

A photograph of an offshore wind farm with several white wind turbines in the ocean under a blue sky with scattered clouds. The image is framed by a large blue triangle in the top left and a grey triangle in the bottom left.

JB Financial Group

# **BUSINESS RESULT**

## FOR 2Q 2022

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### Disclaimer

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1. This material has been prepared in accordance with the Korean IFRS. The financial information contained in this material has neither been reviewed nor audited by independent auditors and is subject to change without further notice.
2. This material contains forward-looking statements and 2022 budgets which was planned at the end of 2021. Accordingly, the relevant data may differ significantly from the actual result due to change in business environment.
3. Figures in this material may differ from the previous and upcoming materials, due to the accounting method changes. Numbers presented throughout this material may not add up precisely to the totals indicated due to rounding. All ratios and percentage changes in this material are based on unrounded numbers.
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# **I. Group Earnings Highlights**

## 2Q22 Highlights

(Y-Y Chg)

### Net Income

W153.2bn **4.9% ↑**

### ROE

15.2% **0.7%p ↑**

### Banks NIM(Q-Q)

2.63% **7bp ↑**

### Cost-Income Ratio

38.1% **4.7%p ↓**

### Credit Cost Ratio

0.41% **15bp ↑**

### NPL Ratio

0.56% **9bp ↓**

### CET1 Ratio(E)

11.18% **66bp ↑**

## Key Takeaways

### 1 2Q22 net income attributable to controlling interest comes in at W153.2bn

- ✓ Net income for 1Q22 stood at W153.2bn up 4.9% Y-Y
- ✓ Net income for the 1<sup>st</sup> half of 2022 recorded W320.0bn, up 15.0% Y-Y

#### Net income(Wbn)



### 2 Continues to maintain the sector-highest profitability

- ✓ ROE and ROA for 1<sup>st</sup> half of 2022 turns out to be 15.2% and 1.14% respectively, maintaining the sector-highest level
- ✓ Achieved double-digit ROE for four consecutive years thanks to prudent loan growth

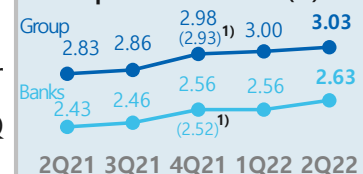
#### ROE(%)



### 3 Group and Bank total NIM maintained an upward trend

- ✓ Group's and Banks' NIM increased 3bp and 7bp respectively against the previous quarter
- ✓ Based on profitability-centered growth with risk management, interest income increased 4.1% Q-Q

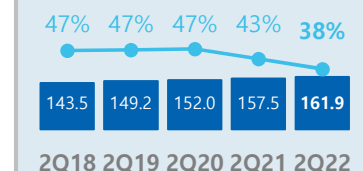
#### Group and Banks NIM(%)



### 4 Continuous improvement in cost efficiency and stable asset quality management

- ✓ Cost-to-Income ratio for 1H22 came in at 38.1%, recording its lowest ever
- ✓ Group NPL ratio turned out to be 0.56%, down 9bp Y-Y, showing that it remains at a stable level

#### SG&A and CIR



### 5 CET1 ratio rises significantly thanks to the adoption of the IRA

- ✓ Preliminary CET1 ratio came in at 11.18%, up 66bp Y-Y
- ✓ CET1 ratio improved by 103bp due to the adoption of the internal ratings approach

#### CET1 Ratio(%)<sup>2)</sup>



Note 1) NIM-related extraordinary items ; [4Q21] (Jeonbuk) DICC +4bp, (PPCB) account title change +1bp

Note 2) CET1 ratio for 2Q22 is based on the internal ratings approach whereas the ratio before 2Q22 on the standardized approach

# Recording the Largest 2nd Quarter Profit ever

## 2Q22 Highlights

(Y-Y Chg)

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### NPL Ratio

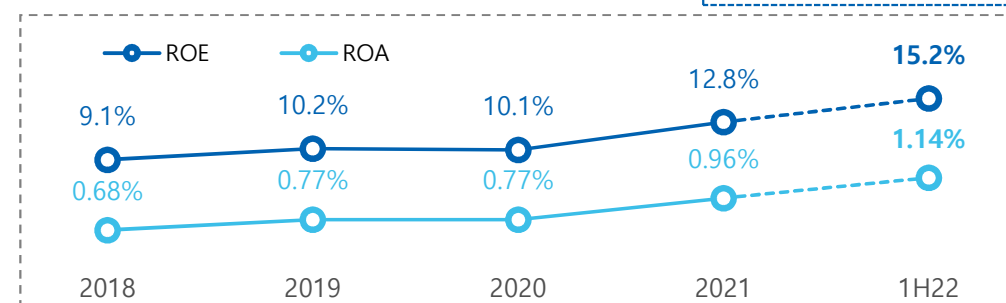
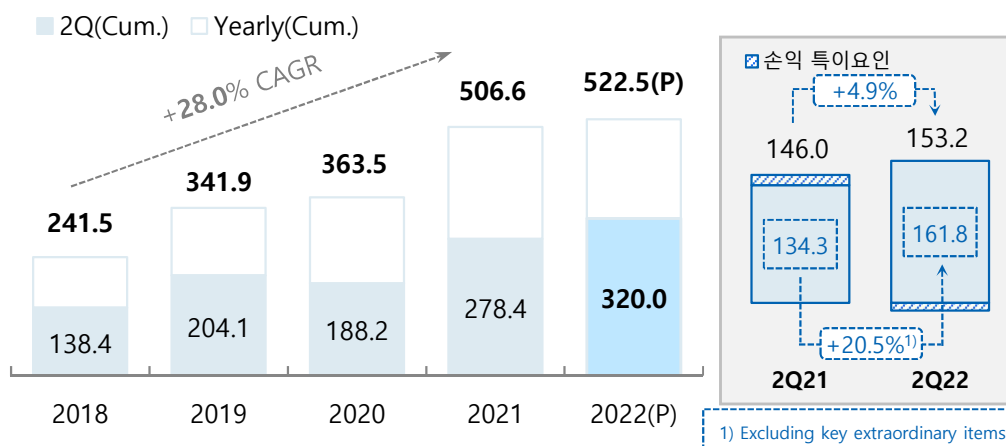
0.56% **9bp ↓**

### CET1 Ratio(E)

11.18% **66bp ↑**

## Group Net Income (attributable controlling interest)

(Unit: Wbn)



- Net income attributable to controlling interest for 2Q22 and 1H22 recorded W153.2bn and W320.0bn respectively, up 4.9% and 15.0% Y-Y
- Profit-centered qualitative growth and improved cost efficiency contributed to net income growth
- Group's ROE and ROA recorded 15.2% and 1.14% respectively, maintaining the sector-highest profitability.

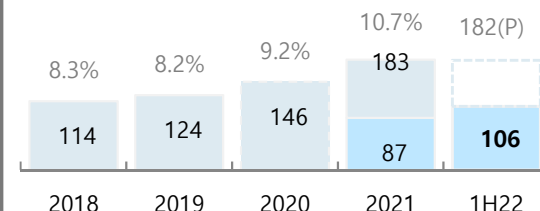
Note 1) Key extraordinary items (after tax):

[2Q22] -W8.6bn after tax [additional provision of -W11.5bn(before tax) to reflect the future economic prospects]

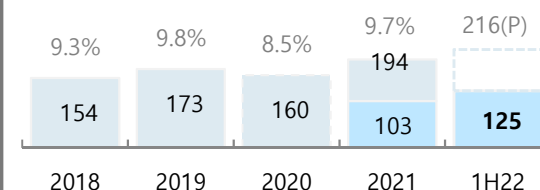
[2Q21] +W11.8bn after tax [+W6.5bn(after tax) in reversal of income tax for investment symbiosis, +W9.2bn(before tax) in NPL sale, etc.]

## Net income & ROE by affiliate (Unit: Wbn)

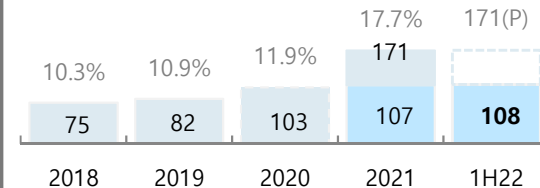
### - Jeonbuk Bank (Consolidated)



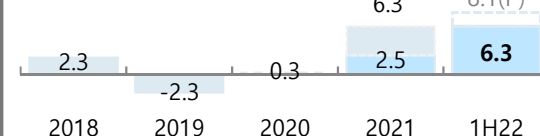
### - Kwangju Bank (Consolidated)



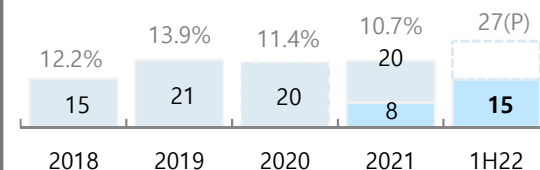
### - JB Woori Capital (consolidated)



### - JB Asset Management



### - PPCBank



# Interest Income Expansion based on Profitability-Centered Qualitative Growth



## 2Q22 Highlights

(Y-Y Chg)

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### Credit Cost Ratio

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### NPL Ratio

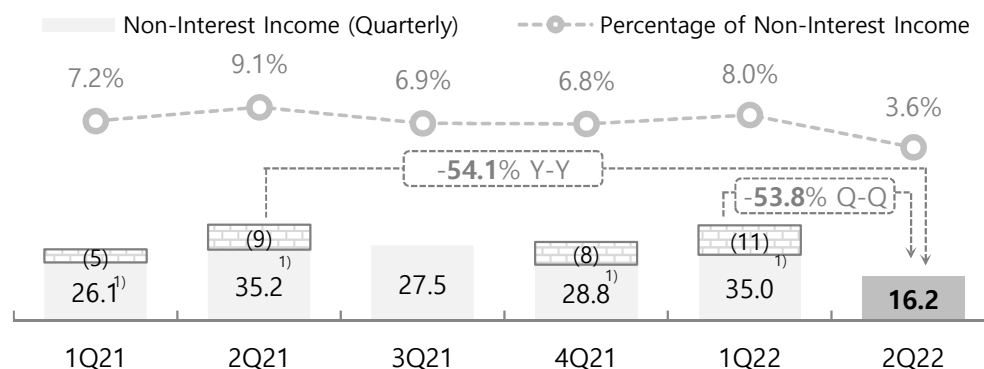
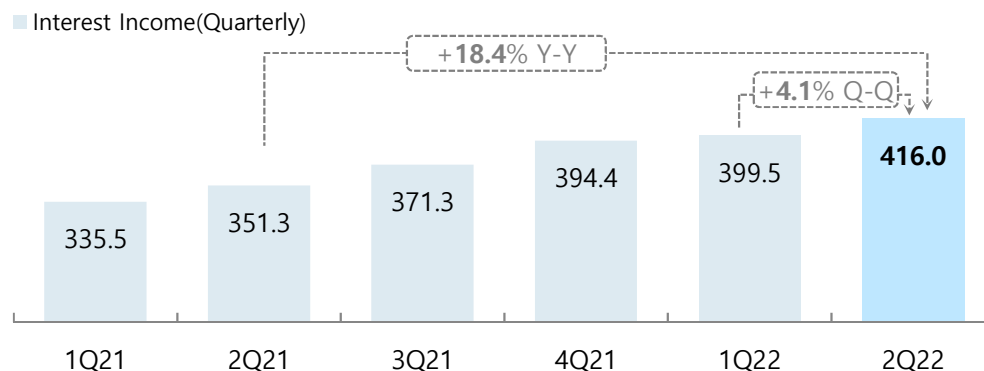
0.56% **9bp ↓**

### CET1 Ratio(E)

11.18% **66bp ↑**

## Group interest income and non-interest income

(Unit: Wbn)

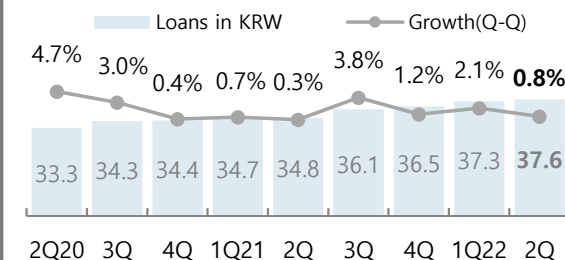


- Total Group operating income increased 11.8% Y-Y based on growth of interest income
- Won-denominated loans of the Group and Banks grew 0.9% and 0.8% respectively thanks to profitability-centered qualitative growth coupled with tight risk management
- NIM of the Banks combined rose by 7bp Q-Q due to benchmark rate hikes and portfolio adjustment
- Group's non-interest income fell due to the base effect arising from extraordinary items of the prior quarter and valuation loss\*\* on securities

\*\* (Capital) Valuation loss/profit (1Q: +W4.2bn → -W3.8bn) on securities classified as FVPL

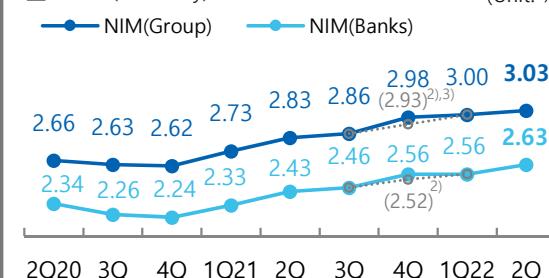
## Loan growth in KRW (Banks)

(Unit: Wtn)



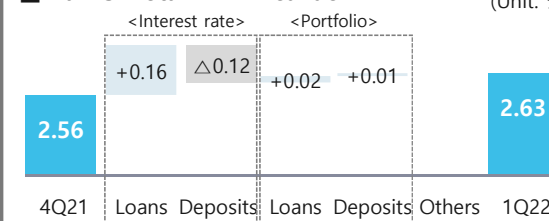
## NIM (Quarterly)

(Unit: %)



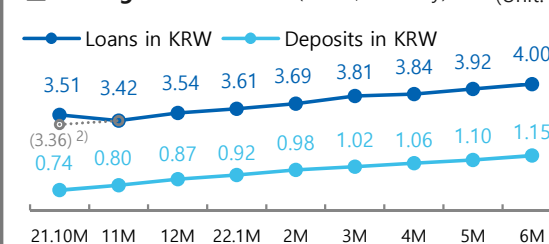
## Banks' Total NIM Breakdown

(Unit: %)



## Average interest rate (Banks, monthly)

(Unit: %)



Note 2) excl. collection of interest from DICC

Note 3) excl. PPCBank's change of account titles (early repayment non-interest→interest)

Note 1) Extraordinary items related to non-interest income

[1Q22] (Capital) dividend income from Maruman W7.4bn, (Jeonbuk) gain on sale of charge-offs W3.5bn

[1Q21] QCP W4.8bn / [2Q21] Sale of NPLs, etc. W9.2bn / [4Q21] interest collection from DICC-related charge-offs, etc. W8.3bn

# Continuous Cost Efficiency and Stable Loan Loss Management

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### Banks NIM(Q-Q)

