

2017 2Q Financial Results

(July 28, 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.

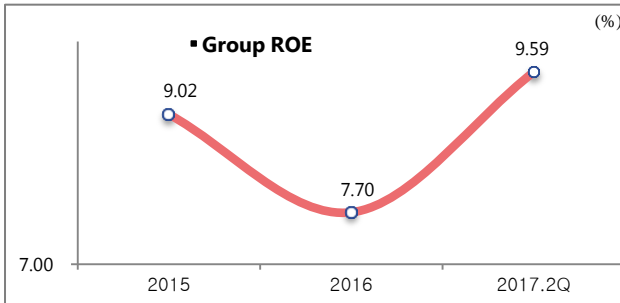
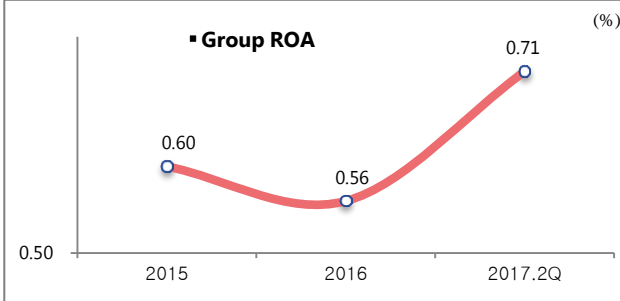
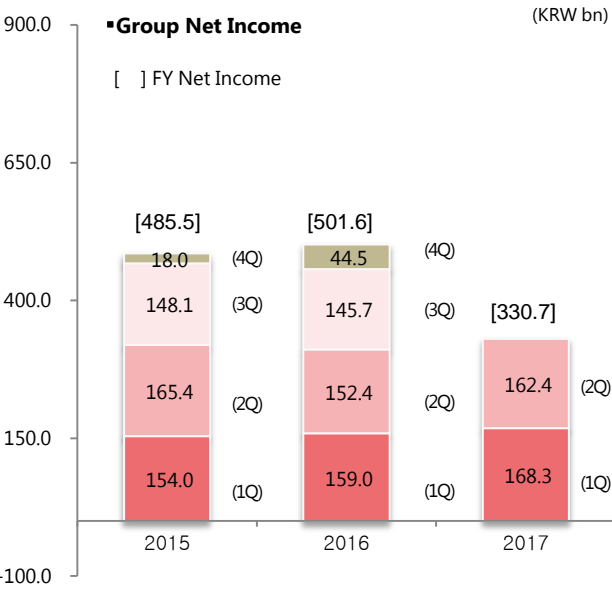
- Kyongnam Bank has been added October 10, 2014, with earnings consolidated starting from 4Q of 2014. As of June 4, 2015, Kyongnam Bank has become a 100% subsidiary of BNK Financial Group
- BNK Asset Management has been added July 28, 2015, and earnings will be consolidated starting from August 2015

I . 2017 2Q Group Highlights

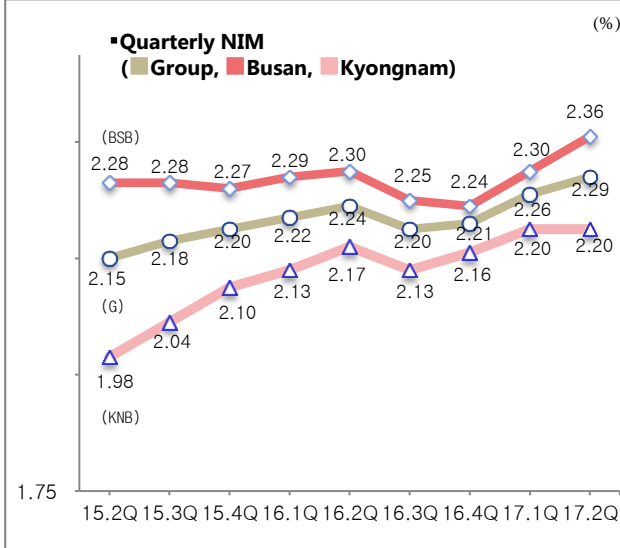
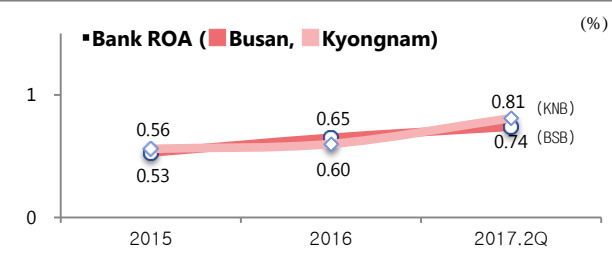
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1. Highlights – Profitability

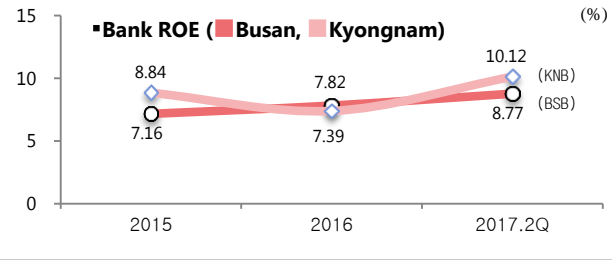
Profitability – Group Net Income, Group & Banks ROA, ROE, NIM



- ❖ **Group 1H NI : 330.7 KRW bn up by 6.2% YoY**
- ❖ **Busan 1H NI : 189.0 KRW bn up by 4.1% YoY**
- ❖ **Kyongnam 1H NI : 146.2 KRW bn up by 6.6% YoY**
- ❖ **Non-Bank 1H NI : 45.0 KRW bn up by 7.9% YoY**

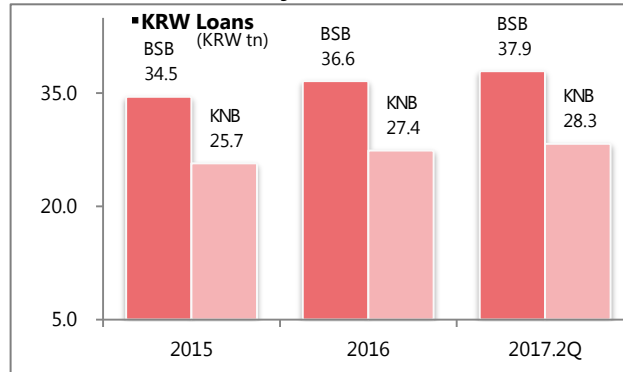
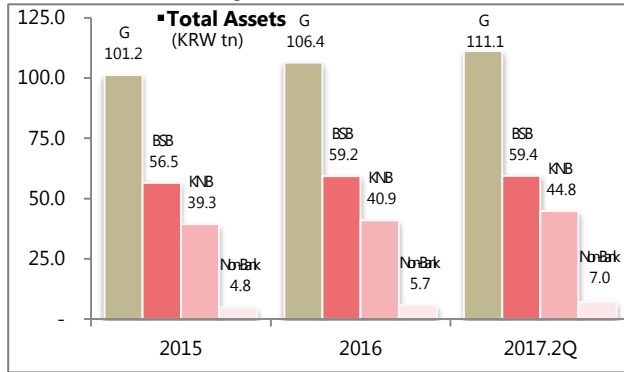


- ❖ **Group ROA, ROE : 0.71%, 9.59%**
- ❖ **Busan ROA, ROE : 0.74%, 8.77%**
- ❖ **Kyongnam ROA, ROE : 0.81%, 10.12%**
- ❖ **Group 2Q NIM : 2.29%**
- ❖ **Busan 2Q NIM : 2.36%**
- ❖ **Kyongnam 2Q NIM : 2.20%**



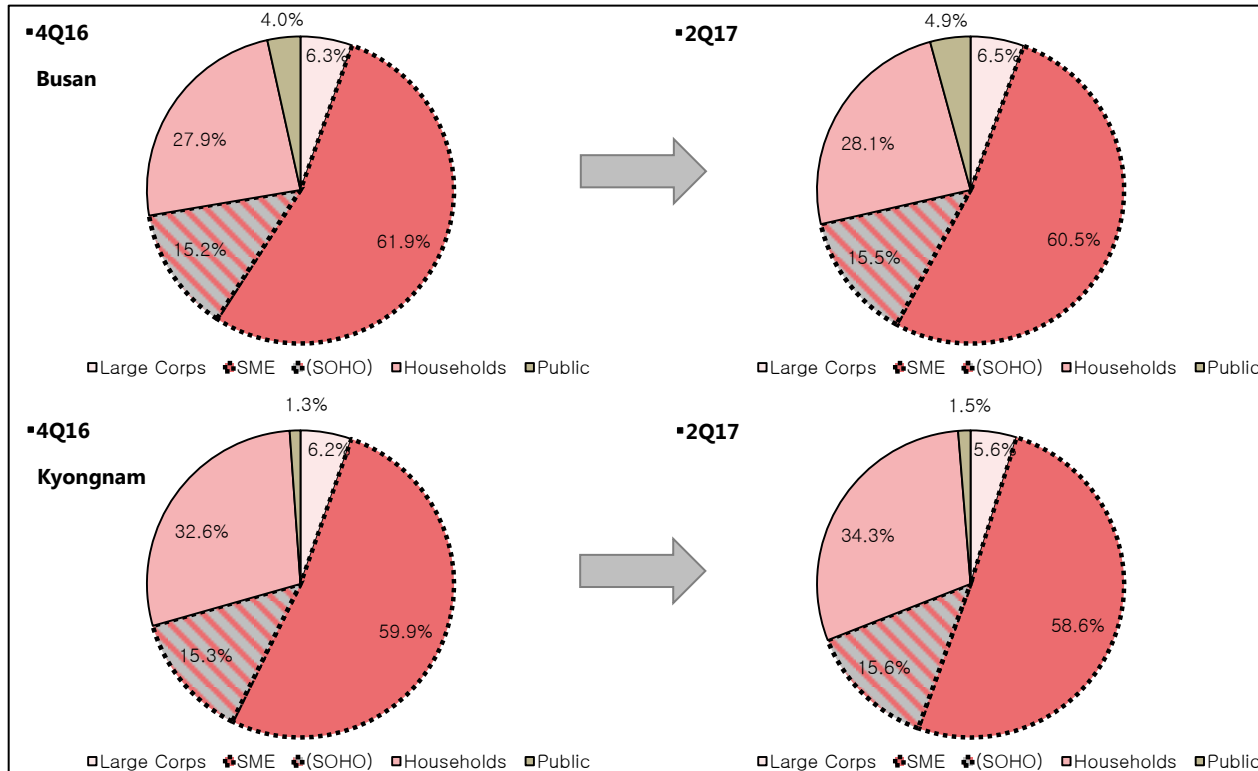
2. Highlights – Growth

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



- ❖ **Group Total Assets : 111.1 KRW tn up by 4.4% YTD**
- ❖ **Busan KRW Loans : 37.9 KRW tn up by 3.5% YTD**
- ❖ **Kyongnam KRW Loans : 28.3 KRW tn up by 3.2% YTD**

