

2013 Financial Results & 2014 Earnings Guidance

(February 11, 2014)



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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.

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

I. 2013 Group Results

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1. Earnings Highlights

FY Group Net Income
304.5 KRW bn
 (Down by 16.8%,
 <61.4 KRW bn> YoY)

❖ **FY Group Net Income : 304.5 KRW bn, down by 16.8% YoY**

- **Consolidated Bank Net Income 318.6 KRW bn, down by 10.4% YoY**

- **Consolidated Non Bank Net Income 18.4 KRW bn, down by 39.7% YoY**

※ Accumulated Net Income : Financial Group 304.5 KRW bn, Bank 318.6 KRW bn, Securities 0.3 KRW bn, Capital 28.5 KRW bn, MSB △11.9 KRW bn, Credit Information 0.7 KRW bn, Information System 0.8 KRW bn,

Exclude Unconsolidated Portion △32.5 KRW bn(Net Income in Non-Controlling Interest △1.0 KRW bn)

Group Total Assets
51,130.0 KRW bn
 (Up by 10.4%,
 <4,826.3 KRW bn> YoY)

❖ **4Q13 Group Total Assets : 51,130.0 KRW bn, up by 2.1% QoQ, up by 10.4% YoY**

- **Bank : 47,095.1 KRW bn, up by 1.7% QoQ, up by 8.9% YoY**

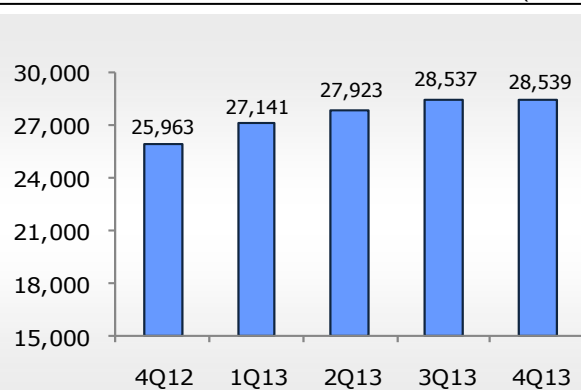
- **Non-Bank : 4,060.4 KRW bn, up by 7.5% QoQ, up by 31.5% YoY**

※ Securities 495.5 KRW bn, Capital 2,809.8 KRW bn, MSB 743.4 KRW bn, Credit Information 6.6 KRW bn, Information System 5.1 KRW bn

※ Financial Group 3,507.7 KRW bn, Unconsolidated Portion : △3,533.2 KRW bn

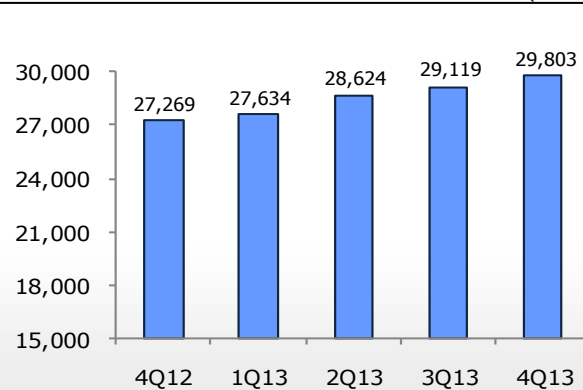
☐ **Bank KRW Credits**

(KRW bn)



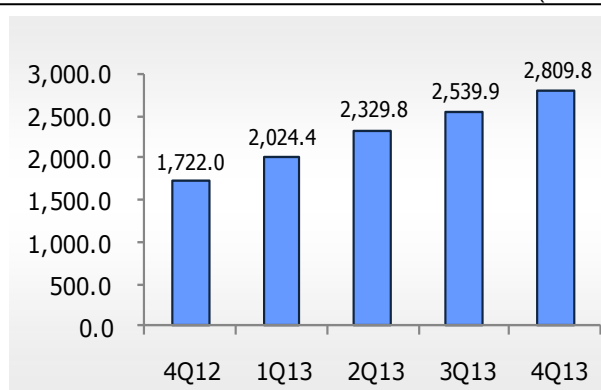
☐ **Bank KRW Deposits**

(KRW bn)



☐ **BS Capital Total Assets**

(KRW bn)



2. I/S Summary

□ 4Q13 Results by Business

| | Group | Bank | Securities | Capital | MSB | Credit Information | Information System | Consolidation Change |
|--|--------------|--------------|------------|-------------|--------------|--------------------|--------------------|----------------------|
| (KRW bn) | | | | | | | | |
| Net Interest Income | 299.2 | 259.7 | 1.0 | 33.8 | 9.8 | 0.1 | 0.0 | △5.2 |
| Net Fee Income | 21.4 | 17.1 | 3.0 | 3.2 | △0.2 | 0.7 | 0.0 | △2.4 |
| Others | △13.9 | △16.1 | 2.9 | 1.0 | △0.8 | 0.0 | 1.9 | △2.8 |
| SG&A(-) | 178.2 | 155.7 | 5.5 | 9.7 | 3.3 | 0.5 | 1.7 | 1.8 |
| Provision Expense(-) | 101.0 | 58.6 | 0.0 | 16.9 | 25.5 | 0.0 | 0.0 | 0.0 |
| Non-Operating Income | △0.7 | 2.3 | △1.3 | △0.5 | △1.8 | 0.0 | 0.2 | 0.4 |
| Earnings Before Income Tax | 26.8 | 48.7 | 0.1 | 10.9 | △21.8 | 0.3 | 0.4 | △11.8 |
| Income Tax Expenses(-) | 5.4 | 4.6 | 0.0 | 2.4 | △1.6 | 0.1 | 0.1 | △0.2 |
| Net Income | 21.4 | 44.1 | 0.1 | 8.5 | △20.2 | 0.2 | 0.3 | △11.6 |
| Net Income in Non-Controlling Interest | △1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | △1.0 |
| Net Income in Controlling Interest | 20.4 | 44.1 | 0.1 | 8.5 | △20.2 | 0.2 | 0.3 | △12.6 |
| ¹⁾ Net Income in Controlling Interest | 304.5 | 318.6 | 0.3 | 28.5 | △11.9 | 0.7 | 0.8 | △32.5 |

1) 2013 FY Data

2. I/S Summary

□ Group Level Results

| | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|--|----------------|---------------|-------|-------|-------|---------|-------|-------|-------|-------|----------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %) | | | | | | | | | | | | |
| Net Interest Income | 1,154.4 | 299.2 | 293.5 | 288.6 | 273.1 | 1,143.2 | 287.5 | 283.2 | 283.2 | 289.3 | 1.9 | 1.0 |
| Net Fee Income | 85.2 | 21.4 | 21.8 | 19.3 | 22.7 | 109.0 | 25.5 | 29.0 | 27.5 | 27.0 | △1.8 | △21.8 |
| Others | △ 24.2 | △ 13.9 | 3.0 | △15.8 | 2.5 | △21.6 | △26.2 | 0.4 | △2.6 | 6.8 | Net Loss | - |
| SG&A(-) | 573.8 | 178.2 | 135.6 | 132.4 | 127.6 | 568.9 | 177.2 | 130.2 | 136.0 | 125.5 | 31.4 | 0.9 |
| Provision Expense(-) | 228.8 | 101.0 | 48.0 | 36.1 | 43.7 | 168.1 | 38.8 | 29.7 | 52.8 | 46.8 | 110.4 | 36.1 |
| Non-Operating Income | △ 9.9 | △ 0.7 | △5.3 | △2.0 | △1.9 | △8.8 | △4.7 | △1.6 | △0.4 | △2.1 | - | - |
| Earnings Before Income Tax | 402.9 | 26.8 | 129.4 | 121.6 | 125.1 | 484.8 | 66.1 | 151.1 | 118.9 | 148.7 | △79.3 | △16.9 |
| Income Tax Expenses(-) | 97.4 | 5.4 | 32.5 | 28.8 | 30.7 | 118.9 | 15.4 | 36.0 | 30.4 | 37.1 | △83.4 | △18.1 |
| Net Income | 305.5 | 21.4 | 96.9 | 92.8 | 94.4 | 365.9 | 50.7 | 115.1 | 88.5 | 111.6 | △77.9 | △16.5 |
| Net Income in Non-Controlling Interest | △ 1.0 | △ 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Net Income in Controlling Interest | 304.5 | 20.4 | 96.9 | 92.8 | 94.4 | 365.9 | 50.7 | 115.1 | 88.5 | 111.6 | △78.9 | △16.8 |

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

□ Group Total Lending

| | 4Q13 | 3Q13 | QoQ |
|----------------------------------|-----------------|----------|------|
| (KRW bn, %) | | | |
| Cash and Dues | 1,860.9 | 1,586.3 | 17.3 |
| Securities | 7,833.8 | 7,515.4 | 4.2 |
| Loans & Receivables | 36,200.2 | 36,293.6 | △0.3 |
| Derivative Assets | 120.0 | 119.5 | 0.4 |
| Fixed Assets & Investment Assets | 508.7 | 438.2 | 16.1 |
| Intangible Assets | 134.9 | 135.8 | △0.7 |
| Others | 258.4 | 234.7 | 10.1 |
| Total Assets | 46,916.9 | 46,323.5 | 1.3 |

□ Group Total Funding

| | 4Q13 | 3Q13 | QoQ |
|--|-----------------|----------|-------|
| (KRW bn, %) | | | |
| Deposits | 31,058.9 | 30,417.4 | 2.1 |
| Borrowings | 9,131.3 | 8,857.9 | 3.1 |
| Derivatives | 90.2 | 82.2 | 9.7 |
| Others | 3,035.6 | 3,488.9 | △13.0 |
| Total Liabilities | 43,316.0 | 42,846.4 | 1.1 |
| Shareholder's Equity | 3,600.9 | 3,477.1 | 3.6 |
| Total Liabilities & Shareholder's Equity | 46,916.9 | 46,323.5 | 1.3 |

□ Asset Quality

| | 4Q13 | 3Q13 | 2Q13 | 1Q13 | 4Q12 | QoQ |
|---------------------------|---------------|--------|--------|--------|--------|-------|
| (%, %p) | | | | | | |
| Substandard & Below Ratio | 1.30 | 1.45 | 1.45 | 1.30 | 1.20 | △0.15 |
| Coverage Ratio | 120.90 | 102.74 | 102.36 | 115.58 | 127.28 | 18.16 |
| Delinquency Ratio | 0.77 | 0.83 | 0.78 | 0.90 | 0.69 | △0.06 |

□ Capital Adequacy

| | 4Q13 | 3Q13 | 2Q13 | 1Q13 | 4Q12 | QoQ |
|-------------|--------------|-------|-------|-------|-------|-------|
| (%, %p) | | | | | | |
| BIS Ratio | 13.85 | 15.43 | 14.25 | 14.41 | 15.19 | △1.58 |
| Tier I | 9.75 | 10.79 | 10.53 | 10.59 | 10.84 | △1.04 |
| Core Tier I | 9.46 | - | - | - | - | - |

1)Based on Basel III 2)Based on Basel I(4Q12~3Q13)

4. Profitability / Dividend Payout

□ Profitability

| (%, %p) | 4Q13 | 3Q13 | 2Q13 | 1Q13 | 4Q12 | QoQ |
|------------|-------------|-------|-------|-------|-------|-------|
| ROA | 0.67 | 0.84 | 0.84 | 0.86 | 0.88 | △0.17 |
| ROE | 9.01 | 11.30 | 11.31 | 11.53 | 11.65 | △2.29 |

□ Dividend Payout

| (%, Won, KRW bn) | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|------|------|------|------|------|------|------|------|------|------|------|
| Dividend Yield(FV) | 6.6 | 7.0 | 5.0 | 3.2 | 4.0 | 11.4 | 8.4 | 8.1 | 6.0 | 5.4 | 6.0 |
| Dividend Yield(MV)¹⁾ | 2.4 | 3.1 | 1.7 | 1.1 | 3.2 | 3.6 | 3.5 | 3.0 | 3.8 | 4.0 | 5.9 |
| Dividend per share | 330 | 350 | 250 | 160 | 200 | 570 | 420 | 405 | 300 | 270 | 300 |
| Dividend Paid(bn) | 63.8 | 67.7 | 46.7 | 29.9 | 29.3 | 83.6 | 61.6 | 59.4 | 44.0 | 39.6 | 44.0 |
| Payout Ratio(%)²⁾ | 17.7 | 16.9 | 14.0 | 12.2 | 10.7 | 30.9 | 33.5 | 33.2 | 33.2 | 32.7 | 29.7 |

