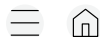


For a Better Future JB Financial, Your Reliable Partner

JB Financial Group 2023 Integrated Report

 JB Financial Group





ABOUT THIS REPORT

Report Overview

This report is the Integrated Report of JB Financial Group, published to present annual performance to the group's investors and stakeholders. The report provides an honest account of the group's financial and non-financial performance, as well as the efforts made to achieve these results.

Reporting Period, Scope and Boundaries

In this report, 'JB Financial Group' refers to the entities incorporating subsidiaries subject to consolidation under Korean International Financial Reporting Standards (K-IFRS). The financial data has been prepared on consolidated financial statements basis, while the non-financial data concerning environment, society, etc. has been prepared on an individual subsidiary basis. Unless otherwise noted, data from sub-subsidiaries, overseas branches, and investees of JB Financial Group is excluded from the general descriptions and information. The geographical boundary of this report is within the Republic of Korea, where its main business sites are located and more than 97% of its profits are generated. The temporal boundary is from January 1, 2023, to December 31, 2023. Yet, some of key activities in 2024 are also contained herein. In cases where there was a noteworthy change in data included in previous reports, the data was recalculated based on the year 2023. The report is released at an interval of one year, and the previous report, '2022 JB Financial Group Integrated Report,' was released in July 2023.

Reporting Standards and International Guidelines

JB Financial Group has prepared this report in accordance with the Global Reporting Initiative (GRI) Standards 2021. And this report aligns with GRI Financial Service Sector Supplement, ISO 26000, and the Ten Principles of the UNGC (UN Global Compact). This report also adheres to the Integrated Reporting (IR) Framework presented by the International Integrated Reporting Council (IIRC), recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), and standards of the Sustainability Accounting Standards Board (SASB).

Data Assurance

Financial data has been audited by an independent accounting firm, and non-financial information has undergone third-party verification by independent specialized organizations to enhance its reliability. Data on greenhouse gas (GHG) emissions stated herein has been separately subject to a third-party verification. This report incorporates forecasting statements associated with financial conditions and sales performance, and management's plans and goals of JB Financial Group and its subsidiaries. Despite third-party verification, due to political, economic and situational uncertainties surrounding business operations, there may be differences between the future performance stated or implied through forecasting and the actual performance of the company.

Contact Details

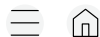
This report is published in both Korean and English editions, and accessible in JB Financial Group website. Feel free to contact ESG Team, IR Division, JB Financial Group for any inquiry or feedback for the report.

ESG Team, IR Division, JB Financial Group

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JB Financial Group Website

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	JB Investment www.jbinvest.co.kr
PPCBank ppcbank.com.kh	JB Securities Vietnam jbsv.com.vn	



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Interactive User Guide

This report has been published as an interactive PDF document containing shortcuts to relevant pages in the report and external web pages as well.

CEO Message



I would like to extend my heartfelt gratitude for the generous interest and support shown towards JB Financial Group. We will continue to walk the path of a ‘Young and Strong Hidden Champion Financial Group’ with all our stakeholders.

Dear esteemed stakeholders,

I would like to express my deepest appreciation to our customers, shareholders, and all other stakeholders including our local communities for their unwavering support and interest.

The year 2023 marked the 10th anniversary of JB Financial Group. Uncertainties in financial markets persisted as high interest rates and low growth rates continued. Yet, all subsidiaries of JB Financial Group has endeavored to reach our shared goal with a One-Team (‘Team JB’) spirit. As a result, we were able to solidify our presence as a ‘Hidden Champion Financial Group’ with the industry’s highest-ever profitability.

In addition, as a part of our commitment to fostering shared growth, we have begun to actively promote key social contribution activities to support vulnerable and marginalized communities, centered around the ‘Seed Volunteer Corps,’ which was voluntarily established by our executives and employees. As a result, we were selected as the only financial holding company in South Korea to be named an ‘Excellent ESG Company’ by the Korea Institute of Corporate Governance and Sustainability (KCGS), thereby achieving external acknowledgment for our ESG management performance.

With a continued focus on the following strategic tasks in 2024, JB Financial Group will keep going the extra mile to solidify our presence as a ‘Young and Strong Hidden Champion Financial Group.’

CEO Message

First, we will stay focused on proactive risk management.

Risk management is one of the most critical capabilities required for financial institutions. We will conduct our management activities, informed by thorough risk analysis and assessing how our current business operations will impact future outcomes. To achieve this, we will thoroughly analyze changes in the market environment to predict future trends, and based on this, rigorously implement proactive and group-wide risk management.

Second, we will continue to pursue profitability-oriented quality growth.

JB Financial Group has consistently pursued profitability-oriented growth focused on quality rather than quantity over the past years. As a result, we are touted as the most profitable financial group in Korea, with the fastest improvement in capital strength. Going forward, we will continue to actively implement business strategies that can enable effective response to changes in market conditions and maintain profitability in the long term.

Third, we will secure future growth engines.

Financial markets are rapidly changing in response to the evolution of digital technologies these days. As a niche market player, JB Financial Group is actively prospecting for new business opportunities, responding astutely to market changes. As a part of such efforts, we will proactively secure future growth engines through strategic partnership with fin-tech firms spearheading digital transformation.

Fourth, we will strengthen internal control system founded on transparent management and professional ethics.

We believe that the level of transparent management and the ethical standards of employees in a financial institution are crucial factors that significantly impact the institution's corporate value. JB Financial Group is striving to lead by example in transparent management cases. In addition, we will actively implement professional ethics training and continuously enhance our internal control systems to prevent financial incidents.

Last, but not the least, we will endeavor to ensure that our social contribution activities successfully take roots.

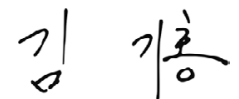
As the importance of ESG management has been highlighted recently, tasks for fulfillment of corporate social responsibilities have become critical strategic initiatives. JB Financial Group's core social contribution activities focus on children and adolescents from vulnerable and marginalized communities, and we are operating various programs to help them break out of the cycle of poverty. Moreover, the 'Seed Volunteer Corps' will take a leading role in ensuring that these social contribution activities are not just one-time events, but persist continuously in the long term.

This report covers JB Financial Group's financial performance and ESG management activities over the past year. In the years ahead, all of us at JB Financial Group will work at full capacity in unison to accomplish our ESG mission, 'JB Financial, your reliable partner for a better future.'

Once again, I convey my thanks to all of you and I look forward to your unwavering encouragement on our journey.

Thank you very much.

CEO, JB Financial Group



JB Financial Group Overview

Company Profile

JB Financial Group is one of the prime, full-service hidden champion financial groups in Korea, consisted of five domestic subsidiaries and four overseas sub-subsidiaries. JB Financial Group with its subsidiaries including 'Jeonbuk Bank,' 'Kwangju Bank,' 'JB Woori Capital,' 'JB Asset Management,' 'JB Investment' and sub-subsidiaries 'PPCBank,' 'JB Capital Myanmar,' 'JB Securities Vietnam,' and 'JB PPAM,' leads a total of 9 companies collaborating for growth.

JB Financial Group provides financial services indispensable to people as well as financial products tailored to the needs of customers, thereby providing them with better experiences. Through collaboration among subsidiaries, we are creating added value across all aspects of management activities, including planning, strategy formulation, financial product development, marketing, and sales, while revitalizing regional economies and fostering community growth. At the same time, by launching overseas sub-subsidiaries, we are enhancing our global competitiveness, particularly in Southeast Asia. Going forward, we will go the extra mile to achieve constant growth and development.

* As of December 31, 2023

Company Name
JB Financial Group
Co., Ltd

Head office
566, Baekje-daero,
Deokjin-gu, Jeonju City,
Jeonbuk-do

Consolidated total assets
KRW **63** trillion **404** billion

Net current income
(equity attributable to owners
of the parent)
KRW **586** billion

CEO
Kim, Ki Hong

Date of incorporation
July 1, 2013
Jeonbuk Bank Co., Ltd.
incorporated
JB Financial Group
by all-inclusive transfer of shares

Credit rating
AA+
NICE Investors Service, Korea Ratings,
Korea Investors Service

Number of employees
4,419 persons



Subsidiary Profile

Jeonbuk Bank

Since its founding in 1969, Jeonbuk Bank has been committed to supporting the growth of SMEs and local economies. The bank has expanded its customer base both within and outside its region by adopting tailored strategies and enhancing its non-face-to-face channels. These efforts aim to provide customers with better experiences and drive innovation in the financial industry, positioning Jeonbuk Bank as a 'strong and competitive bank.'



Date of incorporation	10-Dec-1969
Head office location	566, Baekje-daero, Deokjin-gu, Jeonju City, Jeonbuk-do
Major business	Banking business
Net current income (consolidated)	KRW 204.5 billion
Number of employees	1,242 persons

Kwangju Bank

Kwangju Bank was founded in 1968 with the goal of revitalizing local economies. By developing specialized products tailored to the needs of the region, the bank has injected new life into the local economy. Additionally, Kwangju Bank has taken a leading role in giving back to the community and fulfilling its social responsibilities, straining every nerve to achieve shared growth with the local community.



Date of incorporation	20-Nov-1968
Head office location	225, Jebong-ro, Dong-gu, Gwangju
Major business	Banking business
Net current income (consolidated)	KRW 240.7 billion
Number of employees	1,626 persons

JB Woori Capital

Since entering the financial industry in 1995, JB Woori Capital has evolved into a leading specialized credit finance corporation in the 21st century. As a top credit finance company in Korea, it offers a full suite of services that encompass vehicle finance, real estate finance, personal finance, and corporate finance.



Date of incorporation	07-Dec-1995
Head office location	Fl. 18, 566, Baekje-daero, Deokjin-gu, Jeonju City, Jeonbuk-do
Major business	Credit finance business
Net current income (consolidated)	KRW 187.5 billion
Number of employees	592 persons

Subsidiary Profile

JB Asset Management

In March 2014, JB Asset Management became a subsidiary of JB Financial Group. With its expertise in financing for resources, energy, and real estate development, it has become the leading asset manager in the domestic resources and energy fund market.



Date of incorporation	06-Mar-2008
Head office location	566, Baekje-daero, Deokjin-gu, Jeonju City, Jeonbuk-do
Major business	Collective investment business
Net current income (consolidated)	KRW 5 billion
Number of employees	82 persons

JB Investment

In June 2022, JB Investment, a venture investment firm, became JB Group's subsidiary. Since then, they have been working closely with policy finance, such as fund of funds. As the economy and technology continue to evolve rapidly, JB Investment has been focusing on driving innovation in new technology and business areas to keep up with the digital transformation.



Date of incorporation	12-Mar-2012
Head office location	Fl. 4, 77, Yeouinaru-ro, Yeongdeungpo-gu, Seoul
Major business	Credit finance business
Net current income (consolidated)	KRW 3.66 billion
Number of employees	21 persons

PPCBank

PPCBank became a subsidiary of Jeonbuk Bank in August 2016. As a representative bank in Phnom Penh, the capital of Cambodia, PPCBank has made all-out efforts to grow into a leading player in Southeast Asia.



Date of incorporation	01-Sep-2008
Head office location	N.217, Norodom Blvd, Phnom Penh, Cambodia
Major business	Banking business
Net current income (consolidated)	KRW 34.4 billion
Number of employees	481 persons

Subsidiary Profile

JB Capital Myanmar

Launched in March 2017, JB Capital Myanmar has provided micro-lending for local residents in rural areas as well as for small business owners and the self-employed. It has constantly developed and launched loan products palatable to local people, thereby growing into a reputable micro-lending company in the region.



Date of incorporation	21-Sep-2016
Head office location	No.313, Thakhin Ohn Phay Gyi Street, 48 wards, North Dagon Township, Yangon, Myanmar
Major business	Credit finance business
Number of employees	193 persons

JB Securities Vietnam

JB Securities Vietnam (JBSV) was newly incorporated in August, 2020 and became a subsidiary of Kwangju Bank. Since the acquisition, it has focused on its business that encompasses the issuance of blue-chip companies' bonds, direct investment, identification of local and overseas investors, and sales of corporate bonds. Starting in the second half of 2023, JBSV plans to expand its services to include stock brokerage and margin loans. This will put the company on track to become an integrated securities firm that provides both IB and brokerage services.



Date of incorporation	21-Apr-2020
Head office location	54 Lieu Giai, Cong Vi, Ba Dinh, Hanoi, Vietnam
Major business	Securities business
Number of employees	68 persons

JB PPAM

With the purpose of asset management in Cambodia, JB PPAM was founded in September 2020. It provides advanced asset management services specializing in collective investment (public offering, private equity fund), and real estate and investment trust. Built on its outstanding services, JB PPAM will establish itself as the top overseas asset manager within the group.



Date of incorporation	29-Sep-2020
Head office location	Nº 78, Preah Monireth Blvd., Sangkat Toul Svay Prey 2, Khan Boeng Keng Kang, Phnom Penh, Cambodia
Major business	Collective investment business
Number of employees	6 persons

Branch Network

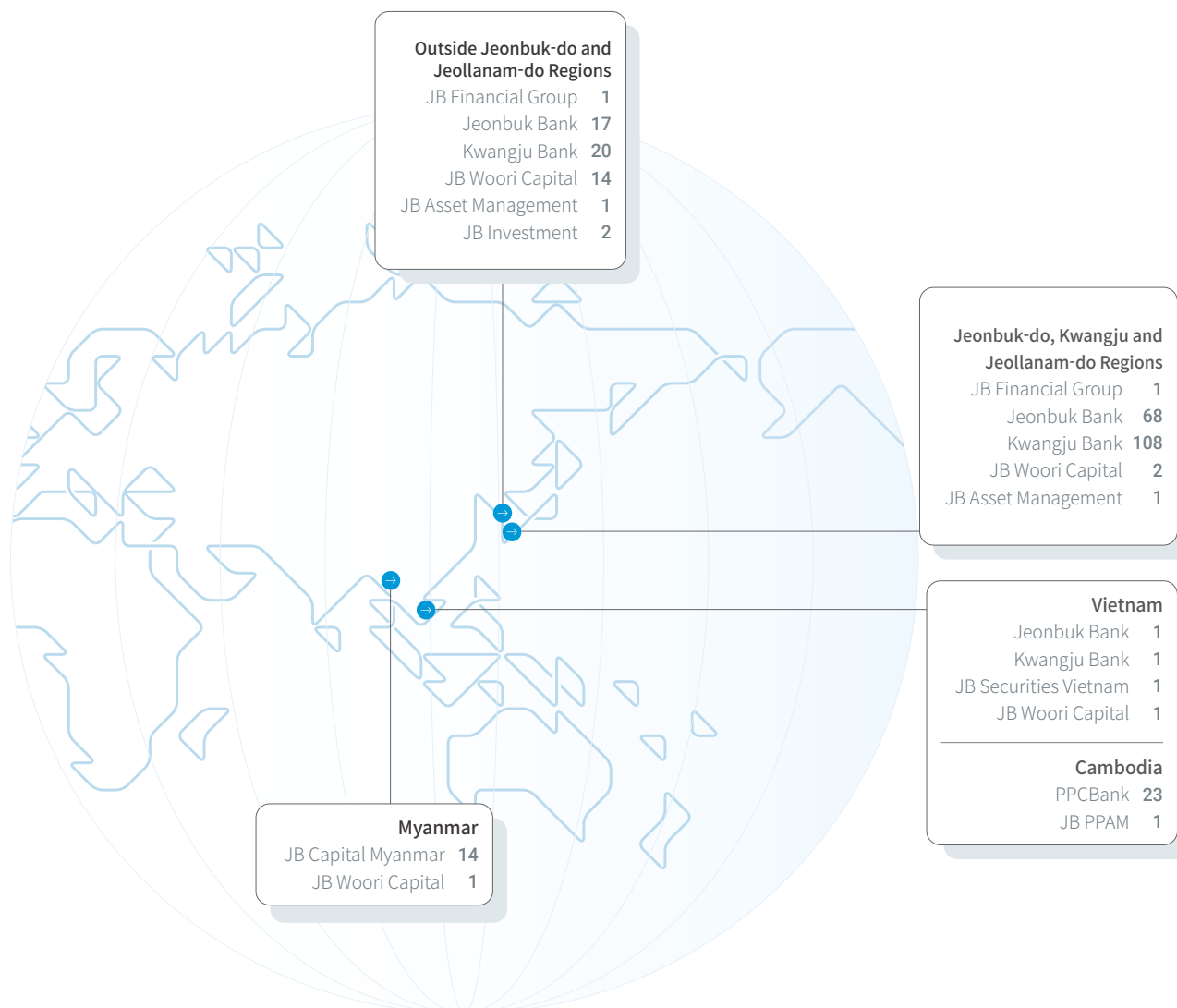
JB Financial Group, comprised of a holding company, subsidiaries, and sub-subsidiaries, has a broad network of 278 branches* (235 in Korea, 43 in overseas countries). JB Financial Group has expanded its presence into major regions including Seoul Metropolitan Area from the operational nucleus in Jeonbuk-do, Gwangju and Jeollanam-do regions, providing financial services in Southeast Asia including Vietnam, Cambodia and Myanmar. JB Financial Group will continue to enhance business capabilities based on its branch network for greater global competitiveness, evolving into an all-inclusive financial group partnering with local communities.

* As of December 31, 2023: Branches, sub-branches and offices included

Category	Company Name	Domestic	Overseas	Total
Holding Company	JB Financial Group	2	-	2
	Jeonbuk Bank	85	1	86
	Kwangju Bank	128	1	129
Subsidiary	JB Woori Capital	16	2	18
	JB Asset Management	2	-	2
	JB Investment	2	-	2
	PPCBank	-	23	23
Sub-subsidiary	JB Capital Myanmar	-	14	14
	JB Securities Vietnam	-	1	1
	JB PPAM	-	1	1
Total		235	43	278

1) Head office (Sales department) is counted as a branch in the number of domestic/overseas branches.

2) JB Woori Capital and JB Capital Myanmar are presented based on registered branches.



JB Financial Group Vision and Strategy

Our vision, ‘Young and Strong Hidden Champion Financial Group,’ is a clear demonstration of our aspiration towards quality growth and innovation in the rapidly changing financial market. JB Financial Group will improve efficiency in resource allocation and strengthen management system, thereby seizing future growth engines and maximizing synergy based on One-Team spirit. Moreover, we will evolve into a young and strong all-inclusive financial group with quality growth based on profitability, proactive risk management, maximized group synergy, and strengthened social responsibility fulfillment.

VISION

Management Goal

JB Financial Group generates profits based on distinguished core values, and deliver a consistent shareholder-friendly dividend policy, thereby **taking the group to the best-in-class market value**

Strategic Directions



Achieving Robust and Qualitative Growth



Securing Future Growth Engines



Group Synergy Maximization



Giving Vitality to Our Corporate Culture

Strategic Goals

Profitability-oriented qualitative growth

Proactive risk management

Group synergy maximization and business diversification

Future competitiveness reinforcement

Strengthened social responsibility fulfillment

Core Tasks

Maintain group competitiveness through differentiated profitability management

Improve human resources/cost efficiency

Advance FLC-based enterprise risk management system

Solidify financial consumer protection & internal control

Create a corporate culture that brings together subsidiaries, and create synergies among them

Diversify businesses by identifying future business opportunities

Expand customer/channel bases by bolstering partnership/investment with domestic/global fin-tech firms

Improve efficiency of customer-facing operations by digitizing operations and implementing online interfaces

Prepare for the future by providing tech. infra. training programs and prospecting for business opportunities

Beef up regional financial group capabilities

Reinforce social responsibilities by emphasizing ESG management

History of JB Financial Group

Since 2013 when JB Financial Group was incorporated, JB Financial Group has rapidly grown into an all-inclusive financial group consisted of five subsidiaries and four sub-sub-subsidiaries. In particular, JB Financial Group was named an 'Excellent ESG Company' by the Korea Institute of Corporate Governance and Sustainability (KCGS) consecutively in 2022 and 2023, earning the carbon footprint reduction target SBTi approval for the second time among Korean financial institutions in 2022 in recognition for its long-standing commitment to environmental management. In August, 2023, JB Financial Group acquired the fin-tech firm Finda Co, Ltd. to focus on digital transformation and future growth engines. Empowered by ESG management and digital transformation, JB Financial Group will further upgrade its competitive edge in the global market, offering a variety of financial solutions.



Business at a Glance

BUSINESS HIGHLIGHTS

KRW **586** billion

2023 Net Income (controlling)



12.13%

ROE (based on controlling equity) /
best-in-class level

* ROE (Return on Equity)



0.99%

ROA / best-in-class level

* ROA (Return on Assets)



6.5%

Cash dividend yield in 2023

* Reinforced shareholder return policy
based on common stock capital ratio



143.4%

NPL coverage ratio / preemptive loan
loss provision

* Loss reserve for NPL
(non-performing loan)



38.3%

Annual CIR rate / record-low level

* CIR (Cost Income Ratio)



3.28%

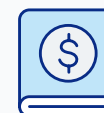
Group's NIM / on the constant rise

* NIM (Net Interest Margin)



2.85%

Bank's NIM / on the constant rise



12.15%

CET1 ratio / on the constant rise

* Common equity tier 1



Business at a Glance

Financial Performance

Despite robust revenue growth and improved cost efficiency, JB Financial Group recorded a consolidated net income of KRW 603.9 billion (KRW 586 billion attributable to controlling shareholders), a decrease of 2.3% (2.5% for controlling interest) compared to the previous year. This was due to financial support for everyday citizens and proactive loss provisions. The Return on Equity (ROE) based on controlling interest was 12.13%, and the consolidated Return on Assets (ROA) was 0.99%, both of which marked the industry's highest level for five consecutive years. All group subsidiaries posted positive results through profitability-focused robust management practices. The bank's net interest margin is 2.85%, which is among the highest in the industry, and financial health indicators such as the delinquency rate are being managed at acceptable levels.

Credit rating

AA+

JB Financial Group Co., Ltd / Jeonbuk Bank / Kwangju Bank
(NICE Investors Service, Korea Ratings, Korea Investors Service)

Summary financial statement

Item	Unit	2021	2022	2023
Total assets		56.4	59.8	63.4
Total liabilities	KRW trillion	52.1	55.1	58.3
Total equity		4.3	4.8	5.1

Profitability indicators

Item	Unit	2021	2022	2023
Operating income		7,083	8,258	8,000
Net income attributable to controlling interests	KRW 100 million	5,066	6,010	5,860
ROE	%	12.84	13.88	12.13
ROA		0.96	1.05	0.99

* Operating income and ROA are based on consolidated financial statements, and ROE is based on controlling interests.

Asset soundness

Item	Unit	2021	2022	2023
None Performing Loan ratio	%	0.55	0.62	0.86
Delinquency rate		0.48	0.58	0.93

Capital adequacy

Item	Unit	2021	2022	2023
BIS ratio		13.09	13.51	14.05
Tier 1 ratio	%	11.55	12.66	13.38
CET1 ratio		10.30	11.39	12.15

Stock information

Item	Unit	2021	2022	2023
Year high		9,170	9,010	11,390
Year low	KRW	5,180	6,960	7,870
Dividend per share		599	835	855
Dividend payout ratio	%	23.0	27.0	28.0

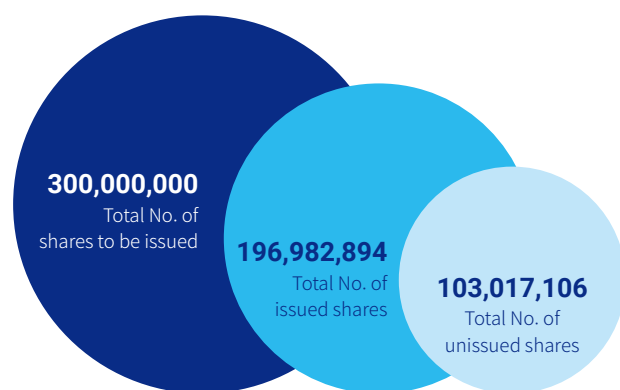
* Highest and lowest prices in terms of closing prices for the year

Business at a Glance

Shareholder Status

Total Number of Shares Issued

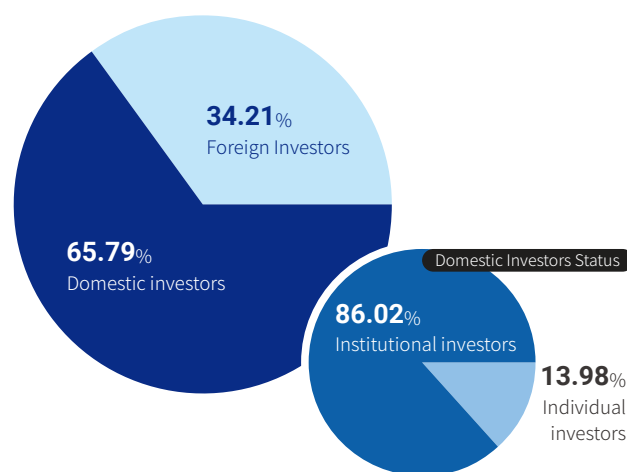
The total number of shares to be issued by JB Financial Group Co., Ltd is 300,000,000 shares. Out of these, 196,982,894 shares have already been issued, leaving 103,017,106 shares unissued.



(As of December 31, 2023)

Investor Status

Of all investors, domestic investors are 65.79% and foreign investors 34.21%. Among the domestic investors, 13.98% are individuals and 86.02% institutions.



(As of December 31, 2023)

Ownership Status

As of the end of December, 2023, Samyang Corporation (including related parties) is the largest shareholder, with an ownership ratio of 14.61%.

Ranking	Shareholder	No. of shares owned (ea.)	Ratio (%)
1	Samyang Corporation, etc.	28,773,879	14.61
2	Align Partners Capital Management Inc.	27,653,206	14.04
3	OK Savings Bank, etc.	19,018,228	9.65
4	National Pension Service (NPS)	12,131,238	6.16
5	The Capital Group Companies, Inc.	10,798,733	5.48
6	JB Financial Group	5,449,370	2.77
7	NORGES BANK	4,672,758	2.37
8	CIM INVESTMENT FUND ICAV	2,972,884	1.51
9	TETON CAPITAL PARTNERS, L.P.	2,592,621	1.32

* The above shareholding status is based on the shareholder (rights allocation) statements received from the Korea Securities Depository (as of December 31, 2023), and includes shareholders with 1% or more of shares.



ESG MANAGEMENT

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ESG Management Strategy

ESG Strategy System

Under the ESG mission, 'JB Financial, your reliable partner for a better future,' JB Financial Group is actively going forward with commitment to its core strategic, which are defined as 'transition into a sustainable future finance,' 'finance contributing to local communities by generating social value,' and 'trustworthy finance underpinned by transparency.' To that end, JB Financial Group proactively communicates with a variety of stakeholders including customers, employees, shareholders, business partners and local communities in reinforcing its ESG operation system and institution. Moreover, major ESG tasks are managed in reference to quantitative metrics, through which ESG outcomes are extended and sustainable growth platform laid down.

In particular, JB Financial Group has set up Net Zero goals, endeavoring to respond to climate changes by developing eco-friendly financial products, reducing carbon footprints, and engaging corporate customers in such responses, with various activities to fulfill its social responsibilities. Going forward, JB Financial Group will strive to advance ESG management for a sustainable future and evolve into a financial group growing together with customers.

ESG Mission

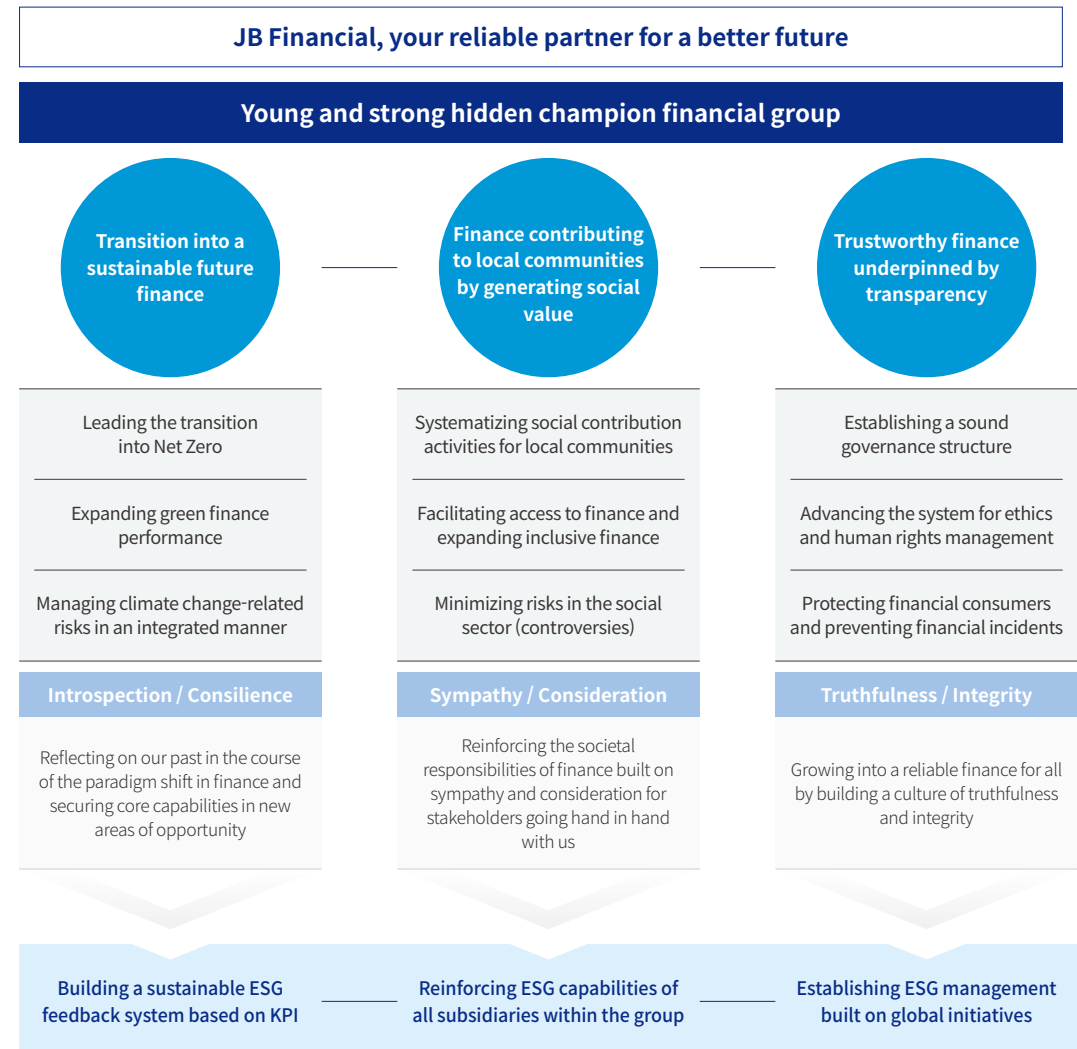
Vision

ESG Strategic Directions

Strategic Tasks


























Internalization Keywords

ESG Internalization Development Plan



ESG Management Strategy

ESG Achievements

ESG Strategic Directions	Strategic Tasks	Achievements	SDGs
Transition into a sustainable future finance 	Leading the transition into Net Zero	<ul style="list-style-type: none"> → Declared the group's net-zero goal (direct & indirect emissions by 2035 / financed emissions by 2045) → Declared coal phase-out → Earned SBTi approval on carbon footprint reduction goal → Joined global initiatives such as UNEP FI, PCAF, TCFD, CDP, etc. → Invited independent lecturers to provide education on climate change 	 
	Expanding green finance performance	<ul style="list-style-type: none"> → Issued sustainable bonds: Jeonbuk Bank KRW 800 billion, Kwangju Bank KRW 100 billion, JB Woori Capital 1,697 billion won (in terms of cumulative issuance as of the end of 2023) → Extended credits to eco-friendly initiatives (Jeonbuk Bank KRW 889.1 billion, Kwangju Bank KRW 786.8 billion) 	  
	Managing climate change-related risks in an integrated manner	<ul style="list-style-type: none"> → Evaluated and managed climate change risks by integrating them into the company-wide risk management system → Disclosed a TCFD report 	 
Finance contributing to local communities by generating social value 	Systematizing social contribution activities for local communities	<ul style="list-style-type: none"> → Planned the group's key social contribution activities <ul style="list-style-type: none"> - Established the group social contribution system - Executed the group core CSR program - Organized the group's volunteer service ('Seed Volunteer Group') → Expanded education support programs for local communities 	  
	Facilitating access to finance and expanding inclusive finance	<ul style="list-style-type: none"> → Financial inclusion commitment → Allocated dedicated branches and counters and provided preferential interest rate services for the financially underprivileged 	  
	Minimizing risks in the social sector (controversies)	<ul style="list-style-type: none"> → Established occupational health and safety management policy → Joined the UN Women's Empowerment Principles (WEPs) 	 
Trustworthy finance underpinned by transparency 	Establishing a sound governance structure	<ul style="list-style-type: none"> → Established independence of director and board diversity guidelines and tax policy → Provided ESG education to the board members → Certified with anti-corruption management system (ISO 37001) 	 
	Advancing the system for ethics and human rights management	<ul style="list-style-type: none"> → Established human rights policy → Established anti-corruption and bribery policy → Conducted human rights impact assessment and implemented human rights risk mitigation measures → Declaration on prohibition of sexual harassment, non-sexual Harassment, and discrimination 	  
	Protecting financial consumers and preventing financial incidents	<ul style="list-style-type: none"> → Established privacy policy → Disclosed the number of civil complaints and the results of the status assessment to ensure financial consumer rights 	 

ESG Management Strategy

Global Initiatives Membership Status



United Nations
Global Compact

UN Global Compact (UNGC)

May, 2018

An initiative to encourage the role of corporate social responsibility and the implementation of the 10 principles for sustainable management



Carbon Disclosure Project (CDP)

June, 2021

An environmental assessment organization with a global scope that gathers, examines, and disseminates information on environmental issues such as carbon emissions for corporate and investor stakeholders



Task Force on Climate-related Financial Disclosure (TCFD)

August, 2021

A task force for disclosing corporate risks related to climate change by incorporating them into financial information



UNEP Net-Zero Banking Alliance (NZBA)

August, 2021

A cooperative system established with a need of banks to achieve net-zero carbon emissions in their portfolios by 2050

* The 1st ever to join the alliance among regional financial groups in Korea



Women's Empowerment Principles (WEPs)

August, 2021

A strategic framework to promote women's human rights and economic participation, presenting seven principles and supporting companies to put them into practice



UNEP Financial Initiative (UNEP FI)

September, 2021

A global partnership that promotes sustainable finance and economic development, assisting financial institutions and businesses to fulfill their social and environmental responsibilities



UN Principles for Responsible Banking (UN PRB)

September, 2021

Six key principles to ensure the fulfillment of social and environmental responsibilities by the global banking industry

* Joined the initiative as a PRB Academy Advisory Committee member in 2023



Partnership for Carbon Accounting Financials (PCAF)

November, 2021

Accounting standards for financial institutions to measure and disclose financial activities that indirectly generate greenhouse gas (GHG) emissions through investments and loans



Science-Based Targets Initiatives (SBTi)

November, 2021

An international initiative to establish and scientifically verify targets (short-term, long-term, net-zero) aiming to reduce corporate GHG emissions

ESG Governance

ESG Committee

JB Financial Group's ESG Committee, comprising all board members, develops the group's ESG management strategies and policies, and acts as the supreme decision-making body to oversee the implementation progress thereof.

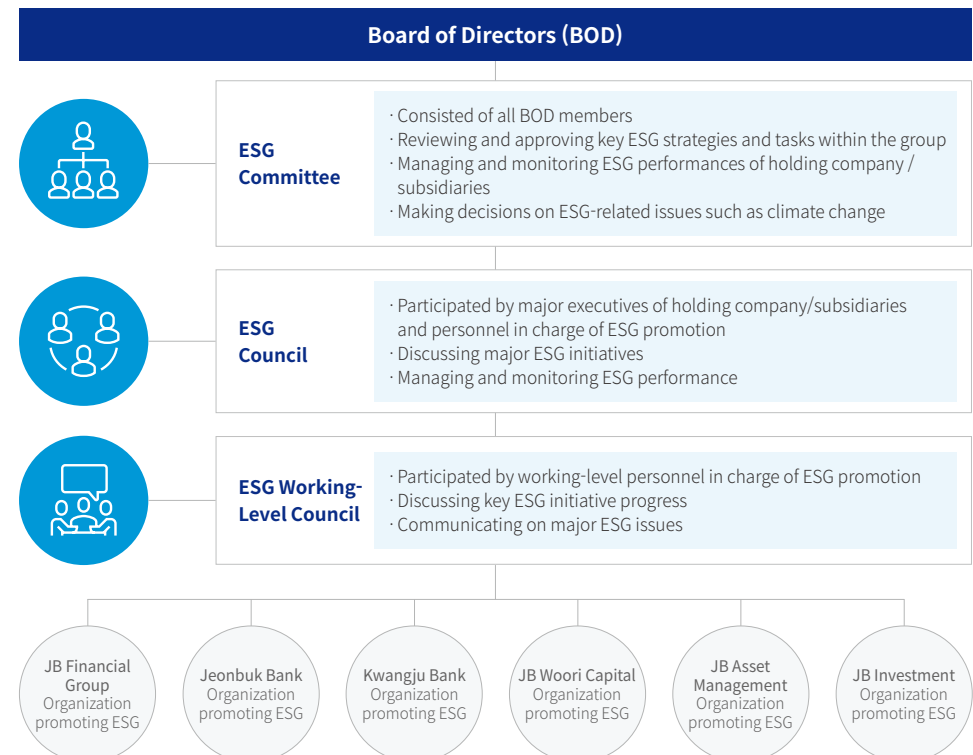
The ESG Committee defines and fulfills pioneering Net-zero goals for the group's carbon emissions in the environmental category and reinforces the climate change risk management and supervision system, further advancing the group's strategy for a sustainable future finance. In the social category, the ESG Committee endeavors to bolster the fulfillment of social responsibilities by financial institutions towards stakeholders by systematizing social contribution activities closely aligned with local communities and facilitating access to finance and expanding inclusive finance. Lastly, in the governance category, the ESG Committee strives to establish a transparent governance structure and advance systems for ethics/human rights management to ensure that JB Financial Group lives up to its role as a financial institution trusted by all.

The ESG Committee makes timely decisions based on regular committees (semi-annually) and ad-hoc committees (as needed). For all significant agendas related to sustainable management, such as materiality assessment, the executive responsible for ESG matters is required to directly report them to the committee. In 2023, the ESG Committee held a total of two meetings and resolved on seven agenda items. Major issues concerning the group's ESG management were identified and resolved upon. The committee reviewed the group's key social contribution activities in 2023 along with the plan for 2024. They also reviewed assessment results by ESG assessment agencies, and reported 2022 integrated annual report and materiality assessment results.

