






# Daegu Bank's Sustainability Management Reporting & Communication



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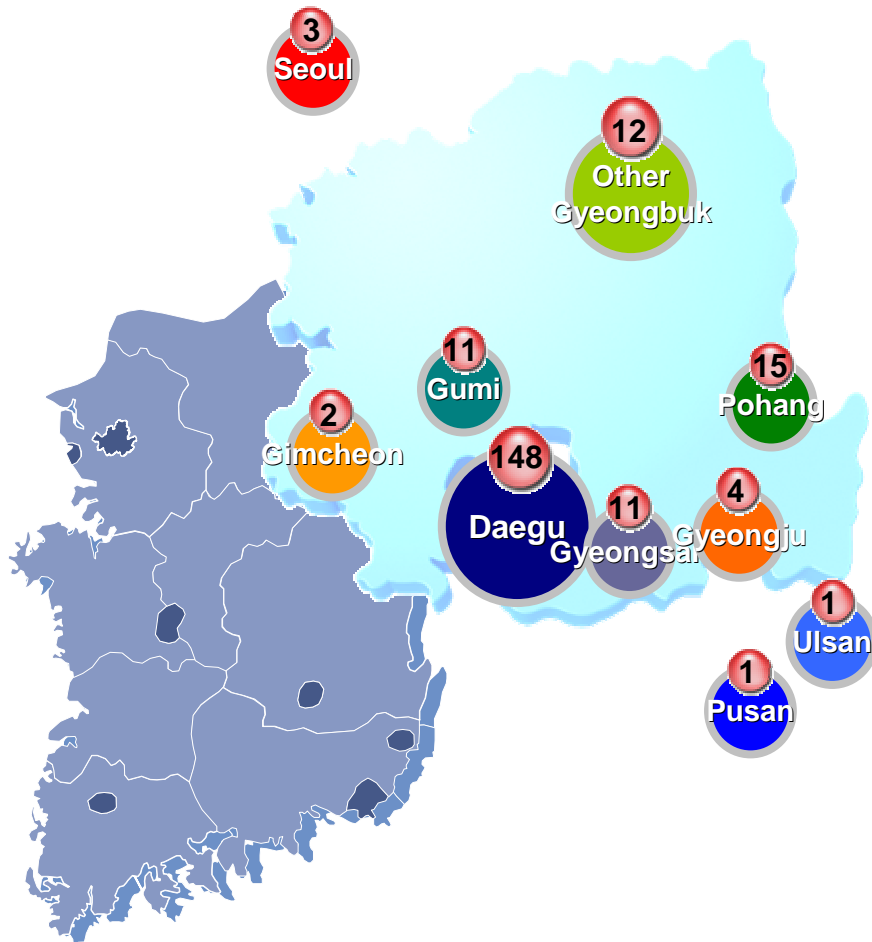
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# I . About Daegu Bank

# Bank Profile



**The first regional bank in Korea**  
(Established in Oct.7, 1967)

**Total Asset Size : 22billion Dollars**

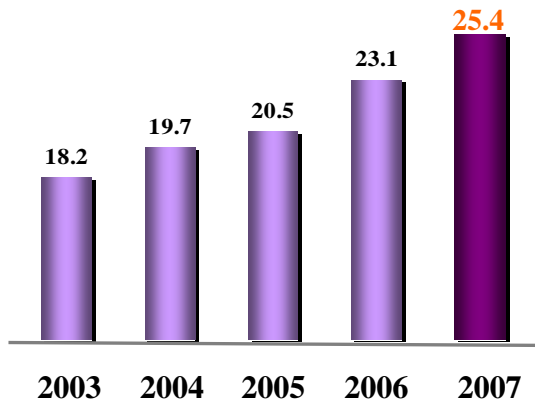
**Market Share :**  
44% in Daegu, 20% in Gyeongbuk

