20	2.15	0.05
NIS	2.48	2.41	0.07
Interest Rate on KRW Loans	3.74	3.77	△0.03
Households	3.07	3.06	0.01
Corporate	3.74	3.76	△0.02
Interest Rate paid on KRW Deposits	1.26	1.36	△0.10
Average Interest Earning Assets	33,612.2	32,222.3	4.3

Note. Table on the top is based on quarterly numbers

Table on the bottom is based on accumulated numbers

5. SG&A

Group

(KRW bn, %, %p)	17.1Q	16.1Q	YoY	16.4Q	QoQ
SG&A	253.5	252.4	0.4	344.9	△26.5
CIR	42.91	44.93	△2.02		

Busan

(KRW bn, %, %p)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Total SG&A	123.4	124.6	△1.0	187.0	△34.0
Salaries and other expenses	97.6	98.0	△0.4	133.0	△26.6
Depreciation	16.4	16.3	0.6	19.8	△17.2
Taxes and dues	3.1	3.6	△13.9	3.8	△18.4
Retirement Allowance	6.3	6.6	△4.5	6.6	△4.5
Honorary Retirement	0.0	0.1	-	23.8	-
CIR	39.80	41.42	△1.62		

Kyongnam

(KRW bn, %, %p)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Total SG&A	93.7	93.2	0.5	119.1	△21.3
Salaries and other expenses	74.4	75.6	△1.6	89.4	△16.8
Depreciation	12.4	10.5	18.1	11.6	6.9
Taxes and dues	1.9	2.1	△9.5	1.6	18.8
Retirement Allowance	5.0	5.0	0.0	5.4	△7.4
Honorary Retirement	0.0	0.0	-	11.1	-
CIR	43.55	45.91	△2.36		

III. Growth

1.	Group Assets, B/S Summary	14
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1. Group Asset, B/S Summary

Group Total Assets

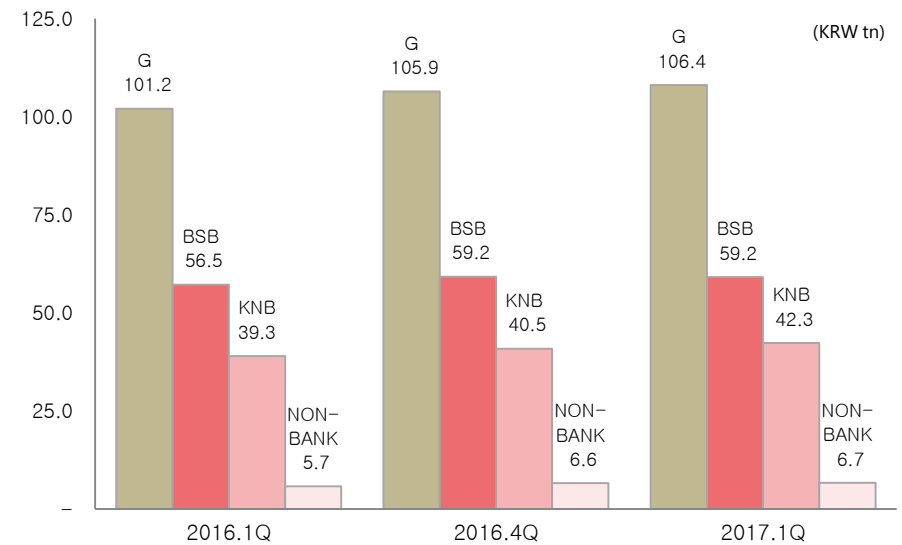
(KRW bn, %)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Bank	101,473.3	96,244.6	5.4	100,084.7	1.4
Busan	59,139.2	57,229.9	3.3	59,230.0	△0.2
Kyongnam	42,334.1	39,014.7	8.5	40,854.7	3.6
Non-Bank	6,749.0	5,779.3	16.8	6,553.7	3.0
Securities	1,248.4	757.9	64.7	1,064.1	17.0
Capital	4,709.2	4,254.5	10.7	4,692.6	0.4
MSB	761.8	739.8	3.0	769.1	△0.9
Asset Management	10.8	10.2	5.9	10.6	1.9
Credit Information	8.9	7.9	12.7	8.6	3.5
Information Systems	9.9	9.0	10.0	8.7	13.8
Financial Group & Unconsolidated Portion	△198.9	△38.4	-	△280.5	-
Group Total Assets	108,023.4	101,985.5	5.9	106,357.9	1.6

Group Total Lending

(KRW bn, %)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Cash and Dues	3,554.1	2,923.0	21.6	3,414.1	4.1
Securities	13,714.7	13,395.4	2.4	14,042.3	△2.3
Loans & Receivables	75,818.5	71,743.1	5.7	74,087.0	2.3
Derivative Assets	115.6	170.9	△32.4	157.2	△26.5
Fixed Assets & Investment Assets	815.5	787.8	3.5	801.0	1.8
Intangible Assets	351.3	358.9	△2.1	324.9	8.1
Others	674.8	641.8	5.1	655.7	2.9
Total Assets	95,044.5	90,020.9	5.6	93,482.2	1.7

1) Based on the Bank's Consolidated Financial Statements

Group Total Assets



Group Total Funding

(KRW bn, %)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Deposits	69,073.1	64,373.9	7.3	67,604.4	2.2
Borrowings	5,965.6	5,724.0	4.2	6,332.7	△5.8
Derivatives	8,518.3	8,121.2	4.9	8,781.6	△3.0
Others	4,307.0	5,021.1	△14.2	3,676.3	17.2
Total Liabilities	87,864.0	83,240.2	5.6	86,395.0	1.7
Shareholder's Equity	7,180.5	6,780.7	5.9	7,087.2	1.3
Total Liabilities & Shareholder's Equity	95,044.5	90,020.9	5.6	93,482.2	1.7

2. Banks B/S – Busan¹⁾

(KRW bn, %, Balance)	17.1Q	16.1Q	YTD	16.4Q	QoQ
Total Assets	59,139.2	57,229.9	3.3	59,230.0	△0.2
Bank Account	51,885.7	49,654.7	4.5	51,285.0	1.2
Trust Account	7,253.5	7,575.2	△4.2	7,945.0	△8.7
Total Deposits	45,689.6	43,310.9	5.5	44,906.6	1.7
Bank Account	41,157.3	38,951.6	5.7	40,478.2	1.7
KRW Deposits	38,123.2	35,931.8	6.1	37,378.0	2.0
Demand	4,376.5	3,993.1	9.6	4,808.2	△9.0
Savings & Time	33,730.3	31,920.9	5.7	32,552.7	3.6
Installment	16.4	17.8	△7.9	17.1	△4.1
CD	820.3	779.6	5.2	816.2	0.5
Trust Account	4,532.3	4,359.3	4.0	4,428.4	2.3
Total Credits	39,386.6	37,200.1	5.9	38,295.6	2.8
Total Loans	38,587.1	36,385.4	6.1	37,561.0	2.7
KRW Loans	37,686.2	35,438.7	6.3	36,622.3	2.9
SMEs	23,018.8	22,143.4	4.0	22,659.6	1.6
(SOHO)	5,768.6	5,072.6	13.7	5,582.9	3.3
Households	10,462.6	9,163.6	14.2	10,205.1	2.5
Guarantees	799.5	814.7	△1.9	734.6	8.8
Total Securities	9,595.8	9,677.8	△0.8	9,611.6	△0.2
Bank Account	7,589.5	7,840.1	△3.2	7,692.8	△1.3
Trust Account	2,006.3	1,837.7	9.2	1,918.8	4.6
Shareholders' Equity	4,306.4	4,066.6	5.9	4,205.9	2.4

