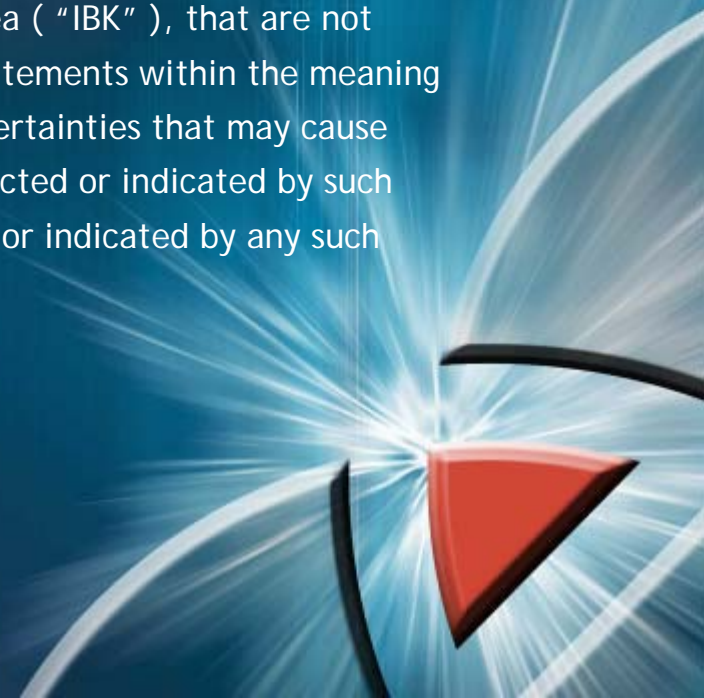


Financial Results for First Quarter of 2008

April 2008

Disclaimer

- The operating results presented herein have not yet received a complete and full review by external auditor and Board of Directors, which 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"), that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law. 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.



Contents

- I. Financial Highlights
- II. Profitability
- III. Loans/Deposits
- IV. Asset Quality
- V. Capital Adequacy
- VI. Appendix



I . Financial Highlights

Growth

- Total Asset grew by 4.1% YTD to W129.4tr
- SME Loans increased by 3.9% YTD
- Household Loans increased by 0.1% YTD

Profitability

- NI increased by 14.7% YoY to W325.1bn (Excl. LG Card share disposal gain)
- 1Q NIM decreased by 2bp QoQ to 2.54%
- 1Q08 RoA 1.06%, RoE 19.60% (Figures are annualized)

Asset Quality

- Substandard & Below Ratio recorded at 0.91%
- Total Delinquency Ratio recorded at 0.85%

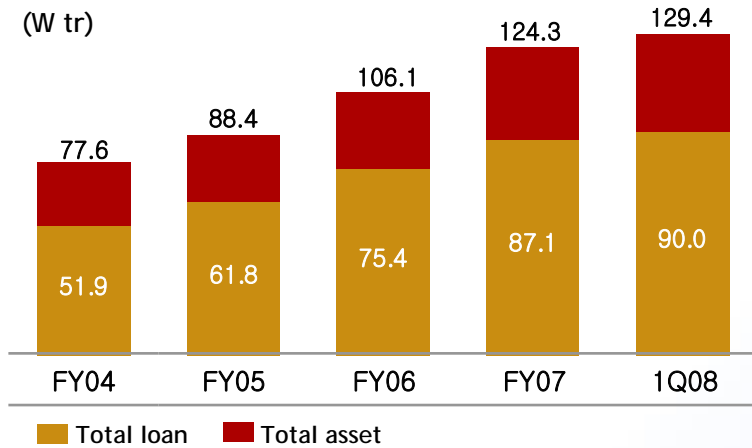
Productivity

- NI per employee increased by 8.5% to W192mil
- Asset per employee increased by 0.7% YTD to W19.0bn

Financial Highlights

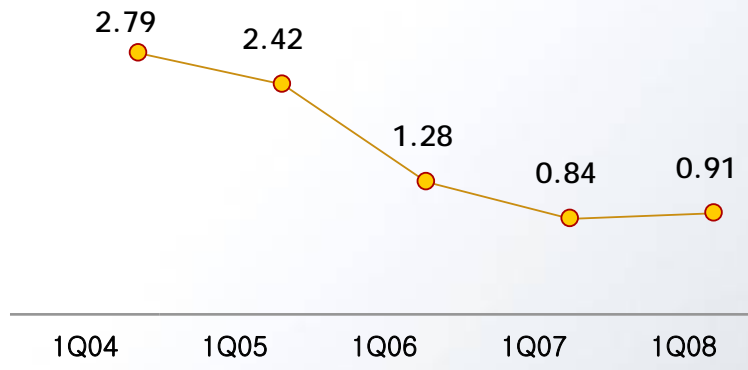
Total Asset (CAGR 13.6%)

(W tr)



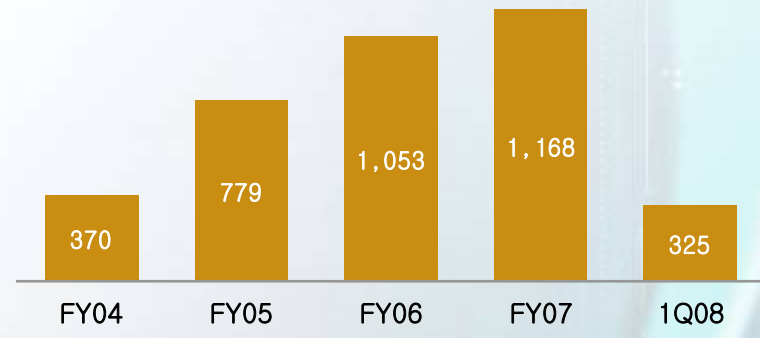
Substandard & Below Ratio

(%)



