

2010 Earnings Release





Disclaimer

- The operating results presented herein have not yet received a complete and full review by the external auditor and the Board of Directors, and may be subject to change in the due course of further process.
- This document contains certain financial information and results of operation, and may also contain projections, plans, strategies, and objectives of the Industrial Bank of Korea (“IBK”), which are not statements of historical facts but would be treated as forward-looking statements within the meaning of applicable laws. Forward-looking statements are subject to risks and uncertainties that may cause actual events and IBK’s further results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by IBK, or indicated by any such forward-looking statements will be achieved.
- Some of the totals may not sum due to the rounding.



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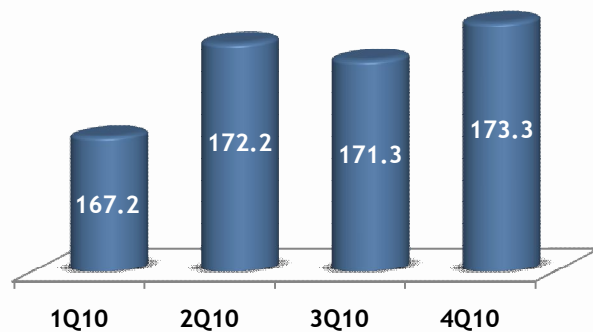


I Financial Highlights

Financial Highlights

Total Assets

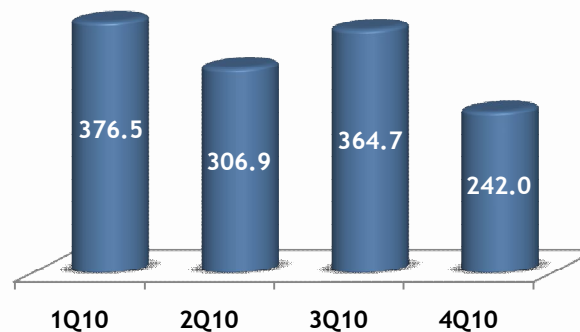
(KRW tr)



▪ Trust accounts included

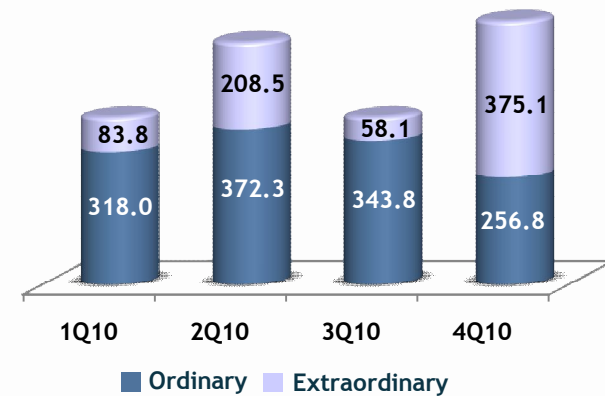
Net Income

(KRW bn)



Provisioning

(KRW bn)

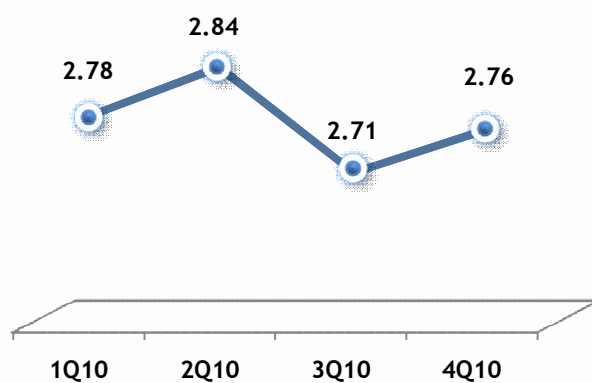


■ Ordinary ■ Extraordinary

NIM

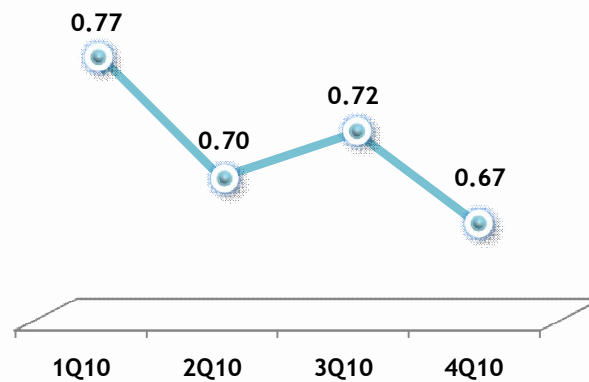
(%)

(Quarterly)



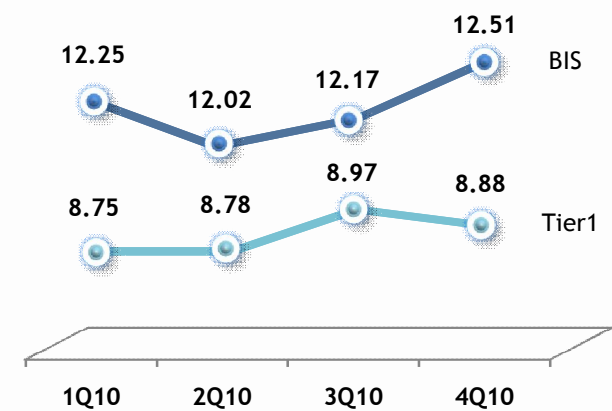
Total Delinquency

(%)



BIS CAR

(%)