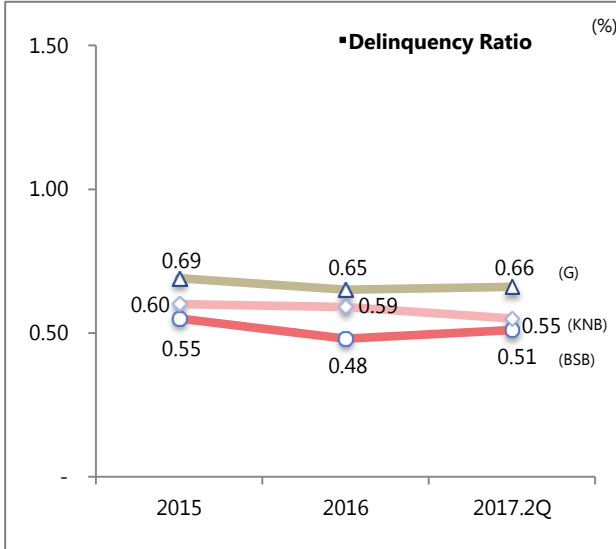
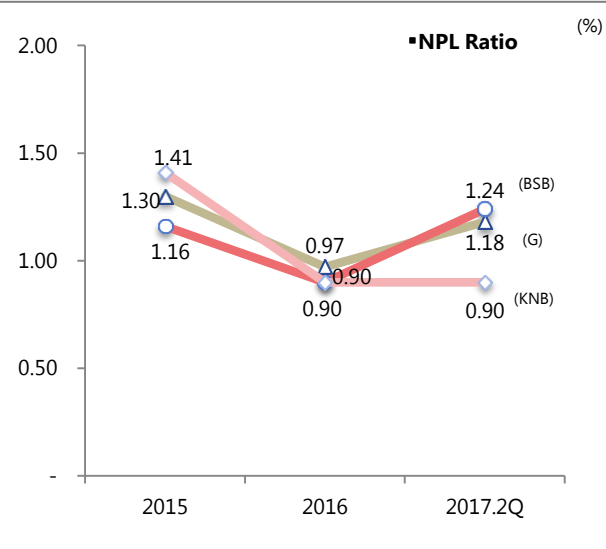
Growth – KRW Loans Breakdown by Bank



- ❖ **Large Corps**
 - Busan : up by 0.2% YTD
 - Kyongnam : down by 0.6% YTD
- ❖ **SME**
 - Busan : down by 1.4% YTD
 - Kyongnam : down by 1.3% YTD
- ❖ **SOHO**
 - Busan : up by 0.3% YTD
 - Kyongnam : up by 0.3% YTD
- ❖ **Households**
 - Busan : up by 0.2% YTD
 - Kyongnam : up by 1.7% YTD

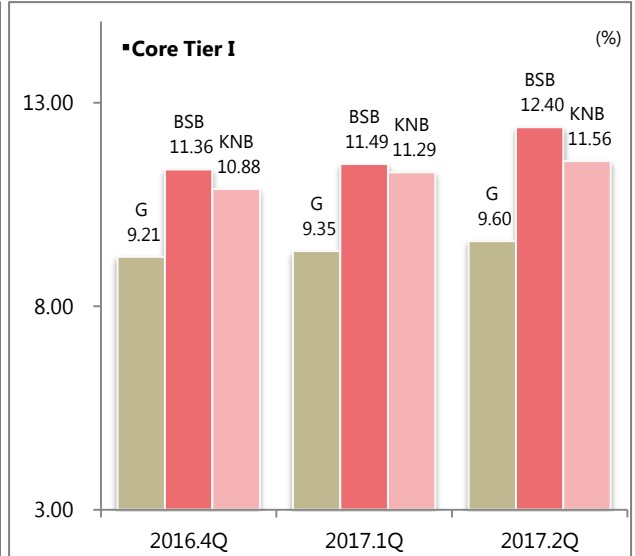
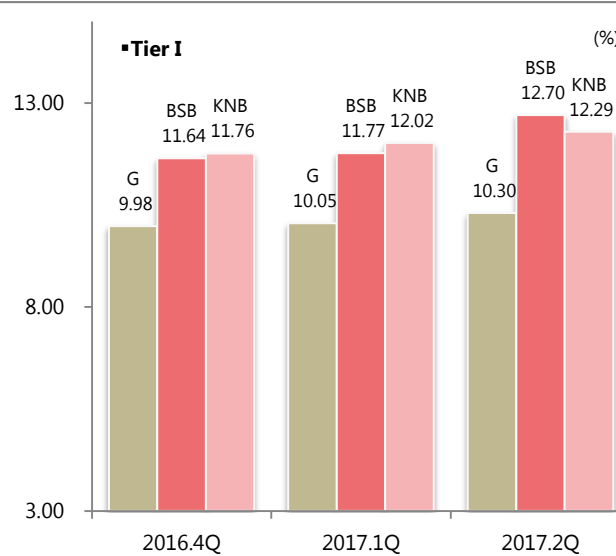
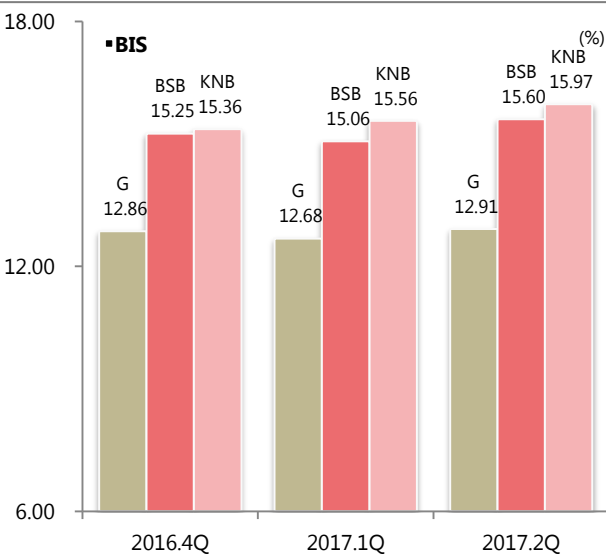
3. Highlights – Asset Quality, Capital Adequacy

Asset Quality – NPL, Delinquency Ratio



- ❖ Group 2Q NPL Ratio 1.18%
- ❖ Group 2Q Delinquency Ratio 0.66%
- ❖ Busan 2Q NPL Ratio 1.24%
- ❖ Busan 2Q Delinquency Ratio 0.51%
- ❖ Kyongnam 2Q NPL Ratio 0.90%
- ❖ Kyongnam 2Q Delinquency Ratio 0.55%

Capital Adequacy – BIS, Tier I, Core Tier I Ratio(Group Standard, Busan¹⁾ & Kyongnam Bank IRB)



1) Since 2017. 2Q, BSB has adopted IRB. Before then Basel III Standard was applied

4. Group Structure

(%, KRW bn, Accumulated)

BNK Financial Group

Establishment : 2011.03.15
 Total Assets : 111,090.4
 Net Income : 330.7
 Employees : 8,077

Busan Bank

Estbmt : 1967.10.10
 Branches : 273
 Employees : 3,800

Total Shares Owned
100%
Total Assets
59,401.1
NetIncome
189.0

Kyongnam Bank

Estbmt : 1970.05.22
Added:2014.10.10
 Branches : 197
 Employees : 3,016

Total Shares Owned
100%
Total Assets
44,827.0
NetIncome
146.2

Securities

Estbmt : 1997.06.02
Sec.Added:2009.11
 Branches : 5
 Employees : 208

Total Shares Owned
100%
Total Assets
1,389.2
NetIncome
2.2

Capital

Estbmt : 2010.07.15
 Branches : 27
 Employees : 575

Total Shares Owned
100%
Total Assets
4,810.5
Net Income
35.5

MSB

Estbmt : 2011.12.13
 Branches : 7
 Employees : 117

Total Shares Owned
100%
Total Assets
791.5
NetIncome
6.0

Asset Mgt.

Estbmt : 2008.07.15
Added:2015.07.28
 Employees : 31

Total Shares Owned
51.01%
Total Assets
11.0
NetIncome
0.5

Credit Info.

Estbmt : 2003.06.17
 Industry : Collection
 Employees : 85

Total Shares Owned
100%
Total Assets
9.1
NetIncome
0.5

System

Estbmt : 2011.05.20
 Industry : IT related
 Employees : 156

Total Shares Owned
100%
Total Assets
12.8
NetIncome
0.3

Cambodia Subsidiary

Establishment : 2014.03.07
 Employees : 105
 Total Share's Owned : 100%
 Total Assets : 11.3 KRW bn
 2015.06 Start Operations

Myanmar Subsidiary

Establishment : 2014.03.21
 Employees : 233
 Total Share's Owned : 99.9%
 Total Assets : 17.0 KRW bn
 2014.12 Start Operations

Lao PDR Subsidiary

Establishment : 2015.04.24
 Employees : 26
 Total Share's Owned : 95% (Busan Bank 5%)
 Total Assets : 11.1 KRW bn
 2015.07 Start Operations

II . Profitability

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5.	SG&A	12

1. Group Earning Results

	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
(KRW bn, %)						
Net Interest Income	1,133.9	1,046.9	8.3	578.6	555.3	4.2
Net Fee Income	87.4	82.6	5.8	44.2	43.2	2.3
Others	△27.2	△13.3	-	△19.4	△7.8	-
SG&A(-)	515.4	518.8	△0.7	261.9	253.5	3.3
Provision Expense(-)	227.0	176.5	28.6	118.9	108.1	10.0
Non-Operating Income	△7.0	△0.6	-	△3.3	△3.7	-
Earnings Before Income Tax	444.7	420.3	5.8	219.3	225.4	△2.7
Income Tax Expense(-)	105.5	100.6	4.9	52.6	52.9	△0.6
Net Income(A)	339.2	319.7	6.1	166.7	172.5	△3.4
Net Income in Non-Controlling Interest(B)	8.5	8.3	2.4	4.3	4.2	2.4
Net Income in Controlling Interest(C) (C) = (A) - (B)	330.7	311.4	6.2	162.4	168.3	△3.5