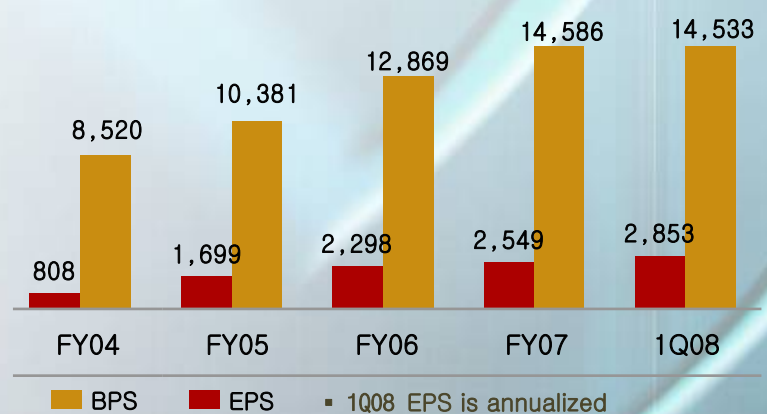
Net Income (CAGR 37.1%)

(W bn)



Shareholder Value

(KRW)



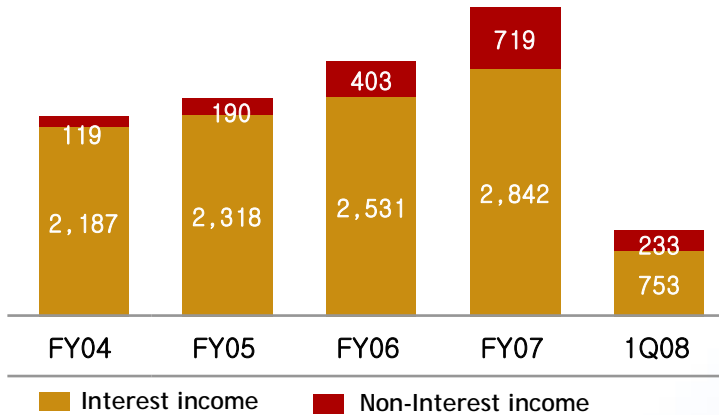
II . Profitability

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

Income Statement

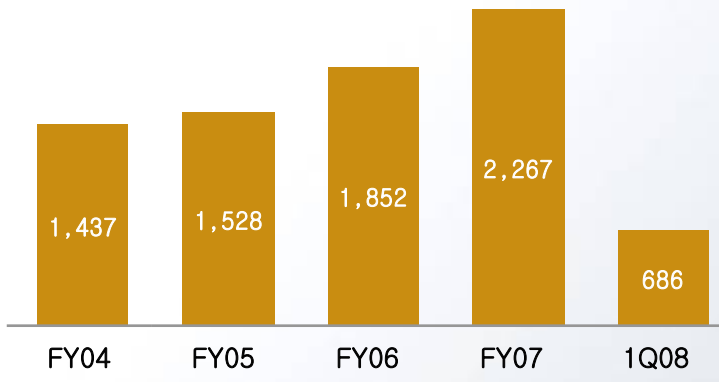
Interest/Non-Interest Income

(W bn)



Pre-Provisioning Operating Income

(W bn)



(W bn)	1Q08	QoQ	4Q07	YoY	1Q07
Net Interest Income	753.4	-0.8%	759.3	14.6%	657.4
Net Non-Interest Income	232.8	669.8%	-40.9	-56.6%	536.1 ¹⁾
SG&A Expenses	300.0	-11.1%	337.6	9.0%	275.3
Pre-Provisioning Operating Income	686.3	80.2%	380.8	-25.3%	918.2
Net Provisioning ²⁾	254.8	10.4%	230.7	25.0%	203.9
Operating Income	431.4	187.4%	150.1	-39.6%	714.4
Non-Operating Income	11.5	286.9%	3.0	97.8%	5.8
Pre-tax Profit	443.0	189.5%	153.0	-38.5%	720.2
Income Tax	117.9	146.1%	47.9	-39.8%	195.8
Net Income	325.1	209.3%	105.1	-38.0%	524.4 ¹⁾

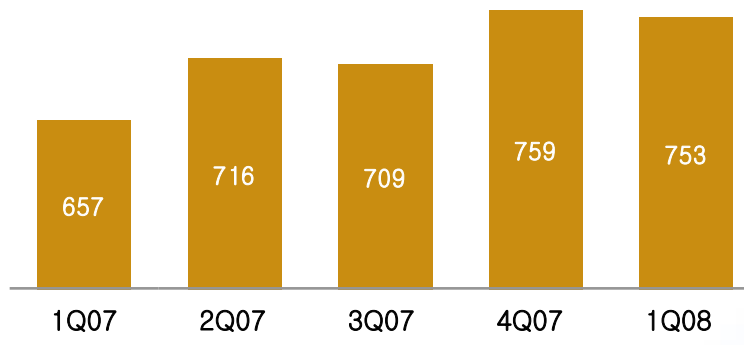
1) Including gains from the sale of LG Card shares W332.3bn(Net of tax W240.9bn)

