



SUSTAINABLE GROWTH

with JB Financial Group

ABOUT THIS REPORT

This report is JB Financial Group’s Integrated Report published with the aim of reporting annual performance to the group’s investors and stakeholders. The report details the group’s financial and non-financial performance as well as the endeavors to accomplish such results.

Reporting Period, Scope and Boundaries

In this report, ‘JB Financial Group’ refers to the corporation incorporating subsidiaries subject to the consolidation under the Korean International Financial Reporting Standards (K-IFRS). Financial data is prepared on a consolidated basis while non-financial one, such as environment and society, is prepared on an individual subsidiary basis. Unless otherwise noted other than general description or information, it excludes data of overseas branches, grandchild companies, and investee companies of JB Financial Group. The geographical boundary of this report is within the Republic of Korea where its main business site is located, generating more than 99% of its profits while periodical boundary is from January 1, 2020 through December 31, 2020. Yet, some of key activities in 2021 are also contained in this report. In case there was a change in data included in previous reports requiring attention, the data was recalculated based on the year 2020. The report is released at an interval of 1 year, and the previous report was ‘2019 JB Financial Group Integrated Report’ released in July 2020.

Reporting Standards and International Guidelines

This report is in accordance with core items of Global Reporting Initiative (GRI) Standards and the principles and contents of IR Framework suggested by International Integrated Reporting Council (IIRC). Besides, this report aligns with GRI Financial Service Sector Supplement, ISO 26000, the Ten Principles of UN Global Compact (UNGC). In addition, from 2021, the guidelines for information disclosures suggested by Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) are reflected.

* Economic performance data is calculated in accordance with K-IFRS while the calculation method of the period is adopted for society and environment performance data in a consistent manner.

Data Assurance

Financial data has been audited by an independent accounting firm, and non-financial information has also been subject to the third-party verification for furtherance of its reliability. Data on greenhouse gas (GHG) emissions, stated in this report, has been separately reviewed for verification. This report incorporated forecasting statements associated with financial conditions and sales performance and the plans and goals of the management of JB Financial Group and its subsidiaries. Notwithstanding assurance from third parties, the political, economic and situational uncertainties around business operation may bring about differences between future performance stated or implied through forecasting and actual performance of the corporation.

JB Financial Group
IR Department ESG Team
Tel. +82-2-2128-2750
E-mail esg@jbfg.com

JB Financial Group’s Homepages
JB Financial Group www.jbfg.com
Jeonbuk Bank www.jbbank.co.kr
Kwangju Bank pib.kjbank.com
JB Woori Capital www.wooricap.com
JB Asset Management www.jbam.co.kr
PPCBank ppcbank.com.kh
JB Securities Vietnam jbsv.com.vn

Cover Story

The cover of the JB Financial Group 2020 Integrated Report shows a panoramic view of Mt. Daedunsan in Jeollabuk-do. It is a representative view of Jeollabuk-do, the foundation of JB Financial Group, demonstrating the clean nature we should preserve for a sustainable future and environment. JB Financial Group will create a clear and clean future together with our stakeholders underpinned by strengthened ESG and sustainability management.

CONTENTS

OVERVIEW

CEO Message	02
ESG Strategy Framework	04
ESG Performance Highlights	06
Company Overview	08
Governance	14
Risk Management	19
Stakeholder’s Participation	20
Materiality Assessment	21

OUR APPROACH TO SUSTAINABLE FINANCE

Realization of Inclusive Finance	28
Customer-centered Finance	32
Digital Finance Innovation	36
Global Business Expansion	40

ESG KEY FIGURES

Environment Part	44
Social Part	50
Governance Part	80

APPENDIX

Financial Management Performance	85
Independent Auditor’s Report	100
Guideline for ESG Disclosure / Initiatives	102
Third party’s Assurance Statement	110
Independent Assurance Report on GHG Emissions	112
Major Awards in 2020	114

CEO MESSAGE

I would like to express my sincere gratitude to each of you for your unwavering support and encouragement.

Dear distinguished stakeholders, colleagues, customers and partners,

COVID-19 has confronted us with unprecedented social and economic changes we have never seen. Our daily lives are restricted in many respects with social distancing and quarantine measures. And the way we do business is fundamentally shifting with separate working and video conference becoming more common.

Amid the disruption, we delivered strong results. Our ROE surpassed 10%, the outcome only JB Financial Group achieved in the same field. We maintained best-in-class profitability for two consecutive years, and accomplished the top notch asset growth rate, which, in turn, brought us a total of KRW 50 trillion of total assets. Consequently, we hit a record high in both growth and profitability.

However, it is high time to put our focus on solidifying our foundation for sustainable growth rather than being complacent about the fruitful financial results. To stand firmly as a true 'Young and Strong Hidden Champion Financial Group', we will push ahead with following strategic tasks in 2021, responding to the rapidly changing market environment that comes with finance digitalization and intensifying competition among different industries.

First, we will harness profitability-oriented business foundation in pursuit of quality growth with a conservative approach.

We continue to have conservative approach in terms of asset growth until uncertainties in the financial market is removed. On the other hand, we will gradually revamp our business and asset portfolio, thereby fortifying our profitability foundation in the long term. In addition, we will keep one eye on improvement of cost efficiency to raise productivity while effectively managing human resources through manpower realignment.

Second, we will put emphasis on preemptive risk management based on future prospect.

JB Financial Group will strain every nerve for active risk management, predicting market changes in the future and preparing for them not just depending on the defined models based on statistics figures of the past. Furthermore, ESG-related risks will be integrated to ramp up the system and organizational infrastructure to systemically manage them.

Third, we will formulate our own strategies for Digital Transformation (DT), which will act as a future growth engine.

JB Financial Group will deliver differentiated strategies for Digital Transformation (DT), select areas of focus and concentrate on them, thereby establishing ourselves as a Niche Market Player in the market.



Last but not least, we will upgrade our ESG management on the whole based on a corporate culture of transparency and mutual respect.

We will do our best to make our transparent governance and internal control system operate in an efficient manner while ensuring that reasonable checks and balances permeate through the whole group based on a corporate culture of communication, consideration and mutual respect among our employees. In addition, JB Financial Group will play a leading role in spreading green finance across regions. Efforts will also be made to stay true to inclusive finance by giving more financial access to the vulnerable as well as to generate social value through unique diverse social contribution activities.

JB Financial Group has been growing at an annual rate of 26% in net income on average for the past five years. And, at the same time, we are seeing all of our indicators constantly outnumber guidance financial indicators we suggested to the market. On the strength of these outstanding financial results, JB Financial Group will make every effort to accomplish remarkable growth in ESG management. I look forward to your further interest and support.

Thank you.

Kim, Ki Hong 김기홍
Chairman & CEO of JB Financial Group

ESG Strategy Framework

SPECIAL PAGE

Establishment of ESG Governance and Promotion Framework

Formulation of ‘ESG Committee’ within the BOD

JB Financial Group established an ESG Committee within the BOD in March 2021 to push forward strategic ESG management from a mid- to long-term perspective. The ESG Committee is entirely composed of the members of the BOD. On the foundation of sturdy ESG governance, we strive to effectively internalize ESG throughout the group. The newly formulated ESG Committee will assume a role of reviewing and approving the group’s key ESG strategies and tasks for the future while managing non-financial performance based on the quantitative KPI. It will also make swift decisions on ESG issues that are required to be implemented in a prompt manner.



Operation of ‘ESG Council/Working Council’ for Efficient Promotion of ESG

The ESG Council/Working Councils, enable us to enhance the efficiency of corporate-wide ESG management. The ESG Council/Working Councils within the group are engaged by major executives of the holding company and affiliates as well as working-level personnel concerning ESG in the entire affiliates. Based on these organizations, we continue our communication on the issues arising in the course of ESG operation.

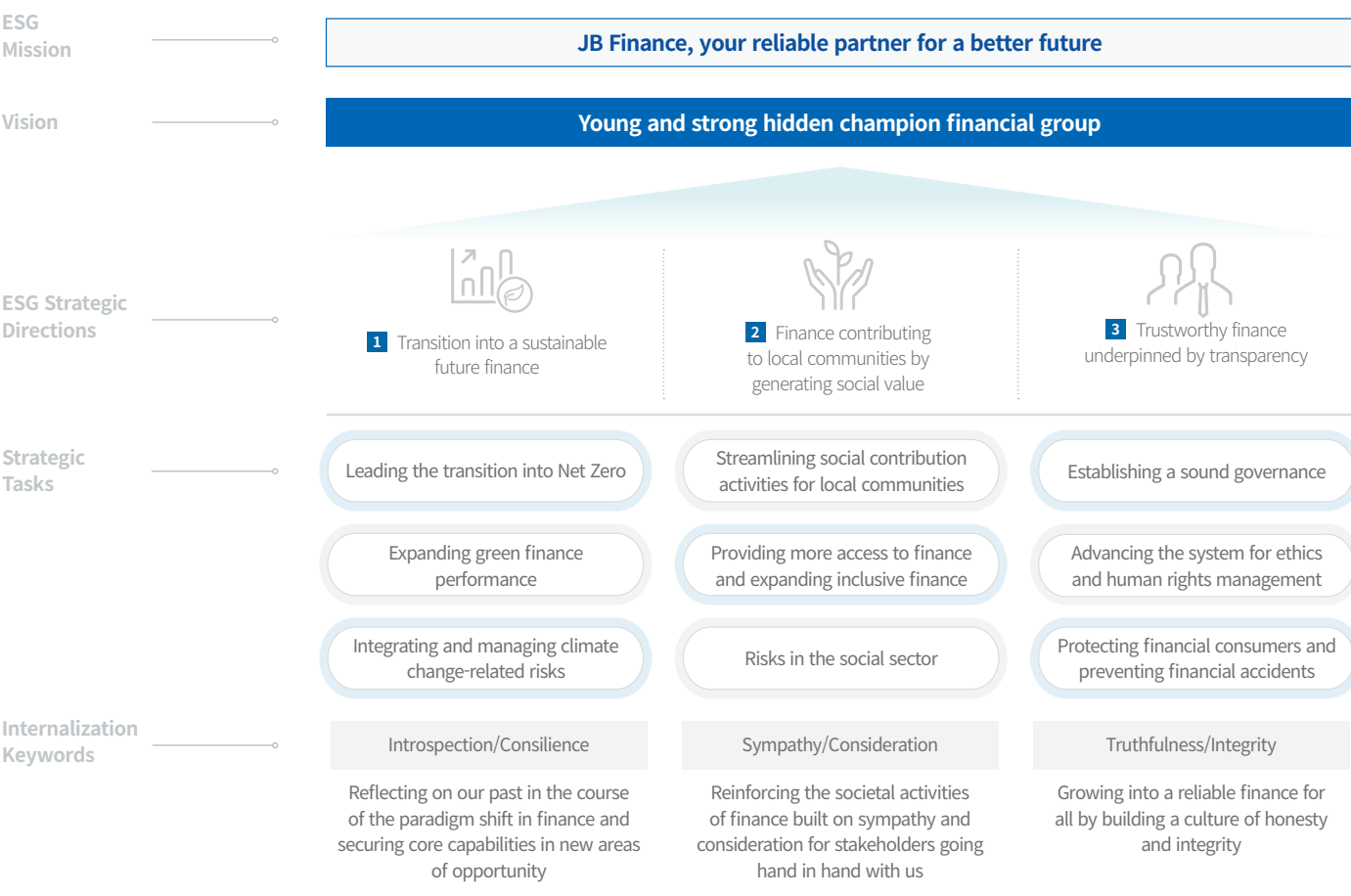
Our ESG Governance



JB Financial Group ESG Strategy

ESG Mission and Strategic Direction

We set up a mid- to long-term ESG strategy system and established ESG promotion tasks encompassing the holding company and affiliates in June 2021. On top of that, we publicly declared our ESG mission, ‘JB Finance, your reliable partner for a better future’, thereby demonstrating our firm will to promote ESG management. On the basis of our newly established and announced ESG mid- to long-term strategy, JB Financial Group will go hand in hand with stakeholders including customers, employees, shareholders, partners, and local communities, while implementing systematic activities to fulfill our role as a sustainable future finance.



ESG Internalization

JB Financial Group strives to build an effective ESG operational system and policies. And ESG tasks handled by the group and our affiliates will be quantitatively managed with performance indicators. Through these efforts, we will integrate ESG into our whole business operations for the internalization while expanding ESG performance.



ESG Performance Highlights

SPECIAL PAGE

ENVIRONMENT



01 Declaration of ‘Coal Phase-out Financing’

- Promulgating ‘Coal Phase-out Financing’ in proactive response to climate change
- Planning to suspend newly funding projects of companies associated with the construction of coal-fired power plants
- Furnishing responsible financing services to lead the way in terms of the transition into low-carbon economy with the expansion of investment in eco-friendly finance

02 Issuing ESG Bonds

Jeonbuk Bank JB Woori Capital

- Issuing KRW 70 billion of bonds that acquired the highest ESG certification grade for the first time among local banks
 - Planning to spend on businesses creating environmental and social value
 - Jeonbuk Bank issued KRW 150 billion of ESG bonds
 - JB Woori Capital issued KRW 150 billion of ESG bonds
- (As of the end of June 2021)

03 Signing an Agreement on Coal Phase-out and Green New Deal

Kwangju Bank

- Phasing out coal financing, a major culprit for climate crisis, creating an environment in favor of climate finance by signing an agreement with Gwangju-si



SOCIAL

01 Expanding Social Finance Performance

- Social finance (inclusive finance) result of JB finance group KRW 1,034 billion

02 Offering Emergency Aid to Victims of COVID-19

- Providing financial assistance for small business owners and the vulnerable hit hard by COVID-19
- Making a donation to overcome COVID-19

03 Creating more value for Local Communities

- Conducting campaigns tailored to each region such as local volunteer groups and local community-based support projects
- Facilitating a culture of donation driven by employees
- Providing support for the vulnerable, elderly, and foreigners and operating dedicated centers for them



GOVERNANCE

01 Launching ESG Committee

- Drawing up a strategy for ESG and establishing a committee from the perspective of ESG for settled sustainable management
- Laying the foundation for non-finance performance management and actual internalization of ESG

02 Establishment of Anti-Corruption Management System

- JB Financial Holdings, acquiring ISO 37001 for the first time among financial company
- Reinforcing compliance management, adopting and implementing an anti-corruption management system
- Educating employees and monitoring so that a transparent culture of integrity permeates through the group

2020 ESG External Evaluation Result

JB Financial Group has achieved total ‘grade A+’ in the ESG evaluation conducted by Korea Corporate Governance Service (KCGS) in 2020. In addition, it has been chosen to ‘Good ESG Companies’(finance) in the 2020 Best governance and ESG Companies Award. The group has also achieved ‘grade A’ for the MSCI ESG rating. Going forward, JB Financial Group will examine and improve the group’s sustainability level by systematic response to external ESG rating.

KCGS				MSCI	
Total Grade	Environment	Social	Governance	Grade	
A+	A	A	A+	A	

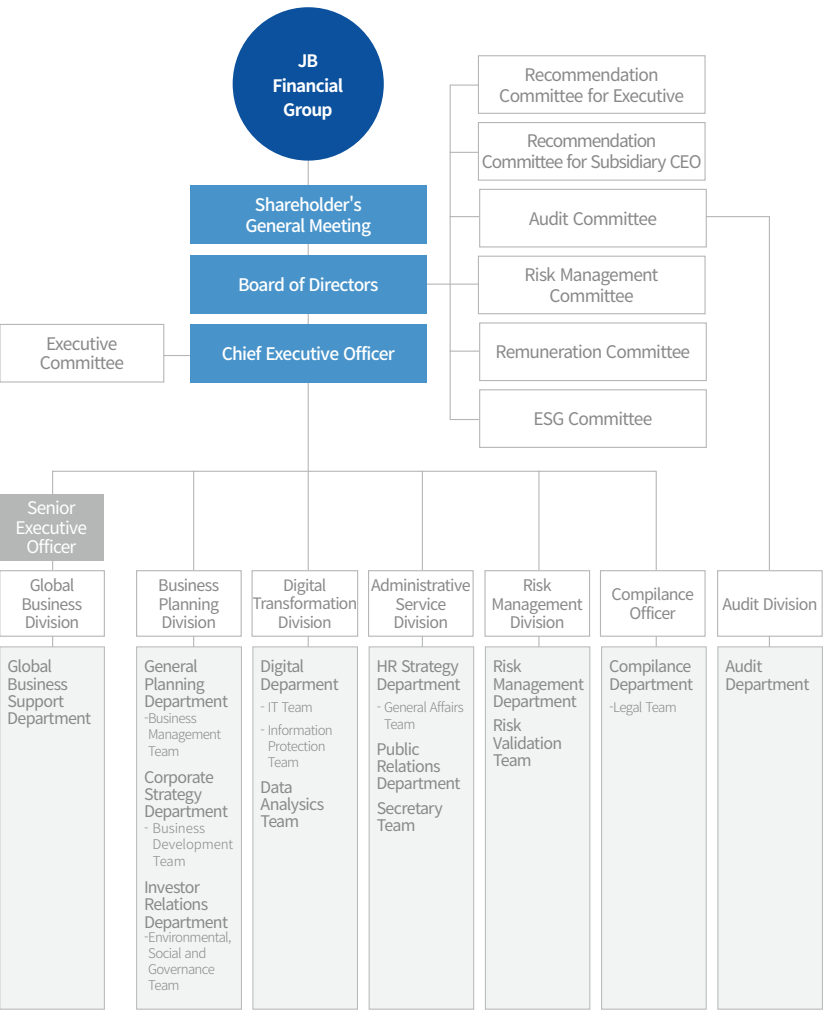
Company Overview

Introduction of JB Financial Group

Introduction of JB Financial Group

The vision of JB Financial Group is ‘Young and Strong Hidden Champion Financial Group’. To this end, a total of seven companies, including four subsidiaries of ‘Jeonbuk Bank’, ‘Kwangju Bank’, ‘JB Woori Capital’ and ‘JB Asset Management’, and three grandchild companies of ‘Phnom Penh Commercial Bank (PPCBank)’, and ‘JB Capital Myanmar’, ‘JB Securities Vietnam’, join forces with JB Financial Holdings. JB Financial group strains every nerve to be true to nature of finance; ‘financial services essential to anyone’ and ‘more convenient financial products and services tailored to each type of customers’, thereby becoming a financial group generously and unstintingly embracing everyone.

Organizational Structure







*As of April 1, 2021

Path taken by JB Financial Group

2020	10	Received an integrated grade of A+ in 2020 ESG Evaluation by Korea Corporate Governance Service (KCGS) → Chosen as excellent company for ESG in 2020
2020	08	Named Vietnamese securities company ‘JB Securities Vietnam’
2020	04	Capped off taking over a Vietnamese securities company
2019	09	Acquired ISO 37001, the international standard for the prevention of bribery, from British Standards Institution (BSI) → First achievement among domestic financial holding companies
2019	07	Promulgated JB Financial Group’s new slogan → Touching hearts, Leading finance
2019	03	Convened the 6 th regular general meeting of stakeholders → Inauguration of new Chairman Kim Ki Hong
2018	10	Completed comprehensive stock exchange in accordance with resolution of the board of directors → Full parent company: JB Financial Holding Company / Full subsidiary: Kwangju Bank
2018	07	Converted convertible preferred stocks of JB Woori Capital to common stocks (full subsidiary)
2017	03	Caped off the incorporation of JB Capital Myanmar as a grandchild company (rate of shares: 85%)
2016	10	Held 2 nd Quantum Leap Global Hackaton
2016	08	Completed transferring PPCBank into grandchild company (Jeonbuk Bank: 50%, JB Woori Capital: 10%)
2016	07	Won bronze prize of 2015 Annual Report LACP, USA
2015	04	Hosted the CI proclamation ceremony for the integrated group
2015	02	Selected as an excellent company in public disclosure / Korea Exchange
2014	03	Transferred JB Asset Management to subsidiary
2013	11	Incorporated JB Woori Capital in JB Financial Holdings
2013	07	Launched JB Financial Holdings
1969	12	Established Jeonbuk Bank

Introduction of Subsidiaries

Jeonbuk Bank		Founded in 1969, Jeonbuk Bank has established itself as a pivot in the local economy with the expansion of financial services for SMEs, business owners and households, leading the way in the advancement of the local economy. Jeonbuk Bank has currently put its focus on ramping up non-face-to-face channels to render differentiated services as part of efforts to overcome the regional limit as well as to achieve sustainable growth.
Kwangju Bank		With the aim of vitalizing the local economy, Kwangju Bank was established in 1968. Kwangju Bank has made every effort to contribute to win-win growth with the local community by developing special products tailored to the region. Furthermore, endeavors have been made for the fulfillment of its social responsibilities as well as for sharing activities.
JB Woori Capital		JB Woori Capital has grown into a top-ranking specialized credit finance corporation of the 21 st century since 1995 when it entered the financial industry. Its breadth of services includes vehicle finance, real estate finance, personal finance, corporate finance.
JB Asset Management		JB Asset Management was incorporated into JB Financial Holdings’ subsidiary in March 2014. JB Asset Management is equipped with capacity specialized in real estate development finance, ranking 1 st in the field of resources, energy, and fund.
Phnom Penh Commercial Bank (PPCBank)		PPCBank, located in Phnom Penh, the capital of Cambodia, became a subsidiary of Jeonbuk Bank in August 2016. The bank strives to be a leading player in Southeast Asia.
JB Capital Myanmar		JB Capital Myanmar provided small amounts of loans for local people in rural areas in March 2017, covering loan services for small business owners and the self-employed. JB Capital Myanmar endeavors to become a microfinance institution which is demand in most in the region.
JB Securities Vietnam (JBSV)		JB Securities Vietnam (JBSV), newly launched in August 2020, is currently incorporated as a subsidiary of Kwangju Bank. We are discovering promising investment opportunities such as real estate development in the Vietnamese financial market.

*As of December 2020

Company Overview

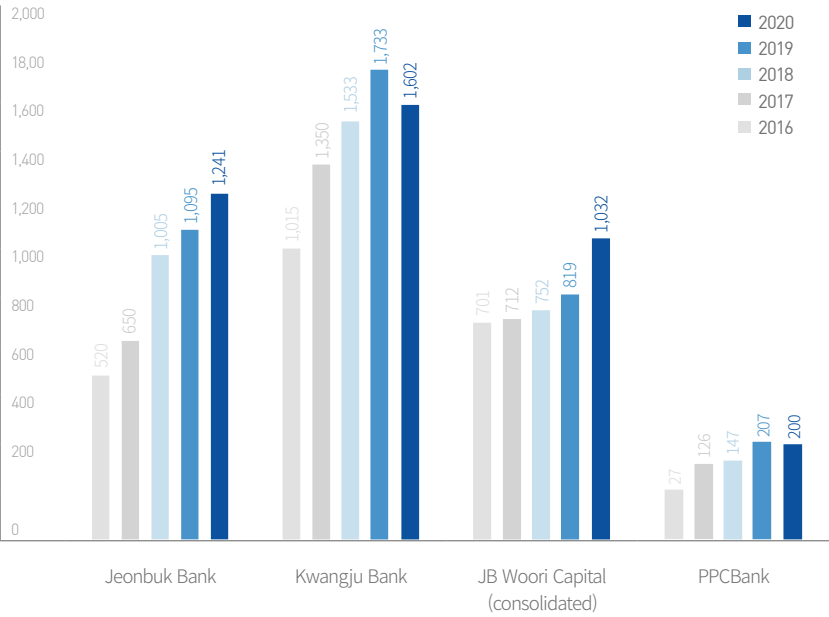
Introduction of JB Financial Group

Status of Branches

JB Financial Group consists of a holding company, subsidiaries, and grandchild companies. And they join forces to create added values during the whole course of operation including planning and strategy establishment, financial product development, marketing activities, and sales. Two banks put efforts into the revitalization of local communities while expanding our presence into overseas through the grandchild companies on foreign countries.

	Company Name	Domestic	Overseas	Total
Holding Company	JB Financial Group	2	-	2
Subsidiary	Jeonbuk Bank	97	-	97
	Kwangju Bank	146	1	147
	JB Woori Capital	19	2	21
	JB Asset Management	2	-	2
Grandchild Company	Phnom Penh Commercial Bank (PPCBank)	-	23	23
	JB Capital Myanmar	-	13	13
	JB Securities Vietnam	-	1	1

Annual Net Income by Major Subsidiary (separate) (Unit: KRW 100 mil)



Vision of JB Financial Group

Vision and Strategic Directions

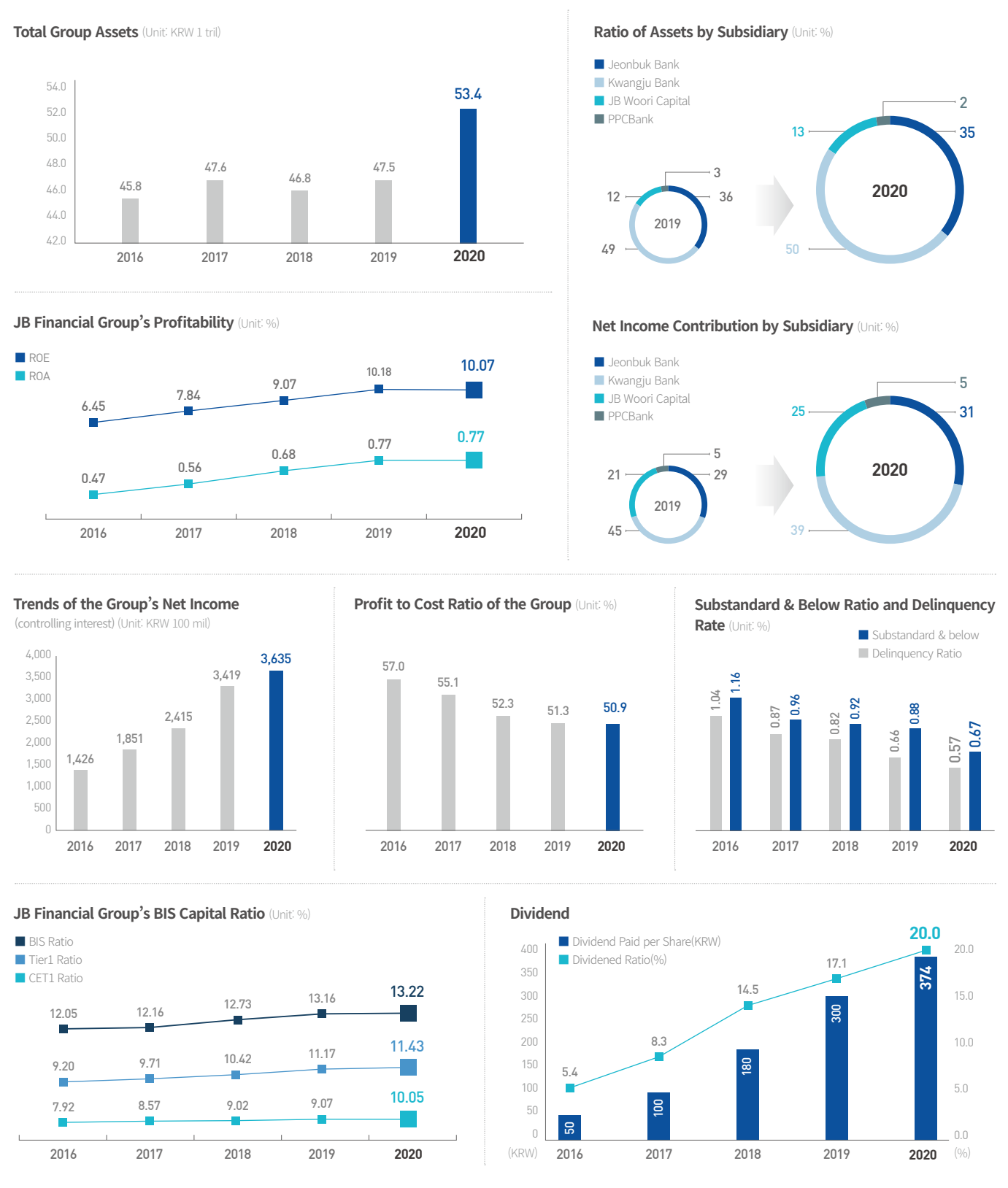
The vision of JB Financial Group is 'Young and Strong Hidden Champion Financial Group', which is a clear demonstration of our robust will for substantial growth and innovation in the changing financial market. We work hard to take our market value to the top level in the field, generating profits on the basis of distinguished core values as well as implementing consistent dividend policies in favor of shareholders. In response to a rapidly changing environment in the financial industry, the group has maximized its synergy, seeking quality-oriented and substantial growth and securing future growth engine.



Tasks of Strategic Management



Financial Performance



Finance Outlook

Domestic and International Economic Outlook | On the strength of the government's fiscal policies and the administration of COVID-19 vaccine, domestic economy is expected to recover. However, sluggish improvement in private consumption will offset some of positive effects, which is likely to bring sluggish recovery. With the increasing number of COVID-19 cases and the consequent social distancing driven by the government will come with the decrease of outdoor activities, which, in turn, will curb the recovery pace of public consumption to some degree. As for equipment investment, investment will be steadfastly made in the IT sector with the revival in the field of semi-conductor. And investment in the new growth sector coupled with investment in maintenance delayed due to COVID-19 will also be resumed, which will boost other sectors at a moderate pace.

Meanwhile, the recovery of the world economy will slow down in the early 2021, but the inoculation of vaccines coupled with the release of additional economic stimulus plans of major countries will speed up the pace of recovery, which will likely to give rise to growing expectation for the pandemic to be settled. However, uncertainty in terms of recovery will still remain due to the emergence and spread of COVID-19 variants. Countries will show different paces of recovery depending on their medical policies, the effects of policy implementation and response to the challenge.

Trends of the Financial Industry | In the domestic financial market, we are seeing growing expectations about economic recovery arising from the development of COVID-19 vaccines and the government's economic stimulus plan while being faced with concerns over the deterioration of profitability triggered by deferred risks owing to COVID-19

such as expanded expiration for loans or principal repayment deferral policy. This year, risk and profitability management is expected to matter more than ever.

The generalization of non-contact culture and the growing gravity of mobile platforms will intensify digital competition with big-techs equipped with platforms. With the Financial Consumer protection Act taking effect, the issues regarding the reinforcement of financial consumer protection will come into focus, which is likely to incur increasing costs in response to the regulation of business activities.

JB Financial Group's Management Status | Looking back, 2020 is the year when the business risk is the highest due to the changing external conditions, such as amplified uncertainty in the financial markets arising from COVID-19. Against this backdrop, JB Financial Group put its focus on effective resource allocation on the basis of proactive soundness management, which led to stable profitability with robust soundness. As a result, notwithstanding these unfavorable conditions, JB Financial Group recorded KRW 363.5 billion in accumulated net profit during the term attributable to controlling interest, and maintained the stable level of soundness-based profitability with CET1 at 10.05% and ROE at 10.1%, taking preemptive provision for loan losses into consideration.

