

The Current Status Of SBI Savings Bank As of March 31st, 2015

(July 1st, 2014 ~ March 31st, 2015)

[General Status]

1. Declaration

This document has been prepared in compliance with Article 42 of Mutual Savings Bank Regulatory Provisions. With the respect, it contains the true, actual and general information of the management of mutual savings bank. However, it is noticeable that this document hasn't been reviewed and confirmed by Financial Supervisory Service and Korea Federation of Savings Banks for accuracy and adequacy. It should be noted that this report is the English version of the original report written in Korean, ensuring the former is not deviated from the acceptable range of discrepancy in meaning.

Representative Director Nakamura Hideo

2. Management Policy

(1) Management Philosophy

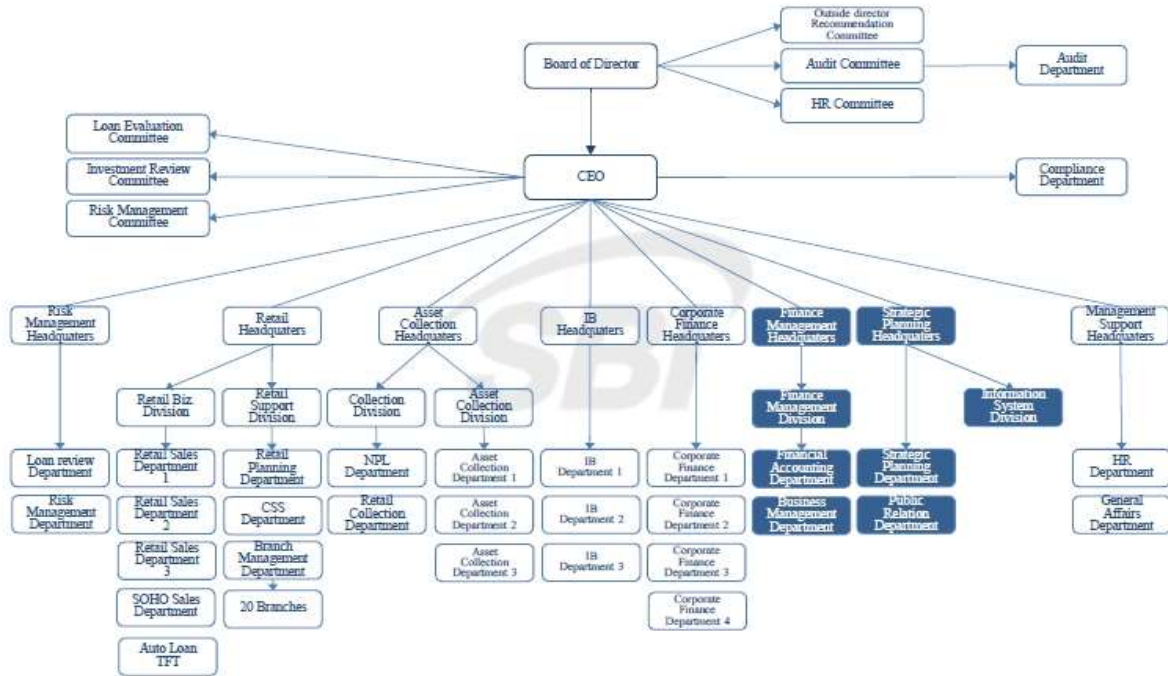
- We provide quality and reliable financial services of high quality on the basis of social calling and public interest and contribute to social development by improving public standard living and fostering companies.

(2) Management Attitude

- ① Social responsibility: We honor the social role and responsibility as a company.
- ② Pursuit of innovation: We pursue endless change and innovation.
- ③ Self-innovation: We get ready for environment change.
- ④ Righteous management: We act on righteous values and ethics.
- ⑤ Customer orientation: We aim for customer-centered service.

3. Organization

(1) Organizational chart



SBI Savings Bank

Note 1) The above organizational chart is based on the organizational structure that went into effect from May 6th, 2015 as approved in the meeting of the board of directors on May 6th, 2015

(2) Branch and Automatic Teller Machine

3Q in FY14: End Of March, 2015

Branch			Automatic Teller Machine		
Branch Store	Branch Office	Total	CD	ATM	Other
20	0	20	0	0	0

4. Number of Employees

3Q in FY14 : End Of March, 2015
2Q in FY14 : End Of December, 2014

Classification		3Q in FY14	2Q in FY14
Executive	Executive Director	12	12
	Outside Director	5	5
Employees	Manager	206	199
	Staff	252	247
Position In Special Services		0	0
Total		475	463

5. Executives

3Q in FY14 : End Of March, 2015

Classification	Name	Position	Key Task and Role
Standing Executive	Kim Jong Ouk ^(Note1)	Representative Director	Representative Director
	Nakamura Hideo ^(Note 2)	Vice-President	Risk Management Division Head
	Jeong Jin Mun	Vice-President	Retail Division Head
	Lim Jin Gu	Managing Director	IB Division Head
	Katsuchi Hideyuki	Executive Director	Strategic Planning Division Head
	Choi Sung Dong	Executive Director	Corporate Finance Division Head
	Kim Mun Seok	Executive Director	Human Resource Division Head
	Lim Young Bok	Executive Director	Collection Division Head
	Yoon Mu Young	Director	Strategic Planning Department
	Jeong Chang Duk	Director	Internal Auditor
	Hwang Chul Ju	Director	Collection Department
	Yoo Hyun Kuk	Director	Retail Department
Outside Director (Or Non-Standing Executive)	Woo Yang Tae	Outside Director	Audit Committee Member
	Song Si young	Outside Director	Audit Committee Member
	Hur Ik Bum	Outside Director	Audit Committee Member
	Matsuo Kiyoshi	Outside Director	Outside Director
	Nakakawa Takashi	Other Outside Director	Other Non Executive Director

