

2019
IBK
SUSTAINABILITY
REPORT



About this Report

Reporting Principle and Guideline

As IBK's sixth sustainability report, this publication has been produced to transparently share its sustainability management activities and performance results for 2018 with its stakeholders. The report has been prepared in accordance with the Core option requirement of the Global Reporting Initiative (GRI) standards, an international guideline on the reporting of sustainability management, as well as the requirements of ISO 26000. The sustainability management activities and performances are presented on the basis of three material topics which were identified through a materiality assessment and the Management Approach guidelines.

Reporting Period

This report mainly covers IBK's financial and non-financial activities for the period of January to December 2018, although it also covers the first half of 2019 in order to include information that could be important to stakeholders in making decisions. As for IBK's quantitative performances, the report presents three years of data from 2016 to 2018.

Reporting Scope

This report covers the management activities of IBK's headquarters, domestic/overseas sales branches, and overseas representative offices. Some social and environmental data on its overseas operations are presented on a non-consolidated basis due to certain limitations in data gathering. For such data, the reporting scope is specified. The financial data are presented on a consolidated basis, and have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).

Assurance

To guarantee the accuracy of the reporting process and the reliability of the reported content, IBK commissioned DNV GL, an independent assurance agency, to verify this report in accordance with the global assurance standard. The results of the verification can be found on page 88-89 of this report. The financial information in this report was audited by an independent auditor, while the GHG emissions and energy consumption were verified according to the "Administrative guidelines on greenhouse gas and energy target management systems."

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CEO's Message



Since the foundation in 1961, IBK has always stayed committed to both SMEs and the general public as a reliable financial partner, even in times of difficulties.

Today, despite adverse economic conditions at home and abroad, IBK continues to work with the SMEs, the pillar of the Korean economy, to create a sustainable future. Furthermore, we will strive to make co-prosperity a reality for all, while fulfilling our motto to become Innovation Bank of Korea Leading into the Future.

In 2017, IBK introduced a new paradigm called 'IBK Co-up Financing,' to proactively support SMEs as they face a variety of difficulties throughout their corporate life cycle. Comprised of three platforms of Scale-up, Level-up and Cycle-up financing, it began to bear fruit in 2018. 'IBK Changgong' is yet another platform to support start-ups and thus job creation. After opening offices in Mapo and Guro in the capital city of Seoul, Changgong now has a new office in Busan, the second largest city in Korea, to spread out entrepreneurship across the nation. In addition, PT Bank IBK Indonesia Tbk was established to expand the global network to better support SMEs in their overseas operations.


IBK also became the first financial institution to offer 'Shared Daycare Centers for SME employees', so that SMEs can offer better welfare services for their people and thus can attract more talented job seekers. In an effort to prevent competitive SMEs from being forced out of the market, IBK provides M&A matching services which in turn help keep the precious jobs for the employees.

As for innovation, IBK launched 'IBK 1st Lab' for collaborations with innovative startups, reflecting our belief that they are not competitors, but partners for mutual success. Also, we have put our extensive expertise and knowledge in the service of SMEs into a single digital platform called 'BOX' to help SMEs in their daily business operation. I am confident that these efforts for innovation, combined with IBK Co-up Financing, will bring IBK to the forefront of future banking amidst intensifying competition in the industry.

At the same time, IBK is promoting inclusive financing. For the small-sized merchants and sole proprietors facing adverse business environments from economic slowdown and wage hikes, we offer special loans at very low, 1%-level interest rates, as well as non-financial services, including consulting and commercial district analysis. Employment is also one of the priority areas for IBK, as we believe solving the issue is essential to take the Korean economy to the next level. Therefore, we plan to help create 100,000 new jobs by 2022 through 'i-ONE JOB,' IBK's job matching platform for SMEs and job-seekers.

I am proud to say that IBK is the only SME-focused bank that made it to the Top 100 World Banks list, even without an M&A. This would not have been possible without you, the stakeholders, including the customers, shareholders and employees. In this respect, I would like to express my deepest appreciation to you all and promise IBK's unwavering commitment to the customers, communities and the society as a whole for a better future.

I ask for your continue support and encouragement for IBK as we endeavor to fulfil the commitment.



Kim Do-Jin

Chairman & CEO
Industrial Bank of Korea

IBK Overview



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IBK Overview

Purpose of Establishment

Industrial Bank of Korea (IBK) was founded in 1961 with the mandate to promote independent economic activities of small and medium-sized businesses (SMEs) and improving their economic status by establishing an efficient credit system for them. Ever since the establishment, IBK has been leading the Korean finance landscape, putting the customers first and at the very heart of all activities, with a firm conviction that their success equates with the growth of IBK.

Introduction

As a financial partner that upholds 'customer happiness' as our highest value, IBK aims to pave the way for a better future with our customers. As a part of this endeavor, we are operating our 'Co-up Financing' program, which is designed to assist companies throughout their entire corporate life cycle and support their success through the '3-UP Platforms' of Scale-up, Level-up, and Cycle-up. We also cooperate with our nine subsidiaries, such as IBK Capital and IBK Securities, in faithfully carrying out our true role as a financial company. In the future, IBK will always work for the success of our customers as a bank specializing in the provision of support for SMEs.

Major Tasks

- Loans and bill discounts for SMEs
- Receipt of deposits and installment savings, issuance of securities
- Domestic remittances, foreign exchange, and custody business/treasury agency/acceptance of payment
- Borrowings from the government, the Bank of Korea and other financial institutions
- Other duties as assigned
- Tasks that have been approved by the government and are needed to fulfill the objectives of the bank's establishment (Article 33 of the Industrial Bank of Korea Act)

IBK Profile

(As of December 31st, 2018)

Date of Establishment	August 1, 1961
CEO	Kim Do-Jin
No. of subsidiaries	26 (including other subsidiaries)
No. of employees	13,324 persons
Total Assets (Consolidated)	KRW 289.5094 trillion
Operating Profit (Consolidated)	KRW 2.3964 trillion
Net Profit (Consolidated)	KRW 1.7643 trillion

Credit Ratings

(As of June, 2019)

Company	Rating Agency	Long-term	Short-term
IBK	Moody's	Aa2	P-1
	S&P	AA-	A-1+
	Fitch	AA-	F1+

Share Ownership

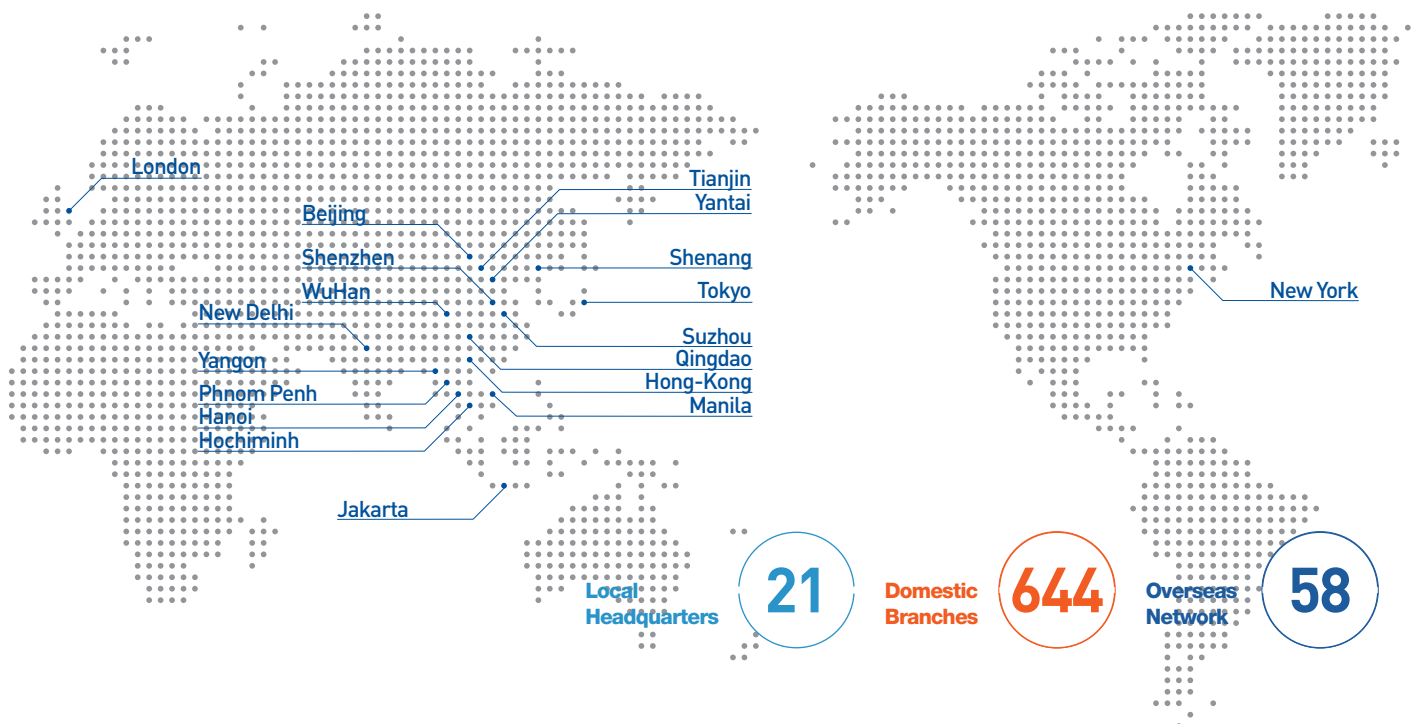
(As of June, 2019)

Shareholders	Common Share		Preferred Share		Total	
	No. of Shares	Ownership (%)	No. of Shares	Ownership (%)	No. of Shares	Ownership (%)
Ministry of Economy and Finance	305,074,798	53.1	44,847,038	45.8	349,921,836	52.0
Korea Development Bank	10,490,000	1.8	46,915,282	47.9	57,405,282	8.5
Export-Import Bank of Korea	8,501,153	1.5	6,210,000	6.3	14,711,153	2.2
Foreign Investors	134,109,296	23.3	-	-	134,109,296	19.9
Others	116,769,147	20.3	-	-	116,769,147	17.4
Total	574,944,394	100.0	97,972,320	100.0	672,916,714	100.0

Domestic/Overseas Branches and Offices

(As of June, 2019)

IBK has 21 local headquarters and 644 branches across the country. IBK also has a total of 58 overseas networks, including 46 local banking subsidiaries, 9 branches and 3 representative offices, and covers such major financial hubs as New York, London, Hong Kong and Tokyo.



Subsidiaries

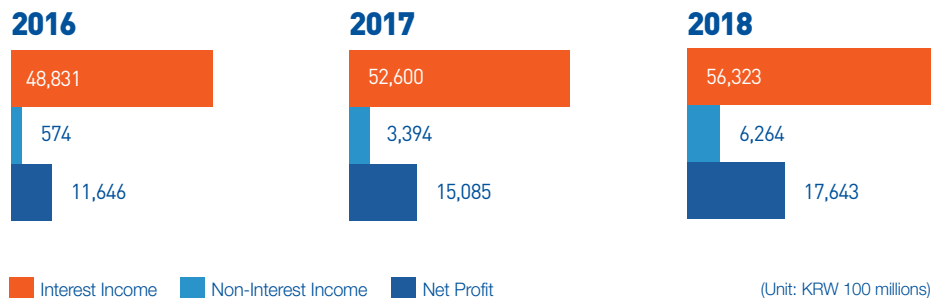
IBK operates a total of 26 subsidiaries (regular and others) in order to provide the very best financial services. IBK Capital specializes in credit finance, IBK Securities makes financial investments, and IBK Asset Management is a collective investment company that provides diverse forms of financial investment services to large corporations, ventures, SMEs, and ordinary members of the public. Furthermore, as a mutual savings bank, IBK Savings Bank is developing into a leading brand in micro-finance services for local citizens and small and medium-sized business owners. As Korea's first pension-specialized insurance company, IBK Insurance helps its customers to prepare for a financially stable future. IBK Systems not only provides support to IBK financial groups that need to strengthen their IT competitiveness, but also actively pursues external businesses. IBK Credit Information is engaged in debt collection and credit information services. IBK (China) Ltd. is striving to expand value creation through localization in China.

IBK Ownership of Subsidiaries

(As of June, 2019)

Subsidiary	Ownership (%)	Subsidiary	Ownership (%)
IBK Capital	100	IBK Savings Bank	100
IBK Securities	83.9	IBK Systems	55.6
IBK Insurance	100	IBK Credit Information	100
IBK Asset Management	100	IBK (China) Ltd.	100
IBK Service	100		

Business Domain



Major Businesses

Corporate Banking



IBK is expanding 'Co-up Financing', its mid-to-long term roadmap for SME support, organizing events that enable the CEOs of SMEs to network, helping SMEs achieve growth through IBK consulting support, launching job creation projects, and providing assistance to startups and companies in the early growth stage.

Global Markets



IBK is expanding its global network to realize its objective of 'Co-up Financing' by intensifying its financial support for SMEs operating in overseas markets. We have also partnered up with export-related organizations to attract blue-chip companies as customers by helping domestically-focused companies become more export-oriented as well as holding export consulting events.

Retail Banking



IBK is concentrating on strengthening the foundations for growing its retail banking business by adding new customers and expanding its core customer marketing activities. While working to improve the asset quality of household loans, we are providing a wide range of asset management services that will increase customer satisfaction.

Trusts and Retirement Pensions



IBK sells specified money trusts by providing diverse products suitable for the market conditions. We are also working to protect the rights of financial customers by recording customer interactions when selling ELT. In the retirement pension market, IBK is highly trusted and known for its low-risk products.

Mutual Funds and Bancassurance

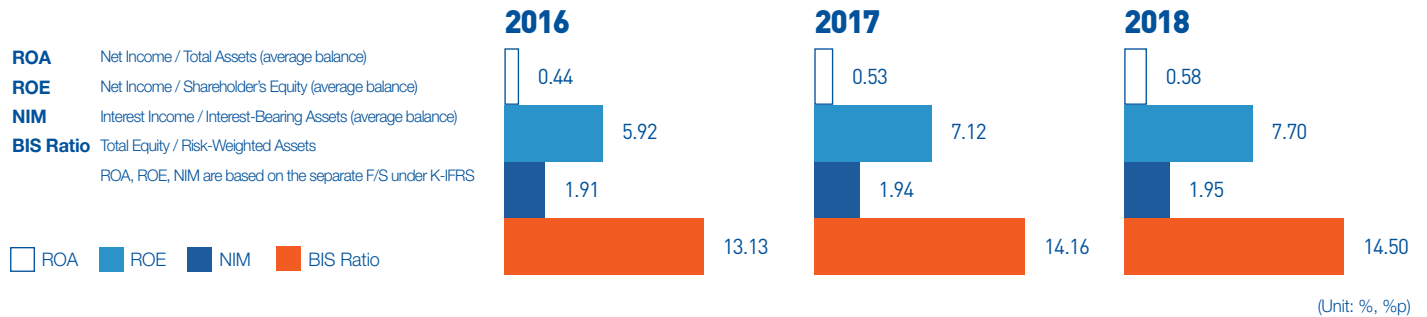


In the *bancassurance* business, IBK is making tremendous efforts to secure complete sales through numerous policies and programs that reflect the latest revisions of the insurance laws and marketing tailored to changing government policies. Our bank is also trying to reduce the workload of our sales offices and prevent customer complaints by improving the user-friendliness of our non-face-to-face channels.

Credit Card



Even though the payment market has become hyper-competitive, IBK is growing steadily through the introduction of new products such as the IBK Mutual Growth Card, IBK Mutual Success Card, and Walking Together with Youth Card, all of which are very competitive in the market. Notably, we issued 85,000 GD Cards despite their being a non-face-to-face product.



Major Activities

- Expansion of financial assistance and provision of tailored mentoring services for startups and ventures
- Completion of digitalization of corporate banking tasks
- Expansion of the horizon of exit investments to support corporate successions

- Carrying overseas businesses forward as part of a new paradigm that could expand the horizons of the Asian financial belt, with the first milestone of this initiative being the founding of PT Bank IBK Indonesia
- Strengthening of customized support activities specific to each growth stage for export-import enterprises

- Restructuring of IBK VIP CLASS, the bank's new preferential customer service system
- Expansion of branches to strengthen the bank's comprehensive asset management

- Launch of new products that are designed to suit the current market conditions, such as Gold More Trust and Foreign Currency Specific Money Trust
- Ranked 1st in DC and IRP (amongst 6 banks that have the largest deposits)

- Revision of the criteria for judging whether a behavior falls under the illegal practice of forcing customers to purchase financial product(s) in exchange for giving loans; In-house assessment of the insurance sales process
- Launch of i-ONE ROBO, a fund portfolio recommendation service that utilizes a robot advisor

- Walking Together with Youth Card, IBK's program for sponsoring the public transport expenses of youths working in industrial complexes, occupying the top market share
- The IBK Mutual Growth Card and the IBK Mutual Success Card reaching 250,000 accounts

Major Achievements

Investment in exit

KRW **20.5** billion

TCB loans

KRW **53** trillion

12 countries

28 branches/office

Operating profit from FX business

KRW **190.9** billion

Retail deposit total

KRW **59** trillion

Retail core deposits

KRW **21.8** trillion

Trust deposit balance

KRW **9** billion

No. of corporate subscribers to retirement pension

Ranked **1st**

Insurance sales fees

KRW **65.2** billion

Mutual Funds Sold

KRW **8.6** trillion

New members

80,000 accounts

Annual spent

First to reach KRW **41.7** trillion

(As of the end of 2018)

Vision and Strategy

New Mid- to Long-Term Strategy

IBK established a new mid- to long-term management strategy in 2017 to overcome the unpredictable business environment in Korea and overseas and to consolidate its market dominance in SME finance. At the same time, we introduced a new paradigm of SME assistance by launching IBK Co-up Financing. Furthermore, in 2018 we produced our first practical success story with Co-up Financing. We also developed a five-year innovation plan to increase our bank's publicness and maximize our social value. After establishing our mid- to long-term strategy, we were named a global top 100 bank by The Banker, an international financial affairs publication based in the UK.

Business Strategies and Goals

Just as our slogan 'Innovation Bank of Korea Leading into the Future' claims, IBK established the business strategy for 2018 based on a systematic analysis of the business environment. The strategies for 2018 are focused on attaining sustainable growth centered on our customers, the future, and making a leap to the next level. We set reasonable business goals that would facilitate the successful execution of our strategies, and goals that would enable us to solidify our reputation as a leader of corporate finance for SMEs. We also changed the direction of our business strategy in a timely manner, taking into account the overall results and shortcomings of the first half, as well as the business environment in the second half. As a result, we were able to surpass our targets for key strategic indices, such as SME loan supply and net profit, and key indices related to non-interest and quality performance.

Vision

Your Financial Partner for a Better Future!

Strategic Goal

Until 2020

To build its foundation as a comprehensive financial group catering to SMEs

Strategic Direction

Enhance profitability

Shift key competencies to focus on profitability

Diversify the income portfolio

Strengthen market lead in SME financing

Provide a stable supply of capital for SMEs and contribute to job creation

Expand the base for non-interest revenue

Create card products and services aimed at increasing social and environmental values

Reinforce role as a policy bank

Supply the capital needed for social stability and invest in balanced regional development

Broaden the scope of global and IB businesses

Support the business continuity of SMEs through the activation of M&As and exit investments

Build up success in retail banking

Make financial services more accessible and inclusive through CSR activities

Maximize synergies within the IBK Financial Group

Establish a joint investment association with subsidiaries to enhance synergy in job creation

Retake the leadership in risk management

Protect the SME ecosystem by identifying and guiding (potential) insolvent enterprises

Pursue new businesses

Create a culture of sound financial service consumption by securing competence in comprehensive asset management

Key Tasks (Social Value)



A Truly Good Bank

The slogan "A Truly Good Bank" is our promise to become a truly good bank that provides the highest values to key shareholders such as the country, local communities, shareholders, customers, and employees.

As a policy financing bank, we at IBK are committed to fulfilling our responsibilities and duties and producing the best results by improving our corporate value through sound management. Moreover, we will make a concerted effort to provide customers with the best products and services to create highest values for them, while creating a great workplace for our employees.

Ki-eunsen, IBK's Robot of Hope

Ki-eunsen, IBK's Robot of Hope, is a robot that lifts up our spirits in our daily lives and helps us to realize our dreams and hopes. While each customer may have his or her own unique hope, such as becoming a homeowner or starting a business, we all yearn with the same intensity. Just as Ki-eunsen, IBK's Robot of Hope, is always there where hope is needed, we promise to become lifetime partners to our customers and help them achieve their dreams.



After 2020
Asia's Top Player in SMEs

Strengthen efficiency

Maximize the value of new customer experiences

Assume leadership in digital finance

Build digital channels for greater convenience and provide a prepayment service for stability

Enhance customer experience across all service channels

Expand customer participation programs for the development of better products and services

Promote the rights and interests of financial consumers

Upgrade the personal information protection system and pursue social contribution activities geared towards the customer

Reform business processes for greater efficiency

Improve efficiency in managing organizations

Increase productivity and prevent resource waste by merging and streamlining branches

Embed "innovation DNA" in the corporate culture

Strengthen professionalism through function-based HR management, and cultivate female managers in order to promote diversity

Foster the strategic development of core talents

Promote job stability by changing contract positions to permanent positions

Fortify communication with the stakeholders

Improve information transparency by activating communication channels and reflect meaningful ideas in business management

Management
Philosophy

Leadership
Strong
competitiveness

Excellence
Solid organization

Power
Change and
innovation

Social Value

Mid- to Long-term Goals

1

Establishing a sustainable job creation system

- ✓ Create jobs by cultivating startups based on the Scale-up financial platform
- ✓ Create jobs by enhancing corporate competitiveness based on the Level-up financial platform
- ✓ Protect jobs and prevent corporate liquidations based on the Cycle-up financial platform

- Create **100,000** jobs
(**20,000** jobs annually for the next five years)

2

Improving economic vitality by creating a startup ecosystem

- ✓ Supply diverse funds to offer fair opportunities for startups
- ✓ Increase the success rate of startups by expanding direct cultivation programs

- Supply startup funds of KRW **100** trillion
- Discover and cultivate over **500** startups

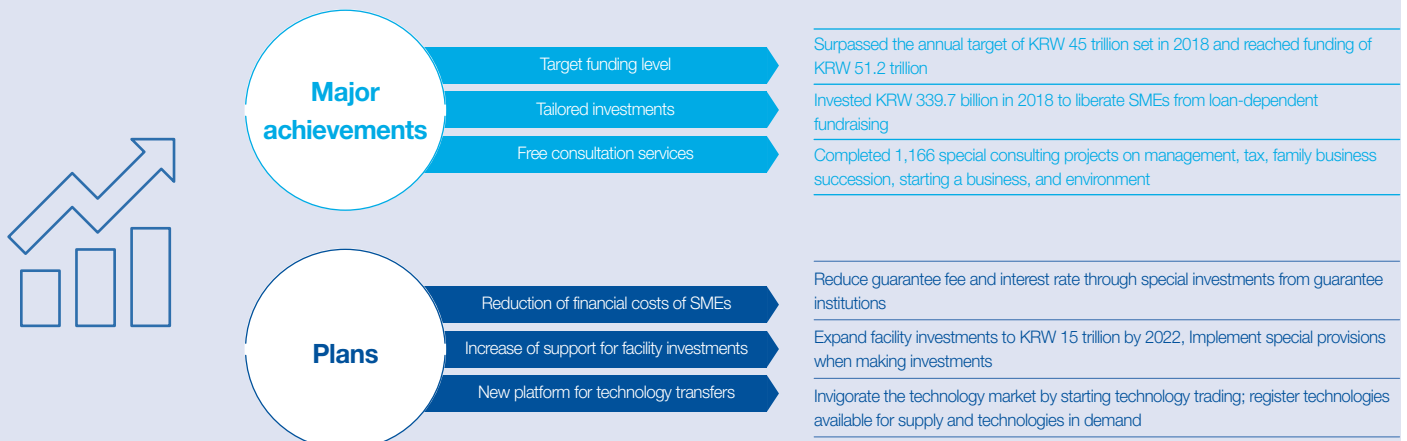
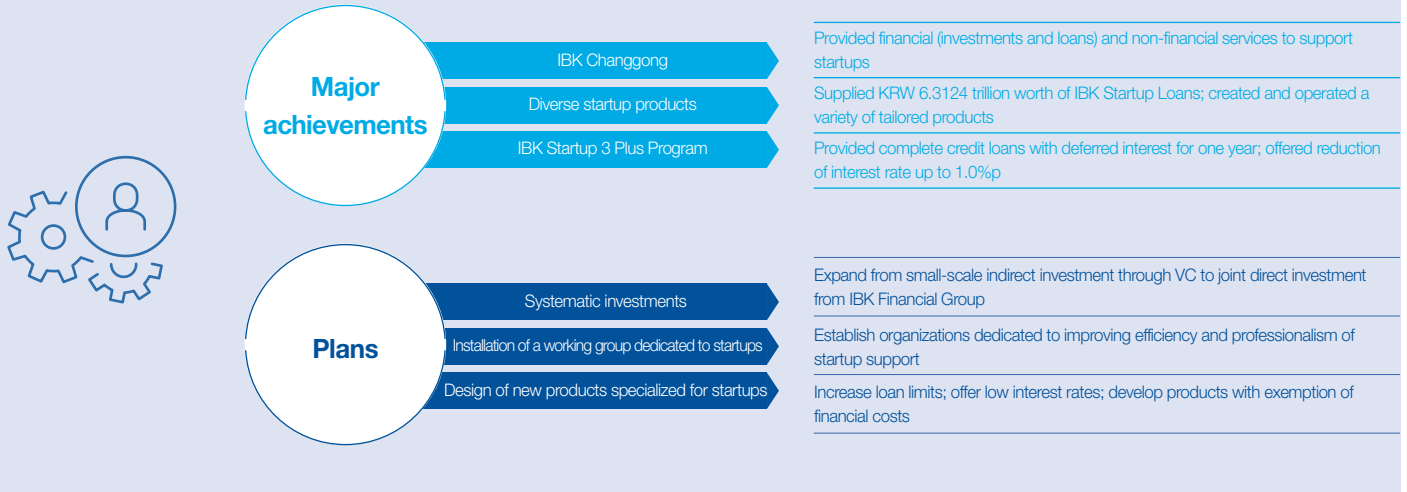
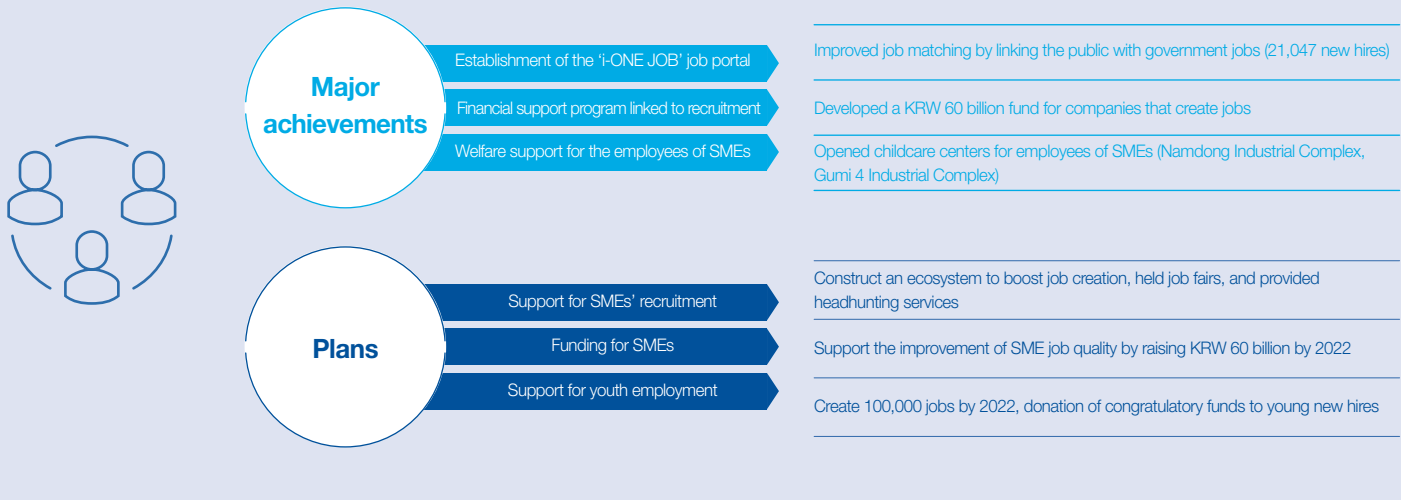
3

Leading innovation-driven growth by expanding SME support

- ✓ Boost economic vitality by continuously expanding funding for SMEs
- ✓ Provide SMEs with free business consultation services for growth

- Supply KRW **240** trillion to SMEs
- Provide **5,000** free business consultation services

Major Achievements and Plans



Participation in the UN Sustainable Development Goals (SDGs)

UN SDGs (Sustainable Development Goals)



In 2015, under the UN General Assembly, the international community agreed to adopt 17 sustainable development goals (SDGs) for a sustainable future and the prosperity of humankind. Consisting of 17 goals and 169 targets, the UN SDGs call for sustainable efforts in all areas of the economy, society and the environment, with the aim of promoting 'human-centered' values.