This year, the financial market is expected to confront more increasing uncertainty. In the aftermath of COVID-19, accumulated impacts of economic recession will make this year more difficult to overcome. Accordingly, a proactive response strategy will be more significant than ever. JB Financial Group will do our best to analyze a variety of sales scenarios, formulate step by step response strategic plans and implement them in a timely manner.

JB Financial Group's Financial Status

Category	Company Name	Unit	2020			2019		
			Total Assets	Total Liabilities	Total Shareholders' Equity	Total Assets	Total Liabilities	Total Shareholders' Equity
Holding Company	JB Financial Holdings	KRW 100 mil	28,200	7,742	20,458	25,114	5,321	19,793
	Jeonbuk Bank		186,193	171,522	14,671	171,925	158,225	13,701
	Kwangju Bank	KRW 100 mil	267,508	248,234	19,274	234,193	215,995	18,198
	JB Woori Capital		67,906	59,117	8,789	58,491	50,656	7,835
	JB Asset Management		577	410	167	269	105	164
Grandchild Companies	PPCBank		11,343	9,656	1,687	10,734	9,160	1,574
	JB Capital Myanmar	KRW 100 mil	230	95	135	207	87	120
	JB Securities Vietnam		457	5	452	-	-	-

Note) The table was prepared based on separate financial statements.

Governance

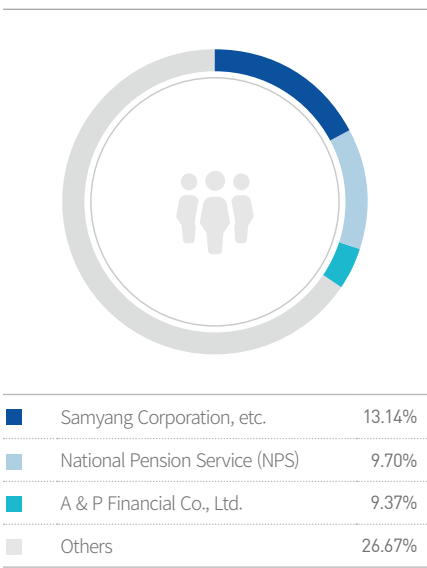
Sound Governance

As of the end of Devenber 2020, the largest shareholder of JB Financial Group was Samyang Corporation, holding 13.14% of shares and JUBILEE ASIA B.V., as the foreign largest shareholder, holding 6.88%.

Shareholder Status

Ranking	Shareholder Name	No. of Shares (shares)	Share Ownership Ratio (%)
1	Samyang Corporation, etc.	25,897,850	13.14
2	National Pension Service (NPS)	19,106,729	9.70
3	A & P Financial Co., Ltd.	18,461,723	9.37
4	JUBILEE ASIA B.V.	13,551,857	6.88
5	SINGWAND HOLDING PTE. LTD.	10,373,095	5.27
6	Asia Alternatives Malta Investors Limited	5,459,524	2.77
7	NORGES BANK	5,263,382	2.67
8	KANG** (individual)	3,549,893	1.80
9	LEE** (individual)	3,502,881	1.78
10	BAEK** (individual)	2,986,978	1.52
11	JB Financial Holdings Co., Ltd. Employee Stock Ownership Association	2,714,929	1.38
12	JB Financial Group Co., Ltd.	2,638,819	1.34
13	Korean Federation of Community Credit Cooperatives	2,483,021	1.26

As of the end of December 2020



Shareholding Status of Subsidiaries and Grandchild Companies

Category	Company Name	Location	Key Tasks	Date of Establishment (date of investment)	Capital (₩RW 100 mil)	No. of Shares (shares)	Owing Rate (%)
Subsidiary	Jeonbuk Bank	566, Baekje-daero, Deokjin-gu, Jeonju-si, Jeollabuk-do, Republic of Korea	Banking	1969.12.10 [2013.07.01]	4,616	92,324,362	100.00
	Kwangju Bank	225, Jebong-ro, Dong-gu, Gwangju, Republic of Korea	Banking	2014.05.01 [2014.10.10]	2,566	51,316,057	100.00
	JB Woori Capital	566, Baekje-daero, Deokjin-gu, Jeonju-si, Jeollabuk-do, Republic of Korea	Credit Financing Business	1995.12.07 [2013.11.06]	5,383	107,668,141	100.00
	JB Asset Management	566, Baekje-daero, Deokjin-gu, Jeonju-si, Jeollabuk-do, Republic of 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]	1,048	55,200	60.00
	JB Capital Myanmar	Yangon, Myanmar	Other Financial Business	2016.09.21 [2017.03.08]	113	925,000	92.50
	JB Securities Vietnam	Hanoi, Vietnam	Securities Business	2006.12.29 [2020.04.21]	451	-	100.00

Note 1) The date of investment above refers to the date of the incorporation into JB Financial Group's subsidiaries and grandchild companies.
Note 2) It refers to the number of shares and ownership ratio of the parent company for the relevant company in the year (common shares).
Note 3) Kwangju Bank was established on November 20, 1968, but the date in this table is referring to the date of the incorporation.
Note 4) As of December 2020

Structure and Operation of Board of Directors

Composition of Board of Directors

JB Financial Group's board of directors is comprised of 9 members* including 1 executive director, 6 non-executive directors and 2 non-standing directors. We appoint an non-executive director as the chairman of the board to make the operation of the board more independent and fairer.

* Eight of our nine directors, excluding the executive director, meet the requirements for independent directors according to the S&P Global CSA (Corporate Sustainability Assessment) standards.

Director Type	Name	Job Title	Careers	Date of Inauguration	Term of Office	Committee in Charge
Executive Director	Kim, Ki Hong	• Executive Director • Chairman/CEO • Chairman of Recommendation Committee for Subsidiary CEO	2014 CEO & President, JB Asset Management 2014 CEO, Pan Asia Re Consulting 2005 Deputy CEO, KB Bank 1999 Assistant Governor, Financial Supervisory Service	Mar 29, 2019	Until closing of general meeting of shareholders for 2021	• Recommendation Committee for Subsidiary CEO • ESG Committee
Non-executive Director	Yoo, Kwan Woo	• Non-executive Director • Chairman of Recommendation Committee for Executive and Remuneration Committee • Chairman of ESG Committee	2010 Non-executive Director, NACF (National Agricultural Cooperative Federation) 2008 (Currently)Adviser, KIM&CHANG Law Firm 2006 Assistant Governor, Financial Supervisory Service	Mar 29, 2019	Until closing of general meeting of shareholders for 2022	• Recommendation Committee for Executive • Recommendation Committee for Subsidiary CEO • Audit Committee • ESG Committee
	Lee, Sang Bok	• Non-executive Director • Chairman of Audit Committee	2018 (Currently)Partner CPA, DongA Accounting Corporation 2012 Management evaluation committee member, Korea Deposit Insurance Corp. 1991 Partner CPA, Samil PwC	Mar 29, 2019	Until closing of general meeting of shareholders for 2022	• Recommendation Committee for Executive • Audit Committee • Remuneration Committee • ESG Committee
	Chung, Chae Shick	• Non-executive Director • Chairman of Remuneration Committee	2006 Non-executive Director, Yuanta Savings Bank 2001 (Currently)Professor, Sogang Univ. 1998 Research Follow, Korea Institute for International Economic Policy	Mar 26, 2020	Until closing of general meeting of shareholders for 2021	• Recommendation Committee for Executive • Risk Management Committee • Remuneration Committee • ESG Committee
	Kim, Woo Jin	• Non-executive Director • Chairman of Risk Management Committee	2017 (Currently)Senior Reserch Fellow, Korea Institute of Finance 2014 Non-executive Director, Hana Financial Investment 2007 Executive Director, Deloitte Consulting	Mar 26, 2020	Until closing of general meeting of shareholders for 2021	• Recommendation Committee for Executive • Risk Management Committee • Remuneration Committee • ESG Committee
	Park, Jong Il	• Non-executive Director	2017 (Currently)Senior Partner, Taehwan Law Firm 2016 Lawyer, Simwoo-Partner Law Frim 2016 Chief Prosecutor, Suwon District Public Prosecutor's Office	Mar 26, 2020	Until closing of general meeting of shareholders for 2021	• Recommendation Committee for Executive • Audit Committee • Remuneration Committee • ESG Committee
	Sung, Jae Hwan	• Non-executive Director	2019 (Currently)Endowed-Chair Professor of Korea Vocational College of information and Technology 2003 President of Wonkwang Digital University 1998 Professor of Wonkwang University	Mar 31, 2021	Until closing of general meeting of shareholders for 2022	• Recommendation Committee for Executive • Audit Committee • ESG Committee
Non-standing Director	Ann, Sang Gyun	• Non-standing Director	2012 (Currently)Asia Managing Partner, Anchor Equity Partners	Mar 25, 2016	Until closing of general meeting of shareholders for 2021	• Recommendation Committee for Executive • Recommendation Committee for Subsidiary CEO • Remuneration Committee • ESG Committee
	Kim, Ji Sub	• Non-standing Director	2019 (Currently)Vice-President, Samyang Holdings Corporation 2015 Managing Director, Samyang Holdings Corporation	Mar 31, 2021	Until closing of general meeting of shareholders for 2023	• Recommendation Committee for Executive • Recommendation Committee for Subsidiary CEO • Risk Management Committee • ESG Committee

Note) As of the end of March 2021

Governance

Sound Governance

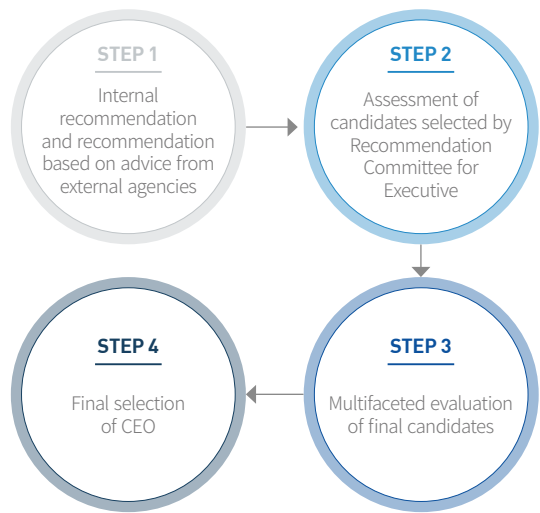
Operation of the Board of Directors

The functions of the board of directors encompass the approval of management strategies and policies and the monitoring of business operation for the facilitation of responsible management. The board also verifies whether the group's management complies with standards, procedures, and methods in a right manner to help the management make reasonable decisions. In addition, the board has established an environment and system for risk management in line with the management strategies of the group and its subsidiaries. The board of directors is divided into regular board and non-regular board, and decisions are made by a majority of votes in the board meeting convened by the chairman unless stated in laws otherwise. Under the board, a total of 6 committees (Recommendation Committee for Executive, Recommendation Committee for Subsidiary CEO, Audit Committee, Risk Management Committee, and Remuneration Committee, ESG Committee) are operated in an independent and transparent manner with experts of diverse backgrounds and expertise forming the board.

Expertise and Diversity of the Board of Directors

JB Financial Group strives to form a stable and efficient board of directors for the sake of the constant growth of the group and the protection of stakeholders including shareholders. We do not have restrictions such as gender, age, nationality, or race for non-executive director candidates.

CEO Election Process



To make sure that the board of directors, the main decision-making body, is not dominated by specific backgrounds or professions, the board consists of experts in various fields. As of March 2021, the board is comprised of six industrial experts having expertise in the sector of accounting and finance and professionals specializing in other areas including law, economy, and consumer protection. In addition, regular and non-regular meetings are frequently convened among the members so that the expertise of each area is well integrated to the greatest degree as well as complemented to cope with multiple tasks and challenges confronting us in an effective manner.

Independence of the Board of Directors

For the sake of checks and balances among the board members, JB Financial Group separates the authority to make decisions from the authority to run business, and delegates each authority to the board of directors and the management respectively. With the aim of securing execution power to keep the management in check, the authority to appoint and dismiss CEO is given to the board of directors. On top of that, we ensure that non-executive directors whose independency is verified account for more than two-thirds of the board to avoid the weakening of its function to check arising from the corrupt relationship with the management. As of March 2021, six out of nine directors are non-executive directors.

*Eight of our nine directors, excluding the executive director, meet the requirements for independent directors according to the S&P Global CSA (Corporate Sustainability Assessment) standards.

Election Process of CEO

JB Financial Group refined its process for CEO election to streamline the procedure for management succession as well as to give shape to related principles and standards. The refinement provides a transparent and fair procedure, which, in turn, creates a management environment where checks and balances are achieved among key decision makers. This achievement is attributed to the improvement in the system to deliver responsible management for shareholders and financial consumers. Endeavors are also made to give the board independence from large shareholders and the management. Candidates for directors go through profound verification from various angles such as passive and active qualification, qualities, leadership, expertise and social responsibilities.

Operation of Committees within the Board of Directors

JB Financial Group puts in place committees within the Board of Directors as determined by the board in order for the smooth operation of the board of directors and efficient management. The committees include Recommendation Committee for Executive, Recommendation Committee for Subsidiary CEO, Audit Committee, Risk Management Committee, and Remuneration Committee. They make decisions in a swift manner based on their expertise. In March 2021, ESG committee was established with the purpose of consolidating professionalism in ESG management as well as of dealing with related issues.

The Board of Directors and Committees (As of the end of March 2021)

Category	Main Duties	Com- position*	Chairman	Relevant Regulations
Board of Directors	Resolution on major management issues	6/9	Yoo, Kwan Woo (non-executive)	Board of Directors' regulation
Recommendation Committee for Executive	Selection of executive candidates and implementation	6/8	Yoo, Kwan Woo (non-executive)	Executive Candidate Recommendation Committee regulation
Recommendation Committee for Subsidiary CEO	Selection of CEO for subsidiaries and implementation	1/4	Kim, Ki Hong (executive)	Subsidiary CEO Recommendation Committee regulation
Audit Committee	Audit on accounting and business operation	4/4	Lee, Sang Bok (non-executive)	Audit Committee regulation
Risk Management Committee	Establishment and approval of polices in response to all forms of risks	2/3	Kim, Woo Jin (non-executive)	Risk Management Committee regulation
Remuneration Committee	Formulation and evaluation of performance targets for the management	4/5	Chung, Chae Shick (non-executive)	Remuneration Committee regulations
ESG Committee	ESG strategy and policy making	6/9	Yoo, Kwan Woo (non-executive)	ESG Committee regulations

*No. of Non-Executive Directors/ No. of Members

Evaluation of the Board of Directors

JB Financial Group annually conducts the evaluation of the board of directors sometime between January and February in order to inspect the composition of the board and its operation. The recent evaluation was carried out in January 2021. The assessment aims to regularly inspect if the board is on the right track in terms of the fulfillment of its

roles and duties required by laws and rules of the company, thereby helping the board solidify its position as the key organization to make decisions and keep the management in check. Article 22 of the internal regulations makes it mandatory to assess the performance of the board and disclose whether it conducts the evaluation or not and the following results until the notification date of shareholders' general meeting. The results are reflected in the future policies and operational plans for the board.

Evaluation Criteria of the Board of Directors (BOD)

Evaluation Criteria	Contents
Matters regarding the composition and operation of the BOD	<ul style="list-style-type: none">• Evaluating whether the composition of the board is appropriate enough for effective management• Checking if the board has three or more non-executive directors and the number of non-executive directors occupies the majority of the board• Checking whether the chairman of the board comes from non-standing directors (In case the chairman of the board is not an non-executive director, check whether a senior non-executive directors is appointed as the chairman)• Assessing whether there is active communication among members for smooth operation of the board• Checking if meetings consisting of all non-executive directors are held• Evaluating whether directors are equipped with expertise and knowledge• Checking whether there are separate committees or procedures for the selection of director candidates• Assessing whether the members of the board actively make submissions and discuss
Authority and responsibility of the BOD	<ul style="list-style-type: none">• Checking if the board is involved in decision-making in terms of key business operation of the company in accordance with external laws, articles of association or Board of Directors' regulation to an appropriate degree• Evaluating if the board supervise the management in business management• Appraising whether the board tries to make decisions in the interest of shareholders in the long term• Assessing if the board is cognizant of its ethical management and social responsibility and take this issues into account when making decisions• Checking whether they carefully review materials before they attend the board• Checking if there is the leakage of any trade secret of the group (subsidiaries included) acquired during the course of work, or such information is used for the interest of third-party

Governance

Sound Governance

Evaluation Criteria of the Board of Directors (BOD)

Evaluation Criteria	Contents
Authority and responsibility of the BOD	<ul style="list-style-type: none">• Evaluating whether objective and reasonable decisions are made on agendas after contemplation• Appraising whether they provide proper and fair advice for the management when necessary
Procedures for convocation of the BOD and the exercise of voting right	<ul style="list-style-type: none">• Checking whether regular or frequent meetings of the board are convened in order to faithfully perform its duties• Assessing if directors are informed of convention of meeting before the date of meeting according to the procedure for convention• Evaluating whether voting requirements and methods of exercising voting rights are put in place in line with laws or articles of association• Appraising if the voting right of a director is restricted in case the director has special interest in the resolution of the board

Remuneration Structure

JB Financial Group’s key performance indicators for performance measurement of the company include profitability index (return on assets, return on equity, cost income ratio, etc.), soundness index (return on risk-weighted assets, common equity ratio, none performing loan ratio, debt ratio, double leverage ratio, etc.) and other indexes (total assets, risk weighted assets, etc.). Especially, Return on Equity (ROE), Return on Risk Weighted Assets (RORWA), Cost Income Ration (CIR), Common Equity Tier 1 (CET1) and None Performing Loan Ration (NPL) are utilized as quantitative performance indicators for the assessment of our executive members’ short-term performance. In addition, qualitative evaluation is also reflected in short-term results to measure the implementation of strategic tasks for management, the performance of their duties and inside control.

Total remuneration and performance-based benefits

Category		Unit	Chairman	Vice President	Managing Director	Senior Director	Director
Current year (2020)	Total remuneration	KRW 100 mil	6.5	3.6	-	6.8	-
	Performance-based benefits		4.2	1.3	1.4	3.8	0.4

Note 1) Performance-based benefits calculated based on the amount paid

Management in Favor of Shareholders

Transparent Public Disclosure

JB Financial Group officially opens up our key internal regulations including articles of association and the Board of Directors regulation on our website to disclose standard procedures and results of business operation. Furthermore, major activities of the board (committees within the Board of Directors included) and its developments are also announced on a regular basis along with the assessment results of the board and non-executive directors on our homepage (www.jbfg.com), and the website of Korean Federation of Banks (www.kfb.or.kr) and Data Analysis, Retrieval and Transfer System (dart.fss.or.kr).

Voting in Writing

JB Financial Group introduces a system for voting in writing. This system allows shareholders to exercise their voting rights without attending the general meeting of shareholders when the board decides to make decisions in writing at the resolution to decide on the convocation the shareholder meeting. As for Section 1, document and reference materials required to use voting rights should be attached with the notice for convocation general meeting of shareholders while Section 2 should be filled out and submitted one day before the date of meeting when shareholders want to exercise their voting rights in writing. Whether to agree or disagree should be expressed on ‘ballot paper for regular general meeting of shareholders’ and sent after signing and sealing so as to exercise a voting right.

Electronic Voting System

With the aim of saving time and cost of shareholders, and at the same time, enhancing the level of convenience, JB Financial Group adopts electronic voting system. Accordingly, the system has been used from the 2nd regular general meeting of shareholders so that stockholders can use their voting rights in an electronic way without attendance. The matter concerning the system of electronic voting is also informed with the announcement and notice of general shareholder meeting convocation. With the consignment contract with Korea Securities Depository our shareholders can electronically exercise their voting rights on the website of electronic voting until 5 p.m. on the day before the meeting.

Risk Management

Risk Management

Business Model and Risk Management Philosophy

JB Financial Group generates profits through a variety of transactions accompanied with risks. The balance between risk and profitability defined within defined risk appetite is taken into consideration in all of our business operations. For risk management, the group classifies them into several types; credit risk, market risk, operational risk, interest rate risk, credit concentration risk, liquidity risk and settlement of exchange risk. Each risk is managed with the ratio of internal capital adequacy and regulatory capital adequacy, which are the standards for public disclosure defined by supervisory authorities. And the ratio is coordinated to avoid the concentration on a specific area within defined risk appetite.

Strategy and Principles of Risk Management

Strategy for Risk Management

As part of efforts for risk management, JB Financial Group conducts a plethora of activities including the supervision of risks and delegation of authority, segmentation of risk and business area by type, and the streamlining of risk management procedures and the structure of decision-making bodies (the Board of Directors, the management, risk management committee, risk management operation committee law-abiding monitor, internal audit, etc.)

Procedures for Risk Management

Risk Identification	1	Identifying and analyzing various risk types and factors that may occur related to the group’s management activities
Risk Measurement and Evaluation	2	Measuring risk scale through the system built in accordance with the measurement methodology for each risk type and evaluating whether the scale is appropriate or not
Risk Control	3	Setting manageable limits to avoid or reduce risks or to maintain appropriate risk level, and preparing management measures to control the risks
Risk Monitoring and Report	4	Conducting thorough monitoring of risk measurement results by type (including crisis analysis results), and sharing risk management status across the company under the reporting system and reporting cycle (daily, monthly, quarterly)

Principles of Risk Management

JB Financial Group has put in place the principles of risk management to handle all forms of risk possibly arising from each business areas. Balance between risk and profitability should be taken into consideration within defined risk appetite in all of sales operations. In

order to avoid concentration on a specific sector, risk should be spread to an appropriate degree. Decision makers including the management (meetings included) should well understand risks and take them into consideration when making decisions related risks so that the decisions are made in an objective and independent manner. Furthermore, risk management organization should be independent from sales organization. And all of organizations should take responsibility for any potential risk arising from the course of their work, and comply with fair and transparent procedures within the defined scope of their responsibilities and authority. All of the executive members are required to prepare for possible deteriorations even in normal times with careful watch.

Risk Management Organization

Risk Management Committee

Risk Management Committee, under the umbrella of the Board of Directors, is the top decision-making body for risk management. One of the functions of the committee is to establish and execute the highest rank of values and norms (risk philosophy) that all of the employees should follow. If there is a problem in standards, procedures or methods in which the management runs business, the committee has authority to point out, and ask them to remedy the problem so that decisions are made in a reasonable manner. The committee consists of experts in the field of banking, finance, and economy, and efforts are made to ensure active communication among them. In 2020, the committee has put its focus on the promotion of internal ratings-based approach, response to rapidly changing financial environment and amended regulations, the reinforcement of risk management of overseas subsidiaries, the advancement of risk management at the group level, and response system for COVID-19 crisis.

Risk Management Operation Committee

The risk management operation committee is entrusted with a part of its authority from the risk management committee to efficiently carry out the group’s risk management tasks, discussing the details of the group’s overall risk management issues. The members of the committee are comprised of the risk management managers of the holding company and subsidiaries, and the risk management department heads of the banks.

Stakeholders' Participation

Stakeholders of JB Financial Group

Communication Channels of Stakeholders

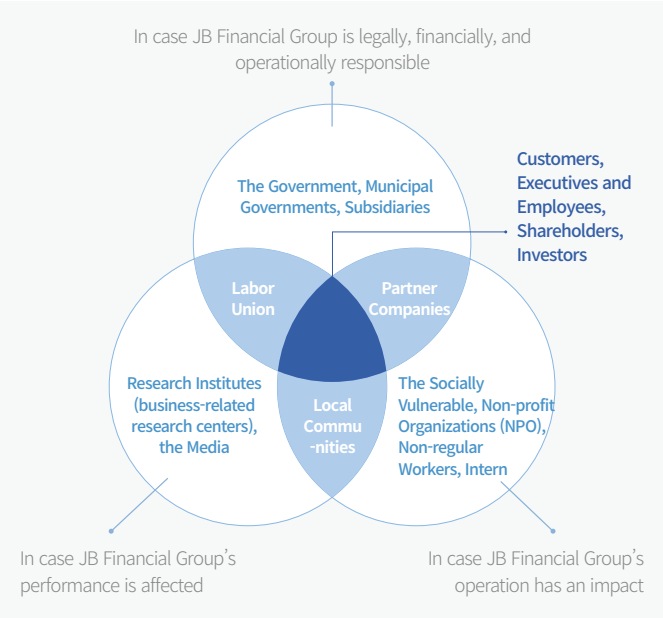
With the aim of discussing a broad range of issues across economy, environment and society with key stakeholders, JB Financial Group has established and administered communication channels by group. In addition to the existing offline channels, we strive to secure various forms of channels including online one.

Group	Category	Communication Channels
Key Stakeholders	Customers	Websites, customer support centers, customer satisfaction surveys, customer experience groups, social media, financial protection education, leaders' forum (VIP customers)
	Executives and Staff Members	Intranet notice, bulletin board, corporate culture enhancement program, CEO 'Skinship' program
	Shareholders and Investors	Websites, Board of Directors, shareholders' general meeting, international conferences, IR, etc.
Strategic Stakeholders	Labor Union	Round-table conference between labor and management and joint labor-management council, collective bargaining, intranet notice, bulletin board
	Partner Companies	Websites (channel for customer service), regular meetings with partner companies
	Local Communities	Websites, local volunteer groups of executives and employees, social contribution activity reports, university student ambassadors, social media

Identification of Stakeholders

JB Financial Group defines the scope of stakeholders in compliance with ISO 26000, standards for stakeholder identification and participation, and categorizes them into several groups by accountability, leverage, proximity, dependence, typicality and the level of influence.

Stakeholder MAPPING



Value Distribution of Stakeholders

Description	Unit	2018	2019	2020
Stockholders & Investors	JB Financial Holdings	34,982	58,303	72,685
	Jeonbuk Bank	-	-	-
	Kwangju Bank	KRW	98,983	47,981
	JB Woori Capital	1 mil	28,031	24,212
	JB Asset Management	-	-	-
	Sub-total	63,013	181,498	251,561
Wage of executives & staff	JB Financial Holdings	14,029	15,575	15,250
	Jeonbuk Bank	126,937	129,817	132,596
	Kwangju Bank	KRW	198,456	187,216
	JB Woori Capital	1 mil	57,256	60,067
	JB Asset Management	5,935	6,119	5,905
	Sub-total	402,613	398,794	421,878
Customers (Payment of interest)	JB Financial Holdings	-	-	-
	Jeonbuk Bank	208,060	203,594	144,040
	Kwangju Bank	KRW	237,618	233,366
	JB Woori Capital	1 mil	122,223	120,835
	JB Asset Management	-	-	-
	Sub-total	567,901	557,795	444,159
Regional society (Donation)	JB Financial Holdings	30	7	100
	Jeonbuk Bank	3,542	3,935	3,000
	Kwangju Bank	KRW	9,079	4,609
	JB Woori Capital	1 mil	63	10
	JB Asset Management	3	1	-
	Sub-total	12,717	8,562	8,344
Government (Corporate tax)	JB Financial Holdings	-	-	-
	Jeonbuk Bank	18,772	35,033	7,665
	Kwangju Bank	KRW	48,957	55,188
	JB Woori Capital	1 mil	23,176	28,155
	JB Asset Management	151	-2,250	1,554
	Sub-total	91,056	116,126	86,597

Materiality Assessment

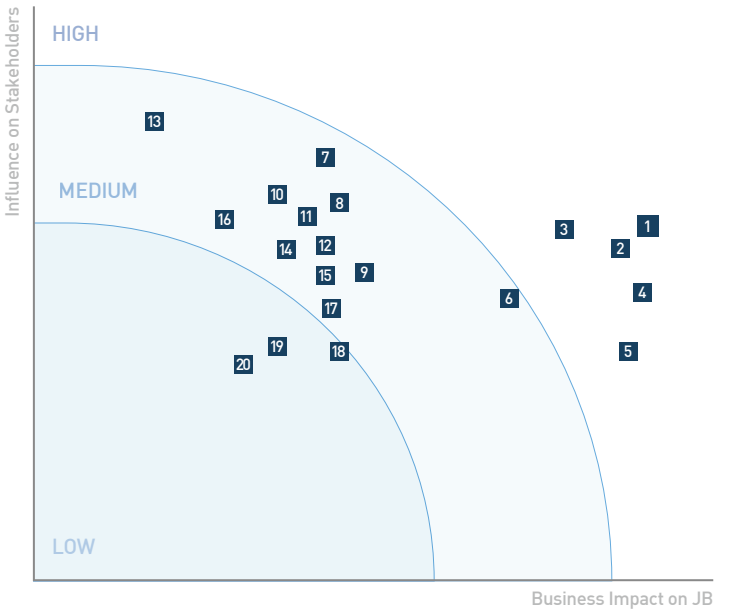
Process for Materiality Assessment

With the purpose of reflecting internal and external environments having an impact on corporate sustainable management and taking into account issues that our stakeholders are interested in, JB Financial Group has conducted materiality assessment. Following the procedures for the assessment, we have chosen material issues that the group should contemplate for sustainable management, followed by the final selection of issues after the review of our own issues in terms of risk response and future directions through the analysis of management environment, the breakdown of investor groups, and the analysis of business strategy and performance.

STEP 1 Creation of the pool of issues through the breakdown of internal and external environments	On the basis of GRI Standards, reviewing the pool of issues from the perspective of assessment response and requirements of external information disclosure such as DJSI, MSCI, SASB, KRX, TCFD, examining the pool of our own issues from the perspective of risk response, such as management environment, investor groups, business strategy and performance and peer group analysis, and future directions.
STEP 2 Identification of material issues	Categorizing issues of the pool from the perspective of assessment response, and our own issues for integration of issues, producing a total of 20 issues after removal of overlapping issues and integration
STEP 3 Breakdown of impact on stakeholders and business	<ul style="list-style-type: none">Carrying out an online survey for stakeholders - Survey contents: Materiality assessment for 20 key issuesAnalysis of business impact - Survey contents: How much 20 key issues are related to management strategy and finance of JB Financial Group (Perspective of strategic connection: strategy, long-term goal, compensation), (Perspective of financial connection: cost, earnings, possibilities of risk occurrence)
STEP4 Selection of salient issues and contents for reporting	Deciding on issues and subjects of critical topics to be reported in 2020 Integrated Report, reporting relatively lower priority of issues and information annually disclosed in the section of Appendix, minimizing descriptions on information of low importance and elaborating on significant issues.

