
The Current Status Of SBI Savings Bank As of September 30th, 2021

(January 1st, 2021 ~ September 30th, 2021)

[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

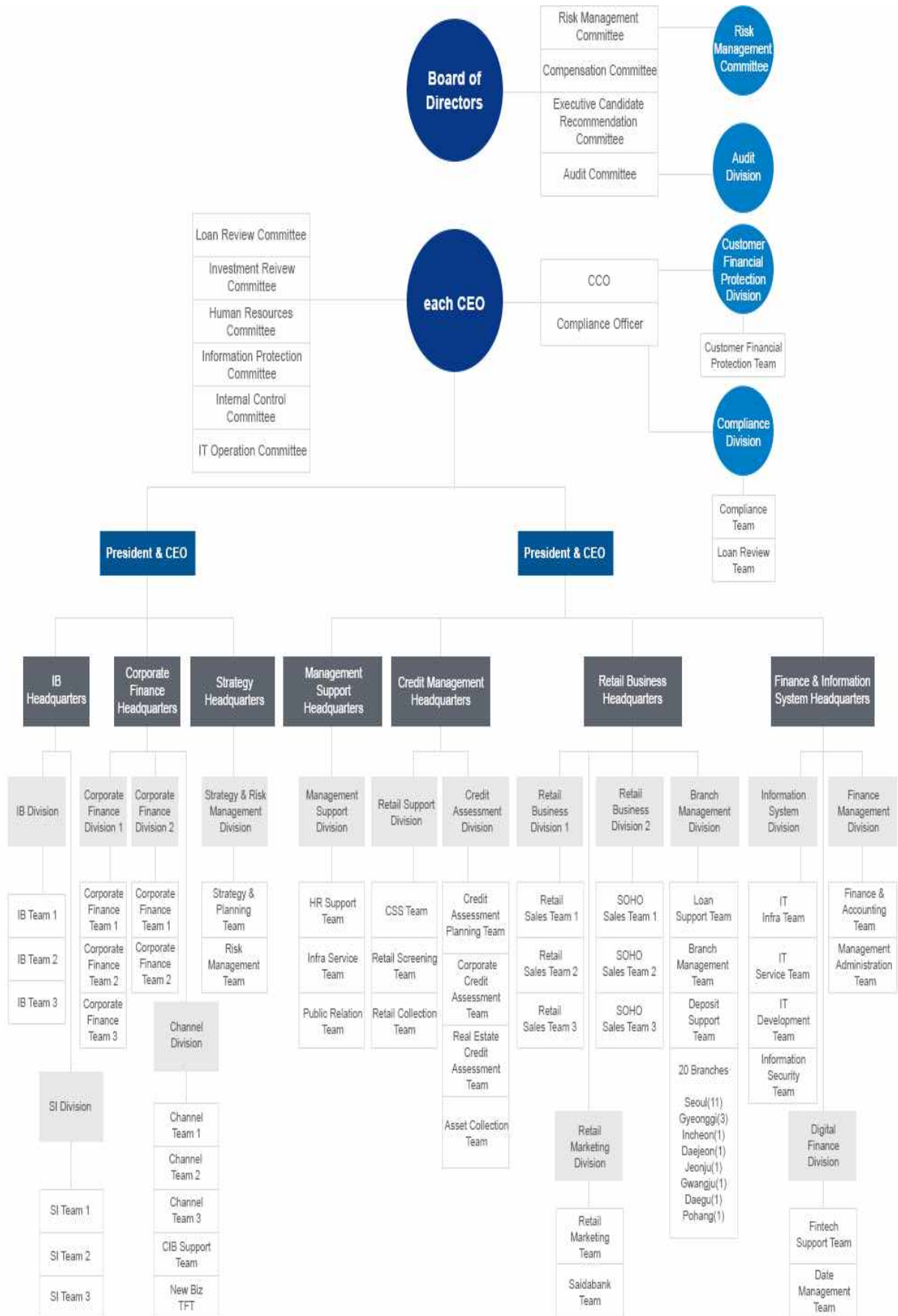
- We provide quality and reliable financial services of high quality on the basis of social calling and public interest and contribute to social development by improving public standard living and fostering companies.

