

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

In the Matter of

INDUSTRIAL BANK OF KOREA and
INDUSTRIAL BANK OF KOREA, NEW YORK BRANCH

**CONSENT ORDER UNDER
NEW YORK BANKING LAW §§ 39 and 44**

The New York State Department of Financial Services (the “Department”), Industrial Bank of Korea (“IBK”) and Industrial Bank of Korea, New York Branch (“New York Branch” or “Branch”) (collectively “the Bank”) are willing to resolve the matters described herein without further proceedings.

WHEREAS, IBK is a global financial institution that maintains 640 branches in 12 countries and is licensed to operate as a foreign bank branch in New York since 1990;

WHEREAS, IBK has approximately \$242 billion in assets as of June 30, 2019. The New York Branch has approximately \$180 million in assets as of the same time period;

WHEREAS, until June 2017, the New York Branch conducted a significant volume of U.S. dollar clearing mainly for IBK’s branches. By year-end 2016, the New York Branch cleared over 13,000 transactions totaling more than \$1 billion.

The Department hereby finds as follows:

The Department’s Findings After Examination and Investigation

1.e After an extensive, multi-year investigation, the Department determined that IBK and its New York Branch allowed serious deficiencies in the New York Branch’s Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) compliance programs that persisted over multiple

examination cycles from as early as 2010. Particularly, IBK failed to implement and maintain an adequate transaction monitoring system.

2.0 The Bank's failure to implement an adequate transaction monitoring program allowed a small business owner in 2011 to allegedly convert payments the small business owner received in Korean Won from a restricted IBK account into U.S. Dollars ("USD") using, among others means, fictitious invoices, resulting in a billion-dollar fraud. Most of the proceeds cleared through the New York Branch and other financial institutions located in New York.

3.0 Despite the massive fraud, for the next three examination cycles, the Branch continued its steady decline, repeatedly being cited for failing to establish a compliant transaction monitoring program. To address these ongoing deficiencies, the Department and the Federal Reserve Bank of New York (the "FRBNY") entered into a Written Agreement with IBK in 2016.

4.0 Management at IBK and the New York Branch worked to address identified deficiencies and had made certain progress but were unable to achieve the required remediation during eight examination cycles. While the Department commends the Bank for recently remediating deficiencies identified in previous examination cycles and coming into compliance with the Written Agreement, this enforcement action nonetheless is necessary and appropriate to ensure IBK and the New York Branch's continued commitment to maintain both an effective and sustainable compliance program that addresses BSA/AML laws, regulations and requirements.

5.0 In light of the Bank's very substantial cooperation and its commitment to the Department to not only continue to remediate any deficiencies identified by the Department in a timely fashion, but to maintain an effective and sustainable BSA/AML compliance program, the Department has entered into this Consent Order on the terms and conditions set forth below.

Background on Industrial Bank of Korea

6.e IBK is one of the largest banks in South Korea. Headquartered in Seoul, IBK is owned primarily by the South Korean government. IBK has approximately 17 million corporate and retail customers across 640 branches globally. IBK has only one branch in America, located in New York, and is licensed by the Department to operate a foreign bank branch in New York.

7.e From as least as early as 2010, the New York Branch acted as a correspondent bank mainly for IBK and its affiliates, providing wire transfer service for companies that wanted to conduct trade transactions with overseas companies. A significant volume of the Branch's U.S. dollar clearing and wire transfer services was conducted on behalf of IBK. In 2016, the New York Branch cleared 13,000 transactions totaling more than \$1 billion.

The Branch's Compliance Program Begins to Deteriorate

8.e **The 2011 Examination:** In March 2011, the Department downgraded the Branch's compliance function based on a review of records that were available on June 30, 2010 ("2011 Examination"). The 2011 Examination revealed that the Branch did not have in place policies and procedures that would enable the Bank, for instance, to verify the identity of each customer who conducted business with the Branch.

9.e Among other issues, the 2011 Examination identified significant problems with the Bank's transaction monitoring system, which was monitored manually. Most notably, the Department warned that the Bank's transaction monitoring system was unable to identify transactions that deviated from expected customer activities. Management was directed to immediately commit resources to remedy this problematic deficiency to ensure timely detection and reporting of suspicious activities.

