

# **Pusan Bank**

## **2005 Financial Results & 2006 Outlook**

**February, 2006**

**Senior Executive Officer  
Sung Tae Jung**

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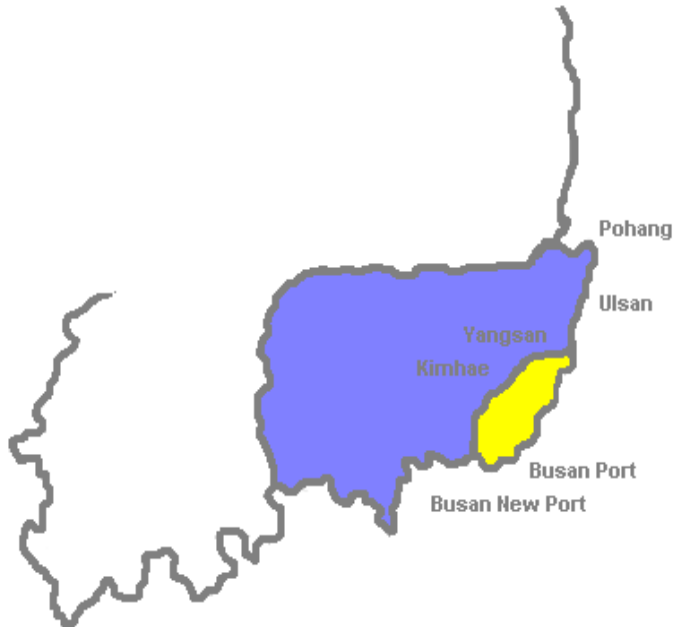
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## Gyeongnam Province



- ❖ The most industrialized region in Korea with over 18 industrial complexes
- ❖ Produces more than 11.5% of Korea GDP
- ❖ 6 industrial complexes will be reconstructed
- ❖ 12 public facilities, including KNP, SBC, etc., to be moved to the region
- ❖ Main industries : Automobile, Electronics, Petrochemicals, Shipbuilding – Hyundai motors, Samsung SDI etc.

## Busan Metropolitan City

- ❖ Produces 5.5% of Korea GDP with 7 industrial complexes
- ❖ 12 public facilities, including KAMCO, KHFC, etc., to be moved to the city, estimated economic benefit of over 7.1 trillion krw
- ❖ 6 new industrial complexes : automobile parts & information technology centre
- ❖ Ubiquitous City : government plans to invest more than 1 trillion krw
- ❖ Renault Group to invest 600 billion krw, over 1.7 trillion economic benefit.

## Busan Port & Busan New Port

- ❖ Busan Port : 5<sup>th</sup> largest port in the world(container handling volume)
- ❖ Busan New Port : estimated economic benefits of over 15.4 trillion krw and more than 16.8 thousand new employment
- ❖ Busan Jinhae Tax Free Zone : government plans to invest more than 61 trillion krw to facilitate the regional economy.

## Our Services

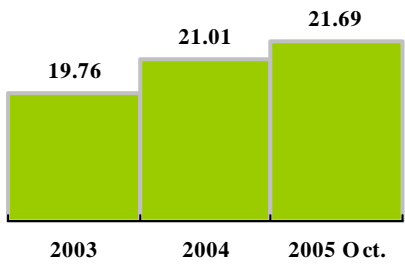
- ❖ Over 38 years, providing tailor-made financial services to the regional customers
- ❖ Retail banking to wealth management
- ❖ Municipal government and other government institutions' budgetary bank(2.3 trillion krw)

## Our Presence

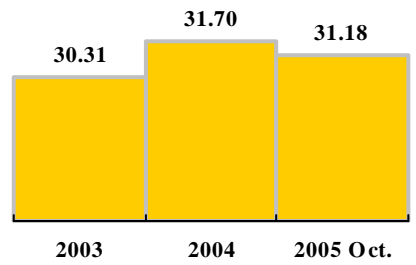
- ❖ 209 branches(189 in Busan , 16 in Gyeong Nam, 3 in Seoul and 1 in Pohang)
- ❖ 541 cash dispensers & 907 ATM's
- ❖ Over 4.9 million internet banking & 11.9 million ATM transactions
- ❖ Dominant market leader in the region – growing market shares in key target markets  
16.1% in Yangsan, 14.1% in Kimhae, 3.7% in Ulsan
- ❖ Plans to expand market shares 30%, 20% and 10% respectively by 2008



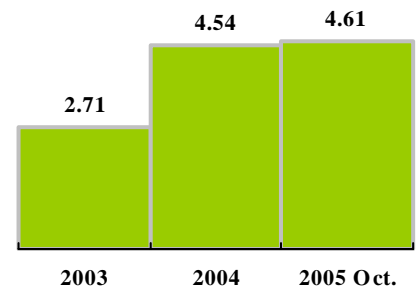
■ Loan Market Share in Busan



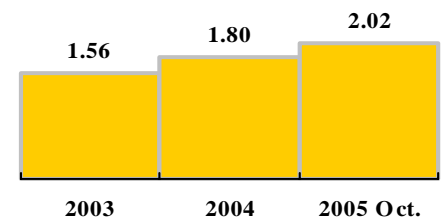
■ Deposit Market Share in Busan



■ Loan Market Share in Gyeongnam



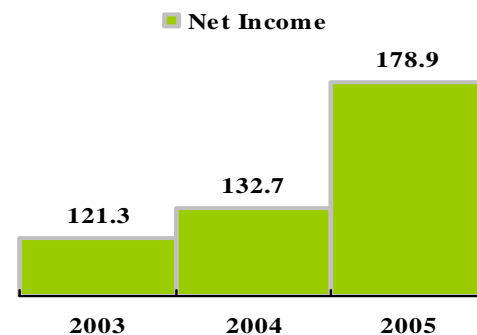
■ Deposit Market Share in Gyeongnam



Ending Balance	2005				2004			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
<b>Total Assets</b>	<b>19,880.8</b>	19,871.1	19,331.4	18,551.0	18,184.1	18,334.1	17,886.4	17,109.1
<b>Total Deposits</b>	<b>15,709.1</b>	15,400.0	15,304.5	14,499.7	14,568.0	14,370.5	14,446.2	13,803.8
<b>Total Loans</b>	<b>12,131.0</b>	11,919.4	11,402.2	11,008.0	10,921.1	10,786.0	10,258.9	9,496.4
<b>Securities</b>	<b>5,664.9</b>	5,647.9	5,205.6	5,157.6	5,062.6	5,305.2	5,650.7	5,730.9
<b>Shareholders' Equity</b>	<b>1,146.5</b>	1,127.3	1,081.2	1,025.7	1,025.7	1,001.5	955.1	920.9
<b>Net Income</b>	<b>17.2</b>	54.6	54.4	52.7	35.5	35.1	36.2	25.9
<b>ROA</b>	<b>0.99%</b>	1.21%	1.24%	1.24%	0.81%	0.80 %	0.78 %	0.66 %
<b>ROE</b>	<b>16.34%</b>	20.06%	20.51%	20.83%	13.60%	13.54 %	13.31 %	11.33 %
<b>BPS (W)</b>	<b>7,816</b>	7,687	7,371	6,993	6,993	6,828	6,511	6,278
<b>EPS (W)</b>	<b>1,220</b>	1,489	1,473	1,456	905	884	847	707
<b>Cost Income Ratio</b>	<b>49.50%</b>	45.77%	46.43%	45.27%	49.00%	47.28%	47.83%	49.44%
<b>LDR</b>	<b>86.69%</b>	89.22%	83.79%	83.79%	84.18%	79.18%	74.18%	72.05%

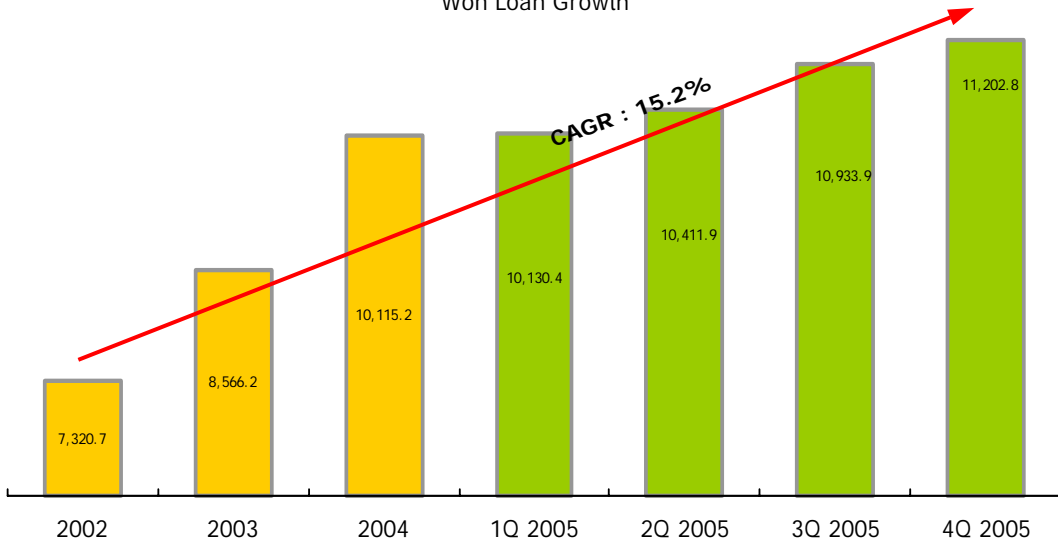
**Strong Growth**

- ❖ Total assets up 9.33% from 2004
- ❖ Total deposits up 7.83% from 2004
- ❖ Total loans up 11.08% from 2004

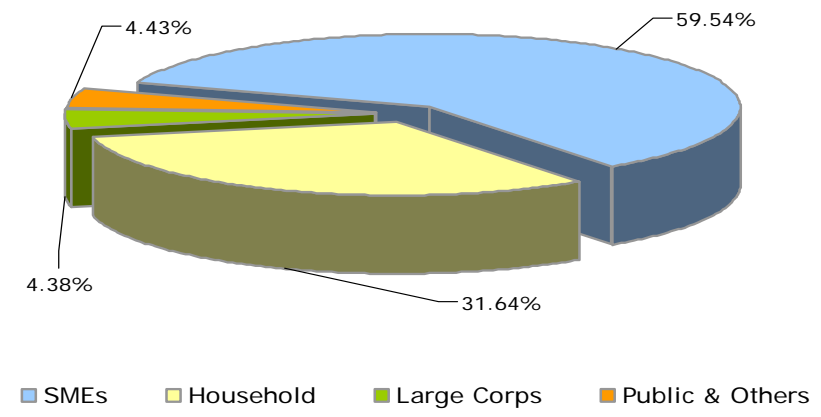


- ❖ Record earnings of 178.9 bn krw
- ❖ Full year net income grow 34.8%

Won Loan Growth



Won Loan Portfolio(4Q 2005)



