

2023 2Q Financial Results

BNK Financial Group



Contents

- I . **2023 2Q Highlights**
- II . **Profitability**
- III . **Growth**
- IV . **Asset Quality**
- V . **Capital Adequacy**
- VI . **Appendix**

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

Profitability – Group Net Income

(KRW bn,%)	23.1Q	22.1Q	YoY	22.4Q	QoQ
Net Interest Income	731.4	678.7	7.8	772.5	-5.3
Net Fee Income	67.6	145.7	-53.6	50.1	34.9
Others	40.6	3.6	1,027.8	-12.8	Net Gain
SG&A(-)	392.9	371.0	5.9	448.0	-12.3
Provision Expense(-)	124.9	81.8	52.7	271.4	-54.0
Net Income	268.3	287.1	-6.5	58.5	358.6
Net Income in Controlling Interest	256.8	276.3	-7.1	47.0	446.4

Profitability – Group Subsidiaries Net Income

(KRW bn,%)	23.1Q	22.1Q	YoY	22.4Q	QoQ
Banks(A)	230.3	215.4	6.9	89.9	156.2
BSB	145.3	128.2	13.3	65.4	122.2
KNB	85.0	87.2	-2.5	24.5	246.9
Non-Banks(B)	58.4	93.4	-37.5	-3.8	Net Gain
Capital	32.6	57.5	-43.3	11.4	186.0
Securities	19.1	34.5	-44.6	-4.2	Net Gain
MSB	0.7	1.0	-30.0	-12.6	Net Gain
AM	3.7	-1.5	Net Gain	0.7	428.6

NI 460.2 KRWbn

(YoY -8.9%)

- Decrease in PF fee income & increase in provision expense led yearly decrease

Core Inc. 1,583.9 KRWbn

(YoY -5.2%)

- Growth driven int. earning asset gwth., led int. income ↑+3.2%
- AQ mgt. restricting PF gwth. led to lower group PF fee income

SG&A 750.0 KRWbn

(YoY +3.1%)

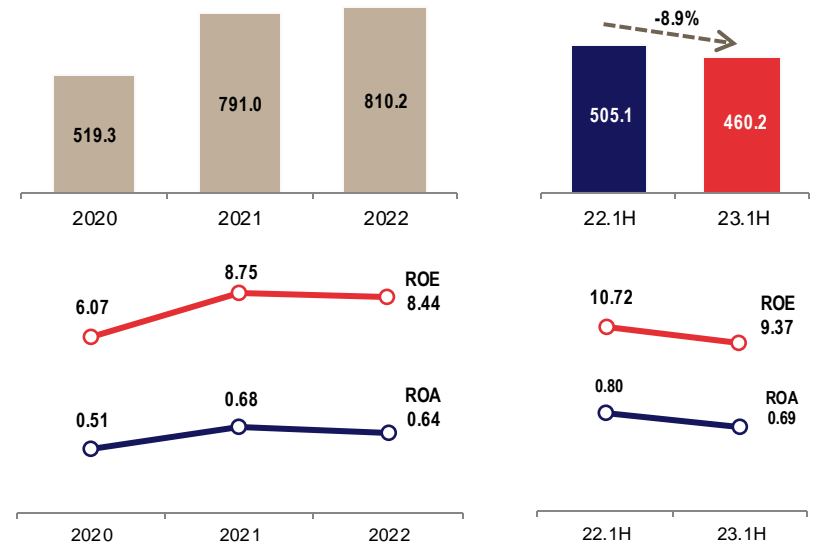
- Banks costled yearly 3% growth

Prov. Exp. 289.8 KRWbn

(YoY +44.8%)

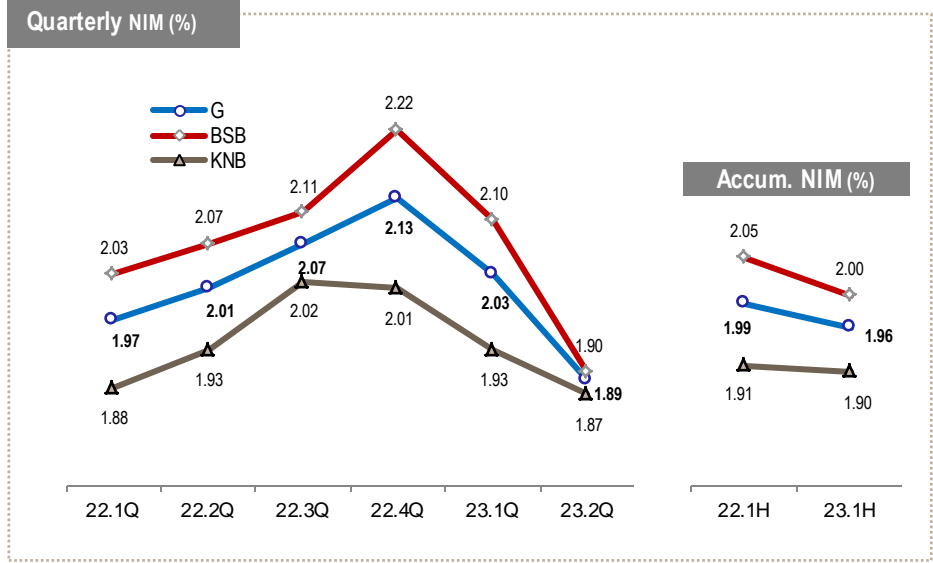
- Preemptive prov. exp. advised by gov. to increase loss absorption capacity
- 23.1H Loss Absorp. Cap.: 83.9 KRW bn (BSB 56.6, KNB 27.3)

Profitability – Group Net Income (KRW bn), Group ROA/ROE(%)



2023 2Q Highlights_Profitability, Growth

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



NIM 1.89%

(QoQ -14bps)

- Bank's cost of funding ↑ leading NIM ↓
- BSB 1.90% (-20bp), KNB 1.87% (-6bp)

※ 2Q Accum. NIM : G 1.96%, BSB 2.00%, KNB 1.90%

KRW Loans 956KRWtn

(YTD +3.5%, Bks Tot.)

- Non-manufacturing driven Corps., interm. pay. & mortgage led House.

* BSB 4.2% (Corps. 3.4%, House 5.0%)
KNB 2.7% (Corps. 3.8%, House 0.4%)

KRW Deposits 93.7KRWtn

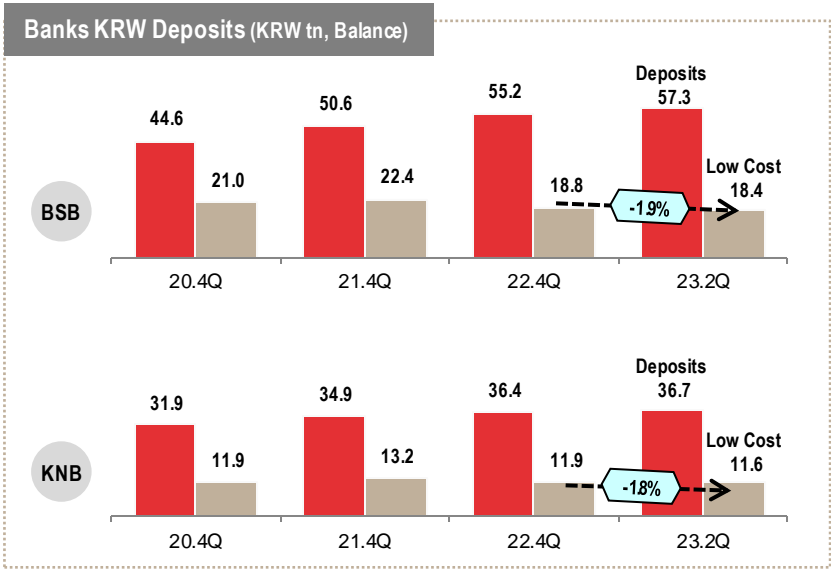
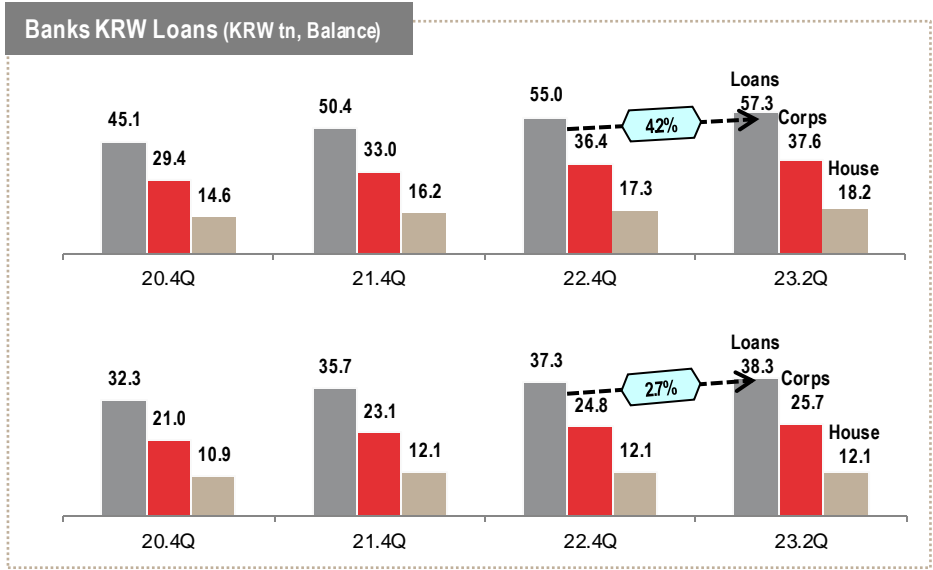
(YTD +2.3%, Bks Tot.)

- Time/Savings led year-to-date growth
- Cont. focus to improve quality of funding

L-C Deposits 30.1KRWtn

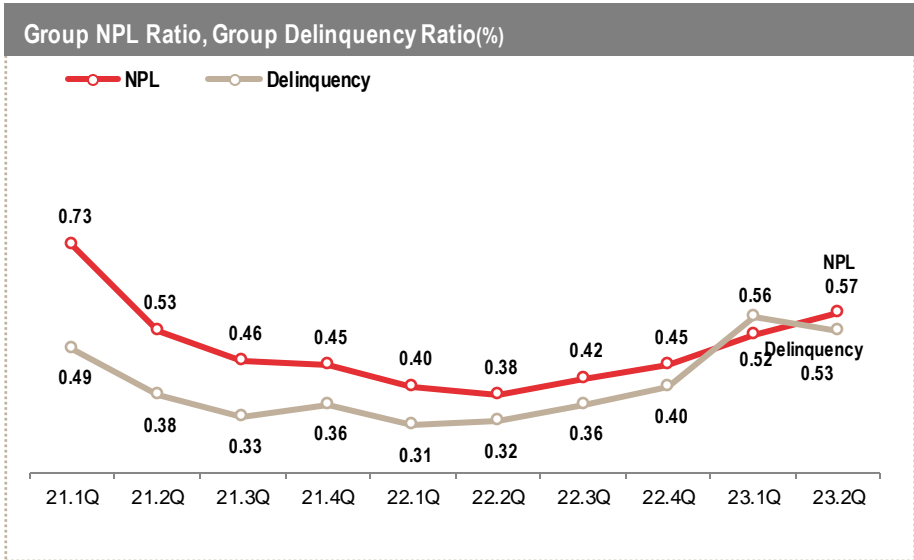
(QoQ -1.9%, Bks Tot.)

- OTC depo. gwth. incl. high yield depos. etc. & lowering gov. entitie's time deposits interests to decrease overall cost
- Cont. funding, matched with loan gwth.



