

2012 Financial Results & 2013 Earnings Guidance

(February 6, 2013)



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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

· Fiscal Year End for BS Securities is March 31 , for BS MSB, the Fiscal Year End is June 30

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1. Earnings Highlights

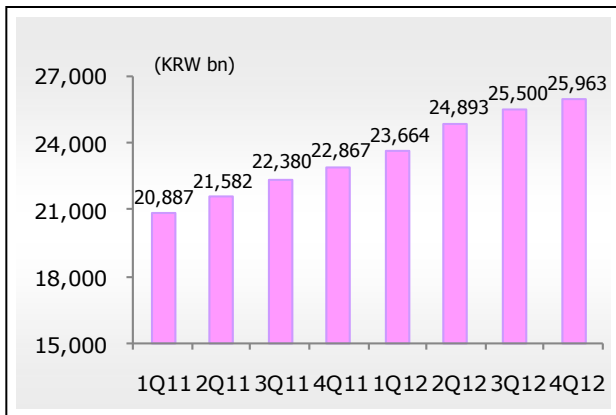
FY 2012 Group Net Income
361.1 KRW bn
 (Down by 9.8%
 <39.2 KRW bn> YoY)

- ❖ **4Q 2012 Group Net Income : 52.0 KRW bn, down by 54.0% QoQ**
 - Consolidated Bank Net Income 51.0 KRW bn, down by 52.5% QoQ
 - Consolidated Non Bank Net Income 8.0 KRW bn, down by 22.3% QoQ
 - Securities 0.0 KRW bn, Capital 6.2 KRW bn, MSB 1.6 KRW bn, Credit Info. 0.1 KRW bn, Info Sys. 0.1 KRW bn
 - ※ Accumulated Net Income : Financial Group 361.1 KRW bn, Bank 351.7 KRW bn, Securities 2.8 KRW bn, Capital 21.0 KRW bn, MSB 5.3 KRW bn, Credit Information 0.5 KRW bn, Information System 0.4 KRW bn
 - * Exclude unconsolidated portion 20.6 KRW bn

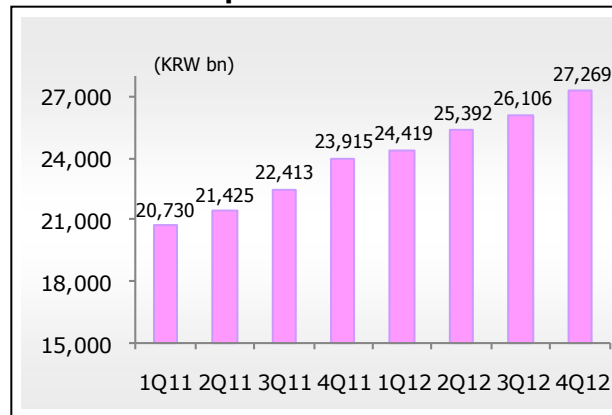
Group Total Assets
46,303.7 KRW bn
 (Up by 10.3%
 <4,339.3 KRW bn> YoY)

- ❖ **4Q 2012 Group Total Assets : 46,303.7 KRW bn, up by 1.4% QoQ**
 - Bank : 43,247.3 KRW bn, up by 0.4% QoQ
 - Non-Bank : 3,088.2 KRW bn, up by 17.6% QoQ
 - ※ Securities 694.3 KRW bn, Capital 1,722.0 KRW bn, MSB 662.3 KRW bn, Credit Information 5.8 KRW bn, Information System 3.8 KRW bn
 - ※ Financial Group 3,403.6 KRW bn, Unconsolidated portion : 3,435.4 KRW bn

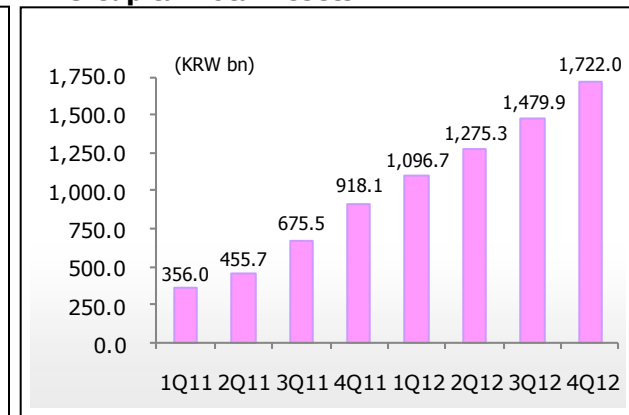
□ Bank KRW Credits



□ Bank KRW Deposits



□ BS Capital Total Assets



2. I/S Summary

□ 4Q12 Results by Business

	Group	Bank	Securities	Capital	MSB	Credit Information	Information System	Consolidation Change
(KRW bn)								
Net Interest Income	284.8	253.1	0.3	26.8	7.1	0.1	0.1	△2.7
Net Fee Income	25.5	17.8	2.6	5.6	△0.3	0.6	-	△0.8
Others	△28.4	△29.0	3.5	0.1	△3.4	0.0	1.6	△1.2
SG&A(-)	175.0	150.0	6.6	11.0	3.0	0.5	1.6	2.3
Provision Expense(-)	38.7	26.5	-	13.4	△1.1	0.0	-	△0.1
Earnings Before Income Tax	68.2	65.4	△0.2	8.1	1.5	0.2	0.1	△6.9
Income Tax Expenses(-)	16.2	14.4	△0.2	1.9	△0.1	0.1	-	0.1
Net Income	52.0	51.0	-	6.2	1.6	0.1	0.1	△7.0
(2012 Accumulated Net Income)	(361.1)	(351.7)	(2.8)	(21.0)	(5.3)	(0.5)	(0.4)	(△20.6)

2. I/S Summary

□ Group Level Results

	2012					2011					QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q				
(KRW bn, %)												
Net Interest Income	1,139.7	284.8	283.5	282.4	289.0	1,024.5	270.5	260.3	252.4	241.3	0.5	11.2
Net Fee Income	109.1	25.5	29.1	27.6	26.9	96.5	24.8	23.9	25.0	22.8	△12.4	13.1
Others	△ 27.6	△ 28.4	△1.7	△2.6	5.1	40.1	7.6	△0.9	10.1	23.3	-	Net Loss
SG&A(-)	574.3	175.0	132.7	138.5	128.1	488.6	162.9	113.9	108.4	103.4	31.9	17.5
Provision Expense(-)	168.0	38.7	29.7	52.8	46.8	139.7	32.4	44.1	47.8	15.4	30.3	20.3
Earnings Before Income Tax	478.9	68.2	148.5	116.1	146.1	532.8	107.6	125.3	131.3	168.6	△54.1	△10.1
Income Tax Expenses(-)	117.8	16.2	35.4	29.8	36.4	132.5	28.3	30.1	34.0	40.1	△54.2	△11.1
Net Income	361.1	52.0	113.1	86.3	109.7	400.3	79.3	95.2	97.3	128.5	△54.0	△9.8

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

□ Group Total Lending

(KRW bn, %)	4Q12	3Q12	QoQ
Cash and Dues	2,143.3	1,788.4	19.8
Securities	7,750.1	7,443.4	4.1
Loans & Receivables	32,179.7	32,894.8	△2.2
Derivative Assets	101.4	82.6	22.8
Fixed Assets & Investment Assets	416.4	407.6	2.2
Intangible Assets	122.1	121.9	0.2
Others	178.4	201.2	△11.3
Total Assets	42,891.4	42,939.9	△0.1

□ Asset Quality

(%, %p)	4Q12	3Q12	2Q12	1Q12	4Q11	QoQ
Substandard & Below Ratio	1.20	1.48	1.76	1.53	0.97	△0.28
Coverage Ratio	127.28	109.40	106.60	121.87	154.45	17.88
Delinquency Ratio	0.69	0.93	1.10	1.16	0.61	△0.24

□ Group Total Funding

(KRW bn, %)	4Q12	3Q12	QoQ
Deposits	28,345.7	27,234.4	4.1
Borrowings	8,556.6	8,654.7	△1.1
Derivatives	73.3	45.1	62.5
Others	2,660.6	3,794.2	△29.9
Total Liabilities	39,636.2	39,728.4	△0.2
Shareholder's Equity	3,255.2	3,211.5	1.4
Total Liabilities & Shareholder's Equity	42,891.4	42,939.9	△0.1

□ Capital Strength

(%, %p)	4Q12	3Q12	2Q12	1Q12	4Q11	QoQ
BIS Ratio	15.19	16.35	15.03	15.11	15.83	△1.16
Tier I	10.84	10.99	10.95	10.98	11.42	△0.15
Tier II	4.34	5.36	4.08	4.13	4.41	△1.02
TCE	7.59	7.48	7.65	7.54	7.51	0.11

4. Profitability / Dividend Payout

□ Profitability

(%, %p)	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11	QoQ
ROA	0.88	1.02	0.99	1.11	1.10	1.20	1.29	△0.14
ROE	11.65	13.46	13.02	14.74	14.34	15.65	16.92	△1.81

□ Dividend Payout

(%, Won, KRW bn)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dividend Yield(FV)	6.0	5.4	6.0	8.1	8.4	11.4	4.0	3.2	5.0	7.0
Dividend Yield(MV)	5.9	4.0	3.8	3.0	3.5	3.6	3.2	1.1	1.7	3.1
Dividend per share	300	270	300	405	420	570	200	160	250	350
Dividend Paid(bn)	44.0	39.6	44.0	59.4	61.6	83.6	29.3	29.9	46.7	67.7
Payout Ratio(%)¹⁾	29.7	32.7	33.2	33.2	33.5	30.9	10.7	12.2	14.0	16.9

