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# 2011 Financial Results & 2012 Earnings Guidance

(February 10, 2012)



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## DISCLAIMER

The financial information presented herein is prepared on the basis of pre-audited financial of BS 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 BS Financial Group does not undertake any obligation to publicly release any revisions to these statements to reflect any future events.

- 2012/2011 results are based on K-IFRS with consolidated financial statements, 2010/2009 are based on K-GAAP with unconsolidated financial statements
- Fiscal Year End for BS Securities is March, 31

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# *I. 2011 Group Results*

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# 1. Earnings Highlights

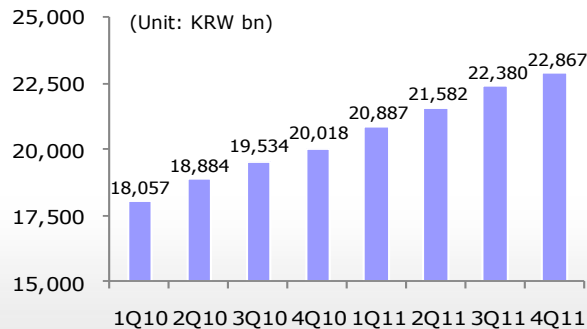
**FY Group  
Net Income  
400.3 KRW bn  
(Up by 20% YoY)**

- ❖ **4Q 2011 Group Net Income : 79.3 KRW bn, down by 16.7% QoQ**
  - Consolidated Bank Net Income 79.9 KRW bn up by 110.3% YoY(FY 398.3 KRW bn)
  - Securities 1.4 KRW bn (FY 4.6 KRW bn)
  - Capital 3.8 KRW bn (FY 9.9 KRW bn)
  - Credit Information 0.1 KRW bn (FY 0.5 KRW bn)

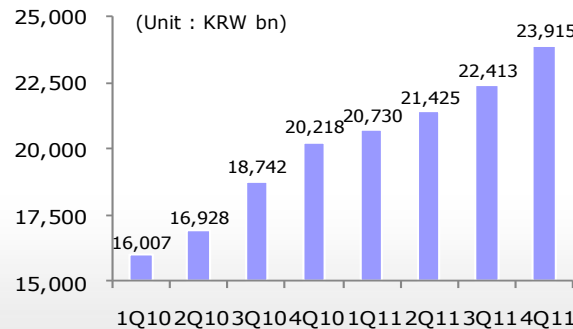
**FY Group  
Total Assets  
41,964.4 KRW bn**

- ❖ **4Q 2011 Group Total Assets : 41,964.4 KRW bn, up by 7.6% QoQ**
  - Bank : 40,596.6 KRW bn, up by 5.8% QoQ
  - Non-Bank : 1,441.6 KRW bn, up by 53.4% QoQ
    - ※ Securities 507.2 KRW bn, Capital 918.1 KRW bn, MSB 8.0 KRW bn,  
Credit Information 5.2 KRW bn, Information Systems 3.1 KRW bn
    - \* Exclude unconsolidated portion : 3,323.7 KRW bn

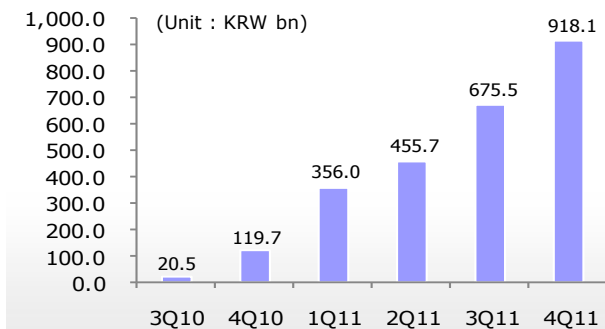
□ Bank KRW Credits



□ Bank KRW Deposits



□ BS Capital Total Assets



## 2. I/S Summary / Profitability / Dividend Payout

### □ 4Q11 Results by Business

(KRW bn)	Group	Bank	Securities	Capital	Credit Information	Information System	Consolidation Change
Net Interest Income	270.5	255.6	1.4	14.8	0.1	0.0	△1.4
Net Fee Income	24.8	20.5	3.4	1.3	0.6	0.0	△1.0
Others	7.6	4.0	3.4	0.0	0.0	0.7	△0.5
SG&A(-)	162.9	150.2	6.3	4.6	0.6	0.6	0.6
Provision Expense(-)	32.4	22.8	0.0	6.3	0.0	0.0	3.3
Earnings Before Income Tax	107.6	107.1	1.9	5.2	0.1	0.1	△6.8
Income Tax Expenses(-)	28.3	27.2	0.5	1.4	0.0	0.0	△0.8
Net Income	79.3	79.9	1.4	3.8	0.1	0.1	△6.0

### □ Profitability

(%, %p)	4Q11	3Q11	2Q11	1Q11	QoQ
<b>ROA</b>	1.10	1.20	1.29	1.46	△0.10
<b>ROE</b>	14.34	15.65	16.92	19.61	△1.31
<b>Quarterly NIM</b>	2.88	2.98	3.06	3.07	△0.10
<b>CIR</b>	42.08	37.96	36.84	35.98	4.12

### □ Dividend Payout

(%, Won)	2005	2006	2007	2008	2009	2010
<b>Dividend Yield(FV)</b>	8.1	8.4	11.4	4.0	3.2	5.0
<b>Dividend Yield(MV)</b>	3.0	3.5	3.6	3.2	1.1	1.7
<b>Dividend per share</b>	405	420	570	200	160	250
<b>Dividend Paid(bn)</b>	59.4	61.6	83.6	29.3	29.9	46.7
<b>Payout Ratio</b>	33.2	33.5	30.9	10.7	12.2	14.0

### 3. B/S Summary / Asset Quality / Capital Strength

#### □ Assets

(KRW bn)	4Q11	3Q11	QoQ
Cash and Dues	<b>2,595.5</b>	1,868.3	38.9
Securities	<b>7,339.6</b>	6,618.7	10.9
Loans & Receivables	<b>28,737.1</b>	27,540.4	4.3
Derivative Assets	<b>149.1</b>	217.5	△31.4
Fixed Assets & Investment Assets	<b>412.6</b>	432.2	△4.5
Intangible Assets	<b>24.1</b>	17.4	38.5
Others	<b>100.7</b>	29.1	246.0
<b>Total Assets</b>	<b>39,358.7</b>	36,723.6	7.2

#### □ Asset Quality

(%, %p)	4Q11	3Q11	2Q11	1Q11	QoQ
Substandard & Below Ratio	<b>0.97</b>	1.37	1.05	1.20	△0.40
Coverage Ratio	<b>154.45</b>	110.20	135.01	125.14	44.25
Delinquency Ratio	<b>0.61</b>	0.92	0.58	0.69	△0.31

#### □ Liabilities

(KRW bn)	4Q11	3Q11	QoQ
Deposits	<b>24,991.3</b>	23,510.6	6.3
Borrowings	<b>8,256.1</b>	7,257.1	13.8
Derivatives	<b>82.8</b>	143.6	△42.3
Others	<b>3,073.5</b>	2,944.0	4.4
<b>Total Liabilities</b>	<b>36,403.7</b>	33,855.3	7.5
Shareholder's Equity	<b>2,955.0</b>	2,868.3	3.0
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>39,358.7</b>	36,723.6	7.2

#### □ Capital Strength

(%, %p)	<sup>1)</sup> 4Q11	3Q11	2Q11	1Q11	QoQ
BIS Ratio	<b>15.83</b>	16.04	15.94	16.07	△0.21
Tier I	<b>11.42</b>	11.87	11.81	11.80	△0.45
Tier II	<b>4.41</b>	4.17	4.13	4.27	0.24
TCE	<b>7.51</b>	7.81	7.82	7.46	△0.30

1) Estimate

## *II. 2011 Bank Results*

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# 1. Earnings Highlights

## Growth

- ❖ **Total Credits: Up by 13.8% (3,077.1 billion won) YoY**
  - KRW Loans up by 14.2% (2,848.5 billion won) YoY
- ❖ **Total Deposits: Up by 16.1% (4,132.2 billion won) YoY**
  - KRW Deposits up by 18.3% (3,696.2 billion won) YoY

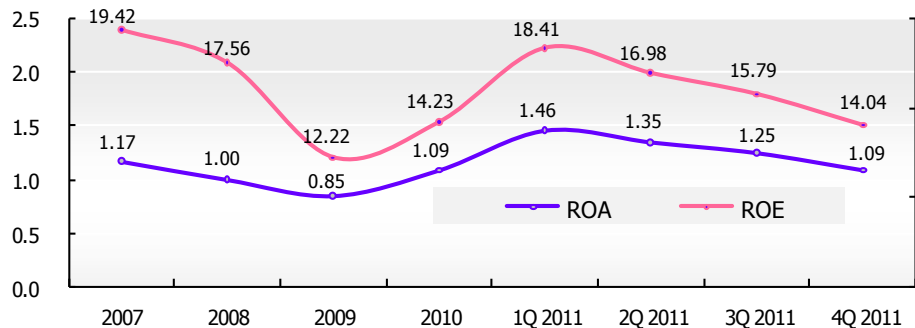
## Asset Quality

- ❖ **P&B Loan Ratio: 2.97%, down by 0.51%p QoQ**
- ❖ **S&B Loan Ratio: 0.99%, down by 0.39%p QoQ**
- ❖ **Delinquency Ratio: 0.59%, down by 0.33%p QoQ**
- ❖ **Real Estate PF S&B Loan Ratio & Delinquency Ratio : 0%**

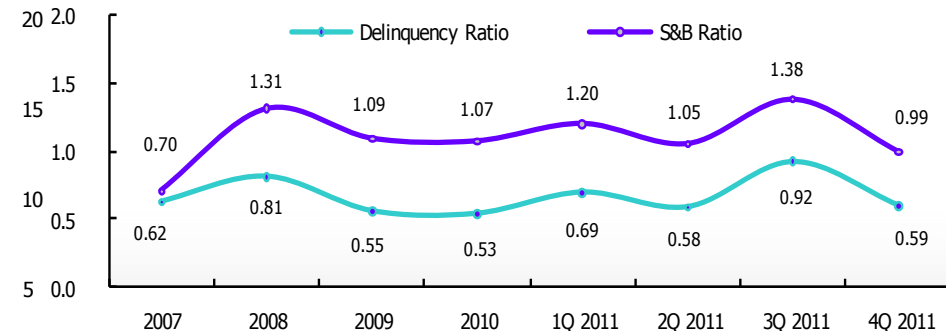
## Profitability

- ❖ **Top Line**
  - ▶ **Net Interest Income increased by 9.1% (82.0 billion won) YoY**
  - ▶ **Accumulative NIM is 2.99% down by 0.04%p QoQ**
- ❖ **Bottom Line**
  - ▶ **Annualized Credit Cost for 2011 is 0.49%, down by 0.21%p YoY**
  - ▶ **Annualized Cost Income Ratio for 2011 is 40.85%, up by 0.28% YoY**
  - ▶ **4Q Net Income of 79.9 billion won, up by 110.3% YoY**
  - ▶ **FY Net Income of 398.3 billion won, up by 19.4% YoY**