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
KRW Deposits	38,123.2	35,931.8	6.1	37,378.0	2.0
Demand	4,376.5	3,993.1	9.6	4,808.2	△9.0
Savings	33,730.3	31,920.9	5.7	32,552.7	3.6
Installment	16.4	17.8	△7.9	17.1	△4.1
CD	820.3	779.6	5.2	816.2	0.5
Bills Sold	23.9	29.2	△18.2	23.7	0.8
R P	380.7	401.9	△5.3	401.1	△5.1
Financial Debenture	1,809.2	1,809.1	0.0	1,859.2	△2.7
Trust Account	4,532.3	4,359.3	4.0	4,428.4	2.3
Total Deposits	45,689.6	43,310.9	5.5	44,906.6	1.7

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
KRW Loans	37,686.2	35,438.7	6.3	36,622.3	2.9
Corporate	25,437.8	24,633.0	3.3	24,969.7	1.9
(SME)	23,018.8	22,143.4	4.0	22,659.6	1.6
(Large Corps)	2,419.0	2,489.6	△2.8	2,310.1	4.7
Household	10,462.6	9,163.6	14.2	10,205.1	2.5
(Collateral)	9,182.5	8,099.0	13.4	8,962.8	13.4
Mortgage	4,006.1	4,173.9	△4.0	4,153.3	△3.5
Others	5,176.4	3,925.1	31.9	4,809.5	7.6
(Credit)	1,280.1	1,064.6	20.2	1,242.3	3.0
Public	1,785.8	1,642.1	8.8	1,447.5	23.4
Foreign Currency	590.4	571.8	3.3	598.7	△1.4
Trust Account	11.5	13.3	△13.5	13.0	△11.5
Others	1,098.5	1,176.3	△6.6	1,061.6	3.5
Total Credits	39,386.6	37,200.1	5.9	38,295.6	2.8

LDR	96.85	94.80	2.05	96.55	0.30
(Monthly Avg. Balance, %)					

1) Based on the Bank's Unconsolidated Financial Statements

2. Banks B/S – Kyongnam¹⁾

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Total Assets	42,334.1	39,014.7	8.5	40,854.7	3.6
Bank Account	36,229.0	34,239.8	5.8	35,512.3	2.0
Trust Account	6,105.1	4,774.9	27.9	5,342.4	14.3
Total Deposits	32,175.2	29,651.0	8.5	31,359.1	2.6
Bank Account	29,986.9	27,493.7	9.1	29,331.9	2.2
KRW Deposits	28,141.8	25,859.8	8.8	27,486.9	2.4
Demand	4,193.3	3,035.9	38.1	3,787.4	10.7
Savings & Time	23,938.2	22,804.8	5.0	23,688.3	1.1
Installment	10.3	19.1	△46.1	11.2	△8.0
CD	191.5	158.6	20.7	262.4	△27.0
Trust Account	2,188.3	2,157.3	1.4	2,027.2	7.9
Total Credits	28,809.1	26,421.0	9.0	28,024.4	2.8
Total Loans	28,545.5	26,131.3	9.2	27,746.0	2.9
KRW Loans	28,246.6	25,803.2	9.5	27,420.1	3.0
SMEs	16,605.9	15,803.3	5.1	16,416.2	1.2
(SOHO)	4,284.8	3,672.0	16.7	4,208.2	1.8
Households	9,513.0	7,459.1	27.5	8,925.3	6.6
Guarantees	263.6	289.7	△9.0	278.4	△5.3
Total Securities	5,416.1	5,143.4	5.3	5,538.2	△2.2
Bank Account	4,829.6	4,705.8	2.6	5,034.6	△4.1
Trust Account	586.5	437.6	34.0	503.6	16.5
Shareholders' Equity	2,876.6	2,749.0	4.6	2,850.1	0.9

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
KRW Deposits	28,141.8	25,859.8	8.8	27,486.9	2.4
Demand	4,193.3	3,035.9	38.1	3,787.4	10.7
Savings	23,938.2	22,804.8	5.0	23,688.3	1.1
Installment	10.3	19.1	△46.1	11.2	△8.0
CD	191.5	158.6	20.7	262.4	△27.0
Bills Sold	8.0	11.2	△28.6	14.2	△43.7
R P	96.6	15.0	544.0	119.4	△19.1
Financial Debenture	1,549.0	1,449.1	6.9	1,449.0	6.9
Trust Account	2,188.3	2,157.3	1.4	2,027.2	7.9
Total Deposits	32,175.2	29,651.0	8.5	31,359.1	2.6

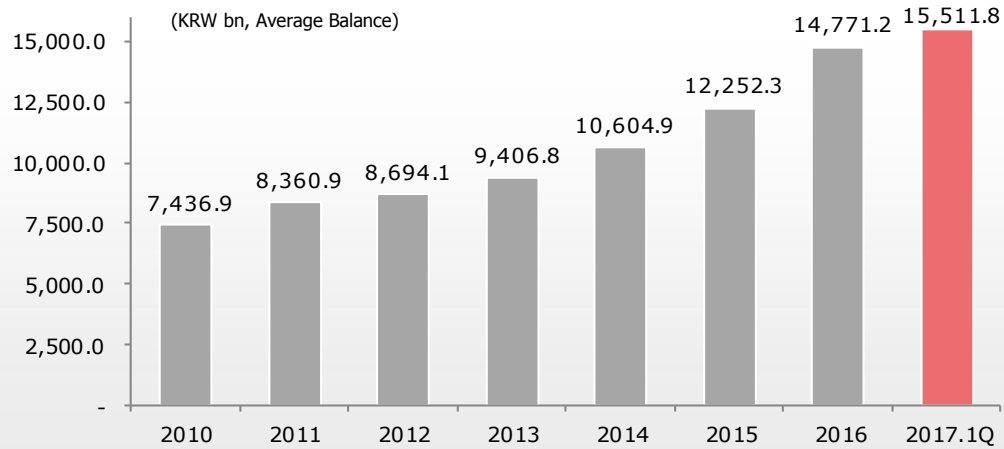
(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
KRW Loans	28,246.6	25,803.2	9.5	27,420.1	3.0
Corporate	18,294.6	17,959.8	1.9	18,129.2	0.9
(SME)	16,605.9	15,803.3	5.1	16,416.2	1.2
(Large Corps)	1,688.7	2,156.5	△21.7	1,713.0	△1.4
Household	9,513.0	7,459.1	27.5	8,925.3	6.6
(Collateral)	8,743.5	6,849.3	27.7	8,141.9	7.4
Mortgage	3,290.9	3,146.9	4.6	3,242.6	1.5
Others	5,452.6	3,702.4	47.3	4,899.3	11.3
(Credit)	769.5	609.8	26.2	783.4	△1.8
Public	439.0	384.3	14.2	365.6	20.1
Foreign Currency	106.5	122.1	△12.8	110.8	△3.9
Trust Account	0.2	0.3	△33.3	0.3	△33.3
Others	455.8	495.4	△8.0	493.2	△7.6
Total Credits	28,809.1	26,421.0	9.0	28,024.4	2.8

LDR	98.91	98.16	0.75	98.72	0.19
(Monthly Avg. Balance, %)					

