

2020 3Q Financial Results

2020.10.29



BNK Financial Group

Contents

I. 2020 3Q Group Highlights

1.	Highlights – Profitability	3
2.	Highlights – Profitability, Growth	4
3.	Highlights – Asset Quality, Capital Adequacy	5
4.	Group Structure	6

II. Profitability

1.	Group Earning Results	8
2.	Subsidiaries Earning Results	9
3.	Banks Earning Results	10
4.	Banks NIM	12
5.	SG&A	13

III. Growth

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

IV. Asset Quality

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

V. Capital Adequacy

1.	Capital Adequacy	26
----	------------------	----

VI. Appendix

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

DISCLAIMER

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

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

I . 2020 3Q Group Highlights

- | | |
|--|----------|
| 1. Highlights – Profitability | 3 |
| 2. Highlights – Profitability, Growth | 4 |
| 3. Highlights – Asset Quality, Capital Adequacy | 5 |
| 4. Group Structure | 6 |

1. Highlights – Profitability

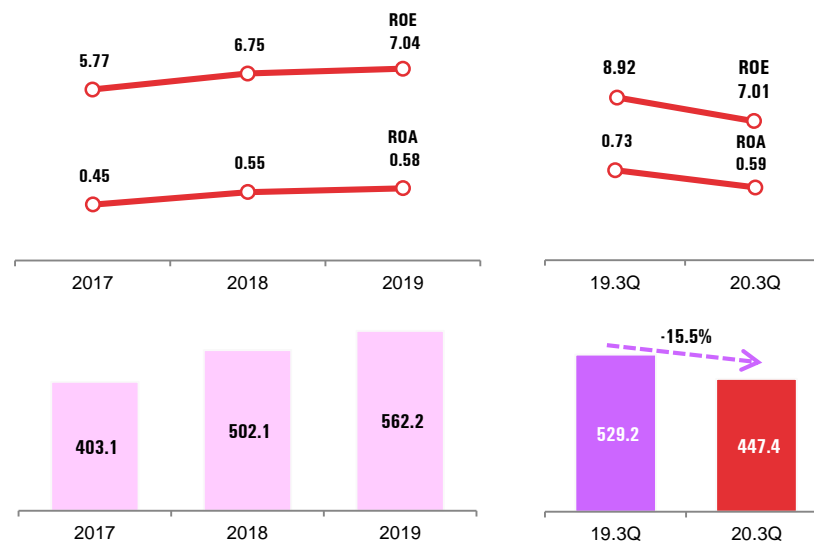
Profitability – Group Net Income

(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
Net Interest Income	1,619.9	1,658.1	-2.3	545.8	537.6	1.5
Net Fee Income	282.8	196.5	43.9	86.2	128.0	-32.7
Others	54.9	102.0	-46.2	18.9	24.3	-22.2
SG&A(-)	1,001.3	937.2	6.8	318.0	355.7	-10.6
Provision Expense(-)	323.6	280.6	15.3	141.5	98.9	43.1
Net Income	479.8	560.4	-14.4	147.3	184.0	-19.9
Net Income in Controlling Interest	447.4	529.2	-15.5	136.5	173.2	-21.2

- 2020 3Q Accumulated Group NI 447.4 KRW bn, down by 15.5% YoY**
2020 3Q Group NI 136.5 KRW bn, down by 21.2% QoQ
 - Growth in Fee Income offset lower Interest Income(from rate cuts)
 - Without Corona-led accumulated preemptive provisions(97.0 KRW bn), the company maintained sound earnings
- Group Fee Income 282.8 KRW bn, up by 43.9% YoY**
 - PF Loans growth leading Fee Income growth
 - Stocks & Derivative related Fees up by 17.4 KRW bn YoY(+125.2%)
- Group Other Income 54.9 KRW bn, down by 46.2 YoY**
 - Continued slower NPL formations leading decrease in NPL Sale & related gains
- Group SG&A 1,001.3 KRW bn, up by 6.8% YoY**
 - Excluding BSB's ERP(2Q 18.2 KRW bn), YoY SG&A growth under 5%
- Group Provision Expense 323.6 KRW bn, up by 15.3% YoY**
 - 3Q Accumulated Corona impact 97.0 KRW bn(BSB 60.0 KRW bn, KNB 37.0 KRW bn)

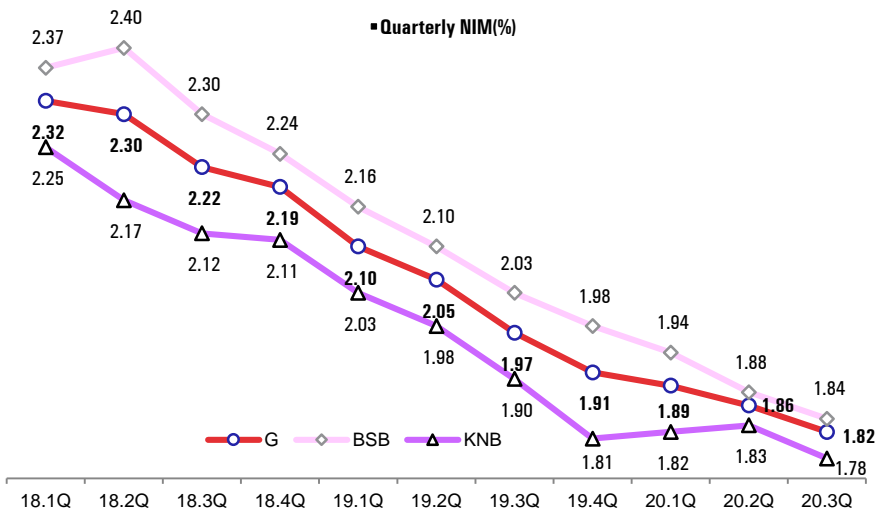
Profitability – Group Subsidiaries Net Income, Group ROA, ROE, Group Net Income Trend

(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
BSB	257.7	355.9	-27.6	79.6	90.7	-12.2
KNB	148.1	162.6	-8.9	43.5	57.2	-24.0
Capital	63.8	59.4	7.4	19.0	25.6	-25.8
Securities	36.1	19.1	89.0	13.6	15.7	-13.4
MSB	15.0	15.5	-3.2	5.9	4.9	20.4
AM	2.4	1.3	84.6	2.2	4.2	-47.6



2. Highlights – Profitability, Growth

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



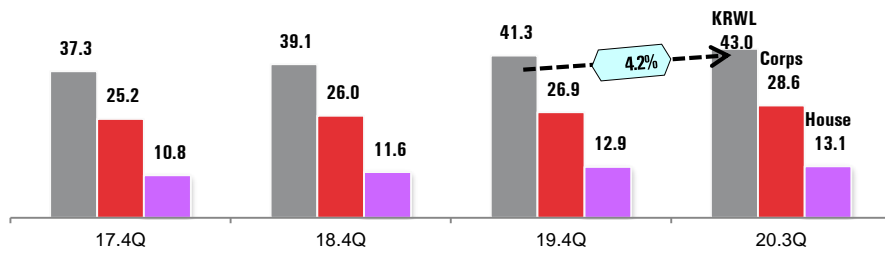
20.3Q Group NIM 1.82%, dropped by 4bps QoQ

- Even with core deposit growth & stabilizing market rates, BOK's rate cut negatively effected 3Q Group NIM
- With limited impact regarding rate cuts from 20.1H & lower funding costs, Group NIM is expected to stabilize in 4Q
- BSB 1.84%(QoQ -4bps), KNB 1.78%(QoQ -5bps)

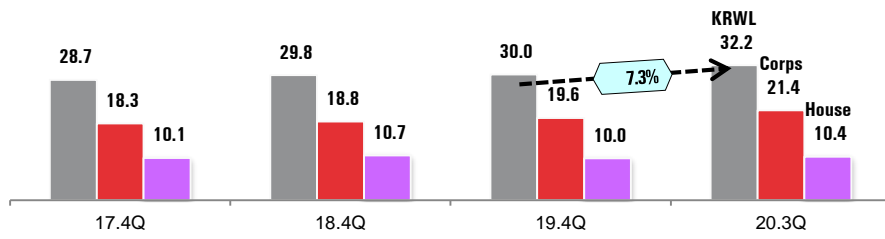
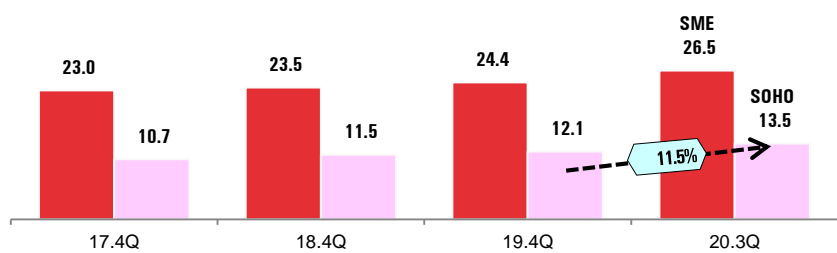
Stable SME & PF Loans growth trend continuing

- BSB KRW Loan Growth +4.2% YTD (Corporate +6.5%, Household +1.5% YTD)
- KNB KRW Loan Growth +7.3% YTD (Corporate +8.9%, Household +3.9% YTD)

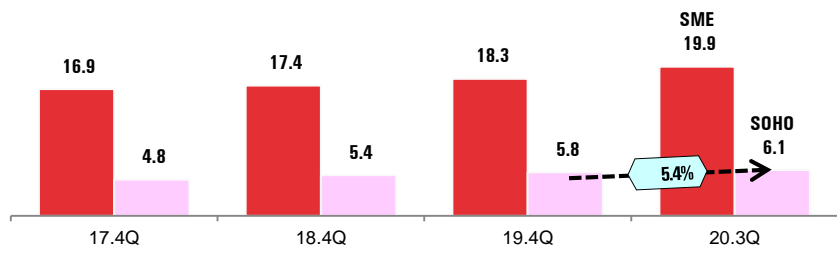
Banks KRW Loans & Breakdown (KRW tn)



