

2Q 2010 Financial Results

(July 29, 2010)



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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 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.

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1. Earnings Highlight

Growth

- ❖ **Total Credits: Up by 5.4% (1,080.1 billion won) QoQ**
 - KRW loan up by 4.6% (827.1 billion won) QoQ
- ❖ **Total Deposits: Up by 5.2% (1,185.0 billion won) QoQ**
 - KRW deposit up by 5.8% (921.9 billion won) QoQ

Asset Quality

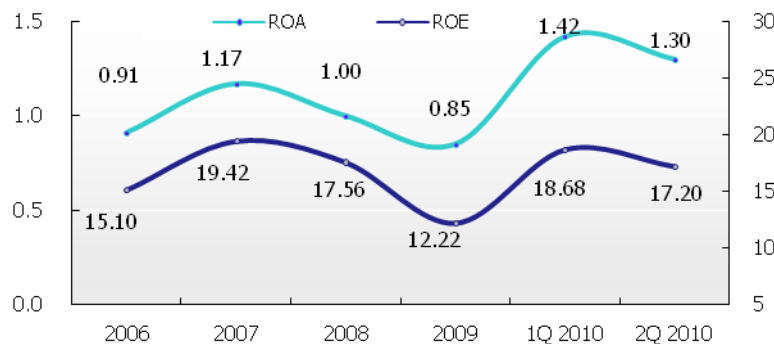
- ❖ **P&B Loan Ratio: 3.47%, down by 0.23%p QoQ**
- ❖ **S&B Loan Ratio: 1.24%, down by 0.06%p QoQ**
- ❖ **Delinquency Ratio: 0.43%, down by 0.45%p QoQ**

Profitability

- ❖ **Top Line**
 - ▶ **Net Interest Income increased by 5.6% YoY**
 - Accumulative NIM is 3.27% up by 0.11%p YoY and down by 0.11%p QoQ
 - Quarterly NIM is 3.18% up by 0.06%p YoY and down by 0.20%p QoQ
- ❖ **Bottom Line**
 - ▶ **Annualized Credit Cost for 2Q is 0.55% down by 0.86%p YoY and down by 0.18%p QoQ**
 - ▶ **Cost Income Ratio for 2010 1H is 37.34% down by 1.92% YoY**

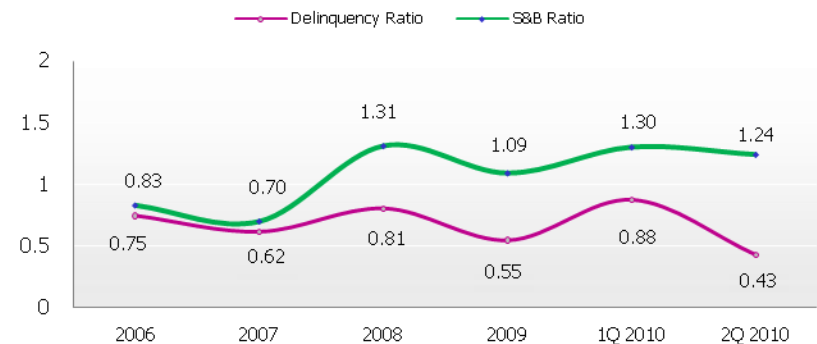
□ ROA / ROE

(Unit: %)



□ Asset Quality

(Unit: %)



2. Key Financial Indicators

(Unit: KRW bn, %, %p, Balance)

	2010		2009				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Total Assets	35,035.5	33,493.7	32,037.0	32,373.3	29,856.7	30,519.9	4.6	9.4
Bank Account	33,176.7	31,824.2	30,477.1	30,959.2	28,507.6	29,288.8	4.2	8.9
Trust Account	1,858.8	1,669.5	1,559.9	1,414.1	1,349.1	1,231.1	11.3	19.2
Total Deposits	23,857.7	22,672.7	22,407.6	22,328.9	21,386.4	20,852.9	5.2	6.5
Bank Account	22,132.7	21,123.7	20,927.2	20,978.1	20,134.2	19,681.4	4.8	5.8
Won Deposits	16,928.4	16,006.5	15,588.2	15,295.3	14,878.7	14,506.5	5.8	8.6
Demand	1,793.0	1,655.2	1,709.6	1,756.8	1,724.2	1,593.0	8.3	4.9
Savings	15,061.3	14,273.6	13,796.8	13,450.8	13,064.1	12,825.2	5.5	9.2
Installment	74.1	77.8	81.8	87.7	90.4	88.3	△4.8	△9.4
CD	2,425.9	2,584.8	2,643.5	2,401.2	2,208.2	2,158.3	△6.1	△8.2
Trust Account	1,725.0	1,549.0	1,480.5	1,350.8	1,252.2	1,171.5	11.4	16.5
Total Credits	21,184.2	20,104.1	19,952.0	20,235.7	19,708.4	19,550.6	5.4	6.2
Total Loans	20,509.6	19,478.9	19,284.6	19,522.1	19,033.1	18,863.8	5.3	6.4
KRW Loans	18,884.2	18,057.1	17,842.8	17,952.0	17,336.4	16,967.4	4.6	5.8
SMEs	12,989.2	12,688.6	12,500.6	12,562.7	12,267.3	12,135.6	2.4	3.9
Households	4,492.6	4,147.5	4,093.3	3,961.9	3,767.8	3,693.1	8.3	9.8
Guarantees	674.6	625.2	667.4	713.6	675.3	686.8	7.9	1.1
Total Securities	7,169.4	6,976.2	6,750.2	6,644.0	6,449.6	6,398.2	2.8	6.2
Bank Account	5,988.2	5,921.6	5,767.7	5,733.3	5,543.4	5,541.4	1.1	3.8
Trust Account	1,181.2	1,054.6	982.5	910.7	906.2	856.8	12.0	20.2
Shareholders' Equity	2,298.1	2,210.1	2,119.5	2,056.8	1,963.5	1,885.9	4.0	8.4

Low Cost Deposit growth

(Unit: KRW bn, Average Balance)



Low Cost Deposit Funding Costs

(Unit: %, accumulated)

	2Q10	4Q09	4Q08	4Q07
Demand Deposits	0.33	0.32	0.35	0.32
Savings Deposits	0.15	0.16	0.28	0.31
Free Corporate Savings Deposits	1.31	1.52	3.33	2.94
Total	0.53	0.65	1.26	1.00

(Unit: KRW bn, %, %p, Average Balance)