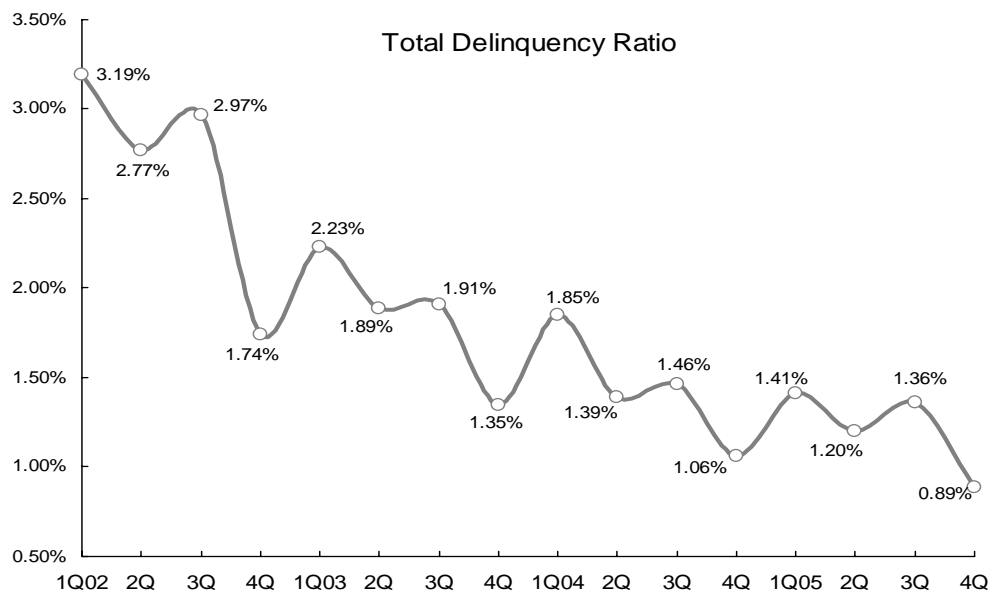
Ending Balance	2005				2004				4Q 2003	QoQ (%)	YoY (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q			
<b>Won Loans</b>	<b>11,202.8</b>	10,933.9	10,411.9	10,130.4	10,115.2	9,900.7	9,343.4	8,708.0	8,566.2	2.5 %	10.8 %
Household	3,544.9	3,548.8	3,473.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	- 0.1 %	3.3 %
SMEs	6,670.2	6,628.3	6,314.5	6,031.8	5,946.9	5,891.4	5,615.2	5,264.1	5,210.9	0.6 %	12.2 %
Large Corps	490.9	391.3	337.2	372.0	403.6	465.2	425.6	406.7	377.2	25.5 %	21.6 %
Public & Others	496.8	365.5	286.7	330.0	332.4	329.4	321.8	338.1	358.4	35.9 %	49.5 %
<b>Foreign Currency Loans</b>	<b>339.0</b>	323.3	311.9	291.4	294.6	299.5	301.6	291.7	289.1	4.9 %	15.1 %
<b>Others*</b>	<b>589.2</b>	662.3	678.4	586.2	511.3	585.8	613.9	496.7	440.6	-11.0 %	15.2 %
<b>Total</b>	<b>12,131.0</b>	11,919.5	11,402.2	11,008.0	10,921.1	10,786.0	10,258.9	9,496.4	9,296.0	1.8 %	11.1 %

Note : Domestic Import Usance Bill : 250.0, Foreign Currency Bought : 189.6, Off-Shore Foreign Loans : 4.0, Customer Advance : 1.3

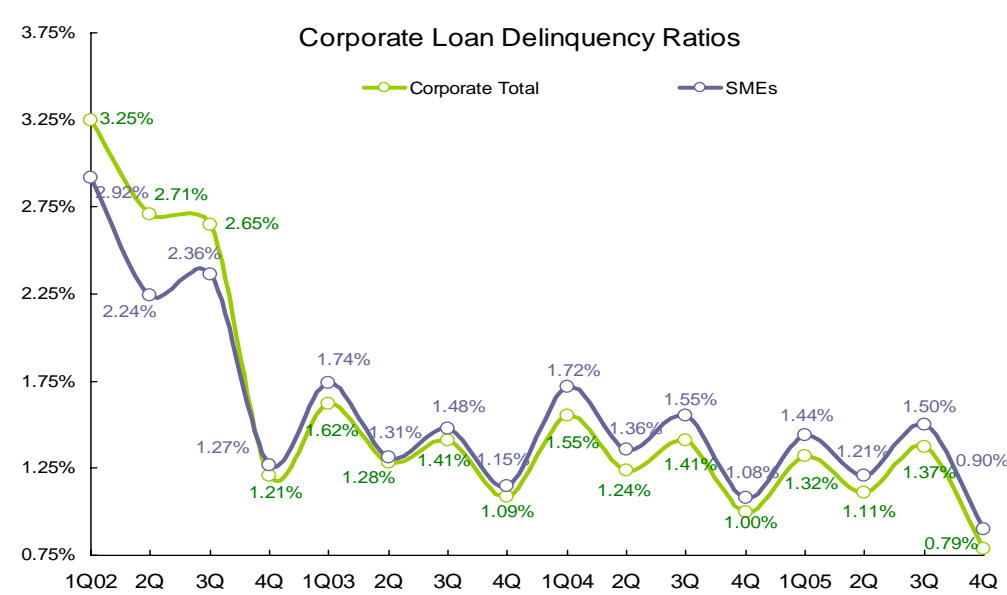
	2005				2004				2003	QoQ (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
<b>Total Loan Amount</b>	<b>12,463.3</b>	12,254.1	11,719.0	11,314.8	11,229.8	11,122.2	10,643.7	9,876.6	9,747.9	1.7%
<b>Normal</b>	<b>12,098.0</b>	11,832.7	11,319.2	10,897.3	10,811.2	10,683.6	10,272.1	9,470.8	9,379.1	2.2%
<b>Precautionary</b>	<b>248.4</b>	279.8	268.5	265.8	272.6	265.5	217.1	216.6	210.2	-11.2%
<b>Substandard</b>	<b>77.5</b>	88.0	81.8	96.9	88.3	114.6	92.9	119.8	101.1	-11.9%
<b>Doubtful</b>	<b>29.2</b>	32.8	31.0	36.3	36.7	39.4	43.4	48.9	43.0	-11.0%
<b>Expected Loss</b>	<b>10.2</b>	20.8	18.5	18.5	21.0	19.1	18.2	20.5	14.5	-51.0%
<b>P&amp;B Loan Amount</b>	<b>365.3</b>	421.4	399.8	417.5	418.6	438.6	371.6	405.8	368.8	-13.3%
<b>P&amp;B Loan Ratio</b>	<b>2.93%</b>	3.44%	3.41%	3.69%	3.73%	3.94%	3.49%	4.11%	3.78%	-0.5%p
<b>P&amp;B Loan Coverage Ratio</b>	<b>52.12%</b>	37.99%	37.67%	37.00%	37.22%	35.29%	40.61%	38.66%	38.67%	14.1%p
<b>S&amp;B Loan Amount</b>	<b>116.9</b>	141.6	131.3	151.7	146.0	173.1	154.5	189.2	158.6	-17.4%
<b>S&amp;B Loan Ratio</b>	<b>0.94%</b>	1.16%	1.12%	1.34%	1.30%	1.56%	1.45%	1.92%	1.63%	-0.22%p
<b>S&amp;B Loan Coverage Ratio</b>	<b>162.96%</b>	113.01%	114.71%	101.88%	106.79%	89.41%	97.66%	82.93%	89.91%	49.95%p
<b>Provision for Loan Losses(Balance)</b>	<b>190.4</b>	160.1	150.6	154.5	155.8	154.8	150.9	156.9	142.6	18.9 %



