

2020 2Q Financial Results

2020.07.27



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.

- KNB has been added October 10, 2014, with earnings consolidated starting from 4Q of 2014. As of June 4, 2015, KNB has become a 100% subsidiary of BNK Financial Group
- AM has been added July 28, 2015, and earnings will be consolidated starting from August 2015

I . 2020 2Q Group Highlights

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1. Highlights – Profitability

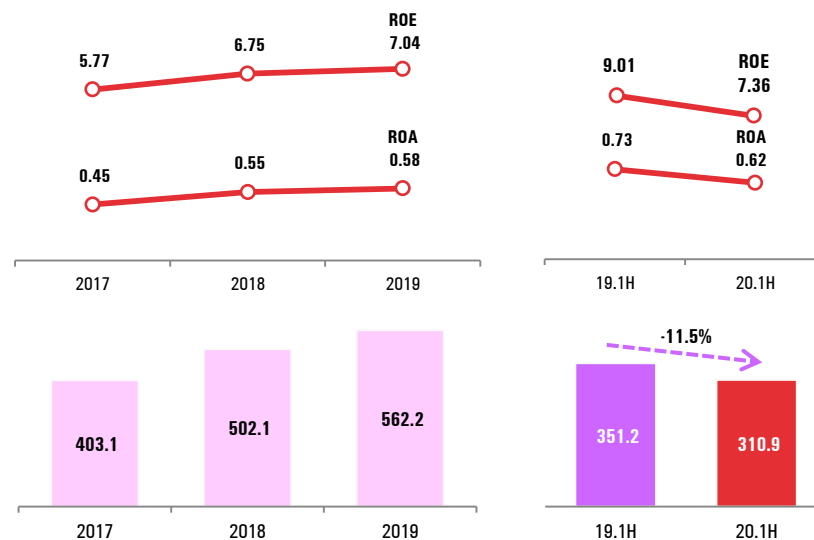
Profitability – Group Net Income

(KRW bn,%)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
Net Interest Income	1,074.1	1,110.3	-3.3	537.6	536.5	0.2
Net Fee Income	196.6	124.9	57.4	128.0	68.6	86.6
Others	36.0	73.2	-50.8	24.3	11.7	107.7
SG&A(-)	683.3	627.8	8.8	355.7	327.6	8.6
Provision Expense(-)	182.1	185.9	-2.0	98.9	83.2	18.9
Net Income	332.5	371.6	-10.5	184.0	148.5	23.9
Net Income in Controlling Interest	310.9	351.2	-11.5	173.2	137.7	25.8

- 2020 2Q Group NI 173.2 KRW bn, up by 25.8% QoQ**
2020 1H Group NI 310.9 KRW bn, down by 11.5% YoY
 - Even with decreased interest income, subsidarie's PF Fee Income(LCT etc.) showed growth
 - Additional costs incl. Corona-led conservative provisions & BSB's ERP
 - Considering decreasing other income, mainly gains on NPL Sales, maintaining sound earnings
- Group Fee Income 196.6 KRW bn, up by 57.4% YoY**
 - LCT PF Fee Income 40.0 KRW bn etc.
- Group Other Income 36.0 KRW bn, down by 50.8 YoY**
 - Slower NPL formation leading decrease in NPL Sale & related gains
- Group SG&A 683.3 KRW bn, up by 8.8% YoY**
 - BSB ERP 18.2 KRW bn etc.
- Group Provision Expense 182.1 KRW bn, down by 2.0% YoY**
 - 2Q Provision Expense incl. Corona impact of 25.5 KRW bn, Lime AM 11.6 KRW bn

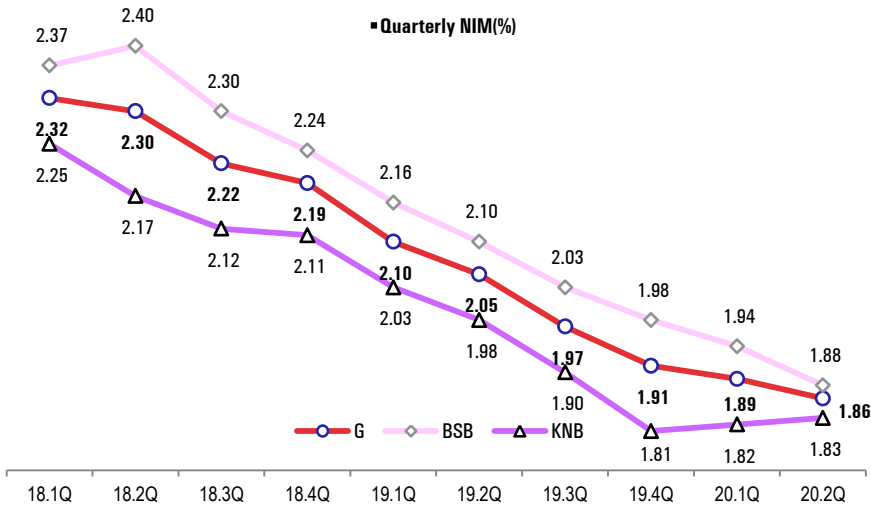
Profitability – Group Subsidiaries Net Income, Group ROA, ROE, Group Net Income Trend

(KRW bn,%)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
BSB	178.1	222.7	-20.0	90.7	87.4	3.8
KNB	104.6	120.4	-13.1	57.2	47.4	20.7
Capital	44.8	39.3	14.0	25.6	19.2	33.3
Securities	22.5	12.7	77.2	15.7	6.8	130.9
MSB	9.1	11.2	-18.8	4.9	4.2	16.7
AM	0.2	1.7	-88.2	4.2	-4.0	Net Gain



2. Highlights – Profitability, Growth

Profitability, Growth – Quarterly NIM, Total Assets, Banks KRW Loans



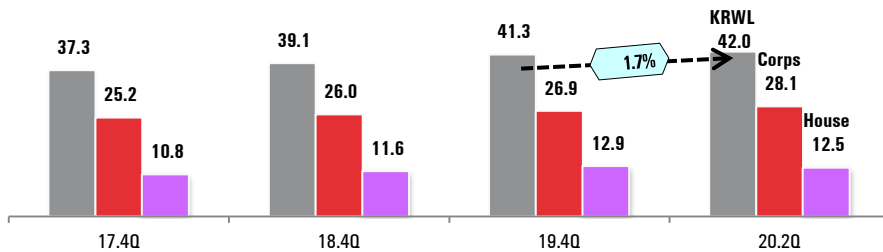
20.2Q Group NIM 1.86%, dropped by 3bps QoQ

- BOK's rate cut of 75bps(March & May) & BSB's reorganized credit related interest collection decrease led the quarterly NIM drop
- BSB 1.88%(QoQ -6bps), KNB 1.83%(QoQ +1bps)

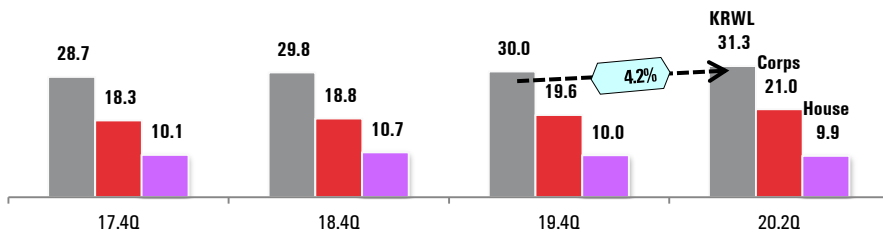
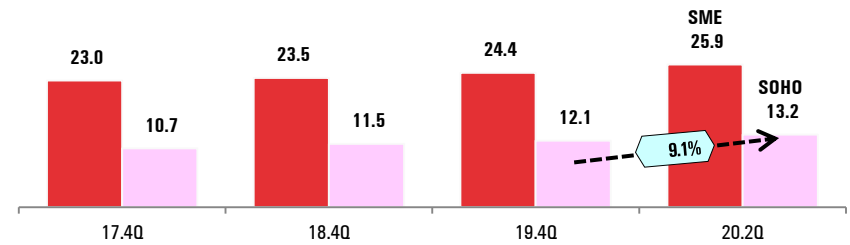
Maintaining stable corporate loan growth trend

- BSB KRW Loan Growth +1.7% YTD
⇒ Maturing group loans & safe conversion loans repayments etc.
(Corporate +4.7%, Household -3.3% YTD)
- KNB KRW Loan Growth +4.2% YTD
⇒ PF Loans & SOHO based corporate loan growth
(Corporate +6.9%, Household -1.4% YTD)

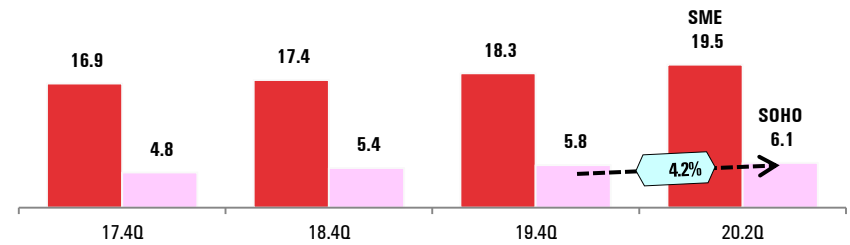
Banks KRW Loans & Breakdown (KRW tn)



