

TOUCHING HEARTS,
LEADING FINANCE



Financial Group

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About This Report

This report is issued, as the Integrated Report of JB Financial Group, for the purpose of reporting the annual performance to investors and stakeholders of JB Financial Group. This report contains the financial and non-financial performance of JB Financial Group and also the efforts to achieve such performances.

Period, Scope and Boundary of Report The term of 'JB Financial Group' means the corporation inclusive of the subsidiaries becoming the objects under Korean International Financial Reporting Standards (K-IFRS). Financial data are prepared on the basis of the consolidation basis, and non-financial data such as environmental and social issues are prepared on the basis of the individual subsidiary level. Unless otherwise stated as to the general descriptions and information, the data of the overseas branches, grandchild company and investee company of JB Financial Group are excluded herein. The geographical boundary of the report is Republic of Korea where more than 99% of sales occurs in the main business place, and the periodical boundary is from

January 1, 2019 to December 31, 2019. However, other qualitative activities are inclusive of the contents of until May, 2020. In case of requiring any attention on the past data reported previously, the past data are recalculated as of the year of 2019. As the publication cycle of this report is 1 year, the previous report is <JB Financial Group 2018 Integrated Report> published in July, 2019.

Report Preparation Base and International Guidelines JB Financial Group prepares this report in accordance with the core guidelines of GRI (Global Reporting Initiative) Standards, and 10 major principles of GRI Financial Service Sector Supplement, ISO26000, UNGC are applied. Also, this report is prepared by complying with the principles and contents of IR Framework presented by IIRC (International Integrated Reporting Council).

*The economic feasibility and data are calculated as per K-IFRS, and as for social and environmental performance data, the calculation method is uniformly applied during the relevant period.

Verification The financial information is the data receiving the financial audit from an independent accounting corporation, and the non-financial information also received verification from a third party, an independent expert institute, in order to ensure the reliability of the report. Separate verification was made for the GHG data included in this report. This report is inclusive of the financial status, operation & business performance and the forecasting statement related to the planned target of the management team of the Group. Despite the verification by the third party, the future performance stated or implied in the forecasting statement may vary from the actual performance of the Group due to the political, economic and situational uncertainties surrounding corporate management.

Contact Point This report is issued both in Korean and English, which can be perused in the homepage of JB Financial Group. If you have any enquiries or opinions regarding the report, please contact the number or email provided below.

Homepage of JB Financial Group
JB Financial Group www.jbfg.com
Jeonbuk Bank www.jbbank.co.kr
Kwangju Bank pib.kjbank.com
JB Woori Capital www.wooricap.com
JB Asset Management www.jbam.co.kr
PPCBank ppccbank.com.kh

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INTRODUCTION

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CEO Message



Dear Respectful Stakeholders,

How are all of you?

We firstly wish to express our thanks to the customers, stockholders and stakeholders of the regional society that have provided support to JB Financial Group.

JB Financial Group attained KRW341.9 billion of net consolidated net income of 2019, which is the biggest recorded net income, and a 10.2% of ROE (Return on equity) and 0.77% of ROA (Return on assets) were also recorded. This is a significant accomplishment and is the highest level of profitability among domestic banking institutes. Also, as it acquired a securities company in Vietnam, JB Financial Group has put in place a general financial system that ranges across all sectors of finance such as banking/capital/securities and etc. including overseas operations and is first among local financial groups to do so.

Moreover, as JB Financial Group is the first among local financial groups to acquire the Anti-corruption Management System 'ISO37001' Certificate from the Royal Standards Association of England, its sustainable growth endeavors have been also recognized. We believe that such various outcomes and successes can be accomplished with your support and concern.

In order to be positioned as a young and strong hidden champion financial group in the future, JB Financial Group will faithfully carry out the following tasks.

First, we will continuously execute internal stability-centered qualitative growth. It is judged that the reason why JB Financial Group attained the highest level of profitability last year resulted from a focus on the efficiency of asset distribution and sound management principles. In the future also, we will pursue qualitative growth to promote profitability by distributing the asset growth reserve with priority to our affiliates and focusing on products that have comparatively higher profitability.

Second, we will seek to promote synergy effects and business diversification to establish firmly our status as a general financial group. JB Financial Group has two regional banks based out of two regions, and nonbank affiliates such as capital company, asset management company and etc. We will gradually expand the synergy creation domain not only by emphasizing the strong points possessed by each affiliate as the core competitiveness but also by seeking continuously to expand

sectors that yield synergy among the affiliates. In addition, we will try to promote the growth of JB Financial Group as a general financial group that possesses a more balanced business portfolio by increasing the business weight in the Group.

Third, we will establish a company culture that is characterized by transparent management and mutual respect. The financial company is representative of the regulation industry that receives supervision with regard to governance and also features an internal control system. Therefore, we will practice transparent management in a way so that checks and balances occur naturally in the organization based on active communication and cooperation among the executives and staff. Moreover, we will continuously try to establish a culture of mutual respect whereby the personal and privacy rights of the executives and staff are protected in order to make the Group healthy and robust.

All of you together with JB Financial Group,

Most nations all over the world are facing big economic/social difficulties as the Pandemic situation due to 'Covid-19' that started early this year continues. The executives and staff of JB Financial Group are trying to overcome the present situation wisely with one mind and body and also taking the initiative to help the customers and the regional societies overcome such difficulties.

In this manner, JB Financial Group will steadily try its best to become the group contributing to the development of regional societies and boost the growth of the Group this year. In addition, we will transparently disclose all management activities to the stakeholders and do our utmost to develop the Group as an exemplary financial group that takes the initiative for social responsibility.

Once again, we thank you for your support and encouragement, and look forward to your continued interest and assistance.

Thanks.

Kim Ki Hong

Chairman of JB Financial Group

Subsidiary CEO of JB Financial Group



President of Bank
Yim Yong-taick

“Make warmer world with finance”

Jeonbuk Bank

Jeonbuk Bank has proceeded toward becoming a 100-year bank by celebrating our 50-year anniversary with the regional society, and has established stability, growth and reliability in domestic and overseas markets through internal stability-centered differentiated management.

All executives and staff of Jeonbuk Bank place the utmost importance on trust with the customers, and we have striven to make the world a better place through financial activities by faithfully playing our role as financial support service to strengthen the economy along with various contribution activities with regard to the regional society.

Under the keynote of ‘Financial help to anyone’, we will concentrate on core competencies to become the ‘Bank that makes the world a warmer place through finance’ by producing a win-win effect that can be mutually developed with local residents/regional economy as we stand firm with working people in order to overcome the continuous economic depression.

Jeonbuk Bank hereby promises that we will become a bank receiving more trust from customers as we place the highest priority on the regional society and expand continuously the financial support to business men and women and the family and also positively participate in social responsibility activities.



President of Bank
Song Jong-wook

“All our own bank knowing me and region”

Kwangju Bank

Kwangju Bank has faithfully played the core role as the partner of regional society and also the mecca of regional finance by practicing the customer-centered/site-centered management based on its strong commitment to and support of the customers, and for this reason, it has grown as the 1st bank for 3 years consecutively in the sector of brand power in the local banking industry in Korea. Especially, Kwangju Bank participated as one of the 3-big stockholder of the Kwangju-type job creating motor factory for job creation and development of regional society last year, and took charge of the public safes of Kwangsan-gu, Kwangju City and Mokpo City in the public safe attraction activity that is the cornerstone of the business base in Kwangju/Jeonnam area, and executed the advancement of the business base into the Kwangju/Jeonnam area, and also expanded business power by developing products tailored for metropolitan areas and by exploiting niche markets. Based on these activities, we will raise competitiveness through the digitalization of all channels and businesses, and we will do our best to exploit future growth power by concentrating on the discovery and expansion of new business models through external cooperation

JB Woori Capital

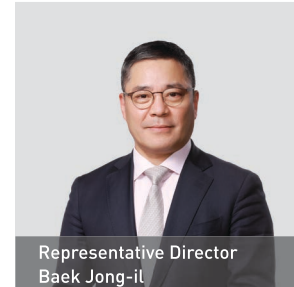
JB Woori Capital, since it was established in 1995, has grown as a car installment payment expert financial company through the firm’s know-how and differentiated services over the last 20 years, and we provide general financial services covering auto loans, lease/rent-a-car, credit loans and real estate loans and company loans.

JB Woori Capital, as the member of JB Financial Group pursuing the goal to become the ‘Young and strong hidden champion financial group’, places the highest priority on providing customer-centered financial services based on systematical risk management, and wishes to be advance as a financial company that realizes true customer satisfaction through provision of new services by listening to the opinion of each customer and by seeking to meet the needs of the customers. Also, we firmly believe that we can finally become a beloved company by practicing sharing as a member of society. We will be reborn as a ‘Smart Leading Company’ that can reward to the love of customers through sound internal stability management and continuous social contribution activities.



Representative Director
Im Jung-tae

“JB Woori Capital being grown with customers”



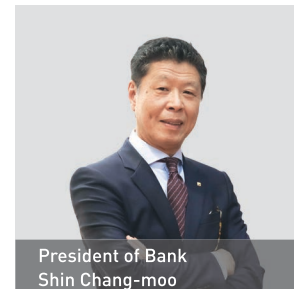
Representative Director
Baek Jong-il

“Pursue customer satisfaction as utmost values”

JB Asset Management

JB Asset Management has pursued customer satisfaction as its top priority by providing the best investment products based on internal control mechanisms and ethical management of the executives and staff so that the investment process can be observed in a rational manner. Since it was established in 2008, JB Asset Management, which has been positioned as the market leader in the overseas alternative investment market based on various investment experiences in the resources and energy fields, has provided more various investment opportunities to customers by expanding the business domain not only to the domestic/overseas real assets such as energy, resources, real estate and etc. but also PEF in 2015 and the securities (Stocks/debenture) field in 2016.

JB Asset Management is equipped with the competence and vitality to change crisis into opportunity. We will firmly lay the foundation of our status in the industry based on the excellent management of manpower, differentiated financial products and strict risk management to cope with dramatic changes in the financial environment in domestic/overseas markets. Also, we will proceed together with you based on the principle of being a win-win financial company, a company that receives the trust of customers and a company that is firmly committed to social responsibility.



President of Bank
Shin Chang-moo

“We make banking easy”

PPCBank Phnom Penh Commercial Bank

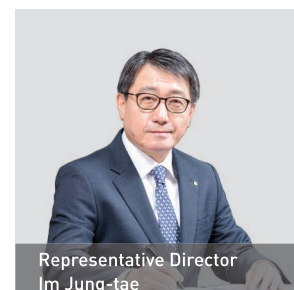
PPCBank Phnom Penh Commercial Bank will do its best to bestow higher levels of happiness on customers with the vision of ‘We make banking easy’.

Recently, the Cambodian financial market is facing rapid environmental changes, and for this reason, the concerns of financial consumers for financial products that are safe and profitable are becoming greater. Keeping pace with this, we have continuously provided new financial products and services to enhance the lives of customers and provided financial expertise including the digital/mobile banking projects.

The prologue of a new history has been opened as PPCBank Phnom Penh Commercial Bank becomes a member of JB Financial Group that is the small-strong financial expert group of Korea. We, PPCBank Phnom Penh Commercial Bank, have laid the solid foundation to be the bank that knows the financial market of Southeast Asia to expand beyond the Cambodian financial market and become the best financial company in Asia. In addition, we will do our best to take the initiative as the most developed bank in Cambodia through the continuous/innovative services.

JB Capital Myanmar

JB Capital Myanmar is the corporation that was established by JB Financial Group to expand continuously new global projects centered on “Core nations of the future new Southern area” together with PPCBank Phnom Penh Commercial Bank. Among these, Myanmar is the nation with high potentiality that can achieve economic growth in a rapid manner. JB Capital Myanmar has locally provided stable and innovative financial products and services in the small loan market within the formal sector. Like this, we have played an important role laying the cornerstone for JB Financial Group to advance into the southeast market and contributed to the development of loans to working people. Especially, all executives and staff of JB Capital Myanmar have borne in mind the absolute truth that the values of the stockholders and the customers are the top priority. We hope that we become the partner that paints the happy future of customers as we stand side by side with them at all times.



Representative Director
Im Jung-tae

“Exploit small amount loan market of Myanmar”

2019 Sustainability Highlights

Transparent Management and Establishment of Communication Culture

JB Financial Group has tried to construct a culture of communication and sympathy under the banner of transparent management. We have constructed the system covering the transparency/ethics/communication through JB Do Dream to attain a natural balance in the organization. Also, we have participated in investor relations (IR) and conference calls whereby domestic investors become the focus, and the vision and the management strategy of the Group are co-owned by all executives and staff by holding monthly meetings and business meetings that all personnel participate regularly in every month.

Accomplishment of Biggest Results since Company Establishment

JB Financial Group has grown by 41.6% compared with the previous year by attaining KRW341.9billion of consolidated net income last year. Despite the crisis in the local banking industry, we have accomplished internal stability-centered growth by constructing a management constitution and risk management system through selection and concentration. Kwangju Bank recorded KRW173.3billion of net income and Jeonbuk Bank KRW109.5billion of net income, and JB Woori Capital, a local expert financial company also recorded KRW81.9billion of net income.



Brand Power of Local Bank – 1st Place for Continuous 3Years

JB Financial Group has positively introduced every kind of financial product information, events and etc. through Facebook, Instagram, YouTube and etc. to communicate with more interested parties and address their concerns. Especially, we have continuously sought to promote innovation as the purchase decision standards of consumers change to reflect service quality and satisfaction-centered utility rather than price-centered utility, and as a result, Kwangju Bank was named 1st place in terms of brand power (K-BPI) in the local bank sector industry of Korea by Korea Management Association Consulting for 3 continuous years in 2020.



341.9 billion of consolidated net income
(Net income of controlling interest)

Discovery of Future Growth Energy through Digital Innovation

We have promoted various 4th industrial technologies to reflect the opinions of financial consumers on management activities and to diversify communication channels. We have realized a more customer-friendly service by constructing AI (Artificial intelligence) and by constructing the visible ARS (Automatic response service). Also, we have increased the consumption accessibility and convenience by improving the open banking service through application of the account info, account integration inquiry service. In addition, we have improved the convenience of vulnerable social groups regarding finance such as the handicapped, aged persons and etc. by observing the standard guidelines for web accessibility such as acquisition of 'Accessibility quality certification' and etc.



Identification of Regional Society Hub Role

JB Financial Group has practiced regional win-win finance through the financial support for 'Regional small company, small businessman', and as a region-based financial company, we have steadily engaged in social contribution activities to increase the life quality of regional communities. We have executed specialized social contribution programs in various fields such as welfare improvement, academia, scholarship, education, culture, art, athletics, global, environment and etc., and contributed to the welfare institutes of regional society, and executives and staff have actively engaged in volunteer activities to display their love and concern for local communities.

Diversification of Global Profit

We acquired a foothold in southeast Asia by acquiring MSGS, a securities company of Vietnam, to increase the diversification of global profits in 2019, and we were able to establish a new Southeast Asia network linking Cambodia, Myanmar and Vietnam. Especially, Phnom Penh Commercial Bank (PPCBank) has grown by 40.5% compared with the previous year as net income was KRW20.7billion in 2019, and broke through the KRW100billion threshold of assets in Cambodia, a first among Korea banks.



Consolidated Net Income
(Compared with previous year)

40.5% ↑



JB Financial Group 외부위탁·IP추적 불가능으로 익명성이 보장됩니다.
당신의 소중한 제보가 더욱 투명한 JB금융그룹을 만듭니다.

제보 대상: 위법·부당지시, 부패행위, 성희롱, 직장 내 괴롭힘 등

QR코드를 스캔하여 신고하세요.

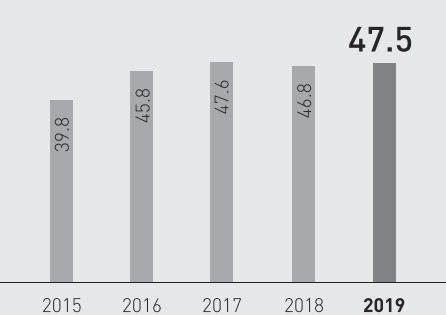
“JB두드림”

Overview of JB Financial Group

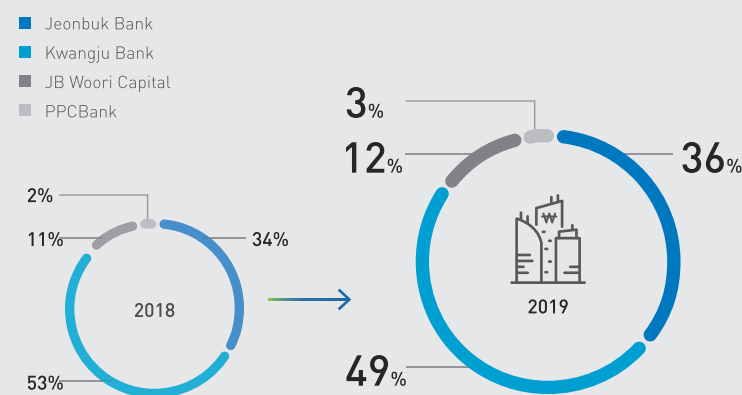
Introduction of JB Financial Group

The vision of JB Financial Group is the young and strong hidden champion financial group representing Korea. In order to realize this, a total of 6 companies - Jeonbuk Bank, Kwangju Bank, JB Woori Capital, JB Asset Management, which are affiliates, and Phnom Penh Commercial Bank (PPCBank) and JB Capital Myanmar, which are grandchild companies, are increasing their strength. We have tried our utmost to create stable profits in the rapidly-changing financial environment and to be equipped with the status of a small but strong financial group through synergy expansions of the banking sector and the non-banking sector.

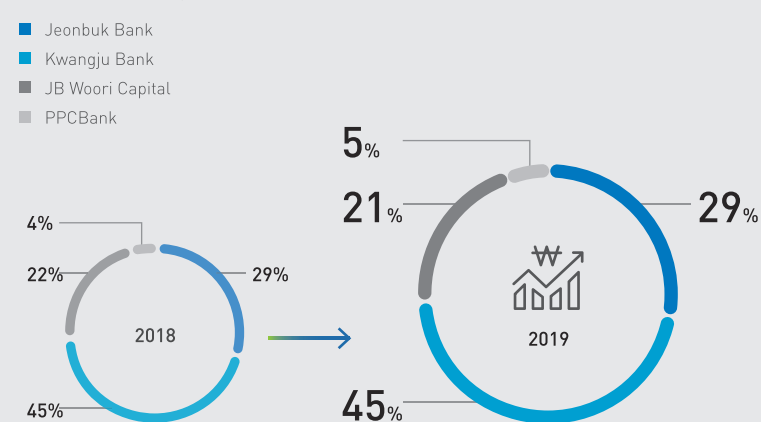
Total assets of Group (Unit: KRW trillion)



Asset weight per affiliate



Net income weight per affiliate

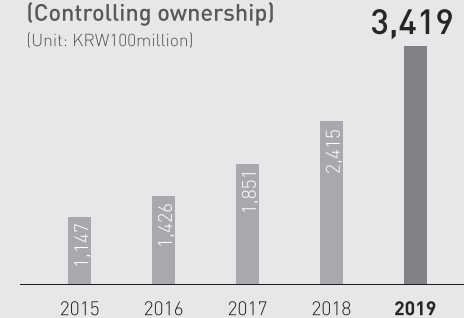


Financial status of JB Financial Group (Unit: KRW100million)

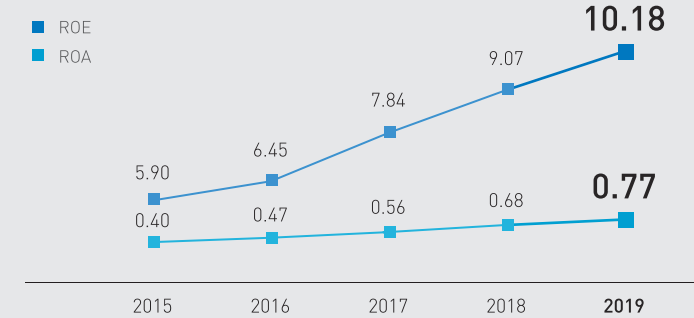
| Descriptions | Company name | 2019 | | | 2018 | | |
|--------------------|---------------------|--------------|-------------------|----------------------------|--------------|-------------------|----------------------------|
| | | Total assets | Total liabilities | Total shareholders' equity | Total assets | Total liabilities | Total shareholders' equity |
| Holding company | JB Financial Group | 25,114 | 5,321 | 19,793 | 23,461 | 4,428 | 19,033 |
| Affiliate | Jeonbuk Bank | 171,925 | 158,225 | 13,701 | 174,128 | 161,257 | 12,871 |
| | Kwangju Bank | 234,193 | 215,995 | 18,198 | 230,292 | 213,331 | 16,961 |
| | JB Woori Capital | 58,491 | 50,656 | 7,835 | 54,745 | 47,337 | 7,408 |
| | JB Asset Management | 269 | 105 | 164 | 209 | 23 | 186 |
| Grandchild company | PPCBank | 10,734 | 9,160 | 1,574 | 8,818 | 7,493 | 1,325 |
| | JB Capital Myanmar | 207 | 87 | 120 | 105 | 5 | 100 |

Note) Prepared on the basis of the separate financial statement.

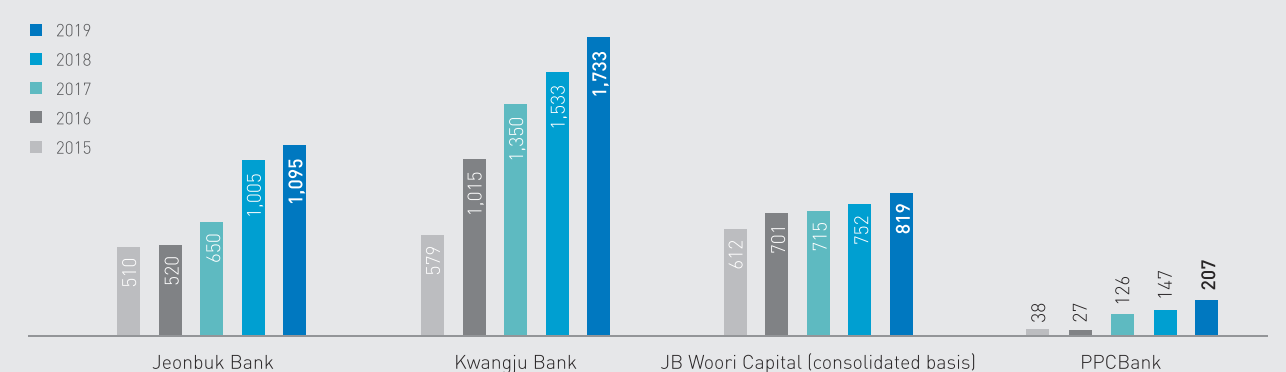
Group net profit trend
(Controlling ownership)
(Unit: KRW100million)



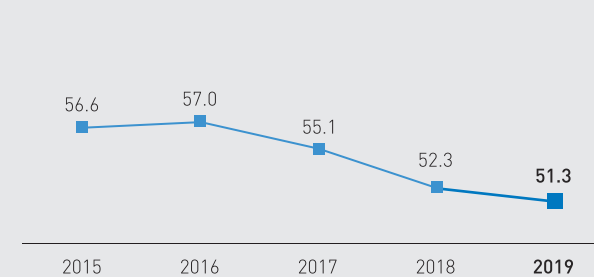
Profitability of JB Financial Group (Unit: %)



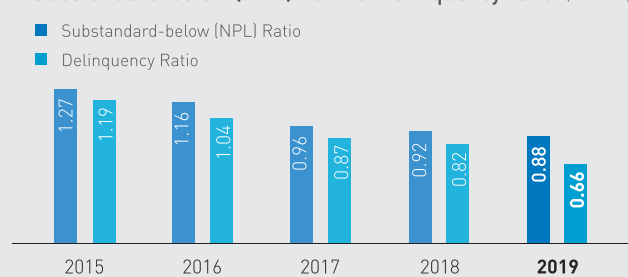
Annual net income per major affiliate (separated) (Unit: KRW100million)



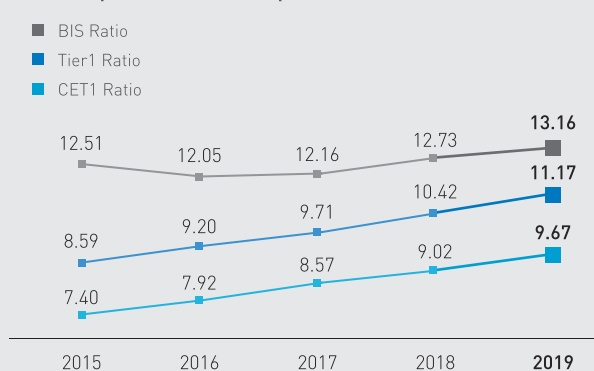
Cost-Income Ratio (Unit: %)



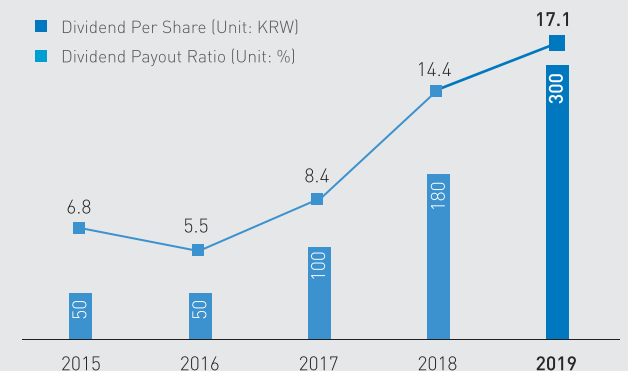
Substandard-below (NPL) Ratio & Delinquency ratio (Unit: %)



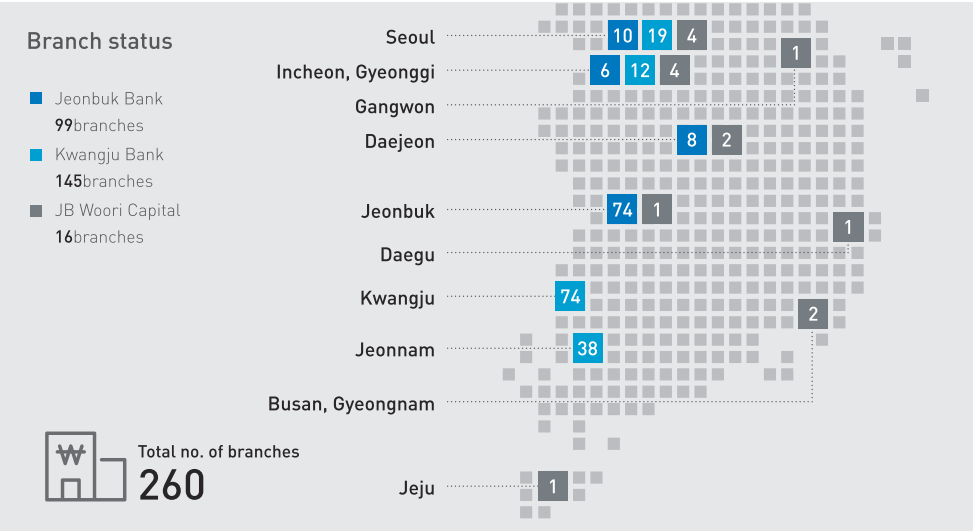
BIS Capital rate of Group (Unit: %)



Dividend



Outline of JB Financial Group



| Descriptions | Company name | Domestic | | | Overseas | | | Total |
|--------------------|-----------------------|----------------------|----------------|-----------------|----------------------|----------------|-----------------|-------|
| | | Main office & branch | Liaison office | Business office | Main office & branch | Liaison office | Business office | |
| Holding company | JB Financial Holdings | 2 | - | - | - | - | - | 2 |
| Affiliate | Jeonbuk Bank | 90 | - | 9 | - | - | - | 99 |
| | Kwangju Bank | 134 | 11 | - | - | - | 1 | 146 |
| | JB Woori Capital | 13 | - | 3 | - | - | 2 | 18 |
| | JB Asset Management | 2 | - | - | - | - | - | 2 |
| Grandchild company | PPCBank | - | - | - | 22 | - | - | 22 |
| | JB Capital Myanmar | - | - | - | 13 | - | - | 13 |
| Total | | 241 | 11 | 12 | 35 | - | 3 | 302 |

* Note: Headquarter is counted as 1 branch
**Source: Public Disclosure of Korea Federation of Banks(2019)

Vision of JB Financial Group

JB Financial Group, in order to advance as a Young and strong hidden champion financial group, will intensify market governance centered on Jeonbuk Bank and Kwangju Bank in the short term, and also prepare the foothold for the future growth by heightening the financial convenience through expansion of regional close management. In the mid/long term, we will intensify general financial services to increase synergy effects.

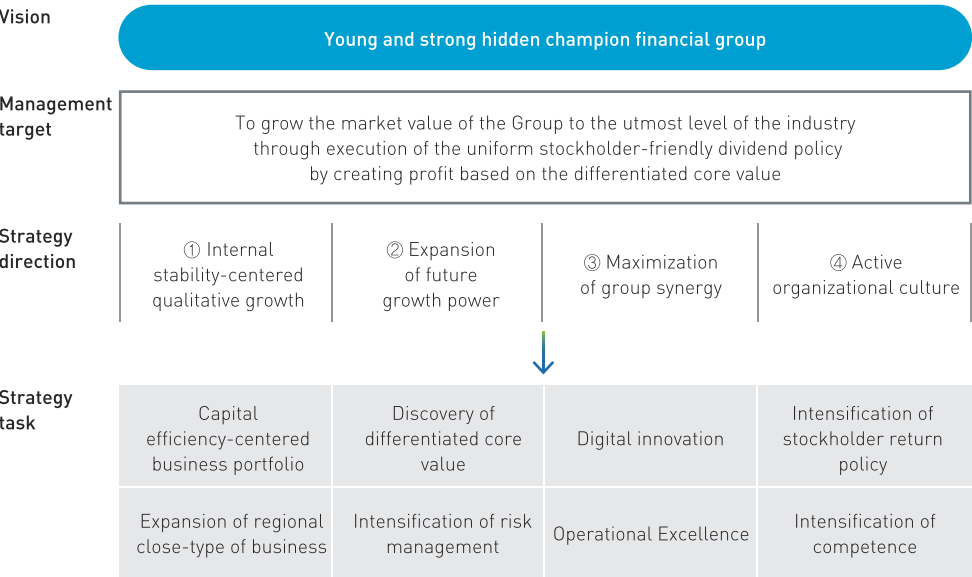
As the mid-term management vision is developed based on the regional close management style of a strong & small general financial group, we will intensify the synergy of the group by Intensifying the business linkage among the affiliates in the group and by improving internally the profit and expenditure structure.

In addition, we will create the long-term new growth energy by executing continuously the business diversification and by discovering new growth momentum, and also, expand the one-stop general financial service by linking the network and channel being centered on the customers and by realizing mixed strategies.

