
The Current Status Of SBI Savings Bank As of September 30th, 2022

(January 1st, 2022 ~ September 30th, 2022)

[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

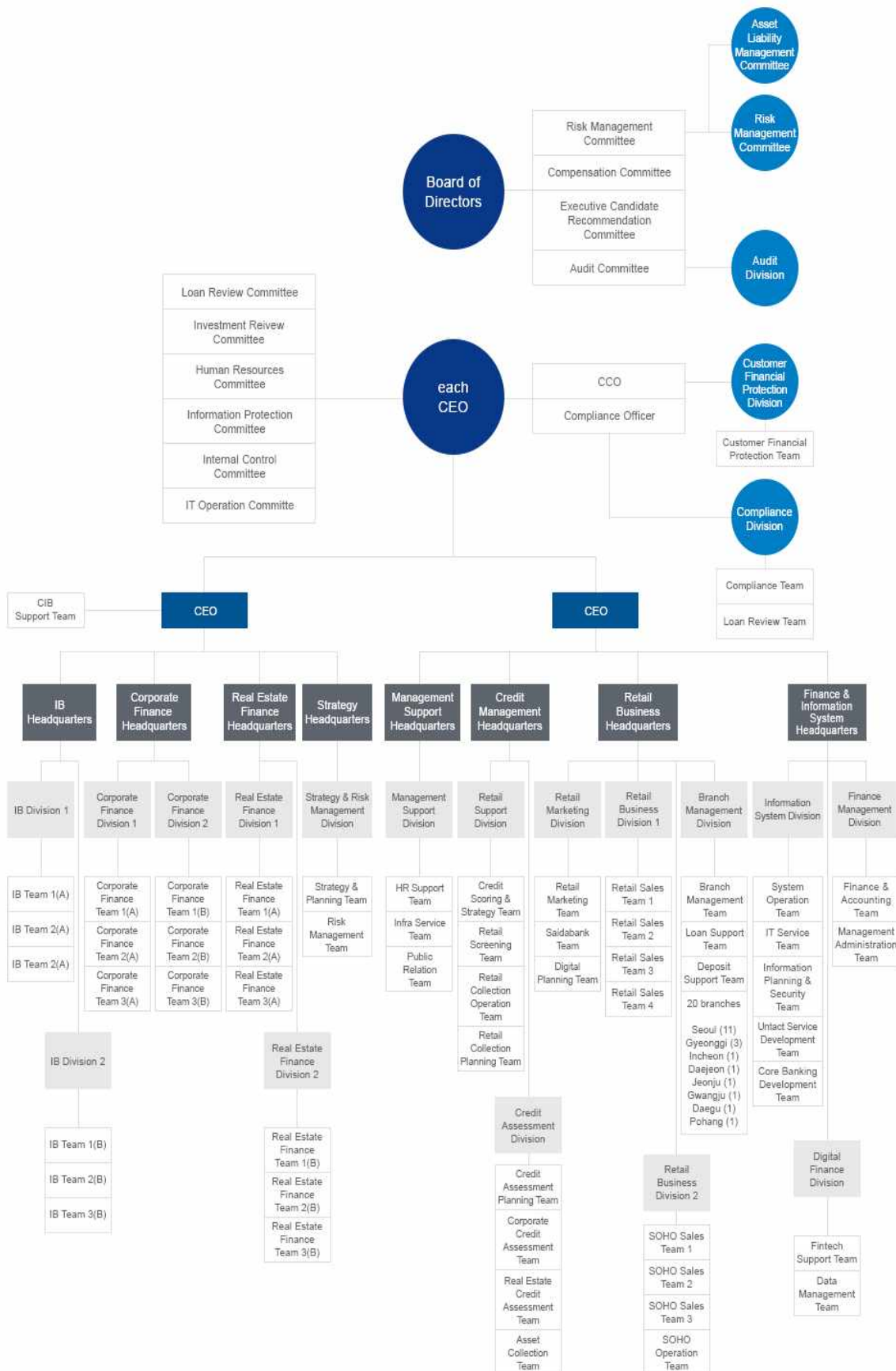
- We provide quality and reliable financial services of high quality on the basis of social calling and public interest and contribute to social development by improving public standard living and fostering companies.