IBK strongly identifies with this international movement and engages in the following activities in order to comply with it.

1 NO POVERTY End poverty in all its forms everywhere	2 ZERO HUNGER End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	3 GOOD HEALTH AND WELL-BEING Ensure healthy living and promote well-being for people at all ages	4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	5 GENDER EQUALITY Achieve gender equality and empower all women and girls	6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all
7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all	8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructures, promote inclusive and sustainable industrialization, and foster innovation	10 REDUCED INEQUALITIES Reduce inequalities within and among countries	11 SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable	12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns
13 CLIMATE ACTION Take urgent action to combat climate change and its impacts	14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources for sustainable development	15 LIFE ON LAND Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss	16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels	17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementing the goals and revitalize the global partnership for sustainable development	

A solid partner for SMEs

Lead technology financing for SMEs

Champion environmental management of SMEs

Enhance welfare and life of SME laborers

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

A solid partner that shares and gives hope to customers while fulfilling its social responsibilities

Protect financial consumers' data and rights

Create jobs for young adults and nurture social enterprises

Conduct social contribution activities for the vulnerable group

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

6 AFFORDABLE AND CLEAN ENERGY

Priority Goals

Of the 17 goals defined as UN SDGs, IBK is contributing to the realization of 11 goals, including 5 priority goals

SDGs	Commitments	Description of IBK's activities
	Clean energy - Guarantee access to reliable, sustainable and modern energy for everyone at reasonable prices	<ul style="list-style-type: none"> · Renewable energy lending and investments
	Quality jobs and regrowth - Guarantee equal wages for the same amount of work hours for all men and women, eradicate all forms of child and forced labor, create a safe working environment and new jobs, strengthen financial services	<ul style="list-style-type: none"> · Co-up Financing (Scale-up financing, Level-up financing, Cycle-up financing) · Construction of the social economy · Development of financial products for the public interest
	Industrialization, innovation and social infrastructure - Pursue industrialization and the building of sustainable regional and transnational infrastructure to promote economic development and human welfare	<ul style="list-style-type: none"> · Support advancement of the industrial complex · Development of a plan for opening the IBK Indonesia bank
	Reduce Inequalities - Cultivate political/social/economic inclusivity that encompasses everyone, monitor financial markets and agencies, improve regulations	<ul style="list-style-type: none"> · Response to the Basel Convention · Tighter management of global risks
	Partnerships for SDGs - Seek ways of implementing the objectives and actively pursue global partnerships for sustainable development	<ul style="list-style-type: none"> · Strengthening of financial safety through the operation of dedicated organizations
	Eradication of Poverty - The term "all forms of poverty" includes not only absolute poverty, but also relative poverty wherein the definition of poverty varies depending on the situation or the country concerned. "All regions" includes not only developing countries, but also OECD countries and other countries where relative poverty exists	<ul style="list-style-type: none"> · Operation of a fleet of free food trucks called 'IBK Food Trucks of Love' · Emergency relief work in Indonesia
	High Quality Education - Ensure high-quality comprehensive education for both women and men and increase lifelong learning opportunities for everyone	<ul style="list-style-type: none"> · Global volunteer work aimed at improving the educational environment · IBK Hope for the Youth Mentoring
	Gender Equality - For every country, ensure that women receive equal opportunities for participation and the chance to show leadership when it comes to providing public services, infrastructure, social welfare benefits, economical and official affairs	<ul style="list-style-type: none"> · Opening of childcare centers for SME employees · Recruitment of female employees through socially fair employment · Improvement of regulations on vacation and working · Operation of the IBK Women CEOs Club
	Sustainable City and Community - Provide a sustainable public transportation system focused on the needs of the economically disadvantaged classes and pursue sustainable urbanization	<ul style="list-style-type: none"> · Launch of the IBK Eco Tour Project program for people with disabilities · Green Card Program
	Respond to Climate Change - Implement emergency response measures to climate change, incorporate climate response measures into the national policy, strategies and plans	<ul style="list-style-type: none"> · Maintenance of the leading position in the climate finance market
	Peace, Justice and Systems - Reduce all forms of corruption and bribery, develop transparent trustworthy systems, guarantee inclusive and participatory decision making	<ul style="list-style-type: none"> · Provision of ethical compliance training at each stage of an employee's life cycle · Operation of an ethical misconduct reporting system · Implementation of the clean contract system

IBK Co-up Financing

IBK 창공
創工

기업명	순위
굿월헌팅	1위
지와이네트웍스	
엠케이이엔티	
플랫폼베이스	
에스튜디오	
탄젠트	
케이	
이해라이프스타일	



모의투자 참여: event-us.kr/3274

투자 총액 (단위: 만원)

투자 총액 (단위: 만원)	참여자 수
331158	126
205701	95
190700	70
1	3
1	2
1	1
190700	5
15	5

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IBK창공
創工

2018 IBK창공 데모데이

STATION

History of IBK Co-up Financing

Pursuit of IBK Co-up Financing

'Co-up Financing', as defined by IBK, is a platform-based financial service that resolves in a creative and active manner the problems faced by SMEs in their growth stages, and which supports the Scale-up, Level-up and Cycle-up of SMEs. With Co-up Financing, IBK will always stand shoulder-to-shoulder with its client companies no matter what situation they find themselves in, and will actively fulfill its role in guaranteeing their success.

The Co-up Financing Platform to be constructed by IBK to aid the Scale-up/Level-up/Cycle-up of SMEs will enable companies to prepare for new changes in the economic environment, the new era of the Fourth Industrial Revolution being a very pertinent example of such change.



2019

Co-up Financing 2.0



Mar. 2019
IBK opens the IBK Gumi Sarang Childcare Center for SME employees

May 2019
IBK opens the 3rd branch office of 'IBK Changgong' in Busan

Sep. 2019
IBK launches IBK Indonesia and IBK 1st Lab

Aug. 2019
IBK commences operation of BOX, its digital management support platform

Dec. 2018
IBK upgrades the IBK Phnom Penh office to a branch

Jul. 2018
IBK forms a head team to oversee consulting services for SME on M&As

Sep. 2018
IBK opens 'i-ONE JOB', a job platform for SME jobs

Oct. 2018
IBK opens the 2nd branch office of 'IBK Changgong' in Guro-gu

Nov. 2018
IBK opens an office in Vladivostok

The Concept of 'IBK Co-up Financing'



Scale-up Financing

Scale-up finance platform

Scale-up financing to assist not merely the survival but also the success of startup companies



Level-up Financing

Level-up finance platform

Level-up financing to improve the fundamental strengths of a company



Cycle-up Financing

Cycle-up finance platform

Cycle-up financing to assist companies in smoothly entering and exiting markets

"We aim to create 100,000 jobs in the next 5 years!"

Co-up Financing

Scale-up Financing

Co-up Financing that partners with companies from their early days until they achieve growth

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Scale-up Financing

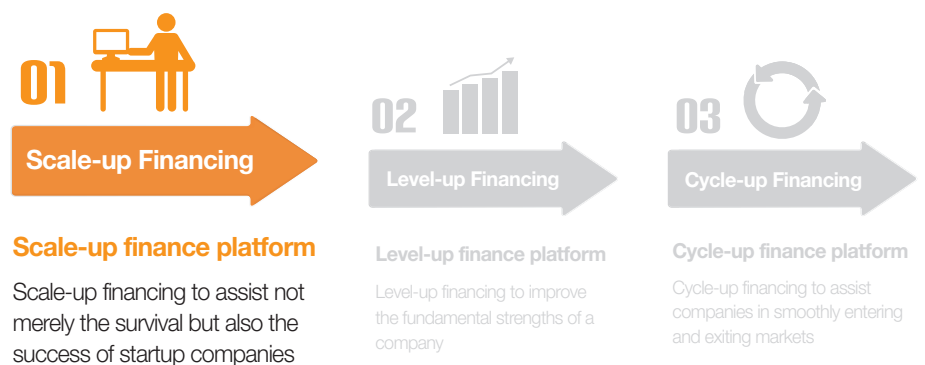
Scale-Up Financing Platform

Scale-up financing to assist not merely the survival but also the success of startup companies



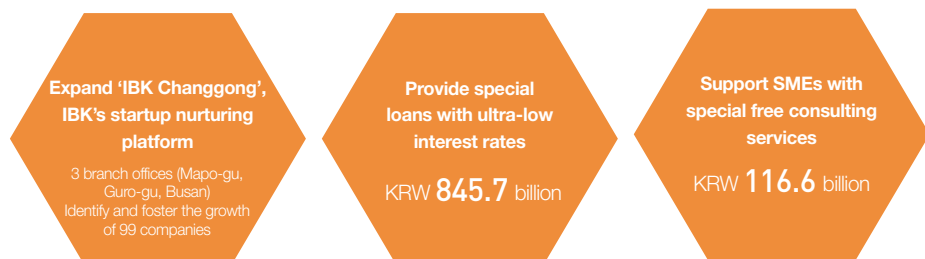
Scale-up Financing is a platform designed to establish a financial/non-financial support system capable of supplementing the corporate eco-system of startups. First, the platform has a venture nurturing system of the kind that one usually comes across in a Silicon Valley bank. IBK will use this system to increase the early stage success rate of SMEs by connecting them with the various market players it needs in the early startup stage and the market establishment stage. In addition to being a loan provider, IBK will simultaneously provide field-oriented financing services by acting as a consultant, mentor, and investor. IBK will seek to develop the potential of domestic startup companies through top-rated accelerators, and by expanding networks and strategic alliances with overseas financial institutions.

Furthermore, IBK will strengthen the technology financing support system in order to raise the survival rate of companies with promising technologies. It will also increase funding support for R&D and commercialization by tapping into government subsidies, and will lay foundations for growth by providing tailored package financing services to ease the growing pains of SMEs in their startup stages.



Expected Results of Scale-up Financing

By providing tailored packaged financial services to domestic SMEs which have already received our free consulting services, IBK will lay solid foundations for their growth.



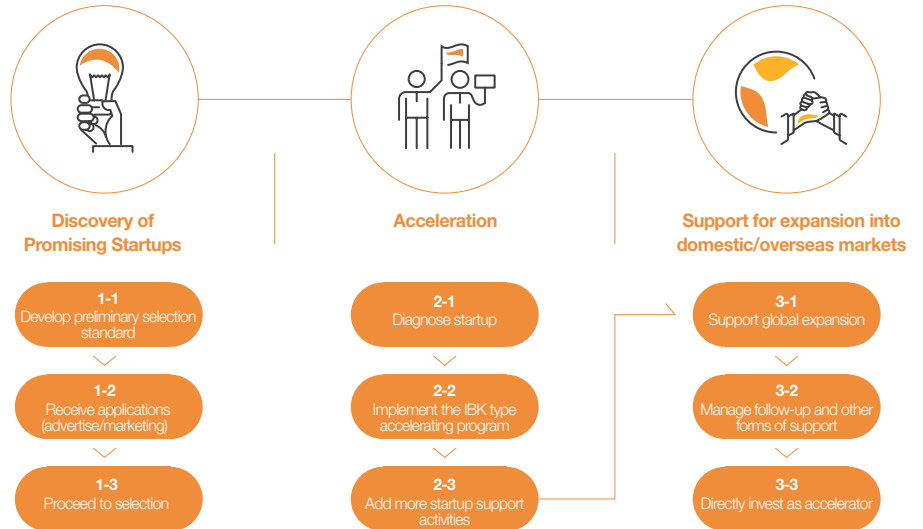
IBK Changgong

IBK창공
創工

“IBK Changgong” carries the meaning of ‘to start a factory’ in Korean, and expresses the yearning to ‘rise to the blue skies by starting a business’.

IBK promises to provide a systematic incubation program through its Scale-up financing platform. We will provide startups with incubating services, such as mentoring and business startup consulting, in partnership with accelerators, as well as investments and loans that are tailored to the needs of each startup.

PROGRAM



Types of Support Available

Investments and Loans

- Review of top-rated companies for investment by the IBK Finance Group
- Support with hosting of Demo-Day & IR sessions in Korea and overseas
- Assistance with seeking/obtaining global funding
- Assistance with creating English/Korean IR materials
- Help in securing special loans (as needed)

Sales Channel Development and Marketing

- Creation of opportunities to sell to IBK client companies (SMEs)
- Identification and matching of client companies of IBK partner global banks with startups for business partnerships
- Assistance when applying to an overseas accelerating program
- Assistance with participation in exhibitions and conferences
- Assistance with product/service promotion and product/service design

Education and Mentoring

- IBK-type accelerating educational program
- Mentoring by industry experts from professional organizations
- Mentoring by IBK specialists in each relevant area

Office Space

- Provision of office space within IBK Changgong is free of charge
- Provision of space free of charge to selected companies that want to move in
- * Companies must move out when the program ends.

Consulting

- IBK consulting service for IP (patents), accounting, taxes, legal, and labor issues
- IP prior search & IP authorization strategy

HR

- Free recruitment notifications on i-ONE JOB (job portal operated by IBK) and recommendations of promising human talents



Mapo-gu (opened on December 19, 2017)



Guro-gu (opened on October 1, 2018)



Busan (opened on May 31, 2019)

Co-up Financing

Scale-up Financing

Co-up Financing that partners with companies from their early days until they achieve growth

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Case Study | 1-Batch Graduate from IBK Changgong Mapo

GYnetworks (Inc.)

Provide solutions tailored to construction sites with expertise in safety issues



GYnetworks became aware of IBK Changgong through SNS in its early days when we desperately needed seed investment. Unlike our old office, the new office that we were able to move into with the support provided by IBK Changgong is located right next to a major transportation hub in Seoul. This has made it much easier for people to visit our office and for us to meet our customers.

We were able to attract investments, establish our business and design our API with the support of IBK Changgong. We particularly took advantage of IBK Changgong's pool of experts in accounting and consulting.

“

GYnetworks provides a safety management system rooted in deep-learning technology. As a service that is particularly well suited to construction sites, it provides safety evaluations of facilities and such solutions as image analysis using drones.

CEO Bang Seung-On of GYnetworks

”

IBK Changgong recommended companies that could assist us in expanding our business, in analyzing customer opinions of our solutions, and in recruiting partners. Thanks to the invaluable assistance we received from IBK Changgong, GYnetworks is currently working with large companies like Samsung, POSCO, Lotte, and Doosan.

Case Study | 2nd-batch Graduate from IBK Changgong Mapo

Earlysloth (Inc.)

Dream overseas market expansion with its pocket survey technology



“

Earlysloth (Inc.) provides a survey service that is at least one level more advanced than the usual run-of-the-mill surveys found in the Korean online survey market. The company relies on an innovative approach that utilizes the unique characteristics of Korean people.

CEO Lee Jae-Won of Earlysloth (Inc.)

”

CEO Lee Jae-Won of Earlysloth received a lot of help while he was trying to stabilize the operation of his company and setting a business direction for the future. The company obtained free office space, infrastructure and expert consulting support through IBK Changgong. After partnering with IBK, the credibility of Earlysloth was greatly enhanced - a benefit that could lead to the formation of a positive feedback cycle in which the company attracts more outside interest and more investments.

Through Demo-Day and other types of events, IBK provides formal promotional opportunities to the companies it is incubating. These promotional events not only attract more interest in the companies but also help them become competitive when recruiting new talents.



Case Study | 1st-batch Graduate from IBK Changgong Guro

Wright Brothers (Inc.)

Expand business scope to include long-term rental of used bicycles



“Wright Brothers has built a platform for selling and buying certified used goods and begun providing a certification service for used bicycles. The company has also developed a bicycle leasing program, introducing to the market a new solution for recycling used bicycles. The company is ready to expand its business to include bicycle rental on a long-term basis this summer.”

CEO Kim Hee-Su of Wright Brothers (Inc.)

Key areas of support



Office space
Free office space



Education & Mentoring
Expert advice
(production management),
Mentoring on patents, etc.



Consulting
Product specialized
consulting

IBK Changgong supports SMEs in many different ways. For instance, IBK Changgong provides a mentoring service, legal support through a legal advisory team, and expert consulting on taxes and labor issues, thereby preparing companies to attract investments or identify opportunities to obtain investments, and even recruiting from IBK's own pool of employees. Wright Brothers in particular received accelerator's mentoring service (related to patents) as well as product-centered consulting assistance on such matters as procuring office space, holding meetings with factory heads, and establishing an outside agency and an internal agency. On the back of all this support, Wright Brothers was able to record sales of KRW 680 million just one year after starting its operations.

Case Study | 1-batch Graduate from IBK Changgong Guro

August10 (Inc.)

Boast global market competitiveness with digital cosmetics

Key areas of support



Sales channel development & marketing

Support for participation in domestic/overseas exhibitions and conferences, finding client companies of IBK partner global banks and matching them up with startups for business partnerships, assistance when applying to join an overseas acceleration program, assistance in product/service promotion and product/service design



Consulting

Consulting by experts on overseas patents and intellectual properties

In the early stages of its business, August10 received a lot of assistance from IBK Changgong in attracting customers, signing up suppliers and building a distribution network. As a result, August10 was able to enter not only Europe, which is widely recognized as the center of the global cosmetics market, but also the US and Japanese markets where the company is now proving that it is a competitive player.

August10 has received diverse types of assistance from IBK Changgong, ranging from mentoring to consulting, training and network building. According to CEO Choi Do-Yeon, however, the most valuable help has been the fact that a national bank has 'vouched' for the company, thereby boosting its credibility massively. By making its working relationship with IBK the centerpiece of its promotional strategy, the company has been able to show its financial credibility on top of its already respectable technological prowess. This has enhanced the credibility of the company and its market competitiveness in the eyes of its foreign corporate customers.

“

August10 is pioneering a new segment in the cosmetics market by commercializing the idea of using electronic circuits with cosmetics and skin through a new product category called “digital cosmetics”.

CEO Choi Do-Yeon of
August10 (Inc.)

”



Co-up Financing

Level-up Financing

Level-up financing to improve the fundamental strength of a company

26

Level-up Financing

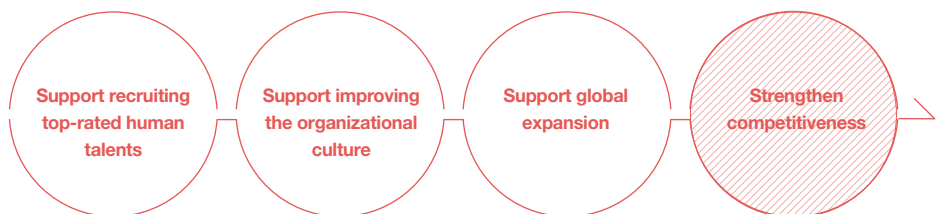
Level-up Financing Platform

Level-up financing to improve the fundamental strength of a company



Level-up financing is a platform for supporting the growth of SMEs. When it comes to work-life balance, most SMEs operate in blind spots. High-quality human resources, however, are essential to the sustained growth of SMEs, and the platform will act as a bridge for creating jobs that could attract such talents. By expanding the welfare infrastructure of SMEs, IBK will build working environments in which employees can enjoy a sound work-life balance. Such welfare expansions include the provision of financial/non-financial services that will induce SMEs to improve their welfare standards, preferential financing for SMEs with good welfare programs, and free consulting on ways of enhancing welfare.

In addition, IBK will provide a unique support system for entering overseas markets, such as consulting services tailored to local market conditions and information-gathering services that SMEs seeking to successfully establish themselves in overseas markets desperately need. After evaluating the potential of a country where a significant number of SMEs has entered to do business, IBK will also enter the country in tandem and do its best to provide the necessary financial and non-financial services for doing business in the local market.



Expected Results of Level-up Financing

By providing tailored packaged financial services, IBK will lay solid foundations for the growth of SMEs.



Case Study | Recruitment of Overseas Marketing Specialist through the IBK Scout Program

Clair (Inc.)

A manufacturing company specializing in eco-friendly air purifiers with the ultimate goal of becoming a world-class brand

CEO Lee U-Heon of Clair (Inc.)

Clair, a company specializing in eco-friendly air purifiers with a worldwide presence

Originally founded as an IT consulting company, Clair began researching air purifier filters in 2010 based on its prediction that environmental pollution would become an even more serious issue in the near future. In 2014 Clair introduced its first air purifiers, i.e. miniature air purifiers that you can keep at your bedside or on your desk, rather than the typical large-capacity units for living room use. The company is most probably the only SME to make filters as well as finished products. Clair hired a global marketing specialist through IBK Scout and is currently selling its products in thirteen countries in North America, Europe, and Asia. Meanwhile, in Vietnam, Indonesia and Hong Kong, the company saw rising revenues just one year after entering the local market. Today the company is working steadily to become a globally recognized manufacturer of eco-friendly air purifiers.



The office interior of Clair has a clean and tidy look appropriate for a company that makes air purifiers

Clair, a company seeking further global expansion through IBK Scout, the human talent matching program from IBK

Clair has been conducting a vigorous global marketing campaign ever since it recruited top human talents through the IBK Co-up financing program. With increasing sales coming from overseas, Clair needed global marketing experts as well as human resources for its production management and business management. However, it was difficult to find the right people, so the company approached the IBK job creation team to match them with potential candidates. Thus, IBK held a series of meetings with Clair to find the ideal human talents for the company, and in the end recommended an overseas marketing expert with experience in the industry, who has greatly propelled Clair's overseas business forward. Today, Clair is ambitiously pursuing its overseas business with the global marketing expert it recruited with IBK's help. It is anticipated that Clair will enter the Russian market in addition to the thirteen countries where it has already established a presence.

IBK Scout,

a leading solution to SMEs' manpower shortage

What is Scout?

Scout is a free, premium headhunting service from IBK that matches the right top-rated candidates with top-rated SMEs in a timely manner



Clair's Objective

At present, Clair is focused on achieving balanced revenues from the thirteen countries where it is doing business. Exports to Indonesia, Vietnam and Hong Kong have been showing sustained growth, but exports to other countries have fallen behind these countries. Clair is planning an IPO in 2021. Clair's ultimate goal is to enjoy stable growth by earning high levels of revenues and to become a globally recognized manufacturer of eco-friendly air purifiers, all the while maintaining financial transparency.



CEO
Kang Won-Ho
of Danusys (Inc.)

Case Study | Establishment of Human Resource Management Plan
Based on the Results of Consulting on the R&D
Organizational Culture

Danusys (Inc.)

