

The Current Status Of SBI Savings Bank As of December 31st, 2019

(January 1st, 2019 ~ December 31st, 2019)

[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.

CEO Jeong Jin Mun

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

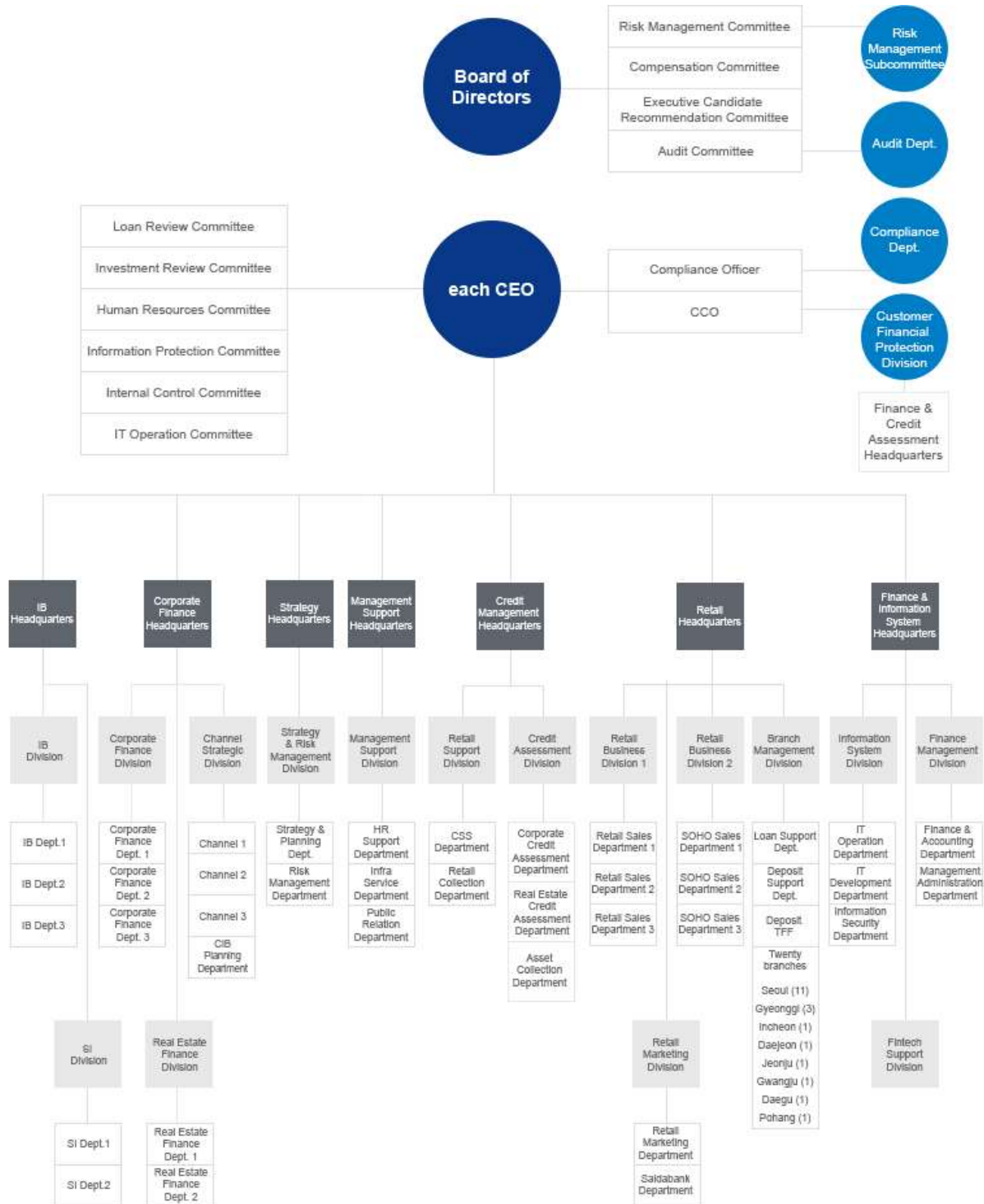
- 1971.10. Company established (Shinsam Mujin Co., Ltd)
- 1972.07. Changed company name (Shinsam Co., Ltd)
- 1972.12. Approved of mutual savings and finance business
- 1972.12. Changed company name(Shinsam Mutual Savings And Finance Co. Ltd)
- 1978.10. Merged Koryo Mutual Savings And Finance Co. Ltd
- 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
- 2018.05. Moved and changed name Mapo branch to Yeoido branch

4. Organization

(1) Organizational Chart

*This Organization was changed on March 1st 2020.



