

Industrial Bank of Korea

Resolution Plan for United States Operations

Public Section

July 1, 2025



The public section shall consist of an executive summary of the resolution plan that describes the business of the covered company and includes, to the extent material to an understanding of the covered company:

Industrial Bank of Korea (“**IBK**”), Seoul, Korea, which was established in 1961 pursuant to the Industrial Bank of Korea Act (the “**IBK Act**”) to promote independent economic activities and provide development finance and related banking services to small- and medium-sized enterprises (“**SMEs**”) in Korea, is a full-service commercial banking institution.

IBK’s principal authority under the IBK Act is to discount bills for, and to make loans to, SMEs in a wide range of industries. Most of IBK’s activities have been carried out pursuant to this authority. However, in addition to IBK’s primary public purpose, IBK provides a broad range of banking services to individuals, households and other non-SMEs, including lending, deposit taking, credit card issuance and servicing, trust account management, and research and advisory services.

Until 1994, IBK’s entire issued share capital was held by the Korean government. Since 1994, the government’s share ownership has gradually decreased through public offering of new shares and an increase in employee stock ownership. As of March 31, 2025, the Korean government’s share ownership was at approximately 59.5 percent. The Korean government has full control over IBK’s management, policies and operations pursuant to the IBK Act. Under the IBK Act, the Korean government has the right to appoint or remove members of the board of directors (the “**IBK Board**”) of IBK, including the chairman and chief executive officer. The Korean government also has the power to appoint or dismiss IBK’s statutory auditor who has the duty to oversee IBK’s operations and financial matters. IBK’s Articles of Incorporation may only be amended with the approval of the Financial Supervisory Commission (the “**FSC**”).

IBK owns and operates IBK Capital Corporation, IBK Securities Co., Ltd., IBK Insurance Co., Ltd., IBK Asset Management Co., Ltd., IBK Savings Bank Co., Ltd., IBK Systems Co., Ltd., IBK Credit Information Co., Ltd., IBK Venture Investment and IBK Service Co., Ltd. In Korea, IBK offers diverse products and services through its 628 branches.

In terms of its global operations, IBK now covers six continents to provide easily accessible services for Korean SMEs wherever they do business. In Asia, where Korean SMEs have the strongest presence, IBK is widening its reach. In China, for instance, IBK operates eight (8) branches and eight (8) sub-branches as of March 31, 2025 under IBK China Ltd., a subsidiary bank incorporated under the Chinese laws. Also, IBK operates thirty-two (31) branches in Indonesia as of March 31, 2025 under PT Bank IBK Indonesia TBK, a subsidiary bank incorporated under the In Indonesian laws. In addition, IBK Myanmar Co., LTD., a subsidiary bank of IBK, commenced operations in Yangon on January 21, 2021. IBK now operates a global network of fifty-nine (59) overseas branches in thirteen (13) countries around the world.

In the United States, IBK operates a New York State-licensed branch (the “**New York Branch**”) in New York, New York, which is the sole U.S. operation of IBK. The New York Branch is engaged in the following businesses:

- (i) Corporate lending to U.S. subsidiaries of Korean companies;
- (ii) Commercial lending to Korean-American businesses;
- (iii) Export-import letters of credit issuance and confirmation; and
- (iv) Handling of Reimbursements/USD Clearing activities.

The total assets of the New York Branch, which are comprised mainly of receivables from IBK head office, corporate and commercial mortgage loans and liquid debt securities, were

approximately US\$830.1 million as of March 31, 2025. Total liabilities amounted to approximately US\$830.1 million as of March 31, 2025.

(1) The names of material entities;

IBK has identified the following entities as constituting a “material entity”, which is defined in 12 C.F.R. Section 243.2 as a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.