BSB

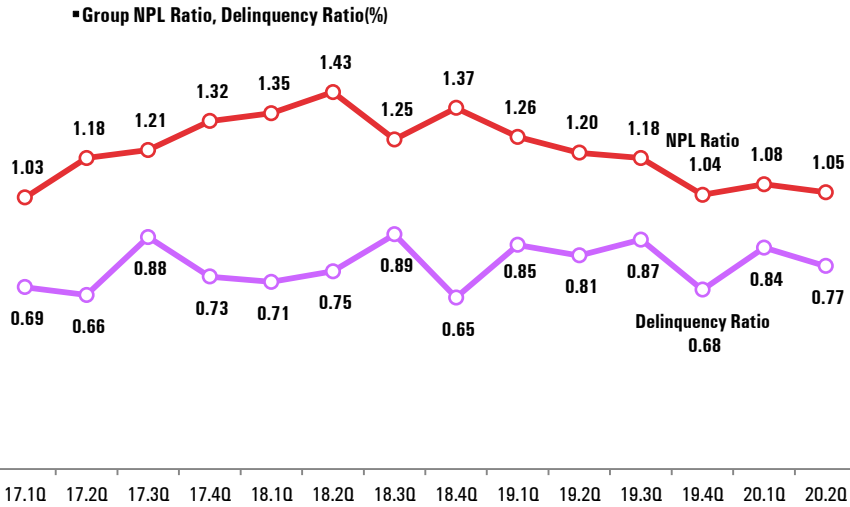


KNB

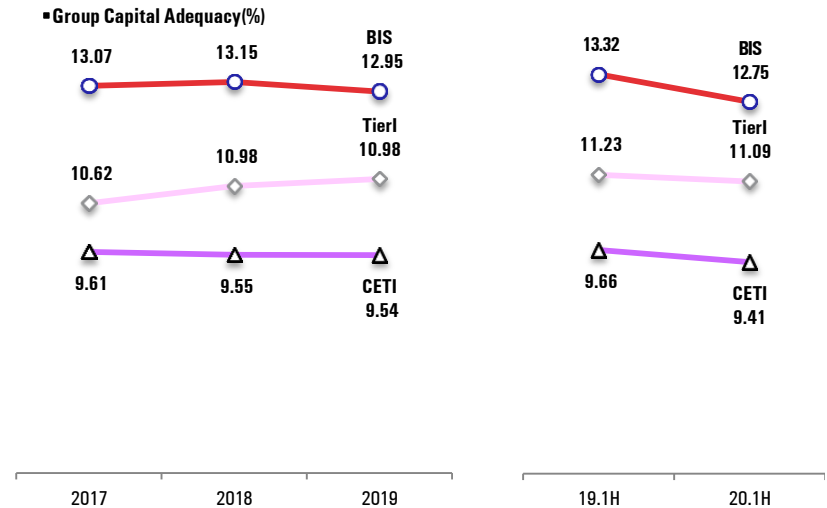
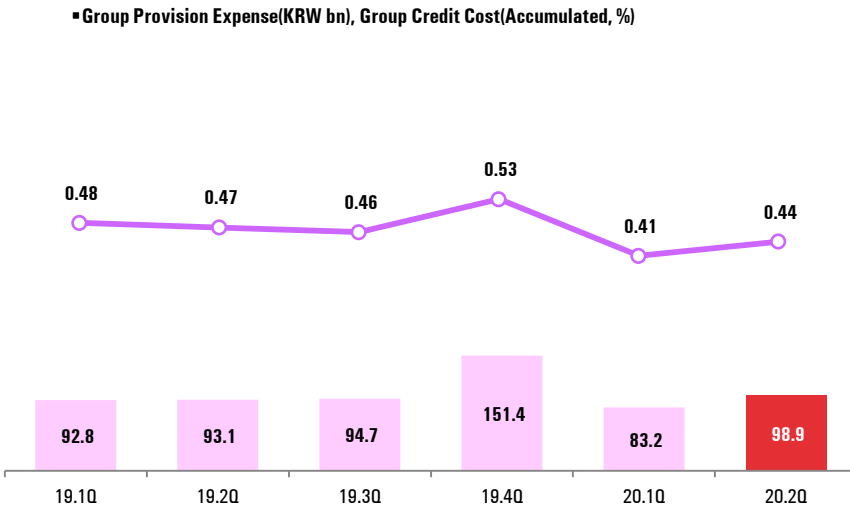


3. Highlights – Asset Quality, Capital Adequacy

Asset Quality, Capital Adequacy – NPL & Delinquency Ratio, Group Capital Adequacy



- Group NPL Ratio 1.05%, down by 3bps QoQ**
 - Continuing slower NPL formation trend
 - BSB NPL Ratio 0.96%(QoQ +9bps), KNB 0.90%(QoQ -20bps)
 - 1 Large PF Loan impact(BSB), Group +4bps, BSB +9bps (Amount 40.5 KRW bn, 100% covered by collateral, expected to be sold within 2020)
 - KNB, NPL decrease led by NPL sales & write-offs
- Group Delinquency Ratio 0.77%, down by 7bps QoQ**
 - BSB Delinquency Ratio 0.68%(QoQ +2bps)
 - KNB Delinquency Ratio 0.67%(QoQ -17bps)
 - 1 Large PF Loan impact(BSB), Group +5bps, BSB +9bps
- Group Credit Cost 44bps, down by 3bps YoY**
- Group CET1 9.41%**
 - KRW Loan growth followed by RWA increase led the YTD decrease



4. Group Structure

BNKFG

Establishment : 2011.03.15

Total Assets : 134,454.7

Net Income : 310.9

Employees : 8,195

(%, KRW bn, Accumulated)

BSB

Est : 1967.10.10
Branches : 257
Employees : 3,830

Share's Owned

100%

Tot. Assets

73,966.9

Net Income

178.1

KNB

Est : 1970.05.22
Add : 2014.10.10
Branches : 181
Employees : 2,893

Share's Owned

100%

Tot. Assets

50,002.0

Net Income

104.6

Capital

Est : 2010.07.15
Branches : 20
Employees : 561

Share's Owned

100%

Tot. Assets

6,001.9

Net Income

44.8

Securities

Est : 1997.06.02
Sec. Add : 2009.11
Branches : 4
Employees : 284

Share's Owned

100%

Tot. Assets

3,299.7

Net Income

22.5

MSB

Est : 2011.12.13
Branches : 7
Employees : 131

Share's Owned

100%

Tot. Assets

1,133.7

Net Income

9.1

AM

Est : 2008.07.15
Add : 2015.07.28
Employees : 59

Share's Owned

100%

Tot. AUM

7,161.0

Net Income

2.0

Credit Info.

Est : 2003.06.17
Indus. : Collection
Employees : 95

Share's Owned

100%

Tot. Assets

11.8

Net Income

0.5

System

Est : 2011.05.20
Indus. : IT
Employees : 213

Share's Owned

100%

Tot. Assets

16.4

Net Income

0.8

Venture Capital

Est : 2009.03.24
Add : 2019.11.05
Employees : 11

Share's Owned

100%

Tot. Assets

18.8

Net Income

0.1

Affiliates

Cambodia

Est : 14.03.07
Employees : 209
Share's Owned : 100%
Assets : 41.5 KRW bn
2015.06 Start

Myanmar

Est : 14.03.21
Employees : 612
Share's Owned : 99.9%
Assets : 65.1 KRW bn
2014.12 Start

Lao PDR

Est : 15.04.24
Employees : 33
Share's Owned : 97%
Assets : 29.9 KRW bn
2015.07 Start

Kazakhstan

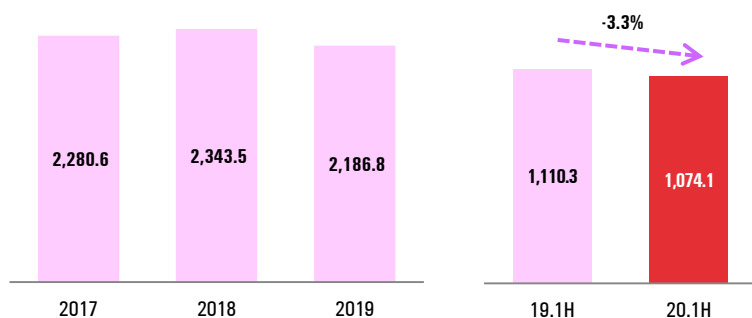
Est : 18.06.01
Employees : 32
Share's Owned : 100%
Assets : 11.9 KRW bn
2018.11 Start

II . Profitability

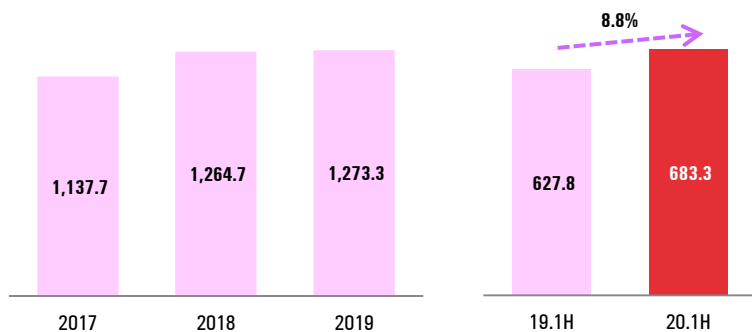
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5. SG&A	13

1. Group Earning Results

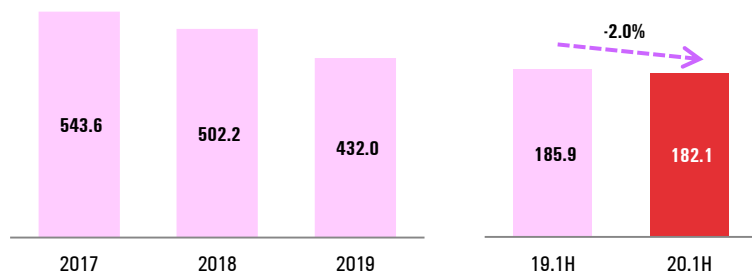
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



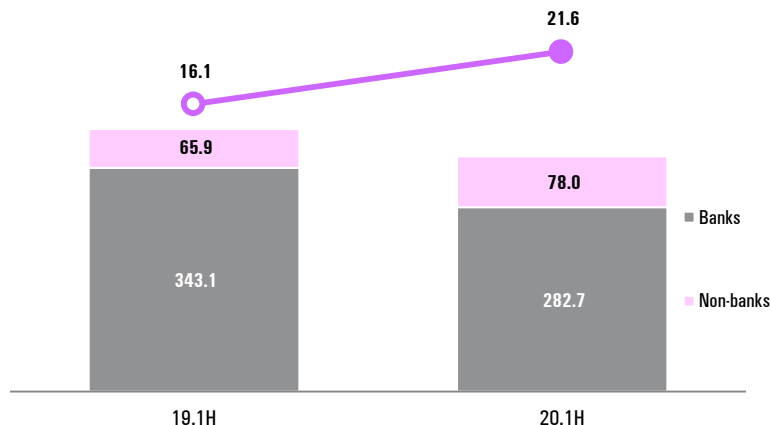
Provisioning(% , KRW bn)



(KRW bn, %)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
Net Interest Income	1,074.1	1,110.3	-3.3	537.6	536.5	0.2
Net Fee Income	196.6	124.9	57.4	128.0	68.6	86.6
Others	36.0	73.2	-50.8	24.3	11.7	107.7
SG&A(-)	683.3	627.8	8.8	355.7	327.6	8.6
Provision Expense(-)	182.1	185.9	-2.0	98.9	83.2	18.9
Non-Operating Income	-2.9	-1.0	-	8.1	-11.0	Net Gain
Earnings Before Income Tax	438.4	493.7	-11.2	243.4	195.0	24.8
Income Tax Expense(-)	105.9	122.1	-13.3	59.4	46.5	27.7
Net Income(A)	332.5	371.6	-10.5	184.0	148.5	23.9
Net Income in Non-Controlling Interest(B)	21.6	20.4	5.9	10.8	10.8	0.0
Net Income in Controlling Interest(C) (C) = (A) - (B)	310.9	351.2	-11.5	173.2	137.7	25.8