Meanwhile, the Remuneration Committee incorporated ESG items in the performance evaluation within the management strategy tasks of the CEO, CRO, and the executive responsible for ESG. The performance evaluation reflects the CEO's development and implementation of the group's ESG management strategy, the CRO's preparation of climate risk evaluation system, and the ESG-responsible executive's development and implementation of ESG management strategy/policy, etc. Empowered by these endeavors, JB Financial Group will further strengthen ESG management practices and move towards a sustainable future finance.

ESG Council & ESG Working-Level Council

The ESG Council comprises executives responsible for strategy or ESG matters in each subsidiary. The council is authorized to develop and implement ESG strategies, covering climate crisis, etc., report to the ESG Committee and respond to ESG issues. Significant tasks decided on by the ESG Council are addressed at more specific level in the ESG Working-Level Council. The ESG Working-Level Council is engaged by working-level staff members responsible for ESG in all subsidiaries to discuss major ESG issues, share insight, and control ESG risks and identify opportunities at working level.

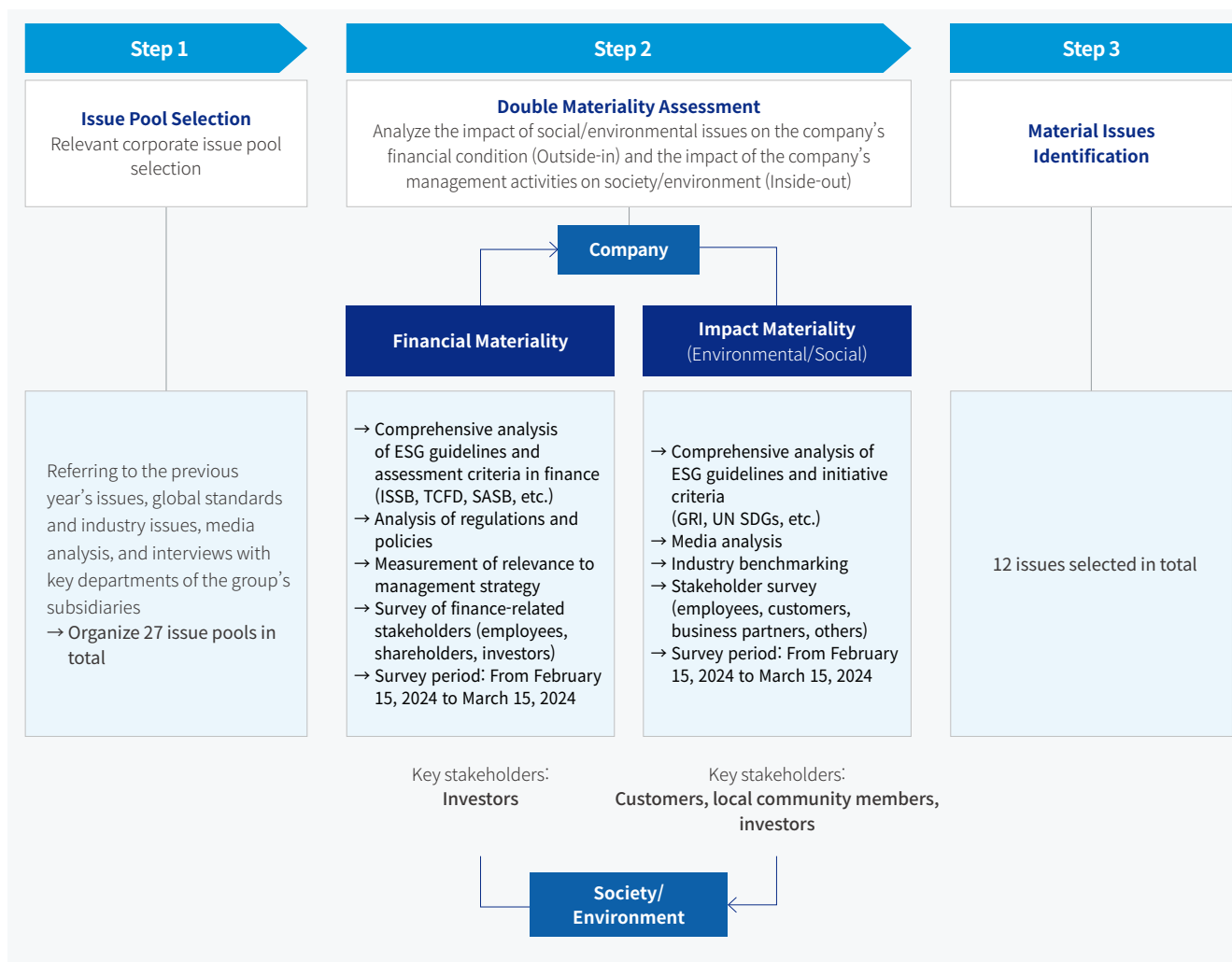


Double Materiality Assessment

Double Materiality Assessment

JB Financial Group conducts an annual double materiality assessment to identify and disclose key issues that affect the group's sustainability. Double materiality assessment is a concept that identifies material issues, considering both the impact of a company's business activities on the outside (environment/society) (Inside-out) and the impact of sustainability-related issues from outside on the company's financial condition (Outside-in).

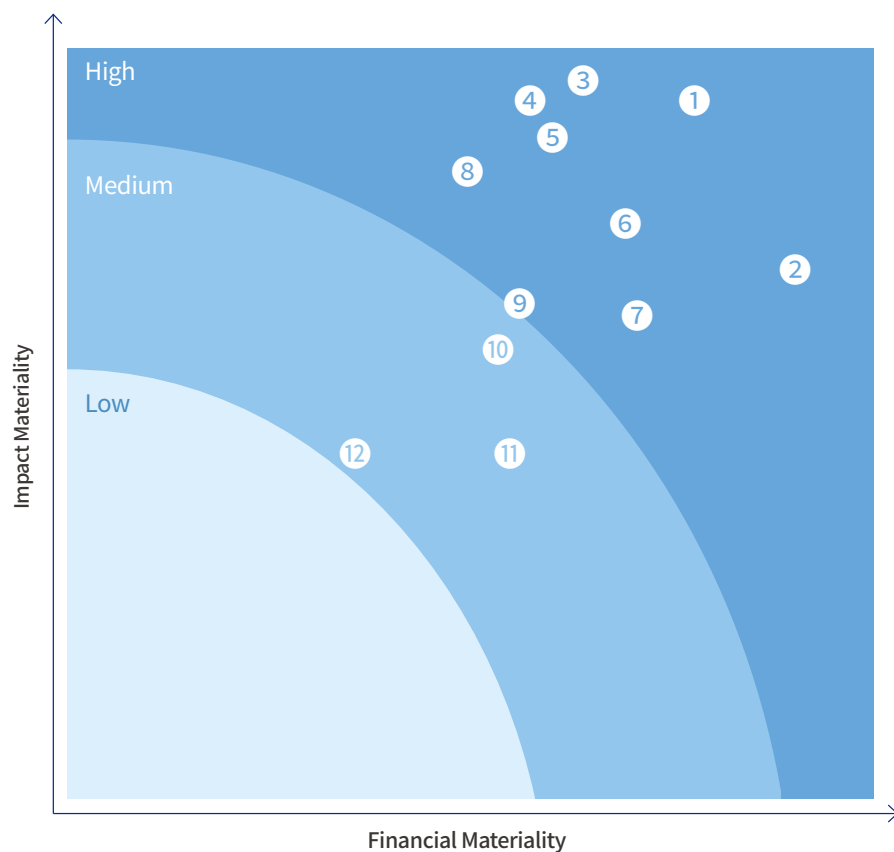
JB Financial Group reports the materiality assessment processes and results to the ESG Committee under the BOD and reflects such results on its management activities annually. Comprehensive assessment findings are prioritized and incorporated into the company-wide risk management processes, with implementation outcomes disclosed transparently and closely communicated to stakeholders. Moreover, JB Financial Group has the double materiality assessment processes and results certified by a third-party to ensure the reliability of such processes and its results.



Double Materiality Assessment

Double Materiality Assessment Results

JB Financial Group conducted a double materiality assessment and comprehensively analyzed the financial impacts of ESG issues on the company and the impacts of the company on society/environment. 'Inclusive finance and social contribution' was selected as the top priority item, with a total of 12 key issues identified.



Topic			Double Materiality		Interest of stakeholders			
Category	Topics		Environmental/ Social	Financial	Employees	Customers	Shareholders and Investors	Others
1	S Inclusive finance and social contribution		●	●	●	●	●	●
2	G Integrated risk management		●	●	●	●	●	●
3	E Response to climate change		●	●	●	●	●	●
4	S Customer data protection and information security		●	●	●	●	●	●
5	G Creation of sustainable economic performance		●	●	●	●	●	●
6	G Digital transformation		●	●	●	●	●	●
7	G Sound and transparent governance structure		●	●	●	●	●	●
8	G Ethics and compliance management		●	●	●	●	●	●
9	S Financial consumer protection		●	●	●	●	●	●
10	S Management of organizational culture and human resources		●	●	●	●	●	●
11	G ESG management enhancement		●	●	●	●	●	●
12	S Customer-oriented management		●	●	●	●	●	●

* Double Materiality: ● High Impact, ● Medium Impact, ● Low Impact

* Interest of stakeholders: ● High, ● Medium, ● Low

Double Materiality Assessment

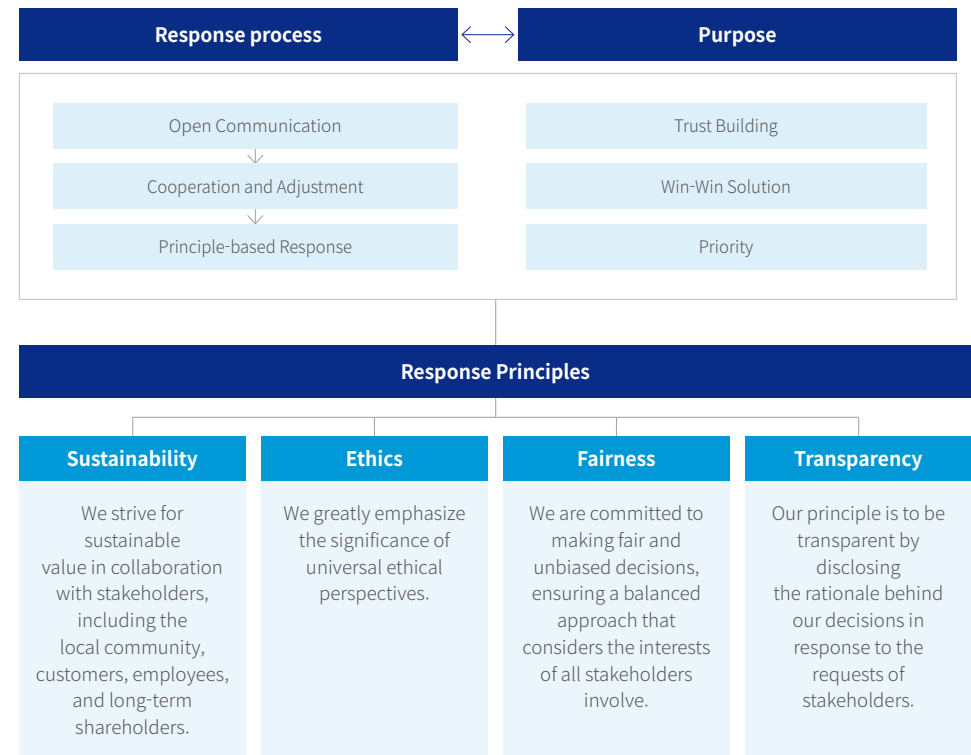
Analysis of Double Materiality Assessment Results (key management issues)

Topic	Risks and opportunities (impact)	Business case	Business strategy	Mid to long-term goals (R&R of responsible departments)	External impact	Measuring external impact	KPI (aligned with compensation for the performance of management executives)
Inclusive finance and social contribution	<ul style="list-style-type: none"> Facilitate access of the financially underprivileged to finance Take on greater social responsibilities Improve brand image Secure new customer segments 	<ul style="list-style-type: none"> Expand our role as a regional financial institution by facilitating access of the financially underprivileged to finance Bolster up sales prowess by improving brand image and securing new customer segments 	<ul style="list-style-type: none"> Facilitate access to finance Build and implement social contribution system 	<ul style="list-style-type: none"> Operate kind-hearted financial clinic and inclusive finance center Increase financial support for mom-and-pop businesses and SMEs Implement measures to facilitate access to finance (operating mobile branches, etc.) Implement social contribution system and Top 4 group core CSR programs Operate the Seed Volunteer Group 	<ul style="list-style-type: none"> Improve the economic stability of local communities Support the financially underprivileged Benefits given to the recipients of social contribution through financial support and social contribution activities 	<ul style="list-style-type: none"> Usage of our services by the financially underprivileged Social impact metrics of social contribution activities 	<ul style="list-style-type: none"> CEO KPI: Plan and implement social contribution activities KPI of PR Division Head: Plan and implement key social contribution activities of the group, operate the group's volunteer service organization and execute the group's key social contribution activities
Response to climate change	<ul style="list-style-type: none"> Collateral value damaged and customers' financial integrity compromised by climate change Climate risk spills over to conventional risks Expanding eco-friendly financial product lineups Expanding new investment opportunities 	<ul style="list-style-type: none"> Climate change poses new risks to economic and financial systems Proactive measures to ensure sustainability 	<ul style="list-style-type: none"> Develop a plan to reduce own carbon footprints and carbon footprints from financial activities Build a climate risk response system 	<ul style="list-style-type: none"> Net-zero direct & indirect emissions by 2035 (PPA contract, REC procurement) (Current status: Domestic greenhouse gas emissions in 2023 amounted to 15,985 tCO₂eq, a decrease of 8.73% compared to 2020.) Net-zero financed emissions by 2045 (customer engagement) Launch coal phase-out finance and expand green finance Build a financial carbon footprint system and establish a net-zero roadmap (ESG team) Prepare a climate risk management system and conduct a stress test (Risk management department) 	<ul style="list-style-type: none"> Mitigate risks in the financial market by responding to climate changes 	<ul style="list-style-type: none"> Carbon footprint reduction target achievement ratio 	<ul style="list-style-type: none"> CEO KPI: Develop and implement the group's ESG management strategy KPI of the Risk Management Division Head: Prepare groundwork for climate risk evaluation system KPI of PR Division Head: Develop and implement the group's ESG management strategy/policy
Digital transformation	<ul style="list-style-type: none"> Loss of customers failing to adapt to digital transformation Expand customer base by forging strategic partnership with fin-tech firms Expand business coverage by launching new businesses and offering services leveraging digital technologies 	<ul style="list-style-type: none"> As digital transformation brings about radical changes in the financial service industry, secure future competitiveness by bolstering up digital competence 	<ul style="list-style-type: none"> Enhance digital infrastructure Establish and implement a digital strategy for the group Upgrade the competitiveness of mobile banking apps 	<ul style="list-style-type: none"> Joint marketing with fin-tech firms Advance credit rating model by utilizing fin-tech firms' data Improve the competitiveness of platform channel through more extensive strategic partnership with fin-tech firms Expanding strategic partnerships with fintech companies (Current status: Established strategic partnerships with 3 fintech companies in 2023) 	<ul style="list-style-type: none"> Provide innovative financial services desired by customers Expand non-financial services such as contents specific to local communities Reducing paper usage and expanding the role in environmental protection by implementing the PPR (Paperless Process Re-engineering) system 	<ul style="list-style-type: none"> Number of customers using our digital platform services and number of products sold online Reducing unnecessary paper usage by sending electronic invoices (Electronic invoice sending rate in 2023 is 57.24%, a 4.28 percentage point increase compared to the previous year) 	<ul style="list-style-type: none"> CEO KPI: Increase digital customers and bolster IT competitiveness by expanding online channels KPI of the Future Growth Division Head: Build digital profit centers, expand online channels, bolster up IT competitiveness and adapt to new IT technologies, revitalize data hubs
Customer-oriented management	<ul style="list-style-type: none"> Increase the loyalty of existing customers Influx of new customers Influence of brand image The Financial Consumer Act providing for stricter legal liability 	<ul style="list-style-type: none"> Place top priority on the interests and growth of customers and build trust with them to secure the group's competitive edge and foster sustainable development 	<ul style="list-style-type: none"> Identify room for improvement in finance with customers Organize SNS campaign, university student supporters, advisory group, etc. Operate helpline system to gather and process customer complaints 	<ul style="list-style-type: none"> Measure and maintain/increase customer satisfaction annually (Current status: Customer satisfaction score in 2023 is 99, maintaining the score from the previous year) Prevent the leak of personal information Comply with the Financial Consumer Protection Act 	<ul style="list-style-type: none"> Monitor customers' preference and dissatisfaction to build trust with them Reduce social costs by preventing complaints from arising Prevent customer information leakage 	<ul style="list-style-type: none"> No social costs due to personal information leakage for three consecutive years Customer satisfaction score of 99 in 2023 	<ul style="list-style-type: none"> CEO KPI: Protect financial consumers and strengthen internal control KPI of the Compliance Officer: Activities to strengthen the group's competence in anti-money-laundering operations

Stakeholder Communication

Communication and Response Principles with Stakeholders






JB Financial Group aims for co-prosperity and harmony with various stakeholders, making decisions through a systematic response process based on Communication and Response Principles with Stakeholders.'

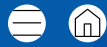


Stakeholder Communication

Stakeholder Communication Channel

JB Financial Group is committed to foster communication with key stakeholders, discussing issues across the entire spectrum of economics, environment and society. Going forward, JB Financial Group vows to add more communication channels to effectively gather feedback from various stakeholders.

	Key stakeholders			Strategic stakeholders	
Category					
	Customers	Employees	Shareholders and Investors	Local Community	Supervisory Authorities
Communication Channels	Website, customer service center, customer satisfaction survey, customer experience group, SNS, financial consumer protection education, leaders' forum (VIP customers)	Intranet and bulletin posting, corporate culture improvement program, Meet-and-Greet-CEO program	Website, BOD, shareholders' meeting, overseas conference, IR, etc.	Website, local volunteer service organization of employees, social contribution activity report, brand ambassadors among college students, SNS	Participation in regular open discussion, submission of regular reports, regular/ad-hoc check



OUR SUSTAINABILITY STORIES

Strengthening Digital Competitiveness	027
Transition to Sustainable Finance	032
Inclusive Finance & Social Contribution	039
Financial Consumer Protection	045



Strengthening Digital Competitiveness

The COVID-19 pandemic has brought significant changes in the digital financial environment. The expansion of digital infrastructure and partnerships with fin-tech firms across the entire financial industry, including banking, insurance, and securities, are prime examples. Now, digital transformation is no longer a choice but a crucial driver for the future of companies. JB Financial Group is moving ahead of others in partnering with various fin-tech firms and expanding digital services to introduce competitive digital financial services.

Through these initiatives, JB Financial Group aims to maximize digital competitiveness and provide differentiated digital services for each subsidiary, ultimately delivering 'JB's unique digital mix.'

6

Fin-tech firms that are
strategic partners
(Toss, Finda, Hanpass,
Webcash Group, Okxe, Infina)

161,596

No. of data hub analysis tasks
performed

375

No. of participants in digital
competence enhancement
education/training



APPROACH 1.

Securing future growth drivers through collaboration

Partnership and equity investment with fin-tech firms

JB Financial Group is bolstering its unique digital ecosystem by forming partnerships with both domestic and international fin-tech companies. The collaboration with fin-tech firms aims not only to respond responsively to market landscape but also to provide customer-oriented products and services to JB Financial Group's clients.

On December 21, 2023, JB Financial Group signed a strategic investment agreement with Hanpass, an outbound remittance platform for foreigners. Hanpass, founded in 2017, is a fin-tech firm specializing in small-amount outbound remittances and has been showing continuous growth, attracting over 570,000 foreigners in Korea as customers. Through this agreement with Hanpass, JB Financial Group aims to secure digital competitiveness in the financial market for foreigners residing in Korea. Prior to this, in July 2023, JB Financial Group also signed a strategic investment agreement with Finda, a financial comparison platform. This agreement made JB Financial Group the second-largest shareholder of Finda. JB Financial Group and Finda are working together on joint marketing for JB's main products, linking Finda's platform with loan customers rejected by Jeonbuk Bank, and advancing the credit evaluation model using Finda scores.

Additionally, in January 2023, Phnom Penh Commercial Bank ('PPCBank' hereinafter), a sub-subsidiary of JB Financial Group, signed an MOU with Webcash Group to promote K-fin-tech technology in Cambodia and pursue joint fin-tech business projects. Furthermore, in March 2024, JB Financial Group signed a strategic investment agreement with Bizplay, a subsidiary of Webcash Group, as well as a business cooperation agreement with Webcash Group. JB Financial Group plans to strengthen corporate finance through B2B solution collaboration with

Webcash Group, expand customer touchpoints using Webcash Group channels, enhance digital competitiveness through IT and data collaboration, and support IT and joint fin-tech product development for overseas affiliates, including PPCBank. JB Financial Group is actively collaborating with various fin-tech firms, leveraging their respective expertise to further strengthen the company's digital capabilities in the ever-expanding digital financial market.

Timeline of collaboration with fin-tech firms

Aug. 2022

Kwangju Bank forged a shareholder relation with Viva Republica to strengthen strategic business partnership with Toss

Jul. 2023

JB Financial Group and Jeonbuk Bank forged a strategic investment agreement with the financial comparison platform Finda

Mar. 2024

JB Investment acquired equities in the Vietnamese financial platform Infina

Mar. 2024

JB Financial Group forged a strategic partnership with the Vietnamese mobility platform OKXE

Jan. 2023

Webcash-PPCBank forged a business collaboration MOU

Dec. 2023

JB Financial Group and Jeonbuk Bank, and JB Investment signed a strategic investment agreement with the outbound remittance platform Hanpass

Mar. 2024

JB Financial Group, Jeonbuk Bank, and Kwangju Bank signed a strategic investment agreement with Bizplay, a B2E/G2C solution company and a business partnership agreement with Webcash Group



JB Financial Group agreed on strategic partnership with Hanpass



JB Financial Group signed on strategic partnership with Webcash Group

Continuous collaboration with Internet banks

JB Financial Group is continuing its engagement with Internet banks to overcome regional limitations. In February 2021, Kwangju Bank signed a memorandum of understanding (MOU) with Toss Bank to spearhead digital financial innovation. This agreement followed Toss' 2019 launch of a transaction notification service for Kwangju Bank's deposit and withdrawal accounts, aiming to activate new digital financial services and co-marketing initiatives. This partnership led to active personnel exchange programs, and in 2023, Kwangju Bank introduced Toss' delinquency prevention services and simplified processes by embedding a web funnel (Web in App) for loan products accessed via the Toss app, improving customer experience. In August 2022, Jeonbuk Bank began collaborating with Kakao Bank, displaying banner ads for Jeonbuk Bank's credit loans to customers who checked their credit scores on the Kakao Bank platform. By December 2023, Jeonbuk Bank was among the first to be listed on Kakao Bank's comparative interest rate service, maintaining ongoing collaboration.



Jeonbuk Bank's 'JB My Home Loan' listed on Finda

In 2024, a joint loan service between Kwangju Bank and Toss Bank was designated as an innovative financial service by the Financial Services Commission, and the product is currently awaiting launch. This product involves joint assessment by Toss Bank and Kwangju Bank for Toss Bank customers applying for the product, with each bank providing loans in agreed-upon proportions.

Additionally, Kwangju Bank's loan product 'KJB Mobile Apartment Loan' was listed on Kakao Pay, Finda, and Bank Mall as of 2023. This 100% non-face-to-face loan product allows customers to apply easily via mobile platform without visiting branches in person or submitting separate documents, offering various preferential interest rates and loans of up to KRW 1 billion for multiple purposes. Similarly, Jeonbuk Bank's 'JB My Home Loan' is also listed on the Finda platform. By listing its loan products on Internet banks, JB Financial Group is expanding its touchpoints with customers nationwide, overcoming the limitations of regional banks.



Kwangju Bank's loan product 'KJB Mobile Apartment Loan'

JB Zoom In

Kwangju Bank and Viva Republica, Walking the Path of Innovation Together

The collaboration between Kwangju Bank and Viva Republica dates back to 2019. In September that year, Kwangju Bank signed an MOU with Viva Republica and launched the first mobile loan interest rate comparison service through the Toss app among major financial institutions. Kwangju Bank started its collaboration with Internet banks earlier than any other commercial banks. In 2021, Kwangju Bank and Viva Republica signed another MOU to activate new digital financial services and co-marketing, announcing their commitment to providing fin-tech-based digital financial services. Since then, both parties have continued their collaboration on digital innovation through joint services and personnel exchanges. Notably, some employees of Kwangju Bank visited Viva Republica's headquarters for a digital innovation mindset training, sharing organizational culture and work methods mutually. With the upcoming launch of the joint loan product in 2024, Kwangju Bank aims to strengthen its presence in the digital financial market through active collaboration with fin-tech firms.



APPROACH 2.

Enhancing capabilities to spearhead digital finance

Update on services available in app and MyData

In December 2023, Jeonbuk Bank revamped the Sokbank app, increasing its speed and simplifying the product subscription process. The MyData service, particularly the asset management service, was expanded and upgraded, and a new lifestyle benefits section was introduced to offer various non-financial services, setting the foundation for becoming a comprehensive lifestyle financial platform. The newly introduced lifestyle benefits section aims to provide useful information to customers, such as daily horoscopes and referral of popular restaurants and hot places based on big data.

Similarly, in 2023, Kwangju Bank revamped its app to Wa Bank, aiming to build a 'digital universal bank' where customers can frequently visit and stay longer by expanding various financial and non-financial services. Additionally, Kwangju Bank is working diligently to embed web funnels for loan products (Web in App) to streamline processes and ensure organic integration between platforms. By providing diverse regional content and lifestyle benefits, Kwangju Bank is continuously strengthening its mobile banking competitiveness.



Jeonbuk Bank's Sokbank and Kwangju Bank's Wa Bank apps

MyData Services of Each Subsidiary

Subsidiary	Additional services	
Jeonbuk Bank	JB Visual Household Ledger	A service that analyzes and informs a user about various aspects of his/her spending, such as where the user spends the most and when his/her consumption reaches its peak, based on transaction history
	Finance calendar	Enabling efficient management of critical financial schedules such as maturity dates of savings/deposit accounts, due date of loan repayment, etc.
	Real estate price inquiry	Inquiring market price and actual transaction value of user-owned properties and other properties of interest
	Car price inquiry	A service that provides maintenance data of a user's car and its current market price
	Year-end tax settlement consulting	A service that provides various information, such as estimating year-end tax settlement results and refunds, based on MyData information
	Today's horoscope	A horoscope service where you can enjoy daily horoscopes, monthly/annual horoscopes, and zodiac horoscopes
	Big Data Must-Go Restaurant	A service that provides information on popular restaurants based on big data such as actual sales and visit history
	Jeonbuk-do Hot Places	A service that weekly informs you about hot places in the Jeonbuk-do region using big data on visit history
	My Step Count	A service that provides information on user's step count and statistical data about his/her steps
	Health Information of the Month	A service that provides various health information to help with monthly health management
	Expert Pharmacist Health consultation	A service offering one-on-one health consultations with expert pharmacists
	Lifestyle Insurance	A referral service for short-term micro-insurance policies that are useful in daily life

Subsidiary	Additional services	
Kwangju Bank	Real estate price inquiry	Browsing three types of information: real estate price, listed price, and actual transaction price of registered properties as well as the price increase rate compared to the initial purchase price while accessing certified copies of apartment registration documents
	Car price inquiry	Checking detailed vehicle data, used car prices, automobile inspection records
	Credit management service	Providing up-to-date credit scores and current status, along with features such as credit improvement suggestions
	Quick indemnity health insurance claim service	Submitting medical expenses insurance claims on the app, without involving insurance company, using a photo instead of physical documents
	Card payment analysis	Providing the total expected payment amount and tracking the current card usage compared to the average of the past three months
	Find your favorite travel destination	Providing personalized destination recommendations based on transactions made using pre-paid payment methods, such as Naver Pay and Kakao Pay
	Money Tip	Providing useful information for daily life, such as retirement simulation service, carbon point application, and finding subsidies.
	Peers & I (asset comparison service)	Providing an overview of financial assets by age and asset volume
	Food delivery service	Displaying food deliver service locations on the app
	Lifestyle Insurance	A referral service for short-term micro-insurance policies that are useful in daily life
	Trendy Hot Places	A service that introduces popular places and restaurants in Gwangju and Jeollanam-do
	Wayo Market	A service that advertises regional specialties such as kimchi, thinly sliced pork belly, and live abalone

JB Zoom In

Jeonbuk Bank forges business partnership with Modetour

JB Financial Group is actively collaborating with non-financial companies to expand the company's presence. A notable example is the marketing partnership agreement signed between Jeonbuk Bank and Modetour in August 2023. Through this agreement, Jeonbuk Bank and Modetour agreed to establish a mutual cooperation system and support joint marketing and services for outbound tour customers. Shortly after the agreement, they launched an event offering a 90% currency exchange rate discount coupon to customers using the Modetour website, encouraging users to access the Sokbank app to use the coupon. Moving forward, Jeonbuk Bank and Modetour vow to continue providing joint services and marketing tailored to the demand for outbound tourists. JB Financial Group also aims to engage more actively in collaborations with non-financial companies.

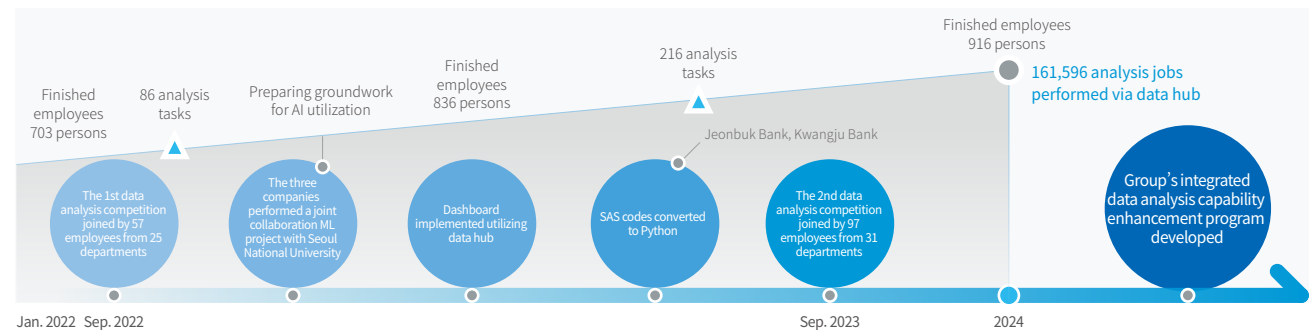


Upgrading the digital capabilities of JB members

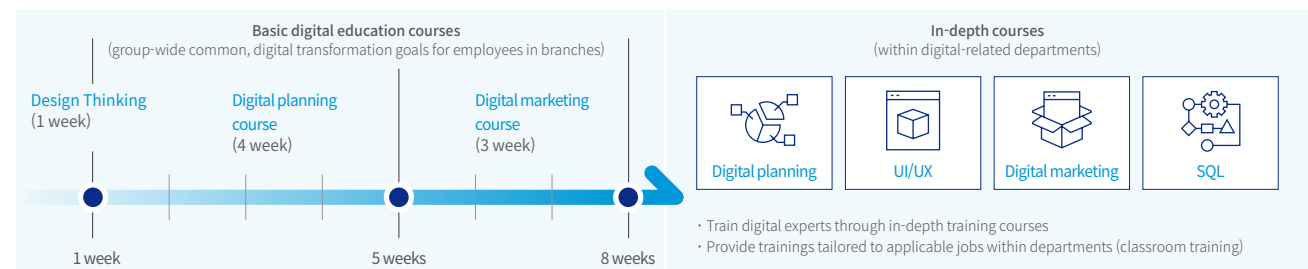
The digital capabilities of a company are directly linked to the individual capabilities of its members. Therefore, JB Financial Group operates systematic future digital talent development programs to empower employees to voluntarily enhance their digital skills. A prime example of this is the annual 'JB Financial Group Digital Integration Training Program.' Selected employees from JB Financial Group subsidiaries participate in this training program, which provides education on enhancing digital financial planning skills based on insights and knowledge of the digital era, transitioning branch employees to digital tasks, and digitizing work methods in headquarters departments. Subsequently, tailored advanced training courses are conducted for employees working in digital-related departments based on feedback and surveys from participants who completed the program.

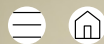
These advanced courses aim to deliver practical education that meets on-site needs, divided into four areas: digital planning and UI/UX, digital marketing, and SQL. Additionally, JB Financial Group is fostering data analysis capabilities, increasingly important in the digital age, through activities such as organizing competitions and developing capacity-building programs. As of December 2023, over 916 individuals have completed data analysis training, and data hub analysis tasks have exceeded 160,000, reflecting the growing frequency of data utilization. JB Financial Group remains committed to actively providing such educational programs to enhance digital capabilities of its workforce, thereby enhancing both employee and corporate digital competitiveness.

Improving data analysis capabilities



2023 JB Financial Group Digital Integration Training Program





Transition to Sustainable Finance

Sustainability has emerged as a key issue across all industries, regardless of the sector. Financial regulatory authorities and international organizations worldwide are engaging in in-depth discussions on sustainable finance, including expanding ESG investments by financial firms and requiring more rigorous disclosures on sustainability issues. JB Financial Group is proactively responding to these market developments while launching various initiatives to contribute to the environment through its core business of finance. In addition to developing eco-friendly financial products, JB Financial Group is striving to contribute to the environment by declaring and implementing net-zero commitments, establishing climate risk management frameworks, participating in global initiatives, and conducting in-house ESG campaigns. Moving forward, JB Financial Group aims to continue its eco-friendly undertakings to overcome the climate crisis and to advance sustainable finance across all ESG areas.

Net-zero

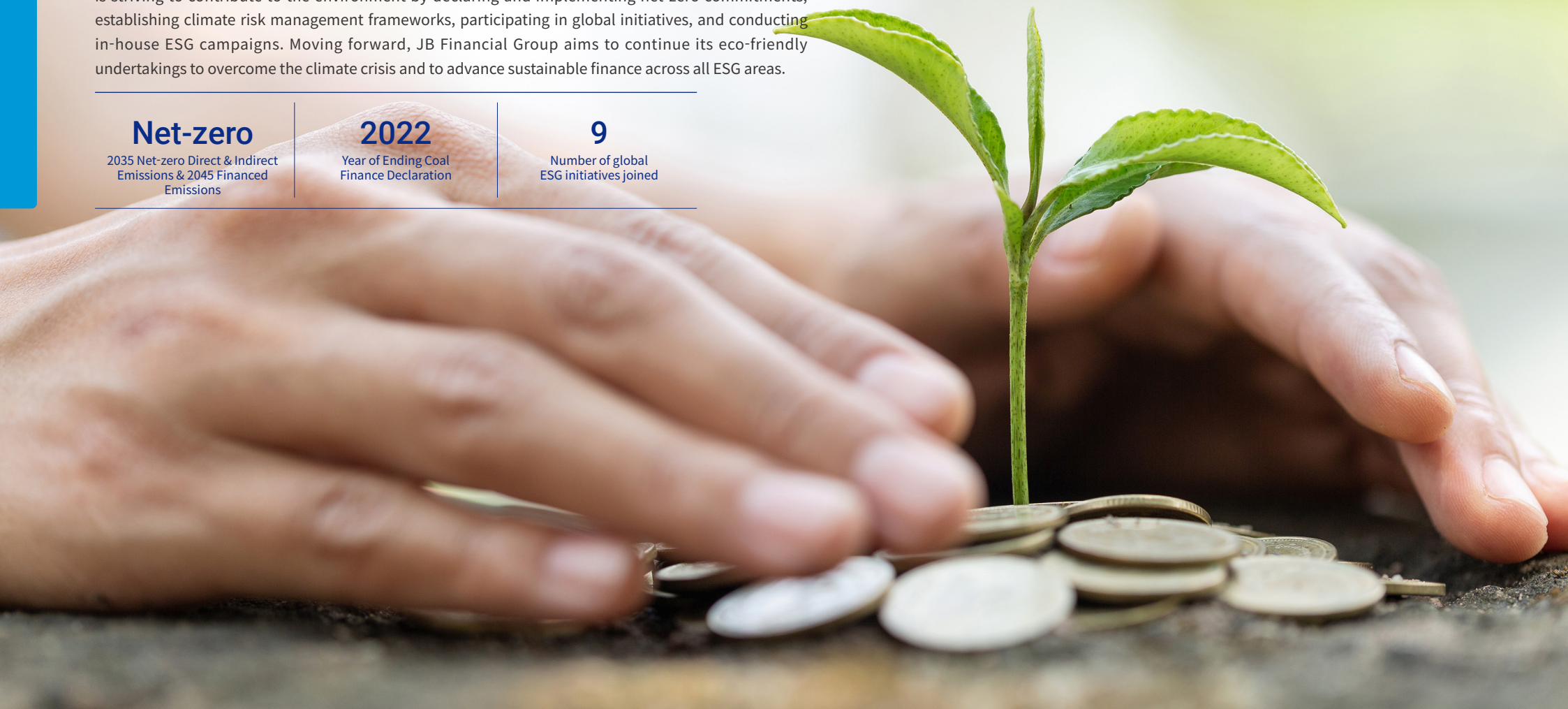
2035 Net-zero Direct & Indirect
Emissions & 2045 Financed
Emissions

2022

Year of Ending Coal
Finance Declaration

9

Number of global
ESG initiatives joined



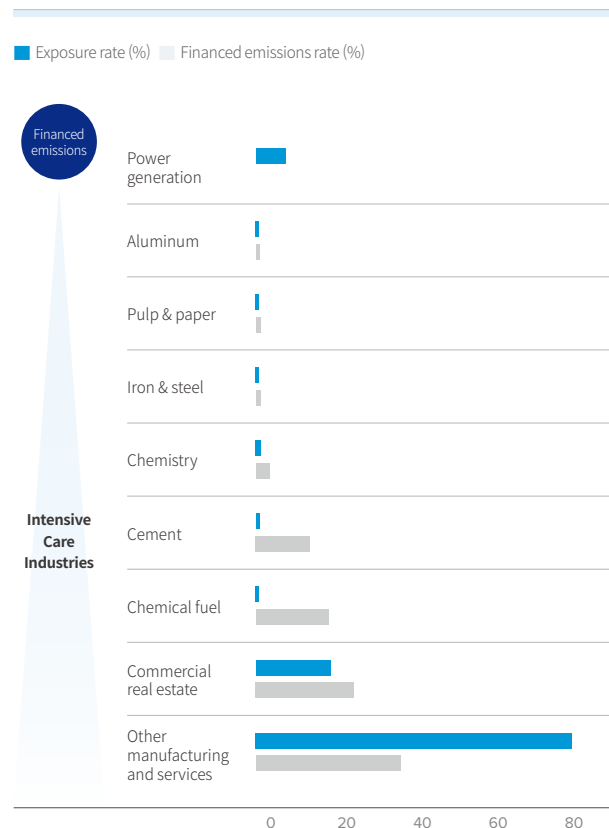
APPROACH 1.