2) Refer to page 17 for details of net provisioning

Net Interest Income

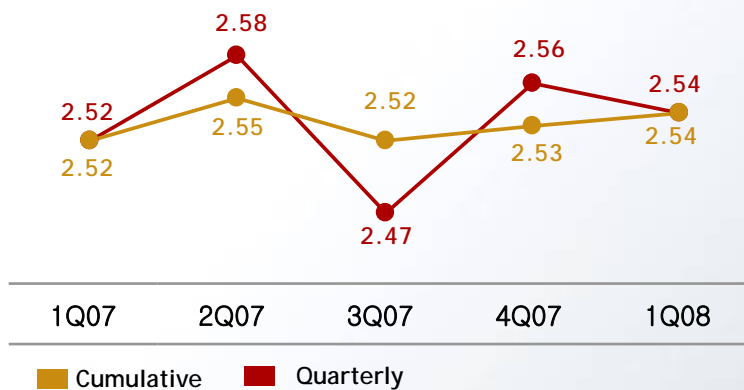
Net Interest Income

(W bn)



NIM Trend

(%)



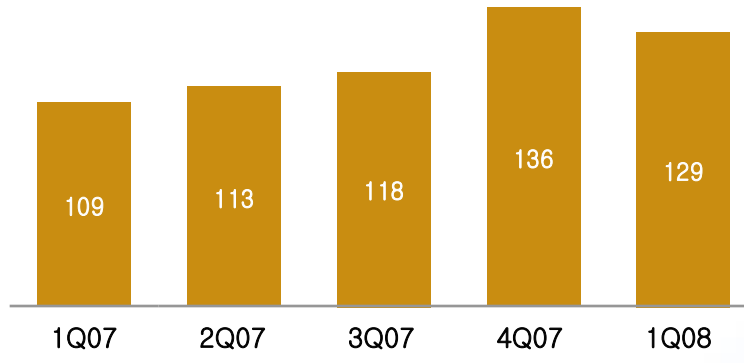
(W bn)	1Q08	QoQ	4Q07	YoY	1Q07
Interest Income	1,937.1	2.8%	1,884.9	24.8%	1,551.6
Loans	1,518.6	3.5%	1,467.8	26.1%	1,204.5
Credit Card Receivables	118.9	3.3%	115.1	15.7%	102.8
(Credit Purchase)	(95.3)	(5.5%)	(90.3)	(21.7%)	(78.3)
Securities	232.7	0.8%	230.9	21.1%	192.1
Others Loans, Dues, etc.	66.9	-5.9%	71.1	28.2%	52.2
Interest Expenses	1,183.7	5.2%	1,125.6	32.4%	894.2
Deposits	291.9	4.7%	278.9	19.8%	243.6
SMIF Bonds, etc.	891.7	5.3%	846.7	37.1%	650.6
Net Interest Income	753.4	-0.8%	759.3	14.6%	657.4

(%)	FY07				FY08
(Quarterly)	1Q	2Q	3Q	4Q	1Q
NIS	2.45	2.49	2.37	2.45	2.42
Interest Rate on Loans	6.38	6.51	6.51	6.72	6.91
Interest Rate on Deposit	3.93	4.02	4.14	4.27	4.49

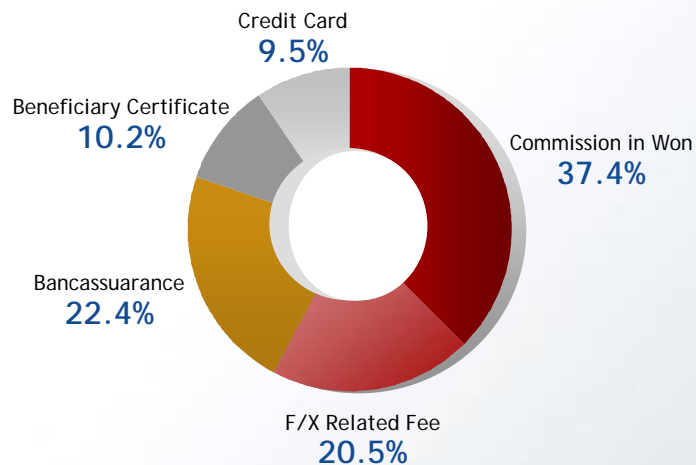
Net Non-interest Income

Fee Income

(W bn)



Breakdown of Fee Income



(W bn)	1Q08	QoQ	4Q07	YoY	1Q07
Fee Income	129.1	-5.1%	136.0	19.0%	108.5
Commission in Won	48.2	-1.0%	48.7	13.9%	42.3
F/X Related Fee	26.5	-4.7%	27.8	8.2%	24.5
Bancassurance	28.9	12.5%	25.7	27.3%	22.7
Credit Card	12.3	-7.5%	13.3	7.0%	11.5
Beneficiary Certificate	13.1	-36.5%	20.6	74.2%	7.5
Securities Related Gain	118.5	690.1%	-20.1	-74.7%	468.1 ¹⁾
Gain/Loss on disposal of Loans	5.5	105.1%	-108.0	-	0.0
Others ²⁾	-25.3	45.7%	-46.6	40.0%	-42.2
Trust Income	5.1	333.0%	-2.2	202.0%	1.7
Net Non-Interest Income	232.8	669.8%	-40.9	-56.6%	536.1

1) Including gains from the sale of LG Card shares W332.3bn(net of tax W240.9bn)