**Branches (Nr.) : 209**

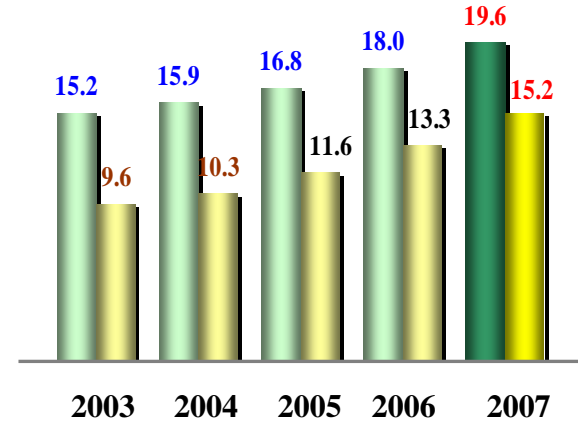
**Employee (Nr.) : 2, 825**

# Financial Performance

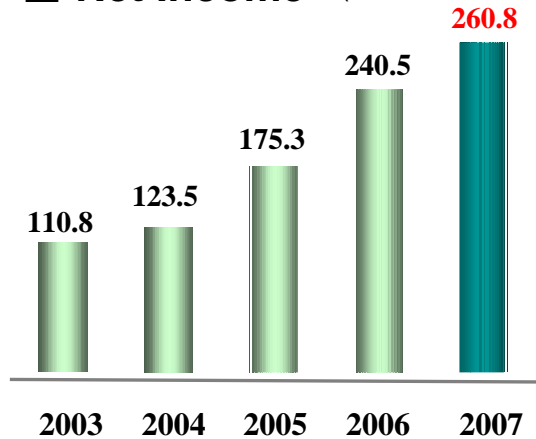
■ Total Asset (Unit : Trillion Won)



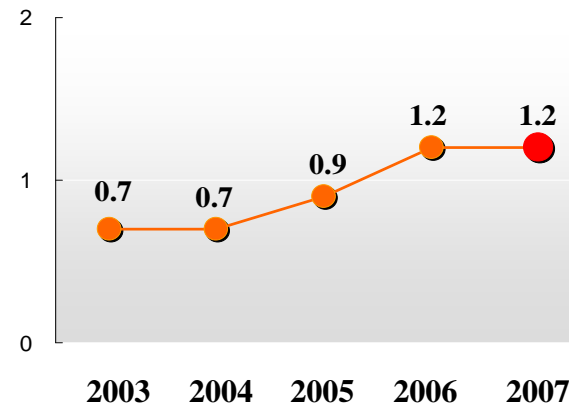
■ Total Loan & Deposit (Unit : Trillion Won)



■ Net Income (Unit : billion Won)



