

# 2014 Financial Results

(February 4, 2015)



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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.

· Kyongnam Bank has been added October 10, 2014, and earnings will be consolidated starting from the 4Q of 2014

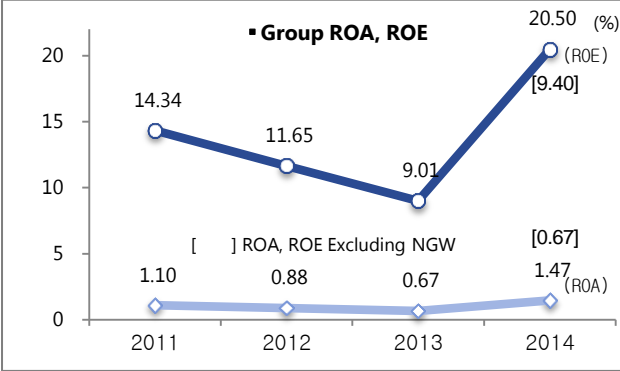
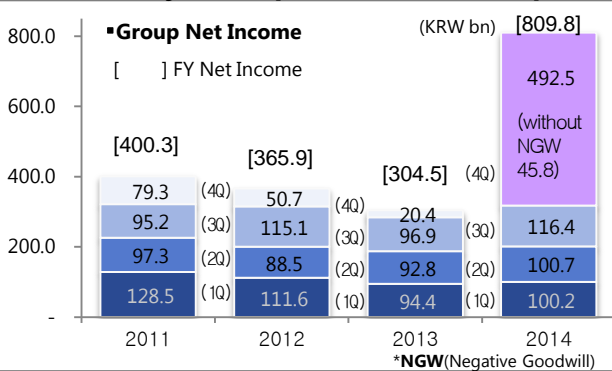
· Fiscal Year End for BS MSB is June 30

# I . 2014 Group Highlights

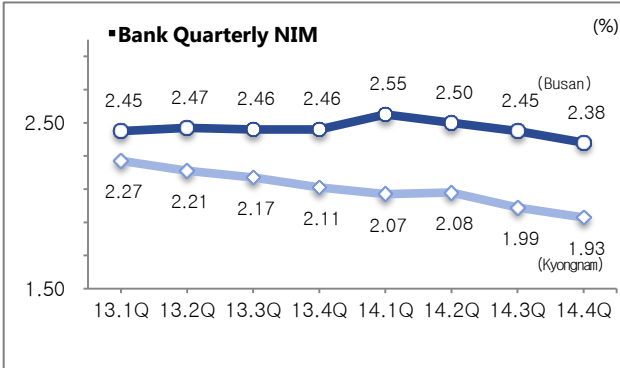
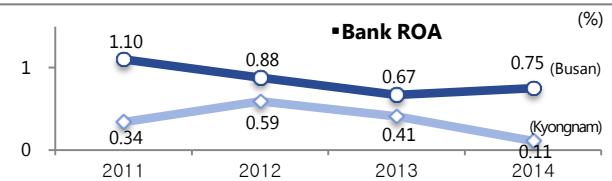
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# 1. Highlights – Profitability, Growth

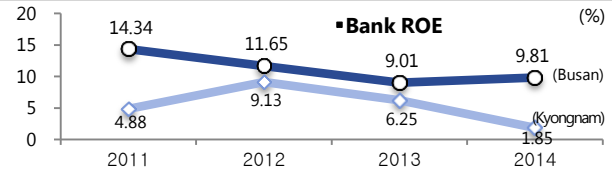
## Profitability – Group Net Income, Group & Banks ROA, ROE, NIM



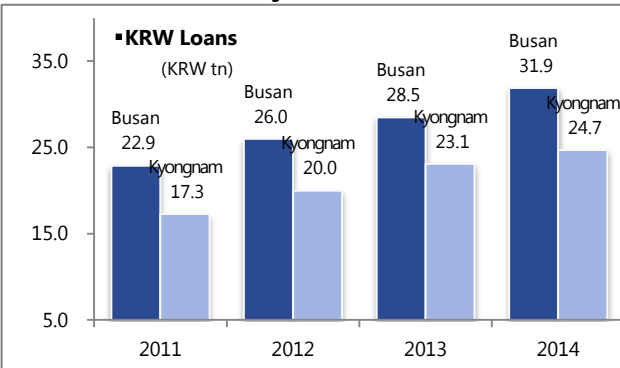
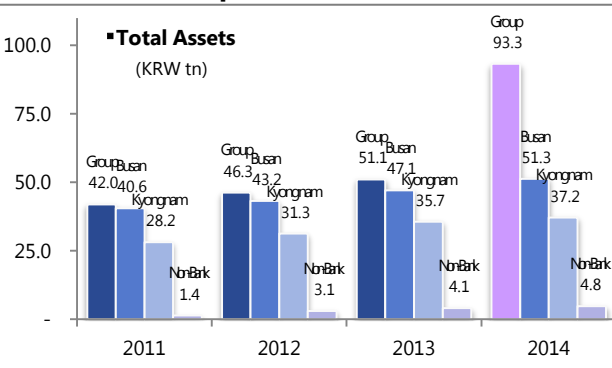
- ❖ **FY Group Net Income**  
809.8 KRW bn, up by 166.0% YoY
- ❖ **Busan Bank FY Net Income**  
355.2 KRW bn, up by 11.5% YoY
- ❖ **Kyongnam Bank FY Net Income**  
92.2 KRW bn, down by 29.2% YoY



- ❖ **Busan Bank ROA, ROE 0.75%, 9.81%**
- ❖ **Kyongnam Bank ROA, ROE 0.11%, 1.85%**
- ❖ **Busan Bank**  
4Q NIM 2.38%, Annualized NIM 2.47%
- ❖ **Kyongnam Bank**  
4Q NIM 1.93%, Annualized NIM 2.01%



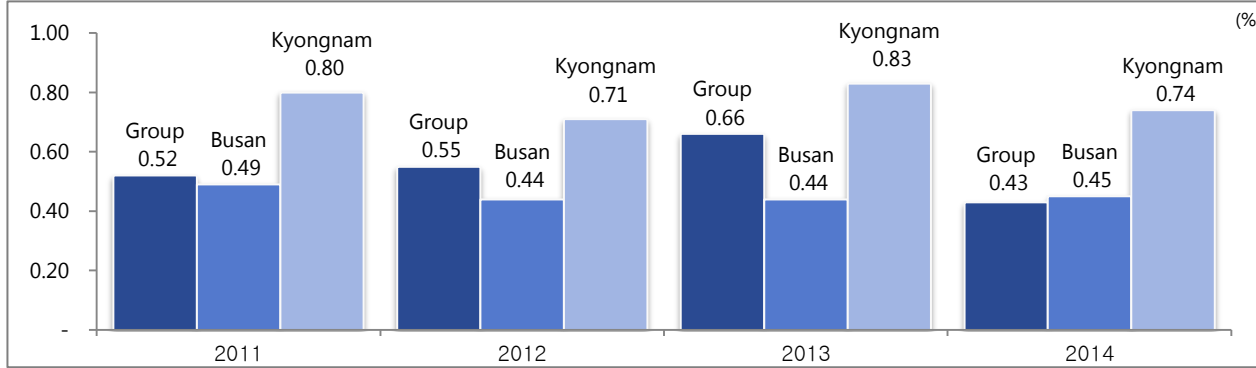
## Growth – Group, Bank, Non-Bank Total Assets, Total KRW Loans by Bank



- ❖ **FY Group Total Assets**  
93.3 KRW tn, up by 82.5% YoY
- ❖ **FY Busan Bank Total Assets**  
51.3 KRW tn, up by 8.9% YoY
- ❖ **FY Kyongnam Bank Total Assets**  
37.2 KRW tn, up by 4.3% YoY

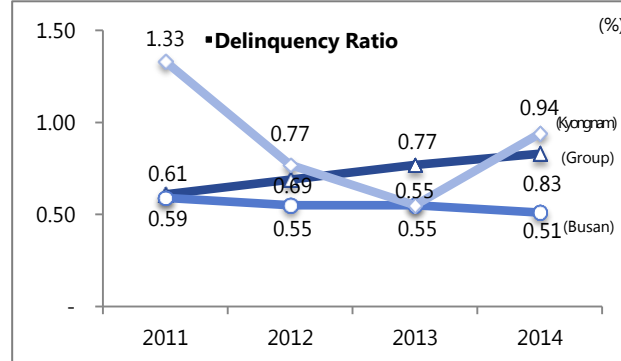
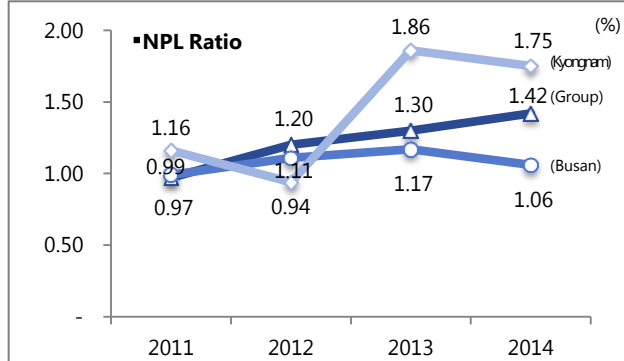
## 2. Highlights – Asset Quality, Capital Adequacy

### Asset Quality – Credit Cost(Annualized)



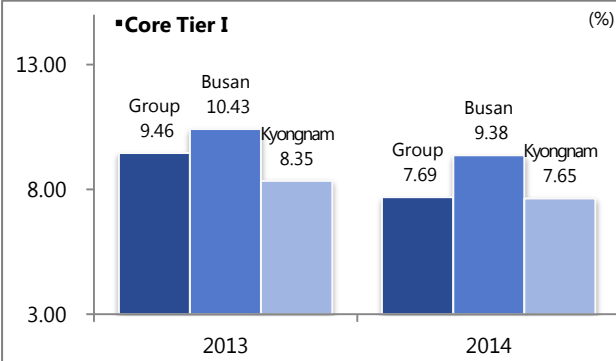
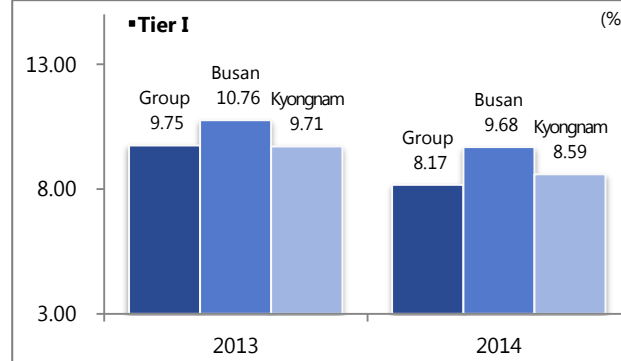
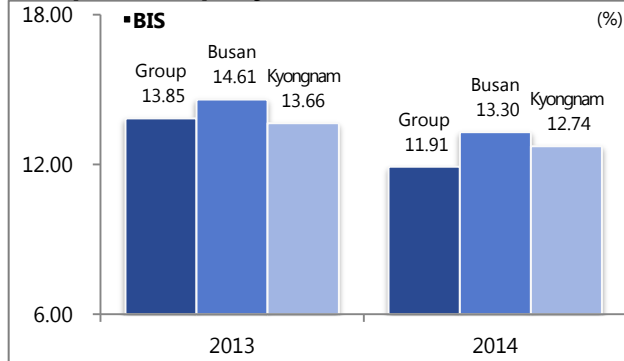
- ❖ **Group Credit Cost 43bp**
- ❖ **Busan Bank Credit Cost 45bp**
- ❖ **Kyongnam Bank Credit Cost 74bp**