□ ROA / ROE (%)



□ Asset Quality (%)





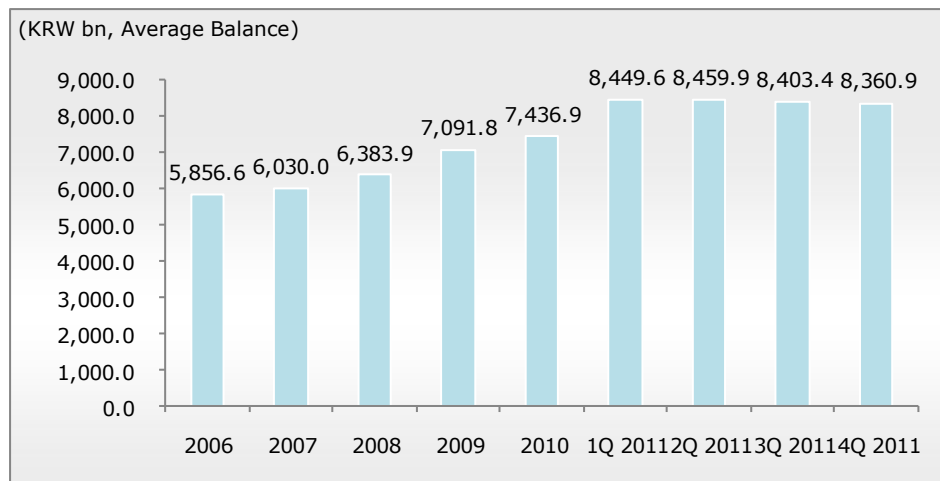
## 2. Key Financial Indicators

(KRW bn, %, Balance)	2011				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
<b>Total Assets</b>	<b>40,594.4</b>	38,358.4	36,703.8	37,323.8	36,788.8	5.8	10.3
Bank Account	<b>37,988.7</b>	36,083.3	34,561.7	35,131.0	34,726.1	5.3	9.4
Trust Account	<b>2,605.7</b>	2,275.1	2,142.1	2,192.8	2,062.7	14.5	26.3
<b>Total Deposits</b>	<b>29,762.2</b>	28,085.6	27,212.2	26,037.3	25,630.0	6.0	16.1
Bank Account	<b>27,540.8</b>	25,980.1	25,236.5	24,069.5	23,774.9	6.0	15.8
Won Deposits	<b>23,914.5</b>	22,413.4	21,425.3	20,730.2	20,218.3	6.7	18.3
Demand	<b>1,951.7</b>	1,798.2	1,966.9	1,952.1	1,816.3	8.5	7.5
Savings & Time	<b>21,923.9</b>	20,570.3	19,410.4	18,721.4	18,337.5	6.6	19.6
Installment	<b>38.9</b>	44.9	48.0	56.7	64.5	△13.4	△39.7
CD	<b>852.0</b>	770.4	1,368.1	1,035.5	1,063.1	10.6	△19.9
Trust Account	<b>2,221.4</b>	2,105.5	1,975.7	1,967.8	1,855.1	5.5	19.7
<b>Total Credits</b>	<b>25,303.7</b>	24,816.9	23,834.5	23,104.2	22,226.6	2.0	13.8
Total Loans	<b>24,527.0</b>	24,076.3	23,109.8	22,441.3	21,581.5	1.9	13.6
KRW Loans	<b>22,866.5</b>	22,380.0	21,582.2	20,887.0	20,018.0	2.2	14.2
SMEs	<b>15,231.6</b>	14,913.1	14,442.7	14,121.0	13,618.1	2.1	11.8
Households	<b>5,541.0</b>	5,331.8	5,021.6	4,811.5	4,753.7	3.9	16.6
Guarantees	<b>776.7</b>	740.6	724.7	662.9	645.1	4.9	20.4
<b>Total Securities</b>	<b>8,314.4</b>	7,803.4	7,675.3	7,678.6	7,456.8	6.5	11.5
Bank Account	<b>7,010.4</b>	6,543.7	6,420.7	6,357.9	6,231.3	7.1	12.5
Trust Account	<b>1,304.0</b>	1,259.7	1,254.6	1,320.7	1,225.5	3.5	6.4
<b>Shareholders' Equity</b>	<b>2,737.3</b>	2,785.2	2,728.0	2,625.8	2,458.0	△1.7	11.4

Note. Based on the Bank's Unconsolidated Financial Statements

### 3. Low-Cost Deposits

#### □ Growth Records



#### □ Funding Costs

(%, Accumulated)	4Q11	3Q11	2Q11	1Q11	4Q11
Demand Deposits	<b>0.27</b>	0.28	0.28	0.29	0.32
Savings Deposits	<b>0.15</b>	0.15	0.15	0.15	0.15
Corporate Savings Deposits	<b>1.77</b>	1.75	1.71	1.68	1.36
<b>Total</b>	<b>0.69</b>	0.69	0.68	0.68	0.55

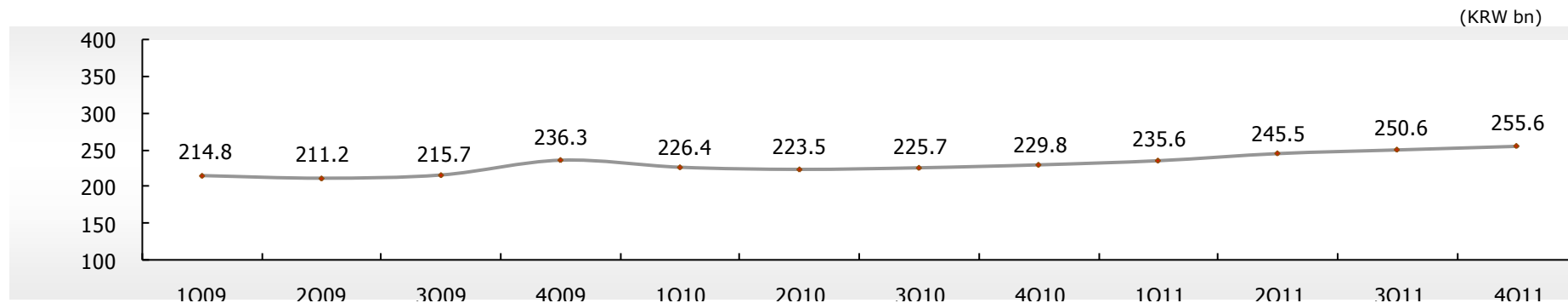
(KRW bn, %, %p, Average Balance)	2011				2010	QoQ	YoY
	4Q	3Q	2Q	1Q			
<b>Low-Cost Deposits (A)</b>	<b>8,360.9</b>	8,403.4	8,459.9	8,449.6	7,436.9	△0.5	12.4
<b>Demand Deposits</b>	<b>1,793.2</b>	1,818.7	1,838.5	1,816.3	1,706.9	△1.4	5.1
<b>Savings Deposits</b>	<b>3,906.7</b>	3,907.2	3,909.0	3,882.9	3,524.3	0.0	10.9
<b>Corporate Savings Deposits</b>	<b>2,661.0</b>	2,677.5	2,712.4	2,750.4	2,205.7	△0.6	20.6
Deposits in KRW (B)	<b>21,556.4</b>	21,100.4	20,776.3	20,369.4	17,323.7	2.2	24.4
<b>Total Deposits (Bank Account) (C)</b>	<b>25,071.2</b>	24,608.1	24,204.7	23,764.4	22,012.8	1.9	13.9
Total Deposits (Bank + Trust Account)(D)	<b>27,122.2</b>	26,626.6	26,179.0	25,738.7	23,702.5	1.9	14.4
Low-Cost Deposits/Won Deposits(A/B)	<b>38.79</b>	39.83	40.72	41.48	42.93	△1.04	△4.14
<b>Low-Cost Deposits/Total Deposits (A/C)</b>	<b>33.35</b>	34.15	34.95	35.56	33.78	△0.80	△0.43
Low-Cost Deposits/Total Deposits(A/D)	<b>30.83</b>	31.56	32.32	32.83	31.38	△0.73	△0.55

## 4. Earning Results

	2010					2009		QoQ	YoY
	4Q	3Q	2Q	1Q		4Q			
(KRW bn, %, %p)									
Net Interest Income	<b>987.4</b>	<b>255.6</b>	250.6	245.6	235.6	905.4	229.8	2.0	9.1
Net Fee Income	<b>84.1</b>	<b>20.5</b>	20.5	21.4	21.7	81.6	20.4	0.0	3.1
Fees from Trust Account	<b>10.5</b>	<b>2.8</b>	2.7	2.3	2.7	12.5	3.7	3.7	△16.0
Others	<b>24.1</b>	<b>1.2</b>	△1.0	5.6	18.3	△0.1	3.1	Net Gain	Net Gain
Provision Expense(-)	<b>125.9</b>	<b>22.8</b>	39.3	44.7	19.1	159.8	68.6	△42.0	△21.2
SG&A(-)	<b>451.8</b>	<b>150.2</b>	104.3	100.3	97.0	405.5	131.6	44.0	11.4
Net Operating Income	<b>528.4</b>	<b>107.1</b>	129.2	129.9	162.2	434.1	56.8	△17.1	21.7
Non-Operating Income	-	-	-	-	-	9.2	△3.7	-	-
Earnings Before Income Taxes	<b>528.4</b>	<b>107.1</b>	129.2	129.9	162.2	443.3	53.1	△17.1	19.2
Income Tax Expenses(-)	<b>130.1</b>	<b>27.2</b>	30.5	32.5	39.9	109.8	15.1	△10.8	18.5
Net Income	<b>398.3</b>	<b>79.9</b>	98.7	97.4	122.3	333.5	38.0	△19.0	19.4
ROA	<b>1.09</b>		1.25	1.35	1.46	1.09		△0.16	0.00
ROE	<b>14.04</b>		15.79	16.98	18.41	14.23		△1.75	△0.19

## 5. Net Interest Income

### Interest Income Records



(KRW bn, %)	2011				2010		QoQ	YoY	
	4Q	3Q	2Q	1Q	4Q				
Net Interest Income	<b>987.4</b>	<b>255.6</b>	250.6	245.6	235.6	905.4	229.8	2.0	9.1
Interest Revenues	<b>1,796.2</b>	<b>479.7</b>	461.3	440.8	414.4	1,622.1	409.7	4.0	10.7
Interest on Loans	<b>1,499.8</b>	<b>401.2</b>	386.4	369.0	343.2	1,337.5	340.9	3.8	12.1
Interest on Securities	<b>263.7</b>	<b>68.8</b>	66.5	65.1	63.3	263.3	64.0	3.5	0.2
Others	<b>32.7</b>	<b>9.7</b>	8.4	6.7	7.9	21.3	4.8	15.5	53.5
Interest Expenses	<b>808.8</b>	<b>224.1</b>	210.7	195.2	178.8	716.7	179.8	6.4	12.9
Interest on Deposits	<b>578.5</b>	<b>160.1</b>	151.6	139.9	126.9	479.4	125.0	5.6	20.7
Interest on Debentures	<b>135.5</b>	<b>35.8</b>	34.2	33.0	32.5	140.8	34.3	4.7	△3.8
Others	<b>94.8</b>	<b>28.2</b>	24.9	22.3	19.4	96.5	20.5	13.3	△1.8