Note 1) Resigned from representative director on April 16th, 2015

Note 2) Nominated as representative director on April 16th, 2015

6. Capital Stock

(Unit: Hundred Million KRW)

Y/M/D	Type of Stock	Number of Issued Shares	Amounts of Increased/Decreased Capital	Type of Capital Increase/Decrease	Paid-In-Capital after After Capital Increase/Decrease	Remarks
2013.03.27	Common Stock	38,820,002	1,941	Paid-In Capital Increase(Allotment To The Third Party)	2,241	
2013.08.30	Common Stock	48,681,400	2,434	Paid-In Capital Increase(Offering To Shareholders)	4,675	
2013.12.23	Common Stock	10,004,300	500	Paid-In Capital Increase(Offering To Shareholders)	5,175	
2014.03.28	Common Stock	50,597,800	2,530	Paid-In Capital Increase(Offering To Shareholders)	7,705	
2014.06.13	Common Stock	26,997,921	1,350	Paid-In Capital Increase(Offering To Shareholders)	9,055	
2014.08.22	Common Stock	14,948,385	747	Paid-In Capital Increase(Offering To Shareholders)	9,802	
2014.10.31	Common Stock	116,244,636	5,813	Merger	15,615	

Note 1) The figures regarding capital increase/decrease and the paid-in-capital after the change are based on the transactions of the last 3 years

Note 2) The company merged SBI 2 savings bank, SBI 3 savings bank, and SBI 4 savings bank on October 31st, 2014 (as the date of merger) through the approval of the board of directors on September 18th, 2014, the approval of Financial Services Commission on October 17th, 2014 and the announcement of merger in substitution of a reporting meeting of the board of directors on October 31st, 2014.

[Performance]

7. Financing and Operation

(1) Interest Rate

3Q in FY14: End Of March, 2015
3Q in FY13: End Of March, 2014
(Unit: Hundred Million KRW, %)

Classification		3Q in FY14				3Q in FY13				
		Average Balance	Interest %	Interest Amount	Interest Rate	Average Balance	Interest %	Interest Amount	Interest Rate	
Financing	Cost	Deposit	23,859	83.11	635	3.5	14,276	89.47	426	4.0
		Cover Note	0	0.00	0	0.0	0	0.00	0	4.0
		Borrowings	0	0.00	0	0.0	0	0.00	0	0.0
		Call Money	0	0.00	0	0.0	0	0.00	0	0.0
		Debentures	465	1.62	29	8.2	650	4.07	41	0.0
		Others	101	0.35	12	15.8	45	0.28	9	26.3
		Subtotal	24,425	85.08	676	3.7	14,971	93.83	476	4.2
	Non-Cost	Total Capital	2,631	9.17	0	0.0	△784	△4.91	0	0.0
		Other Allowances	704	2.45	0	0.0	1,317	8.25	0	0.0
		Others	948	3.30	0	0.0	452	2.83	0	0.0
	Subtotal	4,283	14.92	0	0.0	985	6.17	0	0.0	
	Financing Total	28,708	100.00	676	3.1	15,956	100.00	476	3.9	
Operation	Profit	Due from Bank	4,528	15.77	85	2.5	2,441	15.30	48	2.6
		Securities	2,993	10.43	89	4.0	3,709	23.25	57	2.0
		Loans	23,448	81.68	1,640	9.3	11,775	73.80	1,066	12.1
		Call Loans	0	0.00	0	0.0	0	0.00	0	0.0
		Others	260	0.91	0	0.0	65	0.41	0	0.1
		Allowance For Bad Debts And Others (△)	5,221	18.19	0	0.0	4,072	25.52	0	0.0
		Subtotal	26,008	90.60	1,814	9.3	13,918	87.24	1,171	11.1
	Non-Profit	Cash	17	0.06	0	0.0	6	0.03	0	0.0
		Tangible Assets	136	0.48	0	0.0	110	0.69	0	0.0
		Others	2,547	8.87	0	0.0	1,920	12.03	0	0.0
	Subtotal	2,700	9.40	0	0.0	2,038	12.77	0	0.0	
	Operation Total	28,708	100.00	1,814	8.4	15,956	100.00	1,171	9.7	

(2) Maturity Structure

3Q in FY14: End Of March, 2015
(Unit: Hundred Million KRW)

Classification	Normal /Precautionary Assets And Debt Maturity					Sub-Standard or Lower Asset(C)	Total (A+B+C)
	3-Month Or Shorter	6-Month Or Shorter	12-Month Or Shorter	3-Year Or Shorter(A)	3-Year Or Longer (B)		
Operation	10,675	10,803	11,573	18,223	11,102	9,215	38,540
Loan(1)*	5,699	5,826	6,597	13,247	8,406	9,215	30,868
Financing	10,276	16,767	31,177	33,649	4,891	0	38,540
Deposit Received(2)	10,276	16,367	30,777	33,249	2	0	33,251
Difference(1-2)	△4,577	△10,541	△24,180	△20,002	8,404	9,215	△2,383

* Suspense receivable as credit is included.