	2010		2009				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Low Cost Deposits (A)	7,322.2	7,298.2	7,091.8	7,110.2	7,115.0	6,986.3	0.3	3.2
Demand Deposits	1,727.2	1,687.8	1,552.7	1,555.6	1,548.3	1,505.5	2.3	11.2
Savings Deposits	3,442.0	3,408.2	3,191.7	3,141.7	3,084.7	3,017.7	1.0	7.8
Free Corporate Savings Deposits	2,153.0	2,202.2	2,347.4	2,412.9	2,482.0	2,463.1	△2.2	△8.3
Deposits in KRW (B)	16,136.2	15,798.3	14,827.1	14,671.4	14,505.8	14,230.0	2.1	8.8
Total Deposits (Bank Account) (C)	21,351.4	20,990.7	20,339.4	20,158.5	19,969.5	19,857.9	1.7	5.0
Total Deposits (Bank + Trust Account)(D)	22,952.3	22,524.4	21,637.0	21,404.8	21,170.7	21,063.8	1.9	6.1
Low Cost Deposits/Won Deposits(A/B)	45.38	46.20	47.83	48.46	49.05	49.10	△0.82	△2.45
Low Cost Deposits/Total Deposits (A/C)	34.29	34.77	34.87	35.27	35.63	35.18	△0.48	△0.57
Low Cost Deposits/Total Deposits(A/D)	31.90	32.40	32.78	33.22	33.61	33.17	△0.50	△0.87

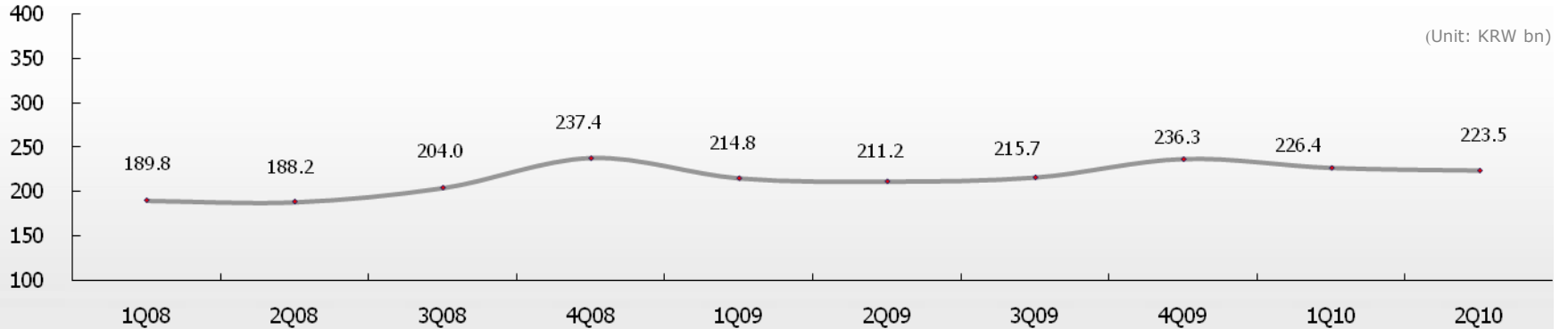
3. Income Statement

(Unit: KRW bn, %, %p)

	2010			2009						10 2Q	10 1H
	1H	2Q	1Q		4Q	3Q	1H	2Q	1Q	vs. 10 1Q	vs. 09 1H
Net Interest Income	449.9	223.5	226.4	878.0	236.3	215.7	426.0	211.2	214.8	△7.1	4.9
Net Fee Income	41.7	22.3	19.4	83.5	19.7	19.3	44.5	21.2	23.3	△1.3	5.6
Fees from Trust Account	5.9	2.8	3.1	8.5	2.5	2.1	3.9	1.9	2.0	14.9	△6.3
Others	△15.5	△16.5	1.0	△74.2	△50.1	△9.4	14.7	△1.6	△13.1	△9.7	51.3
Provision Expense(-)	59.4	22.3	37.1	190.1	20.6	28.7	140.8	45.5	95.3	Net Loss	5.4
SG&A(-)	180.0	91.8	88.2	388.5	119.0	89.0	180.5	90.9	89.6	△39.9	△57.8
Net Operating Income	242.7	118.1	124.6	317.2	68.8	110.0	138.4	96.3	42.1	4.1	△0.3
Non-Operating Income	11.1	0.9	10.1	0.8	△5.4	0.8	5.4	△2.9	8.3	△5.2	75.4
Income Before Income Taxes	253.7	119.0	134.7	318.0	63.4	110.8	143.8	93.4	50.4	△91.2	105.6
Income Tax Expenses(-)	61.4	28.5	32.9	72.9	14.0	27.1	31.8	23.0	8.8	△11.7	76.4
Net Income	192.3	90.5	101.8	245.1	49.4	83.7	112.0	70.4	41.6	△13.4	93.1
ROA		1.30	1.42	0.85	0.85	0.91		0.79	0.59	△0.1	△0.1
ROE		17.20	18.68	12.22	12.22	13.29		11.74	8.94	△1.5	△3.5

4. Interest Income

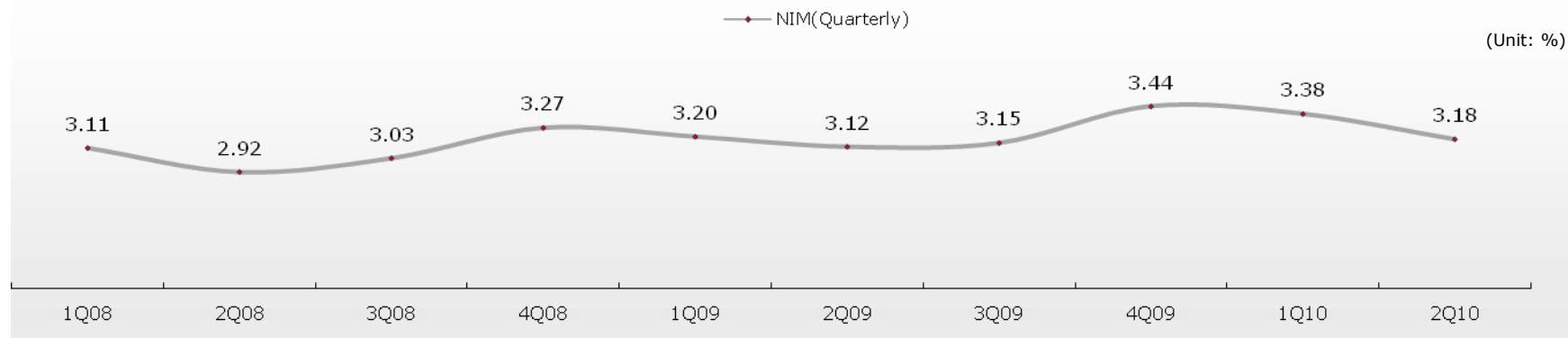
□ Net Interest Income



(Unit: KRW bn, %)

	2010		2009						QoQ	YoY	
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q			
Net Interest Income	449.9	223.5	226.4	878.0	236.3	215.7	426.0	211.2	214.8	△1.3	5.6
Interest Revenues	805.8	402.5	403.3	1,683.2	418.5	402.8	861.9	412.1	449.8	△0.2	△6.5
Interest on Loans	661.4	329.6	331.8	1,392.7	346.9	332.6	713.2	339.7	373.5	△0.7	△7.3
Interest on Securities	133.0	67.1	65.9	266.2	65.8	65.0	135.4	67.3	68.1	1.8	△1.8
Others	11.4	5.8	5.6	24.3	5.8	5.2	13.3	5.1	8.2	3.6	△14.3
Interest Expenses	355.9	179.0	176.9	805.2	182.2	187.1	435.9	200.9	235.0	1.2	△18.4
Interest on Deposits	232.0	116.5	115.5	485.2	111.8	112.4	261.0	121.6	139.4	0.9	△11.1
Interest on Debentures	71.3	36.4	34.9	167.1	39.7	41.5	85.9	39.7	46.2	4.3	△17.0
Others	52.6	26.1	26.5	152.9	30.7	33.2	89.0	39.6	49.4	△1.5	△40.9