▪ 4Q10 figures are preliminary

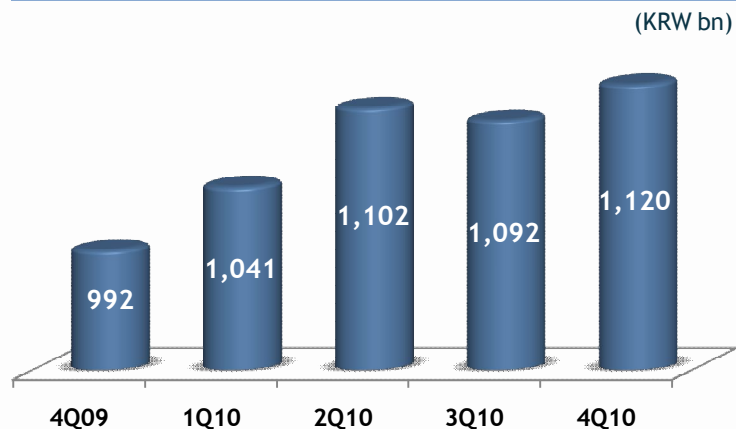


II Profitability

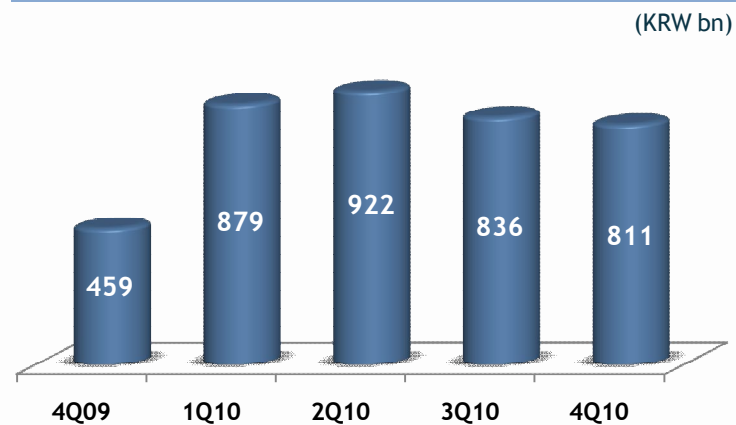
1. Income Statement
2. Interest Income
3. Non-interest Income
4. SG&A Expenses

Income Statement

Interest Income



PPOP

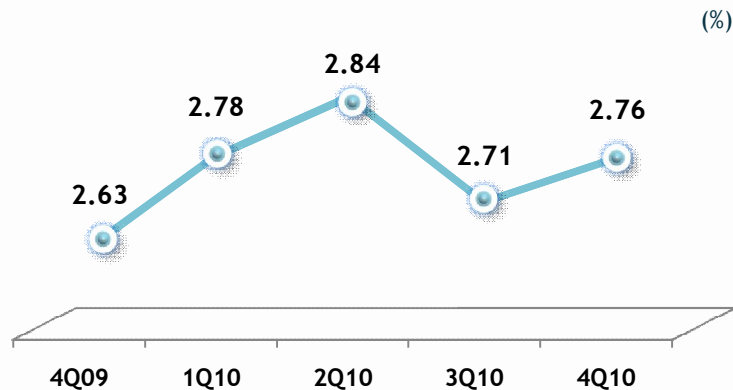


(KRW bn)	4Q10	3Q10	FY10	FY09	YoY
Net Interest Income	1,120.1	1,092.1	4,355.2	3,561.3	22.3%
Net Non-interest Income	78.2	75.1	487.4	-178.0	373.8%
SG&A Expenses	387.2	331.7	1,395.3	1,363.4	2.3%
Pre-provisioning Operating Profit	811.1	835.5	3,447.3	2,019.9	70.7%
Net Provisioning ¹⁾	489.9	371.1	1,796.0	1,178.3	52.4%
Operating Income	321.1	464.4	1,651.4	841.6	96.2%
Non-operating Income	11.5	17.0	59.3	59.5	-0.3%
Pre-tax Income	332.7	481.3	1,710.7	901.2	89.8%
Income Tax	90.7	116.6	420.5	190.7	120.5%
Net Income	242.0	364.7	1,290.1	710.5	81.6%

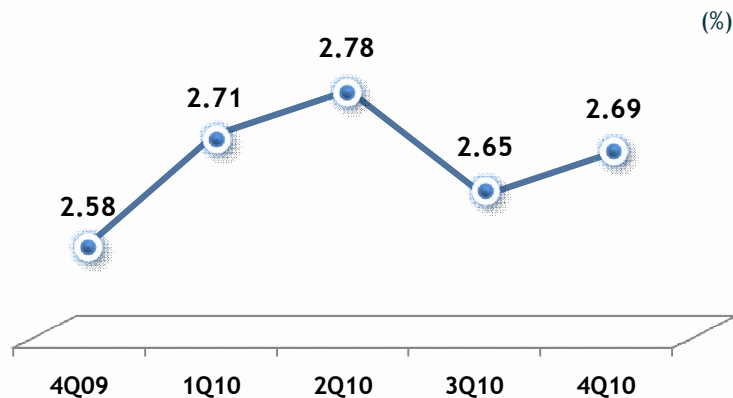
1) Refer to p16 for net provisioning details

Interest Income

NIM (Quarterly)



NIS (Quarterly)

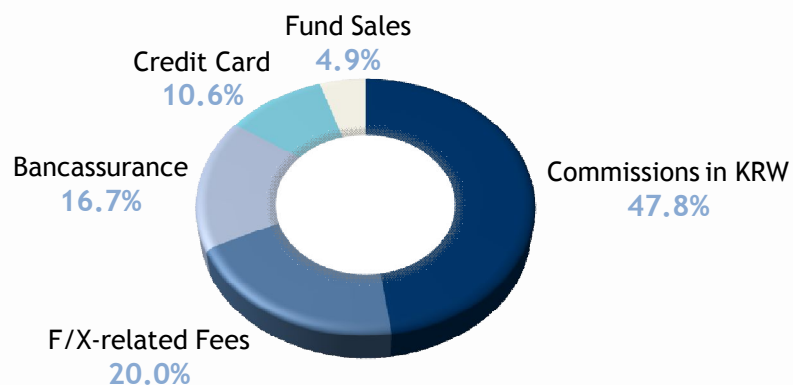


(KRW bn)	4Q10	3Q10	FY10	FY09	YoY
Interest Income	2,164.1	2,151.5	8,567.7	8,141.1	5.2%
Loans	1,745.8	1,723.4	6,843.5	6,473.4	5.7%
Credit Card Receivables	117.1	114.2	468.1	441.6	6.0%
(Credit Purchase)	(102.6)	(99.3)	(408.0)	(368.7)	(10.7%)
Securities	225.7	237.5	974.2	964.8	1.0%
Other Loans, Dues, etc.	75.5	76.4	282.0	261.5	7.8%
Interest Expenses	1,044.0	1,059.4	4,212.5	4,579.8	-8.0%
Deposits	291.3	291.9	1,157.2	1,085.0	6.7%
SMIF Bonds, etc.	752.7	767.5	3,055.3	3,494.8	-12.6%
Net Interest Income	1,120.1	1,092.1	4,355.2	3,561.3	22.3%