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### Cost-Income Ratio

38.1% **4.7%p ↓**

### Credit Cost Ratio

0.41% **15bp ↑**

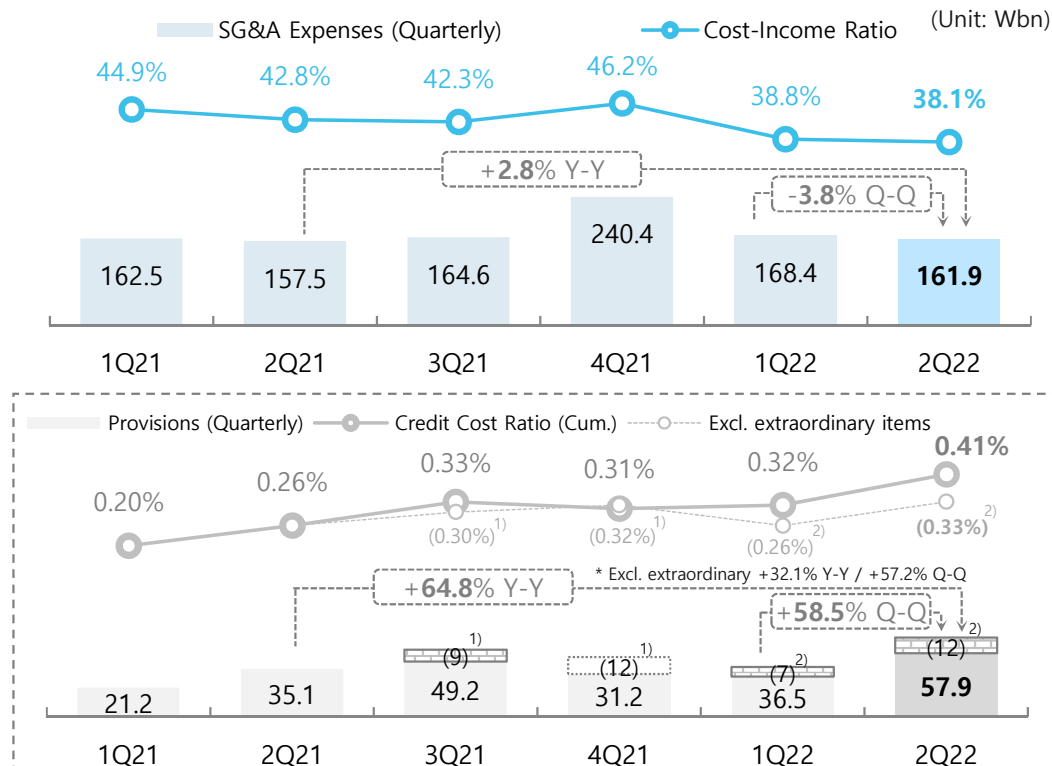
### NPL Ratio

0.56% **9bp ↓**

### CET1 Ratio(E)

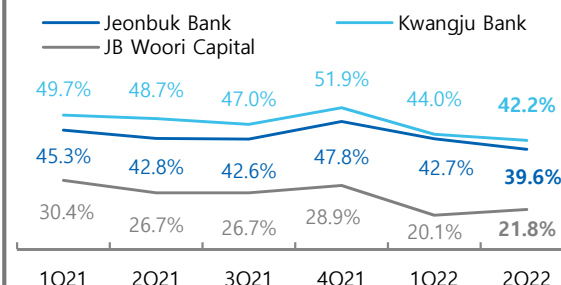
11.18% **66bp ↑**

## Group SG&A Cost and Credit Cost

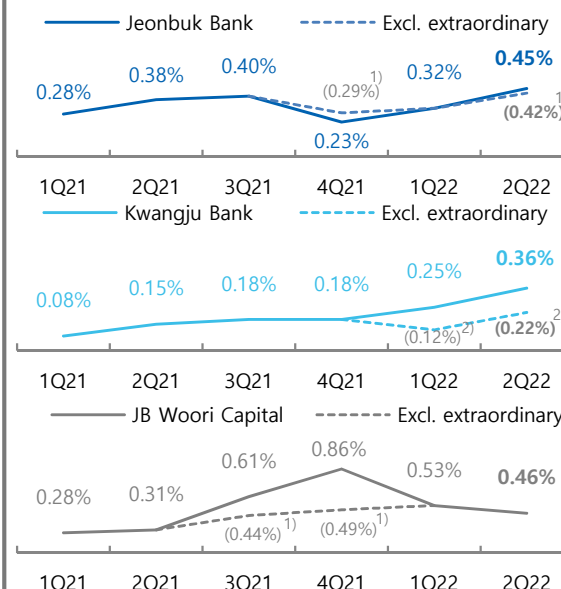


- Group's CIR fell to a record low at 38.1%, recording a historic low and further CIR improvement is expected owing to the growing interest income and continuous cost saving efforts
- Group's credit cost ratio rose to 0.41% due to the conservative estimation of the future economic prospects. The ratio, however, remains at the similar level as the previous year ('21: 0.32% → '1H22: 0.33%) when the extraordinary items are excluded
- Group and all its subsidiaries are managing credit cost ratio in a stable manner well below the planned targets

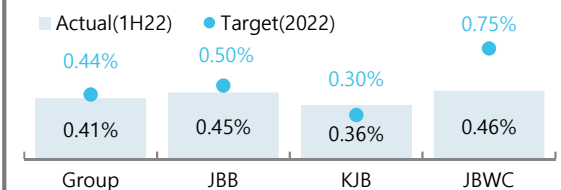
## Cost income ratio by affiliate (Cumulative)



## Credit cost ratio by affiliate (Cumulative)



## Stable management of credit cost ratio as planned



Note 1) Extraordinary items for 3Q21: (Capital) additional LLP for Myanmar, etc. ; +W8.7bn / for 4Q21: (Jeonbuk) DICC-related principal collection -W28.4bn, (Capital) Accounting policy change, etc. +W16.0bn  
 Note 2) Extraordinary items for 1Q22: (KJB) Additional LLP to reflect the future economic prospects +W7.0bn, (Banks) Additional LLP to reflect the future economic prospects +11.5bn (JB: +W3.0bn, KJB: +8.5bn)



# Asset Quality Indicators remain stable

## 2Q22 Highlights

(Y-Y Chg)

### Net Income

W153.2bn **4.9% ↑**

### ROE

15.2% **0.7%p ↑**

### Banks NIM(Q-Q)

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0.41% **15bp ↑**

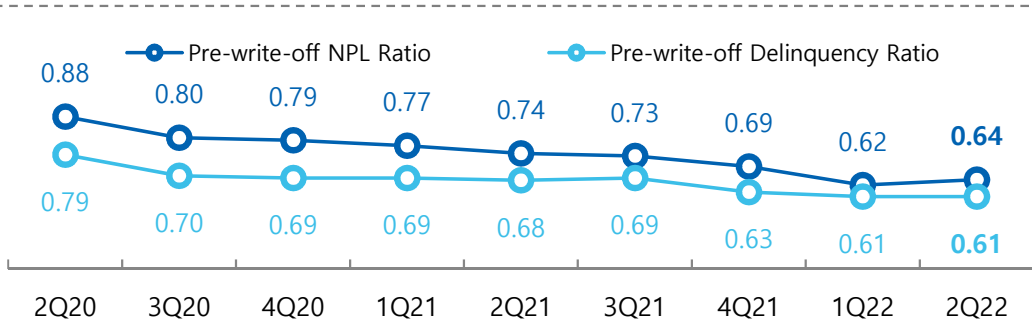
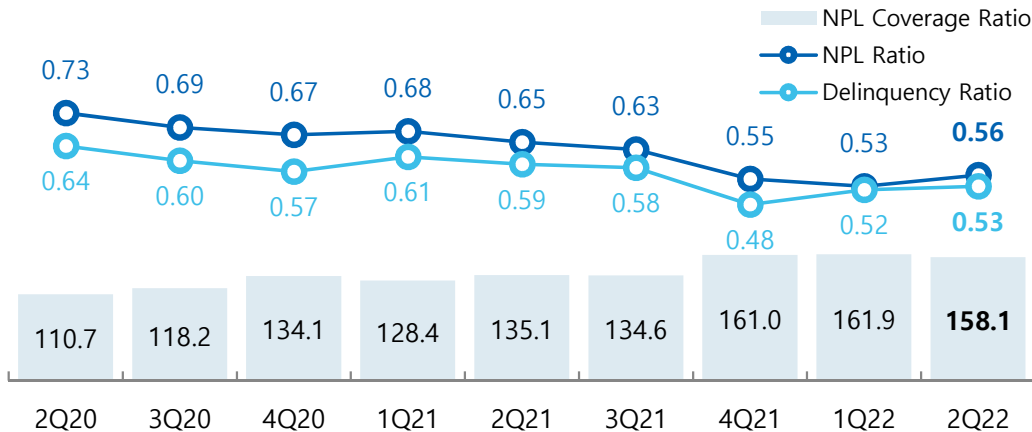
### NPL Ratio

0.56% **9bp ↓**

### CET1 Ratio(E)

11.18% **66bp ↑**

## Group Asset Quality Indicators

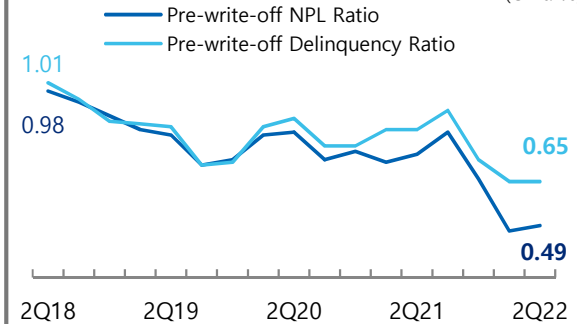


- Group NPL ratio and delinquency ratio are 0.56% (+3bp Q-Q) and 0.53% (+1bp Q-Q) respectively
- Pre-wrote-off NPL ratio rose 2bp Q-Q and delinquency ratio in real terms remains about the same as previous quarter
- From the conservative perspective, JBFG will implement preemptive risk management with a focus on credit exposures to high-risk industries related to the COVID-19 and economically sensitive industries, unsecured loans, and borrowers requiring monitoring

※ Status on loan with payment grace period (principal-based, Group total):  
(4Q21) W43.3bn → (2Q22) W38.8bn

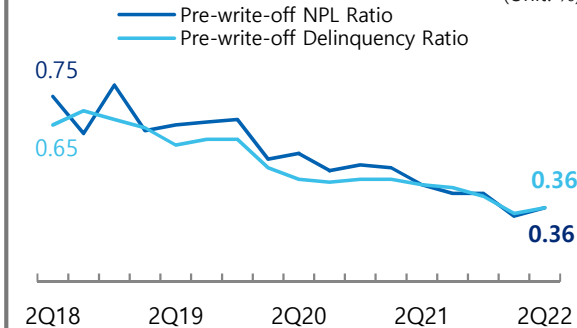
## JB Bank Pre-write-off NPL ratio & delinquency ratio

(Unit: %)

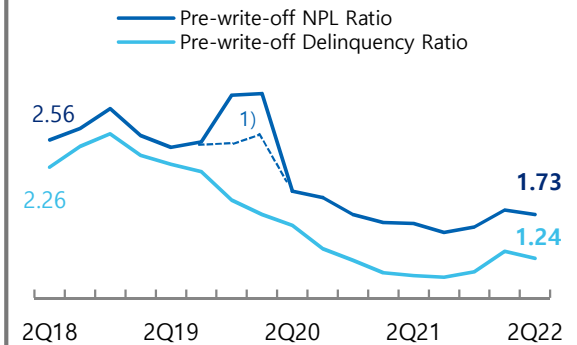


## KJ Bank Pre-write-off NPL ratio & delinquency ratio

(Unit: %)



## JB Capital Pre-write-off NPL ratio & delinquency ratio



Note 1) The effect from changes (classify the loans to proprietorships in business closure as NPLs) in the asset classification criteria for the consumer finance industry in December 2019 was excluded



# CET1 ratio rose significantly due to the adoption of IRB approach

## 2Q22 Highlights

(Y-Y Chg)

### Net Income

W153.2bn **4.9% ↑**

### ROE

15.2% **0.7%p ↑**

### Banks NIM(Q-Q)

2.63% **7bp ↑**

### Cost-Income Ratio

38.1% **4.7%p ↓**

### Credit Cost Ratio

0.41% **15bp ↑**

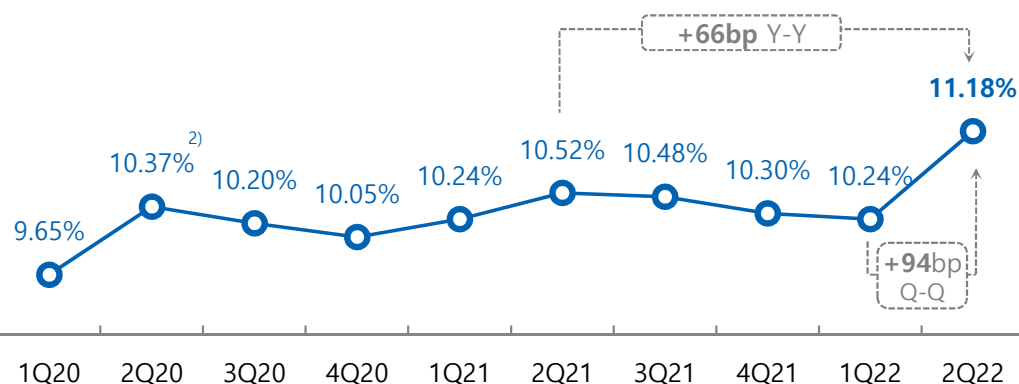
### NPL Ratio

0.56% **9bp ↓**

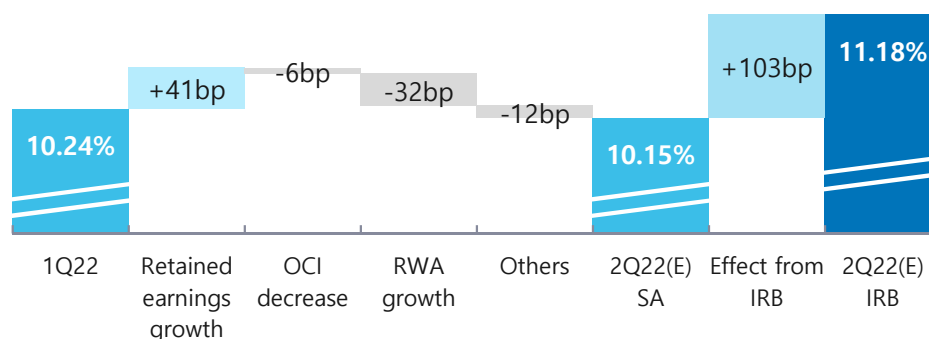
### CET1 Ratio(E)

10.18% **66bp ↑**

## Group Common Equity Tier 1 Ratio<sup>1)</sup> (Basel III)

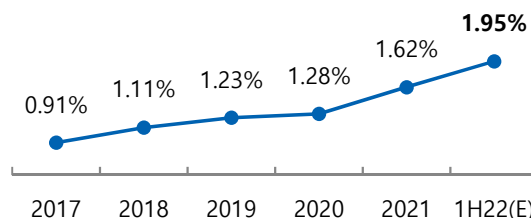


### Quarterly CET1 ratio movement



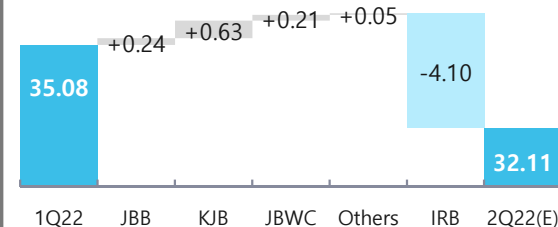
- As of the end of 2Q22, preliminary Group CET1 ratio was 11.18%, up by 94bp Q-Q
- Due to the effects of the adoption of IRB approach, CET1 ratio improved by 103bp
- JBFG is planning to improve shareholder return policy based on its stable capital ratio

