

**TOUCHING HEARTS,
LEADING FINANCE**



Financial Group

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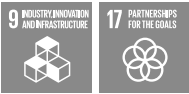
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About This Report

This report is issued, as the Integrated Annual 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 <2018 Integrated Annual Report of JB Financial Group> 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 pursued 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
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Kwangju Bank pib.kjbank.com
JB Woori Capital www.wooricap.com
JB Asset Management www.jbam.co.kr
PPCBank ppcbank.com.kh

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01

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 has 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 equipped two regional banks based on respectively other 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.

We once thank you for the support and encouragement bestowed so far, and request your continuous concern 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

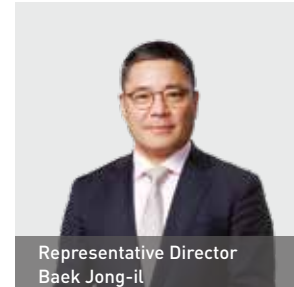
JB Woori Capital, since it was established in 1995, has grown as a car installment payment expert financial company through the firm’s know-how and differentiated services over the last 20 years, and we provide general financial services covering auto loans, lease/rent-a-car, credit loans and real estate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

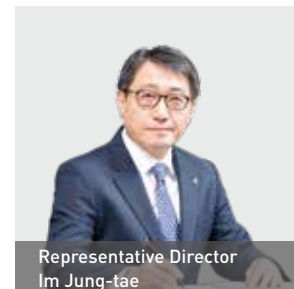
PPCBank Phnom Penh Commercial Bank will do its best to bestow higher levels of happiness on customers with the vision of ‘We make banking easy’.

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.



KRW 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% ↑

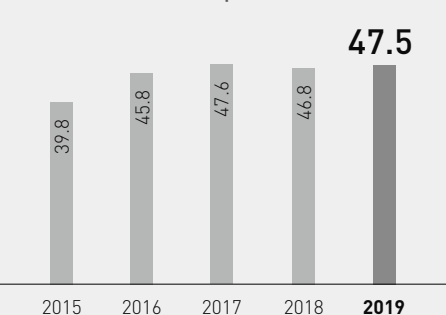


Overview of JB Financial Group

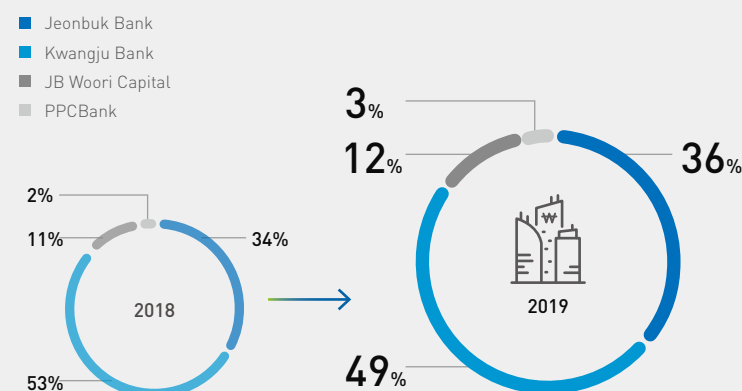
Introduction of JB Financial Group

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.

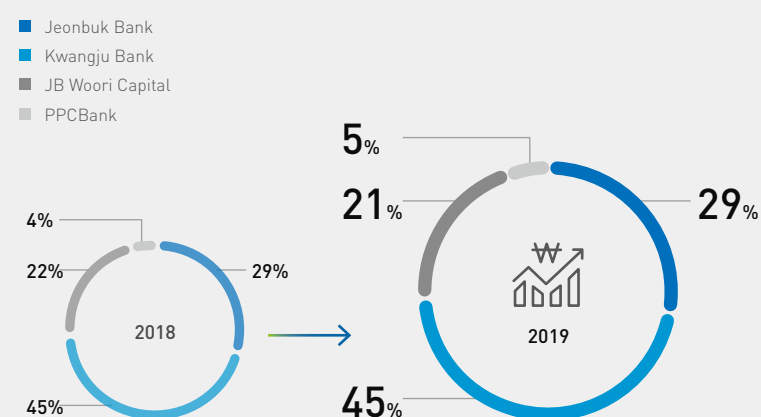
Total assets of Group (Unit: KRW trillion)



Asset weight per affiliate



Net income weight per affiliate



Financial status of JB Financial Group (Unit: KRW100million)

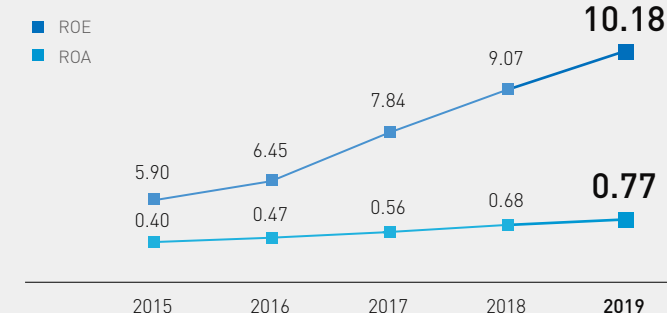
Descriptions	Company name	2019			2018		
		Total assets	Total liabilities	Total shareholders' equity	Total assets	Total liabilities	Total shareholders' equity
Holding company	JB Financial Group	25,114	5,321	19,793	23,461	4,428	19,033
Affiliate	Jeonbuk Bank	171,925	158,225	13,701	174,128	161,257	12,871
	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.

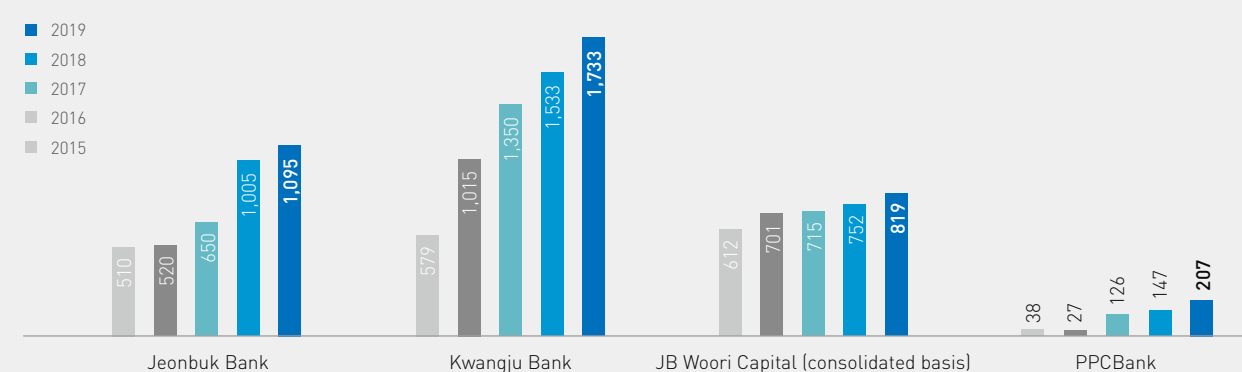
Group net profit trend
(Controlling ownership)
(Unit: KRW100million)



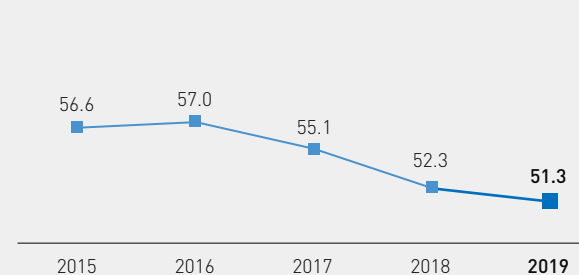
Profitability of JB Financial Group (Unit: %)



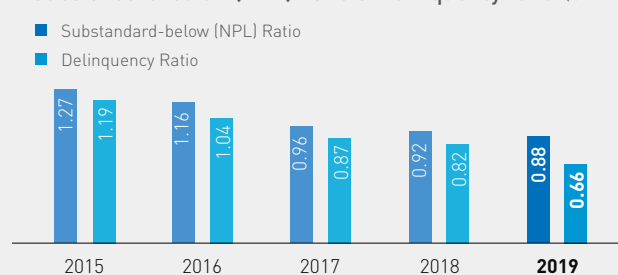
Annual net income per major affiliate (separated) (Unit: KRW100million)



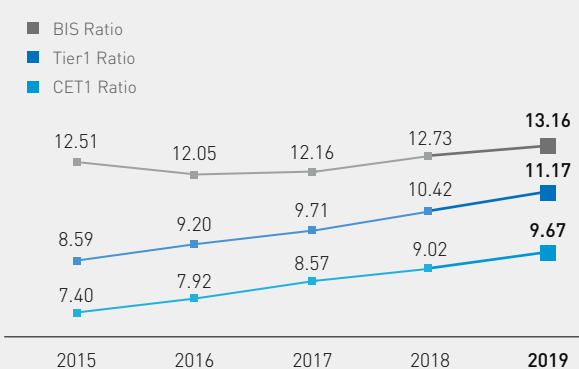
Cost-Income Ratio (Unit: %)



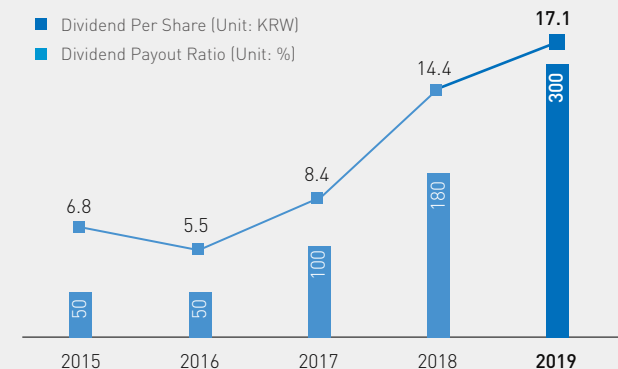
Substandard-below (NPL) Ratio & Delinquency ratio (Unit: %)



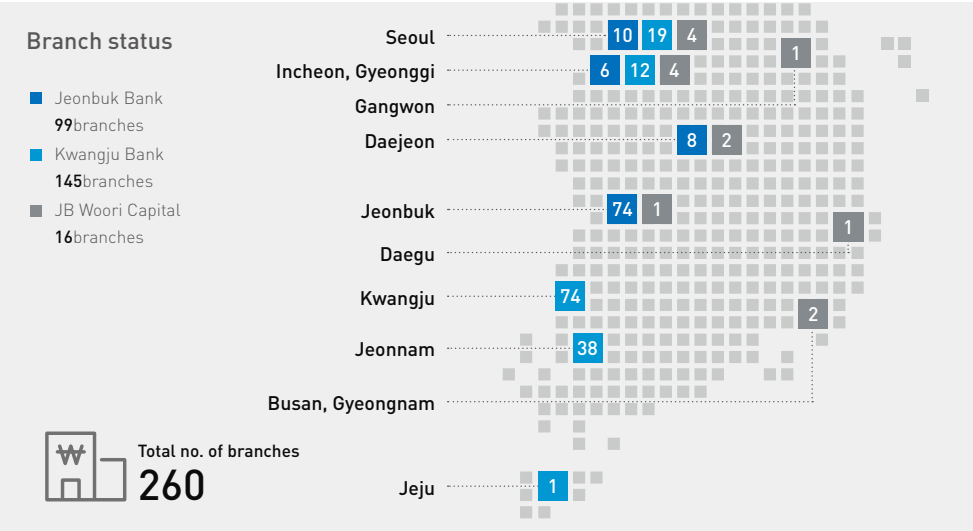
BIS Capital rate of Group (Unit: %)



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 itensfy 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.

