

2016 2Q Financial Results

(July 28, 2016)

Beyond No.1 in Korea
BNK



BNK FINANCIAL GROUP

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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.

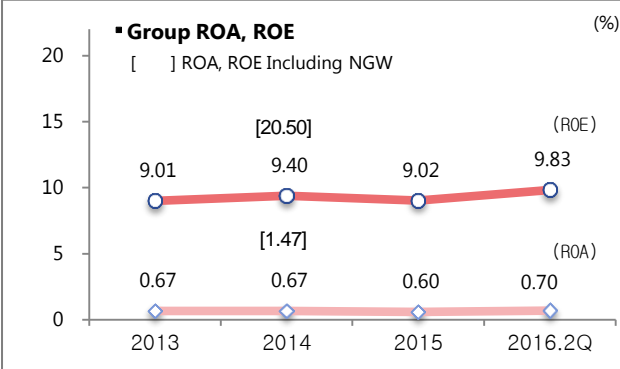
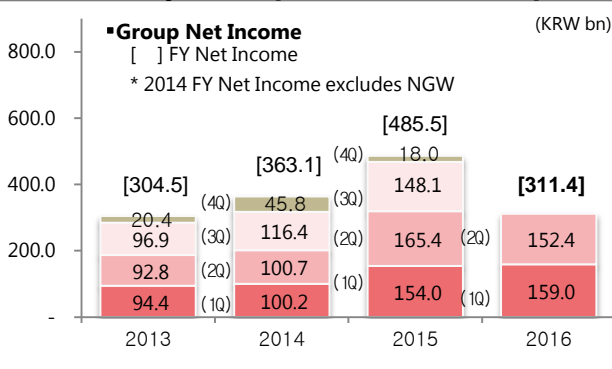
- Kyongnam Bank has been added October 10, 2014, and earnings will be consolidated starting from the 4Q of 2014
- BNK Asset Management has been added July 28, 2015, and earnings will be consolidated starting from August 2015

I . 2Q 2016 Group Highlights

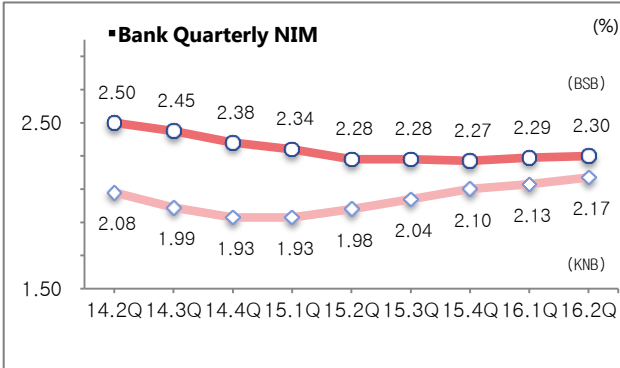
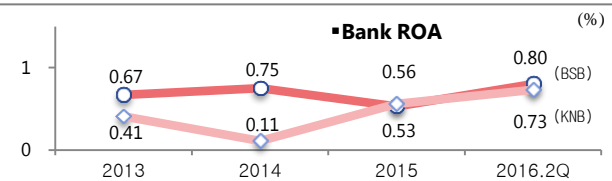
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1. Highlights – Profitability, Growth

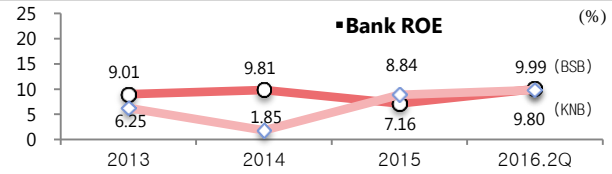
Profitability – Group Net Income, Group & Banks ROA, ROE, NIM



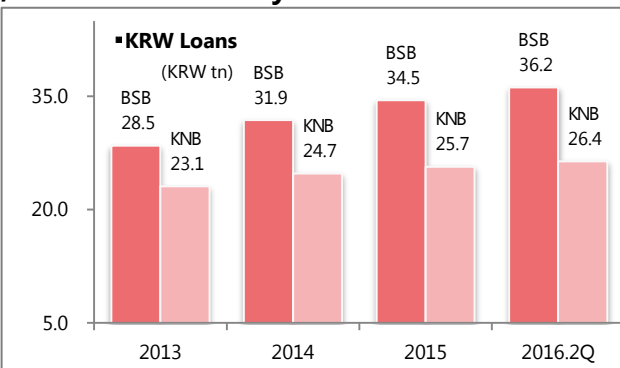
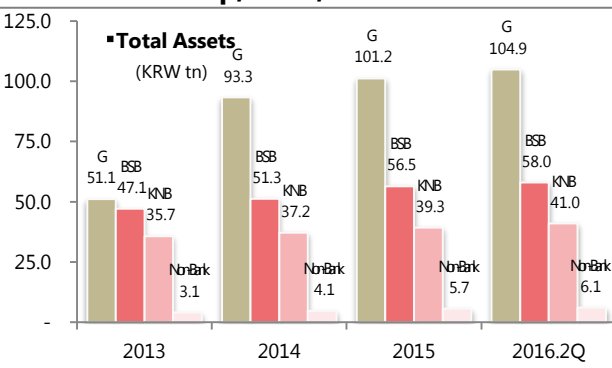
- ❖ **Group 1H Net Income**
311.4 KRW bn, down by 2.5% YoY
- ❖ **Busan 1H Net Income**
181.5 KRW bn, down by 11.1% YoY
- ❖ **Kyongnam 1H Net Income**
137.1 KRW bn, down by 3.3% YoY



- ❖ **Group ROA, ROE 0.70%, 9.83%**
- ❖ **Busan ROA, ROE 0.80%, 9.99%**
- ❖ **Kyongnam ROA, ROE 0.73%, 9.80%**
- ❖ **Busan 2Q NIM 2.30%**
- ❖ **Kyongnam 2Q NIM 2.17%**



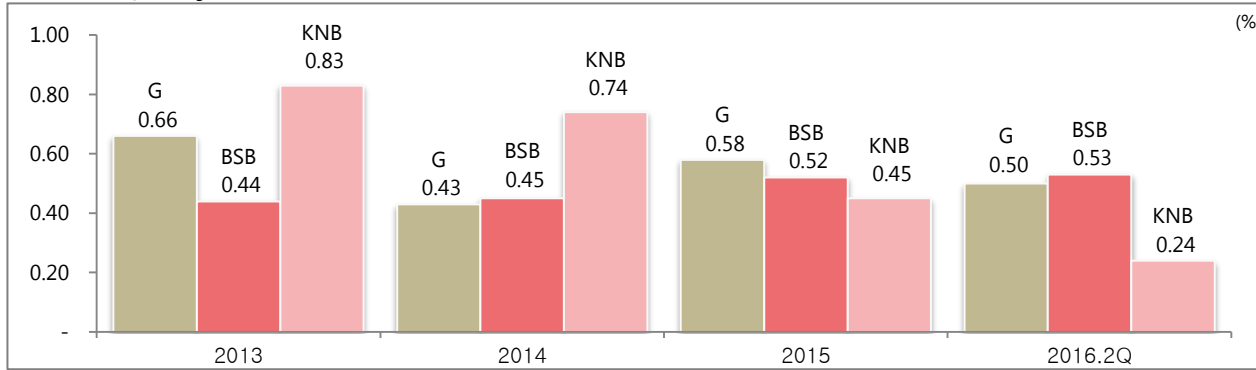
Growth – Group, Bank, Non-Bank Total Assets, Total KRW Loans by Bank



- ❖ **Group Total Assets**
104.9 KRW tn, up by 3.6% YTD
- ❖ **Busan KRW Loans**
36.2 KRW tn, up by 5.1% YTD
- ❖ **Kyongnam KRW Loans**
26.4 KRW tn, up by 2.8% YTD

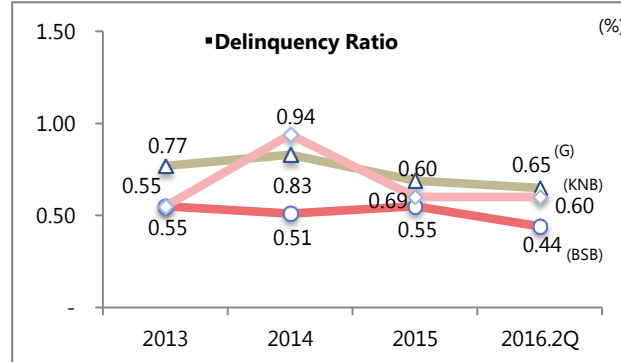
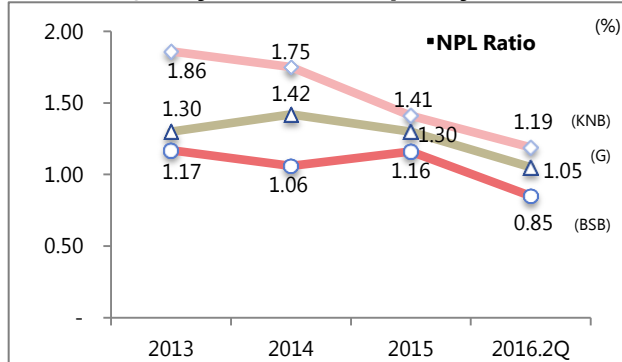
2. Highlights – Asset Quality, Capital Adequacy

Asset Quality – Credit Cost(Annualized)



