

**BNK** Financial Group

**2022 3Q**  
**Financial Results**

2022.10.27



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### DISCLAIMER

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

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

# I . 2022 3Q Group Highlights

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# 1. Highlights – Profitability

## Profitability – Group Net Income

(KRW bn, %)	22.09	21.09	YoY	22.3Q	22.2Q	QoQ
Net Interest Income	2,151.4	1,884.3	14.2	747.1	725.6	3.0
Net Fee Income	338.7	388.5	-12.8	72.6	120.4	-39.7
Others	-68.7	99.8	Net Loss	-28.5	-43.8	-
SG&A(-)	1,073.2	1,082.1	-0.8	345.8	356.4	-3.0
Provision Expense(-)	279.7	286.8	-2.5	79.5	118.4	-32.9
Net Income	799.9	775.8	3.1	273.2	239.6	14.0
Net Income in Controlling Interest	763.2	743.4	2.7	258.1	228.8	12.8

**NI 763.2 KRW bn**

(YoY +2.7%)

· Even with mkt. volatility leading lower securities gains, interest income growth & cost control led YoY improvements

**Core Inc. 2,490.1 KRW bn**

(YoY +9.6%)

· Stable asset growth & NIM improvements led interest income up by +14.2% YoY

**SG&A 1,073.2 KRW bn**

(YoY -0.8%)

· Tightly managed costs for banks, lower performance based costs for Securities

**Prov. Exp. 279.7 KRW bn**

(YoY -2.5%)

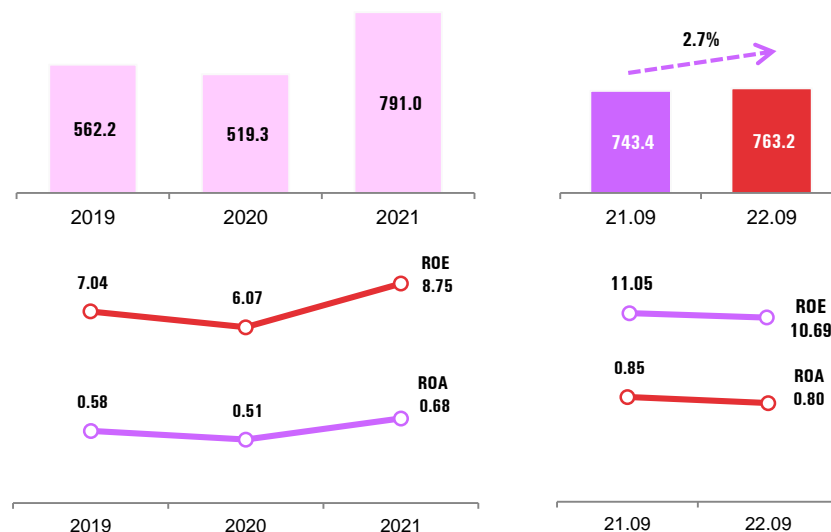
· Cont. strict AQ control, lower provision exp. for the Capital subsidiary etc.

\* Preemptive provisions for Covid  
- 22.3Q Prov. 95.7 KRW bn (BSB 63.5, KNB 32.2)

## Profitability – Group Subsidiaries Net Income

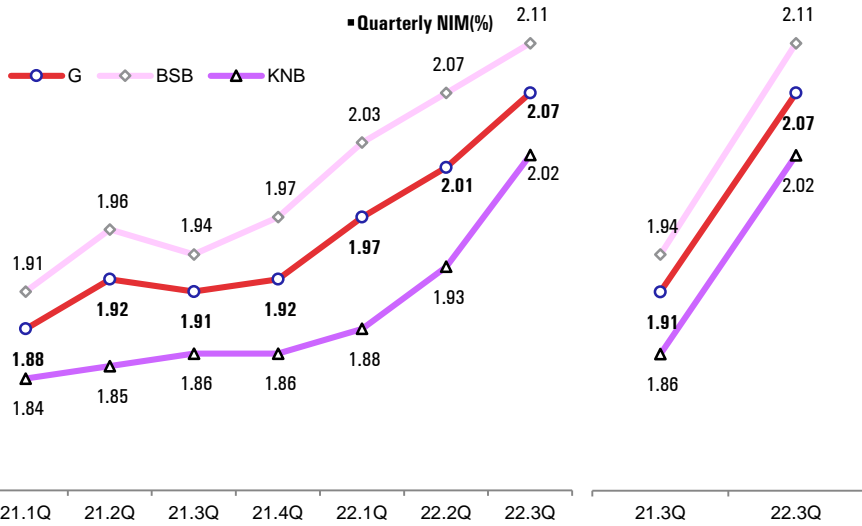
(KRW bn, %)	22.09	21.09	YoY	22.3Q	22.2Q	QoQ
<b>Banks(A)</b>	<b>644.9</b>	597.0	8.0	240.3	189.2	27.0
BSB	390.4	368.1	6.1	144.8	117.4	23.3
KNB	254.5	228.9	11.2	95.5	71.8	33.0
<b>Non-Banks(B)</b>	<b>221.1</b>	237.5	-6.9	56.3	71.4	-21.1
Capital	159.6	110.8	44.0	40.9	61.2	-33.2
Securities	61.5	98.1	-37.3	13.9	13.1	6.1
MSB	8.8	17.1	-48.5	2.2	5.6	-60.7
AM	-14.5	6.4	Net Loss	-2.1	-10.9	-

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



# 2. Highlights – Profitability, Growth

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



### NIM 2.07%

(QoQ +6bps)

- Bank's NIS improvements due to rate hikes, loan repricing etc. led overall increase
- \* BSB 2.11%(+4bps), KNB 2.02%(+9bps)

### KRW Loans 91.1 KRW tn

(YTD +5.8%, Banks Tot.)

- Non-manufacturing focused Corps. growth
- \* BSB +6.9% (Corps. 9.6%, House 1.7%)
- KNB +4.3% (Corps. 6.3%, House 1.0%)

### KRW Deposits 89.8 KRW tn

(YTD +5.0%, Banks Tot.)

- Deposits matching overall loan growth
- Focus on improving quality of funding

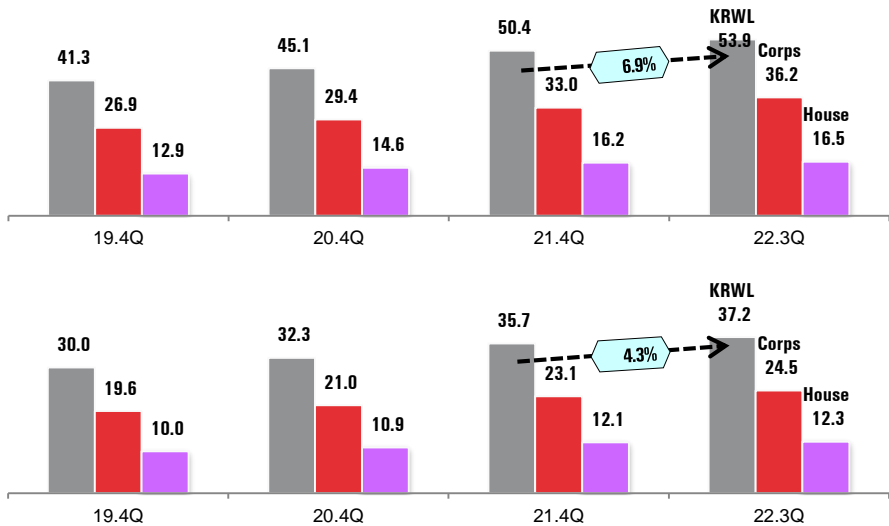
### L-C Deposits 34.7 KRW tn

(YTD -2.5%, Banks Tot.)

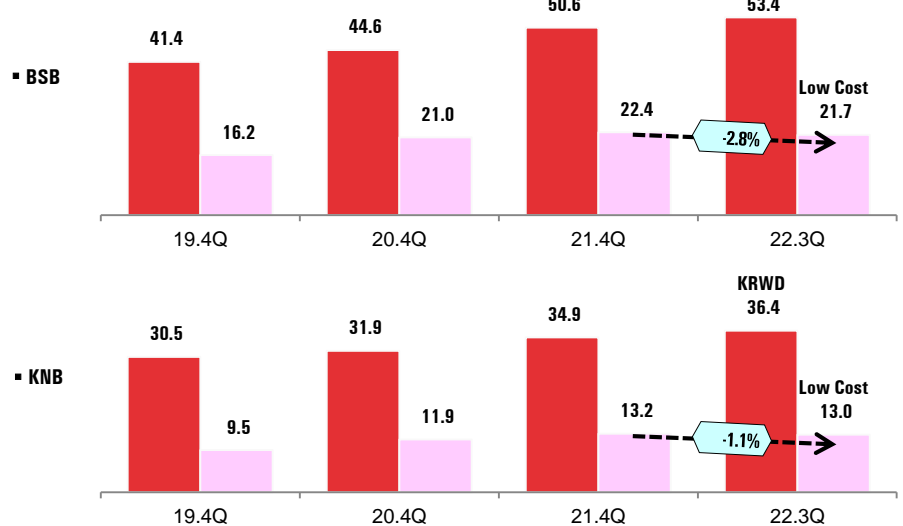
- Rising rates of time deposits led outflow

T. Deposits	21.12	22.09	Change
BSB	11.6 KRW tn	14.2 KRW tn	+2.6 KRW tn
KNB	9.6 KRW tn	10.8 KRW tn	+1.2 KRW tn

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

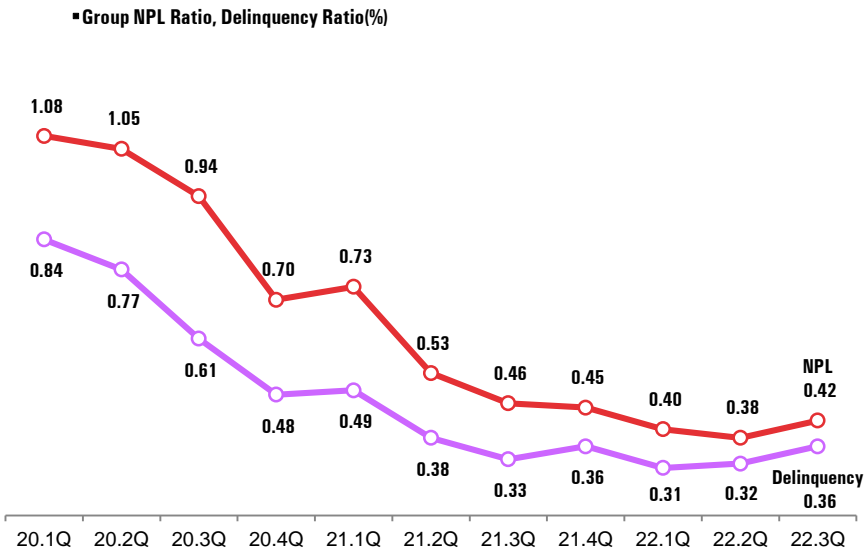


### Banks KRW Deposits & Breakdown (KRW tn)



# 3. Highlights – Asset Quality, Capital Adequacy

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



**NPL Ratio 0.42%**

(YTD -3bps)

- Controlled risk mgt., NPL Sales/Write-offs enabling stable ratios
- BSB 0.23%(-11bps), KNB 0.45%(-16bps)

**Del. Ratio 0.36%**

(YTD 0bps)

- Indepth AQ inspection, tighter delinquency mgt. etc. resulting in stability
- BSB 0.22%(-2bps), KNB 0.35%(-8bps)

**C.C. 0.35%**

(YTD -7bps)

- Even with add. Covid provisions, asset growth & lower insolvencies enabled stability

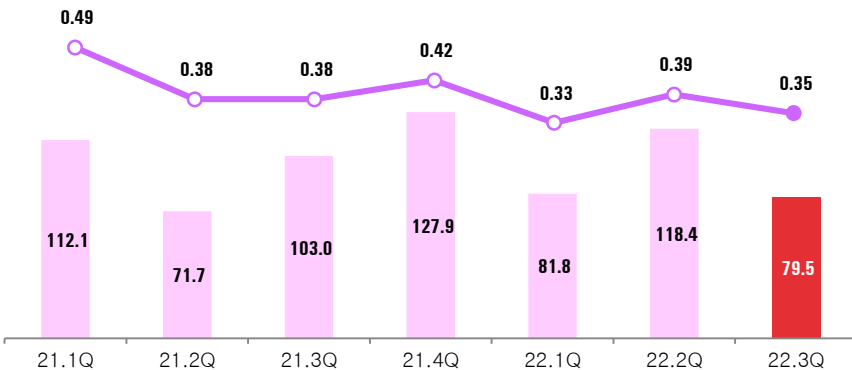
**CET1 Ratio 11.45%**

(YTD +43bps)