BSB

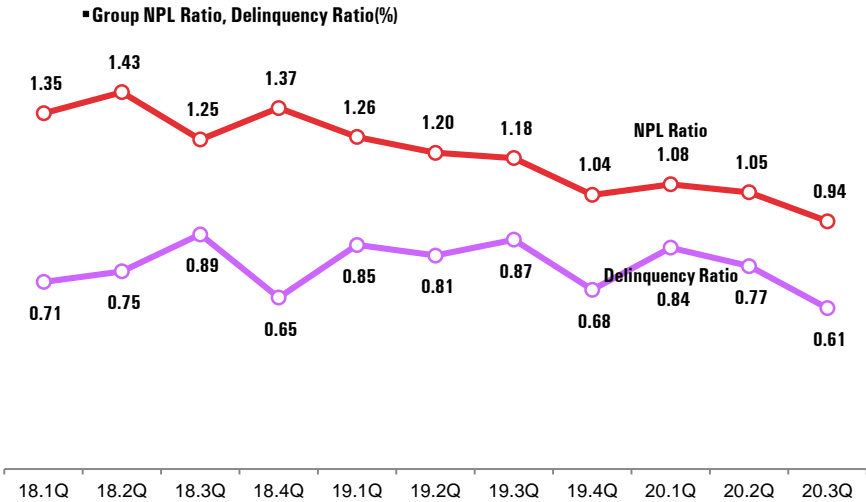


KNB

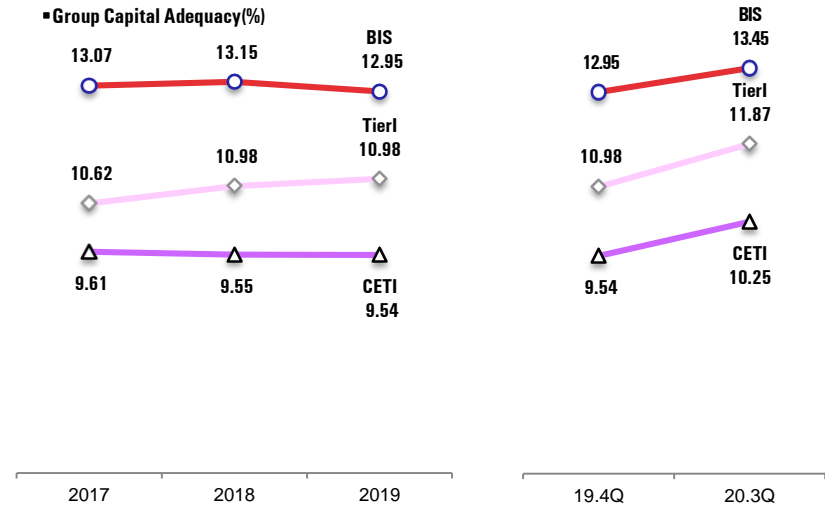
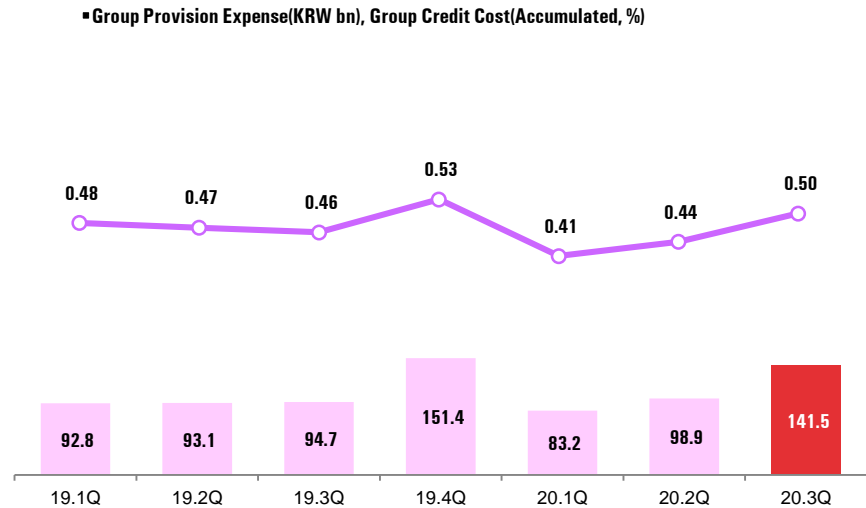


3. Highlights – Asset Quality, Capital Adequacy

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



- Group NPL Ratio 0.94%, down by 11bps QoQ**
 - Slower NPL formation combined with NPL sales & write-offs
 - BSB NPL Ratio 0.80%(QoQ -16bps), KNB 0.92%(QoQ +2bps)
 - Group NPL Coverage showing large improvements quarterly(QoQ +9.79%p)
- Group Delinquency Ratio 0.61%, down by 16bps QoQ after NPL Sales & Write-offs**
 - BSB Delinquency Ratio 0.50%(QoQ -18bps)
 - KNB Delinquency Ratio 0.60%(QoQ -7bps)
- Group Credit Cost 50bps, up by 4bps YoY**
- Group CET1 10.25%, up by 71bps YTD**
 - Basel III fully applied lowering RWA(CET1 +0.99%p)



4. Group Structure

BNKFG

Establishment : 2011.03.15

Total Assets : 134,188.4

Net Income : 447.4

Employees : 8,166

(%, KRW bn, Accumulated)

BSB

Est : 1967.10.10
Branches : 253
Employees : 3,795

Share's Owned

100%

Tot. Assets

73,324.5

Net Income

257.7

KNB

Est : 1970.05.22
Add : 2014.10.10
Branches : 181
Employees : 2,902

Share's Owned

100%

Tot. Assets

50,368.0

Net Income

148.1

Capital

Est : 2010.07.15
Branches : 17
Employees : 560

Share's Owned

100%

Tot. Assets

6,305.5

Net Income

63.8

Securities

Est : 1997.06.02
Sec. Add : 2009.11
Branches : 4
Employees : 293

Share's Owned

100%

Tot. Assets

2,739.9

Net Income

36.1

MSB

Est : 2011.12.13
Branches : 7
Employees : 129

Share's Owned

100%

Tot. Assets

1,231.0

Net Income

15.0

AM

Est : 2008.07.15
Add : 2015.07.28
Employees : 60

Share's Owned

100%

Tot. AUM

6,852.9

Net Income

2.4

Credit Info.

Est : 2003.06.17
Indus. : Collection
Employees : 95

Share's Owned

100%

Tot. Assets

12.1

Net Income

0.8

System

Est : 2011.05.20
Indus. : IT
Employees : 210

Share's Owned

100%

Tot. Assets

23.0

Net Income

1.4

Venture Capital

Est : 2009.03.24
Add : 2019.11.05
Employees : 13

Share's Owned

100%

Tot. Assets

19.0

Net Income

0.1

Affiliates

Cambodia

Est : 14.03.07
Employees : 226
Share's Owned : 100%
Assets : 45.8 KRW bn
2015.06 Start

Myanmar

Est : 14.03.21
Employees : 645
Share's Owned : 99.9%
Assets : 75.2 KRW bn
2014.12 Start

Lao PDR

Est : 15.04.24
Employees : 33
Share's Owned : 97%
Assets : 30.0 KRW bn
2015.07 Start

Kazakhstan

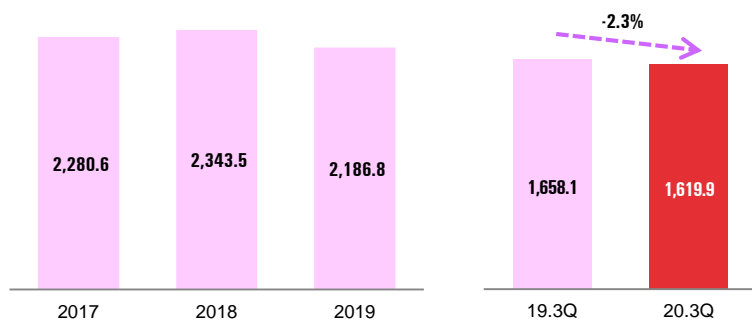
Est : 18.06.01
Employees : 32
Share's Owned : 100%
Assets : 11.1 KRW bn
2018.11 Start

II. Profitability

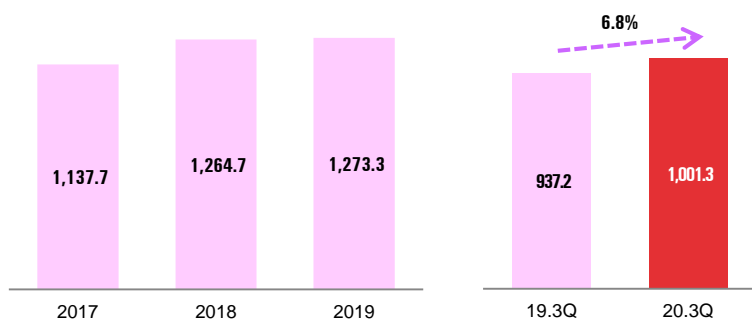
1. Group Earning Results	8
2. Subsidiaries Earning Results	9
3. Banks Earning Results	10
4. Banks NIM	12
5. SG&A	13

1. Group Earning Results

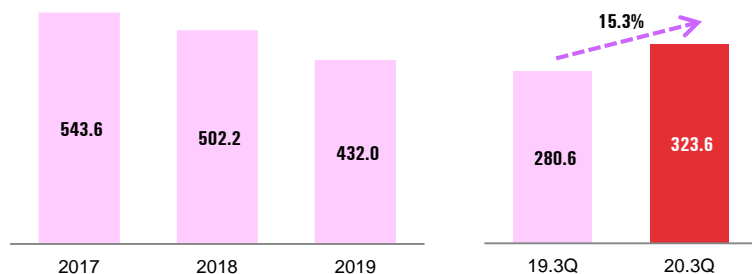
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



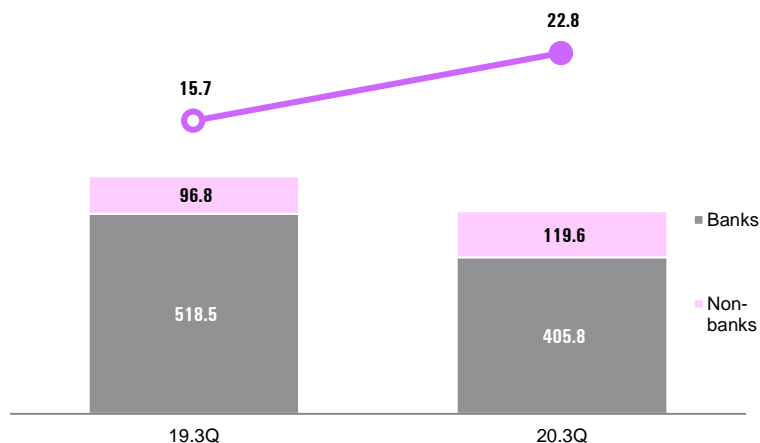
Provisioning(% , KRW bn)



(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
Net Interest Income	1,619.9	1,658.1	-2.3	545.8	537.6	1.5
Net Fee Income	282.8	196.5	43.9	86.2	128.0	-32.7
Others	54.9	102.0	-46.2	18.9	24.3	-22.2
SG&A(-)	1,001.3	937.2	6.8	318.0	355.7	-10.6
Provision Expense(-)	323.6	280.6	15.3	141.5	98.9	43.1
Non-Operating Income	-3.4	-1.2	-	-0.5	8.1	Net Loss
Earnings Before Income Tax	629.3	737.6	-14.7	190.9	243.4	-21.6
Income Tax Expense(-)	149.5	177.2	-15.6	43.6	59.4	-26.6
Net Income(A)	479.8	560.4	-14.4	147.3	184.0	-19.9
Net Income in Non-Controlling Interest(B)	32.4	31.2	3.8	10.8	10.8	0.0
Net Income in Controlling Interest(C) (C) = (A) - (B)	447.4	529.2	-15.5	136.5	173.2	-21.2