10.e The examination findings were foreshadowed in a May 2010 memo, in which, the Branch's then Deputy General Manager and Compliance Officer ("DGM-CO") advised a senior manager that the Bank needed to increase compliance staff or update the Bank's antiquated software system because the existing system caused unreasonable delays in the Branch's BSA/AML manual review process, which according to the DGM-CO, were cumbersome. The DGM-CO cautioned that "any excessive [] delay completing BSA/AML monitoring [would be viewed by regulatory agencies] as a failure by management to provide adequate resources to ensure that the Bank's BSA/Money-Laundering detection process can be accomplished in a timely fashion."

11.e In another memo written days following the Bank's receipt of the 2011e Examination report, the DGM-CO once again sounded the alarm with an unambiguous warning: "Given the current situation [regulatory] examiners would consider IBKNY to be in a worse condition now than it was at the end of the examination in December 2010." Accordingly, the DGM-CO requested to "immediately recruit addition[al] experienced AML/BSA resources committed to completing our BSA/AML [manual] review functions," that the DGM-CO stated should "clear up BSA/AML review backlog." The Department determined that despite these warnings, the Bank failed to timely address the compliance staffing shortage.-

**The Bank's Poor Internal Controls
Failed to Timely Capture a Billion-Dollar Fraud**

12.e In January 2011, Kenneth Zong ("Zong"), a U.S. naturalized citizen, opened a small business account at an IBK branch located in South Korea. Zong allegedly posed as a small business owner who claimed to be engaged in wholesale services, investment consulting and trade. Instead, according to an indictment filed in the District of Alaska,¹ Zong allegedly

¹ See Docket Number 3:16-cr-00142-SLG-DMS.

created phantom purchases through companies Zong controlled to exploit the rules surrounding IBK's Restricted Account.² Zong also allegedly conspired with unnamed co-conspirators to circumvent the U.S. sanctions laws by creating fictitious contracts, bills of lading and invoices to convince Korean banking regulators and banks, including IBK, that Iranian companies owed Zong monies for goods that did not exist.

13.o As a result, IBK transferred funds from its Restricted Account into Zong's IBK account in Korean Won. In turn, according to the indictment, Zong converted those funds from Korean Won to USD, and then disbursed the monies in USD to persons and entities located globally. The Department's investigation shows that from February 2011 through July 2011, Zong converted from Korean Won in the Restricted Account to USD in the amount of over 1 billion USD. The Department's investigation also revealed that the vast majority of these transactions cleared through financial institutions located in New York, including the New York Branch and at least one other Department-regulated bank.

14.o The Department is troubled that the Bank's inadequate and cumbersome compliance program allowed this massive fraud to happen. The Bank failed to train its employees on the Restricted Account on its permissible versus impermissible uses. Also, the Branch's manual review of suspicious activity failed to identify Zong's clear deviation from his expected banking activities and failed to detect patterns of inappropriate transactions, such as Zong's transfer of large amounts of money within in a short period.

² In 2010, the South Korean government directed two of its government-owned banks, including IBK, to maintain Won-denominated accounts in the name of the Central Bank of Iran (the "CBI-Won Account"). The primary purpose of the CBI-Won Account was for South Korea to continue to engage in permissible trade with Iran in accordance with the U.S. sanctions laws. South Korea was therefore able to purchase oil and other goods from Iran while complying with U.S. sanctions (hereinafter the "Restricted Account").

The Bank's Deficiencies Continue

15.o Notwithstanding Zong's billion-dollar fraud on IBK and its New York Branch,^o the next three examination cycles revealed that the Bank's compliance program continued to deteriorate and fall short of its regulatory obligations.

16.o Following an examination conducted in 2012,³ another examination report was transmitted to the Bank in 2014 ("2014 Examination"). Remarkably, the Department's 2014 Examination resulted in three serious downgrades in the Branch's overall condition, risk management and compliance. The downgrades resulted from a number of significant deficiencies, including: (a) the Branch lacked a comprehensive approach to developing clear transaction monitoring rules that did not take into account the Branch's risk profile, products, services, customer base and geographic locations of customers located in high-risk countries in developing transaction monitoring rules; (b) significant delays in reviewing alerts generated from the Branch's newly implemented automated transaction monitoring system; and (c) the Branch's Compliance Committee failed to meet regularly, conduct effective oversight over the Branch's conversion from a manual to an automated suspicious activity monitoring system, report these problems and delays to home office, and discuss or follow up on issues raised in the 2012 Examination.