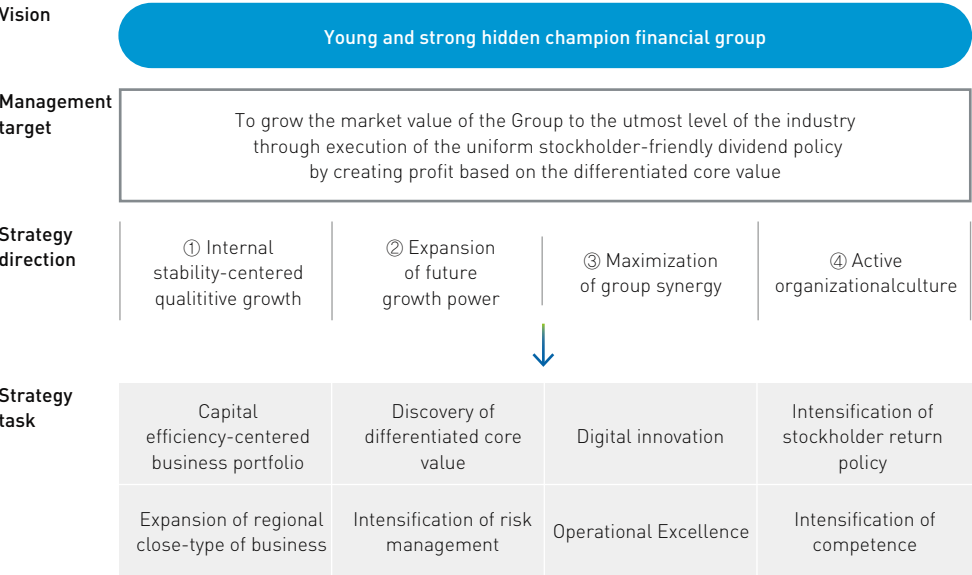
As the mid-term management vision is developed based on the regional close management style of a strong & small general financial group, we will intensify the synergy of the group by itensifying the business linkage among the affiliates in the group and by improving internally the profit and expenditure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

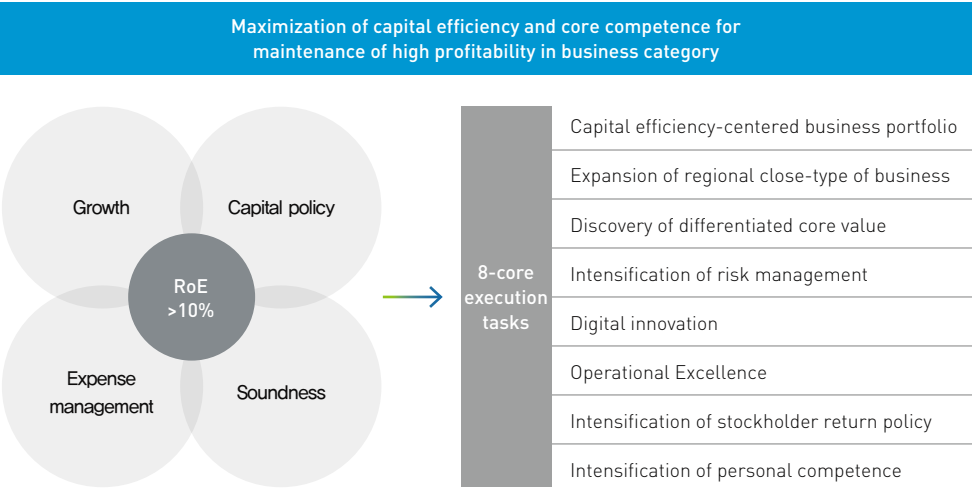
Motto

마음을 열다 금융을 열다

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.

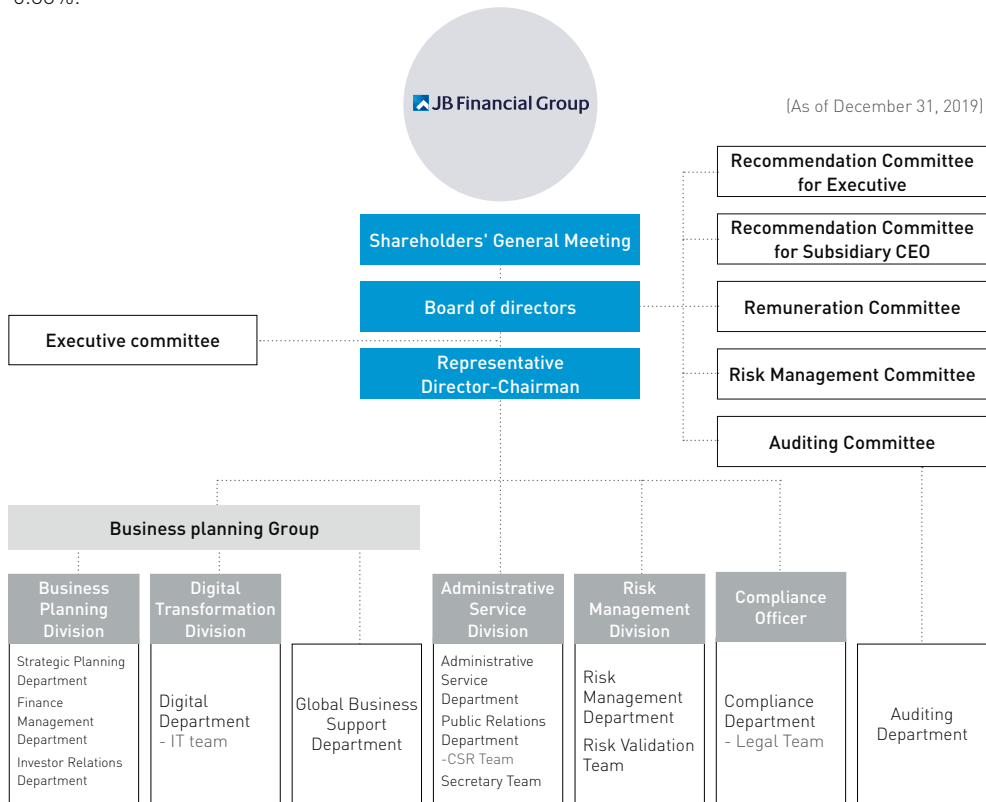
VISION	STRATEGY DIRECTION
Young and strong hidden champion financial group	<ol style="list-style-type: none"> 1 Internal stability-centered qualitative growth 2 Expansion of future growth power 3 Maximization of group synergy 4 Active rganizationalculture



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.

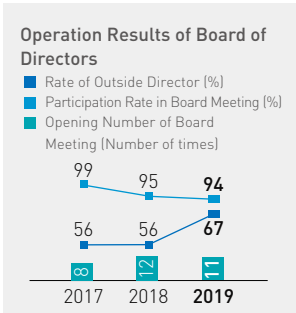
Name	Inside/outside/ Nonpermanent	Position	Career	Initial appointment day	Expiry day of office term	Committee in charge
Kim Ki Hong	Inside	Chairman/ Representative Director	2014 Representative director of JB Asset Management 2014 Representative director of Pan Asia ReConsulting 2005 Senior vice president 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 Memorial Foundation 2003 Chief secretary of Prime Minister 2002 Vice governor of Jeonbuk provincial 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 Layer 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] Holdings 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 Corporation partner of Dong-A Song-gang 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 2013 Chairman of Korea Association of Smart Home 2010 President of KT	`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 (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	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 annual 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.

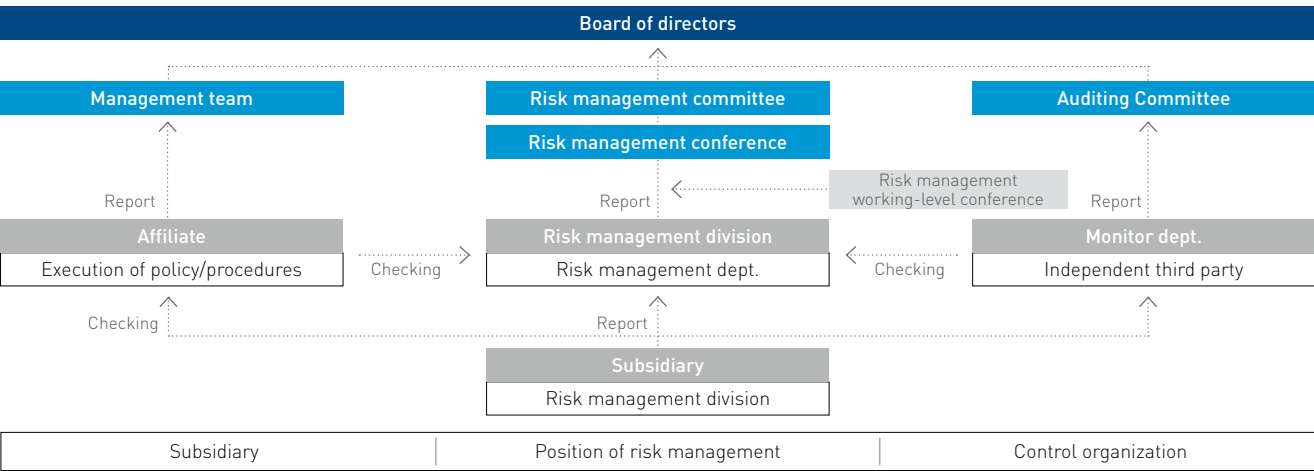
Risk Management

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.

