



# *4Q 2008 Financial Results & 2009*

## *Earnings Guidance Busan Bank*

*(February 11, 2008)*

## I. 4Q 2008 Results

1.	Earnings Highlight	3
2.	Key Financial Indicators	4
	- Low-cost Deposits	5
3.	Income Statement	6
4.	Interest Income	7
5.	NIM & NIS	8
6.	Non-Interest Income	9
	- Fee & Commission Income	10
7.	Provisioning	11
8.	SG&A	12
9.	Non Operating Income	13
10.	Asset Quality	14
11.	Capital Adequacy	15

## II. 2009 Earnings Guidance

1.	2009 Management Policy	17
2.	Key Financial Plans	18

## III. Appendix

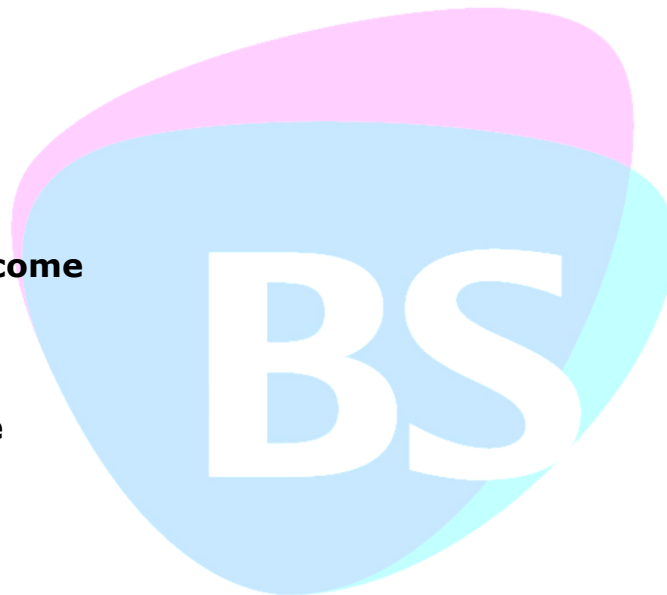
1.	Balance Sheet Summary	23
2.	Income Statement Summary	24
3.	PPOP	25
4.	Securities	26
5.	Total deposits/Loans	27
6.	Corporate Loan Portfolio	28
7.	Asset Quality	29
8.	Delinquency / write-offs and NPL sales	30
9.	SME Industry / Collateral Delinquency Ratio	31
10.	Household Loans	32
11.	Credit Card Business	33
12.	Dividend Policy / Shareholding Structure	34

## DISCLAIMER

The financial information presented herein is prepared on the basis of pre-audited financial of Busan 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 under reliance on these statements, which speak only as of the date of this presentation Busan Bank does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

# I. 2008 4Q Results

1.	<b>Earnings Highlight</b>	3
2.	<b>Key Financial Indicator</b>	4
	- <b>Low-cost Deposits</b>	5
3.	<b>Income Statement</b>	6
4.	<b>Interest Income</b>	7
5.	<b>NIM &amp; NIS</b>	8
6.	<b>Non-Interest Income</b>	9
	- <b>Fee &amp; Commission Income</b>	10
7.	<b>Provisioning</b>	11
8.	<b>SG&amp;A</b>	12
9.	<b>Non-Operating Income</b>	13
10.	<b>Asset Quality</b>	14
11.	<b>Capital Adequacy</b>	15



# 1. Earnings Highlight

## Growth

- ❖ Total Assets : Down by 0.7% QoQ, up by 7.2% YoY
- ❖ Total Deposits: Down by 2.0% QoQ, up by 3.6% YoY
- ❖ Total Loans: Up by 0.9% QoQ, 13.2% YoY

## Asset Quality

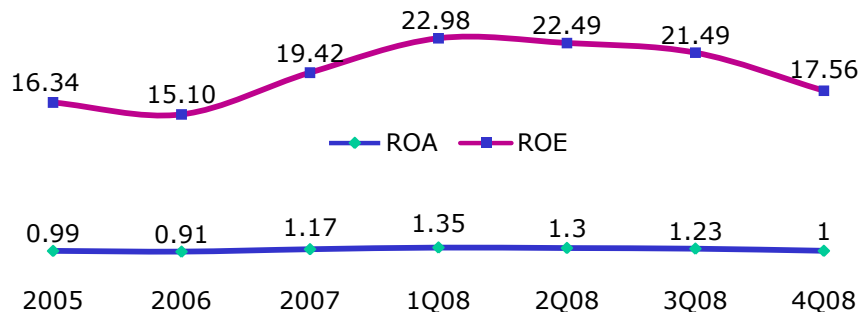
- ❖ P&B Loan Ratio : 1.03%, Deteriorated 0.06%P QoQ
- ❖ S&B Loan Ratio : 1.31%, Deteriorated 0.57%P QoQ
  - ▶ Coverage Ratio, 113.74, Dropped by 51.62%P QoQ
- ❖ Delinquency Ratio : 0.81%, Deteriorated 0.02%P QoQ

## Profitability

- ❖ Top Line
  - ▶ Net Interest Income increased by 16.4% QoQ, 15.7% YoY
    - Quarterly NIM is 3.27, up by 0.24%P QoQ, Accumulative NIM is 3.09, up by 0.02%P YoY
- ❖ Bottom Line
  - ▶ Credit Cost : Managed at 58bp, up by 25bp QoQ, 28bp YoY
  - ▶ Cost Income Ratio improved by 1.67%p to 42.87% QoQ (44.54% for 3Q08)

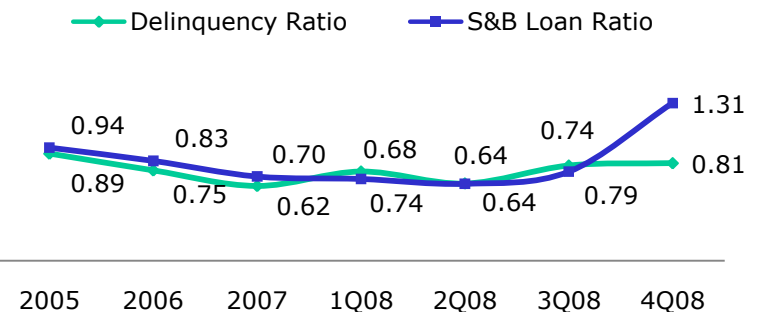
### ROE / ROA

(Unit: %)



### Asset Quality

(Unit: %)



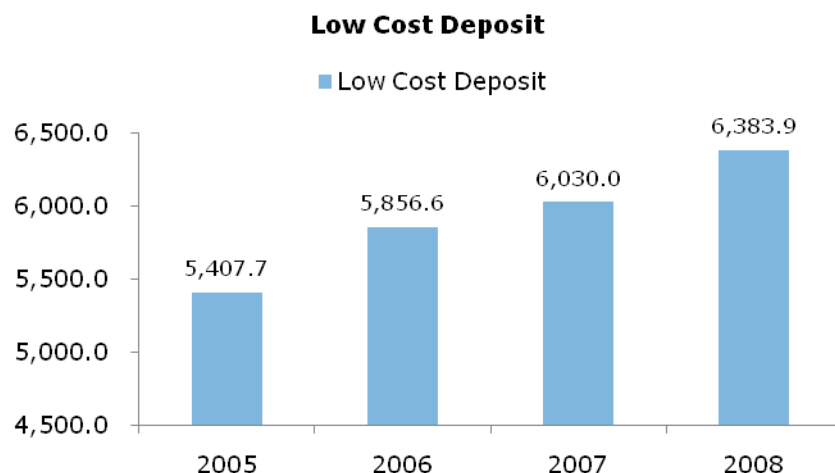
## 2. Key Financial Indicators

(Unit: Billion Won, %, %p, Balance)

	2008				2007	QoQ	YoY
	4Q	3Q	2Q	1Q	4Q		
<b>Total Assets</b>	<b>29,264.0</b>	<b>29,454.4</b>	<b>29,612.7</b>	<b>28,012.9</b>	<b>27,298.0</b>	△0.7	7.2
Bank Account	<b>27,957.6</b>	27,929.2	28,173.0	26,795.9	<b>25,990.6</b>	0.1	7.6
Trust Account	<b>1,306.4</b>	1,525.2	1,439.7	1,217.0	<b>1,307.4</b>	△14.4	△0.1
<b>Total Deposits</b>	<b>21,204.0</b>	<b>21,637.7</b>	<b>21,718.0</b>	<b>20,220.9</b>	<b>20,474.4</b>	△2.0	3.6
Bank Account	<b>19,940.6</b>	20,129.8	20,319.3	19,004.9	<b>19,232.1</b>	△0.9	3.7
Won Deposits	<b>14,189.7</b>	13,937.2	14,192.7	13,228.8	<b>13,219.8</b>	1.8	7.3
Demand	<b>1,560.6</b>	1,496.7	1,527.4	1,572.8	<b>1,561.9</b>	4.3	△0.1
Savings	<b>12,534.5</b>	12,332.5	12,553.5	11,547.4	<b>11,548.6</b>	1.6	8.5
Installment	<b>94.6</b>	108.1	111.7	108.6	<b>109.3</b>	△12.5	△13.5
Trust Account	<b>1,263.4</b>	1,507.9	1,398.7	1,216.0	<b>1,242.3</b>	△16.2	1.7
<b>Total Loans</b>	<b>19,650.8</b>	<b>19,482.3</b>	<b>19,152.1</b>	<b>18,024.1</b>	<b>17,366.8</b>	0.9	13.2
Total Loans	<b>18,958.9</b>	18,863.3	18,615.0	17,555.8	<b>16,879.1</b>	0.5	12.3
Won Loans	<b>16,992.3</b>	16,855.1	16,979.6	16,284.7	<b>15,932.1</b>	0.8	6.7
SME	<b>12,031.6</b>	11,907.6	11,892.7	11,266.9	<b>11,045.3</b>	1.0	8.9
Household	<b>3,809.6</b>	3,812.7	3,886.9	3,830.4	<b>3,801.2</b>	△0.1	0.2
Advances for Customer	<b>691.9</b>	619.0	537.1	468.3	<b>487.7</b>	11.8	41.9
<b>Total Securities</b>	<b>6,176.8</b>	<b>6,316.3</b>	<b>6,031.6</b>	<b>5,695.3</b>	<b>5,874.7</b>	△2.2	5.1
Bank Account	<b>5,238.6</b>	5,195.9	5,160.3	4,903.5	<b>5,027.9</b>	0.8	4.2
Trust Account	<b>938.2</b>	1,120.4	871.3	791.8	<b>846.8</b>	△16.3	10.8
<b>Shareholders' Equity</b>	<b>1,645.8</b>	<b>1,596.6</b>	<b>1,547.0</b>	<b>1,475.9</b>	<b>1,472.7</b>	3.1	11.8
<b>LDR (%)</b>	<b>119.75</b>	120.94	119.64	123.10	<b>120.52</b>	△1.19	△0.77