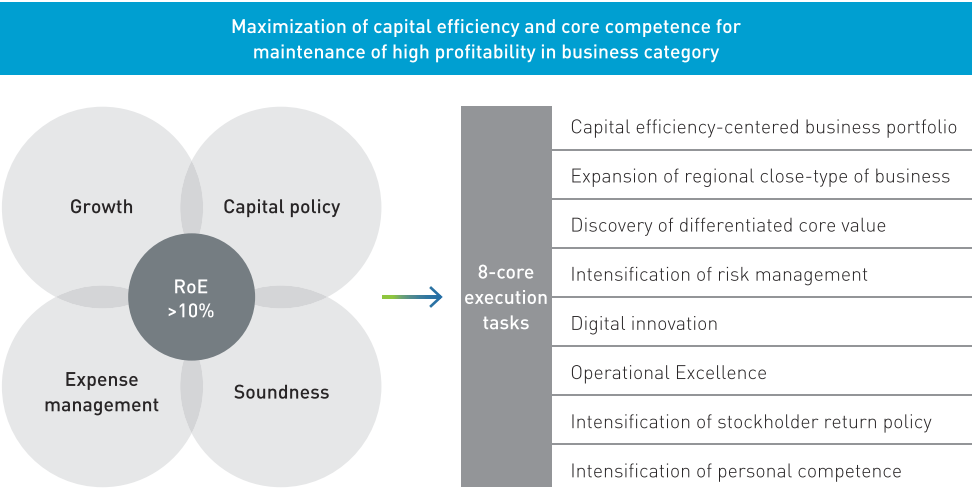
Slogan



Management Philosophy and Management Policy



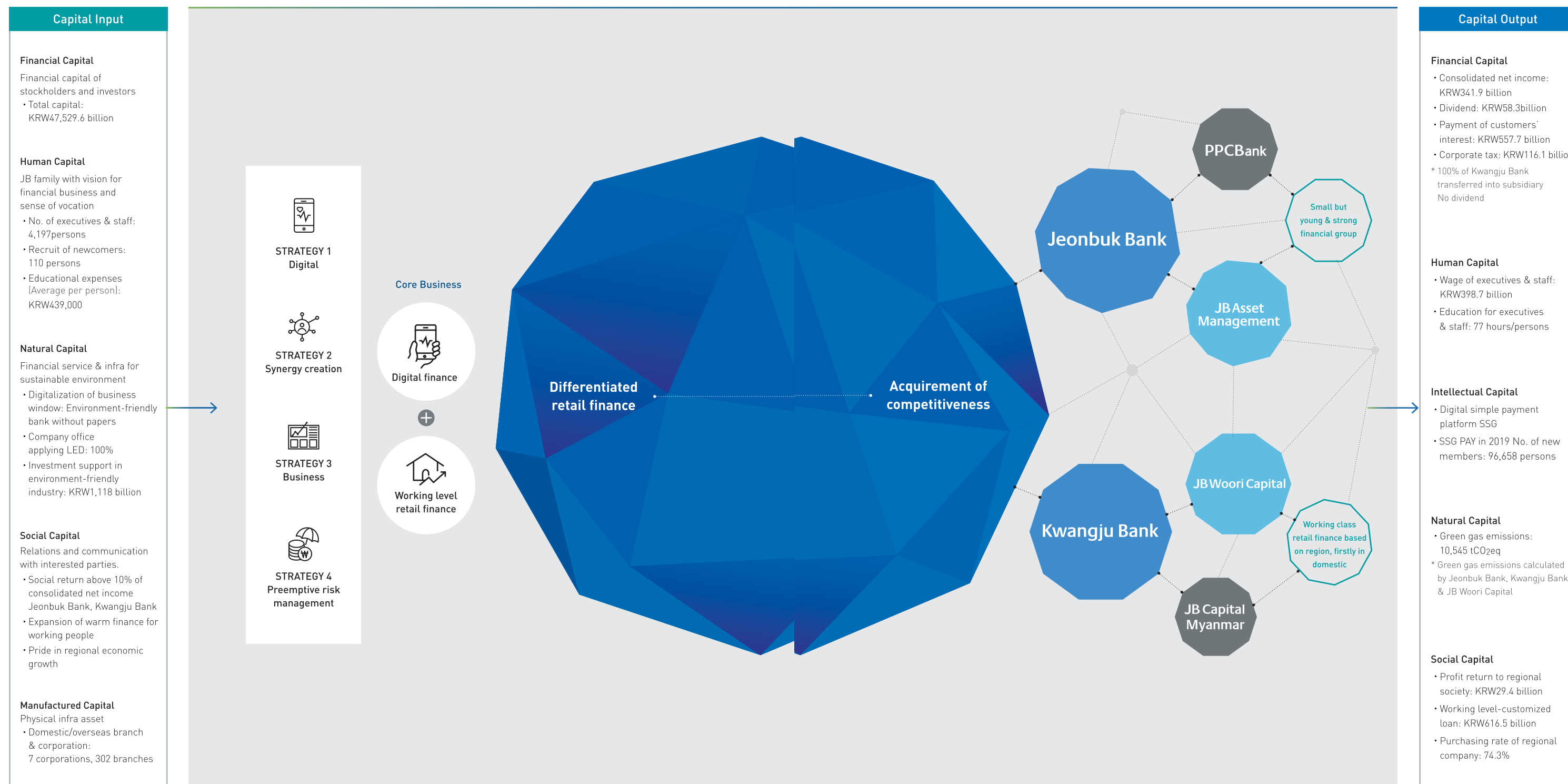
Management Plan Strategy of JB Financial Group



Business Model

The business model of JB Financial Group is linked with the value chain that can create the added value during all processes of the management activities such as establishment of planning and strategy, development of financial product, marketing, sale and etc. As each activity is a series of strategic activities having relevance and linkage to each other, not an independent activity, it provides the direct/indirect value to the interests and concerns of JB Financial Group and its customers.

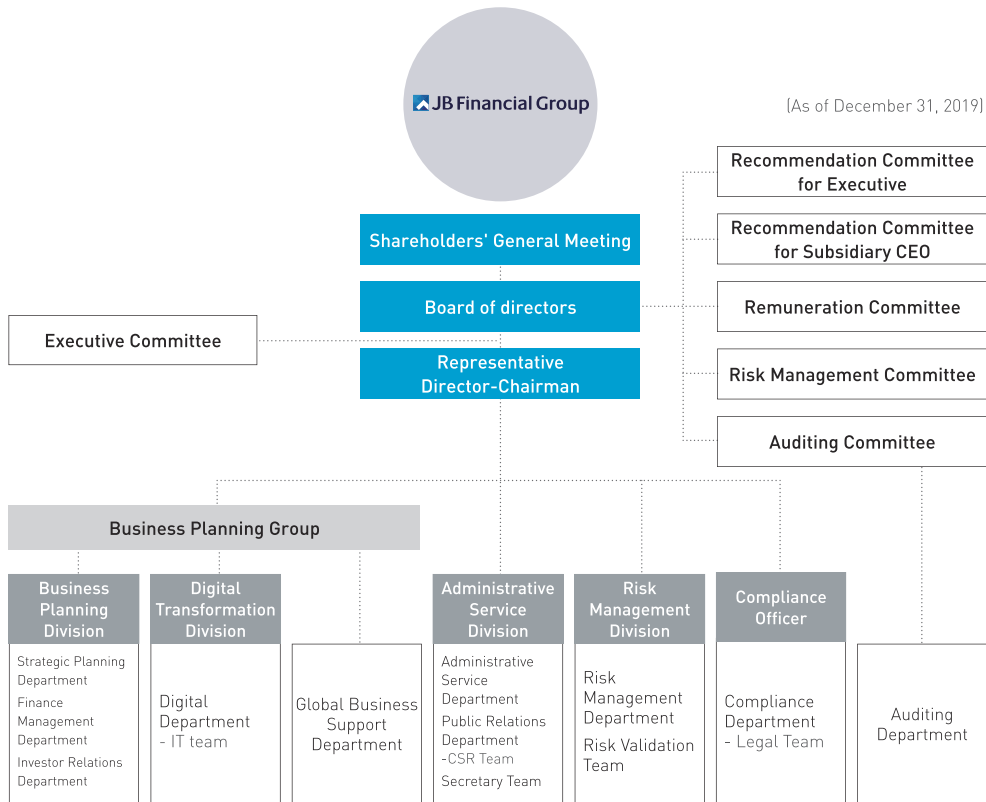
| VISION | STRATEGY DIRECTION |
|--|--|
| Young and strong hidden champion financial group | <ol style="list-style-type: none"> 1 Internal stability-centered qualitative growth 2 Expansion of future growth power 3 Maximization of group synergy 4 Active organizational culture |



Governance of JB Financial Group

Sound Governance

The biggest stockholder of JB Financial Group as of the end of December, 2019 is Samyang Corporation owning 10.6%, and the overseas biggest stockholder is JUBILEE ASIA B.V. owning 6.88%.



Share status

[As of December 31, 2019]

| No. | Stockholder's name | No. of stocks | Owning rate(%) |
|-----------|---|---------------|----------------|
| 1 | Samyang Corp. & etc. | 20,876,321 | 10.60 |
| 2 | JUBILEE ASIA B.V. | 13,551,857 | 6.88 |
| 3 | National Pension | 12,201,089 | 6.19 |
| 4 | Apro Financial | 11,893,973 | 6.04 |
| 5 | SINGWAND HOLDING PTE.LTD. | 10,373,095 | 5.27 |
| 6 | NORGES BANK | 5,747,748 | 2.92 |
| 7 | ASIA ALTERNATIVES MALTA INVESTORS ILIMITED | 5,459,524 | 2.77 |
| 8 | Kang**[Private] | 3,571,723 | 1.81 |
| 9 | Lee**[Private] | 3,482,282 | 1.77 |
| 10 | Employee stock ownership association, JB Financial Holding Company, | 3,463,002 | 1.76 |
| 11 | Baek**[Private] | 2,986,978 | 1.52 |
| 12 | Korean Federation of Community Credit Cooperatives | 2,448,127 | 1.24 |
| 13 | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND, A SERIES OF V | 2,236,748 | 1.14 |
| 14 | Emerging Markets Core Equity Portfolio of DFA Investment Dim | 2,132,703 | 1.08 |
| Sub-total | | 100,425,170 | 50.98 |

Share status of affiliates and related company

| Descriptions | Company name | Address | Major work | Establishment day | Capital (KRW100million) | No. of owned stocks | Owning rate |
|--------------------|---------------------|---|--------------------------------|-------------------------|-------------------------|---------------------|-------------|
| Subsidiary | Jeonbuk Bank | 566 Baekje-daero Deokjin-gu Jeonju-si Jeonbuk Korea | Banking | 1969.12.10 (2013.07.07) | 4,616 | 92,324,362 | 100.00% |
| | Kwangju Bank | 225 Jebong-ro Dong-gu Kwangju Megalopolis Korea | Banking | 2014.05.01 (2014.10.10) | 2,566 | 51,316,057 | 100.00% |
| | JB Woori Capital | 18th fl., 566 Deokjin-gu Jeonju-si Jeonbuk Korea | Loan expert banking | 1995.12.07 (2013.11.06) | 4,520 | 90,394,000 | 100.00% |
| | JB Asset Management | 15th fl., Baekje-daero Deokjin-gu Jeonju-si Jeonbuk Korea | Collective investment business | 2008.03.06 (2014.03.19) | 177 | 3,544,000 | 100.00% |
| Grandchild company | PPCBank | Phnom Penh, Cambodia | Banking | 2008.09.01 (2016.08.29) | 916 | 48,000 | 60.00% |
| | JB Capital Myanmar | Yangon, Myanmar | Other banking | 2016.09.21 (2017.03.08) | 113 | 924,997 | 92.50% |

Note-1) As for the above investment date, to indicate the date transferred into the subsidiary and grandchild company of JB Financial Group.
Note-2) The number of owned stocks and the owning rate are the number of owned stocks and the owning rate of the mother company for the relevant company. (Based on common stocks)
Note-3) The establishment day of Kwangju Bank is November 20, 1968, and the transference date is indicated in this table.

Composition and Operation of Board of Directors

Composition of Board of Directors The board of directors of JB Financial Group is composed of a total of 9 directors, namely, 1 internal director, 6 outside directors and etc., and we let the board of directors operate more independently and fairly as the chairman of the board of directors is appointed among the outside directors. Also, for the checks and balances of the board of directors, more than 2/3 of the board of directors are composed of the outside directors whose independence is verified.

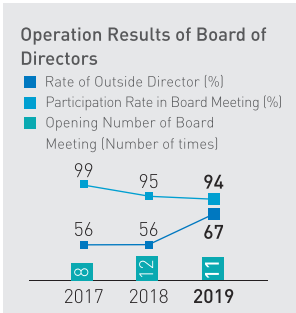
| Name | Inside/outside/ Nonpermanent | Position | Career | Initial appointment day | Expiry day of office term | Committee in charge |
|----------------|------------------------------|--|--|-------------------------|---|---|
| Kim Ki Hong | Inside | Chairman/ Representative Director | 2014 Representative director of JB Asset Management 2014 Representative director of Pan Asia ReConsulting 2005 Senior vice president of KB Kookmin Bank 1999 Assistant deputy director of Financial Supervisory Service | ` 19.03.29 | Until closing of general meeting of stockholders for 2021 | Recommendation Committee for Subsidiary CEO |
| Kim Dae Gon | Outside | Chairman of board of directors | 2013 Director of Donghak Peasant Revolution Foundation 2003 Chief of Prime Minister's Secretariat 2002 Jeonbuk Lieutenant Governor for Political Affairs | ` 16.03.25 | Until closing of general meeting of stockholders for 2020 business year | Recommendation Committee for Executive Recommendation Committee for Subsidiary CEO Auditing Committee |
| Choi Jeong Soo | Outside | Chairman of executive recommendation committee | 2007 Representative lawyer of Law Firm Sejul 1998 Lawyer of Law Firm Kim & Chang | ` 15.03.20 | Until closing of general meeting of stockholders for 2019 business year | Recommendation Committee for Executive Recommendation Committee for Subsidiary CEO Auditing Committee |
| Kim Sang Kook | Outside | - | 2004 Representative of SK(China) Holding Co., Ltd. 1997 China business team leader of SK Telecom | ` 18.03.23 | Until closing of general meeting of stockholders for 2019 business year | Recommendation Committee for Executive Risk management committee Remuneration Committee |
| Yoo Kwan Woo | Outside | Chairman of risk management | 2008 Advisor of Law Firm Kim & Chang (Present) 2010 Outside director of National Agricultural Cooperative Federation 2006 Assistant deputy director of Financial Supervisory Service | ` 19.03.29 | Until closing of general meeting of stockholders for 2020 business year | Recommendation Committee for Executive Risk management committee |
| Lee Sang Bok | Outside | Chairman of audit | 2018 Partner of Dong-A & Song-Kang Accounting Corp. (Present) 2012 Management evaluation committee member of Korea Deposit Insurance Corp. 1991 Partner of Samil PwC | ` 19.03.29 | Until closing of general meeting of stockholders for 2020 business year | Recommendation Committee for Executive Auditing Committee Remuneration Committee |
| Pyo Hyun Myong | Outside | Chairman of remuneration | 2014 Representative director/president of LOTTE rental co., ltd 2013 Chairman of Korea Association of Smart Home 2010 President of kt corp | ` 19.03.29 | Until closing of general meeting of stockholders for 2020 business year | Recommendation Committee for Executive Risk management committee Remuneration Committee |
| Yun Jae Yeob | Nonpermanent | - | 2018 President of Samyang Holdings Corporation (Present) 2017 Nonpermanent director of Jeonbuk Bank 2014 Outside director of Jeonbuk Bank | ` 13.07.01 | Until closing of general meeting of stockholders for 2020 business year | Remuneration Committee |
| Ahn Sang Gyun | Nonpermanent | - | 2012 Anchor Equity Partners(Asia) Ltd. Managing Partner (Present) | ` 16.03.25 | Until closing of general meeting of stockholders for 2021 business year | Remuneration Committee |

Governance of JB Financial Group

Evaluation of Board of Directors As the evaluation of the board of directors of JB Financial Group is purposed to review regularly whether the board of directors properly executes the role and responsibility required by the law and the internal regulations and to support that the board of directors can be properly positioned as the major decision-making organization and the management team checking organization of the company. Also, as per Article 22, Internal norms, it evaluates the operation results of the board of directors, whether to execute the evaluation and the results as per the resolutions of the board of directors until the convocation notice of the regular general meeting of stockholders.

Evaluation items of board of directors

| Evaluation item | Contents |
|---|---|
| Matter for composition and operation of committee | Whether the composition of the board of directors is proper for its efficient operation. |
| | Whether the board of directors is composed of more than 3 outside directors and whether the outside directors are the majority of total number of directors. |
| | Whether the board of directors appoints the chairman of the board of directors among the outside directors every year.[If the chairman of the board of directors is not the outside director, whether to appoint the outside senior director] |
| | Whether the sufficient communication is made among the members for the efficient operation of the board of directors |
| | Whether the outside director meeting, which all members are composed of the outside directors, is held. |
| | Whether the board of directors is composed of the directors equipped with the expertise and knowledge. |
| | Whether any separate committee or procedures is prepared to select the director candidate that is the member of the board of directors. |
| | Whether positive opinions are expressed and whether active discussions take place during operation of the board meeting. |
| | |
| | |
| Authority of board of directors | Whether the board of directors participates properly in the decision-making for execution of the major works of the company that is fixed by the outside law, articles of association or the regulations of the board of directors and etc. |
| | Whether the board of directors properly executes the supervision for the work execution of the management team. |
| | Whether the board of directors tries to make the decisions regularly to benefit the company and the stockholder in the long term. |
| | Whether the board of directors understands ethical management and social responsibility and then reflects these with regard to decision-making. |
| | Whether to review sufficiently the data in advance and then to participate in the board meeting. |
| | Whether to disclose business secrets to others such as the company known through business (Including subsidiary and etc.) or to utilize this for the benefit of itself or the third party. |
| | Whether to make the deliberation/resolution based on objective and reasonable judgment for the submitted bill. |
| | Whether to give proper and fair advice to the management team, if necessary. |
| | |
| | |
| Convocation procedures of board meeting and exercise procedures of voting right | Whether the board meeting is held regularly or frequently to perform sincerely the duty of the board of directors. |
| | Whether the board of directors notifies the directors before the meeting date and then convokes the boarding meeting as per the convocation procedures. |
| | Whether the board of directors operates the voting requirements and the voting right exercise procedures as per the law, articles of association and etc. |
| | Whether to limit the voting right of the director with the special interests for the resolution of the board of directors. |



Operation of Board of Directors The board of directors plays the roles to approve the management strategy of the Group, supervise/monitor the work execution for this and confirm whether the internal control system is fit to maintain the soundness of the group management. It is divided into the regular board meeting and the temporary board meeting, which are convoked by the chairman, and unless otherwise provided by the law, its resolution is made by the approval of the majority of all members. Also, 5 committees (Recommendation Committee for Executive, Recommendation Committee for Subsidiary CEO, Auditing Committee, Risk management committee and Remuneration Committee), which are composed of the experts in every field such as management, law and etc., are independently and transparently operated.

Operation status of committee

| Descriptions | Major role | Composition (Outside director/No. of members) | Chairman | Related regulations |
|--------------------|--|--|--------------------------|-----------------------------------|
| Board of directors | Resolution of major matters for company management | 6/9 | Kim Dae Gon (Outside) | Regulations of board of directors |

| | | | | |
|---|---|-----|-----------------------------|--|
| Recommendation Committee for Executive | Selection and recommendation of executive candidate | 6/8 | Choi Jeong Soo (Outside) | Regulations of Recommendation Committee for Executive |
| Recommendation Committee for Subsidiary CEO | Selection and recommendation of affiliate CEO | 2/5 | Kim Ki Hong (Inside) | Regulations of Recommendation Committee for Subsidiary CEO |
| Auditing Committee | Audit for accounting and business | 3/3 | Lee Sang Bok (Outside) | Regulations of Auditing Committee |
| Risk management committee | Establishment and approval of every risk policy | 3/5 | Yoo Kwan Woo (Outside) | Regulations of Risk management committee |
| Remuneration Committee | Fixing and evaluation for performance goal of management team | 3/5 | Pyo Hyun Myong (Outside) | Regulations of Remuneration Committee |

Major resolutions of board of directors

| No | Opening day | Resolutions | No. of participants |
|----|---------------|---|---------------------|
| 1 | Jan. 24, 2019 | ① Appointment of the responsible in charge of major work execution | 8 |
| 2 | Jan. 29, 2019 | ① General evaluation of 2018 management results ② Dividend ③ 6th term financial statement, consolidated financial statement and business report | 9 |
| 3 | Mar. 13, 2019 | ① Approval of 2019 management governance structure ② 2019 capital Adequacy management plan ③ Issue of contingent convertible bond ④ Revision of articles of association (Proposal) ⑤ Approval of 2019 directors' remuneration limit ⑥ Convocation of 6th regular general meeting of stockholders and submitted bill (Proposal) ⑦ Introduction of e-voting system of regular general meeting of stockholders | 9 |
| 5 | Mar. 29, 2019 | ① Selection of chairman of board of directors and duty proxy sequence ② Appointment of representative director/chairman ③ Revision and abolition of major regulations such as internal regulations for governance structure and etc. ④ Composition of committee in board of directors and appointment committee member ⑤ Alteration of remuneration for outside director and nonpermanent director ⑥ 2019 evaluation plan for outside director (Proposal) | 9 |
| 6 | Apr. 30, 2019 | ① Appointment of the responsible person in charge of risk management ② Payment of special retirement allowance for executive ③ Trade between company and director & etc. | 9 |
| 7 | Jun. 20, 2019 | ① Alteration of execution plan for credit risk internal grading method of Group | 9 |
| 8 | Aug. 2, 2019 | ① Revision of major regulations such as internal norms for governance structure and etc. ② Exercise of prepayment call option of new capital securities | 8 |
| 9 | Oct. 31, 2019 | ① Revision of major regulations such as internal norms for governance structure and etc. ② Establishment of Seoul Office of JB Financial Group ③ Issue of amortized conditional capital securities (Subordinated security bond) | 9 |
| 10 | Dec. 6, 2019 | ① 2020 management plan mid-term management plan ② Fixing of 2020 budget ③ Revision of regulations for subsidiary CEO recommendation committee ④ Conclusion of brand use contract ⑤ Comprehensive approval of contract for business rent-a-car ⑥ Credit offering to subsidiary (JB Woori Capital) | 9 |
| 11 | Dec. 23, 2019 | ① 2020 Management governance structure ② Revision of internal norms for governance structure ③ Checking for propriety of CEO management succession ④ Appointment of law-abiding monitor and etc. | 8 |

Compensation System JB Financial Group calculates the profit index (Return on assets ratio, return on equity, cost income ratio and etc.), soundness indicator (Return on risk-weighted assets, common equity tier-1, non-performing loan ratio, debt ratio, double leverage ratio and etc.) and other index (Total asset scale, risk-weighted asset scale and etc.) as the profitability index for the major performance measurement of the overall company. Especially, as for the executive, by using the return on equity (ROE), return on risk-weighted assets (RORWA), cost income ratio (CIR), common equity tier-1 (CET1) and non-performing loan ratio (NPL) in the quantitative evaluation indicator, these are reflected in the short-term performance of the executive him/herself. Also, in order to measure the performance relative to the management strategy task, duty execution and internal control, the qualitative evaluation is also reflected in the short-term performance.

Total Compensation and Incentive of Executive [Unit: KRW 100million]

| Descriptions | | Chairman | Vice President | Managing Director | Senior Director | Director Note-2] |
|-------------------------|--------------------|----------|----------------|-------------------|-----------------|------------------|
| Relevant year [2019] | Total compensation | 6.3 | 2.6 | 0.8 | 6.2 | - |
| | Incentive Note-1] | 3.4 | - | 2.8 | 2.9 | 0.4 |
| | | (7.1) | (2.4) | (0.6) | (5.9) | (-) |

Note-1) Incentive is based on the payment amount, and [] is based on the occurred amount of the relevant year.
Note-2) Responsible person in charge of work execution

Governance of JB Financial Group

Composition and Operation of Social Responsibility Management Committee

In order to execute the sustainable management on the group level, JB Financial Group has established the social responsibility management committee, and it monitors, evaluates and gives feedback regarding a series of sustainable management activities including in relation to the economy, environment, social effect and activities of the organization.

The social responsibility management working-level conference under the committee establishes the strategy per sector and executes the concrete practical program by installing 4-sector conferences, and each sector conference grasps the effect and opportunity/crisis factors related to the economy, environment and social issues by opening the regular conference every year and plays the role to establish and improve the purpose & values and policy & target of the organization. The important matters of the organization related to sustainable management and report issues of the integrated report will be reviewed by the chairman of JB Financial Group, and then these are reported to the social responsibility management committee, which is the highest governance organization, and then finally reviewed/approved by the committee chairman.

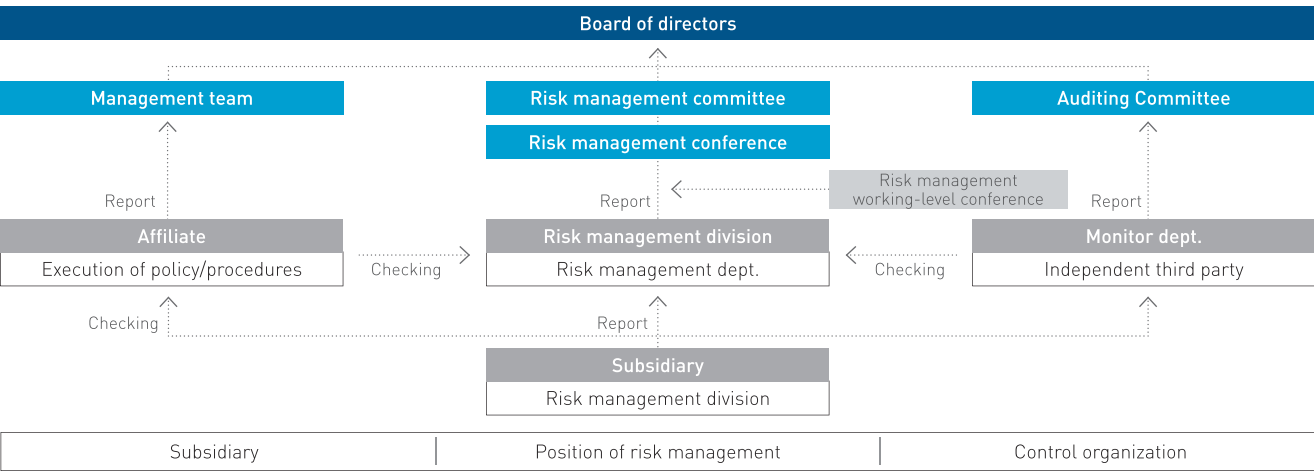
Risk Management

JB Financial Group has tried to grasp and prevent in advance the financial/non-financial risk factors of the management environment surrounding the company such as in relation to the economy, society, environment and etc. It manages the internal decision-making and the operational risk in the system and institution, and heightens the sustainability of the company.

Business Model and Risk Management Philosophy JB Financial Group creates the profit through various trades accompanying risk. All businesses are executed by considering the risk and the profit in the risk propensity that is fixed in advance. JB Financial Group manages the risks that may occur in overall management by segregating these into the credit risk, market risk, operation risk, interest risk, credit concentration risk, liquidity risk, strategy risk, reputation risk and payment risk of the foreign currency. Each risk is managed as it is divided into the regulatory capital and the internal capital (Risk capital), which are fixed by the competent authority becoming the basis of public announcements, and adjusted so that the risk may not be concentrated in a specific sector even within the fixed risk propensity.

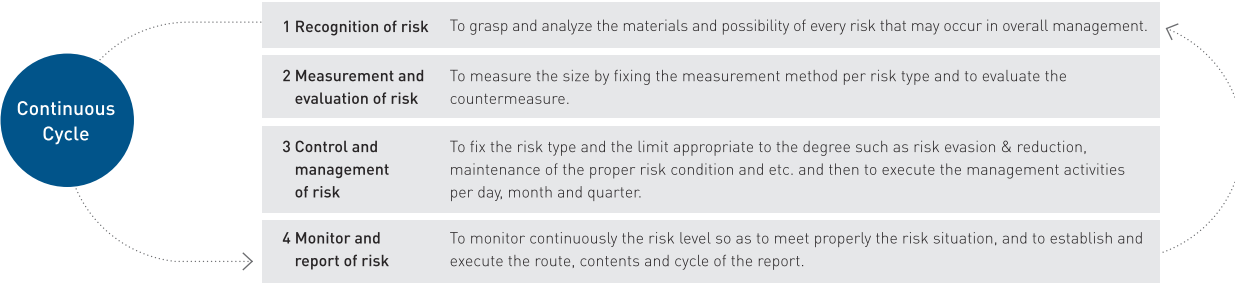
Risk Management System JB Financial Group has systemized the decision-making structure (Board of directors, management team, risk management committee, risk management conference, monitoring of legal observance, internal audit and etc.) related to the risk management/supervision, delegation of authority, risk type, division of the business sector and risk management procedures.

Risk management system



Risk Management Principles We have constructed the culture that effectively recognizes, measures, controls and manages the important risk issues, which each organization faces, and that reflects these on the decision-making. Such a culture helps the construction of close communication and a cooperative system among the responsible organizations in charge of risk management. The risk management conference is composed of the responsible person of the risk management of the holding company and the affiliate, and the administrative officer of the holding company and the manager of risk management of the bank. Whenever a risk issue occurs in each subsidiary, we make the decision by submitting the relevant bill and reflecting the opinion of each subsidiary.

Risk management procedures



Risk Management Organization The risk management committee is the highest decision-making organization as the committee under the board of directors, and it is composed of more than 3 directors. It plays the role to manage and control generally the risk at the group level by measuring and monitoring preemptively all risks that may occur with regard to management. As the detailed roles, there are the establishment of the basic policy and strategy for the risk management, decision of the bearable risk level, decision of the proper investment limit or loss allowance limit, fixing of the total risk capital limit and the risk capital limit per type, establishment/revision of the risk management regulations (risk management standards), establishment/revision of the risk management conference regulations and etc. Also, the risk management conference, in order to maintain uniformly the risk management policy and strategy, discusses the details related to the risk management. As the major roles, there are the decision of the risk capital limit/individual limit per business sector required for the risk management on the group level, introduction and alteration of the risk measurement standards and measurement method, risk management guidelines, group crisis management guidelines, classification of the asset soundness and bad debt provision guidelines, establishment/revision of the propriety verification guidelines and etc.

