

2Q 2009 Financial Results
(2009. 7.23)



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DISCLAIMER

The financial information presented herein is prepared on the basis of pre-audited financial of Busan Bank and is based upon 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.

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1. Earnings Highlight

Growth

- ❖ Total Assets : Down by 2.2% (663.2 billion won) QoQ
- ❖ Total Deposits : Up by 2.6% (533.5 billion won) QoQ
- ❖ Total Loans: Up by 0.8% (157.8 billion won) QoQ

Asset Quality

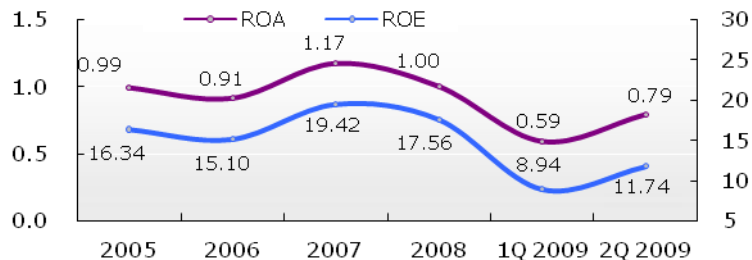
- ❖ S&B Ratio : 1.58%, Improved 0.20%p QoQ
 - Coverage Ratio 108.96%, Up by 8.85%p QoQ
- ❖ Delinquency Ratio : 1.55%, Improved 0.14%p QoQ

Profitability

- ❖ Top Line(based on the first half results)
 - Net Interest Income increased by 12.7% 09 1H vs 08 1H
 - Quarterly NIM is 3.16%, up by 0.15bp YoY
 - Low Cost Deposits increased by 11.10%(711.0 billion won) YoY
- ❖ Bottom Line
 - Credit Cost : Managed at 0.90%, down by 103bp QoQ
 - SG&A : Up by 3.5%(6.1 billion won) 09 1H vs 08 1H
 - Cost Income Ratio at 39.26%, Down by 0.32%p 09 1H vs 08 1H

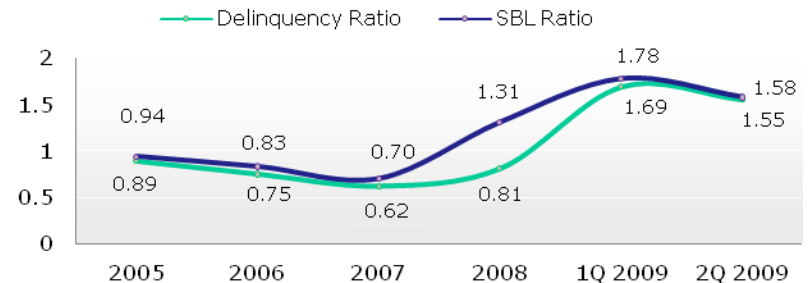
□ ROA / ROE

(Unit : %)



□ Asset Quality

(Unit : %)



2. Key Financial Indicators

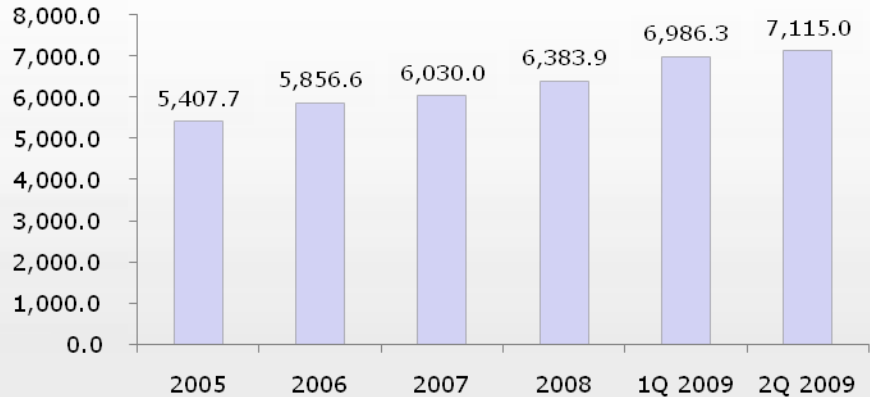
(Unit : Billion won, %, %p, Balance)

	2009		2008				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Total Assets	29,856.7	30,519.8	29,264.0	29,454.4	29,612.7	28,012.9	△2.2	2.0
Bank Account	28,507.6	29,288.8	27,957.6	27,929.2	28,173.0	26,795.9	△2.7	2.0
Trust Account	1,349.1	1,231.0	1,306.4	1,525.2	1,439.7	1,217.0	9.6	3.3
Total Deposits	21,386.4	20,852.9	21,204.0	21,637.7	21,718.0	20,220.9	2.6	0.9
Bank Account	20,134.2	19,681.4	19,940.6	20,129.8	20,319.3	19,004.9	2.3	1.0
Won Deposits	14,878.7	14,506.5	14,189.7	13,937.2	14,192.7	13,228.8	2.6	4.9
Demand	1,724.2	1,593.0	1,560.6	1,496.7	1,527.4	1,572.8	8.2	10.5
Savings	13,064.1	12,825.2	12,534.5	12,332.5	12,553.5	11,547.4	1.9	4.2
Installment	90.4	88.2	94.6	108.1	111.7	108.6	2.4	△4.4
Trust Account	1,252.2	1,171.5	1,263.4	1,507.9	1,398.7	1,216.0	6.9	△0.9
Total Loans	19,708.4	19,550.6	19,650.8	19,482.3	19,152.1	18,024.1	0.8	0.3
Total Loans	19,033.1	18,863.8	18,958.9	18,863.3	18,615.0	17,555.8	0.9	0.4
Won Loans	17,336.4	16,967.4	16,992.3	16,855.1	16,979.6	16,284.7	2.2	2.0
SME	12,267.3	12,135.6	12,031.6	11,907.6	11,892.7	11,266.9	1.1	2.0
Household	3,767.8	3,693.1	3,809.6	3,812.7	3,886.9	3,830.4	2.0	△1.1
Advance for Customer	675.3	686.8	691.9	619.0	537.1	468.3	△1.7	△2.4
Total Securities	6,449.6	6,398.2	6,176.8	6,316.3	6,031.6	5,695.3	0.8	4.4
Bank Account	5,543.4	5,541.4	5,238.6	5,195.9	5,160.3	4,903.5	0.0	5.8
Trust Account	906.2	856.8	938.2	1,120.4	871.3	791.8	5.8	△3.4
Shareholder's Equity	1,963.5	1,885.9	1,645.8	1,596.6	1,547.0	1,475.9	4.1	19.3

- Low Cost Deposits

Low Cost Deposit Growth (Unit : Billion won, Average Balance)

Low Cost Deposits



Low Cost Deposit Funding Costs

(Unit : %, Accumulative)

	2Q 09	4Q 08	4Q 07	4Q 06
Demand	0.35	0.35	0.32	0.31
Savings	0.17	0.28	0.31	0.33
Corporate Savings	1.69	3.33	2.94	2.79
Total	0.74	1.26	1.00	1.92