2023 2Q Highlights_Aset Quality, Capital Adequacy

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



NPL Ratio **0.57%**

(QoQ +5bps)

- Even with preemptive risk mgt & AQ control, saw slight increase in ratio
- BSB 0.32% (+2bps), KNB 0.37% (-)

Del. Ratio **0.53%**

(QoQ -3bps)

- Tight AQ mgt in subs. led decrease
- BSB 0.38% (+5bps), KNB 0.32% (-1bps)

C.C. **0.53%**

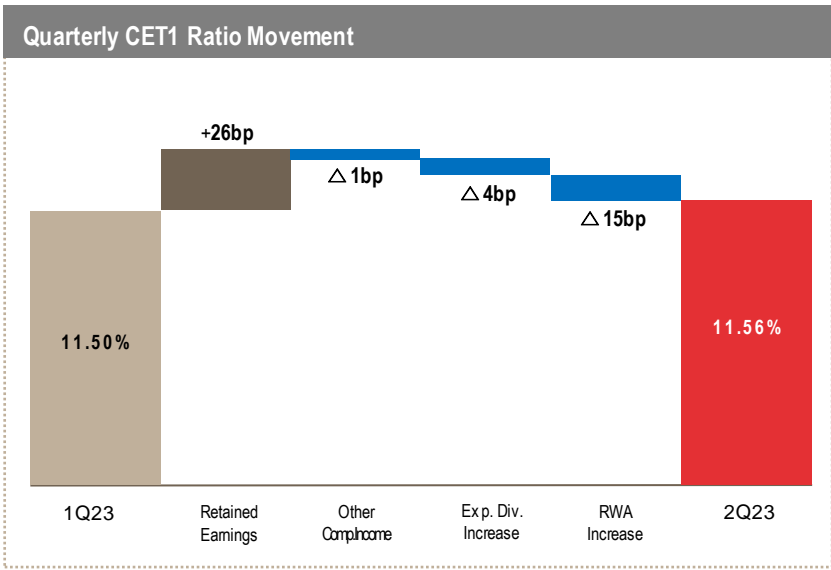
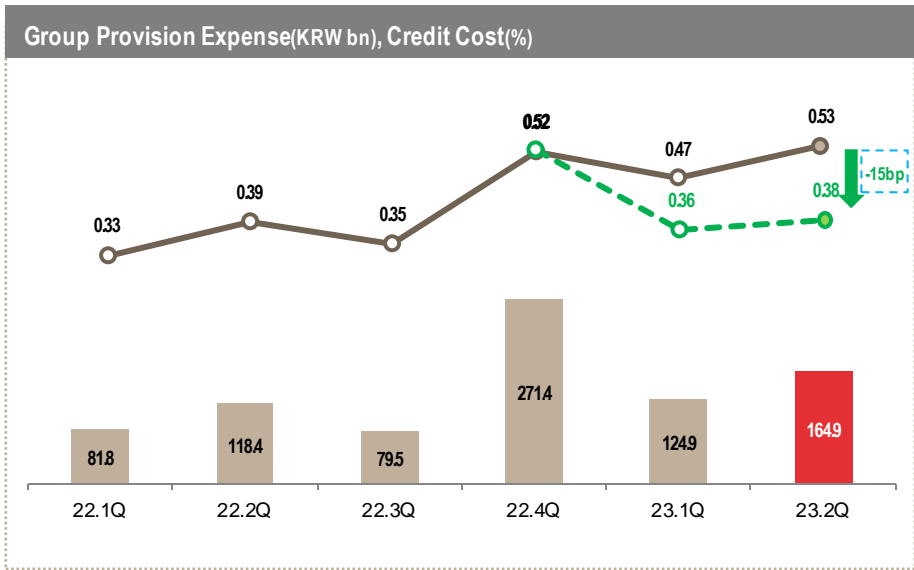
(QoQ +6bps)

- Add. Loss Absorption Capacity Enhancing Provisions led quarterly increase
- C.C. 0.38% (excl. Loss Abs. Cap. provisions)

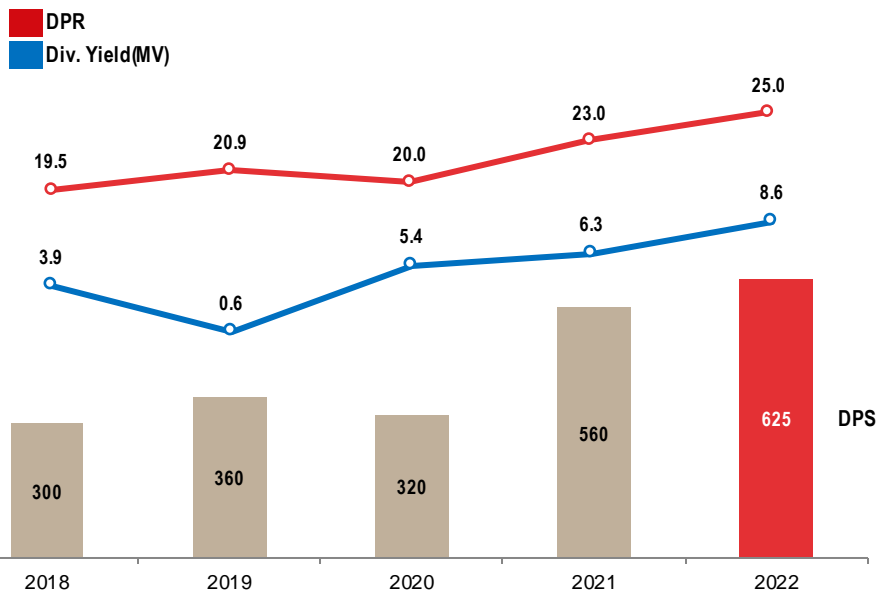
CET1 Ratio **11.56%**

(QoQ +6bps)

- Continued RWA control, earnings gwh. leading improvements (YTD +35bps)



DPR(%), Div. Yield(MV)(%), DPS(Won)



(KRWbn, %, Won)	2022	2021	2020	2019	2018
Net Income	810.2	791.0	519.3	562.2	502.1
Tot. Payout	202.8	181.7	103.8	114.1	97.8
DPR	25.0	23.0	20.0	20.9	19.5
DPS	625	560	320	360	300
Dividend Yield(MV)	8.6	6.3	5.4	4.6	3.9

Shareholder Return Plan

1. First Ever Regional Financial Group's Share Cancellation

- Total cancellation of existing treasury shares(3,846,808 shares, 23.0 KRW bn) in 3Q, enhancing shareholder value

2. First Financial Group expected to payout Interim Dividends with the *revised policies

(*Investors will be able to check the dividend before investing)

- Interim Dividends(Dividend per share : 100 Won) will be paid within 3Q to increase shareholder value

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

Corporate Sustainability Management(ESG)

- 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
- 2022.03 ○ Join PCA(Partnership for Accounting), SBTi(Science Based Targets Initiative) & UN PRB
- 2022.07 ○ Announce Group's Carbon Neutral Targets & Plans
- 2022.11 ○ Korea Inst. of Corp. Gov. & Sustainability(KCGS) Evaluation "A"

ESG Highlights

- Financial Aid Project
 - Support up to 14.7 KRW tn within 3 years
- Building a System for Group's Carbon Neutral Target Management
 - Environment Mgt. System that measures Asset/Internal Carbon Outflows
- Major ESG Activities
 - ESG activities incl. BNK Earth Hour Campaign etc.
 - Survey for Human Rights Impact Assessment

Stage 1 2020

Establish ESG Strategy
Systems

Stage 2 2022

Advanced ESG
Strategy Systems

Stage 3 2025

Completion of Sustainable
Finance

4 Major Digital Strategies

1 Diversification based on Digital Experience

- Fully Digitized Retail Finance Products
- New Customer Touchpoint Diversification incl. Digital Desks

2 Strengthening Data Competency

- Establish Group Big Data & A.I. Platform
- Data-based Marketing Campaign System Management

3 Changes in Process for Timeliness in Market Response

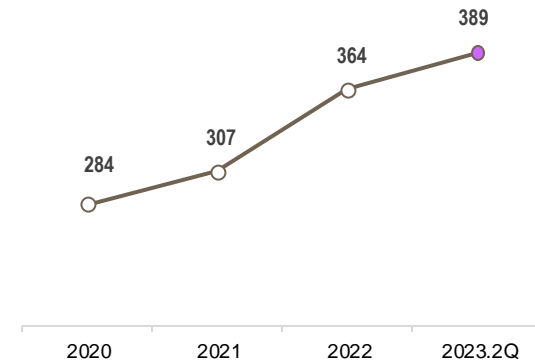
- Digitization of OTC channels changing customer touchpoints
- Back Office Process Digitization lowering costs

4 Optimization by Organization, Personnel Competency

- DT Cultivation & DT Corporate Culture Strengthening
- Expansion of Agile Corporate Culture

Digital Channel Mobile Subscribers

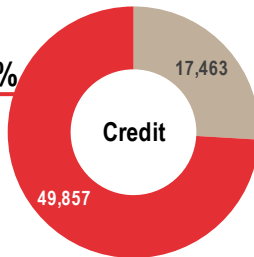
(Ten Thousand)



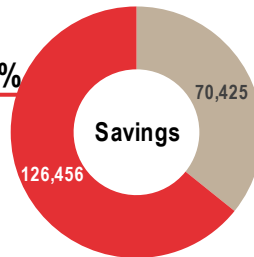
2023.2Q Accum. Main Digital Product Sales (No# of Accounts)

■ Digital ■ Offline

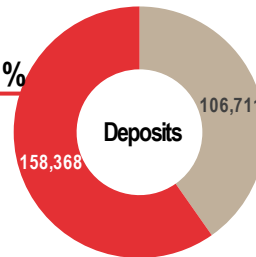
74.1%



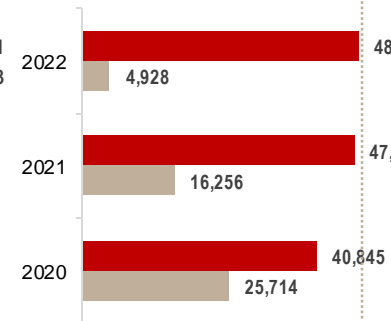
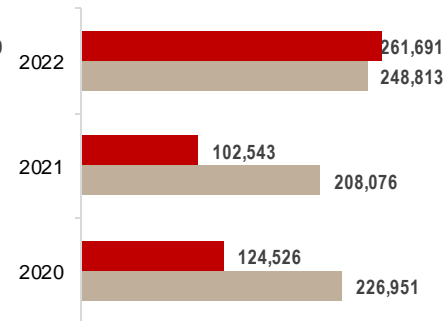
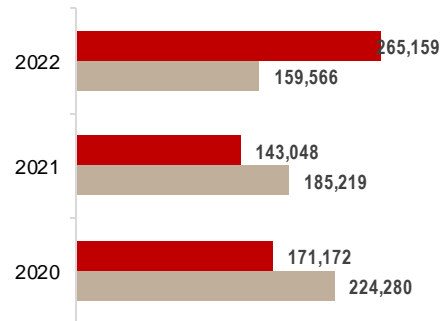
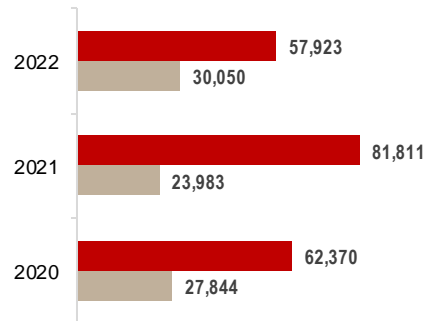
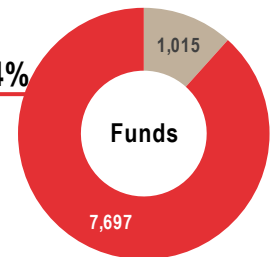
64.2%



59.7%



88.4%



2023 2Q Highlights_Group Structure

I II III IV V VI

(%, KRW bn, Accumulated)

BNKFG

Est : 2011.03.15 / Tot.Assets: 167,750.4
NI : 460.2 / Employees : 7,776

BSB	KNB	Capital	Securities	MSB	AM	VC	Credit Info.	System
Est : 1967.10.10 Branches : 216 Employees : 3,434	Est : 1970.05.22 <u>Actd : 2014.10.10</u> Branches : 126 Employees : 2,585	Est : 2010.07.15 Branches : 14 Employees : 529	Est : 1997.06.02 [Sec. Actd : 2009.11] Branches : 4 Employees : 375	Est : 2011.12.13 Branches : 7 Employees : 153	Est : 2008.07.15 <u>Actd : 2015.07.28</u> Employees : 84	Est : 2009.03.24 <u>Actd : 2019.11.15</u> Employees : 23	Est : 2003.06.17 Indus. : Collection Employees : 137	Est : 2011.05.20 Indus. : IT Employees : 319
Share's Owned	Share's Owned	Share's Owned	Share's Owned	Share's Owned	Share's Owned	Share's Owned	Share's Owned	Share's Owned
100%	100%	100%	100%	100%	100%	100%	100%	100%
Tot. Assets	Tot. Assets	Tot. Assets	Tot. Assets	Tot. Assets	Tot. AUM	Tot. Assets	Tot. Assets	Tot. Assets
91,063.4	60,435.7	8,629.4	4,809.6	1,751.7	12,910.3	56.5	26.8	43.5
Net Income	Net Income	Net Income	Net Income	Net Income	Net Income	Net Income	Net Income	Net Income
266.2	161.3	71.2	18.8	-0.8	5.8	1.7	1.6	2.3

Affiliates

Cambodia	Myanmar	Laos PDR	Kazakhstan	Kyrgyzstan
Est : 2014.03.07 Employees : 397 Share's Owned : 100% Tot Assets : 122.3KRW bn 2015.06 Start	Est : 2014.03.21 Employees : 545 Share's Owned : 99.9% Tot Assets : 37.8 KRW bn 2014.12 Start	Est : 2015.04.24 Employees : 72 Share's Owned : 97% Tot Assets : 48.2 KRW bn 2015.07 Start	Est : 2018.06.01 Employees : 87 Share's Owned : 100% Tot Assets : 54.8 KRW bn 2018.11 Start	Est : 2022.09.16 Employees : 17 Share's Owned : 100% Tot Assets : 5.5 KRW bn 2022.12 Start

