

Pusan Bank

2Q 2004 Earnings

July 27, 2004

Visit our website : www.pusanbank.co.kr/english.html

2Q 2004 Earnings

• <i>Earnings Highlights</i>	1
• <i>Condensed Balance Sheet</i>	2
• <i>Loans</i>	3
• <i>Deposits</i>	4
• <i>Condensed Income Statement</i>	5
• <i>NIM & NIS</i>	6
• <i>Delinquency Ratios</i>	7
• <i>Asset Quality</i>	8
• <i>Provisions</i>	9
• <i>Write Offs</i>	10
• <i>Capital Adequacy</i>	11
• <i>Dividend</i>	12
• <i>Key Financial Indicators</i>	13

Corporate

• <i>Corporate Won Loan Portfolio</i>	15
• <i>Corporate Delinquency Ratio</i>	16
• <i>SME Delinquency Ratio</i>	17
• <i>SME Asset Quality</i>	18
• <i>SME Loans in Detail</i>	19

Household & Credit Card

• <i>Household & Credit Card – Loan Portfolio</i>	21
• <i>Household Delinquency Ratio</i>	22
• <i>Household Asset Quality</i>	23
• <i>Credit Card Delinquency Ratio</i>	24
• <i>Credit Card Asset Quality</i>	25

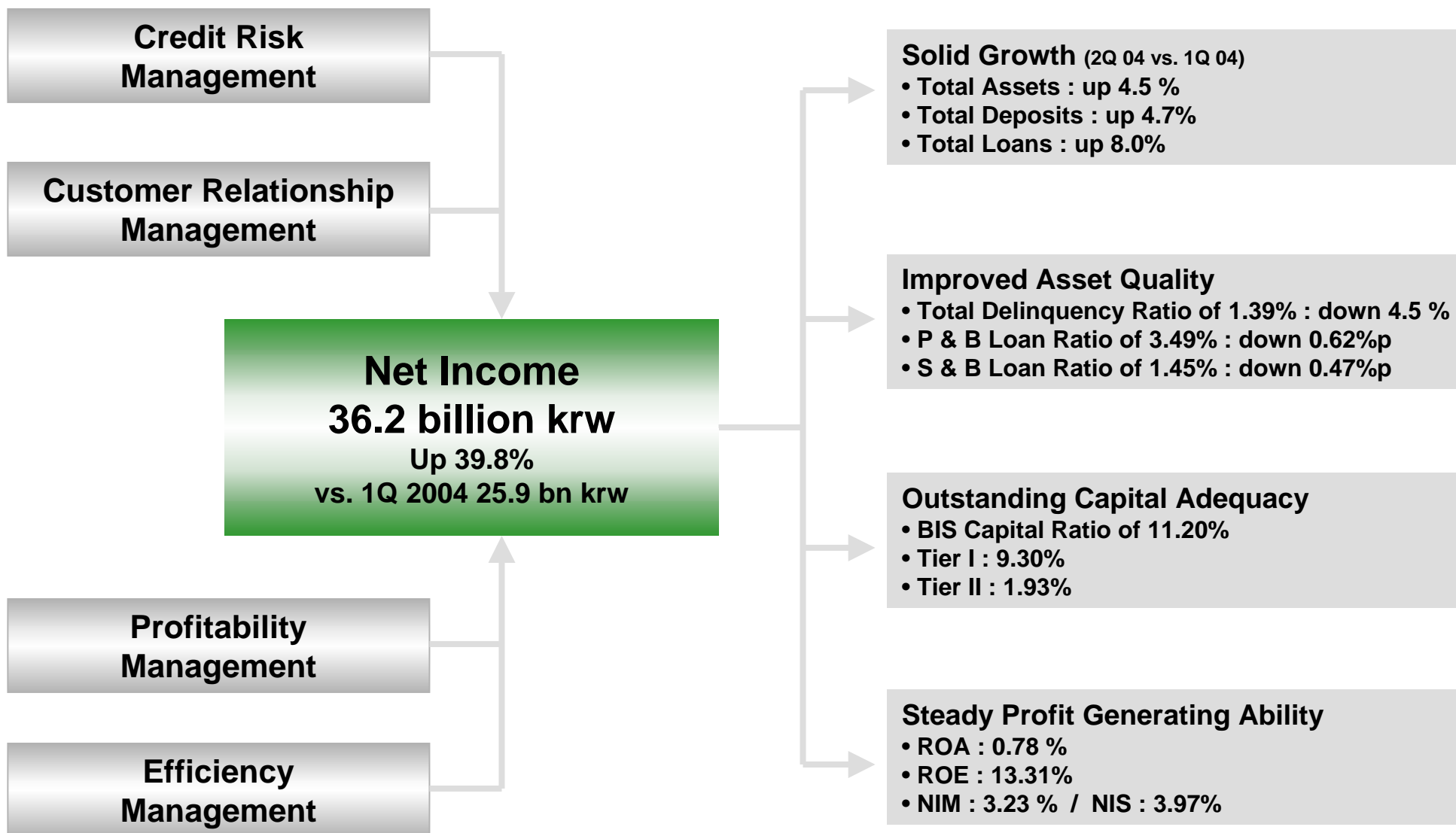
Appendix

• <i>Low Cost Core Deposits</i>	27
• <i>Securities Management</i>	28
• <i>Shareholding Structure</i>	29
• <i>Pusan Bank – An Overview</i>	30
• <i>Interest Income</i>	31
• <i>Fee & Commission Income</i>	32
• <i>G&A Expenses</i>	33
• <i>Other Operating Income</i>	34

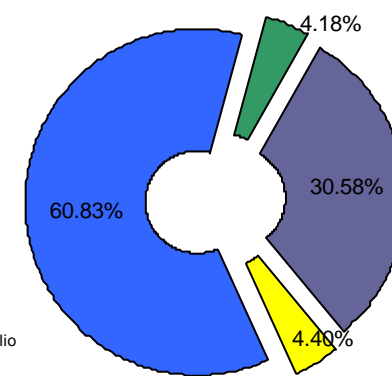
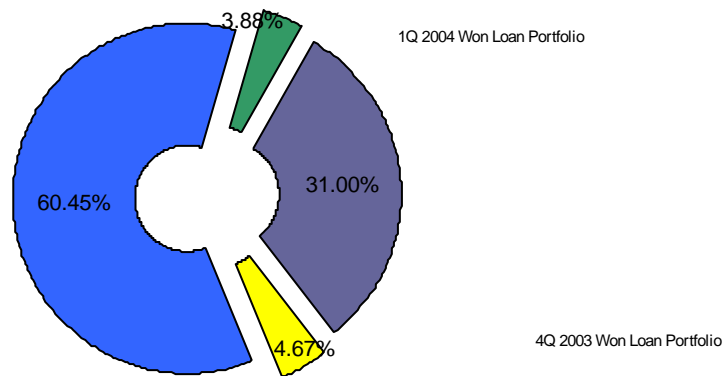
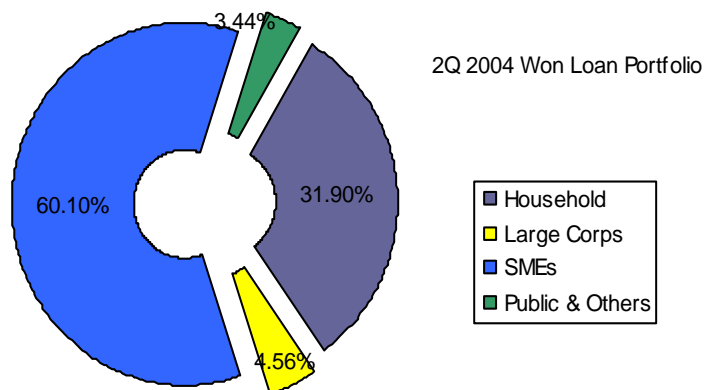
2Q 2004 Earnings

• <i>Earnings Highlights</i>	1
• <i>Condensed Balance Sheet</i>	2
• <i>Loans</i>	3
• <i>Deposits</i>	4
• <i>Condensed Income Statement</i>	5
• <i>NIM & NIS</i>	6
• <i>Delinquency Ratio</i>	7
• <i>Asset Quality</i>	8
• <i>Provisions</i>	9
• <i>Write Offs</i>	10
• <i>Capital Adequacy</i>	11
• <i>Dividend</i>	12
• <i>Key Financial Indicators</i>	13





Average Balance	2004		2003				2Q 04 vs. 4Q 03
	2Q	1Q	4Q	3Q	2Q	1Q	
Won Loans	9,659.6	9,437.9	8,678.9	8,495.4	8,297.6	8,116.3	11.29%
Won Securities	4,614.6	4,608.6	4,572.7	4,554.0	4,558.0	4,372.0	0.92%
Cash & Due	686.9	708.3	906.4	941.2	955.8	860.2	- 24.22%
Credit Card Receivables	400.9	422.5	523.6	533.8	552.8	566.4	- 23.43%
Fixed Assets	338.1	336.4	341.0	337.3	334.4	331.5	- 0.85%
Other Assets	394.2	411.1	308.4	301.6	281.7	283.8	38.07%
Assets	16,094.3	15,924.8	15,331.0	15,163.3	14,980.3	14,530.2	4.98%
Deposits	12,416.5	12,305.4	11,787.4	11,701.2	11,638.9	11,334.5	5.34%
Borrowings	1,942.0	1,884.3	1,876.8	1,812.0	1,731.8	1,608.6	3.47%
Won Finance Debenture	200.0	200.0	200.0	200.0	200.0	200.0	0.0%
Other Liabilities	511.8	530.3	487.2	497.8	484.9	482.8	5.05%
Shareholders' Equity	1,024.0	1,004.8	979.6	952.2	924.7	904.3	4.53%
Liabilities	16,094.3	15,924.8	15,331.0	15,163.3	14,980.3	14,530.2	4.98%



Ending Balance	2004		2003				2Q04 vs. 1Q04
	2Q	1Q	4Q	3Q	2Q	1Q	
Won Loans	9,343.4	8,708.0	8,566.2	8,285.2	7,962.4	7,568.9	7.30%
Household	2,980.8	2,699.1	2,619.7	2,459.2	2,375.1	2,203.7	10.44%
Large Corps	425.6	406.7	377.2	405.9	405.1	406.7	4.65%
SMEs	5,615.2	5,264.1	5,210.9	5,075.8	4,813.3	4,614.5	6.67%
Public & Others	321.8	338.1	358.4	344.3	368.9	344.0	- 4.82%
Foreign Currency Loans	301.6	291.7	289.1	260.4	231.0	251.3	3.39%
Trust Lending	28.0	26.6	26.4	31.5	30.4	33.3	5.26%
Others*	585.9	470.1	414.2	471.1	478.9	446.3	24.63%
Total	10,258.9	9,496.4	9,296.0	9,048.2	8,702.7	8,299.8	8.03%