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

	2009		2008				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Low Cost Deposits (A)	7,115.0	6,986.3	6,383.9	6,406.6	6,404.0	6,382.4	1.8	11.5
Demand	1,548.3	1,505.5	1,406.4	1,428.4	1,448.4	1,473.8	2.8	10.1
Savings	3,084.7	3,017.7	2,946.3	2,970.8	2,983.6	3,003.8	2.2	4.7
Corporate Savings	2,482.0	2,463.1	2,031.2	2,007.4	1,972.0	1,904.8	0.8	22.2
Won Deposits (B)	14,505.8	14,230.0	13,770.8	13,616.1	13,407.0	13,109.1	1.9	5.3
Total Deposits (Bank Account) (C)	19,969.5	19,857.9	19,739.1	19,575.7	19,224.1	18,848.4	0.6	1.2
Total Deposits (Bank + Trust Account) (D)	21,170.8	21,063.8	21,110.7	20,933.4	20,492.5	20,101.0	0.5	0.3
Low Cost Deposits/Won Deposits (A/B)	49.05	49.10	46.36	47.05	47.77	48.69	△0.05	2.69
Low Cost Deposits/Total Deposits (A/C)	35.63	35.18	32.34	32.73	33.31	33.86	0.45	3.29
Low Cost Deposits/Total Deposits (A/D)	33.61	33.17	30.24	30.60	31.25	31.75	0.44	3.37

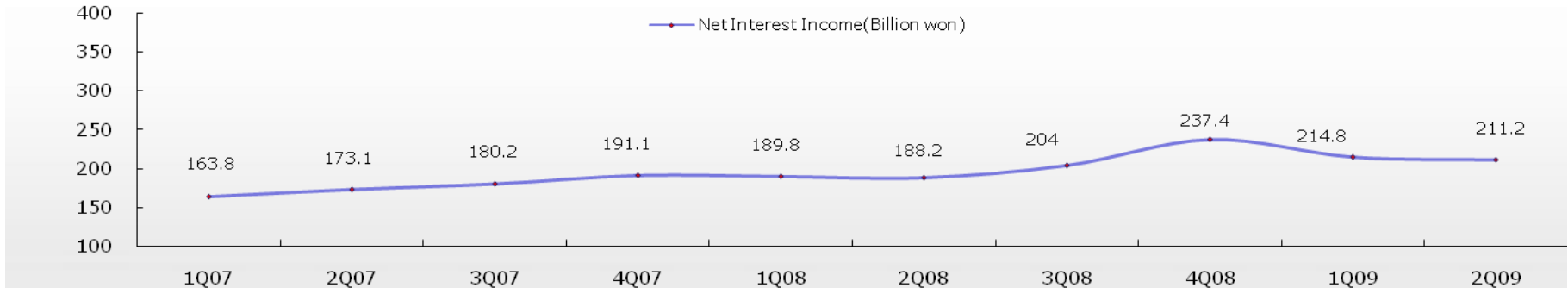
3. Income Statement

(Unit : Billion won, %, %p)

	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
Net Interest Income	426.0	211.2	214.8	819.4	237.4	204.0	378.0	188.2	189.8	△1.7	12.7
Net Fee Income	44.5	21.2	23.3	99.2	21.1	26.7	51.4	27.1	24.3	△9.0	△13.4
Fees from Trust Account	3.9	1.9	2.0	11.6	2.6	2.4	6.6	2.8	3.8	△5.0	△40.9
Others	△ 14.7	△ 1.6	△13.1	△51.4	△41.1	△14.9	4.6	3.1	1.5	△87.8	Net Loss
Provision Expense	140.8	45.5	95.3	117.2	68.2	15.2	33.8	14.9	18.9	△52.3	316.6
SG&A	180.5	90.9	89.6	376.7	113.5	88.8	174.4	91.0	83.4	1.5	3.5
Net Operating Income	138.4	96.3	42.1	384.9	38.3	114.2	232.4	115.3	117.1	128.7	△40.4
Non-Operating Income	5.4	△ 2.9	8.3	△2.7	0.7	△4.8	1.4	2.0	△0.6	Net Loss	285.7
Income Before Income Tax	143.8	93.4	50.4	382.2	39.0	109.4	233.8	117.3	116.5	85.3	△38.5
Income Tax	31.8	23.0	8.8	107.2	11.7	30.7	64.8	32.6	32.2	161.4	△50.9
Net Income	112.0	70.4	41.6	275.0	27.3	78.7	169.0	84.7	84.3	69.2	△33.7
ROA	0.79		0.59	1.00		1.23	1.30		1.35	0.20	△0.51
ROE	11.74		8.94	17.56		21.49	22.49		22.98	2.80	△10.75

4. Interest Income

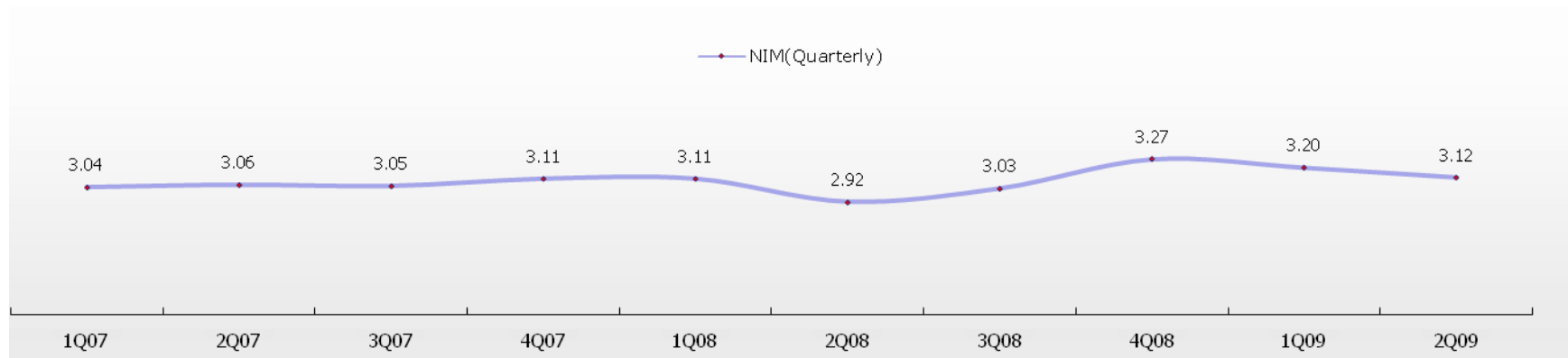
□ Net Interest Income



(Unit : Billion won, %)

	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q			
Net Interest Income	426.0	211.2	214.8	819.4	237.4	204.0	378.0	188.2	189.8	△1.7	12.7
Interest Revenues	861.9	412.1	449.8	1,784.3	504.1	452.0	828.2	418.0	410.2	△8.4	4.1
Interest on Loans	713.2	339.7	373.5	1,475.8	411.4	375.9	688.5	349.0	339.5	△9.0	3.6
Interest on Securities	135.4	67.3	68.1	252.7	67.9	65.1	119.7	59.8	59.9	△1.2	13.1
Others	13.3	5.1	8.2	55.8	24.8	11.0	20.0	9.2	10.8	△37.8	△33.5
Interest Expenses	435.9	200.9	235.0	964.9	266.7	248.0	450.2	229.8	220.4	△14.5	△3.2
Interest on Deposits	261.0	121.6	139.4	630.7	170.4	165.0	295.3	152.1	143.2	△12.8	△11.6
Interest on Debentures	85.9	39.7	46.2	168.1	46.0	44.2	77.9	40.3	37.6	△14.1	10.3
Others	89.0	39.6	49.4	166.1	50.3	38.8	77.0	37.4	39.6	△19.8	15.6

□ NIM Trend (Quarterly)



