

Summary of Public Announcement regarding The Rights Issuance

November 17, 2015

Beyond No.1 in Korea
BNK

BNK FINANCIAL
GROUP

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

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1. Reasons for Capital Increase

- **To Enhance Capital Adequacy**
 - Group CET1 is estimated to be 8.54% in 2016. After capital increase, additional 109 bps is expected (Assuming 742.0 KRW bn of capital increase)
 - After the capital increase, we expect CET1 to exceed 9.50% by 2019, by meeting our business plans (Effects of changing to IRB from standard method included)
- **Foundation for Stable Growth in the Future**
 - Plans to use the raised capital to enhance capital adequacy and to prepare for stable growth in the future for our core subsidiaries as seed money

	Results		Est.	2016.12 (Est.)		Basel III Capital Requirements including max level countercyclical buffer (From Jan. 19)
	2014.12	2015.09	2015.12	Before Capital Increase	After Capital Increase	
BIS Ratio	11.91	11.59	11.46	11.99	12.69	13.00
Tier I	8.17	8.15	7.92	8.97	9.72	11.00
Core Tier I(CETI)	7.69	7.30	7.07	7.45	8.54	9.50

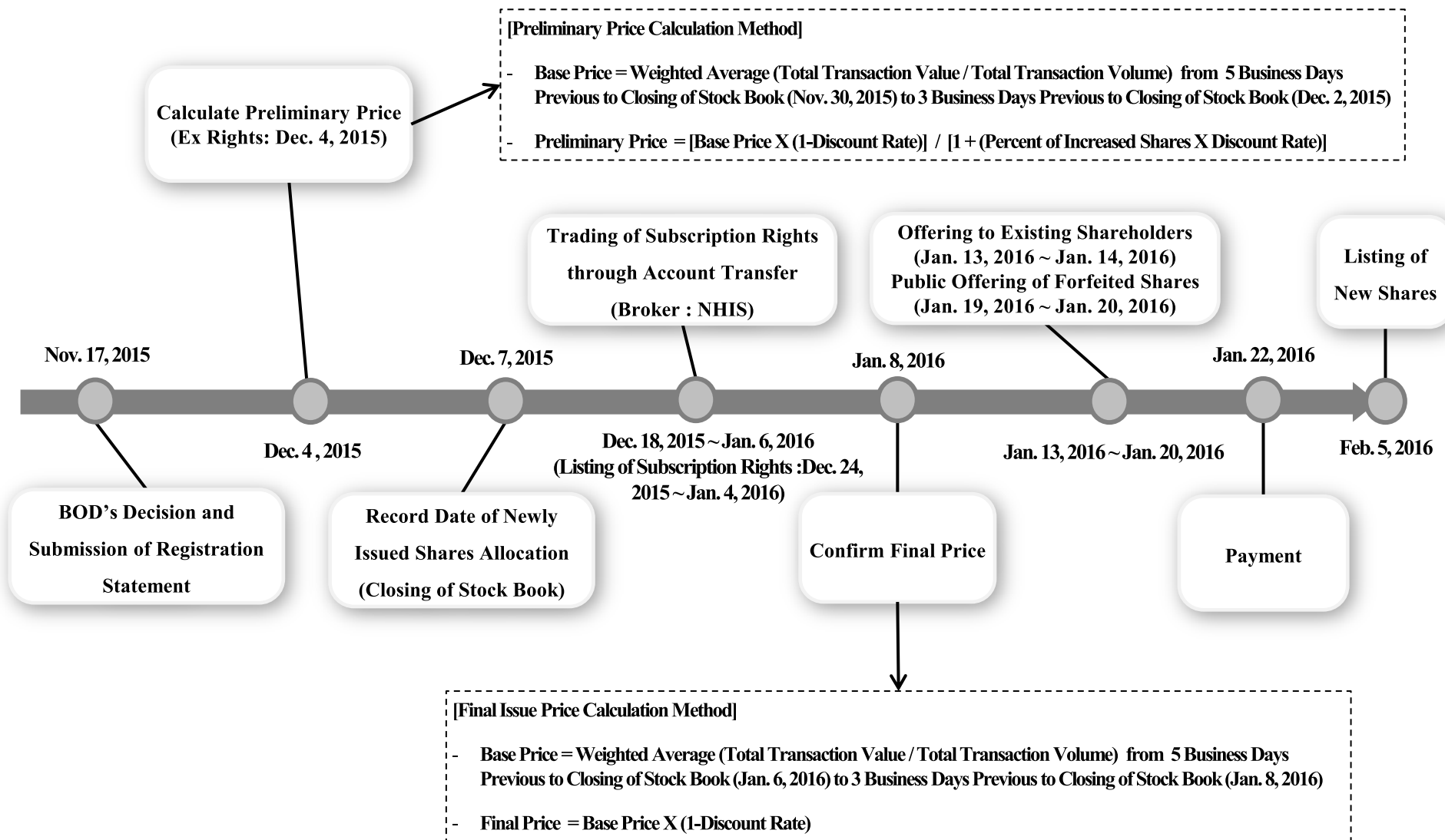
2. Purpose of Raised Capital

- **Total amount of Capital Increase : 742.0 KRW bn (⁽¹⁾529.9 KRW bn)**
- **Prepare for Future Growth by Equity Investment in Core Subsidiaries : 660.0 KRW bn(⁽¹⁾460.0 KRW bn)**