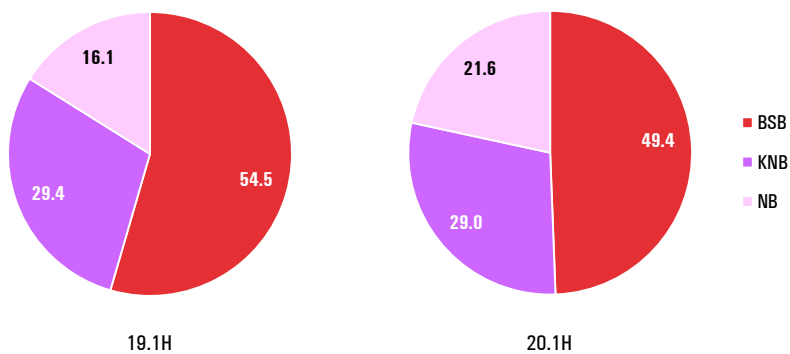
2. Subsidiaries Earning Results

Non-Bank Net Income Contribution(% , KRW bn)



- 1) Exclude Holding Corps. & Unconsolidated Portion
- 2) Include Non-Controlling Interest

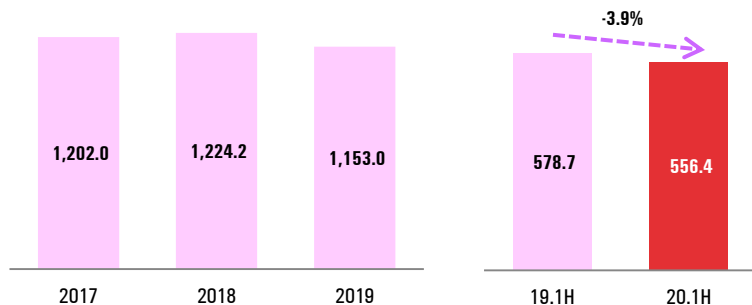
Banks & Non-Bank Net Income Portion(%)



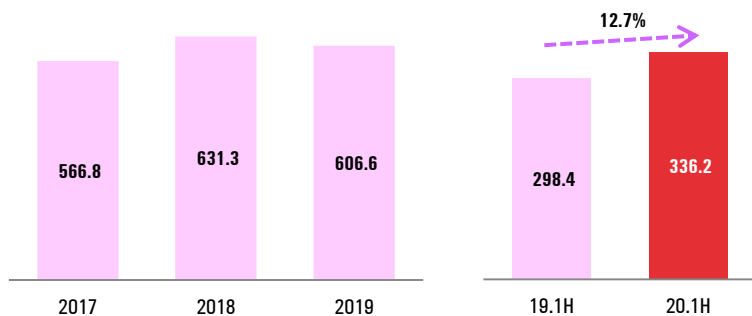
(KRW bn, %)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
Bank(A)	282.7	343.1	-17.6	147.9	134.8	9.7
BSB	178.1	222.7	-20.0	90.7	87.4	3.8
KNB	104.6	120.4	-13.1	57.2	47.4	20.7
Non-Bank(B)	78.0	65.9	18.4	51.3	26.7	92.1
Capital	44.8	39.3	14.0	25.6	19.2	33.3
Securities	22.5	12.7	77.2	15.7	6.8	130.9
MSB	9.1	11.2	-18.8	4.9	4.2	16.7
AM	0.2	1.7	-88.2	4.2	-4.0	Net Gain
Credit Info	0.5	0.4	25.0	0.2	0.3	-33.3
System	0.8	0.6	33.3	0.5	0.3	66.7
Venture Capital	0.1	0.0	-	0.2	-0.1	Net Gain
Financial Group & Unconsolidated Portion(C)	-28.2	-37.4	-	-15.2	-13.0	-
Net Income in Non-Controlling Interest(D)	21.6	20.4	5.9	10.8	10.8	0.0
Net Income in Controlling Interest(E) (E= A+B+C-D)	310.9	351.2	-11.5	173.2	137.7	25.8

3. Banks Earning Results - BSB

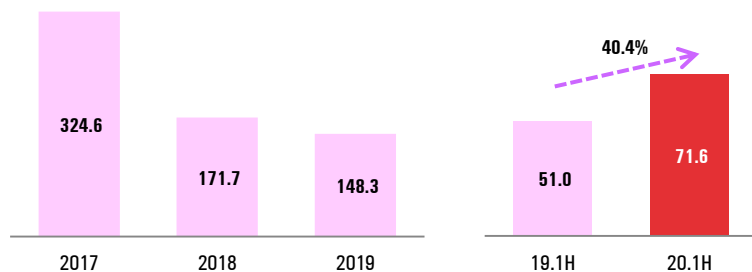
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



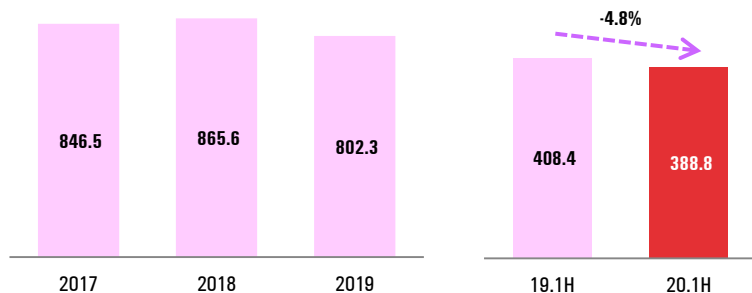
Provision Expense(% , KRW bn)



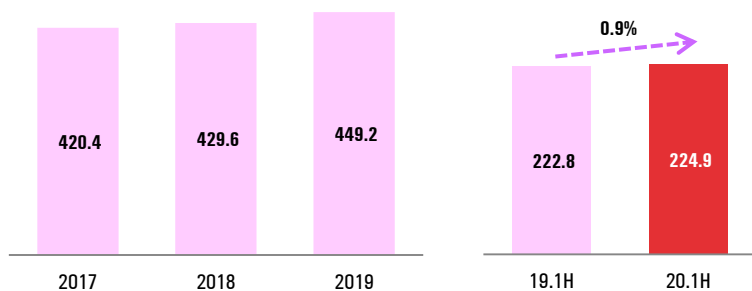
(KRW bn, %)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
Net Interest Income	556.4	578.7	-3.9	276.4	280.0	-1.3
Net Fee Income	82.9	46.4	78.7	65.9	17.0	287.6
Fees from Trust Account	8.6	10.8	-20.4	4.4	4.2	4.8
Others	-0.9	10.8	Net Loss	-7.2	6.3	Net Loss
SG&A(-)	336.2	298.4	12.7	177.5	158.7	11.8
Provision Expense(-)	71.6	51.0	40.4	46.3	25.3	83.0
Net Operating Income	239.2	297.3	-19.5	115.7	123.5	-6.3
Non-Operating Income	-6.3	-5.6	-	4.4	-10.7	Net Gain
Earnings Before Income Taxes	232.9	291.7	-20.2	120.1	112.8	6.5
Income Tax Expenses(-)	54.8	69.0	-20.6	29.4	25.4	15.7
Net Income	178.1	222.7	-20.0	90.7	87.4	3.8

3. Banks Earning Results - KNB

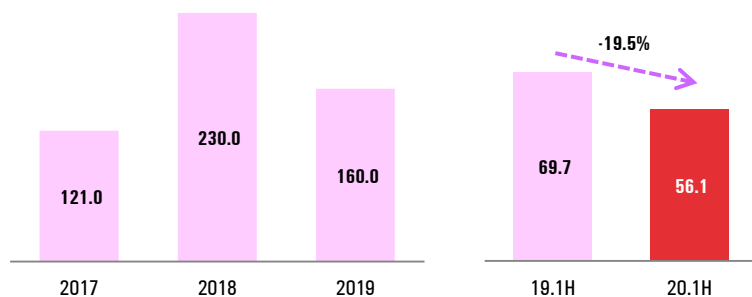
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



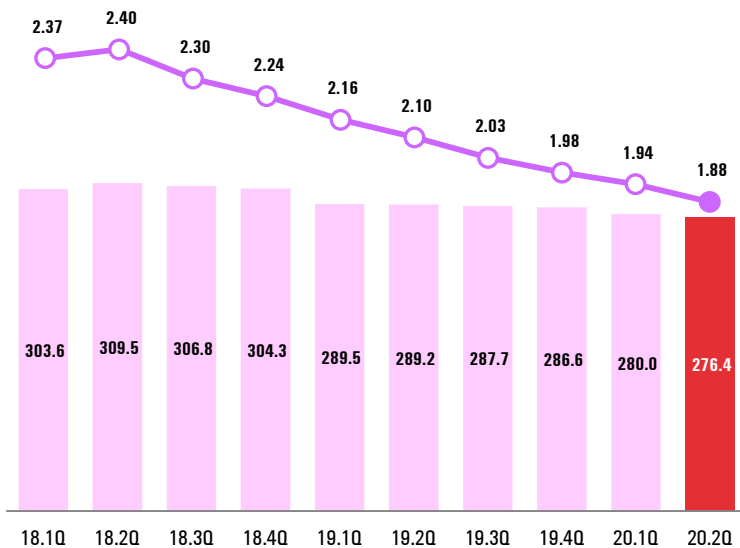
Provision Expense(% , KRW bn)



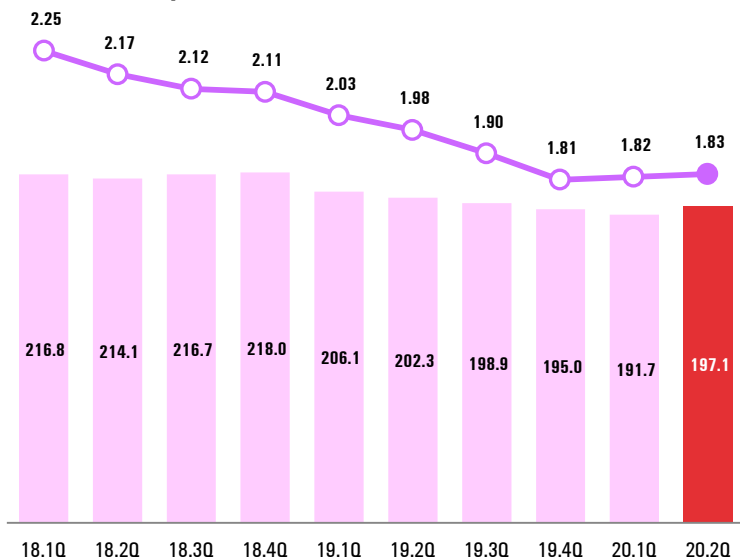
(KRW bn, %)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
Net Interest Income	388.8	408.4	-4.8	197.1	191.7	2.8
Net Fee Income	41.1	31.9	28.8	24.5	16.6	47.6
Fees from Trust Account	4.3	4.4	-2.3	2.0	2.3	-13.0
Others	-20.8	-0.3	-	-8.4	-12.4	-
SG&A(-)	224.9	222.8	0.9	113.4	111.5	1.7
Provision Expense(-)	56.1	69.7	-19.5	30.7	25.4	20.9
Net Operating Income	132.4	151.9	-12.8	71.1	61.3	16.0
Non-Operating Income	2.0	4.0	-50.0	2.4	-0.4	Net Gain
Earnings Before Income Taxes	134.4	155.9	-13.8	73.5	60.9	20.7
Income Tax Expenses(-)	29.8	35.5	-16.1	16.3	13.5	20.7
Net Income	104.6	120.4	-13.1	57.2	47.4	20.7

