

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

(July 1st, 2015 ~ December 31st, 2015)

Modified disclosure summary of BIS ratio as of December 31th, 2015

(Unit : Hundred, %)

Class	Before correction (A)	After correction (B)	Increase/ Decrease (A-B)
A. Ordinary Capital Sum	352,981	352,422	△559
Capital Stock	1,561,472	1,561,472	0
Capital Surplus	10,227	10,227	0
Retained Earnings	△691,164	△691,723	△559
Goodwill(△)	31,757	31,757	0
Treasury Stock(△)	55,553	55,553	0
Discount on capitla stock(△)	438,746	438,746	0
Loss on Valuation of Available for sale Securities(△)	1,498	1,498	0
B. Supplementary Capital Sum	47,370	47,363	△7
Gain on Valuation of Available for sale Securities by 45%	398	398	0
Allowance for Credit Losses (Normal, precautionary, sub-standard)	46,972	46,965	△7
C. Long-TermBorrowing For Management Normalization	0	0	0
D. Deduction Sum	0	0	0
Investment Amount	0	0	0
Means of Financing of mutual possess	0	0	0
E. Equity Capital Sum(A+B+C-D)	400,351	399,786	△565
F. Risk-Weighted Asset(= A - B)	3,509,128	3,508,558	△570
a. Total Risk-weigjted Asset(= ①+②)	3,757,758	3,757,224	△534
B/S Risk-weigjted Asset(①)	3,757,758	3,757,224	△534
Off-balance sheet risk weighted assets(②)	0	0	0
b. Allowance for credit losses of disallow supplementary capital(= ③-④)	248,630	248,666	36
Total Allowance of credit losses(③)	295,602	295,632	30
Allowance for credir losses of Supplementary capital(④)	46,972	46,965	△7
G. Equity Capital Ratio(E/F)	11.41	11.39	△0.02
Basic Equity Capital Ratio(A/F)	10.06	10.04	△0.02
Supplementary Equity Capital Ratio(B/F)	1.35	1.35	0.00

※ According to the results of Financial Supervisory Service inspection, which is conducted from 2016 August 22 to 2016 September 28, BIS capital ratio(11.41%→11.39%) was changed.

[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. History

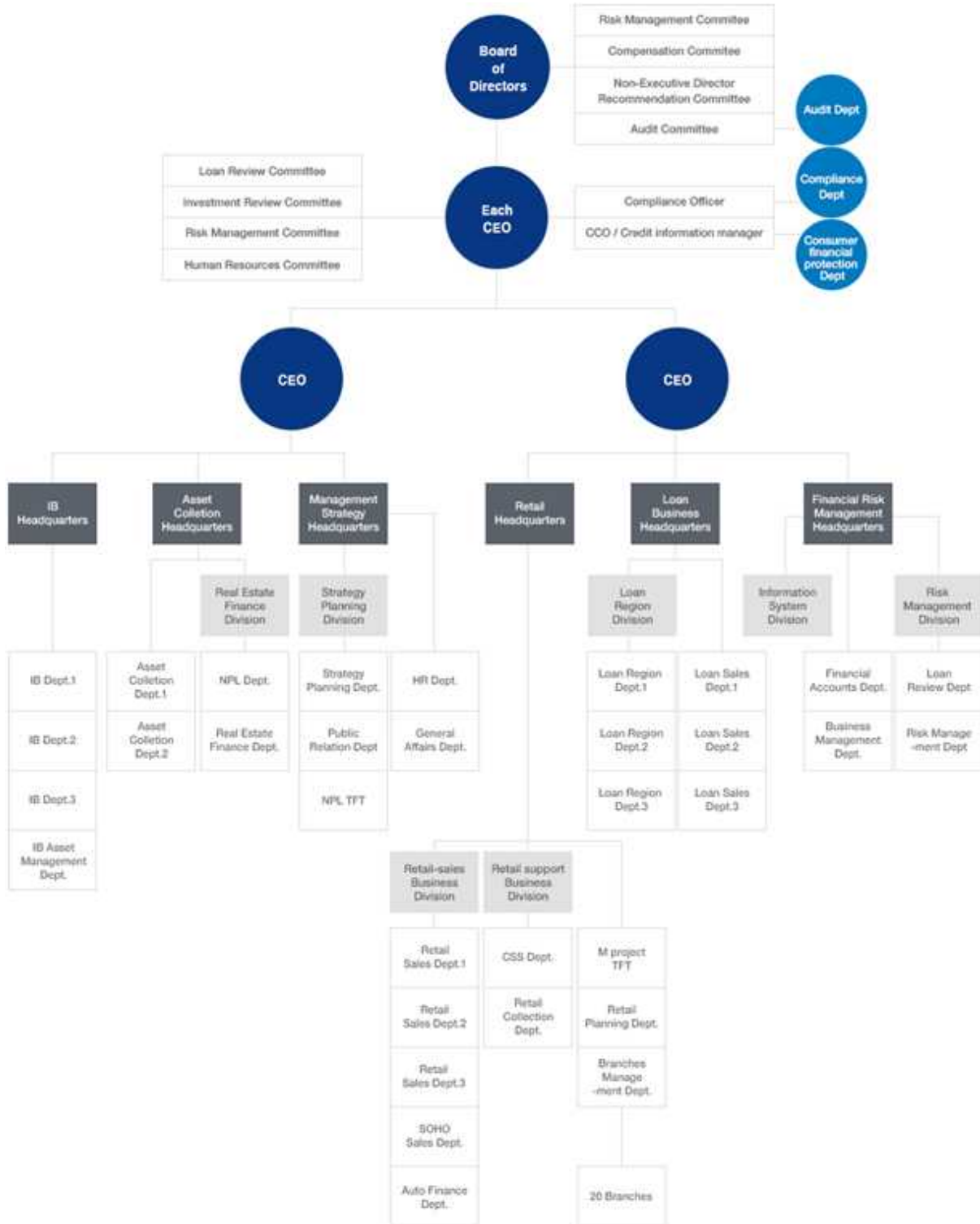
- 1971.10. Company established (Shinsam Mujin Co., Ltd)
- 1972.07. Changed company name (Shinsam Co., Ltd)
- 1972.12. Approved of mutual savings and finance business
- 1972.12. Changed company name(Shinsam Mutual Savings And Finance Co. Ltd)
- 1978.10. Merged Koryo Mutual Savings And Finance Co. Ltd
- 1978.10. Merged Naksang Sangsa Mutual Savings And Finance Co. Ltd
- 1979.10. Changed company name(Shinwah Mutual Savings And Finance Co. Ltd)
- 1979.03. Changed company name(Shinwah Mutual Savings And Finance Co. Ltd)
- 1987.06. Head office moved (55-1, Jongro 2-ga, Jongro-gu, Seoul, South Korea)
- 1987.06. Changed company name(Hyundai Mutual Savings And Finance Co. Ltd)
- 1997.04. Built a new office building and moved (78-6, Cheongdam-dong, Kangnam-gu, Seoul, South Korea)
- 1999.09. Changed company name (Hyundai Credit Safe)
- 2000.04. Merged Kangnam Mutual Savings And Finance Co. Ltd (Hyundai Swiss 2 Savings Bank)
- 2000.07. Bought shares of Swiss Mercer
- 2000.08. Changed company name(Hyundai Swiss Credit Safe Co., Ltd)
- 2002.03. Changed company name (Hyundai Swiss Mutual Savings Bank)
- 2002.05. Bought shares of SBI Korea Financial
- 2006.12. Opened Kangnam Station Branch and Olympic Branch