Profitability_Group Earnings

I

II

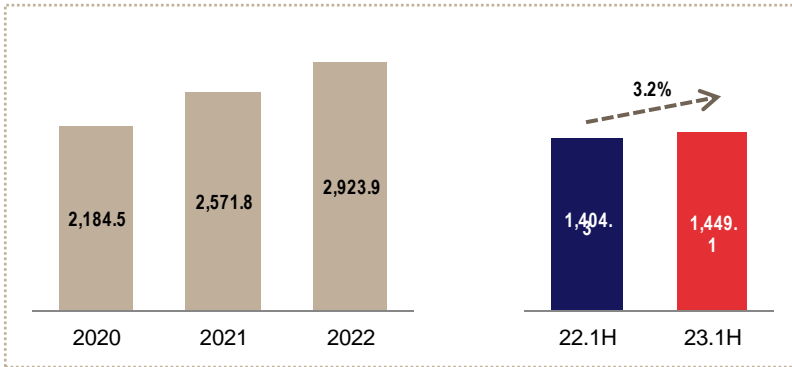
III

IV

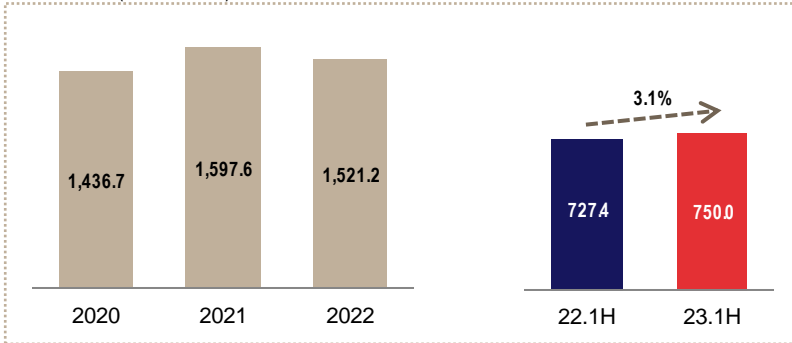
V

VI

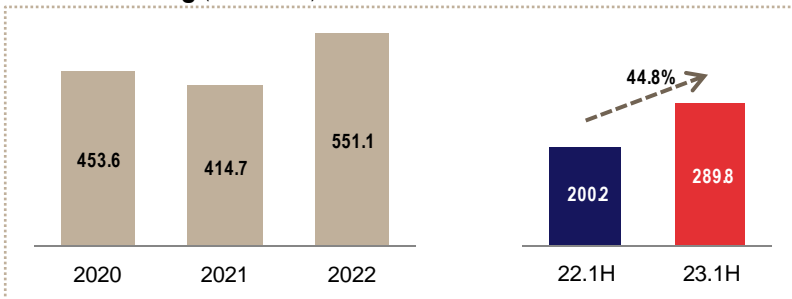
Interest Income (% , KRW bn)



SG&A (% , KRW bn)

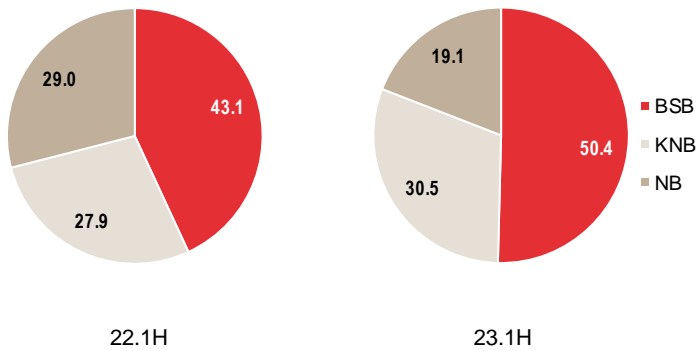


Provisioning (% , KRW bn)

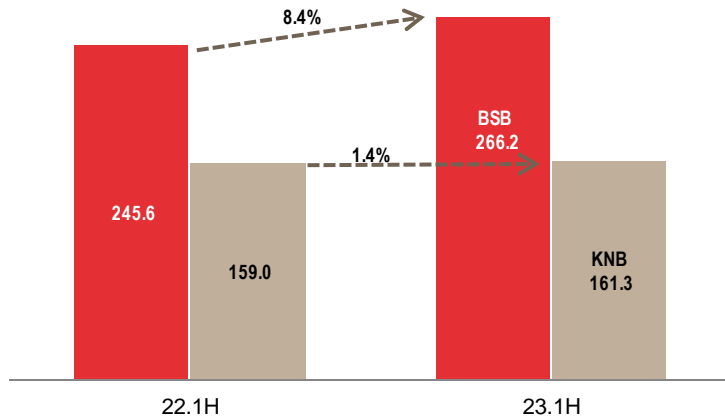


(KRW bn, %)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Net Interest Income	1,449.1	1,404.3	3.2	717.7	731.4	-1.9
Net Fee Income	134.8	266.1	-49.3	67.2	67.6	-0.6
Others	57.3	-40.2	Net Gain	16.7	40.6	-58.9
SG&A(-)	750.0	727.4	3.1	357.1	392.9	-9.1
Provision Expense(-)	289.8	200.2	44.8	164.9	124.9	32.0
Non-Operating Income	26.9	3.8	607.9	0.2	26.7	-99.3
Earnings Before Income Tax	628.3	706.4	-11.1	279.8	348.5	-19.7
Income Tax Expense(-)	145.1	179.7	-19.3	64.9	80.2	-19.1
Net Income(A)	483.2	526.7	-8.3	214.9	268.3	-19.9
Net Income in Non-Controlling Interest(B)	23.0	21.6	6.5	11.5	11.5	0.0
Net Income in Controlling Interest(C) (C) = (A) - (B)	460.2	505.1	-8.9	203.4	256.8	-20.8

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

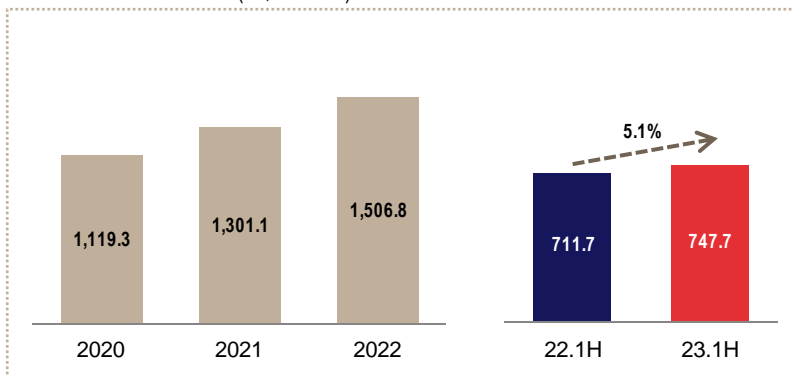


□ Banks Net Income (KRW bn)

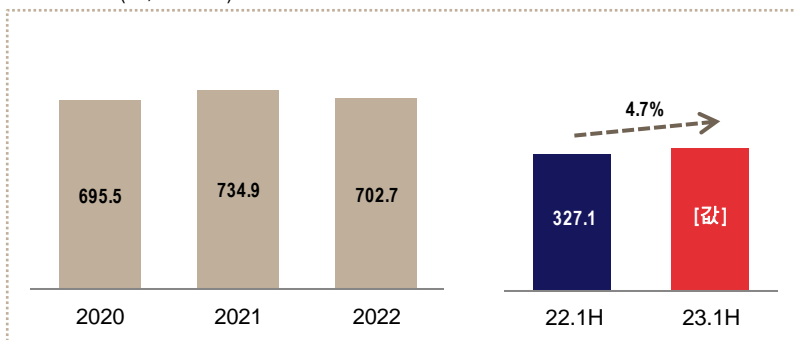


(KRW bn, %)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Bank(A)	427.5	404.6	5.7	197.2	230.3	-14.4
BSB	266.2	245.6	8.4	120.9	145.3	-16.8
KNB	161.3	159.0	1.4	76.3	85.0	-10.2
Non-Bank(B)	100.6	164.8	-39.0	42.2	58.4	-27.7
Capital	71.2	118.7	-40.0	38.6	32.6	18.4
Securities	18.8	47.6	-60.5	-0.3	19.1	NetLoss
MSB	-0.8	6.6	NetLoss	-1.5	0.7	NetLoss
AM	5.8	-12.4	NetGain	2.1	3.7	-43.2
Venture Capital	1.7	1.0	70.0	1.1	0.6	83.3
Credit Info	1.6	1.2	33.3	0.9	0.7	28.6
System	2.3	2.1	9.5	1.3	1.0	30.0
Financial Group & Unconsolidated Portion(C)	-44.9	-42.7	-	-24.5	-20.4	-
Net Income in Non-Controlling Interest(D)	23.0	21.6	6.5	11.5	11.5	0.0
Net Income in Controlling Interest(E) (E=A+B+C-D)	460.2	505.1	-8.9	203.4	256.8	-20.8

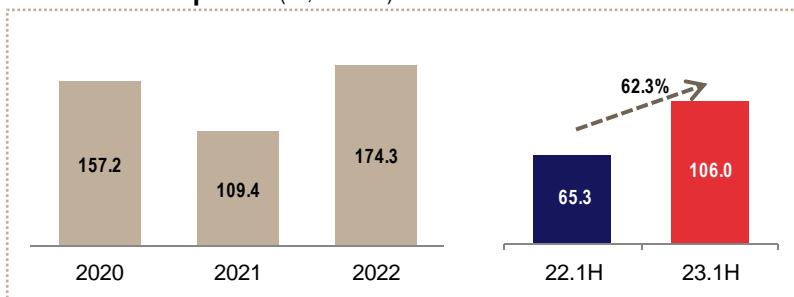
Interest Income (% , KRW bn)



SG&A (% , KRW bn)

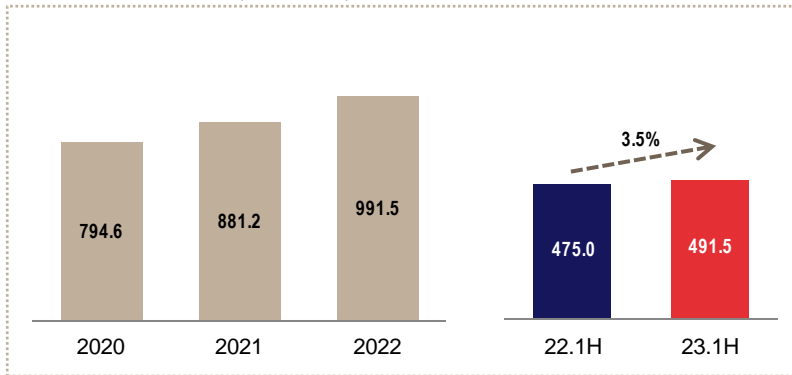


Provision Expense (% , KRW bn)

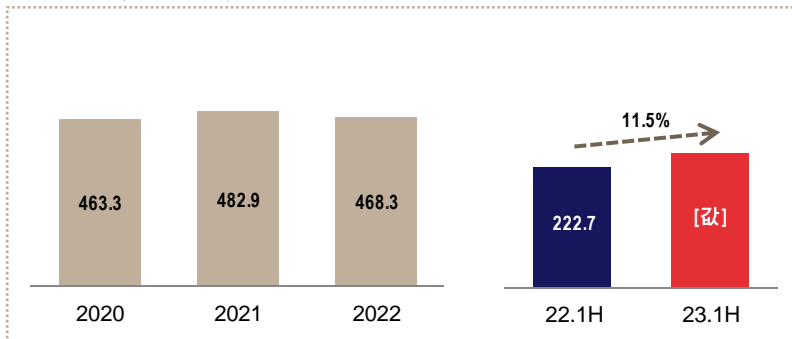


(KRW bn, %)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Net Interest Income	747.7	711.7	5.1	364.6	383.1	-4.8
Net Fee Income	34.9	54.9	-36.4	17.8	17.1	4.1
Fees from Trust Account	7.4	7.6	-2.6	3.8	3.6	5.6
Others	-16.6	-63.0	-	-7.3	-9.3	-
SG&A(-)	342.6	327.1	4.7	170.3	172.3	-1.2
Provision Expense(-)	106.0	65.3	62.3	57.0	49.0	16.3
Net Operating Income	324.8	318.8	1.9	151.6	173.2	-12.5
Non-Operating Income	15.4	2.8	450.0	2.9	12.5	-76.8
Earnings Before Income Taxes	340.2	321.6	5.8	154.5	185.7	-16.8
Income Tax Expenses(-)	74.0	76.0	-2.6	33.6	40.4	-16.8
Net Income	266.2	245.6	8.4	120.9	145.3	-16.8

