

2016 1Q Financial Results

(May 4, 2016)

Beyond No.1 in Korea
BNK



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DISCLAIMER

The financial information presented herein is prepared on the basis of pre-audited financial of BNK Financial Group and is based upon the plans, strategies and expectations of the FG'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 group'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 BNK Financial Group does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

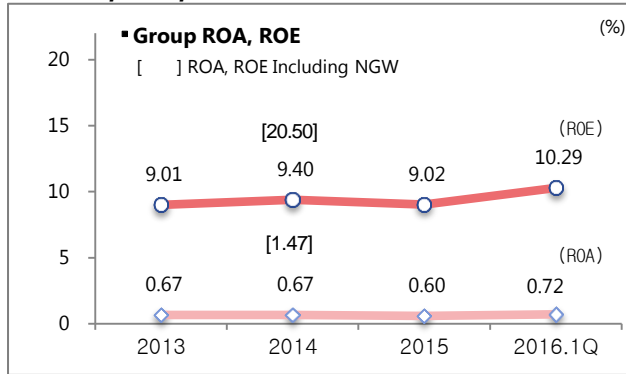
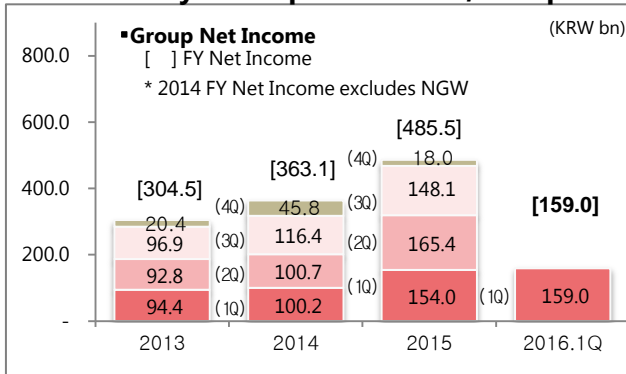
- Kyongnam Bank has been added October 10, 2014, and earnings will be consolidated starting from the 4Q of 2014
- BNK Asset Management has been added July 28, 2015, and earnings will be consolidated starting from August 2015

I . 1Q 2016 Group Highlights

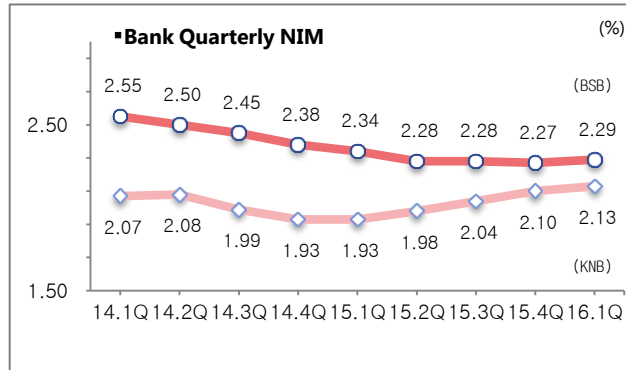
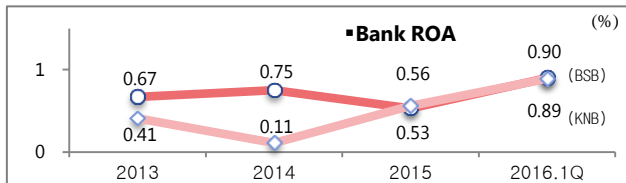
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1. Highlights – Profitability, Growth

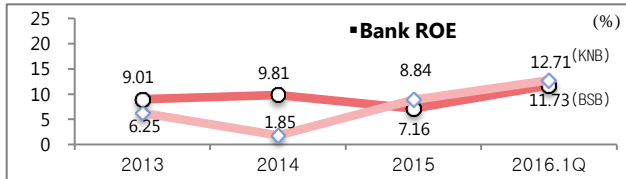
Profitability – Group Net Income, Group & Banks ROA, ROE, NIM



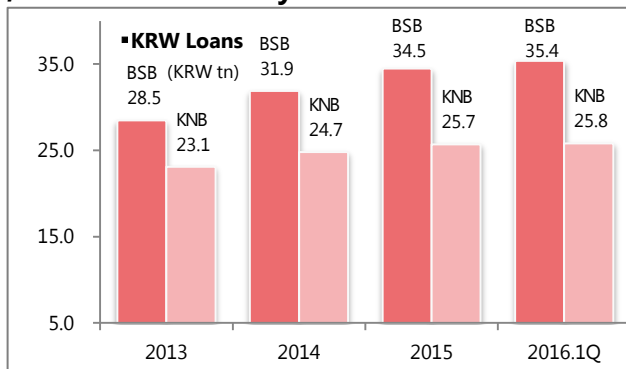
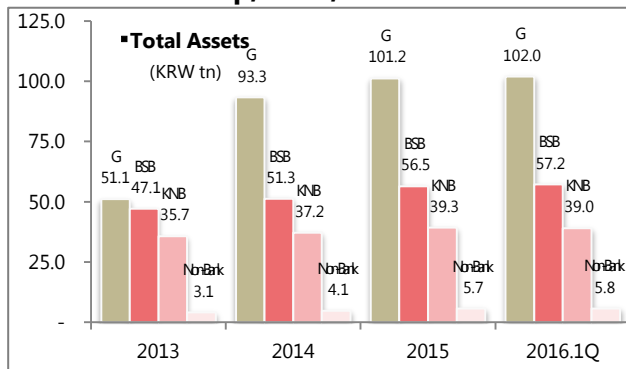
- ❖ **Group 1Q Net Income**
159.0 KRW bn, up by 3.2% YoY
- ❖ **Busan 1Q Net Income**
89.2 KRW bn, down by 16.3% YoY
- ❖ **Kyongnam 1Q Net Income**
76.7 KRW bn, down by 5.9% YoY



- ❖ **Group ROA, ROE 0.72%, 10.29%**
- ❖ **Busan ROA, ROE 0.90%, 11.73%**
- ❖ **Kyongnam ROA, ROE 0.89%, 12.71%**
- ❖ **Busan 1Q NIM 2.29%**
- ❖ **Kyongnam 1Q NIM 2.13%**



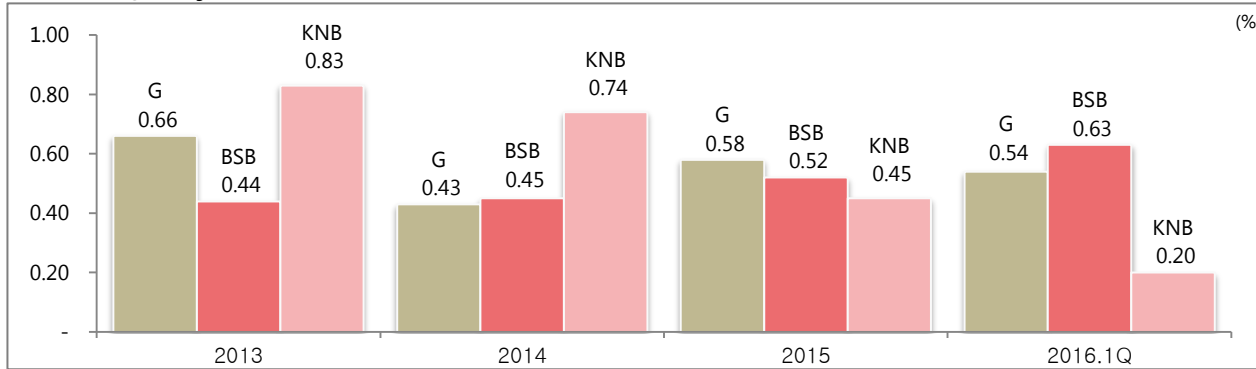
Growth – Group, Bank, Non-Bank Total Assets, Total KRW Loans by Bank



- ❖ **Group Total Assets**
102.0 KRW tn, up by 0.7% YTD
- ❖ **Busan KRW Loans**
35.4 KRW tn, up by 2.8% YTD
- ❖ **Kyongnam KRW Loans**
25.8 KRW tn, up by 0.5% YTD

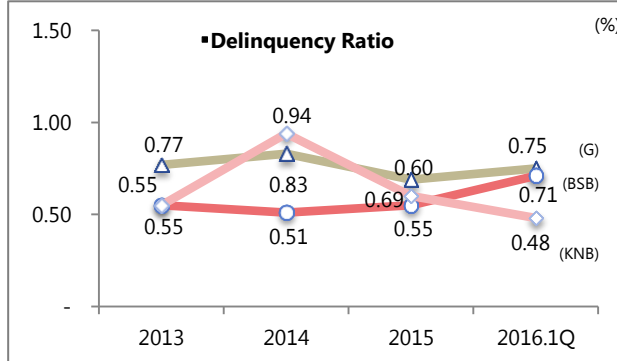
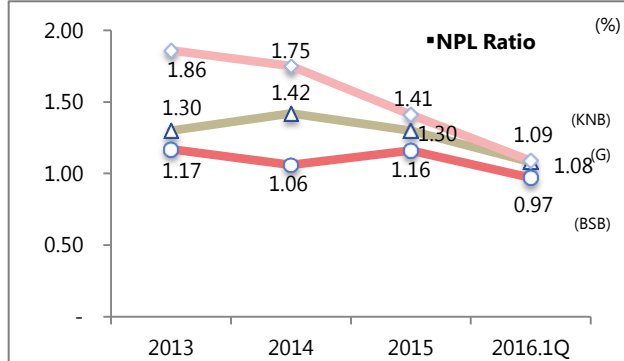
2. Highlights – Asset Quality, Capital Adequacy

Asset Quality – Credit Cost(Annualized)