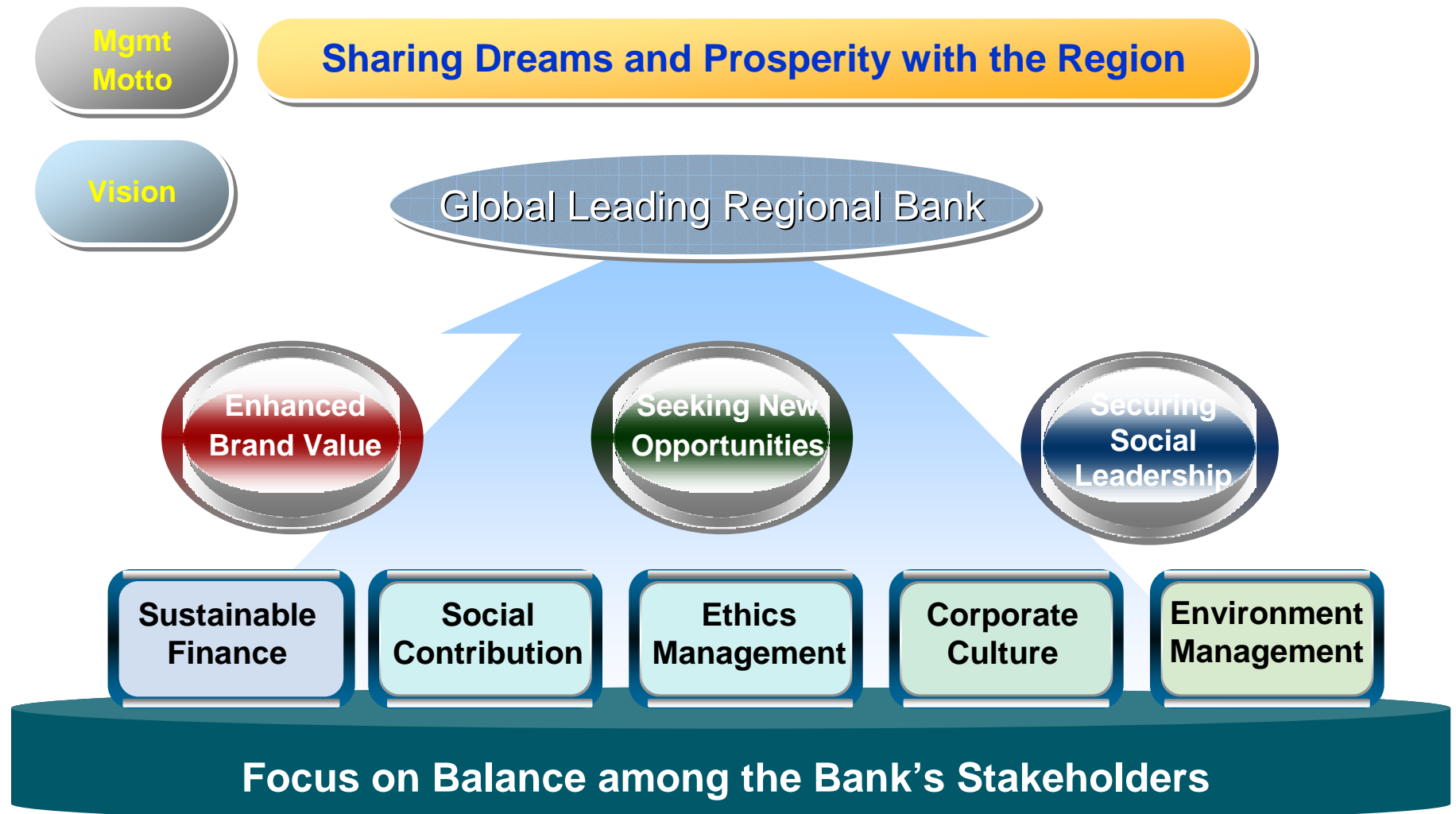
■ ROA (Unit : %)