1) Calculated without deducting 'Reserve' from Net Income

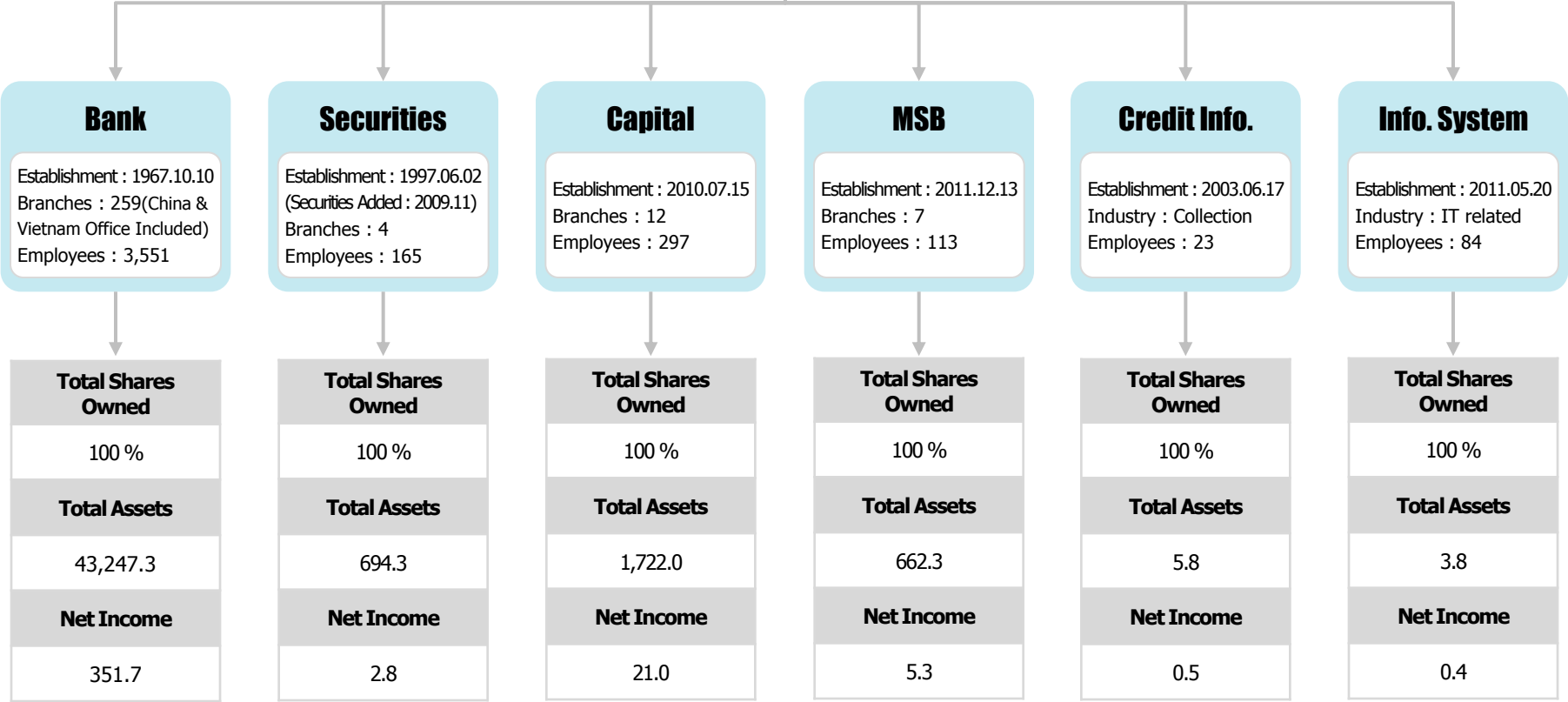
2) Market Value Dividend Yield = Dividend per share ÷ (Average share price of the week before Ex-dividend Date)

5. Group Structure

(%, KRW bn)

BS Financial Group

Establishment : 2011.03.15
Total Assets : 46,303.7
Net Income : 361.1
Employees : 4,294



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1. Earnings Highlights

Growth

- ❖ **Total Credits : up by 11.0% (2,795.0 KRW bn) YoY**
 - KRW Loans up by 13.5% (3,096.3 KRW bn) YoY
- ❖ **Total Deposits : up by 9.6% (2,863.4 KRW bn) YoY**
 - KRW Deposits up by 14.0% (3,354.4 KRW bn) YoY
- ❖ **LDR : 97.03%, down by 0.76%p QoQ**

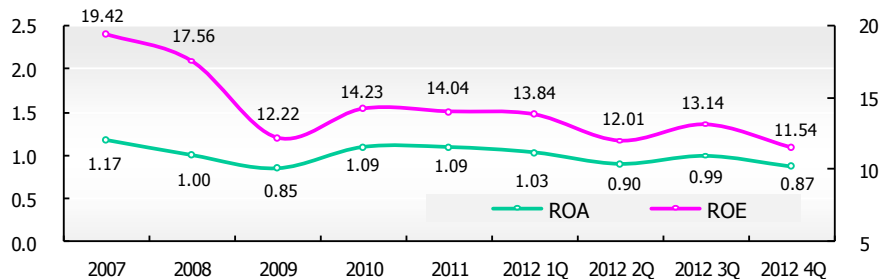
Asset Quality

- ❖ **S&B Loan Ratio : 1.11%, down by 0.27%p QoQ**
- ❖ **Delinquency Ratio : 0.55%, down by 0.20%p QoQ**
- ❖ **Real Estate PF Delinquency & S&B Loan Ratio : 0%**

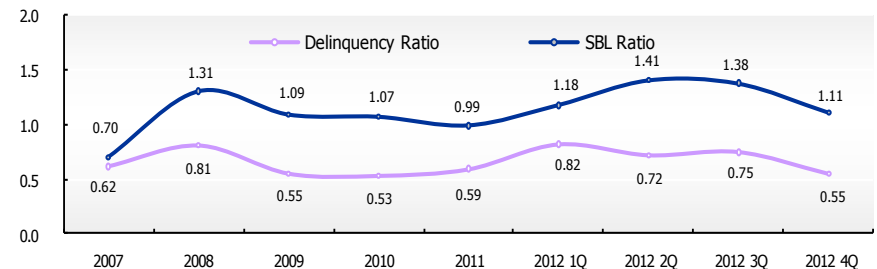
Profitability

- ❖ **Top Line**
 - ▶ **Net Interest Income : 4Q12 Net Interest Income 253.1 KRW bn, down by 1.7% QoQ, Accumulated Net Interest Income 1,023.7 KRW bn, up by 3.7% YoY**
 - ▶ **4Q NIM 2.60%, down by 0.10%p QoQ**
- ❖ **Bottom Line**
 - ▶ **Annualized Credit Cost : 0.44%, down by 0.03%p QoQ, down by 0.05%p YoY**
 - ▶ **Annualized Cost Income Ratio : 45.52%, up by 4.76%p QoQ, up by 5.19%p YoY**
 - ▶ **4Q Net Income : 51.0 KRW bn, down by 36.2% YoY**
 - ▶ **FY Net Income : 351.7 KRW bn, down by 11.7% YoY**

□ ROA / ROE (%)



□ Asset Quality (%)



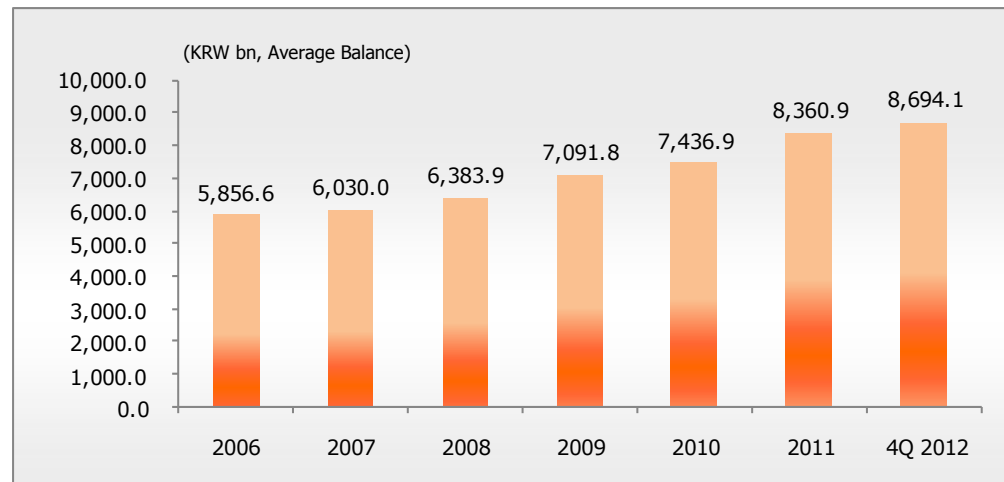
2. Assets & Deposits¹⁾

(KRW bn, %, Balance)	2012				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
Total Assets	43,247.3	43,061.6	40,611.9	39,971.5	40,594.4	0.4	6.5
Bank Account	39,835.0	40,336.2	37,727.7	37,224.6	37,988.7	△1.2	4.9
Trust Account	3,412.3	2,725.4	2,884.2	2,746.9	2,605.7	25.2	31.0
Total Deposits	32,625.6	31,367.5	30,620.7	30,018.7	29,762.2	4.0	9.6
Bank Account	30,035.3	28,922.3	28,108.7	27,648.8	27,540.8	3.8	9.1
Won Deposits	27,268.9	26,106.1	25,391.8	24,419.3	23,914.5	4.5	14.0
Demand	2,206.3	2,036.1	2,209.2	2,037.8	1,951.7	8.4	13.0
Savings & Time	25,035.7	24,041.5	23,152.5	22,345.3	21,923.9	4.1	14.2
Installment	26.9	28.5	30.1	36.2	38.9	△5.6	△30.8
CD	262.2	197.6	328.3	547.3	852.0	32.7	△69.2
Trust Account	2,590.3	2,445.2	2,512.0	2,369.9	2,221.4	5.9	16.6
Total Credits	28,098.7	27,915.7	27,302.0	25,949.7	25,303.7	0.7	11.0
Total Loans	27,230.7	27,023.2	26,489.4	25,146.1	24,527.0	0.8	11.0
KRW Loans	25,962.8	25,499.7	24,893.4	23,664.0	22,866.5	1.8	13.5
SMEs	16,638.3	16,765.5	16,306.5	15,742.5	15,231.6	△0.8	9.2
Households	6,430.7	5,959.1	5,732.6	5,636.7	5,541.0	7.9	16.1
Guarantees	868.0	892.5	812.6	803.6	776.7	△2.7	11.8
Total Securities	8,420.3	8,400.9	8,417.3	8,368.7	8,314.4	0.2	1.3
Bank Account	7,175.4	7,149.6	7,043.9	7,074.6	7,010.4	0.4	2.4
Trust Account	1,244.9	1,251.3	1,373.4	1,294.1	1,304.0	△0.5	△4.5
Shareholders' Equity	2,999.4	3,056.8	2,935.6	2,846.9	2,737.3	△1.9	9.6

1) Based on the Bank's Unconsolidated Financial Statements

3. Low-Cost Deposits

□ Growth Records



□ Funding Costs

(%, Accumulated)	4Q12	3Q12	2Q12	4Q11
Demand Deposits	0.24	0.24	0.24	0.27
Savings Deposits	0.14	0.14	0.15	0.15
Corporate Savings Deposits	1.74	1.77	1.80	1.77
Total	0.67	0.68	0.68	0.69

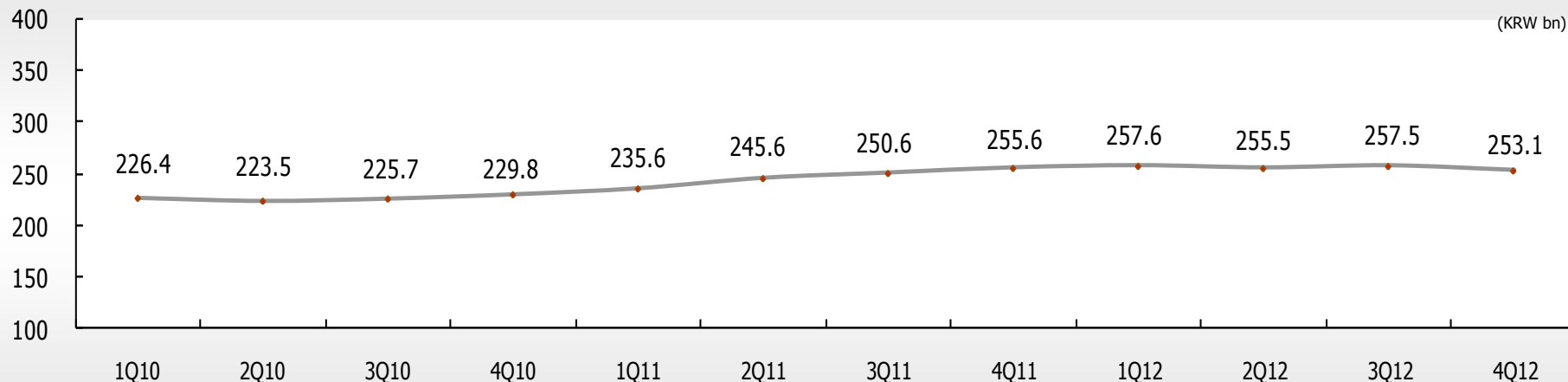
(KRW bn, %, %p, Average Balance)	2012				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
Low-Cost Deposits (A)	8,694.1	8,656.7	8,632.0	8,650.6	8,360.9	0.4	4.0
Demand Deposits	1,951.7	1,953.5	1,968.4	1,915.3	1,793.2	△0.1	8.8
Savings Deposits	3,997.7	3,980.0	3,973.4	3,978.5	3,906.7	0.4	2.3
Corporate Savings Deposits	2,744.7	2,723.2	2,690.2	2,756.8	2,661.0	0.8	3.1
Deposits in KRW (B)	25,215.8	24,797.4	24,326.5	23,789.5	21,556.4	1.7	17.0
Total Deposits (Bank Account) (C)	28,136.3	27,780.5	27,474.6	27,153.1	25,071.2	1.3	12.2
Total Deposits (Bank + Trust Account)(D)	30,529.0	30,157.0	29,825.7	29,426.6	27,122.2	1.2	12.6
Low-Cost Deposits/Won Deposits(A/B)	34.48	34.91	35.48	36.36	38.79	△0.43	△4.31
Low-Cost Deposits/Total Deposits (A/C)	30.90	31.16	31.42	31.86	33.35	△0.26	△2.45
Low-Cost Deposits/Total Deposits(A/D)	28.48	28.71	28.94	29.40	30.83	△0.23	△2.35