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

SG&A Expenses & Non-operating Income

Cost Income Ratio

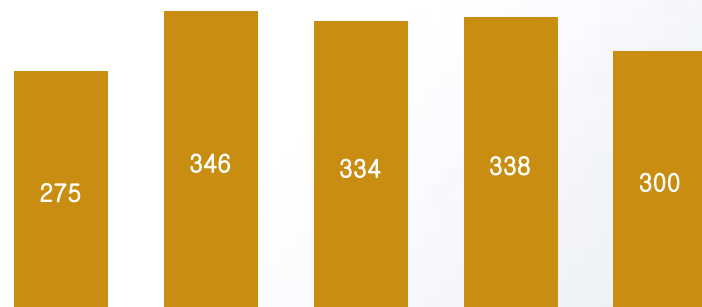
(%)



1Q07 2Q07 3Q07 4Q07 1Q08

SG&A Expenses

(W bn)



1Q07 2Q07 3Q07 4Q07 1Q08

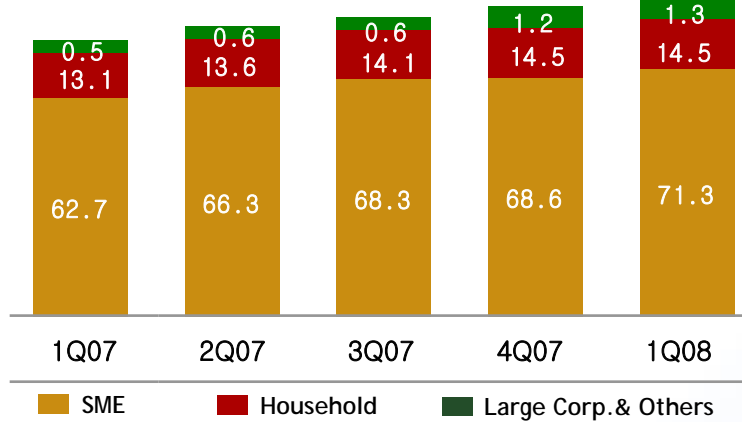
(W bn)	1Q08	QoQ	4Q07	YoY	1Q07
SG&A Expenses	300.0	-11.1%	337.6	9.0%	275.3
Salaries	144.3	2.1%	141.3	8.9%	132.5
Administrative Expenses	153.6	-6.5%	164.3	16.7%	131.6
(Depreciation)	(23.1)	(-31.9%)	(33.9)	(11.6%)	(20.7)
Provisioning for Severance Pay	2.1	-93.5%	32.0	-80.7%	11.1
Non-Operating Income	11.5	286.9%	3.0	97.8%	5.8
Equity Method Gain	11.1	286.2%	2.9	-3.5%	11.5
Other Non-Operating Income	0.5	411.8%	0.1	108.1%	-5.6

III . Loans/Deposits

1. Loan Portfolio
2. Deposit Structure

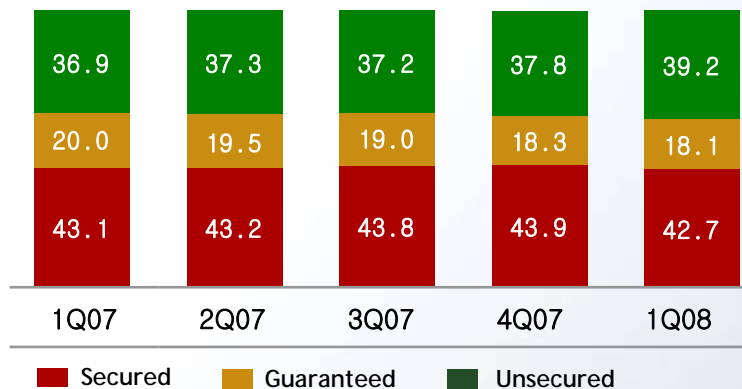
Continuous Loan Growth

(W tr)



Stable Collateral Status(SME Loans)

(%)



Loan Portfolio 1)		1Q08	QoQ	4Q07	YoY	1Q07
(W bn)	SME	71,265.9	3.9%	68,563.4	13.6%	62,723.1
	Household 2)	14,529.6	0.1%	14,517.2	10.9%	13,106.3
	Large Corp.	913.0	3.2%	884.7	260.2%	253.5
	Others	339.6	-5.3%	358.5	24.2%	273.5
	Total	87,048.1	3.2%	84,323.8	14.0%	76,356.4

Household Loans		1Q08	QoQ	4Q07	YoY	1Q07
(W bn)	General Household Loans	13,255.1	-0.3%	13,289.7	8.9%	12,169.1
	(Home Equity Loans)	6,372.4	-1.3%	6,457.5	-1.1%	6,441.6
	Housing Loans	1,187.7	4.5%	1,136.3	45.2%	817.9
	Total	14,442.8	0.1%	14,426.0	11.2%	12,987.0
	Housing-related Loan Portion	52.3%	-0.3%p	52.6%	-3.6%p	55.9%

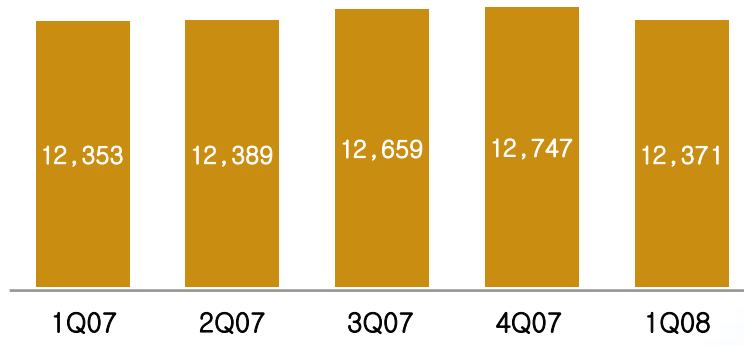
1) Loan portfolio mix : SME 81.9%, household 16.7%

