



KEB
OPERATING
RESULTS FOR 1Q13

April, 2013

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DISCLAIMER

The information contained in this presentation material has not been audited by a third-party independent auditor and is subject to change during the accounting audit of KEB.

KEB REPORTS FIRST QUARTER 2013 NET INCOME OF KRW 74.4 BILLION

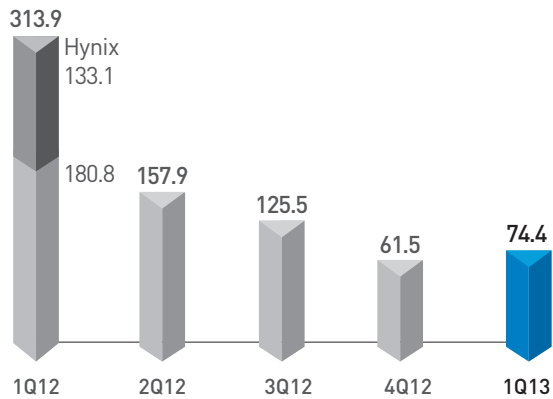
- KEB posted net income of KRW 74.4 billion in the first quarter
- Total KRW loans increased to KRW 50.4 trillion, up KRW 570.9 billion or 1.1% from 4Q12
- NIM declined to 2.17% from 2.22% in 1Q13
- NPL ratio increased to 1.21% from 1.19% 4Q12, up 0.02%p, and the delinquency ratio rose to 0.93% from 0.62% 4Q12, up 0.31%p
- Capital position remained strong in 1Q13 with a preliminary BIS capital ratio of 12.7 % and a preliminary Tier 1 ratio of 10.5%

A-2a QUARTERLY PERFORMANCE TRENDS (CONSOLIDATED)

NET INCOME

- Net income of KRW 74.4 bn in 1Q

[KRW billion]

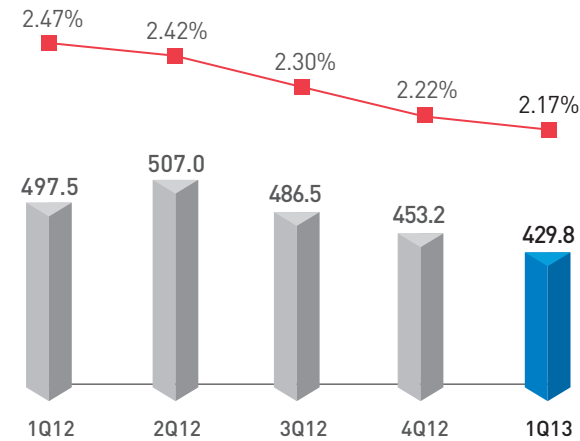


■ Net income

NET INTEREST INCOME

- Net interest income of KRW 429.8bn in 1Q, down KRW 23.4 bn from the previous quarter
- Net interest margin declined 0.05%p QoQ to 2.17% in 4Q

[KRW billion]

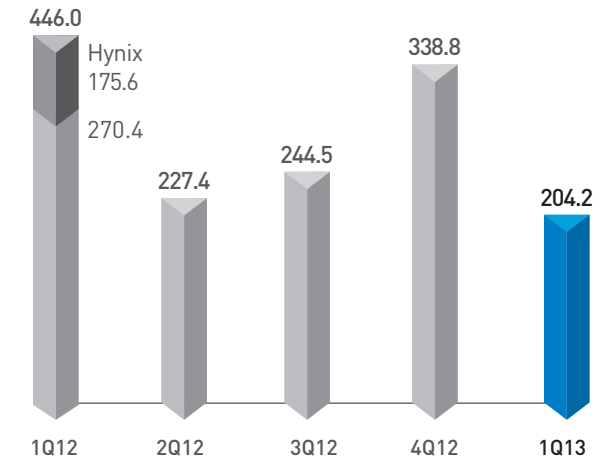


■ Net Interest Margin (Bank) ■ Net Interest Income

NON INTEREST INCOME

- Non-interest income of KRW 204.2 bn in 1Q, down KRW 134.6 bn from 4Q12

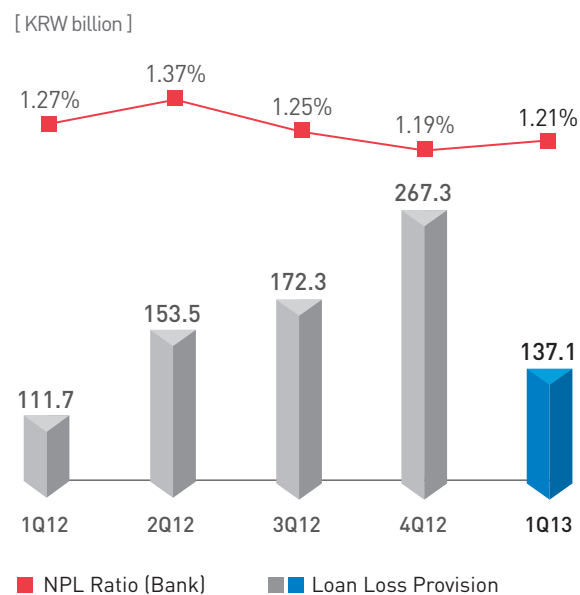
[KRW billion]



■ Non Interest Income

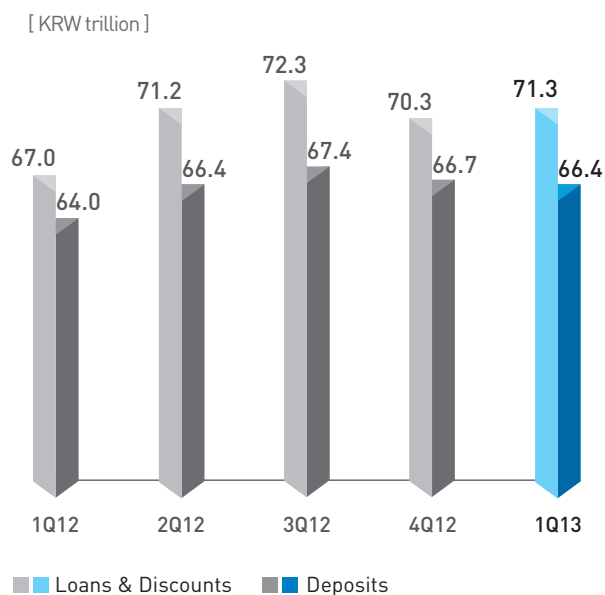
ASSET QUALITY

- Loan loss provisioning (LLP) declined to KRW 137.1 bn in 1Q, down KRW130.2 bn QoQ
- NPL ratio increased to 1.21% in 1Q, up 0.02%p QoQ