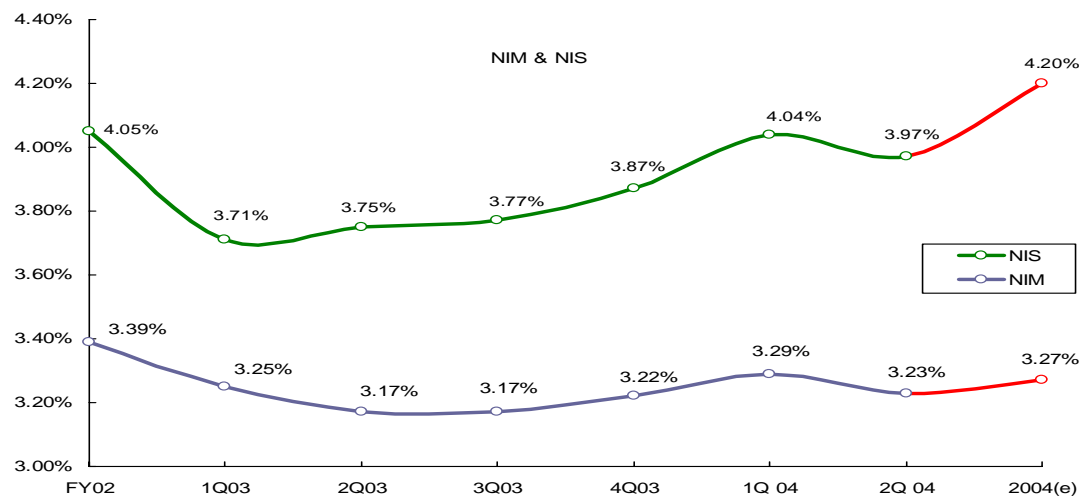
Note

2Q 2004 : Domestic Import Usance Bill : 294.0, Customer Advance : 14.4, Acceptance & Guarantees Outstanding : 253.1, Off-Shore Foreign Loans : 18.1

1Q 2004 : Domestic Import Usance Bill : 212.2, Customer Advance : 12.4, Acceptance & Guarantees Outstanding : 226.9, Off-Shore Foreign Loans : 18.6

Ending Balance	2004		2003				2Q 04 vs. 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q	
Won Deposits	12,594.8	12,086.3	12,215.4	11,787.1	11,557.1	11,559.7	4.21%
Savings	11,232.7	10,784.6	10,871.2	10,425.2	10,186.6	10,203.4	4.15%
Demand	1,144.6	1,084.9	1,124.9	1,139.5	1,146.2	1,106.9	5.50%
Mutual Installment	217.5	216.8	219.3	222.4	224.3	249.4	0.32%
Money In Trust	1,256.3	1,160.1	1,183.7	1,280.2	1,332.3	1,591.6	8.29%
Financial Debentures Issued	200.0	200.0	200.0	200.0	200.0	200.0	0.0%
RP	333.8	307.6	425.6	473.6	336.5	143.2	8.52%
CD	56.0	42.9	43.0	30.1	39.1	28.9	30.54%
Bills Sold	5.3	6.9	6.0	6.2	6.6	9.1	- 23.19%
Total	14,446.2	13,803.8	14,073.7	13,777.2	13,471.6	13,532.6	4.65%

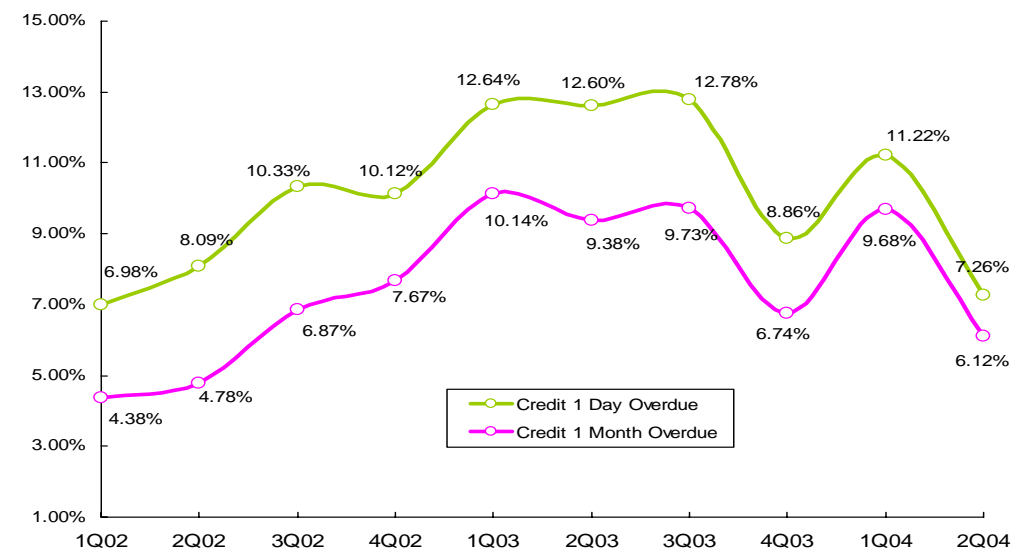
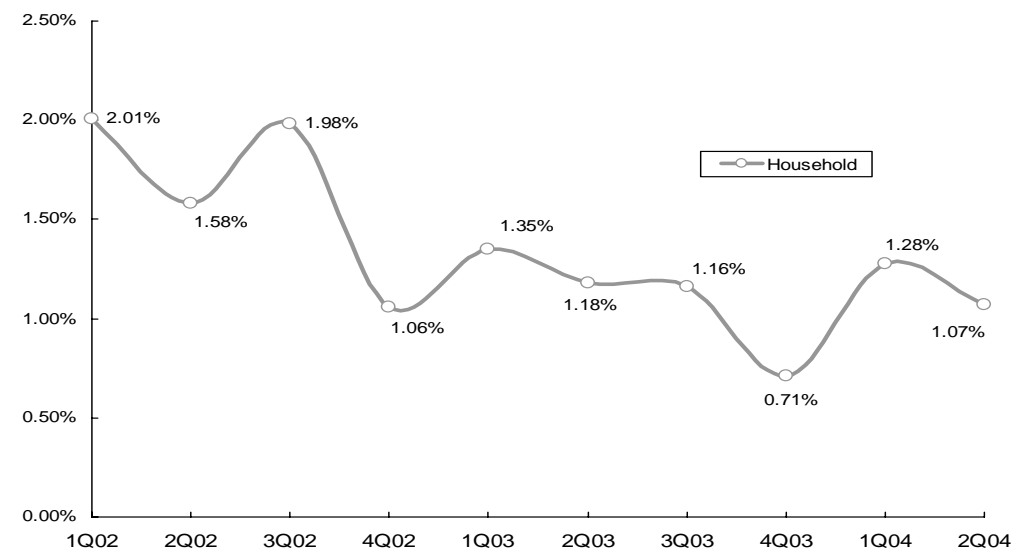
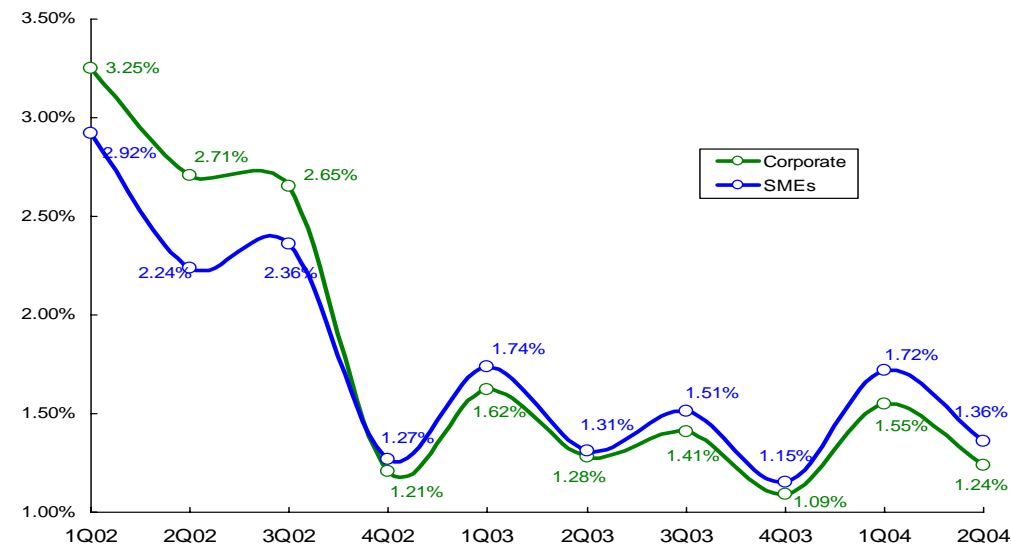
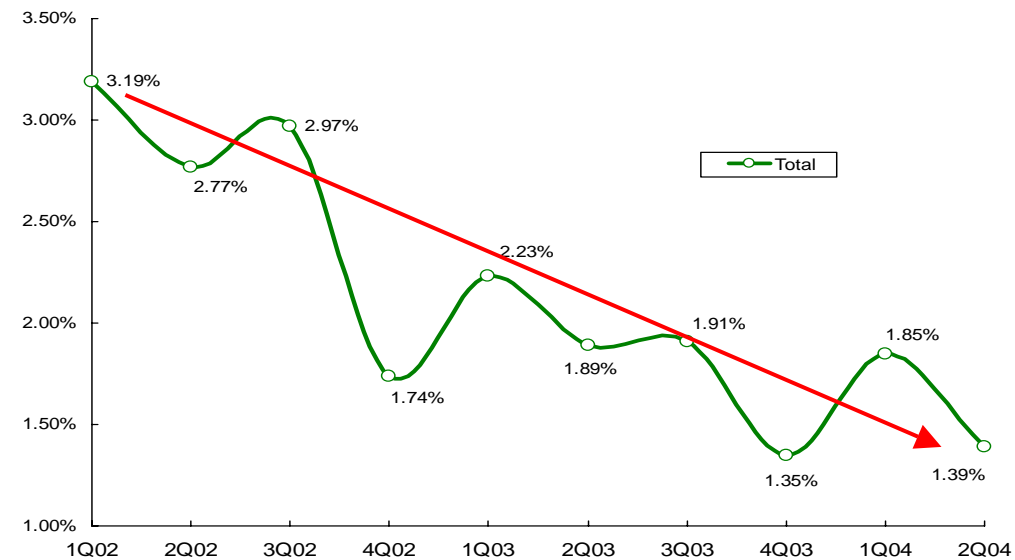
	2004		2003				2Q04 vs. 1Q04
	2Q	1Q	4Q	3Q	2Q	1Q	
Operating Income	282.5	284.9	284.6	271.1	271.8	266.1	- 0.8%
Interest Income	227.9	227.9	234.6	231.9	225.8	222.3	0.0%
Fee & Commission Income	30.9	30.9	32.7	28.7	30.0	29.1	0.0%
Trust Related Income	3.5	4.3	1.3	1.4	6.0	5.8	- 18.6%
Others	20.2	21.8	16.0	9.1	10.0	8.9	- 7.3%
Operating Expenses	237.7	252.9	234.4	233.0	242.9	247.1	- 6.0%
Interest Expense	103.7	103.3	106.5	107.1	112.0	111.0	0.4%
Fee & Commission Expenses	5.1	4.8	4.9	5.3	4.2	4.6	6.3%
G&A Expenses	68.3	74.8	70.5	65.7	59.8	70.1	- 8.7%
Provisions for Loan Losses	34.5	45.0	34.7	38.8	53.6	47.3	- 23.3%
Others	26.1	25.0	17.8	16.1	13.3	14.1	4.4%
Net Operating Income	44.8	32.0	50.2	38.1	28.9	19.0	40.0%
Non-Operating Income	6.6	4.4	- 11.5	- 1.5	9.1	-6.0	50.0%
Ordinary Income	51.4	36.4	38.7	36.6	38.0	13.0	41.2%
Extra-Ordinary Gain	0	0	0	0	0	0	0.0%
Income Before Income Taxes	51.4	36.4	38.7	36.6	38.0	13.0	41.2%
Income Tax	15.2	10.5	5.0	0	0	0	44.8%
Net Income	36.2	25.9	33.7	36.6	38.0	13.0	39.8%