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

	2009		2008				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
NIM	3.16	3.20	3.09	3.02	3.01	3.11	△0.04	0.07
NIS	4.17	4.31	3.99	3.86	3.84	3.94	△0.14	0.18
Average Lending Rates	7.51	7.98	8.00	7.81	7.73	7.80	△0.47	△0.49
Household	7.20	7.70	7.92	7.73	7.60	7.64	△0.50	△0.72
Corporate	7.07	7.48	7.52	7.30	7.19	7.20	△0.41	△0.45
Average Deposit Rates	3.35	3.67	4.01	3.95	3.89	3.86	△0.32	△0.66
Avg. Interest Earning Assets	25,370.9	25,406.4	24,445.8	23,968.2	23,461.5	22,908.2	△0.1	3.8
Avg. Interest Earning Assets (Quarterly)	25,335.8	25,406.4	25,868.3	24,970.5	24,014.8	22,908.2	△0.3	△2.1

6. Non-Interest Income

(Unit : Billion won, %)

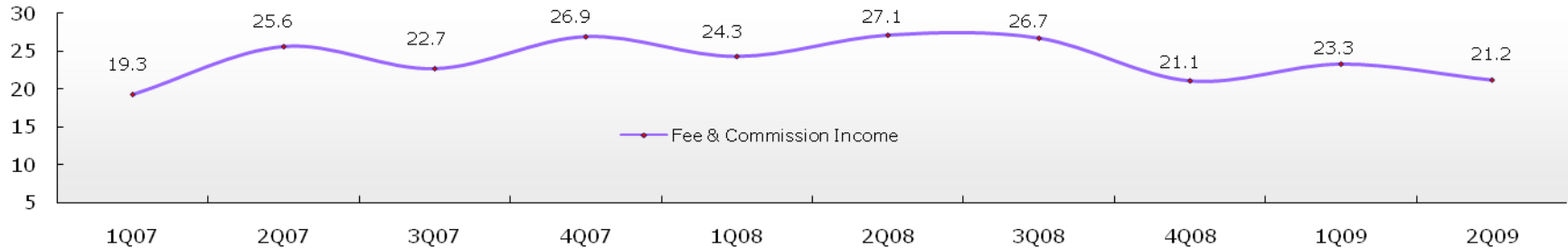
	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
Non-Interest Income	33.7	21.5	12.2	59.4	△17.4	14.2	62.6	33.0	29.6	76.2	△46.1
Non-Interest Revenues	907.0	303.9	603.1	1,850.5	805.2	500.5	544.8	257.8	287.0	△49.6	66.5
Fee Income	66.1	33.3	32.8	141.8	32.8	37.6	71.4	37.5	33.9	1.5	△7.4
Fees from Trust Acct.	3.9	1.9	2.0	11.6	2.6	2.4	6.6	2.8	3.8	△5.0	△40.9
Others	837.0	¹⁾ 268.7	568.3	1,697.1	769.8	460.5	466.8	217.5	249.3	△52.7	79.3
Non-Interest Expenses	873.3	282.4	590.9	1,791.1	822.6	486.3	482.2	224.8	257.4	△52.2	81.1
Commissions Paid	21.6	12.1	9.5	42.6	11.7	10.9	20.0	10.4	9.6	27.4	8.0
Others	851.7	²⁾ 270.3	581.4	1,748.5	810.9	475.4	462.2	214.4	247.8	△53.5	84.3

Note)

1. Non interest other revenues : Securities Investment related gains(11.9), FX related gains(173.7), Derivative related gains(78.7), Gains from NPL sales(4.4)
2. Non interest other expenses : Securities Investment related losses(1.0), FX related losses(127.3), Derivative related losses(108.4), Losses from NPL sales(19.6), Deposit Insurance(5.4), Credit Guarantee Insurance(8.6)

- Fee & Commission Income

□ Fee & Commission Income



(Unit : Billion won, %)

	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q			
Fee & Commission Income	44.5	21.2	23.3	99.2	21.1	26.7	51.4	27.1	24.3	△9.0	△13.4
Fee & Commission Revenues	66.1	33.3	32.8	141.8	32.8	37.6	71.4	37.5	33.9	1.5	△7.4
Commission in Won	54.0	27.3	26.7	109.1	25.1	29.2	54.8	28.3	26.5	2.2	△1.5
Bancassurance	15.6	7.5	8.1	25.8	6.9	7.4	11.5	6.2	5.3	△7.4	35.7
Mutual Fund Sales	6.4	3.5	2.9	21.2	3.2	5.3	12.7	6.6	6.1	20.7	△49.6
Commission in FC	6.8	3.3	3.5	22.5	5.0	5.6	11.9	6.7	5.2	△5.7	△42.9
Commission on Credit Card	1.5	0.8	0.7	3.6	0.8	1.0	1.8	0.9	0.9	14.3	△16.7
Guarantee Fees	3.8	1.9	1.9	6.6	1.9	1.8	2.9	1.6	1.3	0.0	31.0
Fee & Commission Paid	21.6	12.1	9.5	42.6	11.7	10.9	20.0	10.4	9.6	27.3	8.0
Commission Paid in Won	5.5	2.8	2.7	12.9	3.0	4.2	5.7	3.1	2.6	3.7	△3.5
Commission Paid in FC	3.0	1.9	1.1	6.6	2.9	1.3	2.4	1.3	1.1	72.7	25.0
Commission Paid on Credit Card	13.1	7.4	5.7	23.1	5.8	5.4	11.9	6.0	5.9	29.8	10.1

7. Provisioning

□ Provision Expenses

(Unit : Billion won)

	2009			2008					2007			
	2Q	1Q		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporate	26.5	72.2	107.6	64.5	16.3	15.9	10.9	41.1	31.5	4.4	6.9	△1.7
Household	3.7	2.7	2.1	0.2	△1.1	△2.0	5.0	3.6	△0.5	1.6	△0.1	2.6
Credit Card	1.8	1.7	3.3	1.3	0.1	0.6	1.3	1.7	1.1	△0.2	0.5	0.3
Others	13.5	18.7	4.2	2.2	△0.1	0.4	1.7	6.8	3.8	0.9	△1.5	3.6
Trust Account	0	0	0	0	0	0	0	0	0	0	0	0
Total	45.5	95.3	117.2	68.2	15.2	14.9	18.9	53.2	35.9	6.7	5.8	4.8

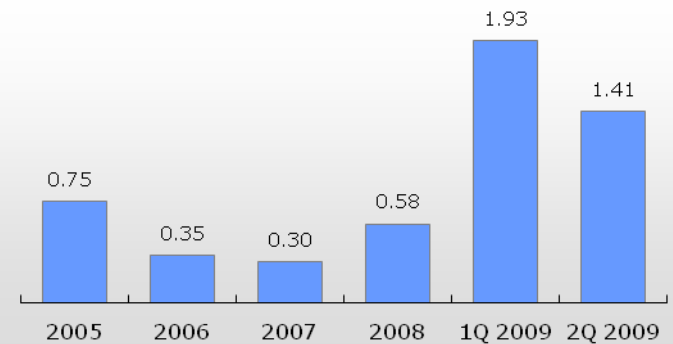
□ Provision Balances

(Unit : Billion won)

	2009		2008			
	2Q	1Q	4Q	3Q	2Q	1Q
Corporate	284.9	297.3	242.8	184.4	172.2	163.7
Household	51.9	50.2	48.2	49.1	50.3	52.8
Credit Card	12.1	11.7	10.6	11.2	11.4	11.4
Trust Account	0.5	0.2	0.2	0.5	0.5	0.5
Total	349.4	359.4	301.8	245.2	234.4	228.4