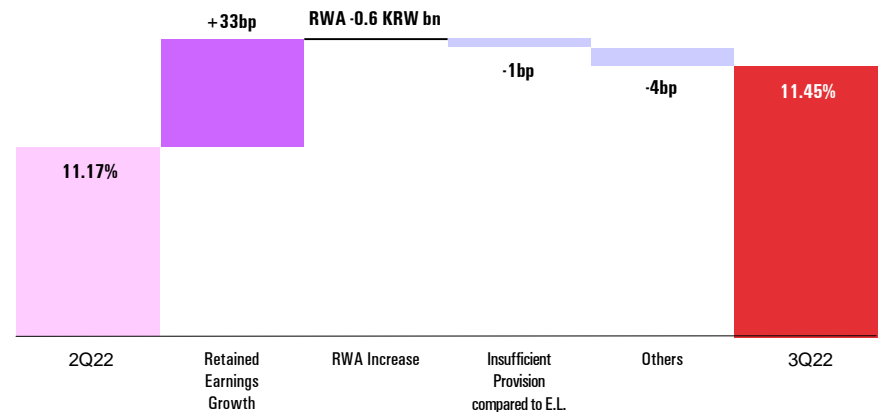
- Continued efforts to control RWA & earnings growth leading ratio ↑

\* Group RWA ↓ QoQ

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



Quarterly CET1 Ratio Movement



# 4. Group ESG

## ESG Strategic Direction & Target

### Social Value Creation through realization of Sustainable Finance

**Partnered Growth**  
(Environment)

Resolve issues within  
Community & Environment  
for Sustainable Growth

**Trustworthy Growth**  
(Social)

Customer-focused  
management increasing  
Financial Consumer trust

**Responsible Growth**  
(Governance)

Establish Sustainable  
Management Governance

### Stage 3 2025

Completion of Sustainable  
Finance

### Stage 2 2022

Advanced ESG Strategy  
Systems

### Stage 1 2020

Establish ESG Strategy  
Systems

## 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
- 2021.11 ○ Korea Corporate Governance Services(KCGS) ESG Evaluation - Acquired A for 3 consecutive years for combined rating
- 2022.03 ○ Join PCA(Partnership for Accounting), SBTi(Science Based Targets Initiative) & UN PRB
- 2022.07 ○ Announce Group's Carbon Neutral Targets & Plans

## ESG Highlights

- BSB & KNB ESG Bond Issuance (BSB 150.0 KRW bn, KNB 200.0 KRW bn)
- Financial Aid Project
  - BSB, KNB, Capital, and MSB will support up to 14.7 KRW tn financially within 3 years
- Group Carbon Neutral Targets & Plans
  - Group Internal Carbon Outflow (Scope 1 & 2) : Carbon Neutral by 2045  
Utilize Electric Cars, Renewable Energy etc.
  - Asset Portfolio Carbon Outflow (Scope 3) : Carbon Neutral by 2050  
Renewable Energy Loans ↑ , Coal Industry Inv. ↓ , Invest in High ESG Corps. ↑

# 5. Group Digitization

## 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

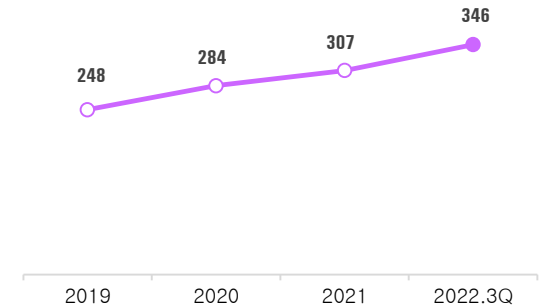
### 3. Change in Process for Timeliness in Market Response

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

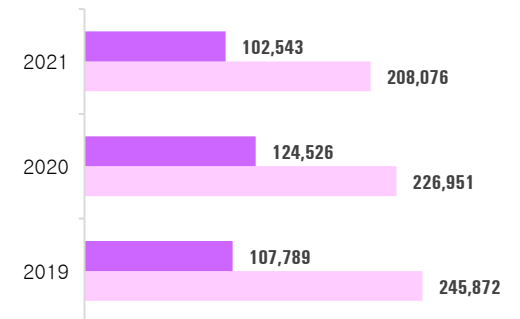
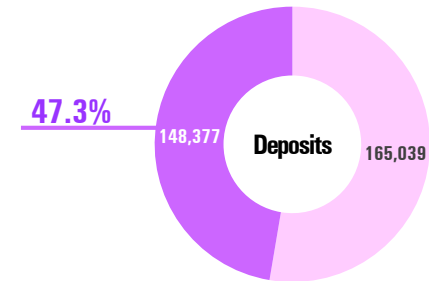
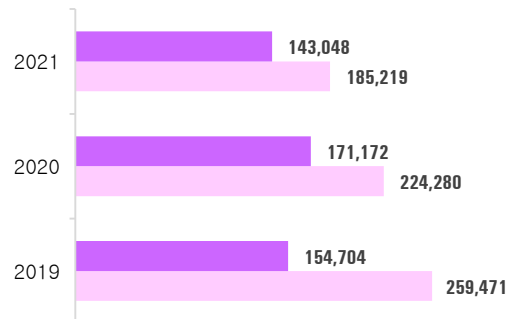
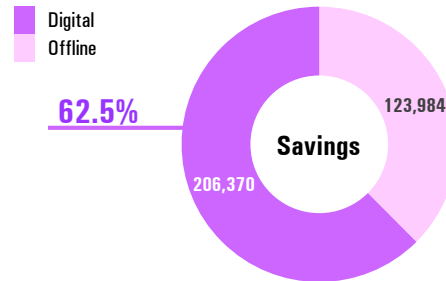
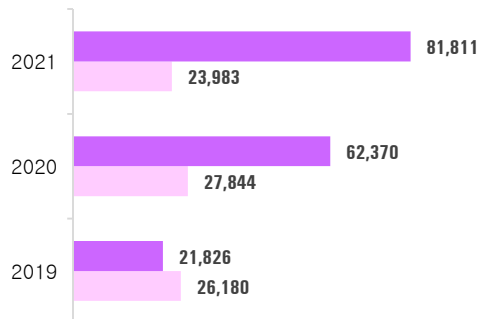
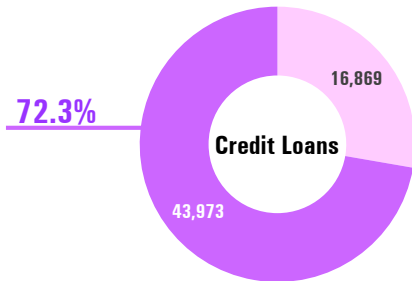
### 4. Optimization by Organization, Personnel Competency

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

## Digital Channel Mobile Subscribers (Ten Thousand)



## 2022 Main Digital Products Sales (No# of Accounts)





# 5. Group Structure

## BNKFG

Establishment : 2011.03.15

Total Assets : 159,949.8

Net Income : 763.2

Employees : 7,869

(%, KRW bn, Accumulated)

### BSB

Est : 1967.10.10  
Branches : 217  
Employees : 3,503

Share's  
Owned

100%

Tot. Assets

86,738.5

Net Income

390.4

### KNB

Est : 1970.05.22  
Add : 2014.10.10  
Branches : 127  
Employees : 2,670

Share's  
Owned

100%

Tot. Assets

57,324.3

Net Income

254.5

### Capital

Est : 2010.07.15  
Branches : 15  
Employees : 497

Share's  
Owned

100%

Tot. Assets

9,060.5

Net Income

159.6

### Securities

Est : 1997.06.02  
Sec. Add : 2009.11  
Branches : 4  
Employees : 376

Share's  
Owned

100%

Tot. Assets

4,669.1

Net Income

61.5

### MSB

Est : 2011.12.13  
Branches : 8  
Employees : 139

Share's  
Owned

100%

Tot. Assets

1,671.9

Net Income

8.8

### AM

Est : 2008.07.15  
Add : 2015.07.28  
Employees : 78

Share's  
Owned

100%

Tot. AUM

9,114.1

Net Income

-14.5

### Venture Capital

Est : 2009.03.24  
Add : 2019.11.05  
Employees : 23

Share's  
Owned

100%

Tot. Assets

54.6

Net Income

1.0

### Credit Info.

Est : 2003.06.17  
Indus. : Collection  
Employees : 149

Share's  
Owned

100%

Tot. Assets

24.3

Net Income

1.8

### System

Est : 2011.05.20  
Indus. : IT  
Employees : 305

Share's  
Owned

100%

Tot. Assets

30.4

Net Income

2.9

### Affiliates

#### Cambodia

Est : 14.03.07  
Employees : 404  
Share's Owned : 100%  
Assets : 128.8 KRW bn  
2015.06 Start

#### Myanmar

Est : 14.03.21  
Employees : 592  
Share's Owned : 99.9%  
Assets : 63.3 KRW bn  
2014.12 Start

#### Lao PDR

Est : 15.04.24  
Employees : 67  
Share's Owned : 97%  
Assets : 48.1 KRW bn  
2015.07 Start

#### Kazakhstan

Est : 18.06.01  
Employees : 69  
Share's Owned : 100%  
Assets : 47.6 KRW bn  
2018.11 Start

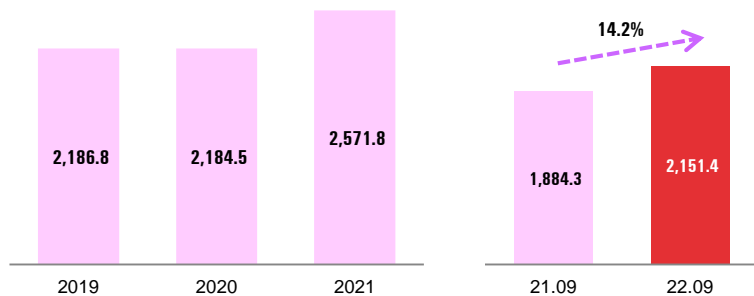
# II. Profitability

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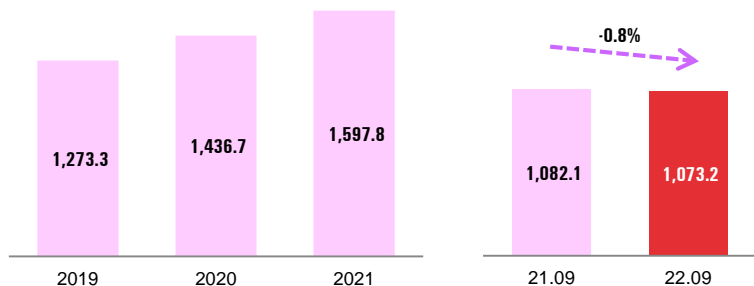
<b>1. Group Earning Results</b>	<b>10</b>
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# 1. Group Earning Results

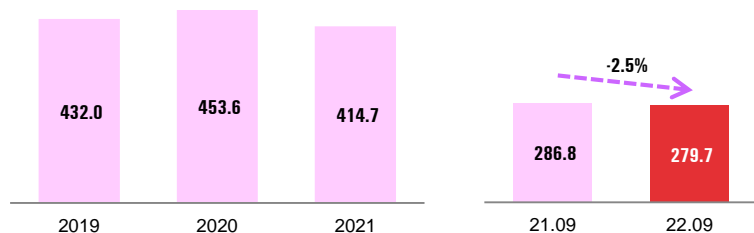
## Interest Income(% , KRW bn)



