

# 2021 2Q Financial Results

2021.07.29

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.

- 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 . 2021 2Q Group Highlights

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# 1. Highlights – Profitability

## Profitability – Group Net Income

(KRW bn, %)	21.1H	20.1H	YoY	21.2Q	21.1Q	QoQ
Net Interest Income	1,218.6	1,074.1	13.5	629.6	589.0	6.9
Net Fee Income	264.9	196.6	34.7	155.4	109.5	41.9
Others	68.4	36.0	90.0	45.6	22.8	100.0
SG&A(-)	731.5	683.3	7.1	385.0	346.5	11.1
Provision Expense(-)	183.8	182.1	0.9	71.7	112.1	-36.0
Net Income	489.6	332.5	47.2	286.1	203.5	40.6
Net Income in Controlling Interest	468.0	310.9	50.5	275.3	192.7	42.9

**NI 468.0 KRW bn**

(YoY +50.5%)

- Highest First Half Earnings release
- Bank/Capital interest income, Securities fee income & gains on securities growth are main drivers

**Core Income 1,483.5 KRW bn**

(YoY +16.7%)

- Strong loan growth & Banks NIM increase driving interest income YoY +13.5%
- Subsidiaries showing continued fee income ↑

**SG&A 731.5 KRW bn**

(YoY +7.1%)

- Although Banks SG&A ↓, Securities Incentive ↑ (YoY +4.31 KRW bn) led YoY growth
- Cost control within Banks leading SG&A ↓

**Provision Exp. 183.8 KRW bn**

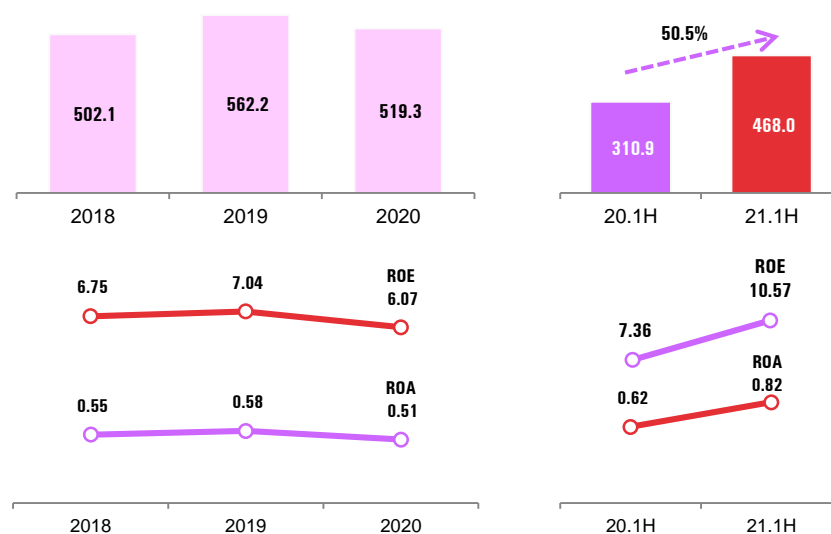
(YoY +0.9%)

- Bank's regional recovery → provisions ↓
- Non-bank's asset growth → provisions ↑
- Large Provision Writeback : BSB 143KRW bn

## Profitability – Group Subsidiaries Net Income

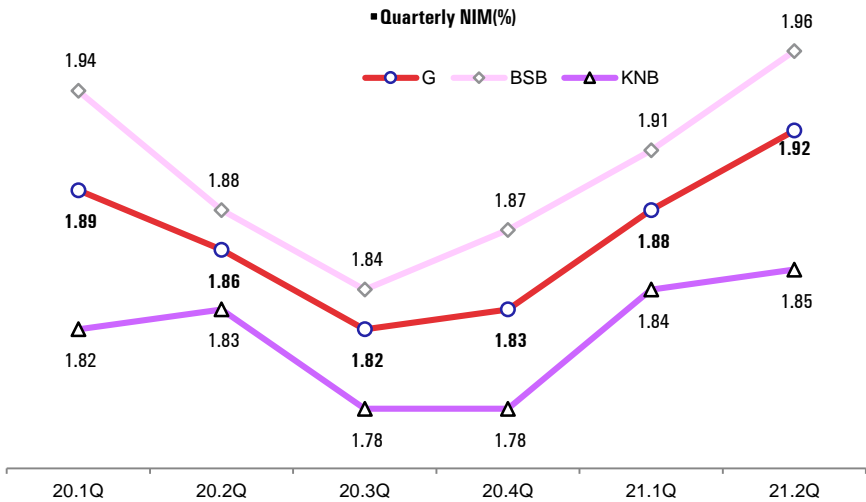
(KRW bn, %)	21.1H	20.1H	YoY	21.2Q	21.1Q	QoQ
<b>Banks(A)</b>	<b>368.9</b>	282.7	30.5	220.5	148.4	48.6
BSB	232.0	178.1	30.3	136.8	95.2	43.7
KNB	136.9	104.6	30.9	83.7	53.2	57.3
<b>Non-Banks(B)</b>	<b>158.3</b>	78.0	102.9	85.5	72.8	17.4
Capital	71.4	44.8	59.4	37.4	34.0	10.0
Securities	65.0	22.5	188.9	33.5	31.5	6.3
MSB	11.5	9.1	26.4	6.2	5.3	17.0
AM	7.0	0.2	3400.0	5.5	1.5	266.7

## Profitability – Group Net Income, Group ROA/ROE

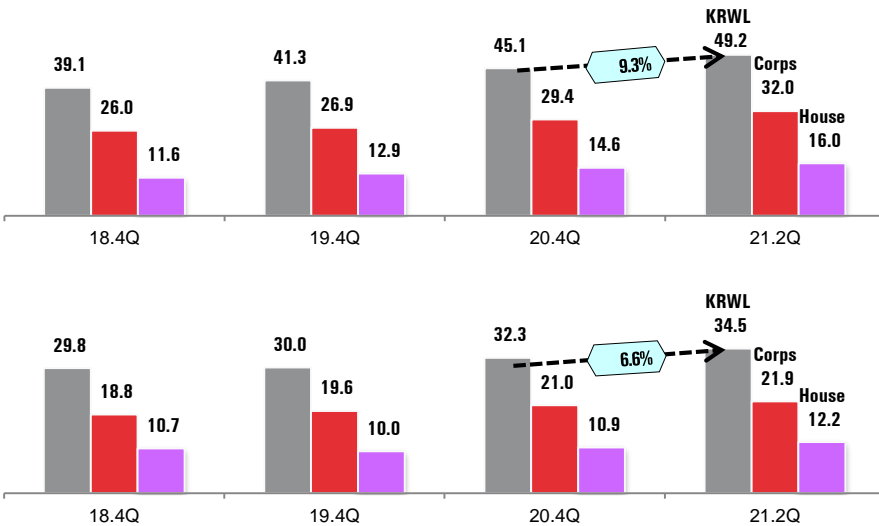


## 2. Highlights – Profitability, Growth

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



### Banks KRW Loans & Breakdown (KRW tn)



**NIM 1.92%**

(QoQ +4bps)

- Low-Cost Deposits Growth(→NIS ↑), interest collection etc. led NIM up for 3 qtrs.
- BSB 1.96%(+5bps), KNB 1.85%(+1bps)

**KRW Loans 83.7 KRW tn**

(YTD +8.2%, Banks Total)

- Main operating region showing demands (Corps : Non-manufacturing ↑, House : Mortgage ↑)
- BSB & KNB YTD +9.3% & +6.6%

**KRW Deposits 83.1 KRW tn**

(YTD +8.6%, Banks Total)

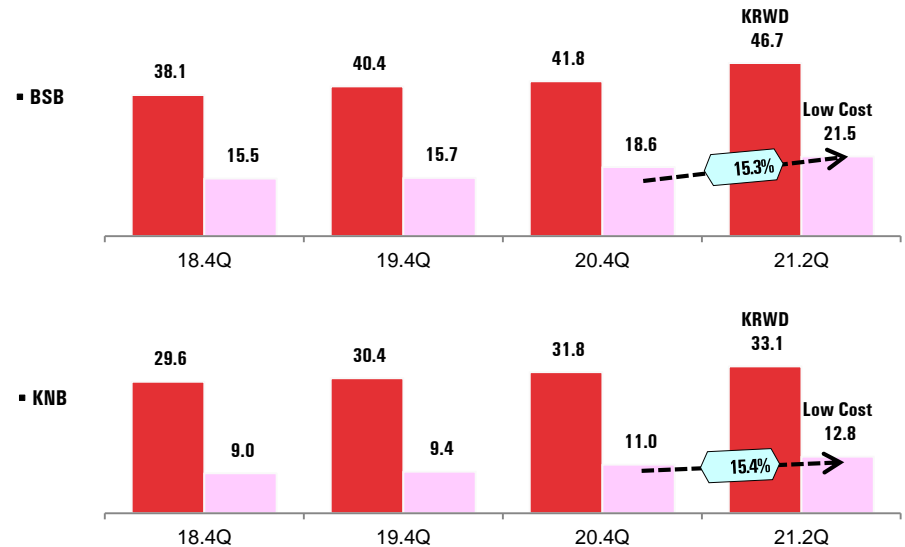
- Growth in deposits matching loan growth
- Continuously focusing on improving quality of funding

**L-C Deposits 34.2 KRW tn**

(YTD +154%, Banks Total, Avg.Bal.)

- Low interest environment enabling market liquidity ↑ & growth in House. & Corps. Core Deposits

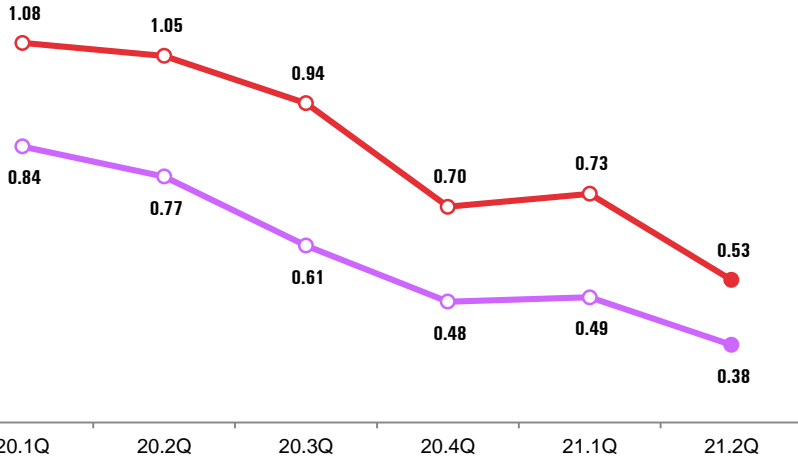
### Banks KRW Deposits & Breakdown (KRW tn, Avg. Bal.)