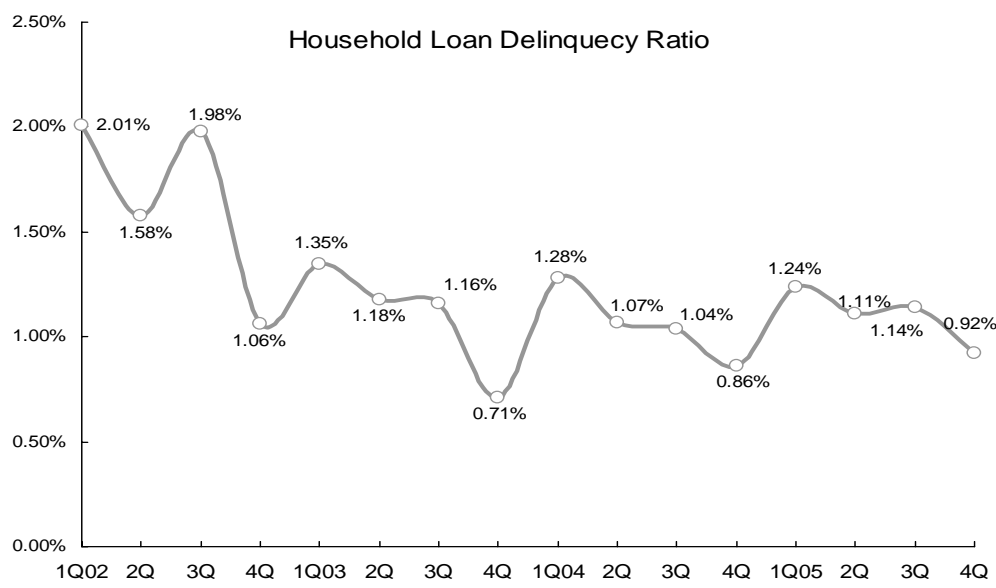
### Total Delinquency Ratio



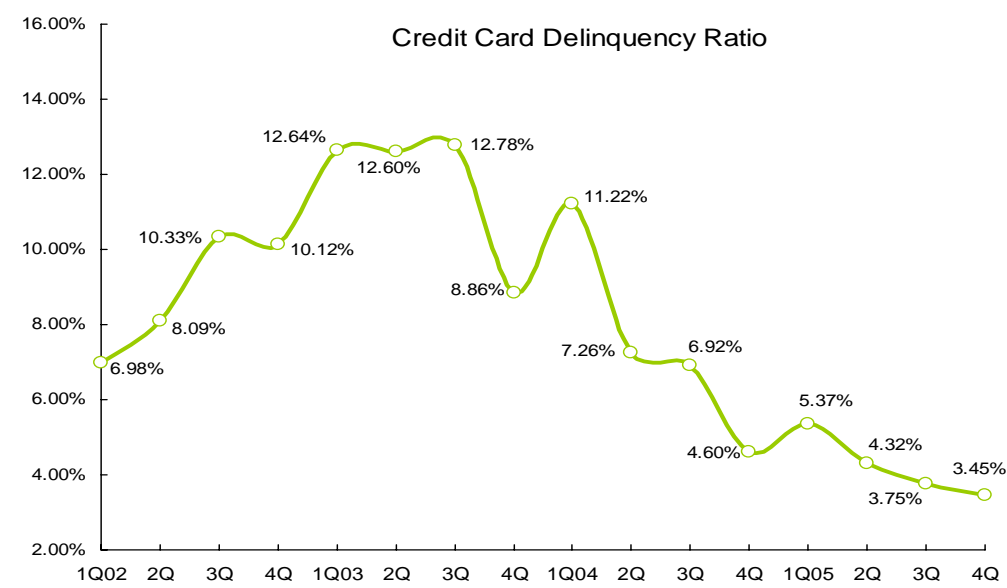
### Corporate Loan Delinquency Ratios

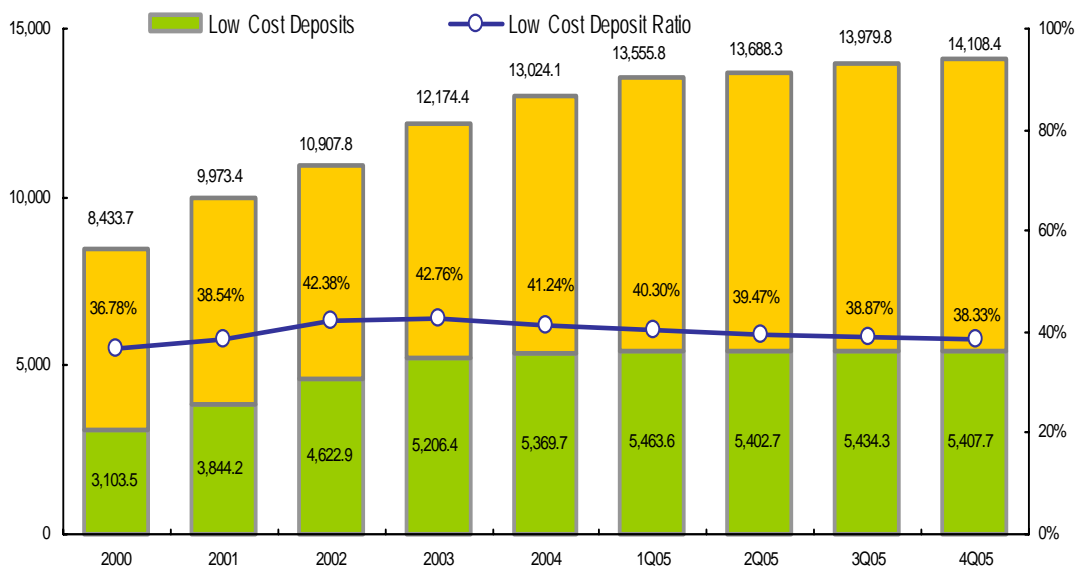


### Household Loan Delinquency Ratio



### Credit Card Delinquency Ratio





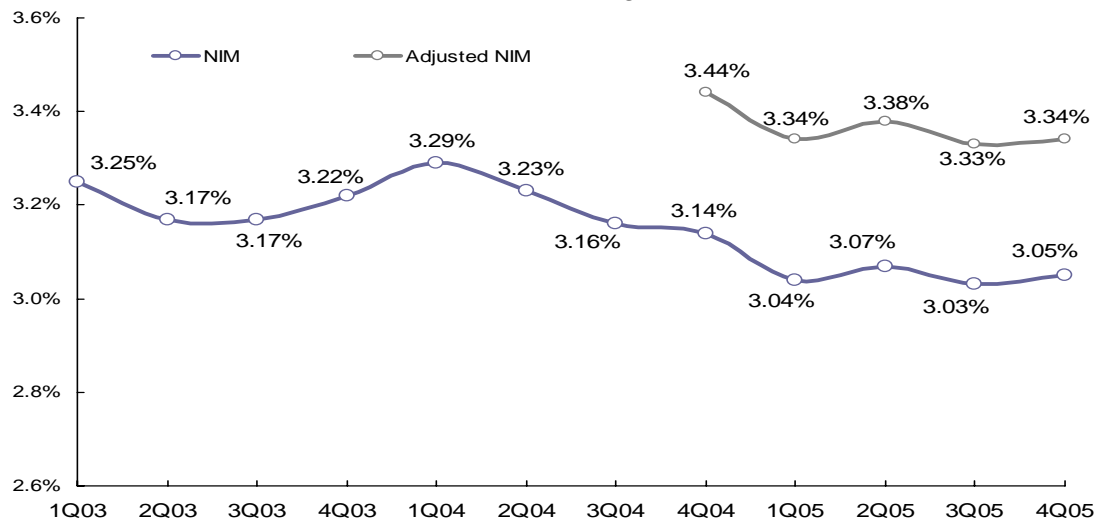
Low Cost Deposit Funding Cost	4Q 2005	3Q 2005	2Q 2005	1Q 2005	4Q 2004
Demand Deposit	0.31%	0.30%	0.31%	0.34%	0.29%
Savings	0.34%	0.34%	0.35%	0.36%	0.46%
Corporate Saving	2.08%	2.08%	1.74%	2.09%	2.59%
<b>Low Cost Deposit Funding Cost</b>	<b>0.69%</b>	<b>0.70%</b>	0.63%	0.71%	0.95%

Ending Balance	2005				2004				4Q 2003	QoQ (%)	YoY (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q			
<b>Won Deposits</b>	<b>12,923.1</b>	12,254.5	12,425.7	12,090.1	12,016.3	12,504.5	12,594.8	12,086.3	12,215.4	5.5%	7.5%
<b>Savings</b>	<b>11,323.8</b>	10,860.9	10,998.2	10,726.8	10,632.3	11,069.6	11,232.7	10,784.6	10,871.2	4.3%	6.5%
<b>Demand Deposit</b>	<b>1,415.4</b>	1,202.2	1,228.8	1,152.9	1,174.2	1,215.5	1,144.6	1,084.9	1,124.9	17.7%	20.5%
<b>Installment</b>	<b>183.9</b>	191.4	198.7	210.4	209.8	219.4	217.5	216.8	219.3	-3.9%	-12.3%
<b>RP</b>	<b>900.0</b>	865.7	706.9	590.5	465.6	473.0	333.8	307.6	425.6	4.0%	93.3%
<b>Money in Trust</b>	<b>862.5</b>	917.5	940.9	1,036.3	1,057.3	1,138.6	1,256.3	1,160.1	1,183.7	-6.0%	-18.4%
<b>CD</b>	<b>596.9</b>	778.5	649.0	379.4	629.2	47.2	56.0	42.9	43.0	-23.3%	-5.1%
<b>Financial Debenture Issued</b>	<b>408.7</b>	569.8	570.2	394.3	392.7	200.0	200.0	200.0	200.0	-28.3%	4.1%
<b>Bills Sold</b>	<b>17.9</b>	14.0	11.8	9.1	6.9	7.2	5.3	6.9	6.0	27.9%	159.4%
<b>Total</b>	<b>15,709.1</b>	15,400.0	15,304.5	14,499.7	14,567.9	14,370.5	14,446.2	13,803.8	14,073.7	2.0%	7.8%

	2005 Full Year	2005				2004 Full Year	2004				2005 Vs. 2004	QoQ (%)
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		
<b>Operating Income</b>	<b>1,309.3</b>	<b>342.6</b>	312.3	298.4	356.0	1,194.3	345.0	281.9	282.5	284.9	9.6 %	9.7 %
Interest Income	<b>1,016.0</b>	<b>273.1</b>	260.4	245.8	236.7	965.3	243.2	240.2	241.0	240.9	5.3 %	4.9 %
Fee & Commission Income	<b>81.2</b>	<b>20.3</b>	20.4	21.1	19.4	75.7	20.7	19.3	17.8	17.9	7.3 %	-0.5 %
Trust Related Income	<b>23.9</b>	<b>14.8</b>	2.9	2.8	3.4	16.0	4.4	3.8	3.5	4.3	49.4 %	410.3 %
Others	<b>188.2</b>	<b>34.4</b>	28.6	28.7	96.5	137.3	76.7	18.6	20.2	21.8	37.1 %	20.3 %
<b>Operating Expenses</b>	<b>1,075.3</b>	<b>323.0</b>	242.5	228.7	281.1	1,014.2	292.8	230.8	237.7	252.9	6.0 %	33.2 %
Interest Expenses	<b>422.9</b>	<b>114.8</b>	110.4	99.5	98.2	415.3	102.8	105.5	103.7	103.3	1.8 %	4.0 %
Fee & Commission Expense	<b>26.6</b>	<b>7.9</b>	6.3	6.9	5.5	20.9	5.8	5.2	5.1	4.8	27.3 %	25.4 %
G&A Expenses	<b>320.9</b>	<b>104.4</b>	72.9	74.7	68.9	294.5	83.1	68.3	68.3	74.8	9.0 %	43.2 %
Provision for Loan Losses	<b>100.4</b>	<b>56.7</b>	21.6	13.3	9.1	128.6	20.0	29.1	34.5	45.0	-21.9 %	166.2 %
Others	<b>204.5</b>	<b>39.2</b>	31.6	34.3	99.4	154.9	81.1	22.7	26.1	25.0	32.0 %	24.1 %
<b>Net Operating Income</b>	<b>234.0</b>	<b>19.6</b>	69.8	69.7	74.9	180.1	52.2	51.1	44.8	32.0	29.9 %	-71.9 %
<b>Non-Operating Income</b>	<b>15.5</b>	<b>6.5</b>	6.0	5.9	- 2.9	9.6	-0.3	-1.1	6.6	4.4	61.5 %	8.3 %
<b>Income Before Income Taxes</b>	<b>249.5</b>	<b>26.1</b>	75.8	75.6	72.0	189.7	51.9	50.0	51.4	36.4	31.5 %	-65.6 %
<b>Income Taxes</b>	<b>70.6</b>	<b>8.9</b>	21.2	21.2	19.3	57.0	16.4	14.9	15.2	10.5	23.9 %	-58.0 %
<b>Net Income</b>	<b>178.9</b>	<b>17.2</b>	54.6	54.4	52.7	132.7	35.5	35.1	36.2	25.9	34.8 %	-68.5 %
<b>Pre Provision Income</b>	<b>367.7</b>	<b>119.5</b>	100.6	91.7	85.2	341.1	75.8	82.4	88.8	94.1	7.8 %	18.8 %

	2005 Full Year	2005				2004 Full Year	2004				2005 vs. 2004	QoQ (%)
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		
<b>Interest Revenues</b>	<b>1,016.0</b>	<b>273.1</b>	260.4	245.8	236.7	965.2	243.1	240.2	241.0	240.9	5.3 %	4.9 %
Interest on Loans	<b>794.7</b>	<b>214.3</b>	200.3	192.7	187.4	735.5	192.1	184.7	180.2	178.5	8.0 %	7.0 %
Interest on Credit Card*	<b>(77.7)</b>	<b>(20.2)</b>	(19.3)	(19.4)	(18.8)	(80.7)	(19.7)	(18.8)	(20.1)	(22.1)	-3.7 %	4.7 %
Interest on Securities	<b>197.1</b>	<b>53.4</b>	49.4	47.7	46.6	220.6	49.5	53.2	58.6	59.4	-10.7 %	8.1 %
Others	<b>24.2</b>	<b>5.4</b>	10.7	5.4	2.7	9.1	1.6	2.3	2.2	3.0	165.9 %	-49.5 %
<b>Interest Expenses</b>	<b>422.9</b>	<b>114.8</b>	110.4	99.5	98.2	415.3	102.8	105.5	103.7	103.3	1.8 %	4.0 %
Interest on Deposits	<b>310.0</b>	<b>79.8</b>	78.7	75.2	76.3	337.2	82.7	85.5	84.8	84.2	-8.1 %	1.4 %
Interest on Borrowings	<b>76.3</b>	<b>25.0</b>	21.9	15.1	14.3	54.2	14.0	13.9	13.3	13.0	40.8 %	14.2 %
Interest on Financial Debentures	<b>30.1</b>	<b>8.3</b>	8.2	7.6	6.0	17.0	4.5	4.2	4.1	4.2	77.1 %	1.2 %
Others	<b>6.4</b>	<b>1.6</b>	1.6	1.6	1.6	6.9	1.6	1.9	1.5	1.9	-7.2 %	0.0 %
<b>Net Interest Income</b>	<b>593.1</b>	<b>158.3</b>	150.0	146.3	138.5	549.9	140.3	134.7	137.3	137.6	7.9 %	5.5 %