□ NIM Trend



(Unit: KRW bn, %, %p, Accumulated)

	2010		2009				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
NIM	3.27	3.38	3.23	3.16	3.16	3.20	△11.0	4.0
NIS	4.00	4.14	4.16	4.10	4.17	4.31	△14.0	△16.0
Interest Rate on KRW Loans	6.66	6.84	7.17	7.24	7.52	7.98	△18.0	△51.0
Households	6.12	6.33	6.77	6.89	7.20	7.70	△21.0	△65.0
Corporate	6.20	6.35	6.77	6.83	7.07	7.48	△15.0	△57.0
Interest Rate paid on KRW Deposits	2.66	2.70	3.01	3.14	3.35	3.67	△4.0	△35.0
Interest Earning Assets (Accumulated)	25,936.6	25,524.6	25,415.5	25,359.4	25,370.9	25,406.4	1.6	2.1
Avg. Interest Earning Assets (Quarterly)	26,344.0	25,524.6	25,581.9	25,373.4	25,335.8	25,406.4	3.2	3.0

6. Non-Interest Income

(Unit: KRW bn, %)

	2010				2009					QoQ	YoY
	1H	2Q	1Q		4Q	3Q	1H	2Q	1Q		
Non-Interest Income	32.1	8.6	23.5	17.8	△27.9	12.0	33.7	21.5	12.2	△63.4	△4.7
Non-Interest Revenues	645.3	413.3	232.0	1,401.9	233.5	261.2	907.2	304.1	603.1	78.1	△28.9
Fee Income	68.9	36.1	32.8	133.9	34.5	33.3	66.1	33.3	32.8	10.1	4.2
Fees from Trust Acct.	5.9	2.8	3.1	9.0	2.5	2.4	4.1	2.1	2.0	△9.7	43.9
Others	570.5	¹⁾ 374.3	196.2	1,259.0	196.5	225.5	837.0	268.7	568.3	90.8	△31.8
Non-Interest Expenses	613.2	404.7	208.5	1,384.1	261.4	249.2	873.5	282.6	590.9	94.1	△29.8
Commissions Paid	27.2	13.9	13.3	50.5	14.8	14.0	21.6	12.1	9.5	4.5	25.9
Trust Acct. Losses	0.0	0.0	0	0.5	0	0.3	0.2	0.2	0	-	-
Others	586.0	²⁾ 390.8	195.2	1,333.2	246.5	234.9	851.7	270.3	581.4	100.2	△31.2

Note)

1. Non interest other revenues: Security investment related gains (16.5), FX and Derivative Related gains (347.3), Gains from NPL sales (6.4)
2. Non interest other expenses: Security investment related losses (6.3), FX and Derivative Related losses (337.8), Losses from NPL sales (27.4)
Contribution to Miscellaneous Funds (9.5), Deposit Insurance (5.4)

7. Provisioning

Provision Expenses

(Unit: KRW bn)

	2010		2009					2008				
	2Q	1Q										
Corporate	27.2	37.4	141.2	17.4	25.1	26.5	72.2	107.6	64.5	16.3	15.9	10.9
Household	2.0	△4.6	14.7	6.3	2.0	3.7	2.7	2.1	0.2	△1.1	△2.0	5.0
Credit Card	0.6	1.2	5.9	1.3	1.1	1.8	1.7	3.3	1.3	0.1	0.6	1.3
Others	△7.5	3.1	28.3	△4.4	0.5	13.5	18.7	4.2	2.2	△0.1	0.4	1.7
Trust Account	0	0	0	0	0	0	0	0	0	0	0	0
Total (A)	22.3	37.1	190.1	20.6	28.7	45.5	95.3	117.2	68.2	15.2	14.9	18.9
Total Credit (B)	21,657.4	20,550.3	20,381.0	20,381.0	20,630.4	20,180.8	20,070.3	20,238.7	20,238.7	20,136.2	19,739.7	18,571.3
Credit Cost (A/B)	0.41	0.73	0.93	0.40	0.55	0.90	1.93	0.58	1.34	0.30	0.30	0.41

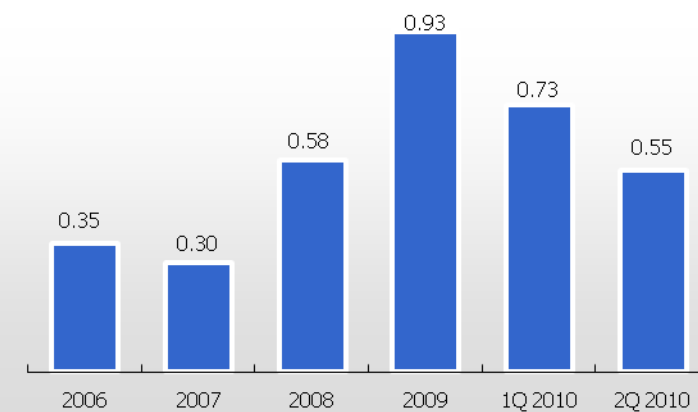
Provision Balances

(Unit: KRW bn)

	2010		2009			
	2Q	1Q	4Q	3Q	2Q	1Q
Corporate	273.6	268.9	237.4	272.2	284.9	297.3
Household	53.4	51.6	57.8	52.2	51.9	50.2
Credit Card	11.5	11.2	10.8	11.7	12.1	11.7
Trust	0.4	0.4	0.4	0.4	0.5	0.2
Total	338.9	332.1	306.4	336.5	349.4	359.4

□ Credit Cost

(Unit: %)



Summary of SG&A

- Changes in SG&A
 - SG&A increased by 3.6 billion won, 4.1% QoQ
 - Wages increased by 1.1 billion won, 0.7% YoY, due to inflation
 - Bonuses 3.8 billion won, Funds for Schools 0.6 billion etc. add up to 3.6 billion won

- Cost-Income Ratio during the 1H(37.34%) improved by 1.92% YoY

(Unit: KRW bn, %, %p)

	2010									QoQ	YoY
	1H	2Q	1Q		4Q	3Q	1H	2Q	1Q		
Total SG&A	180.0	91.8	88.2	388.5	119.0	89.0	180.5	90.9	89.6	4.1	△0.3
Salaries and other expenses	150.3	77.5	72.8	311.4	89.2	73.0	149.2	77.9	71.3	6.5	0.7
Depreciation	17.3	8.7	8.6	32.1	9.3	8.3	14.5	7.5	7.0	1.2	19.3
Taxes and dues	5.1	2.6	2.5	11.9	3.0	3.3	5.5	2.5	3.0	4.0	△7.3
Retirement Allowance	7.6	3.0	4.6	20.7	5.1	4.3	11.3	3.0	8.3	△34.8	△32.7
Honorary Retirement	△0.3	0	△0.3	12.5	12.5	0	0	0	0	-	-
Cost Income Ratio	37.34	39.55	35.29	43.37	57.10	39.09	39.26	39.06	39.47	4.3	△1.9