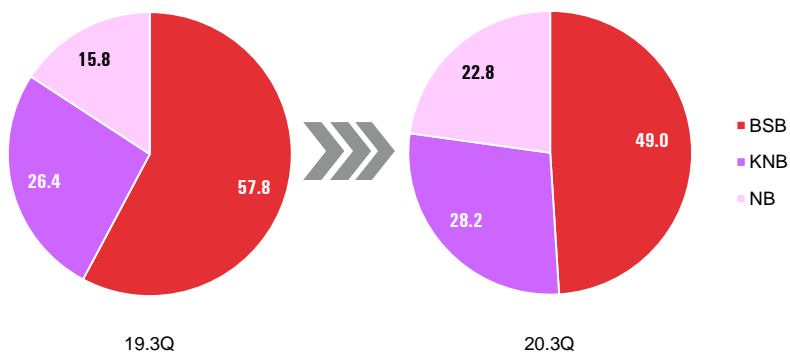
2. Subsidiaries Earning Results

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



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

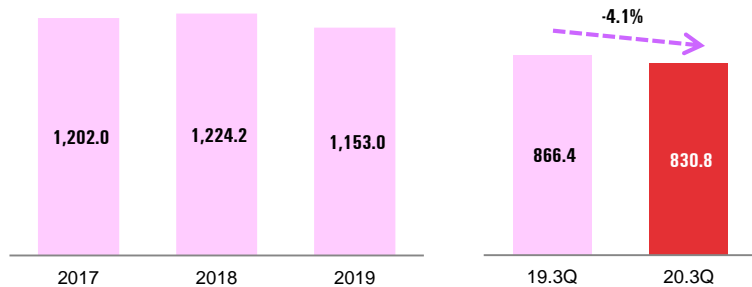
Banks & Non-Bank Net Income Portion(%)



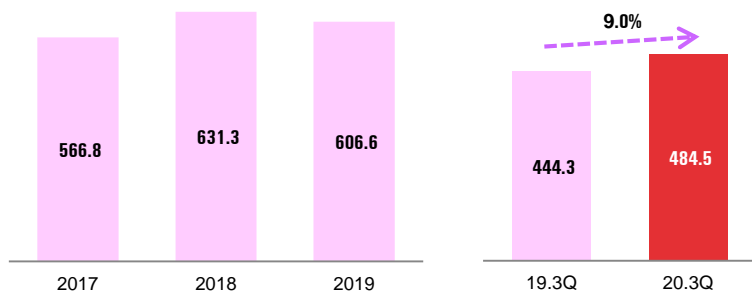
(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
Bank(A)	405.8	518.5	-21.7	123.1	147.9	-16.8
BSB	257.7	355.9	-27.6	79.6	90.7	-12.2
KNB	148.1	162.6	-8.9	43.5	57.2	-24.0
Non-Bank(B)	119.6	96.8	23.6	41.6	51.3	-18.9
Capital	63.8	59.4	7.4	19.0	25.6	-25.8
Securities	36.1	19.1	89.0	13.6	15.7	-13.4
MSB	15.0	15.5	-3.2	5.9	4.9	20.4
AM	2.4	1.3	84.6	2.2	4.2	-47.6
Credit Info	0.8	0.6	33.3	0.3	0.2	50.0
System	1.4	0.9	55.6	0.6	0.5	20.0
Venture Capital	0.1	0.0	-	0.0	0.2	-
Financial Group & Unconsolidated Portion(C)	-45.6	-54.9	-	-17.4	-15.2	-
Net Income in Non-Controlling Interest(D)	32.4	31.2	3.8	10.8	10.8	0.0
Net Income in Controlling Interest(E) (E= A+B+C-D)	447.4	529.2	-15.5	136.5	173.2	-21.2

3. Banks Earning Results - BSB

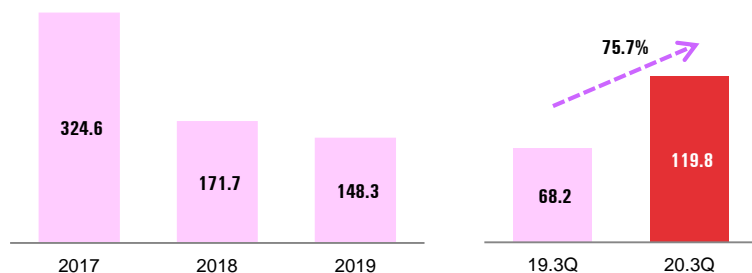
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



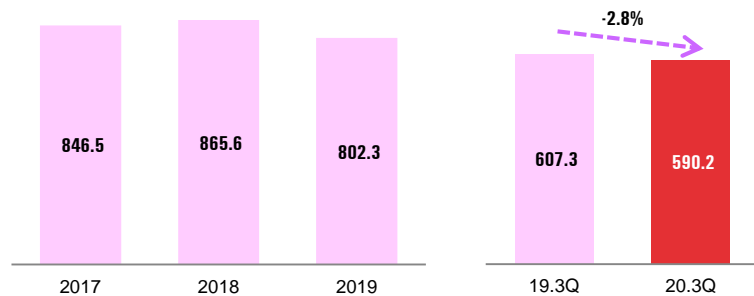
Provision Expense(% , KRW bn)



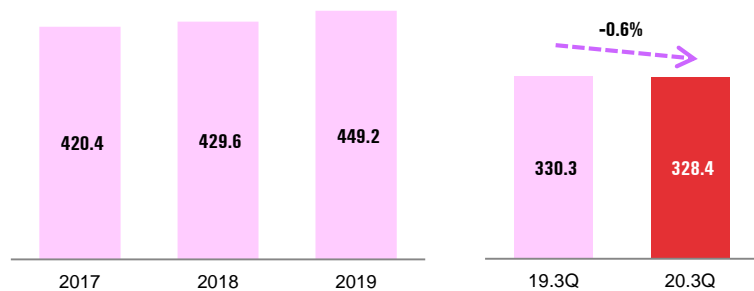
(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
Net Interest Income	830.8	866.4	-4.1	274.4	276.4	-0.7
Net Fee Income	108.5	77.5	40.0	25.6	65.9	-61.2
Fees from Trust Account	12.9	15.7	-17.8	4.3	4.4	-2.3
Others	-3.8	20.7	Net Loss	-2.9	-7.2	-
SG&A(-)	484.5	444.3	9.0	148.3	177.5	-16.5
Provision Expense(-)	119.8	68.2	75.7	48.2	46.3	4.1
Net Operating Income	344.1	467.8	-26.4	104.9	115.7	-9.3
Non-Operating Income	-8.5	-7.8	-	-2.2	4.4	Net Loss
Earnings Before Income Taxes	335.6	460.0	-27.0	102.7	120.1	-14.5
Income Tax Expenses(-)	77.9	104.1	-25.2	23.1	29.4	-21.4
Net Income	257.7	355.9	-27.6	79.6	90.7	-12.2

3. Banks Earning Results - KNB

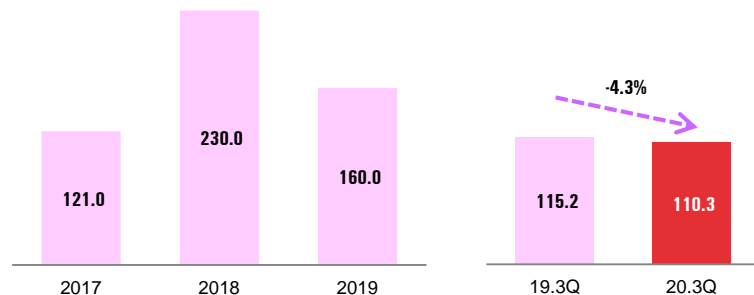
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



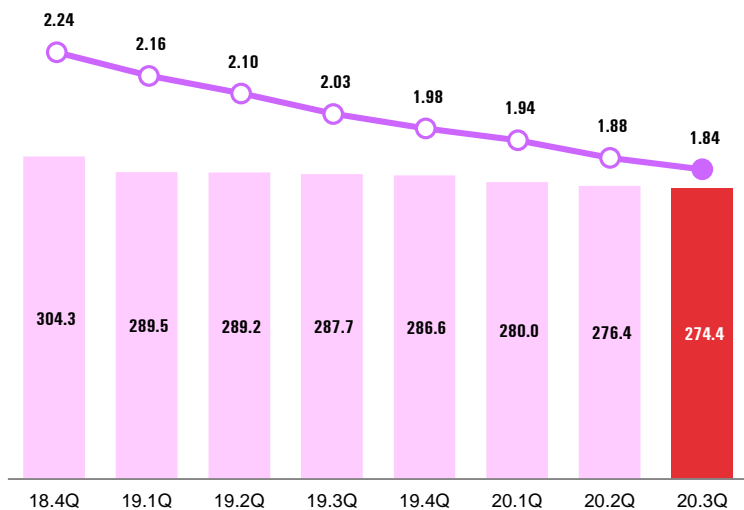
Provision Expense(% , KRW bn)



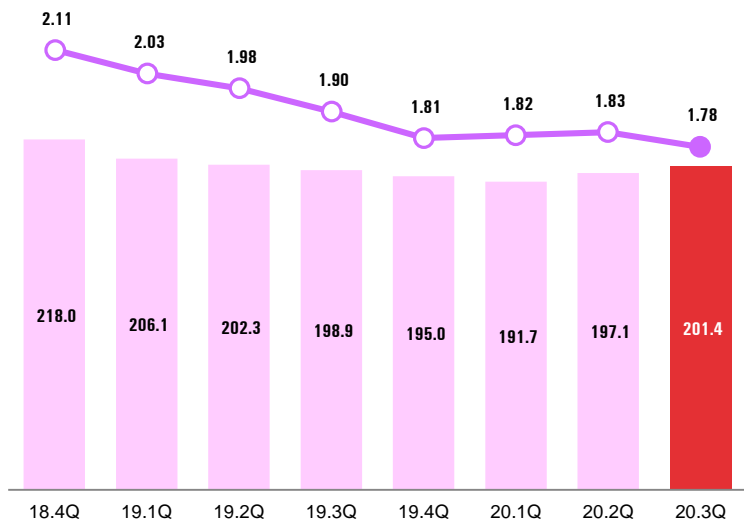
(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
Net Interest Income	590.2	607.3	-2.8	201.4	197.1	2.2
Net Fee Income	60.0	46.9	27.9	18.9	24.5	-22.9
Fees from Trust Account	6.2	6.6	-6.1	1.9	2.0	-5.0
Others	-32.2	-11.5	-	-11.4	-8.4	-
SG&A(-)	328.4	330.3	-0.6	103.5	113.4	-8.7
Provision Expense(-)	110.3	115.2	-4.3	54.2	30.7	76.5
Net Operating Income	185.5	203.8	-9.0	53.1	71.1	-25.3
Non-Operating Income	3.3	6.7	-50.7	1.3	2.4	-45.8
Earnings Before Income Taxes	188.8	210.5	-10.3	54.4	73.5	-26.0
Income Tax Expenses(-)	40.7	47.9	-15.0	10.9	16.3	-33.1
Net Income	148.1	162.6	-8.9	43.5	57.2	-24.0