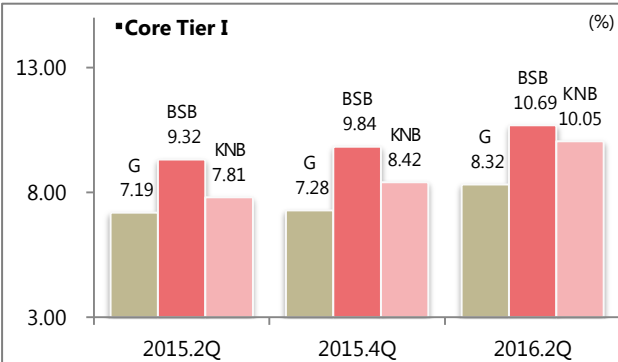
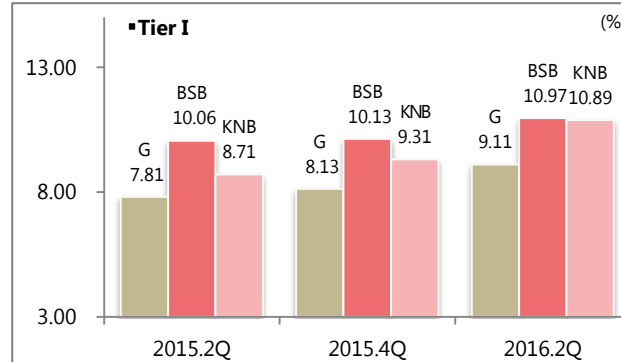
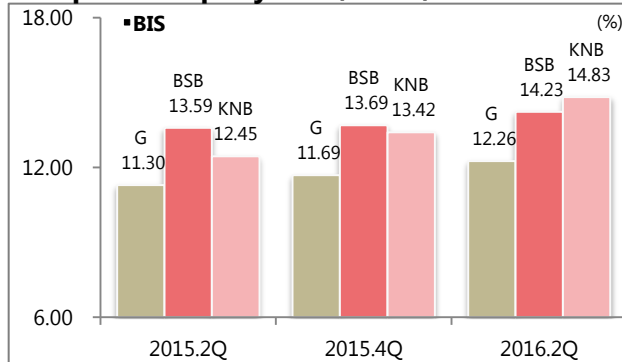
- ❖ Group Credit Cost 50bp
- ❖ Busan Credit Cost 53bp
- ❖ Kyongnam Credit Cost 24bp

Asset Quality – NPL, Delinquency Ratio



- ❖ Group NPL Ratio 1.05%
- ❖ Group Delinquency Ratio 0.65%
- ❖ Busan NPL Ratio 0.85%
- ❖ Busan Delinquency Ratio 0.44%
- ❖ Kyongnam NPL Ratio 1.19%
- ❖ Kyongnam Delinquency Ratio 0.60%

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

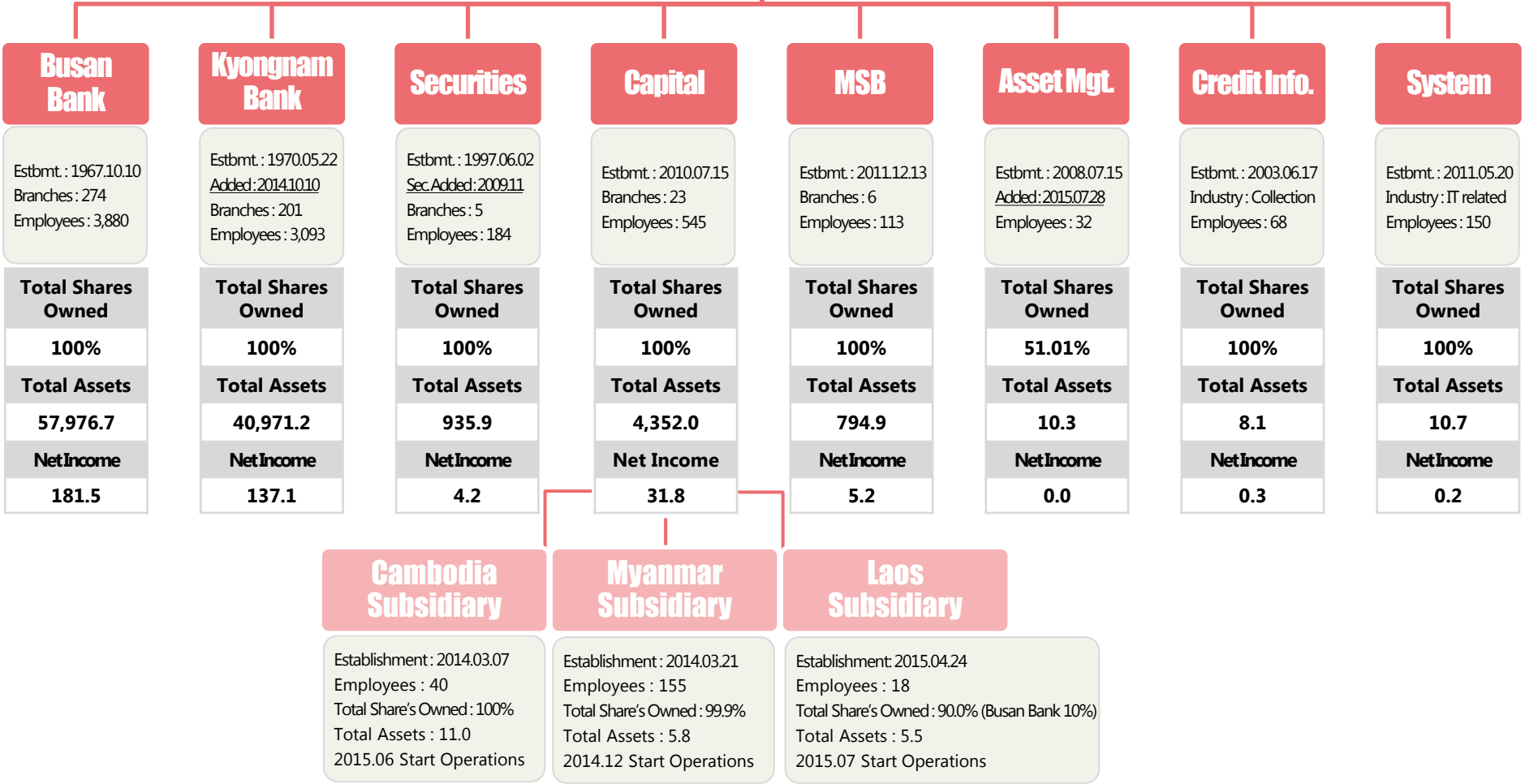


3. Group Structure

(%, KRW bn, Accumulated)

BNK Financial Group

Establishment : 2011.03.15
 Total Assets : 104,894.7
 Net Income : 311.4
 Employees : 8,141



II . Profitability

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1. Group Earning Results

	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
(KRW bn, %)						
Net Interest Income	1,046.9	997.2	5.0	531.0	515.9	2.9
Net Fee Income	82.6	106.8	△22.7	37.6	45.0	△16.4
Others	△13.3	74.4	Net Loss	△14.1	0.8	Net Loss
SG&A(-)	518.8	502.0	3.3	266.4	252.4	5.5
Provision Expense(-)	176.5	233.9	△24.5	82.9	93.6	△11.4
Non-Operating Income	△0.6	14.2	Net Loss	△0.4	△0.2	-
Earnings Before Income Tax	420.3	456.7	△8.0	204.8	215.5	△5.0
Income Tax Expense(-)	100.6	100.3	0.3	48.2	52.4	△8.0
Net Income(A)	319.7	356.4	△10.3	156.6	163.1	△4.0
Net Income in Non-Controlling Interest(B)	8.3	37.0	△77.6	4.2	4.1	2.4
Net Income in Controlling Interest(C) (C) = (A) - (B)	311.4	319.4	△2.5	152.4	159.0	△4.2

2. Subsidiaries Earning Results

	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
(KRW bn, %)						
Bank(A)	318.6	346.0	△7.9	152.7	165.9	△8.0
Busan	181.5	204.2	△11.1	92.3	89.2	3.5
Kyongnam	137.1	141.8	△3.3	60.4	76.7	△21.3
Non-Bank(B)	41.7	31.6	32.0	22.4	19.3	16.1
Securities	4.2	3.2	31.3	2.5	1.7	47.1
Capital	31.8	25.5	24.7	16.2	15.6	3.8
MSB	5.2	2.5	108.0	3.3	1.9	73.7
Asset Management ¹⁾	0.0	0.0	-	0.1	△0.1	Net Gain
Credit Information	0.3	0.3	0.0	0.2	0.1	100.0
System	0.2	0.1	100.0	0.1	0.1	0.0
Financial Group & Unconsolidated Portion(C)	△40.6	△21.2	-	△18.5	△22.1	-
Net Income in Non-Controlling Interest(D)	8.3	37.0	△77.6	4.2	4.1	2.4
Net Income in Controlling Interest(E) (E=A+B+C-D)	311.4	319.4	△2.5	152.4	159.0	△4.2

3. Banks Earning Results

□ Busan

□ Kyongnam

	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ		16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
(KRW bn, %, %p)							(KRW bn, %, %p)						
Net Interest Income	568.4	539.6	5.3	287.3	281.1	2.2	Net Interest Income	382.5	348.5	9.8	194.2	188.3	3.1
Net Fee Income	38.4	60.8	△36.8	16.3	22.1	△26.2	Net Fee Income	19.6	27.5	△28.7	9.0	10.6	△15.1
Fees from Trust Account	11.2	6.6	69.7	5.6	5.6	0.0	Fees from Trust Account	2.9	2.7	7.4	1.5	1.4	7.1
Others	△ 19.2	6.5	Net Loss	△11.1	△8.1	-	Others	△ 10.0	54.4	Net Loss	△12.8	2.8	Net Loss
Provision Expense(-)	102.3	94.7	8.0	43.0	59.3	△27.5	Provision Expense(-)	32.9	90.8	△63.8	19.2	13.7	40.1
SG&A(-)	261.2	261.3	0.0	136.6	124.6	9.6	SG&A(-)	187.2	177.0	5.8	94.0	93.2	0.9
Net Operating Income	235.3	257.5	△8.6	118.5	116.8	1.5	Net Operating Income	174.9	165.3	5.8	78.7	96.2	△18.2
Non-Operating Income	△ 2.4	△1.6	-	△0.9	△1.5	-	Non-Operating Income	2.2	15.4	△85.7	△0.5	2.7	Net Loss
Earnings Before Income Taxes	232.9	255.9	△9.0	117.6	115.3	2.0	Earnings Before Income Taxes	177.1	180.7	△2.0	78.2	98.9	△20.9
Income Tax Expenses(-)	51.4	51.7	△0.6	25.3	26.1	△3.1	Income Tax Expenses(-)	40.0	38.9	2.8	17.8	22.2	△19.8
Net Income	181.5	204.2	△11.1	92.3	89.2	3.5	Net Income	137.1	141.8	△3.3	60.4	76.7	△21.3
ROA	0.80	0.81	△0.01				ROA	0.73	0.96	△0.23			
ROE	9.99	10.98	△0.99				ROE	9.80	15.71	△5.91			