Risk management-related activities

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|---|-----------------------|-----------------|-------|-------|-------|
| Execution of anti-corruption/legal observance/ethics per person | JB Financial Holdings | Number of times | 26 | 27 | 29 |
| | Jeonbuk Bank | Number of times | 12 | 12 | 12 |
| | Kwangju Bank | Number of times | 15 | 12 | 18 |
| | JB Woori Capital | Number of times | 11 | 12 | 12 |
| | JB Asset Management | Number of times | 2 | 2 | 1 |
| | Sub-total (Average) | Number of times | 13 | 13 | 14 |
| Operation of internal control system | JB Financial Holdings | Number of times | 253 | 411 | 532 |
| | Jeonbuk Bank | Number of times | 960 | 913 | 1,015 |
| | Kwangju Bank | Number of times | 708 | 1,269 | 1,353 |
| | JB Woori Capital | Number of times | 1,762 | 1,684 | 1,644 |
| | JB Asset Management | Number of times | 372 | 369 | 369 |
| | Sub-total | Number of times | 4,055 | 4,646 | 4,913 |
| Opening of risk management committee | JB Financial Holdings | Number of times | 6 | 9 | 9 |
| | Jeonbuk Bank | Number of times | 5 | 8 | 8 |
| | Kwangju Bank | Number of times | 8 | 8 | 8 |
| | JB Woori Capital | Number of times | 6 | 10 | 8 |
| | JB Asset Management | Number of times | 47 | 85 | 85 |
| | Sub-total | Number of times | 72 | 120 | 118 |

| | |
|----|--|
| 26 | Stakeholder of JB Financial Group |
| 27 | Importance Evaluation Process and Results |
| 30 | Management Approach |
| 33 | Summary of Sustainable Management Performance |



O2 SUSTAINABILITY OVERVIEW

Stakeholder of JB Financial Group

JB Financial Group has tried to establish win-win relations with interested parties and to reflect the communication results more sincerely on management. We will firmly establish a virtuous circle communicating with the stakeholders through various channels including the consolidated Integrated Report in the future also.

Communication Channel of Stakeholders

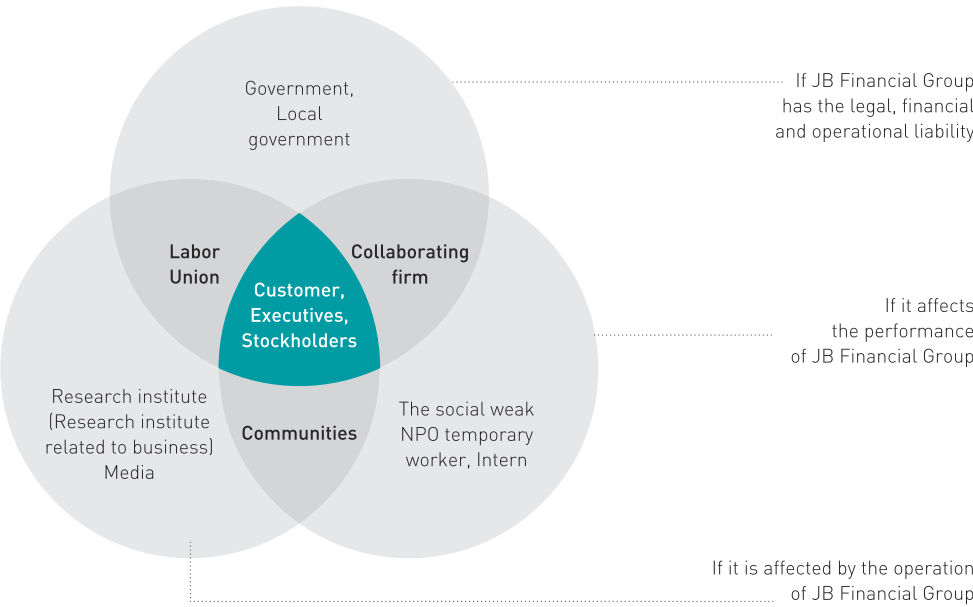
We operate the communication channel discussing the issues ranging over the whole economy, environment and society with the stakeholders, and try our utmost to acquire various channels such as expansion of the communication channel through on-line and etc.

| Group | Descriptions | Communication channel |
|-----------------------|----------------------|--|
| Core stakeholder | Customer | Website, customer consulting center, survey of customer satisfaction, customer experience group, SNS financial consumer protection education, leaders forum (VIP customer) |
| | Executives & staff | Notice on Intranet and bulletin board, company culture improvement program, CEO skinship program |
| | Stockholder/Investor | Website, board of directors, general meeting of stockholders, overseas conference, IR and etc. |
| Strategic stakeholder | Labor Union | Union-company meeting and conference, collective negotiation, Notice on Intranet and bulletin board |
| | Collaborating firm | Website (Window for civil application), regular meeting with collaborating firm |
| | Regional society | Website, regional society volunteers of executives and staff, social contribution activity report, university student honorary ambassador, SNS |

Identification of Stakeholder

As per the standards for 'Identification and participation of stakeholder', ISO 26000, we draw the scope of the stakeholders and communicate with them by grouping the stakeholders as per the sense of responsibility, influence, accessibility, dependence, representation effect degree.

MAPPING



Importance Evaluation Process and Results

JB Financial Group has selected the important issues regarding sustainable management to be considered for the management activities of JB Financial Group as per the importance evaluation procedures recommended by ISO 26000, GRI, IIRC, SDGs. We composed the table of contents for the report centered on the selected important issues, and gave priority to reporting on the issues that the stakeholders are highly concerned about, and the issues that have a high probability of impacting on the management activities of JB Financial Group.

Importance Evaluation Process

JB Financial Group, seeks to understand important issues related to sustainable management and to execute the internal/external environmental analysis and importance evaluation based on the principles of sustainability (Sustainability context), importance (Materiality) and comprehensiveness of the stakeholder (Stakeholder Inclusiveness)

Important issue evaluation methodology of sustainable management



Important issues

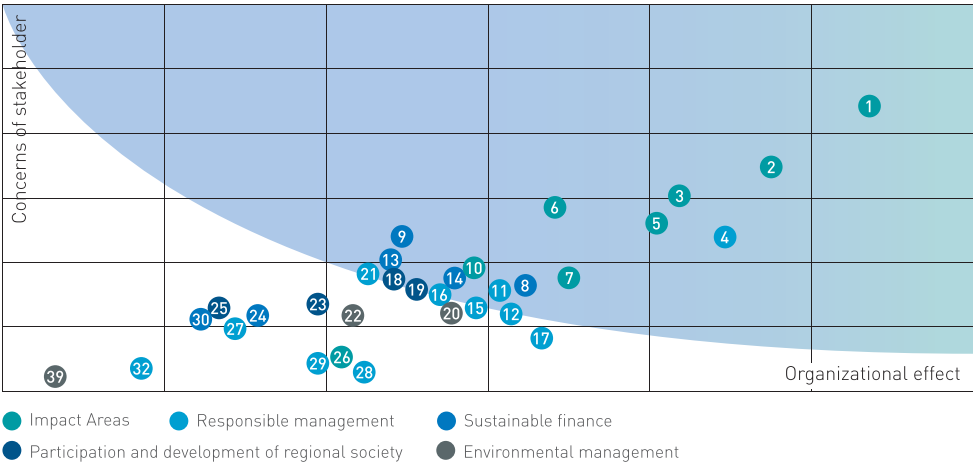


Importance Evaluation Process and Results

Importance Evaluation Results

JB Financial Group, by adding 30 issues, regarding which the importance average is above 3.74, and the issues related to 'Management of supply network CSR' and 'Management of environmental results', which are continuously managed on the strategic level of JB Financial Group, and then selected 32 issues as the important issues of the Group, and we composed the contents of the report being centered on the important issues. The issues, which the executives & staff and the stakeholders showed concern about in 2019, were the issues related to 'Protection of customer personal information', 'Ethical management', 'Responsible finance' and 'Region-customized social contribution', and we made the in-depth report in the sector of 'Impact Areas-Q&A' by selecting the relevant 4 issues as the core issues of the report.

Materiality matrix



| Change of Major Issue | |
|---|-----|
| Intensification of IT security | ► |
| Protection of customer personal information | ▲ |
| Demand increase for company transparency | ▲ |
| Intensification of talent acquirement | New |
| Intensification of responsibility for product/service | ▲ |
| Social contribution for regional society | New |
| Legal observance in product sector | New |
| Indirect economic effect | ▼ |
| Social responsibility for financial debt | ▼ |

STEP 3

Effectiveness verification

The social responsibility management committee of JB Financial Group reviewed whether 32 core issues, which went through TFT workshop, were the important issues for JB Financial Group, and decided the report level for the core issues such as scope, boundary, period and etc. and then established the report preparation plan.

STEP 4

Review

JB Financial Group reflected the feedback of the stakeholders related to 'JB Financial Group 2018 Integrated Report', which was issued last year, and ESG evaluation/recommendation and etc. of outside institutes and etc., and then reflected these in the report of the relevant year.

Major Issue for 2019 JB Sustainable Management

JB Financial Group has composed the contents of the report by linking the drawn 32 major issues to overall company CSR strategy, and drawn the subject by mapping the similar issues. The sequence of the major issues and the major issues per 4-big strategies are as follows.

| Strategy | Subject | Major Issue | Sequence | Page |
|--------------------------|---|---|----------|------|
| Impact Areas | Protection of customer personal information | Intensification of IT security and prevention of financial trade | 1 | 42 |
| | | Protection of customer personal information | 2 | 36 |
| | Ethics and integrity | Demand increase for company transparency (Ethical management) | 3 | 37 |
| | | Corruption (Intensification of internal control and protection of internal informant) | 10 | 48 |
| | Responsible finance | Intensification of responsibility for product/ service | 5 | 38 |
| | | Legal observance in product section | 7 | 42 |
| | Regional society | Social contribution for regional society | 6 | 39 |
| | | Expansion of aging | 26 | 52 |
| Responsible management | Customer satisfaction management | Product and service labelling [Customer satisfaction] | 11 | 38 |
| | | Intensification of accessibility for financially-neglected class of people | 27 | 52 |
| | Value creation of executives and staff | Intensification of importance for acquirement of talent | 4 | 47 |
| | | Performance compensation system for executives and staff | 12 | 46 |
| | | Variety of executives and staff and equal opportunity | 15 | 46 |
| | | Personal development and education/ training in the office | 16 | 46 |
| | | Increase of satisfaction of executives and staff (GWP) | 17 | 49 |
| | | Employment (Gender, newcomer, temporary position) | 21 | 49 |
| | | Prohibition of discrimination | 28 | 48 |
| | | Responsibility for protection of human rights | 29 | 48 |
| | Win-win management with collaborating firm | In selecting collaborating firm, to reflect CSR results | 32 | 44 |
| | | | | |
| Sustainable finance | Creation of customer values | Expansion of social responsible investment (SRI) | 9 | 50 |
| | | Support policy for small/medium company | 13 | 44 |
| | Creation of sustainable performance | Countermeasure against globalization and financial economic crisis | 8 | 33 |
| | | Economic results (Profit, taxation and etc.) | 14 | 33 |
| | | Social responsibility for financial debt | 24 | 50 |
| | | Intensification of education for financial economy | 30 | 52 |
| | Participation in regional society and development | Indirect economic effect (Regional development business/ Investment support) | 18 | 39 |
| | | Increase of youth unemployment and temporary position | 25 | 47 |
| Environmental management | Sharing with regional society | Contribution to education for regional society and cultural development | 19 | 52 |
| | | Contribution to improvement of regional environment and athletic development | 23 | 53 |
| | Green finance | Increase of consumers giving importance on environment-friendly/society/health | 22 | 56 |
| | Coping with climate change | Minimization of negative effect affecting regional society | 20 | 58 |
| | Management of environmental performance | Use of resources and materials* | 39 | 58 |




* Not high-rank issues, but as the issues that are continuously managed by JB Financial Group, these are included in the important issues.

Management Approach

Management Approach

JB Financial Group, by composing MA per issue for 14 ones that were selected as important issues in 2019, reported in detail why each important issue is important to JB Financial Group, what activities are made by JB Financial Group to address each issue and what evaluation systems are equipped to manage and monitor them actually.

| | Protection of customer personal information | Ethics management | Responsible management | Region-customized social contribution | Countermeasure against climate change | | Creation of customer value | Creation of sustainable performance | Customer satisfaction management | Value creation of executives and staff | Win-win management with collaborating firm |
|---|---|---|--|---|--|--|---|---|--|--|---|
| <div>Why is it important?</div> <div>Reason selected as important issue and effect</div> <div></div> | The leakage of the personal information opens the risk to be sued for criminal behaviors such as spam mail, illegal marketing, voice fishing and etc. Recently, knowing about the leakage of the personal information, may fatally impact trust, and the mental/physical damage inflicted on the subject of the personal information leakage are incalculable. | The upright management activities of JB Financial Group is essential to increase the trust of the Group. The issue can have a crucial effect on the reputation of the Group, attraction and maintenance of customers, acquirement of talented personnel, stable life of the executives and staff, environment of the investees and social performance. | Changes in financial policy and law due to changes in the financial market environment is the crucial issue to JB Financial Group. Product liability and legal (non) observance can badly impact economic performance, reputation and stock price of JB Financial Group. | The regional society has a direct effect on the performance of JB Financial Group, a regional representative company. The economic development and activation of Jeonbuk/Kwangju area is surely an opportunity factor, and to acquire trust and reputation in regional society is surely essential to run the business of JB Financial Group. | The climate change problem due to global warming is being continuously discussed in international society. Climate change carries not only physical risk but also other types of risk such as financial and regulatory risk and etc., but it is also a new opportunity factor linking to businesses differentiated from other organizations. | | JB Financial Group recognizes that the true co-owing value can be created when we provide the better value to the customer as we sincerely execute our own job as a financial group. We will sincerely reflect the requirements of the customers and practice the sustainable finance through the product development considering the domain of the economy/society/ environment. | The continuous growth and the profit creation of JB Financial Group will benefit the executives & staff, investors, collaborating companies and regional society. Furthermore, the sustainable performance creation can have a crucial effect on the expansion of the business domain, structural expansion of the organization, re-investment in the regional society and etc. | The customer satisfaction is the essential factor to acquire new customers, maintain the existing customers and acquire the potential customers. As the customer satisfaction management is the factor having a direct effect on the company performance, we are doing our best to support proper and fair financial trade activities by thinking from the perspective of the customer and by providing sufficient information to the customer. | To acquire and maintain the talent to lead JB Financial Group is the essential factor to increase the business performance and maintain the market position. The endeavors for the talent acquirement through the fair employment procedures, intensification of the competence of executives and staff through the systematical education program and maintenance of a healthy life balance among the executives and staff are surely necessary factors for the sustainable JB Financial Group. | JB Financial Group has various collaborating firms for observance of the legal obligations of the organization and expert domain outsourcing such as procurement, IT security, credit assessment, accounting audit and etc. The fair and transparent trade relations with collaborating firms are the essential domains for management of the operation risk and the reputation management of the organization. |
| <div>What are we doing about it?</div> <div>Important issue management method</div> <div></div> | As JB Financial Group is the one owning the personal information and the credit information of the customer, we strictly manage these by giving top priority to the protection of the customer personal information. We have prepared the information protection system such as appointing the highest responsible person for the information protection and etc., and we do our utmost to protect the customer personal information by always being faithful to basic principles and ethics. | JB Financial Group is establishing company culture that places the utmost importance on ethical management through establishment of the guidelines for an ethics code of executives and staff and the ethical behavior standards per job. We have engaged in various endeavors to increase the reliability of the company such as monitoring compliance with laws, execution of upright and ethical management and etc. | JB Financial Group has engaged in various endeavors to protect the rights and interests of the consumer, improve the improper practice and minimize the consumer's complaint and damage. | JB Financial Group is executing the social contribution activities in ways that increase self-independence that is superior to simple donation activities to help the regional society and that creates the direct economic/ social values like creation of jobs. | JB Financial Group recognizes that the top priority shall be bestowed on raising environmental awareness and changing the behavior of the present generation and the next generation to address climate change, and for this, we are engaged in various activities. | | JB Financial Group is developing/ selling the public interest type of financial products for the joint growth with the regional society, and also selling various working-class financial products to stabilize the management of the small/medium businessmen and also to ease the economic difficulty of the customers with low credit. | JB Financial Group has tried to provide a global level of financial service through synergy increase among the subsidiaries. We have met in advance the rapidly-changing financial environment through the risk management, and continuously executed various activities such as development of new products, social responsibility investment activities, provision of the education for financial economy and etc., | As JB Financial Group recognizes that the customer satisfaction is the best business strategy, we have intensified the endeavors to raise the customer satisfaction degree. We seek the way to approach closely to the customers by intensifying the customer satisfaction management and executing marketing strategies and etc., and we are also expanding continuously the finance-approaching improvement service for those with poor access to finance. | JB Financial Group is executing various educational programs to intensify the competence of executives and staff, and operating various systems to increase the work performance together with increase of the life quality based on the balance of the work and life of executives and staff. | JB Financial Group has engaged in trade with the collaborating firms on the basis of mutual respect. We prepare contracts through mutual discussion and consent with the collaborating firms, and we pay the amount on the fixed date as per the contract conditions and procedures. |
| <div>How do we measure performance?</div> <div>Performance evaluation</div> <div></div> | <div>• Leakage status of personal information:</div> <div>None</div> | <div>• Number of anti-corruption and legal violations:</div> <div>None</div> <div>• Number of education for ethical and human rights per person:</div> <div>14times</div> <div>• Operation of internal control system:</div> <div>4,913times</div> | <div>• Number of legal and regulations violation:</div> <div>None</div> | <div>• Consolidated net income versus donation rate:</div> <div>10%</div> | <div>• Total environment-friendly finance:</div> <div>KRW 1,118billion</div> | | <div>• Total working level finance:</div> <div>KRW 616.5billion</div> | <div>• Opening of risk management committee:</div> <div>118times</div> <div>• BIS ratio:</div> <div>13.16%</div> <div>• Return on asset ratio (ROA):</div> <div>0.77%</div> <div>• Delay ratio:</div> <div>0.66%</div> | <div>• Customer satisfaction grade:</div> <div>96marks</div> | <div>• Average educational expenses per person:</div> <div>KRW 439,000</div> <div>• Average educational hours per person:</div> <div>77hours</div> <div>• Number on maternity leave:</div> <div>101persons</div> | <div>• Local purchasing rate:</div> <div>74.3%</div> |

| | Green finance | Environmental performance management | Contribution to regional economic development | Sharing with regional society |
|---|---|--|--|--|
| <div>Why is it important?</div> <div>Reason selected as important issue and effect</div> <div></div> | As concerns for the environment are increasing all over the world, domestic/ overseas financial institutes are constructing the financial environment to develop the green product and to foster green companies. JB Financial Group is engaged in various endeavors not only by playing the role for financial business itself but also by contributing to green economic development. | It is the trend that the demand for resources is also increasing due to expansion of the business domain. As the efficient use and management of the resources and use of the alternative resources minimize the environmental effect and also are linked to the financial performance of the company, the stable management system to manage this is the essential factor for the sustainable management. | The economy of Jeonbuk/ Kwangju area is recently showing signs of recovery due to increase of housing price, oil price stability, export increase and etc., but the gross regional domestic product per person has stayed at a low level compared with other nationwide local governments. The attraction of the company, increase of the productivity and increase of the employment in Jeonbuk/ Kwangju area surely mean the growth of JB Financial Group. JB Financial Group is doing its best to become the company that grows with the region by seeking economic development and increasing the autonomy and vigor of the Jeonbuk/ Kwangju area. | The activities that support the social marginalized are those activities to promote the community by considering the neighbors and society. JB Financial Group will become the company that proceeds together with the regional society by reinvesting and returning a part of the management performance, which is created through the region, to the regional society. |
| <div>What are we doing about it?</div> <div>Important issue management method</div> <div></div> | JB Financial Group wants to be positioned as the green finance exemplary finance group through development of various green financial products, operation of environmental field specialized stores and endeavors for expansion of the environmental management of the trading company. | JB Financial Group is seeking to execute various plans that can intensify the green management activities on overall group management by establishing the policy and guidelines for green management as the internal regulations. We are systematically executing the green management activities such as operation of green financial teams generalizing the group environmental management and etc. | JB Financial Group is executing various programs, which can help it grow together with the regional society, through provision of the company management consulting, agreement for support of small/ medium company, preferential loan/support for technology-type venture company and etc. Also, we are executing the activities to solve youth unemployment and irregular job positions through operation of the university student company experience program and etc. | JB Financial Group is executing various regional altruistic activities such as sharing activities for the social weak and marginalized, sponsoring activities, donation activities and etc., and we are engaging in endeavors to let the residents live a better life by supporting education/ culture/art/athletic activities. |
| <div>How do we measure performance?</div> <div>Performance evaluation</div> <div></div> | <div>• Use of e-mail invoice of credit card:</div> <div>1,550,166_{each}</div> <div>• Delivery rate of e-mail invoice compared with number of credit cards:</div> <div>7.26%</div> | <div>• Greenhouse gas emissions:</div> <div>10,545_{tCO₂eq}</div> <div>• Energy consumption quantity:</div> <div>454_{TJ}</div> | <div>• Technical finance:</div> <div>KRW 765.7 billion</div> <div>• Fostering finance for regional company:</div> <div>KRW 36 billion</div> | <div>• Number of participants in service activities:</div> <div>16,719 persons/year</div> |

Summary of Sustainable Management Performance

‘Young and strong hidden champion financial group’, vision of JB Financial Group, contains the will for the growth and innovation in the financial market based on internal stability growth. Based on the culture of placing importance on communication & discussion and expertise, we will develop together with stakeholders as the young and strong general financial group.

Distribution of Economic Performance to Stakeholder

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|------------------------------|-----------------------|---------------|---------|---------|---------|
| Stockholder and investor | JB Financial Holdings | KRW 1 million | 15,285 | 34,982 | 58,303 |
| | Jeonbuk Bank | KRW 1 million | - | - | - |
| | Kwangju Bank | KRW 1 million | 12,823 | - | 98,983 |
| | JB Woori Capital | KRW 1 million | 77,745 | 28,031 | 24,212 |
| | JB Asset Management | KRW 1 million | - | - | - |
| | Sub-total | KRW 1 million | 105,853 | 63,013 | 181,498 |
| Wage of executives and staff | JB Financial Holdings | KRW 1 million | 10,975 | 14,029 | 15,575 |
| | Jeonbuk Bank | KRW 1 million | 126,057 | 126,937 | 129,817 |
| | Kwangju Bank | KRW 1 million | 189,664 | 198,456 | 187,216 |
| | JB Woori Capital | KRW 1 million | 51,493 | 57,256 | 60,067 |
| | JB Asset Management | KRW 1 million | 4,873 | 5,935 | 6,119 |
| | Sub-total | KRW 1 million | 383,062 | 402,613 | 398,794 |
| Customer (Payment interest) | JB Financial Holdings | KRW 1 million | - | - | - |
| | Jeonbuk Bank | KRW 1 million | 169,213 | 208,060 | 203,594 |
| | Kwangju Bank | KRW 1 million | 204,243 | 237,618 | 233,366 |
| | JB Woori Capital | KRW 1 million | 129,643 | 122,223 | 120,835 |
| | JB Asset Management | KRW 1 million | - | - | - |
| | Sub-total | KRW 1 million | 503,099 | 567,901 | 557,795 |
| Regional society (Donation) | JB Financial Holdings | KRW 1 million | 13 | 31 | 120 |
| | Jeonbuk Bank | KRW 1 million | 2,305 | 3,542 | 3,935 |
| | Kwangju Bank | KRW 1 million | 7,684 | 9,079 | 4,609 |
| | JB Woori Capital | KRW 1 million | 291 | 63 | 10 |
| | JB Asset Management | KRW 1 million | 2 | 3 | 1 |
| | Sub-total | KRW 1 million | 10,295 | 12,718 | 8,675 |
| Government (Corporate tax) | JB Financial Holdings | KRW 1 million | - | - | - |
| | Jeonbuk Bank | KRW 1 million | 13,056 | 18,772 | 35,033 |
| | Kwangju Bank | KRW 1 million | 42,800 | 48,957 | 55,188 |
| | JB Woori Capital | KRW 1 million | 21,500 | 23,176 | 28,155 |
| | JB Asset Management | KRW 1 million | - | 151 | (2,250) |
| | Sub-total | KRW 1 million | 77,356 | 91,056 | 116,126 |

03

IMPACT AREAS

-Q&A

- 36 Protection of Customer Personal Information
- 37 Ethics Management
- 38 Responsible Financing
- 39 Region-customized Social Contribution

Protection of Customer Personal Information

Crucial issue

- Intensification of IT security and prevention of financial trade accident
- Protection of customer personal information

Q1 The mental/physical stress is serious due to leakage of the personal information that has recently occurred in financial companies, communication companies and etc. What activities are JB Financial Group engaged in to protect the personal information of the customers?

A1 The leakage of the personal information opens the risk of being used for criminal behavior such as span mail, illegal marketing, voice fishing and etc. Aware of the recent leakage of the personal information, we recognize that even one incident can have a very negative effect on the trust and reputation of a companyand cause enormous harm to the subject of the personal informtion leakage. As JB Financial Group is a company owning the personal information and the credit information of the customers on a large scale, we are stricly managing these by giving importance to protection of the customer personal information with a sense of urgency. In 2019, we prepared the strict systematical device by intensifying the information protection system, and we are doing our utmost to protect the customer personal information with a sincere attitude.

Q2 By what methods are the information protection system of JB Financial Group operated?

A2 JB Financial Group possesses a great deal of customer personal information in the domestic arena. If we concentrated on intensification of IT security infra in the past, we concentrated even more on the internal stability of the information protection in 2019.

JB Financial Group has intensified the monitoring function to protect the customer personal information through advancement of the blocking system against harmful sites, and secured the integrity and safety of the internet service for the customers by constructing the web forgery prevention solution. In addition, we have intensified the security and availability for the internet banking service by advancing the internet banking firewall section, and intensified the control function for the internet banking financial trade through the copying development for multi browser (Safari, Firefox, Chrome and etc.) for the PC security control system of the user in present use. Also, we have introduced MDM (Mobile Device Management) solution for the active execution of the mobile project, and constructed/applied the security solution such as prevention of the mobile web/app forgery, encoding of the communication section, virtual keypad, firewall and etc. to intensify the infra for the mobile security S/W. JB Financial Group has the plan to operate the optimal system to comply with the bank environment by improving the function for the information protection system previously constructed/ presently operated and by raising the operation efficiency.

Q3 WewishtoknowtheleakageaccidentcareerofthepersonalinformationofJBFinancialGroup.

A3 Even one case of the personal information leakage did not occur in JB Financial Group from 2015 to the present. We are monitoring the customer personal information in real time through the system checking activity and 24-hour security control linked to Korea Financial Telecommunications and Clearings Institute. We have orginally blocked the outside leakage of the customer information by operating PC security program, vaccine and document security solutions.

Leakage of personal information (Unit: Case)

| | 2017 | 2018 | 2019 |
|---------------------------------|------|------|------|
| Leakage of personal information | 0 | 0 | 0 |

Ethics Management

Crucial issue

- Increase of demand for transparency of company (Ethics management)
- Corruption (Intensification of internal control and protection of internal informant)

Q1 The demand of society related to ethics management is continuously increasing. What endeavors are JB Financial Group making for the transparent and ethical management?

A1 The ethical and upright management activities of JB Financial Group are the essential factors to increase the reliability of the Group. This issue can have a crucial effect on the reputation of the group, attraction and maintenance of the customer, acquirement of the talent, stable life of executives and staff, environment of the investee and social performance. JB Financial Group is establishing a company culture that gives the top prioty to ethics management through establishment of the code of ethics practice guidelines and the ethical behavior standards per duty, and we are engaged in various endeavors to increase the company reliability such as execution of the upright management program.

Q2 What systematical devices have JB Financial Group prepared for the ethics management and corruption prevention?

A2 JB Financial Group has established the code of ethics practice guidelines, and we are performing various activities to raise the ethical sense of the respective executives and staff. As we prepare the self-checking table for legal observance and execute the ethical education and the upright management rediscovery program, we are trying to be reborn as a trustworthy financial organization by establishing the organizational culture practicing ethics management, by raising the sense of vocational ethics required for the fair execution of duties and by intensifying the ethical decision-making ability.

Execution status of education for ethics/human rights (Unit: No. of times)

| Descriptions | | 2017 | 2018 | 2019 |
|---|-----------------------|------|------|------|
| Execution of education for anti-corruption/ legal observance/ ethics per person | JB Financial Holdings | 26 | 27 | 29 |
| | Jeonbuk Bank | 12 | 12 | 12 |
| | Kwangju Bank | 15 | 12 | 18 |
| | JB Woori Capital | 11 | 12 | 12 |
| | JB Asset Management | 2 | 2 | 1 |
| | Sub-total (Average) | 13 | 13 | 14 |

We are continuously intensifying the internal control system. JB Financial Group is operating the 'Insider reporting center' in the homepage to activate the reporting system so as to practice ethics management, and intensifying the reliability and transparency of the financial business by executing strict audit works (Daily audit, general audit and special audit).

Operation status of internal control system (Unit: No. of times)

| Descriptions | | 2017 | 2018 | 2019 |
|--------------------------------------|-----------------------|-------|-------|-------|
| Operation of internal control system | JB Financial Holdings | 253 | 411 | 532 |
| | Jeonbuk Bank | 960 | 913 | 1,015 |
| | Kwangju Bank | 708 | 1,269 | 1,353 |
| | JB Woori Capital | 1,762 | 1,684 | 1,644 |
| | JB Asset Management | 372 | 369 | 369 |
| | Sub-total | 4,055 | 4,646 | 4,913 |

Q3 Is there any case of violating the ethics management, anti-corruption and related laws in 2019?

A3 JB Financial Group is trying to root out illegal behavior such as embezzlement of funds and bribery. JB Financial Group received the certificate of merit, Gwangju Commercial Awards, as we were recognized for our contributions to establish firmly the transparent financial trade order such as construction of the advanced system, improvement of the risk calculation model and process, operation of the educational program to raise the expertise and the sense of responsibility and etc.

Responsible
Financing

Crucial issue

- Intensification of responsibility for product/service
- Legal observance of product sector



Q1 The demand for protection of the financial consumer and the responsible financial service is continuously increasing due to the insolvency of financial organizations, increase of financial disputes, diversification of the financial products and services. What endeavors is JB Financial Group engaged in relative to this?

A1 JB Financial Group is performing various endeavors to protect the rights and interests of the consumer, improve on improper practices and minimize the consumers’ complaints and harm such as preparation of the financial consumer protection charters and etc. by establishing the fianancial consumer protection department.

JB Financial Group has prepared the system, which the civil complaint does not occur originally, through planning/development and sale of all financial products, customer participation system up to the after-the-fact management over all systems, preparation of the guidelines and improvement of the system. Also, we have prepared the systematical base to protect the financial consumer by installing the consumer protection window in each branch to take charge of the consumer protection work and let them observe the site responsibility principles.

Q2 We think that the roles of the executives and staff close to the customers will be important to protect the financial consumer. What endeavors are JB Financial Group engaged in to protect the financial consumer?

A2 JB Financial Group announced the consumer protection charters in the contents of improvement of improper pactices, rapid relief from harm, rooting-out of the unsound business behavior and etc. for all executives and staff, and we are executing regular education. Also, the executives and staff are reviewing the major civil complaints and listening to opinions in order to prepare the self-disgnosis checklist for the consumer protection, and performing activities that immediately improve these.