## - Low Cost Deposits

### Low cost deposit growth (Unit: Billion won, Average Balance)



### □ Low-cost deposit Funding Costs

(Unit: %, accumulated)

	2008	2007	2006	2005
Demand	<b>0.35</b>	0.32	0.31	0.31
Savings	<b>0.28</b>	0.31	0.33	0.34
Corporate Savings	<b>3.33</b>	2.94	2.79	2.08
<b>Total</b>	<b>1.26</b>	<b>1.00</b>	<b>1.92</b>	<b>0.69</b>

(Unit: %, %p, Average Balance)

	2008				2007	QoQ	YoY
	4Q	3Q	2Q	1Q			
<b>Low Cost Deposits (A)</b>	<b>6,383.9</b>	<b>6,406.6</b>	<b>6,404.0</b>	<b>6,382.4</b>	<b>6,030.0</b>	△0.4	5.9
Demand	<b>1,406.4</b>	1,428.4	1,448.4	1,473.8	1,354.7	△1.5	3.8
Savings	<b>2,946.3</b>	2,970.8	2,983.6	3,003.8	3,093.6	△0.8	△4.8
Corporate Savings	<b>2,031.2</b>	2,007.4	1,972.0	1,904.8	1,581.7	1.2	28.4
Won Deposits (B)	<b>13,770.8</b>	13,616.1	13,407.0	13,109.1	12,410.6	1.1	11.0
<b>Total Deposits (Bank Account) (C)</b>	<b>19,739.1</b>	19,575.7	19,224.1	18,848.4	17,568.5	0.8	12.4
Total Deposits (Bank + Trust Account)(D)	<b>21,110.7</b>	20,933.4	20,492.5	20,101.0	18,784.9	0.9	12.4
Low Cost Deposits/Won Deposits(A/B)	<b>46.36</b>	47.05	47.77	48.69	48.59	△0.69	△2.23
<b>Low Cost Deposits/Total Deposits (A/C)</b>	<b>32.34</b>	32.73	33.31	33.86	34.32	△0.39	△1.98
Low Cost Deposits/Total Deposits(A/D)	<b>30.24</b>	30.60	31.25	31.75	32.10	△0.36	△1.86

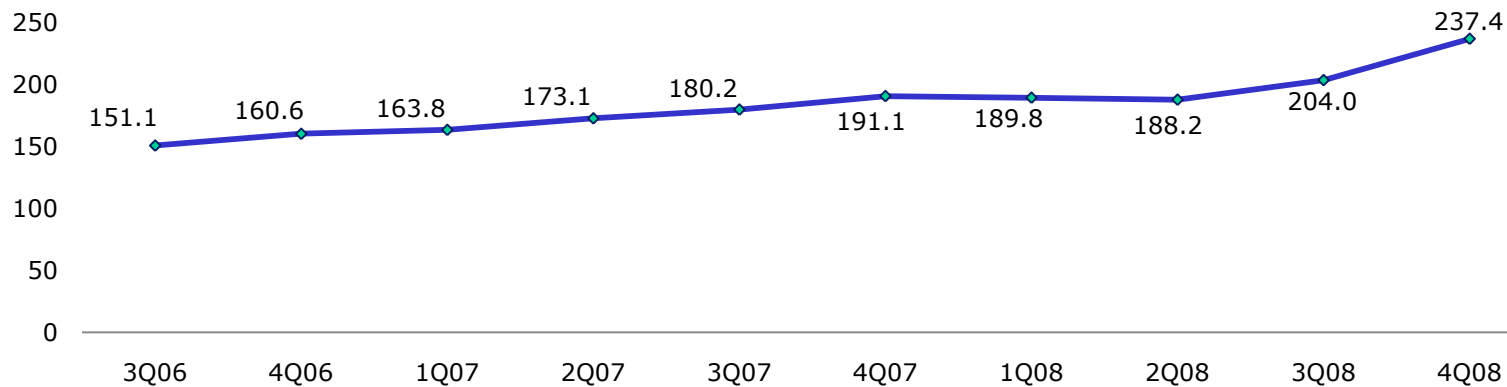
### 3. Income Statement

(Unit: Billion won, %, %p)

		2008				2007		QoQ	YTD
		4Q	3Q	2Q	1Q	4Q			
Net Interest Income	<b>819.4</b>	<b>237.4</b>	204.0	188.2	189.8	<b>708.2</b>	<b>191.1</b>	16.4	15.7
Net Fee Income	<b>99.2</b>	<b>21.1</b>	26.7	27.1	24.3	<b>94.5</b>	<b>26.9</b>	△21.0	5.0
Fees from Trust Account	<b>11.6</b>	<b>2.6</b>	2.4	2.8	3.8	<b>11.4</b>	<b>3.0</b>	8.3	1.8
Others	△ <b>51.4</b>	△ <b>41.1</b>	△14.9	3.1	1.5	△ <b>7.4</b>	△ <b>7.8</b>	175.8	-
Provision Expense	<b>117.2</b>	<b>68.2</b>	15.2	14.9	18.9	<b>53.2</b>	<b>35.9</b>	348.7	120.3
SG&A	<b>376.7</b>	<b>113.5</b>	88.8	91.0	83.4	<b>359.3</b>	<b>114.1</b>	27.8	4.8
Net Operating Income	<b>384.9</b>	<b>38.3</b>	114.2	115.3	117.1	<b>394.2</b>	<b>63.2</b>	△66.5	△2.4
Non-Operating Income	△ <b>2.7</b>	<b>0.7</b>	△4.8	2.0	△0.6	△ <b>19.7</b>	△ <b>10.5</b>	Net Loss	△86.3
Income Before Income Tax	<b>382.2</b>	<b>39.0</b>	109.4	117.3	116.5	<b>374.5</b>	<b>52.7</b>	△64.4	2.1
Income Tax	<b>107.2</b>	<b>11.7</b>	30.7	32.6	32.2	<b>103.8</b>	<b>14.1</b>	△61.9	3.3
Net Income	<b>275.0</b>	<b>27.3</b>	78.7	84.7	84.3	<b>270.7</b>	<b>38.6</b>	△65.3	1.6
ROA	<b>1.00</b>		1.23	1.30	1.35	1.17		△0.23	△0.17
ROE	<b>17.56</b>		21.49	22.49	22.98	19.42		△3.93	△1.86

## 4. Interest Income

### Interest Income

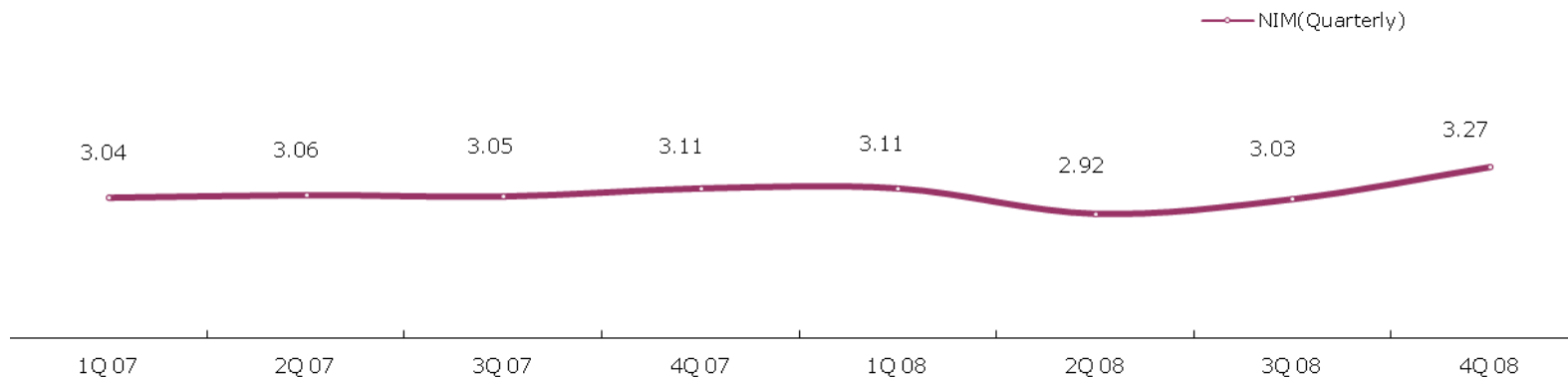


(Unit: Billion won, %)

		2008				2007		QoQ	YTD
		4Q	3Q	2Q	1Q	4Q			
Net Interest Income	<b>819.4</b>	<b>237.4</b>	204.0	188.2	189.8	<b>708.2</b>	<b>191.1</b>	16.4	15.7
Interest Revenues	<b>1,784.3</b>	<b>504.1</b>	452.0	418.0	410.2	<b>1,437.7</b>	<b>399.2</b>	11.5	24.1
Interest on Loans	<b>1,475.8</b>	<b>411.4</b>	375.9	349.0	339.5	<b>1,186.7</b>	<b>331.2</b>	9.4	24.4
Interest on Securities	<b>252.7</b>	<b>67.9</b>	65.1	59.8	59.9	<b>227.6</b>	<b>60.0</b>	4.3	11.0
Others	<b>55.8</b>	<b>24.8</b>	11.0	9.2	10.8	<b>23.4</b>	<b>8.0</b>	125.5	138.5
Interest Expenses	<b>964.9</b>	<b>266.7</b>	248.0	229.8	220.4	<b>729.5</b>	<b>208.1</b>	7.5	32.3
Interest on Deposits	<b>630.7</b>	<b>170.4</b>	165.0	152.1	143.2	<b>448.0</b>	<b>127.0</b>	3.3	40.8
Interest on Debentures	<b>168.1</b>	<b>46.0</b>	44.2	40.3	37.6	<b>93.3</b>	<b>34.3</b>	4.1	80.2
Others	<b>166.1</b>	<b>50.3</b>	38.8	37.4	39.6	<b>188.2</b>	<b>46.8</b>	29.6	△11.7



## NIM Trend



(Unit: Billion won, %, %p, Accumulated)

	2008				2007		QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q		
<b>NIM</b>	<b>3.09</b>	3.02	3.01	3.11	3.07	3.05	0.07	0.02
<b>NIS</b>	<b>3.99</b>	3.86	3.84	3.94	3.94	3.92	0.13	0.05
Average Lending Rates	<b>8.00</b>	7.81	7.73	7.80	7.24	7.15	0.29	0.76
Household	<b>7.92</b>	7.73	7.60	7.64	7.18	7.09	0.19	0.74
Corporates	<b>7.52</b>	7.30	7.19	7.20	6.65	6.53	0.22	0.87
Average Deposit Rates	<b>4.01</b>	3.95	3.89	3.86	3.30	3.23	0.06	0.71
Avg. Interest Earning Assets	<b>24,445.8</b>	23,968.2	23,461.5	22,908.2	21,347.2	20,869.2	1.99	14.52
Avg. Interest Earning Assets (Quarterly)	<b>25,868.3</b>	24,970.5	24,014.8	22,908.2	22,765.7	21,707.4	3.60	13.63