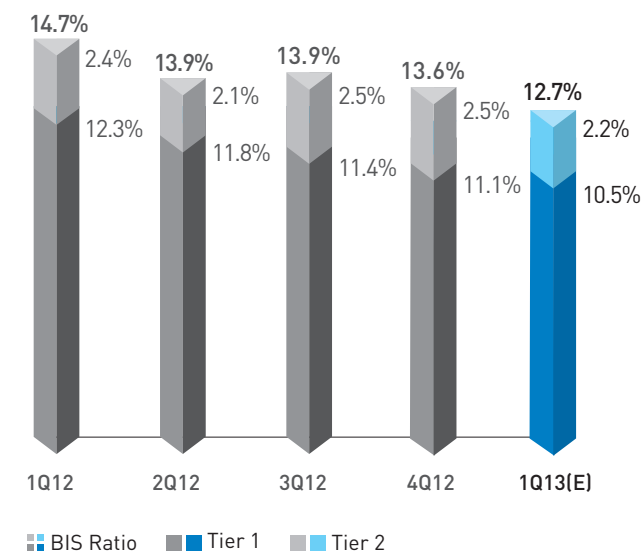
BALANCE SHEET

- Loans & Discounts increased to KRW 71.3 tr in 1Q, up KRW 907.7 bn from the previous quarter
- Deposits decreased to KRW 66.4 tr in 1Q, down KRW 350.0 bn from 4Q12



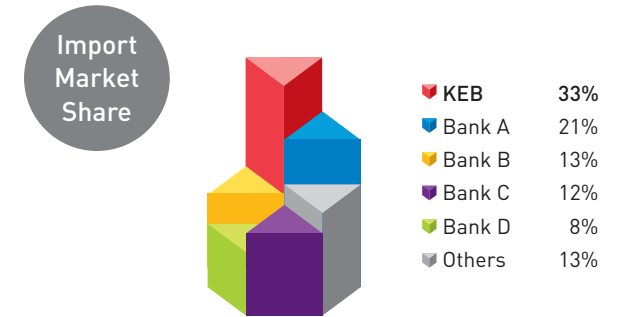
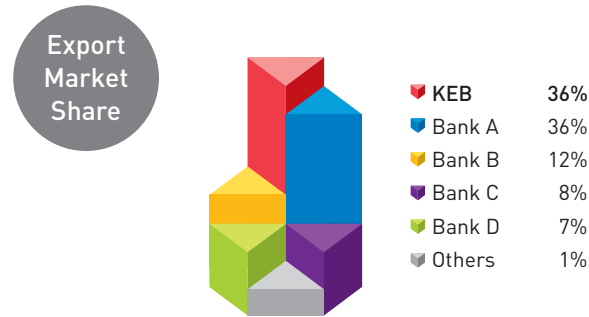
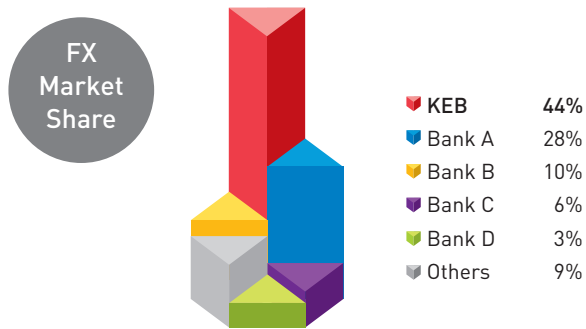
CAPITAL ADEQUACY

- Capital position remained robust in 1Q with a preliminary BIS capital ratio of 12.7% and a preliminary Tier I ratio of 10.5%

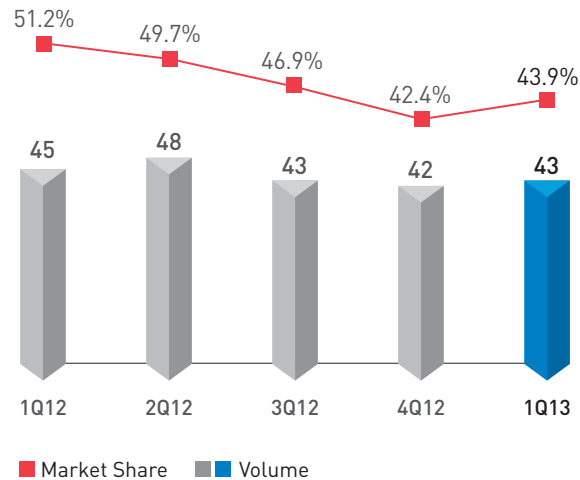


A-3 MARKET LEADERSHIP IN FX & TRADE FINANCE

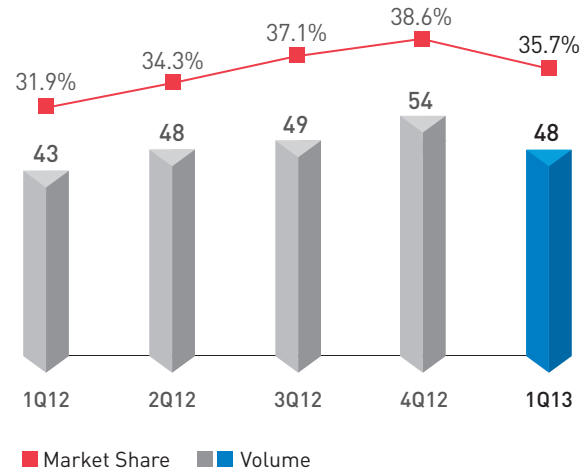
STRONG MARKET LEADERSHIP [Cumulative]