**To Widen NIM**

- Minimize Actual Delinquents thru Rigorous Credit Control Measures
- Increase Low Cost Deposits
- Timely Readjustment on Securities Portfolio
- Re-adjust Interest Rates

	2004		2003				QoQ
	2Q	1Q	4Q	3Q	2Q	1Q	
Net Interest Margin	3.23%	3.29%	3.22 %	3.17 %	3.17 %	3.25 %	- 0.06 %p

	2004		2003				QoQ
	2Q	1Q	4Q	3Q	2Q	1Q	
Net Interest Spread	3.97%	4.04%	3.87%	3.77%	3.75%	3.71%	- 0.08%p
Interest Rate on Loans(avg.)	6.98%	7.07%	7.20%	7.18%	7.26%	7.36%	- 0.09%p
Household	7.15%	7.29%	7.46%	7.52%	7.63%	7.77%	- 0.14%p
Corporate	6.54%	6.56%	6.79%	6.39%	6.44%	6.54%	- 0.02%p
Interest Rate on Deposits(avg.)	3.01%	3.03%	3.33%	3.41%	3.51%	3.65%	- 0.02%p

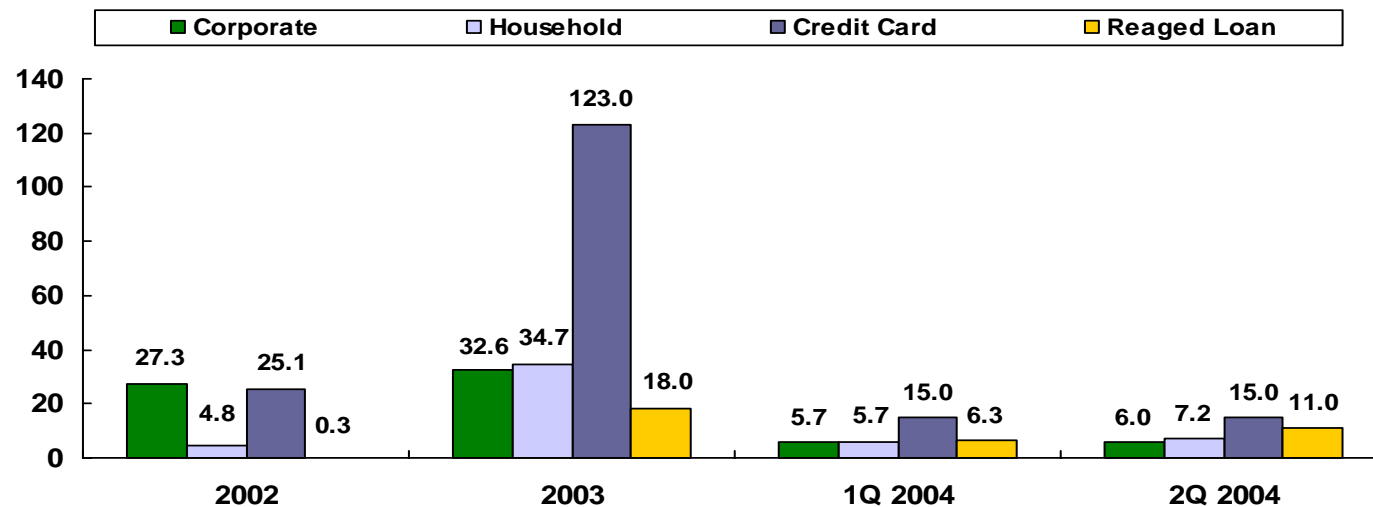


	2004		2003				2002	2Q 04 vs. 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
Total Loan Amount	10,643.7	9,876.6	9,747.9	9,670.3	9,282.5	8,954.6	8,685.4	7.8 %
Normal	10,272.1	9,470.8	9,379.1	9,193.6	8,820.5	8,464.2	8,277.5	8.5 %
	(96.51%)	(95.9%)	(96.2%)	(95.1%)	(95.0%)	(94.5%)	(95.3%)	
Precautionary	217.1	216.6	210.2	269.3	269.6	256.1	215.0	0.2 %
	(2.04%)	(2.2%)	(2.2%)	(2.8%)	(2.9%)	(2.9%)	(2.5%)	
Substandard	92.9	119.8	101.1	133.6	124.6	163.9	140.0	- 22.5 %
	(0.87%)	(1.2%)	(1.0%)	(1.4%)	(1.3%)	(1.8%)	(1.6%)	
Doubtful	43.4	48.9	43.0	55.5	46.1	48.0	35.2	- 11.3 %
	(0.41%)	(0.5%)	(0.4%)	(0.6%)	(0.5%)	(0.5%)	(0.4%)	
Loss	18.2	20.5	14.5	18.3	21.7	22.4	17.8	- 11.2 %
	(0.17%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.3%)	(0.2%)	
Substandard & Below Loans	154.5	189.2	158.6	207.4	192.4	234.4	193.0	- 18.3 %
S&B Loan Ratio	1.45%	1.92%	1.63%	2.15%	2.07%	2.62%	2.22%	- 0.47%p
S&B Loan Coverage Ratio	97.66%	82.93%	89.91%	80.52%	90.96%	77.01%	83.73%	14.73 %p
Precautionary & Below Loans	371.6	405.8	368.8	476.7	462.0	490.5	408.0	- 8.4 %
P&B Loan Ratio	3.49%	4.11%	3.78%	4.93%	4.98%	5.48%	4.70%	- 0.62%p
P&B Loan Coverage Ratio	40.61%	38.66%	38.67%	35.03%	37.88%	36.80%	39.61%	1.95 %p
Write-offs	39.2	32.7	190.3(53.2)	137.1(50.0)	87.1(54.7)	32.4	57.2	19.9 %
NPLs Sold	23.9	-	46.4	25.5	25.5	-	27.8	-
Provision for Loan Losses	150.9	156.9	142.6	167.0	175.0	180.5	161.6	-3.8 %

Provision Expense (provision in trust account excluded)	2004		2003 Full Yr.	2003				2002	1Q 04 vs. 2Q 04
	2Q	1Q		4Q	3Q	2Q	1Q		
Household	10.8	9.1	43.4	9.0	11.3	12.5	10.6	22.2	1.7 b
Credit Card (Re-aged Loans)	14.7 (6.7)	21.8 (9.2)	119.8 (32.5)	23.4 (9.5)	35.8 (13.4)	32.9 (6.3)	27.7 (3.3)	44.3 (n.a.)	- 7.1 b (- 2.5 b)
Corporate	9.0	14.1	11.3	2.4	-8.3	8.2	9.0	46.1	- 5.1 b
Total	34.5	45.0	174.5	34.8	38.8	53.6	47.3	112.6	- 10.5 b

Provision for Loan Losses (ending balance)	2004		2003				2002	2Q 04 vs 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q		
Household	40.5	37.5	33.3	34.5	32.7	32.2	27.3	3.0 b
Credit Card (Re-aged Loans)	23.9 (16.0)	32.9 (19.6)	30.9 (16.1)	37.3 (15.4)	32.6 (7.4)	32.8 (4.8)	26.9 (-)	-9.0 b (-3.6 b)
Corporate	86.0	86.0	77.8	90.8	105.4	110.7	100.1	-
Total	150.4	156.4	142.0	162.6	170.7	175.7	155.8	-6.0