(3) Subordinated Bond Issuance

3Q in FY14 : End Of March, 2015
(Unit: Hundred Million KRW, %)

Type of Bond	The Date Of Issue	The Date Of Maturity	Issued Amount	Issued (Interest) Rate	Credit Rate	Remarks
The 7th Unsecured Subordinated Security (Note 1)	2010.04.23	2015.07.23	400	7.9	N.A.	

Note 1) The company acquired the debentures issued by SBI 2savings bank through merger and it amounts to 20 billion KRW.

8. Index of Capital Adequacy

A. Capital Adequacy

3Q in FY14 : End Of March, 2015
3Q in FY13: End Of March, 2014
(Unit: Hundred Million KRW, %)

Classification	3Q in FY14	3Q in FY13
BIS Capital Adequacy Ratio ※ % Required By The Law Is More Than (7%)	11.31	5.58
BIS Basic Capital Adequacy Ratio	9.82	3.79
Tangible Common Equity Ratio	9.50	3.73

◆ **BIS capital adequacy ratio (equity capital/risk-weighted assets ratio):** It represents the adequacy of financial structure of a mutual savings bank. It is one of the management guidelines set by Financial Supervisory Service on the basis of the international agreement that requests to secure a certain level of equity capital for market/operational risk, which was announced by BIS Financial Services Commission (Basel Committee on Banking Supervision). The high percentage (capital owned / market/operational risk x 100) of a company means that the company has good capital adequacy.

B. Calculation Of BIS Capital Adequacy Ratio

3Q in FY14 : End Of March, 2015
3Q in FY13: End Of March, 2014
(Unit: Hundred Million KRW)

Classification	3Q in FY14	3Q in FY13
Ordinary Capital Sum (A)	3,130	770
Capital Stock	15,615	7,705
Capital Surplus	102	6
Retained Earnings	△7,170	△6,987
Shares Owned By External Shareholders Of Affiliated Company	0	215
Deductions	△5,417	△24
Supplementary Capital Sum (B)	477	393
Upper Subordinated Debt (Claimed) With Maturity	0	80
Lower Subordinated Debt (Claimed) With Maturity	20	0
Revaluation Reserve	0	7
Gain On Valuation Of Asset	10	0

	Available For Sale And Others		
	Allowance For Bad Debts	447	306
Long-Term Borrowing(C) For Management Normalization		0	0
Deduction Sum (D)		0	33
Equity Capital Sum (A+B+C-D)		3,607	1,130
Risk-Weighted Asset		31,888	20,317

9. Index of Asset Quality

3Q in FY14 : End Of March, 2015
3Q in FY13: End Of March, 2014
(Unit: Hundred Million KRW, %)

Classification	3Q in FY14	3Q in FY13
Loss Risk-Weighted Loan Ratio	53.23	80.77
Net Substandard or Lower Loan Ratio	19.05	25.41
Substandard or Lower Loan Ratio	29.85	43.14
Ratio Of Overdue Loan	26.82	40.25

10. Index of Liquidity

3Q in FY14 : End Of March, 2015
3Q in FY13: End Of March, 2014
(Unit: Hundred Million KRW, %)

Classification	3Q in FY14	3Q in FY13
Liquidity Coverage Ratio	142.76	109.80
Ratio of Disposable Fund	20.13	10.15
Tangible Assets Ratio	61.93	217.95

◆ Liquidity coverage ratio: It is the ratio of those assets that can easily be exchanged for money to the total assets of a mutual savings bank. High liquidity ratio of a company means that the company is better able to liquidate asset.

11. Index of Productivity

3Q in FY14 : End Of March, 2015
3Q in FY13: End Of March, 2014
(Unit: Hundred Million KRW, %)

Classification		3Q in FY14	3Q in FY13
Per Employee	Profit Before Allowance	3	△2
	Deposits	69	97
	Loans	68	80
Per Branch Bank	Deposits	1,591	2,379
	Loans	1,563	1,962

[Financial Results]

12. Outline

3Q in FY14 : End of March, 2015

3Q in FY13: End of March, 2014

(Unit: Hundred Million KRW, %)

Classification	3Q in FY14		3Q in FY13		
	Amount	%	Amount	%	
Asset	Cash And Due from Banks	6,342	16.46	2,712	16.81
	Securities	1,865	4.84	3,431	21.27
	Loans	30,764	79.82	10,517	65.20
	Call Loans	0	0.00	0	0.00
	Tangible Asset	158	0.41	87	0.54
	Other Assets	3,778	9.80	1,926	11.94
	Allowance For Bad Debts And Others (△)	△4,368	△11.33	△2,543	△15.76
Asset Total	38,539	100.00	16,130	100.00	
Liability	Deposits	33,251	86.28	12,602	78.13
	Borrowings	400	1.04	600	3.72
	Call Money	0	0.00	0	0.00
	Other Liabilities	1,228	3.19	2,321	14.38
	Liability Total	34,879	90.50	15,523	96.23
Stockholder's Equity	Capital Stock	15,615	40.52	7,705	47.77
	Capital Surplus	102	0.27	6	0.04
	Capital Adjustment	△4,943	△12.83	△127	△0.78
	Accumulated Other Comprehensive Income	56	0.15	6	0.03
	Retained Earnings	△7,170	△18.60	△6,983	△43.29
	Stockholder's Equity Total	3,660	9.50	607	3.77
Liability And Stockholder's Equity Total	38,539	100.00	16,130	100.00	

* Suspense receivable as credit: it is classed into other asset category.