2. Subsidiaries Earning Results

	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
(KRW bn, %)						
Bank(A)	335.2	318.6	5.2	165.6	169.6	△2.4
Busan	189.0	181.5	4.1	87.3	101.7	△14.2
Kyongnam	146.2	137.1	6.6	78.3	67.9	15.3
Non-Bank(B)	45.0	41.7	7.9	24.9	20.1	23.9
Securities	2.2	4.2	△47.6	3.0	△0.8	Net Gain
Capital	35.5	31.8	11.6	17.7	17.8	△0.6
MSB	6.0	5.2	15.4	3.4	2.6	30.8
Asset Management ¹⁾	0.5	0.0	-	0.3	0.2	50.0
Credit Information	0.5	0.3	66.7	0.3	0.2	50.0
System	0.3	0.2	50.0	0.2	0.1	100.0
Financial Group & Unconsolidated Portion(C)	△ 41.0	△40.6	-	△23.8	△17.2	-
Net Income in Non-Controlling Interest (D)	8.5	8.3	2.4	4.3	4.2	2.4
Net Income in Controlling Interest(E) (E=A+B+C-D)	330.7	311.4	6.2	162.4	168.3	△3.5

3. Banks Earning Results

□ Busan

□ Kyongnam

	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ		17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
(KRW bn, %, %p)							(KRW bn, %, %p)						
Net Interest Income	604.3	568.4	6.3	309.7	294.6	5.1	Net Interest Income	416.2	382.5	8.8	210.5	205.7	2.3
Net Fee Income	42.5	38.4	10.7	22.7	19.8	14.6	Net Fee Income	19.5	19.6	△0.5	8.8	10.7	△17.8
Fees from Trust Account	10.9	11.2	△2.7	5.5	5.4	1.9	Fees from Trust Account	3.5	2.9	20.7	1.7	1.8	△5.6
Others	△ 21.4	△19.2	-	△10.7	△10.7	-	Others	△ 15.2	△10.0	-	△12.3	△2.9	-
SG&A(-)	255.3	261.2	△2.3	131.9	123.4	6.9	SG&A(-)	188.6	187.2	0.7	94.9	93.7	1.3
Provision Expense(-)	134.0	102.3	31.0	82.1	51.9	58.2	Provision Expense(-)	46.7	32.9	41.9	13.9	32.8	△57.6
Net Operating Income	247.0	235.3	5.0	113.2	133.8	△15.4	Net Operating Income	188.7	174.9	7.9	99.9	88.8	12.5
Non-Operating Income	△ 3.2	△2.4	-	△0.6	△2.6	-	Non-Operating Income	△ 1.5	2.2	Net Loss	△0.1	△1.4	-
Earnings Before Income Taxes	243.8	232.9	4.7	112.6	131.2	△14.2	Earnings Before Income Taxes	187.2	177.1	5.7	99.8	87.4	14.2
Income Tax Expenses(-)	54.8	51.4	6.6	25.3	29.5	△14.2	Income Tax Expenses(-)	41.0	40.0	2.5	21.5	19.5	10.3
Net Income	189.0	181.5	4.1	87.3	101.7	△14.2	Net Income	146.2	137.1	6.6	78.3	67.9	15.3
ROA	0.74	0.80	△0.06				ROA	0.81	0.73	0.08			
ROE	8.77	9.99	△1.22				ROE	10.12	9.80	0.32			

4. Banks NIM & NIS

☐ Busan

(KRW bn, %, %p)	17.2Q	17.1Q	QoQ
NIM(Quarterly)	2.36	2.30	0.06
NIS	2.67	2.67	0.00
Interest Rate on KRW Loans	3.81	3.82	△0.01
Households	3.22	3.17	0.05
Corporate	3.69	3.70	△0.01
Interest Rate paid on KRW Deposits	1.14	1.15	△0.01
Average Interest Earning Assets	46,902.6	46,138.2	1.7

NIM(Accumulated)	2.33	2.30	0.03
NIS	2.66	2.67	△0.01
Interest Rate on KRW Loans	3.81	3.82	△0.01
Households	3.20	3.17	0.03
Corporate	3.69	3.70	△0.01
Interest Rate paid on KRW Deposits	1.15	1.15	0.00
Average Interest Earning Assets	46,522.5	46,138.2	0.8

☐ Kyongnam

(KRW bn, %, %p)	17.2Q	17.1Q	QoQ
NIM(Quarterly)	2.20	2.20	0.00
NIS	2.47	2.48	△0.01
Interest Rate on KRW Loans	3.74	3.74	0.00
Households	3.16	3.07	0.09
Corporate	3.71	3.74	△0.03
Interest Rate paid on KRW Deposits	1.27	1.26	0.01
Average Interest Earning Assets	34,047.0	33,612.2	1.3

NIM(Accumulated)	2.20	2.20	0.00
NIS	2.47	2.48	△0.01
Interest Rate on KRW Loans	3.74	3.74	0.00
Households	3.12	3.07	0.05
Corporate	3.72	3.74	△0.02
Interest Rate paid on KRW Deposits	1.27	1.26	0.01
Average Interest Earning Assets	33,830.8	33,612.2	0.7

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)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
SG&A	515.4	518.8	△0.7	261.9	253.5	3.3
CIR	43.17	46.48	△3.31			

□ Busan

(KRW bn, %, %p)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Total SG&A	255.3	261.2	△2.3	131.9	123.4	6.9
Salaries and other expenses	206.2	209.0	△1.3	108.6	97.6	11.3
Depreciation	30.6	32.5	△5.8	14.2	16.4	△13.4
Taxes and dues	6.0	6.4	△6.3	2.9	3.1	△6.5
Retirement Allowance	12.5	13.2	△5.3	6.2	6.3	△1.6
Honorary Retirement	0.0	0.1	-	0.0	0.0	-
CIR	40.12	43.62	△3.50			

□ Kyongnam

(KRW bn, %, %p)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Total SG&A	188.6	187.2	0.7	94.9	93.7	1.3
Salaries and other expenses	148.8	151.2	△1.6	74.4	74.4	0.0
Depreciation	24.8	21.0	18.1	12.4	12.4	0.0
Taxes and dues	4.9	4.9	0.0	3.0	1.9	57.9
Retirement Allowance	10.1	10.1	0.0	5.1	5.0	2.0
Honorary Retirement	0.0	0.0	-	0.0	0.0	-
CIR	44.48	47.39	△2.91			

III. Growth

1.	Group Assets, B/S Summary	14
2.	Banks B/S	15
3.	Banks Low-Cost Deposits	17

1. Group Asset, B/S Summary

□ Group Total Assets

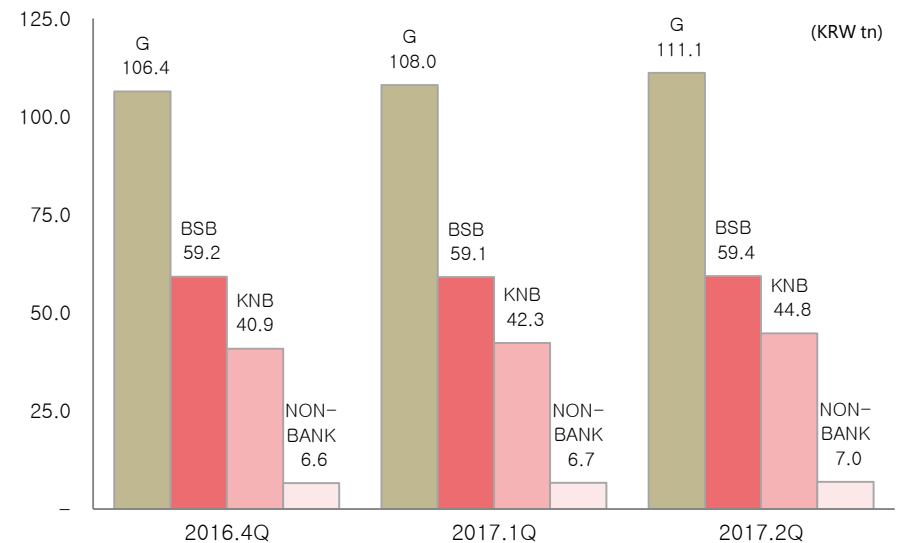
(KRW bn, %)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Bank	104,228.1	100,084.7	4.1	101,473.3	2.7
Busan	59,401.1	59,230.0	0.3	59,139.2	0.4
Kyongnam	44,827.0	40,854.7	9.7	42,334.1	5.9
Non-Bank	7,024.1	6,553.7	7.2	6,749.0	4.1
Securities	1,389.2	1,064.1	30.6	1,248.4	11.3
Capital	4,810.5	4,692.6	2.5	4,709.2	2.2
MSB	791.5	769.1	2.9	761.8	3.9
Asset Management	11.0	10.6	3.8	10.8	1.9
Credit Information	9.1	8.6	5.8	8.9	2.2
Information Systems	12.8	8.7	47.1	9.9	29.3
Financial Group & Unconsolidated Portion	△161.8	△280.5	-	△198.9	-
Group Total Assets	111,090.4	106,357.9	4.4	108,023.4	2.8

□ Group Total Lending

(KRW bn, %)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Cash and Dues	3,712.7	3,414.1	8.7	3,554.1	4.5
Securities	13,975.3	14,042.3	△0.5	13,714.7	1.9
Loans & Receivables	77,168.7	74,087.0	4.2	75,818.5	1.8
Derivative Assets	66.0	157.2	△58.0	115.6	△42.9
Fixed Assets & Investment Assets	823.3	801.0	2.8	815.5	1.0
Intangible Assets	339.3	324.9	4.4	351.3	△3.4
Others	710.2	655.7	8.3	674.8	5.2
Total Assets	96,795.5	93,482.2	3.5	95,044.5	1.8