## Group RORWA<sup>1)</sup>

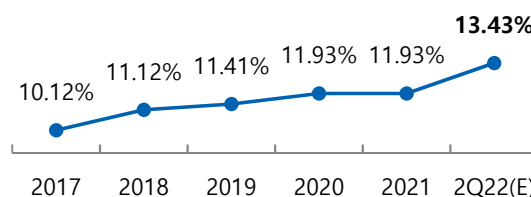


## Quarterly change in RWA<sup>1)</sup> (Basel III)

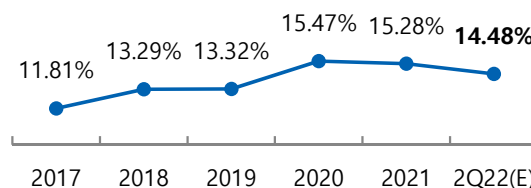
(Unit: Wtn)



## Jeonbuk Bank CET1 Ratio<sup>1)</sup> (Basel III)



## Kwangju Bank CET1 Ratio (Basel III IRB)



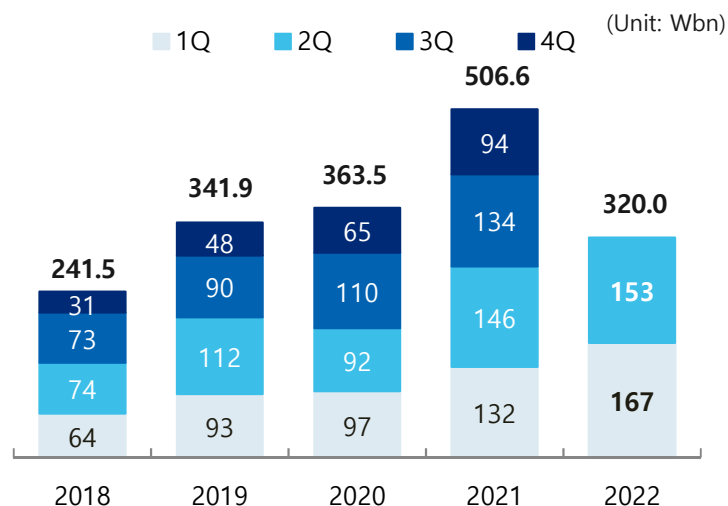
Note 1) IRB approach was adopted in 2Q22 / Figures before 2Q22 were based on SA (Standardized approach)

Note 2) Synergy effect from early adoption of final version of Basel III

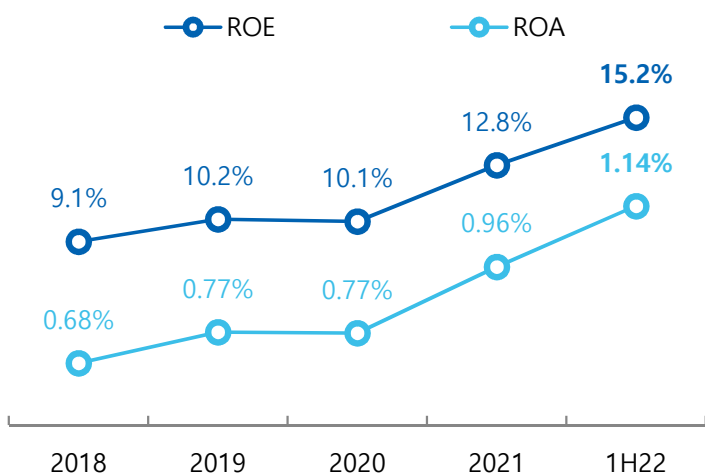
## **II. Detailed Results**

# Group Income Statement

## Group Net Income<sup>1)</sup>



## Profitability Indicators<sup>2)</sup>



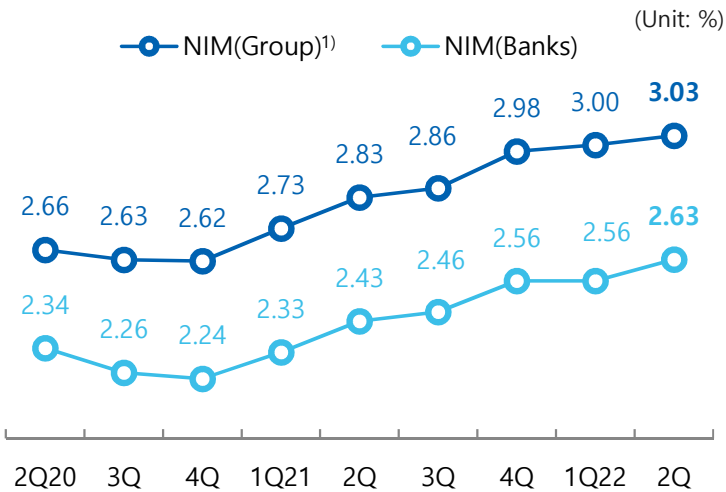
(Unit: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Total Operating Income	432.2	434.5	-0.5	386.5	11.8	866.7	748.1	15.9
Interest Income	416.0	399.5	4.1	351.3	18.4	815.5	686.8	18.7
Interest Revenue	579.5	540.4	7.2	456.8	26.9	1,119.9	904.5	23.8
Interest Expense	163.5	140.9	16.0	105.5	54.9	304.4	217.7	39.8
Non-interest Income	16.2	35.0	-53.8	35.2	-54.1	51.2	61.3	-16.5
SG&A Expenses	161.9	168.4	-3.8	157.5	2.8	330.3	320.0	3.2
Pre-Provision Income	270.3	266.2	1.5	229.0	18.0	536.4	428.0	25.3
Provisions	57.9	36.5	58.5	35.1	64.8	94.4	56.4	67.5
Operating Income	212.4	229.6	-7.5	193.8	9.6	442.0	371.7	18.9
Non-operating Income	2.0	1.0	95.0	-1.0	n.a.	3.0	3.8	-22.4
Tax Expense	57.1	59.2	-3.6	41.7	36.9	116.3	86.2	35.0
Net Income	157.3	171.4	-8.3	151.1	4.1	328.7	289.3	13.6
Controlling Interests	153.2	166.8	-8.1	146.0	4.9	320.0	278.4	15.0

1) Net income attributable to controlling interests

2) Cumulative and annualized

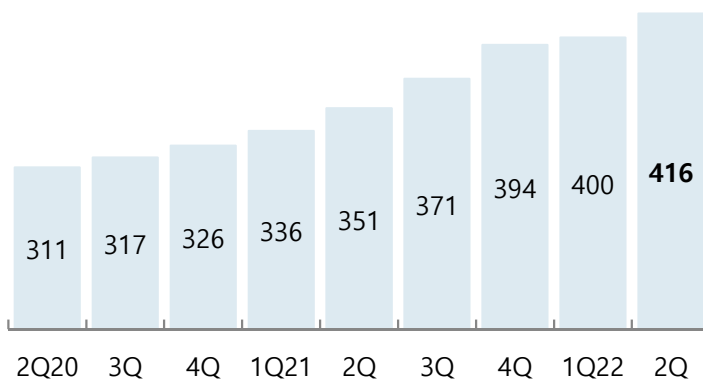
# Interest Income / NIM

## NIM (Quarterly)



1) Group: JBB+KJB+JBWC+PPCBank

## Interest Income (Wbn)



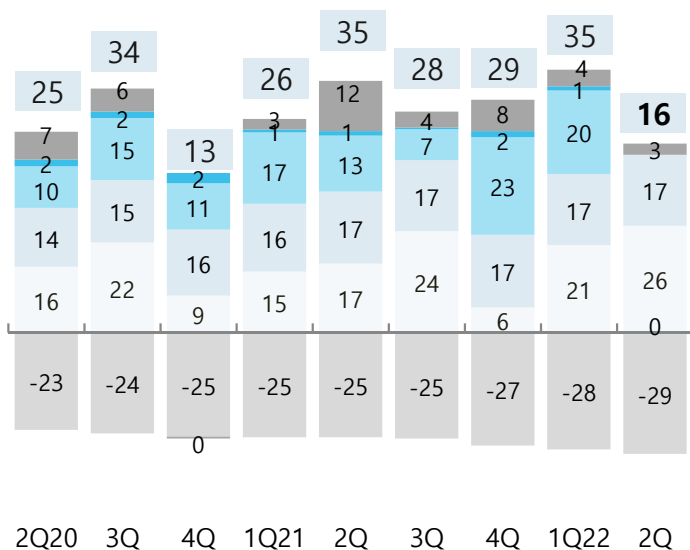
(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Interest Income	416.0	399.5	4.1	351.3	18.4	815.5	686.8	18.7
Interest Revenue	579.5	540.4	7.2	456.8	26.9	1,119.9	904.5	23.8
Loans	545.7	508.5	7.3	430.1	26.9	1,054.1	851.5	23.8
Securities	27.9	26.5	5.6	23.1	20.9	54.4	45.8	18.8
Other IEA	5.8	5.5	6.1	3.6	63.7	11.4	7.2	57.7
Interest Expense	163.5	140.9	16.0	105.5	54.9	304.4	217.7	39.8
Deposits	101.9	87.8	16.0	59.5	71.2	189.7	124.3	52.7
Debentures	51.1	44.7	14.3	40.7	25.7	95.8	82.5	16.2
Borrowings	9.7	7.7	26.5	4.9	99.6	17.4	10.2	70.9
Other IBL	0.7	0.7	4.1	0.4	59.4	1.4	0.8	69.2
NIM (banks)	2.63	2.56	0.07	2.43	0.20	2.60	2.38	0.22
NIS (banks)	3.00	2.91	0.09	2.71	0.30	2.96	2.67	0.29
Lending Rate	4.11	3.89	0.22	3.40	0.71	4.00	3.39	0.61
Deposit Rate	1.10	0.98	0.13	0.69	0.41	1.04	0.72	0.32

# Non-Interest Income / Card-related Income

## Non-Interest Income Breakdown

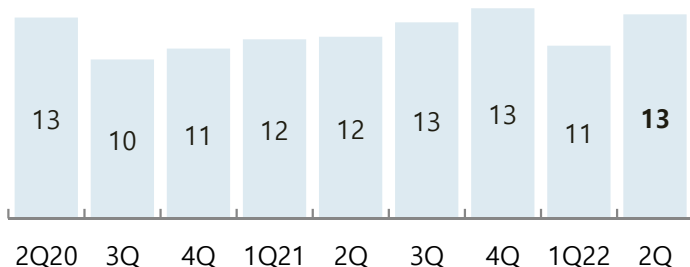
Fees & Commission  
 Securities  
 Guarantee & Insurance  
 Lease  
 FX & Derivatives  
 Others

(Unit: Wbn)



## Card-related Income

(Unit: Wbn)

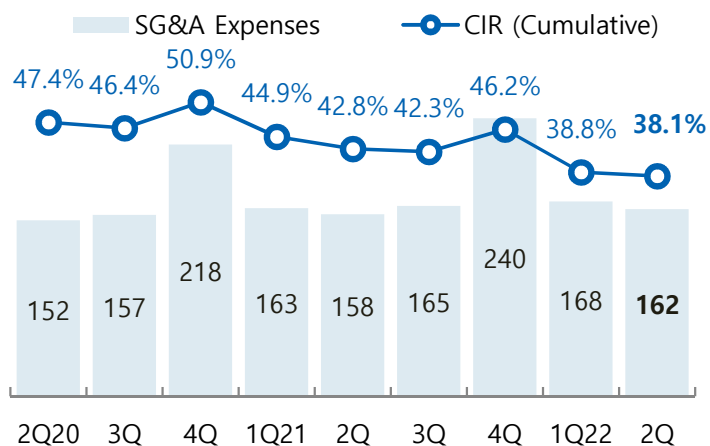


(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Non-Interest Income	16.2	35.0	-53.9	35.2	-54.1	51.2	61.3	-16.5
Fees & Commissions	25.6	20.7	24.2	16.5	55.1	46.3	31.1	48.7
Lease	17.0	17.0	-0.1	17.3	-1.8	34.0	33.5	1.4
Securities	0.0	19.8	-100.1	13.4	-100.1	19.8	30.5	-35.3
FX & Derivatives	-0.4	1.0	-145.9	1.1	-140.1	0.5	1.8	-70.2
Guarantee Fund & Insurance Fees	-28.7	-27.8	3.3	-25.1	14.1	-56.5	-50.3	12.3
Others	2.7	4.4	-38.4	12.0	-77.6	7.1	14.6	-51.6

(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Card-related Income	13.1	11.1	18.5	11.7	12.3	24.2	23.2	4.1
Interest Income	20.9	19.4	7.5	20.3	2.7	40.3	39.8	1.3
Fee Income	2.4	1.8	31.6	1.9	24.3	4.2	4.2	-1.2
Fee Expense	10.1	10.2	-0.7	10.6	-4.3	20.3	20.8	-2.5

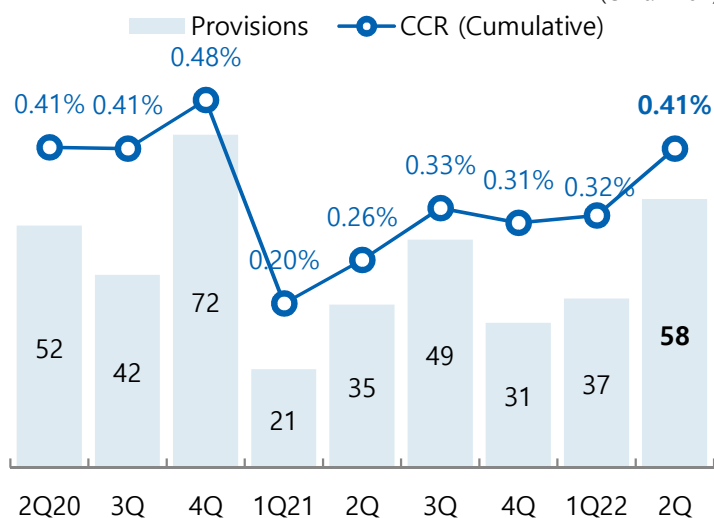
## SG&A Expenses & Cost-Income Ratio

(Unit: Wbn)



## Provision & Credit Cost Ratio

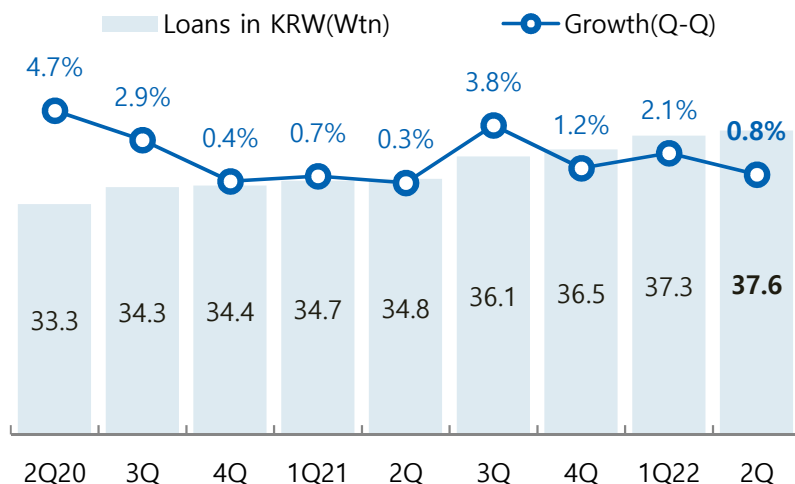
(Unit: Wbn)



