

Pusan Bank

2Q 2005 Financial Result

July 26, 2005

Senior Vice Executive Officer
Sung Tae Jung

Disclaimer

The financial information presented herein is prepared on the basis of pre-audited financial statement of Pusan Bank and is based upon the plans, strategies and expectations of the bank'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 bank's operations or future developments. Readers are cautioned not to place undue reliance on these statements, which speak only as of the date of this presentation. Pusan bank does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

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Busan City

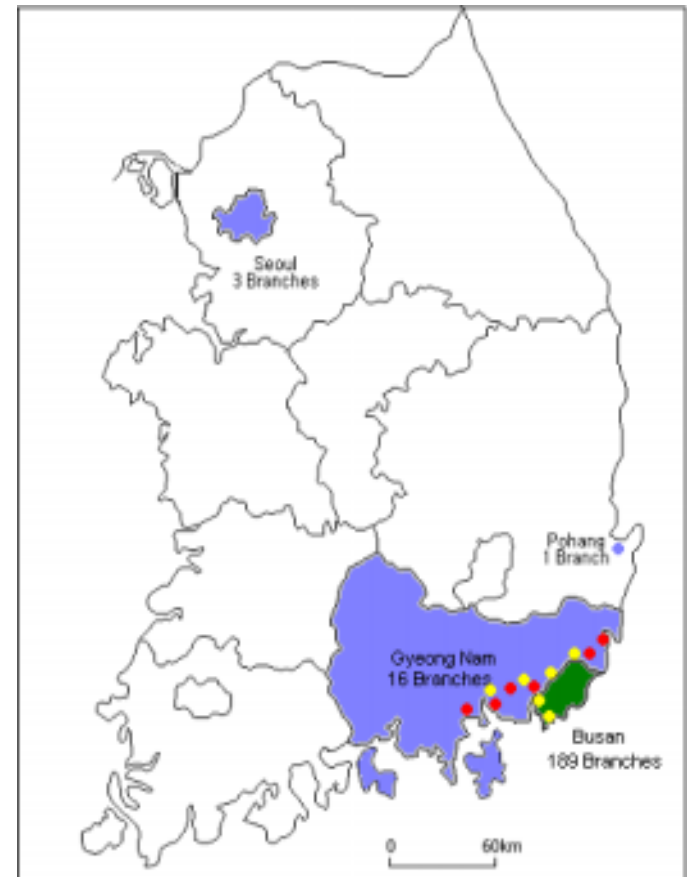
- 2nd largest city in Korea with 3.8 million residents
- 5th largest port in the World(In terms of Container Handling Volume)
- Produces 6.8% of Korea GDP
- Hosts APEC(Asia Pacific Economic Corporation) in November 2005
- 7 Industrial Complexes(1 central & 6 regional government supported)
- 12 public facilities to be moved to Busan
- Main Industry : IT, Logistics, Machinery, Movie, Tourism, etc.

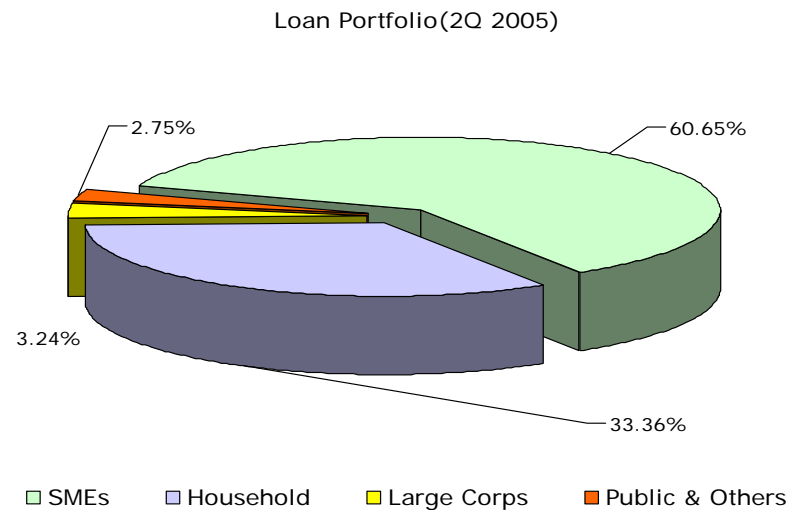
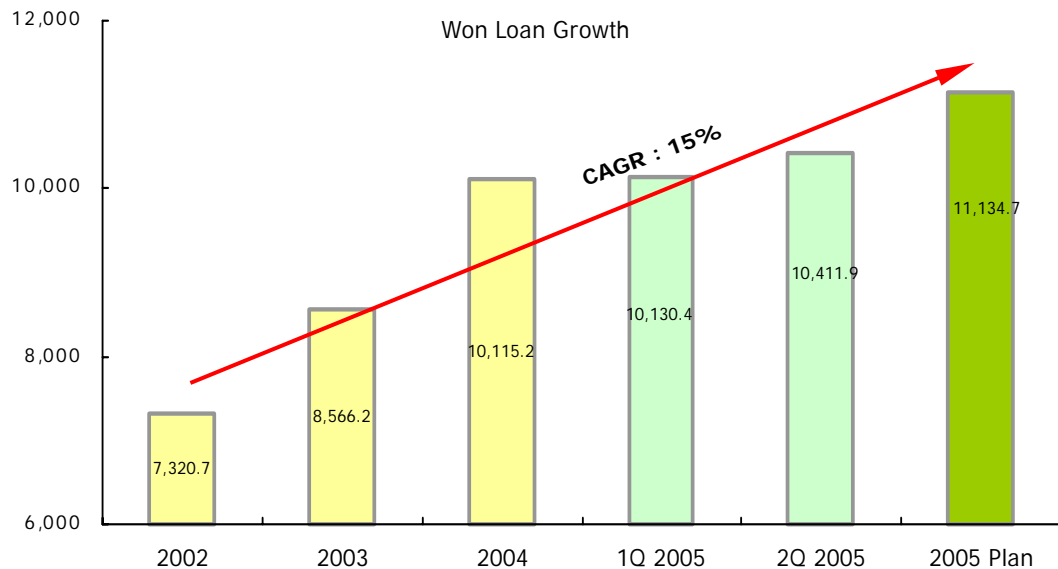
Gyeong Nam

- Most industrialized region in Korea with 4.2 million residents
- Produces 11.7% of Korea GDP
- Dong Nam Industrial Belt : USD 14.1 billion export
- 18 Industrial Complexes(8 central & 10 regional government supported)
- Main Industry : Automobile, Electronics, Machinery, Shipbuilding, etc.

Pusan Bank Key Statistics(June 30, 2005)

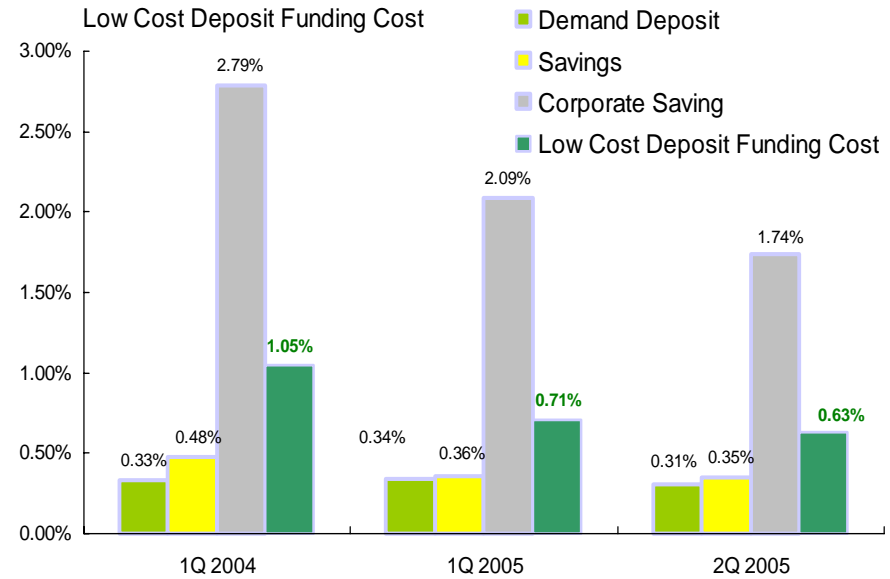
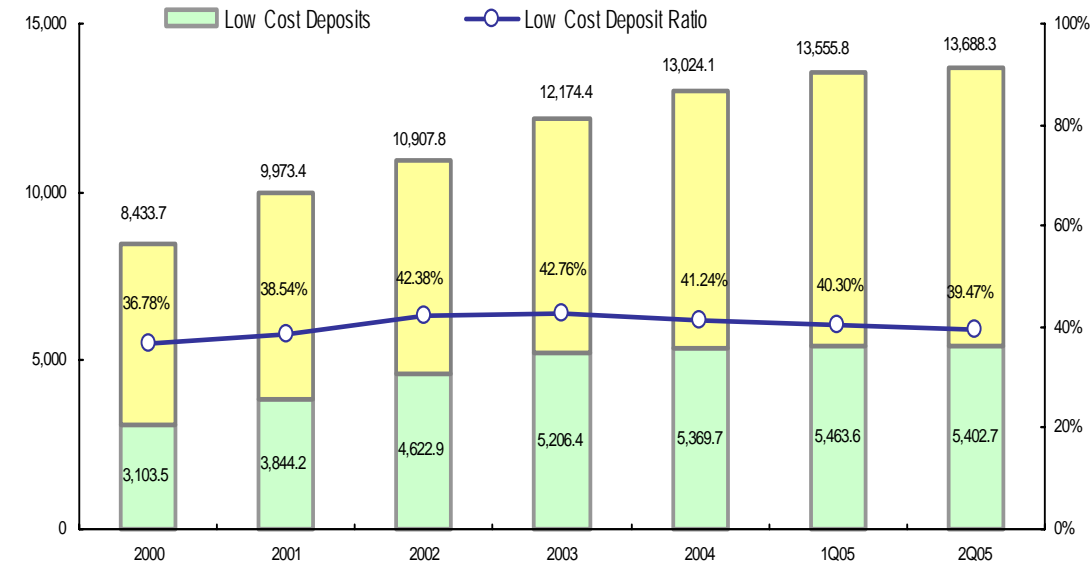
- Established in 1967
- 209 Branches(189 in Busan, 16 in Gyeong Nam, 3 in Seoul & 1 in Pohang)
- 1,955 full-time employees, Serving more than 3.2 million retail customers
- 564 Cash Dispensers & 864 ATM's
- Municipal Government's Budgetary Bank(W2.3 trillion.)
- Dominant Market Leader : Busan MS (30.8% in Deposits & 20.9% in Loans)
- Market Capitalization : W1,349 billion, Shares Outstanding : 146.7 million