1) Based on the Bank's Consolidated Financial Statements

□ Group Total Assets



□ Group Total Funding

(KRW bn, %)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Deposits	70,558.0	67,604.4	4.4	69,073.1	2.1
Borrowings	5,801.7	6,332.7	△8.4	5,965.6	△2.7
Derivatives	8,492.8	8,781.6	△3.3	8,518.3	△0.3
Others	4,598.7	3,676.3	25.1	4,307.0	6.8
Total Liabilities	89,451.2	86,395.0	3.5	87,864.0	1.8
Shareholder's Equity	7,344.3	7,087.2	3.6	7,180.5	2.3
Total Liabilities & Shareholder's Equity	96,795.5	93,482.2	3.5	95,044.5	1.8

2. Banks B/S – Busan¹⁾

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Total Assets	59,401.1	59,230.0	0.3	59,139.2	0.4
Bank Account	52,856.0	51,285.0	3.1	51,885.7	1.9
Trust Account	6,545.1	7,945.0	△17.6	7,253.5	△9.8
Total Deposits	46,317.9	44,906.6	3.1	45,689.6	1.4
Bank Account	41,658.7	40,478.2	2.9	41,157.3	1.2
KRW Deposits	38,496.9	37,378.0	3.0	38,123.2	1.0
Demand	4,416.1	4,808.2	△8.2	4,376.5	0.9
Savings & Time	34,066.0	32,552.7	4.6	33,730.3	1.0
Installment	14.8	17.1	△13.5	16.4	△9.8
CD	992.5	816.2	21.6	820.3	21.0
Trust Account	4,659.2	4,428.4	5.2	4,532.3	2.8
Total Credits	39,636.1	38,295.6	3.5	39,386.6	0.6
Total Loans	38,837.2	37,561.0	3.4	38,587.1	0.6
KRW Loans	37,895.2	36,622.3	3.5	37,686.2	0.6
SMEs	22,945.0	22,659.6	1.3	23,018.8	△0.3
(SOHO)	5,867.5	5,582.9	5.1	5,768.6	1.7
Households	10,645.8	10,205.1	4.3	10,462.6	1.8
Guarantees	798.9	734.6	8.8	799.5	△0.1
Total Securities	9,746.4	9,611.6	1.4	9,595.8	1.6
Bank Account	7,651.6	7,692.8	△0.5	7,589.5	0.8
Trust Account	2,094.8	1,918.8	9.2	2,006.3	4.4
Shareholders' Equity	4,395.8	4,205.9	4.5	4,306.4	2.1

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
KRW Deposits	38,496.9	37,378.0	3.0	38,123.2	1.0
Demand	4,416.1	4,808.2	△8.2	4,376.5	0.9
Savings	34,066.0	32,552.7	4.6	33,730.3	1.0
Installment	14.8	17.1	△13.5	16.4	△9.8
CD	992.5	816.2	21.6	820.3	21.0
Bills Sold	23.6	23.7	△0.4	23.9	△1.3
R P	386.5	401.1	△3.6	380.7	1.5
Financial Debenture	1,759.2	1,859.2	△5.4	1,809.2	△2.8
Trust Account	4,659.2	4,428.4	5.2	4,532.3	2.8
Total Deposits	46,317.9	44,906.6	3.1	45,689.6	1.4

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
KRW Loans	37,895.2	36,622.3	3.5	37,686.2	0.6
Corporate	25,390.1	24,969.7	1.7	25,437.8	△0.2
(SME)	22,945.0	22,659.6	1.3	23,018.8	△0.3
(Large Corps)	2,445.1	2,310.1	5.8	2,419.0	1.1
Household	10,645.8	10,205.1	4.3	10,462.6	1.8
(Collateral)	9,414.8	8,962.8	5.0	9,182.5	2.5
Mortgage	4,079.8	4,153.3	△1.8	4,006.1	1.8
Others	5,335.0	4,809.5	10.9	5,176.4	3.1
(Credit)	1,231.0	1,242.3	△0.9	1,280.1	△3.8
Public	1,859.3	1,447.5	28.4	1,785.8	4.1
Foreign Currency	613.7	598.7	2.5	590.4	3.9
Trust Account	11.6	13.0	△10.8	11.5	0.9
Others	1,115.6	1,061.6	5.1	1,098.5	1.6
Total Credits	39,636.1	38,295.6	3.5	39,386.6	0.6

LDR	17.2Q	16.4Q	YTD	17.1Q	QoQ
(Monthly Avg. Balance, %)	97.67	96.55	1.12	96.85	0.82

1) Based on the Bank's Unconsolidated Financial Statements

2. Banks B/S – Kyongnam¹⁾

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Total Assets	44,827.0	40,854.7	9.7	42,334.1	5.9
Bank Account	36,649.8	35,512.3	3.2	36,229.0	1.2
Trust Account	8,177.2	5,342.4	53.1	6,105.1	33.9
Total Deposits	32,716.9	31,359.1	4.3	32,175.2	1.7
Bank Account	30,592.1	29,331.9	4.3	29,986.9	2.0
KRW Deposits	28,839.4	27,486.9	4.9	28,141.8	2.5
Demand	4,070.5	3,787.4	7.5	4,193.3	△2.9
Savings & Time	24,759.6	23,688.3	4.5	23,938.2	3.4
Installment	9.3	11.2	△17.0	10.3	△9.7
CD	167.7	262.4	3.6.1	191.5	△12.4
Trust Account	2,124.8	2,027.2	4.8	2,188.3	△2.9
Total Credits	28,787.5	28,024.4	2.7	28,809.1	△0.1
Total Loans	28,553.9	27,746.0	2.9	28,545.5	0.0
KRW Loans	28,288.4	27,420.1	3.2	28,246.6	0.1
SMEs	16,575.8	16,416.2	1.0	16,605.9	△0.2
(SOHO)	4,420.4	4,208.2	5.0	4,284.8	3.2
Households	9,693.6	8,925.3	8.6	9,513.0	1.9
Guarantees	233.6	278.4	△16.1	263.6	△11.4
Total Securities	5,625.7	5,538.2	1.6	5,416.1	3.9
Bank Account	5,017.0	5,034.6	△0.3	4,829.6	3.9
Trust Account	608.7	503.6	20.9	586.5	3.8
Shareholders' Equity	2,947.0	2,850.1	3.4	2,876.6	2.4

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
KRW Deposits	28,839.4	27,486.9	4.9	28,141.8	2.5
Demand	4,070.5	3,787.4	7.5	4,193.3	△2.9
Savings	24,759.6	23,688.3	4.5	23,938.2	3.4
Installment	9.3	11.2	△17.0	10.3	△9.7
CD	167.7	262.4	△36.1	191.5	△12.4
Bills Sold	14.4	14.2	1.4	8.0	80.0
R P	111.6	119.4	△6.5	96.6	15.5
Financial Debenture	1,459.0	1,449.0	0.7	1,549.0	△5.8
Trust Account	2,124.8	2,027.2	4.8	2,188.3	△2.9
Total Deposits	32,716.9	31,359.1	4.3	32,175.2	1.7

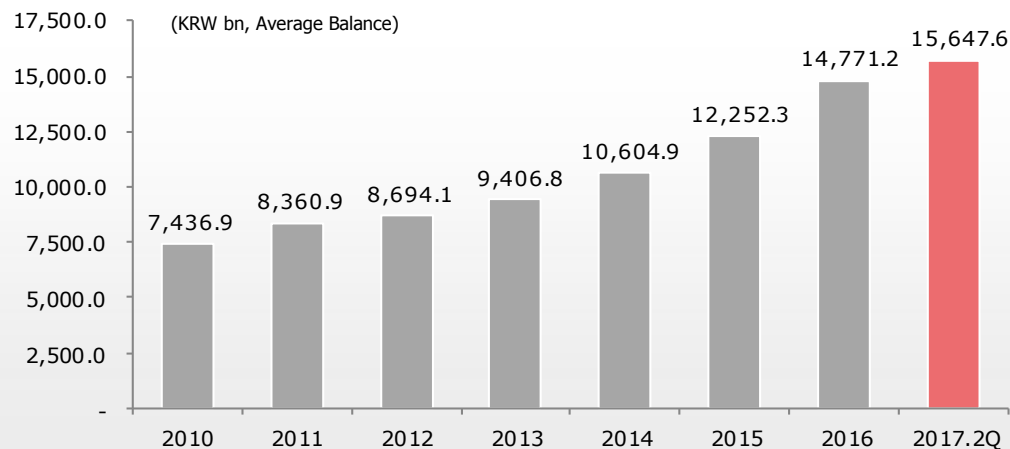
(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
KRW Loans	28,288.4	27,420.1	3.2	28,246.6	0.1
Corporate	18,169.5	18,129.2	0.2	18,294.6	△0.7
(SME)	16,575.8	16,416.2	1.0	16,605.9	△0.2
(Large Corps)	1,593.7	1,713.0	△7.0	1,688.7	△5.6
Household	9,693.6	8,925.3	8.6	9,513.0	1.9
(Collateral)	8,932.5	8,141.9	9.7	8,743.5	2.2
Mortgage	3,162.1	3,242.6	△2.5	3,290.9	△3.9
Others	5,770.4	4,899.3	17.8	5,452.6	5.8
(Credit)	761.1	783.4	△2.8	769.5	△1.1
Public	425.3	365.6	16.3	439.0	△3.1
Foreign Currency	103.8	110.8	△6.3	106.5	△2.5
Trust Account	0.2	0.3	△33.3	0.2	0.0
Others	395.1	493.2	△19.9	455.8	△13.3
Total Credits	28,787.5	28,024.4	2.7	28,809.1	△1.15

LDR	17.2Q	16.4Q	YTD	17.1Q	QoQ
(Monthly Avg. Balance, %)	97.76	98.72	△0.96	98.91	△1.15