## 6. Non-Interest Income

(Unit: Billion won, %)

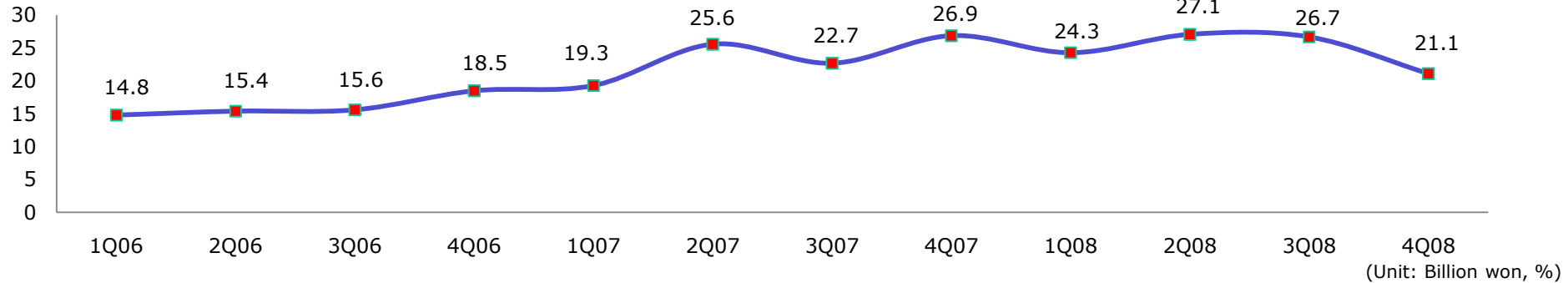
		2008				2007		QoQ	YTD
		4Q	3Q	2Q	1Q	4Q			
Non-Interest Income	<b>59.4</b>	<b>△17.4</b>	14.2	33.0	29.6	<b>98.5</b>	<b>22.1</b>	Net Loss	△39.7
Non-Interest Revenues	<b>1,850.5</b>	<b>805.2</b>	500.5	257.8	287.0	<b>409.4</b>	<b>143.9</b>	60.9	352.0
Fee Income	<b>141.8</b>	<b>32.8</b>	37.6	37.5	33.9	<b>126.7</b>	<b>36.6</b>	△12.8	11.9
Fees from Trust Acct.	<b>11.6</b>	<b>2.6</b>	2.4	2.8	3.8	<b>11.4</b>	<b>3.0</b>	8.3	1.8
Others	<sup>1)</sup> <b>1,697.1</b>	<b>769.8</b>	460.5	217.5	249.3	<b>271.3</b>	<b>104.3</b>	67.2	525.5
Non-Interest Expenses	<b>1,791.1</b>	<b>822.6</b>	486.2	224.8	257.4	<b>310.9</b>	<b>121.8</b>	69.2	476.1
Commissions Paid	<b>42.6</b>	<b>11.7</b>	10.9	10.4	9.6	<b>32.2</b>	<b>9.7</b>	7.3	32.3
Others	<sup>2)</sup> <b>1,748.5</b>	<b>810.9</b>	475.4	214.4	247.8	<b>278.7</b>	<b>112.1</b>	70.6	527.4

Note)

1. Non interest other revenues: Security investment related gains (36.6), FX and Derivative Related gains (1,651.7), Gains from NPL sales (8.8)
2. Non interest other expenses: Security investment related losses (29.3), FX and Derivative Related losses (1,622.8), Losses from NPL sales (42.6)  
Others (53.8)

## - Fee & Commission Income

### Fee Income



		2008				2007		QoQ	YTD
		4Q	3Q	2Q	1Q	4Q			
Fee & Commission Income	<b>99.2</b>	<b>21.1</b>	26.7	27.1	24.3	<b>94.5</b>	26.9	△21.0	5.0
<b>Fee &amp; Commission Revenues</b>	<b>141.8</b>	<b>32.8</b>	37.6	37.5	33.9	<b>126.7</b>	36.6	△12.8	11.9
Commission in Won	<b>109.1</b>	<b>25.1</b>	29.2	28.3	26.5	<b>101.9</b>	30.0	△14.0	7.1
Bancassurance	<b>25.8</b>	<b>6.9</b>	7.4	6.2	5.3	<b>15.0</b>	4.6	△6.8	72.0
Mutual Fund Sales	<b>21.2</b>	<b>3.2</b>	5.3	6.6	6.1	<b>22.8</b>	8.5	△39.6	△7.0
Commission in FC	<b>22.5</b>	<b>5.0</b>	5.6	6.7	5.2	<b>16.6</b>	4.4	△10.7	35.5
Commission on Credit Card	<b>3.6</b>	<b>0.8</b>	1.0	0.9	0.9	<b>3.3</b>	0.8	△20.0	6.1
Guarantee Fees	<b>6.6</b>	<b>1.9</b>	1.8	1.6	1.3	<b>4.9</b>	1.4	5.6	34.7
<b>Fee &amp; Commission Paid</b>	<b>42.6</b>	<b>11.7</b>	10.9	10.4	9.6	<b>32.2</b>	9.7	7.3	32.3
Commission Paid in Won	<b>12.9</b>	<b>3.0</b>	4.2	3.1	2.6	<b>11.0</b>	3.7	△28.6	17.3
Commission Paid in FC	<b>6.6</b>	<b>2.9</b>	1.3	1.3	1.1	<b>2.7</b>	0.7	123.1	144.4
Commission Paid on Credit Card	<b>23.1</b>	<b>5.8</b>	5.4	6.0	5.9	<b>18.5</b>	5.3	7.4	24.9

## 7. Provisioning

### Provision Expenses

(Unit: Billion won)

		2008					2007			
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporate	<b>107.6</b>	<b>64.5</b>	16.3	15.9	10.9	<b>41.1</b>	<b>31.5</b>	4.4	6.9	△1.7
Household	<b>2.1</b>	<b>0.2</b>	△1.1	△2.0	5.0	<b>3.6</b>	△ <b>0.5</b>	1.6	△0.1	2.6
Credit Card	<b>3.3</b>	<b>1.3</b>	0.1	0.6	1.3	<b>1.7</b>	<b>1.1</b>	△0.2	0.5	0.3
Others	<b>4.2</b>	<b>2.2</b>	△0.1	0.4	1.7	<b>6.8</b>	<b>3.8</b>	0.9	△1.5	3.6
Trust Account	<b>0</b>	<b>0</b>	0	0	0	<b>0</b>	<b>0</b>	0	0	0
Total	<b>117.2</b>	<b>68.2</b>	15.2	14.9	18.9	<b>53.2</b>	<b>35.9</b>	6.7	5.8	4.8

### Provision Balances

(Unit: Billion won)

	2008				2007	
	4Q	3Q	2Q	1Q	4Q	3Q
Corporate	<b>242.8</b>	184.4	172.2	163.7	<b>163.1</b>	145.6
Household	<b>48.2</b>	49.1	50.3	52.8	<b>49.4</b>	50.8
Credit Card	<b>10.6</b>	11.2	11.4	11.4	<b>11.7</b>	11.3
Trust	<b>0.2</b>	0.5	0.5	0.5	<b>0.5</b>	0.4
Total	<b>301.8</b>	<b>245.2</b>	<b>234.4</b>	<b>228.4</b>	<b>224.7</b>	<b>208.1</b>

### Credit Costs

(Unit:%)



**Summary of SG&A**

- Changes in SG&A
  - SG&A increased by 17.4 billion won, 4.8% YoY
  - Wage inflation increased by 11.1 billion won YoY, due to pay increases & promotions
  - ERP related Expenses increased by 5.4 billion won related to 51 retired personnel in 2008 (139, 28 retired personnel in 2006 and 2007 each)
- **Cost-Income Ratio decreased by 1.67%p YoY**

(Unit: Billion won, %, %p)

		2008				2007		QoQ	YTD
		4Q	3Q	2Q	1Q	4Q			
Total SG&A	<b>376.7</b>	<b>113.5</b>	88.8	91.0	83.4	<b>359.3</b>	<b>114.1</b>	27.8	4.8
Wages	<b>300.6</b>	<b>85.6</b>	71.0	75.8	68.2	<b>289.5</b>	90.3	20.6	3.8
Amortization	<b>38.3</b>	<b>10.2</b>	9.4	8.9	9.8	<b>33.9</b>	10.0	8.5	13.0
Taxes and bills	<b>13.7</b>	<b>4.5</b>	3.7	2.8	2.7	<b>10.5</b>	3.7	24.3	30.5
Retirement Allowance	<b>13.2</b>	<b>2.6</b>	4.7	3.2	2.7	<b>19.9</b>	5.7	△44.7	△33.7
ERP related expenses	<b>10.9</b>	<b>10.6</b>	0.0	0.3	0.0	<b>5.5</b>	4.4	-	98.2
Cost Income Ratio	<b>42.87</b>	<b>51.59</b>	40.70	41.14	38.01	<b>44.54</b>	53.32	10.89	△1.67

## 9. Non-operating Income

(Unit: Billion won)

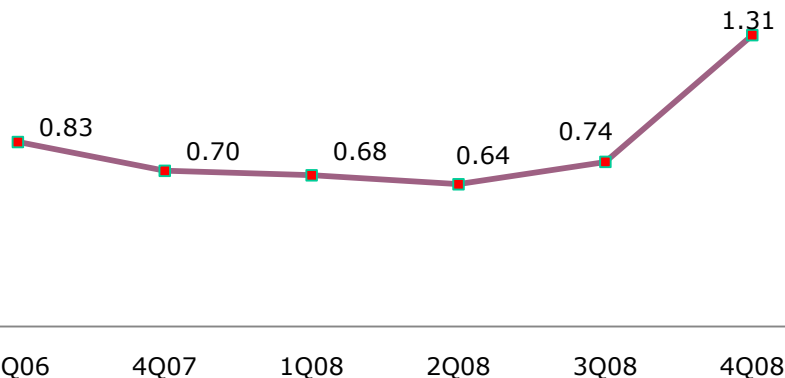
		2008				2007		QoQ	YTD
		4Q	3Q	2Q	1Q		4Q		
Non-operating Income	<b>△2.7</b>	<b>0.7</b>	△4.8	2.0	△0.6	<b>△19.7</b>	△10.5	Net Gain	△86.3
Non-operating Revenues	<b>13.9</b>	<b>3.6</b>	1.8	4.7	3.8	<b>11.8</b>	5.0	100.0	17.8
Gains from Sales of Tangible Assets	<b>0.1</b>	<b>0</b>	0	0.1	0	<b>0.1</b>	0	-	-
Gains from Equity Investment	<b>4.1</b>	<b>1.9</b>	0	0.5	1.7	<b>1.0</b>	0.8	-	310.0
Others	<b><sup>1)</sup>9.7</b>	<b>1.7</b>	1.8	4.1	2.1	<b>10.7</b>	4.2	△5.6	△9.35
Non-operating Expenses	<b>16.6</b>	<b>2.9</b>	6.6	2.7	4.4	<b>31.5</b>	15.5	△56.1	△47.3
Losses from Sales of Tangible Assets	<b>0</b>	<b>0</b>	0	0	0	<b>0.5</b>	0.5	-	△100.0
Losses from Equity Investment	<b>0.8</b>	<b>0</b>	0	0	0.8	<b>0</b>	0	-	-
Others	<b><sup>2)</sup>15.8</b>	<b>2.9</b>	6.6	2.7	3.6	<b>31.0</b>	15.0	△56.1	△49.0