□ Credit Cost

(Unit : %)



Summary of SG&A

❖ Changes in SG&A

➤ **SG&A increased by 6.1 billion won, 3.5% 09 1H vs 08 1H**

- Wage inflation increased by 5.5 billion won, 3.64% 09 1H vs 08 1H, due to pay increases & promotions

➤ **Cost Income Ratio for the 1H recorded at 39.26%, 0.32%p decrease 09 1H vs 08 1H**

➤ **Total SG&A increased by 1.3 billion won, 1.5% QoQ**

(Unit : Billion won, %, %p)

	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
Total SG&A	180.5	90.9	89.6	376.7	113.5	88.8	174.4	91.0	83.4	1.5	3.5
Wages	149.2	77.9	71.3	300.6	85.6	71.0	144.0	75.8	68.2	9.3	3.6
Amortization	14.5	7.5	7.0	38.3	10.2	9.4	18.7	8.9	9.8	7.7	22.7
Taxes and bills	5.5	2.5	3.0	13.7	4.5	3.7	5.5	2.8	2.7	△16.7	0.0
Retirement Allowance	11.3	3.0	8.3	13.2	2.6	4.7	5.9	3.2	2.7	△63.9	91.5
ERP Related Expenses	0	0	0	10.9	10.6	0	0.3	0.3	0	0.0	-
Cost Income Ratio	39.26	39.06	39.47	42.87	51.59	40.70	39.58	41.14	38.01	△0.41	△0.32

9. Non-Operating Income

(Unit : Billion won, %, %p)

	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
Non-Operating Income	5.4	△2.9	8.3	△2.7	0.7	△4.8	1.4	2.0	△0.6	Net Loss	285.7
Non-Operating Revenues	16.2	5.9	10.3	13.9	3.6	1.8	8.5	4.7	3.8	△42.7	90.6
Gains from Sales of Tangible Assets	0	0	0	0.1	0	0	0.1	0.1	0	0.0	-
Gains from Equity Investment	1.4	1.1	0.3	4.1	1.9	0	2.2	0.5	1.7	266.7	△36.4
Others	14.8	¹⁾4.8	10.0	9.7	1.7	1.8	6.2	4.1	2.1	△52.0	138.7
Non-Operating Expenses	10.8	8.8	2.0	16.6	2.9	6.6	7.1	2.7	4.4	340.0	52.1
Losses from Sales of Tangible Assets	0	0	0	0	0	0	0	0	0	0.0	0.0
Losses from Equity Investment	0	0	0	0.8	0	0	0.8	0	0.8	0.0	-
Others	10.8	²⁾8.8	2.0	15.8	2.9	6.6	6.3	2.7	3.6	340.0	71.4

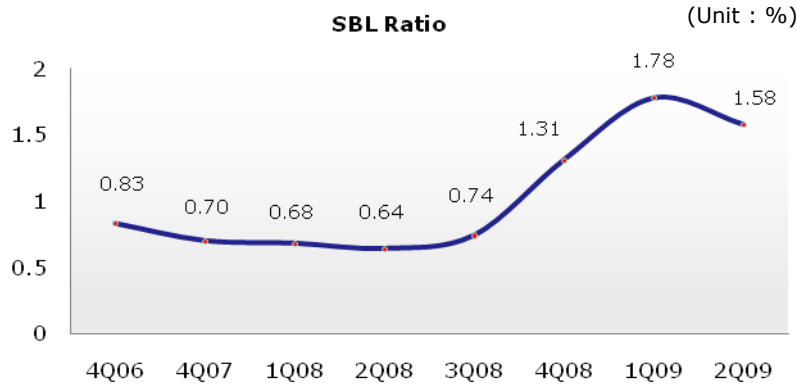
Note)

1. Other non operating revenues : Gains on Bad Debt Collection(0.1), Dormant Deposits(2.6), Others(2.1)

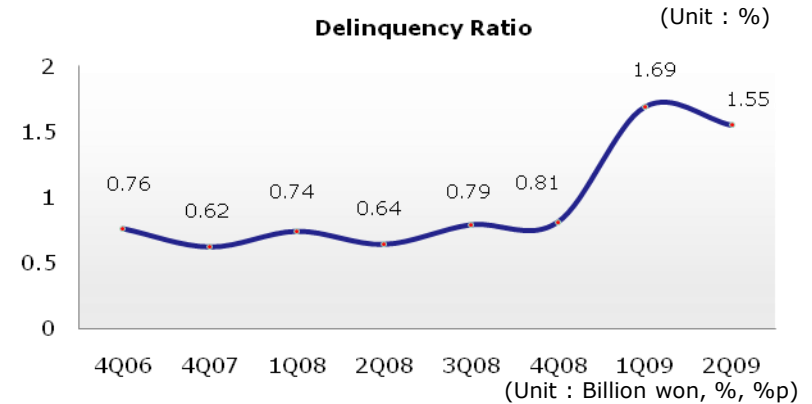
2. Other non operating expenses : Losses on Bad Debt Collection(0.3), Donations(6.1), Others(2.4)

10. Asset Quality

Asset Quality Trend



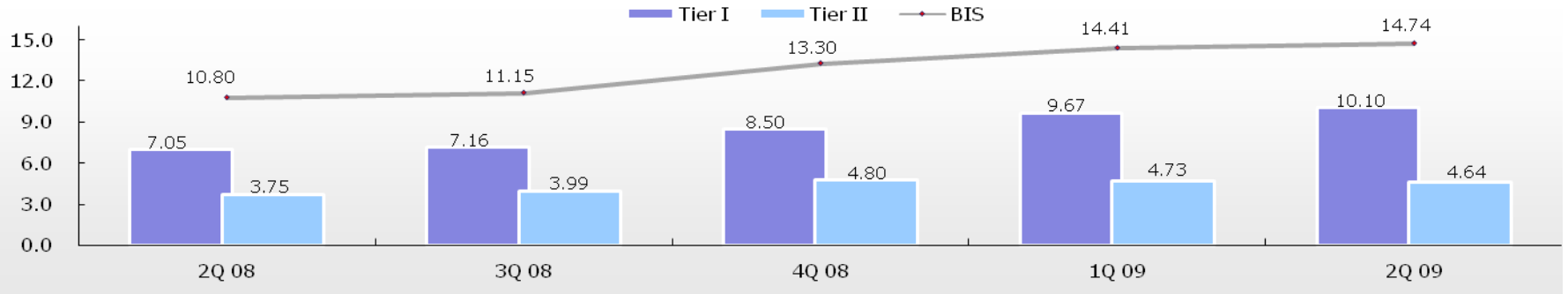
Delinquency Trend



	2009		2008				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Total Loans	20,180.8	20,070.3	20,238.7	20,136.2	19,739.7	18,571.3	0.6	△0.3
Normal	19,372.6 (95.99)	19,368.8 (95.50)	19,765.2 (97.66)	19,793.1 (98.29)	19,417.7 (98.36)	18,243.5 (98.23)	0.0	△2.0
Precautionary	488.6 (2.42)	343.6 (1.71)	208.2 (1.03)	194.8 (0.96)	195.5 (0.99)	201.5 (1.08)	42.2	134.7
Substandard	217.0 (1.08)	215.4 (1.07)	145.9 (0.72)	114.2 (0.56)	96.2 (0.48)	84.4 (0.45)	0.7	48.7
Doubtful	84.8 (0.42)	99.1 (0.49)	88.7 (0.44)	16.9 (0.08)	18.5 (0.09)	28.6 (0.15)	△14.4	△4.4
Expected Loss	17.7 (0.09)	43.5 (0.23)	30.7 (0.15)	17.2 (0.08)	11.8 (0.05)	13.3 (0.07)	△59.3	△42.3
Substandard & Below Loans (S&B Loan Ratio(%))	319.5 (1.58)	357.9 (1.78)	265.3 (1.31)	148.3 (0.74)	126.5 (0.64)	126.3 (0.68)	△10.7 △0.20	20.4 0.27
(S&B Coverage Ratio)	(108.96)	(100.11)	(113.74)	(165.36)	(185.40)	(180.82)	8.85	△4.78
Loan Amount	19,505.5	19,383.5	19,546.7	19,517.2	19,202.6	18,103.0	0.6	△0.2
Delinquency Amount	302.4	328.2	158.5	153.8	122.2	134.3	△7.9	90.8
Delinquency Ratio	1.55	1.69	0.81	0.79	0.64	0.74	△0.14	0.74