Category	Ranking	Material Issues	Page
Material Topic	1	Financial Consumer Protection	33-34
	2	Customer-oriented Management	32-35
	3	Realization of Inclusive Finance	28-31
	4	Digital Transformation	36-39
	5	ESG Management Reinforcement	4-5
General Topic	6	Business Structure Advancement	40-41
	7	Human Rights Management	73
	8	Governance	14-18
	9	Risk Management	19
	10	Economic Performance	12
	11	Training and Education	62-64
	12	Shared Growth with Partner Companies	76
	13	Ethics and Integrity	81-82
	14	Greenhouse Gas (GHG) Mitigation	46
	15	Employment and Relations between Labor and Management	65-67, 74
	16	Occupational Safety and Health	74
	17	Stakeholder Participation	20
	18	Energy Saving	47-48
	19	Compliance	81-82
	20	Local Community	31, 70

Results of Materiality Assessment



Materiality Assessment

Management Target Approach




	✔	✔	✔	✔	✔
	Inclusive Finance Realization	Financial Consumer Protection	Customer-Oriented Management	ESG Management Reinforced	Digital Transformation
Reasons and Impact of Selection of Material Issues	Prolonged COVID-19 situation has caused economic difficulty for small business owners and people on low incomes. Under the circumstance, a variety of damages related to illegal private loans are being done to the vulnerable. Against this backdrop, JB Financial Group analyzes the nature and characteristics of the financially vulnerable to give them access as part of efforts to realize inclusive finance, which is needed to be done for our business.	In response to this issue, JB Financial Group has run the financial clinic and customized stores for the financially vulnerable and marginalized. Furthermore, the scope of our product lines and services has been expanded to reach small business owners and the lower paid. JB Financial Group plans to enlarge the breadth of services tailored to the financially marginalized within the region mainly driven by our affiliated banks.	Customer-oriented management is one of the essential elements of corporate sustainability. For the sake of better understanding on customers and the provision of products and services needed by customers, constant efforts should be made such as the establishment of the systems for communication and security system for the protection of customers so that customers are satisfied and safe.	As we are seeing increasing environment- and society-related risks and a growing demand for public disclosure of governance in the financial industry, ESG-based investment is on the increase, which makes ESG management more significant. In this context, JB Financial Group identifies ESG-related risks and opportunities to be more sustainable.	Digital transformation is emerging as a core task for the survival and growth of companies regardless of types of businesses. The financial industry is not an exception. To respond to a rapid transition into a non-contact work environment, it is fundamental to develop digital products and services. Capitalizing on our digital capabilities, we need to adjust ourselves to the market to provide right services for customers.
Management Method for Material Issues	In response to this issue, JB Financial Group has run the financial clinic and customized stores for the financially vulnerable and marginalized. Furthermore, the scope of our product lines and services has been expanded to reach small business owners and the lower paid. JB Financial Group plans to enlarge the breadth of services tailored to the financially marginalized within the region mainly driven by our affiliated banks.	As part of endeavors to safeguard the rights and interests of financial consumers, financial consumer protection organizations and committee are operated with the establishment of a management system. In addition, JB Financial Group will enhance the right to know of consumers and furnish safer financial transactions and services through public disclosure of financial consumer protection and diverse education.	JB Financial Group is keenly aware that customer satisfaction is the best sales strategy, and makes endless efforts to develop products and services that meet the needs of customers. As part of the efforts, a variety of channels are operated including social media channels, PR ambassadors, and a customer advisory group to pay attention to our customers.	ESG Committee has been launched to set the stage for more powerful ESG management. From the perspective of ESG, we strain every nerve to lay the foundation for the internalization of substantial sustainability with the expansion of sustainable management activities.	JB Financial Group has made various efforts to lead and permeate a digital culture through the financial industry. As part of the efforts, we have created a digital environment for non-contact working as well as operated a dedicated organization through the group committee. On top of that, the group has strengthened digital infrastructure from various angles.
Performance Evaluation	<div>•Total amount of sustainable finance KRW 4.70 trillion</div> <div>GOAL</div> <div>•Total amount of sustainable finance increased compared to the previous year</div>	<div>•No. of leakages of personal information: zero</div> <div>•Assessment results of financial consumer protection: (1)Jeonbuk Bank: Good (2)Kwangju Bank: Fair</div> <div>•Maintaining zero leakage of personal information</div> <div>•Earning 'Good Grade' in financial consumer protection status assessed by Financial Supervisory Service</div>	<div>•Customer satisfaction score: 97 points</div> <div>•Maintaining the current customer satisfaction score and improving the score</div>	<div>•ESG Evaluation Result from Korea Corporate Governance Service: A+</div> <div>•Establishment of ESG committee and Identification of ESG Strategic Tasks</div> <div>•Regularization of ESG Committee and ESG Council</div> <div>•Maintaining ESG grade received in 2020 from Korea Corporate Governance Service (KCGS)</div>	<div>•No. of accounts for foreigners in 2020 342,147</div> <div>•10% increase in digital account openings (non-face-to-face) compared to the previous year</div>

JB Financial Group reported in detail why the selected 20 issues matters (5 material topics and 15 general topics) and what efforts we have made to respond to them. In addition, we have set concrete targets for each of the issues selected through the materiality assessment and disclosed them.

Business Structure Advancement	Risk Management	Ethics and Integrity	Governance	Stakeholder Participation
In the era of post-COVID-19, we are seeing growing uncertainty for the future and the consequent increasing uneasiness, which requires us to prepare strategies for survival. Many of CEOs have selected 'advancement of business structure' as one of the essential tasks for sustainable growth. JB Financial Group has also advanced our business structure to acquire a sharper competitive edge.	Amid growing uncertainty, risk management is a matter of grave concern which is related to survival of company. We are confronted with both internal and external risks. External ones include climate change, the spread of infections such as COVID-19, the emergence of blockchain and crypto currency, transition into internet banking and the emergence of new technologies. The internal ones encompass labor disputes, safety accidents and the deterioration of profitability. Accurate breakdown and management of risks are one of core capabilities.	Ethics and integrity Trust is everything in banking business. Accordingly, we need to furnish ethical financial services for stakeholders based on fairness and transparency, through which companies have obligations to contribute to the development of national and local economies as well as join efforts to create a society of fairness and integrity.	Governance represents a salient decision-making system of company. Sound and transparent governance underpins smooth decision-making in every facet.	Corporate sustainable growth comes from trust building with stakeholders as well as from shared growth underpinned by stakeholders' active participation. Hence, we need to define and manage them, and expand communications channels with them to reach consensus. For the sake of mutual growth with them, active engagement of stakeholders should be drawn.
JB Financial Group diversifies our business portfolio expanding our business scope to non-banking areas such as securities, capital, and asset management to avoid too much dependence on banking, thereby generating performances through a wide range of businesses. Even in the face of COVID-19, we are securing future growth engines with expanded global presence and strategic overseas investment.	Every transaction generating profits always comes with risks. Accordingly, JB Financial Group has put in place a system for risk management and operated a dedicated organization in response to a variety of risks. Decisions concerning risk management procedures are made through the Board of Directors and the management. In addition, we effectively manage risks and prevent accidents in advance through Risk Management Committee, Risk Management Operation Committee, law-abiding monitoring, and internal control.	We cultivate an ethical culture where all of the employees can internalize ethics and integrity through the formulation of codes of ethics under the management philosophy and vision for the practice of sustainable management. Furthermore, we have operated an internal whistleblower system named 'JB Doodrim' to prevent all executives and employees from doing illegitimate behaviors, thereby accomplishing our goals for the practice of ethical management.	JB Financial Group ensures the expertise, diversity, and independence of the Board of Directors, and has refined its director election process for more orderly procedures for management succession. And the principles and standards take more concrete shape. Moreover, the Board of Directors carefully reviews and verifies candidates for the board in terms of their active and passive qualifications, personal qualities, leadership, expertise and social responsibilities. By doing so, the group makes our governance more sustainable.	JB Financial Group defines the scope of stakeholders, and classifies them into groups in accordance with 'identification and participation of stakeholders' stipulated by ISO 26000. Communication channels are also operated for interaction with them in terms of key issues across economy, environment, and society.
•Investment amount of JB asset management for overseas funds: KRW 300 billion	•No. of Risk Management Committee convened: 94 times	•No. of corruption cases and legal breaches: zero	•Attendance rate of the Board of Directors: 98%	•Listening to stakeholders and reflecting feedback and opinions from them in business operation

Materiality Assessment

Management Target Approach

	Economic Performance	Compliance	Energy Saving	Greenhouse Gas (GHG) Mitigation	Employment and Relations between Labor and Management
<div>Reasons and Impact of Selection of Material Issues</div> <div></div>	The fundamental nature of sustainable management is economic performance. Company is required to generate profits through sustainable management activities to fulfill our social responsibilities. To this end, we need to build the infrastructure for profit generation, shareholder value maximization, sustainable growth, and capacity building.	The concept of compliance in the financial sector was designed and has been developed with the purpose of preventing and uncovering money laundering. Compliance is a key element of corporate competitiveness and the top priority for survival of company.	In order to join international response to climate change, the government also encourages and regulates energy efficiency and saving. The huge amount energy is generated during the whole course of business operation. Corporate voluntary energy saving activities are vital to the future generations and environment.	The 2030 GHG reduction target and the 2050 carbon neutral strategy released by the government demands more intensive efforts to reduce GHG emissions from corporations. Global warming triggers not only physical risks but also other multiple risks such as financial and regulation-related ones. This situation gives rise to the need of various endeavors to mitigate GHG emissions.	Securing and retaining talents who will play a leading role in business management is an integral part of delivering stronger business results and keeping the market status of company. And fair recruitment is also part of social responsibility. Company is also required to put efforts into reinforcing employees' capabilities and making them live a happy and healthy life for sustainable management.
<div>Management Method for Material Issues</div> <div></div>	Various efforts are being made such as the diversification of business structure, and the maximization of synergy generated among subsidiaries to become small but strong, and the best financial company. As part of the endeavors, we cut down on expenses by streamlining to an intensive degree, and reaped good economic results by focusing our capabilities on our key businesses. In 2020, JB Financial Group posted KRW 363.5 billion in net income, 6.3% up year-on-year.	JB Financial Group has put in place a system to observe related laws to promote sound management and protect investors and customers. We have a compliance officer in charge of compliance. On top of that, we have drawn up and implemented our internal control standard while more thoroughly striving to comply with it such as receiving related advice or managing computer security.	JB Financial Group encourages and practices the use of low-carbon energy and renewable energy in the entire business management. In addition, we have conducted energy saving activities while encouraging the use of products with high efficiency energy ratings for all equipment, vehicle materials, and other goods.	JB Financial Group manages the GHGs internally emitted through our inventory system on a monthly basis. The emission of GHG generated by business trip of our employees is also one of our management areas. Moreover, we are providing more eco-friendly investment products.	JB Financial Group hires talents through fair recruitment procedures without any form of discrimination according to race, age, and gender. And we do not discriminate against our employees on the grounds of gender or disability in treatment and promotion. In addition, we guarantee the complete freedom of formation of a labor union, unionization, and its activities while working hard to keep our employees' lives healthy and abundant.
<div>Performance Evaluation</div> <div></div>	<div>•Net income for 2020: KRW 363.5 billion</div> <div>•Controlling Interest (ROE) 10.1%</div> <div>•Return on Assets (ROA) 0.77%</div>	<div>•No. of internal control system operated: 4,033 times</div>	<div>•Energy Consumption 215.693 TJ</div> <div>•Water usage reduction 5,965ton</div> <div>(2019: 57,713 ton 2020: 51,748 ton)</div>	<div>•Amount of GHGs emitted 11,264 tCO₂eq</div>	<div>•Ratio of union membership to those subject to union membership 100%</div>

Occupational Safety and Health	Training and Education	Human Rights Management	Local Community	Shared Growth with Partner Companies
The health and safety of employees are directly associated with the soundness of company. We need to make constant efforts to make JB Financial Group sustainable by managing physical and mental health of our employees and minimizing injuries and diseases in line with the principles of occupational safety and health.	Employees need various training and education to grow and build their expertise to become financial talents. The provision of training and education is one of essential not only to individual development but also to making company adjust to a faster-moving financial market and digital environment.	Human rights management values people. Under this management, the human rights all of stakeholders, including not only employees but also customers and the members of partner companies, are respected without undue value on the maximization of profits. Company needs to practice human rights management putting people first.	Supporting activities considerate towards the socially vulnerable and marginalized are an integral part of realizing community. Company should reinvest and give back some parts of economic results generated through regions to local communities. By doing so, company should try to go hand in hand with local communities.	JB Financial Group practices fair trade, which means fair competition, mutual equality, and ethical trade are guaranteed in all business relations. Fair trade is of great importance since it underpins the expertise, safety, and transparency of financial institutions, and is directly related to safe management of customers' assets and the efficiency of business operation.
JB Financial Group endeavors to prevent industrial accidents responding to emergency situation by educating occupational safety and health for its employees. Furthermore, we support our employees in their mental and physical health management.	JB Financial Group has provided a wide range of educational programs such as eco-friendly education, and anti-corruption training as part of efforts to be more sustainable in our operation. Going forward, diverse training and educational programs will be furnished to advance ourselves.	JB Financial Group strives to reach the international level in terms of human rights management under our management principles of respect for human rights while establishing a process for the prevention, reporting, and remedy of human rights-related issues. Human rights assessment has also been conducted to identify risks on this matter. Based on the results of the assessment, we produce areas of improvement, thereby beefing up the level of human rights.	JB Financial Group has carried out social contributing activities in a way that helps local communities stand on their own, and directly generate economic and social values such as financial assistance and job creation, beyond just making donations to local communities.	JB Financial Group has maintained shared growth-oriented relationships with various partner companies including IT security firms, credit ratings agencies, audit companies backed by mutual respect rather than unilateral transactions. In addition, we have advantageously purchased products manufactured by local SMEs or small business owners in diverse partnerships with them to help them grow in a stable manner in the spirit of common destiny.
<div>•Since the outbreak of COVID-19 in 2020 Working from Home</div>	<div>•JB Financial Group total employees</div> <div>- Total education cost (KRW 1 mil) Men: 1,122 / Women: 826</div> <div>- Total education time Men: 95 hours Women: 108 hours</div>	<div>•The Case of Discrimination and Bullying in 2020 Zero case</div>	<div>•No. of the employees in all affiliates participating in volunteer works in 2020: 13,589</div>	<div>•Local purchase rate: 76.7%</div>

OUR APPROACH to SUSTAINABLE FINANCE

Realization of Inclusive Finance	28
Customer-centered Finance	32
Digital Finance Innovation	36
Global Business Expansion	40



01

REALIZATION OF INCLUSIVE FINANCE



Prolonged COVID-19 has generated more financially vulnerable people, while making it more difficult for them to access finance. Against this backdrop, JB Financial Group will create opportunities to go hand in hand with them by carrying out multiple social contributing activities, giving them more access to finance, and relieving financial burdens, hereby translating inclusive finance into reality.



WHY

Why Is This Topic Critical?

Inclusive finance means giving the financially marginalized more access to finance as well as proving more opportunities for vulnerable families and corporations. Prolonged COVID-19 has deteriorated the economic struggles of small business owners and people on low incomes with financially alienated people increasing. Financial institutions should be cognizant that inclusive finance is part of their original functions, and have obligations to resolve financial access issue by analyzing the nature of this financial vulnerable group and supporting them in their economic activities.



WHAT

What Is Our Approach?

JB Financial Group has conducted diverse activities tailored to each local area to convert inclusive finance into reality where we go hand in hand together under the mission of 'A Reliable Neighbor for Local Community'. As part of the activities, we will constantly provide emergency funds for business stabilization and special interest rates in favor of small business owners and the lower paid who have taken a big hit from COVID-19. In addition, we will make every effort to create a society where we grow and smile together through activities needed for local residents, such as volunteer works to improve local environments of Kwangju Bank's local volunteer group and the establishment of a cultural shelter for the elderly and a JB study room of hope for youth driven by Jeonbuk Bank.

OUR APPROACH

Financial Access for Inclusive Finance

Operating Centers for Inclusive Finance Practice

JB Financial Group has formed a promotion team for inclusive finance in charge of the formulation of strategies for products, marketing activities. As part of the efforts, various centers for inclusive finance have been also operated so that we can practice inclusive finance and furnish practical help to financial consumers. Jeonbuk Bank has run 'Warm Financial Clinic Jeonju Center' while Kwangju Bank has operated an inclusive financial center. Both banks provide various forms of loan assistance, stabilization funds as well as loan consultations. Furthermore, they make consultation service available even in the evening of weekdays and on Saturday to make it more convenient for customers having difficulty visiting banks within working hours to use the service, thereby propping up them. Furthermore, Jeonbuk Bank adopted products exclusive to foreigners working in Korea to help them with their living expenses here or funds remitted to their own country in 2020. The center also identified diverse channels for the bank to first reach out to customers who have strong will to repay their debts, thereby becoming a new role model of customer credit management and bank. Meanwhile, Kwangju Bank has entrenched itself as one-stop comprehensive consultation service center for assisting small business owners through various projects including free management consulting service and assistance business for education for the financially marginalized.

Financial Support for Foreigners

JB Financial Group operates 6 centers for foreign workers residing in Korea including Suwon Finance Center for Foreigners. The finance center for foreigners offers a variety of financial and loan services to alleviate burdens of foreign workers who take high-interest loans. Staff from 12 countries such as Nepal, Myanmar, the Philippines, and Cambodia in the centers provides services even on holiday, assuming a role of consulting and providing information for foreign workers. For customers who are restricted from activities owing to COVID-19, we launched a visiting service called 'JB GO' as well as a non-contact service using video calls, 'JB VIDEO CALL'. In addition, we are actively promoting the use of mobile banking. Going forward, we will run broadcasting programs through social media solely for foreign workers while continuously supporting them with the provision of financial education and useful information on living in Korea.

Kwangju Bank

Excellence Prize

awarded by Financial Supervisory Service in the category of management consulting assistance for inclusive finance

No. of accounts for foreigners in 2020

43,904

Jeonbuk Bank 41,855
Kwangju Bank 2,049



Kwangju Bank

Development and launch of Prime Plus Loan, a non-face-to-face mid-range interest rate loan for customers of low and middle range credit standing

Kwangju Bank has applied mid-range lending rate used in face-to-face channels into non-face-to-face products. 'Prime Plus Loan', a product exclusive to non-face-to-face channel, is designed to embrace customers of low and middle range credit standing into the banking sector by identifying their financial needs and granting them proper credit limits and interest rates within the breadth of risk management. The bank worked with an external credit rating agency to develop this product and adopt an evaluation model using a machine learning technique equipped with risk discrimination and data of diverse items.

OUR APPROACH

Operation Status of Inclusive Finance Center for Foreigners

Region	Center	Address
Seoul	Dongdaemun Retail Finance Center	Eulji-ro 251, Jung-gu, Seoul (Giseong Plus building 3 rd floor)
	Daerim Lounge	Dorim-ro 39, 7-2, Yeongdeungpo-gu
Gyeonggi-do	Suwon Finance Center for Foreigners	Maesan-ro 37, Suwon-si, Gyeonggi-do (KT&G building 5 th floor)
	Pupyeong Retail Finance Center	Bupyeongdaero 15, Bupyeong-gu, Incheon-si (Seopa building 2 nd floor)
Jeollabuk-do	Warm Finance Clinic Jeonju Center	Paldal-ro 216, Wansan-gu, Jeollabuk-do
	Iksan Lounge	Jungang-ro 5-gil 10, Iksan-si, Jeollabuk-do

Exclusive Branches for the Elderly

JB Financial Group takes lead in inclusive finance with our branches exclusive for the elderly, which are the only concept in the banking industry. As the digitalization of finance progresses rapidly, Kwangju Bank operates three branches exclusively for the elderly so that seniors who are not familiar with online and mobile financial transactions can receive detailed information in a friendly manner. We furnish preferential interest rate benefits as well as services that are exempt from all fees such as remittance to other banks and certificate issuance fees. In particular, the third branch specialized for the elderly opened in 2018 offers health counseling services in connection with public health care centers.

Warm Finance Clinic Finance Center for Foreigners



Inclusive Finance in COVID-19 Era

Financial Assistance for Individuals and Corporations

Entire organization of JB Financial Group has entered into an emergency response system in order to give substantial financial support to customers hit by COVID-19. With an attempt to minimize the damage of local small business owners, Jeonbuk Bank and Gwangju Bank injected a total of KRW 100 billion in the form of emergency management stabilization funds into companies suffering from liquidity shortage owing to decreased sales. On top of that, special interest rates are applied in favor of small and medium-sized firms and private businesses affected by the pandemic, such as travel, accommodation, and restaurants. If any of the victims have loans at maturity, the deadline is extended without repayment of the principal and amortization payments are suspended. Since February 2020, Jeonbuk Bank has been providing a total of KRW 200 billion of emergency stabilization funds for companies which take the brunt of COVID-19 with up to KRW 500 million furnished per company in addition to new support, maturity extension and interest rate reduction (up to 1%), and deferring of principal and interest. As of the end of December 2020, 8,476 contract loans worth KRW 208.2 billion were newly provided, and 3,884 loan maturity worth KRW 768.7 billion were extended. Besides, low-interest loan products in partnership with related institutions and local governments including the credit guarantee foundation are launched to support for those damaged.

Donation for Overcoming COVID-19

JB Financial Group raised contribution from major subsidiaries to make donations to help local communities overcome the lingering pandemic. In March 2020, a total of KRW 650 million was donated to Community Chest of Korea and Korean Red Cross with KRW 350 million delivered to Jeonbuk and Jeonnam regions and KRW 300 million to Daegu and Gyeongsangbuk-do regions where the virus hit the most. Donations were spent rendering medical assistance, conducting quarantine activities, and supporting the vulnerable in their livelihood. On top of donations, we have been actively helping the people suffering from COVID-19 through a blood donation campaign of employees, donation of masks, and vitalization of consumption in traditional markets.

Donation for Overcoming COVID-19

KRW 650 million

Donation of

70,000 masks

Social Value Realization through Finance

JB Financial Group's Social Contribution Activities

JB Financial Group is a region-oriented financial company, carrying out a variety of social contribution activities to foster the future generation as well as to improve the quality of life in local communities. In 2020, we undertook non-contact activities in line with the change in social paradigm derived from COVID-19. In order to disseminate the sharing culture of our employees, we conducted non-face-to-face donation campaigns like making toy soaps and sending out new books in return for old books. As the importance of hand washing has come into focus in the pandemic situation, ‘Hands on Project’ was also carried out so that children of the underprivileged can stay healthy during the winter.

Sharing Activities with Communities

Amid the sudden outbreak and prolonged period of COVID-19, JB Financial Group’s subsidiaries, Jeonbuk Bank and Kwangju Bank continued to perform social contribution activities in 2020 such as supporting the underprivileged and medical staff affected by the pandemic for the purpose of making the world nicer. On Lunar’s New Year, a national holiday, we launched the ‘Love Neighbor Gift Package for the Lunar New Year’ to help the socially underprivileged neighbors to spend a prosperous holiday without being marginalized. In addition, ‘JB Hope for Children in class’, ‘JB Blooming Hope in class’, ‘JB Blooming Hope in children’ businesses were implemented to let the young children and students who are the future leader of the world to unlock their dreams while granting scholarships for youth and college students. Each local volunteer group in both bank has conducted diverse activities including environment clean-up and visits to welfare facilities. Going forward, JB Financial Group and our subsidiaries will fulfill our social responsibility as a member of community and communicate with local society through our local community-based support projects.



- 1. Jeonbuk Bank ‘New Year’s day Gift Package for Neighbors’
- 2. Kwangju Bank ‘Blooming Hope in Class’
- 3. Jeonbuk Bank Community Love Volunteer Group ‘Flood Recovery Volunteer Activity’
- 4. Kwangju Bank ‘Medical Team Support Package’

02

CUSTOMER-CENTERED FINANCE



OUR TARGET

Understanding customers' needs and satisfaction is the most required for building a sustainable financial institution. In response, we make our best efforts to protect financial customers and their information in order for them to safely enjoy our financial services. Moreover, we actively communicate with them to create a financial environment where customers can be satisfied.



WHY

Why Is This Topic Critical?

The collapse of business boundaries among financial institution has increasingly intensified competition in the financial market. Against this backdrop, there are growing needs for customer-oriented management and financial services. Therefore, we need to think and communicate from the perspective of customers through the whole business process ranging from product development to follow-up management, rather than putting products or sales first. An organized system for financial consumer production is also required for our customers to enjoy safe financial transactions, based on which a financial environment should be created where the safety and satisfaction of customers come first.



WHAT

What Is Our Approach?

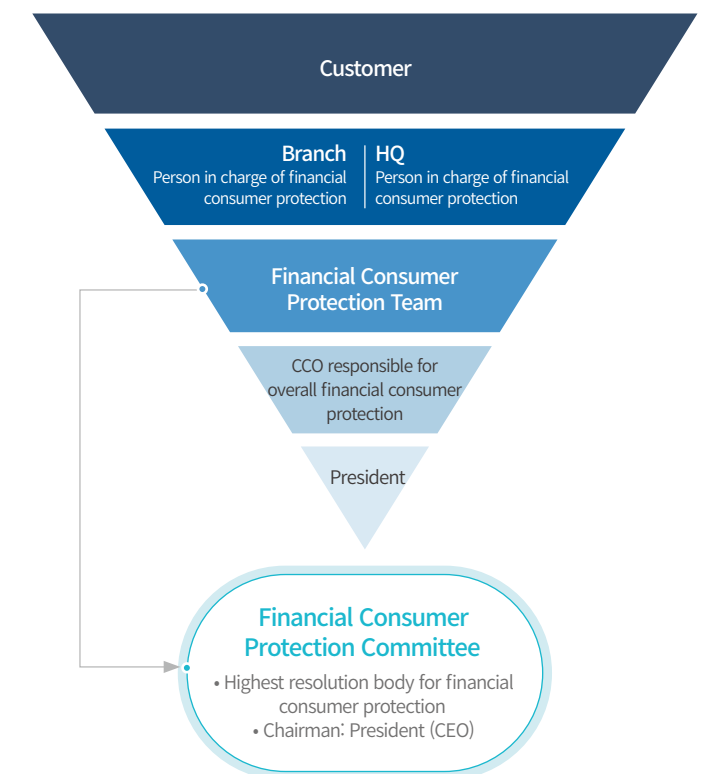
We make strenuous endeavors to bring safe financial services to customers under the organization and system for the safeguard of financial consumers and their information. For their right to know and the protection of their rights and interest, we will continuously disclose consumer protection announcement. We will keep paying heed to grievances and interacting with customers for better financial products and services by finding ways to remedy problems and applying them to future products and services. Putting customers and their information protection first and reinforcing customer-oriented management, we will always advance and monitor our customers' safety, thereby making much safer financial environment.

OUR APPROACH

Efforts to Protect Financial Consumers

Organization for Financial Consumer Protection

JB Financial Group operates a financial consumer organization prioritizing our customers while forming and running a process for grievance handling and product development aiming at safeguarding financial consumers. The chief department performs its duties of safeguarding financial consumers with authority as an independent organization dedicated to the protection under the umbrella of the top management with vice president assuming the role of Chief Customer Officer (CCO). Joined by associated executives and the heads of departments, the Financial Consumer Protection Committee finds ways to resolve issues after discussing with chief departments and related departments, such as product development and sales, policy directions and basic plans concerning financial consumer protection as well as issues requiring feedbacks after the analysis of grievances and room of improvement in the regarding system. From the third quarter of 2020, the chair of the Financial Customer Protection Committee was promoted to CEO in order to upgrade the status of the committee, and the CEO is directly supervising the response to the Financial Consumer Protection Act.



JB Financial Group's Consumer Protection Charter

This Charter sets the behavioral values and standards that JB Financial Group shall uphold in providing client-centered financial services and protecting the rights and interests of financial consumers.

- We shall provide accurate financial information keeping the rights and interest of financial consumers as our first priorities.
- We shall protect and use financial consumers' information in the most legal, safe and appropriate manner.
- We shall make sure to protect financial consumers from unreasonable discrimination and unsound business practices.
- We shall process financial consumers' complaints and damages as quickly as possible and try to resolve them in the sincerest manner.
- We shall reach out to the financially disadvantaged groups and fulfill our responsibilities as a member of the community.

OUR APPROACH

Management of Consumer Information Protection

Customer information is a significant asset of customers, and leaked personal information is at risk of being abused for criminal activities such as spam mail, illegal marketing, and voice phishing. Thus, we put our emphasis on consolidating information protection capabilities with the top-level system in Korea. Complying with laws and regulations related to information protection, our efforts to strengthen information protection enable our customers to securely use financial services. Jeonbuk Bank established an information protection management system (ISMS) and has got certified with the internet banking system as well as treasury system for Jeollabuk-do and local cities and towns, which enables, Jeonbuk Bank to be officially recognized for external trust secured in terms of the adequacy and stability of the ISMS. Furthermore, the system lays the foundation for preemptive prevention and response to information leakage from the computer system and the consequent damages.

Development Process for Consumer Protection Products

JB Financial Group has formulated and operated a product development process for safeguarding financial consumers by subsidiary. The process enables us to identify external factors in the financial environment and to analyze customer needs while allowing our customers to use our financial products in a safe manner.

Development Process for Consumer Protection Products

STEP 1	Information gathering and investigation <ul style="list-style-type: none">Analyzing market variables such as policies and financial climateLooking into customer needsChecking customer suggestion section
STEP 2	Planning product development <ul style="list-style-type: none">Preventing irrational discriminationPreventing incomplete salesEvaluating collected information
STEP 3	Product development <ul style="list-style-type: none">Monitoring checklistsProduct descriptionReaching an agreement on new products in advance
STEP 4	Marketing and sales <ul style="list-style-type: none">Establishing marketing strategiesProducing promotional materialsTraining sales staff
STEP 5	Post-management <ul style="list-style-type: none">Breaking down product resultsVOC feedbackProduct assessment and rewards

Reinforcing Customers’ Right to Know

Disclosure of Financial Consumer Protection Results

For the objective of securing our financial customers’ right to know, JB Financial Group officially announces the number of grievances received and evaluation results. Total number of grievances as well as the number of complaints by financial product type and major products is disclosed on a quarterly basis. The evaluation results of financial consumer protection are released in two categories; quantified and non-quantified sectors. This is to safeguard the rights and interest of financial consumers and to help developing products internally. Going forward, the group will strive to grow and advance ourselves together with our customers.

Education on Financial Consumer Protection

With an objective of enhancing capabilities of financial consumers and preventing damage, we are operating a variety of financial educational programs. Jeonbuk Bank has given a number of practical financial education programs including hands-on experiences and visiting training to elementary, middle, and high schools by setting up sisterhood ties with them under the name of ‘one company to one school for financial education’. Also, a program called ‘financial culture education for multi-cultural family’ offers opportunities to understand finance easily for international students and multicultural families who are struggling with financial transactions due to language and cultural barriers. Kwangju Bank also makes efforts for consumer protection education, implementing educational programs for students and multicultural families and designating the first business day of each month as the Financial Consumer Protection Day. Besides, it publishes reports on financial consumer protection named ‘Adding Happiness to Finance’



four times a year to deliver consumer behavior tips and precautions by financial crimes that frequently occur.