13. Operation with Loan

(1) Loan

3Q in FY14 : End Of March, 2015

3Q in FY13 : End Of March, 2014

(Unit: Hundred Million KRW, %)

Classification	3Q in FY14		3Q in FY13	
		%		%
Loan For Company	16,738	54.23	4,793	45.39
Loan For Personal	10,746	34.81	4,689	44.41
Other Loans	3,383	10.96	1,076	10.20
Total	30,867	100.00	10,558	100.00

* Suspense receivable as credit is included.

(2) Secured Loan By Collateral

3Q in FY14 : End of March, 2015

3Q in FY13 : end of March, 2014

(Unit: Hundred Million KRW, %)

Classification		3Q in FY14		3Q in FY13	
			%		%
Collateral	Real Estate Property	8,484	27.49	3,405	32.25
	Movable Assets	259	0.84	75	0.71
	Securities	1,668	5.40	85	0.81
	Deposit Received	85	0.27	22	0.21
	Others	1,471	4.77	547	5.18
	Total	11,967	38.77	4,134	39.16
Guarantee		983	3.19	271	2.56
Credit		17,917	58.04	6,153	58.28
Total		30,867	100.00	10,558	100.00

* Suspense receivable as credit is included.

(3) Loan For Small And Medium (S&M) Enterprises

3Q in FY14 : End Of March, 2015

3Q in FY13 : End Of March, 2014

(Unit: Hundred Million KRW)

Classification		3Q in FY14	3Q in FY13
S&M Company Loan	% (A/B X 100)	50.57	44.48
	S&M Loan(A)	15,611	4,697
	Total (B)	30,867	10,558

* Suspense receivable as credit is included.

(4) Loan Exposure To Real Estate Property-Related Business And Asset Quality Classification

3Q in FY14: End Of March, 2015
(Unit: Hundred Million KRW, %)

Business Type	Conformity To Credit Offering Binding		Category of Quality							
	Limit	Amount Of Credit Offering	Loan Obligation						Overdue Amount	Delinquency Rate
			Normal	Precautionary	Sub-Standard	Recovery Doubtful	Presumed Loss	Total		
Real Estate Property PF Loan(①)	6,173	2,926	0	0	2,550	0	377	2,926	2,236	76.42
Construction Business (②)	9,260	1,423	682	89	474	67	111	1,423	596	41.91
Real Estate Business And Leasing Business(③)	9,260	2,430	520	273	1,429	4	204	2,430	1,648	67.82
Real Estate Property And Leasing Business(④)	9,260	1,352	391	184	628	2	147	1,352	775	57.35
Total(①+②+③-④)	13,890	5,427	811	178	3,825	69	545	5,428	3,705	68.27

* Suspense receivable as credit is not included.

(5) Personal Loan

(Unit: Hundred Million KRW,%,%p)

Classification	End Of March, 2015	End Of December, 2014	End Of September, 2014	End Of June, 2014
Total Loan	30,867	30,488	13,214	11,846
Personal Loan	1,159	1,184	469	526
Proportion	3.75	3.88	3.55	4.44
Personal Loan Overdue Amount	201	196	95	97
Proportion	17.34	16.55	20.26	18.44

Note 1) Of total loans, the cases of loan less than 3 million KRW are recorded by quarter.

Note 2) Criterion for "being overdue": The definition of 'overdue loan' in Mutual Savings Bank Regulatory Provisions (Attachment 7) is applied.

* A savings bank whose balance of Personal Loan is lower than one billion KRW can not declare Handling Status of Personal Loan.

14. Deposits

(1) Deposits By Type

3Q in FY14 : End of March, 2015
 3Q in FY13 : end of March, 2014
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY14				3Q in FY13			
	Balance		Average Balance		Balance		Average Balance	
		%		%		%		%
Demand Deposits	898	2.70	650	2.72	483	3.83	599	4.20
Time Deposits	25,394	76.37	18,708	78.41	10,797	85.68	12,593	88.21
Installment Deposit	6,959	20.93	4,501	18.86	1,322	10.49	1,084	7.59
Cover Note	0	0.00	0	0.00	0	0.00	0	0.00
Others	0	0.00	0	0.00	0	0.00	0	0.00
Total	33,251	100.00	23,859	100.00	12,602	100.00	14,276	100.00

(2) Deposits By Customer Type

3Q in FY14 : End Of March, 2015
 3Q in FY13 : End Of March, 2014
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY14		3Q in FY13	
	Balance	%	Balance	%
Individual	32,955	99.11	12,460	98.87
Corporate And Group	232	0.70	55	0.44
Others	64	0.19	87	0.69
Total	33,251	100.00	12,602	100.00

Note 1) Based on balance

15. Write-Off And Allowance For Bad Debts

(1) Amount Of Bad Loan Write-Off

3Q in FY14 (3 Months): from Jan. 1st, to Mar. 31st, 2015
 3Q in FY14 (Accumulated): from Jul. 1st, 2014 to Mar. 31st, 2015
 3Q in FY13 (3 Months): from Jan. 1st, to Mar. 31st, 2015
 3Q in FY13 (Accumulated) from Jul. 1st, 2013 to Mar. 31st, 2014
 (Unit: Hundred Million KRW)