4. Banks NIM

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



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



BSB

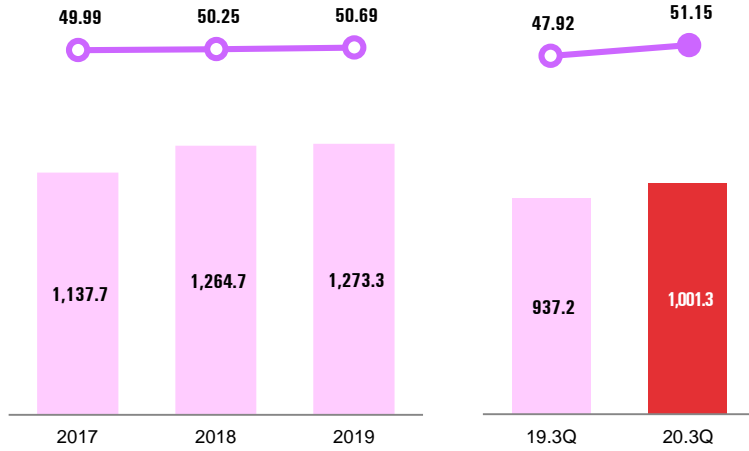
(%, KRW tn)	20.3Q	20.2Q	20.1Q	19.4Q	19.3Q
Quarterly NIM	1.84	1.88	1.94	1.98	2.03
Quarterly NIS	2.08	2.14	2.20	2.23	2.31
Interest Rate on KRW Loans	3.03	3.25	3.47	3.60	3.76
Interest Rate paid on KRW Deposits	0.95	1.11	1.27	1.37	1.45
Average Interest Earning Assets	52.3	51.9	51.1	50.9	50.2
Accumulated NIM	1.89	1.91	1.94	2.06	2.09

KNB

(%, KRW tn)	20.3Q	20.2Q	20.1Q	19.4Q	19.3Q
Quarterly NIM	1.78	1.83	1.82	1.81	1.90
Quarterly NIS	2.03	2.08	2.06	2.02	2.12
Interest Rate on KRW Loans	3.10	3.34	3.51	3.57	3.76
Interest Rate paid on KRW Deposits	1.07	1.26	1.45	1.55	1.64
Average Interest Earning Assets	38.6	37.5	36.5	36.8	36.1
Accumulated NIM	1.81	1.83	1.82	1.93	1.97

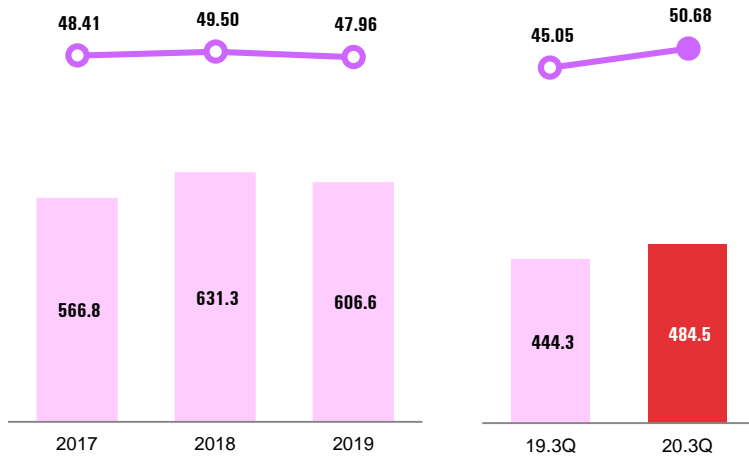
5. SG&A

□ Group SG&A & CIR (% , KRW bn)

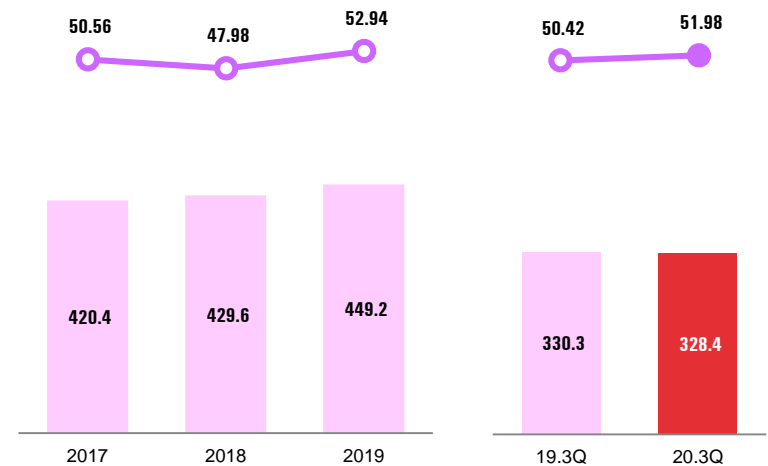


(KRW bn, %)	20.09	19.09	YoY	20.3Q	20.2Q	QoQ
SG&A	1,001.3	937.2	6.8	318.0	355.7	-10.6
CIR	51.15	47.92	3.23			

□ BSB SG&A & CIR (% , KRW bn)



□ KNB SG&A & CIR (% , KRW bn)

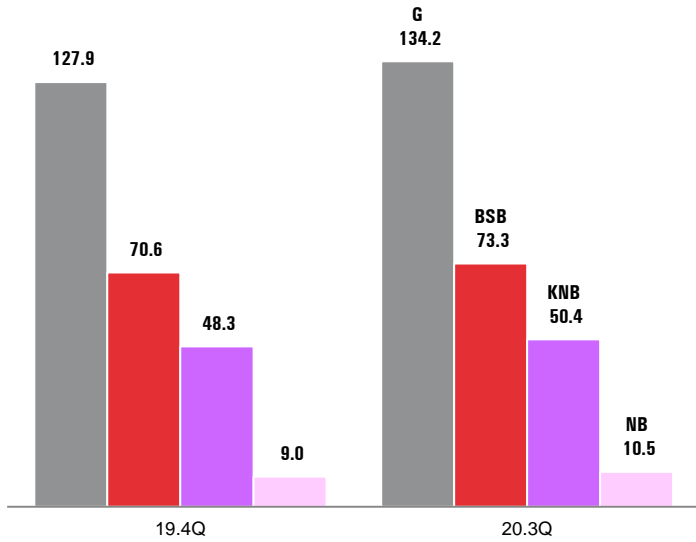


III. Growth

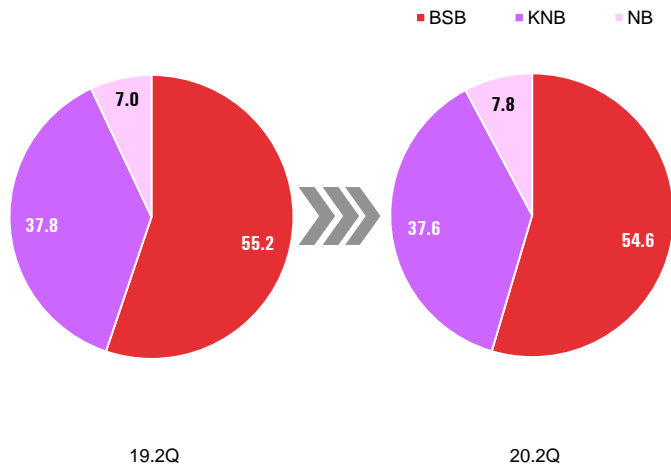
1. Group Assets	15
2. Banks Loans / Deposits	16

1. Group Assets

Total Assets(KRW tn)



Banks & Non-Banks Portion(%)

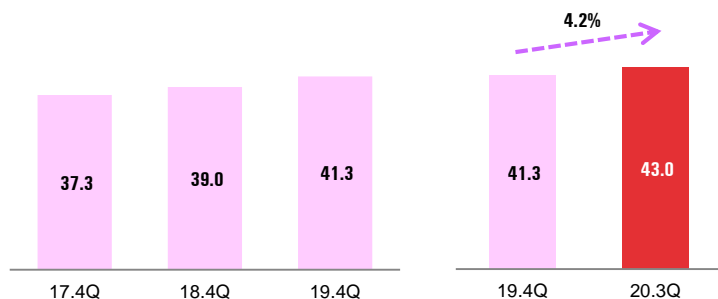


Group Total Assets

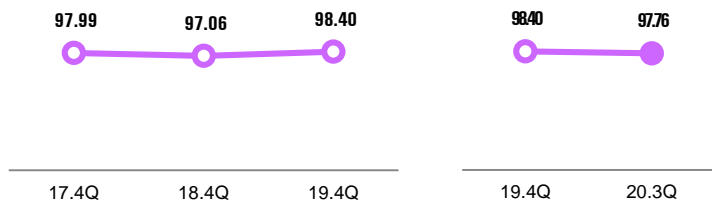
(KRW bn, %)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Bank	123,692.5	118,918.8	4.0	123,968.9	-0.2
BSB	73,324.5	70,591.4	3.9	73,966.9	-0.9
KNB	50,368.0	48,327.4	4.2	50,002.0	0.7
Non-Bank	10,440.0	9,005.1	15.9	10,559.9	-1.1
Capital	6,305.5	5,425.3	16.2	6,001.9	5.1
Securities	2,739.9	2,372.1	15.5	3,299.7	-17.0
MSB	1,231.0	1,084.7	13.5	1,133.7	8.6
Asset Mgt.	109.5	77.8	40.7	77.6	41.1
Credit Info	12.1	11.5	5.2	11.8	2.5
System	23.0	15.0	53.3	16.4	40.2
Venture Capital	19.0	18.7	1.6	18.8	1.1
Financial Group & Unconsolidated Portion	55.9	-26.0	-	-74.1	-
Group Total Assets	134,188.4	127,897.9	4.9	134,454.7	-0.2

2. Banks Loans / Deposits - BSB

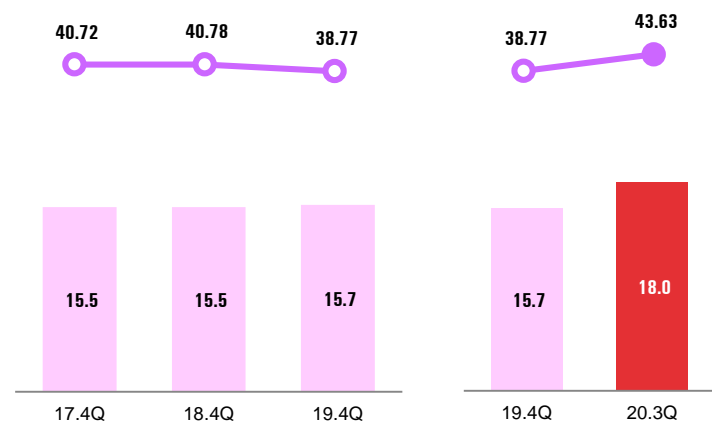
□ KRW Loans(% , KRW tn)



□ LDR(%)