9. Non-Operating Income

(Unit: KRW bn, %)

	2010			2009					QoQ	YoY	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
Non-operating Income	11.1	0.9	10.1	0.8	△5.4	0.8	5.4	△2.9	8.3	△91.2	105.6
Non-operating Revenues	22.3	9.9	12.4	25.3	4.6	4.5	16.2	5.9	10.3	△20.2	37.7
Gains from Sales of Tangible Assets	0.1	0.0	0	0	0	0	0	0	0	-	-
Gains from Equity Investment	0.5	0.5	0	4.6	2.1	1.1	1.4	1.1	0.3	-	△64.3
Others	21.8	¹⁾ 9.4	12.4	20.7	2.5	3.4	14.8	4.8	10.0	△24.2	47.3
Non-operating Expenses	11.3	9.0	2.3	24.5	10.0	3.7	10.8	8.8	2.0	291.3	4.6
Losses from Sales of Tangible Assets	0	0.0	0	0	0	0	0	0	0	-	-
Losses from Equity Investment	0	0.0	0	0	0	0	0	0	0	-	-
Others	11.3	²⁾ 9.0	2.3	24.5	10.0	3.7	10.8	8.8	2.0	291.3	4.6

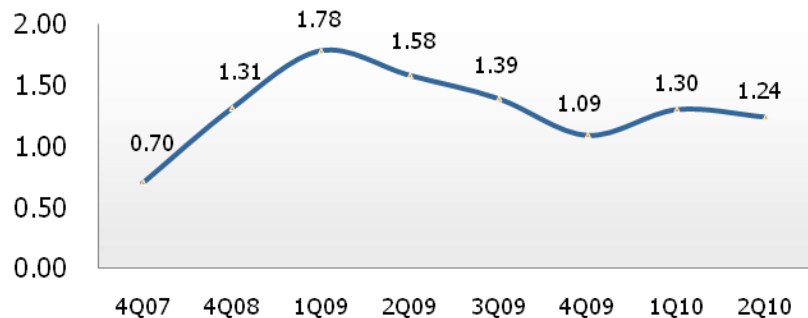
Note)

1. Other non-operating revenues: Gains on Bad Debt Collections (0.3), Rent (0.1), Others (9.0)
2. Other non-operating expenses: Losses on Bad Debt Collections(0.2), Donations (0.8), Others (8.0)

10. Asset Quality

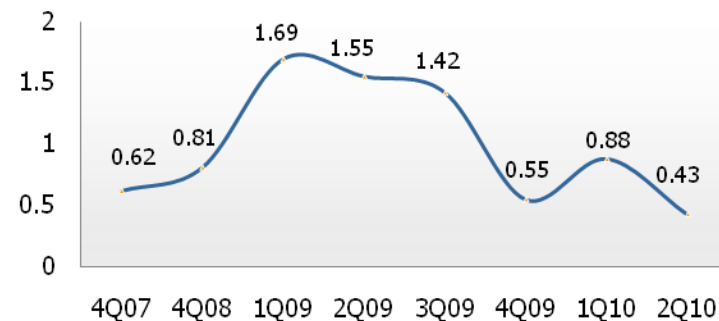
□ SBL Ratio

(Unit: %)



□ Delinquency Ratio

(Unit: %)

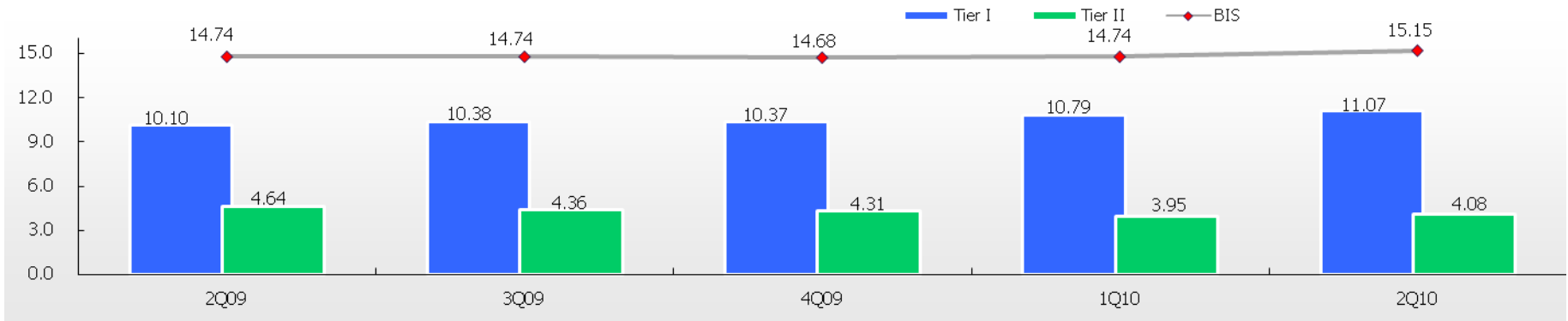


(Unit: KRW bn, %, %p)

	2010		2009				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Total Loans	21,657.4	20,550.3	20,381.0	20,630.4	20,180.8	20,070.3	5.4	6.3
Normal	20,905.8	19,790.9	19,664.5	19,851.9	19,372.6	19,368.8	5.6	6.3
Precautionary	483.7	492.5	493.4	491.6	488.6	343.6	△1.8	△1.9
Substandard	224.0	213.9	179.3	197.5	217.0	215.4	4.7	24.9
Doubtful	32.5	37.2	36.5	70.3	84.8	99.1	△12.6	△11.0
Expected loss	11.4	15.8	7.3	19.1	17.7	43.5	△28.3	56.2
SBL(Substandard Below Loans)	267.9	267.0	223.1	286.9	319.5	357.9	0.3	20.1
(SBL Ratio (%))	(1.24)	(1.30)	(1.09)	(1.39)	(1.58)	(1.78)	△0.06	0.15
(SBL Coverage Ratio)	(125.98)	(123.93)	(136.77)	(116.86)	(108.96)	(100.11)	2.05	△10.79
Loan Amount	20,982.9	19,925.2	19,713.6	19,916.8	19,505.5	19,383.5	5.3	6.4
Delinquent Amount	91.2	174.9	108.8	283.4	302.4	328.2	△47.9	△16.2
Delinquency Ratio	0.43	0.88	0.55	1.42	1.55	1.69	△0.45	△0.12

11. Capital Adequacy

(Unit: %)



(Unit: KRW bn, %)