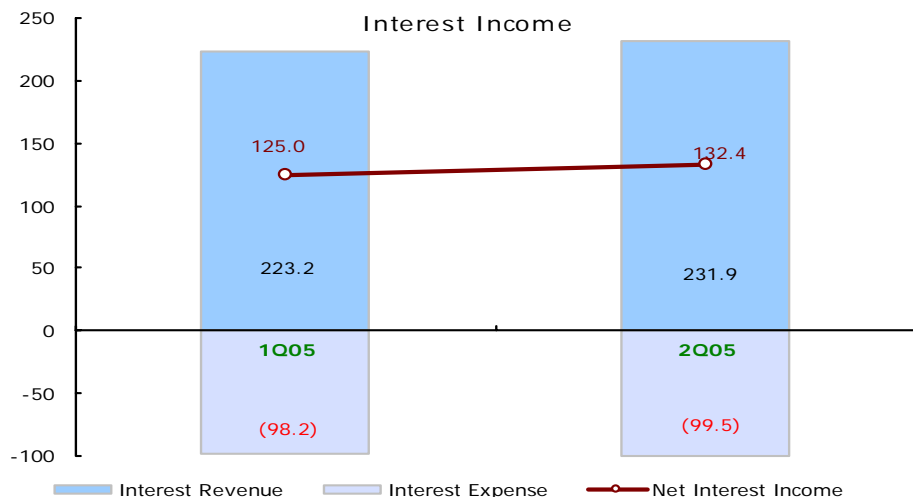
Ending Balance	2005		2004				4Q 2003	QoQ(%)	YTD(%)
	2Q	1Q	4Q	3Q	2Q	1Q			
Won Loans	10,411.9	10,130.4	10,115.2	9,900.7	9,343.4	8,708.0	8,566.2	2.8 %	2.9 %
Household	3,473.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	2.3 %	1.2 %
SMEs	6,314.5	6,031.8	5,946.9	5,891.4	5,615.2	5,264.1	5,210.9	4.7 %	6.2 %
Large Corps	337.2	372.0	403.6	465.2	425.6	406.7	377.2	- 9.4 %	- 16.2 %
Public & Others	286.7	330.0	332.4	329.4	321.8	338.1	358.4	-13.1 %	- 13.7 %
Foreign Currency Loans	311.9	291.4	294.6	299.5	301.6	291.7	289.1	7.0 %	5.9 %
Others*	678.4	586.2	511.3	585.8	613.9	496.7	440.6	15.7 %	32.7 %
Total	11,402.2	11,008.0	10,921.1	10,786.0	10,258.9	9,496.4	9,296.0	3.6 %	4.4 %

Note : Domestic Import Usance Bill : 336.0, Foreign Currency Bought : 147.9, Off-Shore Foreign Loans : 9.9, Customer Advance : 7.9



Ending Balance	2005		2004				4Q 2003	QoQ(%)	YTD(%)
	2Q	1Q	4Q	3Q	2Q	1Q			
Won Deposits	12,425.7	12,090.1	12,016.3	12,504.5	12,594.8	12,086.3	12,215.4	2.8%	3.4%
Savings	10,998.2	10,726.8	10,632.3	11,069.6	11,232.7	10,784.6	10,871.2	2.5%	3.4%
Demand Deposit	1,228.8	1,152.9	1,174.2	1,215.5	1,144.6	1,084.9	1,124.9	6.6%	4.6%
Installment	198.7	210.4	209.8	219.4	217.5	216.8	219.3	- 5.6%	- 5.3%
Money In Trust	940.9	1,036.3	1,057.3	1,138.6	1,256.3	1,160.1	1,183.7	- 9.2%	- 11.0%
RP	706.9	590.5	465.6	473.0	333.8	307.6	425.6	19.7%	51.8%
Financial Debenture Issued	570.2	394.3	392.7	200.0	200.0	200.0	200.0	44.6%	45.2%
CD	649.0	379.4	629.2	47.2	56.0	42.9	43.0	71.1%	3.1%
Bills Sold	11.8	9.1	6.9	7.2	5.3	6.9	6.0	29.7%	71.0%
Total	15,304.5	14,499.7	14,567.9	14,370.5	14,446.2	13,803.8	14,073.7	5.6%	5.1%

	2005		2004				QoQ(%)
	2Q	1Q	4Q	3Q	2Q	1Q	
Operating Income	298.4	356.0	345.0	281.9	282.5	284.9	- 16.2%
Interest Income	231.9	223.2	229.5	227.8	227.9	227.9	3.9%
Fee & Commission Income	35.0	32.9	34.4	31.7	30.9	30.9	6.4%
Trust Related Income	2.8	3.4	4.4	3.8	3.5	4.3	- 17.6%
Others	28.7	96.5	76.7	18.6	20.2	21.8	- 70.3%
Operating Expenses	228.7	281.1	292.8	230.8	237.7	252.9	- 18.6%
Interest Expenses	99.5	98.2	102.8	105.5	103.7	103.3	1.3%
Fee & Commission Expense	6.9	5.5	5.8	5.2	5.1	4.8	25.5%
G&A Expenses	74.7	68.9	83.1	68.3	68.3	74.8	8.4%
Provision for Loan Losses	13.3	9.1	20.0	29.1	34.5	45.0	46.2%
Others	34.3	99.4	81.1	22.7	26.1	25.0	- 65.5%
Net Operating Income	69.7	74.9	52.2	51.1	44.8	32.0	- 6.9%
Non-Operating Income	5.9	- 2.9	-0.3	-1.1	6.6	4.4	303.4%
Income Before Income Taxes	75.6	72.0	51.9	50.0	51.4	36.4	5.0%
Income Taxes	21.2	19.3	16.4	14.9	15.2	10.5	9.8%
Net Income	54.4	52.7	35.5	35.1	36.2	25.9	3.2%
Pre Provision Income	91.7	85.2	75.8	82.4	88.8	94.1	7.6%

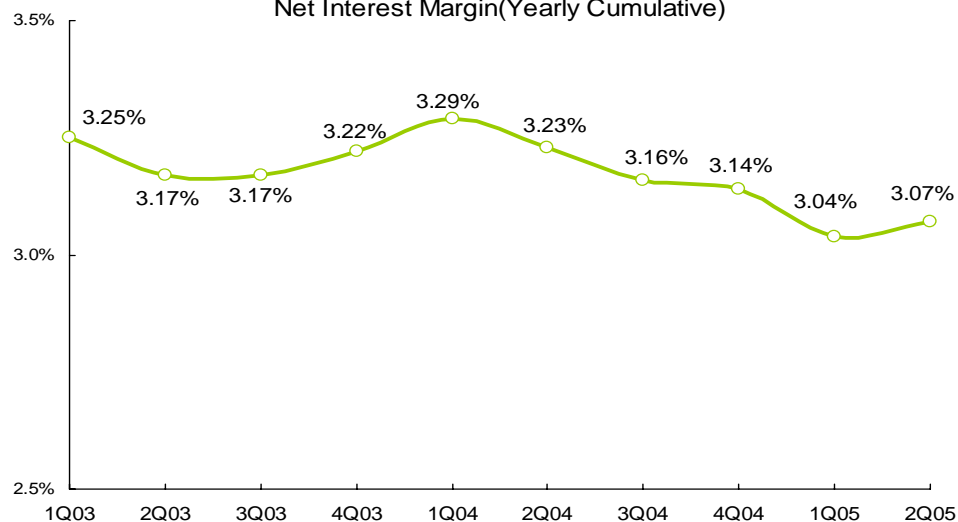


Net Interest Income Increased by W7.4 billion or 5.9% QoQ

- Interest Earning Assets up 1.4% QoQ
- NIS improved by 10bps
- NIM improved by 3 bps

	2005		2004				QoQ (%)
	2Q	1Q	4Q	3Q	2Q	1Q	
Interest Revenues	231.9	223.2	229.4	227.8	227.9	227.9	3.9%
Interest on Loans	178.8	173.9	178.4	172.3	167.1	165.5	2.8%
Interest on Securities	47.7	46.6	49.5	53.2	58.6	59.4	2.4%
Others	5.4	2.7	1.6	2.3	2.2	3.0	100.0%
Interest Expenses	99.5	98.2	102.8	105.5	103.7	103.3	1.3%
Interest on Deposits	75.2	76.3	82.7	85.5	84.8	84.2	- 1.4%
Interest on Borrowings	15.1	14.3	14.0	13.9	13.3	13.0	5.6%
Interest on Financial Debentures	7.6	6.0	4.5	4.2	4.1	4.2	26.7%
Others	1.6	1.6	1.6	1.9	1.5	1.9	0.0%
Net Interest Income	132.4	125.0	126.6	122.3	124.2	124.6	5.9%

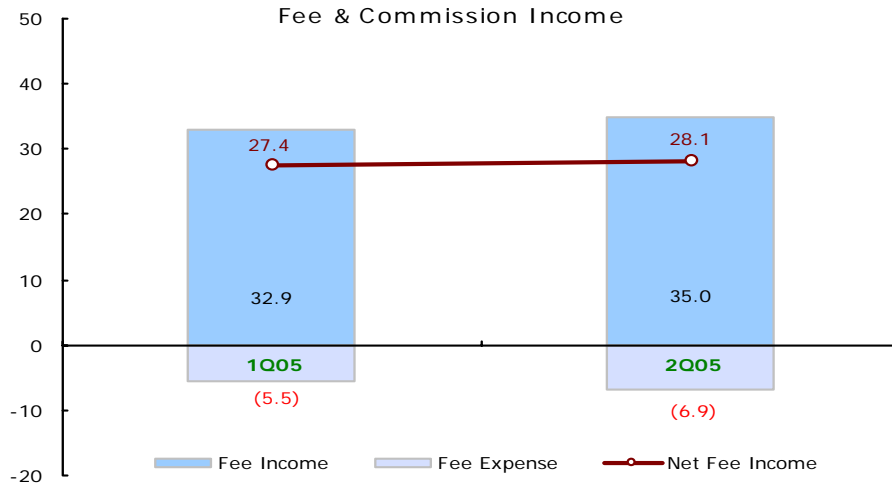
Net Interest Margin(Yearly Cumulative)