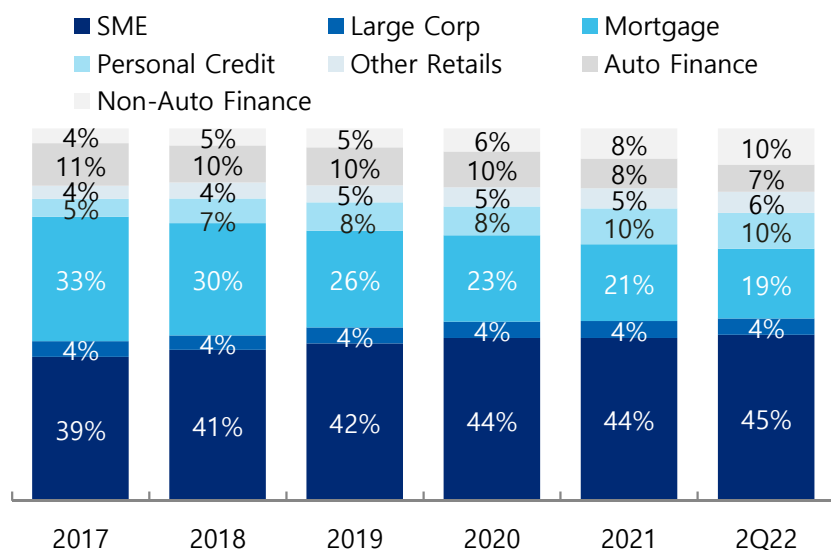
(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
SG&A Expenses	161.9	168.4	-3.8	157.5	2.8	330.3	320.0	3.2
Salaries & Benefits	105.4	115.5	-8.7	101.1	4.2	220.8	206.7	6.9
General & Admin	29.6	26.7	10.9	29.4	0.6	56.2	56.7	-0.9
ERP Expense	0.6	-0.1	n.a.	0.0	n.a.	0.5	1.3	-60.3
Others	26.3	26.4	-0.2	27.0	-2.4	52.7	55.4	-4.8

(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Provisions	57.9	36.5	58.5	35.1	64.8	94.4	56.4	67.5
Corporate (Banks)	17.5	-1.6	n.a.	11.3	54.5	15.9	12.3	29.6
Household (Banks)	29.0	26.1	11.1	15.3	89.5	55.1	27.6	99.6
Credit Card (Banks)	2.9	1.6	81.3	1.9	52.6	4.5	3.2	40.6
JBWC	7.8	9.6	-18.9	5.8	33.9	17.3	10.5	64.9
Others	0.8	0.8	-7.9	0.8	-7.1	1.6	2.8	-42.6

## Loan Growth (Banks)



## Group Loan Portfolio



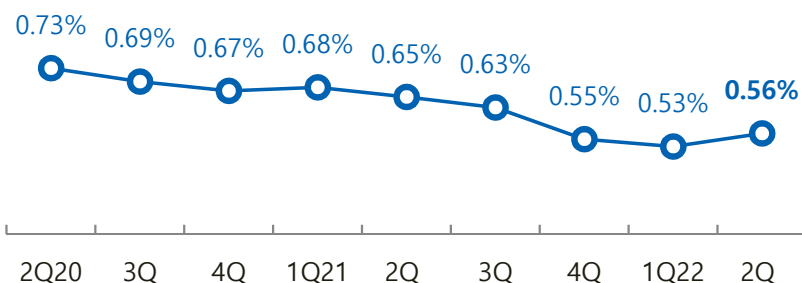
(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Assets	58,931	57,963	1.7	54,545	8.0
Loans	46,228	45,492	1.6	42,004	10.1
Securities	7,141	7,040	1.4	6,320	13.0
Total Liabilities	54,451	53,617	1.6	50,376	8.1
Deposits	41,141	40,064	2.7	38,616	6.5
Borrowings & Debenture	11,704	11,611	0.8	10,228	14.4
Shareholders' Equity	4,480	4,346	3.1	4,170	7.4

(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Loans (Group) <sup>1)</sup>	45,332	44,931	0.9	41,441	9.4
Loans in KRW (Banks)	37,597	37,292	0.8	34,788	8.1
Large Corp	1,993	2,072	-3.8	1,953	2.1
(Public & others)	1,142	1,231	-7.2	1,146	-0.4
SME	20,202	19,698	2.6	18,060	11.9
Mortgage	8,478	8,905	-4.8	8,979	-5.6
Personal Credit	4,362	4,186	4.2	3,593	21.4
Other Retails	2,562	2,431	5.4	2,203	16.3
Auto Finance (JBWC)	3,329	3,411	-2.4	3,675	-9.4
Non-Auto Finance (JBWC)	4,406	4,228	4.2	2,979	47.9
Personal Credit	992	962	3.1	750	32.2
Corporate-Investments	1,713	1,615	6.0	1,001	71.0
Other	1,702	1,651	3.1	1,227	38.7

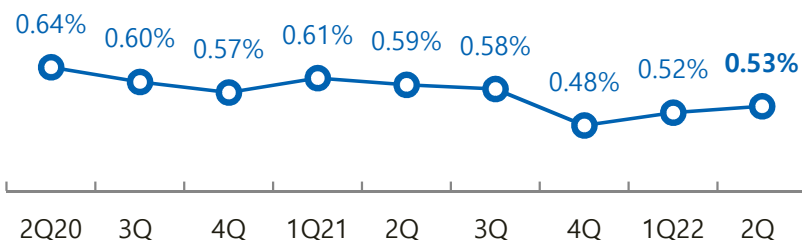
1) Group Loans = JB Bank's KRW Loans + KJ Bank's KRW Loans + JBWC's Credits



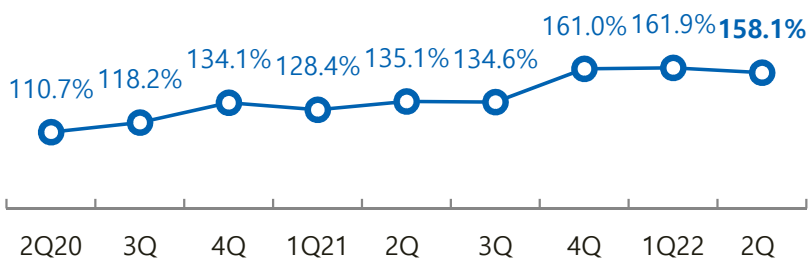
## NPL(Substandard & Below) Ratio



## Delinquency Ratio



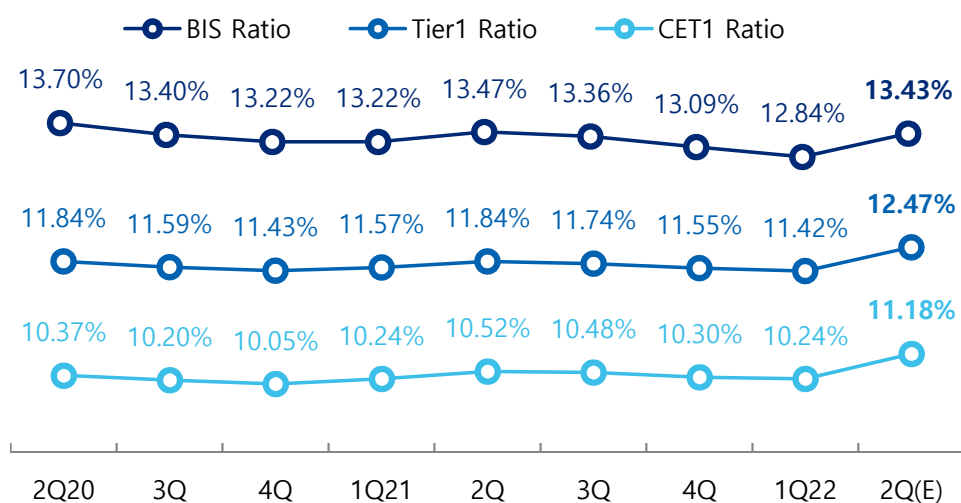
## NPL Coverage Ratio



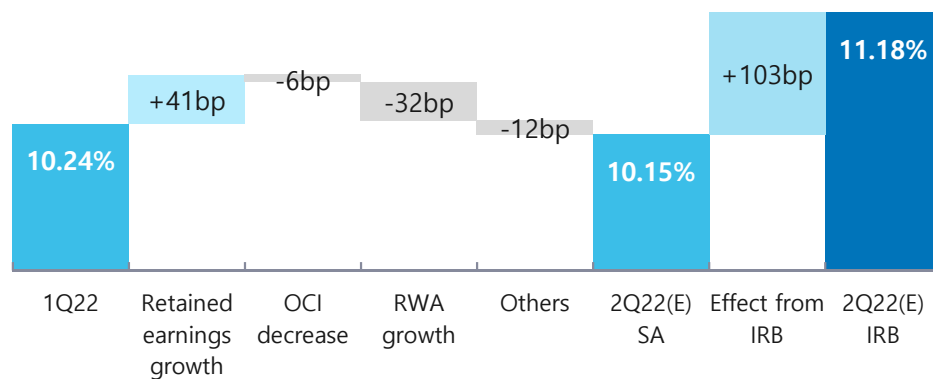
(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Credits	46,219	45,272	2.1	41,668	10.9
Normal	45,516	44,655	1.9	40,909	11.3
Precautionary	444	378	17.3	486	-8.8
Substandard	165	158	4.0	163	1.2
Doubtful	59	53	11.9	59	-0.8
Estimated Loss	36	27	30.3	51	-29.8
Precautionary & Below Ratio	1.52	1.36	0.16	1.82	-0.30
Precautionary & Below	703	617	14.0	759	-7.4
Substandard & Below Ratio	0.56	0.53	0.03	0.65	-0.09
Substandard & Below	259	238	8.7	273	-5.0
NPL Coverage Ratio	158.1	161.9	-3.8	135.1	23.0
Loan Loss Allowance	410	386	6.2	368	11.2
Delinquency Rate	0.53	0.52	0.02	0.59	-0.06
Delinquent Loans	245	235	4.4	249	-1.5
Total Loans	46,017	45,547	1.0	42,073	9.4

# Group Capital Adequacy

## Group BIS Capital Ratio<sup>1)</sup> (Basel III)



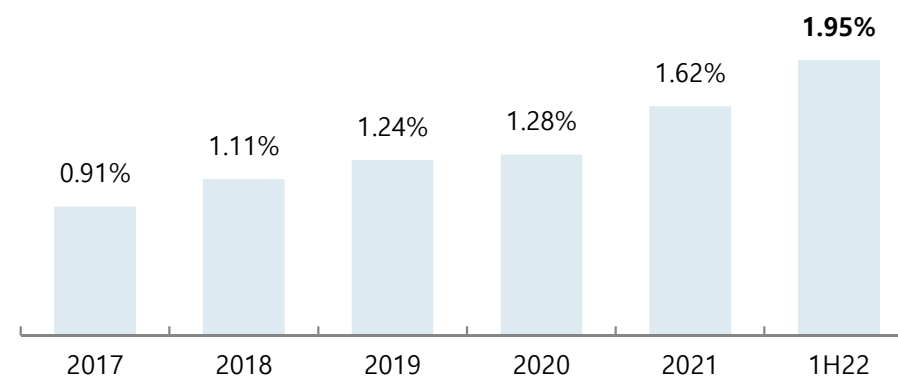
## Quarterly CET1 Ratio Movement



(Units: Wbn, %, %p)	2Q22(E)	1Q22	Q-Q	2Q21	Y-Y
BIS Capital	4,312	4,504	-4.3	4,320	-0.2
Tier1 Capital	4,005	4,006	0.0	3,796	5.5
CET1 Capital	3,590	3,592	-0.1	3,374	6.4
Risk Weighted Assets	32,109	35,083	-8.5	32,069	0.1
BIS Ratio	13.43	12.84	0.59	13.47	-0.04
Tier1 Ratio	12.47	11.42	1.05	11.84	0.63
CET1 Ratio	11.18	10.24	0.94	10.52	0.66

Note1) IRB approach was adopted in 2Q22 / Figures before 2Q22 were based on SA (Standardized approach)

## Group RORWA<sup>1)</sup>

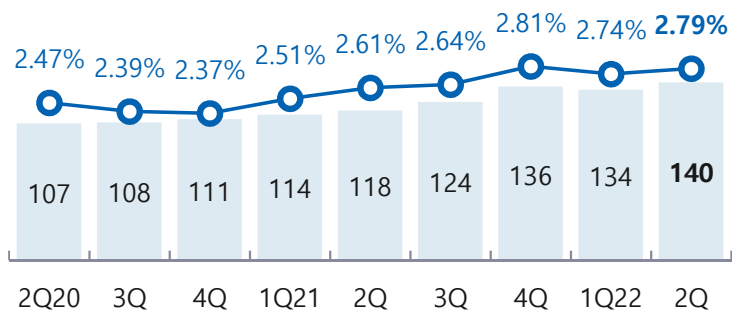


### **III. Results by Subsidiaries**

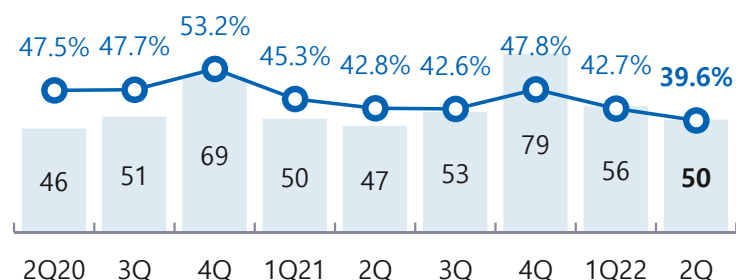
- **Jeonbuk Bank & Kwangju Bank**

\* Separate

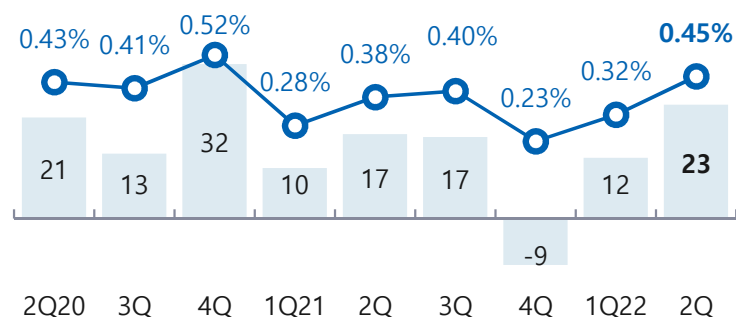
## Interest Income(Wbn) &amp; NIM(Quarterly)



## SG&amp;A Expense(Wbn) &amp; CIR(Cum.)



## Provisions(Wbn) &amp; CCR(Cum.)

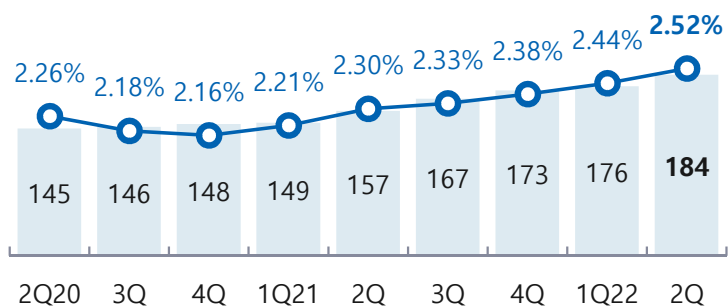


(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Total Operating Income	135.9	130.4	4.2	116.6	16.6	266.3	226.1	17.8
Interest Income	139.6	133.9	4.3	117.7	18.7	273.5	232.0	17.9
Non-interest Income	-3.7	-3.5	n.a.	-1.1	n.a.	-7.3	-5.9	n.a.
SG&A Expenses	49.6	55.5	-10.6	46.9	5.8	105.1	96.8	8.5
Provisions	23.2	12.4	87.5	17.2	34.9	35.6	27.5	29.6
Operating Profit	63.1	62.5	0.9	52.5	20.2	125.6	101.8	23.4
Non-operating Income	-0.3	-0.3	n.a.	-0.6	n.a.	-0.6	0.2	-433.7
Pre-tax Income	62.8	62.2	0.9	51.9	21.1	125.0	102.0	22.6
Income Tax	18.5	15.6	18.7	12.5	47.8	34.0	24.5	38.7
Net Income	44.3	46.7	-5.0	39.4	12.7	91.0	77.5	17.5
Net Income (Consolidated)	51.2	54.4	-5.8	43.5	17.8	105.6	86.5	22.0
ROA <sup>1)</sup>	0.92	0.96	-0.04	0.84	0.08	0.92	0.84	0.08
ROE <sup>1)</sup>	11.60	12.04	-0.44	10.55	1.04	11.60	10.55	1.04