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

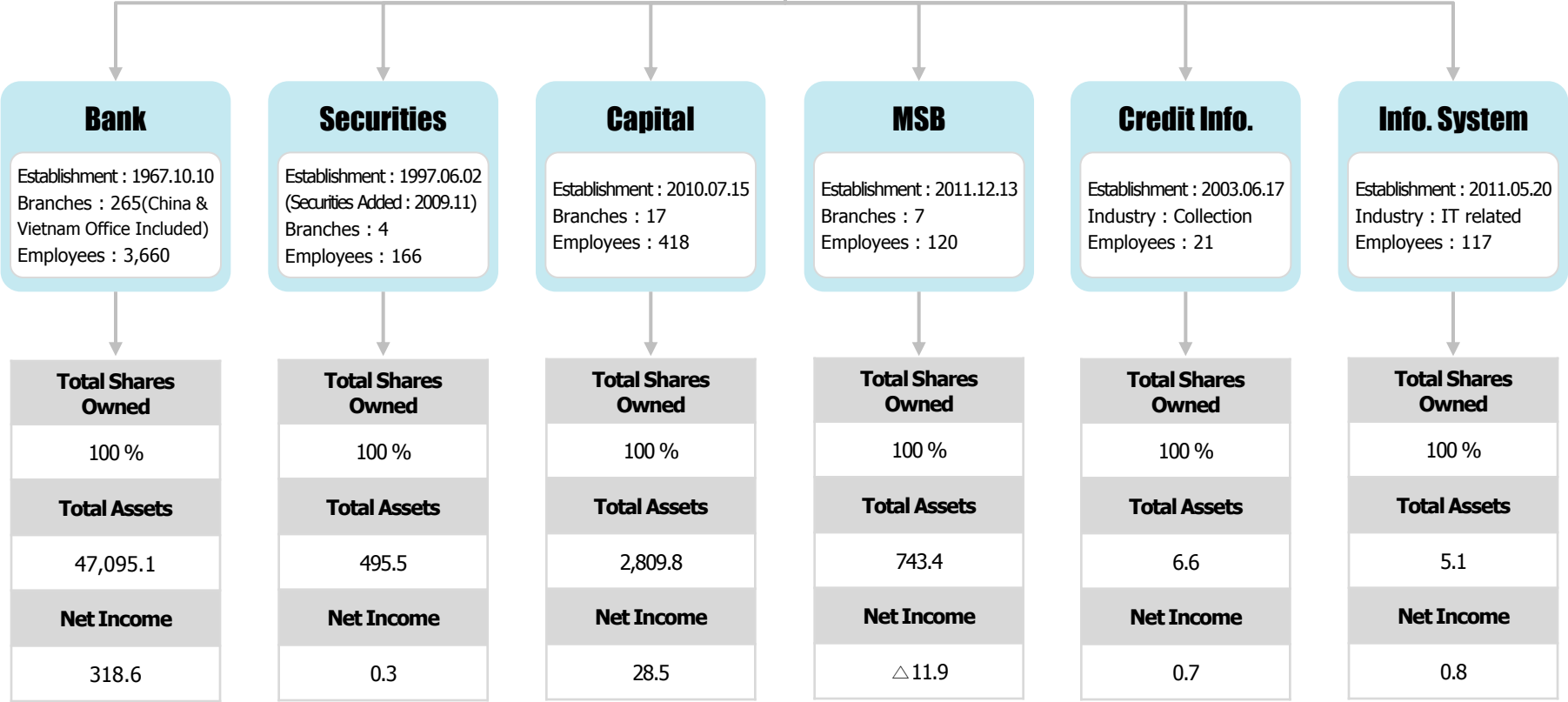
2) Calculated without deducting 'Reserve' from Net Income

5. Group Structure

(Accumulated, %, KRW bn)



Establishment : 2011.03.15
Total Assets : 51,130.0
Net Income : 304.5
Employees : 4,559



Note) Employees exclude peak-time employees, security guards etc.

II. 2013 Bank Results

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1. Earnings Highlights

Growth

- ❖ **Total Credits : up by 8.6% (2,407.2 KRW bn) YoY**
 - KRW Loans up by 9.9% (2,575.9 KRW bn) YoY
- ❖ **Total Deposits : up by 6.9% (2,244.3 KRW bn) YoY**
 - KRW Deposits up by 9.3% (2,533.6 KRW bn) YoY
- ❖ **LDR : 97.34%, down by 0.57%p QoQ**

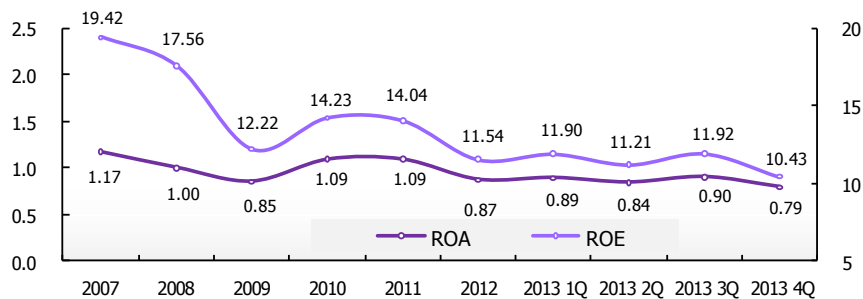
Asset Quality

- ❖ **S&B Loan Ratio : 1.17%, down by 0.23%p QoQ**
- ❖ **Delinquency Ratio : 0.55%, down by 0.13%p QoQ**
- ❖ **Real Estate PF Delinquency Ratio : 0%**
- ❖ **Real Estate SBL Ratio : 4.37%**

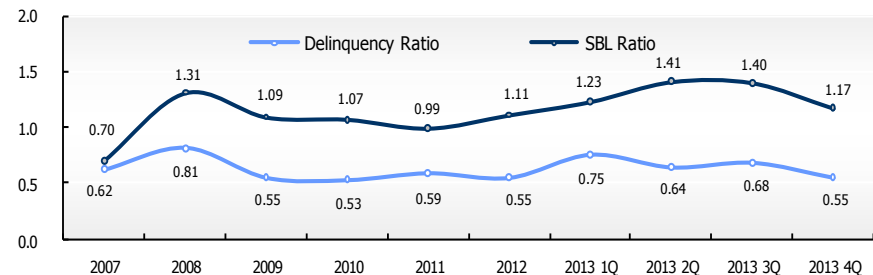
Profitability

- ❖ **Top Line**
 - ▶ **4Q Net Interest Income at 259.7 KRW bn, up by 2.2% QoQ, up by 1.5% YoY**
 - FY Net Interest Income at 1,001.9 KRW bn, down by 2.5% YoY**
 - ▶ **4Q NIM 2.46%, same as previous quarter, Accumulated NIM 2.46, down by 0.14%p YoY**
- ❖ **Bottom Line**
 - ▶ **Annualized Credit Cost : 0.44%, up by 0.11%p QoQ, same as previous year**
 - ▶ **Annualized Cost Income Ratio : 47.26%, up by 4.17%p QoQ, up by 1.74%p YoY**
 - ▶ **4Q Net Income : 44.1 KRW bn, down by 9.6% YoY**
 - FY Net Income : 318.6 KRW bn, down by 10.4% YoY**

□ ROA / ROE (%)



□ Asset Quality (%)



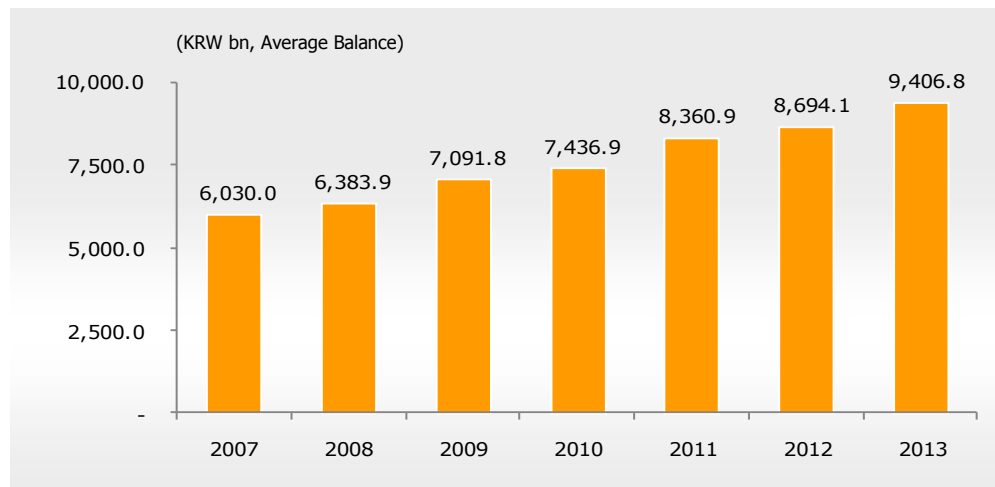
2. Assets & Deposits¹⁾

| (KRW bn, %, Balance) | 2013 | | | | 2012 4Q | QoQ | YTD |
|-----------------------------|-----------------|----------|----------|----------|------------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | | | |
| Total Assets | 47,095.1 | 46,314.9 | 45,218.6 | 44,640.6 | 43,247.3 | 1.7 | 8.9 |
| Bank Account | 42,593.2 | 42,282.9 | 41,620.8 | 41,155.7 | 39,835.0 | 0.7 | 6.9 |
| Trust Account | 4,501.9 | 4,032.0 | 3,597.8 | 3,484.9 | 3,412.3 | 11.7 | 31.9 |
| Total Deposits | 34,869.9 | 34,413.7 | 33,770.5 | 32,923.0 | 32,625.6 | 1.3 | 6.9 |
| Bank Account | 31,653.2 | 31,317.9 | 30,768.5 | 30,141.8 | 30,035.3 | 1.1 | 5.4 |
| Won Deposits | 29,802.5 | 29,118.6 | 28,623.7 | 27,633.5 | 27,268.9 | 2.3 | 9.3 |
| Demand | 2,251.7 | 2,201.3 | 2,295.1 | 2,158.8 | 2,206.3 | 2.3 | 2.1 |
| Savings & Time | 27,529.8 | 26,894.9 | 26,303.9 | 25,449.1 | 25,035.7 | 2.4 | 10.0 |
| Installment | 21.0 | 22.4 | 24.7 | 25.6 | 26.9 | △6.3 | △21.9 |
| CD | 66.1 | 125.8 | 146.1 | 115.0 | 262.2 | △47.5 | △74.8 |
| Trust Account | 3,216.7 | 3,095.8 | 3,002.0 | 2,781.2 | 2,590.3 | 3.9 | 24.2 |
| Total Credits | 30,505.9 | 30,667.4 | 30,184.6 | 29,412.3 | 28,098.7 | △0.5 | 8.6 |
| Total Loans | 29,665.9 | 29,716.8 | 29,219.8 | 28,525.3 | 27,230.7 | △0.2 | 8.9 |
| KRW Loans | 28,538.7 | 28,537.4 | 27,923.1 | 27,140.5 | 25,962.8 | 0.0 | 9.9 |
| SMEs | 18,118.2 | 18,191.2 | 17,780.6 | 17,354.2 | 16,638.3 | △0.4 | 8.9 |
| Households | 6,827.2 | 6,872.4 | 6,821.5 | 6,614.2 | 6,430.7 | △0.7 | 6.2 |
| Guarantees | 840.0 | 950.6 | 964.8 | 887.0 | 868.0 | △11.6 | △3.2 |
| Total Securities | 8,735.3 | 8,423.6 | 8,313.5 | 8,344.8 | 8,420.3 | 3.7 | 3.7 |
| Bank Account | 7,158.5 | 6,897.3 | 6,889.0 | 7,000.8 | 7,175.4 | 3.8 | △0.2 |
| Trust Account | 1,576.8 | 1,526.3 | 1,424.5 | 1,344.0 | 1,244.9 | 3.3 | 26.7 |
| Shareholders' Equity | 3,472.4 | 3,269.6 | 3,172.3 | 3,099.3 | 2,999.4 | 6.2 | 15.8 |

1) Based on the Bank's Unconsolidated Financial Statements

3. Low-Cost Deposits

□ Growth Records



□ Funding Costs

| (%, Accumulated) | 4Q13 | 3Q13 | 2Q13 | 4Q12 |
|----------------------------|-------------|------|------|------|
| Demand Deposits | 0.25 | 0.26 | 0.28 | 0.24 |
| Savings Deposits | 0.14 | 0.14 | 0.14 | 0.14 |
| Corporate Savings Deposits | 1.51 | 1.53 | 1.59 | 1.74 |
| Total | 0.59 | 0.61 | 0.64 | 0.67 |

| (KRW bn, %, %p, Average Balance) | 2013 | | | | 2012 4Q | QoQ | YTD |
|---|-----------------|----------|----------|----------|------------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | | | |
| Low-Cost Deposits (A) | 9,406.8 | 9,359.6 | 9,362.2 | 9,260.2 | 8,694.1 | 0.5 | 8.2 |
| Demand Deposits | 2,082.2 | 2,073.6 | 2,064.4 | 2,030.8 | 1,951.7 | 0.4 | 6.7 |
| Savings Deposits | 4,372.1 | 4,313.3 | 4,260.1 | 4,190.6 | 3,997.7 | 1.4 | 9.4 |
| Corporate Savings Deposits | 2,952.5 | 2,972.7 | 3,037.7 | 3,038.8 | 2,744.7 | △0.7 | 7.6 |
| Deposits in KRW (B) | 28,461.4 | 28,145.8 | 27,750.3 | 27,255.9 | 25,215.8 | 1.1 | 12.9 |
| Total Deposits (Bank Account) (C) | 30,764.3 | 30,507.1 | 30,233.7 | 29,965.3 | 28,136.3 | 0.8 | 9.3 |
| Total Deposits (Bank + Trust Account)(D) | 33,729.8 | 33,411.1 | 33,050.6 | 32,648.3 | 30,529.0 | 1.0 | 10.5 |
| Low-Cost Deposits/Won Deposits(A/B) | 33.05 | 33.25 | 33.74 | 33.97 | 34.48 | △0.20 | △1.43 |
| Low-Cost Deposits/Total Deposits (A/C) | 30.58 | 30.68 | 30.97 | 30.90 | 30.90 | △0.10 | △0.32 |
| Low-Cost Deposits/Total Deposits(A/D) | 27.89 | 28.01 | 28.33 | 28.36 | 28.48 | △0.12 | △0.59 |