### Asset Quality – NPL, Delinquency Ratio



- ❖ **Group NPL Ratio 1.42%**
- ❖ **Busan Bank NPL Ratio 1.06%**
- ❖ **Kyongnam Bank NPL Ratio 1.75%**

### Capital Adequacy – BIS, Tier I, Core Tier I Ratio



# 3. Group Structure

(%, KRW bn, Accumulated)

## BS Financial Group

Establishment : 2011.03.15  
 Total Assets : 93,322.5  
 Net Income : 809.8(363.1)<sup>1)</sup>  
 Employees : 7,842

### Busan Bank

Establishment : 1967.10.10  
 Branches : 273(China & Vietnam Office Included)  
 Employees : 3,870

#### Total Shares Owned

100%

#### Total Assets

51,281.9

#### Net Income

355.2

### Kyongnam Bank

Establishment : 1970.05.22  
 Bank Added : 2014.10.10  
 Branches : 161  
 Employees : 2,928

#### Total Shares Owned

56.97%

#### Total Assets

37,243.8

#### <sup>2)</sup>Net Income

92.2(3.4<sup>2)</sup>)

### Securities

Establishment : 1997.06.02  
 [Securities Added : 2009.11]  
 Branches : 4  
 Employees : 167

#### Total Shares Owned

100%

#### Total Assets

512.0

#### Net Income

5.7

### Capital

Establishment : 2010.07.15  
 Branches : 22  
 Employees : 516

#### Total Shares Owned

100%

#### Total Assets

3,583.3

#### Net Income

36.3

### MSB

Establishment : 2011.12.13  
 Branches : 7  
 Employees : 116

#### Total Shares Owned

100%

#### Total Assets

736.1

#### Net Income

10.5

### Credit Info.

Establishment : 2003.06.17  
 Industry : Collection  
 Employees : 59

#### Total Shares Owned

100%

#### Total Assets

7.1

#### Net Income

0.5

### Info. System

Establishment : 2011.05.20  
 Industry : IT related  
 Employees : 127

#### Total Shares Owned

100%

#### Total Assets

6.8

#### Net Income

0.7

### Cambodia Subsidiary

Establishment : 2014.03.07  
 Employees : 3  
 Total Shares Owned : 100%  
 Total Assets : 0.47  
 Preparing for Operations

### Myanmar Subsidiary

Establishment : 2014.03.21  
 Employees : 13  
 Total Shares Owned : 99.9%  
 Total Assets : 0.51  
 2014.12 Start of Operations

- 1) Net Income inside the bracket exclude the Negative Goodwill
- 2) Kyongnam Bank Earnings have been added to the Consolidated Financial Statements as of the 4<sup>th</sup> Quarter of 2014 (3.4 KRW bn is the Net Income in Controlling Interest)

# II . Profitability

<b>1.</b>	<b>Group Earning Results</b>	<b>7</b>
<b>2.</b>	<b>Subsidiaries Earning Results</b>	<b>8</b>
<b>3.</b>	<b>Banks Earning Results</b>	<b>9</b>
<b>4.</b>	<b>Banks NIM &amp; NIS</b>	<b>10</b>
<b>5.</b>	<b>SG&amp;A</b>	<b>11</b>

# 1. Group Earning Results

	2014 <sup>1)</sup>	2013	YoY	14.4Q	13.4Q	14.4Q vs. 13.4Q
(KRW bn, %)						
Net Interest Income	<b>1,427.2</b>	1,154.4	23.6	490.9	299.2	64.1
Net Fee Income	<b>114.2</b>	85.2	34.0	27.2	21.4	27.1
Others <sup>2)</sup>	<b>430.8</b>	△24.2	-	432.2	△13.9	-
SG&A(-)	<b>751.6</b>	573.8	31.0	323.6	178.2	81.6
Provision Expense(-)	<b>279.5</b>	228.8	22.2	113.1	101.0	12.0
Non-Operating Income	△ <b>22.0</b>	△9.9	-	△13.4	△0.7	-
Earnings Before Income Tax	<b>919.1</b>	402.9	128.1	500.2	26.8	1,766.4
Income Tax Expense(-)	<b>99.4</b>	97.4	2.1	2.0	5.4	△63.0
Net Income(A)	<b>819.7</b>	305.5	168.3	498.2	21.4	2,228.0
Net Income in Non-Controlling Interest <sup>3)</sup> (B)	<b>9.9</b>	1.0	890.0	5.7	1.0	470.0
Net Income in Controlling Interest(D) (D) = (A) - (B)	<b>809.8</b>	304.5	165.9	492.5	20.4	2,314.2
[Net Income in Controlling Interest Excluding Negative Goodwill]	<b>[363.1]</b>	[304.5]	[19.2]	[45.8]	[20.4]	[124.5]

1) Kyongnam Bank Earnings have been added to the Consolidated Financial Statements as of the 4<sup>th</sup> Quarter of 2014

2) Negative Goodwill 447.9 KRW bn included

3) Kyongnam Bank's Net Income in Non-Controlling Interest (2.6 KRW bn) , Hybrid Bond Interest(8.3 KRW bn), Amortization on Intangible Assets(△1.0 KRW bn) included



## 2. Subsidiaries Earning Results

(KRW bn, %)	2014	2013	YoY	14.4Q	13.4Q	14.4Q vs. 13.4Q
Bank(A)	<b>363.9</b>	318.6	14.2	58.4	44.1	32.4
Busan	<b>355.2</b>	318.6	11.5	49.7	44.1	12.7
Kyongnam	<b>8.7</b>	0.0	-	8.7	0.0	-
Non-Bank(B)	<b>53.7</b>	18.4	191.8	11.1	△11.1	Net Gain
Securities	<b>5.7</b>	0.3	1,800.0	3.2	0.1	3,100.0
Capital	<b>36.3</b>	28.5	27.4	8.1	8.5	△4.7
MSB	<b>10.5</b>	△11.9	Net Gain	△0.4	△20.2	-
Credit Information	<b>0.5</b>	0.7	△28.6	0.1	0.2	△50.0
Information Systems	<b>0.7</b>	0.8	△12.5	0.1	0.3	△66.7
Financial Group & Unconsolidated Portion(C)	<b>△43.6</b>	△31.5	-	△17.0	△11.6	-
Negative Goodwill(D)	<b>447.9</b>	0.0	-	447.9	0.0	-
Net Income in Non-Controlling Interest <sup>1)</sup> (E)	<b>12.1</b>	1.0	1,110.0	7.9	1.0	690.0
Net Income in Controlling Interest(F) (F=A+B+C+D-E)	<b>809.8</b>	304.5	165.9	492.5	20.4	2,314.2
[Net Income in Controlling Interest Excluding Negative Goodwill]	<b>[363.1]</b>	[304.5]	[19.2]	[45.8]	[20.4]	[124.5]

1) Net Income in Non-Controlling Interest 9.9 KRW bn + Amortization on Intangible Assets 2.2 KRW bn

### 3. Banks Earning Results

#### □ Busan

#### □ Kyongnam

	2014	2013	YoY	14.4Q	14.3Q	QoQ		2014	2013	YoY	14.4Q	14.3Q	QoQ
(KRW bn, %, %p)							(KRW bn, %, %p)						
Net Interest Income	<b>1,087.3</b>	1,001.9	8.5	272.1	276.8	△1.7	Net Interest Income	<b>694.6</b>	<b>693.2</b>	0.2	173.7	174.2	△0.3
Net Fee Income	<b>81.3</b>	65.2	24.7	17.2	21.6	△20.4	Net Fee Income	<b>34.8</b>	<b>46.1</b>	△24.5	5.0	8.8	△43.2
Fees from Trust Account	<b>15.5</b>	11.0	40.9	3.4	4.2	△19.0	Fees from Trust Account	<b>5.7</b>	<b>5.6</b>	1.8	1.0	1.3	△23.1
Others	△ <b>40.4</b>	△41.7	-	△14.2	△5.7	-	Others	△ <b>48.8</b>	△ <b>48.1</b>	-	△15.0	△5.8	-
Provision Expense(-)	<b>153.8</b>	135.5	13.5	49.2	27.8	77.0	Provision Expense(-)	<b>197.7</b>	<b>209.0</b>	△5.4	37.3	41.9	△11.0
SG&A(-)	<b>533.0</b>	489.8	8.8	174.9	120.2	45.5	SG&A(-)	<b>363.3</b>	<b>327.7</b>	10.9	113.5	87.5	29.7
Net Operating Income	<b>456.9</b>	411.1	11.1	54.4	148.9	△63.5	Net Operating Income	<b>125.3</b>	<b>160.1</b>	△21.7	13.9	49.1	△71.7
Non-Operating Income	△ <b>17.9</b>	△5.1	-	△8.4	△4.6	-	Non-Operating Income	△ <b>5.9</b>	△ <b>7.8</b>	-	△1.8	△0.5	-
Earnings Before Income Taxes	<b>439.0</b>	406.0	8.1	46.0	144.3	△68.1	Earnings Before Income Taxes	<b>119.4</b>	<b>152.3</b>	△21.6	12.1	48.6	△75.1
Income Tax Expenses(-)	<b>83.8</b>	87.4	△4.1	△3.7	31.5	-	Income Tax Expenses(-)	<b>27.2</b>	<b>22.0</b>	23.6	3.4	11.7	△70.9
Net Income	<b>355.2</b>	318.6	11.5	49.7	112.8	△55.9	Net Income	<b>92.2</b>	<b>130.3</b>	△29.2	8.7	36.9	△76.4
ROA	<b>0.75</b>	0.79	△0.04	0.75	0.90	△0.15	ROA	<b>0.11</b>	<b>0.41</b>	△0.30	0.11	0.25	△0.14
ROE	<b>9.81</b>	10.43	△0.62	9.81	11.44	△1.63	ROE	<b>1.85</b>	<b>6.25</b>	△4.40	1.85	4.14	△2.29

## 4. Banks NIM & NIS

### □ Busan

(KRW bn, %, %p)	14.4Q	13.4Q	YoY	14.3Q	QoQ
<b>NIM(Quarterly)</b>	<b>2.38</b>	2.46	△0.08	2.45	△0.07
<b>NIS</b>	<b>2.66</b>	2.80	△0.14	2.73	△0.07
Interest Rate on KRW Loans	<b>4.64</b>	5.05	△0.41	4.80	△0.16
Households	<b>3.98</b>	4.50	△0.52	4.17	△0.19
Corporate	<b>4.53</b>	4.90	△0.37	4.70	△0.17
Interest Rate paid on KRW Deposits	<b>1.98</b>	2.25	△0.27	2.07	△0.09
Average Interest Earning Assets	<b>40,585.0</b>	37,623.0	7.9	40,119.9	1.2