Classification	3Q in FY14		3Q in FY13	
	Present Quarter	Cumulation	Vs. The Same Period Of Last Year	Cumulation
Amounts Of Write-Off During Term	248	5,418	1,324	1,429
General	248	5,418	1,324	1,429
Special	0	0	0	0

(2) History Of Allowance For Bad Debts

3Q in FY14 : End Of March, 2015
 3Q in FY13 : End Of March, 2014
 (Unit: Hundred Million KRW)

Classification	3Q in FY14	3Q in FY13
Allowance For Bad Debts	4,356	2,586
General	4,356	2,586
Special	0	0

16. Current Status Of Loan Classified As NPL And Sub-Standard Or Lower

(1) Loan Classified As NPL And Sub-Standard or Lower

3Q in FY14 : End Of March, 2015
 3Q in FY13 : End Of March, 2014
 (Unit: Hundred Million KRW)

Classification	3Q in FY14	3Q in FY13
Total Loan	30,867	10,558
NPL (Non-Performing Loan or Insolvent Loan)	2,954	2,429
Sub-Standard Or Lower Loan	9,215	4,557
Net sub-Standard Or Lower Loan	5,049	2,025

Note 1) NPL or insolvent loan means the sum of doubtful and probable loss loan amount.

Note 2) Loan classified as sub-standard or lower is the sum of sub-standard, recovery doubtful and presumed loss loan amount.

Note 3) Loan classified as net sub-standard or lower is the sum of sub-standard loan minus bad debt allowance.

Note 4) Suspense receivable as credit is included.

◆ **NPL or insolvent loan:** It is the sum of recovery doubtful and presumed loss loan of a mutual savings bank. Low ratio of NPL over total loan means that the asset of a mutual savings bank is sound.

◦ **Recovery doubtful:** A portion of accounts receivable exceeding an expected recoverable amount in which cases not less than six months have passed since the due date for payment, and a loss is anticipated to accrue, but the amount of the loss is not fixable.

◦ **Presumed loss:** A portion of accounts receivable exceeding an expected recoverable amount in which cases not less than six months have passed since the due date for payment, and the portion shall be inevitably disposed of a loss because of impossibility of recovery.

◆ **Loan classified as sub-standard or lower:** It is the sum of sub-standard, recovery doubtful and presumed loss loan amount of the total loan of a mutual savings bank. Low ratio of Sub-standard loan over the total loan means that the asset of a mutual savings bank is sound.

◦ **Substandard:** An expected recoverable amount of accounts receivable in cases where not less than six months have passed since the due date for payment.

(2) Current Status of Increasing Large Sum NPL or Insolvent Loan

3Q in FY14 : End Of March, 2015
 3Q in FY13: End Of December, 2014
 (Unit: Hundred Million KRW)

Company ¹⁾	3Q in FY14	3Q in FY13	Increased Amount	Reason For Increase	Remarks
L***** (Real Estate Business And Leasing Business)	21	0	21	Collectible Amount Changed	
Dae*** (Whole Sales And Retail Business)	11	0	11	In Process Of Workout	
Du**** (Whole Sales And Retail Business)	11	0	11	Closure	

Note 1) The list should be of top 20 companies whose NPL or insolvent loan amount is one billion greater than that of the previous quarter. But the name should be written like “(Ltd)***(Business Type)” for corporate body. For individual loan, the name of company should be written like “individual loan (last name*second name)”.

(3) Current Status of Companies Under Debt Reconciliation for New Loan

3Q in FY14 : End Of March, 2015
 (Unit: Hundred Million KRW)

Company	Date of Decision for Debt Reconciliation	3Q in FY14 Total loan Balance	NPL or insolvent Balance	Progress of Debt Reconciliation	Remarks
<u>Not Applicable</u>					

Note 1) It should be prepared for companies whose total loan balance is over one billion one KRW.

17. Off-The-Book Trading

3Q in FY14 : End Of March, 2015
 3Q in FY13 : End Of March, 2014
 (Unit: Hundred Million KRW)

Classification	3Q in FY14	3Q in FY13
Guarantee Of Payment	0	0
Bad Loan Write-Off	10,492	2,833
Endorsed Note	0	0
Sales Of Repurchase Paper	0	0
Transaction Of Financial Derivatives	0	0

18. Non-Operating Assets

3Q in FY14: End Of March, 2015
(Unit: Hundred Million KRW)

Classification	Acquired Amount Within A Year (From Now)	Acquired Amount Between 1 To 3 Years (From Now)	Acquired Amount 3 Years Before
Land	23	263	1,088
Building	13	272	326
Movable Assets	0	7	1
Total	36	542	1,415

19. Status of Cross-Business

3Q in FY14 : End of March, 2015
3Q in FY13 : end of March, 2014
(Unit: Hundred Million KRW, No. of Transaction, No. of Buying)