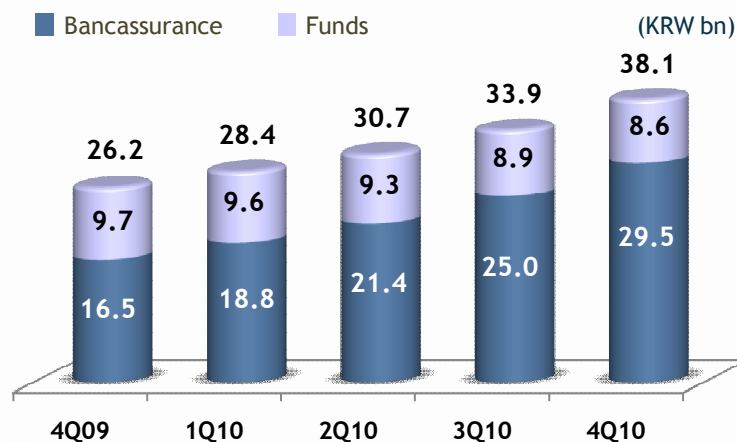
(%)	FY09				FY10			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
NIS(Quarterly)	2.27	2.25	2.35	2.58	2.71	2.78	2.65	2.69
Yield on IEA	6.43	5.87	5.68	5.80	5.89	5.85	5.63	5.62
Yield on IBL	4.16	3.62	3.33	3.22	3.18	3.07	2.98	2.93

Non-Interest Income

Fee Income Breakdown



Bancassurance/Fund Sales Fee

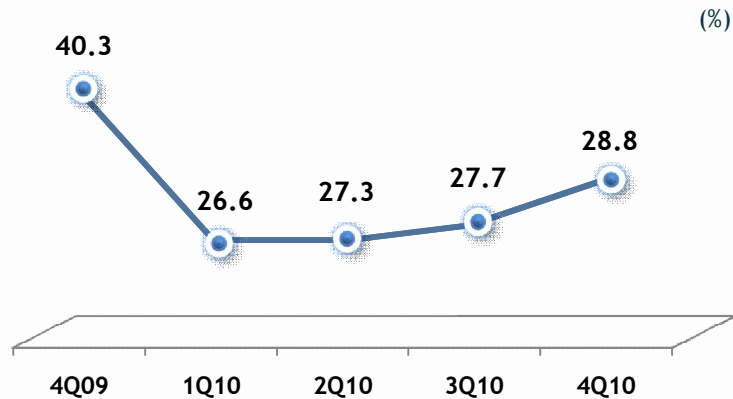


(KRW bn)	4Q10	3Q10	FY10	FY09	YoY
Fee Income	176.7	154.2	619.0	560.0	10.5%
Commissions in KRW	84.4	68.0	282.0	241.8	16.6%
F/X-related Fees	35.3	33.9	135.9	124.2	9.4%
Bancassurance	29.5	25.0	94.8	93.7	1.2%
Credit Card	18.8	18.3	70.1	61.2	14.5%
Fund Sales	8.6	8.9	36.3	39.2	-7.4%
Other Non-interest Income	-98.5	-79.1	-131.6	-738.0	82.2%
Securities-related Gain	72.7	64.4	387.1	76.8	404.0%
Gain/Loss on Disposal of Loans	-37.7	25.6	31.0	-374.9	108.3%
Others ¹⁾	-140.4	-175.7	-576.1	-462.2	-24.6%
Trust Income	6.9	6.6	26.4	22.3	18.4%
Net Non-interest Income	78.2	75.1	487.4	-178.0	373.8%

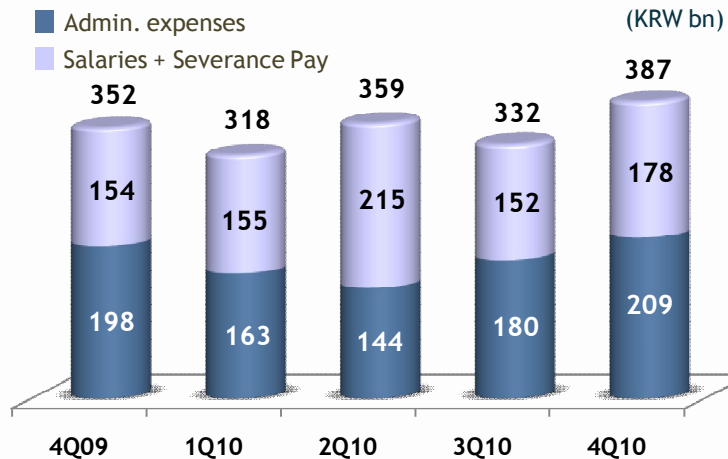
1) Contributions to Credit Guarantee Fund, Deposit Insurance Premium, Gain/Loss from F/X Transactions & Derivatives, etc.