4. Earning Results

| | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|------------------------------|----------------|---------------|-------|-------|-------|---------|-------|-------|-------|-------|----------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %, %p) | | | | | | | | | | | | |
| Net Interest Income | 1,001.9 | 259.7 | 254.1 | 250.4 | 237.7 | 1,027.2 | 255.8 | 257.2 | 256.3 | 257.9 | 2.2 | △2.5 |
| Net Fee Income | 65.2 | 17.1 | 16.2 | 13.7 | 18.2 | 80.1 | 17.8 | 20.8 | 21.2 | 20.3 | 5.6 | △18.6 |
| Fees from Trust Account | 11.0 | 3.0 | 2.9 | 2.7 | 2.4 | 9.1 | 2.4 | 2.3 | 2.3 | 2.1 | 3.4 | 20.9 |
| Others | △ 41.7 | △ 19.1 | △4.7 | △15.1 | △2.8 | △27.7 | △29.8 | 5.3 | △5.8 | 2.6 | - | - |
| Provision Expense(-) | 135.5 | 58.6 | 28.3 | 19.9 | 28.7 | 126.3 | 26.5 | 30.9 | 40.3 | 28.6 | 107.1 | 7.3 |
| SG&A(-) | 489.8 | 155.7 | 111.4 | 114.0 | 108.7 | 486.5 | 153.0 | 109.4 | 116.5 | 107.6 | 39.8 | 0.7 |
| Net Operating Income | 411.1 | 46.4 | 128.8 | 117.8 | 118.1 | 475.9 | 66.7 | 145.3 | 117.2 | 146.7 | △64.0 | △13.6 |
| Non-Operating Income | △ 5.1 | 2.3 | △5.3 | △2.6 | 0.5 | △10.0 | △4.1 | △2.6 | △1.2 | △2.1 | Net Gain | - |
| Earnings Before Income Taxes | 406.0 | 48.7 | 123.5 | 115.2 | 118.6 | 465.9 | 62.6 | 142.7 | 116.0 | 144.6 | △60.6 | △12.9 |
| Income Tax Expenses(-) | 87.4 | 4.6 | 29.5 | 26.0 | 27.3 | 110.2 | 13.8 | 33.2 | 28.0 | 35.2 | △84.4 | △20.7 |
| Net Income | 318.6 | 44.1 | 94.0 | 89.2 | 91.3 | 355.7 | 48.8 | 109.5 | 88.0 | 109.4 | △53.1 | △10.4 |
| ROA | 0.79 | | 0.90 | 0.84 | 0.89 | 0.87 | | 0.99 | 0.90 | 1.03 | △0.11 | △0.08 |
| ROE | 10.43 | | 11.92 | 11.21 | 11.90 | 11.54 | | 13.14 | 12.01 | 13.84 | △1.49 | △1.11 |

5. Net Interest Income

| | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|------------------------|----------------|--------------|-------|-------|-------|---------|-------|-------|-------|-------|------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %) | | | | | | | | | | | | |
| Net Interest Income | 1,001.9 | 259.7 | 254.1 | 250.4 | 237.7 | 1,027.2 | 255.8 | 257.2 | 256.3 | 257.9 | 2.2 | △2.5 |
| Interest Revenues | 1,842.8 | 463.3 | 462.6 | 459.5 | 457.4 | 1,954.2 | 481.6 | 493.1 | 491.2 | 488.3 | 0.2 | △5.7 |
| Interest on Loans | 1,565.3 | 395.2 | 395.4 | 391.5 | 383.2 | 1,635.8 | 406.4 | 416.4 | 410.4 | 402.6 | △0.1 | △4.3 |
| Interest on Securities | 260.9 | 64.6 | 63.7 | 64.1 | 68.5 | 290.9 | 71.0 | 71.9 | 73.6 | 74.4 | 1.4 | △10.3 |
| Others | 16.6 | 3.5 | 3.5 | 3.9 | 5.7 | 27.5 | 4.2 | 4.8 | 7.2 | 11.3 | 0.0 | △39.6 |
| Interest Expenses | 840.9 | 203.6 | 208.5 | 209.1 | 219.7 | 927.0 | 225.8 | 235.9 | 234.9 | 230.4 | △2.4 | △9.3 |
| Interest on Deposits | 645.1 | 156.8 | 160.9 | 160.0 | 167.4 | 687.7 | 170.6 | 176.2 | 173.4 | 167.5 | △2.5 | △6.2 |
| Interest on Debentures | 108.1 | 26.0 | 26.2 | 26.9 | 29.0 | 134.2 | 31.0 | 32.6 | 34.6 | 36.0 | △0.8 | △19.4 |
| Others | 87.7 | 20.8 | 21.4 | 22.2 | 23.3 | 105.1 | 24.2 | 27.1 | 26.9 | 26.9 | △2.8 | △16.6 |

6. NIM & NIS

| | 2013 | | | | 2012 | | | | QoQ | YoY |
|------------------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %, %p) | | | | | | | | | | |
| NIM(Quarterly) | 2.46 | 2.46 | 2.47 | 2.45 | 2.60 | 2.70 | 2.79 | 2.84 | 0.00 | △0.14 |
| NIS | 2.80 | 2.83 | 2.87 | 2.86 | 3.06 | 3.25 | 3.41 | 3.55 | △0.03 | △0.26 |
| Interest Rate on KRW Loans | 5.05 | 5.15 | 5.28 | 5.44 | 5.77 | 6.07 | 6.31 | 6.42 | △0.10 | △0.72 |
| Households | 4.50 | 4.61 | 4.80 | 5.02 | 5.33 | 5.64 | 5.80 | 5.82 | △0.11 | △0.83 |
| Corporate | 4.90 | 4.94 | 5.06 | 5.20 | 5.55 | 5.83 | 6.05 | 6.13 | △0.04 | △0.65 |
| Interest Rate paid on KRW Deposits | 2.25 | 2.32 | 2.41 | 2.58 | 2.71 | 2.82 | 2.90 | 2.87 | △0.07 | △0.46 |
| Average Interest Earning Assets | 37,623.0 | 36,940.8 | 36,207.0 | 35,370.2 | 35,043.3 | 34,490.7 | 33,516.8 | 33,116.4 | 1.8 | 7.4 |
| NIM(Accumulated) | 2.46 | 2.46 | 2.46 | 2.45 | 2.73 | 2.77 | 2.82 | 2.84 | 0.00 | △0.27 |
| NIS | 2.83 | 2.85 | 2.86 | 2.86 | 3.31 | 3.40 | 3.48 | 3.55 | △0.02 | △0.48 |
| Interest Rate on KRW Loans | 5.22 | 5.28 | 5.36 | 5.44 | 6.13 | 6.26 | 6.37 | 6.42 | △0.06 | △0.91 |
| Households | 4.73 | 4.80 | 4.91 | 5.02 | 5.64 | 5.76 | 5.82 | 5.82 | △0.07 | △0.91 |
| Corporate | 5.02 | 5.06 | 5.13 | 5.20 | 5.88 | 6.01 | 6.10 | 6.13 | △0.04 | △0.86 |
| Interest Rate paid on KRW Deposits | 2.39 | 2.43 | 2.50 | 2.58 | 2.82 | 2.86 | 2.89 | 2.87 | △0.04 | △0.43 |
| Average Interest Earning Assets | 36,542.5 | 36,178.4 | 35,790.9 | 35,370.2 | 34,045.8 | 33,710.8 | 33,316.6 | 33,116.4 | 1.0 | 7.3 |

Note. Table on the top is based on quarterly numbers

Table on the bottom is based on accumulated numbers

7. Noninterest Income

| | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|-----------------------|--------------|--------------|-------|-------|-------|---------|-------|-------|-------|-------|-------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %) | | | | | | | | | | | | |
| Noninterest Income | 34.5 | 1.0 | 14.4 | 1.3 | 17.8 | 61.5 | △9.6 | 28.4 | 17.7 | 25.0 | △93.1 | △43.9 |
| Noninterest Revenues | 920.8 | 191.9 | 215.8 | 256.1 | 257.0 | 801.2 | 242.3 | △54.3 | 323.2 | 290.0 | △11.1 | 14.9 |
| Fee Income | 122.1 | 31.3 | 30.4 | 29.8 | 30.6 | 129.9 | 30.0 | 33.0 | 33.8 | 33.1 | 3.0 | △6.0 |
| Fees from Trust Acct. | 11.0 | 3.0 | 2.9 | 2.7 | 2.4 | 9.1 | 2.4 | 2.3 | 2.3 | 2.1 | 3.4 | 20.9 |
| Others ¹⁾ | 787.7 | 157.6 | 182.5 | 223.6 | 224.0 | 662.2 | 209.9 | △89.6 | 287.1 | 254.8 | △13.6 | 19.0 |
| Noninterest Expenses | 886.3 | 190.9 | 201.4 | 254.8 | 239.2 | 739.7 | 251.9 | △82.7 | 305.5 | 265.0 | △5.2 | 19.8 |
| Commissions Paid | 56.9 | 14.2 | 14.2 | 16.1 | 12.4 | 49.8 | 12.2 | 12.2 | 12.6 | 12.8 | 0.0 | 14.3 |
| Trust Acct. Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Others ²⁾ | 829.4 | 176.7 | 187.2 | 238.7 | 226.8 | 689.9 | 239.7 | △94.9 | 292.9 | 252.2 | △5.6 | 20.2 |

1) Gains on Securities (8.4), Gain on FX Trading and Derivatives (129.5), Gains on NPL Sales (20.4), Others (△0.7)

2) Losses on Securities (10.6), Losses on FX Trading and Derivatives (119.4), Losses on NPL Sales (23.0), Contribution to Guarantee Funds (14.6), Deposit Insurance Fees (9.7), Others (△0.6)

8. Provisioning

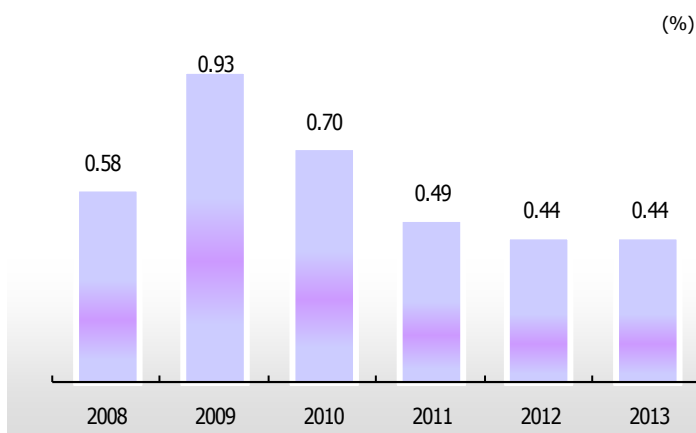
□ Provision Expense

| (KRW bn, %) | 2013 | | | | | 2012 | | | | |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q |
| Corporate | 119.0 | 47.8 | 28.8 | 18.0 | 24.4 | 117.4 | 31.0 | 27.0 | 35.9 | 23.5 |
| Household | 2.0 | △0.3 | 0.6 | 0.0 | 1.7 | 3.6 | △3.4 | 1.8 | 1.0 | 4.2 |
| Credit Card | 7.2 | 1.6 | 1.8 | 1.7 | 2.1 | 8.0 | 1.8 | 2.4 | 2.6 | 1.2 |
| Others | 7.3 | 9.5 | △2.9 | 0.2 | 0.5 | △2.7 | △2.9 | △0.3 | 0.8 | △0.3 |
| Trust Account | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total (A) | 135.5 | 58.6 | 28.3 | 19.9 | 28.7 | 126.3 | 26.5 | 30.9 | 40.3 | 28.6 |
| Total Credit (B) | 31,050.7 | 310,50.7 | 31,218.2 | 30,762.6 | 29,993.5 | 28,642.7 | 28,642.7 | 28,421.3 | 27,835.6 | 26,420.2 |
| Credit Cost (A/B) | 0.44 | 0.75 | 0.36 | 0.26 | 0.39 | 0.44 | 0.37 | 0.43 | 0.58 | 0.44 |

□ Provision Balance¹⁾

| (KRW bn) | 2013 | | | | 2012 | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| Corporate | 326.2 | 309.4 | 300.4 | 293.3 | 319.9 | 319.5 | 296.3 | 309.4 |
| Household | 18.6 | 18.7 | 19.5 | 19.8 | 24.3 | 25.4 | 23.7 | 18.7 |
| Credit Card | 10.3 | 11.3 | 10.6 | 9.9 | 10.6 | 9.3 | 10.1 | 11.3 |
| Trust | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 355.1 | 339.4 | 330.5 | 323.0 | 354.8 | 354.2 | 330.1 | 339.4 |

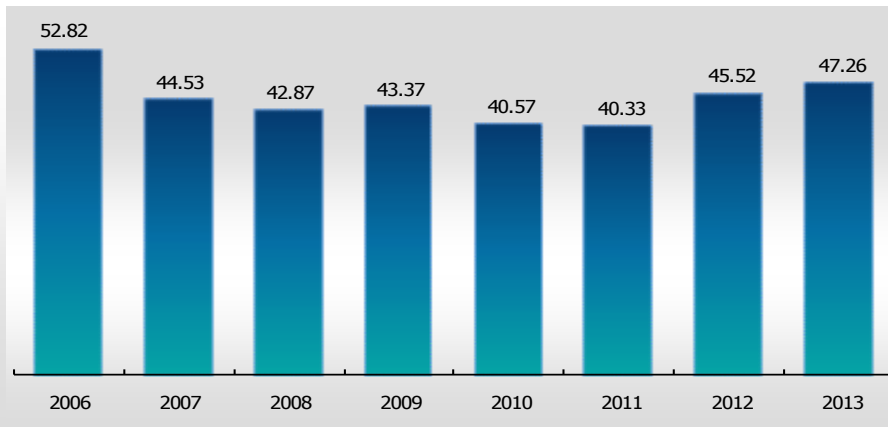
□ Credit Cost(Accumulated)



Note 1). Unused Credit Line Provisions of 12.3 and Other Provisions of 18.1 not included