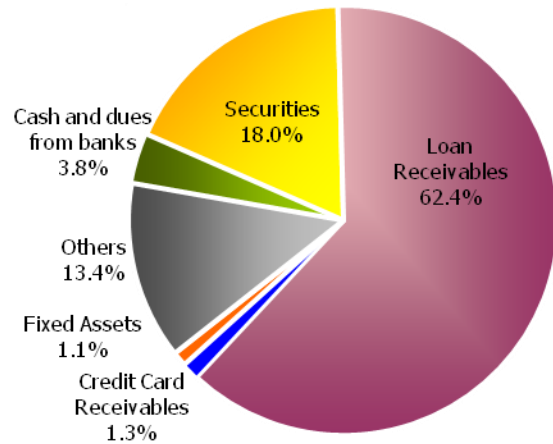
	2010		2009			
	¹⁾ 2Q	1Q	4Q	3Q	2Q	1Q
Total Risk Adjusted Capital	3,356.9	3,215.7	3,185.3	3,166.9	3,136.4	3,091.2
Tier I Capital	2,452.5	2,353.2	2,249.8	2,229.8	2,149.0	2,075.5
Tier II Capital	904.4	862.5	935.5	937.1	987.4	1,015.7
Total Risk Weighted Assets	22,153.4	21,813.2	21,694.4	21,483.5	21,275.7	21,456.3
Credit Risk	20,327.7	20,016.5	19,935.8	19,770.5	19,599.8	19,840.9
Market Risk	64.3	73.8	86.0	95.6	108.9	99.0
Operational Risk	1,761.4	1,722.9	1,672.6	1,617.4	1,567.0	1,516.4
BIS Capital Ratio	15.15	14.74	14.68	14.74	14.74	14.41
Tier I	11.07	10.79	10.37	10.38	10.10	9.67
Tier II	4.08	3.95	4.31	4.36	4.64	4.73
TCE	6.86	6.87	6.94	6.63	6.87	6.42

¹⁾ Estimate

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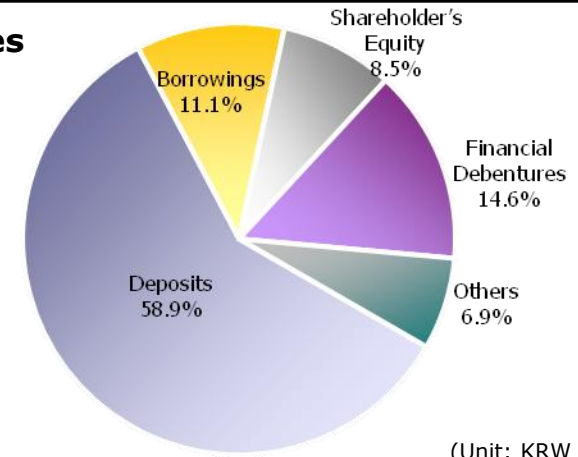


1. B/S Summary



Assets

Liabilities



(Unit: KRW bn, %, Balance)

	2010		2009				QoQ	YTD
	2Q	1Q	4Q	3Q	2Q	1Q		
Assets	33,176.7	31,824.2	30,477.1	30,959.2	28,507.6	29,288.8	4.2	1.1
Cash and Dues	1,272.9	1,844.0	1,230.1	1,692.0	1,323.4	1,496.4	△31.0	△5.4
Securities	5,988.2	5,921.6	5,767.7	5,733.3	5,543.4	5,541.4	1.1	0.7
Loans	20,691.1	19,543.6	19,840.1	19,598.6	19,391.5	19,380.9	5.9	△4.9
Credit Card	428.4	423.4	358.9	359.5	380.6	397.8	1.2	1.8
Fixed Assets	353.1	355.4	357.1	347.8	347.5	350.8	△0.6	△10.9
Other Assets	4,443.0	3,736.1	2,923.2	3,228.0	1,521.2	2,121.5	18.9	51.1
Liability & Shareholder's Equity	33,176.7	31,824.2	30,477.1	30,959.2	28,507.6	29,288.8	4.2	1.1
Deposits	19,562.6	18,933.6	18,510.5	18,027.0	17,447.4	16,963.7	3.3	△6.4
Borrowings	3,668.2	3,870.1	3,744.5	4,279.7	4,225.6	4,608.9	△5.2	2.8
Financial Debentures	2,815.1	2,465.3	2,646.3	2,963.3	2,767.7	2,727.4	14.2	10.1
Other Liabilities	4,832.7	4,345.1	3,456.3	3,632.4	2,103.4	3,102.9	11.2	41.6
Shareholder's Equity	2,298.1	2,210.1	2,119.5	2,056.8	1,963.5	1,885.9	4.0	△2.6

2. I/S Summary

(Unit: KRW bn, %)

	2010				2009					QoQ	YoY
	1H	2Q	1Q			4Q	3Q	1H	2Q		
1. Operating Revenues	1,451.1	815.7	635.4	3,085.1	652.0	664.0	1,769.1	716.2	1,052.9	28.4	△18.0
Interest Revenue	805.8	402.5	403.3	1,683.2	418.5	402.8	861.9	412.2	449.7	△0.2	△6.5
Fee & Commission Revenue	68.9	36.1	32.8	133.9	34.5	33.3	66.1	33.3	32.8	10.1	4.2
Trust Account	5.9	2.8	3.1	9.0	2.5	2.4	4.0	2.0	2.0	△9.7	47.5
Others	570.5	374.3	196.2	1,259.0	196.5	225.5	837.0	268.7	568.3	90.8	△31.8
2. Operating Expenses	1,208.5	697.7	510.7	2,767.9	583.2	554.0	1,630.7	619.9	1,010.8	36.6	△25.9
Interest Expense	355.9	179.0	176.9	805.2	182.2	187.1	435.9	200.9	235.0	1.2	△18.4
Fee & Commission Expense	27.2	13.9	13.3	50.4	14.8	14.0	21.6	12.1	9.5	4.5	25.9
Trust Account	0	0	0	0.5	0	0.3	0.2	0.2	0	-	-
Others	586.0	390.8	195.2	1,333.2	246.6	234.9	851.7	270.3	581.4	100.2	△31.2
SG&A	180.0	91.8	88.2	388.5	119.0	89.0	180.5	90.9	89.6	4.1	△0.3
Provision Expense	59.4	22.3	37.1	190.1	20.6	28.7	140.8	45.5	95.3	△39.9	△57.8
3. Operating Income	242.7	118.1	124.6	317.2	68.8	110.0	138.4	96.3	42.1	△5.2	75.4
4. Non Operating Income	11.1	0.9	10.1	0.8	△5.4	0.8	5.4	△2.9	8.3	△91.2	105.6
5. Ordinary Income	253.8	119.0	134.7	318.0	63.4	110.8	143.8	93.4	50.4	△11.7	76.5
6. Special Income	-	-	0	0	0	0	0	0	0	-	-
7. Income Before Income Taxes	253.8	119.0	134.7	318.0	63.4	110.8	143.8	93.4	50.4	△11.7	76.5
8. Income Taxes	61.4	28.5	32.9	72.9	14.0	27.1	31.8	23.0	8.8	△13.4	93.1
9. Net Income	192.3	90.5	101.8	245.1	49.4	83.7	112.0	70.4	41.6	△11.1	71.7