1) Based on the Bank's Unconsolidated Financial Statements

3. Banks Low-Cost Deposits - Busan

□ Growth Records



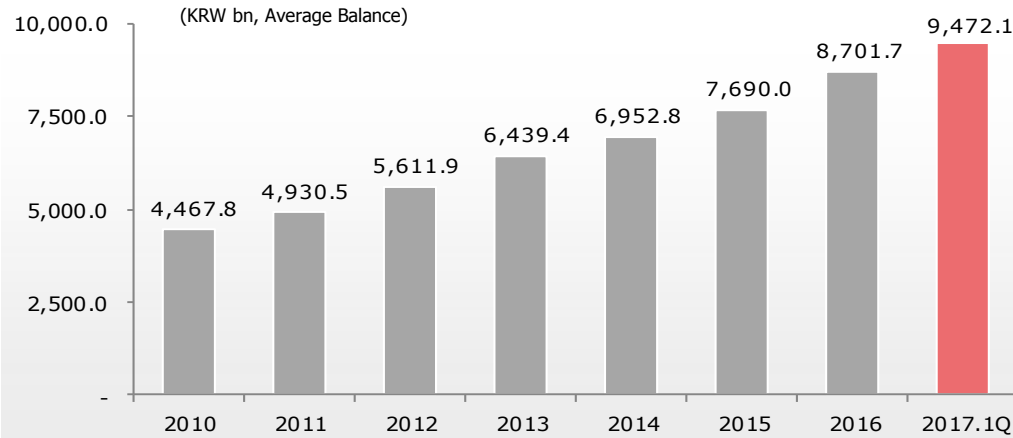
□ Funding Costs

(%, Accumulated)	17.1Q	16.4Q	16.1Q
Demand Deposits	0.16	0.36	0.27
Savings Deposits	0.02	0.03	0.06
Corporate Savings Deposits	0.58	0.61	0.74
Total	0.23	0.29	0.31

(KRW bn, %, %p, Average Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Low-Cost Deposits (A)	15,511.8	13,752.6	12.8	14,771.2	5.0
Demand Deposits	4,003.8	3,760.0	6.5	4,371.0	△8.4
Savings Deposits	6,630.5	6,138.0	8.0	6,352.1	4.4
Corporate Savings Deposits	4,877.5	3,854.6	26.5	4,048.1	20.5
Deposits in KRW (B)	37,510.2	35,923.4	4.4	36,573.8	2.6
Total Deposits (Bank Account) (C)	40,624.8	38,647.1	5.1	39,617.7	2.5
Total Deposits (Bank + Trust Account)(D)	45,314.5	42,894.1	5.6	44,014.9	3.0
Low-Cost Deposits/Won Deposits(A/B)	41.35	38.28	3.07	40.39	0.96
Low-Cost Deposits/Total Deposits (A/C)	38.18	35.59	2.59	37.28	0.90
Low-Cost Deposits/Total Deposits(A/D)	34.23	32.06	2.17	33.56	0.67

3. Banks Low-Cost Deposits - Kyongnam

□ Growth Records



□ Funding Costs

(%, Accumulated)	17.1Q	16.4Q	16.1Q
Demand Deposits	0.23	0.25	0.27
Savings Deposits	0.04	0.05	0.08
Corporate Savings Deposits	0.59	0.73	0.88
Total	0.25	0.29	0.35

(KRW bn, %, %p, Average Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Low-Cost Deposits (A)	9,472.1	8,437.0	12.3	8,701.7	8.8
Demand Deposits	4,152.6	3,240.2	28.2	3,565.3	16.5
Savings Deposits	3,171.6	3,082.8	2.9	3,088.9	2.7
Corporate Savings Deposits	2,147.9	2,114.0	1.6	2,047.5	4.9
Deposits in KRW (B)	28,054.6	25,874.9	8.4	26,627.4	5.4
Total Deposits (Bank Account) (C)	29,976.2	27,595.1	8.6	28,365.1	5.7
Total Deposits (Bank + Trust Account)(D)	32,189.9	29,706.4	8.4	30,484.5	5.6
Low-Cost Deposits/Won Deposits(A/B)	33.76	32.61	1.15	32.68	1.08
Low-Cost Deposits/Total Deposits (A/C)	31.60	30.57	1.03	30.68	0.92
Low-Cost Deposits/Total Deposits(A/D)	29.42	28.40	1.02	28.54	0.88

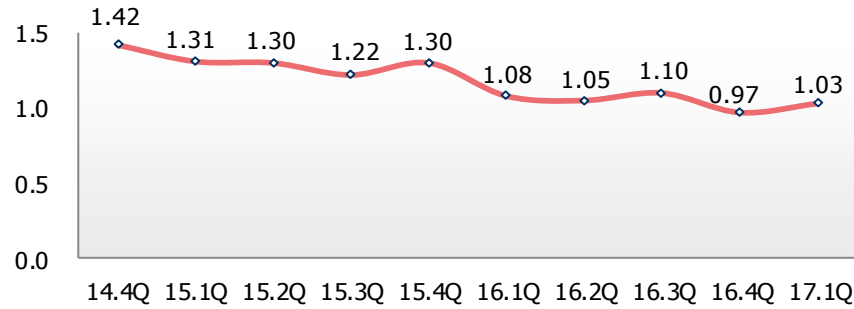
IV. Asset Quality

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1. Group Asset Quality

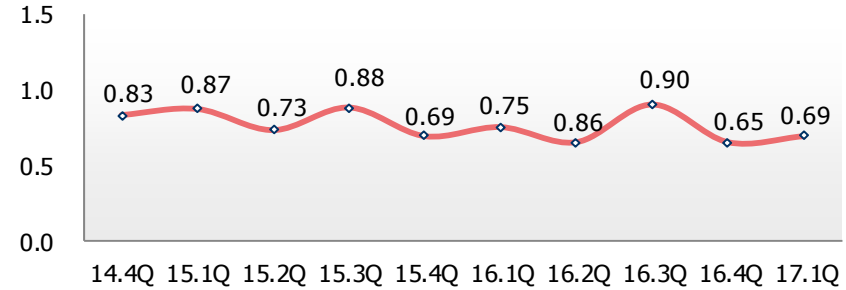
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



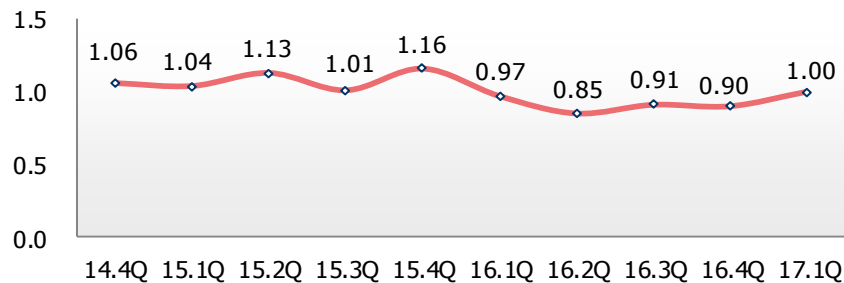
	17.1Q	16.1Q	YoY	16.4Q	QoQ
(KRW bn, %, %p)					
Total Loans	74,584.8	69,686.4	7.0	72,623.0	2.7
Normal	72,617.8	67,715.8	7.2	70,795.1	2.6
Precautionary	1,200.4	1,220.7	△1.7	1,127.1	6.5
Substandard	399.8	407.7	△1.9	370.0	8.1
Doubtful	144.0	136.8	5.3	138.1	4.3
Expected Loss	222.8	205.4	8.5	192.7	15.6
SBL(Substandard & Below Loans)	766.6	749.9	2.2	700.8	9.4
(SBL Ratio (%))	1.03	1.08	△0.05	0.97	0.06
(SBL Coverage Ratio)	92.36 (146.27) ¹⁾	145.58	△53.22(0.69)	97.54 (161.53) ¹⁾	△5.18(△15.26)
Loan Amount	73,521.6	68,582.0	7.2	71,610.0	2.7
Delinquent Amount	509.4	511.1	△0.3	467.4	9.0
Delinquency Ratio	0.69	0.75	△0.06	0.65	0.04