SG&A Expenses

Cost Income Ratio



SG&A



(KRW bn)	4Q10	3Q10	FY10	FY09	YoY
SG&A Expenses	387.2	331.7	1,395.3	1,363.4	2.3%
Salaries	163.5	143.8	650.7	619.5	5.0%
Admin. Expenses	209.5	179.8	696.6	677.7	2.8%
(Depreciation)	(28.9)	(22.7)	(91.6)	(100.7)	(-9.0%)
Provisions for Severance Pay	14.1	8.0	47.9	66.2	-27.6%
Non-operating Income	11.5	17.0	59.3	59.5	-0.3%
Equity Method Gain	14.7	13.5	57.4	64.1	-10.5%
Others	-3.1	3.4	1.9	-4.5	142.2%

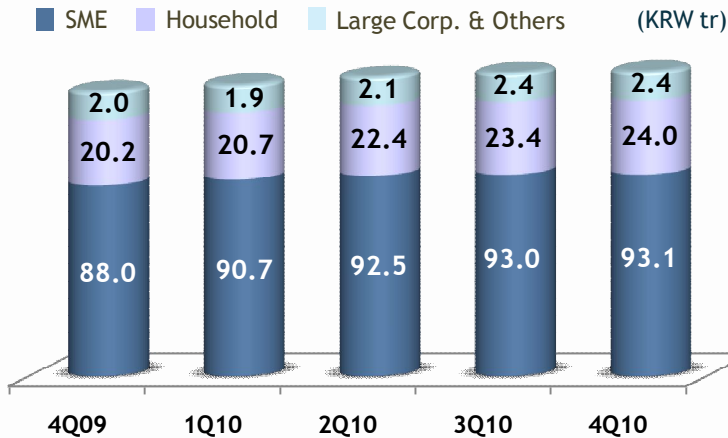


III Loans / Deposits

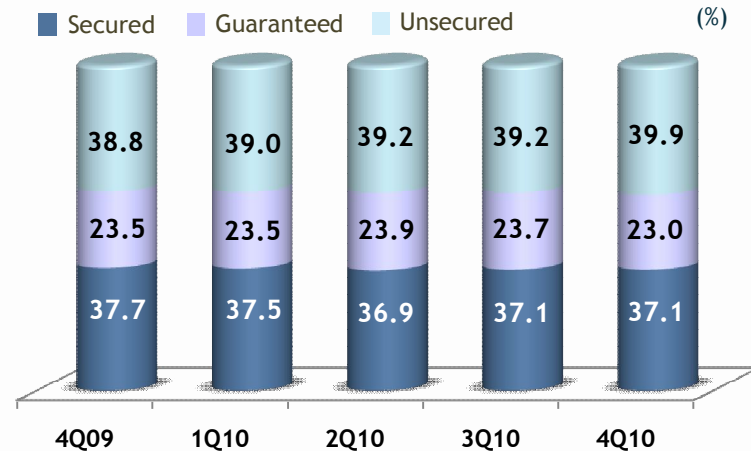
1. Loan Portfolio
2. Deposit Structure

Loan Portfolio

Total Loans



SME Loans by Collateral



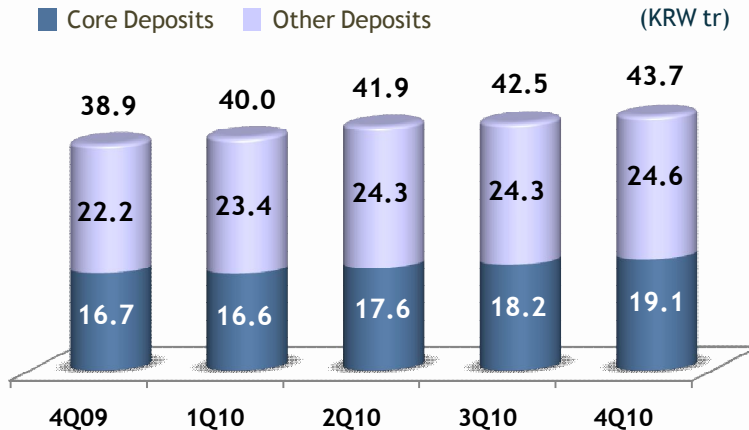
(KRW bn)	4Q10	QoQ	3Q10	YTD	FY09
SME	93,100	0.1%	92,979	5.8%	88,009
Working Capital	62,928	-0.5%	63,266	4.5%	60,216
CAPEX	30,172	1.5%	29,713	8.6%	27,793
Household ¹⁾	24,005	2.5%	23,411	18.9%	20,185
General	21,044	3.4%	20,359	14.6%	18,366
(Home Equity)	(10,164)	(2.8%)	(9,887)	(12.0%)	(9,075)
Housing Loan	2,961	-3.0%	3,052	62.8%	1,819
Large Corp.	1,882	-1.3%	1,907	16.7%	1,613
Others	517	2.6%	504	29.3%	400
Total	119,504	0.6%	118,801	8.4%	110,207

■ Loan Portfolio Mix : SME 77.9%, Household 20.1%, Large Corp. & Others 2.0%

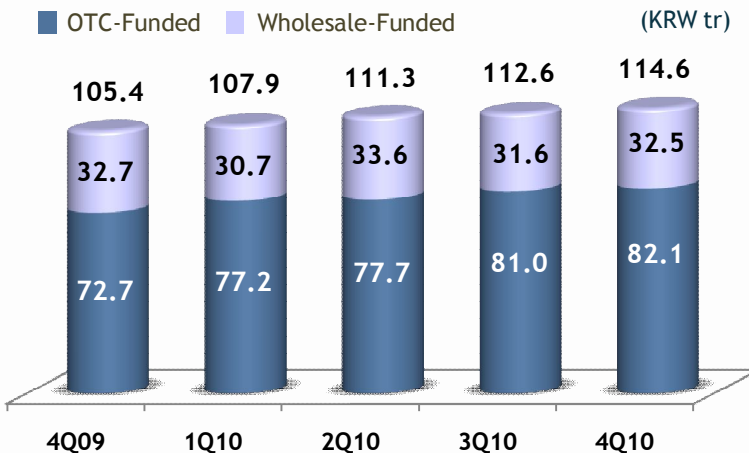
1) 52.9bn of Credit Card Loans included

Deposit Structure

Deposits



Funding Breakdown



(KRW bn)	4Q10	QoQ	3Q10	YTD	FY09
Core Deposits ¹⁾	19,123	5.1%	18,197	14.9%	16,649
MMDA	6,019	-3.7%	6,251	4.6%	5,757
Other Deposits	18,539	2.5%	18,086	12.5%	16,477
Deposits	43,681	2.7%	42,535	12.3%	38,883
CD, Covered Bills, RP	14,427	-6.6%	15,452	7.5%	13,416
SMIF Bonds	56,479	3.4%	54,615	6.3%	53,116
(OTC-funded)	(24,526)	(4.0%)	(23,576)	(17.1%)	(20,948)
Sub Total	114,587	1.8%	112,602	8.7%	105,415
Trust ²⁾	6,312	13.8%	5,546	12.9%	5,590
Total Deposits	120,899	2.3%	118,148	8.9%	111,005