2) Including card loans

Deposit Structure

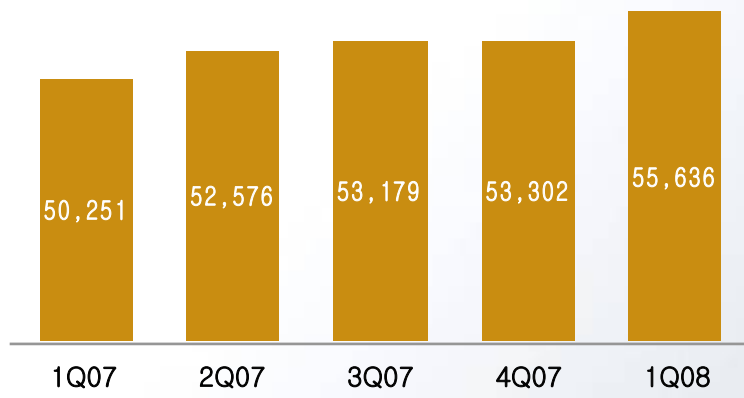
Stable Core Deposits

(W bn)



Retail Funding

(W bn)



(W bn)	1Q08	QoQ	4Q07	YoY	1Q07
Demand Deposits	6,686.1	-4.5%	7,000.9	0.6%	6,649.1
Savings Deposits	20,362.4	0.2%	20,330.5	-2.5%	20,889.6
Demand + Savings Deposits	27,048.5	-1.0%	27,331.4	-1.8%	27,538.7
CD, Cover Bills, etc.	14,100.2	4.1%	13,539.1	12.0%	12,590.2
SMIF Bonds	43,322.7	6.1%	40,835.3	29.8%	33,385.8
(SMIF-Sold over the Counter)	(16,344.6)	(15.7%)	(14,129.1)	(50.1%)	(10,886.2)
Sub-Total	84,471.4	3.4%	81,705.8	14.9%	73,514.7
Trust ¹⁾	5,658.4	-11.6%	6,398.0	23.8%	4,571.2
Total Deposits	90,129.8	2.3%	88,103.8	15.4%	78,085.9
Core Deposits ²⁾	12,371.1	-2.9%	12,746.8	0.1%	12,353.0

• Based on B/S monthly average balance

1) Money trust (excluding beneficiary certificates)

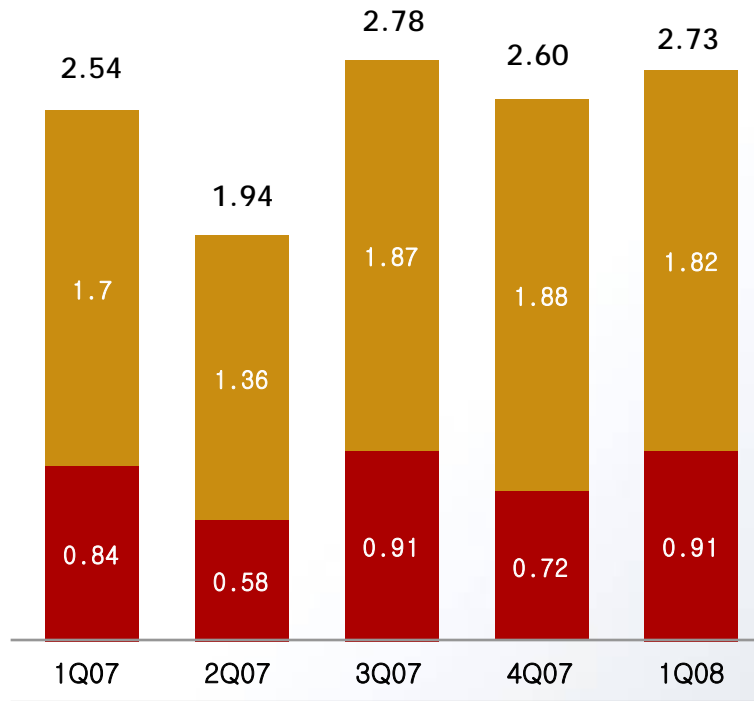
2) Core deposits : corporate free savings deposits + savings deposits + demand deposits (excluding MMMA)

IV. Asset Quality

1. Asset Quality
2. Provisions
3. Delinquency Trend by Sector

Precautionary & Below

(%)