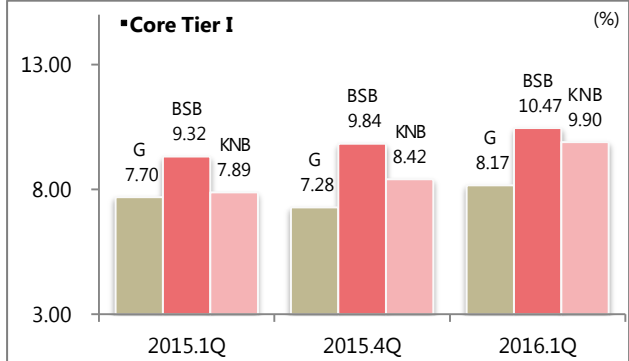
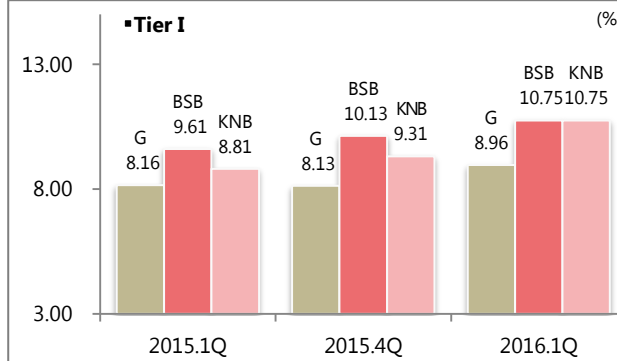
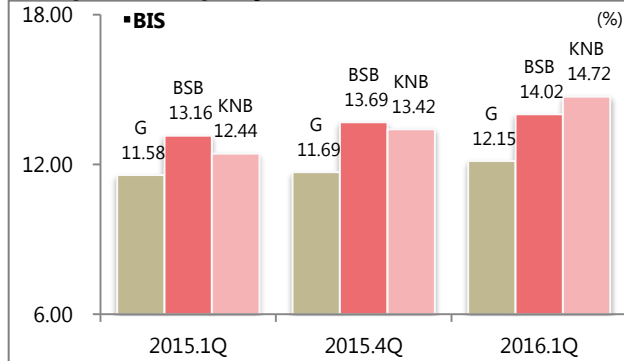
- ❖ **Group Credit Cost 54bp**
- ❖ **Busan Credit Cost 63bp**
- ❖ **Kyongnam Credit Cost 20bp**

Asset Quality – NPL, Delinquency Ratio



- ❖ **Group NPL Ratio 1.08%**
- ❖ **Group Delinquency Ratio 0.75%**
- ❖ **Busan NPL Ratio 0.97%**
- ❖ **Busan Delinquency Ratio 0.71%**
- ❖ **Kyongnam NPL Ratio 1.09%**
- ❖ **Kyongnam Delinquency Ratio 0.48%**

Capital Adequacy – BIS, Tier I, Core Tier I Ratio

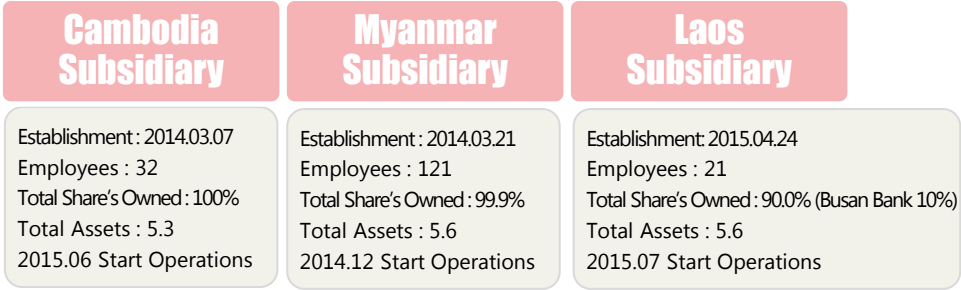
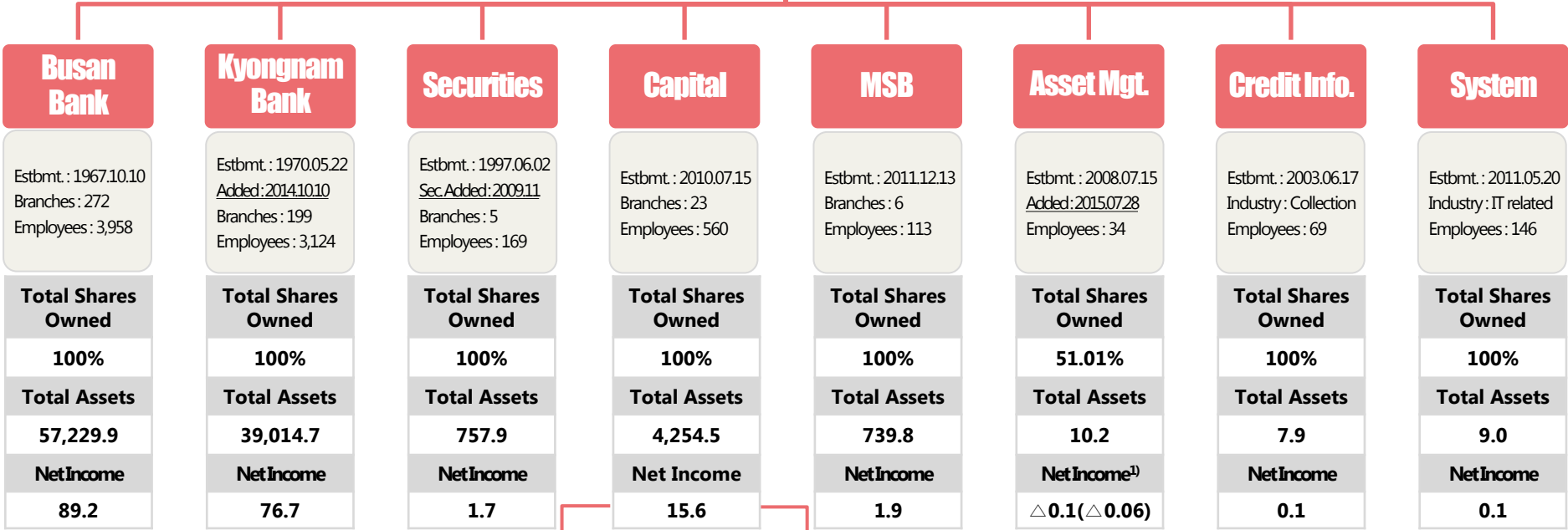


3. Group Structure

(%, KRW bn, Accumulated)

BNK Financial Group

Establishment : 2011.03.15
 Total Assets : 101,985.5
 Net Income : 159.0
 Employees : 8,249



Note1) Net Income in Controlling Interest is △ 0.06

II . Profitability

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1. Group Earning Results

	16.1Q	15.1Q	YoY	15.4Q	QoQ
(KRW bn, %)					
Net Interest Income	515.9	494.2	4.4	521.4	△1.1
Net Fee Income	45.0	46.8	△3.8	51.4	△12.5
Others	0.8	11.3	△92.9	△69.5	Net Gain
SG&A(-)	252.4	243.8	3.5	337.7	△25.3
Provision Expense(-)	93.6	70.8	32.2	121.7	△23.1
Non-Operating Income	△ 0.2	16.1	Net Loss	△6.5	-
Earnings Before Income Tax	215.5	253.8	△15.1	37.4	476.2
Income Tax Expense(-)	52.4	60.4	△13.2	15.4	240.3
Net Income(A)	163.1	193.4	△15.7	22.0	641.4
Net Income in Non-Controlling Interest(B)	4.1	39.4	△89.6	4.0	2.5
Net Income in Controlling Interest(C) (C) = (A) - (B)	159.0	154.0	3.2	18.0	783.3

2. Subsidiaries Earning Results

	16.1Q	15.1Q	YoY	15.4Q	QoQ
(KRW bn, %)					
Bank(A)	165.9	188.1	△11.8	33.0	402.7
Busan	89.2	106.6	△16.3	25.2	254.0
Kyongnam	76.7	81.5	△5.9	7.8	883.3
Non-Bank(B)	19.3	13.5	43.0	5.4	257.4
Securities	1.7	2.0	△15.0	2.5	△32.0
Capital	15.6	11.4	36.8	2.7	477.8
MSB	1.9	△0.2	Net Gain	△0.2	Net Gain
Asset Management ¹⁾	△ 0.1	0.0	-	△0.3	-
Credit Information	0.1	0.2	△50.0	0.2	△50.0
System	0.1	0.1	0.0	0.5	△80.0
Financial Group & Unconsolidated Portion(C)	△ 22.1	△8.2	-	△16.4	-
Net Income in Non-Controlling Interest(D)	4.1	39.4	△89.6	4.0	2.5
Net Income in Controlling Interest(E) (E=A+B+C-D)	159.0	154.0	3.2	18.0	783.3

Note 1) Asset Management's Net Income in Controlling Interest(51.01%) is △0.06 KRW bn

3. Banks Earning Results

□ Busan

□ Kyongnam

	16.1Q	15.1Q	YoY	15.4Q	QoQ		16.1Q	15.1Q	YoY	15.4Q	QoQ
(KRW bn, %, %p)						(KRW bn, %, %p)					
Net Interest Income	281.1	268.0	4.9	278.1	1.1	Net Interest Income	188.3	170.0	10.8	191.6	△1.7
Net Fee Income	22.1	26.1	△15.3	32.1	△31.2	Net Fee Income	10.6	11.5	△7.8	6.8	55.9
Fees from Trust Account	5.6	3.3	69.7	4.2	33.3	Fees from Trust Account	1.4	1.4	0.0	1.2	16.7
Others	△ 8.1	8.5	Net Loss	△17.7	-	Others	2.8	△3.4	Net Gain	△41.6	Net Gain
Provision Expense(-)	59.3	42.2	40.5	76.1	△22.1	Provision Expense(-)	13.7	3.4	302.9	23.3	△41.2
SG&A(-)	124.6	125.4	△0.6	180.9	△31.1	SG&A(-)	93.2	87.2	6.9	118.7	△21.5
Net Operating Income	116.8	138.3	△15.5	39.7	194.2	Net Operating Income	96.2	88.9	8.2	16.0	501.3
Non-Operating Income	△ 1.5	△0.6	-	△1.8	-	Non-Operating Income	2.7	16.5	△83.6	△5.9	Net Gain
Earnings Before Income Taxes	115.3	137.7	△16.3	37.9	204.2	Earnings Before Income Taxes	98.9	105.4	△6.2	10.1	879.2
Income Tax Expenses(-)	26.1	31.1	△16.1	12.7	105.5	Income Tax Expenses(-)	22.2	23.9	△7.1	2.3	865.2
Net Income	89.2	106.6	△16.3	25.2	254.0	Net Income	76.7	81.5	△5.9	7.8	883.3
ROA	0.90	0.82	0.08	0.53	0.37	ROA	0.89	1.10	△0.21	0.56	0.33
ROE	11.73	11.45	0.28	7.16	4.57	ROE	12.71	18.41	△5.70	8.84	3.87