4. Banks NIM

BSB Quarterly Interest Income & NIM (% , KRW bn)



KNB Quarterly Interest Income & NIM(% , KRW bn)



BSB

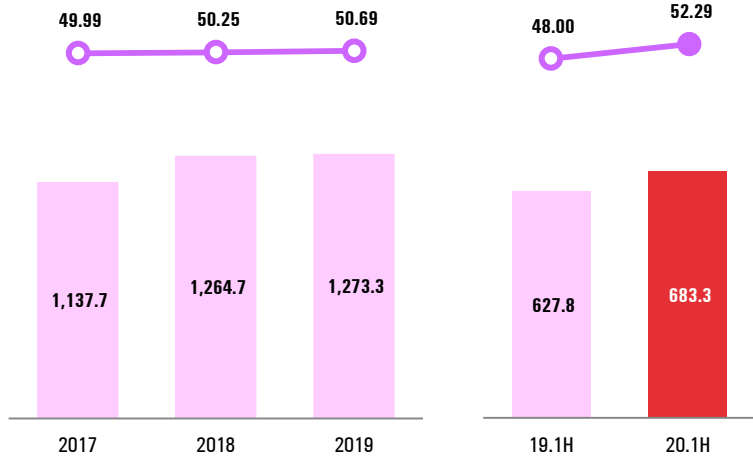
(% , KRW tn)	20.2Q	20.1Q	19.4Q	19.3Q	19.2Q
Quarterly NIM	1.88	1.94	1.98	2.03	2.10
Quarterly NIS	2.14	2.20	2.23	2.31	2.38
Interest Rate on KRW Loans	3.25	3.47	3.60	3.76	3.91
Interest Rate paid on KRW Deposits	1.11	1.27	1.37	1.45	1.53
Average Interest Earning Assets	51.9	51.1	50.9	50.2	49.6
Accumulated NIM	1.91	1.94	2.06	2.09	2.13

KNB

(% , KRW tn)	20.2Q	20.1Q	19.4Q	19.3Q	19.2Q
Quarterly NIM	1.83	1.82	1.81	1.90	1.98
Quarterly NIS	2.08	2.06	2.02	2.12	2.22
Interest Rate on KRW Loans	3.34	3.51	3.57	3.76	3.93
Interest Rate paid on KRW Deposits	1.26	1.45	1.55	1.64	1.71
Average Interest Earning Assets	37.5	36.5	36.8	36.1	35.7
Accumulated NIM	1.83	1.82	1.93	1.97	2.01

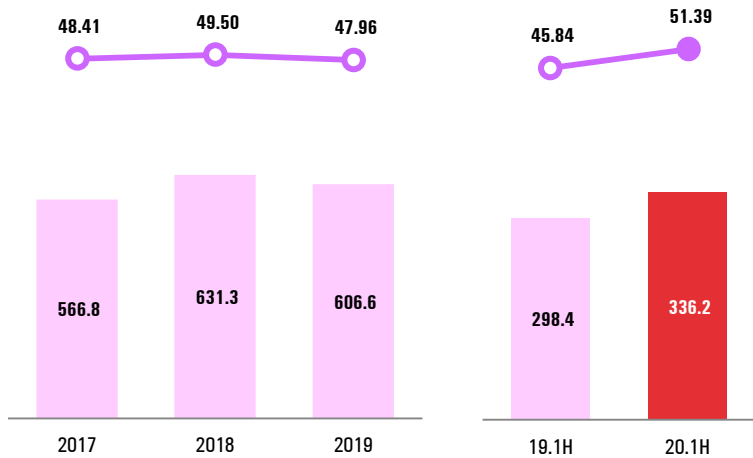
5. SG&A

□ Group SG&A & CIR (% , KRW bn)

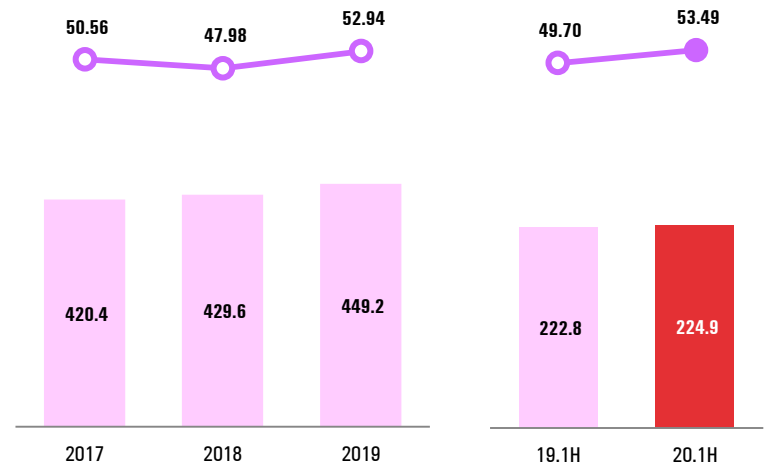


(KRW bn, %)	20.1H	19.1H	YoY	20.2Q	20.1Q	QoQ
SG&A	683.3	627.8	8.8	355.7	327.6	8.6
CIR	52.29	48.00	4.29			

□ BSB SG&A & CIR (% , KRW bn)



□ KNB SG&A & CIR (% , KRW bn)

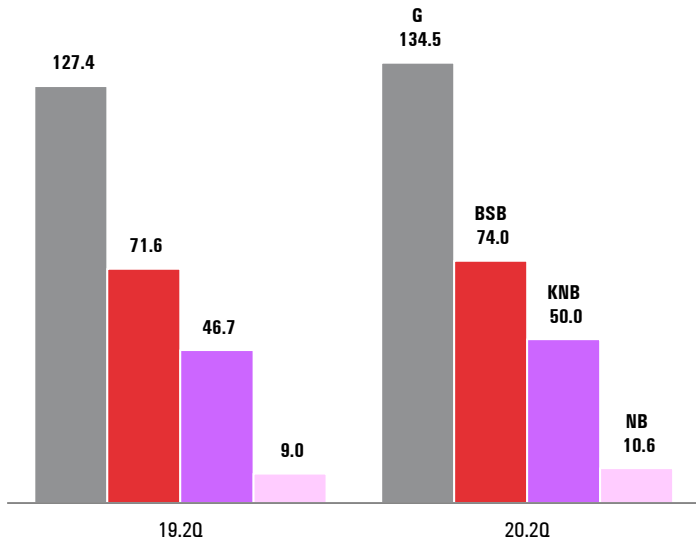


III. Growth

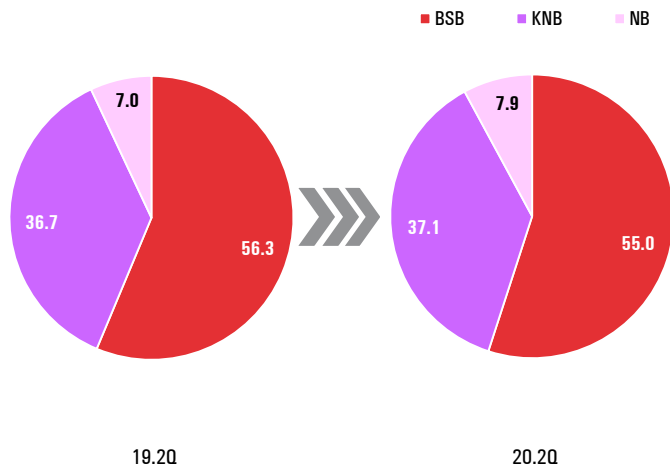
1. Group Assets	15
2. Banks Loans / Deposits	16

1. Group Assets

☐ Total Assets(KRW tn)



☐ Banks & Non-Banks Portion(%)

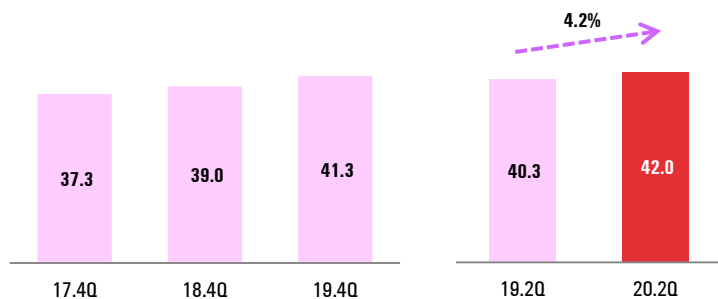


☐ Group Total Assets

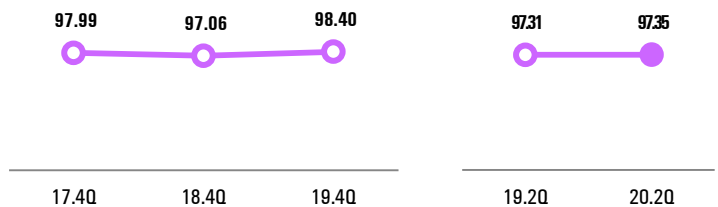
(KRW bn, %)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Bank	123,968.9	118,918.8	4.2	120,371.8	3.0
BSB	73,966.9	70,591.4	4.8	71,257.5	3.8
KNB	50,002.0	48,327.4	3.5	49,114.3	1.8
Non-Bank	10,559.9	9,005.1	17.3	9,680.1	9.1
Capital	6,001.9	5,425.3	10.6	5,766.3	4.1
Securities	3,299.7	2,372.1	39.1	2,728.0	21.0
MSB	1,133.7	1,084.7	4.5	1,057.8	7.2
Asset Mgt.	77.6	77.8	-0.3	78.7	-1.4
Credit Info	11.8	11.5	2.6	11.6	1.7
System	16.4	15.0	9.3	19.0	-13.7
Venture Capital	18.8	18.7	0.5	18.7	0.5
Financial Group & Unconsolidated Portion	-74.1	-26.0	-	-57.3	-
Group Total Assets	134,454.7	127,897.9	5.1	129,994.6	3.4

2. Banks Loans / Deposits - BSB

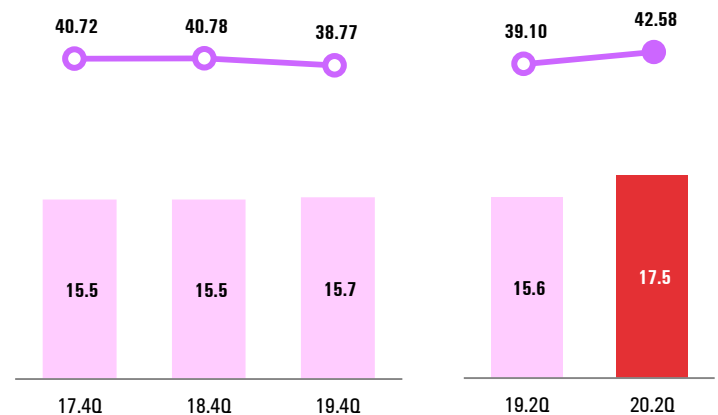
□ KRW Loans(% , KRW tn)



□ LDR(%)