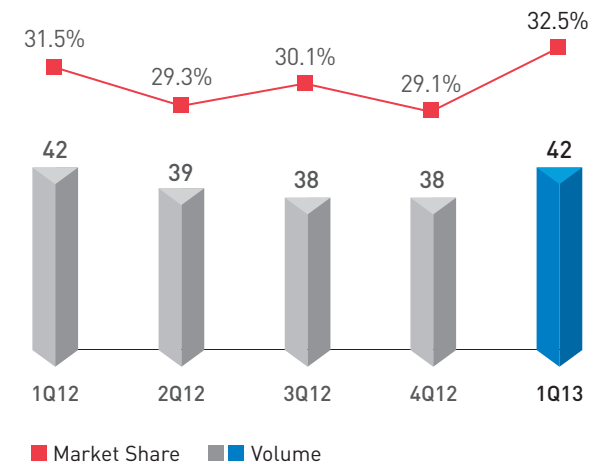
FX [USD billion] [Quarterly]



EXPORT [USD billion]



IMPORT [USD billion]

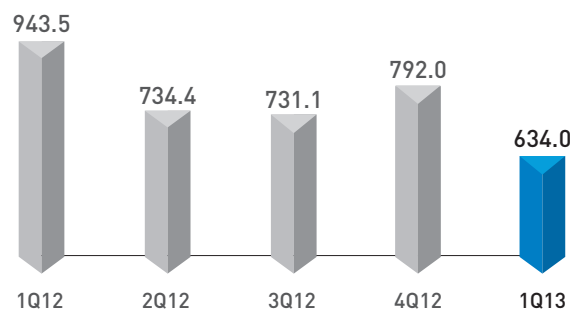


Note • Market share in FX is based on 7 large domestic banks' transactions, exports/imports are based on national trade volume.

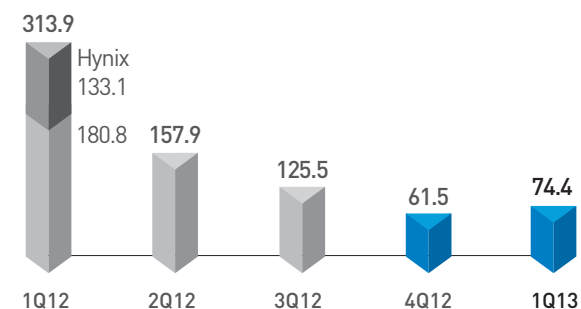
B-1 INCOME STATEMENT SUMMARY

KEB Operating Results for 1Q13 **7**

TOTAL INCOME (CONSOLIDATED) [KRW billion]



NET INCOME (CONSOLIDATED) [KRW billion]



[KRW billion]

	CONSOLIDATED					BANK				
	1Q13	4Q12	QoQ	1Q12	YoY	1Q13	4Q12	QoQ	1Q12	YoY
Total Income	634.0	792.0	-20.0%	943.5	-32.8%	582.4	742.2	-21.5%	887.1	-34.4%
Net Interest Income	429.8	453.2	-5.2%	497.5	-13.6%	393.0	416.3	-5.6%	457.5	-14.1%
Fee Income	187.0	171.2	+9.2%	191.6	-2.4%	177.0	163.7	+8.1%	179.5	-1.4%
Gains on Disposition & Valuation	53.5	194.0	-72.4%	283.6	-81.1%	47.7	188.9	-74.7%	280.1	-83.0%
Other Operating Income	-36.3	-26.3	+37.8%	-29.2	+24.3%	-35.3	-26.7	+32.3%	-30.0	+17.8%
SG&A Expense	378.8	459.6	-17.6%	379.2	-0.1%	353.2	432.7	-18.4%	354.1	-0.3%
PPOP	255.2	332.4	-23.2%	564.3	-54.8%	229.2	309.5	-25.9%	533.1	-57.0%
Provision	141.7	266.4	-46.8%	137.5	+3.1%	132.4	252.6	-47.6%	133.7	-1.0%
Operating Income	113.5	66.0	+72.0%	426.8	-73.4%	96.8	56.9	+70.1%	399.4	-75.8%
Non-Operating Income	1.6	23.1	-93.2%	2.5	-37.3%	-44.6	21.3	-309.6%	3.5	-1,387.0%
Income before Tax	115.1	89.0	+29.3%	429.3	-73.2%	52.2	78.2	-33.3%	402.8	-87.0%
Income Tax	40.7	27.5	+48.0%	115.3	-64.7%	22.6	21.9	+3.4%	107.5	-78.9%
Net Income	74.4	61.5	+20.9%	314.0	-76.3%	29.5	56.3	-47.5%	295.3	-90.0%

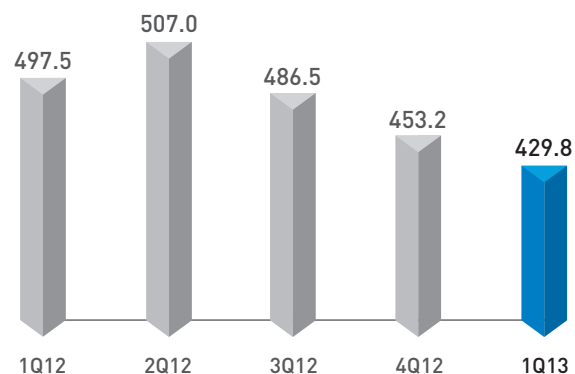
* F: Favorable

B-2 NET INTEREST INCOME

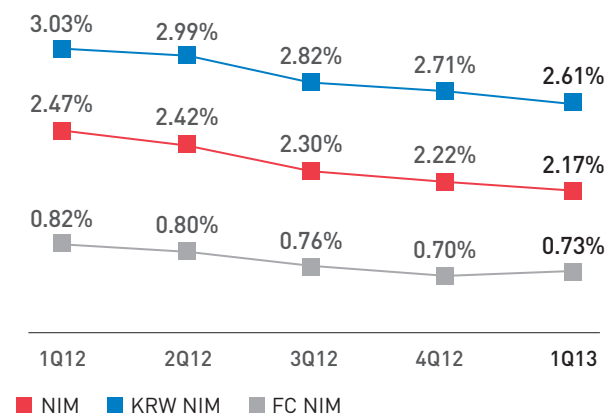
KEB Operating Results for 1Q13

8

NET INTEREST INCOME [KRW billion]