4. Earning Results

	2012					2011					QoQ	YoY
	4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q			
(KRW bn, %, %p)												
Net Interest Income	1,023.7	253.1	257.5	255.5	257.6	987.4	255.6	250.6	245.6	235.6	△1.7	3.7
Net Fee Income	80.1	17.8	20.8	21.2	20.3	84.1	20.5	20.5	21.4	21.7	△14.4	△4.8
Fees from Trust Account	11.5	2.9	3.0	2.9	2.7	10.5	2.8	2.7	2.3	2.7	△3.3	9.5
Others	△ 37.3	△ 31.9	1.5	△7.1	0.2	24.1	1.2	△1.0	5.6	18.3	Net Loss	Net Loss
Provision Expense(-)	126.3	26.5	30.9	40.3	28.6	125.9	22.8	39.3	44.7	19.1	△14.2	0.3
SG&A(-)	491.1	150.0	111.9	119.0	110.2	451.8	150.2	104.3	100.3	97.0	34.0	8.7
Net Operating Income	460.6	65.4	140.0	113.2	142.0	528.4	107.1	129.2	129.9	162.2	△53.3	△12.8
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Income Taxes	460.6	65.4	140.0	113.2	142.0	528.4	107.1	129.2	129.9	162.2	△53.3	△12.8
Income Tax Expenses(-)	108.9	14.4	32.6	27.3	34.6	130.1	27.2	30.5	32.5	39.9	△55.8	△16.3
Net Income	351.7	51.0	107.4	85.9	107.4	398.3	79.9	98.7	97.4	122.3	△52.5	△11.7
ROA	0.87	0.99	0.90	1.03		1.09	1.25	1.35	1.46		△0.12	△0.22
ROE	11.54	13.14	12.01	13.84		14.04	15.79	16.98	18.41		△1.60	△2.50

5. Net Interest Income

Net Interest Income



(KRW bn, %)		2012				2011				QoQ	YoY	
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q			
Net Interest Income	1,023.7	253.1	257.5	255.5	257.6	987.4	255.6	250.6	245.6	235.6	△1.7	3.7
Interest Revenues	1,941.2	478.3	489.8	488.1	485.0	1,796.2	479.7	461.3	440.8	414.4	△2.3	8.1
Interest on Loans	1,634.9	406.2	416.2	410.2	402.3	1,499.8	401.2	386.4	369.0	343.2	△2.4	9.0
Interest on Securities	278.8	67.9	68.8	70.7	71.4	263.7	68.8	66.5	65.1	63.3	△1.3	5.7
Others	27.5	4.2	4.8	7.2	11.3	32.7	9.7	8.4	6.7	7.9	△12.5	△15.9
Interest Expenses	917.5	225.2	232.3	232.6	227.4	808.8	224.1	210.7	195.2	178.8	△3.1	13.4
Interest on Deposits	677.6	169.9	172.4	171.0	164.3	578.5	160.1	151.6	139.9	126.9	△1.5	17.1
Interest on Debentures	134.2	31.0	32.6	34.6	36.0	135.5	35.8	34.2	33.0	32.5	△4.9	△1.0
Others	105.7	24.3	27.3	27.0	27.1	94.8	28.2	24.9	22.3	19.4	△11.0	11.5

6. NIM & NIS

	2012				2011				QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
(KRW bn, %, %p)										
NIM(Quarterly)	2.60	2.70	2.79	2.84	2.88	2.98	3.06	3.07	△0.10	△0.28
NIS	3.06	3.25	3.41	3.55	3.53	3.58	3.66	3.66	△0.19	△0.47
Interest Rate on KRW Loans	5.77	6.07	6.31	6.42	6.39	6.40	6.37	6.26	△0.30	△0.62
Households	5.33	5.64	5.80	5.82	5.89	5.91	5.79	5.67	△0.31	△0.56
Corporate	5.55	5.83	6.05	6.13	6.24	6.13	6.13	5.92	△0.28	△0.69
Interest Rate paid on KRW Deposits	2.71	2.82	2.90	2.87	2.86	2.82	2.71	2.60	△0.11	△0.15
Average Interest Earning Assets	35,043.3	34,490.7	33,516.8	33,116.4	32,321.2	30,514.0	29,495.1	28,476.5	1.6	8.4
NIM(Accumulated)	2.73	2.77	2.82	2.84	2.99	3.03	3.06	3.07	△0.04	△0.26
NIS	3.31	3.40	3.48	3.55	3.61	3.63	3.67	3.66	△0.09	△0.30
Interest Rate on KRW Loans	6.13	6.26	6.37	6.42	6.36	6.34	6.32	6.26	△0.13	△0.23
Households	5.64	5.76	5.82	5.82	5.82	5.79	5.73	5.67	△0.12	△0.18
Corporate	5.88	6.01	6.10	6.13	6.11	6.07	6.03	5.92	△0.13	△0.23
Interest Rate paid on KRW Deposits	2.82	2.86	2.89	2.87	2.75	2.71	2.65	2.60	△0.04	0.07
Average Interest Earning Assets	34,045.8	33,710.8	33,316.6	33,116.4	30,213.1	29,502.6	28,988.6	28,476.5	1.0	12.7

Note. Table on the top is based on quarterly numbers

Table on the bottom is based on accumulated numbers

7. Noninterest Income

□ Noninterest Income Summary

(KRW bn, %)	2012					2011					QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q				
Noninterest Income	54.3	△11.2	25.3	17.0	23.2	118.7	24.5	22.2	29.3	42.7	Net Loss	△54.3
Noninterest Revenues	808.3	243.8	△54.2	327.7	291.0	1,184.3	241.7	438.8	274.0	229.8	Net Gain	△31.7
Fee Income	129.9	30.0	33.0	33.8	33.1	133.1	33.6	32.9	33.4	33.2	△9.1	△2.4
Fees from Trust Acct.	11.5	2.9	3.0	2.9	2.7	10.5	2.4	2.8	2.6	2.7	△3.3	9.5
Others	666.9	¹⁾ 210.9	△90.2	291.0	255.2	1,040.7	205.7	403.1	238.0	193.9	Net Gain	△35.9
Noninterest Expenses	754.0	255.0	△79.5	310.7	267.8	1,065.6	217.2	416.6	244.7	187.1	-	△29.2
Commissions Paid	49.8	12.2	12.2	12.6	12.8	49.0	13.1	12.4	11.9	11.6	0.0	1.6
Trust Acct. Losses	-	-	0.0	0.0	0.0	0.0	△0.4	0.1	0.3	0.0	-	-
Others	704.2	²⁾ 242.8	△91.7	298.1	255.0	1,016.6	204.5	404.1	232.5	175.5	-	△30.7

1) Gains on Securities (9.7), Gain on FX Trading and Derivatives (196.5) , Gains on NPL Sales (3.0), Others (1.7)

2) Losses on Securities (2.0), Losses on FX Trading and Derivatives (187.3), Losses on NPL Sales (18.6), Contribution to Guarantee Funds (13.2), Deposit Insurance Fees (8.5), Others (6.6)

8. Provisioning

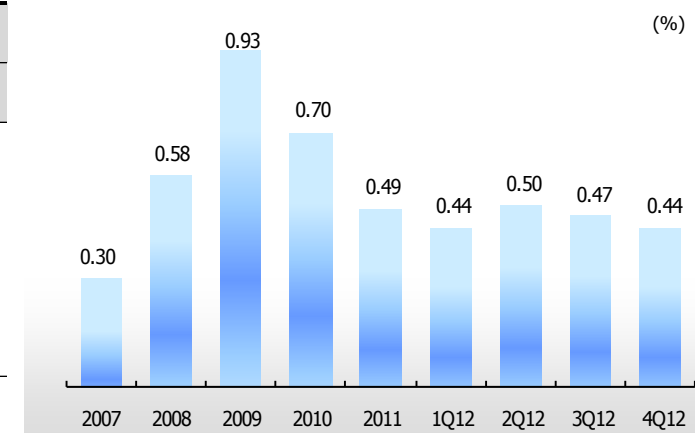
□ Provision Expense

(KRW bn, %)	2012					2011				
	4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q	
Corporate	117.4	31.0	27.0	35.9	23.5	115.4	18.7	35.4	38.3	23.0
Household	3.6	△3.4	1.8	1.0	4.2	1.5	1.5	1.4	1.3	△2.7
Credit Card	8.0	1.8	2.4	2.6	1.2	3.2	1.1	0.6	0.7	0.8
Others	△2.7	△2.9	△0.3	0.8	△0.3	6.0	1.5	2.1	4.4	△2.0
Trust Account	0.0	0.0	0.0	0.0	0.0	△0.2	0.0	△0.2	0.0	0.0
Total (A)	126.3	26.5	30.9	40.3	28.6	125.9	22.8	39.3	44.7	19.1
Total Credit (B)	28,642.7	28,642.7	28,421.3	27,835.6	26,420.2	25,868.1	25,868.1	25,360.1	24,323.6	23,581.3
Credit Cost (A/B)	0.44	0.37	0.43	0.58	0.44	0.49	0.35	0.61	0.74	0.33

□ Provision Balance¹⁾

(KRW bn)	2012				2011			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Corporate	293.3	319.9	319.5	296.3	283.6	290.9	257.6	276.5
Household	19.8	24.3	25.4	23.7	19.0	17.8	16.3	15.3
Credit Card	9.9	10.6	9.3	10.1	7.7	7.7	7.1	7.4
Trust	0.0	0	0	0	0	0	0	0
Total	323.0	354.8	354.2	330.1	310.3	316.4	281.0	299.2