Aim to become a global leader in
intelligent CCTV and analysis systems



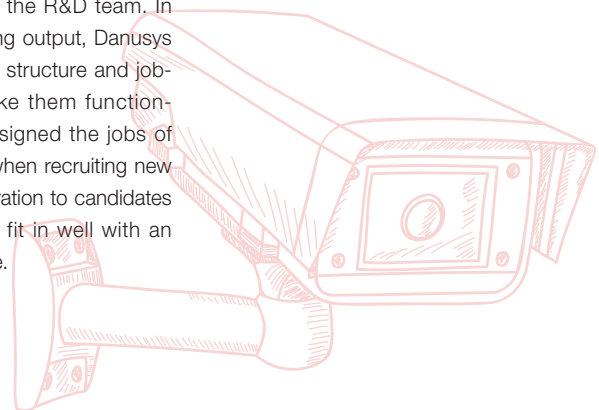
In the field of intelligent CCTV and integrated control solutions, Danusys' technology is viewed as being among the very best in the industry, and the company is positioning itself as a leader of digital transformations in the era of the Fourth Industrial Revolution. Danusys, which invests 15% of its revenues in R&D, is concentrating its R&D efforts on areas with strong growth potential, for example, the development of an integrated control VMS system. Recently, Danusys received Level-up consulting from IBK to improve its competitiveness and - based on the consultant's recommendations - has secured the foothold needed to make a huge leap forward.

CEO Kang Won-Ho said that the R&D team consulting service provided through the IBK Co-up Financing program had had a very positive effect on increasing the company's research output. The IBK consulting received by Danusys concerned the improvement of its corporate culture, and its goal was to improve the job handling procedures and organizational culture of the R&D team. In accordance with the consulting output, Danusys redesigned the organizational structure and job-handling procedures to make them function-oriented. The company reassigned the jobs of some of its employees and, when recruiting new people, gave primary consideration to candidates it believed would adapt and fit in well with an energetic organizational culture.

The effects of the consulting on organizational culture began to appear within a short period of time; and when the research team was reorganized, the effects showed immediately. Although the number of researchers was now smaller than before, the R&D team produced twice the output and was able to execute a greater number of projects simultaneously.

Danusys is keen on growing its smart city business even further with the help of IBK consulting, as the smart city building business has great growth potential. On the strength of its leading technological competence and skilled research team, Danusys intends to become a global leading provider of intelligent CCTV and analysis systems, while IBK will continue to fully support the company's growth.

Danusys can boast of having the most competitive offerings in the market for intelligent CCTV and integrated control solutions. Based on its leading urban control technology, Danusys will contribute to the national effort to create smart cities, which are essentially urban renewals that will transform cities into places where people will be truly happy. We want to convey our gratitude to IBK Co-up Financing for helping our company to make a bigger leap forward and develop further.



Case Study | Overseas Financial Transaction Support through the IBK PayGOS System

Beautynet Korea (Inc.)

Spread K-Beauty across the world,
Conquering the global market with its own brand

CEO Chung Myung-Ho
of Beautynet Korea

“

For many years, Beautynet Korea has diligently promoted Korean beauty products in overseas markets. Through our efforts, we have successfully introduced quite a large number of products made by Korean SMEs with superior technologies, as well those of Korean conglomerates. Based on the know-how we have accumulated, we are now trying to succeed with our own brand. The end goal of Beautynet Korea is to start a second K-Beauty wave that could spread globally. Indeed, Beautynet Korea will spare no effort in creating a K-Beauty craze that will spread across the whole world.

”

IBK, the ideal partner for global expansion

SMEs that venture into overseas markets have to deal with all sorts of problems. In business, there are so many challenges (entering global markets, recruiting top talents, etc.) to overcome that people who run businesses are constantly worrying over issues like where to begin and whether there is a more efficient way to do things. Beautynet Korea was one of those small companies that were struggling with such problems, but today it is dreaming about bigger goals with IBK Co-up Financing. Through the support of IBK, Beautynet Korea, in particular, has received a lot of benefits in currency exchange fees when making overseas transactions. CEO Chung Myung-Ho said, “We have come a long way, competing in tough global markets; but we were always at our wit’s end because there was no one to help us out. We are now dreaming of bigger things with IBK Bank, a partner we want to say with forever.”

Beautynet Korea, a company that is spreading K-beauty to countries all over the world

CEO Chung Myung-Ho of Beautynet Korea started his trading business while working for another company. Later, when he concluded that Korean cosmetics products could compete on the global stage, he turned his gaze towards the beauty business and started an online shopping mall business way ahead of his rivals. As a cosmetics manufacturer and distributor that is spreading K-beauty globally to places like the UK, Russia and Southeast Asia, Beautynet Korea may have started with online distribution, but it has now begun to conquer the global market in earnest with its own brand, Eyenlip. Today, Beautynet Korea is so widely known that it has even been designated a “top seller” by eBay. Sales of the company’s products are rapidly increasing through the company’s own mall, as well as through global distributors such as eBay, Qoo10 and Amazon.

IBK PayGOS system, a system that removes obstacles to SME exports

An exporting company’s greatest apprehension is the foreign exchange rate. The dollar exchange rate has a huge impact on earnings because it fluctuates daily. Therefore, from the point of view of an exporting company, foreign exchange rate fluctuations are one of the biggest risk factors, which means that a considerable amount of resources has to be spent on keeping tabs on it, besides the usual expenses for currency exchange fees. To address these problems, Beautynet Korea launched a special program for growth companies under IBK Co-up Financing. In particular, benefits available through the IBK PayGOS system, such as ‘foreign exchange rate information’ and ‘currency exchange fee discounts’, were like ‘blessed rainfall after a drought’ for Beautynet Korea. When a customer makes a payment through the electronic payment system, the money is deposited into the IBK foreign currency account. With this process, regular parcels which used to be difficult to certify as goods for exports can now be acknowledged as exports, removing some of the hassles of the exporting procedure.





CEO Jeon Ho-Geol of KD Bedding System (Inc.)

Case Study | Enhanced Competitiveness of Production Management System through IBK Consulting

KD Bedding System (Inc.)

Combine sleep with 4th Industrial Revolution to lead the next generation sleep industry

KD Bedding System is bringing IoT to your bed

There is a company that studies the science of the perfect sleep with the goal of making life more comfortable and enjoyable for people. The company is KD Bedding System, a manufacturer of smart mattresses that applies IoT technologies to its products. Established in 2007, the company first supplied mattresses to customer companies who were in the mattress rental & sale business. It then became the Korean distributor for Kingsdown, a famous US bed manufacturer. The company developed IoT mattresses which it commercialized under the brand name iOBED, and it is now preparing to export its IoT mattresses to the United States. In recent times, the company's production output increased substantially after receiving consulting from IBK, and the construction of a new plant is also proceeding without any problems. CEO Chun Ho-Geol confessed with delight, "Before, producing as few as 4,000 mattresses per month was not easy, but now we can produce 10,000 mattresses every month on a regular basis." As a company that is introducing a new science of sleep, KD Bedding System is today realizing its dreams of expanding to global markets one by one, with the cooperation of IBK.

Production ramped up from 4,000 units to 10,000 units

In the past, KD Bedding System struggled with two problems related to production, the first and foremost of which was its inconsistent production rate. In peak seasons, the company produced mattresses at a rate exceeding 10,000 units per month, but during slow seasons, even meeting a relatively low target of 4000 units per month was a difficult challenge. What KD Bedding System urgently needed to do was to standardize its system and processes. The second problem was the lack of a cash management system (CMS) with which to monitor the flow of cash and execute payments. Later on, when the company became aware of IBK Co-up Financing, it applied for assistance, and after discussions with a professional consultant from IBK, it implemented certain improvements. Following the consultation with IBK, many changes were introduced to KD Bedding System. And, after conducting an audit, IBK suggested quantifying the production capacity for each manufacturing process. KD Bedding System set production targets for 50 working hours per week and established educational programs at its factories to improve processes and eliminate waste. Then, the role of the production management team was enhanced. This team started operating a prerequisite management system and established a raw material supply management standard. As a result, the production rate, which had hovered around 4,000 units per month, skyrocketed to the present constant rate of 10,000 units per month.



iOBED, the IoT mattress developed by KD Bedding System (Inc.)

KD Bedding System in the future?

Western countries are the world leaders when it comes to bed culture. US consumers in particular are known to be very fussy about their beds. Until the beds and mattresses of KD Bedding System are fully accepted by consumers in the United States, widely regarded as the country where bed culture is far more advanced, KD Bedding System and its people will continue to do their best. Also, the ultimate goal of KD Bedding System is to lead the future sleep industry by adopting the technologies of the Fourth Industrial Revolution. KD Bedding System's ultimate objective is to become a company that is recognized globally for its technology development and quality control and whose employees enjoy the best terms of employment.



Case Study | Strengthened Competitiveness through Management
Consulting on Business Incorporation

Doh Brothers (Inc.)

Hope to share the company's growth with the employees who make success possible



Neapolitan pizza from Doh Brothers

CEO Doh has always followed a strict business philosophy of never compromising on taste even if the company becomes incorporated. As such, IBK provided consulting that respected the CEO's business philosophy. The consulting project came up with the recommendation that after the incorporation of the company, Doh Brothers should purchase all the stores and operate them as directly managed stores. On top of that, IBK and Doh Brothers worked together and examined a wide range of issues such as the deployment of systems needed for incorporation and the appraisals needed for the store purchasing process. In addition, IBK provided guidance in areas that are difficult for a company to navigate without professional expertise, such as how to train employees or how to establish a company vision after incorporation. Presently, IBK is working to establish Doh Brothers as a complete corporation.



In 2009, CEO Doh Joong-Pil started a business under the name of Dochi Pizza. Before starting Dochi Pizza, Mr. Doh worked in the bakery business and made short trips abroad to study cooking whenever he had the opportunity. During his travels to other countries, he discovered that the technique of fermentation was being used in many countries for cuisines that had a savory, hearty taste. Soon afterwards, he selected pizza as the main item and founded Dochi Pizza with his brother, Doh Joong-Beom. He reasoned that if he bet on Neapolitan pizza, he would have a good chance of succeeding, because at that time New York style pizza was being mass produced in the Korean market. And today, Dochi Pizza has grown to become a subsidiary of Doh Brothers that supplies food ingredients and operates five direct stores in Seoul. As Dochi Pizza began to spread by word of mouth, many people suggested that CEO Doh start a franchise. However, he thought that mass expansion was not consistent with the founding philosophy of Dochi Pizza, and believed that any reward must be shared with those employees who had been with the company from the beginning. But as sales continued to rise every year, CEO Doh could no longer postpone going public. Today, with the help of IBK Co-up Financing, CEO Doh is pursuing the goal of establishing a corporation to be called Doh Brothers Incorporated.



Co-up Financing

Level-up Financing

Level-up financing to improve the fundamental strength of a company

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Case Study | Increased Employee Welfare through Shared Daycare Center

During (Inc.)

Strive to make a better workplace by caring for the employees' families

Congratulatory cash gifts for the children of employees who are admitted into colleges, scholarships, and loan programs are just some of the numerous programs run by During Inc. to create a company where the families of employees are truly happy.

To boost its employees' happiness, During Inc. is taking advantage of the welfare infrastructure support provided by IBK for SME employees. IBK has made access to its childcare center in Namdong-gu, Incheon available to the employees of During Inc. At present, five children of five During Inc. employees are attending the childcare center.



Based on its management philosophy of 'Never Be Afraid of Failure', During Inc. is leading the automobile precision parts market. During is a company that regards harmony with employees' families as the most important value in the management of the company. To create a company where employees' families are happy, During Inc. makes every effort possible to bring happiness to its employees, their families, and wider society through its activities.

CEO Kang Won-Ho of Doh During (Inc.)

IBK SME Childcare Center

As part of its Level-up Financing program, IBK is expanding its support for improving the welfare of SME employees. By operating childcare centers on the spare land that it owns in various industrial complexes, IBK is helping SME employees to strike a better work-life balance.

IBK Namdong Sarang Childcare Center

Date of opening	26. Mar. 2018
Capacity (enrolled)	55 children (31 children)
Area	Indoors: 182 pyeong / Outdoors: 60 pyeong
Participating companies	31
Teachers	12 (1 headmaster, 9 teachers, 2 cooks)

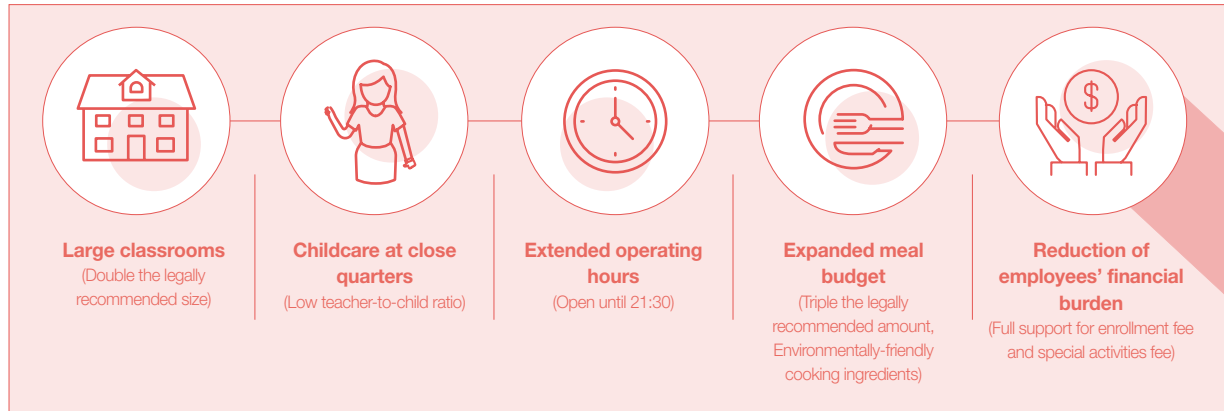


IBK Gumi Sarang Childcare Center

Date of opening	04. Mar. 2019
Capacity (enrolled)	40 children (26 children)
Area	Indoors: 170 pyeong / Outdoors: 38 pyeong
Participating companies	34
Teachers	10 (1 headmaster, 7 teachers, 2 cooks)



I IBK SME Childcare Center



I Parent Interviews



“What I liked most about the childcare center was how spacious it was. The childcare centers situated in private homes were extremely short of space for the kids to run around in. But our child loves the SME childcare center because it is so large and roomy”



“I like it because there is a playground indoors as well as on the rooftop.”



“I can enjoy peace of mind because the IBK SME childcare centers are very cautious about food ingredients and manage them meticulously. When it comes to childcare centers, the safety of the facility, good teachers, the teacher-to-child ratio, and reliability are all really important for me. On these criteria, the IBK SME childcare center is the perfect option.”



“At other childcare centers, there were very few kids who stayed until closing time, and our child was often left alone. But I feel safe now because at the SME childcare center our child has many companions to play with up until the late operating hours.”

Co-up Financing

Cycle-up Financing

Cycle-up financing to assist companies in smoothly entering and exiting markets

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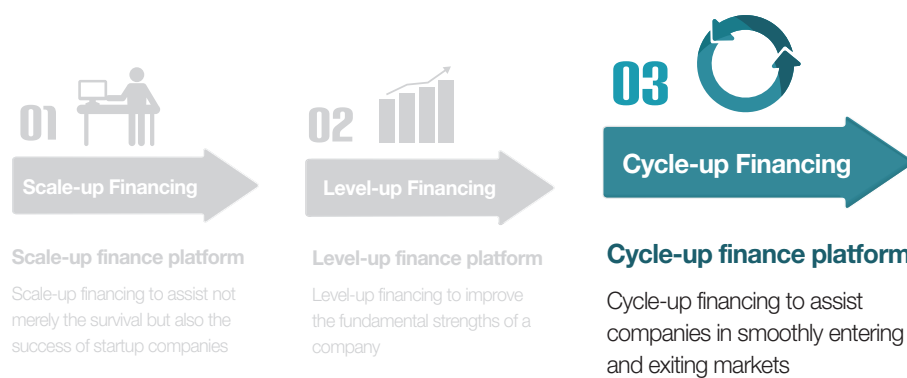
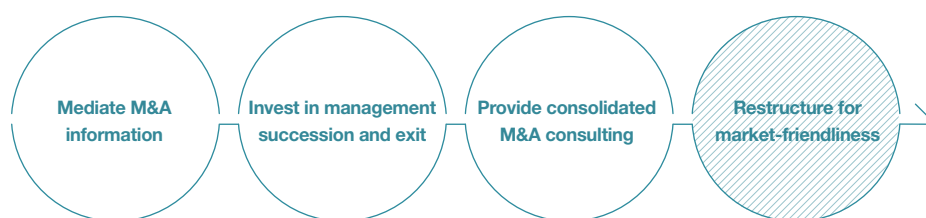
Cycle-up Financing

Cycle-up Financing Platform

Cycle-up financing to assist companies in smoothly entering and exiting markets



Cycle-up financing is an exit-specialized platform for assisting and supporting companies with M&A and exiting businesses. IBK will create an environment in which companies with growth potential can continue to participate in the market by invigorating the SME exit market. IBK operates an investment strategy for preventing corporate value from depreciating or a company from going out of business in order to meet the demand for diverse exit services such as recouping investment, M&A, and business closure. IBK will play the role of an M&A information intermediary and provide business exit and M&A support consulting services.



Expected Results of Cycle-up Financing

By providing tailored packaged financial services, IBK is laying the foundations for SMEs' growth.





VR training simulation test center at SOLTWORKS

Case Study | Best Example of M&A for Creating Business Synergies

SOLT GROUP (Inc.)

Combine a VR education solution with No.1 patented hardware

SOLT GROUP, a provider of VR-based training and education solutions

Since its establishment in 2008, SOLT GROUP has achieved growth as a provider of VR-based training and education solutions. In its early days, the munitions industry was its main source of earnings, but based on the know-how it has gained over the years, it is now making great strides in the civilian sector as well. It is developing new business areas that use AR and VR, for example, simulation rooms for safety/disaster readiness, and educational tools for plant personnel. SOLT GROUP currently has subsidiaries specializing in the related areas, such as KAT and KMT, through which it is pursuing businesses centered on robotic, communication, and VR technologies.



The goals of SOLT GROUP since expanding through the M&A of companies in the related industries

SOLT GROUP, a provider of VR-based training and education solutions

When SOLTWORKS became the owner of KAT through an M&A, the latter was a manufacturer of cabinet and console equipment designed for installation in the command rooms of warships, chip mounters used in PCBs, and collaborative robots that are viewed as a sector with strong growth potential, and owned numerous second-to-none patents. SOLTWORKS realized that significant synergies could be created by combining KAT's hardware with its VR training solution software. The biggest merit of the acquisition was that SOLTWORKS could keep KAT's munitions business while creating new synergies by expanding into the civilian sector and starting new businesses. By acquiring KAT, SOLTWORKS was able to greatly expand its business portfolio. However, the M&A wasn't all plain sailing: Coordinating and negotiating with KAT's existing shareholders required considerable patience and time, and there were also some unexpected stumbling blocks. SOLTWORKS found itself in a situation where it needed the assistance of a respectable investment company that could mediate the purchase price and timing.

After some deliberation, SOLTWORKS entrusted the M&A to IBK, a company with which it had worked from the moment the company was founded. Through the stringent appraisals and mediation of the IBK Exit Private Equity Fund, SOLTWORKS was able to attract investments.

In 2018, SOLTWORKS started operations as SOLTGROUP with the aim of creating synergy by making full use of its software and hardware capabilities. If the company's expansion is successful, it is predicted to achieve sales of KRW 57 billion in 2018, KRW 100 billion in 2020, and KRW 200 billion in 2025. SOLTGROUP's objective in the coming years is to position itself as the leading player in the IT industry and to provide high earnings to its shareholders.

CEO Kim Gi-Ho of SOLT GROUP (Inc.)

IBK forms a private equity fund of KRW 51 billion to assist SMEs planning on management succession

IBK (CEO Kim Do-Jin) announced on the 8th that it had formed the IBK-TS Exit Private Equity Fund (KRW 51 billion) to assist SMEs in their efforts to complete their management successions. ... (omitted)

The companies considered for investment will include companies seeking to exit their business due to management succession problems; companies considering M&A in order to transition to a new sector or to expand into a new business area; and companies seeking to sell or buy shares and management rights. The Investment could

be carried out in many different ways including any one of the following: acquisition of management rights jointly with the executives of a company seeking exit; acquisition of management rights jointly with another strategic investor; or, following the acquisition of management rights, collaboration with the current CEO in running the company.



-Newsis

Case Study | Management Buyout through the IBK Exit Private Equity Fund

HANIL F A (Inc.)

Aim to make a leap forward after acquisition by IBK

HANIL F A (Inc.)

Founded in 1983, HANIL F A is a medium-sized company that manufactures automated control software and facilities, the critical operating systems of animal feed production plants. Having developed its technologies over a period of thirty-five years, the company has now become the top domestic company in the compound feed factory automation system sector, and is actively exporting its products overseas.



Scale-up Financing Scale-up Financing Platform

Scale-up financing to assist not merely the survival but the success of startup companies

Step 01



Level-up Financing Level-up Financing Platform

Level-up financing to improve the fundamental strengths of a company

Step 02



Cycle-up Financing

Cycle-up Financing Platform

Cycle-up financing to assist companies in smoothly entering and exiting markets

· Perform the role of an information intermediary for SMEs seeking M&A

· Assist SMEs with technology transfers and restructuring

Step 03

IBK's Exit PEF was created for the following situations:

- Where a third investor and the private equity fund is considering the acquisition of a company that is willing to sell its management rights
- Where, after selling a company's shares to the private equity fund, the CEO remains to pass on his or her expertise
- Where a company is seeking M&A to exit its existing business, transition to a new sector or expand its business
- Where a company is seeking to acquire or sell other management rights

The Concept of the Exit Private Equity Fund

The Exit Private Equity Fund (Exit PEF) is a perfect example of IBK Co-up Financing's Cycle-up Financing support.





A company about to close its business because of a family business succession issue

HANIL F A came close to shutting down its business due to the deteriorating health of its founder and because his children showed no interest in taking over the family business. The employees even debated purchasing the company themselves, but the financial hurdles were insurmountable.

Investment by IBK's Exit PEF

IBK realized that such an outstanding SME must not be left to close down because of a family succession problem and thus acquired the company through its Exit PEF investment. Afterwards, Kim Jeong-Suk, a professional manager who was both a founding member and former head of the technology department, was appointed as its CEO.

An investment process riddled with difficulties

In the course of obtaining the investment, some objections were raised internally along with the concerns of external clients. The latter were worried that HANIL F A's key personnel would waver and leave the company because of the changes made to management. Such apprehensions were justified because the turnover of key people directly affects the continuity of technology development. Therefore, after the management buyout, CEO Kim Jeong-Suk visited all the client companies to explain the Exit PEF investment and the situation surrounding the company.

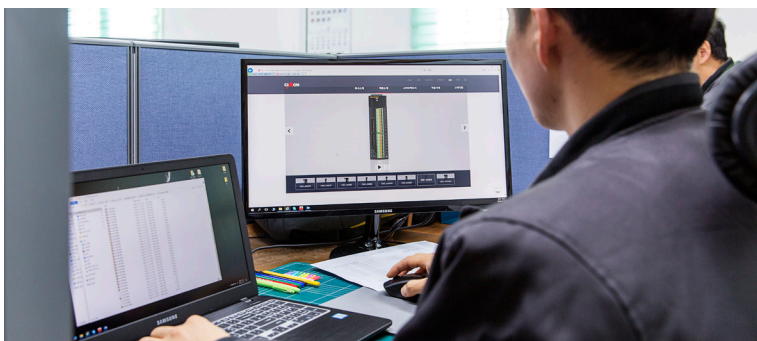
Success in stabilizing the investment with IBK's help

To overcome the uncertainties surrounding HANILFA, IBK held an Exit PEF session to reassure HANILFA's employees. During the session, IBK tried to increase the employees' understanding of how IBK's Co-up Financing differs from conventional corporate buyouts. Thanks to its efforts, none of the twenty employees left their jobs and the responses from client companies also turned positive. When CARGILL selected HANILFA as its partner company in Asia for these reasons, CARGILL gained a powerful ally for establishing a bridgehead to Asia. Today, HANILFA has completed its reorganization and is dreaming about making a second leap forward.



Today HANIL F A is still operating its business stably precisely because IBK refused to give up on them. The appointment of a professional manager to succeed the founder upon his retirement took time to get used to, but on the strength of the technological know-how and experience it had gained over the years, the company will continue to invest and work on further developing factory automation technology in collaboration with its partner companies.

CEO Kim Jeong-Suk of HANIL F A (Inc.)





Another world that connects people with companies, companies with other companies

Digital Platform BOX

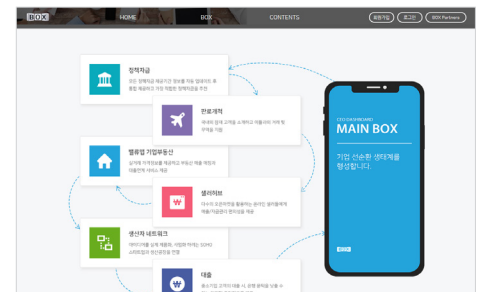
A solution package that provides the customized solutions (funding, accounting, marketing, HR) that SMEs need to conduct their business activities through PCs and mobile phones, irrespective of place or time



On August 1, 2019, during a ceremony held to mark the 58th anniversary of the bank's founding, IBK announced BOX and began to promote it with the slogan, "Mr. President! Open the BOX. Managing a company is not as hard as you think!" IBK developed the BOX platform to help Korean CEOs and presidents manage the issues they worry about in their jobs. To help CEOs handle the issues associated with managing the growth of their companies in a more systematic way, IBK developed innovation solutions for different areas of management and offered them through the BOX platform in the hope of contributing to the success of the company. Now, companies can receive financial assistance through the BOX platform without having to visit an IBK branch, obtain information about low-interest, customized loans, sell and purchase corporate real estate like land, buildings, commercial facilities, and factories, meet new domestic/overseas suppliers, and achieve growth with outstanding human talents. In addition, the BOX platform provides access to free online educational sites for the company's employees; and checks and prepares for risks upon receiving early warnings from suppliers. In addition, companies can outsource their digital management to the multi-functional BOX platform. The SME Management Support Platform BOX will always be ready to help out Korean SMEs so that their CEOs can concentrate solely on managing the companies.



