

# 2020 Financial Results

2021.02.09

BNK



**BNK** Financial Group

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### DISCLAIMER

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

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

# I . 2020 Group Highlights

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# 1. Highlights – Profitability

## Profitability – Group Net Income

(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
Net Interest Income	2,184.5	2,186.8	-0.1	564.6	545.8	3.4
Net Fee Income	363.7	246.4	47.6	80.9	86.2	-6.1
Others	90.3	79.0	14.3	35.4	18.9	87.3
SG&A(-)	1,436.7	1,273.3	12.8	435.4	318.0	36.9
Provision Expense(-)	453.6	432.0	5.0	130.0	141.5	-8.1
Net Income	562.5	598.9	-6.1	82.7	147.3	-43.9
Net Income in Controlling Interest	519.3	562.2	-7.6	71.9	136.5	-47.3

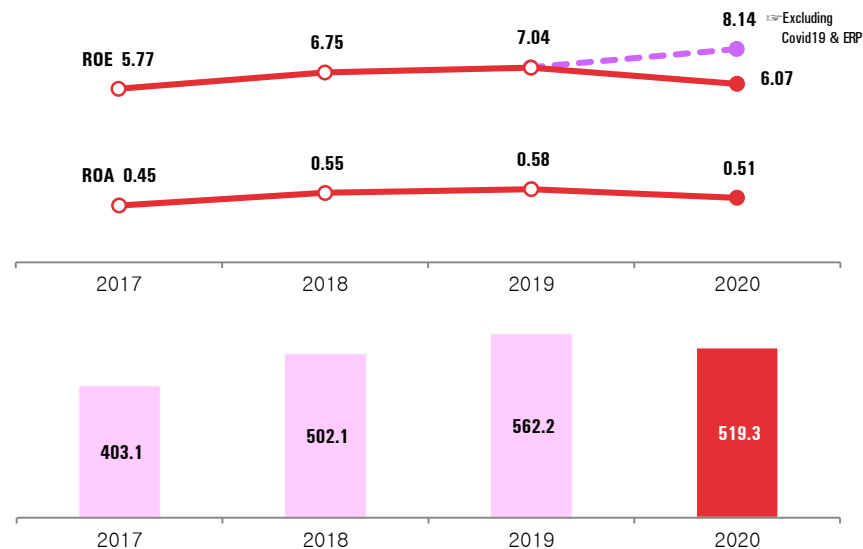
## Profitability – Group Subsidiaries Net Income, Group ROA, ROE, Group Net Income Trend

(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
<b>Banks(A)</b>	<b>473.1</b>	556.5	-15.0	67.3	123.1	-45.3
BSB	308.5	374.8	-17.7	50.8	79.6	-36.2
KNB	164.6	181.7	-9.4	16.5	43.5	-62.1
<b>Non-Banks(B)</b>	<b>152.4</b>	125.0	21.9	32.8	41.6	-21.2
Capital	71.9	78.9	-8.9	8.1	19.0	-57.4
Securities	53.4	21.0	154.3	17.3	13.6	27.2
MSB	16.6	20.0	-17.0	1.6	5.9	-72.9
AM	7.6	2.5	204.0	5.2	2.2	136.4

- **2020 Group NI 519.3 KRW bn, down by 7.6% YoY**  
- Excluding Covid19 provisions, Bank's ERPs, earnings were sound
- **Group Fee Income 363.7 KRW bn, up by 47.6% YoY**  
- PF 205.4 KRW bn(YoY +97.9%), Stocks & Derivative 42.4 KRW bn YoY(+129.2%)
- **Group Other Income 90.3 KRW bn, up by 14.3 YoY**  
- Growth in securities gains led improvement
- **Group SG&A 1,436.7 KRW bn, up by 12.8% YoY**  
- Excluding Banks' ERP 91.4 KRW bn(BSB 60.3, KNB 31.1), SG&A growth at 5.7%
- **Group Provision Expense 453.6 KRW bn, up by 5.0% YoY**  
- FY Covid19 146.5 KRW bn(BSB 87.0 KRW bn, KNB 52.6 KRW bn, Non-banks 6.9 KRW bn)

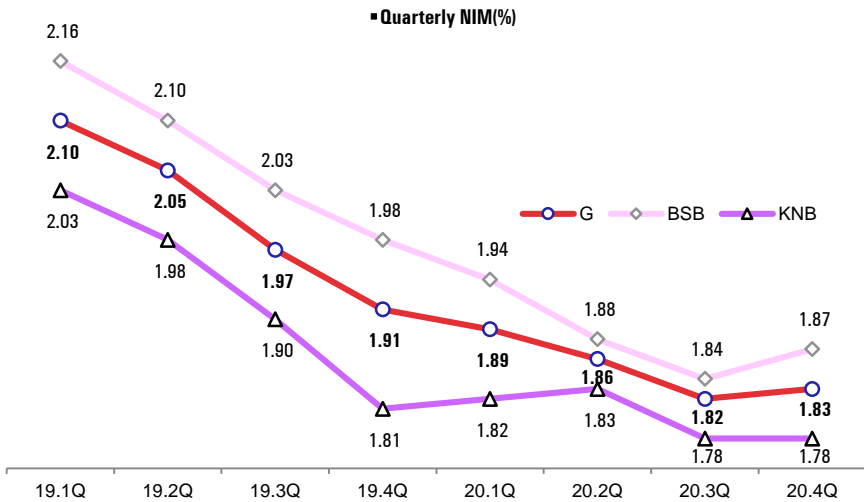
### [2020 4Q One-offs]

- Banks' ERP 73.2 KRW bn : BSB 42.1 KRW bn, KNB 31.1 KRW bn
- Covid19 49.5 KRW bn : BSB 27.0 KRW bn, KNB 15.6 KRW bn, Non-Banks 6.9 KRW bn
- Gains on NPL Sales 20.2 KRW bn : BSB 19.1 KRW bn, KNB 1.1 KRW bn



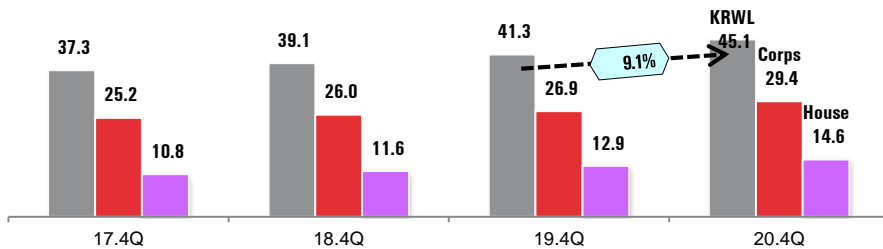
## 2. Highlights – Profitability, Growth

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

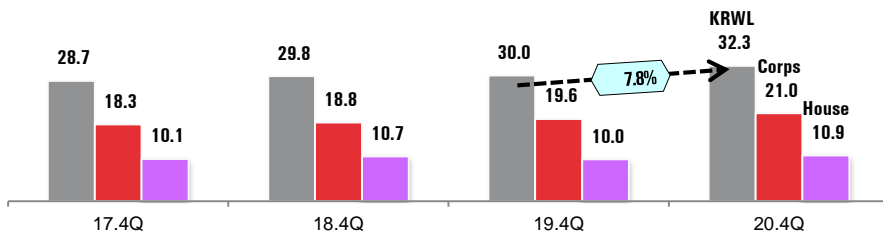
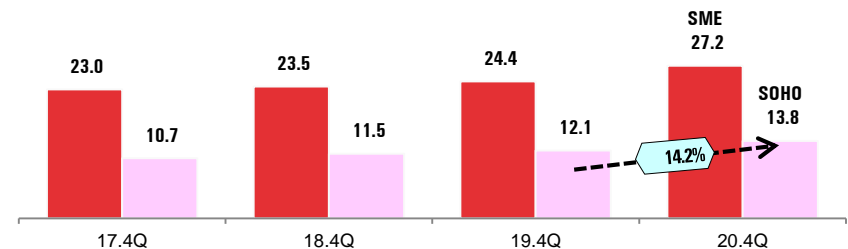


- 20.4Q Group NIM 1.83%, up by 1bps QoQ**
  - BSB 1.87%(QoQ +3bps), KNB 1.78%(QoQ -0bps)
  - Core deposit growth/increase in financial debenture rates leading NIS improvements, quarterly decrease in deferred loan originated cost write-offs led QoQ NIM improvements
  - Efforts to stabilize/improve NIM(adequate loan pricing, lowering of funding costs) will continue
- SME focused Corporate Loan growth, strong regional housing market-driven Household Loan growth continuing**
  - BSB KRW Loan Growth +9.1% YoY (Corporate +9.3%, Household +12.6% YoY)
  - KNB KRW Loan Growth +7.8% YoY (Corporate +7.1%, Household +8.9% YoY)

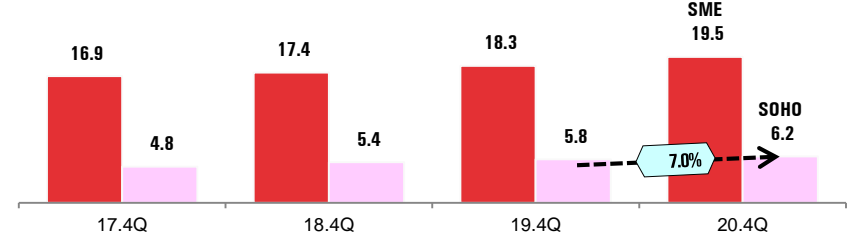
### Banks KRW Loans & Breakdown (KRW tn)