1) Coverage before Reserve deduction

2. Banks Asset Quality – Busan

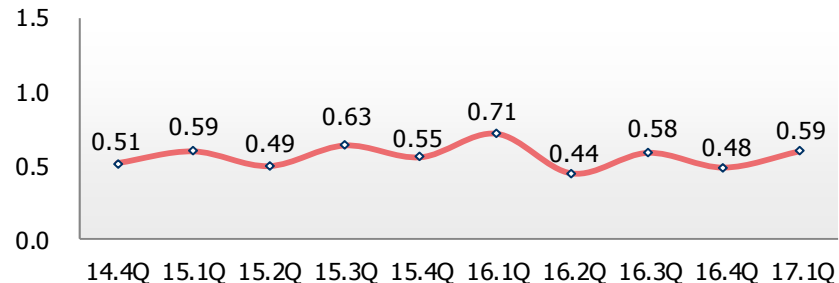
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



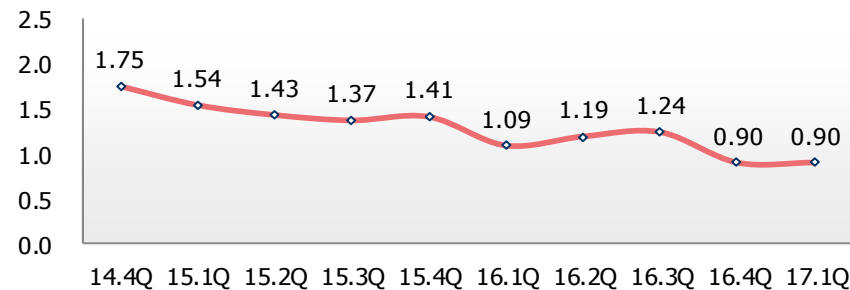
	17.1Q	16.1Q	YoY	16.4Q	QoQ
(KRW bn, %, %p)					
Total Loans	40,073.1	37,781.1	6.1	38,984.4	2.8
Normal	39,162.3	36,835.8	6.3	38,120.5	2.7
Precautionary	510.9	577.6	△11.5	513.3	△0.5
Substandard	199.4	220.1	△9.4	164.6	21.1
Doubtful	46.6	42.6	9.4	38.3	21.7
Expected Loss	153.9	105.0	46.6	147.7	4.2
SBL(Substandard & Below Loans)	399.9	367.7	8.8	350.6	14.1
(SBL Ratio (%))	1.00	0.97	0.03	0.90	0.10
(SBL Coverage Ratio)	106.82 (155.10) ¹⁾	152.51	△45.69(2.59)	116.74 (170.48) ¹⁾	△9.92(△15.38)
Loan Amount	39,273.6	36,966.4	6.2	38,249.7	2.7
Delinquent Amount	230.3	262.5	△12.3	181.7	26.7
Delinquency Ratio	0.59	0.71	△0.12	0.48	0.11

1) Coverage before Reserve deduction

2. Banks Asset Quality – Kyongnam

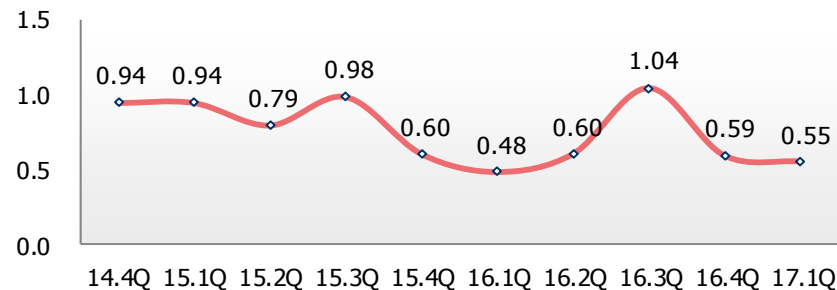
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



	17.1Q	16.1Q	YoY	16.4Q	QoQ
(KRW bn, %, %p)					
Total Loans	29,315.5	27,119.0	8.1	28,544.3	2.7
Normal	28,818.5	26,577.1	8.4	28,082.7	2.6
Precautionary	232.0	246.5	△5.9	203.7	13.9
Substandard	161.0	162.5	△0.9	174.6	△7.8
Doubtful	43.5	40.4	7.7	44.5	△2.2
Expected Loss	60.4	92.5	△34.7	38.8	55.7
SBL(Substandard & Below Loans)	264.9	295.4	△10.3	257.9	2.7
(SBL Ratio (%))	0.90	1.09	△0.19	0.90	0.00
(SBL Coverage Ratio)	68.17 (150.29) ¹⁾	148.02	△79.85(2.27)	70.82 (169.46) ¹⁾	△2.65(△19.17)
Loan Amount	29,051.9	26,829.3	8.3	28,265.9	2.8
Delinquent Amount	160.8	129.5	24.2	167.2	△3.8
Delinquency Ratio	0.55	0.48	0.07	0.59	△0.04

1) Coverage before Reserve deduction

3. Provisioning

□ Group Provision Expense

(KRW bn, %)	2017 1Q		2016					2015			
			4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Total Provisions(A)	108.1	377.9	86.6	114.8	82.9	936	396.4	121.7	40.8	163.1	70.8
Total Credits(B)	74,584.8	72,623.0	72,623.0	72,012.9	71,291.3	69,686.4	68,536.4	68,536.4	68,335.7	68,177.1	67,509.1
¹⁾ Credit Cost(A/B)	0.59	0.52	0.47	0.63	0.47	0.54	0.58	0.70	0.24	0.96	0.43

Note 1). Accumulated

□ Busan Bank Provision Expense

(KRW bn, %)	2017 1Q		2016					2015			
			4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporate	44.4	158.7	18.5	50.2	35.7	54.3	189.9	71.5	14.8	51.6	52.0
Household	2.3	10.6	3.8	2.1	3.0	1.7	5.3	1.3	1.1	2.2	0.7
Credit Card	4.9	15.1	0.7	7.5	4.0	2.9	10.6	3.0	3.1	2.6	1.9
Others	0.3	1.4	3.4	△2.7	0.3	0.4	△15.2	0.3	0.8	△3.9	△12.4
Total(A)	51.9	185.8	26.4	57.1	43.0	59.3	190.6	76.1	19.8	52.5	42.2
Total Credits(B)	40,073.1	38,984.4	38,984.4	38,934.1	38,610.7	37,781.1	36,856.6	36,856.6	36,483.5	36,304.4	35,884.3
¹⁾ Credit Cost(A/B)	0.53	0.48	0.27	0.58	0.45	0.63	0.52	0.82	0.22	0.58	0.48