Treatment status of voice of customer (VOC)

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|--|------------------|--------------------------------|----------------|----------------|----------------|
| Complaint treatment of VOC | Jeonbuk Bank | Case | 36 | 16 | 13 |
| | Kwangju Bank | Case | 31 | 26 | 14 |
| | JB Woori Capital | Case | 133 | 162 | 199 |
| Customer satisfaction marks | Kwangju Bank | marks | 92 | 86 | 96 |
| Status evaluation for protection of financial consumer | Jeonbuk Bank | - | Not applicable | Not applicable | Not applicable |
| | Kwangju Bank | - 1 excellent/6 good /3 normal | Not applicable | Not applicable | Not applicable |
| Leakage of personal information | Jeonbuk Bank | Case | - | - | - |
| | Kwangju Bank | Case | - | - | - |
| | JB Woori Capital | Case | - | - | - |

Region-
customized
Social
Contribution

Crucial issue

- Social contribution to regional society
- Expansion of aging



Q1 ‘Regional society’ has a direct effect on the performance of JB Financial Group, which is the representative company in Jeonbuk/Kwangju. The development and activation of the regional economy is surely an opportunity factor to JB Financial Group, and the acquirement of trust and reputation from the regional society is surely the essential factor to run the business of JB Financial Group. What endeavors are JB Financial Group engaged in to make a better regional society?

A1 JB Financial Group has grown based on the trust and belief of the residents so far, and in order to reward this, we are executing various social contribution activities including social welfare projects, culture/art/athletic projects, environment/global projects, education/scholarship projects, social enterprise and volunteers activities. Recently, JB Financial Group is creating a new paradigm of social contribution. JB Financial Group is executing social contribution activities in the ways that increase the independence of the region that go beyond simple donations to the regional society and that create the direct economic/social values like the job creation and etc.

Q2 What kinds of social contribution activities are representative of JB Financial Group are there?

A2 JB Financial Group participates in the support of Korea Institute for Advancement of Finance for Working Class people and Credit Counseling and Recovery Service executed by the government for win-win relations with low-income and low-credit class and the small business groups. Also, we support the economic activities of the financially-isolated class, and positively support the policy and activities on the national level so that the support system to stabilize the position of working level people can be established.

Recently, we supported loans to working people through the New Hope Spore and etc. that is a program that gives funds rapidly and simply to working people and low-credit groups who need support in difficult situations where a minimum of documents is required, and constructed the system to increase accessibility to working people through the ‘warm’ financial clinic, retail financial center and etc.

Participation and development of regional society

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|--|-----------------------|---------|--------|--------|--------|
| Donation compared with consolidated net income | Jeonbuk Bank | % | 13 | 11 | 10 |
| | Kwangju Bank | % | 10 | 11 | 10 |
| | Average | % | 12 | 11 | 10 |
| Number of participants in volunteers activities (man-days) | JB Financial Holdings | Persons | 19 | 61 | 50 |
| | Jeonbuk Bank | Persons | 8,536 | 7,008 | 6,893 |
| | Kwangju Bank | Persons | 9,486 | 9,529 | 9,632 |
| | JB Woori Capital | Persons | - | 106 | 112 |
| | JB Asset Management | Persons | 40 | 43 | 32 |
| Sub-total | | Persons | 18,081 | 16,747 | 16,719 |



04 CSR STRATEGY & PERFORMANCE



- 42 Protection of Customer Information
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- 56 Green Finance
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Protection of Customer Information



Context & Challenges

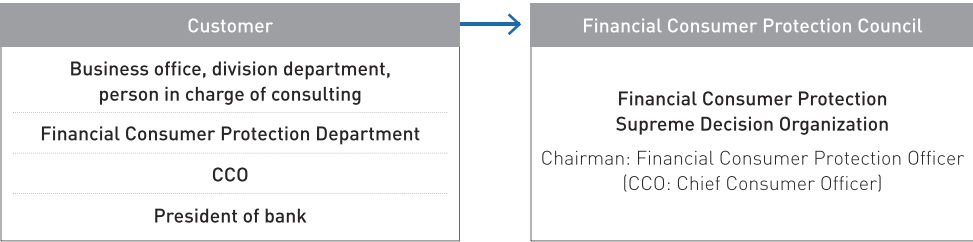
A customer's personal information is an important asset of the customer and must be protected by the company. The protection of customer personal information is a core management issue of JB Financial Group. So, we have to make sure that the customer can safely engage in financial trade activities by removing potential risk factors and by strengthening the information protection system.

Our Approach

JB Financial Group protects the rights and interests of the consumer and the customer. This means that all products and services provided by JB Financial Group are fair and factual and that we provide a safe trading environment for consumers and customers, make fair contracts, protect information and receive/ resolve complaints.

Protection of Financial Consumer

Bodies for financial consumer protection Jenbuk Bank and Kwangju bank, which are the organizations for the protection of the financial consumer, have designated the vice bank presidents as the persons responsible for the protection of the financial consumer and they chair regular financial consumer protection conferences or meetings frequently if necessary. The financial consumer protection organizations of JB Financial Group place the highest priority on customer convenience, and the business office, division department and the person in charge of consulting together rapidly respond to and resolve any issues. Also, if it is difficult to resolve issues immediately, we address issues through the Financial Consumer Protection Department and Financial Consumer Protection Council.



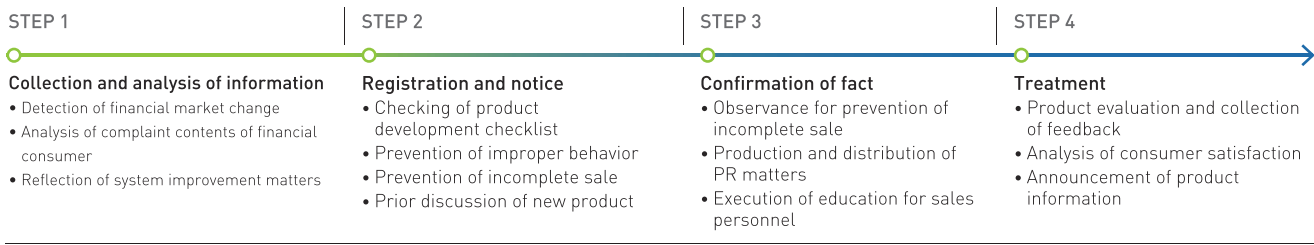
Consumer protection site of JB Financial Group

In order that JB Financial Group becomes an organization that protects the rights and interests of the financial consumer through provision of customer-centered financial services and grow together with customers, we promise that we will put in place and sincerely abide by the following conduct code.

- We will provide honest financial information place the utmost priority on the rights and interests of the financial consumer.
- We will legally protect the information of the financial consumer and safely protect this information and properly utilize it.
- We will take measures so that no improper discrimination or unsound business behavior is experienced by the financial consumer.
- We will treat the complaints of the financial consumer and matters related to compensation fairly and rapidly, and address matters in order to improve any inconveniences.
- We will pay particular attention to financially-isolated groups and seek to be an active member of regional society.

Consumer Protective Product Development Process JB Financial Group recognizes that product development which reflects the customer's circumstances is the commencement of the protection of the financial consumer. Therefore, in the case of developing new financial products and services, we review in advance customer complaints so that any improper behavior or irregularities do not occur. Also, we provide the opportunity for customers to acquire sufficient product-related information through strict personnel education, and we try our best so that no problems or complaints arise through the evaluation of sold products, analysis of consumer satisfaction and announcement of product information even after the sale of products.

Consumer Protective Product Development Process

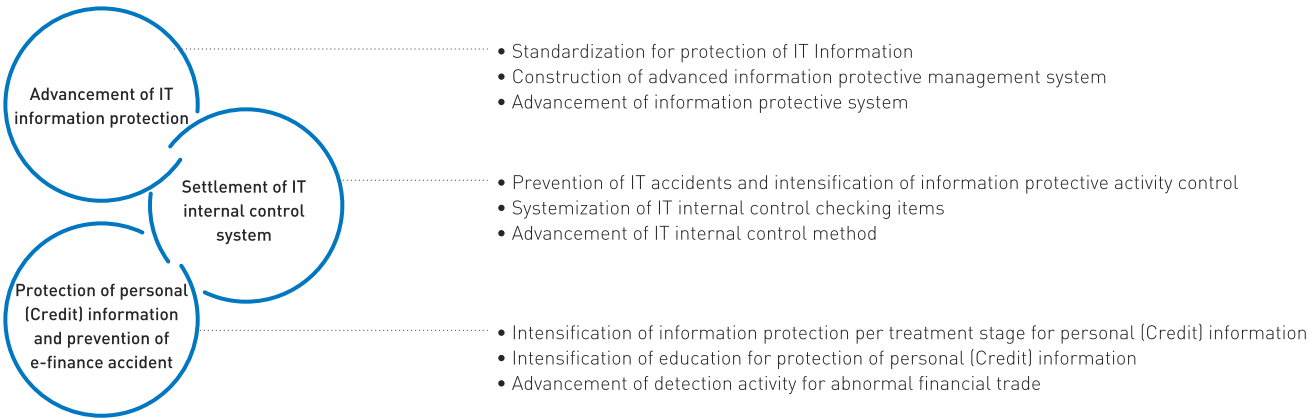


Management System for Protection of Customer Information The customer personal information is an important asset of the customer, which must be protected by the company. The protection of customer personal information is a core management issue of JB Financial Group. Therefore, we provide support so that the customer can safely engage in financial trade activities by assessing potential risk factors in advance and obviating such risks and by intensifying the information protection system.

We strictly observe the laws related to information protection such as personal information protection laws, use and protection of credit information and etc., and regularly check the management status of customer personal information. Especially, we strengthen checking activities related to the treatment status of personal information and results with regard to collaborating companies.

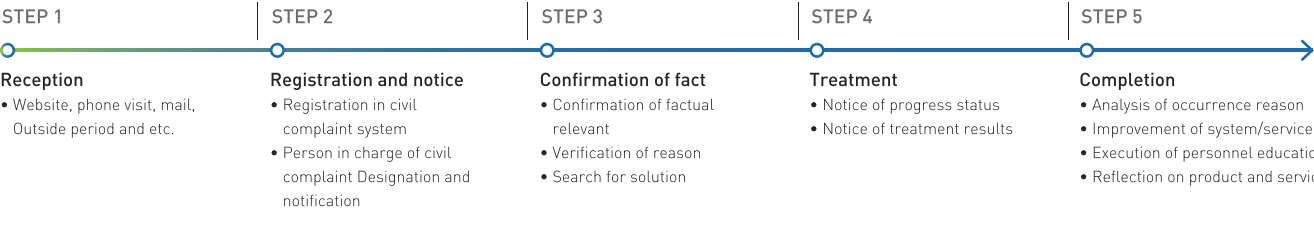
Also, we take measures to protect customer information through the encoding of atypical data, blocking of automated device malicious software and enhance security through data mobile media control, introduction of a disaster restoration center and etc.

Establishment of information protection system for safe financial trade



Communication with Financial Consumer JB Financial Group listens to the voice of the customer. We communicate in a positive and friendly manner with customers through open channels such as websites, phone, mail, outside organizations and etc. We register problems or requirements received from customers in a civil complaint system, and designate the person in charge of treating the relevant civil complaint. After this, we rapidly search for a solution through confirmation of factual evidence and verification of causes, and inform the customer of the process status and treatment results. We improve the system by analyzing the reason why a problem occurs, and take measures so that the problem may not reoccur by reflecting on products and services.

Customer/consumer complaint treatment process



Win-win Management with Collaborating Companies



Context & Challenges

JB Financial Group practices policies of fair trade. This is done to guarantee fair competition, ethical tradin and etc. as per free market economic principles with regard to all trade relations among individuals, companies and etc.

Our Approach

JB Financial Group has maintained win-win relations with various companies related to IT security, credit rating, accounting auditing, computer devices, manpower dispatch, interior design, delivery of general office articles and etc. Through this, we enhance expertise, safety and transparency, and elevate the safe management of a customer’s asset and the efficiency of company operations.

Shared Growth with Region

Win-win cooperation among regional small/medium companies, small businesses, social companies JB Financial Group recognizes the importance of the regional economy by common destiny: ‘If local small/medium companies fare well, JB Financial Group can fare well’. So, we purchase the goods of regional small/medium companies and small businesses as a matter of priority without violating rules of fair competition and fair trade. Jeonbuk Bank has forged a partnership related to the culture/art of the region with social companies and regularly opens events of ‘Day with culture’ that provide various viewing opportunities to regional residents. Through this, the company not only makes a social contribution to regional residents but also provides the base for regional social organizations to grow stably. Jeonbuk/Kwangju Bank takes the initiative to support the regional traditional market. It positively cooperates with and supports local government projects to assist the regional traditional market, and engages in win-win co-operation with regional small businesses through promot-ing gift cards of traditional markets and encouraging the use of traditional markets during festive seasons.



Purchase rate from local regional company

| Descriptions | Unit | 2017 | 2018 | 2019 |
|---------------------|------|------|------|------|
| Jeonbuk Bank | % | 85.7 | 67.1 | 74.7 |
| Kwangju Bank | % | 68.8 | 69.8 | 73.8 |
| Sub-total (Average) | % | 77.2 | 68.5 | 74.3 |

Financial Support for ‘Regional Small Company /Small Business’ JB Financial Group has made the ‘Business agreement for support of regional small company/smalll businesses for win-win development’ with Jeonbuk, Kwangju and Jeonbuk Credit Guarantee Foundation, Jeonbuk Economic and Trade Promotion Agency, and it has focused on the easing liquidity through fund support toward the small companies and small businesses that face increased costs due to wage rises as a result of the raising of the minumum wage. JB Financial Group provides a special fund amounting to KRW500million to the Credit Guarantee Foundation for small companies/smalll businesses in the region every year as per the agreement.

JB Financial Group Leading Fair Society

Fair Trade JB Financial Group sincerely observes the law on fair competition and fair trade, and establishes/operates ‘Internal regulations for purchase and contract’ for fair and transparent purchases and contracts. Also, we operate the purchase/contract judgment committee that works alongside related departments to prevent illegal solicitations with regard to major purchases and contracts, and the in-house law compliance monitoring department and the judicial affairs department are engaging in monitoring activities in real time to determine whether the procedures related to purchases and contracts are legal.

Reliable Trade JB Financial Group engages in trade with collaborating firms as per mutual respect but does not engage in unilateral trade between Party A and Party B. We make contracts through mutual consent and discussion with collaborating firms, and we correctly pay sums of money according to a fixed schedule as per the contract conditions and procedures. Also, we conduct in-house education so as to prevent any improper requests or solicitations. In addition, in order to protect customer information, which is more important than anything else, we execute regular and random monitoring activities to prevent the leakage of customer information by companies with which we do business.

Win-win management principles of JB Financial Group

JB Financial Group upholds the value of collaborating firms (Organizations or private entities providing goods or services directly/indirectly to the Group), and we respect the autonomy and independence of collaborating firms and also encourage collaborating firms to participate in the socially responsible management principles of JB Financial Group and cooperate in these matters, and for this purpose, we have established and practice the ‘Win-win management principles of JB Financial Group’.

Respect for human rights of collaborating firm

- We voluntarily observe labor-related laws, and never engage in any activities that violate such laws.
- Prohibition of child labor and protection of working-vulnerable groups: We prohibit child labor and will not permit females, the handicapped and etc. execute harmful or risky work.
- Observance of working hours: We mutually observe the working hours designated by law, and in principle, permit people to do overtime work only on a voluntary basis.
- Wage and welfare: We pay the wage above the lowest wage fixed by the related law, and execute mandated welfare systems.
- Protection of privacy and humane treatment: We protect the privacy of individuals including the personal information of the worker, and do not tolerate any inhumane treatment such as physical/mental abuse including sexual abuse or sexual harassment, punishments, foul language, etc.
- Prohibition of discrimination: We do not discriminate against any worker on the basis of nationality, gender, religion, social status and etc.

Safety and hygiene of collaborating firm

- Industrial safety: We remove in advance risk factors that may endanger the safety of workers, put in place safety measures and conduct education in relation to safety.
- Management of industrial disasters and diseases: We prepare and execute the system and procedures to prevent and manage industrial disasters and diseases.
- Industrial hygiene and sanitation: We provide a hygienic and safe working environment, and try to improve working conditions.

Environmental management of collaborating firm

- Observance of environmental law: We sincerely observe the related law, and acquire, maintain and manage the environment-related permit/ license and registration established by the related law.
- Reduction of wastes and efficiency of resources use: We try to reduce all types of wastes, and try to reduce the use of resources such as energy, water and etc.
- Prevention of environment pollution: We sincerely observe the related law, and fully understand that pollution is harmful to the body and seek to prevent any occurrence of environmental pollution while safely treating and managing such waste.

Ethics management of collaborating firm

- Fair and honest work execution: We sincerely observe the related law, and do not engage in unfair trade practices and seek to conduct our business honestly and transparently.
- Prevention of bribery and corruption: We sincerely observe the related law, and prohibit any type of bribery, and continuously seek to prevent corruption.
- Protection of personal information: We sincerely observe the related law, and protect personal information including that of the customer, and take technical/physical measures for such purposes.
- Win-win with collaborating firm: We pursue mutually respectful relations with collaborating firms.

Happy Management of Executives and Staff



Context & Challenges

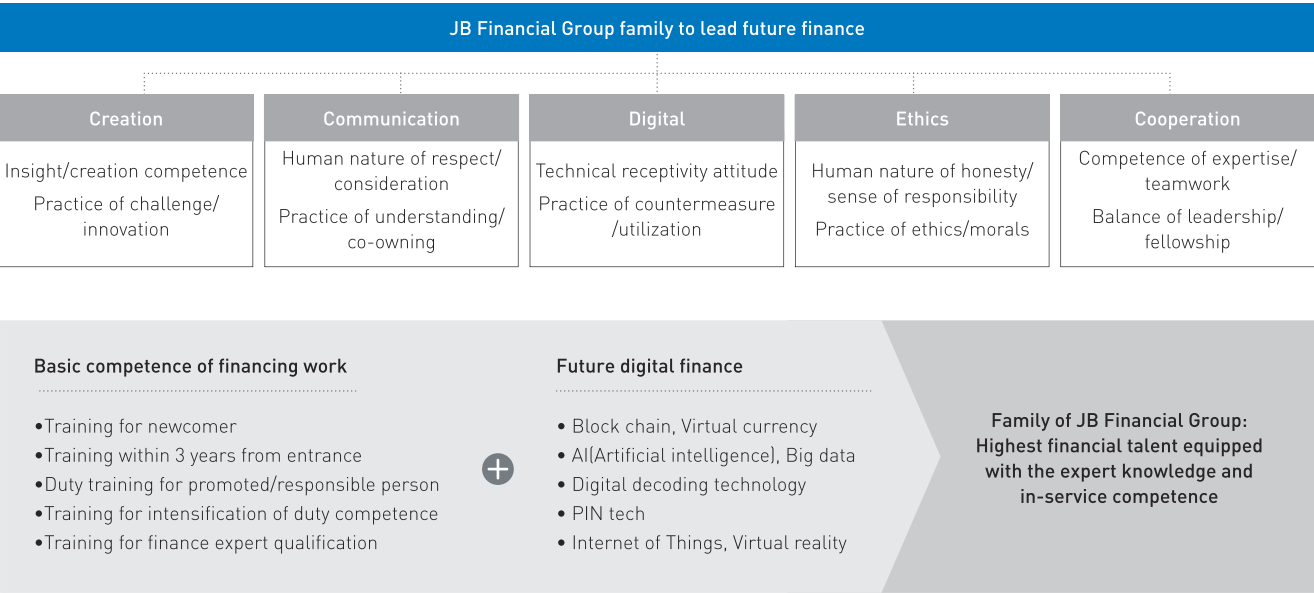
To acquire and maintain the talent to lead JB Financial Group is an essential factor to increase business performance and to maintain market position. Endeavors for talent acquirement through fair employment procedures,. strengthening of executives and staff's competence through systematical educational programs, respect of human rights and maintenance of life work balance are key priorities for JB Financial Group.

Our Approach

JB Financial Group respects human rights, and executes various educational programs for the competence intensification of executives and staff. Also, we are operating various systems to raise work performance together with quality improvement based on the work and life balance of executives and staff.

Talent Management

Concept of talent and competence intensification of financier The creative talent with the vision and the vocation for the financial business, talent with communication competence, talent enjoying engaging in cooperation, honest talent with ethical standards and the talent needed for future digital finance are pursued as the ideal of talent. Creative talent is the person pursuing continuously innovation based on insight and the creativity, and the talent with communication competence is the person practicing understanding and respect and consideration. The talent enjoying engaging in cooperation is the person who cultivates leadership skills and fellowship based on expertise and teamwork. The honest talent with ethical standards is the person practicing ethics and morals in work and words/behaviors with honesty and a sense of responsibility. As for the talent needed for future digital finance, we execute various education programs to enhance future digital technological skills and to prepare for rapid changes.



Education for executives and staff

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|---|-----------------------|----------|-------|-------|------|
| Average educational expenses per person | JB Financial Holdings | KRW1,000 | 367 | 331 | 351 |
| | Jeonbuk Bank | KRW1,000 | 789 | 854 | 839 |
| | Kwangju Bank | KRW1,000 | 1,265 | 689 | 641 |
| | JB Woori Capital | KRW1,000 | 996 | 1,438 | 261 |
| | JB Asset Management | KRW1,000 | 226 | 434 | 101 |
| | Sub-total (Average) | KRW1,000 | 729 | 749 | 439 |
| Average educational hours per person | JB Financial Holdings | Hour | 41 | 47 | 41 |
| | Jeonbuk Bank | Hour | 77 | 124 | 110 |
| | Kwangju Bank | Hour | 46 | 101 | 107 |
| | JB Woori Capital | Hour | 84 | 47 | 50 |
| | JB Asset Management | Hour | 23 | 17 | 21 |
| | Sub-total (Average) | Hour | 62 | 80 | 77 |

Financial support for transparent and fair personnel management system JB Financial Group operates the fair evaluation system based on ability and performance not only for hiring but also after hiring. As the performance goal management (MBO) and key performance index (KPI) reflecting the characteristics per department and branch are linked to personal performance, these are optimized with regard to the annual target of the overall company, and ensure that executives and staff, departments and branches receive fair evaluations and compensation relative to target attainment. Also, through the multi-faceted evaluation system, we realize the fair and balanced performance evaluation of executives and staff. We reflect the evaluation of the person him/herself (Self-evaluation), and ensure that there is fairness and balance between the individual and organization with regard to performance as this is linked to the performance of the attached department (Branch).

Employment Status and Status of Labor Union JB Financial Group does not discriminate against any one for whatever reason with regard to hiring, treatment and promotion, and is committed to equal pay. Also, we do engage in any unfair personnel practices. As the rate of female middle manager continuously increases, and the rate of female members is 45.8% in Jeonbuk Bank and 48.5% in Kwangju Bank, this shows a commitment to gender equality. We guarantee complete freedom with regard to forming, joining and participating labor unions, and do not impose any restrictions or disadvantages in relation to this. Also, we try to observe the international labor standards fixed by ILO, and observe the labor union and labor relations adjustment act.

Employment status of JB Financial Group

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|--|-----------------------|---------|-------|-------|-------|
| Whole executives & staff | | Persons | 3,770 | 3,951 | 4,197 |
| open recruitment of newcomer: High school graduate, university graduate new recruits | Jeonbuk Bank | Persons | 31 | 46 | 42 |
| | Kwangju Bank | Persons | 68 | 67 | 50 |
| | JB Woori Capital | Persons | 10 | 7 | 18 |
| | Sub-total | Persons | 109 | 120 | 110 |
| Whole employment: open recruitment of newcomer, career, contract total | JB Financial Holdings | Persons | 41 | 25 | 52 |
| | Jeonbuk Bank | Persons | 74 | 108 | 93 |
| | Kwangju Bank | Persons | 114 | 153 | 152 |
| | JB Woori Capital | Persons | 88 | 92 | 111 |
| | JB Asset Management | Persons | 23 | 17 | 21 |
| | Sub-total | Persons | 340 | 395 | 429 |

As for the details such as the executives and staff status per gender/per position, turn-over rate and etc., please refer to the appendix.

Happy Management of Executives and Staff

Entrance status of Labor Union

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|-----------------------------------|-----------------------|------|-------|-------|-------|
| Entrance rate among whole persons | JB Financial Holdings | % | 100.0 | 100.0 | 100.0 |
| | Jeonbuk Bank | % | 63.0 | 62.4 | 63.8 |
| | Kwangju Bank | % | 68.3 | 74.5 | 73.5 |
| | JB Woori Capital | % | 98.8 | 97.8 | 61.0 |
| Entrance rate among | JB Financial Holdings | % | 100.0 | 100.0 | 100.0 |
| | Jeonbuk Bank | % | 99.2 | 100.0 | 100.0 |
| | Kwangju Bank | % | 99.6 | 99.7 | 99.5 |
| | JB Woori Capital | % | 100.0 | 100.0 | 100.0 |

Human Rights Management

Report of human rights matter and treatment process JB Financial Group and all subsidiaries respect human rights and have constructed and operate a disclosure or closure process to prevent human rights problems and the treatment after occurrence of any such problems, and the prevention of the recurrence and etc., and strict confidentiality and a personal protection system for consulting, reporting and informing is maintained.

Report and treatment process of human rights problem

| Report | Reception/record/discussion | Investigation/confirmation of factual relevance | Treatment/prevention of recurrence |
|--|--|---|--|
| Department in charge Main: Law-abiding support dept. Sub: Personnel dept., Inspection dept. | Department in charge Main: Law-abiding support dept. Sub: Personnel dept., Inspection dept. | Department in charge Main: Law-abiding support dept. Sub: Personnel dept., Inspection dept. | Department in charge Main: Law-abiding support dept. Sub: Personnel dept., Inspection dept. |
| Consulting & report procedures <ul style="list-style-type: none">• e-mail• Intranet anonymity notice board• Website anonymity notice board• Tel• Facing | ① Contents of consulting & report Record & record ② Consulting & discussion over contents of report ③ Discussion over treatment method | ① Closure investigation ② Confirmation of factual relevance ③ Participation of outside expert if necessary ④ Maintenance of confidentiality and personal protection of counselor, reporter | ① Measures as per investigation result (As per law and regulations) ② Case spread and education for recurrence prevention ③ Secret keeping, personal protection of counselor & reporter, settlement of problem, support, reward (Disclosure/Closure) |

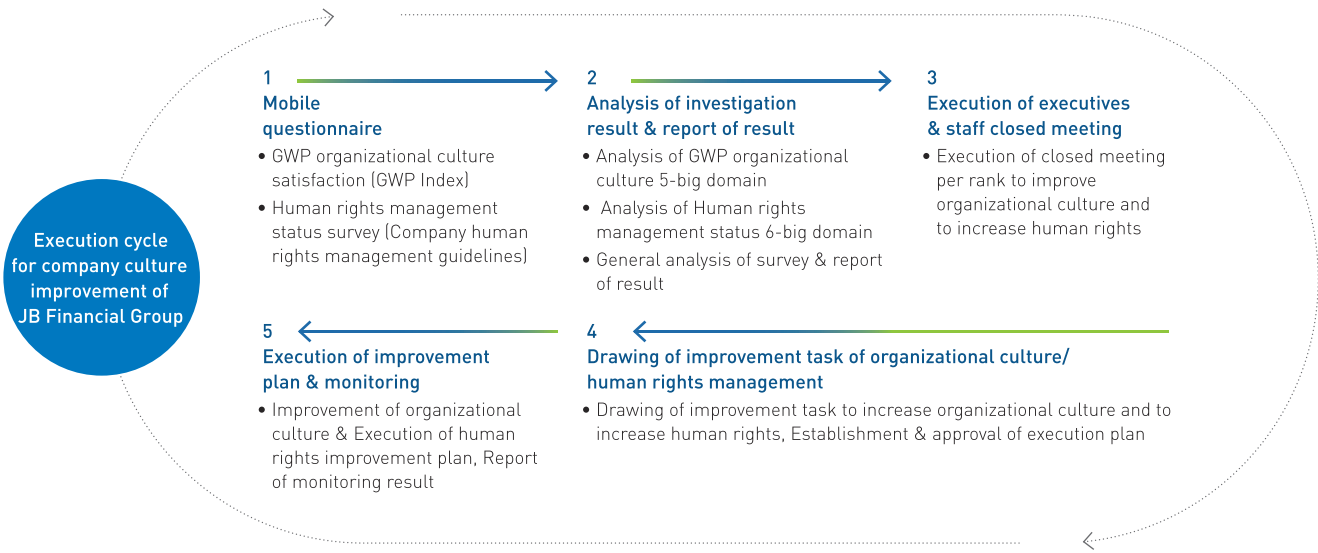
Introduction and Execution of JB Do Dream JB Financial Group has introduced JB Do Dream to improve and activate the internal informant system, and also introduced the external trust system to ensure anonymity is guaranteed. Especially, we have obviated the possibility for identification exposure and the incurring of any disadvantages by dividing the helpline system (Anonymous report) into the law-abiding quality system supplementing this (Grievance counseling). JB Do Dream can conduct consultations with regard to not only integrity and ethics management but also all contents related to harassment in the company and human rights management, and we seek to make JB Financial Group transparent by operating the informant reward system and etc.

JB Do Dream treatment process



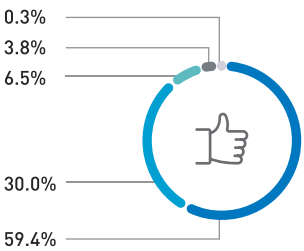
Organizational Culture and Improvement of Human Rights of Executives & Staff JB Financial Holdings executed 'Questionnaire for GWP (Great Work Place) reliability survey and human rights management status to improve the organizational culture and the human rights of executives and staff' in 2018, and executes the meeting per position based on such questionnaire and practices active improvement measures. We drew up 5-big priority tasks for improvement of the organizational culture and human rights, and as per the priority task, we have achieved the execution of the integrated annual wage system, execution of the linked leave system, activation of the competence intensification education and improvement of discrimination factors regarding females and irregularly employed persons and etc. We are reviewing this improvement of the organizational culture and the human rights of executives and staff so that such improvements can be implemented in all subsidiaries in the future.

Process for improvement of organizational culture and human rights of executives and staff



Endeavors for Work and Life Balance JB Financial Group practices a philosophy regarding executives & staff under the banner 'As executives & staff are happy, customers are happy'. For this, we implement various executive & staff welfare systems to maintain Work and Life Balance. Also, by promoting the satisfaction of executives & staff, we take the initiative for improvement of the life quality in the office, and we try to enhance satisfaction in the office through various welfare systems for executives & staff, health campaigns, culture events and etc. Especially, we analyzed in detail the environment to create a good work life balance by executing work satisfaction survey regarding the 52 hour working week in 2019.