11. Capital Adequacy

BIS Ratio Trend(Based on Basel II)



(Unit : Billion won, %)

	2009		2008			
	¹⁾ 2Q	1Q	4Q	3Q	2Q	1Q
Total Risk Adjusted Capital	3,135.3	3,090.5	2,824.1	2,467.4	2,349.3	2,247.3
Tier I Capital	2,149.2	2,076.0	1,805.6	1,585.4	1,534.1	1,465.9
Tier II Capital	986.1	1,014.5	1,018.5	885.0	818.2	784.4
Contribution to Unconsolidated Subsidiaries(-)	3.0	3.0	3.0	3.0	3.0	3.0
Total Risk Weighted Assets	21,273.8	21,456.2	21,234.4	22,124.5	21,826.3	20,378.4
Credit Risk	19,599.6	19,840.8	19,660.7	20,487.7	20,073.5	19,032.7
Market Risk	108.3	99.0	108.7	215.5	366.3	-
Operational Risk	1,565.9	1,516.4	1,465.1	1,421.3	1,386.5	1,345.7
BIS Capital Ratio	¹⁾ 14.74	14.41	13.30	11.15	10.80	11.03
Tier I	10.10	9.67	8.50	7.16	7.05	7.19
Tier II	4.64	4.74	4.80	3.99	3.75	3.85
TCE	6.87	6.42	5.86	5.70	5.47	5.48

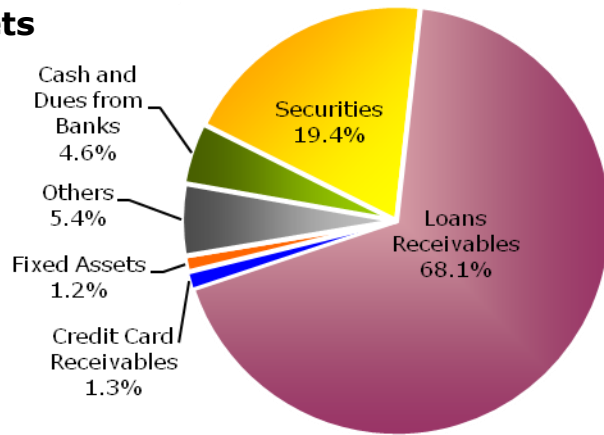
Note) 1. Estimate

II. Appendix

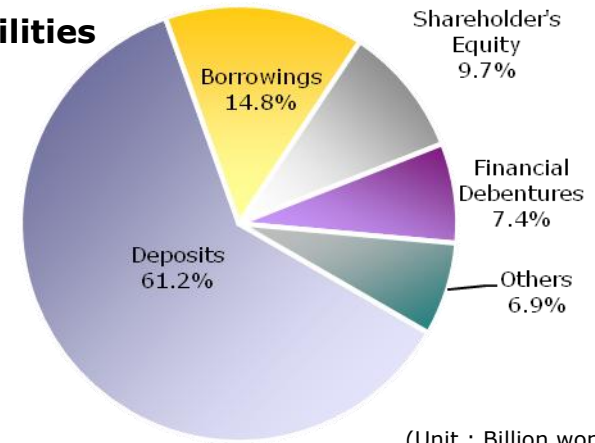
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1. B/S Summary

Assets



Liabilities



(Unit : Billion won, %, Balance)

	2009		2008				QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q		
Assets	28,507.6	29,288.8	27,957.6	27,929.2	28,173.0	26,795.9	△2.7	2.0
Cash and Dues	1,323.4	1,496.4	1,847.4	1,584.9	1,812.1	1,506.4	△11.6	△28.4
Securities	5,543.4	5,541.4	5,238.6	5,195.9	5,160.3	4,903.5	0.0	5.8
Loans	19,391.5	19,380.9	19,094.5	19,171.3	18,813.5	17,937.5	0.1	1.6
Credit Card	380.6	397.8	345.6	358.8	387.9	386.8	△4.3	10.1
Fixed Assets	347.5	350.8	353.5	356.8	358.7	359.4	△0.9	△1.7
Other Assets	1,521.2	2,121.5	1,078.0	1,261.5	1,640.5	1,702.4	△28.3	41.1
Liability & Shareholder's Equity	28,507.6	29,288.8	27,957.6	27,929.2	28,173.0	26,795.9	△2.7	2.0
Deposits	17,447.4	16,963.7	16,758.2	17,205.2	17,301.5	16,171.4	2.9	4.1
Borrowings	4,225.6	4,608.9	4,724.6	4,403.8	4,230.7	4,077.2	△8.3	△10.6
Financial Debentures	2,767.7	2,727.4	3,140.6	3,081.6	3,000.0	2,802.8	1.5	△11.9
Other Liabilities	2,103.4	3,012.9	1,688.4	1,642.0	2,093.8	2,268.6	△32.2	24.6
Shareholder's Equity	1,963.5	1,885.9	1,645.8	1,596.6	1,547.0	1,475.9	4.1	19.3

2. I/S Summary

(Unit: Billion won, %)

	2009			2008					QoQ	09 1H vs. 08 1H	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
1. Operating Revenues	1,769.1	716.2	1,052.9	3,635.0	1,309.5	952.5	1,373.0	675.8	697.2	△32.0	28.8
Interest Revenue	861.9	412.2	449.7	1,784.3	504.1	452.0	828.2	418.0	410.2	△8.3	4.1
Fee & Commission Revenue	66.1	33.3	32.8	141.8	32.8	37.6	71.4	37.5	33.9	1.5	△7.4
Trust Account	4.1	2.1	2.0	11.6	2.6	2.4	6.6	2.8	3.8	5.0	△37.9
Others	837.0	268.7	568.3	1,697.3	770.0	460.5	466.8	217.5	249.3	△52.7	79.3
2. Operating Expenses	1,630.7	619.9	1,010.8	3,250.1	1,271.2	838.3	1,140.6	560.5	580.1	△38.7	43.0
Interest Expenses	435.9	200.9	235.0	964.9	266.7	248.0	450.2	229.8	220.4	△14.5	△3.2
Fee & Commission Expense	21.6	12.1	9.5	42.6	11.7	10.9	20.0	10.4	9.6	27.4	8.0
Trust Account	0.2	0.2	0	0	0	0	0	0	0	0.0	0.0
Others	851.7	270.3	581.4	1,748.7	811.1	475.4	462.2	214.4	247.8	△53.5	84.3
SG&A	180.5	90.9	89.6	376.7	113.5	88.8	174.4	91.0	83.4	1.5	3.5
Provision Expenses	140.8	45.5	95.3	117.2	68.2	15.2	33.8	14.9	18.9	△52.3	316.6
3. Operating Income	138.4	96.3	42.1	384.9	38.3	114.2	232.4	115.3	117.1	128.7	△40.4
4. Non Operating Income	5.4	△2.9	8.3	△2.7	0.7	△4.8	1.4	2.0	△0.6	Net Loss	285.7
5. Ordinary Income	143.8	93.4	50.4	382.2	39.0	109.4	233.8	117.3	116.5	85.3	△38.5
6. Special Income	0	0	0	0	0	0	0	0	0	0.0	0.0
7. Income Before Income Taxes	143.8	93.4	50.4	382.2	39.0	109.4	233.8	117.3	116.5	85.3	△38.5
8. Income Taxes	31.8	23.0	8.8	107.2	11.7	30.7	64.8	32.6	32.2	161.4	△50.9
9. Net Income	112.0	70.4	41.6	275.0	27.3	78.7	169.0	84.7	84.3	69.2	△33.7