- 2007.02. Opened Myungdong Station Branch
- 2008.04. Opened Youngsan Station Branch and Mokdong Station Branch
- 2008.11. Merged Jungbu Mutual Savings Bank (SBI 3 Savings Bank)
- 2009.09. Merged Yehanul Mutual Savings Bank (SBI 4 Savings Bank)
- 2010.09. Changed company name (Hyundai Swiss Savings Bank)
- 2013.03. Bought shares of SBI BF and 3 others (under SBI Holdings)
- 2013.09. Changed company name (SBI Savings Bank)
- 2013.11. SBI savings bank merged and acquired SBI 2 savings bank, SBI 3 savings bank, and SBI 4 savings bank
- 2014.11. Opened Incheon Branch and Gwangju Branch(1 head office and 19 branch)
- 2015.03. Head office moved (26, Euljiro 5st , Jongro-gu, Seoul, South Korea)
- 2015.03. Changed name Cheongdam head office to Cheongdam branch(20 branch)
- 2015.08. Moved and changed name Mia branch to Jongno branch
- 2015.11. Moved and changed name Sunae branch to Suwon branch

4. Organization

(1) Organizational Chart

* This Organization was changed on 25st, Mar, 2016



(2) Branch and Automatic Teller Machine

FY15: End Of December, 2015

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

5. Number Of Employees

FY15: End Of December, 2015
 1Q in FY15: End Of September, 2015

Classification		FY15	1Q in FY15
Executive	Executive Director	10	12
	Outside Director	6	7
Employees	Manager	217	219
	Staff	245	225
Position In Special Services		0	0
Total		478	463

6. Executives

March 25st, 2016

Classification	Name	Position	Key Task and Role
Standing Executive	Lim Jin Gu	CEO	CEO & President (IB HQ Head)
	Jeong Jin Mun	CEO	CEO & Vice-President (Retail HQ Head)
	Katsuchi Hideyuki	Senior Managing Director	Financial Risk Management HQ Head
	Choi Sung Dong	Managing Director	Loan Business HQ Head
	Kim Mun Seok	Managing Director	Management Strategy HQ Head
	Lim Young Bok	Managing Director	Asset Collection HQ Head
	Lee Se Hoon	Director	Chief Consumer Officer
	Yoo Hyun Kuk	Director	Retail Division Head
	Kang Dong Uk	Director	Risk Management Head
	Kyung Kyu Sang	Director	Strategic Planning Head
Outside Director (Or Non-Standing Executive)	Woo Yang Tae	Outside Director	Audit Committee Member
	Song Si Young	Outside Director	Audit Committee Member
	Lee Deuk Young	Outside Director	Audit Committee Member
	Kim Ki Hyun	Outside Director	Audit Committee Member
	Kwak Doo Hun	Outside Director	Outside Director
	Ejiri Takashi	Outside Director	Outside Director
	Kawashima Katsuya	Other Outside Director	Chairman (Other Non Executive Director)

*This list was changed on 25st Mar, 2016.

*Regination of the CEO Nakamura Hideo was occurred after general meeting of stockholders, March 25st.

7. Affiliate Company

FY15 : End Of December, 2015

(Unit: Hundred Million KRW, No. of Share, %)

Type	Name	Field	Address	Executives		Shareholders		Applicable Law
				Position	Name	Name	Share%	
Listed	SBI Holdings	Asset Management	6-1, Ichome, Rokbonki, Minatodo, Tokyo, Japan	Representative Director	Kitao Yoshitaka	Japan Trustee Services Bank, Ltd. Northern Trust Co The Master Trust Bank Of Japan, Ltd. and Others	4.08% 3.96% 91.96%	4, Item 2, Article 30 Of The Enforcement Ordinance Of Mutual Savings Banks Act

8. 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.