4. Banks NIM & NIS

☐ Busan

(KRW bn, %, %p)	16.2Q	16.1Q	QoQ
NIM(Quarterly)	2.30	2.29	0.01
NIS	2.63	2.62	0.01
Interest Rate on KRW Loans	3.90	3.96	△0.06
Households	3.26	3.32	△0.06
Corporate	3.83	3.87	△0.04
Interest Rate paid on KRW Deposits	1.27	1.34	△0.07
Average Interest Earning Assets	45,213.5	43,932.2	2.9

NIM(Accumulated)	2.29	2.29	0.00
NIS	2.63	2.62	0.01
Interest Rate on KRW Loans	3.93	3.96	△0.03
Households	3.29	3.32	△0.03
Corporate	3.85	3.87	△0.02
Interest Rate paid on KRW Deposits	1.30	1.34	△0.04
Average Interest Earning Assets	44,572.8	43,932.2	1.5

☐ Kyongnam

(KRW bn, %, %p)	16.2Q	16.1Q	QoQ
NIM(Quarterly)	2.17	2.13	0.04
NIS	2.43	2.36	0.07
Interest Rate on KRW Loans	3.82	3.81	0.01
Households	3.09	3.09	0.00
Corporate	3.82	3.80	0.02
Interest Rate paid on KRW Deposits	1.39	1.45	△0.06
Average Interest Earning Assets	31,849.2	31,324.9	1.7

NIM(Accumulated)	2.15	2.13	0.02
NIS	2.39	2.36	0.03
Interest Rate on KRW Loans	3.81	3.81	0.00
Households	3.09	3.09	0.00
Corporate	3.81	3.80	0.01
Interest Rate paid on KRW Deposits	1.42	1.45	△0.03
Average Interest Earning Assets	31,587.1	31,324.9	0.8

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)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
SG&A	518.8	502.0	3.3	266.4	252.4	5.5
CIR	46.48	42.60	3.88			

□ Busan

(KRW bn, %, %p)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Total SG&A	261.2	261.3	0.0	136.6	124.6	9.6
Salaries and other expenses	209.0	207.5	0.7	111.0	98.0	13.3
Depreciation	32.5	33.8	△3.8	16.2	16.3	△0.6
Taxes and dues	6.4	6.2	3.2	2.8	3.6	△22.2
Retirement Allowance	13.2	13.8	△4.3	6.6	6.6	0.0
Honorary Retirement	0.1	0.0	-	0.0	0.1	-
CIR	43.62	42.61	1.01			

□ Kyongnam

(KRW bn, %, %p)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Total SG&A	187.2	177.0	5.8	94.0	93.2	0.9
Salaries and other expenses	151.2	143.6	5.3	75.6	75.6	0.0
Depreciation	21.0	18.5	13.5	10.5	10.5	0.0
Taxes and dues	4.9	5.4	△9.3	2.8	2.1	33.3
Retirement Allowance	10.1	9.3	8.6	5.1	5.0	2.0
Honorary Retirement	0.0	0.2	-	0.0	0.0	-
CIR	47.39	40.87	6.52			

III. Growth

1.	Group Assets, B/S Summary	13
2.	Banks B/S	14
3.	Banks Low-Cost Deposits	16

1. Group Asset, B/S Summary

□ Group Total Assets

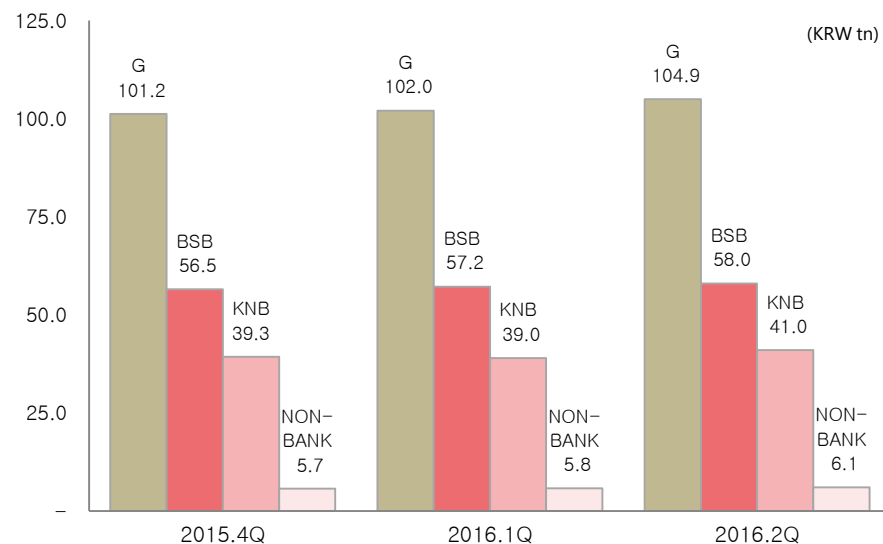
(KRW bn, %)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Bank	98,947.9	95,853.6	3.2	96,244.6	2.8
Busan	57,976.7	56,535.2	2.5	57,229.9	1.3
Kyongnam	40,971.2	39,318.4	4.2	39,014.7	5.0
Non-Bank	6,111.9	5,651.1	8.2	5,779.3	5.8
Securities	935.9	539.9	73.3	757.9	23.5
Capital	4,352.0	4,287.1	1.5	4,254.5	2.3
MSB	794.9	795.6	△0.1	739.8	7.4
Asset Management	10.3	10.4	△1.0	10.2	1.0
Credit Information	8.1	7.7	5.2	7.9	2.5
Information Systems	10.7	10.4	2.9	9.0	18.9
Financial Group & Unconsolidated Portion	△165.1	△276.2	-	△38.4	-
Group Total Assets	104,894.7	101,228.5	3.6	101,985.5	2.9

□ Group Total Lending

(KRW bn, %)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Cash and Dues	2,749.7	3,091.3	△11.1	2,923.0	△5.9
Securities	13,691.2	13,138.0	4.2	13,395.4	2.2
Loans & Receivables	74,533.7	72,058.0	3.4	71,743.1	3.9
Derivative Assets	105.1	177.9	△40.9	170.9	△38.5
Fixed Assets & Investment Assets	791.1	795.9	△0.6	787.8	0.4
Intangible Assets	346.9	367.6	△5.6	358.9	△3.3
Others	651.5	650.8	0.1	641.8	1.5
Total Assets	92,869.2	90,279.5	2.9	90,020.9	3.2

1) Based on the Bank's Unconsolidated Financial Statements

□ Group Total Assets



□ Group Total Funding

(KRW bn, %)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Deposits	65,736.0	64,361.5	2.1	64,373.9	2.1
Borrowings	5,852.1	6,025.8	△2.9	5,724.0	2.2
Derivatives	8,444.2	8,152.8	3.6	8,121.2	4.0
Others	5,891.7	5,548.7	6.2	5,021.1	17.3
Total Liabilities	85,924.0	84,088.8	2.2	83,240.2	3.2
Shareholder's Equity	6,945.2	6,190.7	12.2	6,780.7	2.4
Total Liabilities & Shareholder's Equity	92,869.2	90,279.5	2.9	90,020.9	3.2

2. Banks B/S – Busan¹⁾

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Total Assets	57,976.7	56,535.2	2.5	57,229.9	1.3
Bank Account	50,746.9	49,919.3	1.7	49,654.7	2.2
Trust Account	7,229.8	6,615.9	9.3	7,575.2	△4.6
Total Deposits	44,005.4	42,440.5	3.7	43,310.9	1.6
Bank Account	39,693.1	38,537.2	3.0	38,951.6	1.9
KRW Deposits	36,575.0	35,671.7	2.5	35,931.8	1.8
Demand	4,301.3	3,466.5	24.1	3,993.1	7.7
Savings & Time	32,255.6	32,187.6	0.2	31,920.9	1.0
Installment	18.1	17.6	2.8	17.8	1.7
CD	865.3	431.0	100.8	779.6	11.0
Trust Account	4,312.3	3,903.3	10.5	4,359.3	△1.1
Total Credits	38,011.1	36,295.3	4.7	37,200.1	2.2
Total Loans	37,220.4	35,414.0	5.1	36,385.4	2.3
KRW Loans	36,210.5	34,462.9	5.1	35,438.7	2.2
SMEs	22,271.6	21,547.1	3.4	22,143.4	0.6
(SOHO)	5,248.8	4,768.9	10.1	5,072.6	3.5
Households	9,709.4	8,988.0	8.0	9,163.6	6.0
Guarantees	790.7	881.3	△10.3	814.7	△2.9
Total Securities	9,673.9	9,338.4	3.6	9,677.8	0.0
Bank Account	7,792.6	7,728.8	0.8	7,840.1	△0.6
Trust Account	1,881.3	1,609.6	16.9	1,837.7	2.4
Shareholders' Equity	4,171.3	3,794.5	9.9	4,066.6	2.6