Launch of BOX



BOX Main Screen



“

Due to their very nature, it is a very important for a platform base business to dominate the market in the early stage. But IBK has had a good start. If suppliers and consumers create synergies and create mutually beneficial structures, I look forward to BOX becoming a very valuable tool for managing businesses.

BOXer Workshop special lecturer
Professor Lee Seung-Hoon

“

The insight service available through the BOX will be a great help to companies because it makes HR management and applying for government employment assistance so easy. If more services are provided via the BOX, might we not see the day when SMEs can enjoy the benefits of having an infrastructure that is on par with that of large companies?

Individual BOX company
CEO Woo Hee-Hyung of Dtime Inc.

“

I applied for a personal business loan through the BOX and was pleasantly surprised to get approved without having to visit an IBK sales branch. In addition to loans, the BOX has many other functions. If I feel they are useful after trying them, I intend to spread the word about them to other small business owners that I know.

First customer to receive loan
CEO Kwon Young-Sang of Y & Company

Daily Service

Newsstand	This service clips out news on subject matters or industries of interest such as IT or manufacturing. Then such news is shared with the employees or stored internally and kept on file.
Attendance	This service provides integrated management of attendance records, employment/resignations, team assignments, and working hours.
Business lounge	This cloud-based business card management service permits the business cards of existing suppliers as well as those of prospective suppliers to be shared with other employees.
Fund management	With this service, account & card usage record, and balance information from all types of financial institutions are organized and updated (to the previous day) and provided to users as daily financial briefing reports (Financial transactions involving every type of financial institution doing business in Korea).
CEO lounge	Premium information that is useful to CEOs, such as economy, trends and history, is provided in the form of videos or books. The service also organizes an offline forum on a regular basis, which CEOs can attend to build up their personal networks.
Corporate magazine	This business magazine is published on different subject matters, and provides opportunities for companies to promote themselves through the publication of company PR materials.

Individual BOX

Government policy funds BOX	Updates and provides information about all government agencies that provide government policy funds, and recommendations are made on the best government policy funds	Shopping mall management BOX	Provides the convenience of a revenue/fund management service to online sellers who use a multitude of offline markets
Sales channel development BOX	Introduces potential domestic/overseas customers and provides assistance when trading with them	Tax invoice BOX	Issues (billing) tax invoice/transaction statement/deposit slip/receipt/payment (collection)
Corporate real estate BOX	Provides market prices of real estate, real estate matching, and links to loan programs	Supplier monitoring BOX	Collects and processes information that could be used in assessing supplier risks, and sends the information to users on a regular basis
Recruitment BOX	Matches SMEs with jobseekers by allowing SMEs to post open positions, and by providing new job employment information and recruitment news	Accounting BOX	Manages accounting, HR, procurement/inventory/cost and tax reporting, automatically processes the entire transaction process from collecting/journalizing/slip entry, checks for errors in tax/accounting management
Producer network BOX	Matches SOHO/startups seeking to commercialize their ideas with manufacturers	Education BOX	Provides education tailored to the skill level of individual employees and the objective (technology, IT, etc.)
Loans BOX	A digital channel for lowering the entry barriers to banks when SME customers need loans	Supply purchase BOX	Purchases most supplies including disposable items and raw materials required for the manufacture of products



Sustainable Management Fact book



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Corporate Governance

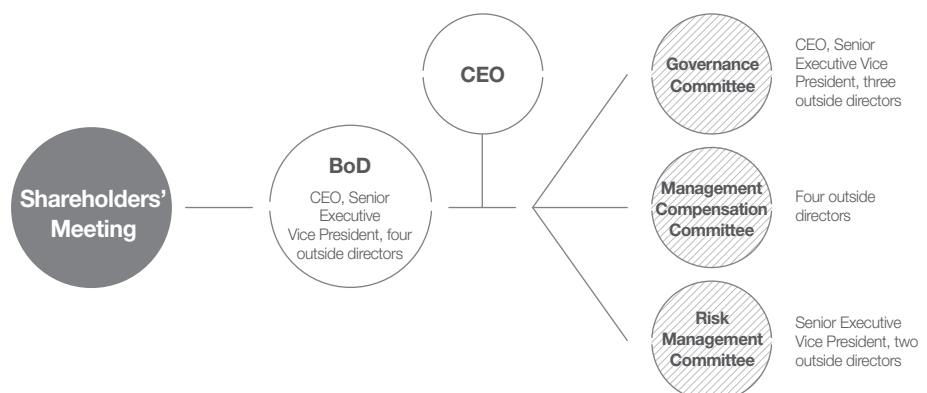
Chairman & CEO	Deputy CEO & Senior Executive Vice President	Auditor
Kim Do-Jin Term Dec. 28, 2016 to Dec. 27, 2019 <ul style="list-style-type: none"> • Dankook University, Department of Economics • CFO, Head of Management Strategy Division, IBK (previous) • Head of Nambu Regional Headquarters, IBK (previous) • Head of Namjoong Regional Headquarter, IBK (previous) • General Manager of Planning & Coordination Dept., IBK (previous) 	Im Sang-Hyun Term Jan. 21, 2017 to Jan. 20, 2020 <ul style="list-style-type: none"> • Chungnam University, Department of Business Administration • CEO, IBK Savings Bank (previous) • Head of Management Support Division, IBK (previous) • CFO, Head of Management Strategy Division, IBK (previous) • Head of Chungcheong Regional Business Division, IBK (previous) 	Im Jong-Sung Term Feb. 25, 2018 to Feb. 25, 2021 <ul style="list-style-type: none"> • University of Birmingham, Graduate School of Business Administration • Head of Planning & Coordination Office, Constitutional Court of Korea (previous) • Director General for Planning & Coordination, Public Procurement Service (previous) • Head of Seoul Regional Public Procurement Service (previous) • Head of Customs Policy Division of Tax & Customs office, Ministry of Strategy and Finance (previous) • Headquarters, IB

Principle and Policy for Corporate Governance

Stable, efficient, and transparent corporate governance comes before anything else to ensure sustainable growth of the bank and protect stakeholder interest. Stability can be realized by checks and balance among members, and efficiency by professionalism and diversification of perspectives, respectively. Transparency is driven by disclosure on criteria, process, and results of relevant works.

Composition of BoD

The Board of Directors (BoD), the supreme decision-making body, consists of the CEO, Senior Executive Vice President, and four outside directors who are professionals in finance, management, economics, and law. The BoD members are appointed through personal verification by the President and the Financial Services Commission in accordance with the Industrial Bank of Korea Act and Act on Corporate Governance of Financial Companies. Their service term is three years and reappointment is possible. The BoD is chaired by the CEO according to Article 2 of Section 25 of the Industrial Bank of Korea Act. The senior executive vice president acts as the Chairman of the BoD when the CEO cannot perform the duties due to unavoidable circumstances, and is followed by other standing executive directors.



Outside Director

Kim Jeong-Hoon

Term Feb. 13, 2018 to Feb. 12, 2021

- Yonsei University, Graduate School of Public Administration
- Expert Adviser & Steering Committee, Democratic Financial Development Network (current)
- Auditor of Korea Banking Institute (previous)
- Head of In-class Learning Department of Korea Banking Institute (previous)

Lee Seung-Jae

Term Mar. 26, 2018 to Mar. 25, 2021

- Korea University Department of Law
Chairman of Korean National Police University Education (current)
- External Director Member of Samsung Electro-Mechanics (previous)
- The Chief of Korea Coast Guard (previous)
- Head of Chungcheong Regional Business Division, IBK (previous)

Shin Chung-Sik

Term Mar. 26, 2018 to Mar. 25, 2021

- Korea University Department of History
- Advisor to Yell Accounting Corp (current)
- Advisor to NH Investment & Securities Company (previous)
- President and CEO of NH Bank (previous)
- Senior Managing Director National Agricultural Cooperative Federation (previous)

Kim Se-Jik

Term Mar. 27, 2019 to Mar. 26, 2022

- University of Chicago, Department of Economics
- Professor, Department of Economics, Seoul National University(Current)
- Member of the Financial Development Review Committee, Financial Services Commission(Previous)

BoD Meetings in 2018

11 times

Attendance rate of
Directors in 2018

100%

BoD Operation

The BoD is convened once a quarter and an ad hoc meeting is held upon request of the CEO or two or more outside directors. The BoD meeting is assembled when the majority of the members are present and decisions are made by majority vote. The BoD deliberates and resolves the bank's major agendas including shareholders' meeting, management, articles of association and regulations, capital, fundraising, etc.

Governance Committee

The Governance Committee consists of the CEO, Senior Executive Vice President, and three outside directors, who are responsible for improving the BoD operation efficiency, function and communication with shareholders and other stakeholders. Major roles include suggesting outside director candidates from whom the CEO recommends to the Financial Service Commission and appointing executive directors that are recommended by the CEO.

Management Compensation Committee

The Management Compensation Committee, consisting of four outside directors, reviews the overall compensation system for executive directors and evaluates their management performances for compensation. Major resolution items include evaluation and compensation on executive directors' performances as well as review and approval of their welfare benefits.

Risk Management Committee

Major roles of the Risk Management Committee, consisting of Senior Executive Vice President and two outside directors, include comprehensive control of a variety of uncertainties and possible losses from the bank's management activities and maintenance of capital adequacy. The Committee resolves the establishment of basic risk management plans, setup and allocation of risk limits by business group or unit, and setup and allocation of investment and loss limits regarding market risks.

Corporate Governance

Role of an Independent Auditor

Due to the specificity as a government-run bank established in accordance with the Industrial Bank of Korea Act, IBK does not have an Audit Committee. Instead, the financial authority appoints an auditor who performs audits on IBK's business and accounting and has the rights to select, change, and dismiss external auditors. The auditor also reviews matters that can affect the independence of external auditors and offers suggestions for securing their independence to the BoD.

BoD's Expertise and Diversity

The BoD consists of members with expertise in each field in order to secure professionalism and a diverse perspective to eliminate bias on specific backgrounds and business careers. We report the latest trends and issues in the financial and economic fields to the BoD with the aim of enhancing outside directors' basic and global capabilities. Proactive supports are offered for those that want to join individual training courses. In 2018, the non-executive directors of our company's board attended five lectures on finance, economic trends and critical company issues in order to increase their knowledge and strengthen our global competencies. In addition, we operate a special organization dedicated to supporting the BoD, facilitating the proceedings of BoD and subcommittee meetings, and carrying out the instructions of the BoD.

Diversity Review Requirements

Gender	The operation of the BoD must comply with the principle of gender equality in order to ensure diversity of opinions.	At least 20% of the BoD candidates must be women.
Age	The effectiveness of the BoD is enhanced when the right balance between seniority, which can bring wisdom and experience, and youth, which can respond well to new trends in the business are met.	The age of the BoD's members should be the age of the CEO ± 15 years.
Experience & Background	The composition of the BoD must reflect the composition of South Korean society, and should avoid the overrepresentation of people from one region, school or background.	
Other	Ethnicity, religion, race and other diversity factors are taken into consideration.	

Independence of BoD

To ensure checks and balances among the BoD members, IBK delegates decision-making and business execution to the BoD and management, respectively, and the management's business execution results are reported to the BoD. Moreover, outside directors hold the majority of the BoD as a check on management. Outside directors are required to satisfy both active and passive qualifications for their appointment and position retention.

Active Qualifications (application criteria)

1. As for the Chairman & CEO, Deputy CEO & Senior Executive Vice President, and Director & Senior Executive Vice President, those who have rich experience and knowledge in finance and won't undermine the bank's public interest and healthy management and order of credit
2. As for outside directors, those who demonstrate profound expertise and experience in the fields of business administration, economics, accounting, law, and SMEs



Passive Qualifications (exclusion criteria)

1. Those who are not Korean citizens
2. Those who are applicable to any one clause of the Article 33 of the Government Officials Act
3. Those who cannot become executives in accordance with the Act on Corporate Governance of Financial Companies and the Banking Act
 - IBK's largest shareholders and their affiliate persons
 - IBK's major shareholders and their spouses, lineal ascendants, and descendants
 - Those who are serving or had served within 3 years as employees or non-standing directors of IBK or our affiliates
 - Spouses and lineal descendants of IBK's directors
 - Those who are serving or had served within 2 years as employees or executives of companies which are in transaction, competition, or collaboration
 - Those who have served as IBK's outside directors for more than 6 years or as outside directors of IBK or affiliates for more than 9 years in total
 - Those who have difficulties in fulfilling duty as IBK's outside director or have influence on management activities but are designated by the presidential executive order

Management's Compensation System

As a bank specializing in supporting SMEs in accordance with the Industrial Bank of Korea Act, IBK's compensation and bonus system for the management complies with the budget guidance for public financial institutions of the Financial Service Commission (FSC) and the compensation guidance for public institutions' executives of the Ministry of Economy and Finance. Compensation is fully made in cash due to the allocation as cashable budget and is not deferred according to the principal of setting year-based budget. Compensation plan is approved by the FSC in advance and its limit is determined at the shareholders' meeting.

Management's Performance Evaluation Index

The management's bonus is set by management performance evaluation internally and the achievement bonus in accordance with the management evaluation guideline for public financial institutions externally. Four indices regarding profitability, adequacy, growth, and customers are utilized for internal management performance evaluation. Outside directors conduct self-assessment on the composition, role, responsibility, and operation of the BoD and subcommittees before the annual general shareholders' meeting without separate consultations.

Performance Check and Linkage with Remuneration



Ethical Management



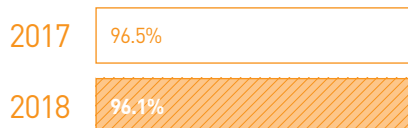
Practice of Ethical Management

We have adopted the IBK Code of Ethics and Code of Conduct which serve as guidelines that all employees of IBK should comply with. In order to fulfill IBK's core value of customer happiness and satisfaction, trust and responsibility, creative passion, and strong teamwork, we have defined the regulation of conduct to customers, shareholders, employees, society and directors. Moreover, to prevent any corruption and ensure business integrity, we are thorough not only in prohibiting conflict of interest, unethical behaviors, and unfair profits, but also in managing critical information and consultation on ethics. More detailed information about IBK's code of ethics and code of conduct, along with its compliance program, can be found on the company's website.

Ethical Management Practice Programs

Self-inspection on Ethics and Compliance	Inspection items are provided monthly to help employees check the practice of the IBK Code of Ethics and Code of Conduct.
Monthly Theme-based Ethics Practice	Ethics items that employees should comply with are selected through contests and are uploaded on the intranet on a monthly basis for implementation.
Clean Contract System	As a main contractor, IBK ensures the transparency of the contract process and fairness of transactions.
Cyber Ethical Management Training	We make animation films on critical ethical management activities and register them as an employee training course on the cyber training center.

Completion Rate of Training Anti-corruption Education



Anti-corruption Education

Improper Solicitation and Graft Act	With the purpose of raising awareness of anti-corruption and promoting transparent and fair business conduct, IBK implements collective training for the management and broadcast training for employees.
Collective Education on Ethics and Compliance Tailored to Life-cycles	We offer collective education on ethics and compliance tailored to each life-cycle to new employees and those who are promoted
Education on Ethics and Integrity Management Through Diverse Channels	In order to increase companywide understanding of ethical management and put it into practice, we provide various forms of ethical education including touring lecturers who give classes on ethics at our regional headquarters, online ethics classes that employees can access via a cyber training center, and residential training run by third-party organizations.

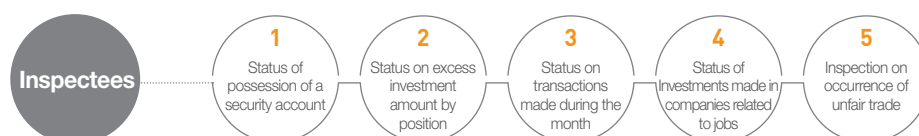
Compliance Monitoring System

We operate an efficient compliance monitoring system to ensure fairness in business activities and prevent illegal or unfair behaviors. This system allows us to check compliance with related regulations and the internal control criteria and make corrective actions. We also publish and distribute manuals necessary for observing the internal control criteria. The Compliance Officer appointed by the BoD checks and inspects violations of the internal control criteria and regulations. IBK ensures the independence of the Compliance Officer and helps the officer be committed to fundamental works by excluding other duties.

Tightening Inspections on Trading of Financial Investment Instruments

Inspections on trading of financial investment instruments have been tightened to prevent employees from unfair stock trading through undisclosed or internal information. In a bid to further observe the Financial Investment Services and the Capital Markets Act, we extended the scope of inspectees to fund sellers at branch and shortened the reporting cycle from annual and quarterly basis to a monthly basis. Also, a five-step self-inspection criteria, including investment amount by position and connection with jobs, were introduced to enhance the monitoring of ethics and compliance.

Financial Investment Instruments Trading Check Process



Report on Misconduct

IBK operates a variety of reporting channels to present solutions when employees face ethical conflicts to receive and treat ethical violations, thereby preventing intentional or negligent illegal behaviors and ensuing impacts on the bank. We are committed to eliminating illegal or unfair behaviors that can harm the trust of the bank.

Whistleblowing System

We operate a whistleblower program to prevent financial accidents and minimize the losses arising from such accidents, and to enhance our corporate image as a financial bank of high integrity that fights against corruption. Our employees are encouraged to notify abnormal behaviors such as embezzlement, malpractice, bribe, violations of the laws regarding real-name financial transactions and money laundering, misdirection of superiors, etc. Real-name reporting is principle, but an anonymous one is also available if necessary. We keep all reporting contents and identification private.

Clean Reporting



When an employee receives money or valuables regardless of intension, he or she can protect oneself by returning or donating the gifts voluntarily.

Reporting on Violations of the Improper Solicitation and Graft Act

This system requires employees to report any case when carrying on businesses with improper solicitation or in violation of relevant laws.

Public Interest Tip Off



This program allows a person to report, petition, sue, or charge someone for committing acts which breach the public interest, report illegal acts that seem likely to occur, or provide evidence that is helpful to an investigation into violations of the public interest.

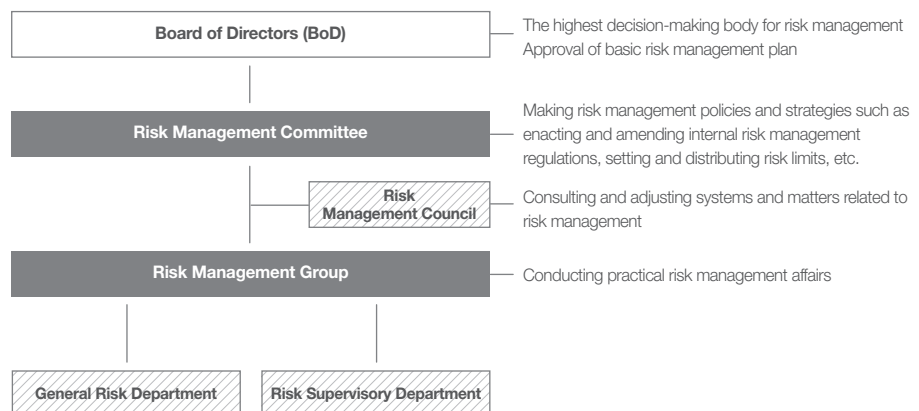
Risk Management

Integrated Risk Management System

IBK is focusing on managing a variety of uncertainties and risks arising from business activities in an integrated and systematic manner. This effort aims to secure financial soundness and safety, protect the right of depositors, and maximize shareholder value, thereby fulfilling our role as a state-run bank under any circumstances.

Risk Management Governance

Our risk-related decision-making system is centered on the BoD and consists of the Risk Management Committee, Risk Management Council, and the Risk Management Group. The Risk Management Group consists of the General Risk Department and Risk Supervisory Department. It is responsible for the execution of the Risk Management Committee's policies. Comprehensive risk management status such as risk factors, causes and countermeasures in case of risk increase, risk analysis results, and internal capital adequacy evaluation results are reported to the Risk Management Committee and the management on a regular basis, which enables immediate communication and response to risks.

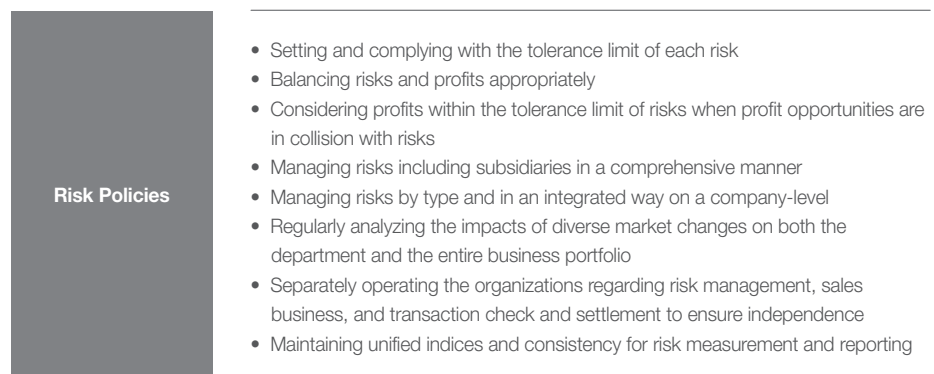


Risk Management Process

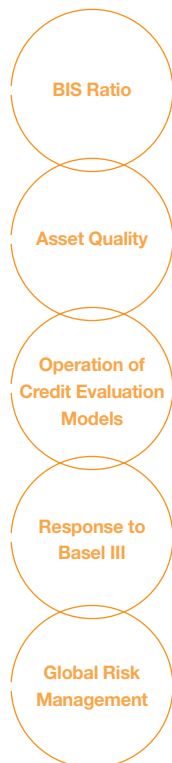


Risk Management Process

We recognize all possible major risks in our businesses to be managed in an integrated way. The scope encompasses not only financial risks with regard to credit, market, operation, interest rate, and liquidity but also non-financial risks such as compliance. We select risk measurement methods based on the feature of each risk and check risk management status every month, thereby understanding the effectiveness and monitoring the adequacy of risk measurement methods and policies.



Core Risk Management Area



Basel III

Basel III is a new international regulatory framework for banks announced by the Bank for International Settlements (Basel Committee on Banking Supervision (BCBS)) on September 12, 2010 in Switzerland.

Korean banks began to adopt Basel III in December 2013.

Risk Areas to be Intensively Managed

IBK pursues prescient, sound financial management that can lead to robust growth. IBK focuses on managing its BIS ratio, asset quality, and allowance for bad debts, and is working hard to upgrade its risk management standards and improve its execution capabilities. Our systematic credit evaluation model, reflecting changes in financial environment and regulations, is used for overall business of the bank including decision-making for loans and identification of quality indices. Moreover, we secure quality and create appropriate profits through consistent inspection of risks in each area.

Promoting Risk Management

Preemptive Quality Control	<ul style="list-style-type: none"> Setting a goal for innovatively reducing allowances for bad debts Disseminating a culture of allowances control throughout the business field Enhancing company-wide cooperation in allowances control Maximizing capability of selecting and managing potentially insolvent companies through rapid inspection Supporting preemptive restructuring driven by changes in the business environment Preemptively managing default rate based on our credit evaluation model
Redeveloping the Credit Evaluation Model	<ul style="list-style-type: none"> Promoting the redevelopment of Loss Given Default (LGD) of retail loans Implementing post verification on the credit evaluation system
Enhancing Internal Control of Operational Risks	<ul style="list-style-type: none"> Establishing an integrated management system including the operational risk index history control and improvement of index development process Providing information by building an employee-tailored accident prevention system Strengthening internal control by improving the performance evaluation system that reflects operational risks of overseas branches
Reinforcing Risk Management of Subsidiaries	<ul style="list-style-type: none"> Inspecting risk management status and implementation of improvement tasks Sharing strategies and issues by holding the CRO meeting Improving the effectiveness of international financial supervision by revising detailed credit supervision rules Enhancing the quality of overseas loans by inspecting the adequacy of loan handling
Responding to Basel III Guideline	<ul style="list-style-type: none"> Completing and managing the NSRF (Net Stable Funding Ratio) Performing an integrated risk situation analysis to solidify the foundation of existence Identifying self-improving tasks for BIS ratio management and consultation with the government Launching risk management indices regarding trading accounts
Enhancing Global Risk Management	<ul style="list-style-type: none"> Localizing the overseas credit evaluation model by reflecting national characteristics Performing risk consulting and preventing risk transfer between domestic companies and local subsidiaries Implementing risk analysis through exposure management and monitoring by country

Managing Emerging Risks

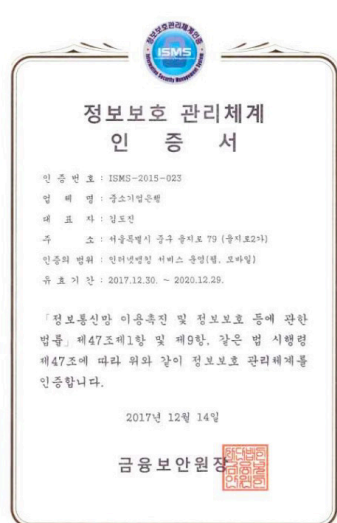
IBK manages current important risks while defining and managing risks that will be important in the years to come. As the volume of data-based financial transactions continues to expand, the complexity of rating credit continues to grow due to the many and diverse ways by which transactions are made. If this is not properly managed, the risk of financial insolvency is highly likely to escalate. To address this challenge, IBK has developed a credit rating model (personal/corporate non-face-to-face loans) that uses Big Data. Combining the Big Data model with the existing credit rating model will enhance the approval process of non-face-to-face loans and the loan limit strategy, thereby making it possible to manage risk preemptively. Another crucial matter is the tightening of environmental regulations and the likelihood of this leading to tougher regulations on investment, which could have an adverse impact on the company's financial health and profitability in the long term. To respond proactively to these changes, IBK has been investing in green sectors by issuing sustainable bonds.