(As of March 31, 2025)

Name and Description	Location	Type of Business	Ownership Interest
IBK (<i>see above</i>)	Korea	Banking	59.5% (Korean government)
IBK Capital Corporation IBK Capital Corporation (“ IBK Capital ”) was established on November 1, 1986, to provide services to small start-up companies.	Korea	Non-banking	100% (IBK)
IBK Securities Co., Ltd IBK Securities Co., Ltd. (“ IBK Securities ”) was established on May 29, 2008, to engage in trading of security and futures.	Korea	Securities	87.78% (IBK)
Industrial Bank of Korea (China) Ltd. The Industrial Bank of Korea (China) Limited (“ IBK China ”) was established on June 22, 2009, with five local branches in China.	China	Banking	100% (IBK)
IBK Insurance Co., Ltd. IBK Insurance Co., Ltd. (“ IBK Insurance ”) was established on July 9, 2010, to engage in retirement insurance and pension contracts, annuity insurance contracts and others, in accordance with the <i>Guarantee of Workers’ Retirement Benefits Act</i> and the <i>Insurance Business Act</i> .	Korea	Insurance	100% (IBK)
IBK Savings Bank Co., Ltd. IBK Savings Bank Co., Ltd. (“ IBK Savings ”) was established on July 15, 2013, to support regionally based SMEs and provide microcredit finance.	Korea	Microcredit Finance	100% (IBK)
IBK Venture Investment Co., Ltd. IBK Venture Investment Co., Ltd. (“ IBK Venture Investment ”) was established on December 14, 2023, to engage in investment and loans to new technology businesses,	Korea	New Technology Venture Business Finance	100% (IBK)

provide management and technical guidance, and manage, operate funds			
IBK Asset Management Co., Ltd. IBK Asset Management Co., Ltd. (IBK Asset Management) was established on October 26, 2004, to engages in collective investment business and investment advisory services.	Korea	Financial Investment Business	100% (IBK)
PT Bank IBK Indonesia Tbk PT Bank IBK Indonesia Tbk (“ IBK Indonesia ”) was launched in September 5, 2019, with thirty local branches in Indonesia.	Indonesia	Banking	91.49% (IBK)
IBK Myanmar Co., Ltd. IBK Myanmar Co., Ltd. (“ IBK Myanmar ”) was established on January 21, 2021, with its first branch in Yangon.	Myanmar	Banking	100% (IBK)

(2) A description of core business lines;

IBK identified the following four (4) business lines as IBK’s “core business lines”, which is defined in 12 C.F.R. Section 243.2 as “those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value”:

- (i) Small-and-medium-sized Enterprise Banking;
- (ii) Retail Banking;
- (iii) Securities Business; and
- (iv) Retirement and Pension Insurance Business.

IBK is a nationwide provider of financial services to small- and medium-sized enterprises in Korea. Building upon IBK’s core competence in small- and medium-sized enterprise banking, IBK has expanded its domestic Korean operations to cover retail banking, credit card operations and trust account management, primarily by leveraging its extensive network of branches and by effectively marketing its electronic banking system.

Small- and Medium-sized Enterprise Banking

Small- and medium-sized enterprise banking has been and will remain IBK’s core business. IBK provides a full range of banking services to small- and medium-sized enterprises, including extending loans and discounting bills, underwriting debt and equity securities issued by small- and medium-sized enterprises, issuing guarantees and acceptances and letters of credit, trade financing, foreign exchange services and payment remittances. As of March 31, 2025, IBK had 507,360 small- and medium-sized enterprise customers and total loan volume with respect to small- and medium-sized enterprises of KRW 253,734 billion.

IBK’s principal loan products for its small- and medium-sized enterprise customers are working capital loans and facilities loans. Working capital loans are provided to finance working

capital requirements and include notes discounted and trade financing. Facilities loans are provided to finance the purchase of equipment and the establishment of manufacturing assembly plants. As of March 31, 2025, working capital loans accounted for 49.7 percent of IBK's total small- and medium-sized enterprise loans, while facilities loans accounted for 50.3 percent of the total SME loans.