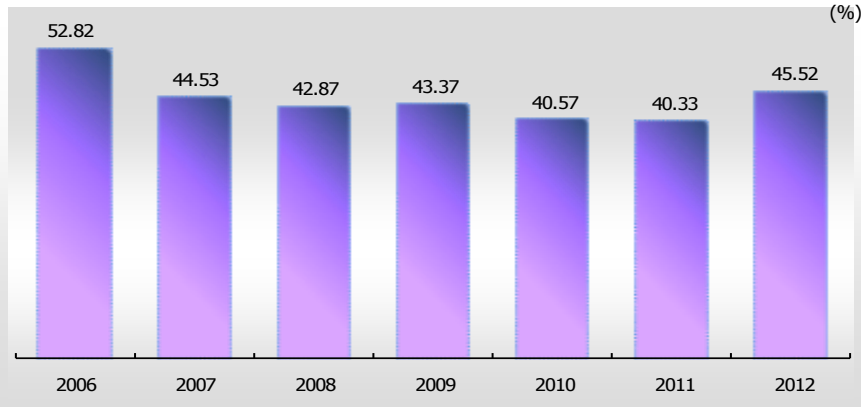
□ Credit Cost



Note 1). Unused Credit Line Provisions of 13.5 and Other Provisions of 11.5 not included

9. SG&A

□ CIR Records



□ Summary

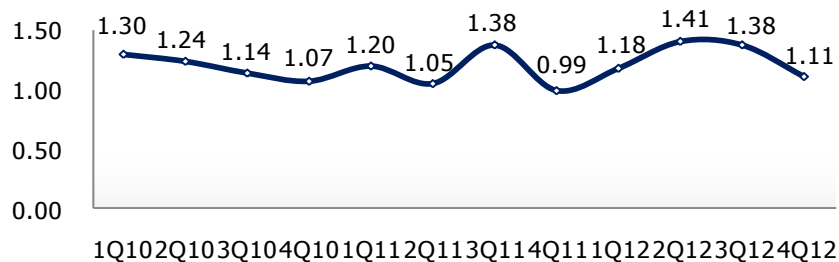
- 4Q12 SG&A(150.0 KRW bn) up by 38.1 KRW bn QoQ
- 2012 FY SG&A(491.1 KRW bn) up by 39.3 KRW bn, 8.7% YoY
- (Depreciation costs 16.6 bn, Salaries and other expenses 27.8 bn, Honorary retirement 4.8 bn etc) 21.0 KRW bn increase
- Accumulated CIR(45.52%) up by 5.19%p YoY, due to depreciation costs including new training facility, bank IT systems upgrade etc.

		2012					2011				QoQ	YoY
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q		
(KRW bn, %, %p)												
Total SG&A	491.1	150.0	111.9	119.0	110.2	451.8	150.2	104.3	100.3	97.0	34.0	8.7
Salaries and other expenses	384.4	115.6	87.0	94.6	87.2	356.6	108.9	85.3	82.3	80.1	32.9	7.8
Depreciation	56.8	16.1	14.5	13.9	12.3	40.2	11.6	10.1	9.7	8.8	11.0	41.3
Taxes and dues	14.6	4.1	3.4	3.5	3.6	13.3	4.2	3.5	2.9	2.7	20.6	9.8
Retirement Allowance	22.6	1.5	7.0	7.0	7.1	33.8	17.6	5.4	5.4	5.4	△78.6	△33.1
Honorary Retirement	12.7	12.7	0.0	0.0	0.0	7.9	7.9	0.0	0.0	0.0	-	60.8

10. Asset Quality

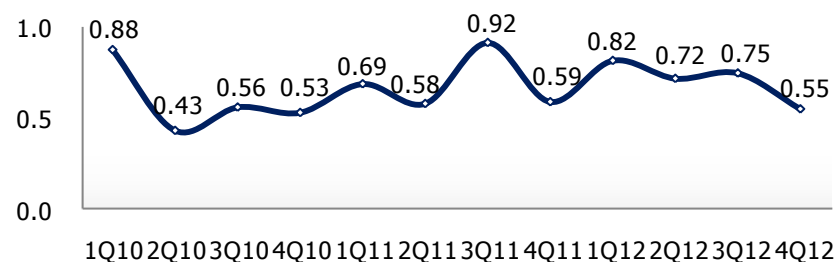
□ SBL(NPL) Ratio

(%)



□ Delinquency Ratio

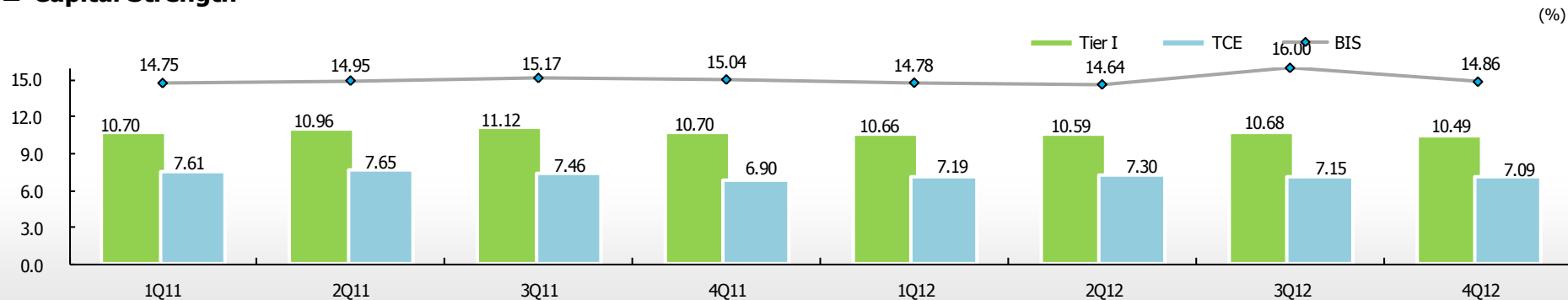
(%)



	2012				2011				QoQ	YoY
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q		
(KRW bn, %, %p)										
Total Loans	28,642.7	28,421.3	27,835.6	26,420.2	25,868.1	25,360.1	24,323.6	23,581.3	0.8	10.7
Normal	27,894.2	27,476.0	26,808.1	25,569.1	25,100.0	24,478.1	23,569.4	22,723.0	1.5	11.1
Precautionary	431.9	554.4	635.0	538.7	511.4	530.9	498.2	574.2	△22.1	△15.5
Substandard	259.6	319.0	314.9	244.9	212.1	281.9	224.8	250.5	△18.6	22.4
Doubtful	34.6	38.2	28.0	26.1	20.4	45.6	16.1	13.5	△9.4	69.6
Expected loss	22.4	33.7	49.6	41.4	24.2	23.6	15.1	20.1	△33.5	△7.4
SBL(Substandard & Below Loans)	316.6	390.9	392.5	312.4	256.8	351.1	256.0	284.1	△19.0	23.3
(SBL Ratio (%))	(1.11)	(1.38)	(1.41)	(1.18)	(0.99)	(1.38)	(1.05)	(1.20)	△0.27	0.12
(SBL Coverage Ratio)	(134.23)	(113.58)	(114.53)	(135.78)	(152.22)	(109.11)	(133.75)	(128.48)	20.65	△17.99
Loan Amount	27,774.4	27,528.8	27,023.0	25,616.7	25,091.4	24,619.5	23,598.9	22,918.4	0.9	10.7
Delinquent Amount	153.3	207.2	193.9	210.0	149.0	225.9	136.7	158.0	△26.0	2.9
Delinquency Ratio	0.55	0.75	0.72	0.82	0.59	0.92	0.58	0.69	△0.20	△0.04

11. Capital Adequacy

Capital Strength



(KRW bn, %, Basel II)	2012				2011			
	¹⁾ 4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Total Risk Adjusted Capital	4,237.7	4,569.1	4,047.7	3,961.3	3,953.1	3,931.0	3,718.3	3,620.9
Tier I Capital	2,992.8	3,048.1	2,928.4	2,857.7	2,811.2	2,881.6	2,726.9	2,629.8
Tier II Capital	1,244.9	1,521.0	1,119.3	1,103.6	1,141.9	1,049.4	991.4	991.1
Total Risk Weighted Assets	28,517.8	28,551.6	27,657.5	26,809.7	26,282.0	25,911.6	24,877.2	24,538.5
Credit Risk	26,501.6	26,524.7	25,645.1	24,805.8	24,321.1	23,878.6	22,798.0	22,375.2
Market Risk	52.6	62.2	68.1	75.3	49.9	123.7	195.8	282.9
Operational Risk	1,963.6	1,964.7	1,944.3	1,928.6	1,911.0	1,909.3	1,883.4	1,880.4
BIS Capital Ratio	14.86	16.00	14.64	14.78	15.04	15.17	14.95	14.75
Tier I	10.49	10.68	10.59	10.66	10.70	11.12	10.96	10.70
Tier II	4.37	5.32	4.05	4.12	4.34	4.05	3.99	4.05
²⁾ Tangible Common Equity	7.09	7.15	7.30	7.19	6.90	7.46	7.65	7.61

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

2) Basel III Core Tier I including RWA is 9.86% which exceeds the guideline of 9.5%

III. 2013 Group Earnings Guidance

- | | | |
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| 3. | Major Financial Plans | 24 |

1. BS Financial Group Mid-to-Long Term Management Vision

**Management
Philosophy**

**To the world with the region
A better future with customers**

**Management
Vision**

**2015
Korea Super
Regional Financial Group**



**2020
Global Super
Regional Financial Group**

**Strategic
Goal**

**Build
Unique
Status for
Business
Lines**

**Maximize
Group
Synergy**

**Expand
Market
Dominance**

**Pioneer
Busan
Financial
Hub**

**Strengthen
Control
Tower
Role**

**Establish
Group
Corporate
Structure**

**Reinforce
CSR**

Management
Policy

Reinforce Group Competitiveness through Synergy Maximization



■ **Target : FY Net Income 390.0 KRW bn, ROA 0.85%, ROE 11.37%**

■ **Reinforce Fundamentals through Adequate Growth & Profitability Management to deal with low interest & low growth trends**

3. Major Financial Plans

□ Group

	2013 Plan (G')	2012 (G)	Ratio (G' vs G)
<small>(KRW bn, Balance, %, %p)</small>			
Profitability			
FY Net Income	390.0	361.1	8.0
NIM	2.60	2.73	△0.13
ROA	0.85	0.88	△0.03
ROE	11.37	11.65	△0.28
Growth			
Total Assets	51,500.0	46,303.7	11.2
Shareholders' Equity	3,591.2	3,255.2	10.3
Asset Quality			
SBL Ratio	1.37	1.20	0.17
Delinquency Ratio	1.00	0.69	0.31
Capital Adequacy			
BIS Ratio	13.55	15.19	△1.64
Tier I	9.85	10.84	△0.99

3. Major Financial Plans

☐ Bank

	2013 Plan (B')	2012 (B)	Ratio (B' vs B)
(KRW bn, Balance, %, %p)			
Profitability			
FY Net Income	370.0	351.7	5.2
NIM	2.60	2.73	△0.13
ROA	0.79	0.87	△0.08
ROE	11.06	11.54	△0.48
Growth			
Total Assets	47,000.0	43,247.3	8.7
KRW Loans	28,519.1	25,962.8	9.8
KRW Deposits¹⁾	29,143.5	26,804.5	8.7
Shareholder's Equity	3,273.4	2,999.4	9.1
Asset Quality			
NPL Ratio	1.30	1.11	0.19
Delinquency Ratio	0.80	0.55	0.25
Capital Adequacy			
BIS Ratio	14.30	14.86	△0.56
Tier I Ratio	10.34	10.49	△0.15