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
KRW Deposits	36,575.0	35,671.7	2.5	35,931.8	1.8
Demand	4,301.3	3,466.5	24.1	3,993.1	7.7
Savings	32,255.6	32,187.6	0.2	31,920.9	1.0
Installment	18.1	17.6	2.8	17.8	1.7
CD	865.3	431.0	100.8	779.6	11.0
Bills Sold	30.6	34.5	△11.3	29.2	4.8
R P	413.1	591.0	△30.1	401.9	2.8
Financial Debenture	1,809.1	1,809.0	0.0	1,809.1	0.0
Trust Account	4,312.3	3,903.3	10.5	4,359.3	△1.1
Total Deposits	44,005.4	42,440.5	3.7	43,310.9	1.6

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
KRW Loans	36,210.5	34,462.9	5.1	35,438.7	2.2
Corporate	24,849.6	23,987.1	3.6	24,633.0	0.9
(SME)	22,271.6	21,547.1	3.4	22,143.4	0.6
(Large Corps)	2,578.0	2,440.0	5.7	2,489.6	3.6
Household	9,709.4	8,988.0	8.0	9,163.6	6.0
(Collateral)	8,578.3	7,969.0	7.6	8,099.0	5.9
Mortgage	4,216.5	4,213.4	0.1	4,173.9	1.0
Others	4,361.8	3,755.6	16.1	3,925.1	11.1
(Credit)	1,131.1	1,019.0	11.0	1,064.6	6.2
Public	1,651.5	1,487.8	11.0	1,642.1	0.6
Foreign Currency	634.4	571.3	11.0	571.8	10.9
Trust Account	13.9	14.9	△6.7	13.3	4.5
Others	1,152.3	1,246.2	△7.5	1,176.3	△2.0
Total Credits	38,011.1	36,295.3	4.7	37,200.1	2.2

LDR	16.2Q	15.4Q	YTD	16.1Q	QoQ
(Monthly Avg. Balance, %)	96.24	94.10	2.14	94.80	1.44

1) Based on the Bank's Unconsolidated Financial Statements

2. Banks B/S – Kyongnam¹⁾

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Total Assets	40,971.2	39,318.4	4.2	39,014.7	5.0
Bank Account	35,802.7	34,596.3	3.5	34,239.8	4.6
Trust Account	5,168.5	4,722.1	9.5	4,774.9	8.2
Total Deposits	30,154.4	30,190.3	△0.1	29,651.0	1.7
Bank Account	28,059.5	28,116.6	△0.2	27,493.7	2.1
KRW Deposits	26,390.5	26,243.9	0.6	25,859.8	2.1
Demand	3,477.7	3,096.1	12.3	3,035.9	14.6
Savings & Time	22,898.5	23,131.1	△1.0	22,804.8	0.4
Installment	14.3	16.7	△14.4	19.1	△25.1
CD	161.5	296.4	△45.5	158.6	1.8
Trust Account	2,094.9	2,073.7	1.0	2,157.3	△2.9
Total Credits	27,087.7	26,296.9	3.0	26,421.0	2.5
Total Loans	26,807.0	25,999.8	3.1	26,131.3	2.6
KRW Loans	26,403.8	25,685.7	2.8	25,803.2	2.3
SMEs	16,090.1	15,639.8	2.9	15,803.3	1.8
(SOHO)	3,874.1	3,494.6	10.9	3,672.0	5.5
Households	7,921.4	7,531.7	5.2	7,459.1	6.2
Guarantees	280.7	297.1	△5.5	289.7	△3.1
Total Securities	5,382.1	5,082.0	5.9	5,143.4	4.6
Bank Account	4,936.6	4,656.2	6.0	4,705.8	4.9
Trust Account	445.5	425.8	4.6	437.6	1.8
Shareholders' Equity	2,807.2	2,456.5	14.3	2,749.0	2.1

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
KRW Deposits	26,390.5	26,243.9	0.6	25,859.8	2.1
Demand	3,477.7	3,096.1	12.3	3,035.9	14.6
Savings	22,898.5	23,131.1	△1.0	22,804.8	0.4
Installment	14.3	16.7	△14.4	19.1	△25.1
CD	161.5	296.4	△45.5	158.6	1.8
Bills Sold	12.4	14.6	△15.1	11.2	10.7
R P	96.0	12.7	655.9	15.0	540.0
Financial Debenture	1,399.1	1,549.0	△9.7	1,449.1	△3.5
Trust Account	2,094.9	2,073.7	1.0	2,157.3	△2.9
Total Deposits	30,154.4	30,190.3	△0.1	29,651.0	1.7

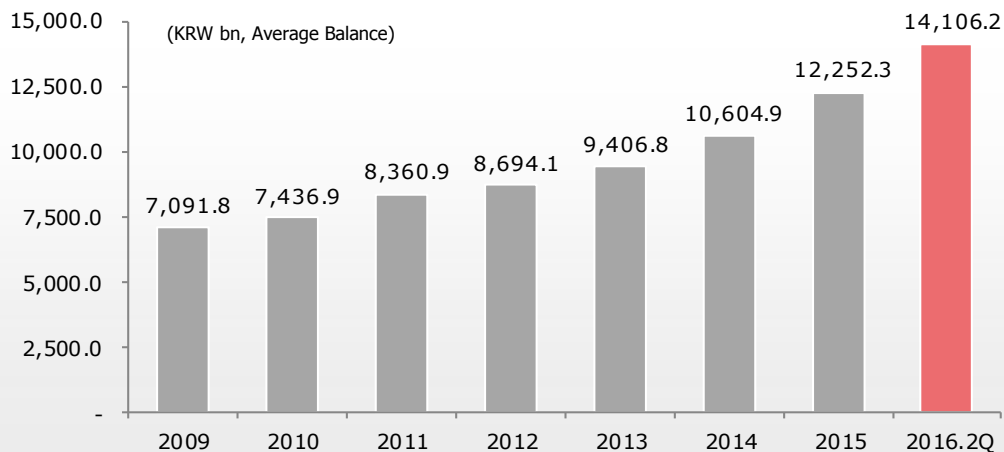
(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
KRW Loans	26,403.8	25,685.7	2.8	25,803.2	2.3
Corporate	18,111.9	17,726.3	2.2	17,959.8	0.8
(SME)	16,090.1	15,639.8	2.9	15,803.3	1.8
(Large Corps)	2,021.8	2,086.5	△3.1	2,156.5	△6.2
Household	7,921.4	7,531.7	5.2	7,459.1	6.2
(Collateral)	7,200.1	6,925.2	4.0	6,849.3	5.1
Mortgage	3,199.9	3,198.8	0.0	3,146.9	1.7
Others	4,000.2	3,726.4	7.3	3,702.4	8.0
(Credit)	721.3	606.5	18.9	609.8	18.3
Public	370.5	427.7	△13.4	384.3	△3.6
Foreign Currency	123.7	117.3	5.5	122.1	1.3
Trust Account	0.3	0.5	△40.0	0.3	0.0
Others	559.9	493.4	13.5	495.4	13.0
Total Credits	27,087.7	26,296.9	3.0	26,421.0	2.5

LDR	16.2Q	15.4Q	YTD	16.1Q	QoQ
(Monthly Avg. Balance, %)	97.69	98.48	△0.79	98.16	△0.47

1) Based on the Bank's Unconsolidated Financial Statements

3. Banks Low-Cost Deposits - Busan

□ Growth Records



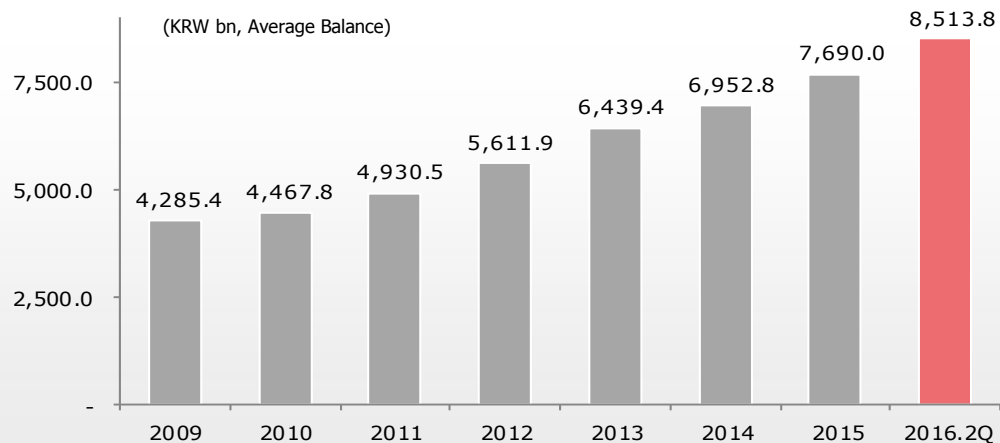
□ Funding Costs

(%, Accumulated)	16.2Q	16.1Q	15.4Q
Demand Deposits	0.30	0.27	0.26
Savings Deposits	0.05	0.06	0.09
Corporate Savings Deposits	0.71	0.74	0.82
Total	0.30	0.31	0.34

(KRW bn, %, %p, Average Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Low-Cost Deposits (A)	14,106.2	12,252.3	15.1	13,752.6	2.6
Demand Deposits	3,984.9	3,253.8	22.5	3,760.0	6.0
Savings Deposits	6,197.7	5,655.3	9.6	6,138.0	1.0
Corporate Savings Deposits	3,923.6	3,343.2	17.4	3,854.6	1.8
Deposits in KRW (B)	36,117.6	34,417.0	4.9	35,923.4	0.5
Total Deposits (Bank Account) (C)	39,109.8	37,078.5	5.5	38,647.1	1.2
Total Deposits (Bank + Trust Account)(D)	43,476.9	40,824.9	6.5	42,894.1	1.4
Low-Cost Deposits/Won Deposits(A/B)	39.06	35.60	3.46	38.28	0.78
Low-Cost Deposits/Total Deposits (A/C)	36.07	33.04	3.03	35.59	0.48
Low-Cost Deposits/Total Deposits(A/D)	32.45	30.01	2.44	32.06	0.39