Note : Accounting adjustments have been made. Under new regulation, "Interest on Credit Card" includes Credit card processing charges as well

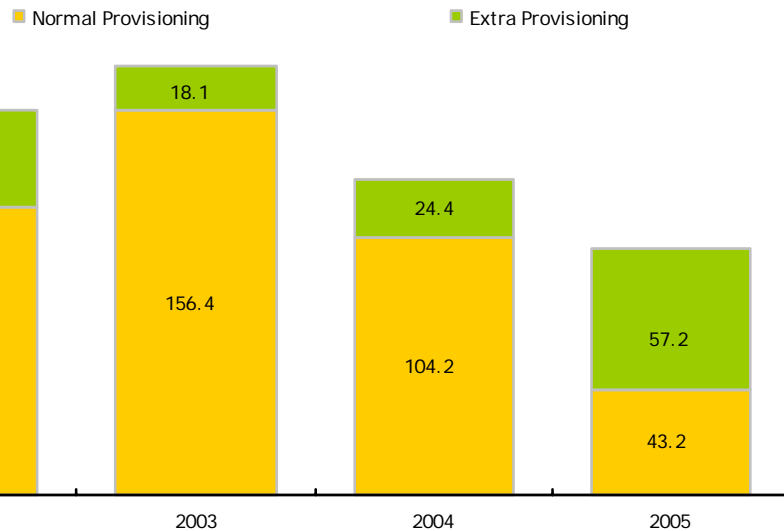
**Net Interest Margin**

**Adjusted NIM**

- ❖ FSS changed the report regulation for NIM calculation
- ❖ Credit card processing fees, FC credit card processing fees and cash advance processing fees are included
- ❖ 28 ~ 30 bp added to the current NIM

	2005				2004				4Q 2003	QoQ (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
<b>Net Interest Spread</b>	<b>3.78%</b>	3.72%	3.72%	3.62%	3.79%	3.84%	3.97%	4.04%	3.87%	0.06%p
<b>Average Lending Rate</b>	<b>6.41%</b>	6.34%	6.35%	6.29%	6.74%	6.83%	6.98%	7.07%	7.20%	0.07%p
Household	<b>6.49%</b>	6.42%	6.43%	6.40%	6.83%	6.99%	7.15%	7.29%	7.46%	0.07%p
Corporates	<b>6.17%</b>	6.10%	6.12%	6.07%	6.40%	6.42%	6.54%	6.56%	6.47%	0.07%p
Credit Card	<b>21.84%</b>	21.52%	21.10%	20.53%	19.80%	19.46%	19.31%	19.79%	19.65%	0.12%p
<b>Average Deposit Rate</b>	<b>2.63%</b>	2.62%	2.63%	2.67%	2.95%	2.99%	3.01%	3.03%	3.33%	0.01%p
<b>Interest Earning Assets(average)</b>	<b>16,375.6</b>	16,107.9	15,657.9	15,440.3	14,694.3	14,564.1	14,366.6	14,177.6	13,580.8	1.66%

	2005 Full Year	2005				2004 Full Year	2004				2005 vs. 2004	QoQ (%)
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		
<b>Fee &amp; Commission Revenues</b>	<b>81.2</b>	<b>20.3</b>	20.4	21.1	19.4	75.7	20.7	19.3	17.8	17.9	7.3 %	-0.5 %
Commissions in Won	<b>60.8</b>	<b>15.1</b>	15.2	15.8	14.7	56.3	15.6	14.6	12.9	13.2	8.0 %	-0.7 %
Bancassurance	<b>7.4</b>	<b>1.5</b>	1.8	2.2	1.9	5.6	2.2	1.6	1.1	0.7	32.1 %	-16.7 %
Beneficiary Certificate Sales	<b>3.3</b>	<b>1.1</b>	0.8	0.8	0.6	0.8	0.5	0.2	0.1	-	312.5 %	37.5 %
Commissions on Credit Cards	<b>3.7</b>	<b>0.9</b>	0.8	1.1	0.9	4.2	1.1	1.0	1.0	1.1	-11.9 %	12.5 %
Commissions in Foreign Currency	<b>13.5</b>	<b>3.4</b>	3.5	3.5	3.1	12.5	3.3	3.0	3.2	3.0	8.0 %	-2.9 %
Guarantee Fees	<b>3.2</b>	<b>0.9</b>	0.9	0.7	0.7	2.7	0.7	0.7	0.7	0.6	18.5 %	0.0 %
<b>Fee &amp; Commission Expenses</b>	<b>26.6</b>	<b>7.9</b>	6.3	6.9	5.5	20.9	5.8	5.2	5.1	4.8	27.3 %	25.4 %
Commissions Paid on Credit Cards	<b>15.3</b>	<b>4.2</b>	3.5	4.2	3.4	12.5	3.5	3.0	3.0	3.0	22.4 %	20.0 %
Commissions Paid	<b>11.3</b>	<b>3.7</b>	2.8	2.7	2.1	8.4	2.3	2.2	2.1	1.8	34.5 %	32.1 %
<b>Net Fee &amp; Commission Income</b>	<b>54.6</b>	<b>12.4</b>	14.1	14.2	13.9	54.8	14.9	14.1	12.7	13.1	-0.4 %	-12.1 %

## Provisioning

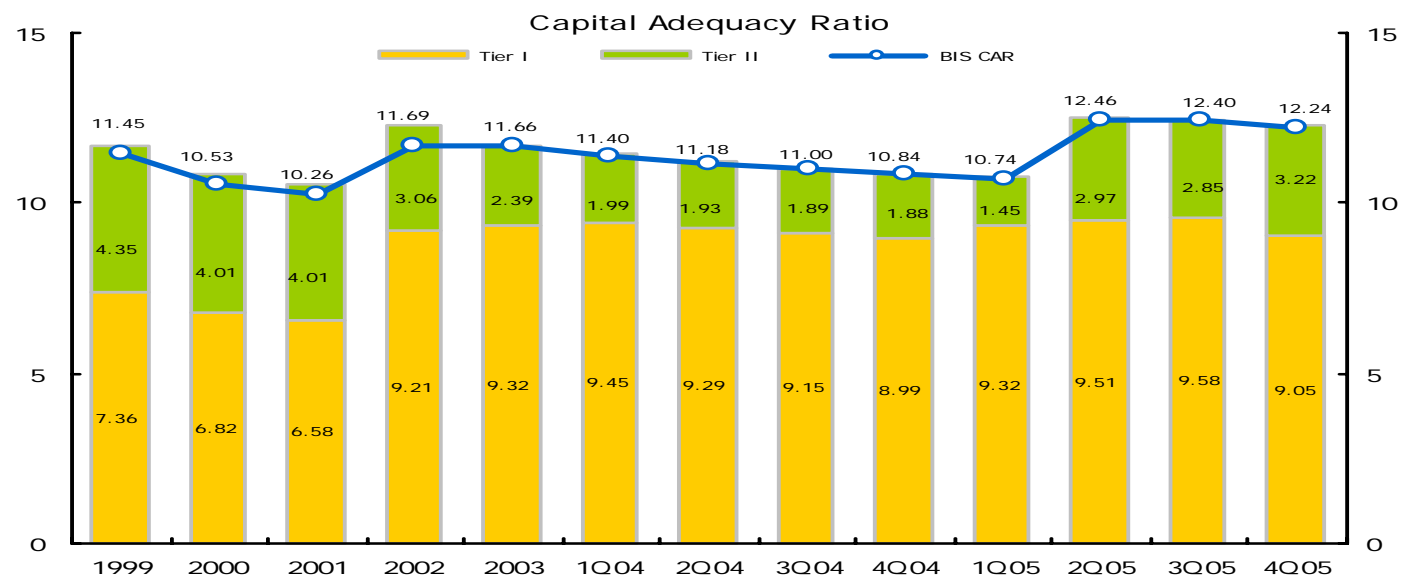


### BASLE II Provisioning

Extra provisioning of 56.4 billion krw provided during 4Q 2005

- ❖ Based on "Historical Loss Criteria" : 43.0 billion krw
  - ❖ Corporates : 34.2 bn krw
  - ❖ Credit card : 6.9 bn krw
  - ❖ Household : 1.9 bn krw
- ❖ Unused Credit Line : 11.2 bn krw
- ❖ Guarantee : 2.2

Provision Expenses	2005 Full Year	2005				2004 Full Year	2004				2003 Full Year	2003			
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporates	57.5	35.3	16.3	5.6	0.3	47.5	9.8	14.6	9.0	14.1	11.3	2.4	- 8.3	8.2	9.0
Household	14.5	2.7	3.0	4.3	4.5	30.9	5.1	5.9	10.8	9.1	43.4	9.0	11.3	12.5	10.6
Credit Card (Re-aged Loans)	16.3 (1.9)	7.5 (0.4)	1.6 (- 0.4)	3.3 (0.6)	3.9 (1.3)	48.1 (22.1)	4.9 (2.1)	7.0 (4.1)	14.7 (6.7)	21.5 (9.2)	120.9 (32.5)	24.1 (9.5)	36.1 (13.4)	33.0 (6.3)	27.7 (3.3)
Other	12.1	11.2	0.4	0.1	0.4	2.1	0.2	1.6	0.0	0.3	-1.1	-0.7	-0.3	-0.1	0.0
<b>Total</b>	<b>100.4</b>	<b>56.7</b>	21.3	13.3	9.1	128.6	20.0	29.1	34.5	45.0	174.5	34.8	38.8	53.6	47.3