NET INTEREST MARGIN

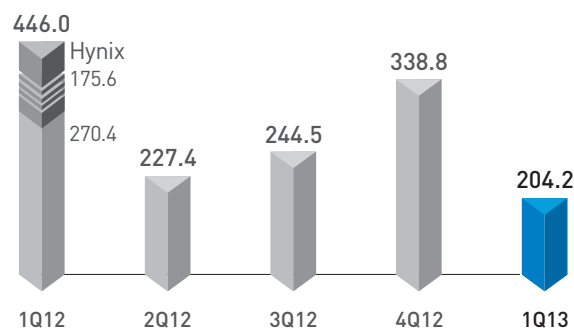


[KRW billion]

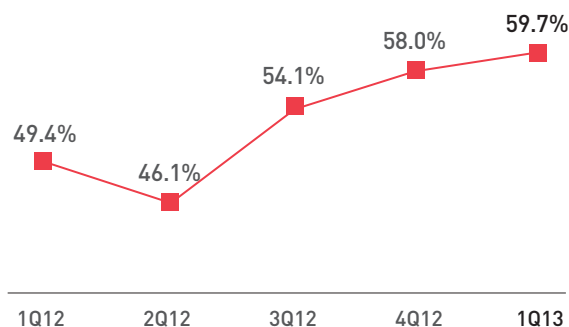
	1Q12	2Q12	3Q12	4Q12	1Q13	QoQ
Net Interest Income	497.5	507.0	486.5	453.2	429.8	-5.2%
KRW Net Interest Income	415.0	423.5	407.3	380.8	358.9	-5.8%
KRW Interest Income	841.0	845.2	825.5	783.7	741.9	-5.3%
KRW Interest Expenses	426.0	421.6	418.2	402.9	383.0	-4.9%
FC Net Interest Income	82.5	83.5	79.2	72.4	70.9	-2.0%
FC Interest Income	145.4	150.9	148.5	129.0	127.8	-0.9%
FC Interest Expenses	62.9	67.4	69.3	56.6	56.9	+0.5%
Net Interest Margin (BANK)	2.47%	2.42%	2.30%	2.22%	2.17%	-0.05%p
KRW NIM	3.03%	2.99%	2.82%	2.71%	2.61%	-0.10%p
FC NIM	0.82%	0.80%	0.76%	0.70%	0.73%	+0.03%p

B-3 NON INTEREST INCOME & EXPENSES

NON INTEREST INCOME [KRW billion]



COST-TO-INCOME RATIO



* Based on normalized net income

NON INTEREST INCOME [KRW billion]

	1Q13	4Q12	QoQ	1Q12	YoY
Non-Interest Income	204.2	338.8	-39.7%	446.0	-54.2%
Fee Income	187.0	171.2	+9.2%	191.6	-2.4%
Credit Card Related	84.4	70.6	+19.7%	93.1	-9.3%
Guarantees	13.2	13.8	-4.3%	13.4	-1.3%
Loans Related	22.5	15.4	+46.1%	19.6	+14.9%
Foreign Currency Related	36.0	43.9	-18.1%	40.5	-11.3%
Beneficiary Certificates	8.7	8.6	+1.2%	9.5	-8.1%
Trust Related Fee	7.9	9.3	-15.0%	8.1	-2.1%
Bancassurance	14.3	9.6	+49.7%	7.4	+92.5%
Gains on Disposition & Valuation	53.5	194.0	-72.4%	283.6	-81.1%
Securities	15.9	44.9	-64.7%	181.6	-91.3%
Gains from FX Transactions	81.5	157.1	-48.1%	84.7	-3.8%
Derivative Related	-43.9	-8.0	+448.0%	17.3	-353.4%
Other Operating Income	-36.3	-26.3	+37.8%	-29.2	+24.3%

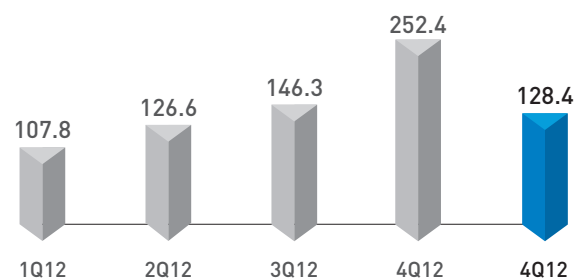
EXPENSES [KRW billion]

	1Q13	4Q12	QoQ	1Q12	YoY
Total	378.8	459.6	-17.6%	379.2	-0.1%
Salaries & Employee Benefits	203.8	154.4	+32.0%	182.6	+11.6%
Severance & Retirement Benefits	12.7	56.7	-77.5%	11.6	+9.7%
Administrative Expense	128.2	207.1	-38.1%	149.3	-14.1%
Depreciation	25.6	28.9	-11.4%	25.3	+1.1%
Taxes	8.4	12.6	-33.2%	10.4	-19.0%

B-4 PROVISIONS & LOAN LOSS RESERVE (BANK)

KEB Operating Results for 1Q13 **10**

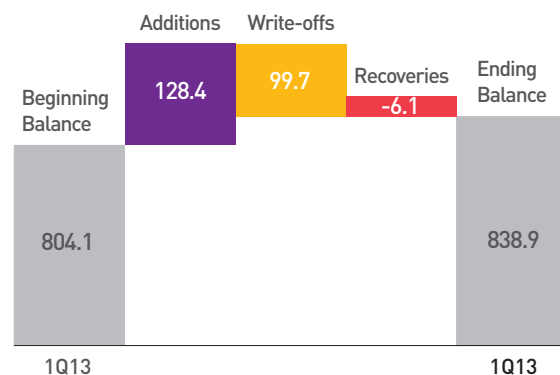
LOAN LOSS PROVISIONING [KRW billion]



PROVISIONS [KRW billion]