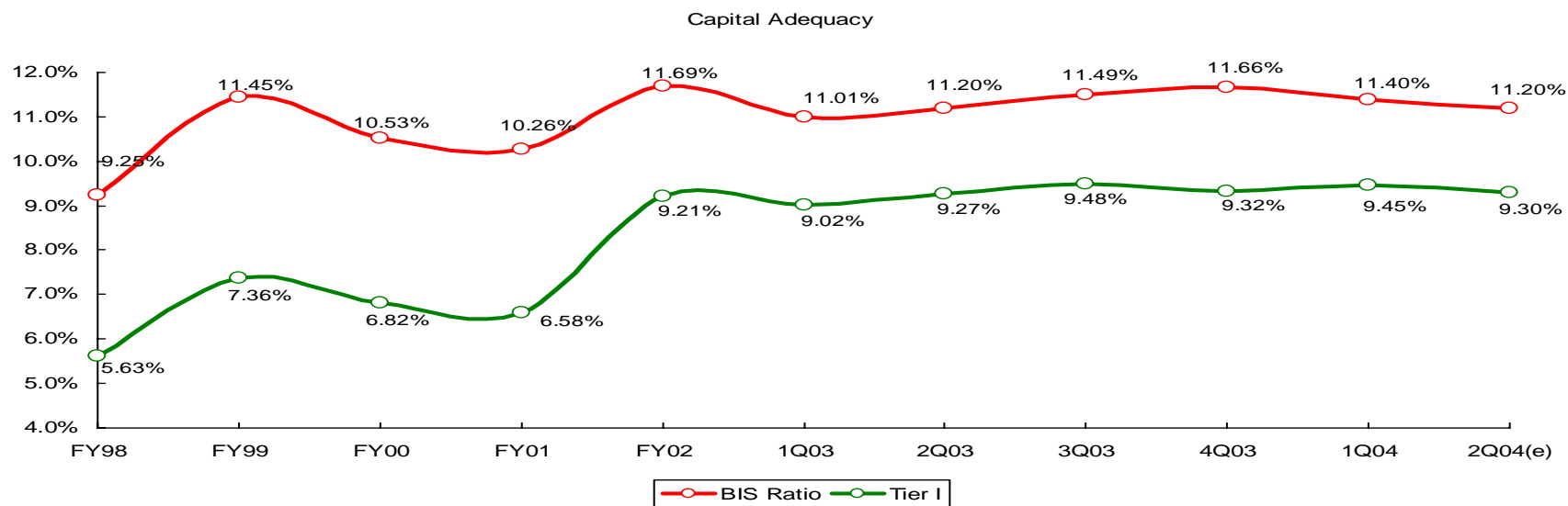
Write Offs(in billion krw)



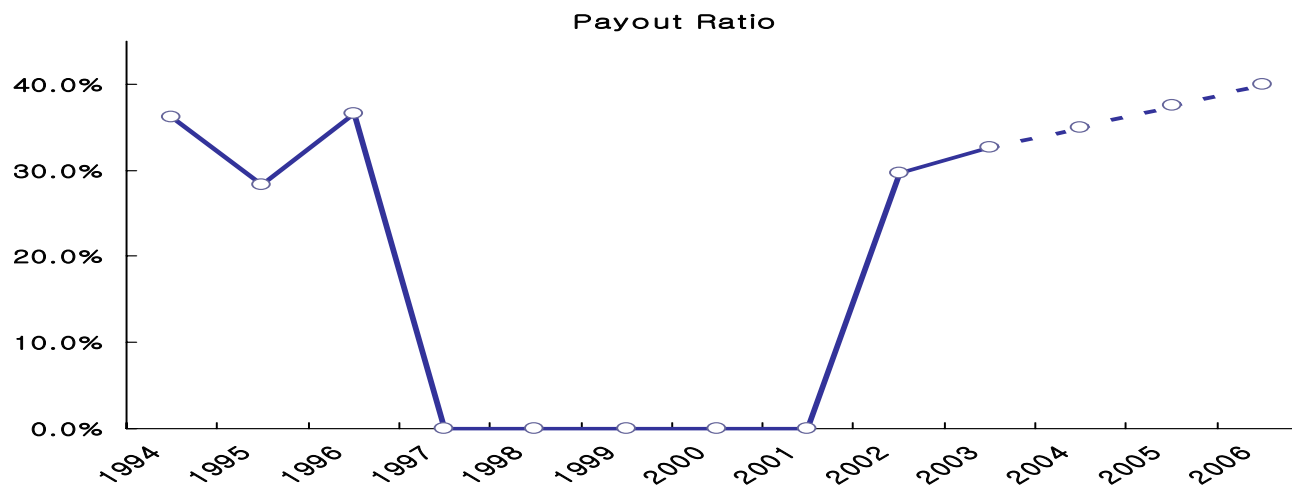
▪ Write Off Policy

- 6 months overdue
- estimated loss
- FSS's approval

Write Offs	2004		2003 Full Yr.	2003				2002	2Q 04 vs 1Q 04
	2Q	1Q		4Q	3Q	2Q	1Q		
Household	7.2	5.7	34.7	9.3	9.9	9.6	5.9	4.8	26.32%
Credit Card (Re-aged Loans)	26.0 (11.0)	21.3 (6.3)	123.0 (18.0)	32.3 (8.9)	32.6 (5.4)	33.8 (3.7)	24.2 (0)	25.1 (0.3)	22.07 %
Corporate	6.0	5.7	32.6	11.3	7.5	11.3	2.3	27.3	5.26 %
Total	39.2	32.7	190.3	52.9	50.0	54.7	32.4	57.2	19.88 %



	2004		2003				2002
	2Q(e)	1Q	4Q	3Q	2Q	1Q	
Core Capital	936.5	900.1	876.5	882.1	844.4	806.1	792.9
Supplement Capital	194.2	189.7	224.8	231.2	228.1	226.5	263.7
Contribution to Unconsolidated Subsidiaries	4.0	4.0	4.9	52.2	52.2	49.2	50.2
Total Risk-Adjusted Capital	1,126.7	1,085.8	1,096.3	1,061.1	1,020.3	983.4	1,006.4
Total Risk Weighted Assets	10,069.7	9,526.6	9,406.4	9,300.0	9,107.3	8,932.7	8,609.7
On-Balance Sheet Assets	9,719.6	9,160.5	9,053.9	8,942.6	8,733.4	8,513.3	8,225.4
Off-Balance Sheet Assets	350.1	366.1	352.5	357.4	373.9	419.4	384.3



Dividend History	2003	2002	2001 ~ 1997	1996	1995
Net Income	121.3	148.0		41.9	30.2
Dividend Rate	5.4 %	6 %		8 %	5 %
Dividend Amount per Share	270 krw	300 krw	No Dividends	400 krw	250 krw
Payout Ratio	32.7 %	29.7 %		32.7 %	28.3 %
Type	Cash	Cash		Cash	Cash
Dividend Rate at Market Price	4.01%	5.92 %		5.79 %	

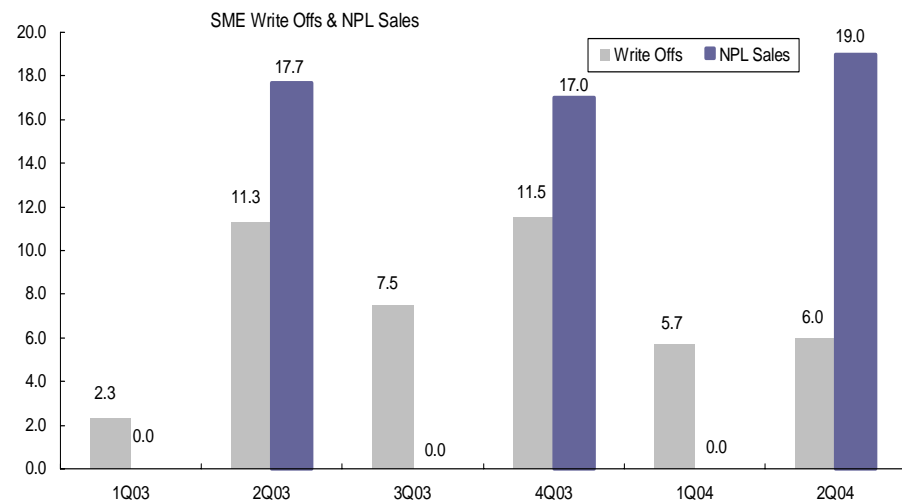
Ending Balance	2004		2003				2Q 04 vs 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q	
Total Assets	17,886.4	17,109.1	17,506.7	17,341.7	17,004.4	17,015.9	4.54 %
Total Deposits	14,446.2	13,803.8	14,073.9	13,777.2	13,471.6	13,532.6	4.65 %
Total Loans	10,258.9	9,496.4	9,296.0	9,048.2	8,702.7	8,299.8	8.03 %
Paid-in Capital	733.4	733.4	733.4	733.4	733.4	733.4	-
Shareholders' Equity	955.1	920.9	936.9	905.4	863.4	820.7	3.71 %
Net Income	36.2	25.9	33.7	36.6	38.0	13.0	39.77 %
ROA	0.78 %	0.66 %	0.79 %	0.77 %	0.69 %	0.36 %	-
ROE	13.31 %	11.33 %	13.91 %	13.57 %	12.22 %	6.41 %	-
Cost Income Ratio	46.18 %	49.4 %	45.46 %	43.25 %	41.94 %	51.58 %	- 3.26 %p
BPS	6,500 krw	6,278 krw	6,387 krw	6,173 krw	5,886 krw	5,595 krw	-
EPS	803 krw	707 krw	827 krw	798 krw	701 krw	359 krw	-
Loan to Deposit Ratio	74.18 %	72.05 %	70.13 %	70.29 %	68.90 %	65.48 %	2.13 %p

Corporate

• <i>Corporate Won Loan Portfolio</i>	15
• <i>Corporate Delinquency Ratio</i>	16
• <i>SME Delinquency Ratio</i>	17
• <i>SME Asset Quality</i>	18
• <i>SME Loans in Detail</i>	19