9. SG&A

☐ CIR(Accumulated) Records¹⁾



☐ Summary

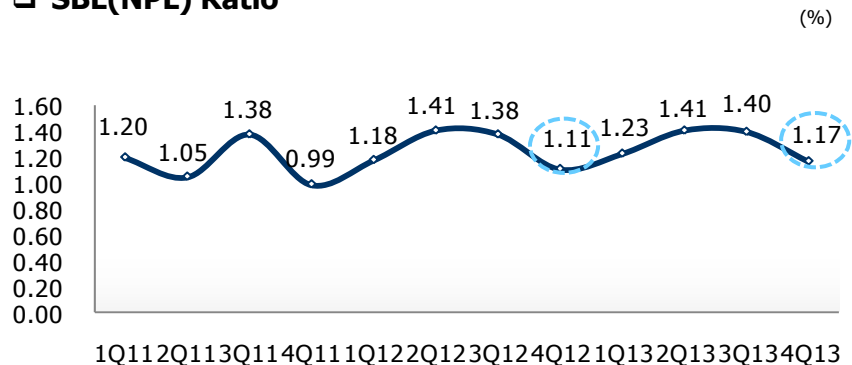
- FY SG&A at 489.8 KRW bn, up by 0.7% YoY
- Accumulated CIR(47.26%) up by 1.74%p YoY

| (KRW bn, %, %p) | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|-----------------------------|--------------|--------------|-------|-------|-------|---------|-------|-------|-------|-------|------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| Total SG&A | 489.8 | 155.7 | 111.4 | 114.0 | 108.7 | 486.5 | 153.0 | 109.4 | 116.5 | 107.6 | 39.8 | 0.7 |
| Salaries and other expenses | 412.6 | 129.0 | 96.8 | 99.1 | 87.7 | 384.4 | 115.6 | 87.0 | 94.6 | 87.2 | 33.3 | 7.3 |
| Depreciation | 33.0 | 6.9 | 6.3 | 6.9 | 12.9 | 56.8 | 16.1 | 14.5 | 13.9 | 12.3 | 9.5 | △41.9 |
| Taxes and dues | 13.8 | 3.7 | 3.6 | 3.2 | 3.3 | 14.6 | 4.1 | 3.4 | 3.5 | 3.6 | 2.8 | △5.5 |
| Retirement Allowance | 19.1 | 4.8 | 4.7 | 4.8 | 4.8 | 18.0 | 4.5 | 4.5 | 4.5 | 4.5 | 2.1 | 6.1 |
| Honorary Retirement | 11.3 | 11.3 | - | - | - | 12.7 | 12.7 | - | - | - | - | △11.0 |

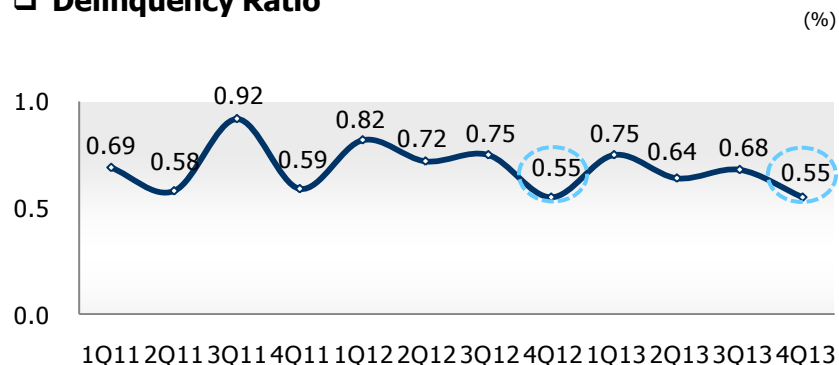
1) Based on the Bank's Unconsolidated Financial Statements

10. Asset Quality

□ SBL(NPL) Ratio (%)



□ Delinquency Ratio (%)



| | 2013 | | | | 2012 | | | | QoQ | YTD |
|--------------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %, %p) | | | | | | | | | | |
| Total Loans | 31,050.7 | 31,218.2 | 30,762.6 | 29,993.5 | 28,642.7 | 28,421.3 | 27,835.6 | 26,420.2 | △0.5 | 8.4 |
| Normal | 30,345.2 | 30,382.3 | 29,966.8 | 29,194.4 | 27,894.2 | 27,476.0 | 26,808.1 | 25,569.1 | △0.1 | 8.8 |
| Precautionary | 342.5 | 397.9 | 360.9 | 430.0 | 431.9 | 554.4 | 635.0 | 538.7 | △13.9 | △20.7 |
| Substandard | 222.3 | 366.9 | 366.7 | 299.6 | 259.6 | 319.0 | 314.9 | 244.9 | △39.4 | △14.4 |
| Doubtful | 104.8 | 42.7 | 42.7 | 43.0 | 34.6 | 38.2 | 28.0 | 26.1 | 145.4 | 202.9 |
| Expected loss | 35.9 | 28.4 | 25.5 | 26.5 | 22.4 | 33.7 | 49.6 | 41.4 | 26.4 | 60.3 |
| SBL(Substandard & Below Loans) | 363.0 | 438.0 | 434.9 | 369.1 | 316.6 | 390.9 | 392.5 | 312.4 | △17.1 | 14.7 |
| (SBL Ratio (%)) | (1.17) | (1.40) | (1.41) | (1.23) | (1.11) | (1.38) | (1.41) | (1.18) | △0.23 | △0.06 |
| (SBL Coverage Ratio) | (125.14) | (104.41) | (103.97) | (119.27) | (134.23) | (113.58) | (114.53) | (135.78) | 20.73 | △9.09 |
| Loan Amount | 30,210.6 | 30,267.6 | 29,797.8 | 29,106.5 | 27,774.4 | 27,528.8 | 27,023.0 | 25,616.7 | △0.2 | 8.8 |
| Delinquent Amount | 166.1 | 206.7 | 191.0 | 217.8 | 153.3 | 207.2 | 193.9 | 210.0 | △19.6 | 8.3 |
| Delinquency Ratio | 0.55 | 0.68 | 0.64 | 0.75 | 0.55 | 0.75 | 0.72 | 0.82 | △0.13 | 0.00 |

11. Capital Adequacy

| (KRW bn, %, Basel III) | 2013 | | | | 2012 4Q |
|------------------------------------|------------------|-----------|-----------|-----------|------------|
| | 4Q | 3Q | 2Q | 1Q | |
| Total Risk Adjusted Capital | 4,456.1 | 4,549.4 | 4,284.2 | 4,225.6 | 4,258.5 |
| Tier I Capital | 3,281.2 | 3,285.0 | 3,170.7 | 3,119.7 | 3,046.3 |
| (Core Tier I Capital) | (3,181.2) | (3,078.0) | (2,963.7) | (2,889.7) | (2,816.3) |
| Tier II Capital | 1,174.9 | 1,264.4 | 1,113.5 | 1,105.9 | 1,212.2 |
| Total Risk Weighted Assets | 30,492.7 | 30,251.7 | 30,211.9 | 29,591.7 | 28,590.2 |
| Credit Risk | 28,442.8 | 28,195.8 | 28,112.6 | 27,518.6 | 26,574.1 |
| Market Risk | 92.9 | 99.4 | 141.5 | 120.1 | 52.6 |
| Operational Risk | 1,957.0 | 1,956.5 | 1,957.8 | 1,956.0 | 1,963.6 |
| BIS Capital Ratio | 14.61 | 15.04 | 14.18 | 14.28 | 14.89 |
| Tier I | 10.76 | 10.86 | 10.49 | 10.54 | 10.66 |
| (Core Tier I) | (10.43) | (10.17) | (9.81) | (9.77) | (9.85) |

III. 2014 Group Earnings Guidance

- | | |
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Management
Policy

Establishment of New Growth System



■ **Target : FY Net Income 372.0 KRW bn, ROA 0.76%, ROE 10.00%**

■ **Management Innovation leading to Establishment of New Growth System,
Growth focused on Profitability & Asset Quality, Pioneer New Business Fields**

2. Major Financial Plans

□ Group

| | 2014 Plan (G') | 2013 (G) | Change (G' vs G) |
|-----------------------------|-----------------|----------|------------------|
| (KRW bn, Balance, %, %p) | | | |
| Profitability | | | |
| FY Net Income | 372.0 | 304.5 | 22.2 |
| ROA | 0.76 | 0.67 | 0.09 |
| ROE | 10.00 | 9.01 | 0.99 |
| Growth | | | |
| Total Assets | 56,100.0 | 51,130.0 | 9.7 |
| Shareholder's Equity | 3,913.2 | 3,600.9 | 8.7 |
| Asset Quality | | | |
| SBL Ratio | 1.30 | 1.30 | 0.00 |
| Delinquency Ratio | 0.87 | 0.77 | 0.10 |
| Capital Adequacy | | | |
| BIS Ratio | 13.01 | 13.85 | △0.84 |
| Tier I | 9.54 | 9.75 | △0.21 |
| Core Tier I | 9.28 | 9.46 | △0.18 |

2. Major Financial Plans

□ Bank

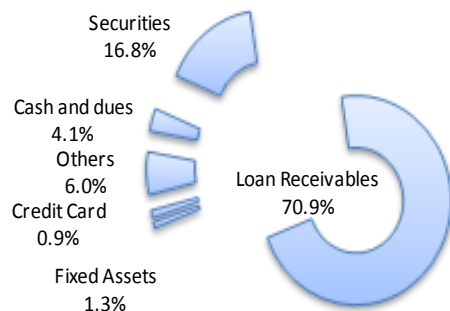
| (KRW bn, Balance, %, %p) | 2014 Plan (B') | 2013 (B) | Change (B' vs B) |
|-----------------------------|-----------------|----------|------------------|
| Profitability | | | |
| FY Net Income | 353.0 | 318.6 | 10.8 |
| NIM | 2.50 | 2.46 | 0.04 |
| ROA | 0.76 | 0.79 | △0.03 |
| ROE | 9.83 | 10.43 | △0.60 |
| Growth | | | |
| Total Assets | 50,800.0 | 47,095.1 | 7.9 |
| KRW Loans | 31,550.7 | 28,538.7 | 10.6 |
| KRW Deposits | 32,403.0 | 29,511.6 | 9.8 |
| Shareholder's Equity | 3,717.2 | 3,472.4 | 7.0 |
| Asset Quality | | | |
| SBL Ratio | 1.19 | 1.17 | 0.02 |
| Delinquency Ratio | 0.60 | 0.55 | 0.05 |
| Capital Adequacy | | | |
| BIS Ratio | 13.73 | 14.61 | △0.88 |
| Tier I | 10.30 | 10.76 | △0.46 |
| Core Tier I | 10.00 | 10.43 | △0.43 |

IV. Appendix (Bank)

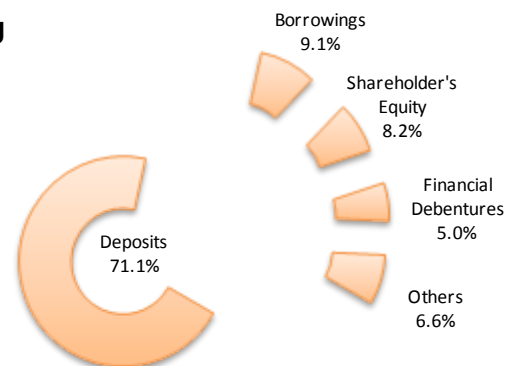
| | |
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1. B/S Summary

□ Lending



□ Funding



| | 2013 | | | | 2012 4Q | QoQ | YTD |
|---|-----------------|----------|----------|----------|------------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | | | |
| (KRW bn, %, Balance) | | | | | | | |
| Assets | 42,593.2 | 42,282.9 | 41,620.8 | 41,155.7 | 39,835.0 | 0.7 | 6.9 |
| Cash and Dues | 1,741.1 | 1,483.3 | 1,619.3 | 1,417.1 | 1,995.8 | 17.4 | △12.8 |
| Securities | 7,158.5 | 6,897.3 | 6,889.0 | 7,000.8 | 7,175.4 | 3.8 | △0.2 |
| Loans | 30,207.3 | 30,241.4 | 29,438.6 | 28,672.9 | 27,622.9 | △0.1 | 9.4 |
| Credit Card | 391.9 | 387.7 | 394.3 | 384.2 | 390.6 | 1.1 | 0.3 |
| Fixed Assets | 557.0 | 483.6 | 466.1 | 450.6 | 450.0 | 15.2 | 23.8 |
| Other Assets | 2,537.4 | 2,789.6 | 2,813.5 | 3,230.1 | 2,200.3 | △9.0 | 15.3 |
| Liability & Shareholder's Equity | 42,593.2 | 42,282.9 | 41,620.8 | 41,155.7 | 39,835.0 | 0.7 | 6.9 |
| Deposits | 30,303.8 | 29,639.6 | 29,066.1 | 28,031.5 | 27,843.9 | 2.2 | 8.8 |
| Borrowings | 3,877.6 | 3,697.4 | 3,613.2 | 3,858.9 | 3,746.0 | 4.9 | 3.5 |
| Financial Debentures | 2,144.1 | 2,453.8 | 2,396.2 | 2,585.8 | 2,731.4 | △12.6 | △21.5 |
| Other Liabilities | 2,795.3 | 3,222.5 | 3,373.0 | 3,580.2 | 2,514.3 | △13.3 | 11.2 |
| Shareholder's Equity | 3,472.4 | 3,269.6 | 3,172.3 | 3,099.3 | 2,999.4 | 6.2 | 15.8 |