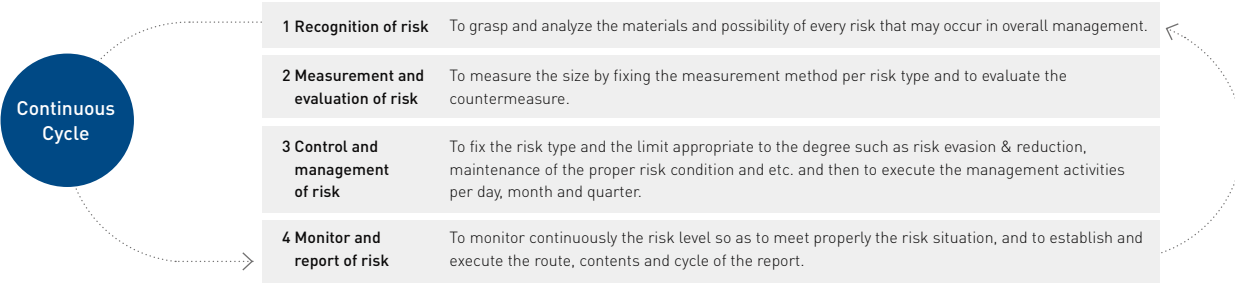
Risk Management System JB Financial Group has systemized the decision-making structure (Board of directors, management team, risk management committee, risk management conference, monitoring of legal observance, internal audit and etc.) related to the risk management/supervision, delegation of authority,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

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02 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 annual report in the future also.

Communication Channel of Stakeholders

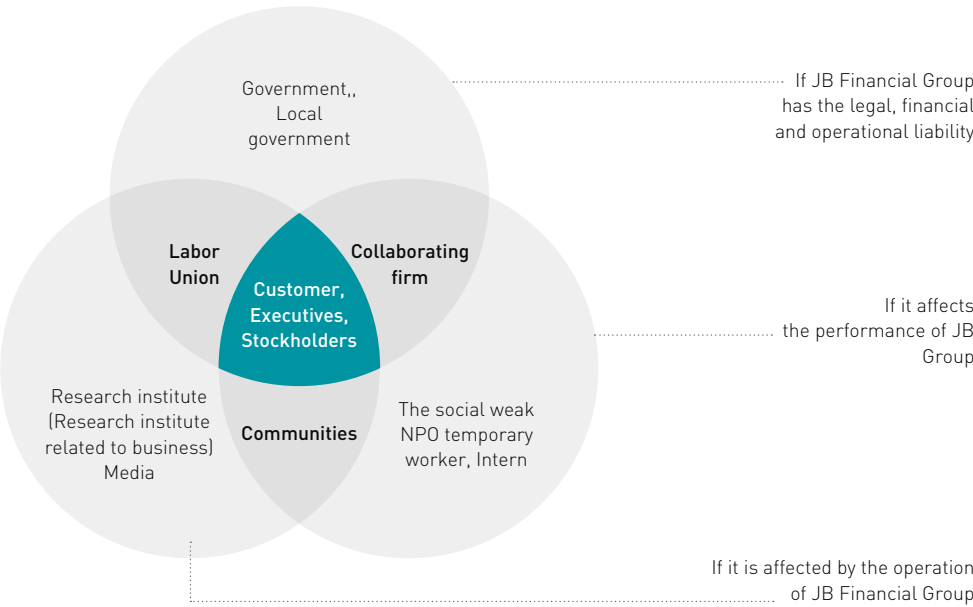
We operate the communication channel discussing the issues ranging over the whole economy, environment and society with the stakeholders, and try our utmost to acquire various channels such as expansion of the communication channel through on-line and etc.

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.

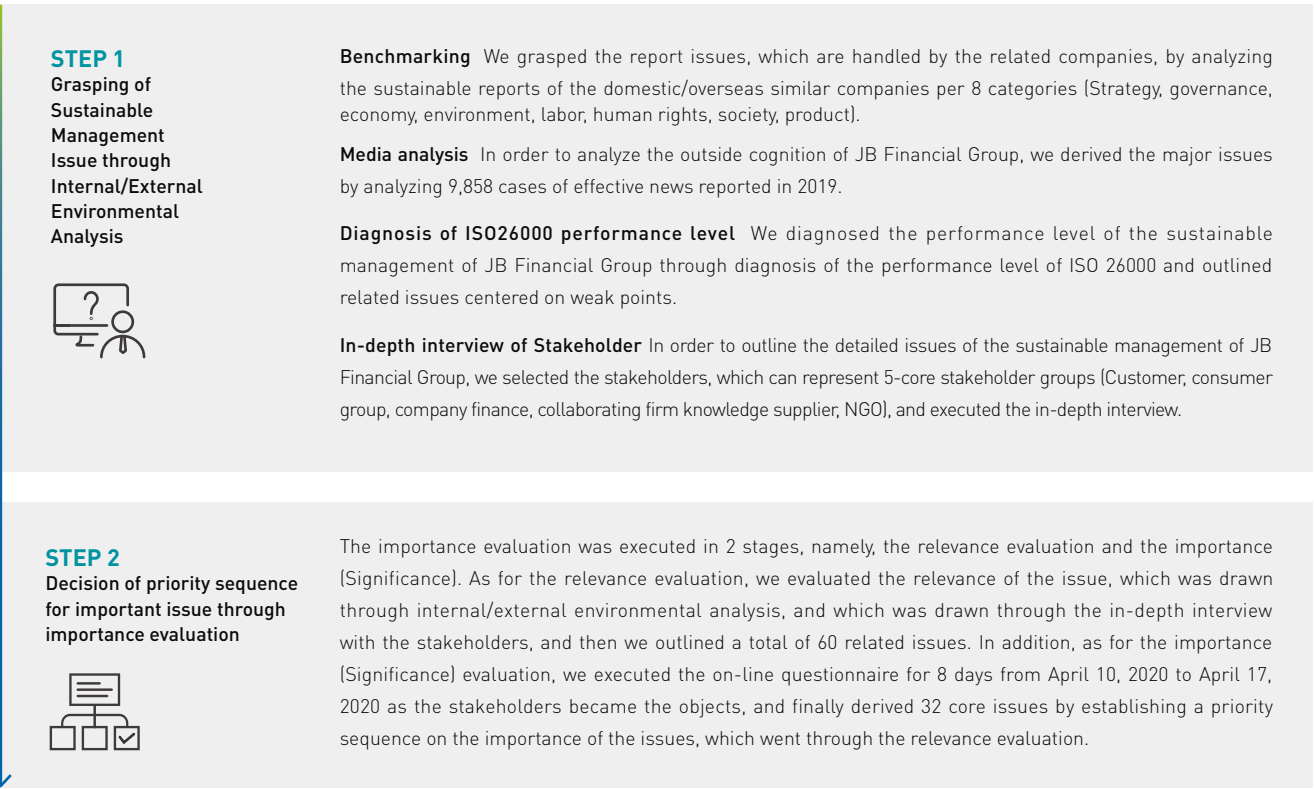
Importance Evaluation Process

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

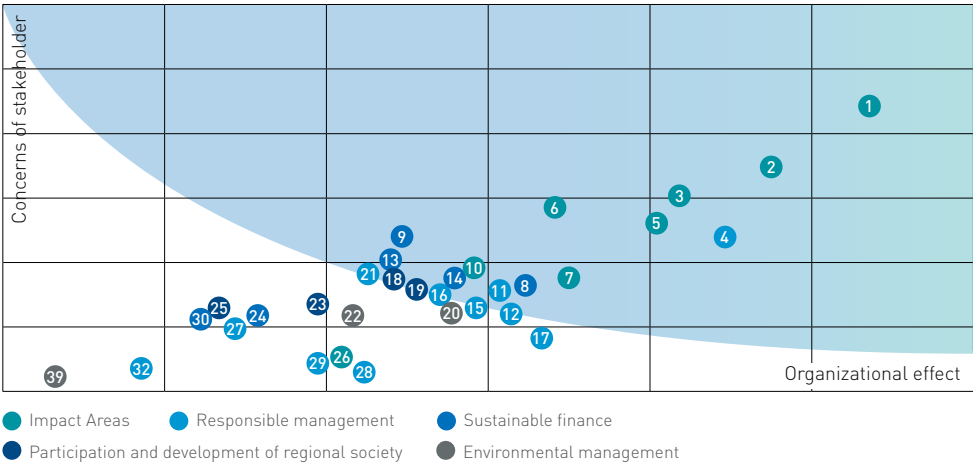


Importance Evaluation Process and Results

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 executes and 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 '2018 consolidated annual report of JB Financial Group', 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
Responsible management	Regional society	Social contribution for regional society	6	39
		Expansion of aging	26	52
	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	Contribution on regional economic development	Indirect economic effect (Regional development business/ Investment support)	18	39
		Increase of youth unemployment and temporary position	25	47
	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
Environmental management	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 mange 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 the 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 1,118 billion</div>		<div>• Total working level finance:</div> <div>KRW 616.5 billion</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, acquirment 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 trsutworthy 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
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	Person	19	61	50
	Jeonbuk Bank	Person	8,536	7,008	6,893
	Kwangju Bank	Person	9,486	9,529	9,632
	JB Woori Capital	Person	-	106	112
	JB Asset Management	Person	40	43	32
Sub-total		Person	18,081	16,747	16,719



04 CSR STRATEGY & PERFORMANCE



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Protection of Customer Information



Context & Challenges

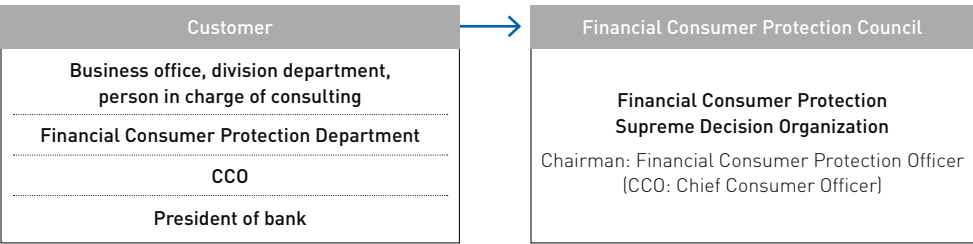
A customer's personal information is an important asset of the customer and must be protected by the company. The protection of customer personal information is a core management issue of JB Financial Group. So, we have to make sure that the customer can safely engage in financial trade activities by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