4. Banks NIM & NIS

☐ Busan

(KRW bn, %, %p)	16.1Q	15.4Q	QoQ
NIM(Quarterly)	2.29	2.27	0.02
NIS	2.62	2.57	0.05
Interest Rate on KRW Loans	3.96	3.97	△0.01
Households	3.32	3.34	△0.02
Corporate	3.87	3.85	0.02
Interest Rate paid on KRW Deposits	1.34	1.40	△0.06
Average Interest Earning Assets	43,932.2	43,388.4	1.3

NIM(Accumulated)	2.29	2.29	-
NIS	2.62	2.58	0.04
Interest Rate on KRW Loans	3.96	4.18	△0.22
Households	3.32	3.50	△0.18
Corporate	3.87	4.07	△0.20
Interest Rate paid on KRW Deposits	1.34	1.60	△0.26
Average Interest Earning Assets	43,932.2	42,603.5	3.1

☐ Kyongnam

(KRW bn, %, %p)	16.1Q	15.4Q	QoQ
NIM(Quarterly)	2.13	2.10	0.03
NIS	2.36	2.33	0.03
Interest Rate on KRW Loans	3.81	3.83	△0.02
Households	3.09	3.15	△0.06
Corporate	3.80	3.80	-
Interest Rate paid on KRW Deposits	1.45	1.50	△0.05
Average Interest Earning Assets	31,324.9	31,602.8	△0.9

NIM(Accumulated)	2.13	2.02	0.11
NIS	2.36	2.22	0.14
Interest Rate on KRW Loans	3.81	3.97	△0.16
Households	3.09	3.36	△0.27
Corporate	3.80	3.93	△0.13
Interest Rate paid on KRW Deposits	1.45	1.75	△0.30
Average Interest Earning Assets	31,324.9	31,153.0	0.6

Note. Table on the top is based on quarterly numbers

Table on the bottom is based on accumulated numbers

5. SG&A

□ Group

(KRW bn, %, %p)	16.1Q	15.1Q	YoY	15.4Q	QoQ
SG&A	252.4	243.8	3.5	337.7	△25.3
Cost Income Ratio	44.93	44.15	0.78	67.10	△22.17

□ Busan

(KRW bn, %, %p)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Total SG&A	124.6	125.4	△0.6	180.9	△31.1
Salaries and other expenses	98.0	98.6	△0.6	131.6	△25.5
Depreciation	16.3	16.9	△3.6	17.4	△6.3
Taxes and dues	3.6	3.0	20.0	3.5	2.9
Retirement Allowance	6.6	6.9	△4.3	6.1	8.2
Honorary Retirement	0.1	0.0	-	22.3	△99.6
Cost Income Ratio	41.42	41.01	0.41		

□ Kyongnam

(KRW bn, %, %p)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Total SG&A	93.2	87.2	6.9	118.7	△21.5
Salaries and other expenses	75.6	71.2	6.2	93.9	△19.5
Depreciation	10.5	9.1	15.4	10.4	1.0
Taxes and dues	2.1	2.1	0.0	1.9	10.5
Retirement Allowance	5.0	4.6	8.7	4.4	13.6
Honorary Retirement	0.0	0.2	-	8.1	-
Cost Income Ratio	45.91	45.58	△2.67		

III. Growth

1.	Group Assets, B/S Summary	13
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3.	Banks Low-Cost Deposits	16

1. Group Asset, B/S Summary

□ Group Total Assets

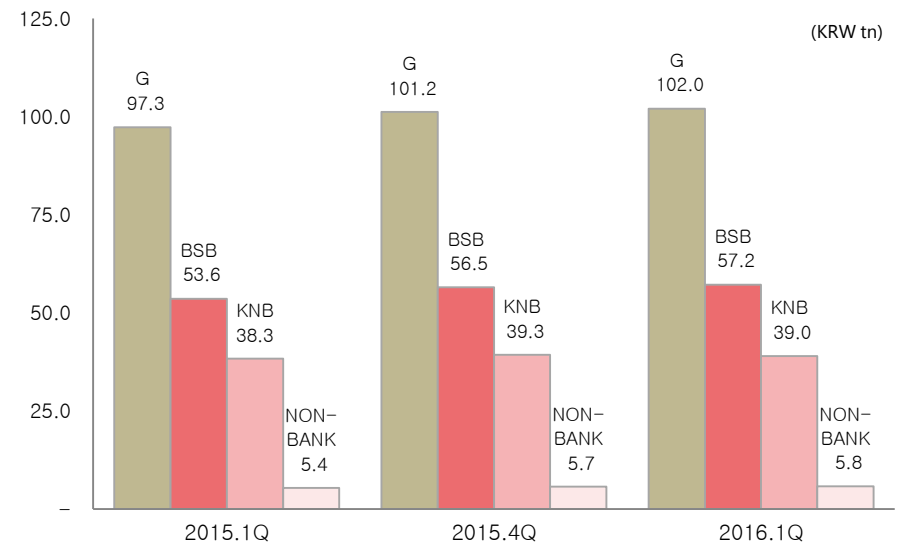
(KRW bn, %)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Bank	96,244.6	91,889.9	4.7	95,853.6	0.4
Busan	57,229.9	53,587.8	6.8	56,535.2	1.2
Kyongnam	39,014.7	38,302.1	1.9	39,318.4	△0.8
Non-Bank	5,779.3	5,361.0	7.8	5,651.1	2.3
Securities	757.9	701.5	8.0	539.9	40.4
Capital	4,254.5	3,870.8	9.9	4,287.1	△0.8
MSB	739.8	775.5	△4.6	795.6	△7.0
Asset Management	10.2	0.0	-	10.4	△1.9
Credit Information	7.9	7.3	8.2	7.7	2.6
Information Systems	9.0	5.9	52.5	10.4	△13.5
Financial Group & Unconsolidated Portion	△38.4	4.2	-	△276.2	-
Group Total Assets	101,985.5	97,255.1	4.9	101,228.5	0.7

□ Group Total Lending

(KRW bn, %)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Cash and Dues	2,923.0	2,830.3	3.3	3,091.3	△5.4
Securities	13,395.4	12,429.8	7.8	13,138.0	2.0
Loans & Receivables	71,743.1	69,796.3	2.8	72,058.0	△0.4
Derivative Assets	170.9	338.5	△49.5	177.9	△3.9
Fixed Assets & Investment Assets	787.8	787.0	0.1	795.9	△1.0
Intangible Assets	358.9	405.2	△11.4	367.6	△2.4
Others	641.8	524.3	22.4	650.8	△1.4
Total Assets	90,020.9	87,111.4	3.3	90,279.5	△0.3

1) Based on the Bank's Unconsolidated Financial Statements

□ Group Total Assets



□ Group Total Funding

(KRW bn, %)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Deposits	64,373.9	61,545.2	4.6	64,361.5	0.0
Borrowings	5,724.0	6,879.6	△16.8	6,025.8	△5.0
Derivatives	8,121.2	7,571.3	7.3	8,152.8	△0.4
Others	5,021.1	5,501.7	△8.7	5,548.7	△9.5
Total Liabilities	83,240.2	81,497.8	2.1	84,088.8	△1.0
Shareholder's Equity	6,780.7	5,613.6	20.8	6,190.7	9.5
Total Liabilities & Shareholder's Equity	90,020.9	87,111.4	3.3	90,279.5	△0.3

2. Banks B/S – Busan¹⁾

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Total Assets	57,229.9	53,587.8	6.8	56,535.2	1.2
Bank Account	49,654.7	47,728.4	4.0	49,919.3	△0.5
Trust Account	7,575.2	5,859.4	29.3	6,615.9	14.5
Total Deposits	43,310.9	40,069.2	8.1	42,440.5	2.1
Bank Account	38,951.6	36,500.7	6.7	38,537.2	1.1
KRW Deposits	35,931.8	33,773.7	6.4	35,671.7	0.7
Demand	3,993.1	3,164.9	26.2	3,466.5	15.2
Savings & Time	31,920.9	30,592.0	4.3	32,187.6	△0.8
Installment	17.8	16.8	6.0	17.6	1.1
CD	779.6	460.2	69.4	431.0	80.9
Trust Account	4,359.3	3,568.5	22.2	3,903.3	11.7
Total Credits	37,200.1	35,325.2	5.3	36,295.3	2.5
Total Loans	36,385.4	34,417.5	5.7	35,414.0	2.7
KRW Loans	35,438.7	33,369.7	6.2	34,462.9	2.8
SMEs	22,143.4	20,892.4	6.0	21,547.1	2.8
(SOHO)	5,072.6	4,457.7	13.8	4,768.9	6.4
Households	9,163.6	8,127.1	12.8	8,988.0	2.0
Guarantees	814.7	907.7	△10.2	881.3	△7.6
Total Securities	9,677.8	8,736.5	10.8	9,338.4	3.6
Bank Account	7,840.1	7,213.0	8.7	7,728.8	1.4
Trust Account	1,837.7	1,523.5	20.6	1,609.6	14.2
Shareholders' Equity	4,066.6	3,528.4	15.3	3,794.5	7.2

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
KRW Deposits	35,931.8	33,773.7	6.4	35,671.7	0.7
Demand	3,993.1	3,164.9	26.2	3,466.5	15.2
Savings	31,920.9	30,592.0	4.3	32,187.6	△0.8
Installment	17.8	16.8	6.0	17.6	1.1
CD	779.6	460.2	69.4	431.0	80.9
Bills Sold	29.2	44.6	△34.5	34.5	△15.4
R P	401.9	373.3	7.7	591.0	△32.0
Financial Debenture	1,809.1	1,848.9	△2.2	1,809.0	0.0
Trust Account	4,359.3	3,568.5	22.2	3,903.3	11.7
Total Deposits	43,310.9	40,069.2	8.1	42,440.5	2.1