Satisfaction for Weekly 52-hour working system



Major executives and staff welfare system

| System name | Contents |
|---|--|
| Medical checkup | Annual execution for all executives & staff (As for the one above 35-year-old, inclusive of 1 family) |
| Sabbatical leave & travel expenses | Sabbatical leave for person in long service for 10, 15, 20 and 25 years and support travel expenses |
| Scholarship for children of executives & staff | Support of school expenses for kindergarten, high school and university (Based on specific amount) |
| Expenditure for congratulations & condolences | Marriage, childbirth, parents (Person itself, spouse), birthday (60, 70, 80 birthday), death (Person itself, immediate family) |
| Childbirth leave/ leave of absence | Leave/leave of absence after childbirth of person itself, childbirth leave of spouse |
| Leave of absence for infant care, infertility treatment | Leave of absence from infant care of person itself, leave of absence from infertility treatment |
| Health (Disease) leave | If person is injured or falls ill on business, |
| Disaster money gift | Partial support if housing is damaged due to natural disaster such as flood, fire and etc., |

Value Creation of Customer and Regional Society



Context & Challenges

We recognize that when JB Financial provides better value to the customer and the regional society as it sincerely executes the work of the financial group, we can create the co-owning value with real meaning. We will sincerely reflect the customer’s requirements and practice sustainable finance through product development considering the economic/social/environmental domain.

Our Approach

JB Financial Group develops/sells public interest-type financial products for mutual growth with the regional society, and provides various working-class financial products to stabilize the management of the small/medium businesses and to reduce the economic difficulties faced by low-credit customers.

Working Class and Regional Society Win-Win Finance

Small amount finance business for working class, hope of working class and small business We participate in supporting the Korea Institute for Advancement of Finance for Working Class and Credit Counseling & Recovery Service to help low income and low credit groups, and seek to rehabilitate small businesses, and positively support policies and activities on a national level to stabilize the finances of working people by supporting the economic activities of financially-isolated groups. Also, by opening the comprehensive finance center, we provide free of charge consulting for financial services linked to related organizations such as primary local authorities, regional credit guarantee entities and etc. in the region, seek to improve the business environment and increase sales as a one-stop general consulting center that executes fund support, management consulting, finance education and etc. for financially-isolated groups.

JB Financial Group Together with Social Economy JB Financial Group tries to be a good partner of regional social companies by launching social economic company support-loans, exclusive loan products for social economic companies, to activate financial support for social companies. Also, by purchasing goods such as rice, nurungji, Gim-bugak, bread and etc. and by delivering these to isolated people, we contribute to the activation of the regional economy and expansion of a sharing culture, and by purchasing the products of the social company as the free gift to the customer, we try to expand the base of social companies through various support methods through the use and PR of social companies.

Hope finance status

| Descriptions | | Unit | 2017 | 2018 | 2019 |
|--|--------------|---------------|-------|-------|--------|
| Working class finance, total amount | Jeonbuk Bank | KRW100million | 1,006 | 2,178 | 4,491 |
| | Kwangju Bank | KRW100million | 805 | 501 | 1,674 |
| | Sub-total | KRW100million | 1,811 | 2,679 | 6,165 |
| Technical finance | Jeonbuk Bank | KRW100million | 355 | 312 | 662 |
| | Kwangju Bank | KRW100million | 2,596 | 3,730 | 6,995 |
| | Sub-total | KRW100million | 2,951 | 4,042 | 7,657 |
| Regional company fostering finance | Jeonbuk Bank | KRW100million | 383 | 413 | 360 |
| | Kwangju Bank | KRW100million | - | - | - |
| | Sub-total | KRW100million | 383 | 413 | 360 |
| Environment-friendly finance, total amount | Jeonbuk Bank | KRW100million | 1,651 | 2,762 | 5,787 |
| | Kwangju Bank | KRW100million | 3,766 | 4,646 | 5,393 |
| | Sub-total | KRW100million | 5,417 | 7,408 | 11,180 |

Support for Stabilization of Working Class JB Financial Group eases financial burdens by reducing the bank commission of the socially-isolated class to serve the public interest and pro-

mote social responsibility. As JB New Hope Spore Loan is the loan for private and small businesses, it is the product whereby the loan standards (CB grade or annual income and etc.), which is jointly prepared by all banks, is basically applied. Besides, through JB New Hope Spore Loan under the credit guarantee of National Happiness Fund of Korea Asset Management Corporation, we operate a working class loan system that reduces the interest burden by converting the above 20% of high interest loan, which is borrowed by low income customers and low credit groups from the loan company, into an annual 8.5%~13.5% low interest bank loan.



Participation in job creation project Kwangju Bank of JB Financial Group participated as the second biggest stockholder in the Kwangju car trust manufacturing factory joint venture with KRW 26billion of investment amount, which is the No. 1 regional job model to promote domestic win-win social unification. As it positively participates in the labor-company win-win business, which is executed for creation of regional jobs and activation of the regional economy, we will establish our firm status as the representative bank in Kwangju/Jeolla and faithfully play the role of a beloved bank for regional residents and regional companies.

Raising of Customer Satisfaction

Awarded Minister Prize, National Quality Management Conference As Assistant Manager Yoo Jeong-yeon of Jeonbuk Bank of JB Financial Group, which was awarded the Ministerial Award of National Quality Management Conference, is the person in charge of service quality management, it received the prize, Ministerial Award of National Quality Management Conference, as its merits contributed to the service quality improvement such as ‘Contribution to acquirement of KS service certification’, ‘Construction of JB card expert call center’, ‘Improvement of call center card issue process’, ‘Reconstruction of JB card integrated call center’ and etc. were recognized. In the future also, we will continuously promote the expert competence of counselors so as to provide the best consulting service, and maximize the customer’s convenience by meeting actively digital environmental changes.

VOC complaint treatment

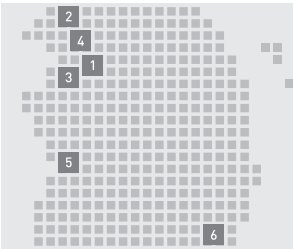
| Descriptions | | Unit | 2017 | 2018 | 2019 |
|-------------------------|------------------|------|------|------|------|
| VOC complaint treatment | Jeonbuk Bank | Case | 36 | 16 | 13 |
| | Kwangju Bank | Case | 31 | 26 | 14 |
| | JB Woori Capital | Case | 133 | 162 | 199 |

Exclusive Store for aged and Foreigner Finance Center JB Financial Group has operated an exclusive store for the aged so that the aged, who are not familiar with on-line and mobile financing trading, can be more kindly and precisely guided. We operate business hours more flexibly in the exclusive store for the aged, and we guarantee the customer’s convenience to the maximum by going through confirmation processes many times if required.

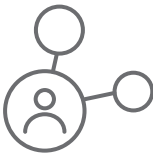
Also, we execute various services to reduce the burden on foreign worker, who use high-interest loans, in the finance center for foreigners, and play the role of a consulting center and also guide center. In order to provide convenient and efficient services, various foreign personnel are working such as from Nepal, Myanmar, Philippines, Cambodia, China, Thailand, Vietnam and etc.

Operation status of finance center for foreigner

| | | |
|---|-----------------|--|
| 1 | Suwon Center | 187, Gwongwang-ro, Paldal-gu, Suwon-si, Gyeonggi-do |
| 2 | Gimpo Desk | 73A, Yulsaeng-ro, Daegot-myeon, Gimpo-si, Gyeonggi-do |
| 3 | Hwaseong Lounge | 206, Samcheonbyeongma-ro, Hyangnam-eup, Hwaseong-si, Gyeonggi-do |
| 4 | Ansan Desk | 790-12, Wongok-dong, Ansan-si, Gyeonggi-do |
| 5 | Iksan Lounge | 10, Jungang-ro 5-gil, Iksan-si, Jeollabuk-do |
| 6 | Busan Lounge | 74, Gwangjang-ro, Sasang-gu, Busan |



Sharing with Regional Society



Context & Challenges

Activities that consider and support the socially weak and isolated groups are good to promote community spirit among neighbors and society. JB Financial Group will become the company that advances with the regional society by investing in the region.

Our Approach

JB Financial Group has engaged in various benevolent practices such as sharing and sponsoring activities, donation activities and etc. for the socially weak and isolated groups, and seeks to let residents enjoy a better life by supporting education/ culture/art/athletic activities.

Social Contribution of JB Financial Group

JB Financial Group, as a regionally-based financial company, has steadily executed the social contribution activities to increase the quality of regional communities. We execute the specialized social contribution programs in various fields such as welfare improvement of the regional society, academia, scholarship, education, finance for the working class, global environment and etc., and we make donations to welfare organizations and actively engage in altruistic activities based on the volunteer work of executives and staff.

Local purchase rate (Average)

| Descriptions | Unit | 2017 | 2018 | 2019 |
|--------------|------|------|------|-------------|
| Jeonbuk Bank | % | 85.7 | 67.1 | 74.7 |
| Kwangju Bank | % | 68.8 | 69.8 | 73.8 |
| Average | % | 77.2 | 68.5 | 74.3 |

Number of participants in volunteer activities

| Descriptions | Unit | 2017 | 2018 | 2019 |
|-----------------------|---------|--------|--------|---------------|
| JB Financial Holdings | Persons | 19 | 61 | 50 |
| Jeonbuk Bank | Persons | 8,536 | 7,008 | 6,893 |
| Kwangju Bank | Persons | 9,486 | 9,529 | 9,632 |
| JB Woori Capital | Persons | - | 106 | 112 |
| JB Asset Management | Persons | 40 | 43 | 32 |
| Total | Persons | 18,081 | 16,747 | 16,719 |

Social contribution program of JB Financial Group

| Program name | Summary |
|---|--|
| JB study room that inspires hope | Volunteer work program whereby executives & staff directly improve the learning environment and living environment for low income families, social welfare facility, regional children center and etc. |
| Mentoring of children cultural experience Volunteering work of executives & staff | Program whereby executives & staff volunteers work together to provide various opportunities of cultural experience to the regional children center. |
| Culture class for multi-cultural family | Cultural/educational program that solves the social/cultural problems related to multi-cultural families. |
| Warm festive season sharing | Program that delivers gifts and food to isolated groups during new year holiday and Chuseok. |
| Scholarship project | Project that supports the scholarship to the middle/high school student of the low income family through Jeonbuk Bank Scholarship Culture Foundation, Kwangju Bank Scholarship Committee. |
| Region love volunteers | Region love volunteers composed of executives and staff of Jeonbuk Bank and Kwangju Bank participate in various sharing and volunteer work by visiting social welfare facilities, cleaning the environment, urban park arrangement, sharing activities during festive seasons, mentoring activities of children, cultural experience, blood donation, donations and etc. |
| Global volunteer work | Executives and staff of Jeonbuk Bank and Kwangju Bank, JB Financial Holdings, JB Woori Capital and JB Asset Management visit Cambodia 2 times a year, performing medical and educational volunteer work with a specialized medical team. |

Social Contribution support amount per field

| Descriptions | | | Unit | 2017 | 2018 | 2019 |
|--|----------------|--------------|--------------|-------|-------|--------|
| Regional society welfare & public interest field | Volunteer | Jeonbuk Bank | Persons | 3,810 | 3,821 | 3,415 |
| | | Kwangju Bank | Persons | 4,209 | 4,131 | 3,709 |
| | | Sub-total | Persons | 8,019 | 7,952 | 7,124 |
| | Support amount | Jeonbuk Bank | KRW1 million | 3,107 | 4,219 | 4,317 |
| | | Kwangju Bank | KRW1 million | 3,656 | 4,081 | 7,004 |
| | | Sub-total | KRW1 million | 6,763 | 8,300 | 11,321 |
| Culture, art, sports field | Volunteer | Jeonbuk Bank | Persons | 840 | 812 | 550 |
| | | Kwangju Bank | Persons | 800 | 931 | 926 |
| | | Sub-total | Persons | 1,640 | 1,743 | 1,476 |
| | Support amount | Jeonbuk Bank | KRW1 million | 2,231 | 1,264 | 2,959 |
| | | Kwangju Bank | KRW1 million | 1,516 | 2,653 | 3,978 |
| | | Sub-total | KRW1 million | 3,747 | 3,917 | 6,937 |
| Education, scholarship project field | Volunteer | Jeonbuk Bank | Persons | 670 | 688 | 545 |
| | | Kwangju Bank | Persons | 1,706 | 1,997 | 1,993 |
| | | Sub-total | Persons | 2,376 | 2,685 | 2,538 |
| | Support amount | Jeonbuk Bank | KRW1 million | 2,143 | 2,743 | 2,393 |
| | | Kwangju Bank | KRW1 million | 3,936 | 5,658 | 4,423 |
| | | Sub-total | KRW1 million | 6,079 | 8,401 | 6,816 |
| Donation to micro-credit, Youth Start-up Foundation Credit Counseling and Recovery Service | Support amount | Jeonbuk Bank | KRW1 million | 685 | 2,592 | 2,297 |
| | | Kwangju Bank | KRW1 million | 4,868 | 4,209 | 1,927 |
| | | Sub-total | KRW1 million | 5,553 | 6,801 | 4,224 |
| Environment, global field | Volunteer | Jeonbuk Bank | Persons | 2,880 | 2,735 | 2,383 |
| | | Kwangju Bank | Persons | 2,771 | 2,455 | 3,004 |
| | | Sub-total | Persons | 5,651 | 5,190 | 5,387 |
| | Support amount | Jeonbuk Bank | KRW1 million | 69 | 51 | 64 |
| | | Kwangju Bank | KRW1 million | 26 | 51 | 102 |
| | | Sub-total | KRW1 million | 95 | 102 | 166 |

Sharing Activities with Region

Establishment of JB Cultural Space Jeonbuk Bank established ‘JB Cultural Space’ on 2nd/3rd floor of Hanokmaeul Branch, which is located in Jeon-dong, Jeonju-si as it celebrates its 50th anniversary. JB Cultural Space has been established to contribute to the culture/art development of the region by providing various cultural experiences to Jeonbuk provincial residents under the slogan of ‘Good-feel cultural outing’ and plays the role to let the visitors visiting Jeonju Hanokmaeul experience a rich cultural life. In 2019, it will provide free of charge special programs such as the special lecture of Hospital President Ham Ik and the talk concert of Singer Kim Do-hyang and etc., and regular programs such as yoga, line dance, harmonica, calligraphy, English and etc., and such activities have been warmly received by Jeonbuk provincial residents. In the future also, JB Cultural Space will provide various culture/art programs such as art, music, movie, performance and etc., and be a place culture/art can be shared.

Golden Bell Ringing for Upright Reading Habit Kwangju Bank launched 'Kwangju Bank Challenge! Ringing Golden Bell' to encourage the dreams and creative power of children. It selected and distributed children's recommended books to regional children centers through cooperation with Green Umbrella Children's Foundation, and selected the grand prize, top excellence prize, excellence price and group prize and paid for book tokens, and helped organize mentoring experience learning opportunities.



JB Hope Study Room Support Project Jeonbuk Bank has executed the support project for 'JB Hope study room' so as to invest in the future generation and to promote the social value of finance among children. Jeonbuk Bank commenced the support project for 'JB Hope study room' from May, 2012, and has been supporting the study rooms in a total of 100 places for some 2300 disadvantaged children with some KRW300million for 8 years up to 2019.



Children's Day Painting Contest together with Kwangju Bank Children's Day Painting Contest together with Kwangju Bank was conducted on May 5, Family Day, and 10,000 children and families participated and made precious memories. As the event was conducted in the zoo, there were many activities such as a balloon painting contest, snack zone, animal stamp and etc. and also crayon gifts and children's day prizes. Among the presented works, a total of 180 were selected and given awards, and 30 works above bronze prize were exhibited on the lobby, 1st floor of the main office.



JB Cultural Shelter for Aged Jeonbuk Bank has executed the support project for 'JB Cultural Shelter for Aged' from 2019 so as to construct a lifelong learning space for the aged through the environmental improvement of the aged program room and to support active leisure activities. The first space was refurbished to help the aged enjoy more pleasant cultural activities. As second space, the music room of Gimje Aged Welfare Hall was selected and refurbished and we supported musical activities that were much appreciated by senior citizens.



Protection of Regional Environment through Kwangju Brook arrangement Kwangju Brook relay volunteer work in preparation for the official sponsorship of World Championships for Swimming. We proceeded with this through the voluntary participation of all executives and staff, and 500 personnel from 35 branches participated in the cleaning of Kwangju Brook walkway, removal of weeds, construction of floor bed and management volunteer work in an effort to protect the environment and to improve the quality of life of residents for 15 weeks, and for this reason, the Mayor of Kwangju conferred an award.

Kwangju Bank launched the ceremony for



Happy Memory, Family Photo Jeonbuk Bank has executed the project of 'Happy Memory, Family Photo' for the low income handicapped families, aged couples, elderly persons living alone and etc., who experience difficulties due to the economic/geographical factors, in order to boost happiness and to make special memories. Jeonbuk Bank commenced 'Happy Memory, Family Photo' from 2016, and delivered the family photo to 372 families including low income handicapped families and families where grandparents raise children and etc. up to 2019.



Children are Future of Our Region, Support of Patient Children's Wear Kwangju Bank, as the social contribution activities to support the patient children's wears designed with the beautiful picture to the children, which endure every day fighting against the disease, sponsored 1,800 the patient children's wears and 300 children towels to the children ward of Cheonnam national University Hospital, Chosun University Hospital, Gwangju Christian Hospital and etc. Also, it continuously executes the social contribution activities that encourages and supports the dreams of children together with the leukaemia pediatric cancer children sponsorship events. In this addition, it supports the underfed children nutrition lunch box, children's stationery and etc., and delivered the children's donation for the leukaemia pediatric cancer children.



Day with Culture Jeonbuk Bank, in order to communicate with Jeonbuk residents through culture performances and to make a happier Jeonbuk through culture/art, has executed 'Day with Culture' every year from 2015. It provided cultural performance viewing opportunities by inviting 'Real real stubbornness', Korean traditional opera of Hanok Village Standing Performance Group, in June, 2019, and 'Sweet Sorrow', a luxury male vocal group representing Korea, in November, 2019 to commemorate the bank's 50th anniversary, and for this, it received a big response from the audience.



Operation of Global Café for Hearing-impaired Person PPCBank, grandchild company of JB Financial Group, opened Café No. 1, which the hearing-impaired barista through the cooperation with 'Social Coffee', social company of Cambodia, as the café is located in Boeung Trabaek Branch of PPCBank in Phnom Penh. It executes the barista education for the hearing-impaired person so as to solve the difficult social problem, which it is difficult for the hearing-impaired person to have the vocation, and has established and operated the café where the hearing-impaired persons are working. In this connection, it opened Café No. 2 in Ou Ruessei Branch, and total 4 hearing-impaired persons are working in these two cafes.



Multi-cultural/global project for JB Oullim In order to solve the social cultural gap, which the international marriage migrant women of the multi-cultural family have experienced, and to let them settle stably as the members of our society, Jeonbuk Bank executes 'Dajung Dagam Cultural Classroom', and also executes 'Welcome to Korea' so that the foreign workers working in Korea may be comforted out of the difficulty and loneliness and so as to let them make the special memory in Korea. Also, in order to take the initiative to execute globally the social responsibility, we are executing 'Cambodia overseas service activities' to deliver new light and the hope of life by providing free of charge the eyesight recovery operation for the medically-isolated class.



Green Finance



Context & Challenges

As concerns for the environment increase all over the world, the domestic/overseas banking institutes have developed green products and green technology, and constructed financial environments to develop and foster the green company. JB Financial Group is engaging in various endeavors to contribute to the development of the green economy as it faithfully performs its business.

Our Approach

JB Financial Group wishes to be positioned as a green finance exemplary group through development of various green financial products, operation of specialized branches for the environment and will endeavor to expand the environmental management of trading partners.

Practice of Environment-friendly Management

Expansion of financial support for sustainable industry JB Financial Group recognizes the importance of protecting and preserving the global environment. Also, we have promoted environmental practices not only in the operation of the company but also in the provision and development of financial products and services, and we have established and practiced ‘Environmental management principles of JB Financial Group’ to become a sustainable financial group.

JB Financial Group provides funds supporting financial products for related sustainable industries such as solar energy, new recycling energy and etc., and contributes to the development of sustainable environment-friendly businesses.

As per the government policy to achieve 20% of new recycling energy electricity by 2030, we are increasing the environment-friendly financial support to the regional society.

Environmental Management Principles of JB Financial Group

Observance of environment-related law and global guidelines

- We observe the environment-related laws during all company management processes and practice environmental management considering this.
- We introduce and observe the environment-related global standards and guidelines, and raise the competence for environmental management practices through objective and continuous outside verification.

Low-carbon, energy reduction management

- We positively recommend and practice the use of low-carbon emission energy, new recycling energy during all company operation processes.
- As for all facilities, cars, materials, goods and office articles, which are used during all company operation processes for energy reduction, we use the ones acquiring the high efficiency energy rating and positively recommend and practice this.
- We continuously practice energy reduction activities to prevent energy waste during daily work execution.

Waste reduction, separate discharge, use of recycling product

- We positively recommend and practice the endeavors to reduce waste during all company operation processes.
- We separate waste, which occurs during all company operation processes, to be recycled.
- We positively recommend and practice the use of the recycling products during all company operation processes.

Protection and preservation of natural environment, ecology and biodiversity

- We positively recommend and practice the protection and preservation of the natural environment, ecology and biodiversity during all company operation processes.
- We practice the social contribution activities for the protection and preservation of the natural environment, ecology and biodiversity.

Development and Provision of environment-friendly financial product and service

- We develop and provide the environment-friendly financial products and services for the protection and preservation of the environment.
- We do support large-scale development projects that may result in serious environment damage or produce bad effects on the environment.

Expansion of Digital Finance Jeonbuk Bank and Kwangju Bank commenced the paper bankbook nonissue system from September, 2017, and in the case of not applying for the paper bankbook in issuing new bankbooks, we have provided additional benefits such as exemption of commissions and etc. Also, we try to reduce the paper use quantity by expanding e-mail invoices, and we are continuously reducing the paper use quantity by replacing documents, which are prepared necessarily for the window business, with Tablet PC, and also we have increased the work efficiency of personnel.

Digital finance progress

| Descriptions | | Unit | | 2017 | 2018 | 2019 |
|-----------------------------------|---|-----------------------|-------------------|-----------|-----------|-----------|
| Paper use quantity | | JB Financial Holdings | A4 Box/2,500 each | 153 | 140 | 195 |
| | | Jeonbuk Bank | A4 Box/2,500 each | 4,932 | 4,825 | 5,669 |
| | | Kwangju Bank | A4 Box/2,500 each | 6,000 | 6,000 | 5,738 |
| | | JB Woori Capital | A4 Box/2,500 each | 836 | 510 | 402 |
| | | JB Asset Management | A4 Box/2,500 each | 145 | 120 | 131 |
| | | Sub-total | A4 Box/2,500 each | 12,066 | 11,595 | 12,135 |
| Use of credit card e-mail invoice | Delivery of all invoices | Jeonbuk Bank | Case | 1,769,640 | 2,074,066 | 1,987,182 |
| | | Kwangju Bank | Case | 2,536,950 | 2,619,445 | 2,724,615 |
| | | Sub-total | Case | 4,306,590 | 4,693,511 | 4,711,797 |
| | Delivery of e-mail invoice | Jeonbuk Bank | Case | 489,965 | 662,582 | 622,593 |
| | | Kwangju Bank | Case | 1,017,304 | 1,123,142 | 927,573 |
| | | Sub-total | Case | 1,507,269 | 1,785,724 | 1,550,166 |
| | Delivery rate of e-mail invoice | Jeonbuk Bank | % | 28 | 32 | 31 |
| | | Kwangju Bank | % | 40 | 43 | 34 |
| | | Sub-total | % | 35 | 38 | 33 |
| | No. of credit card issues | Jeonbuk Bank | Case | 147,870 | 108,238 | 96,091 |
| | | Kwangju Bank | Case | 160,258 | 130,254 | 117,333 |
| | | Sub-total | Case | 154,064 | 119,246 | 106,712 |
| | Delivery rate of e-mail invoice compared with No. of credit card issues | Jeonbuk Bank | % | 3.31 | 6.12 | 6.48 |
| | | Kwangju Bank | % | 6.35 | 8.62 | 7.91 |
| | | Average | % | 4.89 | 7.49 | 7.26 |

Environmental Protection Activities JB Financial Group has expanded technical investment to the environment-friendly industry to minimize impacts on the environment. Also, we have executed environment-friendly policies conforming to the characteristics of the financial group by participating positively in solving environmental pollution and the nature-harmful problems through the participation-type environmental protection activities of executives and staff. Especially, we contribute to promoting urban beauty by planting flowers and trees in the forests and parks of the city as we execute the urban forest and park arrangement program and improve the air quality and reduce the hot spot phenomenon.

Number of environmental protection volunteer works of executives and staff

| Descriptions | Unit | 2017 | 2018 | 2019 |
|--------------|--------------|------|------|------|
| Jeonbuk Bank | No. of times | 138 | 131 | 127 |
| Kwangju Bank | No. of times | 184 | 191 | 222 |
| Total | No. of times | 322 | 322 | 349 |

Coping with Climate Change



Context & Challenges

Climate change due to the global warming is being much discussed in the international community. Climate change carries a grave physical risk and also other risks such as financial and regulatory risks and etc., but it is also a new opportunity.

Our Approach

JB Financial Group recognizes that top priority should be placed on improvement of the environmental awareness and behavior of the present generation and future generations to cope with climate change, and we are engaging in various activities for this. Especially, we manage the energy use quantity and the greenhouse gas emissions monthly through the inventory system, and secure objectivity regarding energy reduction and emission reporting through verification by an outside party.

Energy and Greenhouse Gas Reduction Activities

Management of greenhouse gas emissions and external verification JB Financial Group monthly manages the greenhouse gas emissions and the energy use quantity through the inventory system. We divide the organizational boundaries for reporting on greenhouse gas, and secure objectivity regarding energy reduction and emission reporting through verification by an outside party. Especially, we manage these by including the greenhouse gas emissions in SCOPE2 by knowing about the commute status of executives and staff of JB Financial Group.

Greenhouse gas emissions of JB Financial Group (Unit tCO₂eq)

| Descriptions | | 2017 | 2018 | 2019 | 2020 target(95%) |
|------------------|----------------------|--------|--------|--------|------------------|
| Jeonbuk Bank | Direct (scope1) | 1,042 | 1,085 | 826 | 785 |
| | Indirect (scope2) | 2,915 | 3,035 | 2,961 | 2,813 |
| | Sub-total (scope1,2) | 3,957 | 4,120 | 3,787 | 3,598 |
| Kwangju Bank | Direct (scope1) | 1,466 | 1,339 | 1,170 | 1,112 |
| | Indirect (scope2) | 4,097 | 4,378 | 4,453 | 4,230 |
| | Sub-total (scope1,2) | 5,563 | 5,717 | 5,623 | 5,342 |
| JB Woori Capital | Direct (scope1) | 628 | 645 | 561 | 533 |
| | Indirect (scope2) | 684 | 607 | 575 | 546 |
| | Sub-total (scope1,2) | 1,312 | 1,252 | 1,135 | 1,079 |
| Whole | Direct (scope1) | 3,136 | 3,069 | 2,557 | 2,429 |
| | Indirect (scope2) | 7,696 | 8,020 | 7,989 | 7,589 |
| | Total (scope1,2) | 10,832 | 11,089 | 10,545 | 10,018 |

Reduction of Energy and Water JB Financial Group is using a big quantity of electric energy for data management and window work, and the resources demand tends to increase due to the expansion of the business domain and scale. As the efficient use and management of energy and water resources minimizes the environmental effect and also are directly connected to the financial performance of the company, we have constructed the stable management system to manage these. As a result, we reduced some 10% of energy compared with the previous year, and tried to verify the objectiveness through the verification of a third party.

Energy use quantity of JB Financial Group (Unit: TJ)

| Descriptions | | 2017 | 2018 | 2019 | 2020 target(95%) |
|------------------|-------------------|------|------|------|------------------|
| Jeonbuk Bank | Fuel | 3 | 4 | 15 | 14 |
| | Electricity | 60 | 62 | 61 | 58 |
| | Sub-total | 63 | 66 | 76 | 72 |
| Kwangju Bank | Fuel | 22 | 23 | 20 | 19 |
| | Electricity | 84 | 90 | 92 | 87 |
| | Sub-total | 106 | 113 | 112 | 106 |
| JB Woori Capital | Fuel | 280 | 305 | 255 | 243 |
| | Electricity, heat | 14 | 12 | 11 | 11 |
| | Sub-total | 293 | 317 | 266 | 254 |
| Whole | Fuel | 304 | 331 | 290 | 276 |
| | Electricity, heat | 158 | 165 | 164 | 156 |
| | total | 462 | 496 | 454 | 432 |

Water use quantity of JB Financial Group (Unit: ton)

| Descriptions | | 2017 | 2018 | 2019 |
|------------------|--|--------|--------|--------|
| Jeonbuk Bank | | 23,304 | 25,692 | 26,655 |
| Kwangju Bank | | 20,791 | 24,684 | 23,906 |
| JB Woori Capital | | 6,783 | 6,408 | 7,152 |
| Total | | 50,878 | 56,784 | 57,713 |

Raising of Environmental Awareness of Executives and Staff and Endeavors regarding Green Purchases JB Financial Group has tried to raise environmental awareness through the environmental education for executive sand staff, and to construct environment-friendly working conditions so that each individual can practice the green life with a sense of responsibility. We execute the operation of green management and the green finance course during the training course per position, and execute various educations such as user’s education for the greenhouse gas inventory and etc. As a result, we have never received even any penalty notice (Including civil appeal) from 2016 to 2019. Also, not only are we expanding green purchases as per the Green Purchases guideline but also we will expand more green purchases by participating voluntarily in the industrial world green purchase of the government.