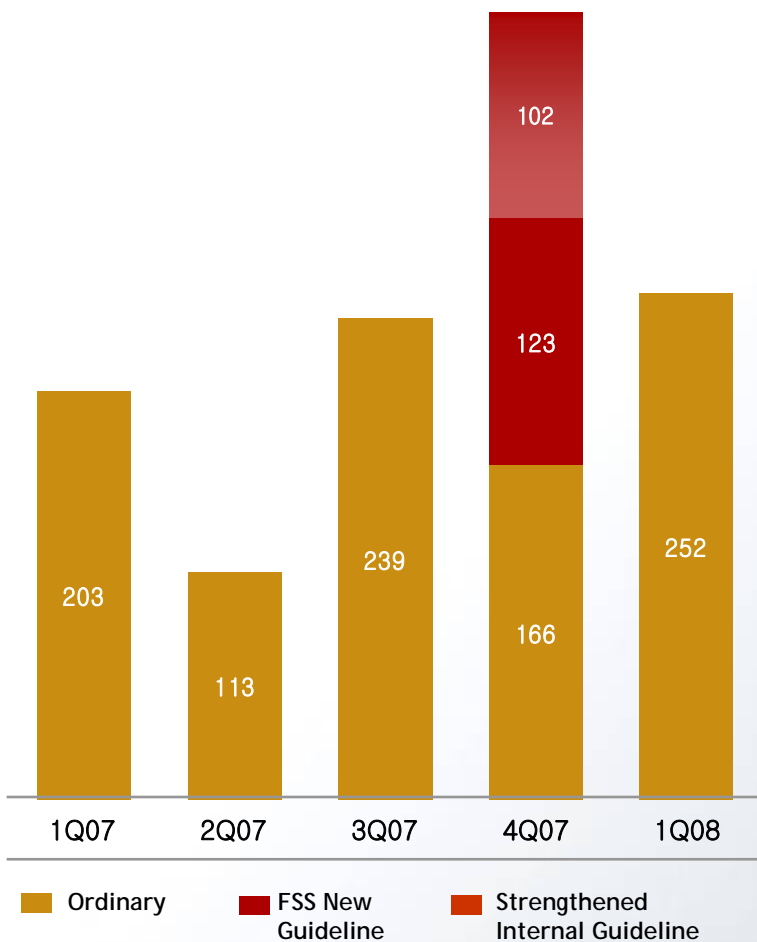
■ Substandard & Below ■ Precautionary

(W bn)	1Q08	QoQ	4Q07	YoY	1Q07
Normal	93,021.8	3.7%	89,679.6	15.2%	80,769.9
Precautionary	1,735.9	0.4%	1,729.6	22.9%	1,412.2
Substandard	526.5	28.2%	410.7	18.7%	443.6
Doubtful	115.8	-6.5%	123.9	33.7%	86.6
Estimated Loss	230.5	81.5%	127.0	41.3%	163.1
Total	95,630.5	3.9%	92,070.8	15.4%	82,875.4
Substandard & Below	872.8	31.9%	661.6	25.9%	693.3
Substandard & Below(%)	0.91	0.19%p	0.72	0.07%p	0.84
Loan Loss Reserve ¹⁾	1,550.4	11.9%	1,345.7	35.5%	1,110.7
Loan Loss Reserve/ Substandard & Below(%)	172.5%	-30.9%p	203.4%	43.2%p	160.2%
Write-offs (Quarterly)	79.5	-11.8%	90.1	40.2%	56.7

1) Excluding reserve for unused credit line and unconfirmed acceptances & guarantees, but including reserve for bond valuation

Provisioning

(W bn)



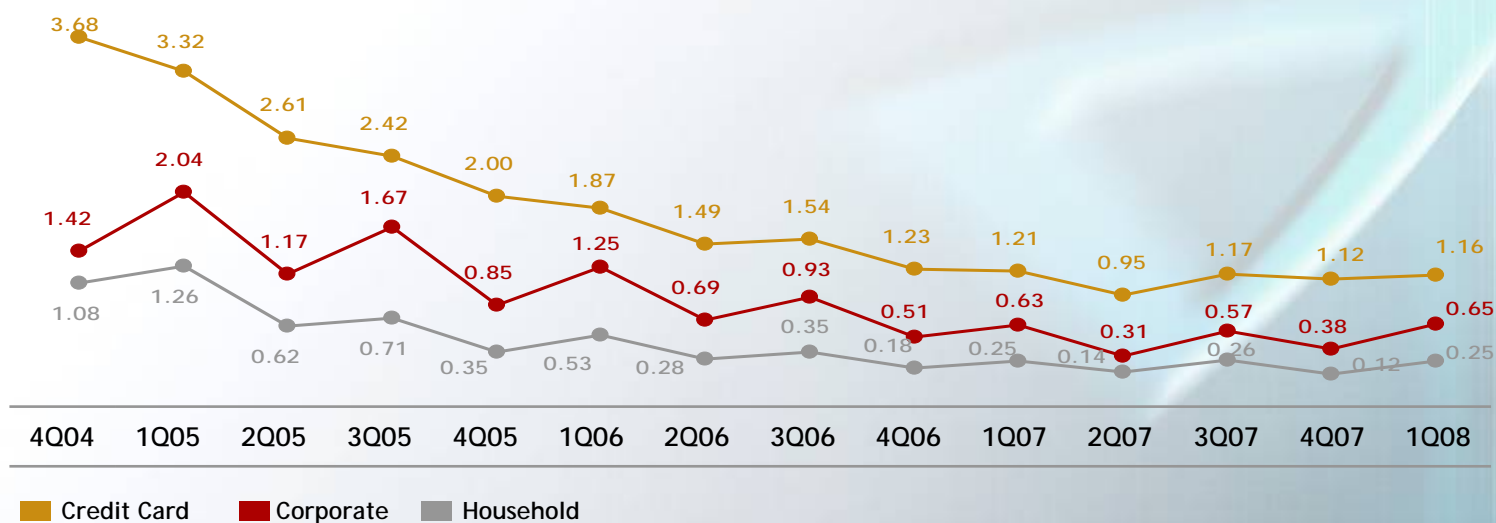
(W bn)	FY08 1Q	1Q	2Q	FY07 3Q	4Q	합계
Corporate	217.3	180.5	102.4	221.6	385.0	889.6
Provisions	216.0	167.3	112.3	226.5	381.9	888.1
Others (Unused Credit Line)	1.3	13.2	-9.9	-4.9	3.1	1.5
Household	6.7	9.6	5.8	9.2	2.5	27.1
Provisions	6.5	9.0	5.7	9.0	3.0	26.7
Others (Unused Credit Line)	0.2	0.6	0.1	0.2	-0.5	0.4
Credit Card	27.8	12.9	4.9	8.4	3.7	29.8
Provisions	18.4	12.3	8.4	4.3	10.3	35.3
Others (Unused Credit Line)	9.4	0.6	-3.5	4.1	-6.7	-5.5
Sub-total	251.8	203.0	113.1	239.2	391.2	946.5
Recoveries Related to ABS & Other Provisions	3.0	0.9	-75.1	0.0	-160.5	-234.7
Total	254.8	203.9	38.0	239.2	230.7	711.8