(2) Branch and Automatic Teller Machine

FY19: End Of December, 2019

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

5. Number Of Employees

FY19: End Of December, 2019
 3Q in FY19: End Of December, 2019

Classification		FY19	3Q in FY19
Executive	Executive Director	17	17
	Outside Director	5	5
	Part-time Director (not Outside Director)	1	1
Employees	Manager	272	275
	Staff	254	258
Others		0	0
Total		549	556

6. Executives

Classification	Name	Position	Key Task and Role
Standing Executive	Lim Jin Gu	CEO	CEO & President (IB HQ Head)
	Jeong Jin Mun	CEO	CEO & President
	Kim Mun Seok	Vice-President	Strategy HQ Head/ Management Support HQ Head/ Management Support Division Head
	Taniguchi Kazutsugu	Senior Managing Director	Finance & Information System Division HQ Head/ Finance Management Division Head
	Yoo Hyun Kuk	Managing Director	Retail Marketing Division Head
	Kang Dong Uk	Managing Director	Credit Management Division Head
	Kyung Kyu Sang	Managing Director	Corporate Finance Division Head
	An Sang Hee	Director(A)	Real Estate Finance Division Head
	Lee Jong Seok	Director(A)	Information System Division Head
	Son Myung Seop	Director(A)	Corporate Finance Division Head
	Park Eung Jo	Director(A)	IB Division Head
	Lee Eun Hwa	Director(A)	Fintech Support Division Head
	Jang Dong Rok	Director(A)	Audit Division Head
	Han Seok Oh	Director(A)	Branch Management Division Head
	Kim Dae Jung	Director(B)	Retail Marketing Division Head
	Kim Ji Ryang	Director(B)	Retail business Division 2 Head
	An Hong Beom	Director(B)	Financial Consumer Protection Division Head /Chief Customer Officer
	Outside Director	Park Seong Yeol	Outside Director
Jeon Ki Hyun		Outside Director	Accountant
Kwak Doo Hun		Outside Director	Former Korea Exchange Bank HQ Head
Ejiri Takashi		Outside Director	Lawyer
Park Hyung Yeon		Outside Director	Lawyer
Part-time Director (Not Outside Director)	Kawashima Katsuya	Other Outside Director	Chairman (Other Non Executive Director)

*This list was changed on March 17th 2020

7. Affiliate Company

FY19 : End Of December, 2019

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

Type	Name	Field	Address	Executives		Shareholders		Applicable Law
				Position	Name	Name	Share%	
Listed on Tokyo Stock Exchange	SBI Holdings	Asset Management	6-1, Ichome, Rokbonki, Minatodo, Tokyo, Japan	Representative Director	Kitao Yoshitaka	Japan Trustee Services Bank, Ltd. The Master Trust Bank Of Japan, Ltd. and Others Northern Trust Co	8.2% 85.4% 6.4%	5, 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
					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

9. Key Shareholders

FY19: End Of December, 2019

Name	Number of Owned Shares	Ownership(%)
SBI BF Co., Ltd	69,988,969	22.41
SBI CF Co., Ltd	69,988,969	22.41
SBI IF Co., Ltd	69,988,969	22.41
SBI AF Co., Ltd	53,322,720	17.07
SBI Savings Bank(Treasury Stock)	46,125,141	14.77
Etc	2,879,824	0.92
Total	312,294,444	100.00

10. Dividend

Class	FY19	FY18
Dividend Rate For Common Stock	0	0
Dividends Per Common Share	0	0
Earnings Per Share	707KRW	492KRW
Pay-Out Ratio	0	0

[Performance]

11. Summary

(Accounting Standard : Korean Generally Accepted Accounting Principles)

(Unit: Hundred Million KRW)

Class	FY19	FY18
Business Profit(Profit Before Reserve)(A)	4,820	3,732
Reserved Fund For Allowance(B)	2,749	2,306
Allowance For Bad Debts	2,702	2,267
Allowance For Guarantee Of Payment	0	0
Allowance For Severance Liability	43	35
Allowance For Others	3	4
Corporation Tax(C)	189	116
Net Income(A-B-C)	1,882	1,310

12. Financing And Operation

(1) Interest Rate

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification			FY19				FY18			
			Average Balance	Interest	Interest	Average Balance	Interest	Interest		
			%	Amount	Rate	%	Amount	Rate		
Financing	Cost	Deposit	71,332	87.87	2,191	3.1	57,272	87.90	1,691	3.0
		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
		Debentures	0	0.00	0	0.0	0	0.00	0	0.0
		Others	345	0.43	1	0.2	177	0.27	1	0.4
		Subtotal	71,677	88.29	2,192	3.1	57,449	88.17	1,692	2.9
	Non-Cost	Total Capital	7,892	9.72	0	0.0	6,412	9.84	0	0.0
		Other Allowances	19	0.02	0	0.0	19	0.03	0	0.0
		Others	1,594	1.96	0	0.0	1,276	1.96	0	0.0
		Subtotal	9,504	11.71	0	0.0	7,707	11.83	0	0.0
	Financing Total	81,182	100.00	2,192	2.7	65,156	100.00	1,692	2.6	
Operation	Profit	Due from Bank	10,831	13.34	206	1.9	6,408	9.84	116	1.8
		Securities	4,374	5.39	211	4.8	3,735	5.73	198	5.3
		Loans	66,859	82.36	7,661	11.5	55,591	85.32	6,160	11.1
		Call Loans	270	0.33	0	0.0	274	0.42	0	0.0
		Others	2,263	2.79	0	0.0	1,999	3.07	0	0.0
		Allowance For Bad Debts And Others (△)	80,071	98.63	8,078	10.1	64,009	98.24	6,474	10.1
		Subtotal	18	0.02	0	0.0	18	0.03	0	0.0
	Non-Profit	Cash	135	0.17	0	0.0	148	0.23	0	0.0
		Tangible Assets	957	1.18	0	0.0	981	1.51	0	0.0
		Others	1,110	1.37	0	0.0	1,147	1.76	0	0.0
	Operation Total	81,182	100.00	8,078	10.0	65,156	100.00	6,474	9.9	