## SG&A(% , KRW bn)



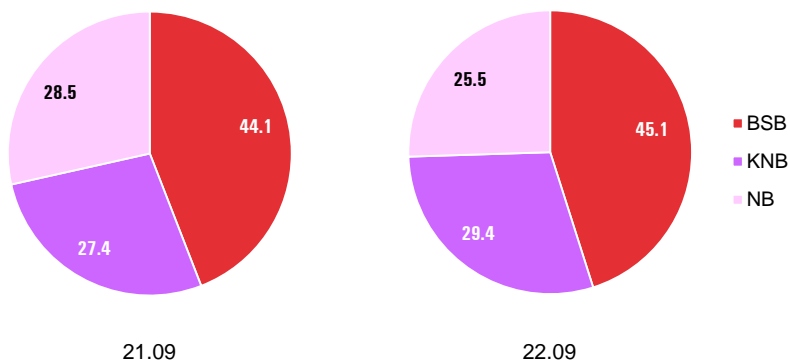
## Provisioning(% , KRW bn)



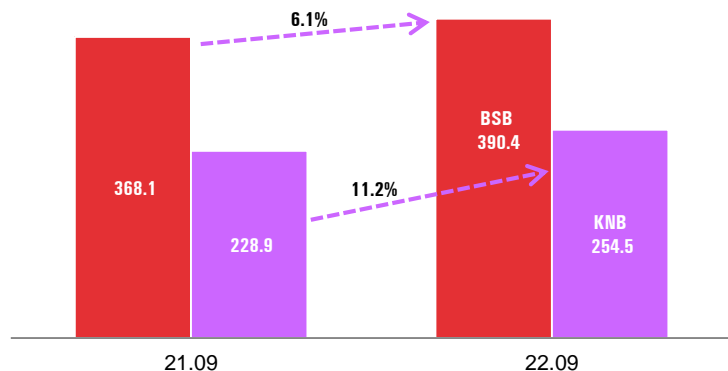
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Provision Expense(-)	279.7	286.8	-2.5	79.5	118.4	-32.9
Non-Operating Income	9.6	36.4	-73.6	5.8	-7.5	Net Gain
Earnings Before Income Tax	1,078.1	1,040.1	3.7	371.7	319.9	16.2
Income Tax Expense(-)	278.2	264.3	5.3	98.5	80.3	22.7
Net Income(A)	799.9	775.8	3.1	273.2	239.6	14.0
Net Income in Non-Controlling Interest(B)	36.7	32.4	13.3	15.1	10.8	39.8
Net Income in Controlling Interest(C) (C) = (A) - (B)	763.2	743.4	2.7	258.1	228.8	12.8

## 2. Subsidiaries Earning Results

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



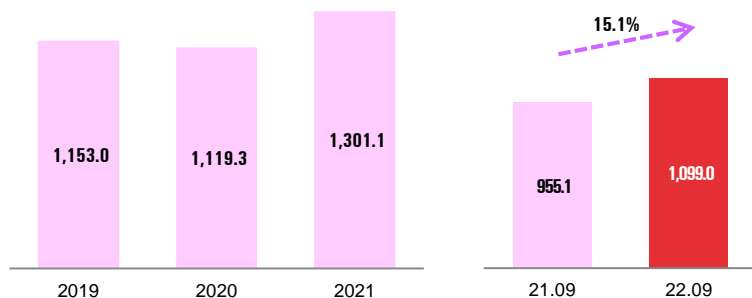
### Banks Net Income(KRW bn)



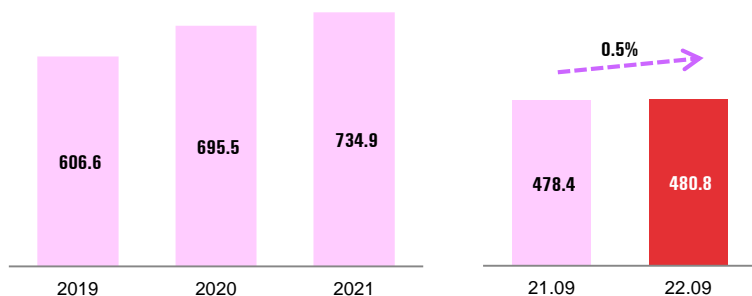
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Securities	<b>61.5</b>	98.1	-37.3	13.9	13.1	6.1
MSB	<b>8.8</b>	17.1	-48.5	2.2	5.6	-60.7
AM	<b>-14.5</b>	6.4	Net Loss	-2.1	-10.9	-
Venture Capital	<b>1.0</b>	1.9	-47.4	-	0.5	-
Credit Info	<b>1.8</b>	1.2	50.0	0.6	0.7	-14.3
System	<b>2.9</b>	2.0	45.0	0.8	1.2	-33.3
<b>Financial Group &amp; Unconsolidated Portion(C)</b>	<b>-66.1</b>	-58.8	-	-23.4	-21.0	-
<b>Net Income in Non-Controlling Interest(D)</b>	<b>36.7</b>	32.4	13.3	15.1	10.8	39.8
<b>Net Income in Controlling Interest(E) (E=A+B+C-D)</b>	<b>763.2</b>	743.4	2.7	258.1	228.8	12.8

### 3. Banks Earning Results - BSB

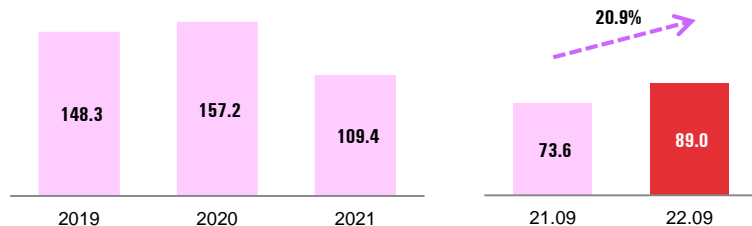
#### Interest Income(% , KRW bn)



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



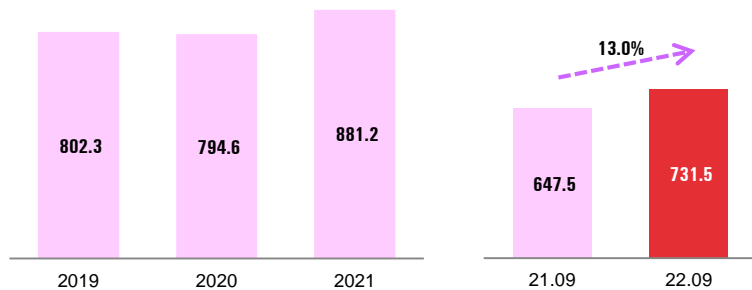
#### Provision Expense(% , KRW bn)



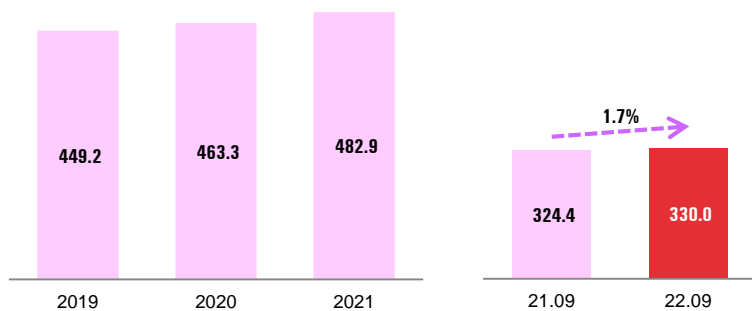
(KRW bn, %)	22.09	21.09	YoY	22.3Q	22.2Q	QoQ
Net Interest Income	1,099.0	955.1	15.1	387.3	367.0	5.5
Net Fee Income	63.8	112.3	-43.2	8.9	29.7	-70.0
Fees from Trust Account	11.1	16.6	-33.1	3.5	3.7	-5.4
Others	-92.1	-45.6	-	-29.1	-35.6	-
SG&A(-)	480.8	478.4	0.5	153.7	168.9	-9.0
Provision Expense(-)	89.0	73.6	20.9	23.7	43.4	-45.4
Net Operating Income	512.0	486.4	5.3	193.2	152.5	26.7
Non-Operating Income	3.3	1.1	200.0	0.5	-0.1	Net Gain
Earnings Before Income Taxes	515.3	487.5	5.7	193.7	152.4	27.1
Income Tax Expenses(-)	124.9	119.4	4.6	48.9	35.0	39.7
Net Income	390.4	368.1	6.1	144.8	117.4	23.3

### 3. Banks Earning Results - KNB

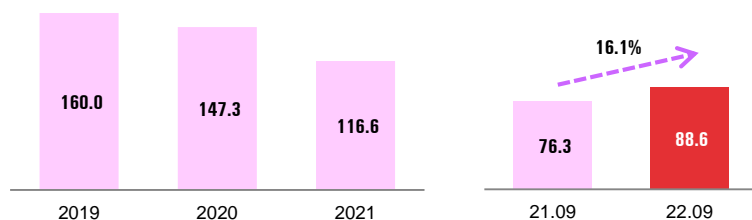
#### Interest Income(% , KRW bn)



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



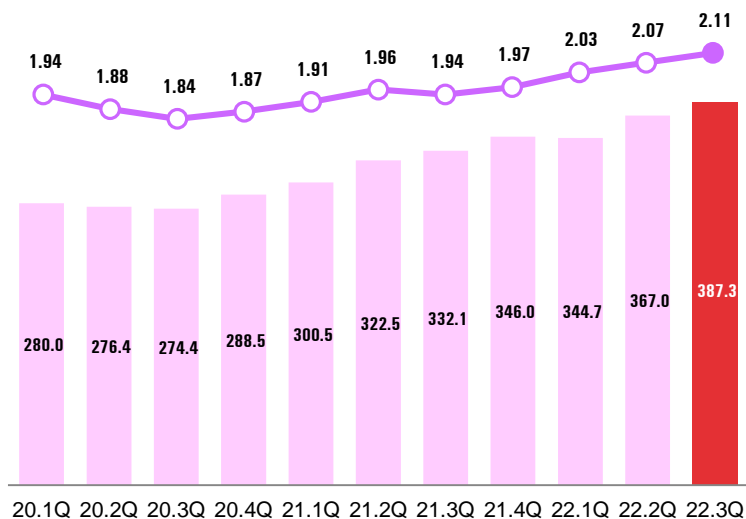
#### Provision Expense(% , KRW bn)



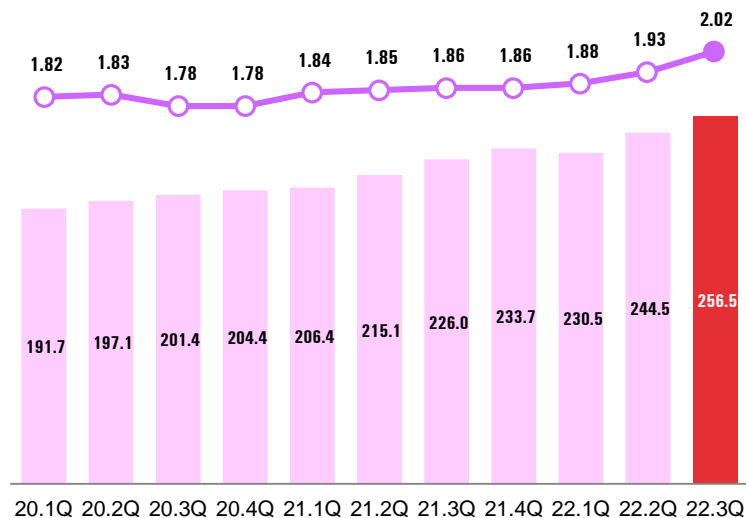
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Net Interest Income	731.5	647.5	13.0	256.5	244.5	4.9
Net Fee Income	48.0	72.8	-34.1	10.5	12.6	-16.7
Fees from Trust Account	7.0	6.3	11.1	2.1	2.7	-22.2
Others	-31.3	-24.6	-	-22.3	-8.0	-
SG&A(-)	330.0	324.4	1.7	107.3	110.8	-3.2
Provision Expense(-)	88.6	76.3	16.1	15.6	41.3	-62.2
Net Operating Income	336.6	301.3	11.7	123.9	99.7	24.3
Non-Operating Income	-2.5	1.1	Net Loss	1.6	-5.7	Net Gain
Earnings Before Income Taxes	334.1	302.4	10.5	125.5	94.0	33.5
Income Tax Expenses(-)	79.6	73.5	8.3	30.0	22.2	35.1
Net Income	254.5	228.9	11.2	95.5	71.8	33.0

