

2017 3Q Financial Results

(November 1, 2017)

Beyond No.1 in Korea
BNK

BNK FINANCIAL GROUP

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

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DISCLAIMER

The financial information presented herein is prepared on the basis of pre-audited financial of BNK Financial Group and is based upon the plans, strategies and expectations of the FG's management. All information described in this presentation should be treated as forward looking statements that are subject to risks and uncertainties. Actual results could vary materially from the expectations reflected in this presentation, thus the statements presented herein do not purport to be a complete description of the group's operations or future developments. Readers are cautioned not to place under reliance on these statements, which speak only as of the date of this presentation BNK Financial Group does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

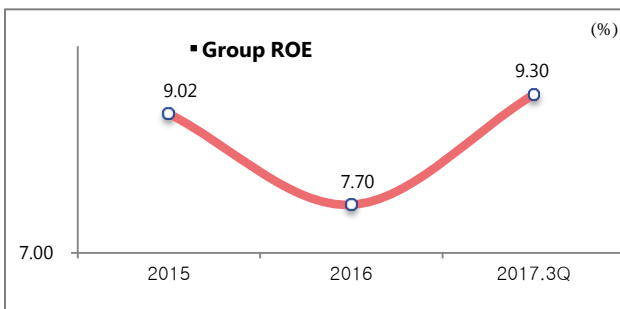
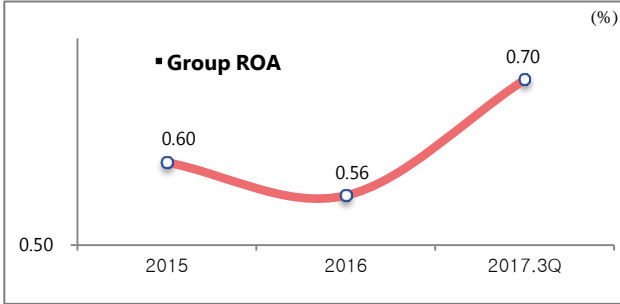
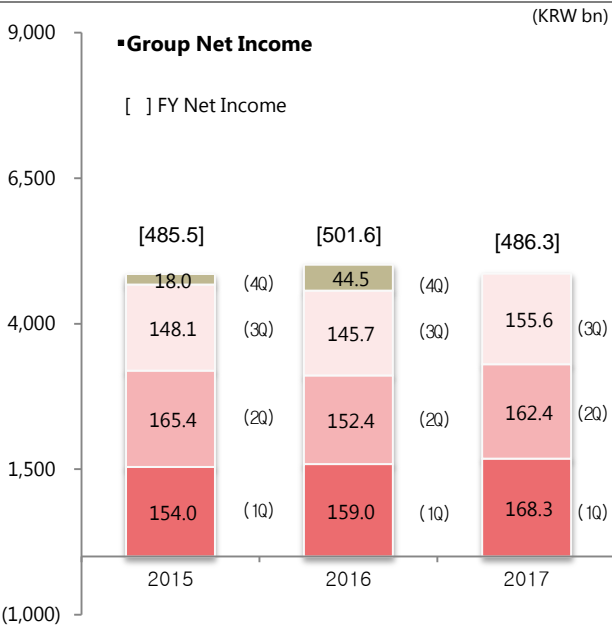
- Kyongnam Bank has been added October 10, 2014, with earnings consolidated starting from 4Q of 2014. As of June 4, 2015, Kyongnam Bank has become a 100% subsidiary of BNK Financial Group
- BNK Asset Management has been added July 28, 2015, and earnings will be consolidated starting from August 2015

I . 3Q 2017 Group Highlights

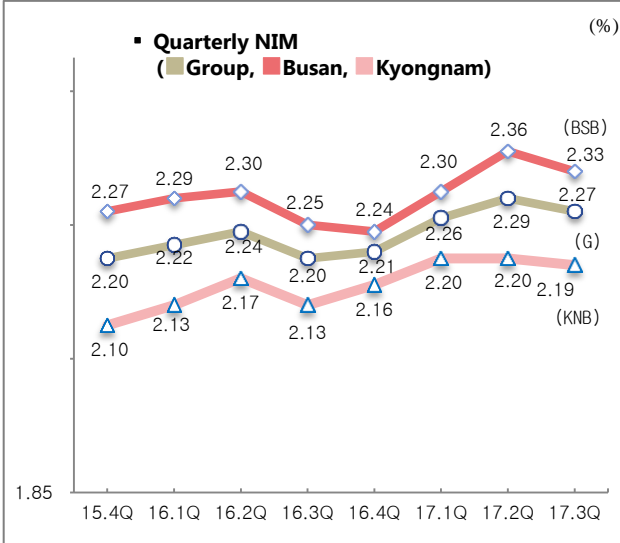
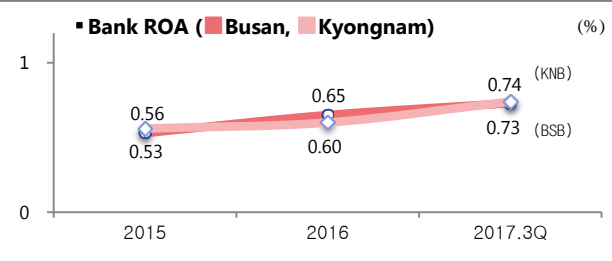
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1. Highlights – Profitability

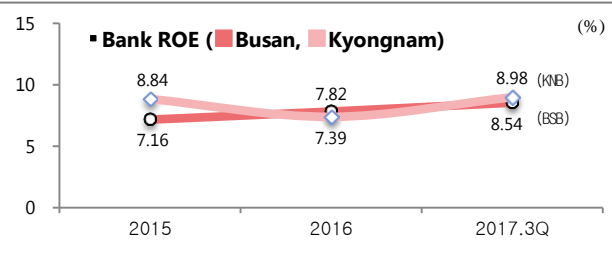
Profitability – Group Net Income, Group & Banks ROA, ROE, NIM



- ❖ **(Group Net Income)**
3Q : 155.6 KRW bn, down by 4.2% QoQ
3Q Acc. : 486.3KRW bn, up by 6.4% YoY
- ❖ **(Busan Net Income)**
3Q : 94.7 KRW bn, up by 8.5% QoQ
3Q Acc. : 283.7 KRW bn, up by 2.8% YoY
- ❖ **(Kyongnam Net Income)**
3Q : 55.1 KRW bn, down by 29.6% QoQ
3Q Acc. : 201.3 KRW bn, up by 6.8% YoY
- ❖ **(Non-Bank Net Income)**
3Q : 25.8 KRW bn, up by 3.6% QoQ
3Q Acc. : 70.8 KRW bn, up by 10.5% YoY

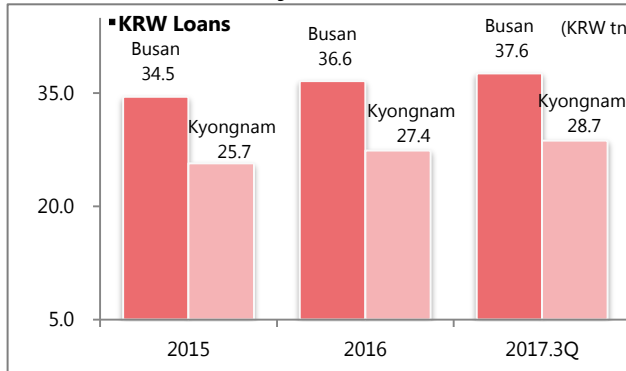
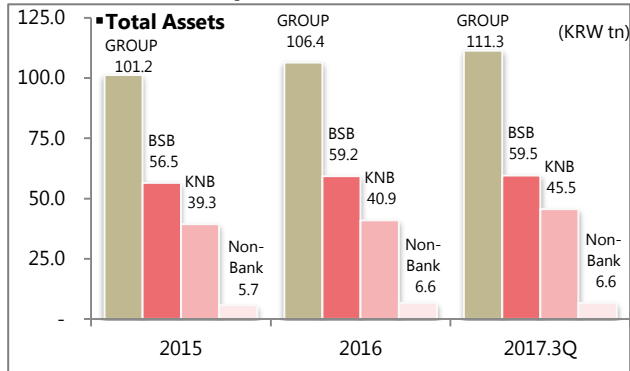


- ❖ **Group ROA, ROE : 0.70%, 9.30%**
- ❖ **Busan ROA, ROE : 0.73%, 8.54%**
- ❖ **Kyongnam ROA, ROE : 0.74%, 8.98%**
- ❖ **Group 3Q NIM : 2.27%**
- ❖ **Busan 3Q NIM : 2.33%**
- ❖ **Kyongnam 3Q NIM : 2.19%**