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APPENDIX

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People to People – Talent Fostering and Support

| Descriptions | | Unit | 2017 | 2018 | 2019 | Remarks | | | |
|--|-----------------------|-----------------------|--|-----------------------|---------|---|-----|-----|--|
| Whole executives & staff | | Persons | 3,770 | 3,951 | 4,197 | | | | |
| Open recruitment for new employees: New employment of high school graduates, university graduates | Jeonbuk Bank | Persons | 31 | 46 | 42 | | | | |
| | Kwangju Bank | Persons | 68 | 67 | 50 | | | | |
| | JB Woori Capital | Persons | 10 | 7 | 18 | | | | |
| | Sub-total | Persons | 109 | 120 | 110 | | | | |
| Whole recruits : | | JB Financial Holdings | Persons | 41 | 25 | 52 | | | |
| Open recruitment for new employees, career, contract, transfer (Incoming) | Jeonbuk Bank | Persons | 74 | 108 | 93 | Reinstatement to original position, executives, excluding outside directors | | | |
| | Total | Kwangju Bank | Persons | 114 | 153 | | 152 | | |
| | | JB Woori Capital | Persons | 88 | 92 | | 111 | | |
| | | JB Asset Management | Persons | 23 | 17 | | 21 | | |
| | | Sub-total | Persons | 340 | 395 | | 429 | | |
| Retired : | | JB Financial Holdings | Persons | 18 | 17 | 78 | | | |
| Open recruitment for new employees, career, contract, transfer (Outgoing) | Jeonbuk Bank | Persons | 62 | 99 | 84 | | | | |
| | Kwangju Bank | Persons | 95 | 109 | 91 | | | | |
| Total | JB Woori Capital | Persons | 137 | 124 | 84 | | | | |
| | JB Asset Management | Persons | 20 | 16 | 15 | | | | |
| | Sub-total | Persons | 332 | 365 | 352 | | | | |
| Status of local persons employed as executives: | | JB Financial Holdings | % | 26.7 | 25.0 | 13.0 | | | |
| Director, deputy senior director, non-permanent director, outside director, including permanent director | Jeonbuk Bank | % | 35.3 | 31.3 | 33.3 | | | | |
| | Kwangju Bank | % | 75.0 | 76.5 | 88.2 | | | | |
| | JB Woori Capital | % | - | - | - | | | | |
| | JB Asset Management | % | 15.4 | - | 0.0 | | | | |
| | Sub-total (Average) | % | 30.5 | 26.6 | 26.9 | | | | |
| Per contract type | Regular position | JB Financial Holdings | Persons | 68 | 71 | 67 | | | |
| | | Jeonbuk Bank | Persons | 1,054 | 1,039 | 1,042 | | | |
| | | Kwangju Bank | Persons | 1,388 | 1,362 | 1,413 | | | |
| | | JB Woori Capital | Persons | 415 | 400 | 415 | | | |
| | | JB Asset Management | Persons | 12 | 12 | 13 | | | |
| | | Sub-total | Persons | 2,937 | 2,884 | 2,950 | | | |
| | Contract workers | JB Financial Holdings | Persons | 31 | 32 | 8 | | | |
| | | Jeonbuk Bank | Persons | 127 | 117 | 138 | | | |
| | | Kwangju Bank | Persons | 180 | 194 | 201 | | | |
| | | JB Woori Capital | Persons | 108 | 96 | 117 | | | |
| | | JB Asset Management | Persons | 39 | 40 | 45 | | | |
| | | Sub-total | Persons | 485 | 479 | 509 | | | |
| | | Per rank | Regular personnel (Clerk- asst. chief) | JB Financial Holdings | Persons | 30 | 25 | 19 | |
| | | | | Jeonbuk Bank | Persons | 620 | 608 | 605 | |
| Kwangju Bank | Persons | | | 869 | 878 | 907 | | | |
| JB Woori Capital | Persons | | | 312 | 285 | 312 | | | |
| JB Asset Management | Persons | | | 18 | 17 | 14 | | | |
| Sub-total | Persons | | | 1,849 | 1,813 | 1,857 | | | |
| Responsible persons (Section chief ~Manager) | JB Financial Holdings | | Persons | 69 | 78 | 56 | | | |
| | Jeonbuk Bank | | Persons | 561 | 548 | 575 | | | |
| | Kwangju Bank | | Persons | 684 | 661 | 690 | | | |
| | JB Woori Capital | | Persons | 203 | 211 | 213 | | | |
| | JB Asset Management | | Persons | 24 | 25 | 31 | | | |
| | Sub-total | | Persons | 1,541 | 1,523 | 1,565 | | | |
| Executives (Including outside directors) | JB Financial Holdings | | Persons | 14 | 16 | 15 | | | |
| | Jeonbuk Bank | | Persons | 16 | 16 | 18 | | | |
| | Kwangju Bank | Persons | 15 | 17 | 17 | | | | |
| | JB Woori Capital | Persons | 11 | 11 | 11 | | | | |
| | JB Asset Management | Persons | 9 | 10 | 11 | | | | |
| | Sub-total | Persons | 65 | 70 | 72 | | | | |

| Descriptions | | | Unit | 2017 | 2018 | 2019 | Remarks |
|--|--|-----------------------|-----------------------|-------|-------|-------|---------|
| Per age | Below 18-years | JB Asset Management | Persons | 1 | - | - | |
| | | | | | | | |
| | Above 21-years ~Below 30-years | JB Financial Holdings | Persons | 11 | 10 | 6 | |
| | | Jeonbuk Bank | Persons | 214 | 196 | 211 | |
| | | Kwangju Bank | Persons | 154 | 194 | 217 | |
| | | JB Woori Capital | Persons | 84 | 69 | 75 | |
| | | JB Asset Management | Persons | 3 | 7 | 9 | |
| | | Sub-total | Persons | 466 | 476 | 518 | |
| | Above 30-years- ~Below 50-years | JB Financial Holdings | Persons | 78 | 85 | 66 | |
| | | Jeonbuk Bank | Persons | 740 | 784 | 810 | |
| | | Kwangju Bank | Persons | 1,139 | 1,174 | 1,155 | |
| | | JB Woori Capital | Persons | 382 | 383 | 397 | |
| | | JB Asset Management | Persons | 44 | 41 | 45 | |
| | | Sub-total | Persons | 2,383 | 2,467 | 2,473 | |
| | Above 50-years | JB Financial Holdings | Persons | 24 | 24 | 18 | |
| | | Jeonbuk Bank | Persons | 243 | 192 | 173 | |
| | | Kwangju Bank | Persons | 275 | 188 | 237 | |
| | | JB Woori Capital | Persons | 57 | 44 | 60 | |
| | | JB Asset Management | Persons | 3 | 4 | 3 | |
| | | Sub-total | Persons | 602 | 452 | 491 | |
| | Per gender | Male | JB Financial Holdings | % | 89 | 78.0 | 86.0 |
| Jeonbuk Bank | | | % | 56.4 | 54.3 | 54.2 | |
| Kwangju Bank | | | % | 53.1 | 50.8 | 51.5 | |
| JB Woori Capital | | | % | 67.9 | 68.1 | 67.0 | |
| JB Asset Management | | | % | 70.6 | 69.2 | 75.9 | |
| Female | | JB Financial Holdings | % | 11 | 22.0 | 14.0 | |
| | | Jeonbuk Bank | % | 43.6 | 45.6 | 45.8 | |
| | | Kwangju Bank | % | 46.9 | 49.2 | 48.5 | |
| | | JB Woori Capital | % | 32.1 | 31.9 | 33.0 | |
| | | JB Asset Management | % | 29.4 | 30.8 | 24.1 | |
| Foreigner | | Jeonbuk Bank | Persons | 1 | 8 | 13 | |
| | | Kwangju Bank | Persons | 1 | - | - | |
| | | JB Woori Capital | Persons | 2 | - | - | |
| | | Sub-total | Persons | 4 | 8 | 13 | |
| Labor Union attendance /Company conference /Labor-Management Committee Entrance status | Entrance rate among total number of personnel | JB Financial Holdings | % | 100 | 100.0 | 100.0 | |
| | | Jeonbuk Bank | % | 63.0 | 62.4 | 63.8 | |
| | | JB Woori Capital | % | 68.3 | 74.5 | 73.5 | |
| | | JB Asset Management | % | 98.8 | 97.8 | 61.0 | |
| | Rate of entrance among entrance objects | JB Financial Holdings | % | 100 | 100.0 | 100.0 | |
| | | Jeonbuk Bank | % | 99.2 | 100.0 | 100.0 | |
| | | Kwangju Bank | % | 99.6 | 99.7 | 99.5 | |
| | | JB Woori Capital | % | 100 | 100.0 | 100.0 | |
| Per rank Employment status of female personnel | Rate of female workers to total number of workers | JB Financial Holdings | % | 21.2 | 21.8 | 15.0 | |
| | | Jeonbuk Bank | % | 43.6 | 45.6 | 45.8 | |
| | | Kwangju Bank | % | 46.9 | 49.2 | 48.5 | |
| | | JB Woori Capital | % | 32.1 | 31.9 | 33.0 | |
| | | JB Asset Management | % | 29.4 | 30.8 | 24.1 | |
| | Rate of female employees in top management positions (Above manager [Branch manager] rank) | JB Financial Holdings | % | 13.0 | 3.9 | - | |
| | | Jeonbuk Bank | % | 6.3 | 5.8 | 9.2 | |
| | | Kwangju Bank | % | 7.0 | 9.9 | 10.1 | |
| | | JB Woori Capital | % | 1.4 | 3.7 | 3.1 | |
| | | JB Asset Management | % | 7.1 | 6.3 | 7.1 | |

| Descriptions | | Unit | 2017 | 2018 | 2019 | Remarks |
|---|--|-----------------------|------|------|------|---------|
| Employment status of female personnel per contract type | Rate of female personnel in regular positions | JB Financial Holdings | % | 17.6 | 19.7 | 17.9 |
| | | Jeonbuk Bank | % | 46.0 | 47.9 | 48.3 |
| | | Kwangju Bank | % | 41.4 | 48.7 | 48.7 |
| | | JB Woori Capital | % | 23.3 | 22.5 | 24.0 |
| | | JB Asset Management | % | 67.0 | 66.7 | 53.8 |
| | Rate of female personnel in contract positions | JB Financial Holdings | % | 35.5 | 34.4 | 12.5 |
| | | Jeonbuk Bank | % | 29.1 | 31.6 | 31.9 |
| | | Kwangju Bank | % | 61.0 | 56.5 | 50.5 |
| | | JB Woori Capital | % | 65.5 | 70.8 | 65.0 |
| | | JB Asset Management | % | 18.0 | 20.0 | 15.5 |
| Rate of female officers (Above section chief level) | | JB Financial Holdings | % | 13.0 | 14.1 | 7.0 |
| | | Jeonbuk Bank | % | 28.5 | 32.1 | 33.4 |
| | | Kwangju Bank | % | 27.4 | 28.4 | 28.0 |
| | | JB Woori Capital | % | 4.2 | 6.6 | 7.2 |
| | | JB Asset Management | % | 9.1 | 14.3 | 15.5 |

Person to Person – Talent Fostering and Welfare

| Descriptions | | Unit | 2017 | 2018 | 2019 | Remarks |
|--|-----------------------|-----------|----------------------|-------|------|---|
| Average educational expenses per person | JB Financial Holdings | KRW 1,000 | 367 | 331 | 351 | |
| | Jeonbuk Bank | KRW 1,000 | 789 | 854 | 839 | |
| | Kwangju Bank | KRW 1,000 | 1,265 | 689 | 641 | |
| | JB Woori Capital | KRW 1,000 | 996 | 1,438 | 261 | |
| | JB Asset Management | KRW 1,000 | 226 | 434 | 101 | |
| | Sub-total (Average) | KRW 1,000 | 729 | 749 | 439 | |
| Average hours of education per person | JB Financial Holdings | hr | 41 | 47 | 41 | Data before '17 are provided in terms of hours recognized per period. Data after '18 are calculated using actual hours spent in education. |
| | Jeonbuk Bank | hr | 77 | 124 | 110 | |
| | Kwangju Bank | hr | 46 | 101 | 107 | |
| | JB Woori Capital | hr | 84 | 47 | 50 | |
| | Sub-total (Average) | hr | 62 | 80 | 77 | |
| | | | | | | |
| No. of personnel in infant care leave of absence | JB Financial Holdings | Persons | — | - | - | |
| | Jeonbuk Bank | Persons | 30 | 29 | 32 | |
| | Kwangju Bank | Persons | 71 | 67 | 60 | Excluding leave of absence before childbirth |
| | JB Woori Capital | Persons | 7 | 8 | 8 | |
| | JB Asset Management | Persons | — | 1 | 1 | |
| | Sub-total | Persons | 108 | 105 | 101 | |
| | JB Financial Holdings | Persons | — | - | - | |
| | Jeonbuk Bank | Persons | Before Reinstatement | 31 | 29 | Excluding personnel reinstated after infant care leave of absence |
| No. of personnel reinstated after infant care leave of absence | Kwangju Bank | Persons | 69 | 62 | 49 | |
| | JB Woori Capital | Persons | 6 | 5 | 7 | |
| | JB Asset Management | Persons | — | 1 | 1 | |
| | Sub-total | Persons | 75 | 99 | 86 | |
| | JB Financial Holdings | % | — | - | - | |
| | Jeonbuk Bank | % | Before Reinstatement | 106 | 100 | |
| | Kwangju Bank | % | 97.1 | 92.5 | 96.0 | |
| Rate of reinstatement after infant care leave of absence | JB Woori Capital | % | 86.0 | 63 | 88 | |
| | JB Asset Management | % | — | 100 | 100 | |
| | JB Financial Holdings | Persons | — | - | - | |
| | Jeonbuk Bank | Persons | 1 | 1 | - | |
| | Kwangju Bank | Persons | 2 | 5 | 2 | |
| | JB Woori Capital | Persons | 4 | - | - | |
| No. of personnel that retired after infant care leave of absence | JB Asset Management | Persons | — | - | - | |
| | Sub-total | Persons | 7 | 6 | 2 | |

| Descriptions | | Unit | 2017 | 2018 | 2019 | Remarks |
|---|--|-----------------------|-----------|-------|-------|---|
| Childcare allowance | No. of children for whom allowance is paid | JB Financial Holdings | Persons | 19 | 17 | - No. of target personnel : As of Dec., of relevant year |
| | | Jeonbuk Bank | Persons | 309 | 310 | 298 Support amount: Amount of annul payment as of relevant year |
| | | Kwangju Bank | Persons | 274 | 284 | 285 |
| | | Sub-total | Persons | 602 | 611 | 583 |
| | | JB Financial Holdings | KRW 1 mil | 12 | 14 | - |
| | Support amount | Jeonbuk Bank | KRW 1 mil | 329 | 322 | 312 |
| | | Kwangju Bank | KRW 1 mil | 65 | 93 | 93 |
| | | Sub-total | KRW 1 mil | 406 | 429 | 405 |
| | | JB Financial Holdings | % | 75 | 71 | 63 |
| | | Jeonbuk Bank | % | 71 | 73 | 75 |
| Rate of wage paid to female employees compared with wages paid to male employees. | Including executive/regular/without time limit/contract position Total | Kwangju Bank | % | 65 | 68 | 71 |
| | | JB Woori Capital | % | 52 | 52 | 55 |
| | | JB Asset Management | % | 16 | 17 | 15 |
| | | JB Financial Holdings | % | 100 | 100 | 100 |
| | | Jeonbuk Bank | % | 86 | 85 | 91 |
| | | Kwangju Bank | % | 99 | 99 | 99 |
| Retirement pension | Entrance rate | JB Woori Capital | % | 100 | 100 | 100 |
| | | JB Asset Management | % | 100 | 100 | 100 |
| | Defined benefit type (DB)(Person) | JB Financial Holdings | Persons | 56 | 63 | 55 |
| | | Jeonbuk Bank | Persons | 805 | 825 | 884 |
| | | Kwangju Bank | Persons | 1,564 | 1,556 | 1,615 |
| | | JB Woori Capital | Persons | 335 | 325 | 324 |
| | | JB Asset Management | Persons | 22 | 24 | 23 |
| | Defined contribution type (DC)(Person) | Sub-total | Persons | 2,782 | 2,793 | 2,901 |
| | | JB Financial Holdings | Persons | 27 | 33 | 13 |
| | | Jeonbuk Bank | Persons | 227 | 171 | 190 |
| | | JB Woori Capital | Persons | 116 | 98 | 119 |
| | | JB Asset Management | Persons | 29 | 23 | 14 |
| | | Sub-total | Persons | 399 | 325 | 336 |
| | Safety/hygiene | JB Financial Holdings | Persons | - | - | - |
| | | Jeonbuk Bank | Persons | 4 | 3 | 3 |
| | | Kwangju Bank | Persons | - | - | - |
| | | JB Woori Capital | Persons | - | - | 2 |
| | | JB Asset Management | Persons | - | - | - |
| | | Sub-total | Persons | 4 | 3 | 5 |
| | No. of absence days as a result of injury/disease on business | JB Financial Holdings | Days | - | - | - |
| | | Jeonbuk Bank | Days | 162 | 33 | 157 |
| | | Kwangju Bank | Days | - | - | - |
| | | JB Woori Capital | Days | - | - | 328 |
| | | JB Asset Management | Days | - | - | - |
| | | Sub-total | Days | 162 | 33 | 485 |

Person to Person – Win-Win Management with Collaborating Firms

| Descriptions | | Unit | 2017 | 2018 | 2019 | Remarks |
|---------------------|---------------------|------|------|------|------|--|
| Local purchase rate | Jeonbuk Bank | % | 85.7 | 67.1 | 74.7 | Rate of purchase from collaborating firms in Jeonbuk area |
| | | % | 68.8 | 69.8 | 73.8 | Rate of purchase from collaborating firms in Kwangju, Jeonnam area |
| | Sub-total (Average) | % | 77.2 | 68.5 | 74.3 | |
| | | % | | | | |

Participation and Development of Regional Communities

| Descriptions | | | | Unit | 2017 | 2018 | 2019 | Remarks | |
|---|---------------|----------------------|--------------|-----------------------|---------|--------|--------|---------|--|
| Donation versus consolidated net income | | | | Jeonbuk Bank | % | 13 | 11 | 10 | |
| | | | | Kwangju Bank | % | 10 | 11 | 10 | |
| | | | | Sub-total | % | 12 | 11 | 10 | |
| Number of personnel that participated in volunteer work (Annual number) | | | | JB Financial Holdings | Persons | 19 | 61 | 50 | |
| | | | | Jeonbuk Bank | Persons | 8,536 | 7,008 | 6,893 | |
| | | | | Kwangju Bank | Persons | 9,486 | 9,529 | 9,632 | |
| | | | | JB Woori Capital | Persons | - | 106 | 112 | |
| | | | | JB Asset Management | Persons | 40 | 43 | 32 | |
| | | | | Sub-total | Persons | 18,081 | 16,747 | 16,719 | |
| Support provided as scholarship | Middle school | Persons | Jeonbuk Bank | Persons | 100 | 100 | 100 | | |
| | | Support amount | Jeonbuk Bank | KRW 1 mil | 30 | 30 | 30 | | |
| | High school | No. of beneficiaries | Jeonbuk Bank | Persons | 110 | 100 | 100 | | |
| | | No. of beneficiaries | Kwangju Bank | Persons | 50 | 50 | 50 | | |
| | | | Sub-total | Persons | 160 | 150 | 150 | | |
| | | Support amount | Jeonbuk Bank | KRW 1 mil | 75 | 70 | 70 | | |
| | | | Kwangju Bank | KRW 1 mil | 25 | 25 | 25 | | |
| | | | Sub-total | KRW 1 mil | 100 | 95 | 95 | | |
| | University | No. of beneficiaries | Jeonbuk Bank | Persons | 10 | 5 | 16 | | |
| | | | Kwangju Bank | Persons | 50 | 50 | 50 | | |
| | | Sub-total | Persons | 60 | 55 | 66 | | | |
| | | Support amount | Jeonbuk Bank | KRW 1 mil | 5 | 5 | 11 | | |
| | | | Kwangju Bank | KRW 1 mil | 100 | 100 | 100 | | |
| | | | Sub-total | KRW 1 mil | 105 | 105 | 111 | | |

Social Contribution per Field

| Descriptions | | | Unit | 2017 | 2018 | 2019 | Remarks |
|--|----------------------|--|--------------|-----------|-------|-------|---------|
| Regional community welfare & public interest field | Number of volunteers | | Jeonbuk Bank | Persons | 3,810 | 3,821 | 3,415 |
| | | | Kwangju Bank | Persons | 4,209 | 4,131 | 3,709 |
| | | | Sub-total | Persons | 8,019 | 7,952 | 7,124 |
| | Support amount | | Jeonbuk Bank | KRW 1 mil | 3,107 | 4,219 | 4,317 |
| | | | Kwangju Bank | KRW 1 mil | 3,656 | 4,081 | 7,004 |
| | | | Sub-total | KRW 1 mil | 6,763 | 8,300 | 11,321 |
| Culture, art, sports fields | Number of volunteers | | Jeonbuk Bank | Persons | 840 | 812 | 550 |
| | | | Kwangju Bank | Persons | 800 | 931 | 926 |
| | | | Sub-total | Persons | 1,640 | 1,743 | 1,476 |
| | Support amount | | Jeonbuk Bank | KRW 1 mil | 2,231 | 1,264 | 2,959 |
| | | | Kwangju Bank | KRW 1 mil | 1,516 | 2,653 | 3,978 |
| | | | Sub-total | KRW 1 mil | 3,747 | 3,917 | 6,937 |
| Education, scholarship fields | Number of volunteers | | Jeonbuk Bank | Persons | 670 | 688 | 545 |
| | | | Kwangju Bank | Persons | 1,706 | 1,997 | 1,993 |
| | | | Sub-total | Persons | 2,376 | 2,685 | 2,538 |
| | Support amount | | Jeonbuk Bank | KRW 1 mil | 2,143 | 2,743 | 2,393 |
| | | | Kwangju Bank | KRW 1 mil | 3,936 | 5,658 | 4,423 |
| | | | Sub-total | KRW 1 mil | 6,079 | 8,401 | 6,816 |
| Donation to Micro-Credit Youth Startup Foundation Credit Counseling and Recovery Service | Support amount | | Jeonbuk Bank | KRW 1 mil | 685 | 2,592 | 2,297 |
| | | | Kwangju Bank | KRW 1 mil | 4,868 | 4,209 | 1,927 |
| | | | Sub-total | KRW 1 mil | 5,553 | 6,801 | 4,224 |
| Environment, global fields | Number of volunteers | | Jeonbuk Bank | Persons | 2,880 | 2,735 | 2,383 |
| | | | Kwangju Bank | Persons | 2,771 | 2,455 | 3,004 |
| | | | Sub-total | Persons | 5,651 | 5,190 | 5,387 |
| | Support amount | | Jeonbuk Bank | KRW 1 mil | 69 | 51 | 64 |
| | | | Kwangju Bank | KRW 1 mil | 26 | 51 | 102 |
| | | | Sub-total | KRW 1 mil | 95 | 102 | 166 |

Environmental Management

| Descriptions | | | Unit | 2017 | 2018 | 2019 | Remarks |
|---|---|--|-----------------------|-------------------|-----------|-----------|-----------|
| Number of environment-related volunteer works | | | Jeonbuk Bank | No. of times | 138 | 131 | 127 |
| | | | Kwangju Bank | No. of times | 184 | 191 | 222 |
| | | | Sub-total | No. of times | 322 | 322 | 349 |
| Paper use quantity | | | JB Financial Holdings | A4 Box/2,500 each | 153 | 140 | 195 |
| | | | Jeonbuk Bank | A4 Box/2,500 each | 4,932 | 4,825 | 5,669 |
| | | | Kwangju Bank | A4 Box/2,500 each | 6,000 | 6,000 | 5,738 |
| | | | JB Woori Capital | A4 Box/2,500each | 836 | 510 | 402 |
| | | | JB Asset Management | A4 Box/2,500each | 145 | 120 | 131 |
| | | | Sub-total | A4 Box/2,500each | 12,066 | 11,595 | 12,135 |
| Use of credit card e-mail invoice | Whole delivery of invoices | | Jeonbuk Bank | Case(s) | 1,769,640 | 2,074,066 | 1,987,182 |
| | | | Kwangju Bank | Case(s) | 2,536,950 | 2,619,445 | 2,724,615 |
| | | | Sub-total | Case(s) | 4,306,590 | 4,693,511 | 4,711,797 |
| | E-mail Delivery of invoices | | Jeonbuk Bank | Cas(e)s | 489,965 | 662,582 | 622,593 |
| | | | Kwangju Bank | Cas(e)s | 1,017,304 | 1,123,142 | 927,573 |
| | | | Sub-total | Cas(e)s | 1,507,269 | 1,785,724 | 1,550,166 |
| | E-mail delivery rate of invoices | | Jeonbuk Bank | % | 28 | 32 | 31 |
| | | | Kwangju Bank | % | 40 | 43 | 34 |
| | | | Average | % | 35 | 38 | 33 |
| | No. of credit card issues | | Jeonbuk Bank | Case(s) | 147,870 | 108,238 | 96,091 |
| | | | Kwangju Bank | Case(s) | 160,258 | 130,254 | 117,333 |
| | | | Average | Case(s) | 154,064 | 119,246 | 106,712 |
| | No. of credit card issues versus e-mail delivery rate of invoices | | Jeonbuk Bank | % | 3.31 | 6.12 | 6.48 |
| | | | Kwangju Bank | % | 6.35 | 8.62 | 7.91 |
| | | | Average | % | 4.89 | 7.49 | 7.26 |
| Water use quantity | | | Jeonbuk Bank | Ton | 23,304 | 25,692 | 26,655 |
| | | | Kwangju Bank | Ton | 20,791 | 24,684 | 23,906 |
| | | | JB Woori Capital | Ton | 6,783 | 6,408 | 7,152 |
| | | | Sub-total | Ton | 50,878 | 56,784 | 57,713 |
| Energy use | Jeonbuk Bank | | Fuel | TJ | 3 | 4 | 15 |
| | | | Electricity, heat | TJ | 60 | 62 | 61 |
| | | | Sub-total | TJ | 63 | 66 | 76 |
| | Kwangju Bank | | Fuel | TJ | 22 | 23 | 20 |
| | | | Electricity, heat | TJ | 84 | 90 | 92 |
| | | | Sub-total | TJ | 106 | 113 | 112 |
| | JB Woori Capital | | Fuel | TJ | 280 | 305 | 255 |
| | | | Electricity, heat | TJ | 14 | 12 | 11 |
| | | | Sub-total | TJ | 293 | 317 | 266 |
| | Whole | | Fuel | TJ | 304 | 331 | 290 |
| | | | Electricity, heat | TJ | 158 | 165 | 164 |
| | | | Sub-total | TJ | 462 | 496 | 454 |
| Greenhouse gas emissions | Jeonbuk Bank | | Direct (scope1) | tCO2eq | 1,042 | 1,085 | 826 |
| | | | Indirect(scope2) | tCO2eq | 2,915 | 3,035 | 2,961 |
| | | | Sub-total (scope1,2) | tCO2eq | 3,957 | 4,120 | 3,787 |
| | Kwangju Bank | | Direct (scope1) | tCO2eq | 1,466 | 1,339 | 1,170 |
| | | | Indirect(scope2) | tCO2eq | 4,097 | 4,378 | 4,453 |
| | | | Sub-total (scope1,2) | tCO2eq | 5,563 | 5,717 | 5,623 |
| | JB Woori Capital | | Direct (scope1) | tCO2eq | 628 | 645 | 561 |
| | | | Indirect(scope2) | tCO2eq | 684 | 607 | 574 |
| | | | Sub-total (scope1,2) | tCO2eq | 1,312 | 1,252 | 1,135 |
| | Whole | | Direct (scope1) | tCO2eq | 3,136 | 3,069 | 2,557 |
| | | | Indirect(scope2) | tCO2eq | 7,696 | 8,020 | 7,988 |
| | | | Sub-total (scope1,2) | tCO2eq | 10,832 | 11,089 | 10,545 |

Diagnosis and Analysis of Financial Management Performance

I. Summary of Performance Results

As uncertainties loomed large in the domestic/overseas economic environment and the low growth basis continued, 2019 was a year in which the management circumstances were not so easy. The economic sentiment worsened due to expansion of the variability caused by the USA-China trade dispute, slowdown of exports and consumption growth, depression of the overall industry and sluggish employment. However, drawing on the rapid digital environment facilitated by development of the information communication technology, JB Financial Group commenced working on the foundations for a change of status as ‘Strong/small financial group’ as we attained record-high performance and also the capital ratio, which can be the foothold for future growth through the efficient distribution of resources and the concentrated management of asset soundness.

Also, as we acquired Cambodia PPCBank and established Myanmar JB Capital Myanmar in 2016 and acquired Morgan Stanley Gateway Securities company (MSGS) in 2020, we have constructed a new southern financial belt based on Cambodia, Myanmar and Vietnam. For this reason, we have been concentrating on the general financial system covering the bank/capital/securities in overseas firstly among the local financial groups.

Summarizing the business performance in 2019, firstly, as the basis of consolidation in the growth aspect, the Total assets was KRW47,529.6 billion, which was an increase of 1.7% compared with the previous year, and the loan receivable was KRW37,108.6 billion (Based on the balance) which was a 2.4% increase compared with the previous year. Furthermore, the Deposits increased 2.0% compared with the previous year to reach KRW 34,175.3 billion (Based on the balance), so, the performance data show a slight increase.

In the profitability sector, due to recovery of the net interest margin (NIM), the improvement trend of the asset soundness, etc., it recorded KRW 484.9 billion of consolidated operating profit (Increase rate: 16.4%), and the Net income recorded KRW362.1 billion which is an increase of 12.8% compared with the previous year.

Based on the spectacular performance accomplished last year, JB Financial Group will strive for the group to achieve further growth as a Young and strong hidden champion financial group representing Korea in 2020. For this, we will continuously pursue qualitative growth focused on internal stability by distributing the assets/resources to the subsidiaries having high profitability on priority and also by concentrating on the resources and competence for execution of the Group’s differentiated strategy.

Also, we will promote the synergy effect mutually among the subsidiaries by fostering each subsidiary’s merits as the core competitiveness while we compose a balanced business portfolio through trial diversification into the non-bank sector and the overseas market business sector.

Together with this, we will further develop the governance structure and the internal control system, and consolidate our culture of mutual respect based on transparent management, communication and sympathy among the executives and staff in the organization. Also, through positive market communication, we will do our best for JB Financial Group to achieve growth as a healthy company supported by sound financial status.

In 2020 as well, all our 4,200 personnel including executives and staff will positively strive toward the target of ‘Strong/small financial group’ to meet the customers and stockholders’ expectations, for which your steady concerns and encouragement will be highly appreciated.