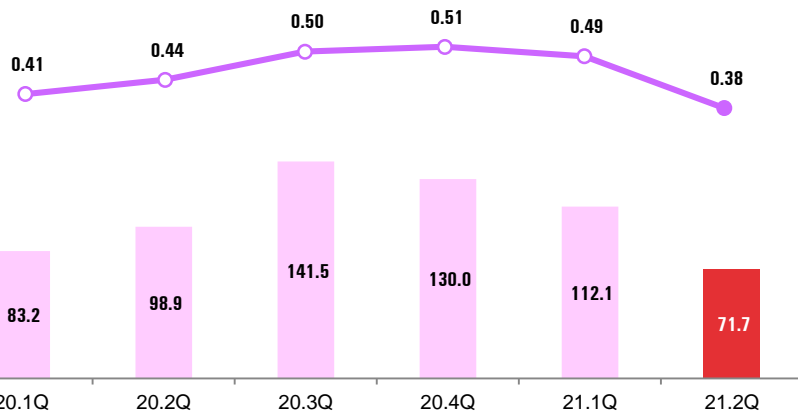
# 3. Highlights – Asset Quality, Capital Adequacy

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

Group NPL Ratio, Delinquency Ratio(%)



Group Provision Expense(KRW bn), Group Credit Cost(Accumulated, %)



### NPL Ratio 0.53%

(YTD -17bps)

- Tight AQ control & slower NPL formation enabling lowest NPL Ratio, AQ worries lifted
- BSB 0.42%(-25bps), KNB 0.54%(-20bps)

### Delinquency Ratio 0.38%

(YTD -10bps)

- Stable AQ management leading to lowest indicator level
- BSB 0.27%(-16bps), KNB 0.37%(-13bps)

### Credit Cost 0.38%

(YTD -13bps)

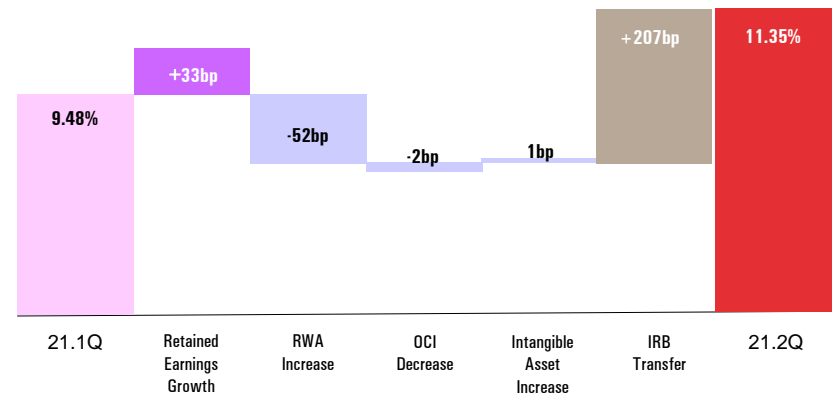
- Decrease in provision expense, higher loan growth & Banks slower NPL formation led YTD drop

### CET1 Ratio 11.35%

(YTD +155bps)

- Group IRB transfer leading large improvement in CET1 Ratio (CET1 Ratio Improvement +207bps)

Quarterly CET1 Ratio Movement



# 4. Group ESG

## ESG Strategic Direction & Target

### Social Value Creation through realization of Sustainable Finance

**Partnered Growth**  
(Environment)

Resolve issues within  
Community & Environment  
for Sustainable Growth

**Trustworthy Growth**  
(Social)

Customer-focused  
management increasing  
Financial Consumer trust

**Responsible Growth**  
(Governance)

Establish Sustainable  
Management Governance

## 2020 Corporate Sustainability Management(ESG)

- 2020.07 ○ Become a member of the UN Global Compact
- 2020.10 ○ Korea Corporate Governance Services(KCGS) ESG Evaluation  
- Awarded 2 consecutive years for Excellence in Governance
- 2021.03 ○ Establish ESG Committee under BOD
- 2021.05 ○ Join the CDP(Carbon Disclosure Project) & announce support  
for TCFD(Task Force on Climate Related Financial Disclosures)
- 2021.06 ○ Announce ESG Management

## ESG Highlights

- BSB & KNB ESG Bond Issuance( 100.0 KRW bn each)
- BSB received Innovation Finance Commendation by the FSC Chairman
- 2020 Innovation Finance Balance 7,454.7 KRW bn
  - Loans 7,087.4 KRW bn (Technology Finance/Support Innovation Finance etc.)
  - Investments 367.3 KRW bn (Creating Jobs etc.)
- 2020 Eco-friendly Balance 819.0 KRW bn

**Stage 1**  
**2020**

Establish ESG Strategy  
Systems

**Stage 2**  
**2022**

Advanced ESG Strategy  
Systems

**Stage 3**  
**2025**

Completion of Sustainable  
Finance

# 5. Group Structure

## BNKFG

Establishment : 2011.03.15

Total Assets : 149,208.7

Net Income : 468.0

Employees : 8,006

(%, KRW bn, Accumulated)

### BSB

Est : 1967.10.10  
Branches : 238  
Employees : 3,621

Share's  
Owned

100%

Tot. Assets

81,260.2

Net Income

232.0

### KNB

Est : 1970.05.22  
Add : 2014.10.10  
Branches : 144  
Employees : 2,767

Share's  
Owned

100%

Tot. Assets

53,338.4

Net Income

136.9

### Capital

Est : 2010.07.15  
Branches : 15  
Employees : 542

Share's  
Owned

100%

Tot. Assets

8,045.2

Net Income

71.4

### Securities

Est : 1997.06.02  
Sec. Add : 2009.11  
Branches : 4  
Employees : 349

Share's  
Owned

100%

Tot. Assets

4,268.8

Net Income

65.0

### MSB

Est : 2011.12.13  
Branches : 7  
Employees : 149

Share's  
Owned

100%

Tot. Assets

1,596.9

Net Income

11.5

### AM

Est : 2008.07.15  
Add : 2015.07.28  
Employees : 79

Share's  
Owned

100%

Tot. AUM

8,157.7

Net Income

7.0

### Credit Info.

Est : 2003.06.17  
Indus. : Collection  
Employees : 109

Share's  
Owned

100%

Tot. Assets

20.2

Net Income

0.6

### System

Est : 2011.05.20  
Indus. : IT  
Employees : 246

Share's  
Owned

100%

Tot. Assets

25.3

Net Income

1.2

### Venture Capital

Est : 2009.03.24  
Add : 2019.11.05  
Employees : 17

Share's  
Owned

100%

Tot. Assets

51.5

Net Income

1.6

### Affiliates

#### Cambodia

Est : 14.03.07  
Employees : 282  
Share's Owned : 100%  
Assets : 68.1 KRW bn  
2015.06 Start

#### Myanmar

Est : 14.03.21  
Employees : 670  
Share's Owned : 99.9%  
Assets : 71.9 KRW bn  
2014.12 Start

#### Lao PDR

Est : 15.04.24  
Employees : 38  
Share's Owned : 97%  
Assets : 34.0 KRW bn  
2015.07 Start

#### Kazakhstan

Est : 18.06.01  
Employees : 49  
Share's Owned : 100%  
Assets : 20.3 KRW bn  
2018.11 Start



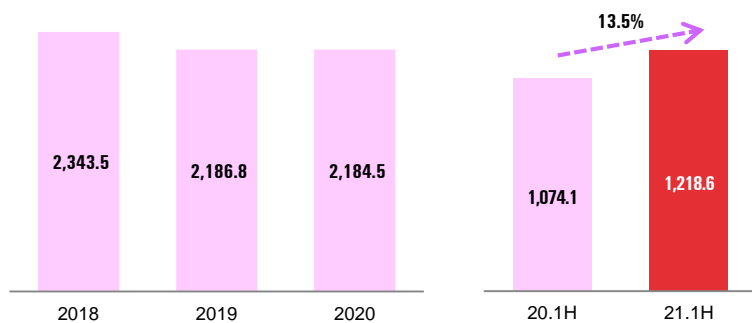
# II. Profitability

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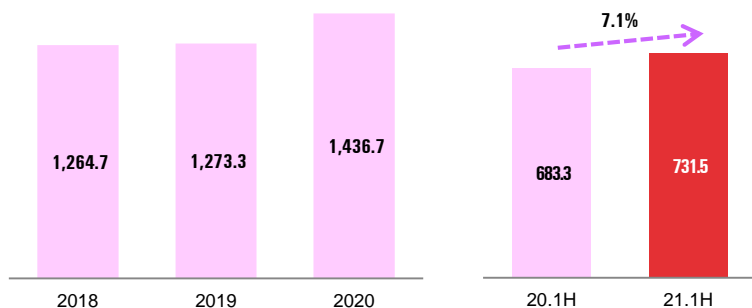
<b>1. Group Earning Results</b>	<b>9</b>
<b>2. Subsidiaries Earning Results</b>	<b>10</b>
<b>3. Banks Earning Results</b>	<b>11</b>
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# 1. Group Earning Results

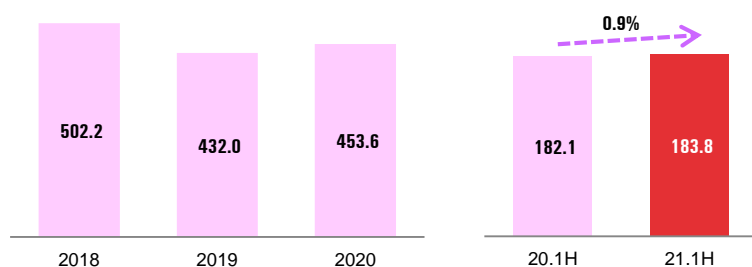
## Interest Income(% , KRW bn)



## SG&A(% , KRW bn)



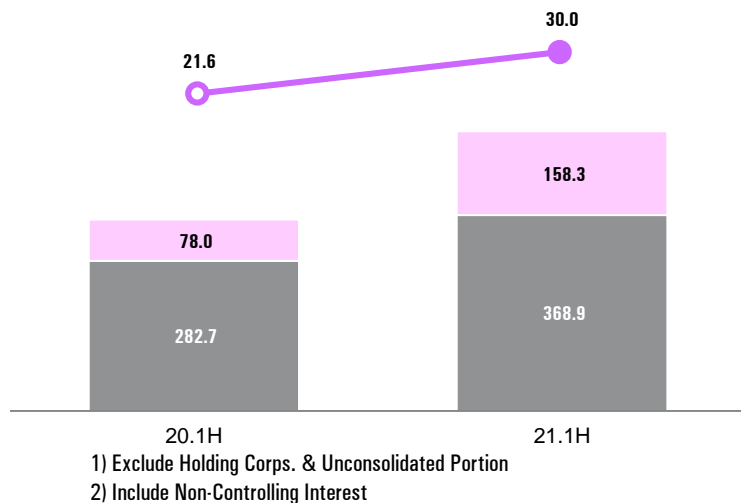
## Provisioning(% , KRW bn)



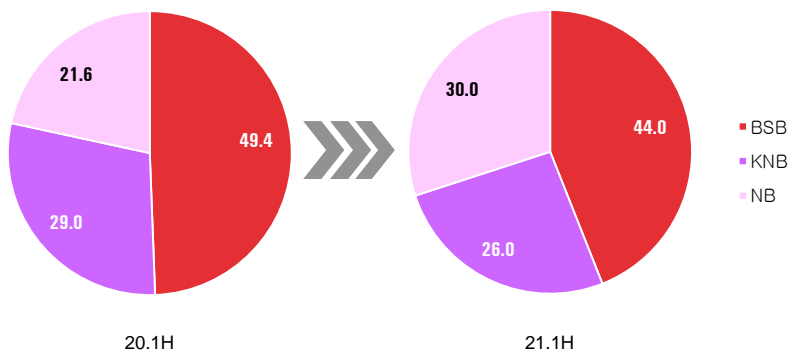
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Net Interest Income	1,218.6	1,074.1	13.5	629.6	589.0	6.9
Net Fee Income	264.9	196.6	34.7	155.4	109.5	41.9
Others	68.4	36.0	90.0	45.6	22.8	100.0
SG&A(-)	731.5	683.3	7.1	385.0	346.5	11.1
Provision Expense(-)	183.8	182.1	0.9	71.7	112.1	-36.0
Non-Operating Income	17.5	-2.9	Net Gain	13.4	4.1	226.8
Earnings Before Income Tax	654.1	438.4	49.2	387.3	266.8	45.2
Income Tax Expense(-)	164.5	105.9	55.3	101.2	63.3	59.9
Net Income(A)	489.6	332.5	47.2	286.1	203.5	40.6
Net Income in Non-Controlling Interest(B)	21.6	21.6	0.0	10.8	10.8	0.0
Net Income in Controlling Interest(C) (C) = (A) - (B)	468.0	310.9	50.5	275.3	192.7	42.9