17.o Unfortunately, the Bank's problems persisted into the next examination ("2015o Examination"). Most notably, the 2015 Examination determined that the trade finance reimbursements were not incorporated into the Branch's automated suspicious monitoring system. This was a critical flaw because the bulk of the Branch's transaction activities came from

³ The FRBNY submitted the examination report in December 2012 ("2012 Examination"). The FRBNY in the 2012 Examination noted that while the Branch resolved most of the compliance issues raised in the 2011 Examination, there were serious delays with the Branch's implementation of its automated transaction monitoring system due to legal, logistical and data integrity issues.

trade finance reimbursements. Instead, analysts continued to manually review a substantial volume of trade finance reimbursements processed by the Branch on an Excel spreadsheet, severely limiting the Branch's ability to perform pattern analysis and effectively identify and investigate potential suspicious activities. Consequently, without the transaction activity being incorporated into the transaction monitoring system, there was a lack of a holistic analysis of the foreign correspondent bank customer. In addition, the 2015 Examination determined that the Branch's internal audit manual had not been updated since 2013 and the information contained therein was stale and thus inaccurate.

The 2016 Written Agreement

18.e In recognition of the compliance and risk management issues identified in the 2015 Examination, IBK and the New York Branch entered into a written agreement with the Department and FRBNY on February 24, 2016 ("Written Agreement"). In this agreement, the Bank acknowledged that the 2015 Examination identified deficiencies in the Branch's compliance and risk management programs, including BSA/AML and reporting suspicious activity.

19.e The Bank also agreed to remediate deficiencies in the Branch's BSA/AML policies and procedures, suspicious activity reporting, transaction monitoring program and other risk-based compliance programs. However, over the next four examinations, the Branch's compliance remained unchanged, and worse, the Branch's overall condition, risk management and operational controls declined.

Despite the Written Agreement, IBK and the New York's Branch's Compliance Continues to Deteriorate

20.e **The 2016 and 2017 Examinations:** Following the Written Agreement, an examination was conducted in 2016 ("2016 Examination"). While the scope of the 2016

Examination did not include the Written Agreement, the Branch was once again found to have an inadequate BSA/AML compliance program that exposed the Branch to increased compliance and legal risks.

21.e The Department conducted a target examination in 2017 (the “2017 Target Examination”). The 2017 Target Examination focused on the Branch’s BSA/AML and OFAC compliance program and evaluated the adequacy of the corrective measures implemented by the Bank to address the terms of the Written Agreement.

22.e Although the Bank engaged several consultants to help address issues in its compliance program, the 2017 Target Examination found that the Bank had failed to adequately address the issues identified during the prior examinations or to implement all corrective measures required by the Written Agreement. Specifically, the 2017 Target Examination found that IBK, among others: (a) used stale data to tune its transaction monitoring system; (b) relied on testing scenarios that did not produce productive alerts; (c) relied on a suspicious activity monitoring program that was unable to flag multiple scenarios within one alert; (d) lacked sufficient documentation to support closure of alerts, particularly for transactions processed on behalf of the Bank’s home office; (e) lacked effective management oversight over the compliance program; (f) conducted inadequate independent testing; and (g) failed to adequately document the disposition of OFAC alerts.

23.e In addition, following the retirement of its BSA Compliance Officer in July 2016, the Branch appointed the then U.S. Compliance Officer to become the Branch’s new BSA Compliance Officer. The new BSA Compliance Officer, however, had no prior experience in that role and limited experience with transaction surveillance and AML audit testing. The Department examiners noted that the BSA Compliance Officer was not qualified or experienced

to lead the Branch's need to revamp its compliance program to meet the requirements of the Written Agreement.

24.o In July 2017, the Department and the FRBNY opened a full safety and soundness examination of the Branch ("2017 Examination"). The 2017 Examination noted the Branch's ongoing issues with its compliance program and its inability to implement an adequate BSA/AML compliance program. The 2017 Examination also indicated that there were five issues, relating to BSA/AML risk assessment, internal audit validation, training, OFAC alert disposition, quality control and escalation of aging reports, that were identified during the prior examination that had not been fully remediated by the Bank.

25.o **The 2018 Examination:** While the joint examination conducted in 2018 (the "2018 Examination") noted significant improvement of the Branch's oversight of the BSA/AML compliance program, it found that the compliance program remained inadequate, with the Bank failing to redress certain issues covered in the Written Agreement and 2017 Target Examination.