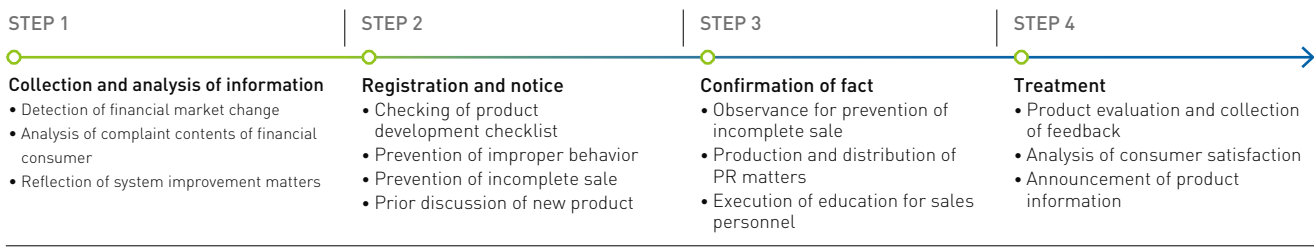
Consumer protection site of JB Financial Group

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

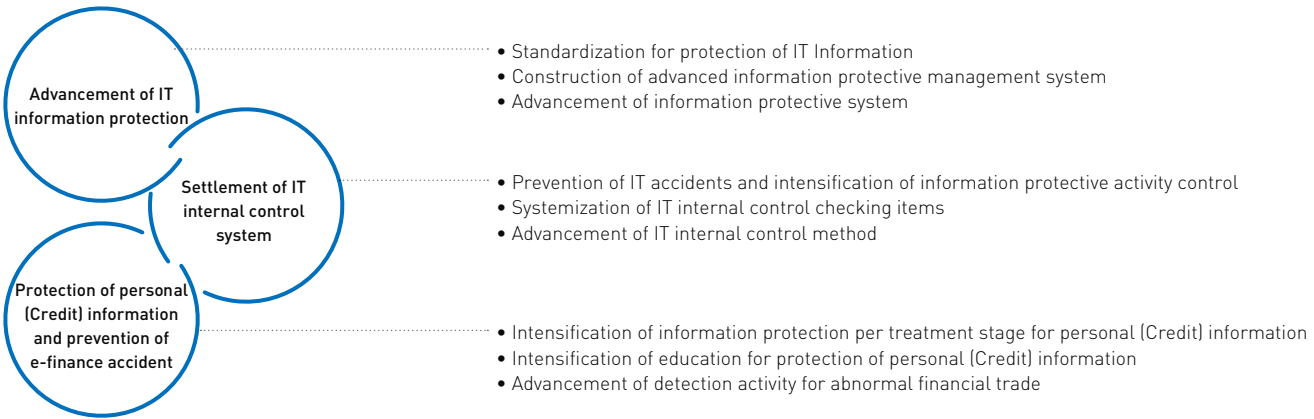


Management System for Protection of Customer Information The customer personal information is an important asset of the customer, which must be protected by the company. The protection of customer personal information is a core management issue of JB Financial Group. Therefore, we provide support so 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.

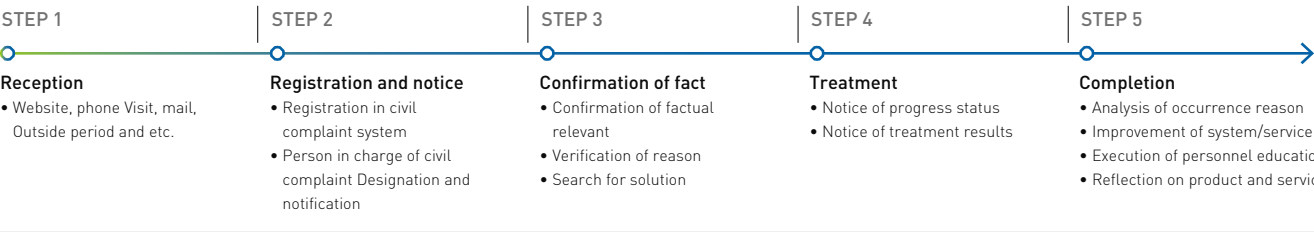
Also, we take measures to protect customer information through the encoding of atypical data, blocking of automated device malicious software and enhance security through data mobile media control, introduction of a disaster restoration center and etc.

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 the regional small/medium company fares 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 tradi-tional market, and engages in win-win cooperation with regional small businesses through promoting gift cards of traditional markets and encouraging the use of tradi-tional 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 establisahes/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 so that there are no 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

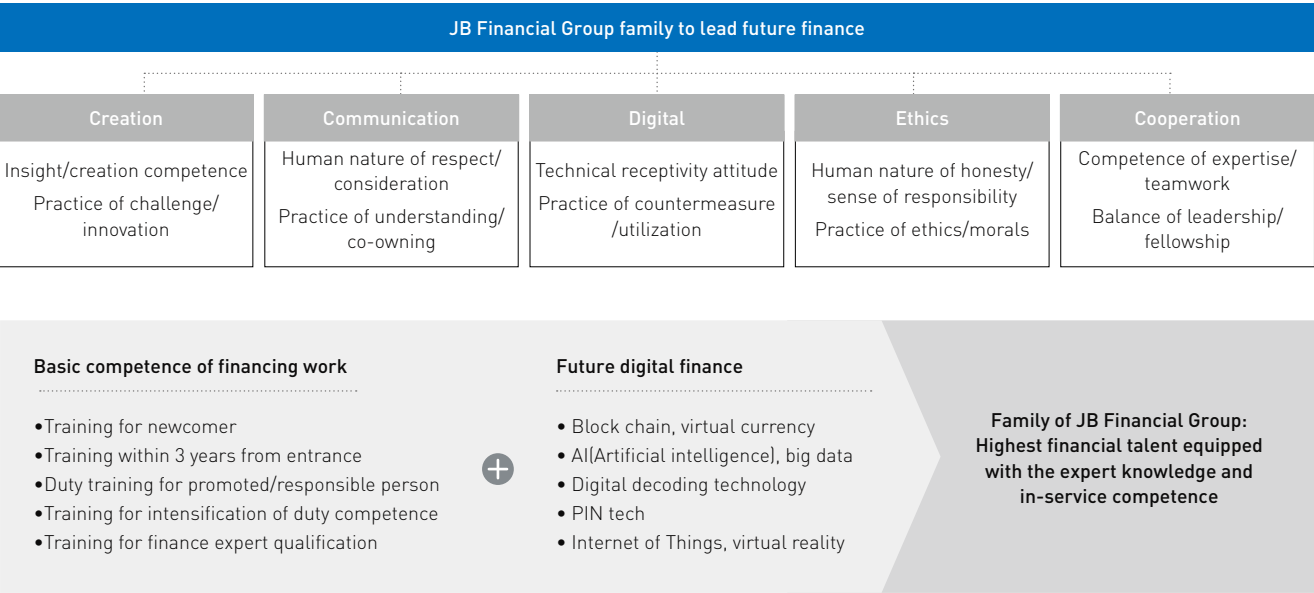
To acquire and maintain the talent to lead JB Financial Group is an essential factor to increase business performance and to maintain market position. Endeavors for talent acquirement through fair employment procedures,. strenghtening of executives and staff’s competence through systematical educational 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.



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
	Jeonbuk Bank	%	63.0	62.4
	Kwangju Bank	%	68.3	74.5
	JB Woori Capital	%	98.8	97.8
Entrance rate among	JB Financial Holdings	%	100.0	100.0
	Jeonbuk Bank	%	99.2	100.0
	Kwangju Bank	%	99.6	99.7
	JB Woori Capital	%	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)

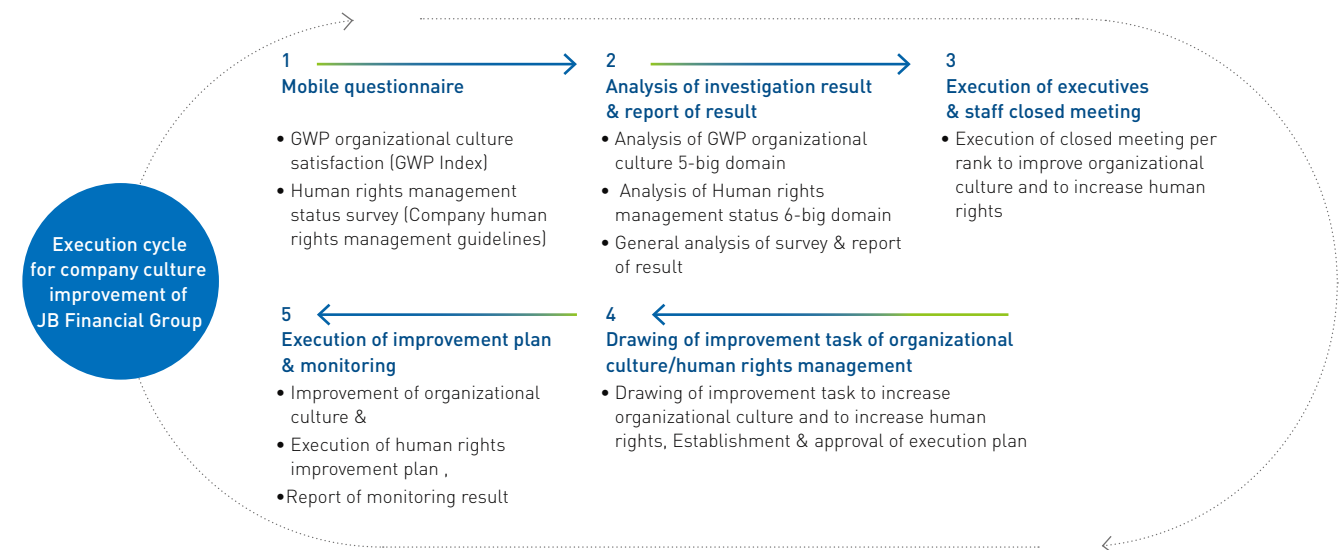
Introduction and Execution of JB Do Dream JB Financial Group has introduced JB Do Dream to improve and activate the internal informant system, and also introduced the external trust system to ensure anonymity is guaranteed. Especially, we have obviated the possibility for identification exposure and 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.