1) Based on the Bank's Unconsolidated Financial Statements

3. Banks Low-Cost Deposits - Busan

□ Growth Records



□ Funding Costs

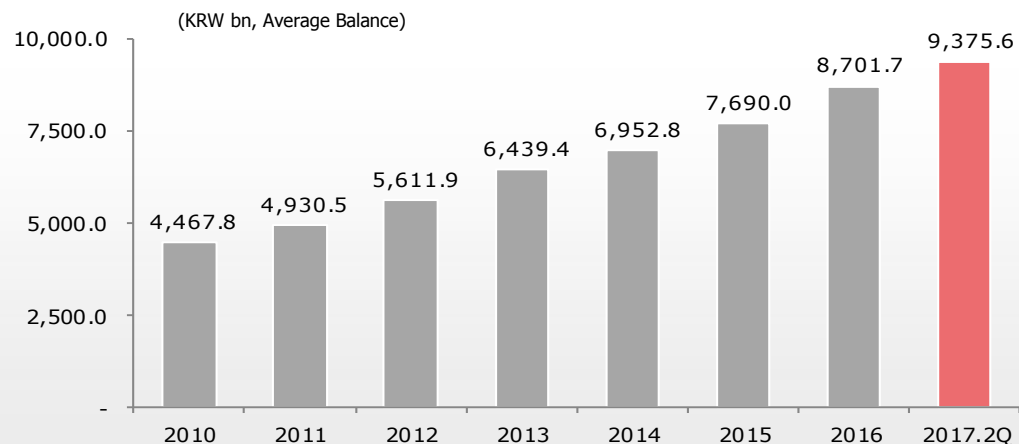
(%, Accumulated)	17.2Q	17.1Q	16.4Q
Core Deposits	0.06	0.06	0.14
MMDA	0.89	0.89	0.97
Total	0.22	0.23	0.29

(KRW bn, %, %p, Average Balance)	17.2Q	16.4Q	YoY	17.1Q	QoQ
Low-Cost Deposits (A)	15,647.6	14,771.2	5.9	15,511.8	0.9
Core Deposits¹⁾	12,497.7	12,152.6	2.8	12,316.3	1.5
MMDA	3,149.9	2,618.6	20.3	3,195.5	△1.4
Deposits in KRW (B)	37,819.9	36,573.8	3.4	37,510.2	0.8
Total Deposits (Bank Account) (C)	40,948.0	39,617.7	3.4	40,624.8	0.8
Total Deposits (Bank + Trust Account)(D)	45,702.3	44,014.9	3.8	45,314.5	0.9
Low-Cost Deposits/Won Deposits(A/B)	41.37	40.39	0.98	41.35	0.02
Low-Cost Deposits/Total Deposits (A/C)	38.21	37.28	0.93	38.18	0.03
Low-Cost Deposits/Total Deposits(A/D)	34.24	33.56	0.68	34.23	0.01

1) Core Deposits : Demand Deposits + Savings Deposits(Ex. MMDA)

3. Banks Low-Cost Deposits - Kyongnam

□ Growth Records



□ Funding Costs

(%, Accumulated)	17.1Q	16.4Q	16.1Q
Core Deposits	0.13	0.13	0.14
MMDA	0.68	0.70	0.87
Total	0.24	0.25	0.29

(KRW bn, %, %p, Average Balance)	17.2Q	16.4Q	YoY	17.1Q	QoQ
Low-Cost Deposits (A)	9,375.6	8,701.7	7.7	9,472.1	△1.0
Core Deposits¹⁾	7,531.5	6,906.5	9.1	7,566.6	△0.5
MMDA	1,844.1	1,795.2	2.7	1,905.5	△3.2
Deposits in KRW (B)	28,341.9	26,627.4	6.4	28,054.6	1.0
Total Deposits (Bank Account) (C)	30,234.0	28,365.1	6.6	29,976.2	0.9
Total Deposits (Bank + Trust Account)(D)	32,469.9	30,484.5	6.5	32,189.9	0.9
Low-Cost Deposits/Won Deposits(A/B)	33.08	32.68	0.40	33.76	△0.68
Low-Cost Deposits/Total Deposits (A/C)	31.01	30.68	0.33	31.60	△0.59
Low-Cost Deposits/Total Deposits(A/D)	28.87	28.54	0.33	29.42	△0.56

1) Core Deposits : Demand Deposits + Savings Deposits(Ex. MMDA)

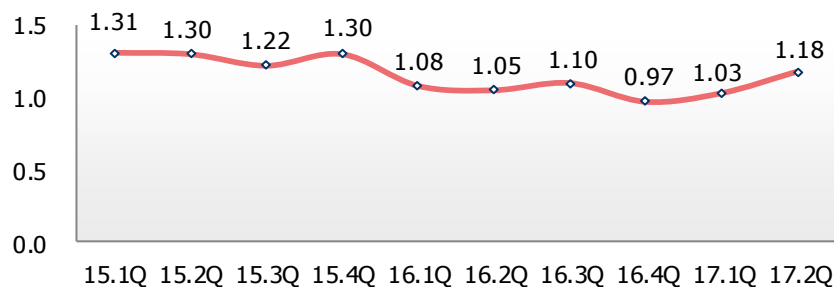
IV. Asset Quality

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1. Group Asset Quality

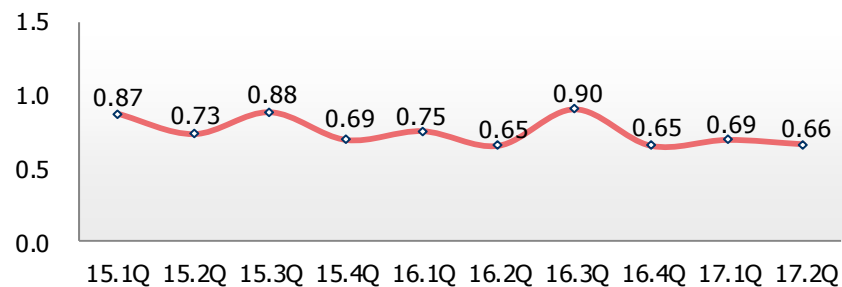
□ SBL(NPL) Ratio (%)

(%)



□ Delinquency Ratio (%)

(%)



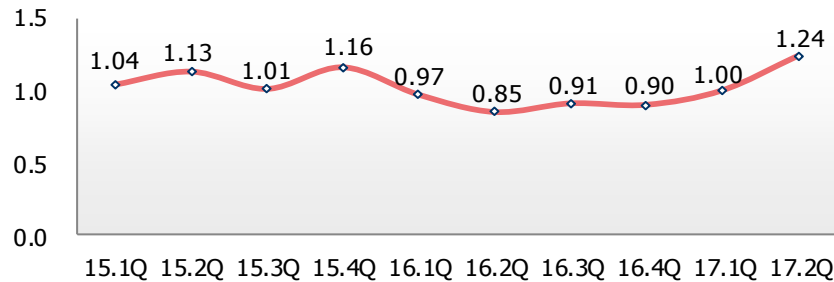
	17.2Q	16.4Q	YTD	17.1Q	QoQ
(KRW bn, %, %p)					
Total Loans	74,930.9	72,623.0	3.2	74,584.8	0.5
Normal	72,864.5	70,795.1	2.9	72,617.8	0.3
Precautionary	1,185.7	1,127.1	5.2	1,200.4	△1.2
Substandard	497.7	370.0	34.5	399.8	24.5
Doubtful	145.2	138.1	5.1	144.0	0.8
Expected Loss	237.8	192.7	23.4	222.8	6.7
SBL(Substandard & Below Loans)	880.7	700.8	25.7	766.6	14.9
(SBL Ratio (%))	1.18	0.97	0.21	1.03	0.15
(SBL Coverage Ratio)	85.01 (150.88)¹⁾	97.54 (161.53) ¹⁾	△12.53 (△10.65)	92.36 (146.27) ¹⁾	△7.35 (△4.61)
Loan Amount	73,898.5	71,610.0	3.2	73,521.6	0.5
Delinquent Amount	484.3	467.4	△3.6	509.4	△4.9
Delinquency Ratio	0.66	0.65	0.01	0.69	△0.03

1) Coverage before Reserve deduction

2. Banks Asset Quality – Busan

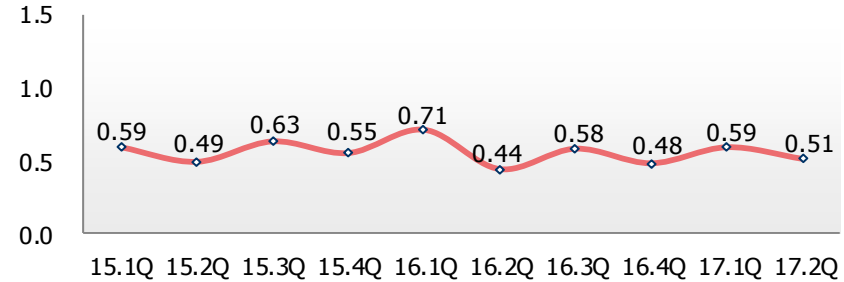
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



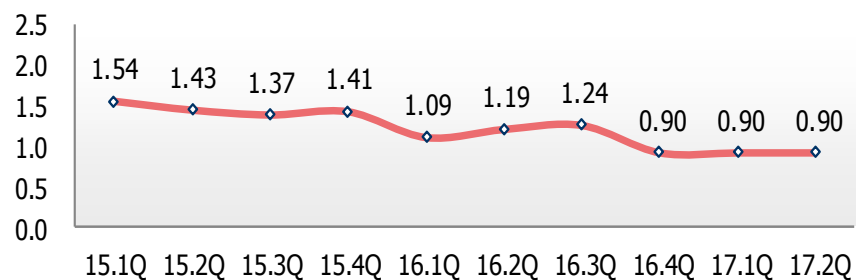
	17.2Q	16.4Q	YTD	17.1Q	QoQ
(KRW bn, %, %p)					
Total Loans	40,362.8	38,984.4	3.5	40,073.1	0.7
Normal	39,410.4	38,120.5	3.4	39,162.3	0.6
Precautionary	453.2	513.3	△11.7	510.9	△11.3
Substandard	262.7	164.6	59.6	199.4	31.7
Doubtful	40.8	38.3	6.5	46.6	△12.4
Expected Loss	195.7	147.7	32.5	153.9	27.2
SBL(Substandard & Below Loans)	499.2	350.6	42.4	399.9	24.8
(SBL Ratio (%))	1.24	0.90	0.34	1.00	0.24
(SBL Coverage Ratio)	94.12 (149.57)¹⁾	116.74 (170.48) ¹⁾	△22.62 (△20.91)	106.82 (155.10) ¹⁾	△12.70 (△5.53)
Loan Amount	39,563.9	38,249.7	3.4	39,273.6	0.7
Delinquent Amount	202.2	181.7	11.3	230.3	△12.2
Delinquency Ratio	0.51	0.48	0.03	0.59	△0.08