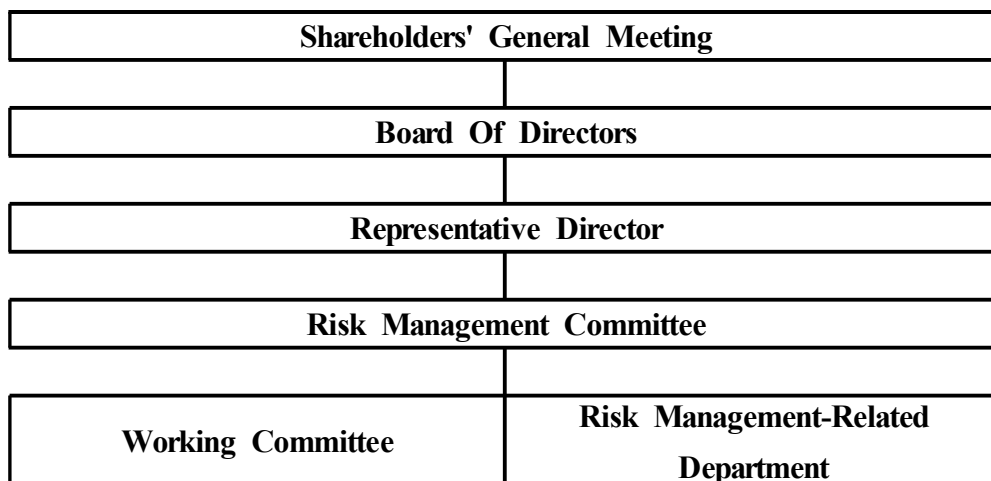
Classification	3Q in FY14		3Q in FY13	
	Performance	Number Of Transaction (Buying)	Performance	Number Of Transaction (Buying)
Installment Financing	0	0	0	0
Debit Card	62	5,281	31	722

[Risk Management]

20. Risk Management

(1) Risk Management Organization

- Organizational Chart



- Risk Management Committee: It is the top decision body for risk management.
- Composition of Risk Management Committee
Strategic Planning Division Head / Finance Management Division Head / Retail Division Head
- Role of Risk Management Committee
It plays roles of establishing policies to cope with the change of financial environment; minimize management risk through focusing on asset and liabilities; and maximize and stabilize profit.
- Risk Management-Related Departments
 - Credit Risk
Loan review Department / CSS Department / Sales Department(Corporate Financing / Retail / IB)
 - Market Risk: IB Department / Business Management Department(financial sector) / Sales Department
 - Interest Risk: Business Management Department(financial sector) / IB Department
 - Liquidity Risk: Business Management Department(financial sector) / Sales Department
 - Operational Risk: Strategic Planning Department / Information System Division

(2) Risk management System:

- Definition
“Risk” means various uncertainty and chance of possible loss occurring during the activities of a company’s management and business.
- Various provisions Related to Risk Management
Total Risk Management Provision, Risk Management Provision, Risk Management Committee Provision.
- Contents in the provisions
They are about overall risks that can break out through the business and management by a savings bank, including risk of credit, market, liquidity, business management.
- Risk Management Committee
It is the top decision body for risk management. It plays roles of establishing policies to cope with the change of financial environment; minimize management risk through focusing on asset and liabilities; and maximize and stabilize profit. The committee shall deliberate and make decision regarding the followings:

- ① Establishing (counter)measure to cope with the change of financial environment
- ② Deliberating and conciliating financing and operation
- ③ Constructing portfolio of assets and liabilities
- ④ Performing risk management and establishing (counter)measure to cope with it
- ⑤ Regarding interest in loan and borrowing
- ⑥ Regarding the other agendas that the chairman thinks it is necessary to action for.

(3) Credit Risk Management:

- Definition
Credit Risk means the amount exposed to loss or such risk due to the default on loan or/and marketable securities of other party in business with the concerned company.
- Purpose
It is to minimize the possibility of occurrence of credit risk; thus maintain financial soundness; consequently build stable profit base; and use the knowledge as the basic data in making decision for

investment priority and establishing strategy of asset resource distribution.

- Objects for Risk Management

loan, securities, derivative and so on

- Principle of Risk Management

- ① To set and manage credit offering limit by sector
- ② To prevent loan bias by constructing loan portfolio
- ③ To set and manage limit to credit risk exposure

- Methods of Risk Management

- ① To set credit limit by industry, debtor, and note drawer
- ② To establish loan portfolio; evaluate loan; prepare early warning system for non-performing loan; and review criteria for loan (credit) offering
- ③ To review the criteria of credit rating by customer and request correction or adjustment when necessary; develop, maintain and integrate methodology and measurement for credit risk such as bankruptcy rate by rating level and collect rate by collateral
- ④ To review if reserve for bad debts and depreciation and debt amount to write off are suitable for credit risk and request for correction when necessary.

- Evaluation Organization: Risk Management Committee, Loan Evaluation Committee, Evaluation Department, others

(4) Market Risk Management:

- Definition

Market Risk means one in which the value of marketable asset decreases in a disadvantageous direction to interest, stock index (price), foreign exchange rate and so on. Such risks include interest risk, price fluctuation risk and FX risk

- Purpose

It is to minimize loss and maximize profit by efficiently managing the change of market price and value such as interest rate, stock index (price) and so on.

- Measuring Method

Transaction related to market risk should be evaluated and measured for loss and profit based on market value.

- Objects for Market Risk Management

Financial products that are dealt for profit margin on purchase and sale on the basis of forecasted value (interest rate, stock index) change of bond, share.

- Methods of Market Risk Management

- ① To set investment limit and loss limit of securities in proprietary account; obtain approval of it from Risk Management Committee and distribute it to risk management-related department heads for accompanying actions
- ② Risk management-related department heads can set and operate proper limit by financial commodity and dealer within the limit set in foregoing (①).
- ③ Risk management-related department heads establish detailed and specific plans and manage them such as investment policy, standard, portfolio principle, criteria for market value evaluation, investment and loss limit by commodity and dealer.
- ④ Risk management-related department heads assess concerned risk on daily, weekly and monthly base or anytime when necessary for rapid change of market situations.