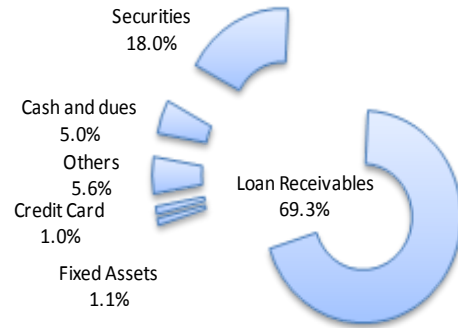
1) Monthly Average Balance

IV. Appendix (Bank)

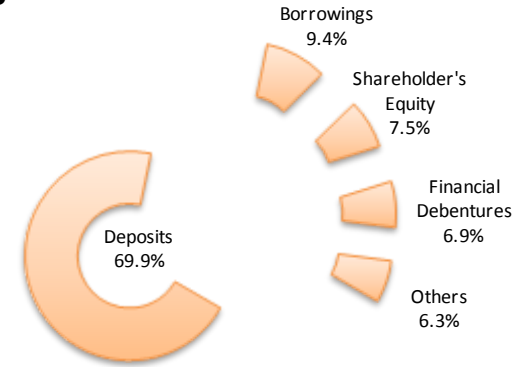
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1. B/S Summary

□ Lending



□ Funding



(KRW bn, %, Balance)	2012				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
Assets	39,835.0	40,336.2	37,727.7	37,224.6	37,988.7	△1.2	4.9
Cash and Dues	1,995.8	1,574.9	1,055.9	2,017.0	2,490.0	26.7	△19.8
Securities	7,175.4	7,149.6	7,043.9	7,074.6	7,010.4	0.4	2.4
Loans	27,622.9	27,332.0	26,922.6	25,484.4	24,883.0	1.1	11.0
Credit Card	390.6	388.7	386.8	378.8	383.2	0.5	1.9
Fixed Assets	450.0	440.2	428.0	426.3	453.0	2.2	△0.7
Other Assets	2,200.3	3,450.8	1,890.5	1,843.5	2,769.1	△36.2	△20.5
Liability & Shareholder's Equity	39,835.0	40,336.2	37,727.7	37,224.6	37,988.7	△1.2	4.9
Deposits	27,843.9	26,663.6	26,039.2	25,226.7	25,024.2	4.4	11.3
Borrowings	3,746.0	4,023.8	3,947.5	3,982.8	4,315.7	△6.9	△13.2
Financial Debentures	2,731.4	3,009.0	2,683.3	3,008.6	2,890.3	△9.2	△5.5
Other Liabilities	2,514.3	3,583.0	2,122.1	2,159.6	3,021.2	△29.8	△16.8
Shareholder's Equity	2,999.4	3,056.8	2,935.6	2,846.9	2,737.3	△1.9	9.6

2. I/S Summary

(KRW bn, %)		2012				2011				QoQ	YoY	
		4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q			
1. Operating Revenues	2,753.6	726.2	435.6	815.8	776.0	2,980.5	721.4	900.1	714.8	644.2	66.7	△7.6
Interest Revenue	1,941.2	478.3	489.8	488.1	485.0	1,796.2	479.7	461.3	440.8	414.4	△2.3	8.1
Fee & Commission Revenue	129.9	30.0	33.0	33.8	33.1	133.1	33.6	32.9	33.4	33.2	△9.1	△2.4
Trust Account	11.5	2.9	3.0	2.9	2.7	10.5	2.4	2.8	2.6	2.7	△3.3	9.5
Others	671.0	215.0	△90.2	291.0	255.2	1,040.7	205.7	403.1	238.0	193.9	Net Gain	△35.5
2. Operating Expenses	2,293.0	660.8	295.6	702.6	634.0	2,452.1	614.3	770.9	584.9	482.0	123.5	△6.5
Interest Expense	917.5	225.2	232.3	232.6	227.4	808.8	224.1	210.7	195.2	178.8	△3.1	13.4
Fee & Commission Expense	49.8	12.2	12.2	12.6	12.8	49.0	13.1	12.4	11.9	11.6	0.0	1.6
Trust Account	-	-	0.0	0.0	0.0	0.0	△0.4	0.1	0.3	0.0	-	-
Others	708.3	246.9	△91.7	298.1	255.0	1,016.6	204.5	404.1	232.5	175.5	-	△30.3
SG&A	491.1	150.0	111.9	119.0	110.2	451.8	150.2	104.3	100.3	97.0	34.0	8.7
Provision Expense	126.3	26.5	30.9	40.3	28.6	125.9	22.8	39.3	44.7	19.1	△14.2	0.3
3. Operating Income	460.6	65.4	140.0	113.2	142.0	528.4	107.1	129.2	129.9	162.2	△53.3	△12.8
4. Non Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
5. Earnings Before Income Taxes	460.6	65.4	140.0	113.2	142.0	528.4	107.1	129.2	129.9	162.2	△53.3	△12.8
6. Income Taxes	108.9	14.4	32.6	27.3	34.6	130.1	27.2	30.5	32.5	39.9	△55.8	△16.3
7. Net Income	351.7	51.0	107.4	85.9	107.4	398.3	79.9	98.7	97.4	122.3	△52.5	△11.7

3. PPOP

(KRW bn, %)		2012					2011				QoQ	YoY	
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q			
	PPOP	609.5	93.4	177.9	160.5	177.7	688.1	147.5	174.0	180.0	186.6	△47.5	△11.4
	Provision Expenses	148.9	28.0	37.9	47.3	35.7	159.7	40.4	44.8	50.1	24.4	△26.1	△6.8
	Loans	128.1	29.1	30.7	39.9	28.4	119.7	21.6	37.1	40.2	20.8	△5.2	7.0
	Payment Guarantees	0.9	0.3	0.5	△0.4	0.5	0.2	△0.3	0.2	-	0.3	△40.0	350.0
	Retirement Allowance	22.6	1.5	7.0	7.0	7.1	33.8	17.6	5.4	5.4	5.4	△78.6	△33.1
	Others	△2.7	△2.9	△0.3	0.8	△0.3	6.0	1.5	2.1	4.5	△2.1	-	-
	Income Taxes	108.9	14.4	32.6	27.3	34.6	130.1	27.2	30.5	32.5	39.9	△55.8	△16.3
	Net Income	351.7	51.0	107.4	85.9	107.4	398.3	79.9	98.7	97.4	122.3	△52.5	△11.7

4. Securities

(KRW bn, %, Balance)	4Q 2012					3Q 2012		4Q 2011	
	Total	Trading Securities	Investment Securities			QoQ	YoY		
			Total	A.F.S. ¹⁾	H.T.M. ²⁾				
KRW Bonds	6,592.5	-	6,592.5	2,138.2	4,454.3	6,472.5	1.9	6,240.9	5.6
Government Bonds	1,091.2	-	1,091.2	274.0	817.2	1,028.6	6.1	920.3	18.6
Financial Debentures	533.1	-	533.1	281.1	252.0	593.8	△10.2	913.1	△41.6
Municipal Bonds	1,094.1	-	1,094.1	-	1,094.1	1,075.2	1.8	785.9	39.2
Govn't Corporate Bonds	3,175.0	-	3,175.0	954.1	2,220.9	3,059.4	3.8	2,936.1	8.1
Corporate Bonds	699.1	-	699.1	629.0	70.1	715.5	△2.3	685.5	2.0
Foreign Bonds	50.0	-	50.0	50.0	-	52.4	△4.6	53.1	△5.8
Stock	296.6	-	296.6	296.6	-	300.6	△1.3	299.2	△0.9
Mutual Funds	226.3	12.7	213.6	213.6	-	313.9	△27.9	359.0	△37.0
Bonds	-	-	-	-	-	100.1	-	150.0	-
Stocks	64.8	-	64.8	64.8	-	64.3	0.8	59.7	8.5
MMF	12.7	12.7	-	-	-	5.5	130.9	8.6	47.7
Others	148.8	-	148.8	148.8	-	144.0	3.3	140.7	5.8
Others	10.0	-	10.0	10.0	-	10.2	△2.0	58.2	△82.8
Total	7,175.4	12.7	7,162.7	2,708.4	4,454.3	7,149.6	0.4	7,010.4	2.4

1) A.F.S. = Available for Sale

2) H.T.M. = Held to Maturity

5. Deposits / Loans Breakdown

☐ Deposits

(KRW bn, %, Balance)	2012				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
KRW Deposits	27,268.9	26,106.1	25,391.8	24,419.3	23,914.5	4.5	14.0
Demand	2,206.3	2,036.1	2,209.2	2,037.8	1,951.7	8.4	13.0
Savings	25,035.7	24,041.5	23,152.5	22,345.3	21,923.9	4.1	14.2
Installment	26.9	28.5	30.1	36.2	38.9	△5.6	△30.8
CD	262.2	197.6	328.3	547.3	852.0	32.7	△69.2
Bills Sold	48.7	75.8	77.2	67.4	63.5	△35.8	△23.3
R P	446.5	583.7	552.0	565.5	701.4	△23.5	△36.3
Financial Debenture	2,009.0	1,959.1	1,759.4	2,049.3	2,009.4	2.5	0.0
Trust Account	2,590.3	2,445.2	2,512.0	2,369.9	2,221.4	5.9	16.6
Total Deposits	32,625.6	31,367.5	30,620.7	30,018.7	29,762.2	4.0	9.6

☐ Loans

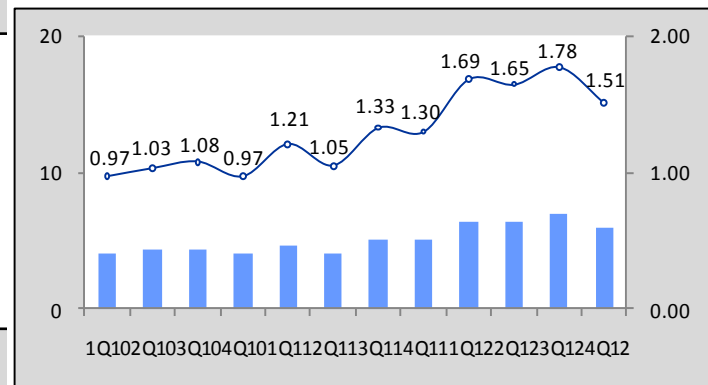
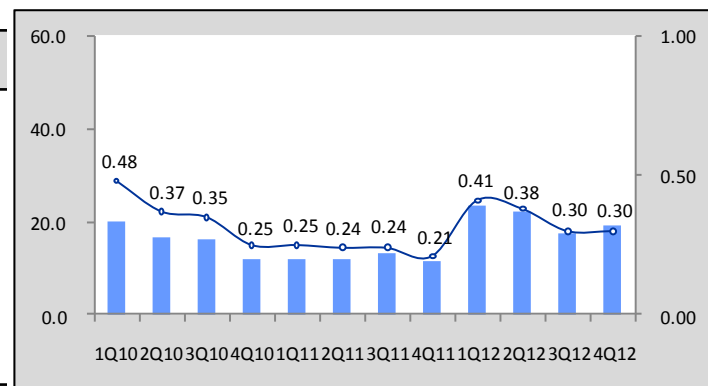
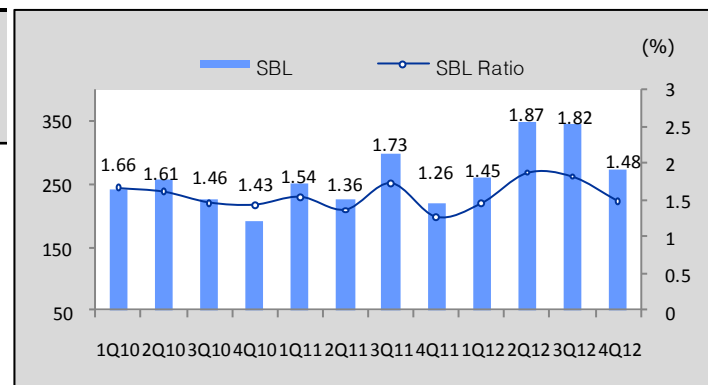
(KRW bn, %, Balance)	2012				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
KRW Loans	25,962.8	25,499.7	24,893.4	23,664.0	22,866.5	1.8	13.5
Corporate	18,475.9	18,562.4	17,958.6	17,108.1	16,428.0	△0.5	12.5
(SME)	16,638.3	16,765.5	16,306.5	15,742.5	15,231.6	△0.8	9.2
(Large Corps)	1,837.6	1,796.9	1,652.1	1,365.6	1,196.4	2.3	53.6
Household	6,430.7	5,959.1	5,732.6	5,636.7	5,541.0	7.9	16.1
Public	1,056.2	978.2	1,202.2	919.2	897.5	8.0	17.7
Foreign Currency Loans	783.8	941.8	978.6	949.4	1,044.3	△16.8	△24.9
Trust Account	19.1	19.4	20.0	19.4	23.1	△1.5	△17.3
Others	1,333.0	1,454.8	1,410.0	1,316.9	1,369.8	△8.4	△2.7
Total Loans	28,098.7	27,915.7	27,302.0	25,949.7	25,303.7	0.7	11.0