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



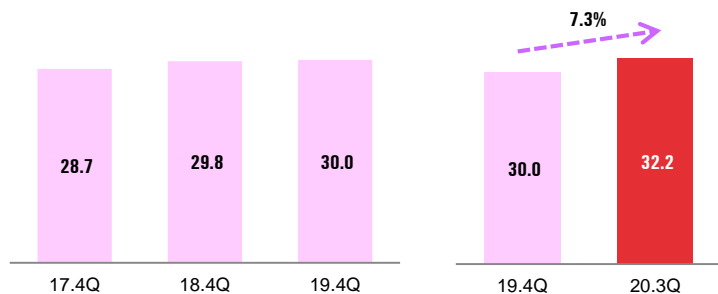
(KRW bn, %, Balance)	20.3Q	19.4Q	YTD	20.2Q	QoQ
KRW Loans¹⁾	43,031.9	41,275.5	4.2	41,968.0	2.5
Corporate	28,600.2	26,855.2	6.5	28,112.3	1.7
SME	26,514.4	24,364.4	8.8	25,897.3	2.4
(SOHO) ²⁾	13,468.9	12,083.5	11.5	13,182.4	2.2
Large Corps.	2,085.8	2,490.8	-16.3	2,215.0	-5.8
Household	13,129.8	12,941.1	1.5	12,510.6	4.9
Mortgage	9,298.5	9,003.6	3.3	8,834.9	5.2
Public	1,301.9	1,479.2	-12.0	1,345.1	-3.2
Foreign Currency Loans¹⁾	720.0	731.5	-1.6	696.7	3.3
KRW Deposits¹⁾	42,297.8	41,205.7	2.7	41,238.9	2.6
Low Cost Deposits	19,685.3	16,233.5	21.3	18,834.4	4.5
Core Deposits	16,574.6	13,077.1	26.7	15,930.0	4.0
MMDA	3,110.7	3,156.4	-1.4	2,904.4	7.1

(KRW bn, %, %p, Average Balance)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Low-Cost Deposits(A)	18,014.6	15,651.1	15.1	17,497.1	3.0
Core Deposits ²⁾	14,729.3	12,238.2	20.4	14,049.3	4.8
MMDA	3,285.3	3,412.9	-3.7	3,447.8	-4.7
KRW Deposits(B)	41,290.8	40,365.7	2.3	41,090.4	0.5
A / B	43.63	38.77	4.86	42.58	1.05

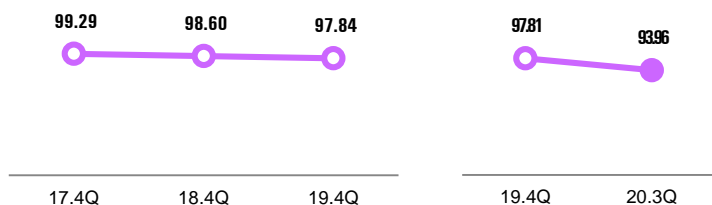
1) Unconsolidated FS, 2) SOHO(≤3 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

2. Banks Loans / Deposits - KNB

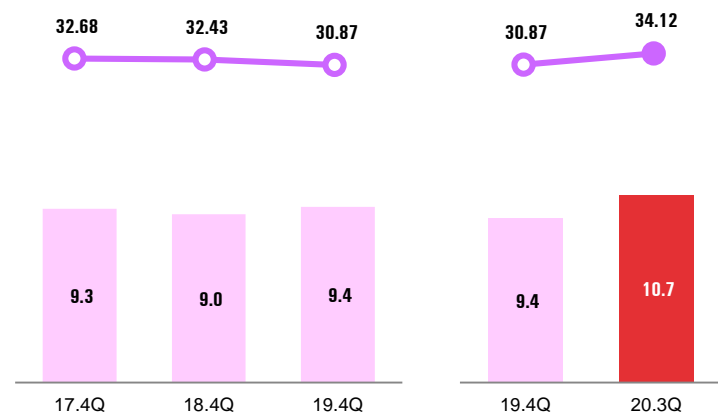
□ KRW Loans(% , KRW tn)



□ LDR(%)



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



(KRW bn, %, Balance)	20.3Q	19.4Q	YTD	20.2Q	QoQ
KRW Loans¹⁾	32,221.5	30,011.7	7.3	31,279.2	3.0
Corporate	21,383.6	19,628.0	8.9	20,991.7	1.9
SME	19,874.0	18,264.1	8.8	19,532.9	1.7
(SOHO) ²⁾	6,125.8	5,810.1	5.4	6,055.4	1.2
Large Corps.	1,509.6	1,363.9	10.7	1,458.8	3.5
Household	10,382.0	9,995.4	3.9	9,857.0	5.3
Mortgage	8,342.0	8,243.1	1.2	8,003.5	4.2
Public	455.9	388.3	17.4	430.5	5.9
Foreign Currency Loans¹⁾	168.6	112.6	49.7	199.1	-15.3
KRW Deposits¹⁾	32,516.5	30,522.5	6.5	31,450.6	3.4
Low Cost Deposits	11,739.4	9,509.0	23.5	10,939.5	7.3
Core Deposits	9,992.2	8,214.7	21.6	9,361.8	6.7
MMDA	1,747.2	1,294.3	35.0	1,577.7	10.7

(KRW bn, %, %p, Average Balance)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Low-Cost Deposits(A)	10,742.8	9,371.0	14.6	10,340.6	3.9
Core Deposits ²⁾	9,109.2	7,913.7	15.1	8,735.3	4.3
MMDA	1,633.6	1,457.3	12.1	1,605.3	1.8
KRW Deposits(B)	31,488.9	30,354.7	3.7	31,041.7	1.4
A / B	34.12	30.87	3.25	33.31	0.81

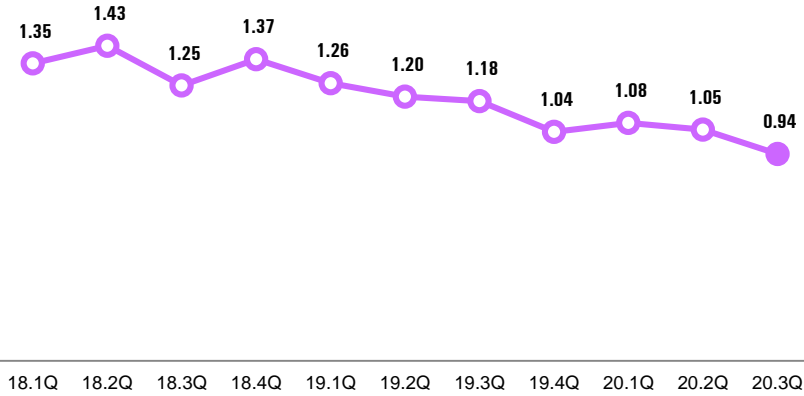
1) Unconsolidated FS, 2) SOHO(≤2 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

IV. Asset Quality

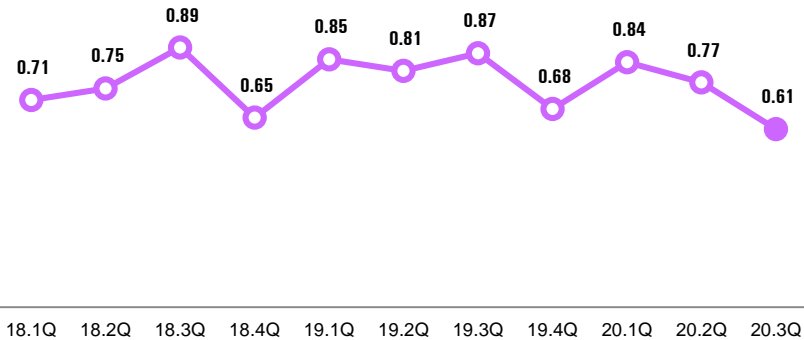
1. Group Asset Quality	19
2. Banks Asset Quality	20
3. Group Provisioning	22
4. Banks Provisioning / Write-offs & NPL Sales	23

1. Group Asset Quality

□ SBL(NPL) Ratio(%)



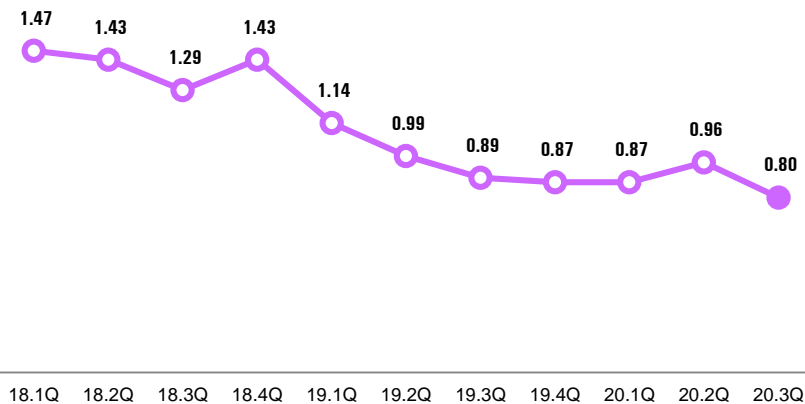
□ Delinquency Ratio(%)



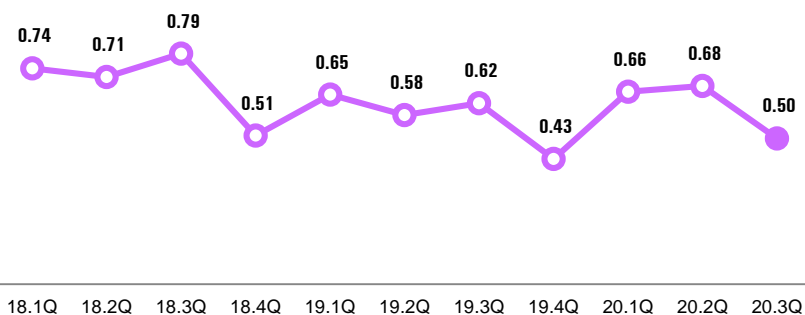
(KRW bn, %, %p)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Total Credits	86,052.6	81,126.7	6.1	83,623.9	2.9
Normal	84,187.7	79,059.8	6.5	81,759.1	3.0
Precautionary	1,058.7	1,222.7	-13.4	990.2	6.9
Substandard	533.9	486.2	9.8	557.6	-4.3
Doubtful	110.3	140.2	-21.3	119.3	-7.5
Expected Loss	162.0	217.8	-25.6	197.7	-18.1
SBL(Substandard & Below Loans)	806.2	844.2	-4.5	874.6	-7.8
SBL Ratio	0.94	1.04	-0.10	1.05	-0.11
SBL Coverage Ratio (Ratio before Reserve deduction)	98.36 (158.47)	99.12 (163.55)	-0.76 (-5.08)	88.57 (163.27)	9.79 (-4.80)
Delinquency Ratio	0.61	0.68	-0.07	0.77	-0.16
Loan Amount	85,122.1	80,234.2	6.1	82,653.8	3.0
Delinquent Amount	519.8	543.9	-4.4	639.8	-18.8