9. Key Shareholders

FY15: End Of December, 2015

Name	Number of Owned Shares	Ownership(%)
SBI BF Co., Ltd	69,965,347	22.40
SBI CF Co., Ltd	69,965,274	22.40
SBI IF Co., Ltd	69,965,274	22.40
SBI AF Co., Ltd	53,332,720	17.08
SBI Savings Bank(Treasury Stock)	46,125,141	14.77
Etc	2,950,688	0.95
Total	312,294,444	100.00

10. Dividend

Class	End of December, 2015(*)	End of June, 2015
Dividend Rate For Common Stock	0	0
Dividends Per Common Share	0	0
Earnings Per Share	65KRW	96KRW
Pay-Out Ratio	0	0

(*) According to the amended Article 25 of the Enforcement Rule of mutual savings banks, the fiscal year has been changed from the end of June to the end of December. Accordingly, the 46th fiscal year earnings results in the six months from July 1, 2015 to December 31st 2015.

[Performance]

11. Summary

(Unit: Hundred Million KRW)

Class	FY2015(*)	FY2014
Business Profit(Profit Before Reserve)(A)	575	1,400
Reserved Fund For Allowance(B)	451	1,109
Allowance For Bad Debts	436	993
Allowance For Guarantee Of Payment	0	0
Allowance For Severance Liability	14	19
Allowance For Others	0	97
Corporation Tax(C)	△42	59
Net Income(A-B-C)	166	232

(*) According to the amended Article 25 of the Enforcement Rule of mutual savings banks, the fiscal year has been changed from the end of June to the end of December. Accordingly, the 46th fiscal year earnings results in the six months from July 1, 2015 to December 31st 2015.

12. Financing And Operation

(1) Interest Rate

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification			FY15				2Q in FY14			
			Average Balance	Interest	Interest	Average Balance	Interest	Interest		
			%	Amount	Rate	%	Amount	Rate		
Financing	Cost	Deposit	33,612	88.72	542	3.2	19,124	80.91	340	3.5
		Cover Note	0	0.00	0	0.0	0	0.00	0	0.0
		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	48	0.13	2	8.1	472	2.00	20	8.3
		Others	175	0.46	0	0.0	66	0.28	12	35.6
		Subtotal	33,834	89.31	544	3.2	19,662	83.19	372	3.8
	Non-Cost	Total Capital	3,848	10.16	0	0.0	2,518	10.66	0	0.0
		Other Allowances	5	0.01	0	0.0	1,123	4.75	0	0.0
		Others	196	0.52	0	0.0	333	1.41	0	0.0
Subtotal		4,050	10.69	0	0.0	3,974	16.81	0	0.0	
	Financing Total	37,884	100.00	544	2.9	23,636	100.00	371	3.1	
Operation	Profit	Due from Bank	4,654	12.28	39	1.7	3,792	16.04	44	2.3
		Securities	2,475	6.53	73	5.9	3,292	13.93	59	3.6
		Loans	32,001	84.47	1,680	10.4	19,602	82.94	936	9.5
		Call Loans	0	0.00	0	0.0	0	0.00	0	0.0
		Others	418	1.10	0	0.0	231	0.98	0	0.0
		Allowance For Bad Debts And Others (△)	4,479	11.82	0	0.0	5,344	22.61	0	0.0
		Subtotal	35,069	92.57	1,792	10.2	21,573	91.27	1,039	9.6
	Non-Profit	Cash	17	0.05	0	0.0	15	0.07	0	0.0
		Tangible Assets	174	0.46	0	0.0	112	0.47	0	0.0
		Others	2,624	6.93	0	0.0	1,935	8.19	0	0.0
Subtotal		2,815	7.43	0	0.0	2,062	8.73	0	0.0	
	Operation Total	37,884	100.00	1,792	9.4	23,636	100.00	1,039	8.7	

(2) Maturity Structure

FY15: End Of December, 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	6,667	8,108	12,534	20,398	14,365	6,522	41,286
Loan(1)*	3,354	4,795	9,222	17,086	9,121	6,522	32,728
Financing	11,088	19,132	33,024	36,027	5,259	0	41,286
Deposit Received(2)	11,088	19,132	33,024	36,027	2	0	36,029
Difference(1-2)	△7,734	△14,337	△23,803	△18,941	9,119	6,522	△3,300

* Suspense receivable as credit is included.

(3) Subordinated Bond Issuance

FY15: End Of December, 2015
(Unit: Hundred Million KRW)

Type of Bond	The Date Of Issue	The Date Of Maturity	Issued Amount	Issued (Interest) Rate	Credit Rate	Remarks
N/A						

13. Profit Status By Sector

(Unit: Hundred Million KRW)

Class		End of December(*) 2015(A)	End of June, 2015(B)	Variation (A-B)
Interest	Interest Earnings	1,728	2,610	△882
	Earned Interest On Deposits	39	114	△75
	Earned Interest On Marketable Securities	9	39	△30
	Earned Interest On Loan	1,669	2,456	△787
	Other Interest Income	11	1	10
	Interest Expense	460	837	△377
	Interest on Deposit Received	458	789	△331
	Interest For Borrowing	0	0	0
	Interest For Corporate Bond	2	36	△34
	Other Interest Expense	0	12	△12
Subtotal	1,268	1,773	△505	
Fee	Fee Income	46	53	△7
	Fee Expense	222	296	△74
	Subtotal	△175	△243	68
Other Operations	Other Operating Income	514	1,250	△736
	Other Operating Expense	687	1,297	△610
	Subtotal	△173	△48	△125
Sum of Profit by Sector		920	1,482	△562
Selling And Administrative Expenses(△)		586	926	△340
Operating Income		334	557	△223
Non-Operating Income		54	103	△49
Non-Operating Expense(△)		263	369	△111
Net Income Before Corporate Tax		125	291	△161
Corporate Tax(△)		△42	59	△101
Net Income		166	232	△60

(*) According to the amended Article 25 of the Enforcement Rule of mutual savings banks, the fiscal year has been changed from the end of June to the end of December. Accordingly, the 46th fiscal year earnings results in the six months from July 1, 2015 to December 31st 2015.