Note)

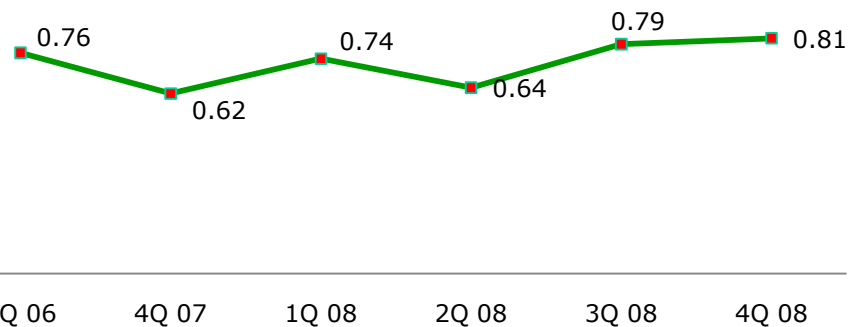
1. Other non operating revenues: Gains on Bad Debt Collections (1.9), Others (7.8)
2. Other non operating expenses: Losses on Bad Debt Collections (1.8), Donation (10.2), Others (3.8)

## 10. Asset Quality

### SBL Ratio



### Total Delinquency Ratio

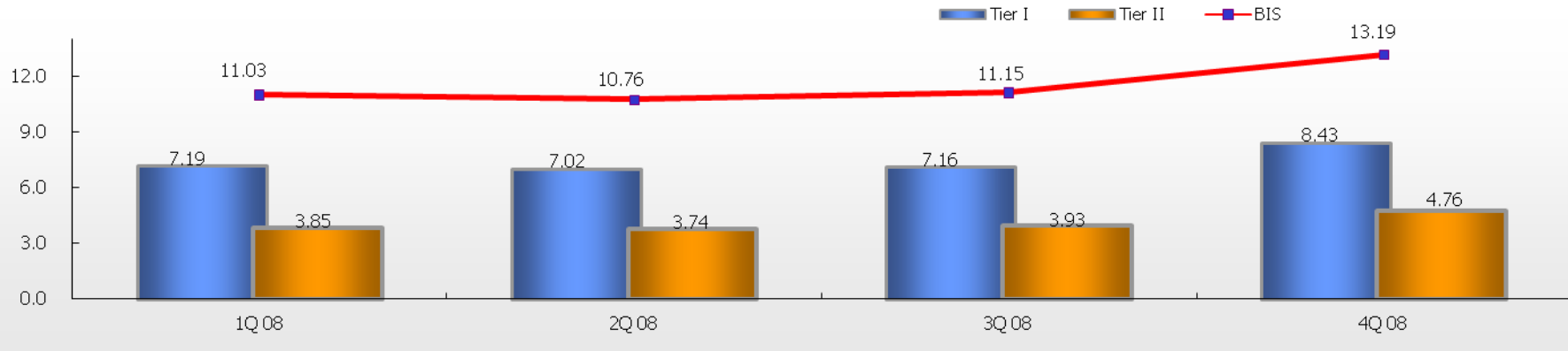


(Unit: Billion won, %, %p)

	2008				2007		QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q		
Total Loans	<b>20,238.7</b>	20,136.2	19,739.7	18,571.3	<b>17,848.5</b>	17,537.6	0.51	13.39
Normal	<b>19,765.2</b> <b>(97.66)</b>	19,793.1 (98.29)	19,417.7 (98.36)	18,243.5 (98.23)	<b>17,454.9</b> <b>(97.79)</b>	17,228.3 (98.24)	△0.14 △0.63	13.24 △0.13
Precautionary	<b>208.2</b> <b>(1.03)</b>	194.8 (0.96)	195.5 (0.99)	201.5 (1.08)	<b>268.9</b> <b>(1.51)</b>	178.7 (1.02)	6.88 0.07	△22.57 △0.48
Substandard	<b>145.9</b> <b>(0.72)</b>	114.2 (0.56)	96.2 (0.48)	84.4 (0.45)	<b>85.5</b> <b>(0.48)</b>	90.2 (0.51)	27.76 0.16	70.64 0.24
Doubtful	<b>88.7</b> <b>(0.44)</b>	16.9 (0.08)	18.5 (0.09)	28.6 (0.15)	<b>25.4</b> <b>(0.14)</b>	22.7 (0.13)	424.85 0.36	249.21 0.30
Expected loss	<b>30.7</b> <b>(0.15)</b>	17.2 (0.08)	11.8 (0.05)	13.3 (0.07)	<b>13.8</b> <b>(0.08)</b>	17.7 (0.10)	78.49 0.07	122.46 0.07
Substandard & Below loans (S & B Loan Ratio (%)) (S & B Coverage Ratio)	<b>265.3</b> <b>(1.31)</b> <b>(113.74)</b>	148.3 (0.74) (165.36)	126.5 (0.64) (185.40)	126.3 (0.68) (180.82)	<b>124.7</b> <b>(0.70)</b> <b>(180.11)</b>	130.6 (0.74) (159.33)	78.89 0.57 △51.62	112.75 0.61 △66.37
Loan Amount	<b>19,546.7</b>	19,517.2	19,202.6	18,103.0	<b>17,360.8</b>	17,005.4	0.15	12.59
Delinquent Amount	<b>158.5</b>	153.8	122.2	134.3	<b>108.0</b>	117.7	3.06	46.76
Delinquency Ratio	<b>0.81</b>	0.79	0.64	0.74	<b>0.62</b>	0.69	0.02	0.19

# 11. Capital Adequacy

## BIS Ratio Trend (Based on Basel II)



(Unit: Billion won, %)

	2008								2007
	4Q		3Q		2Q		1Q		4Q
	Basel II	Basel I	Basel II	Basel I	Basel II	Basel I	Basel II	Basel I	Basel I
<b>Total Risk Adjusted Capital</b>	<b>2,824.1</b>	<b>2,824.1</b>	2,467.4	2,467.4	2,349.3	2,349.3	2,247.3	2,247.3	2,186.7
Tier I Capital	<b>1,805.6</b>	<b>1,807.1</b>	1,585.4	1,585.4	1,534.1	1,534.1	1,465.9	1,465.9	1,378.5
Tier II Capital	<b>1,018.5</b>	<b>1,020.0</b>	885.0	885.0	818.2	818.2	784.4	784.4	811.2
Contribution to Unconsolidated Subsidiaries(-)	<b>3.0</b>	<b>3.0</b>	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total Risk Weighted Assets</b>	<b>21,411.3</b>	<b>20,338.3</b>	22,124.5	20,804.2	21,826.3	20,312.4	20,378.4	18,833.8	17,953.5
Credit Risk	<b>19,837.5</b>	<b>20,229.7</b>	20,487.7	20,255.8	20,073.5	19,946.1	19,032.7	18,833.8	17,953.5
Market Risk	<b>108.7</b>	<b>108.7</b>	215.5	548.4	366.3	366.3	-	-	-
Operational Risk	<b>1,465.1</b>		1,421.3	0	1,386.5	-	1,345.7	-	-
<b>BIS Capital Ratio</b>	<b>13.19</b>	<b>13.89</b>	<b>11.15</b>	<b>11.86</b>	<b>10.76</b>	<b>11.57</b>	<b>11.03</b>	<b>11.93</b>	<b>12.18</b>
Tier I	<b>8.43</b>	<b>8.89</b>	<b>7.16</b>	<b>7.62</b>	<b>7.02</b>	<b>7.55</b>	<b>7.19</b>	<b>7.78</b>	<b>7.68</b>
Tier II	<b>4.76</b>	<b>5.02</b>	<b>3.99</b>	<b>4.25</b>	<b>3.74</b>	<b>4.02</b>	<b>3.85</b>	<b>4.16</b>	<b>4.52</b>




## *II. 2009 Earnings Guidance*

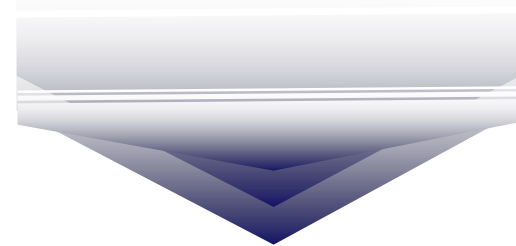
- |           |                               |    |
|-----------|-------------------------------|----|
| <b>1.</b> | <b>2009 Management Policy</b> | 17 |
| <b>2.</b> | <b>Key Financial Plans</b>    | 18 |



# 2009 Management Policy



-  Execute Business Efficiency
-  Total Risk Management
-  Expand Social Responsibility
-  Local Area Focused Operations
-  Obtain Future Coping Ability



**“Achieve 2009’s Business Aim”**

## 2. Major Financial Plans

### Operation Size

(Unit: Billion won, %, Balance)