Net Interest Margin(Monthly)



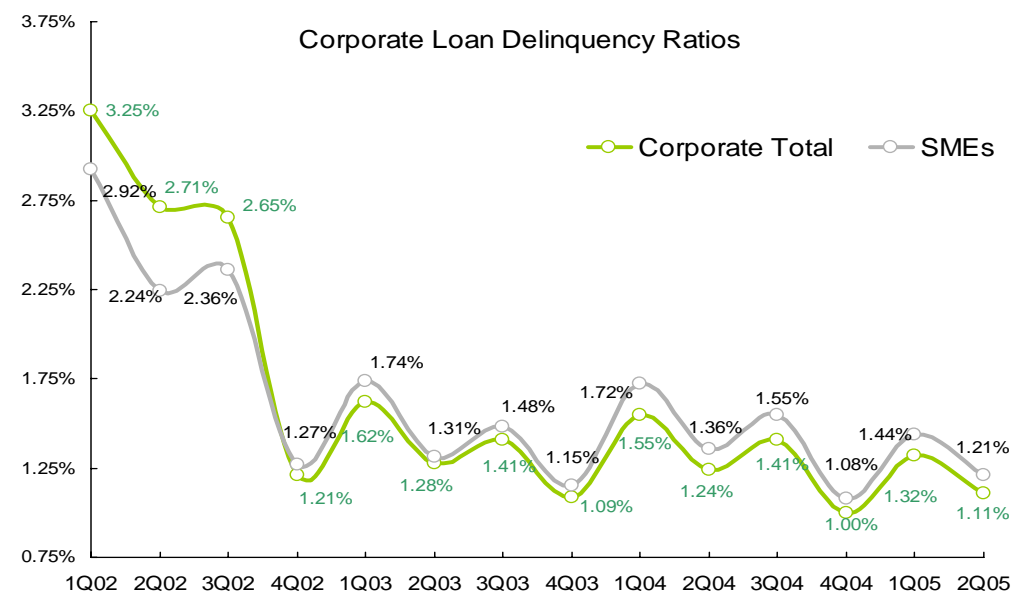
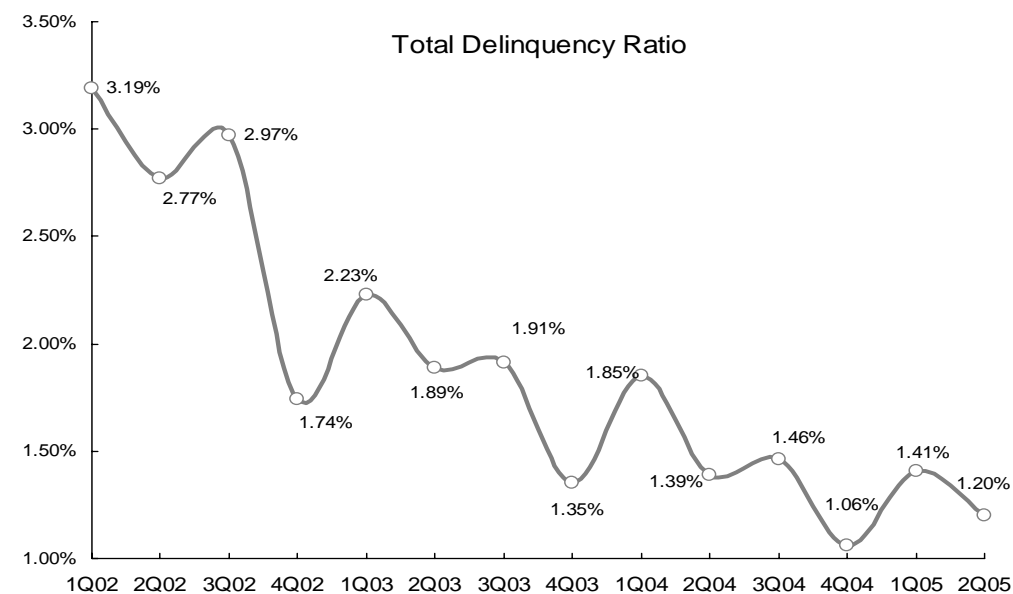
	2005		2004				4Q 2003	Q-Q%
	2Q	1Q	4Q	3Q	2Q	1Q		
Net Interest Spread	3.72%	3.62%	3.79%	3.84%	3.97%	4.04%	3.87%	0.10%p
Average Lending Rate	6.35%	6.29%	6.74%	6.83%	6.98%	7.07%	7.20%	0.06%p
Household	6.43%	6.40%	6.83%	6.99%	7.15%	7.29%	7.46%	0.03%p
Corporates	6.12%	6.07%	6.40%	6.42%	6.54%	6.56%	6.47%	0.05%p
Credit Card	21.10%	20.53%	19.80%	19.46%	19.31%	19.79%	19.65%	0.57%p
Average Deposit Rate	2.63%	2.67%	2.95%	2.99%	3.01%	3.03%	3.33%	- 0.04%p
Interest Earning Assets(average)	15,657.9	15,440.3	14,694.3	14,564.1	14,366.6	14,177.6	13,580.8	1.4%



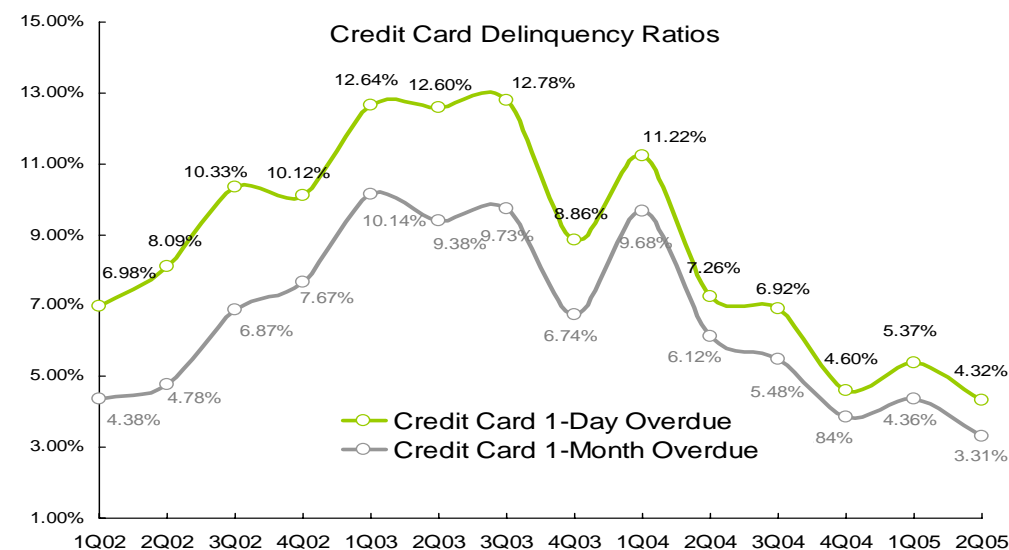
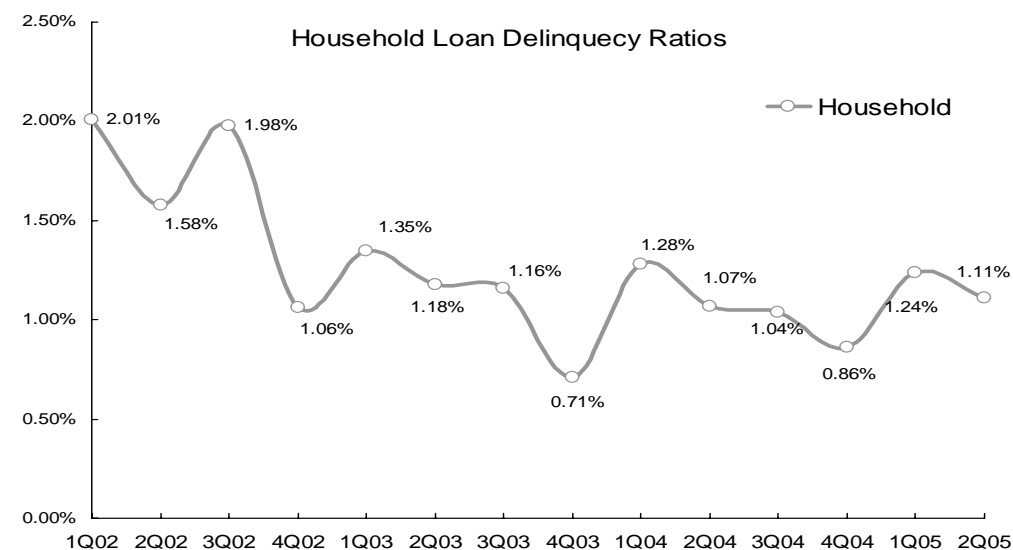
Net Fee & Commission Income Increased by W0.7 billion or 2.6% QoQ

- Commissions from Bankassurance and B.C. sales up by 10.4%
- Commissions on Credit Card up by 4.2%, as transaction volume increased by 5.6%
- However, net credit card commission income decreased by 1.8%, due to increased marketing expenses, etc(one-offs)

	2005		2004				QoQ (%)
	2Q	1Q	4Q	3Q	2Q	1Q	
Fee & Commission Revenues	35.0	32.9	34.4	31.7	30.9	30.9	6.4%
Commissions in Won	15.8	14.7	15.6	14.6	12.9	13.2	7.5%
Commissions on Credit Cards	15.0	14.4	14.8	13.4	14.1	14.1	4.2%
Commissions in Foreign Currency	3.5	3.1	3.3	3.0	3.2	3.0	12.9%
Guarantee Fees	0.7	0.7	0.7	0.7	0.7	0.6	-%
Fee & Commission Expenses	6.9	5.5	5.8	5.2	5.1	4.8	25.5%
Commissions Paid on Credit Cards	4.2	3.4	3.5	3.0	3.0	3.0	23.5%
Commissions Paid	2.7	2.1	2.3	2.2	2.1	1.8	28.6%
Net Fee & Commission Income	28.1	27.4	28.6	26.5	25.8	26.1	2.6%