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
KRW Loans	35,438.7	33,369.7	6.2	34,462.9	2.8
Corporate	24,633.0	23,920.3	3.0	23,987.1	2.7
(SME)	22,143.4	20,892.4	6.0	21,547.1	2.8
(Large Corps)	2,489.6	3,027.9	△17.8	2,440.0	2.0
Household	9,163.6	8,127.1	12.8	8,988.0	2.0
(Collateral)	8,099.0	7,254.8	11.6	7,969.0	1.6
Mortgage	4,173.9	4,273.5	△2.3	4,213.4	△0.9
Others	3,925.1	2,981.3	31.7	3,755.6	4.5
(Credit)	1,064.6	872.3	22.0	1,019.0	4.5
Public	1,642.1	1,322.3	24.2	1,487.8	10.4
Foreign Currency	571.8	580.6	△1.5	571.3	0.1
Trust Account	13.3	12.7	4.7	14.9	△10.7
Others	1,176.3	1,362.2	△13.6	1,246.2	△5.6
Total Credits	37,200.1	35,325.2	5.3	36,295.3	2.5

LDR	16.1Q	15.1Q	YoY	15.4Q	QoQ
(Monthly Avg. Balance, %)	94.80	95.55	△0.75	94.10	0.70

1) Based on the Bank's Unconsolidated Financial Statements

2. Banks B/S – Kyongnam¹⁾

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Total Assets	39,014.7	38,302.1	1.9	39,318.4	△0.8
Bank Account	34,239.8	33,661.3	1.7	34,596.3	△1.0
Trust Account	4,774.9	4,640.8	2.9	4,722.1	1.1
Total Deposits	29,651.0	29,047.9	2.1	30,190.3	△1.8
Bank Account	27,493.7	27,177.3	1.2	28,116.6	△2.2
KRW Deposits	25,859.8	25,502.7	1.4	26,243.9	△1.5
Demand	3,035.9	2,427.6	25.1	3,096.1	△1.9
Savings & Time	22,804.8	23,061.9	△1.1	23,131.1	△1.4
Installment	19.1	13.2	44.7	16.7	14.4
CD	158.6	192.2	△17.5	296.4	△46.5
Trust Account	2,157.3	1,870.6	15.3	2,073.7	4.0
Total Credits	26,421.0	26,243.5	0.7	26,296.9	0.5
Total Loans	26,131.3	25,864.7	1.0	25,999.8	0.5
KRW Loans	25,803.2	25,389.2	1.6	25,685.7	0.5
SMEs	15,803.3	15,012.3	5.3	15,639.8	1.0
(SOHO)	3,672.0	3,234.4	13.5	3,494.6	5.1
Households	7,459.1	7,751.8	△3.8	7,531.7	△1.0
Guarantees	289.7	378.8	△23.5	297.1	△2.5
Total Securities	5,143.4	4,834.4	6.4	5,082.0	1.2
Bank Account	4,705.8	4,436.1	6.1	4,656.2	1.1
Trust Account	437.6	398.3	9.9	425.8	2.8
Shareholders' Equity	2,749.0	2,230.6	23.2	2,456.5	11.9

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
KRW Deposits	25,859.8	25,502.7	1.4	26,243.9	△1.5
Demand	3,035.9	2,427.6	25.1	3,096.1	△1.9
Savings	22,804.8	23,061.9	△1.1	23,131.1	△1.4
Installment	19.1	13.2	44.7	16.7	14.4
CD	158.6	192.2	△17.5	296.4	△46.5
Bills Sold	11.2	22.0	△49.1	14.6	△23.3
R P	15.0	11.3	32.7	12.7	18.1
Financial Debenture	1,449.1	1,449.1	0.0	1,549.0	△6.4
Trust Account	2,157.3	1,870.6	15.3	2,073.7	4.0
Total Deposits	29,651.0	29,047.9	2.1	30,190.3	△1.8

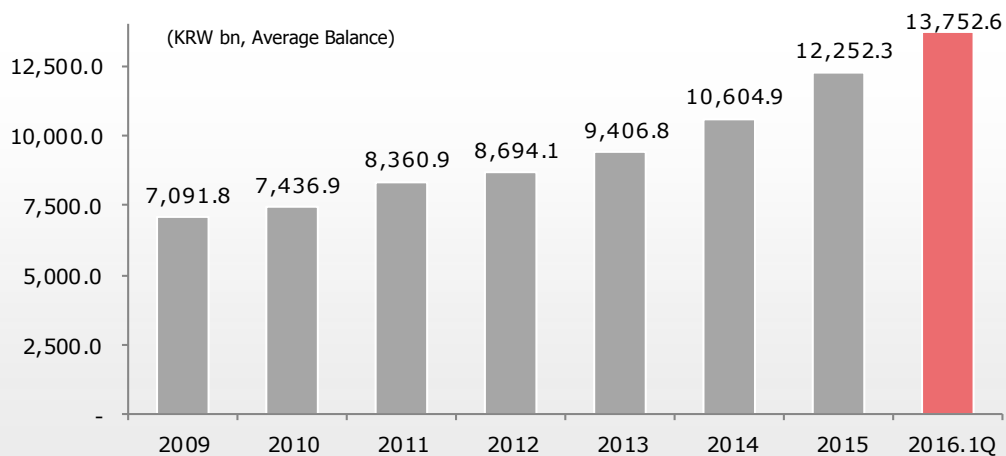
(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
KRW Loans	25,803.2	25,389.2	1.6	25,685.7	0.5
Corporate	17,959.8	17,292.2	3.9	17,726.3	1.3
(SME)	15,803.3	15,012.3	5.3	15,639.8	1.0
(Large Corps)	2,156.5	2,279.9	△5.4	2,344.6	3.4
Household	7,459.1	7,751.8	△3.8	7,531.7	△1.0
(Collateral)	6,849.3	7,145.1	△4.1	6,925.2	△1.1
Mortgage	3,146.9	3,163.5	△0.5	3,198.8	△1.6
Others	3,702.4	3,981.6	△7.0	3,726.4	△0.6
(Credit)	609.8	606.7	0.5	606.5	0.5
Public	384.3	345.2	11.3	427.7	△10.1
Foreign Currency	122.1	171.2	△28.7	117.3	4.1
Trust Account	0.3	0.4	△25.0	0.5	△40.0
Others	495.4	682.7	△27.4	493.4	0.4
Total Credits	26,421.0	26,243.5	0.7	26,296.9	0.5

LDR	16.1Q	15.1Q	YoY	15.4Q	QoQ
(Monthly Avg. Balance, %)	98.16	97.85	0.31	98.48	△0.32

1) Based on the Bank's Unconsolidated Financial Statements

3. Banks Low-Cost Deposits - Busan

□ Growth Records



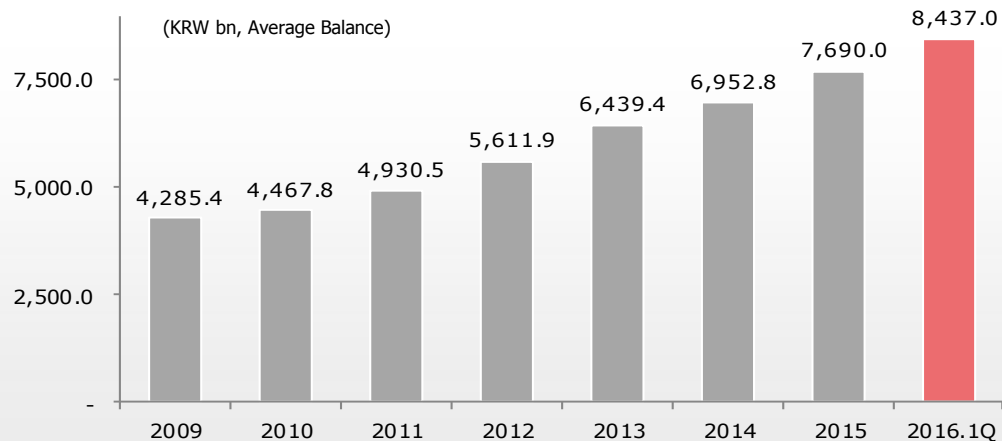
□ Funding Costs

(%, Accumulated)	16.1Q	15.4Q	15.1Q
Demand Deposits	0.27	0.26	0.26
Savings Deposits	0.06	0.09	0.13
Corporate Savings Deposits	0.74	0.82	1.03
Total	0.31	0.34	0.43

(KRW bn, %, %p, Average Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Low-Cost Deposits (A)	13,752.6	11,565.2	18.9	12,252.3	12.2
Demand Deposits	3,760.0	2,862.9	31.3	3,253.8	15.6
Savings Deposits	6,138.0	5,339.3	15.0	5,655.3	8.5
Corporate Savings Deposits	3,854.6	3,363.0	14.6	3,343.2	15.3
Deposits in KRW (B)	35,923.4	33,584.2	7.0	34,417.0	4.4
Total Deposits (Bank Account) (C)	38,647.1	36,013.6	7.3	37,078.5	4.2
Total Deposits (Bank + Trust Account)(D)	42,894.1	39,661.7	8.1	40,824.9	5.1
Low-Cost Deposits/Won Deposits(A/B)	38.28	34.44	3.84	35.60	2.68
Low-Cost Deposits/Total Deposits (A/C)	35.59	32.11	3.48	33.04	2.55
Low-Cost Deposits/Total Deposits(A/D)	32.06	29.16	2.90	30.01	2.05

3. Banks Low-Cost Deposits - Kyongnam

□ Growth Records



□ Funding Costs

(%, Accumulated)	16.1Q	15.4Q	15.1Q
Demand Deposits	0.27	0.24	0.28
Savings Deposits	0.08	0.11	0.15
Corporate Savings Deposits	0.88	1.04	1.30
Total	0.35	0.40	0.51