A future ushered in by Net-zero fulfillment and sustainable financial products

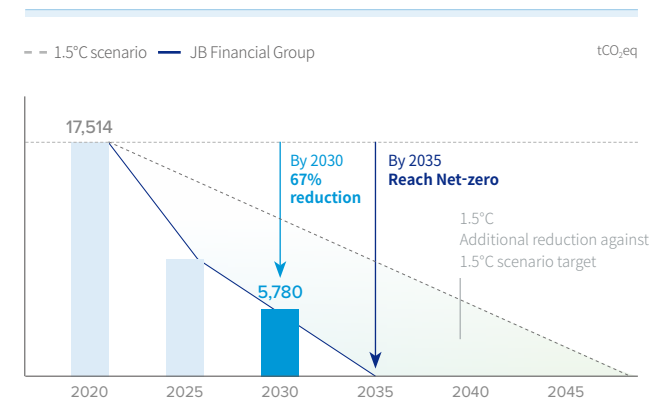
2035 Net-zero Direct & Indirect Emissions & 2045 Financed Emissions

In February 2022, JB Financial Group announced its net-zero goals, demonstrating its commitment to addressing climate crisis. To be more specific, JB Financial Group aims to reach net-zero direct & indirect emissions by 2035 first, and net-zero financed emissions by 2045. After estimating emissions, charting net-zero implementation pathways, and establishing intensity reduction targets by industrial sector, JB Financial Group is now striving to meet these goals. In particular, JB Financial Group has joined global initiatives such as PCAF and SBTi to measure emissions more systematically. For the direct & indirect emissions, JB Financial Group followed the GHG Protocol, the international standard for greenhouse gas accounting and reporting. For financed emissions, we used PCAF's greenhouse gas estimation methodology. Based on measurements that began in 2020, we have established net-zero implementation pathways to gradually reduce carbon footprints. JB Financial Group's interim targets are to reduce direct & indirect missions by 67% by 2030 compared to 2020 levels and to reduce financed emissions by 48% by 2030 compared to 2020 levels, which exceeds the 1.5-degree scenario agreed upon in the Paris Climate Agreement. JB Financial Group is focusing its efforts on the fulfillment of these targets to achieve net-zero status as planned.

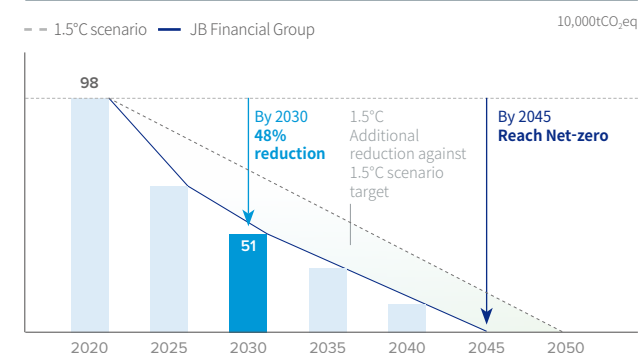
Financed Emissions by Industry



Implementation Roadmap for Net-zero Direct & Indirect Emissions

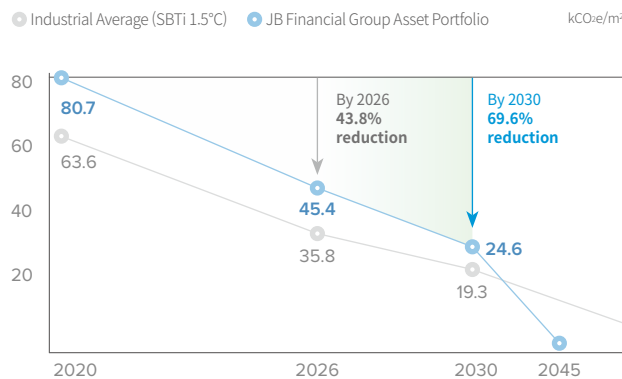


Implementation Roadmap for Net-zero Financed Emissions

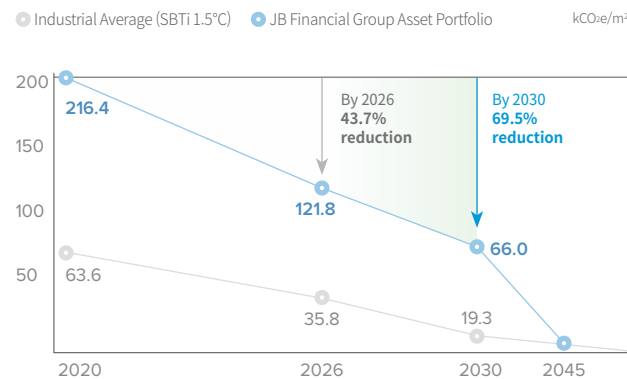


Meanwhile, JB Financial Group has established intensity mitigation plans by industry group based on SBT's SDA methodology, setting respective targets for commercial real estate loans, general corporate loans, investments in listed companies, etc. For power generation financing, JB Financial Group has a reduction plan for every 1MWh of electricity generated. For general corporate loans, investments in listed companies, and bond investments, the group used the SBT's Temperature Rating methodology to determine the current temperature score based on a 3.2°C scenario. We have also created implementation roadmaps for mitigation by asset.

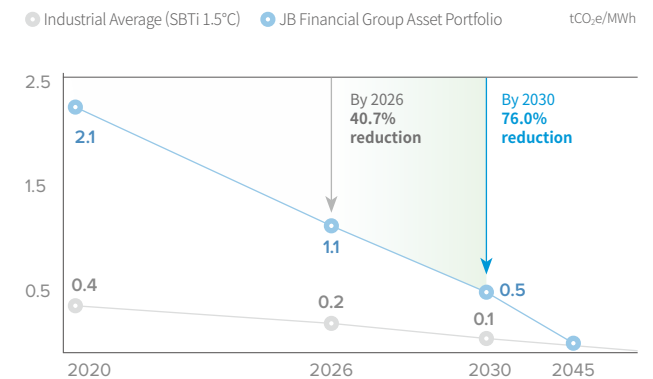
Commercial Real Estate Loans



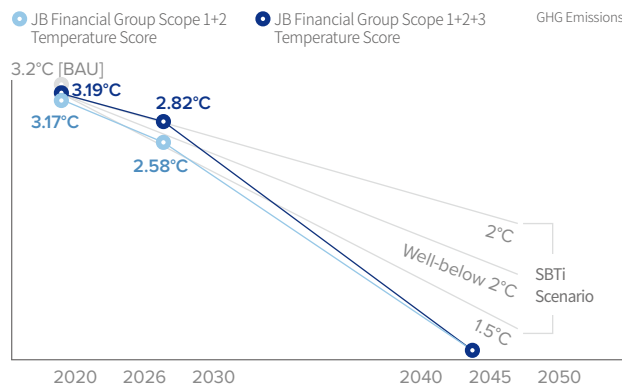
Real Estate Investments and REITs



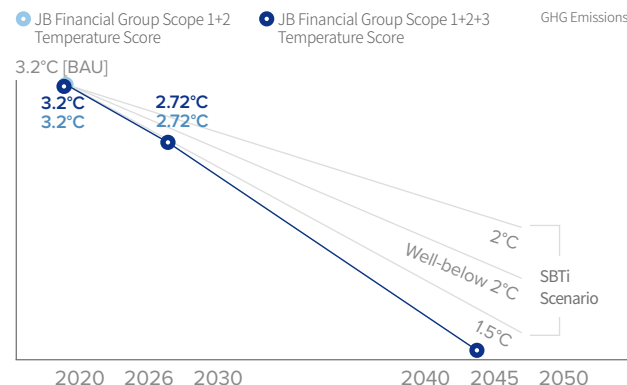
Power Generation Project Financing



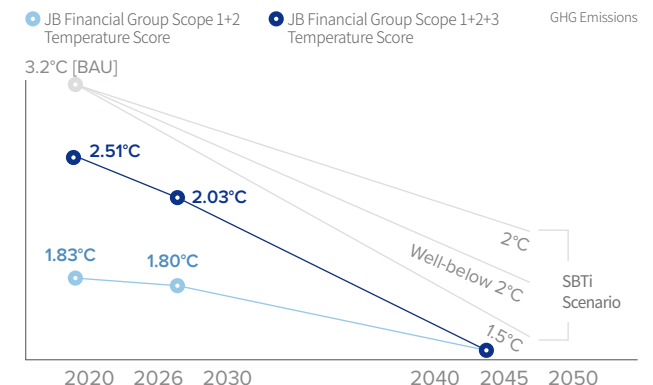
General Corporate Loans



Listed Company Investments



Bond Investments



Since merely formulating a plan does not bring us closer to the goal of net zero, JB Financial Group is preparing for various changes to achieve the substantial realization of net zero for both direct & indirect emissions and financed emissions. In particular, in 2024, JB Financial Group plans to undertake projects such as establishing a strategy for procuring renewable energy to enhance the implementation of net zero for direct & indirect emissions, building a system for calculating and managing financed emissions, establishing a climate risk management framework, and corporate clients ESG engagement. Through these efforts, JB Financial Group aims to actively and effectively address the climate crisis.

Ending Coal Financing and Green Finance

As the global economic trends shift towards the need to address the climate crisis, investment risks associated with coal power generation and related industries are increasing. Accordingly, in May 2022, JB Financial Group declared an “Ending Coal Financing” policy, manifesting its commitment to contributing to the transition to a low-carbon economy by pursuing sustainable and eco-friendly finance. Rather than stopping at a mere declaration, JB financial Group is putting it into practice by halting participation in project financing (PF) for the construction of coal-fired power plants both domestically and internationally, and by completely ceasing the underwriting of bonds issued by related special purpose companies (SPCs) and general bonds. Meanwhile, JB Financial Group also plans to gradually expand lending and investment in what is commonly referred to as green finance, which includes renewable energy. We aim to continuously offer financial products that support industries capable of fundamentally transforming the coal-centered energy industry paradigm, such as renewable energy and solar power.

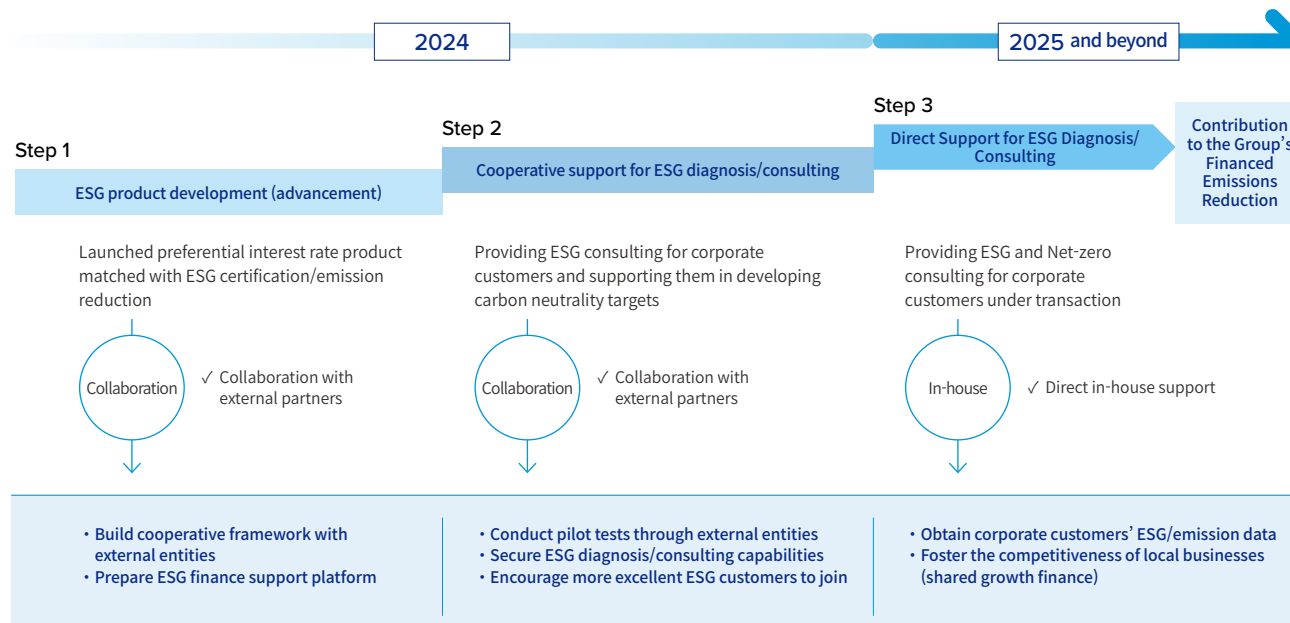
ESG Financial Products by JB Financial Group Banks

Product Name	Bank Name	Loan Eligibility	Loan Limit	Loan Term
JB Green Biz Loan	Jeonbuk Bank	<ul style="list-style-type: none"> - Companies operating in the green energy industry - Companies manufacturing eco-friendly products (eco-friendly products, superior recycling products) - Companies that have signed agreements to purchase green products - Companies issued with guarantees related to new growth drivers under the “Special Business Agreement” with the Korea Credit Guarantee Fund and the Korea Technology Finance Corporation - Companies scoring 60 points or higher on the “Eco-friendly Excellent Company Evaluation Sheet” 	Loan amounts are determined based on individual reviews considering corporate credit ratings, collateral ratios, etc.	Operating funds: within 5 years, Facility funds: within 10 years (within 15 years for solar power facilities, with a grace period of up to 3 years)
ESG Support Loan	Kwangju Bank	<div>ENVIRONMENT</div> <ul style="list-style-type: none"> - Companies related to renewable energy - Companies manufacturing or distributing eco-friendly products with over 3 years of business history - Companies that are permitted to operate or that have reported waste recycling businesses - Companies requesting operating funds for the purpose of purchasing eco-friendly products - Companies certified under environmental agreements <div>SOCIAL</div> <ul style="list-style-type: none"> - Social economy enterprises - Companies or those whose CEOs are exemplary taxpayers - Companies with a mandatory employment rate of disabled persons at 50% or more <div>GOVERNANCE</div> <ul style="list-style-type: none"> - Companies with 10 or more regular employees and an employee turnover rate of less than 10% over the past 2 years 	Loan amount determined based on individual reviews considering corporate credit ratings, collateral ratios, etc. (deducting loans from Kwangju Bank and other banks)	<ul style="list-style-type: none"> - Lump-sum repayment Within 1 year (up to a maximum of 10 years, including extensions) - Equal principal installment repayment: Within 10 years (if the term of credit extension exceeds 3 years, a grace period is allowed within one-third of the contract period)

Taking a step further, JB Financial Group is moving in stages to strengthen the ESG engagement process and framework for corporate clients. To this end, an ESG engagement promotion strategy has been developed. In 2024, JB Financial Group plans to implement Step 1, 'Development and Advancement of ESG Products,' and Step 2, 'Cooperative Support for ESG Diagnosis/Consulting,' in collaboration with external organizations. Currently, JB Financial Group is preparing to enhance its subsidiaries' ESG products, planning to expand sustainable financial performance based on such products. From 2025 onwards, JB Financial Group aims to directly support ESG diagnosis and consulting to contribute to the reduction of the group's financed emissions.

Meanwhile, JB Investment has introduced a pre-ESG checklist reflecting environmental, social, and governance factors to respond to the increasing ESG demands within the venture capital industry. This is to establish a process that avoids investing in industries or businesses negatively evaluated from an ESG perspective. In the future, JB Investment plans to advance its ESG framework step by step to implement ESG management throughout the entire business spectrum.

JB Financial Group's Scenario for Strengthening the ESG Engagement Framework



JB Zoom In

Kwangju Bank Helps Achieve Carbon Neutrality with 'K-Green Card V2'

In July 2023, Kwangju Bank launched the 'K-Green Card V2.' The 'K-Green Card V2' is a credit card introduced by Kwangju Bank to contribute to the spread of a low-carbon, eco-friendly consumption culture. By using the 'K-Green Card V2,' customers can enjoy benefits while contributing to carbon neutrality by using public transportation. When using public transportation with this card, customers earn mileage based on the distance traveled, saving up to 53% on public transportation fares. Mileage can be used after 15 uses of public transportation, with benefits applied up to 60 uses per month. In addition, this card features eco-money functions, providing 'green services' such as earning eco-money points when using eco-friendly products or making payments at eco-money affiliated merchants. Going forward, Kwangju Bank and JB Financial Group will continue to focus on developing and providing green financial products that offer both environmental protection and customer benefits.



APPROACH 2.

ESG Management Internalization Efforts & Outcomes

ESG Committee Operation & Activities

The ESG Committee was established under the Board of Directors of JB Financial Group in 2021 to play a decisive role in implementing strategic ESG management from a mid to long-term perspective. The ESG Committee, comprised of all group directors, has the ESG officer present to report on all matters. The committee is responsible for making major ESG-related decisions within the group, including establishing ESG strategies and policies, understanding implementation status, reviewing results, and providing feedback. In 2023, based on domestic and international ESG evaluation results and materiality assessment outcomes, the committee identified key agendas needing improvement in the E/S/G areas and approved strategies and plans for their implementation. Notably, through these agendas, the committee resolved on items such as advancing the carbon neutrality strategy and promoting the internalization of climate risks, which are currently being followed up on by the ESG-related departments. Additionally, the ESG Committee monitors the implementation and outcomes of ESG strategies, reporting

on the evaluation results of ESG rating agencies each year.

Meanwhile, the ESG Council placed under the ESG Committee and staffed with the executives and department heads of the holding company and subsidiaries, as well as the ESG Working-Level Council, composed of ESG working-level personnel, are endeavoring to ensure that ESG management is effectively performed. Furthermore, the ESG team handles tasks such as establishing climate change response strategies and policies, launching effective responses to climate changes in managing the green finance performance of subsidiaries, and reflecting in performance indicators such climate change response activities as the establishment of financed emission and climate risk management systems and a carbon neutrality roadmap.

ESG Evaluation Performance and Global Initiative Activities

In 2023, JB Financial Group was selected as an 'Excellent ESG Company' by the Korea Institute of Corporate Governance and Sustainability (KCGS) for the second consecutive year. Excellent

ESG Companies are selected based on a comprehensive evaluation of listed companies' levels in environmental, social, and governance aspects. In the 2023 KCGS evaluation, which covered a total of 1,049 companies, JB Financial Group received A+ in the environmental domain, A in the social domain, A in the governance domain, and an integrated A grade, making it the only financial holding company in Korea to be selected as an Excellent ESG Company. With this achievement, JB Financial Group vows to fulfill its responsibilities and roles as an Excellent ESG Company. In November 2023, the group's employee training center (Aureum Campus) obtained the Green Building Certification (Green Level 4). This reflects the group's sincere and advanced ESG management practices across all corporate activities.

JB Financial Group's commitment to eco-friendly management is also evident in its global initiative activities. The group is currently a member of nine global initiatives and has continuously and proactively engaged in eco-friendly financial activities. These include being the second domestic financial company to receive approval from the Science-Based Targets initiative (SBTi) in 2022, and the first regional financial group to join the Net-Zero Banking Alliance (NZBA) in 2021. Additionally, as a member of the Academy Advisory Committee of the Principles for Responsible Banking (PRB) under UNEP FI, JB Financial Group contributes to boosting the ESG education outcomes of the initiative. The group is making various efforts to meet the requirements of each initiative and will continue to actively pursue practices in all ESG areas, including the environment, in the future.

Major Decisions made by JB Financial Group's ESG Committee in 2023

Date	Description	Others
March 30, 2023	<Resolution Items> 1. Approval of the meeting minutes of all committees 2. Election of the chairperson and the order of acting succession	Approved Approved
December 21, 2023	<Resolution Items> 1. 2023 1st ESG Committee meeting minutes 2. Key agendas for the group's ESG management 3. 2023 key group social contribution activities review and 2024 plan	Approved Approved Approved
	<Reporting Items> 1. Report on ESG evaluation agencies' evaluation results 2. Report on 2022 Integrated Annual Report publication and materiality assessment results	Accepted as reported Accepted as reported

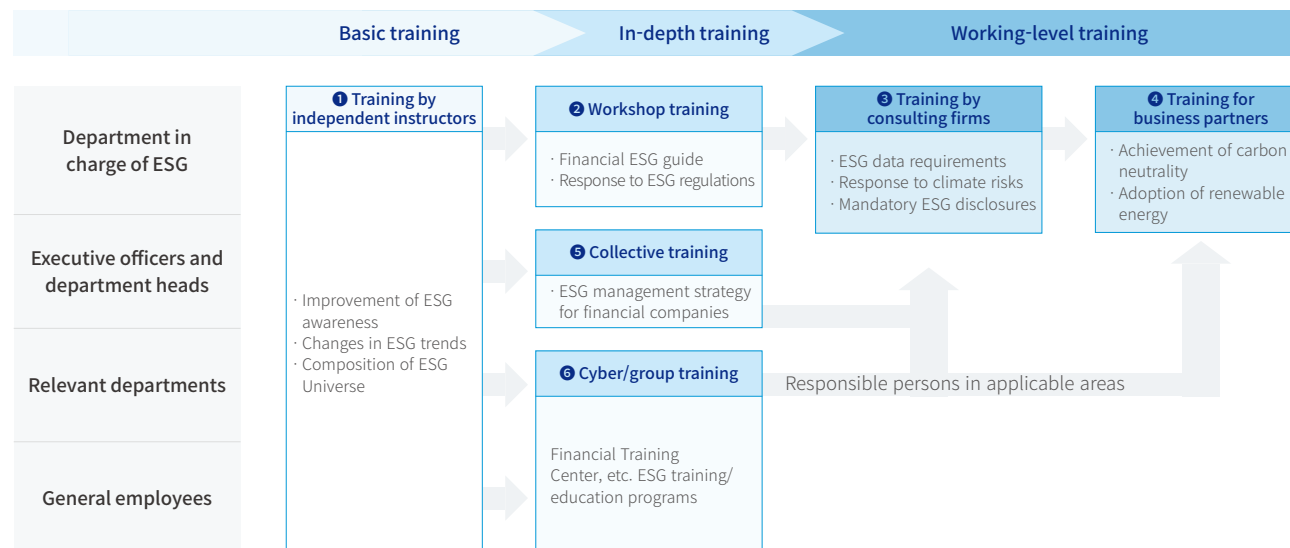
Establishment of ESG training system

JB Financial Group is committed to raising ESG awareness among all employees and strengthening the ESG capabilities of working-level staff members in relevant departments. To this end, JB Financial Group has established an ESG training system and is promoting various training programs to internalize ESG throughout the organization. In 2023, we conducted group-wide training on 'Ecological Transition and ESG,' focusing on biodiversity and ESG. Additionally, JB Financial Group provided sustainability accounting training to the board of directors in light of the introduction of mandatory ESG disclosures. In 2024, JB Financial Group held training sessions on the 'Establishment of Climate Risk Management Systems' and the 'Advancement of Renewable Energy' for ESG staff members and department heads across all subsidiaries. We also conducted practical training on 'Greenhouse Gases and Carbon Neutral Strategies' for working-level staff members. Through these training programs, JB Financial Group strives to improve ESG awareness and expertise, ultimately upgrading its ESG management practices by a notch.

Efforts to Address Environmental Issues

JB Financial Group is actively engaged in various projects and activities both internally and externally to preserve the global environment and respond to the climate crisis. Its in-house eco-friendly campaigns and programs are part of such efforts. In 2023, JB Financial Group organized the Vegan Day, environmental protection volunteer activities, and donation campaigns. We plan to continue with regular campaigns and programs led by each subsidiary to encourage every employee to join eco-friendly work practices. Furthermore, to address climate change, JB Financial Group actively participates as a corporate citizen in government policy and legislative activities (such as lobbying) and monitor the climate advocacy roles of the associations it is a member of. In April 2024, as part of the UNEA's response to plastic pollution, we supported the adoption of an International Legally Binding Instrument (ILBI) on plastic pollution by signing a statement of support from financial institutions. Moreover, as a member of the ESG Expert Committee, a permanent internal consultation body of the Korea Federation of Banks (KFB), JB Financial Group provides policy recommendations on the development of green finance.

JB Financial Group's ESG Training System



In-house environmental campaigns launched in 2023

Subsidiary	Description of in-house environmental campaigns
Jeonbuk Bank	<ul style="list-style-type: none"> - Vegan Friday: Having a vegetarian meal every Friday - Energy Saving Day: Turning off lights and personal electric heaters off working hours such as lunch breaks and after work - Plogging day: Cleaning up the surroundings around head office and branches using eco-friendly, biodegradable bags (quarterly) - Carbon footprint reduction mission campaign: Printing documents in a batch or in black/white, using personal tumblers, taking stairs when moving up and down three floors, and reducing food leftover when eating at company canteen - Cup carrier recycling campaign: Returning disposable cup carriers to coffee shops to help with resource recycling
Kwangju Bank	<ul style="list-style-type: none"> - Joint response agreement for 2045 Net Zero Achievement: Signing a joint response agreement with Gwangju Metropolitan City to expedite 2045 Net-zero achievement - Joining K-EV100: A Korean transition project launched by the Ministry of Environment to change corporate vehicle fleets to zero-emission vehicles by 2030 - Clean Day: A cleanup campaign aiming to make the local community cleaner with all branches joining the campaign, a total of 716 campaigns conducted, equivalent to 7,683 hours - Gwangju River Cooperation and Labor Exchange: Employees take the initiative in collecting waste within their designated areas, pulling weeds, and planting flowers on trails for citizens in partnership with the Gwangju Metropolitan City Planting flowers on walking trails favored by citizens - Plogging campaign: Jogging along walking trails favored by citizens to share commitment to environmental protection with local community members and ensuring that they can enjoy nature in urban landscape safely - ESG Vegan Day: A day designated to serve vegetarian meals consisting of low-carbon and plant-based foods with the aim of raising environmental awareness and encouraging them to join efforts to mitigate carbon footprint in their daily lives



Inclusive Finance & Social Contribution

As the focus of finance shifts to digital, improving financial accessibility for groups that are relatively ill-versed in digital technologies has emerged as a new challenge. Moreover, the ongoing economic downturn is exacerbating economic disparities.

JB Financial Group is acutely aware of these issues and continuously working to raise financial accessibility. In addition, JB Financial Group has selected the 'four core social contribution activities' to establish a more precise framework for its social contribution efforts. Through these activities, JB Financial Group aims to provide optimal support to areas in need within the local community and contribute to regional development by reducing economic and digital divides.

Jeonbuk Bank
Received the Inclusive Finance Citation
from the **Financial Services Commission**
Chairman of Korea
Kwangju Bank
Selected as an **excellent management**
consulting case

4

JB Financial Group Top four
core social contribution
activity areas

312

Number of employees active in
the Seed Volunteer Group



APPROACH 1.

Financial Service, Inclusive to All

Financial Support for the Financially Underprivileged

As the global economic downturn persists, significantly more and more people are suffering economic woes. In the middle of such economic landscape, JB Financial Group has strengthened its inclusive financial services to support the economically vulnerable. Notable examples include Jeonbuk Bank's Kind-hearted Finance Clinic and Kwangju Bank's Inclusive Finance Center. Since its opening in 2018, the Kind-hearted Finance Clinic in Jeonju has spearheaded the region's inclusive financial services by providing customized financial consulting for middle- and low-income individuals and offering funding consulting for small business owners. Similarly, Kwangju Bank operates its Inclusive Finance Center to assist local residents with comprehensive financial counseling, financial education, and corporate consulting as a comprehensive all-inclusive financial counseling center for the region.

JB Financial Group also continues to provide financial support to mom-and-pop businesses and SMEs in the region, which are particularly susceptible to economic downturns. In collaboration with Jeonju City, Jeonbuk Bank will contribute KRW 3.6 billion in 2024 and provide an additional KRW 50 billion in special guaranteed loans. Furthermore, they are supporting SMEs with KRW 500 billion in special operating funds for the Lunar New Year, aiming to relieve SMEs from financial difficulties and reduce their financing costs. In November 2023, Kwangju Bank, in cooperation with Gwangju Metropolitan City and other organizations, provided low-interest funding to small to medium-sized suppliers impacted by the financial woes of the local electronics company Daewoo Winia Group.

In 2024, Kwangju Bank, along with local governments and other entities, will contribute KRW 4.9 billion to supply a total of KRW 93.7 billion in guaranteed loans.

JB Financial Group is also expanding inclusive financial services for foreign residents in Korea, who often face challenges in managing financial matters. A prime example is Jeonbuk Bank's partnership with global fin-tech firm Nium in November 2023, to introduce an international remittance service. Jeonbuk Bank has launched a more affordable outbound remittance service in partnership with Nium, offering remittance reliable solutions, with plans to gradually expand the scope of services accessible by foreigners. Kwangju Bank is also continuing with inclusive finance initiatives for foreigners residing in Korea, launching campaigns to prevent financial fraud targeting international students.



Partnership agreement between Jeonbuk Bank and Nium

JB Zoom In

JB Financial Group's Inclusive Finance Recognized by External Audience

In October 24, 2023, Jeonbuk Bank received the Financial Services Commission Chairman's Citation for Inclusive Finance first time ever among banks operating in Korea at the Financial Day ceremony. This citation acknowledges Jeonbuk Bank's active participation in the government's inclusive finance policies, support for middle- and low-income loans, contributions to regional economic revitalization, community activities, and focused support for low-income individuals. In 2018, Jeonbuk Bank also received the Prime Minister's Citation in the low-income bracket finance sector for its contributions to establishing low-income finance policies and resolving difficulties. This citation reaffirms Jeonbuk Bank's ongoing efforts to provide financial services for the economically disadvantaged. Additionally, in 2023, Kwangju Bank became the only regional bank recognized by the Financial Supervisory Service (FSS) for its exemplary business consulting services for self-employed and small business owners. These achievements demonstrate that JB Financial Group is leading the way in inclusive finance, a key issue in the financial sector.



Our Efforts to Make Finance More Accessible

The digitalization acceleration in finance has highlighted the issue of financial accessibility for those at risk of digital exclusion as a new challenge for the financial sector. However, JB Financial Group's efforts to render finance more accessible began as early as 2013. Jeonbuk Bank signed an agreement with the Korea Post in 2013 to jointly use the postal finance network, becoming the first regional bank to have its financial services to be delivered at post offices. Since then, Jeonbuk Bank customers have been able to conduct financial transactions using Jeonbuk Bank passbooks and cards at over 2,800 post offices nationwide, utilizing the post office infrastructure. Furthermore, Jeonbuk Bank cardholders are exempt from fees when using postal ATMs, and currently, fees are also waived when using Kwangju Bank's financial services. Rather than stopping there, JB Financial Group continues its efforts to improve access to finance for the financially underprivileged. Specifically, Jeonbuk Bank's Kind-hearted Financial Clinic and Kwangju Bank's Inclusive Finance Center offer financial product consultations and consulting services to low-credit and financially marginalized individuals, who often find it challenging to access first-tier financial institutions. These

services also help improve the credit scores of customers with low credit ratings through debt management service, and so forth.

JB Financial Group's efforts to enhance accessibility for the elderly, namely the senior demographic group most likely to be excluded by financial digitalization, are ongoing. Jeonbuk Bank operates elderly-exclusive counters at all branches, where staff assist senior customers with key services such as cash and check deposits and withdrawals, passbook issuance, and pension receipts. Kwangju Bank has been operating elderly-only branches since 2015, and as of 2023, it has three elderly-only branches that offer tailored benefits and services for senior citizens, such as fee exemptions and health consultations. These senior-specific services from JB Financial Group have consistently received positive responses.

In addition to these efforts, Kwangju Bank is actively working to improve financial accessibility by introducing the mobile branches, 'Wa-Yo Bus' and 'Ga Dream' services, in 2024. The Wa-Yo Bus service, developed by Kwangju Bank, is a mobile branch with improved mobility and efficiency compared to conventional large mobile branches. Using a camper-type

vehicle equipped with two consultation counters and an ATM, the Wa-Yo Bus delivers a comprehensive range of banking services, including loans, consultations, and financial advice.

In January 2024, Kwangju Bank signed an agreement with Jeollanamdo Province and Jeollanam-do Credit Guarantee Foundation to operate the bus-type mobile branch service 'Ga Dream' using the Wa-Yo Bus. As Jeollanamdo Province is characterized by numerous islands, remote areas, and a high share of senior citizens in its population, the Ga Dream service, which targets traditional markets and small business owners, is expected to be utilized increasingly more.

Through the Wa-Yo Bus, Kwangju Bank plans to offer various financial services to financially vulnerable groups and workers in under-served areas.



Jeonbuk Bank's Kind-hearted Financial Clinic



Kwangju Bank's Wa-Yo Bus



Kwangju Bank's Ga Dream Service

APPROACH 2.

Social Contribution for the Virtuous Cycle of Sharing

Systematization of Social Contribution & Selection of Four Core Social Contribution Activities

JB Financial Group has consistently engaged in social contribution activities, without neglecting the practice of sharing. In 2022, it established a systematic framework for social contribution activities at the group level to operate more organized social contribution projects. Through empathy and voluntary participation, JB Financial Group aims to create social value and promote genuine social contribution activities based on four participation principles. Starting from 2023, the group has selected four core social contribution activities to systematically support: 'Improvement/Support of Community Child Centers' for children and adolescents from vulnerable/marginalized groups, 'Support for Multicultural Adolescents,' 'Support for Youth Preparing for Self-Reliance,' and 'Provision of Wanderer Detection Devices' to prevent the disappearance of dementia patients. Additionally, at the end of each year, the ESG Committee reviews the annual progress of these core social contribution activities, identifies improvement measures, and continuously enhances and expands the core business areas.

JB Financial Group's Social Contribution System

ESG Mission

JB Financial, Your Reliable Partner for a Better Future
Group's Social Contribution System
Participation principles


Talent donation by employees

Mobilization of group resources

Continuity/consistency

Efficiency/effectiveness

Utilization of core capabilities

Selective association and cooperation

JB Zoom In





'Dada Camp,' JB's winter camp for multicultural adolescents

JB Financial Group organizes 'Dada Camp' during school vacations to support diverse cultural experiences for adolescents from multicultural families in the Jeonbuk-do and Gwangju/Jeollanam-do regions. In January 2024, the second 'Dada Camp' was held for multicultural adolescents, with 50 middle school students from the Honam area participating. The participants explored career paths and developed financial literacy through programs such as

financial education, outdoor activities, career exploration, and multicultural lectures. The camp was particularly meaningful as it utilized the JB Financial Group's employee training center (Aureum Campus) to offer various programs, with the Seeds Volunteer Group, consisting of JB Financial Group employees, directly providing financial education. JB Financial Group plans to continue running the Dada Camp in the future, helping multicultural family adolescents in the Honam region build healthy relationships among their peers, enhance self-esteem, and grow into talented individuals within the community.



JB Financial Group's Four Core Social Contribution Activities

Names of Core Social Contribution Activities	Overview		Expected Effects	Objectives & Future Plan
Community child center improvement/support	Virtuous cycle promotion project to support both vulnerable/marginalized children and youth by improving outdated environments at community children centers that constitute after-school learning infrastructure for the under-cared children in local communities and supporting their learning programs		<ul style="list-style-type: none"> - Contributing to the improvement of outdated environments at community child centers and addressing gaps in learning/care, thereby enhancing children's academic achievements - Reducing the academic/livelihood burdens of vulnerable/marginalized youth and providing opportunities for social participation 	<ul style="list-style-type: none"> - Expanding the scale of support - Offering training programs and expanding employee mentoring to enhance the capabilities of vulnerable/marginalized youth
Support for Multicultural Adolescents	Addressing practical difficulties in academics, careers, and college admissions for multicultural adolescents in the community, and supporting their growth through differentiated education and experiential opportunities		<ul style="list-style-type: none"> - Contributing to the improvement of self-esteem among multicultural adolescents - Increasing beneficiary satisfaction by providing step-by-step (introductory-advanced-specialized) education according to growth stages - Expanding opportunities for educational and experiential activities for undocumented immigrant children/adolescents 	<ul style="list-style-type: none"> - Increasing the number of camp participants and annual support sessions (more than 4 times) - Establishing regional education hubs using the group's training centers and expanding the support scope of the Seeds Volunteer Corps - Providing step-by-step education according to the needs/growth of beneficiaries
Support for Youth Preparing for Self-Reliance	Supporting safe and healthy self-reliance for youth preparing for independence through housing, medical support, and employee mentoring for stable social settlement		<ul style="list-style-type: none"> - Enhancing financial capabilities through tailored financial education content and employee mentoring support - Contributing to the formation of community networks for stable self-reliance 	<ul style="list-style-type: none"> - Upgrading tailored financial education content and strengthening employee mentoring capabilities - Promoting differentiated support projects for youth preparing for independence and laying the foundation for expansion in the Honam region
Support for Wanderer Detection Devices	Providing wanderer detection devices (including communication expenses) to dementia patients in the Honam region in cooperation with the National Police Agency, local governments, and NGOs		<ul style="list-style-type: none"> - Reducing anxiety about missing dementia patients in the Honam region and contributing to the prevention of missing persons through early detection 	<ul style="list-style-type: none"> - Gradually expanding the scale of support for wanderer detection devices by 2026 (1,000 ea. in 2023 → 3,400 ea. in 2024 → 5,000 ea. in 2025 → 7,100 ea. in 2026) - Expanding public-private partnership

The Founding of the Seed Volunteer Group

On the occasion of its 10th anniversary in June 2023, JB Financial Group established the Seed Volunteer Group on voluntary participation by executives and employees. The Seed Volunteer Group, mandated to 'help neighbors in need in the community and support their growth so that they become the seed of sharing that triggers a virtuous cycle within our society,' is led by volunteer leaders selected from each group subsidiary. These leaders form a cooperative organization, participating in all stages from planning to executing volunteer activities. Affiliated executives and employees can participate in volunteer activities based on their subsidiary, desired region, and personal talents. The Seed Volunteer Group operates under four principles: efficiency, voluntariness, continuity, and systematization. It is structured with a working-level council, an operational secretariat, and an expert advisory group for systematic operation. As of the end of 2023, a total of 312 executives and employees have joined, and the Seed Volunteer Corps website, a platform to efficiently match the needs of neighbors with employees' talents, has been launched. From 2024, the Seed Volunteer Group plans to actively promote volunteer activities continue with vibrant social contribution activities at the group-wide level to ensure that JB Financial Group keeps growing together with neighbors in need.



Inauguration ceremony of the Seed Volunteer Corps

JB Financial Group's Seed Volunteer Group

Significance

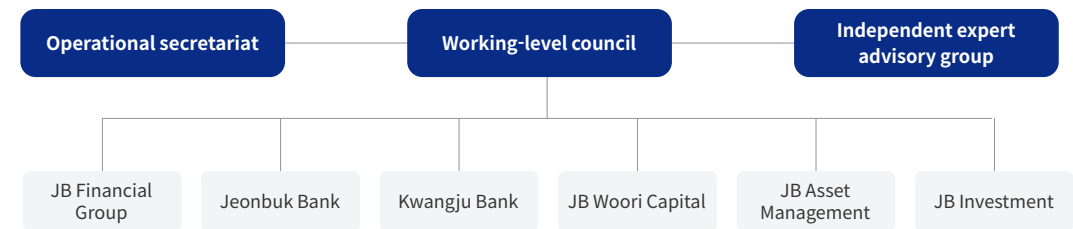


JB Financial Group supports the growth of the community by helping neighbors in need, with the hope that this will become the seed of sharing that triggers a virtuous cycle within our society.