## 6. NIM & NIS

	2011				2010	QoQ	YoY
	4Q	3Q	2Q	1Q			
(KRW bn, %, %p, Accumulated)							
<b>NIM</b>	<b>2.99</b>	3.03	3.06	3.07	3.17	△0.04	△0.18
<b>NIS</b>	<b>3.61</b>	3.63	3.67	3.66	3.81	△0.02	△0.20
Interest Rate on KRW Loans	<b>6.36</b>	6.34	6.32	6.26	6.45	0.02	△0.09
Households	<b>5.82</b>	5.79	5.73	5.67	5.90	0.03	△0.08
Corporate	<b>6.11</b>	6.07	6.03	5.92	6.05	0.04	0.06
Interest Rate paid on KRW Deposits	<b>2.75</b>	2.71	2.65	2.60	2.64	0.04	0.11
Interest Earning Assets (Accumulated)	<b>30,213.1</b>	29,502.6	28,988.6	28,476.5	26,690.0	2.4	13.2
Avg. Interest Earning Assets (Quarterly)	<b>32,321.2</b>	30,514.0	29,495.1	28,476.5	27,635.8	5.9	17.0

## 7. Noninterest Income

### □ Noninterest Income Summary

(KRW bn, %)	2011				2010		QoQ	YoY	
	4Q	3Q	2Q	1Q	4Q				
Noninterest Income	<b>118.7</b>	<b>24.5</b>	22.2	29.3	42.7	94.1	27.3	10.4	26.1
Noninterest Revenues	<b>1,184.3</b>	<b>241.7</b>	438.8	274.0	229.8	1,137.1	255.6	△44.9	4.2
Fee Income	<b>133.1</b>	<b>33.6</b>	32.9	33.4	33.2	135.8	33.7	2.1	△2.0
Fees from Trust Acct.	<b>10.5</b>	<b>2.4</b>	2.8	2.6	2.7	12.5	3.7	△14.3	△16.0
Others <sup>1)</sup>	<b>1,040.7</b>	<sup>1)</sup> <b>205.7</b>	403.1	238.0	193.9	988.8	218.2	△49.0	5.2
Noninterest Expenses	<b>1,065.6</b>	<b>217.2</b>	416.6	244.7	187.1	1,043.0	228.3	△47.9	2.2
Commissions Paid	<b>49.0</b>	<b>13.1</b>	12.4	11.9	11.6	54.1	13.2	5.6	△9.4
Trust Acct. Losses	<b>0.0</b>	△ <b>0.4</b>	0.1	0.3	0.0	0.0	0.0	-	-
Others <sup>2)</sup>	<b>1,016.6</b>	<sup>2)</sup> <b>204.5</b>	404.1	232.5	175.5	988.9	215.1	△49.4	2.8

1) Gains on Securities (19.6), FX Trading and Derivatives (171.6), Gains from NPL Sales (12.0)

2) Losses from Securities (7.3), FX Trading and Derivatives (158.5), Losses from NPL Sales (13.6), Contribution to Guarantee Funds (11.3), Deposit Insurance Fee (7.4)

## 8. Provisioning

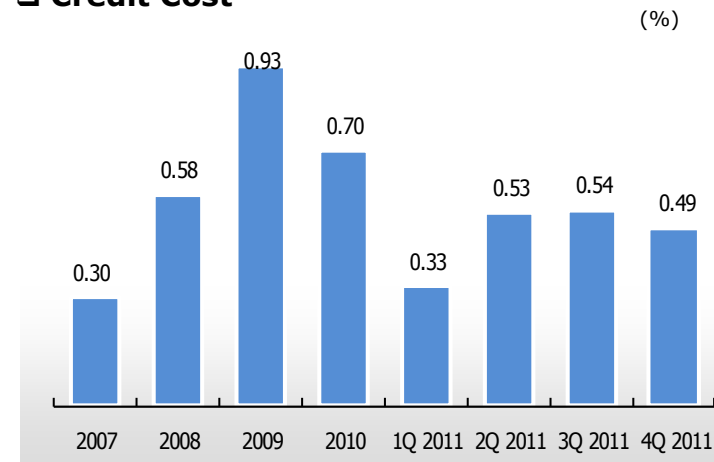
### □ Provision Expense

(KRW bn)	2011					2010				
	Full Year	4Q	3Q	2Q	1Q	Full Year	4Q	3Q	2Q	1Q
Corporate	<b>115.4</b>	<b>18.7</b>	35.4	38.3	23.0	155.8	65.8	25.4	27.2	37.4
Household	<b>1.5</b>	<b>1.5</b>	1.4	1.3	△2.7	△0.3	1.3	1.0	2.0	△4.6
Credit Card	<b>3.2</b>	<b>1.1</b>	0.6	0.7	0.8	2.6	0.4	0.4	0.6	1.2
Others	<b>6.0</b>	<b>1.5</b>	2.1	4.4	△2.0	1.7	1.1	5.0	△7.5	3.1
Trust Account	△ <b>0.2</b>	<b>0.0</b>	△0.2	0	0	0	0	0	0	0
Total (A)	<b>125.9</b>	<b>22.8</b>	39.3	44.7	19.1	159.8	68.6	31.8	22.3	37.1
Total Credit (B)	<b>25,868.1</b>	<b>25,868.1</b>	25,360.1	24,323.6	23,581.3	22,740.2	22,740.2	22,240.9	21,657.4	20,550.3
Credit Cost (A/B)	<b>0.49</b>	<b>0.35</b>	0.61	0.74	0.33	0.70	1.20	0.57	0.41	0.73

### □ Provision Balance

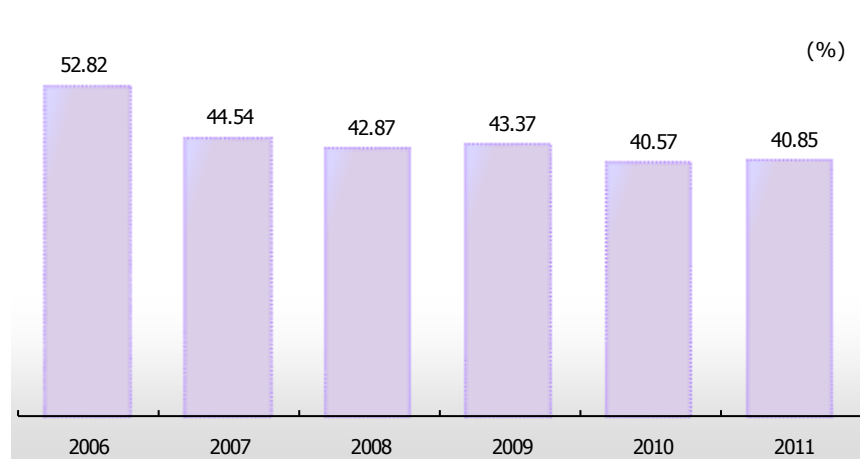
(KRW bn)	2011				2010 4Q
	4Q	3Q	2Q	1Q	
Corporate	<b>283.6</b>	290.9	257.6	276.5	274.2
Household	<b>19.0</b>	17.8	16.3	15.3	54.3
Credit Card	<b>7.7</b>	7.7	7.1	7.4	11.6
Trust	<b>0</b>	0	0	0	0
Total	<b>310.3</b>	316.4	281.0	299.2	340.1

### □ Credit Cost



## 9. SG&A

### □ CIR Records



### □ Summary

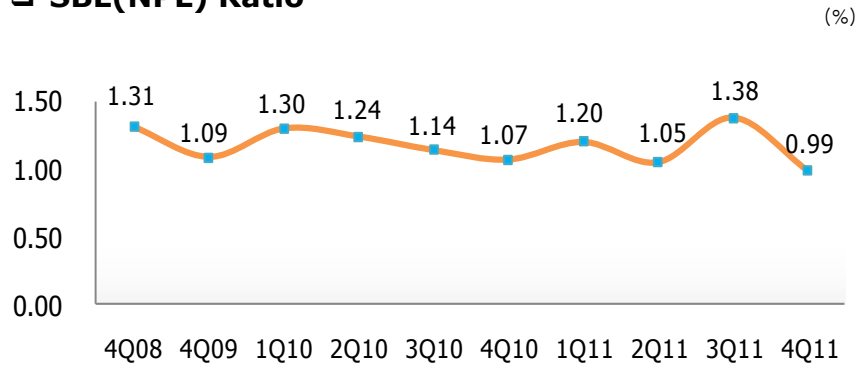
- Changes in SG&A
  - SG&A increased by 46.3 billion won, 11.4% YoY, due to additional retirement allowance, honorary retirement etc.
- Although accumulated CIR(40.85%) picked up by 0.28%p YoY, the bank's CIR has shown a downward trend since 2006.

(KRW bn, %, %p)	2011					2010		QoQ	YoY
	4Q	3Q	2Q	1Q	4Q				
Total SG&A	<b>451.8</b>	<b>150.2</b>	104.3	100.3	97.0	405.5	131.6	44.0	11.4
Salaries and other expenses	<b>356.6</b>	<b>108.9</b>	85.3	82.3	80.1	330.3	103.1	27.7	8.0
Depreciation	<b>40.2</b>	<b>11.6</b>	10.1	9.7	8.8	37.3	10.5	14.9	7.8
Taxes and dues	<b>13.3</b>	<b>4.2</b>	3.5	2.9	2.7	11.5	3.1	20.0	15.7
Retirement Allowance	<b>33.8</b>	<b>17.6</b>	5.4	5.4	5.4	19.6	7.8	225.9	72.4
Honorary Retirement	<b>7.9</b>	<b>7.9</b>	0.0	0.0	0.0	6.8	7.1	-	16.2
CIR(Cost Income Ratio)	<b>40.85</b>	<b>53.62</b>	38.23	36.49	34.85	40.57	51.21	15.39	0.28