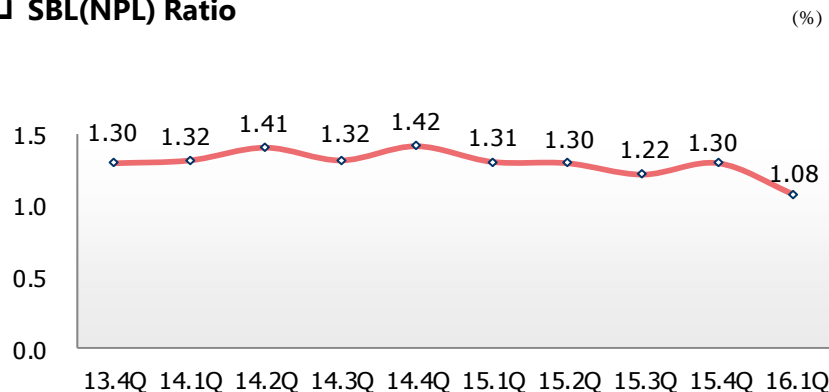
(KRW bn, %, %p, Average Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Low-Cost Deposits (A)	8,437.0	7,161.7	17.8	7,690.0	9.7
Demand Deposits	3,240.2	2,362.0	37.2	2,767.6	17.1
Savings Deposits	3,082.8	2,835.0	8.7	2,938.3	4.9
Corporate Savings Deposits	2,114.0	1,964.7	7.6	1,984.1	6.5
Deposits in KRW (B)	25,874.9	25,163.7	2.8	25,676.9	0.8
Total Deposits (Bank Account) (C)	27,595.1	26,865.0	2.7	27,393.2	0.7
Total Deposits (Bank + Trust Account)(D)	29,706.4	28,790.0	3.2	29,376.6	1.1
Low-Cost Deposits/Won Deposits(A/B)	32.61	28.46	4.15	29.95	2.66
Low-Cost Deposits/Total Deposits (A/C)	30.57	26.66	3.91	28.07	2.50
Low-Cost Deposits/Total Deposits(A/D)	28.40	24.88	3.52	26.18	2.22

IV. Asset Quality

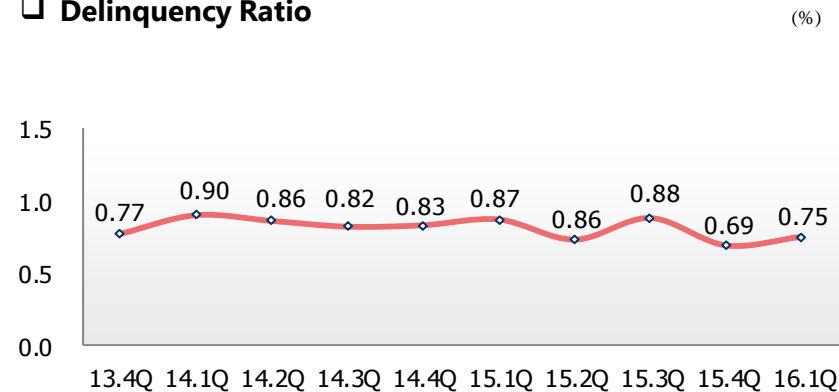
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1. Group Asset Quality

□ SBL(NPL) Ratio (%)



□ Delinquency Ratio (%)

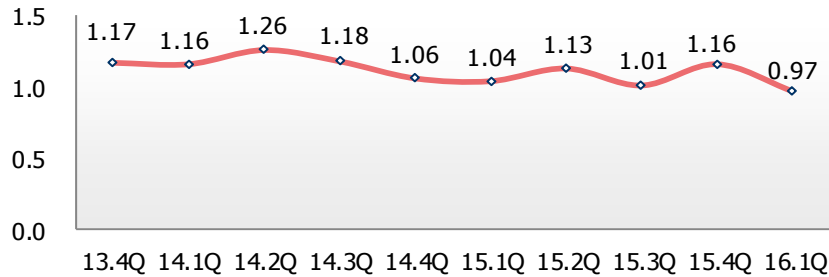


(KRW bn, %, %p)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Total Loans	69,686.4	67,509.1	3.2	68,536.4	1.7
Normal	67,715.8	65,687.6	3.1	66,435.4	1.9
Precautionary	1,220.7	934.3	30.7	1,210.6	0.8
Substandard	407.7	531.9	△23.4	482.0	△15.4
Doubtful	136.8	174.0	△21.4	162.6	△15.9
Expected Loss	205.4	181.3	13.3	245.8	△16.4
SBL(Substandard & Below Loans)	749.9	887.2	△15.5	890.4	△15.8
(SBL Ratio (%))	(1.08)	(1.31)	△0.23	(1.30)	△0.22
(SBL Coverage Ratio)	(145.58)	(116.84)	28.74	(129.24)	16.34
Loan Amount	68,582.0	66,222.6	3.6	67,358.0	1.8
Delinquent Amount	511.1	577.8	△11.5	466.5	9.6
Delinquency Ratio	(0.75)	(0.87)	△0.12	0.69	0.06

2. Banks Asset Quality – Busan

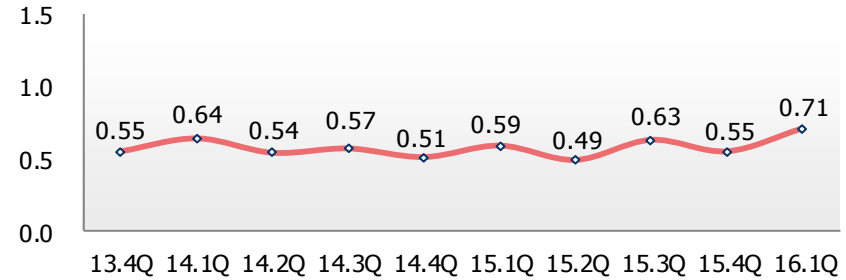
□ SBL(NPL) Ratio (%)

(%)



□ Delinquency Ratio (%)

(%)

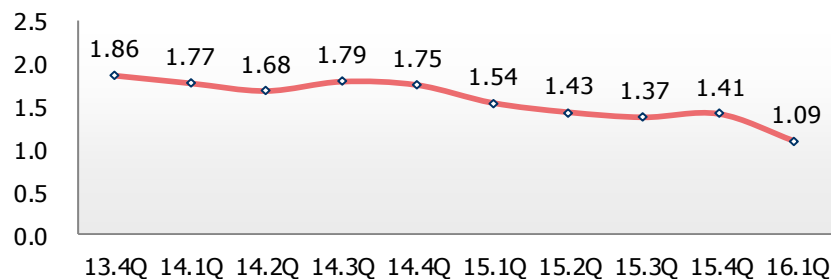


	16.1Q	15.1Q	YoY	15.4Q	QoQ
(KRW bn, %, %p)					
Total Loans	37,781.1	35,884.3	5.3	36,856.6	2.5
Normal	36,835.8	35,141.2	4.8	35,865.5	2.7
Precautionary	577.6	370.4	55.9	562.1	2.8
Substandard	220.1	214.0	2.9	259.6	△15.2
Doubtful	42.6	53.0	△19.6	42.5	0.2
Expected Loss	105.0	105.7	△0.7	126.9	△17.3
SBL(Substandard & Below Loans)	367.7	372.7	△1.3	429.0	△14.3
(SBL Ratio (%))	(0.97)	(1.04)	△0.07	(1.16)	△0.19
(SBL Coverage Ratio)	(152.51)	(140.96)	11.55	(133.04)	19.47
Loan Amount	36,966.4	34,976.5	5.7	35,975.3	2.8
Delinquent Amount	262.5	206.2	27.3	196.6	33.5
Delinquency Ratio	(0.71)	(0.59)	0.12	0.55	0.16

2. Banks Asset Quality – Kyongnam

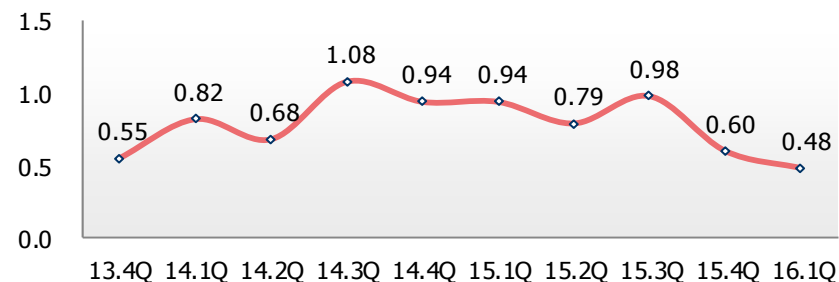
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



	16.1Q	15.1Q	YoY	15.4Q	QoQ
(KRW bn, %, %p)					
Total Loans	27,119.0	27,129.9	0.0	27,013.3	0.4
Normal	26,577.1	26,501.8	0.3	26,371.9	0.8
Precautionary	246.5	209.0	17.9	260.9	△5.5
Substandard	162.5	282.7	△42.5	199.4	△18.5
Doubtful	40.4	63.1	△36.0	70.0	△42.3
Expected Loss	92.5	73.3	26.2	111.1	△16.7
SBL(Substandard & Below Loans)	295.4	419.1	△29.5	380.5	△22.4
(SBL Ratio (%))	(1.09)	(1.54)	△0.45	(1.41)	△0.32
(SBL Coverage Ratio)	(148.02)	(102.26)	45.76	(129.01)	19.01
Loan Amount	26,829.3	26,751.1	0.3	26,716.2	0.4
Delinquent Amount	129.5	251.2	△48.4	159.4	△18.8
Delinquency Ratio	(0.48)	(0.94)	△0.46	0.60	△0.12

3. Provisioning

□ Group Provision Expense

(KRW bn, %)	2016 1Q	2015					2014				
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
Total Provisions(A)	93.6	396.4	121.7	40.8	163.1	70.8	279.5	113.1	51.2	53.6	61.6
Total Credits(B)	69,686.4	68,536.4	68,536.4	68,335.7	68,177.1	67,509.1	65,274.1	65,274.1	38,190.9	37,197.7	35,960.6
¹⁾ Credit Cost(A/B)	0.54	0.58	0.70	0.24	0.96	0.43	0.43	0.69	0.53	0.58	0.69