□ Low Cost Deposits & Ratio(% , KRW tn)



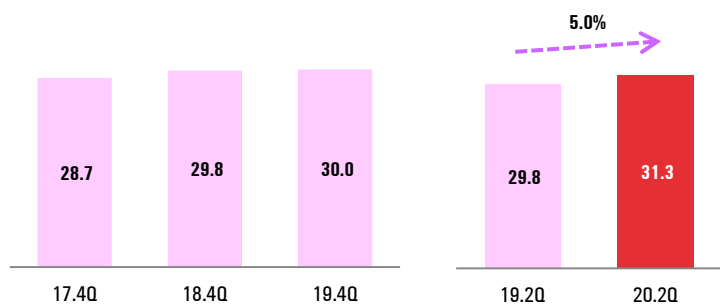
(KRW bn, %, Balance)	20.2Q	19.4Q	YTD	20.1Q	QoQ
KRW Loans¹⁾	41,968.0	41,275.5	1.7	41,435.6	1.3
Corporate	28,112.3	26,855.2	4.7	27,283.3	3.0
SME	25,897.3	24,364.4	6.3	25,198.8	2.8
(SOHO) ²⁾	13,182.4	12,083.5	9.1	12,526.9	5.2
Large Corps.	2,215.0	2,490.8	-11.1	2,084.5	6.3
Household	12,510.6	12,941.1	-3.3	12,712.6	-1.6
Mortgage	8,834.9	9,003.6	-1.9	8,959.2	-1.4
Public	1,345.1	1,479.2	-9.1	1,439.7	-6.6
Foreign Currency Loans¹⁾	696.7	731.5	-4.8	759.4	-8.3
KRW Deposits¹⁾	41,238.9	41,205.7	0.1	40,221.0	2.5
Low Cost Deposits	18,834.4	16,233.5	16.0	17,189.2	9.6
Core Deposits	15,930.0	13,077.1	21.8	13,827.6	15.2
MMDA	2,904.4	3,156.4	-8.0	3,361.6	-13.6

(KRW bn, %, %p, Average Balance)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Low-Cost Deposits(A)	17,497.1	15,651.1	11.8	16,912.2	3.5
Core Deposits ²⁾	14,049.3	12,238.2	14.8	13,272.5	5.9
MMDA	3,447.8	3,412.9	1.0	3,639.7	-5.3
KRW Deposits(B)	41,090.4	40,365.7	1.8	41,061.8	0.1
A / B	42.58	38.77	3.81	41.19	1.39

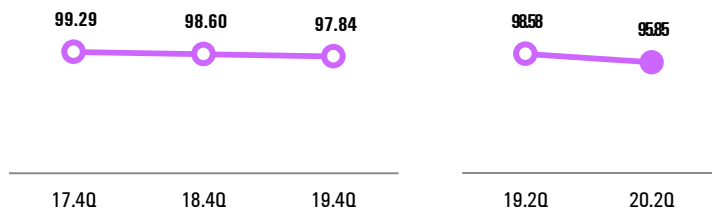
1) Unconsolidated FS, 2) SOHO(≤3 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

2. Banks Loans / Deposits - KNB

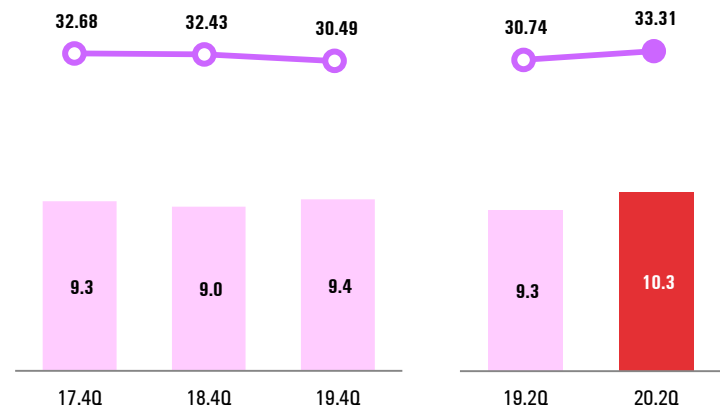
□ KRW Loans(% , KRW tn)



□ LDR(%)



□ Low-Cost Deposits & Ratio(% , KRW tn)



(KRW bn, %, Balance)	20.2Q	19.4Q	YTD	20.1Q	QoQ
KRW Loans¹⁾	31,279.2	30,011.7	4.2	30,286.3	3.3
Corporate	20,991.7	19,628.0	6.9	20,189.8	4.0
SME	19,532.9	18,264.1	6.9	18,745.8	4.2
(SOHO) ²⁾	6,055.4	5,810.1	4.2	5,840.5	3.7
Large Corps.	1,458.8	1,363.9	7.0	1,444.0	1.0
Household	9,857.0	9,995.4	-1.4	9,701.6	1.6
Mortgage	8,010.6	8,243.1	-2.8	7,957.0	0.7
Public	430.5	388.3	10.9	394.9	9.0
Foreign Currency Loans¹⁾	199.1	112.6	76.8	153.4	29.8
KRW Deposits¹⁾	31,452.1	30,522.5	3.0	30,801.2	2.1
Low Cost Deposits	10,939.5	9,509.0	15.0	10,463.7	4.5
Core Deposits	9,361.8	8,214.7	14.0	8,611.8	8.7
MMDA	1,577.7	1,294.3	21.9	1,851.9	-14.8

(KRW bn, %, %p, Average Balance)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Low-Cost Deposits(A)	10,340.6	9,371.0	10.3	10,036.4	3.0
Core Deposits ²⁾	8,735.3	7,913.7	10.4	8,535.0	2.3
MMDA	1,605.3	1,457.3	10.2	1,501.4	6.9
KRW Deposits(B)	31,041.7	30,354.7	2.3	30,732.2	1.0
A / B	33.31	30.87	2.44	32.66	0.65

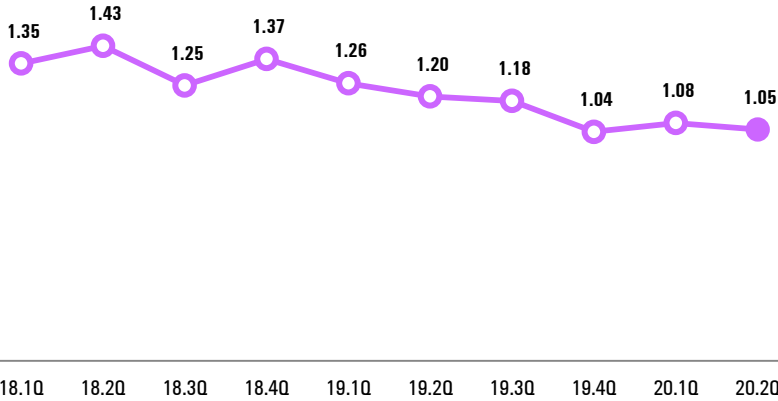
1) Unconsolidated FS, 2) SOHO(≤2 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

IV. Asset Quality

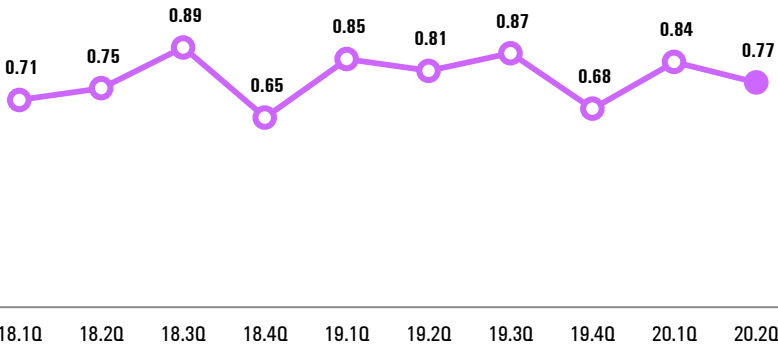
1. Group Asset Quality	19
2. Banks Asset Quality	20
3. Group Provisioning	22
4. Banks Provisioning / Write-offs & NPL Sales	23

1. Group Asset Quality

□ SBL(NPL) Ratio(%)



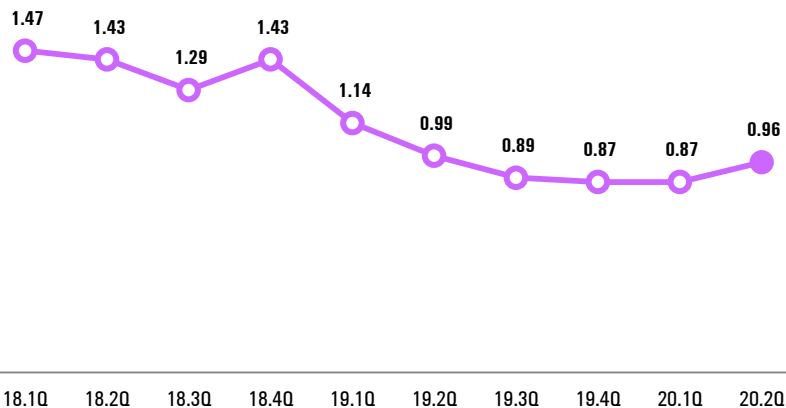
□ Delinquency Ratio(%)



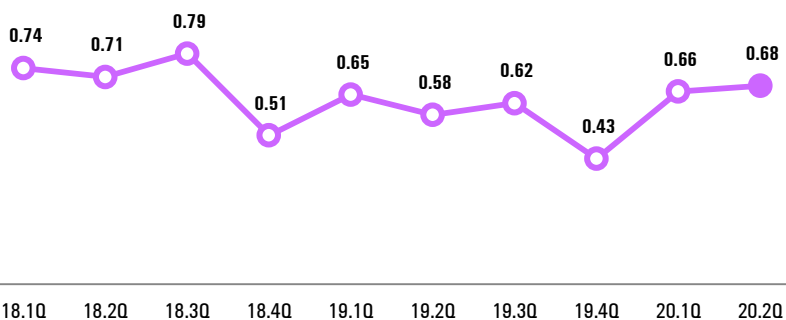
(KRW bn, %, %p)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Total Credits	83,623.9	81,126.7	3.1	82,053.0	1.9
Normal	81,759.1	79,059.8	3.4	80,067.4	2.1
Precautionary	990.2	1,222.7	-19.0	1,099.9	-10.0
Substandard	557.6	486.2	14.7	518.4	7.6
Doubtful	119.3	140.2	-14.9	143.5	-16.9
Expected Loss	197.7	217.8	-9.2	223.8	-11.7
SBL(Substandard & Below Loans)	874.6	844.2	3.6	885.7	-1.3
SBL Ratio	1.05	1.04	0.01	1.08	-0.03
SBL Coverage Ratio (Ratio before Reserve deduction)	88.57 (163.27)	99.12 (163.55)	-10.55 (-0.28)	94.00 (159.04)	-5.43 (4.23)
Delinquency Ratio	0.77	0.68	0.09	0.84	-0.07
Loan Amount	82,653.8	80,234.2	3.0	81,036.2	2.0
Delinquent Amount	639.8	543.9	17.6	683.1	-6.3