▪ Based on monthly average B/S balance

1) Core Deposits: Corporate Free Savings + Savings Deposits + Demand Deposits (excluding MMDA)

2) Money Trust (excluding fund sales)

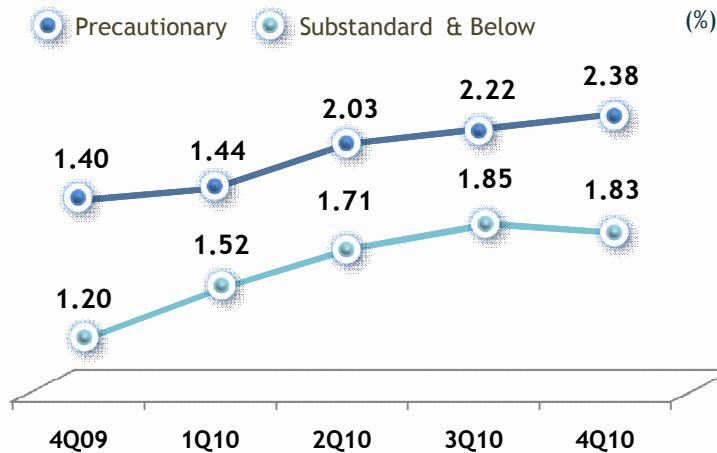


IV Asset Quality

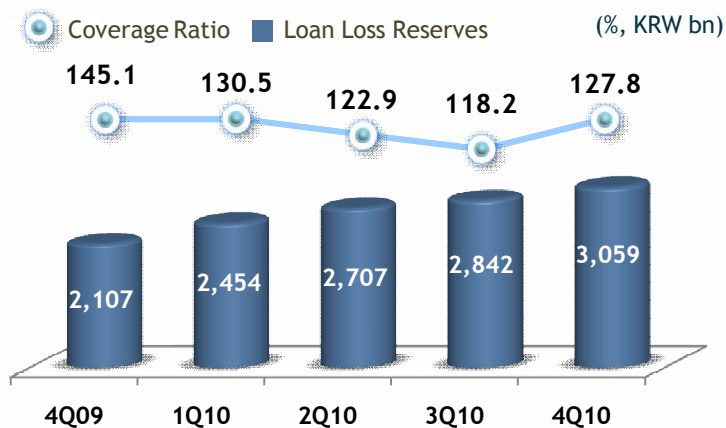
- 1. Asset Quality**
- 2. Provisions**
- 3. Delinquency**

Asset Quality

Precautionary / Substandard & below



NPL Coverage Ratio / LLR

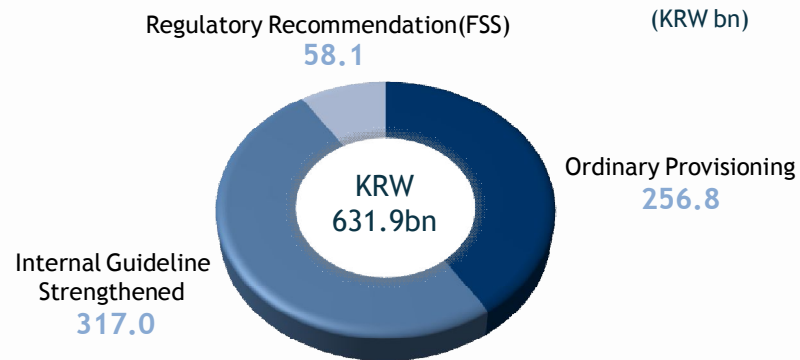


(KRW bn)	4Q10	3Q10	2Q10	1Q10
Normal	125,491	124,599	123,953	119,948
Precautionary	3,115	2,886	2,610	1,779
Substandard	1,431	1,566	1,469	1,246
Doubtful	540	353	286	161
Estimated Loss	422	487	447	472
Total	130,999	129,891	128,765	123,606
Substandard & Below	2,393	2,406	2,202	1,880
Substandard & Below Ratio	1.83%	1.85%	1.71%	1.52%
Loan Loss Reserves (LLR) ¹⁾	3,059	2,842	2,707	2,454
Coverage Ratio	127.8%	118.2%	122.9%	130.5%
Write-offs (Quarterly)	232.5	162.3	220.7	67.6

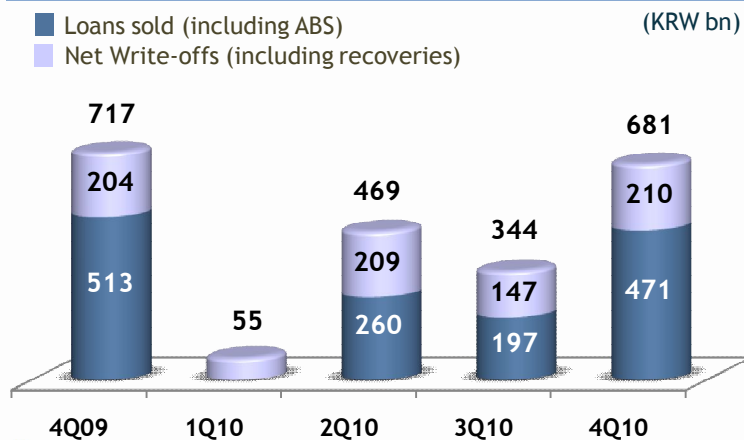
1) Include reserves for bond valuation, but exclude reserves for unused credit lines and unconfirmed acceptances & guarantees