Retail Banking

Under the IBK Act, IBK may discount bills for and make loans to such borrowers, including individuals and households, insofar as such business does not obstruct IBK's principal business of discounting bills for and making loans to small- and medium-sized enterprises. Pursuant to amendments to the IBK Act and the Enforcement Decree, which became effective in January 1998 and further amendments to the Enforcement Decree, which became effective in July 2006, credits to borrowers that are not small- and medium-sized enterprises, in the aggregate, cannot exceed 30 percent of IBK's deposits plus the outstanding amount of the Small and Medium Industry Finance ("SMIF") Bonds (net of reserve requirements). As of March 31, 2025, this ratio in respect of credits extended by IBK to borrowers that are not small- and medium-sized enterprises, which include individuals, large corporations and public entities, was 18.1 percent.

Securities Business

IBK is engaged in brokering, dealing and underwriting securities through its wholly-owned subsidiary, IBK Securities, which it established in 2008.

Retirement and Pension Insurance Business

IBK provides retirement and pension insurance products through its wholly-owned subsidiary, IBK Insurance, which it established in July 2010. IBK Insurance seeks to become a leading insurance company in Korea that specializes in retirement and pension insurance products by utilizing IBK's distribution and marketing network and large customer base of small- and medium-sized enterprises.

With respect to the United States, IBK's operations are conducted through its New York Branch and consist mainly of SME lending. The New York Branch constitutes a *de minimis* portion of IBK's global SME lending business.

(3) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources;

Assets: Loan and Securities Investment

IBK provides loans (including in the form of purchases of bills and privately placed bonds, and call loans) primarily to domestic small- and medium-sized enterprises in a wide range of industries, as well as to customers (including in the form of credit card accounts). As of March 31, 2025, loans receivables amounted to KRW 343,900,399 million, representing 72.8 percent of total assets.

As of March 31, 2025, IBK's total marketable securities had a carrying value of KRW 1,070,141 million, representing 22.6 percent of its total assets. IBK's investment financial assets portfolio consists primarily of government and public bonds, finance debentures and corporate bonds in Korean Won. The book value of IBK's shares in subsidiaries and affiliates calculated using the equity method, including IBK Capital Corporation, IBK Securities and IBK Insurance, as of March 31, 2025 was KRW2,838 billion.

Liabilities: Deposits and Borrowings

IBK's sources of funding include deposits and other borrowed funds. Deposits include demand deposits, time and savings deposits and certificates of deposit.

IBK's borrowing liabilities comprise borrowings (including from other financial institutions, the Bank of Korea, other government-affiliated funds and entities and other lenders, call money, bonds sold under repurchase agreements and bills sold) and debentures (including senior and subordinated debentures).

Capital and Funding Sources

IBK's sources of funding include deposits and other borrowed funds. Deposits include demand deposits, time and savings deposits and certificates of deposit. IBK's other sources of funding consist principally of repurchase instruments, borrowings from the Korean government, the Bank of Korea and other banks and the issuance of SMIF Bonds. Customer deposits are IBK's significant source of funding, constituting 40.9 percent of IBK's total funding as of March 31, 2025.

As previously noted, the New York Branch's assets are comprised mainly of receivables from the IBK head office, corporate and commercial mortgage loans and liquid debt securities, and are approximately US\$ 830.1 million as of March 31, 2025. Total liabilities amounts to approximately US\$ 830.1 million as of March 31, 2025. The New York Branch's funding is heavily dependent on the IBK head office, but also draws support from the overnight interbank borrowing market.

(4) A description of derivative activities and hedging activities;

Except within the open position limits applicable to its foreign exchange dealings, IBK generally does not engage in unmatched speculative trading of derivative instruments for its own account and enters into interest rate and currency derivative transactions such as swaps, options and forward contracts either on behalf of customers or for the purpose of hedging interest rate and foreign exchange mismatches. IBK's exposure in connection with such transactions is therefore generally limited to the credit risk with respect to its transaction counterparties.