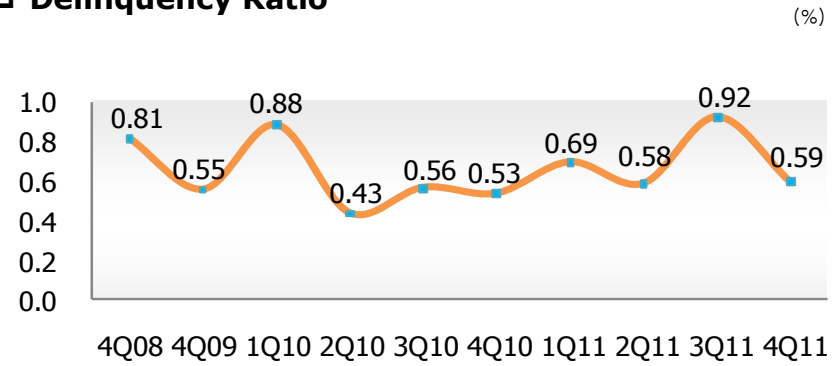


# 10. Asset Quality

## □ SBL(NPL) Ratio (%)



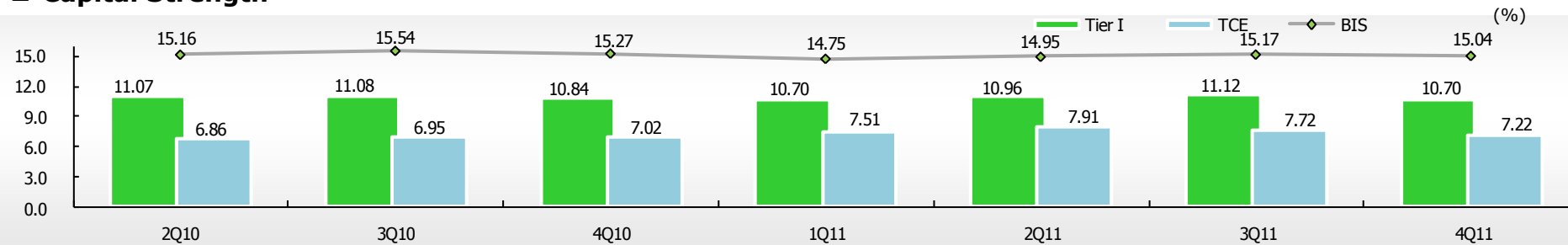
## □ Delinquency Ratio (%)



	2011				2010 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
(KRW bn, %, %p)							
Total Loans	<b>25,868.1</b>	25,360.1	24,323.6	23,581.3	22,740.2	2.0	13.8
Normal	<b>25,100.0</b>	24,478.1	23,569.4	22,723.0	21,929.6	2.5	14.5
Precautionary	<b>511.4</b>	530.9	498.2	574.2	566.6	△3.7	△9.7
Substandard	<b>212.1</b>	281.9	224.8	250.5	220.6	△24.8	△3.9
Doubtful	<b>20.4</b>	45.6	16.1	13.5	9.9	△55.3	106.1
Expected loss	<b>24.2</b>	23.6	15.1	20.1	13.5	2.5	79.3
SBL(Substandard & Below Loans)	<b>256.8</b>	351.1	256.0	284.1	244.0	△26.9	5.2
(SBL Ratio (%))	<b>(0.99)</b>	(1.38)	(1.05)	(1.20)	(1.07)	△0.39	△0.08
(SBL Coverage Ratio)	<b>(152.22)</b>	(109.11)	(133.75)	(128.48)	(143.67)	43.11	8.55
Loan Amount	<b>25,091.4</b>	24,619.5	23,598.9	22,918.4	22,095.1	1.9	13.6
Delinquent Amount	<b>149.0</b>	225.9	136.7	158.0	116.2	△34.0	28.2
Delinquency Ratio	<b>0.59</b>	0.92	0.58	0.69	0.53	△0.33	0.06

# 11. Capital Adequacy

## Capital Strength



(KRW bn, %, Basel II)	2011				2010 4Q
	<sup>1)</sup> 4Q	3Q	2Q	1Q	
<b>Total Risk Adjusted Capital</b>	<b>3,953.1</b>	3,931.0	3,718.3	3,620.9	3,595.3
Tier I Capital	<b>2,811.2</b>	2,881.6	2,726.9	2,629.8	2,551.8
Tier II Capital	<b>1,141.9</b>	1,049.4	991.4	991.1	1,043.5
<b>Total Risk Weighted Assets</b>	<b>26,282.0</b>	25,911.6	24,877.2	24,538.5	23,546.6
Credit Risk	<b>24,321.1</b>	23,878.6	22,798.0	22,375.2	21,619.2
Market Risk	<b>49.9</b>	123.7	195.8	282.9	87.1
Operational Risk	<b>1,911.0</b>	1,909.3	1,883.4	1,880.4	1,840.3
<b>BIS Capital Ratio</b>	<b>15.04</b>	15.17	14.95	14.75	15.27
Tier I	<b>10.70</b>	11.12	10.96	10.70	10.84
Tier II	<b>4.34</b>	4.05	3.99	4.05	4.43
<sup>2)</sup> Tangible Common Equity	<b>7.22</b>	7.72	7.91	7.51	7.02

1) Estimate based on Basel II

2) TCE = (Total Shareholder's Equity - Intangible Assets) / (Total Assets - Intangible Assets)

3) Basel III Core Tier I including RWA is 9.9%

## *III. 2012 Group Earnings Guidance*

- |           |                               |    |
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# 2012 Management Policy



**Establish  
Financial  
Group in the  
Southeast  
Economic  
Region**

**Bank : Stable Growth through Selection & Concentration, Preemptive Risk Management, CSR**

**Securities : Business Momentum through Addition of Underwriting, Secure Profit Earning Structure**

**Capital : Risk Management & Internal Stability Driven Growth Policy due to Rapid Growth,  
Management Control System Supplementation due to Size Expansion**

**MSB : Early Stabilization of Management System, Growth Policy Execution through Securing Market Dominance**

**Credit Information : Collective Service Diversification in terms of Non-Banking Financial Institutions etc.**

**Information Systems : Maximize Synergy with Bank IT, Establish IT Center regarding Affiliated Companies**



**“Achieve 2012’s Business Aim”**

## 2. Major Financial Plans

### □ Group Balance Sheet

	2012 Plan	2011	Increase (2012 vs. 2011)	Ratio (2012 vs. 2011)
(KRW bn, %, Balance)				
Total Assets	<b>45,144.7</b>	41,964.4	3,180.3	7.58
-----				
Subsidiaries	<b>42,153.0</b>	39,358.7	2,794.3	7.10
Trust	<b>2,991.7</b>	2,605.7	386.0	14.81
Total Deposits	<b>32,605.5</b>	29,887.9	2,717.6	9.09
-----				
Subsidiaries	<b>30,285.5</b>	27,666.5	2,619.0	9.47
Trust	<b>2,320.0</b>	2,221.4	98.6	4.44
Total Credits	<b>29,161.1</b>	25,680.8	3,480.3	13.55
-----				
KRW Loans	<b>26,636.1</b>	23,243.5	3,392.6	14.60
Guarantees	<b>850.0</b>	776.7	73.3	9.44
Total Securities	<b>8,943.2</b>	8,643.6	299.6	3.47
-----				
Subsidiaries	<b>7,604.0</b>	7,339.6	264.4	3.60
Trust	<b>1,339.2</b>	1,304.0	35.2	2.70
Shareholder's Equity	<b>3,328.6</b>	2,954.9	373.7	12.65

## 2. Major Financial Plans

### □ Bank Balance Sheet

	2012 Plan	2011	Increase (2012 vs. 2011)	Ratio (2012 vs. 2011)
(KRW bn, %, Balance)				
Total Assets	<b>43,500.0</b>	40,594.4	2,905.6	7.2
Bank Account	<b>40,508.3</b>	37,988.7	2,519.6	6.6
Trust Account	<b>2,991.7</b>	2,605.7	386.0	14.8
Total Deposits	<b>32,055.0</b>	29,762.2	2,292.8	7.7
Bank Account	<b>29,735.0</b>	27,540.8	2,194.2	8.0
Trust Account	<b>2,320.0</b>	2,221.4	98.6	4.4
Total Credits	<b>27,970.0</b>	25,303.7	2,666.3	10.5
KRW Loans	<b>25,445.0</b>	22,866.5	2,578.5	11.3
Guarantees	<b>850.0</b>	776.7	73.3	9.4
Total Securities	<b>8,734.1</b>	8,314.4	419.7	5.0
Bank Account	<b>7,394.9</b>	7,010.4	384.5	5.5
Trust Account	<b>1,339.2</b>	1,304.0	35.2	2.7
Shareholder's Equity	<b>3,058.9</b>	2,737.3	321.6	11.7

## 2. Major Financial Plans

### □ Core Ratios

	2012 Plan		2011		Ratio (2012 vs. 2011)	
	Group (A')	Bank (B')	Group (A)	Bank (B)	A' - A	B' - B
(KRW bn, %, %p)						
BIS Ratio <sup>1) 2)</sup>	<b>15.71</b>	<b>14.74</b>	15.83	15.04	△0.12	△0.30
(Tier I)	<b>11.60</b>	<b>10.60</b>	11.42	10.70	0.18	△0.10
(Tier II)	<b>4.11</b>	<b>4.14</b>	4.41	4.34	△0.30	△0.20
TCE	<b>7.61</b>	<b>7.27</b>	7.51	7.22	0.10	0.05
ROA	<b>1.08</b>	<b>1.08</b>	1.10	1.09	△0.02	△0.01
ROE	<b>14.30</b>	<b>14.66</b>	14.34	14.04	△0.04	0.62
NIM	<b>3.00</b>	<b>3.00</b>	2.99	2.99	0.01	0.01
CIR	<b>43.15</b>	<b>41.69</b>	42.08	40.85	1.07	0.84
Substandard & Below Amount	<b>315.7</b>	<b>301.6</b>	259.3	256.8	21.8	17.4
SBL Ratio	<b>1.05</b>	<b>1.05</b>	0.97	0.99	0.08	0.06
Coverage Ratio	<b>137.00</b>	<b>130.00</b>	154.45	152.22	△17.45	△22.22
Delinquency Ratio	<b>0.79</b>	<b>0.70</b>	0.61	0.59	0.18	0.11

1) Group based on Basel II, Bank based on Basel I

2) Estimate for 2011 Group & Bank's BIS Ratio, Tier I, Tier II

## 2. Major Financial Plans

### □ Group B/S Summary

	2012 Plan	2011	Ratio (2012 vs. 2011)
(KRW bn, %)			
Assets	<b>42,153.0</b>	39,358.7	7.1
Cash and Dues	<b>1,935.1</b>	2,595.5	△25.4
Securities	<b>7,604.0</b>	7,488.8	1.5
Loans	<b>28,943.7</b>	26,070.7	11.0
Receivables	<b>2,849.7</b>	2,666.4	6.9
Fixed Assets	<b>550.2</b>	412.6	33.3
Other Assets	<b>270.3</b>	124.7	116.8
Liabilities & Shareholder's Equity	<b>42,153.0</b>	39,358.7	7.1
Deposits	<b>27,168.6</b>	24,991.3	8.7
Borrowing	<b>8,664.6</b>	8,339.1	3.9
Other Liabilities	<b>2,991.2</b>	3,073.4	△2.7
Shareholder's Equity	<b>3,328.6</b>	2,954.9	12.6