□ Kyongnam Bank Provision Expense

(KRW bn, %)	2017 1Q		2016					2015			
			4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporate	28.7	111.9	30.2	29.9	42.7	9.1	124.9	20.2	16.6	81.4	6.7
Household	0.9	10.0	2.5	2.0	3.2	2.3	12.4	2.3	3.7	3.2	3.2
Credit Card	4.0	13.5	4.7	3.3	2.8	2.7	6.5	1.0	2.8	2.5	0.2
Others	△0.8	△27.0	1.0	1.9	△29.5	△0.4	△23.3	△0.2	△16.7	0.3	△6.7
Total(A)	32.8	108.4	38.4	37.1	19.2	13.7	120.5	23.3	6.4	87.4	3.4
Total Credits(B)	29,315.5	28,544.3	28,544.3	28,040.9	27,712.6	27,119.0	27,013.3	27,013.3	27,324.0	27,155.8	27,129.9
¹⁾ Credit Cost(A/B)	0.45	0.38	0.54	0.53	0.28	0.20	0.45	0.34	0.09	1.29	0.05

4. Banks Write-Offs and NPL Sales

❑ Busan Bank Write-Offs & NPL Sales

(KRW bn, %)	2017.1Q	2016.4Q	2016.3Q	2016.2Q	2016.1Q	2015.4Q	2015.3Q	2015.2Q	2015.1Q
Total Write-Offs	37.1	40.8	68.5	51.2	56.8	59.3	74.9	47.8	29.0
Corporate	28.5	33.2	61.3	45.3	50.8	53.8	68.8	42.9	23.8
Household	3.4	2.7	2.7	2.5	2.6	2.3	2.7	1.9	2.2
Credit Card	5.2	4.9	4.5	3.4	3.4	3.2	3.4	3.0	3.0
Total NPL Sales	0.0	65.0	0.0	66.6	0.0	104.9	0.0	40.7	27.2
(NPL Sales for SBL Loans)	0.0	64.9	0.0	65.8	0.0	103.1	0.0	39.4	27.2
Corporate	0.0	63.7	0.0	65.4	0.0	104.7	0.0	39.6	27.1
Household	0.0	1.1	0.0	1.1	0.0	0.0	0.0	1.1	0.1
Credit Card	0.0	0.2	0.0	0.1	0.0	0.2	0.0	0.0	0.0

❑ Kyongnam Bank Write-Offs & NPL Sales

(KRW bn, %)	2017.1Q	2016.4Q	2016.3Q	2016.2Q	2016.1Q	2015.4Q	2015.3Q	2015.2Q	2015.1Q
Total Write-Offs	16.1	72.9	39.8	20.2	32.2	36.0	22.5	37.9	33.8
Corporate	12.0	66.0	32.2	16.0	28.6	30.3	11.3	31.2	28.7
Household	1.1	4.5	4.3	0.8	1.7	3.8	9.1	3.8	3.6
Credit Card	3.0	2.4	3.3	3.4	1.9	1.9	2.1	2.9	1.5
Total NPL Sales	50.4	77.5	41.0	69.0	100.6	180.8	48.9	96.2	9.2
(NPL Sales for SBL Loans)	48.8	73.1	39.1	58.3	94.8	176.7	47.0	91.6	9.2
Corporate	48.7	75.6	39.0	68.9	99.2	180.7	48.8	95.5	9.2
Household	1.6	1.9	1.9	0.0	1.4	0.0	0.0	0.6	0.0
Credit Card	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.0

V. Capital Adequacy

- | | | |
|----|-------------------------------|----|
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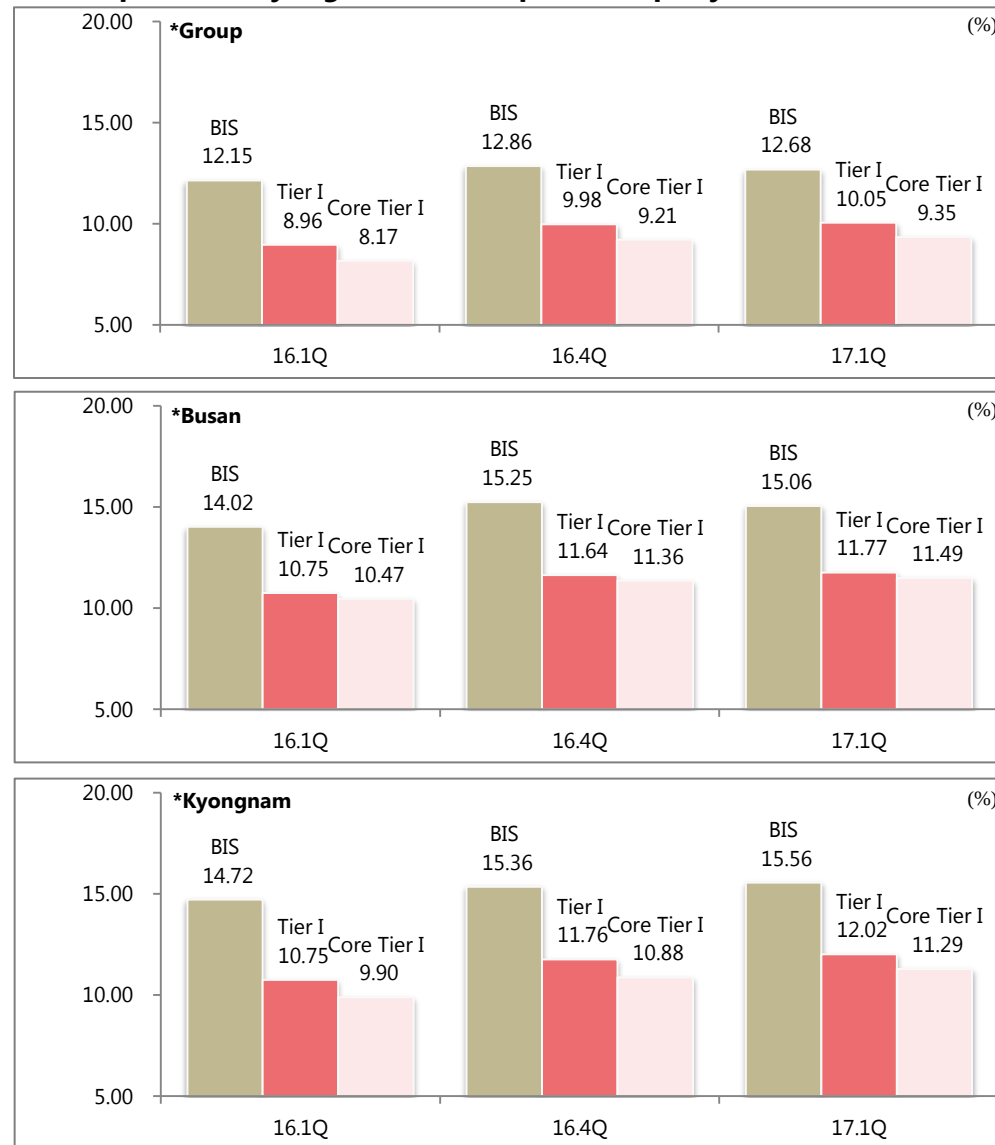
1. Group Capital Adequacy