<b>NIM(Accumulated)</b>	<b>2.47</b>	2.46	0.01	2.50	△0.03
<b>NIS</b>	<b>2.76</b>	2.83	△0.07	2.79	△0.03
Interest Rate on KRW Loans	<b>4.85</b>	5.22	△0.37	4.93	△0.08
Households	<b>4.20</b>	4.73	△0.53	4.29	△0.09
Corporate	<b>4.72</b>	5.02	△0.30	4.78	△0.06
Interest Rate paid on KRW Deposits	<b>2.09</b>	2.39	△0.30	2.14	△0.05
Average Interest Earning Assets	<b>39,460.6</b>	36,542.5	8.0	39,081.6	1.0

### □ Kyongnam

(KRW bn, %, %p)	14.4Q	13.4Q	YoY	14.3Q	QoQ
<b>NIM(Quarterly)</b>	<b>1.93</b>	2.11	△0.18	1.99	△0.06
<b>NIS</b>	<b>2.10</b>	2.30	△0.20	2.17	△0.07
Interest Rate on KRW Loans	<b>4.28</b>	4.71	△0.43	4.47	△0.19
Households	<b>3.72</b>	4.24	△0.52	3.91	△0.19
Corporate	<b>4.23</b>	4.91	△0.68	4.41	△0.18
Interest Rate paid on KRW Deposits	<b>2.18</b>	2.41	△0.23	2.30	△0.12
Average Interest Earning Assets	<b>30,171.4</b>	29,048.8	3.9	29,877.1	1.0

<b>NIM(Accumulated)</b>	<b>2.01</b>	2.19	△0.18	2.04	△0.03
<b>NIS</b>	<b>2.20</b>	2.40	△0.20	2.23	△0.03
Interest Rate on KRW Loans	<b>4.50</b>	4.96	△0.46	4.57	△0.07
Households	<b>3.94</b>	4.49	△0.55	4.02	△0.08
Corporate	<b>4.42</b>	4.84	△0.42	4.48	△0.06
Interest Rate paid on KRW Deposits	<b>2.30</b>	2.55	△0.25	2.34	△0.04
Average Interest Earning Assets	<b>29,644.0</b>	27,818.3	6.6	29,466.3	0.6

Note. Table on the top is based on quarterly numbers

Table on the bottom is based on accumulated numbers

## 5. SG&A

### □ Group

(KRW bn, %, %p)	2014	2013	YoY	14.4Q	14.3Q	QoQ
<b>SG&amp;A</b>	<b>751.6</b>	573.8	31.0	323.7	147.0	120.2
<b>Cost Income Ratio</b>	<sup>1)</sup> <b>38.11</b>	47.21	△9.10	34.06	43.79	△9.73

1) 2014 Cost Income Ratio has come down YoY by 9.4%p by including the Negative Goodwill

### □ Busan

(KRW bn, %, %p)	2014	2013	YoY	13.4Q	14.3Q	QoQ
Total SG&A	<b>533.0</b>	489.8	8.8	174.9	120.2	45.5
Salaries and other expenses	<b>427.8</b>	412.6	3.7	138.9	96.5	43.9
Depreciation	<b>58.2</b>	33.0	76.4	15.7	14.2	10.6
Taxes and dues	<b>14.3</b>	13.8	3.6	3.9	4.1	△4.9
Retirement Allowance	<b>21.7</b>	19.1	13.6	5.4	5.4	0.0
Honorary Retirement	<b>11.0</b>	11.3	△2.7	11.0	0.0	-
<b>Cost Income Ratio</b>	<b>46.63</b>	47.28	△0.65	62.85	40.48	23.37

### □ Kyongnam

(KRW bn, %, %p)	2014	2013	YoY	13.4Q	14.3Q	QoQ
Total SG&A	<b>363.3</b>	327.7	10.9	113.5	87.5	29.7
Salaries and other expenses	<b>308.6</b>	292.6	5.5	93.0	72.6	28.1
Depreciation	<b>20.6</b>	11.6	77.6	7.1	5.9	20.3
Taxes and dues	<b>12.1</b>	9.6	26.0	1.9	5.5	△65.5
Retirement Allowance	<b>14.7</b>	12.3	19.5	4.2	3.5	20.0
Honorary Retirement	<b>7.3</b>	1.6	356.3	7.3	0.0	-
<b>Cost Income Ratio</b>	<b>52.93</b>	47.03	5.90	68.93	49.01	19.92

# III. Growth

<b>1.</b>	<b>Group Assets, B/S Summary</b>	13
<b>2.</b>	<b>Banks B/S</b>	14
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# 1. Group Asset, B/S Summary

## □ Group Total Assets

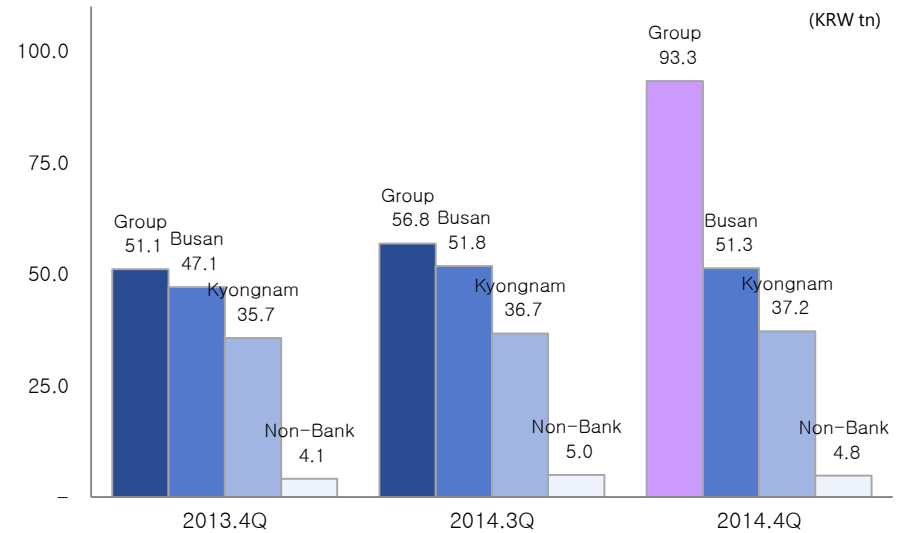
(KRW bn, %)	14.4Q	13.4Q	YTD	14.3Q	QoQ
<b>Bank</b>	<b>88,525.7</b>	47,095.1	88.0	51,751.7	71.1
Busan	<b>51,281.9</b>	47,095.1	8.9	51,751.7	△0.9
Kyongnam	<b>37,243.8</b>	0.0	-	0.0	-
<b>Non-Bank</b>	<b>4,845.3</b>	4,060.4	19.3	4,978.2	△2.7
Securities	<b>512.0</b>	495.5	3.3	780.7	△34.4
Capital	<b>3,583.3</b>	2,809.8	27.5	3,461.5	3.5
MSB	<b>736.1</b>	743.4	△1.0	722.5	1.9
Credit Information	<b>7.1</b>	6.6	7.6	7.1	0.0
Information Systems	<b>6.8</b>	5.1	33.3	6.4	6.3
<b>Financial Group &amp; Unconsolidated Portion</b>	<b>△48.5</b>	△25.5	-	85.9	△156.5
<b>Group Total Assets</b>	<b>93,322.5</b>	51,130.0	82.5	56,815.8	64.3

## □ Group Total Lending

(KRW bn, %)	14.4Q	13.4Q	YTD	14.3Q	QoQ
Cash and Dues	<b>3,206.4</b>	1,860.9	72.3	1,647.0	94.7
Securities	<b>12,226.4</b>	7,833.8	56.1	7,738.0	58.0
Loans & Receivables	<b>66,553.9</b>	36,200.2	83.8	40,706.7	63.5
Derivative Assets	<b>338.5</b>	120.0	182.1	184.8	83.2
Fixed Assets & Investment Assets	<b>793.4</b>	508.7	56.0	553.7	43.3
Intangible Assets	<b>412.2</b>	134.9	205.6	124.6	230.8
Others	<b>519.3</b>	258.4	101.0	453.1	14.6
<b>Total Assets</b>	<b>84,050.1</b>	46,916.9	79.1	51,407.9	63.5

1) Based on the Bank's Unconsolidated Financial Statements

## □ Group Total Assets



## □ Group Total Funding

(KRW bn, %)	14.4Q	13.4Q	YTD	14.3Q	QoQ
Deposits	<b>59,906.5</b>	31,058.9	92.9	33,664.3	78.0
Borrowings	<b>6,664.3</b>	9,131.3	△27.0	9,655.2	△31.0
Derivatives	<b>7,299.5</b>	90.2	7992.6	184.8	3,849.9
Others	<b>4,715.9</b>	3,035.6	55.4	3,517.1	34.1
<b>Total Liabilities</b>	<b>78,586.2</b>	43,316.0	81.4	47,021.4	67.1
Shareholder's Equity	<b>5,463.9</b>	3,600.9	51.7	4,386.5	24.6
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>84,050.1</b>	46,916.9	79.1	51,407.9	63.5

## 2. Banks B/S – Busan<sup>1)</sup>

	14.4Q	13.4Q	YTD	14.3Q	QoQ
(KRW bn, %, Balance)					
<b>Total Assets</b>	<b>51,281.9</b>	47,095.1	8.9	51,751.7	△0.9
Bank Account	<b>46,082.2</b>	42,593.2	8.2	46,066.6	0.0
Trust Account	<b>5,199.7</b>	4,501.9	15.5	5,685.1	△8.5
<b>Total Deposits</b>	<b>39,057.0</b>	34,869.9	12.0	38,630.8	1.1
Bank Account	<b>35,477.4</b>	31,653.2	12.1	35,144.6	0.9
KRW Deposits	<b>33,320.9</b>	29,802.5	11.8	33,069.3	0.8
Demand	<b>2,563.6</b>	2,251.7	13.9	3,162.2	△18.9
Savings&Time	<b>30,739.7</b>	27,529.8	11.7	29,889.5	2.8
Installment	<b>17.6</b>	21.0	△16.2	17.6	0.0
CD	<b>100.6</b>	66.1	52.2	103.2	△2.5
Trust Account	<b>3,579.6</b>	3,216.7	11.3	3,486.2	2.7
<b>Total Credits</b>	<b>33,844.4</b>	30,505.9	10.9	33,668.6	0.5
Total Loans	<b>32,949.1</b>	29,665.9	11.1	32,641.8	0.9
KRW Loans	<b>31,869.2</b>	28,538.7	11.7	31,452.4	1.3
SMEs	<b>20,222.5</b>	18,118.2	11.6	19,887.7	1.7
Households	<b>7,817.6</b>	6,827.2	14.5	7,447.8	5.0
Guarantees	<b>895.3</b>	840.0	6.6	1,026.8	△12.8
<b>Total Securities</b>	<b>8,777.1</b>	8,735.3	0.5	8,612.1	1.9
Bank Account	<b>7,192.9</b>	7,158.5	0.5	7,040.5	2.2
Trust Account	<b>1,584.2</b>	1,576.8	0.5	1,571.6	0.8
<b>Shareholders' Equity</b>	<b>3,421.7</b>	3,472.4	△1.5	3,385.0	1.1