(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 FY22: End Of September, 2022

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

4. Number Of Employees

3Q in FY22: End Of September, 2022

2Q in FY22: End Of June, 2022

Classification		3Q in FY22	2Q in FY22
Executive	Executive Director	23	23
	Part-time Director & Outside Director	6	6
Employees	Regular worker	581	559
	Irregular worker	50	40
Total		660	628

6. Executives

3Q in FY22: End Of September, 2022

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	Managing Director	IB Division HQ Head
	An Sang Hee	Managing Director	Real Estate Finance Division HQ Head
	Jang Dong Lok	Director	Audit Division Head
	Oh Byoung Jin	Director	Information System Division Head
	Han Seok Oh	Director	Retail Business Division 1 Head
	Kim Dae Jung	Director	Retail Business Division 2 Head
	Kim Ji Ryang	Director	Chief Customer Officer
	Eum Yoon Sub	Director	Retail Marketing Division Head
	Kim Tae Jin	Director	Corporate Finance Division 2 Head
	Woo Hui Joon	Director	Branch Management Division Head
	Huh Baek	Director	Compliance Officer/Compliance Division Head
	Yu Jun Mo	Director	Risk Management Officer/ Strategy & Risk Management Division Head
Kim Yeong Geun	Director	Credit Assessment Division Head	
Lim Dae Hui	Director	IB Division 1 Head	
Jeong Gyung Ho	Director	Retail Support Division Head	
Outside Director	Jeon Ki Hyun	Outside Director	Accountant
	Kim Chul Ju	Outside Director	Chairman of the Financial Creditors Coordination Committee
	Kato Yoshitaka	Outside Director	Lawyer
	Park Seong Yeol	Outside Director	Lawyer
	Kim Eun Mi	Outside Director	Lawyer
Part-time Director (not Outside Director)	Morita Shumpei	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 FY22: End Of September, 2022

3Q in FY21: End Of September, 2021

(Unit: Hundred Million KRW, %)

Classification			3Q in FY22				3Q in FY21			
			Average Balance	%	Interest Amount	Interest Rate	Average Balance	%	Interest Amount	Interest Rate
Financing	Cost	Deposit	127,287	86.52	2,660	2.79	102,107	86.06	1,756	2.30
		Cover Note	0	0.00	0	0.00	0	0.00	0	0.00
		Borrowings	0	0.00	0	0.00	0	0.00	0	0.00
		Debentures	0	0.00	0	0.00	0	0.00	0	0.00
		Others	760	0.52	1	0.14	1,369	1.15	1	0.07
	Subtotal	128,047	87.03	2,661	2.78	103,476	87.21	1,757	2.27	
	Non-Cost	Total Capital	16,511	11.22	0	0.00	13,073	11.03	0	0.00
		Other Allowances	66	0.04	0	0.00	26	0.02	0	0.00
		Others	2,502	1.70	0	0.00	2,069	1.74	0	0.00
	Subtotal	19,080	12.97	0	0.00	15,168	12.79	0	0.00	
Financing Total			147,127	100.00	2,661	2.42	118,644	100.00	1,757	1.98
Operation	Profit	Due from Bank	12,010	8.16	178	1.99	12,775	10.77	70	0.73
		Securities	8,051	5.47	300	4.99	7,141	6.02	715	13.39
		Loans	129,456	87.99	9,857	10.18	99,455	83.83	8,155	10.96
		Others	815	0.55	4	0.64	1,441	1.21	4	0.34
		Allowance For Bad Debts And Others (△)	4,599	3.13	0	0.00	3,413	2.88	0	0.00
		Subtotal	145,733	99.05	10,340	9.49	117,399	98.95	8,944	10.19
	Non-Profit	Cash	28	0.02	0	0.00	21	0.02	0	0.00
		Tangible Assets	204	0.14	0	0.00	170	0.14	0	0.00
		Others	1,163	0.79	0	0.00	1,054	0.89	0	0.00
		Subtotal	1,394	0.95	0	0.00	1,245	1.05	0	0.00
Operation Total			147,127	100.00	10,340	9.40	118,644	100.00	8,944	10.08

(2) Maturity Structure

3Q in FY22: End Of September, 2022
(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	18,950	23,011	32,372	59,210	106,497	3,247	168,954
Loan(1)	7,599	11,660	21,021	47,860	88,840	3,247	139,947
Financing	43,985	60,789	100,309	147,157	21,797	0	168,954
Deposit Received(2)	43,985	60,789	100,309	147,157	174	0	147,331
Difference(1-2)	△36,386	△49,129	△79,288	△99,297	88,666	3,247	△7,384