Protection of Financial Consumer Information

Strengthened Information Protection Management System

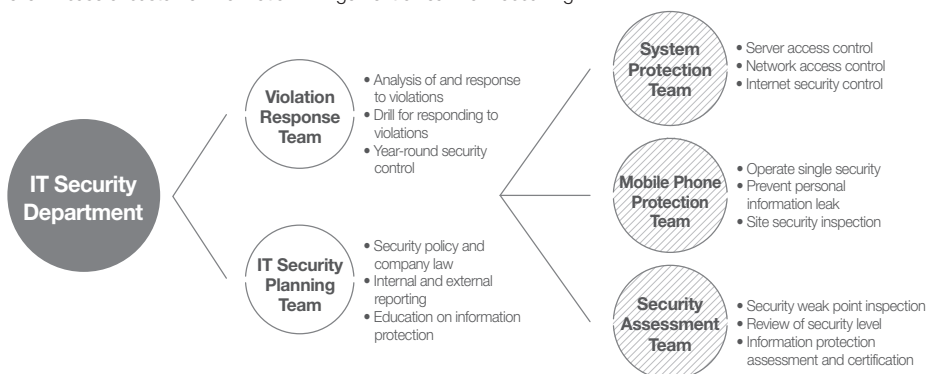
IBK is operating and strengthening its information protection system according to the standards of ISO 27001, the international certification standards on information protection. Likewise, after acquiring the domestic information security management certification (ISMS), IBK has been continuously improving its information protection level. Through a review by an outside agency, IBK was assessed to have adequate levels in 104 control categories such as information protection policies for Internet banking and smart banking, access control, and risk management. By maintaining the ISMS certification, IBK was able to increase public trust in the company's information protection system.

Domestic Information Security Management Certification (ISMS)



Information Protection Infrastructure

As the channels for financial transactions become more diversified (online, smartphone, etc.), reacting in advance to protect the personal information of financial consumers and customers has become critical. IBK is striving to reinforce its information protection infrastructure and build a systematic security system that could protect customer information and ready the company for unforeseen situations that are detrimental to it. It is doing its best to prevent even 1 case of customer information infringement or leak from occurring.



Strengthening Legal Compliance Activities on Information Protection

IBK is responding thoroughly to information protection and information security policies designated by the laws. To comply with FSC's audit plan on information protection, IBK carried out an in-house audit on 65 key categories like information protection. IBK was assessed to be adequate in these categories, and it conducted examination of security level and verification of security adequacy of its currently operating work system. Additionally, IBK regularly checks compliance with the Electronic Financial Transactions Supervision Standards and the Information Security Basic Directive and improves insufficient areas. IBK also inspected the information protection management system of IBK-invested companies in order to restructure IBK's overall information protection infrastructure.

Information Protection Audit Undertaken by the Financial Services Commission's Affiliate Organizations

An audit on 65 inspection categories is performed in accordance with FSC's annual audit plan to protect information. The results of the audit are reported to the FSC, and IBK passed all categories.

Inspection/Verification of Adequacy of the Security Measures Built into the Work System

Security level inspection : i-ONE Bank (personal) reconstruction inspection and 22 other inspections
Security adequacy verification : Obtained qualified rating on security measures (e.g., research fund management system VPN) that IBK had set up on its own initiative

Tightened Compliance Standards on Information Protection

Every quarter : 32 categories such as PC passwords
Every month : Improved standards deemed inadequate on 34 categories (e.g., rules on bringing in/taking out IT equipment) and obtained qualified ratings

Inspections of The Information Protection Systems at IBKinvested Companies

Inspections of 7 IBK-invested companies like IBK System Co. were carried out between July and September 2018
28 problematic practices (network used by internal employees as well as outside workers) were identified and rectified (~19.3)
All the audit results are shared, and best practice cases are awarded

Year-round Cyber Security Control

By making its information protection system more robust through the operation of a year-round cyber security control room, IBK is increasing its competency in responding to cyber-attacks from the outside. IBK established action plans for each phase of a cyber-crisis and built a response system to fend off cyber-attacks like DDos attacks attacks, enabling the company to keep information security breaches to zero in 2018. Especially in August, the company was able to defend itself completely against ransomware attacks that involved posing as a government agency; it inspected its SWIFT system and fortified its security following news of a SWIFT hacking incident in an overseas financial institution. IBK operates its emergency response system even during national holidays like Chuseok and Lunar New Year to maintain its cybersecurity system at all times.

Inspection and Removal of Security Weak Points in Key Systems

IBK is preventing the likelihood of security threats from the outset by checking and eliminating security vulnerabilities in its key critical systems. To be able to respond preemptively to the recently emerging AI-powered hacking attacks, we at IBK conducted blind hacking simulations that greatly improved our responsiveness. In addition, we are making diverse efforts to eliminate security weak points such as the early removal of risk factors through regular security vulnerability checks, inspections for personal information left exposed on internet websites, and inspection of password setting on shared folders.

Category	Target	Inspected content	Remarks
Homepage	31 including Internet banking	48 items such as uploading of virus-infected files	Financial Security Institute
DBMS	50 including electronic banking	30 items such as password management	Self-inspections
Network Equipment	376 units used in Internet banking	54 items such as ACL settings	
Information Protection System	50 units including firewall	39 items such as policy management	
Server	1,162 units including those used in statistics	169 items such as use of unnecessary services	

Safety of Personal Information Processing

IBK is preventing the likelihood of security threats from the outset by checking and eliminating security vulnerabilities in its key critical systems. To be able to respond preemptively to the recently emerging AI- powered hacking attacks, we at IBK conducted blind hacking simulations that greatly improved our responsiveness. In addition, we are making diverse efforts to eliminate security weak points such as the early removal of risk factors through regular security vulnerability checks, inspections for personal information left exposed on Internet websites, and inspection of password setting on shared folders.

Employees Receiving Information Protection Education (Persons)

2016	10,791
2017	10,952
2018	11,422

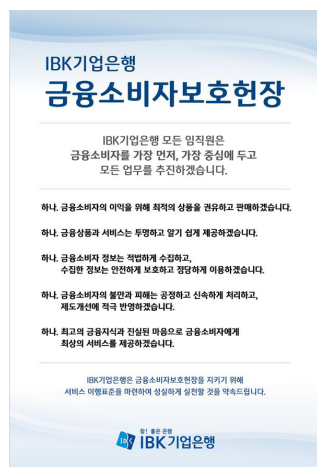
Expanding Education and Communication on Information Protection

IBK is increasing all employees' awareness of security through mandatory online education on information protection. We developed a course for the cyber training center that provides tailored training on information protection for each type of jobs. In 2018 in particular, we launched the "Traveling Information Protection Education" program that targets new employees, part-time employees, and partner company employees to improve awareness of security among employees who may be less exposed to the issue.

All Employees					
Type	Target	Course	Type	Target	Course
Online Training	Executives	Improvement of awareness of information protection, etc.	Notice/ Alerts on Information Protection Issues	All employees	<ul style="list-style-type: none"> • Precautions against ransomware • Security check when using webmail and smartphone • Precautions against cyberattacks
	Staff	Safe Internet banking, etc.			
	IT Group	Personal credit information protection, etc.			
	Information Security Department	Personal credit information protection, etc.			
In-house TV Programs for Training	All employees	Video footage pertaining to the improvement of information protection	Training on Personal Credit Information Protection	New employees, reinstated employees, auditing officers	Introduction of new financial security technologies and explanation on usage

Protection of Financial Consumers' Rights

IBK's Financial Consumer Protection Charter



Financial Consumer Protection System

To perform its banking services with the customer in mind, IBK established the Financial Consumer Protection Charter and installed a financial consumer protection system, putting the bank in a position to play a leading role in the advancement of financial consumer protection culture. Furthermore, we created a dedicated organization and launched numerous services for expanding access to financial services for financially deprived segments of our society. Furthermore, we are doing our best to protect customers from financial fraud or incidents by upgrading existing security systems.

Operation of a Dedicated Organization for Protecting Financial Consumers

IBK is doing everything it can to address in advance the inconveniences experienced by financial consumers during transactions and stop customer complaints from growing. The general manager of the Financial Consumer Protection Department under the CEO of IBK is in charge of dealing with inconveniences and complaints of customers apart from product development and sales functions. The Financial Consumer Protection Council discusses policy directions and basic plans for consumer protection, identification of improvement tasks, and development of products from the mindset of consumers. Customer petitions collected through diverse consumer access points like customer service centers are transferred to related sales branches where they are handled. We improved the customer petition resolution and feedback process, and it has resulted in increased financial consumers' trust in our company.

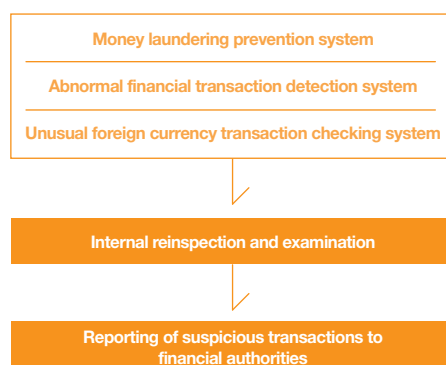


Strengthened Process for Handling Customer Grievances and Financial Consumer Rights Protection System

The customer grievance handling process at IBK begins from receiving a customer complaint, and is then filed and categorized, fact-checked, and handled, ending with providing feedback to the customer. After the complaints handling process, the basic causes behind the petition is investigated. Then, through employee education, IBK seeks to prevent similar cases in the future. In addition, customer's recommendations and petitioned ideas are reflected when we upgrade our systems, and some ideas are also used for improving product and services after internal assessment. Thanks to these efforts, IBK achieved its best performance ever in the 2018 Financial Consumer Status Evaluation by the Financial Supervisory Service (FSS). This evaluation, which replaces FSS's previous version of the evaluation, was introduced for the first time in 2016 to comprehensively assess the level of financial consumer protection of financial companies. Although the 2018 version has been divided for more detailed assessment, IBK received a GOOD rating or higher in all 10 categories.

Category	Evaluated Items	'16	'17	'18
Quantitative Items	1 Customer petitions (No. of customer petitions and increase rate)	GOOD	GOOD	GOOD
	2 Customer petition processing time (on average)	GOOD	GOOD	GOOD
	3 Number of lawsuits (No. of lawsuits filed from the number of lawsuits and arbitration cases)	GOOD	GOOD	GOOD
	4 Sustainability of sales (financial health index)	GOOD	GOOD	GOOD
	5 Financial mishaps (No. of mishaps, amount involved)	GOOD	AVG	TOP
Non-quantitative Items	6 Organization and system for protecting financial consumers	GOOD	GOOD	GOOD
	7 Deployment of a system for protecting financial consumers during the product development process	AVG	GOOD	GOOD
	8 Operation of a system for protecting financial consumers during the product sales process	AVG	GOOD	GOOD
	9 Deployment and operation of customer petition management system	GOOD	GOOD	GOOD
	10 Disclosure of financial consumer information	GOOD	GOOD	GOOD

Integrated Fraud Detection System



IBK Phishing Stop

IBK developed and launched IBK Phishing Stop, the Korean financial industry's first voice phishing detection app. The app integrates the latest digital technologies including artificial intelligence (AI) and voice recognition.

IBK Phishing Stop uses advanced technologies such as voice recognition and deep-learning to monitor mobile phone conversations in real time. It calculates the probability of voice phishing and then sounds an alarm to prevent damages.

* Total financial damages caused by voice phishing in 2018 amounted to KRW 440 billion, i.e. KRW 12.2 billion per day.



Business agreement on IBK's real-time voice phishing AI detection service

Enhanced Financial Mishap Prevention System

The growth of online transactions and non-face-to-face transactions could not only lead to information protection issues like the leak of personal information but also give rise to more financial mishaps. IBK is pursuing projects that will enhance its financial mishap prevention system in order to realize its vision of becoming a "clean bank." To this end, we have established a multifaceted monitoring system capable of preventing financial mishaps (e.g., a refined audit information system) and deployed a large-capacity data processing system for use in expanding auditing categories in non-face-to-face and small transactions. To improve the mishap pattern analysis capability of the system, a function for automatically detecting high-risk transactions and analyzing the suspect transactions was added – an excellent example of the efforts we at IBK are making to remove financial mishap risks in advance.

Operation of an Integrated Fraud Detection System (FDS)

IBK became the first company in the financial industry to install an integrated fraud detection system to screen for fraudulent trade, illegal e-finance, and money laundering. We are constantly adding system enhancements that will increase our ability to prevent financial mishaps in the future. Through the operation of a Big Data-based analysis system, we have improved our transaction history analysis system. With this improvement, we were able to come up with new detection policies, and we strengthened our procedure for responding to abnormal financial transactions. In addition, by linking our system to the financial industry's crisis information sharing system, we have been able to respond swiftly to any potential financial crisis.

Strengthened Security System to Defend Against Electronic Fraud

In electronic fraud, criminal groups illegally obtain customer information through phishing and/or pharming and then use the information to get a public key certificate reissued in the customer's name. With this key, they withdraw funds from the customer's bank account. To protect against these latest forms of fraud, IBK operates a security service wherein transactions can be made only through predesignated devices or additional authentication processes. We are inoculating ourselves against damages due to electronic fraud by permitting banking transactions and additional certifications only with predesignated PCs and smartphones.

Document Security System	Password protection of documents saved in the PC, documents cannot be viewed from outside company networks. >>> Prevents viewing of documents that were unlawfully transported to the outside
Security USB System	Block use of unapproved storage media like USB. - USBs are restricted in the company HQ; in sales branches, they can only be used with prior approval by the branch head. >>> Prevents leaks of documents using portable storage media (USB) and intrusion of virus-infected documents
Internal Information Leak Prevention System	Prior approval of the supervisor is needed when a document saved in a PC has to be transferred outside (via USB, Internet). >>> Prevents unlawful leaks of customer information
Personal Information Search System	Search/Delete the customer information file stored in PCs and keep them in an isolated storage if they need to be retained. (Isolated storage: file cannot be searched by a hacker, file cannot be opened if leaked outside.) >>> Minimizes risk of acquiring and losing customer information
Printed Material Security System	Documents including the personal information contained in it cannot be printed without the prior approval of the supervisor. >>> Prevents leaks of customer information through printed material
FDS System	Looks out for and blocks abnormal financial transactions, performs additional certifications. (ARS, SMS, etc.) >>> Prevents electronic financial mishaps

Random Cross-inspection among Branches

IBK proactively seeks ways of preventing financial mishaps. For example, we are the only bank to have implemented random cross-inspection among branches to identify financial mishaps at sales branches at an early stage. Under this system, a sales branch can conduct unannounced inspection of a nearby branch to check the vault cash and important documents. The system helps raise awareness of the importance of regulations related to work and financial mishaps.

Maximum Consumer Satisfaction



Various Consumer Satisfaction Services

IBK is strengthening its internal operational efficiency by promoting a management philosophy that emphasizes customer satisfaction. As a result, IBK has achieved the highest grade in the public financial institution management evaluation for 10 consecutive years, and is also the only public financial institution to have acquired "Grade A" or higher for 10 years in a row. In addition, IBK has established a Customer Service Charter that sets forth its operating values, and is committed to providing customers with the special experiences, products and services that they want and the information they need.

CCM Certification

In 2017, IBK obtained the Consumer Centered Management (CCM) certification from the Fair Trade Commission for the first time among public financial institutions. It is a government certification that assesses and qualifies whether all business activities and improvement processes are conducted from the customers' perspective. Through the CCM certification, IBK was able to demonstrate its consumer-friendly activities and its commitment to financial consumer-oriented management, as well as getting its employees to pay more interest to financial consumer-oriented management and obtaining their commitment to implement it.

Establishment of a Positive Feedback System for Customer Complaints

To prevent customer petitions and facilitate the processing of petitions, IBK has established a positive feedback system for customer complaints which is being gradually enhanced. The responsibility for accepting and reviewing customer petitions was elevated from the staff level to the associate head level in order to raise employee concerns about customer petitions. The scope of individuals whose performances were related to customer petitions was expanded. Banks are now held more responsible for customer petitions filed against them; thus, to increase its employees' responsibilities, IBK instituted a warning system. Also, by improving its system and taking care of dormant customer issues, we are curtailing customer petitions from the outset.

Customer Petition Prevention Education for Each Alert Level of the Customer Petition Alert System

1 Time Alert (Preparatory)	2 Times Per Year (Attention)	2 Consecutive Times/ 3 Times Per Year (Precaution)	3 Consecutive Times/ 4 Times Per Year (Alert)
Customer petition prevention education organized by regional HQ, targeting team leaders in the region.	Customer petition prevention education organized by regional HQ, targeting branch heads in the region.	Customer petition prevention education organized by regional HQ, targeting branch heads in the region.	Mandatory education for all employees of the sales branch, which is the target of petitions. The sales branch in question is visited by the head of the regional HQ.



Achieving the Industry Best Service

IBK ranked third in the Banking Service Quality Index (KSQI) administered by Korea Management Association Consulting (KMAC). The service quality index is a measure of the customer's perception of service quality. Every year, KMAC indexes and assesses banks on the service quality felt by the customers. IBK was able to raise its credibility by ranking third among the nine banks surveyed. As a result of our efforts to raise the level of our service, IBK won the top prize in customer satisfaction at the Asia Today Finance Awards ceremony. The Asia Today Finance Awards are awarded to outstanding companies that contribute to the advancement of the financial industry in each sector during the year. Our bank was recognized for its contribution to spreading the culture of financial consumer protection through the deployment of a positive feedback system for customer complaints.



CS Training

Field-Oriented CS Education and Consulting

IBK is making a concerted effort to increase the CS competencies of employees at its sales branches through field-oriented CS education and consulting. IBK began its 'IBK Every 1' education program, which is a residential training program aimed at improving the satisfaction of internal and external customers, at its sales branches. In 2018, 1,044 sales branch employees received the CS education (16 sessions in total), which resulted in a marked improvement of the service quality at these branches. Furthermore, IBK carried out tailored CS consulting (which included monitoring of other banks and consideration of the branch's operating environment) in 110 sales branches. We also developed a permanent CS educational program for use in a residential training course for all employees of the sales branches (new bank clerks, supervisors and team leaders). Meanwhile, at the headquarters, we launched the HQ CS consulting project in which 19 targeted departments were given tailored education as part of our bank's campaign to adopt customer satisfaction-oriented management.

Internalization of CS Culture

Every month, IBK holds a monthly CS activity called 'Theme CS' in which bank employees pursue specific agendas associated with the particular CS theme of the month. We conduct CS activities in which employees check their own progress by creating checklists. From February to December 2018, these activities were carried out each month with a different CS theme, which went a long way in helping employees to internalize the CS culture. Furthermore, by awarding the CS TOP employee and the CS TOP branch, IBK has created an atmosphere in which employees engage in voluntary activities aimed at raising customer satisfaction. IBK selects the CS TOP employee, the CS KING, and the Voice of the Customer (VOC) TOP employee and also holds discussion meetings for the CS TOP employees.

Agenda for Monthly 'Theme CS'

Feb	Build the brand image of a trustworthy bank.	Aug	Adopt measures to reduce customer waiting times.
Mar	Use refined words and phrases in the workplace.	Sep	Correct customer reception in non-face-to-face channels.
Apr	Provide easy-to-understand explanations for customers.	Oct	Adopt a responsible attitude on the job.
May	Improve accuracy when handling tasks.	Nov	Manage customer information meticulously.
Jun	Handle customers proactively.	Dec	Cultivate a culture of caring amongst employees.
Jul	Keep promises to customers.		

Online Financial Education Center

Our corporate website provides customers with financial information and tips on a daily basis that are useful for safe financial transactions as well as in daily life, improving customer satisfaction. It also provides basic legal information, and financial knowledge guided by the Financial Supervisory Service for consumers.

Customer Satisfaction (CS) Education Program

CS Consulting for Branches and the Head Office	Provide 1:1 tailored training by visiting sales branches and offices	Training on CS Fundamentals	Train basic customer reception skills and on handling customer complaint cases at the teller window (for new hires, interns, transferred talents)
CS Consulting for Business with Trade Connections	Train fundamental CS skills and business manners for SMEs with trade connections	Training on intensive CS	Provide training on communication skills, and mind-up education by position (CS Leader, IBK Every1 training at offices, Level-up training on communication manner at the headquarters, training for the promoted, training for Pre-CEO)
CS Training through video	Broadcast CS training videos at all branches and head offices (46 episodes per year) Provide video contents related to service leadership for employees at managerial level of higher (10 episodes per year)	Nurturing Professionals	Program for motivating outstanding talent and enhancing CS capabilities (CS Leader, training off-site for outstanding talent)

Talent-oriented Management



HR Vision

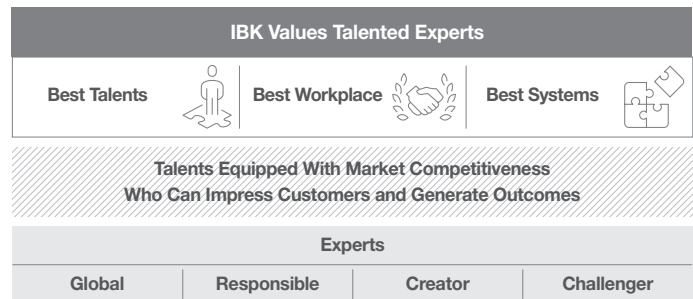
IBK's HR vision is based on the principle of 'human talent as the top priority' and is defined as 'Best Talent, Best Workplace, Best System'. It is implementing its HR vision through concerted efforts in the fields of recruitment, evaluation/compensation, training of human talent, employee benefits, and organizational culture. IBK's ideal human talent is a banking professional equipped with a challenging attitude, creativity, a strong sense of personal responsibility, a global mentality and market competitiveness, who can produce results while making a strong impression on our customers. With this ideal, IBK seeks to realize its core value of 'Customer Happiness'.

HR Vision

HR Factors

HR Goal

Capabilities



Freshman Appointment Ceremony

Establishment of a Fair and Objective Recruitment Culture

In March 2018, before beginning its annual recruitment drive, IBK changed its recruitment policy and completely reformed its recruitment process in an effort to eliminate the possibility of fraud in that process. In order to eliminate subjective considerations during the entire recruitment process, we outsourced the entire process and introduced an internal auditing system across it, with the exception of the written test portion, thereby eliminating impartiality. These measures were adopted to respond to the fair recruitment requirements of the government's directives on public organization innovation. At the same time, they are a reflection of our efforts to combat illicit hiring, which has become a serious social problem.

Expansion of Social Equality Hiring

To fulfill its responsibilities as a public organization, IBK is expanding its efforts to increase employment opportunities for socially disadvantaged groups such as recipients of national merit and people with disabilities. In the second half of 2018, we conducted recruitment especially for the recipients of national merit and was able to increase the obligatory veteran employment ratio. In addition, IBK continues to strive for equal employment in the general recruitment process by hiring more people with disabilities during as new hires. Beyond social equality hiring, we provide opportunities for resume building and practical work experience by recruiting recent graduates for our ongoing internship programs.



IBK's Job Fair

Better Working Conditions for Contract Employees

In March 2018, IBK improved the working conditions of semi-full-time employees to establish a 'discrimination-free IBK'. IBK was able to negotiate better working conditions by actively pursuing agreements through the operation of a labor-management joint TF, gathering employees' opinions, and announcing a joint labor-management declaration. For the soft landing of these transitioned employees who need to level up their skills to become valuable human resources, IBK provides structured educational programs and has set up an effective human resource utilization plan that is run in conjunction with the job training program.

Fair Performance Evaluations and Compensation System

IBK is promoting a performance-centered company culture by dynamically linking employee performance evaluations with the compensation system. We have created a fair and independent evaluation system with evaluations tailored for each type of job and evaluation diversification. Our evaluation system, which is tailored to the business environment, is conducted by forming a bottom-up evaluation group that reflects the collective opinions of branches, local headquarters and business divisions through a five-step process. In case of our compensation system, we operate it so that the compensation awarded is commensurate with each employee's performance. The results of the performance evaluations are reflected in the employee ratings and are also used when promoting employees, switching jobs, and selecting candidates for academic training, and sending them to our overseas offices. We also offer incentives according to the evaluation ratings to maximize performance and continuously improve the system by collecting feedback.

Improvement Process of Performance Evaluation Receptivity



Managing Human Resources with the Focus on Performance Creation and Capability

Development

IBK manages its organization so as to enable its employees to perform well while developing their capabilities. By transferring long-term HQ employees to sales branches, they can develop their careers, while by expanding the transfer of top sales performers to the HQ, we are contributing to more balanced career development for employees and better performance results. Also, within the same geographical area, we are trying to create synergies by encouraging employees working at branches in industrial complexes and cities to switch positions. By getting employees to experience different working environments, IBK improves their understanding of banking and increases their adaptability, while the use of remote location scores ensures that no employee has to serve in one remote location for too long. Newly recruited bank clerks are assigned to locations near industrial complexes when they first join our bank to give them a chance to gain more diverse work experience. Small-scale operations with limited business transactions, such as newly opened branches and regional offices, tend to be avoided.

Retirement Pension Plan

Since 2011, the bank has been operating a retirement pension plan to help employees live a stable life after their retirement. As of 2018, the liabilities for the Defined Benefit plan amounted to KRW 853 billion, while the retirement allowances on the Defined Contribution plan, which are recognized as expenses, amounted to KRW 2,508 million on a consolidated basis.

Human Resources

Job Academy Improvement

Rank	Course
No Distinctions	Comprehensive Course (Basic for all jobs) Theme Course (in-depth treatment of each subject)
Grade 3 2nd year	Advanced Course

2,337 employees received training (27 sessions) in 2018.
(Giheung Training Institute)

Structured Development of Experts

IBK spares no effort when it comes to training expert manpower who can lead the bank to new challenges and turn 'Co-up Financing' into a great success. The development of expert manpower in many specialty areas and career development support, global skill cultivation, industry-leading training facilities and educational infrastructure armed with the finest human talent development program in the South Korean financial industry, we will do our best to prepare our business for the Fourth Industrial Revolution and establish ourselves as a global leader in finance.