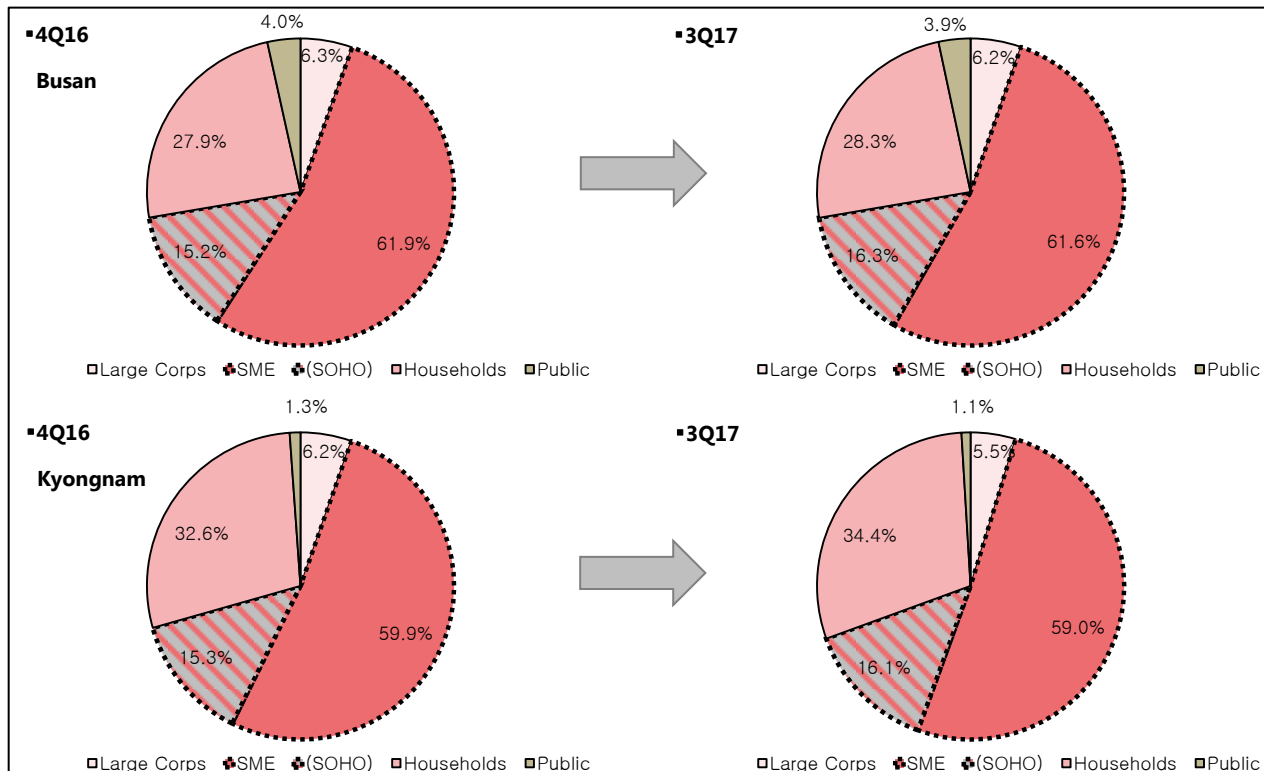


2. Highlights – Growth

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



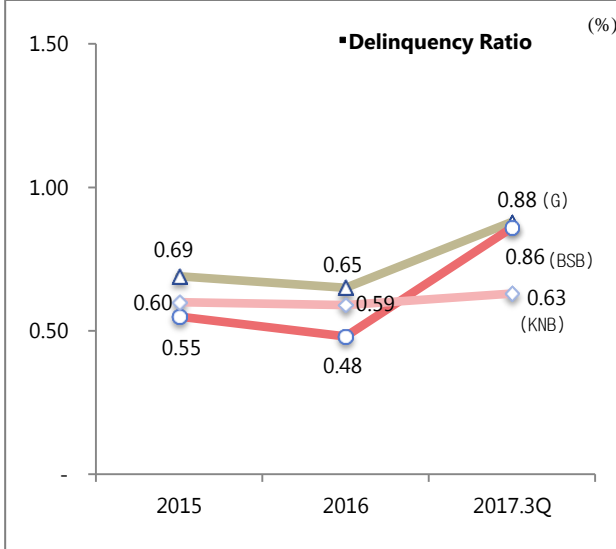
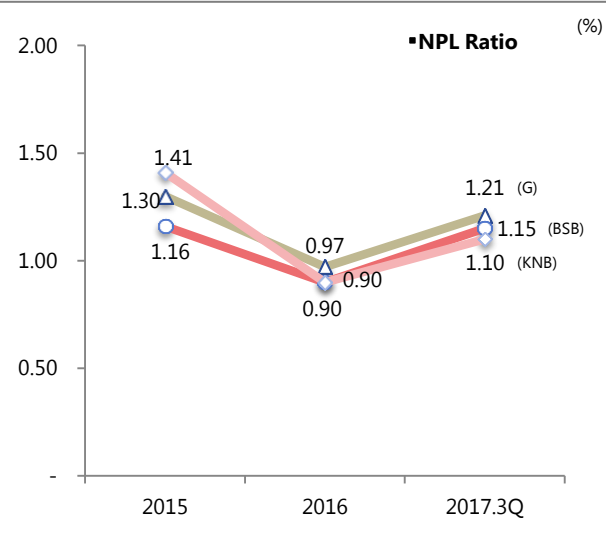
- ❖ **Group Total Assets : 111.3 KRW tn up by 0.2% QoQ, up by 4.6% YTD**
- ❖ **Busan KRW Loans : 37.6 KRW tn down by 0.8% QoQ, up by 2.7% YTD**
- ❖ **Kyongnam KRW Loans : 28.7 KRW tn up by 1.3% QoQ, up by 4.5% YTD**



- ❖ **Large Corps**
 - Busan : down by 0.1% YTD
 - Kyongnam : down by 0.7% YTD
- ❖ **SME**
 - Busan : down by 0.3% YTD
 - Kyongnam : down by 0.9% YTD
- ❖ **SOHO**
 - Busan : up by 1.1% YTD
 - Kyongnam : up by 0.8% YTD
- ❖ **Households**
 - Busan : up by 0.4% YTD
 - Kyongnam : up by 1.8% YTD

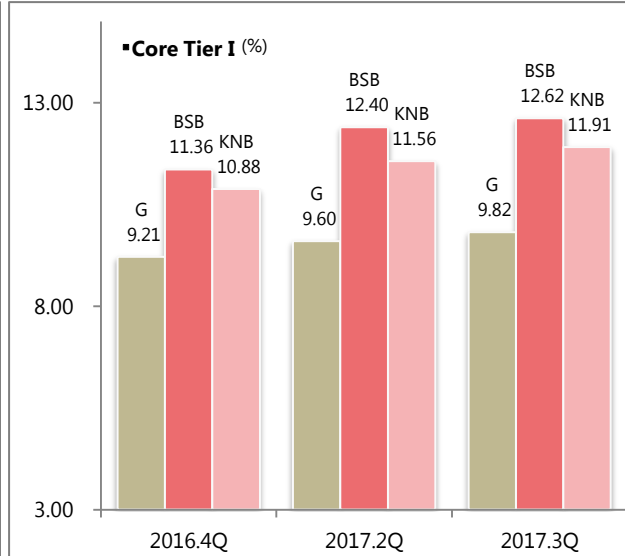
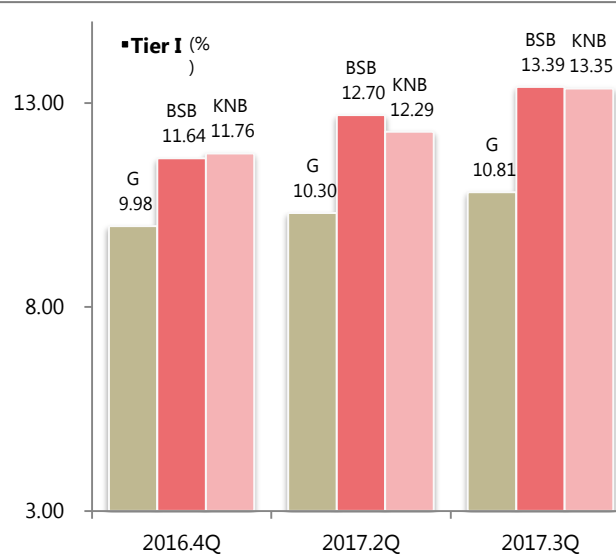
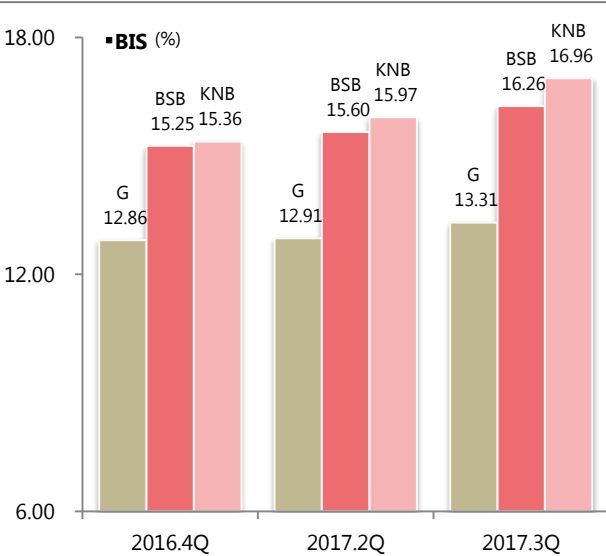
3. Highlights – Asset Quality, Capital Adequacy

Asset Quality – NPL, Delinquency Ratio



- ❖ Group 3Q NPL Ratio 1.21%
- ❖ Group 3Q Delinquency Ratio 0.88%
- ❖ Busan 3Q NPL Ratio 1.15%
- ❖ Busan 3Q Delinquency Ratio 0.86%
- ❖ Kyongnam 3Q NPL Ratio 1.10%
- ❖ Kyongnam 3Q Delinquency Ratio 0.63%

Capital Adequacy – BIS, Tier I, Core Tier I Ratio (Group Standard, Busan¹⁾ & Kyongnam Bank IRB)



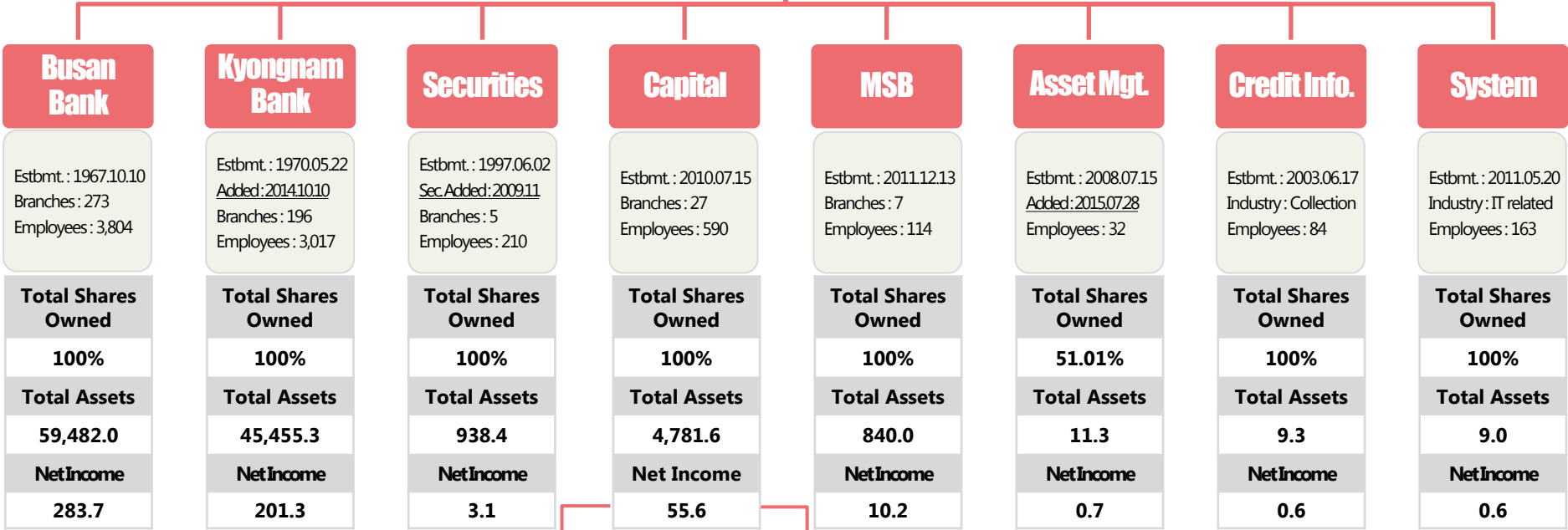
1) Since 2017. 2Q, BSB has adopted IRB. Before then Basel III Standard was applied

4. Group Structure

(%, KRW bn, Accumulated)

BNK Financial Group

Establishment : 2011.03.15
 Total Assets : 111,295.1
 Net Income : 486.3
 Employees : 8,115