(2) Maturity Structure

FY19: End Of December, 2019
(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	13,747	15,307	24,067	42,654	41,659	2,533	86,876
Loan(1)	5,145	6,705	15,465	34,051	37,147	2,533	73,731
Financing	19,358	34,466	52,944	75,873	11,003	0	86,876
Deposit Received(2)	19,358	34,466	52,944	75,873	0	0	75,873
Difference(1-2)	△14,213	△27,761	△37,479	△41,822	37,147	2,533	△2,142

(3) Subordinated Bond Issuance

FY19: End Of December, 2019
(Unit: Hundred Million KRW)

Type of Bond	The Date Of Issue	The Date Of Maturity	Issued Amount	Issued (Interest) Rate	Credit Rate	Remarks
<u>Not Applicable</u>						

13. Profit Status By Sector

(Accounting Standard : Korean Generally Accepted Accounting Principles)

(Unit: Hundred Million KRW)

Class		End of December, 2019(A)	End of December, 2018(B)	Variation (A-B)
Interest	Interest Earnings	7,888	6,302	1,586
	Earned Interest On Deposits	206	116	90
	Earned Interest On Marketable Securities	21	26	△5
	Earned Interest On Loan	7,660	6,159	1,501
	Other Interest Income	1	1	0
	Interest Expense	1,854	1,404	450
	Interest on Deposit Received	1,853	1,403	450
	Interest For Borrowing	0	0	0
	Interest For Corporate Bond	0	0	0
	Other Interest Expense	1	1	0
Subtotal		6,034	4,898	1,136
Fee	Fee Income	146	112	34
	Fee Expense	854	689	165
	Subtotal	△708	△577	△131
Other	Other Income	1,203	1,014	189
	Other Expense	3,117	2,679	438
	Subtotal	△1,914	△1,665	△249
Sum of Profit by Sector		3,412	2,656	756
Selling And Administrative Expenses(△)		1,341	1,230	111
Corporate Tax(△)		189	116	73
Net Income		1,882	1,310	572

14. Index Of Capital Adequacy

A. Capital Adequacy

FY19: End Of December, 2019
FY18: End Of December, 2018
(Unit: Hundred Million KRW, %)

Classification	FY19	FY18
BIS Capital Ratio ※ Required By The Law Is More Than (8%)	13.44	12.78
BIS Basic Capital Ratio (Tier1)	12.15	11.49
Tangible Common Equity Ratio	10.08	9.14

◆ **BIS capital adequacy ratio (equity capital/risk-weighted assets ratio):** Concepts in accordance with BIS Basel Committee Banking Supervision's "International Agreement on the Measurement and Standards of Equity capital" mean international unification standards on regulating the ratio of equity capital to cope with increased risks for financial firms. Generally, A higher BIS-based equity ratio means higher financial soundness.

(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

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification	FY19	FY18
Ordinary Capital Sum (A)	8,665	6,792
Capital Stock	15,615	15,615
Capital Surplus	122	122
Retained Earnings	△2,091	△3,973
Shares Owned By External Shareholders Of Affiliated Company	0	0
Deductions	△4,981	△4,972
Supplementary Capital Sum (B)	915	761
Upper Subordinated Debt (Claimed) With Maturity	0	0
Lower Subordinated Debt (Claimed) With Maturity	0	0
Revaluation Reserve	0	0
Gain On Valuation Of Asset Available For Sale And Others	0	3
Allowance For Bad Debts	914	759
Long-Term Borrowing(C) For Management Normalization	0	0
Deduction Sum (D)	0	0
Equity Capital Sum (A+B+C-D)	9,580	7,553
Risk-Weighted Asset	71,304	59,121

15. Index Of Asset Quality

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification	FY19	FY18
Loss Risk-Weighted Loan Ratio	15.99	17.37
Net Substandard or Lower Loan Ratio	1.22	1.80
Substandard or Lower Loan Ratio	3.44	4.12
Ratio Of Overdue Loan	2.57	4.02

16. Index Of Profitability

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Class	FY19	FY18
Return On Assets	2.32	2.01
Expense On Assets	1.65	1.89
Ratio Of Gross Profit To Gross Costs	77.58	80.80

Note 1) Use the calculation formula based on the Financial Supervisory Service Report

17. Index Of Liquidity

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification	FY19	FY18
Liquidity Coverage Ratio	118.49	111.92
Ratio of Disposable Fund	16.58	13.07
Tangible Assets Ratio	3.55	8.46

Note 1) Use the calculation formula based on the Financial Supervisory Service Report

◆ **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

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification		FY19	FY18
Per Employee	Profit Before Allowance	9	7
	Deposits	139	112
	Loans	130	109
Per Branch Bank	Deposits	3,567	2,864
	Loans	3,343	2,780

19. Other Indexes

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Class	FY19	FY18
Ratio Of Allowance For Severance Liability	100.0	100.0

[Financial Results]

20. Balance sheet

(Accounting Standard : Korean Generally Accepted Accounting Principles)