The New York Branch rarely engages in any derivatives activities including hedging transactions. The New York Branch used to enter into hedging transactions such as interest rate swaps in relation to the investment securities held by the New York Branch but there is no longer such need for hedging as the New York Branch's investment activities are currently very limited. As of March 31, 2025, there are no outstanding derivatives transactions at the New York Branch.

(5) A list of memberships in material payment, clearing and settlement systems;

KEY FINANCIAL MARKET UTILITIES		
Entity Holding Membership	Membership	System Type
Fedwire	New York Branch	Payments
CLS	IBK	FX Settlement
SWIFT	IBK	Messaging and Payments
Clearstream	IBK	Settlement and Clearing
Euroclear	IBK	Settlement and Clearing

(6) A description of foreign operations;

In terms of its global operations, IBK now covers six continents to provide easily accessible services for Korean SMEs wherever they do business. In Asia where Korean SMEs have the strongest presence, IBK is widening its reach. In China, for instance, IBK operates eight (8) branches and eight (8) sub-branches as of March 31, 2025 under IBK China Ltd., a subsidiary bank incorporated under the Chinese laws. Also, IBK operates thirty-two (31) branches in Indonesia as of March 31, 2025 under PT Bank IBK Indonesia TBK, a subsidiary bank incorporated under the In Indonesian laws. In addition, IBK Myanmar Co., LTD., a subsidiary bank of IBK, commenced operations in Yangon on January 21, 2021. IBK now operates a global network of fifty-nine (59) overseas branches in thirteen (13) countries around the world.

(7) The identities of material supervisory authorities;

Entity	Supervisory Authority
IBK	Financial Supervisory Commission (FSC)
	Financial Supervisory Services (FSS)
	Bank of Korea
	Ministry of Economy and Finance
	Board of Audit & Inspection
	National Assembly of Korea
New York Branch	Federal Reserve Bank of New York
	New York State Department of Financial Services

(8) The identities of the principal officers;

	Principal Officers (Name & Position)
IBK	Kim, Sung-tae, Chairman & Chief Executive Officer
	Kim, Hyung-il, Deputy Chief Executive Officer
	Jung, Sung-jin, Executive Vice President
New York Branch	Kim, Jung-ju, General Manager

(9) A description of the corporate governance structure and processes related to resolution planning;

Pursuant to Article 27(2) of the AOI of IBK, the board of directors' ("BOD") authority regarding the establishment, relocation and closure of any domestic or offshore branch office has been delegated to the CEO of IBK. The CEO of IBK can therefore decide the closure of the New York Branch whether through a sale or liquidation, after review by the Global Business Planning Committee.

IBK held the BOD meeting on December 23, 2013 where the BOD confirmed and approved delegation of authority to the CEO under Article 27 of the AOI, which shall include the adoption of the U.S. resolution plan required by Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The CEO of IBK, pursuant to the BOD resolution, approved the initial resolution plan and necessary revisions to it based on any regulatory comments on December 23, 2013, and approved this resolution plan of 2025 on June 27, 2025, subject to those revisions not being substantial to the submission.

(10) A description of material management information systems; and

The New York Branch and all other overseas branches of IBK utilize a comprehensive computing system for IBK's overseas branches and offices referred to as IBK Global Banking System ("IBK GS"), to share information with IBK's head office. IBK GS enables the IBK head office to access and monitor the business of the New York Branch including the funding, investment and other liquidity ratios. The Audit & Examination Department of IBK also uses IBK GS for internal audit purposes on deposits, loans and foreign exchange related matters of overseas offices. In addition, IBK uses the Capital Market and Trust Unification System ("CATUS"), a computer system and software, which has been installed to facilitate payment and the transfer of funds between IBK's head office and the New York Branch. IBK also operates a separate firm-wide electronic system for credit management through which certain large loans extended by the New York Branch require approval by the relevant committees of IBK.