Strengthening Customer-oriented Management through Communication

Customer Management Strategy

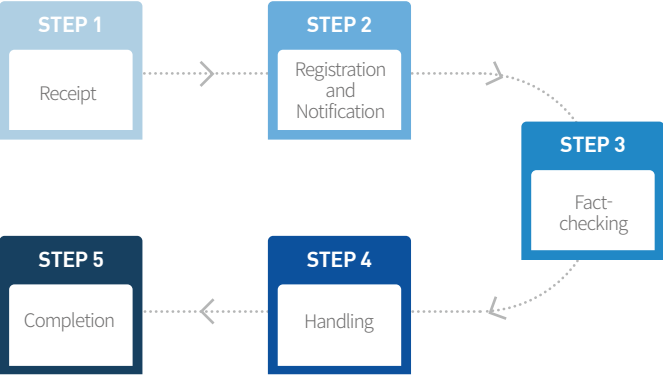
Customer satisfaction is essential to the acquisition of new customers, the retention of existing customers, and the securing of potential customers. Therefore, JB Financial Group puts customer satisfaction management at the heart of our customer management strategies. As it is a factor that directly affects corporate performance, we make sure we put ourselves in the shoes of customers in the course of business while doing our best to support reasonable and fair financial activities by providing sufficient information for customers. As ways to get closer to customers, we reinforced customer satisfaction management and used story marketing in our promotion, and at the same time we have consistently improved financial accessibility. Since 2019, Kwangju Bank has moved 6 branches above the second floor to the first floor in consideration of elderly customers and the financially disadvantaged, and has moved 5 branches to areas with convenient access and sufficient parking spaces, exercising customer-centered management.

Grievance-handling Process

JB Financial Group and our subsidiaries receive grievances and complaints through various channels including website, phone call, and visiting so as to reflect our customers’ valuable opinions into bank management. The grievances received from our clients are registered

in our grievance system and the person in charge seeks a solution by checking the facts and identifying root cause. Following those steps, processing status and result of it will be notified to the customer who sent the complaint. After analyzing the cause of the complaints, we improve our system and services and conduct training for related employees so that related complaints will never be repeated again.

Grievance Handling Process



Channels for Communication with Customers

In pursuit of growing together with clients as well as rendering more convenient and safe financial services, JB Financial Group has been communicating with our customers. As part of the endeavors, in November 2019, the first JB Financial Group’s social media ambassador group, ‘Bridge’ was founded. They played a role of promoting the company’s brand and being an outlet for communication through social media, and their various contents facilitated closer interaction with customers. Also, Jeonbuk Bank recruited the second group for customer consultation called ‘Saeng Saeng Talk’ in 2021, which is a customer panel system for identifying room of improvement in terms of product, service, and process together with customers, and actively listening to their voices. Thanks to the system, Jeonbuk Bank and its financial customers became much closer on the basis of better convenience and strengthened protection for financial consumers.

03

DIGITAL FINANCE INNOVATION



OUR TARGET

Financial products and services using digital technology are becoming more and more imperative due to the increasing non-face-to-face work environment. With an aim to provide customers with more convenient and smart financial products and services, we established Robotic Process Automation (RPA) system and open a banking platform, taking lead in the innovation of financial services through digital technology.



WHY Why Is This Topic Critical?

With the advent of the 4th Industrial Revolution, the financial climate is changing rapidly more than ever, and the advancement of diverse digital technologies such as Artificial intelligence (AI) and Internet of Things (IoT) has a tremendous impact on financial institutions, emerging as a key task for survival and growth. The widened non-face-to-face work environment made it essential to create new digital products and services. A variety of digital finance, like electronic money, internet banking, RPA, has been spreading as well.



WHAT What Is Our Approach?

We have put efforts into leading and disseminating the digital culture in the financial industry. In order for raising convenience and securing non-contact competitiveness, a digital environment will be built in a far more stable manner by refining a transaction system for our customers to enjoy various services even without visiting branches in person. Through AI and big data development, we will bring more convenient and smart asset management services to our customers by recommending customized products and analyzing risk tendencies for customers. To this end, we continue to foster internal digital talents and nourish digital expertise to further strengthen every facet of digital infrastructure required for the financial industry.

OUR APPROACH

Consolidating Organization for Making Digital Finance Real

Sharpening Internal Competence in Non-contact Era

‘Group Synergy Consultative Body’ in JB Financial Group is in charge of operating digital strategy tasks comprehensively. In the process of digital-related tasks in the group, the body strives to embrace opinions from various divisions in the entire subsidiaries with an objective to create a culture where all of the employees can take part in digitalization. The digital sector of the group is diversified into two; Digital Transformation (DT) and Digital Analytics (DA). DT discusses the direction for digital transformation and cooperative ways to make synergy, on the other hand, DA is responsible for sharing the process about creating data analysis environment among affiliates. Since 2019, each bank placed a person in charge of digital area for enhancing digital competencies, which enabled us to greatly advance the Open Banking Platform (OBP) both in Jeonbuk Bank and Kwangju Bank. On top of that, open recruiting of new employees utilizing non-contact technologies has elevated the level of the trust and fairness of the recruitment. Kwangju Bank particularly implemented BIB Strategy* in line with digital and IT strategies of the group while securing digital experts.

*BIB Strategy: smart banking system, My Data, RIMS, BDT service expansion, etc.

JBFG Digital Community

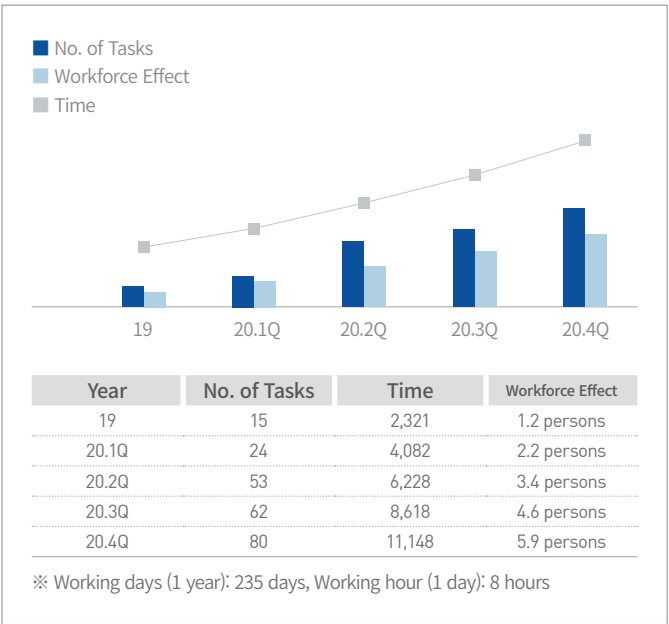
In May 2020, JB Financial Group set up a ‘Digital Community’ composed of employees at the level of managers and below. The participants of the community are sharpening their digital competencies through self-learning, thereby fostering the digital culture throughout the entire group. The Digital Community has been active on topics like digital culture, digital products and services, and TECH (big data, AI, block chain). Since last August, the group posted digital-related contents on JB Group’s webzine, ‘Aureum’. It also collects digital information on the basis of individual autonomy while planning and holding related events. Outstanding contents are shared with all employees and CEO rewards are also given to those who showed superb activities in each affiliate. Starting with the launch of the Digital Community, JB Financial Group will continue to make strenuous efforts to disseminate a digital culture across the company while nurturing internal digital manpower and strengthening digital capabilities.

Innovation of Financial Service through Digital Technology

Robotic Process Automation (RPA) System

Jeonbuk Bank reinforced its competitive edge in Robotic Process Automation (RPA) to provide better customer services. The RPA was expanded to not only headquarters but also a few branches, alleviating work burdens of staff. Jeonbuk Bank’s adoption of RPA is the first case to bring RPA technology that takes repetitive tasks previously performed by humans into branches. In case of Kwangju Bank, it has formed a high rank of RPA operation reference by considerably expanding the coverage of RPA-based work compared to the previous year, thereby expecting the reduction of manpower and time (operating 51 hours a day) and the higher level of productivity and concentration (adopted in 80 tasks in 19 HQ divisions). The materials including certificates, confirmation documents, and transaction records are provided to customers capitalizing on RPA technology, not by ARS consultants. Even clients who have not subscribed to internet banking or smart banking can easily request various certificates and receive document through the automated system. Approximately 36,000 hours of work reduction is expected yearly through the adoption of RPA.

Kwangju Bank’s Support for RPA



OUR APPROACH

Digitalization in Banking Operation

Open Banking Platform, ‘Obank’

Launched in 2017, JB Financial Group’s ‘Obank’ is an open banking platform that leads the way in the digitalization of banking business, enabling collaboration with a variety of partners. Obank has a unique concept of furnishing banking services by sharing financial licenses with partner companies. The diverse financial services encompass from P2P finance, overseas remittance of small sum, connecting loans to non-face-to-face name verification on the foundation of Open API development and collaboration with fintech companies. We are already making profits with overseas remittance fees of small sum of money through API-based collaboration with large fintech companies. Obank enables banks to utilize third party such as online portal, crowd funding, P2P loan, telecommunication company, or retails, as a digital branch in addition to the existing physical branches and digital channels. The increased contact points approaching customers will expand the sales opportunities for products and services. We have entered into partnerships with large fintech firms such as Kakao Pay, Toss, and Finda in regard of API-based service comparing interest rates service, expanding non-face to-face inflow channels. This demonstrates our unique innovative breakthrough, digitalizing banks through making overall bank value chain digitalized through channel digitalization.

Robo-advisor ‘KJ Mybot’

Robo-advisor is a compound word of robot and investment advisor, rendering asset management services tailored to each customer on the foundation of big data analysis. Kwangju Bank implemented the Robo-advisor asset management service at sales branches since 2018. KJ Mybot launched in October 2020 is a service fund recommendation available in smart banking. A ‘Three Bucket’ management method that recommends products in consideration of investor risk tendencies was introduced by KJ Mybot for the first time in the banking sector. It calculates risk bucket in three levels; low risk, market risk, high risk followed by presenting deposit as well as investment products suitable for the propensity of clients. This is a best example of digital finance innovation that ensures convenient financial life and offers smart asset management services.



Financial Service Provided through AI and Big Data

Digital innovation is one of the 8 key tasks of JB Financial Group. Accordingly, we aim to improve efficiency and customer convenience at the same time by making our customer service and business system even better. By adopting Artificial Intelligence (AI) and big data services, Jeonbuk Bank and Kwangju Bank have strengthened digital-based comprehensive financial services. In particular, mobile banking was improved with visible ARS introduced in order to upgrade our customer service. Those services have also obtained accessibility quality certification, raising convenience of financially vulnerable groups including the disabled and the elderly. Both banks already have promoted non-issuance of paper bankbooks since September 2017, replacing necessary documents for counter work with tablet PC for better work efficiency. Going forward, we will make corporate-wide efforts to discover innovative financial services so that we can build a digital financial environment where customers come first.

Enhanced Digital Business through Cooperation

JB Financial Group has broadened the scope of digital financial businesses in partnership with fintech and ICT companies. Jeonbuk Bank made a contract with Enliple for enlarging the areas of AI-based data platform. The exchange of Jeonbuk Bank’s non-face-to-face financial competitiveness and Enliple’s cutting edge digital new technologies including AI, big data, and AD Tech will bring us a sharper digital competitive edge. We have secured and analyzed a total of 1,330 inquiries received from customers as well as answer data to those questions. Through these efforts, we will present ourselves as the next generation digital banks by rendering new non-face-to-face customer service and new concept of product proposal service.

Chatbot Performance in Collaboration with Enliple (During Nov. 2020-Mar. 2021)

Period	No. of Exposure	Click Counts	Total No. of Answers
20.11	32,560	716	542
20.12	91,596	1,836	3,724
21.01	107,341	2,013	4,513
21.02	85,871	1,528	3,321
21.03	123,374	1,109	1,557

No. of Jeonbuk Bank’s Open API Services Rendered through Obank Platform

Type		Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
No. of API Usage	Remittance & Currency Exchange	20,170	20,881	24,893	26,377	38,314	35,293	43,880	41,492	39,343	33,607	34,142	37,986	396,378
	Others (connecting loans, identification, etc.)	3,213	3,431	4,019	4,295	5,614	7,296	37,394	23,311	16,521	240,893	377,820	600,373	1,324,180
	Total	23,383	24,312	28,912	30,672	43,928	42,589	81,274	64,803	55,864	274,500	411,962	638,359	1,720,558



04

GLOBAL BUSINESS EXPANSION

OUR TARGET

Aiming at lifting business profitability and qualitative growth amid uncertainty and anxiety about the future, it is critical to diversify business structure with the expansion into global business. Therefore, JB Financial Group has identified future growth engines and raised business profitability by expanding our presence into the global market and non-banking areas in our portfolio.



WHY Why Is This Topic Critical?

As we are seeing the growing uncertainty and anxiety on the prospects of the post-COVID-19 era, the diversification into global business is ever more imperative as a survival strategy. A lot of financial institutions are expanding itself to the non-banking sector to bring performance and profits in a variety of businesses. For securing competitive advantage and becoming a sustainable financial group, we are required to strategically advance into global markets and invest overseas as part of securing future growth engines.



WHAT What Is Our Approach?

We have been identifying future growth locomotives through expanding non-banking business sectors as well as making inroads into global markets. On the strength of the know-how accumulated in retail business and capital, our plan is to establish a new global business system, pushing forward overseas expansion and discovering new business opportunities. Our business diversification strategy will be implemented taking advantage of tips and know-how on local real estate and infrastructure development, which will bring about not only advancement in quality but also business profitability.

OUR APPROACH

Establishing New Southern Finance Belt in Southeast Asia

Financial Service Considering Local Needs

PPCBank operated in Cambodia hit a record-high revenue on the strength of its marketing activities and customer services living up to local needs and environments, thereby becoming the number 1 Korean bank in Cambodia in terms of profit. PPCBank developed a core banking IT system called 'APSARA' with its own technology for the first time in Cambodia, realizing the full computerization of entire process from consulting loans to post-management. The system has made it possible to provide customized consultation using customer information database while reinforcing foreign exchange business and supporting marketing competency. Owing to the fact that 'APSARA' system is able to compatible with other financial environment other than Cambodia, this local-friendly advanced system is expected to be introduced in other countries in Southeast Asia where IT system is underdeveloped.

Overseas Infrastructure Development through Investment Banking

JB Financial Group established the first overseas comprehensive financial group system in banking and capital sectors among regional financial groups. We officially launched JB Securities Vietnam (JBSV) after changing its name from Morgan Stanley Gateway Securities. JBSV is incorporated into an affiliate of Kwangju Bank, focusing its businesses to connect domestic and overseas investors with promising investment opportunities such as real estate development in the Vietnamese financial market. Going forward, we will put our emphasis on investments having high potentials, diversifying our profit channels at the group level.

Boosting Global Alternative Investment

Expansion of Overseas Infrastructure Fund

JB Asset Management, a subsidiary of JB Financial Group, is further expanding global alternative investments. We are doing our best to sharpen our capabilities despite the difficulties of expanding overseas business due to COVID-19 for the purpose of getting recognized in overseas alternative investment markets with our unparalleled global investment strategies. JB Asset Management is expanding overseas infrastructure funds mainly in the U.S. and raised funds to invest about KRW 300 billion in energy infrastructures including gas complex power plants at Ohio and New England in the U.S.. On top of that, its plan is to increase overseas real estate rental revenue and strengthen real estate private equity. For example, it purchased and leased the headquarters building of 'ENI', the biggest energy firm in Italy. In case of Kwangju Bank, it has diversified investments in solar power generation business through the New Renewable Energy Business Fund and granted loans to the fuel cell power business in logistics complexes. We are going to generate additional profits by growing quality assets through real estate PF loans proven by guarantee certificates and financing based on human networks by construction company.

Enhancing Competitiveness of Subsidiaries Focusing on Foreign Markets

With an aim of enhancing competitiveness in the domestic market as well as achieving a sustainable growth of PPCBank, one of our main overseas subsidiary, Jeonbuk Bank dispatched a support team for management consulting in three areas; business management, accounting, and capital. On the foundation of it, we have supported with the management, advancement of business management, the introduction of a systematic settlement process, and the establishment of an efficient financing plan tailored to local circumstances. Besides, JB PPAM plans to make inroads into long-term fund, local fund, and real estate fund markets starting with managing short-term fund mainly centered on safe assets. Going forward, we are preparing to lay the cornerstone of advancing into the adjacent Southeastern asset management markets such as Vietnam and Thailand.



PPCBank Office building

ESG KEY FIGURES

Environment Part	44
Social Part	50
Governance Part	80



01 Environment Part

Action on Climate Change

JB Financial Group is continuing our efforts to reduce GHG emissions by enacting environmental management principles, operating eco-friendly branches, and expanding green finance. With an aim to raise employees’ environmental awareness, various educational programs are being operated, including green management and green finance courses, and training for users of the greenhouse gas inventory system. We also established a management system in connection to financial performance to save resources and energy by 10% a year. Check the JB Financial Group website for more on our environmental management.

Violation Against Environmental Laws

From 2016 to 2020, there were zero fines or sanctions (including civil complaints) incurred by the breach of environmental laws and regulations.

Description	Unit	2018	2019	2020	Remarks
Violation Against Environmental Laws	JB Financial Holdings	-	-	-	
	Jeonbuk Bank	-	-	-	
	Kwangju Bank	-	-	-	
	JB Woori Capital	-	-	-	
	JB Asset Management	-	-	-	
	Total	-	-	-	

ESG Products and Service

Description			Unit	2018	2019	2020	Remarks
Green and ESG credit/loans	Jeonbuk Bank	JB Green biz Loan		276,249	578,718	952,503	
		Loans to low-incomes		217,183	449,063	823,318	
		Technology financing		37,171	66,275	144,785	
		Financing for local companies		41,322	36,032	38,091	
		CO ₂ mitigation Green credit card		1,008	831	619	
	Kwangju Bank	Loans to the renewable energy sector	KRW 1 mil	488,537	546,690	661,618	
		Loans to the pollution prevention and management sector		66,056	69,725	70,814	
		Loans to the water management sector		1,332	1,145	880	
		Credit card sales related to Eco-money accumulation		29,249	36,076	32,675	

ESG Products and Service

Description			Unit	2018	2019	2020	Remarks
Green and ESG credit/loans	JB Woori Capital	Finance to Eco-friendly vehicle	KRW 1 mil	19,967	29,488	50,922	
		Finance to waste collection vehicle		6,260	7,092	4,550	
		Loans to medium-rate credit		-	36,415	277,605	
		Loans related to energy efficiency improvement		-	20,000	-	
		Pre-workout for vulnerable borrowers		23,296	57,010	372,485	
	Total		KRW 1 mil	1,207,630	1,934,560	3,430,865	
Sustaiaible invesment	Kwangju Bank	Sustainable investment Relevant holdings status (related to Kwangju-type job project funds)	KRW 100 mil	-	260	260	
		Current status of related bonds investment		9	9	9	
	JB Asset Management	JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.1	KRW 100 mil	248	235	220	
		JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.3		562	449	229	
		JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.4		380	373	517	
		JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.5		-	714	826	
		Total			KRW 100 mil	1,199	2,040

01 Environment Part

Greenhouse Gas

JB Financial Group manages energy consumption and GHG emissions on a monthly basis through an inventory system. We ensure that GHG emissions are verified by a third party in order to secure objectivity in energy-saving and emission reporting. On top of that, we included commuting-related GHG emissions in Scope3 by identifying the business trip of employees.

Direct-indirect Greenhouse Emissions

Description	Unit		2018	2019	2020	Remarks
Greenhouse Emissions	JB Financial Holdings	Direct (scope1)	73	86	95	Scope3: Employees business trip *Correction was made on some contents of 2018 and 2019 data due to changes in the calculation range, activity data errors, etc.
		Indirect (scope2)	-	-	-	
		Indirect (scope3)	299	81	16	
		Sub-total (scope1,2,3)	372	167	111	
	Jeonbuk Bank	Direct (scope1)	1,007	1,606	1,447	
		Indirect (scope2)	3,035	2,972	2,838	
		Indirect (scope3)	178	181	16	
		Sub-total (scope1,2,3)	4,220	4,759	4,301	
	Kwangju Bank	Direct (scope1)	1,320	1,170	1,170	
		Indirect (scope2)	4,378	4,453	4,388	
		Indirect (scope3)	43	36	22	
		Sub-total (scope1,2,3)	5,741	5,659	5,580	
	JB Woori Capital	Direct (scope1)	630	589	410	
		Indirect (scope2)	628	575	589	
		Indirect (scope3)	118	97	34	
		Sub-total (scope1,2,3)	1,376	1,261	1,033	
	JB Asset Management	Direct (scope1)	70	43	49	
		Indirect (scope2)	156	151	146	
		Indirect (scope3)	-	190	46	
		Sub-total (scope1,2,3)	226	384	241	
	Total	Direct (scope1)	3,101	3,494	3,170	2020 Emission Target: 3,144
		Indirect (scope2)	8,197	8,151	7,961	2020 Emission Target: 7,743
		Indirect (scope3)	639	586	133	2020 Emission Target: 497
		Sub-total (scope1,2,3)	11,937	12,231	11,264	

Amount of Greenhouse Gas Emissions Mitigated

Description	Unit		2018	2019	2020	Remarks
Amount of Greenhouse Gas Emissions Mitigated	Total	Direct (scope1)	-	393	-323	*This is the amount of reduction from the previous year, round off after decimal point.
		Indirect (scope2)	-	-47	-190	
		Indirect (scope3)	-	-54	-452	*Reduction amount was decreased as the calculation range widens
		Sub-total (scope1,2,3)	-	293	-965	

Risk Assessment

Physical Risks

To evaluate physical climate risks, JB Financial Group selected RCP 8.5, a high emissions scenario, and RCP 2.6, a low emissions scenario. RCP 2.6 is a pathway requiring GHG mitigation to realize the 2-degree scenario while RCP 8.5 represents a business as usual scenario consistent with the current trajectory of emissions. For comparison, we chose these two scenarios, based on which we surveyed what impact the scenarios will have on the group including the headquarters, the Seoul office, branches, and the headquarters and sales branches of our subsidiaries. And we also projected that how much damage global warming and change will do to our clients and their tangible assets according to the results of the scenario impact breakdown, and conducted a quantitative analysis.

Energy

Energy Consumption

Description	Unit		2018	2019	2020	Remarks
Energy Consumption	JB Financial Holdings	Direct(scope1)	1.094	1.279	1.424	TJ
		Indirect(scope2)	-	-	-	
		Sub-total(scope1,2)	1.094	1.279	1.424	
	Jeonbuk Bank	Direct(scope1)	14.852	26.667	24.001	
		Indirect(scope2)	62.486	61.201	58.442	
		Sub-total(scope1,2)	77.338	87.868	82.443	
	Kwangju Bank	Direct(scope1)	22.035	19.526	19.361	
		Indirect(scope2)	90.141	91.684	90.357	
		Sub-total(scope1,2)	112.176	111.210	109.718	
	JB Woori Capital	Direct(scope1)	9.372	8.760	6.093	
		Indirect(scope2)	13.133	11.984	12.265	
		Sub-total(scope1,2)	22.505	20.744	18.358	
	JB Asset Management	Direct(scope1)	1.046	0.640	0.724	
		Indirect(scope2)	3.246	3.129	3.027	
		Sub-total(scope1,2)	4.292	3.769	3.751	
	Total	Direct(scope1)	48.399	56.872	51.602	
		Indirect(scope2)	169.006	167.998	164.091	
		Sub-total(scope1,2)	217.405	224.871	215.693	

01 Environment Part

Expense for Energy Consumption

Description	Unit	2018	2019	2020	Remarks
Expense for Energy Consumption (electric charges, purchasing expense of renewable energy, etc.)	JB Financial Holdings	-	-	-	JB Financial Holdings Included
	Jeonbuk Bank	1,350	853	821	
	Kwangju Bank	1,231	1,244	1,222	
	JB Woori Capital	220	193	199	
	JB Asset Management	5	4	5	
	Sub-total	2,806	2,294	2,247	

Water Use Management

Water Usage

Description	Unit	2018	2019	2020	Remarks
Water Usage	Jeonbuk Bank	25,692	26,655	24,430	2020 Water Usage Target: 49,056
	Kwangju Bank	24,684	23,906	19,921	
	JB Woori Capital	6,408	7,152	7,397	
	Sub-total	56,784	57,713	51,748	

Paper

Paper Usage

Description	Unit	2018	2019	2020	Remarks
Paper Usage	JB Financial Holdings	140	195	190	Increase in usage related to COVID-19 loan in 2020
	Jeonbuk Bank	4,825	5,669	5,673	
	Kwangju Bank	6,000	5,738	6,190	
	JB Woori Capital	510	402	450	
	JB Asset Management	120	131	146	
	Sub-total	11,595	12,135	12,649	

Use of E-mail Invoice of Credit Card

Description	Unit	2018	2019	2020	Remarks
Use of E-mail Invoice of Credit Card	Delivery of all invoices				Cases
	Jeonbuk Bank	2,074,066	1,987,182	1,876,710	
	Kwangju Bank	2,615,262	2,510,082	2,458,086	
	Sub-total	4,689,328	4,497,264	4,334,796	
	Delivery of e-mail invoice				
	Jeonbuk Bank	662,582	622,593	619,430	
	Kwangju Bank	1,123,786	1,160,529	1,225,995	
	Sub-total	1,786,368	1,783,122	1,845,425	

Use of E-mail Invoice of Credit Card

Description	Unit	2018	2019	2020	Remarks
Use of E-mail Invoice of Credit Card	Delivery rate of e-mail invoice				%
	Jeonbuk Bank	32	31	33	
	Kwangju Bank	43	46	50	
	Average	38	40	43	
	No. of credit cards issued				Cases
	Jeonbuk Bank	108,238	96,091	96,638	
	Kwangju Bank	130,254	117,333	149,978	
	Average	119,246	106,712	123,308	
	Ratio of delivery rate of e-mail invoice to the no. of credit card issuance				%
	Jeonbuk Bank	6.12	6.48	6.41	
	Kwangju Bank	8.63	7.91	8.17	
	Average	7.49	8.35	7.48	

Waste Management

Total Amount of Waste Discharged

Description	Unit	2018	2019	2020	Remarks
Total Amount of Waste Discharged	JB Financial Holdings	-	-	-	Amount of standard plastic garbage bags used, including JB Financial Group
	Jeonbuk Bank	96	93	86	
	Kwangju Bank	52	45	42	
	JB Woori Capital	117	119	125	
	JB Asset Management	-	-	-	
	Sub-total	265	257	253	

Total Amount of Waste Recycled (consignment throughput)

Description	Unit	2018	2019	2020	Remarks
Total Amount of Waste Recycled (consignment throughput)	Jeonbuk Bank	64	64	61	2020 Total Waste/Recycle/Sales Target: 110 2020 Total Amount of Waste Recycle Target: 140
	Kwangju Bank	34	39	42	
	Sub-total	98	103	103	

Employee Participation

Environment-related Volunteer Work

Description	Unit	2018	2019	2020	Remarks
Environment-related Volunteer Work	Jeonbuk Bank	131	127	116	Increase in volunteer works related to COVID-19 in 2020
	Kwangju Bank	191	222	1,156	
	Sub-total	322	349	1,272	

02 Social Part

Members

Employee Composition

Description			Unit	2018	2019	2020	Remarks
Entire Executives & Employees			Persons	3,951	4,197	4,337	Basis on JB Financial Holdings
Rank Group	Regular personnel (clerk-asst. chief)	JB Financial Holdings	Persons	25	19	18	
		Jeonbuk Bank		608	605	593	
		Kwangju Bank		878	907	921	
		JB Woori Capital		285	312	334	
		JB Asset Management		17	14	19	
		Sub-total		1,813	1,857	1,885	
	Responsible persons (section chief-manager)	JB Financial Holdings	Persons	78	56	55	
		Jeonbuk Bank		548	575	584	
		Kwangju Bank		661	690	724	
		JB Woori Capital		211	213	215	
		JB Asset Management		25	34	30	
		Sub-total		1,523	1,568	1,608	
	Executives (non-executive directors)	JB Financial Holdings	Persons	15	14	14	
		Jeonbuk Bank		16	18	18	
		Kwangju Bank		17	17	19	
		JB Woori Capital		11	11	12	
		JB Asset Management		12	12	12	
		Sub-total		71	72	75	
Age Group	Age below 18	JB Financial Holdings	Persons	-	-	-	
		Jeonbuk Bank		-	-	-	
		Kwangju Bank		-	-	-	
		JB Woori Capital		-	-	-	
		JB Asset Management		-	-	-	
		Sub-total		-	-	-	
	Age 20 or above - age below 30	JB Financial Holdings	Persons	10	6	6	
		Jeonbuk Bank		196	211	184	
		Kwangju Bank		194	217	219	
		JB Woori Capital		69	75	87	
		JB Asset Management		7	9	11	
		Sub-total		476	518	507	

Employee Composition

Description			Unit	2018	2019	2020	Remarks
Age Group	Age 30 or above - age 50 or below	JB Financial Holdings	Persons	85	66	61	
		Jeonbuk Bank		784	811	810	
		Kwangju Bank		1,174	1,155	1,163	
		JB Woori Capital		383	397	407	
		JB Asset Management		42	46	44	
		Sub-total		2,468	2,475	2,485	
	Age above 50	JB Financial Holdings	Persons	23	17	20	
		Jeonbuk Bank		192	176	201	
		Kwangju Bank		188	237	278	
		JB Woori Capital		55	64	67	
		JB Asset Management		5	5	6	
		Sub-total		463	499	572	

Diversity of Employees

Description			Unit	2018	2019	2020	Remarks
Diversity of Employees	Executives* from local regions	JB Financial Holdings	%	25.0	13.0	20.0	*Executives: Associate executive director, managing director, non-standing director, non-executive director, standing director included
		Jeonbuk Bank		31.3	33.3	38.9	
		Kwangju Bank		76.5	88.2	73.7	
		JB Woori Capital		-	-	-	
		JB Asset Management		-	-	-	
		Sub-total(average)		26.6	26.9	26.5	
	Foreigners	JB Financial Holdings	Persons	-	1	1	
		Jeonbuk Bank		8	13	18	
		Kwangju Bank		-	-	-	
		JB Woori Capital		-	-	-	
		JB Asset Management		-	-	-	
		Sub-total		8	14	19	