(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. Organization

(1) Organizational Chart



(2) Branch and Automatic Teller Machine

3Q in FY21: End Of September, 2021

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

4. Number Of Employees

3Q in FY21: End Of September, 2021

2Q in FY21: End Of June, 2021

Classification		3Q in FY21	2Q in FY21
Executive	Executive Director	19	19
	Outside Director	5	5
	Part-time Director (not Outside Director)	1	1
Employees	Manager	307	305
	Staff	270	271
Others		0	0
Total		602	601

6. Executives

3Q in FY21: End Of September, 2021

Classification	Name	Position	Key Task and Role
Standing Executive	Lim Jin Gu	CEO	President & CEO
	Jeong Jin Mun	CEO	President & CEO
	Kim Mun Seok	Vice-President	Strategy HQ Head/ Management Support HQ Head
	Jung In Hwa	Chief Audit Executive	Chief Audit Executive
	Taniguchi Kazutsugu	Senior Managing Director	Finance & Information System Division HQ Head
	Yoo Hyun Kuk	Senior Managing Director	Retail Business Division HQ Head
	Kang Dong Uk	Managing Director	Credit Management Division HQ Head
	Kyung Kyu Sang	Managing Director	Corporate Finance Division HQ Head
	Park Eung Jo	Director	IB Division HQ Head
	An Sang Hee	Director	Retail Business Division 2 Head
	Jang Dong Lok	Director	Audit Division Head
	Oh Byoung Jin	Director	Information System Division Head
	Han Seok Oh	Director	Branch Management Division Head
	Kim Dae Jung	Director	Retail Marketing Division Head
	Kim Ji Ryang	Director	Chief Customer Officer
	Kim Tae Jin	Director	Channel Division Head
	Woo Hui Joon	Director	Retail Business Division 1 Head
	Huh Baek	Director	Compliance Officer/Compliance Division Head
	Yu Jun Mo	Director	Risk Management Officer/ Strategy & Risk Management Division Head
Outside Director	Park Seong Yeol	Outside Director	Lawyer
	Jeon Ki Hyun	Outside Director	Accountant
	Kwak Doo Hun	Outside Director	Former Korea Exchange Bank HQ Head
	Ejiri Takashi	Outside Director	Lawyer
	Kim Eun Mi	Outside Director	Lawyer
Part-time Director (not Outside Director)	Kawashima Katsuya	Other Outside Director	Chairman (Other Non Executive Director)

6. Capital Stock

(Unit: Hundred Million KRW)

Y/M/D	Type of Stock	Number of Issued Shares	Amounts of Increased/Decreased Capital	Type of Capital Increase/Decrease	Paid-In-Capital after After Capital Increase/Decrease	Remarks
					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

[Performance]

7. Financing And Operation

(1) Interest Rate

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification			3Q in FY21				3Q in FY20			
			Average Balance	Interest %	Interest Amount	Interest Rate	Average Balance	Interest %	Interest Amount	Interest Rate
Financing	Cost	Deposit	102,107	86.06	1,756	2.30	85,342	87.23	1,722	2.69
		Cover Note	0	0.00	0	0.00	0	0.0	0	0.00
		Borrowings	0	0.00	0	0.00	0	0.0	0	0.00
		Debentures	0	0.00	0	0.00	0	0.0	0	0.00
		Others	1,369	1.15	1	0.07	700	0.72	0	0.12
	Subtotal	103,476	87.21	1,757	2.27	86,042	87.95	1,722	2.67	
	Non-Cost	Total Capital	13,073	11.03	0	0.00	9,974	10.20	0	0.00
		Other Allowances	26	0.02	0	0.00	28	0.03	0	0.00
		Others	2,069	1.74	0	0.00	1,787	1.82	0	0.00
		Subtotal	15,168	12.79	0	0.00	11,788	12.05	0	0.00
Financing Total			118,644	100.00	1,757	1.98	97,831	100.00	1,722	2.35
Operation	Profit	Due from Bank	12,775	10.77	70	0.73	10,459	10.69	111	1.42
		Securities	7,141	6.02	715	13.39	5,550	5.67	277	6.66
		Loans	99,455	83.83	8,155	10.96	82,695	84.53	7,069	11.42
		Others	1,441	1.21	4	0.34	767	0.78	4	0.59
		Allowance For Bad Debts And Others (△)	3,413	2.88	0	0.00	2,771	2.83	0	0.00
		Subtotal	117,399	98.95	8,944	10.19	96,704	98.84	7,461	10.31
	Non-Profit	Cash	21	0.02	0	0.00	19	0.02	0	0.00
		Tangible Assets	170	0.14	0	0.00	136	0.14	0	0.00
		Others	1,054	0.89	0	0.00	976	1.00	0	0.00
		Subtotal	1,245	1.05	0	0.00	1,131	1.16	0	0.00
Operation Total			118,644	100.00	8,944	10.08	97,831	100.00	7,461	10.19