3. PPOP

(Unit : Billion won, %)

	2009				2008					QoQ	09 1H vs. 08 1H
	1H	2Q	1Q			4Q	3Q	1H	2Q		
PPOP	296.0	142.0	154.0	512.7	110.0	129.1	273.6	135.5	138.1	△7.8	8.2
Provision Expenses	152.2	48.6	103.6	130.5	71.0	19.7	39.8	18.2	21.6	△53.1	282.4
Loans	106.8	33.0	73.8	111.9	66.4	15.0	30.5	13.6	16.9	△55.3	250.2
Payment Guarantees	1.8	△ 1.1	2.9	1.1	△0.3	0.2	1.2	0.9	0.3	Net Loss	50.0
Retirement Allowance	11.3	3.0	8.3	13.3	2.7	4.6	6.0	3.3	2.7	△63.9	88.3
Others	32.3	13.7	18.6	4.2	2.2	△0.1	2.1	0.4	1.7	△26.3	1,438.1
Income Taxes	31.8	23.0	8.8	107.2	11.7	30.7	64.8	32.6	32.2	161.4	△50.9
Net Income	112.0	70.4	41.6	275.0	27.3	78.7	169.0	84.7	84.3	69.2	△33.7

4. Security Investment

(Unit : Billion won, %, Balance)

	2Q 2009					1Q 2009		2Q 2008	
	Total	Trading Securities	Investment Securities			Total	QoQ		YoY
			Total	A.F.S*	H.T.M*				
Bonds(Won)	4,720.1	0	4,720.1	1,413.7	3,306.4	4,796.8	△1.6	4,498.2	4.9
Government Bonds	655.3	0	655.3	192.3	463.0	573.6	14.2	529.9	23.7
Financial Debentures	2,042.9	0	2,042.9	232.8	1,810.1	2,326.2	△12.2	2,568.9	△20.5
Municipal Bonds	167.4	0	167.4	0	167.4	157.0	6.6	162.6	3.0
Govn't Corporate Bonds	1,279.7	0	1,279.7	433.8	845.9	1,149.9	11.3	664.6	92.6
Corporate Bonds	574.8	0	574.8	554.8	20.0	590.1	△2.6	572.2	0.5
Bonds(Foreign Currency)	90.8	0	90.8	55.4	35.4	97.7	△7.1	107.2	△15.3
Stock	291.7	0	291.7	291.7	0	273.3	6.7	238.1	22.5
Mutual Funds	428.2	9.9	418.3	418.3	0	361.1	18.6	303.4	41.1
Bonds	106.3	0	106.3	106.3	0	0	0.0	0	0.0
Stocks	231.8	0	231.8	231.8	0	232.7	△0.4	244.0	△5.0
MMF	9.9	9.9	0	0	0	10.5	△5.7	17.8	△44.4
Others	80.2	0	80.2	80.2	0	117.9	△32.0	41.6	92.8
Others	12.6	0	12.6	12.6	0	12.5	0.8	13.4	△6.0
Total	5,543.4	9.9	5,533.5	2,191.7	3,341.8	5,541.4	0.0	5,160.3	7.4

5. Total Deposits/ Loans

(Unit : Billion won, %, Balance)

Total Deposits	2009		2008				QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q		
Dues from banks	14,878.7	14,506.5	14,189.7	13,937.2	14,192.7	13,228.8	2.6	4.9
Demand	1,724.2	1,593.1	1,560.6	1,496.7	1,527.4	1,572.8	8.2	10.5
Savings	13,064.1	12,825.2	12,534.5	12,332.5	12,553.5	11,547.4	1.9	4.2
Installment	90.4	88.2	94.6	108.1	111.8	108.6	2.5	△4.4
C D	2,208.2	2,158.3	2,281.0	3,044.0	2,932.1	2,774.4	2.3	△3.2
Bills sold	22.0	15.5	15.1	21.9	19.4	17.1	41.9	45.7
R P	999.9	1,015.7	1,000.0	650.0	650.0	650.0	△1.5	0.0
Financial Debentures	2,025.4	1,985.4	2,454.8	2,476.7	2,525.2	2,334.6	2.0	△17.5
Trust Account	1,252.2	1,171.5	1,263.4	1,507.9	1,398.7	1,216.0	6.9	△0.9
Total Deposits	21,386.4	20,852.9	21,204.0	21,637.7	21,718.0	20,220.9	2.6	0.9

Total Loans	2009		2008				QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q		
Won Loans	17,336.4	16,967.4	16,992.3	16,855.1	16,979.6	16,284.7	2.2	2.0
Corporate	12,881.9	12,737.5	12,627.1	12,474.3	12,463.7	11,807.6	1.1	2.0
(SME)	(12,267.3)	(12,135.6)	(12,031.6)	(11,907.6)	(11,892.7)	(11,266.9)	1.1	2.0
(Large Corps)	(614.6)	(601.9)	(595.5)	(566.7)	(571.0)	(540.7)	2.1	3.2
Household	3,767.8	3,693.1	3,809.6	3,812.7	3,886.9	3,830.4	2.0	△1.1
Public	686.7	536.8	555.6	568.2	629.0	646.7	27.9	23.6
Foreign Currency Loans	1,400.9	1,563.6	1,437.2	1,152.8	962.7	750.6	△10.4	△2.5
Trust Account	30.6	29.9	39.2	37.0	36.0	33.5	2.3	△21.9
Others	940.5	989.7	1,182.1	1,437.4	1,173.9	955.3	△5.0	△20.4
Total Loans	19,708.4	19,550.6	19,650.8	19,482.3	19,152.1	18,024.1	0.8	0.3

6. Corporate Loan Portfolio

(Unit : Billion won, %, Balance)