1) Coverage before Reserve deduction

2. Banks Asset Quality – Kyongnam

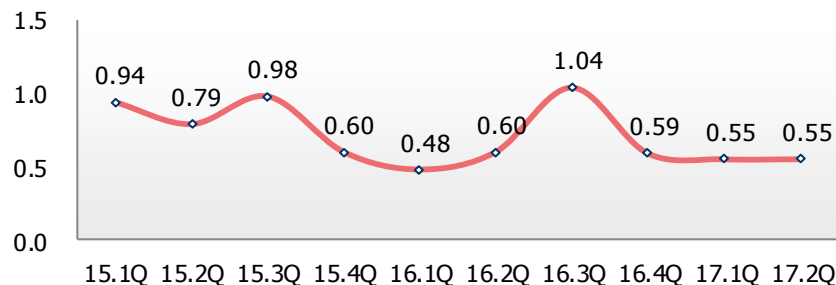
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



	17.2Q	16.4Q	YTD	17.1Q	QoQ
(KRW bn, %, %p)					
Total Loans	29,317.1	28,544.3	2.7	29,315.5	0.0
Normal	28,763.8	28,082.7	2.4	28,818.5	△0.2
Precautionary	289.0	203.7	41.9	232.0	24.6
Substandard	187.6	174.6	7.4	161.0	16.5
Doubtful	42.2	44.5	△5.2	43.5	△3.0
Expected Loss	34.5	38.8	△11.1	60.4	△42.9
SBL(Substandard & Below Loans)	264.3	257.9	2.5	264.9	△0.2
(SBL Ratio (%))	0.90	0.90	0.00	0.90	0.00
(SBL Coverage Ratio)	66.62 (177.12) ¹⁾	70.82 (169.46) ¹⁾	△4.20 (7.66)	68.17 (150.29) ¹⁾	△1.55 (26.83)
Loan Amount	29,083.5	28,265.9	2.9	29,051.9	0.1
Delinquent Amount	160.8	167.2	△3.8	160.8	0.0
Delinquency Ratio	0.55	0.59	△0.04	0.55	0.00

1) Coverage before Reserve deduction

3. Provisioning

□ Group Provision Expense

(KRW bn, %)	2017			2016					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Total Provisions(A)	227.0	118.9	108.1	377.9	86.6	114.8	176.5	82.9	936
Total Credits(B)	74,930.9	74,930.9	74,584.8	72,623.0	72,623.0	72,012.9	71,291.3	71,291.3	69,686.4
¹⁾ Credit Cost(A/B)	0.61	0.64	0.59	0.52	0.47	0.63	0.50	0.47	0.54

1) Accumulated

□ Busan Bank Provision Expense

(KRW bn, %)	2017			2016					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Corporate	119.4	75.0	44.4	158.7	18.5	50.2	90.0	35.7	54.3
Household	5.5	3.2	2.3	10.6	3.8	2.1	4.7	3.0	1.7
Credit Card	10.2	5.3	4.9	15.1	0.7	7.5	6.9	4.0	2.9
Others	△1.1	△1.4	0.3	1.4	3.4	△2.7	0.7	0.3	0.4
Total(A)	134.0	82.1	51.9	185.8	26.4	57.1	102.3	43.0	59.3
Total Credits(B)	40,362.8	40,362.8	40,073.1	38,984.4	38,984.4	38,934.1	38,610.7	38,610.7	37,781.1
¹⁾ Credit Cost(A/B)	0.67(0.38)²⁾	0.82(0.24) ²⁾	0.53	0.48	0.27	0.58	0.53	0.45	0.63

2) Excluding Dong-a Steel

□ Kyongnam Bank Provision Expense

(KRW bn, %)	2017			2016					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Corporate	36.4	7.7	28.7	111.9	30.2	29.9	51.8	42.7	9.1
Household	3.2	2.3	0.9	10.0	2.5	2.0	5.5	3.2	2.3
Credit Card	8.0	4.0	4.0	13.5	4.7	3.3	5.5	2.8	2.7
Others	△0.9	△0.1	△0.8	△27.0	1.0	1.9	△29.9	△29.5	△0.4
Total(A)	46.7	13.9	32.8	108.4	38.4	37.1	32.9	19.2	13.7
Total Credits(B)	29,317.1	29,317.1	29,315.5	28,544.3	28,544.3	28,040.9	27,712.6	27,712.6	27,119.0
¹⁾ Credit Cost(A/B)	0.32	0.19	0.45	0.38	0.54	0.53	0.24	0.28	0.20

4. Banks Write-Offs and NPL Sales

❑ Busan Bank Write-Offs & NPL Sales

(KRW bn, %)	2017.1H	2017.2Q	2017.1Q	2016.4Q	2016.3Q	2016.1H	2016.2Q	2016.1Q
Total Write-Offs	73.6	36.5	37.1	40.8	68.5	108.0	51.2	56.8
Corporate	54.1	25.6	28.5	33.2	61.3	96.1	45.3	50.8
Household	6.4	3.0	3.4	2.7	2.7	5.1	2.5	2.6
Credit Card	13.1	7.9	5.2	4.9	4.5	6.8	3.4	3.4
Total NPL Sales	80.1	80.1	0.0	65.0	0.0	66.6	66.6	0.0
(NPL Sales for SBL Loans)	78.1	78.1	0.0	64.9	0.0	65.8	65.8	0.0
Corporate	79.5	79.5	0.0	63.7	0.0	65.4	65.4	0.0
Household	0.2	0.2	0.0	1.1	0.0	1.1	1.1	0.0
Credit Card	0.4	0.4	0.0	0.2	0.0	0.1	0.1	0.0

❑ Kyongnam Bank Write-Offs & NPL Sales

(KRW bn, %)	2017.1H	2017.2Q	2017.1Q	2016.4Q	2016.3Q	2016.1H	2016.2Q	2016.1Q
Total Write-Offs	34.3	18.2	16.1	72.9	39.8	52.4	20.2	32.2
Corporate	25.5	13.5	12.0	66.0	32.2	44.6	16.0	28.6
Household	2.6	1.5	1.1	4.5	4.3	2.5	0.8	1.7
Credit Card	6.2	3.2	3.0	2.4	3.3	5.3	3.4	1.9
Total NPL Sales	89.5	39.1	50.4	77.5	41.0	169.6	69.0	100.6
(NPL Sales for SBL Loans)	83.4	34.6	48.8	73.1	39.1	153.1	58.3	94.8
Corporate	87.7	39.0	48.7	75.6	39.0	168.1	68.9	99.2
Household	1.7	0.1	1.6	1.9	1.9	1.4	0.0	1.4
Credit Card	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.0

V. Capital Adequacy

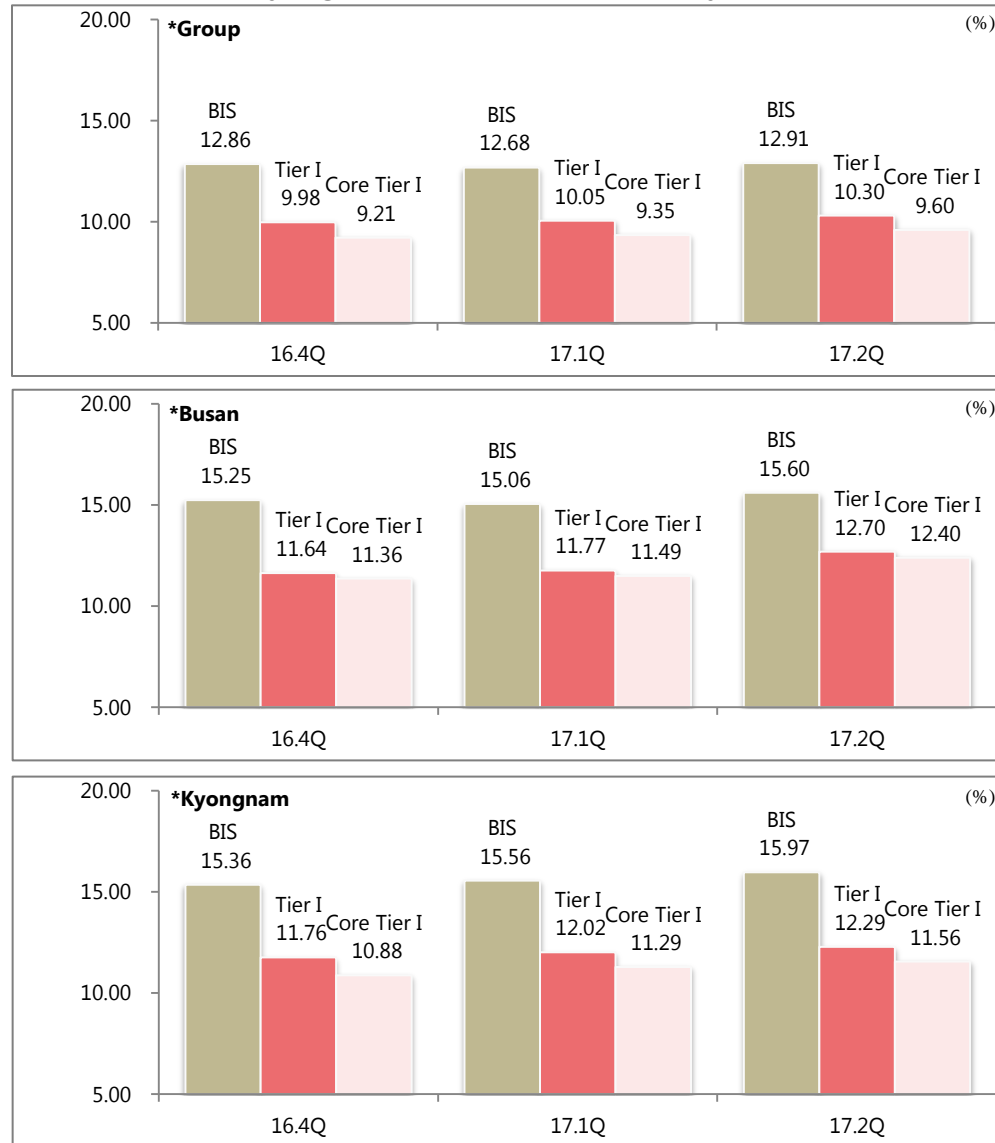
1. **Group Capital Adequacy** 26
2. **Banks Capital Adequacy** 27