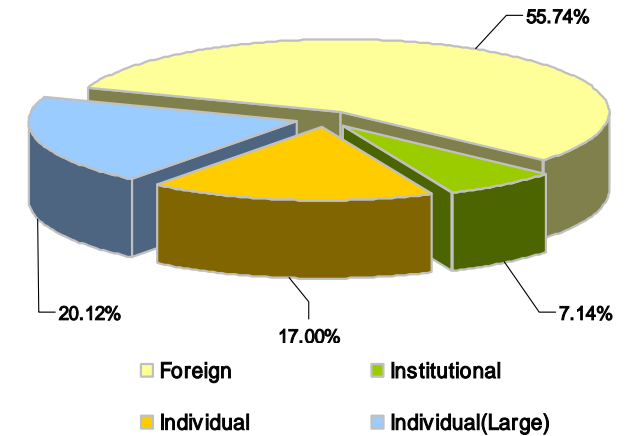


	2005				2004				2003	2002
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
Tier I Capital	1,083.0	1,124.3	1,068.2	1,012.8	959.4	972.8	936.5	900.1	876.5	792.9
Tier II Capital	384.7	334.7	334.1	157.4	201.1	200.6	194.2	189.7	224.8	263.7
Contribution to Unconsolidated Subsidiaries (-)	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.9	50.2
Total Risk-Adjusted Capital	1,464.7	1,456.0	1,399.3	1,167.3	1,156.4	1,169.4	1,126.7	1,085.8	1,096.3	1,006.4
Total Risk-Weighted Assets	11,961.9	11,739.7	11,231.7	10,865.9	10,677.8	10,630.2	10,076.9	9,526.6	9,406.4	8,609.7
On-Balance Sheet Assets	11,552.1	11,310.8	10,828.1	10,460.4	10,301.0	10,232.3	9,721.2	9,160.5	9,053.9	8,225.4
Off-Balance Sheet Assets	409.8	428.9	403.6	405.5	376.8	397.9	355.7	366.1	352.5	384.3



Major Shareholders(as of December 31, 2005)	
• Lotte Group(Japan Lotte Inclusive)	14.11 %
• Capital Research & Management Company	11.41 %
• Aberdeen Asset Management Asia Limited	8.35%
• Schrodgers Investment Management Ltd.	7.08%
• Templeton Investment Counsel LLC	4.88%
• Parkland Co., Ltd.	4.11 %
• Korea Iron & Steel Co., Ltd.	1.90 %

### Shareholding Structure(as of Dec. 31, 2005)



Note : shareholders' stakes are based on most recent fair disclosures

Dividend History	2004	2003	2002	2001 ~ 1997	1996	1995
Net Income	132.7	121.3	148.0	No Dividends	41.9	30.2
Dividends Paid per Share (W)	300	270	300		400	250
Dividend Payout Ratios	33.2%	32.7 %	29.7 %		32.7 %	28.3 %
Dividend Type	Cash	Cash	Cash		Cash	Cash
Share Prices	7,886	6,738	5,088		6,640	9,450
Dividend Yields at Market Price	3.8%	4.0%	5.9 %		6.2 %	2.7%

## 2006 Outlook

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Ending Balance	2006 Plan	2005	2004	2006 vs. 2005
<b>Total Assets</b>	<b>22,384.0</b>	19,880.8	18,184.1	12.6%
<b>Total Deposits</b>	<b>17,671.0</b>	15,709.1	14,568.0	12.5%
<b>Total Loans</b>	<b>14,141.0</b>	12,131.0	10,921.1	16.6%
<b>Securities</b>	<b>6,018.0</b>	5,664.9	5,062.6	6.2%
<b>Shareholders' Equity</b>	<b>1,324.2</b>	1,146.5	1,025.7	15.5%
<b>Net Income</b>	<b>225.0</b>	178.9	132.7	25.8%
<b>ROA</b>	<b>1.11%</b>	0.99%	0.81%	0.12%p
<b>ROE</b>	<b>18.09%</b>	16.34%	13.60%	1.75%p
<b>Adjusted NIM</b>	<b>3.43%</b>	3.34%	3.44%	0.09%p
<b>P&amp;B Loan Ratio</b>	<b>3.21%</b>	2.93%	3.73%	0.28%p
<b>S&amp;B Loan Ratio</b>	<b>0.99%</b>	0.94%	1.30%	0.05%p
<b>Delinquency Ratio</b>	<b>0.88%</b>	0.89%	1.06%	-0.01%p
<b>BIS CAEL Ratio</b>	<b>11.58%</b>	12.24%	10.84%	-0.66%p
<b>TIER I</b>	<b>9.18%</b>	9.05%	8.99%	0.13%p

Ending Balance	2006 Plan	2005	2004	2006 vs. 2005
<b>Total Won Deposits</b>	<b>14,053.8</b>	12,923.1	12,016.3	8.7%
<b>Savings</b>	<b>12,564.0</b>	11,323.8	10,632.3	11.0%
<b>Demand Deposits</b>	<b>1,320.0</b>	1,415.4	1,174.2	-6.7%
<b>Installments</b>	<b>169.8</b>	183.9	209.8	-7.7%
<b>Total Deposits</b>	<b>17,671.0</b>	15,709.1	14,568.0	12.5%
<b>Total Won Loans</b>	<b>13,002.5</b>	11,202.8	10,115.2	16.1%
<b>Household</b>	<b>3,917.2</b>	3,544.9	3,432.3	10.5%
<b>SMEs</b>	<b>7,847.5</b>	6,670.2	5,946.9	17.7%
<b>Large Corps</b>	<b>650.1</b>	490.9	403.6	32.4%
<b>Public &amp; Others</b>	<b>587.7</b>	496.8	332.4	18.3%
<b>Total Loans</b>	<b>14,141.0</b>	12,131.0	10,921.1	16.6%
<b>Loan to Deposit Ratio</b>	<b>92.52%</b>	86.69%	84.18%	5.83%p

## Stable Funding Sources

- ❖ More deposits from gov't institutions : Busan Transit Authority, etc
- ❖ 12 gov't Institutions move to Busan
- ❖ Account management for local corps. Busan Lotte Casino, etc.

## Corporate Loan Growth

- ❖ 5 new branches in Gyeongnam region industrial complexes
- ❖ Strong facility loan demands, up 28%
- ❖ 2 new industrial complexes : 170 new SME customers : Busan Science Centre, Junggwon Industrial complex
- ❖ Busan New Port : over 3 tril krw economic benefit and 33 thousand new employment in 2006

## Household Loan Growth

- ❖ Urban Renewal Program, 40 out of 182 projects are scheduled in 2006
- ❖ Junggwon new city : 8,000 new flats
- ❖ Project Financing : Real estate development

	2006	2005	2004	2006 vs. 2005
<b>Operating Income</b>	<b>1,495.0</b>	1,309.3	1,194.3	14.2%
Interest Income	<b>1,204.0</b>	1,016.0	965.3	18.5%
Fee & Commission Income	<b>89.2</b>	81.2	75.7	9.9%
Trust Related Income	<b>7.0</b>	23.9	16.0	-70.7%
Others	<b>194.8</b>	188.2	137.3	3.5%
<b>Operating Expenses</b>	<b>1,178.7</b>	1,075.3	1,014.2	9.6%
Interest Expenses	<b>522.4</b>	422.9	415.3	23.5%
Fee & Commission Expense	<b>29.7</b>	26.6	20.9	11.7%
G&A Expenses	<b>345.7</b>	320.9	294.5	7.7%
Provision for Loan Losses	<b>67.3</b>	100.4	128.6	-33.0%
Others	<b>213.6</b>	204.5	154.9	4.4%
<b>Net Operating Income</b>	<b>316.3</b>	234.0	180.1	35.2%
<b>Non-operating Income</b>	<b>-6.0</b>	15.5	9.6	-%
<b>Income Before Income Taxes</b>	<b>310.3</b>	249.5	189.7	24.4%
<b>Income Taxes</b>	<b>85.3</b>	70.6	57.0	20.8%
<b>Net Income</b>	<b>225.0</b>	178.9	132.7	25.8%
<b>Pre Provision Income</b>	<b>377.6</b>	367.7	341.1	2.7%

## Operating Income

- ❖ Stronger growth in loans
- ❖ Better credit risk management
- ❖ Slight improvement in margins
- ❖ Continued growth in non-interest

## Operating Expense

- ❖ Expense mgt. under control
- ❖ Credit cost mgt. better than ever
- ❖ Modest increase in Guarantee fund
  - Credit guarantee fund, etc.

## Non Operating Income

- ❖ Contribution to community
- ❖ No special one-off gains expected

<i>Provisioning</i>	2006 Plan	2005	2004	2006 vs. 2005
<b>Total Provisioning</b>	<b>67.3</b>	100.4	128.6	-33.0%
<b>Corporates</b>	<b>45.2</b>	57.5	47.5	-21.4%
<b>Household</b>	<b>14.4</b>	14.5	30.9	-0.7%
<b>Credit Card</b>	<b>7.7</b>	16.3	48.0	-52.8%
<b>Others</b>	<b>-</b>	12.1	2.2	-%

## Provisioning

- ❖ Credit cost trend toward normal
- ❖ BASLE II provisioning

<i>SG&amp;A</i>	2006 Plan	2005	2004	2006 vs. 2005
<b>SG&amp;A Expenses</b>	<b>345.7</b>	320.9	294.5	7.7%
<b>Salary &amp; other expenses</b>	<b>281.7</b>	259.7	229.8	8.5%
<b>Severance Provision</b>	<b>18.0</b>	17.8	22.9	1.1%
<b>Depreciation</b>	<b>36.5</b>	34.8	33.8	4.9%
<b>Taxes</b>	<b>9.5</b>	8.6	8.0	10.5%
<b>Cost Income Ratio</b>	<b>47.4</b>	49.5	49.0	-2.10%p

## Quality Expense Mgt.

- ❖ Wage inflation 4% or less
- ❖ Joint purchase of IT Equipment
- ❖ Joint development of IT System
- ❖ Overall SG&A expense up slightly from 2005 level
- ❖ ERP expected in 1Q 2006