 - Busan Bank : 270.0 KRW bn(⁽¹⁾190.0 KRW bn)
 - Kyongnam Bank : 390.0 KRW bn(⁽¹⁾270.0 KRW bn)
- **Enhancing Earnings Diversification of Non-banking Business & Expansion of Overseas Business : 82.0 KRW bn(⁽¹⁾69.9 KRW bn)**
 - BNK Capital(Overseas Business) : 20.0 KRW bn(⁽¹⁾No Change)
 - BNK Asset Management : 20.0 KRW bn(⁽¹⁾No Change)
 - Operating Expense of Financial Group and etc.: 42.0 KRW bn(⁽¹⁾29.9 KRW bn)

3. Overview of Capital Increase

	Conditions
Issued Stock	BNK Financial Group Inc. Registered Common Shares
Method of Issuance	Ordinary Public Offering of Forfeited Shares after Offering to Shareholders / Standby Underwriting (Book Runner : NH INVESTMENT & SECURITIES CO.,LTD., “NHIS”)
Total Amount of Shares to be Issued	742.0 KRW bn
Number of Shares to be Issued	70,000,000 Registered Common Shares
Price per Share (est.)	10,600 KRW
Discount Rate	17%
% of Increased Shares	27.35%
Allocation Ratio of Newly Issued Shares	0.2188180464 Share per Existing Share
Trading of Subscription Rights	Listing of Subscription Rights (Dec. 24, 2015 ~ Jan. 4, 2016) Trading of Subscription through Account Transfer (Dec. 18, 2015 ~ Jan. 6, 2016, Broker : NHIS)
Allocation to Employee Stock Ownership	20%
Excess Subscription by Shareholders	Excess Subscription Possible within 20% per 1 Rights Allocated