	1Q12	2Q12	3Q12	4Q12	1Q13
Total	133.7	116.6	150.6	252.6	132.4
Loan Loss Provisioning	107.8	126.6	146.3	252.4	128.4
Unused Commitment Provisioning	1.4	1.0	1.2	3.0	-4.9
Other Provisioning	24.5	-11.1	3.1	-2.9	8.9

LOAN LOSS RESERVE* [KRW billion]



LOAN LOSS RESERVE * [KRW billion]

	1Q12	2Q12	3Q12	4Q12	1Q13
Beginning LLR Balance	775.8	803.1	874.9	838.2	804.1
Additions	107.8	126.6	146.3	252.4	128.4
Write-offs (-)	74.1	94.2	167.0	242.3	99.7
Recoveries	-6.5	39.4	-16.1	-44.2	-6.1
Ending LLR Balance	803.1	874.9	838.2	804.1	838.9

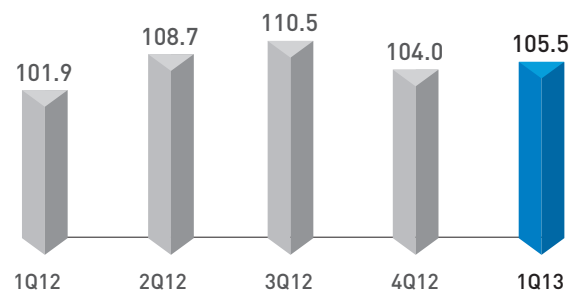
* Including Provision of Liability Reserve for Unused Commitment

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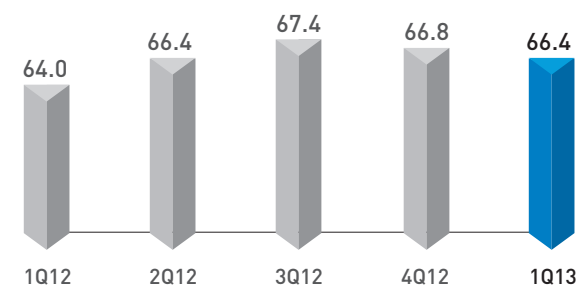
C-1 BALANCE SHEET SUMMARY

KEB Operating Results for 1Q13 11

TOTAL ASSETS (CONSOLIDATED) [KRW trillion]



DEPOSITS (CONSOLIDATED) [KRW trillion]

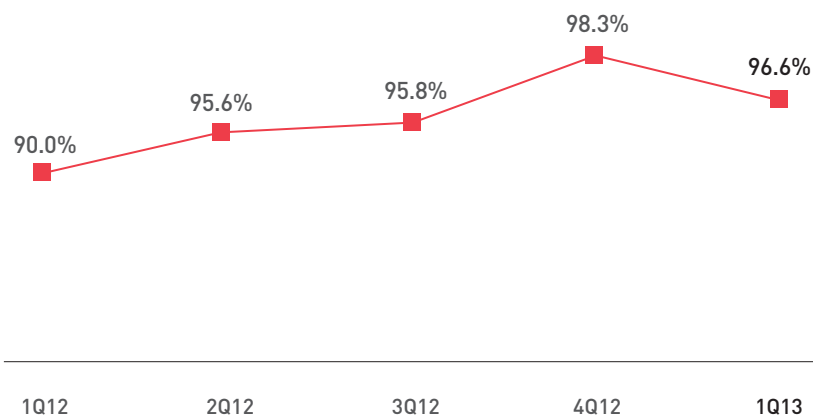


[End of period, KRW billion]

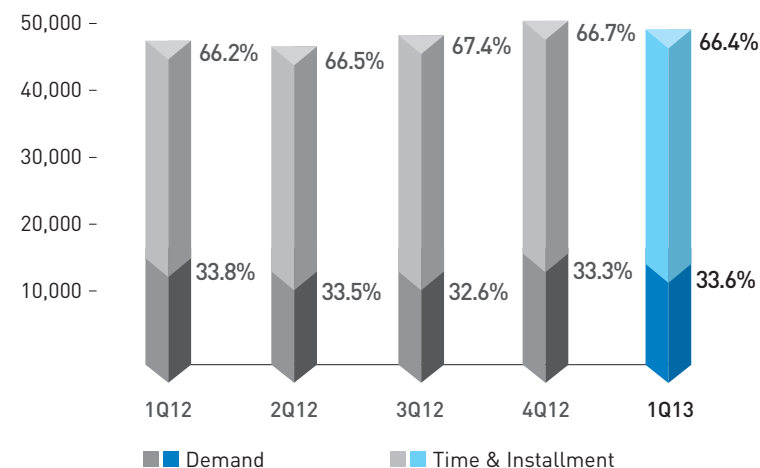
	CONSOLIDATED					BANK				
	1Q13	4Q12	Ytd	1Q12	YoY	1Q13	4Q12	Ytd	1Q12	YoY
Cash & Due from Banks	7,376.4	8,093.8	-8.9%	9,731.8	-24.2%	5,966.6	6,929.2	-13.9%	8,601.6	-30.6%
Financial Assets	14,689.8	13,668.8	+7.5%	13,329.7	+10.2%	14,086.1	13,498.1	+4.4%	13,137.9	+7.2%
Loans & Discounts	71,261.7	70,354.0	+1.3%	67,029.0	+6.3%	67,289.6	66,459.2	+1.2%	63,657.0	+5.7%
Credit Card Receivables	2,287.7	2,576.7	-11.2%	2,305.2	-0.8%	2,287.7	2,576.7	-11.2%	2,305.2	-0.8%
Other Assets	10,609.4	9,394.6	+12.9%	10,630.3	-0.2%	11,480.4	10,329.7	+11.1%	11,534.5	-0.5%
Merchant Banking Assets	1,528.4	2,488.2	-38.6%	1,130.6	+35.2%	1,628.4	2,578.2	-36.8%	1,130.6	+44.0%
Total Assets	105,465.6	104,001.2	+1.4%	101,851.4	+3.5%	100,451.0	99,794.4	+0.7%	98,061.6	+2.4%
Deposits	66,431.6	66,781.6	-0.5%	63,983.4	+3.8%	62,597.4	63,548.8	-1.5%	61,372.2	+2.0%
Borrowings	7,488.9	6,925.7	+8.1%	9,202.8	-18.6%	7,005.5	6,562.5	+6.7%	8,761.9	-20.0%
Debentures	6,289.6	6,173.4	+1.9%	5,073.9	+24.0%	5,969.8	5,810.1	+2.7%	4,662.5	+28.0%
Other Liabilities	14,966.7	14,509.9	+3.1%	13,874.4	+7.9%	14,822.5	14,397.6	+3.0%	13,757.8	+7.7%
Merchant Banking Liabilities	1,558.3	528.7	+194.7%	857.8	+81.7%	1,558.3	528.7	+194.7%	857.9	+81.6%
Shareholders' Equity	8,730.5	9,081.9	-3.9%	8,859.2	-1.5%	8,497.5	8,946.7	-5.0%	8,649.3	-1.8%
Liabilities & Shareholders' Equity	105,465.6	104,001.2	+1.4%	101,851.4	+3.5%	100,451.0	99,794.4	+0.7%	98,061.6	+2.4%