(KRW bn, %, Balance)	14.4Q	13.4Q	YTD	14.3Q	QoQ
KRW Deposits	<b>33,320.9</b>	29,802.5	11.8	33,069.3	0.8
Demand	<b>2,563.6</b>	2,251.7	13.9	3,162.2	△18.9
Savings	<b>30,739.7</b>	27,529.8	11.7	29,889.5	2.8
Installment	<b>17.6</b>	21.0	△16.2	17.6	0.0
CD	<b>100.6</b>	66.1	52.2	103.2	△2.5
Bills Sold	<b>40.5</b>	43.7	△7.3	30.4	33.2
R P	<b>216.4</b>	211.7	2.2	242.7	△10.8
Financial Debenture	<b>1,799.0</b>	1,529.2	17.6	1,699.0	5.9
Trust Account	<b>3,579.6</b>	3,216.7	11.3	3,486.2	2.7
Total Deposits	<b>39,057.0</b>	34,869.9	12.0	38,630.8	1.1

(KRW bn, %, Balance)	14.4Q	13.4Q	YTD	14.3Q	QoQ
KRW Loans	<b>31,869.2</b>	28,538.7	11.7	31,452.4	1.3
Corporate	<b>22,674.5</b>	20,473.3	10.8	22,614.9	0.3
(SME)	<b>20,222.5</b>	18,118.2	11.6	19,887.7	1.7
(Large Corps)	<b>2,452.0</b>	2,355.1	4.1	2,727.2	△10.1
Household	<b>7,817.6</b>	6,827.2	14.5	7,447.8	5.0
Public	<b>1,377.1</b>	1,238.2	11.2	1,389.7	△0.9
Foreign Currency	<b>565.7</b>	569.2	△0.6	583.0	△3.0
Trust Account	<b>13.8</b>	15.4	△10.4	14.1	△2.1
Others	<b>1,395.7</b>	1,382.6	0.9	1,619.1	△13.8
Total Credits	<b>33,844.4</b>	30,505.9	10.9	33,668.6	0.5
<b>LDR</b>	<b>96.56</b>	95.96	0.60	97.34	△0.78
(Monthly Avg. Balance, %)					

1) Based on the Bank's Unconsolidated Financial Statements

## 2. Banks B/S – Kyongnam<sup>1)</sup>

	14.4Q	13.4Q	YTD	14.3Q	QoQ
(KRW bn, %, Balance)					
<b>Total Assets</b>	<b>37,243.8</b>	35,699.7	4.3	36,743.9	1.4
Bank Account	<b>32,806.7</b>	31,667.0	3.6	32,274.2	1.6
Trust Account	<b>4,437.1</b>	4,032.7	10.0	4,469.7	△0.7
<b>Total Deposits</b>	<b>28,393.5</b>	26,747.3	6.2	28,139.4	0.9
Bank Account	<b>26,539.1</b>	25,054.5	5.9	26,323.5	0.8
KRW Deposits	<b>24,725.1</b>	23,350.9	5.9	24,684.6	0.2
Demand	<b>2,244.8</b>	1,959.4	14.6	2,020.2	11.1
Savings&Time	<b>22,467.3</b>	21,378.4	5.1	22,652.0	△0.8
Installment	<b>13.0</b>	13.1	△0.8	12.4	4.8
CD	<b>112.3</b>	109.2	2.8	82.5	36.1
Trust Account	<b>1,854.4</b>	1,692.8	9.5	1,815.9	2.1
<b>Total Credits</b>	<b>25,638.1</b>	24,025.7	6.7	25,271.9	1.4
Total Loans	<b>25,225.5</b>	23,589.3	6.9	24,876.3	1.4
KRW Loans	<b>24,755.5</b>	23,081.4	7.3	24,372.8	1.6
SMEs	<b>14,762.3</b>	14,264.9	3.5	14,789.4	△0.2
Households	<b>7,666.6</b>	6,653.0	15.2	7,169.1	6.9
Guarantees	<b>412.6</b>	436.4	△5.5	395.6	4.3
<b>Total Securities</b>	<b>4,745.5</b>	4,989.7	△4.9	4,859.5	△2.3
Bank Account	<b>4,321.5</b>	4,530.1	△4.6	4,463.4	△3.2
Trust Account	<b>424.0</b>	459.6	△7.7	396.1	7.0
<b>Shareholders' Equity</b>	<b>2,146.8</b>	2,260.3	△5.0	2,143.3	0.2

(KRW bn, %, Balance)	14.4Q	13.4Q	YTD	14.3Q	QoQ
KRW Deposits	<b>24,725.1</b>	23,350.9	5.9	24,684.6	0.2
Demand	<b>2,244.8</b>	1,959.4	14.6	2,020.2	11.1
Savings	<b>22,467.3</b>	21,378.4	5.1	22,652.0	△0.8
Installment	<b>13.0</b>	13.1	△0.8	12.4	4.8
CD	<b>112.3</b>	109.2	2.8	82.5	36.1
Bills Sold	<b>21.3</b>	24.2	△12.0	21.3	0.0
R P	<b>114.4</b>	124.2	△7.9	119.1	△3.9
Financial Debenture	<b>1,566.0</b>	1,446.0	8.3	1,416.0	10.6
Trust Account	<b>1,854.4</b>	1,692.8	9.5	1,815.9	2.1
Total Deposits	<b>28,393.5</b>	26,747.3	6.2	28,139.4	0.9

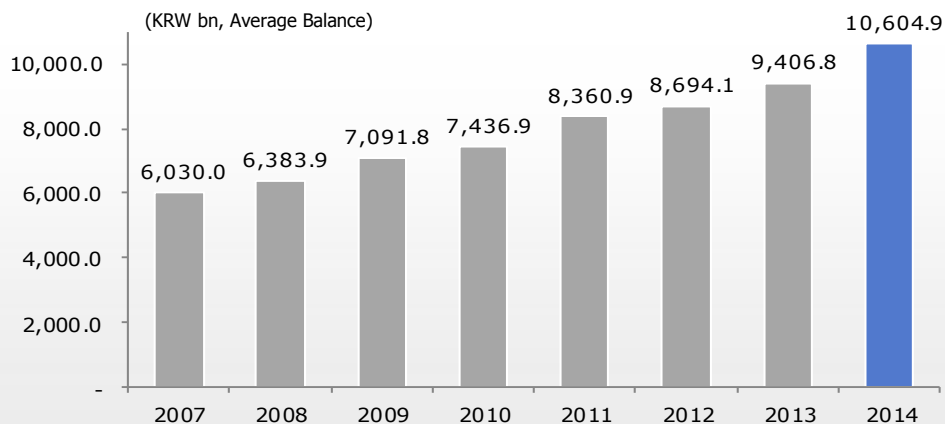
(KRW bn, %, Balance)	14.4Q	13.4Q	YTD	14.3Q	QoQ
KRW Loans	<b>24,755.5</b>	23,081.4	7.3	24,372.8	1.6
Corporate	<b>16,718.6</b>	16,090.4	3.9	16,858.3	△0.8
(SME)	<b>14,762.3</b>	14,264.9	3.5	14,789.4	△0.2
(Large Corps)	<b>1,956.3</b>	1,825.5	7.2	2,068.9	△5.4
Household	<b>7,666.6</b>	6,653.0	15.2	7,169.1	6.9
Public	<b>370.3</b>	338.0	9.6	345.4	7.2
Foreign Currency	<b>183.2</b>	256.0	△28.4	201.8	△9.2
Trust Account	<b>0.3</b>	0.4	△25.0	0.3	0.0
Others	<b>699.1</b>	687.9	1.6	697.0	0.3
Total Credits	<b>25,638.1</b>	24,025.7	6.7	25,271.9	1.4
<b>LDR</b>	<b>97.90</b>	99.35	△1.45	97.01	0.89
(Monthly Avg. Balance, %)					

1) Based on the Bank's Unconsolidated Financial Statements



### 3. Banks Low-Cost Deposits - Busan

#### □ Growth Records



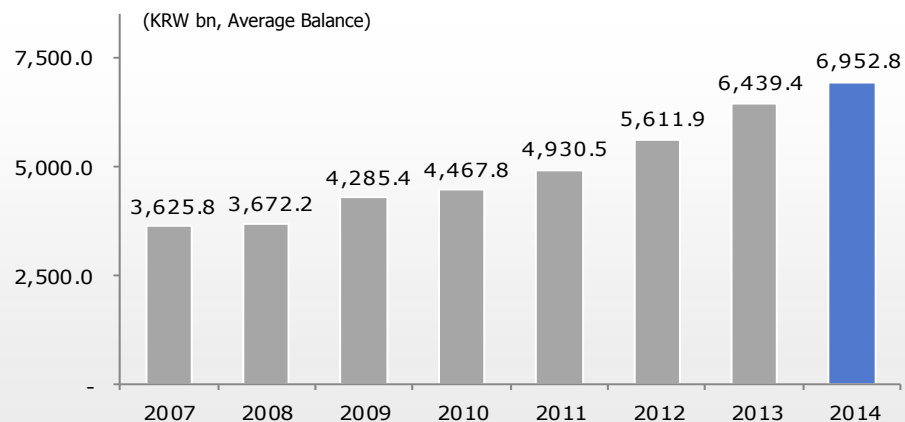
#### □ Funding Costs

(%, Accumulated)	14.4Q	14.3Q	13.4Q
Demand Deposits	<b>0.20</b>	0.20	0.25
Savings Deposits	<b>0.14</b>	0.14	0.14
Corporate Savings Deposits	<b>1.32</b>	1.38	1.51
<b>Total</b>	<b>0.52</b>	0.54	0.59

(KRW bn, %, %p, Average Balance)	14.4Q	13.4Q	YTD	14.3Q	QoQ
<b>Low-Cost Deposits (A)</b>	<b>10,604.9</b>	9,406.8	12.7	1,0504.6	1.0
<b>Demand Deposits</b>	<b>2,450.2</b>	2,082.2	17.7	2,423.9	1.1
<b>Savings Deposits</b>	<b>4,888.0</b>	4,372.1	11.8	4,818.5	1.4
<b>Corporate Savings Deposits</b>	<b>3,266.7</b>	2,952.5	10.6	3,262.2	0.1
Deposits in KRW (B)	<b>31,576.3</b>	28,461.4	10.9	31,111.8	1.5
<b>Total Deposits (Bank Account) (C)</b>	<b>33,493.7</b>	30,764.3	8.9	32,948.2	1.7
Total Deposits (Bank + Trust Account)(D)	<b>36,926.7</b>	33,729.8	9.5	36,358.2	1.6
Low-Cost Deposits/Won Deposits(A/B)	<b>33.58</b>	33.05	0.53	33.76	△0.18
Low-Cost Deposits/Total Deposits (A/C)	<b>31.66</b>	30.58	1.08	31.88	△0.22
Low-Cost Deposits/Total Deposits(A/D)	<b>28.72</b>	27.89	0.83	28.89	△0.17