2. I/S Summary

| | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|---------------------------------|----------------|--------------|-------|-------|-------|---------|-------|-------|-------|-------|-------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %) | | | | | | | | | | | | |
| 1. Operating Revenues | 2,763.6 | 655.2 | 678.4 | 715.6 | 714.4 | 2,755.4 | 723.9 | 438.8 | 814.4 | 778.3 | △3.4 | 0.3 |
| Interest Revenue | 1,842.8 | 463.3 | 462.6 | 459.5 | 457.4 | 1,954.2 | 481.6 | 493.1 | 491.2 | 488.3 | 0.2 | △5.7 |
| Fee & Commission Revenue | 122.1 | 31.3 | 30.4 | 29.8 | 30.6 | 129.9 | 30.0 | 33.0 | 33.8 | 33.1 | 3.0 | △6.0 |
| Trust Account | 11.0 | 3.0 | 2.9 | 2.7 | 2.4 | 9.1 | 2.4 | 2.3 | 2.3 | 2.1 | 3.4 | 20.9 |
| Others | 787.7 | 157.6 | 182.5 | 223.6 | 224.0 | 662.2 | 209.9 | △89.6 | 287.1 | 254.8 | △13.6 | 19.0 |
| 2. Operating Expenses | 2,352.5 | 608.8 | 549.6 | 597.8 | 596.3 | 2,279.5 | 657.2 | 293.5 | 697.2 | 631.6 | 10.8 | 3.2 |
| Interest Expense | 840.9 | 203.6 | 208.5 | 209.1 | 219.7 | 927.0 | 225.8 | 235.9 | 234.9 | 230.4 | △2.4 | △9.3 |
| Fee & Commission Expense | 56.9 | 14.2 | 14.2 | 16.1 | 12.4 | 49.8 | 12.2 | 12.2 | 12.6 | 12.8 | 0.0 | 14.3 |
| Trust Account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 829.4 | 176.7 | 187.2 | 238.7 | 226.8 | 689.9 | 239.7 | △94.9 | 292.9 | 252.2 | △5.6 | 20.2 |
| SG&A | 489.8 | 155.7 | 111.4 | 114.0 | 108.7 | 486.5 | 153.0 | 109.4 | 116.5 | 107.6 | 39.8 | 0.7 |
| Provision Expense | 135.5 | 58.6 | 28.3 | 19.9 | 28.7 | 126.3 | 26.5 | 30.9 | 40.3 | 28.6 | 107.1 | 7.3 |
| 3. Operating Income | 411.1 | 46.4 | 128.8 | 117.8 | 118.1 | 475.9 | 66.7 | 145.3 | 117.2 | 146.7 | △64.0 | △13.6 |
| 4. Non-Operating Income | △5.1 | 2.3 | △5.3 | △2.6 | 0.5 | △10.0 | △4.1 | △2.6 | △1.2 | △2.1 | - | - |
| 5. Earnings Before Income Taxes | 406.0 | 48.7 | 123.5 | 115.2 | 118.6 | 465.9 | 62.6 | 142.7 | 116.0 | 144.6 | △60.6 | △12.9 |
| 6. Income Taxes | 87.4 | 4.6 | 29.5 | 26.0 | 27.3 | 110.2 | 13.8 | 33.2 | 28.0 | 35.2 | △84.4 | △20.7 |
| 7. Net Income | 318.6 | 44.1 | 94.0 | 89.2 | 91.3 | 355.7 | 48.8 | 109.5 | 88.0 | 109.4 | △53.1 | △10.4 |

3. PPOP

| | 2013 | | | | | 2012 | | | | | QoQ | YoY |
|---------------------------|--------------|--------------|-------|-------|-------|---------|------|-------|-------|-------|-------|-------|
| | 2013.12 | 4Q | 3Q | 2Q | 1Q | 2012.12 | 4Q | 3Q | 2Q | 1Q | | |
| (KRW bn, %) | | | | | | | | | | | | |
| PPOP | 560.6 | 112.1 | 156.5 | 139.9 | 152.1 | 610.2 | 93.6 | 178.1 | 160.8 | 177.7 | △28.4 | △8.1 |
| Provision Expenses | 154.6 | 63.4 | 33.0 | 24.7 | 33.5 | 144.3 | 31.0 | 35.4 | 44.8 | 33.1 | 92.1 | 7.1 |
| Loans | 129.9 | 49.1 | 31.8 | 20.0 | 29.0 | 128.1 | 29.1 | 30.7 | 39.9 | 28.4 | 54.4 | 1.4 |
| Payment Guarantees | △ 1.7 | 0.0 | △0.6 | △0.3 | △0.8 | 0.9 | 0.3 | 0.5 | △0.4 | 0.5 | - | - |
| Retirement Allowance | 19.1 | 4.8 | 4.7 | 4.8 | 4.8 | 18.0 | 4.5 | 4.5 | 4.5 | 4.5 | 2.1 | 6.1 |
| Others | 7.3 | 9.5 | △2.9 | 0.2 | 0.5 | △2.7 | △2.9 | △0.3 | 0.8 | △0.3 | - | - |
| Income Taxes | 87.4 | 4.6 | 29.5 | 26.0 | 27.3 | 110.2 | 13.8 | 33.2 | 28.0 | 35.2 | △84.4 | △20.7 |
| Net Income | 318.6 | 44.1 | 94.0 | 89.2 | 91.3 | 355.7 | 48.8 | 109.5 | 88.0 | 109.4 | △53.1 | △10.4 |

4. Securities

| (KRW bn, %, Balance) | 4Q 2013 | | | | | 3Q 2013 | | 4Q 2012 | |
|------------------------|----------------|--------------------|-----------------------|----------------------|----------------------|---------|--------|---------|-------|
| | Total | Trading Securities | Investment Securities | | | QoQ | YoY | | |
| | | | Total | A.F.S. ¹⁾ | H.T.M. ²⁾ | | | | |
| KRW Bonds | 6,456.9 | 0 | 6,456.9 | 2,087.6 | 4,369.3 | 6,301.0 | 2.5 | 6,592.5 | △2.1 |
| Government Bonds | 1,348.4 | 0 | 1,348.4 | 369.4 | 979.0 | 1,269.6 | 6.2 | 1,091.2 | 23.6 |
| Financial Debentures | 430.0 | 0 | 430.0 | 189.7 | 240.3 | 461.1 | △6.7 | 533.1 | △19.3 |
| Municipal Bonds | 1,218.2 | 0 | 1,218.2 | 9.7 | 1,208.5 | 1,208.9 | 0.8 | 1,094.1 | 11.3 |
| Govn't Corporate Bonds | 2,868.4 | 0 | 2,868.4 | 984.9 | 1,883.5 | 2,827.1 | 1.5 | 3,175.0 | △9.7 |
| Corporate Bonds | 591.9 | 0 | 591.9 | 533.9 | 58.0 | 534.3 | 10.8 | 699.1 | △15.3 |
| Foreign Bonds | 48.7 | 0 | 48.7 | 48.7 | 0 | 49.8 | △2.2 | 50.0 | △2.6 |
| Stock | 276.7 | 0 | 276.7 | 276.7 | 0 | 277.0 | △0.1 | 296.6 | △6.7 |
| Mutual Funds | 376.2 | 12.4 | 363.8 | 363.8 | 0 | 269.5 | 39.6 | 226.3 | 66.2 |
| Bonds | 160.3 | 0 | 160.3 | 160.3 | 0 | 50.0 | 220.6 | - | - |
| Stocks | 0 | 0 | 0 | 0 | 0 | 45.3 | △100.0 | 64.8 | - |
| MMF | 12.4 | 12.4 | 0 | 0 | 0 | 8.1 | 53.1 | 12.7 | △2.4 |
| Others | 203.5 | 0 | 203.5 | 203.5 | 0 | 166.1 | 22.5 | 148.8 | 36.8 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | - | 10.0 | - |
| Total | 7,158.5 | 12.4 | 7,146.1 | 2,776.8 | 4,369.3 | 6,897.3 | 3.8 | 7,175.4 | △0.2 |

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

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

5. Deposits / Loans Breakdown

☐ Deposits

| (KRW bn, %, Balance) | 2013 | | | | 2012 4Q | YoY | YTD |
|----------------------|-----------------|----------|----------|----------|------------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | | | |
| KRW Deposits | 29,802.5 | 29,118.6 | 28,623.7 | 27,633.5 | 27,268.9 | 2.3 | 9.3 |
| Demand | 2,251.7 | 2,201.3 | 2,295.1 | 2,158.8 | 2,206.3 | 2.3 | 2.1 |
| Savings | 27,529.8 | 26,894.9 | 26,303.9 | 25,449.1 | 25,035.7 | 2.4 | 10.0 |
| Installment | 21.0 | 22.4 | 24.7 | 25.6 | 26.9 | △6.3 | △21.9 |
| CD | 66.1 | 125.8 | 146.1 | 115.0 | 262.2 | △47.5 | △74.8 |
| Bills Sold | 43.7 | 48.7 | 52.4 | 54.9 | 48.7 | △10.3 | △10.3 |
| R P | 211.7 | 215.7 | 237.1 | 429.3 | 446.5 | △1.9 | △52.6 |
| Financial Debenture | 1,529.2 | 1,809.1 | 1,709.2 | 1,909.1 | 2,009.0 | △15.5 | △23.9 |
| Trust Account | 3,216.7 | 3,095.8 | 3,002.0 | 2,781.2 | 2,590.3 | 3.9 | 24.2 |
| Total Deposits | 34,869.9 | 34,413.7 | 33,770.5 | 32,923.0 | 32,625.6 | 1.3 | 6.9 |

☐ Loans

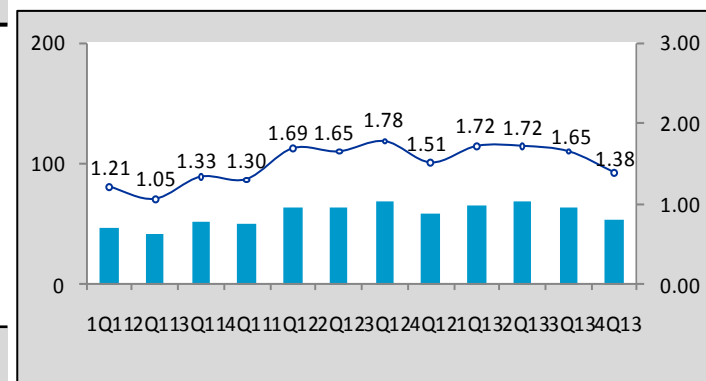
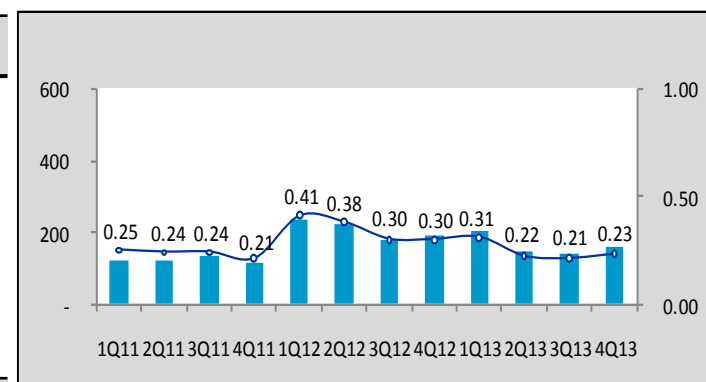
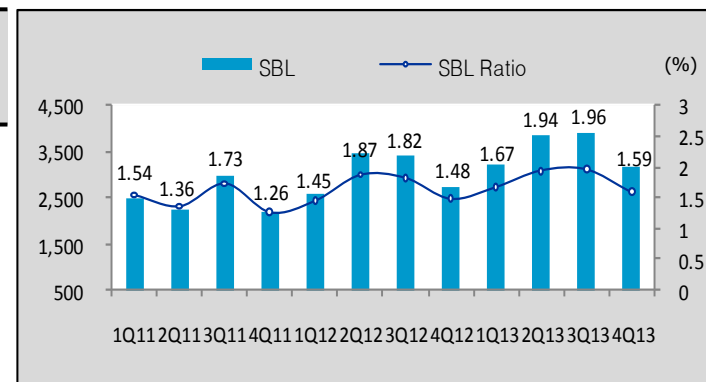
| (KRW bn, %, Balance) | 2013 | | | | 2012 4Q | YoY | YTD |
|------------------------|-----------------|----------|----------|----------|------------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | | | |
| KRW Loans | 28,538.7 | 28,537.4 | 27,923.1 | 27,140.5 | 25,962.8 | 0.0 | 9.9 |
| Corporate | 20,473.3 | 20,599.4 | 20,036.4 | 19,468.4 | 18,475.9 | △0.6 | 10.8 |
| (SME) | 18,118.2 | 18,191.2 | 17,780.6 | 17,354.2 | 16,638.3 | △0.4 | 8.9 |
| (Large Corps) | 2,355.1 | 2,408.2 | 2,255.8 | 2,114.2 | 1,837.6 | △2.2 | 28.2 |
| Household | 6,827.2 | 6,872.4 | 6,821.5 | 6,614.2 | 6,430.7 | △0.7 | 6.2 |
| Public | 1,238.2 | 1,065.6 | 1,065.2 | 1,057.9 | 1,056.2 | 16.2 | 17.2 |
| Foreign Currency Loans | 569.2 | 637.9 | 716.7 | 732.7 | 783.8 | △10.8 | △27.4 |
| Trust Account | 15.4 | 15.5 | 17.4 | 18.8 | 19.1 | △0.6 | △19.4 |
| Others | 1,382.6 | 1,476.6 | 1,527.4 | 1,520.3 | 1,333.0 | △6.4 | 3.7 |
| Total Loans | 30,505.9 | 30,667.4 | 30,184.6 | 29,412.3 | 28,098.7 | △0.5 | 8.6 |