(2) Maturity Structure

3Q in FY21: End Of September, 2021
(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	16,479	19,795	26,961	44,419	82,572	2,758	129,749
Loan(1)	6,077	9,393	16,558	34,016	69,437	2,758	106,211
Financing	29,892	41,295	62,399	110,953	18,796	0	129,749
Deposit Received(2)	29,892	41,295	62,399	110,953	0	0	110,953
Difference(1-2)	△23,815	△31,902	△45,841	△76,937	69,437	2,758	△4,742

(3) Subordinated Bond Issuance

3Q in FY21 End Of September, 2021
(Unit: Hundred Million KRW)

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

Not Applicable

8. Index Of Capital Adequacy

A. Capital Adequacy

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21	3Q in FY20
BIS Capital Ratio ※ Required By The Law Is More Than (8%)	14.74	13.18
BIS Basic Capital Ratio (Tier1)	13.47	11.90
Tangible Common Equity Ratio	11.35	10.14

◆ 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

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21	3Q in FY20
Ordinary Capital Sum (A)	14,146	10,585
Capital Stock	15,615	15,615
Capital Surplus	122	122
Retained Earnings	3,424	△157
Shares Owned By External Shareholders Of Affiliated Company	0	0
Deductions	△5,015	△4,995
Supplementary Capital Sum (B)	1,344	1,139
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	2
Allowance For Bad Debts	1,344	1,137
Long-Term Borrowing(C) For Management Normalization	0	0
Deduction Sum (D)	0	0
Equity Capital Sum (A+B+C-D)	15,490	11,724
Risk-Weighted Asset	105,048	88,952

9. Index Of Asset Quality

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21	3Q in FY20
Loss Risk-Weighted Loan Ratio	11.86	12.69
Net Substandard or Lower Loan Ratio	0.76	0.92
Substandard or Lower Loan Ratio	2.60	2.64
Ratio Of Overdue Loan	1.51	1.84

10. Index Of Profitability

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Class	3Q in FY21	3Q in FY20
Return On Assets	3.08	2.36
Expense On Assets	1.47	1.58
Ratio Of Gross Profit To Gross Costs	70.07	76.86

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

11. Index Of Liquidity

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21	3Q in FY20
Liquidity Coverage Ratio	127.22	152.08
Loan-Deposit Ratio	94.30	97.52

◆ **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.

12. Index Of Productivity

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification		3Q in FY21	3Q in FY20
Per Employee	Profit Before Allowance	10	8
	Deposits	177	151
	Loans	172	146
Per Branch Bank	Deposits	5,105	4,267
	Loans	4,973	4,135

[Financial Results]

13. Balance sheet

(Accounting Standard : Korean Generally Accepted Accounting Principles)

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Class	3Q in FY21		3Q in FY20		
	Amount	%	Amount	%	
Asset	Cash And Due from Banks	15,528	11.97	11,403	10.55
	Securities	7,688	5.93	6,415	5.94
	Loans	102,558	79.04	87,863	81.29
	Tangible Asset	250	0.19	149	0.14
	Other Assets	3,725	2.87	2,250	2.08
	Asset Total	129,749	100.00	108,080	100.00
Liability	Deposits	110,953	85.51	94,338	87.29
	Borrowings	0	0.00	0	0.00
	Other Liabilities	4,067	3.14	2,784	2.57
	Liability Total	115,020	88.65	97,122	89.86
Liability Total	Capital Stock	15,615	12.03	15,615	14.45
	Capital Surplus	122	0.09	122	0.11
	Capital Adjustment	△4,938	△3.81	△4,938	△4.57
	Accumulated Other Comprehensive Income	507	0.39	317	0.29
	Retained Earnings	3,423	2.65	△157	△0.15
	Stockholder's Equity Total	14,729	11.35	10,959	10.14
Liability And Stockholder's Equity Total	129,749	100.00	108,080	100.00	