(5) Liquidity Risk Management:

<Balance Of Time Deposit (e.g.) By Remaining Period>

○ Time Deposit

Classification	Within 1 Year	Within 2 Years	Within 3 Years	Over 3 Years	Total
Time Deposit	23,419	1,774	200	1	25,394

(Unit: Hundred Million KRW)

○ Loan

(Unit: Hundred Million KRW)

Classification	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	Over 5 Years	Total
Loan(Note)	14,554	4,357	3,029	2,205	2,493	4,229	30,867

Note 1) Loan (on compound passbook deposit) whose limit is subject to stipulated time period and that is circulated within certain time period (a month) is classified as 'one-year or shorter' loan despite its limit-stipulated time period.

Note 2) Suspense receivable as credit is included.

○ Securities

(Unit: Hundred Million KRW)

Classification	Within 1 Year	Within 2 Years	Within 3 Years	Within 4 Years	Within 5 Years	Over 5 Years	Total
Government/ Public Debt	11	0	0	0	0	0	11
Corporate Bond	12	0	0	0	0	210	222
Others	205	181	327	297	139	52	1,201
Total	228	181	327	297	139	262	1,434

Note 1) Government/Public Debt means monetary stabilization bond, government-guaranteed bond, treasury bill, municipal bond/local debt, and bond issued by government-invested institution.

Note 2) Shares and investment securities (including other equity investments) whose maturity expiration can't be specified are excluded.

(6) Credit Scoring System (CSS):

A. Summary of Credit Scoring System (CSS)

It is a system to statistically measure the risks related to personal credit loan by using the credit rating data and the summaries offered by credit rating agencies (e.g. NICE Information Service Co., Ltd, Korea Credit Bureau, Korea Enterprise Data Co. Ltd)

B. Application Scope

Customers applying for personal credit loan (only for Babilloan)

C. Application Method

Decision making for the system approval based on personal credit risk rating, limit and interest

calculation.

D. Controlling Structure

- 1) Establishing CSS policy based on statistical analysis
 - Periodic Analysis
 - i) Accuracy of credit rating of CB companies
 - ii) Stability and accuracy of the credit rating by application scorecard
 - iii) Validity of CSS policy
 - Non-Periodic Analysis
 - i) Policy rule according to reduced risk
 - ii) CSS policy for new financial products
- 2) Deliberation of Risk Management Committee in establishing and changing policy
- 3) Approval by representative director of changing or establishing policy of Risk Management Committee

[Current Status Of Other Management]

21. Management Performance Of Affiliated Company

3Q in FY14: End Of March, 2015
(Unit: Hundred Million KRW)

Affiliated Company	Financial Situation		Profit-Loss Situation		Settling Day
	Total Asset	Equity Capital(Capital Stock)	Operating Profit	Net Income	
<u>Not Applicable</u>					

22. Internal Control

(1) Functions and Roles of Audit (regular, special and occasional audit)

Audit Committee (auditor) performs the followings to evaluate and improve the propriety of overall internal control system and the performance of management.

- It sets up internal audit plans by class (finance audit, operation audit, compliance audit, management audit, IT audit and so on); evaluates the results of implementation; take follow-up measures; and purposes corrective plans.
- It evaluates the overall internal control system of the concerned company and proposes improvement plan.
- It consents to the appointment of the head of internal audit department.
- It approves the appointment of external auditor.
- It evaluates the activities of external auditor.
- It confirms the matters directed in an audit report
- It handles the matters in accordance with applicable laws and articles of association and those which the board of directors entrusts.
- It conducts an audit on the matters directed by supervisory authority, the board of directors and/or Audit Committee

23. History Of Transactions With Major Shareholders And Executives (Not Applicable)

(1) Current Status Of Credit Offering¹⁾

3Q in FY14 : End Of March, 2015

3Q in FY13 : End Of March, 2014

(Unit: Million KRW, %)

Name Of Shareholder(Or Executive) ²⁾	Name Of Shareholder(Or Executive) And Affiliate Person ³⁾	Credit Offering At The Point Of Appointment (A)	3Q in FY13 Credit Offering(B)	3Q in FY14 Credit Offering(C)	Increase/Decrease (%)				
					Vs. Dat Of Appointment (C-A)	Vs. Previous Period (C-B)			
Shareholder	()	Principal	<u>Not Applicable</u>		()	()			
		Affiliate Person			()	()			
		Subtotal			()	()			
	()	Principal			()	()			
		Affiliate Person			()	()			
		Subtotal			()	()			
	Total	Principal			()	()			
		Affiliate Person			()	()			
		Sum			()	()			
	Executive	()			Principal	<u>Not Applicable</u>		()	()
					Affiliate Person			()	()
					Subtotal			()	()
()		Principal	()	()					
		Affiliate Person	()	()					
		Subtotal	()	()					
Total		Principal	()	()					
		Affiliate Person	()	()					
		Subtotal	()	()					
Total		Principal	()	()					
		Affiliate Person	()	()					
		Sum	()	()					

Note 1) It means credit offering stipulated in Item 6, Article 2 of Mutual Savings Banks Act.