Delinquency Trend by Sector

	(%)	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08
Corporate	Reported	0.85	1.25	0.69	0.93	0.51	0.63(0.89)	0.31(0.44)	0.57(0.85)	0.38(0.56)	0.65(0.95)
	Adjusted	2.41	1.35	1.31	1.54	1.44	0.68(0.95)	0.82(0.95)	1.09(1.37)	1.37(1.55)	0.78(1.08)
Household	Reported	0.35	0.53	0.28	0.35	0.18	0.25(0.29)	0.14(0.16)	0.26(0.29)	0.12(0.13)	0.25(0.28)
	Adjusted	1.07	0.56	0.50	0.56	0.45	0.27(0.31)	0.25(0.30)	0.42(0.43)	0.46(0.47)	0.27(0.30)
Credit Card (+1 Month)		2.00	1.87	1.49	1.54	1.23	1.21	0.95	1.17	1.12	1.16

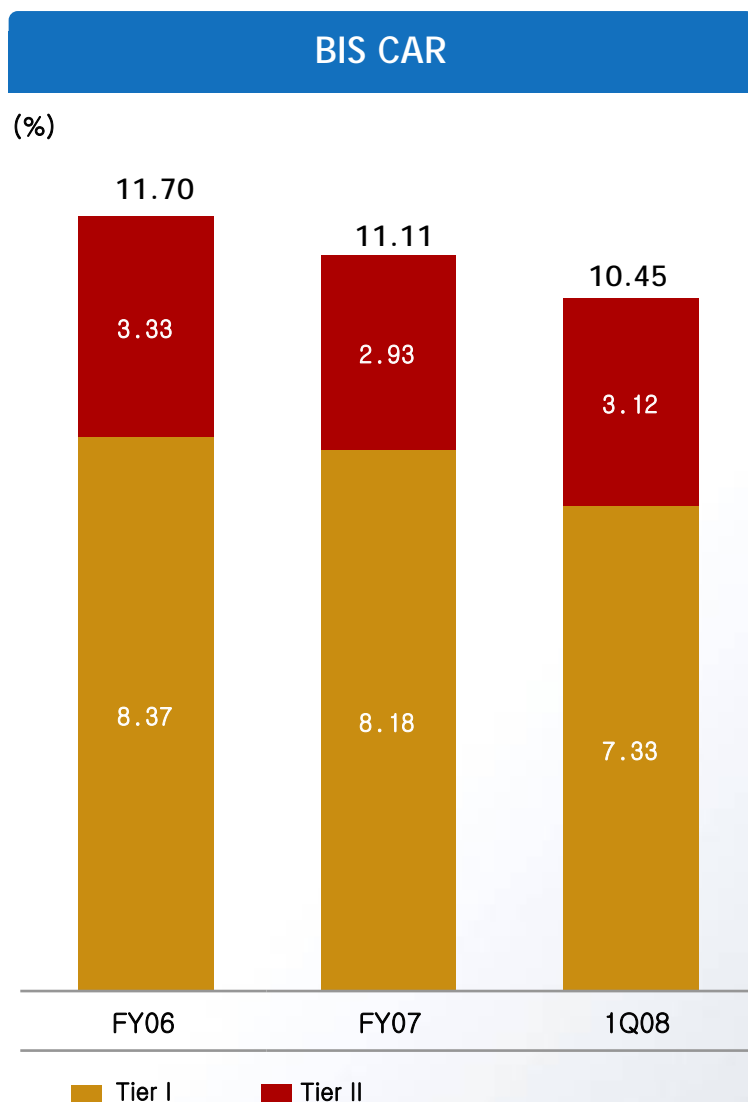
- Since 2007 delinquency is defined as loans where principals or interests are one month past due
() is delinquency ratio where principals are one day past due

Delinquency Ratio Trend



V. Capital Adequacy

Capital Adequacy



(W bn)	1Q08 (Basel II)	FY07 (Basel I)
Tier I	6,836.8	6,700.7
Paid-in Capital	2,291.4	2,291.4
Capital Surplus	6.8	6.8
Retained Earnings	4,015.8	3,950.2
Hybrid Capital	600.0	600.0
Minority Interest	152.7	151.6
Tier II	2,908.8	2,399.3
Loan Loss Reserve	1,085.7	1,030.1
45% of Gains on Valuation of Investment Securities	211.9	203.6
Subordinated Bond	1,675.9	1,309.1
Total	9,745.6	9,100.0
Risk-weighted Assets	93,301.5	81,929.3
BIS CAR (%)	10.45	11.11
Tier I Ratio (%)	7.33	8.18
Tier II Ratio (%)	3.12	2.93