6. Corporate Loan Portfolio

| (KRW bn, %, Balance) | 4Q13 | | | | 3Q13 | | 4Q12 | |
|------------------------------|-----------------|--------------|------------|-------------|----------|-------|----------|-------|
| | Amount | Ratio | QoQ | YTD | Amount | Ratio | Amount | Ratio |
| Manufacturing Sectors | 8,884.1 | 40.9 | 0.0 | 6.4 | 8,887.9 | 41.0 | 8,353.0 | 42.8 |
| Steel Metal Products | 2,610.8 | 12.0 | 1.4 | 8.5 | 2,575.2 | 11.9 | 2,405.4 | 12.3 |
| Automobile Parts | 1,960.1 | 9.0 | △2.4 | 4.3 | 2,007.4 | 9.3 | 1,880.1 | 9.6 |
| Machinery | 1,195.3 | 5.5 | 3.1 | 10.7 | 1,159.3 | 5.4 | 1,079.8 | 5.5 |
| Petroleum, Rubber, etc. | 982.6 | 4.5 | △0.9 | 4.9 | 991.3 | 4.6 | 936.5 | 4.8 |
| Fabric | 205.6 | 0.9 | 5.2 | △18.9 | 195.4 | 0.9 | 253.5 | 1.3 |
| Garment & Shoes | 245.0 | 1.1 | △8.1 | △4.2 | 266.6 | 1.2 | 255.7 | 1.3 |
| Kitchen Units | 253.2 | 1.2 | △2.8 | △2.4 | 260.4 | 1.2 | 259.3 | 1.3 |
| Electronics | 631.1 | 2.9 | △0.7 | 15.4 | 635.3 | 2.9 | 547.0 | 2.8 |
| Paper, Paper Mills | 93.7 | 0.4 | 2.3 | 11.0 | 91.6 | 0.4 | 84.4 | 0.4 |
| Others | 706.7 | 3.4 | 0.2 | 8.5 | 705.4 | 3.3 | 651.3 | 3.3 |
| Non-Manufacturing | 12,827.4 | 59.1 | 0.4 | 14.7 | 12,777.1 | 59.0 | 11,179.1 | 57.2 |
| Wholesale & Retail | 2,226.9 | 10.3 | △1.8 | 1.7 | 2,266.6 | 10.5 | 2,190.0 | 11.2 |
| Public | 526.0 | 2.4 | 29.8 | 27.9 | 405.1 | 1.9 | 411.3 | 2.1 |
| Construction & Engineering | 1,839.7 | 8.5 | △6.3 | 28.9 | 1,962.8 | 9.1 | 1,427.7 | 7.3 |
| Real Estate & Lease | 3,401.7 | 15.7 | 3.2 | 20.3 | 3,297.6 | 15.2 | 2,828.1 | 14.5 |
| Insurance & Financing | 524.5 | 2.4 | △1.5 | 15.8 | 532.5 | 2.5 | 452.8 | 2.3 |
| Transportation | 1,332.5 | 6.1 | △4.6 | 1.8 | 1,397.3 | 6.4 | 1,309.4 | 6.7 |
| Hotel & Food | 562.9 | 2.6 | 7.8 | 32.6 | 522.1 | 2.4 | 424.5 | 2.2 |
| Others | 2,413.2 | 11.1 | 0.8 | 13.0 | 2,393.1 | 11.0 | 2,135.3 | 10.9 |
| Total | 21,711.5 | 100.0 | 0.2 | 11.2 | 21,665.0 | 100.0 | 19,532.1 | 100.0 |

7. Asset Quality

| (KRW bn) | 2013 | | | | 2012 4Q | |
|--------------------|---------------|-----------------|----------|----------|------------|----------|
| | 4Q | 3Q | 2Q | 1Q | | |
| SME | Normal | 19,212.9 | 19,277.0 | 19,103.3 | 18,613.9 | 17,823.8 |
| | Precautionary | 300.0 | 344.6 | 311.8 | 377.0 | 386.1 |
| | Substandard | 207.3 | 346.5 | 345.7 | 280.4 | 240.7 |
| | Doubtful | 75.6 | 22.8 | 23.3 | 20.4 | 14.7 |
| | Expected Loss | 32.3 | 22.7 | 15.9 | 22.2 | 17.7 |
| | Total | 19,828.1 | 20,013.6 | 19,800.0 | 19,313.9 | 18,483.0 |
| Household | Normal | 6,802.8 | 6,844.4 | 6,798.3 | 6,587.3 | 6,406.6 |
| | Precautionary | 33.9 | 39.6 | 36.4 | 36.0 | 36.9 |
| | Substandard | 10.5 | 9.3 | 9.5 | 14.4 | 13.0 |
| | Doubtful | 4.1 | 3.7 | 3.7 | 4.4 | 3.8 |
| | Expected Loss | 1.3 | 1.2 | 1.7 | 1.5 | 2.3 |
| | Total | 6,852.6 | 6,898.2 | 6,849.6 | 6,643.6 | 6,462.6 |
| Credit Card | Normal | 377.9 | 372.2 | 379.2 | 368.9 | 375.8 |
| | Precautionary | 8.6 | 9.0 | 8.3 | 8.7 | 8.9 |
| | Substandard | 0.2 | 0.3 | 0.4 | 0.3 | 0.3 |
| | Doubtful | 3.1 | 3.4 | 3.2 | 3.5 | 3.2 |
| | Expected Loss | 2.1 | 2.7 | 3.2 | 2.8 | 2.4 |
| | Total | 391.9 | 387.6 | 394.3 | 384.2 | 390.6 |



8. Delinquency Ratio/Write-Offs & NPL Sales

Delinquency Ratio

| (KRW bn, %) | 2013 | | | | 2012 | | | |
|--------------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| Total Delinquency Ratio | 0.55 | 0.68 | 0.64 | 0.75 | 0.55 | 0.75 | 0.72 | 0.82 |
| Overdue Amount | 166.1 | 206.7 | 191.0 | 217.8 | 153.3 | 207.2 | 193.9 | 210.0 |
| Loan Amount | 30,210.6 | 30,267.6 | 29,797.8 | 29,106.5 | 27,774.7 | 27,528.8 | 27,023.0 | 25,616.7 |
| SMEs | 0.69 | 0.87 | 0.78 | 0.89 | 0.62 | 0.92 | 0.87 | 1.00 |
| Overdue Amount | 132.2 | 169.8 | 149.5 | 166.1 | 111.3 | 167.4 | 156.5 | 171.7 |
| Loan Amount | 19,254.8 | 19,414.9 | 19,163.7 | 18,677.2 | 17,889.2 | 18,251.7 | 17,904.1 | 17,246.3 |
| Households | 0.32 | 0.35 | 0.37 | 0.58 | 0.46 | 0.51 | 0.43 | 0.52 |
| Overdue Amount | 21.6 | 23.8 | 25.2 | 38.5 | 29.8 | 30.6 | 24.6 | 29.4 |
| Loan Amount | 6,842.5 | 6,887.9 | 6,838.8 | 6,632.9 | 6,449.8 | 5,978.5 | 5,752.5 | 5,656.1 |
| Credit Card | 2.10 | 2.33 | 2.33 | 2.40 | 2.13 | 2.38 | 2.07 | 2.36 |
| Overdue Amount | 8.2 | 9.0 | 9.2 | 9.2 | 8.3 | 9.2 | 8.0 | 8.9 |
| Loan Amount | 391.9 | 387.7 | 394.3 | 384.2 | 390.6 | 388.7 | 386.8 | 378.8 |

Write-Offs & NPL Sales

| (KRW bn, %) | 2013.12 | 2013 | | | | 2012.12 | 2012 | | | | YoY |
|----------------------------------|----------------|---------------|--------|--------|--------|---------|--------|-------|--------|-------|-------|
| | | 4Q | 3Q | 2Q | 1Q | | 4Q | 3Q | 2Q | 1Q | |
| Total Write-Offs | 116.4 | 54.6 | 23.3 | 17.2 | 21.3 | 132.1 | 66.1 | 36.2 | 21.7 | 8.1 | △11.9 |
| Corporate | 96.9 | 49.1 | 18.3 | 13.5 | 16.0 | 114.0 | 59.7 | 29.3 | 17.0 | 8.0 | △15.0 |
| Household | 8.0 | 1.8 | 1.9 | 1.6 | 2.7 | 6.8 | 2.4 | 4.3 | 0.0 | 0.1 | 17.6 |
| Credit Card | 11.5 | 3.7 | 3.1 | 2.1 | 2.6 | 11.3 | 4.0 | 2.6 | 4.7 | 0.0 | 1.8 |
| Total NPL Sales | 159.4 | 62.1 | 23.4 | 48.8 | 25.1 | 89.1 | 62.3 | 0.0 | 26.8 | 0.0 | 78.9 |
| (NPL Sales for SBL Loans) | (153.3) | (60.8) | (21.0) | (47.5) | (24.0) | (86.8) | (61.7) | (0.0) | (25.1) | (0.0) | 76.6 |
| Corporate | 146.0 | 60.2 | 20.3 | 40.6 | 24.9 | 86.5 | 61.8 | 0.0 | 24.7 | 0.0 | 68.8 |
| Household | 12.5 | 1.7 | 3.0 | 7.8 | 0.0 | 2.6 | 0.5 | 0.0 | 2.1 | 0.0 | 380.8 |
| Credit Card | 0.9 | 0.2 | 0.1 | 0.4 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - |

9. SME Industry/Collateral Delinquency Ratio

□ Delinquency Ratio by Industry

| (KRW bn, %, Balance) | 4Q 2013 | | 3Q 2013 | | 2Q 2013 | | 4Q 2012 | |
|---------------------------------|-----------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|
| | Loan Amount | Delinquency Ratio | Loan Amount | Delinquency Ratio | Loan Amount | Delinquency Ratio | Loan Amount | Delinquency Ratio |
| Manufacturing Sector | 8,259.1 | 1.02 | 8,386.3 | 1.54 | 8,445.2 | 1.20 | 8,042.6 | 0.95 |
| Non-Manufacturing Sector | 10,995.7 | 0.44 | 11,028.6 | 0.37 | 10,718.5 | 0.45 | 9,846.6 | 0.36 |
| Wholesale and Retail | 2,334.5 | 0.43 | 2,360.5 | 0.49 | 2,387.5 | 0.57 | 2,262.9 | 0.72 |
| Public & Administration | 1.0 | - | 0.4 | - | 0.2 | - | 0.2 | - |
| Construction | 1,439.7 | 0.37 | 1,527.9 | 0.41 | 1,402.0 | 0.43 | 1,210.4 | 0.47 |
| Real Estate & Lease | 3,209.1 | 0.16 | 3,152.3 | 0.15 | 3,076.3 | 0.23 | 2,781.1 | 0.13 |
| Finance and Insurance | 367.6 | - | 370.5 | - | 292.8 | - | 239.9 | - |
| Transportation & Communications | 1,259.1 | 0.67 | 1,261.9 | 0.80 | 1,290.5 | 0.66 | 1,250.5 | 0.12 |
| Hotel & Food | 562.4 | 0.37 | 523.8 | 0.42 | 454.1 | 0.51 | 428.5 | 0.83 |
| Others | 1,822.3 | 0.93 | 1,831.2 | 0.34 | 1,815.1 | 0.56 | 1,673.0 | 0.28 |
| Total | 19,254.8 | 0.69 | 19,414.9 | 0.87 | 19,163.7 | 0.78 | 17,889.2 | 0.62 |

□ Delinquency Ratio by Types of Collateral

| (KRW bn, %, Balance) | Total | Real Estate | Movable | Deposits | Guarantee | Unsecured |
|----------------------|-------------------|------------------|----------------|----------------|------------------|------------------|
| 4Q 2013 | 0.69 | 0.96 | 0.16 | 0.01 | 0.64 | 0.47 |
| Amount | (19,254.8) | (8,470.9) | (340.3) | (346.5) | (1,808.0) | (8,289.1) |
| 3Q 2013 | 0.87 | 1.30 | 0.06 | 0.01 | 0.92 | 0.51 |
| Amount | (19,414.9) | (8,356.2) | (284.1) | (357.5) | (1,841.7) | (8,575.4) |
| 2Q 2013 | 0.78 | 1.18 | 0.07 | 0.00 | 0.62 | 0.49 |
| Amount | (19,163.7) | (8,317.0) | (566.6) | (372.8) | (1,986.9) | (7,920.4) |
| 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) |

10. Household Loans

| | 2013 | | | | 2012 4Q | QoQ | YTD |
|--------------------------------|----------------|---------|---------|---------|------------|-------|-------|
| | 4Q | 3Q | 2Q | 1Q | | | |
| (KRW bn, %, %p, Balance) | | | | | | | |
| Household Loans – Retail (KRW) | 6,827.2 | 6,872.4 | 6,821.5 | 6,614.2 | 6,430.7 | △0.7 | 6.2 |
| Total Secured Loans | 5,712.7 | 5,809.3 | 5,833.5 | 5,692.5 | 5,535.2 | △1.7 | 3.2 |
| Mortgage / Home Equity | 3,478.4 | 3,420.7 | 3,391.7 | 3,198.1 | 3,082.8 | 1.7 | 12.8 |
| (Avg. LTV) | (52.32) | (52.85) | (53.28) | (52.75) | (52.69) | △0.53 | △0.37 |
| Others | 895.9 | 866.0 | 908.1 | 905.0 | 910.3 | 3.5 | △1.6 |
| Group Loans | 1,208.6 | 1,396.2 | 1,404.4 | 1,460.9 | 1,410.0 | △13.4 | △14.3 |
| Government Pension Backed | 129.8 | 126.4 | 129.3 | 128.5 | 132.1 | 2.7 | △1.7 |
| Non-Collateralized | 1,114.5 | 1,063.1 | 988.0 | 921.7 | 895.5 | 4.8 | 24.5 |
| Government Workers | 108.3 | 102.9 | 104.7 | 100.4 | 103.6 | 5.2 | 4.5 |
| Large Corp. Employees | 54.6 | 54.7 | 54.4 | 53.3 | 54.7 | △0.2 | △0.2 |
| Student Loans | 0.0 | 0.0 | 0.0 | 0.3 | 0.4 | - | - |
| Clean Credit & Others | 951.6 | 905.5 | 828.9 | 767.7 | 736.8 | 5.1 | 29.2 |