14. Operation with Loan

(1) Loan

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21		3Q in FY20	
		%		%
Loan For Company	45,959	43.27	42,445	46.71
Loan For Personal	60,240	56.72	48,426	53.28
Other Loans	12	0.01	12	0.01
Total	106,211	100.00	90,883	100.00

(2) Secured Loan By Collateral

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification		3Q in FY21		3Q in FY20	
			%		%
Collateral	Real Estate Property	25,285	23.81	21,652	23.82
	Movable Assets	529	0.50	1,180	1.30
	Securities	3,826	3.60	2,946	3.24
	Deposit Received	113	0.11	78	0.09
	Others	2,964	2.79	2,180	2.40
	Total	32,717	30.81	28,036	30.85
Guarantee		5,338	5.03	5,789	6.37
Credit		68,156	64.16	57,058	62.78
Total		106,211	100.00	90,883	100.00

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

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification		3Q in FY21	3Q in FY20
S&M Company Loan	Ratio (A/B X 100)	40.63	42.85
	S&M Loan (A)	43,154	38,944
	Total (B)	106,211	90,883

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

3Q in FY21: End Of September, 2021
(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)	21,242	1,299	952	240	107	0	0	1,299	107	8.27
Construction Business (②)	31,863	3,336	2,994	150	172	13	7	3,336	122	3.67
Real Estate Business(③)	31,863	4,642	4,152	430	58	1	1	4,642	63	1.36
Total(①+②+③)	53,105	9,277	8,098	820	337	14	8	9,277	292	3.15

(5) Micro Personal Credit Loan

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

Classification	End Of September, 2021	End Of June, 2021	End Of March, 2021	End Of December, 2020
Total Loan	106,211	101,025	96,831	94,129
Micro Personal Credit Loan	1,494	1,513	1,540	1,495
Proportion	1.41	1.50	1.59	1.59
Micro Personal Credit Loan Overdue Amount	41.51	44	34	28
Proportion	2.78	2.93	2.18	1.90

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.

15. Deposits

(1) Deposits By Type

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21				3Q in FY20			
	Balance		Average Balance		Balance		Average Balance	
		%		%		%		%
Demand Deposits	16,712	15.06	19,002	18.60	22,072	23.40	16,451	19.28
Time Deposits	92,383	83.26	81,273	79.60	70,439	74.67	67,339	78.90
Installment Deposit	1,858	1.68	1,833	1.80	1,827	1.94	1,552	1.82
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	110,953	100.00	102,108	100.00	94,338	100.00	85,342	100.00

(2) Deposits By Customer Type

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY21		3Q in FY20	
	Balance	%	Balance	%
Individual	83,104	74.90	78,315	83.01
Corporate And Group	6,166	5.56	6,263	6.64
Others	21,683	19.54	9,760	10.35
Total	110,953	100.00	94,338	100.00

16. Write-Off And Allowance For Bad Debts

(1) Amount Of Bad Loan Write-Off

3Q in FY21 (3 Months): from July 1st, to September 30th, 2021
 FY21 (Accumulated): from January 1st, to September 30th, 2021
 3Q in FY20 (3 Months): from July 1st, to September 30th, 2020
 FY20 (Accumulated) from January 1st, to September 30th, 2020
 (Unit: Hundred Million KRW)

Classification	3Q in FY21		3Q in FY20	
	3Q in FY21 (Present Quarter)	FY21 (Cumulation)	3Q in FY20 (Present Quarter)	FY20 (Cumulation)
Amounts Of Write-Off During				
Term	61	186	43	134
General	61	186	43	134
Special	0	0	0	0

(2) Classification Of Allowance For Bad Debts

(Accounting Standard : Korean Generally Accepted Accounting Principles)

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW)

Classification	3Q in FY21	3Q in FY20
Allowance For Bad Debts	3,783	3,177
General	3,783	3,177
Special	0	0

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

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

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW)

Classification	3Q in FY21	3Q in FY20
Total Loan	106,211	90,883
NPL (Non-Performing Loan or Insolvent Loan) ¹⁾	1,911	1,569
Sub-Standard Or Lower Loan ²⁾	2,758	2,397
Net sub-Standard Or Lower Loan ³⁾	775	804

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.