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Loan Portfolio	2005								4Q 2004		4Q 2003		YoY (%)
	4Q		3Q		2Q		1Q						
<b>Manufacturing Sectors</b>	<b>3,602.1</b>	<b>47.0%</b>	3,543.0	48.0%	3,274.3	47.19%	3,154.9	46.9%	3,079.7	46.1 %	2,680.7	45.1%	17.0 %
<b>Steel &amp; Metal Products</b>	<b>1,002.8</b>	<b>13.1%</b>	985.9	13.3%	916.5	13.21%	867.8	12.9%	847.3	12.7 %	696.7	11.7%	18.4 %
<b>Machinery</b>	<b>525.6</b>	<b>6.9%</b>	524.7	7.1%	483.6	6.97%	458.6	6.8%	436.0	6.5 %	358.8	6.0%	20.6 %
<b>Automobile Parts</b>	<b>482.3</b>	<b>6.3%</b>	451.6	6.1%	431.5	6.22%	426.3	6.3%	421.9	6.3 %	370.7	6.2%	14.3 %
<b>Petroleum, Rubber, etc.</b>	<b>470.1</b>	<b>6.1%</b>	461.9	6.3%	433.9	6.25%	433.9	6.4%	431.8	6.6 %	366.8	6.2%	8.9 %
<b>Fabric</b>	<b>235.5</b>	<b>3.1%</b>	251.9	3.4%	241.1	3.47%	241.6	3.6%	247.9	3.7 %	239.0	4.0%	-5.0 %
<b>Kitchen Units</b>	<b>212.9</b>	<b>2.8%</b>	205.8	2.8%	143.0	2.06%	133.4	2.0%	134.4	2.0 %	128.1	2.6%	58.4 %
<b>Electronics</b>	<b>159.7</b>	<b>2.1%</b>	146.6	2.0%	138.3	1.99%	119.6	1.8%	112.0	1.7 %	94.7	1.6%	42.6 %
<b>Garment &amp; Shoes</b>	<b>126.1</b>	<b>1.6%</b>	145.5	2.0%	144.5	2.08%	140.2	2.1%	125.5	1.9 %	136.1	2.3%	0.5 %
<b>Paper, Paper Mills</b>	<b>85.6</b>	<b>1.1%</b>	71.0	1.0%	66.4	0.96%	65.3	1.0%	65.2	1.0 %	59.9	1.0%	31.3 %
<b>Others</b>	<b>301.5</b>	<b>3.9%</b>	298.1	4.0%	275.5	3.97%	268.2	4.0%	257.7	3.9 %	229.9	3.9%	17.0 %
<b>Non-Manufacturing Sectors</b>	<b>4,055.7</b>	<b>53.0%</b>	3,842.1	52.0%	3,664.1	52.81%	3,578.9	53.1%	3,603.2	53.9 %	3,265.9	54.9%	12.6 %
<b>Wholesale &amp; Retail</b>	<b>962.3</b>	<b>12.6%</b>	963.1	13.0%	949.4	13.68%	905.5	13.5%	896.8	13.4 %	769.1	12.9%	7.3 %
<b>Real Estate &amp; Lease</b>	<b>677.4</b>	<b>8.8%</b>	593.7	8.0%	586.6	8.45%	588.8	8.7%	630.8	9.4 %	553.2	9.3%	7.4 %
<b>Construction &amp; Engineering</b>	<b>540.4</b>	<b>7.1%</b>	543.7	7.4%	547.8	7.90%	520.8	7.7%	549.2	8.2 %	527.2	8.9%	-1.6 %
<b>Transportation</b>	<b>425.6</b>	<b>5.6%</b>	420.6	5.7%	389.8	5.62%	309.1	4.6%	314.1	4.7 %	250.5	4.2%	35.5 %
<b>Insurance &amp; Financing</b>	<b>313.5</b>	<b>4.1%</b>	315.6	4.3%	297.9	4.29%	321.1	4.8%	304.9	4.6 %	324.5	5.5%	2.8 %
<b>Hotel &amp; Food</b>	<b>238.1</b>	<b>3.1%</b>	232.7	3.2%	225.4	3.25%	219.6	3.3%	205.0	3.1 %	204.0	3.4%	16.1 %
<b>Public</b>	<b>190.1</b>	<b>2.5%</b>	88.1	1.2%	11.0	0.16%	52.0	0.8%	73.8	1.1 %	128.8	2.2%	157.6 %
<b>Others</b>	<b>708.3</b>	<b>9.2%</b>	684.6	9.3%	656.2	9.46%	662.0	9.8%	628.6	9.4 %	508.6	8.6%	12.7 %
<b>Total Corporate Won Loans</b>	<b>7,657.8</b>	<b>100.0%</b>	7,385.1	100.0%	6,938.4	100.0%	6,733.8	100.0%	6,682.9	100.0 %	5,946.6	100.0%	14.6 %



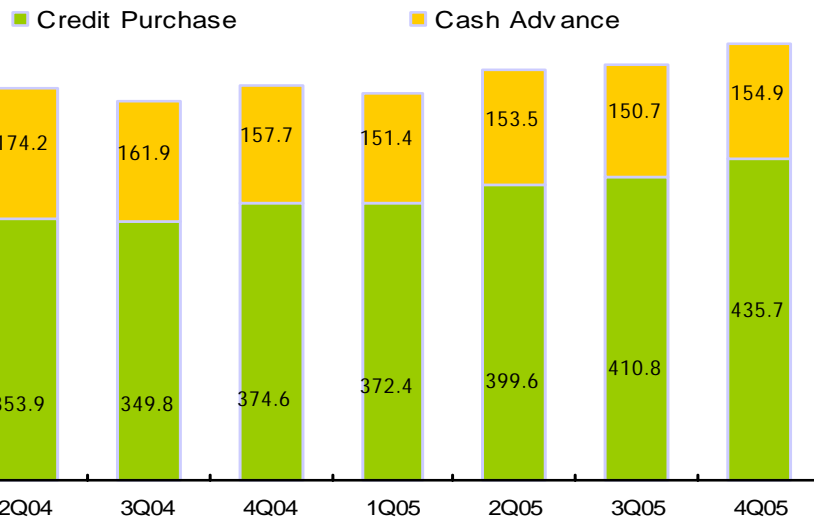
	2005				2004				2003	QoQ (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
<b>Total</b>	<b>7,479.9</b>	7,628.7	7,318.4	6,978.9	6,845.4	6,858.6	6,678.2	6,166.3	6,138.8	-2.0 %
<b>Normal</b>	<b>7,219.2</b>	7,325.3	7,074.8	6,708.7	6,574.4	6,594.1	6,488.3	5,975.0	5,972.3	-1.4 %
<b>Precautionary</b>	<b>181.5</b>	205.6	159.1	177.4	181.0	154.1	99.5	75.4	65.5	-11.7 %
<b>Substandard</b>	<b>60.8</b>	67.4	62.6	72.5	68.4	92.8	72.6	97.5	88.5	-9.8 %
<b>Doubtful</b>	<b>14.7</b>	17.9	12.7	13.4	11.7	10.3	11.5	9.9	8.0	-17.9 %
<b>Expected Loss</b>	<b>3.7</b>	12.5	9.2	6.9	9.9	7.3	6.3	8.5	4.5	-70.4 %
<b>Precautionary &amp; Below Loans</b>	<b>260.7</b>	303.4	243.6	270.2	271.0	264.5	189.9	191.3	166.5	-14.1 %
<b>P&amp;B Loan Ratio(%)</b>	<b>3.49</b>	3.98	3.33	3.87	3.96	3.86	2.84	3.10	2.71	-0.49 %p
<b>P&amp;B Loan Coverage Ratio(%)</b>	<b>45.49</b>	32.56	35.14	31.57	32.29	31.83	42.07	42.34	44.02	12.93 %p
<b>Substandard &amp; Below Loans</b>	<b>79.2</b>	97.8	84.5	92.8	90.0	110.4	90.4	115.9	101.0	-19.0 %
<b>S&amp;B Loan Ratio(%)</b>	<b>1.06</b>	1.28	1.15	1.33	1.31	1.61	1.35	1.88	1.65	-0.22 %p
<b>S&amp;B Loan Coverage Ratio(%)</b>	<b>149.75</b>	101.02	101.30	91.92	97.22	76.27	88.38	69.89	72.57	48.73 %p
<b>Provision for Loan Losses</b>	<b>118.6</b>	98.8	85.6	85.3	87.5	84.2	79.9	81.0	73.3	20.0 %

SMEs Delinquency Ratio By Sector	4Q 2005		3Q 2005		2Q 2005		1Q 2005		4Q 2004		3Q 2004		2Q 2004		1Q 2004	
	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio	Loan Amount	Ratio
<b>Manufacturing Sector</b>	3,756.5	1.11 %	3,790.7	1.76 %	3,558.1	1.19%	3,354.7	1.24%	3,237.7	0.96%	3,281.2	1.10%	3,178.2	1.02 %	2,925.2	1.16 %
<b>Non-Manufacturing Sector</b>	3,464.0	0.67 %	3,588.3	1.23 %	3,450.4	1.23%	3,390.1	1.63%	3,411.7	1.20%	3,380.5	1.99%	3,252.2	1.57 %	3,014.2	2.27 %
<b>Wholesale &amp; Retail</b>	1,054.9	0.73 %	1,060.8	1.49 %	1,060.1	1.16%	1,004.6	1.56%	974.4	1.40%	943.1	2.30%	929.8	2.32 %	848.5	2.89 %
<b>Real Estate &amp; Lease</b>	673.4	0.91 %	601.7	1.63 %	594.9	1.48%	598.9	1.19%	641.0	0.98%	651.1	2.64%	624.0	2.23 %	578.2	2.28 %
<b>Construction</b>	542.4	0.53 %	546.2	1.60 %	549.6	1.96%	522.6	2.77%	552.7	1.49%	542.6	0.66%	544.9	0.72 %	519.8	1.02 %
<b>Transport. &amp; Comms.</b>	402.3	0.08 %	414.8	0.04 %	389.8	0.11%	311.2	0.25%	305.7	0.14%	296.5	0.64%	264.8	0.34 %	236.7	0.59 %
<b>Hotel &amp; Food</b>	239.1	1.45 %	233.9	1.74 %	226.7	1.70%	221.2	2.39%	207.0	2.41%	215.1	4.46%	214.1	2.43 %	201.1	3.58 %
<b>Public</b>	0.0	- %	88.1	- %	11.0	- %	52.0	- %	73.8	- %	80.5	- %	80.5	- %	101.2	- %
<b>Insurance &amp; Financing</b>	11.8	- %	13.9	- %	15.4	0.03%	16.5	- %	19.0	- %	21.3	- %	21.8	- %	25.2	- %
<b>Others</b>	540.1	0.52 %	628.9	0.91 %	603.1	1.04%	663.1	1.79%	638.1	1.13%	630.3	2.09%	572.3	1.64 %	503.5	3.32 %
<b>Total</b>	7,220.5	0.90 %	7,379.0	1.50 %	7,008.5	1.21%	6,744.8	1.44%	6,649.4	1.08%	6,661.7	1.55%	6,430.4	1.36%	5,939.4	1.72 %