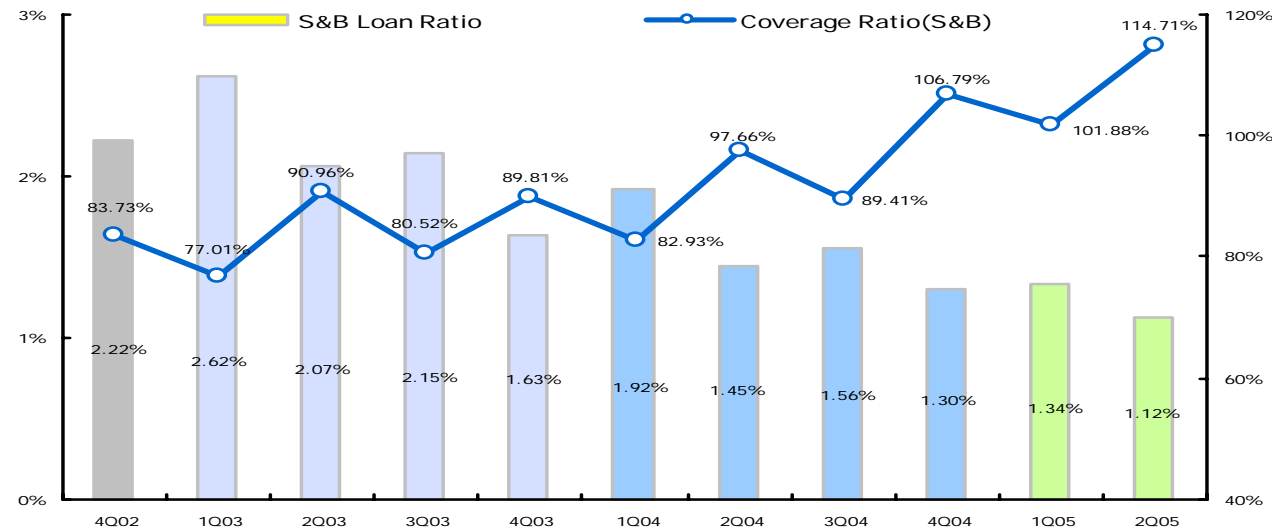


		2005		2004				2003			
		2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Total	Loans	11,423.1	11,036.3	10,978.6	10,834.0	1,0376.7	9,649.7	9,526.0	9,441.8	9,041.5	8,709.8
	Overdue	136.8	155.6	116.1	157.9	143.9	178.8	128.5	180.6	171.0	194.2
Corporate	Loans	7,624.2	7,332.7	7,228.8	7,314.2	7,055.2	6,574.2	6,458.9	6,510.1	6,201.6	5,997.0
	Overdue	84.7	96.9	72.1	103.2	87.4	102.1	70.3	91.6	79.4	97.0
Large Corps.	Loans	615.7	587.9	579.4	652.5	624.8	634.8	494.8	694.0	586.9	561.7
	Overdue	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.0	5.8	2.6
SMEs	Loans	7,008.5	6,744.8	6,649.4	6,661.7	6,430.4	5,939.4	5,964.1	5,816.1	5,614.7	5,435.3
	Overdue	84.7	96.9	72.1	103.2	87.4	102.1	68.7	87.6	73.6	94.4



		2005		2004				2003			
		2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Household	Loans	3,493.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	2,459.2	2,330.5	2,177.3
	Overdue	38.9	42.2	29.4	33.6	31.8	34.5	18.6	28.6	27.5	29.5
Credit Card	Loans	305.4	307.0	317.5	305.1	340.7	376.4	447.4	472.5	509.4	535.5
	Overdue	8.4	6.4	9.5	12.3	26.0	21.3	32.4	32.6	33.8	24.2

S&B Loan Coverage Ratio

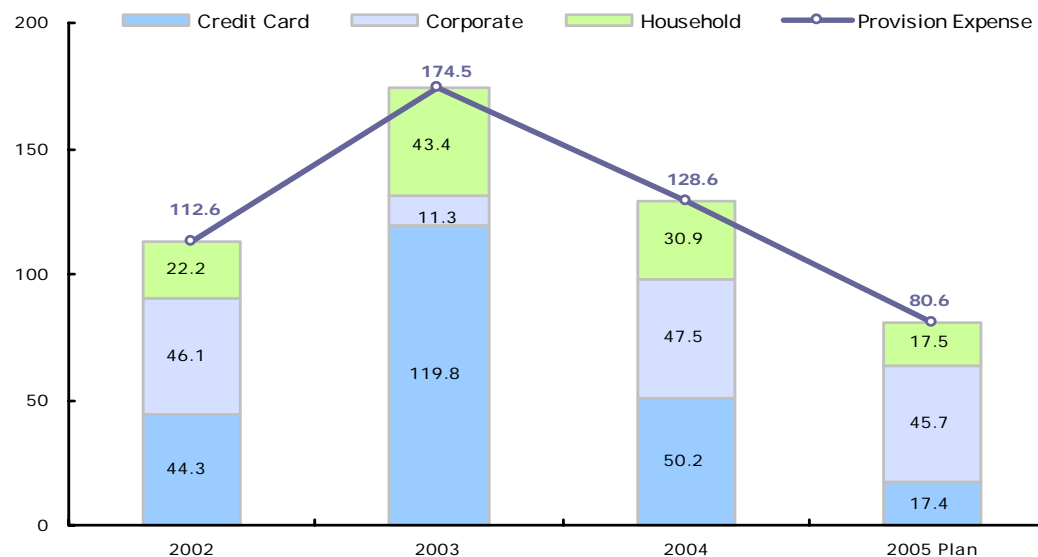


2005 Plan

- P&B Loan Ratio : 3.40%
- S&B Loan Ratio : 1.28%
- S&B Loan Coverage Ratio : 111.04%

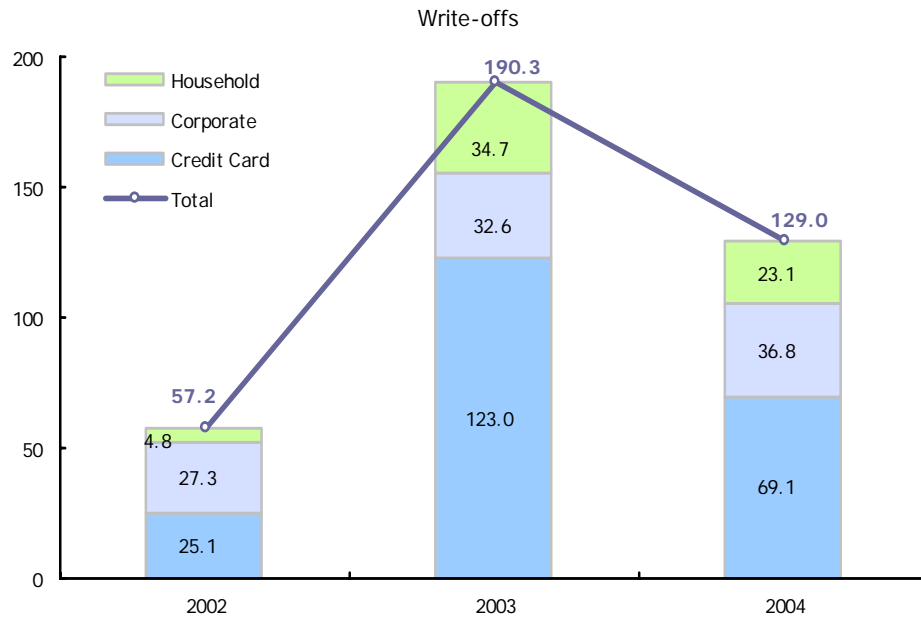
	2005		2004				4Q 2003	Q-Q%
	2Q	1Q	4Q	3Q	2Q	1Q		
Total Loan Amount	11,719.0	11,314.8	11,229.8	11,122.2	10,643.7	9,876.6	9,747.9	3.6%
Normal	11,319.2	10,897.3	10,811.2	10,683.6	10,272.1	9,470.8	9,379.1	3.9%
Precautionary	268.5	265.8	272.6	265.5	217.1	216.6	210.2	1.0%
Substandard	81.8	96.9	88.3	114.6	92.9	119.8	101.1	- 15.6%
Doubtful	31.0	36.3	36.7	39.4	43.4	48.9	43.0	- 14.6%
Expected Loss	18.5	18.5	21.0	19.1	18.2	20.5	14.5	-
P&B Loan Ratio	3.41%	3.69%	3.73%	3.94%	3.49%	4.11%	3.78%	- 0.28%p
P&B Loan Coverage Ratio	37.67%	37.00%	37.22%	35.29%	40.61%	38.66%	38.67%	0.67%p
S&B Loan Ratio	1.12%	1.34%	1.30%	1.56%	1.45%	1.92%	1.63%	0.22%p
S&B Loan Coverage Ratio	114.71%	101.88%	106.79%	89.41%	97.66%	82.93%	89.91%	12.83%p
Provision for Loan Losses	150.6	154.5	155.8	154.8	150.9	156.9	142.6	- 2.5%

Provision Expense



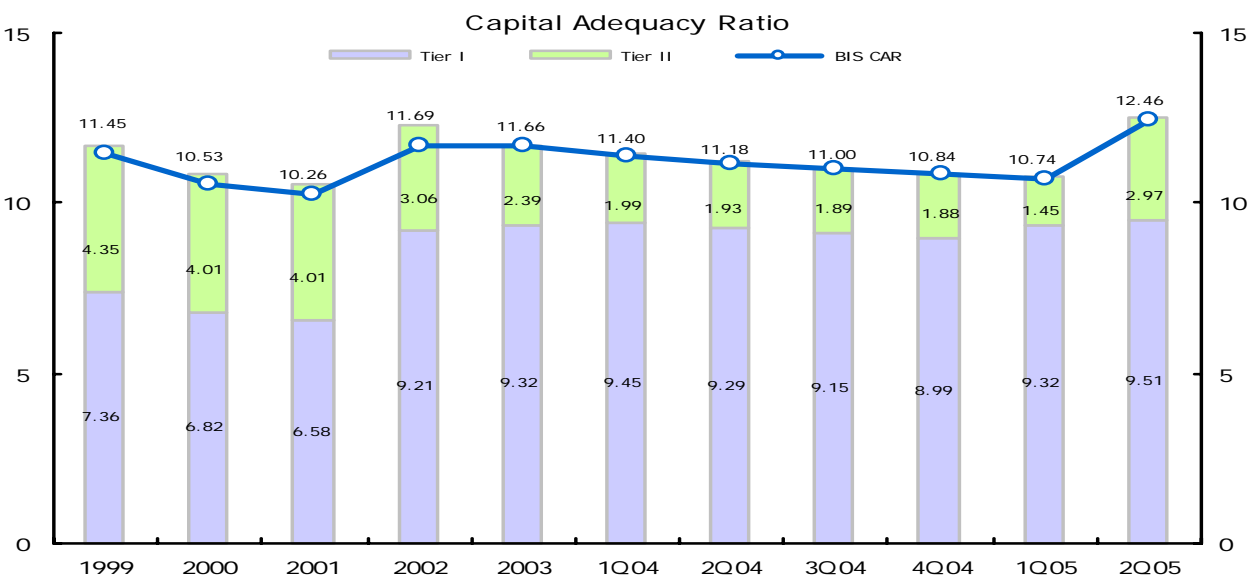
Credit Cost	1H 2005	FY 2004	FY 2003
Household	0.25%	0.90%	1.66%
Corporate	0.08%	0.67%	0.18%
Total without Credit Card	0.13%	0.75%	0.62%
Credit Card	2.52%	15.81%	26.78%
Total with Credit Card	0.20%	1.19%	1.87%