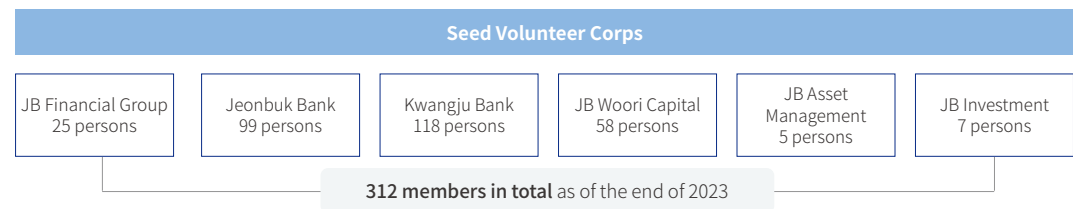
Principles

Efficiency	Voluntariness	Continuity	Systematization
Efficiently promoting volunteer activities utilizing employees' capabilities (talents/expertise)	Enhancing the genuineness of volunteer activities by expanding voluntary participation	Establishing a sustainable volunteer group system empowered by a young mindset	Building a systematic framework where recruitment-execution-performance-reward are seamlessly linked

Organization chart



Volunteer Group Composition and Roles



Supporting organization		
Working-level council	Operational secretariat	Expert advisory group
<ul style="list-style-type: none"> Composition: 10 volunteer leaders from JB Financial Group and other affiliates Key roles <ul style="list-style-type: none"> Plan key projects and volunteer activities and monitor results 	<ul style="list-style-type: none"> Composition: Social Contribution Team at JB Financial Group Key roles <ul style="list-style-type: none"> Plan and implement key projects and volunteer activities in detail Support the working-level council and the expert advisory group 	<ul style="list-style-type: none"> Composition: Experts on social contribution, etc. Key roles <ul style="list-style-type: none"> Advise on the results of key projects and volunteer activities Provide lectures on the themes of key projects

Financial Consumer Protection

Amid the global financial crisis and the surge in demand for digital technology due to COVID-19, the financial environment has undergone significant transformation, with new threats rising increasingly against financial consumers. Financial companies are obligated to safeguard financial consumers by providing right information, strengthening internal stability, and actively communicating with consumers to uphold their rights. JB Financial Group is enhancing related systems and taking swift action to deliver consumer-oriented finance. Moving forward, JB Financial Group will leverage big data and AI to further strengthen its integrated security monitoring system, more rigorously safeguarding customer information, continuously striving to provide better customer service.

S grade

Continuous information security
evaluation system


24 x 365


Continuous monitoring
system in place

0 case

Customer complaints received
by Jeonbuk Bank and Kwangju
Bank in 2023
(as shown in the consumer-
bound disclosures made by the
Korea Federation of Banks)



 USERNAME

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☒ Remember me ☐ Forgot password

LOGIN



APPROACH 1.

Framework and Practices for Financial Consumer Protection

Financial Consumer Protection Organization and System

JB Financial Group recognizes various factors threatening financial consumers in a rapidly changing market environment and is strengthening efforts to protect its customers. The board of directors of each subsidiary reviews and receives reports on major risks that may compromise the interests of consumers. The overall responsibility for these financial consumer protection matters lies with an institution placed directly under the top management. Each subsidiary appoints an executive officer in charge of financial consumer protection, designated as the Chief Customer Officer (CCO). In addition, a separate Financial Consumer Protection Internal Control Committee is also in operation. The committee comprises the President of a bank, the CCO, the Compliance Officer, the head of risk management, and each business division head. They discuss overall management matters from the perspective of financial consumer protection, including management issues, strategies, and information disclosures related to the development and sales methods of financial products. For Jeonbuk Bank, Kwangju Bank, and JB Woori Capital, separate financial consumer protection organizations* are established to oversee the operation of the Financial Consumer Protection Internal Control Committee. Efforts to protect financial consumers are never neglected at both headquarters and branch offices. By designating specific personnel in charge of financial consumer protection, JB Financial Group strives to rigorously safeguard its customers. JB Financial Group has also systematized internal control checks by establishing a financial consumer protection internal control inspection manual. Furthermore, JB Financial Group has established the highest level of financial consumer information protection system in Korea and utilizes an integrated security monitoring system running around the clock to prevent incidents in advance.

* Jeonbuk/Kwangju Bank: Financial Consumer Protection Department, JB Woori Capital: Consumer Protection Team

Practices for Financial Consumer Protection

The most notable issue in financial consumer protection these days is the occurrence of non-face-to-face financial fraud through voice phishing. To counter this, Jeonbuk Bank and Kwangju Bank of JB Financial Group operate an AI-enabled Fraud Detection System (FDS) to tightly block financial fraud, hacking, voice phishing, and other crimes threatening financial consumers. Since the introduction of the FDS, there has been a significant increase in the amount of voice phishing prevention. Both Jeonbuk Bank and Kwangju Bank have continuously received 'S-grade' in the continuous information security evaluation system. Additionally, professional monitoring staff work during night hours on weekdays (until 8:00 PM), weekends, and holidays to contact customers and take temporary payment suspension measures for suspected voice phishing cases through the '24x365' monitoring system. In addition to these institutional aspects, JB Financial Group is also committed to conducting education and campaigns to raise awareness about voice phishing and illegal private financing among financial consumers.

In October 2023, Jeonbuk Bank established 'Janggeumi partnerships' with traditional markets in Jeonju, Gunsan, Iksan, and Gimje to carry out voice phishing prevention campaigns and support shared-growth finance. Similarly, in the same month, Kwangju Bank conducted a campaign to prevent damage from illegal private financing and voice phishing in collaboration with the Gwangju and Jeollanam-do branch of the Financial Supervisory Service during the National Sports Festival. Not only operating such systems and resources within the bank, JB Financial Group plans to continue these activities outside the bank to increase financial consumers' awareness of crime. Furthermore, JB Financial Group thoroughly reviews financial products from the consumer protection perspective starting from the development stage. By implementing the 'Consumer Protection Product Development Process' documented in accordance with the internal guidelines for consumer protection product development, we meticulously check the presence of any disadvantageous or risky elements from the financial consumers' perspective.

Consumer Protection Product Development Process



APPROACH 2.

Greater Assurance of Financial Consumers' Rights

Strengthening the Rights of Financial Consumers

JB Financial Group values the financial consumers' right to know and transparently disclose the number of complaints, both internal and external complaints, and the results of financial consumer protection status evaluations. The number of complaints is disclosed by quarter, including the total number of complaints and the number of complaints broken down by financial product type and major products. The financial consumer protection status evaluation results are disclosed separately for quantitative and non-quantitative sections. JB Financial Group also implements loan modification options and debt collection policies, and when processing debt collection for customers whose debts have been accelerated, the company sends a notice to ensure that customers are informed no later than three business days before the collection activity, thereby guaranteeing their right to know. In addition, JB Financial Group has implemented an interest rate reduction request system that allows customers to request a lower interest

rate if their creditworthiness improves or their income increases after the loan is disbursed.

Systematization of Advertising Policies and Complaint Handling Processes

JB Financial Group strives to maintain fair trade practices in information display and advertising activities by ensuring that financial consumers understand the content of financial products and recognize their rights. In the case of Jeonbuk Bank, detailed standards and procedures for advertising material production and internal review are established and utilized to help deliver financial products as fairly and accurately as possible during advertisement production. Moreover, financial product advertisements undergo a compliance officer's review and comply with financial consumer protection laws. This applies without exception to advertisements produced not only by the bank but also by agents and brokers, with advertising proceeding only after prior verification procedures are completed.

Meanwhile, JB Financial Group recognizes the importance of customer complaints and is more than willing to listen actively and systematically. Furthermore, rather than just stopping at listening, JB Financial Group enhances consumer complaint handling channels and processes to quickly address complaints and improve consumer-first services. Complaints forwarded to the Financial Supervisory Service are to be resolved within the specified processing period in principle, while other complaints are generally handled within 14 business days, simple complaints and suggestions within 10 business days, and consultations and simple inquiries within 5 business days. These complaints can be submitted through various channels such as the website, phone, fax, and mail, and are processed according to internal complaint handling standards. The results are communicated in detail to the customer who filed the complaint, and root cause analysis and preventive activities are conducted to prevent recurrence. Above all, multi-faceted efforts such as complaint case education are made to fundamentally reduce complaints.

Number of Complaints (banks offering credit card services)

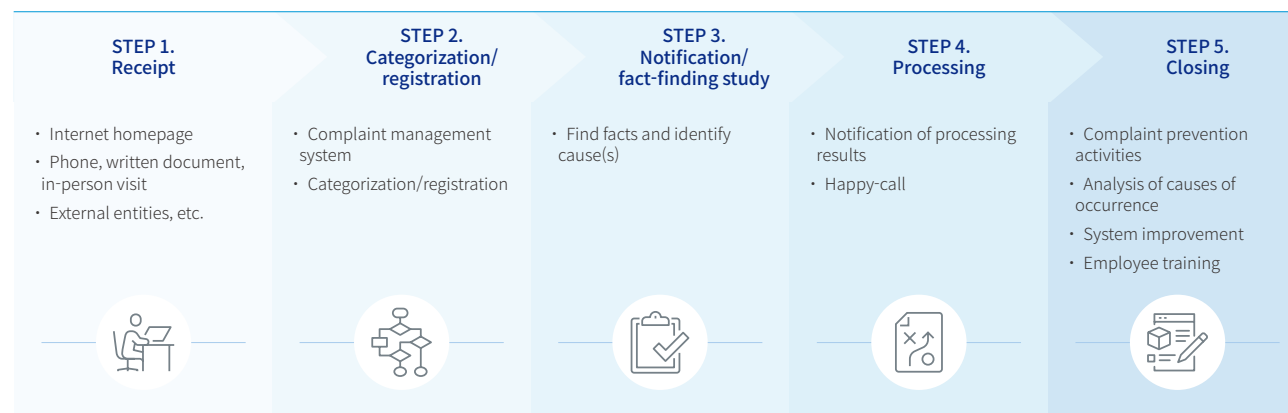
Item	Unit	Jeonbuk Bank	Kwangju Bank
Complaints submitted to the banks	Total number of complaints	0	0
	Number of complaints excluding credit card	0	0
Complaints forwarded from external entities	Total number of complaints	8	11
	Number of complaints excluding credit card	2	11
Grand total	Total number of complaints	8	11
	Number of complaints excluding credit card	2	11

1) Korea Federation of Banks consumer disclosure standards

2) Complaints submitted to the bank: Complaints received in writing or electronic medium, etc.

3) Complaints forwarded from external entities: Complaints received by external agencies such as the Financial Supervisory Service that are forwarded or requested a fact-finding inquiry (excluding complaints directly processed by the respective agency without being forwarded for requested for a fact-finding inquiry)

Consumer Complaint Handling Process



Strengthening Communication through Customer Engagement Channels

Jeonbuk Bank and Kwangju Bank of JB Financial Group actively listen to the voices of their customers through customer panel systems. Since 2019, Jeonbuk Bank has been operating the ‘SaengSaengTalk Customer Advisory Group,’ which checks for areas of improvement in Jeonbuk Bank’s products and services across the board and provides feedback. Kwangju Bank also runs the ‘Talk-Talk Advisory Group,’ listening attentively to customer voices. In January 2024, the 8th term inauguration ceremony was held, and a diverse group of members in their 20s to 40s were selected to garner ideas and opinions. These customer advisory groups demonstrate JB Financial Group’s firm commitment to actively communicating with financial consumers and incorporating their feedback into management. Additionally, both Jeonbuk Bank and Kwangju Bank operate university student supporter groups, promoting the banks’ products and policies while turning young and fresh ideas into content to maximize synergy.



Inauguration ceremonies of the customer advisory groups of Jeonbuk Bank and Kwangju Bank

JB Zoom In

Jeonbuk Bank and Kwangju Bank engaging with university students

Jeonbuk Bank and Kwangju Bank operate the ‘University Student Supporters’ and the ‘University Student Ambassadors,’ respectively, continuing their efforts to actively communicate with university students. The Jeonbuk Bank University Student Supporters, now in its 4th term in 2024, are recruited from university students in Jeonbuk-do. Those selected as university student supporters will engage in activities such as promoting Jeonbuk Bank’s brand and social contribution initiatives, as well as planning and creating content. Meanwhile, Kwangju Bank selects university students from the Gwangju and Jeollanam-do areas, who not only promote Kwangju Bank’s brand and activities but also participate, as supporters of Kwangju Bank’s ESG activities. Both Jeonbuk Bank’s university student supporters and Kwangju Bank’s university student ambassadors serve as a platform for JB Financial Group to communicate with the younger generation. Moreover, as these are external activities engaging local university students, JB Financial Group also provides various opportunities for regional students.





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Response to Climate Change

Approach

JB Financial Group recognizes the role of financial institutions in overcoming the climate crisis and remains committed to curbing global temperature rise. Since announcing its goal in 2022 of reaching “Net-Zero for direct & indirect emissions by 2035 and for financed emissions by 2045,” JB Financial Group has joined the Partnership for Carbon Accounting Financials (PCAF) and the Science-Based Targets initiative (SBTi), receiving approval for its reduction targets from the SBTi. Our reduction pathway meets the 1.5°C temperature rise limit demanded by the international community and is designed to outperform the target. To be more specific, JB Financial Group vows to reduce its direct and indirect emissions by 67% and financed emissions by 48% by 2030, compared to the baseline year of 2020.

Meanwhile, the ESG Committee establishes strategic directions and policies for addressing the climate crisis and makes decisions on significant matters with the attendance of all board members. In 2023, the ESG Committee held two meetings, discussing a total of seven agendas, including five resolutions and two reports. The management leadership (CEO, CRO, the executive officer in charge of ESG) are also strengthening their roles based on their responsibility and authority to respond to the climate crisis, with relevant indicators reflected in the group’s key performance indicators (KPIs) to boost overall performance. To preemptively respond to various financial risks, including direct damages from climate-related asset losses and supply chain disruptions, as well as indirect damages like increased production costs due to strengthened environmental regulations, decreased debtor repayment capacity, and declining market value of high-carbon assets, JB Financial Group plans to establish a climate risk management system and conduct scenario analyses and financial impact assessments in 2024. This will integrate climate risks into the enterprise risk management system, allowing for periodic reviews and preparations for a sustainable future while enhancing stakeholder trust.

Net Zero targets

Direct & indirect emissions target

2035 Net Zero

67% reduction by 2030

Financed emissions target

2045 Net Zero

48% reduction by 2030

Performance

JB Financial Group is continuously working to accurately estimate greenhouse gas (GHG) emissions and energy usage. From 2023, the group began including overseas sub-subsidiaries in the estimation of Scope 1 and 2 emissions and expanded the scope of Scope 3 estimations to cover five categories. Although this may increase total emissions, accurate measurement and more extensive estimation scope are deemed crucial for substantial greenhouse gas reduction. The ESG organizations of various affiliates within the group are continuously endeavoring to systematize and materialize the greenhouse gas inventory system. In 2024, JB Financial Group plans to enhance its climate change responses by establishing a system for calculating/managing financed emissions and developing a renewable energy procurement strategy to advance the implementation of net-zero emissions for its own operations, ensuring effective and practical execution.

Direct & Indirect Emissions (Scope 1, 2)¹⁾

Category		Unit	2021	2022	2023
GHG	Total emissions (Scope 1, 2)	tCO ₂ eq	15,584	15,939	18,831
	Direct emissions (Scope 1) ²⁾	tCO ₂ eq	2,997	2,983	3,938
	- Domestic	tCO ₂ eq	2,997	2,983	3,498
	- Overseas	tCO ₂ eq	-	-	440
	Indirect emissions (Scope 2) ³⁾	tCO ₂ eq	12,587	12,956	14,893
	- Domestic	tCO ₂ eq	12,587	12,956	12,487
	- Overseas	tCO ₂ eq	-	-	2,406
GHG emission intensity ⁴⁾		tCO ₂ eq/person	4.42	4.55	4.26

1) Accounted for headquarters and branches of domestic group affiliates and overseas sub-subsidiaries (from 2023 Scope 1 and 2 estimation, overseas sub-subsidiaries were included and the organizational boundary and estimation scope for domestic affiliates were expanded)

2) FY 2023 target: 4,010 tCO₂eq

3) FY 2023 target: 15,134 tCO₂eq

4) Emissions per employee

Response to Climate Change

Other indirect emissions (Scope 3)

Category		Unit	2021	2022	2023
GHG	Total emissions (Scope 3) ¹⁾	tCO ₂ eq	123	371	3,518
	- CAT.4 Cash delivery	tCO ₂ eq	50	76	41
	- CAT.5 Waste	tCO ₂ eq	-	171	130
	- CAT.6 Business trip	tCO ₂ eq	73	124	187
	- CAT.7 Commuting	tCO ₂ eq	-	-	2,683
	- CAT.13 Leased properties	tCO ₂ eq	-	-	476

1) FY 2023 target: 3,774 tCO₂eq

2) The estimation scope of Scope 3 was expanded from 2023 to include CAT.7 commuting and CAT.13 leased properties

3) Accounted for headquarters and branches of domestic group affiliates

Energy Consumption

Category		Unit	2021	2022	2023
Energy Consumption	Total consumption ¹⁾	TJ	313	319	349
	Direct consumption (Scope 1)	TJ	50	50	65
	- Domestic	TJ	50	50	59
	- Overseas	TJ	-	-	6
	Indirect consumption (Scope 2)	TJ	263	271	284
	- Domestic	TJ	263	271	261
	- Overseas	TJ	-	-	23
	Energy intensity ²⁾	TJ/person	0.089	0.091	0.079

1) FY 2023 target: 387 TJ

2) Energy consumption per employee

3) Accounted for headquarters and branches of domestic group affiliates and overseas sub-subsidiaries (from 2023 energy consumption, overseas sub-subsidiaries were included and the organizational boundary and estimation scope for domestic affiliates were expanded)

Resource Use and Pollution Mitigation

Approach

Pursuant to its 'Environmental Management Principles,' JB Financial Group defines minimization of resource use and retention of environmental soundness as underlying principles, striving to create a circular economy for resources beyond mere pollution mitigation. By implementing digital transformation and adopting paperless systems company-wide, JB Financial Group is reducing paper usage at both its headquarters and branches while gradually raising the recycling rate of waste.

Additionally, JB Financial Group sets annual targets for water and raw material usage, as well as waste disposal volumes, and monitors conformance to such targets. Through these efforts, the group aims to minimize its environmental impacts and foster environmental awareness across the entire organization.

Performance

To promote eco-friendly business practices, JB Financial Group is enhancing operational efficiency by implementing digital innovation and minimizing resource wasting. Nationwide, branches have established a digital consultation system using tablet PCs to reduce paper waste during customer consultations. In addition, the group is increasing the proportion of credit card statements sent as electronic bills instead of postal mail. Since 2017, Jeonbuk Bank and Kwangju Bank have implemented a no-paper-passbook policy, offering benefits such as fee waivers for customers who opt out of paper passbook when opening a new account. As a result, in 2023, water usage decreased, and the rate of electronic bill delivery increased.

Water Consumption

Category		Unit	2021	2022	2023
Water	Total consumption ¹⁾	m ³	48,101	55,048	54,112

1) FY 2023 target: 55,000m³

2) Accounted for headquarters buildings of domestic group affiliates

Raw Material Use

Category		Unit	2021	2022	2023
Paper	Total consumption	A4 Box/2,500 sheets	11,824	10,672	11,751
Credit card electronic billing	Total No. of bills issued	Cases	4,371,842	4,472,850	4,463,039
	No. of electronic bills issued	Cases	2,136,938	2,368,120	2,554,112
	Ratio of electronic billing	%	49	53	57
	No. of credit cards issued	Cases	209,591	215,633	183,141

Waste Disposal

Category		Unit	2021	2022	2023
Waste management	Total generation (total amount of waste generated)	ton	384	212.3	179.1
	Recycling	ton	88	71.3	72.6
	Disposal ¹⁾	ton	296	140.9	106.4
	- Landfill	ton	182	0.3	0.2
	- Incineration	ton	114	140.6	106.2

1) FY 2023 target: 125ton

2) Accounted for headquarters buildings of domestic group affiliates

Eco-friendly Activities

Environmental education

JB Financial Group strives to enhance education and awareness for a sustainable future. To elevate the group's environmental consciousness, we lately invited independent experts to conduct training sessions on various topics. These sessions covered the 5W1H principles of sustainability accounting, strategies for accelerating the achievement of net-zero own emissions, approaches to net-zero financed emissions, and customer engagement strategies. Given the growing importance of biodiversity issues, we also conducted training on ecological transition and ESG for all employees. JB Financial Group will continue to expand the scope and content of its environmental education, while actively participating in activities to combat climate change and preserve ecosystems.

Category		Unit	2021	2022	2023
Environmental education	No. of participants	Persons	22	122	99
	Education duration	Hours	45	663	149
	Education expenses	KRW million	3	3	3

Environmental Volunteering Activities

Category		Unit	2021	2022	2023
Volunteer activities conducted		Cases	892	1,044	940

In-house environmental campaigns

Jeonbuk Bank

- Cup carrier recycling campaign
- 'Plogging' day volunteer activity for environmental cleanup
- 'Head Office Power Saving' Day on Energy Day

Kwangju Bank

- Joint Campaign of Gwangju Metropolitan City for Achieving Carbon Neutrality by 2045
- 'ESG Vegan Day' campaign for low-carbon, plant-based food
- Gwangju River 'Plogging' campaign

Environmental law violation

Mindful of our responsibilities and roles for environmental protection, JB Financial Group strives to carry out diverse activities. Our executives and employees work hard to comply with all environmental laws and regulations, resulting in no fines or sanctions (including complaints) for any violations in the recent 3 years.

Category	Unit	2021	2022	2023
Legal violation	Cases	0	0	0
Fines and penalties	KRW million	0	0	0

Value Creation for Local Communities

Approach

JB Financial Group is striving to create various social values in the local communities through empathy and voluntary participation. Our social contribution initiatives are driven by four main principles: sustainability and consistency, efficiency and effectiveness, utilization of core competencies, and selective collaboration. Our core social contribution efforts focus on improving the environments of community child centers and supporting the education and care of vulnerable and marginalized children and adolescents. This includes supporting children and youth from multicultural backgrounds, undocumented immigrant backgrounds, and youth preparing for self-reliance. In addition, we plan to engage in activities that promote local economic growth and job creation, develop local talent, support cultural, arts, and sports activities, and mitigate environmental impact. Through these efforts, JB Financial Group vows to carry out sustainable social contribution activities, striving for shared growth between the company and society, and working towards a sustainable future.

Performance

Driven by the mandate for a regional financial group, JB Financial Group is committed to preemptively identifying and addressing the needs of the local community through various social contribution projects. Emphasizing financial education in particular, Jeonbuk Bank offers innovative digital financial education at 'JB Platform,' Korea's first financial edutainment center. Similarly, Kwangju Bank operates unique financial education programs at the one and only financial museum in Gwangju and Jeollanam-do region. Both Jeonbuk Bank and Kwangju Bank run the 'One Company One School Financial Education' program, in which employees visit partner schools in person to provide practical financial knowledge.

Moreover, true to its identity as a regional financial group, JB Financial Group has consistently engaged in various social contribution activities that give back to the local community. In 2023, our subsidiaries continued efforts to support neighbors in need through cash or in-kind donations. Both Jeonbuk Bank and Kwangju Bank carried out activities such as 'JB Hope Study Room,' 'Gift to My Daughter,' and scholarship awards through scholarship foundations. They also implemented various tailored social contribution activities.

Financial Education Activities in 2023

Category	Activity	Description
Jeonbuk Bank	JB Platform Financial experience	Financial education platform using JB Platform, a financial edutainment center, to foster desirable view of economic value among adolescents
	'One Company One School' financial education	Financial class held in elementary/middle/high schools partnering with Jeonbuk Bank in Jeonbuk-do
	Financial education for the underprivileged	Financial education programs for the financially underprivileged such as the elderly and the physically handicapped
Kwangju Bank	Financial education for youth	Tailored financial classes that are provided at different levels targeting youth in need of financial education
	'One Company One School' financial education	Financial class held in 76 elementary/middle/high schools partnering with Kwangju Bank in Gwangju/Jeollanam-do region
	Financial class for to-be high school graduates	Financial education class to teach financial common sense and deliver professional lectures on self-development to would-be high school graduates
	'Bankance' during summer vacation	A vacation program for Gwangju / Jeollanam-do elementary school students providing financial education and cultural experiences at the head office of Kwangju Bank
	'Let's Read, Reading King!'	A participatory program with a quiz show format that throw questions about financial common sense that can be studied with 'must-read books' selected by Kwangju Bank with an aim to foster reading habits and financial common sense among teenagers

Value Creation for Local Communities

JB Financial Group's social contribution activities for local communities in 2023

Category	Activity	Description
Common		
	Improving/supporting community children centers	Improving the environment of community child centers to provide a comfortable space for children to study and stay and dispatching teachers to support learning and care-giving, fostering bonds with the children, and assisting with the centers' staffing needs
	Colorful multicultural camps	Providing financial, English, and science teaching camps for children and youth from multicultural families in the community
	Supporting youth preparing for self-reliance	Supporting stable social integration of young adults preparing for self-reliance with housing, medical support, financial coaching, and employee mentoring to ensure their safe and healthy independence
	Distributing wanderer detection devices	Distributing devices to prevent the disappearance and ensure the quick discovery of elderly people with dementia in local communities, supporting their safety
	Establishing scholarship foundations and extending scholarship	[Jeonbuk Bank] Established the Jeonbuk Bank Scholarship and Cultural Foundation in 2010 to discover and nurture outstanding local talents. Extended a total of KRW 1.39 billion in scholarships to 2,957 local students and distributing KRW 125 million annually to 250 middle, high, and university students from underprivileged families in Jeonbuk-do. [Kwangju Bank] Since the establishment of the Kwangju Bank Scholarship Foundation, provided a total of KRW 3.8 billion in scholarships to 4,596 local students. In 2023, selected 104 students from Gwangju and Jeollanam-do regions with excellent academic performance and exemplary conduct, providing a total of KRW 130 million in scholarships to them.

Category	Activity	Description
Jeonbuk Bank		
	JB Cultural Shelter for the Elderly	Enhancing the living environment of an elderly welfare center to facilitate the participation of senior citizens in various cultural and leisure activities
	JB Happy House	Improving the housing conditions of low-income multicultural families to promote the well-being of married immigrant women in Korea
	JB Yellow Carpet	Creating yellow-colored sections where children can wait safely in the school zone of the local elementary schools
	Saengsaeng Rock Festival	An event where teachers and students open their hearts together to communicate in harmony, showing off their talents and sharing mutual encouragement
	Hope Windmill Sharing Walk Campaign	An event where participants walk 10,000 steps and clean up the environment to keep their health and village in shape and foster healthy local communities
	Green Drawing Contest	Organizing a contest for elementary school students to raise awareness of environmental preservation in the local community and to encourage the practice of ESG management
	Employee Blood Donation Campaign	A blood donation campaign voluntarily engaged by the employees of the head office to help address the shortage of emergency blood
	JB Love-Neighbor Gift Package	Delivering boxes stuffed with daily necessities and packed by employees to the underprivileged at the beginning of the year
	Sharing Cool & Warm Kits	Delivering boxes stuffed with summer and winter goods and packed by employees to the underprivileged during hot and cold seasons
	Relief Kit for Disaster Victims	Delivering relief kits to disaster-affected people who are facing severe difficulties due to sudden fire and flood damage
	Sharing in Chuseok	Delivering rice purchased from social enterprises to the underprivileged, with voluntarily participating employees
	Buying in Traditional Market Event	Encouraging people to share with those in need by donating goods purchased at traditional markets to the underprivileged to revitalize the local economy
	Briquette, Blanket and Kimchi Sharing	Sharing kimchi made by employees with neighbors and having new employees deliver briquettes and blankets to them

Value Creation for Local Communities

Category	Activity	Description
Kwangju Bank		
	Healthy summer for the elderly	Visiting senior care centers in Gwangju/Jeollanam-do region to serve summer health foods such as Samgyetang (ginseng chicken soup) and watermelon to the elderly for free
	Blooming hope in children	Identifying middle and high school students in the region who are pursuing their dreams despite challenging family situations, who demonstrate outstanding academic performance and exemplary conduct, and supporting them until they enroll in college
	Kwangju Bank University Student Ambassadors	Providing university students in Gwangju/Jeollanam-do region with opportunities for various extra-campus activities such as collaboration project, encouraging them to function as communication channels for Kwangju Bank, communicating with youth customers and producing new media contents
	Gwangju Hwaru Contest & Exhibition	The 'Gwangju Hwaru,' the largest Korean painting competition in the nation for Korean painting artists, showcases in-depth interpretations of traditional paintings and contributes to the expansion of cultural and artistic awareness
	Financial Museum and Art Hall	The 'Kwangju Bank Financial Museum,' the only financial specialty museum in the Honam region, provides a venue for financial education and experiences. The 'Kwangju Bank Art Hall' offers a cultural space in the city center by hosting various exhibitions
	Love for the New Semester	Supporting underprivileged youth from broken families in the region who struggle to afford expensive school uniforms for the new semester, encouraging their dreams and challenges
	Gwangju River Plogging Volunteer Activity	Employees contribute to improving the urban landscape by weeding and watering flowers in the flower path created in the special management area of Kwangju Bank, ensuring that locals can safely enjoy nature in the city on the well-maintained walking trails
	Community Love Corps Volunteer Activity	The Community Love Corps, consisted of all employees, fulfills its role as a community member by conducting voluntary activities at least once a quarter at the branch level, practicing genuine and voluntary sharing
	Pink Box with Kwangju Bank	To support young women in the region who can't afford hygiene products due to financial difficulties, Kwangju Bank's women's group, Gaenarihoe (Forsythia Society), collaborates to create and deliver Pink Boxes filled with female hygiene products
	Wellness Talent Sharing	Providing experiential programs to underprivileged children and local residents, contributing to physical and mental health balance through sports, and promoting community sports participation
	Full Moon Wish Gifts	During Chuseok Holidays, employees deliver desired gifts and donations in person to children from underprivileged families
	Traditional Market Shopping Experience for the Holidays	Revitalizing traditional markets and ensuring happy holidays for underprivileged families by shopping at traditional markets with children from these families
	Santa Has Come on Christmas	Sharing the warmth of Christmas with the community, raising approximately 20 million won through online fund-raising, and employees acting as Santa Clauses to personally deliver 100 padded winter jackets purchased with the donations to underprivileged families
	Sharing Love through Blood Donation	Conducting campaigns to encourage voluntary participation of employees in blood donation to stabilize blood supply, fulfilling corporate social responsibility by promoting positive interest and participation in blood donation

Local community engagement & charity donation

Category	Unit	2021	2022	2023
Cash donations made to external entities	KRW million	6,931	2,850	7,018
No. of employees participating in volunteer activities	Persons	14,308	15,550	8,977
Total hours of voluntary service conducted by employees	Hours	15,861	17,374	13,753

Social contribution activities by domain¹⁾

Category		Unit	2021	2022	2023
Microfinance for low-income individuals (microcredit)	Amount extended	KRW million	5,822	7,047	7,885
Local community/public interest	Amount extended	KRW million	18,418	23,819	18,578
Academic and educational support	Amount extended	KRW million	11,652	16,677	7,150
	No. of beneficiaries	Persons	10,894	16,969	17,848
Mecenat activities (culture/art/sports)	Amount extended	KRW million	3,857	3,576	7,517
Environment	Amount extended	KRW million	258	60	126
Global sector	Amount extended	KRW million	26	38	158

1) Based on the bank's report on social contribution activities

Value Creation for Local Communities

Contributions and other expenditures

Category	Unit	2021	2022	2023
Lobbying, advocacy group or other similar organization	KRW million	-	-	-
Local or national political campaign/organization/candidate	KRW million	-	-	-
Industrial association or tax-exempt organization	KRW million	2,962	2,465	3,380
Others (expenditure related to pros/cons vote or national referendum)	KRW million	-	-	-
Total sum of donations and expenditures	KRW million	2,962	2,465	3,380

Membership in Major Associations and Payment of Membership Dues

Category	Unit	2021	2022	2023
Korea Federation of Banks	KRW million	738	507	1,087
Financial Security Institute	KRW million	983	974	1,060
Korea Institute of Finance	KRW million	472	470	503
Korea Financial Telecommunications & Clearings Institute	KRW million	596	296	482
Korea Center for International Finance	KRW million	83	90	102
Membership dues for Chamber of Commerce and Industry	KRW million	64	58	80
UNEP FI	KRW million	6	45	32
Korea Listed Companies Association	KRW million	17	17	17
United Nations Global Compact	KRW million	3	8	17
Political (lobbying) contributions ¹⁾	KRW million	-	-	-
Subtotal	KRW million	2,962	2,465	3,380

1) In accordance with the group's business management principles and related laws, donations and support for political campaigns, campaign funds, and lobbying organizations are prohibited.

Shared Growth

JB Financial Group is continuously strengthening its ties with the local community to remain faithful to its responsibilities as a regional financial institution. Maintaining a stable number of branches in Jeonbuk-do, Gwangju, and Jeollanam-do regions, we provide reliable face-to-face services while contributing to the stability and revitalization of the local economy through tailored financial support for small business owners and vulnerable groups. We strictly adhere to fair trade regulations and expand our purchase of products from small local businesses and SMEs. Furthermore, we pursue shared growth across the regional economy through various efforts, such as nurturing social enterprises related to culture and arts, supporting local sports teams, and aiding in the revitalization of traditional markets. To ensure fair transactions with our partners, we explicitly include a clause prohibiting unfair trade practices in our code of ethics and strive to establish a transparent and fair trade culture. JB Financial Group will continue to solidify its win-win relationship with the local community and partners, promoting mutual growth and cooperation.

Value Creation for Local Communities

Inclusive Finance

To fulfill its corporate social responsibility, JB Financial Group has announced the 'Financial Inclusion Commitment,' promising to provide fair and sustainable financial services to all customers. For the financially marginalized, we offer tailored financial and non-financial services to prevent excessive debt and innovate and expand the scope of financial services through feedback collection for continuous improvement of inclusive finance. We operate various communication channels to resolve customer grievances and improve customer satisfaction while conducting employee training programs to prevent incomplete sales and upgrade customer interactions. Additionally, by signing agreements with external organizations, we practice and expand inclusive finance and win-win finance. The main implementation plans and results of inclusive finance are reviewed and approved by the ESG Committee within the Board of Directors, continually strengthening our inclusive finance activities.

Financial Support (Products and Services)

Products and Services	Category	2023	2023
		No. of subscribers	No. of new accounts
Demand deposit	Microbusiness	27,081	29,065
	Poor and low-income group (individuals)	1,354	1,378
	Individuals living in rural or hard-to-reach areas	151,842	158,788
	Women	196,819	200,340
	Elderly people	18,244	18,768
Savings accounts (deposit/ installment savings)	Microbusiness	22,910	43,173
	Individuals living in rural or hard-to-reach areas	58,298	102,669
	Women	140,799	255,294
	Elderly people	51,014	90,300
Loans	Microbusiness	39,287	46,270
	Poor and low-income group (individuals)	141,796	162,232
	Individuals living in rural or hard-to-reach areas	94,411	110,133
	Women	114,423	134,777
	Elderly people	9,079	10,950

Value Creation for Local Communities

Non-Financial Support

Category	Programs	Details	Targeted Customers	Quantitative Social Impact	Description of Quantitative Social Impact
Financial Education	Support Program for Enhancing the Asset Building Capability of the Youth Preparing for Self-Reliance	JB Financial Group is providing the 'Support Program for Enhancing the Asset Building Capability of the Youth Preparing for Self-Reliance' through financial education. This program covers the theme of 'Smart Economic Life,' which includes 'Financial Education with JB' and 'JB Financial Planning Coaching.' The educational program focused on improving the financial management skills of the participants and involved 18 young adults preparing for self-reliance.	Young people	18 persons	To quantitatively evaluate the program's performance, not only the number of participants but also their financial literacy, the number of financial consulting sessions conducted, coaching satisfaction level and implementation counts, and employee volunteers' satisfaction are measured to analyze the effectiveness of the program. By educating the participants on practical financial planning and management techniques, the program aims to enhance not only short-term financial knowledge but also long-term economic independence.
	Multicultural Camp (Dada Camp)	Dada Camp aims to enhance financial inclusion by providing participants with opportunities to learn basic financial concepts, credit management, digital finance, prevention of financial fraud, and understanding of currency, which are essential financial management skills needed in daily life. Through this, it aims to increase the financial understanding of marginalized groups who are members of international couples or migrant workers, thereby reducing the risk of financial fraud and encouraging desirable financial use and long-term, safe financial planning.	Migrant workers	100 persons	The performance of this program is measured through quantitative social KPIs. In addition to basic indicators such as the number of participants, it also quantitatively monitors changes in participants' financial knowledge levels and perceptions of financial service use after education. This data is used to analyze the effectiveness of the program and as foundational data for sustainable improvement.
Incentive for Opening Savings Account	Savings/deposit products exclusive to low-income individuals and marginalized groups	New Hope Deposit is a special regular savings product offered by JB Financial Group for financially marginalized groups. The main targets are recipients of basic livelihood security benefits, children and adolescent heads of households, marriage-migrant women, North Korean defectors, and the lower-income elderly aged 65 or older. Through this, it provides preferential interest rates to various vulnerable groups to facilitate their access to finance. Additionally, New Hope Deposit offers a preferential interest rate coupon system. Customers can receive a preferential interest rate coupon before opening the account, and if they meet the conditions specified on the coupon, they can receive additional preferential interest rate benefits.	Poor and low-income group (individuals)	140,819 persons	The number of new accounts and customers enrolled in the New Hope Deposit product is monitored. Efforts are made to continuously measure and improve the positive impact JB Financial Group has on society due to the savings account opening incentives.

Employee

Approach

JB Financial Group aims to foster an organizational culture that upholds inclusivity and diversity, pursuing innovation and sustainable growth by providing fair opportunities to all employees regardless of gender, race, or nationality. To secure and develop talents with global and digital competencies, the group utilizes data analytics and People Analytics (PA), analyzing competency gaps among employees to offer tailored educational programs. Moreover, the recruitment process is enhanced by expanding the pool of professionals through job postings and AI cover letter analysis, proactively securing talent in various fields to improve workforce management efficiency.

For the continuous professional development of employees, JB Financial Group operates various education and certification programs and supports work-life balance through flexible working hours, telework, and family care support systems. Performance evaluations involve both individual goal setting and team-based assessments, aiming to motivate employees and strengthen organizational competitiveness through fair and transparent procedures. In 2023, women made up 46.8% of JB Financial Group's workforce, with a target of 50% to be reached by 2030.