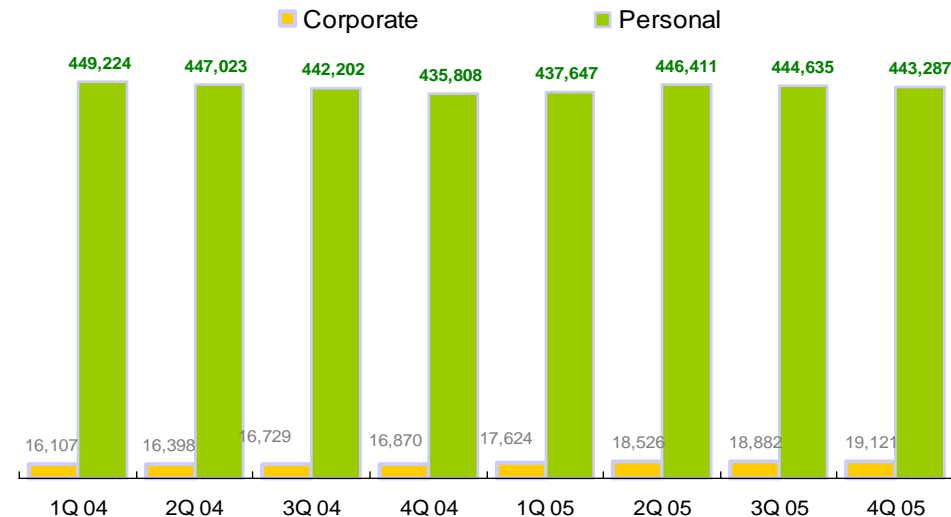
		2005				2004				2003	QoQ (%)	YoY (%)
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q		
<b>Household Loans – Retail</b>		<b>3,544.9</b>	3,548.8	3,473.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	-0.11%	3.28%
<b>4Q 2005 Secured Loans</b>  <b>3,127.0 (88.21%)</b>	<b>Total Secured Loans</b>	<b>3,127.0</b>	3,111.2	2,994.1	2,865.8	2,964.0	2,767.3	2,543.1	2,242.8	2,153.8	0.51%	5.50%
	<b>Mortgage / Home Equity</b>	<b>1,219.4</b>	1,195.4	1,148.4	1,057.1	1,094.6	1,034.9	982.3	939.2	948.9	2.01%	11.40%
	<b>Group Loans</b>	<b>1,003.3</b>	1,041.3	1,001.5	1,015.0	1,082.8	985.6	833.8	627.3	535.6	-3.65%	-7.34%
	<b>Other Collateralized Loans</b>	<b>837.0</b>	807.9	777.1	733.3	728.9	693.6	676.0	630.3	623.1	3.60%	14.83%
	<b>Government Workers' Pension Backed Loans</b>	<b>67.3</b>	66.6	67.1	60.4	57.7	53.2	51.0	46.0	46.2	1.05%	16.64%
	<b>Loan to Value Ratio</b>	<b>50.04%</b>	48.65%	48.21%	55.06%	54.8%	54.6%	54.7%	53.1%	51.0%	3.39%p	-4.76%p
<b>4Q 2005 Unsecured Loans</b>  <b>417.9 (11.79%)</b>	<b>Total Unsecured Loans</b>	<b>417.9</b>	437.6	479.4	530.8	468.2	447.4	437.7	456.3	465.9	-4.50%	-10.74%
	<b>Personal CSS Loans</b>	<b>240.7</b>	246.4	211.0	241.0	239.5	222.4	230.0	234.1	245.0	-2.31%	0.50%
	<b>Student Loans</b>	<b>32.8</b>	47.8	38.7	42.1	37.7	40.6	39.0	38.6	29.4	-31.38%	-13.00%
	<b>Government Workers' Loans</b>	<b>41.0</b>	39.1	40.2	39.3	38.9	39.6	40.8	40.7	41.0	4.86%	5.40%
	<b>Others</b>	<b>103.4</b>	104.3	189.5	208.4	152.1	144.8	127.9	142.9	150.5	-0.86%	-32.02%

	2005				2004				2003	QoQ(%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
<b>Total</b>	<b>3,567.4</b>	3,548.8	3,473.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	0.5 %
<b>Normal</b>	<b>3,498.7</b>	3,470.5	3,395.2	3,309.0	3,352.3	3,130.4	2,898.6	2,609.7	2,551.9	0.8 %
<b>Precautionary</b>	<b>40.7</b>	46.1	45.9	49.1	46.8	48.1	47.9	55.7	45.1	-11.7 %
<b>Substandard</b>	<b>16.2</b>	20.4	19.0	23.1	18.5	21.3	19.7	21.1	12.0	-20.6 %
<b>Doubtful</b>	<b>9.1</b>	8.7	9.3	10.2	9.3	9.1	8.0	7.6	5.9	4.6 %
<b>Expected Loss</b>	<b>2.7</b>	3.1	4.1	5.2	5.4	5.8	6.6	5.0	4.8	-12.9 %
<b>Precautionary &amp; Below Loans</b>	<b>68.7</b>	78.3	78.3	87.6	80.0	84.3	82.2	89.4	67.8	-12.3 %
<b>P&amp;B Loan Ratio</b>	<b>1.93%</b>	2.21%	2.25%	2.58%	2.33%	2.62%	2.76%	3.3 %	2.6 %	-0.28%p
<b>P&amp;B Loan Coverage Ratio</b>	<b>61.28%</b>	53.13%	53.90%	50.34%	53.88%	50.42 %	49.27 %	41.8 %	49.1%	8.15%p
<b>Substandard &amp; Below Loans</b>	<b>28.0</b>	32.2	32.4	38.5	33.2	36.2	34.3	33.7	22.8	-13.0 %
<b>S&amp;B Loan Ratio</b>	<b>0.78%</b>	0.91%	0.93%	1.13%	0.97%	1.13%	1.15%	1.2 %	0.87 %	-0.13%p
<b>S&amp;B Loan Coverage Ratio</b>	<b>150.36%</b>	129.19%	130.25%	114.5%	129.82%	117.40%	118.08%	111.3 %	146.7 %	21.17%p
<b>Provision for Loan Losses</b>	<b>42.1</b>	41.6	42.2	44.1	43.1	42.5	40.5	37.5	33.3	1.2 %

Credit Card Sales Volume



Number of Card Holders



		2005				2004				QoQ (%)	YoY (%)
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
Balance	Total(with Reaged Loans)	309.8	296.9	305.4	307.0	317.5	305.1	340.7	376.4	4.3 %	-2.4 %
	Credit Purchase	222.0	207.8	210.4	204.7	212.9	191.7	211.7	219.3	6.8 %	4.3 %
	Cash Advances	73.0	70.8	71.8	71.6	66.8	67.8	75.4	92.5	3.1 %	9.3 %
	Re-aged Loans	14.8	18.3	23.2	30.7	37.8	45.6	53.6	64.5	-19.1 %	-60.8 %
Credit Card Income	Total Income	20.8	19.9	20.4	19.8	20.7	19.5	21.1	23.3	4.5 %	0.5 %
	Credit Purchase	14.2	13.1	13.3	12.8	13.0	11.4	12.3	12.0	8.4 %	9.2 %
	Cash Advance	4.6	4.6	4.6	4.3	4.6	4.7	5.1	7.2	0.0 %	0.0 %
	Others	2.0	2.2	2.5	2.7	3.1	3.4	3.7	4.1	-9.1 %	-35.5 %

	2005				2004				2003	QoQ (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	
<b>Total</b>	<b>309.8</b>	296.9	305.4	307.0	317.5	305.1	340.7	376.3	447.4	4.3 %
<b>Normal</b>	<b>286.5</b>	269.3	272.1	265.4	270.8	251.0	276.0	288.6	358.9	6.4 %
<b>Precautionary</b>	<b>16.2</b>	18.1	20.9	25.1	29.7	33.7	40.8	51.9	57.4	-10.5 %
<b>Substandard</b>	<b>0.1</b>	0.2	0.3	0.4	0.3	0.5	0.6	1.2	0.6	-50.0 %
<b>Doubtful</b>	<b>5.0</b>	6.0	6.9	9.7	11.2	14.0	18.0	27.6	25.4	-16.7 %
<b>Expected Loss</b>	<b>2.0</b>	3.3	5.2	6.4	5.5	5.9	5.3	7.0	5.1	-39.4 %
<b>P&amp;B Loans</b>	<b>23.3</b>	27.6	33.3	41.6	46.7	54.1	64.7	87.7	88.5	-15.6 %
<b>P&amp;B Loan Ratio</b>	<b>7.52%</b>	9.30%	10.9%	13.6%	14.7%	17.7%	19.0%	23.3 %	19.8%	-1.78 %p
<b>P&amp;B Loan Coverage Ratio</b>	<b>71.67%</b>	42.75%	43.8%	43.3%	39.6%	38.6%	36.9%	37.5%	34.9%	28.98 %p
<b>S&amp;B Loans</b>	<b>7.1</b>	9.5	12.4	16.5	17.0	20.4	23.9	35.8	31.1	-25.3 %
<b>S&amp;B Loan Ratio</b>	<b>2.29%</b>	3.2%	4.1%	5.4%	5.4%	6.7%	7.0%	9.5%	7.0%	-0.91 %p
<b>S&amp;B Loan Coverage Ratio</b>	<b>235.21%</b>	124.21%	117.7%	109.1%	108.8%	102.5%	100%	91.9%	99.4%	111.0 %p
<b>Provision for Loan Losses</b>	<b>16.7</b>	11.8	14.6	18.0	18.5	20.9	23.9	32.9	30.9	41.5 %

		2005				2004				2003			
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
<b>Total</b>	<b>Loans</b>	<b>12,159.3</b>	11,958.8	11,423.1	11,036.3	10,978.6	10,834.0	1,0376.7	9,649.7	9,526.0	9,441.8	9,041.5	8,709.8
	<b>Delinquents</b>	<b>108.7</b>	162.8	136.8	155.6	116.1	157.9	143.9	178.8	128.5	180.6	171.0	194.2
	<b>Ratios</b>	<b>0.89%</b>	1.36%	1.20%	1.41%	1.06%	1.46%	1.40%	1.85%	1.35%	1.91%	1.89%	2.23%
<b>Large Corps.</b>	<b>Loans</b>	<b>1,061.7</b>	712.9	615.7	587.9	579.4	652.5	624.8	634.8	494.8	694.0	586.9	561.7
	<b>Delinquents</b>	<b>0.1</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	4.0	5.8	2.6
	<b>Ratios(14 days)</b>	<b>0.01%</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%	0.67%	0.99%	0.46%
<b>SMEs</b>	<b>Loans</b>	<b>7,220.5</b>	7,379.0	7,008.5	6,744.8	6,649.4	6,661.7	6,430.4	5,939.4	5,964.1	5,816.1	5,614.7	5,435.3
	<b>Delinquents</b>	<b>64.9</b>	110.9	84.7	96.9	72.1	103.2	87.4	102.1	68.7	87.6	73.6	94.4
	<b>Ratios(14 days)</b>	<b>0.90%</b>	1.50%	1.21%	1.44%	1.08%	1.55%	1.36%	1.72%	1.15%	1.51%	1.31%	1.74%
<b>House hold</b>	<b>Loans</b>	<b>3,567.3</b>	3,570.0	3,493.5	3,396.6	3,432.3	3,214.7	2,980.8	2,699.1	2,619.7	2,459.2	2,330.5	2,177.3
	<b>Delinquents</b>	<b>33.0</b>	40.8	38.9	42.2	29.4	33.6	31.8	34.5	18.6	28.6	27.5	29.5
	<b>Ratios(1 month)</b>	<b>0.92%</b>	1.14%	1.11%	1.24%	0.86%	1.05%	1.07%	1.28%	0.71%	1.16%	1.47%	1.60%
<b>Credit Card</b>	<b>Loans</b>	<b>309.8</b>	296.9	305.4	307.0	317.5	305.1	340.7	376.4	447.4	472.5	509.4	535.5
	<b>Delinquents</b>	<b>10.7</b>	11.1	8.4	6.4	9.5	12.3	26.0	21.3	32.4	32.6	33.8	24.2
	<b>Ratios(1 day)</b>	<b>3.45%</b>	3.74%	4.32%	5.37%	4.60%	6.92%	7.63%	11.21%	8.85%	12.78%	12.22%	12.18%

<i>NPL Sales</i>	2005 Full Year	2005		2004 Full Year	2004		2003 Full Year	2003	
		2H	1H		2H	1H		2H	1H
Household	10.9	4.0	6.2	9.4	4.6	4.8	11.1	3.9	7.2
Credit Card	0.1	0.1	0.0	0.2	0.1	0.1	0.7	0.1	0.6
Corporates	26.9	8.4	18.5	39.0	20.0	19.0	34.2	17.0	17.7
<b>Total</b>	<b>37.2</b>	<b>12.5</b>	24.7	48.6	24.7	23.9	46.4	20.9	25.5