### 3. Banks Low-Cost Deposits - Kyongnam

#### □ Growth Records



#### □ Funding Costs

(%, Accumulated)	14.4Q	14.3Q	13.4Q
Demand Deposits	<b>0.31</b>	0.31	0.36
Savings Deposits	<b>0.16</b>	0.17	0.16
Corporate Savings Deposits	<b>1.67</b>	1.76	1.84
<b>Total</b>	<b>0.68</b>	0.73	0.75

(KRW bn, %, %p, Average Balance)	14.4Q	13.4Q	YTD	14.3Q	QoQ
<b>Low-Cost Deposits (A)</b>	<b>6,952.8</b>	6,439.4	8.0	6,939.3	0.2
<b>Demand Deposits</b>	<b>2,111.7</b>	1,990.3	6.1	2,055.0	2.8
<b>Savings Deposits</b>	<b>2,654.6</b>	2,411.8	10.1	2,629.0	1.0
<b>Corporate Savings Deposits</b>	<b>2,186.5</b>	2,037.3	7.3	2,255.3	△3.1
Deposits in KRW (B)	<b>24,510.1</b>	22,080.4	11.0	24,372.3	0.6
<b>Total Deposits (Bank Account) (C)</b>	<b>26,145.4</b>	23,830.6	9.7	25,973.7	0.7
Total Deposits (Bank + Trust Account)(D)	<b>27,923.1</b>	25,579.7	9.2	27,721.9	0.7
Low-Cost Deposits/Won Deposits(A/B)	<b>28.37</b>	29.16	△0.79	28.47	△0.10
Low-Cost Deposits/Total Deposits (A/C)	<b>26.59</b>	27.02	△0.43	26.72	△0.13
Low-Cost Deposits/Total Deposits(A/D)	<b>24.90</b>	25.17	△0.27	25.03	△0.13

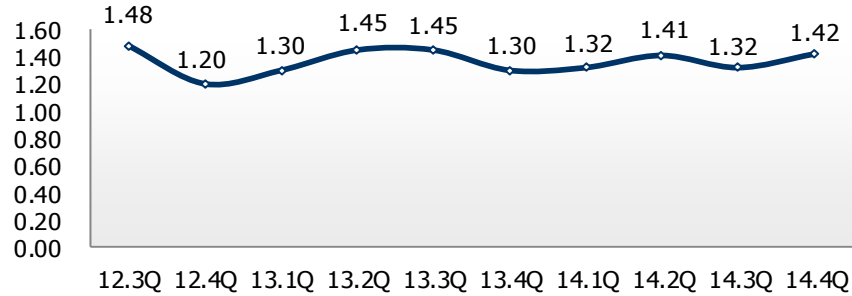
# IV. Asset Quality

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# 1. Group Asset Quality

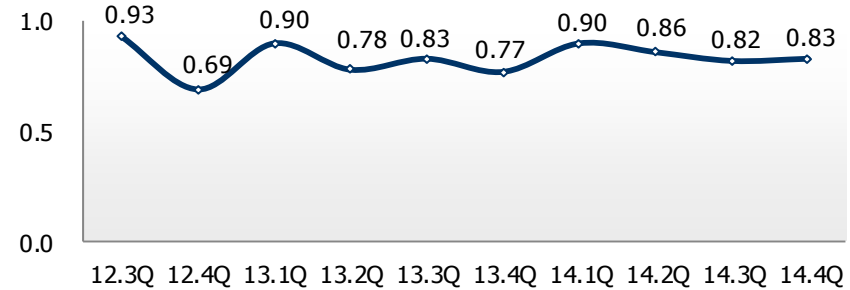
## □ SBL(NPL) Ratio

(%)



## □ Delinquency Ratio

(%)

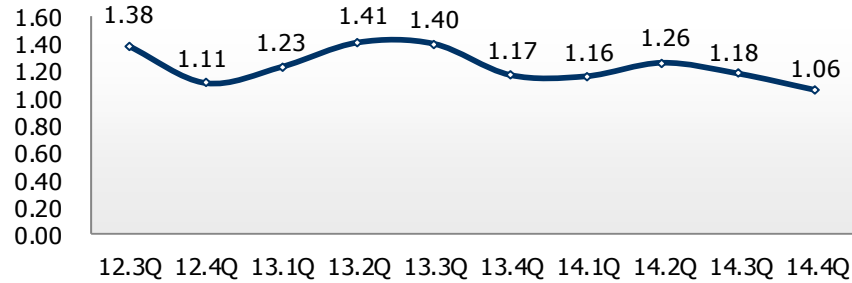


	14.4Q	13.4Q	YTD	14.3Q	QoQ
(KRW bn, %, %p)					
Total Loans	65,274.1	34,432.3	89.6	38,190.9	70.9
Normal	63,409.4	33,253.3	90.7	36,966.5	71.5
Precautionary	939.2	731.2	28.4	720.3	30.4
Substandard	585.2	252.3	131.9	311.8	87.7
Doubtful	153.3	132.1	16.0	146.4	4.7
Expected Loss	187.0	63.3	195.4	45.9	307.4
SBL(Substandard & Below Loans)	925.5	447.7	106.7	504.1	83.6
(SBL Ratio (%))	(1.42)	(1.30)	0.12	(1.32)	0.10
(SBL Coverage Ratio)	(111.08)	(120.90)	△9.82	(112.77)	△1.69
Loan Amount	63,966.2	33,593.7	90.4	37,164.1	72.1
Delinquent Amount	531.6	260.1	104.4	305.1	74.2
Delinquency Ratio	0.83	0.77	0.06	0.82	0.01

## 2. Banks Asset Quality – Busan

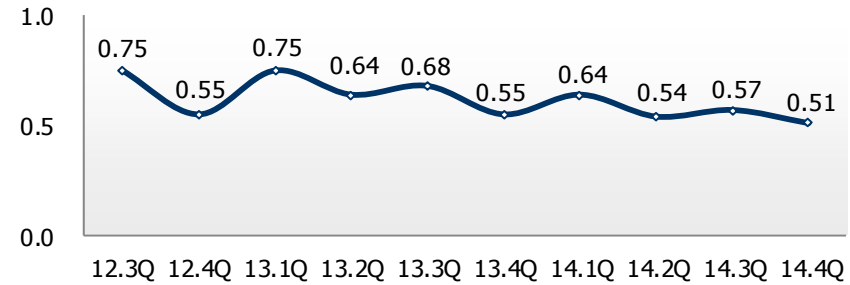
### □ SBL(NPL) Ratio

(%)



### □ Delinquency Ratio

(%)

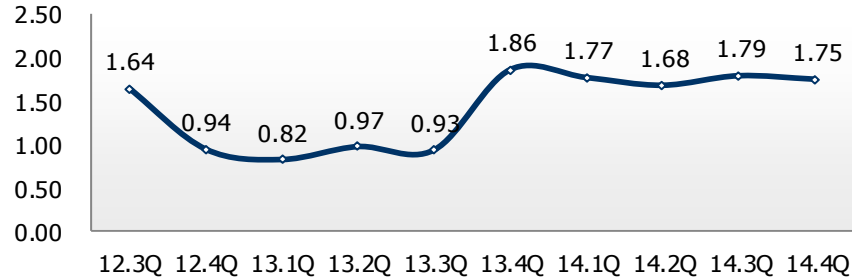


	14.4Q	13.4Q	YTD	14.3Q	QoQ
(KRW bn, %, %p)					
Total Loans	34,500.7	31,050.7	11.1	34,244.6	0.7
Normal	33,758.2	30,345.2	11.2	33,486.8	0.8
Precautionary	376.6	342.5	10.0	354.4	6.3
Substandard	247.8	222.3	11.5	271.9	△8.9
Doubtful	41.4	104.8	△60.5	91.3	△54.7
Expected Loss	76.7	35.9	113.6	40.2	90.8
SBL(Substandard & Below Loans)	365.9	363.0	0.8	403.4	△9.3
(SBL Ratio (%))	(1.06)	(1.17)	△0.11	(1.18)	△0.12
(SBL Coverage Ratio)	(132.70)	(125.14)	7.56	(118.32)	14.38
Loan Amount	33,605.4	30,210.6	11.2	33,217.9	1.2
Delinquent Amount	170.3	166.1	2.5	187.9	△9.4
Delinquency Ratio	0.51	0.55	△0.04	0.57	△0.06

## 2. Banks Asset Quality – Kyongnam

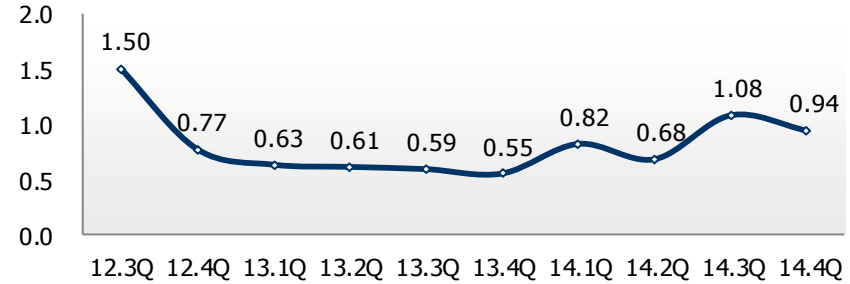
### □ SBL(NPL) Ratio

(%)



### □ Delinquency Ratio

(%)



	14.4Q	13.4Q	YTD	14.3Q	QoQ
(KRW bn, %, %p)					
Total Loans	<b>26,605.3</b>	25,034.7	6.3	26,263.1	1.3
Normal	<b>25,964.9</b>	24,426.0	6.3	25,583.1	1.5
Precautionary	<b>173.6</b>	142.6	21.7	209.1	△17.0
Substandard	<b>301.2</b>	257.6	16.9	278.2	8.3
Doubtful	<b>63.5</b>	93.2	△31.9	72.5	△12.4
Expected Loss	<b>102.1</b>	115.3	△11.4	120.2	△15.1
SBL(Substandard & Below Loans)	<b>466.7</b>	466.1	0.1	470.9	△0.9
(SBL Ratio (%))	<b>(1.75)</b>	(1.86)	△0.11	(1.79)	△0.04
(SBL Coverage Ratio)	<b>(97.06)</b>	(100.44)	△3.38	(100.93)	△3.87
Loan Amount	<b>26,192.7</b>	24,598.3	6.5	25,867.4	1.3
Delinquent Amount	<b>245.0</b>	134.2	82.6	279.4	△12.3
Delinquency Ratio	<b>0.94</b>	0.55	0.39	1.08	△0.14

### 3. Provisioning

#### □ Group Provision Expense

(KRW bn,%)	2014.12	2014				2013.12	2013			
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Total Provisions(A)	<b>279.5</b>	<b>113.1</b>	51.2	53.6	61.6	228.8	101.0	48.0	36.1	43.7
Total Credit(B)	<b>65,274.1</b>	<b>65,274.1</b>	38,190.9	37,197.7	35,960.6	34,432.3	34,432.3	34,317.1	33,625.9	32,505.7
<sup>1)</sup> Credit Cost(A/B)	<b>0.43</b>	<b>0.69</b>	0.53	0.58	0.69	0.66	1.16	0.55	0.43	0.55