### □ Bank B/S Summary

	2012 Plan	2011	Ratio (2012 vs. 2011)
(KRW bn, %)			
Assets	<b>40,508.3</b>	37,988.7	6.6
Cash and Dues	<b>1,930.1</b>	2,490.0	△22.5
Securities	<b>7,394.9</b>	7,010.4	5.5
Loans	<b>27,294.1</b>	24,883.0	9.7
Credit Cards	<b>450.0</b>	383.2	17.4
Fixed Assets	<b>542.8</b>	453.0	19.8
Other Assets	<b>2,896.4</b>	2,769.1	4.6
Liability & Shareholder's Equity	<b>40,508.3</b>	37,988.7	6.6
Deposits	<b>27,236.8</b>	25,024.2	8.8
Borrowings	<b>4,479.2</b>	4,315.7	3.8
Financial Debentures	<b>2,836.2</b>	2,890.3	1.9
Other Liabilities	<b>2,897.1</b>	3,021.2	4.1
Shareholder's Equity	<b>3,059.0</b>	2,737.3	11.8



## 2. Major Financial Plans

### □ Group I/S Summary

	2012 Plan	2011	Ratio (2012 vs. 2011)
(KRW bn, %)			
1. Operating Revenues	<b>3,339.7</b>	3,070.6	8.8
Interest Income	<b>2,173.5</b>	1,845.0	17.8
Fee & Commission Income	<b>177.6</b>	152.3	16.6
Others	<b>988.6</b>	1,073.3	△7.9
2. Operating Expenses	<b>2,759.4</b>	2,537.8	8.7
Interest Expense	<b>984.9</b>	820.5	20.0
Fee & Commission Expense	<b>63.4</b>	55.8	13.6
Others	<b>950.2</b>	1,033.2	△8.0
SG&A	<b>578.8</b>	488.6	18.5
Provision Expense	<b>182.1</b>	139.7	30.4
3. Earnings Before Taxes (1-2)	<b>580.3</b>	532.8	8.9
4. Income Tax	<b>144.8</b>	132.5	9.3
5. Net Income (3-4)	<b>435.5</b>	400.3	8.8

### □ Bank I/S Summary

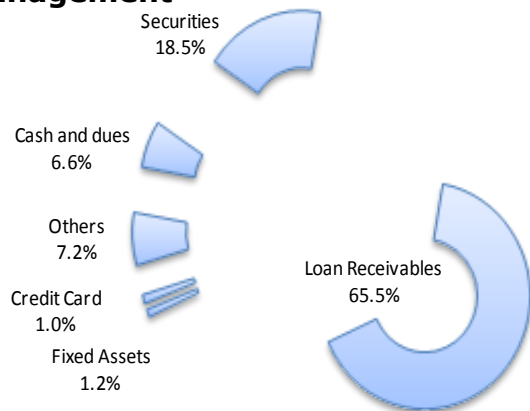
	2012 Plan	2011	Ratio (2012 vs. 2011)
(KRW bn, %)			
1. Operating Revenues	<b>3,088.6</b>	2,980.5	3.6
Interest Income	<b>2,019.9</b>	1,796.2	12.5
Fee & Commission Income	<b>130.6</b>	133.1	△1.9
Trust Account	<b>11.5</b>	10.5	9.5
Others	<b>926.6</b>	1,040.7	△11.0
2. Operating Expenses	<b>2,531.8</b>	2,452.1	3.3
Interest Expense	<b>916.2</b>	808.8	13.3
Fee & Commission Expense	<b>54.4</b>	49.0	11.0
Trust Account	<b>0</b>	0	-
Others	<b>929.9</b>	1,016.6	△8.5
SG&A	<b>495.3</b>	451.8	9.6
Provision Expense	<b>136.0</b>	125.9	8.0
3. Earnings Before Taxes (1-2)	<b>556.8</b>	528.4	5.4
4. Income Tax	<b>134.8</b>	130.1	3.6
5. Net Income (3-4)	<b>422.0</b>	398.3	6.0

## *IV. Appendix (Bank)*

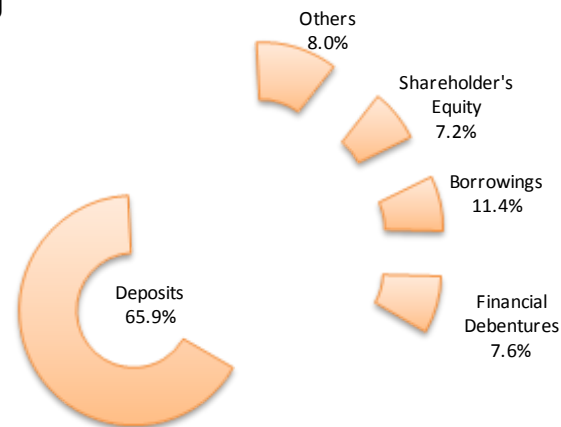
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# 1. B/S Summary

## Management



## Funding



(KRW bn, %, Balance)	2011				2010 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
<b>Assets</b>	<b>37,988.7</b>	36,083.3	34,561.7	35,130.9	34,726.1	5.3	9.4
Cash and Dues	<b>2,490.0</b>	1,739.5	1,734.5	1,779.6	2,005.1	43.1	24.2
Securities	<b>7,010.4</b>	6,543.7	6,420.7	6,357.9	6,231.3	7.1	12.5
Loans	<b>24,883.0</b>	24,327.0	23,329.9	22,744.9	21,668.0	2.3	14.8
Credit Card	<b>383.2</b>	383.1	390.6	379.2	411.3	0.0	△6.8
Fixed Assets	<b>453.0</b>	427.4	410.7	393.4	389.6	6.0	16.3
Other Assets	<b>2,769.1</b>	2,662.6	2,275.3	3,475.9	4,020.8	4.0	△31.1
<b>Liability &amp; Shareholder's Equity</b>	<b>37,988.7</b>	36,083.3	34,561.7	35,130.9	34,726.1	5.3	9.4
Deposits	<b>25,024.2</b>	23,431.5	23,060.1	22,013.3	21,490.0	6.8	16.4
Borrowings	<b>4,315.7</b>	3,931.2	3,344.5	3,644.4	3,746.6	9.8	15.2
Financial Debentures	<b>2,890.3</b>	2,950.2	2,779.3	2,666.7	2,631.8	△2.0	9.8
Other Liabilities	<b>3,021.2</b>	2,985.2	2,649.8	4,180.7	4,399.7	1.2	△31.3
Shareholder's Equity	<b>2,737.3</b>	2,785.2	2,728.0	2,625.8	2,458.0	△1.7	11.4

## 2. I/S Summary

(KRW bn,%)	2011					2010		QoQ	YoY
	4Q	3Q	2Q	1Q		4Q			
1. Operating Revenues	<b>2,980.5</b>	<b>721.4</b>	900.1	714.8	644.2	2,759.2	665.3	△19.9	8.0
Interest Revenue	<b>1,796.2</b>	<b>479.7</b>	461.3	440.8	414.4	1,622.1	409.7	4.0	10.7
Fee & Commission Revenue	<b>133.1</b>	<b>33.6</b>	32.9	33.4	33.2	135.8	33.7	2.1	△2.0
Trust Account	<b>10.5</b>	<b>2.4</b>	2.8	2.6	2.7	12.5	3.7	△14.3	△16.0
Others	<b>1,040.7</b>	<b>205.7</b>	403.1	238.0	193.9	988.8	218.2	△49.0	5.2
2. Operating Expenses	<b>2,452.1</b>	<b>614.3</b>	770.9	584.9	482.0	2,325.1	608.4	△20.3	5.5
Interest Expense	<b>808.8</b>	<b>224.1</b>	210.7	195.2	178.8	716.7	179.8	6.4	12.9
Fee & Commission Expense	<b>49.0</b>	<b>13.1</b>	12.4	11.9	11.6	54.1	13.2	5.6	△9.4
Trust Account	<b>0.0</b>	<b>△0.4</b>	0.1	0.3	0.0	0.0	0.0	-	-
Others	<b>1,016.6</b>	<b>204.5</b>	404.1	232.5	175.5	988.9	215.1	△49.4	2.8
SG&A	<b>451.8</b>	<b>150.2</b>	104.3	100.3	97.0	405.5	131.6	44.0	11.4
Provision Expense	<b>125.9</b>	<b>22.8</b>	39.3	44.7	19.1	159.8	68.6	△42.0	△21.2
3. Operating Income	<b>528.4</b>	<b>107.1</b>	129.2	129.9	162.2	434.1	56.8	△17.1	21.7
4. Non Operating Income	-	-	-	-	-	9.2	△3.7	-	-
5. Earnings Before Income Taxes	<b>528.4</b>	<b>107.1</b>	129.2	129.9	162.2	443.3	53.1	△17.1	19.2
6. Income Taxes	<b>130.1</b>	<b>27.2</b>	30.5	32.5	39.9	109.8	15.1	△10.8	18.5
7. Net Income	<b>398.3</b>	<b>79.9</b>	98.7	97.4	122.3	333.5	38.0	△19.0	19.4

### 3. PPOP

(KRW bn, %)	2011				2010		QoQ	YoY	
	4Q	3Q	2Q	1Q	4Q				
<b>PPOP</b>	<b>688.1</b>	<b>147.5</b>	174.0	180.0	186.6	622.7	129.5	△15.2	10.5
<b>Provision Expenses</b>	<b>159.7</b>	<b>40.4</b>	44.8	50.1	24.4	179.4	76.4	△9.8	△11.0
Loans	<b>119.7</b>	<b>21.6</b>	37.1	40.2	20.8	154.2	63.8	△41.8	△22.4
Payment Guarantees	<b>0.2</b>	<b>△0.3</b>	0.2	-	0.3	3.9	3.8	△250.0	△94.9
Retirement Allowance	<b>33.8</b>	<b>17.6</b>	5.4	5.4	5.4	19.6	7.8	225.9	72.4
Others	<b>6.0</b>	<b>1.5</b>	2.1	4.5	△2.1	1.7	1.0	△28.6	252.9
<b>Income Taxes</b>	<b>130.1</b>	<b>27.2</b>	30.5	32.5	39.9	109.8	15.1	△10.8	18.5
<b>Net Income</b>	<b>398.3</b>	<b>79.9</b>	98.7	97.4	122.3	333.5	38.0	△19.0	19.4