C-2 DEPOSITS (CONSOLIDATED)

LOAN-TO-DEPOSIT RATIO (Excl. CD) [Average balance]



KRW DEPOSITS [KRW billion]

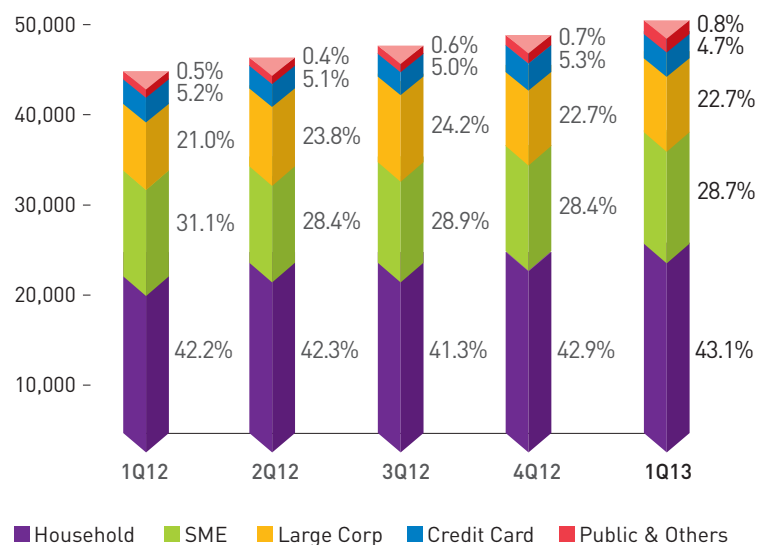


[End of period, KRW billion]

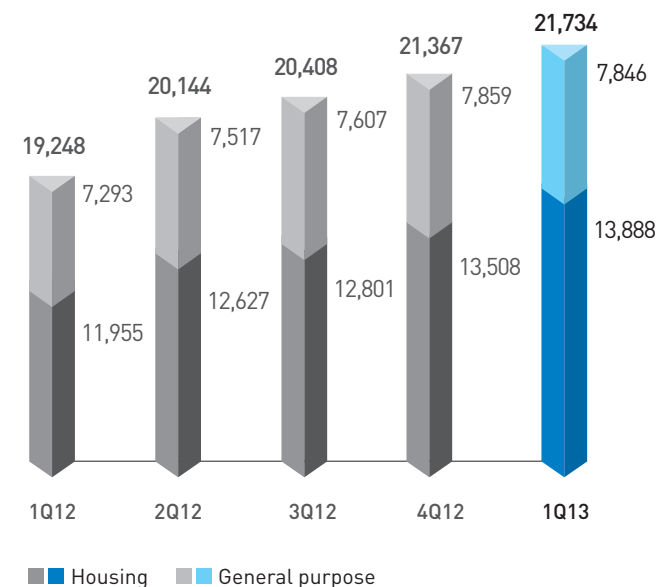
	1Q13	4Q12	YtD	1Q12	YoY
Total Deposits	66,431.6	66,781.6	-0.5%	63,983.4	+3.8%
KRW Deposits & CDs	49,891.7	50,023.2	-0.3%	48,163.5	+3.6%
Demand Deposits	16,706.9	16,585.5	+0.7%	16,287.1	+2.6%
Time & Installment Deposits	32,994.5	33,158.9	-0.5%	31,848.8	+3.6%
Foreign Currency Deposits & CDs	16,539.9	16,758.3	-1.3%	15,819.8	+4.6%
Demand Deposits	9,758.2	10,038.1	-2.8%	9,149.5	+6.7%
Time & Installment Deposits	6,523.1	6,719.6	-2.9%	6,668.5	-2.2%
KRW Deposits & CDs / Total Deposits	75.1%	74.9%	+0.3%	75.3%	-0.2%

C-3 KRW LOANS (BANK)

LOANS IN KRW BY TYPE [KRW billion]



HOUSEHOLD LOANS IN KRW [KRW billion]

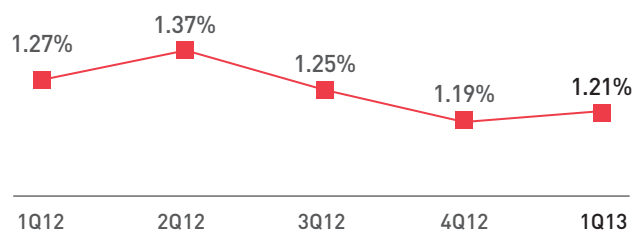


[End of period, KRW billion]