### BSB

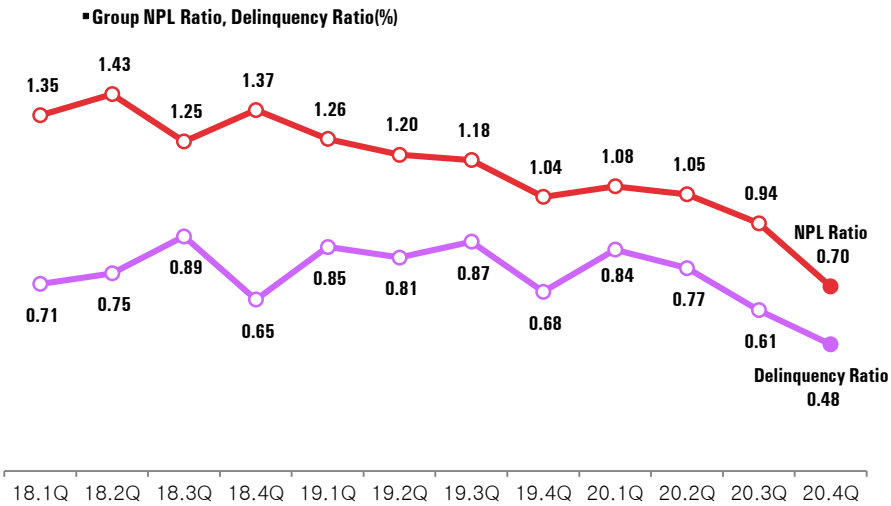


### KNB

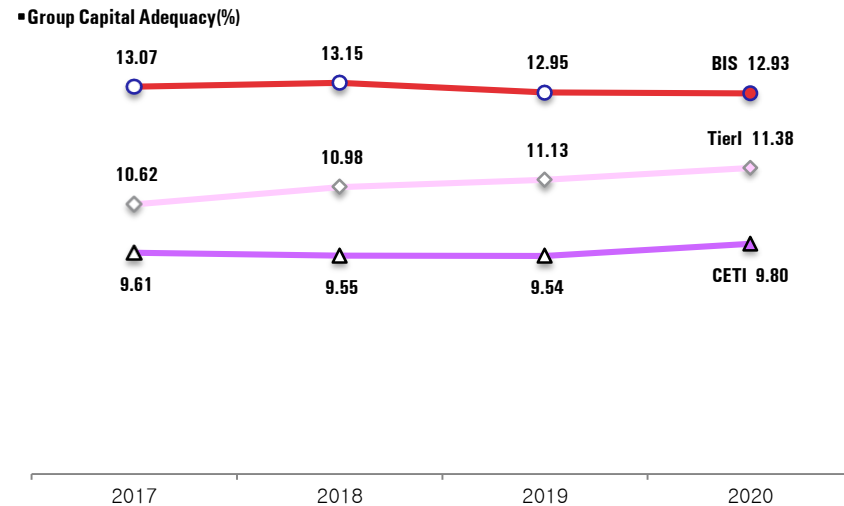
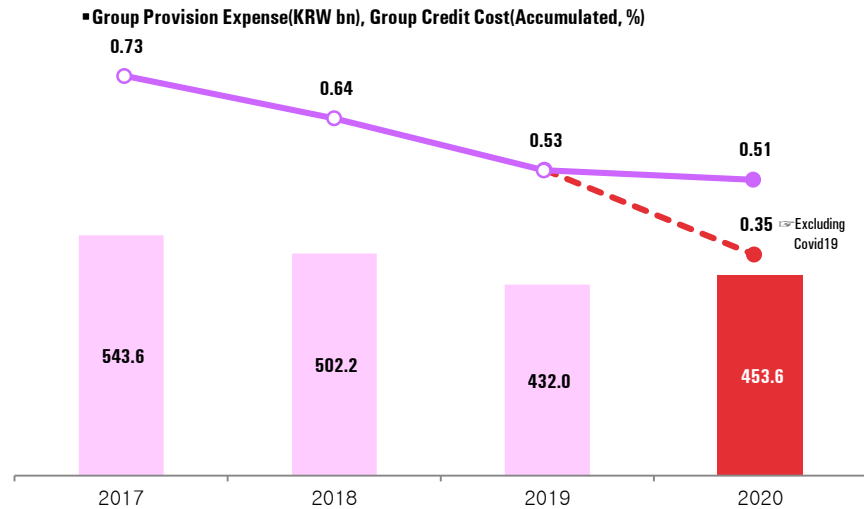


### 3. Highlights – Asset Quality, Capital Adequacy

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



- Group NPL Ratio 0.70%, down by 34bps(YoY), 24bps(QoQ) each**
  - Lowest AQ Ratios(NPL/Del) after Group Establishment due to slower NPL formations, NPL sales/write-offs
  - BSB NPL Ratio 0.67% (YoY -20bps, QoQ -13bps)
  - KNB NPL Ratio 0.74% (YoY -22bps, QoQ -18bps)
  - Group NPL Coverage Ratio 123.58%(YoY +24.46%p)
- Group Delinquency Ratio 0.48%, down by 20bps(YoY), 13bps(QoQ) each**
  - BSB Delinquency Ratio 0.43%(YoY -0bps, QoQ -7bps)
  - KNB Delinquency Ratio 0.50%(YoY -19bps, QoQ -10bps)
- Group Credit Cost 51bps, down by -2bps YoY**
  - Credit Cost 35bps, excluding Covid19 146.5 KRW bn
- Group CET1 9.80%, up by +26bps YoY**



# 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

## 2020 Corporate Sustainability Management(ESG)

- 2020.07 ○ Climate Change related BSBs acquirement of ISO14001 certification
- 2020.07 ○ Become a member of the UN Global Compact
- 2020.09 ○ Establish Subsidiaries Long Term ESG Action Plan
- 2020.10 ○ Korea Corporate Governance Service(KCGS) ESG Evaluation  
- Awarded 2 consecutive years for Excellence in Governance
- 2020.11 ○ First Sustainability Bond issuance(BSB 100.0 KRW bn) for  
Regional Financial Holding Companies

## 2020 ESG Highlights

- 2020 Innovation Finance Balance 7,451.9 KRW bn
  - Loans 7,087.4 KRW bn (Technology Finance/Support Innovation Finance etc.)
  - Investments 364.5 KRW bn (Creating Jobs etc.)
- 2020 Eco-friendly Balance 798.7 KRW bn
  - Loans 135.2 KRW bn(Soft Loans for Energy Saving Facilities etc.)
  - Deposits & Card 731.8 KRW bn(Eco-friendly Green Card etc.)

# 5. Group Structure

## BNKFG

Establishment : 2011.03.15

Total Assets : 136,575.5

Net Income : 519.3

Employees : 8,111

(%, KRW bn, Accumulated)

### BSB

Est : 1967.10.10  
Branches : 238  
Employees : 3,763

Share's  
Owned

100%

Tot. Assets

75,247.6

Net Income

308.5

### KNB

Est : 1970.05.22  
Add : 2014.10.10  
Branches : 146  
Employees : 2,852

Share's  
Owned

100%

Tot. Assets

49,708.8

Net Income

164.6

### Capital

Est : 2010.07.15  
Branches : 17  
Employees : 554

Share's  
Owned

100%

Tot. Assets

6,763.4

Net Income

71.9

### Securities

Est : 1997.06.02  
Sec. Add : 2009.11  
Branches : 4  
Employees : 305

Share's  
Owned

100%

Tot. Assets

2,886.3

Net Income

53.4

### MSB

Est : 2011.12.13  
Branches : 7  
Employees : 131

Share's  
Owned

100%

Tot. Assets

1,349.5

Net Income

16.6

### AM

Est : 2008.07.15  
Add : 2015.07.28  
Employees : 63

Share's  
Owned

100%

Tot. AUM

7,022.5

Net Income

7.6

### Credit Info.

Est : 2003.06.17  
Indus. : Collection  
Employees : 96

Share's  
Owned

100%

Tot. Assets

19.5

Net Income

1.1

### System

Est : 2011.05.20  
Indus. : IT  
Employees : 214

Share's  
Owned

100%

Tot. Assets

25.4

Net Income

1.4

### Venture Capital

Est : 2009.03.24  
Add : 2019.11.05  
Employees : 14

Share's  
Owned

100%

Tot. Assets

29.3

Net Income

0.4

### Affiliates

#### Cambodia

Est : 14.03.07  
Employees : 244  
Share's Owned : 100%  
Assets : 46.8 KRW bn  
2015.06 Start

#### Myanmar

Est : 14.03.21  
Employees : 658  
Share's Owned : 99.9%  
Assets : 75.9 KRW bn  
2014.12 Start

#### Lao PDR

Est : 15.04.24  
Employees : 34  
Share's Owned : 97%  
Assets : 28.6 KRW bn  
2015.07 Start

#### Kazakhstan

Est : 18.06.01  
Employees : 33  
Share's Owned : 100%  
Assets : 10.7 KRW bn  
2018.11 Start



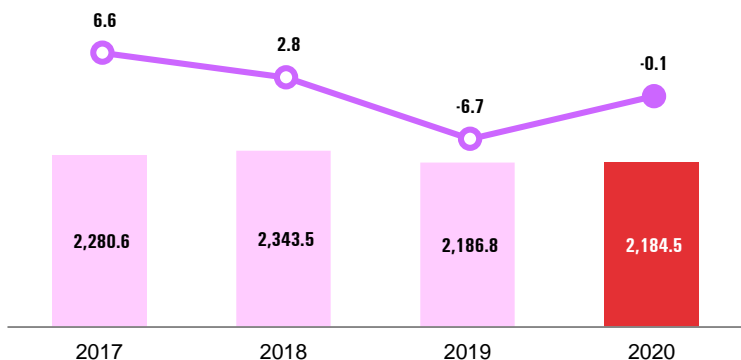
# II. Profitability

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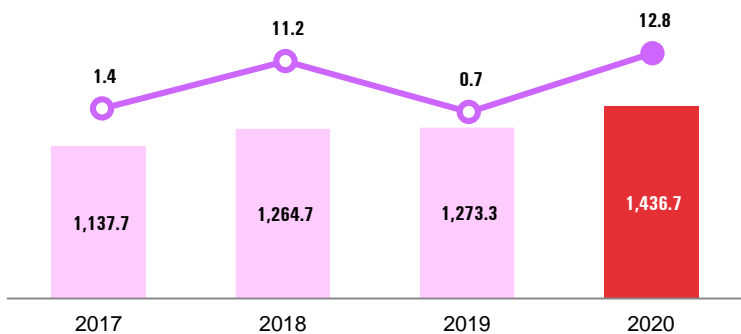
<b>1. Group Earning Results</b>	<b>9</b>
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# 1. Group Earning Results

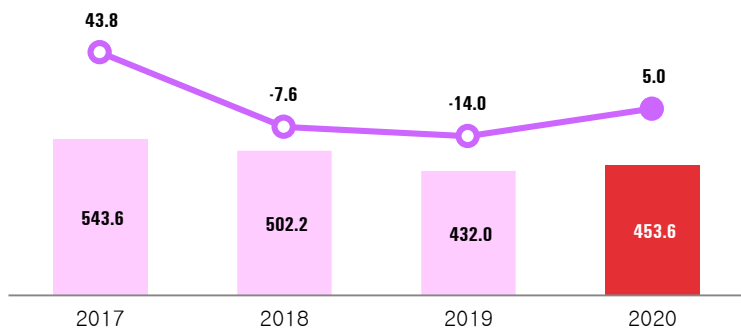
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



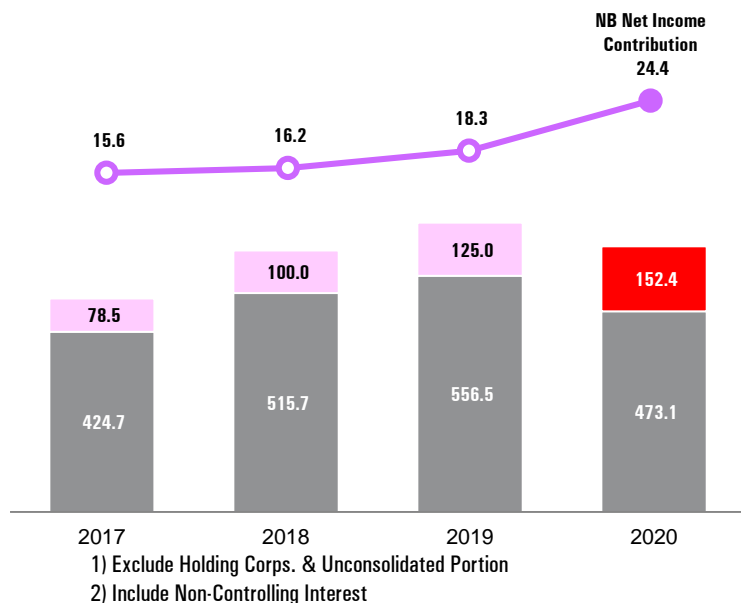
Provisioning(% , KRW bn)



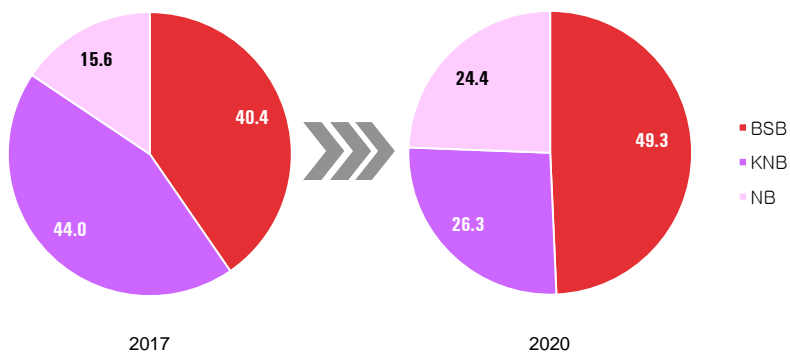
(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
Net Interest Income	2,184.5	2,186.8	-0.1	564.6	545.8	3.4
Net Fee Income	363.7	246.4	47.6	80.9	86.2	-6.1
Others	90.3	79.0	14.3	35.4	18.9	87.3
SG&A(-)	1,436.7	1,273.3	12.8	435.4	318.0	36.9
Provision Expense(-)	453.6	432.0	5.0	130.0	141.5	-8.1
Non-Operating Income	-13.8	-13.5	-	-10.4	-0.5	-
Earnings Before Income Tax	734.4	793.4	-7.4	105.1	190.9	-44.9
Income Tax Expense(-)	171.9	194.5	-11.6	22.4	43.6	-48.6
Net Income(A)	562.5	598.9	-6.1	82.7	147.3	-43.9
Net Income in Non-Controlling Interest(B)	43.2	36.7	17.7	10.8	10.8	0.0
Net Income in Controlling Interest(C) (C) = (A) - (B)	519.3	562.2	-7.6	71.9	136.5	-47.3