## 4. Securities Investment

(KRW bn, %, Balance)	2011 4Q					2011 3Q		2010 4Q	
	Total	Trading Securities	Investment Securities			QoQ	YoY		
			Total	A.F.S*	H.T.M*				
KRW Bonds	<b>6,240.9</b>	0	6,240.9	2,049.5	4,191.4	5,829.8	7.1	5,325.0	17.2
Government Bonds	<b>920.3</b>	0	920.3	154.3	766.0	891.1	3.3	731.2	25.9
Financial Debentures	<b>913.1</b>	0	913.1	591.9	321.2	881.7	3.6	1,163.1	△21.5
Municipal Bonds	<b>785.9</b>	0	785.9	0	785.9	702.0	12.0	424.3	85.2
Govn't Corporate Bonds	<b>2,936.1</b>	0	2,936.1	703.9	2,232.2	2,692.7	9.0	2,404.0	22.1
Corporate Bonds	<b>685.5</b>	0	685.5	599.4	86.1	662.4	3.5	602.4	13.8
Foreign Bonds	<b>53.1</b>	0	53.1	53.1	0	53.8	△1.3	59.3	△10.5
Stock	<b>299.2</b>	0	299.2	299.2	0	293.8	1.8	412.5	△27.5
Mutual Funds	<b>359.0</b>	8.6	350.4	350.4	0	268.0	34.0	424.7	△15.5
Bonds	<b>150.0</b>	0	150.0	150.0	0	0	-	112.1	33.8
Stocks	<b>59.7</b>	0	59.7	59.7	0	65.8	△9.3	182.8	△67.3
MMF	<b>8.6</b>	8.6	0	0	0	10.1	△14.9	7.9	8.9
Others	<b>140.7</b>	0	140.7	140.7	0	192.0	△26.7	121.9	15.4
Others	<b>58.2</b>	0	58.2	8.2	50.0	98.3	△40.8	9.8	493.9
<b>Total</b>	<b>7,010.4</b>	8.6	7,001.8	2,760.4	4,241.4	6,543.7	7.1	6,231.3	12.5

## 5. Deposits / Loans Breakdown

### ☐ Deposits

(KRW bn, %, Balance)	2011				2010 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
KRW Deposits	<b>23,914.5</b>	22,413.4	21,425.3	20,730.2	20,218.3	6.7	18.3
Demand	<b>1,951.7</b>	1,798.2	1,966.9	1,952.1	1,816.3	8.5	7.5
Savings	<b>21,923.9</b>	20,570.3	19,410.4	18,721.4	18,337.5	6.6	19.6
Installment	<b>38.9</b>	44.9	48.0	56.7	64.5	△13.4	△39.7
CD	<b>852.0</b>	770.4	1,368.1	1,035.5	1,063.1	10.6	△19.9
Bills Sold	<b>63.5</b>	60.7	53.9	45.4	40.0	4.6	58.8
R P	<b>701.4</b>	696.1	499.7	498.8	488.9	0.8	43.5
Financial Debenture	<b>2,009.4</b>	2,039.4	1,889.5	1,759.6	1,964.6	△1.5	2.3
Trust Account	<b>2,221.4</b>	2,105.5	1,975.7	1,967.8	1,855.1	5.5	19.7
Total Deposits	<b>29,762.2</b>	28,085.6	27,212.2	26,037.3	25,630.0	6.0	16.1

### ☐ Loans

(KRW bn, %, Balance)	2011				2010 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
KRW Loans	<b>22,866.5</b>	22,380.0	21,582.2	20,887.0	20,018.3	2.2	14.2
Corporate	<b>16,428.0</b>	16,185.5	15,692.5	15,265.1	14,450.3	1.5	13.7
(SME)	<b>15,231.6</b>	14,913.1	14,442.7	14,121.0	13,618.1	2.1	11.8
(Large Corps)	<b>1,196.4</b>	1,272.4	1,249.8	1,144.1	832.2	△6.0	43.8
Household	<b>5,541.0</b>	5,331.8	5,021.6	4,811.5	4,753.7	3.9	16.6
Public	<b>897.5</b>	862.7	868.1	810.4	814.0	4.0	10.3
Foreign Currency Loans	<b>1,044.3</b>	1,081.3	989.3	1,059.3	1,122.3	△3.4	△7.0
Trust Account	<b>23.1</b>	21.2	19.4	19.2	18.9	9.0	22.2
Others	<b>1,369.8</b>	1,334.4	1,243.6	1,138.7	1,067.4	2.7	28.3
Total Loans	<b>25,303.7</b>	24,816.9	23,834.5	23,104.2	22,226.6	2.0	13.8

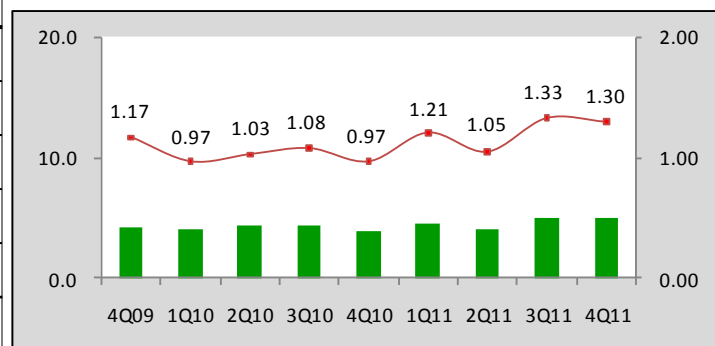
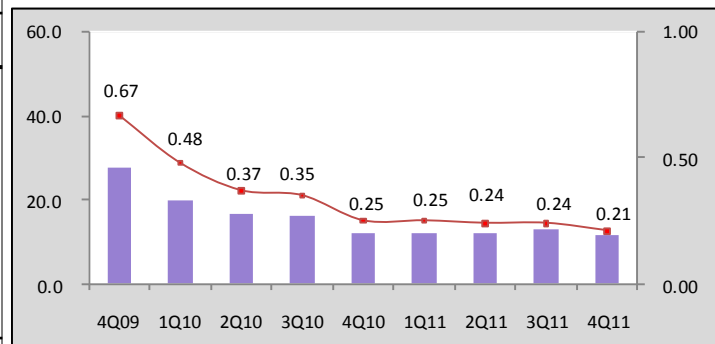
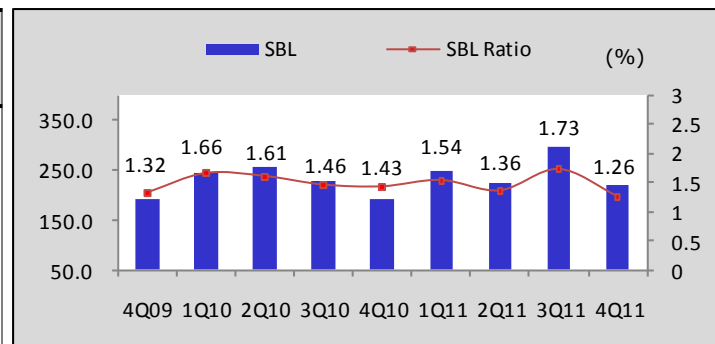
## 6. Corporate Loan Portfolio

(KRW bn, %, Balance)	2011 4Q			2011 3Q		2010 4Q	
	Amount	Ratio	QoQ	Amount	Ratio	Amount	Ratio
<b>Manufacturing Sectors</b>	<b>7,619.9</b>	<b>44.0</b>	<b>△0.1</b>	7,628.0	44.7	7,040.0	46.1
Steel Metal Products	2,407.4	13.9	△1.9	2,452.8	14.4	2,268.5	14.9
Automobile Parts	1,672.5	9.7	6.1	1,576.8	9.2	1,565.6	10.3
Machinery	952.2	5.5	△3.5	987.2	5.8	968.0	6.3
Petroleum, Rubber, etc.	864.4	5.0	△0.2	866.2	5.1	707.8	4.6
Fabric	243.4	1.4	△8.6	266.2	1.6	246.3	1.6
Garment & Shoes	193.1	1.1	△1.8	196.6	1.2	163.8	1.1
Kitchen Units	225.2	1.3	△0.2	225.6	1.3	216.5	1.4
Electronics	450.3	2.6	4.1	432.5	2.5	364.1	2.4
Paper, Paper Mills	68.7	0.4	△33.9	103.9	0.6	102.4	0.7
Others	542.7	3.1	4.3	520.2	3.0	437.0	2.8
<b>Non-Manufacturing</b>	<b>9,705.6</b>	<b>56.0</b>	<b>3.0</b>	9,420.2	55.3	8,224.3	53.9
Wholesale & Retail	1,936.9	11.2	2.9	1,882.0	11.0	1,792.5	11.7
Public	278.3	1.6	15.9	240.1	1.4	194.6	1.3
Construction & Engineering	1,140.9	6.6	7.5	1,060.9	6.2	732.4	4.8
Real Estate & Lease	2,309.6	13.3	6.4	2,170.9	12.7	1,708.2	11.2
Insurance & Financing	679.3	3.9	△16.7	815.8	4.8	670.3	4.4
Transportation	1,163.1	6.7	1.1	1,150.9	6.8	1,078.6	7.1
Hotel & Food	383.5	2.2	0.2	382.6	2.2	360.3	2.4
Others	1,814.0	10.5	5.6	1,717.0	10.2	1,687.4	11.0
<b>Total</b>	<b>17,325.5</b>	<b>100.0</b>	<b>1.6</b>	17,048.2	100.0	15,264.3	100.0



# 7. Asset Quality

(KRW bn, %)		2011				2010 4Q
		4Q	3Q	2Q	1Q	
SME	Normal	16,795.5	16,424.8	15,929.9	15,446.2	15,022.8
	Precautionary	453.2	472.5	422.5	515.3	508.7
	Substandard	190.4	258.6	202.0	223.8	208.6
	Doubtful	14.1	19.2	11.1	8.6	5.3
	Expected Loss	15.5	20.3	12.7	17.3	11.1
	<b>Total</b>	<b>17,468.7</b>	17,195.4	16,578.2	16,211.1	15,756.5
Household	Normal	5,536.0	5,323.8	4,998.9	4,787.5	4,731.2
	Precautionary	31.1	31.3	31.5	32.6	30.8
	Substandard	7.5	9.0	8.6	8.7	8.8
	Doubtful	3.1	2.6	2.2	1.8	2.0
	Expected Loss	1.0	1.5	1.1	1.4	1.2
	<b>Total</b>	<b>5,578.7</b>	5,368.2	5,042.3	4,832.1	4,774.0
Credit Card	Normal	372.1	372.1	381.3	369.2	401.5
	Precautionary	6.1	5.9	5.2	5.5	5.8
	Substandard	0.2	0.2	0.2	0.2	0.2
	Doubtful	3.2	3.1	2.7	3.0	2.6
	Expected Loss	1.6	1.8	1.2	1.4	1.2
	<b>Total</b>	<b>383.2</b>	383.1	390.6	379.2	411.3