Loan Portfolio	2Q 2004		1Q 2004		4Q 2003		QoQ	YTD
Manufacturing Sectors	2,933.0	45.45%	2,756.6	45.88%	2,680.7	45.08%	6.76%	9.78%
Steel & Metal Products	801.8	12.43%	709.8	11.81%	696.7	11.72%	12.96%	15.09%
Automobile Parts	384.2	5.95%	375.7	6.25%	370.7	6.23%	2.26%	3.64%
Machinery	404.1	6.26%	380.3	6.33%	358.8	6.03%	6.26%	12.63%
Petroleum, Rubber, etc.	402.0	6.23%	386.7	6.44%	366.8	6.17%	3.96%	9.60%
Fabric	234.4	3.63%	226.5	3.77%	239.0	4.02%	3.49%	-1.92%
Garment & Shoes	139.9	2.17%	138.7	2.31%	136.1	2.29%	0.87%	2.79%
Kitchen Units	130.1	2.02%	128.8	2.14%	128.1	2.15%	1.01%	1.56%
Electronics	106.8	1.66%	98.9	1.65%	94.7	1.59%	7.99%	12.78%
Paper, Paper Mills	71.5	1.11%	65.0	1.08%	59.9	1.01%	10.00%	19.37%
Others	258.2	4.00%	246.2	4.10%	229.9	3.87%	4.87%	12.31%
Non-Manufacturing Sectors	3,519.6	54.55%	3,252.3	54.12%	3,265.9	54.92%	8.22%	7.77%
Wholesale & Retail	857.2	13.28%	807.2	13.43%	769.1	12.93%	6.19%	11.45%
Construction & Engineering	80.5	1.25%	101.2	1.68%	128.8	2.17%	-20.45%	-37.50%
Real Estate, Lease	547.5	8.48%	520.4	8.66%	527.2	8.87%	5.21%	3.85%
Insurance & Financing	599.3	9.29%	563.6	9.38%	553.2	9.30%	6.33%	8.33%
Transportation	312.0	4.84%	316.5	5.27%	324.5	5.46%	-1.42%	-3.85%
Public Administration	267.6	4.15%	249.2	4.15%	250.5	4.21%	7.38%	6.83%
Hotel, Foods & Others	855.5	13.26%	694.2	11.55%	712.6	11.98%	23.24%	20.05%
Total Corporate Won Loans	6,452.6	100.00%	6,008.9	100.00%	5,946.6	100.00%	7.55%	8.68%

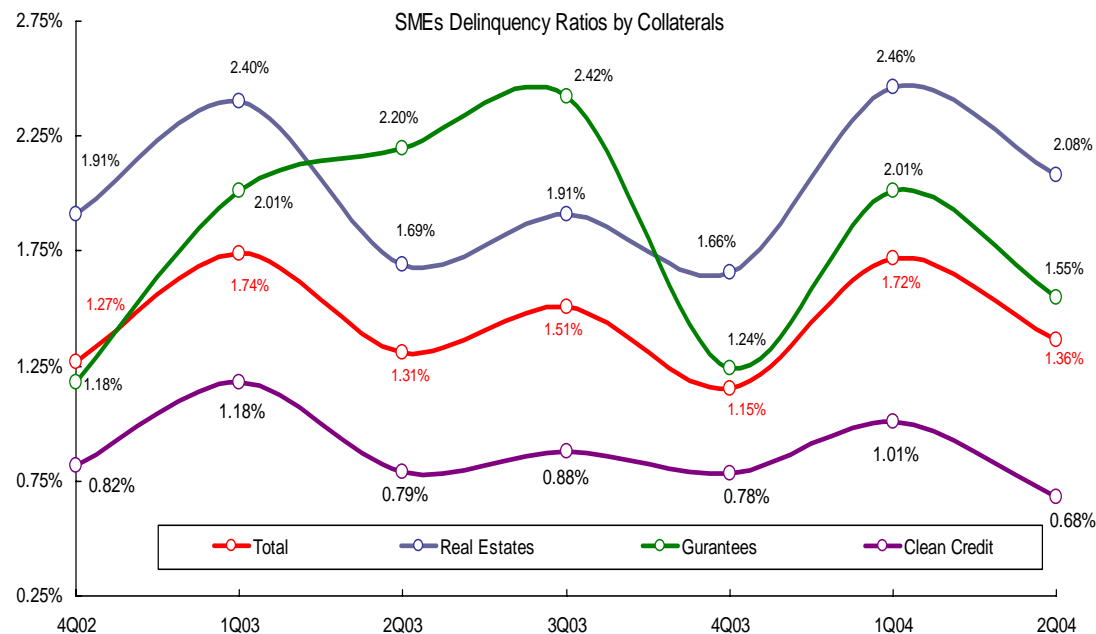


	2004		2003			
	2Q	1Q	4Q	3Q	2Q	1Q
Total Loans to Corporate	7,055.2	6,574.2	6,458.9	6,510.1	6,201.6	5,997.0
Delinquent Amount	87.4	102.1	70.3	91.6	79.4	97.0
Delinquency Ratio	1.24%	1.55 %	1.09 %	1.41 %	1.28 %	1.62 %
Loans to SME	6,430.4	5,939.4	5,964.1	5,816.1	5,614.7	5,435.3
Delinquent Amount	87.4	102.1	68.7	87.6	73.6	94.4
Delinquency Ratio	1.36%	1.72 %	1.15 %	1.51 %	1.31 %	1.74 %
Loans to Large Corporate	624.8	634.8	494.8	596.5	586.9	561.7
Delinquent Amount	0.0	0.0	1.6	4.0	5.8	2.6
Delinquency Ratio	0.0%	0.0 %	0.32 %	0.67 %	0.99 %	0.46 %

SME Delinquency Ratio by Sector	2004				2003							
	2Q		1Q		4Q		3Q		2Q		1Q	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Manufacturing Sector	3,178.2	1.02 %	2,925.2	1.16 %	2,883.2	0.68 %	2,899.5	1.27 %	2,807.0	0.86 %	2,721.3	1.45 %
Non Manufacturing Sector	3,252.2	1.57 %	3,014.2	2.27 %	3,080.9	1.60 %	2,916.6	1.74 %	2,807.7	1.55 %	2,714.0	1.68 %
Wholesale & Retail	929.8	2.32 %	848.5	2.89 %	834.1	2.54 %	840.6	2.61 %	838.0	2.60 %	832.1	1.96 %
Public	80.5	0.00 %	101.2	0.00 %	128.8	0.00 %	134.4	0.00 %	167.8	0.00 %	148.7	0.00 %
Construction	544.9	0.72 %	519.8	1.02 %	527.7	0.41 %	465.5	0.56 %	442.8	0.45 %	438.4	0.89 %
Real Estate & Lease	624.0	2.23 %	578.2	2.28 %	564.4	1.92 %	514.3	1.85 %	426.9	2.20 %	378.5	2.77 %
Insurance & Financing	21.8	0.00 %	25.2	0.00 %	37.3	0.00 %	37.9	0.00 %	45.8	0.00 %	64.4	0.00 %
Transport. & Comms.	264.8	0.34 %	236.7	0.59 %	238.5	0.62 %	221.3	1.04 %	230.7	0.56 %	219.9	0.95 %
Hotel & Foods	214.1	2.43 %	201.1	3.58 %	206.6	0.86 %	210.2	1.76 %	203.7	1.37 %	206.8	0.87 %
Others	572.3	1.64 %	503.5	3.32 %	543.5	2.15 %	492.4	2.17 %	442.0	1.36 %	426.1	2.56 %
Total	6,430.4	1.36%	5,939.4	1.72 %	5,964.1	1.15 %	5,816.1	1.51 %	5,614.7	1.31 %	5,435.3	1.74 %

	2004		2003				2002
	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Total Loan Amount	6,678.2	6,166.3	6,138.8	6,360.0	5,805.9	4,651.7	4,494.4
Normal	6,488.3	5,975.0	5,972.3	6,107.0	5,578.8	4,442.0	4,330.2
	(97.2%)	(96.9%)	(97.3%)	(96.0%)	(96.1%)	(95.5%)	(96.4%)
Precautionary	99.5	75.4	65.5	120.5	106.8	76.6	56.9
	(1.5%)	(1.2%)	(1.1%)	(1.9%)	(1.8%)	(1.3%)	(1.3%)
Substandard	72.6	97.5	88.5	111.6	103.5	116.4	99.4
	(1.1%)	(1.6%)	(1.4%)	(1.8%)	(1.8%)	(2.5%)	(2.2%)
Doubtful	11.5	9.9	8.0	15.8	10.1	4.9	3.4
	(0.2%)	(0.2%)	(0.1%)	(0.3%)	(0.2%)	(0.1%)	(0.1%)
Loss	6.3	8.5	4.5	5.1	6.7	9.7	4.5
	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.2%)	(0.1%)
Precautionary & Below Loans	189.9	191.3	166.5	235.0	227.1	207.6	164.2
P&B Loan Ratio	2.84	3.10	2.71	3.98	3.91	4.46	3.65
P&B Loan Coverage Ratio	42.07	42.34	44.02	32.89	36.15	35.55	-
Substandard & Below Loans	90.4	115.9	101.0	132.5	120.3	131.0	107.3
S&B Loan Ratio	1.35	1.88	1.65	2.08	2.07	2.81	2.39
S&B Loan Coverage Ratio	88.38	69.89	72.57	62.79	68.25	56.33	-
Write-offs	6.0	5.7	11.5	7.5	11.3	2.3	-
NPLs Sold	19.0	0	17.0	0	17.7	0	-
Provision for Loan Losses	79.9	81.0	73.3	83.2	82.1	73.8	-

SME Loans Defaulted	2Q 04	1Q 04	Full Year 2003
Agriculture, Fishery	0.0	0.0	7.2
Manufacturing	8.7	7.2	61.1
Chemicals	0.1	1.0	7.6
Metal Products	2.4	2.2	26.3
Others	6.2	4.0	27.3
Construction	4.3	3.8	0.9
Wholesale & Retail	3.2	1.1	21.4
Others	0.2	0.7	5.4
Total Amount Defaulted	16.4	12.8	96.1
Recoverable Amount	13.3	11.3	81.3
NPLs	3.1	1.5	14.8
Recovery Rate	81.0 %	88.3 %	84.6 %