Skill Enhancement for All Employees Through Tailored Job Training

IBK operates a 3-step field-oriented training program consisting of 'Main Training, Additional Training, and a Support System' to improve the job performance skills of its employees. In the case of the Job Academy, the program used to be a 4-step course, divided into different groups based on rank and seniority. However, it was consolidated and reformed, and, under the newly designed program, employees are divided into different skill levels, and receive tailored training at each level. In addition, IBK organized new bank clerk orientation training for 339 new bank clerks recruited in 2018 to help them develop solid job skills. Furthermore, to enhance the skills of employees, we have expanded numerous training courses, such as job retraining, job competency enhancement training, and special training for newly promoted employees.

Main Training	Job Training Academy		Marketing Training	
Additional Training	On-the-job Training	Weekend Financial Academy	Job Skill Academy	
Support System	Mandatory Completion Of Job Training	Completion of Annual Minimum Learning Hours	Education Mileage Program	Coaching Guide

Self-development Support Programs

Mandatory Completion of Job Training	4th (manager) or lower-level positions: Mandatory completion of job training more than once/year
Completion of Annual Minimum Learning Hours	3rd (team leader) or lower-level positions: Mandatory completion of annual minimum learning hours
Education Mileage Program	Employees are motivated by offering mileage in proportion to the number of learning hours completed
Coaching Guide	Recommending training courses optimized for career, qualification, and duty

IBK's Skill Enhancement Program for Each Grade/Level

Common training

Job training	Job Training Academy, on-the-job training, financial license preparation class, Korea Banking Institute, field expert specializing in core tasks, etc.
Professionals	MBA, Executive-MBA, dispatch to professional education institutes, planning power advancement course, strategic planning management program (SPMP), professional staff (credit review, F/X, PB), digital finance course, etc.
Others	Guest lectures, reading communication training, weekend language course, training for employees returning to work, Teaching Academy, etc.



Position-specific training

New Employees

- Training for new employees
- Retraining for new employees (deposit sector)
- Retraining for new employees (loan sector)
- Retraining for new employees (F/X sector)





Training for new hires

Training of Key Human Talents with Global Skills

IBK develops global talents who can respond properly to changes in the global business environment and lead the company in the global age. To this end, we dispatch some of our top-performing employees to international and domestic MBA programs. We also sponsor overseas language study trips, theme-based overseas training or competitor benchmarking trips. Also, in 2018, we signed cooperative partnerships with major universities in Asia for the purpose of developing globally skilled people who can contribute to building an Asian financial belt. We signed one MOU with a university in Indonesia and another with a university in Vietnam in 2017, and a third with a university in the Philippines in 2018. Presently, we are discussing MOUs with four universities in New Delhi, India with formal signings

Developing Digital Innovation Human Talent

IBK is also committing considerable resources to strengthening its digital capabilities to prepare for the era of the Fourth Industrial Revolution. To achieve this goal, we developed the 'Digital Level-up' course for 12,466 executives and employees who utilize the company's communication infrastructure, and provided educational courses on deriving digital insights, scratch practice, and the Python programming language among others.



Sales field training

On-site Training at External Educational Institutes for Working-Level Employees at HQ

Every year IBK sends some of its working-level employees based at its HQ's departments to external educational institutes where they are taught the latest financial trends and knowledge. Such institutions include the Korea Banking Institute and major universities in South Korea, as well as associations, media companies and other organizations with educational programs for financial experts and conferences. In 2018, 568 IBK employees were dispatched to these institutions for further education.

Area	Department	Course	No. of Students
Digital Finance	Digital Planning Team and 22 others	Blockchain business etc.	221
IB/Review	Loan Review Team and 10 others	Industry analysis, private investment business etc.	49
Legal/Compliance	Inspection Team and 5 others	Internal audit expert training	157
Asset Management/ Derivatives	Fund Management Team and 7 others	Foreign exchange derivatives etc.	23
Others	Human Resource Team and 27 others	HR Management	118

In 2018, 568 employees from 53 HQ departments received training (165 courses).

| 5th Level Position

- Up-grade training
- Job scope expansion training



| 4th Level Position

- Marketing training
- Training for employees promoted to 4th level position



| 3rd Level Position

- Advance course from the Job Trading Academy
- Training for employees promoted to the 3rd level

| Head of Department or Branch

- Advanced Financial Consultant Course
- Advance Management Program (AMP)
- Leadership course
- Pre-CEO training



| Executive

- Advanced Management Consultant course
- Advance Management Program (AMP)
- Executive training



Human Talent Management



Creating a Great Place to Work

Ensuring a better quality of life for employees and creating a happy workplace is both a source of sustained corporate competitiveness and a path to maximizing social benefits. The fact that topics like the '52-Hour Working Week' and 'Healthy Work-Life Balance' are being widely discussed is a sign that our society is moving towards a culture that values a healthy balance between work commitments and social or family life. IBK recognizes that its employees are a source of global competitiveness and is thus committed to creating a workplace where employee satisfaction is at the highest possible level. To this end, we are working proactively to create 'A Company That You Want to Work For' by, among other things, revising our welfare policies and strengthening our welfare system, which could lead to a better work-life balance for our employees.

Improving Working Conditions

Responding to Shorter Working Hours

Category	Description
PC-OFF Policy	Managing 5 hours per week, the use of PCs is restricted when turned on for more than 12 hours.
HR Policy Restructuring	Adopting a flexible workplace and expanding the flexible working hour system.
Organizational Culture Improvement	Improving conference/reporting culture, Strengthening concentrated work policy.
Productivity Enhancement	Enhancing work productivity via computerization and automation.

Responding to Shorter Working Hours

To respond fluidly to the adoption of the 52-hour work week (as of January 2019) policy, which was mandated by the collective bargaining agreement IBK signed with the labor union, and to create a productive workplace culture for its employees and the separation of work and life, IBK is pursuing diverse activities on many fronts. To this end, IBK has developed and is currently implementing a 4-action plan. Going forward, we at IBK will continue our efforts to build an advanced working culture where life and work are fairly balanced.

Improving Policies on Taking Leave and Working

To encourage the separation of work and family and improve employees' satisfaction with their work at IBK, we have revised our vacation and working policies to include new internal regulations that contain therevised items of the 'Service Regulations for State Public Officials of the State'. The revised regulation, which came into effect in October 2018, contains clauses on shorter working hours for pregnant female employees, emergency leave, and working policies.

Types of Leave	Current	Revised
Reduction of Work Hours for Pregnant Women (2 hours)	Can be used only at a specific period during pregnancy	Can be used at any time during pregnancy
Childcare Leave	Formal events at a child's school	Addition of hospital visit, medical checkup
Parental Leave	5 days	10 days
Emergency Leave (e.g. death of a grandparent)	2 days	3 days



IBK Childcare Centers

Expanding "IBK Childcare Centers"

IBK has established "IBK Childcare Centers" to help employees who are parents of infants and preschool-aged children dedicate themselves to their work.

Operation of the "IBK Childcare Centers"

(Unit: children)

Branch	Seoul					Gyeonggi-do				Incheon	Busan	Daejeon
	Han nam	Do-gok	Guro	Ma daul	IFT	Ilisan	Pyeong chon	Suji	Bun dang	Bu-pyeong	Busan	Daejeon
No. of Children	63	42	32	48	61	58	51	46	43	52	37	24

Employee Health and Safety Management

IBK's Policies on Employee Health Management and Illness Prevention

Expanded Parental Leave Period

In May 2019, IBK became the first bank in Korea to consent to an expansion of parental leave from 2 years to 3 years. This is the first for a bank to guarantee a 3-year period of parental leave to all parents, with no strings attached. If an employee who is either currently pregnant or raising a child under the age of 8 (including adopted children,) or gives birth to twins, the parental leave period increases from 4 years (2 years + 2 years) to 6 years (3 years + 3 years) under the new regulation.



Improving the Health Checkup Completion Rate

Recognizing the need for more faithful health checkups to manage employee health more effectively, IBK increased the number of health checkup completions by implementing early health checkups. In the past, the high number of people who delayed their checkups until the last days of the year led to a deterioration in the quality of the checkups along with difficulties in managing manpower at sales branches. Through early health checkups, IBK was able to complete health checkups for all employees (excluding employees on parental leave and retired employees).

Other Safety Management Improvement Areas

Area	Description
Safety Management	<ul style="list-style-type: none"> Establish a plan on how employees should act in the event of a disaster, and distribute it to all sales branches. Conduct escape drills in all sales branches. Purchase and install emergency devices, etc. in the event of earthquake or fire. Support for installation of black boxes in company vehicles.

Improving the Office Environment at Sales Branches

A company that wishes to conduct sustainable business activities has an obligation to create a safe workplace and environment for its employees. IBK has established a safe and pleasant working environment by improving the sales branch office environment and by introducing stronger safety accident prevention measures. The bank recently opened excellent new facilities intended for both its employees and its customers.

Creating a safe and comfortable user-oriented working environment.		
Accident Prevention <ul style="list-style-type: none"> Inspect and replace ventilators. Replace CCTVs with new models. On-site inspection of integrated library. 	Office Environment Improvements <ul style="list-style-type: none"> Improve landscaping at sales branches. Provide total cleaning service to sales branches. 	Indoor Air Quality <ul style="list-style-type: none"> Replace ventilation system with a new model fitted with better air filter

Enhances internal/external customers' loyalty to IBK
by increasing their satisfaction

Human Talent Management

A Labor management Culture of Communication and Cooperation

IBK operates a variety of channels to create a natural window of dialogue between labor and management. Through these channels, employees can not only exchange views about their work, but also share ideas and concerns. To foster a labor management culture of communication and cooperation, IBK is expanding communication channels between labor and management and initiating activities for promoting exchanges between them. In addition, we are continuously communicating with the field an important activity that reflects the CEO's field oriented management philosophy.

Labor management Council

IBK holds regular labor management council meetings with the knowledge that sustained dialogue between labor and management is very important to employees' happiness. In 2018, 4 meetings of the labor management council were held. The items on the agenda at these meetings were; expanded financial assistance for relocating to distant posts, better training for reinstating employees, and the adoption of a prior approval system for working during non-business hours.

Happy IBK TFT

IBK forms a TFT when, as in the case of the 52 hour work week, labor and management have to work together to adopt a particular policy. IBK created the 'Happy IBK TFT' with the objective of using it as a communication window for discussing policies that could make IBK a happier workplace. In 2018, some of the issues discussed at the Happy IBK TFT meetings included plans for implementing a flexible working hour system and plans for reducing the number of working hours.

Increasing Labor management Exchanges

Another approach taken to establish a labor management culture of communication and cooperation lies in expanding mutual exchanges between labor and management. IBK is striving to improve employee teamwork and stimulate communication and cooperation through a diverse set of cultural and themed events, such as the self-paced learning camp for children of employees, the labor union soccer competition, and trekking on the Jeju Olle Trail.

Expanding Field oriented Communication

As part of IBK's field oriented management practices, the CEO visits each workplace to listen to the opinions, ideas and grievances of field employees. In 2018, the CEO made 222 workplace visits. Through these visits, the voices of the customers and the difficulties experienced by employees in the field and in the sales environment were relayed to the top management executives.



IBK Leaders Club Workshop



Visits Workplace

Employee Communication Channels



IBK Leaders Club

Representative employees selected in consideration of their position, region, and gender deliver diverse opinions from the business field to the management.

CEO Communication Postcard

Employees can resolve their grievances through direct communication with the CEO via confidential postcards.

National Meeting of Branch Managers

The bank's strategic directions can be shared with all employees through the meeting, which is attended by the heads of domestic branches, the heads of overseas branches, and the CEOs of subsidiaries.

Survey to Diagnose Organizational Issues





We conduct surveys to check and monitor employees' awareness of the corporate culture and to identify improvement tasks.

Special Page: Respect for Human Rights

Compliance with the Principles of the UN Global Compact

Since joining the UN Global Compact (UNGC) in November 2006, IBK has been complying with the ten UNGC principles in the fields of human rights, labor, environment, and anti-corruption. We are committed to fulfilling these ten principles to become a leading bank in co-prosperity and sharing activities



Human Rights 	Principle 1 Companies shall support and respect the protection of internationally proclaimed human rights. IBK Code of Ethics, Employee Code of Ethics, and Code of Conduct
Labor 	Principle 2 Companies shall make sure that they are not complicit in human rights abuses. Protection of customer information and prevention of stakeholders' human rights infringement
Environment 	Principle 3 Companies shall uphold the freedom of association and the effective right to collective bargaining. Operation of the Union Shop and the Labor-Management Council
Anti-corruption 	Principle 4 Companies shall uphold the elimination of all forms of forced and compulsory labor. Compliance with the Labor Standards Act and employment rules
	Principle 5 Companies shall uphold the effective abolition of child labor. Compliance with the ILO's Principles Concerning the Prohibition and Immediate Measures for Eliminating the Worst Forms of Child Labor
	Principle 6 Companies shall uphold the elimination of discrimination in employment and occupation. Open recruitment and regional balanced recruitment, youth internship program
	Principle 7 Companies shall support a precautionary approach to environmental challenges. Implementation of Green SCM Consulting and diagnosis on regulations for green growth
	Principle 8 Companies shall undertake initiatives to promote environmental responsibility. Operation of eco-friendly programs
	Principle 9 Companies shall encourage the development and diffusion of environmentally-friendly technologies. Substitution of paper forms of documentation with electronic forms
	Principle 10 Companies shall work against corruption in all its forms, including extortion and bribery. Evaluation of performance of integrity and anti-money laundering policy and clean contract system

Social Contribution

Expenditures on Social Contributions in 2018

KRW **1,056** billion

7.83% of net profits

No. of Volunteers in 2018

13,075 persons

Activities for Social Responsibility

We are now exiting the age of economic value creation in which profits and efficiency were all that mattered and entering into a new age of social value creation in which businesses must address the demands of society. For corporations, the importance of social responsibility, which includes social contributions, has become greater. As a government-owned bank, IBK makes the maximum effort to fulfill its social responsibilities. In particular, by launching truly charitable social contribution activities for SMEs and the socially vulnerable group, we will strive to become a true partner in sharing and giving hope to the people.

Major Social Contribution Activities in 2018

(Unit: KRW million, persons)

Category	Support Amount	No. of Volunteers (beneficiaries)
Local communities / Public interest	50,316	8,934
IBK Smile Micro Credit Bank	32,958	-
Academy / Education	9,739	2,259
Mecenat / Athletic events	10,862	1,700
Environment	310	31
Global	1,456	151

Vision for Social Contribution

Strategic Direction of Social Contribution

Key Projects

Leading CSR Management through Innovation of Financial Consumer-oriented Management


Enhancing the Brand Value of IBK by Fulfilling Our Social Responsibility

Improving the Welfare and Quality of Life of SME Employees

- IBK Youth Mentoring For Hope · Building Joint Childcare Centers
- Supporting Scholarships for Employees and Families
- Supporting the Medical Expenses of Employees and Families

Engaging in Social Contributions for the Underprivileged

- Operating 'A Truly Good Food Truck of Love'
- Supporting the Installation of Fire Detectors in Traditional Markets
- Operating IBK Eco Tours

Creating Jobs for Young Adults and Cultivating Social Enterprises

- SME Job Search Platform · SME Management Consulting
- IBK Social Venture Development Business

Performing Volunteer Work Through Employee Participation

- Volunteer Work in Korea · Volunteer Work around the World

Activating Support for Unpopular Sports

- IBK Altos Woman's Volleyball Team · IBK Rifle Shooting Team
- Sponsoring other Lesser-known Sports





Camp for Self-directed Learning at IBK's
Youth Mentoring for Hope



Scholarship Awards Ceremony for families
of SME employees

IBK Happiness Sharing Foundation

In March 2006, IBK established the IBK Happiness Sharing Foundation to improve the welfare of the families of employees working for small to medium-sized enterprises (SMEs). We provide medical expense assistance for employees of SMEs who are experiencing financial hardships in paying for the costs of treating incurable and serious diseases. We also provide scholarships to children of SME employees who need help with their tuition fees because due to financial difficulties. Other social welfare projects, such as the IBK Youth Mentoring for Hope, which provides school work mentoring services to children of SME employees, and the SME Joint Childcare project, which builds and operates child care centers for children of SME employees, have become the foundation for IBK's Co-up Financing.

IBK Youth Mentoring for Hope

As a virtuous circle mentoring project, our new employees become job mentors of young adults who want to join financial businesses, while the beneficiaries also become academic mentors for children of SME employees.

IBK Childcare Centers

The SME Joint Childcare Center helps SME employees dedicate themselves to social and economic activities by supporting the healthy growth and development of their children, thereby contributing to their work-life balance.

Supporting Children through Scholarships

We offer scholarships to children of SME employees who have shown enthusiasm for studying and an upright character in order to encourage their visions and dreams.

Supporting medical expenses

The medical expenses of SME employees whose family member(s) are suffering from rare incurable diseases or severe diseases, but who are excluded from benefits because they receive a monthly income, are supported.

Performance of the IBK Happiness Sharing Foundation in 2018

(Unit: KRW in millions)

Project	Support amount
IBK Youth Mentoring for Hope	578
IBK Childcare Centers (New)	284
Scholarships for employees and their family members	2,084
Support with medical expenses of employees and their family members	1,200
Other types of support	265
Total	4,411

IBK Smile Micro Credit Bank

In December 2009, IBK created the IBK Smile Micro Credit Bank to comply with the government's policy on helping low-income families start new lives and to provide practical assistance to such families. From support designed to help families with limited economic means achieve economic self-sufficiency, through consulting assistance in starting a business, advice on managing their credits, and employment opportunities, to our many different programs for lifestyle stabilization, IBK is working strenuously to create a platform of hope from which they can restart their lives. In the future, we intend to continue our activities aimed at giving people practical assistance in becoming financially self-sufficient by expanding our business. This expansion will take the form of developing new products to help people and of opening new branches to expand our national network.



Creation of Youth Employment and Vitalization of Social Economy

i-ONE JOB

Job Platform

for SMEs

I-ONE JOB, a specialized job platform for SMEs, is a system created to eliminate the shortage of human resources among SMEs. We provide SME recruitment related contents to this platform free of charge, and help to boost employment by connecting jobseekers with good job opportunities. In 2018, we began our 'Project to Create 100,000 New Jobs' in a bid to expand recruitment by SMEs.



Management

Consulting

Services for SMEs

(IBK Consulting)

IBK Consulting is an extended SME support system that provides both funds and comprehensive management consulting to SMEs. IBK launched IBK Consulting in 2003 as a consulting service, but it now also provides management, legal, tax and accounting-related consulting for SMEs. And, in 2018, IBK took another step beyond its business scope by launching its IBK Co-up Consulting service to play the role of a good companion for companies.



IBK Social Venture

Growth Support

Project

The goal of this project is to identify and support social ventures with strong growth potential in order to boost the social economy. The project provides funding for running a business, business management education, business strategy workshops, and mentoring for the development and operation of businesses. For the four-year period from 2016 to 2019, a total of KRW 580 million was provided to 33 businesses to fund their development.



Various Activities for the Socially Vulnerable Group

IBK

Eco Tour Project

The IBK Eco Tour project provides free tours to 21 national parks in Korea for children from marginalized families, people with disabilities, and elderly people who live alone. The IBK Eco Tour project is one example of the work we are doing to increase cultural benefits to people from disadvantaged backgrounds. IBK also provides other cultural experience programs such as traditional Korean cooking, and music and art therapy. Launched in 2013, this project has been enjoyed by 58,000 individuals to date.



Fire Detection

Facility Support

Project for

Traditional Markets

IBK donated KRW 110 million to a project for the installation of fire detection facilities in Korean traditional markets across the nation. In the event that the fire detection devices and CCTVs installed in these markets detect a fire, an alarm signal is automatically transmitted to the nearest fire station. IBK funding has enabled the installation of 1,154 fire detection facilities in 13 traditional markets.



Other Types of Aid

for the Socially

Vulnerable Group

IBK provides emergency relief to places in need of assistance after a disaster or catastrophe. In January 2018, when fire destroyed much of Mokpo Market, IBK donated funds for the recovery effort and special relief funds to the merchants who had suffered damages. Furthermore, in April of the same year, IBK donated KRW 200 million to help the victims of a fire that had ravaged parts of Goseong and Sokcho in the Gwangwon province. IBK sent its fleet of free food trucks, known as the 'IBK CHAM! Food Trucks of Love', to these places to help people deprived of food.



Pursuing Global Social Contribution Strategies

Global Volunteer Activities

In 2018, IBK carried out global volunteer activities in Indonesia. The IBK Global Volunteer Corps, composed of 73 employees, was flown to an area near Jakarta where they distributed educational supplies, made improvements to the classroom environment, and provided educational services in an elementary school. By engaging in volunteer work in developing countries, IBK is fulfilling its social responsibilities, expanding its global network, and developing cooperative relationships that could assist its entry into overseas markets.



Emergency Relief Aid for Indonesia

In September 2018, an earthquake with a magnitude of 7.5 hit Sulawesi, Indonesia, followed by a huge tsunami that resulted in more than 1,400 deaths. IBK responded to the disaster by sending emergency relief funds of IDR 4 billion (about KRW 300 million) to the region which was devastated by numerous human casualties as well as severe property damages.



IBK Eco-friendly Cookstove Project

The eco-friendly cookstove project was launched by IBK to fight climate change by supplying cookstoves to poor households in underdeveloped countries, with the aim of improving the environment and reducing carbon emissions. In what was a first for any Korean bank, IBK supplied 12,000 cookstoves to people in Myanmar, and the carbon emission rights obtained upon certification of the resultant carbon emission reductions were sold to Korean companies. The proceeds from this sale were used to purchase additional cookstoves, which were also supplied to Myanmar as part of a project with a positive feedback cycle.



Expanded Support for Sports

IBK Altos Women's Volleyball Team

The IBK Altos Women's Professional Volleyball Team is significantly contributing to the development and advancement of the Korean women's volleyball league. IBK ALTOS became the first professional women's volleyball team to reach the championship playoffs for six years in a row, reaching the semifinals in the 2017-2018 season. In addition, IBK supports social welfare institutions through the 'Spike of Love' donation program, whereby KRW 30,000 is accumulated for each score in a winning game. IBK is committed to social contribution activities in the realm of sports, operating a volleyball class for youths and providing group visitors with opportunities to watch ALTOS compete in matches.



IBK Shooting Team

The IBK Shooting Team won the gold medal at the 2014 Incheon Asian Games and the bronze medal at the 2019 ISSF World Cup held in New Delhi because the athletes were able to maximize both their individual skills and their team capabilities through powerful teamwork. In addition, by developing promising young players, IBK has made a significant contribution to popularizing the sport.



Sponsorship of Other Non-Popular Sports

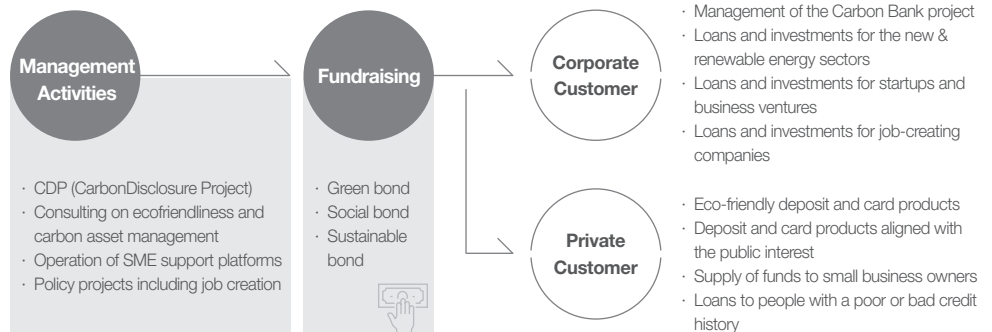
IBK is seeking to popularize non-popular sports by sponsoring the Korean national field hockey team and the national boccia team, a sport played by athletes with physical disabilities. Both teams are competing in qualification tournaments that could earn them spots at the 2020 Tokyo Olympic Games. In addition, IBK contributed to the successful hosting of the Pyeongchang Winter Olympic Games by sponsoring the national team, donating tickets, and organizing the gala ceremony for celebrating the hosting of the Olympics.



Raising Sustainable Investment Capital

Direction for Raising Sustainable Investment Capital

To build a sustainable society supported by finance, we raise capital from investors who demand that IBK fulfill its CSR. Afterwards, we channel the capital into developing and investing in financial products, thereby contributing to creating social value, such as investment in job-creating SMEs and the nurturing of green businesses



Eco-conscious Investors Conference

Through its IR activities with investors, the Bank confirmed the demand for eco-friendly investment in the global market. It is currently preparing to issue green bonds in a bid to explore new channels for overseas financing. To that end, IBK has explored differentiated exclusive values that can be provided to SMEs to generate an eco-friendly culture, and risk management by utilizing experts in overseas financial markets. It held a briefing meeting to share its achievements in promoting eco-friendly financial services to eco-friendly overseas investors.

Sustainable Bond

IBK Industrial Bank issued about KRW 300 billion worth of sustainable bonds in February of 2019 (priority order, three-year maturity and 1.93% interest rate) as well as Korea's first subordinated sustainable bonds worth 650 billion KRW in September of the same year (subordinated, ten-year maturity and 1.7% interest rate.)

As a policy lender, the bank aims to diversify its procurement market by identifying institutional investors interested in social responsibility, and to contribute to the vitalization of the bond market related to domestic ESG (Environment, Social, Governance) and the promotion of its public nature.