Cambodia Subsidiary Myanmar Subsidiary Lao PDR Subsidiary

Establishment : 2014.03.07 Employees : 121 Total Share's Owned : 100% Total Assets : 11.3 KRW bn 2015.06 Start Operations	Establishment : 2014.03.21 Employees : 245 Total Share's Owned : 99.9% Total Assets : 17.0 KRW bn 2014.12 Start Operations	Establishment : 2015.04.24 Employees : 27 Total Share's Owned : 95% (Busan Bank 5%) Total Assets : 11.1 KRW bn 2015.07 Start Operations
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1. Group Earning Results

	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
(KRW bn, %)						
Net Interest Income	1,713.9	1,588.5	7.9	580.0	578.6	0.2
Net Fee Income	130.2	132.9	△2.0	42.8	44.2	△3.2
Others	△50.1	△29.4	-	△22.9	△19.4	-
SG&A(-)	769.9	777.3	△1.0	254.5	261.9	△2.8
Provision Expense(-)	353.3	291.3	21.3	126.3	118.9	6.2
Non-Operating Income	△12.0	△4.4	-	△5.0	△3.3	-
Earnings Before Income Tax	658.8	619.0	6.4	214.1	219.3	△2.4
Income Tax Expense(-)	158.3	149.5	5.9	52.8	52.6	0.4
Net Income(A)	500.5	469.5	6.6	161.3	166.7	△3.2
Net Income in Non-Controlling Interest(B)	14.2	12.4	14.5	5.7	4.3	32.6
Net Income in Controlling Interest(C) (C) = (A) - (B)	486.3	457.1	6.4	155.6	162.4	△4.2

2. Subsidiaries Earning Results

(KRW bn, %)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Bank(A)	485.0	464.4	4.4	149.8	165.6	△9.5
Busan	283.7	275.9	2.8	94.7	87.3	8.5
Kyongnam	201.3	188.5	6.8	55.1	78.3	△29.6
Non-Bank(B)	70.8	64.1	10.5	25.8	24.9	3.6
Securities	3.1	6.1	△49.2	0.9	3.0	△70.0
Capital	55.6	49.4	12.6	20.1	17.7	13.6
MSB	10.2	7.6	34.2	4.2	3.4	23.5
Asset Management	0.7	0.0	-	0.2	0.3	△33.3
Credit Information System	0.6	0.5	20.0	0.1	0.3	△66.7
System	0.6	0.5	20.0	0.3	0.2	50.0
Financial Group & Unconsolidated Portion(C)	△ 55.3	△59.0	-	△14.3	△23.8	-
Net Income in Non-Controlling Interest (D)	14.2	12.4	14.5	5.7	4.3	32.6
Net Income in Controlling Interest(E) (E=A+B+C-D)	486.3	457.1	6.4	155.6	162.4	△4.2

3. Banks Earning Results

□ Busan

	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
(KRW bn, %, %p)						
Net Interest Income	911.9	860.2	6.0	307.6	309.7	△0.7
Net Fee Income	61.2	61.3	△0.2	18.7	22.7	△17.6
Fees from Trust Account	16.5	16.4	0.6	5.6	5.5	1.8
Others	△ 40.5	△24.2	-	△19.1	△10.7	-
SG&A(-)	380.5	392.0	△2.9	125.2	131.9	△5.1
Provision Expense(-)	193.8	159.4	21.6	59.8	82.1	△27.2
Net Operating Income	374.8	362.3	3.5	127.8	1,132	12.9
Non-Operating Income	△ 8.1	△6.7	-	△4.9	△0.6	-
Earnings Before Income Taxes	366.7	355.6	3.1	122.9	112.6	9.1
Income Tax Expenses(-)	83.0	79.7	4.1	28.2	25.3	11.5
Net Income	283.7	275.9	2.8	94.7	87.3	8.5
ROA	0.73	0.74	△0.01			
ROE	8.54	9.26	△0.72			

□ Kyongnam

	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
(KRW bn, %, %p)						
Net Interest Income	629.1	580.1	8.4	212.9	210.5	1.1
Net Fee Income	28.7	32.3	△111	9.2	8.8	4.5
Fees from Trust Account	5.3	4.3	23.3	1.8	1.7	5.9
Others	△ 28.6	△25.2	-	△13.4	△12.3	-
SG&A(-)	282.3	280.3	0.7	93.7	94.9	△1.3
Provision Expense(-)	90.9	70.0	29.9	44.2	13.9	218.0
Net Operating Income	261.3	241.2	8.3	72.6	99.9	△27.3
Non-Operating Income	△ 2.3	2.4	Net Loss	△0.8	△0.1	-
Earnings Before Income Taxes	259.0	243.6	6.3	71.8	99.8	△28.1
Income Tax Expenses(-)	57.7	55.1	4.7	16.7	21.5	△22.3
Net Income	201.3	188.5	6.8	55.1	78.3	△29.6
ROA	0.74	0.65	0.09			
ROE	8.98	8.85	0.13			

4. Banks NIM & NIS

☐ Busan

(KRW bn, %, %p)	17.3Q	17.2Q	QoQ
NIM(Quarterly)	2.33	2.36	△0.03
NIS	2.63	2.67	△0.04
Interest Rate on KRW Loans	3.78	3.81	△0.03
Households	3.27	3.22	0.05
Corporate	3.66	3.69	△0.03
Interest Rate paid on KRW Deposits	1.15	1.14	0.01
Average Interest Earning Assets	47,032.0	46,902.6	0.30

NIM(Accumulated)	2.33	2.33	-
NIS	2.65	2.66	△0.01
Interest Rate on KRW Loans	3.80	3.81	△0.01
Households	3.22	3.20	0.02
Corporate	3.68	3.69	△0.01
Interest Rate paid on KRW Deposits	1.15	1.15	-
Average Interest Earning Assets	46,694.2	46,522.5	0.40

☐ Kyongnam

(KRW bn, %, %p)	17.3Q	17.2Q	QoQ
NIM(Quarterly)	2.19	2.20	△0.01
NIS	2.45	2.47	△0.02
Interest Rate on KRW Loans	3.74	3.74	-
Households	3.24	3.16	0.08
Corporate	3.67	3.71	△0.04
Interest Rate paid on KRW Deposits	1.29	1.27	0.02
Average Interest Earning Assets	34,152.2	34,047.0	0.31

NIM(Accumulated)	2.20	2.20	-
NIS	2.47	2.47	-
Interest Rate on KRW Loans	3.74	3.74	-
Households	3.16	3.12	0.04
Corporate	3.71	3.72	△0.01
Interest Rate paid on KRW Deposits	1.27	1.27	-
Average Interest Earning Assets	33,939.1	33,830.8	0.32

Note. Table on the top is based on quarterly numbers

Table on the bottom is based on accumulated numbers

5. SG&A

□ Group

(KRW bn, %, %p)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
SG&A	769.9	777.3	△1.0	254.5	261.9	△2.8
CIR	42.92	45.94	△3.02			

□ Busan

(KRW bn, %, %p)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Total SG&A	380.5	392.0	△2.9	125.2	131.9	△5.1
Salaries and other expenses	306.5	312.3	△1.9	100.3	108.6	△7.6
Depreciation	44.7	48.8	△8.4	14.1	14.2	△0.7
Taxes and dues	10.6	10.9	△2.8	4.6	2.9	58.6
Retirement Allowance	18.7	19.9	△6.0	6.2	6.2	-
Honorary Retirement	0.0	0.1	-	0	0	-
CIR	40.09	42.90	△2.81			

□ Kyongnam

(KRW bn, %, %p)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Total SG&A	282.3	280.3	0.7	93.7	94.9	△1.3
Salaries and other expenses	222.8	226.1	△1.5	74.0	74.4	△0.5
Depreciation	37.3	31.8	17.3	12.5	12.4	0.8
Taxes and dues	7.0	6.9	1.4	2.1	3.0	△30.0
Retirement Allowance	15.2	15.2	-	5.1	5.1	-
Honorary Retirement	0.0	0.3	-	0	0	-
CIR	44.48	47.39	△2.91			

III. Growth

1.	Group Assets, B/S Summary	14
2.	Banks B/S	15
3.	Banks Low-Cost Deposits	17

1. Group Asset, B/S Summary

□ Group Total Assets

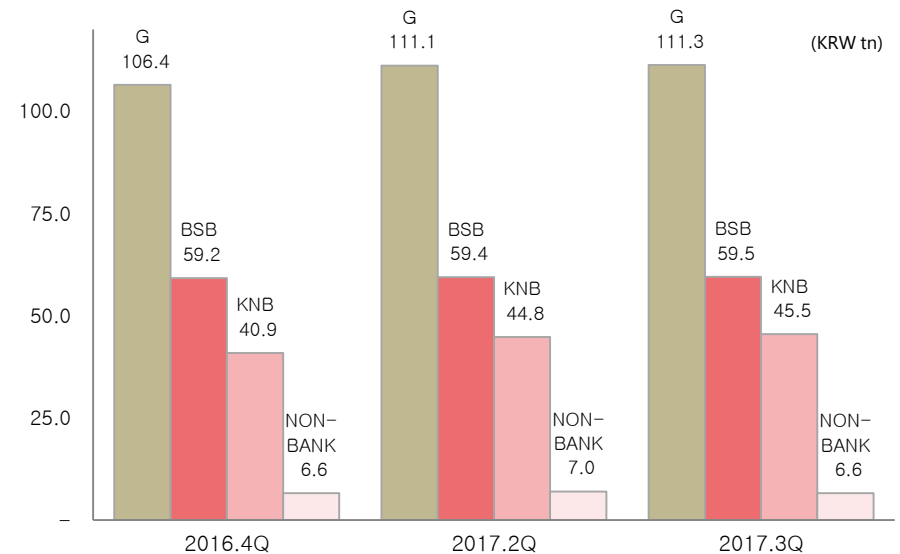
(KRW bn, %)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Bank	104,937.3	100,084.7	4.8	104,228.1	0.7
Busan	59,482.0	59,230.0	0.4	59,401.1	0.1
Kyongnam	45,455.3	40,854.7	11.3	44,827.0	1.4
Non-Bank	6,589.6	6,553.7	0.5	7,024.1	△6.2
Securities	938.4	1,064.1	△11.8	1,389.2	△32.5
Capital	4,781.6	4,692.6	1.9	4,810.5	△0.6
MSB	840.0	769.1	9.2	791.5	6.1
Asset Management	11.3	10.6	6.6	11.0	2.7
Credit Information	9.3	8.6	8.1	9.1	2.2
Information Systems	9.0	8.7	3.4	12.8	△29.7
Financial Group & Unconsolidated Portion	△231.8	△280.5	-	△161.8	-
Group Total Assets	111,295.1	106,357.9	4.6	111,090.4	0.2

□ Group Total Lending

(KRW bn, %)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Cash and Dues	3,417.8	3,414.1	0.1	3,712.7	△7.9
Securities	13,944.4	14,042.3	△0.7	13,975.3	△0.2
Loans & Receivables	76,745.0	74,087.0	3.6	77,168.7	△0.5
Derivative Assets	56.7	157.2	△63.9	66.0	△14.1
Fixed Assets & Investment Assets	868.0	801.0	8.4	823.3	5.4
Intangible Assets	323.5	324.9	△0.4	339.3	△4.7
Others	738.7	655.7	12.7	710.2	4.0
Total Assets	96,094.1	93,482.2	2.8	96,795.5	△0.7