02 Social Part

No. of Employees by Nationality

Description		Unit	2018	2019	2020	Remarks
No. of Employees by Nationality	JB Financial Holdings	Republic of Korea	110	80	78	
		Canada	-	1	1	
	Jeonbuk Bank	Republic of Korea	1,160	1,181	1,172	
		Nepal	2	2	2	
		Myanmar	1	2	1	
		Mongolia	-	-	1	
		Vietnam	1	1	1	
		Uzbekistan	-	1	3	
		Indonesia	1	-	2	
		China	1	3	1	
		Cambodia	1	2	3	
		Philippines	1	2	1	
		Bangladesh	-	-	2	
		Sri Lanka	-	-	1	
	Kwangju Bank	Republic of Korea	1,552	1,610	1,659	
	JB Woori Capital	Republic of Korea	502	534	559	
	JB Asset Management	Republic of Korea	52	58	59	
Managerial Positions by Nationality (head of department-manager)	JB Financial Holdings	Republic of Korea	78	55	54	
		Canada	-	1	1	
	Jeonbuk Bank	Republic of Korea	548	577	584	
	Kwangju Bank	Republic of Korea	661	690	724	
	JB Woori Capital	Republic of Korea	211	220	223	
	JB Asset Management	Republic of Korea	25	34	30	

Ratio of Employees by Nationality

Description		Unit	2020	Remarks
Ratio of Employees by Nationality	Ratio of employees by nationality to total workforce	Republic of Korea	99.45	
		Canada	0.03	
		Nepal	0.06	
		Myanmar	0.03	
		Mongolia	0.03	
		Vietnam	0.03	
		Uzbekistan	0.08	
		Indonesia	0.06	
		China	0.03	
		Cambodia	0.08	
		Philippines	0.03	
		Bangladesh	0.06	
		Sri Lanka	0.03	
	Ratio of managerial positions by nationality	Republic of Korea	99.99	
		Canada	0.01	
		Nepal	-	
		Myanmar	-	
		Mongolia	-	
		Vietnam	-	
		Uzbekistan	-	
		Indonesia	-	
		China	-	
		Cambodia	-	
		Philippines	-	
		Bangladesh	-	
		Sri Lanka	-	

02 Social Part

Ratio of Women Employees

Description			Unit	2018	2019	2020	Remarks
Total Number of Women Workers	JB Financial Holdings	Men	Persons	78	62	60	
		Women		25	13	13	
	Jeonbuk Bank	Men		621	633	639	
		Women		535	547	538	
	Kwangju Bank	Men		775	815	842	
		Women		764	782	803	
	JB Woori Capital	Men		338	356	373	
		Women		158	176	184	
	JB Asset Management	Men		26	34	33	
		Women		16	14	16	
	Sub-total	Men		1,838	1,900	1,947	
		Women		1,498	1,532	1,554	
	Women Ratio	%	45	45	44	Target for 2025: Total 50%	
Total Number of Women in Management Positions (head of department - Manager)	JB Financial Holdings	Men	Persons	67	52	51	
		Women		11	4	4	
	Jeonbuk Bank	Men		377	384	383	
		Women		171	193	201	
	Kwangju Bank	Men		473	497	525	
		Women		188	193	199	
	JB Woori Capital	Men		197	204	206	
		Women		14	16	17	
	JB Asset Management	Men		18	25	23	
		Women		7	9	7	
	Sub-total	Men		1,132	1,162	1,188	
		Women		391	415	428	
	Women Ratio	%	25	26	26	Target for 2025: 30%	
No. of Women in Junior Management Positions (junior manager)	JB Financial Holdings	Men	Persons	18	16	14	
		Women		3	1	1	
	Jeonbuk Bank	Men		55	86	80	
		Women		63	81	79	
	Kwangju Bank	Men		171	183	195	
		Women		147	137	125	
	JB Woori Capital	Men		80	77	74	
		Women		13	13	13	

Ratio of Women Employees

Description	Unit		2018	2019	2020	Remarks
No. of Women in Junior Management Positions (junior manager)	JB Asset Management	Men	5	8	11	
		Women	4	7	5	
	Sub-total	Men	329	370	374	
		Women	230	239	223	
	Women Ratio	%	41	39	37	Target for 2025: 40%
No. of Women in Senior Management Positions (up to the level of CEO - head of division, head of center)	JB Financial Holdings	Men	6	6	6	
		Women	1	-	-	
	Jeonbuk Bank	Men	18	22	23	
		Women Ratio	-	-	-	
	Kwangju Bank	Men	19	21	22	
		Women	2	1	1	
	JB Woori Capital	Men	9	9	10	
		Women Ratio	-	-	-	
	JB Asset Management	Men	9	10	10	
		Women	-	-	-	
	Sub-total	Men	61	68	71	
		Women	3	1	1	
	Women Ratio	%	5	1	1	Target for 2025: 10%
Women Manager in Sales-generating Department (junior manager - manager) <small>*Sales, business departments (excluding support departments such as HR, IT, and legal affairs)</small>	JB Financial Holdings	Men	-	-	-	
		Women	-	-	-	
	Jeonbuk Bank	Men	204	201	205	
		Women	131	143	150	
	Kwangju Bank	Men	292	327	341	
		Women	160	159	163	
	JB Woori Capital	Men	105	100	100	
		Women	5	6	7	
	JB Asset Management	Men	16	20	19	
		Women	4	5	3	
	Sub-total	Men	617	648	665	
		Women	300	313	323	
	Women Ratio	%	33	33	33	Target for 2025: 40%

02 Social Part

Ratio of Women Employees

Description		Unit	2018	2019	2020	Remarks
STEM-related Departments* <small>*Science, Technology, Engineering, Mathematics</small>	JB Financial Holdings	Men	15	10	13	
		Women	-	-	1	
	Jeonbuk Bank	Men	66	79	79	
		Women	25	23	27	
	Kwangju Bank	Men	51	63	74	
		Women	13	19	19	
	JB Woori Capital	Men	30	29	50	
		Women	7	10	10	
	JB Asset Management	Men	1	1	1	
		Women	-	-	-	
	Sub-total	Men	163	182	217	
		Women	45	52	57	
		Women Ratio	22	22	21	Target for 2025: 25%
Employment Status of Women Employees by Contract Type	Women ratio among regular workers	JB Financial Holdings	19.7	17.9	17.7	
		Jeonbuk Bank	47.9	48.3	48.3	
		Kwangju Bank	48.7	48.7	48.4	
		JB Woori Capital	22.5	24.0	25.2	
		JB Asset Management	66.7	53.8	58.3	
	Women ratio among contract workers	JB Financial Holdings	34.4	12.5	18.2	
		Jeonbuk Bank	31.6	31.9	27.4	
		Kwangju Bank	56.5	50.5	51.7	
		JB Woori Capital	70.8	65.0	59.4	
		JB Asset Management	20.0	15.5	24.3	

Number of Regular and Contract Workers

Description		Unit	2018	2019	2020	Remarks
Regular Worker	Persons	JB Financial Holdings	71	67	62	
		Jeonbuk Bank	1,039	1,042	1,031	
		Kwangju Bank	1,345	1,396	1,437	
		JB Woori Capital	400	415	429	
		JB Asset Management	12	13	12	
		Sub-total	2,867	2,933	2,971	
Contract Worker	Persons	JB Financial Holdings	32	8	11	
		Jeonbuk Bank	117	138	146	
		Kwangju Bank	194	201	208	
		JB Woori Capital	96	117	128	
		JB Asset Management	30	35	37	
		Sub-total	469	499	530	

Work-life Balance and Welfare Benefits

JB Financial Group operates two daycare centers (Jeonbuk Bank, Kwangju Bank) inside the office building so that the employees can concentrate on their work with their minds at ease. As of 2020, the total number of children in the center was 40. Kwangju Bank grants up to 180 days for paid maternity leave before and after the date of birth(Legally guaranteed paid maternity leave is 90 days.) Besides, paid parental leave and leave of absence for up to 12 additional months are provided. Employees can use maternity and parental leave for a total of 18 months, including 6 months of unpaid parental leave.

Description		Unit	2018	2019	2020	Remarks
Childcare Leave	No. of employees on childcare leave	JB Financial Holdings	-	-	-	
		Jeonbuk Bank	29	32	25	
		Kwangju Bank	67	60	48	
		JB Woori Capital	8	8	-	
		JB Asset Management	1	1	-	
		Sub-total	105	101	73	
	No. of employees returning to work from childcare leave	JB Financial Holdings	-	-	-	
		Jeonbuk Bank	31	29	27	
		Kwangju Bank	62	49	51	
		JB Woori Capital	5	8	4	
		JB Asset Management	1	1	-	
		Sub-total	99	87	82	

02 Social Part

Work-life Balance and Welfare Benefits

Description			Unit	2018	2019	2020	Remarks
Childcare Leave	Ratio of employees returning to work from childcare leave	JB Financial Holdings	%	-	-	-	
		Jeonbuk Bank		106	100	99	
		Kwangju Bank		92.5	96.0	98.1	
		JB Woori Capital		100	100	-	
		JB Asset Management		100	100	-	
	No. of employees retiring after childcare leave	JB Financial Holdings	Persons	-	-	-	
		Jeonbuk Bank		1	-	1	
		Kwangju Bank		5	2	1	
		JB Woori Capital		-	1	1	
		JB Asset Management		-	-	-	
Childcare benefit	No. of children supported	JB Financial Holdings	Persons	17	-	13	
		Jeonbuk Bank		310	298	326	
		Kwangju Bank		284	285	284	
		Sub-total		611	583	623	
	Amount supported	JB Financial Holdings	KRW 1 mil	14	-	14	
		Jeonbuk Bank		322	312	316	
		Kwangju Bank		93	93	93	
		Sub-total		429	405	423	
Retirement Pension	Subscription rate	JB Financial Holdings	%	100	100	100	
		Jeonbuk Bank		85	91	92	
		Kwangju Bank		99	99	99	
		JB Woori Capital		100	100	100	
		JB Asset Management		100	100	100	
	Defined-Benefit plan (DB)	JB Financial Holdings	Persons	63	55	55	
		Jeonbuk Bank		825	884	917	
		Kwangju Bank		1,541	1,596	1,646	
		JB Woori Capital		325	324	336	
		JB Asset Management		24	23	11	
	Defined-Contribution plan (DC)	JB Financial Holdings	Persons	33	13	15	
		Jeonbuk Bank		171	190	195	
		JB Woori Capital		98	119	123	
		JB Asset Management		23	14	24	
		Sub-total		325	336	357	

Equal Pay

Description			Unit	2018	2019	2020	Remarks
Executives	JB Financial Holdings	No. of executives	Men	6	6	6	
			Women	1	-	-	
		Total base pay of executives	Men	1,037	873	1,387	
			Women	131	-	-	
		Executives' base salaries+other cash incentives	Men	1,388	926	1,886	
			Women	140	-	-	
	Jeonbuk Bank	No. of executives	Men	12	14	13	
			Women	-	-	-	
		Total base pay of executives	Men	2,033	2,518	2,523	
			Women	-	-	-	
	Kwangju Bank	No. of executives	Men	16	17	19	
			Women	1	-	-	
		Total base pay of executives	Men	1,984	2,274	2,747	
			Women	170	-	-	
	JB Woori Capital	No. of executives	Men	8	8	8	
			Women	-	-	-	
		Total base pay of executives	Men	1,430	1,580	1,580	
			Women	-	-	-	
	JB Asset Management	No. of executives	Men	9	10	10	
			Women	-	-	-	
		Total base pay of executives	Men	1,625	1,725	1,800	
			Women	-	-	-	

02 Social Part

Equal Pay

Description					Unit	2018	2019	2020	Remarks
Executives	Sub-total	No. of executives	Men	Persons		51	55	56	
			Women			2	-	-	
		Total base pay of executives	Men	KRW 1 mil		8,109	8,970	10,037	
			Women			301	-	-	
		Average basic pay	Men	KRW 1 mil		159	163	179	
			Women			151	-	-	
		Executives' base salaries+other cash incentives	Men	KRW 1 mil		11,149	12,154	15,061	
			Women			445	-	-	
		Average base salaries+other cash incentives	Men	KRW 1 mil		219	221	269	
			Women			223	-	-	
		Equal pay for executive men and women				Times	0.95	-	-
Managing positions (junior manager-manager)	JB Financial Holdings	No. of employees in managing positions	Men	Persons		67	52	51	
			Women			11	4	4	
		Total Amount of basic pay of employees in managing positions	Men	KRW 1 mil		5,786	4,392	5,457	
			Women			729	281	438	
		Managing positions' base salaries+other cash incentives	Men	KRW 1 mil		6,146	4,984	5,900	
			Women			774	319	472	
	Jeonbuk Bank	No. of employees in managing positions	Men	Persons		377	384	383	
			Women			171	193	201	
		Total Amount of basic pay of employees in managing positions	Men	KRW 1 mil		43,153	42,867	45,765	
			Women			16,972	20,129	22,031	
		Managing positions' base salaries+other cash incentives	Men	KRW 1 mil		45,176	44,204	47,180	
			Women			17,859	20,837	22,741	
	Kwangju Bank	No. of employees in managing positions	Men	Persons		473	497	525	
			Women			188	193	199	
		Total Amount of basic pay of employees in managing positions	Men	KRW 1 mil		53,281	56,787	61,472	
			Women			19,631	21,030	21,719	
		Managing positions' base salaries+other cash incentives	Men	KRW 1 mil		56,839	60,595	65,446	
			Women			20,861	22,400	23,162	
	JB Woori Capital	No. of employees in managing positions	Men	Persons		197	204	206	
			Women			14	16	17	
		Total Amount of basic pay of employees in managing positions	Men	KRW 1 mil		19,541	21,039	20,421	
			Women			1,389	1,578	1,617	
		Managing positions' base salaries+other cash incentives	Men	KRW 1 mil		26,150	31,037	30,594	
			Women			1,858	2,243	2,318	

Equal Pay

Description				Unit	2018	2019	2020	Remarks	
Managing Positions (junior manager-manager)	JB Asset Management	No. of employees in managing positions	Men	Persons	18	25	23		
			Women		7	9	7		
		Total Amount of basic pay of employees in managing positions	Men	KRW 1 mil	1,335	2,116	2,024		
			Women		645	696	495		
		Managing positions' base salaries+other cash incentives	Men	KRW 1 mil	1,800	2,278	2,151		
			Women		694	731	522		
		Sub-total	No. of employees in managing positions	Men	KRW 1 mil	1,132	1,162	1,188	
				Women		391	415	428	
			Total Amount of basic pay of employees in managing positions	Men	KRW 1 mil	123,095	127,201	135,139	
				Women		39,365	43,714	46,299	
	Average basic pay		Men	KRW 1 mil	109	109	114		
			Women		101	105	108		
	Managing positions' base salaries+other cash incentives		Men	KRW 1 mil	136,110	143,098	151,271		
			Women		42,045	46,530	49,214		
	Average base salaries+other cash incentives	Men	KRW 1 mil	120	123	127			
		Women		108	112	115			
Equal pay for men and women in managing position (average basic pay for women / average basic pay for men)				Times	0.92	0.96	0.95		
Non-managing Position (staff-assistant manager)	JB Financial Holdings	No. of employees in non-managing position	Men	Persons	11	10	9		
			Women		14	9	9		
		Total Amount of basic pay of employees in non-managing positions	Men	KRW 1 mil	505	438	493		
			Women		667	562	597		
	Jeonbuk Bank	No. of employees in non-managing positions	Men	Persons	244	249	256		
			Women		364	354	337		
		Total Amount of basic pay of employees in non-managing positions	Men	KRW 1 mil	12,227	11,293	13,732		
			Women		18,443	19,064	19,811		
	Kwangju Bank	No. of employees in non-managing position	Men	Persons	302	318	317		
			Women		576	589	604		
Total Amount of basic pay of employees in non-managing positions		Men	KRW 1 mil	17,689	17,836	17,434			
		Women		28,984	30,476	32,316			

02 Social Part

Equal Pay

Description	Unit				2018	2019	2020	Remarks
Non-managing Position (staff-assistant manager)	JB Woori Capital	No. of employees in non-managing position	Men	Persons	141	152	167	
			Women		144	160	167	
		Total Amount of basic pay of employees in non-managing positions	Men	KRW 1 mil	8,017	7,959	8,635	
			Women		8,188	8,377	8,635	
	JB Asset Management	No. of employees in non-managing position	Men	Persons	8	9	10	
			Women		9	5	9	
		Total Amount of basic pay of employees in non-managing positions	Men	KRW 1 mil	222	410	415	
			Women		237	183	353	
	Sub-total	No. of employees in non-managing position	Men	Persons	706	738	759	
			Women		1,107	1,117	1,126	
		Total Amount of basic pay of employees in non-managing positions	Men	KRW 1 mil	38,660	37,935	40,709	
			Women		56,519	58,662	61,712	
		Average basic pay	Men	KRW 1 mil	55	51	54	
			Women		51	53	55	
Equal pay for men and women in non-managing positions (average basic pay for women / average basic pay for men)				Times	0.93	1.03	1.01	

Employees' Education Performance

Description	Unit				2018	2019	2020	Remarks
Total Education Cost	JB Financial Holdings	Gender	Men		24	17	15	
			Women		10	6	3	
		Age	Below 18	KRW 1 mil	-	-	-	
			Age 20 or above - age 30 or below		3	3	3	
			Age 30 or above - age 50 or below		26	17	10	
			Above age 50		4	3	6	
	Jeonbuk Bank	Gender	Men		589	603	496	
			Women		495	509	410	
		Age	Below 18	KRW 1 mil	-	-	-	
			Age 20 or above - age 30 or below		184	199	137	
			Age 30 or above - age 50 or below		735	764	624	
			Above age 50		165	150	144	

Employees' Education Performance

Description	Unit				2018	2019	2020	Remarks
Total Education Cost	Kwangju Bank	Gender	Men		692	599	542	
			Women		430	498	381	
		Age	Below 18	KRW 1 mil	-	-	-	
			Age 20 or above - age 30 or below		163	201	163	
			Age 30 or above - age 50 or below		756	750	600	
			Above age 50		193	137	152	
	JB Woori Capital	Gender	Men		486	93	52	
			Women		227	46	26	
		Age	Below 18	KRW 1 mil	-	-	-	
			Age 20 or above - age 30 or below		99	20	12	
			Age 30 or above - age 50 or below		551	104	57	
			Above age 50		63	16	9	
	JB Asset Management	Gender	Men		16	6	18	
			Women		7	2	7	
		Age	Below 18	KRW 1 mil	-	-	-	
			Age 20 or above - age 30 or below		3	1	5	
			Age 30 or above - age 50 or below		18	6	18	
			Above age 50		2	-	2	
Sub-total		Gender	Men		1,806	1,317	1,123	
			Women		1,169	1,061	826	
		Age	Below 18	KRW 1 mil	-	-	-	
			Age 20 or above - age 30 or below		453	424	320	
			Age 30 or above - age 50 or below		2,086	1,639	1,308	
			Above age 50		427	305	313	
Total Education Time	JB Financial Holdings	Gender	Men		6,192	7,128	7,320	
			Women		8,400	4,744	3,488	
		Age	Below 18	Hour	-	-	-	
			Age 20 or above - age 30 or below		5,976	3,040	1,920	
			Age 30 or above - age 50 or below		8,216	7,144	6,952	
			Above age 50		400	1,688	1,936	

02 Social Part

Employees' Education Performance

Description	Unit			2018	2019	2020	Remarks
Total Education Time	Jeonbuk Bank	Gender	Men	77,872	70,400	72,993	
			Women	65,472	59,400	60,883	
		Age	Below 18	-	-	-	
			Age 20 or above - age 30 or below	24,304	23,210	23,553	
			Age 30 or above - age 50 or below	97,216	89,100	89,577	
			Above age 50	23,808	19,030	20,646	
	Kwangju Bank	Gender	Men	82,426	89,876	88,025	
			Women	79,934	90,280	94,146	
		Age	Below 18	-	-	-	
			Age 20 or above - age 30 or below	33,816	43,767	30,019	
			Age 30 or above - age 50 or below	116,269	124,143	134,790	
			Above age 50	12,275	12,246	17,362	
	JB Woori Capital	Gender	Men	15,979	17,800	18,650	
			Women	7,470	8,800	9,200	
		Age	Below 18	-	-	-	
			Age 20 or above - age 30 or below	3,262	3,750	4,350	
			Age 30 or above - age 50 or below	18,107	19,850	20,350	
			Above age 50	2,080	3,000	3,150	
	JB Asset Management	Gender	Men	144	176	172	
			Women	64	56	64	
		Age	Below 18	-	-	-	
			Age 20 or above - age 30 or below	28	36	44	
			Age 30 or above - age 50 or below	164	180	172	
			Above age 50	16	12	20	
Sub-total	Gender	Men		182,613	185,380	187,160	
		Women		161,340	163,280	167,781	
	Age	Below 18		-	-	-	
		Age 20 or above - age 30 or below		67,386	73,803	59,886	
		Age 30 or above - age 50 or below		239,972	240,417	251,841	
		Above age 50		38,579	35,976	43,114	

Job Creation

JB Financial Group does not discriminate on the basis of gender or disability in hiring, treatment, and promotion of employees. Also, we do not place unreasonable restrictions on gender, physical condition, appearance, and others when hiring new employees. Our Personnel system ensures that no one is discriminated against on the grounds of gender, religion, and handicap after being hired.

New Recruitment

Description	Unit			2018	2019	2020	Remarks
New Recruitment: newly hiring high school graduate and college graduate	Jeonbuk Bank			46	42	25	Employees newly hired in 2020 included (Placement in 2021)
	Kwangju Bank			67	50	35	
	JB Woori Capital		Persons	7	18	12	
	JB Asset Management			-	-	-	
	Sub-total			120	110	72	

Total Recruitment

Description	Unit			2018	2019	2020	Remarks
Total Recruitment: total no. of new employees, experienced employees and contract employees hired	JB Financial Holdings	Gender	Men	16	37	15	
			Women	6	4	4	
		Age	Age below 18	-	-	-	
			Age 20 or above - age below 30	4	4	3	
			Age 30 or above - age 30 or below	16	35	15	
			Age above 50	2	2	1	
	Jeonbuk Bank	Gender	Men	65	69	73	
			Women	43	24	20	
		Age	Age below 18	-	-	-	
			Age 20 or above - age below 30	58	53	38	
			Age 30 or above - age 30 or below	32	23	20	
			Age above 50	18	17	35	
	Kwangju Bank	Gender	Men	90	103	58	
			Women	63	49	36	
		Age	Age below 18	-	-	-	
			Age 20 or above - age below 30	78	72	48	
			Age 30 or above - age 30 or below	44	32	30	
			Age above 50	31	43	12	

02 Social Part

Total Recruitment

Description				Unit	2018	2019	2020	Remarks
Total Recruitment: total no. of new employees, experienced employees and contract employees hired	JB Woori Capital	Gender	Men	Persons	34	64	66	
			Women		58	47	54	
		Age	Age below 18	Persons	-	-	-	
			Age 20 or above - age below 30		21	29	40	
			Age 30 or above - age 30 or below		71	73	77	
			Age above 50		-	9	3	
	JB Asset Management	Gender	Men	Persons	12	17	13	
			Women		6	4	7	
		Age	Age below 18	Persons	-	-	-	
			Age 20 or above - age below 30		2	1	4	
			Age 30 or above - age 30 or below		14	19	16	
			Age above 50		1	2	-	
	Sub-total	Gender	Men	Persons	217	290	225	
			Women		176	128	121	
		Age	Female Ratio	%	45	31	35	
			Age below 18		-	-	-	
			Age 20 or above - age below 30		163	159	133	
			Age 30 or above - age 30 or below		177	182	158	
			Age above 50		52	73	51	

Average Cost of Hiring of a New Employee

Description	Unit	2018	2019	2020	Remarks
Total Cost of Hiring New Employee	KRW 1 mil	1,411	1,367	1,405	
Total no. of New Employee	Persons	393	418	346	
Cost of Hiring New Employees per Person	KRW 1 mil	4	3	4	

Hiring the Socially Vulnerable

Description				Unit	2018	2019	2020	Remarks
Hiring the Socially Vulnerable	The disabled	JB Financial Holdings		Persons	1	-	-	
			Jeonbuk Bank		22	19	19	
			Kwangju Bank		14	12	12	
			JB Woori Capital		-	10	1	
			JB Asset Management		-	-	-	
			Total		37	41	32	
	Veterans	JB Financial Holdings		Persons	-	-	-	
			Jeonbuk Bank		62	62	58	
			Kwangju Bank		94	92	93	
			JB Woori Capital		-	-	-	
			JB Asset Management		-	-	-	
			Total		156	154	151	

Hiring Youth Interns

Description				Unit	2018	2019	2020	Remarks
Hiring Youth Interns	JB Financial Holdings	Persons		Persons	-	-	-	
			Jeonbuk Bank		4	8	28	
			Kwangju Bank		175	160	155	
			JB Woori Capital		-	-	-	
			JB Asset Management		-	-	-	
			Sub-total		179	168	183	

Retirees

Description				Unit	2018	2019	2020	Remarks
Retirees	JB Financial Holdings	Gender	Men	Persons	12	50	20	
			Women		2	17	5	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		3	3	3	
			Age 30 or above - age 30or below		10	58	19	
			Age above 50		1	6	3	

02 Social Part

Retirees

Description				Unit	2018	2019	2020	Remarks
Retirees	Jeonbuk Bank	Gender	Men	Persons	83	69	49	
			Women		16	15	25	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		14	8	16	
			Age 30 or above - age 30 or below		19	16	27	
			Age above 50		66	60	31	
	Kwangju Bank	Gender	Men	Persons	74	62	83	
			Women		35	29	18	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		21	22	13	
			Age 30 or above - age 30 or below		29	29	13	
			Age above 50		59	40	75	
	JB Woori Capital	Gender	Men	Persons	56	54	48	
			Women		68	30	48	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		13	11	18	
			Age 30 or above - age 30 or below		91	60	71	
			Age above 50		20	13	7	
	JB Asset Management	Gender	Men	Persons	11	13	13	
			Women		5	7	4	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		-	1	2	
			Age 30 or above - age 30 or below		14	17	14	
			Age above 50		2	2	2	
	Sub-total	Gender	Men	Persons	236	248	213	
			Women		126	98	100	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		51	45	52	
			Age 30 or above - age 30 or below		163	180	144	
			Age above 50		148	121	118	
	Retirement rate	Gender	Men	%	13	11	8	
			Women		3	3	5	
		Age	Age below 18		-	-	-	
			Age 20 or above - age below 30		11	9	10	
			Age 30 or above - age 30 or below		7	7	6	
			Age above 50		33	24	21	

Voluntary Turnover

Description		Unit	2018	2019	2020	Remarks
Voluntary Turnover (retirees)	JB Financial Holdings		12	65	23	
	Jeonbuk Bank		24	16	38	
	Kwangju Bank	Persons	54	41	25	
	JB Woori Capital		111	65	86	
	JB Asset Management		16	20	17	
	Sub-total		217	207	189	
	Voluntary turnover rate	%	5.49	4.93	4.36	

Talent Cultivation Program

JB Financial Group seeks creative talents with a vision and a sense of calling for the financial industry, talents with communication skills, talents who enjoy collaboration, honest talents with ethics, and talents fit for future digital finance. Based on these ideals, we are recruiting talented people who are suitable for us. For the purpose of nurturing talented people in a rapidly changing environment, we are operating various programs such as basic capacity-building training and education on future digital finance. Addition to this, we are providing supporting systems to promote work performance through systemic education courses such as Digital Academy.

Performance Evaluation and HR System

We operate a fair performance evaluation system based on competency and performance. We linked individual performance to Management by Objectives (MBO) and Key Performance Indicator (KPI) reflecting the nature of each department and branch. Through doing so, departments and branches can receive fair evaluation and rewards by performance while the company as a whole is able to fulfill the annual goal in an optimized manner. On top of that, we are realizing a fair and balanced employee performance assessment through a multi-dimensional evaluation system. JB Financial Group assesses our employees' job performance, and links the evaluation results with their performance bonus. And we also provide employee performance improvement programs for those who shows relatively low performance.

JB Financial Group's Efforts for Personnel Improvement – PA(People Analytics)

JB Financial group has analyzed our employees' job training completion rate within the same position to identify the skill divides between our employees. And we have conducted simple tests after the training in order to compare the results and the levels required in this industry, taking advantage of People Analytics (PA). PA is also utilized when we recruit new employees. JB Woori Capital has adopted an AI-based cover letter analysis system, thereby securing right talents for positions.