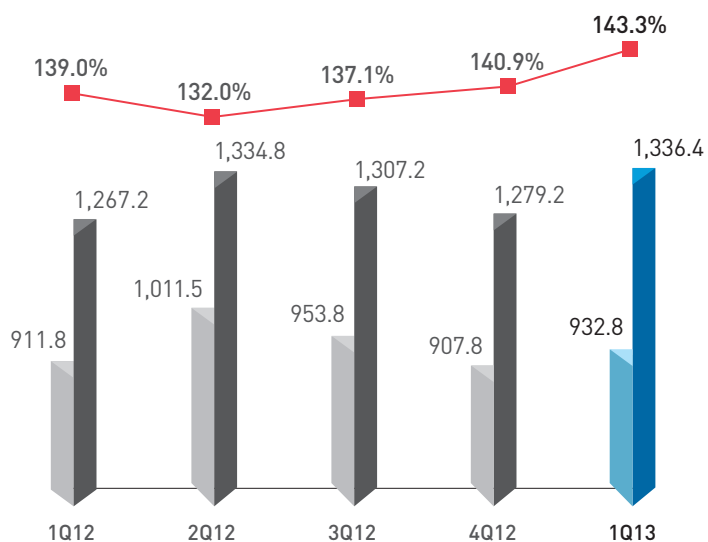
	1Q13	4Q12	YtD	1Q12	YoY
Bank Loans & Discounts	71,261.7	70,354.0	+1.3%	67,029.0	+6.3%
Total KRW Loans	50,375.5	49,804.6	+1.1%	45,580.9	+10.5%
Household	21,734.0	21,366.8	+1.7%	19,247.9	+12.9%
SMEs	14,453.3	14,129.1	+2.3%	14,169.7	+2.0%
Large Corp	11,424.8	11,286.1	+1.2%	9,571.9	+19.4%
Credit Card	2,371.6	2,661.3	-10.9%	2,377.9	-0.3%
Public & Others	391.8	361.3	+8.4%	213.5	+83.6%

D-1 ASSET QUALITY SUMMARY (BANK)

NPL RATIO



NPL COVERAGE [KRW billion]



■ NPL Coverage Ratio ■ NPL ■ Coverage Reserve

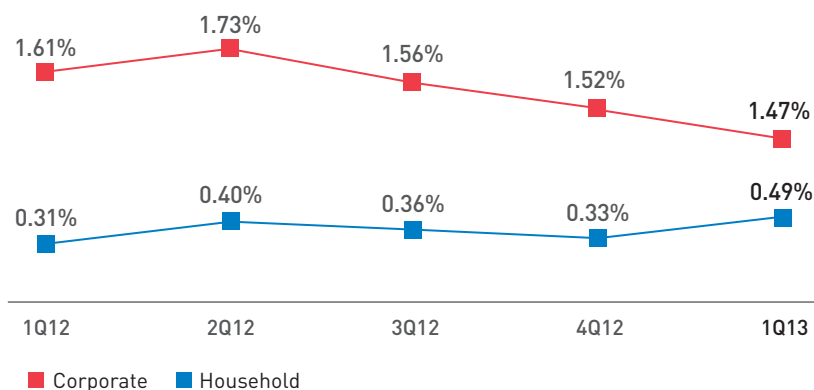
[End of period, KRW billion]

	1Q13	4Q12	YtD	1Q12	YoY
Total Credits	77,141.2	76,270.5	+1.1%	72,064.7	+7.0%
Normal	74,800.8	74,063.9	+1.0%	69,944.1	+6.9%
Precautionary	1,407.6	1,298.8	+8.4%	1,208.8	+16.4%
Substandard	554.5	558.8	-0.8%	415.7	+33.4%
Doubtful	259.8	241.3	+7.7%	406.7	-36.1%
Estimated Loss	118.5	107.7	+10.0%	89.4	+32.6%
NPL	932.8	907.8	+2.8%	911.8	+2.3%
NPL Ratio	1.21%	1.19%	+1.6%	1.27%	-4.4%
Coverage Reserve	1,336.4	1,279.2	+4.5%	1,267.2	+5.5%
NPL Coverage Ratio	143.3%	140.9%	+1.7%	139.0%	+3.1%

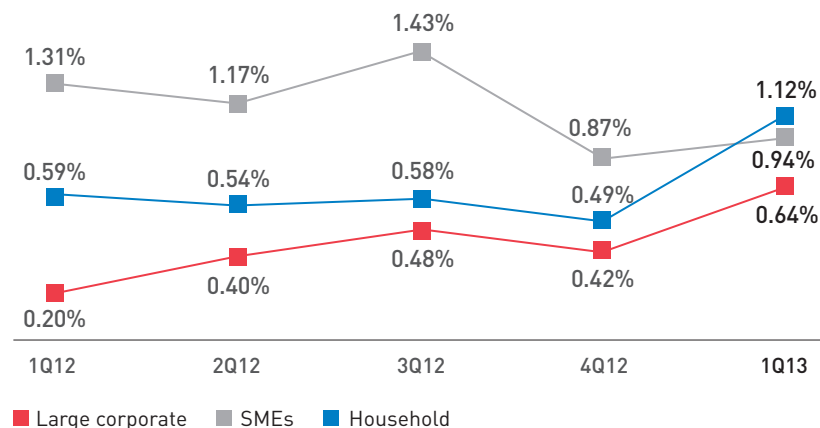
* Coverage Reserve: Reserve used in the NPL coverage ratio calculation, which includes the reserve for credit losses

D-2 NPL & DELINQUENCY BY BORROWER TYPE (BANK)

NPL RATIO BY BORROWER TYPE



DELINQUENCY RATIO BY BORROWER TYPE



[End of period, KRW billion]

	1Q12	2Q12	3Q12	4Q12	1Q13
Corporate					
Credits	50,361.9	51,457.4	53,560.0	52,170.6	52,965.2
NPL	811.6	888.0	835.9	792.6	779.0
NPL Ratio	1.61%	1.73%	1.56%	1.52%	1.47%
Household					
Credits	19,315.4	20,205.7	20,466.2	21,429.4	21,795.4
NPL	59.5	81.0	74.6	69.9	107.5
NPL Ratio	0.31%	0.40%	0.36%	0.33%	0.49%

[End of period, KRW billion]