During 2Q 2004, 60.41% of SME loans were secured Loans

Over 80% of the defaulted SME loans were recoverable

Household & Credit Card

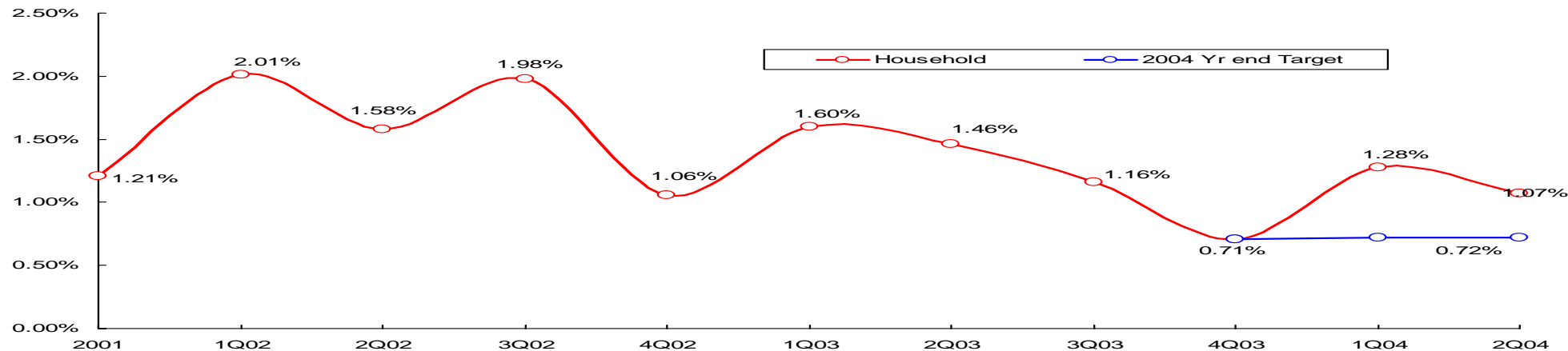
• <i>Household & Credit Card – Loan Portfolio</i>	21
• <i>Household Delinquency Ratio</i>	22
• <i>Household Asset Quality</i>	23
• <i>Credit Card Delinquency Ratio</i>	24
• <i>Credit Card Asset Quality</i>	25



	2Q 04	1Q 04	4Q 03	QoQ
Total Asset (a)	17,885.4	17,109.1	17,506.7	4.5 %
KRW Loans (b)	9,343.4	8,708.0	8,566.3	7.3 %
Household Loans – Retail (c)	2,980.8	2,699.1	2,619.7	10.4 %
Mortgage / Home Equity	982.3	939.2	948.9	4.6 %
Other Collateral Loans	676.0	630.3	623.1	7.3 %
Clean Credit *	1,322.5	1,129.6	1,047.7	17.1 %
Loan to Value	54.70%	53.06 %	51.01 %	1.64 %p
Secured Loan Ratio	55.63	58.15 %	60.01 %	- 2.52%p
Credit Card Receivables (d)	340.7	376.3	447.4	-9.5 %
Credit Purchases	211.7	219.3	233.4	-3.5 %
Cash Advances	75.4	92.5	149.6	-18.5 %
Cash Advances / Receivables	22.1 %	24.6 %	33.4%	-2.5 %
Reaged Loans	53.6	64.5	64.4	-16.9 %
Subtotal (e) = (c) + (d)	3,321.5	3,075.4	3,067.1	8.0 %

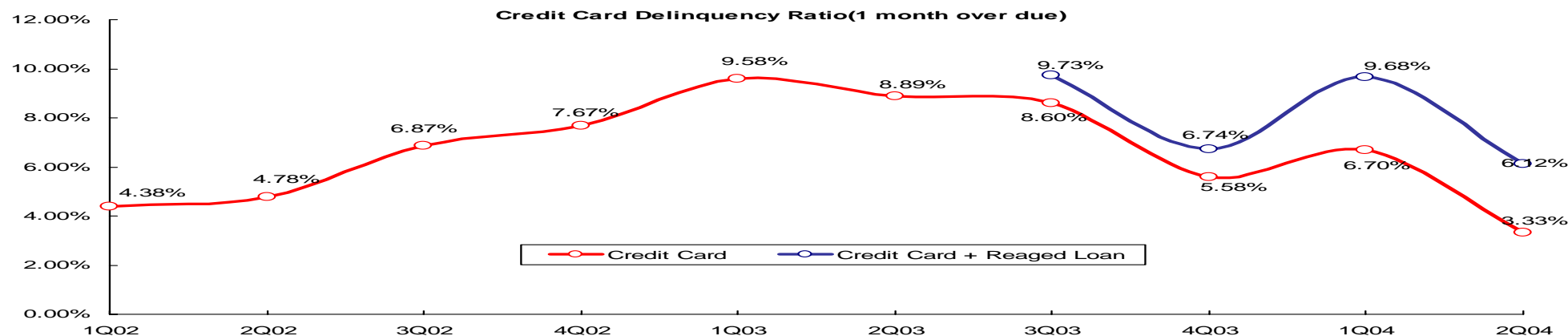
▪ **Clean Credit Loans in detail**

- Group Loans for Apartment Purchase : 833.8 billion krw, Government Workers' Loans(backed by their pension) : 51.0 billion krw
- Government Workers Loan : 40.8 billion krw, Student Loan : 39.0 billion krw



Delinquency Ratio by Collateral type	Total	Real Estates	Movables	Deposits	Guarantees	Clean Credit
2Q 2004 (Loan Amount)	1.07% 2,980.8	1.10% (1,362.1)	- (25.7)	0.1% (176.2)	2.3% (30.7)	1.2% (1,386.1)
1Q 2004 (Loan amount)	1.28 % (2,699.1)	1.3 % (1,284.3)	0.3% (21.8)	1.7% (171.5)	2.4% (28.7)	1.17 % (1,192.8)
4Q 2003	0.71 % (2,619.7)	0.6 %	0.1 %	- %	0.9 %	0.9 %
3Q 2003	1.16 % (2,515.1)	0.9 %	0.1 %	0.1 %	4.0 %	1.5 %
2Q 2003	1.46 % (2,375.2)	0.8 %	- %	0.1 %	3.5 %	1.7 %
1Q 2003	1.60 % (2,203.7)	1.0 %	0.4 %	0.1 %	4.1 %	2.1 %

	2004		2003			
	2Q	1Q	4Q	3Q	2Q	1Q
Total Loan Amount	2,980.8	2,699.1	2,619.7	2,459.2	2,375.1	2,123.2
Normal	2,898.6	2,609.7	2,551.9	2,384.3	2,261.4	2,061.4
	(97.24%)	(96.7 %)	(97.4 %)	(97.0 %)	(95.2 %)	(97.1 %)
Precautionary	47.9	55.7	45.1	45.9	81.1	40.4
	(1.61%)	(2.1 %)	(1.7 %)	(1.9 %)	(3.4 %)	(1.9 %)
Substandard	19.7	21.1	12.0	15.7	13.4	10.0
	(0.66%)	(0.8 %)	(0.5 %)	(0.6 %)	(0.6 %)	(0.5 %)
Doubtful	8.0	7.6	5.9	7.8	11.6	7.4
	(0.27%)	(0.3 %)	(0.2 %)	(0.3 %)	(0.3 %)	(0.3 %)
Loss	6.6	5.0	4.8	5.5	7.6	4.0
	(0.22%)	(0.2 %)	(0.2 %)	(0.2 %)	(0.2 %)	(0.2 %)
Precautionary & Below Loans	82.2	89.4	67.8	74.9	113.7	61.8
P&B Loan Ratio	(2.76%)	(3.3 %)	(2.6 %)	(3.1 %)	(4.8 %)	(2.9 %)
P&B Loan Coverage Ratio	49.27 %	41.8 %	49.1%	46.1	35.3	59.9
Substandard & Below Loans	34.3	33.7	22.8	29.0	32.6	21.4
S&B Loan Ratio	(1.15%)	(1.2 %)	(0.87 %)	(1.18 %)	(1.37 %)	(1.01 %)
S&B Loan Coverage Ratio	118.08%	111.3 %	146.7 %	119.0	123.0	172.9
Write-offs	7.2	5.7	9.3	9.9	9.6	5.9
NPLs Sold	4.8	0	3.9	0	7.2	0
Provision for Loan Losses	40.5	37.5	33.3	34.5	40.1	37.0



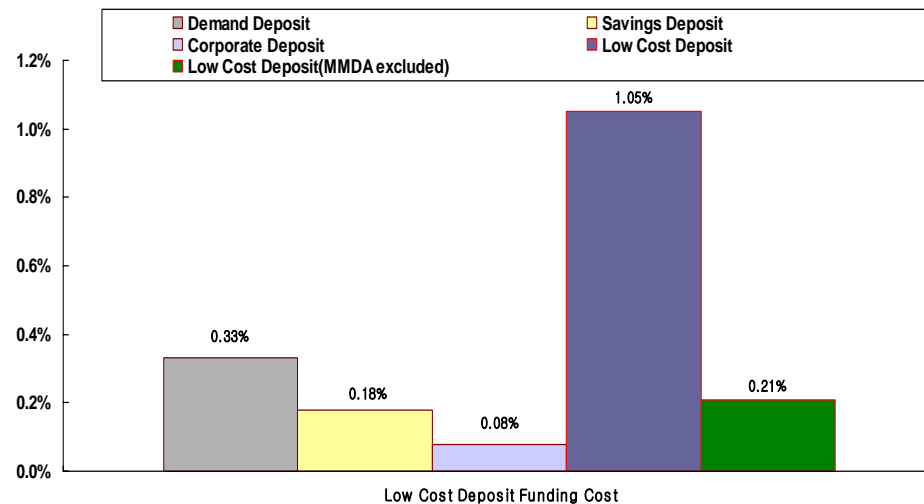
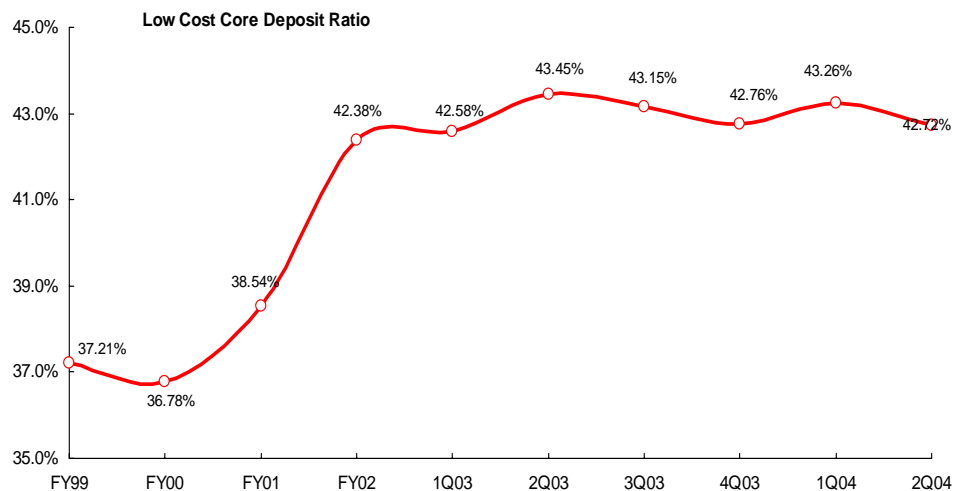
<i>Credit Card Overdue</i>	2Q 04	1Q 04	4Q 03	3Q 03	2Q 03	1Q 03	2002
Credit Card Receivables w/ Reaged Loans	340.7	376.4	447.4	472.5	509.4	535.5	556.4
Amount Overdue	24.7	42.2	39.6	60.4	64.2	67.7	55.6
1 day overdue	7.26%	11.22%	8.86%	12.78%	12.60%	12.64%	9.99%
1 month overdue	6.12%	9.68%	6.74%	9.73%	9.38%	10.14%	7.58%
3 months overdue	3.13%	5.09%	3.74%	5.05%	5.24%	5.37%	4.40%
Re-aged Loans	53.6	64.5	64.4	56.4	44.6	26.4	15.0
Overdue	11.8	17.1	9.2	11.8	7.3	5.7	0.8
Less than 1 month overdue	0.5	1.5	0.4	1.6	0.8	0.2	0.1
1 day overdue	21.94%	26.51%	14.30%	20.93%	16.41%	21.54%	5.32%
1 month overdue	21.10%	24.11%	13.66%	18.01%	14.54%	20.78%	4.61%
3 months overdue	8.24%	9.35%	4.36%	4.02%	4.91%	4.38%	1.96%