1) Based on the Bank's Consolidated Financial Statements

□ Group Total Assets



□ Group Total Funding

(KRW bn, %)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Deposits	70,131.9	67,604.4	3.7	70,558.0	△0.6
Borrowings	5,629.6	6,332.7	△11.1	5,801.7	△3.0
Derivatives	8,552.6	8,781.6	△2.6	8,492.8	0.7
Others	3,991.9	3,676.3	8.6	4,598.7	△13.2
Total Liabilities	88,306.0	86,395.0	2.2	89,451.2	△1.3
Shareholder's Equity	7,788.1	7,087.2	9.9	7,344.3	6.0
Total Liabilities & Shareholder's Equity	96,094.1	93,482.2	2.8	96,795.5	△0.7

2. Banks B/S – Busan¹⁾

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Total Assets	59,482.0	59,230.0	0.4	59,401.1	0.1
Bank Account	52,310.5	51,285.0	2.0	52,856.0	△1.0
Trust Account	7,171.5	7,945.0	△9.7	6,545.1	9.6
Total Deposits	45,719.4	44,906.6	1.8	46,317.9	△1.3
Bank Account	41,343.6	40,478.2	2.1	41,658.7	△0.8
KRW Deposits	38,361.1	37,378.0	2.6	38,496.9	△0.4
Demand	4,197.6	4,808.2	△12.7	4,416.1	△4.9
Savings & Time	34,149.7	32,552.7	4.9	34,066.0	0.2
Installment	13.8	17.1	△19.3	14.8	△6.8
CD	676.6	816.2	△17.1	992.5	△31.8
Trust Account	4,375.8	4,428.4	△1.2	4,659.2	△6.1
Total Credits	39,333.3	38,295.6	2.7	39,636.1	△0.8
Total Loans	38,550.9	37,561.0	2.6	38,837.2	△0.7
KRW Loans	37,605.2	36,622.3	2.7	37,895.2	△0.8
SMEs	23,157.8	22,659.6	2.2	22,945.0	0.9
(SOHO)	6,126.6	5,582.9	9.7	5,867.5	4.4
Households	10,641.7	10,205.1	4.3	10,645.8	0.0
Guarantees	782.4	734.6	6.5	798.9	△2.1
Total Securities	9,759.0	9,611.6	1.5	9,746.4	0.1
Bank Account	7,703.0	7,692.8	0.1	7,651.6	0.7
Trust Account	2,056.0	1,918.8	7.2	2,094.8	△1.9
Shareholders' Equity	4,631.3	4,205.9	10.1	4,395.8	5.4

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
KRW Deposits	38,361.1	37,378.0	2.6	38,496.9	△0.4
Demand	4,197.6	4,808.2	△12.7	4,416.1	△4.9
Savings	34,149.7	32,552.7	4.9	34,066.0	0.2
Installment	13.8	17.1	△19.3	14.8	△6.8
CD	676.6	816.2	△17.1	992.5	△31.8
Bills Sold	23.5	23.7	△0.8	23.6	△0.4
R P	463.2	401.1	15.5	386.5	19.8
Financial Debenture	1,819.2	1,859.2	△2.2	1,759.2	3.4
Trust Account	4,375.8	4,428.4	△1.2	4,659.2	△6.1
Total Deposits	45,719.4	44,906.6	1.8	46,317.9	△1.3

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
KRW Loans	37,605.2	36,622.3	2.7	37,895.2	△0.8
Corporate	25,493.7	24,969.7	2.1	25,390.1	0.4
(SME)	23,157.8	22,659.6	2.2	22,945.0	0.9
(Large Corps)	2,335.9	2,310.1	1.1	2,445.1	△4.5
Household	10,641.7	10,205.1	4.3	10,645.8	0.0
(Collateral)	9,410.6	8,962.8	5.0	9,414.8	0.0
Mortgage	4,115.6	4,153.3	△0.9	4,079.8	0.9
Others	5,295.0	4,809.5	10.1	5,335.0	△0.7
(Credit)	1,231.1	1,242.3	△0.9	1,231.0	0.0
Public	1,469.8	1,447.5	1.5	1,859.3	△20.9
Foreign Currency	648.1	598.7	8.3	613.7	5.6
Trust Account	13.1	13.0	0.8	11.6	12.9
Others	1,066.9	1,061.6	0.5	1,115.6	△4.4
Total Credits	39,333.3	38,295.6	2.7	39,636.1	△0.8

LDR	17.3Q	16.4Q	YTD	17.2Q	QoQ
(Monthly Avg. Balance, %)	96.26	96.55	△0.29	97.67	△1.41

1) Based on the Bank's Unconsolidated Financial Statements

2. Banks B/S – Kyongnam¹⁾

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Total Assets	45,455.3	40,854.7	11.3	44,827.0	1.4
Bank Account	36,987.2	35,512.3	4.2	36,649.8	0.9
Trust Account	8,468.1	5,342.4	58.5	8,177.2	3.6
Total Deposits	32,937.3	31,359.1	5.0	32,716.9	0.7
Bank Account	30,613.2	29,331.9	4.4	30,592.1	0.1
KRW Deposits	28,926.5	27,486.9	5.2	28,839.4	0.3
Demand	4,184.3	3,787.4	10.5	4,070.5	2.8
Savings & Time	24,733.1	23,688.3	4.4	24,759.6	△0.1
Installment	9.1	11.2	△18.8	9.3	△2.2
CD	182.4	262.4	△30.5	167.7	8.8
Trust Account	2,324.1	2,027.2	14.6	2,124.8	9.4
Total Credits	29,128.5	28,024.4	3.9	28,787.5	1.2
Total Loans	28,898.3	27,746.0	4.2	28,553.9	1.2
KRW Loans	28,651.8	27,420.1	4.5	28,288.4	1.3
SMEs	16,891.9	16,416.2	2.9	16,575.8	1.9
(SOHO)	4,615.7	4,208.2	9.7	4,420.4	4.4
Households	9,843.4	8,925.3	10.3	9,693.6	1.5
Guarantees	230.2	278.4	△17.3	233.6	△1.5
Total Securities	5,758.0	5,538.2	4.0	5,625.7	2.4
Bank Account	5,121.4	5,034.6	1.7	5,017.0	2.1
Trust Account	636.6	503.6	26.4	608.7	4.6
Shareholders' Equity	3,145.1	2,850.1	10.4	2,947.0	6.7

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
KRW Deposits	28,926.5	27,486.9	5.2	28,839.4	0.3
Demand	4,184.3	3,787.4	10.5	4,070.5	2.8
Savings	24,733.1	23,688.3	4.4	24,759.6	△0.1
Installment	9.1	11.2	△18.8	9.3	△2.2
CD	182.4	262.4	△30.5	167.7	8.8
Bills Sold	9.2	14.2	△35.2	14.4	△36.1
R P	135.9	119.4	13.8	111.6	21.8
Financial Debenture	1,359.0	1,449.0	△6.2	1,459.0	△6.9
Trust Account	2,324.1	2,027.2	14.6	2,124.8	9.4
Total Deposits	32,937.3	31,359.1	5.0	32,716.9	0.7

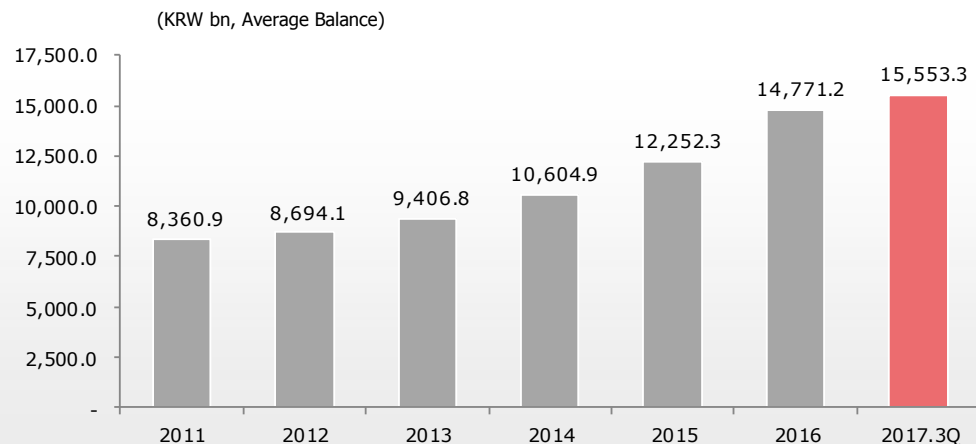
(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
KRW Loans	28,651.8	27,420.1	4.5	28,288.4	1.3
Corporate	18,479.3	18,129.2	1.9	18,169.5	1.7
(SME)	16,891.9	16,416.2	2.9	16,575.8	1.9
(Large Corps)	1,587.4	1,713.0	△7.3	1,593.7	△0.4
Household	9,843.4	8,925.3	10.3	9,693.6	1.5
(Collateral)	9,093.6	8,141.9	11.7	8,932.5	1.8
Mortgage	3,152.3	3,242.6	△2.8	3,162.1	△0.3
Others	5,941.3	4,899.3	21.3	5,770.4	3.0
(Credit)	749.8	783.4	△4.3	761.1	△1.5
Public	329.1	365.6	△10.0	425.3	△22.6
Foreign Currency	112.2	110.8	1.3	103.8	8.1
Trust Account	0.3	0.3	0	0.2	50.0
Others	364.2	493.2	△26.2	395.1	△7.8
Total Credits	29,128.5	28,024.4	3.9	28,787.5	1.2

LDR	17.3Q	16.4Q	YTD	17.2Q	QoQ
(Monthly Avg. Balance, %)	97.50	98.72	△1.22	97.76	△0.26

1) Based on the Bank's Unconsolidated Financial Statements

3. Banks Low-Cost Deposits - Busan

□ Growth Records



□ Funding Costs

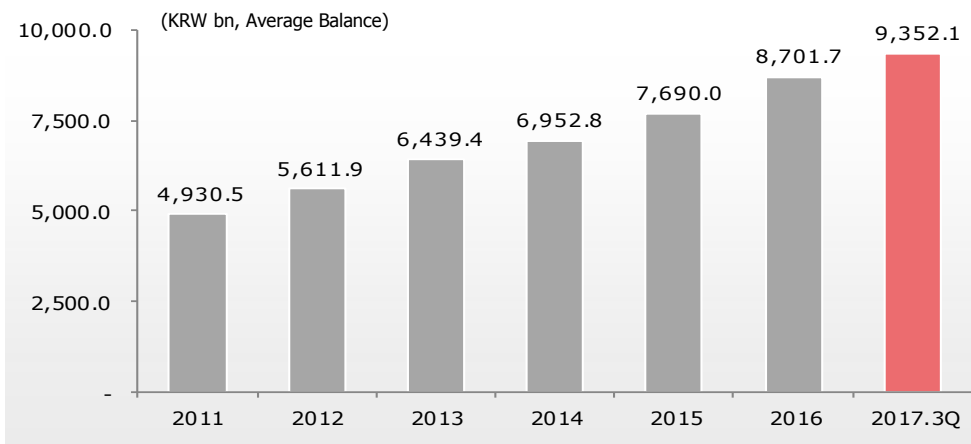
(%, Accumulated)	17.3Q	17.2Q	16.4Q
Core Deposits	0.05	0.06	0.14
MMDA	0.88	0.89	0.97
Total	0.21	0.22	0.29