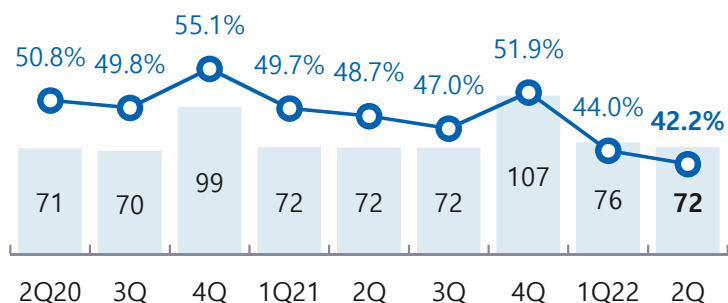
1) Cumulative and annualized

\* Separate

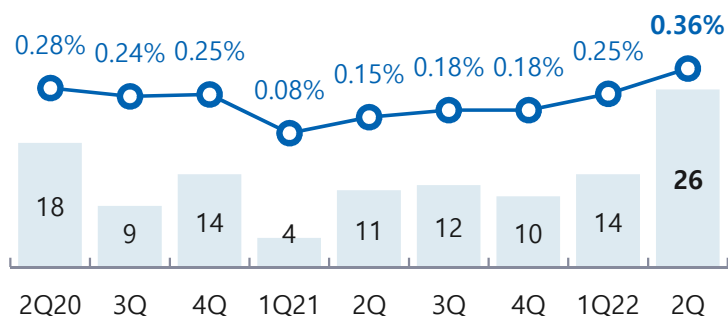
## Interest Income(Wbn) & NIM(Quarterly)



## SG&A Expense(Wbn) & CIR(Cum.)



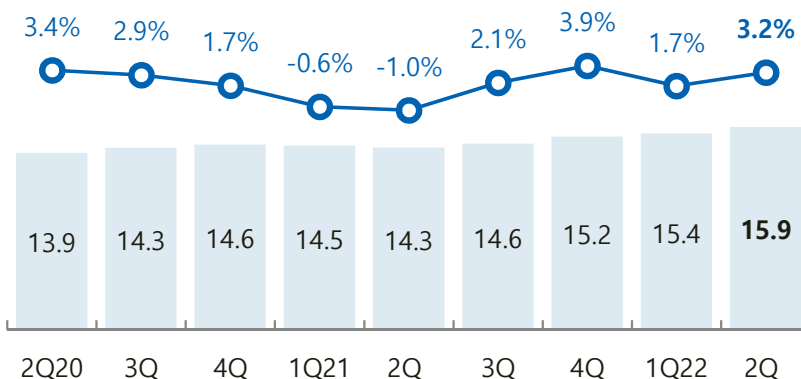
## Provisions(Wbn) & CCR(Cum.)



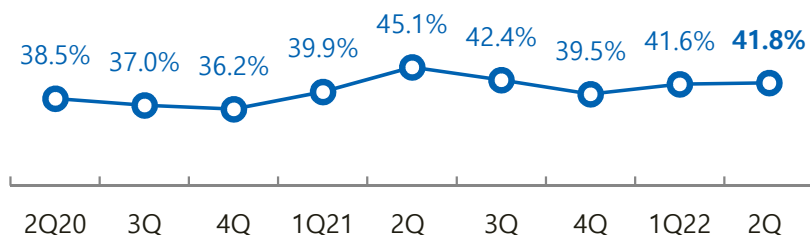
(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Total Operating Income	179.3	171.9	4.3	151.3	18.5	351.1	297.5	18.0
Interest Income	184.2	175.8	4.8	157.5	16.9	359.9	306.2	17.6
Non-interest Income	-4.9	-3.9	n.a.	-6.2	n.a.	-8.8	-8.6	n.a.
SG&A Expenses	72.3	75.5	-4.2	71.8	0.7	147.8	144.1	2.6
Provisions	26.2	13.7	90.3	11.3	131.4	39.9	15.6	155.9
Operating Profit	80.8	82.6	-2.2	68.2	18.4	163.4	137.9	18.5
Non-operating Income	-0.6	-0.4	n.a.	-0.8	n.a.	-1.0	-1.7	n.a.
Pre-tax Income	80.2	82.3	-2.5	67.4	19.0	162.5	136.2	19.3
Income Tax	19.5	20.1	-3.0	15.8	23.2	39.6	32.5	21.8
Net Income	60.7	62.2	-2.3	51.6	17.7	122.9	103.7	18.5
Net Income (Consolidated)	61.4	63.5	-3.3	50.7	21.1	124.9	102.6	21.8
ROA <sup>1)</sup>	0.86	0.88	-0.02	0.78	0.08	0.86	0.78	0.08
ROE <sup>1)</sup>	12.16	12.37	-0.21	10.74	1.42	12.16	10.74	1.42

1) Cumulative and annualized

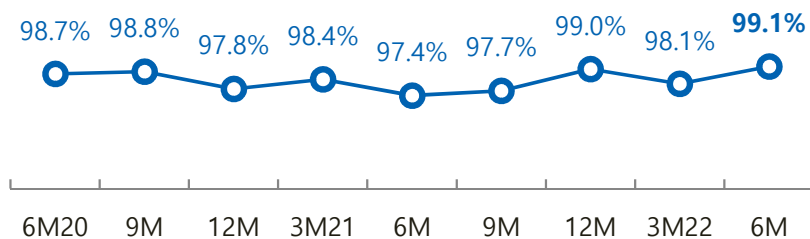
## Loans in KRW(Wtn) & Growth(Q-Q)



## Low Cost Deposit Ratio



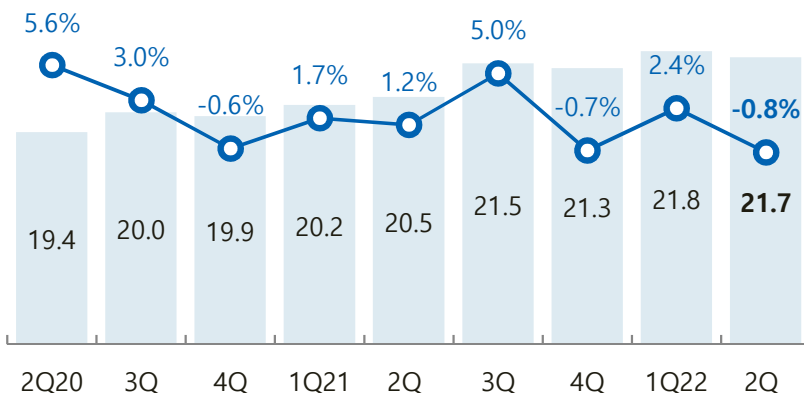
## Loan to Deposit Ratio(Monthly Average)



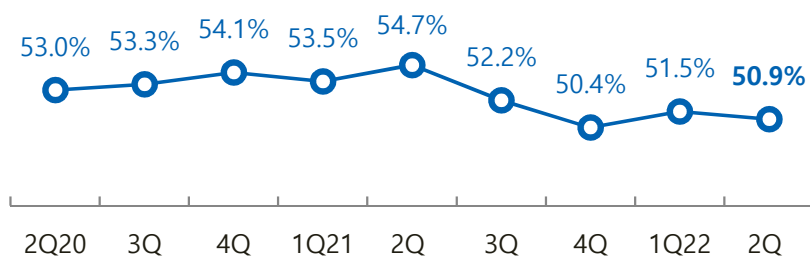
\* Separate

(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Assets	20,684	19,908	3.9	18,731	10.4
Loans in KRW	15,936	15,447	3.2	14,329	11.2
Corporate	8,761	8,595	1.9	7,987	9.7
SME	8,374	8,160	2.6	7,652	9.4
Large Corp	388	435	-10.8	335	15.6
Household	6,777	6,439	5.2	5,952	13.9
Mortgage	2,445	2,338	4.6	2,481	-1.4
Public & Others	398	413	-3.8	390	1.9
Total Deposits	16,652	15,986	4.2	15,111	10.2
Deposits in KRW	16,570	15,906	4.2	14,930	11.0
Low Cost Deposit	6,950	6,632	4.8	6,761	2.8
Demand	3,874	3,536	9.5	3,623	6.9
Savings	1,892	1,875	0.9	1,873	1.1
Corporate Savings	1,184	1,220	-3.0	1,265	-6.4
Time Deposit	9,310	8,954	4.0	7,822	19.0
Installment Deposit	311	320	-2.9	347	-10.5

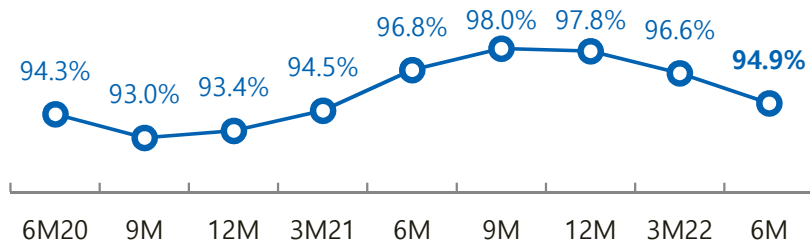
## Loans in KRW(Wtn) & Growth(Q-Q)



## Low Cost Deposit Ratio



## Loan to Deposit Ratio(Monthly Average)

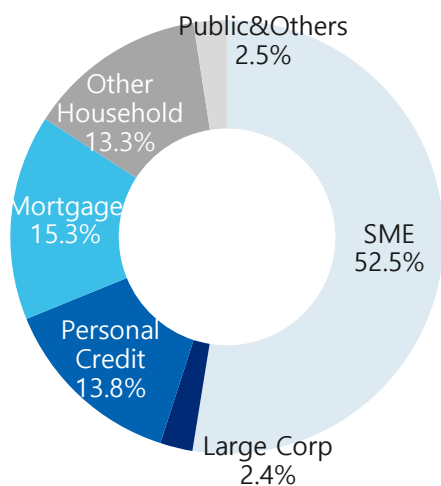


\* Separate

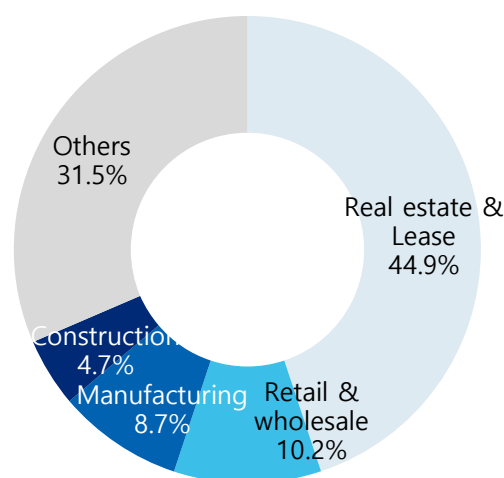
(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Assets	28,696	28,731	-0.1	27,414	4.7
Loans in KRW	21,661	21,845	-0.8	20,459	5.9
Corporate	12,292	11,944	2.9	10,880	13.0
SME	11,829	11,538	2.5	10,409	13.6
Large Corp	464	406	14.1	471	-1.6
Household	8,624	9,083	-5.0	8,822	-2.2
Mortgage	6,033	6,567	-8.1	6,498	-7.2
Public & Others	744	818	-9.0	756	-1.6
Total Deposits	23,440	23,179	1.1	22,605	3.7
Deposits in KRW	22,968	22,559	1.8	21,378	7.4
Low Cost Deposit	11,749	11,666	0.7	11,758	-0.1
Demand	6,497	6,284	3.4	6,705	-3.1
Savings	3,569	3,632	-1.7	3,466	3.0
Corporate Savings	1,682	1,750	-3.9	1,586	6.0
Time Deposit	10,846	10,536	2.9	9,255	17.2
Installment Deposit	316	297	6.3	301	5.1



## Loans by Sector



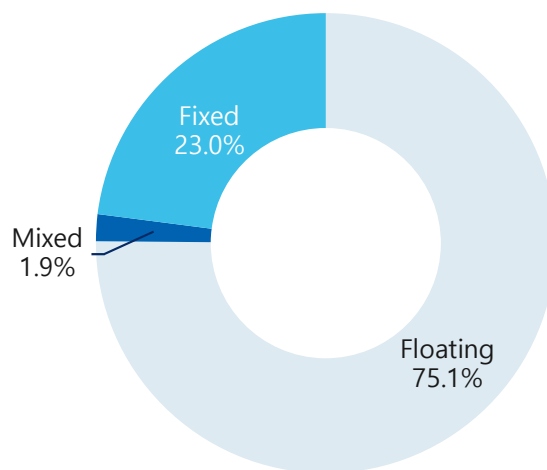
## Corporate Loans by Industry



### Delinquency by Industry

	2Q22	1Q22
Real Estate & Lease	0.2%	0.3%
Manufacturing	1.8%	1.5%
Retail & Wholesale	0.8%	0.8%
Construction	0.8%	0.8%

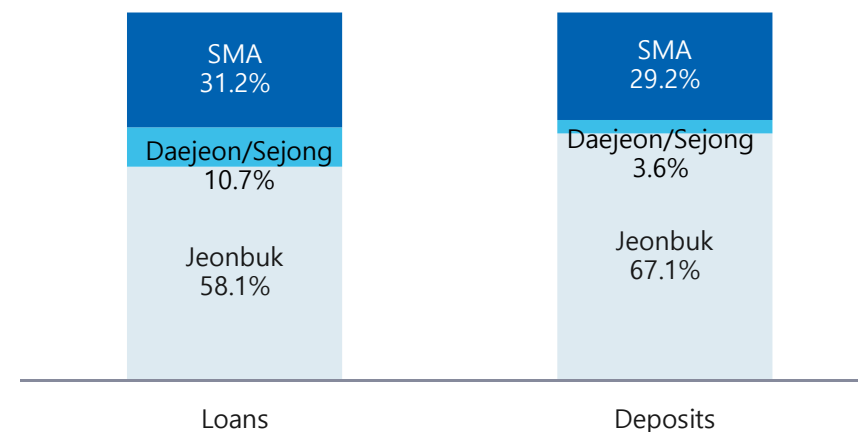
## Loans by Interest Rate Type



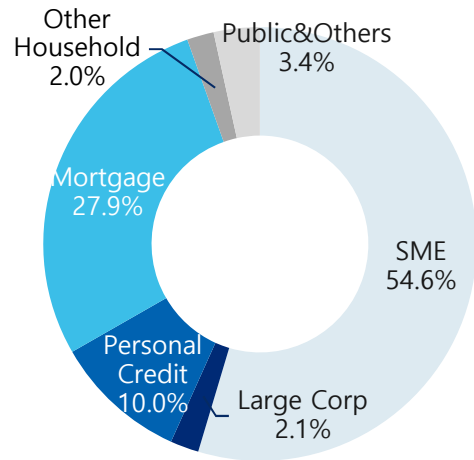
### Floating Rate by Types

COFIX (Incremental)	19.2%
COFIX (Outstanding)	0.3%
New COFIX (Outstanding)	0.4%
Bank Bonds	44.5%
CD	9.2%
Others	1.6%