<i>Write-Offs</i>	2005 Full Year	2005				2004 Full Year	2004				2003 Full Year	2003			
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Household	18.6	3.5	4.6	6.4	4.1	23.1	5.6	4.6	7.2	5.7	34.7	9.3	9.9	9.6	5.9
Credit Card	25.7	4.5	6.4	8.4	6.4	69.1	9.5	12.3	26.0	21.3	122.9	32.3	32.6	33.8	24.2
Corporates	42.6	23.0	7.8	7.1	4.7	36.8	12.9	12.2	6.0	5.7	32.4	11.3	7.5	11.3	2.3
<b>Total</b>	<b>86.9</b>	<b>31.0</b>	18.8	21.9	15.2	129.0	28.0	29.1	39.2	32.7	190.0	52.9	50.0	54.7	32.4



	2005 Full Year	2005				2004 Full Year	2004				2005 vs. 2004	QoQ (%)
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		
<b>Other Operating Revenues</b>	<b>188.1</b>	<b>34.3</b>	28.6	28.7	96.5	137.3	76.8	18.6	20.1	21.8	37.0%	19.9%
Gains on Securities	7.8	0.9	2.3	0.5	4.1	3.7	1.5	0.4	0.4	1.4	110.8%	-60.9%
Revenues on Foreign Exchange	36.6	12.9	6.1	11.5	6.1	25.2	9.1	5.7	5.7	4.7	45.2%	111.5%
Revenues on Derivatives	138.2	18.0	18.3	15.7	86.2	108.4	66.2	12.5	14.0	15.7	27.5%	-1.6%
Others(provision write back)	5.5	2.5	1.9	1.0	0.1	0.0	0.0	0.0	0.0	0.0	-%	31.6%
<b>Other Operating Expenses</b>	<b>304.7</b>	<b>96.0</b>	52.8	47.6	108.5	283.4	101.1	50.6	61.7	70.0	7.6%	81.5%
Losses on Securities	4.3	0.4	0.8	0.7	2.4	1.5	0.5	0.1	0.9	0.0	186.7%	-50.0%
Losses on Foreign Exchange	15.0	1.1	4.9	8.0	1.0	9.2	4.0	1.9	1.8	1.5	63.0%	-77.6%
Expenses on Derivatives	146.8	28.0	16.4	15.9	86.5	107.2	67.2	11.3	14.1	14.6	36.9%	70.7%
Contribution to Funds	18.3	4.8	4.6	4.5	4.4	16.8	4.4	4.3	4.1	4.0	8.9%	4.3%
Provision for Loan Losses	85.7	42.8	20.7	13.4	8.8	126.4	19.7	26.3	35.7	44.7	-32.2%	106.8%
Others	34.6	18.7	5.3	5.1	5.4	22.3	5.3	6.7	5.1	5.2	56.5%	243.6%
<b>Net Other Operating Income</b>	<b>-116.6</b>	<b>-61.7</b>	-24.3	-18.9	-12.0	-146.1	-24.3	-32.0	-41.6	-48.2	-20.0%	153.9%

Non-Operating Income	2005 Full Year	2005				2004 Full Year	2004				2005 vs. 2004	QoQ (%)
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		
<b>Non-Operating Revenues</b>	<b>43.6</b>	<b>13.4</b>	9.7	11.2	9.3	40.9	12.4	7.7	9.4	11.5	6.6 %	38.1 %
Gains on Investment Securities	17.5	2.4	6.9	0.8	7.4	24.1	8.4	1.8	3.9	10.0	-27.4 %	-
Gains on Sales of NPLs	7.0	0.0	0.0	7.0	0.0	3.3	1.6	0.0	1.7	0.0	112.1 %	-
Gains on Sales of Tangible Asset	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Others	18.7	11.0	2.4	3.4	1.9	13.5	2.4	5.9	3.8	1.4	38.5 %	-
<b>Non-Operating Expenses</b>	<b>28.1</b>	<b>6.9</b>	3.7	5.3	12.2	31.3	12.7	8.8	2.8	7.0	-10.2 %	86.5 %
Losses on Investment Securities	0.7	0.3	3.8(gain)	0.3	3.9	1.2	0.0	0.0	1.9(gain)	3.1	-41.7 %	-
Losses on Sales of NPLs	7.1	3.9	0.1	3.1	0.0	14.2	11.1	0.0	3.1	0.0	-50.0 %	-
Losses on Sales of Tangible Asset	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Retirement Allowance	5.6	0.0	0.0	0.0	5.6	2.2	0.0	0.0	0.1	2.1	154.5 %	-
Other Non-Operating Expenses	14.5	2.7	7.2	1.9	2.7	13.7	1.6	8.8	1.5	1.8	5.8 %	-
<b>Net Non-Operating Income</b>	<b>15.5</b>	<b>6.5</b>	6.0	5.9	- 2.9	9.6	- 0.3	- 1.1	6.6	4.4	61.5 %	8.3 %

Ending Balance	2005				2004				2003	QoQ (%)	YoY (%)
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q		
<b>Won Loans*</b>	<b>11,093.6</b>	10,996.2	10,504.6	10,161.8	10,075.6	10,281.1	9,369.7	8,741.3	8,605.9	0.9%	10.1%
<b>Won Securities</b>	<b>4,796.2</b>	4,722.0	4,286.2	4,148.9	4,033.0	4,230.0	4,451.9	4,582.5	4,591.2	1.6%	18.9%
<b>Cash &amp; Due from Banks</b>	<b>1,105.0</b>	1,120.6	1,327.8	1,070.7	970.4	596.9	619.9	420.3	877.1	-1.4%	13.9%
<b>Foreign Currency Assets</b>	<b>910.7</b>	953.9	906.3	806.2	779.2	812.4	882.3	765.0	709.7	-4.5%	16.9%
<b>Credit Card Receivables</b>	<b>309.8</b>	296.9	305.4	307.0	317.6	305.1	340.7	376.3	447.4	4.4%	-2.5%
<b>Fixed Assets</b>	<b>347.4</b>	338.6	341.6	340.3	343.3	331.2	327.5	333.2	334.2	2.6%	1.2%
<b>Other Assets</b>	<b>487.2</b>	526.3	732.4	674.4	615.3	643.0	661.7	719.7	789.0	7.4%	-20.8%
<b>Assets</b>	<b>19,049.9</b>	18,954.4	18,404.3	17,509.3	17,134.4	17,199.7	16,653.7	15,938.3	16,354.5	0.5%	11.2%
<b>Won Deposits &amp; CD</b>	<b>13,520.0</b>	13,032.9	13,074.7	12,469.5	12,645.5	12,551.7	12,650.8	12,129.3	12,258.5	3.7%	6.9%
<b>Won Borrowings</b>	<b>2,047.5</b>	2,115.9	1,837.2	1,515.1	1,398.6	1,583.7	1,238.2	1,174.0	1,319.2	-3.2%	46.4%
<b>Foreign Currency Liabilities</b>	<b>1,258.6</b>	1,243.6	949.6	891.9	837.5	799.0	858.7	724.9	696.4	1.2%	50.3%
<b>Won Financial Debenture</b>	<b>408.7</b>	569.8	570.2	394.3	392.7	200.0	200.0	200.0	200.0	28.3%	4.1%
<b>Other Liabilities</b>	<b>668.6</b>	864.7	891.4	1,212.8	834.4	1,063.8	750.9	789.2	943.5	22.7%	-19.9%
<b>Shareholders' Equity</b>	<b>1,146.5</b>	1,127.3	1,081.2	1,025.7	1,025.7	1,001.5	955.1	920.9	936.9	1.7%	11.8%
<b>Liabilities &amp; Shareholders' Equity</b>	<b>19,049.9</b>	18,954.4	18,404.3	17,509.3	17,134.4	17,199.7	16,653.7	15,938.3	16,354.5	0.5%	11.2%

Note : Private Placements & Call Loans included  
Trust Account excluded

	4Q 2005					3Q 2005	2Q 2005	1Q 2005	4Q 2004	QoQ (%)	YoY (%)
	Total	Marketable Securities	Investment Securities								
			Subtotal	Available for Sale	Held to Maturity						
<b>Bonds in Won</b>	<b>4,515.7</b>	9.8	4,505.9	1,457.4	3,048.5	4,421.3	4,065.1	3,933.2	3,797.3	2.1 %	18.9 %
<b>Financial Debentures</b>	<b>2,034.9</b>	0.0	2,034.9	711.2	1,323.7	1,952.4	1,846.0	1,766.3	1,725.3	4.2 %	17.9 %
<b>Government Bonds</b>	<b>1,133.9</b>	9.8	1,124.1	356.5	767.6	1,099.7	998.9	894.8	685.3	3.1 %	65.5 %
<b>Gov't Owned Corps. Bonds</b>	<b>860.0</b>	0.0	860.0	134.7	725.3	874.1	771.5	777.0	800.0	-1.6 %	7.5 %
<b>Corporate Bonds</b>	<b>299.7</b>	0.0	299.7	255.0	44.7	300.7	263.0	302.8	335.4	-0.3 %	-10.6 %
<b>Local Gov't Bonds</b>	<b>187.2</b>	0.0	187.2	0.0	187.2	194.4	185.7	192.3	251.3	-3.7 %	-25.5 %
<b>Bonds in Foreign Currency</b>	<b>81.0</b>	0.0	81.0	28.4	52.6	51.4	40.5	36.3	26.6	57.6 %	204.5 %
<b>Stocks</b>	<b>54.9</b>	8.5	46.4	46.4	0.0	52.6	55.5	47.9	54.5	4.4 %	0.7 %
<b>Beneficiary Certificates</b>	<b>207.5</b>	0.0	207.5	207.5	0.0	222.2	142.2	151.5	151.7	-6.6 %	36.8 %
<b>Bond Type</b>	<b>30.0</b>	0.0	30.0	30.0	0.0	131.0	131.0	129.8	130.4	-77.1 %	-77.0 %
<b>Equity Type</b>	<b>177.5</b>	0.0	177.5	177.5	0.0	71.2	11.2	21.7	21.3	149.3 %	733.3 %
<b>MMF</b>	<b>0.0</b>	0.0	0.0	0.0	0.0	20.0	0	0	0	-100.0 %	- %
<b>Others</b>	<b>12.0</b>	0.0	12.0	12.0	0.0	26.0	26.3	16.3	29.5	-53.8 %	-59.3 %
<b>Total</b>	<b>4,871.1</b>	18.3	4,852.8	1,751.7	3,101.1	4,773.5	4,329.6	4,185.2	4,059.6	2.0 %	20.0 %
<b>Duration (years)</b>				0.95	1.53						

## Disclaimer

The financial information presented herein is prepared on the basis of pre-audited financial statement of Pusan Bank and is based upon the plans, strategies and expectations of the bank's management. All information described in this presentation should be treated as forward looking statements that are subject to risks and uncertainties.

Actual results could vary materially from the expectations reflected in this presentation, thus the statements presented herein do not purport to be a complete description of the bank's operations or future developments. Readers are cautioned not to place undue reliance on these statements, which speak only as of the date of this presentation. Pusan bank does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

# *Thank you for your interest in Pusan Bank*

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