3. Banks Low-Cost Deposits - Kyongnam

□ Growth Records



□ Funding Costs

(%, Accumulated)	16.2Q	16.1Q	15.4Q
Demand Deposits	0.25	0.27	0.24
Savings Deposits	0.07	0.08	0.11
Corporate Savings Deposits	0.84	0.88	1.04
Total	0.33	0.35	0.40

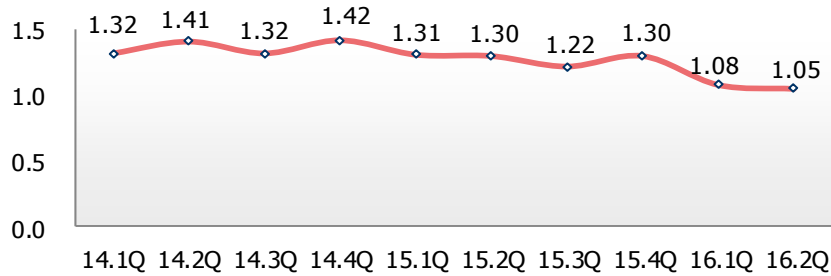
(KRW bn, %, %p, Average Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Low-Cost Deposits (A)	8,513.8	7,690.0	10.7	8,437.0	0.9
Demand Deposits	3,320.0	2,767.6	20.0	3,240.2	2.5
Savings Deposits	3,084.6	2,938.3	5.0	3,082.8	0.1
Corporate Savings Deposits	2,109.2	1,984.1	6.3	2,114.0	△0.2
Deposits in KRW (B)	26,157.7	25,676.9	1.9	25,874.9	1.1
Total Deposits (Bank Account) (C)	27,827.4	27,393.2	1.6	27,595.1	0.8
Total Deposits (Bank + Trust Account)(D)	29,960.8	29,376.6	2.0	29,706.4	0.9
Low-Cost Deposits/Won Deposits(A/B)	32.55	29.95	2.60	32.61	△0.06
Low-Cost Deposits/Total Deposits (A/C)	30.60	28.07	2.53	30.57	0.03
Low-Cost Deposits/Total Deposits(A/D)	28.42	26.18	2.24	28.40	0.02

IV. Asset Quality

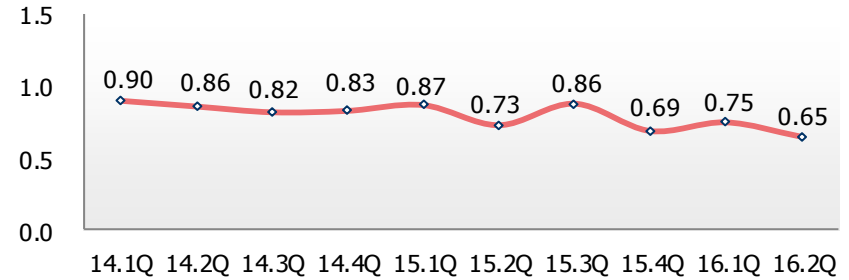
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1. Group Asset Quality

□ SBL(NPL) Ratio (%)



□ Delinquency Ratio (%)

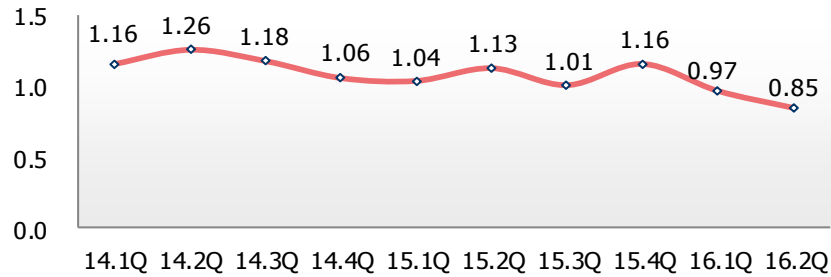


	16.2Q	15.4Q	YTD	16.1Q	QoQ
(KRW bn, %, %p)					
Total Loans	71,291.3	68,536.4	4.0	69,686.4	2.3
Normal	69,332.5	66,435.4	4.4	67,715.8	2.4
Precautionary	1,209.4	1,210.6	△0.1	1,220.7	△0.9
Substandard	387.7	482.0	△19.6	407.7	△4.9
Doubtful	143.4	162.6	△11.8	136.8	4.8
Expected Loss	218.3	245.8	△11.2	205.4	6.3
SBL(Substandard & Below Loans)	749.4	890.4	△15.8	749.9	△0.1
(SBL Ratio (%))	(1.05)	(1.30)	△0.25	(1.08)	△0.03
(SBL Coverage Ratio)	(150.93)	(129.24)	21.69	(145.58)	5.35
Loan Amount	70,219.9	67,358.0	4.2	68,582.0	2.4
Delinquent Amount	453.6	466.5	△2.8	511.1	△11.3
Delinquency Ratio	(0.65)	(0.69)	△0.04	(0.75)	△0.10

2. Banks Asset Quality – Busan

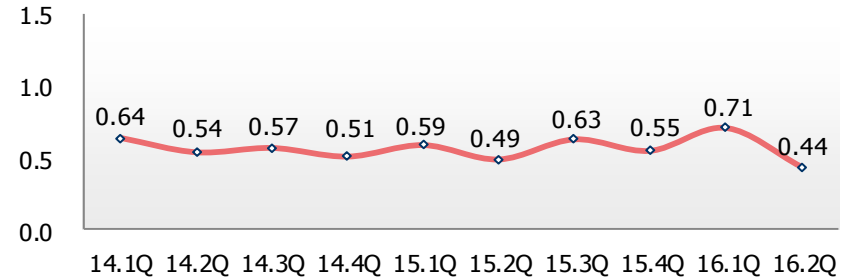
□ SBL(NPL) Ratio (%)

(%)



□ Delinquency Ratio (%)

(%)

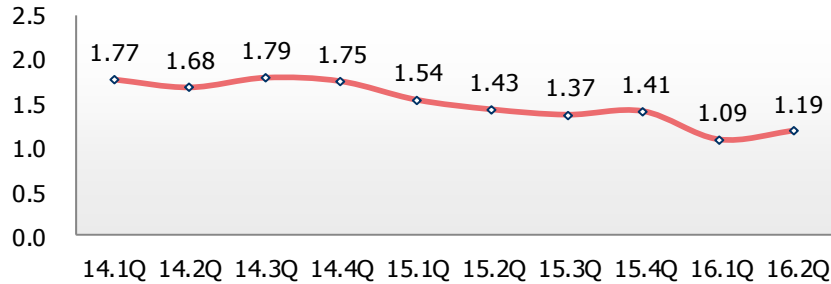


	16.2Q	15.4Q	YTD	16.1Q	QoQ
(KRW bn, %, %p)					
Total Loans	38,610.7	36,856.6	4.8	37,781.1	2.2
Normal	37,733.5	35,865.5	5.2	36,835.8	2.4
Precautionary	550.2	562.1	△2.1	577.6	△4.7
Substandard	179.5	259.6	△30.9	220.1	△18.4
Doubtful	39.1	42.5	△8.0	42.6	△8.2
Expected Loss	108.4	126.9	△14.6	105.0	3.2
SBL(Substandard & Below Loans)	327.0	429.0	△23.8	367.7	△11.1
(SBL Ratio (%))	(0.85)	(1.16)	△0.31	(0.97)	△0.12
(SBL Coverage Ratio)	(171.51)	(133.04)	38.47	(152.51)	19.00
Loan Amount	37,820.0	35,975.3	5.1	36,966.4	2.3
Delinquent Amount	166.2	196.6	△15.5	262.5	△36.7
Delinquency Ratio	(0.44)	(0.55)	△0.11	(0.71)	△0.27

2. Banks Asset Quality – Kyongnam

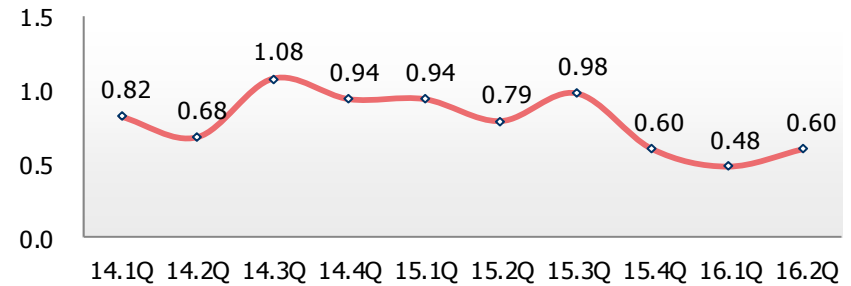
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



	16.2Q	15.4Q	YTD	16.1Q	QoQ
(KRW bn, %, %p)					
Total Loans	27,712.6	27,013.3	2.6	27,119.0	2.2
Normal	27,150.4	26,371.9	3.0	26,577.1	2.2
Precautionary	232.4	260.9	△10.9	246.5	△5.7
Substandard	178.9	199.4	△10.3	162.5	10.1
Doubtful	44.9	70.0	△35.9	40.4	11.1
Expected Loss	106.0	111.1	△4.6	92.5	14.6
SBL(Substandard & Below Loans)	329.8	380.5	△13.3	295.4	11.6
(SBL Ratio (%))	(1.19)	(1.41)	△0.22	(1.09)	0.10
(SBL Coverage Ratio)	(143.48)	(129.01)	14.47	(148.02)	△4.54
Loan Amount	27,431.9	26,716.2	2.7	26,829.3	2.2
Delinquent Amount	165.1	159.4	3.6	129.5	27.5
Delinquency Ratio	(0.60)	(0.60)	0.00	(0.48)	0.12