2. Banks Asset Quality - BSB

□ SBL(NPL) Ratio(%)



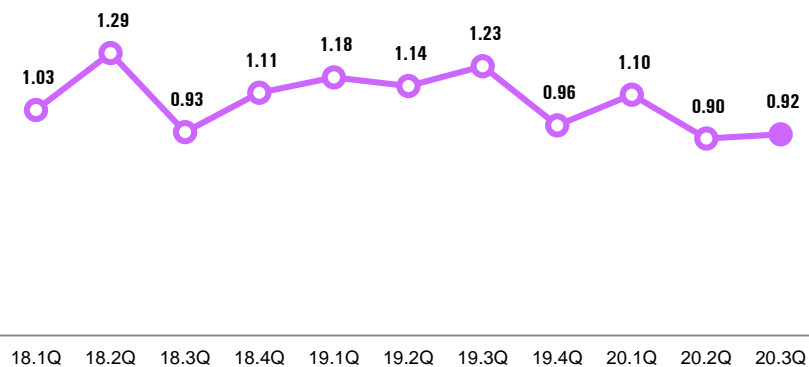
□ Delinquency Ratio(%)



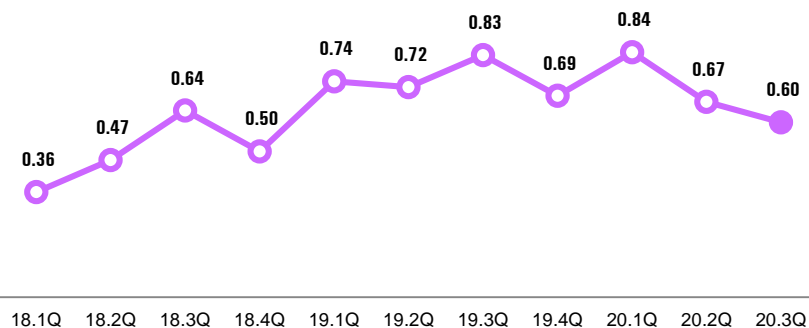
(KRW bn, %, %p)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Total Credits	45,417.2	43,658.8	4.0	44,367.7	2.4
Normal	44,601.5	42,654.5	4.6	43,552.3	2.4
Precautionary	450.3	623.5	-27.8	387.8	16.1
Substandard	272.9	220.1	24.0	290.2	-6.0
Doubtful	21.3	35.2	-39.5	21.9	-2.7
Expected Loss	71.2	125.5	-43.3	115.5	-38.4
SBL(Substandard & Below Loans)	365.4	380.8	-4.0	427.6	-14.5
SBL Ratio	0.80	0.87	-0.07	0.96	-0.16
SBL Coverage Ratio (Ratio before Reserve deduction)	105.75 (163.03)	113.57 (179.66)	-7.82 (-16.63)	91.31 (171.73)	-14.44 (-8.70)
Delinquency Ratio	0.50	0.43	0.07	0.68	-0.18
Loan Amount	44,696.3	42,980.2	4.0	43,615.8	2.5
Delinquent Amount	222.0	186.4	19.1	297.8	-25.5

2. Banks Asset Quality - KNB

□ SBL(NPL) Ratio(%)



□ Delinquency Ratio(%)



(KRW bn, %, %p)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Total Credits	33,217.6	30,969.1	7.3	32,280.4	2.9
Normal	32,656.5	30,418.1	7.4	31,734.5	2.9
Precautionary	256.0	253.6	0.9	254.2	0.7
Substandard	204.6	191.4	6.9	195.9	4.4
Doubtful	31.0	32.2	-3.7	33.1	-6.3
Expected Loss	69.5	73.8	-5.8	62.7	10.8
SBL(Substandard & Below Loans)	305.1	297.4	2.6	291.7	4.6
SBL Ratio	0.92	0.96	-0.04	0.90	0.02
SBL Coverage Ratio (Ratio before Reserve deduction)	85.07 (148.25)	81.03 (154.19)	4.04 (-5.94)	79.20 (156.75)	5.87 (-8.50)
Delinquency Ratio	0.60	0.69	-0.09	0.67	-0.07
Loan Amount	33,008.0	30,755.1	7.3	32,062.2	2.9
Delinquent Amount	199.6	213.1	-6.3	215.6	-7.4

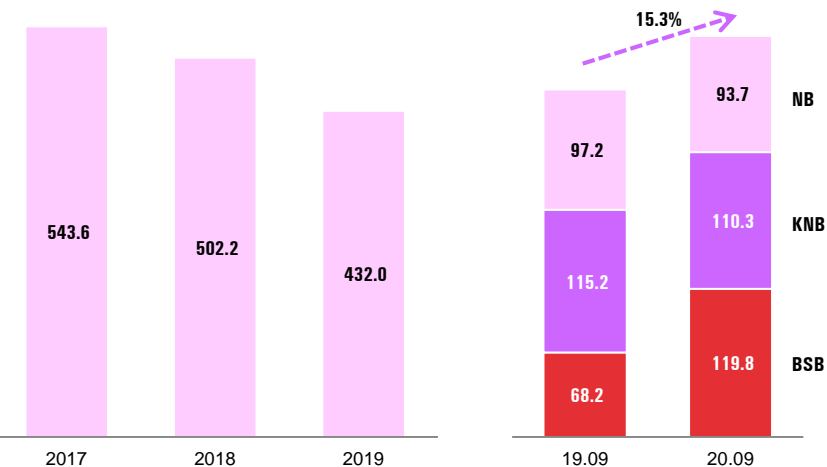
3. Group Provisioning

Provision Expense

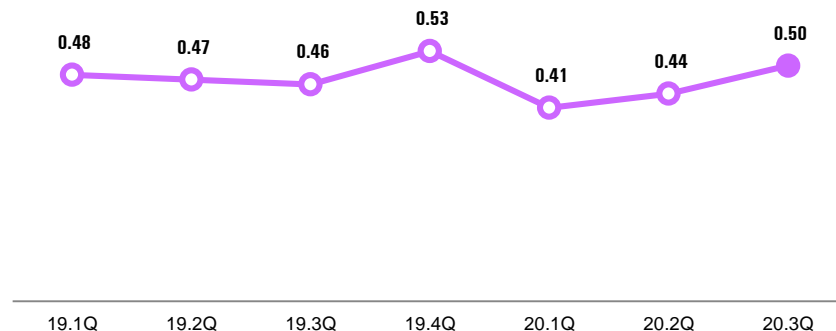
(KRW bn, %)	2020				2019					
	20.09	3Q	2Q	1Q	4Q	19.09	3Q	2Q	1Q	
Total Provisions(A)	323.6	141.5	98.9	83.2	432.0	151.4	280.6	94.7	93.1	92.8
Total Credits(B)	86,052.6	86,052.6	83,623.9	82,053.0	81,126.7	81,126.7	80,839.7	80,839.7	79,731.7	78,970.4
¹⁾ Credit Cost(A/B)	0.50	0.65	0.48	0.41	0.53	0.74	0.46	0.46	0.47	0.48

1) Accumulated

Banks & Non-Bank Provision Breakdown(KRW bn)

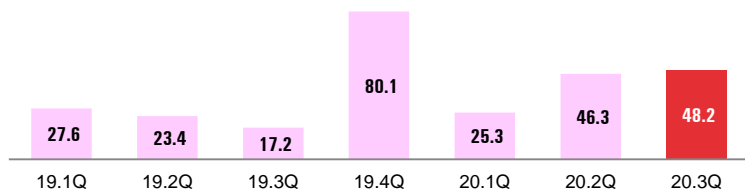


Credit Cost(%)

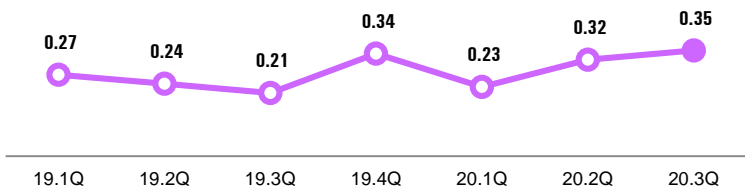


4. Provisioning / Write-offs & NPL Sales – BSB

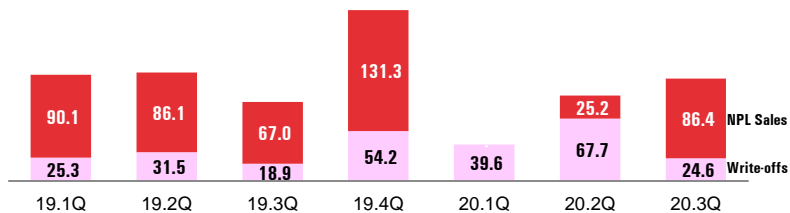
Provision Expense(KRW bn)



Credit Cost(%)



Write-offs & NPL Sales(KRW bn)

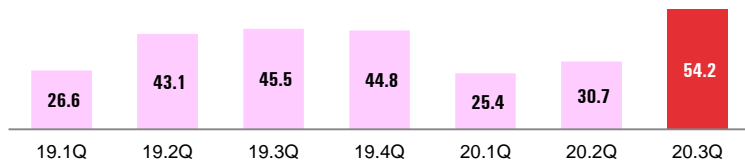


Provision Expense / Write-offs & NPL Sales

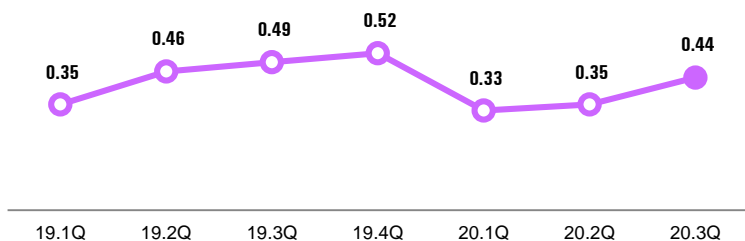
(KRW bn, %)	20.3Q	20.2Q	20.1Q	19.4Q	19.3Q	19.2Q	19.1Q
Corporate	38.6	30.9	20.9	68.2	7.3	13.9	21.2
Household	4.5	2.3	3.5	6.3	5.4	3.9	4.6
Credit Card	4.4	4.7	2.0	4.6	4.2	5.0	3.6
Others	0.7	8.4	-1.1	1.0	0.3	0.6	-1.8
Total(A)	48.2	46.3	25.3	80.1	17.2	23.4	27.6
Total Credits(B)	45,417.2	44,367.7	43,961.9	43,658.8	43,260.7	42,672.8	42,020.6
Credit Cost(A/B)	0.42	0.42	0.23	0.73	0.16	0.22	0.27
Total Write-Offs	24.6	67.7	39.6	54.2	18.9	31.5	25.3
Corporate	13.8	59.3	28.5	34.0	18.5	21.4	15.1
Household	6.0	3.7	5.1	8.2	0.3	4.1	4.0
Credit Card	4.8	4.7	6.0	12.0	0.1	6.0	6.2
Total NPL Sales	86.4	25.2	0.0	131.3	67.0	86.1	90.1
(NPL Sales for SBL Loans)	84.3	25.1	0.0	127.3	61.5	81.1	87.1
Corporate	83.6	22.4	0.0	126.0	63.2	70.5	87.5
Household	2.6	2.7	0.0	4.7	3.2	14.7	2.1
Credit Card	0.2	0.1	0.0	0.6	0.6	0.9	0.5