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Class		FY19		FY18	
		Amount	%	Amount	%
Asset	Cash And Due from Banks	9,477	10.91	10,989	14.63
	Securities	4,684	5.39	4,063	5.41
	Loans	71,225	81.98	58,442	77.82
	Tangible Asset	147	0.17	159	0.21
	Other Assets	1,343	1.55	1,448	1.93
Asset Total		86,876	100.00	75,101	100.00
Liability	Deposits	75,873	87.33	66,567	88.64
	Borrowings	0	0.00	0	0.00
	Other Liabilities	2,248	2.59	1,669	2.22
	Liability Total	78,121	89.92	68,236	90.86
Liability Total	Capital Stock	15,615	17.97	15,615	20.79
	Capital Surplus	122	0.14	122	0.16
	Capital Adjustment	△4,938	△5.68	△4,938	△6.58
	Accumulated Other Comprehensive Income	47	0.05	40	0.05
	Retained Earnings	△2,091	△2.41	△3,974	△5.29
	Stockholder's Equity Total	8,755	10.08	6,865	9.14
Liability And Stockholder's Equity Total		86,876	100.00	75,101	100.00

21. Operation with Loan

(1) Loan

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification	FY19		FY18	
		%		%
Loan For Company	35,681	48.39	33,484	55.39
Loan For Personal	38,033	51.58	26,951	44.58
Other Loans	17	0.02	21	0.03
Total	73,731	100.00	60,456	100.00

(2) Secured Loan By Collateral

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification		FY19		FY18	
			%		%
Collateral	Real Estate Property	16,935	22.97	14,946	24.72
	Movable Assets	1,706	2.31	2,162	3.58
	Securities	2,301	3.12	2,101	3.48
	Deposit Received	171	0.23	122	0.20
	Others	2,233	3.03	2,611	4.32
	Total	23,346	31.66	21,942	36.29
Guarantee		6,003	8.14	5,190	8.58
Credit		44,382	60.19	33,324	55.12
Total		73,731	100.00	60,456	100.00

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

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW, %)

Classification		FY19	FY18
S&M Company Loan	Ratio (A/B X 100)	43.96	50.06
	S&M Loan (A)	32,413	30,262
	Total (B)	73,731	60,456

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

FY19: End Of December, 2019
(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)	14,746	1,257	841	87	329	0	0	1,257	329	26.20
Construction Business(②)	22,119	2,966	2,726	61	140	11	28	2,966	144	4.87
Real Estate Business(③)	22,119	4,610	3,817	511	274	9	0	4,610	278	6.04
Real Estate Leasing Business(④)	22,119	2,487	2,309	169	6	3	0	2,487	12	0.49
Total(①+②+③+④)	33,179	6,346	5,074	490	737	17	28	6,346	740	11.66

(5) Micro Personal Credit Loan

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

Classification	End Of December, 2019	End Of September, 2019	End Of June, 2019	End Of March, 2019
Total Loan	73,731	68,223	66,414	63,729
Micro Personal Credit Loan	1,187	1,059	947	910
Proportion	1.61	1.55	1.43	1.43
Micro Personal Credit Loan Overdue Amount	29	29	46	45
Proportion	2.47	2.73	4.85	4.99

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.

22. Investment In Marketable Securities And Operation

(Accounting Standard : Korean Generally Accepted Accounting Principles)

FY19: End Of December, 2019
(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	848	878	0	31
Asset Available For Sale	3,853	3,806	47	149
Held-For-Maturity	0	0	0	0
Investments In Stocks Accounted For Under The Equity Method	0	0	0	0
Total	4,701	4,684	47	180

23. Deposits

(1) Deposits By Type

FY19: End Of December, 2019
FY18: End Of December, 2018
(Unit: Hundred Million KRW, %)

Classification	FY19				FY18			
	Balance		Average Balance		Balance		Average Balance	
		%		%		%		%
Demand Deposits	6,774	8.93	2,548	3.57	1,341	2.01	1,046	1.83
Time Deposits	67,749	89.29	67,553	94.70	64,116	96.32	54,969	95.98
Installment Deposit	1,350	1.78	1,231	1.73	1,110	1.67	1,257	2.19
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	75,873	100.00	71,332	100.00	66,567	100.00	57,272	100.00

(2) Deposits By Customer Type

FY19: End Of December, 2019
FY18: End Of December, 2018
(Unit: Hundred Million KRW, %)

Classification	FY19		FY18	
	Balance	%	Balance	%
Individual	64,447	84.94	63,587	95.52
Corporate And Group	4,196	5.53	559	0.84
Others	7,230	9.53	2,421	3.64
Total	75,873	100.00	66,567	100.00

Note 1) Based on balance

24. Write-Off And Allowance For Bad Debts

(1) Amount Of Bad Loan Write-Off

4Q in FY19 (3 Months): from October 1st, to December 31th, 2019
 FY19 (Accumulated): from January 1st, to December 31th, 2019
 4Q in FY18 (3 Months): from October 1st, to December 31th, 2018
 FY18 (Accumulated) from January 1st, to December 31st, 2018
 (Unit: Hundred Million KRW)

Classification	FY19		FY18	
	4Q in FY19 (Present Quarter)	FY19 (Cumulation)	4Q in FY18 (Present Quarter)	FY18 (Cumulation)
Amounts Of Write-Off During Term	31	269	117	318
General	31	269	117	318
Special	0	0	0	0

(2) Classification Of Allowance For Bad Debts

(Accounting Standard : Korean Generally Accepted Accounting Principles)

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW)

Classification	FY19	FY18
Allowance For Bad Debts	2,389	2,320
General	2,389	2,320
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

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW)

Classification	FY19	FY18
Total Loan	73,731	60,456
NPL (Non-Performing Loan or Insolvent Loan) ¹⁾	1,600	1,092
Sub-Standard Or Lower Loan ²⁾	2,533	2,492
Net sub-Standard Or Lower Loan ³⁾	866	1,049

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.