## **II. Sustainability Mgmt & Reporting**

# Sustainability Management

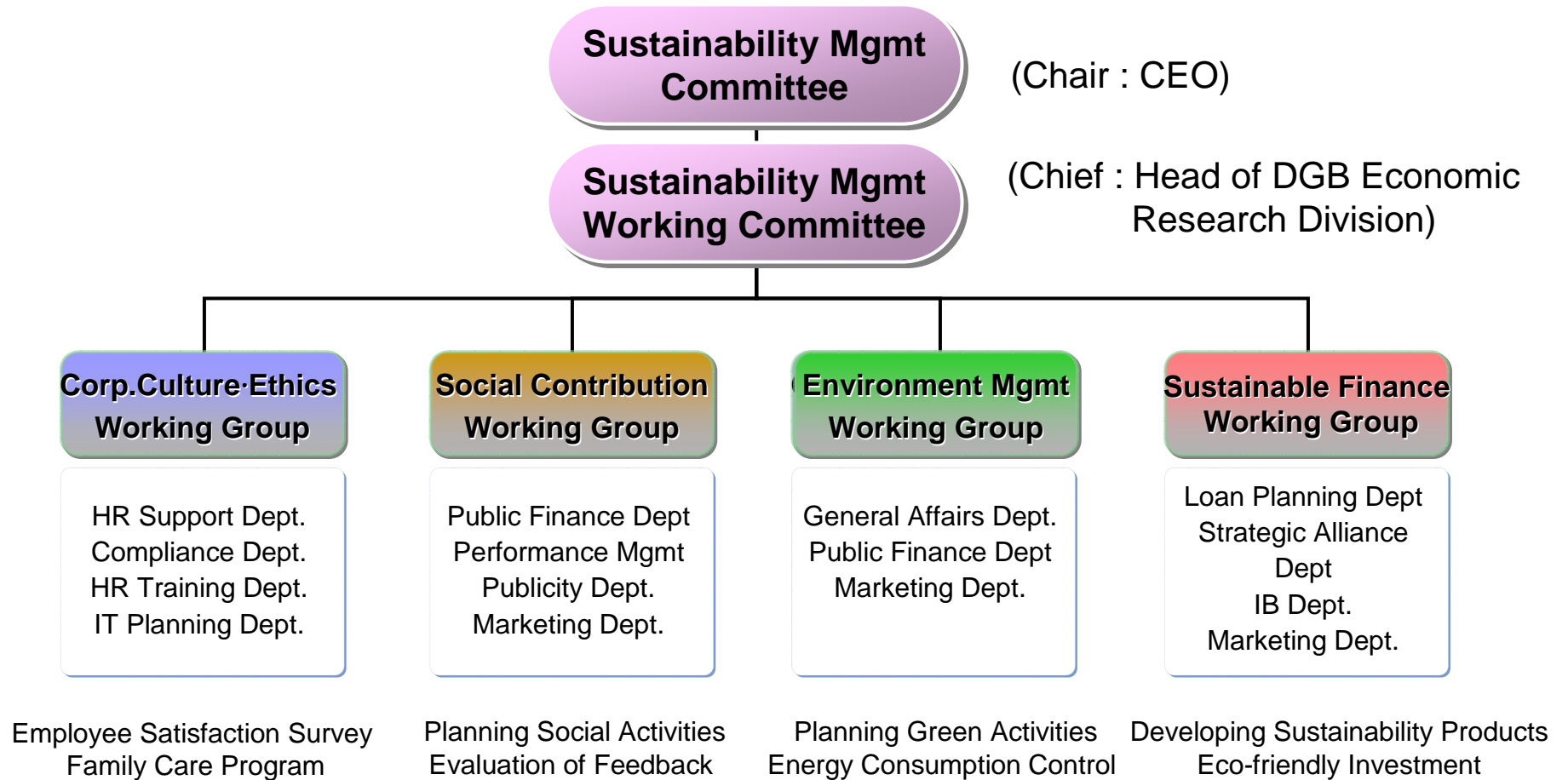






# SM Organizational Structure

Organizational structure designed to promote sustainability management





## III. Internal Communication



# Sustainability Management Initiatives



## Declaration Ceremony of DGB Sustainability Management

- September 27, 2006
- Sustainability Mgmt declared in public
  - Started publishing sustainability report in accordance with GRI guideline
  - Formulated Sustainability Management strategy considering ESG
- Joined the UNEP Financial Initiatives

Sustainability Management declared for the first time in the Korean banking sector

# Sustainability Management Initiatives



환경재단과 DGB STOP CO2 협약  
유망재단과 DGB 2106 CO2 협약

## DGB STOP CO2 Resolution

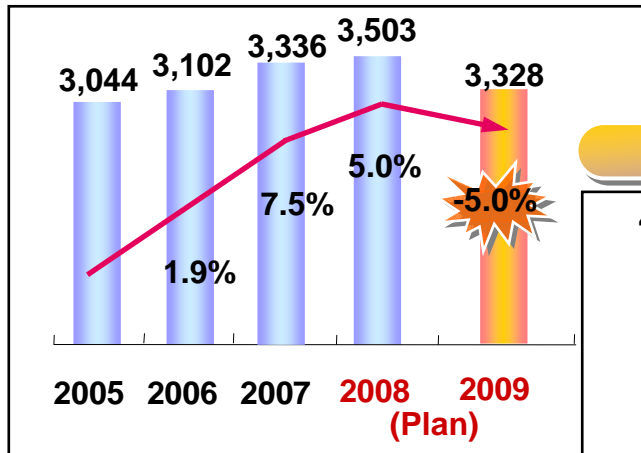
- March 25, 2008
- DGT STOP CO<sub>2</sub> Plan
  - Energy consumption control by energy sources (electric power, using water, fuels for heating and company vehicles, and others)
- STOP CO<sub>2</sub> Campaign MOU Signed
  - Daegu Bank & Korea Green Foundation