3. PPOP

(Unit: KRW bn, %)

	2010			2009					QoQ	YoY	
	1H	2Q	1Q		4Q	3Q	1H	2Q			1Q
PPOP	320.7	144.2	176.4	528.7	89.2	143.6	296.0	142.0	154.0	△18.3	8.3
Provision Expenses	67.0	25.2	41.7	210.7	25.8	32.8	152.2	48.6	103.6	△39.6	△56.0
Loans	63.3	28.9	34.4	161.0	26.1	28.1	106.8	33.0	73.8	△16.0	△40.7
Payment Guarantees	0.5	0.9	△0.4	0.9	△1.1	0.2	1.8	△1.1	2.9	△325.0	△72.2
Retirement Allowance	7.6	2.9	4.6	20.6	5.1	4.2	11.3	3.0	8.3	△37.0	△32.7
Others	△4.4	△7.5	3.1	28.3	△4.3	0.3	32.3	13.7	18.6	△341.9	△113.6
Income Taxes	61.4	28.5	32.9	72.9	14.0	27.1	31.8	23.0	8.8	△13.4	93.1
Net Income	192.3	90.5	101.8	245.1	49.4	83.7	112.0	70.4	41.6	△11.1	71.7

4. Security Investment

(Unit: KRW bn, %, Balance)

	2Q 2010					1Q 2010		2Q 2009	
	Total	Trading Securities	Investment Securities			Total	QoQ		YoY
			Total	A.F.S*	H.T.M*				
KRW Bonds	5,181.1	-	5,181.1	1,397.4	3,783.7	5,152.1	0.6	4,720.1	9.8
Government Bonds	711.7	-	711.7	225.5	486.2	810.4	△12.2	655.3	8.6
Financial Debentures	1,651.0	-	1,651.0	380.3	1,270.7	1,632.7	1.1	2,042.9	△19.2
Municipal Bonds	281.4	-	281.4	-	281.4	241.6	16.5	167.4	68.1
Govn't Corporate Bonds	2,069.6	-	2,069.6	394.2	1,675.4	1,934.7	7.0	1,279.7	61.7
Corporate Bonds	467.4	-	467.4	397.4	70.0	532.7	△12.3	574.8	△18.7
Foreign Bonds	91.2	-	91.2	69.4	21.8	72.0	26.7	90.8	0.4
Stock	353.6	9.5	344.1	344.1	-	332.3	6.4	291.7	21.2
Mutual Funds	350.1	13.0	337.1	337.1	-	353.1	△0.8	428.2	△18.2
Bonds	112.6	-	112.6	112.6	-	112.2	0.4	106.3	5.9
Stocks	109.1	-	109.1	109.1	-	123.7	△11.8	231.8	△52.9
MMF	13.0	13.0	-	-	-	8.0	62.5	9.9	31.3
Others	115.4	-	115.4	115.4	-	109.2	5.7	80.2	43.9
Others	12.2	-	12.2	12.2	-	12.3	△0.8	12.6	△3.2
Total	5,988.2	22.5	5,965.7	2,160.2	3,805.5	5,921.8	1.1	5,543.4	8.0

5. Total Deposits / Loans

(Unit: KRW bn, %, Balance)

Total Deposits	2010		2009				QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q		
KRW Deposits	16,928.4	16,006.5	15,588.2	15,295.3	14,878.7	14,506.5	5.8	8.6
Demand	1,793.0	1,655.2	1,709.6	1,756.8	1,724.2	1,593.1	8.3	4.9
Savings	15,061.3	14,273.6	13,796.8	13,450.8	13,064.1	12,825.2	5.5	9.2
Installment	74.1	77.8	81.8	87.7	90.4	88.2	△4.8	△9.4
C D	2,425.9	2,584.8	2,643.5	2,401.2	2,208.2	2,158.3	△6.1	△8.2
Bills sold	25.5	26.7	30.3	21.2	22.0	15.5	△4.5	△15.8
R P	647.3	699.9	699.8	994.9	999.9	1,015.7	△7.5	△7.5
Financial Debentures	2,105.6	1,805.7	1,965.3	2,265.5	2,025.4	1,985.4	16.6	7.1
Trust Account	1,725.0	1,549.0	1,480.5	1,350.8	1,252.2	1,171.5	11.4	16.5
Total Deposits	23,857.7	22,672.7	22,407.6	22,328.9	21,386.4	20,852.9	5.2	6.5
Total Loans	2010		2009				QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q		
KRW Loans	18,884.2	18,057.1	17,842.8	17,952.0	17,336.4	16,967.4	4.6	5.8
Corporate (SME)	13,666.4 (12,989.2)	13,263.1 (12,688.6)	13,149.2 (12,500.6)	13,231.0 (12,562.7)	12,881.9 (12,267.3)	12,737.5 (12,135.6)	3.0 2.4	3.9 3.9
(Large Corps)	(677.2)	(574.4)	(648.6)	(668.3)	(614.6)	(601.9)	17.9	4.4
Household Public	4,492.6 725.2	4,147.4 646.6	4,093.3 600.3	3,961.9 759.1	3,767.8 686.7	3,693.1 536.8	8.3 12.2	9.8 20.8
Foreign Currency Loans	1,152.2	1,063.2	1,116.1	1,245.9	1,400.9	1,563.6	8.4	3.2
Trust Account	26.5	30.4	31.4	27.2	30.6	29.9	△12.8	△15.6
Others	1,121.3	953.4	961.7	1,010.6	940.5	989.7	17.6	16.6
Total Loans	21,184.2	20,104.1	19,952.0	20,235.7	19,708.4	19,550.6	5.4	6.2

6. Corporate Loan Portfolio

(Unit: KRW bn, %, Balance)