◆ **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

FY19 : End Of December, 2019
 3Q in FY19 : End Of September, 2019
 (Unit: Hundred Million KRW)

Company ¹⁾	FY19	3Q in FY19	Increased Amount	Reason For Increase	Remarks

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

FY19 : End Of December, 2019
 (Unit: Hundred Million KRW)

Company	Date of Decision For Debt Reconciliation	FY19 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

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Hundred Million KRW)

Classification	FY19	FY18
Guarantee Of Payment	0	0
Bad Loan Write-Off	6,927	7,637
Endorsed Note	0	0
Sales Of Repurchase Paper	0	0
Transaction Of Financial Derivatives	0	0

27. Non-Operating Assets

FY19: End Of December, 2019
(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	<u>Not Applicable</u>		
Building			
Movable Assets			
Total			

27-1. Status Of Cross-Business

FY19: End Of December, 2019
FY18: End Of December, 2018
(Unit: Hundred Million KRW, No. of Transaction, No. of Buying)

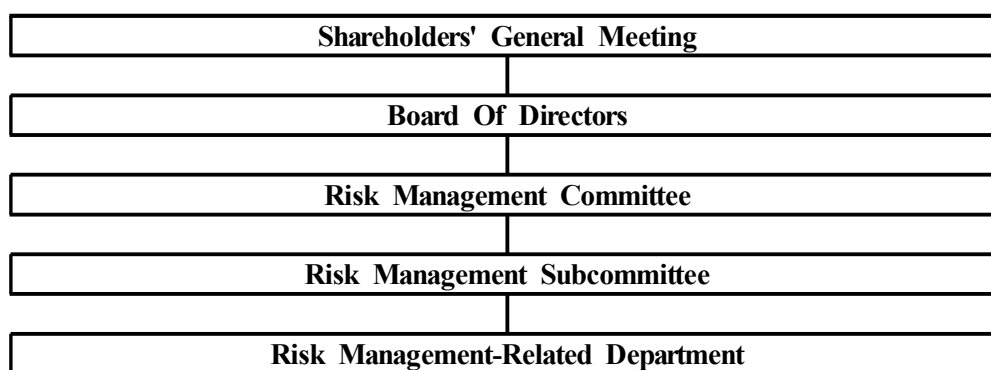
Classification	FY19		FY18	
	Performance	Number Of Transaction (Buying)	Performance	Number Of Transaction (Buying)
Installment Financing	0	0	0	0
Debit Card	98	27,745	51	5,434

[Risk Management]

28. Risk Management

(1) Risk Management Organization

- Organizational Chart



- Risk Management Committee: It is the top decision making organization for risk management.
- Composition of Risk Management Committee : Three Outside Directors
- Role of Risk Management Committee: Establishing basic policy and strategy for risk management;
Determining overall aspects of risk management practices, including enactment/revision of risk management standards, and makeup of relevant organizations.
- Risk Management Subcommittee : Committee on Risk management task relations under
Risk management committee
- Composition of Risk Management Subcommittee
Finance/Information System HQ Head / Strategy Risk Management HQ Head /
Credit Assessment Director / Risk management Department Head /
Business Management Department Head
- Role of Risk Management Subcommittee
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 Division / CSS Department / Sales Department(Corporate Financing / Retail / IB)
 - Market Risk: Risk Management Department / IB Department /
Business Management Department(financial sector) / Sales Department
 - Interest Risk: Risk Management Department /
Business Management Department(financial sector) / IB Department
 - Liquidity Risk: Risk Management Department /
Business Management Department(financial sector) / Sales Department
 - Operational Risk: Risk Management Department/ Business Management 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

Risk Management Committee Provision, Risk Management Subcommittee Provision, Risk Management Standards.

- 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 Subcommittee

It is the decision making organization 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	44,990	11,705	11,055	0	67,749

○ 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)}	16,303	9,578	9,542	10,067	15,578	12,663	73,731

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.

○ 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⁾	0	0	0	0	0	0	0
Corporate Bond	8	40	77	0	0	101	226
Others	1,055	1,050	509	192	307	806	3,919
Total	1,063	1,090	586	192	307	907	4,145

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]

29. Management Performance Of Affiliated Company

FY19: End Of December, 2019
(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>					

30. Loan/Borrowing Interest And Determination of Interest Rate

(1) Loan Interest

FY19: End Of December, 2019

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	Loan within Deposit
		Applied Interest	9.9~19.9	9.6~23.9	11.9~23.9	
	Secured Loan Against Apartment	Class	3	6	7	
		Applied Interest	7.07	6.88~8.32	8.48	
	Secured Loan Against Deposit (Time Deposit: a year)	Class	2	6	6	
		Applied Interest	4.0	4.7	4.7	
Stock Loan	Class	3	5	10		
	Applied Interest	8.5	8.5	8.5		
Corporate Loan ²⁾	General Corporate Loan (a year)	Class	4	6	8	
		Applied Interest	7.02	6.45~9.98	9.45	