Note 1). Accumulated

#### □ Busan Bank Provision Expense

(KRW bn,%)	2014.12	2014				2013.12	2013			
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporate	<b>132.8</b>	<b>24.4</b>	30.3	43.3	34.8	119.0	47.8	28.8	18.0	24.4
Household	<b>2.3</b>	<b>1.0</b>	△1.6	1.7	1.2	2.0	△0.3	0.6	0.0	1.7
Credit Card	<b>8.7</b>	<b>2.7</b>	1.3	2.0	2.7	7.2	1.6	1.8	1.7	2.1
Trust	<b>10.0</b>	<b>21.1</b>	△2.2	△10.3	1.4	7.3	9.5	△2.9	0.2	0.5
Total(A)	<b>153.8</b>	<b>49.2</b>	27.8	36.7	40.1	135.5	58.6	28.3	19.9	28.7
Total Credit(B)	<b>34,500.7</b>	<b>34,500.7</b>	34,244.6	33,464.6	32,419.8	31,050.7	31,050.7	31,218.2	30,762.6	29,993.5
<sup>1)</sup> Credit Cost(A/B)	<b>0.45</b>	<b>0.57</b>	0.32	0.44	0.50	0.44	0.75	0.36	0.26	0.39

#### □ Kyongnam Bank Provision Expense

(KRW bn,%)	2014.12	2014				2013.12	2013			
		4Q	3Q	2Q	1Q		4Q	3Q	2Q	1Q
Corporate	<b>146.3</b>	<b>29.3</b>	32.7	65.5	18.8	147.0	88.6	27.9	17.6	12.9
Household	<b>14.0</b>	<b>3.2</b>	3.3	4.3	3.2	5.2	1.5	1.9	1.0	0.8
Credit Card	<b>5.7</b>	<b>0.9</b>	0.7	1.8	2.3	11.0	2.3	2.5	3.3	2.9
Trust	<b>31.7</b>	<b>3.9</b>	0.5	1.0	21.7	45.8	20.8	△9.6	8.3	26.3
Total(A)	<b>197.7</b>	<b>37.3</b>	41.8	72.6	46.0	209.0	113.2	22.7	30.2	42.9
Total Credit(B)	<b>26,605.3</b>	<b>26,605.3</b>	26,263.1	25,805.4	25,368.8	25,034.7	25,034.7	24,774.6	24,186.5	22,953.2
<sup>1)</sup> Credit Cost(A/B)	<b>0.74</b>	<b>0.55</b>	0.63	1.13	0.74	0.83	1.79	0.36	0.50	0.76

## 4. Banks Write-Offs and NPL Sales

### □ Busan Bank Write-Offs & NPL Sales

(KRW bn, %)	2014.12	14.4Q	14.3Q	14.2Q	14.1Q	2013.12	13.4Q	13.3Q	13.2Q	13.1Q	YoY
<b>Total Write-Offs</b>	<b>151.5</b>	<b>40.4</b>	70.9	17.9	22.3	116.4	54.6	23.3	17.2	21.3	30.2
Corporate	<b>130.1</b>	<b>33.6</b>	65.3	13.2	18.0	96.9	49.1	18.3	13.5	16.0	34.3
Household	<b>9.6</b>	<b>3.0</b>	2.6	2.2	1.8	8.0	1.8	1.9	1.6	2.7	20.0
Credit Card	<b>11.8</b>	<b>3.8</b>	3.0	2.5	2.5	11.5	3.7	3.1	2.1	2.6	2.6
<b>Total NPL Sales</b>	<b>64.2</b>	<b>0.0</b>	0.0	36.7	27.5	159.4	62.1	23.4	48.8	25.1	△59.7
<b>(NPL Sales for SBL Loans)</b>	<b>(60.8)</b>	<b>(0.0)</b>	(0.0)	(36.4)	(24.4)	(153.3)	(60.8)	(21.0)	(47.5)	(24.0)	△60.3
Corporate	<b>62.1</b>	<b>0.0</b>	0.0	35.7	26.4	146.0	60.2	20.3	40.6	24.9	△57.5
Household	<b>1.4</b>	<b>0.0</b>	0.0	0.6	0.8	12.5	1.7	3.0	7.8	0.0	△88.8
Credit Card	<b>0.7</b>	<b>0.0</b>	0.0	0.4	0.3	0.9	0.2	0.1	0.4	0.2	△22.2

### □ Kyongnam Bank Write-Offs & NPL Sales

(KRW bn, %)	2014.12	14.4Q	14.3Q	14.2Q	14.1Q	2013.12	13.4Q	13.3Q	13.2Q	13.1Q	YoY
<b>Total Write-Offs</b>	<b>223.0</b>	<b>87.5</b>	44.8	19.7	71.0	86.0	36.3	23.4	7.8	18.5	159.3
Corporate	<b>208.7</b>	<b>82.7</b>	40.8	16.8	68.4	74.2	32.8	19.3	5.7	16.4	181.3
Household	<b>6.9</b>	<b>2.6</b>	2.2	1.0	1.1	3.8	1.7	0.9	0.6	0.6	81.6
Credit Card	<b>7.4</b>	<b>2.2</b>	1.8	1.9	1.5	8.0	1.8	3.2	1.5	1.5	△7.5
<b>Total NPL Sales</b>	<b>107.8</b>	<b>53.5</b>	0.0	54.3	0.0	82.6	39.3	0.0	0.0	43.3	30.5
<b>(NPL Sales for SBL Loans)</b>	<b>(102.8)</b>	<b>(51.4)</b>	(0.0)	(51.4)	(0.0)	(81.7)	(38.4)	(0.0)	(0.0)	(43.3)	(25.8)
Corporate	<b>102.0</b>	<b>49.2</b>	0.0	52.8	0.0	82.2	38.9	0.0	0.0	43.3	24.1
Household	<b>5.7</b>	<b>4.2</b>	0.0	1.5	0.0	0.3	0.3	0.0	0.0	0.0	1,800.0
Credit Card	<b>0.1</b>	<b>0.1</b>	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0



# V. Capital Adequacy

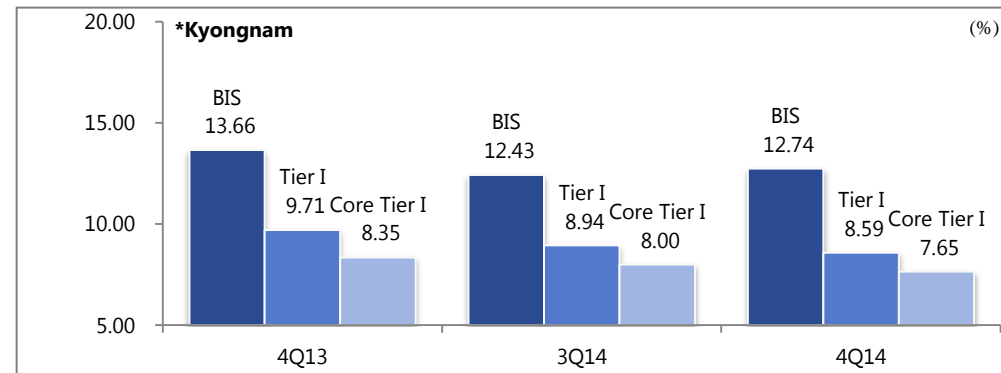
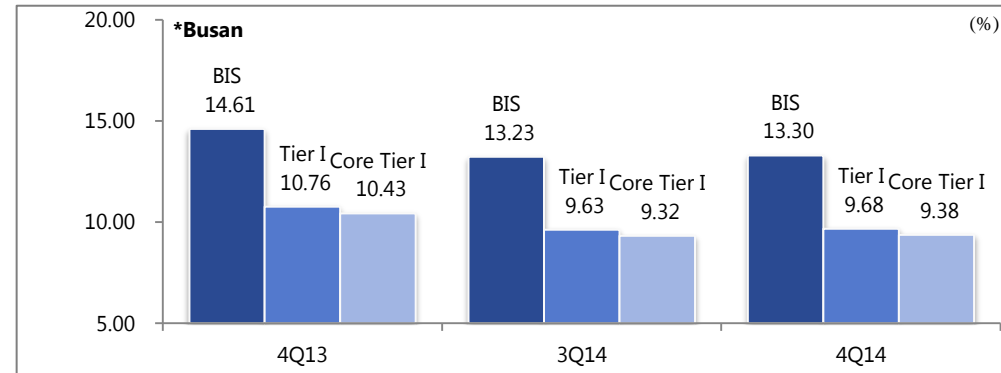
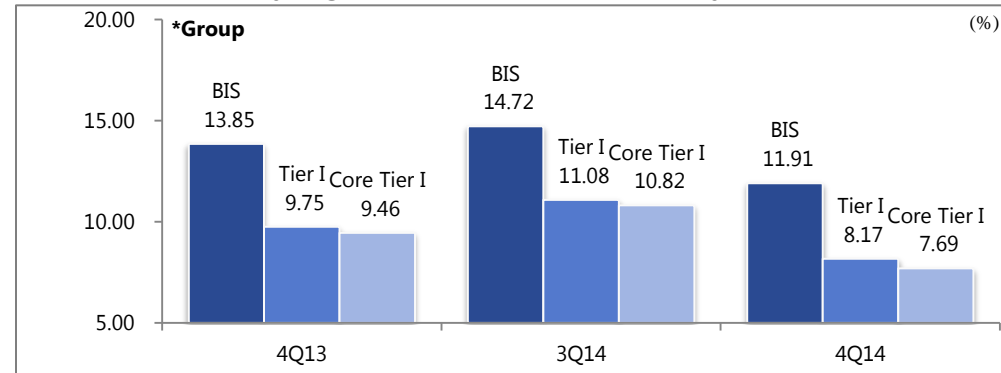
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# 1. Group Capital Adequacy

## □ Group

	2014		2013 4Q
	4Q	3Q	
(KRW bn,%, Basel III Standard)			
<b>Total Risk Adjusted Capital</b>	<b>7,337.5</b>	5,486.8	4,684.9
Tier I Capital	<b>5,033.2</b>	4,127.6	3,299.3
(Core Tier I Capital)	<b>(4,736.0)</b>	(4,030.1)	(3,199.3)
Tier II Capital	<b>2,304.3</b>	1,359.2	1,385.6
<b>Total Risk Weighted Assets</b>	<b>61,614.1</b>	37,262.2	33,822.9
Credit Risk	<b>57,607.9</b>	34,624.8	31,430.2
Market Risk	<b>232.8</b>	262.0	140.4
Operational Risk	<b>3,773.4</b>	2,375.4	2,252.3
<b>BIS Capital Ratio</b>	<b>11.91</b>	14.72	13.85
Tier I	<b>8.17</b>	11.08	9.75
(Core Tier I)	<b>(7.69)</b>	(10.82)	(9.46)