3. Provisioning

□ Group Provision Expense

(KRW bn, %)	2016			2015					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Total Provisions(A)	176.5	82.9	93.6	396.4	121.7	40.8	233.9	163.1	70.8
Total Credits(B)	71,291.3	71,291.3	69,686.4	68,536.4	68,536.4	68,335.7	68,177.1	68,177.1	67,509.1
¹⁾ Credit Cost(A/B)	0.50	0.47	0.54	0.58	0.70	0.24	0.69	0.96	0.43

Note 1). Accumulated

□ Busan Bank Provision Expense

(KRW bn, %)	2016			2015					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Corporate	900.0	35.7	54.3	189.9	71.5	14.8	103.6	51.6	52.0
Household	4.7	3.0	1.7	5.3	1.3	1.1	2.9	2.2	0.7
Credit Card	6.9	4.0	2.9	10.6	3.0	3.1	4.5	2.6	1.9
Others	0.7	0.3	0.4	△15.2	0.3	0.8	△16.3	△3.9	△12.4
Total(A)	102.3	43.0	59.3	190.6	76.1	19.8	94.7	52.5	42.2
Total Credits(B)	38,610.7	38,610.7	37,781.1	36,856.6	36,856.6	36,483.5	36,304.4	36,304.4	35,884.3
¹⁾ Credit Cost(A/B)	0.53	0.45	0.63	0.52	0.82	0.22	0.53	0.58	0.48

□ Kyongnam Bank Provision Expense

(KRW bn, %)	2016			2015					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Corporate	51.8	42.7	9.1	124.9	20.2	16.6	88.1	81.4	6.7
Household	5.5	3.2	2.3	12.4	2.3	3.7	6.4	3.2	3.2
Credit Card	5.5	2.8	2.7	6.5	1.0	2.8	2.7	2.5	0.2
Others	△ 29.9	△29.5	△0.4	△23.3	△0.2	△16.7	△6.4	0.3	△6.7
Total(A)	32.9	19.2	13.7	120.5	23.3	6.4	90.8	87.4	3.4
Total Credits(B)	27,712.6	27,712.6	27,119.0	27,013.3	27,013.3	27,324.0	27,155.8	27,155.8	27,129.9
¹⁾ Credit Cost(A/B)	0.24	0.28	0.20	0.45	0.34	0.09	0.67	1.29	0.05

4. Banks Write-Offs and NPL Sales

❑ Busan Bank Write-Offs & NPL Sales

(KRW bn, %)	2016.1H	2016.2Q	2016.1Q	2015.4Q	2015.3Q	2015.1H	2015.2Q	2015.1Q
Total Write-Offs	108.0	51.2	56.8	59.3	74.9	76.8	47.8	29.0
Corporate	96.1	45.3	50.8	53.8	68.8	66.7	42.9	23.8
Household	5.1	2.5	2.6	2.3	2.7	4.1	1.9	2.2
Credit Card	6.8	3.4	3.4	3.2	3.4	6.0	3.0	3.0
Total NPL Sales	66.6	66.6	0.0	104.9	0.0	67.9	40.7	27.2
(NPL Sales for SBL Loans)	(65.8)	(65.8)	(0.0)	(103.1)	(0.0)	(66.6)	(39.4)	(27.2)
Corporate	65.4	65.4	0.0	104.7	0.0	66.7	39.6	27.1
Household	1.1	1.1	0.0	0.0	0.0	1.2	1.1	0.1
Credit Card	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0

❑ Kyongnam Bank Write-Offs & NPL Sales

(KRW bn, %)	2016.1H	2016.2Q	2016.1Q	2015.4Q	2015.3Q	2015.1H	2015.2Q	2015.1Q
Total Write-Offs	52.4	20.2	32.2	36.0	225	71.7	37.9	33.8
Corporate	44.6	16.0	28.6	30.3	11.3	59.9	31.2	28.7
Household	2.5	0.8	1.7	3.8	9.1	7.4	3.8	3.6
Credit Card	5.3	3.4	1.9	1.9	2.1	4.4	2.9	1.5
Total NPL Sales	169.6	69.0	100.6	180.8	48.9	105.4	96.2	9.2
(NPL Sales for SBL Loans)	(153.1)	(58.3)	(94.8)	(176.7)	(47.0)	(100.8)	(91.6)	(9.2)
Corporate	168.1	68.9	99.2	180.7	48.8	104.7	95.5	9.2
Household	1.4	0.0	1.4	0.0	0.0	0.6	0.6	0.0
Credit Card	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0

V. Capital Adequacy

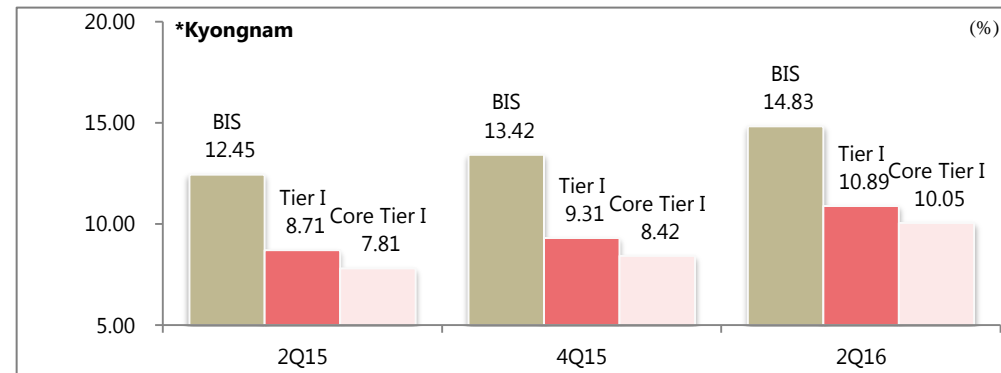
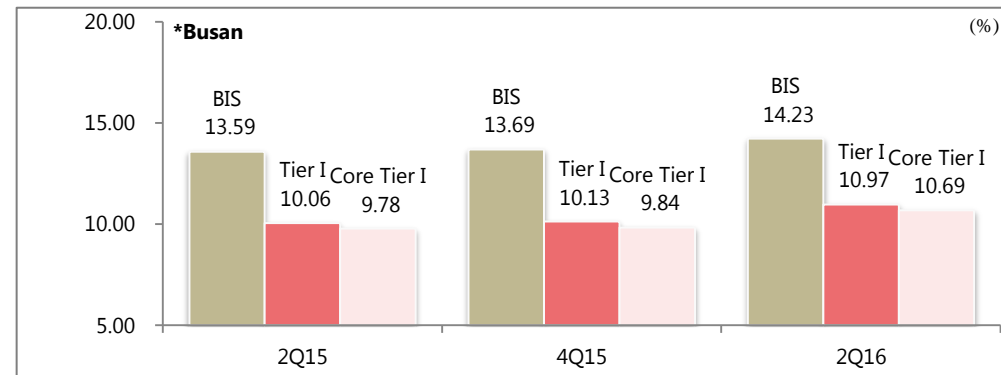
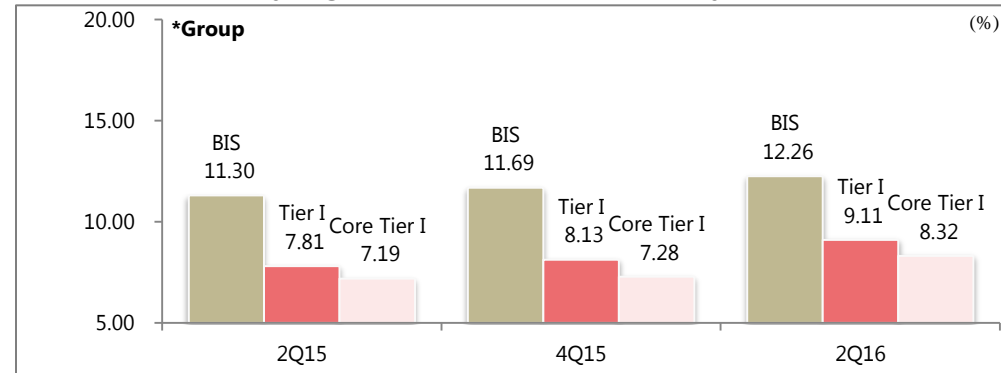
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1. Group Capital Adequacy

□ Group

	2016 2Q	QoQ	2015	
			4Q	2Q
<small>(KRW bn, %, %p, Basel III Standard)</small>				
Total Risk Adjusted Capital	8,179.1	1.9	7,614.3	7,319.3
Tier I Capital	6,074.7	2.6	5,295.6	5,055.5
(Core Tier I Capital)	(5,550.4)	2.9	(4,742.7)	(4,652.5)
Tier II Capital	2,104.4	0.0	2,318.7	2,263.8
Total Risk Weighted Assets	66,713.9	1.0	65,137.9	64,746.9
Credit Risk	62,199.5	1.0	60,816.1	60,575.6
Market Risk	413.6	△4.1	358.0	318.9
Operational Risk	4,100.8	1.6	3,963.8	3,852.4
BIS Capital Ratio	12.26	0.11	11.69	11.30
Tier I	9.11	0.15	8.13	7.81
(Core Tier I)	(8.32)	0.15	(7.28)	(7.19)