1. Group Capital Adequacy

□ Group

	2017 2Q	2016 4Q	YTD	QoQ
<small>(KRW bn,%, %p, Basel III Standard)</small>				
Total Risk Adjusted Capital	8,654.1	8,546.3	1.3	1.9
Tier I Capital	6,905.4	6,633.0	4.1	2.5
(Core Tier I Capital)	6,439.7	6,122.0	5.2	2.8
Tier II Capital	1,748.7	1,913.3	△8.6	△0.8
Total Risk Weighted Assets	67,045.5	66,478.8	0.9	0.1
Credit Risk	62,291.7	61,944.2	0.6	0.0
Market Risk	393.7	311.5	26.4	3.1
Operational Risk	4,360.1	4,223.1	3.2	1.6
BIS Capital Ratio	12.91	12.86	0.05	0.23
Tier I	10.30	9.98	0.32	0.25
(Core Tier I)	9.60	9.21	0.39	0.25

□ Group, Busan, Kyongnam Bank Capital Adequacy



2. Banks Capital Adequacy

Busan Bank

	2017 2Q ¹⁾	2016 4Q	YTD	QoQ
<small>(KRW bn, %, %p, Basel III Internal Rating Based)</small>				
Total Risk Adjusted Capital	5,122.6	5,458.7	△6.2	△5.6
Tier I Capital	4,170.4	4,168.7	0.0	△1.7
(Core Tier I Capital)	4,070.5	4,068.8	0.0	△1.7
Tier II Capital	952.2	1,290.0	△26.2	△19.7
Total Risk Weighted Assets	32,831.4	35,803.2	△8.3	△8.9
Credit Risk	30,517.1	33,561.4	△9.1	△9.7
Market Risk	182.6	141.1	29.4	30.2
Operational Risk	2,131.7	2,100.7	1.5	0.9
BIS Capital Ratio	15.60	15.25	0.35	0.54
Tier I	12.70	11.64	1.06	0.93
(Core Tier I)	12.40	11.36	1.04	0.91

Kyongnam Bank

	2017 2Q	2016 4Q	YTD	QoQ
<small>(KRW bn, %, %p, Basel III Internal Rating Based)</small>				
Total Risk Adjusted Capital	3,431.1	3,326.6	3.1	2.4
Tier I Capital	2,641.5	2,546.3	3.7	2.0
(Core Tier I Capital)	2,483.7	2,356.9	5.4	2.2
Tier II Capital	789.6	780.3	1.2	3.7
Total Risk Weighted Assets	21,488.6	21,657.1	△0.8	△0.2
Credit Risk	19,937.9	20,182.5	△1.2	△0.4
Market Risk	75.1	35.6	111.0	25.8
Operational Risk	1,475.6	1,439.0	2.5	0.9
BIS Capital Ratio	15.97	15.36	0.61	0.41
Tier I	12.29	11.76	0.53	0.27
(Core Tier I)	11.56	10.88	0.68	0.27

1) Effects of IRB Change (BIS ↑46bps, Tier1 ↑80bps, CET1 ↑78bps)

2) Basel III Standard used before 2017.1Q

VI. Appendix

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1. Banks KRW Loan Portfolio

Busan Bank

(KRW bn, %, Balance)	2017 2Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,723.1	25.7	0.1	△1.1
Steel Metal Products	2,860.9	7.5	1.1	△1.0
Automobile Parts	2,292.4	6.0	0.5	△0.7
Machinery	1,334.0	3.5	△1.4	△2.7
Petroleum, Rubber, etc.	1,027.0	2.7	△1.3	△2.9
Fabric	213.3	0.6	1.4	1.0
Garment & Shoes	327.4	0.9	△3.5	△4.3
Kitchen Units	284.8	0.8	△0.6	0.2
Electronics	597.4	1.6	△1.6	0.6
Paper, Paper Mills	105.4	0.3	2.3	2.4
Others	680.5	1.8	2.7	1.7
Non-Manufacturing	17,526.3	46.2	4.9	0.8
Wholesale & Retail	2,841.0	7.5	1.6	△2.8
Public	830.3	2.2	65.1	△3.0
Construction & Engineering	1,436.1	3.8	△3.9	△13.5
Real Estate & Lease	6,372.7	16.8	8.1	8.4
Insurance & Financing	411.2	1.1	△10.2	△3.1
Transportation	1,384.5	3.7	5.2	0.6
Hotel & Food	1,061.1	2.8	△3.0	△3.9
Others	3,189.4	8.4	1.4	0.4
Households	10,645.8	28.1	4.3	1.8
KRW Loans	37,895.2	100.0	3.5	0.6

Kyongnam Bank

*Sectors are based on FSS Business Report

(KRW bn, %, Balance)	2017 2Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,630.3	34.0	△5.4	△1.7
Steel Metal Products	2,382.0	8.4	△6.6	△2.0
Automobile Parts	2,706.2	9.6	△1.1	△1.0
Machinery	2,537.3	9.0	△7.0	△1.7
Petroleum, Rubber, etc.	298.2	1.1	△3.7	△2.3
Fabric	68.1	0.2	0.1	△5.8
Garment & Shoes	12.4	0.0	△41.5	△5.3
Kitchen Units	170.4	0.6	△3.5	0.2
Electronics	636.9	2.3	△8.2	△2.1
Paper, Paper Mills	80.2	0.3	△15.5	△14.3
Others	738.6	2.6	△7.4	△1.0
Non-Manufacturing	8,964.5	31.7	7.9	0.3
Wholesale & Retail	1,600.9	5.7	6.7	△1.0
Public	76.4	0.3	-	0.4
Construction & Engineering	532.9	1.9	9.0	△1.3
Real Estate & Lease	3,136.6	11.1	3.4	0.9
Insurance & Financing	195.5	0.7	2.6	△10.7
Transportation	349.7	1.2	△12.0	△0.3
Hotel & Food	602.1	2.1	17.8	3.8
Others	2,470.4	8.7	13.2	0.9
Households	9,693.6	34.3	22.4	1.9
KRW Loans	28,288.4	100.0	7.1	0.1

2. Cyclical Sector

	2017 2Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %, no#)						
Exposure (% of Total Credits)	3,887.9 (5.7)	3,133.9 (4.6)	2,101.0 (3.1)	1,771.8 (2.6)	614.0 (0.9)	1,033.6 (1.5)
Collateral & Provision	2,541.0	1,924.3	897.5	1,162.5	273.2	640.3
Collateral & Provision Coverage	65.4	61.4	42.7	65.6	44.5	61.9
No# of Creditors	2,507	1,946	3,574	1,253	205	974

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)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Assets	1,389.2	1,064.1	30.6	1,248.4	11.3
Cash and Dues	215.6	61.0	253.4	42.4	408.5
Securities	848.2	908.2	△6.6	911.1	△6.9
Loans	59.4	52.1	14.0	79.8	△25.6
Fixed Assets	2.7	2.8	△3.6	2.8	△3.6
Other Assets	263.3	40.0	558.3	212.3	24.0
Liability & Shareholder's Equity	1,389.2	1,064.1	30.6	1,248.4	11.3
Deposits	181.5	64.8	180.1	67.3	169.7
Borrowings	703.1	752.3	△6.5	797.0	△11.8
Other Liabilities	294.1	32.9	793.9	176.5	66.6
Shareholder's Equity	210.5	214.1	△1.7	207.6	1.4

□ I/S Summary

(KRW bn, %, Balance)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Net Interest Income	7.5	3.4	120.6	3.6	3.9	△77
Fee Income	11.7	9.8	19.4	6.4	5.3	20.8
Others	6.8	9.5	△28.4	5.2	1.6	225.0
SG&A(-)	18.9	17.1	10.5	10.0	8.9	12.4
Provision Expense(-)	4.1	0.0	-	1.4	2.7	△48.1
Non-Operating Income	0.0	0.1	-	0.0	0.0	-
Earnings Before Income Tax	3.0	5.7	△47.4	3.8	△0.8	Net Gain
Income Tax Expenses(-)	0.8	1.5	△46.7	0.8	0.0	-
Net Income	2.2	4.2	△47.6	3.0	△0.8	Net Gain

3. Non-Bank Summary - Capital

□ B/S Summary

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Assets	4,810.5	4,692.6	2.5	4,709.2	2.2
Cash and Dues	376.1	291.5	29.0	303.4	24.0
Securities	0.0	0.0	-	0.0	-
Loans	2,665.7	2,631.4	1.3	2,643.7	0.8
Venture Capital Business	2.0	1.3	53.8	3.1	△35.5
Durables Installment Financing Assets	844.9	892.3	△5.3	872.1	△3.1
Leased Assets	845.2	799.1	△5.8	809.8	4.4
Fixed Assets	5.9	6.1	△3.3	6.0	△1.7
Other Assets	70.7	70.9	△0.3	71.1	△0.6
Liability & Shareholder's Equity	4,810.5	4,692.6	2.5	4,709.2	2.2
Borrowings	3,966.9	3,868.1	2.6	3,880.5	2.2
Other Liabilities	258.3	262.1	△1.4	261.3	△1.1
Shareholder's Equity	585.3	562.4	4.1	567.4	3.2

□ I/S Summary

(KRW bn, %, Balance)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Net Interest Income	109.9	102.0	7.7	55.0	54.9	0.2
Fee Income	5.7	7.4	△23.0	2.6	3.1	△16.1
Others	1.9	0.3	533.3	1.4	0.5	180.0
SG&A(-)	29.5	28.7	2.8	14.8	14.7	0.7
Provision Expense(-)	40.8	39.5	3.3	20.9	19.9	5.0
Non-Operating Income	△ 1.2	0.2	Net Loss	△0.6	△0.6	-
Earnings Before Income Tax	46.0	41.7	10.3	22.7	23.3	△2.6
Income Tax Expenses(-)	10.5	9.9	6.1	5.0	5.5	△9.1
Net Income	35.5	31.8	11.6	17.7	17.8	△0.6