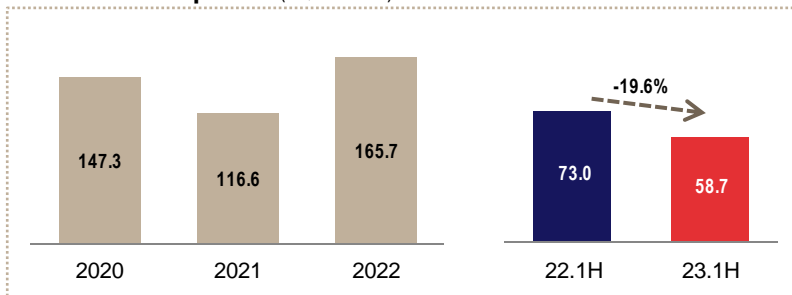
Interest Income (% , KRW bn)



SG&A (% , KRW bn)

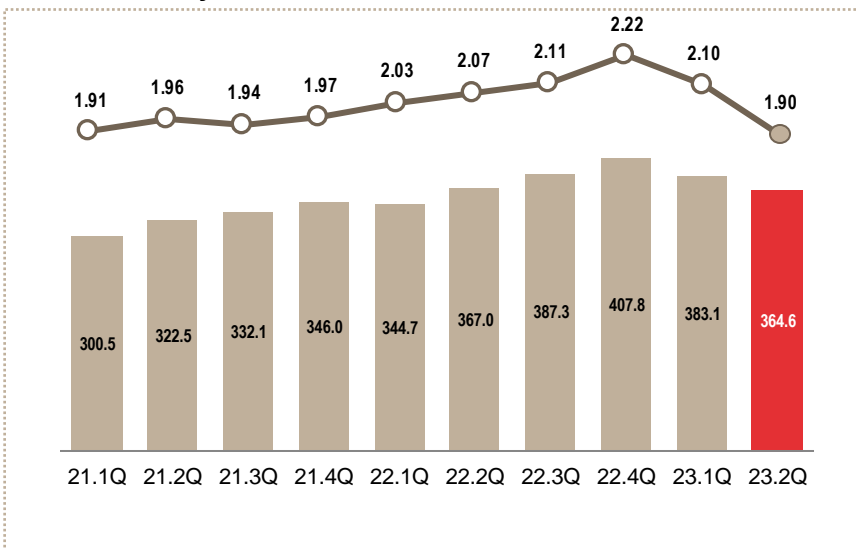


Provision Expense (% , KRW bn)



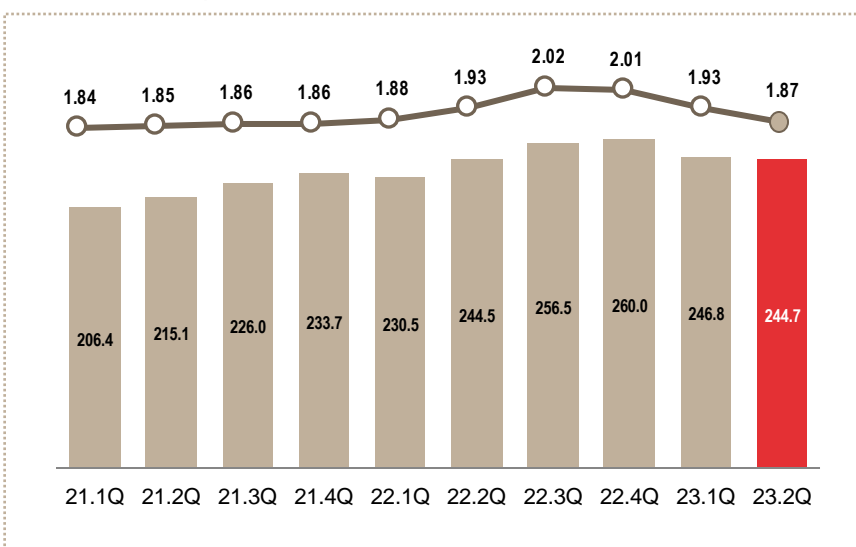
(KRW bn, %)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Net Interest Income	491.5	475.0	3.5	244.7	246.8	-0.9
Net Fee Income	20.1	37.5	-46.4	9.2	10.9	-15.6
Fees from Trust Account	4.7	4.9	-4.1	2.4	2.3	4.3
Others	-13.4	-9.0	-	-13.8	0.4	NetLoss
SG&A(-)	248.3	222.7	11.5	118.1	130.2	-9.3
Provision Expense(-)	58.7	73.0	-19.6	29.4	29.3	0.3
Net Operating Income	195.9	212.7	-7.9	95.0	100.9	-5.8
Non-Operating Income	10.6	-4.1	Net Gain	2.0	8.6	-76.7
Earnings Before Income Taxes	206.5	208.6	-1.0	97.0	109.5	-11.4
Income Tax Expenses(-)	45.2	49.6	-8.9	20.7	24.5	-15.5
Net Income	161.3	159.0	1.4	76.3	85.0	-10.2

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



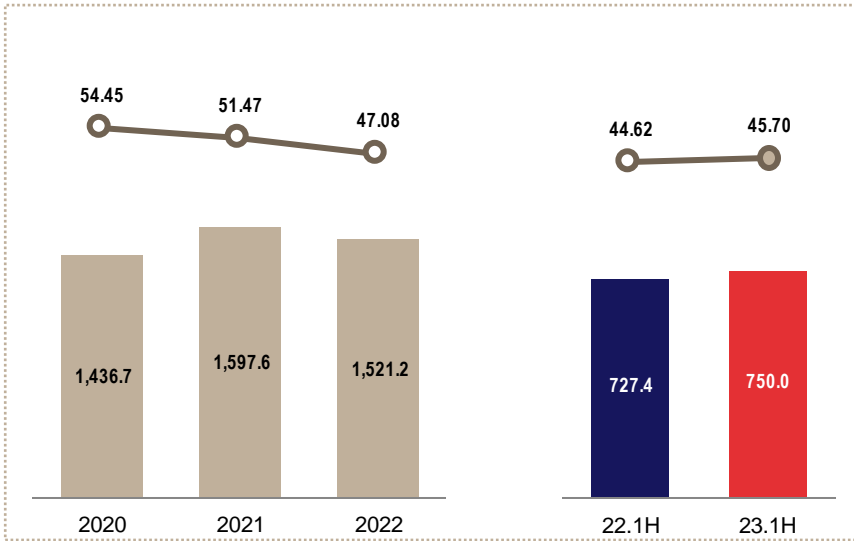
(%, KRWtn)	23.2Q	23.1Q	22.4Q	22.3Q	22.2Q
Quarterly NIM	1.90	2.10	2.22	2.11	2.07
Quarterly NIS	2.22	2.44	2.56	2.38	2.30
Interest Rate on KRW Loans	5.20	5.33	4.73	3.95	3.43
Interest Rate paid on KRW Deposits	2.98	2.89	2.17	1.57	1.13
Average Interest Earning Assets	67.8	66.2	66.0	64.6	61.7
Accumulated NIM	2.00	2.10	2.11	2.07	2.05

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



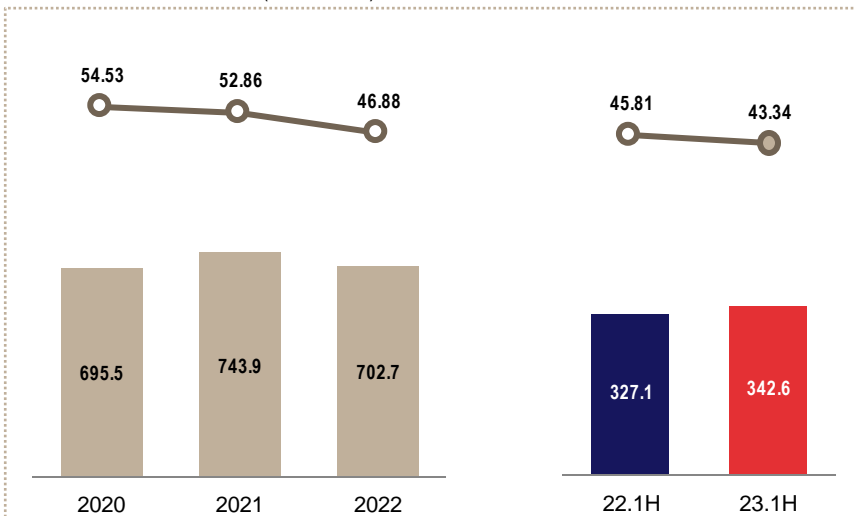
(%, KRWtn)	23.2Q	23.1Q	22.4Q	22.3Q	22.2Q
Quarterly NIM	1.87	1.93	2.01	2.02	1.93
Quarterly NIS	2.20	2.25	2.29	2.28	2.17
Interest Rate on KRW Loans	5.21	5.16	4.55	3.89	3.48
Interest Rate paid on KRW Deposits	3.01	2.91	2.26	1.61	1.31
Average Interest Earning Assets	45.6	45.1	44.9	43.9	43.8
Accumulated NIM	1.90	1.93	1.96	1.95	1.91

Group SG&A & CIR (% , KRWbn)

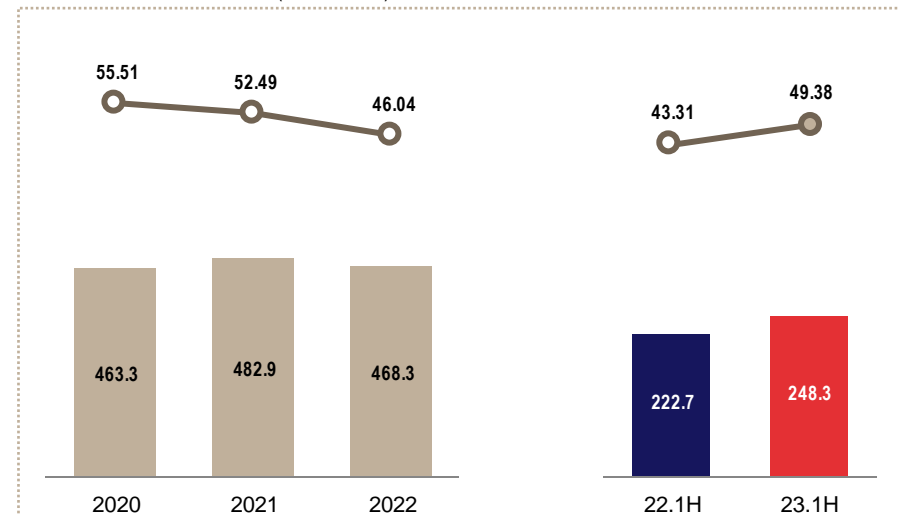


(KRWbn,%)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
SG&A	750.0	727.4	3.1	357.1	392.9	-9.1
CIR	45.70	44.62	1.08	44.55	46.80	-2.25

BSB SG&A & CIR (% , KRWbn)

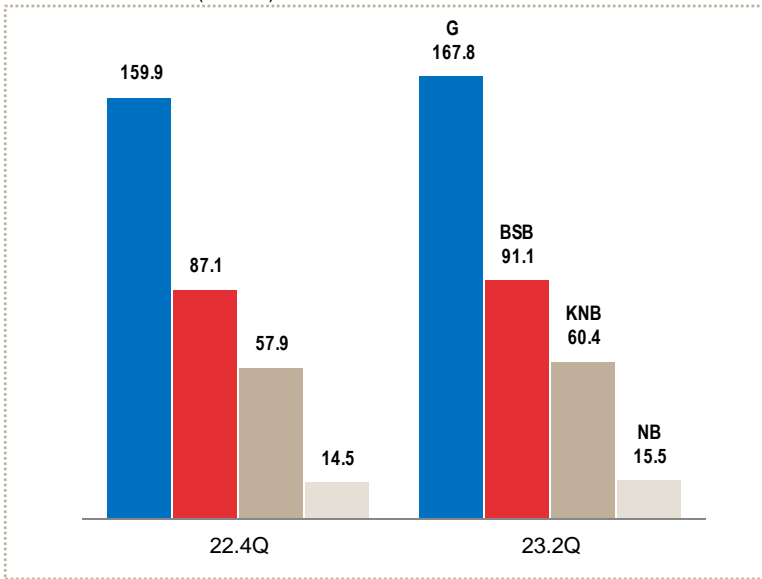


KNB SG&A & CIR (% , KRWbn)