2. Banks Asset Quality - BSB

□ SBL(NPL) Ratio(%)



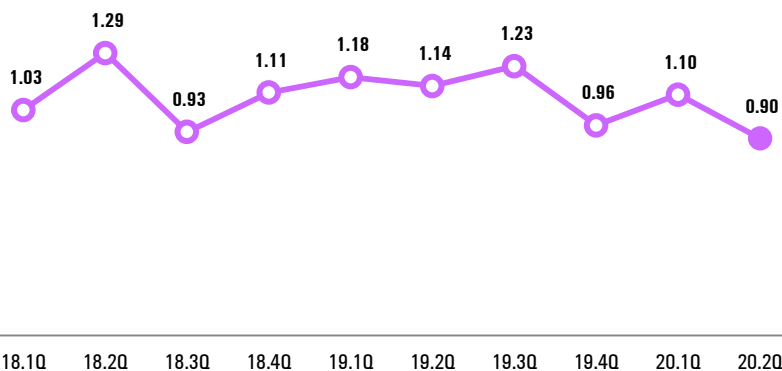
□ Delinquency Ratio(%)



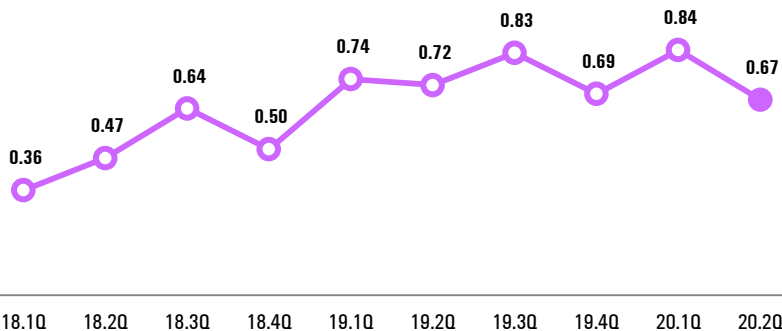
(KRW bn, %, %p)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Total Credits	44,367.7	43,658.8	1.6	43,961.9	0.9
Normal	43,552.3	42,654.5	2.1	43,076.4	1.1
Precautionary	387.8	623.5	-37.8	504.7	-23.2
Substandard	290.2	220.1	31.8	222.1	30.7
Doubtful	21.9	35.2	-37.8	41.5	-47.2
Expected Loss	115.5	125.5	-8.0	117.2	-1.5
SBL(Substandard & Below Loans)	427.6	380.8	12.3	380.8	12.3
SBL Ratio	0.96	0.87	0.09	0.87	0.09
SBL Coverage Ratio (Ratio before Reserve deduction)	91.31 (171.73)	113.57 (179.66)	-22.26 (-7.93)	111.09 (182.48)	-19.78 (-10.75)
Delinquency Ratio	0.68	0.43	0.25	0.66	0.02
Loan Amount	43,615.8	42,980.2	1.5	43,160.1	1.1
Delinquent Amount	297.8	186.4	59.8	282.8	5.3

2. Banks Asset Quality - KNB

□ SBL(NPL) Ratio(%)



□ Delinquency Ratio(%)



(KRW bn, %, %p)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Total Credits	32,280.4	30,969.1	4.2	31,378.9	2.9
Normal	31,734.5	30,418.1	4.3	30,797.8	3.0
Precautionary	254.2	253.6	0.2	236.3	7.6
Substandard	195.9	191.4	2.4	220.9	-11.3
Doubtful	33.1	32.2	2.8	36.5	-9.3
Expected Loss	62.7	73.8	-15.0	87.4	-28.3
SBL(Substandard & Below Loans)	291.7	297.4	-1.9	344.8	-15.4
SBL Ratio	0.90	0.96	-0.06	1.10	-0.20
SBL Coverage Ratio (Ratio before Reserve deduction)	79.20 (156.75)	81.03 (154.19)	-1.83 (2.56)	74.12 (139.50)	5.08 (17.25)
Delinquency Ratio	0.67	0.69	-0.02	0.84	-0.20
Loan Amount	32,062.2	30,755.1	4.3	31,163.9	2.9
Delinquent Amount	215.6	213.1	1.2	262.6	-17.9

3. Group Provisioning

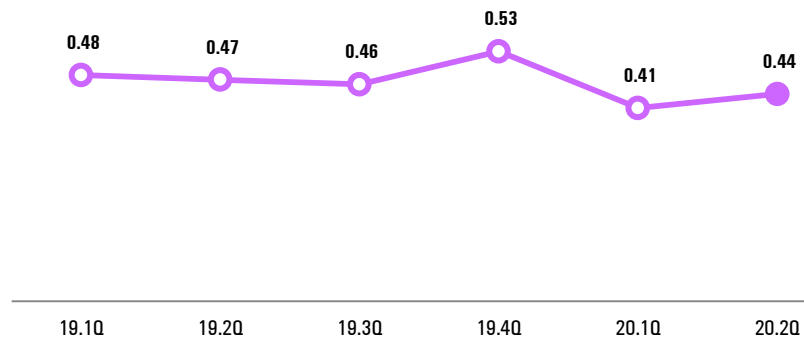
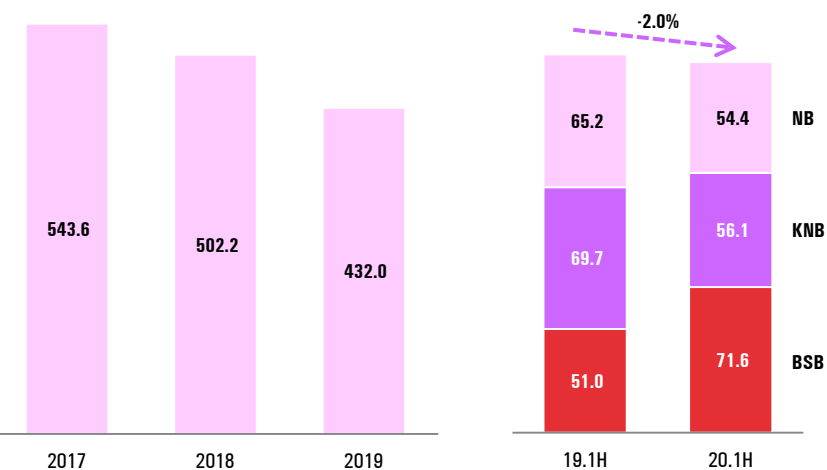
☐ Provision Expense

(KRW bn, %)	2020			2019					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Total Provisions(A)	182.1	98.9	83.2	432.0	151.4	94.7	185.9	93.1	92.8
Total Credits(B)	83,623.9	83,623.9	82,053.0	81,126.7	81,126.7	80,839.7	79,731.7	79,731.7	78,970.4
¹⁾ Credit Cost(A/B)	0.44	0.48	0.41	0.53	0.74	0.46	0.47	0.47	0.48

1) Accumulated

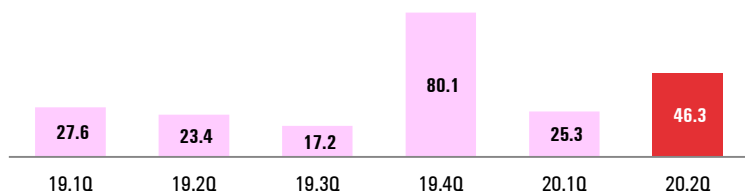
☐ Banks & Non-Bank Provision Breakdown(KRW bn)

☐ Credit Cost(%)

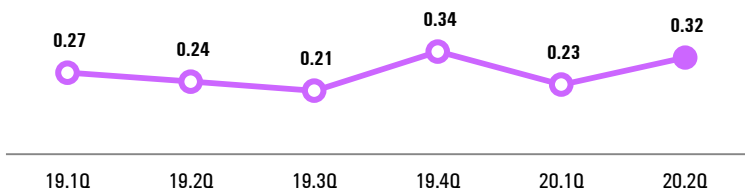


4. Provisioning / Write-offs & NPL Sales – BSB

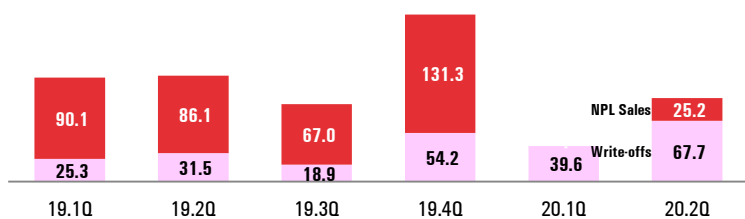
Provision Expense(KRW bn)



Credit Cost(%)



Write-offs & NPL Sales(KRW bn)

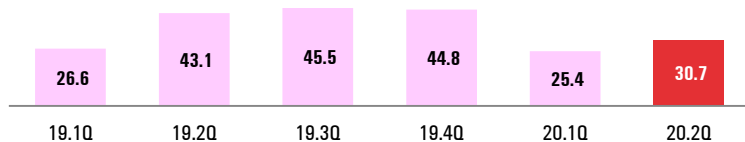


Provision Expense / Write-offs & NPL Sales

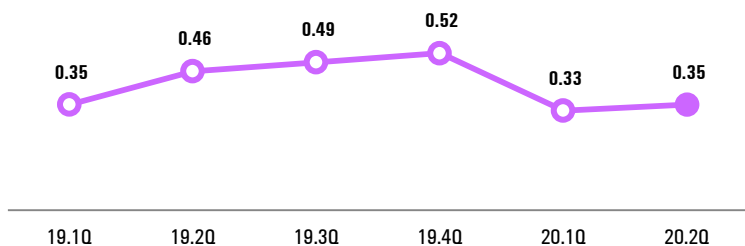
(KRW bn, %)	20.2Q	20.1Q	19.4Q	19.3Q	19.2Q	19.1Q
Corporate	30.9	20.9	68.2	7.3	13.9	21.2
Household	2.3	3.5	6.3	5.4	3.9	4.6
Credit Card	4.7	2.0	4.6	4.2	5.0	3.6
Others	8.4	-1.1	1.0	0.3	0.6	-1.8
Total(A)	46.3	25.3	80.1	17.2	23.4	27.6
Total Credits(B)	44,367.7	43,961.9	43,658.8	43,260.7	42,672.8	42,020.6
Credit Cost(A/B)	0.42	0.23	0.73	0.16	0.22	0.27
Total Write-Offs	67.7	39.6	54.2	18.9	31.5	25.3
Corporate	59.3	28.5	34.0	18.5	21.4	15.1
Household	3.7	5.1	8.2	0.3	4.1	4.0
Credit Card	4.7	6.0	12.0	0.1	6.0	6.2
Total NPL Sales	25.2	0.0	131.3	67.0	86.1	90.1
(NPL Sales for SBL Loans)	25.1	0.0	127.3	61.5	81.1	87.1
Corporate	22.4	0.0	126.0	63.2	70.5	87.5
Household	2.7	0.0	4.7	3.2	14.7	2.1
Credit Card	0.1	0.0	0.6	0.6	0.9	0.5