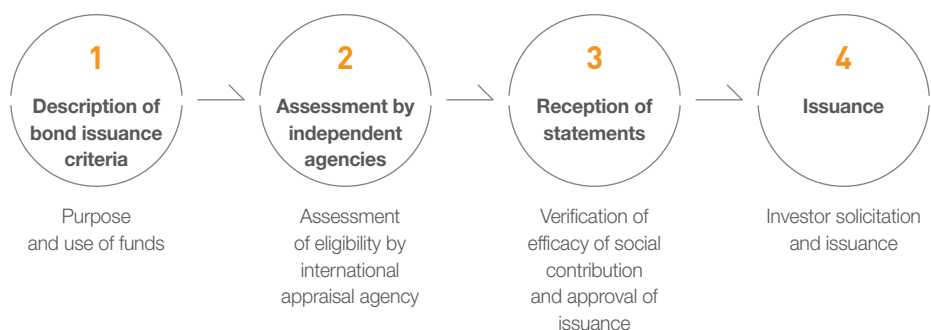
History of Social Bond Issuance

'17.11	Awarded opinion qualified to issue social bonds.
'17.12	Attended conference on social bonds and conducted IR (in Paris)
'18.5	Issuance proposal requested
'18.6	Overseas IR (in London, New York, etc.)
'18.7	Approved by the Ministry of Strategy and Finance
'18.8.2	Social Bonds Successfully Issued for the First Time in Korea

Social Bonds Successfully Issued for the First Time in Korea

Since 2017, IBK has made diverse efforts to issue social bonds, which are designed to realize such social values as the creation of jobs and support for SMEs. It successfully issued social bonds in August 2018 for the first time in Korea. Social bonds are issued to resolve diverse social issues, including support for vulnerable groups, the deployment of social infrastructure, and crime prevention. They are especially noted as Social Responsible Investment (SRI) has increased sharply in advanced countries. The Bank plans to apply the funds to support SMEs and startups to comply with the purpose of its establishment. Diverse affirmative effects are expected to be created, including the external disclosure of the effects of CSR programs and extension of fundraising foothold by securing SRI investors.

Social Bond Issuance Process



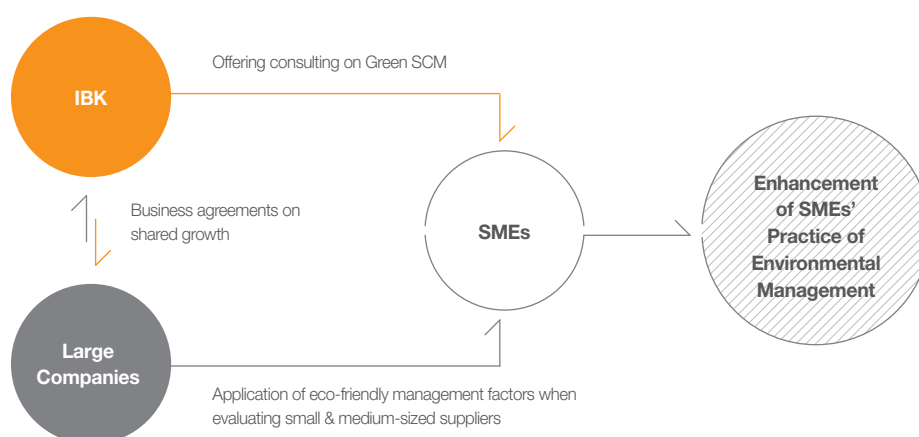
Support for SMEs' Eco-conscious Management

Direction of Support for Environmentally-friendly Management

IBK provides a consulting service that offers integrated solutions designed to enable SMEs to secure sustainability by practicing eco-friendly management. It also helps SMEs to enhance their market competitiveness by providing consulting services, including Green SCM Consulting, which support SMEs' energy management via business partnership agreements with large company and their development of eco-friendly action tasks, as well as certification by external agencies.

Green Supply Chain Management Consulting Service

Since 2011 we have provided SMEs with the Green Supply Chain Management Consulting service in collaboration with large companies. This service helps SMEs establish a GHG inventory and offers diverse useful information, including the best practices in environmentally-friendly management, and encourages their participation, as well as enhancing their efforts to practice environmentally-friendly management. Moreover, large companies give extra credits to SMEs that pursue environmentally-friendly management when selecting and evaluating their suppliers to build a sustainable supply chain.



Consulting for Eco-friendliness Certification and Development of Action Plans

Our consulting service encompasses safety and disaster prevention, the development of new eco-friendly businesses, and the acquisition of environmental certifications. We diagnose SMEs' environmental management status and propose improvement measures suited to their organizational structures and management systems, thereby helping them to obtain environmental management certifications, prepare anti-fire strategies, and comply with the criteria for entrance into the supply chain of large corporations. This consulting service has attracted the active participation of SMEs that need an eco-friendly business record in order to explore overseas markets by obtaining factory sites and government policy-based funding on preferential terms, SMEs that aim to diversify into eco-friendly business, and SMEs seeking preferential treatment by large enterprises through eco-friendly business.

1 Diagnosis of Internal and External Conditions	2 Promotion and Identification of Improvement Tasks	3 Execution and Follow-up Management
<ul style="list-style-type: none"> Analyze current environmental management activities Establish environmental management action plans 	<ul style="list-style-type: none"> Review the possibility of execution Identify improvement tasks and action plans 	<ul style="list-style-type: none"> Support eco-friendly business certification Establish firefighting and safety assurance plans Meet the requirements of large companies

Introduction to the Climate Finance Market

Carbon Disclosure Project (CDP)



IBK's Participation in Entities for Response to Climate Change

- Decision-making committee for allocation under the Korean Emissions Trading System (K-ETS)
- Korea Carbon Finance Association
- 2030 Greenhouse Gas Reduction Roadmap Committee
- K-ETS Market Stabilization Association
- International ETS Research Association
- Green Finance Experts Forum, Ministry of Environment



Foundation for Climate Finance

Since the global community adopted the Paris Agreement on Climate Change, which declared participation in countermeasures to climate change in 2015, long-term projects have been systematically carried out in Korea to reduce greenhouse gas emissions in order to maintain competitiveness in addressing climate change and the related discussion. As the Korean government has declared its intention to reduce greenhouse gas emissions by 30% against the estimate value based on Business As Usual (BAU) by 2030, it is required to make aggressive investments while restructuring industries in order to reduce the current volume of greenhouse gas emissions drastically. IBK pursues its role as a financing service for GHG reduction by cooperating with local academic and research institutes while participating in projects to disclose carbon information. This is for its effort and information disclosure in responding to climate change. In addition, to induce and support SMEs' participation in the response to climate change, it provides consulting on carbon asset management and a brokerage service for the trading of greenhouse gas emissions, and finances new and renewable energy projects.

Participation in the Global Carbon Disclosure Project (CDP)



IBK has participated in the Carbon Disclosure Project (CDP) by accommodating the public demand for carbon-conscious management to actively induce investment from eco-friendly investors. It has disclosed its environmental responsibilities transparently by submitting its report on superior carbon management performances to the Carbon Disclosure Project (CDP), a non-profit organization based in the UK. It is expected that its disclosure of carbon management will assist its efforts to induce investment as green bonds and other eco-friendly bonds have become active in the securities market.

Participation in External Activities Against Climate Change

IBK collects diverse opinions from its stakeholders while sharing the status and performance of its activities against climate change by participating in local agencies, in order to set up the roles of the financial industry concerning its response to climate change and the greenhouse gas emissions trading system. In addition, it explores ideas that can be applied to its business while surveying the latest developments in climate-related financing and the greenhouse gas emissions trading system.

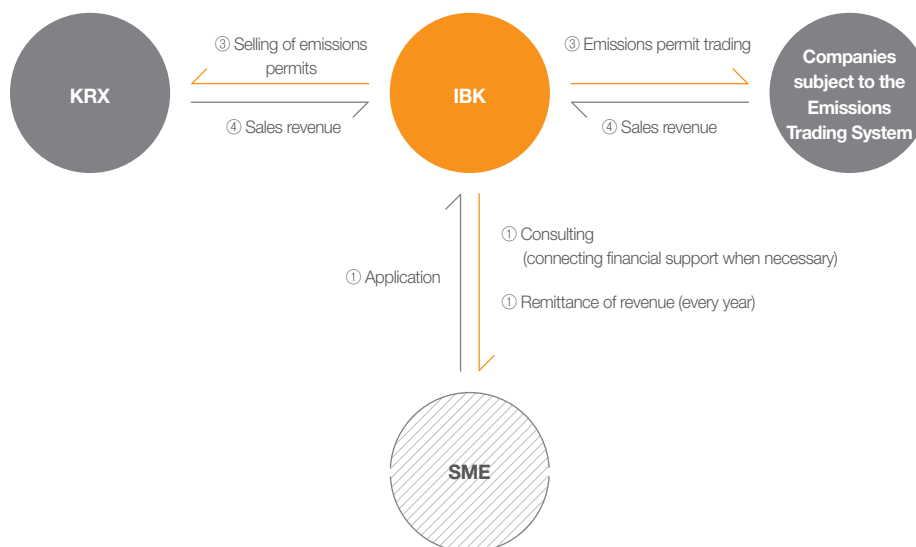
Provision of Consulting on IBK's Carbon Asset Management

Eliminating risk factors associated with climate change and the development of new services have emerged as core topics, as carbon management has emerged as new management agenda, including the UNFCCC, the Korean emissions trading system, and energy target management in connection with greenhouse gas emissions. IBK provides consulting on carbon asset management to qualified businesses aiming to comply with the social demand for a concerted response to climate change, including those participating in the greenhouse-gas related energy target management system, businesses subject to emissions right trading, businesses requiring the emissions offset service, and businesses for which carbon management is essential.

1 Diagnosis of Current Conditions	2 Identification of Management Plans	3 Carbon Asset Management
<ul style="list-style-type: none"> • Process assessment and analysis of responses against regulations • Organization management and assessment of infrastructure • Modeling and prediction of future environment 	<ul style="list-style-type: none"> • Reorganization for optimum management • Preparation for management processes • Establishment of an emissions permit supply and demand plan • Preparation for internal and external reduction plans 	<ul style="list-style-type: none"> • Brokerage of emissions permit trading • Real-time consulting • Offering of market analysis reports 

Promoting IBK Carbon Bank Project

To vitalize the Emissions Trading Scheme (ETS), the market for trading greenhouse gas emissions, IBK shares the revenue generated by selling the right to discharge greenhouse gas secured from SMEs through the IBK Carbon Bank Project. IBK sells or arranges the sale of greenhouse gas emission rights acquired by SMEs by reducing the emission of greenhouse gas to the Korea Emission Trading Scheme (K-ETS) or to other businesses that desire to purchase the trading right. IBK deducts the revenue accrued from the sale or intermediation from loans to the SMEs or transfers it to them in cash.



Renewable Energy Support System

IBK has established diverse three-dimensional support systems to explore and foster SMEs that run new businesses in the new and renewable energy sector. In compliance with the government's policy to foster the new and renewable energy related industries, IBK has increased its support to the new and renewable energy industries in the form of loans and project financing, including those related to solar energy and energy storage systems. In 2018, it supported the development of new and renewable energy fuel by promoting financial arrangement to a factory that produces wooden pellets (fuel for biomass power plant).

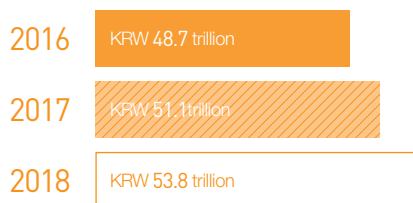
Type	Support	Support Amount	Cases
Loan	(Project) Solar Power Facility Investment Loan	KRW 32.1 billion	51
PF	(Project) New & Renewable Energy Co-prosperity Guarantee Loan	KRW 44.7 billion	79
	(Target) Solar power generation, ESS	KRW 101.5 billion	1

Win-win Guarantee Fund for Renewable Energy

In a bid to nurture the renewable energy business and promote cooperation between large corporations and SMEs, we have raised the "Renewable Energy Win-win Guarantee Fund" in collaboration with large companies and power companies. This fund has been supporting SMEs engaging in the renewable energy business as a loan product based on credit certificates issued by certification agencies. IBK accomplished the result of KRW 3.6 trillion in loans at the end of the relevant year after starting with a KRW 300 billion loan agreement signed in September 2017.

Creation of Social Economy

Status of financing to local SMEs



20 or fewer employees Status of loans to SMEs

258,240 SMEs
KRW 104.5 trillion loaned

(As of end of 2018)

Social Economy and Balanced Growth

The pursuit of social economy and balanced regional growth has been emphasized to promote the development of local communities, create jobs, and improve the level of social welfare. In this regard, IBK promotes inclusive finance by expanding support for local SMEs and microenterprises, in addition to improving the financial accessibility of companies that create social value.

Increased Support for Local SMEs

With the aim of promoting balanced regional growth and vitalizing the local economy, IBK has been expanding support for local SMEs. We introduced special policies to support local SMEs, including the application of a lower LTV ratio and relaxation of the standard for collateral assessment and feasibility studies. This support is especially focused on 63 local industrial complexes with the aim of stimulating the local economy in a strategic manner. IBK supplies funds in alliance with the central and municipal governments, the central bank, and credit guarantee foundations. In addition, IBK performs the role of funneling low-interest funds utilizing the central bank's program for supporting local SMEs.

More Benefits for Small Businesses

IBK supports the growth of small businesses (with 20 or fewer employees) to stabilize the livelihood of low-income employees and strengthen the fundamentals of SMEs. Based on a fund supply plan specifically tailored to them, we have improved their financial accessibility by introducing exclusive non-face-to-face-channel products. Moreover, a variety of benefits are offered, including deferred principle redemption and deferred or exempted interest on long-term loans by installment.

Financial Support for Expansion of Social Enterprises

Since signing a business agreement with the Korea Social Enterprise Promotion Agency and the Korea Credit Guarantee Fund, IBK has provided guaranteed loans of KRW 100 billion to certified social enterprises, with the aim of disseminating a culture of social value creation and building an ecosystem for the social economy. Regardless of their contribution to transactions, we apply a lower interest rate of 1.3% and support 0.2 % of their guarantee fee every year (maximum of 1% for five years). In addition, IBK Investment & Securities created the first KRW 11 billion social enterprise investment fund in the securities industry to expand social value in the capital market. In particular, we invested KRW 8.1 billion in seven social enterprises in 2018.

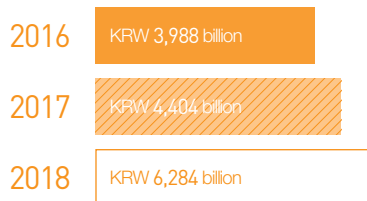
Crowd-Funding Activities

IBK has founded the Business Investment Information Forum to help businesses and investors to grow together in order to promote crowd funding, which enables businesses with excellent business ideas and technologies to raise funds from many small-sum investors. The IBK Business Investment Information Forum serves as a marketing channel promoting investment target company by providing inclusive investment information on success cases and investment methods. We provide financial expenses of KRW 1 million to companies that successfully raise capital through crowd funding and meet our support program conditions. Other types of support include the IBK HOPE-funding Loan and the IBK Follow-up Matching Investment Association, which are executed in collaboration with guaranteed firms. In March 2016, IBK Investment & Securities registered for the first time in the securities industry to raise and supply funds to startup companies by registering a brokerage company to online small investment (also known as crowd-funding.) In 2018, we achieved KRW 14.7 billion in funds and 8 successful companies.

Greater Support for Cultural Content Companies

The cultural content business is a new growth engine for the Korean economy which can generate new added values through convergence with various sectors and create many new jobs. In this regard, IBK is expanding financial support for the business while continuously exploring and supporting small but promising companies in the fields of film, broadcasting, performance, and music.

Supply of Funds to the Cultural Content Industry



Financial Support for the Cultural Content Industry

IBK focuses on cultivating cultural content companies with the aim of securing a growth engine and realizing social value by helping vitalize the art and culture business. Based on our mid- to long-term support plan, we plan to provide KRW 1.2 trillion to the business by 2019, which is 1.6 times the amount provided in the last three years. In 2018, we supplied KRW 628.4 billion, clearly consolidating our position in this business.

Diversified Cultural Content Investment Portfolio

IBK invested KRW 3.0 billion in two projects driven by indirect investment associations specializing in cultural content to diversify our investment portfolio, thereby contributing to the vitalization of the cultural content industry

Amount of investment in cultural contents

Category	Total amount of equity investment	IBK's Contribution	Remarks
Daesung Blossom Job Creation Fund	KRW 30.1 billion	KRW 2 billion	Support for contents SMEs and startups.
KTBN Future Contents Job Creation Fund	KRW 30 billion	KRW 1 billion	Support for content companies with overseas business.
Total	KRW 60.1 billion	KRW 3 billion	

Creating Jobs through Collaboration with Cultural Content Institutions and Businesses

Through cooperation with cultural content-related organizations and businesses, we are responding to the policy on job creation. In particular, through the business agreement with the Korean Film Council in September 2018, we contributed to the creation of jobs, shared growth, and investment in independent and low-budget films. In addition, through a mutually beneficial agreement with Lotte Cultureworks in September, we provided financial support to SMEs in the film industry with profits from the movie 'Along with the Gods'.



Films invested by IBK

Fulfilling our Public Role in Cultural Content Financing

For the enhancement of Co-up Financing collaboration with cultural content-related institutions and businesses, IBK selected a financial institution for the secondary preservation business agreement for content companies by the Ministry of Culture, Sports and Tourism and released relevant products. Furthermore, we contributed to the virtuous cycle of the movie industry by investing part of the profits from the commercial film investment into independent and low-budget films in order to fulfill our public role of expanding investment in independent and low-budget films.

Development of Products for Greater Public Interest



IBK W Account

Diverse Deposit Products for the Public

IBK has launched a variety of deposit products to enable people from all generations to participate in sustainable finance. These products are designed to help employees stably build their assets and to help military personnel stand on their two feet after completing their military service. We have also expanded the number of recipients who can use accounts without being subject to seizure, and launched financial products that appeal to minors to allow them to continuously use the bank's services. These products aim to offer greater benefits to more members of our society.

Deposit Products	Key Features	Total Deposits (Accumulated as of December 31, 2018)
IBK W Account	<ul style="list-style-type: none"> Exemption of financial transaction fees for workers and their family members when receiving their salary. Exemption of fees for money transfer from IBK to other banks through e-finance and ATMs and other fees. 	KRW 5,658 billion
IBK Narasarang Account	<ul style="list-style-type: none"> Unlimited exemption from various financial fees during military service, benefits offered in accordance with transaction patterns even before and after completing military service, and linkage with the Narasarang (Love My Country) card. Exemption of various fees, benefits offered on major foreign currency exchanges. 	KRW 1,173 billion

Launch of Financial Products for the Public and the Vulnerable Group

We make concerted efforts to help people address their financial difficulties. In this regard, we are developing installment savings products for customers who faithfully redeem their loans so that they can build their assets. We are also providing vulnerable groups with installment savings products with high interest rates.

Deposit Products	Key Features	Total Deposits (Accumulated as of December 31, 2018)
IBK Smile Dream Installment Account	<ul style="list-style-type: none"> Assisting customers who have faithfully repaid their microfinance loans to stably form their property Provision of interest rate incentives according to the contract term after the Korea Inclusive Finance Agency screens customers' qualifications and issues a letter of reference 	KRW 4 billion
IBK Sarang Nanum (Sharing Love) Installment Account	<ul style="list-style-type: none"> An installment account exclusive to the underprivileged, including the disabled, child breadwinners, and single parents living on welfare benefits If the account reaches maturity, the same interest rates are applied to the account holder as preferential interest rates 	KRW 584 billion

Development of a Donation Culture Utilizing Credit Card Reward Points

When financial consumers agree to donate their remaining balance in expired pre-paid cards or credit card reward points, IBK delivers the money to the Credit Card Foundation, which then spends the money on supporting low-income families, small-scale credit card member stores, public research activities, and social welfare services. IBK has donated KRW 320 million so far, and will donate KRW 2.6 billion over the next five years.

Card Products to Facilitate SMEs' Business Operation

In a bid to promote IBK Co-up Financing, we have launched a variety of credit card products aimed at helping SMEs run their businesses in a sustainable way. These products contribute to reducing their financial transaction costs and provide them with various benefits necessary for business operation, thereby facilitating their financial activities.

**IBK
Mutual Growth
Card**



**IBK
Mutual Success
Card**



Deposit Products	Key Features	Total Deposits (Accumulated as of December 31, 2018)
IBK Mutual Growth Card	<ul style="list-style-type: none"> Exemption of financial fees to help SMEs reduce their fundraising and transaction costs Exemption of transfer fees through e-finance and the installment fee from the last month 	KRW 3,061 billion
IBK Mutual Success Card	<ul style="list-style-type: none"> Provision of diverse benefits when SMEs go on overseas business trips and conduct local operations Discounts at gas stations, reward points in domestic/overseas member stores, free access to airport lounges 	KRW 4,036 billion

Card Products Aligned with the Public Interest

We have launched credit cards designed to promote the public interest to disseminate the culture of sustainable finance. The Green Card offers benefits when customers reduce their energy consumption, such as electricity, water and gas, or use public transportation. Another credit card provides transportation costs to help SMEs address difficulties in employment and encourage youth to find jobs.

**IBK
Narasarang Card**



Deposit Products	Key Features	Total Deposits (Accumulated as of December 31, 2018)
Green Card V2	<ul style="list-style-type: none"> Contribution to disseminating a low-carbon, eco-friendly consumption culture by helping people to get involved in green finance. Cashback for eco-money points and usage of points in paying apartment maintenance fees, electricity bills, and cellphone bills. 	KRW 157 billion
IBK Narasarang Card	<ul style="list-style-type: none"> Provision of benefits exclusive to soldiers, including discounts at PX, convenience stores, accommodation, and language classes, along with free accident insurance policies regardless of the usage records or integrated discount limits The highest interest rate is offered on the IBK National Armed Forces' Hope & Preparation of Installment Account. Those who have completed their military duty are eligible 	KRW 1,566.2 billion
A Truly Good Friend, Walking Together with Youth Card	<ul style="list-style-type: none"> Provision of diverse benefits when SMEs go on overseas business trips and conduct local operations Discounts at gas stations, reward points in domestic/overseas member stores, free access to airport lounges 	KRW 477 billion

Appendix

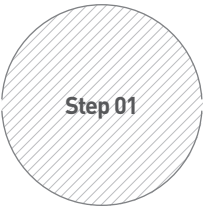


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Materiality Assessment

Materiality Assessment Process

IBK has launched a variety of deposit products to enable people from all generations to participate in sustainable finance. These products are designed to help employees stably build their assets and to help military personnel stand on their two feet after completing their military service. We have also expanded the number of recipients who can use accounts without being subject to seizure, and launched financial products that appeal to minors to allow them to continuously use the bank's services. These products aim to offer greater benefits to more members of our society.



Identification of an Issue Pool

We implemented an analysis of global sustainability issues and reporting standards to understand recent sustainability management trends, and conducted benchmarking of advanced financial companies and media research to gain stakeholders' perspectives. Review of corporate documents including earnings and business reports and in-depth interviews with employees allowed us to monitor the direction and performances of our sustainability management activities. A total of 45 issues were identified through this process.

Analysis of Global Standards	Analysis of Current Status
<ul style="list-style-type: none">• GRI Standards• DJSI (Dow Jones Sustainability Indices)• ISO 26000• SDGs (Sustainable Development Goals)	<ul style="list-style-type: none">• Earnings report• Business report, operating report, audit report• Annual report• In-depth interview with employees
Benchmarking of Advanced Companies	Media Research
<ul style="list-style-type: none">• Checked sustainability management strategies, activities, and performances in the financial industry at home and abroad• Analyzed reporting topics and priorities in sustainability reports of 10 competitors	<ul style="list-style-type: none">• Checked IBK-related news articles and issues in the fields of economy, environment, and society



Prioritization of Issues

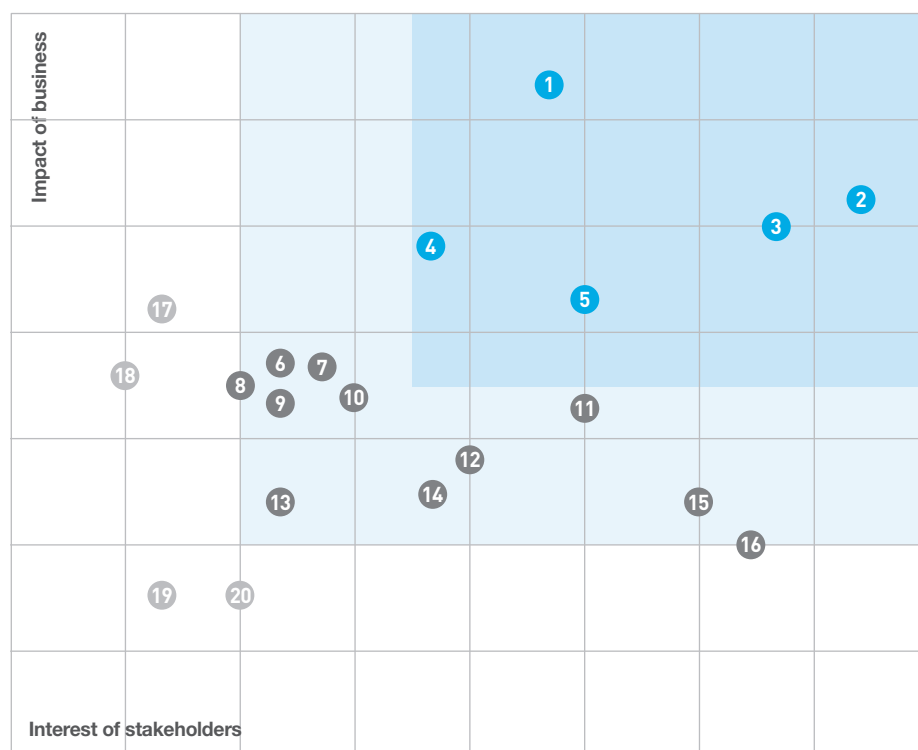
To select material issues that IBK should consistently manage from the pool, we evaluated the interest levels of stakeholders and business impacts in four aspects of strategy, finance, operation, and reputation. This process enabled us to understand the impact of each issue on our business and to prioritize issues in accordance with the stakeholders' perspective.



Materiality assessment results

A total of 20 major issues and 5 material issues were identified through the materiality assessment considering IBK's business relevance and social impact. We categorized the issues into three material topics for a more transparent report on IBK's sustainability management activities and performances.