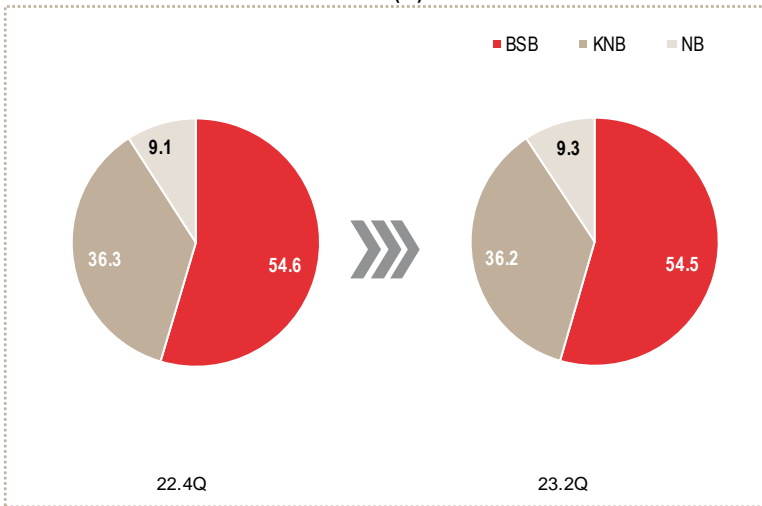


Note) Bank's CIR, non-consolidated

□ Total Assets (KRW tn)



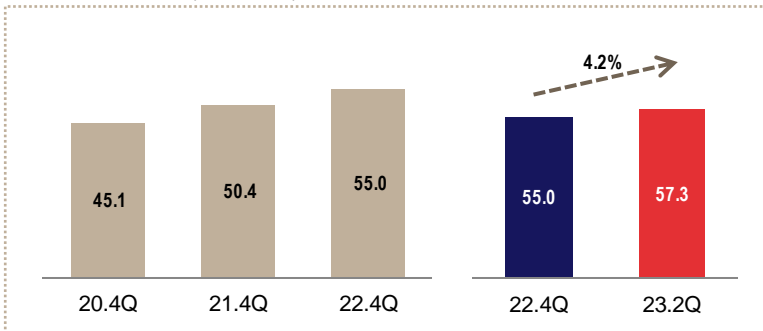
□ Banks & Non-Banks Portion (%)



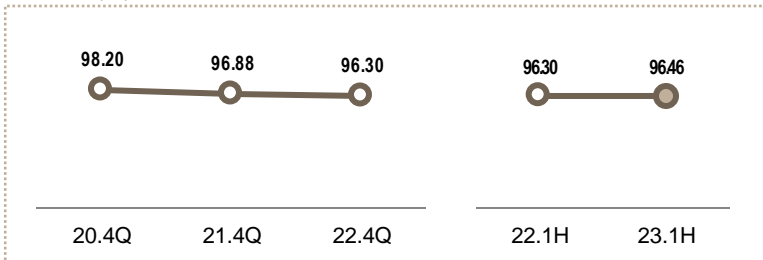
□ Group Total Assets

(KRWbn,%)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Bank	151,499.1	145,047.6	4.4	149,272.0	1.5
BSB	91,063.4	87,104.2	4.5	89,117.6	2.2
KNB	60,435.7	57,943.4	4.3	60,154.4	0.5
Non-Bank	15,526.2	14,544.3	6.8	15,273.4	1.7
Capital	8,629.4	8,605.2	0.3	8,697.5	-0.8
Securities	4,809.6	3,914.3	22.9	4,531.7	6.1
MSB	1,751.7	1704.2	2.8	1,716.8	2.0
Asset Mgt	208.7	208.1	0.3	211.1	-1.1
Venture Capital	56.5	54.6	3.5	55.6	1.6
Credit Info	26.8	25.5	5.1	26.0	3.1
System	43.5	32.4	34.3	34.7	25.4
Financial Group & Unconsolidated Portion	725.1	293.8	146.8	561.4	29.2
Group Total Assets	167,750.4	159,885.7	4.9	165,106.8	1.6

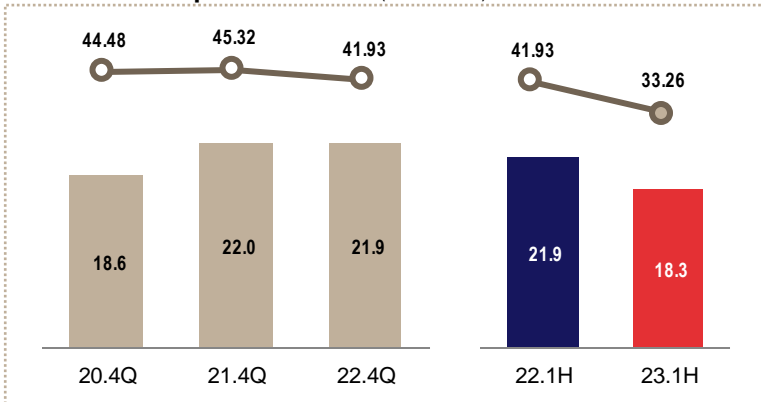
☐ KRW Loans (% , KRW tn)



☐ LDR (%)



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

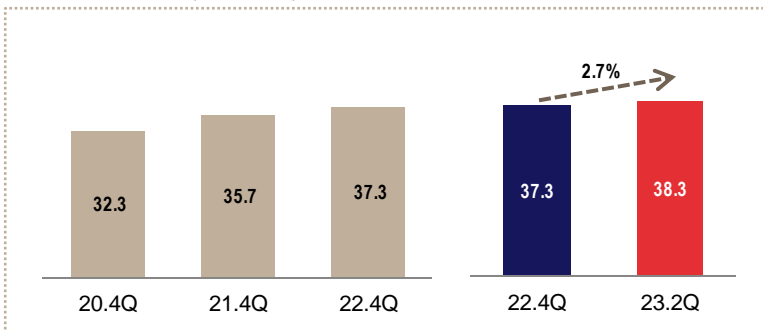


(KRW bn, %, Balance)	23.2Q	22.4Q	YTD	23.1Q	QoQ
KRW Loans¹⁾	57,298.3	55,014.2	4.2	55,688.4	2.9
Corporate	37,592.0	36,353.3	3.4	36,982.5	1.6
SME	34,612.3	33,739.3	2.6	34,234.3	1.1
(SOHO) ²⁾	17,251.5	16,328.9	5.7	16,911.3	2.0
Large Corps.	2,979.7	2,614.0	14.0	2,748.2	8.4
Household	18,185.5	17,325.3	5.0	17,413.4	4.4
Mortgage	13,756.4	12,870.9	6.9	13,114.2	4.9
Public	1,520.8	1,335.6	13.9	1,292.5	17.7
Foreign Currency Loans¹⁾	745.6	769.1	-3.1	808.3	-7.8
KRW Deposits¹⁾	57,005.0	55,164.6	3.3	54,136.5	5.3
Low Cost Deposits	18,412.7	18,772.6	-1.9	17,883.3	3.0
Core Deposits	15,928.4	15,743.4	1.2	15,192.0	4.8
MMDA	2,484.3	3,029.2	-18.0	2,691.3	-7.7

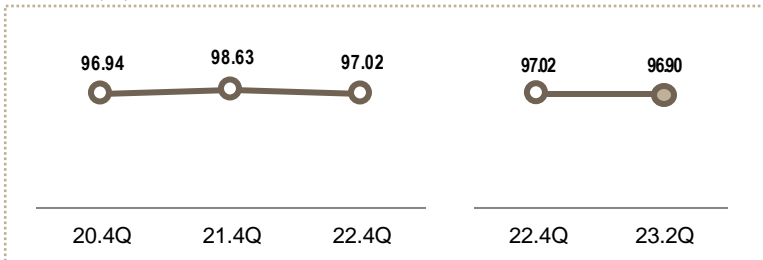
(KRW bn, %, %p, Average Balance)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Low-Cost Deposits(A)	18,274.9	21,904.9	-16.6	18,443.0	-0.9
Core Deposits ²⁾	15,473.4	18,213.1	-15.0	15,504.8	-0.2
MMDA	2,801.5	3,691.8	-24.1	2,938.2	-4.7
KRW Deposits(B)	54,940.1	52,241.4	5.2	54,189.4	1.4
A / B	33.26	41.93	-8.67	34.03	-0.77

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

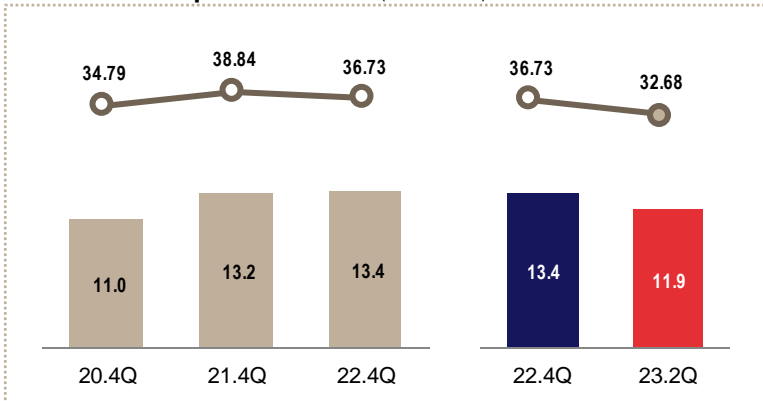
▣ KRW Loans (% , KRW tn)



▣ LDR (%)



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

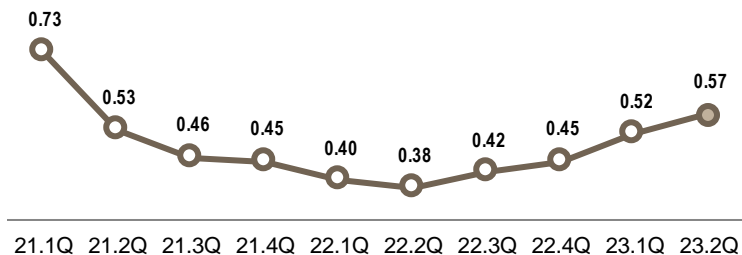


(KRW bn, %, Balance)	23.2Q	22.4Q	YTD	23.1Q	QoQ
KRW Loans¹⁾	38,266.4	37,275.2	2.7	37,889.2	1.0
Corporate	25,720.0	24,789.8	3.8	25,248.2	1.9
SME	23,966.2	23,077.6	3.9	23,589.6	1.6
(SOHO) ²⁾	7,999.3	7,689.4	4.0	7,894.6	1.3
Large Corps.	1,753.8	1,712.2	2.4	1,658.6	5.7
Household	12,144.1	12,095.7	0.4	12,247.2	-0.8
Mortgage	9,548.9	9,584.6	-0.4	9,696.0	-1.5
Public	402.3	389.7	3.2	393.8	2.2
Foreign Currency Loans¹⁾	106.1	109.2	-2.8	111.8	-5.1
KRW Deposits¹⁾	36,672.2	36,372.9	0.8	36,314.6	1.0
Low Cost Deposits	11,637.9	11,851.3	-1.8	11,702.0	-0.5
Core Deposits	10,411.1	10,562.0	-1.4	10,324.9	0.8
MMDA	1,226.8	1,289.3	-4.8	1,377.1	-10.9

(KRW bn, %, %p, Average Balance)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Low-Cost Deposits(A)	11,900.9	13,401.9	-11.2	12,016.6	-1.0
Core Deposits ²⁾	10,548.0	11,712.8	-9.9	10,618.4	-0.7
MMDA	1,352.9	1,689.1	-19.9	1,398.2	-3.2
KRW Deposits(B)	36,419.2	36,489.0	-0.2	36,367.2	0.1
A / B	32.68	36.73	-4.05	33.04	-0.36

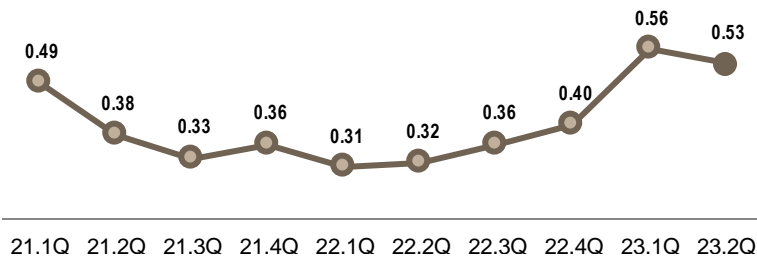
1) Unconsolidated FS, 2) SOHO(≤2 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

□ SBL(NPL) Ratio (%)



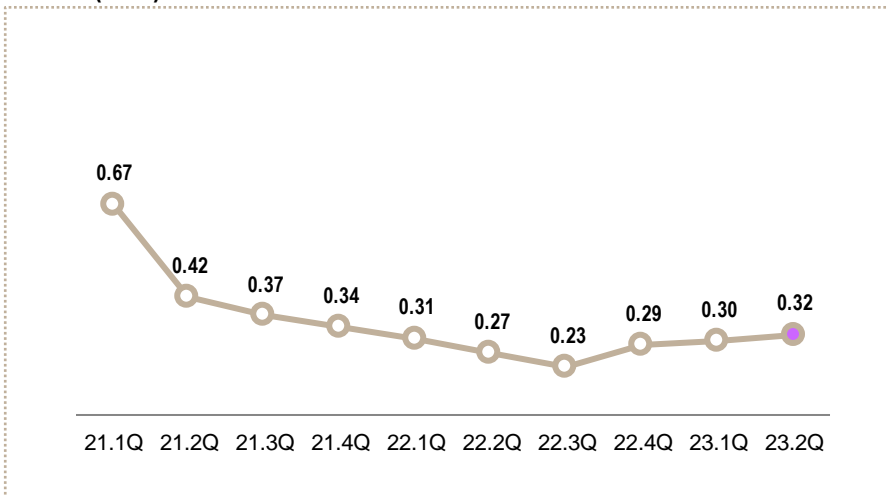
Note) Excluding Overseas subsidiaries, Consolidated SPC etc.