4. Provisioning / Write-offs & NPL Sales - KNB

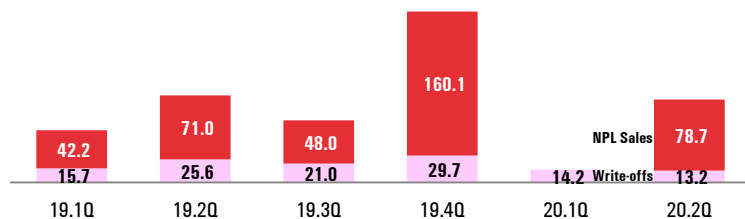
Provision Expense(KRW bn)



Credit Cost(%)



Write-offs & NPL Sales(KRW bn)



Provision Expense / Write-offs & NPL Sales

(KRW bn, %)	20.2Q	20.1Q	19.4Q	19.3Q	19.2Q	19.1Q
Corporate	18.8	22.8	33.4	34.8	32.7	19.1
Household	3.5	-0.2	4.2	5.1	5.2	4.2
Credit Card	3.8	2.8	6.1	3.5	5.1	3.7
Others	4.6	0.0	1.1	2.1	0.1	-0.4
Total(A)	30.7	25.4	44.8	45.5	43.1	26.6
Total Credits(B)	32,280.4	31,378.9	30,969.1	31,195.2	30,778.7	30,923.3
Credit Cost(A/B)	0.38	0.33	0.57	0.58	0.56	0.35
Total Write-Offs	13.2	14.2	29.7	21.0	25.6	15.7
Corporate	6.4	6.4	18.1	16.5	16.8	9.9
Household	3.2	4.0	4.0	3.6	4.3	2.0
Credit Card	3.6	3.8	7.6	0.9	4.5	3.8
Total NPL Sales	78.7	0.0	160.1	48.0	71.0	42.2
(NPL Sales for SBL Loans)	78.7	0.0	150.6	43.9	69.7	40.0
Corporate	73.9	0.0	159.0	45.1	64.8	42.1
Household	4.6	0.0	1.1	2.9	6.1	0.1
Credit Card	0.2	0.0	0.0	0.0	0.1	0.0

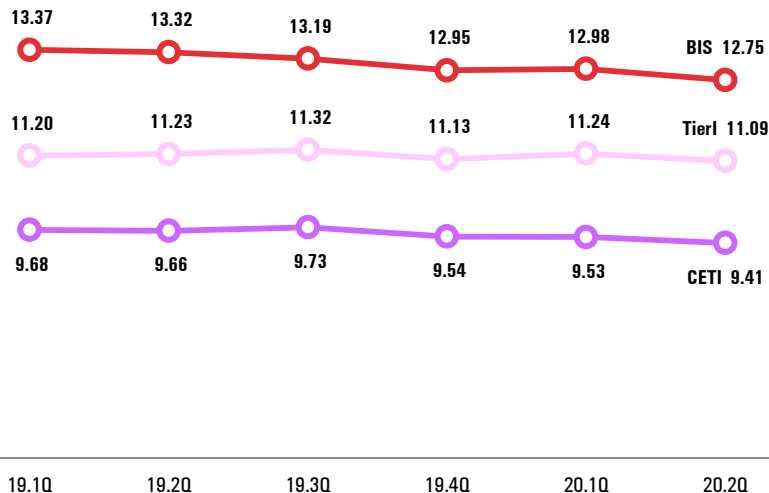
V . Capital Adequacy

1. Capital Adequacy

26

1. Capital Adequacy

Group Capital Adequacy(%)



Group

(KRW bn, %, %p, Basel III Standard)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Tot. Risk Adjusted Capital	10,111.8	9,762.9	3.6	9,959.0	1.5
Tier I	8,795.5	8,397.0	4.7	8,627.1	2.0
(CETI)	7,460.4	7,192.1	3.7	7,312.0	2.0
Tot. R.W.A.	79,387.4	75,413.2	5.3	76,750.8	3.4
BIS Capital Ratio	12.75	12.95	-0.20	12.98	-0.23
Tier I	11.09	11.13	-0.04	11.24	-0.15
(CETI)	9.41	9.54	-0.13	9.53	-0.12

BSB

(KRW bn, %, %p, Basel III I.R.B.)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Tot. Risk Adjusted Capital	5,637.0	5,667.9	-0.5	5,658.1	-0.4
Tier I	4,953.7	4,951.0	0.1	4,964.2	-0.2
(CETI)	4,539.0	4,503.2	0.8	4,549.5	-0.2
Tot. R.W.A.	35,552.6	35,169.1	1.1	35,070.2	1.4
BIS Capital Ratio	15.86	16.12	-0.26	16.13	-0.27
Tier I	13.93	14.08	-0.15	14.16	-0.23
(CETI)	12.77	12.80	-0.03	12.97	-0.20

KNB

(KRW bn, %, %p, Basel III I.R.B.)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Tot. Risk Adjusted Capital	3,658.7	3,670.6	-0.3	3,642.6	0.4
Tier I	3,130.7	3,086.2	1.4	3,079.3	1.7
(CETI)	2,818.4	2,742.3	2.8	2,767.0	1.9
Tot. R.W.A.	24,148.1	23,930.1	0.9	24,205.2	-0.2
BIS Capital Ratio	15.15	15.34	-0.19	15.05	0.10
Tier I	12.96	12.90	0.06	12.72	0.24
(CETI)	11.67	11.46	0.21	11.43	0.24

VI. Appendix

1. Banks KRW Loan Portfolio	28
2. Cyclical Sector	29
3. BNK Capital	30
4. Group Networks & Major Industries	32

1. Banks KRW Loan Portfolio

	2020 2Q			
	Amount	Ratio	YoY	QoQ
Manufacturing	8,636.8	20.6	-0.3	-0.3
Steel Metal Products	2,485.0	5.9	-0.5	-0.6
Automobile Parts	1,798.9	4.3	0.8	0.5
Machinery	1,272.6	3.0	-0.9	-1.1
Petroleum, Rubber, etc.	906.7	2.2	-2.0	-0.2
Fabric	313.4	0.7	2.0	7.3
Garment & Shoes	341.3	0.8	5.4	4.8
Kitchen Units	338.7	0.8	0.8	-1.4
Electronics	378.4	0.9	-3.3	-7.1
Paper, Paper Mills	124.0	0.3	7.0	7.6
Others	677.8	1.6	-2.3	-2.9
Non-Manufacturing	20,820.6	49.6	5.8	3.8
Wholesale & Retail	3,760.0	9.0	9.0	5.8
Public	20.9	0.0	-46.5	-29.6
Construction & Engineering	1,403.4	3.3	11.8	-0.4
Real Estate	8,123.0	19.4	0.6	2.7
Insurance & Financing	672.4	1.6	72.7	22.7
Transportation	1,131.4	2.7	1.6	1.8
Hotel & Food	1,611.2	3.8	18.8	13.4
Others	4,098.3	9.8	2.5	0.5
Households	12,510.6	29.8	-3.3	-1.6
KRW Loans	41,968.0	100.0	1.7	1.3

	2020 2Q			
	Amount	Ratio	YoY	QoQ
Manufacturing	9,395.2	30.0	2.9	0.5
Steel Metal Products	2,225.6	7.1	1.3	-0.1
Automobile Parts	2,748.7	8.8	2.8	1.1
Machinery	2,273.3	7.3	0.4	-0.4
Petroleum, Rubber, etc.	494.6	1.6	81.5	67.6
Fabric	93.5	0.3	19.9	7.5
Garment & Shoes	12.3	0.0	38.2	29.5
Kitchen Units	226.5	0.7	5.1	3.8
Electronics	585.1	1.9	3.3	-1.8
Paper, Paper Mills	72.2	0.2	-7.7	-10.1
Others	663.4	2.1	-14.6	-20.4
Non-Manufacturing	12,027.0	38.5	10.5	7.0
Wholesale & Retail	2,376.5	7.6	8.6	5.0
Public	1.9	0.0	-5.0	-9.5
Construction & Engineering	812.9	2.6	10.8	8.9
Real Estate	4,174.4	13.3	10.7	11.0
Insurance & Financing	138.5	0.4	-3.8	-43.7
Transportation	592.4	1.9	61.7	50.9
Hotel & Food	987.9	3.2	14.5	9.8
Others	2,942.5	9.4	4.5	0.5
Households	9,857.0	31.5	-1.4	1.6
KRW Loans	31,279.2	100.0	4.2	3.3

*Sectors are based on FSS Business Report

※ KSIC(Korea Standard Industry Classification) Change(July 1,2017) applied

2. Cyclical Sector

	2020.2Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %)						
Exposure	3,515.0	2,960.8	2,276.9	1,387.4	452.5	704.2
(% of Total Credits)	4.6	3.9	3.0	1.8	0.6	0.9
Collateral & Provision	2,450.0	1,821.8	1,352.6	961.6	257.7	406.5
Collateral & Provision Coverage	69.7	61.5	59.4	69.3	57.0	57.7
No# of Creditors	2,351	1,745	4,514	1,081	215	601

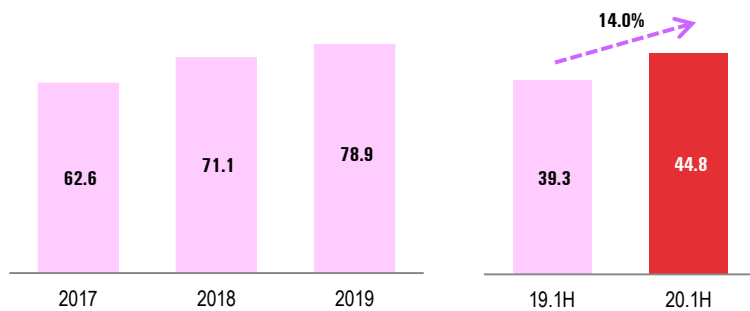
Note 1) Exposure & Total Credits are the sum of BSB & KNB

Note 2) Sectors are based on FSS Business Report

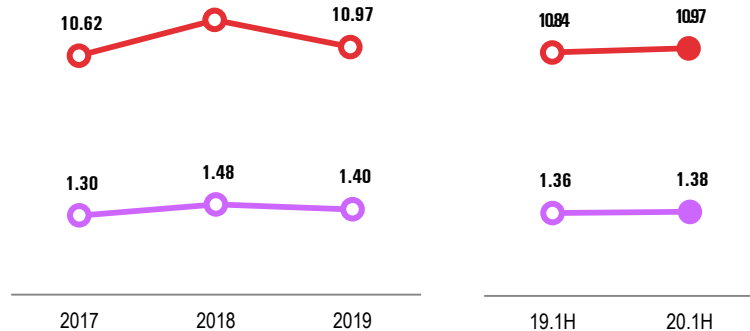
Note 3) Construction includes Real Estate PF(Ref. Collateral for Real Estate PFs are evaluated based on future cash flow that does not include land, buildings under construction etc. hence the overall low construction coverage)