3. Non-Bank Summary - Capital Portfolio

	17.2Q	Portion	QoQ	17.1Q	16.4Q	16.3Q	16.2Q	16.1Q	15.4Q	15.3Q	15.2Q	15.1Q	14.4Q
(KRW bn, %, Balance)													
Total	4,501.4	100.0	0.8	4,466.1	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	1,369.3	30.4	△1.3	1,388.0	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	825.4	18.3	2.2	807.3	790.3	795.4	764.1	733.7	716.6	700.9	695.6	594.0	515.7
Corporate	543.9	12.1	△6.3	580.7	591.0	587.2	501.1	464.5	453.5	479.9	467.2	503.7	399.2
Auto Financing	2,537.8	56.4	2.2	2,482.5	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	741.0	16.5	5.7	700.8	681.8	680.5	681.5	684.9	673.7	655.0	661.9	612.6	581.1
Passenger Vehicle	1,796.8	39.9	0.8	1,781.7	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	592.3	13.2	0.0	592.5	602.9	631.0	674.3	692.7	729.9	737.6	810.3	803.4	818.4
Machine Tools	140.2	3.1	△0.8	141.4	147.9	157.8	174.8	190.8	207.4	223.4	233.6	248.6	259.0
Medical Instruments	165.1	3.7	1.5	162.7	161.3	160.7	161.9	156.8	161.4	166.5	167.4	162.2	170.7
Others	287.0	6.4	△0.5	288.4	293.7	312.5	337.6	345.1	361.1	347.7	409.3	392.6	388.7
Venture Capital Business	2.0	0.0	△35.5	3.1	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)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Total Assets	791.5	769.1	2.9	761.8	3.9
Total Deposits	650.2	635.9	2.2	623.6	4.3
KRW Deposits	650.2	635.9	2.2	623.6	4.3
Others	0.0	0.0	-	0.0	-
Total Credits	676.7	629.2	7.5	649.9	4.1
Total Loans	676.7	629.2	7.5	649.9	4.1
KRW Loans	676.7	629.2	7.5	649.9	4.1
Others	0.0	0.0	-	0.0	-
Guarantees	0.0	0.0	-	0.0	-
Total Securities	6.1	4.1	48.8	6.1	0.0
Shareholder's Equity	121.5	115.4	5.3	118.1	2.9

□ I/S Summary

(KRW bn, %, Balance)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Net Interest Income	17.4	15.4	13.0	8.9	8.5	4.7
Fee Income	0.0	△0.2	-	0.0	0.0	-
Others	△1.4	△0.4	-	△0.6	△0.8	-
SG&A(-)	7.1	6.6	7.6	3.6	3.5	2.9
Provision Expense(-)	1.4	1.5	△6.7	0.6	0.8	△25.0
Non-Operating Income	0.2	0.0	-	0.1	0.1	0.0
Earnings Before Income Tax	7.7	6.7	14.9	4.2	3.5	20.0
Income Tax Expenses(-)	1.7	1.5	13.3	0.8	0.9	△11.1
Net Income	6.0	5.2	15.4	3.4	2.6	30.8

3. Non-Bank Summary – Asset Management

□ B/S Summary

(KRW bn, %, Balance)	17.2Q	16.4Q	YTD	17.1Q	QoQ
Assets	11.0	10.6	3.8	10.8	1.9
Cash and Dues	7.4	6.8	8.8	7.1	4.2
Securities	0.5	0.5	0.0	0.5	0.0
Loans	0.0	0.1	-	0.1	-
Fixed Assets	0.5	0.5	0.0	0.4	25.0
Other Assets	2.6	2.7	△3.7	2.7	△3.7
Liability & Shareholder's Equity	11.0	10.6	3.8	10.8	1.9
Deposits	0.0	0.1	-	0.1	-
Borrowings	0.0	0.0	-	0.0	-
Other Liabilities	0.3	0.3	0.0	0.4	△25.0
Shareholder's Equity	10.7	10.2	4.9	10.3	3.9

□ I/S Summary

(KRW bn, %, Balance)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Net Interest Income	0.0	0.1	-	0.0	0.0	-
Fee Income	2.9	2.3	26.1	1.5	1.4	7.1
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	2.3	2.4	△4.2	1.1	1.2	△8.3
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.6	0.0	-	0.4	0.2	100.0
Income Tax Expenses(-)	0.1	0.0	-	0.1	0.0	-
Net Income	0.5	0.0	-	0.3	0.2	50.0

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

□ Credit Information I/S Summary

(KRW bn, %, Balance)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Net Interest Income	0.1	0.1	0.0	0.1	0.0	-
Fee Income	2.5	2.0	25.0	1.2	1.3	△7.7
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	2.0	1.7	17.6	1.0	1.0	0.0
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.6	0.4	50.0	0.3	0.3	0.0
Income Tax Expenses(-)	0.1	0.1	0.0	0.0	0.1	-
Net Income	0.5	0.3	66.7	0.3	0.2	50.0

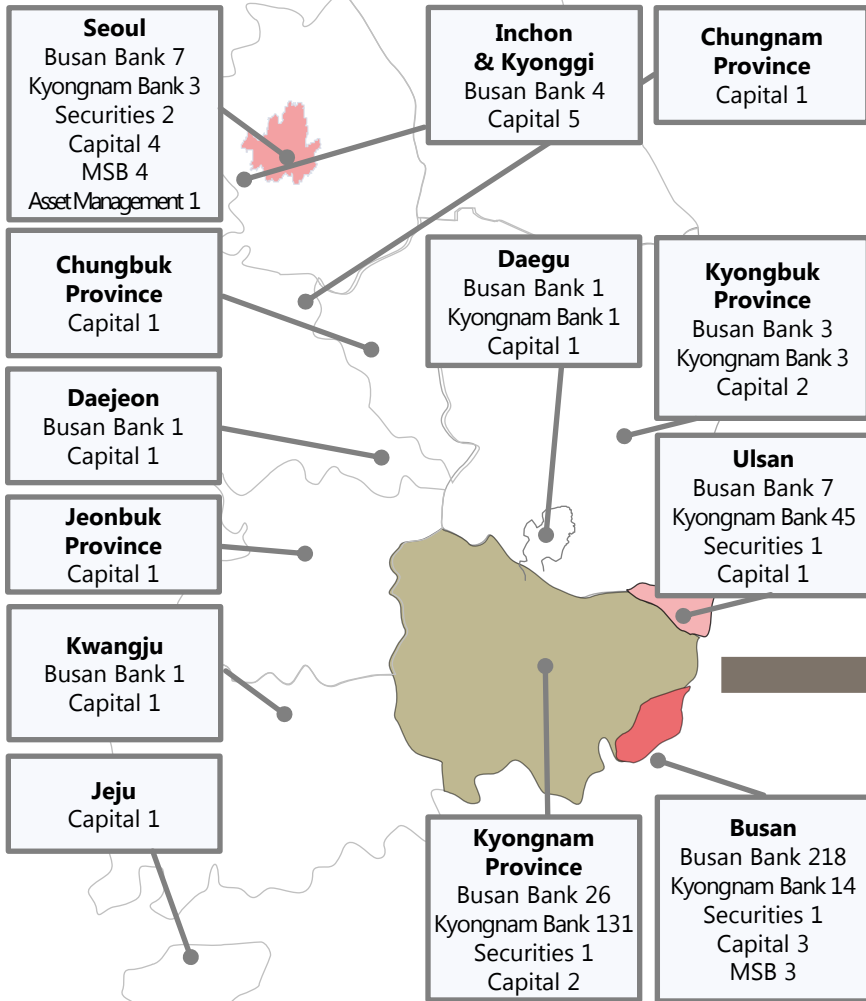
□ System I/S Summary

(KRW bn, %, Balance)	17.1H	16.1H	YoY	17.2Q	17.1Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	0.0	-
Fee Income	0.0	0.0	-	0.0	0.0	-
Others	5.1	4.8	6.3	2.7	2.4	12.5
SG&A(-)	4.7	4.5	4.4	2.4	2.3	4.3
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.4	0.3	33.3	0.3	0.1	200.0
Income Tax Expenses(-)	0.1	0.1	-	0.1	0.0	-
Net Income	0.3	0.2	50.0	0.2	0.1	100.0

4. Group Networks & Major Industries

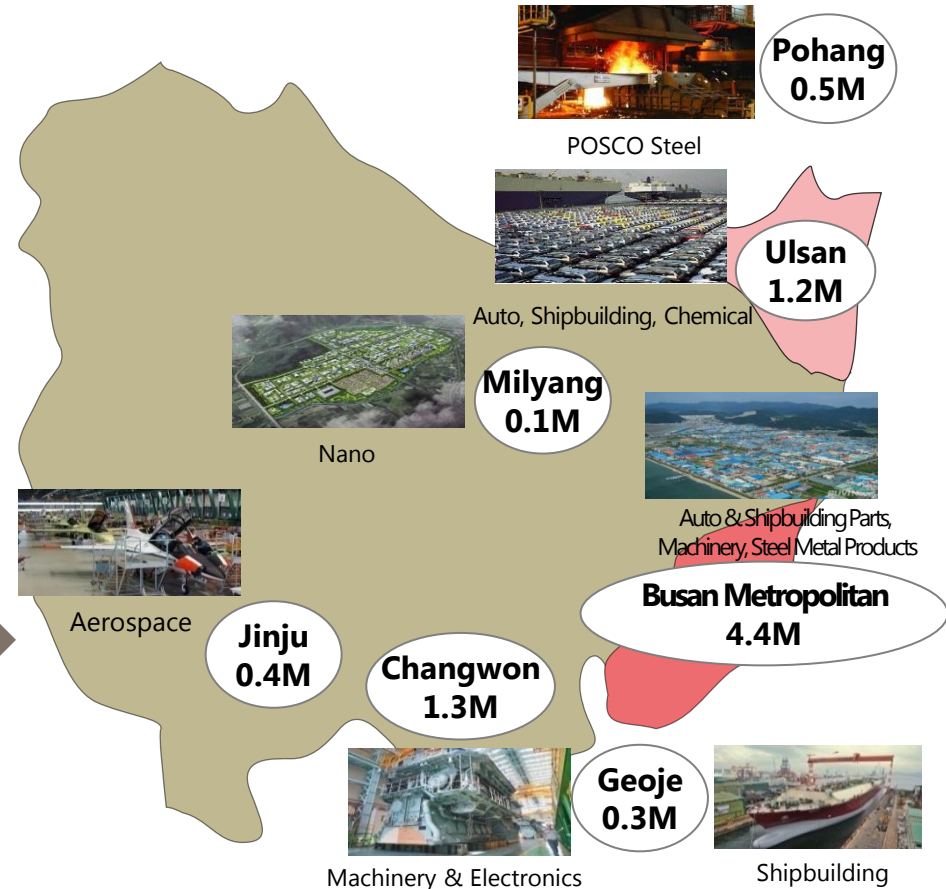
❑ Networks across Korea(as of June 2017) : 510 Locations

- Busan Bank 273(Qingdao & Vietnam Branch, Yangon, Mumbai Office included), Kyongnam Bank 197, Securities 5, 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



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 DSJI was launched by RobecoSAM and S&P Dow Jones Indices