## 2. Subsidiaries Earning Results

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



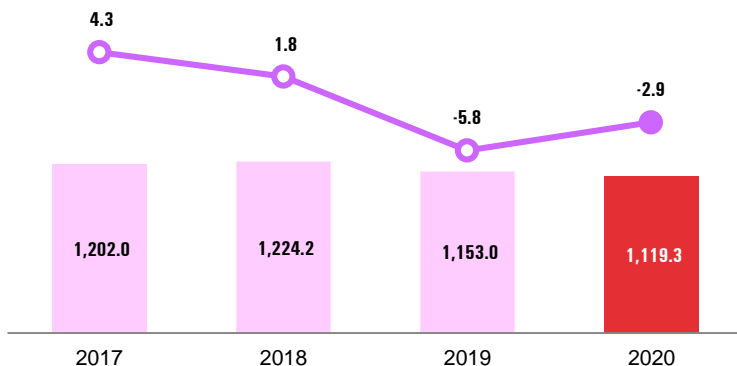
### Banks & Non-Bank Net Income Portion(%)



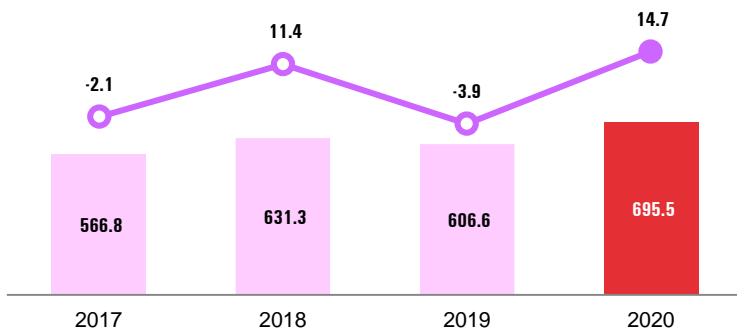
(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
<b>Bank(A)</b>	<b>473.1</b>	556.5	-15.0	67.3	123.1	-45.3
BSB	<b>308.5</b>	374.8	-17.7	50.8	79.6	-36.2
KNB	<b>164.6</b>	181.7	-9.4	16.5	43.5	-62.1
<b>Non-Bank(B)</b>	<b>152.4</b>	125.0	21.9	32.8	41.6	-21.2
Capital	<b>71.9</b>	78.9	-8.9	8.1	19.0	-57.4
Securities	<b>53.4</b>	21.0	154.3	17.3	13.6	27.2
MSB	<b>16.6</b>	20.0	-17.0	1.6	5.9	-72.9
AM	<b>7.6</b>	2.5	204.0	5.2	2.2	136.4
Credit Info	<b>1.1</b>	1.0	10.0	0.3	0.3	0.0
System	<b>1.4</b>	1.1	27.3	0.0	0.6	-
Venture Capital	<b>0.4</b>	0.5	-20.0	0.3	0.0	-
<b>Financial Group &amp; Unconsolidated Portion(C)</b>	<b>-63.0</b>	-82.6	-	-17.4	-17.4	-
<b>Net Income in Non-Controlling Interest(D)</b>	<b>43.2</b>	36.7	17.7	10.8	10.8	0.0
<b>Net Income in Controlling Interest(E) (E= A+B+C-D)</b>	<b>519.3</b>	562.2	-7.6	71.9	136.5	-47.3

### 3. Banks Earning Results - BSB

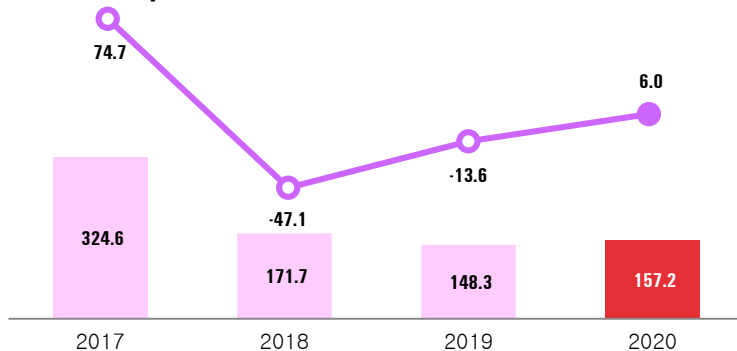
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



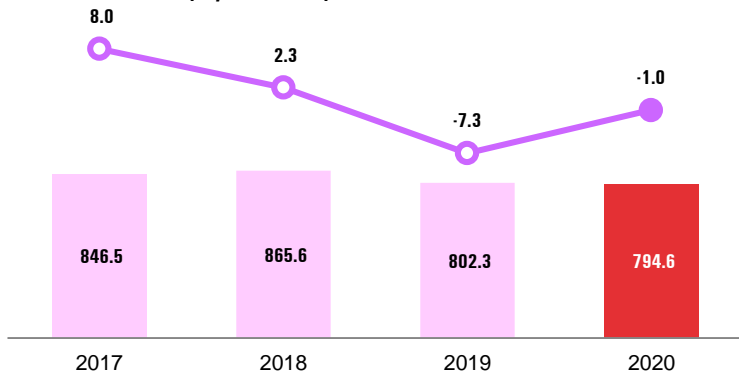
Provision Expense(% , KRW bn)



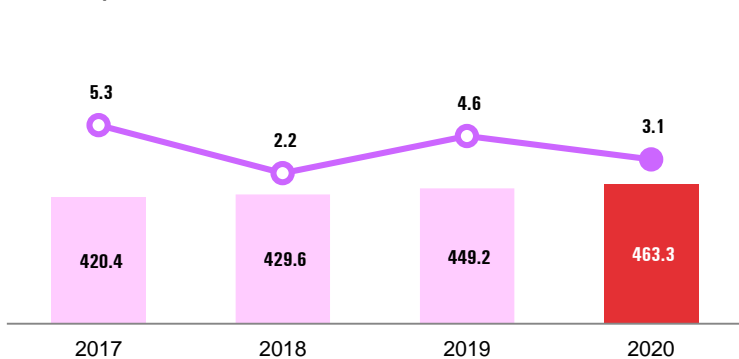
(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
Net Interest Income	1,119.3	1,153.0	-2.9	288.5	274.4	5.1
Net Fee Income	140.9	92.0	53.2	32.4	25.6	26.6
Fees from Trust Account	17.0	20.1	-15.4	4.1	4.3	-4.7
Others	-6.7	-8.8	-	-2.9	-2.9	-
SG&A(-)	695.5	606.6	14.7	211.0	148.3	42.3
Provision Expense(-)	157.2	148.3	6.0	37.4	48.2	-22.4
Net Operating Income	417.8	501.4	-16.7	73.7	104.9	-29.7
Non-Operating Income	-21.0	-13.0	-	-12.5	-2.2	-
Earnings Before Income Taxes	396.8	488.4	-18.8	61.2	102.7	-40.4
Income Tax Expenses(-)	88.3	113.6	-22.3	10.4	23.1	-55.0
Net Income	308.5	374.8	-17.7	50.8	79.6	-36.2

### 3. Banks Earning Results - KNB

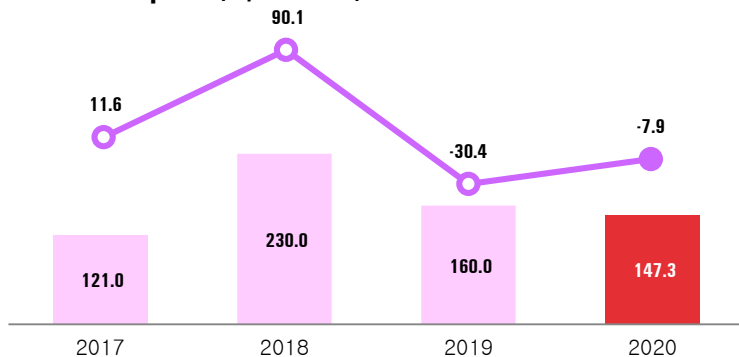
Interest Income(% , KRW bn)



SG&A(% , KRW bn)



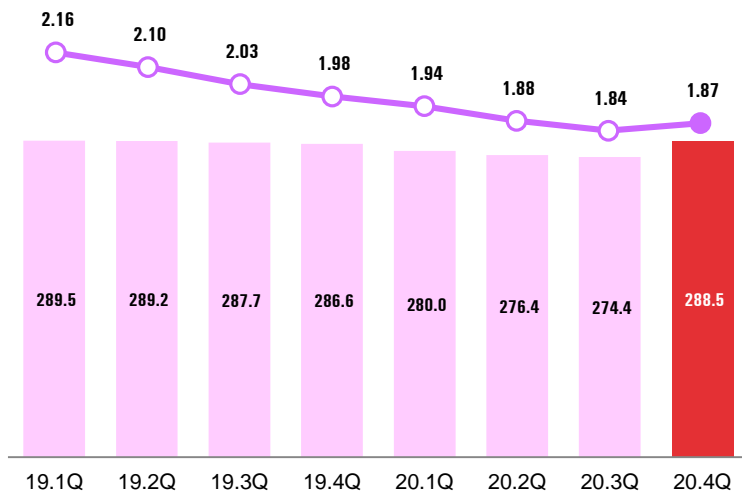
Provision Expense(% , KRW bn)



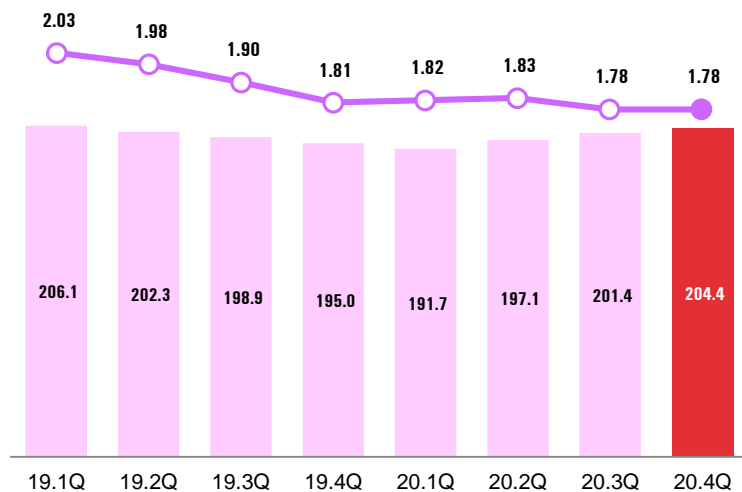
(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
Net Interest Income	794.6	802.3	-1.0	204.4	201.4	1.5
Net Fee Income	72.6	57.4	26.5	12.6	18.9	-33.3
Fees from Trust Account	8.0	8.7	-8.0	1.8	1.9	-5.3
Others	-46.8	-27.9	-	-14.6	-11.4	-
SG&A(-)	463.3	449.2	3.1	134.9	103.5	30.3
Provision Expense(-)	147.3	160.0	-7.9	37.0	54.2	-31.7
Net Operating Income	217.8	231.3	-5.8	32.3	53.1	-39.2
Non-Operating Income	-9.8	2.6	Net Loss	-13.1	1.3	Net Loss
Earnings Before Income Taxes	208.0	233.9	-11.1	19.2	54.4	-64.7
Income Tax Expenses(-)	43.4	52.2	-16.9	2.7	10.9	-75.2
Net Income	164.6	181.7	-9.4	16.5	43.5	-62.1