<p>◆ 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.</p> <ul style="list-style-type: none"> ◦ 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. <p>◆ 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.</p> <ul style="list-style-type: none"> ◦ 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

3Q in FY21: End Of September 2021
 2Q in FY21: End Of June 2021
 (Unit: Hundred Million KRW)

Company ¹⁾	3Q in FY21	2Q in FY21	Increased Amount	Reason For Increase	Remarks
-----------------------	------------	------------	------------------	---------------------	---------

Not Applicable

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

(3) Current Status Of Companies Under Debt Reconciliation For New Loan

3Q in FY21: End Of September 2021
 (Unit: Hundred Million KRW)

Company	Date of Decision For Debt Reconciliation	3Q in FY21 Total Loan Balance	NPL Or Insolvent Balance	Progress Of Debt Reconciliation	Remarks
---------	--	-------------------------------	--------------------------	---------------------------------	---------

Not Applicable

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

18. Off-The-Book Trading

3Q in FY21: End Of September, 2021
 3Q in FY20: End Of September, 2020
 (Unit: Hundred Million KRW)

Classification	2Q in FY21	2Q in FY20
Guarantee Of Payment	0	0
Bad Loan Write-Off	4,132	6,482
Endorsed Note	0	0
Sales Of Repurchase Paper	0	0
Transaction Of Financial Derivatives	0	0

19. Non-Operating Assets

3Q in FY21: End Of September, 2021
(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			

19-1. Status Of Cross-Business

3Q in FY21: End Of September, 2021
3Q in FY20: End Of September, 2020
(Unit: Hundred Million KRW, No. of Transaction, No. of Buying)

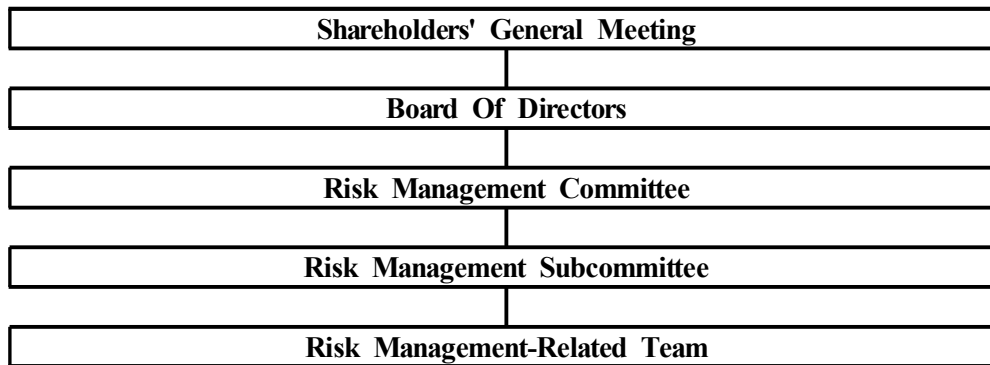
Classification	3Q in FY21		3Q in FY20	
	Performance	Number Of Transaction (Buying)	Performance	Number Of Transaction (Buying)
Installment Financing	0	0	0	0
Debit Card	505	21,226	352	61,320

[Risk Management]

20. 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 Team Head /
Business Management Team 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 Teams
 - Credit Risk: Risk Management Team / Credit Assessment Division(Corporate Credit Assessment Team/Real Estate Credit Assessment Team) / Retail Screening Team / Credit Scoring & Strategy Team / Sales Team(Corporate Financing / Retail / IB)
 - Market Risk: Risk Management Team / IB Team / Management Administration Team (financial sector) / Sales Team
 - Interest Risk: Risk Management Team / Management Administration Team (financial sector)
 - Liquidity Risk: Risk Management Team / Management Administration Team (financial sector) / Sales Team
 - Operational Risk: Risk Management Team / Management Administration Team (financial sector) / 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 Team, 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 team heads for accompanying actions
- ② Risk management-related team heads can set and operate proper limit by financial commodity and dealer within the limit set in foregoing (①).
- ③ Risk management-related team 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 team 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	44,009	21,187	27,187	0	92,383

○ 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)}	13,933	11,138	10,274	14,340	26,063	30,463	106,211