14. Index Of Capital Adequacy

A. Capital Adequacy

FY15: End Of December, 2015
 2Q in FY14: End Of December, 2014
 (Unit: Hundred Million KRW, %)

Classification	FY15	2Q in FY14
BIS Capital Ratio ※ Required By The Law Is More Than (7%)	11.39	10.69
BIS Basic Capital Ratio (Tire1)	10.04	9.13
Tangible Common Equity Ratio	9.56	9.00

◆ **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

FY15: End Of December, 2015
 2Q in FY14: End Of December, 2014
 (Unit: Hundred Million KRW)

Classification	FY15	2Q in FY14
Ordinary Capital Sum (A)	3,524	2,871
Capital Stock	15,615	15,615
Capital Surplus	102	102
Retained Earnings	△6,917	△7,385
Shares Owned By External Shareholders Of Affiliated Company	0	0
Deductions	△5,276	△5,461
Supplementary Capital Sum (B)	474	490
Upper Subordinated Debt (Claimed) With Maturity	0	0
Lower Subordinated Debt (Claimed) With Maturity	0	40
Revaluation Reserve	0	0
Gain On Valuation Of Asset Available For Sale And Others	4	6
Allowance For Bad Debts	470	444
Long-Term Borrowing(C) For Management Normalization	0	0
Deduction Sum (D)	0	0
Equity Capital Sum (A+B+C-D)	3,998	3,361
Risk-Weighted Asset	35,086	31,425

15. Index Of Asset Quality

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification	FY15	2Q in FY14
Loss Risk-Weighted Loan Ratio	41.07	55.69
Net Substandard or Lower Loan Ratio	12.67	21.36
Substandard or Lower Loan Ratio	19.93	32.36
Ratio Of Overdue Loan	18.44	29.85

16. Index Of Profitability

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Class	FY15	2Q in FY14
Return On Assets	1.23	△4.92
Expense On Assets	3.08	2.91
Ratio Of Gross Profit To Gross Costs	85.40	91.70

17. Index Of Liquidity

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification	FY15	2Q in FY14
Liquidity Coverage Ratio	105.75	129.06
Ratio of Disposable Fund	15.71	16.35
Tangible Assets Ratio	55.23	67.12

◆ 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.

18. Index Of Productivity

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification		FY15	2Q in FY14
Per Employee	Profit Before Allowance	1	2
	Deposits	75	77
	Loans	71	79
Per Branch Bank	Deposits	1,681	1,739
	Loans	1,600	1,782

19. Other Indexes

FY15: End Of December, 2015
 2Q in FY14: End Of December, 2014
 (Unit: Hundred Million KRW, %)

Class	FY15	2Q in FY14
Ratio Of Allowance For Severance Liability	100.0	100.0

[Financial Results]

20. Balance sheet

FY15: End Of December, 2015
 2Q in FY14: End Of December, 2014
 (Unit: Hundred Million KRW, %)

Classification	FY15		2Q in FY14		
	Amount	%	Amount	%	
Asset	Cash And Due from Banks	5,632	13.64	6,468	16.95
	Securities	2,624	6.36	1,910	5.00
	Loans	32,656	79.10	30,380	79.59
	Call Loans	0	0.00	0	0.00
	Tangible Asset	142	0.34	168	0.44
	Other Assets	3,193	7.74	3,764	9.86
	Allowance For Bad Debts And Others (△)	△2,967	△7.19	△4,516	△11.83
Asset Total	41,280	100.00	38,173	100.00	
Liability	Deposits	36,029	87.27	32,959	86.34
	Borrowings	0	0.00	700	1.83
	Call Money	0	0.00	0	0.00
	Other Liabilities	1,305	3.16	1,079	2.83
	Liability Total	37,333	90.43	34,738	91.00
Stockholder's Equity	Capital Stock	15,615	37.82	15,615	40.91
	Capital Surplus	102	0.25	102	0.27
	Capital Adjustment	△4,943	△11.97	△4,943	△12.95
	Accumulated Other Comprehensive Income	90	0.22	45	0.12
	Retained Earnings	△6,917	△16.76	△7,385	△19.35
	Stockholder's Equity Total	3,947	9.56	3,435	9.00
Liability And Stockholder's Equity Total	41,280	100.00	38,173	100.00	

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

21. Operation with Loan

(1) Loan

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification	FY15		2Q in FY14	
		%		%
Loan For Company	17,775	54.31	16,204	53.15
Loan For Personal	13,425	41.02	10,135	33.24
Other Loans	1,528	4.67	4,149	13.61
Total	32,728	100.00	30,488	100.00

* Suspense receivable as credit is included.

(2) Secured Loan By Collateral

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification		FY15		2Q in FY14	
			%		%
Collateral	Real Estate Property	7,091	21.66	8,733	28.65
	Movable Assets	515	1.57	261	0.86
	Securities	2,335	7.13	1,181	3.87
	Deposit Received	75	0.23	92	0.30
	Others	2,458	7.51	1,805	5.92
	Total	12,474	38.11	12,072	39.60
Guarantee		1,199	3.66	971	3.19
Credit		19,056	58.22	17,445	57.22
Total		32,728	100.00	30,488	100.00

* Suspense receivable as credit is included.

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

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification		FY15	2Q in FY14
S&M Company Loan	Ratio (A/B X 100)	46.76	49.94
	S&M Loan (A)	15,305	15,226
	Total (B)	32,728	30,488

* Suspense receivable as credit is included.