Note 1) For normal classes

Note 2) Based on unsecured loan

(2) Deposit Interest

FY19: End Of December, 2019

Class	Period	Minimum Interest ¹⁾	Maximum Interest ²⁾	Remarks
Ordinary Deposit	-	0.2	2.6	
Savings Deposit	-	-	-	
Periodical Installment Savings	6-Month Or Shorter	1.3	1.4	
	A Year	2.6	3.6	
	2 years	2.8	3.2	
	3 Years	2.8	3.2	
Time Deposit	3-Month Or Shorter	1.2	1.3	
	6-Month Or Shorter	1.3	1.4	
	A Year	2.0	2.1	
	2 years	2.0	2.1	
	3 Years	2.0	2.1	
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.

- Personal Credit Loan : Credit cost + Working cost + Procurement cost + Capital cost + Goal profit + adjusted interest rate

(Working cost : Direct cost[Handling expense (Recruiting, Dispatched worker, Credit information, Advertisement)], Other Indirect cost)

- 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

- SBI(On-line) Mortgage Loan:

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

- Sunshine loan:

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)

31. 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)	39
	Retirement Pension Deposit	1,331	Other Money Deposited (Balance)	2,044
Others Financial Institution	Ordinary Money Deposited (Balance)	0	Other Money Deposited (Balance)	0
	Retirement Pension Deposit	472	-	0
Subtotal		1,803		2,083
National Federation	-	0	Money Deposited (Balance) In KFSB ¹⁾	3,900
	-	0	Money Deposited (Balance) For Reserves	3,479
Total		1,803		9,461

Note 1) KFSB is Korea Federation Of Savings Banks

Note *) Clear statement additionally about trade financial institution(refer to FY18 audit report note 4-1, 15-3)

32. 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 precautionous law-complying programs (introduction, education of laws and provisons 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.

33. 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 appoints 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

(2) Approach to Inspection of Internal audit department

- 1) Inspection of regulation fulfillment
- 2) Examination on system and enhancement monitoring for prevention of financial accidents
- 3) Checking incidental works to perform audit

(3) Frequency of audit

Classification	Auditor	Subject	Frequency
daily audit	full time auditor	Whole department	Everyday
spot audit	audit department	Branches for savings	as occasion calls
regular audit	audit department	Whole department	once a year
special audit	audit department	Whole department	on demand
Occasional audit	audit department	Branches for savings and loan	Everyday

(4) Inspection organization(the number of people, concurrent position, etc.) and details of activity

Name	The number of people	Details of activity	Concurrent position
Audit department	8	Auditing whole department	-

(5) Composition·detailed operation standards·performance of loan review committee and inspection department

Classification	Composition	Detailed operation standards	performance
Lone review committee	5 people including the chairperson	-selection of subject for loan evaluation, based on delegation and decision criteria -For managing soundness of loans and prevention of insolvent loan, considering comprehensively the debtor's credit, financial position, business plan, collateral configuration, ability for repayment, trade performance, and so on. -Decision made by two-thirds or more of incumbent members' agreement	Spot operation as subject of examination arises
Inspection department	3 people among risk management department	-propriety of asset soundness classification and accumulation of allowance for bad debt expense -propriety of loan evaluation and authorization -compliance of loan contract -compliance of regulations relating to loan and the bylaws -propriety of post management of loan -accuracy and timeliness of loan officers' recognition of problematic loan -other necessary things to secure soundness of loan	- New inspection : Within 10 business days after loan review committee making decision -Regularly inspection : More than once a year(More than 5 hundred million won for same person)

34. Institutional Warning And Rebuke On Executives

Title	Title Date Of Announcement	Remarks
<u>Not Applicable</u>		

34-1. The number of occurred civil complaints

※ Since overlapped, repeated, complaints for simple question, and other complaints that may not ask for responsibility to financial company are excluded, please be careful when you use and utilize.

※ The number of civil complaints were written based on a mutual savings bank unified management disclosure standards.

※ Period

- Current quarter : 4Q in FY2019 (2019.10.01~2019.12.31)

- Previous quarter: 3Q in FY2019 (2019.07.01~2019.09.30)

A. The number of civil complaints

Division	the number of civil complaints			The number of conversions ³⁾ (per 10K customers)			note
	FY19 3Q (previous quarter)	FY19 4Q (current quarter)	rate of change (%)	FY19 3Q (previous quarter)	FY19 4Q (current quarter)	rate of change (%)	
Inside civil complaint ¹⁾	-	-	-	-	-	-	
Outside civil complaint ²⁾	8	6	↓ 25.0%	0.08	0.06	↓ 25.0%	
Total	8	6	↓ 25.0%	0.08	0.06	↓ 25.0%	

Note 1) civil complaint received through Internet webpage or in written

Note 2) among civil complaints received by the Financial Supervisory Service or other institutes, transmitted or fact inquiry requested civil complaints. But, direct processed civil complaint without transmit or fact inquiry by relevant institutes (the Financial Supervisory Service or other institutes) are excluded.