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⁾	24	0	0	0	0	0	24
Corporate Bond	142	0	55	40	45	153	435
Others	1,503	910	1,415	624	677	973	6,102
Total	1,669	910	1,470	664	722	1,126	6,561

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(or credit score) 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(or credit score) by application scorecard
- iii) Validity of CSS policy

- Non-Periodic Analysis

- i) Policy rule according to reduced risk
- ii) CSS policy for new financial products

- 2) Deliberation of Risk Management Committee in establishing and changing policy
- 3) Approval by representative director of changing or establishing policy of Risk Management Committee

[Current Status Of Other Management]

21. Management Performance Of Affiliated Company

FY21: End Of September, 2021
(Unit: Hundred Million KRW)

Affiliated Company	Financial Situation		Profit-Loss Situation		Settling Day
	Total Asset	Equity Capital (Capital Stock)	Operating Profit	Net Income	

Not Applicable

22. Internal Control

(1) Functions And Roles Of Audit (Regular, Special And Occasional Audit)

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

- It sets up internal audit plans by class (finance audit, operation audit, compliance audit, management audit, IT audit and so on); evaluates the results of implementation; take follow-up measures; and purposes corrective plans.
- It evaluates the overall internal control system of the concerned company and proposes improvement plan.
- It consents to the appointment of the head of internal audit team.
- 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 team

- 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	Chief Audit Executive	Whole team	Everyday
regular audit	audit team	Whole team	once a year
special audit	audit team	Whole team	on demand
spot audit	audit team	Branches for savings	as occasion calls

(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 team	10	Auditing whole team	-

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

Classification	Composition	Detailed operation standards	performance
Lone review committee	5 people including the chairperson	<ul style="list-style-type: none"> -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 team	5 people among Loan review team	<ul style="list-style-type: none"> -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 	<ul style="list-style-type: none"> - 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)

23-1. 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 : 3Q in FY2021 (2021.07.01~2021.09.30)

- Previous quarter: 2Q in FY2021 (2021.04.01~2021.06.30)

A. The number of civil complaints

Division	the number of civil complaints			The number of conversions ³⁾ (per 10K customers)			note
	FY21 2Q (previous quarter)	FY21 3Q (current quarter)	rate of change (%)	FY21 2Q (previous quarter)	FY21 3Q (current quarter)	rate of change (%)	
Inside civil complaint ¹⁾	-	-	-	-	-	-	
Outside civil complaint ²⁾	1	-	↓ 100.0%	0.01	-	↓ 100.0%	
Total	1	-	↓ 100.0%	0.01	-	↓ 100.0%	

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
	FY21 2Q (previous quarter)	FY21 3Q (current quarter)	rate of change (%)	FY21 2Q (previous quarter)	FY21 3Q (current quarter)	rate of change (%)	
type	deposit	-	-	-	-	-	
	loan	-	-	-	-	-	
	loan collection	-	-	-	-	-	
	others	1	-	↓ 100.0%	0.01	-	↓ 100.0%
total	1	-	↓ 100.0%	0.01	-	↓ 100.0%	

C. the number of civil complaints by type

Division	the number of civil complaints			The number of conversions (per 10K customers)			note
	FY21 2Q (previous quarter)	FY21 3Q (current quarter)	rate of change (%)	FY21 2Q (previous quarter)	FY21 3Q (current quarter)	rate of change (%)	
type	deposit	-	-	-	-	-	
	mortgage loan	-	-	-	-	-	
	credit loan	1	-	↓100.0%	0.01	-	↓100.0%
	bancassurance	-	-	-	-	-	
	others	-	-	-	-	-	
	total	1	-	↓ 100.0%	0.01	-	↓ 100.0%