Low Carbon Plan

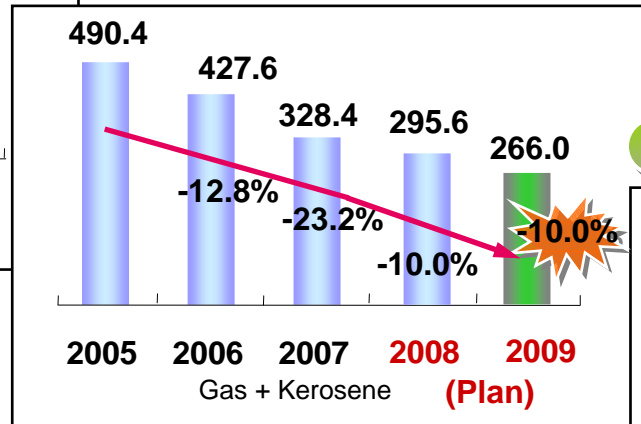
# Energy Saving Plan by Source

(Unit : CO<sub>2</sub> Ton)

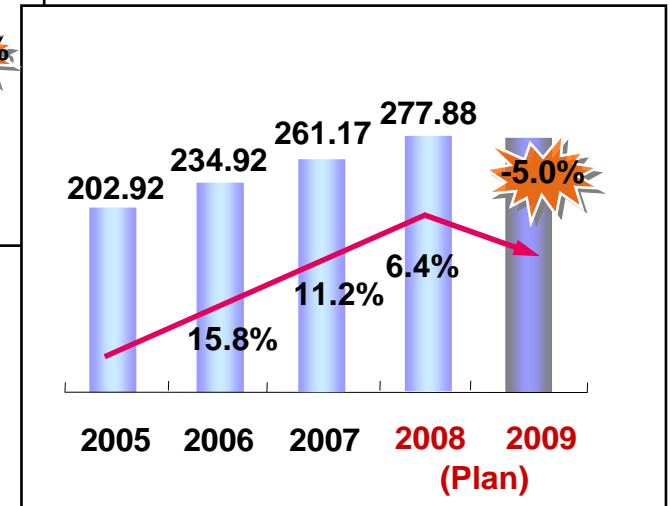
CO<sub>2</sub> Emission by Electric Power Usage



CO<sub>2</sub> Emission by Fuel for Heating



CO<sub>2</sub> Emission by Fuel for Automobile



# Environment Management

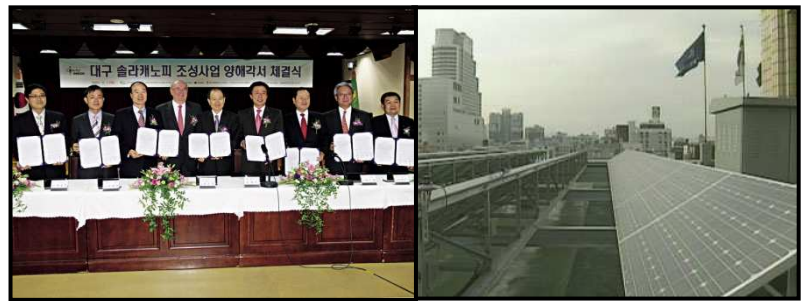
## Activities in the past

- ▶ Built Gyeongsang Gamyoung Park
- ▶ Built Bronze Statue of “Win-win Hand”
- ▶ Gumi Dongrak Park tree plantation
- ▶ Conserving Dokdo Island, Shincheon & Nakdong River



## On-going Activities

- ▶ DGB Solar Power Plant at a branch (Banyawol br.)
- ▶ Energy Saving Campaign
- ▶ Regional Energy Saving Movement