## 2. Subsidiaries Earning Results

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



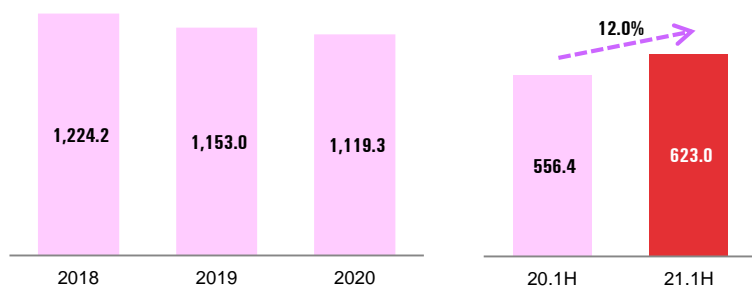
### Banks & Non-Bank Net Income Portion(%)



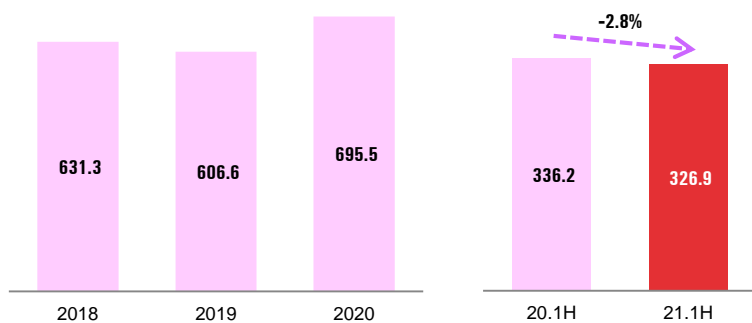
(KRW bn, %)	21.1H	20.1H	YoY	21.2Q	21.1Q	QoQ
<b>Bank(A)</b>	<b>368.9</b>	282.7	30.5	220.5	148.4	48.6
BSB	<b>232.0</b>	178.1	30.3	136.8	95.2	43.7
KNB	<b>136.9</b>	104.6	30.9	83.7	53.2	57.3
<b>Non-Bank(B)</b>	<b>158.3</b>	78.0	102.9	85.5	72.8	17.4
Capital	<b>71.4</b>	44.8	59.4	37.4	34.0	10.0
Securities	<b>65.0</b>	22.5	188.9	33.5	31.5	6.3
MSB	<b>11.5</b>	9.1	26.4	6.2	5.3	17.0
AM	<b>7.0</b>	0.2	3400.0	5.5	1.5	266.7
Credit Info	<b>0.6</b>	0.5	20.0	0.3	0.3	0.0
System	<b>1.2</b>	0.8	50.0	1.0	0.2	400.0
Venture Capital	<b>1.6</b>	0.1	1500.0	1.6	0.0	-
<b>Financial Group &amp; Unconsolidated Portion(C)</b>	<b>-37.6</b>	-28.2	-	-19.9	-17.7	-
<b>Net Income in Non-Controlling Interest(D)</b>	<b>21.6</b>	21.6	0.0	10.8	10.8	0.0
<b>Net Income in Controlling Interest(E)</b> (E=A+B+C-D)	<b>468.0</b>	310.9	50.5	275.3	192.7	42.9

### 3. Banks Earning Results - BSB

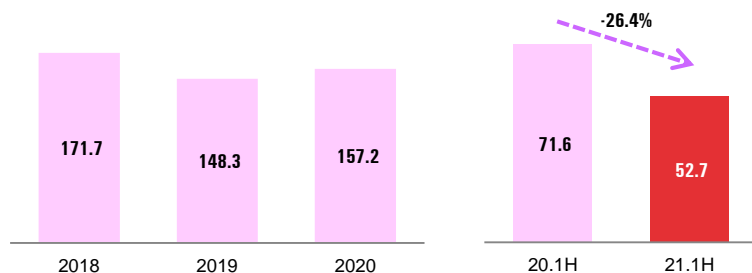
#### Interest Income(% , KRW bn)



#### SG&A(% , KRW bn)



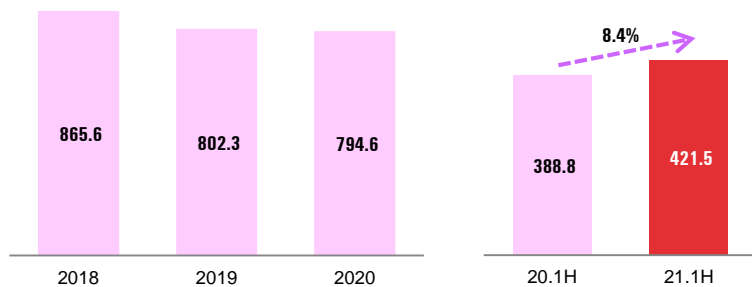
#### Provision Expense(% , KRW bn)



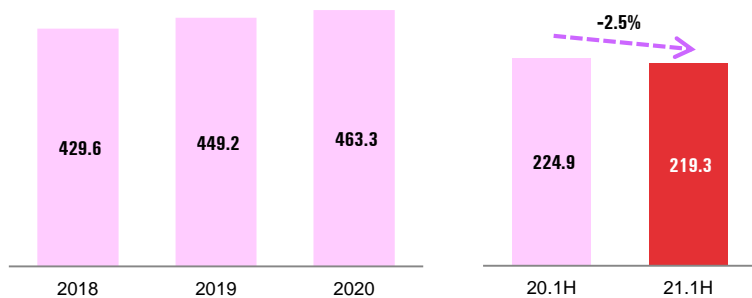
(KRW bn, %)	21.1H	20.1H	YoY	21.2Q	21.1Q	QoQ
Net Interest Income	623.0	556.4	12.0	322.5	300.5	7.3
Net Fee Income	83.4	82.9	0.6	54.5	28.9	88.6
Fees from Trust Account	11.2	8.6	30.2	5.4	5.8	-6.9
Others	-24.3	-0.9	-	-6.4	-17.9	-
SG&A(-)	326.9	336.2	-2.8	173.6	153.3	13.2
Provision Expense(-)	52.7	71.6	-26.4	22.7	30.0	-24.3
Net Operating Income	313.7	239.2	31.1	179.7	134.0	34.1
Non-Operating Income	-5.2	-6.3	-	3.7	-8.9	Net Gain
Earnings Before Income Taxes	308.5	232.9	32.5	183.4	125.1	46.6
Income Tax Expenses(-)	76.5	54.8	39.6	46.6	29.9	55.9
Net Income	232.0	178.1	30.3	136.8	95.2	43.7

### 3. Banks Earning Results - KNB

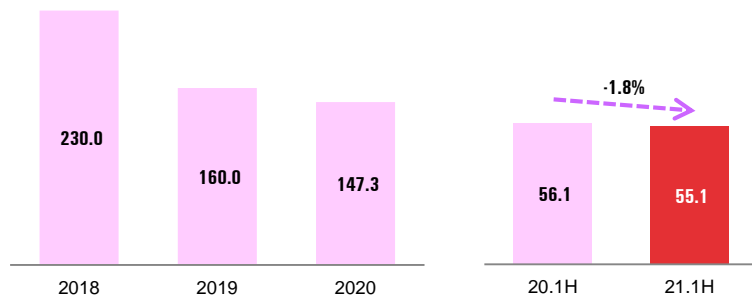
#### Interest Income(% , KRW bn)



#### SG&A(% , KRW bn)



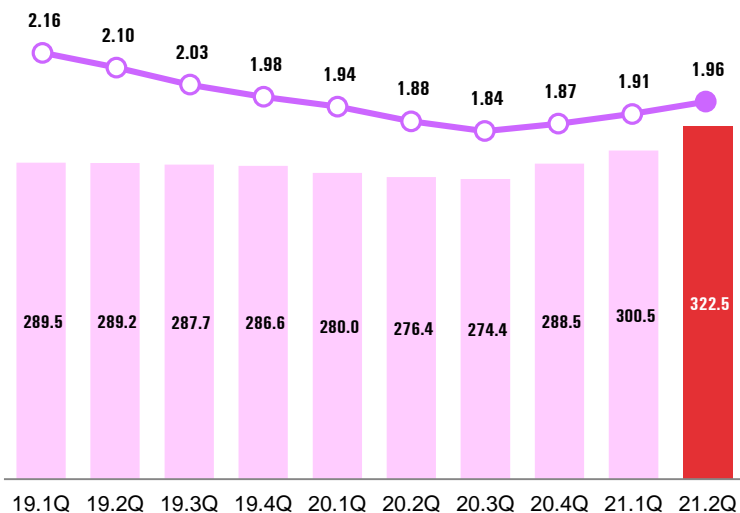
#### Provision Expense(% , KRW bn)



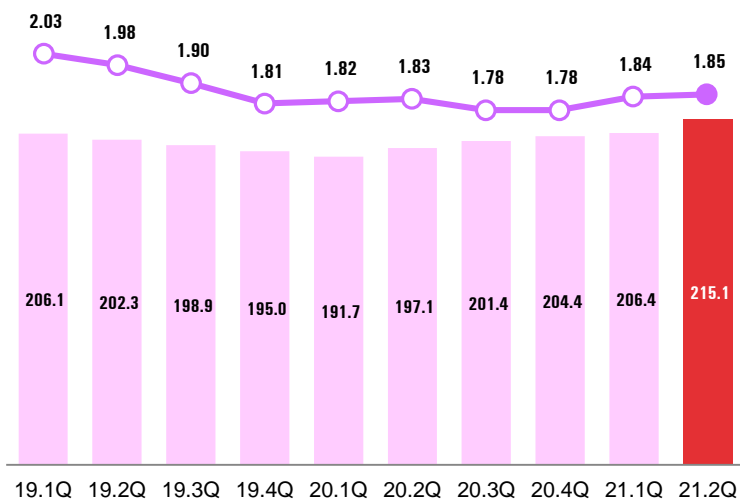
(KRW bn, %)	21.1H	20.1H	YoY	21.2Q	21.1Q	QoQ
Net Interest Income	421.5	388.8	8.4	215.1	206.4	4.2
Net Fee Income	51.0	41.1	24.1	27.2	23.8	14.3
Fees from Trust Account	4.3	4.3	0.0	2.1	2.2	-4.5
Others	-23.8	-20.8	-	-8.0	-15.8	-
SG&A(-)	219.3	224.9	-2.5	114.6	104.7	9.5
Provision Expense(-)	55.1	56.1	-1.8	9.2	45.9	-80.0
Net Operating Income	178.6	132.4	34.9	112.6	66.0	70.6
Non-Operating Income	1.9	2.0	-5.0	-0.8	2.7	Net Loss
Earnings Before Income Taxes	180.5	134.4	34.3	111.8	68.7	62.7
Income Tax Expenses(-)	43.6	29.8	46.3	28.1	15.5	81.3
Net Income	136.9	104.6	30.9	83.7	53.2	57.3

## 4. Banks NIM

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



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



### BSB

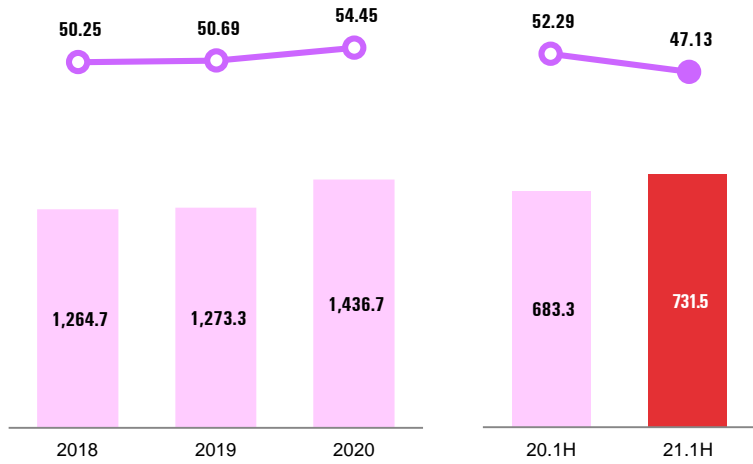
(% , KRW tn)	21.2Q	21.1Q	20.4Q	20.3Q	20.2Q
Quarterly NIM	1.96	1.91	1.87	1.84	1.88
Quarterly NIS	2.19	2.14	2.10	2.08	2.14
Interest Rate on KRW Loans	2.93	2.93	2.96	3.03	3.25
Interest Rate paid on KRW Deposits	0.74	0.79	0.86	0.95	1.11
Average Interest Earning Assets	58.4	55.9	54.1	52.3	51.9
Accumulated NIM	1.94	1.91	1.88	1.89	1.91