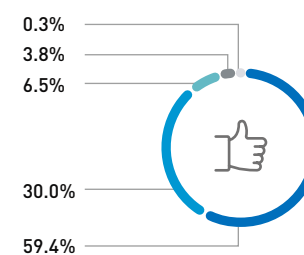
Process for improvement of organizational culture and human rights of executives and staff



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

■ Very affirmative ■ Negative
 ■ Affirmative ■ Very negative
 ■ Normal



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

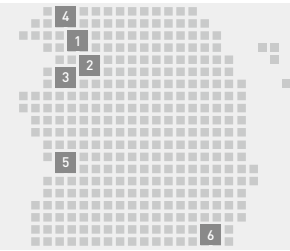
Descriptions		Unit	2017	2018	2019
VOC complaint treatment	Jeonbuk Bank	Case	36	16	13
	Kwangju Bank	Case	31	26	14
	JB Woori Capital	Case	133	162	199

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.

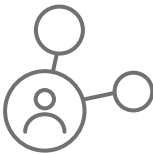
Also, we execute various services to reduce the burden on foreign worker, who use high-interest loans, in the finance center for foreigners, and play the role of a consulting center and also guide center. In order to provide convenient and efficient services, various foreign personnel are working such 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	Person	19	61	50
Jeonbuk Bank	Person	8,536	7,008	6,893
Kwangju Bank	Person	9,486	9,529	9,632
JB Woori Capital	Person	-	106	112
JB Asset Management	Person	40	43	32
Total	Person	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	Person	3,810	3,821	3,415
		Kwangju Bank	Person	4,209	4,131	3,709
		Sub-total	Person	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	Person	840	812	550
		Kwangju Bank	Person	800	931	926
		Sub-total	Person	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	Person	670	688	545
		Kwangju Bank	Person	1,706	1,997	1,993
		Sub-total	Person	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	Person	2,880	2,735	2,383
		Kwangju Bank	Person	2,771	2,455	3,004
		Sub-total	Person	5,651	5,190	5,387
	Support amount	Jeonbuk Bank	KRW1 million	69	51	64
		Kwangju Bank	KRW1 million	26	51	102
		Sub-total		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! Reading 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 BJ 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 purchase 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		
Total			Kwangju Bank	Persons	95	109	91		
			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	Person	30	25	19		
			Jeonbuk Bank	Person	620	608	605		
Kwangju Bank			Person	869	878	907			
JB Woori Capital			Person	312	285	312			
JB Asset Management			Person	18	17	14			
Sub-total			Person	1,849	1,813	1,857			
Responsible persons (Section chief ~Manager)		JB Financial Holdings	Person	69	78	56			
		Jeonbuk Bank	Person	561	548	575			
		Kwangju Bank	Person	684	661	690			
		JB Woori Capital	Person	203	211	213			
		JB Asset Management	Person	24	25	31			
		Sub-total	Person	1,541	1,523	1,565			
Executives (Including outside directors)		JB Financial Holdings	Person	14	16	15			
		Jeonbuk Bank	Person	16	16	18			
		Kwangju Bank	Person	15	17	17			
		JB Woori Capital	Person	11	11	11			
		JB Asset Management	Person	9	10	11			
		Sub-total	Person	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	—	-	-	Excluding leave of absence before childbirth
	Jeonbuk Bank	Persons	30	29	32	
	Kwangju Bank	Persons	71	67	60	
	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	
No. of personnel reinstated after infant care leave of absence	Kwangju Bank	Persons	69	62	49	Excluding personnel reinstated after infant care leave of absence
	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	
	Support amount	JB Financial Holdings	KRW 1 mil	12	14	-	
		Jeonbuk Bank	KRW 1 mil	329	322	312	
		Kwangju Bank	KRW 1 mil	65	93	93	
		Sub-total	KRW 1 mil	406	429	405	
Rate of wage paid to female employees compared with wages paid to male employees. Including executive/regular/without time limit/contract position Total	JB Financial Holdings	%	75	71	63		
	Jeonbuk Bank	%	71	73	75		
	Kwangju Bank	%	65	68	71		
	JB Woori Capital	%	52	52	55		
	JB Asset Management	%	16	17	15		
Retirement pension	Entrance rate	JB Financial Holdings	%	100	100	100	
		Jeonbuk Bank	%	86	85	91	
		Kwangju Bank	%	99	99	99	
		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	
		Sub-total	Persons	2,782	2,793	2,901	
	Defined contribution type (DC)(Person)	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	No. of personnel who became injured/ill on business	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/Jeonbuk area
		%	68.8	69.8	73.8	Rate of purchase from collaborating firms in Kwangju/Kwangu, 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	
		No. of beneficiaries	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	Case(s)	489,965	662,582	622,593
			Kwangju Bank	Case(s)	1,017,304	1,123,142	927,573
			Sub-total	Case(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 3,900 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

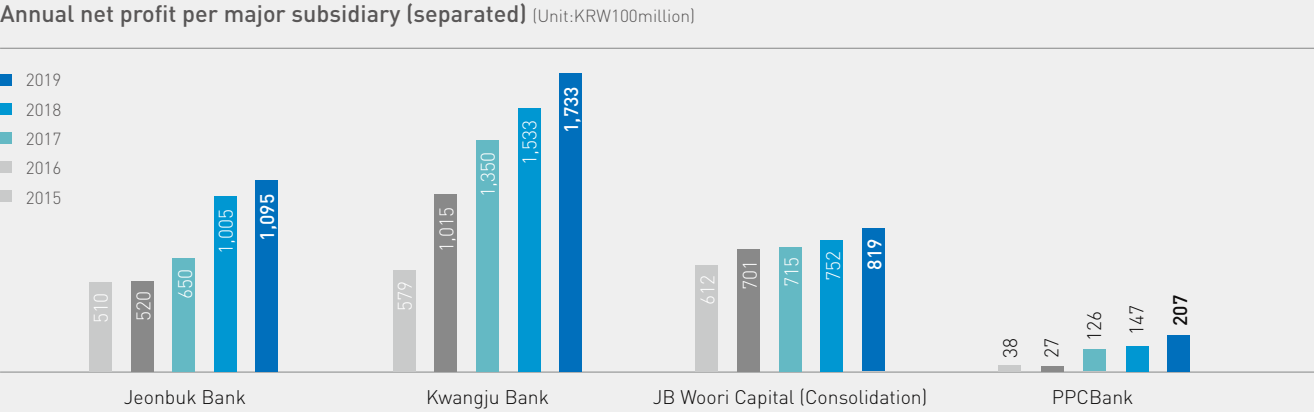
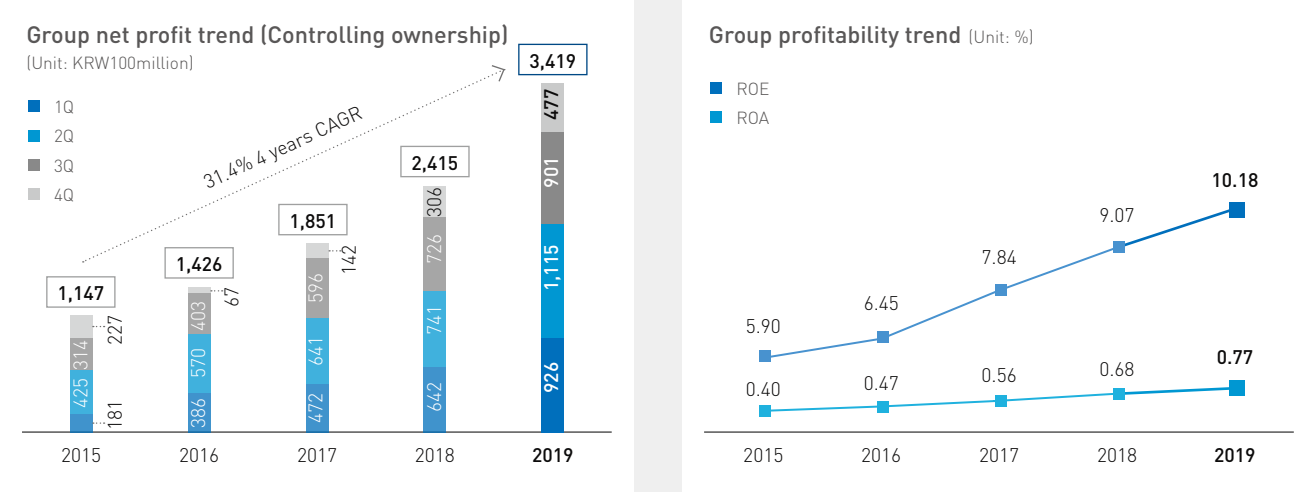
II. Income Statement Review

1. Income Statement Overview

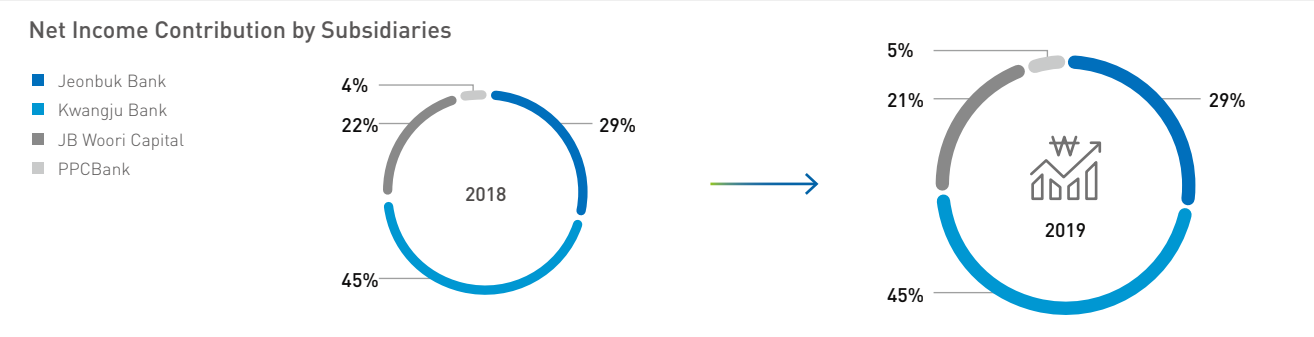
Summary consolidated Income Statement (Unit: KRW 100million)

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.