(KRW bn, %, %p, Average Balance)	17.3Q	16.4Q	YoY	17.2Q	QoQ
Low-Cost Deposits (A)	15,553.3	14,771.2	5.3	15,647.6	△0.6
Core Deposits¹⁾	12,522.8	12,152.6	3.0	12,497.7	0.2
MMDA	3,030.5	2,618.6	15.7	3,149.9	△3.8
Deposits in KRW (B)	37,999.3	36,573.8	3.9	37,819.9	0.5
Total Deposits (Bank Account) (C)	41,082.6	39,617.7	3.7	40,948.0	0.3
Total Deposits (Bank + Trust Account)(D)	45,849.7	44,014.9	4.2	45,702.3	0.3
Low-Cost Deposits/Won Deposits(A/B)	40.93	40.39	0.54	41.37	△0.44
Low-Cost Deposits/Total Deposits (A/C)	37.86	37.28	0.58	38.21	△0.35
Low-Cost Deposits/Total Deposits(A/D)	33.92	33.56	0.36	34.24	△0.32

1) Core Deposits : Demand Deposits + Savings Deposits(Ex. MMDA)

3. Banks Low-Cost Deposits - Kyongnam

□ Growth Records



□ Funding Costs

(%, Accumulated)	17.3Q	17.2Q	16.4Q
Core Deposits	0.13	0.13	0.14
MMDA	0.64	0.68	0.87
Total	0.22	0.24	0.29

(KRW bn, %, %p, Average Balance)	17.3Q	16.4Q	YoY	17.2Q	QoQ
Low-Cost Deposits (A)	9,352.1	8,701.7	7.5	9,375.6	△0.3
Core Deposits¹⁾	7,544.2	6,906.5	9.2	7,531.5	0.2
MMDA	1,807.9	1,795.2	0.7	1,844.1	△2.0
Deposits in KRW (B)	28,565.1	26,627.4	7.3	28,341.9	0.8
Total Deposits (Bank Account) (C)	30,389.5	28,365.1	7.1	30,234.0	0.5
Total Deposits (Bank + Trust Account)(D)	32,643.5	30,484.5	7.1	32,469.9	0.5
Low-Cost Deposits/Won Deposits(A/B)	32.73	32.68	0.05	33.08	△0.35
Low-Cost Deposits/Total Deposits (A/C)	30.77	30.68	0.09	31.01	△0.24
Low-Cost Deposits/Total Deposits(A/D)	28.65	28.54	0.11	28.87	△0.22

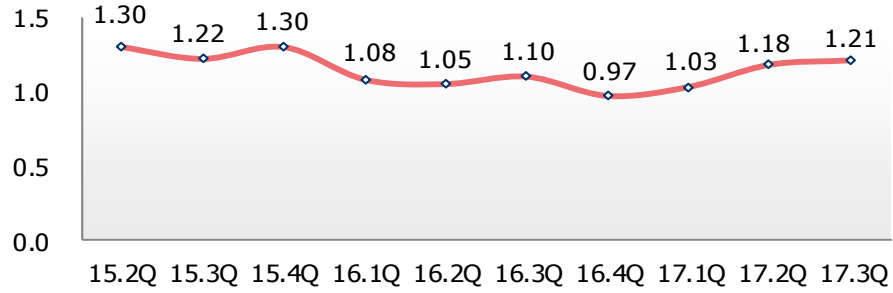
1) Core Deposits : Demand Deposits + Savings Deposits(Ex. MMDA)

IV. Asset Quality

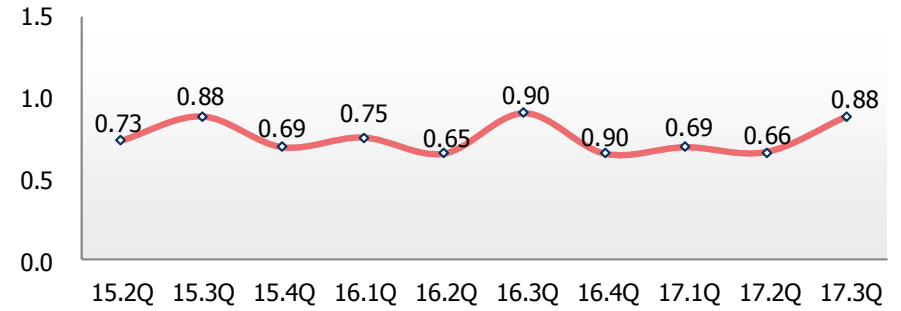
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1. Group Asset Quality

□ SBL(NPL) Ratio (%)



□ Delinquency Ratio (%)



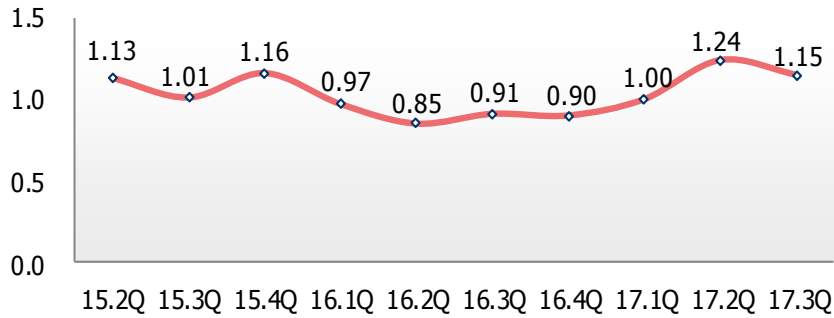
	17.3Q	16.4Q	YTD	17.2Q	QoQ
(KRW bn, %, %p)					
Total Loans	74,918.2	72,623.0	3.2	74,930.9	0.0
Normal	72,763.6	70,795.1	2.8	72,864.5	△0.1
Precautionary	1,248.4	1,127.1	10.8	1,185.7	5.3
Substandard	586.0	370.0	58.4	497.7	17.7
Doubtful	166.9	138.1	20.9	145.2	14.9
Expected Loss	153.3	192.7	△20.4	237.8	△35.5
SBL(Substandard & Below Loans)	906.2	700.8	29.3	880.7	2.9
(SBL Ratio (%))	1.21	0.97	0.24	1.18	0.03
(SBL Coverage Ratio)	79.40(145.80) 1)	97.54 (161.53)	△18.14 (△15.73)	85.01 (150.88)	△5.61 (5.08)
Loan Amount	73,905.6	71,610.0	3.2	73,898.5	-
Delinquent Amount	648.2	467.4	38.7	484.3	33.8
Delinquency Ratio	0.88	0.65	0.23	0.66	0.22

1) Coverage before Reserve deduction

2. Banks Asset Quality – Busan

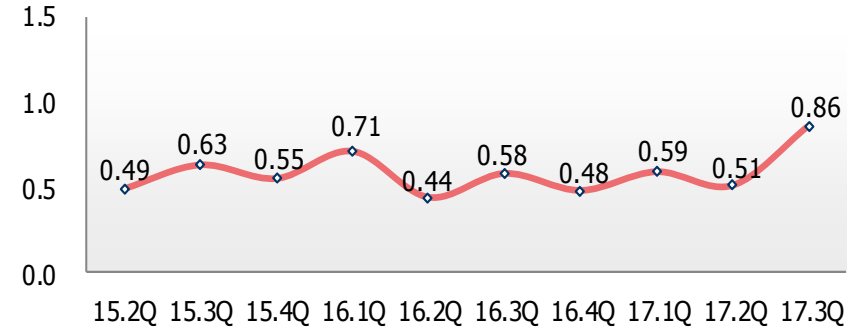
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



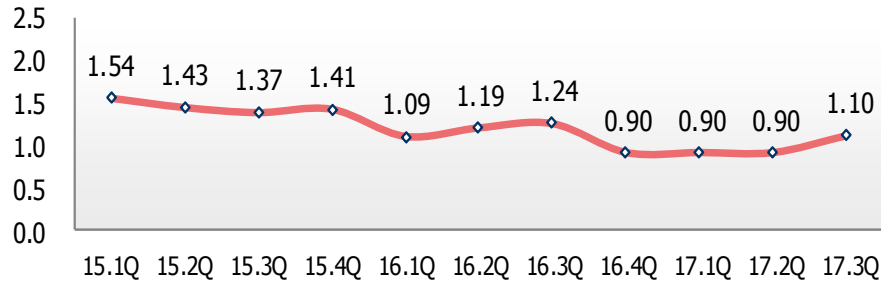
	17.3Q	16.4Q	YTD	17.2Q	QoQ
(KRW bn, %, %p)					
Total Loans	40,003.5	38,984.4	2.6	40,362.8	△0.9
Normal	38,983.8	38,120.5	2.3	39,410.4	△1.1
Precautionary	557.7	513.3	8.6	453.2	23.1
Substandard	324.4	164.6	97.1	262.7	23.5
Doubtful	52.0	38.3	35.8	40.8	27.5
Expected Loss	85.6	147.7	△42.0	195.7	△56.3
SBL(Substandard & Below Loans)	462.0	350.6	31.8	499.2	△7.5
(SBL Ratio (%))	1.15	0.90	0.25	1.24	△0.09
(SBL Coverage Ratio)	88.07(144.66)¹⁾	116.74 (170.48)	△28.67 (△25.82)	94.12 (149.57)	△6.05 (△4.91)
Loan Amount	39,221.1	38,249.7	2.5	39,563.9	△0.9
Delinquent Amount	338.4	181.7	86.2	202.2	67.4
Delinquency Ratio	0.86	0.48	0.38	0.51	0.35

1) Coverage before Reserve deduction

2. Banks Asset Quality – Kyongnam

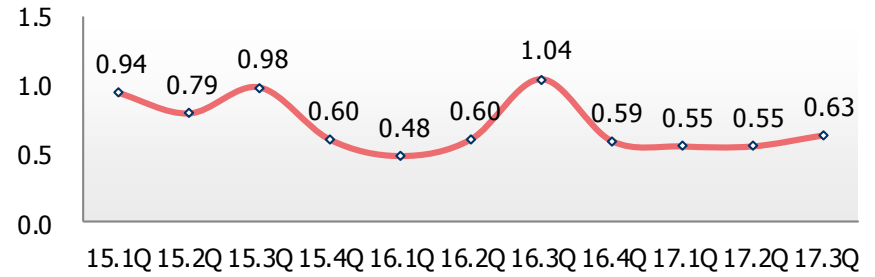
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

(%)