### KNB

(% , KRW tn)	20.2Q	20.1Q	20.4Q	20.3Q	20.2Q
Quarterly NIM	1.85	1.84	1.78	1.78	1.83
Quarterly NIS	2.07	2.07	2.01	2.03	2.08
Interest Rate on KRW Loans	2.92	2.98	2.99	3.10	3.34
Interest Rate paid on KRW Deposits	0.85	0.91	0.98	1.07	1.26
Average Interest Earning Assets	40.5	39.4	39.3	38.6	37.5
Accumulated NIM	1.85	1.84	1.80	1.81	1.83

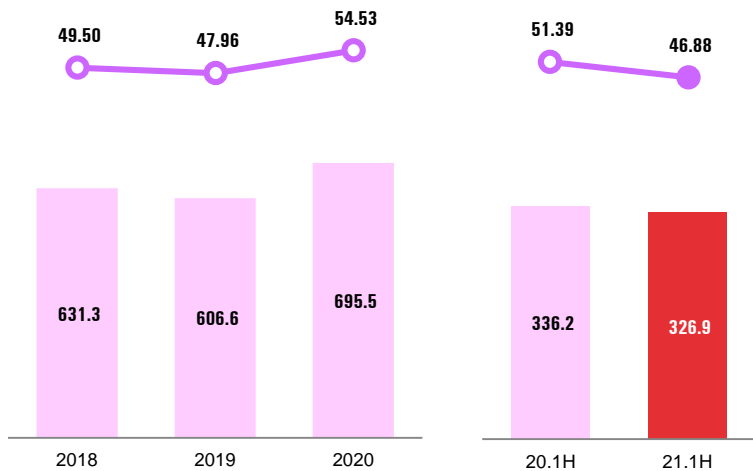
# 5. SG&A

□ Group SG&A & CIR (% , KRW bn)

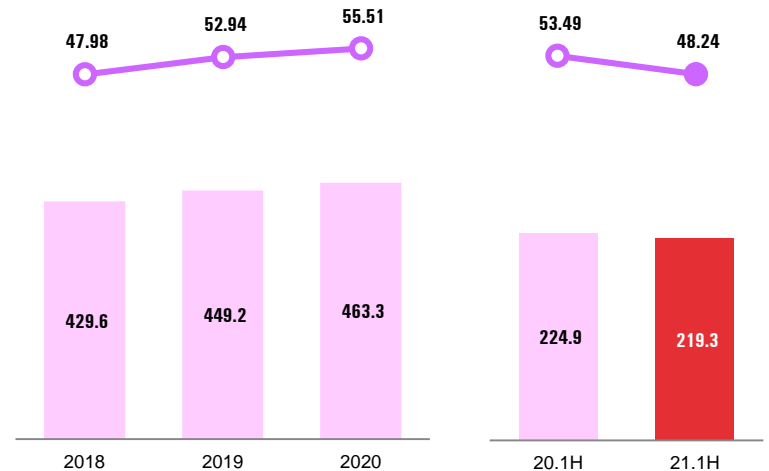


(KRW bn, %)	21.1H	20.1H	YoY	21.2Q	21.1Q	QoQ
<b>SG&amp;A</b>	<b>731.5</b>	683.3	7.1	385.0	346.5	11.1
<b>CIR</b>	<b>47.13</b>	52.29	-5.16			

□ BSB SG&A & CIR (% , KRW bn)



□ KNB SG&A & CIR (% , KRW bn)



Note) Bank's CIR, non-consolidated

# III. Growth

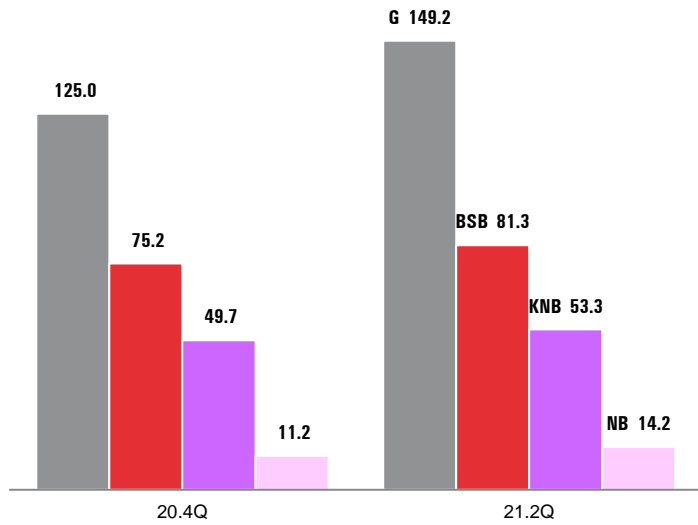
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<b>1. Group Assets</b>	<b>16</b>
<b>2. Banks Loans / Deposits</b>	<b>17</b>

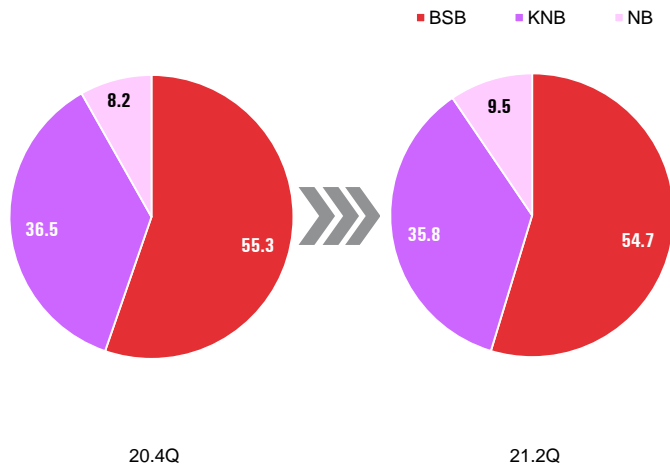


# 1. Group Assets

## ☐ Total Assets(KRW tn)



## ☐ Banks & Non-Banks Portion(%)

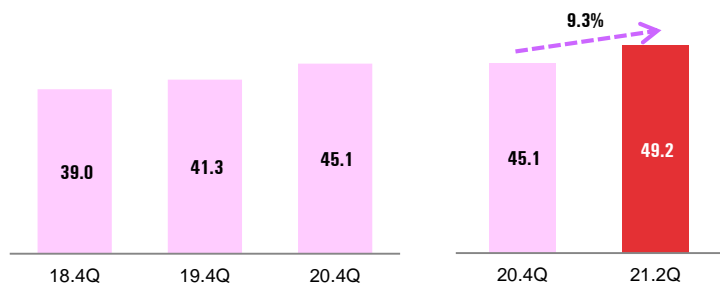


## ☐ Group Total Assets

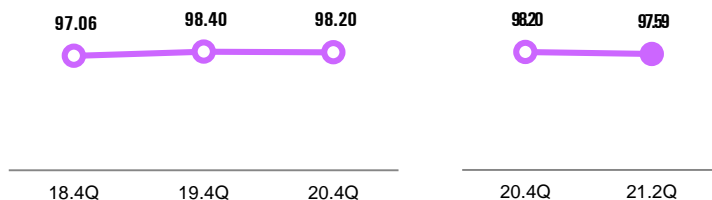
(KRW bn, %)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Bank</b>	<b>134,598.6</b>	124,956.4	7.7	129,747.2	3.7
BSB	<b>81,260.2</b>	75,247.6	8.0	78,299.1	3.8
KNB	<b>53,338.4</b>	49,708.8	7.3	51,448.1	3.7
<b>Non-Bank</b>	<b>14,184.6</b>	11,192.5	26.7	13,121.0	8.1
Capital	<b>8,045.2</b>	6,763.4	19.0	7,307.1	10.1
Securities	<b>4,268.8</b>	2,886.3	47.9	4,149.1	2.9
MSB	<b>1,596.9</b>	1,349.5	18.3	1,467.9	8.8
Asset Mgt.	<b>176.7</b>	119.1	48.4	123.3	43.3
Credit Info	<b>20.2</b>	19.5	3.6	20.0	1.0
System	<b>25.3</b>	25.4	-0.4	24.3	4.1
Venture Capital	<b>51.5</b>	29.3	75.8	29.3	75.8
<b>Financial Group &amp; Unconsolidated Portion</b>	<b>425.5</b>	426.6	-0.3	451.3	-5.7
<b>Group Total Assets</b>	<b>149,208.7</b>	136,575.5	9.2	143,319.5	4.1

## 2. Banks Loans / Deposits - BSB

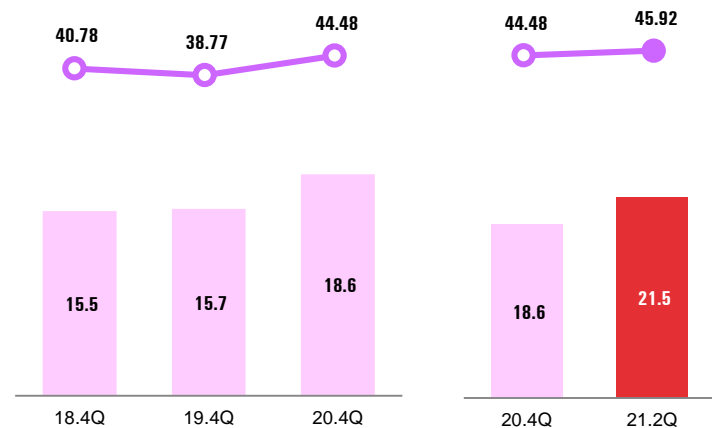
### □ KRW Loans(% , KRW tn)



### □ LDR(%)



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



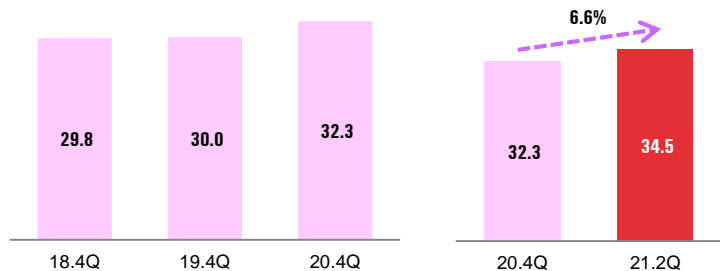
(KRW bn, %, Balance)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>KRW Loans<sup>1)</sup></b>	<b>49,239.8</b>	45,052.1	9.3	47,121.4	4.5
Corporate	31,984.7	29,355.0	9.0	30,689.1	4.2
SME	29,737.8	27,233.4	9.2	28,609.0	3.9
(SOHO) <sup>2)</sup>	14,941.2	13,796.6	8.3	14,365.6	4.0
Large Corps.	2,246.9	2,121.6	5.9	2,080.1	8.0
Household	16,019.6	14,570.8	9.9	15,271.4	4.9
Mortgage	11,316.8	10,228.1	10.6	10,774.0	5.0
Public	1,235.5	1,126.3	9.7	1,160.9	6.4
<b>Foreign Currency Loans<sup>1)</sup></b>	<b>663.2</b>	663.0	0.0	698.2	-5.0
<b>KRW Deposits<sup>1)</sup></b>	<b>48,951.8</b>	44,631.2	9.7	46,557.8	5.1
Low Cost Deposits	22,162.5	20,978.1	5.6	21,796.6	1.7
Core Deposits	19,219.3	17,478.7	10.0	18,293.9	5.1
MMDA	2,943.2	3,499.4	-15.9	3,502.7	-16.0

(KRW bn, %, %p, Average Balance)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Low-Cost Deposits(A)</b>	<b>21,465.2</b>	18,611.0	15.3	21,170.3	1.4
Core Deposits <sup>2)</sup>	18,276.2	15,374.0	18.9	17,884.4	2.2
MMDA	3,189.0	3,237.0	-1.5	3,285.9	-2.9
<b>KRW Deposits(B)</b>	<b>46,745.3</b>	41,841.6	11.7	45,585.4	2.5
A / B	<b>45.92</b>	44.48	1.44	46.44	-0.52