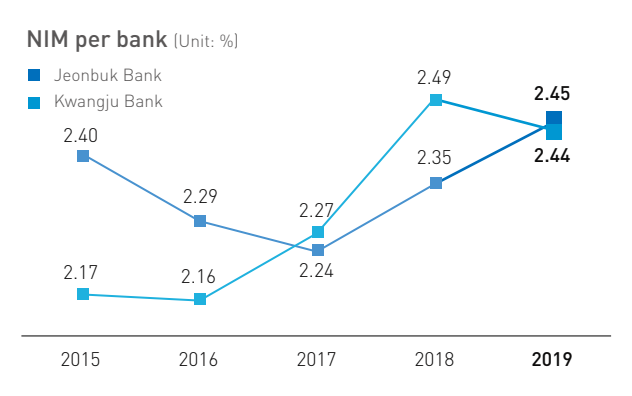
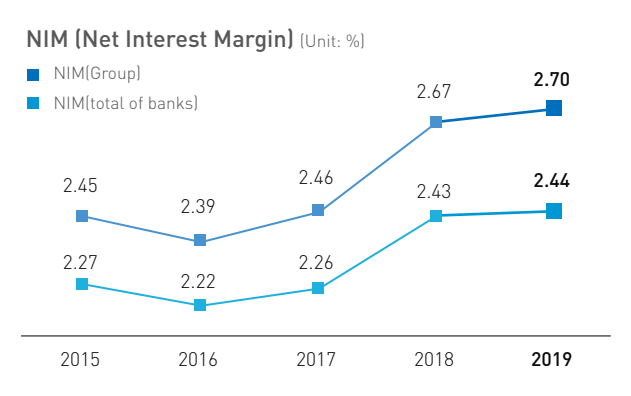
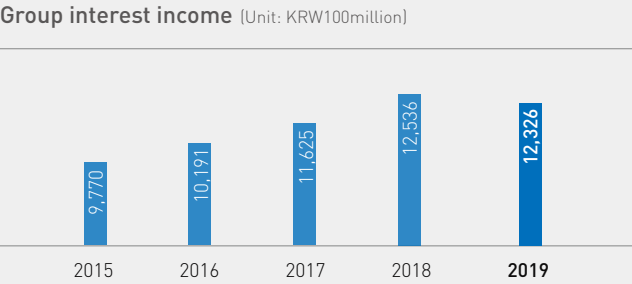
2. Interest Income

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 i 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%

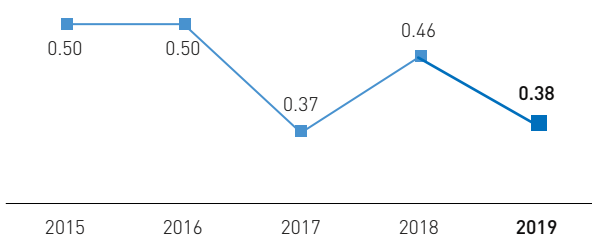
5. Credit Costs

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.

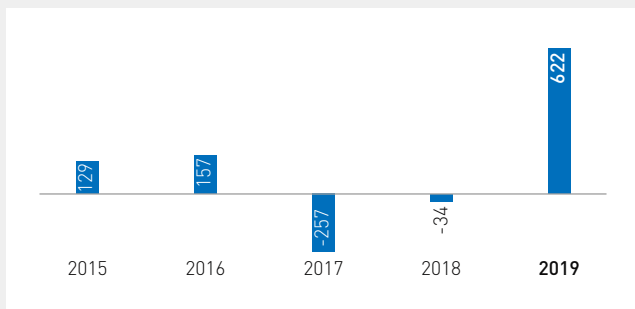
Group Credit Costs (Unit: KRW100million)

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%

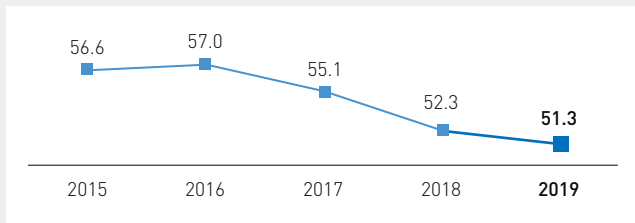
Group Credit Cost Ratio (Unit: %)



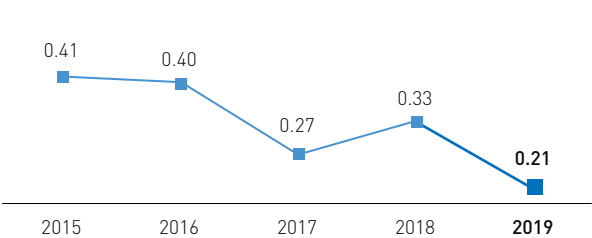
Group Non-Interest Income (Unit: KRW100million)



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%

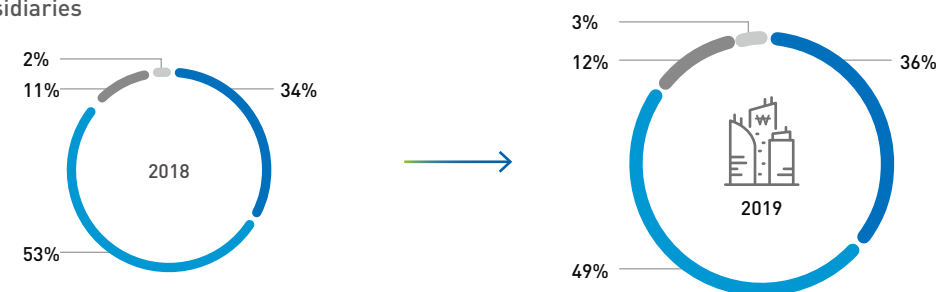
The consolidated Total assets of JB Financial Holdings as of the end of 2019 was recorded at KRW47,529.6 billion, showing an increase of 1.6% compared with last year. The loan receivable increased slightly due to repayment relative to the maturity of the collective middle payment loan of Jeonbuk Bank 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

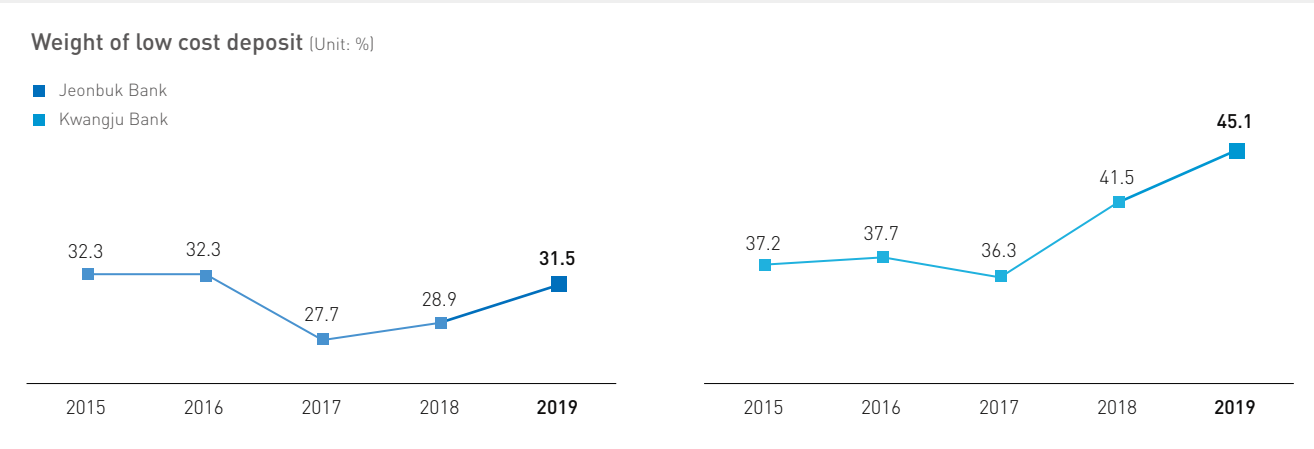


2. Deposits

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.

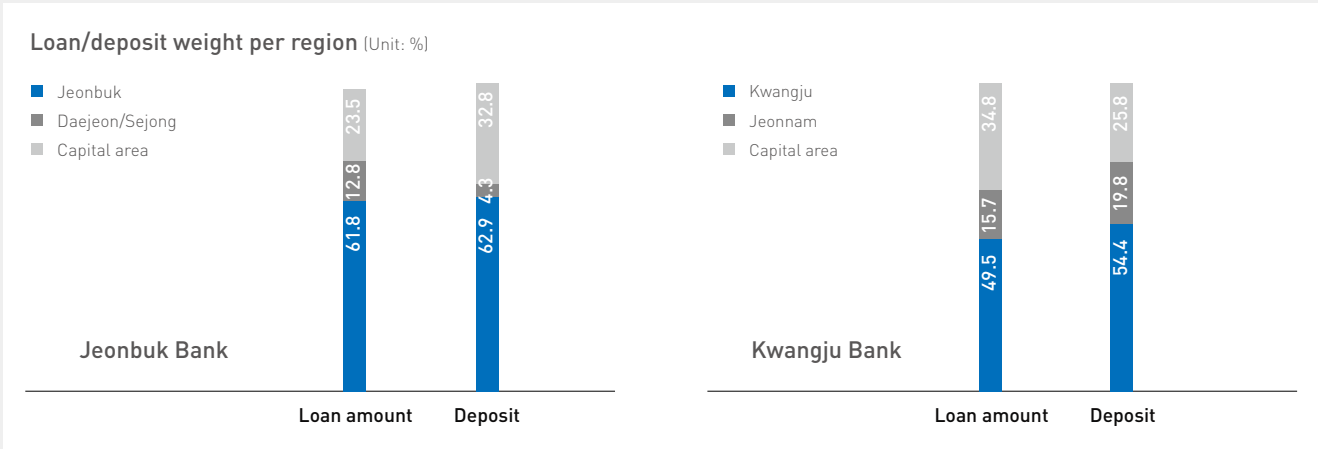
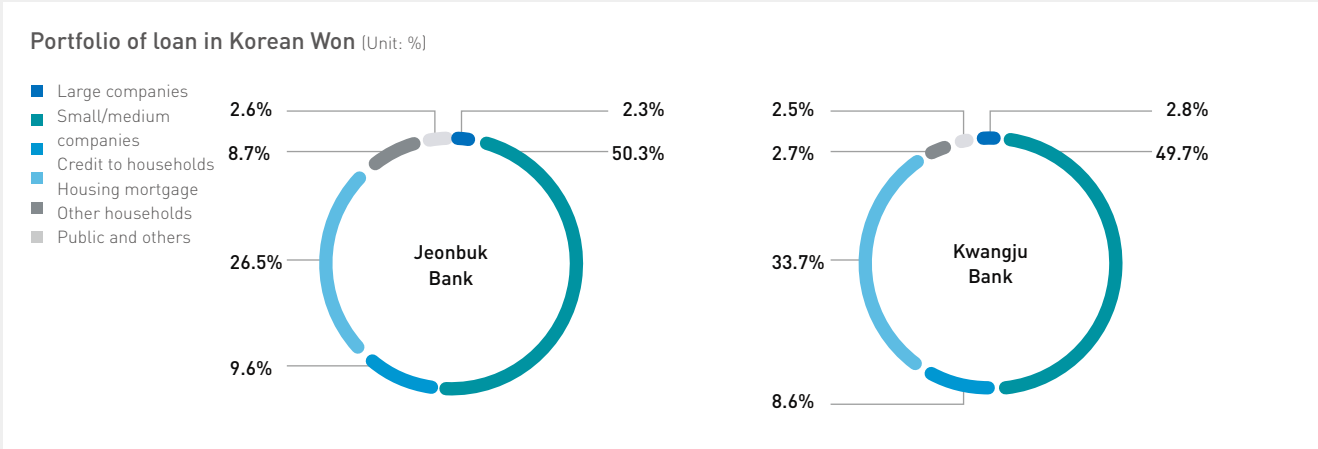