23-2. 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		2017	2018	2019 ²⁾
Overall Grade ¹⁾		-	Good	Good
improvement item	1. the number of civil complaint	Good	Good	Good
	2. efforts of processing civil complaints	Good	Normal	Good
	3. the number of lawsuit	Good	Superiority	Good
	4. sustain ability of sales	Good	Good	Superiority
	5. financial accident	Good	Superiority	Superiority
non-improv ement item	6. consumer protection organization and system	Good	Good	Normal
	7. construction and management of consumer protection system in product development process	Good	Good	Normal
	8. construction and management of consumer protection system in product sales process	Good	Good	Normal
	9. construction and management of civil complaint management system	Good	Normal	Good
	10. disclosure of consumer's information, etc.	Good	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 int 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 (except overlapping, repeating, malicious complaints)
	2. Efforts of processing civil complaints	- The average processing period of civil complaints submitted Financial Supervisory Service - Adjusted complaints ratio, that financial corporation was commissioned to self-adjustment
	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 governance organization	- Operate CCO and customer financial protection division, And guarantee fair performance systematically - Active operation of customer financial protection council (CEO engagement, etc.) - Appropriateness and performance level of Customer protection task plan appropriateness - Importance of financial protection division worker's workforce composition, evaluation and compensation - Other team's performance evaluation about customer protection efforts,
	7. Construction and management of consumer protection system in product development process	- pre-consultation is institutionalized and financial protection division conducted appropriate follow-up action about missing consultation or improvements - in the process of product development institutionalized customer opinion reflect step - civil complaints cause analysis and satisfaction survey about new product is institutionalized and result reflection when new product developing
	8. Construction and management of consumer protection system in product sales process	- sale process inspection procedure, education and performance evaluation, etc follow-up action is operating organically linked systematically - involvement CCO and customer protection division about sale team's evaluation and compensation system - build customer information protection
	9. participating customer protection policy and operating civil complaints system	- Participating and carrying out Financial authorities's customer protection policy - Customer protection research and effort activation through customer protection policy improvement - Reinforce customer protection for disabled - Efficient complaint system operate - Prevention and analysis about cause of civil complaints
	10. Disclosure of consumer's information, etc	- Homepage customer information and ARS's convenience - Whether Type and content of Homepage customer information is abundant or not. And whether systematically manage through periodic update or not - Whether various financial education program is provided for customer and employee or not

24. History Of Transactions With Major Shareholders And Executives

(1) Current Status Of Credit Offering¹⁾

3Q in FY21: End Of September 2021

2Q in FY21: End Of June 2021

(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)	2Q in FY21 Credit Offering(B)	3Q in FY21 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⁾

3Q in FY21: End Of September, 2021
(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 January 1st, 2021 to September 30th, 2021)**

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

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

B. Lease/Rent Of Real Estate Property¹⁾

3Q in FY21: End Of September, 2021
(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							<u>Not Applicable</u>
	Affiliate Person							
	Subtotal							
Executive	Principal							<u>Not Applicable</u>
	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 during the current fiscal year (from January 1st, 2021 to September 30th, 2021)

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

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

C. Contract For Goods And Services¹⁾

3Q in FY21: End Of September, 2021
(Unit: Million KRW)

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

Note) 1) It is about (should be written for) the supplying transaction of goods/services supplied from shareholder (or executive) and their affiliate person **during the current fiscal year (from January 1st, 2021 to September 30th, 2021)**

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

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

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

D. Stock Trading¹⁾

3Q in FY21 : End Of September, 2021
 3Q in FY20 : End Of September, 2020
 (Unit: Million KRW, -000-Note)

Name Of Shareholder (Or Executive) ²⁾	Name Of Shareholder (Or Executive) And Affiliate Person ³⁾	3Q in FY20 (Precious)		Buying		Selling		3Q in FY21 (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									
	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 January 1st, 2021 to September 30th, 2021)**

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'

25. Issued Stocks/Shares Acquired By Major Shareholders

(Unit: Million KRW)

Shareholder Class1)	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	2,589	10.00	2,589	2,069														2,589	10.00	2,589	2,034	
		SBIMIR AE CREATION ASEAN-M&A	Relative	1,659	9.60	1,659	1,784															1,659	9.60	1,659	1,921
		SBI Growth Strategy M&A	Relative	2,804	4.50	2,804	2,804															2,804	4.50	2,804	2,804
		Subtotal			7,052	24.10	7,052	6,657														7,052	24.10	7,052	6,759
Total				7,052		7,052	6,657														7,052		7,052	6,759	

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 : 3Q in FY21, Previous Quarter : 2Q in FY21

[Financial Statements]

26. Review Report

(1) Closing Review report By External Auditor

- Refer to Review Report Additionally Attached

27. Financial Statement

- Refer to Review Report Additionally Attached

28. Income Statement

- Refer to Review Report Additionally Attached

29. Consolidated Review Report

- Not Applicable