Provision Expenses (Bank Account Only)	2005		2004				2003			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Household	4.3	4.5	5.1	5.9	10.8	9.1	9.0	11.3	12.5	10.6
Credit Card (Re-aged Loans)	3.4 (0.9)	4.3 (1.0)	5.1 (2.1)	8.6 (4.1)	14.7 (6.7)	21.8 (9.2)	23.4 (9.5)	35.8 (13.4)	32.9 (6.3)	27.7 (3.3)
Corporates	5.6	0.3	9.8	14.6	9.0	14.1	2.4	- 8.3	8.2	9.0
Total	13.3	9.1	20.0	29.1	34.5	45.0	34.8	38.8	53.6	47.3



NPL Sales	2005	2004		2003	
	1H	2H	1H	2H	1H
Household	6.9	4.6	4.8	3.9	7.2
Credit Card	0.0	0.2	0.1	0.1	0.6
Corporates	18.5	20.0	19.0	17.0	17.7
Total	25.4	24.7	23.9	20.9	25.5

Write-Offs	2005		2004				2003			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Household	6.4	4.1	5.6	4.6	7.2	5.7	9.3	9.9	9.6	5.9
Credit Card	8.4	6.4	9.5	12.3	26.0	21.3	32.3	32.6	33.8	24.2
Corporates	7.1	4.7	12.9	12.2	6.0	5.7	11.3	7.5	11.3	2.3
Total	21.9	15.2	28.0	29.1	39.2	32.7	52.9	50.0	54.7	32.4



BASLE II Impact on Capital Adequacy Ratio

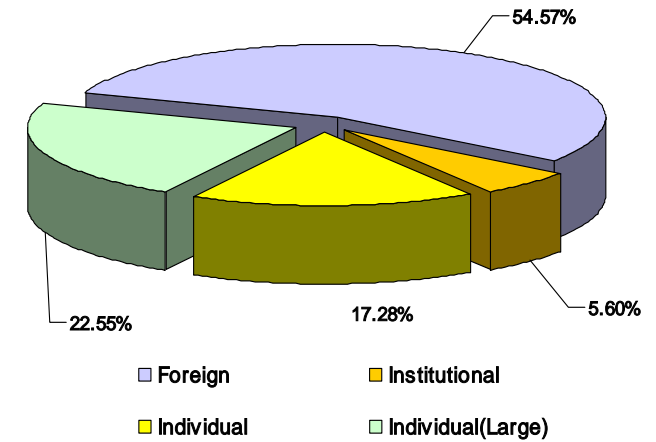
	1Q 2004	BASLE II	Impact
• BIS Capital Ratio	11.40%	11.03%	- 0.37%p
• TIER I	9.45%	9.14%	- 0.31%p
• TIER II	1.99%	1.93%	- 0.06%p

	2005		2004				2003	2002
	2Q	1Q	4Q	3Q	2Q	1Q		
Tier I Capital	1,068.2	1,012.8	959.4	972.8	936.5	900.1	876.5	792.9
Tier II Capital	334.1	157.4	201.1	200.6	194.2	189.7	224.8	263.7
Contribution to Unconsolidated Subsidiaries (-)	3.0	3.0	4.0	4.0	4.0	4.0	4.9	50.2
Total Risk-Adjusted Capital	1,399.3	1,167.3	1,156.4	1,169.4	1,126.7	1,085.8	1,096.3	1,006.4
Total Risk-Weighted Assets	11,231.7	10,865.9	10,677.8	10,630.2	10,076.9	9,526.6	9,406.4	8,609.7
On-Balance Sheet Assets	10,828.1	10,460.4	10,301.0	10,232.3	9,721.2	9,160.5	9,053.9	8,225.4
Off-Balance Sheet Assets	403.6	405.5	376.8	397.9	355.7	366.1	352.5	384.3

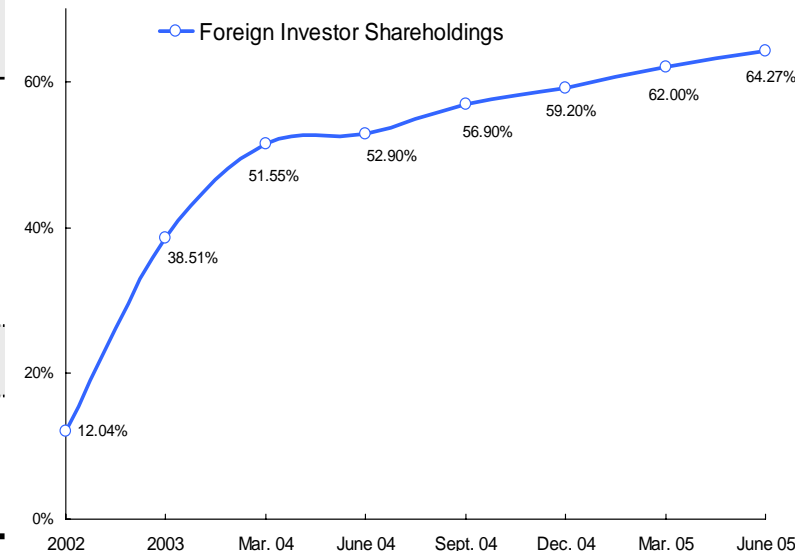
Major Shareholders(as of December 31, 2004)

• Lotte Group(Japan Lotte Inclusive)	14.11 %
• Capital Research & Management Company	10.40 %
• Schroder Investment Management Ltd.	7.08%
• Templeton Investment Counsel LLC	6.05%
• Aberdeen Asset Management Asia Limited	5.16%
• Parkland Co., Ltd.	4.11 %
• Korea Iron & Steel Co., Ltd.	1.99 %

Shareholding Structure(as of Dec. 31, 2004)



Dividend History	2004	2003	2002	2001 ~ 1997	1996	1995
Net Income	132.7	121.3	148.0		41.9	30.2
Dividend Rate	6%	5.4 %	6 %		8 %	5 %
Dividend per Share (W)	300	270	300	No Dividend	400	250
Payout Ratio	33.2%	32.7 %	29.7 %		32.7 %	28.3 %
Type	Cash	Cash	Cash		Cash	Cash
Dividend Yield at Market Price	3.8%	4.0%	5.9 %		5.8 %	



Ending Balance	2005		2004				2003			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Total Assets	19,331.4	18,551.0	18,184.1	18,334.1	17,886.4	17,109.1	17,506.7	17,341.7	17,004.4	17,015.9
Total Deposits	15,304.5	14,499.7	14,568.0	14,370.5	14,446.2	13,803.8	14,073.9	13,777.2	13,471.6	13,532.6
Total Loans	11,402.2	11,008.0	10,921.1	10,786.0	10,258.9	9,496.4	9,296.0	9,048.2	8,702.7	8,299.8
Paid-in Capital	733.4	733.4	733.4	733.4	733.4	733.4	733.4	733.4	733.4	733.4
Shareholders' Equity	1,081.2	1,025.7	1,025.7	1,001.5	955.1	920.9	936.9	905.4	863.4	820.7
Net Income	54.4	52.7	35.5	35.1	36.2	25.9	33.7	36.6	38.0	13.0
ROA	1.24%	1.24%	0.81%	0.80 %	0.78 %	0.66 %	0.79 %	0.77 %	0.69 %	0.36 %
ROE	20.51%	20.83%	13.60%	13.54 %	13.31 %	11.33 %	13.91 %	13.57 %	12.22 %	6.41 %
BPS (W)	7,371	6,993	6,993	6,828	6,511	6,278	6,387	6,173	5,886	5,595
EPS (W)	1,473	1,456	905	884	847	707	827	798	701	359
Low Cost Deposit Ratio	39.47%	40.30%	41.24%	42.04%	42.72%	43.26%	42.76%	43.15%	43.45%	42.58%
Loan-to-Deposit Ratio	83.79%	83.79%	84.18%	79.18%	74.18%	72.05%	70.1%	70.3%	68.9%	65.5%