	17.3Q	16.4Q	YTD	17.2Q	QoQ
(KRW bn, %, %p)					
Total Loans	29,636.4	28,544.3	3.8	29,317.1	1.1
Normal	29,046.1	28,082.7	3.4	28,763.8	1.0
Precautionary	265.0	203.7	30.1	289.0	△8.3
Substandard	216.3	174.6	23.9	187.6	15.3
Doubtful	55.2	44.5	24.0	42.2	30.8
Expected Loss	53.8	38.8	38.7	34.5	55.9
SBL(Substandard & Below Loans)	325.3	257.9	26.1	264.3	23.1
(SBL Ratio (%))	1.10	0.90	0.20	0.90	0.20
(SBL Coverage Ratio)	63.12(153.23) ¹⁾	70.82 (169.46)	△7.70 (△16.23)	66.62 (177.12)	△3.5 (△23.89)
Loan Amount	29,406.2	28,265.9	4.0	29,083.5	1.1
Delinquent Amount	184.8	167.2	10.5	160.8	14.9
Delinquency Ratio	0.63	0.59	0.04	0.55	0.08

1) Coverage before Reserve deduction

3. Provisioning

□ Group Provision Expense

(KRW bn, %)	3Q Acc.	2017				4Q	3Q Acc.	2016		
		3Q	2Q	1Q				3Q	2Q	1Q
Total Provisions(A)	353.3	126.3	118.9	108.1	377.9	86.6	291.3	114.8	82.9	93.6
Total Credits(B)	74,918.2	74,918.2	74,930.9	74,584.8	72,623.0	72,623.0	72,012.9	72,012.9	71,291.3	69,686.4
¹⁾ Credit Cost(A/B)	0.63	0.67	0.64	0.59	0.52	0.47	0.54	0.63	0.47	0.54

1) Accumulated

□ Busan Bank Provision Expense

(KRW bn, %)	3Q Acc.	2017				4Q	3Q Acc.	2016		
		3Q	2Q	1Q				3Q	2Q	1Q
Corporate	171.3	51.9	75.0	44.4	158.7	18.5	140.2	50.2	35.7	54.3
Household	8.6	3.1	3.2	2.3	10.6	3.8	6.8	2.1	3.0	1.7
Credit Card	14.3	4.1	5.3	4.9	15.1	0.7	14.4	7.5	4.0	2.9
Others	△0.4	0.7	△1.4	0.3	1.4	3.4	△2.0	△2.7	0.3	0.4
Total(A)	193.8	59.8	82.1	51.9	185.8	26.4	159.4	57.1	43.0	59.3
Total Credits(B)	40,003.5	40,003.5	40,362.8	40,073.1	38,984.4	38,984.4	38,934.1	38,934.1	38,610.7	37,781.1
¹⁾ Credit Cost(A/B)	0.65	0.59	0.82	0.53	0.48	0.27	0.55	0.58	0.45	0.63

□ Kyongnam Bank Provision Expense

(KRW bn, %)	3Q Acc.	2017				4Q	3Q Acc.	2016		
		3Q	2Q	1Q				3Q	2Q	1Q
Corporate	72.2	35.8	7.7	28.7	111.9	30.2	81.7	29.9	42.7	9.1
Household	5.4	2.2	2.3	0.9	10.0	2.5	7.5	2.0	3.2	2.3
Credit Card	12.8	4.8	4.0	4.0	13.5	4.7	8.8	3.3	2.8	2.7
Others	0.5	1.4	△0.1	△0.8	△27.0	1.0	△28.0	1.9	△29.5	△0.4
Total(A)	90.9	44.2	13.9	32.8	108.4	38.4	70.0	37.1	19.2	13.7
Total Credits(B)	29,636.4	29,636.4	29,317.1	29,315.5	28,544.3	28,544.3	28,040.9	28,040.9	27,712.6	27,119.0
¹⁾ Credit Cost(A/B)	0.41	0.59	0.19	0.45	0.38	0.54	0.33	0.53	0.28	0.20

4. Banks Write-Offs and NPL Sales

□ Busan Bank Write-Offs & NPL Sales

(KRW bn, %)	17.3Q Acc.	17.3Q	17.2Q	17.1Q	16.4Q	16.3Q Acc.	16.3Q	16.2Q	16.1Q
Total Write-Offs	219.5	145.9	36.5	37.1	40.8	176.5	68.5	51.2	56.8
Corporate	191.2	137.1	25.6	28.5	33.2	157.4	61.3	45.3	50.8
Household	10.0	3.6	3.0	3.4	2.7	7.8	2.7	2.5	2.6
Credit Card	18.3	5.2	7.9	5.2	4.9	11.3	4.5	3.4	3.4
Total NPL Sales	80.1	0.0	80.1	0.0	65.0	66.6	0.0	66.6	0.0
(NPL Sales for SBL Loans)	78.1	0.0	78.1	0.0	64.9	65.8	0.0	65.8	0.0
Corporate	79.5	0.0	79.5	0.0	63.7	65.4	0.0	65.4	0.0
Household	0.2	0.0	0.2	0.0	1.1	1.1	0.0	1.1	0.0
Credit Card	0.4	0.0	0.4	0.0	0.2	0.1	0.0	0.1	0.0

□ Kyongnam Bank Write-Offs & NPL Sales

(KRW bn, %)	17.3Q Acc.	17.3Q	17.2Q	17.1Q	16.4Q	16.3Q Acc.	16.3Q	16.2Q	16.1Q
Total Write-Offs	51.0	16.7	18.2	16.1	72.9	92.2	39.8	20.2	32.2
Corporate	34.6	9.1	13.5	12.0	66.0	76.8	32.2	16.0	28.6
Household	5.8	3.2	1.5	1.1	4.5	6.8	4.3	0.8	1.7
Credit Card	10.6	4.4	3.2	3.0	2.4	8.6	3.3	3.4	1.9
Total NPL Sales	89.5	0.0	39.1	50.4	77.5	210.6	41.0	69.0	100.6
(NPL Sales for SBL Loans)	83.4	0.0	34.6	48.8	73.1	192.2	39.1	58.3	94.8
Corporate	87.7	0.0	39.0	48.7	75.6	207.1	39.0	68.9	99.2
Household	1.7	0.0	0.1	1.6	1.9	3.3	1.9	0.0	1.4
Credit Card	0.1	0.0	0.0	0.1	0.0	0.2	0.1	0.1	0.0

V. Capital Adequacy

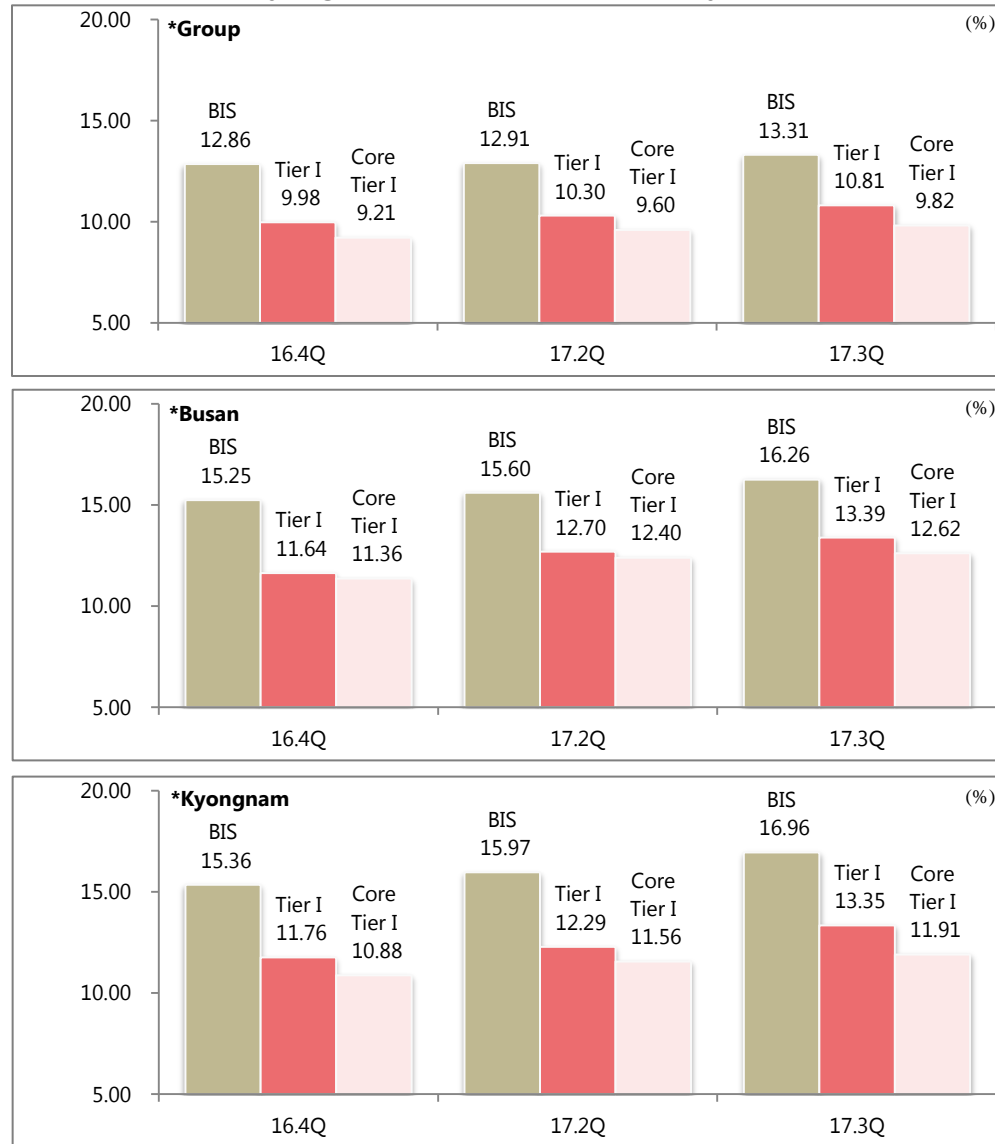
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|-----------|-------------------------------|----|
| 1. | Group Capital Adequacy | 26 |
| 2. | Banks Capital Adequacy | 27 |

1. Group Capital Adequacy

□ Group

	2017 3Q	2016 4Q	YTD	QoQ
<small>(KRW bn,%, %p, Basel III Standard)</small>				
Total Risk Adjusted Capital	8,945.3	8,546.3	4.7	3.4
Tier I Capital	7,264.5	6,633.0	9.5	5.2
(Core Tier I Capital)	6,600.2	6,122.0	7.8	2.5
Tier II Capital	1,680.8	1,913.3	△12.2	△3.9
Total Risk Weighted Assets	67,187.5	66,478.8	1.1	0.2
Credit Risk	62,446.3	61,944.2	0.8	0.2
Market Risk	368.4	311.5	18.3	△6.4
Operational Risk	4,372.8	4,223.1	3.5	0.3
BIS Capital Ratio	13.31	12.86	0.45	0.40
Tier I	10.81	9.98	0.83	0.51
(Core Tier I)	9.82	9.21	0.61	0.22