Provisions

Provisions Breakdown



Write-offs / NPL Sales

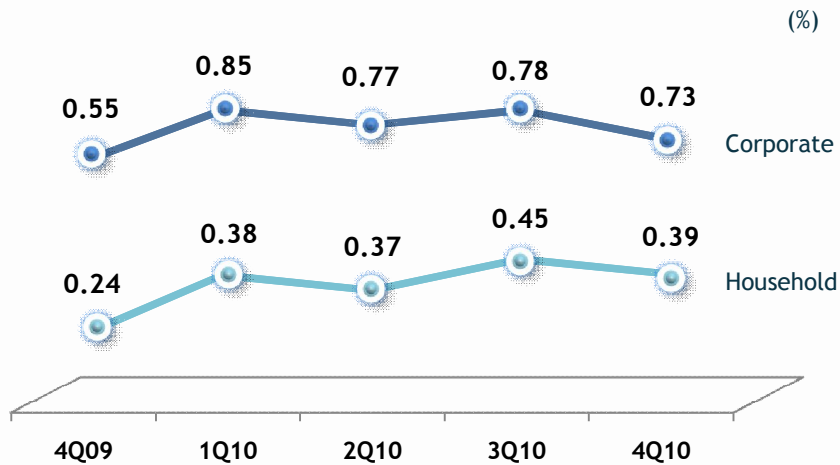


(KRW bn)	4Q10	3Q10	2Q10	1Q10
Corporate	612.8	370.9	544.3	372.3
Provisions	602.5	358.8	532.3	367.4
Other Reserves (Unused Credit Line)	10.3	12.1	12.0	4.9
Household	13.0	20.1	27.1	15.4
Provisions	12.9	20.1	26.9	14.8
Other Reserves (Unused Credit Line)	0.1	0.0	0.2	0.6
Credit Card	6.1	10.9	9.4	14.1
Provisions	8.7	8.1	9.9	8.7
Other Reserves (Unused Credit Line)	-2.6	2.8	-0.5	5.4
Sub Total	631.9	401.9	580.8	401.8
Other Provisions ¹⁾	-141.9	-30.8	-42.9	-4.8
Net Provisioning	490.0	371.1	537.9	397.0

1) Include write-back from NPL sales (KRW 164.2bn)

Delinquency

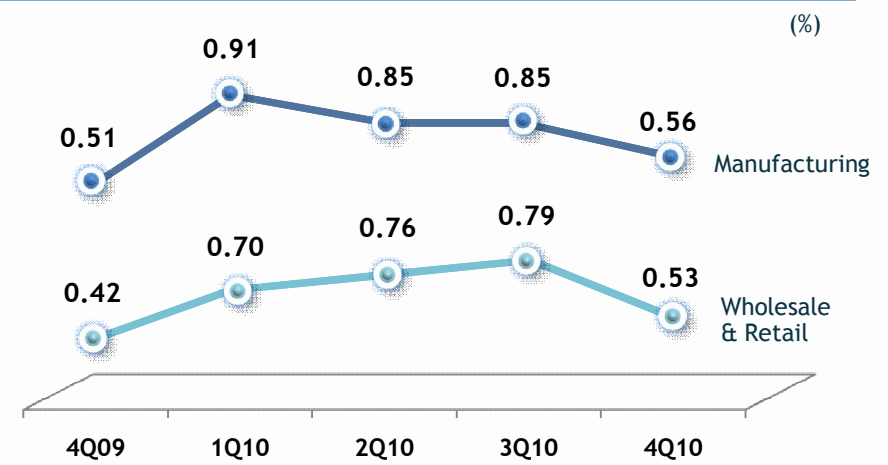
Delinquency by Operation



(%)	4Q09	1Q10	2Q10	3Q10	4Q10
Total	0.50	0.77	0.70	0.72	0.67
Corporate	0.55	0.85	0.77	0.78	0.73
Household	0.24	0.38	0.37	0.45	0.39
Credit Card	1.50	1.26	0.91	1.09	1.13

▪ Principal or Interest of 30+ days past due

Delinquency by Industry



(%)	4Q09	1Q10	2Q10	3Q10	4Q10
Manufacturing	0.51	0.91	0.85	0.85	0.56
Construction	1.39	1.28	1.10	1.55	1.59
Wholesale & Retail	0.42	0.70	0.76	0.79	0.53
Lease & Rental	0.79	0.31	0.17	3.35	1.51
Lodging & Dining	0.24	0.92	0.63	0.91	0.86

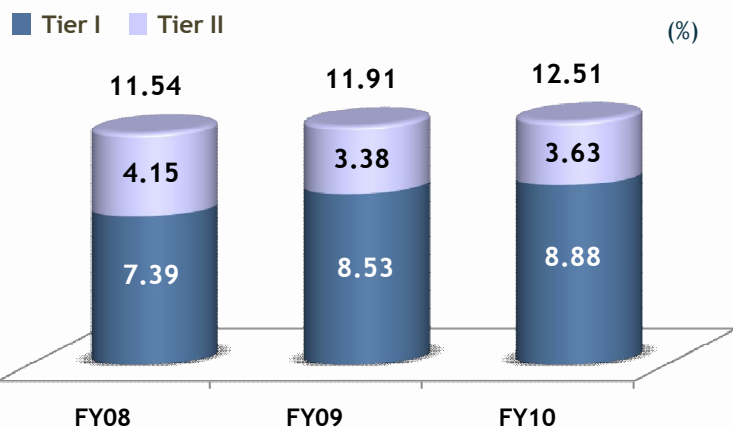
▪ Principal or Interest of 30+ days past due

The background features a stylized world map in light blue. Overlaid on the map are several white, curved lines that resemble orbital paths or data flow. In the bottom left corner, there is a 3D rendering of a globe with blue and white continents, surrounded by three intersecting silver rings. A thick, dark blue wavy line runs along the bottom edge of the image.