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

FY15: End Of December, 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)	6,546	2,221	240	-	1,853	-	128	2,221	1,981	89.19
Construction Business (②)	9,819	1,592	905	101	551	26	9	1,592	565	35.50
Real Estate Business And Leasing Business(③)	9,819	2,166	574	613	940	17	22	2,166	968	44.72
Real Estate Property And Leasing Business(④)	9,819	1,220	536	251	428	4	2	1,220	424	34.72
Total(①+②+③-④)¹⁾	14,728	4,758	1,184	463	2,915	39	157	4,758	3,090	64.95

* Suspense receivable as credit is not included.

Note 1) Real estate property-related business's total limit is applied to 45% of total credit offering by Item 3, Article 22 Of The Enforcement Ordinance Of Mutual Savings Banks Act

(5) Micro Personal Credit Loan

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

Classification	End Of December, 2015	End Of September, 2015	End Of June, 2015	End Of March, 2015
Total Loan	32,728	31,428	30,666	30,867
Micro Personal Credit Loan	1,228	1,210	1,137	1,159
Proportion	3.75	3.85	3.71	3.75
Micro Personal Credit Loan Overdue Amount	162	182	190	201
Proportion	13.19	15.04	16.71	17.34

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

Note *) 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.

22. Investment In Marketable Securities And Operation

FY15: End Of December, 2015
(Unit: Hundred Million KRW)

Class	Acquisition Cost	Term-End Book Value	Balance Of Gain Or Loss From Appreciation(B/S)	Operating Profit And Loss(I/S)
Held-For-Trading	648	640	0	-8
Asset Available For Sale	1,894	1,984	90	29
Held-For-Maturity	0	0	0	0
Investments In Stocks Accounted For Under The Equity Method	0	0	0	0
Total	2,543	2,624	90	21

23. Deposits

(1) Deposits By Type

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification	FY15				2Q in FY14			
	Balance		Average Balance		Balance		Average Balance	
		%		%		%		%
Demand Deposits	923	2.56	955	2.84	827	2.51	548	2.87
Time Deposits	29,410	81.63	25,825	76.83	25,563	77.56	15,260	79.79
Installment Deposit	5,695	15.81	6,832	20.33	6,569	19.93	3,316	17.34
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	36,028	100.00	33,612	100.00	32,959	100.00	19,124	100.00

(2) Deposits By Customer Type

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, %)

Classification	FY15		2Q in FY14	
	Balance	%	Balance	%
Individual	35,744	99.21	32,621	98.97
Corporate And Group	219	0.61	282	0.86
Others	65	0.18	56	0.17
Total	36,029	100.00	32,959	100.00

Note *) Based on balance

24. Write-Off And Allowance For Bad Debts

(1) Amount Of Bad Loan Write-Off

FY15 (3 Months): from Sep.1st, 2015 to December 31st, 2015
 2Q in FY15 (Accumulated): from Jul. 1st, 2015 to December 31st, 2015
 2Q in FY14 (3 Months): from Sep. 1st, 2014 to December 31st, 2014
 2Q in FY14 (Accumulated) from Jul. 1st, 2014 to December 31st, 2014
 (Unit: Hundred Million KRW)

Classification	FY15		2Q in FY14	
	FY2015 (Present Quarter)	FY2015 2Q (Cumulation)	FY2014 2Q (Present Quarter)	FY2014 2Q (Cumulation)
Amounts Of Write-Off During Term	733	854	5,144	5,170
General	733	854	5,144	5,170
Special	0	0	0	0

(2) Classification Of Allowance For Bad Debts

FY15: End Of December, 2015
 2Q in FY14: End Of December, 2014
 (Unit: Hundred Million KRW)

Classification	FY15	2Q in FY14
Allowance For Bad Debts	2,956	4,515
General	2,956	4,515
Special	0	0

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

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

FY15: End Of December, 2015
 2Q in FY14: End Of December, 2014
 (Unit: Hundred Million KRW)

Classification	FY15	2Q in FY14
Total Loan	32,728	30,488
NPL (Non-Performing Loan or Insolvent Loan) ¹⁾	1,873	3,058
Sub-Standard Or Lower Loan ²⁾	6,522	9,865
Net sub-Standard Or Lower Loan ³⁾	3,771	5,548

Note 1) NPL or insolvent loan means the sum of recovery doubtful and presumed 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 *) 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 which is anticipated to accrue, but the amount of the loss is not fixable in which cases were classified sub-standard.

◦ **Presumed loss:** A portion of accounts receivable exceeding an expected recoverable which shall be inevitably disposed of a loss because of impossibility of recovery in which cases were classified sub-standard.

◆ **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.

◦ Sub-standard: An expected recoverable amount of accounts receivable which cases are needed specific recoverable and manageable measurement because of poor management.

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

FY15 : End Of December, 2015
 1Q in FY15: End Of September, 2015

(Unit: Hundred Million KRW)

Company ¹⁾	FY15	1Q in FY15	Increased Amount	Reason For Increase	Remarks
S***** (Golf Operation)	49	0	49	Collectible Amount Changed	
H***** (Residential Building Development And Suppliers)	34	0	34	Collectible Amount Changed	
W***** (Residential Building Development And Suppliers)	19	0	19	Collectible Amount Changed	
Private operators(I*S)	18	0	18	Collectible Amount Changed	
I*** (Apartment construction)	17	0	17	Collectible Amount Changed	

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

FY15 : End Of December, 2015

(Unit: Hundred Million KRW)

Company	Date of Decision For Debt Reconciliation	FY15 Total Loan Balance	NPL Or Insolvent Balance	Progress Of Debt Reconciliation	Remarks
<u>Not Applicable</u>					

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

26. Off-The-Book Trading

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW)