□ Delinquency Ratio (%)

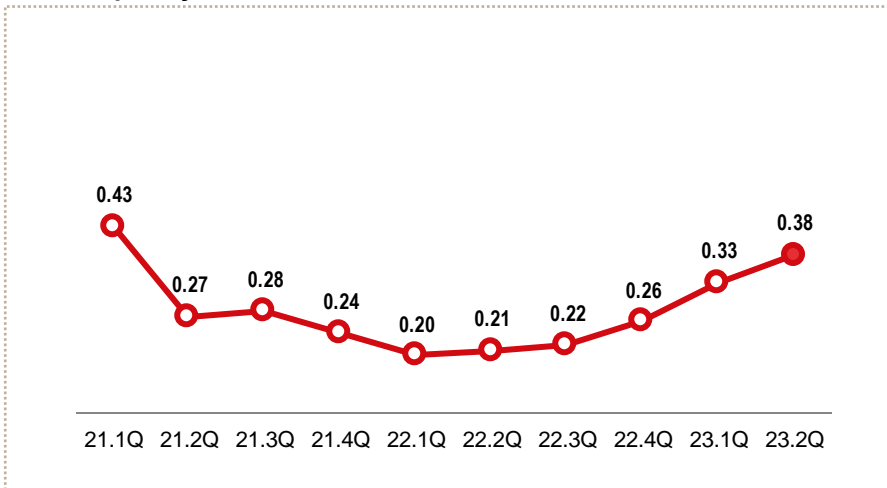


(KRWbn, %, %p)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Total Credits	109,734.7	106,602.6	2.9	107,442.7	2.1
Normal	107,901.1	105,242.7	2.5	105,917.4	1.9
Precautionary	1,203.9	881.8	36.5	995.5	20.9
Substandard	354.6	224.7	57.8	296.1	19.8
Doubtful	149.7	90.5	65.4	133.0	12.6
Expected Loss	125.4	162.9	-23.0	130.7	-4.1
SBL(Substandard & Below Loans)	629.7	478.1	31.7	559.8	12.5
SBL Ratio	0.57	0.45	0.12	0.52	0.05
SBL Coverage Ratio (Ratio before Reserve deduction)	181.22 (246.66)	219.32 (311.69)	-38.10 (-65.03)	192.13 (269.84)	-10.91 (-23.18)
Delinquency Ratio	0.53	0.40	0.13	0.56	-0.03
Loan Amount	108,784.7	105,682.8	2.9	106,570.7	2.1
Delinquent Amount	576.0	418.4	37.7	592.5	-2.8

□ SBL(NPL) Ratio (%)

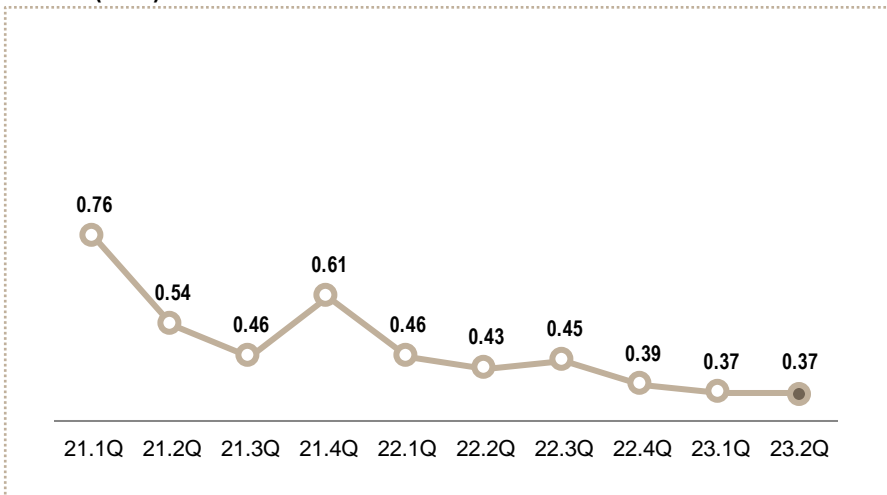


□ Delinquency Ratio (%)

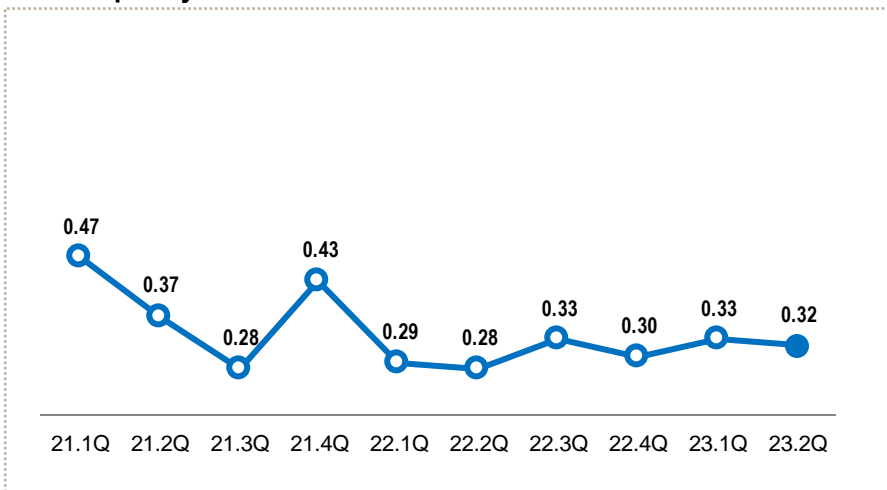


(KRWbn, %, %p)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Total Credits	59,770.5	57,745.7	3.5	58,136.6	2.8
Normal	59,313.2	57,289.4	3.5	57,681.4	2.8
Precautionary	268.3	287.5	-6.7	279.9	-4.1
Substandard	110.6	76.0	45.5	99.8	10.8
Doubtful	21.0	15.3	37.3	18.6	12.9
Expected Loss	57.4	77.5	-25.9	56.9	0.9
SBL(Substandard & Below Loans)	189.0	168.8	12.0	175.3	7.8
SBL Ratio	0.32	0.29	0.03	0.30	0.02
SBL Coverage Ratio (Ratio before Reserve deduction)	276.54 (377.81)	294.64 (417.31)	-18.10 (-39.50)	284.21 (397.50)	-7.67 (-19.69)
Delinquency Ratio	0.38	0.26	0.12	0.33	0.05
Loan Amount	59,097.3	57,078.6	3.5	57,487.9	2.8
Delinquent Amount	227.5	149.3	52.4	191.5	18.8

□ SBL(NPL) Ratio (%)



□ Delinquency Ratio (%)



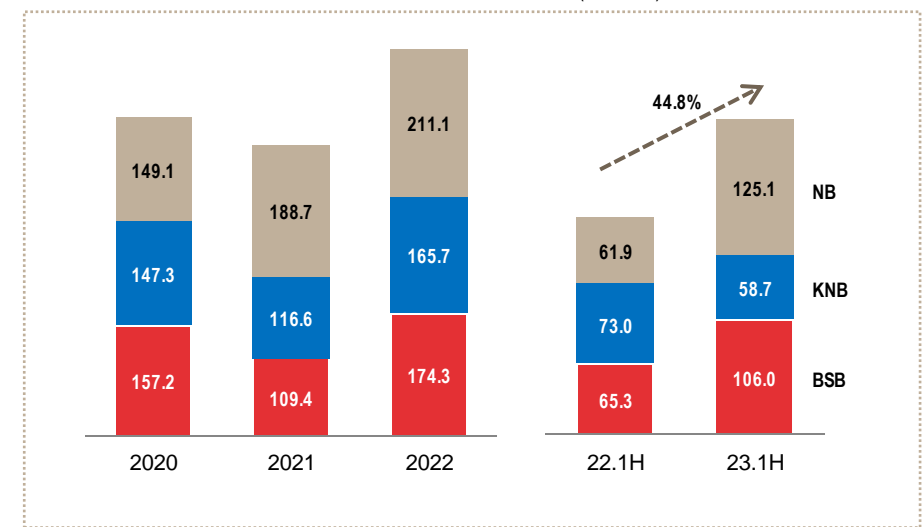
(KRWbn,%, %p)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Total Credits	39,266.0	38,288.2	2.6	38,850.3	1.1
Normal	38,849.4	37,896.7	2.5	38,466.8	1.0
Precautionary	272.1	241.3	12.8	238.2	14.2
Substandard	83.1	91.9	-9.6	91.1	-8.8
Doubtful	27.3	21.9	24.7	25.0	9.2
Expected Loss	34.1	36.4	-6.3	29.2	16.8
SBL(Substandard & Below Loans)	144.5	150.2	-3.8	145.3	-0.6
SBL Ratio	0.37	0.39	-0.02	0.37	-
SBL Coverage Ratio (Ratio before Reserve deduction)	228.45 (319.62)	203.95 (303.60)	24.50 (16.02)	212.61 (314.45)	15.84 (5.17)
Delinquency Ratio	0.32	0.30	0.02	0.33	-0.01
Loan Amount	39,009.5	38,055.8	2.5	38,617.3	1.0
Delinquent Amount	124.6	113.7	9.6	128.0	-2.7

Provision Expense

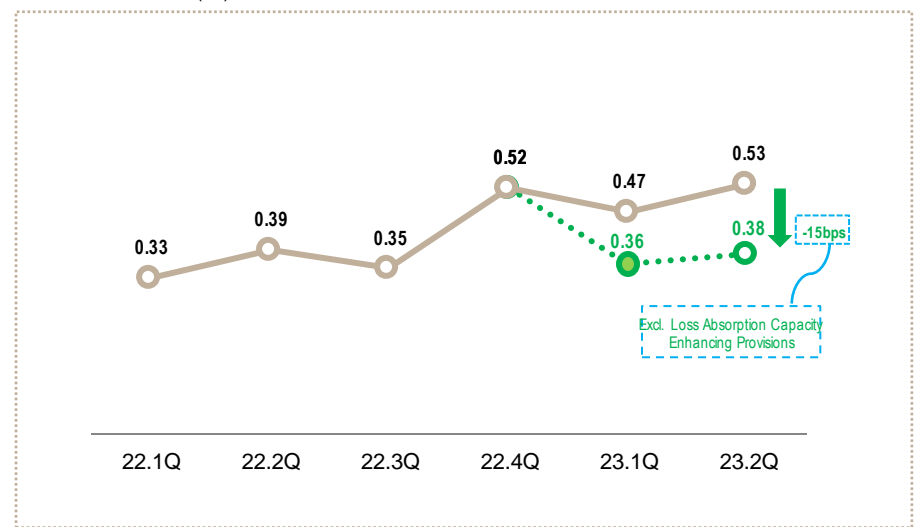
(KRW bn, %)	2023			2022					
	1H	2Q	1Q	4Q	3Q	1H	2Q	1Q	
Total Provisions(A)	289.8	164.9	124.9	551.1	271.4	79.5	200.2	118.4	81.8
Total Credits(B)	190,734.7	190,734.7	107,442.7	106,602.6	106,602.6	105,843.8	104,585.3	104,585.3	100,967.4
¹⁾ Credit Cost(A/B)	0.53	0.60	0.47	0.52	1.01	0.30	0.39	0.45	0.33

1) Accumulated

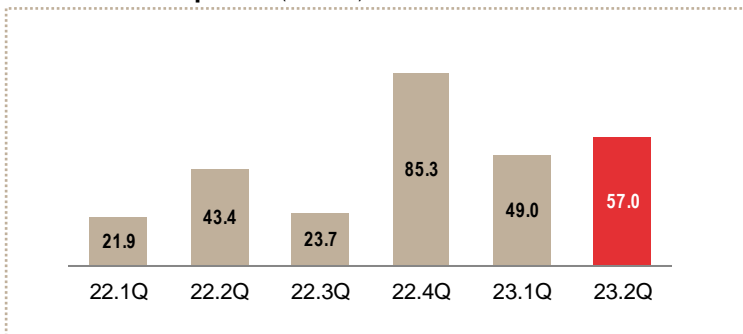
Banks & Non-Bank Provision Breakdown (KRW bn)