Key Financial Data (Consolidated Basis) (Unit: KRW100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) |
|------------------------------------|---------|---------|-----------|
| Volume | | | |
| Total assets | 491,456 | 467,798 | 23,658 |
| Loans | 379,782 | 369,153 | 10,629 |
| Total liabilities | 452,765 | 433,215 | 19,550 |
| Deposits | 351,669 | 339,945 | 11,724 |
| Total shareholders' equity | 38,691 | 34,583 | 4,108 |
| Profitability | | | |
| Total Operating Income | 12,948 | 12,502 | 446 |
| Operating profit | 4,849 | 4,168 | 681 |
| Net income | 3,621 | 3,210 | 411 |
| Net income of controlling interest | 3,419 | 2,415 | 1,004 |
| Net interest margin (Group) | 2.75% | 2.71% | 0.04%p |
| Net interest margin (Banks) | 2.44% | 2.43% | 0.01%p |
| Return on assets | 0.77% | 0.68% | 0.09%p |
| Return on equity | 10.18% | 9.07% | 1.11%p |
| Asset Soundness | | | |
| Substandard & below (NPL) ratio | 0.88% | 0.92% | -0.04%p |
| Delinquency ratio | 0.66% | 0.82% | -0.16%p |
| NPL coverage ratio | 93.6% | 92.4% | 1.2%p |
| Capital Adequacy | | | |
| BIS ratio | 13.16% | 12.73% | 0.43%p |
| Tier I ratio | 11.17% | 10.42% | 0.75%p |
| CET I ratio | 9.67% | 9.02% | 0.65%p |

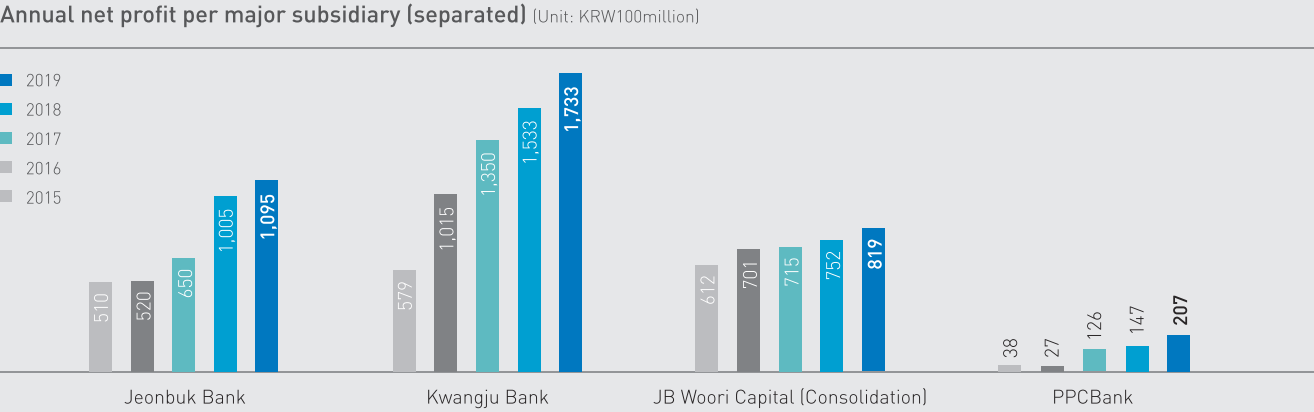
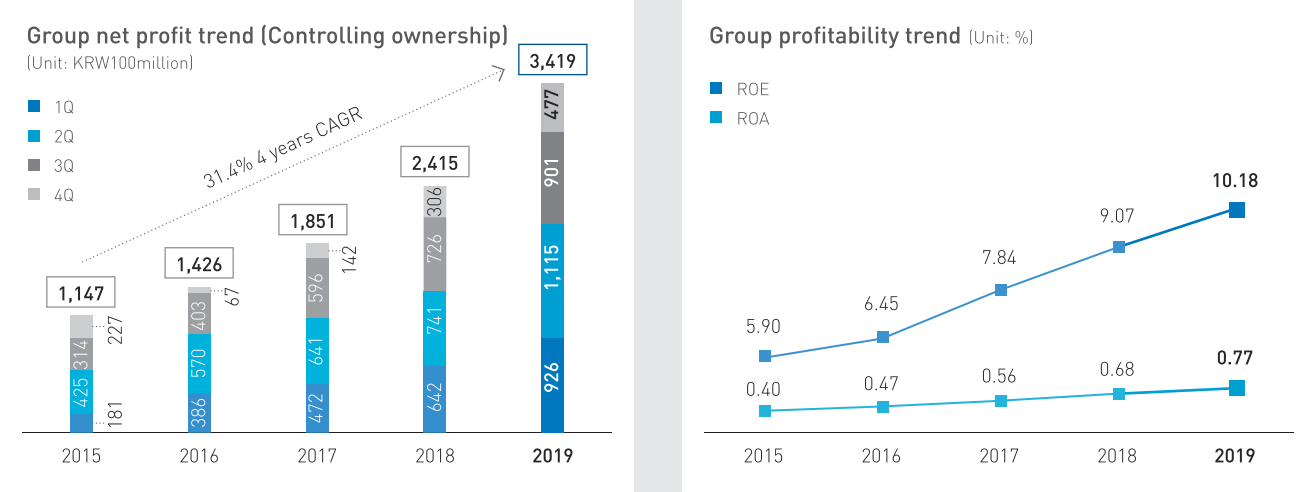
II. Income Statement Review

1. Income Statement Overview

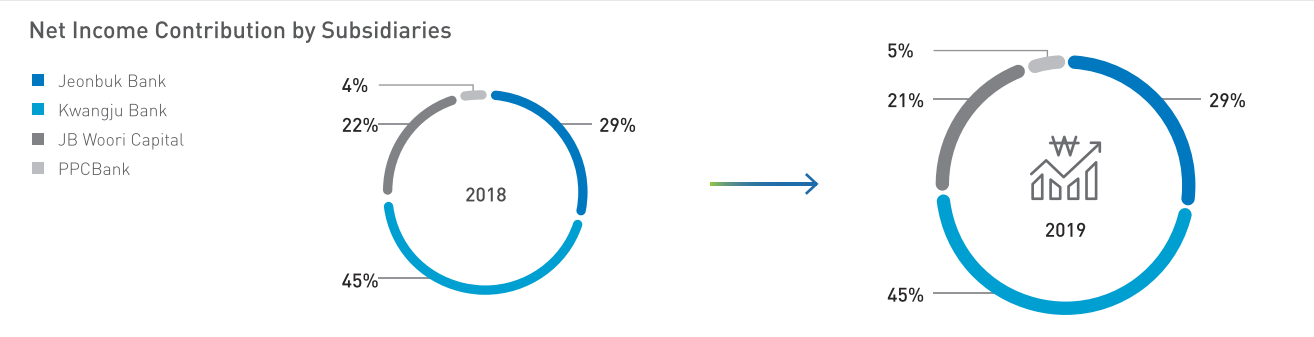
Summary consolidated Income Statement (Unit: KRW 100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|--|--------|--------|-----------|--------|
| Total Operating Income | 12,948 | 12,502 | 446 | 3.6% |
| Net interest income | 12,326 | 12,536 | -209 | -1.7% |
| Net fees and commissions income | 521 | 105 | 416 | 398.0% |
| Net lease income | 528 | 462 | 66 | 14.2% |
| Net income on financial instruments | 355 | 223 | 132 | 59.4% |
| Net other operating income | -781 | -823 | 42 | N.A. |
| SG&A expenses | 6,644 | 6,539 | 104 | 1.6% |
| Net Provision | 1,455 | 1,795 | -340 | -19.0% |
| Operating Income | 4,849 | 4,168 | 682 | 16.4% |
| Non-operating income | -16 | -3 | -13 | N.A. |
| Pre-tax income | 4,833 | 4,165 | 669 | 16.1% |
| Income tax expense | 1,212 | 954 | 257 | 27.0% |
| Consolidated Net Income | 3,621 | 3,210 | 411 | 12.8% |
| Attributable to controlling interest | 3,419 | 2,415 | 1,004 | 41.6% |
| Attributable to non-controlling interest | 202 | 795 | -593 | -74.6% |

The net income of controlling interest of JB Financial Group is KRW341.9billion, which is a 41.6% increase compared with KRW241.5billion of last year. Additionally, it recorded 31.4% of Compound Annual Growth Rate (CAGR) over the last 4 years. The major reasons for annual profit came from the fees and commissions income, securities-related profit, increase in non-interest income from growth of the lease income, downward stabilization of the bad account cost and 100% transfer effect of Kwangju Bank into the subsidiary relative to stocks exchange.



As for Jeonbuk Bank and Kwangju Bank that are subsidiaries of the Group, as the bad account costs fell and the sales administrative expenses were maintained excellently on the basis of the internal stability-centered stable management, the improvement trend of the net profit continued. The net profit of Jeonbuk Bank recorded KRW109.5 billion, which is an increase of 9.0% compared with last year, while Kwangju Bank (based separately) recorded 13.1% increase in net profit compared with last year at KRW173.3 billion. JB Woori Capital, the credit expert financial company, recorded KRW81.9 billion of annual net profit, which is an increase of 8.9% compared with last year based on the profit-centered asset portfolio adjustment policy, while Cambodia PPCBank, a grandchild company, recorded KRW20.7 billion as the net profit increased 40.5% compared with last year as it successfully executed localization through expansion of business competence, making a huge contribution to expansion of the non-bank and global profit basis.



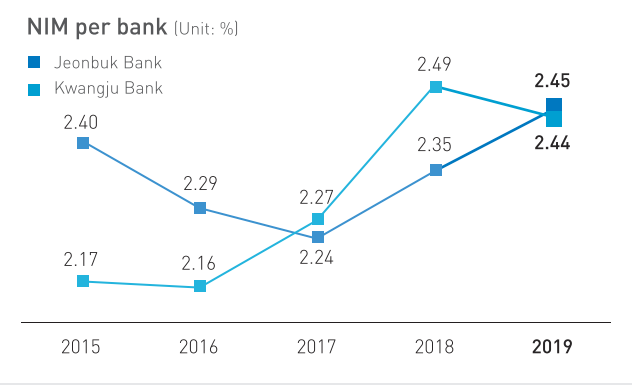
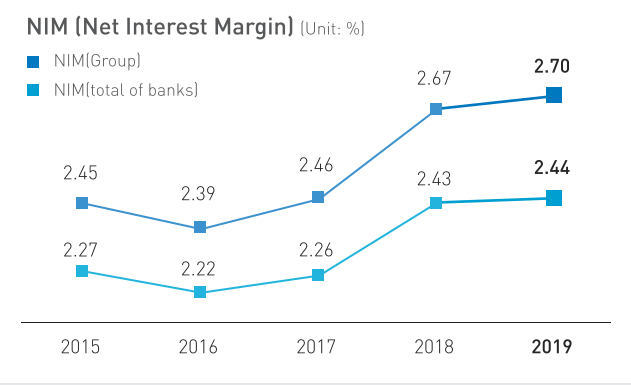
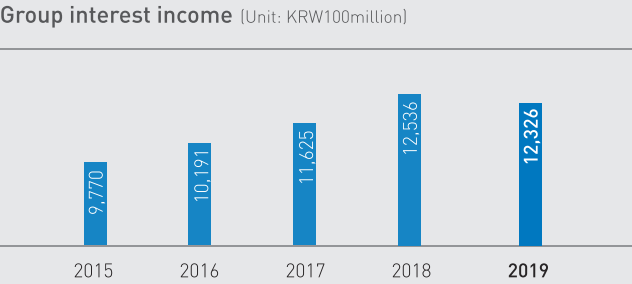
2. Interest Income

Group Net Interest Income (Unit: KRW 100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|---------------------|--------|--------|-----------|--------|
| Interest Revenue | 18,925 | 19,265 | -340 | -1.8% |
| Loans | 17,798 | 18,112 | -314 | -1.7% |
| Securities | 1,008 | 1,011 | -2 | -0.2% |
| Other IEA | 119 | 143 | -24 | -16.7% |
| Interest Expense | 6,599 | 6,730 | -131 | -1.9% |
| Deposits | 4,563 | 4,655 | -92 | -2.0% |
| Bonds | 1,679 | 1,707 | -28 | -1.7% |
| Borrowings | 321 | 349 | -28 | -8.0% |
| Other IBL | 36 | 19 | 18 | 93.3% |
| Net Interest Income | 12,326 | 12,536 | -209 | -1.7% |

JB Financial Group's interest income of 2019 of recorded KRW1,232.6 billion, which is a 1.7% decrease compared with last year, owing to the card payment commission, which was deducted as the existing commission expenses, being deducted from the loan receivable interest income as per alteration of the card accounting standards (IFRS15) introduced in 2019. Excluding such effect, the interest income of the Group recorded KRW1,254 billion. As for the increase in the current interest income, the average balance of the loan asset decreased as the maturity of the middle payment loan increased in 2016, but it originated from the significant improvement to the net interest margin due to improvement of the profitability-centered asset portfolio.

The annual net interest margin based on the bank total of JB Financial Group recorded 2.44% growth as 1bp increased compared with last year, and the accumulated net interest margin of the Group basis recorded 2.70% based on the 3bp increase compared with last year. Excluding the effect from alteration of the card accounting standards (IFRS15) introduced in 2019, the net interest margin of the bank and the Group recorded respectively 2.50% and 2.75% growth based on increase of 7bp and 8bp respectively. Despite the decrease in the basic interest rate and the competition depth in 2019, the growth in net interest margin originated from the effect of improvements in the loan profit rate relative to replacement of the low profitability assets such as expansion of low cost deposit weight, middle payment loan, etc.



3. Non-Interest Income

The non-interest income of the Group recorded KRW62.2billion as it converted into a large surplus based on the solid growth of profits due to fees and commissions income, lease income and securities-related profit. Especially, fees and commissions income recorded KRW52.1billion, which was an increase of KRW41.6 billion compared with last year which originated from the fall in the payment commission expenses due to the introduction of the card accounting standards (IFRS15) together with expansion of PF commission. The improvement of fees and commissions income and the steady growth of lease income of JB Woori Capital through intensification of the investment sector contributed also to increase of the Group's non-interest income.

Group Non-Interest Income (Unit: KRW100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) |
|---------------------------------|------|------|-----------|
| Non-Interest Income | 622 | -34 | 655 |
| Fees & Commissions | 521 | 105 | 416 |
| Lease | 528 | 462 | 66 |
| Securities | 274 | 173 | 101 |
| FX & Derivatives | 81 | 50 | 31 |
| Guarantee Fund & Insurance Fees | -907 | -994 | 87 |
| Others | 125 | 171 | -46 |

4. Sales, General & Administrative Expenses

The sales administrative expenses of 2019 was stably maintained at KRW664.4billion, which was an increase of 1.6% compared with last year. Reflecting the labor fee reduction effect of the Group such as voluntary resignation etc., which was executed over the recent years, and endeavors toward overall reduction of company expenses such as digital transformation etc., the Group's profit cost rate of 2019 recorded 51.3% as 1.0% decreased compared with last year. We will manage the profit cost rate on a stable level through the efficient execution of budget in future also.

Group SG&A Expenses (Unit: KRW100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|--------------------------|-------|-------|-----------|--------|
| SG&A Expenses | 6,644 | 6,539 | 104 | 1.6% |
| Salaries & Benefits | 4,096 | 3,896 | 200 | 5.1% |
| General & Admin | 1,221 | 1,298 | -77 | -5.9% |
| Early retirement expense | 176 | 361 | -186 | -51.4% |
| Depreciation & Others | 1,151 | 984 | 167 | 17.0% |

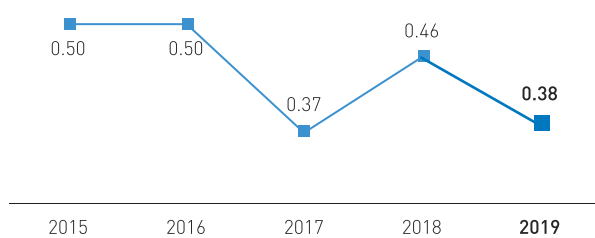
5. Credit Costs

Annual contribution to the Group's provision for 2019 recorded KRW145.5 billion showing a decrease of KRW34billion compared with last year. We have constructed a stable asset portfolio based on profitability and internal stability without damage to asset soundness, and excellently managed the asset soundness index through preemptive risk management. As a result of these efforts, the Group's reserve improved largely compared with last year. Especially, the company's loan recorded decreased by KRW45.3billion to reach KRW10.3billion due to the reversal of KRW17.9billion related to the reserve of the Woongjin Group lawsuit etc. The bad account cost recorded 0.38% based on the Group and 0.21% based on the bank total, and excluding the one-time reversal factors, it is being maintained stably on an early 0.4% level.

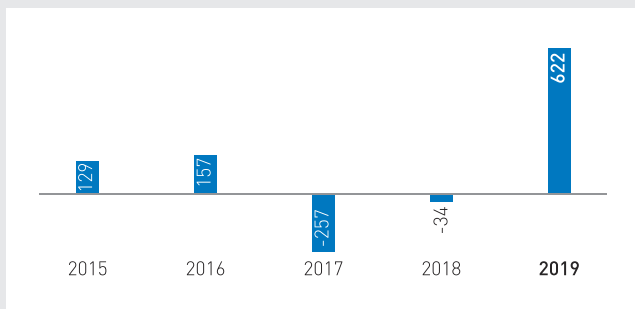
Group Credit Costs (Unit: KRW100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|------------------------------------|-------|-------|-----------|--------|
| Provision for Credit Losses | 1,455 | 1,795 | -340 | -19.0% |
| Corporate (Banks) | 103 | 561 | -458 | -81.6% |
| Household (Banks) | 493 | 390 | 103 | 26.5% |
| Credit Card (Banks) | 86 | 117 | -31 | -26.2% |
| JB Woori Capital | 722 | 684 | 38 | 5.6% |
| Others | 50 | 44 | 7 | 15.3% |

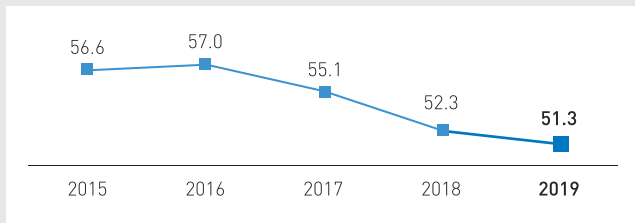
Group Credit Cost Ratio (Unit: %)



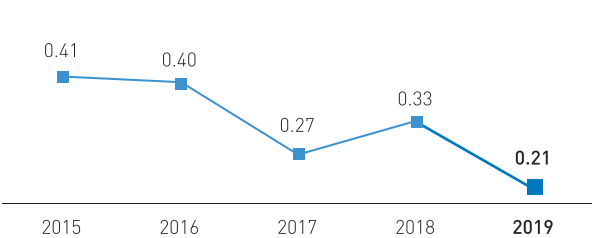
Group Non-Interest Income (Unit: KRW100million)



Group Cost-Income Ratio (Unit: %)



Banks Credit Cost Ratio (Unit: %)



III. Balance Sheet Review

1. Balance Sheet Overview

Condensed Consolidated Balance Sheets (Unit: KRW100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|-------------------------------------|---------|---------|-----------|--------|
| Total assets | 475,296 | 467,798 | 7,497 | 1.6% |
| Cash and due from banks | 27,114 | 23,463 | 3,651 | 15.6% |
| Investment financial assets | 48,552 | 48,823 | -271 | -0.6% |
| Loans | 371,086 | 369,153 | 1,933 | 0.5% |
| Lease assets | 15,602 | 13,482 | 2,120 | 15.7% |
| Tangible assets | 4,048 | 3,771 | 277 | 7.4% |
| Intangible assets | 1,575 | 1,720 | -145 | -8.4% |
| Other assets | 7,317 | 7,387 | -69 | -0.9% |
| Total liabilities | 437,098 | 433,215 | 3,883 | 0.9% |
| Deposits | 341,753 | 339,945 | 1,808 | 0.5% |
| Borrowings | 15,845 | 20,561 | -4,716 | -22.9% |
| Debt securities issued | 65,056 | 59,725 | 5,332 | 8.9% |
| Other liabilities | 14,443 | 12,985 | 1,459 | 11.2% |
| Total equity | 38,198 | 34,583 | 3,615 | 10.5% |
| Capital stock | 9,849 | 9,849 | 0 | 0.0% |
| Hybrid debts | 4,030 | 3,480 | 550 | 15.8% |
| Capital surplus | 7,054 | 7,061 | -7 | -0.1% |
| Retained earnings | 14,455 | 11,618 | 2,837 | 24.4% |
| Other equity | -689 | -690 | 2 | -0.2% |
| Non-controlling interests | 3,499 | 3,266 | 233 | 7.1% |
| Total liabilities and equity | 475,296 | 467,798 | 7,497 | 1.6% |

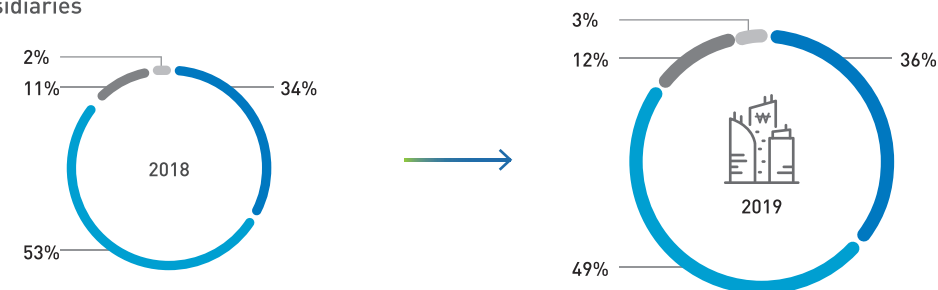
The consolidated Total assets of JB Financial Holdings as of the end of 2019 was recorded at KRW47,529.6 billion, showing an increase of 1.6% compared with last year. The loan receivable increased slightly due to repayment relative to the maturity of the collective middle payment loan of Jeonbuk Bank and Kwangju Bank, and for this reason, the Deposits increased by 0.5%. The profit surplus increased by 24.4% compared with last year due to the solid increase in profit.

Assets and Liabilities by Subsidiaries (Unit: KRW100million)

| Descriptions | Company name | 2018 | | | 2019 | | |
|--------------------|-----------------------|--------------|-------------------|----------------------------|--------------|-------------------|----------------------------|
| | | Total assets | Total liabilities | Total shareholders' equity | Total assets | Total liabilities | Total shareholders' equity |
| Holding company | JB Financial Holdings | 23,461 | 4,428 | 19,033 | 25,114 | 5,321 | 19,793 |
| Subsidiary | Jeonbuk Bank | 174,128 | 161,257 | 12,871 | 171,925 | 158,225 | 13,701 |
| | Kwangju Bank | 230,292 | 213,331 | 16,961 | 234,193 | 215,995 | 18,198 |
| | JB Woori Capital | 54,745 | 47,337 | 7,408 | 58,491 | 50,656 | 7,835 |
| | JB Asset Management | 209 | 23 | 186 | 269 | 105 | 164 |
| Grandchild company | PPCBank | 8,818 | 7,493 | 1,325 | 10,734 | 9,160 | 1,574 |
| | JB Capital Myanmar | 105 | 5 | 100 | 207 | 87 | 120 |

Assets Contribution by Subsidiaries

- Jeonbuk Bank
- Kwangju Bank
- JB Woori Capital
- PPCBank

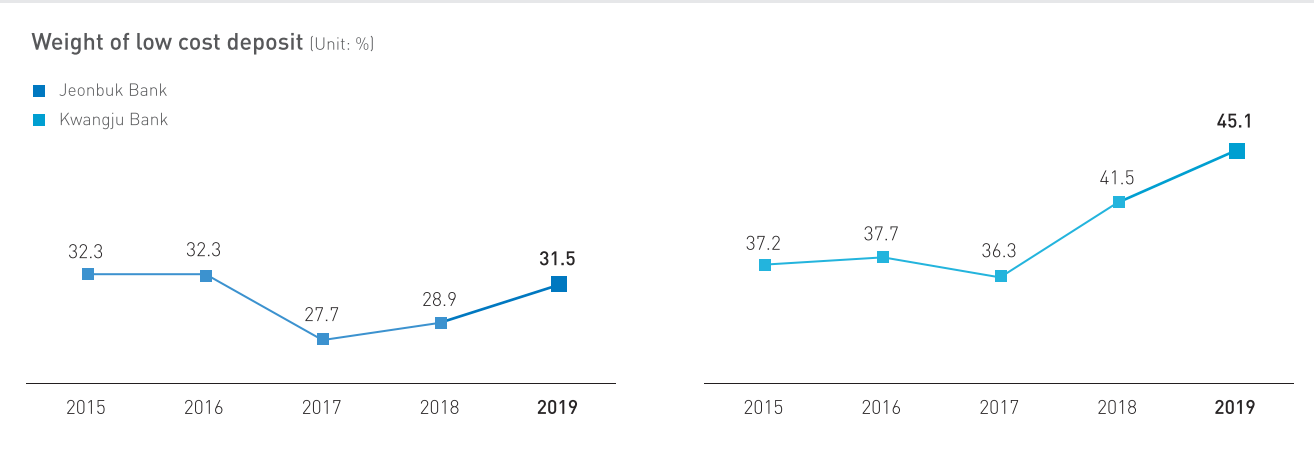


2. Deposits

Deposits by Banks (Unit: KRW100million)

| Descriptions | | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|--------------|---------------------|---------|---------|-----------|--------|
| Jeonbuk Bank | Total Deposits | 141,083 | 146,228 | -5,145 | -3.5% |
| | Deposits in KRW | 139,291 | 140,852 | -1,561 | -1.1% |
| | Low Cost Deposit | 44,033 | 40,847 | 3,186 | 7.8% |
| | Demand | 17,531 | 15,002 | 2,529 | 16.9% |
| | Savings | 15,581 | 14,698 | 883 | 6.0% |
| | Corporate Savings | 10,921 | 11,146 | -225 | -2.0% |
| | Time Deposit | 91,471 | 96,197 | -4,726 | -4.9% |
| | Installment Deposit | 3,787 | 3,808 | -21 | -0.6% |
| Kwangju Bank | Total Deposits | 208,138 | 201,899 | 6,239 | 3.1% |
| | Deposits in KRW | 188,494 | 186,634 | 1,860 | 1.0% |
| | Low Cost Deposit | 85,432 | 77,778 | 7,654 | 9.8% |
| | Demand | 45,108 | 39,186 | 5,922 | 15.1% |
| | Savings | 27,960 | 25,719 | 2,241 | 8.7% |
| | Corporate Savings | 12,365 | 12,874 | -509 | -4.0% |
| | Time Deposit | 98,139 | 104,854 | -6,715 | -6.4% |
| | Installment Deposit | 3,804 | 2,971 | 833 | 28.0% |

The deposits of Jeonbuk Bank and Kwangju Bank showed decrease of 1.1% and increase of 1.0% respectively compared with last year due to depression of the loan growth. As the procurement competition in the industry intensified due to regulations on deposits and loans, the weight of the low cost deposits of Jeonbuk Bank and Kwangju Bank improved largely because of the comparatively smaller fund procurement.

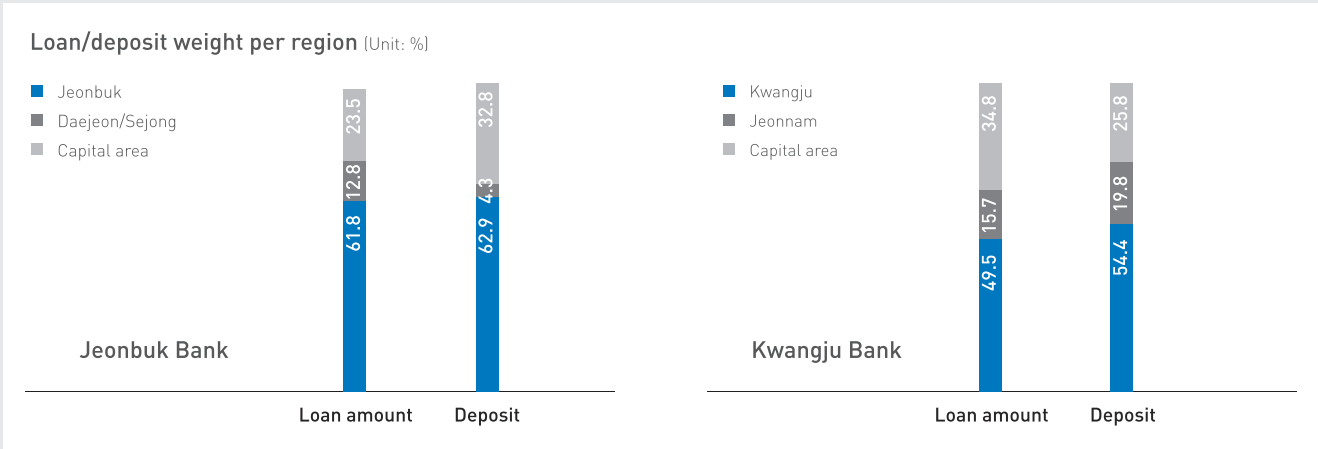
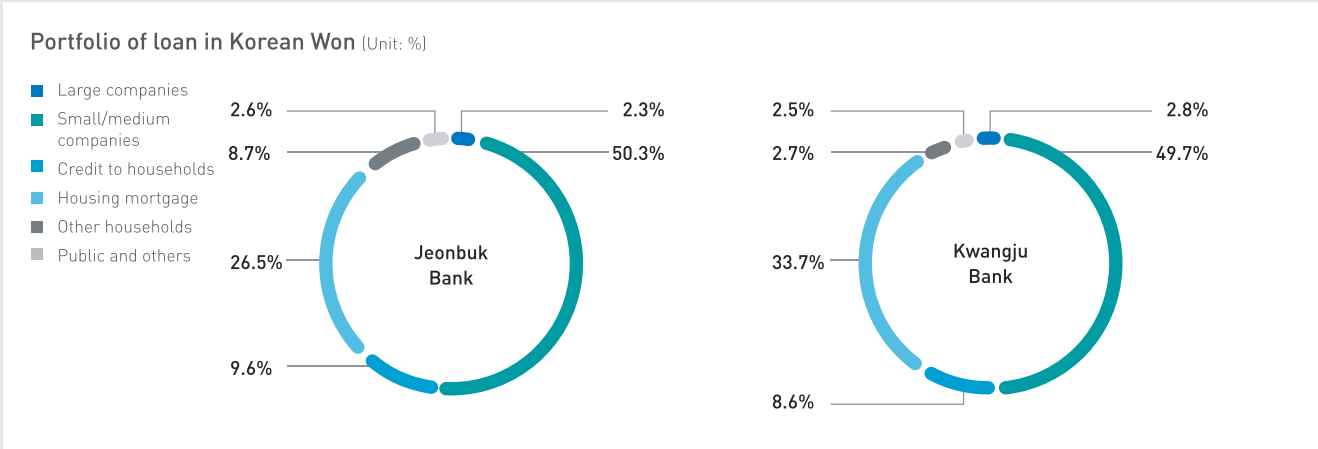


3. Loans

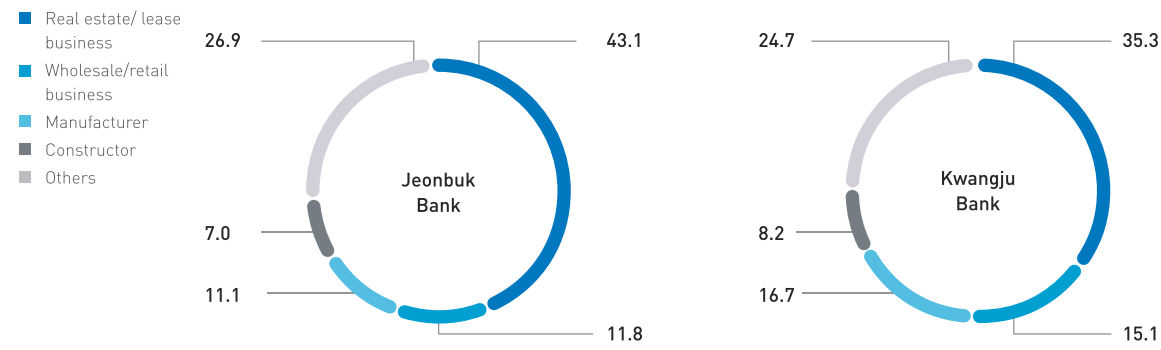
Loans by Banks (Unit: KRW100million)

| Descriptions | | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|--------------|-----------------|---------|---------|-----------|--------|
| Jeonbuk Bank | Loans in KRW | 135,182 | 136,472 | -1,290 | -0.9% |
| | Corporate | 71,052 | 69,901 | 1,151 | 1.6% |
| | SME | 67,951 | 67,175 | 776 | 1.2% |
| | Large Corp | 3,101 | 2,726 | 375 | 13.8% |
| | Household | 60,633 | 63,712 | -3,079 | -4.8% |
| | Mortgage | 35,840 | 44,223 | -8,383 | -19.0% |
| | Public & Others | 3,497 | 2,859 | 638 | 22.3% |
| Kwangju Bank | Loans in KRW | 178,784 | 173,866 | 4,918 | 2.8% |
| | Corporate | 93,702 | 85,527 | 8,175 | 9.6% |
| | SME | 88,769 | 80,200 | 8,569 | 10.7% |
| | Large Corp | 4,932 | 5,327 | -395 | -7.4% |
| | Household | 80,546 | 85,303 | -4,757 | -5.6% |
| | Mortgage | 60,325 | 65,238 | -4,913 | -7.5% |
| | Public & Others | 4,536 | 3,036 | 1,500 | 49.4% |

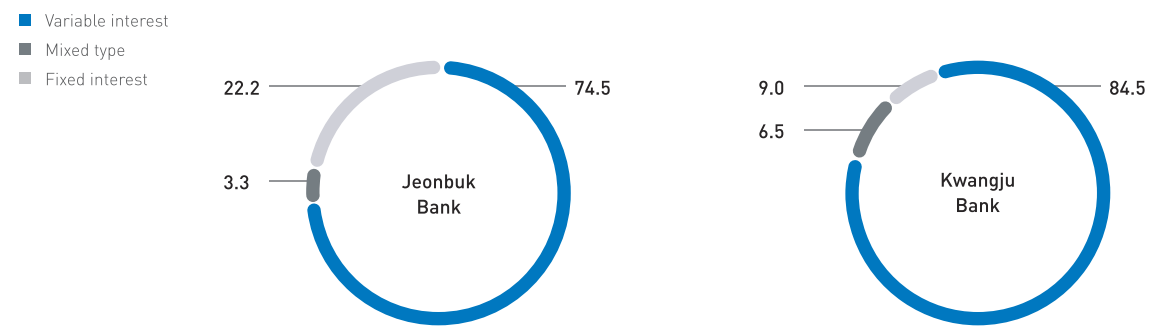
Jeonbuk Bank's loan in Korean Won recorded KRW13.5 trillion in 2019 showing a decrease of 0.9% compared with last year. As the collective middle payment loan, which increased largely in 2016, matured in 2019, the loan in Korean Won decreased. However, as company loan and private credit loan increased 1.6% and 39.5% respectively, the decrease in the housing mortgage was set off. Kwangju Bank's loan in Korean Won recorded KRW17.9trillion in 2019 showing an increase of 2.8% compared with last year. As the collective middle payment loan, which had increased largely in the previous years, reached maturity in 2019, the household loan of Kwangju Bank decreased 5.6% compared with last year. On the other hand, company loans grew largely by 9.6% centered on high-grade small/medium companies, and based on this Kwangju Bank realized excellent loan growth.