## 4. Banks NIM

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



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



### BSB

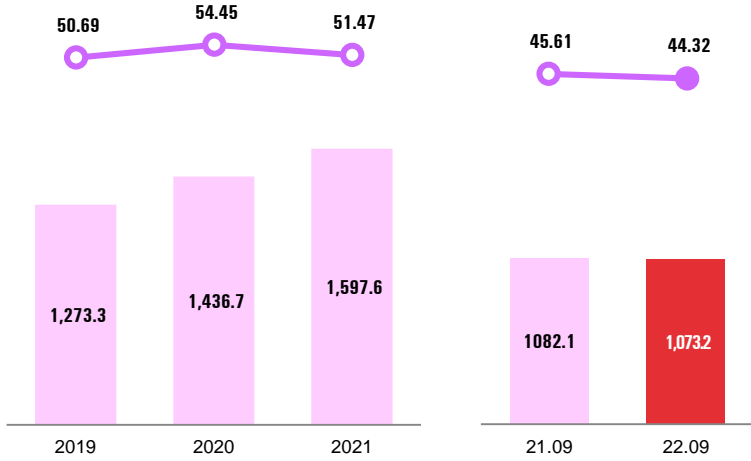
(%, KRW tn)	22.3Q	22.2Q	22.1Q	21.4Q	21.3Q
<b>Quarterly NIM</b>	<b>2.11</b>	2.07	2.03	1.97	1.94
<b>Quarterly NIS</b>	<b>2.38</b>	2.30	2.27	2.19	2.17
Interest Rate on KRW Loans	<b>3.95</b>	3.43	3.33	3.06	2.93
Interest Rate paid on KRW Deposits	<b>1.57</b>	1.13	1.06	0.87	0.76
Average Interest Earning Assets	<b>64.6</b>	61.7	60.9	61.2	60.2
<b>Accumulated NIM</b>	<b>2.07</b>	2.05	2.03	1.95	1.94

### KNB

(%, KRW tn)	22.3Q	22.2Q	22.1Q	21.4Q	21.3Q
<b>Quarterly NIM</b>	<b>2.02</b>	1.93	1.88	1.86	1.86
<b>Quarterly NIS</b>	<b>2.28</b>	2.17	2.11	2.08	2.07
Interest Rate on KRW Loans	<b>3.89</b>	3.48	3.26	3.03	2.92
Interest Rate paid on KRW Deposits	<b>1.61</b>	1.31	1.15	0.95	0.85
Average Interest Earning Assets	<b>43.9</b>	43.8	43.1	42.9	42.2
<b>Accumulated NIM</b>	<b>1.95</b>	1.91	1.88	1.85	1.85

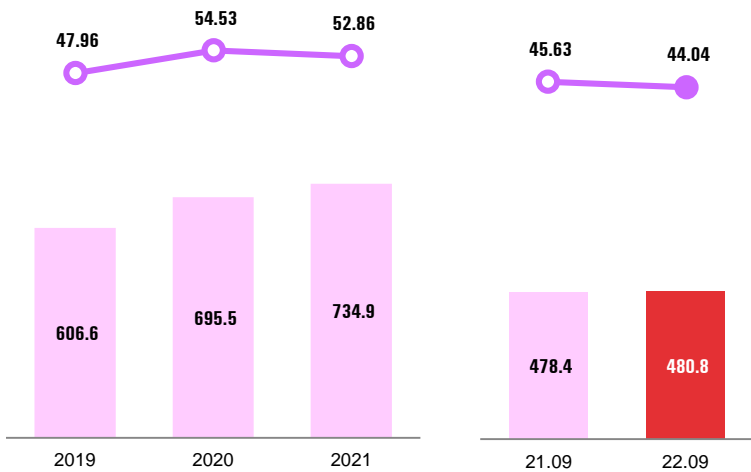
# 5. SG&A

□ Group SG&A & CIR (% , KRW bn)

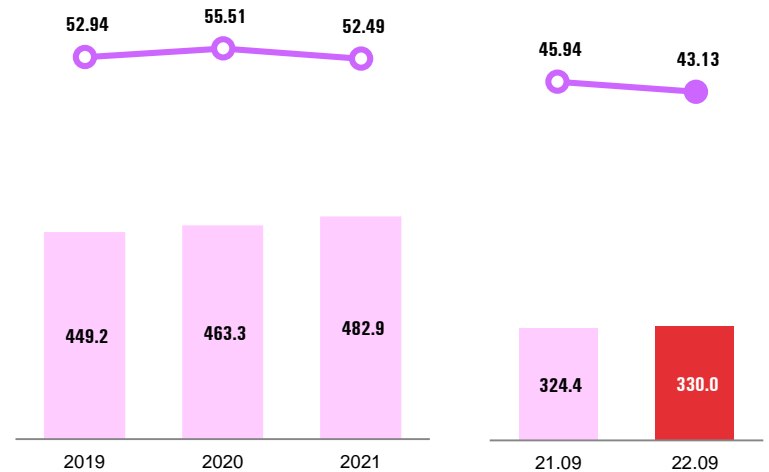


(KRW bn, %)	22.09	21.09	YoY	22.3Q	22.2Q	QoQ
SG&A	1,073.2	1,082.1	-0.8	345.8	356.4	-3.0
CIR	44.32	45.61	-1.29			

□ BSB SG&A & CIR (% , KRW bn)



□ KNB SG&A & CIR (% , KRW bn)



Note) Bank's CIR, non-consolidated



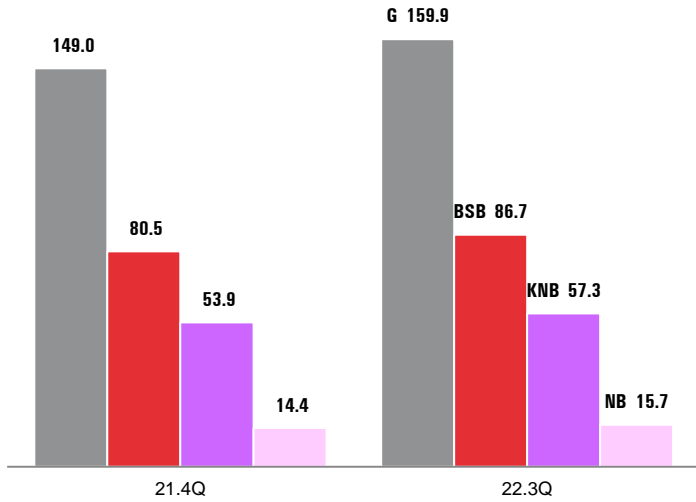
# III. Growth

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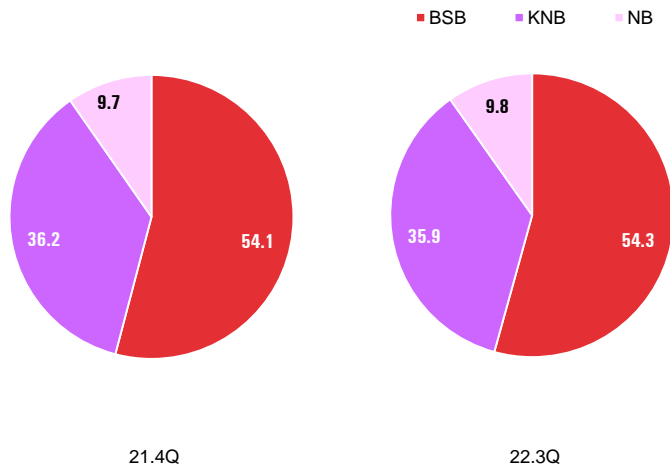
<b>1. Group Assets</b>	<b>17</b>
<b>2. Banks Loans / Deposits</b>	<b>18</b>

# 1. Group Assets

## ☐ Total Assets(KRW tn)



## ☐ Banks & Non-Banks Portion(%)

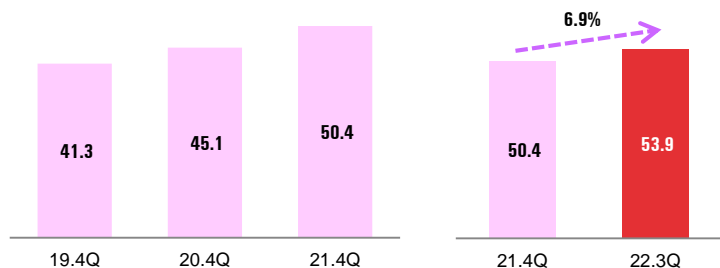


## ☐ Group Total Assets

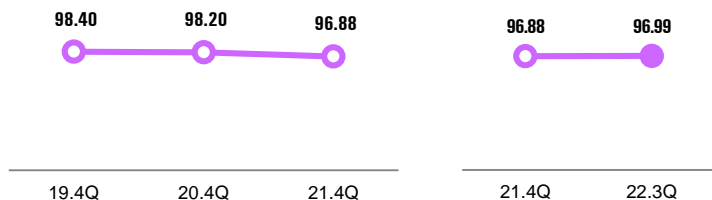
(KRW bn, %)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Bank</b>	<b>144,062.8</b>	134,439.5	7.2	140,229.2	2.7
BSB	<b>86,738.5</b>	80,492.3	7.8	84,678.6	2.4
KNB	<b>57,324.3</b>	53,947.2	6.3	55,550.6	3.2
<b>Non-Bank</b>	<b>15,698.0</b>	14,395.9	9.0	16,829.3	-6.7
Capital	<b>9,060.5</b>	8,444.5	7.3	9,489.6	-4.5
Securities	<b>4,669.1</b>	3,996.0	16.8	5,398.7	-13.5
MSB	<b>1,671.9</b>	1,662.3	0.6	1,644.8	1.6
Asset Mgt.	<b>187.2</b>	189.6	-1.3	185.6	0.9
Venture Capital	<b>54.6</b>	53.4	2.2	31.9	-0.9
Credit Info	<b>24.3</b>	22.4	8.5	55.1	3.0
System	<b>30.4</b>	27.7	9.7	23.6	-4.7
<b>Financial Group &amp; Unconsolidated Portion</b>	<b>189.0</b>	184.6	2.4	305.5	-38.1
<b>Group Total Assets</b>	<b>159,949.8</b>	149,020.0	7.3	157,364.0	1.6

## 2. Banks Loans / Deposits - BSB

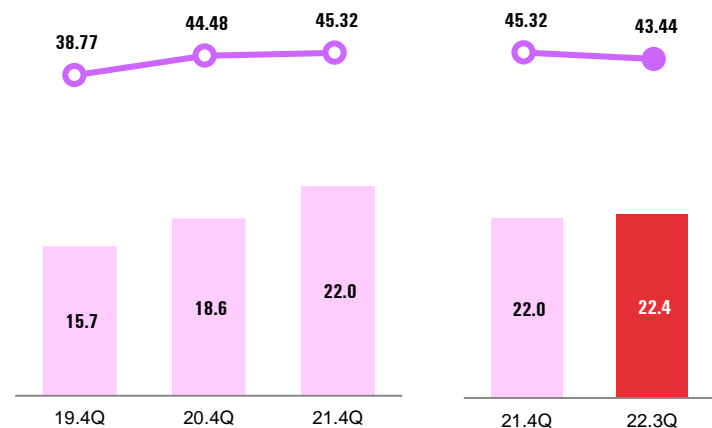
### □ KRW Loans(% , KRW tn)



### □ LDR(%)



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



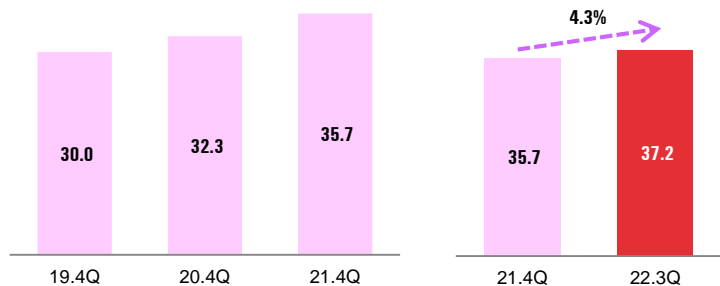
(KRW bn, %, Balance)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>KRW Loans<sup>1)</sup></b>	<b>53,874.7</b>	50,404.2	6.9	53,038.1	1.6
Corporate	36,150.1	32,988.1	9.6	35,629.4	1.5
SME	33,604.1	30,617.0	9.8	33,005.5	1.8
(SOHO) <sup>2)</sup>	16,449.7	15,276.4	7.7	16,204.4	1.5
Large Corps.	2,546.0	2,371.1	7.4	2,623.9	-3.0
Household	16,495.8	16,221.7	1.7	16,120.2	2.3
Mortgage	12,094.1	11,556.5	4.7	11,706.5	3.3
Public	1,228.8	1,194.4	2.9	1,288.5	-4.6
<b>Foreign Currency Loans<sup>1)</sup></b>	<b>853.7</b>	698.7	22.2	808.1	5.6
<b>KRW Deposits<sup>1)</sup></b>	<b>53,392.7</b>	50,577.4	5.6	52,552.4	1.6
Low Cost Deposits	21,743.1	22,364.1	-2.8	22,811.1	-4.7
Core Deposits	17,669.6	18,374.1	-3.8	19,231.8	-8.1
MMDA	4,073.5	3,990.0	2.1	3,579.3	13.8