## 4. Banks NIM

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



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



### BSB

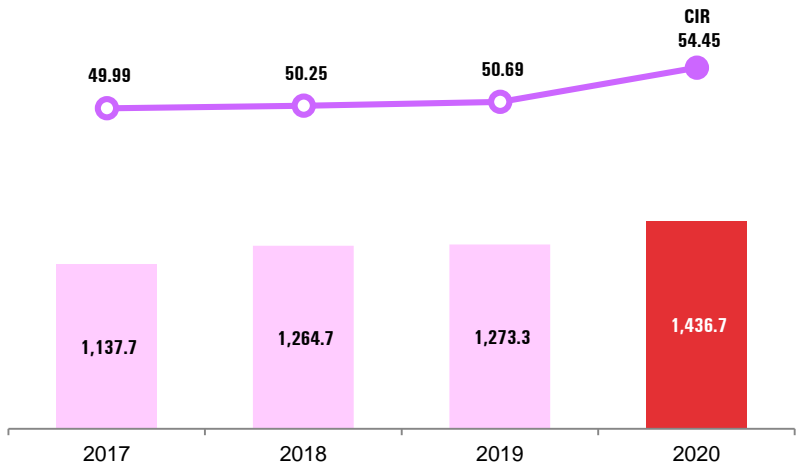
(%, KRW tn)	20.4Q	20.3Q	20.2Q	20.1Q	19.4Q
Quarterly NIM	1.87	1.84	1.88	1.94	1.98
Quarterly NIS	2.10	2.08	2.14	2.20	2.23
Interest Rate on KRW Loans	2.96	3.03	3.25	3.47	3.60
Interest Rate paid on KRW Deposits	0.86	0.95	1.11	1.27	1.37
Average Interest Earning Assets	54.1	52.3	51.9	51.1	50.9
Accumulated NIM	1.88	1.89	1.91	1.94	2.06

### KNB

(%, KRW tn)	20.4Q	20.3Q	20.2Q	20.1Q	19.4Q
Quarterly NIM	1.78	1.78	1.83	1.82	1.81
Quarterly NIS	2.01	2.03	2.08	2.06	2.02
Interest Rate on KRW Loans	2.99	3.10	3.34	3.51	3.57
Interest Rate paid on KRW Deposits	0.98	1.07	1.26	1.45	1.55
Average Interest Earning Assets	39.3	38.6	37.5	36.5	36.8
Accumulated NIM	1.80	1.81	1.83	1.82	1.93

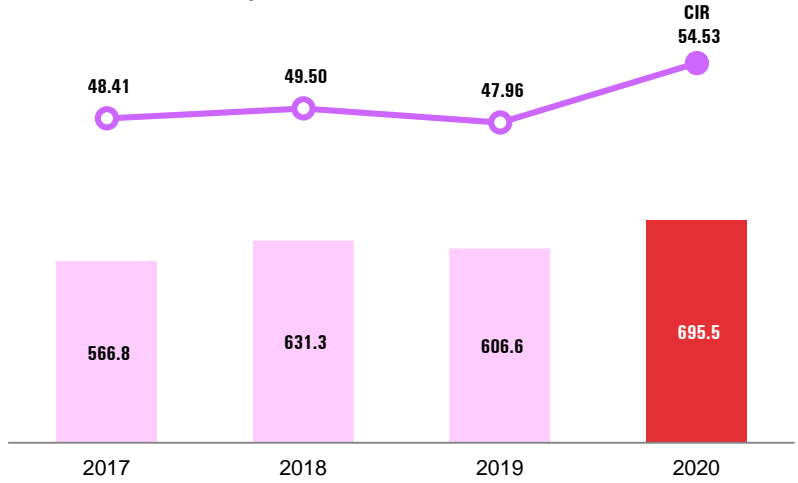
# 5. SG&A

□ Group SG&A & CIR (% , KRW bn)

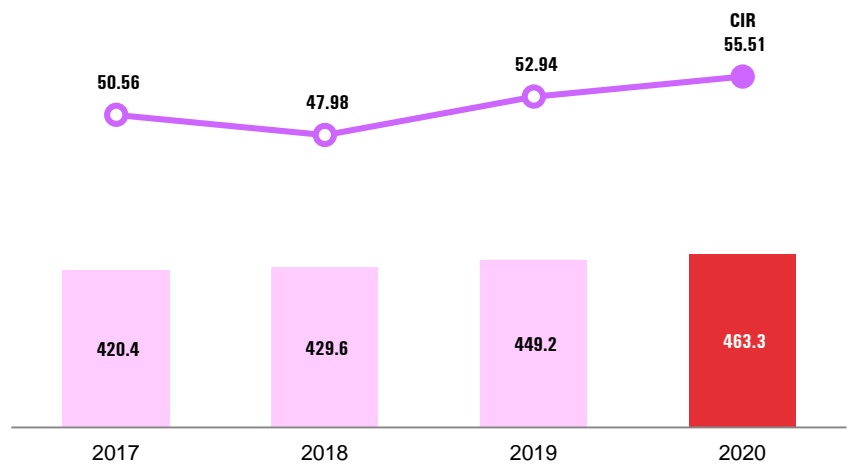


(KRW bn, %)	2020	2019	YoY	20.4Q	20.3Q	QoQ
SG&A	1,436.7	1,273.3	12.8	435.4	318.0	36.9
CIR	54.45	50.69	3.76			

□ BSB SG&A & CIR (% , KRW bn)



□ KNB SG&A & CIR (% , KRW bn)



# III. Growth

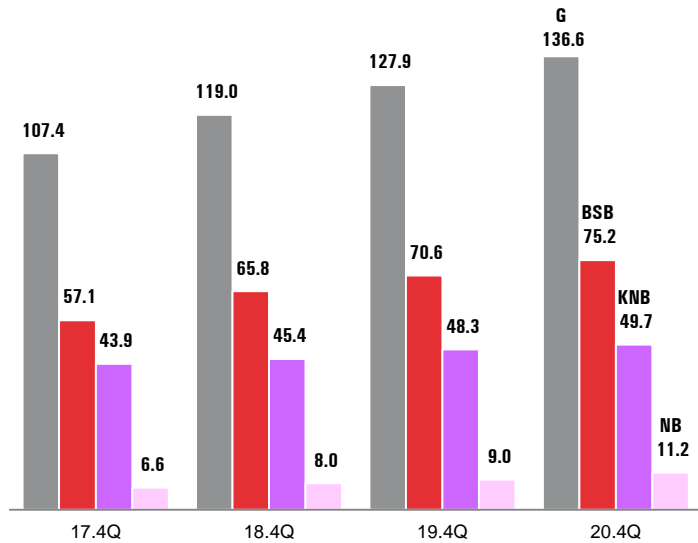
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<b>1. Group Assets</b>	<b>16</b>
<b>2. Banks Loans / Deposits</b>	<b>17</b>

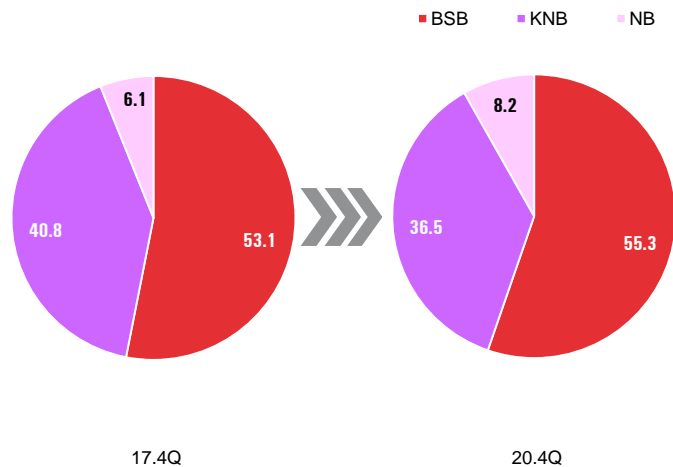


# 1. Group Assets

## ☐ Total Assets(KRW tn)



## ☐ Banks & Non-Banks Portion(%)

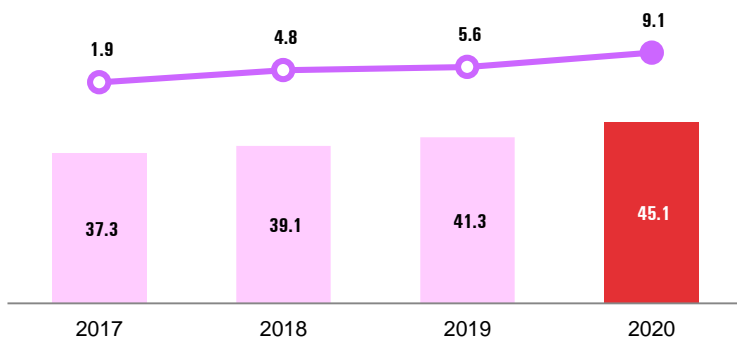


## ☐ Group Total Assets

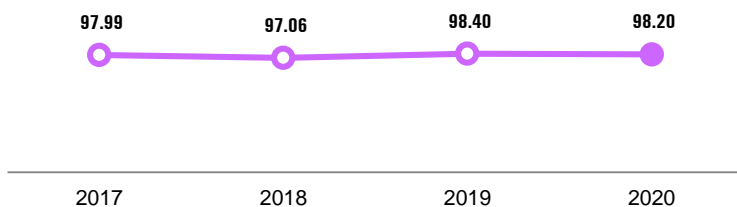
(KRW bn, %)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Bank</b>	<b>124,956.4</b>	118,918.8	5.1	123,692.5	1.0
BSB	<b>75,247.6</b>	70,591.4	6.6	73,324.5	2.6
KNB	<b>49,708.8</b>	48,327.4	2.9	50,368.0	-1.3
<b>Non-Bank</b>	<b>11,192.5</b>	9,005.1	24.3	10,440.0	7.2
Capital	<b>6,763.4</b>	5,425.3	24.7	6,305.5	7.3
Securities	<b>2,886.3</b>	2,372.1	21.7	2,739.9	5.3
MSB	<b>1,349.5</b>	1,084.7	24.4	1,231.0	9.6
Asset Mgt.	<b>119.1</b>	77.8	53.1	109.5	8.8
Credit Info	<b>19.5</b>	11.5	69.6	12.1	61.2
System	<b>25.4</b>	15.0	69.3	23.0	10.4
Venture Capital	<b>29.3</b>	18.7	56.7	19.0	54.2
<b>Financial Group &amp; Unconsolidated Portion</b>	<b>426.6</b>	-26.0	-	55.9	-
<b>Group Total Assets</b>	<b>136,575.5</b>	127,897.9	6.8	134,188.4	1.8

## 2. Banks Loans / Deposits - BSB

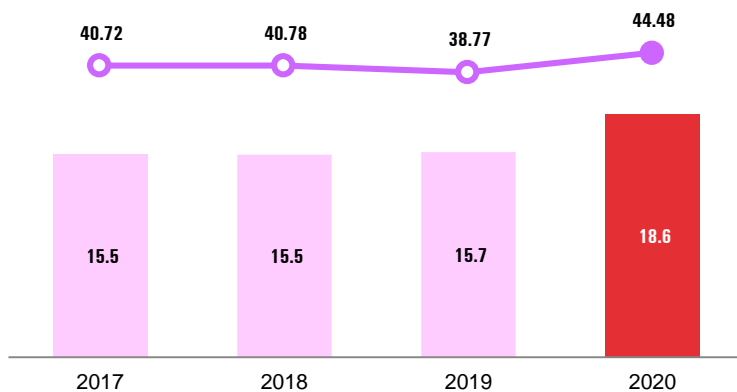
### □ KRW Loans(% , KRW tn)