## □ Group, Busan, Kyongnam Bank Capital Adequacy



## 2. Banks Capital Adequacy

### □ Busan Bank

	2014		2013 4Q
	4Q	3Q	
(KRW bn, %, Basel III Standard)			
<b>Total Risk Adjusted Capital</b>	<b>4,405.6</b>	4,391.4	4,456.1
Tier I Capital	<b>3,205.2</b>	3,194.7	3,281.2
(Core Tier I Capital)	<b>(3,105.4)</b>	(3,094.9)	(3,181.2)
Tier II Capital	<b>1,200.4</b>	1,196.7	1,174.9
<b>Total Risk Weighted Assets</b>	<b>33,123.3</b>	33,191.7	30,492.7
Credit Risk	<b>31,011.8</b>	31,061.1	28,442.8
Market Risk	<b>134.2</b>	151.8	92.9
Operational Risk	<b>1,977.3</b>	1,978.8	1,957.0
<b>BIS Capital Ratio</b>	<b>13.30</b>	13.23	14.61
Tier I	<b>9.68</b>	9.63	10.76
(Core Tier I)	<b>(9.38)</b>	(9.32)	(10.43)

### □ Kyongnam Bank

	2014		2013 4Q
	4Q	3Q	
(KRW bn, %, Basel III Internal Rating Based)			
<b>Total Risk Adjusted Capital</b>	<b>2,706.5</b>	2,651.6	2,863.5
Tier I Capital	<b>1,825.2</b>	1,907.1	2,034.9
(Core Tier I Capital)	<b>(1,625.5)</b>	(1,707.4)	(1,750.8)
Tier II Capital	<b>881.4</b>	744.5	828.6
<b>Total Risk Weighted Assets</b>	<b>21,251.0</b>	21,340.1	20,956.6
Credit Risk	<b>19,824.3</b>	19,867.3	19,584.4
Market Risk	<b>59.0</b>	104.0	70.9
Operational Risk	<b>1,367.8</b>	1,368.8	1,301.4
<b>BIS Capital Ratio</b>	<b>12.74</b>	12.43	13.66
Tier I	<b>8.59</b>	8.94	9.71
(Core Tier I)	<b>(7.65)</b>	(8.00)	(8.35)

# VI. Appendix

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# 1. Banks Corporate Loan Portfolio

(KRW bn, %, Balance)	2014 4Q			
	Amount	Ratio	QoQ	YTD
<b>Manufacturing Sectors</b>	<b>9,574.6</b>	<b>39.8</b>	$\triangle 1.0$	7.8
Steel Metal Products	<b>2,870.3</b>	<b>11.9</b>	0.1	9.9
Automobile Parts	<b>2,181.8</b>	<b>9.1</b>	0.5	11.3
Machinery	<b>1,361.0</b>	<b>5.7</b>	0.1	13.9
Petroleum, Rubber, etc.	<b>1,046.0</b>	<b>4.3</b>	$\triangle 1.9$	6.5
Fabric	<b>211.7</b>	<b>0.9</b>	$\triangle 7.0$	3.0
Garment & Shoes	<b>251.2</b>	<b>1.0</b>	$\triangle 5.9$	2.5
Kitchen Units	<b>289.5</b>	<b>1.2</b>	7.7	14.3
Electronics	<b>635.0</b>	<b>2.6</b>	$\triangle 1.5$	0.6
Paper, Paper Mills	<b>106.0</b>	<b>0.4</b>	$\triangle 1.8$	13.1
Others	<b>622.1</b>	<b>2.6</b>	$\triangle 102$	$\triangle 120$
<b>Non-Manufacturing</b>	<b>14,477.0</b>	<b>60.2</b>	1.0	12.9
Wholesale & Retail	<b>2,354.7</b>	<b>9.8</b>	0.3	5.7
Public	<b>540.5</b>	<b>2.2</b>	$\triangle 3.3$	2.8
Construction & Engineering	<b>2,025.7</b>	<b>8.4</b>	$\triangle 6.5$	10.1
Real Estate & Lease	<b>4,154.2</b>	<b>17.3</b>	5.6	22.1
Insurance & Financing	<b>515.5</b>	<b>2.1</b>	$\triangle 3.4$	$\triangle 1.7$
Transportation	<b>1,420.7</b>	<b>5.9</b>	1.8	6.6
Hotel & Food	<b>745.7</b>	<b>3.1</b>	4.2	32.5
Others	<b>2,720.0</b>	<b>11.3</b>	1.4	12.7
<b>Total</b>	<b>24,051.6</b>	<b>100.0</b>	0.2	10.8

(KRW bn, %, Balance)	2014 4Q			
	Amount	Ratio	QoQ	YTD
<b>Manufacturing Sectors</b>	<b>10,400.6</b>	<b>62.2</b>	$\triangle 1.7$	2.9
Steel Metal Products	<b>2,639.4</b>	<b>15.8</b>	$\triangle 0.3$	5.4
Automobile Parts	<b>2,797.1</b>	<b>16.7</b>	$\triangle 2.0$	1.5
Machinery	<b>2,890.4</b>	<b>17.3</b>	$\triangle 1.2$	3.2
Petroleum, Rubber, etc.	<b>295.5</b>	<b>1.8</b>	$\triangle 9.5$	$\triangle 2.6$
Fabric	<b>71.9</b>	<b>0.4</b>	2.7	$\triangle 274$
Garment & Shoes	<b>33.0</b>	<b>0.2</b>	$\triangle 169$	17.9
Kitchen Units	<b>169.6</b>	<b>1.0</b>	$\triangle 3.5$	$\triangle 9.8$
Electronics	<b>673.4</b>	<b>4.0</b>	$\triangle 4.0$	$\triangle 0.1$
Paper, Paper Mills	<b>85.3</b>	<b>0.5</b>	2.9	27.5
Others	<b>745.0</b>	<b>4.5</b>	$\triangle 1.7$	7.7
<b>Non-Manufacturing</b>	<b>6,318.0</b>	<b>37.8</b>	0.6	5.7
Wholesale & Retail	<b>1,345.0</b>	<b>8.0</b>	$\triangle 1.4$	4.8
Public	-	<b>0.0</b>	-	-
Construction & Engineering	<b>447.5</b>	<b>2.7</b>	2.4	$\triangle 5.7$
Real Estate & Lease	<b>1,990.4</b>	<b>11.9</b>	2.0	16.0
Insurance & Financing	<b>149.9</b>	<b>0.9</b>	3.5	$\triangle 111$
Transportation	<b>489.5</b>	<b>2.9</b>	1.0	7.8
Hotel & Food	<b>337.6</b>	<b>2.0</b>	$\triangle 0.2$	8.0
Others	<b>1,558.1</b>	<b>9.3</b>	0.0	$\triangle 0.9$
<b>Total</b>	<b>16,718.6</b>	<b>100.0</b>	$\triangle 0.8$	3.9

## 2. Non-Bank Summary - Securities

### □ BS Securities B/S Summary

(KRW bn, %, Balance)	14.4Q	14.3Q	YTD	14.3Q	QoQ
<b>Assets</b>	<b>512.0</b>	495.5	3.3	780.7	△34.4
Cash and Dues	<b>75.7</b>	31.4	141.1	40.1	88.8
Securities	<b>362.7</b>	397.5	△8.8	428.3	△15.3
Loans	<b>43.1</b>	24.6	75.2	23.7	81.9
Fixed Assets	<b>1.8</b>	2.1	△14.3	1.8	0.0
Other Assets	<b>28.7</b>	39.9	△28.1	286.8	△90.0
<b>Liability &amp; Shareholder's Equity</b>	<b>512.0</b>	495.5	3.3	780.7	△34.4
Deposits	<b>84.7</b>	47.6	77.9	37.8	124.1
Borrowings	<b>287.3</b>	306.6	△6.3	378.7	△24.1
Other Liabilities	<b>22.4</b>	29.4	△23.8	250.1	△91.0
Shareholder's Equity	<b>117.6</b>	111.9	5.1	114.1	3.1

### □ BS Securities I/S Summary

(KRW bn, %, Balance)	2014	2013	YoY	14.4Q	14.3Q	QoQ
Net Interest Income	<b>5.3</b>	9.3	△43.0	1.4	1.3	7.7
Fee Income	<b>17.4</b>	10.6	64.2	5.0	4.9	2.0
Others	<b>14.3</b>	8.1	76.5	6.5	3.0	116.7
SG&A(-)	<b>29.1</b>	26.1	11.5	8.5	7.0	21.4
Provision Expense(-)	<b>0.0</b>	0.0	-	0.0	0.0	-
Non-Operating Income	<b>△0.2</b>	△1.3	-	△0.2	0.0	-
<b>Earnings Before Income Tax</b>	<b>7.7</b>	0.6	1,183.3	4.2	2.2	90.9
Income Tax Expenses(-)	<b>2.0</b>	0.3	566.7	1.0	0.6	66.7
<b>Net Income</b>	<b>5.7</b>	0.3	1,800.0	3.2	1.6	100.0

## 2. Non-Bank Summary - Capital

### □ BS Capital B/S Summary

(KRW bn, %, Balance)	14.4Q	14.3Q	YTD	14.3Q	QoQ
<b>Assets</b>	<b>3,583.3</b>	2,809.8	27.5	3,461.5	3.5
Cash and Dues	47.8	41.1	16.3	75.9	△37.0
Securities	0.0	0.0	-	0.0	-
Loans	1,854.6	965.1	92.2	1,378.9	34.5
Venture Capital Business	2.0	0.0	-	2.0	0.0
Durables Installment Financing Assets	744.8	929.8	△19.9	1,071.9	△30.5
Leased Assets	878.6	826.9	6.3	885.5	△0.8
Fixed Assets	4.6	3.9	17.9	4.3	7.0
Other Assets	50.9	43.0	18.4	43.0	18.4
<b>Liability &amp; Shareholder's Equity</b>	<b>3,583.3</b>	2,809.8	27.5	3,461.5	3.5
Borrowings	2,871.7	2,234.5	28.5	2,814.8	2.0
Other Liabilities	288.9	268.6	7.6	282.3	2.3
Shareholder's Equity	422.7	306.7	37.8	364.4	16.0

### □ BS Capital I/S Summary

(KRW bn, %, Balance)	2014	2013	YoY	14.4Q	14.3Q	QoQ
Net Interest Income	157.0	122.3	28.4	42.7	39.8	7.3
Fee Income	14.6	10.3	41.7	3.9	4.3	△9.3
Others	5.7	3.2	78.1	1.3	2.1	△38.1
SG&A(-)	43.9	32.1	36.8	13.5	10.9	23.9
Provision Expense(-)	86.5	65.4	32.3	24.3	22.0	10.5
Non-Operating Income	0.0	△0.8	-	0.0	0.0	-
<b>Earnings Before Income Tax</b>	<b>46.9</b>	37.5	25.1	10.1	13.3	△24.1
Income Tax Expenses(-)	10.6	9.0	17.8	2.0	3.1	△35.5
<b>Net Income</b>	<b>36.3</b>	28.5	27.4	8.1	10.2	△20.6