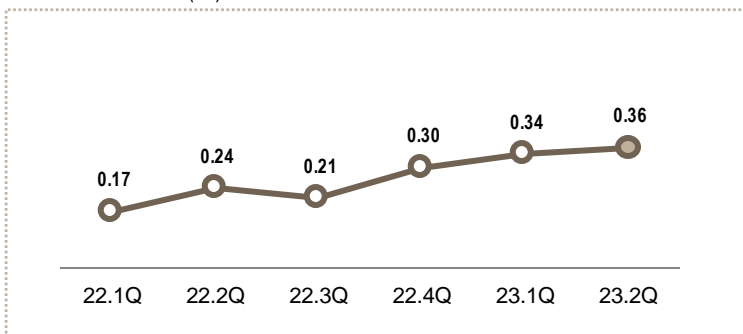
Credit Cost (%)



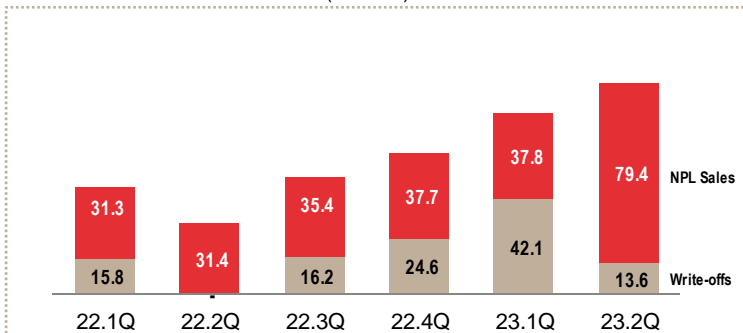
Provision Expense (KRW bn)



Credit Cost (%)



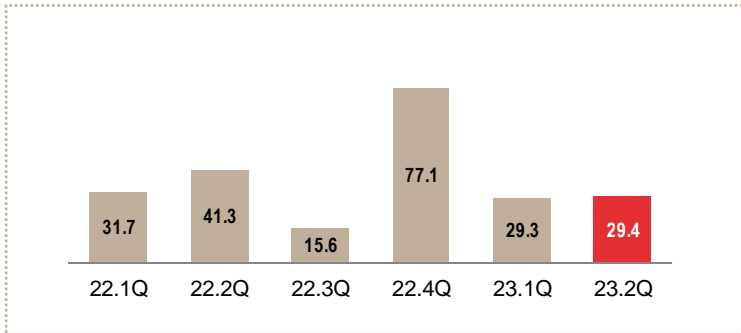
NPL Sales & Write-offs (KRW bn)



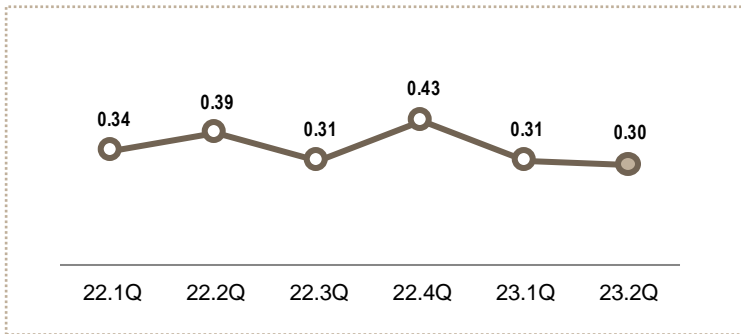
Provision Expense / Write-offs & NPL Sales

(KRW bn, %)	23.2Q	23.1Q	22.4Q	22.3Q	22.2Q	22.1Q
Corporate	35.9	40.2	72.6	15.2	33.7	17.5
Household	16.5	6.2	10.5	7.2	6.1	3.0
Credit Card	3.2	3.0	3.2	1.3	3.0	1.5
Others	1.4	-0.4	-1.0	0.0	0.6	-0.1
Total(A)	57.0	49.0	85.3	23.7	43.4	21.9
Total Credits(B)	59,770.5	58,136.6	57,745.7	55,650.3	55,639.6	53,371.1
Credit Cost(A/B)	0.38	0.34	0.59	0.17	0.31	0.17
Total Write-Offs	13.6	42.1	24.6	16.2	0.0	15.8
Corporate	5.7	35.9	14.2	4.8	0.0	10.4
Household	4.8	3.6	6.4	5.9	0.0	2.2
Credit Card	3.1	2.6	4.0	5.5	0.0	3.2
Total NPL Sales	79.4	37.8	37.7	35.4	31.4	31.3
(NPL Sales for SBL Loans)	75.1	27.3	28.6	25.4	27.3	27.6
Corporate	71.6	35.5	36.6	32.3	27.0	29.2
Household	6.9	1.6	0.7	3.0	4.3	1.3
Credit Card	0.9	0.7	0.4	0.1	0.1	0.8

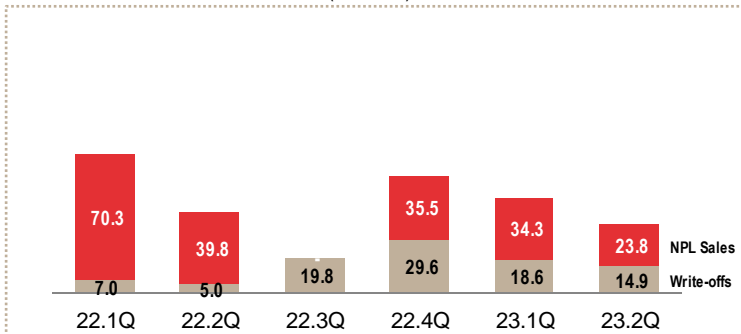
Provision Expense (KRW bn)



Credit Cost (%)



NPL Sales & Write-offs (KRW bn)



Provision Expense / Write-offs & NPL Sales

(KRW bn, %)	23.2Q	23.1Q	22.4Q	22.3Q	22.2Q	22.1Q
Corporate	16.9	16.1	59.3	6.6	28.5	24.3
Household	10.1	11.2	12.5	7.0	8.2	6.0
Credit Card	2.4	2.0	2.9	1.8	2.5	1.5
Others	0.0	0.0	2.4	0.2	2.1	-0.1
Total(A)	29.4	29.3	77.1	15.6	41.3	31.7
Total Credits(B)	39,266.0	38,850.3	38,288.2	38,271.6	38,004.9	37,602.9
Credit Cost(A/B)	0.30	0.31	0.80	0.16	0.44	0.34
Total Write-Offs	14.9	18.6	29.6	19.8	5.0	7.0
Corporate	6.9	9.1	19.9	8.1	0.5	1.6
Household	5.9	7.8	8.0	9.8	1.5	3.8
Credit Card	2.1	1.7	1.7	1.9	3.0	1.6
Total NPL Sales	23.8	34.3	35.5	0.0	39.8	70.3
(NPL Sales for SBL Loans)	22.1	31.3	34.3	0.0	39.0	66.9
Corporate	23.3	33.6	35.2	0.0	39.5	69.8
Household	0.3	0.6	0.1	0.0	0.2	0.3
Credit Card	0.2	0.1	0.2	0.0	0.1	0.2

Capital Adequacy

I

II

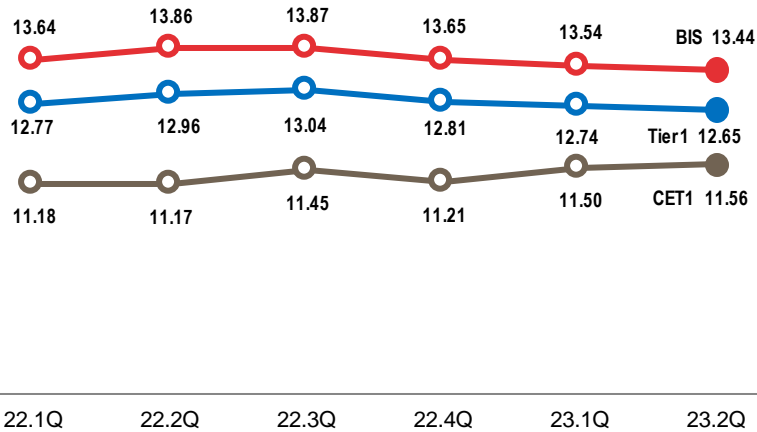
III

IV

V

VI

Group Capital Adequacy (%)



Group

(KRWbn, %, %p, Basel III IRB)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Tot Risk Adj. Capital	10,283.4	10,183.7	1.0	10,224.9	0.6
Tier I	9,679.7	9,556.6	1.3	9,621.3	0.6
(CETI)	8,845.5	8,363.9	5.8	8,684.4	1.9
Tot R.W.A.	76,506.1	74,596.3	2.6	75,534.1	1.3
BIS Capital Ratio	13.44	13.65	-0.21	13.54	-0.10
Tier I	12.65	12.81	-0.16	12.74	-0.09
(CETI)	11.56	11.21	0.35	11.50	0.06

BSB

(KRWbn, %, %p, Basel III I.R.B.)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Tot Risk Adj. Capital	5,580.7	5,499.9	1.5	5,675.8	-1.7
Tier I	5,263.8	5,179.5	1.6	5,367.4	-1.9
(CETI)	5,014.6	4,830.6	3.8	5,018.4	-0.1
Tot R.W.A.	34,013.5	33,225.8	2.4	33,385.6	1.9
BIS Capital Ratio	16.41	16.55	-0.14	17.00	-0.59
Tier I	15.48	15.59	-0.11	16.08	-0.60
(CETI)	14.74	14.54	0.20	15.03	-0.29

KNB

(KRWbn, %, %p, Basel III I.R.B.)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Tot Risk Adj. Capital	3,462.8	3,493.6	-0.9	3,575.8	-3.2
Tier I	3,249.6	3,252.3	-0.1	3,354.7	-3.1
(CETI)	3,050.2	2,953.2	3.3	3,055.6	-0.2
Tot R.W.A.	23,144.1	22,559.8	2.6	22,867.3	1.2
BIS Capital Ratio	14.96	15.49	-0.53	15.64	-0.68
Tier I	14.04	14.42	-0.38	14.67	-0.63
(CETI)	13.18	13.09	0.09	13.36	-0.18

Appendix_Banks KRW Loans Portfolio

I

II

III

IV

V

VI

BSB

(KRWbn, %, Balance)	2023 2Q			
	Amount	Ratio	YTD	QoQ
Manufacturing	8,844.7	15.4	1.6	0.6
Steel Metal Products	2,509.1	4.4	2.3	0.8
Automobile Parts	1,485.2	2.6	-5.3	-4.5
Machinery	1,256.5	2.2	0.7	-0.9
Petroleum, Rubber, etc.	1,046.5	1.8	5.2	3.9
Fabric	303.3	0.5	-10.5	-0.8
Garment & Shoes	377.8	0.7	4.9	5.0
Kitchen Units	544.0	0.9	15.0	8.3
Electronics	414.5	0.7	9.4	3.2
Paper, Paper Mills	148.6	0.3	-2.2	0.6
Others	759.2	1.3	2.6	0.0
Non-Manufacturing	30,268.1	52.8	4.4	2.7
Wholesale & Retail	5,008.8	8.7	4.0	2.2
Public	95.7	0.2	1.2	-0.1
Construction & Engineering	2,061.2	3.6	16.4	9.4
Real Estate	12,770.5	22.3	3.9	2.6
Insurance & Financing	557.8	1.0	-1.6	4.3
Transportation	1,179.4	2.1	-3.3	-2.4
Hotel & Food	2,731.1	4.8	4.3	0.7
Others	5,863.6	10.2	4.7	2.9
Households	18,185.5	31.7	5.0	4.4
KRW Loans	57,298.3	100.0	4.2	2.9

KNB

*Sectors are based on FSS Business Report

(KRWbn, %, Balance)	2023 2Q			
	Amount	Ratio	YTD	QoQ
Manufacturing	10,168.9	26.6	1.2	0.8
Steel Metal Products	2,399.3	6.3	3.1	1.8
Automobile Parts	2,568.3	6.7	-2.3	0.6
Machinery	2,414.1	6.3	0.7	-0.6
Petroleum, Rubber, etc.	418.2	1.1	6.8	5.5
Fabric	123.2	0.3	-6.2	-2.9
Garment & Shoes	25.0	0.1	-4.6	3.3
Kitchen Units	398.6	1.0	3.7	5.1
Electronics	628.0	1.6	3.9	1.2
Paper, Paper Mills	109.6	0.3	2.6	1.6
Others	1,084.6	2.8	2.9	-0.6
Non-Manufacturing	15,953.4	41.7	5.4	2.5
Wholesale & Retail	3,504.7	9.2	5.4	1.5
Public	5.6	0.0	-3.4	-20.0
Construction & Engineering	910.7	2.4	8.4	8.8
Real Estate	5,148.0	13.5	3.0	-0.2
Insurance & Financing	476.7	1.2	19.9	28.8
Transportation	667.1	1.7	1.7	-0.4
Hotel & Food	1,432.3	3.7	8.4	3.8
Others	3,808.3	10.0	6.2	3.4
Households	12,144.1	31.7	0.4	-0.8
KRW Loans	38,266.4	100.0	2.7	1.0