### □ LDR(%)



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



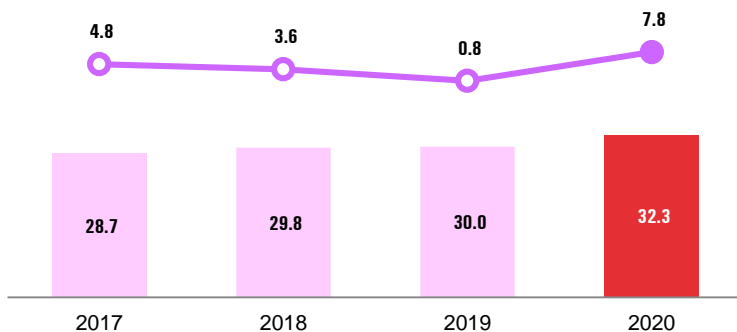
(KRW bn, %, Balance)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>KRW Loans<sup>1)</sup></b>	<b>45,052.1</b>	41,275.5	9.1	43,031.9	4.7
Corporate	29,355.0	26,855.2	9.3	28,600.2	2.6
SME	27,233.4	24,364.4	11.8	26,514.4	2.7
(SOHO) <sup>2)</sup>	13,796.6	12,083.5	14.2	13,468.9	2.4
Large Corps.	2,121.6	2,490.8	-14.8	2,085.8	1.7
Household	14,570.8	12,941.1	12.6	13,129.8	11.0
Mortgage	10,228.1	9,003.6	13.6	9,298.5	10.0
Public	1,126.3	1,479.2	-23.9	1,301.9	-13.5
<b>Foreign Currency Loans<sup>1)</sup></b>	<b>663.0</b>	731.5	-9.4	720.0	-7.9
<b>KRW Deposits<sup>1)</sup></b>	<b>44,631.2</b>	41,205.7	8.3	42,297.8	5.5
Low Cost Deposits	20,978.1	16,233.5	29.2	19,685.3	6.6
Core Deposits	17,478.7	13,077.1	33.7	16,574.6	5.5
MMDA	3,499.4	3,156.4	10.9	3,110.7	12.5

(KRW bn, %, %p, Average Balance)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Low-Cost Deposits(A)</b>	<b>18,611.0</b>	15,651.1	18.9	18,014.6	3.3
Core Deposits <sup>2)</sup>	15,374.0	12,238.2	25.6	14,729.3	4.4
MMDA	3,237.0	3,412.9	-5.2	3,285.3	-1.5
<b>KRW Deposits(B)</b>	<b>41,841.6</b>	40,365.7	3.7	41,290.8	1.3
<b>A / B</b>	<b>44.48</b>	38.77	5.71	43.63	0.85

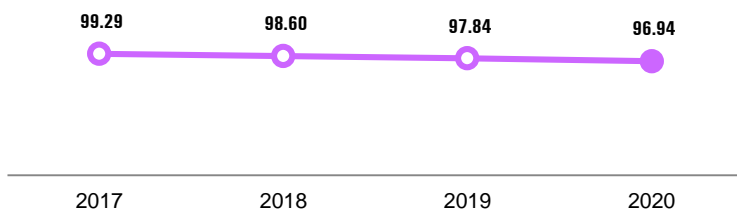
1) Unconsolidated FS, 2) SOHO(≤3 KRW bn), 3) Core Deposits : Demand + Savings(Ex. MMDA)

## 2. Banks Loans / Deposits - KNB

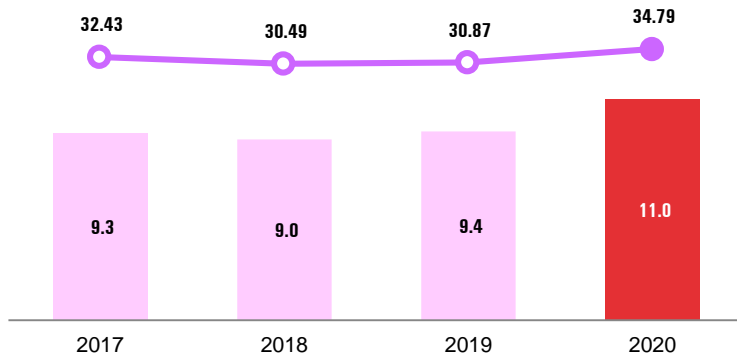
### □ KRW Loans(% , KRW tn)



### □ LDR(%)



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



(KRW bn, %, Balance)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>KRW Loans<sup>1)</sup></b>	<b>32,345.3</b>	30,011.7	7.8	32,221.5	0.4
Corporate	21,012.8	19,628.0	7.1	21,383.6	-1.7
SME	19,539.5	18,264.1	7.0	19,874.0	-1.7
(SOHO) <sup>2)</sup>	6,216.7	5,810.1	7.0	6,125.8	1.5
Large Corps.	1,473.3	1,363.9	8.0	1,509.6	-2.4
Household	10,888.8	9,995.4	8.9	10,382.0	4.9
Mortgage	8,584.6	8,243.1	4.1	8,342.0	2.9
Public	443.7	388.3	14.3	455.9	-2.7
<b>Foreign Currency Loans<sup>1)</sup></b>	<b>151.2</b>	112.6	34.3	168.6	-10.3
<b>KRW Deposits<sup>1)</sup></b>	<b>31,909.2</b>	30,522.5	4.5	32,516.5	-1.9
Low Cost Deposits	11,908.8	9,509.0	25.2	11,739.4	1.4
Core Deposits	10,009.0	8,214.7	21.8	9,992.2	0.2
MMDA	1,899.8	1,294.3	46.8	1,747.2	8.7

(KRW bn, %, %p, Average Balance)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Low-Cost Deposits(A)</b>	<b>11,046.1</b>	9,371.0	17.9	10,742.8	2.8
Core Deposits <sup>2)</sup>	9,360.8	7,913.7	18.3	9,109.2	2.8
MMDA	1,685.3	1,457.3	15.6	1,633.6	3.2
<b>KRW Deposits(B)</b>	<b>31,753.4</b>	30,354.7	4.6	31,488.9	0.8
<b>A / B</b>	<b>34.79</b>	30.87	3.92	34.12	0.67

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

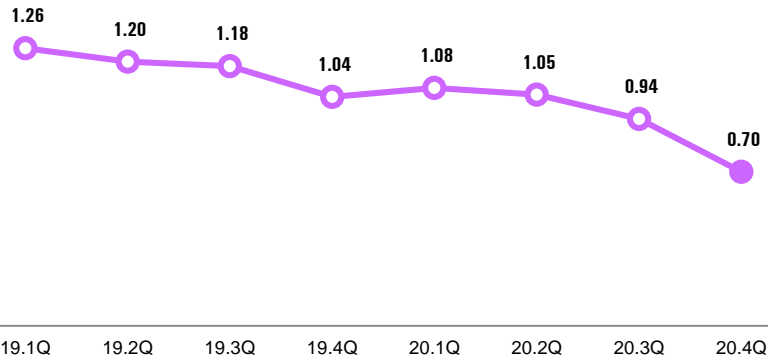
# IV. Asset Quality

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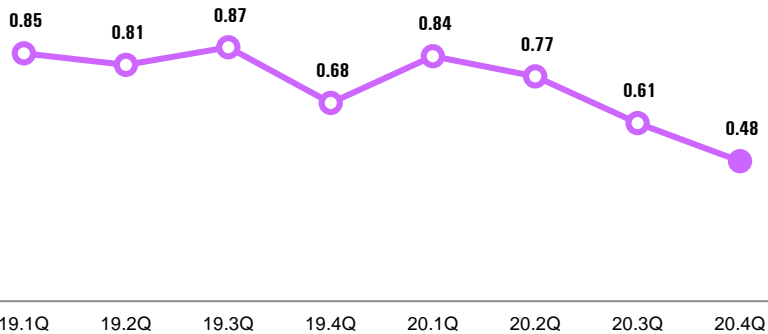
<b>1. Group Asset Quality</b>	<b>20</b>
<b>2. Banks Asset Quality</b>	<b>21</b>
<b>3. Group Provisioning</b>	<b>23</b>
<b>4. Banks Provisioning / Write-offs &amp; NPL Sales</b>	<b>24</b>

# 1. Group Asset Quality

## □ SBL(NPL) Ratio(%)



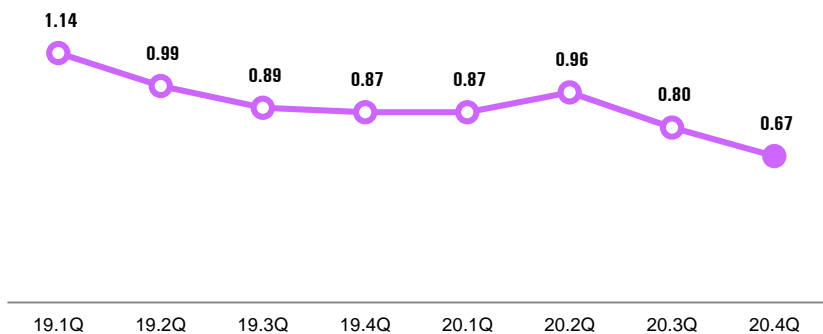
## □ Delinquency Ratio(%)



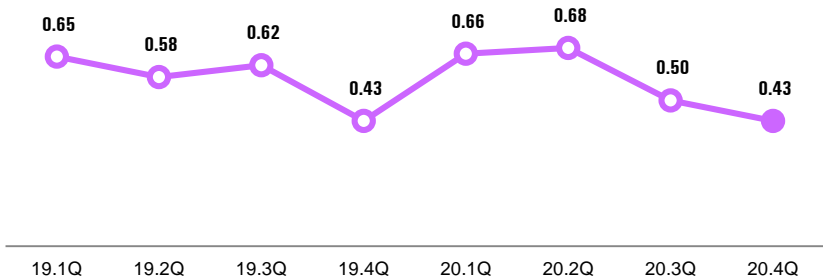
(KRW bn, %, %p)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Total Credits</b>	<b>88,377.7</b>	81,126.7	8.9	86,052.6	2.7
Normal	<b>86,727.9</b>	79,059.8	9.7	84,187.7	3.0
Precautionary	<b>1,028.7</b>	1,222.7	-15.9	1,058.7	-2.8
Substandard	<b>413.6</b>	486.2	-14.9	533.9	-22.5
Doubtful	<b>63.1</b>	140.2	-55.0	110.3	-42.8
Expected Loss	<b>144.4</b>	217.8	-33.7	162.0	-10.9
SBL(Substandard & Below Loans)	<b>621.1</b>	844.2	-26.4	806.2	-23.0
<b>SBL Ratio</b>	<b>0.70</b>	1.04	-0.34	0.94	-0.24
SBL Coverage Ratio (Ratio before Reserve deduction)	<b>123.58</b> <b>(198.92)</b>	99.12 (163.55)	24.46 (35.37)	98.36 (158.47)	25.22 (40.45)
<b>Delinquency Ratio</b>	<b>0.48</b>	0.68	-0.20	0.61	-0.13
Loan Amount	<b>87,531.9</b>	80,234.2	9.1	85,122.1	2.8
Delinquent Amount	<b>421.0</b>	543.9	-22.6	519.8	-19.0

## 2. Banks Asset Quality - BSB

### □ SBL(NPL) Ratio(%)



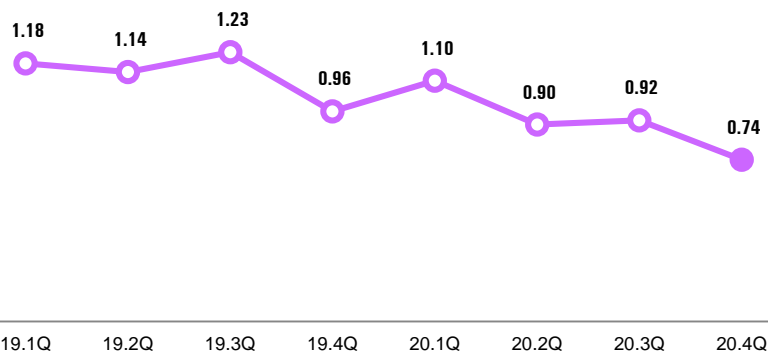
### □ Delinquency Ratio(%)