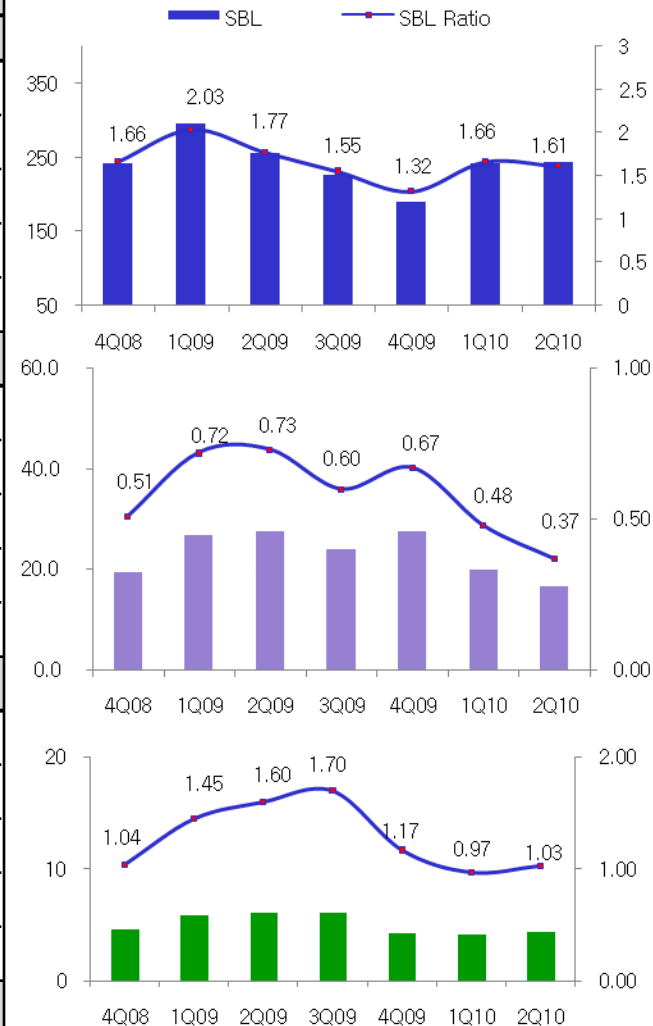
	2Q 2010		1Q 2010		2Q 2009	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Manufacturing Sectors	6,727.5	46.7	6,530.3	47.0	6,594.8	48.6
Steel Metal Products	2,086.2	14.5	1,941.5	14.0	1,958.6	14.4
Automobile Parts	1,514.9	10.5	1,490.4	10.7	1,530.2	11.3
Machinery	896.3	6.2	952.9	6.9	975.7	7.2
Petroleum, Rubber, etc.	692.9	4.8	677.3	4.9	647.7	4.8
Fabric	239.3	1.7	213.4	1.5	213.2	1.6
Garment & Shoes	174.6	1.2	170.7	1.2	185.6	1.4
Kitchen Units	228.6	1.6	222.7	1.6	258.4	1.9
Electronics	374.2	2.6	382.4	2.8	354.6	2.6
Paper, Paper Mills	105.9	0.7	105.7	0.8	108.5	0.8
Others	414.6	2.9	373.3	2.7	362.3	2.7
Non-Manufacturing	7,664.1	53.3	7,379.3	53.1	6,973.8	51.4
Wholesale & Retail	1,711.1	11.9	1,660.9	11.9	1,604.3	11.8
Public	81.4	0.6	56.2	0.4	164.1	1.2
Construction & Engineering	790.1	5.5	710.6	5.1	645.2	4.8
Real Estate & Lease	1,534.0	10.7	1,527.3	11.0	1,463.3	10.8
Insurance & Financing	585.1	4.1	518.1	3.7	480.9	3.5
Transportation	1,029.2	7.1	1,000.6	7.2	917.7	6.8
Hotel & Food	333.9	2.3	340.1	2.5	324.1	2.4
Others	1,599.3	11.1	1,565.5	11.3	1,374.2	10.1
Total	14,391.6	100.0	13,909.6	100.00	13,568.6	100.0

7. Asset Quality

(Unit: KRW bn, %)

(Unit: KRW bn, %)

	2010		2009				
	2Q	1Q	4Q	3Q	2Q	1Q	
SME	Normal	14,497.9	13,942.9	13,809.6	14,030.5	13,782.5	13,976.9
	Precautionary	415.9	440.9	441.1	419.5	416.1	273.2
	Substandard	208.4	198.8	162.8	157.0	175.6	171.2
	Doubtful	25.8	30.8	24.0	53.8	66.3	83.9
	Expected Loss	9.3	13.3	4.4	16.3	14.4	40.5
	Total	15,157.3	14,626.7	14,441.9	14,677.1	14,454.9	14,545.6
Household	Normal	4,467.0	4,118.4	4,054.4	3,906.9	3,710.8	3,639.4
	Precautionary	34.9	39.5	42.9	58.9	60.0	58.7
	Substandard	12.1	14.6	16.2	18.0	19.1	20.5
	Doubtful	3.2	3.9	10.0	4.8	7.1	4.9
	Expected Loss	1.3	1.5	1.5	1.3	1.4	1.5
	Total	4,518.5	4,177.9	4,125.0	3,989.9	3,798.4	3,725.0
Credit Card	Normal	417.1	413.2	349.1	346.8	366.6	384.7
	Precautionary	6.9	6.1	5.6	6.6	8.1	7.3
	Substandard	0.7	0.5	0.3	0.3	0.2	0.4
	Doubtful	2.9	2.5	2.5	4.3	4.0	3.9
	Expected Loss	0.8	1.1	1.4	1.5	1.9	1.4
	Total	428.4	423.4	358.9	359.5	380.6	397.8



8. Delinquency ratio / Write-offs and NPL sales

(Unit: KRW bn, %, %p)

	2010		2009				2008 4Q
	2Q	1Q	4Q	3Q	2Q	1Q	
Total Delinquency Ratio	0.43	0.88	0.55	1.42	1.55	1.69	0.81
Overdue Amount	91.2	174.9	108.8	283.4	302.4	328.2	158.5
Loan Amount	20,982.9	19,925.2	19,713.6	19,916.8	19,505.6	19,383.5	19,546.7
SMEs	0.45	1.04	0.54	1.47	1.59	1.99	0.94
Overdue Amount	66.2	146.4	74.5	206.0	220.6	277.7	131.2
Loan Amount	14,564.4	14,071.8	13,867.9	14,053.5	13,862.4	13,923.9	13,934.8
Households	0.40	0.50	0.71	1.02	1.17	1.13	0.55
Overdue Amount	18.0	21.0	29.3	40.8	44.4	41.8	21.0
Loan Amount	4,517.1	4,175.6	4,122.3	3,986.7	3,794.3	3,718.5	3,844.2
Credit Card	1.13	1.16	1.39	1.95	2.15	2.11	1.83
Overdue Amount	4.9	4.9	5.0	7.0	8.2	8.4	6.3
Loan Amount	428.4	423.4	358.9	359.5	380.6	397.8	345.5
Total Write-offs	22.1	10.0	55.0	44.5	45.4	19.1	24.4
Corporate	18.7	5.2	48.0	38.5	40.0	15.5	18.9
Household	1.5	2.5	3.0	2.6	2.3	1.4	1.9
Credit Card	1.9	2.3	4.0	3.4	3.1	2.2	3.8
Total NPL sales	125.6	54.7	101.9	55.9	79.9	61.5	102.2
(NPL Sales for SBL loans)	(84.9)	(33.2)	(63.1)	(34.8)	(55.6)	(26.6)	(100.2)
Corporate	120.9	50.6	96.8	49.9	68.3	58.2	91.9
Household	4.2	3.9	4.8	5.6	11.3	3.2	9.8
Credit Card	0.5	0.2	0.3	0.4	0.3	0.1	0.5

9. SME Industry/Collateral Delinquency Ratio

Delinquency Ratio by Industry

(Unit: KRW bn, %, Balance)