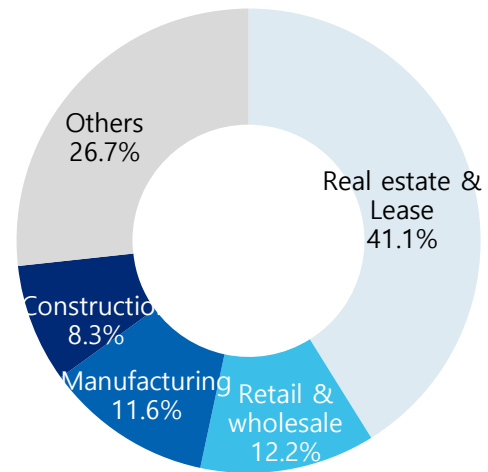
## Loans & Deposits by Region



## Loans by Sector



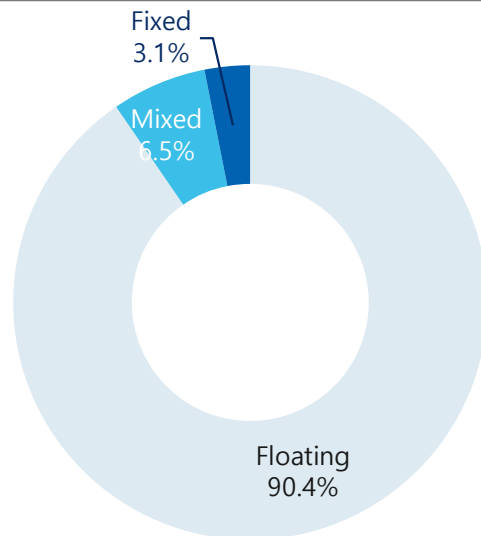
## Corporate Loans by Industry



### Delinquency by Industry

	2Q22	1Q22
Real Estate & Lease	0.1%	0.1%
Manufacturing	1.1%	1.1%
Retail & Wholesale	0.3%	0.2%
Construction	0.2%	0.3%

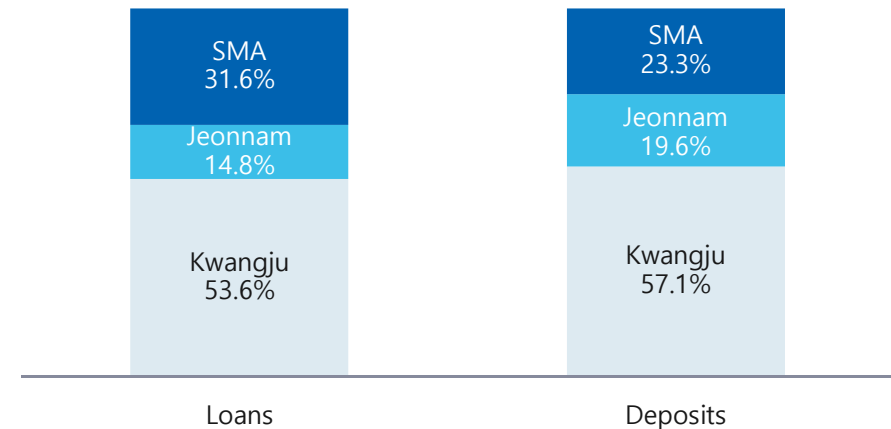
## Loans by Interest Rate Type



### Floating Rate by Types

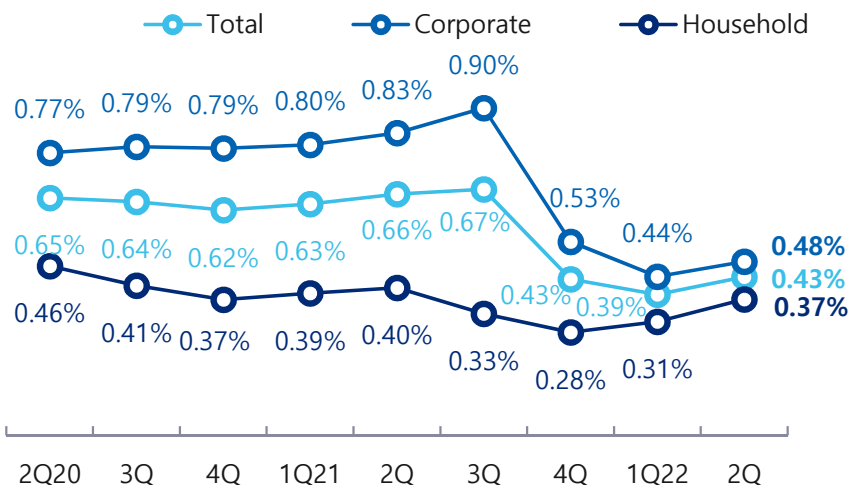
COFIX (Incremental)	12.8%
COFIX (Outstanding)	2.7%
New COFIX (Outstanding)	17.9%
Bank Bonds	49.4%
CD	7.1%
Others	0.6%

## Loans & Deposits by Region

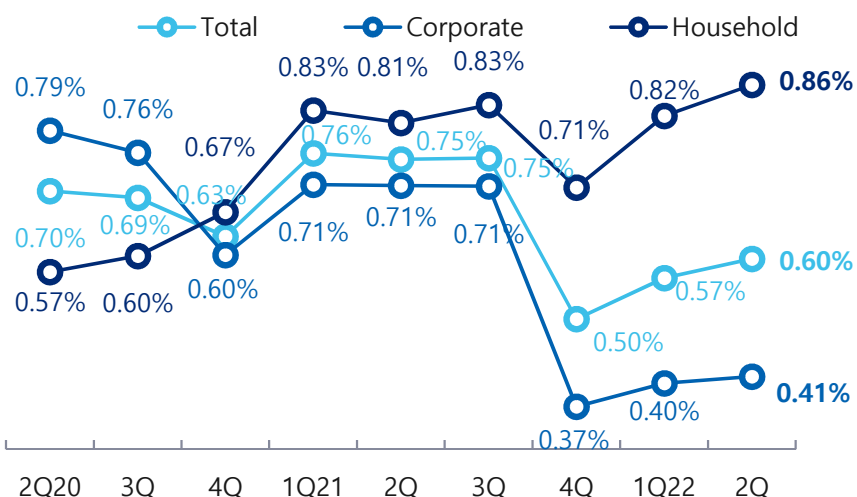


1) Seoul Metropolitan Area

## NPL Ratio by Sector

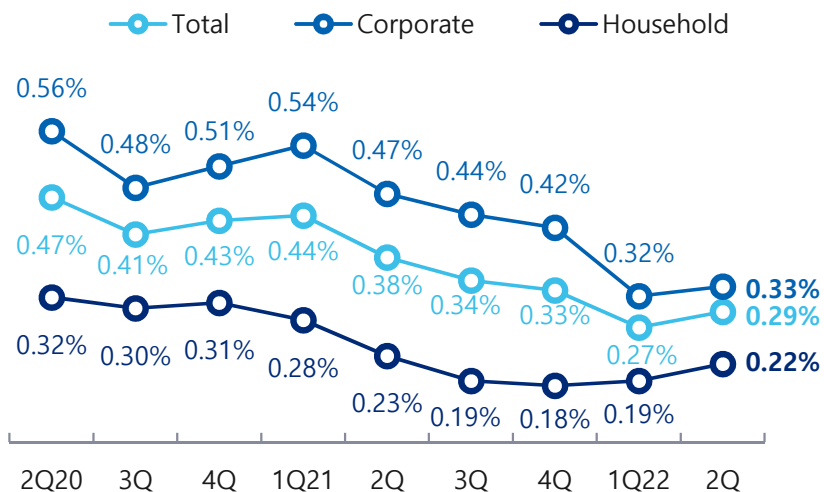


## Delinquency Ratio by Sector

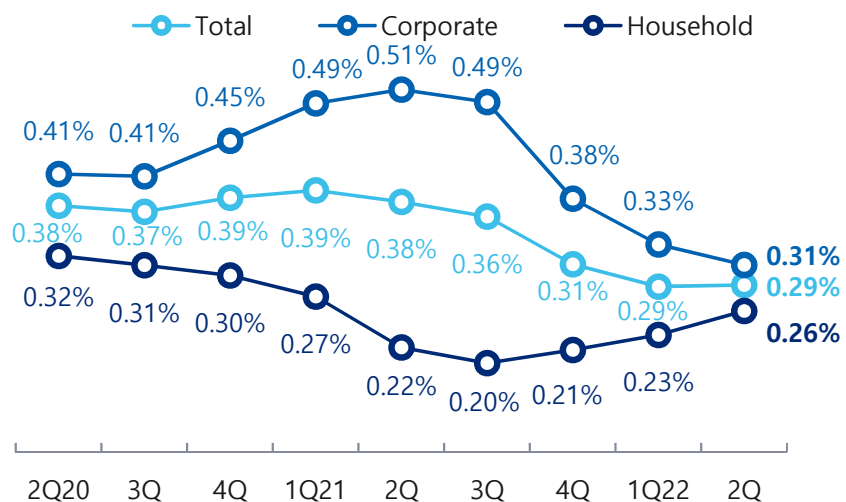


(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Credits	16,220	15,710	3.2	14,585	11.2
Normal	15,926	15,434	3.2	14,206	12.1
Precautionary	223	216	3.4	282	-21.0
Substandard	36	33	12.1	55	-33.3
Doubtful	20	19	3.9	22	-9.8
Estimated Loss	14	9	56.1	20	-28.1
Precautionary & Below Ratio	1.81	1.76	0.05	2.60	-0.79
Precautionary & Below	294	276	6.2	379	-22.5
Substandard & Below Ratio	0.43	0.39	0.05	0.66	-0.23
Substandard & Below	70	61	16.1	96	-26.9
NPL Coverage Ratio	193.7	198.1	-4.4	123.6	70.2
Loan Loss Allowance	136	120	13.5	119	14.6
Delinquency Ratio	0.60	0.57	0.03	0.75	-0.15
Delinquent Loans	96	89	8.7	109	-11.6
Total Loans	16,171	15,658	3.3	14,536	11.2

## NPL Ratio by Sector



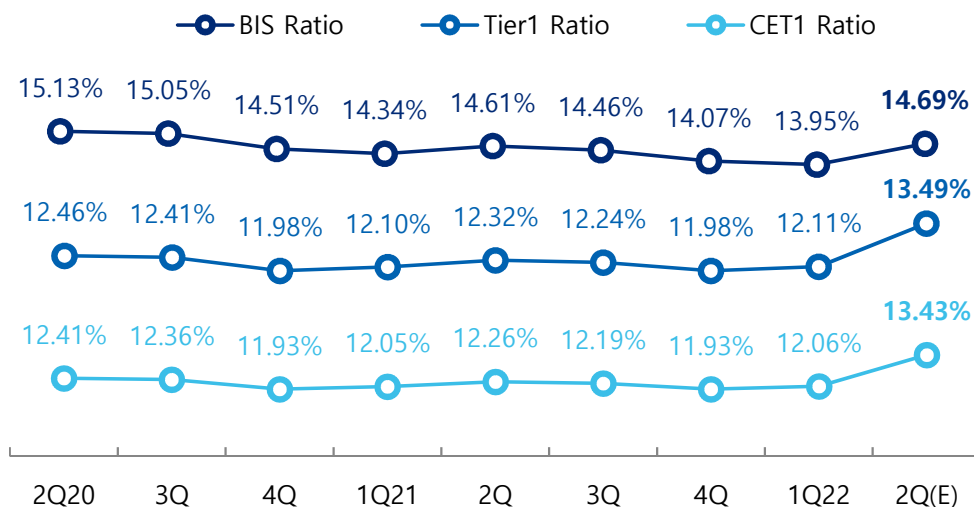
## Delinquency Ratio by Sector



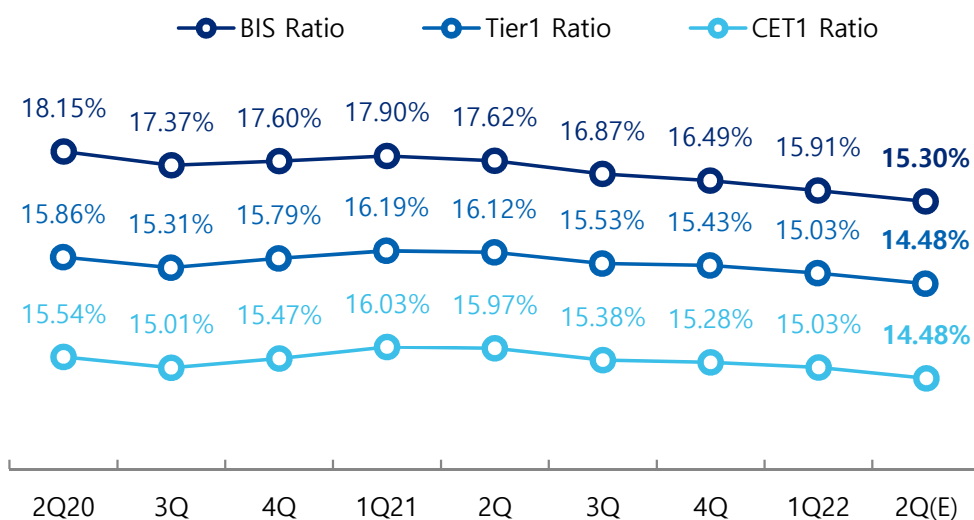
(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Credits	22,231	22,387	-0.7	20,988	5.9
Normal	22,058	22,245	-0.8	20,790	6.1
Precautionary	108	82	31.6	119	-9.5
Substandard	40	38	3.8	46	-13.1
Doubtful	7	7	-5.5	5	41.0
Estimated Loss	19	15	24.6	28	-33.6
Precautionary & Below Ratio	0.78	0.64	0.14	0.94	-0.16
Precautionary & Below	173	143	21.5	198	-12.5
Substandard & Below Ratio	0.29	0.27	0.02	0.38	-0.08
Substandard & Below	65	61	7.8	79	-16.9
NPL Coverage Ratio	180.9	174.7	6.2	129.2	51.6
Loan Loss Allowance	118	106	11.6	102	16.3
Delinquency Ratio	0.29	0.29	0.00	0.38	-0.09
Delinquent Loans	64	64	0.0	79	-19.9
Total Loans	22,078	22,226	-0.7	20,828	6.0

# JB Bank & KJ Bank \_ Capital Adequacy

## JB Bank (Basel III)<sup>1)</sup>



## KJ Bank (Basel III IRB)



(Units: Wbn, %, %p)	2Q22(E)	1Q22	Q-Q	2Q21	Y-Y
BIS Capital	1,679	1,782	-5.8	1,737	-3.4
Tier1 Capital	1,542	1,547	-0.3	1,464	5.3
CET1 Capital	1,535	1,540	-0.3	1,458	5.3
Risk Weighted Assets	11,433	12,773	-10.5	11,889	-3.8
BIS Ratio	14.69	13.95	0.73	14.61	0.07
Tier1 Ratio	13.49	12.11	1.38	12.32	1.17
CET1 Ratio	13.43	12.06	1.37	12.26	1.17