(KRW bn, %, %p, Average Balance)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Low-Cost Deposits(A)</b>	<b>22,436.1</b>	21,963.0	2.2	22,568.4	-0.6
Core Deposits <sup>2)</sup>	18,720.8	18,826.8	-0.6	18,920.8	-1.1
MMDA	3,715.3	3,136.2	18.5	3,647.6	1.9
<b>KRW Deposits(B)</b>	<b>51,647.3</b>	48,457.9	6.6	50,840.1	1.6
<b>A / B</b>	<b>43.44</b>	45.32	-1.88	44.39	-0.95

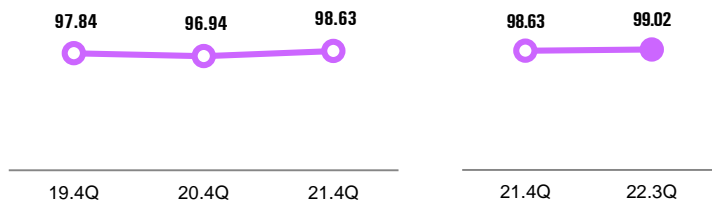
1) Unconsolidated FS, 2) SOHO(≤3 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

## 2. Banks Loans / Deposits - KNB

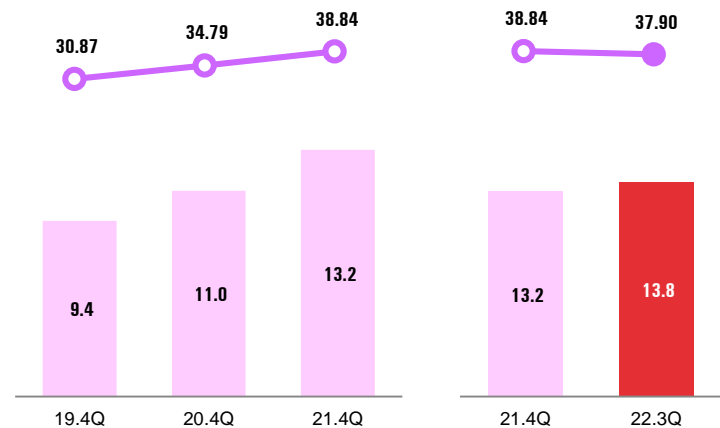
### □ KRW Loans(% , KRW tn)



### □ LDR(%)



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



(KRW bn, %, Balance)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>KRW Loans<sup>1)</sup></b>	<b>37,206.9</b>	35,681.2	4.3	36,946.0	0.7
Corporate	24,525.6	23,082.5	6.3	24,354.5	0.7
SME	22,828.3	21,346.6	6.9	22,455.0	1.7
(SOHO) <sup>2)</sup>	7,552.5	6,987.2	8.1	7,401.5	2.0
Large Corps.	1,697.3	1,735.9	-2.2	1,899.5	-10.6
Household	12,254.0	12,135.8	1.0	12,164.6	0.7
Mortgage	9,725.5	9,470.0	2.7	9,637.5	0.9
Public	427.3	462.9	-7.7	426.9	0.1
<b>Foreign Currency Loans<sup>1)</sup></b>	<b>122.6</b>	146.9	-16.5	119.7	2.4
<b>KRW Deposits<sup>1)</sup></b>	<b>36,373.8</b>	34,919.1	4.2	36,202.5	0.5
Low Cost Deposits	13,014.6	13,164.9	-1.1	14,175.5	-8.2
Core Deposits	11,660.3	11,249.4	3.7	12,470.6	-6.5
MMDA	1,354.3	1,915.5	-29.3	1,704.9	-20.6

(KRW bn, %, %p, Average Balance)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Low-Cost Deposits(A)</b>	<b>13,753.0</b>	13,230.8	3.9	13,743.5	0.1
Core Deposits <sup>2)</sup>	11,952.6	11,372.1	5.1	11,865.8	0.7
MMDA	1,800.4	1,858.7	-3.1	1,877.7	-4.1
<b>KRW Deposits(B)</b>	<b>36,292.1</b>	34,067.2	6.5	36,223.9	0.2
<b>A / B</b>	<b>37.90</b>	38.84	-0.94	37.94	-0.04

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

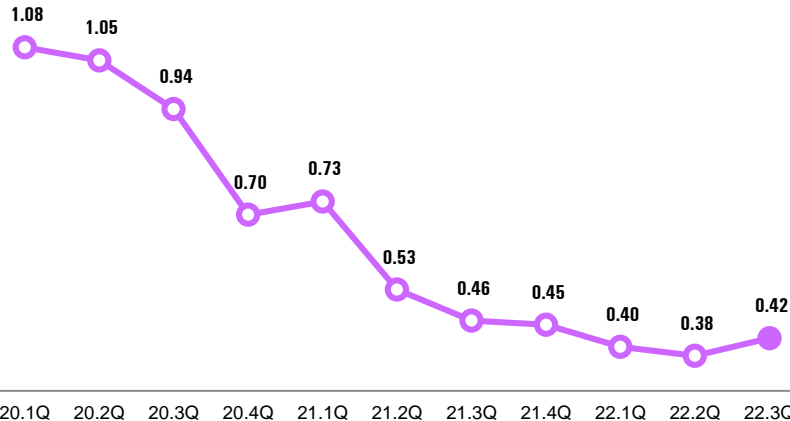
# IV. Asset Quality

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<b>1. Group Asset Quality</b>	<b>21</b>
<b>2. Banks Asset Quality</b>	<b>22</b>
<b>3. Group Provisioning</b>	<b>24</b>
<b>4. Banks Provisioning / Write-offs &amp; NPL Sales</b>	<b>25</b>

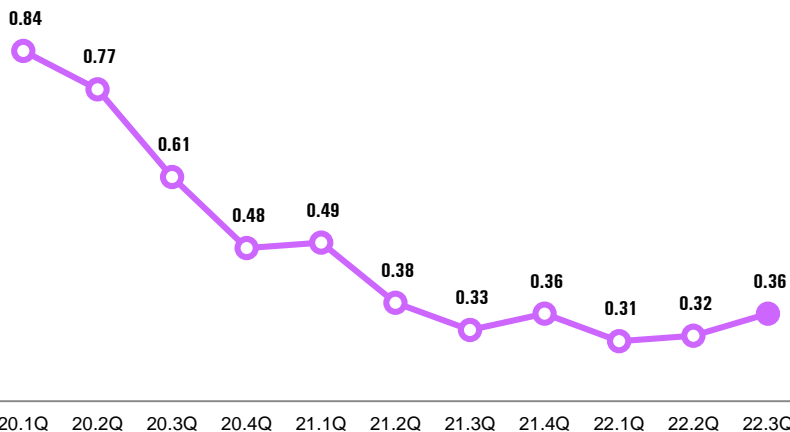
# 1. Group Asset Quality

## □ SBL(NPL) Ratio(%)



20.1Q 20.2Q 20.3Q 20.4Q 21.1Q 21.2Q 21.3Q 21.4Q 22.1Q 22.2Q 22.3Q  
 Note) Excluding Overseas subsidiaries, Consolidated SPC etc.

## □ Delinquency Ratio(%)

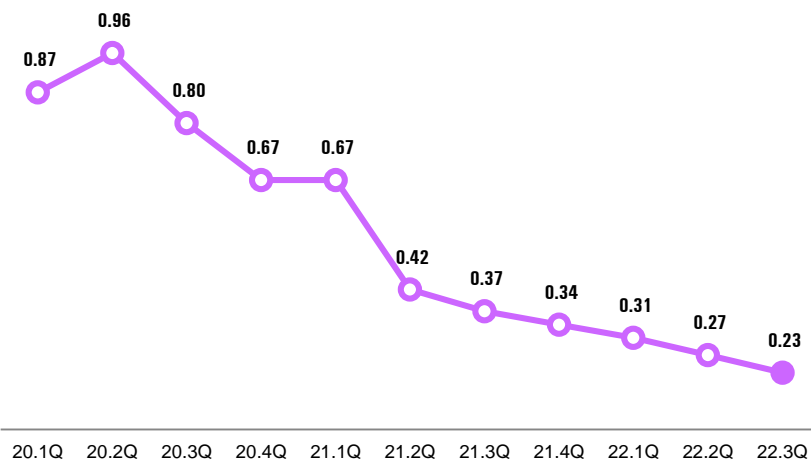


20.1Q 20.2Q 20.3Q 20.4Q 21.1Q 21.2Q 21.3Q 21.4Q 22.1Q 22.2Q 22.3Q

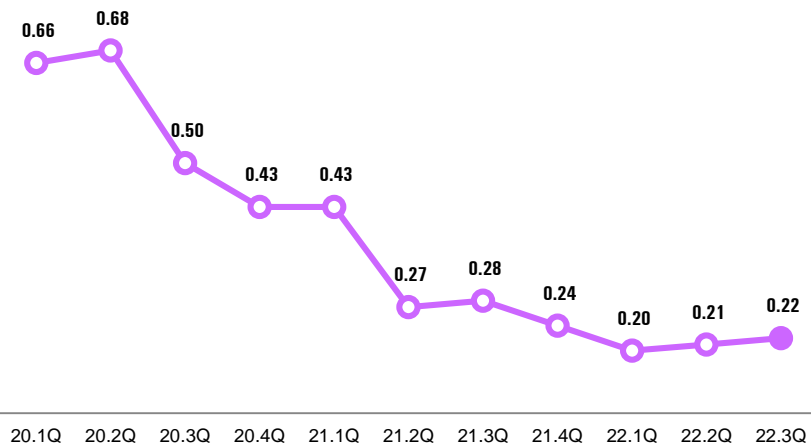
(KRW bn, %, %p)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Total Credits</b>	<b>105,843.8</b>	99,416.7	6.5	104,585.3	1.2
Normal	104,544.4	98,075.8	6.6	103,424.3	1.1
Precautionary	851.3	894.4	-4.8	761.3	11.8
Substandard	238.9	258.1	-7.4	182.8	30.7
Doubtful	82.7	45.7	81.0	79.5	4.0
Expected Loss	126.5	142.7	-11.4	137.4	-7.9
<b>SBL(Substandard &amp; Below Loans)</b>	<b>448.1</b>	446.5	0.4	399.7	12.1
<b>SBL Ratio</b>	<b>0.42</b>	0.45	-0.03	0.38	0.04
SBL Coverage Ratio (Ratio before Reserve deduction)	202.63 (318.45)	180.08 (291.21)	22.55 (27.24)	228.50 (354.68)	-25.87 (-36.23)
<b>Delinquency Ratio</b>	<b>0.36</b>	0.36	0.00	0.32	0.04
Loan Amount	104,814.8	98,453.9	6.5	103,597.8	1.2
Delinquent Amount	380.7	350.1	8.7	329.9	15.4

## 2. Banks Asset Quality - BSB

### □ SBL(NPL) Ratio(%)



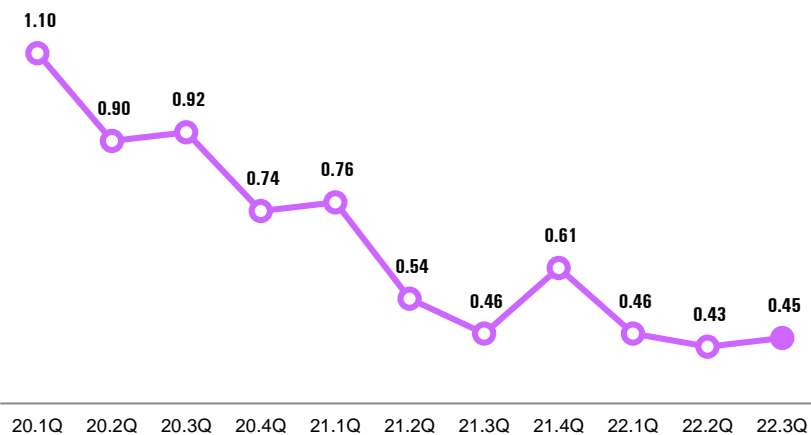
### □ Delinquency Ratio(%)