Capital Adequacy

Capital Adequacy

BIS CAR



▪ Based on Basel II Standardized Approach

Top 3 Investment Securities

Name	Ownership	Valuation Gains
KT&G	6.45%	KRW 402.5bn
Shinsegae	3.37%	KRW 76.0bn
SK Networks	0.92%	KRW 17.1bn

(KRW bn)	FY10	FY09
Tier I	10,196	9,122
Paid-in Capital	2,996	2,984
Capital Surplus	455	436
Retained Earnings	6,304	5,167
Hybrid Capital	824	824
Minority Interest	219	241
Tier II	4,167	3,616
LLR	1,442	1,341
45% of Gains on Valuation of Investment Securities	251	221
Subordinated Bonds	2,658	2,240
Total	14,363	12,738
Risk-weighted Assets	114,839	106,931
BIS CAR (%)	12.51	11.91
Tier I	8.88	8.53
Tier II	3.63	3.38

▪ FY10 figures are preliminary

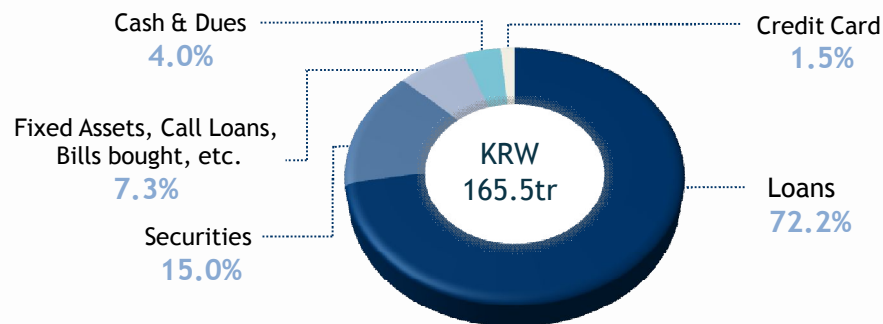


VI Appendix

- 1. Funding & Operations**
- 2. SME Loans by Industry**
- 3. Provision Details I**
- 4. Provision Details II**

Funding & Operations

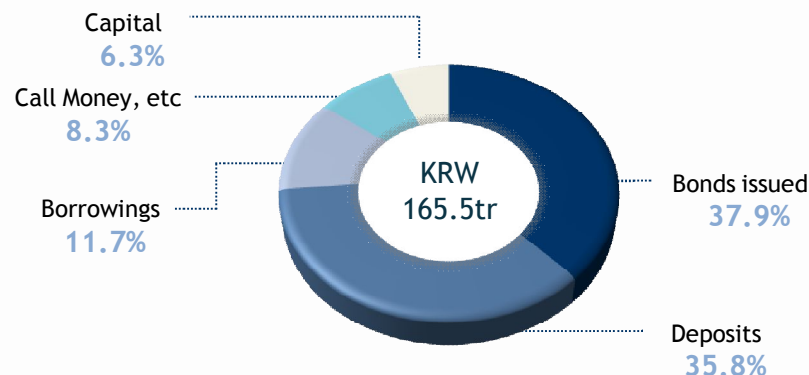
Operations



(KRW bn)	FY10	FY09
Loans	119,504	110,207
Securities	24,770	24,020
Cash & Dues	6,603	3,866
Credit Card	2,496	2,253
Fixed Assets, Call Loans, Bills Bought, etc.	12,103	10,571
Total	165,476	150,917

▪ B/S Balance (Bank accounts)

Funding



(KRW bn)	FY10	FY09
Deposits ¹⁾	59,157	52,506
Bonds Issued	62,752	58,856
SMIF Bonds	56,726	53,523
(OTC-funded)	(25,320)	(21,160)
Borrowings	19,272	19,835
Gov't & Public Fund	15,029	14,448
FCY	3,728	5,242
Capital	10,489	9,216
Call Money, Deposits in FCY	13,806	10,505
Total	165,476	150,917

▪ B/S Balance (Bank accounts)

1) Deposits in KRW + CD + Covered Bills + RP

SME Loans by Industry

(KRW bn)	FY10				FY09	
	Amount	(%)	Change	(%p)	Amount	(%)
Manufacturing	59,102	63.5	3,233	0.0	55,869	63.5
Textile	2,339	2.5	76	-0.1	2,263	2.6
Apparel & Leather	1,568	1.7	49	0.0	1,519	1.7
Chemical Products	3,251	3.5	221	0.1	3,030	3.4
Rubber & Plastic Products	4,950	5.3	365	0.1	4,585	5.2
Basic Metals	4,285	4.6	361	0.1	3,924	4.5
Fabricated Metals	8,178	8.8	523	0.1	7,655	8.7
Other Machinery	10,811	11.6	702	0.1	10,109	11.5
Electronic Machinery	3,288	3.5	297	0.1	2,991	3.4
Communications Devices	4,785	5.1	185	-0.1	4,600	5.2
Automobiles	4,355	4.7	22	-0.2	4,333	4.9
Others	11,292	12.1	432	-0.2	10,860	12.3
Construction	4,198	4.5	-908	-1.3	5,106	5.8
(Project Financing)	716	0.8	-765	-0.9	1,481	1.7
Wholesale & Retail	15,059	16.2	1,132	0.4	13,927	15.8
Lease & Rental	5,198	5.6	1,039	0.9	4,159	4.7
Lodging & Dining	622	0.6	-39	-0.2	661	0.8
Others	8,921	9.6	635	0.2	8,286	9.4
Transport & Warehousing	1,376	1.5	180	0.1	1,196	1.4
Business Services ¹⁾	1,331	1.4	122	0.0	1,209	1.4
Other Services ²⁾	6,214	6.7	332	0.0	5,882	6.7
Total	93,100	100.0	5,091	0.0	88,009	100.0

▪ SME Loans (including Loans in FCY)

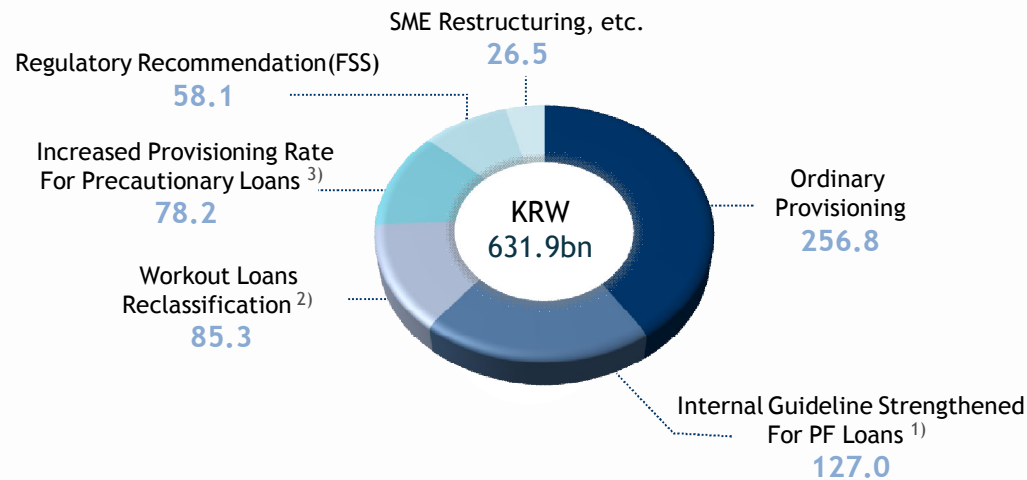
1) Information Processing, R&D Business, Technology Services, Assistance Services, etc.