Note 2) For shareholder, only major shareholders as defined in Item 11, Article 2 of Mutual Savings Banks Act are listed here.

For executive, the year, month and date of appointment and postilion – e.g. president of savings bank, Outside Director- should be written in (). For shareholder and executive not related credit offering, 'Not applicable' is written in the column of credit offering.

Note 3) He or she is a affiliate person to shareholder or executive as defined in Item 2, Article 30 of the enforcement ordinance under Mutual Savings Banks Act.

(2) History of Other Major Transactions

A. Sales of Real Estate Property

3Q in FY14: End Of March, 2015
(Unit: Million KRW)

Name Of Shareholder(Or Executive) ²⁾		Name Of Shareholder(Or Executive) And Affiliate Person ³⁾		Transaction Class (Buying/Selling)	Contract Date	Contract Amount	Remarks
Share holder		Principal					<u>Not Applicable</u>
		Affiliate Person					
		Subtotal					
		Principal					
		Affiliate Person					
		Subtotal					
Executive		Principal					<u>Not Applicable</u>
		Affiliate Person					
		Subtotal					
		Principal					
		Affiliate Person					
		Subtotal					
Total	Principal						
	Affiliate Person						
	Sum						

Note 1) It is about (should be written for) the transaction of real estate property done by shareholder (or executive) and their affiliate person during the current fiscal year (from Jul. 1st, 2014 to Mar. 31st, 2015)

Note 2) The same footnotes as in Form 'A'

Note 3) The same footnotes as in Form 'A'

B. Lease/Rent of Real Estate Property¹⁾

3Q in FY14: End Of March, 2015
(Unit: Million KRW)

Name Of Shareholder (Or Executive) ²⁾	Name Of Shareholder(Or Executive) And Affiliate Person ³⁾	Transaction Class (Lease/Rent)	Contract Date	Expiration Date Of Contract	Contract Amount		Remarks	
					Deposit	Annual Lease/Rent Fee		
Shareholder	Principal						<u>Not Applicable</u>	
	Affiliate Person							
	Subtotal							
		Principal						
		Affiliate Person						
		Subtotal						
Executive	Principal						<u>Not Applicable</u>	
	Affiliate Person							
	Subtotal							
		Principal						
		Affiliate Person						
		Subtotal						
Total	Principal							
	Affiliate Person							
	Sum							

Note 1) It is about (should be written for) the lease/rent transaction of Real Estate Property in contract with shareholder (or executive) and their affiliate person **as of the date of reporting this form**

Note 2) The same footnotes as in Form 'A'

Note 3) The same footnotes as in Form 'A'

C. Contract for Goods and Services¹⁾

3Q in FY14: End of March, 2015
(Unit: Million KRW)

Name Of Shareholder (Or Executive) ²⁾		Name Of Shareholder(Or Executive) And Affiliate Person ³⁾		Transaction ⁴⁾	Date of Transaction	Contract (Goods/Services) Amount	Remarks
Shareholder		Principal				Not Applicable	
		Affiliate Person					
		Subtotal					
		Principal					
		Affiliate Person					
		Subtotal					
Executive		Principal				Not Applicable	
		Affiliate Person					
		Subtotal					
		Principal					
		Affiliate Person					
		Subtotal					
Total	Principal						
	Affiliate Person						
	Sum						

Note 1) It is about (should be written for) the supplying transaction of goods/services supplied from shareholder (or executive) and their affiliate person **during the current fiscal year (from Jul. 1st, 2014 to Mar. 31st, 2015).**

Note 2) The same footnotes as in Form 'A'

Note 3) The same footnotes as in Form 'A'

Note 4) It should be expressed like ○○ Goods Supply Contract, ○○ Service Supply Contract and so on.

D. Stock Trading¹⁾

3Q in FY14: End of March, 2015
The end of the 44th(Previous Period): end of June, 2014
(Unit: Million KRW, -000-Note)

Name Of Shareholder(Or Executive) ²⁾	Name Of Shareholder(Or Executive) And Affiliate Person ³⁾	The End Of The 44Th (Previous)		Buying		Selling		The 45Th The Third Quarter (Present)		Remarks
		Balance On B/S	Holding Volume	Trading Amount	Trading Quantity	Trading Amount	Trading Quantity	Balance On B/S	Holding Volume	
Shareholder	Principal									Not Applicable
	Affiliate Person									
	Subtotal									
	Principal									
	Affiliate Person									
	Subtotal									

Note 1) The largest shareholder shareholders and major shareholder of the concerned savings bank are written here.

Note 2) Pit-transactions and over-the-counter transactions are written separately.

* Referral legal provisions

Item 2 of Article 12 of Mutual Savings Banks Act, Item 4 of Article 9 of the enforcement ordinance under Mutual Savings Banks Act and Item 3 of Article 23 of Mutual Savings Bank \ Regulatory Provisions.

[Financial Statements]

1. Audit Report (Korean)

(1) Closing audit report by external auditor

- Electronic Disclosure System of Financial Supervisory Service: see <http://dart.fss.or.kr>

2. Financial Statement (Korean)

- Electronic Disclosure System of Financial Supervisory Service: see <http://dart.fss.or.kr>

3. Income Statement (Korean)

- Electronic Disclosure System of Financial Supervisory Service: see <http://dart.fss.or.kr>

4. Consolidated Audit Report (Korean)

- Electronic Disclosure System of Financial Supervisory Service: see <http://dart.fss.or.kr>