Note 1). Accumulated

□ Busan Bank Provision Expense

(KRW bn, %)	2016 1Q	2015					2014				
		3Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
Corporate	54.3	189.9	71.5	14.8	51.6	52.0	132.8	24.4	30.3	43.3	34.8
Household	1.7	5.3	1.3	1.1	2.2	0.7	2.3	1.0	△1.6	1.7	1.2
Credit Card	2.9	10.6	3.0	3.1	2.6	1.9	8.7	2.7	1.3	2.0	2.7
Others	0.4	△15.2	0.3	0.8	△3.9	△12.4	10.0	21.1	△2.2	△10.3	1.4
Total(A)	59.3	190.6	76.1	19.8	52.5	42.2	153.8	49.2	27.8	36.7	40.1
Total Credits(B)	37,781.1	36,856.6	36,856.6	36,483.5	36,304.4	35,884.3	34,500.7	34,500.7	34,244.6	33,464.6	32,419.8
¹⁾ Credit Cost(A/B)	0.63	0.52	0.82	0.22	0.58	0.48	0.45	0.57	0.32	0.44	0.50

□ Kyongnam Bank Provision Expense

(KRW bn, %)	2016 1Q	2015					2014				
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
Corporate	9.1	124.9	20.2	16.6	81.4	6.7	146.3	29.3	32.7	65.5	18.8
Household	2.3	12.4	2.3	3.7	3.2	3.2	14.0	3.2	3.3	4.3	3.2
Credit Card	2.7	6.5	1.0	2.8	2.5	0.2	5.7	0.9	0.7	1.8	2.3
Others	△0.4	△23.3	△0.2	△16.7	0.3	△6.7	31.7	3.9	5.1	1.0	21.7
Total(A)	13.7	120.5	23.3	6.4	87.4	3.4	197.7	37.3	41.8	72.6	46.0
Total Credits(B)	27,119.0	27,013.3	27,013.3	27,324.0	27,155.8	27,129.9	26,605.3	26,605.3	26,263.1	25,805.4	25,368.8
¹⁾ Credit Cost(A/B)	0.20	0.45	0.34	0.09	1.29	0.05	0.74	0.55	0.63	1.13	0.74

4. Banks Write-Offs and NPL Sales

□ Busan Bank Write-Offs & NPL Sales

(KRW bn, %)	2016.1Q	2015.4Q	2015.3Q	2015.2Q	2015.1Q	2014.4Q	2014.3Q	2014.2Q	2014.1Q
Total Write-Offs	56.8	59.3	74.9	47.8	29.0	40.4	70.9	17.9	22.3
Corporate	50.8	53.8	68.8	42.9	23.8	33.6	65.3	13.2	18.0
Household	2.6	2.3	2.7	1.9	2.2	3.0	2.6	2.2	1.8
Credit Card	3.4	3.2	3.4	3.0	3.0	3.8	3.0	2.5	2.5
Total NPL Sales	0.0	104.9	0.0	40.7	27.2	0.0	0.0	36.7	27.5
(NPL Sales for SBL Loans)	(0.0)	(103.1)	(0.0)	(39.4)	(27.2)	(0.0)	(0.0)	(36.4)	(24.4)
Corporate	0.0	104.7	0.0	39.6	27.1	0.0	0.0	35.7	26.4
Household	0.0	0.0	0.0	1.1	0.1	0.0	0.0	0.6	0.8
Credit Card	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.4	0.3

□ Kyongnam Bank Write-Offs & NPL Sales

(KRW bn, %)	2016.1Q	2015.4Q	2015.3Q	2015.2Q	2015.1Q	2014.4Q	2014.3Q	2014.2Q	2014.1Q
Total Write-Offs	32.2	36.0	22.5	37.9	33.8	87.5	44.8	19.7	71.0
Corporate	28.6	30.3	11.3	31.2	28.7	82.7	40.8	16.8	68.4
Household	1.7	3.8	9.1	3.8	3.6	2.6	2.2	1.0	1.1
Credit Card	1.9	1.9	2.1	2.9	1.5	2.2	1.8	1.9	1.5
Total NPL Sales	100.7	180.8	49.4	106.7	18.9	53.5	0.0	54.3	0.0
(NPL Sales for SBL Loans)	(94.8)	(176.5)	(47.1)	(91.6)	(9.2)	(51.4)	(0.0)	(51.4)	(0.0)
Corporate	99.3	180.7	49.3	106.0	18.9	49.2	0.0	52.8	0.0
Household	1.4	0.0	0.0	0.6	0.0	4.2	0.0	1.5	0.0
Credit Card	0.0	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0

V. Capital Adequacy

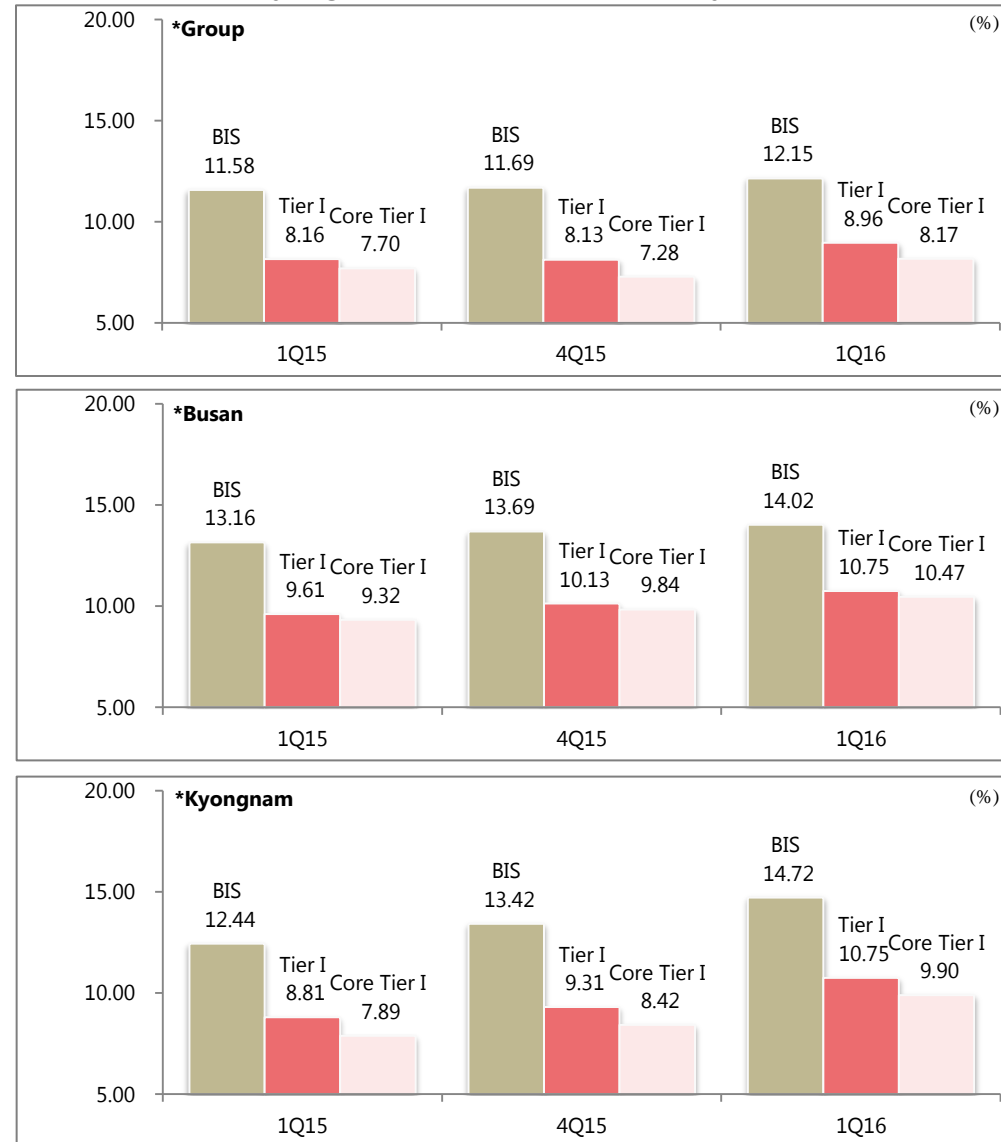
1. **Group Capital Adequacy** 25
2. **Banks Capital Adequacy** 26

1. Group Capital Adequacy

□ Group

	2016 1Q	QoQ	2015	
			4Q	1Q
<small>(KRW bn, %, %p, Basel III Standard)</small>				
Total Risk Adjusted Capital	8,023.7	5.4	7,614.3	7,414.0
Tier I Capital	5,919.2	11.8	5,295.6	5,226.9
(Core Tier I Capital)	(5,392.9)	13.7	(4,742.7)	(4,932.0)
Tier II Capital	2,104.5	△9.2	2,318.7	2,187.1
Total Risk Weighted Assets	66,031.9	1.4	65,137.9	64,050.5
Credit Risk	61,564.8	1.2	60,816.1	59,905.5
Market Risk	431.3	20.5	358.0	340.5
Operational Risk	4,035.8	1.8	3,963.8	3,804.5
BIS Capital Ratio	12.15	0.46	11.69	11.58
Tier I	8.96	0.83	8.13	8.16
(Core Tier I)	(8.17)	0.89	(7.28)	(7.70)

□ Group, Busan, Kyongnam Bank Capital Adequacy



2. Banks Capital Adequacy

□ Busan Bank

	2016 1Q	QoQ	2015	
			4Q	1Q
<small>(KRW bn, %, %p, Basel III Standard)</small>				
Total Risk Adjusted Capital	4,992.6	4.6	4,773.9	4,520.4
Tier I Capital	3,828.3	8.4	3,530.8	3,300.6
(Core Tier I Capital)	(3,728.4)	8.7	(3,431.0)	(3,200.8)
Tier II Capital	1,164.3	△6.3	1,243.1	1,219.8
Total Risk Weighted Assets	35,616.3	2.2	34,864.4	34,340.6
Credit Risk	33,370.8	2.2	32,642.0	32,225.3
Market Risk	200.7	△3.6	208.1	132.5
Operational Risk	2,044.8	1.5	2,014.3	1,982.8
BIS Capital Ratio	14.02	0.33	13.69	13.16
Tier I	10.75	0.62	10.13	9.61
(Core Tier I)	(10.47)	0.63	(9.84)	(9.32)