3. Loans

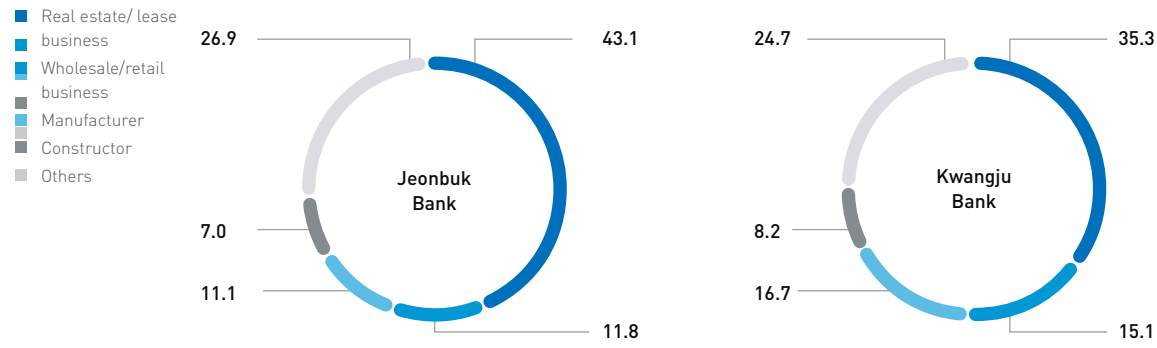
Loans by Banks (Unit: KRW100million)

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%

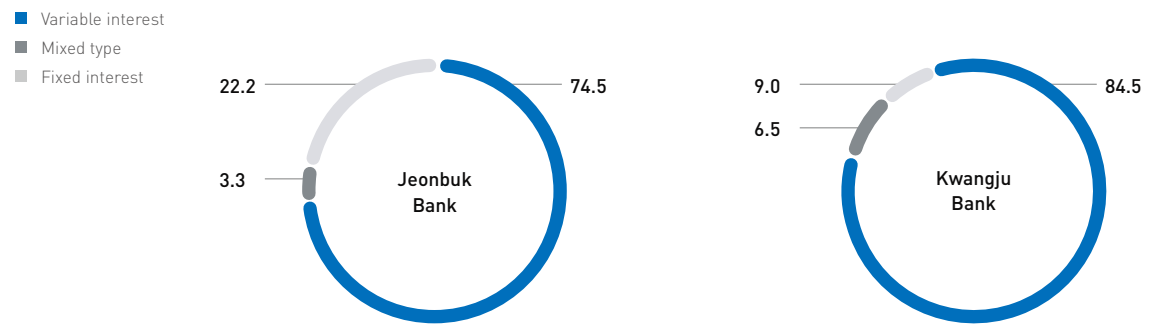
Jeonbuk Bank's loan in Korean Won recorded KRW13.5 trillion in 2019 showing a decrease of 0.9% compared with last year. As the collective middle payment loan, which increased largely in 2016, matured in 2019, the loan in Korean Won decreased. However, as company loan and private credit loan increased 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: %)

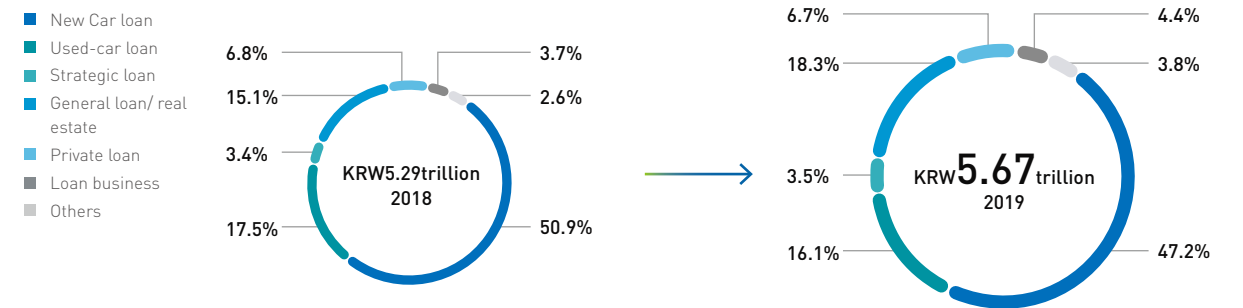


Interest type of loan in Korean Won (Unit: %)



4. JB Woori Capital

Financial Assets Portfolio (Unit: %)

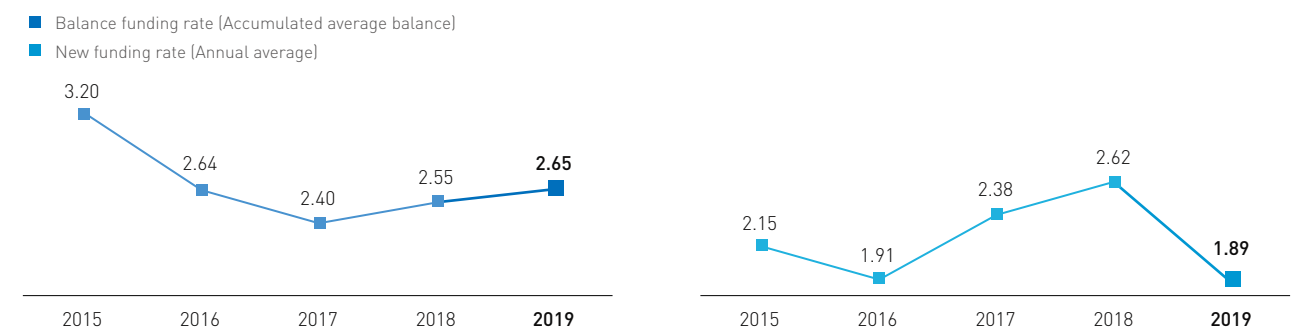


JB Woori Capital has reduced weight of new car financial against the new car market in the light of the intensifying competition as banks and card companies advance in the car financial industry, and concentrated on non-car financial business fields such as used-car finance with high profitability, company 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: %)

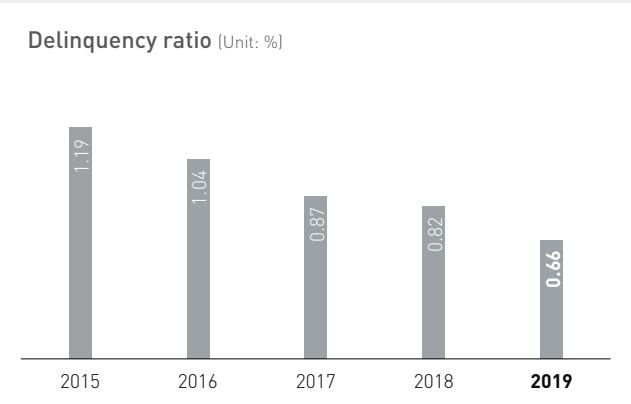
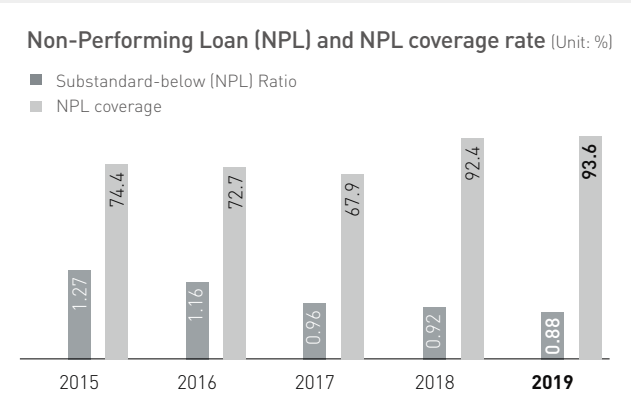


JB Woori Capital maintained a stable borrowing structure centered on the company bond against the unclear interest environment in 2019 as well. We have maintained CP weight on a proper level to raise fluidity.