Note 3) number of conversion = (total number of civil complaints / total customers) × 10,000

B. the number of civil complaints by type

Division	The number of civil complaints			The number of conversions (per 10K customers)			note
	FY19 3Q (previous quarter)	FY19 4Q (current quarter)	rate of change (%)	FY19 3Q (previous quarter)	FY19 4Q (current quarter)	rate of change (%)	
type	deposit	1	1	-	0.01	0.01	-
	loan	4	1	↓ 75.0%	0.04	0.01	↓ 75.0%
	loan collection	1	3	200.0%	0.01	0.03	200.0%
	others	2	1	↓ 50.0%	0.02	0.01	↓ 50.0%
total	8	6	↓ 25.0%	0.08	0.06	↓ 25.0%	

C. the number of civil complaints by type

Division		the number of civil complaints			The number of conversions (per 10K customers)			note
		FY19 3Q (previous quarter)	FY19 4Q (current quarter)	rate of change (%)	FY19 3Q (previous quarter)	FY19 4Q (current quarter)	rate of change (%)	
type	deposit	1	1	-	0.01	0.01	-	
	mortgage loan	1	-	↓ 100.0%	0.01	-	↓ 100.0%	
	credit loan	4	4	-	0.04	0.04	-	
	bancassurance	-	-	-	-	-	-	
	others	2	1	↓ 50.0%	0.02	0.01	↓ 50.0%	
total		8	6	↓ 25.0%	0.08	0.06	↓ 25.0%	

34-2. Result of evaluation actual condition of financial consumer protection

※ According to financial consumer's best practices, financial corporations get evaluated their level of consumer protection comprehensively through evaluation system of financial consumer protection's actual condition' by the Financial Supervisory Service.

※ Disclosure: saving banks that the Financial supervisory service directly evaluates (the number of civil complaints of relevant saving banks where is 2% or more in whole saving banks industry and has 1,000 billion KRW or more of total asset)

※ Inquiry of evaluation result by company is offered at Federation of Savings Banks's official website.

Division		2016	2017	2018 ²⁾
Overall Grade ¹⁾		-	-	Good
improvement item	1. the number of civil complaint	Good	Good	Good
	2. efforts of processing civil complaints	Good	Good	Normal
	3. the number of lawsuit	Normal	Good	Superiority
	4. sustain ability of sales	Good	Good	Good
	5. financial accident	Good	Good	Superiority
non-improvement item	6. consumer protection organization and system	Normal	Good	Good
	7. construction and management of consumer protection system in product development process	Normal	Good	Good
	8. construction and management of consumer protection system in product sales process	Good	Good	Good
	9. construction and management of civil complaint management system	Good	Good	Normal
	10. disclosure of consumer's information, etc.	Normal	Good	Good

Note 1) The Overall Grade is introduced from the 2018 assessment.

2) Reorganization - 3rd grade in 2016 → 4th grade in 2017 → 5th grade in 2018

<Evaluation item of financial consumer protection's actual condition>

Division		Evaluation items
Improvement item	1. The number of civil complaint	- The number of civil complaints and rate of change
	2. Period of handling civil complaints	- Average period of handling civil complaints
	3. The number of lawsuit	- The number of lawsuit and lawsuit by financial corporation in dispute conciliation
	4. Sustainability of sales	- Index of financial health of financial corporations
	5. Financial accident	- The number of consumer related financial accident of financial corporations and amount
Non-improvement item	6. Consumer protection organization and system	- Whether consumer protection organization has independent exclusive organization and proper human resources in order to manage corporation sales related risk effectively and whether it has been operated with actual authority or not - Whether education for consumer protection is conducted regularly to every staff and executive and whether the result has been archived or not.
	7. Construction and management of consumer protection system in product development process	- Between general consumer protection department and sales department, whether process of pre-agreement is indicated on rules at product development and whether it is operated properly and whether operation status is monitored or not. - Whether the process that may apply opinions like product related complaints has been established and properly managed and whether management status has been monitored or not.
	8. Construction and management of consumer protection system in product sales process	- Whether sales process is established through preparing sales regulation that sales staffs shall follow in order to prevent occurrence of incomplete sales in consumer protection viewpoint or not and whether its performance state has been monitored or not - Whether management rules and system about customer information protection and product advertisement are established and properly managed or not and whether management status has been monitored or not
	9. Construction and management of civil complaint management system	- Whether process for fair civil complaints handling is prepared, and whether civil complaints management system is established and properly managed ,and whether management status has been monitored or not. - Whether civil complaints handling regulation and manual has been prepared or not, and whether complaints from consumer is handled according to internal procedure, and whether system for system reform is established and managed properly, and whether management status has been monitored or not
	10. Disclosure of consumer's information	- Whether necessary information for consumers (number of civil complaints, important factor by product, required information) are properly disclosed or not - Whether excellent case consumer protection and protection system are properly disclosed or not

35. Occasional Announcement

Title	Date Of Announcement	Remarks
Holding State of Major Shareholder	2019-01-09	
Appointment External Auditor	2019-01-11	
Recommendation for CEO candidates	2019-03-13	
Result of FY18 Annual meeting of shareholders	2019-03-22	
The reason of election a non-outside director as chairperson of the board of directors	2019-03-22	
Appointment and dismissal of Executives	2019-03-27	
Appointment and dismissal of Compliance Officer	2019-03-27	
Appointment Risk management Officer	2019-03-27	
Acquisition of Major Shareholder	2019-03-28	
Change in net income more than 30% compare to previous year	2019-03-29	
Holding State of Major Shareholder	2019-04-09	
Relevant detail of administrative penalty	2019-05-08	
Holding State of Major Shareholder	2019-07-08	
Acquisition of Major Shareholder	2019-07-15	
Acquisition of Major Shareholder	2019-07-15	
Revision of internal rules on governance structure	2019-07-30	
Acquisition of Major Shareholder	2019-09-24	
Holding State of Major Shareholder	2019-10-08	
Relevant detail of administrative penalty	2019-12-02	
Acquisition of Major Shareholder	2019-12-11	