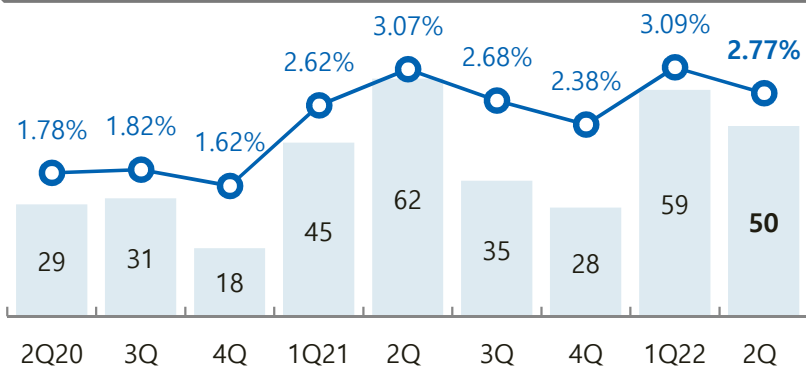
Note1) IRB approach was adopted in 2Q22 / Figures before 2Q22 were based on SA (Standardized approach)

(Units: Wbn, %, %p)	2Q22(E)	1Q22	Q-Q	2Q21	Y-Y
BIS Capital	1,976	1,936	2.1	1,976	0.0
Tier1 Capital	1,869	1,830	2.2	1,809	3.4
CET1 Capital	1,869	1,830	2.2	1,791	4.4
Risk Weighted Assets	12,914	12,173	6.1	11,218	15.1
BIS Ratio	15.30	15.91	-0.60	17.62	-2.31
Tier1 Ratio	14.48	15.03	-0.56	16.12	-1.65
CET1 Ratio	14.48	15.03	-0.56	15.97	-1.49

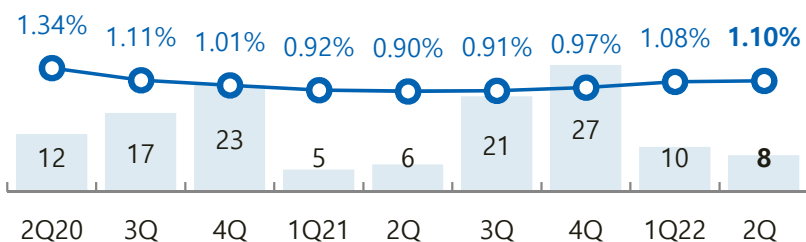
## **III. Results by Subsidiaries**

- **JB Woori Capital**

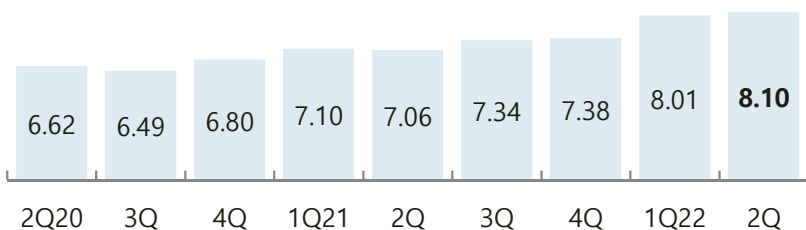
## Net Income(Wbn) &amp; ROA(Cumulative)



## Provisions(Wbn) &amp; Delinquency Ratio(Cumulative, 1D)



## Total Assets(Wtn)



\* Consolidated

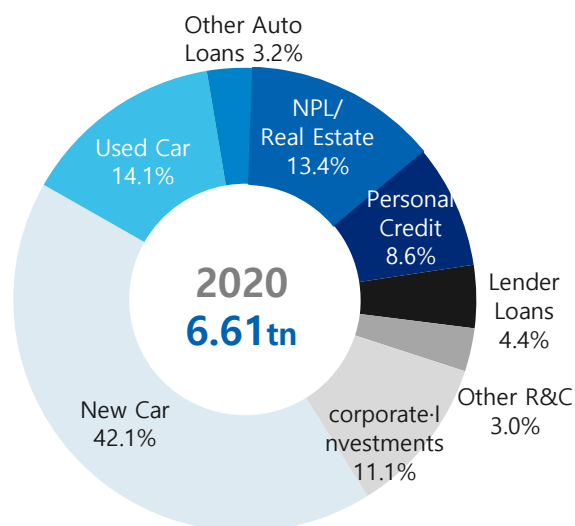
(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Total Operating Income	96.0	110.9	-13.4	103.3	-7.0	207.0	195.5	5.9
Interest Income	77.9	76.8	1.4	65.8	18.3	154.6	129.1	19.8
Lease Income	17.2	17.2	-0.2	17.7	-2.9	34.4	34.3	0.2
SG&A Expenses	22.9	22.3	2.7	24.2	-5.5	45.2	52.2	-13.5
Provisions	7.8	9.6	-18.9	5.8	33.9	17.3	10.5	64.9
Net Income	49.5	58.9	-16.1	61.8	-20.0	108.4	107.0	1.3

(Units: Wbn, %, %p)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Assets	8,103	8,014	1.1	7,061	14.7
Total Loans	7,735	7,639	1.3	6,653	16.3
Leverage	7.95	7.79	0.16	7.65	0.30
NPL Ratio	1.59	1.55	0.04	1.48	0.11
Delinquency Ratio	1.10	1.08	0.02	0.90	0.19
ROA	2.77	3.09	-0.33	3.07	-0.30
ROE	20.91	22.98	-2.07	23.64	-2.72
CIR	21.8	20.1	1.7	26.7	-4.9

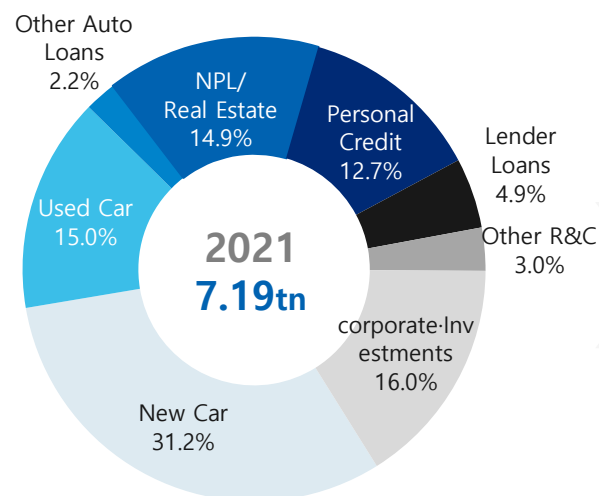


- Restructuring financial asset portfolio with gradual expansion in higher return products
  - Reducing new car finance due to intensifying competition, while strengthening used car finance with higher profitability
  - Increase the weight of non-auto finance centered around corporate · investments & personal credit

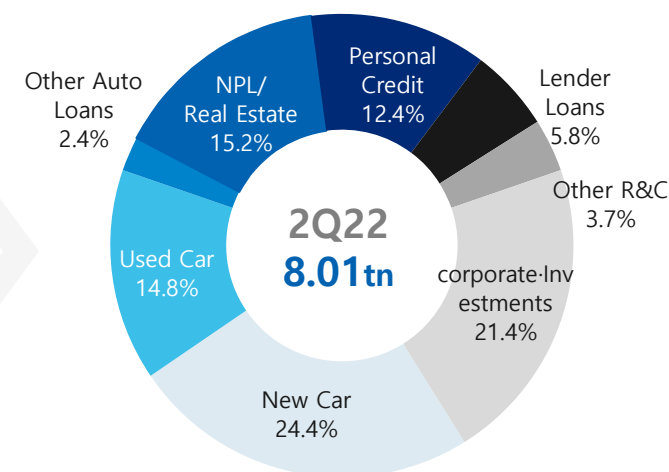
## Financial Assets Portfolio



<b>Auto finance</b>	<b>3,931bn</b>	<b>(59.5%)</b>
<b>Retail &amp; Corporate</b>	<b>2,679bn</b>	<b>(40.5%)</b>



<b>Auto finance</b>	<b>3,481bn</b>	<b>(48.4%)</b>
<b>Retail &amp; Corporate</b>	<b>3,701bn</b>	<b>(51.6%)</b>



<b>Auto finance</b>	<b>3,329bn</b>	<b>(41.6%)</b>
<b>Retail &amp; Corporate</b>	<b>4,680bn</b>	<b>(58.4%)</b>

Note) '22.2Q Change in portfolio classification standard : reclassify corporate banking assets that used to fall under [NPL/Real Estate] as [corporate-Investments]

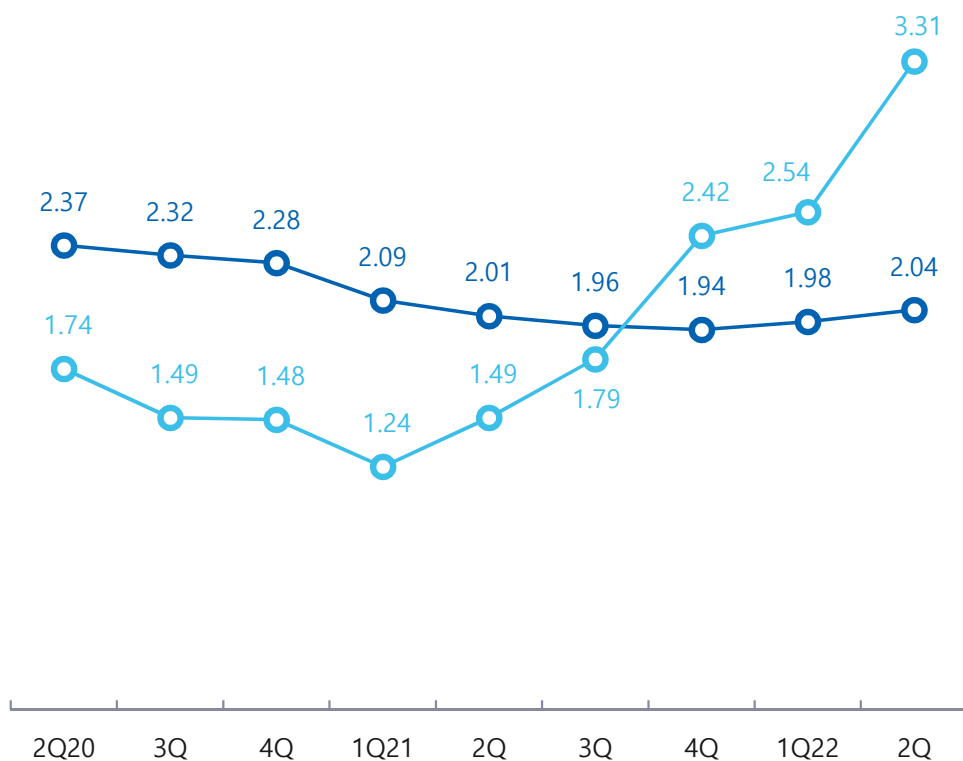
## Funding Rate Trend

- Retain strong competitiveness in funding as a bank-affiliated consumer finance company (credit rating AA-)
- New funding rate has risen due to benchmark rate hikes after August 2021

(Unit: %)

—●— Outstanding funding rate(cumulative)

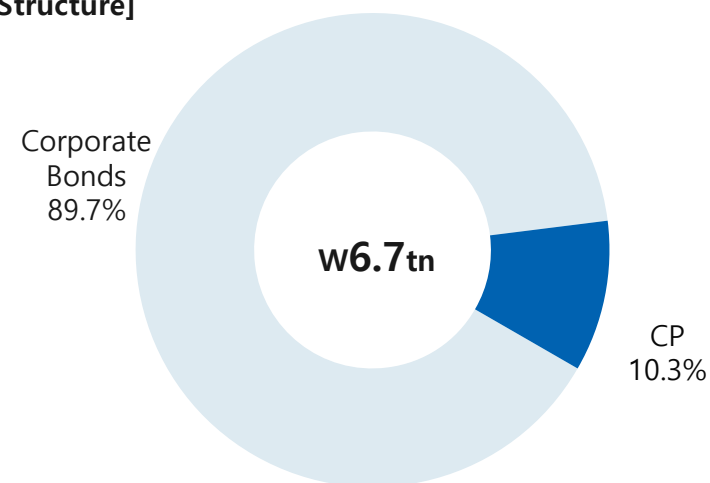
—○— Incremental funding rate(quarterly)



## Funding Structure

- Stable funding portfolio with major portion of corporate bonds
- Maintaining CP portion in order to improve liquidity ratio

### [Funding Structure]

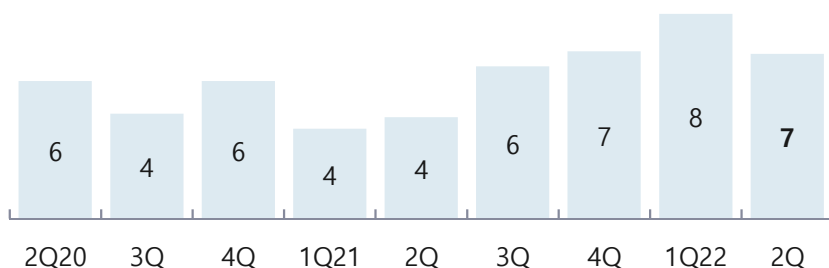


(Unit: Wbn)	2Q22		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Corporate Bonds	6,000	89.7%	5,510	91.8%	5,150	93.6%
CP	690	10.3%	490	8.2%	160	2.9%
ABS	-	-	-	-	193	3.5%
Borrowings	-	-	-	-	-	-
Total	6,690	100.0%	6,000	100.0%	5,503	100.0%

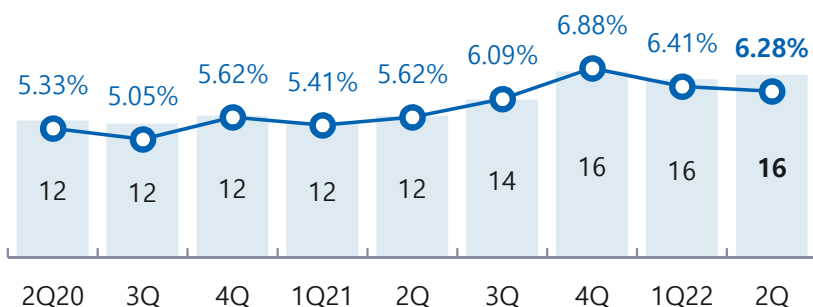
### **III. Results by Subsidiaries**

- **Phnom Penh Commercial Bank**

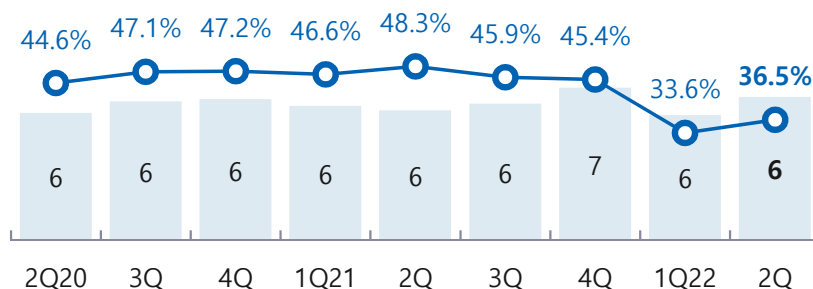
## Net Income(Wbn)