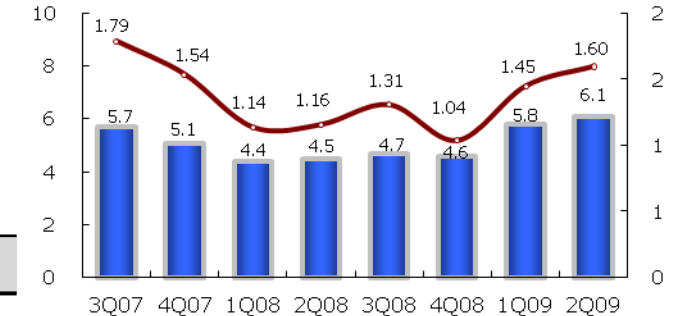
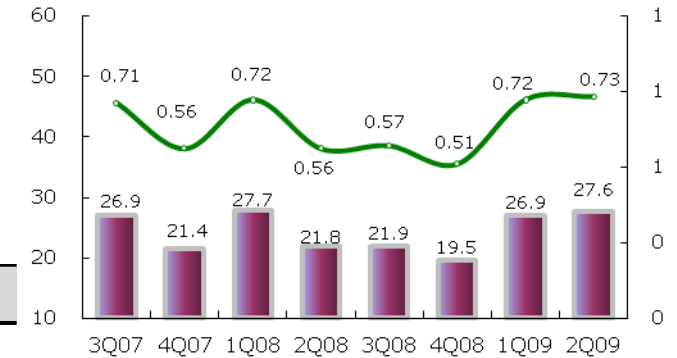
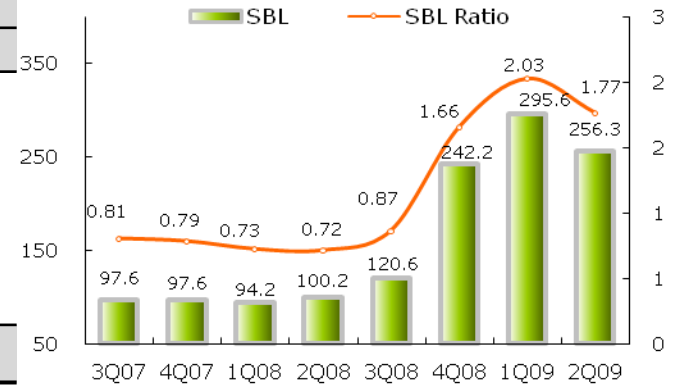
	2Q 2009		1Q 2009		2Q 2008	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Manufacturing Sector	6,594.8	48.6	6,610.7	49.8	6,314.6	48.2
Steel Metal Products	1,958.6	14.4	2,000.6	15.1	1,801.8	13.8
Automobile Parts	1,530.2	11.3	1,472.5	11.1	1,304.4	10.0
Machinery	975.7	7.2	973.5	7.3	1,024.1	7.8
Petroleum, Rubber, etc.	647.7	4.8	664.6	5.0	589.3	2.3
Fabric	213.2	1.6	208.8	1.6	220.6	1.7
Garment & Shoes	185.6	1.4	203.5	1.5	163.4	1.2
Kitchen Units	258.4	1.9	261.9	2.0	262.1	2.0
Electronics	354.6	2.6	348.4	2.6	339.4	2.6
Paper, Paper Mills	108.5	0.8	109.9	0.8	116.6	0.9
Others	362.3	2.7	367.0	2.8	392.9	3.0
Non-Manufacturing Sector	6,973.8	51.4	6,663.5	50.2	6,778.1	51.8
Wholesale & Retail	1,604.3	11.8	1,590.5	12.0	1,704.8	13.0
Public	164.1	1.2	3.1	0.0	101.2	0.8
Construction & Engineering	645.2	4.8	652.4	4.9	649.8	5.0
Real Estate & Lease	1,463.3	10.8	1,434.6	10.8	1,451.1	11.1
Insurance & Financing	480.9	3.5	463.3	3.5	444.1	3.4
Transportation	917.7	6.8	868.0	6.5	770.7	5.9
Hotel & Food	324.1	2.4	322.8	2.4	328.1	2.5
Others	1,374.2	10.1	1,328.8	10.0	1,328.3	10.1
Total	13,568.6	100.0	13,274.2	100.0	13,092.7	100.0

7. Asset Quality

(Unit : Billion won, %)

	2009		2008				
	2Q	1Q	4Q	3Q	2Q	1Q	
SME	Normal	13,782.5	13,976.9	14,143.0	13,569.2	13,680.4	12,617.8
	Precautionary	416.1	273.2	149.0	139.5	136.7	140.7
	Substandard	175.6	171.2	130.6	98.1	80.6	67.6
	Doubtful	66.3	83.9	82.7	9.8	10.9	17.0
	Expected Loss	14.4	40.5	28.9	12.7	8.7	9.6
Total	14,454.9	14,545.6	14,534.2	13,829.3	13,917.3	12,852.7	
Household	Normal	3,710.8	3,639.4	3,782.8	3,776.2	3,844.2	3,779.4
	Precautionary	60.0	58.7	48.9	44.4	48.8	50.2
	Substandard	19.1	20.5	15.2	16.0	15.5	16.7
	Doubtful	7.1	4.9	3.1	4.3	4.8	9.0
	Expected Loss	1.4	1.5	1.2	1.6	1.5	2.0
Total	3,798.4	3,725.0	3,851.2	3,842.5	3,914.8	3,857.3	
Credit Card	Normal	366.6	384.7	335.2	348.0	377.3	375.4
	Precautionary	8.1	7.3	6.7	6.1	6.1	7.0
	Substandard	0.2	0.4	0.1	0.1	0.1	0.1
	Doubtful	4.0	3.9	2.8	2.8	2.8	2.6
	Expected Loss	1.9	1.4	0.7	1.8	1.6	1.7
Total	380.6	397.8	345.5	358.8	387.9	386.8	

(Unit : Billion won, %)



8. Delinquency Ratio / Write-offs and NPL Sales

(Unit : Billion won, %, %p)

	2009		2008				2007
	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Total Delinquency Ratio	1.55	1.69	0.81	0.79	0.64	0.74	0.62
Overdue Amount	302.4	328.2	158.5	153.8	122.2	134.3	108.0
Loan Amount	19,505.5	19,383.5	19,546.7	19,517.2	19,202.6	18,103.0	17,360.8
SMEs	1.59	1.99	0.94	0.88	0.66	0.75	0.65
Overdue Amount	220.6	277.7	131.2	122.0	88.9	93.2	77.2
Loan Amount	13,862.4	13,923.9	13,934.8	13,829.1	13,420.2	12,429.8	11,913.2
Households	1.17	1.13	0.55	0.65	0.69	0.89	0.61
Overdue Amount	44.4	41.8	21.0	24.9	26.9	34.4	23.4
Loan Amount	3,794.2	3,718.5	3,844.2	3,842.5	3,914.8	3,857.3	3,836.0
Credit Card	2.15	2.11	1.83	1.92	1.63	1.71	2.04
Overdue Amount	8.2	8.4	6.3	6.9	6.3	6.6	6.8
Loan Amount	380.6	397.8	345.5	358.8	387.9	386.8	331.8
Total Write-offs	45.4	19.1	24.4	16.8	15.5	16.8	26.5
Corporate	40.0	15.5	18.9	13.1	11.3	11.8	21.4
Household	2.3	1.4	1.9	1.3	1.9	1.9	2.7
Credit Card	3.1	2.2	3.8	2.4	2.3	3.1	2.4
Total NPL Sales	79.9	61.5	102.2	12.6	7.7	24.6	11.4
(NPL Sales for SBL Loans)	(55.6)	(26.6)	(100.2)	(10.7)	(6.9)	(17.5)	(10.0)
Corporate	68.3	58.2	91.9	12.0	4.6	19.5	9.3
Household	11.3	3.2	9.8	0.6	3.1	5.0	2.1
Credit Card	0.3	0.1	0.5	0.0	0.0	0.1	0.0

9. SME Industry/Collateral Delinquency Ratio

□ Delinquency Ratios by Industries

(Unit: Billion won, %)