Materiality Assessment Matrix



- | | |
|---|--|
| 1 Create economic value through business activities | 11 Enhance business activities centered on customer satisfaction |
| 2 Contribute to vitalizing economy through financial supports for SMEs and startups | 12 Encourage employees' charity and volunteer work |
| 3 Expand digital finance (Fintech, mobile platform, etc.) | 13 Strengthen anti-money laundering systems |
| 4 Expand green investment portfolio | 14 Develop eco-friendly products and services |
| 5 Protect personal information of customers (bank fraud, cyber security, etc.) | 15 Create a positive work environment |
| 6 Prohibit discrimination and improve human rights | 16 Pursue fair employment and create quality jobs |
| 7 Activate communication with stakeholders | 17 Cultivate financial experts by sharpening employee capabilities |
| 8 Manage social contribution performance and check social impact | 18 Provide appropriate Compensation compared to legal minimum wage |
| 9 Improve accessibility of the financially vulnerable class (disabled, elderly, etc.) | 19 Tighten monitoring of GHG emissions |
| 10 Prevent unfair practices and corruption | 20 Reduce energy consumption |

Definition of Material Topics

NO.	Material Issue	Material Topic	GRI Topic	SDGs	Page
1	Contribute to vitalizing economy through financial supports for SMEs and startups	Comprehensive financial supports for SMEs	Indirect economic impacts (GRI 203)	Goal 8, 9	p.18-39
2	Create economic value through business activities	Promotion of sustainable finance	Economic performance (GRI 201)	Goal 7, 8	p.68-75
3	Increase green investment portfolio				
4	Expand digital finance	Enhancement of services for financial consumers	Customer privacy (GRI 418)	Goal 10, 17	p.50-53, p.59
5	Protect personal information of customers				



Stakeholder Engagement

Direction of Stakeholder Engagement

Considering their impact on and significance for our sustainability management activities, IBK defines its key stakeholder groups as customers, employees, SMEs, local communities, the government, shareholders & investors. We also operate a variety of communication channels to encourage their participation in our communication activities in order for us to understand their expectations and opinions. IBK lays solid foundations for win-win growth by reflecting its management strategies through active communication with its stakeholders.

Policies for Stakeholder Participation

- IBK has defined the participation of its stakeholders with minimum requirements for promoting mutual communication and collaboration with its stakeholders.
- IBK promptly provides transparent information to its core stakeholders, including SMEs, personal customers, officers, employees, local community residents, government, shareholders, and investors.
- IBK operates opinion collection channels in which the stakeholders may freely participate anytime anywhere irrespective of whether a significant business issue has arisen or not.
- IBK protects the right to know by providing information concerning the history, key contents, and countermeasures as soon as any significant issue arises.

Stakeholder group	 	
Key expectations and requirements	SMEs	Individual customers
	<ul style="list-style-type: none"> • Offer financial support for SMEs • Win-win growth promoted between small and large businesses • Pioneer overseas markets • Create jobs and improve work conditions • Inherit management rights and survive in market 	<ul style="list-style-type: none"> • Protect personal information • Prevent financial accidents • Resolve customer complaints • Operate customer satisfaction services and channels • Launch differentiated financing products
IBK's response efforts	<ul style="list-style-type: none"> • Operate a platform to promote IBK Co-up Financing • Offer consultations tailored to growth stage • Conduct Corporate Partnership for Shared Growth • Support corporate financing for startups • Financial support for new growth businesses • Support for increased capital investment and emergency financing 	<ul style="list-style-type: none"> • Build and strengthen infrastructure for information protection • Enhance financial accident prevention systems • Promote consumer-centric management • Sharpen competitiveness in digital finance
Communication channels	<ul style="list-style-type: none"> • IBK Changgong • Corporate Partnership for Shared Growth • IBK Job Creation Investment Association • IBK Top Managers Club • IBK Women Managers Club • IBK Future Managers Club 	<ul style="list-style-type: none"> • Homepage • Sign Language Service • Customer satisfaction degree survey • IBK Fintech Dream Lab • IBK Support Center One-Stop Counseling Service • i-One Bot

Stakeholder Selection and Opinion Gathering Process

Step 01 Selection of Stakeholders

We identify stakeholder groups that correspond with the direction of IBK's sustainability management activities, and then select key stakeholders who may have significant effects on our sustainable growth, such as profit creation and social value realization.

Step 02 Participation of Stakeholders





To ensure IBK's continuous growth in sustainable management, we operate a variety of communication channels to gather and share stakeholders' opinions. In particular, we hold meetings and discussions with shareholders, customer panels, and the labor-management council for ongoing communication.

Step 03 Sharing of Stakeholder Issues

IBK operates a permanent organization consisting of the responsible officers and employees of its affiliated companies under its leadership to share opinions with its stakeholders and implement sustainable management.

Step 04 Reflection of Stakeholder Voices

We discuss material sustainability management issues regularly and apply key issues in our management activities to cement the foundation for sustainable growth.

 Employees	 Local communities	 Government	 Shareholders & Investors
<ul style="list-style-type: none"> • Encourage employee communication • Offer talent training • Improve employee benefits • Establish a healthy labor-management culture • Build a transparent organizational structure 	<ul style="list-style-type: none"> • Secure financing for low-income earners • Improve accessibility of the financially vulnerable class • Build cultural infrastructures • Contribute to local communities and expand volunteer works • Protect the environment and respond to climate change 	<ul style="list-style-type: none"> • Comply with finance-related regulations and systems • Participate in SME support policies • Promote complete sales of financial products • Secure transparency in management activities 	<ul style="list-style-type: none"> • Create profits and pursue operational efficiency • Enhance mid- to long-term business strategies • Secure effectiveness in investments
<ul style="list-style-type: none"> • Promote field & communication-centric management • Improve work conditions • Pursue a healthy work-life balance • Run financial expert cultivation programs • Enhance communication between labor and management • Operate subcommittees under the BoD 	<ul style="list-style-type: none"> • Non-financial support • Support the growth of SMEs and their employees • Alleviate the polarization of digital finance • Lead the vitalization of cultural contents • Expand eco-friendly role in financial business 	<ul style="list-style-type: none"> • Participate in government-led public projects • Participate in government-led focal projects • Conclude business agreements with the relevant institutions • Compliance checklist and report 	<ul style="list-style-type: none"> • Increase operating performances • Establish mid- to long-term business strategies • Manage businesses centered on material issues • Enhance investment values
<ul style="list-style-type: none"> • Leaders Club • Communication Postcard • Community of Practice (CoP) • Questionnaire survey for diagnosis of organization • Knowledge Concert • Labor-Management Council • In-company Intranet • UC Messenger • Internal SNS • IBK Newsletter • SMART ON Application • Staff meeting of each department • Operation Committee, Remuneration Committee, Risk Management Committee 	<ul style="list-style-type: none"> • SME Consulting • IBK Happiness Sharing Foundation • IBK Smile Micro Credit Bank • Workplace day care centers for SMEs • Job World • Carbon information disclosure project • Visual ARS • Support for promotion of lesser-known sports • IBK Nature website project 	<ul style="list-style-type: none"> • Cooperation programs for government inspection • Regular reporting • Business agreement with relevant institutions • M&A Support Center • Government-hosted conference and workshop • Activities by Korea Federation of Banks • Management report by public entities 	<ul style="list-style-type: none"> • Annual report • IR website • IR conference • Sustainability Report • Shareholders' meeting • Information disclosed

Performance Data

Economy

Direct Economic Value Generated

(Unit: KRW in millions)

	2016	2017	2018
Total Assets	256,851,380	274,069,731	289,509,449
Operating income	1,532,591	2,028,323	2,396,435
Profit for the year	1,164,601	1,508,528	1,764,278

Direct Economic Value Distributed

(Unit: KRW in millions)

		2016	2017	2018
Customer	Interest	2,298,499	2,266,958	2,705,034
Shareholders and investors	Dividends	294,675	316,023	407,702
Employee	Payroll	1,038,851	1,110,901	1,198,515
	Benefits	7,855	8,024	8,351
Government	Corporate tax	352,578	445,098	635,189
Community	Investment for social contribution	45,494	97,589	105,639

Deposit for Retirement Pension

		2016	2017	2018
Defined Benefit (DB)	Date started	28 December 2011	(Unit: KRW in billions, persons)	
	Current value of liabilities	6,152	7,383	8,529
	Persons subscribed	12,463	12,813	12,652
Defined Contribution (DC)	Date started	28 December 2011	(Unit: KRW in millions, persons)	
	Expenses for retirement allowance	290	527	2,508
	Persons subscribed	28	32	402

Payments to the Government

(Unit: KRW in thousands)

	2016	2017	2018
Calculated tax amount	318,910,455	352,909,036	405,192,616
Tax credit	3,810,449	4,720,734	6,040,500
Finalized tax amount	315,100,006	348,188,303	399,152,116

Information Protection

(Unit: No. of cases)

	2016	2017	2018
Number of leaks of customer information	0	0	0
Number of violations of customer information statutes	0	0	0

Lawsuit and Penalties

- 1) Some full-time and temporary employees brought a suit aimed at including a regular bonus in ordinary wages against the bank. The case is under way, and we expect that contingent liabilities with regard to the case will amount to KRW 77.6 billion.
- 2) There is no current penalty or sanction due to market order offences such as violations of the domestic laws and regulations or unfair trade rules.

Environment

Water Usage

*Based on the head office data (Unit: ton)

	2016	2017	2018
Water works	46,708	34,765	28,588
Underground water	67,748	54,959	49,707
Total	113,826	89,724	78,265

Energy Usage

*Based on the head office data (Unit: TJ)

	2016	2017	2018
Power used	124.845	111.756	101.412
Fuel used (gas)	123.148	118.174	128.055
Total	248.993	229.930	229.467

*The GHG Energy Statement only displays energy usage based on the usage of power/fuel/steam

Energy Intensity

*Based on company-wide data (Unit: TJ, KRW billion, TJ/KRW billion)

	2016	2017	2018
Energy used	1,286.124	1,186.567	1,214.000
Total assets	256,851	274,070	289,510
Energy intensity	0.0050	0.0046	0.0047

GHG Emissions

*Based on company-wide data (Unit: tCO2e)

	2016	2017	2018
Total GHG emissions	64,850	59,940	61,300
Direct emissions (Scope1)	11,800	11,443	12,497
Indirect emissions (Scope2)	53,501	48,497	48,804

GHG Emission Intensity

*Based on company-wide data (Unit: KRW billion, tCO2e/KRW billion)

	2016	2017	2018
Total assets	256,851	274,070	289,510
GHG emissions intensity			
Total	0.25	0.23	0.24
Direct	0.05	0.04	0.05
Indirect	0.21	0.19	0.19

Non-compliance with Environmental Laws and Regulations

(Unit: No. of cases)

	2016	2017	2018
Non-compliance with environmental laws and regulations	0	0	0

Activating the E-document System

IBK has become the first bank to install tablet PCs at all counters of its branches in order to activate the e-document system. This initiative was when establishing the "IBK e-document system" to secure a paperless culture, with which we expect to innovatively reduce paper consumption and the relevant expenses. We saved KRW 4.5 billion in costs by substituting the consumption of around 54 million sheets of paper for the year.

Creating an Eco-friendly Workplace

Construction work to create an eco-friendly workplace is under way at the head office. We are currently installing a solar photovoltaic power generation system at the IBK Finance Tower to obtain our own energy. We will continue to expand the use of eco-friendly energy to actively join the government's GHG & energy target management scheme and its energy-saving policy.

Encouraging Green Purchasing

IBK is proactive in purchasing green products in accordance with the Low Carbon Green Growth Act.

Social

Number of Employees

(Unit: Persons)

		2016	2017	2018
Contract terms	Executives (Male)	3	3	3
	Executives (Female)	0	0	0
	Regular workers (Male)	4,923	5,135	5,296
	Regular workers (Female)	3,396	3,625	3,728
	Contract worker (Male)	758	746	711
	Contract worker (Female)	3,446	3,395	3,415
Total		12,526	12,904	13,153
Position	Executives (Male)	3	3	3
	Executives (Female)	0	0	0
	1st rank (Male)	52	58	56
	1st rank (Female)	6	5	7
	2nd rank (Male)	238	313	312
	2nd rank (Female)	12	15	12
	3rd rank (Male)	1,719	1,746	1,626
	3rd rank (Female)	295	366	443
	4th rank (Male)	1,637	1,690	1,734
	4th rank (Female)	1,306	1,357	1,366
	Bank clerk (Male)	1,277	1,328	1,568
	Bank clerk (Female)	1,777	1,882	1,900
	Contract worker (Male)	758	746	711
	Contract worker (Female)	3,446	3,395	3,415
Total		12,526	12,904	13,153
Ages	Under 30 (Male)	789	817	677
	Under 30 (Female)	1,831	1,730	1,201
	Over 30 - Under 50 (Male)	3,186	3,256	3,418
	Over 30 - Under 50 (Female)	4,748	4,961	5,365
	Over 50 (Male)	1,709	1,811	1,915
	Over 50 (Female)	263	329	577
Total		12,526	12,904	13,153

New Employees

(Unit: Persons)

		2016	2017	2018
No. of New employees	Under 30 (Male)	120	246	198
	Under 30 (Female)	66	161	132
	Over 30 - Under 50 (Male)	2	2	9
	Over 30 - Under 50 (Female)	0	0	0
	Over 50 (Male)	0	0	0
	Over 50 (Female)	0	0	0

Employee Training Hours

(Unit: Hours, Persons)

		2016	2017	2018
Male	Total training hours	126,787	116,687	192,182
	Number of employees	4,831	4,872	5,706
	Average training hours per employee	26	24	34
Female	Total training hours	181,317	171,548	395,791
	Number of employees	6,094	6,391	6,989
	Average training hours per employee	30	27	57
Total	Average training hours per employee	56	51	91

Labor Practices

(Unit: Persons, %)

	2016	2017	2018
Total employees	12,220	12,626	13,153
Labor union members	9,676	9,899	9,963
Labor union membership rate	79%	78%	76%

Current Status of Parental Leave

(Unit: Persons)

	2016	2017	2018
Number of employees on parental leave (Male)	2	2	11
Number of employees on parental leave (Female)	1,565	1,435	1,386
Number of employees on maternity leave (Male)	296	269	269
Number of employees on maternity leave (Female)	801	714	663

*Male: Spouse's maternity leave/ Female: Pre & post maternity leave

Current Status of Health Examination

(Unit: Persons)

	2016	2017	2018
Health examination support	10,496	11,825	12,013

Rate of Occupational Diseases and Vulnerable Employees

(Unit: Persons)

	2016	2017	2018
Patients with abnormal test results in health examination	1,069	991	995

Policy Impact

(Unit: KRW 1 billion)

	2016	2017	2018
Membership Fees for Related Associations	29.2	32.7	31.2
Korea Federation of Banks	8.6	8.3	9.2
Credit Finance Association	1.8	2.1	0.2
Korea Financial Investment Association	17.7	20.9	21.4
Korea Life Insurance Association	0.7	0.9	0.0
Korea Chamber of Commerce and Industry	0.4	0.5	0.4

GRI Index

Universal Standards (GRI 100)

Classification	Disclosure	Indicators	Page	Remark
Organization Profile	102-1	Name of the organization	8	
	102-2	Activities, brands, products, and services	10-11	
	102-3	Location of headquarters	91	
	102-4	Location of operations	9	
	102-5	Ownership and legal form	8	
	102-6	Markets served	9	
	102-7	Scale of the organization	9	
	102-8	Information on employees and other workers	84-85	- The information of employees is included in the Business Report and Business Performance Report - The current employee status is the same as the Business Report
	102-9	Supply chain	69	
	102-10	Significant changes to the organization and our supply chain	69	No significant changes
Strategy	102-11	Precautionary Principle or approach	47-48	
	102-12	External initiatives	16-17, 63	
	102-13	Membership of associations	90	
	102-14	Statement from senior decision-maker	4-5	
	102-15	Key impacts, risks, and opportunities	47-48	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	12-13	
	102-17	Mechanisms for advice and concerns about ethics	62	
Governance	102-18	Governance structure	42-45	- The information of governance is included in the Governance and Reward System Annual Report
	102-19	Delegating authority	-	
	102-20	Executive-level responsibility for economic, environmental, and social topics	-	
	102-21	Consulting stakeholders on economic, environmental, and social topics	-	
	102-22	Composition of the highest governance body and our committees	42	
	102-23	Chair of the highest governance body	42	
	102-24	Nominating and selecting the highest governance body	42	
	102-25	Conflicts of interest	44	
	102-26	Role of highest governance body in setting purpose, values, and strategy	42	
	102-27	Collective knowledge of highest governance body	44	
	102-28	Evaluating the highest governance body's performance	45	
	102-29	Identifying and managing economic, environmental, and social impacts	-	
	102-30	Effectiveness of risk management processes	48-49	
	102-31	Review of economic, environmental, and social topics	-	
	102-32	Highest governance body's role in sustainability reporting	-	
	102-33	Communicating critical concerns	-	
	102-34	Nature and total number of critical concerns	-	
	102-35	Remuneration policies	45	
	102-36	Process for determining remuneration	45	
	102-37	Stakeholders' involvement in remuneration	45	
	102-38	Ratio of annual total compensation	82	
	102-39	Percentage increase in annual total compensation ratio	-	
Stakeholder Engagement	102-40	List of stakeholder groups	80-81	
	102-41	Collective bargaining agreements	85	
	102-42	Identifying and selecting stakeholders	80-81	
	102-43	Approach to stakeholder engagement	80-81	
	102-44	Key topics and concerns raised	78-81	
Reporting Practice	102-45	Entities included in the consolidated financial statements	8-9	The entities list is included in the Business Report
	102-46	Defining report content and topic Boundaries	2	
	102-47	List of material topics	78-79	
	102-48	Restatements of information	-	No re-description of information
	102-49	Changes in reporting	-	No change in reporting method
	102-50	Reporting period	2	
	102-51	Date of most recent report	-	2018 sustainability report
	102-52	Reporting cycle	2	
	102-53	Contact point for questions regarding the report	91	
	102-54	Claims of reporting in accordance with the GRI Standards	2	
	102-55	GRI content index	86-87	
	102-56	External assurance	88-89	

Topic-specific Standards

Economic Standards (GRI 200)

Classification	Disclosure	Indicators	Page	Remark
Economic Performance	103	Management Approach	68	
	201-1	Direct economic value generated and distributed	82	
	201-2	Financial implications and other risks and opportunities due to climate change	70-71	
	201-3	Defined benefit plan obligations and other retirement plans	57	
	201-4	Financial assistance received from government	-	
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	
	202-2	Proportion of senior management hired from the local community	-	
Indirect Economic Impacts	103	Management Approach	68	
	203-1	Infrastructure investments and services supported	72-73	
	203-2	Significant indirect economic impacts	72-73	
Anti-corruption	205-1	Operations assessed for risks related to corruption	46-47	
	205-2	Communication and training about anti-corruption policies and procedures	46-47	
	205-3	Confirmed incidents of corruption and actions taken	-	
Anti-corruption Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No violation found

Economic Standards (GRI 300)

Classification	Disclosure	Indicators	Page	Remark
Energy	302-1	Energy consumption within the organization	83	
	302-2	Energy consumption outside the organization	83	
	302-3	Energy intensity	83	
	302-4	Reduction of energy consumption	-	
	302-5	Reduction in energy requirements of products and services	-	
Energy	303-1	Water withdrawal by source	-	
	303-2	Water sources significantly affected by withdrawal of water	-	
	303-3	Water recycled and reused	-	
Emissions	305-1	Direct GHG emissions (Scope 1)	83	
	305-2	Indirect GHG emissions (Scope 2)	83	
	305-3	Other indirect GHG-emissions (Scope 3)	-	
	305-4	GHG emissions intensity	83	
	305-5	Reduction of GHG emissions	-	
	305-6	Emissions of ozone-depleting substances (ODS)	-	No emissions
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	-	No emissions
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	83	Zero cases of environmental law violations, no fines or penalties paid

Social Standards (GRI 400)

Classification	Disclosure	Indicators	Page	Remark
Employment	401-1	New employee hires and employee turnover	84	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56-63	
	401-3	Parental leave	61, 85	
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	-	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	85	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	-	
	403-4	Health and safety topics covered in formal agreements with trade unions	-	
Training and Education	404-1	Average hours of training per employee	85	
	404-2	Programs for upgrading employee skills and transition assistance programs	58-59	
	404-3	Percentage of employees receiving regular performance and career development reviews	-	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	84	
	405-2	Ratio of basic salary and remuneration of women to men	-	
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	No branches found
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	No violation found
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	No violation found
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	-	
	413-2	Operations with significant actual and potential negative impacts on local communities	-	No significant potential/ actual negative impacts on local communities found
Marketing and Labeling	417-1	Requirements for product and service information and labeling	-	
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	0 cases
	417-3	Incidents of non-compliance concerning marketing communications	-	0 cases
Customer Privacy	103	Management Approach	50-53	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	0 cases
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	0 cases

Third Party Assurance Statement

Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of INDUSTRIAL BANK OF KOREA (hereinafter "IBK") to verify the contents of its 2019 Sustainability Report (hereinafter "the Report"). IBK is responsible for the collection and presentation of information included in the Report. KMR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Scope and standard

IBK describes its efforts and achievements of the corporate social responsibility activities in the Report. KMR performed a type2, moderate level of assurance using AA1000AS (2008) and SRV1000 from KMR Global Sustainability Committee as assurance standards. KMR's assurance team(hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI Standards indices as below, where professional judgment of the team was exercised as materiality criteria. The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI Standards which covers the followings.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
 - Management approach of Topic Specific Standards
 - Economic Performance: 201-1, 201-2, 201-3
 - Market Presence: 202-1
 - Indirect Economic Impacts: 203-1, 203-2
 - Anti-Corruption: 205-1, 205-2
 - Anti-Competitive Behavior: 206-1
 - Energy: 302-1, 302-3
 - Water: 303-1
 - Emissions: 305-1, 305-2, 305-4, 305-5, 305-6, 305-7
 - Environmental Compliance: 307-1
 - Employment: 401-1, 401-2, 401-3
 - Occupational Health and Safety: 403-2, 403-3
 - Training and Education: 404-1, 404-2
 - Diversity and Equal Opportunity: 405-1
 - Freedom of Association and Collective Bargaining: 407-1
 - Child Labor: 408-1
 - Forced or Compulsory Labor: 409-1
 - Local Communities: 413-2
 - Marketing and Labeling: 417-2, 417-3
 - Customer Privacy: 418-1
 - Socioeconomic Compliance: 419-1

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. IBK, among report boundaries.

Our approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with IBK on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

○ Inclusivity

Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability

- IBK is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder IBK left out during this procedure.

○ Materiality

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.

- IBK is determining the materiality of issues found out through stakeholder communication during this procedure. channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.

○ Responsiveness

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

- The assurance team could not find any evidence that IBK's counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the 'Core Option' of GRI standards.

Recommendation for improvement

We hope the Report is actively used as a communication tool with stakeholders and we recommend the following for continuous improvements.

- Enhancement of sustainability system: IBK has identified various organizational risks in the context of sustainability and made outstanding effort to prevent them in advance. For systematic execution of sustainability in the future, detailed short and long-term goals should be developed for the implementation of sustainability strategies. The report also should cover the activities of the entire organization.

Our independence

With the exception of providing third party assurance services, KMR is not involved in any other IBK's business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

July, 19th, 2019



AA1000
Licensed Assurance Provider
000-129



SRV1000
Sustainability Committee Assurance

E. J. Hwang

CEO

Membership Associations and Awards

Membership Associations

Korea Federation of Banks

UN Global Compact

**Council on International
Financial Cooperation**

**Korean Association of
Small Business Studies**

**Korean Economic
Association**

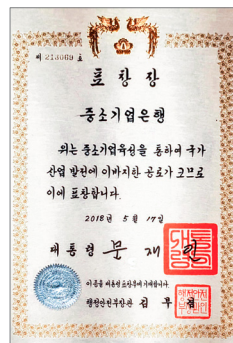
Global Finance Society

**Korea Money & Finance
Association**

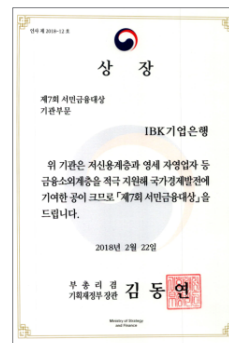
**Asia Money & Finance
Association**

ICSB Korea

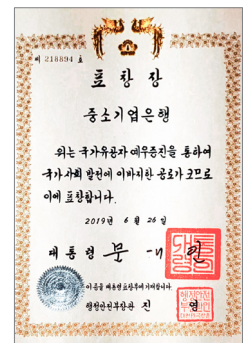
Awards and Certificates



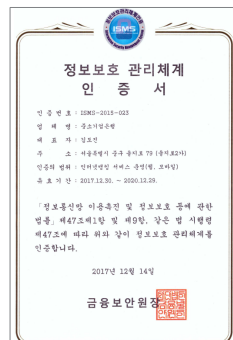
Presidential commendation awarded to an organization that provides outstanding support to SMEs



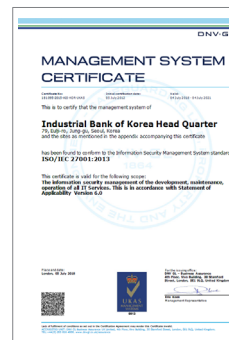
Award presented by the Minister of Economy and Finance at the Microfinance Awards



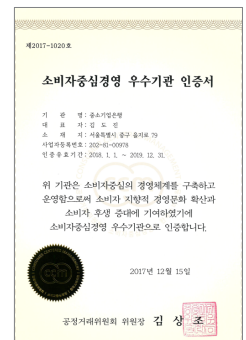
Presidential commendation awarded during the Month of Patriots and Veterans



Domestic Information Security Management Certification (ISMS)



ISO/IEC27001



Consumer Centered Management Certification (CCM)

**Inquiries about
this report**

Please use the contact points below for additional information or inquiries about this report.

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