(3) Subordinated Bond Issuance

3Q in FY22: End Of September, 2022
(Unit: Hundred Million KRW)

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

8. Index Of Capital Adequacy

A. Capital Adequacy

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22	3Q in FY21
BIS Capital Ratio ※ Required By The Law Is More Than (8%)	13.55	14.74
BIS Basic Capital Ratio (Tier1)	12.27	13.47
Tangible Common Equity Ratio	10.39	11.35

◆ 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 FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22	3Q in FY21
Ordinary Capital Sum (A)	17,159	14,146
Capital Stock	15,615	15,615
Capital Surplus	122	122
Retained Earnings	6,560	3,424
Shares Owned By External Shareholders Of Affiliated Company	0	0
Deductions	△5,137	△5,015
Supplementary Capital Sum (B)	1,789	1,344
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	0
Allowance For Bad Debts	1,789	1,344
Long-Term Borrowing(C) For Management Normalization	0	0
Deduction Sum (D)	0	0
Equity Capital Sum (A+B+C-D)	18,948	15,490
Risk-Weighted Asset	139,885	105,048

9. Index Of Asset Quality

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22	3Q in FY21
Loss Risk-Weighted Loan Ratio	9.44	11.86
Net Substandard or Lower Loan Ratio	0.76	0.76
Substandard or Lower Loan Ratio	2.32	2.60
Ratio Of Overdue Loan	1.44	1.51

10. Index Of Profitability

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Class	3Q in FY22	3Q in FY21
Return On Assets	2.21	3.08
Expense On Assets	1.21	1.47
Ratio Of Gross Profit To Gross Costs	77.30	70.07

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

11. Index Of Liquidity

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22	3Q in FY21
Liquidity Coverage Ratio	138.52	127.22
Loan-Deposit Ratio	94.72	94.30

◆ 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 FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification		3Q in FY22	3Q in FY21
Per Employee	Profit Before Allowance	11	10
	Deposits	211	177
	Loans	215	172
Per Branch Bank	Deposits	6,364	5,105
	Loans	6,473	4,973

[Financial Results]

13. Balance sheet

(Accounting Standard : Korean Generally Accepted Accounting Principles)

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Class	3Q in FY22		3Q in FY21		
	Amount	%	Amount	%	
Asset	Cash And Due from Banks	22,723	13.45	15,528	11.97
	Securities	8,254	4.89	7,688	5.93
	Loans	135,124	79.98	102,558	79.04
	Tangible Asset	178	0.11	250	0.19
	Other Assets	2,675	1.58	3,725	2.87
	Asset Total	168,954	100.00	129,749	100.00
Liability	Deposits	147,331	87.20	110,953	85.51
	Borrowings	0	0.00	0	0.00
	Other Liabilities	4,067	2.41	4,067	3.14
	Liability Total	151,398	89.61	115,020	88.65
Liability Total	Capital Stock	15,615	9.24	15,615	12.03
	Capital Surplus	122	0.07	122	0.09
	Capital Adjustment	△4,938	△2.92	△4,938	△3.81
	Accumulated Other Comprehensive Income	198	0.12	507	0.39
	Retained Earnings	6,559	3.88	3,423	2.65
	Stockholder's Equity Total	17,556	10.39	14,729	11.35
Liability And Stockholder's Equity Total	168,954	100.00	129,749	100.00	

14. Operation with Loan

(1) Loan

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22		3Q in FY21	
		%		%
Loan For Company	71,485	51.08	45,959	43.27
Loan For Personal	68,449	48.91	60,240	56.72
Other Loans	13	0.01	12	0.01
Total	139,947	100.00	106,211	100.00

(2) Secured Loan By Collateral

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification		3Q in FY22		3Q in FY21	
			%		%
Collateral	Real Estate Property	41,212	29.45	25,285	23.81
	Movable Assets	310	0.22	529	0.50
	Securities	6,495	4.64	3,826	3.60
	Deposit Received	52	0.04	113	0.11
	Others	8,753	6.25	2,964	2.79
	Total	56,822	40.60	32,717	30.81
Guarantee		4,526	3.23	5,338	5.03
Credit		78,599	56.16	68,156	64.16
Total		139,947	100.00	106,211	100.00