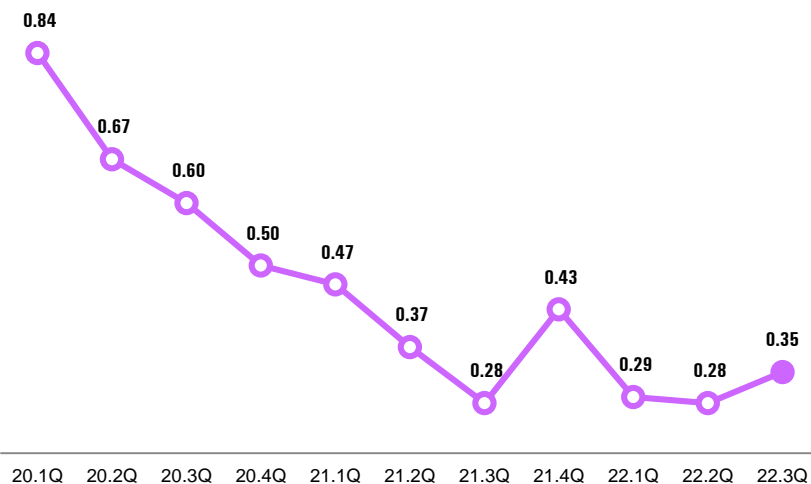
(KRW bn, %, %p)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Total Credits</b>	<b>56,650.3</b>	52,861.0	7.2	55,639.6	1.8
Normal	56,213.9	52,310.8	7.5	55,184.7	1.9
Precautionary	306.2	370.3	-17.3	305.5	0.2
Substandard	56.8	90.1	-37.0	64.5	-11.9
Doubtful	12.7	13.8	-8.0	14.7	-13.6
Expected Loss	60.7	76.0	-20.1	70.2	-13.5
SBL(Substandard & Below Loans)	130.2	179.9	-27.6	149.4	-12.9
<b>SBL Ratio</b>	<b>0.23</b>	0.34	-0.11	0.27	-0.04
SBL Coverage Ratio (Ratio before Reserve deduction)	348.27 (525.17)	227.91 (346.57)	120.36 (178.60)	302.71 (460.78)	45.56 (64.39)
<b>Delinquency Ratio</b>	<b>0.22</b>	0.24	-0.02	0.21	0.01
Loan Amount	55,907.4	52,133.6	7.2	54,938.9	1.8
Delinquent Amount	120.6	126.1	-4.4	114.8	5.1

## 2. Banks Asset Quality - KNB

### □ SBL(NPL) Ratio(%)



### □ Delinquency Ratio(%)



(KRW bn, %, %p)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Total Credits</b>	<b>38,271.6</b>	36,705.6	4.3	38,004.9	0.7
Normal	37,891.9	36,272.1	4.5	37,659.4	0.6
Precautionary	207.1	210.8	-1.8	182.9	13.2
Substandard	104.9	147.4	-28.8	92.9	12.9
Doubtful	24.4	24.5	-0.4	23.9	2.1
Expected Loss	43.3	50.8	-14.8	45.8	-5.5
<b>SBL(Substandard &amp; Below Loans)</b>	<b>172.6</b>	222.7	-22.5	162.6	6.2
<b>SBL Ratio</b>	<b>0.45</b>	0.61	-0.16	0.43	0.02
SBL Coverage Ratio (Ratio before Reserve deduction)	157.07 (269.98)	112.35 (201.97)	44.72 (68.01)	169.77 (301.37)	-12.70 (-31.39)
<b>Delinquency Ratio</b>	<b>0.35</b>	0.43	-0.08	0.28	0.07
Loan Amount	38,027.7	36,470.2	4.3	37,760.4	0.7
Delinquent Amount	132.7	155.4	-14.6	106.2	25.0



### 3. Group Provisioning

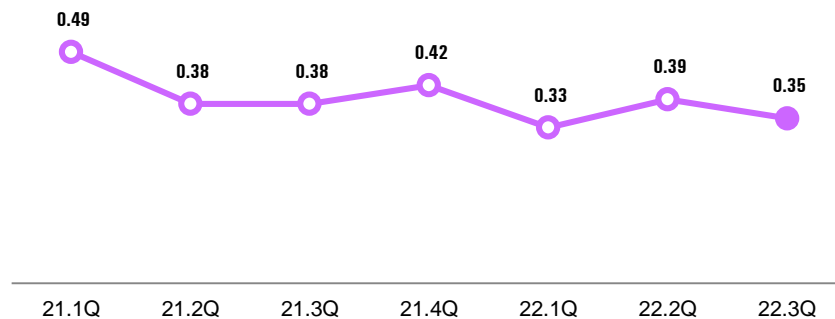
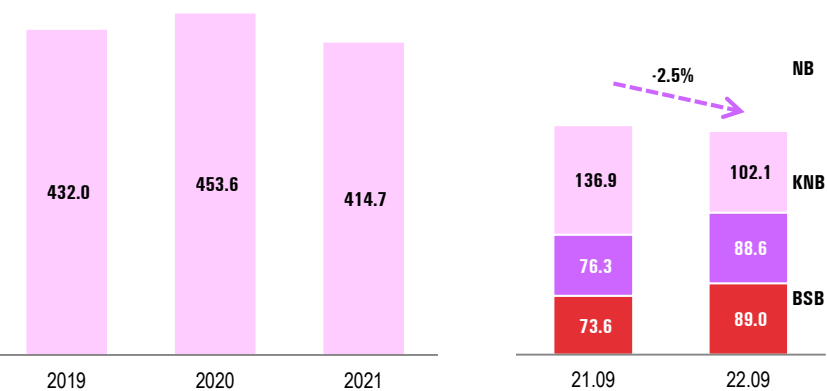
#### ☐ Provision Expense

(KRW bn, %)	2022				2021					
	22.09	3Q	2Q	1Q	4Q	21.09	3Q	2Q	1Q	
Total Provisions(A)	279.7	79.5	118.4	81.8	414.7	127.9	286.8	103.0	71.7	112.1
Total Credits(B)	105,843.8	105,843.8	104,585.3	100,967.4	99,416.7	99,416.7	100,217.3	100,217.3	96,597.3	92,616.6
<sup>1)</sup> Credit Cost(A/B)	0.35	0.30	0.45	0.33	0.42	0.51	0.38	0.41	0.30	0.49

1) Accumulated

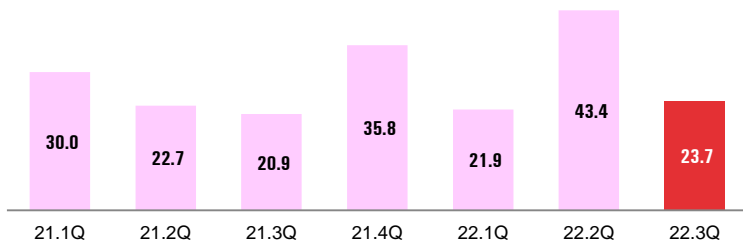
#### ☐ Banks & Non-Bank Provision Breakdown(KRW bn)

#### ☐ Credit Cost(%)

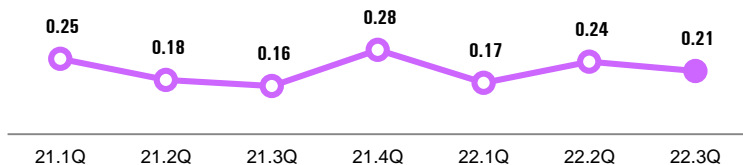


## 4. Provisioning / Write-offs & NPL Sales - BSB

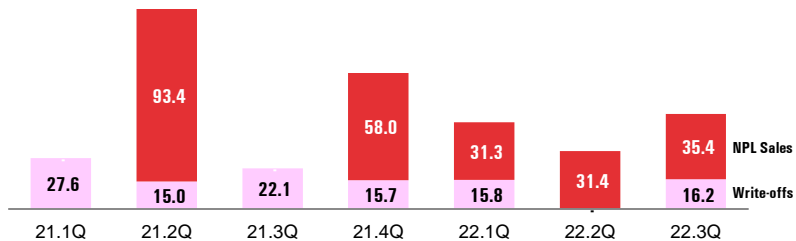
### Provision Expense(KRW bn)



### Credit Cost(%)



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

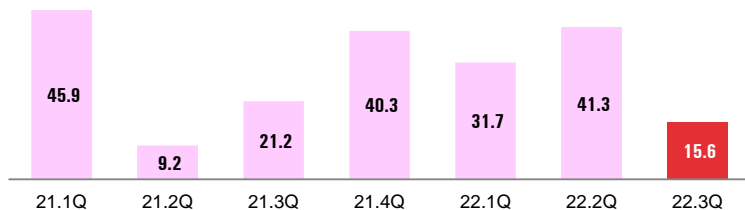


### Provision Expense / Write-offs & NPL Sales

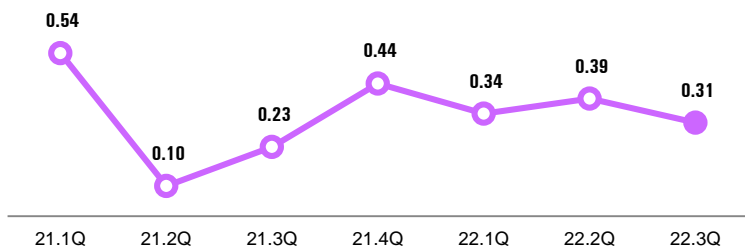
(KRW bn, %)	22.3Q	22.2Q	22.1Q	21.4Q	21.3Q	21.2Q	21.1Q
Corporate	15.2	33.7	17.5	28.6	18.2	13.3	20.4
Household	7.2	6.1	3.0	3.8	0.6	5.1	4.2
Credit Card	1.3	3.0	1.5	4.4	2.0	2.9	3.2
Others	0.0	0.6	-0.1	-1.0	0.1	1.4	2.2
<b>Total(A)</b>	<b>23.7</b>	<b>43.4</b>	<b>21.9</b>	<b>35.8</b>	<b>20.9</b>	<b>22.7</b>	<b>30.0</b>
Total Credits(B)	55,650.3	55,639.6	53,371.1	52,861.0	52,957.8	51,571.1	49,369.1
<b>Credit Cost(A/B)</b>	<b>0.17</b>	<b>0.31</b>	<b>0.17</b>	<b>0.28</b>	<b>0.16</b>	<b>0.18</b>	<b>0.25</b>
<b>Total Write-Offs</b>	<b>16.2</b>	<b>0.0</b>	<b>15.8</b>	<b>15.7</b>	<b>22.1</b>	<b>15.0</b>	<b>27.6</b>
Corporate	4.8	0.0	10.4	8.8	14.9	8.2	15.0
Household	5.9	0.0	2.2	3.6	3.1	2.7	6.2
Credit Card	5.5	0.0	3.2	3.3	4.1	4.1	6.4
<b>Total NPL Sales</b>	<b>35.4</b>	<b>31.4</b>	<b>31.3</b>	<b>58.0</b>	<b>0.0</b>	<b>93.4</b>	<b>0.0</b>
<b>(NPL Sales for SBL Loans)</b>	<b>25.4</b>	<b>27.3</b>	<b>27.6</b>	<b>52.6</b>	<b>0.0</b>	<b>90.9</b>	<b>0.0</b>
Corporate	32.3	27.0	29.2	55.5	0.0	90.6	0.0
Household	3.0	4.3	1.3	2.3	0.0	2.3	0.0
Credit Card	0.1	0.1	0.8	0.2	0.0	0.5	0.0