□ Group, Busan, Kyongnam Bank Capital Adequacy



2. Banks Capital Adequacy

□ Busan Bank

	2017 3Q ¹⁾	2016 4Q	YTD	QoQ
<small>(KRW bn, %, %p, Basel III Internal Rating Based)</small>				
Total Risk Adjusted Capital	5,317.3	5,458.7	△2.6	3.8
Tier I Capital	4,377.1	4,168.7	5.0	5.0
(Core Tier I Capital)	4,127.8	4,068.8	1.5	1.4
Tier II Capital	940.2	1,290.0	△27.1	△1.3
Total Risk Weighted Assets	32,700.7	35,803.2	△8.7	△0.4
Credit Risk	30,356.3	33,561.4	△9.5	△0.5
Market Risk	194.4	141.1	37.8	6.5
Operational Risk	2,150.0	2,100.7	2.3	0.9
BIS Capital Ratio	16.26	15.25	1.01	0.66
Tier I	13.39	11.64	1.75	0.69
(Core Tier I)	12.62	11.36	1.26	0.22

□ Kyongnam Bank

	2017 3Q	2016 4Q	YTD	QoQ
<small>(KRW bn, %, %p, Basel III Internal Rating Based)</small>				
Total Risk Adjusted Capital	3,634.9	3,326.6	9.3	5.9
Tier I Capital	2,860.0	2,546.3	12.3	8.3
(Core Tier I Capital)	2,552.7	2,356.9	8.3	2.8
Tier II Capital	774.9	780.3	△0.7	△1.9
Total Risk Weighted Assets	21,429.7	21,657.1	△1.1	△0.3
Credit Risk	19,926.0	20,182.5	△1.3	△0.1
Market Risk	62.5	35.6	75.6	△16.8
Operational Risk	1,441.2	1,439.0	0.2	△2.3
BIS Capital Ratio	16.96	15.36	1.60	0.99
Tier I	13.35	11.76	1.59	1.06
(Core Tier I)	11.91	10.88	1.03	0.35

1) Effects of IRB Change (BIS ↑ 54bps, Tier1 ↑ 89bps, CET1 ↑ 80bps)

2) Basel III Standard used before 2017.1Q

VI. Appendix

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1. Banks KRW Loan Portfolio

☐ Busan Bank

(KRW bn, %, Balance)	2017 3Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,556.5	25.4	△1.6	△1.7
Steel Metal Products	2,800.6	7.4	△1.0	△2.1
Automobile Parts	2,166.8	5.8	△5.0	△5.5
Machinery	1,310.2	3.5	△3.1	△1.8
Petroleum, Rubber, etc.	1,029.5	2.7	△1.0	0.2
Fabric	213.2	0.6	1.3	-
Garment & Shoes	299.2	0.8	△11.8	△8.6
Kitchen Units	290.5	0.8	1.4	2.0
Electronics	581.1	1.5	△4.3	△2.7
Paper, Paper Mills	109.4	0.3	6.2	3.8
Others	756.0	2.0	14.1	11.1
Non-Manufacturing	17,407.0	46.3	4.2	△0.7
Wholesale & Retail	2,857.9	7.6	2.2	0.6
Public	428.6	1.1	△14.8	△48.4
Construction & Engineering	1,343.3	3.6	△10.1	△6.5
Real Estate & Lease	6,680.5	17.7	13.3	4.8
Insurance & Financing	513.4	1.4	12.2	24.9
Transportation	1,321.8	3.5	0.4	△4.5
Hotel & Food	1,077.5	2.9	△1.5	1.5
Others	3,184.0	8.5	1.2	△0.2
Households	10,641.7	28.3	4.3	-
KRW Loans	37,605.2	100.0	2.7	△0.8

☐ Kyongnam Bank

*Sectors are based on FSS Business Report

(KRW bn, %, Balance)	2017 3Q			
	Amount	Ratio	YoY	QoQ
Manufacturing Sectors	9,728.2	34.0	△3.3	1.0
Steel Metal Products	2,358.1	8.2	△5.7	△1.0
Automobile Parts	2,741.0	9.6	△0.4	1.3
Machinery	2,542.1	8.9	△5.5	0.2
Petroleum, Rubber, etc.	303.0	1.1	△3.5	1.6
Fabric	69.5	0.2	△1.0	2.1
Garment & Shoes	12.3	0.0	△43.1	△0.8
Kitchen Units	184.4	0.6	8.5	8.2
Electronics	674.3	2.4	△3.0	5.9
Paper, Paper Mills	82.5	0.3	△12.1	2.9
Others	761.0	2.7	0.8	3.0
Non-Manufacturing	9,080.2	31.7	5.8	1.3
Wholesale & Retail	1,744.0	6.1	14.9	8.9
Public	0.4	0.0	0	△99.5
Construction & Engineering	571.9	2.0	14.6	7.3
Real Estate & Lease	3,229.7	11.2	5.5	3.0
Insurance & Financing	195.2	0.7	△20.0	△0.2
Transportation	377.1	1.3	10.8	7.8
Hotel & Food	622.9	2.2	19.5	3.5
Others	2,339.0	8.2	△2.5	△5.3
Households	9,843.4	34.3	19.0	1.5
KRW Loans	28,651.8	100.0	6.5	1.3

2. Cyclical Sector

	2017 3Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %, no#)						
Exposure	3,825.8	3,158.4	2,036.2	1,562.0	653.6	722.5
(% of Total Credits)	(5.5)	(4.5)	(2.9)	(2.2)	(0.9)	(1.0)
Collateral & Provision	2,511.2	1,944.6	846.2	1,043.3	318.1	440.9
Collateral & Provision Coverage	65.6	61.6	41.6	66.8	48.7	61.0
No# of Creditors	2,510	1,957	3,720	1,213	212	659

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

Note 2) Sectors are based on FSS Business Report

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

3. Non-Bank Summary - Securities

□ B/S Summary

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Assets	938.4	1,064.1	△11.8	1,389.2	△32.5
Cash and Dues	73.0	61.0	19.7	215.6	△66.1
Securities	678.0	908.2	△25.3	848.2	△20.1
Loans	68.4	52.1	31.3	59.4	15.2
Fixed Assets	2.6	2.8	△7.1	2.7	△3.7
Other Assets	116.4	40.0	191.0	263.3	△55.8
Liability & Shareholder's Equity	938.4	1,064.1	△11.8	1,389.2	△32.5
Deposits	105.9	64.8	63.4	181.5	△41.7
Borrowings	528.5	752.3	△29.7	703.1	△24.8
Other Liabilities	92.5	32.9	181.2	294.1	△68.5
Shareholder's Equity	211.5	214.1	△1.2	210.5	0.5

□ I/S Summary

(KRW bn, %, Balance)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Net Interest Income	9.2	5.4	70.4	1.7	3.6	△52.8
Fee Income	18.4	15.7	17.2	6.7	6.4	4.7
Others	10.2	12.8	△20.3	3.4	5.2	△34.6
SG&A(-)	28.0	25.6	9.4	9.1	10.0	△9.0
Provision Expense(-)	5.5	0.0	-	1.4	1.4	-
Non-Operating Income	0.1	0.1	-	0.1	0.0	-
Earnings Before Income Tax	4.4	8.4	△47.6	1.4	3.8	△63.2
Income Tax Expenses(-)	1.3	2.3	△43.5	0.5	0.8	△37.5
Net Income	3.1	6.1	△49.2	0.9	3.0	△70.0

3. Non-Bank Summary - Capital

□ B/S Summary

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Assets	4,781.6	4,692.6	1.9	4,810.5	△0.6
Cash and Dues	248.9	291.5	△14.6	376.1	△33.8
Securities	0.0	0.0	-	0.0	-
Loans	2,789.4	2,631.4	6.0	2,665.7	4.6
Venture Capital Business	2.1	1.3	61.5	2.0	5.0
Durables Installment Financing Assets	789.8	892.3	△11.5	844.9	△6.5
Leased Assets	873.9	799.1	9.4	845.2	3.4
Fixed Assets	5.7	6.1	△6.6	5.9	△3.4
Other Assets	71.8	70.9	1.3	70.7	1.6
Liability & Shareholder's Equity	4,781.6	4,692.6	1.9	4,810.5	△0.6
Borrowings	3,919.4	3,868.1	1.3	3,966.9	△1.2
Other Liabilities	256.6	262.1	△2.1	258.3	△0.7
Shareholder's Equity	605.6	562.4	7.7	585.3	3.5

□ I/S Summary

(KRW bn, %, Balance)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Net Interest Income	166.0	156.0	6.4	56.1	55.0	2.0
Fee Income	9.8	11.8	△16.9	4.1	2.6	57.7
Others	3.8	△1.9	Net Gain	1.9	1.4	35.7
SG&A(-)	45.0	43.3	3.9	15.5	14.8	4.7
Provision Expense(-)	60.2	58.2	3.4	19.4	20.9	△7.2
Non-Operating Income	△ 1.6	0.3	Net Loss	△0.6	△0.6	-
Earnings Before Income Tax	72.8	64.7	12.5	26.8	22.7	18.1
Income Tax Expenses(-)	17.2	15.3	12.4	6.7	5.0	34.0
Net Income	55.6	49.4	12.6	20.1	17.7	13.6

3. Non-Bank Summary - Capital Portfolio

	17.3Q	Portion	QoQ	17.2Q	17.1Q	16.4Q	16.3Q	16.2Q	16.1Q	15.4Q	15.3Q	15.2Q	15.1Q
(KRW bn, %, Balance)													
Total	4,599.7	100.0	2.2	4,501.4	4,466.1	4,450.6	4,403.6	4,283.5	4,137.2	4,119.8	4,057.4	4,045.9	3,824.0
Loans	1,458.5	31.7	6.5	1,369.3	1,388.0	1,381.3	1,382.6	1,265.2	1,198.2	1,170.1	1,180.8	1,162.8	1,097.7
Household	836.3	18.2	1.3	825.4	807.3	790.3	795.4	764.1	733.7	716.6	700.9	695.6	594.0
Corporate	622.2	13.5	14.4	543.9	580.7	591.0	587.2	501.1	464.5	453.5	479.9	467.2	503.7
Auto Financing	2,552.8	55.5	0.6	2,537.8	2,482.5	2,465.1	2,388.6	2,342.5	2,244.3	2,217.8	2,137.0	2,070.8	1,920.9
Commercial Vehicle	747.8	16.3	0.9	741.0	700.8	681.8	680.5	681.5	684.9	673.7	655.0	661.9	612.6
Passenger Vehicle	1,805.0	39.2	0.5	1,796.8	1,781.7	1,783.3	1,708.1	1,661.0	1,559.4	1,544.1	1,482.0	1,408.9	1,308.3
Lease/Installments	586.4	12.7	△1.0	592.3	592.5	602.9	631.0	674.3	692.7	729.9	737.6	810.3	803.4
Machine Tools	135.2	2.9	△3.6	140.2	141.4	147.9	157.8	174.8	190.8	207.4	223.4	233.6	248.6
Medical Instruments	167.1	3.6	1.2	165.1	162.7	161.3	160.7	161.9	156.8	161.4	166.5	167.4	162.2
Others	284.1	6.2	△1.0	287.0	288.4	293.7	312.5	337.6	345.1	361.1	347.7	409.3	392.6
Venture Capital Business	2.0	0.0	-	2.0	3.1	1.3	1.4	1.5	2.0	2.0	2.0	2.0	2.0