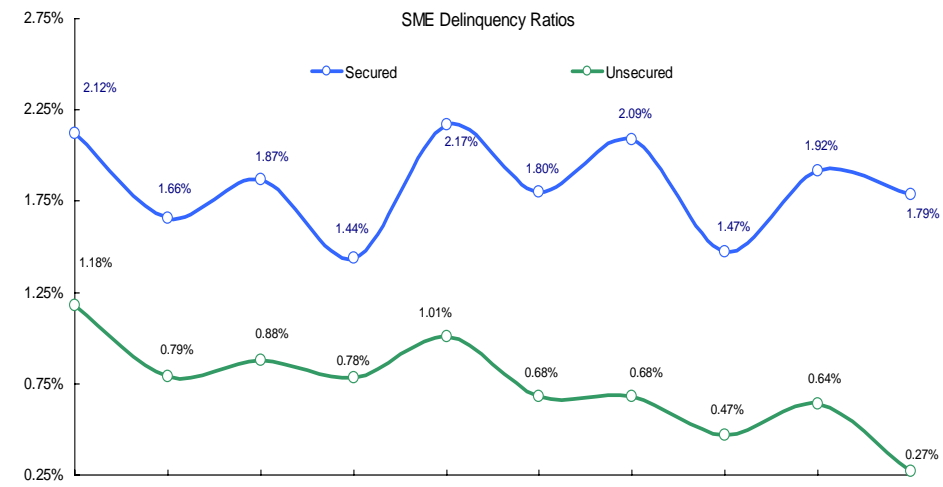
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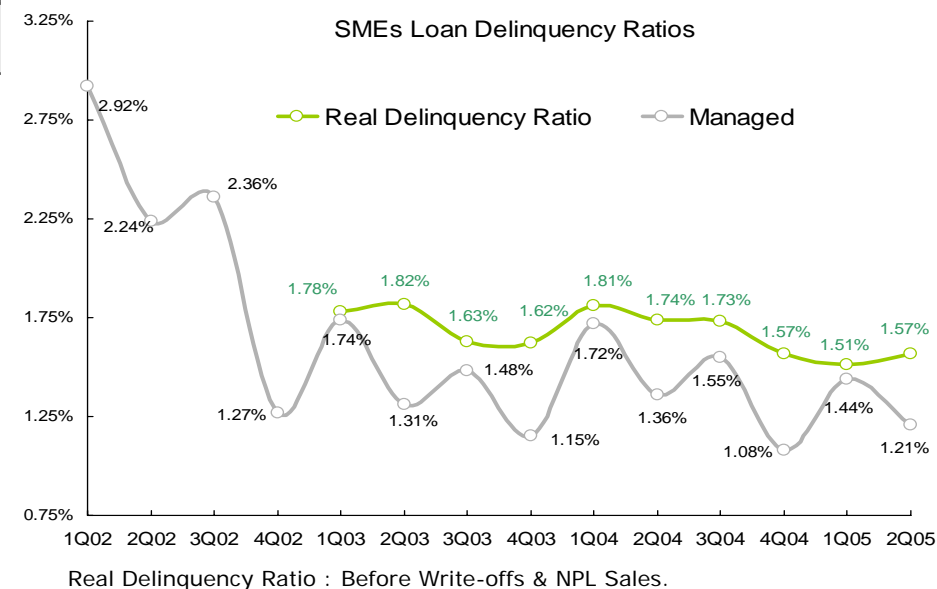
Loan Portfolio	2005				4Q 2004		4Q 2003	
	2Q		1Q					
Manufacturing Sectors	3,274.3	47.19	3,154.9	46.9%	3,079.7	46.1 %	2,680.7	45.1%
Steel & Metal Products	916.5	13.21	867.8	12.9%	847.3	12.7 %	696.7	11.7%
Automobile Parts	431.5	6.22	426.3	6.3%	421.9	6.3 %	370.7	6.2%
Machinery	483.6	6.97	458.6	6.8%	436.0	6.5 %	358.8	6.0%
Petroleum, Rubber, etc.	433.9	6.25	433.9	6.4%	431.8	6.6 %	366.8	6.2%
Fabric	241.1	3.47	241.6	3.6%	247.9	3.7 %	239.0	4.0%
Garment & Shoes	144.5	2.08	140.2	2.1%	125.5	1.9 %	136.1	2.3%
Kitchen Units	143.0	2.06	133.4	2.0%	134.4	2.0 %	128.1	2.6%
Electronics	138.3	1.99	119.6	1.8%	112.0	1.7 %	94.7	1.6%
Paper, Paper Mills	66.4	0.96	65.3	1.0%	65.2	1.0 %	59.9	1.0%
Others	275.5	3.97	268.2	4.0%	257.7	3.9 %	229.9	3.9%
Non-Manufacturing Sectors	3,664.1	52.81	3,578.9	53.1%	3,603.2	53.9 %	3,265.9	54.9%
Wholesale & Retail	949.4	13.68	905.5	13.5%	896.8	13.4 %	769.1	12.9%
Real Estate & Lease	586.6	8.45	588.8	8.7%	630.8	9.4 %	553.2	9.3%
Construction & Engineering	547.8	7.90	520.8	7.7%	549.2	8.2 %	527.2	8.9%
Insurance & Financing	297.9	4.29	321.1	4.8%	304.9	4.6 %	324.5	5.5%
Transportation	389.8	5.62	309.1	4.6%	314.1	4.7 %	250.5	4.2%
Hotel & Food	225.4	3.25	219.6	3.3%	205.0	3.1 %	204.0	3.4%
Public	11.0	0.16	52.0	0.8%	73.8	1.1 %	128.8	2.2%
Others	656.2	9.46	662.0	9.8%	628.6	9.4 %	508.6	8.6%
Total Corporate Won Loans	6,938.4	100.0	6,733.8	100.0%	6,682.9	100.0 %	5,946.6	100.0%

SMEs Delinquency Ratio By Sector	2Q 2005		1Q 2005		4Q 2004		3Q 2004		2Q 2004		1Q 2004		4Q 2003	
	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio
Manufacturing Sector	3,558.1	1.19%	3,354.7	1.24%	3,237.7	0.96%	3,281.2	1.10%	3,178.2	1.02 %	2,925.2	1.16 %	2,883.2	0.68 %
Non-Manufacturing Sector	3,450.4	1.23%	3,390.1	1.63%	3,411.7	1.20%	3,380.5	1.99%	3,252.2	1.57 %	3,014.2	2.27 %	3,080.9	1.60 %
Wholesale & Retail	1,060.1	1.16%	1,004.6	1.56%	974.4	1.40%	943.1	2.30%	929.8	2.32 %	848.5	2.89 %	834.1	2.54 %
Real Estate & Lease	594.9	1.48%	598.9	1.19%	641.0	0.98%	651.1	2.64%	624.0	2.23 %	578.2	2.28 %	564.4	1.92 %
Construction	549.6	1.96%	522.6	2.77%	552.7	1.49%	542.6	0.66%	544.9	0.72 %	519.8	1.02 %	527.7	0.41 %
Transport. & Comms.	389.8	0.11%	311.2	0.25%	305.7	0.14%	296.5	0.64%	264.8	0.34 %	236.7	0.59 %	238.5	0.62 %
Hotel & Food	226.7	1.70%	221.2	2.39%	207.0	2.41%	215.1	4.46%	214.1	2.43 %	201.1	3.58 %	206.6	0.86 %
Public	11.0	- %	52.0	- %	73.8	- %	80.5	- %	80.5	- %	101.2	- %	128.8	- %
Insurance & Financing	15.4	0.03%	16.5	- %	19.0	- %	21.3	- %	21.8	- %	25.2	- %	37.3	- %
Others	603.1	1.04%	663.1	1.79%	638.1	1.13%	630.3	2.09%	572.3	1.64 %	503.5	3.32 %	543.5	2.15 %
Total	7,008.5	1.21%	6,744.8	1.44%	6,649.4	1.08%	6,661.7	1.55%	6,430.4	1.36%	5,939.4	1.72 %	5,964.1	1.15 %

SMEs Delinquency Ratio By Collateral Type	2Q 2005		1Q 2005		4Q 2004	
	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio
Total	7,008.5	1.21%	6,744.8	1.44%	6,649.4	1.08%
Real Estates	3,117.1	1.61%	2,991.1	2.14%	2,895.3	1.66%
Movables	28.7	- %	30.2	- %	20.1	- %
Deposits	320.7	- %	282.9	- %	284.6	- %
Guarantees	870.7	3.14%	876.9	1.86%	873.0	1.36%
Clean Credit	2,671.3	0.27%	2,563.7	0.64%	2,576.4	0.47%



SME Loans Defaulted	2Q 2005	1Q 2005	4Q 2004	2004	2003
Manufacturing	17.1	5.0	14.5	47.7	61.1
Chemicals	-	3.7	1.4	4.6	7.5
Machinery	1.6	1.2	3.2	4.8	14.3
Furniture	-	0.1	-	7.3	0.5
Transportation	-	-	2.8	5.2	2.5
Shoes Manufacturing	4.5	-	1.7	8.2	0.8
Others	11.0	-	5.4	17.6	35.5
Non Manufacturing	7.5	3.7	17.2	39.2	35.0
Construction	4.5	2.3	7.0	18.0	1.0
Wholesale & Retail	2.4	1.4	7.0	13.6	21.4
Agriculture & Fishery	-	-	1.8	1.8	7.2
Others	0.6	-	1.4	5.8	5.4
Total Amount Defaulted	24.6	8.7	31.7	86.9	96.1
Recoverable Amount	18.9	7.5	24.4	70.8	81.3
Defaults subjected to be sold	5.7	1.2	7.4	16.1	14.8
Recovery Rate	76.8%	86.2%	76.7%	81.5%	84.6%

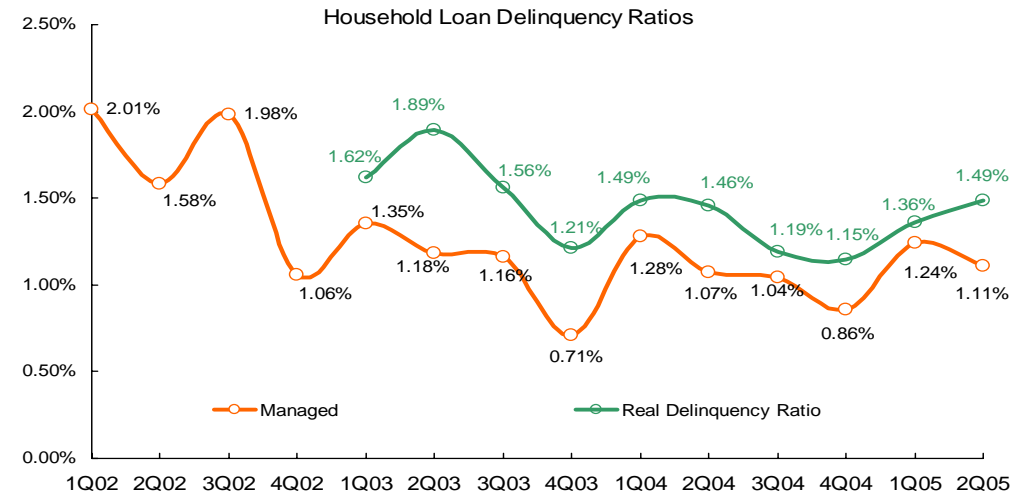


SME Loans Defaulted

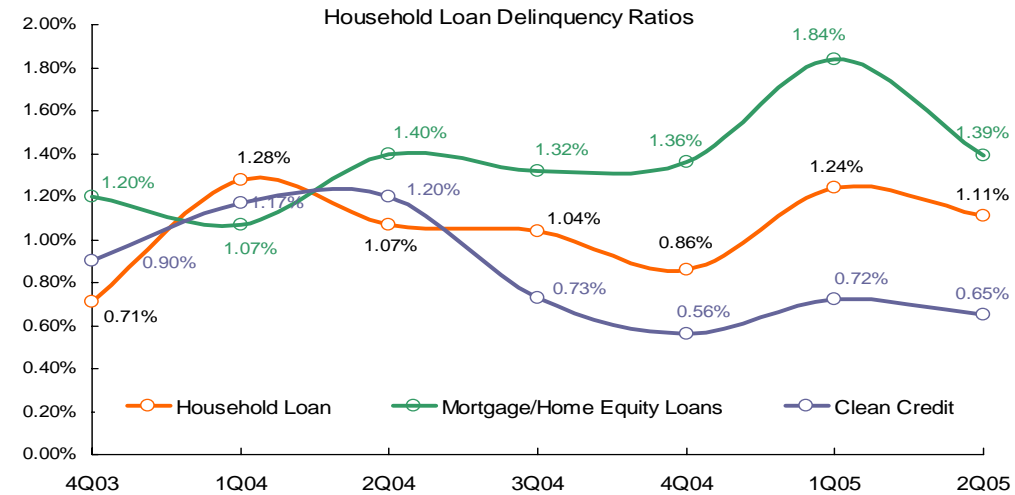
- Total number of defaulted SMEs up by 2 (20 vs. 18 in 1Q 2005)
- 8 out of 20 defaulted SMEs were manufacturing sectors
- Total amount defaulted increased by W15.9 billion QoQ
- Recoverable amount is based on market value of collaterals
- Actual recovery ratio may vary, but should be higher

