

# Summary of Public Announcement regarding The Rights Issuance

November 17, 2015

Beyond No.1 in Korea  
**BNK**

**BNK** FINANCIAL GROUP

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

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# Table of Contents

<b>1</b>	<b>Reasons for Capital Increase</b>	<b>3</b>
<b>2.</b>	<b>Purpose of Raised Capital</b>	<b>4</b>
<b>3.</b>	<b>Overview of Capital Increase</b>	<b>5</b>
<b>4.</b>	<b>Timeline for Issuance</b>	<b>6</b>
<b>5.</b>	<b>Introduction to Trading of Subscription Rights</b>	<b>7</b>
<b>6.</b>	<b>How to Trade Subscription Rights</b>	<b>8</b>

## 1. Reasons for Capital Increase

- **Enhancing Capital Adequacy**

- **Group CET1 is estimated to be 8.54% in 2016. After capital increase, additional 109 bps is expected (Assuming 742.0 KRW bn of capital increase)**
- **Group CET1 is estimated to be around 8.1% in 2016 (Assuming 529.9 KRW bn of capital increase)**
- **After the capital increase, we plan to maintain CET1 over 9.50% by 2019, by meeting our business plans (Effects of changing to IRB from standard method included)**

- **Foundation for Stable Growth in the Future**

- **Plans to use the raised capital to enhance capital adequacy and to prepare for stable growth in the future for our core subsidiaries as seed money**

## 2. Purpose of Raised Capital

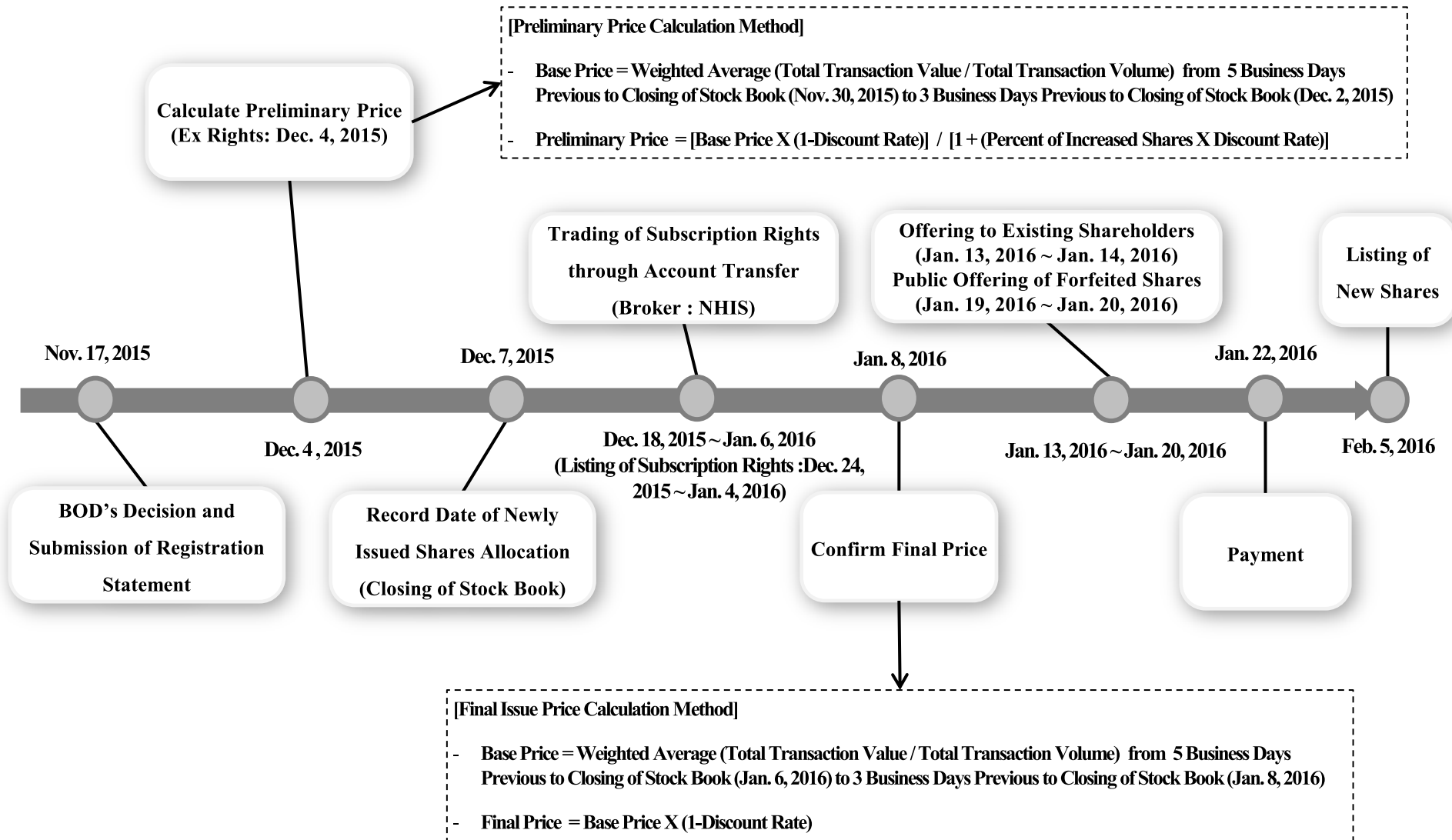
- **Total amount of Capital Increase : 742.0 KRW bn (1)529.9 KRW bn)**
- **Prepare for Future Growth by Equity Investment in Core Subsidiaries : 660.0 KRW bn(1)460.0 KRW bn)**
  - **Busan Bank : 270.0 KRW bn(1)190.0 KRW bn)**
  - **Kyongnam Bank : 390.0 KRW bn(1)270.0 KRW bn)**
- **Enhancing Earnings Diversification of Non-banking Business & Expansion of Overseas Business : 820.0 KRW bn(1)699 KRW bn)**
  - **BNK Capital(Overseas Business) : 20.0 KRW bn(1)No Change)**
  - **BNK Asset Management : 20.0 KRW bn(1)No Change)**
  - **Operating Expense of Financial Group and etc.: 42.0 KRW bn(1)29.9 KRW bn)**