	2009 Plan	2008	Increase (2009 vs. 2008)	Ratio (2009 vs. 2008)	2007
Total Assets	<b>31,203.6</b>	<b>29,264.0</b>	1,939.6	6.63	<b>27,298.0</b>
Bank Account	<b>29,640.3</b>	<b>27,957.6</b>	1,682.7	6.02	<b>25,990.6</b>
Trust Account	<b>1,563.3</b>	<b>1,306.4</b>	256.9	19.66	<b>1,307.4</b>
Total Deposits	<b>22,899.0</b>	<b>21,204.0</b>	1,695.0	7.99	<b>20,474.4</b>
Bank Account	<b>21,449.0</b>	<b>19,940.6</b>	1,508.4	7.56	<b>19,232.1</b>
Trust Account	<b>1,450.0</b>	<b>1,263.4</b>	186.6	14.77	<b>1,242.3</b>
Total Loans	<b>21,215.0</b>	<b>19,650.8</b>	1,564.2	7.96	<b>17,366.8</b>
Won Loans	<b>18,702.7</b>	<b>16,992.3</b>	1,710.4	10.07	<b>15,932.1</b>
(Corporate)	<b>14,044.1</b>	<b>12,627.1</b>	1,417.0	11.22	<b>(11,481.2)</b>
(Household)	<b>4,077.6</b>	<b>3,809.6</b>	268.0	7.03	<b>(3,801.2)</b>
(Public etc.)	<b>581.0</b>	<b>555.6</b>	25.4	4.57	<b>(649.7)</b>
Advance for Customers	<b>675.1</b>	<b>691.9</b>	△16.8	△2.43	<b>487.7</b>
Total Securities	<b>6,368.9</b>	<b>6,716.8</b>	192.1	3.11	<b>5,874.7</b>
Bank Account	<b>5,255.9</b>	<b>5,238.6</b>	17.3	0.33	<b>5,027.9</b>
Trust Account	<b>1,113.0</b>	<b>938.2</b>	174.8	18.63	<b>846.8</b>
Shareholder's Equity	<b>2,147.4</b>	<b>1,645.8</b>	501.6	30.48	<b>1,472.7</b>

## 2. Major Financial Plans

### I/S Summary

(Unit: Billion won, %)

	2009 Plan	2008	Increase (2009 vs. 2008)	Ratio (2009 vs. 2008)	2007
1. Operating Revenues	<b>2,746.2</b>	<b>3,635.0</b>	△888.8	△24.5	<b>1,847.1</b>
Interest Income	<b>1,908.2</b>	<b>1,784.3</b>	123.9	6.9	<b>1,437.7</b>
Fee & Commission Income	<b>138.4</b>	<b>141.8</b>	△3.4	△2.4	<b>126.7</b>
Trust Account	<b>8.5</b>	<b>11.6</b>	△3.1	△26.7	<b>11.4</b>
Others	<b>691.1</b>	<b>1,697.3</b>	△1,006.2	△59.3	<b>271.3</b>
2. Operating Expenses	<b>2,423.2</b>	<b>3,250.1</b>	△826.9	△25.4	<b>1,452.9</b>
Interest Expense	<b>1,074.8</b>	<b>964.9</b>	109.9	11.4	<b>729.5</b>
Fee & Commission Expense	<b>43.8</b>	<b>42.6</b>	1.2	2.8	<b>32.2</b>
Trust Account	<b>0.0</b>	<b>0.0</b>	0.0	0.0	<b>0.0</b>
Others	<b>726.8</b>	<b>1,748.7</b>	△1,021.9	△58.4	<b>278.7</b>
SG&A	<b>397.0</b>	<b>376.7</b>	20.3	5.4	<b>359.3</b>
Provision Expense	<b>180.8</b>	<b>117.2</b>	63.6	54.3	<b>53.2</b>
3. Operating Income	<b>323.0</b>	<b>384.9</b>	△61.8	△16.1	<b>394.2</b>
4. Non Operating Income	△ <b>6.4</b>	△ <b>2.7</b>	△3.8	-	△ <b>19.7</b>
5. Ordinary Income	<b>316.6</b>	<b>382.2</b>	△65.6	△17.2	<b>374.5</b>
6. Special Income	<b>0.0</b>	<b>0.0</b>	0.0	0.0	<b>0.0</b>
7. Income Before Income Taxes	<b>316.6</b>	<b>382.2</b>	△65.6	△17.2	<b>374.5</b>
8. Income Taxes	<b>76.6</b>	<b>107.2</b>	△30.6	△28.5	<b>103.8</b>
9. Net Income	<b>240.0</b>	<b>275.0</b>	△35.0	△12.7	<b>270.7</b>

## 2. Major Financial Plans

### B/S Summary

(Unit: Billion won, %, Balance)

	2009 Plan	2008	Increase (2009 vs. 2008)	Ratio (2009 vs. 2008)	2007
Assets	<b>29,640.3</b>	27,957.6	<b>1,682.7</b>	<b>6.02</b>	25,990.6
Cash and Dues	<b>1,452.9</b>	1,847.4	<b>△394.5</b>	<b>△21.35</b>	1,327.0
Securities	<b>5,255.9</b>	5,238.6	<b>17.3</b>	<b>0.33</b>	5,027.9
Loans	<b>20,841.1</b>	19,094.5	<b>1,746.6</b>	<b>9.15</b>	17,573.8
Credit Card	<b>365.0</b>	345.6	<b>19.4</b>	<b>5.61</b>	331.8
Fixed Assets	<b>333.7</b>	353.5	<b>△19.8</b>	<b>△5.60</b>	362.7
Other Assets	<b>1,391.7</b>	1,078.0	<b>313.7</b>	<b>29.10</b>	1,367.4
Liability & Shareholder's Equity	<b>29,640.3</b>	27,957.6	<b>1,682.7</b>	<b>6.02</b>	25,990.6
Deposits	<b>18,391.8</b>	16,758.2	<b>1,633.6</b>	<b>9.75</b>	16,212.9
Borrowings	<b>4,299.7</b>	4,724.6	<b>△424.9</b>	<b>△8.99</b>	3,833.4
Financial Debentures	<b>3,185.4</b>	3,140.6	<b>44.8</b>	<b>1.43</b>	2,597.0
Other Liabilities	<b>1,616.0</b>	1,688.4	<b>△72.4</b>	<b>△4.29</b>	1,874.6
Shareholder's Equity	<b>2,147.4</b>	1,645.8	<b>501.6</b>	<b>30.48</b>	1,472.7

## 2. Major Financial Plans

### Core Ratios

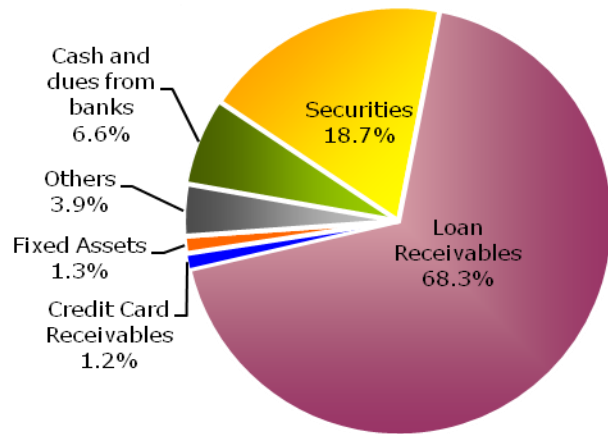
(Unit: Billion won, %p)

	2009 Plan	2008	Increase (2009 vs. 2008)	2007
BIS Ratio	<sup>1)</sup> <b>13.01</b>	13.19	△0.18	<sup>1)</sup> <b>12.20</b>
(Tier I Ratio)	<b>9.41</b>	8.43	0.98	<b>(7.69)</b>
(Tier II Ratio)	<b>3.60</b>	4.76	△1.16	<b>(4.52)</b>
Capital Adequacy Ratio	<b>7.21</b>	5.86	1.35	<b>5.64</b>
ROA	<b>0.83</b>	1.00	△0.17	<b>1.17</b>
ROE	<b>12.88</b>	17.56	△4.68	<b>19.42</b>
NIM	<b>3.00</b>	3.09	△0.09	<b>3.07</b>
Cost income ratio	<b>44.07</b>	42.87	1.20	<b>44.54</b>
Substandard & Below	<b>262.5</b>	265.3	△1.06	<b>124.7</b>
Substandard & Below Ratio	<b>1.20</b>	1.31	△0.11	<b>0.70</b>
SBL Coverage Ratio	<b>115.65</b>	113.74	1.91	<b>180.11</b>
Delinquency Ratio	<b>1.20</b>	0.81	0.39	<b>0.62</b>

1) Based on Basel II

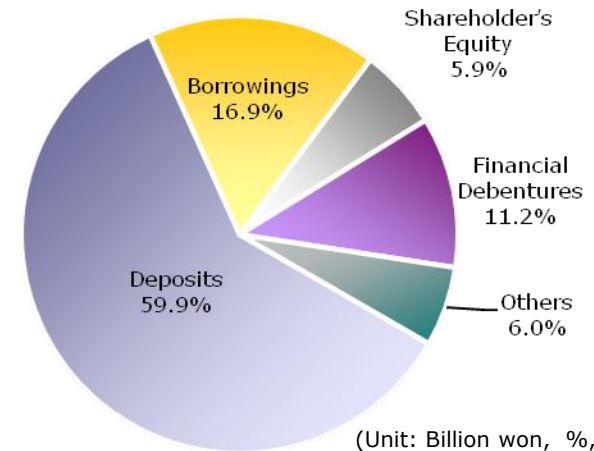
<b>1. Balance Sheet summary</b>	23
<b>2. Income Statement summary</b>	24
<b>3. PPOP</b>	25
<b>4. Securities</b>	26
<b>5. Total deposits / Total loans</b>	27
<b>6. Corporate loan Portfolio</b>	28
<b>7. Asset Quality</b>	29
<b>8. Delinquency / Write-offs and NPL sales</b>	30
<b>9. SME Industry / Collateral Delinquency Ratio</b>	31
<b>10. Household Loans</b>	32
<b>11. Credit card business</b>	33
<b>12. Dividend policy / shareholding structure</b>	34

# 1. B/S Summary



## Assets

## Liabilities



(Unit: Billion won, %, Balance)

	2008				2007			QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q	2Q		
<b>Assets</b>	<b>27,957.6</b>	27,929.2	28,173.0	26,795.9	25,990.6	24,500.5	24,434.2	0.1	7.6
Cash and Dues	<b>1,847.4</b>	1,584.9	1,812.1	1,506.4	1,327.0	1,647.8	1,593.0	16.6	39.2
Securities	<b>5,238.6</b>	5,195.9	5,160.3	4,903.5	5,027.9	4,574.3	4,789.0	0.8	4.2
Loans	<b>19,094.5</b>	19,171.3	18,813.5	17,937.5	17,573.8	16,834.5	16,425.1	△0.4	8.7
Credit Card	<b>345.6</b>	358.8	387.9	386.8	331.8	318.8	333.0	△3.7	4.2
Fixed Assets	<b>353.5</b>	356.8	358.7	359.4	362.7	359.0	352.1	△0.9	△2.5
Other Assets	<b>1,078.0</b>	1,261.5	1,640.5	1,702.4	1,367.4	766.1	942.0	△14.6	△21.2
<b>Liability &amp; Shareholder's Equity</b>	<b>27,957.6</b>	27,929.2	28,173.0	26,795.9	25,990.6	24,500.5	24,434.2	0.1	7.6
Deposits	<b>16,758.2</b>	17,205.2	17,301.5	16,171.4	16,212.9	15,106.6	14,988.5	△2.6	3.4
Borrowings	<b>4,724.6</b>	4,403.8	4,230.7	4,077.2	3,833.4	4,765.5	5,071.3	7.3	23.3
Financial Debentures	<b>3,140.6</b>	3,081.6	3,000.0	2,802.8	2,597.0	1,846.2	1,549.8	1.9	20.9
Other Liabilities	<b>1,688.4</b>	1,642.0	2,093.8	2,268.6	1,874.6	1,343.7	1,454.9	2.8	△9.9
Shareholder's Equity	<b>1,645.8</b>	1,596.6	1,547.0	1,475.9	1,472.7	1,438.5	1,369.7	3.1	11.8