	2005		2004				2003	QoQ(%)
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
Total	7,318.4	6,978.9	6,845.4	6,858.6	6,678.2	6,166.3	6,138.8	4.9%
Normal	7,074.8	6,708.7	6,574.4	6,594.1	6,488.3	5,975.0	5,972.3	5.5%
Precautionary	159.1	177.4	181.0	154.1	99.5	75.4	65.5	- 10.3%
Substandard	62.6	72.5	68.4	92.8	72.6	97.5	88.5	- 13.7%
Doubtful	12.7	13.4	11.7	10.3	11.5	9.9	8.0	- 5.2%
Expected Loss	9.2	6.9	9.9	7.3	6.3	8.5	4.5	33.3%
Precautionary & Below Loans	243.6	270.2	271.0	264.5	189.9	191.3	166.5	- 9.8%
P&B Loan Ratio	3.33	3.87	3.96	3.86	2.84	3.10	2.71	- 0.54%p
P&B Loan Coverage Ratio	35.14	31.57	32.29	31.83	42.07	42.34	44.02	3.57%p
Substandard & Below Loans	84.5	92.8	90.0	110.4	90.4	115.9	101.0	- 8.9%
S&B Loan Ratio	1.15	1.33	1.31	1.61	1.35	1.88	1.65	- 0.18%p
S&B Loan Coverage Ratio	101.30	91.92	97.22	76.27	88.38	69.89	72.57	9.38%p
Provision for Loan Losses	85.6	85.3	87.5	84.2	79.9	81.0	73.3	0.4%

		2005		2004				2003	QoQ(%)	YTD(%)
		2Q	1Q	4Q	3Q	2Q	1Q	4Q		
Household Loans – Retail		3,473.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	2.3%	1.2%
<div>2Q 2005 Secured Loans</div> <div>W2,994.1bn (86.20%)</div>	Total Secured Loans	2,994.1	2,865.8	2,964.0	2,767.3	2,543.1	2,242.8	2,153.8	4.5%	1.0%
	Mortgage / Home Equity	1,148.4	1,057.1	1,094.6	1,034.9	982.3	939.2	948.9	8.6%	4.9%
	Group Loans	1,001.5	1,015.0	1,082.8	985.6	833.8	627.3	535.6	- 1.3%	- 7.5%
	Other Collateralized Loans	777.1	733.3	728.9	693.6	676.0	630.3	623.1	6.0%	6.6%
	Gov't Workers' Pension Backed Loans	67.1	60.4	57.7	53.2	51.0	46.0	46.2	11.1%	16.3%
	Loan to Value Ratio	48.21%	55.06%	54.8%	54.6%	54.7%	53.1%	51.0%	- 6.85%p	- 6.63%p
<div>2Q 2005 Unsecured Loans</div> <div>W479.4bn (13.80%)</div>	Total Unsecured Loans	479.4	530.8	468.2	447.4	437.7	456.3	465.9	- 9.1%	2.4%
	Personal CSS Loans	211.0	241.0	239.5	222.4	230.0	234.1	245.0	- 12.4%	11.9%
	Student Loans	38.7	42.1	37.7	40.6	39.0	38.6	29.4	- 8.1%	2.7%
	Government Workers' Loans	40.2	39.3	38.9	39.6	40.8	40.7	41.0	2.3%	3.3%
	Others	189.5	208.4	152.1	144.8	127.9	142.9	150.5	- 9.1%	- 9.1%



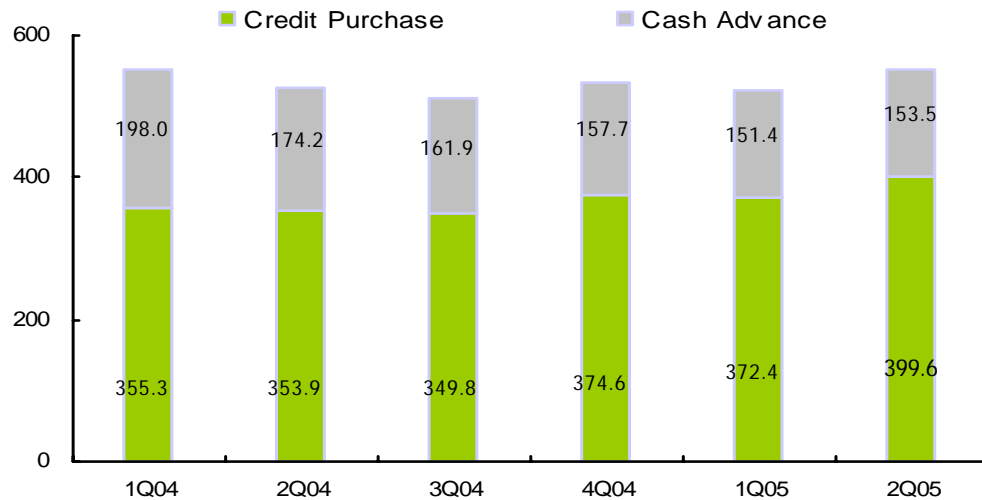
Real Delinquency Ratio : Before Write-offs & NPL Sales



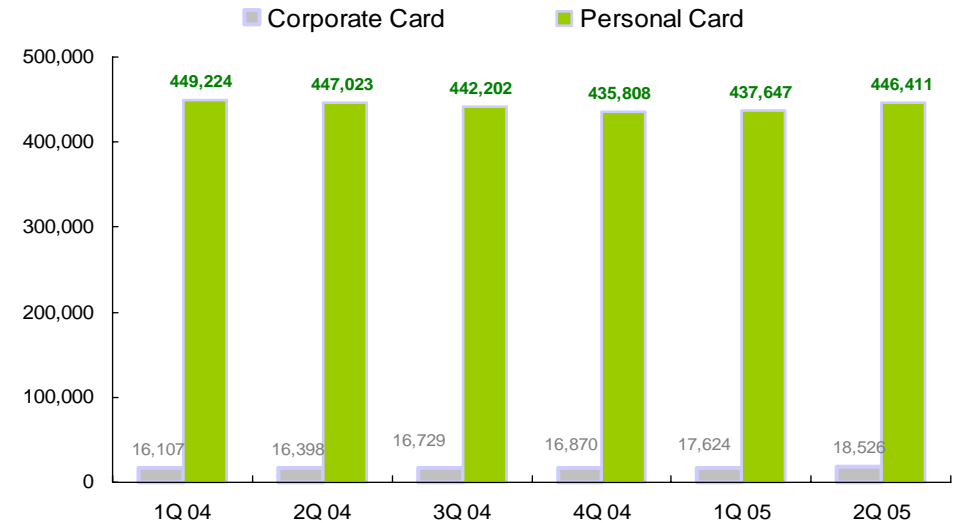
Delinquency Ratio by Collateral type	2005		2004				2003			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Total	1.11% (3,473.5)	1.24% (3,396.6)	0.86% (3,432.3)	1.04% (3,214.7)	1.07% (2,980.8)	1.28% (2,699.1)	0.71% (2,619.7)	1.16% (2,515.1)	1.46% (2,375.2)	1.60% (2,203.7)
Real Estates	1.33% (16,06.0)	1.68% (1,539.6)	1.24% (1,527.3)	1.46% (1,452.5)	1.10% (1,362.1)	1.3% (1,284.3)	0.6%	0.9%	0.8%	1.0%
Movables	0.01% (34.4)	0.0% (32.4)	0.0% (28.8)	0.0% (26.4)	0.0% (25.7)	0.3% (21.8)	0.1%	0.1%	0.0%	0.4%
Deposits	0.12% (168.1)	0.22% (164.0)	0.06% (185.4)	0.2% (169.2)	0.1% (176.2)	1.7% (171.5)	0.0%	0.1%	0.1%	0.1%
Guarantees	36.79% (17.9)	15.91% (26.6)	3.61% (31.9)	1.5% (32.6)	2.3% (30.7)	2.4% (28.7)	0.9%	4.0%	3.5%	4.1%
Unsecured	0.65% (1,647.1)	0.72% (1,634.0)	0.56% (1,658.9)	0.73% (1,534.0)	1.20% (1,386.1)	1.17% (1,192.8)	0.9%	1.5%	1.7%	2.1%