Target Female Employee Ratio

50% By 2030

Assessment

Employees at JB Financial Group set individual goals annually using the Management by Objectives (MBO) method, and their performance is evaluated based on the achievement of these goals. The evaluation process utilizes not only goal achievement but also individual and organizational Key Performance Indicators (KPIs), conducted through multi-faceted assessments. This includes both individual goal setting and team-based evaluations. Feedback from the employees is continuously gathered through interviews, and performance comparisons among employees of the same rank are conducted quarterly to ensure fair evaluations based on capabilities and performance. Employees with low performance scores are provided with separate job competency enhancement programs to foster the growth of both the individual and the organization.

Performance

Employment

JB Financial Group provides equal opportunities to all employees through inclusive HR policies. The group strictly eliminates any unreasonable restrictions or discriminatory factors in all areas, including recruitment, welfare, allowances, education, and promotion. Additionally, with the appointment of one more female independent director in 2024, the gender diversity on the JB Financial Group's Board has been enhanced.

Employee Composition

Category	Unit	2021	2022	2023
Total no. of employees ¹⁾	Persons	4,317	4,347	4,419
Contract type ²⁾	Full-time	2,950	2,878	2,866
	Contract-based	575	625	703
Rank group ³⁾	Regular employees (clerk - asst. chief)	1,867	1,840	1,871
	Supervisors (section chief - manager)	1,646	1,661	1,692
	Executives (including other officers)	81	96	108
Age ⁴⁾	Aged below 30	451	428	401
	30 - 50	2,549	2,550	2,572
	Aged over 50	594	619	698

1) Including overseas sub-subsidiaries

2) Excluding overseas sub-subsidiaries, executives, and other officers

3) Excluding overseas sub-subsidiaries, including executives and other officers

4) Excluding overseas sub-subsidiaries, including executives and other officers

Employee

Ratio of female employees¹⁾

Category		Unit	2021	2022	2023
Total employees ²⁾	Male	Persons (%)	1,977(55.8)	1,917(54.4)	1,900(53.2)
	Female	Persons (%)	1,569(44.2)	1,610(45.6)	1,669(46.8)
Total employees in management positions (section chief - manager)	Male	Persons (%)	1,203(72.2)	1,171(69.5)	1,127(66.4)
	Female	Persons (%)	464(27.8)	513(30.5)	570(33.6)
Total employees in junior management positions (section chief)	Male	Persons (%)	308(69.2)	308(65.7)	269(57.4)
	Female	Persons (%)	137(30.8)	161(34.3)	200(42.6)
Total employees in senior management positions (Deputy manager - manager)	Male	Persons (%)	882(73.0)	863(71.0)	858(69.9)
	Female	Persons (%)	326(27.0)	352(29.0)	370(30.1)
In-sales-generating department (junior manager - manager)	Male	Persons (%)	612(63.3)	598(60.5)	556(57.4)
	Female	Persons (%)	355(36.7)	390(39.5)	413(42.6)
STEM*-related department *Science, Technology, Engineering and Mathematics	Male	Persons (%)	249(75.2)	259(73.8)	287(72.1)
	Female	Persons (%)	82(24.8)	92(26.2)	111(27.9)

1) Changes in the previous year's report and data calculation standards

2) Excluding overseas sub-subsidiaries, executives, and other officers

Hiring the Socially Handicapped

Category		Unit	2021	2022	2023
The physically handicapped	Total	Persons	32	33	36
	Disabled employment ratio	%	0.91	0.94	1.01
Employment of veterans	Total	Persons	144	149	146
	Veteran employment ratio	%	4.09	4.25	4.09

JB Financial Group partners with prestigious universities in Korea and other countries and related institutions to run internship programs, identifying potential talent and providing young job seekers with opportunities for practical experience. In 2023, the group successfully operated the program, recruiting a total of 224 young interns, including 63 at Jeonbuk Bank and 157 at Kwangju Bank.

No. of new employees

Category		Unit	2021	2022	2023
No. of new employees		Persons	375	378	504
Gender	Male	Persons (%)	272(72.5)	240(63.5)	280(55.6)
	Female	Persons (%)	103(27.5)	138(36.5)	224(44.4)
Age	Aged Below 30	Persons (%)	85(22.7)	101(26.7)	165(32.7)
	30 - 50	Persons (%)	192(51.2)	203(53.7)	249(49.4)
	Aged over 50	Persons (%)	98(26.1)	74(19.6)	90(17.9)
In-house staff recruitment ratio		%	1.07	1.06	1.59
Average cost of hiring a new employee ¹⁾	Total cost of hiring a new employee	KRW million	849	926	1,621
	Total No. of new employees	Persons	375	429	483
	Cost of hiring new employees per person	KRW million	2	2	3
Youth interns		Persons	208	266	224

1) Changes in the previous year's report and data calculation standards

Employee

Resignee

Category		Unit	2021	2022	2023
Total		Persons	375	339	341
Gender	Male	Persons	276	227	231
	Female	Persons	99	112	110
Age	Aged below 30	Persons	56	43	44
	30 - 50	Persons	163	171	151
	Aged over 50	Persons	156	125	146
Total turnover rate		%	10	9	9
Gender	Male	%	14	12	12
	Female	%	6	7	7
Age	Aged below 30	%	12	10	11
	30 - 50	%	6	7	6
	Aged over 50	%	26	20	21

Voluntary Turnover

Category		Unit	2021	2022	2023
Voluntary turnover rate ¹⁾		%	5.29	5.06	4.33
Gender	Male	%	5.41	4.49	5.16
	Female	%	5.29	5.96	3.65
Age	Aged below 30	%	13.08	8.41	5.74
	30 - 50	%	4.71	4.82	3.73
	Aged over 50	%	1.85	3.72	5.73

1) Changes in the previous year's data and calculation standards: including career change and resignation/excluding voluntary retirement, voluntary termination, executive appointment and regular retirement

Employee

Employees by Nationality¹⁾

Category	Unit	2021	2022	2023
Republic of Korea	Employee	Persons (%) 3,551(99.36)	3,546(99.41)	3,580(98.95)
	Managerial positions	Persons (%) 1,656(99.70)	1,658(99.88)	1,702(99.94)
Canada	Employee	Persons (%) 3(0.08)	2(0.06)	1(0.03)
	Managerial positions	Persons (%) 2(0.12)	2(0.12)	1(0.06)
Nepal	Employee	Persons (%) 4(0.11)	2(0.06)	6(0.17)
	Managerial positions	Persons (%) 1(0.06)	-	-
Myanmar	Employee	Persons (%) 1(0.03)	2(0.06)	6(0.17)
	Managerial positions	Persons (%) -	-	-
Mongolia	Employee	Persons (%) 1(0.03)	1(0.03)	1(0.03)
	Managerial positions	Persons (%) -	-	-
Vietnam	Employee	Persons (%) 1(0.03)	1(0.03)	3(0.08)
	Managerial positions	Persons (%) -	-	-
Uzbekistan	Employee	Persons (%) 1(0.03)	-	3(0.08)
	Managerial positions	Persons (%) -	-	-
Indonesia	Employee	Persons (%) 1(0.03)	2(0.06)	2(0.06)
	Managerial positions	Persons (%) -	-	-
China	Employee	Persons (%) 1(0.03)	2(0.06)	1(0.03)
	Managerial positions	Persons (%) -	-	-
Cambodia	Employee	Persons (%) 1(0.03)	1(0.03)	3(0.08)
	Managerial positions	Persons (%) -	-	-

1) Excluding overseas sub-subsidiaries, including executives, and excluding other officers

Category	Unit	2021	2022	2023
Philippines	Employee	Persons (%) 3(0.08)	2(0.06)	4(0.11)
	Managerial positions	Persons (%) -	-	-
Bangladesh	Employee	Persons (%) 2(0.06)	2(0.06)	2(0.06)
	Managerial positions	Persons (%) -	-	-
Sri Lanka	Employee	Persons (%) 2(0.06)	3(0.08)	5(0.14)
	Managerial positions	Persons (%) -	-	-
Australia	Employee	Persons (%) 1(0.03)	-	-
	Managerial positions	Persons (%) 1(0.06)	-	-
New Zealand	Employee	Persons (%) 1(0.03)	1(0.03)	-
	Managerial positions	Persons (%) 1(0.06)	-	-
Thailand	Employee	Persons (%) -	-	1(0.03)
	Managerial positions	Persons (%) -	-	-

Employee

Talent Development

JB Financial Group has established a talent profile that aligns with the era of digital transformation and is focusing on developing the competencies of its employees based on this profile. The aim is to cultivate creative talents having communication and collaboration skills, as well as individuals equipped with high ethical standards and a digital mindset. To that end, we offer various educational programs such as leadership and competency enhancement programs, support for obtaining financial certifications, and MBA degrees. Additionally, our Digital Academy provides lectures to improve employees' digital literacy in areas such as AI, cloud computing, and big data.

Meanwhile, JB Financial Group manages the HCROI (Human Capital Return on Investment) indicator to evaluate the effectiveness of programs that support employee growth and development. The HCROI reached 3.37 in 2023, indicating a high efficiency of investment in our employees.

Education duration

Category		Unit	2021	2022	2023
Gender	Male	Hours	185,111	172,608	148,946
	Female	Hours	179,814	175,378	151,510
Age	Aged below 30	Hours	47,983	49,024	36,018
	30 - 50	Hours	270,486	259,880	218,682
	Aged over 50	Hours	46,455	39,072	45,756

Education expenses

Category		Unit	2021	2022	2023
Gender	Male	KRW million	1,188	1,680	1,479
	Female	KRW million	1,040	1,511	1,252
Age	Aged below 30	KRW million	329	678	369
	30 - 50	KRW million	1,529	2,124	1,785
	Aged over 50	KRW million	370	389	577

HCROI

Category	Unit	2021	2022	2023
HCROI ¹⁾	-	2.70	3.23	3.37

1) HCROI(Human Capital Return on Investment) = total revenue-(operating costs-executive & employee-related expenses)/executive & employee-related expenses

Employee

Impact of Employee Development Programs

	Digital Human Resources Training	Credit Expert Training Program
Program Overview	JB Financial Group operates various group-wide integrated training programs to cultivate future core talents, including digital specialists, data experts, and IT capability enhancement courses. Notably, the digital specialist course consists of basic education for branch employees on digital transformation and advanced courses for head office employees to enhance practical skills. Key educational content includes design thinking, digital planning, and digital marketing, and it has been conducted three times since 2022. In 2024, plans are in place to raise the effectiveness of education and employee participation through group-wide in-person training and modularization of the curriculum.	The credit expert training program is a specialized education course aimed at strengthening the credit management and evaluation capabilities of the financial group. Participants acquire in-depth knowledge and practical skills in areas related to credit, such as credit analysis, credit review, credit law, and the loan approval process. This program focuses on enhancing the capabilities of credit department employees to analyze financial and non-financial factors of companies, prepare credit review reports, determine loan interest rates and terms, and decide on loan approval. Additionally, it aims to cultivate professional credit personnel by providing comprehensive education on legal reviews and follow-up tasks related to credit operations.
Program Objectives and Business Benefits	The main objective of JB Financial Group's digital specialist training program is to cultivate digital personnel, data analysis experts, and IT developers who can be readily deployed in practical work. Participants acquire a customer-centric service planning perspective, develop the ability to analyze the latest financial ICT trends and technologies, and learn practical skills in strategic areas such as digital marketing. This specialized talent development plays a crucial role in expediting JB Financial Group's successful digital transformation and securing a unique digital competitive edge in the financial market.	The primary goal of the credit expert training program is to strengthen the financial group's credit management and evaluation capabilities, thereby reducing the risks of financial transactions. This enables a more stable and profitable loan portfolio to be built. Participants learn how to improve the accuracy of credit evaluations and minimize potential losses that may incur during the loan decision-making process. This course significantly contributes to the overall financial performance of the financial group and, in the long term, enhances the financial stability and competitiveness of the institution.
Quantitative Effects of Business Benefits	In 2023, Jeonbuk Bank and Kwangju Bank saw a 4% increase in digital customers compared to the previous year, a 12% increase in Smart Banking MAU, which strengthened the banks' long-term revenue base, and a growth in funds by KRW 2.0834 trillion, all of which led to a direct increase in sales.	By the end of 2023, the total loans (extended in KRW) by Jeonbuk Bank and Kwangju Bank were approximately KRW 39.9 trillion, representing a growth of about 3.9% from the previous year's KRW 38.4 trillion.
Employee participation ratio*	7.51%	9.27%

* Development of digital experts: For all employees in domestic group affiliates, credit expert development: Ratio of participation among all employees in Jeonbuk Bank and Kwangju Bank

Labor relations

JB Financial Group ensures the freedom of employees to form, join, and engage in labor union activities and strictly prohibits any disciplinary or disadvantageous acts against such activities. Furthermore, we comply with the 'International Labour Standards' set by the International Labour Organization (ILO) and the domestic 'Trade Union and Labor Relations Adjustment Act.' As of 2023, the union membership rate within JB Financial Group is 100%, with all eligible employees participating in union activities.

Equal pay¹⁾

Category		Unit	Female	Male	Ratio of female to male
Executives	Base salary	KRW million	178	178	100%
	Base salary + other cash incentives	KRW million	264	264	100%
Management positions	Base salary	KRW million	112	112	100%
	Base salary + other cash incentives	KRW million	118	118	100%
Non-management positions	Base salary	KRW million	81	81	100%

1) For Jeonbuk Bank and Kwangju Bank / representative pay of representative job grade in respective executive, managerial and non-managerial positions

Employee

Welfare Benefits

JB Financial Group operates various welfare systems to help employees maintain work-family balance. Through participatory programs such as health campaigns and cultural events, the group provides enjoyable and beneficial experiences for all employees, and supports them in taking sufficient rest through vacation and holiday systems. In particular, long-term employees who have worked for more than 10 years are given sabbatical leaves and incentives. The company also enhances welfare facilities and services, and operates child education support programs to ensure a stable and happy work life for all employees.

Category	Unit	2021	2022	2023
Childcare benefit	No. of children supported	Persons	580	525
	Amount extended	KRW million	390	313
Retirement pension	Subscription rate	%	97	86
	Defined benefit plan (DB)	Persons	2,893	2,848
	Defined contribution plan (DC)	Persons	480	551

Employee Support Programs

Leisure	Supporting corporate membership of condominiums as an employee welfare, various club activities, and sports and cultural activities
Housing / Living Stability	Supporting accommodation, deposit, and rent and providing special vacation for 5 days
Medical / Health	Assisting medical expenses for employees and their children and providing group insurance and health checkup, operation of in-house fitness room, operation of in-house sports club
Childbirth / Maternal protection	Supporting maternity products, parental leave, leave for up to 2 years, and group accident insurance (for employee and their spouse and children)
Children education	Operating daycare center at work and supporting congratulatory funds for middle and high school entrance and children's school expenses, and adjusting work hours for the parents of children entering elementary school during March and April
Others	Operation of psychological counseling program for workplace stress management, introduction of retirement planning program

Additionally, various welfare systems such as flexible working hours, telework, part-time shifts, and family care support are operated. Specifically, flexible working hours, such as staggered work hours tailored to the characteristics and conditions of the employees, are implemented. The group also implements a “Family Day” system, where employees leave early at 4 PM on the last Friday of each month, and a “10 AM Clock-in for Childcare” system, which allows employees with children entering elementary school to start work at 10 AM for 3-4 months, thereby reducing working hours. Jeonbuk Bank and Kwangju Bank operate in-house childcare centers and provide separate breastfeeding spaces for female employees. In addition, primary and secondary caregivers are granted paid parental leave and maternity leave beyond the legally guaranteed period* to support childcare.

* Legally guaranteed period: Maximum 1 year

Work-Life Balance

Category	Unit	2021	2022	2023
Flexible working	Persons	595	617	693
Part-time shift	Persons	137	126	132
Telework	Y/N	Y	Y	Y
Family care leave	Y/N	Y	Y	Y
Dedicated breastfeeding facility	Y/N	Y	Y	Y
Childcare facility	Y/N	Y	Y	Y

Childcare Leave

Category	Unit	2021	2022	2023
No. of employees on childcare leave	Persons	74	73	91
No. of employees returning from childcare leave	Persons	75	63	59
Ratio of employees returning from childcare leave	%	92.9	94.2	96.0
No. of employees retiring after childcare leave	Persons	5	1	2

Employee

Performance Evaluation

JB Financial Group executives and employees set their own goals and conduct self-evaluations based on such goals. The evaluation process is structured in consideration of the difficulty of the environment and the challenging nature of the goals. And the initial self-assessment is reviewed by a second evaluator. The evaluator verifies the performance against the goals, the difficulty of the environment, and the challenging nature of the goals to assign a rating, with the final rating being confirmed by a third evaluator, the division head. JB Financial Group operates a performance evaluation system that allows the evaluates to set their own goals and motivate themselves, encouraging individual growth and striving to enhance the overall competitiveness of the organization.

Regular Performance Evaluation

Category	Unit	2021	2022	2023
Ratio of employees who received regular performance evaluation	%	96.5	96.7	95.3
No. of employees subject to regular performance evaluation	Persons	3,105	3,063	3,066
No. of employees who received regular performance evaluation	Persons	2,997	2,962	2,923

Survey on Employee Satisfaction

JB Financial Group conducts surveys on employee satisfaction and incorporates the survey results into the improvement of systems such as education and welfare benefits. Overall satisfaction is measured by integrating factors such as spirit of challenge, job satisfaction, happiness, and job stress, and areas for improvement are identified through results classified by position and gender.

Executive / Employee Satisfaction

Category		Unit	2021	2022	2023
Overall ⁽¹⁾		Points	58.3	60.2	61.8
Position	Executive	Points	72.7	76.1	79.8
	Branch manager / Team leader	Points	63.4	68.4	70.3
	Deputy department head / Deputy branch manager	Points	63.4	61.3	60.1
	Deputy senior manager / Section chief	Points	57.7	58.7	60.9
	Assistant manager	Points	54.6	56.6	57.8
	Clerk	Points	59.2	58.8	61.5
Gender	Male	Points	59.8	62.1	64.0
	Female	Points	56.3	57.5	58.9

1) FY 2023 target: 61 points

Health & Safety

Approach

JB Financial Group declares its “Occupational Health and Safety Management Policy”, aiming for zero accidents and incidents every year, placing top priority on the safety and health of its members. To that end, the group strictly adheres to safety and health-related laws and continuously monitors compliance, taking corrective actions as necessary. All employees contribute to improving safety and health through voluntary participation and cooperation, strengthening safety awareness and establishing a safety management culture. Moreover, JB Financial Group has implemented a systematic safety and health management system, continuously pursuing improvements and enhancements. The group sets new qualitative and quantitative goals and priorities in the safety and health sector each year and develops and implements specific action plans to achieve them. Additionally, various programs are continuously operated to manage and improve employees’ health.

Each company within JB Financial Group designates the board of directors or management leadership as the highest decision-making body for safety and health plans and policies, in compliance with relevant laws. Sufficient personnel and budget are provided to achieve safety and health goals. These efforts are intended to create a happy workplace where employees, customers, and all stakeholders can experience a safe and pleasant environment.

Assessment

JB Financial Group integrates the OHS (occupational health and safety) management system to respond to emergencies such as disasters by forming a dedicated team for safety and health management. Based on business plans and goals to mitigate safety and health risks, JB Financial Group has established key tasks such as safety and health management, facility and disaster prevention management, and disaster safety response. Every year, risk assessments are conducted to identify implementation tasks, and the progress of follow-up measures is evaluated and managed. In particular, by using a safety and health checklist, we assess and improve dangerous factors in the workplace, such as fall accidents, electric shocks, or harmful equipment storage. And when a work-related injury, health deterioration, or illness occurs, we will investigate the causes and carry out worker protection measures as well as environmental improvement. The headquarter of Jeonbuk Bank is classified as a type 1 building under Article 7 No. 2 of the Special Act on Facility Safety and Maintenance and regularly undergoes third-party safety inspections by the KCDR (Korea Construction Disaster Prevention Research). KCDR regularly evaluates the level of structural stability and physical and functional risk factors.

2023 Target

0 cases

No. of industrial accidents

0 cases

No. of safety accidents

Health & Safety

Performance

Health & Safety Activities

JB Financial Group conducts annual risk assessments and regular training to raise safety and health awareness among employees and facility workers. This includes e-learning education for employees, CPR experience corners for employees and visiting customers, and fire safety manager training. Civil defense drills and fire drills are also conducted according to an annual plan to improve emergency response capabilities.

Furthermore, JB Financial Group carries out safety inspections and maintenance of buildings to prevent and mitigate risk factors that could impact safety and health. In 2023, Kwangju Bank conducted semi-annual (twice a year) regular safety inspections of its headquarters building. Jeonbuk Bank performed detailed safety inspections and seismic performance evaluations of its headquarters (classified as a Type 1 facility) and various inspections required by other regulations, such as for city gas, electrical facilities, and elevators. Based on the grades and improvement items identified through these evaluations and inspections, major repairs were carried out on key facilities in each sector. Notable mitigation measures included

Major Safety & Health Implementation Highlights of Jeonbuk Bank in 2023

Category	2023 Performance	Improvement effects
Legal/Regulatory Compliance	<ul style="list-style-type: none"> Operation of the Safety and Health Committee Conducting risk assessments at headquarters and branches Conducting workplace inspection tours 	<ul style="list-style-type: none"> Compliance with legal obligations Establishing a safety and health management system
Facility Safety	<ul style="list-style-type: none"> Conducting detailed safety inspections of buildings Improving the environment of facilities at headquarters and branches 	<ul style="list-style-type: none"> Enhancing the performance of aging facilities Bolstering the prevention of facility safety issues
Construction Site Safety	<ul style="list-style-type: none"> Safety management for new training center construction site Conducting safety process meetings (twice a month) 	<ul style="list-style-type: none"> Preventing accidents impacting construction site workers
Health and Safety	<ul style="list-style-type: none"> Expanding health checkup coverage Expanding the male parental leave system 	<ul style="list-style-type: none"> Preventing executives/employee illnesses Alleviating work-related stress
Disaster Safety	<ul style="list-style-type: none"> Conducting IT disaster recovery drills Conducting Ulji Exercise drills Enhancing the "Security Diagnosis Day" Conducting fire evacuation drills 	<ul style="list-style-type: none"> Responding to various disaster risks Emergency response training through drills

Environmental improvement projects by the Security Headquarters in the construction sector, creation of employee lounges, replacement of gas burners in hot and cold water dispensers in the mechanical sector, septic tank repair, control circuit repair in the electrical sector, and smoke control system repair in the fire protection sector. These activities enhanced the safety and health of workers and customers, and JB Financial Group achieved zero serious accidents and zero legal violations in 2023.

Absentee Rate

Category	Unit	2021	2022	2023
Date of absence	Days	712	944	1,280
Total days worked (in business days)	Days	911,437	877,146	931,094
Absence rate ¹⁾	%	0.078	0.108	0.137

1) FY2023 Target: 0.144%

Health & Safety Activities

Category	Unit	2021	2022	2023
Safety management	Risk assessment	Times per year	2	5
Education and training	Program operation	Y/N	Y	Y

Health & Safety Violations

Category	Unit	2021	2022	2023
Occupational accidents	No. of serious accidents	Cases	0	0
Legal violation	No. of violations	Cases	0	0
	Administrative fine	KRW	0	0
	Penalty	KRW	0	0

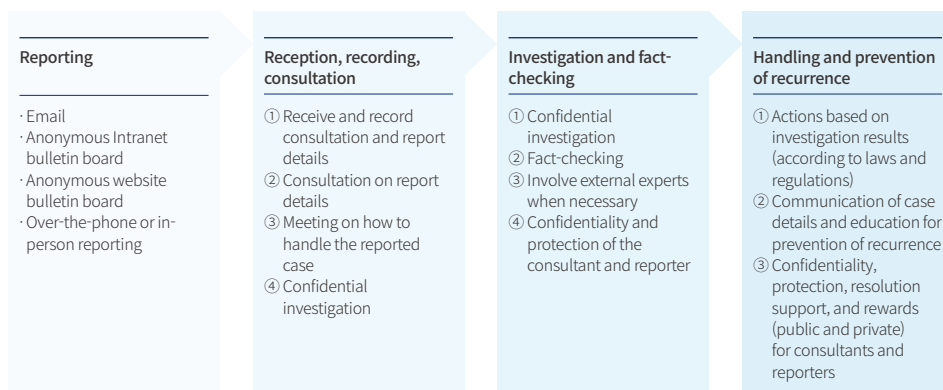
Human Rights Management

Approach

JB Financial Group respects and supports the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the core principles of the International Labour Organization (ILO). Based on these international values, the “JB Financial Group Human Rights Policy” and the “Policy on Prohibition of Sexual Harassment and Bullying in the Workplace” were established. These policies are applied across the entire business value chain to all stakeholders, including customers, employees, shareholders and investors, and business partners. In cases of human rights violations, discrimination, or harassment, JB Financial Group applies a zero-tolerance policy to eliminate possible human rights violations likely to occur in all business activities, conducting immediate investigations and supporting necessary treatment in accordance with prevention and response procedures.

Moreover, JB Financial Group aims to strengthen its company-wide human rights management system based on the human rights policy. To achieve this, the group plans to enhance its human rights due diligence processes and gradually expand the scope of these assessments. Long-term goals include extending the human rights due diligence to the branches of overseas sub-subsidiaries and making efforts to effectively address human rights grievances in these regions. Through these efforts, JB Financial Group seeks to achieve global-level human rights management that protects and respects the rights of all stakeholders.

Reporting of human rights issues and processing



Assessment

JB Financial Group identifies and manages actual and potential human rights risks that may arise from its business activities. The group conducts extensive human rights assessments across its entire value chain, including subsidiaries, joint ventures, and business partners, and continuously monitors the potential for human rights violations. In addition, JB Financial Group proactively addresses human rights issues that may arise from new business relationships, such as M&A and joint ventures, to prevent associated negative risks.

To mitigate human rights risks, JB Financial Group conducts thorough analyses of identified key human rights issues and assesses their impact on the organization. After identifying the root causes of each issue, the group systematically analyzes their influence and derives tasks for necessary remedial actions. In cases of human rights violations, the group places top priorities on thorough investigations, victim protection, and support, while taking disciplinary actions against perpetrators along with recurrent prevention measures.

Performance

Human Rights Impact Assessment Process



Human Rights Management

Results of Human Rights Impact Assessment

Stakeholders	Human rights issues	Mitigation plan	Results of remedial actions put in place	Ratio of mitigation plan established and remedial actions completed
Employees	Prohibition of discrimination	Guaranteeing equality in recruitment and promotion	<ul style="list-style-type: none"> Establishment and public announcement of the group's Human Rights Policy and Declaration on Prohibition of Sexual Harassment, Non-Sexual Harassment, and Discrimination Improvement of gender diversity by increasing the proportion of female employees (46.8%) and female managers (33.6%) in the group compared to the previous year 	100%
	Prohibition of forced labor and child labor	Compliance with statutory working hours and prevention of child labor	<ul style="list-style-type: none"> Operation of a PC-off system to ensure compliance with statutory working hours and promote a culture of leaving work on time (52 hours a week) Expansion of flexible working systems such as telework, part-time work, and staggered clock-in hours 	
	Guaranteeing health and safety	Establishment of a safety and health management system	<ul style="list-style-type: none"> Establishment and public announcement of the group's Occupational Health and Safety Management Policy and plans Achieving zero major accident cases through annual safety and health risk assessments at Jeonbuk Bank and Kwangju Bank 	
		Management of employees' physical and mental health	<ul style="list-style-type: none"> Annual health check-ups for employees and expansion of comprehensive health check-up coverage Group accident insurance coverage and provision of medical expense reimbursement for workers and their families 	
		Enhancement of emergency response capabilities	<ul style="list-style-type: none"> Promotion of safety culture through (annual) disaster safety drills and emergency disaster recovery drills at data centers 	
Business partners	Responsible supply chain management	Implementation of protection systems for customer service staff (emotional laborers)	<ul style="list-style-type: none"> Operation of communication channels and psychological counseling programs for emotional laborers 	100%
Local communities	Guaranteeing the right to education	Operation of educational support programs for children and adolescents from vulnerable groups	<ul style="list-style-type: none"> Support for 18 young adults through asset-building capacity enhancement projects for young adults preparing for self-reliance, strengthening economic self-sufficiency capabilities Financial education for 100 multicultural background individuals through support for multicultural camps (Dada Camp), improving financial literacy 	100%
	Crime prevention and social safety	Establishment of anti-money laundering systems	<ul style="list-style-type: none"> Establishment and public announcement of group Anti-Money Laundering Policy Certification of the Anti-Corruption Management System (ISO 37001) 	
Customers	Enhancing information rights	Establishment of information security and personal data management systems	<ul style="list-style-type: none"> Establishment and public announcement of Privacy Policy Certification of information security and personal data protection management systems (ISMS and ISMS-P) 	100%
	Guaranteeing access to finance	Facilitating access to financial services among financially vulnerable groups	<ul style="list-style-type: none"> Implementation of senior-exclusive service desks at all branches Expansion of mobile branch operations to improve financial accessibility 	

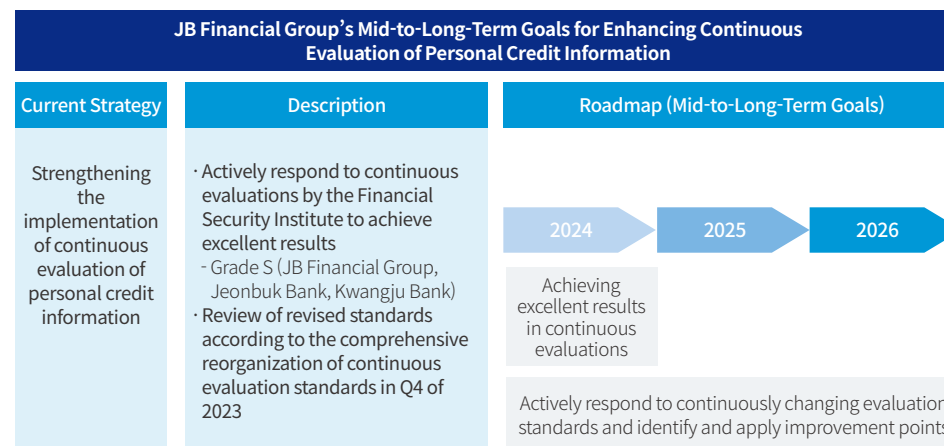
Information Security

Approach

JB Financial Group places top priority on the safe management of personal and credit information learned in all business activities and strictly complies with relevant regulations. Under the Chief Information Security Officer (CISO), the information security department operates to strengthen the information security system. In 2023, investment in the information security sector was set and managed to exceed 7% of the total IT budget, and various security measures are in place, such as encrypting unstructured data and blocking malware in ATMs. Additionally, we have established and disclosed a privacy policy that applies to both internal employees and external stakeholders. We conduct self-inspections and evaluations on the management and protection status of personal credit information, with the results verified by the Financial Security Institute (FSI) commissioned by the Financial Services Commission, which assigns scores and grades. Through this, we will establish an information security system across the group's business activities and strengthen activities to prevent accidents.

Establishing an information security system for secure financial transactions

Category	Description
Advancement of IT information security	<ul style="list-style-type: none"> Standardization of IT information security Establishment of advanced information security management system Advancement of information security systems
Establishment of IT internal control system	<ul style="list-style-type: none"> Strengthening the control of IT incident prevention and information security activities Systematization of IT internal control check items Advancement of IT internal control techniques
Protection of personal (credit) information and prevention of electronic financial incidents	<ul style="list-style-type: none"> Strengthening information protection at each stage of personal (credit) information processing Enhancing education on personal (credit) information protection Advancement of abnormal financial transaction detection activities



Assessment

JB Financial Group has received certification for its information security management system from the Financial Security Institute and conducts independent internal audits annually to check the implementation and improvement of its information security activities. Jeonbuk Bank, through its effectively established information security management system, has completed certification (ISMS) for its Internet banking service, local government treasury system, and data center operations. Kwangju Bank also regularly renews its certification for the information security and personal information protection management system (ISMS and ISMS-P). Additionally, both Jeonbuk Bank and Kwangju Bank plan to pursue certification for the information security management system (ISO 27001) within this year.

Meanwhile, JB Financial Group regularly conducts vulnerability analysis and assessment of its website more than twice a year to respond to cyber threats. Identified vulnerabilities through security tests are addressed with supplementary and safety measures, and regular monitoring is conducted, operating a systematic incident response process. Regular audits are also conducted to ensure compliance with privacy policies, and appropriate disciplinary actions are taken if any violations of laws or regulations are found.

Information Security

Performance

JB Financial Group systematically manages its information security organization and thoroughly inspects its IT security systems and information protection framework. Specifically, it operates a 24/7 integrated security control system throughout the year and takes all necessary measures for information security, such as separating the business network from the Internet. In addition, the group conducts annual information security training for employees, providing enhanced training especially for those in positions with high risks of personal information breaches or those involved in information security-related roles.¹⁾ JB Financial Group complies with relevant laws to protect the personal information self-determination rights of data subjects and discloses matters related to personal information processing in its privacy policy. Furthermore, the group continuously monitors the rate of secondary use of customer data, recording a rate of 0.58% for providing customer information for secondary purposes in compliance with legal requirements in 2023.²⁾ There have been no IT incidents or information security breaches in the past three years, and we will continue to prevent customer information leaks and comply with related regulations to protect customer information securely.

1) Training hours: Executives (3 hours or more), Chief Information Security Officer (6 hours or more), Information security personnel (12 hours or more), Information technology personnel (9 hours or more), General employees (6 hours or more)

2) Customers can stop their personal information from being provided to third parties for marketing or other purposes, either entirely or on a case-by-case basis.

Information Security Training

Category	Unit	2021	2022	2023
No. of information security training recipients	Persons	3,120	3,210	3,362

Information Security Incidents

Category		Unit	2021	2022	2023
IT incidents and failures	No. of cases	Cases	0	0	0
	Loss amount	KRW	0	0	0

Customer-oriented Management

Performance

JB Financial Group practices customer-centric management and continuously strives to improve customer satisfaction through various efforts. The group collects and analyzes customer voices (VOC) to understand customer requirements, using this feedback to improve systems and services. The customer center promptly handles customer complaints and strives to minimize customer inconvenience. Additionally, the group implements company-wide processes to improve systems and services and completes related staff training programs to prevent recurrence of complaints. Moreover, regular customer satisfaction surveys are conducted to gather customer feedback, which is then used to enhance service quality. Meanwhile, JB Financial Group operates a customer advisory group to identify and prevent factors that could impact consumer rights in its business activities. Jeonbuk Bank operates the 'Saengsaeng Talk Customer Advisory Group' to protect consumer rights, actively reflecting customer opinions through quarterly regular tasks and ad-hoc tasks (surveys before new product development). In 2023, various customer opinions were gathered to improve financial products and services, with a total of 14 tasks performed to incorporate their feedback.

Category	Unit	2021	2022	2023
VOC complaints handled ¹⁾	Cases	24	19	20
Customer satisfaction score ²⁾	Points	98	99	99

1) Data calculation standards revised in 2022

2) FY 2023 target: 98 points

Board of Directors

Approach

JB Financial Group has established the 'Independence of Director Guidelines and Board Diversity Guidelines' and transparently disclosed the criteria and procedures for the composition and operation of the Board of Directors (BOD) to establish a sound and transparent governance structure. To ensure proper checks and balances between the BOD and management leadership the group strengthens the independence of directors while aiming to enhance shareholder value and protect stakeholder interests through a board composition that considers expertise and diversity. In December 2023, the group introduced the 'Shareholder Recommendation System for Independent Director Candidates,' allowing any shareholder with at least one voting share to recommend candidates for independent directors. In 2024, an independent director recommended by shareholders was appointed in the 11th regular general meeting of shareholders. As of the March 2024 regular general meeting of shareholders, two female independent directors are active. JB Financial Group aims to achieve sustainable growth and development through balanced decision-making that reflects the diverse backgrounds, experiences, and perspectives of the BOD members.

Assessment

JB Financial Group conducts an annual evaluation at the beginning of each year on the composition and operation of the board. Based on Article 22 of the internal governance regulations, the evaluation covers approximately 20 items, including the composition and operation of the BOD, authority and responsibilities, and voting methods, to check whether the board appropriately performs its roles and responsibilities as required by laws and internal regulations. The results of the evaluation are disclosed. In 2023, a comprehensive evaluation was conducted, combining qualitative assessments involving all directors and the secretary-general of the board and quantitative assessments reflecting attendance rates. As a result of this comprehensive evaluation, JB Financial Group's BOD received the highest rating of S-grade.

Performance

BOD Composition

The BOD of JB Financial Group consists of excellent directors with expertise, independence, and diversity. In 2024, a female independent director was added to the BOD to enhance gender diversity. The position of board chair is held by independent director Yoo Kwan-woo, with the unanimous consent of all directors. More than two-thirds of the board members are independent directors who possess specialized knowledge and experience in various fields such as finance, management, law, and IT. In accordance with the laws and enforcement decrees related to the governance of financial companies, independent directors are prohibited from concurrently serving as independent directors, non-executive directors, or non-executive auditors of other companies. They are also prohibited from holding concurrent positions as directors, executive officers, or auditors of two or more companies other than JB Financial Group.