2) Agriculture, Forestry, Fishery, Mining, Electricity/Gas/Water, Education, Finance/Insurance, Government Services, etc.

Provision Details I

4Q10

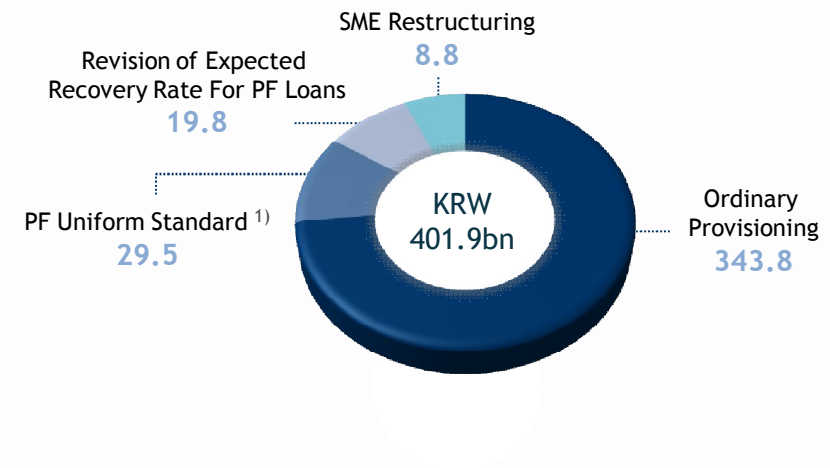
(KRW bn)



- 1) Asset quality reclassification & appliance of higher provisioning rate
- 2) Asset quality reclassification for workout loans (Sub. Std. → Est. Loss)
- 3) Provisioning rate was raised for all precautionary loans (7% → 12%)

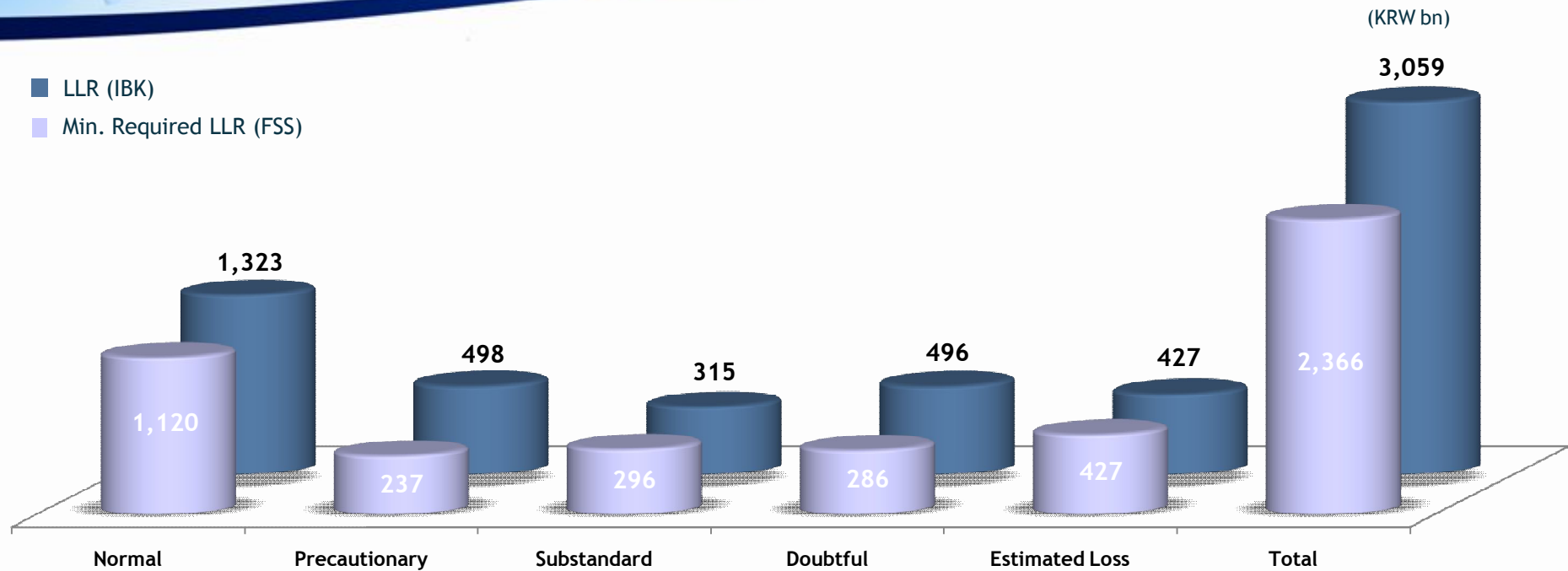
3Q10

(KRW bn)



- 1) Substandard & below and provisions are increased by W68.6bn and W29.5bn respectively

Provision Details II



(KRW bn, %)	Norm.	Precaut.	Subst.	Doubtful	Est. Loss	Total
Total Credit (A)	125,492	3,115	1,431	540	422	131,000
LLR (IBK) (B)	1,323	498	315	496	427	3,059
Provisioning Rate (B/A)	1.1%	16.0%	22.0%	90.0%	100.0%	
Min. Required LLR (FSS) (AXC) ¹⁾	1,120	237	296	286	427	2,366
Min. Required Provisioning Rate (C) ²⁾	0.85%	7.0%	20.0%	50.0%	100.0%	

1) Based on min. required provisioning rate & Credit Conversion Factor for Corporate/Household/Credit Card

2) Corporate min. provisioning rate (refer to FSS guideline for Household & Credit Card)