3. Non-Bank Summary - MSB

□ B/S Summary

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Total Assets	840.0	769.1	9.2	791.5	6.1
Total Deposits	689.9	635.9	8.5	650.2	6.1
KRW Deposits	689.9	635.9	8.5	650.2	6.1
Others	0.0	0.0	-	0.0	-
Total Credits	671.1	629.2	6.7	676.7	△0.8
Total Loans	671.1	629.2	6.7	676.7	△0.8
KRW Loans	671.1	629.2	6.7	676.7	△0.8
Others	0.0	0.0	-	0.0	-
Guarantees	0.0	0.0	-	0.0	-
Total Securities	6.1	4.1	48.8	6.1	-
Shareholder's Equity	125.7	115.4	8.9	121.5	3.5

□ I/S Summary

(KRW bn, %, Balance)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Net Interest Income	26.6	23.8	11.8	9.2	8.9	3.4
Fee Income	0.2	△0.2	Net Gain	0.2	0.0	-
Others	△0.1	0.2	Net Loss	1.3	△0.6	Net Gain
SG&A(-)	10.7	9.9	8.1	3.6	3.6	-
Provision Expense(-)	2.9	3.7	△21.6	1.5	0.6	150.0
Non-Operating Income	0.5	0.0	-	0.2	0.1	100.0
Earnings Before Income Tax	13.6	10.2	33.3	5.9	4.2	40.5
Income Tax Expenses(-)	3.4	2.6	30.8	1.7	0.8	112.5
Net Income	10.2	7.6	34.2	4.2	3.4	23.5

3. Non-Bank Summary – Asset Management

□ B/S Summary

(KRW bn, %, Balance)	17.3Q	16.4Q	YTD	17.2Q	QoQ
Assets	11.3	10.6	6.6	11.0	2.7
Cash and Dues	7.5	6.8	10.3	7.4	1.4
Securities	0.7	0.5	40.0	0.5	40.0
Loans	0.1	0.1	-	0.0	-
Fixed Assets	0.4	0.5	△20.0	0.5	△20.0
Other Assets	2.6	2.7	△3.7	2.6	-
Liability & Shareholder's Equity	11.3	10.6	6.6	11.0	2.7
Deposits	0.0	0.1	△100.0	0.0	-
Borrowings	0.0	0.0	-	0.0	-
Other Liabilities	0.4	0.3	33.3	0.3	33.3
Shareholder's Equity	10.9	10.2	6.9	10.7	1.9

□ I/S Summary

(KRW bn, %, Balance)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Net Interest Income	0.1	0.1	-	0.0	0.0	-
Fee Income	4.2	3.6	16.7	1.4	1.5	△6.7
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	3.4	3.7	△8.1	1.1	1.1	-
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.9	0.0	-	0.3	0.4	△25.0
Income Tax Expenses(-)	0.2	0.0	-	0.1	0.1	-
Net Income	0.7	0.0	-	0.2	0.3	△33.3

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

□ Credit Information I/S Summary

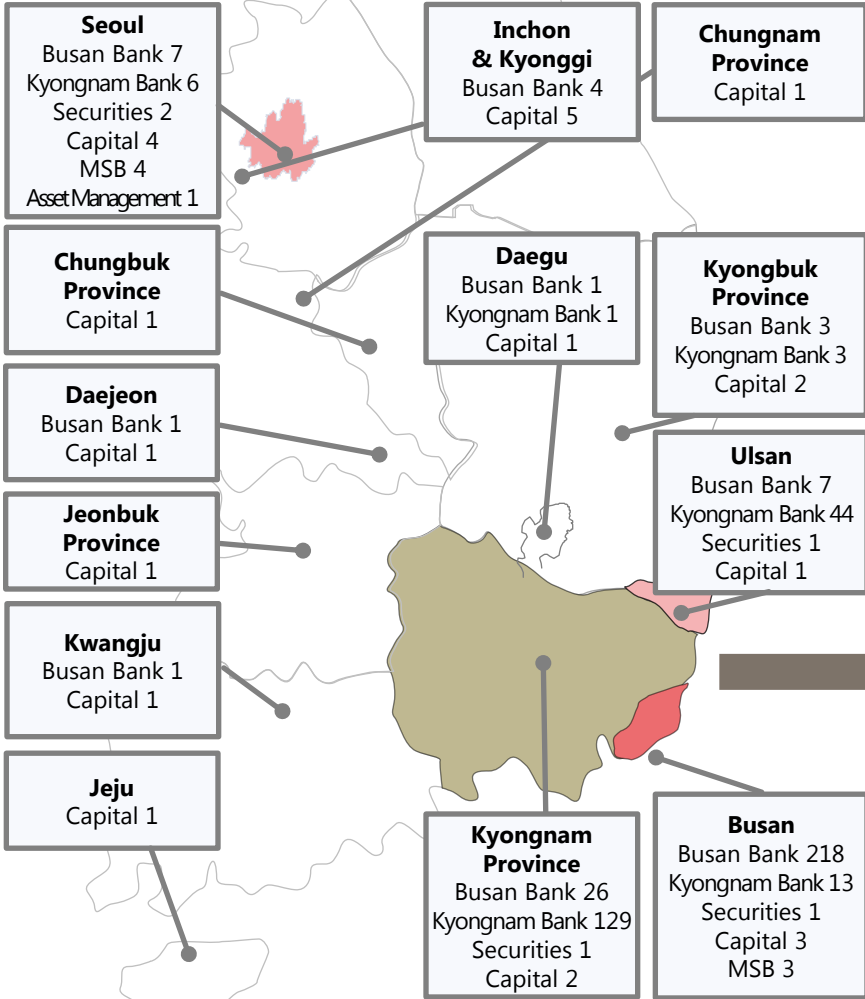
(KRW bn, %, Balance)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Net Interest Income	0.1	0.1	0.0	0.0	0.1	-
Fee Income	3.7	3.2	15.6	1.2	1.2	-
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	3.0	2.6	15.4	1.0	1.0	-
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.8	0.7	14.3	0.2	0.3	△33.3
Income Tax Expenses(-)	0.2	0.2	-	0.1	0.0	-
Net Income	0.6	0.5	20.0	0.1	0.3	△66.7

□ System I/S Summary

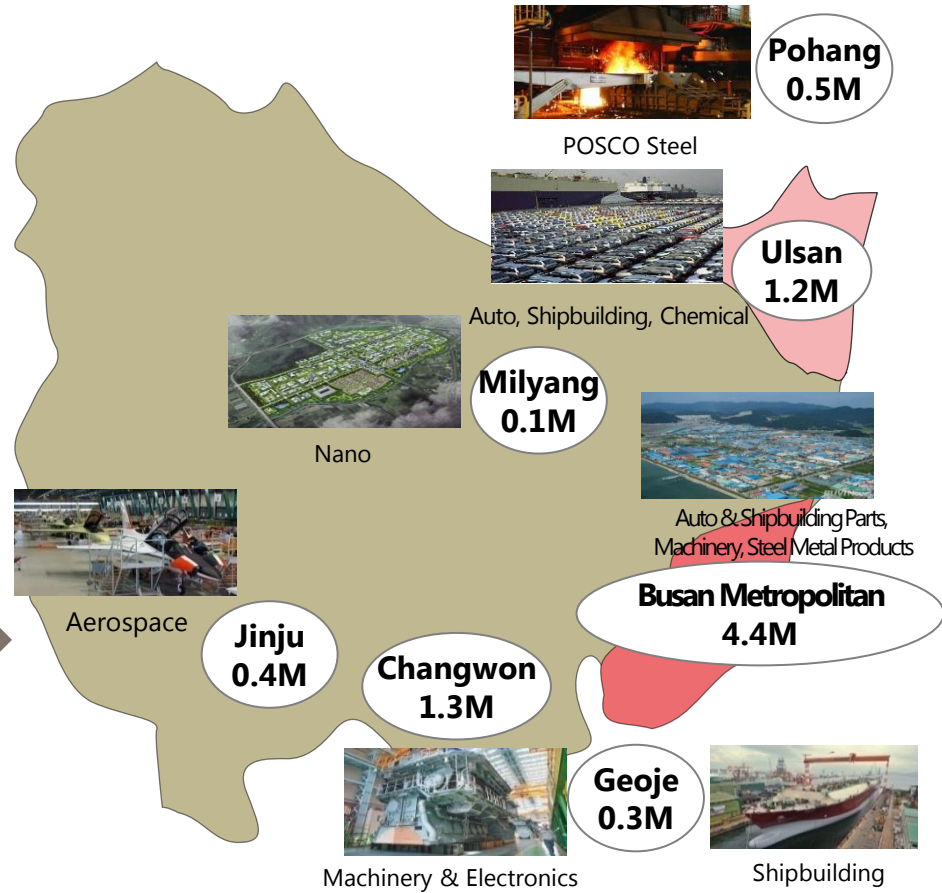
(KRW bn, %, Balance)	17.3Q Acc.	16.3Q Acc.	YoY	17.3Q	17.2Q	QoQ
Net Interest Income	0.0	0.0	-	0.0	0.0	-
Fee Income	0.0	0.0	-	0.0	0.0	-
Others	8.0	7.4	8.1	5.1	2.7	88.9
SG&A(-)	7.2	6.8	5.9	4.7	2.4	95.8
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
Earnings Before Income Tax	0.8	0.6	33.3	0.4	0.3	33.3
Income Tax Expenses(-)	0.2	0.1	100.0	0.1	0.1	-
Net Income	0.6	0.5	20.0	0.3	0.2	50.0

4. Group Networks & Major Industries

- ❑ **Networks across Korea(as of Sept. 2017) : 509 Locations**
 - Busan Bank 273(Qingdao & Vietnam Branch, Yangon, Mumbai Office included), Kyongnam Bank 196, Securities 5, Capital 27 (Myanmar, Cambodia, Laos included), MSB 7, Asset Management 1



- ❑ **Population & Major Industries**
 - Southeastern Conurbation (8.1 Mn, 15.6% of Total Population), making up 16.1% of GRDP(2015)
 - Exports : 124.5 USD bn(2016)
 - Imports : 58.4 USD bn(2016)



1) Southeastern region includes Busan, Ulsan, and Kyongnam

5. Group Sustainability



MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



◆ Dow Jones Sustainability Indices(DJSI) Inclusion

1.DJSI

- The world's most prestigious global sustainability index (inclusion for 3 consecutive years, starting from 2015)
- The companies included are the leading companies in their industry based on economic, environmental and social criteria

2.Inclusion Index : DJSI Asia-Pacific

3.Date of inclusion : September 10, 2015

4.Benefits of Inclusion

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

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