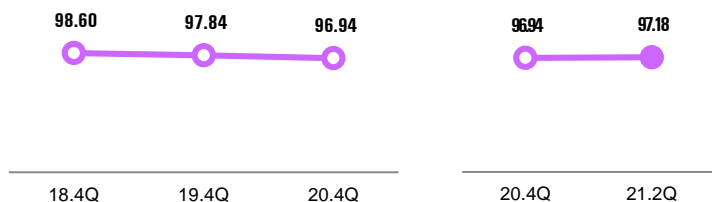
1) Unconsolidated FS, 2) SOHO(≤3 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

## 2. Banks Loans / Deposits - KNB

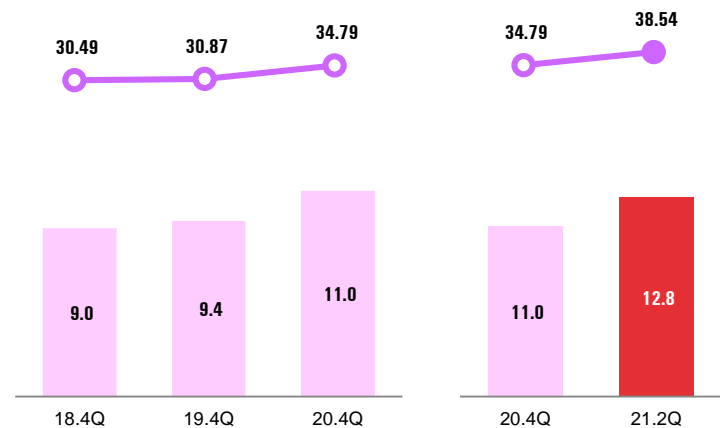
### □ KRW Loans(% , KRW tn)



### □ LDR(%)



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



(KRW bn, %, Balance)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>KRW Loans<sup>1)</sup></b>	<b>34,473.8</b>	32,345.3	6.6	33,710.8	2.3
Corporate	21,860.7	21,012.8	4.0	21,799.3	0.3
SME	20,465.9	19,539.5	4.7	20,102.4	1.8
(SOHO) <sup>2)</sup>	6,593.9	6,216.7	6.1	6,425.9	2.6
Large Corps.	1,394.8	1,473.3	-5.3	1,696.9	-17.8
Household	12,171.2	10,888.8	11.8	11,461.1	6.2
Mortgage	9,460.6	8,584.6	10.2	8,964.0	5.5
Public	441.9	443.7	-0.4	450.4	-1.9
<b>Foreign Currency Loans<sup>1)</sup></b>	<b>148.4</b>	151.2	-1.9	142.3	4.3
<b>KRW Deposits<sup>1)</sup></b>	<b>34,139.6</b>	31,909.2	7.0	33,074.1	3.2
Low Cost Deposits	13,363.7	11,908.8	12.2	12,712.7	5.1
Core Deposits	11,369.6	10,009.0	13.6	10,816.6	5.1
MMDA	1,994.1	1,899.8	5.0	1,896.1	5.2

(KRW bn, %, %p, Average Balance)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Low-Cost Deposits(A)</b>	<b>12,751.1</b>	11,046.1	15.4	12,469.9	2.3
Core Deposits <sup>2)</sup>	10,854.5	9,360.8	16.0	10,559.5	2.8
MMDA	1,896.6	1,685.3	12.5	1,910.4	-0.7
<b>KRW Deposits(B)</b>	<b>33,081.1</b>	31,753.4	4.2	32,503.5	1.8
<b>A / B</b>	<b>38.54</b>	34.79	3.75	38.36	0.18

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

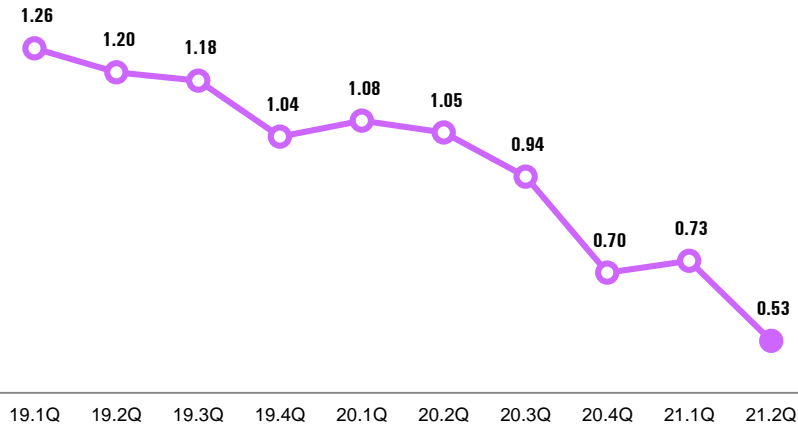
# IV. Asset Quality

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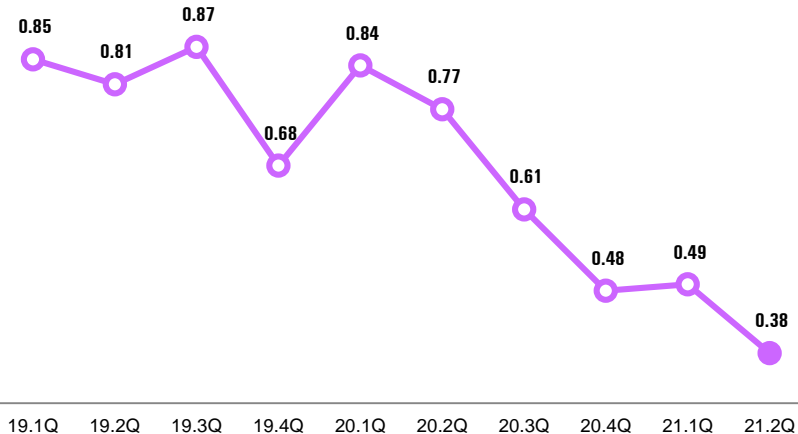
<b>1. Group Asset Quality</b>	<b>20</b>
<b>2. Banks Asset Quality</b>	<b>21</b>
<b>3. Group Provisioning</b>	<b>23</b>
<b>4. Banks Provisioning / Write-offs &amp; NPL Sales</b>	<b>24</b>

# 1. Group Asset Quality

## □ SBL(NPL) Ratio(%)



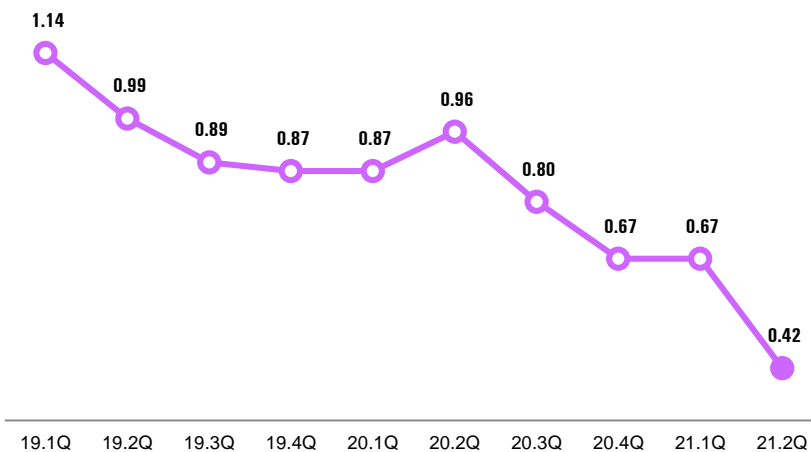
## □ Delinquency Ratio(%)



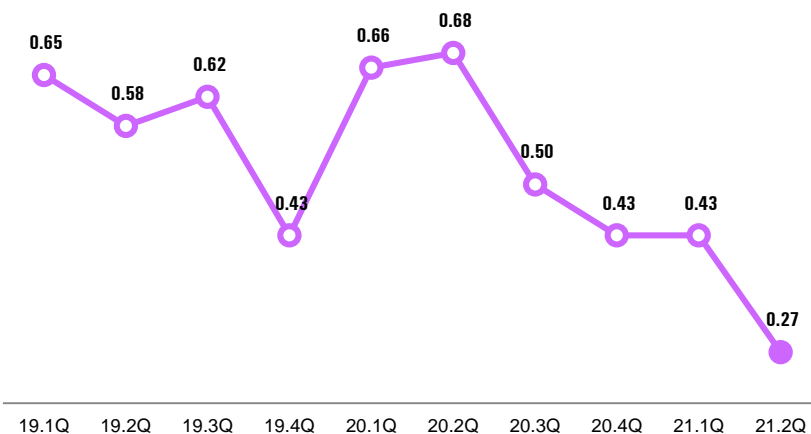
(KRW bn, %, %p)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Total Credits</b>	<b>96,597.3</b>	88,377.7	9.3	92,616.6	4.3
Normal	95,120.6	86,727.9	9.7	90,948.8	4.6
Precautionary	960.8	1,028.7	-6.6	988.6	-2.8
Substandard	281.1	413.6	-32.0	443.2	-36.6
Doubtful	106.2	63.1	68.3	91.9	15.6
Expected Loss	128.6	144.4	-10.9	144.1	-10.8
<b>SBL(Substandard &amp; Below Loans)</b>	<b>515.9</b>	621.1	-16.9	679.2	-24.0
<b>SBL Ratio</b>	<b>0.53</b>	0.70	-0.17	0.73	-0.20
SBL Coverage Ratio (Ratio before Reserve deduction)	155.31 (253.10)	123.58 (198.92)	31.73 (54.18)	122.10 (194.76)	33.21 (58.34)
<b>Delinquency Ratio</b>	<b>0.38</b>	0.48	-0.10	0.49	-0.11
Loan Amount	95,681.5	87,531.9	9.3	91,738.6	4.3
Delinquent Amount	362.5	421.0	-13.9	453.0	-20.0

## 2. Banks Asset Quality - BSB

### □ SBL(NPL) Ratio(%)



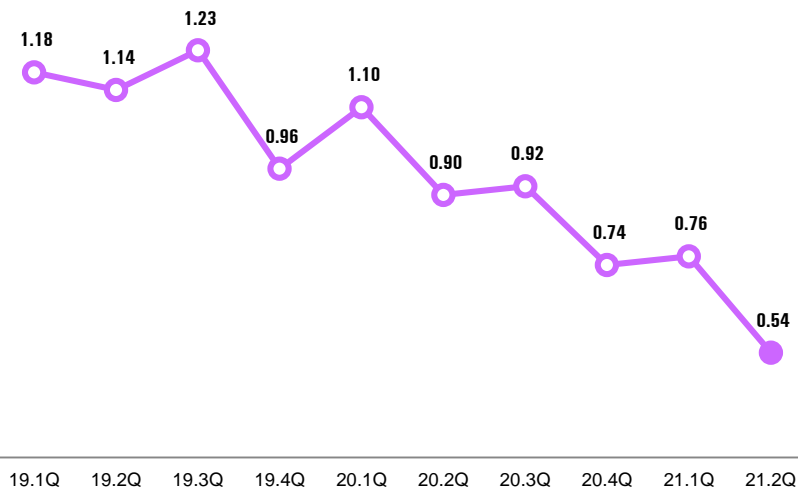
### □ Delinquency Ratio(%)