□ Group, Busan, Kyongnam Bank Capital Adequacy



2. Banks Capital Adequacy

□ Busan Bank

	2016 2Q	QoQ	2015	
			4Q	2Q
<small>(KRW bn, %, %p, Basel III Standard)</small>				
Total Risk Adjusted Capital	5,098.2	2.1	4,773.9	4,728.7
Tier I Capital	3,930.8	2.7	3,530.8	3,501.4
(Core Tier I Capital)	(3,830.9)	2.7	(3,431.0)	(3,401.5)
Tier II Capital	1,167.4	0.3	1,243.1	1,227.3
Total Risk Weighted Assets	35,837.2	0.6	34,864.4	34,796.2
Credit Risk	33,614.5	0.7	32,642.0	32,678.2
Market Risk	155.3	△22.6	208.1	124.7
Operational Risk	2,067.4	1.1	2,014.3	1,993.3
BIS Capital Ratio	14.23	0.21	13.69	13.59
Tier I	10.97	0.22	10.13	10.06
(Core Tier I)	(10.69)	0.22	(9.84)	(9.78)

□ Kyongnam Bank

	2016 2Q	QoQ	2015	
			4Q	2Q
<small>(KRW bn, %, %p, Basel III Internal Rating Based)</small>				
Total Risk Adjusted Capital	3,332.1	1.5	3,014.7	2,776.3
Tier I Capital	2,446.4	2.0	2,091.7	1,942.7
(Core Tier I Capital)	(2,257.0)	2.2	(1,892.0)	(1,743.0)
Tier II Capital	885.7	0.1	923.0	833.6
Total Risk Weighted Assets	22,468.2	0.8	22,470.2	22,303.6
Credit Risk	20,961.9	0.7	20,994.5	20,835.4
Market Risk	90.4	5.0	81.9	97.6
Operational Risk	1,415.9	0.9	1,393.8	1,370.6
BIS Capital Ratio	14.83	0.11	13.42	12.45
Tier I	10.89	0.14	9.31	8.71
(Core Tier I)	(10.05)	0.15	(8.42)	(7.81)

VI. Appendix

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1. Banks KRW Loan Portfolio

☐ Busan Bank

(KRW bn, %, Balance)	2016 2Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,788.4	27.0	1.9	△0.9
Steel Metal Products	2,824.8	7.8	0.8	△2.9
Automobile Parts	2,292.5	6.3	4.1	1.1
Machinery	1,406.2	3.9	4.8	0.8
Petroleum, Rubber, etc.	1,047.9	2.9	△1.6	△1.3
Fabric	223.8	0.6	3.8	3.0
Garment & Shoes	340.9	0.9	7.3	2.4
Kitchen Units	290.1	0.8	0.9	△0.2
Electronics	620.7	1.7	△3.8	△5.7
Paper, Paper Mills	106.7	0.3	△8.1	△8.8
Others	634.8	1.8	3.0	1.7
Non-Manufacturing	16,712.7	46.2	5.3	1.9
Wholesale & Retail	2,732.5	7.5	7.1	5.0
Public	757.7	2.1	23.8	△3.6
Construction & Engineering	1,744.7	4.8	△6.0	△3.6
Real Estate & Lease	5,558.2	15.3	10.0	4.2
Insurance & Financing	491.6	1.4	△15.0	△4.6
Transportation	1,363.8	3.8	4.7	1.0
Hotel & Food	1,047.1	2.9	8.0	5.2
Others	3,017.1	8.3	2.6	0.3
Households	9,709.4	26.8	8.0	6.0
KRW Loans	36,210.5	100.0	5.1	2.2

☐ Kyongnam Bank

*Sectors are based on FSS Business Report

(KRW bn, %, Balance)	2016 2Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	10,176.7	38.5	△0.7	△0.8
Steel Metal Products	2,550.5	9.7	△1.2	△1.5
Automobile Parts	2,736.1	10.4	△1.8	△2.0
Machinery	2,728.0	10.3	△0.5	0.6
Petroleum, Rubber, etc.	309.6	1.2	4.1	2.2
Fabric	68.0	0.3	△3.2	△0.6
Garment & Shoes	21.2	0.1	16.5	△14.2
Kitchen Units	176.5	0.7	5.7	0.9
Electronics	694.1	2.6	0.9	0.8
Paper, Paper Mills	94.9	0.4	5.2	4.7
Others	797.8	3.0	△1.4	△1.5
Non-Manufacturing	8,305.7	31.5	5.1	2.7
Wholesale & Retail	1,500.0	5.7	3.3	2.1
Public	0.0	0.0	0.0	0.0
Construction & Engineering	488.7	1.9	6.9	3.7
Real Estate & Lease	3,034.9	11.5	10.2	5.3
Insurance & Financing	190.5	0.7	△34.4	△0.4
Transportation	397.3	1.5	5.0	△2.2
Hotel & Food	511.3	1.9	12.5	6.5
Others	2,183.0	8.3	3.0	△0.3
Households	7,921.4	30.0	5.2	6.2
KRW Loans	26,403.8	100.0	2.8	2.3

2. Cyclical Sector

	2016 2Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %, no#)						
Exposure	3,988.3	3,052.3	2,402.7	2,007.7	644.3	1,125.7
(% of Total Credits)	(6.0)	(4.6)	(3.6)	(3.0)	(1.0)	(1.7)
Collateral & Provision	2,845.5	2,072.4	843.1	1,320.2	262.1	751.1
Collateral & Provision Coverage	71.3	67.9	35.1	65.8	40.7	65.2
No# of Creditors	2,615	1,937	3,335	1,327	195	959

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)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Assets	935.9	539.9	73.3	757.9	23.5
Cash and Dues	68.5	59.8	14.5	38.3	78.9
Securities	598.5	372.7	60.6	483.6	23.8
Loans	47.0	72.8	△35.4	49.5	△5.1
Fixed Assets	1.1	1.3	△15.4	1.2	△8.3
Other Assets	220.8	33.3	563.1	185.3	19.2
Liability & Shareholder's Equity	935.9	539.9	73.3	757.9	23.5
Deposits	62.7	71.9	△12.8	52.5	19.4
Borrowings	501.7	283.9	76.7	372.8	34.6
Other Liabilities	212.4	29.1	629.9	176.1	20.6
Shareholder's Equity	159.1	155.0	2.6	156.5	1.7

□ I/S Summary

(KRW bn, %, Balance)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Net Interest Income	3.4	2.5	36.0	1.7	1.7	0.0
Fee Income	9.8	10.2	△3.9	5.4	4.4	22.7
Others	9.5	7.3	30.1	4.9	4.6	6.5
SG&A(-)	17.1	15.5	10.3	8.7	8.4	3.6
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.1	0.0	-	0.1	0.0	-
Earnings Before Income Tax	5.7	4.5	26.7	3.4	2.3	47.8
Income Tax Expenses(-)	1.5	1.3	15.4	0.9	0.6	50.0
Net Income	4.2	3.2	31.3	2.5	1.7	47.1

3. Non-Bank Summary - Capital

□ B/S Summary

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Assets	4,352.0	4,287.1	1.5	4,254.5	2.3
Cash and Dues	101.4	168.2	△39.7	126.4	△19.8
Securities	0.0	0.0	-	0.0	-
Loans	2,533.7	2,389.5	6.0	2,432.4	4.2
Venture Capital Business	1.5	2.0	△25.0	2.0	△25.0
Durables Installment Financing Assets	803.3	781.4	2.8	774.2	3.8
Leased Assets	847.8	884.6	△4.2	856.7	△1.0
Fixed Assets	6.0	5.4	11.1	5.6	7.1
Other Assets	58.3	56.0	4.1	57.2	1.9
Liability & Shareholder's Equity	4,352.0	4,287.1	1.5	4,254.5	2.3
Borrowings	3,539.1	3,486.5	1.5	3,449.5	2.6
Other Liabilities	276.0	295.3	△6.5	284.1	△2.9
Shareholder's Equity	536.9	505.3	6.3	520.9	3.1

□ I/S Summary

(KRW bn, %, Balance)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Net Interest Income	102.0	94.1	8.4	51.7	50.3	2.8
Fee Income	7.4	8.6	△14.0	3.4	4.0	△15.0
Others	0.3	△1.5	Net Gain	△0.2	0.5	Net Loss
SG&A(-)	28.7	25.3	13.4	14.2	14.5	△2.1
Provision Expense(-)	39.5	43.0	△8.1	19.8	19.7	0.5
Non-Operating Income	0.2	0.0	-	0.1	0.1	0.0
Earnings Before Income Tax	41.7	32.9	26.7	21.0	20.7	1.4
Income Tax Expenses(-)	9.9	7.4	33.8	4.8	5.1	△5.9
Net Income	31.8	25.5	24.7	16.2	15.6	3.8

3. Non-Bank Summary - Capital Portfolio

	16.2Q	Portion	QoQ	16.1Q	15.4Q	15.3Q	15.2Q	15.1Q	14.4Q	14.3Q	14.2Q	14.1Q	13.4Q
(KRW bn, %, Balance)													
Total	4,283.5	100.0	3.5	4,137.2	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	1,265.2	29.5	5.6	1,198.2	1,170.1	1,180.8	1,162.8	1,097.7	914.9	880.5	820.6	782.9	711.8
Household	764.1	17.8	4.1	733.7	716.6	700.9	695.6	594.0	515.7	492.6	452.2	429.8	399.1
Corporate	501.1	11.7	7.9	464.5	453.5	479.9	467.2	503.7	399.2	387.9	368.4	353.1	312.7
Auto Financing	2,342.5	54.7	4.4	2,244.3	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	681.5	15.9	△0.5	684.9	673.7	655.0	661.9	612.6	581.1	560.7	548.0	529.6	490.5
Passenger Vehicle	1,661.0	38.8	6.5	1,559.4	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	674.3	15.7	△2.7	692.7	729.9	737.6	810.3	803.4	818.4	811.2	783.7	756.7	734.2
Machine Tools	174.8	4.1	△8.4	190.8	207.4	223.4	233.6	248.6	259.0	272.3	282.0	281.6	271.6
Medical Instruments	161.9	3.8	3.3	156.8	161.4	166.5	167.4	162.2	170.7	177.9	193.4	199.7	203.0
Others	337.6	7.9	△2.2	345.1	361.1	347.7	409.3	392.6	388.7	361.0	308.3	275.4	259.6
Venture Capital Business	1.5	0.0	△25.0	2.0	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)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Total Assets	794.9	795.6	△0.1	739.8	7.4
Total Deposits	642.8	646.8	△0.6	590.4	8.9
KRW Deposits	642.8	646.8	△0.6	590.4	8.9
Others	0.0	0.0	-	0.0	-
Total Credits	637.4	580.7	9.8	598.0	6.6
Total Loans	637.4	580.7	9.8	598.0	6.6
KRW Loans	637.4	580.7	9.8	598.0	6.6
Others	0.0	0.0	-	0.0	-
Guarantees	0.0	0.0	-	0.0	-
Total Securities	2.3	2.5	△8.0	2.5	△8.0
Shareholder's Equity	128.7	123.5	4.2	125.4	2.6