02 Social Part

Social Contribution
Social Contribution Strategic System

CSR 2.0 Vision

JB Finance going hand in hand with local communities

Goal

Shared growth with local communities		Trust building in local communities		Happiness of local communities			
Filling Strategy		Emptying Strategy		Power Strategy		Sharing Strategy	
Supporting the underprivileged and relieving inequality		Mitigating our impact on the environment		Providing social and economic support (creation of leverage effect)		Spreading a culture of sharing	
<ul style="list-style-type: none">• Assisting the talents of the local marginalized youth• Lending support to the marginalized through inclusive finance• Supporting unpopular sports		<ul style="list-style-type: none">• Local ecosystem restoration project• Realizing RE100, collaborating for the creation of carbon neutral and energy self-sufficient city (Local government's cooperative system)		<ul style="list-style-type: none">• Helping young people start and run their start-ups• Finding and investing local social venture• Financial support for beginning farmers and fishers in local		<ul style="list-style-type: none">• Platform business for jobs in local• Employees' talent and salary donation• Operating financial education and scholarship program	
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Engagement with Local Communities and Development

Description	Unit	2018	2019	2020	Remarks
Ratio of Contribution to Net Income	Jeonbuk Bank	11	10	10	
	Kwangju Bank	11	10	11	
	JB Woori Capital	-	-	-	
	JB Asset Management	-	-	-	
	Average	11	10	11	
No. of Employees Participating in Volunteer Works	JB Financial Holdings	61	50	9	*No. of employees participating in non-face-to-face social contribution activities in 2020
	Jeonbuk Bank	7,008	6,893	4,576	
	Kwangju Bank	9,529	9,632	8,892	
	JB Woori Capital	106	112	-	
	JB Asset Management	43	32	-	
	Sub-total	16,747	16,719	13,477	

Engagement with Local Communities and Development

Description			Unit	2018	2019	2020	Remarks
Scholarship	Middle School	No. of beneficiaries	Jeonbuk Bank	Persons	100	100	100
		Amount of scholarship	Jeonbuk Bank	KRW 1 mil	30	30	30
	High School	No. of beneficiaries	Jeonbuk Bank		100	100	100
			Kwangju Bank	Persons	50	50	52
		Sub-total			150	150	152
		Amount of scholarship	Jeonbuk Bank		70	70	70
			Kwangju Bank	KRW 1 mil	25	25	26
			Sub-total			95	95
	University	No. of beneficiaries	Jeonbuk Bank		5	16	16
			Kwangju Bank	Persons	50	50	52
			Sub-total			55	66
		Amount of scholarship	Jeonbuk Bank		5	11	11
			Kwangju Bank	KRW 1 mil	100	100	104
			Sub-total			105	111

Donation

Description		Unit	2020	Remarks
Total Amount of Money Donated	JB Financial Holdings		100	
	Jeonbuk Bank		2,834	
	Kwangju Bank	KRW 1 mil	5,071	
	JB Woori Bank		172	
	JB Asset Management		-	
	Sub-total		8,177	
Total Hours of Employees' Volunteer Works / Amount of Volunteer Hours Converted	JB Financial Holdings		-	
	Jeonbuk Bank		6,432	
	Kwangju Bank		9,020	
	JB Woori Bank	Hour	-	
	JB Asset Management		-	
	Sub-total		15,452	Amount of volunteer hours converted: KRW 762,247,207
Total Amount of In-Kind Donations (Products and Service, Project / Partnerships etc.)	JB Financial Holdings		1.67	
	Jeonbuk Bank		44	
	Kwangju Bank	KRW 1 mil	278	
	JB Woori Bank		-	
	JB Asset Management		-	
	Sub-total		323.67	

02 Social Part

Social Contribution Activities by Sector

Description		Unit	2018	2019	2020	Remarks
Local Social Welfare and Public Interests	No. of volunteers	Jeonbuk Bank	3,821	3,415	2,288	
		Kwangju Bank	4,131	3,709	2,102	Persons
		Sub-total	7,952	7,124	4,390	
	Amount of money provided	Jeonbuk Bank	4,219	4,317	5,816	
		Kwangju Bank	4,081	7,004	8,551	KRW 1 mil
		Sub-total	8,300	11,321	14,367	
Culture, Arts and Sports	No. of volunteers	Jeonbuk Bank	812	550	225	
		Kwangju Bank	931	926	57	Persons
		Sub-total	1,743	1,476	282	
	Amount of money provided	Jeonbuk Bank	1,264	2,959	1,385	
		Kwangju Bank	2,653	3,978	1,634	KRW 1 mil
		Sub-total	3,917	6,937	3,019	
Education and Scholarship	No. of volunteers	Jeonbuk Bank	688	545	281	
		Kwangju Bank	1,997	1,993	61	Persons
		Sub-total	2,685	2,538	342	
	Amount of money provided	Jeonbuk Bank	2,743	2,393	2,316	
		Kwangju Bank	5,658	4,423	3,326	KRW 1 mil
		Sub-total	8,401	6,816	5,642	
Micro-credit Financing to Youth Startup Foundation Credit Recovery Council	Amount of money provided	Jeonbuk Bank	2,592	2,297	3,089	
		Kwangju Bank	4,209	1,927	2,937	KRW 1 mil
		Sub-total	6,801	4,224	6,026	
Environment and Global sector	No. of volunteers	Jeonbuk Bank	2,735	2,383	1,782	
		Kwangju Bank	2,455	3,004	6,672	Persons
		Sub-total	5,190	5,387	8,454	
	Amount of money provided	Jeonbuk Bank	51	64	131	
		Kwangju Bank	51	102	86	KRW 1 mil
		Sub-total	102	166	217	

Association and Institute Membership Status and Membership Dues

Description		Associate Name	Unit	2018	2019	2020	Remarks
Key Membership Dues	JB Financial Holdings	United Nations Global Compact		2,000,000	2,750,000	2,750,000	
		Membership dues for Chamber of Commerce and Industry		18,000,000	39,016,730	23,448,000	
		Korea Association for Chief Financial Officers		2,000,000	2,000,000	-	
		Financial Security Institute		59,022,798	177,374,727	68,952,494	
		Korea Fintech Industry Association	KRW	500,000	500,000	-	
		Regular dues for Korea Investor Relations Service		1,900,000	1,900,000	1,900,000	
		Joining ABTC, APEC Business Travel Card		60,000	60,000	-	
		Korea Listed Companies Association		14,130,000	14,130,000	14,130,000	
		Total		97,612,798	237,731,457	111,180,494	

Human Rights Management
Policy for Human Rights Protection

JB Financial Group strives to reach the international level in terms of human rights management. To this end, we have formulated our management principles for human rights respect in accordance with Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights. Our all subsidiaries publicly or privately operate procedures to prevent human rights abuse, redress when a relevant issue happens, and prevent reoccurrence. On top of that, JB Financial Group makes sure that we keep the identity of an informant, contents of consultations and reports confidential, and safeguard them.

Human Rights Complaint Handling Process

JB Financial Group has established and put up regulations on human rights stipulating the types of human rights abuse, such as workplace bullying or sexual harassment, to protect the human rights of our employees as well as create a safe work environment. The regulations also state the details of the handling process including reporting procedures when a relevant accident happens, and disciplinary actions against any form of discrimination or bullying. And we saw zero case of discrimination and bullying in 2020.

Process for Report and Redress Human Rights Issues

Stage	Report	Reception · record · consultation	Investigation · fact check	Handling · reoccurrence prevention
Department in charge	Main: Compliance Department Support: HR Department, Auditing Department	Main: Compliance Department Support: HR Department, Auditing Department	Main: Compliance Department Support: HR Department, Auditing Department	Main: Compliance Department Support: HR Department, Auditing Department
Consultation and report	E-mail, anonymous bulletin board within our intranet and website, phone call and face-to-face report	① Consulting, receiving and recording reports ② Consulting about the case ③ Discussing how to handle and redress	① Conducting private investigations ② Checking facts ③ Engaging external experts if needed ④ Maintaining the confidentiality of whistleblowers and counselees and safeguarding them	① Taking measures according to the result of the investigation (compliance with laws and regulations) ② Sharing cases for the prevention of reoccurrence and providing education ③ Supporting in the maintenance of confidentiality of whistleblowers and counselees, protecting them, and problem-solving (publicly, privately)

02 Social Part

Labor-Management Relations

Status of Labor Union

JB Financial Group guarantees our employees’ complete freedom of forming or joining the labor union, and conducting relevant activities. We do not impose any sanctions or give any disadvantage in regard. In addition, we are strict about compliance with International Labor Standards established by International Labor Organization (ILO), Trade Union and Labor Relations Adjustment Act. Unionization rate stands at 100% in 2020.

Occupational Safety and Health

Occupational Injuries and Illnesses

Description	Unit	2018	2019	2020	Remarks
No. of employees injured or ill in connection with their work	JB Financial Holdings	-	-	-	
	Jeonbuk Bank	3	3	8	
	Kwangju Bank	-	-	-	
	JB Woori Capital	-	2	4	
	JB Asset Management	-	-	-	
	Sub-total	3	5	12	

Rate of Absenteeism

Description			Unit	2018	2019	2020	Remarks
Rate of Absenteeism	Date of absence	JB Financial Holdings	Day	-	-	-	
		Jeonbuk Bank		33	157	245	
		Kwangju Bank		-	-	-	
		JB Woori Capital		-	328	179	
		JB Asset Management		-	-	-	
	Sub-total	33		485	424		
Absence rate	Total	%	0.005	0.068	0.059	Target for 2020: 0%	

Flexible Working and Working from Home

JB Financial Group adopts selective working hour system. It allows our employees to adjust their working schedules. We have run this system since 2019 and the number of participants was 206 in 2020. With the aim of protecting pregnant workers and relevant employees, we have allowed them to work from home since the outbreak of COVID-19 in 2020 and supported the working system to make sure that they can work without any problem. On average, 273 employees work from home per year.

Description	Unit	2020	Remarks
Flexible Working	JB Financial Holdings	67	
	Jeonbuk Bank	33	
	Kwangju Bank	106	
	JB Woori Capital	-	
	JB Asset Management	-	
	Sub-total	206	
Working from Home	JB Financial Holdings	-	
	Jeonbuk Bank	20	
	Kwangju Bank	85	
	JB Woori Capital	165	
	JB Asset Management	3	
	Sub-total	273	

02 Social Part

Shared Growth

Establishing a System for Shared Growth

It is our firm belief that the destiny of JB Financial Group is bound to local economies. Accordingly, we give priority to goods from SMEs and small business owners in the regions when we purchase items without violating the principles of fair competition and fair trade. In addition, we have partnerships with social enterprises related to local culture and arts so as to set the stage for them to grow in a stable manner. Efforts are also being made to revitalize local traditional markets. JB Financial Group lends support to projects driven by the local governments.

Sustainable Finance

Description		Unit	2018	2019	2020	Remarks
Sustainable Finance	Total amount of loans for low-incomes	Jeonbuk Bank	2,178	4,491	8,223	
		Kwangju Bank	851	1,813	2,126	
		Sub-total	3,029	6,304	10,349	
	Financing for technology	Jeonbuk Bank	312	662	1,447	
		Kwangju Bank	3,730	6,995	9,871	
		Sub-total	4,042	7,657	11,318	
	Financing for local companies	Jeonbuk Bank	413	360	267	
		Kwangju Bank	7,955	7,761	9,125	
		Sub-total	8,368	8,121	9,392	
	Eco-friendly financing	Jeonbuk Bank	2,762	5,787	9,524	
		Kwangju Bank	4,646	5,393	6,504	
		Sub-total	7,408	11,180	16,028	

Mutual Growth with Partner Companies

JB Financial Group has maintained cooperative partnerships with a variety of corporations, such as IT security companies, credit ratings agencies, audit firms or computation equipment providers for shared growth. Along with this, the principles of win-win management have been established with the purpose of promoting mutual growth with our partner companies as well as realizing fair trade. Furthermore, we strictly abide by the laws and regulations on fair economy and fair trade to ensure fair transaction with the partner companies while formulating our own regulations on the purchase and contract to make sure fairness and transparency. In addition, JB Financial Group puts in place a purchase and contract review committee which consists of external and internal experts for the prevention of favor seeking and corruption. Compliance Department and Legal Team also assume the role of monitoring whether a purchase or contact is made in accordance with the relevant procedures.

Creation of Customer Value

Customer Satisfaction

Description		Unit	2018	2019	2020	Remarks
Customer Satisfaction	VOC grievance handling	Jeonbuk Bank	16	13	11	
		Kwangju Bank	26	14	14	
		JB Woori Capital	162	199	184	
	Customer satisfaction score	Kwangju Bank	86	96	97	Evaluation method altered, NPS conducted as of July, 2018 Evaluation method changed, B-CSI conducted as of July, 2019

Information Security

Data Protection Management System

JB Financial Group puts emphasis on the safe management of all information earned through our business operation since we are financial organization dealing with clients’ personal data and credit information in a large scale. We always make sure the compliance with Personal Information Protection Act, Credit Information Use and Protection Act while regularly inspecting the status of clients’ data management and abidance by the relevant laws in the fields with the inspection manual and checklist. On top of this, we strain every nerve for personal data protection, always staying true to the basics and principles. And efforts are also being expanded to our partner companies related to computerized management of data by reinforcing the inspection on how they handle personal data and its results. As part of the endeavors, measures are taken, such as encoding unstructured data, protecting automation equipment from malicious software and ramping up the level of security through control of data transmission media, and adopting a security solution for disaster recovery center. By doing so, we safeguard customers’ data.

In preparation for information security-related issues, such as a cyber-attack or possible personal information leakage, JB Financial Group set up a plan for managing and protecting personal information, building an internal control system. It stipulates the details of relief and countermeasures for those situations. We also regularly conduct audits in regard to compliance with the personal information protection policy, checking whether employees follow relevant laws and regulations and taking disciplinary action in case of any violation.

Data Protection System for Safe Financial Transaction

Category	Contents
Advancement of IT information protection	• Standardization of IT data protection • Establishment of advanced data protection management system • Advancement of data protection system
Settlement of IT internal control system	• Prevention of IT accident and reinforcement of control for data protection activities • Systemization of IT internal control inspection items • Advancement of IT internal control method
Prevention of personal (credit) data protection and electronic finance accident	• Consolidation of personal (credit) data protection at every stage of data processing • Provision of reinforced education on personal (credit) data protection • Advancement of abnormal financial transaction detection

02 Social Part

Response Activities for Data Protection

For the sake of systemized data protection, Jeonbuk Bank classifies security into three categories; ‘managerial security’, ‘technical security’ and ‘physical security’. And the bank conducts detailed management and internal control activities, and obtained the certification for data protection management system. The security control system is being operated 365 days a year, around the clock with an aim to prevent the leakage of personal (credit) data while simulation training is carried out on a regular basis for the response to cyber attack. Furthermore, inspections are also being conducted to find vulnerable points through examinations in non-contact financial transaction security and penetration testing of our new electronic finance services in response to the changing financing environment such as growing non-face-to-face financial transactions. Fraud Detection system has been also up and running. Electronic transactions (transfer) are being monitored to check whether there is an illegal transaction so that we can protect clients’ asset from financial frauds (voice phishing, etc). We are seeing cyber attack getting smarter, which requires banks to beef up the level of security for the protection of financial consumers. In this regard, we make every effort to be flexible in response to accidents arising from diverse non-face-to-face channels as well as to safeguard clients’ assets.

IT-related Accidents and Disorders

Description		Unit	2018	2019	2020	Remarks
IT-related Accidents and Disorders	No. of accidents or disorders	JB Financial Holdings	0	0	0	
		Jeonbuk Bank	0	0	0	
		Kwangju Bank	0	0	0	
		JB Woori Capital	0	0	0	
		JB Asset Management	0	0	0	
		Total	0	0	0	
		Case(s)				
	Amount of loss	JB Financial Holdings	0	0	0	
		Jeonbuk Bank	0	0	0	
		Kwangju Bank	0	0	0	
		JB Woori Capital	0	0	0	
		JB Asset Management	0	0	0	
		Total	0	0	0	
		KRW				

Assessment of Financial Consumer Protection Status

Description		2017	2018	2019	Remarks
Assessment of Financial Consumer Protection Status	Jeonbuk Bank	N/A	N/A	Fair	
	Kwangju Bank	N/A	N/A	Good	

* The previous year’s results of Financial Consumer Protection Status Evaluation released at the end of every year

Detailed result of assessment of financial consumer protection status of Jeonbuk Bank and Kwangju Bank

Description	Compre- hensive Grade	Grade by Sector									
		Quantitative Assessment					Non-quantitative Assessment				
		No. of complaints	Handling of complaints	Litigation	Financial indicator	Financial accident	Governance	Product development	Sales	Engagement with policies	Information disclosure
Jeonbuk Bank	Good	Fair	Good	Good	Fair	Fair	Good	Good	Good	Good	Good
Kwangju Bank	Fair	Fair	Very Good	Very Good	Very Good	Fair	Good	Good	Good	Good	Good

No. of Personal Data Leaked

Description		Unit	2018	2019	2020	Remarks
Personal Data Leaked		Jeonbuk Bank	0	0	0	
		Kwangju Bank	0	0	0	
		JB Woori Capital	0	0	0	
		Sub-total	0	0	0	
		Case(s)				

03 Governance Part

Governance * Limited to JB Financial Group's performance

Performance of BOD Operation

Description	Unit		2018	2019	2020	Remarks
Performance of BOD Operation	No. of the BOD convened	No. of times	12	11	9	
	Ratio of non-executive directors	%	56	67	67	
	BOD attendance rate	%	95	94	98	

Evaluation and Remuneration

Description	Unit		2018	2019	2020	Remarks
Total amount of BOD remuneration	Registered directors		864	1,021	1,124	non-executive directors and the members of Audit Committee excluded
	Non-executive directors	KRW 1 mil	86	133	106	the members of Audit Committee excluded
	Members of audit committee		144	168	240	

Ethics and Compliance

JB Financial Group declared anti-corruption management as below in line with our management philosophy with the purpose of establishing standards for right behavior and value judgment.

Anti-Corruption Management Declaration

- First**, we are professionals working for the financial industry where trust of life. We share our core values and vision, fulfill our mission with a challenging and enterprising spirit, realize that we are demanded of high standards of ethics from society and comply with all laws and regulations and the regulations of the Company.
- Second**, as a financial institution that plays a pivotal role in regional finance, we provide ethical financial services based on fairness and transparency to all stakeholders, including shareholders and customers, contribute to the development of the national and regional economy, and participate in creating a clean and fair society.
- Third**, we always think from the customer’s point of view and try our best to increase customer value by understanding customer’s mind.
- Fourth**, we will take the lead in improving corporate value and sustainable growth by realizing sounds profits through innovative management activities.

The code of conduct to achieve this is as follows.

- The contents, methods and performances of the anti-corruption management system shall be announced to all employees, and related training and improvement activities shall by continued.
- In order to realize an anti-corruption management system, we will continue to establish anti-corruption management goals, perform voluntary anti-corruption activities of all employees to achieve the goals, identify and evaluate corruption risks, prevent and detect corruptions, and respond to corruption practices.
- Continued improvement, implementation responsibility and authority for the anti-corruption management system, including the right to suspend operations if corruption risks are high, are delegated to an independent anti-corruption compliance person in charge (compliance officer).
- All employees of the Company shall clearly understand and comply with the anti-corruption regulations and the content of the anti-corruption management system in carrying out their duties. The Company creates customer values and realizes sustainability management based on this.

Provision of Education on Anti-corruption/Compliance/Ethics per Capita

Description	Unit		2018	2019	2020	Remarks
Provision of Education on Anti-corruption/ Compliance/Ethics per Capita	JB Financial Holdings		27	29	28	
	Jeonbuk Bank		12	12	12	
	Kwangju Bank		12	18	9	
	JB Woori Capital	Times	12	12	12	
	JB Asset Management		2	1	1	
	Sub-total (average)		13	14	12	

Anti-corruption and Breach of Laws

Description	Unit		2018	2019	2020	Remarks
Anti-corruption and Breach of Laws	JB Financial Holdings		0	0	0	
	Jeonbuk Bank		0	0	0	
	Kwangju Bank		0	0	0	
	JB Woori Capital	Cases	0	0	0	
	JB Asset Management		0	0	0	
	Sub-total (average)		0	0	0	

03 Governance Part

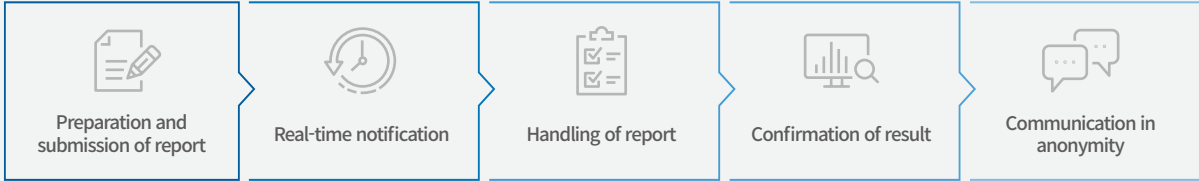
Code of Conduct

Description		Unit	2018	2019	2020	Remarks
Breach of Code of Conduct	No. of reports received	JB Financial Holdings	0	0	0	
		Jeonbuk Bank	0	0	4	
		Kwangju Bank	0	0	0	
		JB Woori Capital	0	0	4	
		JB Asset Management	0	0	0	
		Sub-total (average)	0	0	8	
	No. of violations	JB Financial Holdings	0	0	0	
		Jeonbuk Bank	0	0	0	
		Kwangju Bank	0	0	0	
		JB Woori Capital	0	0	1	
		JB Asset Management	0	0	0	
		Total	0	0	1	

Introduction and Execution of JB Do Dream

JB Financial Group has instituted JB Do Dream System with the purpose of the promotion and refinement of the internal informant system while having adopted the external trust system to make sure anonymity. Especially, we have separated Helpline system (anonymous report) from the law-abiding quality system (grievance counseling) which supplements the helpline system, thereby making sure that the identity of an informant is not exposed and any form of disadvantage is not granted. The scope of JB Do Dream consultation covers not only ethics management but also all issues regarding bullying at the workplace and human rights-related matters. In addition, the informant reward system is up and running to make us more transparent.

JB Do Dream Handling Process



Risk Management

Operation of Internal Control System

Description		Unit	2018	2019	2020	Remarks
Operation of Risk Management	JB Financial Holdings	No. of times	411	532	555	
	Jeonbuk Bank		913	1,015	1,252	
	Kwangju Bank		1,269	1,353	1,129	
	JB Woori Capital		1,684	1,644	732	
	JB Asset Management		369	369	365	
	Sub-total		4,646	4,913	4,033	

Convocation of Risk Management Committee

Description		Unit	2018	2019	2020	Remarks
Convocation of Risk Management Committee	JB Financial Holdings	No. of times	9	9	7	
	Jeonbuk Bank		8	8	9	
	Kwangju Bank		8	8	8	
	JB Woori Capital		10	8	7	
	JB Asset Management		85	85	63	
	Sub-total		120	118	94	

Operation of ESG Risk-based System

The JB Financial Group considers ESG aspects when operating margin trading and loan businesses. It reflects ESG-related matters through the process of evaluation and due diligence of non-financial factors such as ethical management at the time of credit evaluation of companies and sole proprietors, labor relations and working conditions, and management safety.

Especially when assessing customer risk, we take proactive measures to prevent money laundering risks, including terrorist financing prevention and politically significant, dangerous goods and state approvals. We evaluate the appropriateness and effectiveness of anti-money laundering operations through annual self-evaluation, and the transition to the AML system implemented by KoFIU evaluates it.

APPENDIX

Financial Management Performance	85
Independent Auditor’s Report	100
Guideline for ESG Disclosure / Initiatives	102
GRI Standards Index	102
Sustainability Initiatives	105
TCFD	106
SASB	107
ISO 37001 Certificate	109
Third party's Assurance Statement	110
Independent Assurance Report on GHG Emissions	112
Major Awards in 2020	114

Financial Management Performance

I. Summary of Performance Results

Looking back, the emergence of COVID-19 in early 2020 triggered the amplification of uncertainty in the financial market, which confronted us with the highest business risk. However, amid the turbulence, we concentrated on efficient distribution of resources based on preemptive management of soundness, thereby achieving KRW 363.5 billion of accumulated net profit based on controlling interest despite the preemptive provision for loan loss reserve'. Particularly, we could maintain stable profitability on the sound foundation underpinned by CET1 at 10.05% and ROE at 10.1%.

We think the financial market environment this year will also go through serious unrest along with even greater uncertainty compared to the previous year. In the accumulated aftermath of COVID-19, this year will be tougher requiring more careful watch. And a preemptive response system matters more than any others. Against this backdrop, we will make tremendous efforts to analyze impacts on us by diverse scenarios and to prepare through and astute response strategies step by step so that they can be implemented at the right time.

We believe solidifying profitable businesses and seeking qualitative growth with a conservative attitude are the most crucial management goal for us this year. To this end, our resources are distributed in advance considering profitability and risks while devoting ourselves to preemptive risk management in the aspect of future prospects.

The domestic financial industry has already reached a matured stage in the fierce competitive market. With an attempt to overcome it, we will set a mid- to long term plan for cost efficiency within this year and carry out actions in line with the plan in order.

On top of that, our own digital transformation strategies will be formulated to make the groundwork for our future growth. Looking straight at the accelerating transition into a digital environment, we will rationally plan and push forward JB’s unique digital transformation strategies.

Along with that, considerable efforts are inputted to the creation of a better work environment through continuously nurturing a corporate culture of mutual respect. We also strive to ramp up the level of transparency management foundation with a focus on internal control system and internal report system.

In 2021, all of employees in JB Financial Group will make our utmost efforts to live up to expectations of our customers and shareholders under the goal of becoming a ‘Young and Strong Hidden Champion Financial Group’. I seek for your continued trust in our employees as well as unwavering interest and love for our growth. Thank you.

Major Data on Economic Performance

Description		Unit	2018	2019	2020
Asset status per subsidiary	JB Financial Holdings		23,461	25,114	28,201
	Jeonbuk Bank		174,128	171,925	186,193
	Kwangju Bank	KRW 100 mil	230,292	234,193	267,508
	JB Woori Capital		54,745	58,491	67,906
	JB Asset Management		209	269	577
Consolidated asset			467,798	475,296	533,755
Return On Assets ratio (ROA)		%	0.68	0.77	0.77
Return On Equity (ROE)		%	9.07	10.18	10.07
Equity capital BIS ratio		%	12.73	13.16	13.22
Substandard & below (NPL) ratio		%	0.92	0.88	0.67
Delay rate		%	0.82	0.66	0.57
Net income on controlling stockholders' stocks		KRW 100 mil	2,415	3,419	3,635
Market share for Jeonbuk area (Loan)		%	24.72	22.99	21.64
Market share for Jeonbuk area (Reception)		%	27.60	22.56	22.89
Market share for Kwangju Jeonnam area (Loan)		%	20.44	19.21	19.37
Market share for Kwangju (Reception)		%	28.31	28.09	29.35

Financial Management Performance

Key Financial Data (Consolidated Basis)

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)
Volume			
Total assets	533,755	475,296	58,459
Loans	414,376	371,086	43,290
Total liabilities	493,466	437,098	56,368
Deposits	381,223	341,753	39,470
Total shareholders' equity	40,289	38,198	2,091
Profitability			
Total operating income	13,538	12,948	590
Operating profit	4,695	4,849	-154
Net income	3,908	3,621	287
Net income of controlling interest	3,635	3,419	216
Net interest margin (group)	2.66%	2.77%	-0.11%p
Net interest margin (banks)	2.30%	2.44%	-0.14%p
ROA	0.77%	0.77%	0.00%p
ROE	10.07%	10.18%	-0.11%p
Asset Soundness			
Substandard & below (NPL) ratio	0.67%	0.88%	-0.21%p
Delinquency ratio	0.57%	0.66%	-0.09%p
NPL coverage ratio	131.37%	91.88%	39.5%p
Capital Adequacy			
BIS ratio	13.22%	13.16%	0.06%p
Tier1 ratio	11.43%	11.17%	0.26%p
CET1 ratio	10.05%	9.67%	0.38%p

II. Income Statement Review

1. Income Statement Overview

Summary Consolidated Income Statement

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Total Operating Income	13,538	12,948	590	4.6
Net interest income	12,600	12,326	274	2.2

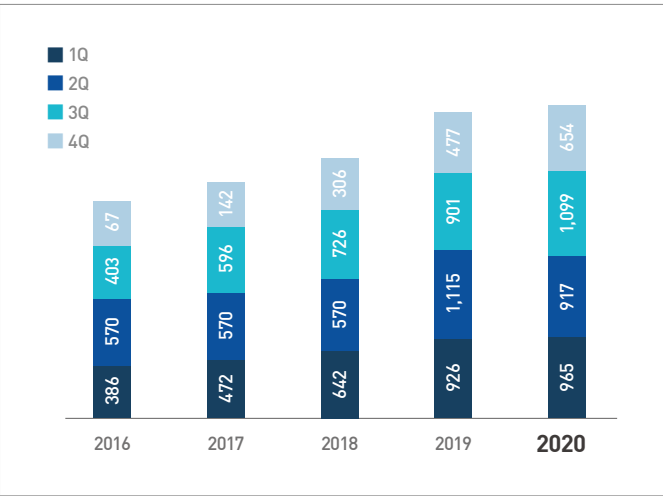
(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Net fees and commissions income	653	521	132	25.4
Net lease income	584	528	56	10.7
Net income on financial instruments	517	355	162	45.6
Net other operating income	-816	-781	-35	4.5
SG&A Expenses	6,895	6,644	251	3.8
Net Provision	1,949	1,455	494	34.0
Operating Income	4,695	4,849	-154	-3.2
Non-operating Income	-55	-16	-39	243.3
Pre-tax Income	4,640	4,833	-193	-4.0
Income tax expense	731	1,212	-481	-39.7
Consolidated Net Income	3,908	3,621	287	7.9
Attributable to controlling interest	3,635	3,419	216	6.3
Attributable to non-controlling interest	273	202	71	35.3

JB Financial Group’s Net income attributable to controlling interest amounted to KRW 363.5 billion in 2020, a 6.3% increase from that of the previous year at KRW 341.9 billion. It brought us a great achievement, 26% in the average 5-year CAGR. The growth in the annual net income was attributed to the increase in interest income and non-interest income due to the growth of interest in fees and commissions, lease, and financial instruments as well as the decrease effect of income tax expense from recognizing deferred income tax as assets.