## 2. Non-Bank Summary - Capital Portfolio

	4Q14	Portion	QoQ	3Q14	2Q14	1Q14	4Q13
(KRW bn, %, Balance)							
<b>Total</b>	<b>3,536.0</b>	<b>100.0</b>	<b>4.6</b>	3,380.8	3,172.7	2,966.1	2,730.5
<b>Loans</b>	<b>914.9</b>	<b>25.9</b>	<b>3.9</b>	880.5	820.6	782.9	711.8
Household	515.7	14.6	4.7	492.6	452.2	429.8	399.1
Corporate	399.2	11.3	2.9	387.9	368.4	353.1	312.7
<b>Auto Financing</b>	<b>1,800.7</b>	<b>50.9</b>	<b>6.7</b>	1,687.1	1,566.4	1,426.5	1,284.5
Commercial Vehicle	581.1	16.4	3.6	560.7	548.0	529.6	490.5
Passenger Vehicle	1,219.6	34.5	8.3	1,126.4	1,018.4	896.9	794.0
<b>Lease/Installments</b>	<b>818.4</b>	<b>23.1</b>	<b>0.9</b>	811.2	783.7	756.7	734.2
Machine Tools	259.0	7.3	△4.9	272.3	282.0	281.6	271.6
Medical Instruments	170.7	4.8	△4.0	177.9	193.4	199.7	203.0
Others	388.7	11.0	7.7	361.0	308.3	275.4	259.6
<b>Venture Capital Business</b>	<b>2.0</b>	<b>0.1</b>	<b>0.0</b>	2.0	2.0	-	-



## 2. Non-Bank Summary - MSB

### □ BS MSB B/S Summary

(KRW bn, %, Balance)	14.4Q	14.3Q	YTD	14.3Q	QoQ
<b>Total Assets</b>	<b>736.1</b>	743.4	△1.0	722.5	2.9
<b>Total Deposits</b>	<b>588.7</b>	609.6	△3.4	570.7	6.8
KRW Deposits	<b>588.7</b>	609.6	△3.4	570.7	6.8
Others	<b>0.0</b>	0.0	-	0.0	-
<b>Total Credits</b>	<b>584.0</b>	627.1	△6.9	531.0	18.1
Total Loans	<b>584.0</b>	627.1	△6.9	531.0	18.1
KRW Loans	<b>567.0</b>	606.3	△6.5	517.5	17.2
Others	<b>17.0</b>	20.8	△18.3	13.5	54.1
Guarantees	<b>0.0</b>	0.0	-	0.0	-
<b>Total Securities</b>	<b>4.5</b>	4.7	△4.3	4.5	4.4
<b>Shareholder's Equity</b>	<b>118.7</b>	108.2	9.7	119.1	△9.2

### □ BS MSB I/S Summary (The Fiscal Year End is June 30)

(KRW bn, %, Balance)	2014	2013	YoY	14.4Q	14.3Q	QoQ
Net Interest Income	<b>28.8</b>	35.5	△18.9	7.4	6.4	15.6
Fee Income	<b>△0.1</b>	△0.2	-	0.1	0.0	-
Others	<b>0.1</b>	△4.8	Net Gain	1.0	0.5	100.0
SG&A(-)	<b>12.8</b>	12.4	3.2	3.5	3.2	9.4
Provision Expense(-)	<b>1.9</b>	27.9	△93.2	2.3	1.4	64.3
Non-Operating Income	<b>△3.6</b>	△1.7	-	△3.1	0.0	-
<b>Earnings Before Income Tax</b>	<b>10.5</b>	△11.5	Net Gain	△0.4	2.3	Net Loss
Income Tax Expenses(-)	<b>0.0</b>	0.4	△100.0	0.0	△0.1	-
<b>Net Income</b>	<b>10.5</b>	△11.9	Net Gain	△0.4	2.4	Net Loss

## 2. Non-Bank Summary – Credit Info., Info. System

### □ BS Credit Information I/S Summary

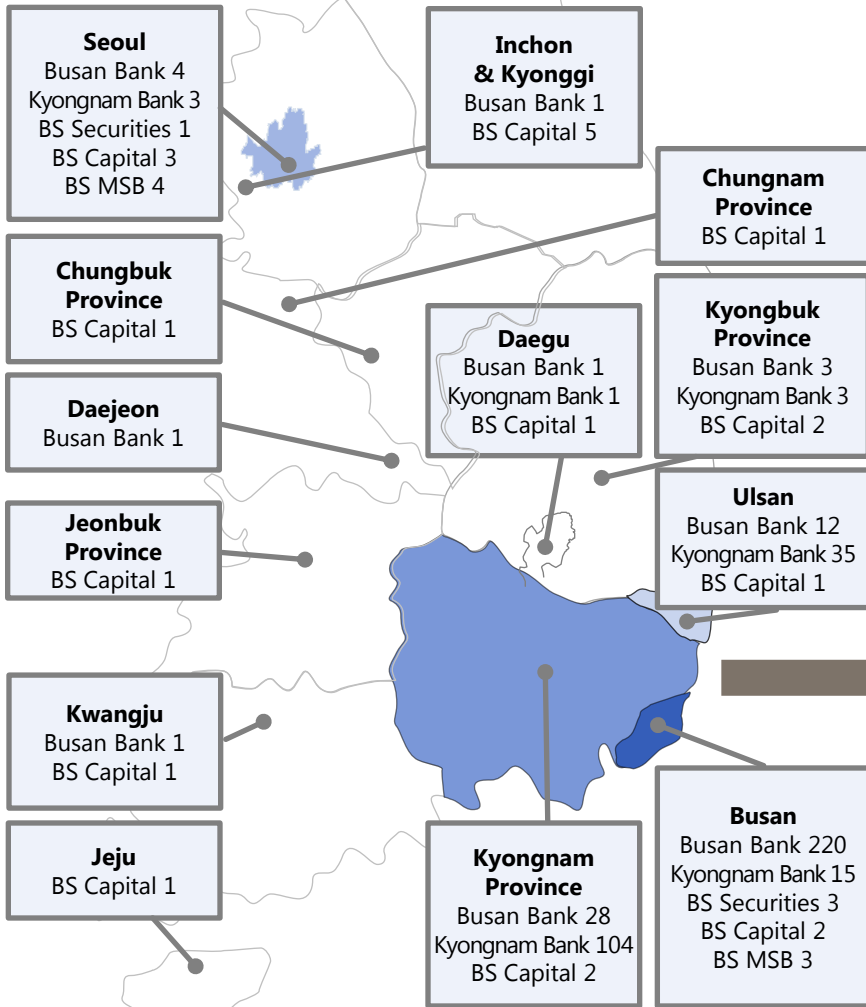
(KRW bn, %, Balance)	2014	2013	YoY	14.4Q	14.3Q	QoQ
Net Interest Income	0.1	0.2	△50.0	0.0	0.0	-
Fee Income	2.8	2.8	0.0	0.7	0.7	0.0
Others	0.0	0.0	-	0.0	0.0	-
SG&A(-)	2.3	2.0	15.0	0.6	0.6	0.0
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.0	-	0.0	0.0	-
<b>Earnings Before Income Tax</b>	<b>0.6</b>	<b>1.0</b>	<b>△40.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
Income Tax Expenses(-)	0.1	0.3	△66.7	0.0	0.0	-
<b>Net Income</b>	<b>0.5</b>	<b>0.7</b>	<b>△28.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>

### □ BS Information System I/S Summary

(KRW bn, %, Balance)	2014	2013	YoY	14.4Q	14.3Q	QoQ
Net Interest Income	0.0	0.1	-	0.0	△0.1	-
Fee Income	0.0	0.0	-	0.0	0.0	-
Others	8.0	6.9	15.9	2.1	2.1	0.0
SG&A(-)	7.1	6.2	14.5	2.0	1.7	17.6
Provision Expense(-)	0.0	0.0	-	0.0	0.0	-
Non-Operating Income	0.0	0.2	-	0.0	0.0	-
<b>Earnings Before Income Tax</b>	<b>0.9</b>	<b>1.0</b>	<b>△10.0</b>	<b>0.1</b>	<b>0.3</b>	<b>△66.7</b>
Income Tax Expenses(-)	0.2	0.2	0.0	0.0	0.1	△100.0
<b>Net Income</b>	<b>0.7</b>	<b>0.8</b>	<b>△12.5</b>	<b>0.1</b>	<b>0.2</b>	<b>△50.0</b>

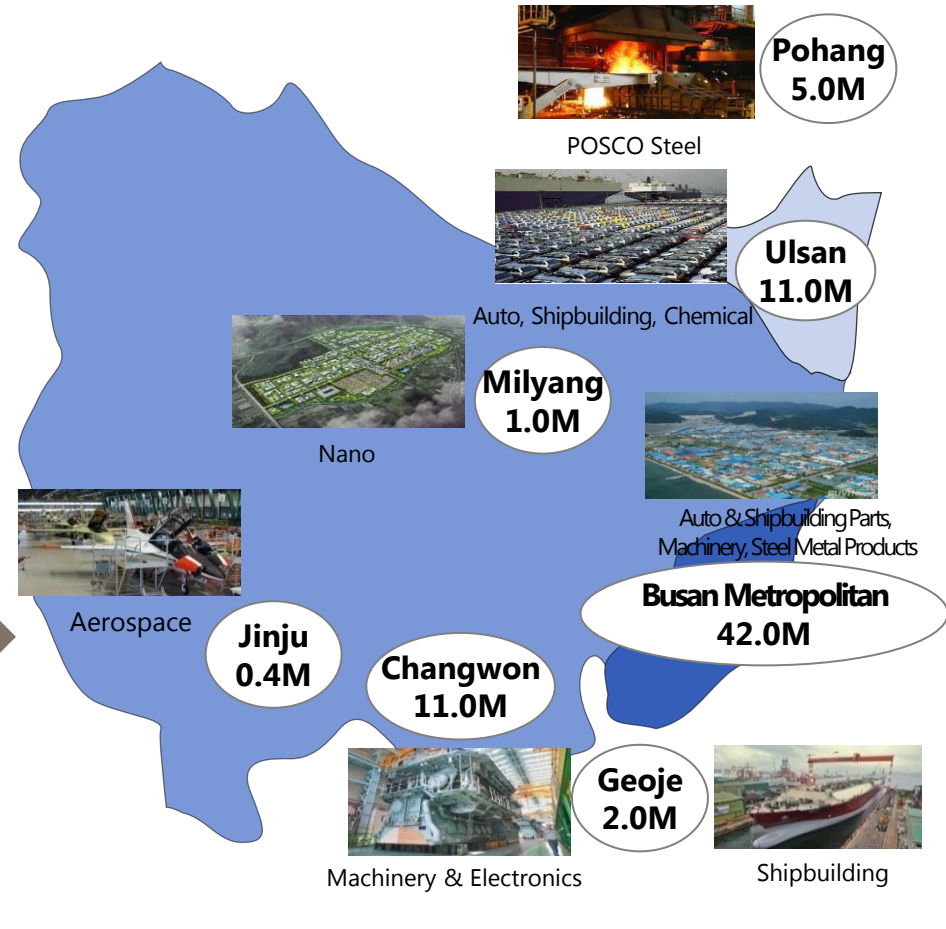
### 3. Group Networks & Major Industries

- ❑ **Networks across Korea(as of December 2014) : 467 Locations**
  - Busan Bank 273(Qingdao Branch, Vietnam Office included), Kyongnam Bank 161, BS Securities 4, BS Capital 22, BS MSB 7



### ❑ Population & Major Industries

- Southeastern Conurbation (7.6M, 15.6% of Total Population), making up 16.7% of GRDP(2013)
- Exports : 158.5 USD bn(2014)
- Imports : 121.5 USD bn(2014)



1) Southeastern region includes Busan, Ulsan, and Kyongnam