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

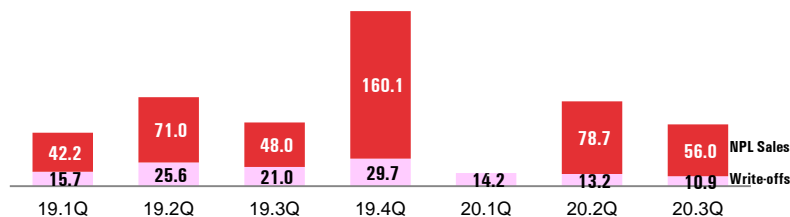
Provision Expense(KRW bn)



Credit Cost(%)



Write-offs & NPL Sales(KRW bn)



Provision Expense / Write-offs & NPL Sales

(KRW bn, %)	20.3Q	20.2Q	20.1Q	19.4Q	19.3Q	19.2Q	19.1Q
Corporate	43.1	18.8	22.8	33.4	34.8	32.7	19.1
Household	5.5	3.5	-0.2	4.2	5.1	5.2	4.2
Credit Card	3.9	3.8	2.8	6.1	3.5	5.1	3.7
Others	1.7	4.6	0.0	1.1	2.1	0.1	-0.4
Total(A)	54.2	30.7	25.4	44.8	45.5	43.1	26.6
Total Credits(B)	33,217.6	32,280.4	31,378.9	30,969.1	31,195.2	30,778.7	30,923.3
Credit Cost(A/B)	0.65	0.38	0.33	0.57	0.58	0.56	0.35
Total Write-Offs	10.9	13.2	14.2	29.7	21.0	25.6	15.7
Corporate	3.3	6.4	6.4	18.1	16.5	16.8	9.9
Household	4.7	3.2	4.0	4.0	3.6	4.3	2.0
Credit Card	2.9	3.6	3.8	7.6	0.9	4.5	3.8
Total NPL Sales	56.0	78.7	0.0	160.1	48.0	71.0	42.2
(NPL Sales for SBL Loans)	54.0	78.7	0.0	150.6	43.9	69.7	40.0
Corporate	55.4	73.9	0.0	159.0	45.1	64.8	42.1
Household	0.5	4.6	0.0	1.1	2.9	6.1	0.1
Credit Card	0.1	0.2	0.0	0.0	0.0	0.1	0.0

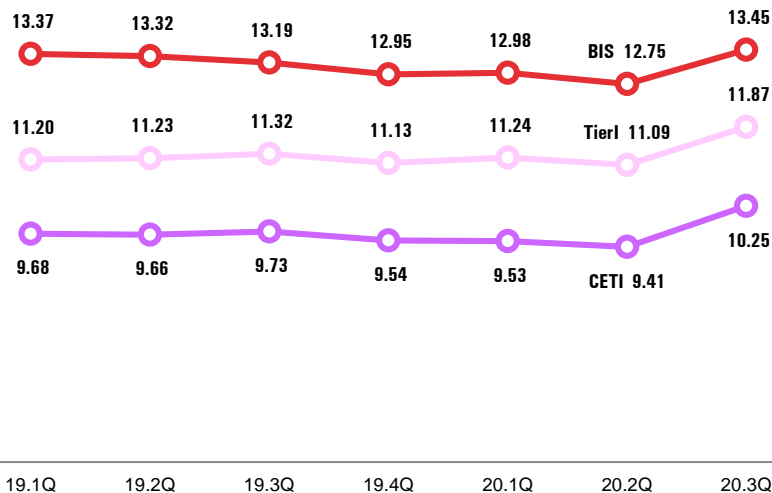
V . Capital Adequacy

1. Capital Adequacy

26

1. Capital Adequacy

Group Capital Adequacy(%)



BSB

(KRW bn, %, %p, BaselIII I.R.B.)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Tot. Risk Adjusted Capital	5,657.0	5,667.9	-0.2	5,637.0	0.4
Tier I	5,054.7	4,951.0	2.1	4,953.7	2.0
(CETI)	4,640.0	4,503.2	3.0	4,539.0	2.2
Tot. R.W.A.	29,605.0	35,169.1	-15.8	35,552.6	-16.7
BIS Capital Ratio	19.11	16.12	2.99	15.86	3.25
Tier I	17.07	14.08	2.99	13.93	3.14
(CETI)	15.67	12.80	2.87	12.77	2.90

Group

(KRW bn, %, %p, BaselIII Standard)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Tot. Risk Adjusted Capital	9,965.3	9,762.9	2.1	10,111.8	-1.4
Tier I	8,794.8	8,397.0	4.7	8,795.5	-0.01
(CETI)	7,593.9	7,192.1	5.6	7,460.4	1.8
Tot. R.W.A.	74,083.1	75,413.2	-1.8	79,322.9	-6.6
BIS Capital Ratio	13.45	12.95	0.50	12.75	0.70
Tier I	11.87	11.13	0.74	11.09	0.78
(CETI)	10.25	9.54	0.71	9.41	0.84

KNB

(KRW bn, %, %p, BaselIII I.R.B.)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Tot. Risk Adjusted Capital	3,723.7	3,670.6	1.4	3,658.7	1.8
Tier I	3,196.1	3,086.2	3.6	3,130.7	2.1
(CETI)	2,883.8	2,742.3	5.2	2,818.4	2.3
Tot. R.W.A.	20,110.4	23,930.1	-16.0	24,148.1	-16.7
BIS Capital Ratio	18.52	15.34	3.18	15.15	3.37
Tier I	15.89	12.90	2.99	12.96	2.93
(CETI)	14.34	11.46	2.88	11.67	2.67

VI. Appendix

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

1. Banks KRW Loan Portfolio

	2020 3Q			
	Amount	Ratio	YTD	QoQ
Manufacturing	8,612.5	20.0	-0.5	-0.3
Steel Metal Products	2,502.1	5.8	0.2	0.7
Automobile Parts	1,778.7	4.1	-0.3	-1.1
Machinery	1,255.5	2.9	-2.2	-1.3
Petroleum, Rubber, etc.	916.1	2.1	-1.0	1.0
Fabric	316.0	0.7	2.8	0.8
Garment & Shoes	353.4	0.8	9.2	3.5
Kitchen Units	337.9	0.8	0.5	-0.2
Electronics	366.7	0.9	-6.3	-3.1
Paper, Paper Mills	118.5	0.3	2.2	-4.4
Others	667.6	1.6	-3.8	-1.5
Non-Manufacturing	21,289.6	49.5	8.2	2.3
Wholesale & Retail	3,830.1	8.9	11.1	1.9
Public	12.1	0.0	-69.1	-42.1
Construction & Engineering	1,413.2	3.3	12.6	0.7
Real Estate	8,512.2	19.8	5.4	4.8
Insurance & Financing	459.8	1.1	18.1	-31.6
Transportation	1,139.2	2.6	2.3	0.7
Hotel & Food	1,670.9	3.9	23.2	3.7
Others	4,252.1	9.9	6.4	3.8
Households	13,129.8	30.5	1.5	4.9
KRW Loans	43,031.9	100.0	4.2	2.5

	2020 3Q			
	Amount	Ratio	YTD	QoQ
Manufacturing	9,624.0	29.9	5.4	2.4
Steel Metal Products	2,230.7	6.9	1.5	0.2
Automobile Parts	2,819.1	8.7	5.4	2.6
Machinery	2,317.5	7.2	2.4	1.9
Petroleum, Rubber, etc.	309.4	1.0	13.5	-37.4
Fabric	104.9	0.3	34.5	12.2
Garment & Shoes	16.0	0.0	79.8	30.1
Kitchen Units	251.8	0.8	16.8	11.2
Electronics	581.6	1.8	2.7	-0.6
Paper, Paper Mills	78.1	0.2	-0.1	8.2
Others	914.9	2.8	17.8	37.9
Non-Manufacturing	12,215.5	37.9	12.2	1.6
Wholesale & Retail	2,477.9	7.7	13.2	4.3
Public	1.9	0.0	-5.0	0.0
Construction & Engineering	832.4	2.6	13.5	2.4
Real Estate	4,186.4	13.0	11.0	0.3
Insurance & Financing	143.6	0.4	-0.3	3.7
Transportation	611.7	1.9	66.9	3.3
Hotel & Food	1,014.5	3.1	17.6	2.7
Others	2,947.1	9.1	4.6	0.2
Households	10,382.0	32.2	3.9	5.3
KRW Loans	32,221.5	100.0	7.3	3.0

*Sectors are based on FSS Business Report

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

2. Cyclical Sector

	2020.3Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %)						
Exposure	3,456.3	2,982.3	2,286.5	1,433.5	483.5	713.5
(% of Total Credits)	4.5	3.8	2.9	1.8	0.6	0.9
Collateral & Provision	2,488.0	1,873.6	1,440.0	1,007.5	257.9	411.3
Collateral & Provision Coverage	72.0	62.8	63.0	70.3	53.3	57.6
No# of Creditors	2,478	1,809	4,520	1,067	218	628

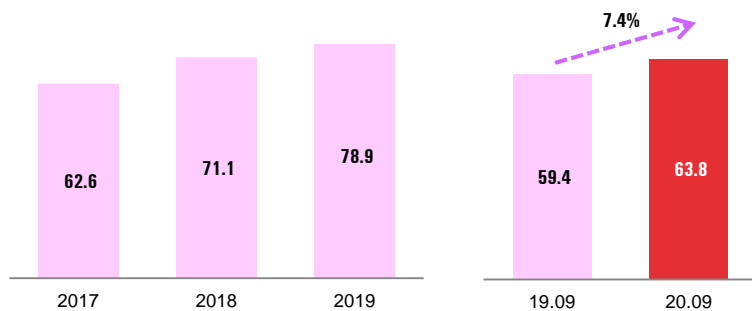
Note 1) Exposure & Total Credits are the sum of BSB & KNB

Note 2) Sectors are based on FSS Business Report

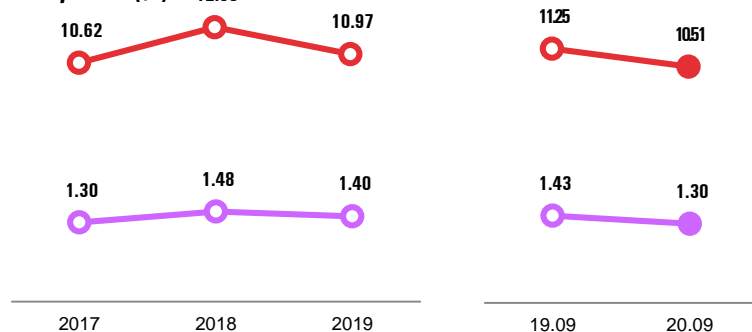
Note 3) Construction includes Real Estate PF(Ref. Collateral for Real Estate PFs are evaluated based on future cash flow that does not include land, buildings under construction etc. hence the overall low construction coverage)