Classification	FY15	2Q in FY14
Guarantee Of Payment	0	0
Bad Loan Write-Off	20,744	10,587
Endorsed Note	0	0
Sales Of Repurchase Paper	0	0
Transaction Of Financial Derivatives	0	0

27. Non-Operating Assets

FY15: End Of December, 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	0	78	984
Building	0	199	213
Movable Assets	0	7	1
Total	0	284	1,198

28. Status Of Cross-Business

FY15: End Of December, 2015
2Q in FY14: End Of December, 2014
(Unit: Hundred Million KRW, No. of Transaction, No. of Buying)

Classification	FY15		2Q in FY14	
	Performance	Number Of Transaction (Buying)	Performance	Number Of Transaction (Buying)
Installment Financing	0	0	0	0
Debit Card	83	6,679	40	984

[Risk Management]

29. 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 HQ Head / Finance Management HQ Head /
Risk Management HQ Head / Business Management Department 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, Loan review 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

(Unit: Hundred Million KRW)

Classification	Within 1 Year	Within 2 Years	Within 3 Years	Over 3 Years	Total
Time Deposit	26,997	2,201	212	1	29,410

○ 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 ^{1,2)}	14,505	4,258	4,127	2,458	4,088	3,191	32,628

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 Bond ¹⁾	10	0	0	0	0	0	10
Corporate Bond	0	0	20	20	0	309	349
Others	472	284	657	225	110	185	1,933
Total	482	284	677	245	110	494	2,292

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

Note *) 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]

30. Management Performance Of Affiliated Company

FY15: End Of December, 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>					

31. Loan/Borrowing Interest And Determination of Interest Rate

(1) Loan Interest

FY15: End Of December, 2015

Class			By Credit Rate ¹⁾			Remarks
			Top Class	Most Next Creditor Class	Bottom Class	
Personal Loan	Credit Loan (Unsecured, a year)	Class	1	6	10	
		Applied Interest	6.9~6.9	8.0~34.9	7.7~39.8	
	Secured Loan Against Apartment (a year)	Class	5	5	6	
		Applied Interest	10.1	10.1	9.3	
	Secured Loan Against Deposit (Time Deposit: a year)	Class	1	1	6	
		Applied Interest	3.4~5.7	3.4~5.7	3.9~4.0	
	Stock Loan	Class	1	5	9	
		Applied Interest	3.3~5.7	3.3~5.7	3.3~5.7	
Corporate Loan ²⁾	General Corporate Loan (a year)	Class	1	3	9	
		Applied Interest	5.8~8.1	6.0~12.0	5.0~14.0	
	Secured Loan Against Overdrawn Account	Class	0	0	0	
		Applied Interest	0.0	0.0	0.0	

Note 1) For normal classes

Note 2) Based on unsecured loan

(2) Deposit Interest

FY15: End Of December, 2015

Class	Period	Minimum Interest ¹⁾	Maximum Interest ²⁾	Remarks
Ordinary Deposit	-	0.2	1.7	
Savings Deposit	-	-	-	
Periodical Installment Savings	6-Month Or Shorter	2.5	2.7	
	A Year	2.8	5.6	
	2 years	2.8	4.8	
	3 Years	2.8	4.8	
Time Deposit	3-Month Or Shorter	1.5	1.8	
	6-Month Or Shorter	1.6	2.6	
	A Year	1.9	3.2	
	2 years	1.9	3.6	
	3 Years	1.9	4.0	
Workers-Preferred Savings	3 Years	-	-	
	5 Years	-	-	
Long-Term Savings For Purchasing A House	7 Years	-	-	

Note 1) For normal classes

Note 2) Based on unsecured loan

(3) Determination System Of Interest Rate

(A) Deposit Interest: The concerned company's Risk Management Committee determines the interest rate on deposit products after considering the maturity amount of our deposit products, BOK's benchmark rate, and the average interest rate of savings banks and commercial banks.

- Ordinary Deposit: It is related to check card since it is a demand deposit product. We determine maximum interest of ordinary deposit after considering the provisions regarding check card by Korea Federation of Savings Banks.

- Periodical Installment Savings: Since the concerned company deals with a variety of deposit products with preferred interest, we consider the interests of main products by period in determining interest rate for periodical installment savings products.

(B) Loan Interest: For general loan, our Loan Evaluation Committee consider the current status of each case in evaluating and approving loan offering.

- Internet Credit Loan (Babilloan): Interest = Working cost + Default rate by class (based on our standard) + Margin (Working cost: Procurement expense, Recruiting expense, Operating expense)

- Used Car Loan(Auto Loan): Interest = Working cost + Default rate by class (based on our standard) + Margin (Working cost: Procurement expense, Recruiting expense, Operating expense)

- Loan Against Apartment Owned by Business Person:

Base rate (New base Cofix Interest) + Matrix-based additional rate ± Interest option

- On-line Mortgage Loan:

Base rate (New base Cofix Interest) + Matrix-based additional rate ± Interest option

- Loan For Ordinary People:

Standard CSS Interest + Discounted interest rate for each customer

(Standard CSS Interest: Weighted average fixed deposit interest of the Whole Savings Bank (month before last) + Spread interest)

- Stock Loan: Fixed rate 3.1~3.9% for new and 5.7% for extension
- Hope Passbook Loan (Credit loan by branch bank):

Interest = Minimum interest 8.5% + Additional rate option by class
(Option: CB Class, Annual income, Credit loan portion, Net asset)

- Hope Day Loan(Business Person Repayment Loan)

Interest = Minimum interest 8.5% + Additional rate option by class
(Option: CB Class, Annual income, Credit loan portion, Net asset)

- Saida(Mobile credit loan)

- Interest = Fixed interest rate by credit class

(1 class 6.9%, 2 class 8.0%, 3class 9.0%, 4 class 10.0%, 5class 12.0%, 6 class 13.5%)

*Credit class :Nice credit information service co., Ltd.