## Interest Income(Wbn) & NIM(Quarterly)



## SG&A Expense(Wbn) & CIR(Cum.)

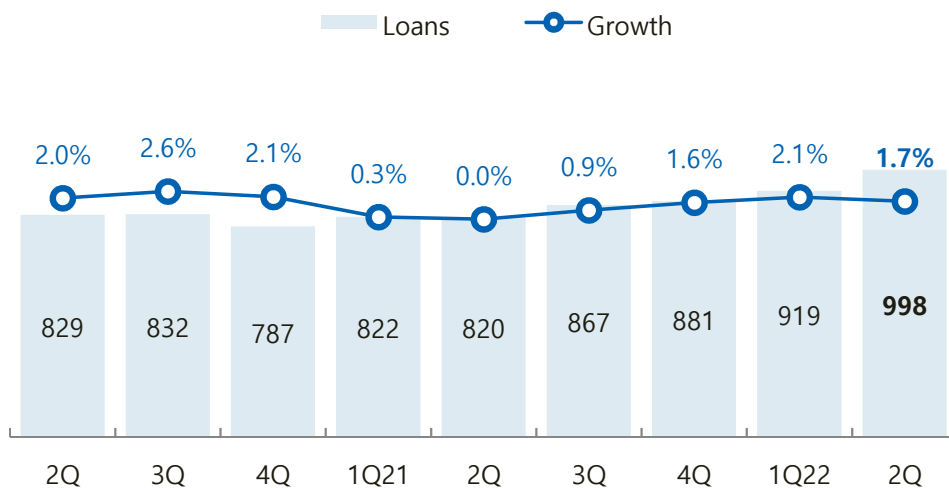


(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Total Operating Income	15.8	16.4	-3.8	11.4	38.7	32.2	24.1	33.8
Interest Income	16.0	15.6	2.9	12.4	29.5	31.6	24.2	30.3
Non-interest Income	-0.2	0.8	-127.7	-1.0	n.a.	0.6	-0.2	n.a.
SG&A Expense	6.3	5.5	13.7	5.7	9.6	11.8	11.6	1.3
Provisions	0.9	0.5	70.3	0.4	106.3	1.4	2.4	-43.9
Net Income	6.6	8.2	-19.7	4.1	63.0	14.8	7.6	94.8
Net Income(USDbn)	5.2	6.8	-23.2	3.6	45.0	12.1	6.8	77.2

(Units: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Assets	1,321	1,232	7.3	1,133	16.6
Loans	998	919	8.6	820	21.7
Total Liabilities	1,084	1,014	6.9	950	14.1
Deposits	977	918	6.5	838	16.6
Shareholder's Equity	237	217	9.0	183	29.6

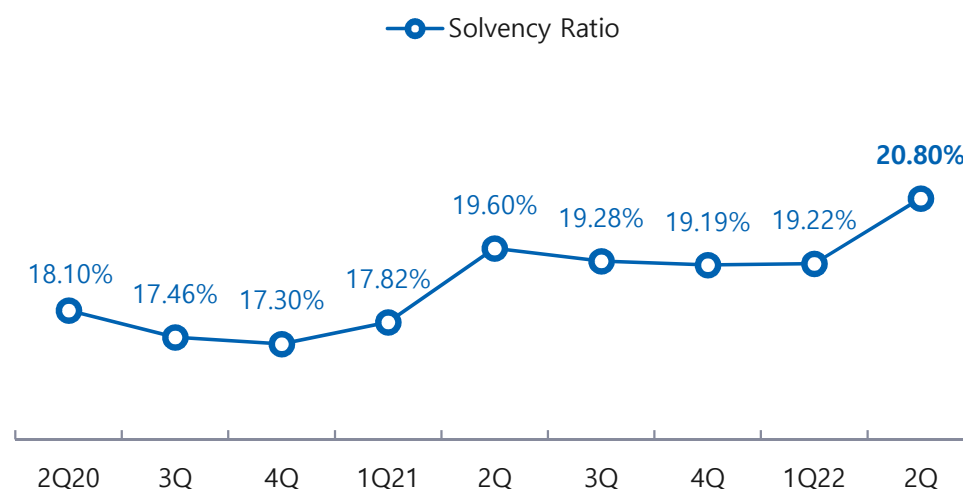
Note) PPCBank uses USD for accounting purpose, and the above figures reflect KRW/USD translation effect

## Loans(Wbn) & Growth(Q-Q)



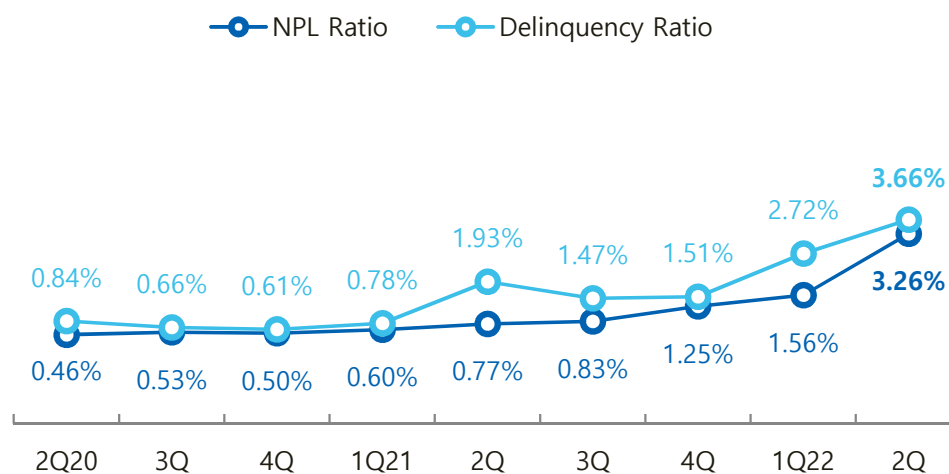
Note) % Growth reflects USD/KRW translation effect

## Solvency Ratio

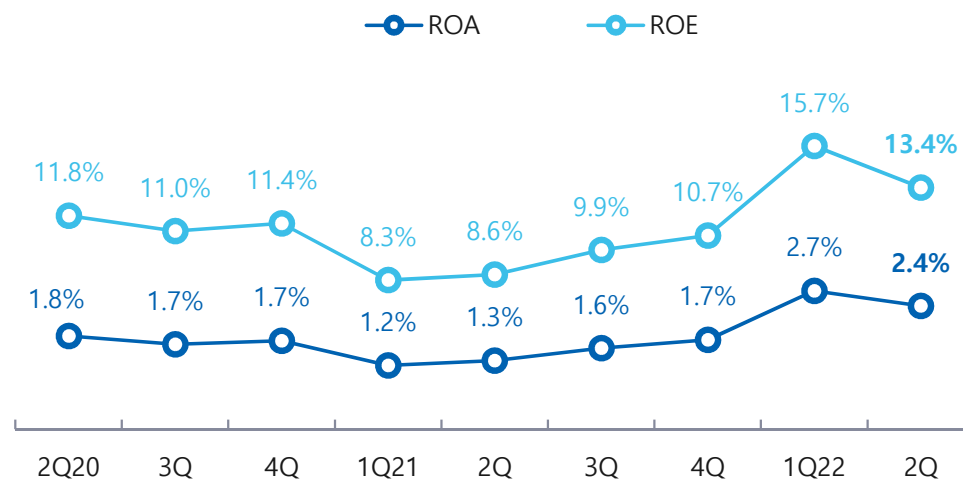


Note) Regulatory requirement as of 4Q20 is 17.5%; however, the National Bank of Cambodia is waiving the requirement to 16.25%

## NPL Ratio & Delinquency Ratio



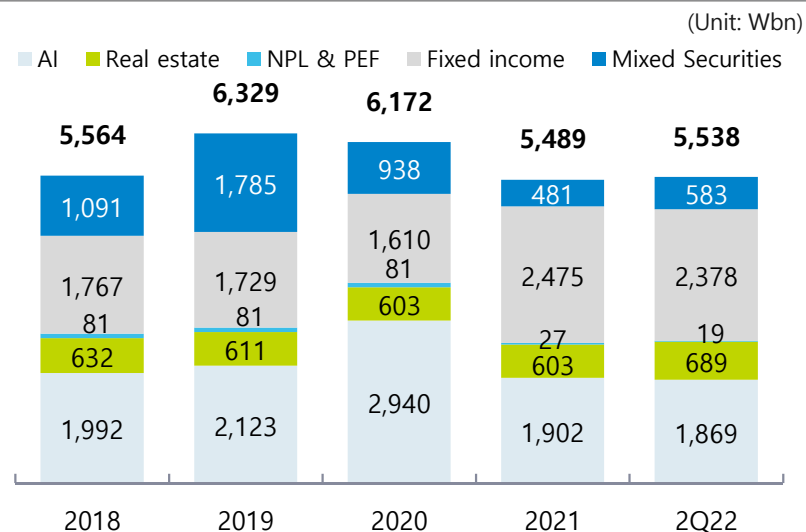
## ROA & ROE (cumulative)



## **III. Results by Subsidiaries**

- **JB Asset Management**

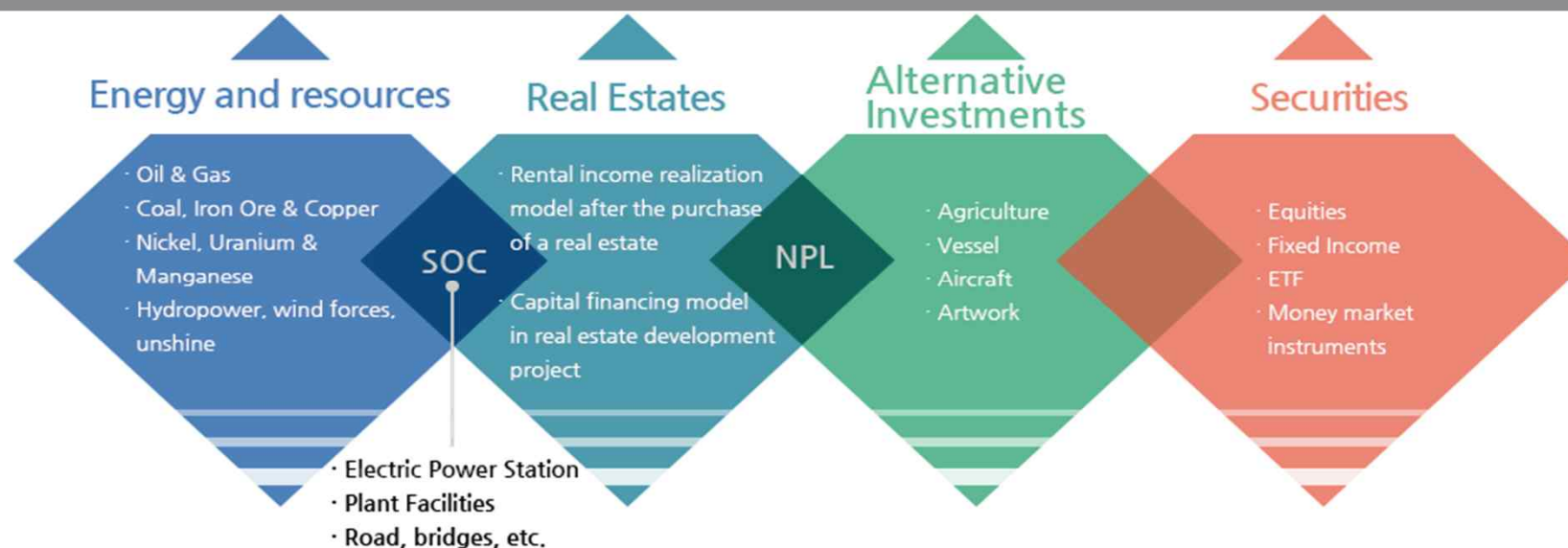
## AUM by Funds



## Income Statement

(Unit: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Operating Revenue	9.60	7.21	33.1	4.32	122.2	16.82	9.24	82.0
Trading Fee	7.95	5.03	58.0	3.25	144.4	12.99	6.59	97.0
Trading Income	0.37	1.24	-70.3	0.42	-11.8	1.61	1.26	28.0
Interest Income	1.28	0.94	37.0	0.65	97.2	2.22	1.39	59.8
Operating Expense	4.50	3.53	27.5	2.65	69.6	8.03	5.58	44.0
Operating Profit	5.10	3.68	38.5	1.67	206.0	8.79	3.67	139.7
Net Income	3.80	2.52	50.5	1.09	248.0	6.32	2.52	150.9

## Business Domain

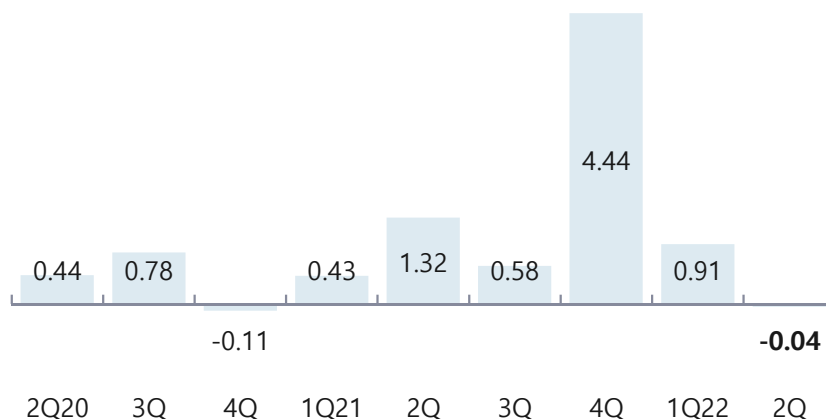




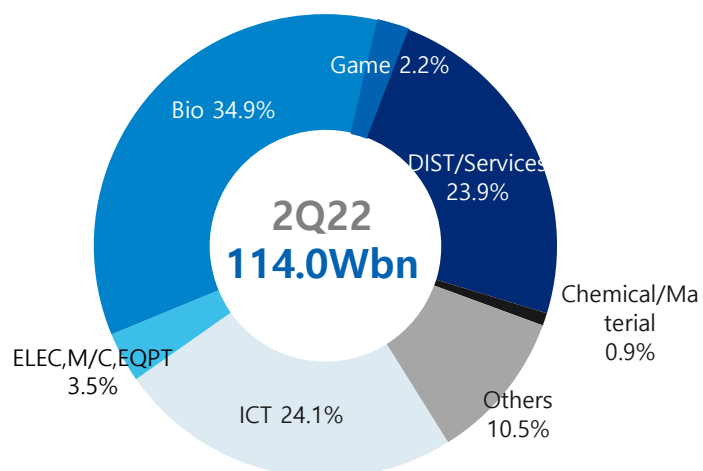
## **III. Results by Subsidiaries**

- **JB Investment**

## Net Income(Wbn)



## AUM Composition



\* AUM : Assets acquired by venture funds (at acquisition cost)

(Unit: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y	1H22	1H21	Y-Y
Operating Revenue	0.77	1.43	-45.9	2.57	-69.9	2.20	3.80	-42.1
(Revenue from venture investment)	0.00	0.01	-100.0	0.42	-100.0	0.01	0.42	-98.8
(Revenue from Investment Funds)	0.77	0.89	-13.9	2.02	-62.0	1.66	2.93	-43.4
Operating Expense	0.91	0.71	28.1	0.88	4.0	1.62	1.71	-5.2
Inv. & Financing Costs	0.44	0.11	309.3	-0.03	n.a.	0.55	0.13	323.1
SG&A	0.47	0.60	-22.2	0.91	-48.4	1.07	1.58	-32.2
Operating Income	-0.14	0.72	-119.4	1.69	-108.2	0.58	2.09	-72.4
Non-operating Income	-0.01	0.00	n.a.	0.00	n.a.	-0.01	-0.01	n.a.
Net Income	-0.04	0.91	-104.9	1.32	-103.4	0.87	1.75	-50.4

(Unit: Wbn, %)	2Q22	1Q22	Q-Q	2Q21	Y-Y
Total Assets	44	44	-1.8	38	15.2
Venture Investment Assets	23	23	-1.1	23	0.3
Total Liabilities	2	3	-26.4	2	22.8
Total Shareholders' Equity	41	42	-0.1	36	14.9

Note) Net income of JB Investment has been included on a consolidated basis since it joined JBFG(in June 2022)



**Investor Relations**

[www.jbfg.com](http://www.jbfg.com)