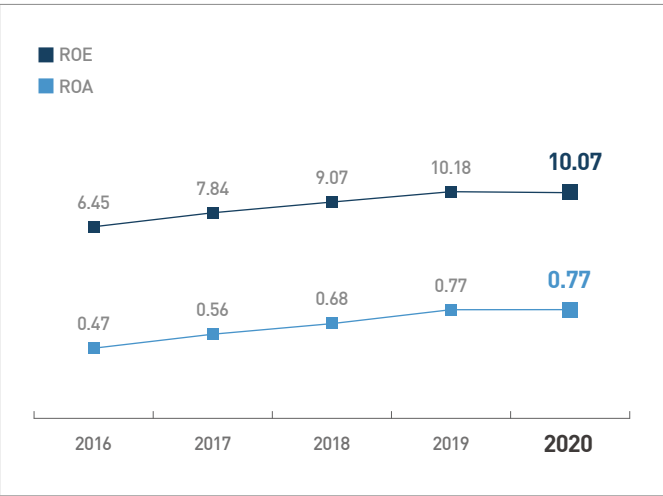
Group’s Net Income Trend (controlling interest)

(Unit: KRW 100 mil)



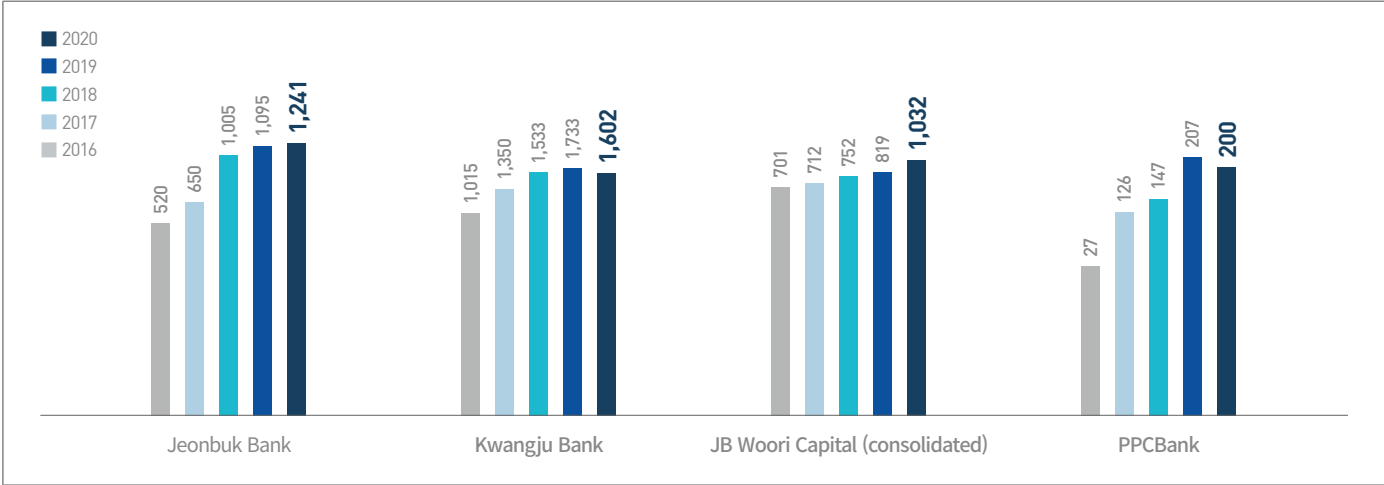
Group’s Profitability Indicator Trend

(Unit: %)



Financial Management Performance

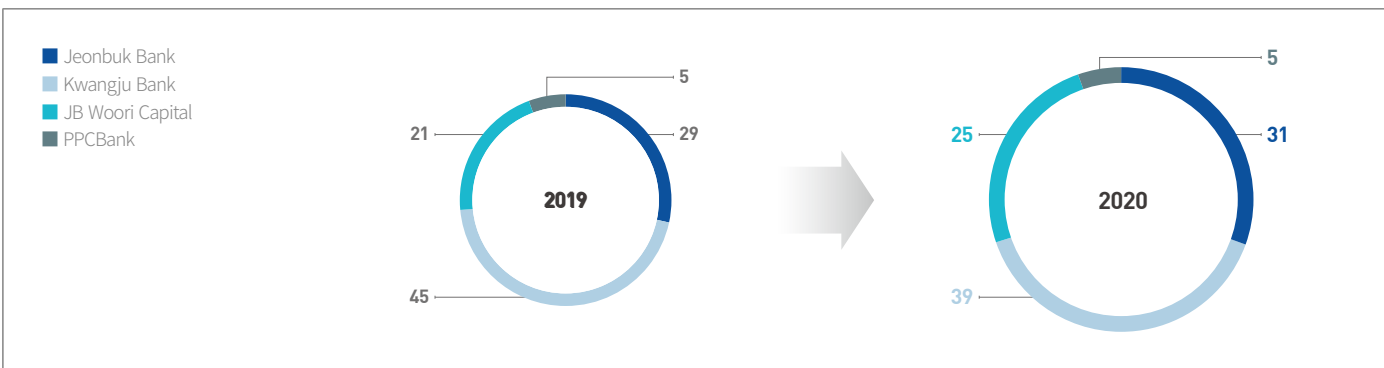
Yearly Net Income by Major Subsidiary (separate) (Unit: KRW 100 mil)



The group’s bank subsidiaries, Jeonbuk Bank and Kwangju Bank continued to lead stable management concentrating on the fundamentals of the organizations. Jeonbuk Bank’s net income (separate) recorded KRW 124.1 billion, up 13.4% year on year owing to the recognition of deferred income tax as assets despite KRW 235 billion worth of additional provision for loan losses incurred by COVID-19 while Kwangju Bank’s net income (separate) was KRW 160.2 billion, down 7.5% year on year, which was attributed to the additional provision triggered by COVID-19. Operating income before the appropriation was KRW 1,910 billion for Jeonbuk Bank and KRW 2,562 billion for Kwangju Bank, up by 10.4% and -4.5% year on year respectively.

JB Woori Capital, a specialized lender, achieved KRW 103.2 billion in annual net income, up 26.0% compared to the previous year on the strength of the adjustment into profitability-oriented portfolios. Cambodia Phnom Penh Commercial bank, a grandson company, also contributed greatly to the expanded profit base of the group although it showed slightly decreased net income on account of the pandemic.

Net Income Contribution by Subsidiaries (Unit: %)



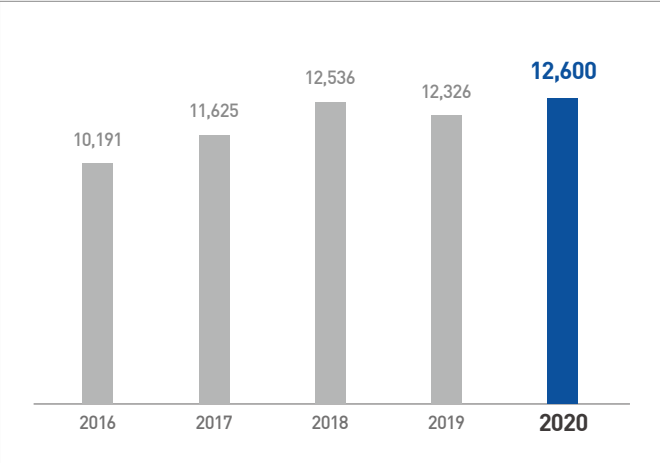
2. Interest Income

Group Net Interest Income (Unit: KRW 100 mil)

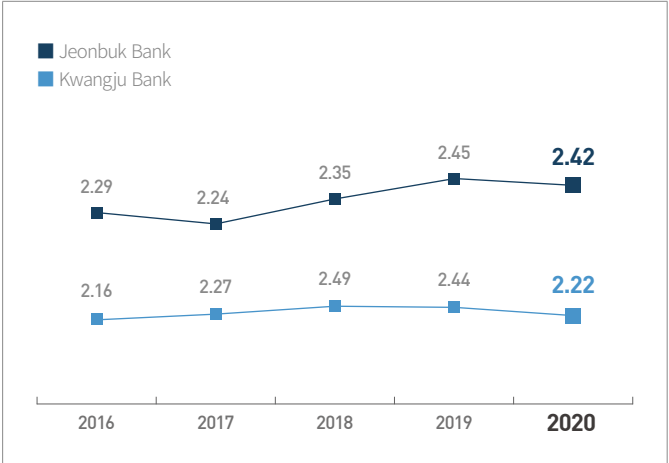
Category	2020	2019	YoY(Amt.)	YoY(%)
Interest Income	18,135	18,925	-790	-4.2
Loans	17,068	17,798	-730	-4.1
Securities	943	1,008	-65	-6.5
Other IEA	124	119	5	4.3
Interest Expense	5,535	6,599	-1,065	-16.1
Deposits	3,537	4,563	-1,026	-22.5
Debentures	1,714	1,679	35	2.1
Borrowings	266	321	-55	-17.2
Other IBL	17	36	-19	-53.2
Net Interest Income	12,600	12,326	274	2.2

JB Financial Group’s net interest income in 2020 increased 2.2% year on year to KRW 1.26 trillion thanks to an 9.7% increase in the group’s loan asset growth although the group’s NIM has declined to 11bp year on year owing to the cut in the base interest rate. In 2020, the annual net interest margin based on the sum of all banks recorded 2.30%, down 14bp from the previous year and the accumulated net interest margin of the group was 2.66%, dropped by 11bp year on year. The group’s NIM was dropped less than combined NIM, because the lower funding rate of JB Woori Capital, a subsidiary, partially offset the decrease in the group’s NIM.

Group’s Interest Income (Unit: KRW 100 mil)



NIM (Unit: %)



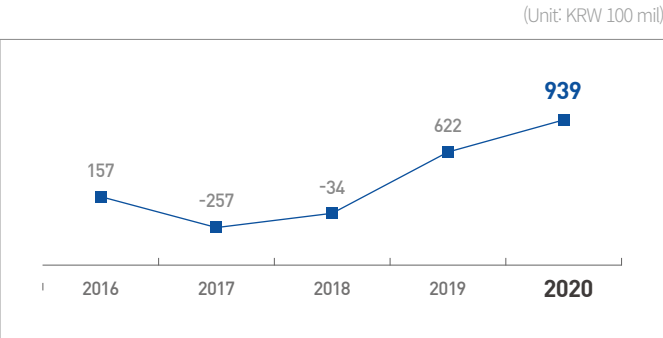
Financial Management Performance

3. Non-Interest Income

Group Non-Interest Income

The group non-interest income recorded KRW 93.9 billion on account of substantial growth based on the sound increase in interests in fees & commissions, lease, and securities. In particular, income in fees and conditions posted KRW 65.3 billion, up KRW 13.2 billion from the previous year mainly derived from the expansion of PF fees & commissions.

Group Net Interest Income (Unit: KRW 100 mil)			
Category	2020	2019	YoY(Amt.)
Non-Interest Income	939	622	317
Fees & Commissions	653	521	132
Lease	584	528	56
Securities	452	274	178
FX & Derivatives	65	81	-16
Guarantee Fund & Insurance Fees	-949	-907	-42
Others	133	125	8

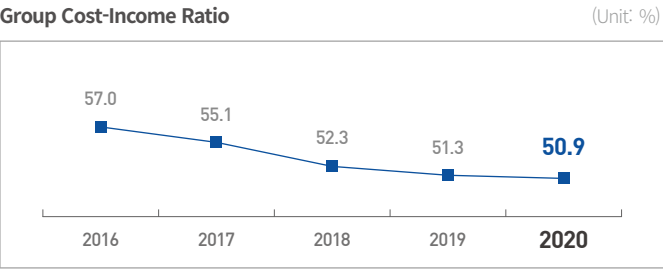


4. Sales, General & Administrative Expenses

Group SG&A Expenses

The SG&A expenses rose by 3.8%, standing at KRW 689.5 billion in 2020, but it only decreased about 0.2% compared to the previous year if excluding KRW 262 billion of the early retirement expenses. The group's cost-income ratio recorded 50.9%, down 0.4%p year on year, which stems from cost reduction efforts at the company level including digital transformation as well as the cost-cutting effect in human salaries and benefits sector owing to early retirement. Going forward, we will maintain our cost-income ratio in a stable manner through efficient budget execution.

Group SG&A Expenses (Unit: KRW 100 mil)				
Category	2020	2019	YoY(Amt.)	YoY(%)
SG&A Expenses	6,895	6,644	251	3.8
Salaries & Benefits	4,296	4,096	200	4.9
General & Admin	1,194	1,221	-27	-2.2
Early retirement expenses	272	176	96	54.8
Depreciation & Others	1,133	1,151	-18	-1.6

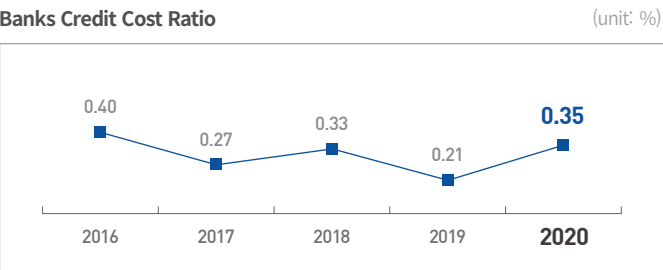
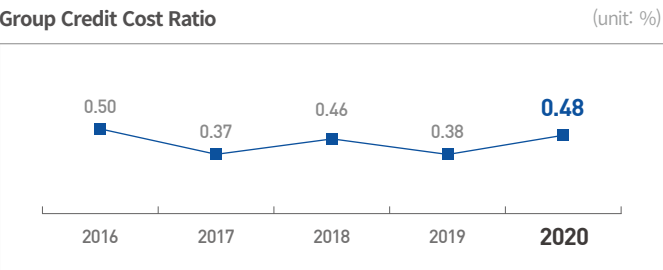


5. Credit Costs

Group Credit Costs

Annual contribution to the group's provision for 2020 recorded KRW 194.9 billion, up KRW 49.4 billion compared with the previous year. It is mainly attributed to the impact of KRW 50.1 billion worth of additional appropriation related to COVID-19 and provision for credit losses incurred by DICC, an individual corporation. However, the concerned credit cost ratio showed 0.48% for the group and 0.35% for the combined banks, which demonstrates the group's credit cost ratio remains stable at around 0.33% with the exclusion of provision for loan losses triggered by COVID-19.

Group's Credit Cost Ratio (Unit: KRW 100 mil)				
Category	2020	2019	YoY(Amt.)	YoY(%)
Provision for Credit Losses	1,949	1,455	494	34.0
Corporate (Banks)	447	103	344	334.0
Household (Banks)	703	493	210	42.6
Credit Card (Banks)	84	86	-1	-1.2
JB Woori Capital	650	722	-72	-10.0
Others	64	50	13	25.5



III. Balance Sheet Review

1. Balance Sheet Overview

Condensed Consolidated Balance Sheets (Unit: KRW 100 mil)				
Category	2020	2019	YoY(Amt.)	YoY(%)
Total Assets	533,755	475,296	58,459	12.3
Cash and due from banks	27,811	27,114	697	2.6

Financial Management Performance

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Investment financial assets	61,929	48,552	13,709	28.2
Loans	414,376	371,086	43,290	11.7
Lease assets	17,022	15,602	1,419	9.1
Tangible assets	4,120	4,048	72	1.8
Intangible assets	1,486	1,575	-90	-5.7
Other assets	7,012	7,317	-305	-4.2
Total Liabilities	493,466	437,098	56,368	12.9
Deposits	381,223	341,753	39,470	11.5
Borrowings	18,923	15,845	3,078	19.4
Debt securities issued	78,366	65,056	13,310	20.5
Other liabilities	14,953	14,443	510	3.5
Total Equity	40,289	38,198	2,091	5.5
Capital stock	9,849	9,849	0	0.0
Hybrid debts	4,030	4,030	0	0.0
Capital surplus	7,049	7,054	-5	-0.1
Retained earnings	17,319	14,455	2,864	19.8
Other equity	-684	-689	5	-0.7
Non-controlling interests	2,725	3,499	-774	-22.1
Total Liabilities and Equity	533,755	475,296	58,459	12.3

At the end of 2020, JB Financial Group’s total consolidated assets recorded KRW 53.37 trillion, raised by 12.3% from the previous year. Loan receivables considerably increased by 11.7% year on year due to the growing demand of corporate funding in Jeonbuk Bank and Kwangju Bank. Deposit liabilities also rose by 11.5% compared to the previous year, which stemmed from growing liquidity in the market and funds attracted by Kwangju Bank for a park project.

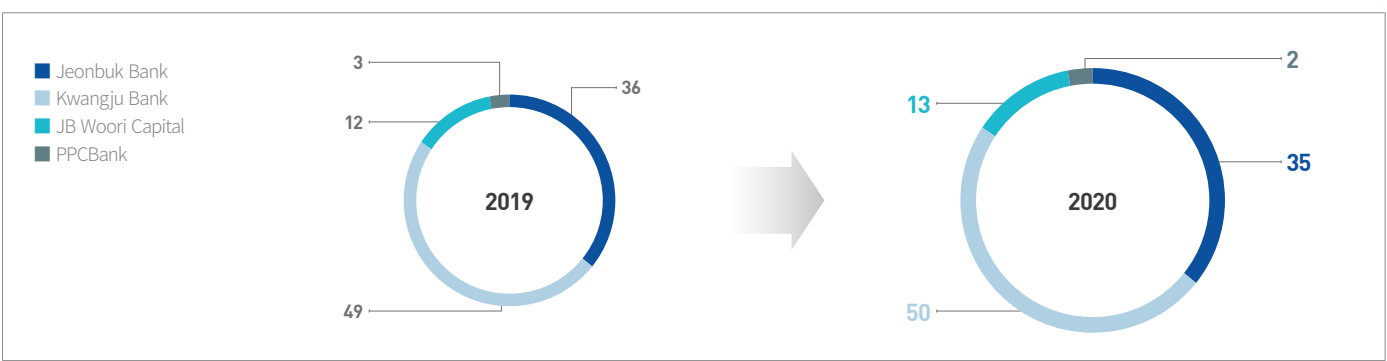
Assets and Liabilities by Subsidiaries

(Unit: KRW 100 mil)

Category	Company Name	2020			2019		
		Total Assets	Total Liabilities	Total Shareholders' Equity	Total Assets	Total Liabilities	Total Shareholders' Equity
Holding Company	JB Financial Holdings	28,200	7,742	20,458	25,114	5,321	19,793
	Jeonbuk Bank	186,193	171,522	14,671	171,925	158,225	13,701
Subsidiary	Kwangju Bank	267,508	248,234	19,274	234,193	215,995	18,198
	JB Woori Capital	67,906	59,117	8,789	58,491	50,656	7,835
	JB Asset Management	327	161	167	269	105	164
	PPCBank	11,343	9,656	1,687	10,734	9,160	1,574
Grandchild Company	JB Capital Myanmar	230	95	135	207	87	120
	JB Securities Vietnam	457	5	452	-	-	-

Note: Prepared on a separate financial statement basis

Assets Contribution by Subsidiaries



2. Deposits

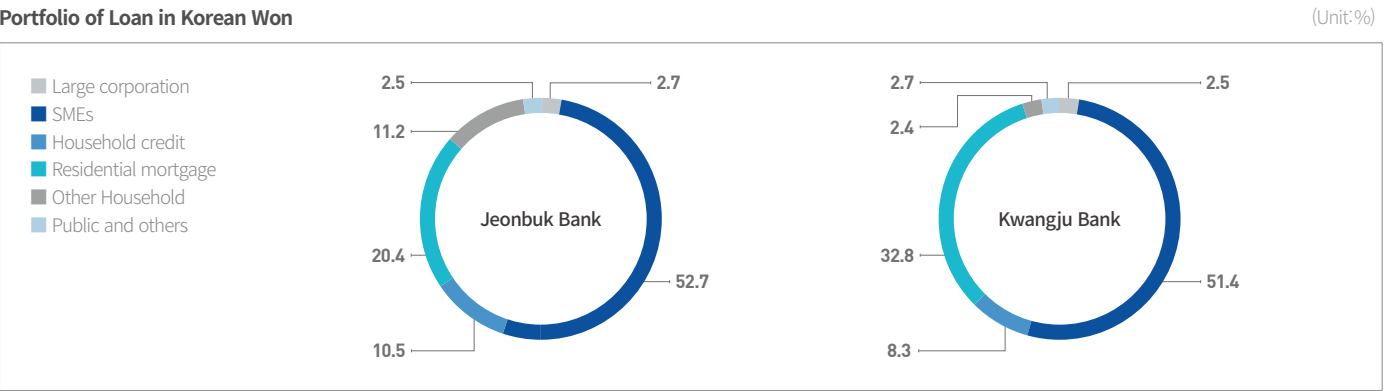
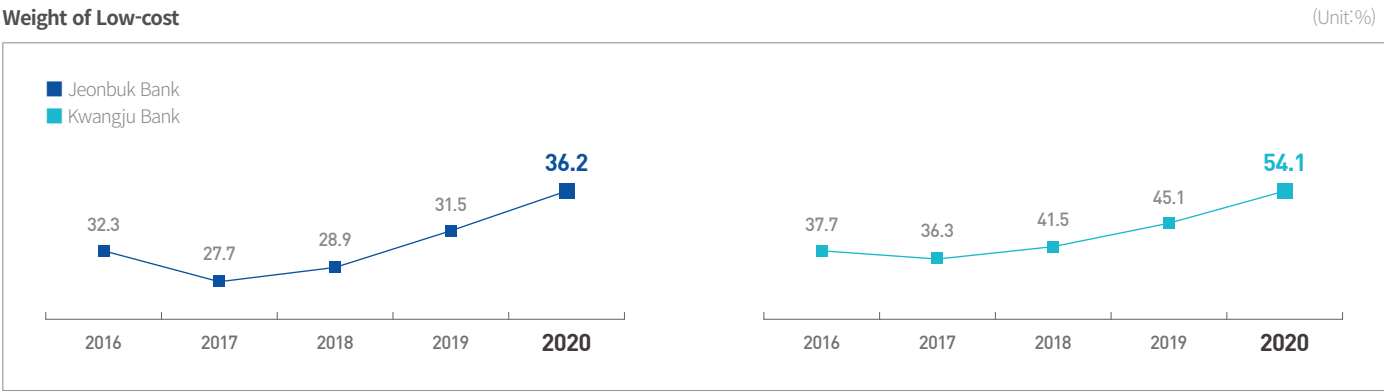
Deposits by Banks

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)	
Jeonbuk Bank	Total Deposits	151,735	140,758	10,652	7.6
	Deposits in KRW	150,128	139,291	10,837	7.8
	Low-cost deposit	54,589	44,033	10,556	24.0
	Demand	24,267	17,531	6,736	38.4
	Savings	18,247	15,581	2,666	17.1
	Corporate savings	12,075	10,921	1,154	10.6
	Time deposit	91,726	91,471	255	0.3
	Installment deposit	3,812	3,787	25	0.7
Kwangju Bank	Total Deposits	237,304	208,138	29,166	14.0
	Deposits in KRW	215,422	188,494	26,928	14.3
	Low-cost deposit	117,366	85,432	31,934	37.4
	Demand	64,996	45,108	19,888	44.1
	Savings	33,468	27,960	5,508	19.7
	Corporate savings	18,902	12,365	6,537	52.9
	Time deposit	93,657	98,139	-4,482	-4.6
	Installment deposit	3,709	3,804	-95	-2.5

The deposits in KRW of Jeonbuk Bank and Kwangju Bank increased coupled with the growth in loans by 7.8% and 14.3% compared with the previous year respectively. The weight of low-cost deposit was greatly improved in both banks, leading to the reduction of financing cost. The deposits in KRW of Kwangju Bank particularly saw considerable growth in public treasury deposits.

Financial Management Performance

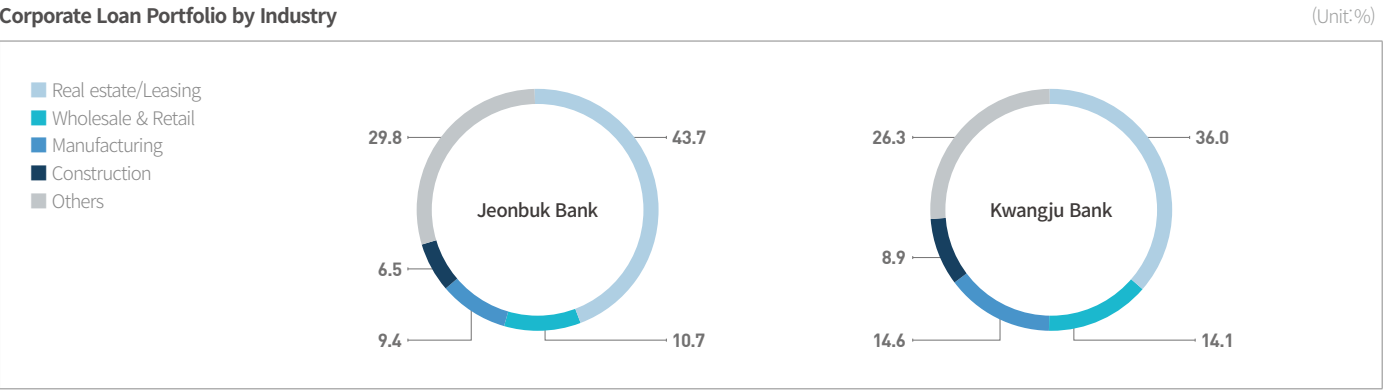
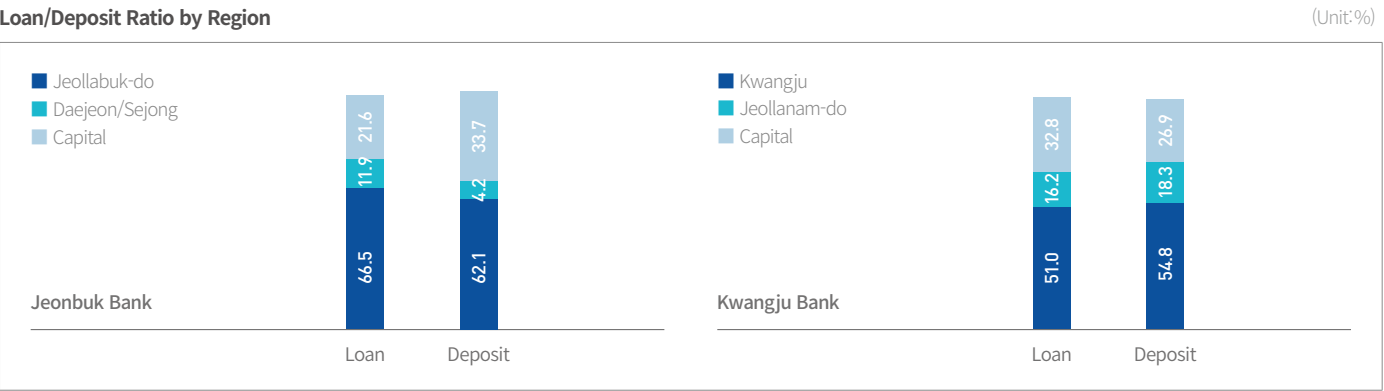


3. Loans

Loans by Banks (Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Loans in KRW	145,545	135,182	10,363	7.7
Corporate	80,638	71,052	9,586	13.5
SME	76,707	67,951	8,756	12.9
Large Corp	3,931	3,101	830	26.8
Household	61,257	60,633	624	1.0
(Mortgage)	29,754	35,840	-6,086	-17.0
Public & Others	3,650	3,497	153	4.4
Loans in KRW	198,830	178,784	20,046	11.2
Corporate	107,488	93,702	13,786	14.7
SME	102,142	88,769	13,373	15.1
Large Corp	5,346	4,932	414	8.4
Household	86,418	80,546	5,872	7.3
(Mortgage)	65,147	60,325	4,822	8.0
Public & Others	4,924	4,536	388	8.6

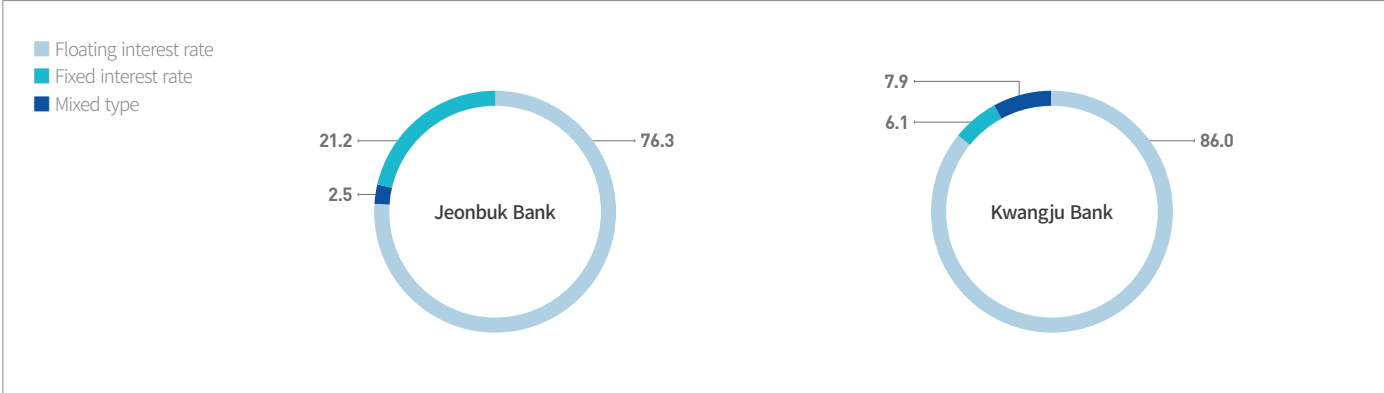
The loans in KRW of Jeonbuk Bank was KRW 14.5 trillion in 2020, up 7.7% compared to the previous year. Kwangju Bank in the same area recorded KRW 19.8 trillion, grew by 11.2% year on year. Both banks continued their steady and firm growth in loan. Owing to the corporates' demand for securing capital preemptively in the face of pandemic situation, corporate loan relatively showed a greater increase.



Financial Management Performance

Types of KRW Loan Interest Rate

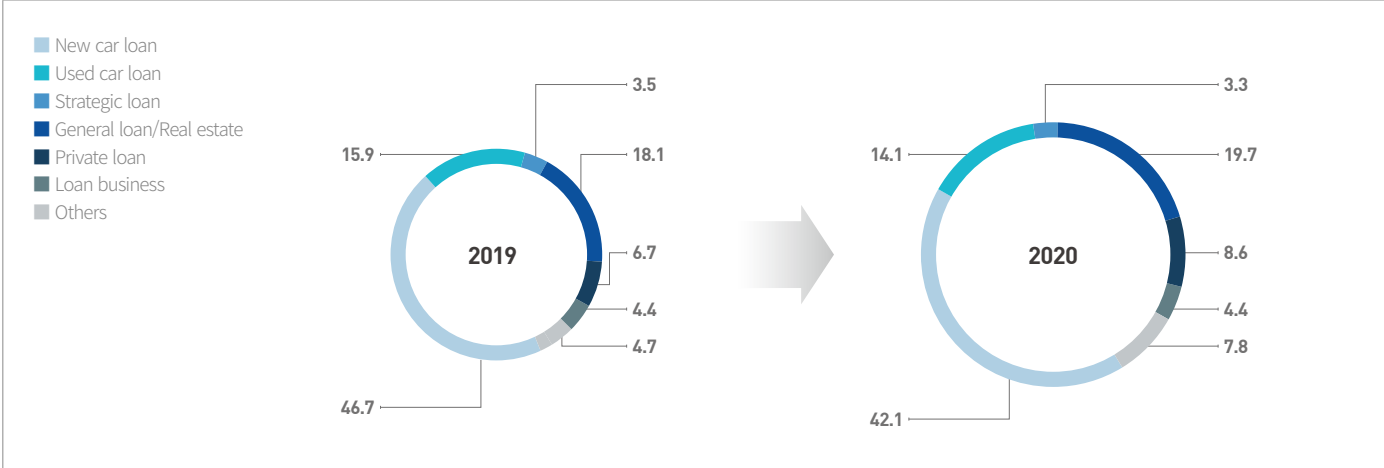
(Unit: %)



4. JB Woori Capital

Financial Assets Portfolio

(Unit: %)



In response to intensifying competition in the new car loan market as banks and credit card companies enter the car finance industry, JB Woori Capital has reduced the proportion of new car loans since 2018 and rather focused on used car loan and non-car business areas such as corporate finance and personal credit loans. The proportion of used car loan slightly dropped in the financial asset portfolio due to the requirement of higher credit rating of car owners and reinforced voting rights in pursuit of manage soundness in 2020 whereas the general loan was expanded thanks to the strengthened corporate finance sector.