6. Corporate Loan Portfolio

	4Q 2012			3Q 2012		4Q 2011	
	Amount	Ratio	YoY	Amount	Ratio	Amount	Ratio
(KRW bn, %, Balance)							
Manufacturing Sectors	8,353.0	42.8	9.6	8,597.5	44.0	7,619.9	44.0
Steel Metal Products	2,405.4	12.3	△0.1	2,555.3	13.1	2,407.4	13.9
Automobile Parts	1,880.1	9.6	12.4	1,861.1	9.5	1,672.5	9.7
Machinery	1,079.8	5.5	13.4	1,080.1	5.5	952.2	5.5
Petroleum, Rubber, etc.	936.5	4.8	8.3	980.9	5.0	864.4	5.0
Fabric	253.5	1.3	4.1	259.0	1.3	243.4	1.4
Garment & Shoes	255.7	1.3	32.4	260.1	1.3	193.1	1.1
Kitchen Units	259.3	1.3	15.1	252.7	1.3	225.2	1.3
Electronics	547.0	2.8	21.5	507.3	2.6	450.3	2.6
Paper, Paper Mills	84.4	0.4	22.9	85.2	0.4	68.7	0.4
Others	651.3	3.3	20.0	755.8	3.9	542.7	3.1
Non-Manufacturing	11,179.1	57.2	15.2	10,943.1	56.0	9,705.6	56.0
Wholesale & Retail	2,190.0	11.2	13.1	2,051.8	10.5	1,936.9	11.2
Public	411.3	2.1	47.8	368.2	1.9	278.3	1.6
Construction & Engineering	1,427.7	7.3	25.1	1,525.0	7.8	1,140.9	6.6
Real Estate & Lease	2,828.1	14.5	22.4	2,710.7	13.9	2,309.6	13.3
Insurance & Financing	452.8	2.3	△33.3	479.4	2.5	679.3	3.9
Transportation	1,309.4	6.7	12.6	1,439.4	7.4	1,163.1	6.7
Hotel & Food	424.5	2.2	10.7	423.9	2.2	383.5	2.2
Others	2,135.3	10.9	17.7	1,944.7	10.0	1,814.0	10.5
Total	19,532.1	100.0	12.7	19,540.6	100.0	17,325.5	100.0

7. Asset Quality

(KRW bn)	2012				2011 4Q	
	4Q	3Q	2Q	1Q		
SME	Normal	17,823.8	18,059.1	17,638.7	17,231.9	16,795.5
	Precautionary	386.1	493.0	574.5	476.3	453.2
	Substandard	240.7	286.1	286.0	212.8	190.4
	Doubtful	14.7	30.3	18.8	19.6	14.1
	Expected Loss	17.7	27.6	42.5	27.4	15.5
	Total	18,483.0	18,896.1	18,560.5	17,968.0	17,468.7
Household	Normal	6,406.6	5,936.6	5,712.4	5,609.8	5,536.0
	Precautionary	36.9	38.9	31.0	35.8	31.1
	Substandard	13.0	10.4	11.8	15.2	7.5
	Doubtful	3.8	5.0	5.9	4.0	3.1
	Expected Loss	2.3	2.3	4.3	4.1	1.0
	Total	6,462.6	5,993.2	5,765.4	5,668.9	5,578.7
Credit Card	Normal	375.8	374.8	373.4	364.4	372.1
	Precautionary	8.9	7.0	7.0	8.0	6.1
	Substandard	0.3	0.4	0.3	0.2	0.2
	Doubtful	3.2	2.9	3.3	2.5	3.2
	Expected Loss	2.4	3.6	2.8	3.7	1.6
	Total	390.6	388.7	386.8	378.8	383.2



8. Delinquency Ratio/Write-Offs & NPL Sales

Delinquency Ratio

(KRW bn, %)	2012				2011			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Total Delinquency Ratio	0.55	0.75	0.72	0.82	0.59	0.92	0.58	0.69
Overdue Amount	153.3	207.2	193.9	210.0	149.0	225.9	136.7	158.0
Loan Amount	27,774.7	27,528.8	27,023.0	25,616.7	25,091.4	24,619.5	23,598.9	22,918.4
SMEs	0.62	0.92	0.87	1.00	0.69	1.17	0.75	0.89
Overdue Amount	111.3	167.4	156.5	171.7	115.9	194.1	119.2	139.4
Loan Amount	17,889.2	18,251.7	17,904.1	17,246.3	16,853.6	16,590.3	15,959.7	15,644.9
Households	0.46	0.51	0.43	0.52	0.25	0.24	0.24	0.23
Overdue Amount	29.8	30.6	24.6	29.4	14.2	12.8	12.3	11.3
Loan Amount	6,449.8	5,978.5	5,752.5	5,656.1	5,564.0	5,352.9	5,041.0	4,830.6
Credit Card	2.13	2.38	2.07	2.36	1.59	1.61	1.31	1.46
Overdue Amount	8.3	9.2	8.0	8.9	6.1	6.1	5.1	5.5
Loan Amount	390.6	388.7	386.8	378.8	383.2	383.1	390.5	379.2

Write-Offs & NPL Sales

(KRW bn, %)	2012					2011					YoY
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q			
Total Write-Offs	132.1	66.1	36.2	21.7	8.1	112.7	34.6	12.5	57.5	8.1	17.2
Corporate	114.0	59.7	29.3	17.0	8.0	100.0	30.6	10.1	53.8	5.5	14.0
Household	6.8	2.4	4.3	0.0	0.1	4.3	1.4	0.9	1.1	0.9	58.1
Credit Card	11.3	4.0	2.6	4.7	0.0	8.4	2.6	1.5	2.6	1.7	34.5
Total NPL Sales	89.1	62.3	0.0	26.8	0.0	162.8	92.9	0.0	69.9	0.0	△45.3
(NPL Sales for SBL Loans)	(86.8)	(61.7)	(0.0)	(25.1)	(0.0)	(151.5)	(90.6)	(0.0)	(60.9)	(0.0)	△42.7
Corporate	86.5	61.8	0.0	24.7	0.0	162.7	92.9	0.0	69.8	0.0	△46.8
Household	2.6	0.5	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Credit Card	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	△100.0

9. SME Industry/Collateral Delinquency Ratio

□ Delinquency Ratio by Industry

(KRW bn, %, Balance)	4Q 2012		3Q 2012		2Q 2012		4Q 2011	
	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio	Loan Amount	Delinquency Ratio
Manufacturing Sector	8,042.6	0.95	8,431.8	1.27	8,287.5	1.18	7,961.3	0.96
Non-Manufacturing Sector	9,846.6	0.36	9,819.9	0.61	9,616.6	0.61	8,892.3	0.44
Wholesale and Retail	2,262.9	0.72	2,254.5	0.95	2,302.5	0.81	2,163.8	0.31
Public & others	0.2	-	0.3	-	0.3	-	0.2	-
Construction	1,210.4	0.47	1,262.5	0.27	1,161.7	0.29	1,047.6	0.16
Real Estate & Lease	2,781.1	0.13	2,683.6	0.24	2,580.8	0.09	2,297.5	0.18
Finance and Insurance	239.9	-	234.9	-	297.2	-	341.7	-
Transportation & Communications	1,250.5	0.12	1,268.4	1.20	1,229.6	1.49	1,147.4	1.53
Hotel & Food	428.5	0.83	429.1	1.47	410.5	1.57	389.4	0.51
Others	1,673.0	0.28	1,686.6	0.45	1,634.0	0.57	1,504.7	0.49
Total	17,889.2	0.62	18,251.7	0.92	17,904.1	0.87	16,853.6	0.69

□ Delinquency Ratio by Types of Collateral

(KRW bn, %, Balance)	Total	Real Estate	Movable	Deposits	Guarantee	Unsecured
4Q 2012	0.62	0.98	0.23	0.02	0.63	0.30
Amount	(17,889.2)	(7,810.1)	(101.1)	(401.2)	(1,763.3)	(7,813.6)
3Q 2012	0.92	1.49	0.12	0.03	0.55	0.49
Amount	(18,251.7)	(7,898.8)	(82.3)	(399.3)	(1,865.3)	(8,006.0)
2Q 2012	0.87	1.32	0.37	0.05	0.40	0.60
Amount	(17,904.1)	(7,691.9)	(81.2)	(435.6)	(1,736.5)	(7,958.9)
4Q 2011	0.69	1.09	0.36	0.02	0.37	0.40
Amount	(16,853.6)	(7,286.1)	(111.5)	(422.9)	(1,408.1)	(7,625.0)

10. Household Loans

(KRW bn, %, %p, Balance)	2012				2011 4Q	QoQ	YoY
	4Q	3Q	2Q	1Q			
Household Loans – Retail (KRW)	6,430.7	5,959.1	5,732.6	5,636.7	5,541.0	7.9	16.1
Total Secured Loans	6,134.9	5,752.0	5,397.0	5,197.7	4,957.0	6.7	23.8
Mortgage / Home Equity	3,082.8	2,673.2	2,672.6	2,732.4	2,768.1	15.3	11.4
(Avg. LTV)	(52.69)	(52.21)	(52.97)	(49.39)	(43.24)	0.48	9.45
Others	1,510.0	1,483.5	1,351.9	1,273.7	1,238.8	1.8	21.9
Group Loans	1,410.0	1,466.2	1,231.9	1,052.2	805.9	△3.8	75.0
Government Pension Backed	132.1	129.1	140.6	139.4	144.2	2.3	△8.4
Non-Collateralized	295.8	207.1	335.6	439.0	584.0	42.8	△49.3
Government Workers	103.8	98.4	107.0	106.4	111.6	5.5	△7.0
Large Corp. Employees	54.7	56.0	57.8	57.5	59.3	△2.3	△7.8
Student Loans	0.4	0.5	0.6	0.7	0.9	△20.0	△55.6
Clean Credit	136.9	52.2	170.2	274.4	412.2	162.3	△66.8

11. Credit Card Business

□ Asset Portfolio, Balance Sheet Summary & Source of Income

(KRW bn)