## Plan

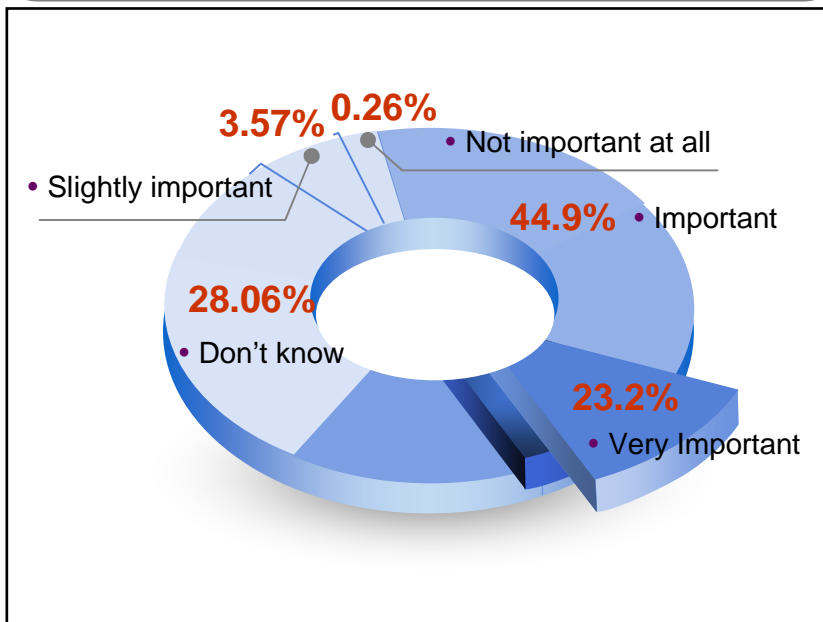
- ▶ Activities to reduce CO<sub>2</sub> emission
- ▶ Tree Planting : Mongol, Daegu region
- ▶ Strengthened Eco-friendly Investment



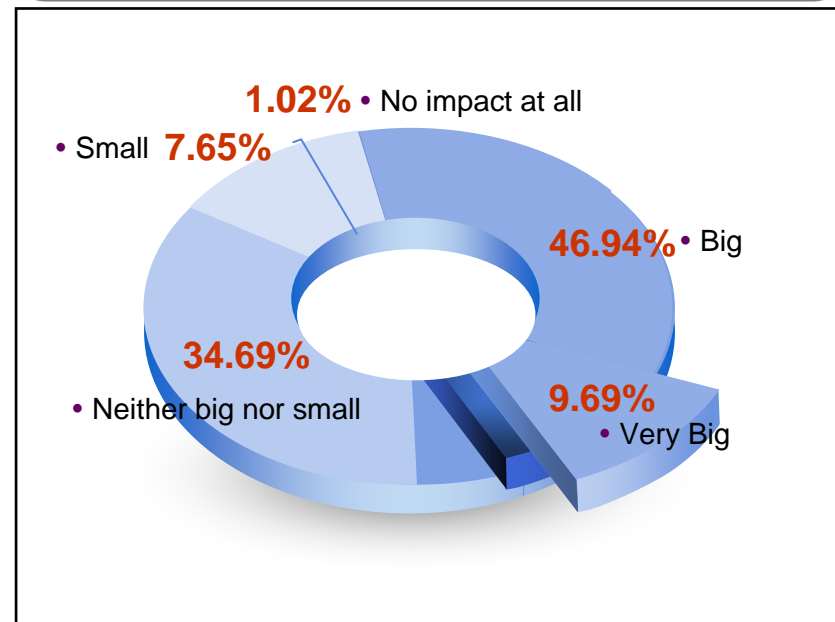
# Sustainability Management Survey

The employee survey on the Sustainability Management Program facilitates the internal communication (Survey : June 10~12, 2008)

## Importance of Sustainability Management



## Impact of SR on Stakeholder Focused Mgmt







## **IV. External Communication**

# Joining Global Initiatives

Joining global initiatives, Daegu Bank pursues sustainability management program that lives up to global standard

- Jul.18,2006 – Joined the UN Global Compact
- Sep.27,2006 – Adopted the UNEP FI Manifesto
- Jan.5, 2007 – Joined the CDP 5
- Oct.23,2007 – CEO participated in the UNEP FI AGM & Global Roundtable (First Timer in the Korean banking sector)



# Communication with Investors

## Communication with the investors on the Sustainability Management Program



### CEO's IR Activities

- Non-deal Roadshow & Conference : 15 times

### IR Activities (2007)

- Quarterly Analyst Meeting : 4 times
- Non-deal Roadshow & Conference : 78 times
- Conference Call : 28 times
- One-on-One & Small group meetings: 191 times