## 2. I/S Summary

(Unit: Billion won, %)

	2008					2007		QoQ	YTD
	2008.12	4Q	3Q	2Q	1Q	2007.12	4Q		
1. Operating Revenues	<b>3,635.0</b>	<b>1,309.5</b>	952.5	675.8	697.2	<b>1,847.1</b>	<b>543.1</b>	37.5	96.8
Interest Revenue	<b>1,784.3</b>	<b>504.1</b>	452.0	418.0	410.2	<b>1,437.7</b>	<b>399.2</b>	11.5	24.1
Fee & Commission Revenue	<b>141.8</b>	<b>32.8</b>	37.6	37.5	33.9	<b>126.7</b>	<b>36.6</b>	△12.8	11.9
Trust Account	<b>11.6</b>	<b>2.6</b>	2.4	2.8	3.8	<b>11.4</b>	<b>3.0</b>	8.3	1.8
Others	<b>1,697.3</b>	<b>770.0</b>	460.5	217.5	249.3	<b>271.3</b>	<b>104.3</b>	67.2	525.5
2. Operating Expenses	<b>3,250.1</b>	<b>1,271.2</b>	838.3	560.5	580.1	<b>1,452.9</b>	<b>479.9</b>	51.6	123.7
Interest Expense	<b>964.9</b>	<b>266.7</b>	248.0	229.8	220.4	<b>729.5</b>	<b>208.1</b>	7.5	32.3
Fee & Commission Expense	<b>42.6</b>	<b>11.7</b>	10.9	10.4	9.6	<b>32.2</b>	<b>9.7</b>	7.3	32.3
Trust Account	<b>0.0</b>	<b>0.0</b>	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	0.0	0.0
Others	<b>1,748.7</b>	<b>811.1</b>	475.4	214.4	247.8	<b>278.7</b>	<b>112.1</b>	70.6	527.4
SG&A	<b>376.7</b>	<b>113.5</b>	88.8	91.0	83.4	<b>359.3</b>	<b>114.1</b>	27.8	4.8
Provision Expense	<b>117.2</b>	<b>68.2</b>	15.2	14.9	18.9	<b>53.2</b>	<b>35.9</b>	349.3	120.5
3. Operating Income	<b>384.9</b>	<b>38.3</b>	114.2	115.3	117.1	<b>394.2</b>	<b>63.2</b>	△66.5	△2.4
4. Non Operating Income	△ <b>2.7</b>	<b>0.7</b>	△4.8	2.0	△0.6	△ <b>19.7</b>	△ <b>10.5</b>	Net Gain	△86.3
5. Ordinary Income	<b>382.2</b>	<b>39.0</b>	109.4	117.3	116.5	<b>374.5</b>	<b>52.7</b>	△64.4	2.1
6. Special Income	<b>0.0</b>	<b>0.0</b>	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	0.0	0.0
7. Income Before Income Taxes	<b>382.2</b>	<b>39.0</b>	109.4	117.3	116.5	<b>374.5</b>	<b>52.7</b>	△64.4	2.1
8. Income Taxes	<b>107.2</b>	<b>11.7</b>	30.7	32.6	32.2	<b>103.8</b>	<b>14.1</b>	△61.9	3.3
9. Net Income	<b>275.0</b>	<b>27.3</b>	78.7	84.7	84.3	<b>270.7</b>	<b>38.6</b>	△65.3	1.6

### 3. PPOP

(Unit: Billion won, %)

	2008					2007		QoQ	YTD
	2008.12	4Q	3Q	2Q	1Q	2007.12	4Q		
<b>PPOP</b>	<b>512.7</b>	<b>110.0</b>	129.1	135.5	138.1	<b>447.6</b>	<b>94.3</b>	△14.8	14.5
<b>Provision Expenses</b>	<b>130.5</b>	<b>71.0</b>	19.7	18.2	21.6	<b>73.1</b>	<b>41.6</b>	260.4	78.5
Loans	<b>111.9</b>	<b>66.4</b>	15.0	13.6	16.9	<b>44.5</b>	<b>30.7</b>	342.7	151.5
Payment Guarantees	<b>1.1</b>	△ <b>0.3</b>	0.2	0.9	0.3	<b>1.9</b>	<b>1.4</b>	-	△42.1
Retirement Allowance	<b>13.3</b>	<b>2.7</b>	4.6	3.3	2.7	<b>19.9</b>	<b>5.7</b>	△41.3	△33.2
Others	<b>4.2</b>	<b>2.2</b>	△0.1	0.4	1.7	<b>6.8</b>	<b>3.8</b>	-	△38.2
<b>Income Taxes</b>	<b>107.2</b>	<b>11.7</b>	30.7	32.6	32.2	<b>103.8</b>	<b>14.1</b>	△61.9	3.3
<b>Net Income</b>	<b>275.0</b>	<b>27.3</b>	78.7	84.7	84.3	<b>270.7</b>	<b>38.9</b>	△65.3	1.6

## 4. Security Investment

(Unit: Billion won, %, Balance)

	4Q 2008					3Q 2008		4Q 2007	
	Total	Trading Securities	Investment Securities			Total	QoQ	Total	YoY
			Total	A.F.S*	H.T.M*				
Bonds(Won)	<b>4,555.4</b>	0.0	<b>4,555.4</b>	1,480.6	3,074.8	4,546.6	0.2	<b>4,519.3</b>	0.8
Government Bonds	<b>320.4</b>	0.0	<b>320.4</b>	133.1	187.3	381.8	△16.1	<b>688.7</b>	△53.5
Financial Debentures	<b>2,848.2</b>	0.0	<b>2,848.2</b>	671.1	2,177.1	2,877.4	△1.0	<b>2,526.9</b>	12.7
Municipal Bonds	<b>151.4</b>	0.0	<b>151.4</b>	0.0	151.4	157.6	△3.9	<b>134.9</b>	12.2
Govn't Corporate Bonds	<b>682.5</b>	0.0	<b>682.5</b>	133.5	549.0	573.9	18.9	<b>648.0</b>	5.3
Corporate Bonds	<b>552.9</b>	0.0	<b>552.9</b>	542.9	10.0	555.9	△0.5	<b>520.8</b>	6.2
Bonds(Foreign Currency)	<b>95.3</b>	0.0	<b>95.3</b>	57.6	37.7	101.2	△5.8	<b>128.0</b>	△25.5
Stock	<b>255.3</b>	0.0	<b>255.3</b>	255.3	0.0	250.8	1.8	<b>188.1</b>	35.7
Mutual Funds	<b>320.0</b>	8.1	<b>311.9</b>	311.9	0.0	283.9	12.7	<b>180.4</b>	77.4
Bonds	<b>0.0</b>	0.0	<b>0.0</b>	0.0	0.0	0.0	-	<b>0.0</b>	-
Stocks	<b>200.2</b>	0.0	<b>200.2</b>	200.2	0.0	226.3	△11.5	<b>143.8</b>	39.2
MMF	<b>8.1</b>	8.1	<b>0.0</b>	0.0	0.0	8.6	△5.8	<b>10.4</b>	△22.1
Others	<b>111.7</b>	-	<b>111.7</b>	111.7	0.0	49.0	128.0	<b>26.2</b>	326.3
Others	<b>12.5</b>	0.0	<b>12.5</b>	12.5	0.0	13.4	△6.7	<b>12.2</b>	2.5
<b>Total</b>	<b>5,238.5</b>	8.1	<b>5,230.4</b>	2,117.9	3,112.5	5,195.9	0.8	<b>5,028.0</b>	4.2

## 5. Total Deposits / Loans

(Unit: Billion won, %, Balance)

Total Deposits	2008				2007	2006	QoQ	YoY
	4Q	3Q	2Q	1Q				
Dues from banks	<b>14,189.7</b>	13,937.2	14,192.7	13,228.8	<b>13,219.8</b>	13,132.7	1.81	7.34
Demand	<b>1,560.6</b>	1,496.7	1,527.4	1,572.8	<b>1,561.9</b>	1,568.3	4.27	△0.08
Savings	<b>12,534.5</b>	12,332.5	12,553.5	11,547.4	<b>11,548.6</b>	11,424.5	1.64	8.54
Installment	<b>94.6</b>	108.1	111.8	108.6	<b>109.3</b>	139.9	△12.49	△13.45
C D	<b>2,281.0</b>	3,044.0	2,932.1	2,774.4	<b>2,839.5</b>	1,264.7	△25.07	△19.67
Bills sold	<b>15.1</b>	21.9	19.4	17.1	<b>170.3</b>	234.3	△30.59	△91.07
R P	<b>1,000.0</b>	650.0	650.0	650.0	<b>832.5</b>	1,359.3	△53.85	20.12
Financial Debentures	<b>2,454.8</b>	2,476.7	2,525.2	2,334.6	<b>2,170.0</b>	867.6	△0.88	13.12
Trust Account	<b>1,263.4</b>	1,507.9	1,398.7	1,216.0	<b>1,242.3</b>	897.7	△16.21	1.70
Total Deposits	<b>21,204.0</b>	21,637.7	21,718.0	20,220.9	<b>20,474.4</b>	17,756.3	△2.00	3.56
Total Loans	2008				2007	2006	QoQ	YoY
	4Q	3Q	2Q	1Q				
Won Loans	<b>16,992.3</b>	16,855.1	16,979.6	16,284.7	<b>15,932.1</b>	13,609.2	0.81	6.65
Corporate	<b>12,627.1</b>	12,474.3	12,463.7	11,807.6	<b>11,481.2</b>	9,252.6	1.22	9.98
(SME)	<b>(12,031.6)</b>	(11,907.6)	(11,892.7)	(11,266.9)	<b>(11,045.3)</b>	(8,763.8)	1.04	8.93
(Large Corps)	<b>(595.5)</b>	(566.7)	(571.0)	(540.7)	<b>(435.9)</b>	(488.8)	5.08	36.61
Household	<b>3,809.6</b>	3,812.7	3,886.9	3,830.4	<b>3,801.2</b>	3,676.0	△0.08	0.22
Public	<b>555.6</b>	568.2	629.0	646.7	<b>649.7</b>	680.6	△2.20	△14.48
Foreign Currency Loans	<b>1,437.2</b>	1,152.8	962.7	750.6	<b>531.0</b>	515.0	24.67	170.66
Trust Account	<b>39.2</b>	37.0	36.0	33.5	<b>41.5</b>	36.9	5.95	△5.54
Others	<b>1,182.1</b>	1,437.4	1,173.9	955.3	<b>862.2</b>	721.7	△17.76	37.10
Total Loans	<b>19,650.8</b>	19,482.3	19,152.1	18,024.1	<b>17,366.8</b>	14,882.8	0.86	13.15