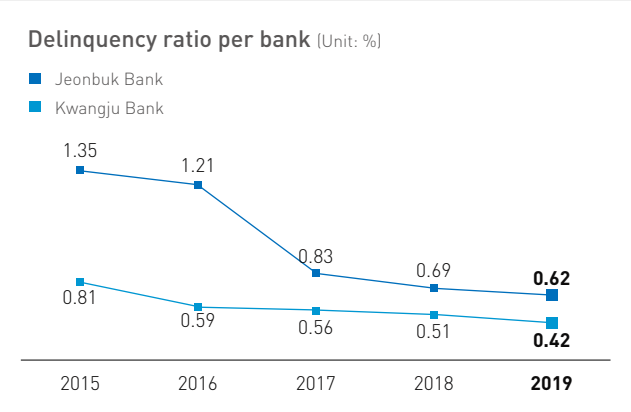
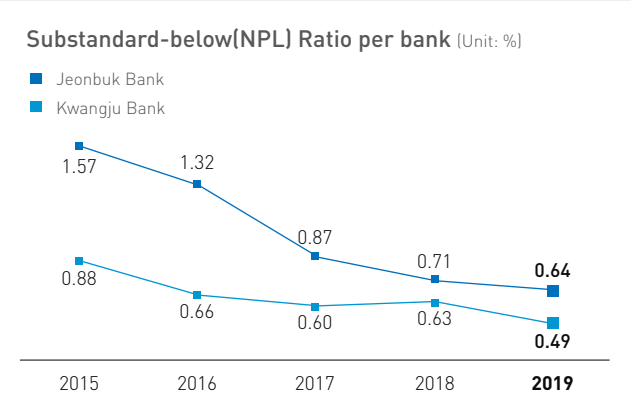
IV. Asset Quality Review

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%



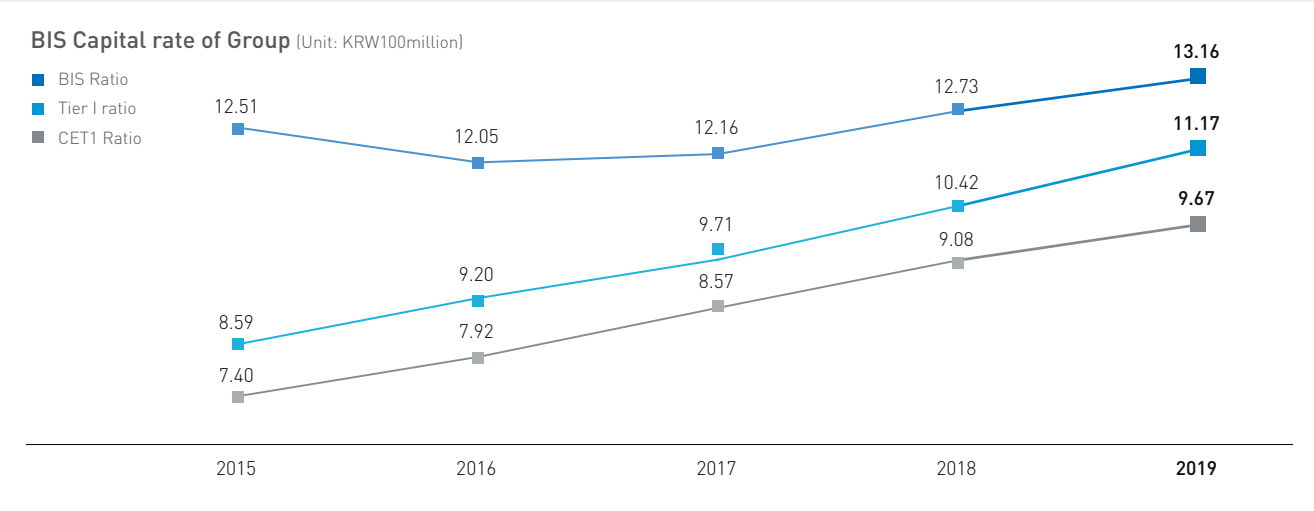
The Group’s asset soundness maintained a stable level in 2019 by executing an active risk management policy against economic uncertainties. The current NPL rate of the Group is at some 0.88%, which is an improvement of 4bp compared with last year, and NPL coverage rate was excellently maintained at 93.6% 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.



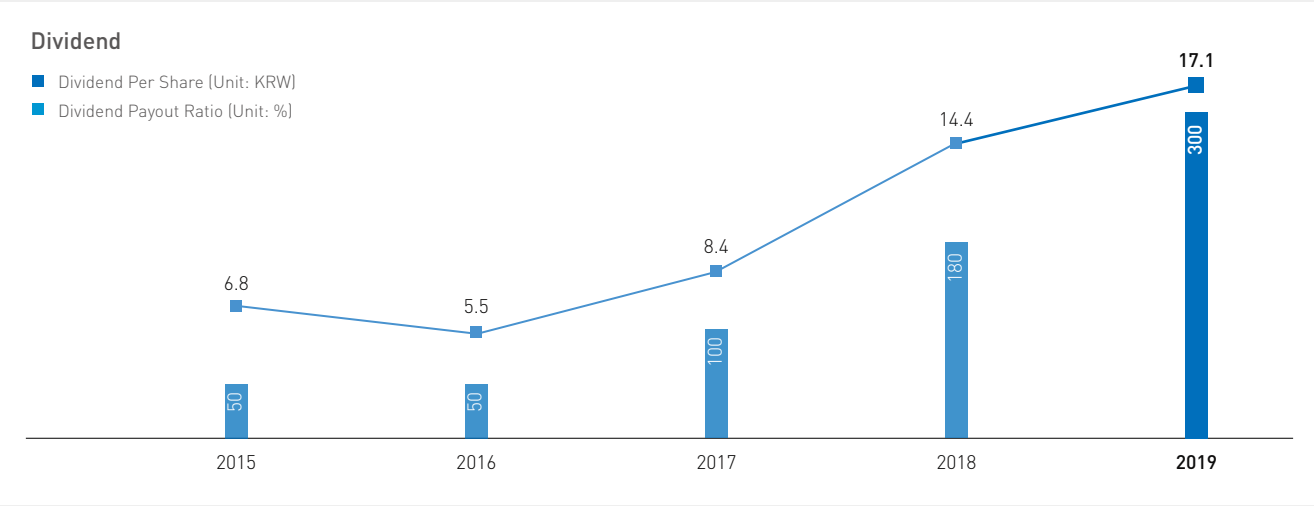
V. Capital Adequacy Review

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



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**

E. J. Hwang

GRI Standards Index

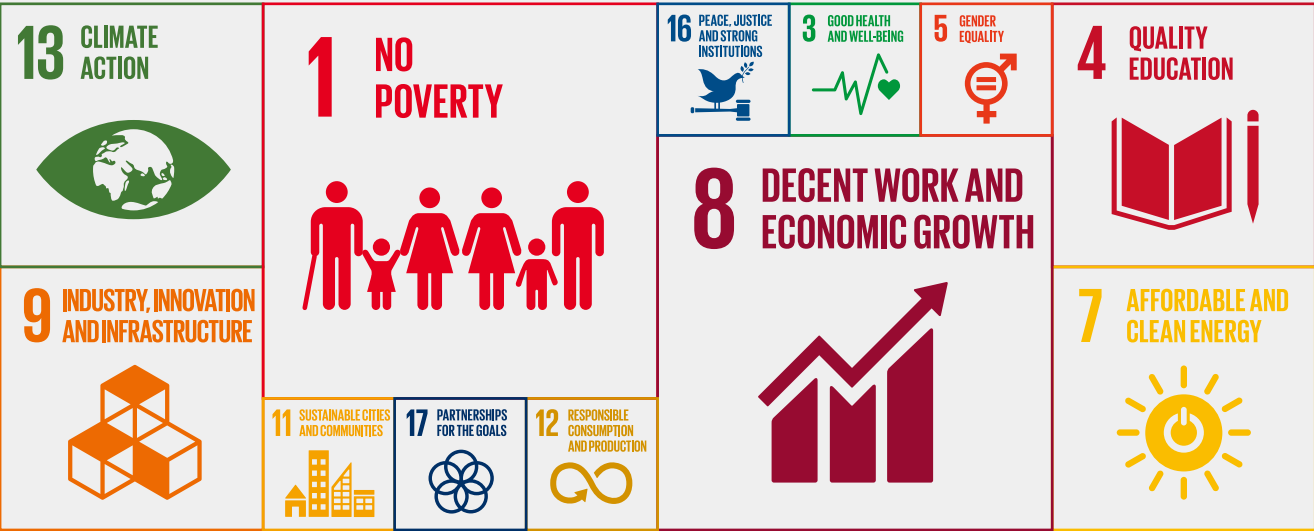
CORE OPTION

Universal Standards				
GRI 102: General Disclosures			Page and Status	Verification Status
Organizational profile	102-1	Name of the organization	12	■
	102-2	Activities, brands, products, and services	12-14	■
	102-3	Location of headquarters	14	■
	102-4	Location of operations	14	■
	102-5	Ownership and legal form	18	■
	102-6	Markets served	18	■
	102-7	Scale of the organization	19	■
	102-8	Information on employees and other workers	64	■
	102-9	Supply chain	44-45	■
	102-10	Significant changes to the organization and its supply chain	44-45	■
	102-11	Precautionary Principle or approach	22-23	■
	102-12	External initiatives	90	■
	102-13	Membership of associations	91	■
Strategy	102-14	Statement from senior decision-maker	19	■
	102-15	Key impacts, risks, and opportunities	20-21	■
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	102-17	Mechanisms for advice and concerns about ethics	48	■
Governance	102-18	Governance structure	18-19	■
	102-19	Delegating authority	19	■
	102-20	Executive-level responsibility for economic, environmental, and social topics	20	■
	102-21	Consulting stakeholders on economic, environmental, and social topics	22	■
	102-22	Composition of the highest governance body and its committees	22	■
	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	■
	102-26	Role of highest governance body in setting purpose, values, and strategy	19	■
	102-27	Collective knowledge of highest governance body	19	■
	102-28	Evaluating the highest governance body's performance	20	■
	102-29	Identifying and managing economic, environmental, and social impacts	30-31	■
	102-30	Effectiveness of risk management processes	22-23	■
	102-31	Review of economic, environmental, and social topics	26-29	■
	102-32	Highest governance body's role in sustainability reporting	19-23	■
	102-33	Communicating critical concerns	20-21	■
	102-34	Nature and total number of critical concerns	20-21	■
	102-35	Remuneration policies	20-21	■
	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	■
	102-42	Identifying and selecting stakeholders	26-29	■
	102-43	Approach to stakeholder engagement	26-29	■
	102-44	Key topics and concerns raised	26-29	■
Reporting practice	102-45	Entities included in the consolidated financial statements	70	■
	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	■
	102-51	Date of most recent report	2-3	■
	102-52	Reporting cycle	2-3	■
	102-53	Contact point for questions regarding the report	2-3	■

	102-54	Claims of reporting in accordance with the GRI Standards	88-89	■
	102-55	GRI content index	88-89	■
	102-56	External assurance	84-85	■
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	405-2	Ratio of basic salary and remuneration of women to men	64-67	■
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Local Communities	FS13	Access points in low-populated or economically disadvantaged areas by type	50-55	■

UN Global Compact / SDGs

Category	10 principles principle	Activities and performance	Page
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
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	8. Undertake initiatives to promote greater environmental responsibility; and principle	Principle of environmental management established, and activities developed	56-59
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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 Growt	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 Memership

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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