	2005		2004				2003	QoQ(%)
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
Total	3,473.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	2.3%
Normal	3,395.2	3,309.0	3,352.3	3,130.4	2,898.6	2,609.7	2,551.9	2.6%
Precautionary	45.9	49.1	46.8	48.1	47.9	55.7	45.1	- 6.5%
Substandard	19.0	23.1	18.5	21.3	19.7	21.1	12.0	- 17.7%
Doubtful	9.3	10.2	9.3	9.1	8.0	7.6	5.9	- 8.8%
Expected Loss	4.1	5.2	5.4	5.8	6.6	5.0	4.8	- 21.2%
Precautionary & Below Loans	78.3	87.6	80.0	84.3	82.2	89.4	67.8	- 10.6%
P&B Loan Ratio	2.25%	(2.58%)	(2.33%)	(2.62%)	(2.76%)	(3.3 %)	(2.6 %)	- 0.33%p
P&B Loan Coverage Ratio	53.90%	50.34%	53.88%	50.42 %	49.27 %	41.8 %	49.1%	3.56%p
Substandard & Below Loans	32.4	38.5	33.2	36.2	34.3	33.7	22.8	- 15.8%
S&B Loan Ratio	0.93%	(1.13%)	(0.97%)	(1.13%)	(1.15%)	(1.2 %)	(0.87 %)	- 0.20%p
S&B Loan Coverage Ratio	130.25%	114.5%	129.82%	117.40%	118.08%	111.3 %	146.7 %	15.8%p
Provision for Loan Losses	42.2	44.1	43.1	42.5	40.5	37.5	33.3	- 4.3%

Credit Card Sales Volume



Number of Card Holder



		2005		2004				QoQ(%)	YTD(%)
		2Q	1Q	4Q	3Q	2Q	1Q		
Balance	Total(with Reaged Loans)	305.4	307.0	317.5	305.1	340.7	376.4	- 0.5%	- 3.8%
	Credit Purchase	210.4	204.7	212.9	191.7	211.7	219.3	- 2.9%	- 1.2%
	Cash Advances	71.8	71.6	66.8	67.8	75.4	92.5	0.3%	7.5%
	Re-aged Loans	23.2	30.7	37.8	45.6	53.6	64.5	- 24.4%	- 38.6%
Credit Card Income	Total Income	20.4	19.8	20.7	19.5	21.1	23.3	3.0%	- 1.5%
	Credit Purchase	13.3	12.8	13.0	11.4	12.3	12.0	3.9%	2.3%
	Cash Advance	4.6	4.3	4.6	4.7	5.1	7.2	7.0%	-%
	Others	2.5	2.7	3.1	3.4	3.7	4.1	- 7.4%	- 19.4%

	2005		2004				2003	QoQ(%)
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
Total	305.4	307.0	317.5	305.1	340.7	376.3	447.4	- 0.5%
Normal	272.1	265.4	270.8	251.0	276.0	288.6	358.9	2.5%
Precautionary	20.9	25.1	29.7	33.7	40.8	51.9	57.4	- 16.7%
Substandard	0.3	0.4	0.3	0.5	0.6	1.2	0.6	- 25.0%
Doubtful	6.9	9.7	11.2	14.0	18.0	27.6	25.4	- 28.9%
Expected Loss	5.2	6.4	5.5	5.9	5.3	7.0	5.1	- 18.8%
P&B Loans	33.3	41.6	46.7	54.1	64.7	87.7	88.5	- 20.0%
P&B Loan Ratio	10.90	(13.6%)	(14.7%)	(17.7%)	(19.0%)	(23.3 %)	(19.8%)	- 2.70%p
P&B Loan Coverage Ratio	43.84	43.3%	39.6%	38.6%	36.9%	37.5%	34.9%	0.54%p
S&B Loans	12.4	16.5	17.0	20.4	23.9	35.8	31.1	- 24.8%
S&B Loan Ratio	4.06	(5.4%)	(5.4%)	(6.7%)	(7.0%)	(9.5%)	(7.0%)	- 1.34%p
S&B Loan Coverage Ratio	117.74	109.1%	108.8%	102.5%	100%	91.9%	99.4%	8.64%p
Provision for Loan Losses	14.6	18.0	18.5	20.9	23.9	32.9	30.9	- 18.9%

Ending Balance	2005		2004				2003	QoQ(%)	YTD(%)
	2Q	1Q	4Q	3Q	2Q	1Q	4Q		
Won Loans*	10,504.6	10,161.8	10,075.6	10,281.1	9,369.7	8,741.3	8,605.9	3.4%	4.3%
Won Securities	4,286.2	4,148.9	4,033.0	4,230.0	4,451.9	4,582.5	4,591.2	3.3%	6.3%
Foreign Currency Assets	906.3	806.2	779.2	812.4	882.3	765.0	709.7	12.4%	16.3%
Cash & Due from Banks	1,327.8	1,070.7	970.4	596.9	619.9	420.3	877.1	24.0%	36.8%
Credit Card Receivables	305.4	307.0	317.6	305.1	340.7	376.3	447.4	- 0.5%	- 3.8%
Fixed Assets	341.6	340.3	343.3	331.2	327.5	333.2	334.2	0.4%	- 0.5%
Other Assets	732.4	674.4	615.3	643.0	661.7	719.7	789.0	8.6%	19.0%
Assets	18,404.3	17,509.3	17,134.4	17,199.7	16,653.7	15,938.3	16,354.5	5.1%	7.4%
Won Deposits & CD	13,074.7	12,469.5	12,645.5	12,551.7	12,650.8	12,129.3	12,258.5	4.9%	3.4%
Won Borrowings	1,837.2	1,515.1	1,398.6	1,583.7	1,238.2	1,174.0	1,319.2	21.3%	31.4%
Foreign Currency Liabilities	949.6	891.9	837.5	799.0	858.7	724.9	696.4	6.5%	13.4%
Won Financial Debenture	570.2	394.3	392.7	200.0	200.0	200.0	200.0	44.6%	45.2%
Other Liabilities	891.4	1,212.8	834.4	1,063.8	750.9	789.2	943.5	- 26.5%	6.8%
Shareholders' Equity	1,081.2	1,025.7	1,025.7	1,001.5	955.1	920.9	936.9	5.4%	5.4%
Liabilities & Shareholders' Equity	18,404.3	17,509.3	17,134.4	17,199.7	16,653.7	15,938.3	16,354.5	5.1%	7.4%

Note : Privately Placed Bonds & Call Loans included

	2Q 2005					1Q 2005	4Q 2004	4Q 2003	QoQ(%)	YTD(%)
	Total	Marketable Securities	Investment Securities							
			Subtotal	Available for Sale	Held to Maturity					
Bonds in Won	4,065.1	59.5	4,005.6	1,318.8	2,686.8	3,933.2	3,797.3	4,319.1	3.4%	7.1%
Financial Debentures	1,846.0	19.9	2,826.1	627.0	1,199.1	1,766.3	1,725.3	1,899.8	4.5%	7.0%
Gov't Owned Corps Bonds	771.5	0.0	771.5	140.1	631.4	777.0	800.0	1,053.0	- 0.7%	- 3.6%
Government Bonds	998.9	39.6	959.3	352.9	606.4	894.8	685.3	575.2	11.6%	45.8%
Corporate Bonds	263.0	0.0	263.0	198.8	64.2	302.8	335.4	431.5	- 13.1%	- 21.6%
Local Gov't Bonds	185.7	0.0	185.7	0.0	185.7	192.3	251.3	359.6	- 3.4%	- 26.1%
Bonds in Foreign Currency	40.5	0.0	40.5	14.4	26.1	36.3	26.6	43.0	11.6%	52.3%
Stocks	55.5	6.1	49.4	49.4	0.0	47.9	54.5	80.7	15.9%	1.8%
Beneficiary Certificates	142.2	0.0	142.2	142.2	0.0	151.5	151.7	166.9	- 6.1%	- 6.3%
Bond Type	131.0	0.0	131.0	131.0	0.0	129.8	130.4	166.9	0.9%	0.5%
Equity Type	11.2	0.0	11.2	11.2	0.0	21.7	21.3	0	- 48.4%	- 47.4%
Others	26.3	0.0	26.3	26.3	0.0	16.3	29.5	24.5	61.3%	- 10.8%
Total	4,329.6	65.6	4,264.0	1,551.1	2,712.9	4,185.2	4,059.6	4,634.2	3.5%	6.7%
Duration (years)				1.18	1.40					

	2005		2004				QoQ (%)
	2Q	1Q	4Q	3Q	2Q	1Q	
Other Operating Revenues	28.7	96.4	76.8	18.6	20.2	21.8	- 70.2%
Gains on Securities	0.5	4.1	1.5	0.4	0.4	1.4	- 87.8%
Revenues on Foreign Exchange	11.5	6.1	9.1	5.7	5.7	4.7	88.5%
Revenues on Derivatives	15.7	86.2	66.2	12.5	14.0	15.7	- 81.8%
Others(provision write back)	1.0	0.0	0.0	0.0	0.0	0.0	-%
Other Operating Expenses	47.6	108.5	101.1	50.7	61.6	70.1	- 56.1%
Losses on Securities	0.7	2.4	0.5	0.1	0.9	0.0	- 70.8 %
Losses on Foreign Exchange	8.0	1.0	4.0	1.9	1.8	1.5	-%
Expenses on Derivatives	15.9	86.5	67.2	11.3	14.1	14.6	- 81.6%
Contribution to Funds	4.5	4.4	4.4	4.3	4.1	4.0	2.3%
Provision for Loan Losses	13.4	8.8	19.7	26.3	35.7	44.7	52.3%
Others	5.1	5.4	5.3	6.7	5.1	5.2	- 5.6%
Net Other Operating Income	-18.9	-12.1	-24.4	-32.0	-41.5	-48.3	56.2%

Non-Operating Income	2005		2004				QoQ (%)
	2Q	1Q	4Q	3Q	2Q	1Q	
Non-Operating Revenues	11.2	9.3	12.4	7.7	9.4	11.5	20.4%
Gains on Investment Securities	0.8	7.4	8.4	1.8	3.9	10.0	- 89.2%
Gains on Sales of NPLs	7.0	0.0	1.6	0.0	1.7	0.0	- %
Gains on Sales of Tangible Asset	0	0.0	0.0	0.0	0.0	0.0	- %
Others	3.4	1.9	2.4	5.9	3.8	1.4	78.9%
Non-Operating Expenses	5.3	12.2	12.7	8.8	2.8	7.0	- 56.6%
Losses on Investment Securities	0.3	3.9	0.0	0.0	1.9(gain)	3.1	- 92.3%
Losses on Sales of NPLs	3.1	0.0	11.1	0.0	3.1	0.0	- %
Losses on Sales of Tangible Asset	0.0	0.0	0.0	0.0	0.0	0.0	- %
Retirement Allowance	0.0	5.6	0.0	0.0	0.1	2.1	- %
Other Non-Operating Expenses	1.9	2.7	1.6	8.8	1.5	1.8	- 29.6%
Net Non-Operating Income	5.9	- 2.9	- 0.3	- 1.1	6.6	4.4	56.2%

Thank you for your interest in Pusan Bank

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