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

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification		3Q in FY22	3Q in FY21
S&M Company Loan	Ratio (A/B X 100)	48.76	40.63
	S&M Loan (A)	68,241	43,154
	Total (B)	139,947	106,211

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

3Q in FY22: End Of September, 2022
(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)	27,989	1,588	1,059	525	3	0	0	1,588	3	0.20
Construction Business (②)	41,984	4,250	3,762	413	48	14	13	4,250	33	0.78
Real Estate Business(③)	41,984	10,862	9,895	887	74	2	4	10,862	81	0.74
Total(①+②+③)	69,973	16,700	14,716	1,825	125	16	17	16,700	117	0.70

(5) Micro Personal Credit Loan

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

Classification	End Of September, 2022	End Of June, 2022	End Of March, 2022	End Of December, 2021
Total Loan	139,947	136,166	123,600	113,330
Micro Personal Credit Loan	2,211	2,027	1,785	1,660
Proportion	1.58	1.49	1.44	1.47
Micro Personal Credit Loan Overdue Amount	48.61	52	48	43
Proportion	2.20	2.57	2.69	2.57

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 FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22				3Q in FY21			
	Balance		Average Balance		Balance		Average Balance	
		%		%		%		%
Demand Deposits	24,932	16.92	12,384	9.73	16,712	15.06	19,002	18.60
Time Deposits	120,548	81.82	112,951	88.74	92,383	83.26	81,273	79.60
Installment Deposit	1,851	1.26	1,953	1.53	1,858	1.68	1,833	1.80
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	147,331	100.00	127,288	100.00	110,953	100.00	102,108	100.00

(2) Deposits By Customer Type

3Q in FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW, %)

Classification	3Q in FY22		3Q in FY21	
	Balance	%	Balance	%
Individual	94,073	63.85	83,104	74.90
Corporate And Group	11,633	7.90	6,166	5.56
Others	41,625	28.25	21,683	19.54
Total	147,331	100.00	110,953	100.00

16. Write-Off And Allowance For Bad Debts

(1) Amount Of Bad Loan Write-Off

3Q in FY22 (3 Months): from July 1st, to September 30th, 2022
 FY22 (Accumulated): from January 1st, to September 30th, 2022
 3Q in FY21 (3 Months): from July 1st, to September 30th, 2021
 FY21 (Accumulated): from January 1st, to September 30th, 2021
 (Unit: Hundred Million KRW)

Classification	3Q in FY22		3Q in FY21	
	3Q in FY22 (Present Quarter)	FY22 (Cumulation)	3Q in FY21 (Present Quarter)	FY21 (Cumulation)
Amounts Of Write-Off During Term	107	254	61	186
General	107	254	61	186
Special	0	0	0	0

(2) Classification Of Allowance For Bad Debts

(Accounting Standard : Korean Generally Accepted Accounting Principles)

3Q in FY22: End Of September, 2022
3Q in FY21: End Of September, 2021
(Unit: Hundred Million KRW)

Classification	3Q in FY22	3Q in FY21
Allowance For Bad Debts	5,002	3,783
General	5,002	3,783
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 FY22: End Of September, 2022
3Q in FY21: End Of September, 2021
(Unit: Hundred Million KRW)

Classification	3Q in FY22	3Q in FY21
Total Loan	139,947	106,211
NPL (Non-Performing Loan or Insolvent Loan) ¹⁾	2,264	1,911
Sub-Standard Or Lower Loan ²⁾	3,247	2,758
Net sub-Standard Or Lower Loan ³⁾	1,024	775

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

3Q in FY22: End Of September 2022
 2Q in FY22: End Of June 2022
 (Unit: Hundred Million KRW)

Company ¹⁾	3Q in FY22	2Q in FY22	Increased Amount	Reason For Increase	Remarks
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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 FY22: End Of September 2022
 (Unit: Hundred Million KRW)

Company	Date of Decision For Debt Reconciliation	3Q in FY22 Total Loan Balance	NPL Or Insolvent Balance	Progress Of Debt Reconciliation	Remarks
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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 FY22: End Of September, 2022
 3Q in FY21: End Of September, 2021
 (Unit: Hundred Million KRW)

Classification	3Q in FY22	3Q in FY21
Guarantee Of Payment	0	0
Bad Loan Write-Off	4,094	4,132
Endorsed Note	0	0
Sales Of Repurchase Paper	0	0
Transaction Of Financial Derivatives	0	0