• 1Q08 numbers are all preliminary figures based on Basel II Standard Method

VI. Appendix

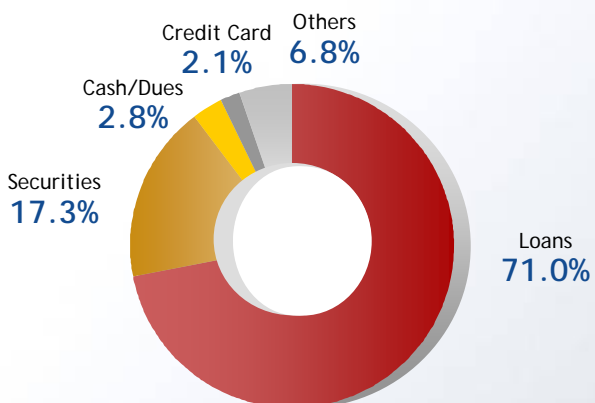
1. Funding & Operations
2. Loans by Industry

Funding & Operations

(W bn)	1Q08	4Q07
Loans ¹⁾	88,569(71.0%)	85,902(72.0%)
Securities	21,587(17.3%)	21,129(17.7%)
Cash & Dues	3,435(2.8%)	3,564(3.0%)
Credit Card (Card Loans)	2,650(2.1%)	2,285(1.9%)
Fixed Assets, Call Loans, Bill Bought, etc.	8,442(6.8%)	6,424(5.4%)
Total	124,683(100.0%)	119,304(100.0%)

1) Loans in KRW & F/C + inter-bank loans + advances for customers

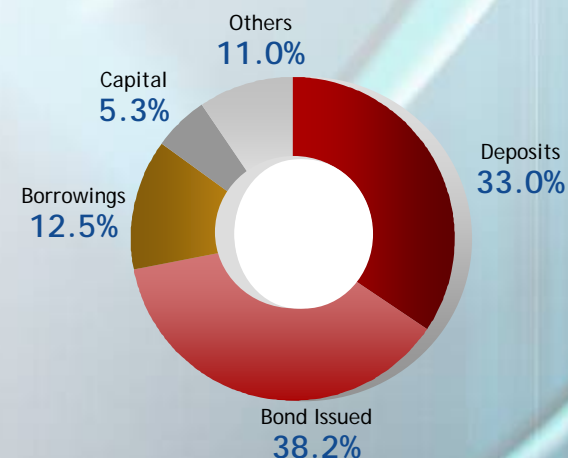
Operations



(W bn)	1Q08	4Q07
Deposits ¹⁾	41,136(33.0%)	41,243(34.6%)
Bond Issued	47,565(38.2%)	44,584(37.4%)
SMIF Bonds	43,370(34.8%)	40,903(34.3%)
(Sold over Couter)	16,506(13.2%)	14,372(12.0%)
Borrowings	15,588(12.5%)	15,517(13.0%)
BOK	1,778(1.4%)	1,833(1.5%)
Gov. & Public Fund	10,539(8.5%)	10,794(9.0%)
F/C	3,271(2.6%)	2,890(2.4%)
Capital	6,660(5.3%)	6,684(5.6%)
Call Money, FC Deposits, etc.	13,734(11.0%)	11,276(9.5%)
Total	124,683(100.0%)	119,304(100.0%)

1) Deposits in KRW + CD + cover bills + RP

Funding



Loans by Industry

(W bn)	1Q08				4Q07	
	Amount	(YTD)	(%)	(%p)	Amount	(%)
Manufacturing	45,666.6	1,890.7	64.1	0.2	43,775.9	63.9
Textile	2,422.8	50.7	3.4	-0.1	2,372.1	3.5
Apparel & Leather	1,130.9	10.5	1.6	0.0	1,120.4	1.6
Chemical Products	2,445.8	93.9	3.4	0.0	2,351.9	3.4
Rubber, Plastic Product	3,734.5	190.9	5.2	0.0	3,543.6	5.2
Basic Metals	2,978.1	160.2	4.2	0.1	2,817.9	4.1
Fabricated Metals	5,893.5	286.1	8.3	0.1	5,607.4	8.2
Other Machinery	8,239.5	409.2	11.6	0.1	7,830.3	11.5
Electronic Machinery	2,117.0	100.5	3.0	0.1	2,016.5	2.9
Communication	3,596.4	139.5	5.0	0.0	3,456.9	5.0
Automobiles	3,428.2	101.1	4.8	-0.1	3,327.1	4.9
Other Manufacturing	9,679.9	348.1	13.6	0.0	9,331.8	13.6
Construction	4,964.9	373.1	7.0	0.3	4,591.8	6.7
(Project Financing)	(1,199.9)	(11.2)	(1.7)	(0.0)	(1,188.7)	(1.7)
Wholesale & Retail Trade	10,923.2	365.1	15.3	-0.1	10,558.1	15.4
Lease & Rental Trade	3,261.9	19.1	4.6	-0.1	3,242.8	4.7
Business Support Service ¹⁾	1,465.5	29.8	2.0	-0.1	1,435.7	2.1
Others	4,983.8	24.7	7.0	-0.2	4,959.1	7.2
Lodging & Dining	614.9	-3.6	0.9	0.0	618.5	0.9
Transportation	830.6	25.0	1.2	0.0	805.6	1.2
Other Services ²⁾	3,538.3	3.3	4.9	-0.2	3,535.0	5.1
Total	71,265.9	2702.5	100.0	0.0	68,563.4	100.0
(Loans made out to different provisions criteria)	(21,230.4)	(783.5)	(29.8)	(0.0)	(20,446.9)	(29.8)

• SME loans (including F/X loans)

1) Information processing, R&D business, Technology Service, etc.

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

고객의 성공날개, 대한민국 최고의 종합금융그룹

IBK 기업은행