	1Q12	2Q12	3Q12	4Q12	1Q13
Total Loans*	61,767.6	63,847.4	66,164.6	65,254.3	66,112.9
Delinquent Loans	434.8	449.4	536.4	401.5	612.3
Delinquency Ratio	0.70%	0.70%	0.81%	0.62%	0.93%
Large Corporate	0.20%	0.40%	0.48%	0.42%	0.64%
SMEs	1.31%	1.17%	1.43%	0.87%	0.94%
Household	0.59%	0.54%	0.58%	0.49%	1.12%

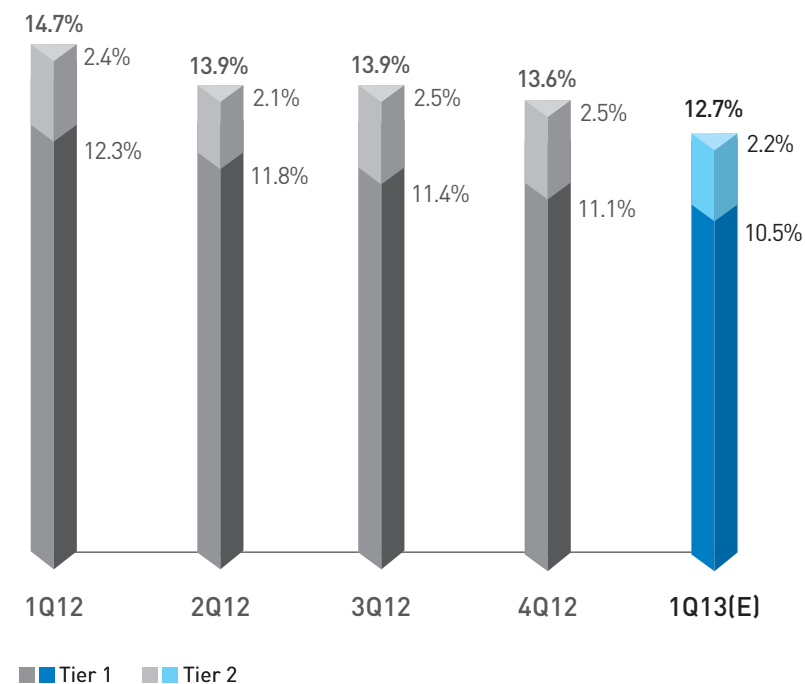
* Excludes call loans

E CAPITAL ADEQUACY

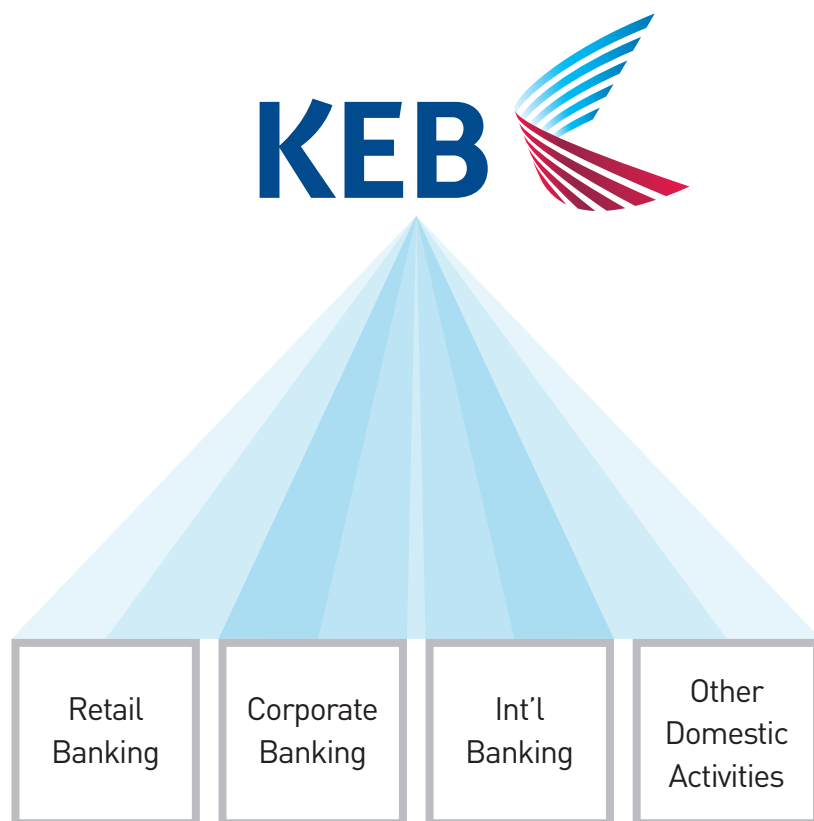
[End of period, KRW billion]

	1Q12	2Q12	3Q12	4Q12	1Q13
RWA	60,450.1	64,070.0	66,969.9	68,233.0	67,915.9
BIS Capital	8,883.2	8,886.6	9,304.3	9,272.1	8,591.1
Tier 1	7,416.8	7,560.8	7,627.5	7,548.2	7,154.2
Capital	3,224.5	3,224.5	3,224.5	3,224.5	3,224.5
Capital Surplus	0.9	0.9	0.9	0.9	0.9
Retained Earnings	4,031.8	4,177.1	4,272.9	4,292.1	4,311.8
Other	2.3	2.3	2.3	2.1	2.1
Hybrid Debentures	247.5	247.5	247.5	247.5	247.5
Other Deduction	-90.3	-91.6	-120.6	-218.9	-632.6
Tier 2	1,466.4	1,325.8	1,676.8	1,724.0	1,436.8
BIS Ratio	14.70%	13.87%	13.89%	13.59%	12.65%
Tier 1 Ratio	12.27%	11.80%	11.39%	11.06%	10.53%

BIS RATIO (BASEL II)



CORE BUSINESS



HISTORY

- 1967
 - Established as a government-owned policy bank specializing in foreign exchange & international trade finance
- 1989
 - Converted a commercial bank due to the repeal of the Korea Exchange Bank Act
- 1991
 - Partially privatized through rights offering to public
- 1994
 - Listed on the Korea Stock Exchange
- 1998
 - Commerzbank took a major position after the asian financial crisis
- 2003
 - Lone Star became the largest shareholder
- 2004
 - KEB merged with KEB Credit Services Co.
- 2012
 - Hana Financial Group became the largest shareholder