19. Non-Operating Assets

3Q in FY22: End Of September 2022
(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 FY22: End Of September, 2022
3Q in FY21: End Of September, 2021
(Unit: Hundred Million KRW, No. of Transaction, No. of Buying)

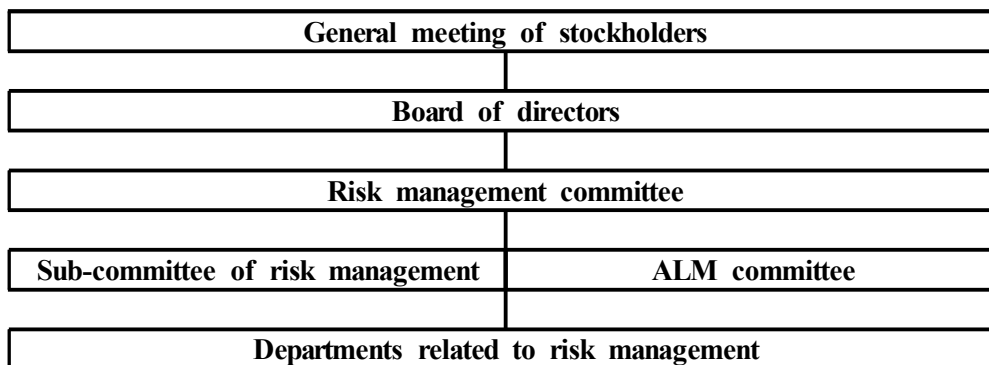
Classification	3Q in FY22		3Q in FY21	
	Performance	Number Of Transaction (Buying)	Performance	Number Of Transaction (Buying)
Installment Financing	0	0	0	0
Debit Card	548	19,029	505	21,226

[Risk Management]

20. Risk Management

(1) Risk Management Organization

- Organization



- ① Risk management committee: the highest decision-making body on the risk management
 - Constitution of risk management committee: 3 outside directors
 - Roles of risk management committee: setup basic policy and strategy for risk management, decide the risk level that company can take, approve proper investment limit and allowable loss limit, establish and amend the guideline on risk management, the matters on the structure of risk management organization and R&R, the matters on the operation of risk management information system, establish various limits, and decide the items on the approval of exceeding limit

- ② Sub-committee of risk management: practical decision-making body on credit, market, operation, and other risks under risk management committee
 - Constitution of risk management sub-committee: Strategic Risk Management Director (chairperson) / Head of Financial Information System Division / Head of Credit Management Division / Financial Management Director / Risk Management Team Leader
 - Roles of risk management sub-committee: establish and distribute detailed limit guideline to comply with the allowable limits set by risk management committee, approve the handling plans in case that allowable limit set by sub-committee is exceeded and amended, resolve the items that risk management committee assigns the resolution or review, and decide other review items

- ③ ALM committee: practical decision-making body on the liquidity and interest rate risk under the risk management committee
- Constitution of ALM committee: Head of Financial Information System Division (chairperson) / Head of Credit Management Division / Head of Corporate Financial Division / Retail Marketing Director / Strategic Risk Management Director / Financial Management Director / Management Support Director
 - Roles of ALM committee: establish and distribute detailed limit guideline to comply with the allowable limits for liquidity and interest rate risk set by risk management committee, financing, establish basic operational policy, establish and manage the corporate policy for assets and debt portfolio, decide interest rate for loans and deposits, decide standards or system on the interest rate, check the appropriateness, and decide other review items
- ④ Departments on risk management
- Credit risk: Risk Management Team / Audit Department / Retail Support Department / Sales Division (Retail, Business, IB, Real Estate, etc.)
 - Market risk: Risk Management Team / Audit Department / Sales Division (Business, IB, Real Estate, etc.)
 - Liquidity risk: Risk Management Team / Business Management Team / Sales Division (Retail, Business, IB, Real Estate, etc.)
 - Interest rate risk: Risk Management Team / Business Management Team
 - Operation risk: All