	2Q 2010		1Q 2010		2Q 2009	
	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio
Manufacturing Sector	7,283.4	0.61	7,073.4	1.42	7,340.7	2.42
Non-manufacturing Sector	7,281.0	0.30	6,998.4	0.66	6,521.7	0.65
Wholesale and Retail	2,022.7	0.45	1,875.3	0.73	1,835.1	1.00
Public & others	0.3	-	0.2	-	0.1	-
Construction	748.1	0.57	668.1	0.69	602.8	2.55
Real Estate & Lease	1,500.5	0.14	1,484.9	0.82	1,401.1	0.13
Finance and Insurance	235.9	-	226.3	-	151.7	-
Transportation & Communications	1,087.2	0.44	1,084.7	0.43	1,071.2	0.20
Hotel & Food	338.8	0.17	344.7	0.76	329.5	0.43
Others	1,347.5	0.10	1,314.2	0.64	1,130.3	0.32
Total	14,564.4	0.45	14,071.8	1.04	13,862.4	1.59

Delinquency Ratio by Collateral

(Unit: KRW bn, %)

	Total	Real Estate	Movable	Deposit	Guarantee	Credit
2Q 2010	0.45	0.78	0.42	0.02	0.40	0.18
Amount	(14,564.4)	(6,296.4)	(71.2)	(461.2)	(1,170.1)	(6,565.5)
1Q 2010	1.04	1.61	0.54	0.25	0.48	0.65
Amount	(14,071.8)	(6,136.5)	(55.4)	(446.6)	(1,169.0)	(6,264.3)
4Q 2009	0.54	0.80	0.38	0.10	0.21	0.37
Amount	(13,867.9)	(6,078.3)	(53.2)	(408.1)	(1,170.9)	(6,157.4)
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)

10. Household Loans

(Unit: KRW bn, %, %p, Balance)

	2010		2009				2008	QoQ	YoY
	2Q	1Q	4Q	3Q	2Q	1Q			
Household Loans – Retail (KRW)	4,492.6	4,147.5	4,093.3	3,961.9	3,767.8	3,693.1	3,809.6	8.3	19.2
Total Secured Loans	3,825.9	3,488.1	3,437.5	3,286.4	3,019.7	2,915.9	3,009.6	9.7	26.7
Mortgage / Home Equity	2,473.3	2,229.8	2,165.3	2,089.0	1,876.7	1,778.3	1,712.8	10.9	31.8
(Avg. LTV)	(47.29)	(47.76)	(47.80)	(47.69)	(47.85)	(48.50)	(50.14)	△0.47	△0.56
Others	1,001.0	975.9	994.0	937.6	912.0	906.0	981.1	2.6	9.8
Group Loans	235.0	169.2	164.9	154.0	136.4	138.9	216.4	38.9	72.3
Government Pension Backed	116.6	113.2	113.3	105.8	94.6	92.7	99.3	3.0	23.3
Non-Collateralized	666.7	659.4	655.8	675.5	748.1	777.2	800.0	1.1	△10.9
Government Workers	90.6	83.1	85.0	80.0	73.2	76.4	79.3	9.0	23.8
Large Corp. Employees	45.7	43.3	44.0	43.2	41.6	40.1	42.2	5.5	9.9
Student Loans	3.1	3.7	4.5	5.3	51.5	53.6	47.8	△16.2	△94.0
Clean Credit	287.4	283.6	284.9	277.7	262.6	248.2	246.3	1.3	9.4
Others	239.9	245.7	237.4	269.3	319.2	358.9	384.4	△2.4	△24.8

11. Credit Card Business

Credit Card Business

(Unit: KRW bn)

Amount	2010		2009				2008			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	820.9	811.7	739.4	702.1	690.0	706.7	650.7	650.4	640.9	671.7
Lump-sum	629.9	620.1	602.4	586.4	543.9	522.1	528.6	537.7	496.3	481.8
Installment	191.0	191.6	137.0	115.7	146.1	184.6	122.1	112.7	144.6	189.9
Cash advance	123.4	123.1	129.4	135.2	140.7	146.3	158.7	156.9	156.9	155.1
Total	944.3	934.8	868.8	837.3	830.7	853.0	809.4	807.3	797.8	826.8

Balance	2010		2009				2008			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	364.9	359.0	291.8	289.3	306.2	322.7	266.5	280.9	309.2	307.7
Cash advance	62.1	62.9	65.2	68.2	72.1	72.8	77.1	75.9	76.3	76.2
Re-aged loans	1.4	1.5	1.9	1.9	2.3	2.3	1.9	2.0	2.4	2.9
Total	428.4	423.4	358.9	359.4	380.6	397.8	345.5	358.8	387.9	386.8

Income (Fees)	2010		2009				2008			
	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	20.6	20.8	17.7	17.0	17.7	19.1	16.7	15.9	16.8	18.7
Cash advance	4.5	4.4	5.0	5.3	5.3	5.4	5.1	5.3	5.4	5.5
Re-aged loans	0	0	0	0	0.2	0.1	0.1	0.1	0.1	0.1
Others	0.9	0.8	0.8	0.9	0.9	0.8	1.0	1.1	1.1	1.0
Total	26.0	26.0	23.5	23.2	24.1	25.4	22.9	22.4	23.4	25.3

12. Dividend Policy / Shareholding Structure

Dividend Policy

Year	2004	2005	2006	2007	2008	2009
Dividend Yield(FV)	6.0	8.1	8.4	11.4	4.0	3.2
Dividend Yield(MV)	3.8	3.0	3.5	3.6	3.2	1.1
Dividend per share	300	405	420	570	200	160
Total Dividend Paid	440	594	616	836	293	299
Payout Ratio(%)	33.2	33.2	33.5	30.9	10.7	12.2

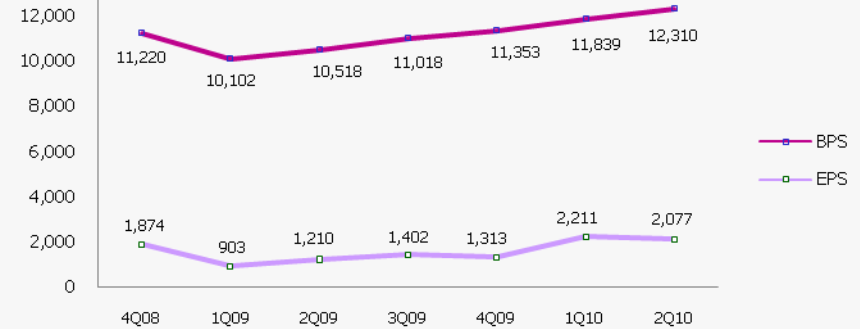
Credit Ratings

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

(End of June 2010)	Issuer Rating	Subordinate bonds
Korea Ratings	AA+	AA
KIS	AA+	AA
Nice Rating	AA+	-

BPS / EPS

(Unit: Won)



Major Shareholders (end of Dec 2009)*

Shareholders	Ratio (%)
Lotte Group	14.08
Aberdeen Asset Management Asia Ltd.	13.53
Park Land	4.3
NPS (National Pension Service)	3.8
Sub Total	35.71

* Based on the most recent fair disclosures