## 6. Corporate Loan Portfolio

(Unit: Billion won, %, Balance)

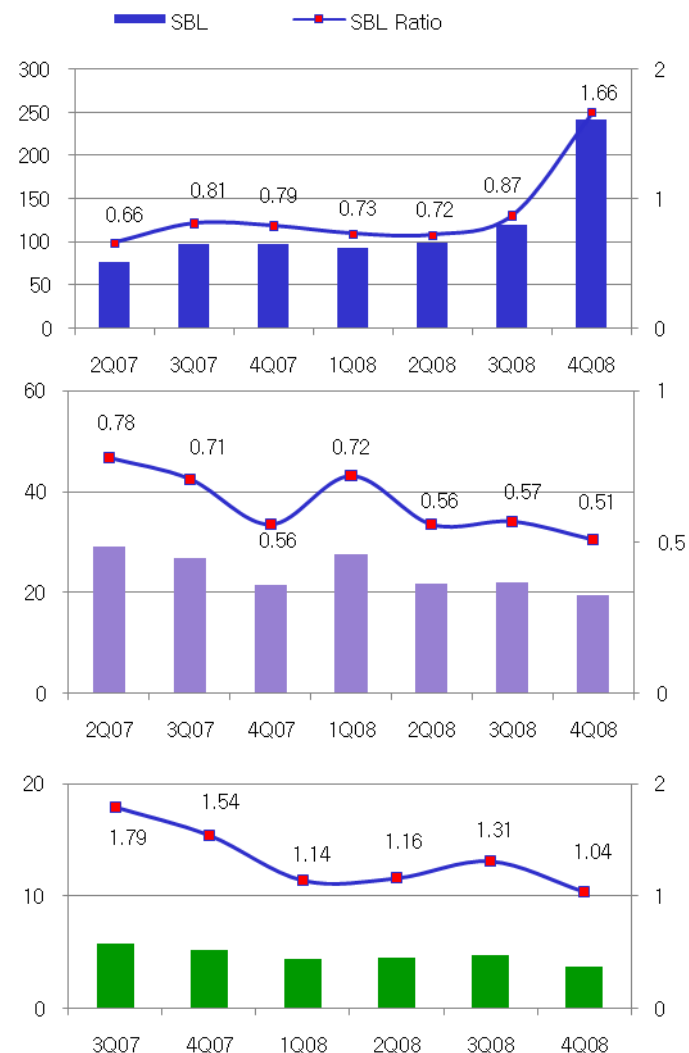
	4Q 2008		3Q 2008		4Q 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Manufacturing Sectors	<b>6,466.3</b>	<b>49.1</b>	6,491.8	49.8	5,887.9	48.5
Steel Metal Products	<b>1,905.8</b>	<b>14.5</b>	1,857.4	14.2	1,634.7	13.5
Automobile Parts	<b>1,424.9</b>	<b>10.8</b>	1,366.8	10.5	1,152.4	9.5
Machinery	<b>975.7</b>	<b>7.4</b>	1,001.1	7.7	948.4	7.8
Petroleum, Rubber, etc.	<b>668.5</b>	<b>5.1</b>	689.2	5.3	639.4	5.3
Fabric	<b>219.1</b>	<b>1.7</b>	228.1	1.7	231.3	1.9
Garment & Shoes	<b>180.0</b>	<b>1.4</b>	192.4	1.5	152.1	1.3
Kitchen Units	<b>255.7</b>	<b>1.9</b>	262.5	2.0	249.8	2.1
Electronics	<b>343.5</b>	<b>2.6</b>	350.5	2.7	284.9	2.3
Paper, Paper Mills	<b>111.2</b>	<b>0.8</b>	117.2	0.9	104.1	0.9
Others	<b>381.9</b>	<b>2.9</b>	426.6	3.3	490.8	4.0
Non-Manufacturing	<b>6,716.4</b>	<b>50.9</b>	6,550.6	50.2	6,243.0	51.5
Wholesale & Retail	<b>1,587.5</b>	<b>12.0</b>	1,650.2	12.7	1,505.7	12.4
Public	<b>25.9</b>	<b>0.2</b>	41.3	0.3	144.4	1.2
Construction & Engineering	<b>675.8</b>	<b>5.1</b>	564.3	4.3	710.3	5.9
Real Estate & Lease	<b>1,454.6</b>	<b>11.0</b>	1,412.4	10.8	1,443.2	11.9
Insurance & Financing	<b>471.7</b>	<b>3.6</b>	451.7	3.5	342.9	2.8
Transportation	<b>863.1</b>	<b>6.5</b>	810.1	6.2	684.9	5.6
Hotel & Food	<b>324.5</b>	<b>2.5</b>	325.5	2.5	329.4	2.7
Others	<b>1,313.3</b>	<b>10.0</b>	1,295.1	9.9	1,082.2	8.9
Total	<b>13,182.7</b>	<b>100.0</b>	13,042.4	100.0	12,130.9	100.0

# 7. Asset Quality

(Unit: Billion won, %)

	2008				2007	
	4Q	3Q	2Q	1Q	4Q	
<b>SME</b>	Normal	<b>14,143.0</b>	13,569.2	13,680.4	12,617.8	11,994.9
	Precautionary	<b>149.0</b>	139.5	136.7	140.7	206.1
	Substandard	<b>130.6</b>	98.1	80.6	67.6	69.7
	Doubtful	<b>82.7</b>	9.8	10.9	17.0	18.1
	Expected Loss	<b>28.9</b>	12.7	8.7	9.6	9.8
	<b>Total</b>	<b>14,534.2</b>	<b>13,829.3</b>	<b>13,917.3</b>	<b>12,852.7</b>	<b>12,298.6</b>
<b>Household</b>	Normal	<b>3,782.8</b>	3,776.2	3,844.2	3,779.4	3,764.5
	Precautionary	<b>48.9</b>	44.4	48.8	50.2	50.1
	Substandard	<b>15.2</b>	16.0	15.5	16.7	15.7
	Doubtful	<b>3.1</b>	4.3	4.8	9.0	3.8
	Expected Loss	<b>1.2</b>	1.6	1.5	2.0	1.9
	<b>Total</b>	<b>3,851.2</b>	<b>3,842.5</b>	<b>3,914.8</b>	<b>3,857.3</b>	<b>3,836.0</b>
<b>Credit Card</b>	Normal	<b>335.2</b>	348.0	377.3	375.4	320.1
	Precautionary	<b>6.7</b>	6.1	6.1	7.0	6.6
	Substandard	<b>0.1</b>	0.1	0.1	0.1	0.1
	Doubtful	<b>2.8</b>	2.8	2.8	2.6	3.0
	Expected Loss	<b>0.7</b>	1.8	1.6	1.7	2.0
	<b>Total</b>	<b>345.5</b>	<b>358.8</b>	<b>387.9</b>	<b>386.8</b>	<b>331.8</b>

(Unit: Billion won, %)



## 8. Delinquency ratio / Write-offs and NPL sales

(Unit: Billion won, %, %p)

	2008				2007			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
<b>Total Delinquency Ratio</b>	<b>0.81</b>	<b>0.79</b>	<b>0.64</b>	<b>0.74</b>	<b>0.62</b>	<b>0.69</b>	<b>0.64</b>	<b>0.67</b>
Overdue Amount	158.5	153.8	122.2	134.3	108.0	117.7	106.2	102.0
Loan Amount	19,546.7	19,517.2	19,202.6	18,103.0	17,360.8	17,005.4	16,527.0	15,260.8
<b>SMEs</b>	<b>0.94</b>	0.88	0.66	0.75	0.65	0.69	0.59	0.56
Overdue Amount	131.2	122.0	88.9	93.2	77.2	81.0	65.8	55.7
Loan Amount	13,934.8	13,829.1	13,420.2	12,429.8	11,913.2	11,680.5	11,184.2	9,938.2
<b>Households</b>	<b>0.55</b>	0.65	0.69	0.89	0.61	0.77	0.78	0.91
Overdue Amount	21.0	24.9	26.9	34.4	23.4	29.2	29.1	33.9
Loan Amount	3,844.2	3,842.5	3,914.8	3,857.3	3,836.0	3,796.1	3,742.1	3,715.6
<b>Credit Card</b>	<b>1.83</b>	1.92	1.63	1.71	2.04	2.16	1.95	2.55
Overdue Amount	6.3	6.9	6.3	6.6	6.8	6.9	6.5	7.7
Loan Amount	345.5	358.8	387.9	386.8	331.8	318.8	333.0	301.6
<b>Total Write-offs</b>	<b>24.4</b>	<b>16.8</b>	<b>15.5</b>	<b>16.8</b>	<b>26.5</b>	<b>13.8</b>	<b>22.7</b>	<b>14.9</b>
Corporate	18.9	13.1	11.3	11.8	21.4	8.6	16.1	9.3
Household	1.9	1.3	1.9	1.9	2.7	2.8	3.4	2.6
Credit Card	3.8	2.4	2.3	3.1	2.4	2.4	3.2	3.0
<b>Total NPL sales</b>	<b>102.2</b>	<b>12.6</b>	<b>7.7</b>	<b>24.6</b>	<b>11.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Corporate	91.9	12.0	4.6	19.5	9.3	0.0	0.0	0.0
Household	9.8	0.6	3.1	5.0	2.1	0.0	0.0	0.0
Credit Card	0.5	0.0	0.0	0.1	0.0	0.0	0.0	0.0

## 9. SME Industry/Collateral Delinquency Ratio

### Delinquency Ratio by Industry

(Unit: Billion won, %, Balance)