3. BNK Capital - 1

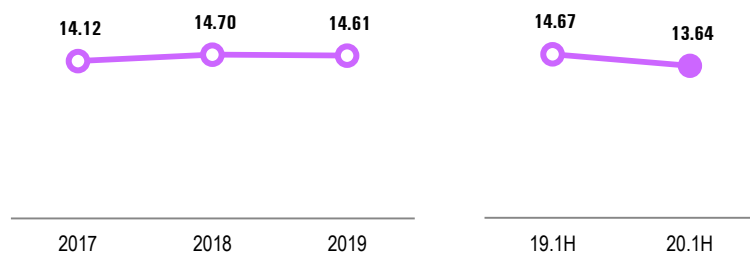
Net Income(% , KRW bn)



ROA, ROE(%)



Adjusted Capital Ratio(%)



(KRW bn, %, Balance)	20.1H	19.1H	YoY	20.1Q	QoQ
Net Interest Income	113.4	112.4	0.9	56.1	2.1
Fee Income	20.6	13.2	56.1	11.7	-23.9
Others	23.0	29.0	-20.7	11.4	1.8
SG&A(-)	39.9	37.4	6.7	20.4	-4.4
Provision Expense(-)	55.9	65.8	-15.0	31.9	-24.8
Non-Operating Income	-2.2	0.2	Net Loss	-1.6	-
Earnings Before Income Tax	59.0	51.6	14.3	25.3	33.2
Income Tax Expenses(-)	14.2	12.3	15.4	6.1	32.8
Net Income	44.8	39.3	14.0	19.2	33.3

(KRW bn, %, Balance)	20.2Q	19.4Q	YTD	20.1Q	QoQ
Assets	6,001.9	5,425.3	10.6	5,766.3	4.1
Cash and Dues	32.0	25.1	27.5	18.1	76.8
Securities	120.4	-	-	117.7	2.3
Loans	3,676.3	3,172.3	15.9	3,485.8	5.5
Venture Capital Business	2.1	61.9	-96.6	2.1	0.0
Durables Installment Financing Assets	326.2	379.1	-14.0	349.7	-6.7
Leased Assets	1,724.0	1,669.9	3.2	1,680.4	2.6
Fixed Assets	13.6	10.9	24.8	12.8	6.3
Other Assets	107.3	106.1	1.1	99.7	7.6
Liability & Shareholder's Equity	6,001.9	5,425.3	10.6	5,766.3	4.1
Borrowings	4,879.6	4,354.2	12.1	4,669.8	4.5
Other Liabilities	374.6	354.8	5.6	373.6	0.3
Shareholder's Equity	747.7	716.3	4.4	722.9	3.4

3. BNK Capital - 2

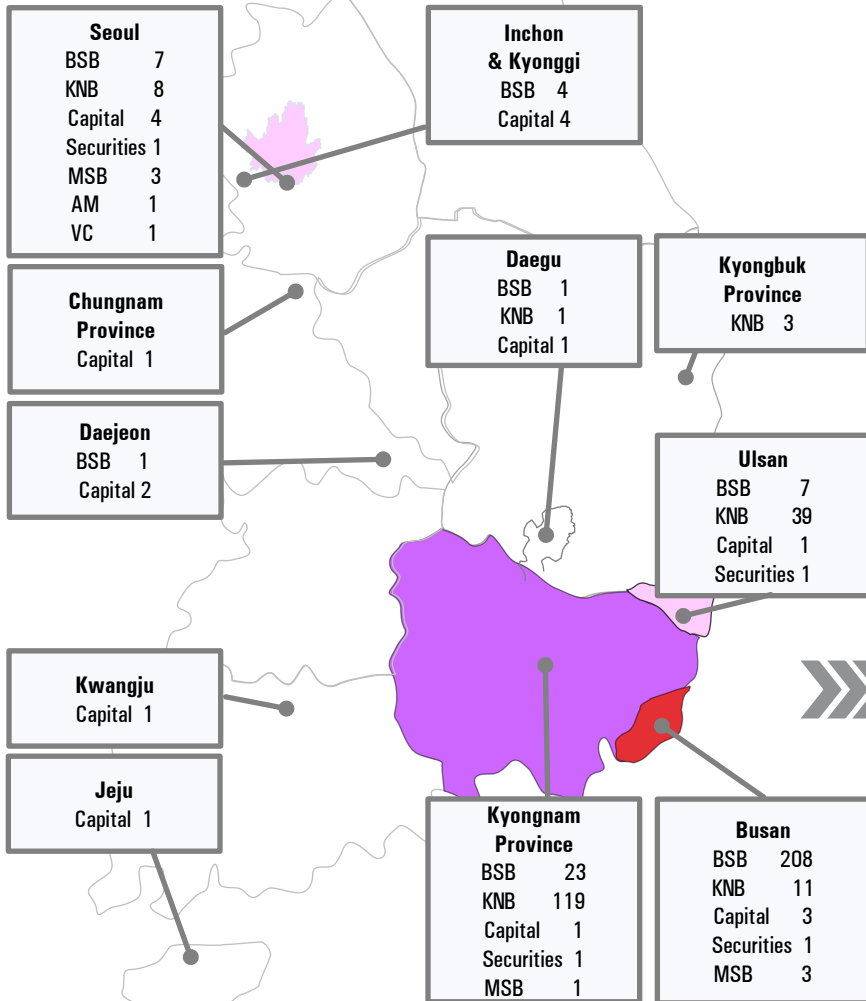
☐ Loan Portfolio

(KRW bn, %, Balance)	20.2Q	Portion	20.1Q	QoQ	19.4Q	19.3Q	19.2Q	19.1Q	18.4Q	18.3Q	18.2Q	18.1Q
Total	6,117.2	100.0	5,887.1	3.9	5,538.7	5,430.6	5,295.0	5,050.8	5,053.2	5,039.2	4,986.0	4,783.5
Loans	2,734.1	44.7	2,467.9	10.8	2,136.4	2,122.0	2,005.7	1,841.3	1,843.3	1,837.3	1,813.9	1,636.7
Household	908.5	14.9	809.6	12.2	816.2	859.2	935.5	905.2	947.5	927.2	905.1	874.0
Corporate	1,825.6	29.8	1,658.3	10.1	1,320.2	1,262.8	1,070.2	936.1	895.8	910.1	908.8	762.7
Auto Financing	2,547.7	41.6	2,559.5	-0.5	2,539.8	2,477.0	2,492.9	2,515.1	2,542.6	2,588.8	2,565.7	2,561.2
Commercial Vehicle	243.7	4.0	285.5	-14.6	328.3	380.7	427.8	482.6	548.5	616.6	674.4	712.0
Passenger Vehicle	2,304.0	37.7	2,274.0	1.3	2,211.5	2,096.3	2,065.1	2,032.5	1,994.1	1,972.2	1,891.3	1,849.2
Lease/Installments	701.2	11.5	728.7	-3.8	790.2	797.0	771.2	690.4	665.7	610.6	603.9	583.1
Machine Tools	107.2	1.8	115.4	-7.1	126.6	133.9	138.9	140.8	141.4	135.1	132.0	124.4
Medical Instruments	305.1	5.0	304.3	0.3	319.9	314.8	297.4	226.0	211.4	198.7	191.8	174.9
Others	288.9	4.7	309.0	-6.5	343.7	348.3	334.9	323.6	312.9	276.8	280.1	283.8
VC Business	134.2	2.2	131.0	2.4	72.3	34.6	25.2	4.0	1.6	2.5	2.5	2.5

4. Group Networks & Major Industries

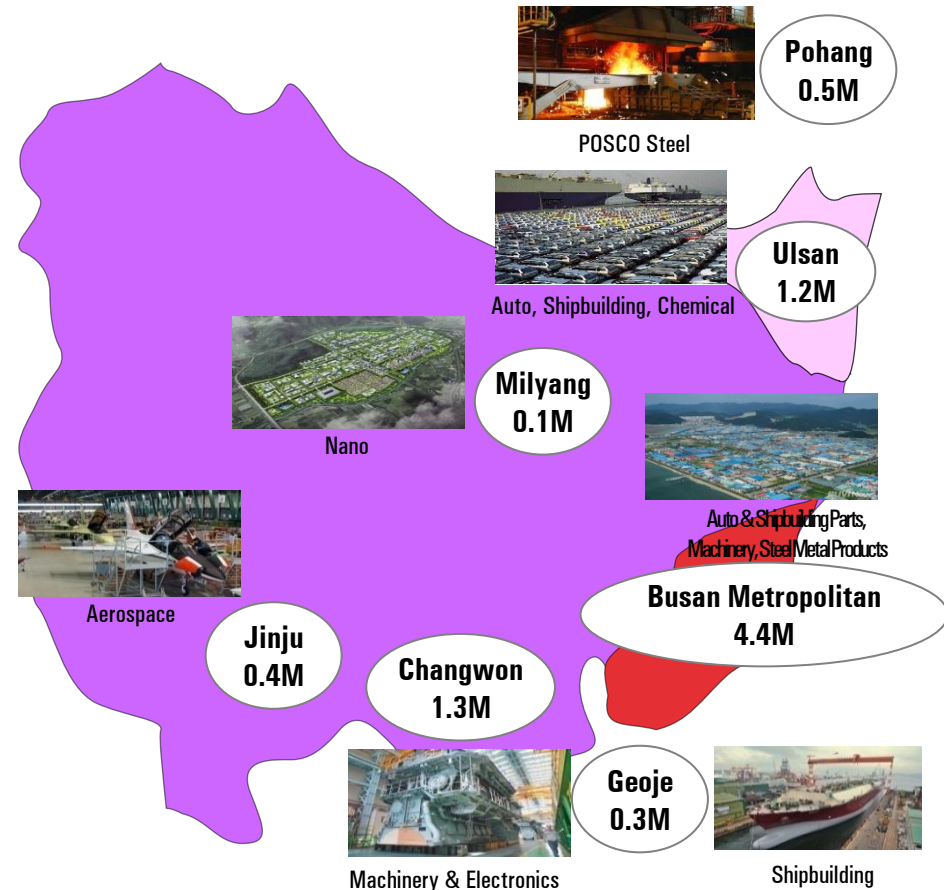
Networks (as of June 2020) : 475 Locations

- BSB 257(Qingdao/Nanjing/Ho Chi Minh Branch, Yangon/Mumbai/Hanoi Office incl.), KNB 181, Capital 24(Myanmar, Cambodia, Laos, Kazakhstan incl.), Securities 4, MSB 7, AM 1, Venture Capital 1



Population & Major Industries

- Southeastern Conurbation (7.9 Mn, 15.3% of Total Population), 14.5% of GRDP(2018)
- Exports : 122.8 USD bn(2018)
- Imports : 67.9 USD bn(2018)



* Southeastern region includes Busan, Ulsan, and Kyongnam