□ I/S Summary

(KRW bn, %, Balance)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Net Interest Income	15.4	14.3	7.7	8.0	7.4	8.1
Fee Income	△0.2	△0.3	-	△0.1	△0.1	-
Others	△0.4	0.4	Net Gain	0.2	△0.6	Net Gain
SG&A(-)	6.6	6.6	0.0	3.3	3.3	0.0
Provision Expense(-)	1.5	5.4	△72.2	0.6	0.9	△33.3
Non-Operating Income	0.0	0.0	-	0.1	△0.1	Net Gain
Earnings Before Income Tax	6.7	2.4	179.2	4.3	2.4	79.2
Income Tax Expenses(-)	1.5	△0.1	-	1.0	0.5	100.0
Net Income	5.2	2.5	108.0	3.3	1.9	73.7

3. Non-Bank Summary – Asset Management

□ B/S Summary

(KRW bn, %, Balance)	16.2Q	15.4Q	YTD	16.1Q	QoQ
Assets	10.3	10.4	△1.0	10.2	1.0
Cash and Dues	6.9	7.2	△4.2	6.8	1.5
Securities	0.5	0.5	0.0	0.5	0.0
Loans	0.1	0.1	0.0	0.1	0.0
Fixed Assets	0.1	0.1	0.0	0.1	0.0
Other Assets	2.7	2.5	8.0	2.7	0.0
Liability & Shareholder's Equity	10.3	10.4	△1.0	10.2	1.0
Deposits	0.0	0.1	-	0.0	-
Borrowings	0.0	0.0	-	0.0	-
Other Liabilities	0.3	0.3	0.0	0.3	0.0
Shareholder's Equity	10.0	10.0	0.0	9.9	1.0

□ I/S Summary

(KRW bn, %, Balance)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Net Interest Income	0.1	0.1	0.0	0.1	0.0	-
Fee Income	2.3	1.5	53.3	1.2	1.1	9.1
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	2.4	2.1	14.3	1.2	1.2	0.0
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.0	△0.5	-	0.1	△0.1	Net Gain
Income Tax Expenses(-)	0.0	△0.1	-	0.0	0.0	-
Net Income	0.0	△0.4	-	0.1	△0.1	Net Gain

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

□ Credit Information I/S Summary

(KRW bn, %, Balance)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Net Interest Income	0.1	0.1	0.0	0.1	0.0	-
Fee Income	2.0	1.6	25.0	1.1	0.9	22.2
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	1.7	1.3	30.8	0.9	0.8	12.5
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.4	0.4	0.0	0.3	0.1	200.0
Income Tax Expenses(-)	0.1	0.1	0.0	0.1	0.0	-
Net Income	0.3	0.3	0.0	0.2	0.1	100.0

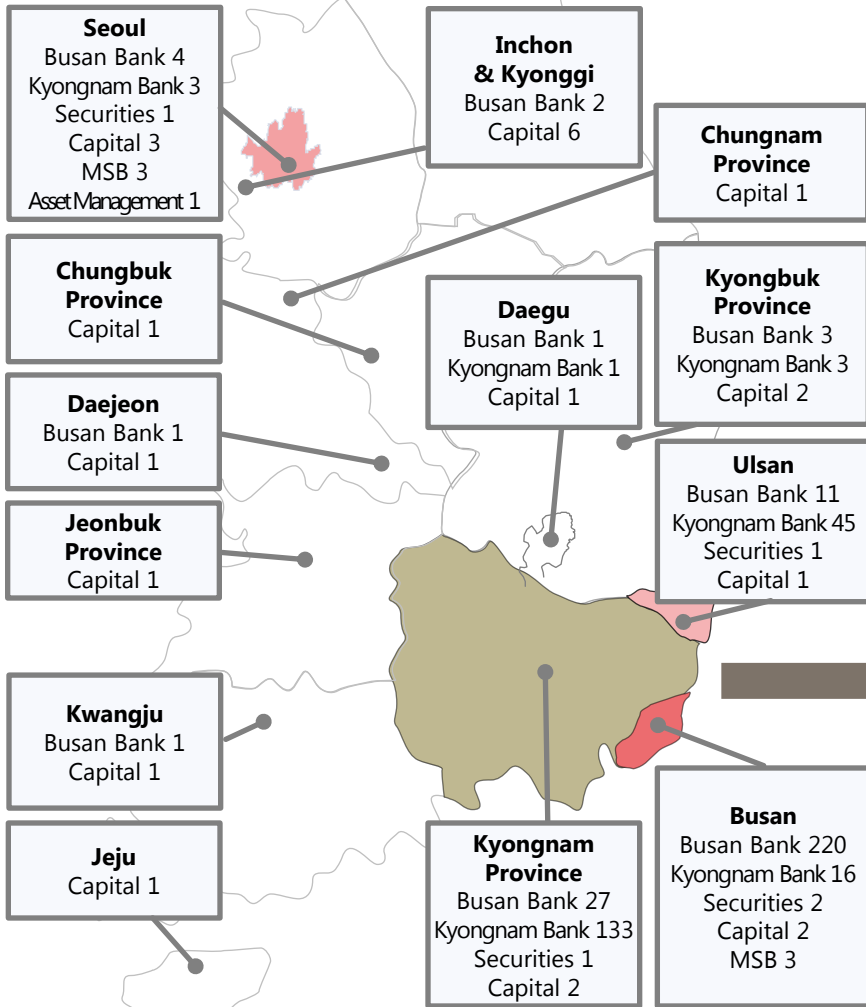
□ System I/S Summary

(KRW bn, %, Balance)	16.1H	15.1H	YoY	16.2Q	16.1Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	0.0	-
Fee Income	0.0	0.0	-	0.0	0.0	-
Others	4.8	3.9	23.1	2.5	2.3	8.7
SG&A(-)	4.5	3.7	21.6	2.3	2.2	4.5
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.3	0.2	50.0	0.2	0.1	100.0
Income Tax Expenses(-)	0.1	0.1	0.0	0.1	0.0	-
Net Income	0.2	0.1	100.0	0.1	0.1	0.0

4. Group Networks & Major Industries

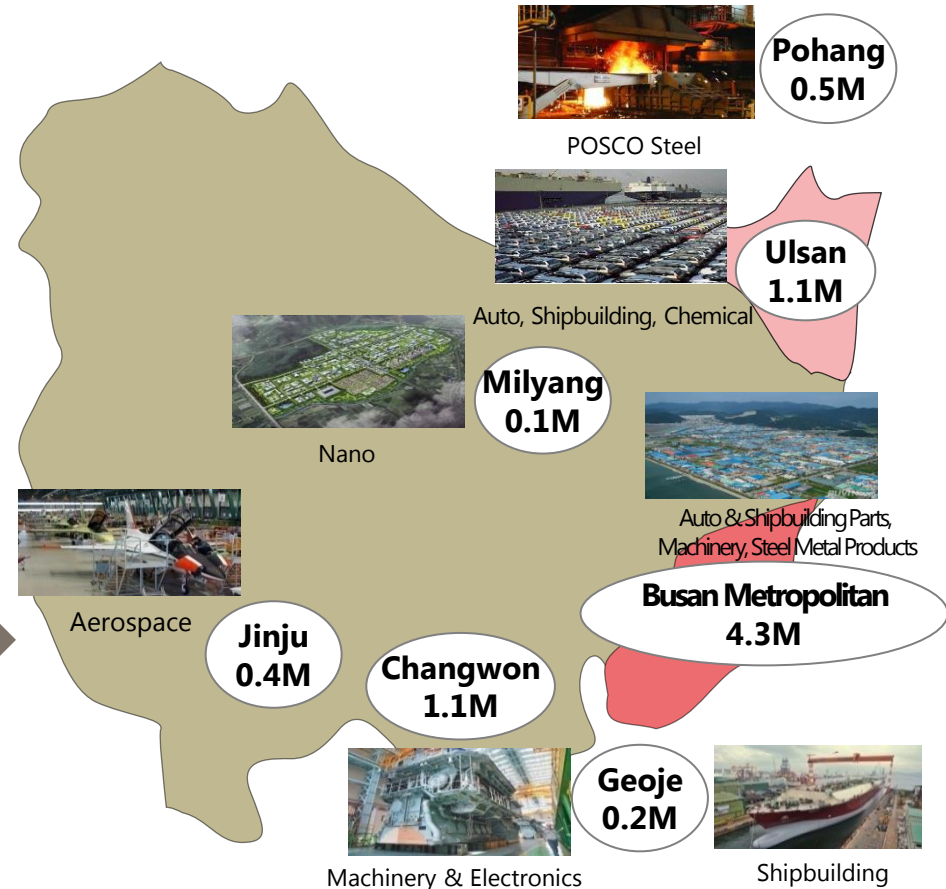
❑ Networks across Korea(as of June 2016) : 510 Locations

- Busan Bank 274(Qingdao Branch, Vietnam, Yangon, Mumbai Office included), Kyongnam Bank 201, 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