Note1) Estimate of Capital Increase & Allocation based on Expected Issue Price(7,570 won) after Ex-Rights

### 3. Overview of Capital Increase

	Conditions
<b>Issued Stock</b>	<b>BNK Financial Group Inc. Registered Common Shares</b>
<b>Method of Issuance</b>	<b>Ordinary Public Offering of Forfeited Shares after Offering to Shareholders / Standby Underwriting (Book Runner : NH INVESTMENT &amp; SECURITIES CO.,LTD., "NHIS")</b>
<b>Total Amount of Shares to be Issued</b>	<b>742.0 KRW bn</b>
<b>Number of Shares to be Issued</b>	<b>70,000,000 Registered Common Shares</b>
<b>Price per Share (est.)</b>	<b>10,600 KRW</b>
<b>Discount Rate</b>	<b>17%</b>
<b>% of Increased Shares</b>	<b>27.35%</b>
<b>Allocation Ratio of Newly Issued Shares</b>	<b>0.2188180464 Share per Existing Share</b>
<b>Trading of Subscription Rights</b>	<b>Listing of Subscription Rights (Dec. 24, 2015 ~ Jan. 4, 2016) Trading of Subscription through Account Transfer (Dec. 18, 2015 ~ Jan. 6, 2016, Broker : NHIS)</b>
<b>Allocation to Employee Stock Ownership</b>	<b>20%</b>
<b>Excess Subscription by Shareholders</b>	<b>Excess Subscription Possible within 20% per 1 Rights Allocated</b>