32. History Of Transaction With Other Financial Institutions

(Unit: Hundred Million KRW)

Class	Financing		Operation	
	Type	Amount	Type	Amount
Domestic Bank	Ordinary Money Deposited (Balance)	0	Ordinary Money Deposited (Balance)	35
	-	-	Other Money Deposited (Balance)	1,831
Others Financial Institution	Ordinary Money Deposited (Balance)	4	Other Money Deposited (Balance)	250
Subtotal	-	-		2,116
National Federation	-	-	Money Deposited (Balance) In KFSB ¹⁾	2,470
	-	-	Money Deposited (Balance) For Reserves	1,879
Total		4		6,465

Note 1) KFSB is Korea Federation Of Savings Banks

Note *) Clear statement additionally about trade financial institution(refer to FY14 audit report note 4-1, 16-3)

33. Compliance Officer System

(1) Definition Of Compliance Officer

He or she is a specialist, usually employed by a financial group to ensure that no conflict of interest arises and that all obligations and regulations are complied with and report the results to Audit Committee.

(2) Concept Of Compliance Officer

- Compliance officer exists to have the employees and executive be aware of laws, regulations, rules, ethics and responsibilities that have to abided by in handling banking works in order to operate assets on sound base and protect depositors.

- Compliance officer exists to minimize legal risks and manage and operate assets legitimately by applying

precautious law-complying programs (introduction, education of laws and provisions to keep and monitoring compliance) that aim for internal control and to accomplish business goals.

(3) Roles

- (A) To conceive, plan and draw up internal control policy
- (B) To monitor the implementation of internal control system and improve and correct it
- (C) To support and consult with the board of directors, the management and related departments
- (D) To early supervise the compliance to daily regulations
- (E) To implement and manage regular education of internal control law compliance for executives and staff members
- (F) To establish the code of ethics of executives and staff members and plan specific implementations
- (G) To check handling civil affairs in terms of consumer protection and the adequacy of public posting of management performance
- (H) To cooperate with supervisory authorities and Audit Committee
- (I) To record and maintain the results of compliance on regular base; plan the annual activities of compliance officer; prepare result reports; and report them to the management or Audit Committee

(4) Implementation

Compliance officer is currently working for the concerned company on regular base by establishing the code of ethics; educating the executives and staff members; closely cooperating with the supervisory authorities and the auditing department; maintaining the results of compliance; setting internal control system; performing monitoring and auditing; checking daily works, protecting customers; supporting and consulting internal control system.

34. 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

35. Institutional Warning And Rebuke On Executives

Title	Title Date Of Announcement	Remarks
Relevant detail of administrative penalty	2015-11-10	

36. Occasional Announcement

Title	Date Of Announcement	Remarks
Holding State of Major Shareholder	2015-07-07	
July 2015, Board of directors, outside director Activity	2015-08-13	
August 2015, Board of directors, outside director Activity	2015-09-09	
Nomination details of outside director	2015-09-14	
Public notice of variation of current net profit(current net loss) by more than 30% compared to the previous fiscal year	2015-09-30	
FY14期 Result General meeting of Shareholders	2015-09-30	
Resignation and Appointment of Executives	2015-09-30	
Holding State of Major Shareholder	2015-10-12	
September, 2015 : Board of directors, outside director Activity	2015-10-13	
Appointment External Auditor	2015-10-21	
Levy details of Fines	2015-11-04	
Relevant detail of administrative penalty	2015-11-10	
October, 2015 , Board of directors, outside director Activity	2015-11-12	
November, 2015 , Board of directors, outside director Activity	2015-12-09	

37. Balance Of Loan To Employees

(Unit: Hundred Million KRW)

Class	End of December, 2015	End of September, 2015
Balance of Loan to Employees	0.6	0.5

38. History Of Transactions With Major Shareholders And Executives

(1) Current Status Of Credit Offering¹⁾

FY15 : End Of December, 2015
 1Q in FY15 : End Of September, 2015
 (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)	1Q in FY15 Credit Offering(B)	FY15 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 position – 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 Property¹⁾

FY15: End Of December, 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 June 30st, 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⁾

FY15: End Of December, 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⁾

FY15: End of December, 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				<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 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⁾

FY15: End of December, 2015
 2Q in FY14: End of December, 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 45Th (Precious)		Buying		Selling		The 46Th 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	<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	<u>Not Applicable</u>								
	Affiliate Person									
	Sum									

Note 1) It is about (should be written for) the trading of issued stock/shares that the shareholder (or executive) and their affiliate person have bought or/and sold **during the current fiscal year (from Jul. 1st, 2015 to Dec. 31st, 2015).**

But the trading (buying and selling) for long-term investment is not included.

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

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

B. Granting Condition Of Stock Option (Not Applicable)

- (1) Exercise Price
- (2) Exercised Volume
- (3) Others

C. Grant, Exercise And Cancellation Of Annual Stock Option**(1) Grant****(A) Special Decision By General Meeting Of Stockholders**

Granting Date	Position	Name	Type Of Share	Number Of Shares Previously Granted	Number Of Shares Currently Granted	Exercise Period	Exercise Price	Exercise Terms	Present Value As Of Granting	Total Number Of Shares Issued	Granting Limit Set By General Meeting Of Stockholders
<u>Not Applicable</u>											

(B) Resolution Of The Board Of Directors

Granting Date	Position	Name	Type Of Share	Number Of Shares Previously Granted	Number Of Shares Currently Granted	Exercise Period	Exercise Price	Exercise Terms	Present Value As Of Granting	Total Number Of Shares Issued	Granting Limit Set By The Resolution Of Board Of Directors
<u>Not Applicable</u>											