□ Group

	2017 1Q	2016 1Q	YoY	QoQ
(KRW bn, %, %p, Basel III Standard)				
Total Risk Adjusted Capital	8,496.5	8,023.7	5.9	△0.6
Tier I Capital	6,733.9	5,919.2	13.8	1.5
(Core Tier I Capital)	6,264.0	5,392.9	16.2	2.3
Tier II Capital	1,762.6	2,104.5	△16.2	△7.9
Total Risk Weighted Assets	66,994.0	66,031.9	1.5	0.8
Credit Risk	62,320.7	61,564.8	1.2	0.6
Market Risk	381.7	431.3	△11.5	22.5
Operational Risk	4,291.6	4,035.8	6.3	1.6
BIS Capital Ratio	12.68	12.15	0.53	△0.18
Tier I	10.05	8.96	1.09	0.07
(Core Tier I)	9.35	8.17	1.18	0.14

1) capital ratios before Reserve inclusion

□ Group, Busan, Kyongnam Bank Capital Adequacy



2. Banks Capital Adequacy

□ Busan Bank

	2017 1Q	2016 1Q	YoY	QoQ
(KRW bn, %, %p, Basel III Standard)				
Total Risk Adjusted Capital	5,427.7	4,992.6	8.7	△0.6
Tier I Capital	4,242.6	3,828.3	10.8	1.8
(Core Tier I Capital)	4,142.7	3,728.4	11.1	1.8
Tier II Capital	1,185.1	1,164.3	1.8	△8.1
Total Risk Weighted Assets	36,048.6	35,616.3	1.2	0.7
Credit Risk	33,794.7	33,370.8	1.3	0.7
Market Risk	140.2	200.7	△30.1	△0.6
Operational Risk	2,113.7	2,044.8	3.4	0.6
BIS Capital Ratio	15.06	14.02	1.04	△0.19
Tier I	11.77	10.75	1.02	0.13
(Core Tier I)	11.49	10.47	1.02	0.13

□ Kyongnam Bank

	2017 1Q	2016 1Q	YoY	QoQ
(KRW bn, %, %p, Basel III Internal Rating Based)				
Total Risk Adjusted Capital	3,350.1	3,282.3	2.1	0.7
Tier I Capital	2,588.7	2,397.8	8.0	1.7
(Core Tier I Capital)	2,430.8	2,208.4	10.1	3.1
Tier II Capital	761.4	884.5	△13.9	△2.4
Total Risk Weighted Assets	21,536.3	22,299.6	△3.4	△0.6
Credit Risk	20,014.0	20,810.2	△3.8	△0.8
Market Risk	59.7	86.1	△30.7	67.7
Operational Risk	1,462.6	1,403.3	4.2	1.6
BIS Capital Ratio	15.56	14.72	0.84	0.20
Tier I	12.02	10.75	1.27	0.26
(Core Tier I)	11.29	9.90	1.39	0.41

1) capital ratios before Reserve inclusion

VI. Appendix

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1. Banks KRW Loan Portfolio

Busan Bank

(KRW bn, %, Balance)	2017 1Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,828.2	26.1	△0.5	1.2
Steel Metal Products	2,888.5	7.7	△0.7	2.1
Automobile Parts	2,308.0	6.1	1.8	1.2
Machinery	1,371.4	3.6	△1.7	1.4
Petroleum, Rubber, etc.	1,057.4	2.8	△0.4	1.7
Fabric	211.2	0.6	△2.8	0.4
Garment & Shoes	342.0	0.9	2.8	0.8
Kitchen Units	284.2	0.8	△2.2	△0.8
Electronics	593.7	1.6	△9.8	△2.3
Paper, Paper Mills	102.9	0.3	△12.1	△0.1
Others	668.9	1.7	7.2	1.0
Non-Manufacturing	17,395.4	46.2	6.1	4.1
Wholesale & Retail	2,921.4	7.8	12.2	4.4
Public	856.2	2.3	8.9	70.3
Construction & Engineering	1,659.9	4.4	△8.3	11.1
Real Estate & Lease	5,876.2	15.6	10.1	△0.3
Insurance & Financing	424.2	1.1	△17.7	△7.3
Transportation	1,376.6	3.7	2.0	4.6
Hotel & Food	1,104.2	2.9	10.9	1.0
Others	3,176.7	8.4	5.6	1.0
Households	10,462.6	27.8	14.2	2.5
KRW Loans	37,686.2	100.0	6.3	2.9

Kyongnam Bank

*Sectors are based on FSS Business Report

(KRW bn, %, Balance)	2017 1Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,795.1	34.7	△4.5	0.0
Steel Metal Products	2,431.4	8.6	△6.1	0.9
Automobile Parts	2,732.2	9.7	△2.2	1.5
Machinery	2,580.8	9.1	△4.9	△1.5
Petroleum, Rubber, etc.	305.3	1.1	0.8	△1.7
Fabric	72.3	0.3	5.7	0.3
Garment & Shoes	13.1	0.1	△47.0	0.8
Kitchen Units	170.1	0.6	△2.8	△1.3
Electronics	650.6	2.3	△5.5	△1.1
Paper, Paper Mills	93.6	0.3	3.3	△1.2
Others	745.7	2.6	△8.0	△0.2
Non-Manufacturing	8,938.5	31.6	10.5	2.7
Wholesale & Retail	1,616.4	5.7	10.0	3.8
Public	76.1	0.3	-	-
Construction & Engineering	539.7	1.9	14.6	13.3
Real Estate & Lease	3,107.9	11.0	7.8	0.4
Insurance & Financing	218.9	0.7	14.5	△8.3
Transportation	350.8	1.2	△13.7	4.7
Hotel & Food	580.2	2.1	20.9	5.2
Others	2,448.5	8.7	11.9	0.0
Households	9,513.0	33.7	27.5	6.6
KRW Loans	28,246.6	100.0	9.5	3.0

2. Cyclical Sector

	2017 1Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %, no#)						
Exposure (% of Total Credits)	3,899.5 (5.7)	3,153.4 (4.6)	2,317.0 (3.4)	1,830.0 (2.7)	615.1 (0.9)	1,085.1 (1.6)
Collateral & Provision	2,454.6	1,824.3	965.0	1,183.8	248.9	658.9
Collateral & Provision Coverage	62.9	57.9	41.6	64.7	40.5	60.7
No# of Creditors	2,532	1,994	3,529	1,262	204	982

Note 1) Exposure & Total Credits are the sum of Busan & Kyongnam Bank

Note 2) Sectors are based on FSS Business Report

Note 3) Construction includes Real Estate PF(Ref. Collateral for Real Estate PFs are evaluated based on future cash flow that does not include land, buildings under construction etc. hence the overall low construction coverage)

3. Non-Bank Summary - Securities

□ B/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Assets	1,248.4	757.9	64.7	1,064.1	17.3
Cash and Dues	42.4	38.3	10.7	61.0	△30.5
Securities	911.1	483.6	88.4	908.2	0.3
Loans	79.8	49.5	61.2	52.1	53.2
Fixed Assets	2.8	1.2	133.3	2.8	0.0
Other Assets	212.3	185.3	14.6	40.0	430.8
Liability & Shareholder's Equity	1,248.4	757.9	64.7	1,064.1	17.3
Deposits	67.3	52.5	28.2	64.8	3.9
Borrowings	797.0	372.8	113.8	752.3	5.9
Other Liabilities	176.5	176.1	0.2	32.9	436.5
Shareholder's Equity	207.6	156.5	32.7	214.1	△3.0