Category	Unit	2021	2022	2023
Independence	Total No. of directors	Persons	8	9
	Independent directors ¹⁾	Persons (%)	6(75.0)	7(77.8)
	Whether an independent director chairs the board	Y/N	Y	Y
Diversity	Male	Persons	8	8
	Female	Persons (%)	0(-)	1(11.1)
Expertise	No. of independent directors with industrial career	Persons (%)	6(100)	7(100)
Efficiency	Director re-appointment cycle	Year	2	2
	BOD attendance rate	%	100	99

1) Independent directors account for at least a majority of the total number of directors according to the Act on the Governance Structure of Financial Companies

Board of Directors

Director Type	Personal name	Gender	Position	Career	Date of first appointment	Expiry date of the term of office	Term of office	Responsible committee(s)	
Executive director	Kim, Ki Hong	Male	Executive director/Chairman/CEO/Subsidiary CEO Candidate Recommendation Committee Chairman	2019) Chairman and CEO of JB Financial Group (currently) 2014) Representative Director of JB Asset Management	2006) Senior Executive Vice President of KB Bank 1999) Assistant Governor of the Financial Supervisory Board	March 29, 2019	Until the closing of the general meeting of shareholders for 2024 fiscal year	60 months	Subsidiary CEO Rec. Committee, ESG Committee
Independent director	Yoo, Kwan Woo	Male	Independent director/Board Chairman/Executive Officer Candidate Recommendation Committee Chairman/ESG Committee Chairman	2010) Independent Director of the National Agricultural Cooperative Federation (NACF) 2008) Advisor to Kim & Chang	2006) Assistant Governor of the Financial Supervisory Board	March 29, 2019	Until the closing of the general meeting of shareholders for 2024 fiscal year	60 months	Exec. Rec. Committee, Subsidiary CEO Rec. Committee, Audit Committee, ESG Committee
Independent director	Lee, Sang Bok	Male	Independent director/Audit Committee Chairman	2018) Parter Accountant of Dong-A & Song-Kang Accounting Corp. (currently) 2012) Independent Director of KB Savings Bank	1991) Partner Accountant of Samil PWC	March 29, 2019	Until the closing of the general meeting of shareholders for 2024 fiscal year	60 months	Exec. Rec. Committee, Audit Committee, Remun. Committee, ESG Committee
Independent director	Kim, Woo Jin	Male	Independent director/Risk Management Committee Chairman	2014) Independent Director of Hana Financial Investment 2011) Senior Researcher of Korea Institute of Finance (currently)	2007) Executive Director of Deloitte Consulting	March 26, 2020	Until the closing of the general meeting of shareholders for 2025 fiscal year	48 months	Exec. Rec. Committee, Risk Mgmt. Committee, Remun. Committee, ESG Committee
Independent director	Park, Jong Il	Male	Independent director/Remuneration Committee Chairman	2020) Managing Partner of Law Firm JL (currently) 2017) Managing Partner of Taehwan Law Firm	2016) Chief Public Prosecutor of Suwon District Prosecutors Office 1986) Accountant of Cheongwoon Accounting Firm	March 26, 2020	Until the closing of the general meeting of shareholders for 2025 fiscal year	48 months	Exec. Rec. Committee, Audit Committee, Remun. Committee, ESG Committee
Independent director	Sung, Jae Hwan	Male	Independent director	2022) Chairman of Iksan Culture City Committee (currently) 2019) Chair-professor at Korea IT Educational Foundation	2003) President of Wonkwang Digital University 2000) President of Korea Game Industry Agency 1998) Professor of Economics at Wonkwang University	March 31, 2021	Until the closing of the general meeting of shareholders for 2024 fiscal year	36 months	Exec. Rec. Committee, Audit Committee, ESG Committee
Independent director	Lee, Seong Yeop	Female	Independent director	2020) Accountant of Woori Accounting Firm (currently) 2013) Chairman of Korea Institute of Woman Certified Public Accountants	1999) Partner Accountant of EY Hanyoung	March 30, 2022	Until the closing of the general meeting of shareholders for 2025 fiscal year	24 months	Exec. Rec. Committee, Audit Committee, Remun. Committee, ESG Committee
Independent director	Lee, Myung Sang	Male	Independent director	2022) Independent Director of Sangsangin Savings Bank 2020) Commissioner, Financial Development Review Committee in Financial Services Commission	2009) Attorney at Jian Law Firm (currently) 2001) Managing Partner of Seohyun Law Firm	March 28, 2024	Until the closing of the general meeting of shareholders for 2025 fiscal year	Newly appointed	Exec. Rec. Committee, Risk Mgmt. Committee, ESG Committee
Independent director	Kim, Ki Seok	Male	Independent director	2015) CEO of Crowdly Co., Ltd. (currently) 2011) Head of Australia New Zealand Bank Seoul Branch	2009) Head of Bank of America N.A. Seoul Branch 1997) Director at JP Morgan Seoul	March 28, 2024	Until the closing of the general meeting of shareholders for 2025 fiscal year	Newly appointed	Exec. Rec. Committee, Risk Mgmt. Committee, ESG Committee
Independent director	Lee, Hee-Seung	Female	Independent director	2023) Investment Division Director, Leading Ace Capital Co., Ltd. (currently) 2009) Head of Korea Equity Sales/Managing Director, UBS Securities(Seoul, Korea)		March 28, 2024	Until the closing of the general meeting of shareholders for 2025 fiscal year	Newly appointed	Exec. Rec. Committee, Risk Mgmt. Committee, ESG Committee
Non-executive director	Kim, Ji Sub	Male	Non-executive director	2023) Vice President in charge of CSR at Samyang Holdings (currently) 2019) Finance & Economy Office Manager of Samyang Holdings (vice president)	2008) Accounting Team Leader at Samyang	March 31, 2021	Until the closing of the general meeting of shareholders for 2026 fiscal year	36 months	Exec. Rec. Committee, Subsidiary CEO Rec. Committee, Remun. Committee, ESG Committee

* Base date: Date of regular general meeting of shareholders in March, 2024

* Names of committees within the BOD: Exec. Rec. Committee (Recommendation Committee for Executive), Subsidiary CEO Rec. Committee (Recommendation Committee for subsidiary CEO), Audit Committee (Audit Committee), Risk Mgmt. Committee (Risk Management Committee), Remun. Committee (Remuneration Committee), ESG Committee Marked as (ESG Committee)

Board of Directors

Board Skill Matrix

	Finance	Economy	Business	Law/ Regulation	Accounting/ Finance	Consumer Protection	Information Technology	Others
Yoo, Kwan Woo	●			●	●	●		
Lee, Sang Bok	●				●			
Kim, Woo Jin	●			●	●			
Park, Jong Il				●	●			
Sung, Jae Hwan		●	●				●	
Lee, Seong Yeop					●			
Lee, Myung Sang				●				
Kim, Ki Seok	●		●					
Lee, Hee- Seung	●		●					
Kim, Ji Sub			●		●			
Kim, Ki Hong	●		●		●	●		

Activities and Operational Status of the BOD

In 2023, a total of nine Board of Directors meetings were convened, including five extraordinary meetings in addition to the regular quarterly meetings, to make important decisions and deliberate on various matters. During the regular BOD meetings, the group's quarterly business performance and major business execution statuses were reported, and future strategic directions based on these reports were discussed in depth. Key deliberations and resolutions included settlements and dividends, approval of directors' remuneration limits, policy revisions, comprehensive business plans, and budget formulation. These decisions were made with the attendance of a majority of the registered directors and the approval by a majority of the attending directors. To enhance the performance and efficiency of the BOD, all directors are required to feature a minimum attendance rate of 85%, and the attendance rate of the BOD in 2023 was 99%. Additionally, to ensure substantial BOD operations, we hold and support at least one management meeting per year exclusively for independent directors in accordance with our BOD regulations. In June 2023, the "JB Financial Group BOD Open Discussion," excluding inside directors and management executives, was held, and all independent directors attended this meeting.

Category		Unit	2021	2022	2023
Board of Directors	No. of BOD meetings	Cases	9	11	9

Board of Directors

Committees under the BOD

To ensure professional and efficient decision-making processes, JB Financial Group operates six specialized committees under the BOD. Those committees include the Executive Officer Candidate Recommendation Committee, the Subsidiary CEO Candidate Recommendation Committee, the Risk Management Committee, the Remuneration Committee, and the ESG Committee, with the following details.

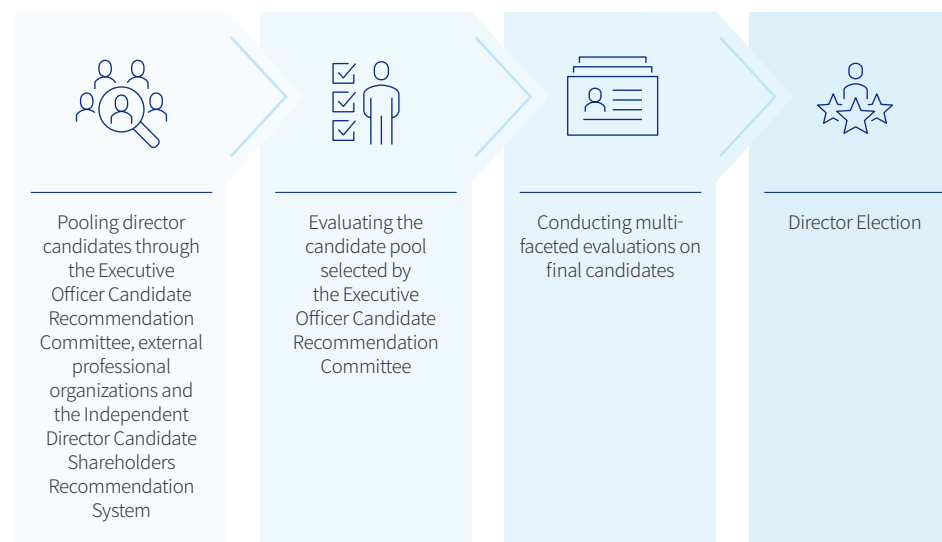
Current Status of Committees under the Board¹⁾

Category	Major roles	Composition (No. of independent directors/Number of members)	Chairman	Related regulations
Executive Officer Candidate Recommendation Committee	Selecting and recommending executive officer candidates	9/10	Yoo, Kwan Woo (Independent director)	Regulation of Recommendation Committee for Executive
Subsidiary CEO Candidate Recommendation Committee	Verifying and recommending subsidiary CEO candidates	1/3	Kim, Ki Hong (Executive director)	Regulations of Recommendation Committee for subsidiary CEO
Audit Committee	Supervising directors and management executives	5/5	Lee, Sang Bok (Independent director)	Regulations of Audit Committee
Risk Management Committee	Measuring and managing enterprise risks	4/4	Kim, Woo Jin (Independent director)	Regulations of Risk Management Committee
Remuneration Committee	Setting and evaluating management performance targets	4/5	Park, Jong Il (Independent director)	Regulations of Remuneration Committee
ESG Committee	Establishing ESG management strategy and policy	9/11	Yoo, Kwan Woo (Independent director)	Regulations of ESG Committee

1) After the regular general shareholders' meeting in March, 2024

Director Election Process

JB Financial Group operates the Executive Officer Candidate Recommendation Committee to enhance fairness and transparency in the selection of directors. The Committee thoroughly reviews the qualifications of candidates, such as expertise, ethical awareness, and diversity, recommended by committee members, external professional organizations, and through the “Independent Director Candidate Shareholder Recommendation System.” Candidates who meet these qualifications are then selected into the pool of director candidates. Subsequently, a multi-faceted evaluation is conducted on the candidate pool, and after deliberation among the committee members, the final candidates are selected. The selected final candidates are then individually appointed as directors upon resolutions at the General Meeting of Shareholders.



Board of Directors

Remuneration Structure

JB Financial Group's key performance indicators for corporate performance assessment include the profitability index (return on assets, return on equity, cost income ratio, etc.), soundness index (return on risk-weighted assets, common equity ratio, non-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 Ratio (CIR), Common Equity Tier 1 (CET1), and Non-Performing Loan Ratio (NPL) are utilized as quantitative performance indicators for the assessment of our executive members' short-term performance. Qualitative evaluation is also reflected in short-term performance to measure the implementation of strategic tasks, the performance of their duties and inside control. Performance evaluation for long-term results and compensation utilizes Return on Equity (ROE) and relative/absolute Total Shareholder Return (TSR). However, for executives responsible for tasks that require independence due to the nature of their duties (such as Chief Internal Auditor, Chief Risk Officer, and Chief Compliance Officer), different indicators such as Return on Risk-Weighted Assets (RORWA), Non-Performing Loan Ratio (NPL), and Common Equity Tier 1 Capital Ratio (CET1) are applied depending on their specific tasks to calculate long-term incentive compensation in shares, and adjust the initial number of shares granted based on the company's performance and shareholder returns over three years. Performance is linked to compensation, as in cases of significant misconduct that required incentive compensation to be reclaimed, performance-based compensation can be reclaimed or deferred according to predetermined standards.

Category	Unit	2021	2022	2023
Registered directors ¹⁾	KRW million	1,281	1,477	1,995
Independent directors ²⁾	KRW million	129	177	222
Audit Committee members	KRW million	259	262	289
Guidelines on variable remuneration of CEO	Y/N	Y	Y	Y
CEO's long-term incentive rate and deferral period	% (year)	50(3)	60(3)	60(3~6)

1) Excluding independent directors and Audit Committee members

2) Excluding Audit Committee members

Current Status of Shareholding by CEO and Executive Officers in 2023

Position	Personal name	No. of shares held	Base salary multiple ¹⁾
CEO & Chairman	Kim, Ki Hong	120,500	2.11
Executive officer (Vice Chairman)	Song, Jong Wook	60,000	1.27

1) As at the closing price on Dec. 28, 2023 (KRW 11,390)

Shareholder-Friendly Management

Electronic Voting System | JB Financial Group has introduced and operates an electronic voting system to enhance shareholder convenience and interests. Shareholders can exercise their voting rights without attending in person, with the agenda of the general meeting of shareholders posted on the online system. Electronic voting is possible until 5 PM the day before the shareholders' meeting, thus improving the ease of exercising shareholder rights.

Written Voting System | JB Financial Group has also implemented a written voting system. If the board of directors decides to conduct written resolutions when convening the general meeting of shareholders, shareholders can exercise their voting rights in writing without attending the meeting.

Transparent Disclosure | JB Financial Group discloses major internal regulations such as articles of incorporation and board of directors regulations through its company website to ensure transparency in its business processes, procedures, and results. Additionally, major business handling activities, including those of the board of directors (and its committees), are regularly disclosed. Detailed information can be found on the JB Financial Group website (www.jbfg.com), the Korea Federation of Banks (www.kfb.or.kr), or the Financial Supervisory Service's electronic disclosure system (dart.fss.or.kr).

Ethical Management

Approach

JB Financial Group has established the 'Code of Conduct' to foster a healthy corporate culture and ensure a sustainable future. This Code of Conduct provides the correct standards for ethical decision-making and behavior for employees, specifying guidelines to enhance ethical awareness and integrity, such as compliance with laws and regulations, prevention of conflicts of interest, protection of fair competition, promotion of mutual respect, and anti-corruption principles. All employees must adhere to the anti-corruption and bribery policies, which include performing tasks fairly, prohibiting conflicts of interest, banning the acceptance of money and entertainment, maintaining integrity in contracts, and ensuring transparent donation activities. Employees must not only refrain from illegal or unjust actions but also immediately report any recognized violations and strive to resolve them, thereby contributing to the establishment of a transparent and ethical corporate culture.

Assessment

Since obtaining the Anti-Bribery Management System (ISO 37001) certification in 2019, JB Financial Group has been strengthening its anti-corruption system annually. In accordance with the standards set by ISO (International Organization for Standardization), the group identifies and controls potential corruption risks in advance, conducting regular executive/employee training and monitoring to foster a clean and transparent organizational culture. Additionally, annual certification assessments are conducted to reduce legal violation risks and enhance trust with customers.

Ethics Education

Category	Unit	2021	2022	2023
Anti-corruption/compliance/ethics education per employee	Times	11	12	14
Ratio of employees taking ethics education	%	100	100	100
Education on prevention of sexual harassment and bullying in workplace	Y/N	Y	Y	Y

Performance

Reporting and Violations

Operation of JB Do Dream | To foster a healthy organizational culture, JB Financial Group operates an internal reporting system, a.k.a., 'JB Do Dream.' JB Do Dream symbolizes knocking on the door to create a fair and clean JB Financial Group, guiding the group towards its goals. Reports can be made on various types of fraud and corruption, such as bribery, embezzlement, workplace harassment, and illegal instructions, and the system is managed by an external professional firm. Whistleblowers' anonymity is thoroughly maintained through measures like IP tracking prevention and access log blocking. In particular, the reporting channels are diversified by separating the helpline (anonymous reporting) from the compliance inquiry (grievance counseling) system, and reward systems for whistleblowers are implemented to promote a healthy organizational culture. If an investigation finds a violation of the Code of Conduct, disciplinary actions such as dismissal, suspension, salary reduction, and reprimand will be taken against the employee. Compliance with the Code of Conduct is also reflected in the employee's performance evaluation.

JB Do Dream Process

Prepare and submit a report		Notify in real time	Handle the report	Check results	Communicate in anonymity
Category		Unit	2021	2022	2023
Violations of the Code of Conduct	Corruption of bribery	Cases	-	-	
	Discrimination or harassment		1	1	
	Customer privacy data		1	-	
	Conflict of interes		-	-	
	Money laundering or insider trading		-	-	
	Total		2	1	

Compliance

Approach

JB Financial Group strengthens compliance management based on its anti-money laundering (AML) policy. The AML policy outlines measures to screen out high-risk customers through in-person and non-face-to-face due diligence systems, prevent terrorist financing, monitor politically exposed persons, and obtain senior management approval for high-risk products and countries. This policy was established to ensure compliance with relevant laws. In line with this policy, JB Financial Group operates a company-wide control process. According to Article 5-4 of the “Act on Reporting and Using Specified Financial Transaction Information,” internal/external reports and related materials including records of customer identification, large cash transaction reports, and so forth are preserved for five years after the termination of financial transactions.

To improve corporate governance and enhance internal control functions, JB Financial Group has established and operates an internal control system. The group has enacted and implemented internal control regulations and a code of ethics, and operates a compliance officer system to oversee the internal control framework.

The group’s compliance officer is responsible for checking compliance with internal control standards, investigating violations by employees, and reporting findings to the CEO and the Audit Committee. Additionally, they review and provide feedback on the appropriateness of the compliance officers’ activities and the implementation of internal control regulations within subsidiaries.

JB Financial Group also operates an Internal Control Committee and an Internal Control Council to share the results of internal control inspections and propose improvement measures. Each department appoints a departmental compliance officer who conducts compliance and ethics training at least once a month. New employees and compliance contacts receive separate training to enhance their compliance and ethical awareness. In August 2023, ethical management training on the ‘Contractual Integrity System’ related to fair trade was provided to all employees.

Meanwhile, the Audit Committee within the Board of Directors supervises the activities of directors and management leadership, establishes and executes internal audit plans, evaluates the internal control system, and suggests improvement measures.

In accordance with the Audit Committee regulations, JB Financial Group documents the compliance requirements and candidate evaluation criteria and procedures for selecting external auditors. To comply with relevant laws, we have established the “External Auditor Compliance Requirements and Evaluation Criteria and Procedures,” which are used to manage the selection and evaluation of external auditors. Based on these criteria, the Audit Committee evaluates the compliance of external auditors’ activities in areas such as audit time, audit personnel, and audit fees. We select the external auditor candidates by using the “External Auditor Candidate Evaluation Checklist” to comprehensively assess the bid amount and audit quality.

External Auditor Compliance Requirements and Evaluation Criteria/Procedures

Article 1 (Purpose) The purpose of this standard is to enable the Audit Committee to provide for compliance requirements and evaluation criteria and procedures for external auditors in accordance with Article 10, Paragraph 5 of the “Act on External Audit of Stock Companies, Etc.” and Article 13, Paragraph 4 of the Enforcement Decree of the same Act.

Article 2 (Scope of Application) In the selection and evaluation of external auditors, unless otherwise specified by the External Audit Act, its Enforcement Decree, or the Articles of Incorporation, these standards shall apply.

Article 3 (Evaluation Criteria) ① The Audit Committee shall comprehensively review the bid amount and audit quality to evaluate external auditors.

② The specific compliance requirements, detailed evaluation criteria, evaluation methods, scoring, and selection procedures for external auditors are outlined in the annex.

Article 4 (Method of Application) The compliance requirements, evaluation criteria, and selection procedures for external auditors defined by these standards may be modified and applied by the Audit Committee, considering the intent of the amendments to the “three accounting reformation / advancement laws,” significant changes in the business environment, and individual special factors.

Compliance

JB Financial Group strictly adheres to fair trade regulations and, based on this, has established anti-corruption and bribery prevention policies, a code of conduct for employees, and internal control regulations. To ensure an effective internal oversight system, we have empowered compliance officers, whose independence is guaranteed, to supervise employees' unfair practices and take necessary actions. This foundation enables us to proactively prevent unfair trade and competition practices. Additionally, we conduct regular internal control training, legal compliance, and ethical management education for all employees, ensuring ongoing education on prevention of unfair trade practices. Through the operation of our internal control system, we continuously manage related risks and have achieved zero cases of anti-corruption and legal violations over the past three years. JB Financial Group remains committed to fostering a fair and transparent financial environment.

Assessment

JB Financial Group annually undergoes the Anti-Money Laundering (AML) system implementation evaluation conducted by Korea Financial Intelligence Unit (KOFIU). The AML system implementation evaluation assesses the AML risk and management level of financial institutions. Based on the evaluation results, JB Financial Group strives to prevent illegal activities such as money laundering and terrorist financing, and to eliminate risk factors.

Performance

Compliance is reflected in employee performance evaluations. The outcome of compliance with internal controls, such as incomplete sales at branch offices, also impacts the performance and compensation of managers, in addition to the evaluation of branch offices. The performance of internal control is also reflected in the Key Performance Indicators (KPIs) of departmental internal accounting personnel, contributing to the identification of compliance risks within the organization. Moreover, activities are carried out to improve regulatory compliance and operational efficiency, including awarding commendations to outstanding employees in compliance management.

Operation of Internal Control System

Category	Unit	2021	2022	2023
Operation of Internal Control System	Times	3,646	4,667	4,983

Reporting and Violations

Category	Unit	2021	2022	2023
Anti-Corruption and Legal Violations	Cases	0	0	0

Tax and Accounting

Approach

In adherence to the “JB Financial Group Tax Policy,” JB Financial Group complies with tax laws and regulations of each country, and fulfilling its reporting and payment obligations diligently. The group prohibits improper income transfer and tax avoidance transactions that exploit differences in tax laws between countries or use tax havens. To maintain a constructive and cooperative relationship with tax authorities, JB Financial Group diligently fulfills its obligations and transparently discloses detailed tax information annually through audit reports. This includes corporate tax accounting standards, deferred tax assets and liabilities, components of temporary differences, details of corporate tax expenses, and tax rate information.

Assessment

JB Financial Group strives to ensure financial transparency and accounting compliance through the Audit Committee under the Board of Directors. The committee conducts internal audits of financial statements to continuously verify the accuracy of tax and accounting treatments. Additionally, each fiscal year, an independent external auditor is selected to conduct rigorous audits, through which the reliability of tax and accounting-related activities is enhanced.

Performance

Tax Report¹⁾

Unit: Person, KRW 100 million

Category	Subsidiary	Main activities	No. of employees	Operating income	Before-tax income	Income tax payable	Income tax paid
Republic of Korea	JB Financial Group Jeonbuk Bank Kwangju Bank JB Woori Capital JB Asset Management JB Investment	Banking, Specialized credit finance, Collective investment business	3,671	43,043	9,945	881	2,095
Cambodia	PPCBank JB PPAM	Banking, Collective investment business	487	1,232	443	3	7
Myanmar	JB Capital Myanmar	Credit finance business	193	12	(18)	-	4
Vietnam	JB Securities Vietnam	Securities business	68	60	4	-	-

1) As of 2023

Tax risk management¹⁾

Category	Unit	2021	2022	2023
External audit expenses	KRW 100 million	2.83	2.91	3.25

1) In terms of JB Financial Group

Risk Management

Approach

Risk Management and Governance

The risk governance at JB Financial Group operates independently under the principle of checks and balances and consists of the Operational Risk Ownership (first line), the Risk Management Department, the Risk Management and Compliance Oversight (second line), and the independent audit unit (third line).

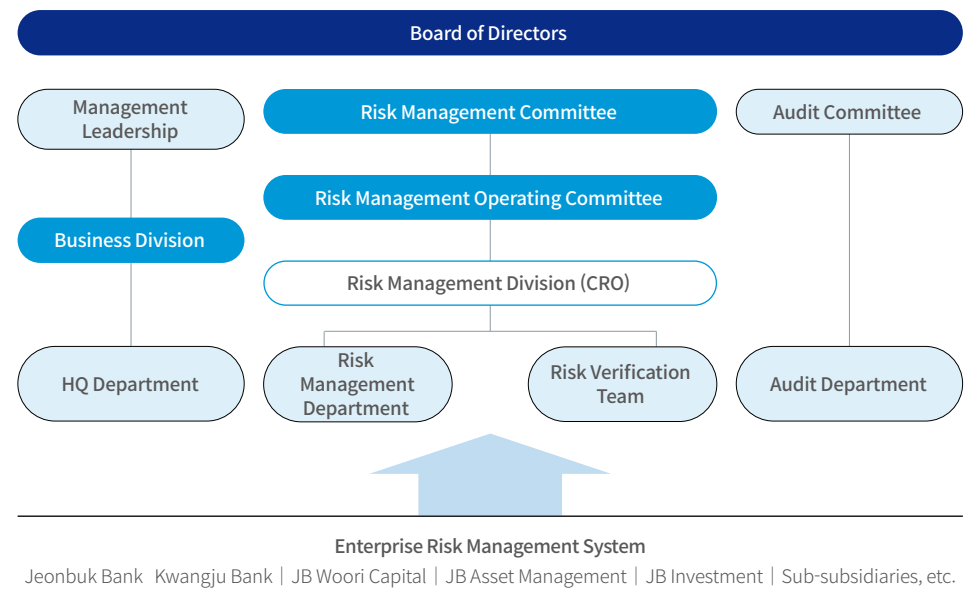
Operational Risk Ownership (first line) | The business divisions and departments are responsible for managing risks within the organization by adhering to company-wide risk management policies and procedures. The operational risk management department handles day-to-day risk management and coordinates risk management matters in consultation with the central risk management department when conducting business. It ensures the sharing and cooperation of necessary information for risk management tasks. Additionally, material investment decisions requiring board approval are notified in advance to the operational risk management department.

Central Risk Management Department (second line) | The central risk management department is responsible for establishing and operating the risk management system, monitoring, supervising, and continuously reviewing and modifying it. The department of the holding company performs various tasks, including managing the group's internal capital and risk limits, reporting and supporting risk management policies and strategies, reviewing risks related to strategic business implementation, inspecting and evaluating the risk management of subsidiaries, establishing a group-wide risk assessment and management system, and fostering and educating risk management professionals. Risk management departments at subsidiaries report important matters to the holding company's central risk management department, submit necessary materials, and implement risk management measures as instructed.

Risk Management and Compliance Oversight (second line) | The Risk Management Committee is responsible for approving and inspecting the risk management system. JB Financial Group's basic risk management policies and strategies are established by the Group Risk Management Committee under the holding company's board of directors. The Group Chief Risk Officer (GCRO) assists the Group Risk Management Committee and coordinates the risk policies and strategies of the group and subsidiaries through the Group Risk Management Operating Committee, composed of the Chief Risk Officers (CROs) of each subsidiary. Based on this, each subsidiary implements the group's risk policies and strategies through their respective risk-related committees, operating committees and dedicated risk

management organizations and establishes and implements detailed risk policies and strategies. The holding company's risk management department supports the Group Chief Risk Officer in performing risk management and supervision.

Independent Audit Unit (third line) | The risk verification department and the audit department are respectively responsible for verifying appropriateness and checking compliance with risk management standards and procedures. The risk verification department ensures that various risk management measures, whether newly introduced or applied to existing systems and processes, are appropriate, thus aligning risk management strategies with the group's objectives. The audit department verifies the compliance of the group's risk tolerance limits and management strategy with regulations and procedures. If inappropriate risk management practices are discovered, the audit department reports them and recommends corrective actions.



Risk Management

Risk Management System

JB Financial Group considers all major risks that could potentially cause losses related to business activities, taking into account the business characteristics, size, and complexity of each subsidiary. These risks include credit risk, market risk, operational risk, interest rate risk, credit concentration risk, liquidity risk, foreign exchange settlement risk, and strategic reputation risk. The group identifies and reviews potential risks and their associated internal control activities across major business processes. Top risk factors identified through this process are addressed by incorporating them into business processes or strengthening internal controls to eliminate or improve these risks.

Quantifiable risks such as credit, market, operational, liquidity, interest rate, credit concentration, and foreign exchange settlement risks are measured using methodologies that consider their characteristics, often in the form of Value at Risk (VaR). Non-quantifiable risks are managed by setting buffer capital. For operational risks, such as external fraud or mis-selling, the impact on the group's capital ratio is analyzed for loss events exceeding KRW 25 million. Furthermore, comprehensive scenario analysis is conducted at least twice a year to ensure the availability of sufficient capital in crisis situations, thereby enhancing risk management efficiency.

Risk Management Procedures



1. Identify risks

Identify and analyze a number of risks, materials, and possibilities that may arise in the overall management



2. Measure and evaluate risks

Measure the criticality of the risks by setting a measurement method for each risk type and evaluate it if they require any response



3. Control and manage risks

Set the limits that are appropriate to the type and degree of risks, such as risk avoidance, reduction, and maintaining a certain state, and conduct management activities on a daily, monthly, and quarterly basis



4. Monitor and report risks

Continuously monitor and report the risk level to appropriately respond to risk situations

Internal audits of the risk management process (overseen by the audit department) are institutionalized in the group's regulations and conducted regularly. Additionally, external audits by the Financial Supervisory Service are received periodically to evaluate the adequacy of risk management policies and procedures.

Financial incentives related to achieving risk management goals (KPIs) are also provided. The performance evaluation of risk management department employees includes criteria such as improving the risk management system, enhancing asset quality management, and the adequacy of risk limit management. Each criterion is weighted to increase the effectiveness of risk management.

Performance

Stress Test

For sustainable corporate management, it is essential to identify potential risks and preemptively respond to them. To assess the group's potential vulnerabilities that can be materialized by exceptional probable events, JB Financial Group conducts group-level integrated scenario analysis at least twice a year under crisis scenarios, analyzing capital adequacy, the impact of different types of risks, and fluctuations in profit and loss. JB Financial Group has stress-testing processes in place that assess capital adequacy, identifies areas vulnerable to probable events, and develop response plans accordingly.

Risk Management Education

To strengthen risk management governance and capabilities, JB Financial Group regularly educates all directors on the group's risk management policies, methodologies, and overall risk status. Based on this, the Risk Management Committee under the board of directors, which meets at least once by quarter, approves proposals such as the advancement of the group's operational risk management system and the re-establishment of risk limits for subsidiaries. It also reviews the results of the group's integrated scenario analysis and resolutions from group and subsidiary meetings. Additionally, regular workshops are held for the risk management departments of the holding company and affiliates to discuss current risk management issues and provide related education. A comprehensive risk management manual is used to educate all employees on the organization's overall risk management principles.

Risk Management

Risk Review for New Products/New Businesses

Risk factors are reviewed under pre-defined checklists when new products/new businesses are launched or major policies are changed, which prevents reckless implementation of businesses where associated risks are difficult to determine, allowing reasonable decisions to be made. The risk management department of the subsidiary company has a process in place to conduct preliminary reviews and subsequent monitoring of products, services, and business initiatives proposed by the business units.

In cases where collaboration or joint implementation with other subsidiaries is in progress, the department consults with the parent company's risk management division before conducting the risk review.

Potential Risks

Risks	Definition/Description of Risk	Potential Business Impact	Mitigating Actions
Demographic change risk	Deteriorating profitability of financial institutions due to demographic changes caused by low birth rate and population aging	In 2023, the population aged 65 and over in South Korea reached 9.5 million, accounting for 18.4% of the total population, and it is projected to increase to 20.6% by 2025. The entry into a super-aged society is considered certain, and such population aging poses a risk of decreasing savings rates, thereby weakening the deposit base of financial institutions. If the population decreases and income levels drop, the disposable funds available for savings will diminish, leading to financing difficulties on the part of financial institutions and consequently, the contraction of their support for the real economy and financial intermediation functions. Additionally, if the elderly make extensive use of loans or if their ability to repay debts declines, financial institutions will have to bear the risk of non-performing loans or defaults, and financial liabilities may increase, deteriorating asset soundness. With the decline in the economically active population, if low-interest rates are maintained, there could be a phenomenon of the long-short interest rate spread narrowing due to increased demand for long-term assets centered on the elderly population, which may result in profitability risks for the group.	<ul style="list-style-type: none">• Trust-managing post-retirement funds, developing and managing retirement pensions, pension trusts and other products for the aging society• Promoting overseas investments and business diversification to enhance asset management returns
System and technology failure risk following digital transformation	Operating risks due to cost increase following the failure to introduce new digital technologies and poor response to regulations	Failure to adopt new technologies through digital transformation can significantly disrupt the services provided by financial institutions, increasing costs and compromising customer satisfaction and trust. Unexpected system downtime can cause transaction processing delays, leading to customer attrition. Furthermore, if cybersecurity vulnerabilities arise, it can result in severe data loss and legal liabilities. Such cyber threats can increase regulatory compliance costs for financial groups and negatively impact their financial soundness and market position in the long run.	<ul style="list-style-type: none">• Conduct comprehensive risk assessment and technology validation before introducing new technologies• Continuously monitor and audit technology updates and system changes• Conduct security awareness training and regular drills for employees• Establish disaster recovery and business continuity plans• Engage third-party security specialists for risk assessment and consultation

Responsible Finance

Strategy

Since JB Financial Group declared its ending coal financing in 2022, it has ceased project financing (PF) and related bond underwriting activities for the construction of domestic and international coal-fired power plants. Through this, the group is expanding support for eco-friendly financing and actively promoting the transition to a low-carbon economy. JB Financial Group's climate crisis responses are managed and supervised thoroughly by the ESG Committee within the Board of Directors, and the management team is implementing responsible finance strategies to address climate change. Notably, ESG indicators are included in the performance evaluations of the management team. The CEO is evaluated on the establishment and implementation of the group's ESG management strategy, the CRO on establishing the climate risk assessment framework, and the ESG officers on the development and execution of ESG management strategies and policies.

Moreover, as part of its efforts towards sustainable future finance, JB Financial Group is participating in global environmental initiatives. In particular, we are collaborating with the Partnership for Carbon Accounting Financials (PCAF) and the Science Based Targets initiative (SBTi) to clearly set reduction targets and implementation pathways for each asset class. The group aims to achieve net zero financed emissions by 2045, with plans to reduce emissions by 30% by 2025 and 48% by 2030 compared to 2020 levels. Through such responsible finance activities, JB Financial Group strives to create social and environmental value and enhance sustainability.

Financed Emissions Target

2045 **Net Zero**

Current emissions in 2020: Approximately 980,000 tons

Financed Emissions Intermediate Target

By 2025 **30% reduction**

Targeted emission: Approximately 690,000 tons

By 2030 **48% reduction**

Targeted emission: Approximately 510,000 tons

Assessment

JB Financial Group measures a broader range of financed emissions than required by the Science Based Targets initiative (SBTi) and has set carbon reduction targets for approximately 19% of its total portfolio. In June 2022, it became the second financial company in Korea and the fourth domestic company to receive approval from SBTi for its reduction targets.

Performance

Financed Emissions

Based on the greenhouse gas accounting methodology of the Partnership for Carbon Accounting Financials (PCAF) and the Science Based Targets initiative (SBTi), JB Financial Group has selected industries with intensive climate risks within its loan asset portfolio, and estimated the ratio of exposure and carbon emissions for each industry as suggested by SBTi. As a result, the industries with the highest financed emissions within JB Financial Group's asset portfolio are in the order of other manufacturing and services, commercial real estate, fossil fuels, and cement. For power generation loans, the portfolio currently consists of renewable energy loans 100%, recording zero financed emissions.

Responsible Finance

Category		Unit	2020
Scope 3 financed emissions		tCO ₂ eq	980,416
Portfolio coverage		%	Approximately 19
Scope 3 financed emissions intensity		tCO ₂ eq/KRW billion	385.8
Emissions by sector/ industry	Other manufacturing	tCO ₂ eq	198,403
	Commercial real estate	tCO ₂ eq	192,116
	Gas	tCO ₂ eq	147,130
	Cement	tCO ₂ eq	108,735
	Service	tCO ₂ eq	55,946
	Chemical	tCO ₂ eq	29,371
	Real estate	tCO ₂ eq	12,589
	Transport	tCO ₂ eq	11,107
	Iron/Steel	tCO ₂ eq	8,030
	Pulp & paper	tCO ₂ eq	3,117
	Aluminum	tCO ₂ eq	1,987
	Power generation	tCO ₂ eq	0
	Fossil fuel	tCO ₂ eq	1,431
Emissions intensity by sector/industry	Commercial real estate loans	tCO ₂ eq/m ²	80.7
	Real estate investment and REITs	tCO ₂ eq/m ²	216.4
	Power generation project financing	tCO ₂ eq/MWh	2.1

ESG Responsibility Assessment

We consider 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. We especially set up guidelines for credit management, prohibiting the handling of loans for unhealthy businesses such as gambling, bars, and massages. Face-to-face and nonface-to-face due diligence systems and measures to prevent terrorist financing are implemented to select customers with potential risks, and a separate approval process is in place for business relationships with risky countries. We use the confirmation for the purpose of financial transactions and the checklist for the prevention of financial fraud when having a transaction with clients, aiming to prevent financial damage, such as voice phishing. As a result, if it is determined that there is a high level of risk in terms of ESG, we are implementing a system to protect financial consumers by implementing an engagement policy.

Sustainable Corporate Finance¹⁾

Category			Unit	2021	2022	2023
Green loan, Social loan, Sustainable loan	Jeonbuk Bank	JB Green Biz Loan	KRW 100 million	10,162	9,938	8,891
		Preferential loan for technology finance	KRW 100 million	119	73	67
		Local business promotion finance	KRW 100 million	561	522	450
	Kwangju Bank	Solar power loan	KRW 100 million	6,727	7,121	7,868
		Policy fund loan	KRW 100 million	9,122	7,760	7,262
Sustainability-linked loan	Kwangju Bank	ESG SUPPORT LOAN	KRW 100 million	31	29	27
Total amount of sustainable corporate loans			KRW 100 million	26,722	25,443	24,565
Total amount of corporate loans			KRW 100 million	182,908	222,608	231,782
Ratio of sustainable corporate loans			%	14.61	11.43	10.60

1) Changes in the previous year's report and data calculation standards

Responsible Finance

Sustainable Consumer Finance

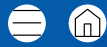
Category			Unit	2021	2022	2023
Sustainable consumer/mortgage loans	Jeonbuk Bank	Low-income financial support loan	KRW 100 million	9,242	17,937	18,304
	Kwangju Bank	Low-income financial support loan	KRW 100 million	2,588	2,138	5,794
		Clean vehicle loan	KRW 100 million	222	506	404
	JB Woori Capital	Environmental pollution prevention loan	KRW 100 million	17	-	-
		Basic services (mid-rate credit loans, etc.)	KRW 100 million	5,524	3,903	2,494
Total amount of sustainable consumer/mortgage loans			KRW 100 million	17,593	24,484	26,996
Total amount of individual and mortgage loans			KRW 100 million	176,350	184,558	177,429
Ratio of sustainable consumer/mortgage loans			%	9.98	13.27	15.22

Sustainable/Green Investment

Category			Unit	2021	2022	2023
Sustainable/ Green investment	Kwangju Bank	Status of relevant holdings (related to Gwangju-type job project funds)	KRW 100 million	260	260	303
		Status of relevant investment bonds	KRW 100 million	7	4	2
	JB Asset Management	JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.1	KRW 100 million	204	177	150
		JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.3	KRW 100 million	189	176	161
		JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.4	KRW 100 million	477	450	421
		JB Clean Energy Specialized Investment Private Equity Special Asset Trust No.5	KRW 100 million	734	673	658
	JB Investment	Mega-HGI Double Impact Investment Partnership	KRW 100 million	20	75	35

ESG Bonds

Category			Unit	2021	2022	2023
Total amount of ESG bonds			KRW 100 million	11,200	15,500	14,270
- Sustainability Bond			KRW 100 million	11,200	15,100	13,870
- Social Bond			KRW 100 million	-	400	400
Total amount of bonds issued			KRW 100 million	78,530	87,730	100,960
Ratio of ESG bonds			%	14	18	14



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Financial Performance

I. Summary of Performance Results

The year 2023 saw credit risk expanding within financial markets due to the economic recession caused by high interest rates and high inflation, leading to significant costs associated with conservative provisioning and supportive finance measures. Nevertheless, JB Financial Group focused on qualitative growth driven by profitability and preemptive risk management, posting a net profit (attributable to controlling interests) of KRW 586 billion. In addition, the group achieved industry-leading profitability with an ROE of 12.13% (attributable to controlling interests) and an ROA of 0.99%, while also maintaining a stable CET1 ratio of 12.15%.