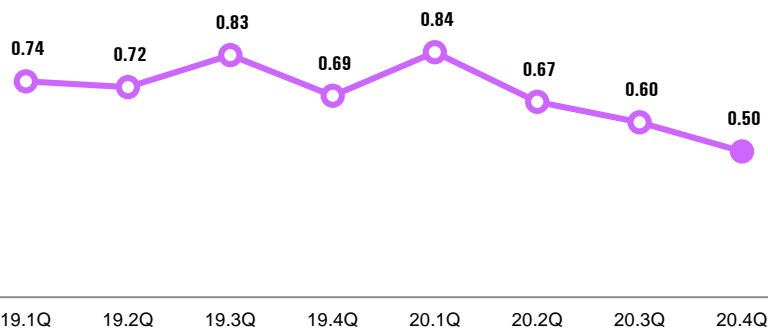
(KRW bn, %, %p)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Total Credits</b>	<b>47,236.2</b>	43,658.8	8.2	45,417.2	4.0
Normal	46,488.2	42,654.5	9.0	44,601.5	4.2
Precautionary	432.7	623.5	-30.6	450.3	-3.9
Substandard	222.4	220.1	1.0	272.9	-18.5
Doubtful	20.4	35.2	-42.0	21.3	-4.2
Expected Loss	72.5	125.5	-42.2	71.2	1.8
<b>SBL(Substandard &amp; Below Loans)</b>	<b>315.3</b>	380.8	-17.2	365.4	-13.7
<b>SBL Ratio</b>	<b>0.67</b>	0.87	-0.20	0.80	-0.13
SBL Coverage Ratio (Ratio before Reserve deduction)	128.15 (192.18)	113.57 (179.66)	14.58 (12.52)	105.75 (163.03)	22.40 (29.15)
<b>Delinquency Ratio</b>	<b>0.43</b>	0.43	0.00	0.50	-0.07
Loan Amount	46,594.7	42,980.2	8.4	44,696.3	4.2
Delinquent Amount	199.2	186.4	6.9	222.0	-10.3

## 2. Banks Asset Quality - KNB

### □ SBL(NPL) Ratio(%)



### □ Delinquency Ratio(%)



(KRW bn, %, %p)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Total Credits</b>	<b>33,263.8</b>	30,969.1	7.4	33,217.6	0.1
Normal	32,766.6	30,418.1	7.7	32,656.5	0.3
Precautionary	251.8	253.6	-0.7	256.0	-1.6
Substandard	163.7	191.4	-14.5	204.6	-20.0
Doubtful	28.9	32.2	-10.2	31.0	-6.8
Expected Loss	52.8	73.8	-28.5	69.5	-24.0
<b>SBL(Substandard &amp; Below Loans)</b>	<b>245.4</b>	297.4	-17.5	305.1	-19.6
<b>SBL Ratio</b>	<b>0.74</b>	0.96	-0.22	0.92	-0.18
SBL Coverage Ratio (Ratio before Reserve deduction)	100.24 (175.35)	81.03 (154.19)	19.21 (21.16)	85.07 (148.25)	15.17 (27.10)
<b>Delinquency Ratio</b>	<b>0.50</b>	0.69	-0.19	0.60	-0.10
Loan Amount	33,059.6	30,755.1	7.5	33,008.0	0.2
Delinquent Amount	165.3	213.1	-22.4	199.6	-17.2

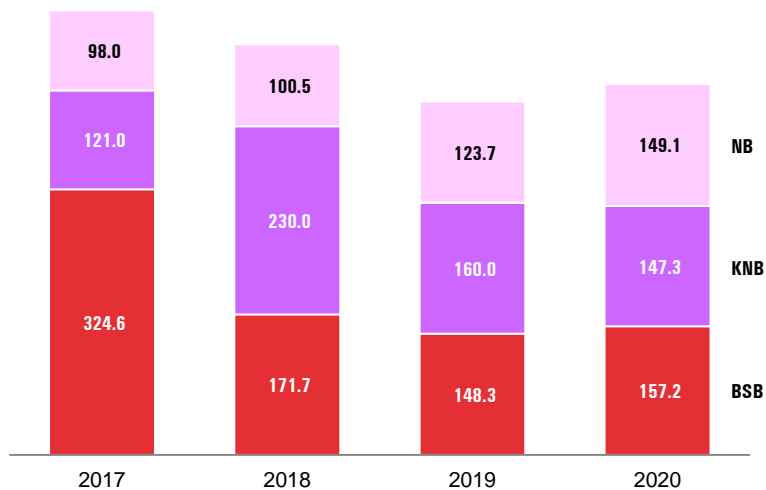
### 3. Group Provisioning

#### ☐ Provision Expense

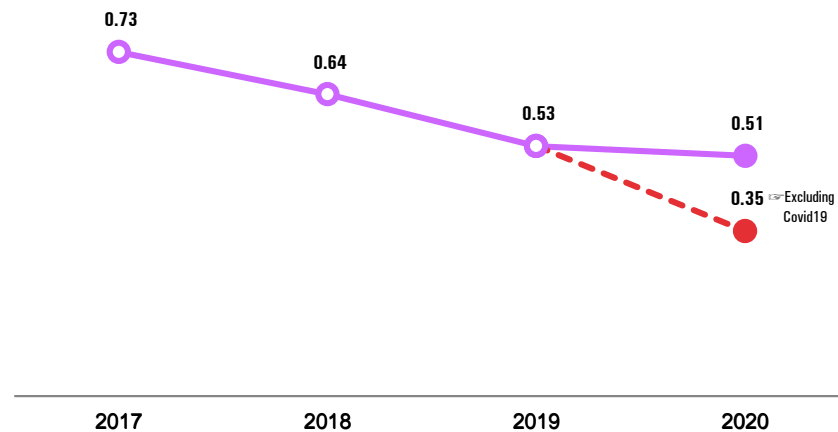
(KRW bn, %)	2020					2019				
	2020	4Q	3Q	2Q	1Q	2019	4Q	3Q	2Q	1Q
Total Provisions(A)	453.6	130.0	141.5	98.9	83.2	432.0	151.4	94.7	93.1	92.8
Total Credits(B)	88,377.7	88,377.7	86,052.6	83,623.9	82,053.0	81,126.7	81,126.7	80,839.7	79,731.7	78,970.4
<sup>1)</sup> Credit Cost(A/B)	0.51	0.59	0.65	0.48	0.41	0.53	0.74	0.46	0.47	0.48

1) Accumulated

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



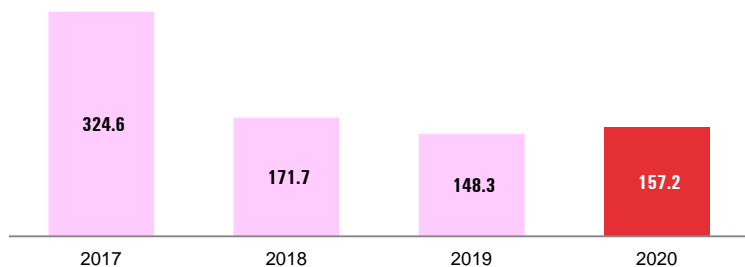
#### ☐ Credit Cost(%)



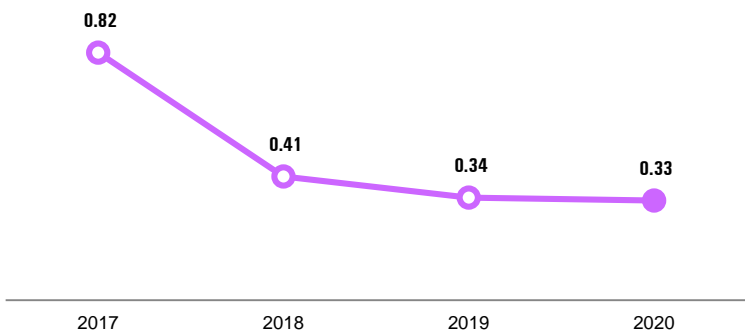


## 4. Provisioning / Write-offs & NPL Sales – BSB

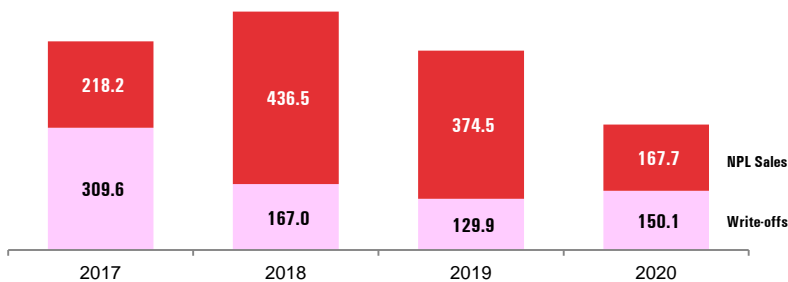
### Provision Expense(KRW bn)



### Credit Cost(%)



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

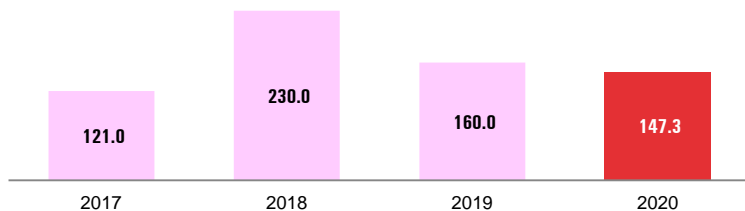


### Provision Expense / Write-offs & NPL Sales

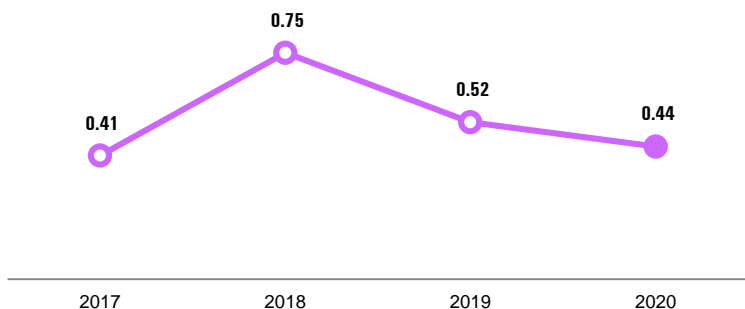
(KRW bn, %)	2020	20.4Q	20.3Q	20.2Q	20.1Q
Corporate	125.6	35.2	38.6	30.9	20.9
Household	16.0	5.7	4.5	2.3	3.5
Credit Card	12.7	1.6	4.4	4.7	2.0
Others	2.9	-5.1	0.7	8.4	-1.1
<b>Total(A)</b>	<b>157.2</b>	<b>37.4</b>	<b>48.2</b>	<b>46.3</b>	<b>25.3</b>
Total Credits(B)	47,236.2	47,236.2	45,417.2	44,367.7	43,961.9
Credit Cost(A/B)	0.33	0.31	0.42	0.42	0.23
<b>Total Write-Offs</b>	<b>150.1</b>	<b>18.2</b>	<b>24.6</b>	<b>67.7</b>	<b>39.6</b>
Corporate	111.3	9.7	13.8	59.3	28.5
Household	18.8	4.0	6.0	3.7	5.1
Credit Card	20.0	4.5	4.8	4.7	6.0
<b>Total NPL Sales</b>	<b>167.7</b>	<b>56.1</b>	<b>86.4</b>	<b>25.2</b>	<b>0.0</b>
<b>(NPL Sales for SBL Loans)</b>	<b>164.1</b>	<b>54.7</b>	<b>84.3</b>	<b>25.1</b>	<b>0.0</b>
Corporate	157.8	51.8	83.6	22.4	0.0
Household	9.2	3.9	2.6	2.7	0.0
Credit Card	0.7	0.4	0.2	0.1	0.0

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

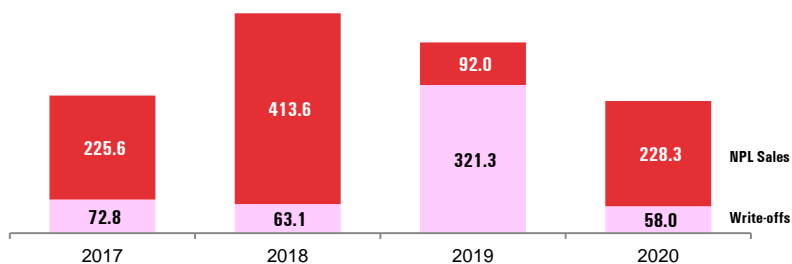
### Provision Expense(KRW bn)