□ I/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Net Interest Income	3.9	1.7	129.4	2.6	50.0
Fee Income	5.3	4.4	20.5	5.7	△7.0
Others	1.6	4.6	△65.2	4.8	△66.7
SG&A(-)	8.9	8.4	6.0	8.9	0.0
Provision Expense(-)	2.7	0.0	-	△0.1	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	△0.8	2.3	Net Loss	4.3	Net Loss
Income Tax Expenses(-)	0.0	0.6	-	1.0	-
Net Income	△0.8	1.7	Net Loss	3.3	Net Loss

3. Non-Bank Summary - Capital

□ B/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Assets	4,709.2	4,254.5	10.7	4,692.6	0.4
Cash and Dues	303.4	126.4	140.0	291.5	4.1
Securities	0.0	0.0	-	0.0	-
Loans	2,643.7	2,432.4	8.7	2,631.4	0.5
Venture Capital Business	3.1	2.0	55.0	1.3	138.5
Durables Installment Financing Assets	872.1	774.2	12.6	892.3	△2.3
Leased Assets	809.8	856.7	△5.5	799.1	1.3
Fixed Assets	6.0	5.6	7.1	6.1	△1.6
Other Assets	71.1	57.2	24.3	70.9	0.3
Liability & Shareholder's Equity	4,709.2	4,254.5	10.7	4,692.6	0.4
Borrowings	3,880.5	3,449.5	12.5	3,868.1	0.3
Other Liabilities	261.3	284.1	△8.0	262.1	△0.3
Shareholder's Equity	567.4	520.9	8.9	562.4	0.9

□ I/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Net Interest Income	54.9	50.3	9.1	55.8	△1.6
Fee Income	3.1	4.0	△22.5	2.9	6.9
Others	0.5	0.5	0.0	△11.5	Net Gain
SG&A(-)	14.7	14.5	1.4	16.7	△12.0
Provision Expense(-)	19.9	19.7	1.0	20.6	△3.4
Non-Operating Income	△0.6	0.1	Net Loss	△0.1	-
Earnings Before Income Tax	23.3	20.7	12.6	9.8	137.8
Income Tax Expenses(-)	5.5	5.1	7.8	2.0	175.0
Net Income	17.8	15.6	14.1	7.8	128.2

3. Non-Bank Summary - Capital Portfolio

	17.1Q	Portion	QoQ	16.4Q	16.3Q	16.2Q	16.1Q	15.4Q	15.3Q	15.2Q	15.1Q	14.4Q
(KRW bn, %, Balance)												
Total	4,466.1	100.0	0.3	4,450.6	4,403.6	4,283.5	4,137.2	4,119.8	4,057.4	4,045.9	3,824.0	3,536.0
Loans	1,388.0	31.1	0.5	1,381.3	1,382.6	1,265.2	1,198.2	1,170.1	1,180.8	1,162.8	1,097.7	914.9
Household	807.3	18.1	2.2	790.3	795.4	764.1	733.7	716.6	700.9	695.6	594.0	515.7
Corporate	580.7	13.0	△1.7	591.0	587.2	501.1	464.5	453.5	479.9	467.2	503.7	399.2
Auto Financing	2,482.5	55.6	0.7	2,465.1	2,388.6	2,342.5	2,244.3	2,217.8	2,137.0	2,070.8	1,920.9	1,800.7
Commercial Vehicle	700.8	15.7	2.8	681.8	680.5	681.5	684.9	673.7	655.0	661.9	612.6	581.1
Passenger Vehicle	1,781.7	39.9	△0.1	1,783.3	1,708.1	1,661.0	1,559.4	1,544.1	1,482.0	1,408.9	1,308.3	1,219.6
Lease/Installments	592.5	13.3	△1.7	602.9	631.0	674.3	692.7	729.9	737.6	810.3	803.4	818.4
Machine Tools	141.4	3.2	△4.4	147.9	157.8	174.8	190.8	207.4	223.4	233.6	248.6	259.0
Medical Instruments	162.7	3.6	0.9	161.3	160.7	161.9	156.8	161.4	166.5	167.4	162.2	170.7
Others	288.4	6.5	△1.8	293.7	312.5	337.6	345.1	361.1	347.7	409.3	392.6	388.7
Venture Capital Business	3.1	0.1	138.5	1.3	1.4	1.5	2.0	2.0	2.0	2.0	2.0	2.0

3. Non-Bank Summary - MSB

□ B/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Total Assets	761.8	739.8	3.0	769.1	△0.9
Total Deposits	623.6	590.4	5.6	635.9	△1.9
KRW Deposits	623.6	590.4	5.6	635.9	△1.9
Others	0.0	0.0	-	0.0	-
Total Credits	649.9	598.0	8.7	629.2	3.3
Total Loans	649.9	598.0	8.7	629.2	3.3
KRW Loans	649.9	598.0	8.7	629.2	3.3
Others	0.0	0.0	-	0.0	-
Guarantees	0.0	0.0	-	0.0	-
Total Securities	6.1	2.5	144.0	4.1	48.8
Shareholder's Equity	118.1	125.4	△5.8	115.4	2.3

□ I/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Net Interest Income	8.5	7.4	14.9	8.6	△1.2
Fee Income	0.0	△0.1	-	0.0	-
Others	△0.8	△0.6	-	0.8	-
SG&A(-)	3.5	3.3	6.1	3.7	△5.4
Provision Expense(-)	0.8	0.9	△11.1	1.4	△42.9
Non-Operating Income	0.1	△0.1	Net Gain	△18.1	-
Earnings Before Income Tax	3.5	2.4	45.8	△15.4	Net Gain
Income Tax Expenses(-)	0.9	0.5	80.0	0.3	200.0
Net Income	2.6	1.9	36.8	△15.7	Net Gain

3. Non-Bank Summary – Asset Management

□ B/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Assets	10.8	10.2	5.9	10.6	1.9
Cash and Dues	7.1	6.8	4.4	6.8	4.4
Securities	0.5	0.5	0.0	0.5	0.0
Loans	0.1	0.1	0.0	0.1	0.0
Fixed Assets	0.4	0.1	300.0	0.5	△20.0
Other Assets	2.7	2.7	0.0	2.7	0.0
Liability & Shareholder's Equity	10.8	10.2	5.9	10.6	1.9
Deposits	0.1	0.0	-	0.1	-
Borrowings	0.0	0.0	-	0.0	-
Other Liabilities	0.4	0.3	33.3	0.3	33.3
Shareholder's Equity	10.3	9.9	4.0	10.2	1.0

□ I/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	-
Fee Income	1.4	1.1	27.3	1.3	7.7
Others	0.0	0.0	-	0.0	-
SG&A(-)	1.2	1.2	0.0	1.1	9.1
Provision Expense(-)	0.0	0.0	-	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	0.2	△0.1	Net Gain	0.2	0.0
Income Tax Expenses(-)	0.0	0.0	-	0.1	-
Net Income	0.2	△0.1	Net Gain	0.1	100.0

3. Non-Bank Summary – Credit Info., System

□ Credit Information I/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	-
Fee Income	1.3	0.9	44.4	1.2	8.3
Others	0.0	0.0	-	0.0	-
SG&A(-)	1.0	0.8	25.0	1.0	0.0
Provision Expense(-)	0.0	0.0	-	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	0.3	0.1	200.0	0.2	50.0
Income Tax Expenses(-)	0.1	0.0	-	0.0	-
Net Income	0.2	0.1	100.0	0.2	0.0