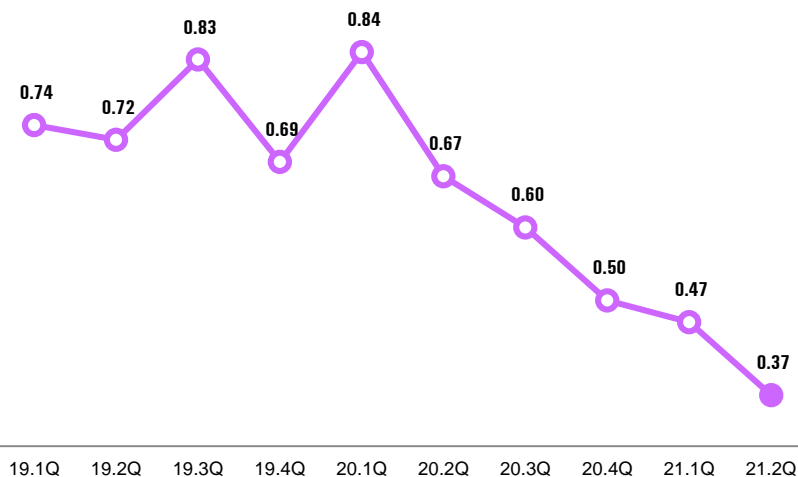
(KRW bn, %, %p)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Total Credits</b>	<b>51,571.1</b>	47,236.2	9.2	49,369.1	4.5
Normal	<b>50,950.4</b>	46,488.2	9.6	48,631.1	4.8
Precautionary	<b>404.1</b>	432.7	-6.6	407.1	-0.7
Substandard	<b>129.0</b>	222.4	-42.0	243.2	-47.0
Doubtful	<b>20.5</b>	20.4	0.5	19.5	5.1
Expected Loss	<b>67.1</b>	72.5	-7.4	68.2	-1.6
<b>SBL(Substandard &amp; Below Loans)</b>	<b>216.6</b>	315.3	-31.3	330.9	-34.5
<b>SBL Ratio</b>	<b>0.42</b>	0.67	-0.25	0.67	-0.25
SBL Coverage Ratio (Ratio before Reserve deduction)	<b>185.09</b> <b>(284.62)</b>	128.15 (192.18)	56.94 (92.44)	124.05 (191.53)	61.04 (93.09)
<b>Delinquency Ratio</b>	<b>0.27</b>	0.43	-0.16	0.43	-0.16
Loan Amount	<b>50,869.6</b>	46,594.7	9.2	48,711.7	4.4
Delinquent Amount	<b>138.2</b>	199.2	-30.6	209.4	-34.0

## 2. Banks Asset Quality - KNB

### □ SBL(NPL) Ratio(%)



### □ Delinquency Ratio(%)



(KRW bn, %, %p)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Total Credits</b>	<b>35,468.8</b>	33,263.8	6.6	34,680.3	2.3
Normal	35,050.7	32,766.6	7.0	34,212.2	2.5
Precautionary	225.2	251.8	-10.6	204.8	10.0
Substandard	119.9	163.7	-26.8	169.2	-29.1
Doubtful	25.5	28.9	-11.8	37.6	-32.2
Expected Loss	47.5	52.8	-10.0	56.5	-15.9
SBL(Substandard & Below Loans)	192.9	245.4	-21.4	263.3	-26.7
<b>SBL Ratio</b>	<b>0.54</b>	0.74	-0.20	0.76	-0.22
SBL Coverage Ratio (Ratio before Reserve deduction)	121.37 (223.81)	100.24 (175.35)	21.13 (48.46)	100.15 (172.18)	21.22 (51.63)
<b>Delinquency Ratio</b>	<b>0.37</b>	0.50	-0.13	0.47	-0.10
Loan Amount	35,254.5	33,059.6	6.6	34,459.7	2.3
Delinquent Amount	131.0	165.3	-20.8	163.3	-19.8

### 3. Group Provisioning

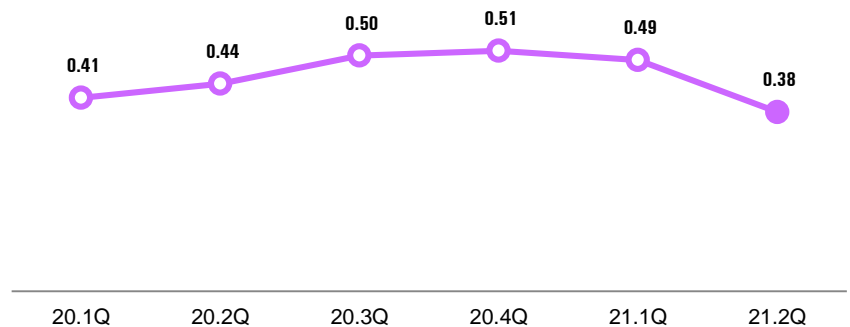
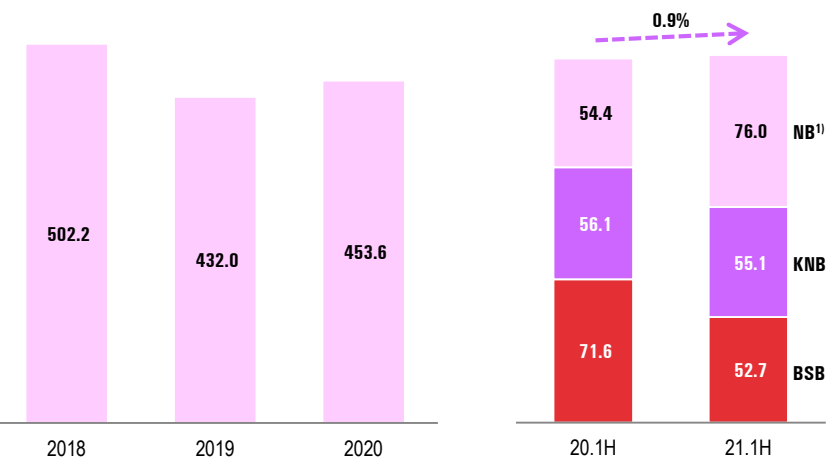
#### Provision Expense

(KRW bn, %)	2021			2020					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Total Provisions(A)	183.8	71.7	112.1	453.6	130.0	141.5	182.1	98.9	83.2
Total Credits(B)	96,597.3	96,597.3	92,616.6	88,377.7	88,377.7	86,052.6	83,623.9	83,623.9	82,053.0
<sup>1)</sup> Credit Cost(A/B)	0.38	0.30	0.49	0.51	0.59	0.65	0.44	0.48	0.41

1) Accumulated

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

#### Credit Cost(%)

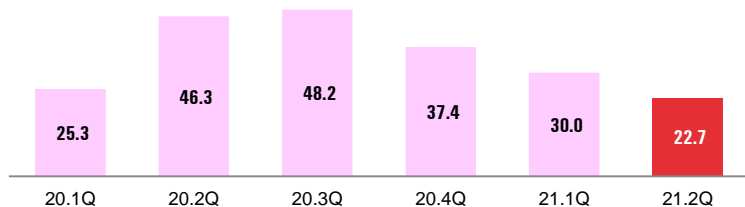


1) Non-banks : Asset growth for BNK Capital, IB growth for BNK Securities led YoY provision ↑

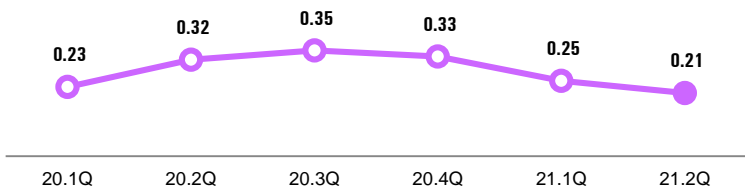


## 4. Provisioning / Write-offs & NPL Sales – BSB

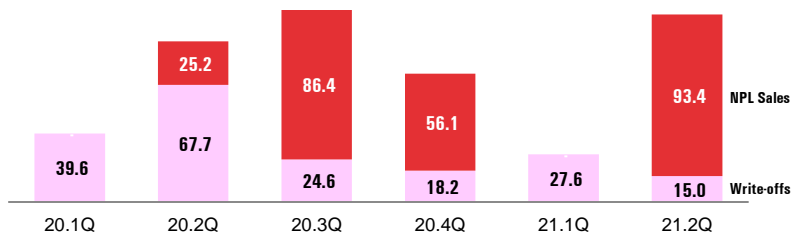
### Provision Expense(KRW bn)



### Credit Cost(%)



### Write-offs & NPL Sales(KRW bn)

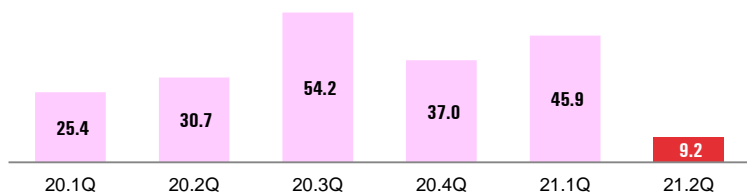


### Provision Expense / Write-offs & NPL Sales

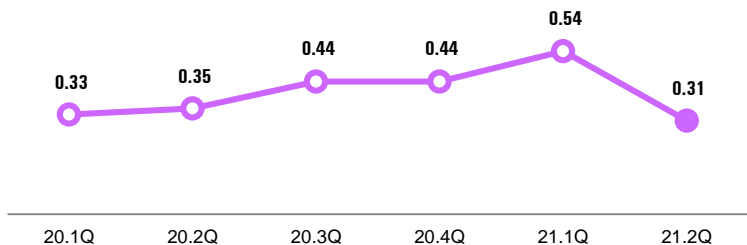
(KRW bn, %)	21.2Q	21.1Q	20.4Q	20.3Q	20.2Q	20.1Q
Corporate	13.3	20.4	35.2	38.6	30.9	20.9
Household	5.1	4.2	5.7	4.5	2.3	3.5
Credit Card	2.9	3.2	1.6	4.4	4.7	2.0
Others	1.4	2.2	-5.1	0.7	8.4	-1.1
<b>Total(A)</b>	<b>22.7</b>	<b>30.0</b>	<b>37.4</b>	<b>48.2</b>	<b>46.3</b>	<b>25.3</b>
Total Credits(B)	51,571.1	49,369.1	47,236.2	45,417.2	44,367.7	43,961.9
Credit Cost(A/B)	0.18	0.25	0.31	0.42	0.42	0.23
<b>Total Write-Offs</b>	<b>15.0</b>	<b>27.6</b>	<b>18.2</b>	<b>24.6</b>	<b>67.7</b>	<b>39.6</b>
Corporate	8.2	15.0	9.7	13.8	59.3	28.5
Household	2.7	6.2	4.0	6.0	3.7	5.1
Credit Card	4.1	6.4	4.5	4.8	4.7	6.0
<b>Total NPL Sales</b>	<b>93.4</b>	<b>0.0</b>	<b>56.1</b>	<b>86.4</b>	<b>25.2</b>	<b>0.0</b>
<b>(NPL Sales for SBL Loans)</b>	<b>90.9</b>	<b>0.0</b>	<b>54.7</b>	<b>84.3</b>	<b>25.1</b>	<b>0.0</b>
Corporate	90.6	0.0	51.8	83.6	22.4	0.0
Household	2.3	0.0	3.9	2.6	2.7	0.0
Credit Card	0.5	0.0	0.4	0.2	0.1	0.0

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

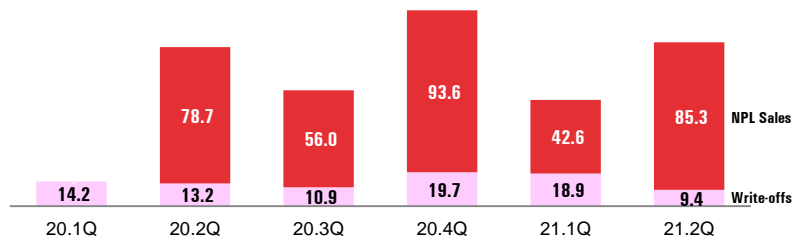
### Provision Expense(KRW bn)