### Credit Cost(%)



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



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

(KRW bn, %)	2020	20.4Q	20.3Q	20.2Q	20.1Q
Corporate	111.4	26.7	43.1	18.8	22.8
Household	18.9	10.1	5.5	3.5	-0.2
Credit Card	12.6	2.1	3.9	3.8	2.8
Others	4.4	-1.9	1.7	4.6	0.0
<b>Total(A)</b>	<b>147.3</b>	<b>37.0</b>	<b>54.2</b>	<b>30.7</b>	<b>25.4</b>
Total Credits(B)	33,263.8	33,263.8	33,217.6	32,280.4	31,378.9
<b>Credit Cost(A/B)</b>	<b>0.44</b>	<b>0.44</b>	<b>0.65</b>	<b>0.38</b>	<b>0.33</b>
<b>Total Write-Offs</b>	<b>58.0</b>	<b>19.7</b>	<b>10.9</b>	<b>13.2</b>	<b>14.2</b>
Corporate	28.9	12.8	3.3	6.4	6.4
Household	15.6	3.7	4.7	3.2	4.0
Credit Card	13.5	3.2	2.9	3.6	3.8
<b>Total NPL Sales</b>	<b>228.3</b>	<b>93.6</b>	<b>56.0</b>	<b>78.7</b>	<b>0.0</b>
<b>(NPL Sales for SBL Loans)</b>	<b>224.3</b>	<b>91.6</b>	<b>54.0</b>	<b>78.7</b>	<b>0.0</b>
Corporate	221.6	92.3	55.4	73.9	0.0
Household	6.2	1.1	0.5	4.6	0.0
Credit Card	0.5	0.2	0.1	0.2	0.0

# V . Capital Adequacy

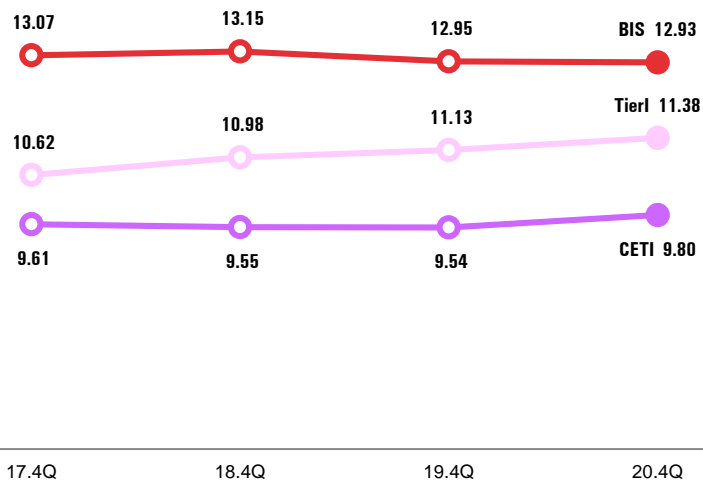
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## 1. Capital Adequacy

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# 1. Capital Adequacy

## Group Capital Adequacy(%)



## BSB

(KRW bn, %, %p, BaselIII I.R.B.)	20.4Q	19.4Q	YTD	20.3Q	QoQ
Tot. Risk Adjusted Capital	5,600.5	5,667.9	-1.2	5,657.0	-1.0
Tier I	5,017.6	4,951.0	1.3	5,054.7	-0.7
(CETI)	4,602.9	4,503.2	2.2	4,640.0	-0.8
Tot. R.W.A.	30,232.0	35,169.1	-14.0	29,599.5	2.1
BIS Capital Ratio	18.53	16.12	2.41	19.11	-0.58
Tier I	16.60	14.08	2.52	17.08	-0.48
(CETI)	15.23	12.80	2.43	15.68	-0.45

## Group

(KRW bn, %, %p, BaselIII Standard)	20.4Q	19.4Q	YTD	20.3Q	QoQ
Tot. Risk Adjusted Capital	9,919.0	9,762.9	1.6	9,965.3	-0.5
Tier I	8,729.0	8,397.0	4.0	8,794.8	-0.7
(CETI)	7,519.0	7,192.1	4.5	7,593.9	-1.0
Tot. R.W.A.	76,702.4	75,413.2	1.7	74,083.1	3.5
BIS Capital Ratio	12.93	12.95	-0.02	13.45	-0.52
Tier I	11.38	11.13	0.25	11.87	-0.49
(CETI)	9.80	9.54	0.26	10.25	-0.45

## KNB

(KRW bn, %, %p, BaselIII I.R.B.)	20.4Q	19.4Q	YTD	20.3Q	QoQ
Tot. Risk Adjusted Capital	3,600.5	3,670.6	-1.9	3,723.7	-3.3
Tier I	3,144.1	3,086.2	1.9	3,196.1	-1.6
(CETI)	2,831.8	2,742.3	3.3	2,883.8	-1.7
Tot. R.W.A.	20,162.2	23,930.1	-15.7	20,110.4	0.3
BIS Capital Ratio	17.86	15.34	2.52	18.52	-0.66
Tier I	15.59	12.90	2.69	15.89	-0.30
(CETI)	14.05	11.46	2.59	14.34	-0.29

# VI. Appendix

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# 1. Banks KRW Loan Portfolio

	2020 4Q			
	Amount	Ratio	YTD	QoQ
<b>Manufacturing</b>	<b>8,450.6</b>	18.8	-2.4	-1.9
Steel Metal Products	2,428.7	5.4	-2.7	-2.9
Automobile Parts	1,726.8	3.8	-3.2	-2.9
Machinery	1,219.7	2.7	-5.0	-2.9
Petroleum, Rubber, etc.	907.7	2.0	-1.9	-0.9
Fabric	309.6	0.7	0.7	-2.0
Garment & Shoes	343.0	0.8	6.0	-2.9
Kitchen Units	372.9	0.8	10.9	10.4
Electronics	366.6	0.8	-6.3	0.0
Paper, Paper Mills	123.0	0.3	6.1	3.8
Others	652.6	1.4	-5.9	-2.2
<b>Non-Manufacturing</b>	<b>22,030.7</b>	48.9	12.0	3.5
Wholesale & Retail	4,021.7	8.9	16.6	5.0
Public	3.0	0.0	-92.3	-75.2
Construction & Engineering	1,453.4	3.2	15.8	2.8
Real Estate	8,776.3	19.5	8.7	3.1
Insurance & Financing	556.6	1.2	42.9	21.1
Transportation	1,137.1	2.5	2.1	-0.2
Hotel & Food	1,714.1	3.8	26.4	2.6
Others	4,368.5	9.7	9.3	2.7
<b>Households</b>	<b>14,570.8</b>	32.3	12.6	11.0
<b>KRW Loans</b>	<b>45,052.1</b>	100.0	9.1	4.7

	2020 4Q			
	Amount	Ratio	YTD	QoQ
<b>Manufacturing</b>	<b>9,465.5</b>	29.3	3.7	-1.6
Steel Metal Products	2,206.6	6.8	0.4	-1.1
Automobile Parts	2,766.6	8.6	3.5	-1.9
Machinery	2,255.1	7.0	-0.4	-2.7
Petroleum, Rubber, etc.	312.0	1.0	14.5	0.8
Fabric	104.6	0.3	34.1	-0.3
Garment & Shoes	24.3	0.1	173.0	51.9
Kitchen Units	249.4	0.8	15.7	-1.0
Electronics	572.0	1.8	1.0	-1.7
Paper, Paper Mills	82.7	0.3	5.8	5.9
Others	892.2	2.8	14.9	-2.5
<b>Non-Manufacturing</b>	<b>11,991.0</b>	37.1	10.2	-1.8
Wholesale & Retail	2,528.0	7.8	15.5	2.0
Public	41.2	0.1	1,960.0	0.0
Construction & Engineering	737.4	2.3	0.5	-11.4
Real Estate	3,950.5	12.2	4.7	-5.6
Insurance & Financing	168.9	0.5	17.3	17.6
Transportation	617.2	1.9	68.4	0.9
Hotel & Food	1,039.1	3.2	20.5	2.4
Others	2,908.7	9.0	3.3	0.03
<b>Households</b>	<b>10,888.8</b>	33.7	8.9	4.9
<b>KRW Loans</b>	<b>32,345.3</b>	100.0	7.8	0.4

\*Sectors are based on FSS Business Report

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

## 2. Cyclical Sector

	2020.4Q					
	Steel	Auto	Construction	Shipbuilding	Shipping	Chemical
(KRW bn, %)						
<b>Exposure</b>	<b>3,399.2</b>	<b>2,934.2</b>	<b>2,246.0</b>	<b>1,392.2</b>	<b>446.0</b>	<b>674.5</b>
<b>(% of Total Credits)</b>	<b>4.3</b>	<b>3.7</b>	<b>2.8</b>	<b>1.8</b>	<b>0.6</b>	<b>0.8</b>
<b>Collateral &amp; Provision</b>	<b>2,514.1</b>	<b>1,904.1</b>	<b>1,394.8</b>	<b>996.9</b>	<b>252.7</b>	<b>415.8</b>
<b>Collateral &amp; Provision Coverage</b>	<b>74.0</b>	<b>64.9</b>	<b>62.1</b>	<b>71.6</b>	<b>56.7</b>	<b>61.6</b>
<b>No# of Creditors</b>	<b>2,575</b>	<b>1,862</b>	<b>4,571</b>	<b>1,096</b>	<b>217</b>	<b>634</b>

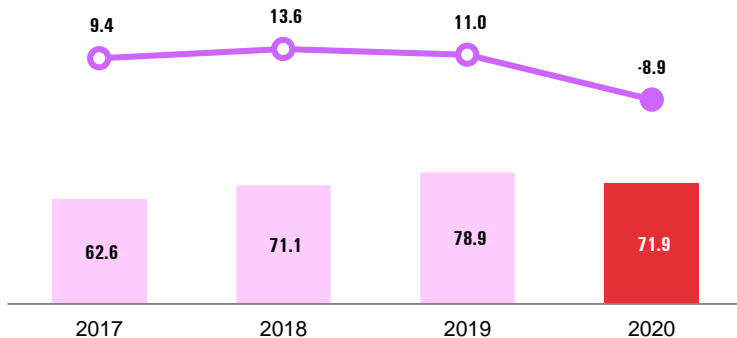
Note 1) Exposure & Total Credits are the sum of BSB & KNB

Note 2) Sectors are based on FSS Business Report

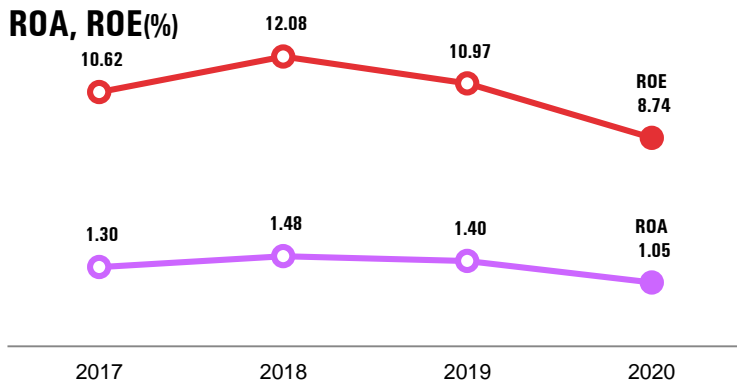
Note 3) Construction includes Real Estate PF(Ref. Collateral for Real Estate PFs are evaluated based on future cash flow that does not include land, buildings under construction etc. hence the overall low construction coverage)

### 3. BNK Capital

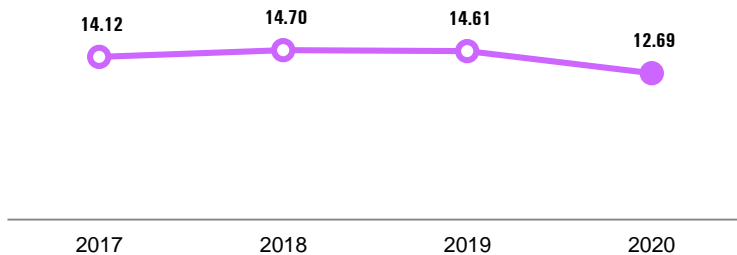
#### Net Income(% , KRW bn)