Company loan portfolio per company category (Unit: %)

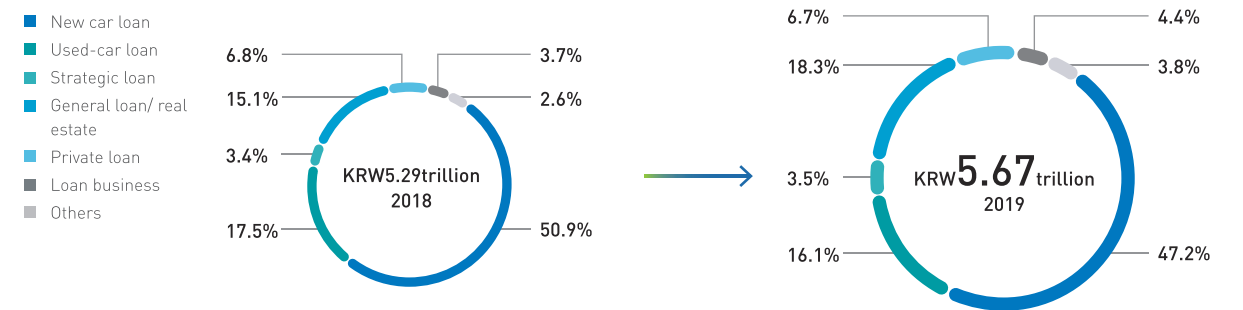


Interest type of loan in Korean Won (Unit: %)



4. JB Woori Capital

Financial Assets Portfolio (Unit: %)

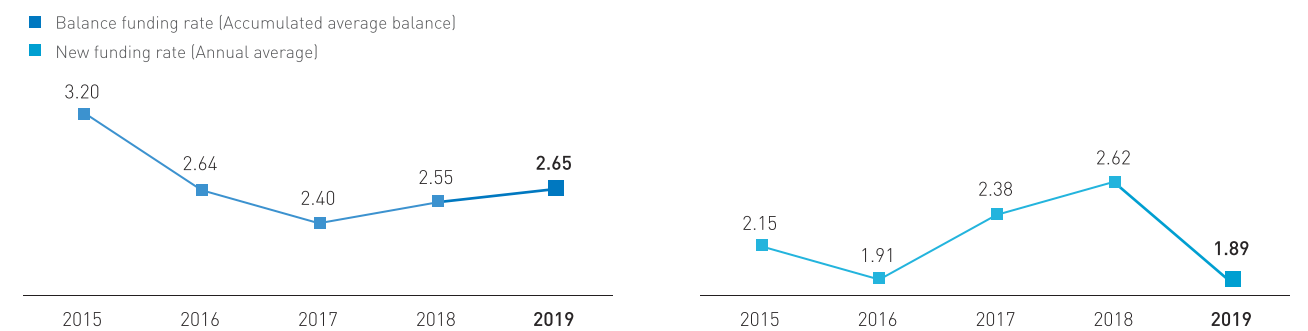


JB Woori Capital has reduced weight of new car financial against the new car market in the light of the intensifying competition as banks and card companies advance in the car financial industry, and concentrated on non-car financial business fields such as used-car finance with high profitability, company finance, credit loan to private entities etc. As for used-car finance, the weight on finance assets fell slightly in 2019 due to increase in the credit grade of the car owner for management of soundness, intensification of arbitrary decision rights etc. However, the general loan weight expanded due to strengthening of the company finance sector.

Funding Structure

| Descriptions | 2019 | 2018 | YoY(Amt.) |
|-----------------|--------|--------|-----------|
| Total | 46,375 | 43,480 | 2,895 |
| Corporate bonds | 45,500 | 38,485 | 7,015 |
| CP | 800 | 4,650 | -3,850 |
| ABS | 0 | 270 | -270 |
| Borrowings | 75 | 75 | 0 |

Funding Rate Trend (Unit: %)

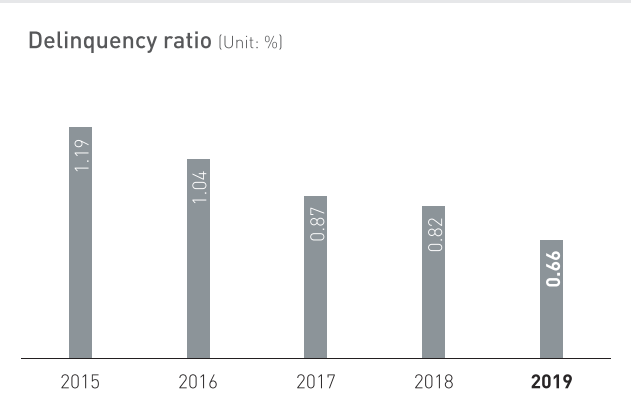
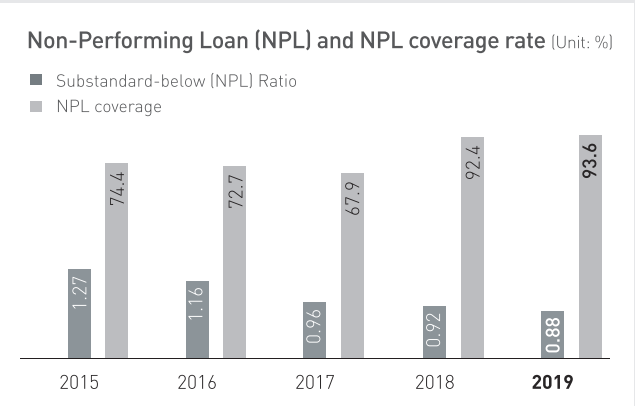


JB Woori Capital maintained a stable borrowing structure centered on the company bond against the unclear interest environment in 2019 as well. We have maintained CP weight on a proper level to raise fluidity.

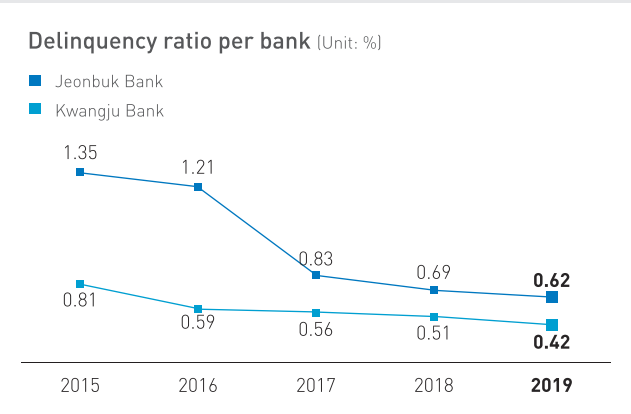
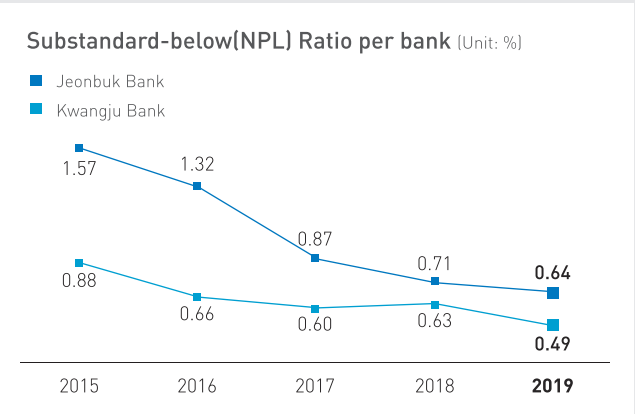
IV. Asset Quality Review

Group Asset Quality (Unit: KRW100million)

| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|-----------------------------|---------|---------|-----------|---------|
| Total Credits | 379,142 | 371,923 | 7,219 | 1.9% |
| Normal | 372,075 | 364,622 | 7,453 | 2.0% |
| Precautionary | 3,729 | 3,869 | -140 | -3.6% |
| Substandard | 1,937 | 2,091 | -154 | -7.4% |
| Doubtful | 883 | 908 | -25 | -2.8% |
| Estimated Loss | 518 | 433 | 85 | 19.6% |
| Precautionary & Below Ratio | 1.86% | 1.96% | - | -0.10%p |
| Precautionary & Below | 7,067 | 7,301 | -234 | -3.2% |
| Substandard & Below Ratio | 0.88% | 0.92% | - | -0.04%p |
| Substandard & Below | 3,338 | 3,432 | -94 | 2.7% |
| NPL Coverage Ratio | 93.6% | 92.4% | - | 1.2%p |
| Loan Loss Allowance | 3,123 | 3,173 | -50 | -1.6% |
| Delinquency Rate | 0.66% | 0.82% | - | -0.16%p |
| Delinquent Loans | 2,498 | 3,038 | -540 | -17.8% |
| Total Loans | 377,152 | 370,006 | 7,146 | 1.9% |



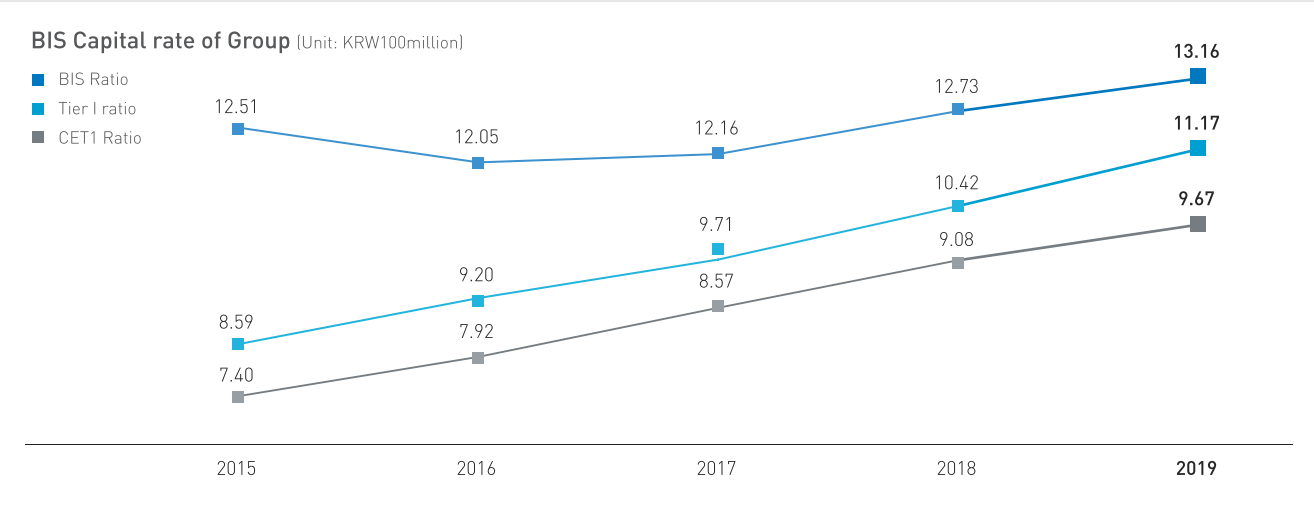
The Group’s asset soundness maintained a stable level in 2019 by executing an active risk management policy against economic uncertainties. The current NPL rate of the Group is at some 0.88%, which is an improvement of 4bp compared with last year, and NPL coverage rate was excellently maintained at 93.6% in 2019. As for the Delinquency ratio, 16bp fell compared with last year showing a decrease of 0.66%. This originated from reflecting the return on risk-weighted assets (RoRWA) on branch KPI of the bank as part of the endeavors toward improvement of the common stocks capital ratio since 2016 and the significant improvements to asset soundness and profitability. As for company loans, despite the depressed growth for last 4 years, it seems that the weak credit was arranged substantially as the risk weight fell steadily through rebalancing of the loan portfolio.



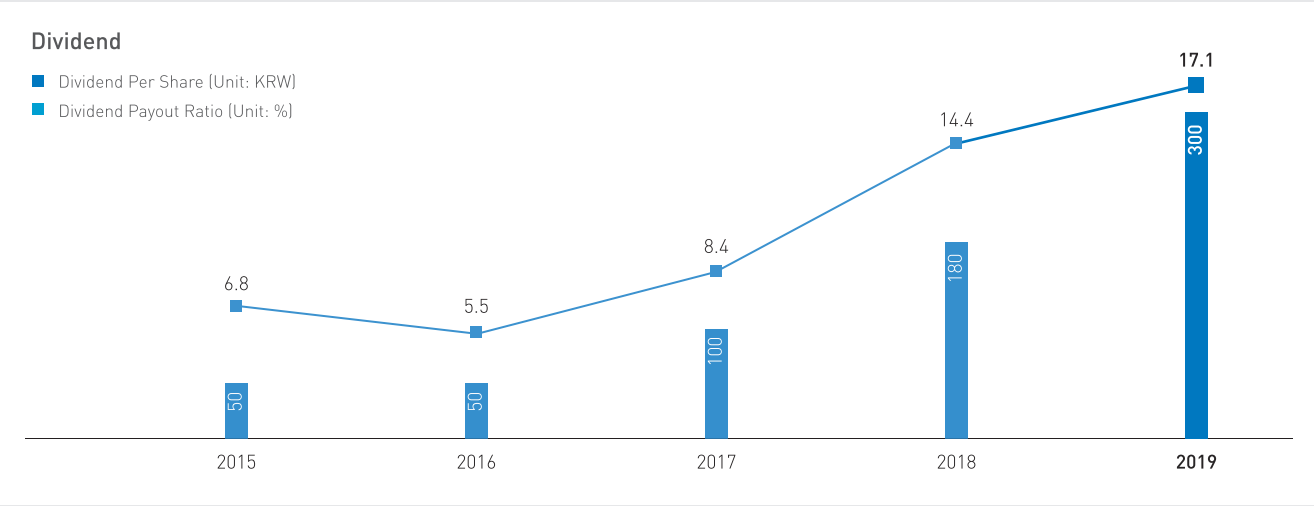
V. Capital Adequacy Review

Group Capital Adequacy (Unit: KRW100million)



| Descriptions | 2019 | 2018 | YoY(Amt.) | YoY(%) |
|----------------------|---------|---------|-----------|--------|
| BIS Capital | 39,227 | 36,748 | 2,479 | 6.7% |
| Tier1 Capital | 33,288 | 30,066 | 3,222 | 10.7% |
| CET1 Capital | 28,832 | 26,024 | 2,808 | 10.8% |
| Risk Weighted Assets | 298,108 | 288,574 | 9,534 | 3.3% |
| BIS Ratio | 13.16% | 12.73% | - | 0.43%p |
| Tier1 Ratio | 11.17% | 10.42% | - | 0.75%p |
| CET1 rate | 9.67% | 9.02% | - | 0.65%p |



As for the Group’s Capital Adequacy of 2019, annual BIS Ratio recorded 13.16% as 43bp was improved due to the endeavors toward improvement of the return on risk-weighted assets (RoRWA). Further, Tier I ratio was 11.17% showing annual improvement of 75bp, and the common stocks capital rate recorded 9.67% showing annual improvement of 65bp. This shows an excess of 9.5%, which is the maximum regulatory percent of the financial authority. The risk-weighted assets were expanded by 3.3% for the year based on adjustment of the profitability-centered asset portfolio, and the common stocks capital increased 10.8% compared with last year as the net income of controlling interest increased significantly. Despite the capital increase, ROE improved at a 10% level during the same period, and the propensity to dividend was also raised 17.1% in 2019. JB Financial Holdings will continue efforts to strengthen its stockholder return policy by steadily increasing the propensity to dividend.



Audit Report of Independent Auditor



To the Board of Directors and Shareholders of JB Financial Group Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of JB Financial Group Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Matters

The consolidated financial statements of the Company for the year ended December 31, 2018, were audited by EY Han Young who expressed an unqualified opinion on those statements on March 21, 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Dae-Hong Min, Certified Public Accountant.

March 18, 2020



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This Audit Report is effective as of the audit report day (March 18, 2020). Therefore, in the event that any matter or situation, which has significant impact on the attached financial statement of the company during the time when this report is perused after the audit report day, occurs, this audit report day may be corrected.

Third party's Assurance Statement

To the Readers of JB Financial Group 2019 Integrated Report

Foreword

Korea Management Registrar Inc. (hereinafter “KMR”) has been requested by of JB Financial Group to verify the contents of its JB Financial Group 2019 Integrated Report (Hereby referred to as “the Report”). JB Financial Group 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

JB Financial Group 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 : 202-2
 - Indirect Economic Impacts : 203-1, 203-2
 - Procurement Practices : 204-1
 - Anti-Corruption : 205-1, 205-2, 205-3
 - Anti-Competitive Behavior : 206-1
 - Materials : 301-1
 - Energy : 302-1, 302-4, 302-5
 - Water and Effluents : 303-1
 - GHG Emissions : 305-1, 305-2
 - Environmental Compliance : 307-1
 - Employment : 401-1, 401-2, 401-3
 - Labor/Management Relations : 402-1
 - Occupational Health and Safety : 403-2
 - Training and Education : 404-1, 404-2, 404-3
 - Diversity and Equal Opportunity : 405-1, 405-2
 - Non-Discrimination : 406-1
 - Child Labor : 408-1
 - Forced or Compulsory Labor : 409-1
 - Human Rights Assessment : 412-1, 412-2
 - Local Communities : 413-1, 413-2
 - Public Policy : 415-1
 - Marketing and Labeling : 417-1, 417-2, 417-3
 - Customer Privacy : 418-1
 - Socioeconomic Compliance : 419-1

- Financial Services Sector Disclosures : FS13

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. JB Financial Group, 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 stakeholder engagement activities
- Reviewed materiality test process and methodology
- Interviewed people in charge of preparing the Report
- Reviewed sustainability management strategies and targets

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with JB Financial Group 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

→JB Financial Group 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 JB Financial Group 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.

→JB Financial Group is determining the materiality of issues found out through stakeholder communication 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 JB Financial Group’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.

- JB Financial Group categorized the topics identified by materiality testing into responsible management, sustainable finance, local community engagement and development, and environmental management, while creating a Q&A section to help readers have a greater understanding of the information provided. We recommend that the company establish KPIs based on the mid- to long-term strategies for systematic implementation and make continuous effort to enhance its sustainability.

Our independence

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

ISO 37001 Certificate



Certificate No : RAB0027

Certificate of Registration

ANTI-BRIBERY MANAGEMENT SYSTEM

This is to certify that
the anti-bribery management system of

JB Financial Group Co.,Ltd.

at
#566, Baekje-daero, Deokjin-gu, Jeonju-si, Jeollabuk-do, Korea

Has been found to conform to the Anti-bribery Management System Standards:

KS A ISO 37001:2016 / ISO 37001:2016

This Certificate is valid for the following product or service ranges:

*All business activities as a JB financial holding company
including the approval of business plan, evaluation of
management performance, determination of management governance,
internal control and risk management for subsidiaries within Korea.*

Issue Date : May. 22. 2020

Certification Date : May. 22. 2020 Valid Date : Jul. 15. 2022



Authorized By 
Eun-Ju Hwang, President

Korea Management Registrar
1dong,12F,Ace High Tech City #775,Gyeongin-ro
Yeongdeungpo-gu, Seoul, 07299, Korea
T: 82-2-6309-9001 / F: 82-2-6309-9004

- KMR is accredited by the KAB (No. KAB-AC-03)
- KSIC CODE:32/ Initial certification date: Jul. 16. 2019

Independent Assurance Report on GHG Emissions

JB Financial Group Ltd.

Introduction

Korea Management Registrar has been requested by JB Financial Group to verify greenhouse gas emissions for 2019 for the headquarters of three domestic subsidiaries - Jeonbuk Bank, Kwangju Bank and JB Woori Capital. The verification was conducted on the organization and operation boundary, and the results are as specified as below. This verification statement is valid from the day of publication.

Scope

Organization and operation boundary

- Limited to the headquarters of Jeonbuk Bank, Kwangju Bank and JB Woori Capital, according to the WRI / WBCSD GHG protocol Chapter 3 operating and controlling approach.
- The branch office of each corporation and the other business places are excluded.

Verification period 01/01/2019 ~ 12/31/2019

Types of Greenhouse Gases CO₂, CH₄, N₂O, HFCs, PFCs, SF₆

Verification scope Scope 1 (direct emissions), Scope 2 (indirect emissions)

Performed verification work

- Visiting JB Financial Group and interviewing with the manager responsible for overall emissions data collection of the organization
- Reviewing the emissions data monitoring standard and process
- Examination on raw data including information system, bills and payment statements related to verification scope
- Comparative examination through on-desk review, risk analysis, observation and inspection, etc.

Level of assurance Reasonable assurance for the limited organization boundary

Standard & Guidance

- ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (2006),
- ISO 14064-3 Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions (2006),
- IPCC Guidelines for National Greenhouse Gas Inventories (2006),
- WRI/WBCSD GHG Protocol,

- Verification guidelines for operation of greenhouse gas and energy target management scheme (Criterion of materiality/ IPCC emission factors and calorific values / Country specific calorific values and emission factors)

Results

(Unit: tCO₂-e/yr)

| Year | Emission Category | Jeonbuk Bank | Kwangju Bank | JB Woori Capital | Total Emissions |
|------|-------------------|--------------|--------------|------------------|-----------------|
| 2019 | Scope1 | 826 | 1,170 | 561 | 2,557 |
| | Scope2 | 2,961 | 4,453 | 574 | 7,988 |
| | Scope1+2 | 3,787 | 5,623 | 1,135 | 10,545 |

Conclusions

As a result of the verification according to the verification scope and standard presented above, the assurance opinion of Korea Management Registrar is as follows.

- KMR verified the greenhouse gas emissions for 2019 of JB Financial Group as described above. Based on the procedures performed, no evidence was identified that the emissions information is not prepared in accordance with the monitoring requirements to meet the verification scope and standards.
- This opinion may be influenced by the limitations of provided data, sampling methods, etc., and because of these limitations of verification, there could be unavoidable possibility of existence of undiscovered misstatements.
- Under limited organization boundary, applied quantitative decision criterion for materiality threshold is 5% of total emissions. And no material error and omission - which would affect verification opinion - was detected.

May 25, 2020
Korea Management Registrar
President **Hwang Eun Ju**



GRI Standards Index

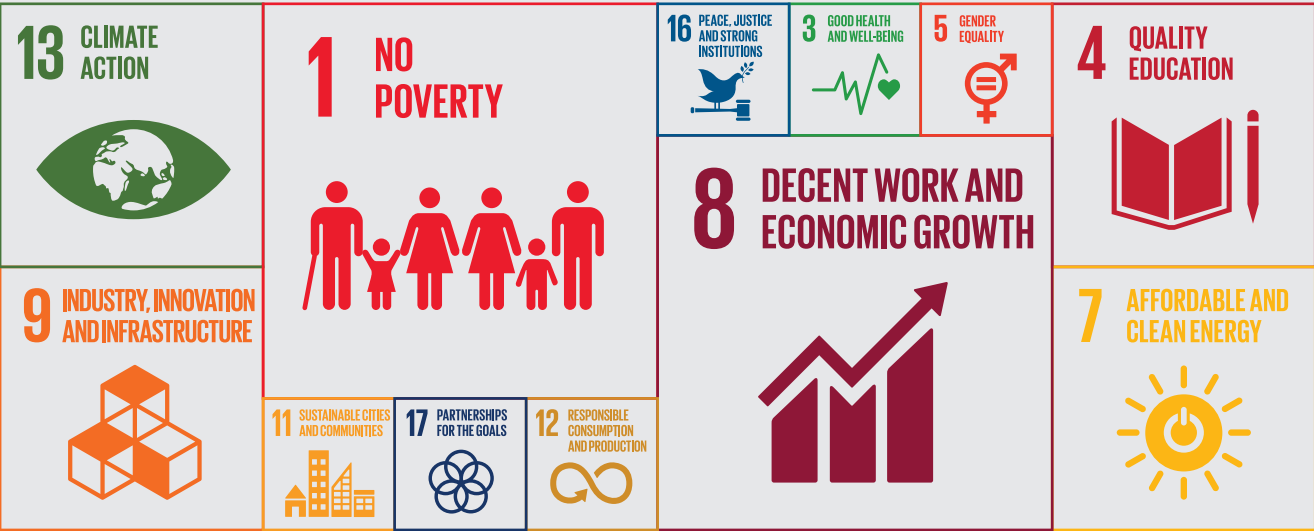
CORE OPTION

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| Organizational profile | 102-1 | Name of the organization | 12 | ■ |
| | 102-2 | Activities, brands, products, and services | 12-14 | ■ |
| | 102-3 | Location of headquarters | 14 | ■ |
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| | 102-17 | Mechanisms for advice and concerns about ethics | 48 | ■ |
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| | 102-21 | Consulting stakeholders on economic, environmental, and social topics | 22 | ■ |
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| | 102-23 | Chair of the highest governance body | 19 | ■ |
| | 102-24 | Nominating and selecting the highest governance body | 19-20 | ■ |
| | 102-25 | Conflicts of interest | 20 | ■ |
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| | 102-36 | Process for determining remuneration | 20-21 | ■ |
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| Stakeholder engagement | 102-38 | Annual total compensation ratio | 20-21 | ■ |
| | 102-39 | Percentage increase in annual total compensation ratio | 20-21 | ■ |
| | 102-40 | List of stakeholder groups | 26-27 | ■ |
| | 102-41 | Collective bargaining agreements | 26-27 | ■ |
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| | 102-46 | Defining report content and topic Boundaries | 2-3 | ■ |
| | 102-47 | List of material topics | 27-29 | ■ |
| | 102-48 | Restatements of information | 2-3 | ■ |
| | 102-49 | Changes in reporting | 2-3 | ■ |
| | 102-50 | Reporting period | 2-3 | ■ |
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UN Global Compact / SDGs

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|------------------|---|--|-------|
| Human right | 1. Businesses should support and respect the protection of internationally proclaimed human rights; and principle | Management principle of respecting human rights established | 48 |
| Labour Standards | 2. Make sure that they are not complicit in human rights abuses. Principle | Management principle of respecting human rights established, and activities developed | 48 |
| | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; principle | Human rights principle on executives and employees established | 48-49 |
| | 4. The elimination of all forms of forced and compulsory labour; principle | Human right principle on executives and employees established | 48-49 |
| | 5. The effective abolition of child labour; and principle | Human right principle on executives and employees established | 48-49 |
| | 6. The elimination of discrimination in respect of employment and occupation. principle | Human right principle on executives and employees established and activities developed | 46-49 |
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| Anti-Corruption | 10. Businesses should work against corruption in all its forms, including extortion and bribery. | Ethical code and code of conduct for executives and employees established Anti-corruption system established, and activities developed | 37 |



| SDGs | Activities and performance | | Classification |
|---------|--|--|----------------|
| SDGs 1 | No Poverty | Computer class provided in Cambodia Phnomthrowit middle & high school | Emphasized |
| SDGs 3 | Good Health and Well-being | Cambodian medical service activities cataract operation supported | Emphasized |
| SDGs 4 | Quality Education | Safe, embracing and effective learning environment provided, continued support of scholarships | Emphasized |
| SDGs 8 | Decent Work and Economic Growth | Expanding regional native culture, creating sustainable jobs | Emphasized |
| SDGs 5 | Gender Equality | Gender equal recruitment & personnel management system and support for child rearing | Related |
| SDGs 7 | Affordable and Clean Energy, | Support for eco-friendly energy projects | Related |
| SDGs 13 | Climate Action | | |
| SDGs 9 | Industry, Innovation and Infrastructure, | Giving back to local community | Related |
| SDGs 11 | Sustainable Cities and Communities, | Social contribution activities by executives & employees | |
| SDGs 17 | Partnerships to achieve the Goal | Partnership with welfare organizations | |
| SDGs 12 | Responsible Consumption and Production | Paperless system established | Related |
| SDGs 16 | Peace and Justice Strong Institutions | Financial consumer protection and personal information protection policy | Related |

Membership

| | |
|--|---------------------------------------|
| Financial Security Institute | Jeonju Chamber of Commerce & Industry |
| UN Global Compact | Korea Listed Companies Association |
| Korea Association for Chief Financial Officers | Carbon Discloser Project |
| Korea Investor Relations Service | Korea Fintech Industry Association |

* JB Financial Group's Membership

Major Awards

| | | |
|--------------|--------------|---|
| Jeonbuk bank | 2018. 12. 13 | Citation from Financial Supervisory Service, Financial support to common people, financial consumer protection sector |
| | 2018. 10. 30 | Citation from Prime Minister, the 3rd Finance Day, Financial support to common people sector |
| | 2018. 07. 11 | Citation from Prime Minister, World Population Day |

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