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30 April, 2013

Press Release

Yoon-Dae Euh and KB Financial Group win Best Managed Bank in South Korea

- In the period under review, KB Financial Group (KB) restored its status as the leading financial group, turning its profitability around.
- Euh oversaw the introduction of new branch channel to the youth segment, seen as crucial for KB's future growth.
- All winning banks scored well in six criteria.
- Award presented by William Isaac, former FDIC chairman.

Jakarta, Indonesia, April 23rd, 2013 – KB Financial Group (KB) under the leadership of Yoon-Dae Euh was named winner of the Best Managed Bank in South Korea at the prestigious Asian Banker Leadership Achievement Awards held at the Ritz Carlton Kuningan in Jakarta, on April 23rd 2013.

The award was presented to Euh by William Isaac, a former chairman of the Federal Deposit Insurance Corporation (FDIC). Also present were Muliaman Hadad, the chairman of Indonesia's new Otoritas Jasa Keuangan (OJK) which is the country's equivalent of a Financial Services Authority and Cesar Virata, a member of the advisory council that decides on the award and the former prime minister of the Philippines.

Under his leadership, KB rebuilt its framework for growth and achieved tangible results by turning its profitability around in two years.

Euh led the bank in exploring new customer segments. He oversaw the introduction of KB Rock Star, a new branch channel revamped to cater to the youth segment which is crucial to KB's future growth. More than 200,000 deposit accounts were opened within 10 months of its introduction.

In the midst of uncertain and challenging economic conditions, Euh took bold steps to raise profitability by cutting costs and optimising KB's corporate governance structure. KB carried out a large-scale early retirement programme to downsize its relatively bloated workforce, upgraded its risk management system, realigned its management structure and expanded its deposit base by developing new deposit products and establishing a new business unit to focus on large corporations.

Euh was appointed as chairman and CEO of the Group in July 2010. He was previously a monetary board member of the Bank of Korea for three years from 1992, and a board member at the Korea Development Bank from 1996 to 1997 and at Korea First Bank from 1998 to 1999. He

founded the Korea Centre for International Finance in 1999 and served for two years as its first President.

The full list of winners of the Leadership Achievement Awards includes:

Leadership Award and Best Managed Bank in Korea

1. Yoon-Dae Euh, executive chairman and chief executive, KB Financial Group

Leadership Award and Best Managed Bank in the Asia Pacific

2. Piyush Gupta, chief executive, DBS Group, Singapore and Asia Pacific

Leadership Awards and Best Managed Banks

3. Abdul Wahid Omar, chief executive, Maybank, Malaysia
4. Alberto S Villarosa, chief executive, Security Bank, Philippines
5. Batkhuu Sharavlamdan, chairman and Sandag Sukhbold, chief executive, Savings Bank, Mongolia
6. David Hisco, chief executive, ANZ New Zealand
7. Dong Wenbiao, executive chairman, China Minsheng Bank, China
8. Khalid Ahmed Sherwani, chief executive, Allied Bank, Pakistan
9. Rajendra Theagarajah, chief executive, Hatton National Bank, Sri Lanka
10. Rana Kapoor, chairman and founder, YES Bank, India
11. Syed Mahbubur Rahman, chairman, BRAC Bank, Bangladesh
12. Truong Van Phuoc, chairman, Eximbank, Vietnam

The following banks scored well as Best Managed Banks

13. Kasikornbank (Best Managed Bank in Thailand)
14. The Shanghai Commercial & Savings Bank (Best Managed Bank in Taiwan)

The following individuals were awarded the William “Bill” Seidman Lifetime Achievement Award

1. Djohan Emir Setijoso – currently president commissioner, Bank Central Asia
2. Peter Seah Lim Huat – currently chairman, DBS Group, Singapore

The press releases for each country’s winners are being issued separately.

Photographs of the awards presentation are attached with this press release.

About The Asian Banker

The Asian Banker is the foremost provider of strategic intelligence and data to the financial services industry. The company collects and publishes data on the performance of banks in the Asia Pacific region. The Singapore-based company has offices in Malaysia, China and the Philippines as well as representatives in London and New York. The company's website is www.theasianbanker.com

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The Asian Banker

Leadership Achievement Awards 2013

About the Leadership Achievement Awards

The Leadership Achievement Award is a recognition programme that is run once every three years to assess the leadership of bank chairmen and CEOs on their respective businesses and the industry as a whole. This is the most important award programme that the Asian Banker runs because it underscores the importance of sound and visionary leadership in directing the future of the industry.

The award is also the most prestigious award for individual achievement in the banking industry in the Asia Pacific region today. The award plays an important role in cultivating a culture of excellence amongst people in leadership positions.

The selection process behind the award programme is a highly rigorous one. It takes stock of financial performance, the stated vision and strategy of the leaders as well as actual achievements, the feedback of staff, customers, investors and the industry through various surveys, a study of the management team and finally is validated by an experienced council of advisors.

The Board of Advisors

The following distinguished personalities served as members of the advisory council for the selection of this year's winners. They bring to bear tremendous expertise and global perspectives to the conduct of the annual meeting.

- Ian Johnston, former chief executive, SWIFT Asia Pacific (Chairman of the board)
- Cesar Virata, vice chairman, RCBC and former prime minister, Philippines
- Paul Chow, former chief executive, Hong Kong Exchange
- Alain Chevalier, Professor of Finance, ESCP, Europe

The Selection Criteria

The assessment for the awards is made on four inter-related criteria:

1. **The financial performance of the leader's business under consideration.** Here we look at annual results, or the financial performance of the business under review. Strong bottomline performance is the first determinant of a leader's suitability for consideration for this award.
2. **Achievements in the period under review.** We look for either a specific achievement or a series of achievements in the years under consideration. These can be in the form of an IPO, an M&A, strong organic growth, the introduction of a new strategy that works for the institution, a bold investment that turns in dividend and so on. The size and complexity of the achievement(s) are taken into account.

3. **Overcoming adversities.** Adversities in the period under review are not considered in a bad light under this programme. We take into account adversaries and the tenacity of the leader to overcoming them.
4. **A well-communicated vision.** We require all leaders to have made speeches, given interviews or written reports that provide his or her constituents a clear view of his or her own strategy and direction. These must co-relate to the achievements under consideration. We study all newspaper articles, speeches and interviews provided in the year under review to determine the consistency and commitment to the vision enunciated.
5. **360 degree review of peers and the industry.** We run a series of surveys and interviews with staff, investment analysts, as well as an online poll of the public to ensure that there is broad acknowledgement of the leadership qualities of the candidate.
6. **Augmented by a good team around the candidate.** In order to distinguish between sustainable leadership and individual leadership, we study the composition and tenancy of the board of directors and/or senior management team around the candidate. We believe that a good candidate for an award in leadership would demonstrate the ability to work with others, inspire them and draw from them to grow the business. This is easier said than done, but we do know those who cut it and those who don't.

The Selection Process

The selection process begins in November and ends in March of the following year, involving a team of about six researchers. Candidates do not apply for the award, although they can be nominated. The initial selection is through a survey and desk research done by the research team at The Asian Banker. The identified candidates are then subject to further scrutiny through interviews with third parties, including local banking journalists and analysts who have had contact with the candidates, peers and third party reviews. The shortlisted candidates are then submitted for a review by the board of advisors, based on a comparative evaluation done by the research team.

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