Looking ahead to 2024, the domestic economy is expected to remain in a low-growth phase with ongoing instability in the real estate market and concerns over the deteriorating financial health of borrowers, contributing to continued financial market uncertainty. In this context, preemptive and agile response strategies will be more critical than ever. JB Financial Group is currently analyzing the impact of financial market developments in various market scenarios on the Group and is committed to implementing meticulous response strategies tailored to each situation in a timely manner.

We will continue to strive for the stable continuation of our core strategy of 'qualitative growth focused on profitability' through preemptive and comprehensive risk management based on future predictions. Furthermore, we will swiftly respond to the digital technology advancements in financial markets and promote JB Financial Group's unique digital strategies. Specifically, we will actively pursue strategic alliances with leading fin-tech companies to secure future growth engines for the group. In addition, we will continually work towards the advancement of our internal control systems based on transparent management and professional ethics.

JB Financial Group has evolved through a path of innovation, seeking out and seizing new opportunities. Going forward, all employees will do their utmost with an innovative mindset to establish JB Financial Group as 'Korea's leading hidden champion financial group.'

Key Financial Data (Consolidated Basis)

Unit: KRW 100 million

	2023	2022	YoY(Amt, %p)
Financial Position			
Total assets	634,040	598,282	35,758
Loans	492,664	471,451	21,213
Total liabilities	582,880	550,652	32,229
Deposits	429,581	418,578	11,003
Total equity	51,160	47,630	3,529
Profitability			
Total operating income	20,147	18,050	2,097
Operating income	8,000	8,258	- 258
Net income	6,039	6,183	- 144
Net income of controlling interest	5,860	6,010	- 150
Net interest margin (group)	3.28%	3.13%	0.15%p
Net interest margin (banks)	2.85%	2.74%	0.11%p
ROA	0.99%	1.05%	-0.06%p
ROE	12.13%	13.88%	- 1.75%p
Asset Soundness			
None Performing Loan ratio	0.86%	0.62%	0.24%p
Delinquency rate	0.93%	0.58%	0.35%p
NPL coverage ratio	143.39%	168.00%	-24.61%p
Capital Adequacy			
BIS ratio	14.05%	13.51%	0.54%p
Tier 1 ratio	13.38%	12.66%	0.72%p
CET1 ratio	12.15%	11.39%	0.76%p

Financial Performance

II. Income Statement Review

1. Income Statement

Summary of Consolidated Income Statement

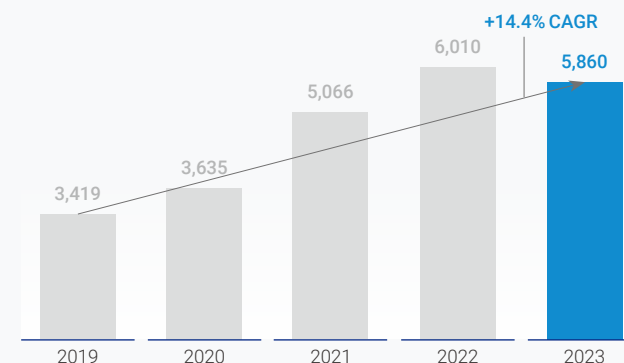
Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
Total operating income	20,147	18,050	2,097	11.62%
Interest income	19,066	17,401	1,665	9.57%
Fees and commissions	790	645	145	22.48%
Lease	616	667	-50	-7.52%
Income on financial instruments	862	405	457	112.84%
Other operating income	-1,187	-1,068	-120	11.21%
SG&A expenses	7,723	7,203	520	7.22%
Provision for credit losses	4,424	2,589	1,835	70.87%
Operating income	8,000	8,258	-258	-3.13%
Non-operating income	-5	64	-69	-107.46%
Before-tax income	7,995	8,322	-327	-3.93%
Income tax expense	1,956	2,139	-184	-8.58%
Net income	6,039	6,183	-143	-2.32%
Attributable to controlling interest	5,860	6,010	-150	-2.50%
Attributable to non-controlling interest	179	172	7	4.27%

JB Financial Group' 2023 net income attributable to controlling interests was KRW 586 billion, a decrease of 2.5% compared to the previous year's KRW 601 billion. However, the compound annual growth rate (CAGR) over the past four years was 14.4%. The decrease in net income compared to the previous year was due to the Livelihood Finance Support Program (KRW -48.4 billion).

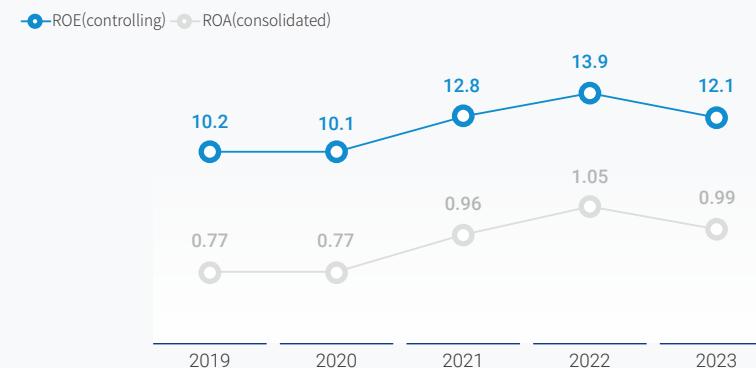
Group's Net Income Trend (controlling interest)

(Unit: KRW 100 million)



Group's Profitability Indicator Trend

(Unit: %)

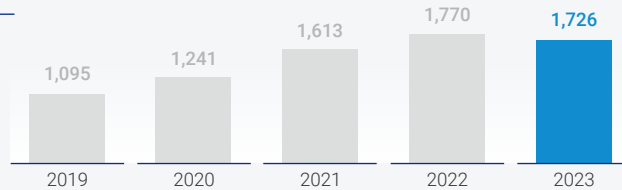


Financial Performance

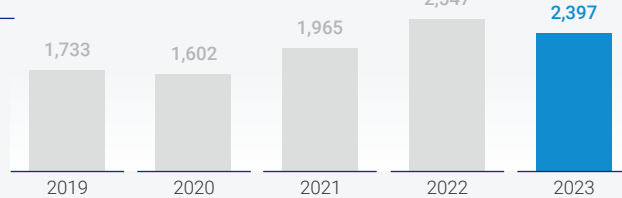
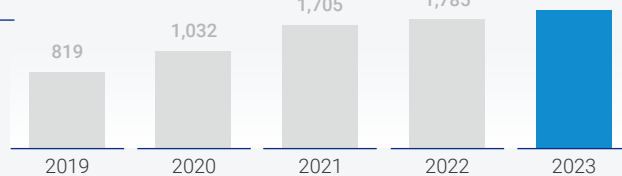
Yearly Net Income by Major Subsidiary (separate)

(Unit: KRW 100 million)

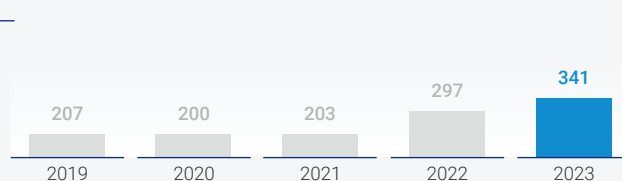
Jeonbuk Bank



Kwangju Bank

JB Woori Capital
(consolidated)

PPCBank

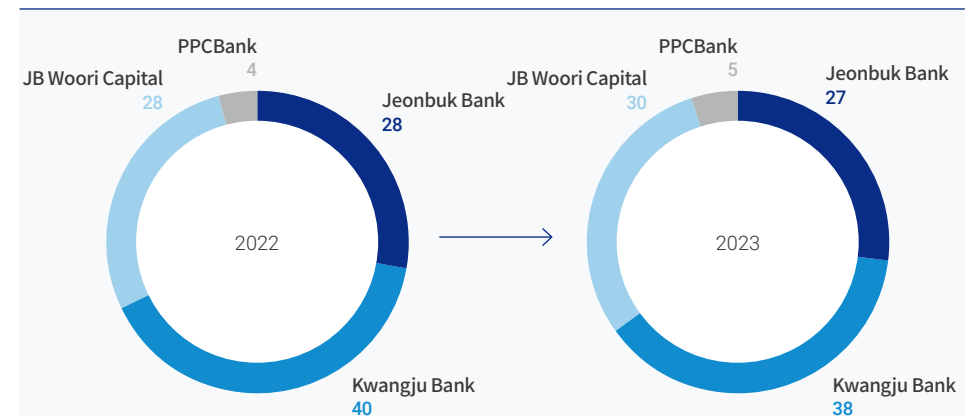


Jeonbuk Bank and Kwangju Bank, the banking subsidiaries of the group, maintained stable performance with a focus on substantial growth, resulting in an increase in interest income and well-maintained SG&A expenses. However, due to the implementation of the Livelihood Finance Support Program, their net income (on a separate basis) slightly decreased compared to the previous year.

Jeonbuk Bank's net income (on a separate basis) decreased by 2.5% year-on-year to KRW 172.6 billion, while Kwangju Bank's net income (on a separate basis) decreased by 5.9% year-on-year to KRW 239.7 billion. JB Woori Capital, a specialized credit finance company, posted an annual net income of KRW 187.5 billion, an increase of 5.1% year-on-year, by revamping the asset portfolio with focus on profitability. Phnom Penh Commercial Bank in Cambodia, a sub-subsidiary, contributed significantly to the expansion of the group's global revenue base with an annual profit increase of 14.8% year-on-year to KRW 34.1 billion.

Net Income Contribution by Subsidiaries

(Unit: %)



Financial Performance

II. Income Statement Review

2. Interest income

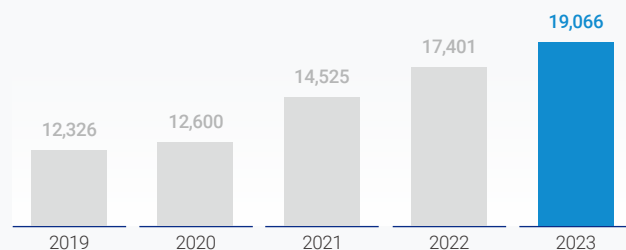
Group Net Interest Income

Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
Interest Income	33,959	25,262	8,697	34.43%
Loans	31,948	23,823	8,125	34.11%
Securities	1,680	1,175	505	42.94%
Other IEA (interest-earning assets)	331	264	67	25.18%
Interest expense	14,893	7,861	7,032	89.46%
Deposits	10,774	5,187	5,587	107.70%
Debt securities issued	3,225	2,187	1,038	47.47%
Borrowings	866	450	417	92.75%
Other IBL (interest-bearing liabilities)	28	38	-9	-24.85%
Interest income	19,066	17,401	1,664	9.56%

Group Net Interest Income

(Unit: KRW 100 million)

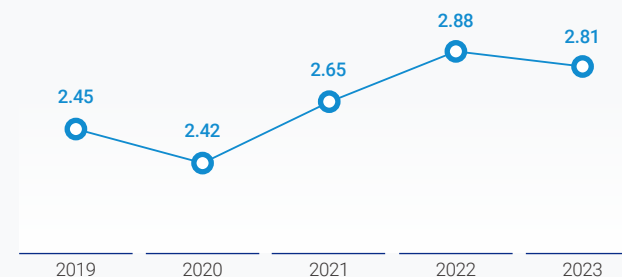


In 2023, JB Financial Group's interest income increased as the group's net interest margin (NIM) rose by 15 basis points year-on-year due to a profitability-focused portfolio adjustment, and the group's loans grew by 4.5% year-on-year. Additionally, the consolidated annual net interest margin of JB Financial Group's banks increased by 11 basis points year-on-year to 2.85% in 2023.

NIM

(Unit: %)

Jeonbuk Bank



Kwangju Bank



Financial Performance

3. Non-interest Income

Group Non-Interest Income

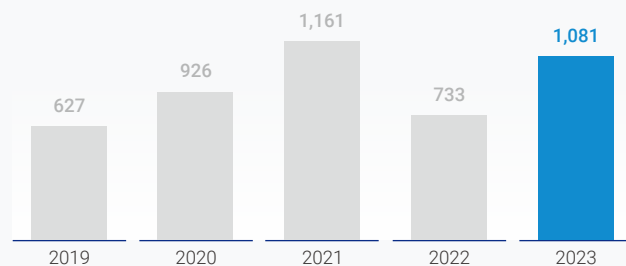
Unit: KRW 100 million

	2023	2022	YoY(Amt.)
Non-interest Income	1,081	648	433
Fees and commissions	790	645	145
Lease	616	667	-50
Securities	749	344	405
FX & Derivatives	113	61	52
Guarantee Fund & Insurance Fees	-1,367	-1,151	-217
Others	180	83	98

The group's non-interest income reached KRW 108.1 billion, driven by growth in securities-related profits. Additional factors contributing to this increase include the rise in PF management fees, and so forth.

Group Non-Interest Income

(Unit: KRW 100 million)



4. Sales, General & Administrative Expenses

Group SG&A Expenses

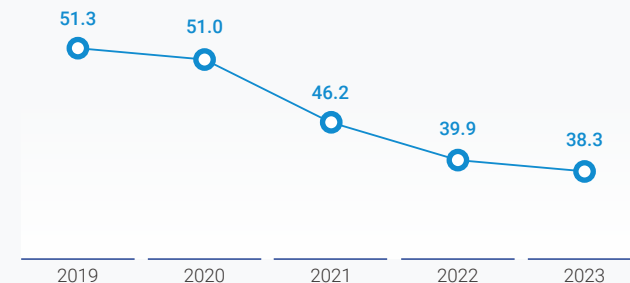
Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
SG&A expenses	7,723	7,203	520	7.22
Salaries & Benefits	5,008	4,802	206	4.28
General & Admin.	1,304	1,246	58	4.62
Early retirement expenses	243	69	175	254.65
Others	1,168	1,086	82	7.55

In 2023, SG & A expenses rose by 7.2% year-on-year to KRW 772.3 billion. However, excluding non-recurring factors such as voluntary retirement payments, the increase was 4.8% year-on-year at a stable level. Furthermore, JB Financial Group has established cost-efficiency improvement strategies, including the effects of reducing personnel costs through voluntary retirement programs over recent years, digital transformation, channel optimization considering customer convenience, and retraining and redeploying idle personnel. As a result, the group's cost-to-income ratio in 2023 decreased by 1.6 percentage points year-on-year to 38.3%. The group plans to continue managing the cost-to-income ratio at a stable level through efficient budget disbursement.

Group Cost-Income Ratio

(Unit: %)



Financial Performance

5. Credit Costs

Group Credit Costs

Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
Provisions for Credit Losses	4,424	2,589	1,835	70.87
Corporate (Banks)	865	370	495	133.66
Household (Banks)	2,301	1,410	891	63.16
Credit Card (Banks)	108	69	39	56.01
JB Woori Capital	1,014	785	229	29.21
Others	137	-45	182	N.A.

Credit Cost Ratio of the Group

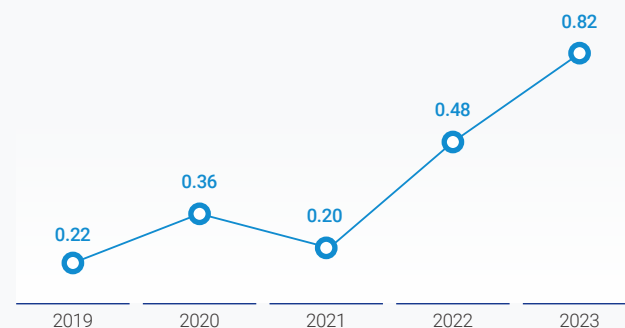
(Unit: %)



The group's annual provisions in 2023 recorded KRW 442.4 billion, an increase of KRW 183.5 billion compared to the previous year. Despite building an asset portfolio based on profitability-oriented sound growth, the provisions increased year-on-year due to conservative changes in RC, such as future economic outlook PD and LGD, and preemptive provisions for IB assets. The main factors for the increase include KRW 47.8 billion from RC changes and KRW 18.2 billion from preemptive provisions for IB assets. We will continue to strive for effective risk management to ensure the asset soundness indicators are maintained favorably. The credit cost ratio was 0.91% for the group and 0.82% for all banks combined.

Total Credit Cost Ratio of All Banks Combined

(Unit: %)



Financial Performance

III. Balance Sheet Review

1. Balance Sheet Overview

Summary of Consolidated Balance Sheets

Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
Total assets	634,040	598,282	35,758	5.98
Cash and due from banks	19,028	20,800	-1,772	-8.52
Securities	90,650	75,050	15,600	20.79
Loans	492,664	471,451	21,213	4.50
Lease assets	9,484	12,967	-3,483	-26.86
Tangible assets	7,872	4,494	3,378	75.17
Intangible assets	1,968	1,676	292	17.44
Other assets	12,373	11,843	530	4.47
Total liabilities	582,880	550,652	32,228	5.85
Deposits	429,581	418,578	11,003	2.63
Borrowings	27,476	23,383	4,093	17.51
Debt securities issued	106,166	92,313	13,853	15.01
Other liabilities	19,657	16,377	3,280	20.03
Total equity	51,160	47,630	3,530	7.41
Capital stock	9,849	9,849	0	0.00
Hybrid debts	4,050	4,030	20	0.50
Capital surplus	7,044	7,049	-5	-0.08
Retained earnings	29,832	25,833	3,999	15.48
Other equity	-748	-990	242	-24.49
Non-controlling interests	1,132	1,859	-727	-39.11
Total Liabilities and Equity	634,040	598,282	35,758	5.98

At the end of 2023, JB Financial Group's consolidated total assets recorded KRW 63.404 trillion, a 6.0% increase compared to the previous year. Loans increased by approximately 4.5% year-on-year due to rising corporate funding demand, including IB, from both banks and the capital company, leading to a 2.6% year-on-year increase in deposit liabilities. Retained earnings increased by 15.5% year-on-year due to robust profit growth.

Assets and Liabilities by Subsidiaries¹⁾

Unit: KRW 100 million

		2023			2022		
		Total assets	Total liabilities	Total equity	Total assets	Total liabilities	Total assets
Holding Company	JB Financial Group	30,366	7,900	22,466	30,904	8,245	22,659
	Jeonbuk Bank	228,330	210,656	17,674	219,248	202,998	16,250
	Kwangju Bank	297,649	276,140	21,509	285,638	264,528	21,110
Subsidiary	JB Woori Capital	92,060	79,410	12,650	79,310	68,199	11,111
	JB Asset Management	1,087	661	426	1,026	650	376
	JB Investment	510	35	475	470	31	439
	PPCBank	13,832	11,016	2,816	12,547	10,084	2,463
Sub-subsubsidiary	JB Capital Myanmar	112	64	48	77	63	14
	JB Securities Vietnam	646	116	530	536	3	533
	JB PPAM	34	3	31	34	-	34

1) Complied on a separate basis

Financial Performance

2. Deposits

Deposits by Banks

Unit: KRW 100 million

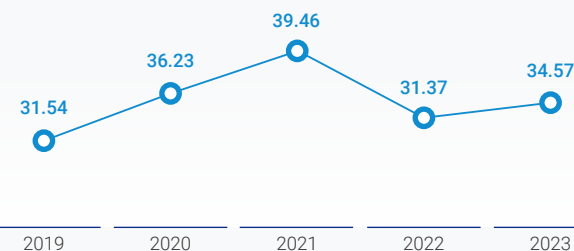
	2023	2022	YoY(Amt.)	YoY(%)
Jeonbuk Bank				
Deposits	181,488	179,091	2,397	1.34
Deposits in KRW	177,822	177,821	1	0
Low-cost deposit	61,683	55,940	5,743	10.27
- Demand	27,238	29,129	-1,891	-6.49
- Savings	17,465	15,852	1,613	10.17
- Corporate savings	16,981	10,959	6,022	54.95
Time deposit	113,398	118,884	-5,486	-4.61
Installment deposit	2,741	2,997	-256	-8.53
Kwangju Bank				
Deposits	239,993	231,977	8,016	3.46
Deposits in KRW	228,507	229,435	-929	-0.40
Low-cost deposit	93,037	97,835	-4,799	-4.90
- Demand	50,669	57,520	-6,852	-11.91
- Savings	28,837	29,784	-947	-3.18
- Corporate savings	13,531	10,531	3,000	28.49
Time deposit	131,400	127,794	3,606	2.82
Installment deposit	3,954	3,385	569	16.81

Jeonbuk Bank's deposits in KRW remained at the same level as the previous year, while Kwangju Bank's deposits in KRW decreased by 0.4% year-on-year. The weight of low-cost deposits at Jeonbuk Bank increased by 3.2% year-on-year, whereas it decreased by 2.0% at Kwangju Bank.

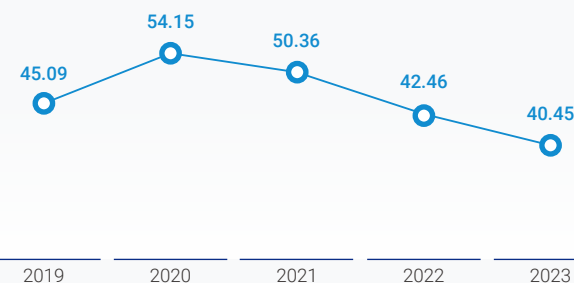
Weight of Low-cost

(Unit: %)

Jeonbuk Bank



Kwangju Bank



Financial Performance

3. Loans

Loans by Banks

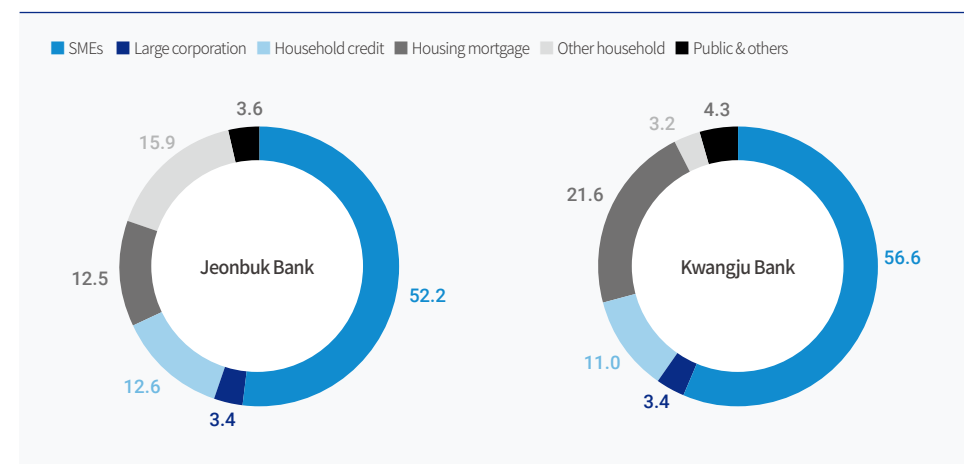
Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
Jeonbuk Bank				
Loans in KRW	172,171	169,230	2,941	1.74
- Corporate	95,687	89,537	6,151	6.87
- SME	89,804	85,131	4,673	5.49
- Large corporation	5,883	4,406	1,477	33.52
- Household	70,362	76,124	-5,762	-7.57
- Mortgage	21,451	25,020	-3,569	-14.26
- Public & others	6,122	3,570	2,552	71.47
Kwangju Bank				
Loans in KRW	226,909	214,912	11,997	5.58
- Corporate	136,095	124,915	11,180	8.95
- SME	128,333	119,707	8,626	7.21
- Large corporation	7,762	5,208	2,554	49.04
- Household	81,062	81,840	-778	-0.95
- Mortgage	48,946	51,918	-2,972	-5.72
- Public & others	9,752	8,157	1,595	19.55

Jeonbuk Bank's loans in KRW in 2023 increased by 1.7% year-on-year, reaching KRW 17.2 trillion. Corporate loans grew significantly, while household loans decreased due to the repayment of mortgage loans and interim payment loans. Kwangju Bank's loans in KRW increased by 5.6% year-on-year, reaching KRW 22.7 trillion. Although household loans slightly decreased, corporate loans grew by 9.0%, primarily driven by quality SMEs and large enterprises.

Portfolio of Loan in KRW

(Unit: %)



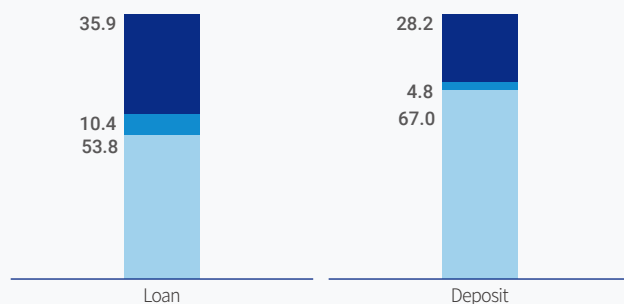
Financial Performance

Loan/Deposit Ratio by Region

(Unit: %)

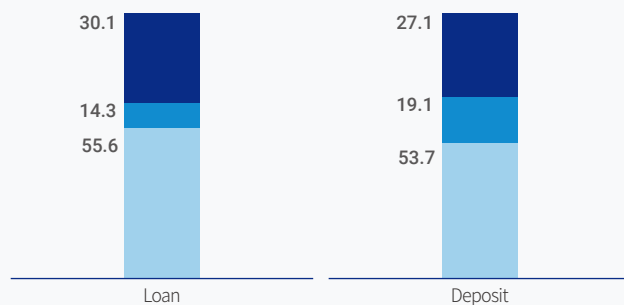
Jeonbuk Bank

Jeonbuk-do Daejeon/Sejong Seoul Metropolitan Area



Kwangju Bank

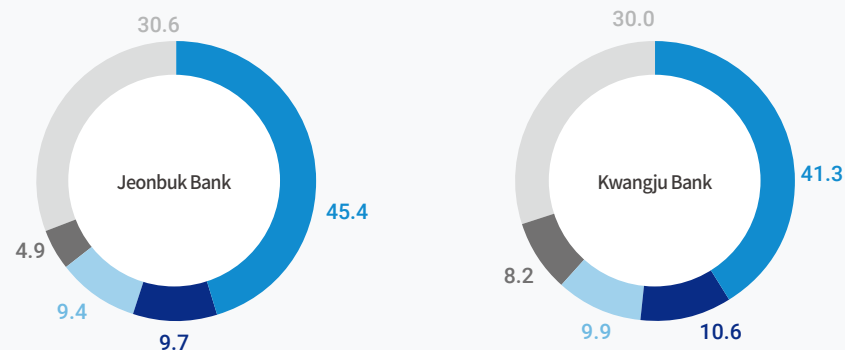
Gwangju Jeollanam-do Seoul Metropolitan Area



Corporate Loan Portfolio by Industry

(Unit: %)

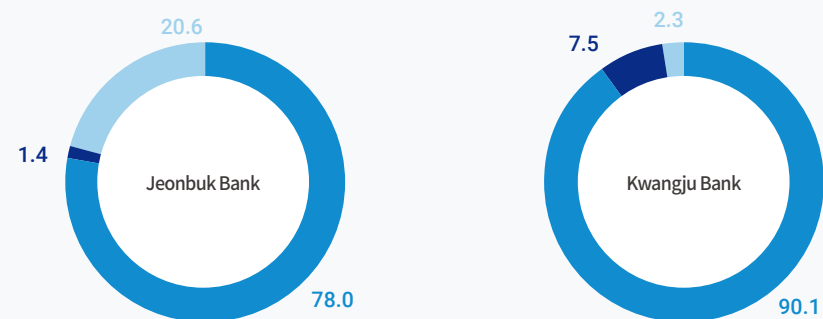
Real estate/Leasing Wholesales & Retail Manufacturing Construction Others



Types of KRW Loan Interest Rate

(Unit: %)

Floating interest rate Mixed type Fixed interest rate

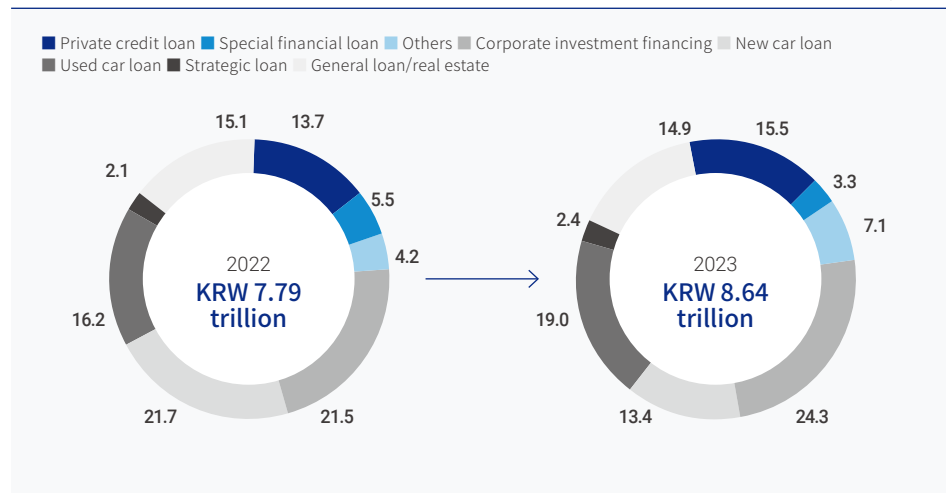


Financial Performance

4. JB Woori Capital

Financial Assets Portfolio

(Unit: %)



In response to intensifying competition in the new car finance market due to the entry of banks and card companies into the auto finance industry, JB Woori Capital has been reducing its share of new car finance since 2018. Instead, it has focused on more profitable non-auto finance sectors such as used car finance, corporate finance, and individual credit loans. As a result of strengthening its corporate finance sector, the share of investment finance has expanded.

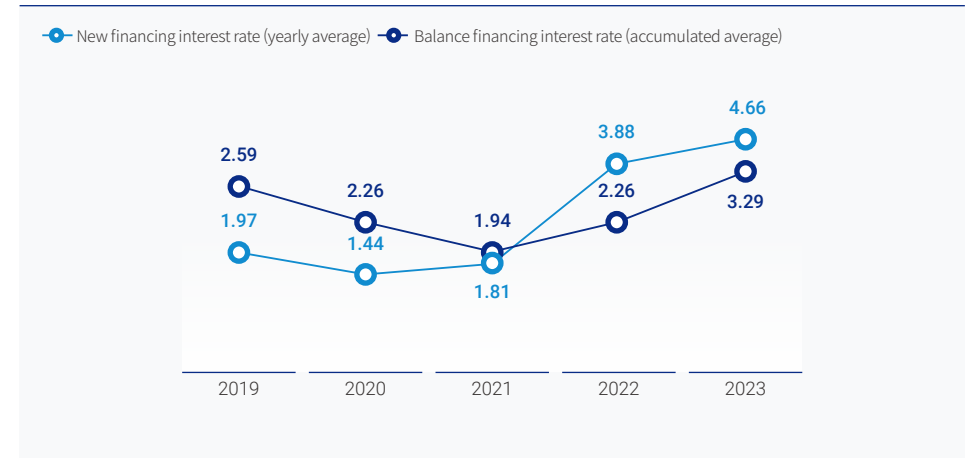
Funding Structure

Unit: KRW 100 million

	2023	2022	YoY(Amt.)	YoY(%)
Total	76,800	65,400	11,400	17.43
Corporate bonds	66,700	57,400	9,300	16.20
CP	10,000	7,900	2,100	26.58
ABS	-	-	-	-
Borrowings	100	100	0	0

Funding Rate Trend

(Unit: %)



Financial Performance

IV. Asset Quality Review

Group Asset Quality

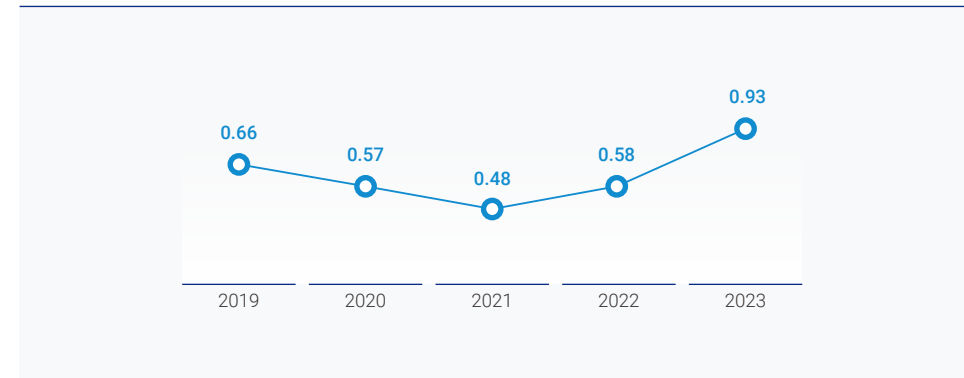
Unit: KRW 100 million

	2023	2022	YoY(Amt. %p)	YoY(%)
Total Credits	485,143	463,333	21,810	4.71
Normal	474,194	456,765	17,429	3.82
Precautionary	6,756	3,682	3,074	83.48
Substandard	2,292	1,655	636	38.45
Doubtful	1,110	654	455	69.61
Estimated loss	791	576	215	37.33
Precautionary & Below Ratio	2.26%	1.42%	0.84%p	-
Precautionary & below	10,949	6,568	4,381	66.70
Non Performing Loan ratio	0.86%	0.62%	0.24%p	-
Substandard & below	4,193	2,886	1,307	45.29
NPL Coverage Ratio	143.39%	168.00%	-24.61%p	-
Loan loss allowance	6,012	4,848	1,164	24.01
Delinquency Ratio	0.93%	0.58%	0.35%p	-
Delinquent loans	4,528	2,708	1,820	67.23

In 2023, the group's NPL ratio was approximately 0.86%, an increase of 24 basis points compared to the previous year. However, the NPL coverage ratio remained at a favorable level of 143.4%. The delinquency rate was 0.93%, an increase of 35 basis points year-on-year.

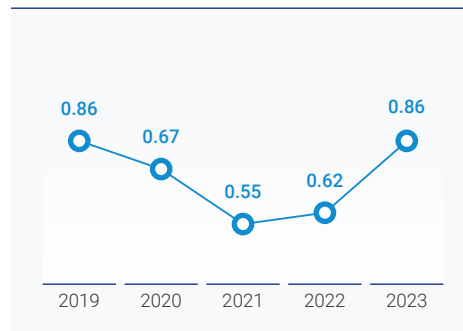
Delinquency ratio

(Unit: %)



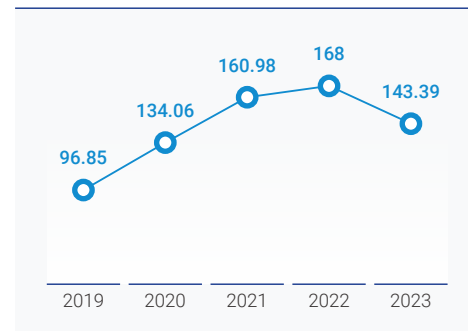
NPL Ratio

(Unit: %)



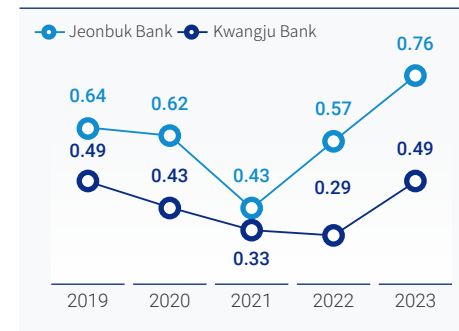
NPL Coverage Ratio

(Unit: %)



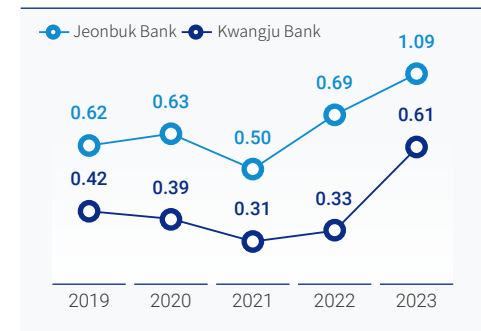
NPL Ratio by Bank

(Unit: %)



Delinquency Ratio by Bank

(Unit: %)



Financial Performance

V. Capital Adequacy Review

Group Capital Adequacy

Unit: KRW 100 million

	2023	2022	YoY(Amt, %p)	YoY(%)
BIS Capital	47,474	43,969	3,505	7.97
Tier 1 Capital	45,211	41,198	4,013	9.74
CET 1 Capital	41,048	37,057	3,992	10.77
Risk-Weighted Assets	337,786	325,441	-12,345	-3.65
BIS Ratio (%)	14.05	13.51	0.54%p	-
Tier 1 Ratio (%)	13.38	12.66	0.72%p	-
CET 1 Ratio (%)	12.15	11.39	0.76%p	-

In 2023, the group's capital adequacy improved due to an increase in retained earnings and the implementation of the final Basel III rules. The BIS ratio increased by 54 basis points year-on-year to 14.05%, the Tier 1 ratio improved by 72 basis points to 13.38%, and the common equity Tier 1 (CET1) ratio improved by 76 basis points to 12.15%, exceeding the regulatory maximum of 9.5%. Risk-weighted assets decreased by 3.7%, while common equity capital increased by 10.8% year-on-year due to an increase in the group's net profit attributable to controlling interests. Despite the capital increase, the ROE remained at double-digit levels during the same period. The dividend payout ratio for 2023 was increased by 1 percentage point to 28.0% compared to the previous year, and a share buyback of KRW 30 billion was conducted to bolster the shareholder return policy. JB Financial Group will continue to focus on securing loss absorption capacity and enhancing shareholder return policies based on a stable capital ratio.