(2) Exercise

Exercise Date	Position	Name	Type Of Share	Number Of Shares Granted	Number Of Shares Exercised	Number Of Shares Remained	Exercise Price At The Point Of Granting	Final Exercise Price	Stock Index (Price) At The Point Of Exercise	Profit By Exercise
<u>Not Applicable</u>										

(3) Cancellation

Cancellation Date	Position	Name	Type Of Share	Number Of Shares Granted	Number Of Shares Cancelled	Number Of Shares Remained	Reason For Cancellation
<u>Not Applicable</u>							

41. Cautions For Users Of Loan Products

- (1) Transaction with mutual savings bank shall be based on real-name financial transaction system.
- (2) For loan application, the concerned mutual savings bank performs a certain type of evaluation procedure before determining loan offering.
- (3) Loan applicant should make a reasonable plan to reimburse loan after considering debtors's income and others in order to smooth repayment.
- (4) In case of loan against collateral(s), additional collateral(s) may be requested depending on the decrease of the value of the concerned collateral.

42. Commission

Announced by Sales Department

43. Explanation Of Key Terminologies

(1) Ratio Of Equity Capital To Risk-Weighted Asset (BIS Ratio)

BIS capital adequacy ratio is the indicator of the financial soundness of a mutual savings bank and calculated (as follows) according to Attachment 1 in the detailed regulations of enforcement of Mutual Savings Bank Regulatory Provisions. The guidance ratio is 5%.

◦ Equity Capital Ratio = Equity capital/Risk-Weighted Asset × 100

(2) Business Profit

Business Profit is an indicator for the operating profitability of a mutual savings bank.

It is gross earnings minus overhead expenses (except valuation allowance and corporation tax).

It can be calculated in two ways.

◦ Business Profit = {Gross earnings – Overhead expenses(except corporation tax, reserves for bad debts, severance liability and guarantee of payment) – Reversal of allowances}

◦ Business Profit = Net income + Corporation tax + Reserves for bad debts,
Severance liability and Guarantee of payment – Reversal of allowances

(3) Ratio Of Asset Liquidity

This ratio indicates the ability of a mutual savings bank to pay and is calculated according to Attachment 7 (metric measurement) in the detailed regulations of enforcement of Mutual Savings Bank Regulatory Provisions.

◦ Ratio of Asset Liquidity = Liquid assets / Liquid liabilities × 100 (based on average balance average balance)

* Liquidity Ratio = (Liquid assets / Liquid liabilities) × 100

* Liquid Assets: The sum of marketable (e.g. listed and/or registered on the association and after evaluated for market value) securities (with 3-month or shorter maturity) with remaining maturity less than 3 months among normal loans.

But assets classed as precautionary asset or lower class are not included.

* Liquid Liabilities Deposit Received + Deposit Received For Cover Bill +

Borrowings (except long-term borrowings for management normalization) + Call Money

(4) Fixed Asset Ratio

It shows the ratio of the acquisition cost and equity capital of land and buildings that a mutual savings bank possesses for business. It is calculated according to Attachment 7(metric measurement) in the detailed regulations of enforcement of Mutual Savings Bank Regulatory Provisions.

◦ Fixed Asset Ratio = Fixed assets / Equity capital × 100

* Fixed Assets: The sum (of land, buildings, assets under construction and deposit for lease for business purpose) minus reserves for depreciation (of lease deposit and buildings for business purpose)

* Equity Capital: Total capital recorded on balance sheet

(5) Difference Of Interest Rate On Deposit And Loan

Difference of Interest Rate on Deposit and Loan is earning rate of loan minus loss rate of deposit received and indicates the soundness of loan offered and the ability to secure financial sources at low cost (or ability of profit generation) of a mutual savings bank.

◦ Interest Rate Difference = Average loan interest rate – Average deposit interest rate

* Average loan interest rate = Loan interest / Average loan balance × 100

* Average deposit interest rate = (Deposit interest + Interest on deposit received for cover bill) / (Average deposit balance + Average deposit balance received for cover bill) × 100

(6) NPL Or Insolvent Loan

It is the sum of doubtful loan and probable 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.

● Total Loan: Loan + Provisional payments (that can belong to loan)

* Doubtful loan: It is the loan estimated to lose but not confirmable of total loan to fixed clients.

* Probable loss: It is loan sure to lose and inevitable to handle as loss and expenditure of the total loan to fixed clients due to shortage of collaterals.

(7) Sub-standard Loan

It is the sum the sum of precautionary, doubtful and probable 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.

* Fixed Loan: It is loan that can be collected out of the total loan to clients for which specific measure and management to collect is necessary due to their poor management such as bad credit evaluation.

[Financial Statements]

44. Audit Report

(1) Closing Audit report By External Auditor

- Refer to Audit Report Additionally Attached

45. Financial Statement

- Refer to Audit Report Additionally Attached

46. Income Statement

- Refer to Audit Report Additionally Attached

47. Statement Of Changes In Equity

- Refer to Audit Report Additionally Attached

48. Earned Surplus (Deficit) Appropriation Statement

- Refer to Audit Report Additionally Attached

49. Cash Flow Statement

- Refer to Audit Report Additionally Attached

50. Annotation

- Refer to Audit Report Additionally Attached

51. Consolidated Audit Report

- Not Applicable

52. Consolidated Financial Statement

- Not Applicable

53. Consolidated Income Statement

- Not Applicable

54. Consolidated Financial Statement

- Not Applicable

55. Consolidated Earned Surplus (Deficit) Appropriation Statement

- Not Applicable

56. Consolidated Cash Flow Statement

- Not Applicable

57. Annotation of Consolidated Financial Statement

- Not Applicable