	4Q 2008		3Q 2008		4Q 2007	
	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio
<b>Manufacturing Sector</b>	<b>7,429.5</b>	<b>1.08</b>	7,440.8	1.07	6,221.8	0.90
<b>Non-manufacturing Sector</b>	<b>6,505.3</b>	<b>0.78</b>	6,388.3	0.66	5,691.4	0.37
Wholesale and Retail	1,866.4	1.81	1,982.3	0.52	1,680.6	0.48
Public & others	0.1	-	0.1	-	0	-
Construction	655.5	0.85	598.6	0.82	712.1	0.36
Real Estate & Lease	1,397.1	0.08	1,346.7	0.49	1,350.3	0.23
Finance and Insurance	156.6	-	144.6	-	74.3	-
Transportation & Communications	1,040.8	0.16	949.7	0.50	690.8	0.05
Hotel & Food	329.7	0.33	329.8	0.33	332.8	0.85
Others	1,059.1	0.74	1,036.5	1.40	850.5	0.52
<b>Total</b>	<b>13,934.8</b>	<b>0.94</b>	13,829.1	0.88	11,913.2	0.65

### Delinquency Ratio by Collateral

(Unit: Billion won, %)

	Total	Real Estate	Movable	Deposit	Guarantee	Credit
<b>4Q 2008</b>	<b>0.94</b>	<b>1.18</b>	<b>6.65</b>	<b>0.79</b>	<b>0.91</b>	<b>0.71</b>
<b>Amount</b>	<b>(13,934.8)</b>	<b>(6,025.5)</b>	<b>(34.6)</b>	<b>(407.5)</b>	<b>(901.2)</b>	<b>(6,566.0)</b>
<b>3Q 2008</b>	0.88	1.53	1.42	0.03	0.74	0.38
<b>Amount</b>	(13,829.1)	(5,881.3)	(35.3)	(384.0)	(882.2)	(6,646.3)
<b>2Q 2008</b>	0.66	1.18	4.63	-	0.80	0.20
<b>Amount</b>	(13,420.2)	(5,724.5)	(43.2)	(375.5)	(875.2)	(6,401.8)
<b>4Q 2007</b>	<b>0.65</b>	<b>0.98</b>	<b>7.75</b>	<b>-</b>	<b>0.38</b>	<b>0.36</b>
<b>Amount</b>	<b>(11,913.2)</b>	<b>(5,207.7)</b>	<b>(37.4)</b>	<b>(308.7)</b>	<b>(876.2)</b>	<b>(5,483.2)</b>



## 10. Household Loans

(Unit: Billion won, %, %p, Balance)

	2008				2007		QoQ	YoY	2006
	4Q	3Q	2Q	1Q	4Q	3Q			
<b>Household Loans - Retail</b>	<b>3,809.6</b>	3,812.7	3,886.9	3,830.4	<b>3,801.2</b>	3,764.6	△0.1	0.2	3,676.0
<b>Total Secured Loans</b>	<b>3,009.6</b>	3,010.6	3,065.3	3,039.7	<b>3,070.3</b>	3,037.1	△0.03	△2.0	3,040.4
<b>Mortgage / Home Equity (Avg. LTV)</b>	<b>1,712.8 (50.14)</b>	1,700.8 (54.97)	1,697.8 (53.61)	1,512.1 (53.58)	<b>1,551.9 (53.26)</b>	1,448.7 (51.60)	0.7 △4.8	10.4 △3.1	1,402.8 (51.78)
<b>Others</b>	<b>981.1</b>	971.2	966.9	941.8	<b>958.2</b>	919.2	1.0	2.4	863.0
<b>Group Loans</b>	<b>216.4</b>	240.6	303.1	389.4	<b>461.2</b>	576.6	△10.1	△53.1	800.5
<b>Government Pension Backed</b>	<b>99.3</b>	98.0	97.5	96.4	<b>99.0</b>	92.6	1.3	0.3	83.8
<b>Non-Collateralized</b>	<b>800.0</b>	802.1	821.6	790.7	<b>730.9</b>	727.5	△0.3	9.5	635.6
<b>Government Workers</b>	<b>79.3</b>	81.1	81.9	79.7	<b>77.6</b>	69.0	△2.2	2.2	57.7
<b>Large Corp. Employees</b>	<b>42.2</b>	43.1	41.7	38.4	<b>36.5</b>	29.3	△2.1	15.6	20.2
<b>Student Loans</b>	<b>47.8</b>	50.0	57.0	58.5	<b>14.5</b>	41.2	△4.4	229.7	22.6
<b>Clean Credit</b>	<b>246.3</b>	247.5	242.5	243.9	<b>246.7</b>	239.8	△0.5	△0.2	240.1
<b>Others</b>	<b>384.4</b>	380.4	398.5	370.2	<b>355.6</b>	348.2	1.1	8.1	295.0

### Delinquency Ratio by Collateral (excluding Trust accounts)

(Unit: Billion won, %)

	Total	Real Estate	Home Equity	Movable	Deposits	Guarantees	Credit
<b>4Q 2008 (Loan Amount)</b>	<b>0.58 (3,809.6)</b>	<b>0.70 (2,296.2)</b>	<b>0.70 (1,576.5)</b>	<b>0.79 (47.1)</b>	<b>0.04 (213.8)</b>	<b>0 (0.4)</b>	<b>0.44 (1,251.9)</b>
<b>3Q 2008 (Loan Amount)</b>	0.67 (3,812.7)	0.86 (2,304.5)	0.73 (1,577.1)	0.62 (54.3)	0.03 (189.1)	0 (0.4)	0.43 (1,264.3)
<b>4Q 2007 (Loan Amount)</b>	0.64 (3,801.2)	0.88 (2,169.6)	0.71 (1,452.4)	0.21 (58.3)	0.07 (179.3)	1.72 (3.3)	0.37 (1,390.7)

## 11. Credit Card Business

### Credit Card Business

(Unit: Billion won)

Amount	2008				2007				2006 4Q	2005 4Q
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
<b>Credit Purchase</b>	<b>650.7</b>	650.4	640.9	671.7	<b>604.8</b>	554.0	560.8	506.9	489.4	437.0
<b>Lump-sum</b>	<b>528.6</b>	537.7	496.3	481.8	<b>478.9</b>	446.9	404.1	388.1	363.7	311.7
<b>Installment</b>	<b>122.1</b>	112.7	144.6	189.9	<b>125.9</b>	107.1	156.7	118.8	125.7	125.3
<b>Cash advance</b>	<b>158.7</b>	156.9	156.9	155.1	<b>163.2</b>	157.9	159.5	157.8	165.6	154.9
<b>Total</b>	<b>809.4</b>	<b>807.3</b>	<b>797.8</b>	<b>826.8</b>	<b>768.0</b>	<b>711.9</b>	<b>720.3</b>	<b>664.7</b>	<b>655.0</b>	<b>591.9</b>

Balance	2008				2007				2006 4Q	2005 4Q
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
<b>Credit Purchase</b>	<b>266.5</b>	280.9	309.2	307.7	<b>249.7</b>	241.1	252.9	219.1	232.1	222.0
<b>Cash advance</b>	<b>77.1</b>	75.9	76.3	76.2	<b>78.5</b>	73.2	74.9	76.4	77.9	73.0
<b>Re-aged loans</b>	<b>1.9</b>	2.0	2.4	2.9	<b>3.6</b>	4.5	5.2	6.1	7.2	14.8
<b>Total</b>	<b>345.5</b>	<b>358.8</b>	<b>387.9</b>	<b>386.8</b>	<b>331.8</b>	<b>318.8</b>	<b>333.0</b>	<b>301.6</b>	<b>317.2</b>	<b>309.8</b>

Income (Fees)	2008				2007				2006 4Q	2005 4Q
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
<b>Credit Purchase</b>	<b>16.7</b>	15.9	16.8	18.7	<b>16.3</b>	14.7	16.2	14.7	14.5	14.2
<b>Cash advance</b>	<b>5.1</b>	5.3	5.4	5.5	<b>5.5</b>	5.2	5.1	5.4	4.9	4.6
<b>Re-aged loans</b>	<b>0.1</b>	0.1	0.1	0.1	<b>0.2</b>	0.2	0.2	0.2	0.3	0.6
<b>Others</b>	<b>1.0</b>	1.1	1.1	1.0	<b>0.8</b>	0.9	1.1	0.9	1.5	1.5
<b>Total</b>	<b>22.9</b>	<b>22.4</b>	<b>23.4</b>	<b>25.3</b>	<b>22.8</b>	<b>21.0</b>	<b>22.6</b>	<b>21.2</b>	<b>21.2</b>	<b>20.9</b>

## 12. Dividend Policy / Shareholding Structure

### Dividend Policy

Year	2003	2004	2005	2006	2007
Dividend Yield(FV)	5.4	6.0	8.1	8.4	11.4
Dividend Yield(MV)	4.0	3.8	3.0	3.5	3.6
Dividend per share	270	300	405	420	570
Total Dividend Paid	396	440	594	616	836
Payout Ratio(%)	32.7	33.2	33.2	33.5	30.9

### Credit Ratings

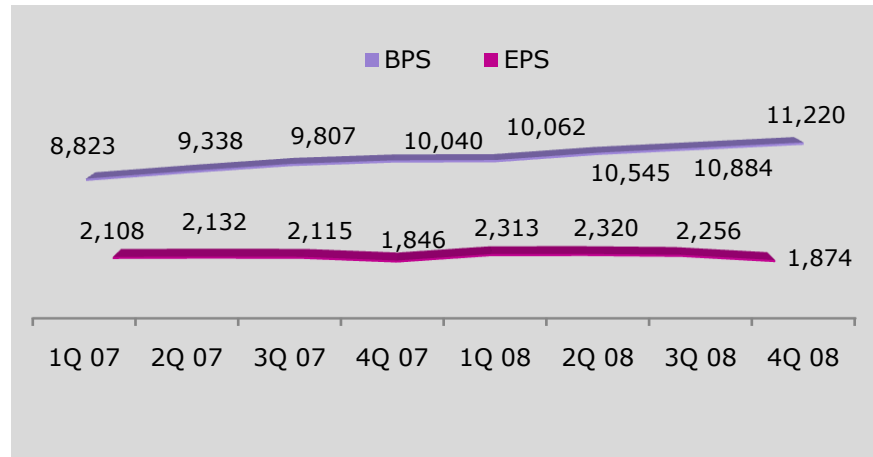
	Long Term	Short Term	BFSR	Outlook
Moody's*	A3 → A2	P2 → P1	C-	Negative
Fitch**	BBB+	F2	B/C	Negative

\*Upgraded on July 25, 207 \*\* Rated on Dec.20, 2005

Sept 2007	Issuer Rating	Subordinate bonds
<b>Korea Ratings</b>	AA+	AA
<b>KIS</b>	AA+	AA
<b>NICE</b>	N/A	AA

### BPS / EPS

(Unit: Won )



### Major Shareholders (end of March 2009)\*

Shareholders	Ratio (%)
Aberdeen Asset Management Asia Ltd	13.53
Capital Research & Global Investors	6.31
Templeton Investment Counsel, LLC	5.07
<b>Sub Total</b>	<b>24.91</b>

\* Based on the most recent fair disclosures