36. Balance Of Loan To Employees

(Unit: Hundred Million KRW)

Class	End of December, 2019	End of December, 2018
Balance of Loan to Employees	0	0.5

37. History Of Transactions With Major Shareholders And Executives

(1) Current Status Of Credit Offering¹⁾

FY19 : End Of December, 2019
 3Q in FY19 : End Of September, 2019
 (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 FY19 Credit Offering(B)	FY19 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 Property¹⁾

FY19 : End Of December, 2019

(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 Jan 1st, 2019 to Dec 31th, 2019)**

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⁾

FY19: End Of December, 2019
(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⁾

FY19: End of December, 2019
(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 Jan 1st, 2019 to Dec. 31th, 2019).**

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⁾

FY19: End Of December, 2019
 FY18: End Of December, 2018
 (Unit: Million KRW, -000-Note)

Name Of Shareholder (Or Executive) ²⁾	Name Of Shareholder (Or Executive) And Affiliate Person ³⁾	FY18 (Precious)		Buying		Selling		FY19 (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 Jan 1st, 2019 to Dec 31th, 2019)**.

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'

38. Issued Stocks/Shares Acquired By Major Shareholders

(Unit: Million KRW)

Shareholder Class ¹⁾	Name Of Major Shareholders	Issuing Company		Holding Status At The End Of Previous Quarter				Acquisition Information						Disposal Information					Holding Status At The End Of Present Quarter					
		Name Of Company	Relation With Major Shareholder	Number Of Stocks/Shares	Share Ratio	Acquisition Cost (A)	Market Value	Date Of Acquisition	Number Of Shares Acquired	Purpose Of Acquisition	Acquisition Method ²⁾	Acquisition Cost Per Share	Amount Of Acquisition (B)	Date Of Disposal	Number Of Shares Disposed (C)	Disposal Method ²⁾	Disposal Cost Per Share (D)	Acquisition Cost Per Share (E)	Book Value Per Share (F)	Profit Or Loss By Disposal {C*(D-F)}	Number Of Stocks/Shares	Share Ratio	Acquisition Cost (A+B-C*E)	Market Value
Largest Shareholder	SBI HOLDINGS	Gloval gateway fund I	Relative	2,289	10	2,289	2,204													2,289	10	2,289	2,205	
		SBIMIR AE CREATION ASEAN-M&A	Relative	2,283	9.6	2,283	2,783						2019-11-27	384	off-board transactions	1	1	1		1,899	9.6	1,899	2,404	
		SBI Growth Strategy M&A	Relative	3,232	4.49	3,232	3,232	2019-12-06	88		off-board transactions	1	88								3,320	4.49	3,30	3,320
		Subtotal			7,804		7,804	8,219		88		1	88		384		1	1	1		7,508		7,508	7,929
Total				7,804		7,804	8,219		88		1	88		384		1	1	1		7,508		7,508	7,929	

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.

Note 3) Present Quarter : 4Q in FY19, Previous Quarter : 3Q in FY19

39. Granted Stock (Put) Option

A. Current Status Of Stock (Put) Option And Exercise

Grantee	Relation	Date Of Grant	Granting Method	Type Of Share	Changed Volume Of Shares			Volume Of Share Not Exercised	Exercise Period	Exercise Price	Closing Price
					Granted	Exercised	Cancelled				
<u>Not Applicable</u>											

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>							

40. 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.

41. Commission

Disclosed on homepage by each products

42. 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 8%.

◦ 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 = $\text{Loan interest} / \text{Average loan balance} \times 100$

* Average deposit interest rate = $(\text{Deposit interest} + \text{Interest on deposit received for cover bill}) / (\text{Average deposit balance} + \text{Average deposit balance received for cover bill}) \times 100$

(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]

43. Audit Report

(1) Closing Audit report By External Auditor

- Refer to Audit Report Additionally Attached

44. Financial Statement

- Refer to Audit Report Additionally Attached

45. Income Statement

- Refer to Audit Report Additionally Attached

46. Statement Of Changes In Equity

- Refer to Audit Report Additionally Attached

47. Earned Surplus (Deficit) Appropriation Statement

- Refer to Audit Report Additionally Attached

48. Cash Flow Statement

- Refer to Audit Report Additionally Attached

49. Annotation

- Refer to Audit Report Additionally Attached

50. Consolidated Audit Report

- Not Applicable

51. Consolidated Financial Statement

- Not Applicable

52. Consolidated Income Statement

- Not Applicable

53. Consolidated Financial Statement

- Not Applicable

54. Consolidated Earned Surplus (Deficit) Appropriation Statement

- Not Applicable

55. Consolidated Cash Flow Statement

- Not Applicable

56. Annotation of Consolidated Financial Statement

- Not Applicable

57. Corporate Governance and Remuneration System Annual Report

- Refer to Annual Report Additionally Attached