	2Q 2009		1Q 2009		2Q 2008	
	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio
Manufacturing Sector	7,340.7	2.42	7,423.3	2.28	7,022.9	0.79
Non-manufacturing Sector	6,521.7	0.65	6,500.6	1.67	6,397.3	0.52
Wholesale and Retail	1,835.1	1.00	1,866.7	3.01	1,957.9	0.49
Public & Others	0.1	-	0.1	-	0.1	-
Construction	602.8	2.55	641.6	2.71	678.7	0.49
Real Estate & Lease	1,401.0	0.13	1,376.8	0.47	1,378.1	0.31
Finance and Insurance	151.7	-	154.3	-	136.5	-
Transportation & Communications	1,071.2	0.20	1,057.7	1.39	866.0	0.34
Hotel & Food	329.5	0.43	328.9	0.47	331.9	0.28
Others	1,130.3	0.32	1,074.5	1.12	1,048.1	1.19
Total	13,862.4	1.59	13,923.9	1.99	13,420.2	0.66

□ Delinquency Ratios By Collaterals

(Unit: Billion won, %)

	Total	Real Estate	Movable	Deposit	Guarantee	Credit
2Q 2009	1.59	2.29	1.73	0.07	0.67	1.19
Amount	(13,862.4)	(5,952.8)	(34.6)	(427.9)	(1,089.4)	(6,357.7)
1Q 2009	1.99	2.79	2.74	0.12	1.26	1.51
Amount	(13,923.9)	(5,923.5)	(47.5)	(428.8)	(983.9)	(6,540.2)
4Q 2008	0.94	1.18	6.65	0.79	0.91	0.71
Amount	(13,934.8)	(6,025.5)	(34.6)	(407.5)	(901.2)	(6,566.0)
2Q 2008	0.66	1.18	4.63	-	0.80	0.20
Amount	(13,420.2)	(5,724.5)	(43.2)	(375.5)	(875.2)	(6,401.8)

10. Household Loans

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

	2009		2008				2007	2006	QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q				
Household Loans - Retail	3,767.8	3,693.1	3,809.6	3,812.7	3,886.9	3,830.4	3,801.2	3,676.0	2.0	△3.1
Total Secured Loans	3,019.7	2,915.9	3,009.6	3,010.6	3,065.3	3,039.7	3,070.3	3,040.4	3.6	△1.5
Mortgage / Home Equity	1,876.7	1,778.3	1,712.8	1,700.8	1,697.8	1,512.1	1,551.9	1,293.1	5.5	10.5
(Avg. LTV)	(47.85)	(48.50)	(50.14)	(54.97)	(53.61)	(53.58)	(53.26)	(51.78)	△0.65	△5.76
Others	912.0	906.0	981.1	971.2	966.9	941.8	958.2	863.0	0.7	△5.7
Group Loans	136.4	138.9	216.4	240.6	303.1	389.4	461.2	800.5	△1.8	△55.0
Government Backed Pension	94.6	92.7	99.3	98.0	97.5	96.4	99.0	83.8	2.0	△3.0
Non-Collateralized	748.1	777.2	800.0	802.1	821.6	790.7	730.9	635.6	△3.7	△8.9
Government Workers	73.2	76.4	79.3	81.1	81.9	79.7	77.6	57.7	△4.2	△10.6
Large Corp. Employees	41.6	40.1	42.2	43.1	41.7	38.4	36.5	20.2	3.7	△0.2
Student Loans	51.5	53.6	47.8	50.0	57.0	58.5	14.5	22.6	△3.9	△9.6
Clean Credit	262.6	248.2	246.3	247.5	242.5	243.9	246.7	240.1	5.8	8.3
Others	319.2	358.9	384.4	380.4	398.5	370.2	355.6	295.0	△11.1	△19.9

11. Credit Card Business

Credit Card Business

(Unit : Billion won)

Amount	2009		2008				2007			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	690.0	706.7	650.7	650.4	640.9	671.7	604.8	554.0	560.8	506.9
Lump-sum	543.9	522.1	528.6	537.7	496.3	481.8	478.9	446.9	404.1	388.1
Installment	146.1	184.6	122.1	112.7	144.6	189.9	125.9	107.1	156.7	118.8
Cash Advance	140.7	146.3	158.7	156.9	156.9	155.1	163.2	157.9	159.5	157.8
Total	830.7	853.0	809.4	807.3	797.8	826.8	768.0	711.9	720.3	664.7

Balance	2009		2008				2007			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	306.2	322.7	266.5	280.9	309.2	307.7	249.7	241.1	252.9	219.1
Cash Advance	72.1	72.8	77.1	75.9	76.3	76.2	78.5	73.2	74.9	76.4
Re-aged Loans	2.3	2.3	1.9	2.0	2.4	2.9	3.6	4.5	5.2	6.1
Total	380.6	397.8	345.5	358.8	387.9	386.8	331.8	318.8	333.0	301.6

Income (Fees)	2009		2008				2007			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	17.7	19.1	16.7	15.9	16.8	18.7	16.3	14.7	16.2	14.7
Cash Advance	5.3	5.4	5.1	5.3	5.4	5.5	5.5	5.2	5.1	5.4
Re-aged Loans	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Others	0.9	0.8	1.0	1.1	1.1	1.0	0.8	0.9	1.1	0.9
Total	24.1	25.4	22.9	22.4	23.4	25.3	22.8	21.0	22.6	21.2

12. Dividend / Credit Ratings / Major Shareholders

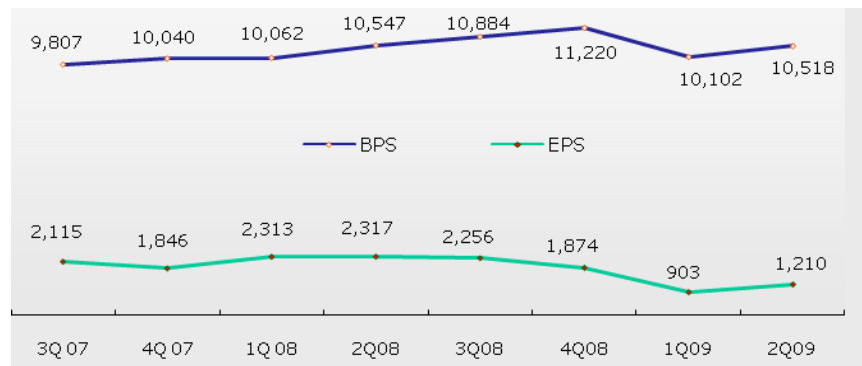
Dividend Policy

(Unit : %, won, Billion won)

Year	2003	2004	2005	2006	2007	2008
Dividend Yield(FV)	5.4	6.0	8.1	8.4	11.4	4.0
Dividend Yield(MV)	4.0	3.8	3.0	3.5	3.6	3.2
Dividend per share	270	300	405	420	570	200
Total Dividend Paid	396	440	594	616	836	293
Payout Ratio(%)	32.7	33.2	33.2	33.5	30.9	10.7

EPS / BPS

(Unit : won)



Credit Ratings

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

*Upgraded on July 25, 2007 ** Rated on Dec. 20, 2005

June 2009	Issuer Rating	Subordinate bonds
KIS	AA+	AA
Korea Ratings	AA+	AA

Major Shareholders (End of June 2009)*

Shareholders	Ratio (%)
Lotte Group	14.08
Aberdeen Asset Management Asia Ltd	13.53
Capital Research & Global Investors	4.35
Sub Total	31.96

* Based on the most recent fair disclosures