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

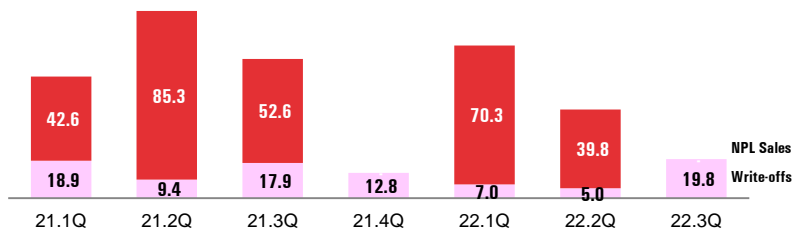
### Provision Expense(KRW bn)



### Credit Cost(%)



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



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

(KRW bn, %)	22.3Q	22.2Q	22.1Q	21.4Q	21.3Q	21.2Q	21.1Q
Corporate	6.6	28.5	24.3	31.6	10.8	0.4	37.8
Household	7.0	8.2	6.0	6.8	7.3	6.4	6.3
Credit Card	1.8	2.5	1.5	2.1	2.0	2.4	1.8
Others	0.2	2.1	-0.1	-0.2	1.1	0.0	0.0
<b>Total(A)</b>	<b>15.6</b>	<b>41.3</b>	<b>31.7</b>	<b>40.3</b>	<b>21.2</b>	<b>9.2</b>	<b>45.9</b>
Total Credits(B)	38,271.6	38,004.9	37,602.9	36,705.6	36,851.6	35,468.8	34,680.3
<b>Credit Cost(A/B)</b>	<b>0.16</b>	<b>0.44</b>	<b>0.34</b>	<b>0.44</b>	<b>0.23</b>	<b>0.10</b>	<b>0.54</b>
<b>Total Write-Offs</b>	<b>19.8</b>	<b>5.0</b>	<b>7.0</b>	<b>12.8</b>	<b>17.9</b>	<b>9.4</b>	<b>18.9</b>
Corporate	8.1	0.5	1.6	-3.6	11.3	3.3	13.4
Household	9.8	1.5	3.8	15.1	4.1	3.6	2.7
Credit Card	1.9	3.0	1.6	1.3	2.5	2.5	2.8
<b>Total NPL Sales</b>	<b>0.0</b>	<b>39.8</b>	<b>70.3</b>	<b>0.0</b>	<b>52.6</b>	<b>85.3</b>	<b>42.6</b>
<b>(NPL Sales for SBL Loans)</b>	<b>0.0</b>	<b>39.0</b>	<b>66.9</b>	<b>0.0</b>	<b>50.1</b>	<b>81.1</b>	<b>40.4</b>
Corporate	0.0	39.5	69.8	0.0	52.5	85.2	42.1
Household	0.0	0.2	0.3	0.0	0.0	0.0	0.4
Credit Card	0.0	0.1	0.2	0.0	0.1	0.1	0.1

# V . Capital Adequacy

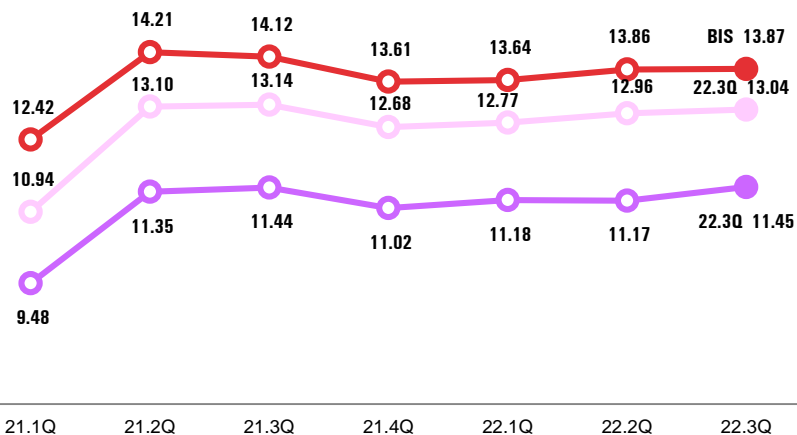
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## 1. Capital Adequacy

28

# 1. Capital Adequacy

## Group Capital Adequacy(%)



## BSB

(KRW bn, %, %p, BaselIII I.R.B.)	22.3Q	21.4Q	YTD	22.2Q	QoQ
Tot. Risk Adjusted Capital	5,624.6	5,503.0	2.2	5,719.0	-1.7
Tier I	5,289.7	5,085.5	4.0	5,325.2	-0.7
(CETI)	4,940.8	4,703.7	5.0	4,826.9	2.4
Tot. R.W.A.	33,486.5	32,272.4	3.8	32,979.1	1.5
BIS Capital Ratio	16.80	17.05	-0.25	17.34	-0.54
Tier I	15.80	15.76	0.04	16.15	-0.35
(CETI)	14.75	14.58	0.17	14.64	0.11

## Group

(KRW bn, %, %p, BaselIII IRB)	22.3Q	21.4Q	YTD	22.2Q	QoQ
Tot. Risk Adjusted Capital	10,367.3	9,767.6	6.1	10,359.2	0.1
Tier I	9,751.1	9,103.2	7.1	9,689.4	0.6
(CETI)	8,564.4	7,908.7	8.3	8,351.4	2.6
Tot. R.W.A.	74,767.0	71,767.9	4.2	74,767.7	-0.001
BIS Capital Ratio	13.87	13.61	0.25	13.86	0.01
Tier I	13.04	12.68	0.35	12.96	0.08
(CETI)	11.45	11.02	0.43	11.17	0.28

## KNB

(KRW bn, %, %p, BaselIII I.R.B.)	22.3Q	21.4Q	YTD	22.2Q	QoQ
Tot. Risk Adjusted Capital	3,566.0	3,479.1	2.5	3,678.3	-3.1
Tier I	3,300.4	3,167.3	4.2	3,392.8	-2.7
(CETI)	3,001.3	2,886.6	4.0	2,944.2	1.9
Tot. R.W.A.	22,580.7	21,823.6	3.5	22,405.6	0.8
BIS Capital Ratio	15.79	15.94	-0.15	16.42	-0.63
Tier I	14.62	14.51	0.11	15.14	-0.52
(CETI)	13.29	13.23	0.06	13.14	0.15

# VI. Appendix

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<b>1. Banks KRW Loan Portfolio</b>	<b>30</b>
<b>2. Cyclical Sector</b>	<b>31</b>
<b>3. BNK Capital</b>	<b>32</b>
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# 1. Banks KRW Loan Portfolio

	2022 3Q			
	Amount	Ratio	YTD	QoQ
<b>Manufacturing</b>	<b>8,825.9</b>	16.4	2.9	-0.1
Steel Metal Products	2,500.9	4.6	0.0	0.0
Automobile Parts	1,598.8	3.0	1.0	-2.7
Machinery	1,265.0	2.3	1.2	-0.9
Petroleum, Rubber, etc.	1,006.5	1.9	5.6	2.3
Fabric	343.5	0.6	2.5	-0.1
Garment & Shoes	374.3	0.7	5.9	0.7
Kitchen Units	462.1	0.9	12.1	1.1
Electronics	384.0	0.7	0.7	-1.2
Paper, Paper Mills	151.0	0.3	8.0	3.9
Others	739.8	1.4	10.3	3.0
<b>Non-Manufacturing</b>	<b>28,553.0</b>	53.0	11.5	1.7
Wholesale & Retail	4,816.2	8.9	7.9	0.4
Public	13.3	0.0	-	0.0
Construction & Engineering	1,626.3	3.0	7.1	5.1
Real Estate	12,126.4	22.5	15.4	3.0
Insurance & Financing	582.3	1.1	-9.7	-34.1
Transportation	1,244.4	2.3	-0.7	-0.7
Hotel & Food	2,601.1	4.8	24.0	6.7
Others	5,543.0	10.3	8.3	3.1
<b>Households</b>	<b>16,495.8</b>	30.6	1.7	2.3
<b>KRW Loans</b>	<b>53,874.7</b>	100.0	6.9	1.6

	2022 3Q			
	Amount	Ratio	YTD	QoQ
<b>Manufacturing</b>	<b>10,097.0</b>	27.1	3.3	1.3
Steel Metal Products	2,338.9	6.3	2.5	2.2
Automobile Parts	2,693.3	7.2	-2.1	0.2
Machinery	2,394.6	6.4	4.3	0.2
Petroleum, Rubber, etc.	382.1	1.0	7.1	3.5
Fabric	132.8	0.4	4.4	0.3
Garment & Shoes	22.8	0.1	-13.6	-1.3
Kitchen Units	375.7	1.0	13.6	2.3
Electronics	614.3	1.7	4.4	2.6
Paper, Paper Mills	110.1	0.3	29.2	6.2
Others	1,032.4	2.8	11.1	2.8
<b>Non-Manufacturing</b>	<b>14,855.9</b>	39.9	7.9	0.3
Wholesale & Retail	3,296.0	8.9	6.3	0.3
Public	40.0	0.1	0.0	-0.2
Construction & Engineering	875.1	2.4	14.6	-5.7
Real Estate	4,758.9	12.8	5.5	-0.3
Insurance & Financing	415.9	1.1	51.5	-14.2
Transportation	655.8	1.8	1.3	3.8
Hotel & Food	1,308.4	3.5	9.5	4.1
Others	3,505.8	9.4	8.1	2.6
<b>Households</b>	<b>12,254.0</b>	32.9	1.0	0.7
<b>KRW Loans</b>	<b>37,206.9</b>	100.0	4.3	0.7

\*Sectors are based on FSS Business Report

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

## 2. Cyclical Sector

	2022.3Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %)						
<b>Exposure</b>	<b>3,569.8</b>	<b>2,838.2</b>	<b>2,562.5</b>	<b>1,284.5</b>	<b>374.0</b>	<b>842.8</b>
<b>(% of Total Credits)</b>	<b>3.8</b>	<b>3.0</b>	<b>2.7</b>	<b>1.4</b>	<b>0.4</b>	<b>0.9</b>
<b>Collateral &amp; Provision</b>	<b>2,804.3</b>	<b>2,030.1</b>	<b>1,824.1</b>	<b>1,040.7</b>	<b>171.7</b>	<b>512.4</b>
<b>Collateral &amp; Provision Coverage</b>	<b>78.6</b>	<b>71.5</b>	<b>71.2</b>	<b>81.0</b>	<b>45.9</b>	<b>60.8</b>
<b>No# of Creditors</b>	<b>2,730</b>	<b>1,837</b>	<b>5,476</b>	<b>1,256</b>	<b>207</b>	<b>673</b>

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

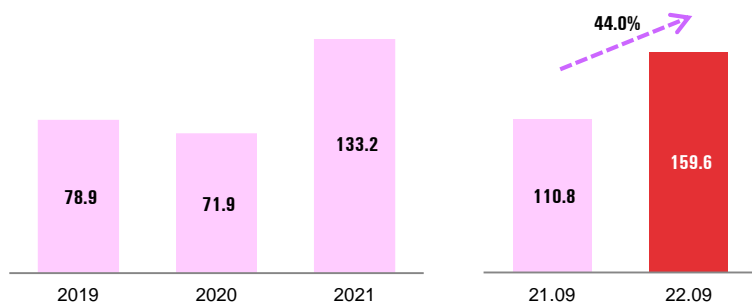
Note 2) Sectors are based on FSS Business Report

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

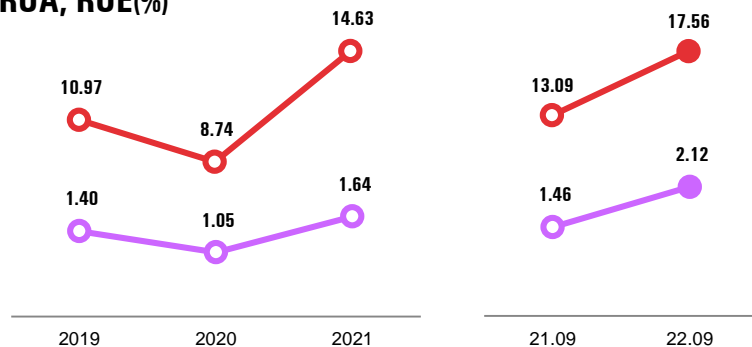


### 3. BNK Capital

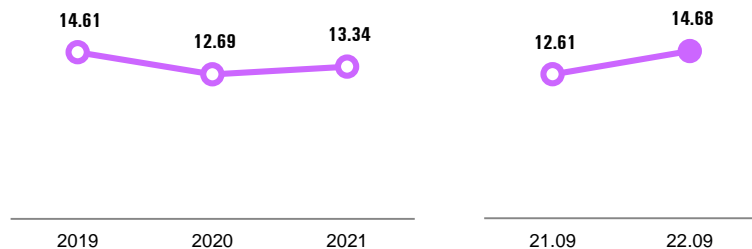
#### Net Income(% , KRW bn)