## 8. Delinquency Ratio/Write-Offs & NPL Sales

(KRW bn, %)	2011				2010			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
<b>Total Delinquency Ratio</b>	<b>0.59</b>	0.92	0.58	0.69	0.53	0.56	0.43	0.88
Overdue Amount	<b>149.0</b>	225.9	136.7	158.0	116.2	121.7	91.2	174.9
Loan Amount	<b>25,091.4</b>	24,619.5	23,598.9	22,918.4	22,095.1	21,589.5	20,982.9	19,925.2
<b>SMEs</b>	<b>0.69</b>	1.17	0.75	0.89	0.65	0.65	0.45	1.04
Overdue Amount	<b>115.9</b>	194.1	119.2	139.4	99.1	97.7	66.2	146.4
Loan Amount	<b>16,853.6</b>	16,590.3	15,959.7	15,644.9	15,189.6	15,071.4	14,564.4	14,071.8
<b>Households</b>	<b>0.25</b>	0.24	0.24	0.23	0.21	0.36	0.40	0.50
Overdue Amount	<b>14.2</b>	12.8	12.3	11.3	10.2	16.6	18.0	21.0
Loan Amount	<b>5,564.0</b>	5,352.9	5,041.0	4,830.6	4,772.5	4,619.9	4,517.1	4,175.6
<b>Credit Card</b>	<b>1.59</b>	1.61	1.31	1.46	1.26	1.25	1.13	1.16
Overdue Amount	<b>6.1</b>	6.1	5.1	5.5	5.2	5.1	4.9	4.9
Loan Amount	<b>383.2</b>	383.1	390.5	379.2	411.3	407.2	428.4	423.4
<b>Total Write-Offs</b>	<b>34.6</b>	12.5	57.5	8.1	67.5	28.5	22.1	10.0
Corporate	<b>30.6</b>	10.1	53.8	5.5	63.5	24.9	18.7	5.2
Household	<b>1.4</b>	0.9	1.1	0.9	2.0	1.6	1.5	2.5
Credit Card	<b>2.6</b>	1.5	2.6	1.7	2.0	2.0	1.9	2.3
<b>Total NPL Sales</b>	<b>92.9</b>	0	69.9	0.0	29.8	33.3	125.6	54.7
<b>(NPL Sales for SBL Loans)</b>	<b>(90.6)</b>	(0.0)	(60.9)	(0.0)	(21.7)	(11.9)	(84.9)	(33.2)
Corporate	<b>92.9</b>	0.0	69.8	0.0	27.5	32.3	120.9	50.6
Household	<b>0.0</b>	0.0	0.0	0.0	2.1	0.7	4.2	3.9
Credit Card	<b>0.0</b>	0.0	0.1	0.0	0.2	0.3	0.5	0.2

## 9. SME Industry/Collateral Delinquency Ratio

### □ Delinquency Ratio by Industry

(KRW bn, %, Balance)	4Q 2011		3Q 2011		2Q 2011		4Q 2010	
	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio
Manufacturing Sector	<b>7,961.3</b>	<b>0.96</b>	8,031.9	1.41	7,824.6	0.89	7,521.8	0.75
Non-Manufacturing Sector	<b>8,892.3</b>	<b>0.44</b>	8,558.4	0.95	8,135.1	0.61	7,667.8	0.56
Wholesale and Retail	<b>2,163.8</b>	<b>0.31</b>	2,126.5	0.38	2,071.4	0.25	2,062.3	0.26
Public & others	<b>0.2</b>	-	0.3	-	0.1	-	0.1	-
Construction	<b>1,047.6</b>	<b>0.16</b>	1,005.8	0.25	915.2	0.37	690.7	0.83
Real Estate & Lease	<b>2,297.5</b>	<b>0.18</b>	2,155.1	0.21	1,956.9	0.28	1,686.6	1.23
Finance and Insurance	<b>341.7</b>	-	304.6	-	230.6	-	326.0	-
Transportation & Communications	<b>1,147.4</b>	<b>1.53</b>	1,143.4	4.02	1,106.2	1.10	1,105.8	0.27
Hotel & Food	<b>389.4</b>	<b>0.51</b>	388.7	0.86	378.3	0.43	366.7	0.25
Others	<b>1,504.7</b>	<b>0.49</b>	1,434.0	1.18	1,470.3	1.46	1,429.6	0.50
Total	<b>16,853.6</b>	<b>0.69</b>	16,590.3	1.17	15,959.7	0.75	15,189.6	0.65

### □ Delinquency Ratio by Types of Collateral

(KRW bn, %)	Total	Real Estate	Movable	Deposit	Guarantee	Unsecured
<b>4Q 2011</b>	<b>0.69</b>	<b>1.09</b>	<b>0.36</b>	<b>0.02</b>	<b>0.37</b>	<b>0.40</b>
<b>Amount</b>	<b>(16,853.6)</b>	<b>(7,286.1)</b>	<b>(111.5)</b>	<b>(422.9)</b>	<b>(1,408.1)</b>	<b>(7,625.0)</b>
3Q 2011	1.17	1.77	0.98	0.00	0.33	0.85
Amount	(16,590.3)	(7,099.7)	(102.1)	(476.0)	(1,624.1)	(7,288.4)
2Q 2011	0.75	1.32	0.89	0.00	0.50	0.29
Amount	(15,959.7)	(6,881.8)	(101.2)	(475.3)	(1,554.8)	(6,946.6)
4Q 2010	0.65	0.97	0.19	1.53	0.61	0.30
Amount	(15,189.6)	(6,510.0)	(108.0)	(449.7)	(1,438.5)	(6,683.4)

## 10. Household Loans

(KRW bn, %, %p, Balance)	2011				2010 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
Household Loans – Retail (KRW)	<b>5,541.0</b>	5,331.8	5,021.6	4,811.5	4,753.7	3.9	16.6
Total Secured Loans	<b>4,957.0</b>	4,616.9	4,347.5	4,179.6	4,141.0	7.4	19.7
Mortgage / Home Equity	<b>2,768.1</b>	2,709.6	2,666.7	2,618.3	2,603.7	2.2	6.3
(Avg. LTV)	<b>(39.38)</b>	(40.65)	(43.08)	(44.36)	(45.34)	△1.27	△5.96
Others	<b>1,238.8</b>	1,099.2	1,061.9	1,031.6	1,055.8	12.7	17.3
Construction Mortgage	<b>805.9</b>	670.4	491.7	412.4	361.4	20.2	123.0
Government Pension Backed	<b>144.2</b>	137.7	127.2	117.3	120.1	4.7	20.1
Non-Collateralized	<b>584.0</b>	714.9	674.1	631.9	612.7	△18.3	△4.7
Government Workers	<b>111.6</b>	112.0	91.2	90.1	92.5	△0.4	20.6
Large Corp. Employees	<b>59.3</b>	60.1	48.5	45.8	45.8	△1.3	29.5
Student Loans	<b>0.9</b>	1.1	1.4	1.7	2.1	△18.2	△57.1
Clean Credit	<b>274.4</b>	274.4	274.0	274.9	280.5	0.0	△2.2
Others	<b>137.8</b>	267.3	259.0	219.4	191.8	△48.4	△28.2

## 11. Credit Card Business

### □ Asset Portfolio, Balance Sheet Summary & Source of Income

(KRW bn)

Portfolio	2011				2010			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	<b>920.8</b>	898.3	878.0	836.6	834.5	805.9	820.9	811.7
Lump-sum	<b>760.8</b>	756.8	711.5	699.2	685.5	673.7	629.9	620.1
Installment	<b>160.0</b>	141.5	166.5	137.4	149.0	132.2	191.0	191.6
Cash Advance	<b>110.3</b>	108.6	110.6	111.8	119.2	119.2	123.4	123.1
<b>Total</b>	<b>1,031.1</b>	1,006.9	988.6	948.4	953.7	925.1	944.3	934.8
Balance	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	<b>326.1</b>	326.1	333.3	321.1	350.6	346.3	364.9	359.0
Cash Advance	<b>56.0</b>	55.9	56.2	57.0	59.5	59.5	62.1	62.9
Re-aged Loans	<b>1.1</b>	1.1	1.1	1.2	1.1	1.4	1.4	1.5
<b>Total</b>	<b>383.2</b>	383.1	390.6	379.3	411.2	407.2	428.4	423.4
Income(Fees)	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	<b>19.1</b>	18.5	18.9	19.1	19.2	18.4	20.6	20.8
Cash Advance	<b>3.4</b>	3.4	3.6	3.5	3.8	4.1	4.5	4.4
Re-aged Loans	<b>0</b>	0	0	0	0	0	0	0
Others	<b>0.9</b>	0.9	1.0	0.9	0.9	0.9	0.9	0.8
<b>Total</b>	<b>23.4</b>	22.8	23.5	23.6	23.9	23.4	26.0	26.0

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# 1. B/S Summary

## □ BS Securities

(KRW bn, %, Balance)	3Q11	2Q11	QoQ
<b>Assets</b>	<b>507.2</b>	256.1	98.0
Cash and Dues	<b>75.0</b>	98.7	△24.0
Securities	<b>330.9</b>	82.4	301.6
Loans	<b>26.1</b>	25.2	3.6
Fixed Assets	<b>4.7</b>	2.2	113.6
Other Assets	<b>70.5</b>	47.6	48.1
<b>Liability &amp; Shareholder's Equity</b>	<b>507.2</b>	256.1	98.0
Deposits	<b>77.6</b>	103.0	△24.7
Borrowings	<b>263.5</b>	0.0	-
Other Liabilities	<b>57.0</b>	45.1	26.4
Shareholder's Equity	<b>109.1</b>	108.0	1.0

## □ BS Credit Info

(KRW bn, %, Balance)	4Q11	3Q11	QoQ
<b>Assets</b>	<b>5.2</b>	5.0	4.0
Cash and Dues	<b>4.7</b>	4.4	6.8
Securities	<b>0.0</b>	0.0	-
Fixed Assets	<b>0.1</b>	0.0	-
Other Assets	<b>0.4</b>	0.6	△33.3
<b>Liability &amp; Shareholder's Equity</b>	<b>5.2</b>	5.0	4.0
Other Liabilities	<b>0.2</b>	0.2	0.0
Shareholder's Equity	<b>5.0</b>	4.8	4.2

## □ BS Capital

(KRW bn, %, Balance)	4Q11	3Q11	QoQ
<b>Assets</b>	<b>918.1</b>	675.5	35.9
Cash and Dues	<b>27.4</b>	46.4	△40.9
Securities	<b>0.01</b>	0.01	-
Loans	<b>426.6</b>	290.1	47.1
Durables Installment Financing Assets	<b>134.4</b>	69.9	92.3
Leased Assets	<b>308.2</b>	253.7	21.5
Fixed Assets	<b>2.0</b>	1.9	5.3
Other Assets	<b>19.5</b>	13.5	44.4
<b>Liability &amp; Shareholder's Equity</b>	<b>918.1</b>	675.5	35.9
Borrowings	<b>729.4</b>	510.0	43.0
Other Liabilities	<b>80.8</b>	61.2	32.0
Shareholder's Equity	<b>107.9</b>	104.2	3.6

## □ BS Capital Portfolio

(KRW bn, %, Balance)	4Q11	Ratio	QoQ
<b>Total</b>	<b>862.0</b>	<b>100.0</b>	<b>41.5</b>
<b>Loans</b>	<b>369.2</b>	<b>42.8</b>	<b>45.8</b>
Household	140.5	16.3	25.3
Corporate	228.7	26.5	62.0
<b>Auto Financing</b>	<b>193.0</b>	<b>22.4</b>	<b>82.1</b>
Commercial Vehicle	112.8	13.1	76.0
Passenger Vehicle	80.2	9.3	91.4
<b>Lease/Installments</b>	<b>299.8</b>	<b>34.8</b>	<b>20.1</b>
Machine Tools	117.9	13.7	16.8
Medical Instruments	118.2	13.7	22.1
Others	63.7	7.4	22.5