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

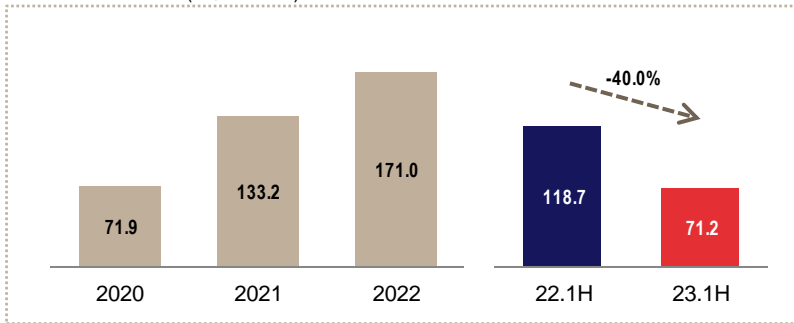
	2023.2Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRWbn, %)						
Exposure	3,586.0	2,675.2	3,031.2	1,191.3	293.9	757.2
(% of Total Credits)	3.7	2.7	3.1	1.2	0.3	0.8
Collateral & Provision	2,849.8	2,095.9	2,123.1	964.3	66.1	531.0
Collateral & Provision Coverage	79.5	78.3	70.0	80.9	22.5	70.1
No# of Creditors	2,710	1,790	5,631	1,215	179	676

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

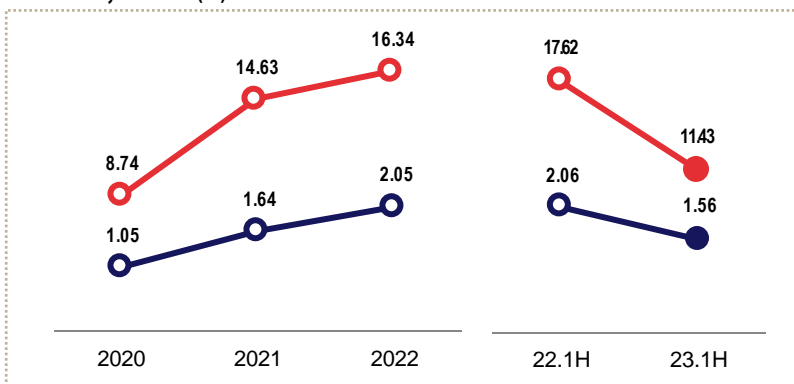
Note 2) Sectors are based on FSS Business Report

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)

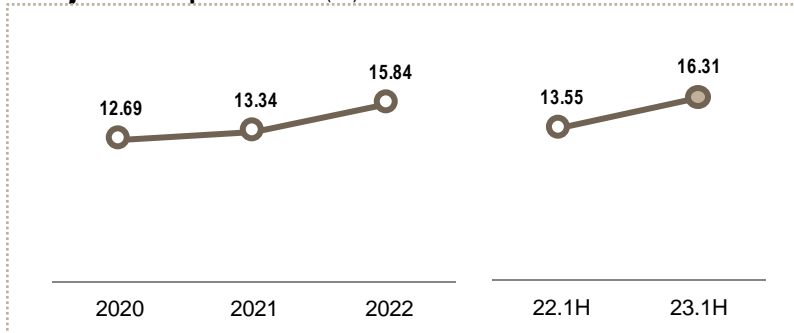
Net Income (% , KRW bn)



ROA, ROE (%)



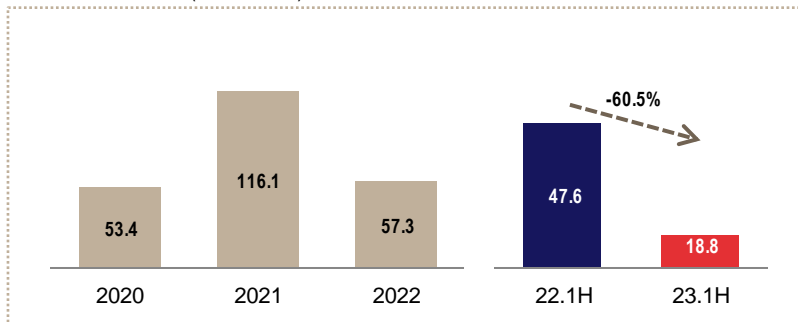
Adjusted Capital Ratio (%)



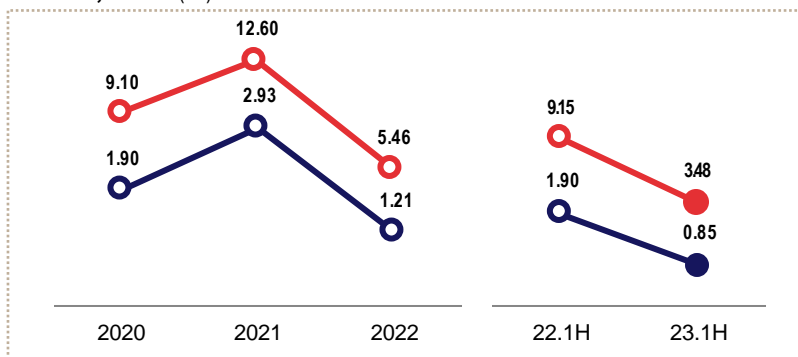
(KRW bn, %, Balance)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Net Interest Income	166.9	176.7	-5.5	83.5	83.4	21.5
Fee Income	11.7	43.6	-73.2	5.1	6.6	0.1
Others	50.0	33.4	49.7	36.8	13.2	-22.7
SG&A(-)	50.0	44.8	11.6	24.7	25.3	178.8
Provision Expense(-)	77.8	49.5	57.2	43.8	34.0	-2.4
Non-Operating Income	-8.1	-1.2	-	-8.0	-0.1	28.8
Earnings Before Inc. Tax	92.7	158.2	-41.4	48.9	43.8	-
Income Tax Expenses(-)	21.5	39.5	-45.6	10.3	11.2	11.6
Net Income	71.2	118.7	-40.0	38.6	32.6	-8.0

(KRW bn, %, Balance)	23.2Q	22.4Q	YTD	23.1Q	QoQ
Assets	8,629.4	8,604.3	0.3	8,697.5	-0.8
Cash and Dues	108.0	100.7	7.2	366.6	-70.5
Securities	419.2	333.1	25.8	430.4	-2.6
Loans	5,525.4	5,594.5	-1.2	5,441.0	1.6
Venture Capital Business	27.5	21.8	26.1	21.8	26.1
Durables Installment Financing Assets	417.2	415.1	0.5	402.2	3.7
Leased Assets	1,952.4	1,867.6	4.5	1,854.8	5.3
Fixed Assets	19.1	17.5	9.1	17.5	9.1
Other Assets	160.6	254.0	-36.8	163.2	-1.6
Liability & Shareholder's Equity	8,629.4	8,604.3	0.3	8,697.5	-0.8
Borrowings	6,805.7	6,888.3	-1.2	6,919.3	-1.6
Other Liabilities	553.1	516.8	7.0	545.1	1.5
Shareholder's Equity	1,270.6	1,199.2	6.0	1,233.1	3.0

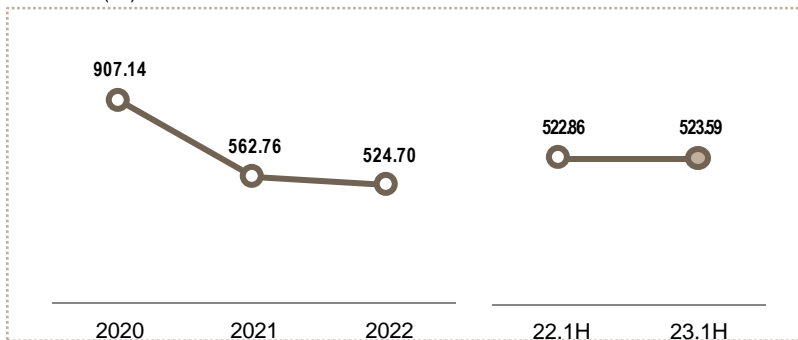
Net Income (% , KRW bn)



ROA, ROE (%)



NCR (%)

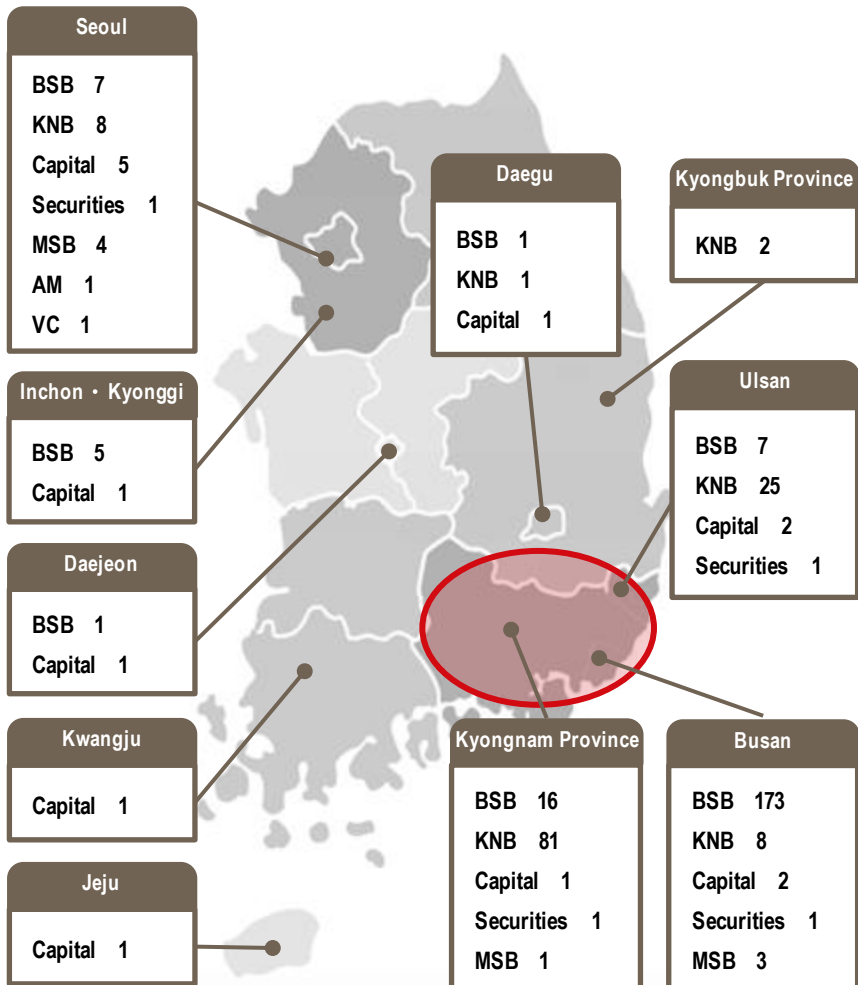


(KRWbn, %, Balance)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Net Interest Income	37.0	32.7	13.1	19.2	17.8	7.9
Fee Income	48.2	114.8	-58.0	24.9	23.3	6.9
Others	24.7	4.0	517.5	-3.3	28.0	NetLoss
SG&A(-)	56.7	84.0	-32.5	17.7	39.0	-54.6
Provision Expense(-)	28.1	2.2	1,177.3	23.4	4.7	397.9
Non-Operating Income	-0.2	-0.3	-	-0.6	0.4	NetLoss
Earnings Before Income Tax	24.9	65.0	-61.7	-0.9	25.8	NetLoss
Income Tax Expenses(-)	6.1	17.4	-64.9	-0.6	6.7	-
Net Income	18.8	47.6	-60.5	-0.3	19.1	NetLoss

(KRWbn, %, Balance)	23.1H	22.1H	YoY	23.2Q	23.1Q	QoQ
Fee Income	48.2	114.8	-27.3	24.9	23.3	6.9
Fee Revenue	62.0	133.9	-19.3	30.6	31.4	-2.5
Underwriting	7.2	13.3	12.5	2.4	4.8	-50.0
Advisory	32.5	96.7	-45.2	16.4	16.1	1.9
Brokerage	15.3	19.3	66.3	7.9	7.4	6.8
Others	7.0	4.6	268.4	3.9	3.1	25.8
Fee Expense	13.8	19.1	31.4	5.7	8.1	-29.6

❑ Networks (as of June 2022) : 374 Locations

- **BSB 216**(Qingdao/Nanjing/Ho Chi Minh Branch, Yangon/Mumbai/Hanoi Office incl.), **KNB 126**(Tashkent Office), **Capital 19**(incl. Myanmar, Cambodia, Laos, Kazakhstan, Kyrgyzstan), **Securities 4**, **MSB 7**, **AM 1**, **Venture Capital 1**



❑ Population & Major Industries

- Southeastern Conurbation (7.0 Mn, 15.1% of Total Population), 13.9% of GRDP(2021)
- Exports : 142.8 USD bn(2022)
- Imports : 100.1 USD bn(2022)