(2) Risk management system

- Concept: Risk means various uncertainties or potential of losses which can be occurred during the company management activities.
- Regulations on risk management: risk management guideline, rules of risk management committee, rules of risk management sub-committee, rules of ALM committee
- Risk management guideline: include basic principles and procedures for systemic risk management that SBI Savings Bank recognizes, evaluates, monitors, and controls the risks occurred in asset management, job performance, and other trades
- Risk management committee: As the highest decision making body on the risk management, it reviews and decides the following;
 - ① Establish basic principles and strategy of risk management
 - ② Decide the allowable risk level to the company
 - ③ Approve proper limit of investment and allowable loss limit
 - ④ Establish and amend the guideline on risk management

- ⑤ The matters on the structure of risk management organization and R&R
- ⑥ The matters on the operation of risk management information system
- ⑦ Establish various limits and the matters on the approval of exceeding limit
- ⑧ Other matters related to risk management that risk management committee recognizes the needs

- Sub-committee of risk management: As the practical decision making body on the risk management under risk management committee, it manages the items entrusted by risk management committee, establishes the policies to respond the changes of financial environment, minimizes various management risks, seeks the profit maximization and stabilization, and decides the followings;

■ Decision items

- ① Establish and distribute detailed limit guideline to comply with the allowable limits set by risk management committee
- ② Approve the handling plans in case that allowable limit set by sub-committee is exceeded and amended
- ③ The items that risk management committee assigns the resolution or review
- ④ Any other items that are required for resolution by sub-committee according to the internal rules, etc. and that risk management committee or sub-committee recognizes the needs

■ Review items

- ① Risk review related to introduction (change) or abolition (including discontinuation) of loan and saving items
- ② Disposal of securities within the expiration date (including partial disposal) or disposal of securities without expiration date (including partial disposal)
- ③ Prior review of purchasing or disposal for major assets according to Table 2 of internal rules on the governance
- ④ Decision of purchasing or selling loans which do not correspond to Section 3, inflow of collateral, and selling real estates with non-business purpose
- ⑤ Any other items required for review of the sub-committee according to the internal rules, etc. and items recognized to be required by risk management committee or its sub-committee

- ALM committee: respond the changes of financial environment actively; seek the enhancement of net asset value by comprehensive managements of assets, loans, proper liquidity, interest rate risk, and strategic portfolio; and review and decide the followings;

■ Decision items

- ① Establish the basic policies for fund-raising and operation
- ② Establish and manage the policies for corporate portfolio of assets and debts
- ③ Set and allocate detailed limits of liquidity and interest rate risk to comply with their

allowable limits established by risk management committee

- ④ Approve execution plan in case that exceeds or modifies the detailed allowable limits established by the committee
- ⑤ Items that are entrusted for decision or review by risk management committee
- ⑥ Any other items required for decision of the committee according to the internal rules, etc. and items recognized to be required by risk management committee or the committee

■ Review items

- ① Review, modify, and control the fundraising strategies, plans, and approval authority of fund operation
- ② Review decisions of interest rates for loans and savings, decisions of standards or system related to interest rate, appropriateness, and so on
- ③ Any other items required for review of the committee according to the internal rules, etc. and items recognized to be required by risk management committee or the committee

(3) Credit risk management

- Concept: Credit risk means the risk of loss from the trade partner's default such as loans, securities, and so on or the amount exposed to the risk.
- Management purposes: to establish the stable profit basis by maintaining integrity of assets upon minimizing the potentials of credit risk occurrences, and to utilize as the basic data when deciding investment priority and establishing asset allocation strategy
- Management subjects: loans, securities (marketable, Held-To-Maturity), other holding assets, etc.
- Management principles
 - ① Set and manage the exposure limit by area to prevent from excessive exposure of credit risk and establish the portfolio limit for certain assets or items to prevent from leaning
- Management methods
 - ① Set and manage the limits for risk weighed assets (credit risk) by corporate, division, and business unit
 - ② Set and manage the exposure limit for the businesses related to real estates and loan companies
 - ③ Select the control businesses and prevent from leaning by assigning limits by business type for loans to private businesses
 - ④ Set and manage the exposure limit by separate standards for alternative investment assets or conglomerates
 - ⑤ Measure and report differentiated risk ratio by company credit class through risk management system (RMS)
 - ⑥ Follow-up management for loans beyond limit management, continuous monitoring through early warning, loan review, and so on

(4) Market risk management:

- Concept: Market risk means the risk that marketable asset value is decreasing upon unfavorable changes of interest rate, stock price, exchange rate, and so on, including the risk related to interest rate, price fluctuation, and exchange rate.
- Management purposes: to minimize the loss and maximize the profit by efficient management of risks such as interest rate, stock price, and so on according to the market price fluctuations
- Measurement method: evaluate the profit and loss and measure the risk by market price for the trades related to market risk
- Management subjects: items that pursue the trading margin from the expectation of price fluctuations of bonds, stocks, and so on (interest rate, stock price)
- Management methods
 - ① Allocate investment limit by division of securities to prevent from excessive exposure of credit risk
 - ② Allocate separate gross limit and limit by territory to prevent from leaning for the overseas investment assets
 - ③ Measure and report risk ratio daily, weekly, and monthly basis by risk management system (RMS)

(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	73,666	16,761	29,948	174	120,549

○ 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)}	17,759	12,804	18,459	19,217	34,694	37,014	139,947

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⁾	25	0	0	0	0	0	25
Corporate Bond	160	48	200	109	138	18	673
Others	1,184	1,496	828	1,082	682	498	5,770
Total	1,369	1,544	1,028	1,191	820	516	6,468

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]

21. Management Performance Of Affiliated Company

FY22: End Of September, 2022
(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 (Comprehensive, 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
comprehensive 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	-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	-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 : 112 - Regularly inspection : 59 - Occasional inspection : 48 - Board of Directors Report Date : 2022.10.18

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 FY2022 (2022.07.01~2022.09.30)

- Previous quarter: 2Q in FY2022 (2022.04.01~2022.06.30)

A. The number of civil complaints

Division	the number of civil complaints			The number of conversions ³⁾ (per 10K customers)			note
	FY22 2Q (previous quarter)	FY22 3Q (current quarter)	rate of change (%)	FY22 2Q (previous quarter)	FY22 3Q (current quarter)	rate of change (%)	
Inside civil complaint ¹⁾	-	-	-	-	-	-	
Outside civil complaint ²⁾	1	-	↓100.00	0.01	-	↓100.00	
Total	1	-	↓100.00	0.01	-	↓100.00	

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
	FY22 2Q (previous quarter)	FY22 3Q (current quarter)	rate of change (%)	FY22 2Q (previous quarter)	FY22 3Q (current quarter)	rate of change (%)	
type	deposit	-	-	-	-	-	
	loan	1	-	↓100.00	0.01	-	↓100.00
	loan collection	-	-	-	-	-	
	others	-	-	-	-	-	
total	1	-	↓100.00	0.01	-	↓100.00	

C. the number of civil complaints by type

Division	the number of civil complaints			The number of conversions (per 10K customers)			note
	FY22 2Q (previous quarter)	FY22 3Q (current quarter)	rate of change (%)	FY22 2Q (previous quarter)	FY22 3Q (current quarter)	rate of change (%)	
type	deposit	-	-	-	-	-	
	mortgage loan	-	-	-	-	-	
	credit loan	1	-	↓100.00	0.01	-	↓100.00
	bancassurance	-	-	-	-	-	
	others	-	-	-	-	-	
	total	1	-	↓100.00	0.01	-	↓100.00

23-2. Result of evaluation actual condition of financial consumer protection

※ In accordance with Article 32 and (2) of the Financial Consumer Protection Act, financial companies shall comprehensively evaluate the level of consumer protection through the Financial Consumer Protection Status Evaluation System implemented by the Financial Supervisory Service and disclose the results on the website of the Savings Bank.

※ Subject to disclosure : Savings banks selected by the Financial Supervisory Service for evaluation in consideration of the number of complaints and the size of business, etc., which received on-site evaluation.

* Criteria: Savings banks with a proportion of 2% or more in the region and assets of 1 trillion won or more in the number of complaints and business scale.

FY21 Financial Consumer Protection Status Evaluation and Results

Division		Evaluation grade	Note
Overall Grade ¹⁾		Normal	
improvement item	1. Matters concerning the prevention of civil complaints	Good	
	2. Matters concerning efforts to handle civil petitions and litigation for financial consumers	Good	
non-improv ement item	3. Matters concerning the organization dedicated to financial consumer protection	Normal	
	4. Establishment and Operation of Consumer Protection System in Financial Product Development Process	Insufficient	
	5. Establishment and operation of the consumer protection system in the process of selling financial products	Normal	
	6. Matters concerning the civil petition management system and the disclosure of consumer information	Normal	
	7. Other Consumer Protection Matters	Normal	