4. Timeline for Issuance

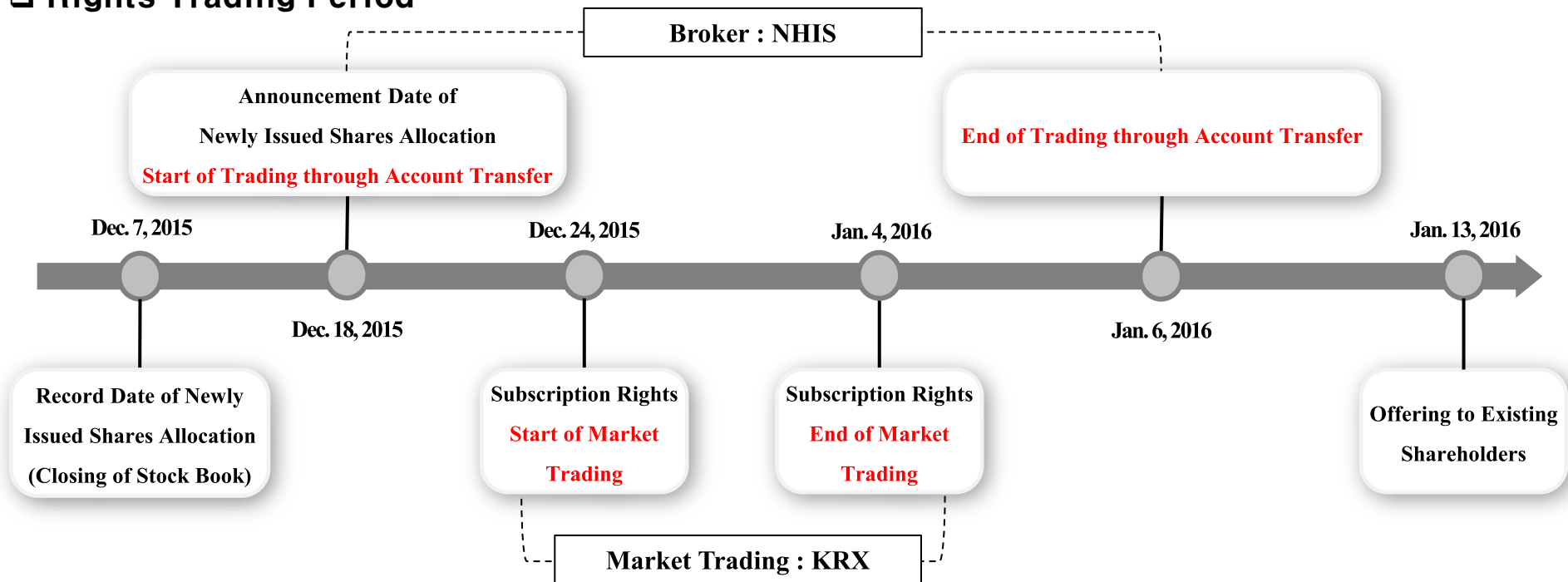


Note) Schedules can be adjusted due to minor changes by related parties

5. Introduction to Trading of Subscription Rights

- **Seller of Rights** : Shareholders who have no Intents to participate in Capital Increase
- **Buyer of Rights** : Can Buy Shares on Shareholder Offering Period (Jan. 13, 2016 ~ Jan. 14, 2016) by acquiring rights from shareholders
- **Buyer Secures Price Difference Profit and Seller Obtains Newly Issued Shares Following the Amount of Rights**
- **Trading Period of Subscription Rights**
 - **Market Trading** : Dec. 24, 2015 ~ Jan. 4, 2016
 - **Trading Through Account Transfer** : Dec. 18, 2015 ~ Jan. 6, 2016 (Broker : NHIS)

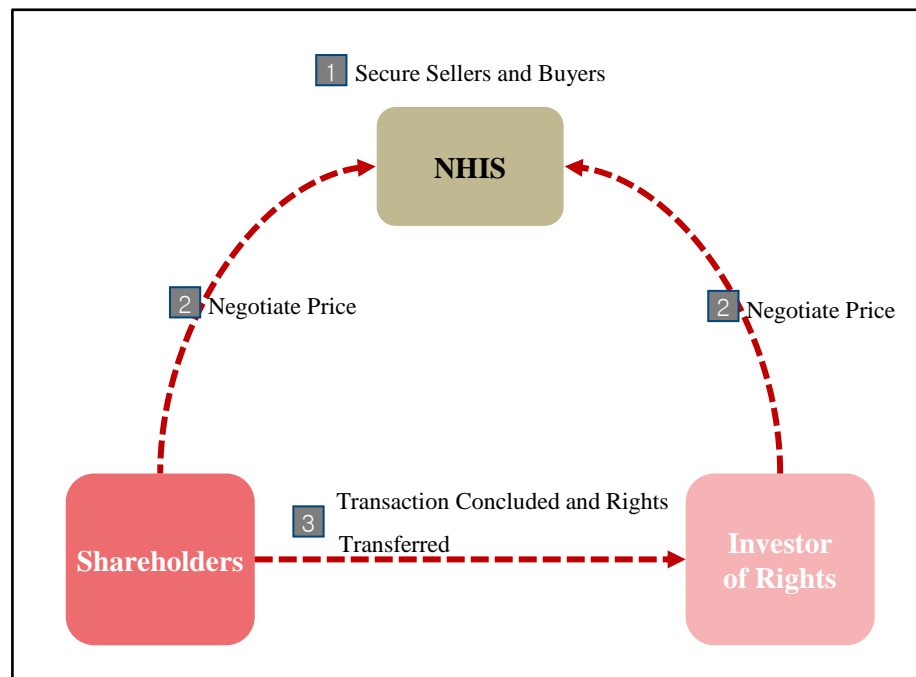
□ Rights Trading Period



6. How to Trade Subscription Rights

- **Trading of Rights through Account Transfer** : If it is not a direct transaction, NHIS can manage transactions between shareholders and buyers of the Subscription Rights
 - Price : Price decided by the Seller (Shareholder) and Buyer (Investor)
- **Market Trading of Rights** : When Rights are Listed on KRX, transaction is held by Mass Buyers and Sellers
 - Price : Market Price

❑ Trading through Account Transfer



❑ Market Trading