#### ROA, ROE(%)



#### Adjusted Capital Ratio(%)



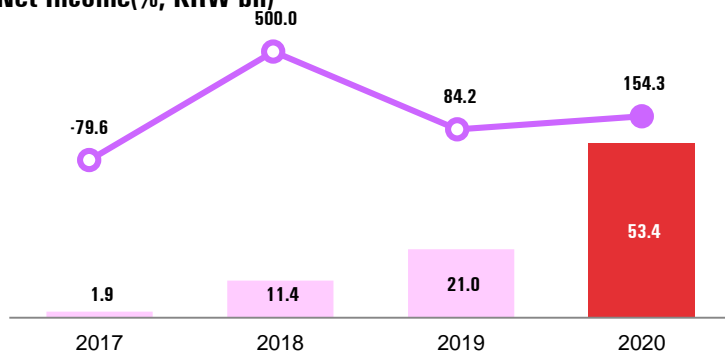
(KRW bn, %, Balance)	2020	2019	YoY	20.4Q	20.3Q	QoQ
Net Interest Income	243.9	224.5	8.6	68.4	62.1	10.1
Fee Income	39.1	30.0	30.3	9.4	9.1	3.3
Others	42.6	52.7	-19.2	8.5	11.1	-23.4
SG&A(-)	86.1	79.1	8.8	24.8	21.4	15.9
Provision Expense(-)	145.7	125.0	16.6	51.9	37.9	36.9
Non-Operating Income	0.9	-0.2	Net Gain	1.4	1.7	-17.6
<b>Earnings Before Income Tax</b>	<b>94.7</b>	102.9	-8.0	11.0	24.7	-55.5
Income Tax Expenses(-)	22.8	24.0	-5.0	2.9	5.7	-49.1
<b>Net Income</b>	<b>71.9</b>	78.9	-8.9	8.1	19.0	-57.4

(KRW bn, %, Balance)	20.4Q	19.4Q	YTD	20.3Q	QoQ
<b>Assets</b>	<b>6,763.4</b>	5,425.3	24.7	6,305.5	7.3
Cash and Dues	85.6	25.1	241.0	64.5	32.7
Securities	187.3	-	-	151.2	23.9
Loans	4,237.6	3,172.3	33.6	3,843.4	10.3
Venture Capital Business	2.8	61.9	-95.5	2.1	33.3
Durables Installment Financing Assets	277.9	379.1	-26.7	301.5	-7.8
Leased Assets	1,838.9	1,669.9	10.1	1,823.2	0.9
Fixed Assets	12.9	10.9	18.3	13.5	-4.4
Other Assets	120.4	106.1	13.5	106.1	13.5
<b>Liability &amp; Shareholder's Equity</b>	<b>6,763.4</b>	5,425.3	24.7	6,305.5	7.3
Borrowings	5,610.2	4,354.2	28.8	5,155.5	8.8
Other Liabilities	390.2	354.8	10.0	390.2	0.0
Shareholder's Equity	763.0	716.3	6.5	759.8	0.4

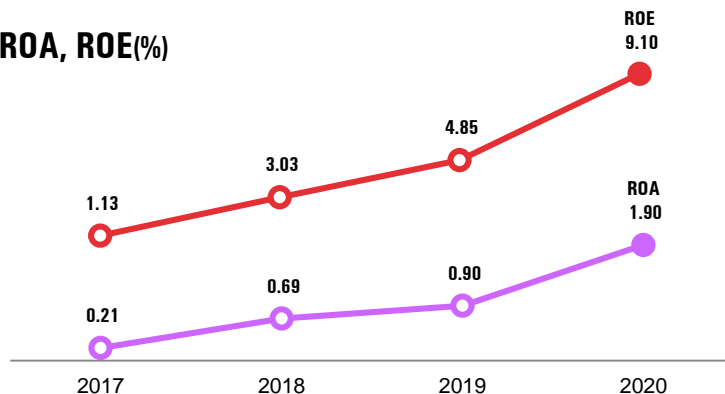


## 4. BNK Securities

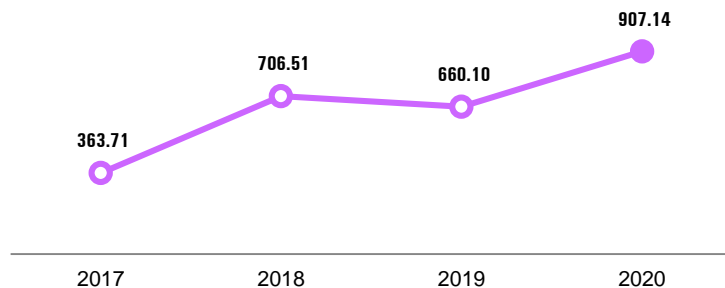
Net Income(% , KRW bn)



ROA, ROE(%)



Adjusted Capital Ratio(%)



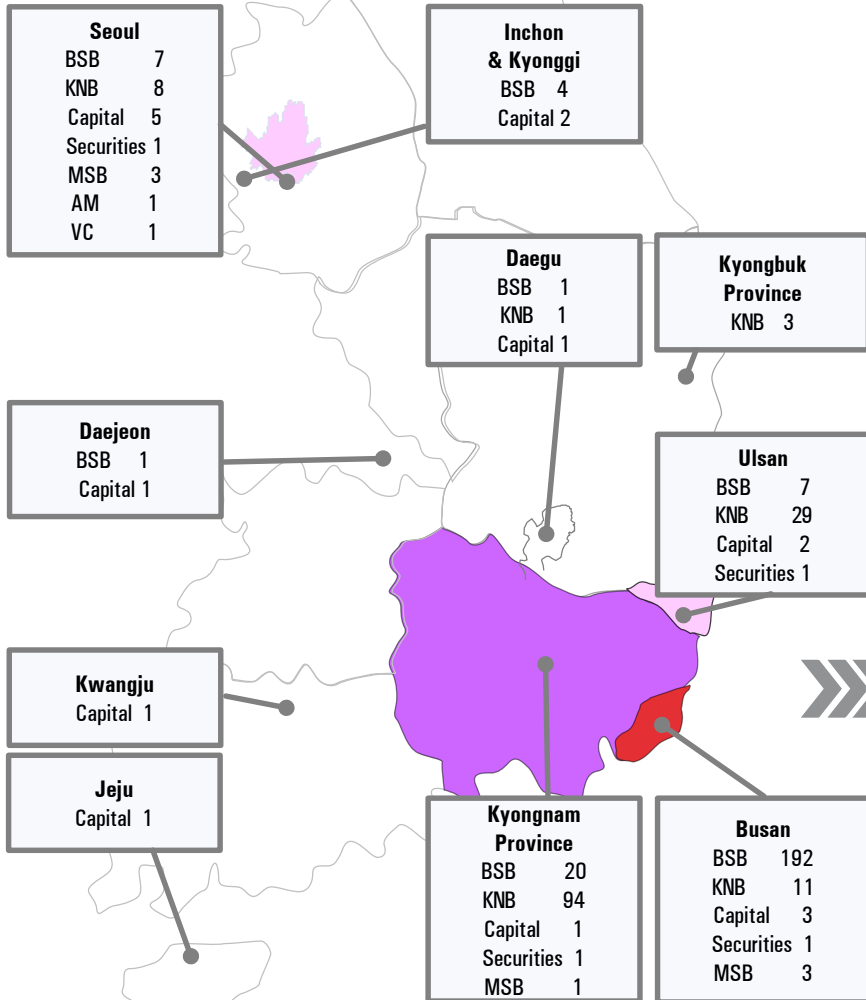
(KRW bn, %, Balance)	2020	2019	YoY	20.4Q	20.3Q	QoQ
Net Interest Income	23.4	13.2	77.3	7.2	6.6	9.1
Fee Income	96.0	46.3	107.3	27.9	26.5	5.3
Others	65.5	38.2	71.5	23.8	14.0	70.0
SG&A(-)	109.7	68.1	61.1	32.5	29.3	10.9
Provision Expense(-)	3.9	1.0	290.0	3.0	0.4	650.0
Non-Operating Income	0.4	0.2	100.0	-0.4	0.6	-166.7
Earnings Before Income Tax	71.7	28.8	149.0	23.0	18.0	27.8
Income Tax Expenses(-)	18.3	7.8	134.6	5.7	4.4	29.5
<b>Net Income</b>	<b>53.4</b>	21.0	154.3	17.3	13.6	27.2

(KRW bn, %, Balance)	2020	2019	YoY	20.4Q	20.3Q	QoQ
<b>Fee Income</b>	<b>96.0</b>	46.3	107.3	27.9	26.5	5.3
Fee Revenue	110.4	57.3	92.7	30.0	30.6	-2.0
Underwriting	16.5	10.4	58.7	5.4	4.2	28.6
Advisory	50.1	26.2	91.2	13.1	12.9	1.6
Brokerage	42.6	18.7	127.8	11.1	13.2	-15.9
Others	1.2	2.0	-40.0	0.4	0.3	33.3
Fee Revenue	14.4	11.0	30.9	2.1	4.1	-48.8

# 4. Group Networks & Major Industries

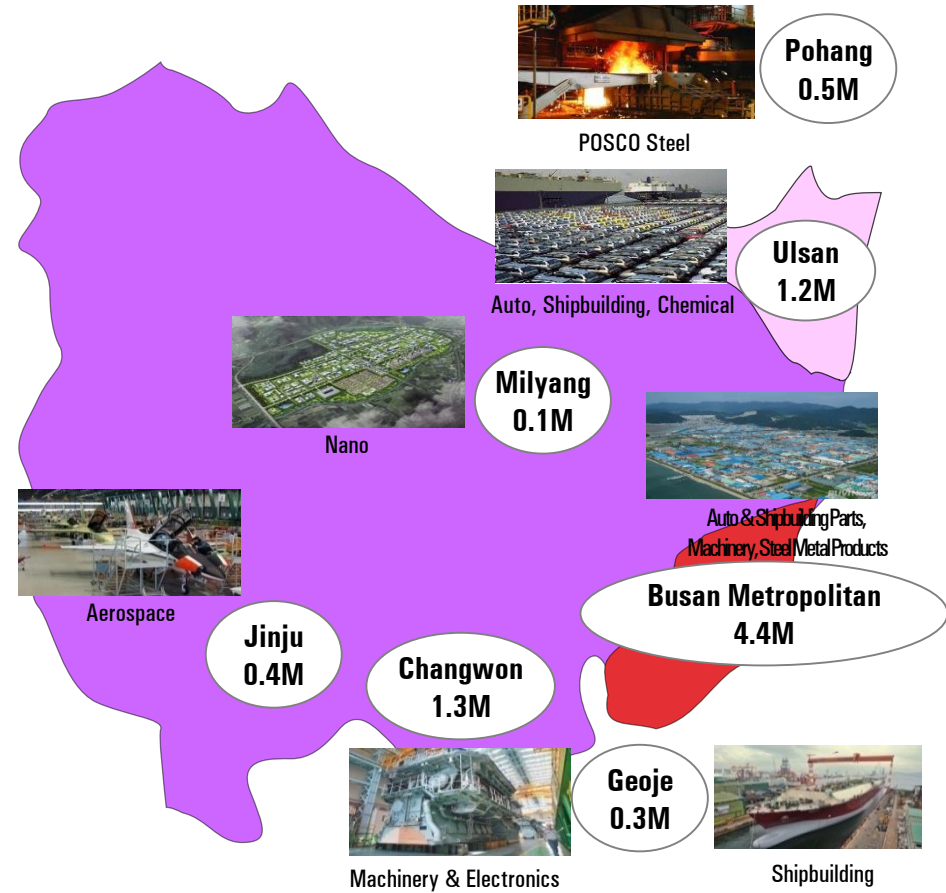
## Networks (as of Dec. 2020) : 418 Locations

- BSB 238 (Qingdao/Nanjing/Ho Chi Minh Branch, Yangon/Mumbai/Hanoi Office incl.), KNB 146, 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), 14.6% of GRDP(2019)
- Exports : 122.8 USD bn(2019)
- Imports : 67.9 USD bn(2019)



\* Southeastern region includes Busan, Ulsan, and Kyongnam