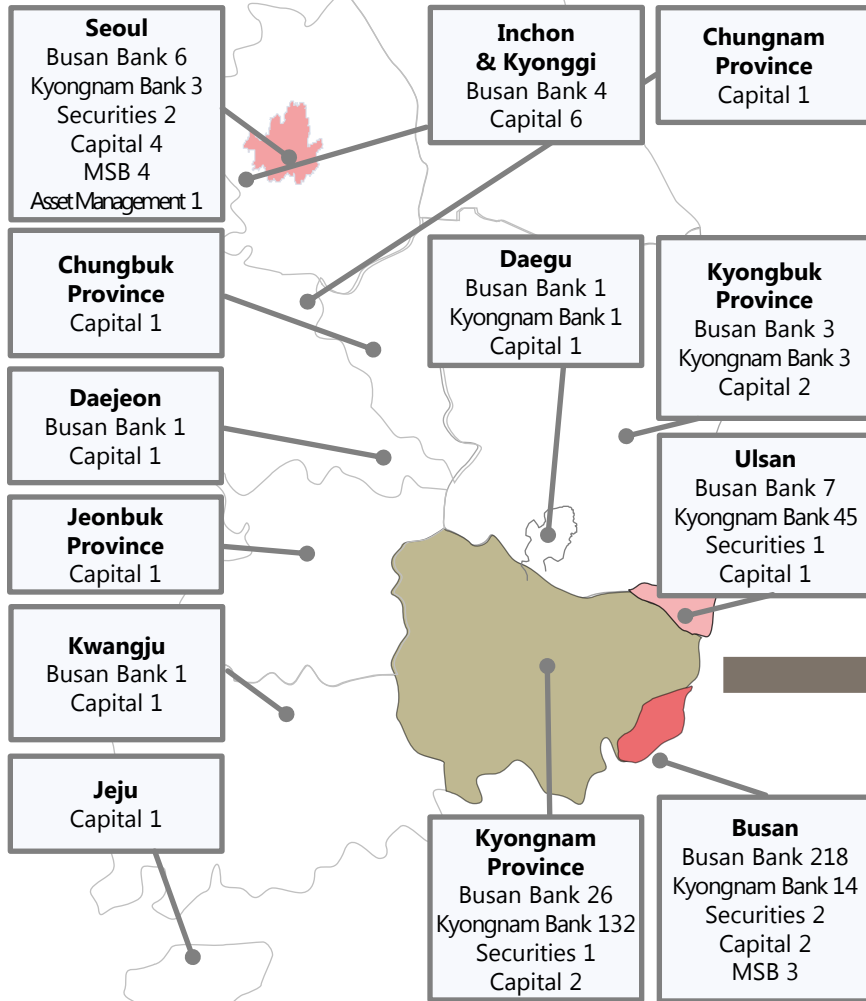
□ System I/S Summary

(KRW bn, %, Balance)	17.1Q	16.1Q	YoY	16.4Q	QoQ
Net Interest Income	0.0	0.0	-	0.1	-
Fee Income	0.0	0.0	-	0.0	-
Others	2.4	2.3	4.3	2.7	△11.1
SG&A(-)	2.3	2.2	4.5	2.4	△4.2
Provision Expense(-)	0.0	0.0	-	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	0.1	0.1	0.0	0.4	△75.0
Income Tax Expenses(-)	0.0	0.0	-	0.1	-
Net Income	0.1	0.1	0.0	0.3	△66.7

4. Group Networks & Major Industries

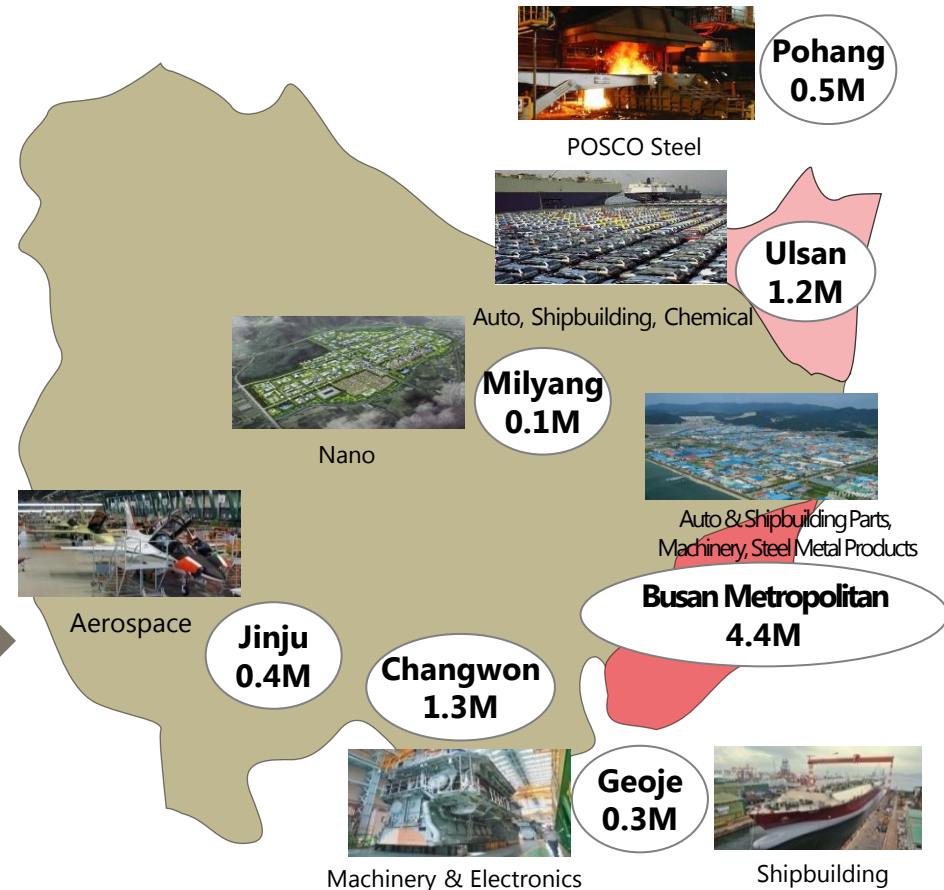
❑ Networks across Korea(as of Mar. 2017) : 511 Locations

- Busan Bank 272(Qingdao & Vietnam Branch, Yangon, Mumbai Office included), Kyongnam Bank 198, Securities 6, Capital 27 (Myanmar, Cambodia, Laos included), MSB 7, Asset Management 1



❑ Population & Major Industries

- Southeastern Conurbation (8.1 Mn, 15.6% of Total Population), making up 16.1% of GRDP(2015)
- Exports : 124.5 USD bn(2016)
- Imports : 58.4 USD bn(2016)



1) Southeastern region includes Busan, Ulsan, and Kyongnam

5. Group Sustainability



MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



◆ Dow Jones Sustainability Indices(DJSI) Inclusion

1.DJSI

- The world's most prestigious global sustainability index (inclusion for 2 consecutive years, starting from 2015)
- The companies included are the leading companies in their industry based on economic, environmental and social criteria

2.Inclusion Index : DJSI Asia-Pacific

3.Date of inclusion : September 10, 2015

4.Benefits of Inclusion

- Promotion of Brand Image
- Enhancement of Corporate Trustworthiness & Global Competitiveness

Note) The DJSI was launched by RobecoSAM and S&P Dow Jones Indices