Portfolio	2012				2011			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	1,011.3	966.4	966.3	946.3	920.8	898.3	878.0	836.6
Lump-sum	852.8	827.6	802.7	787.4	760.8	756.8	711.5	699.2
Installment	158.5	138.8	163.6	158.9	160.0	141.5	166.5	137.4
Cash Advance	105.4	103.9	109.1	103.0	110.3	108.6	110.6	111.8
Total	1,116.7	1,070.3	1,075.4	1,049.3	1,031.1	1,006.9	988.6	948.4
Balance	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	337.8	337.1	332.4	324.2	326.1	326.1	333.3	321.1
Cash Advance	51.4	50.3	53.1	53.4	56.0	55.9	56.2	57.0
Re-aged Loans	1.4	1.3	1.3	1.2	1.1	1.1	1.1	1.2
Total	390.6	388.7	386.8	378.8	383.2	383.1	390.6	379.3
Income(Fees)	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Credit Purchase	18.9	18.7	18.6	21.0	19.1	18.5	18.9	19.1
Cash Advance	3.0	3.3	3.3	3.2	3.4	3.4	3.6	3.5
Re-aged Loans	0	0	0	0	0	0	0	0
Others	1.0	0.9	1.1	0.6	0.9	0.9	1.0	0.9
Total	22.9	22.9	23.0	24.8	23.4	22.8	23.5	23.6

V. Appendix (Non Bank)

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1. B/S Summary / I/S Summary

□ BS Securities B/S Summary

(KRW bn, %, Balance)	12.4Q	12.3Q	12.2Q	12.1Q	11.4Q	QoQ	YoY
Assets	694.2	541.1	680.2	745.2	507.2	28.3	36.9
Cash and Dues	56.7	131.5	78.8	213.4	75.0	△56.9	△24.4
Securities	565.4	283.8	472.1	448.3	330.9	99.2	70.9
Loans	24.3	26.8	28.6	26.4	26.1	△9.3	△6.9
Fixed Assets	4.9	5.1	5.2	5.3	4.7	△3.9	4.3
Other Assets	42.9	93.9	95.5	51.8	70.5	△54.3	△39.1
Liability & Shareholder's Equity	694.2	541.1	680.2	745.2	507.2	28.3	36.9
Deposits	91.3	135.7	78.6	91.2	77.6	△32.7	17.7
Borrowings	454.4	196.1	419.9	497.1	263.5	131.7	72.4
Other Liabilities	35.5	96.5	69.7	45.7	57.0	△63.2	△37.7
Shareholder's Equity	113.0	112.8	112.0	111.2	109.1	0.2	3.6

□ BS Securities I/S Summary

(KRW bn, %, Balance)	2012.12	12.4Q	12.3Q	12.2Q	12.1Q	2011.12	11.4Q	11.3Q	11.2Q	11.1Q	QoQ	YoY
Operating Revenue	88.4	20.6	27.6	20.3	19.9	48.9	14.8	14.5	10.4	9.2	△25.4	80.8
Interest Revenue	16.9	2.2	4.5	5.3	4.9	5.7	2.3	1.5	1.0	0.9	△51.1	196.5
Fee & Commission Revenue	20.0	4.0	4.3	6.2	5.5	15.3	4.5	4.6	3.4	2.8	△7.0	30.7
Others	51.5	14.4	18.8	8.8	9.5	27.9	8.0	8.4	6.0	5.5	△23.4	84.6
Operating Expense	84.5	20.8	25.9	19.4	18.4	42.8	12.9	12.1	9.3	8.5	△19.7	97.4
Interest Expense	10.3	1.8	2.8	3.2	2.5	1.6	1.0	0.4	0.1	0.1	△35.7	543.8
Fee & Commission Expense	7.5	1.4	2.0	2.1	2.0	4.6	1.0	1.6	1.1	0.9	△30.0	63.0
Others	38.5	11.1	13.5	7.0	6.9	16.4	4.6	4.7	3.8	3.3	△17.8	134.8
SG&A	28.2	6.5	7.6	7.1	7.0	20.2	6.3	5.4	4.3	4.2	△14.5	39.6
Provision Expense	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Income Tax	3.9	△0.2	1.7	0.9	1.5	6.1	1.9	2.4	1.1	0.7	Net Loss	△36.1
Income Tax Expenses	1.1	△0.2	0.5	0.3	0.5	1.5	0.5	0.6	0.2	0.2	-	△26.7
Net Income	2.8	0.0	1.2	0.6	1.0	4.6	1.4	1.8	0.9	0.5	-	△39.1

1. B/S Summary / I/S Summary

□ BS Capital B/S Summary

(KRW bn, %, Balance)	12.4Q	12.3Q	12.2Q	12.1Q	11.4Q	QoQ	YoY
Assets	1,722.0	1,479.9	1,275.3	1,096.7	918.1	16.4	87.6
Cash and Dues	28.1	6.8	61.6	23.2	27.4	313.2	2.6
Securities	0.0	0.0	0.0	0.0	0.0	-	-
Loans	602.3	549.2	452.1	460.8	426.6	9.7	41.2
Durables Installment Financing Assets	510.6	407.0	321.3	235.3	134.4	25.5	279.9
Leased Assets	550.2	485.8	413.3	350.8	308.2	13.3	78.5
Fixed Assets	3.3	3.4	3.1	3.1	2.0	△2.9	65.0
Other Assets	27.5	27.7	23.9	23.5	19.5	△0.7	41.0
Liability & Shareholder's Equity	1,722.0	1,479.9	1,275.3	1,096.7	918.1	16.4	87.6
Borrowings	1,327.5	1,165.8	988.8	889.0	729.4	13.9	82.0
Other Liabilities	166.0	141.6	119.3	95.2	80.8	17.2	105.4
Shareholder's Equity	228.5	172.5	167.2	112.5	107.9	32.5	111.8

□ BS Capital I/S Summary

(KRW bn, %, Balance)	2012.12	12.4Q	12.3Q	12.2Q	12.1Q	2011.12	11.4Q	11.3Q	11.2Q	11.1Q	QoQ	YoY
Operating Revenue	156.4	47.5	41.8	36.2	30.9	62.3	25.8	17.6	11.5	7.4	13.6	151.0
Interest Revenue	136.5	42.5	35.1	31.3	27.6	59.9	24.7	16.9	11.1	7.2	21.1	127.9
Fee & Commission Revenue	19.2	4.9	6.4	4.6	3.3	2.3	1.1	0.6	0.4	0.2	△23.4	734.8
Others	0.7	0.1	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	△66.7	-
Operating Expense	128.4	39.4	34.8	29.3	24.9	44.9	20.6	13.8	9.4	6.1	13.2	186.0
Interest Expense	52.6	15.7	13.8	12.5	10.6	22.5	8.9	6.4	4.9	2.3	13.8	133.8
Fee & Commission Expense	1.0	△0.5	0.3	0.5	0.7	0.6	0.2	0	△0.9	1.3	-	66.7
Others	0.2	△0.6	0.2	0.4	0.2	2.5	1.7	0.5	0.2	0.1	-	△92.0
SG&A	32.0	11.5	8.5	7.0	5.0	9.8	3.4	2.7	2.2	1.5	35.3	226.5
Provision Expense	42.6	13.3	12.0	8.9	8.4	14.6	6.4	4.3	3.0	0.9	10.8	191.8
Earnings Before Income Tax	28.0	8.1	7.0	6.9	6.0	12.3	5.2	3.8	2.1	1.2	15.7	127.6
Income Tax Expenses	7.0	1.9	1.7	2.1	1.3	2.4	1.4	0.6	0.4	0.0	11.8	191.7
Net Income	21.0	6.2	5.3	4.8	4.7	9.9	3.8	3.2	1.7	1.2	17.0	112.1

1. B/S Summary / I/S Summary

□ BS MSB B/S Summary

(KRW bn, %, Balance)	12.4Q	12.3Q	12.2Q	12.1Q	QoQ
Total Assets	662.3	596.4	668.3	671.5	11.0
Total Deposits	517.8	453.1	526.9	518.7	14.3
KRW Deposits	517.8	453.1	526.9	518.7	14.3
Others	-	-	-	-	-
Total Credits	495.8	425.9	487.3	478.0	16.4
Total Loans	495.8	425.9	487.3	478.0	16.4
KRW Loans	486.6	411.4	470.2	459.4	18.3
Others	9.2	14.5	17.1	18.6	△36.6
Guarantees	-	-	-	-	-
Total Securities	11.2	11.8	13.1	13.5	△5.1
Shareholder's Equity	119.8	118.4	114.8	114.6	1.2

□ BS MSB I/S Summary

(KRW bn, %, Balance)	2012.12	12.4Q	12.3Q	12.2Q	12.1Q	QoQ
Operating Revenue	60.3	12.5	11.3	14.6	21.9	10.6
Interest Revenue	58.8	12.2	10.9	14.3	21.3	11.9
Fee & Commission Revenue	0.4	0.0	0.1	0.0	0.3	-
Others	1.1	0.3	0.3	0.3	0.3	0.0
Operating Expense	54.4	11.0	7.2	14.3	21.9	52.8
Interest Expense	24.8	5.1	5.6	6.3	7.8	△8.9
Fee & Commission Expense	0.9	0.3	0.3	0.2	0.1	0.0
Others	17.4	3.7	12.0	0.8	0.9	△69.2
SG&A	12.9	3.0	2.6	3.6	3.7	15.4
Provision Expense	△ 1.6	△ 1.1	△13.3	3.4	9.4	-
Earnings Before Income Tax	5.9	1.5	4.1	0.3	0.0	△63.4
Income Tax Expenses	0.6	△ 0.1	0.6	0.1	0.0	-
Net Income	5.3	1.6	3.5	0.2	0.0	△54.3

1. B/S Summary / I/S Summary

□ BS Credit Information B/S Summary

(KRW bn, %, Balance)	12.4Q	12.3Q	12.2Q	12.1Q	11.4Q	QoQ	YoY
Assets	5.8	5.7	5.5	5.4	5.2	1.8	11.5
Cash and Dues	5.4	5.0	4.8	4.6	4.7	8.0	14.9
Securities	0.0	0.0	0.0	0.0	0.0	-	-
Fixed Assets	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Other Assets	0.3	0.6	0.6	0.7	0.4	△50.0	△25.0
Liability & Shareholder's Equity	5.8	5.7	5.5	5.4	5.2	1.8	11.5
Other Liabilities	0.3	0.3	0.3	0.3	0.2	0.0	50.0
Shareholder's Equity	5.5	5.4	5.2	5.1	5.0	1.9	10.0

□ BS Credit Information I/S Summary

(KRW bn, %, Balance)	2012.12	12.4Q	12.3Q	12.2Q	12.1Q	2011.12	11.4Q	11.3Q	11.2Q	11.1Q	QoQ	YoY
Operating Revenue	2.58	0.66	0.67	0.67	0.58	2.40	0.66	0.58	0.62	0.54	△1.5	7.5
Interest Revenue	0.19	0.05	0.05	0.05	0.04	0.17	0.05	0.04	0.04	0.04	0.0	11.8
Fee & Commission Revenue	2.39	0.61	0.62	0.62	0.54	2.23	0.61	0.54	0.58	0.50	△1.6	7.2
Others	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expense	1.87	0.46	0.49	0.49	0.43	1.74	0.47	0.42	0.45	0.40	△6.1	7.5
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Fee & Commission Expense	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
SG&A	1.87	0.46	0.49	0.49	0.43	1.74	0.47	0.42	0.45	0.40	△6.1	7.5
Provision Expense	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Income Tax	0.71	0.20	0.18	0.18	0.15	0.66	0.19	0.16	0.17	0.14	11.1	7.6
Income Tax Expenses	0.17	0.04	0.05	0.05	0.03	0.13	0.04	0.04	0.03	0.02	△20.0	30.8
Net Income	0.54	0.16	0.13	0.13	0.12	0.53	0.15	0.12	0.14	0.12	23.1	1.9