□ Kyongnam Bank

	2016 1Q	QoQ	2015	
			4Q	1Q
<small>(KRW bn, %, %p, Basel III Internal Rating Based)</small>				
Total Risk Adjusted Capital	3,282.3	8.9	3,014.7	2,706.3
Tier I Capital	2,397.8	14.6	2,091.7	1,917.0
(Core Tier I Capital)	(2,208.4)	16.7	(1,892.0)	(1,717.3)
Tier II Capital	884.5	△4.2	923.0	789.3
Total Risk Weighted Assets	22,299.6	△0.8	22,470.2	21,752.6
Credit Risk	20,810.2	△0.9	20,994.5	20,319.4
Market Risk	86.1	5.1	81.9	67.9
Operational Risk	1,403.3	0.7	1,393.8	1,365.3
BIS Capital Ratio	14.72	1.30	13.42	12.44
Tier I	10.75	1.44	9.31	8.81
(Core Tier I)	(9.90)	1.48	(8.42)	(7.89)

VI. Appendix

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1. Banks KRW Loan Portfolio

Busan Bank

(KRW bn, %, Balance)	2016 1Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,872.9	27.8	0.4	2.7
Steel Metal Products	2,909.8	8.2	△1.3	3.9
Automobile Parts	2,267.4	6.4	0.1	2.9
Machinery	1,394.5	3.9	△1.3	3.9
Petroleum, Rubber, etc.	1,061.2	3.0	△2.2	△0.3
Fabric	217.2	0.6	2.8	0.7
Garment & Shoes	332.8	0.9	26.9	4.7
Kitchen Units	290.6	0.8	0.6	1.0
Electronics	658.3	1.9	2.9	2.0
Paper, Paper Mills	117.0	0.3	6.8	0.8
Others	624.1	1.7	1.5	1.2
Non-Manufacturing	16,402.2	46.3	6.5	3.4
Wholesale & Retail	2,602.8	7.3	7.7	2.0
Public	785.9	2.2	64.4	28.5
Construction & Engineering	1,809.5	5.1	△19.1	△2.5
Real Estate & Lease	5,334.8	15.1	11.8	5.6
Insurance & Financing	515.3	1.5	2.5	△10.9
Transportation	1,349.9	3.8	△6.7	3.6
Hotel & Food	995.6	2.8	26.7	2.7
Others	3,008.4	8.5	8.7	2.3
Households	9,163.6	25.9	12.8	2.0
KRW Loans	35,438.7	100.0	6.2	2.8

Kyongnam Bank

*Sectors are based on FSS Business Report

(KRW bn, %, Balance)	2016 1Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	10,254.8	39.7	△4.0	0.1
Steel Metal Products	2,588.2	10.0	△5.8	0.3
Automobile Parts	2,793.3	10.8	△2.5	0.3
Machinery	2,712.7	10.5	△7.7	△1.0
Petroleum, Rubber, etc.	302.9	1.2	0.7	1.9
Fabric	68.4	0.3	△9.7	△2.7
Garment & Shoes	24.7	0.1	△27.3	35.7
Kitchen Units	175.0	0.7	6.4	4.8
Electronics	688.8	2.7	△1.9	0.2
Paper, Paper Mills	90.6	0.4	1.1	0.5
Others	810.2	3.0	6.1	0.2
Non-Manufacturing	8,089.3	31.4	16.3	2.3
Wholesale & Retail	1,469.1	5.7	11.7	1.2
Public	0.0	0.0	-	0.0
Construction & Engineering	471.1	1.8	0.8	3.1
Real Estate & Lease	2,883.1	11.2	33.1	4.7
Insurance & Financing	191.2	0.7	0.2	△34.2
Transportation	406.4	1.6	△4.5	7.4
Hotel & Food	479.9	1.9	33.2	5.6
Others	2,188.5	8.5	9.0	3.3
Households	7,459.1	28.9	△3.8	△1.0
KRW Loans	25,803.2	100.0	1.6	0.5

2. Cyclical Sector

	2016 1Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %, no#)						
Exposure	4,137.6	3,079.5	2,484.1	1,979.9	604.1	1,125.7
(% of Total Credits)	(6.4)	(4.7)	(3.8)	(3.1)	(0.9)	(1.7)
Collateral & Provision	2,887.6	2,091.8	801.9	1,314.0	242.3	735.6
Collateral & Provision Coverage	69.8	67.9	32.3	66.4	40.1	65.3
No# of Creditors	2,625	1,913	3,209	1,384	191	950

Note 1) Exposure & Total Credits are the sum of Busan & Kyongnam Bank

Note 2) Sectors are based on FSS Business Report

Note 3) Construction includes Real Estate PF(Ref. Collateral for Real Estate PFs are evaluated based on future cash flow that does not include land, buildings under construction etc. hence the overall low construction coverage)

3. Non-Bank Summary - Securities

□ B/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Assets	757.9	701.4	8.1	539.9	40.4
Cash and Dues	38.3	31.9	20.1	59.8	△36.0
Securities	483.6	403.0	20.0	372.7	29.8
Loans	49.5	58.9	△16.0	72.8	△32.0
Fixed Assets	1.2	1.6	△25.0	1.3	△7.7
Other Assets	185.3	206.0	△10.0	33.3	456.5
Liability & Shareholder's Equity	757.9	701.4	8.1	539.9	40.4
Deposits	52.5	46.4	13.1	71.9	△27.0
Borrowings	372.8	355.6	4.8	283.9	31.3
Other Liabilities	176.1	180.1	△2.2	29.1	505.2
Shareholder's Equity	156.5	119.3	31.2	155.0	1.0

□ I/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Net Interest Income	1.7	1.1	54.5	1.6	6.3
Fee Income	4.4	4.8	△8.3	5.6	△21.4
Others	4.6	4.9	△6.1	4.4	4.5
SG&A(-)	8.4	8.0	5.0	8.4	0.0
Provision Expense(-)	0.0	0.0	-	0.2	△100.0
Non-Operating Income	0.0	0.0	-	0.1	△100.0
Earnings Before Income Tax	2.3	2.8	△17.9	3.1	△25.8
Income Tax Expenses(-)	0.6	0.8	△25.0	0.6	0.0
Net Income	1.7	2.0	△15.0	2.5	△32.0

3. Non-Bank Summary - Capital

□ B/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Assets	4,254.5	3,873.0	9.9	4,287.1	△0.8
Cash and Dues	126.4	62.4	102.6	168.2	△24.9
Securities	0.0	0.0	-	0.0	-
Loans	2,432.4	2,132.7	14.1	2,389.5	1.8
Venture Capital Business	2.0	2.0	0.0	2.0	0.0
Durables Installment Financing Assets	774.2	746.9	3.7	781.4	△0.9
Leased Assets	856.7	870.3	△1.6	884.6	△3.2
Fixed Assets	5.6	4.9	14.3	5.4	3.7
Other Assets	57.2	53.8	6.3	56.0	2.1
Liability & Shareholder's Equity	4,254.5	3,873.0	9.9	4,287.1	△0.8
Borrowings	3,449.5	3,145.4	9.7	3,486.5	△1.1
Other Liabilities	284.1	294.1	△3.4	295.3	△3.8
Shareholder's Equity	520.9	433.5	20.2	505.3	3.1

□ I/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Net Interest Income	50.3	46.2	8.9	50.7	△0.8
Fee Income	4.0	4.2	△4.8	3.8	5.3
Others	0.5	△1.5	Net Gain	△18.0	Net Gain
SG&A(-)	14.5	11.9	21.8	15.4	△5.8
Provision Expense(-)	19.7	22.3	-	18.1	8.8
Non-Operating Income	0.1	0.0	-	0.0	-
Earnings Before Income Tax	20.7	14.7	40.8	3.0	590.0
Income Tax Expenses(-)	5.1	3.3	54.5	0.3	1,600.0
Net Income	15.6	11.4	36.8	2.7	477.8

3. Non-Bank Summary - Capital Portfolio

	16.1Q	Portion	QoQ	15.4Q	15.3Q	15.2Q	15.1Q	14.4Q	14.3Q	14.2Q	14.1Q	13.4Q
(KRW bn, %, Balance)												
Total	4,137.2	100.0	0.4	4,119.8	4,057.4	4,045.9	3,824.0	3,536.0	3,380.8	3,172.7	2,966.1	2,730.5
Loans	1,198.2	29.0	2.4	1,170.1	1,180.8	1,162.8	1,097.7	914.9	880.5	820.6	782.9	711.8
Household	733.7	17.8	2.4	716.6	700.9	695.6	594.0	515.7	492.6	452.2	429.8	399.1
Corporate	464.5	11.2	2.4	453.5	479.9	467.2	503.7	399.2	387.9	368.4	353.1	312.7
Auto Financing	2,244.3	54.3	1.2	2,217.8	2,137.0	2,070.8	1,920.9	1,800.7	1,687.1	1,566.4	1,426.5	1,284.5
Commercial Vehicle	684.9	16.6	1.7	673.7	655.0	661.9	612.6	581.1	560.7	548.0	529.6	490.5
Passenger Vehicle	1,559.4	37.7	1.0	1,544.1	1,482.0	1,408.9	1,308.3	1,219.6	1,126.4	1,018.4	896.9	794.0
Lease/Installments	692.7	16.7	△5.1	729.9	737.6	810.3	803.4	818.4	811.2	783.7	756.7	734.2
Machine Tools	190.8	4.6	△8.0	207.4	223.4	233.6	248.6	259.0	272.3	282.0	281.6	271.6
Medical Instruments	156.8	3.8	△2.9	161.4	166.5	167.4	162.2	170.7	177.9	193.4	199.7	203.0
Others	345.1	8.3	△4.4	361.1	347.7	409.3	392.6	388.7	361.0	308.3	275.4	259.6
Venture Capital Business	2.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-

3. Non-Bank Summary - MSB

□ B/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Total Assets	739.8	775.5	△4.6	795.6	△7.0
Total Deposits	590.4	633.3	△6.8	646.8	△8.7
KRW Deposits	590.4	633.3	△6.8	646.8	△8.7
Others	0.0	0.0	-	0.0	-
Total Credits	598.0	601.2	△0.5	580.7	3.0
Total Loans	598.0	601.2	△0.5	580.7	3.0
KRW Loans	598.0	590.7	1.2	580.7	3.0
Others	0.0	10.5	-	0.0	-
Guarantees	0.0	0.0	-	0.0	-
Total Securities	2.5	4.4	△43.2	2.5	0.0
Shareholder's Equity	125.4	118.5	5.8	123.5	1.5