11. Credit Card Business

□ Asset Portfolio, Balance Sheet Summary & Source of Income

(KRW bn)

| Portfolio | 2013 | | | | 2012 | | | |
|---------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| Credit Purchase | 1,144.2 | 1,130.7 | 1,080.9 | 1,025.6 | 1,011.3 | 966.4 | 966.3 | 946.3 |
| Lump-sum | 984.8 | 993.7 | 918.7 | 871.3 | 852.8 | 827.6 | 802.7 | 787.4 |
| Installment | 159.4 | 137.0 | 162.2 | 154.3 | 158.5 | 138.8 | 163.6 | 158.9 |
| Cash Advance | 100.5 | 99.5 | 103.5 | 99.9 | 105.4 | 103.9 | 109.1 | 103.0 |
| Total | 1,244.7 | 1,230.2 | 1,184.4 | 1,125.5 | 1,116.7 | 1,070.3 | 1,075.4 | 1,049.3 |
| Balance | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| Credit Purchase | 337.6 | 334.3 | 341.9 | 333.9 | 337.8 | 337.1 | 332.4 | 324.2 |
| Cash Advance | 52.8 | 52.0 | 50.9 | 48.7 | 51.4 | 50.3 | 53.1 | 53.4 |
| Re-aged Loans | 1.5 | 1.4 | 1.5 | 1.6 | 1.4 | 1.3 | 1.3 | 1.2 |
| Total | 391.9 | 387.7 | 394.3 | 384.2 | 390.6 | 388.7 | 386.8 | 378.8 |
| Income(Fees) | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| Credit Purchase | 19.2 | 20.9 | 19.7 | 18.5 | 18.9 | 18.7 | 18.6 | 21.0 |
| Cash Advance | 2.7 | 2.7 | 2.6 | 2.7 | 3.0 | 3.3 | 3.3 | 3.2 |
| Re-aged Loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 1.1 | 0.9 | 0.9 | 0.9 | 1.0 | 0.9 | 1.1 | 0.6 |
| Total | 23.0 | 24.5 | 23.2 | 22.1 | 22.9 | 22.9 | 23.0 | 24.8 |

V. Appendix (Non Bank)

| | |
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1. B/S Summary / I/S Summary

□ BS Securities B/S Summary

| (KRW bn, %, Balance) | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 12.4Q | QoQ | YTD |
|---|--------------|-------|-------|-------|-------|-------|-------|
| Assets | 495.5 | 461.7 | 866.6 | 708.3 | 694.2 | 7.3 | △28.6 |
| Cash and Dues | 31.4 | 15.8 | 259.3 | 81.4 | 56.7 | 98.7 | △44.6 |
| Securities | 397.5 | 343.4 | 512.9 | 542.6 | 565.4 | 15.8 | △29.7 |
| Loans | 24.6 | 21.8 | 20.6 | 22.6 | 24.3 | 12.8 | 1.2 |
| Fixed Assets | 2.1 | 4.7 | 4.8 | 5.0 | 4.9 | △55.3 | △57.1 |
| Other Assets | 39.9 | 76.0 | 69.0 | 56.7 | 42.9 | △47.5 | △7.0 |
| Liability & Shareholder's Equity | 495.5 | 461.7 | 866.6 | 708.3 | 694.2 | 7.3 | △28.6 |
| Deposits | 47.6 | 92.6 | 115.1 | 80.5 | 91.3 | △48.6 | △47.9 |
| Borrowings | 306.6 | 191.2 | 570.4 | 450.3 | 454.4 | 60.4 | △32.5 |
| Other Liabilities | 29.4 | 65.1 | 67.3 | 64.3 | 35.5 | △54.8 | △17.2 |
| Shareholder's Equity | 111.9 | 112.8 | 113.8 | 113.2 | 113.0 | △0.8 | △1.0 |

□ BS Securities I/S Summary

| (KRW bn, %, Balance) | 2013.12 | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 2012.12 | 12.4Q | 12.3Q | 12.2Q | 12.1Q | QoQ | YoY |
|-----------------------------------|-------------|-------------|-------|-------|-------|---------|-------|-------|-------|-------|----------|-------|
| Net Interest Income | 9.3 | 1.0 | 1.8 | 3.6 | 2.9 | 6.6 | 0.3 | 1.7 | 2.2 | 2.4 | △44.4 | 40.9 |
| Fee Income | 10.6 | 3.0 | 2.7 | 2.6 | 2.3 | 12.5 | 2.6 | 2.3 | 4.1 | 3.5 | 11.1 | △15.2 |
| Others | 8.1 | 2.9 | 0.8 | 1.2 | 3.2 | 13.0 | 3.5 | 5.2 | 1.7 | 2.6 | 262.5 | △37.7 |
| SG&A(-) | 26.1 | 5.5 | 6.3 | 7.1 | 7.2 | 28.0 | 6.4 | 7.5 | 7.1 | 7.0 | △12.7 | △6.8 |
| Provision Expense(-) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Non-Operating Income | △1.3 | △1.3 | 0.1 | △0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Net Loss | - |
| Earnings Before Income Tax | 0.6 | 0.1 | △0.9 | 0.2 | 1.2 | 4.1 | 0.0 | 1.7 | 0.9 | 1.5 | Net Gain | △85.4 |
| Income Tax Expenses(-) | 0.3 | 0.0 | 0.1 | △0.3 | 0.5 | 1.0 | △0.3 | 0.5 | 0.3 | 0.5 | △100.0 | △70.0 |
| Net Income | 0.3 | 0.1 | △1.0 | 0.5 | 0.7 | 3.1 | 0.3 | 1.2 | 0.6 | 1.0 | Net Gain | △90.3 |

1. B/S Summary / I/S Summary

□ BS Capital B/S Summary

| (KRW bn, %, Balance) | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 12.4Q | QoQ | YTD |
|---|----------------|---------|---------|---------|---------|-------|------|
| Assets | 2,809.8 | 2,539.9 | 2,329.8 | 2,024.4 | 1,722.0 | 10.6 | 63.2 |
| Cash and Dues | 41.1 | 51.8 | 15.1 | 37.4 | 28.1 | △20.7 | 46.3 |
| Securities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Loans | 965.1 | 814.9 | 745.5 | 670.0 | 602.3 | 18.4 | 60.2 |
| Durables Installment Financing Assets | 929.8 | 869.0 | 825.2 | 659.1 | 510.6 | 7.0 | 82.1 |
| Leased Assets | 826.9 | 762.7 | 701.9 | 622.2 | 550.2 | 8.4 | 50.3 |
| Fixed Assets | 3.9 | 3.8 | 3.7 | 3.6 | 3.3 | 2.6 | 18.2 |
| Other Assets | 43.0 | 37.7 | 38.4 | 32.1 | 27.5 | 14.1 | 56.4 |
| Liability & Shareholder's Equity | 2,809.8 | 2,539.9 | 2,329.8 | 2,024.4 | 1,722.0 | 10.6 | 63.2 |
| Borrowings | 2,234.5 | 1,996.9 | 1,818.1 | 1,596.3 | 1,327.5 | 11.9 | 68.3 |
| Other Liabilities | 268.6 | 245.5 | 220.9 | 192.9 | 166.0 | 9.4 | 61.8 |
| Shareholder's Equity | 306.7 | 297.5 | 290.8 | 235.2 | 228.5 | 3.1 | 34.2 |

□ BS Capital I/S Summary

| (KRW bn, %, Balance) | 2013.12 | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 2012.12 | 12.4Q | 12.3Q | 12.2Q | 12.1Q | QoQ | YoY |
|-----------------------------------|--------------|-------------|-------|-------|-------|---------|-------|-------|-------|-------|------|----------|
| Net Interest Income | 122.3 | 33.8 | 32.1 | 28.9 | 27.5 | 83.9 | 26.8 | 21.3 | 18.9 | 16.9 | 5.3 | 45.8 |
| Fee Income | 10.3 | 3.2 | 2.7 | 2.5 | 1.9 | 18.2 | 5.6 | 6.1 | 5.0 | 1.5 | 18.5 | △43.4 |
| Others | 3.2 | 1.0 | 1.1 | 0.4 | 0.7 | 0.0 | 0.0 | 0.1 | 0.3 | △0.4 | △9.1 | - |
| SG&A(-) | 32.1 | 9.7 | 8.1 | 7.4 | 6.9 | 31.8 | 10.8 | 8.7 | 8.7 | 3.6 | 19.8 | 0.9 |
| Provision Expense(-) | 65.4 | 16.9 | 17.8 | 16.4 | 14.3 | 42.6 | 13.4 | 12.0 | 8.9 | 8.3 | △5.1 | 53.5 |
| Non-Operating Income | △0.8 | △0.5 | △0.2 | △0.1 | 0.0 | 0.6 | 0.2 | 0.2 | 0.2 | 0.0 | - | Net Loss |
| Earnings Before Income Tax | 37.5 | 10.9 | 9.8 | 7.9 | 8.9 | 28.3 | 8.4 | 7.0 | 6.8 | 6.1 | 11.2 | 32.5 |
| Income Tax Expenses(-) | 9.0 | 2.4 | 1.9 | 2.6 | 2.1 | 7.1 | 2.0 | 1.7 | 2.0 | 1.4 | 26.3 | 26.8 |
| Net Income | 28.5 | 8.5 | 7.9 | 5.3 | 6.8 | 21.2 | 6.4 | 5.3 | 4.8 | 4.7 | 7.6 | 34.4 |

1. B/S Summary / I/S Summary

□ BS MSB B/S Summary

| (KRW bn, %, Balance) | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 12.4Q | QoQ | YTD |
|-----------------------------|--------------|-------|-------|-------|-------|-------|-------|
| Total Assets | 743.4 | 762.9 | 760.9 | 740.1 | 662.3 | △2.6 | 12.2 |
| Total Deposits | 609.6 | 609.1 | 606.3 | 592.5 | 517.8 | 0.1 | 17.7 |
| KRW Deposits | 609.6 | 609.1 | 606.3 | 592.5 | 517.8 | 0.1 | 17.7 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Total Credits | 627.1 | 633.8 | 579.3 | 542.6 | 495.8 | △1.1 | 26.5 |
| Total Loans | 627.1 | 633.8 | 579.3 | 542.6 | 495.8 | △1.1 | 26.5 |
| KRW Loans | 606.3 | 616.3 | 561.9 | 525.1 | 486.6 | △1.6 | 24.6 |
| Others | 20.8 | 17.5 | 17.4 | 17.5 | 9.2 | 18.9 | 126.1 |
| Guarantees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Total Securities | 4.7 | 4.7 | 4.7 | 29.4 | 11.2 | 0.0 | △58.0 |
| Shareholder's Equity | 108.2 | 128.4 | 125.5 | 122.5 | 119.8 | △15.7 | △9.7 |

□ BS MSB I/S Summary

| (KRW bn, %, Balance) | 2013.12 | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 2012.12 | 12.4Q | 12.3Q | 12.2Q | 12.1Q | QoQ | YoY |
|-----------------------------------|--------------|--------------|-------|-------|-------|---------|-------|-------|-------|-------|----------|----------|
| Net Interest Income | 35.5 | 9.8 | 9.4 | 8.6 | 7.7 | 34.0 | 7.1 | 5.4 | 8.0 | 13.5 | 4.3 | 4.4 |
| Fee Income | △0.2 | △0.2 | 0.0 | 0.1 | △0.1 | △0.5 | △0.3 | △0.2 | △0.2 | 0.2 | - | - |
| Others | △4.8 | △0.8 | △0.9 | △2.8 | △0.3 | △16.2 | △2.5 | △12.3 | △0.6 | △0.8 | - | - |
| SG&A(-) | 12.4 | 3.3 | 3.1 | 3.0 | 3.0 | 12.9 | 3.0 | 2.6 | 3.6 | 3.7 | 6.5 | △3.9 |
| Provision Expense(-) | 27.9 | 25.5 | 1.9 | △0.2 | 0.7 | △1.6 | △1.1 | △13.3 | 3.4 | 9.4 | 1,242.1 | - |
| Non-Operating Income | △1.7 | △1.8 | 0.0 | 0.6 | △0.5 | △0.1 | △0.9 | 0.5 | 0.1 | 0.2 | - | - |
| Earnings Before Income Tax | △11.5 | △21.8 | 3.5 | 3.7 | 3.1 | 5.9 | 1.5 | 4.1 | 0.3 | 0.0 | Net Loss | Net Loss |
| Income Tax Expenses(-) | 0.4 | △1.6 | 0.9 | 0.4 | 0.7 | 0.6 | △0.2 | 0.7 | 0.1 | 0.0 | - | △33.3 |
| Net Income | △11.9 | △20.2 | 2.6 | 3.3 | 2.4 | 5.3 | 1.7 | 3.4 | 0.2 | 0.0 | Net Loss | Net Loss |

1. B/S Summary / I/S Summary

□ BS Credit Information B/S Summary

| (KRW bn, %, Balance) | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 12.4Q | QoQ | YTD |
|---|------------|-------|-------|-------|-------|-------|-------|
| Assets | 6.6 | 6.4 | 6.3 | 6.1 | 5.8 | 3.1 | 13.8 |
| Cash and Dues | 5.9 | 5.6 | 5.5 | 5.2 | 5.4 | 5.4 | 9.3 |
| Securities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Fixed Assets | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 100.0 | 100.0 |
| Other Assets | 0.5 | 0.7 | 0.7 | 0.8 | 0.3 | △28.6 | 66.7 |
| Liability & Shareholder's Equity | 6.6 | 6.4 | 6.3 | 6.1 | 5.8 | 3.1 | 13.8 |
| Other Liabilities | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 | 33.3 | 33.3 |
| Shareholder's Equity | 6.2 | 6.1 | 5.9 | 5.7 | 5.5 | 1.6 | 12.7 |