### Credit Cost(%)



### Write-offs & NPL Sales(KRW bn)



### Provision Expense / Write-offs & NPL Sales

(KRW bn, %)	21.2Q	21.1Q	20.4Q	20.3Q	20.2Q	20.1Q
Corporate	0.4	37.8	26.7	43.1	18.8	22.8
Household	6.4	6.3	10.1	5.5	3.5	-0.2
Credit Card	2.4	1.8	2.1	3.9	3.8	2.8
Others	0.0	0.0	-1.9	1.7	4.6	0.0
<b>Total(A)</b>	<b>9.2</b>	<b>45.9</b>	<b>37.0</b>	<b>54.2</b>	<b>30.7</b>	<b>25.4</b>
Total Credits(B)	35,468.8	34,680.3	33,263.8	33,217.6	32,280.4	31,378.9
<b>Credit Cost(A/B)</b>	<b>0.10</b>	<b>0.54</b>	<b>0.44</b>	<b>0.65</b>	<b>0.38</b>	<b>0.33</b>
<b>Total Write-Offs</b>	<b>9.4</b>	<b>18.9</b>	<b>19.7</b>	<b>10.9</b>	<b>13.2</b>	<b>14.2</b>
Corporate	3.3	13.4	12.8	3.3	6.4	6.4
Household	3.6	2.7	3.7	4.7	3.2	4.0
Credit Card	2.5	2.8	3.2	2.9	3.6	3.8
<b>Total NPL Sales</b>	<b>85.3</b>	<b>42.6</b>	<b>93.6</b>	<b>56.0</b>	<b>78.7</b>	<b>0.0</b>
<b>(NPL Sales for SBL Loans)</b>	<b>81.1</b>	<b>40.4</b>	<b>91.6</b>	<b>54.0</b>	<b>78.7</b>	<b>0.0</b>
Corporate	85.2	42.1	92.3	55.4	73.9	0.0
Household	0.0	0.4	1.1	0.5	4.6	0.0
Credit Card	0.1	0.1	0.2	0.1	0.2	0.0

# V . Capital Adequacy

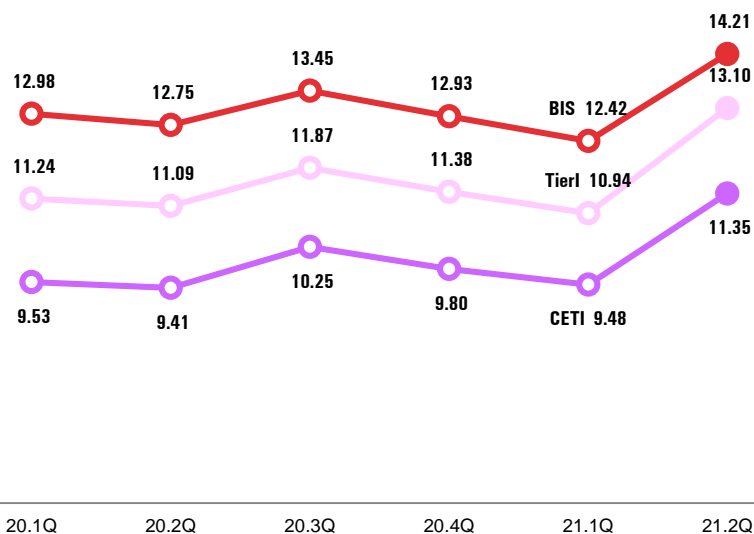
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## 1. Capital Adequacy

27

# 1. Capital Adequacy

## Group Capital Adequacy(%)



## BSB

(KRW bn, %, %p, BaselIII I.R.B.)	21.2Q	20.4Q	YTD	21.1Q	QoQ
Tot. Risk Adjusted Capital	5,640.4	5,600.5	0.7	5,577.4	1.1
Tier I	5,084.2	5,017.6	1.3	5,034.3	1.0
(CETI)	4,702.4	4,602.9	2.2	4,652.5	1.1
Tot. R.W.A.	32,785.5	30,232.0	8.4	31,424.8	4.3
BIS Capital Ratio	17.20	18.53	-1.33	17.75	-0.55
Tier I	15.51	16.60	-1.09	16.02	-0.51
(CETI)	14.34	15.23	-0.89	14.81	-0.47

## Group

(KRW bn, %, %p, BaselIII Standard)	21.2Q <sup>1)</sup>	20.4Q	YTD	21.1Q	QoQ
Tot. Risk Adjusted Capital	9,754.0	9,919.0	-1.7	10,049.4	-2.9
Tier I	8,990.5	8,729.0	3.0	8,852.8	1.6
(CETI)	7,794.3	7,519.0	3.7	7,667.3	1.7
Tot. R.W.A.	68,647.7	76,702.4	-10.5	80,889.8	-15.1
BIS Capital Ratio	14.21	12.93	1.28	12.42	1.79
Tier I	13.10	11.38	1.72	10.94	2.16
(CETI)	11.35	9.80	1.55	9.48	1.87

1) IRB

## KNB

(KRW bn, %, %p, BaselIII I.R.B.)	21.2Q	20.4Q	YTD	21.1Q	QoQ
Tot. Risk Adjusted Capital	3,565.5	3,600.5	-1.0	3,611.4	-1.3
Tier I	3,165.0	3,144.1	0.7	3,172.3	-0.2
(CETI)	2,884.3	2,831.8	1.9	2,891.6	-0.3
Tot. R.W.A.	21,163.8	20,162.2	5.0	20,680.0	2.3
BIS Capital Ratio	16.85	17.86	-1.01	17.46	-0.61
Tier I	14.95	15.59	-0.64	15.34	-0.39
(CETI)	13.63	14.05	-0.42	13.98	-0.35

# VI. Appendix

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# 1. Banks KRW Loan Portfolio

BSB				
(KRW bn, %, Balance)	2021 2Q			
	Amount	Ratio	YTD	QoQ
<b>Manufacturing</b>	<b>8,594.2</b>	17.5	1.7	-0.8
Steel Metal Products	2,473.7	5.0	1.9	-1.8
Automobile Parts	1,688.1	3.4	-2.2	-2.2
Machinery	1,253.9	2.5	2.8	0.6
Petroleum, Rubber, etc.	955.4	1.9	5.3	2.3
Fabric	319.5	0.6	3.2	1.7
Garment & Shoes	345.7	0.7	0.8	-3.5
Kitchen Units	400.8	0.8	7.5	3.2
Electronics	379.4	0.8	3.5	2.8
Paper, Paper Mills	119.6	0.2	-2.8	-6.7
Others	658.1	1.3	0.8	-2.8
<b>Non-Manufacturing</b>	<b>24,626.0</b>	50.0	11.8	6.2
Wholesale & Retail	4,359.3	8.9	8.4	3.0
Public	0.9	0.0	-70.0	80.0
Construction & Engineering	1,491.4	3.0	2.6	-0.9
Real Estate	10,066.0	20.4	14.7	9.2
Insurance & Financing	596.2	1.2	7.1	21.5
Transportation	1,220.2	2.5	7.3	2.6
Hotel & Food	1,970.3	4.0	14.9	4.0
Others	4,921.7	10.0	12.7	5.7
<b>Households</b>	<b>16,019.6</b>	32.5	9.9	4.9
<b>KRW Loans</b>	<b>49,239.8</b>	100.0	9.3	4.5

KNB				
(KRW bn, %, Balance)	2021 2Q			
	Amount	Ratio	YTD	QoQ
<b>Manufacturing</b>	<b>9,624.1</b>	27.9	1.7	-0.9
Steel Metal Products	2,251.5	6.5	2.0	-1.4
Automobile Parts	2,752.7	8.0	-0.5	-0.8
Machinery	2,277.9	6.6	1.0	-2.9
Petroleum, Rubber, etc.	344.6	1.0	10.4	4.4
Fabric	118.1	0.3	12.9	4.7
Garment & Shoes	24.8	0.1	2.1	-8.8
Kitchen Units	300.8	0.9	20.6	12.3
Electronics	580.6	1.7	1.5	0.3
Paper, Paper Mills	86.9	0.3	5.1	2.8
Others	886.2	2.6	-0.7	-2.5
<b>Non-Manufacturing</b>	<b>12,678.5</b>	36.8	5.7	1.1
Wholesale & Retail	2,770.8	8.0	9.6	5.1
Public	39.9	0.1	-3.2	-3.2
Construction & Engineering	775.7	2.3	5.2	0.2
Real Estate	4,136.5	12.0	4.7	2.6
Insurance & Financing	219.1	0.6	29.7	-42.0
Transportation	584.4	1.7	-5.3	-6.2
Hotel & Food	1,107.9	3.2	6.6	3.5
Others	3,044.2	8.8	4.7	2.1
<b>Households</b>	<b>12,171.2</b>	35.3	11.8	6.2
<b>KRW Loans</b>	<b>34,473.8</b>	100.0	6.6	2.3

\*Sectors are based on FSS Business Report

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

## 2. Cyclical Sector

	2021.2Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %)						
<b>Exposure</b>	<b>3,466.7</b>	<b>2,932.8</b>	<b>2,313.0</b>	<b>1,355.9</b>	<b>416.0</b>	<b>710.3</b>
<b>(% of Total Credits)</b>	<b>4.0</b>	<b>3.4</b>	<b>2.7</b>	<b>1.6</b>	<b>0.5</b>	<b>0.8</b>
<b>Collateral &amp; Provision</b>	<b>2,606.2</b>	<b>1,977.9</b>	<b>1,500.1</b>	<b>961.6</b>	<b>228.7</b>	<b>456.5</b>
<b>Collateral &amp; Provision Coverage</b>	<b>75.2</b>	<b>67.4</b>	<b>64.9</b>	<b>70.9</b>	<b>55.0</b>	<b>64.3</b>
<b>No# of Creditors</b>	<b>2,607</b>	<b>1,858</b>	<b>4,800</b>	<b>1,111</b>	<b>217</b>	<b>657</b>

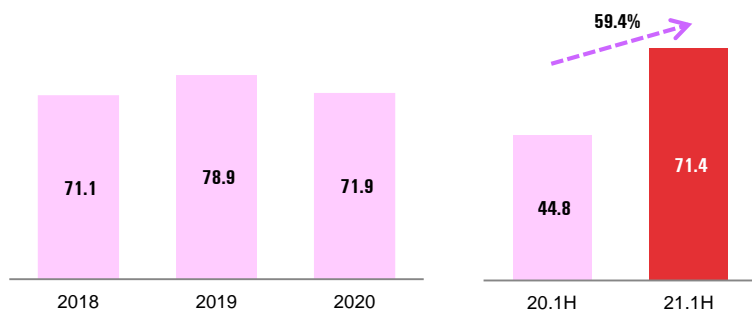
Note 1) Exposure & Total Credits are the sum of BSB & KNB

Note 2) Sectors are based on FSS Business Report

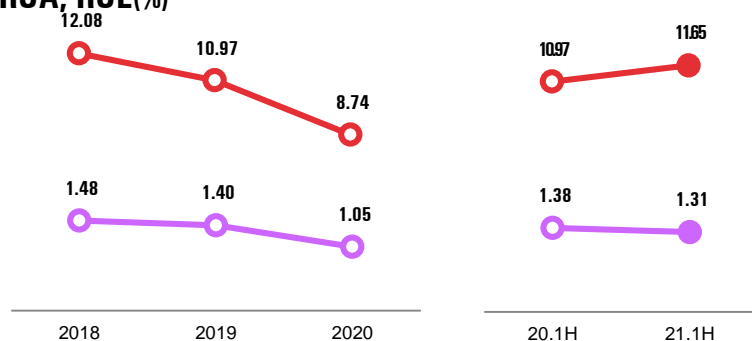
Note 3) Construction includes Real Estate PF(Ref. Collateral for Real Estate PFs are evaluated based on future cash flow that does not include land, buildings under construction etc. hence the overall low construction coverage)

### 3. BNK Capital

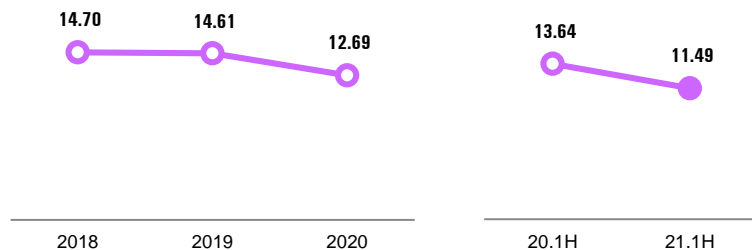
#### Net Income(% , KRW bn)