1. B/S Summary / I/S Summary

□ BS Information System I/S Summary

	2012.12	12.4Q	12.3Q	12.2Q	12.1Q	2011.12	11.4Q	11.3Q	11.2Q	QoQ	YoY
(KRW bn, %, Balance)											
Net Interest Income	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Net Fee Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Others	5.1	1.4	1.5	1.3	0.9	0.9	0.7	0.2	0.0	△6.7	466.7
SG&A(-)	4.7	1.4	1.4	1.1	0.8	0.9	0.6	0.3	0.0	0.0	422.2
Provision Expense(-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Earnings Before Income Tax	0.5	0.1	0.1	0.2	0.1	0.0	0.1	△0.1	0.0	0.0	-
Income Tax Expenses(-)	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-	-
Net Income	0.4	0.1	0.1	0.1	0.1	0.0	0.1	△0.1	0.0	0.0	-

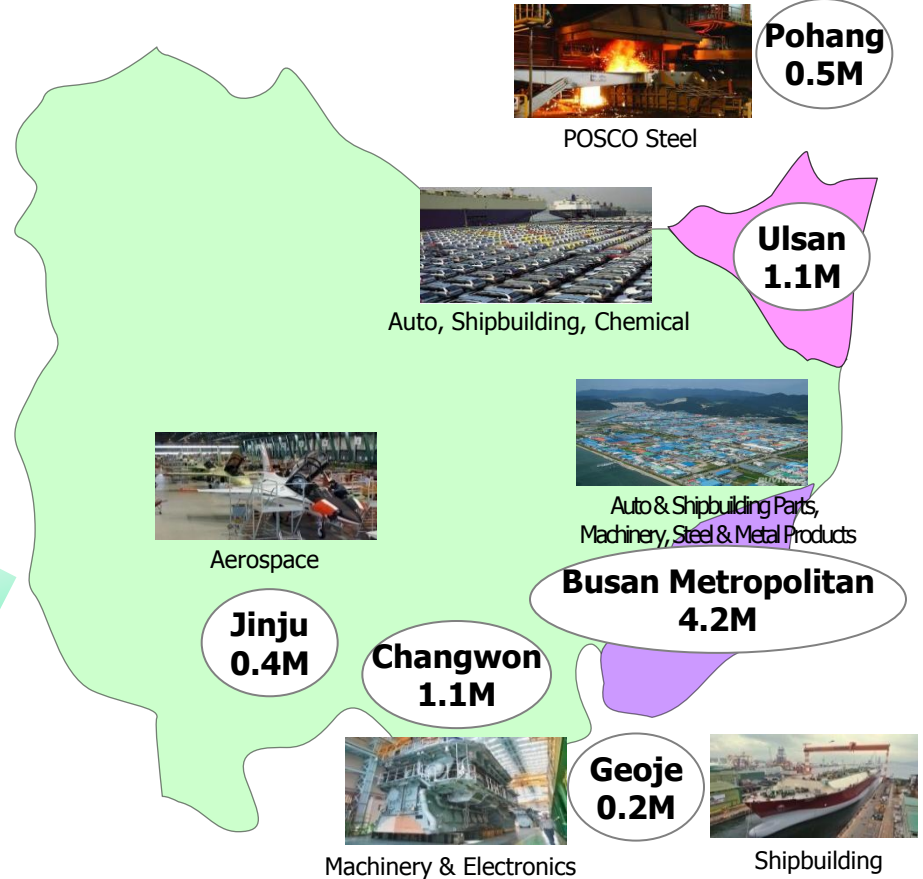
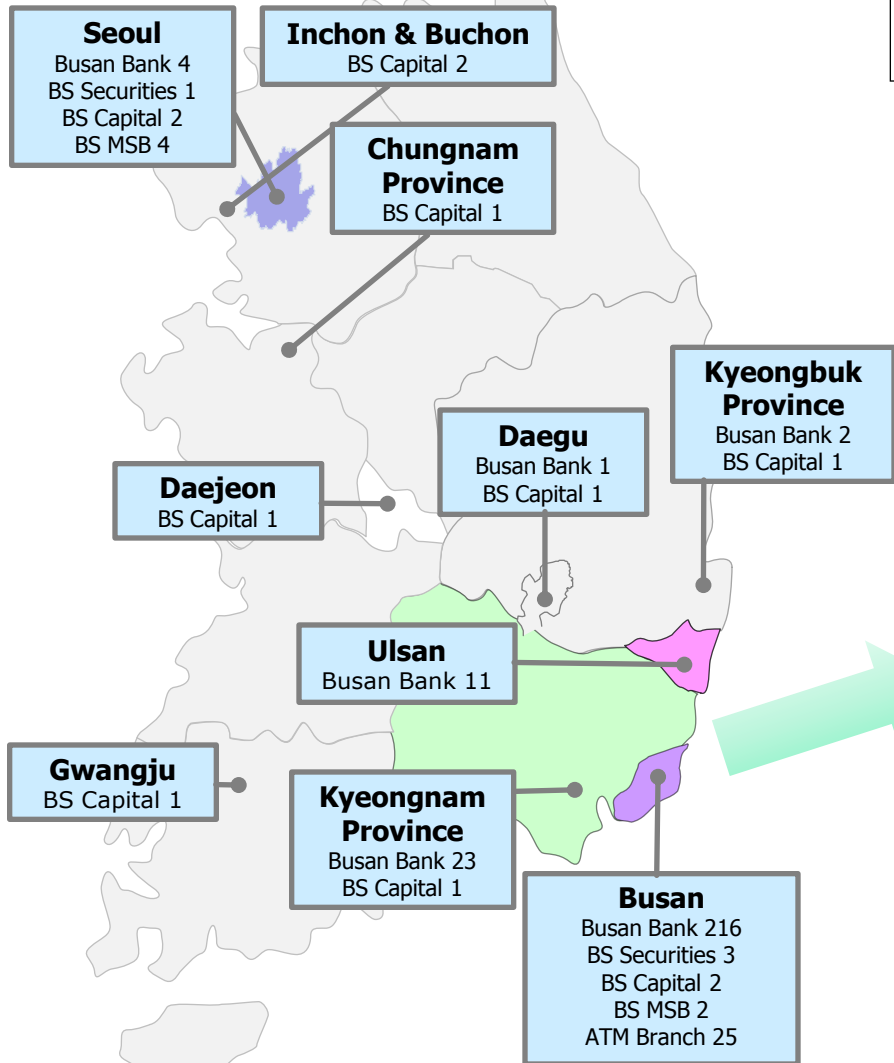
2. BS Capital Portfolio

	4Q12	Portion	QoQ	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11	1Q11	4Q10
(KRW bn, %, Balance)											
Total	1,659.5	100.0	15.6	1,435.8	1,179.6	1,041.2	862.0	609.0	420.3	255.7	111.6
Loans	548.7	33.1	10.9	494.9	396.1	405.2	369.2	253.3	161.8	94.6	56.9
Household	234.6	14.1	14.4	205.1	178.5	155.6	140.5	112.1	78.4	54.3	28.4
Corporate	314.1	18.9	8.4	289.8	217.6	249.6	228.7	141.2	83.4	40.3	28.5
Auto Financing	609.9	36.8	22.2	499.1	401.3	293.4	193.0	107.2	43.8	20.1	4.1
Commercial Vehicle	268.3	16.2	10.1	243.7	220.9	175.8	112.8	64.1	23.1	12.2	3.7
Passenger Vehicle	341.6	20.6	33.8	255.4	180.4	117.6	80.2	43.1	20.7	7.9	0.4
Lease/Installments	500.9	30.2	13.4	441.8	382.2	342.6	299.8	248.5	214.7	141.0	50.6
Machine Tools	195.7	11.8	10.9	176.5	152.8	133.1	117.9	101.8	91.7	76.4	18.2
Medical Instruments	187.4	11.3	11.9	167.4	146.7	132.5	118.2	96.5	84.3	35.0	13.6
Others	117.8	7.1	20.3	97.9	82.7	77.0	63.7	50.2	38.7	29.6	18.8

3. Group Networks & Major Industries

- ❑ **Networks across Korea**(as of December 2012)
 - Busan Bank 259(Qingdao Branch, Vietnam Office included), BS Securities 4, BS Capital 12, BS MSB 7

- ❑ **Population & Major Industries**
 - Southeastern Conurbation (7.5M, 15.4% of Total Population), making up 17.6% of GRDP(2011)
 - Exports : 182.5 USD bn(2011)
 - Imports : 132.9 USD bn(2011)



1) Southeastern region includes Busan, Ulsan, and Kyeongnam

4. Busan Economy – At a Glance

□ Overview & Outlook

- Busan's regional economy has recently shown slowed economic recovery rate, due to the decline in exports of constrained industrial activities, amongst the global uncertainties.
- Even under concerns of regressions in developed countries, European economic crisis, and metropolitan housing market recessions, the city has definitely done better overall.
- Busan has shown continuous employment recovery and manufacturing growth, and in line with these events, a virtuous circle has been created of increased income, domestic demand, and economic revitalization.

Indicators	12.10	Change(YoY) ²⁾	12.09	12.08	Details
Composite Leading Index ^{*3)}	132.2	0.1% ↑	131.1	131.2	Due to favorable Shipment Index of Intermediate Materials, Composite Stock Price Index, Consumer Survey Index etc., the composite leading index is maintaining an upward trend
Industrial Production (2005=100)	136.6	△3.0% ↓	127.9	125.9	Even under external and internal uncertainties, electrical equipment, transportation, and primary metal industries have shown an upward trend
Unemployment Rate(%) (Based on November, October & September)	3.8	0.8%p ↑	4.1	3.6	Currently maintaining stable level of employment and unemployment rate
Consumer Prices (Based on November, October & September)	107.3	1.9% ↑	107.6	107.7	Due to the price stabilization of agricultural products & petroleum, the increase trend in consumer prices has slowed down.
Export (USD mn)	1,105	△4.3% ↓	1,151	1,034	Automobile parts continue to see growth in the US, China etc. The export amount is showing a slight decline compared to last year, but the recent actual decrease on a monthly basis is gradually improving
Sales at Large Retailers (KRW bn)	463	△2.2 % ↓	484	409	Consumer sentiment shows slight decrease after Thanksgivings holiday; however, YoY sales are still favorable
SMEs Operation Ratio (%)	86.1	△3.7 %p ↓	86.7	86.8	Particularly active in machinery(98.8%), shipbuilding components(92.7%) & auto parts(85.3%)
House Prices (2011.6=100) (Based on November, October & September)	106.2	1.3 % ↑	106.3	106.4	Housing prices are still maintained at higher levels on a YoY base, and the subscription rate for the new apartment housing under 40 pyong(≒132 m ²) is still 100%
Container Handling (1,000 TEU)	1,441	1.9 % ↑	1,435	1,334	Even under global uncertainties etc., due to the increase in transshipment cargos, the upward trend has been maintained

Note.

1) Data from Busan Economic Promotion Agency's December release of Economic Trend in Busan

2) Monthly comparison for Composite Leading Index, all others YoY comparison

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