	Credit Card Only			Reaged Loans			Credit Card + Reaged Loans		
	2Q 2004	1Q 2004	4Q 2003	2Q 2004	1Q 2004	4Q 2003	2Q 2004	1Q 2004	4Q 2003
Total Loan Amount	287.1	311.8	383.0	53.6	64.5	64.4	340.7	376.3	447.4
Normal	276.0	288.6	358.9	0.0	0.0	0.0	276.0	288.6	358.9
	(96.1 %)	(92.6 %)	(93.7 %)	(-)	(-)	(-)	(81.0%)	(76.7 %)	(80.2 %)
Precautionary	4.1	8.8	9.0	36.7	43.1	48.4	40.8	51.9	57.4
	(1.4 %)	(2.8 %)	(2.4 %)	(68.7 %)	(66.8 %)	(75.2 %)	(12.0 %)	(13.8 %)	(12.8 %)
Substandard	0.2	0.4	0.2	0.4	0.8	0.4	0.6	1.2	0.6
	(0.1 %)	(0.1 %)	(0.1 %)	(0.8 %)	(1.2 %)	(0.6 %)	(0.2 %)	(0.3 %)	(0.1 %)
Doubtful	5.5	11.9	12.0	12.5	15.7	13.4	18.0	27.6	25.4
	(1.9 %)	(3.8 %)	(3.1 %)	(23.3 %)	(24.3 %)	(20.8 %)	(5.3 %)	(7.3 %)	(5.7 %)
Loss	1.3	2.1	2.9	4.0	4.9	2.2	5.3	7.0	5.1
	(0.5 %)	(0.7 %)	(0.8 %)	(7.5 %)	(7.6 %)	(3.4 %)	(1.6 %)	(1.9 %)	(1.1 %)
Precautionary & Below Loans	11.1	23.2	24.1	53.6	64.5	64.4	64.7	87.7	88.5
P&B Loan Ratio	(3.87%)	(7.4 %)	(6.3 %)	(100.0%)	(100.0 %)	(100.0 %)	(19.0%)	(23.3 %)	(19.8 %)
P&B Loan Coverage Ratio	71.17%	56.9 %	61.4%	29.9%	30.4 %	25.0 %	36.94%	37.5 %	34.9 %
Substandard & Below Loans	7.0	14.4	15.1	16.9	21.4	16.0	23.9	35.8	31.1
S&B Loan Ratio	(2.44%)	(4.6 %)	(3.9 %)	(34.5%)	(33.2 %)	(24.8 %)	(7.0%)	(9.5 %)	(7.0 %)
S&B Loan Coverage Ratio	112.86%	91.7 %	98.0 %	94.7%	91.6 %	100.6 %	100.00%	91.9 %	99.36 %
Provision for Loan Losses	7.9	13.3	14.8	16.0	19.6	16.1	23.9	32.9	30.9

Appendix

• <i>Low Cost Core Deposits</i>	27
• <i>Securities Management</i>	28
• <i>Shareholding Structure</i>	29
• <i>Pusan Bank – An Overview</i>	30
• <i>Interest Income</i>	31
• <i>Fee & Commission Income</i>	32
• <i>G&A Expenses</i>	33
• <i>Other Operating Income</i>	34
• <i>Non Operating Income</i>	35



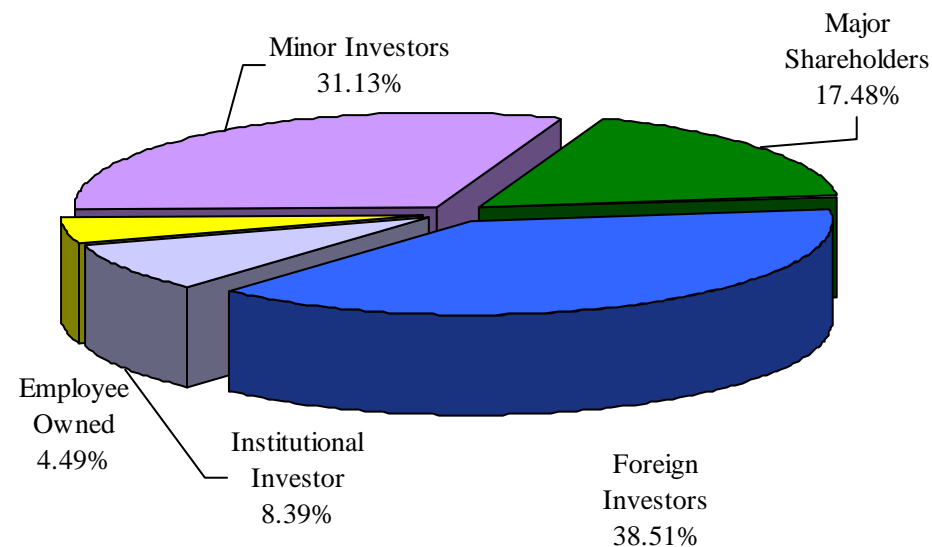


	2004		2003				FY02
	2Q	1Q	4Q	3Q	2Q	1Q	
Low-Cost Core Deposits	5,482.6	5,516.9	5,206.4	5,185.7	5,162.1	4,889.1	4,622.9
Demand Deposit	1,022.3	1,032.0	998.4	998.1	1,004.7	979.6	937.1
Savings Deposit	3,034.2	3,051.2	3,001.0	2,992.2	2,978.5	2,975.5	2,837.9
Corporate Savings	1,426.1	1,433.7	1,206.9	1,195.4	1,178.9	934.0	847.9
Total Deposits in Bank Account	12,833.7	12,753.0	12,174.4	12,018.2	11,880.3	11,482.7	10,907.8
Low-Cost Core Deposit Ratio	42.72%	43.26%	42.76 %	43.15 %	43.45 %	42.58 %	42.38 %

	2Q 2004					2003	YTD
	Total	Marketable Securities	Investment Securities				
			Sub Total	Available For Sale	Held to Maturity		
Bonds in won	4,188.7	9.4	4,179.3	1,374.6	2,804.7	4,319.1	- 3.0%
Government Bonds	728.2	0	728.2	283.8	443.9	575.2	26.6%
Debentures	1,776.8	9.4	1,767.4	613.9	1,153.5	1,899.8	- 6.5%
Local Gov't Bonds	279.5	0	279.5	64.0	215.5	359.6	- 22.3%
Gov't Owned Corporate Bonds	1,030.6	0	1,030.6	230.5	800.1	1,053.0	- 2.1%
Corporate Bonds	373.6	0	373.6	181.9	191.7	431.5	- 13.4%
Bonds in Foreign Currency	36.6	0	36.6	11.3	25.3	43.0	- 14.9%
Stocks	63.0	0.8	62.2	62.2	0	80.7	- 21.9%
Beneficiary Certificates	160.8	0	160.8	160.8	0	166.9	- 3.7%
Bond Type	150.6	0	150.6	150.6	0	166.9	- 9.8%
Equity Type	10.2	0	10.2	10.2	0	0	-
Others	39.4	0	39.4	39.4	0	24.5	60.8%
Total	4,488.5	10.2	4,478.3	1,648.3	2,830.0	4,634.2	- 3.1%
Duration (years)				1.655	1.319		

Major Shareholders* (as of Dec. 31, 2003)

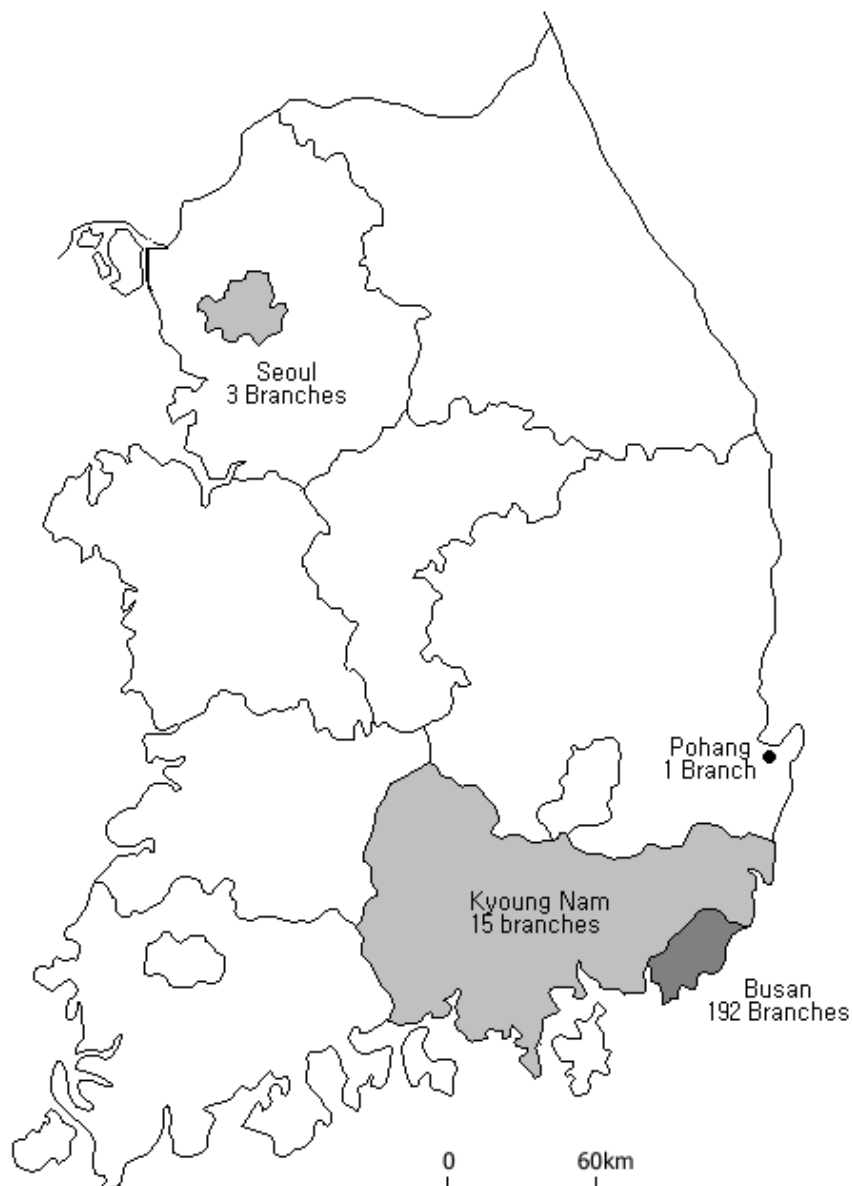
• Lotte Group	14.11 %
• Capital Research & Management Company	10.40 %
• Parkland Co., Ltd.	4.11 %
• Korea Iron & Steel Co., Ltd.	2.14 %
• Others	12.78 %
T o t a l	43.54 %