#### ROA, ROE(%)



#### Adjusted Capital Ratio(%)



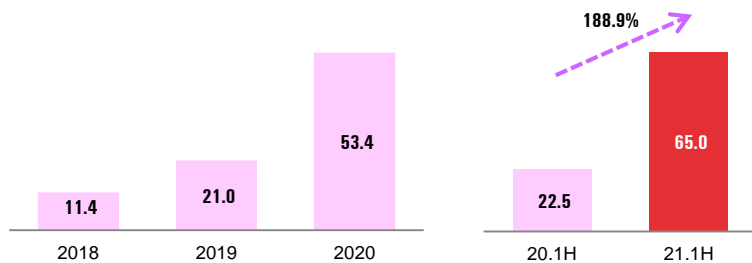
(KRW bn, %, Balance)	21.1H	20.1H	YoY	21.1Q	QoQ
Net Interest Income	150.5	113.4	32.7	72.3	8.2
Fee Income	28.6	20.6	38.8	11.8	42.4
Others	22.1	23.0	-3.9	9.7	27.8
SG&A(-)	41.7	39.9	4.5	21.3	-4.2
Provision Expense(-)	67.8	55.9	21.3	31.2	17.3
Non-Operating Income	2.3	-2.2	Net Gain	1.2	-8.3
<b>Earnings Before Income Tax</b>	<b>94.0</b>	59.0	59.3	42.5	21.2
Income Tax Expenses(-)	22.6	14.2	59.2	8.5	65.9
<b>Net Income</b>	<b>71.4</b>	44.8	59.4	34.0	10.0

(KRW bn, %, Balance)	21.2Q	20.4Q	YTD	21.1Q	QoQ
<b>Assets</b>	<b>8,045.2</b>	6,763.4	19.0	7,307.1	10.1
Cash and Dues	210.7	85.6	146.1	156.0	35.1
Securities	296.4	187.3	58.2	225.5	31.4
Loans	5,231.8	4,237.6	23.5	4,673.9	11.9
Venture Capital Business	2.9	2.8	3.6	2.9	0.0
Durables Installment Financing Assets	286.1	277.9	3.0	265.9	7.6
Leased Assets	1,874.2	1,838.9	1.9	1,849.2	1.4
Fixed Assets	15.0	12.9	16.3	16.2	-7.4
Other Assets	128.1	120.4	6.4	117.5	9.0
<b>Liability &amp; Shareholder's Equity</b>	<b>8,045.2</b>	6,763.4	19.0	7,307.1	10.1
Borrowings	6,795.6	5,610.2	21.1	6,118.5	11.1
Other Liabilities	429.8	390.2	10.1	403.3	6.6
Shareholder's Equity	819.8	763.0	7.4	785.3	4.4

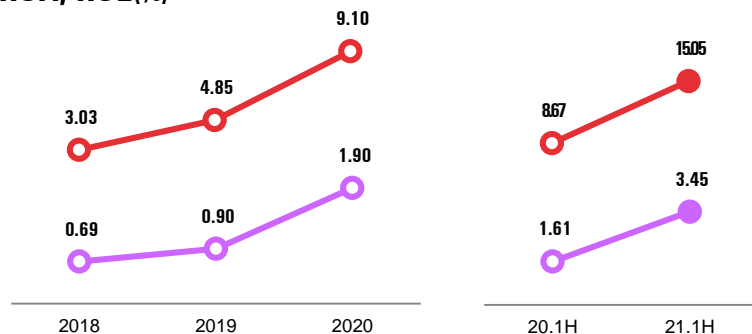


## 4. BNK Securities

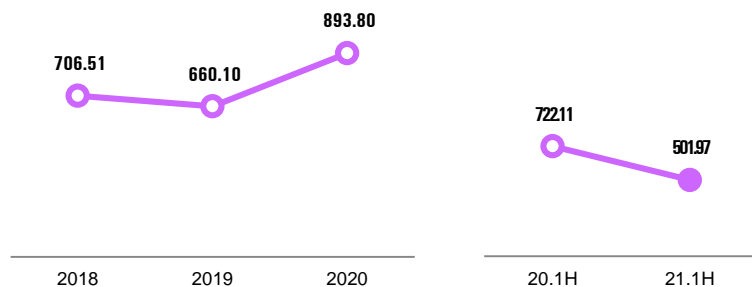
### Net Income(% , KRW bn)



### ROA, ROE(%)



### NCR(%)



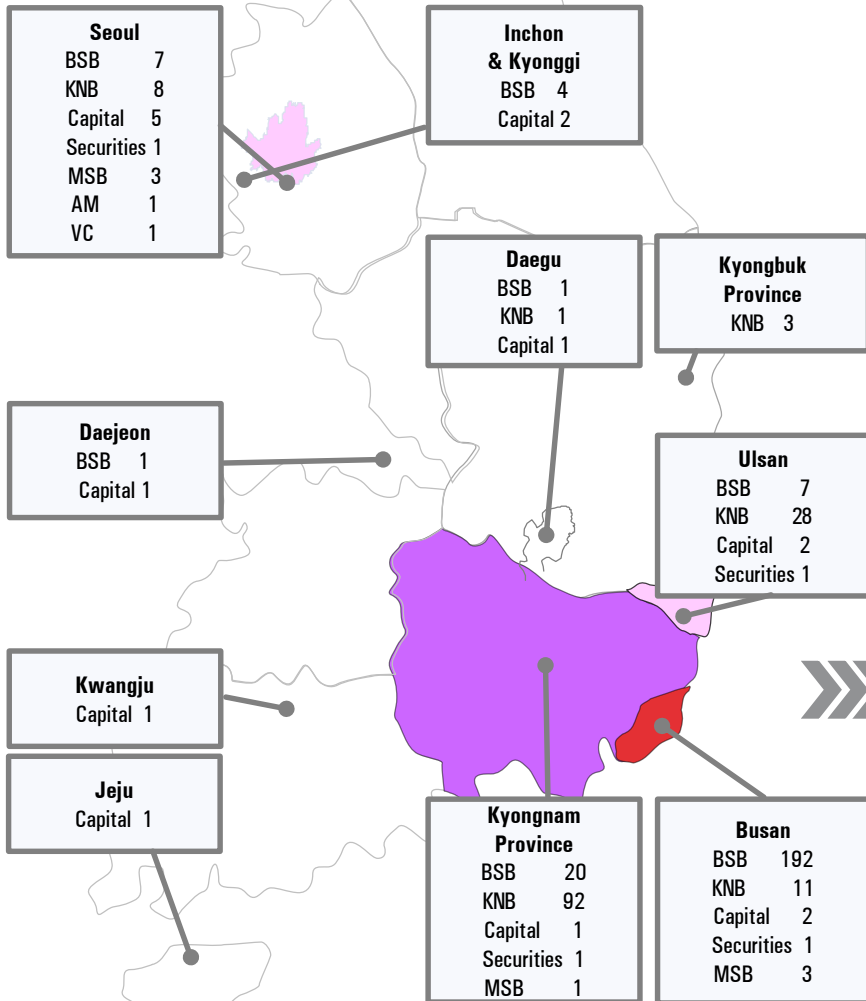
(KRW bn, %, Balance)	21.1H	20.1H	YoY	21.1Q	QoQ
Net Interest Income	22.1	9.6	130.2	9.1	42.9
Fee Income	89.8	41.6	115.9	40.5	21.7
Others	73.4	27.7	165.0	39.6	-14.6
SG&A(-)	97.8	47.9	104.2	45.8	13.5
Provision Expense(-)	7.9	0.5	1,480.0	4.5	-24.4
Non-Operating Income	6.8	0.2	3,300.0	3.0	26.7
Earnings Before Income Tax	86.4	30.7	181.4	41.9	6.2
Income Tax Expenses(-)	21.4	8.2	161.0	10.4	5.8
<b>Net Income</b>	<b>65.0</b>	22.5	188.9	31.5	6.3

(KRW bn, %, Balance)	21.1H	20.1H	YoY	21.1Q	QoQ
<b>Fee Income</b>	<b>89.8</b>	41.6	115.9	40.5	21.7
Fee Revenue	102.2	49.8	105.2	46.4	20.3
Underwriting	14.8	6.9	114.5	5.3	79.2
Advisory	61.2	24.0	155.0	26.9	27.5
Brokerage	25.4	18.3	38.8	13.9	-17.3
Others	0.8	0.6	33.3	0.3	66.7
Fee Expense	12.4	8.2	51.2	5.9	10.2

# 4. Group Networks & Major Industries

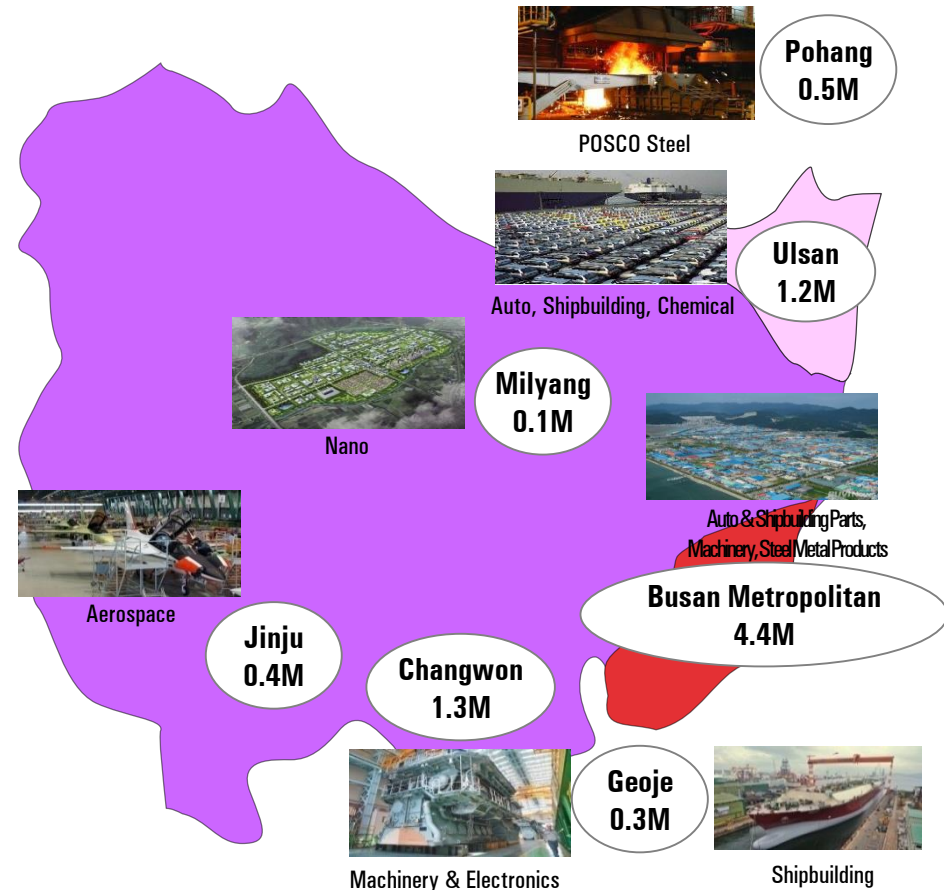
## Networks (as of June 2021) : 414 Locations

- BSB 238(Qingdao/Nanjing/Ho Chi Minh Branch, Yangon/Mumbai/Hanoi Office incl.), KNB 144(Tashkent Office), Capital 19(incl. Myanmar, Cambodia, Laos, Kazakhstan), Securities 4, MSB 7, AM 1, Venture Capital 1



## Population & Major Industries

- Southeastern Conurbation (7.9 Mn, 15.3% of Total Population), 14.6% of GRDP(2019)
- Exports : 103.3 USD bn(2020)
- Imports : 58.1 USD bn(2020)



\* Southeastern region includes Busan, Ulsan, and Kyongnam