□ I/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Net Interest Income	7.4	7.0	5.7	8.1	△8.6
Fee Income	△ 0.1	△0.1	-	0.0	-
Others	△ 0.6	△0.7	-	△0.7	-
SG&A(-)	3.3	3.4	△2.9	3.3	0.0
Provision Expense(-)	0.9	2.8	△67.9	3.9	△76.9
Non-Operating Income	△ 0.1	0.0	-	0.1	Net Loss
Earnings Before Income Tax	2.4	0.0	-	0.3	700.0
Income Tax Expenses(-)	0.5	0.2	150.0	0.5	0.0
Net Income	1.9	△0.2	Net Gain	△0.2	Net Gain

3. Non-Bank Summary – Asset Management

□ B/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Assets	10.2	7.3	39.7	10.4	△1.9
Cash and Dues	6.8	4.4	54.5	7.2	△5.6
Securities	0.5	0.5	0.0	0.5	0.0
Loans	0.1	0.2	△50.0	0.1	0.0
Fixed Assets	0.1	0.1	0.0	0.1	0.0
Other Assets	2.7	2.1	28.6	2.5	8.0
Liability & Shareholder's Equity	10.2	7.3	39.7	10.4	△1.9
Deposits	0.0	0.1	△100.0	0.1	△100.0
Borrowings	0.0	0.0	-	0.0	-
Other Liabilities	0.3	0.2	50.0	0.3	0.0
Shareholder's Equity	9.9	7.0	41.4	10.0	△1.0

□ I/S Summary

(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	-
Fee Income	1.1	0.8	37.5	0.9	22.2
Others	0.0	0.0	-	0.0	-
SG&A(-)	1.2	1.1	9.1	1.2	0.0
Provision Expense(-)	0.0	0.0	-	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	△0.1	△0.3	-	△0.3	-
Income Tax Expenses(-)	0.0	△0.1	-	0.0	-
Net Income	△0.1	△0.2	-	△0.3	-

Note 1) 16.1Q Net Income in Controlling Interest(△0.06 KRW bn), 15.4Q Net Income in Controlling Interest(△0.2 KRW bn)

3. Non-Bank Summary – Credit Info., System

□ Credit Information I/S Summary

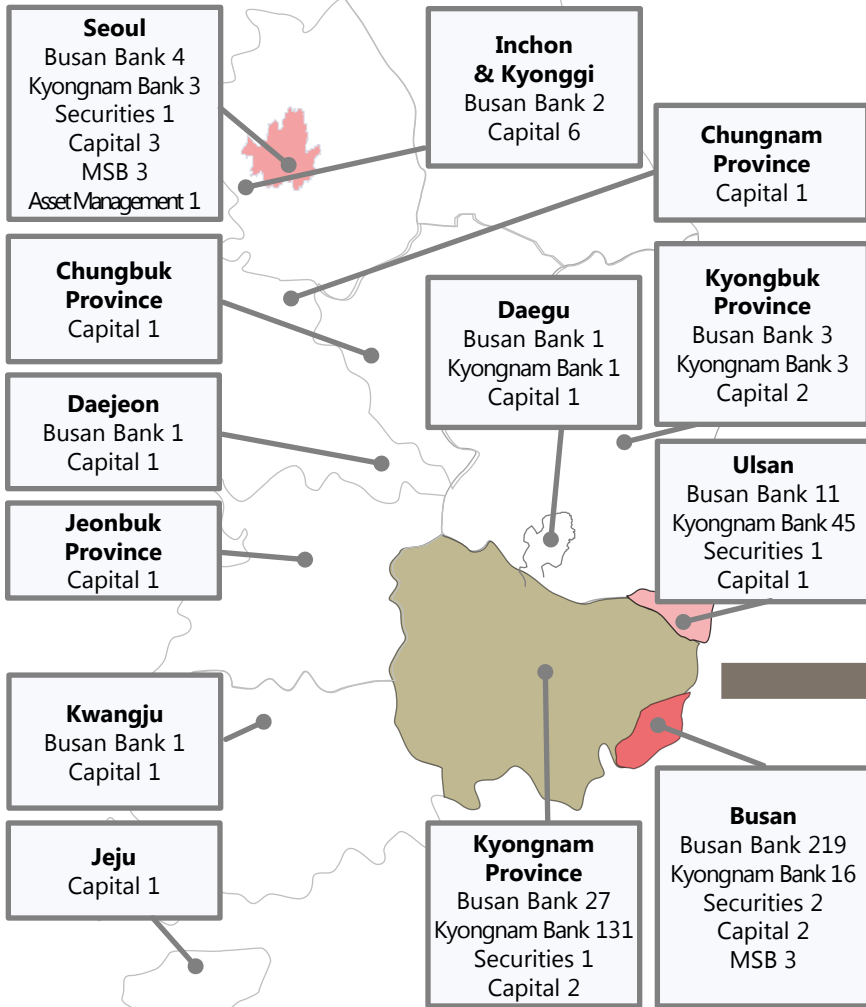
(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	-
Fee Income	0.9	0.8	12.5	0.8	12.5
Others	0.0	0.0	-	0.0	-
SG&A(-)	0.8	0.6	33.3	0.6	33.3
Provision Expense(-)	0.0	0.0	-	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	0.1	0.2	-	0.2	△50.0
Income Tax Expenses(-)	0.0	0.0	-	0.0	-
Net Income	0.1	0.2	△50.0	0.2	△50.0

□ System I/S Summary

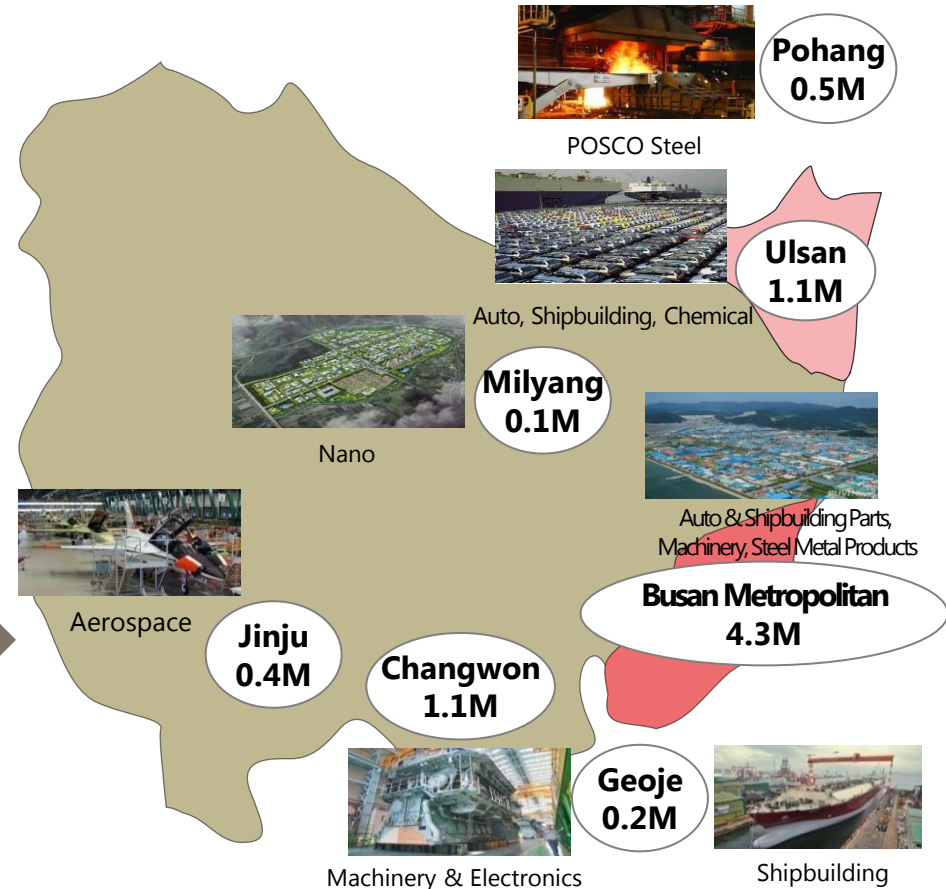
(KRW bn, %, Balance)	16.1Q	15.1Q	YoY	15.4Q	QoQ
Net Interest Income	0.0	0.0	-	0.1	-
Fee Income	0.0	0.0	-	0.0	-
Others	2.3	1.9	21.1	2.6	△11.5
SG&A(-)	2.2	1.8	22.2	2.1	4.8
Provision Expense(-)	0.0	0.0	-	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	-
Earnings Before Income Tax	0.1	0.1	0.0	0.6	△83.3
Income Tax Expenses(-)	0.0	0.0	-	0.1	-
Net Income	0.1	0.1	0.0	0.5	△80.0

4. Group Networks & Major Industries

- ❑ **Networks across Korea(as of Mar. 2016) : 506 Locations**
 - Busan Bank 272(Qingdao Branch, Vietnam & Yangon Office included), Kyongnam Bank 199, Securities 5, Capital 23, MSB 6, Asset Management 1



- ❑ **Population & Major Industries**
 - Southeastern Conurbation (7.9 Mn, 15.4% of Total Population), making up 16.5% of GRDP(2014)
 - Exports : 135.5 USD bn(2015)
 - Imports : 67.9 USD bn(2015)



1) Southeastern region includes Busan, Ulsan, and Kyongnam



MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 



◆ Dow Jones Sustainability Indices(DJSI) Inclusion

1.DJSI

- The world's most prestigious global sustainability index (2015 is the first year of inclusion for BNK)
- The companies included are the leading companies in their industry based on economic, environmental and social criteria

2.Inclusion Index : DJSI Asia-Pacific

3.Date of inclusion : September 10, 2015

4.Benefits of Inclusion

- Promotion of Brand Image
- Enhancement of Corporate Trustworthiness & Global Competitiveness

Note) The DSJI was launched by RobecoSAM and S&P Dow Jones Indices