3. BNK Capital - 1

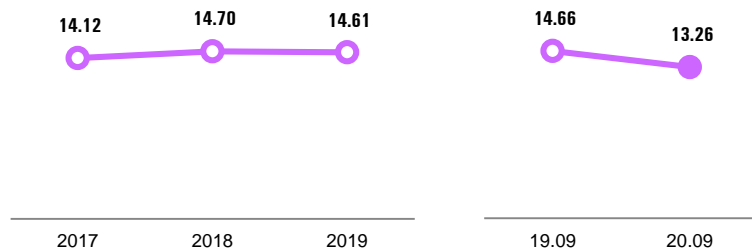
Net Income(% , KRW bn)



ROA, ROE(%)



Adjusted Capital Ratio(%)



(KRW bn, %, Balance)	20.09	19.09	YoY	20.2Q	QoQ
Net Interest Income	175.5	168.6	4.1	57.3	8.4
Fee Income	29.7	21.7	36.9	8.9	2.2
Others	34.1	43.0	-20.7	11.6	-4.3
SG&A(-)	61.3	57.3	7.0	19.5	9.7
Provision Expense(-)	93.8	98.6	-4.9	24.0	57.9
Non-Operating Income	-0.5	0.4	Net Loss	-0.6	-
Earnings Before Income Tax	83.7	77.8	7.6	33.7	-26.7
Income Tax Expenses(-)	19.9	18.4	8.2	8.1	-29.6
Net Income	63.8	59.4	7.4	25.6	-25.8

(KRW bn, %, Balance)	20.3Q	19.4Q	YTD	20.2Q	QoQ
Assets	6,305.5	5,425.3	16.2	6,001.9	5.1
Cash and Dues	64.5	25.1	157.0	32.0	101.6
Securities	151.2	-	-	120.4	25.6
Loans	3,843.4	3,172.3	21.2	3,676.3	4.5
Venture Capital Business	2.1	61.9	-96.6	2.1	0.0
Durables Installment Financing Assets	301.5	379.1	-20.5	326.2	-7.6
Leased Assets	1,823.2	1,669.9	9.2	1,724.0	5.8
Fixed Assets	13.5	10.9	23.9	13.6	-0.7
Other Assets	106.1	106.1	0.0	107.3	-1.1
Liability & Shareholder's Equity	6,305.5	5,425.3	16.2	6,001.9	5.1
Borrowings	5,155.5	4,354.2	18.4	4,879.6	5.7
Other Liabilities	390.2	354.8	10.0	374.6	4.2
Shareholder's Equity	759.8	716.3	6.1	747.7	1.6

3. BNK Capital - 2

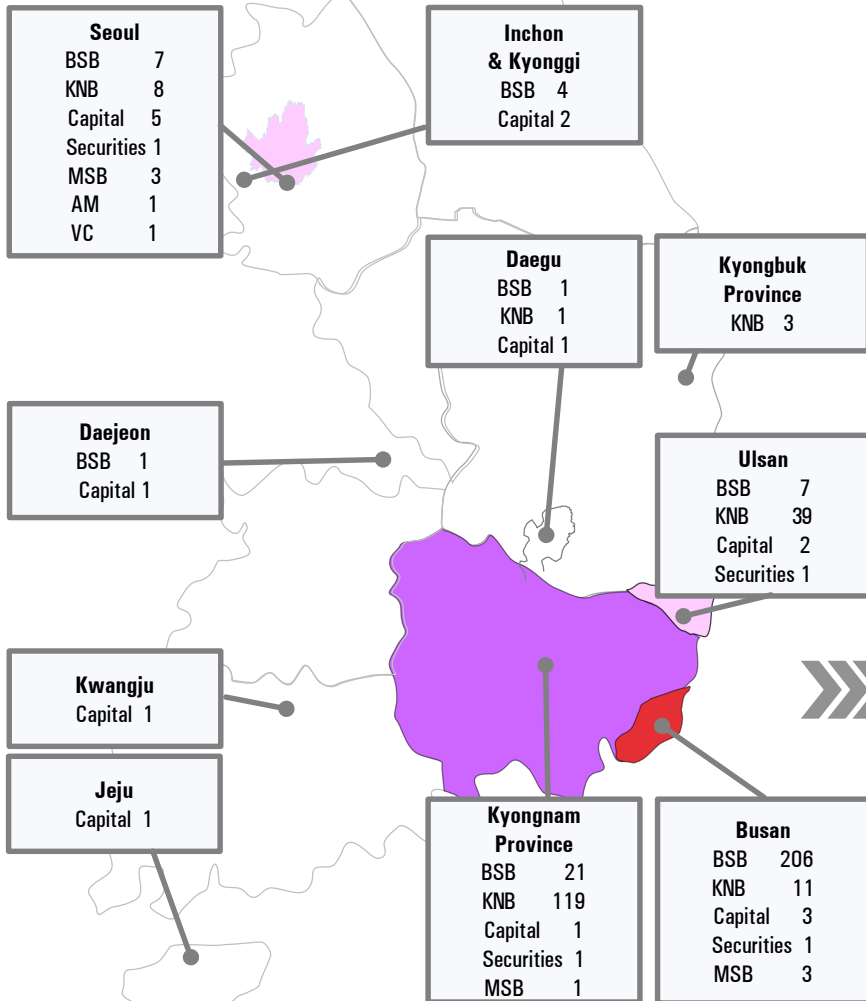
Loan Portfolio

(KRW bn, %, Balance)	20.3Q	Portion	20.2Q	QoQ	20.1Q	19.4Q	19.3Q	19.2Q	19.1Q	18.4Q	18.3Q	18.2Q	18.1Q
Total	6,396.4	100.0	6,117.2	4.6	5,887.1	5,538.7	5,430.6	5,295.0	5,050.8	5,053.2	5,039.2	4,986.0	4,783.5
Loans	2,917.1	45.6	2,734.1	6.7	2,467.9	2,136.4	2,122.0	2,005.7	1,841.3	1,843.3	1,837.3	1,813.9	1,636.7
Household	1,023.1	16.0	908.5	12.6	809.6	816.2	859.2	935.5	905.2	947.5	927.2	905.1	874.0
Corporate	1,894.0	29.6	1,825.6	3.7	1,658.3	1,320.2	1,262.8	1,070.2	936.1	895.8	910.1	908.8	762.7
Auto Financing	2,566.7	40.1	2,547.7	0.7	2,559.5	2,539.8	2,477.0	2,492.9	2,515.1	2,542.6	2,588.8	2,565.7	2,561.2
Commercial Vehicle	222.2	3.5	243.7	-8.8	285.5	328.3	380.7	427.8	482.6	548.5	616.6	674.4	712.0
Passenger Vehicle	2,344.5	36.7	2,304.0	1.8	2,274.0	2,211.5	2,096.3	2,065.1	2,032.5	1,994.1	1,972.2	1,891.3	1,849.2
Lease/Installments	748.2	11.7	701.2	6.7	728.7	790.2	797.0	771.2	690.4	665.7	610.6	603.9	583.1
Machine Tools	100.9	1.6	107.2	-5.9	115.4	126.6	133.9	138.9	140.8	141.4	135.1	132.0	124.4
Medical Instruments	331.2	5.2	305.1	8.6	304.3	319.9	314.8	297.4	226.0	211.4	198.7	191.8	174.9
Others	316.1	4.9	288.9	9.4	309.0	343.7	348.3	334.9	323.6	312.9	276.8	280.1	283.8
VC Business	164.4	2.6	134.2	22.5	131.0	72.3	34.6	25.2	4.0	1.6	2.5	2.5	2.5

4. Group Networks & Major Industries

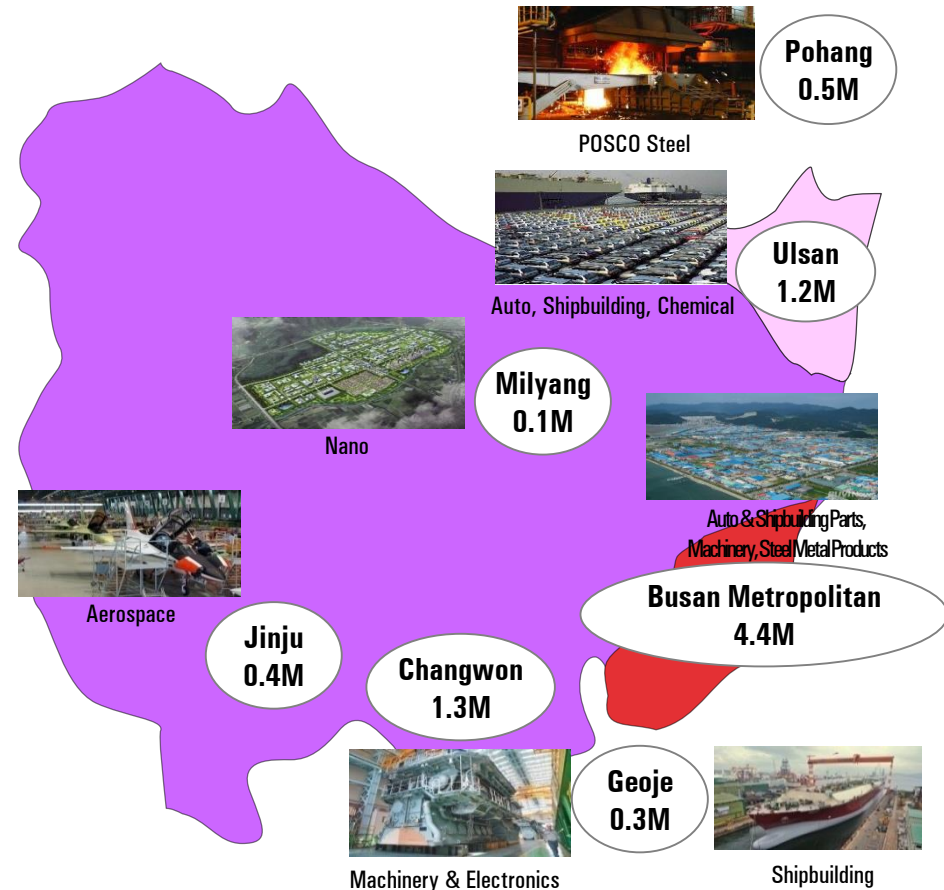
Networks (as of Sept. 2020) : 468 Locations

- BSB 253 (Qingdao/Nanjing/Ho Chi Minh Branch, Yangon/Mumbai/Hanoi Office incl.), KNB 181, Capital 21 (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), 14.5% of GRDP(2018)
- Exports : 122.8 USD bn(2019)
- Imports : 67.9 USD bn(2019)



* Southeastern region includes Busan, Ulsan, and Kyongnam