## 4. Timeline for Issuance

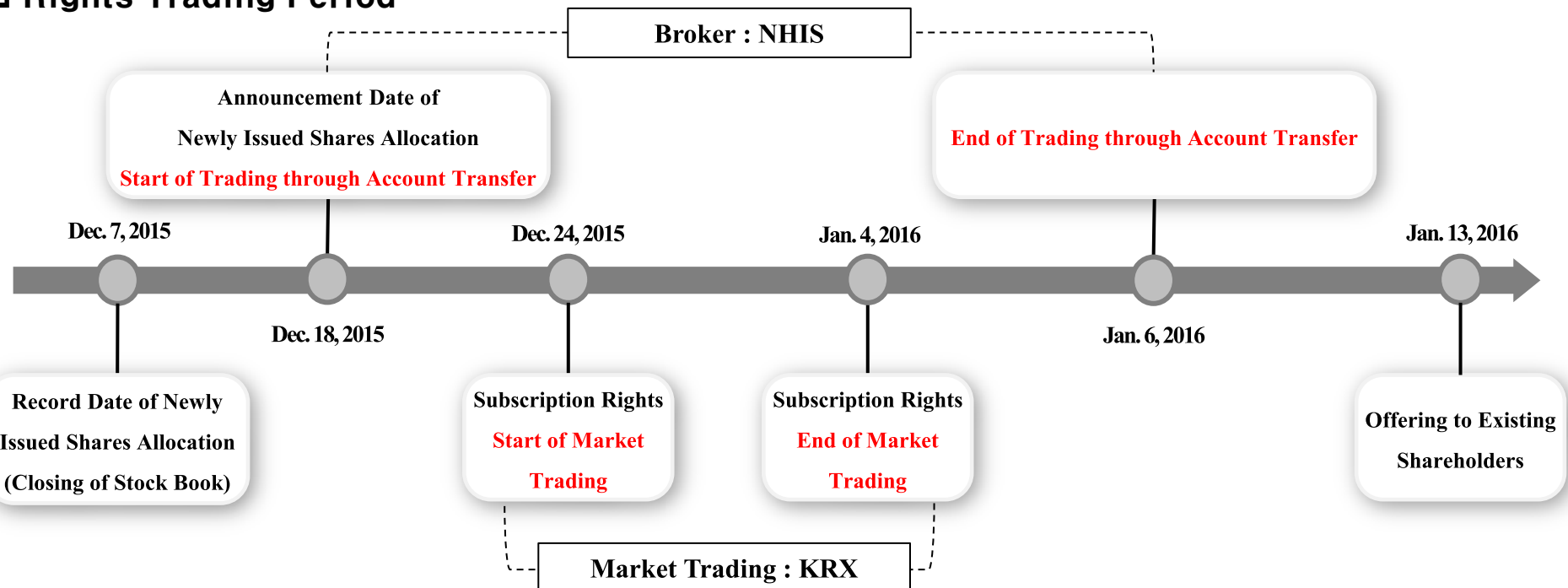


Note) Schedules can be adjusted due to minor changes by related parties

## 5. Introduction to Trading of Subscription Rights

- Seller of Rights : Shareholders who have no Intents to participate in Capital Increase
- Buyer of Rights : Can Buy Shares on Shareholder Offering Period (Jan. 13, 2016 ~ Jan. 14, 2016) by acquiring rights from shareholders
- Buyer Secures Price Difference Profit and Seller Obtains Newly Issued Shares Following the Amount of Rights
- Trading Period of Subscription Rights
  - Market Trading : Dec. 24, 2015 ~ Jan. 4, 2016
  - Trading Through Account Transfer : Dec. 18, 2015 ~ Jan. 6, 2016 (Broker : NHIS)

### □ Rights Trading Period

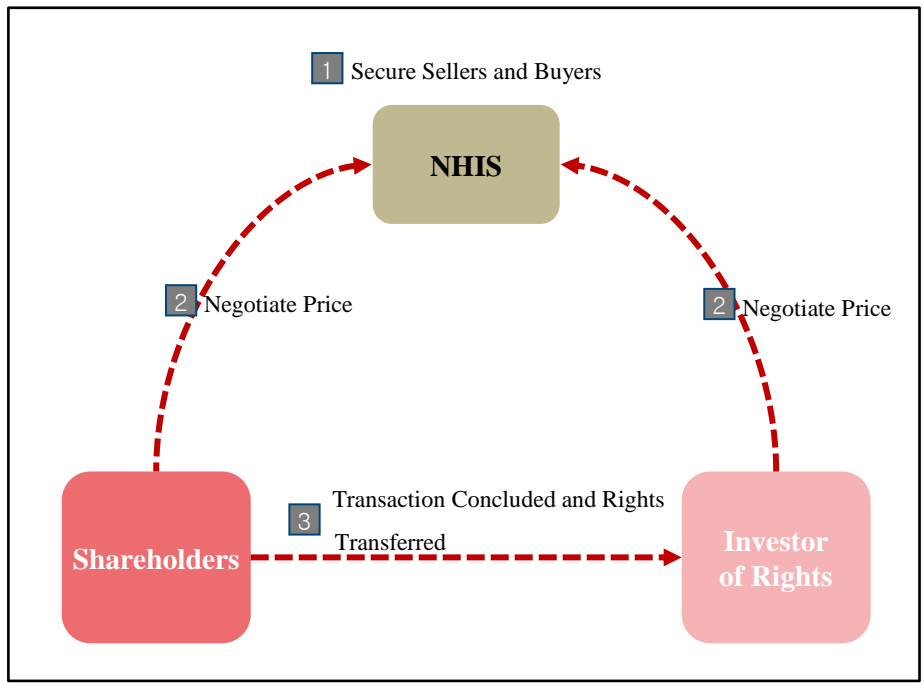




## 6. How to Trade Subscription Rights

- **Trading of Rights through Account Transfer** : If it is not a direct transaction, NHIS can manage transactions between shareholders and buyers of the Subscription Rights
  - Price : Price decided by the Seller (Shareholder) and Buyer (Investor)
- **Market Trading of Rights** : When Rights are Listed on KRX, transaction is held by Mass Buyers and Sellers
  - Price : Market Price

### ☐ Trading through Account Transfer



### ☐ Market Trading