#### ROA, ROE(%)



#### Adjusted Capital Ratio(%)

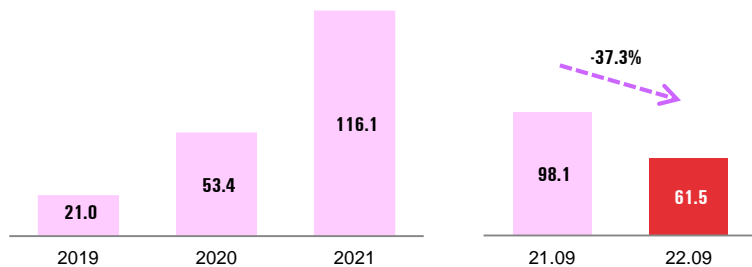


(KRW bn, %, Balance)	22.09	21.09	YoY	22.2Q	QoQ
Net Interest Income	265.3	237.1	11.9	90.9	-2.5
Fee Income	49.7	41.3	20.3	22.6	-73.0
Others	49.3	51.4	-4.1	23.8	-33.2
SG&A(-)	69.5	63.6	9.3	22.4	10.3
Provision Expense(-)	78.1	123.3	-36.7	30.8	-7.1
Non-Operating Income	0.2	4.6	-95.7	-1.8	Net Gain
<b>Earnings Before Income Tax</b>	<b>216.9</b>	147.5	47.1	82.3	-28.7
Income Tax Expenses(-)	57.3	36.7	56.1	21.1	-15.6
<b>Net Income</b>	<b>159.6</b>	110.8	44.0	61.2	-33.2

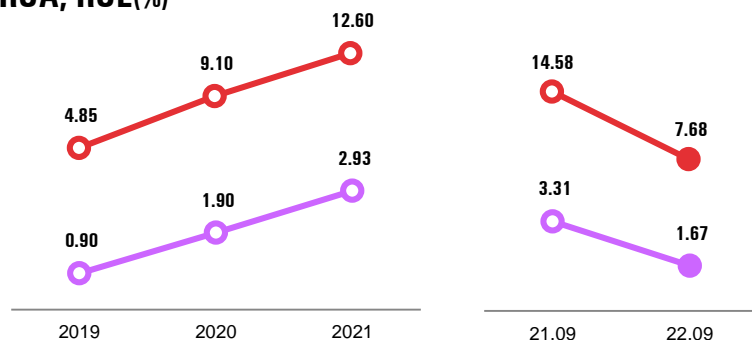
(KRW bn, %, Balance)	22.3Q	21.4Q	YTD	22.2Q	QoQ
<b>Assets</b>	<b>9,060.5</b>	8,444.5	7.3	9,489.6	-4.5
Cash and Dues	78.8	316.5	-75.1	146.6	-46.2
Securities	312.2	287.4	8.6	329.0	-5.1
Loans	5,958.7	5,336.7	11.7	6,219.8	-4.2
Venture Capital Business	18.3	5.8	215.5	13.7	33.6
Durables Installment Financing Assets	418.0	348.8	19.8	429.2	-2.6
Leased Assets	1,979.4	1,894.3	4.5	2,070.6	-4.4
Fixed Assets	17.4	14.5	20.0	14.0	24.3
Other Assets	277.7	240.5	15.5	266.7	4.1
<b>Liability &amp; Shareholder's Equity</b>	<b>9,060.5</b>	8,444.5	7.3	9,489.6	-4.5
Borrowings	7,340.8	6,993.7	5.0	7,793.2	-5.8
Other Liabilities	522.8	469.8	11.3	546.3	-4.3
Shareholder's Equity	1,196.9	981.0	22.0	1,150.1	4.1

## 4. BNK Securities

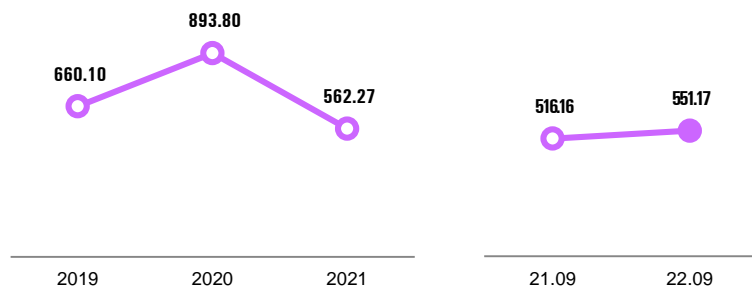
### Net Income(% , KRW bn)



### ROA, ROE(%)



### NCR(%)



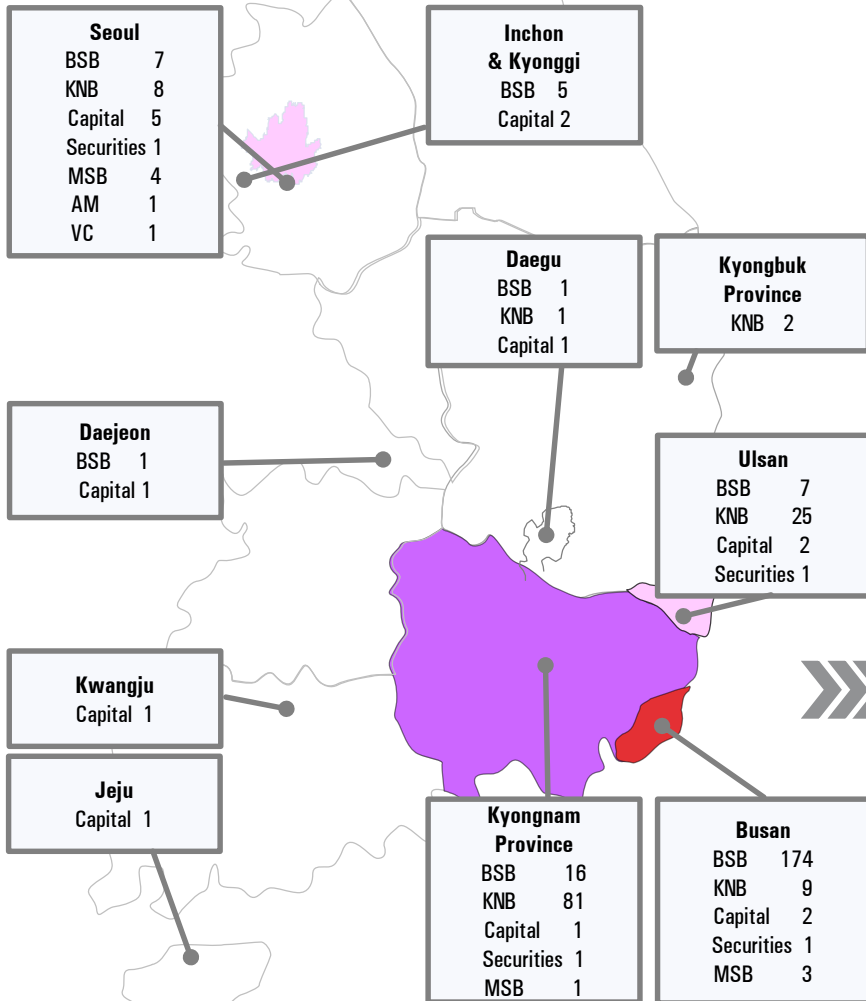
(KRW bn, %, Balance)	22.09	21.09	YoY	22.2Q	QoQ
Net Interest Income	43.9	36.0	21.9	19.8	-43.4
Fee Income	157.6	146.8	7.4	48.5	-11.8
Others	7.4	92.7	-92.0	-18.7	Net Gain
SG&A(-)	120.4	145.9	-17.5	31.9	14.1
Provision Expense(-)	4.6	13.5	-65.9	-0.5	-580.0
Non-Operating Income	0.3	14.3	-97.9	0.6	0.0
Earnings Before Income Tax	84.2	130.4	-35.4	18.8	2.1
Income Tax Expenses(-)	22.7	32.3	-29.7	5.7	-7.0
<b>Net Income</b>	<b>61.5</b>	98.1	-37.3	13.1	6.1

(KRW bn, %, Balance)	22.09	21.09	YoY	22.2Q	QoQ
<b>Fee Income</b>	<b>157.6</b>	146.8	7.4	48.5	-11.8
Fee Revenue	187.7	169.1	11.0	57.1	-5.8
Underwriting	17.8	24.1	-26.1	6.9	-34.8
Advisory	133.3	103.0	29.4	37.4	-2.1
Brokerage	27.5	36.0	-23.6	10.1	-18.8
Others	9.1	6.0	51.7	2.7	66.7
Fee Expense	30.1	22.3	35.0	8.6	27.9

# 4. Group Networks & Major Industries

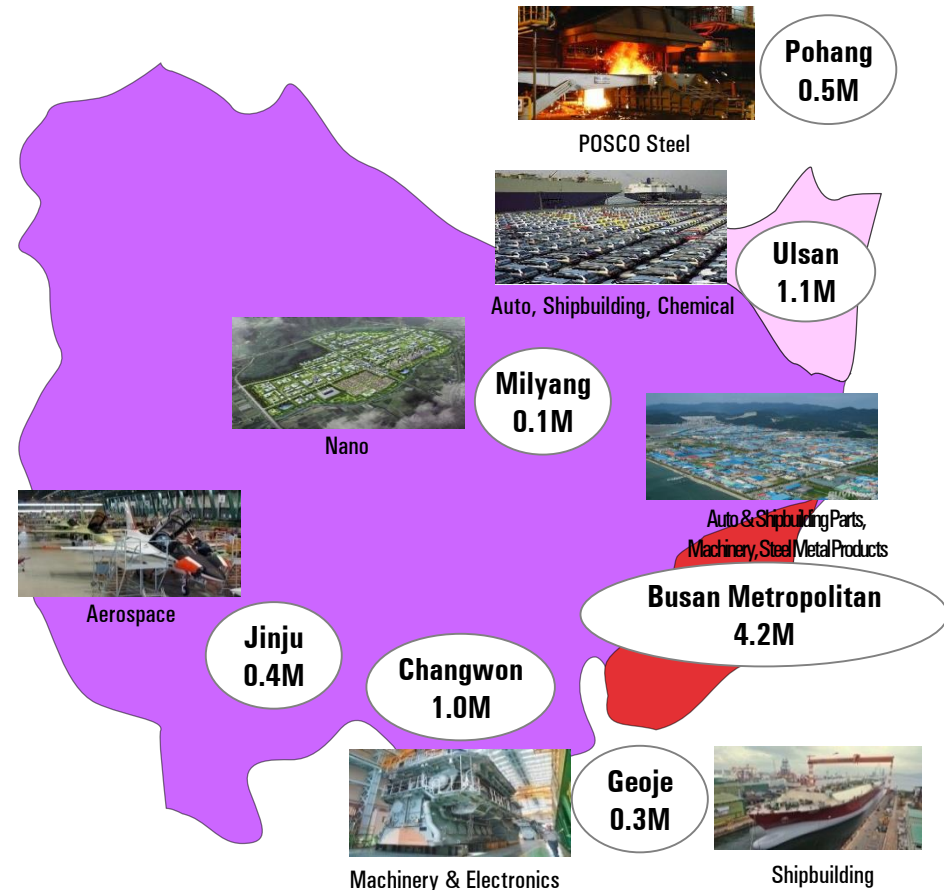
## Networks (as of September 2022) : 377 Locations

- BSB 217(Qingdao/Nanjing/Ho Chi Minh Branch, Yangon/Mumbai/Hanoi Office incl.), KNB 127(Tashkent Office), Capital 19(incl. Myanmar, Cambodia, Laos, Kazakhstan), Securities 4, MSB 8, AM 1, Venture Capital 1



## Population & Major Industries

- Southeastern Conurbation (7.8 Mn, 15.1% of Total Population), 14.0% of GRDP(2020)
- Exports : 130.4 USD bn(2021)
- Imports : 77.7 USD bn(2021)



\* Southeastern region includes Busan, Ulsan, and Kyongnam