□ BS Credit Information I/S Summary

| (KRW bn, %, Balance) | 2013.12 | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 2012.12 | 12.4Q | 12.3Q | 12.2Q | 12.1Q | QoQ | YoY |
|-----------------------------------|------------|------------|-------|-------|-------|---------|-------|-------|-------|-------|-------|------|
| Net Interest Income | 0.2 | 0.1 | 0.0 | 0.1 | 0.0 | 0.2 | 0.1 | 0.0 | 0.0 | 0.1 | - | 0.0 |
| Fee Income | 2.8 | 0.7 | 0.7 | 0.7 | 0.7 | 2.4 | 0.6 | 0.7 | 0.6 | 0.5 | 0.0 | 16.7 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| SG&A(-) | 2.0 | 0.5 | 0.5 | 0.6 | 0.4 | 1.9 | 0.5 | 0.5 | 0.4 | 0.5 | 0.0 | 5.3 |
| Provision Expense(-) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Non-Operating Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Earnings Before Income Tax | 1.0 | 0.3 | 0.2 | 0.2 | 0.3 | 0.7 | 0.2 | 0.2 | 0.2 | 0.1 | 50.0 | 42.9 |
| Income Tax Expenses(-) | 0.3 | 0.1 | 0.1 | 0.0 | 0.1 | 0.2 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 50.0 |
| Net Income | 0.7 | 0.2 | 0.1 | 0.2 | 0.2 | 0.5 | 0.1 | 0.2 | 0.1 | 0.1 | 100.0 | 40.0 |

1. B/S Summary / I/S Summary

□ BS Information System I/S Summary

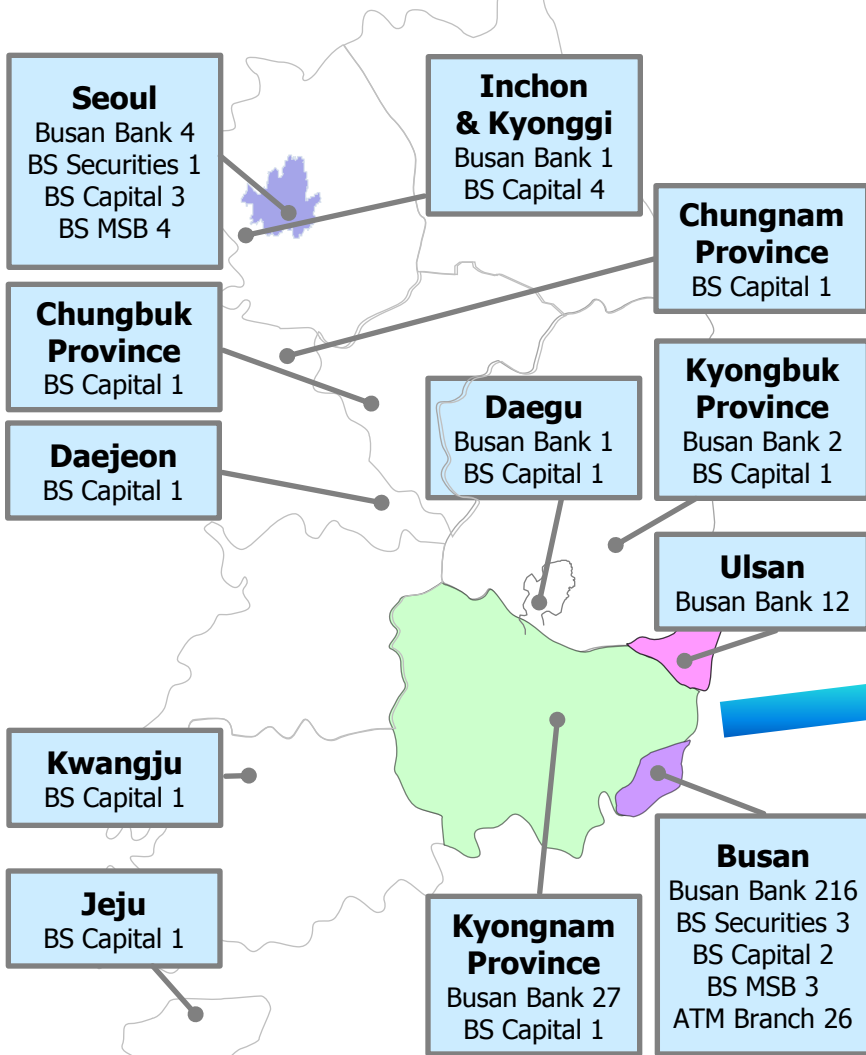
| | 2013.12 | 13.4Q | 13.3Q | 13.2Q | 13.1Q | 2012.12 | 12.4Q | 12.3Q | 12.2Q | 12.1Q | QoQ | YoY |
|-----------------------------------|------------|------------|-------|-------|-------|---------|-------|-------|-------|-------|-------|-------|
| (KRW bn, %, Balance) | | | | | | | | | | | | |
| Net Interest Income | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | - | 0.0 |
| Fee Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Others | 6.9 | 1.9 | 1.7 | 1.7 | 1.6 | 5.1 | 2.3 | 0.6 | 1.3 | 0.9 | 11.8 | 35.3 |
| SG&A(-) | 6.2 | 1.7 | 1.7 | 1.5 | 1.3 | 4.7 | 2.3 | 0.5 | 1.2 | 0.7 | 0.0 | 31.9 |
| Provision Expense(-) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Non-Operating Income | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - |
| Earnings Before Income Tax | 1.0 | 0.4 | 0.1 | 0.2 | 0.3 | 0.5 | 0.1 | 0.1 | 0.1 | 0.2 | 300.0 | 100.0 |
| Income Tax Expenses(-) | 0.2 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | - | 100.0 |
| Net Income | 0.8 | 0.3 | 0.1 | 0.2 | 0.2 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 200.0 | 100.0 |

2. BS Capital Portfolio

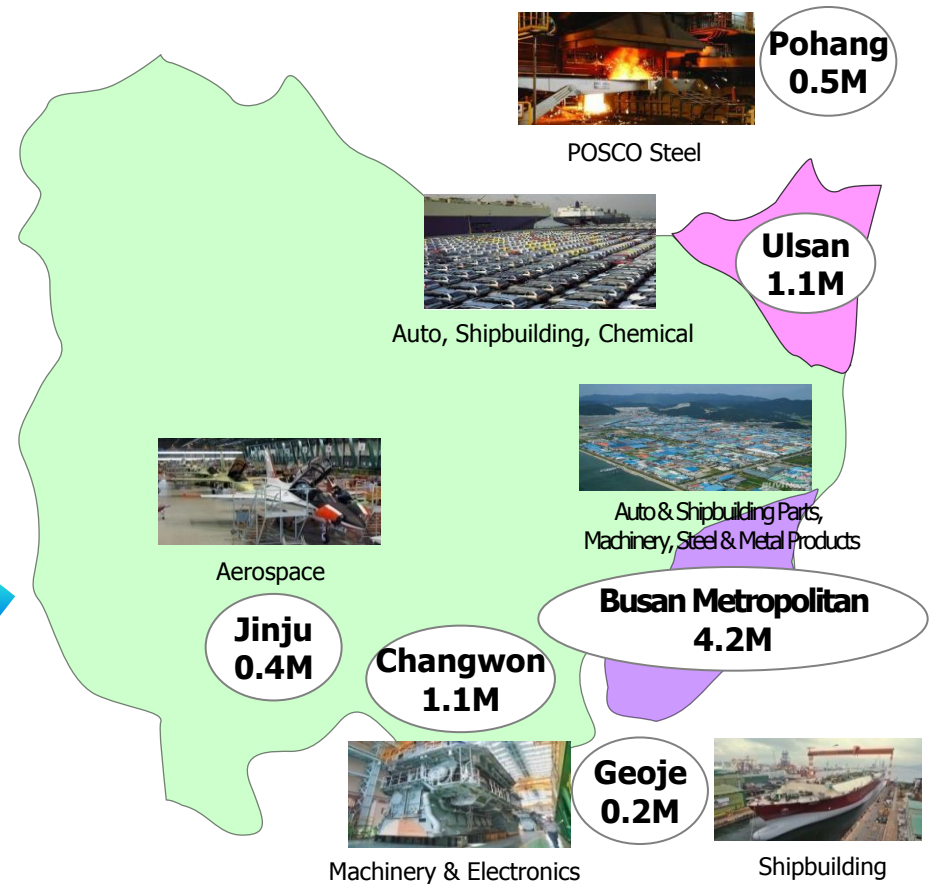
| | 13.4Q | Portion | QoQ | 13.3Q | 13.2Q | 13.1Q | 12.4Q | 11.4Q | 10.4Q |
|---------------------------|----------------|---------------|--------------|---------|---------|---------|---------|-------|-------|
| (KRW bn, %, Balance) | | | | | | | | | |
| Total | 2,730.5 | 100.0% | 11.7% | 2,444.9 | 2,264.8 | 1,946.9 | 1,659.5 | 862.0 | 111.6 |
| Loans | 711.8 | 26.1% | 6.5% | 668.2 | 674.6 | 604.7 | 548.7 | 369.2 | 56.9 |
| Household | 399.1 | 14.6% | 9.9% | 363.0 | 322.4 | 272.5 | 234.6 | 140.5 | 28.4 |
| Corporate | 312.7 | 11.5% | 2.5% | 305.2 | 352.2 | 332.2 | 314.1 | 228.7 | 28.5 |
| Auto Financing | 1,284.5 | 47.0% | 17.0% | 1,097.9 | 960.1 | 779.5 | 609.9 | 193.0 | 4.1 |
| Commercial Vehicle | 490.5 | 18.0% | 13.7% | 431.4 | 396.0 | 337.4 | 268.3 | 112.8 | 3.7 |
| Passenger Vehicle | 794.0 | 29.1% | 19.1% | 666.5 | 564.1 | 442.1 | 341.6 | 80.2 | 0.4 |
| Lease/Installments | 734.2 | 26.8% | 8.2% | 678.8 | 630.1 | 562.7 | 500.9 | 299.8 | 50.6 |
| Machine Tools | 271.6 | 9.9% | 8.7% | 249.8 | 232.6 | 216.3 | 195.7 | 117.9 | 18.2 |
| Medical Instruments | 203.0 | 7.4% | △2.0% | 207.1 | 211.3 | 210.0 | 187.4 | 118.2 | 13.6 |
| Others | 259.6 | 9.5% | 17.0% | 221.9 | 186.2 | 136.4 | 117.8 | 63.7 | 18.8 |

3. Group Networks & Major Industries

- ❑ **Networks across Korea**(as of December 2013)
 - Busan Bank 265(Qingdao Branch, Vietnam Office included), BS Securities 4, BS Capital 17, BS MSB 7



- ❑ **Population & Major Industries**
 - Southeastern Conurbation (7.5M, 15.4% of Total Population), making up 17.5% of GRDP(2012)
 - Exports : 166.8 USD bn(2012)
 - Imports : 131.9 USD bn(2012)



1) Southeastern region includes Busan, Ulsan, and Kyeongnam

4. Busan Economy – At a Glance¹⁾

□ Overview & Outlook

- Even with the US QE Tapering & weak Yen leading to further volatility in the market, the global economy is showing signs of recovery starting in the developed countries, and Busan has shown export driven economy recovery while also maintaining better conditions overall than other regions.
- Additionally, Busan has numerous development projects that will continue in the future including the Moonhyun Financial District, North Port Redevelopment, East Busan Tourism Complex.

| Indicators | October | Change(YoY) ²⁾ | September | August | Details |
|---|--------------|---------------------------|-----------|--------|--|
| Composite Leading Index ³⁾ | 107.2 | - | 107.2 | 107.4 | Due to the increase in CAPEX & composite stock price index and decrease in shipment index of intermediate materials & housing construction permits, the composite leading index is maintaining a similar level as the previous month |
| Industrial Production (2005=100) | 103.6 | 4.0% ↑ | 97.8 | 95.6 | Due to stronger industries including auto, machinery equipment, leather & shoes etc., October indicators have shown an upward trend(YoY) |
| Unemployment Rate(%) (Based on November, October, September) | 3.1 | △0.7%p ↓ | 3.5 | 3.5 | Nov. unemployment rate improved compared to the previous year. Nov. employment rate recorded 56.0%, up by 0.4%p YoY. |
| Consumer Prices (Based on November, October, September) | 108.3 | 0.9% ↑ | 108.4 | 108.7 | Due to the drop in agricultural & petroleum prices, the increase trend in consumer prices has been stable at a rate below 0% |
| Export (USD mn) | 1,218 | 10.6% ↑ | 994 | 1,078 | Exports to US, Vietnam and Hong Kong etc. have shown a continuous upward trend. Export items such as marine vessel structure & components, automobile parts, automobile etc. are showing increased demand |
| Sales at Large Retailers (KRW bn) | 470 | △2.9% ↓ | 510 | 467 | Sales going down slightly due to decrease in terms of department store clothing & SSM(Super Supermarket)'s marine products sales |
| SMEs Operation Ratio (%) | 84.5 | △1.6%p ↓ | 84.1 | 83.7 | Overall maintaining an operating ratio over 80%. Particularly active in machinery(93.9%), shipbuilding components(88.8%) & auto parts(89.0%) |
| House Prices (2013.3=100) (Based on November, October, September) | 100.1 | △0.5% ↓ | 100.0 | 99.9 | Nov. House price rate has gone up(YoY) due to lack of Korean rent & Real Estate Plans etc. and has re-entered 100 index range |
| Container Handling (1,000 TEU) | 1,455 | 0.9% ↑ | 1,414 | 1,451 | Due to the increase in transshipment cargo & export cargo volume, the overall containers handled have increased(YoY) |

Note. 1) Data from Busan Economic Promotion Agency's December's 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