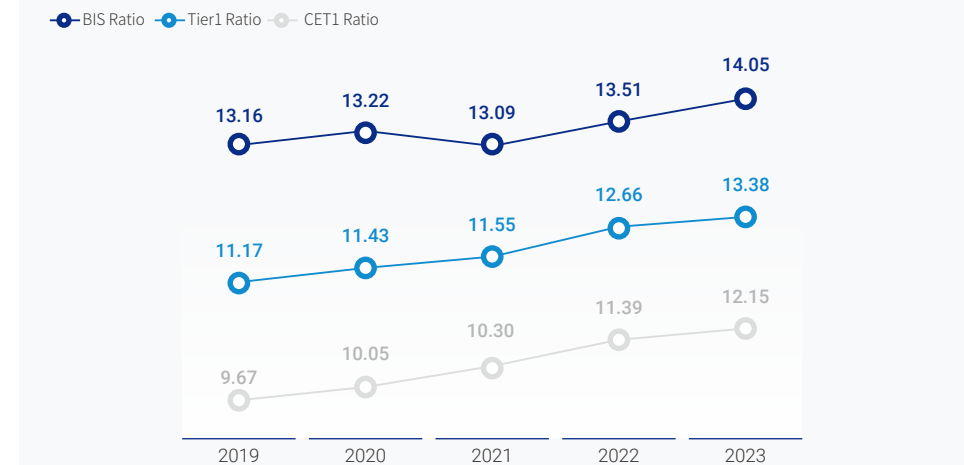
BIS Leverage Ratio Status

Unit: KRW 100 million, %

Components of BIS leverage	Unit	2023	2022
Basel III Tier 1 Capital	KRW 100 million	45,211	41,198
Basel III Total risk exposure	KRW 100 million	666,273	641,268
Basel III Leverage ratio	%	6.79	6.42

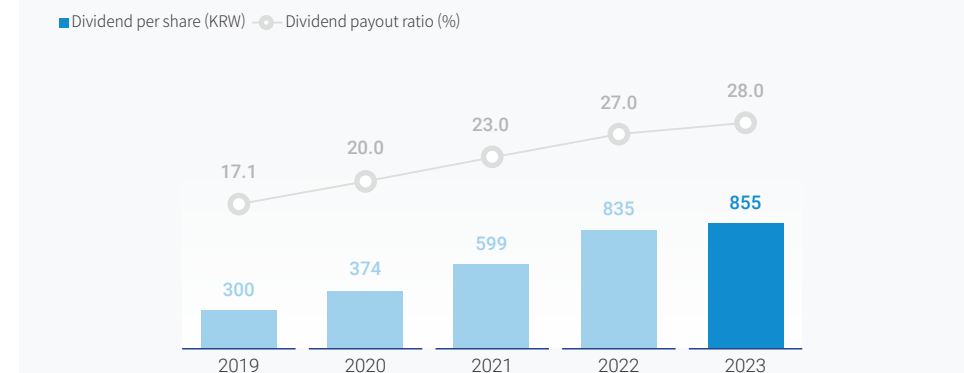
Group's BIS Capital Ratio

(Unit: %)



Dividend

(Unit: KRW, %)



Independent Auditor's Report

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

Opinion

We have audited 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, 2023 and 2022, 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 material 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, 2023 and 2022, 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).

In accordance with Korean Standards on Auditing, we also have audited the Company's Internal Control over Financial Reporting for consolidation purposes as of December 31, 2023, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting, and expressed an unqualified opinion in our report dated March 15, 2024.

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 (collective assessment)

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 a 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. 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.

Of the entire amount of loans measured at amortized cost amounting to ₩49,881,608 million (allowance for loan losses: ₩615,203 million (Note 15)), the balances of loans measured at amortized cost subject to collective assessment and its allowance for loan losses are ₩49,441,009 million and ₩570,982 million, respectively.

Independent Auditor's Report

How Our Audit Addressed the Key Audit Matter

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 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 evidence.

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.

Independent Auditor's Report

- 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 Lee Seung-ho, Certified Public Accountant.


Samil PricewaterhouseCoopers

Seoul, Korea
March 15, 2024

This report is effective as of March 15, 2024, 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.

UN SDGs

The Sustainable Development Goals (SDGs) are 17 goals that the international community must pursue to address global challenges of humanity such as poverty, hunger, diseases, education, gender equality, environment, and so forth. JB Financial Group is working to various initiatives to achieve the Sustainable Development Goals in such areas as improvement of social inclusion and equality, sustainable economic growth, environmental protection and sustainable production/consumption. Based on its role and influence as a financial institution, JB Financial Group will actively participate in the implementation of the SDGs and contribute to the international community's efforts towards a sustainable future.

Category	UN SDGs	JB Financial Group's Major Activities	Page
Emphasized	 1. End poverty in all its forms everywhere	<ul style="list-style-type: none"> Putting inclusive finance into action and safeguarding financial consumers Operating financial education programs for low-income earners Expanding financial services for marginalized groups 	40, 41, 47, 48
	 3. Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Social contribution activities for vulnerable and marginalized groups Volunteer activities by employees Operating health promotion programs 	42, 43, 44
	 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Providing safe, inclusive and effective learning environment Providing scholarship continuously Supporting education-related infrastructure 	54, 55, 56
	 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Fostering unique regional cultures Creating sustainable jobs Operating SME support programs 	54
Related	 7. Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> Setting and fulfilling carbon emission reduction targets Education and campaign on climate change response 	33, 34, 35, 36
	 13. Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Supporting eco-friendly energy projects 	33, 34, 35, 36

Category	UN SDGs	JB Financial Group's Major Activities	Page
Related	 5. Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Supporting gender equality in employment, HR system and childcare Joining the UN Women's Empowerment Principles (WEPs) Appointing female outside directors 	19, 60
	 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Contributing to communities 	42, 43, 44
	 11. Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Social contribution activities by employees Partnership with welfare organizations Strengthening cooperation with global financial institutions 	42, 43, 44
	 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development		42, 43, 44
	 12. Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Implementing paperless systems Monitoring waste discharging and recycling 	52
	 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> Financial consumer protection and personal data protection policies Enhancing internal control systems to ensure compliance Operating anti-corruption and ethics education programs 	72, 73, 79, 80

UN Global Compact

The UN Global Compact (UNGC) is a voluntary corporate citizenship initiative that encourages businesses to incorporate ten principles in four areas: human rights, labor, environment, and anti-corruption into their business activities. In 2018, JB Financial Group joined the UNGC and officially declared its advocacy for the ten principles. Since then, we have embedded and practiced universal principles of sustainable management within our operations. Moving forward, JB Financial Group will continue to actively participate in achieving the UN's Sustainable Development Goals and strive to fulfill our social role and responsibilities as a sustainable financial group.

Category	Ten Principles	Activities and Achievements	Page
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> Establishing human rights policy and workplace sexual harassment/bullying prohibition declaration Encouraging the formation of culture upholding diversity and inclusiveness Operating human rights education program 	70, 71
	Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> Conducting human rights impact assessment Implementing human rights risk mitigation processes and remedial actions Operating 'JB Doodream,' an insider whistleblowing system 	70, 71
Labor	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> Complying with the international labor standards of the ILO Guaranteeing freedom of association and collective bargaining rights Adhering to labor-management consultation procedures and revitalizing communication channels 	65
	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	<ul style="list-style-type: none"> Monitoring and regularly inspecting compulsory labor risks Preventing forced labor at business partners and providing support Complying with domestic and international labor standard statutes 	70, 71
	Principle 5. Businesses should uphold the effective abolition of child labour.	<ul style="list-style-type: none"> Monitoring and regularly inspecting child labor risks Eliminating child labor at business partners and providing support Complying with domestic and international labor standard statutes 	70, 71
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> Encouraging the formation of culture upholding diversity and inclusiveness Establishing and implementing fair and equitable hiring processes Providing equal pay for all genders and operating a fair performance management system 	60, 61, 65, 67

Category	Ten Principles	Activities and Achievements	Page
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> Declaring coal phase-out finance and net-zero Preparing for implementation of the TCFD recommendations Complying with environmental laws and operating education programs 	33, 34, 111, 112
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> Measure GHG emissions (Scope 1, 2, 3) and establish reduction targets/plans Implementing paperless systems Monitoring waste discharging and recycling 	50, 51, 52
	Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Issuing ESG bonds Supporting sustainable corporations and consumer finance Operating sustainable/green investment programs 	35, 86, 87
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery	<ul style="list-style-type: none"> Establishing a code of conduct for employees Developing anti-money-laundering (AML) policies Implementing anti-corruption system (ISO 37001) and launching associated initiatives 	79, 80

GRI Content Index

Statement of use	GRI 1 used	GRI Sector Standards
About this Report	GRI 1: Foundation 2021 GRI Sector Standards	Currently not applicable (GRI Financial Sector Standards not published yet)

Topic	No.	Disclosure	Page	Remarks
General Disclosures				
GRI 2 : General Disclosures 2021	2-1	Organizational details	6	-
	2-2	Entities included in the organization's sustainability reporting	7, 8, 9	-
	2-3	Reporting period, frequency and contact points	2	-
	2-4	Restatements of information	61, 62, 87	-
	2-5	External assurance	122	-
	2-6	Activities, value chain and other business relationships	10	-
	2-7	Employees	60, 61, 62, 63	-
	2-8	Workers who are not employees	60	-
	2-9	Governance structure and composition	20, 74, 75, 76, 77	-
	2-10	Nomination and selection of the highest governance body	77	-
	2-11	Chair of the highest governance body	75	-
	2-12	Role of the highest governance body in overseeing the management of impacts	76, 77	-
	2-13	Delegation of responsibility for managing impacts	76, 77	-
	2-14	Role of the highest governance body in sustainability reporting	20	-
	2-15	Conflicts of interest	74	-

Topic	No.	Disclosure	Page	Remarks
General Disclosures				
GRI 2 : General Disclosures 2021	2-16	Communication of critical concerns	22, 23, 76, 77	-
	2-17	Collective knowledge of the highest governance body	76, 77	-
	2-18	Evaluation of the performance of the highest governance body	76, 77	-
	2-19	Remuneration policies	78	-
	2-20	Process to determine remuneration	78	-
	2-21	Annual total compensation ratio	Annual Report	-
	2-22	Statement on sustainable development strategy	4	-
	2-23	Policy commitments	68, 70, 72, 79, 80, 81	-
	2-24	Embedding policy commitments	68, 70, 72, 79, 80, 81	-
	2-25	Processes to remediate negative impacts	70, 71	-
	2-26	Mechanisms for seeking advice and raising concerns	70, 71	-
	2-27	Compliance with laws and regulations	80	-
	2-28	Membership associations	57	-
	2-29	Approach to stakeholder engagement	24, 25	-
	2-30	Collective bargaining agreements	65	-

GRI Content Index

Topic	No.	Disclosure	Page	Remarks
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	21	-
	3-2	List of material topics	21	-
Inclusive Finance and Social Contribution	3-3	Management of Material Topics		
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	42, 43, 44	
	413-2	Operations with significant actual and potential negative impacts on local communities	-	No applicable business site
Integrated Risk Management	3-3	Management of Material Topics		
Non-GRI	-	-	82, 83, 84	-
Response to Climate Change	3-3	Management of Material Topics		
GRI 302: Energy	302-1	Energy consumption within the organization	51	-
	302-2	Energy consumption outside of the organization	-	Not disclosed
	302-3	Energy intensity	51	-
	302-4	Reduction of energy consumption	51	-
	302-5	Reductions in energy requirements of products and services	-	Not applicable
GRI 303: Water	303-1	Interactions with water as a shared resource	52	-
	303-2	Management of water discharge-related impacts	52	-
	303-3	Water withdrawal	53	-
	303-4	Water discharge	-	Not applicable
	303-5	Water consumption	-	Not applicable

Topic	No.	Disclosure	Page	Remarks
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	50	-
	305-2	Energy indirect (Scope 2) GHG emissions	50	-
	305-3	Other indirect (Scope 3) GHG emissions	51	-
	305-4	GHG emissions intensity	50	-
	305-5	Reduction of GHG emissions	-	Not applicable
	305-6	Emissions of ozone-depleting substances (ODS)	-	Not applicable
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	Not applicable
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	52	-
	306-2	Management of significant waste-related impacts	52	-
	306-3	Waste generated	52	-
	306-4	Waste diverted from disposal	52	-
	306-5	Waste directed to disposal	52	-
Customer Data Protection and Information Security	3-3	Management of Material Topics		
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	72, 73	-
Creation of Sustainable Economic Performance	3-3	Management of Material Topics		
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	13	-
	201-2	Financial implications and other risks and opportunities due to climate change	112, 113	-
	201-3	Defined benefit plan obligations and other retirement plans	66	-
	201-4	Financial assistance received from government	-	Annual Report

GRI Content Index

Topic	No.	Disclosure	Page	Remarks
Digital Transformation	3-3	Management of Material Topics		
Non-GRI	-	-	27, 28, 29, 30, 31	-
Sound and Transparent Governance Structure	3-3	Management of Material Topics		
Non-GRI	-	-	74, 75, 76, 77, 78	-
Ethics and Compliance	3-3	Management of Material Topics		
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	80, 81	-
	205-2	Communication and training about anti-corruption policies and procedures	80, 81	-
	205-3	Confirmed incidents of corruption and actions taken	80, 81	-
GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	80, 81	-
Financial Consumer Protection	3-3	Management of Material Topics		
Non-GRI	-	-	45, 46, 47, 48	-
Management of organizational culture and human resources	3-3	Management of Material Topics		
GRI 401: Employment	401-1	New employee hires and employee turnover	61, 62	-
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	66	-
	401-3	Parental leave	66	-
GRI 404: Training and education	404-1	Average hours of training per year per employee	64	-
	404-2	Programs for upgrading employee skills and transition assistance programs	65	-
	404-3	Percentage of employees receiving regular performance and career development reviews	67	-
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	61, 62, 63	-
	405-2	Ratio of basic salary and remuneration of women to men	65	-

Topic	No.	Disclosure	Page	Remarks
ESG Management Enhancement	3-3	Management of Material Topics		
Non-GRI	-	-	17, 18	-
Customer-Centered Management	3-3	Management of Material Topics		
GRI 417: Marketing and labeling	417-1	Requirements for product and service information and labeling	46	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	No violations
	417-3	Incidents of non-compliance concerning marketing communications	-	No violations
Non Material Topics				
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	68	-
	403-2	Hazard identification, risk assessment, and incident investigation	68, 69	-
	403-3	Occupational health services	68, 69	-
	403-4	Worker participation, consultation, and communication on occupational health and safety	68, 69	-
	403-5	Worker training on occupational health and safety	68, 69	-
	403-6	Promotion of worker health	68, 69	-
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68, 69	-
	403-8	Workers covered by an occupational health and safety management system	68, 69	-
	403-9	Work-related injuries	68, 69	-
	403-10	Work-related ill health	68, 69	-
GRI 406: Prohibition of discrimination	406-1	Incidents of discrimination and corrective actions taken	70, 71	-
GRI 415: Public policies	415-1	Political donations	57	-

TCFD

Governance

a) Describe the board's oversight of climate-related risks and opportunities

b) Describe management's role in assessing and managing climate-related risks and opportunities

The JB Financial Group operates an ESG Committee within its board of directors, making comprehensive decisions regarding climate change. The ESG Committee is the highest decision-making body that establishes and oversees the group's ESG management strategies and policies, including those related to climate change. In 2023, the ESG Committee held two meetings, during which it resolved the establishment of ESG-related policies and standards, the promotion of key social contribution activities of the group, and received reports on the implementation status of ESG initiatives and evaluation results.

The management of JB Financial Group is enhancing its role to systematically respond to climate change crises and opportunities. To build a company-wide response system involving all levels from working-level staff to executives, the ESG Committee operates within the board, with an ESG Council, an ESG Working-Level Council under its umbrella, and ESG implementation organizations for each affiliate. The group's CEO not only reports on climate change-related matters to the board but also participates directly as a member of the ESG Committee, monitoring the progress of climate change initiatives to ensure a balance between the committee's supervisory function and the management's execution function. To bolster ESG management and advance towards a sustainable future in finance, JB Financial Group has incorporated ESG agendas into the management performance indicators. The key indicators include the performance of net-zero, financed emissions, and climate risk management outcomes. The holding company's ESG team, which leads the ESG Working-Level Council, carries out tasks such as establishing climate change response strategies and policies, and managing the green finance performance of subsidiaries. The team is also actively engaged in practical activities for climate change response by incorporating financed emissions, climate risk management systems, and net-zero roadmap establishment into the performance evaluation indicators.

Governance for Climate Change Response

ESG Working-Level Council

- Working-level personnel in charge of ESG tasks
- Discussions on key ESG initiative progress
- Communication on major ESG issues

ESG Council

- Executive members of the Group and subsidiaries and ESG task managers
- Discussions on major ESG issues
- Managing and Monitoring ESG performance

Board of Directors (ESG Committee)

- Review and examine key ESG strategies and tasks
- Managing and monitoring ESG performance of holding company / subsidiaries
- Making decisions on ESG-related issues such as climate change

TCFD

Strategy

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including 2°C or lower scenario

JB Financial Group identifies potential risks and opportunities associated with climate change and assesses their financial impact for effective management. And the defined risks and opportunities are as follows.

Risks

Category		Risk Impacts and JB Financial Group's Responses	Period
Transition risks	Policy and Legal	To achieve the Nationally Determined Contributions (NDCs) for GHG reduction, it is expected that the price of carbon credits will rise and environmental disclosure obligations will be strengthened. This could lead to an increase in environmental litigation, which may pose legal risks for the group. In response, JB Financial Group is enhancing the application of global disclosure standards within its climate change response system and assessing the financial impacts of regulations to incorporate these into its business strategy.	Short/mid/long-term
	Market	Due to climate change, there is a growing risk for our group as market uncertainty and changes in consumer behavior arise. To address this, we are focusing on establishing an eco-friendly asset portfolio and developing green products and services. This has allowed us to increase our market share in green finance through the creation of unique products. In 2022, we provided KRW 1.6759 trillion in loans to the renewable energy sector and invested KRW 173 billion in the green sector.	Mid/long-term
	Technology	As we transition into a green society, there is an increasing need for research and development of new technologies that can reduce GHG emissions and energy consumption. JB Financial Group is committed to supporting this transition through our strong financial capabilities. We offer a range of products related to solar power generation, green vehicles, energy efficiency improvement, and renewable energy. Another focus is on the development of green technologies, such as low-carbon green energy sources.	Mid/long-term
	Reputation	Financial institutions' ability to respond to climate risks is closely tied to their reputation. Global investors and national pension funds are increasingly demanding that financial companies take active steps to address climate change. In light of this, we view responding to climate change as a critical aspect of risk management. By doing so, we aim to protect our brand value, avoid negative perceptions of our reputation, and minimize reputational risks.	Mid/long-term
Physical risks	Acute	Short-term climate phenomena, such as typhoons or floods, are increasing in frequency and severity, which poses greater risks. In response, we take into account the possible risks caused by short-term abnormal weather events, such as power outage, financial trading suspension, or system disorder, come up with countermeasures, and carry out response drills.	Short/mid-term
	Chronic	Long-term changes in climate pattern can lead to sea level rise or continued abnormally high temperatures. JB Financial Group analyzes the scenarios concerning possible chronic physical risks in order to formulate strategies and countermeasures against abnormal weather conditions from the long-term perspective.	Mid/long-term

TCFD

Strategy

Opportunities

Category	Risk Impacts and JB Financial Group's Responses	Period
Products and services	JB Financial Group is assessing financed emissions in order to detect risks associated with climate change within its portfolio. Based on that, we will create a business strategy and portfolio that takes into account financed emissions for future financial product supply and direct investment activities. Furthermore, we aim to increase the range of green financial products we offer, providing financial assistance for the creation of eco-friendly value. Our investment portfolios, which include stocks, bonds, and loans, will be subject to responsible financing activities as we consider climate risks.	Short/mid-term
Market	We anticipate the emergence of new markets for environmentally friendly products and services, which will lead to a rise in ESG funds and improved investment returns for target companies. In response, we intend to provide specialized products such as low-carbon funds and ETFs.	Short/mid-term

Climate Change Scenario

JB Financial Group estimates the financed emissions of its asset portfolio based on the 2DS, B2DS, NZE scenario analysis and PCAF methodology of the Energy Technology Perspective published by the International Energy Agency (IEA), and develops responses accordingly. In addition, we plan to further analyze physical risk scenarios under the GHG reduction policy scenario (RCP 4.5) and the business-as-usual scenario (RCP 8.5). We endeavor to achieve the net-zero goal by translating the GHG reduction effect into economic value and conducting voluntary and diverse reduction activities.

TCFD

Risk Management

a) Describe the organization's processes for identifying and assessing climate-related risks

b) Describe the organization's processes for managing climate-related risks





c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

JB Financial Group runs the Risk Management Committee within the Board of Directors and sets up a company-wide risk integration process that includes climate change risks. In particular, as the significance of the climate change response system has recently risen, we plan to analyze the actual and potential impacts of climate change-related risks and opportunities on the group's business, strategy, and financial plans and integrate and manage them systematically. Based on this, we report all monitoring and management statuses to the Risk Management Committee, ESG Committee, and the management. Then, we implement practical actions for climate change response through dedicated departments, such as the ESG Council and ESG Working-Level Council.

Risk Type

Financial Risk	Non-financial Risk
Credibility	Regulation
Market	Technology
Reputation	Law/Regulation

Risk Management Process

			
Recognition <ul style="list-style-type: none">Analyze climate change issuesInvestigate the risk source and possibility of occurrence	Measurement and evaluation <ul style="list-style-type: none">Assess risks and opportunitiesIdentify top risks	Control and management <ul style="list-style-type: none">Develop risk mitigation plansSet limits and thresholds for risk avoidance, status retention, etc.Carry out daily, monthly, and quarterly control activities	Monitoring and reporting <ul style="list-style-type: none">Conduct risk monitoringReport risks and develop mitigation plans

TCFD

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
- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
- c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

To manage risk and opportunity factors related to climate change, JB Financial Group chooses environmental indicators such as GHG emissions, energy consumption, water consumption, and waste emissions and tracks and monitors them, followed by disclosing these data transparently to the public. In particular, in order to achieve the net-zero goal in accordance with the net-zero declaration, we measure and reduce Scope 1 & 2 based on the SBTi guidelines, and manage the reductions. Furthermore, we calculate GHG emissions (Scope 3) generated throughout the value chain, including upstream and downstream, and establish reduction plans based on the measured results.

Metrics		Unit	2021	2022	2023
GHGs	Total emissions (Scope 1, 2)	tCO ₂ eq	15,584	15,939	18,831
	Direct emissions (Scope 1)	tCO ₂ eq	2,997	2,983	3,938
	Indirect emissions (Scope 2)	tCO ₂ eq	12,587	12,956	14,893
	Other indirect emissions (Scope 3)	tCO ₂ eq	123	371	3,518
GHG emission intensity		tCO ₂ eq/person	4.42	4.55	4.26

Metrics		Unit	2021	2022	2023
Energy	Total consumption	TJ	313	319	349
	- Direct consumption (Scope 1)	TJ	50	50	65
	- Indirect consumption (Scope 2)	TJ	263	271	284
Energy intensity		TJ/person	0.089	0.091	0.079

We announced our goal to pursue net-zero in February 2022 and established our own net-zero implementation process to achieve the net-zero goal. With an objective to pursue the target systematically, we joined global environmental initiatives. such as the Partnership for Carbon Accounting Financials (PCAF) and the Science Based Targets initiative (SBTi). We applied their methodology to complete the measurement of the Group's own emissions as well as financed emissions. In June 2022, we became the second among domestic financial companies and the fourth among domestic companies to obtain approval for carbon reduction targets from SBTi, implementing a net-zero process at a global level. In order to achieve the goal of 'net-zero direct & indirect emissions by 2035, net-zero financed emissions by 2045' established based on the results of GHG emission calculations, we also established reduction implementation routes for each and intensity reduction targets for each industry. We aim to mitigate direct and indirect emissions (Scope 1, 2) by 67% by 2030 to achieve net-zero by 2035, and to cut down financed emissions (Scope 3) by 48% by 2030 to achieve net-zero by 2045. Under the SBT's SDA methodology, financed emission reduction plans were established per square meter for 1) commercial real estate loans and 2) real estate investment and REITs. In the case of 3) power generation project financing, we established plans per 1MWh. In the case of general corporate credit, listed company investment, and bond investment other than commercial real estate, we used the Temperature Rating methodology from SBT to establish the mitigation roadmap. From 2020, we extended the calculation scope of GHG emissions and energy consumption to include not only the main offices of five subsidiaries in Korea but also sales branches. From 2023, we are expanding the measurement scope to include overseas sub-subsidiaries in the estimation of Scope 1 and 2 emissions. We measure the emissions by business site considering the characteristics of a financial group composed of a head office and subsidiaries while monitoring the yearly GHG emission trends and the progress rate. Based on that, we pursue our efforts to achieve the net-zero goal.

SASB

Sustainability Accounting Standards Board

Financials (Commercial Banks)

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metrics	Response
Data Security	FN-CB-230a.1	(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of account holders Affected	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 72.
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	We prioritize consumer information protection in our management while complying with the laws related to information protection. We also identify potential risk factors in advance by detecting them so that our customers can use our financial services in a secure way.
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 sustainable programs to vitalize local firms and communities. Sustainable finance for the last 3 years is available on page 86, 87.
	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 JB Financial Group homepage.
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	JB Financial Group operates new demand deposit products exclusively for low-income and socially vulnerable groups, including the Golden Age Account, Seizure Prevention Account, Happiness Keeper Account, National Pension Safe Account, Industrial Accident Insurance Benefit Hope Keeper Account, and Housing Pension Keeper Account. In 2023, the number of customers who signed up was 1,354, and the number of new accounts was 1,378.
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	We provide finance-related education programs on voice phishing and loans for multicultural families and foreign workers. Regarding information is reported on page 43.

Topic	Code	Accounting Metrics	Response
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	JB Financial Group operates ESG bonds and various ESG products to integrate ESG factors into credit (financial) analysis. Jeonbuk Bank, a subsidiary of JB Financial Group, issued ESG bonds in KRW for the first time as a regional bank. The bonds also adopted ESG certification rating system, which received 'STB1' grade, the highest grade for 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	We operate JB Do dream, which is an internal whistleblowing system. Regarding information is released on page 79.
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, longterm corporate strategy, and other business activities	Not applicable

Table 2. Activity Metrics

Code	Accounting Metrics	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 JB Financial Group homepage.
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	It is disclosed through the performance announcement on JB Financial Group homepage.

PRB Index

Principle	Reporting and self-assessment requirements	Our responses(Page)
Principle 1 Alignment	We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	
	<p>1.1 Describe your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p> <p>1.2 Describe how your bank has aligned and / or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Launched as Jeonbuk Bank in 1969, JB Financial Group introduced a holding company system in 2013 and has grown into a comprehensive financial group with five domestic subsidiaries of Jeonbuk Bank, Kwangju Bank, JB Woori Capital, and JB Asset Management, JB Investment and four overseas sub-subsidiaries including PPCBank, JB Capital Myanmar, JB Securities Vietnam, and JB PPAM. We are actively communicating with external stakeholders including customers and shareholders, and making efforts to contribute to regional development by conducting businesses such as banking, credit finance, collective investment, and securities.</p> <p>* Status of JB Financial Holdings in 2023 p.6 * JB Financial Group Website</p> <p>JB Financial Group has established three ESG strategic directions and nine strategic tasks under the ESG mission of 'JB Finance, your reliable partner for a better future.' Each strategic direction is connected to the following UN SDGs: Transition to Sustainable Future Finance → SDGs 7, 9, 11, 13 Financial Value Creation Contributing to the Local Community → SDGs 1, 4, 8, 10, 16 Trustworthy Finance Based on Transparency → SDGs 5, 8, 10, 16 * p.18</p>
Principle 2 Impact and Target Setting	We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	
	<p>2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) Scope: The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business / its major activities lie in terms of industries, technologies and geographies.</p> <p>c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries / regions in which it operates.</p> <p>d) Scale and intensity / salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity / salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p>	<p>We are analyzing the risks and opportunities that climate change can bring to us. We acknowledge the potential damages and impacts associated with both physical and transitional risks, and we are actively preparing countermeasures to effectively respond to them.</p> <p>* p. 111-114</p>
	<p>2.2 Target Setting: Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p>	<p>We have declared net-zero transition to respond to climate change and established the targets of reaching net-zero in direct & indirect emissions by 2035 and net-zero in financed emission by 2045. Our net-zero targets were approved by SBTi in June 2022. In May 2022, we declared 'coal phase-out finance.'</p> <p>* p.35-37 * JB Financial Group Website</p>
	<p>2.3 Plans for Target Implementation and Monitoring: Show that your bank has defined actions and milestones to meet the set targets.</p>	<p>We have built ESG governance by establishing the ESG Committee within the BOD in March 2021. On the foundation of sturdy ESG governance, we strive to effectively realize ESG management throughout the group, mainly by the ESG Committee, ESG Council and ESG Working Council. The ESG Committee assumes 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 also makes swift decisions on ESG issues that require prompt implementation by convening ad hoc meetings.</p> <p>* JB Financial Group Website</p>

PRB Index

Principle	Reporting and self-assessment requirements	Our responses(Page)
Principle 2 Impact and Target Setting	<p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p> <p>2.4 Progress on Implementing Targets: Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in.</p>	<p>The ESG Committee consists of all board members and serves as the top decision-making body to formulate and supervise ESG management strategies and policies at the group level, including climate change. The regular committee is held once a half year, and if necessary, temporary committee meetings are convened and operated from time to time. A total of four ESG committees were held in 2022. The agenda items included the deliberation of our ESG management strategy and standards, as well as the promotion of key social contribution activities. The status of ESG implementation tasks and the results of external evaluations by MSCI, KCGS, DJSI, and CDP were also reported.</p> <p>* p. 166-167, 2023 JB Financial Group Annual Report on the Governance Structure and Remuneration System</p>
Principle 3 Clients and Customers	<p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p> <p>3.1 Provide an overview of the policies and practices your bank has in place and / or is planning to put in place to promote responsible relationships with its customers.</p> <p>3.2 Describe how your bank has worked with and / or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.</p>	<p>We operate a team dedicated to financial consumer protection and have established a consumer information protection management system to prevent incomplete sales and provide safe financial transactions and services. In addition, in order to reinforce the customer's right to know, we disclose important information and continuously educate employees on the importance of protecting consumer information.</p> <p>* p.45-48</p> <p>We offer ESG products and services to our customers and sustain our financial activities in the following ways:</p> <ol style="list-style-type: none"> 1) Jeonbuk Bank provides the JB Green Biz Loan, financing for nurturing local companies or companies with outstanding technology. 2) Kwangju Bank offers the ESG Support Loan, supporting loans for individuals in the low-income bracket. 3) JB Woori Capital provides loan products for eco-friendly vehicles and environmental pollution prevention. 4) JB Asset Management offers the JB Clean Energy Specialized Investment Private Equity Special Asset Trust, all of which support the ESG activities of our customers. <p>* p.86, 87</p>
Principle 4 Stakeholders	<p>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p> <p>4.1 Describe which stakeholders (or groups / types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts.</p>	<p>We have determined the scope of our major stakeholders in accordance with the 'identification of stakeholders and participation' standard stipulated in ISO 26000, and divided them by groups and identified key stakeholders. We run channels to communicate with each stakeholder to discuss key issues across the economy, environment and society.</p> <p>* p.21-24</p>

PRB Index

Principle	Reporting and self-assessment requirements	Our responses(Page)
Principle 5 Governance & Culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	
	5.1 Describe the relevant governance structures, policies and procedures your bank has in place or planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	We have built ESG governance by establishing the ESG Committee within the BOD in March 2021. On the foundation of sturdy ESG governance, we strive to effectively internalize ESG throughout the group, mainly by the ESG Committee, the ESG Council, and the ESG Working Council. * JB Financial Group Website
	5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees.	Climate issues are incorporated into the management's KPIs to internalize and enhance the efficiency of ESG implementation throughout the organization. ESG forms a part of the performance evaluation criteria within the management strategy task, and the CEO, CFO, and CRO are evaluated based on their performance of responsible financial activities through ESG management enhancement. By integrating ESG into the KPIs, we are reinforcing responsible finance and striving to maximize the impact of ESG's significant initiatives. * p.111
	5.3 We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	We have implemented a system to facilitate strategic ESG management with a mid- to long-term perspective. • ESG Committee: Serving as the top decision-making organization under the BOD responsible for establishing ESG management strategies and policies at the group level, and overseeing the implementation status. • ESG Council: Engaging in discussions regarding major ESG initiatives and overseeing ESG performance. It includes the participation of major executives from the holding company, subsidiaries, and personnel involved in promoting ESG within the organizations. • ESG Working Council: Facilitating communication on major ESG issues and discussing practical ESG affairs. It involves the participation of working-level personnel responsible for ESG promotion. * JB Financial Group Website
Principle 6: Transparency & Accountability	We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	
	6.1 Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory)	JB Financial Group became a member of the UN PRB in September 2021 and has been annually reporting its compliance with the PRB principles through the PRB Index in its integrated annual report since 2022. Moreover, we have also joined global initiatives and are actively involved in systematic implementation activities to fulfill our role as a sustainable future financial institution. This includes disclosing our ESG performance on our website. * JB Financial Group Website

GHG Verification Statement

JB Financial Group

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission (Scope 1, 2 & 3) of JB Financial Group Co., Ltd & 9 other affiliates(hereinafter “the Companies”) in 2023.

SCOPE

Verification of places of business and emission facilities under the control of the company and its affiliated companies¹⁾.

1) JB Financial Group, Jeonbuk Bank, Kwangju Bank, JB Woori Capital, JB Asset Management, JB Investment, Phnom Penh Commercial Bank, Phnom Penh Asset Management, JB Capital Myanmar, JB Securities Vietnam

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- WRI/WBCSD GHG Protocol

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

GHG Verification Statement

OPINION

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- The assurance engagement was performed to satisfy a limited assurance level, and the assurance risk is higher than a reasonable assurance level.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated.
- Criticality: meets the criterion, which is less than 5%
- Scope 1, 2 & 3 emissions and Energy consumption

Subsidiaries	GHGs Emission (tCO ₂ -eq)				Energy Consumption (TJ)			
	Direct Emission (Scope1)	Indirect Emission (Scope2)	Corporate Value Chain (Scope3)	Total	Fuel	Electricity	Steam	Total
JB Financial Group	160.171	250.353	72.308	482	2.480	5.155	0.102	7
Jeonbuk Bank	1,568.857	4,680.662	1,330.140	7,579	27.425	97.724	0.111	125
Kwangju Bank	1,504.670	6,696.996	1,574.233	9,775	24.892	139.902	0.054	164
JB Woori Capital	216.951	686.787	484.394	1,388	3.227	14.202	0.199	17
JB Asset Management	34.464	145.952	51.941	232	0.519	2.971	0.105	3
JB Investment	12.483	26.891	5.165	44	0.203	0.562	0	0
Phnom Penh Commercial Bank	235.088	2,126.987	0	2,362	3.455	19.515	0	22
Phnom Penh Asset Management	4.496	87.903	0	92	0.066	0.807	0	0
JB Capital Myanmar	193.253	93.585	0	286	2.736	1.249	0	3
JB Securities Vietnam	7.199	97.358	0	104	0.102	1.668	0	1
Total	3,937.632	14,893.474	3,518.181	22,344	65.105	283.755	0.571	342

Total emissions are summed by company after cutting the decimal point at the workplace.

※ SCOPE3 Category: CAT 4 / 5 / 6 / 7 / 13

※ Energy consumption is not calculated in Scope 3.

RESULTS

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

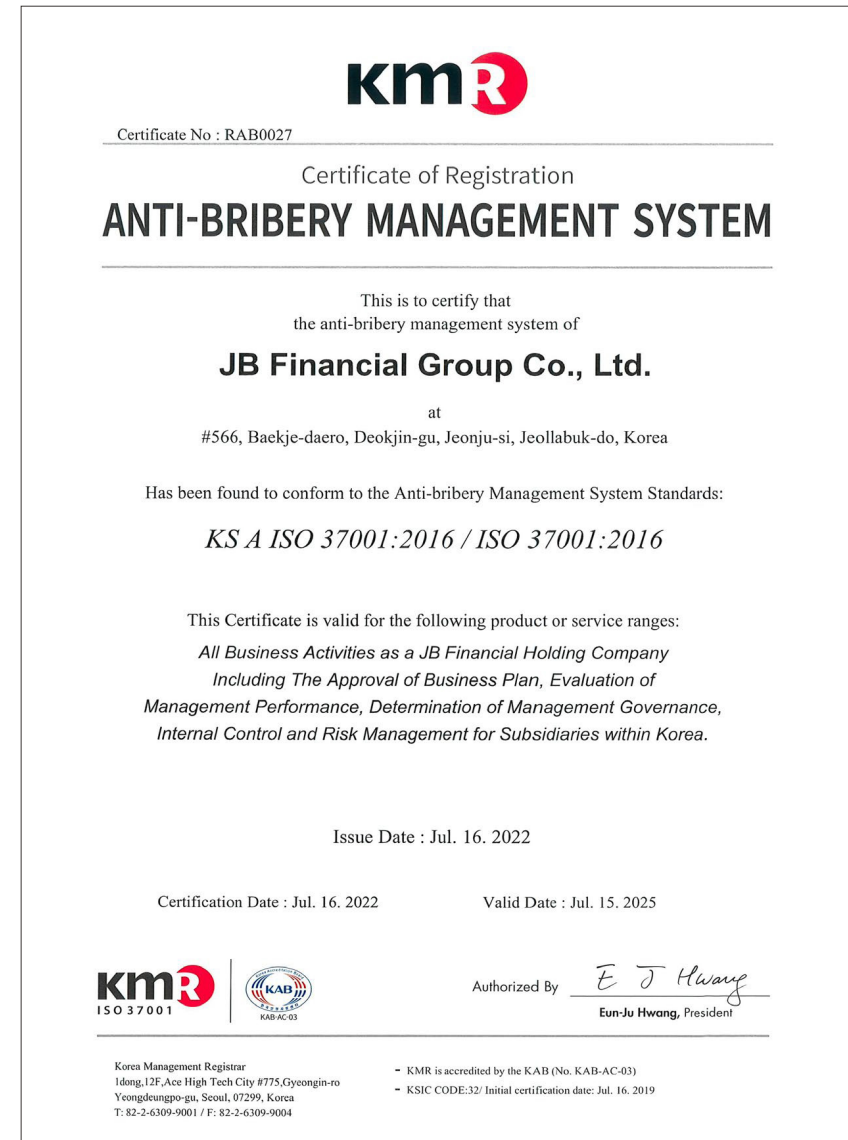
※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.



June 17, 2024
Authorized By
CEO Eun Ju Hwang

E. J. Hwang

ISO 37001 Certification



Third-Party Assurance Statement

To readers of JB Financial Group 2023 Integrated Report

Introduction

Korea Management Registrar (KMR) was commissioned by JB Financial Group to conduct an independent assurance of its 2023 Integrated Report (the “Report”). The data and its presentation in the Report is the sole responsibility of the management 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 GRI standards 2021 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 2021
- Universal standards
- Topic specific standards

- | | |
|--------------------------------------|--|
| - GRI 201: Economic Performance | - GRI 401: Employment |
| - GRI 205: Anti-Corruption | - GRI 403: Occupational Health and Safety |
| - GRI 206: Anti-competitive Behavior | - GRI 404: Training and Education |
| - GRI 302: Energy | - GRI 405: Diversity and Equal Opportunity |
| - GRI 303: Water and Effluents | - GRI 413: Local Communities |
| - GRI 305: Emissions | - GRI 418: Customer Privacy |
| - GRI 306: Waste | |

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.

Third-Party Assurance Statement

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 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 2024 Seoul, Korea
CEO