Investors support  
Sustainability Management Program

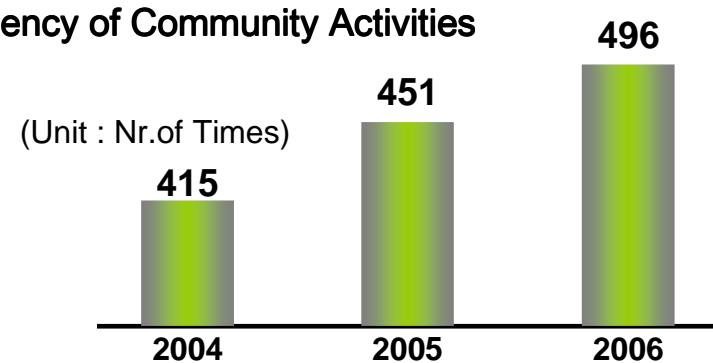
# Communication with Regional Society

Social contribution as a tool for promoting communication with the regional society



## DGB Community Service Corps

- Launched in 2002 with 23 divisions (2,626 staffs joined)
- Environmental activities, blood donations, etc.
- Frequency of Community Activities



## Senior management is actively engaged in

- Various social volunteering activities
- Writing relevant articles in newspapers
- Delivering lectures at workshops & conferences

# Communication with Regulators & Government

Support for growth of sustainable finance through cooperation with government



Engaged in the evaluation of environmental risks (Pilot Project) driven by Ministry of Environment (MOE)

2005

2006

Engaged in the evaluation of environmental risks (Project Finance) driven by MOE

2007

## Eco-friendly Loan Product Development

Engaged in a research project with MOE for introducing Credit Management System taking into account environmental information of borrowers

## Cooperation with the local governments and public institutions

- Local government officers (Daegu) in-service training on the agenda of sustainability management
- Gumi received consultation on sustainable growth / Provided support service for joining the Global Compact
- Daegu City signed MOU for Solar City Project : Solar power plant (50MW) should be built on the buildings of public institutions in the region

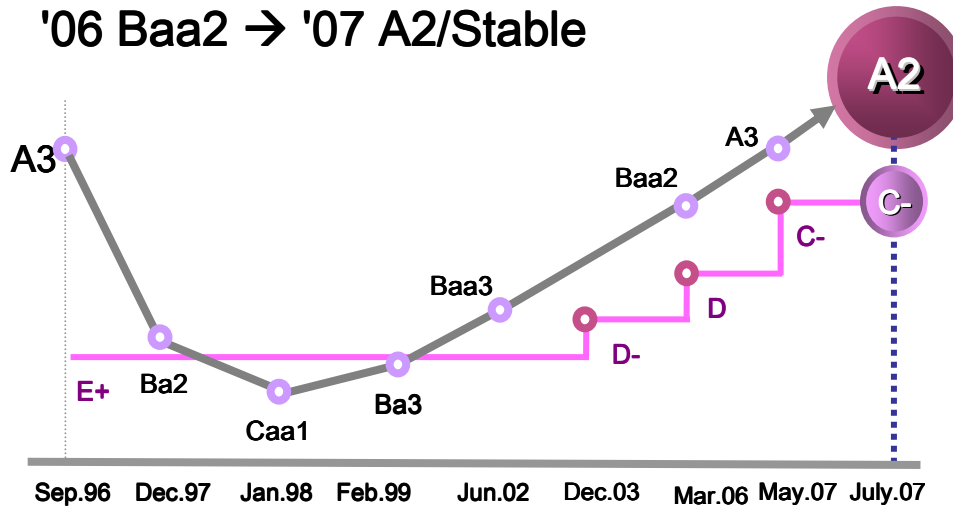
## DGB Solar Power Plant



# Achievements of Sustainability Management

## ● Upgraded Credit Ratings

\* Moody's Rating upgraded 3 notches :  
'06 Baa2 → '07 A2/Stable



● Improved Financial Performance  
\* All-time High Net Income (250 million dollars for 2007)

● Enhanced Corporate Brand Value  
\* '08 Ranked 297<sup>th</sup> : The Global 500 banking brand index (The Banker)

## ● Awards

\* '06 Grand Prize for Eco-friendly Management (The Korea Economic Daily)

\* '07 LOHAS Management Prize (Korea Green Foundation)

\* '07 The 2<sup>nd</sup> Sustainability Management Award (Ministry of Commerce, Industry and Commerce • The Korea Chamber of Commerce & Industry)

\* '08 Grand Prize for Customer Satisfaction (The Korea Economic Daily)

\* '08 "2007 Asia's Best Managed Company" (Asiamoney)





**Thank You !**

**Daegu Bank**

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