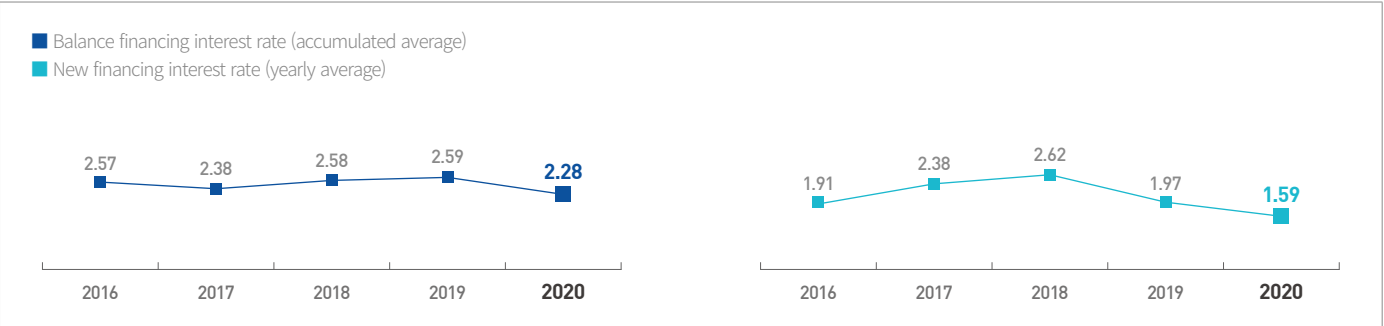
Funding Structure

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Total	55,030	46,375	8,655	18.7
Corporate bonds	51,500	45,500	6,000	13.2
CP	1,600	800	800	100.0
ABS	1,930	-	1,930	N.A.
Borrowings	-	75	-75	N.A.

Funding Rate Trend

(Unit: %)



JB Woori Capital has maintained a stable funding structure in 2020 mainly consisting of corporate bonds in preparation for uncertain financial climate. For raising liquidity, it retains an appropriate ratio of CP as well.

IV. Asset Quality Review

Group Asset Quality

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Total Credits	417,363	379,142	38,221	10.1
Normal	410,023	372,075	37,948	10.2
Precautionary	4,554	3,729	825	22.1
Substandard	1,577	1,937	-360	-18.6
Doubtful	634	883	-249	-28.2
Estimated loss	575	518	57	11.0
Precautionary & Below Ratio	1.76	1.86	-	-0.10
Precautionary & below	7,341	7,067	274	3.9

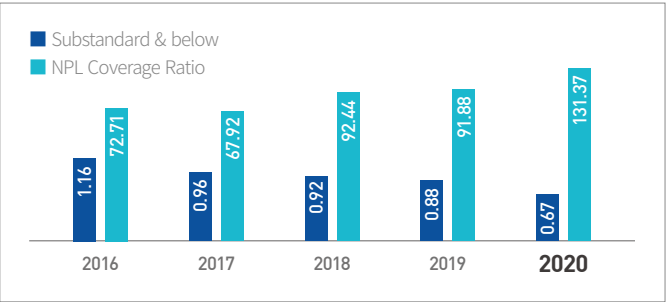
Financial Management Performance

(Unit: KRW 100 mil)

Category	2020	2019	YoY(Amt.)	YoY(%)
Substandard & Below Ratio	0.67	0.88	-	-0.21
Substandard & below	2,787	3,338	-551	-16.5
NPL Coverage Ratio	131.4	91.9	-	39.5
Loan loss allowance	3,661	3,067	594	19.4
Delinquency Rate	0.57	0.66	-	-0.09
Delinquent loans	2,372	2,498	-126	-5.0
Total loans	415,398	377,152	38,246	10.1

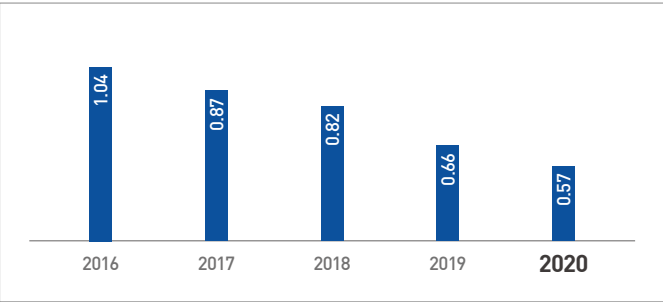
NPL(fixed or lower graded loans) Ratio

(Unit: %)



Delinquency Ratio

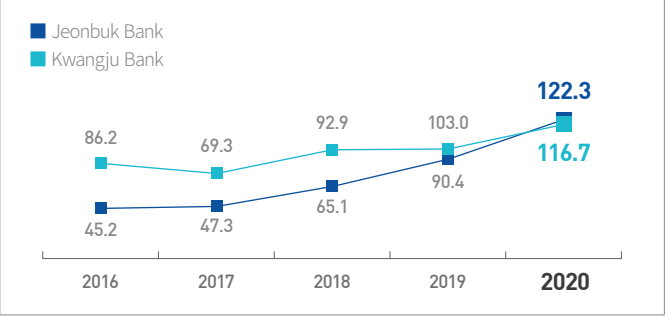
(Unit: %)



In 2020, the group's asset soundness recorded a stable level propelled by active risk management policies in preparation for economic uncertainty. The group's NPL ratio stood at 0.67%, improved by 21bp from the previous year while maintaining good NPL coverage ratio at 131.4%. Delinquency ratio fell by 9bp year on year. In case of corporate loan, risk weight steadily dropped through loan portfolio rebalancing, resolving large part of distressed loans.

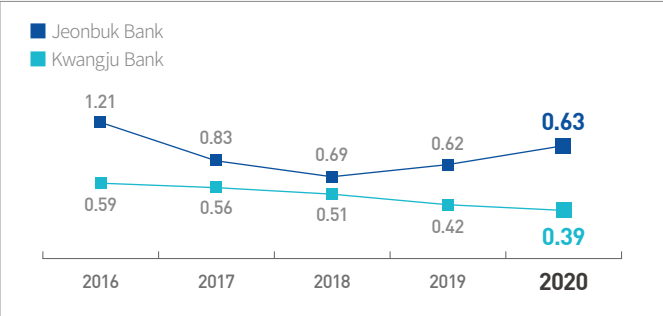
NPL Ratio by Bank

(Unit: %)



Delinquency Ratio by Banks

(Unit: %)



V. Capital Adequacy Review

Group Capital Adequacy

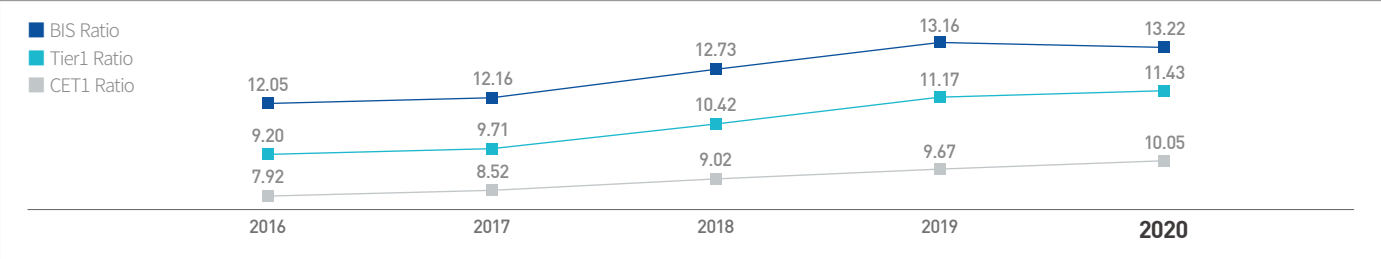
Category	Unit	2020	2019	YoY(Amt.)	YoY(%)
BIS Capital		41,341	39,227	2,116	5.4
Tier1 Capital	KRW 100 mil	35,739	33,288	2,451	7.4
CET1 Capital		31,419	28,832	2,587	9.0
Risk Weighted Assets		312,659	298,108	14,632	4.9
BIS Ratio		13.22	13.16	-	0.06
Tier1 Ratio	%	11.43	11.17	-	0.26
CET1 Ratio		10.05	9.67	-	0.38

BIS Leverage Ratio Status

Category	Unit	2019	2020
(Basel III) Tier 1 Capital	KRW 100 mil	35,739	33,288
(Basel III) Total Exposure		577,772	516,407
(Basel III) Leverage Ratio	%	6.19	6.45

Group's BIS Capital Ratio

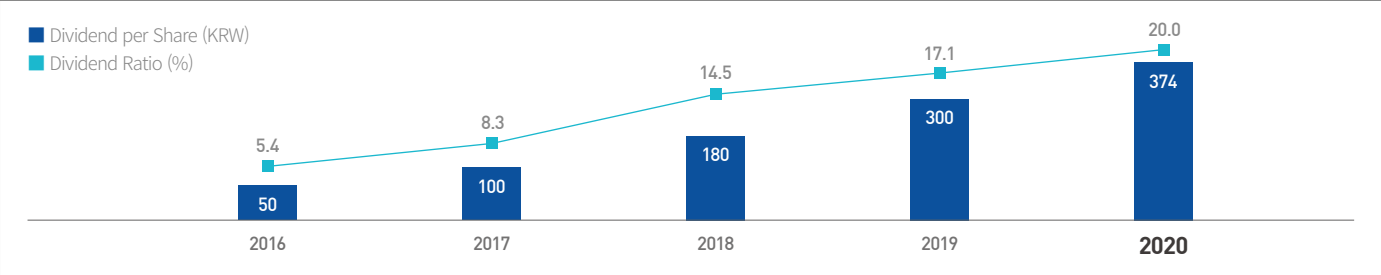
(Unit: %)



As a result of our efforts for improving RoRWA, the group's capital adequacy in 2020 showed 13.22% in BIS ratio, 11.4% in Tier1 ratio, and 10.05% in CET1 ratio, increased by 6bp, 26bp, and 38bp respectively compared to the previous year, which tops 9.5%, a maximum ratio regulated by the financial authority. Risk weighted assets yearly expanded 4.9% in line with the adjusted asset portfolio mainly in favor of profitability while CET1 capital grew 9.0% year on year thanks to the substantial increase in the group's net income of controlling interest. ROE maintained the level of 10% despite the capital growth, and dividend ratio also climbed up a great amount to 20.0% in 2020. Going forward, JB Financial Group will consistently raise the dividend ratio, striving for consolidating our shareholder return policy.

Dividend

(Unit: %)



Independent Auditor's Report



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 statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audits 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.

- Expected Credit Losses on Loans Measured at Amortized Cost

Why it is determined to be a Key Audit Matter

Korean IFRS 1109 Financial Instruments requires determination of significant increases in credit risk and measurement of expected credit losses using forward-looking information. This standard requires considerably high degree of management's interpretation and judgment because the Group uses various types of information including probability of defaults, loss given default and forward-looking information to measure expected credit losses.

The Group measures expected credit losses on loans measured at amortized cost, on an individual and collective basis. The identification of loans that are deteriorating and the assessment of the present value of expected future cash flows in determining expected credit losses are inherently uncertain, which requires a relatively high extent of management's estimates and judgments. In measuring expected losses on a collective basis, a wide range of complex inputs and assumptions are used. Given the extent of management's estimates and judgments involved, we considered expected credit losses to be a key audit matter. Especially during the year ended December 31, 2020, the Group evaluated the possibility of defaults at a high level since it was determined that credit risk of loans applying deferral of repayments or deferral of interest payments among government support policies because of the damage from

COVID-19 had significantly increased. A relatively high level of judgment is involved in estimating expected credit losses of management.

The balances of loans measured at amortized cost subject to individual or collective assessment and its loss allowance are ₩ 41,803,932 million and ₩ 366,284 million, respectively (Note 15).

How our audit addressed the Key Audit Matter

(1) Assessment of expected credit losses on an individual basis

We obtained an understanding and evaluated procedures and controls relating to the assessment of expected credit losses on an individual basis. In particular, we draw attention to the assumptions used in estimating future cash flows. We evaluated whether management reasonably estimated and sufficiently reviewed key assumptions; such as growth rate of entities subject to individual assessment, and valuation of collaterals in forecasting future expected cash flow. As part of these procedures, we assessed whether sales growth rate, operating income ratio and assumptions on investment activities

used in forecasting future expected cash flow were consistent with historical performance and current market conditions. Furthermore, we assessed the appropriateness of collateral valuation by conducting our own research on most recent property prices and assessing appraisal reports, models and methodologies used by management.

(2) Assessment of expected credit losses on a collective basis

We obtained an understanding and evaluated the processes and controls relating to the assessment of expected credit losses on a collective basis in accordance with impairment requirements under Korean IFRS 1109 Financial Instruments. Management assessed credit rating to recognize lifetime expected credit losses on loans with significant increase in credit risk and impaired loans. Other than 3 these cases, management recognized 12 month expected credit losses. To calculate expected credit losses, management has applied forward-looking information, probability of default, and loss given default estimated through predetermined internal procedures and controls implemented for various assumptions.

We assessed the design and operating effectiveness of controls relating to credit ratings that appropriately reflect both qualitative and quantitative information. Our substantive test over accuracy and reliability of information includes agreeing qualitative and quantitative information with relevant evidence.

We assessed the appropriateness of management policies and procedures to determine significant increases in credit risk, and tested reasonableness of expected credit loss model applied by each of the three stages (Stage 1, 2 and 3) depending on how significantly credit risk was increased.

We involved our own risk specialist to statistically analyze correlation between forward-looking information, probability of defaults and loss given default. We assessed appropriateness of methodologies for adjusting probability of defaults and loss given default to reflect forward-looking information on estimation of expected credit losses. We further tested reasonableness and mathematical accuracy of information through recalculation and inspection of supporting data.

We assessed on methodologies used by management to verify that probability of default and loss given default were estimated by using sufficient and reasonable historical data. We determined that the default and loss data used were appropriately collected and used in accordance with internal control procedures. In addition, we assessed reasonableness and accuracy of probability of defaults and loss given default through procedures including recalculation, and evaluated management's default and loss data and mathematical accuracy through agreeing them with relevant evidences.

We assessed the reasonableness of key assumptions used in classification of stage and application of probability of defaults resulting from significant increase in credit risk of loans subject to deferral of repayments and interest payment due to the damage from COVID-19, and confirmed whether the relevant information is appropriately disclosed. We also verified the accuracy and completeness of aggregating loans subject to deferral of repayments and interest payments and mathematical accuracy of loss allowance calculation.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements of the Group. Note 3 to the consolidated financial statements describes uncertainty relating to the impact of Coronavirus disease 2019 (COVID-19) on the financial position and financial performance of the Group.

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 Yeob Yu, Certified Public Accountant.

Seoul, Korea
March 23, 2021

Samil PricewaterhouseCoopers

This report is effective as of March 23, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Guideline for ESG Disclosure / Initiatives

GRI Standards Index

Universal Standards		Description	Reporting Page
GRI 102: General Disclosures			
GRI 102: Organizational profile	102-1	Name of the organization	8
	102-2	Activities, brands, products, and services	8
	102-3	Location of headquarters	10
	102-4	Location of operations	10
	102-5	Ownership and legal form	9
	102-6	Markets served	10
	102-7	Scale of the organization	10,14
	102-8	Information on employees and other workers	65-66
	102-9	Supply chain	76
	102-10	Significant changes to the organization and its supply chain	76
	102-11	Precautionary Principle or approach	19,83
	102-12	External initiatives	102-108
	102-13	Membership of associations	73
GRI 102: Strategy	102-14	Statement from senior decision-maker	2-3
	102-15	Key impacts, risks, and opportunities	4-5,11
GRI 102: Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	73
	102-17	Mechanisms for advice and concerns about ethics	73
GRI 102: Governance	102-18	Governance structure	14-18
	102-19	Delegating authority	15
	102-20	Executive-level responsibility for economic, environmental, and social topics	16-17
	102-21	Consulting stakeholders on economic, environmental, and social topics	20-21
	102-22	Composition of the highest governance body and its committees	17
	102-23	Chair of the highest governance body	15
	102-24	Nominating and selecting the highest governance body	16
	102-25	Conflicts of interest	17
	102-26	Role of highest governance body in setting purpose, values, and strategy	15
	102-27	Collective knowledge of highest governance body	15
	102-28	Evaluating the highest governance body’s performance	18
	102-29	Identifying and managing economic, environmental, and social impacts	13,23-25
	102-30	Effectiveness of risk management processes	19
	102-31	Review of economic, environmental, and social topics	13
	102-32	Highest governance body’s role in sustainability reporting	16-18
	102-33	Communicating critical concerns	16-18
	102-34	Nature and total number of critical concerns	16-18

Universal Standards		Description	Reporting Page
GRI 102: Governance	102-35	Remuneration policies	18
	102-36	Process for determining remuneration	18
	102-37	Stakeholder’s involvement in remuneration	18
	102-38	Annual total compensation ratio	59
	102-39	Percentage increase in annual total compensation ratio	59
GRI 102: Stakeholder engagement	102-40	List of stakeholder groups	20
	102-41	Collective bargaining agreements	20
	102-42	Identifying and selecting stakeholders	20
	102-43	Approach to stakeholder engagement	20-25
	102-44	Key topics and concerns raised	21-25
GRI 102: Reporting Practice	102-45	Entities included in the consolidated financial statements	14
	102-46	Defining report content and topic Boundaries	ABOUT THIS REPORT
	102-47	List of material topics	21-25
	102-48	Restatements of information	ABOUT THIS REPORT
	102-49	Changes in reporting	ABOUT THIS REPORT
	102-50	Reporting period	ABOUT THIS REPORT
	102-51	Date of most recent report	ABOUT THIS REPORT
	102-52	Reporting cycle	ABOUT THIS REPORT
	102-53	Contact point for questions regarding the report	ABOUT THIS REPORT
	102-54	Claims of reporting in accordance with the GRI Standards	102-104
GRI 102: Governance	102-55	GRI content index	102-104
	102-56	External assurance	110-111
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	22-25
	103-2	The management approach and its components	22-25
	103-3	Evaluation of the management approach	22-25
GRI 200: Economic			
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	85-99
	201-2	Financial implications and other risks and opportunities due to climate change	44
	201-3	Defined benefit plan obligations and other retirement plans	59-62
GRI 202: Market Presence	202-2	Proportion of senior management hired from the local community	52
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investment and services supported	28-31
	203-2	Significant indirect economic impacts	76
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	76
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	81-83
	205-2	Communication and training about anti-corruption policies and procedures	81-83
	205-3	Confirmed incidents of corruption and actions taken	81-83
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	81-83

Sustainability Initiatives

Universal Standards		Description	Reporting Page
GRI 300: Environmental			
GRI 301: Materials	301-1	Materials used by weight or volume	46-49
	302-1	Energy consumption within the organization	46-49
	302-4	Reduction of energy consumption	46-49
GRI 302: Energy	302-5	Reductions in energy requirements of products and services	46-49
	303-1	Interactions with water as a shared resource	48
GRI 303: Water and Effluents	305-1	Direct (Scope 1) GHG emissions	46
	305-2	Energy indirect (Scope 2) GHG emissions	46
	305-3	Other indirect (Scope 3) GHG emissions	46
GRI 305: Emissions	307-1	Non-compliance with environment laws and regulations	44
GRI 400: Social			
GRI 401: Employment	401-1	New employee hires and employee turnover	65
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	57-58
	401-3	Parental leave	57-58
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	74
GRI 403: Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	75
	404-1	Average hours of training per year per employee	62-64,69
GRI 404: Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	62-64,69
	404-3	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	69-70
	405-1	Diversity of governance bodies and employees	62-64,69
GRI 405: Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	50-53
	406-1	Incidents of discrimination and corrective actions taken	59-62
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	73,82
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	73
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	73
	412-2	Employee training on human rights policies or procedures	73
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and developing programs	29-31,70-72
	413-2	Operations with significant actual and potential negative impacts on local communities	29-31,70-72
GRI 415: Public Policy	415-1	Political contributions	20
	417-1	Requirements for product and service information and labeling	32-35
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	32-35
	417-3	Incidents of non-compliance concerning breaches of customer privacy and losses of customer data	32-35
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	78-79
	419-1	Non-compliance with laws and regulations in the social and economic area	82
Financial Service Sector Supplement			
Product Portfolio	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	76
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	44-45
Local Communities	FS13	Access points in low-populated or economically disadvantaged areas by type	28-31
	FS14	Initiatives to improve access to financial services for disadvantaged people	28-31

UN Global Compact

Categories	Ten Principles	Activities and Performance	Reporting Page
Human Rights	Principle 1: Business should support and respect the protection of international proclaimed human rights;	Formulating the principles of human rights for employees	73
	Principle 2: Make sure that they are not complicit in human rights abuses.	Establishing the principles of human rights management and conducting relevant activities	73
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Formulating the principles of human rights for employees	73
	Principle 4: the elimination of all forms of forced and compulsory labour;		73,82
	Principle 5: the effective abolition of child labour; and		73,82
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Building the principles of human rights for employees and carrying out activities in this regard	73,82
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Establishing the principles of environmental management	44-49
	Principle 8: undertake initiatives to promote greater environmental responsibility;	Establishing the principles of environmental management and conducting activities	44-49
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Expanding the scale of eco-friendly financing	44-45
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Establishing the code of ethics and the code of conduct Building an anti-corruption system and carrying out relevant activities	81-82

UN SDGs

SDGs	Activities and Performance		Reporting Page
Emphasized	Goal 1	No Poverty	• Putting inclusive finance into action and safeguarding financial consumers
	Goal 3	Good Health and Well-being	• Carrying out social contribution activities for the vulnerable and marginalized, employees’ volunteer works
	Goal 4	Quality Education	• Providing a safe, inclusive and effective educational environment • Providing Financial education and constantly awarding scholarships
	Goal 8	Decent Work and Economic Growth	• Spreading local unique cultures and creating sustainable jobs
Related	Goal 5	Gender Equality	• Making sure gender equality in recruitment and personnel system, supporting childcare
	Goal 7	Affordable and Clean Energy	• Lending support to eco-friendly energy
	Goal 13	Climate Action	• Local ecosystem restoration project for reducing environmental impact
	Goal 9	Industry, Innovation and Infrastructure	• Giving back to local communities • Employees’ social contribution activities • Working with social welfare centers in partnership
	Goal 11	Sustainable Cities and Communities	
	Goal 17	Partnerships for the Goals	
	Goal 12	Responsible Consumption and Production	• Data Protection System for Safe Financial Transaction
	Goal 16	Peace, Justice and Strong Institutions	• Putting in place financial consumer and personal data protection policy

TCFD (Task Force on Climate-related Financial Disclosures)


The countries, which attended Paris Climate Agreement in 2015, decided to define their own GHG mitigation target and put efforts into achieving the goal with the aim to stop global warming. These global trends and demands led the Financial Stability Board (FSB) to establish Task Force on Climate-related Financial Disclosures (TCFD) in December 2015. TCFD recommends corporations to identify climate change-related risks and opportunities, and publicly disclose their financial impact. In repose, JB Financial Group has actively joined forces in the international efforts. Going forward, we will put in place a management system living up to the recommendation of TCFD, and release the data step by step.

Recommendations and Supporting Recommended Disclosures		JB Financial Group Response
Governance	(a) Describe the board’s oversight of climate-related risks and opportunities.	• Establishment of ESG Committee (March 2021) • Monitoring issues related to environmental management and climate change, and group’s sustainable management
	(b) Describe management’s role in assessing and managing climate-related risks and opportunities.	• Decision making on ESG-related issues including climate change through ESG Committee with CEO and all non-executive directors
Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	• Analyzing the climate change-related impact coming with growing demand for resources stemming from the expansion of business in scale
	(b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	• Efficiently managing energy and water resources and utilizing alternative resources to minimize the environmental impact, and at the same time, directly associating with financial performance such as the difficulty of business expansion
	(c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including 2°C or lower scenario.	• Transition risk evaluation completed through the analysis of IEA 2DS, NDC scenarios, and efforts for eco-friendly finance, such as the declaration of coal-free finance, in proactive response to climate change.
Risk Management	(a) Describe the organization’s processes for identifying and assessing climate-related risks.	• Planning to identify climate change risks and implement monitoring
	(b) Describe the organization’s processes for managing climate-related risks.	• Planning to establish a systematic management process of climate change and environmental management-related risks
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	• Taking environmental impact into consideration when deciding to make an investment or provide loans, and providing eco-friendly investment and loan products
Metrics and Targets	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	• ESG products and service • Amount of GHGs directly and indirectly emitted
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas(GHG) emissions, and the related risks.	• Amount of GHGs emitted (Unit: tCO ₂ eq) (Scope 1: 3,170 / Scope 2: 7,961 / Scope 3: 133) • Eco-friendly products · investments · loans
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	• Proclaiming coal-free finance, and signing an MOU for the coal-free and Green New Deal • Driving the transition into a low-carbon economy and constantly expanding the scale of eco-friendly investments

SASB (Sustainability Accounting Standards Board)

SASB Standard is a sustainability accounting criteria by industry developed by the Sustainability Accounting Standards Board. This index classifies financially significant sustainable information. Each information is sorted into a total of 11 areas and 77 industries in accordance with the Sustainable Industry Classification System (SICS). For the objective of disclosing more various information to our stakeholders and investors in a more transparent manner, JB Financial Group publicly announced information falling under the sector of commercial banks in our integrated report.


Table 1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	JB Financial Group Response
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected2	JB Financial Group has established an information protection system to safeguard and manage our customers’ personal information and credit data. Relevant information is reported on page 79.
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	The group puts consumer information protection at the forefront, helping them safely use financial services by identifying and removing potential risk factors and strictly complying with related laws and regulations.
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	As a regional bank, the group carries out various sustainble financial programs to vitalize local firms and communities. Sustainable finance for the last 3 years is available on page 76.
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	It is disclosed through the performance announcement on the group website. 
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	The group provides finance-related education programs on voice phishing and loans for multicultural families and foreign workers. Regarding information is reported on page 30.


SASB (Sustainability Accounting Standards Board)

Topic	Code	Accounting Metric	JB Financial Group Response
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	The group publicly announces the concentration rate by industry of financial products with credit risks on its business report.
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	In order to integrate ESG factors into credit (financial) analysis, the group operates a number of ESG products including ESG bonds. Jeonbuk Bank was the first local bank to issue ESG bonds worth KRW 70 billion, and it adopted the ESG certification rating system, receiving the top grade, 'STB1' among social bonds from the Korea investors Service.
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Not applicable.
	FN-CB-510a.2	Description of whistleblower policies and procedures	The group operates JB Do Dream, which is an internal whistleblowing system. Regarding information is released on page 82.
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Not applicable.
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Not applicable.

Table 2. Activity Metrics

Code	Accounting Metric	JB Financial Group Response
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	It is disclosed through the performance announcement on the group website. 
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b)small business, and (c) corporate	

ISO 37001 Certificate



Certificate No : RAB0027

Certificate of Registration

ANTI-BRIBERY MANAGEMENT SYSTEM

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

JB Financial Group Co.,Ltd.

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

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



KS A ISO 37001:2016 / ISO 37001:2016

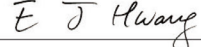
This Certificate is valid for the following product or service ranges:

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

Issue Date : May. 22. 2020

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



Authorized By 
Eun-Ju Hwang, President

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

- KMR is accredited by the KAB (No. KAB-AC-03)

- KSIC CODE:32/ Initial certification date: Jul. 16. 2019

Third party's Assurance Statement

To readers of JB Financial Group 2020 Integrated Report

Introduction

Korea Management Registrar (KMR) was commissioned by JB Financial Group to conduct an independent assurance of its 2020 Integrated Report (the “Report”). The data and its presentation in the Report is the sole responsibility of JB Financial Group. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with JB Financial Group and issue an assurance statement.

Scope and Standards

JB Financial Group described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process;

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - Management approach of Topic Specific Standards
 - GRI 201: Economic Performance
 - GRI 418: Customer Privacy
- Financial Service Additional Index : FS7, FS8, FS13, FS14

As for the reporting boundary, the engagement excludes the data and information of JB Financial Group’s partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by JB Financial Group to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

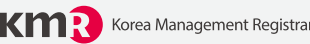
Conclusion and Opinion

Based on the document 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 make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

- **Inclusivity**
JB Financial Group has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.
- **Materiality**
JB Financial Group has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.
- **Responsiveness**
JB Financial Group prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of JB Financial Group’s actions.
- **Impact**
JB Financial Group identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.
- **Reliability of Specific Sustainability Performance Information**
In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with JB Financial Group and did not provide any services to JB Financial Group that could compromise the independence of our work.



June 2021 Seoul, Korea
President **Hwang Eun Ju**

E. J. Hwang

Independent Assurance Report on GHG Emissions

Introduction

Korea Management Registrar has been requested by JB Financial Group to verify greenhouse gas emissions for 2020 for the headquarters of five domestic subsidiaries – JB Financial Group, Jeonbuk Bank, Kwangju Bank, JB Woori Capital and JB Asset Management. 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 JB Financial Group, Jeonbuk Bank, Kwangju Bank, JB Woori Capital and JB Asset Management, 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: 01/01/2020 ~ 12/31/2020
- Types of Greenhouse Gases: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆
- Verification scope
 - Scope 1 (direct emissions), Scope 2 (indirect emissions) , Scope 3 (indirect emissions)
 - Scope 3 is only limited to emission from business trips.
- 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: Level of Limited assurance

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: tCO ₂ -e/yr)					
Year	Subsidiaries	Scope1	Scope2	Scope3	Total
2020	JB Financial Group	95	-	16	111
	Jeonbuk Bank	1,447	2,838	16	4,301
	Kwangju Bank	1,170	4,388	22	5,580
	JB Woori Capital	410	589	34	1,032
	JB Asset Management	49	146	46	240
	Total	3,170	7,961	133	11,264

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 2020 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.

May 7, 2021
Korea Management Registrar

kMR Korea Management Registrar

President **Hwang Eun Ju** *E. J. Hwang*

Major Awards in 2020

Major Awards in 2020

Company	Date	Host	Contents
JB Financial Holdings	2020.10.27	Korea Corporate Governance Service	Excellent company in the ESG area in 2020
	2020.10.27	Korean Red Cross	Commendation from Korean Red Cross
Jeonbuk Bank	2020.01.15	Jeonbuk Community Chest of Korea	The Best Citation for best workplace
	2020.02.20	Korean Red Cross	Plaque for joining RCSV (corporate honors club in Korean Red Cross)
	2020.12.01	Jeollabuk-do	Citation for excellent social contribution activities
	2020.12.01	Korea Workers' Compensation & Welfare Service	Appreciation plaque for excellent social contribution activities
Kwangju Bank	2020.04.21	Korea Management Association Consulting (KMAC)	1 st place in the local bank area for brand power in the Korean industry
	2020.06.18.		Korea's excellent call center in the category of call center for service quality index in Korean industry
	2020.06.25	Korean Red Cross	1 st member of honors club for high amount of donation in Gwangju, Jeonnam region
	2020.12.23	Presidential citation	Citation from the government for 2019 Gwangju FINA World Aquatics Championships
	2020.12.31	Financial Supervisory Service	Satisfactory level in the bank sector after on-site inspection regarding financial consumer protection



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