Foreign Investors

unit : thousand shares, %, %p	Dec 31, 2003	June 31, 2004	Change
Total Number of Stocks Issued and Outstanding	146,683	146,683	-
Number of Shares held by Foreign Investors	56,488	77,977	21,489
Foreign Shareholders	38.51%	53.16%	14.65 %p

Note : Whom hold more than 1%

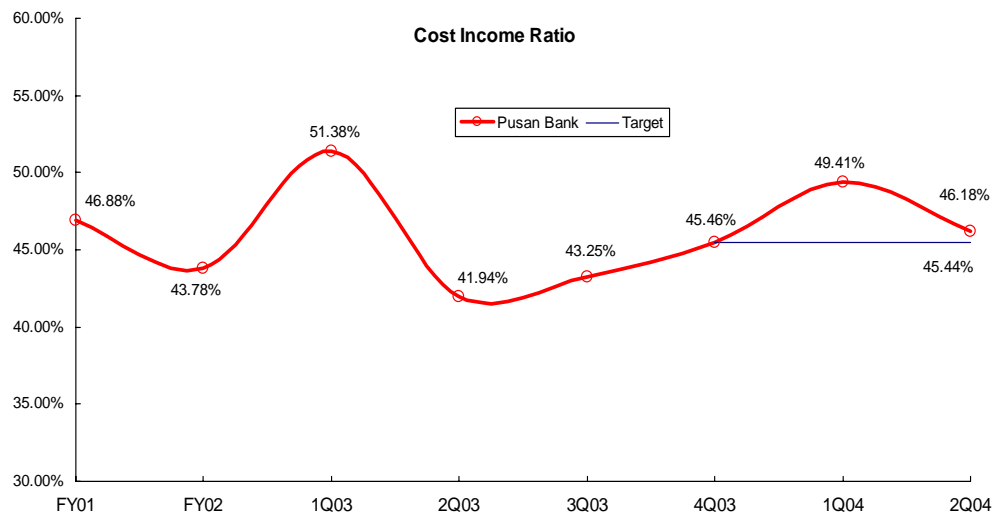


► *Leading Regional Bank*

- **Established : October 25, 1967 (36th Anniversary)**
- **Headcount : 1,964**
- **Shares outstanding : 146,683,650 shares**
- **Market Cap : 1,076.7 billion krw (as of March 31, 2004)**
- **3.23 million customers (87.1% of Busan residents(3.71 mil))**
- **211 Branches**
 - 192 in Busan, 3 in Seoul & 16 in the Southeast Industrial Belt
- **614 ATMs, 711 Cash Dispenser in 2003**
- **10.1 million online transactions in 1Q 2004**
9.0 million ATM transactions in 1Q 2004
- **Busan City Government Budgetary Bank**
 - 1,341.2 billion krw in deposits (2001) 1,753.8 billion in 2003

	2004		2003				2Q 04 vs. 1Q 20
	2Q	1Q	4Q	3Q	2Q	1Q	
Interest Revenues	227.9	227.9	234.6	231.9	225.8	222.3	0.0 %
Interest on Loans	167.1	165.5	169.4	157.8	151.2	148.3	1.0 %
Interest on Securities	58.6	59.4	61.0	67.5	65.7	66.7	- 1.4 %
Others	2.2	3.0	4.5	6.6	8.9	7.3	-26.7 %
Interest Expenses	103.7	103.3	106.5	107.1	112.0	111.0	0.4 %
Interest on Deposits	84.8	84.2	85.8	86.7	91.4	93.0	0.7 %
Interest on Borrowings	13.3	13.0	14.5	13.9	13.5	11.5	2.3 %
Interest on Financial Debentures	4.1	4.2	4.1	4.1	4.0	4.0	- 2.4 %
Others	1.5	1.9	2.1	2.4	3.1	2.5	- 21.1 %
Net Interest Income	124.2	124.6	128.1	124.8	113.8	111.3	- 0.3 %

	2004		2003				2Q 04 vs. 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q	
Fee & Commission Revenues	30.9	30.9	32.7	28.7	30.0	29.1	0.0 %
Commissions in krw	12.9	13.2	13.9	11.5	11.8	10.7	-2.3%
Commissions in Foreign Currency	3.2	3.0	2.4	2.3	2.4	2.3	6.67%
Commissions on Credit Cards	14.1	14.1	15.8	14.3	15.3	15.4	-10.8%
Guarantee Fees	0.7	0.6	0.6	0.6	0.5	0.7	16.67%
Fee & Commission Expenses	5.1	4.8	4.9	5.3	4.2	4.6	6.3%
Commissions Paid	2.1	1.8	1.9	2.1	1.5	1.4	16.7%
Commissions Paid on Credit Cards	3.0	3.0	3.0	3.2	2.7	3.2	0.0%
Net Fee & Commission Income	25.8	26.1	27.8	23.4	25.8	24.5	-1.2%



	2004 Target	2003	2002
G & A Expenses	303.0	266.1	241.4
Reserve for Retirement Allowance	21.0	30.0	26.4
Depreciation	36.0	30.4	26.7
Taxes & Dues	8.0	7.4	7.5
Salaries	103.5	93.2	81.1
Fringe Benefits, Premises, & Others	134.5	105.2	99.7

Cost Income Ratio	2004		2003				2002
	2Q	1Q	4Q	3Q	2Q	1Q	
Net Operating Income	44.8	32.0	50.2	38.1	28.9	19.0	200.6
G & A expense	68.3	74.8	70.5	65.7	59.8	70.1	241.4
Salaries, Benefits & Others	55.9	53.6	57.2	48.8	45.8	46.6	180.8
Depreciation	6.9	6.0	7.3	7.3	6.3	5.7	23.0
Retirement Allowance	2.9	12.7	2.4	6.9	5.2	15.5	26.4
Taxes & Dues	1.7	1.6	2.6	1.8	1.5	1.4	7.5
Amortization on Intangible Assets	0.9	0.9	1.0	0.9	1.0	0.9	3.7
Provision for Loan Losses	34.8	44.5	35.5	39.1	53.6	47.4	110.7

	2004		2003				2Q 04 vs. 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q	
Other Operating Revenues	20.2	21.8	16.0	9.1	10.0	8.9	- 7.34 %
Gains on Securities	0.4	1.4	0.3	0.9	0.9	1.0	- 71.43 %
Revenues on Foreign Exchange	5.7	4.7	7.6	4.5	4.4	4.2	21.28 %
Revenues on Derivatives	14.0	15.7	7.5	3.3	4.7	3.7	- 10.83 %
Others(provision write back)	0.1	0	0.6	0.4	0.04	0.05	-
Other Operating Expenses	60.5	70.0	55.5	51.9	66.9	61.4	- 13.57 %
Losses on Securities	0.9	0	0.3	0.2	-0.7	1.6	-
Losses on Foreign Exchange	1.8	1.5	1.2	0.3	0.9	0.6	20.00 %
Expenses on Derivatives	14.1	14.5	9.8	3.5	4.6	3.8	- 2.76 %
Contribution to Funds	4.1	4.0	3.9	3.8	3.6	3.4	2.50 %
Provisions for Loan losses	34.5	44.7	35.4	40.3	52.3	47.4	- 22.82 %
Others	5.1	5.3	4.9	3.8	6.2	4.6	- 3.77 %
Net Other Operating Income	- 40.3	-48.3	-39.5	-42.7	-57.0	-52.5	- 16.56 %

Non Operating Income	2004		2003				2Q 04 vs. 1Q 04
	2Q	1Q	4Q	3Q	2Q	1Q	
Non Operating Revenues	9.4	11.4	11.5	4.7	18.6	7.6	- 17.5 %
Gains on Investment Securities	3.9	10.0	4.5	4.1	11.0	6.2	- 61.0 %
Others	5.5	1.4	7.0	0.6	7.6	1.4	292.9 %
Non Operating Expenses	2.8	7.0	23.0	6.2	9.5	13.6	- 60.0 %
Losses on Investment Securities	1.9(gain)	2.1	6.2	2.1	3.0	1.7	- 190.5 %
Retirement Allowance	0.1	2.1	0.0	1.6	0.5	0.0	266.7 %
Other Non Operating Expenses	4.6	2.8	16.8	2.5	6.0	11.9	64.29 %
Net Non Operating Income	6.6	4.4	-11.5	-1.5	9.1	-6.0	50.0 %

Thank you for your interest in Pusan Bank

IR CONTACT

e-mail : ykkim@pusanbank.co.kr, kyunkng@hotmail.com, josh@pusanbank.co.kr

Direct : +82-51-640-4112

Fax : +82-51-640-4099

Homepage URL : www.pusanbank.co.kr/english.html