## 2. I/S Summary

	BS Securities		BS Capital		BS Credit Information	
	3Q11	QoQ	4Q11	QoQ	4Q11	QoQ
(KRW bn,%)						
Operating Revenue	<b>14.8</b>	2.1	<b>25.8</b>	46.6	<b>0.66</b>	13.8
Interest Revenue	<b>2.3</b>	53.3	<b>24.7</b>	46.2	<b>0.05</b>	25.0
Fee & Commission Revenue	<b>4.5</b>	△2.2	<b>1.1</b>	83.3	<b>0.61</b>	13.0
Trust Account	-	-	-	-	-	-
Others	<b>8.0</b>	△4.8	-	-	-	-
Operating Expense	<b>12.9</b>	6.6	<b>20.6</b>	49.3	<b>0.47</b>	11.9
Interest Expense	<b>1.0</b>	150.0	<b>8.9</b>	39.1	-	-
Fee & Commission Expense	<b>1.0</b>	△37.5	<b>0.2</b>	-	-	-
Trust Account	<b>0</b>	-	-	-	-	-
Others	<b>4.6</b>	△4.2	<b>1.7</b>	240.0	-	-
SG&A	<b>6.3</b>	16.7	<b>3.4</b>	25.9	<b>0.47</b>	11.9
Provision Expense	-	-	<b>6.4</b>	48.8	-	-
Earnings Before Income Tax	<b>1.9</b>	△17.4	<b>5.2</b>	36.8	<b>0.19</b>	18.8
Income Tax Expenses	<b>0.5</b>	△16.7	<b>1.4</b>	133.3	<b>0.04</b>	0.0
Net Income	<b>1.4</b>	△17.6	<b>3.8</b>	18.8	<b>0.15</b>	25.0

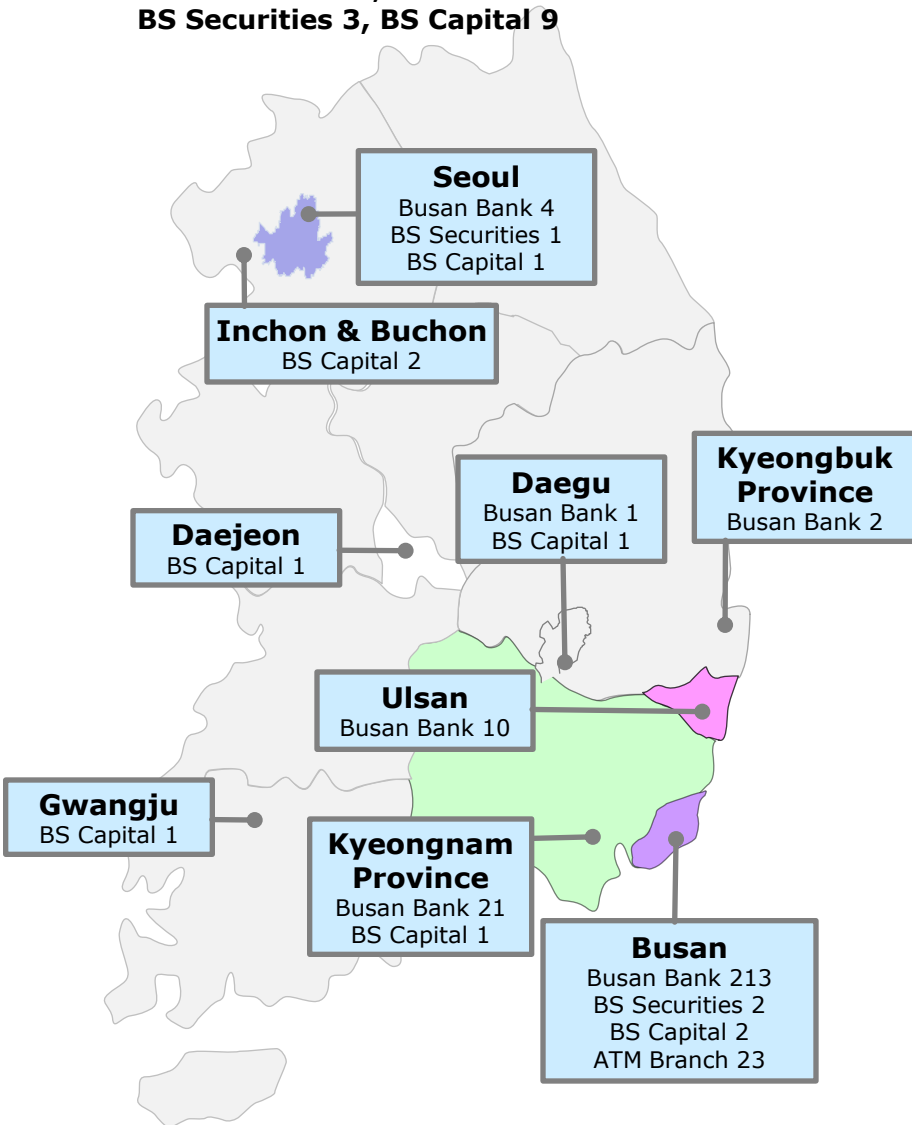
※ BS Securities Fiscal Year End, March 31



### 3. Group Networks & Greater Busan Industries

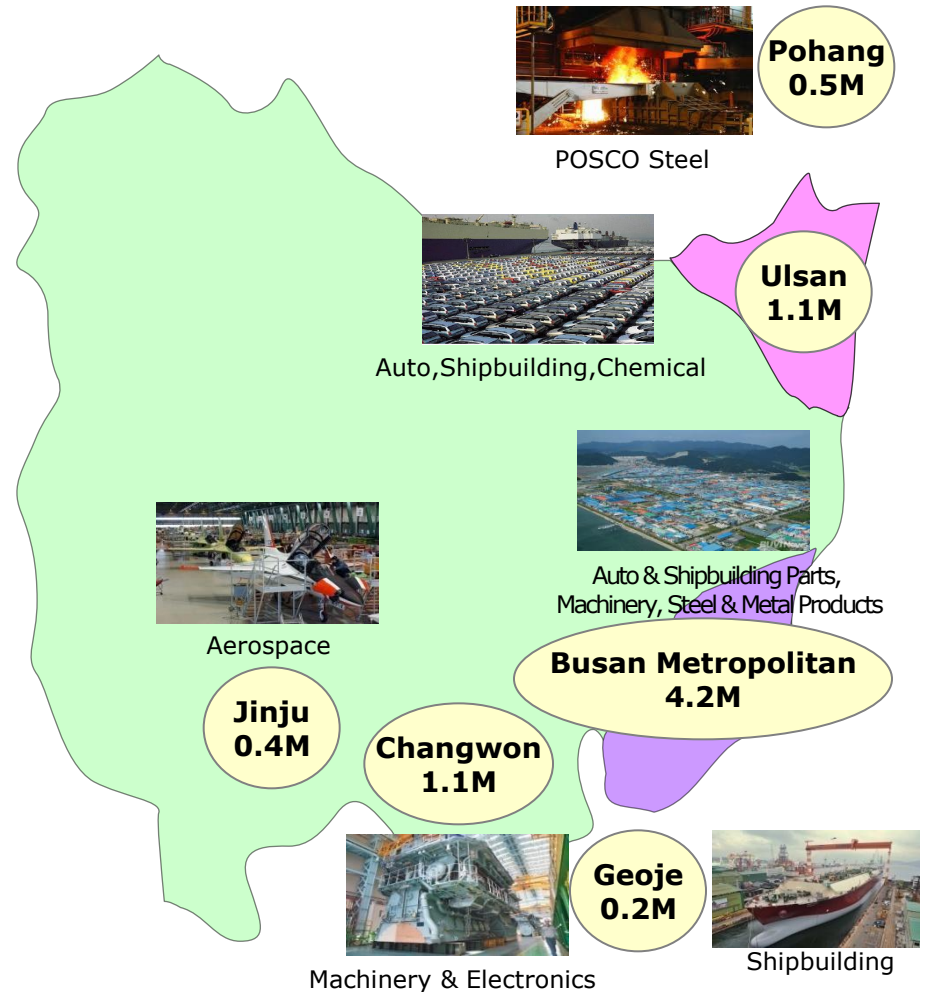
❑ **Networks across Korea**

- Busan Bank 251,  
BS Securities 3, BS Capital 9



❑ **Greater Busan**

- Hub for the Southeastern Conurbation (7.5M, 15.4% of Total Population), making up 17.5% of GDP & Population



## 4. Busan Economy - At A Glance

### □ Overview & Outlook

- Maintaining upward trend with help of increasing exports in major manufacturing sectors and recovery of domestic demand
- Little impact on the regional economy is seen from heightened uncertainties globally

### □ Recent Developments

Indicators	11.10	<sup>1)</sup> Change(YoY)	11.09	11.08	Details
<sup>2)</sup> Composite Leading Index**	<b>123.9</b>	-	123.9	123.5	Currently maintaining similar levels after 3 months of consecutive increases. Shipment Index of Intermediate Materials, CAPEX, Housing Construction Permit Index increase
Industrial Production (2005=100)	<b>143.9</b>	<b>0.9%</b> ↓	134.4	130.6	Increase in auto(24%), metal(7%) vs. drop in machinery equipment(7%↓), metal processing(3%↓)
Unemployment Rate (%)	<b>3.2</b>	<b>0.1%</b> ↓	3.0	3.3	4 Consecutive months of employment rate increase maintaining a low unemployment rate
Consumer Prices	<b>123.4</b>	<b>4.2%</b> ↑	123.7	123.5	Drop in agricultural/livestock/marine product prices to lower overall increase
Export (USD mn)	<b>1,157</b>	<b>1.2%</b> ↑	1,443	1,181	Export decrease in Autos/Ships etc. compared to last month, strong Machinery export trends continue compared to last year
Sales at Large Retailers (KRW bn)	<b>473.1</b>	<b>7.0%</b> ↑	484.4	421.6	Increased sales from Large Retailers, Korean Thanksgiving Day effect for September
SMEs Operation Ratio (%)	<b>89.8</b>	<b>0.1%</b> ↑	89.9	89.2	Particularly active in auto parts(100%), shipbuilding components(100%) & machinery(99%)
House Prices (2011.6=100)	<b>103.7</b>	<b>18.4%</b> ↑	102.9	101.9	Increase in various developments & transportation facilities total of 3008 unsold apartment units, a 50% decrease compared to 2010(33% decrease in overall Korea)
Container Handling (1000 TEU)	<b>1,411</b>	<b>19.7%</b> ↑	1,320	1,368	Busan Port becoming popular as a transshipment terminal due to changes in weather in China etc. Handled container traffic volumes of 75% of overall Korea in Busan

Note. 1) Monthly comparison for Composite Leading Index, all others YoY comparison

2) Housing Construction Permit, Net Capital Good Import, Capital Goods Expenditure, Net Barter Terms of Trade, Shipment Index of Intermediate Materials, KOSPI, CSI, CAPEX