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

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

Division		Evaluation items
Improvement item	1. Matters concerning the prevention of civil complaints	<ul style="list-style-type: none"> - Number of complaints and disputes regarding financial products - The rate of increase or decrease in complaints and disputes about financial products
	2. Matters concerning efforts to handle civil petitions and litigation for financial consumers	<ul style="list-style-type: none"> - Average civil complaint handling period - Percentage of civil petitions subject to self-adjustment processing that have been adjusted - Rate of loss among litigation cases and number of litigation filed by a financial company during dispute settlement
Non-improvement item	3. Matters concerning the organization dedicated to financial consumer protection	<ul style="list-style-type: none"> - Establishment authority and operation status of the Financial Consumer Protection Internal Control Committee and the Financial Consumer Protection General Institution, etc - Appointment, qualification requirements, authority, status of duties, design and operation of the performance compensation system, etc. of executives and employees who perform the duties of the financial consumer protection agency, etc
	4. Establishment and Operation of Consumer Protection System in Financial Product Development Process	<ul style="list-style-type: none"> - Sharing information between departments in the financial product development stage, procedures, methods, standards and operational status related to potential risk assessment for financial consumers, etc - Procedures, methods, standards, and operational status related to reflecting opinions such as external experts and financial consumers, etc
	5. Establishment and operation of the consumer protection system in the process of selling financial products	<ul style="list-style-type: none"> - Procedures, methods, standards, and operational status related to sales of financial products, etc - Qualification requirements of executives and employees in charge of sales, the status of operation of the performance compensation system related to education and consumer protection, etc - Status of operation of the post-sales process (mystery shopping, etc.) of financial products, etc
	6. Matters concerning the civil petition management system and the disclosure of consumer information	<ul style="list-style-type: none"> - Status of operation of civil petition reception channels, regulations, manuals, and computer systems, etc - Monitoring civil complaints, preventive programs, current status of manpower operation, etc - Accessibility of consumer information through homepage, ARS - Status of related disclosure and guidance, such as financial product descriptions
	7. Other Consumer Protection Matters	<ul style="list-style-type: none"> - Procedures, methods, and program operations for improving the convenience of the elderly and persons with disabilities and preventing consumer damage, etc - Current status of operation of training programs for employees, etc - Participation and implementation of consumer protection policies by financial authorities - Other matters related to consumer protection in the internal control standards and consumer protection standards of financial companies

24. History Of Transactions With Major Shareholders And Executives

(1) Current Status Of Credit Offering¹⁾

3Q in FY22: End Of September 2022

2Q in FY22: End Of June 2022

(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 FY22 Credit Offering(B)	3Q in FY22 Credit Offering(C)	Increase/Decrease (%)	
					Vs. Dat Of Appointment (C-A)	Vs. Previous Period (C-B)
Shareholder	()	Principal	Not Applicable		()	()
		Affiliate Person			()	()
		Subtotal			()	()
	()	Principal			()	()
		Affiliate Person			()	()
		Subtotal			()	()
	Total	Principal			()	()
		Affiliate Person			()	()
		Sum			()	()
Executive	()	Principal	Not Applicable		()	()
		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 FY22: End Of September 2022
(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, 2022 to September 30th, 2022)**

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 FY22: End Of September, 2022
(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 during the current fiscal year (from January 1st, 2022 to September 30th, 2022)

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 FY22: End Of September, 2022
(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, 2022 to September 30th, 2022)**

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 FY22 : End Of September, 2022
 3Q in FY21 : End Of September, 2021
 (Unit: Million KRW, -000-Note)

Name Of Shareholder (Or Executive) ²⁾	Name Of Shareholder (Or Executive) And Affiliate Person ³⁾	3Q in FY21 (Precious)		Buying		Selling		3Q in FY22 (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, 2022 to September 30th, 2022)**

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	2,394	10.00	2,394	2,026														2,394	10.00	2,394	2,004	
		SBIMIR AE CREATION ASEAN-M&A	Relative	1,371	9.60	1,371	1,427															1,371	9.60	1,371	1,114
		SBI Growth Strategy M&A	Relative	1,830	4.50	1,830	2,351															1,830	4.50	1,830	2,414
		Subtotal			5,595	24.10	5,595	5,804														5,595	24.10	5,595	5,532
Total				5,595	24.10	5,595	5,804														5,595	24.10	5,595	5,532	

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 FY22, Previous Quarter : 2Q in FY22

[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