To support such management information systems, IBK has a fully integrated information technology system that provides information to all offices and branches, including the New York Branch. Currently, IBK's head office functions as a back-up center on a real-time basis. Through its multi-host information system, IBK believes that it is able to conduct its operations without material interruption in the event of an internal system failure. The integrity of IBK's electronic systems, and their ability to withstand potential catastrophic events (such as natural calamities and internal system failures), is crucial to IBK's continuing operations. In the event of a system failure, IBK's disaster recovery system is designed to prioritize the recovery process by first re-establishing IBK's account information, followed by non-account-related information and lastly non-critical information.

(11) A description, at a high level, of the covered company's resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines.

IBK's resolution plan for the New York Branch focuses on three alternative resolution strategies, listed in their order of preference to IBK and, we respectfully believe, the U.S. regulatory authorities:

- (1) A sale of the New York Branch's assets, liabilities and operations to a banking institution through a purchase and assumption ("P&A") transaction;
- (2) A voluntary liquidation and dissolution of the New York Branch; and
- (3) An involuntary liquidation and dissolution of the New York Branch.

1. Sale Strategy. As for the preferred sale strategy, the New York Branch, either before and in anticipation of IBK's failure, or simultaneously with IBK's Korean resolution, would sell its franchise to a banking organization through a P&A transaction in which a banking institution assuming the assets and liabilities – the assuming institution ("AI") – would effectively acquire the New York Branch. IBK believes that it can effect a P&A transaction with relative ease, since the types of assets and liabilities that are on the books of the New York Branch can easily be separated from the head office of IBK and the interconnections between the New York Branch and the head office and other subsidiaries of IBK are limited. A large portion of the assets of the New York Branch as of September 30, 2018 consists of receivables from IBK head office, and syndicated loans that are highly marketable. The New York branch holds certain other loans that may not be as marketable as syndicated facilities; IBK believes that it can sell such loans within a reasonable period of time.

2. Voluntary Liquidation Strategy. If a sale strategy was ineffective because, for instance, no AI could be found, the New York Branch may pursue a voluntary liquidation strategy.

Although the New York Branch is not a separate juridical entity from IBK, it would be liquidated and dissolved as if it was under New York Banking Law and not U.S. federal bankruptcy laws. In anticipation of or simultaneously with the failure of IBK in Korea, the New York Branch would approach the NYDFS and work closely with the NYDFS to create a liquidation and dissolution plan that the NYDFS, pursuant to authority of its Superintendent, would provide written approval for. The plan would specify the date of commencement of the liquidation and the wind-up process.

3. Involuntary Liquidation Strategy. With respect to an involuntary liquidation strategy, the NYDFS may terminate the New York Branch's license if, after notice and hearing, it finds that the New York Branch should not continue operations based on a variety of enumerated statutory factors, which would likely also cover the failure of IBK in Korea. The notice and hearing requirement may be waived, however, for a 90-day period, if the NYDFS determines that doing so would be necessary to protect the interest of depositors or the public. The NYDFS may then take possession and title of the business and property in New York of IBK. The NYDFS can appoint a receiver (such as the Federal Deposit Insurance Corporation) or proceed with the resolution of the New York Branch itself, and could pursue various resolution strategies such as a liquidation or other P&A-type transaction combined with liquidation elements.

IBK respectfully submits that because the New York Branch must pledge assets and comply with asset maintenance requirements, even in the case of a liquidation strategy, either voluntary or involuntary, there is little possibility for the New York Branch to cause any adverse effect on the financial stability of the United States.

In the event of financial distress or failure of IBK or the New York Branch, IBK will take the following actions to ensure that there are no adverse effects to the financial stability of the United States: (i) additional funding for the New York Branch and (ii) statutory government support.