26.o Among other issues, the 2018 Examination noted that the Bank failed to adequately document how it addressed a risk scenario gap analysis required by the 2017 Target Examination. The examination also identified new and repeat findings relating to the audit coverage of the BSA/AML compliance program.

27.o Critically, the 2018 Examination noted that the Branch was not in compliance with the Department's first-in-the-nation Transaction Monitoring and Filtering Regulation, 3 NYCRR § 504 ("Part 504"). Enacted on January 1, 2017, Part 504 requires each New York-chartered financial institution (hereinafter "Regulated Institution") to maintain a reasonably designed transaction monitoring and sanction screening program. Part 504 was enacted to address shortcomings the Department has identified from its Regulated Institutions.

28.e To assure compliance, Part 504 states that each Regulated Institution is required to adopt and submit to the Superintendent annually a board resolution or senior officer(s) compliance finding that confirms, to the best of their knowledge, that the transaction monitoring and filtering program of the Regulated Institution is in compliance with Section 504.3. The Regulated Institution must certify to the Department by April 15th of each year (beginning on April 15, 2018) that it complied with Part 504 by year-end of the previous year.

29.e Here, the Branch's General Manager filed the Bank's Part 504 certification one April 13, 2018. The 2018 Examination, however, revealed that the Branch's transaction monitoring system was inadequate and not in compliance with the requirements of the regulation when the Branch certified to the Department. Additionally, a consultant retained by the Branch to assess certain BSA/AML and OFAC program elements identified a number of gaps in the program. While the Branch developed a remediation plan to address these gaps, the remediation plan had not been fully implemented at the time that the certification was filed in April 2018. The Department made clear in its "Frequently Asked Questions Regarding 3 NYCRR 504"⁴ that certification should only be submitted to the Department if the Regulated Institution was in compliance with the requirements of the regulation:

The Department expects full compliance with the regulation. A Regulated Institution *may not* submit a certification under 3 NYCRR 504.7 unless the Regulated Institution is in compliance with the requirements of Part 504 as of the effective date of the certification. (emphasis added)

The 2019 Examination and the Bank's Substantial Cooperation

30.e The Department and the FRBNY conducted the most recent examination in 2019e ("2019 Examination") and found the Branch to be compliant with the Written Agreement and to

⁴ See https://www.dfs.ny.gov/industry_guidance/transaction_monitoring_faqs

have remediated the deficiencies outlined in previous examinations. The 2019 Examination also noted that the Branch's BSA/AML compliance program is now deemed to be adequate.

31.o While the Department applauds the Bank for its ultimate efforts after eight examination cycles of noncompliance, one positive examination report does not equate to a sustainable, safe and sound financial institution. Also, the Written Agreement remains in effect unless and until IBK and the Branch demonstrate long-term sustainability. The Department therefore concludes that an enforcement action remains necessary at this time to confirm the Bank's continued commitment to build towards full implementation of an effective and sustainable BSA/AML compliance program.

32.o The Department recognizes the Bank's very substantial cooperation during the course of the Department's extensive, long-term investigation. As a result, the Department has given substantial weight to the commendable conduct of the Bank described in Paragraphs 30-31 above, among other factors, in agreeing to the terms and remedies of this Consent Order, including the amount of the civil monetary penalty imposed.

NOW THEREFORE, to resolve this matter without further proceedings pursuant to the Superintendent's authority under Sections 39 and 44 of the Banking Law, the Department and the Bank hereby stipulate and agree to the terms and conditions listed below:

Violations of Laws and Regulations

33.o IBK and the New York Branch failed to maintain at the Branch appropriate books, accounts and records reflecting all transactions and actions, in violation of New York Banking Law § 200-c.

34.o IBK and the New York Branch failed to maintain an effective and compliant anti-money laundering program, in violation of 3 N.Y.C.R.R. § 116.2.

Settlement Provisions

Civil Monetary Penalty

35.e The Bank shall pay a penalty pursuant to Banking Law §§ 39 and 44 to the Department in the amount of \$35,000,000.00. It shall pay the entire amount within ten (10) days of executing this Consent Order. The Bank agrees that it will not claim, assert or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the penalty paid pursuant to this Consent Order.

Remediation

BSA/AML Compliance Program

36.e Within sixty (60) days of the execution of this Consent Order, IBK and the New York Branch shall jointly submit a status report that is acceptable to the Department with updates on any changes to the Branch's BSA/AML compliance program that are planned and/or underway, or have been implemented since the 2019 Examination (hereinafter the "Status Report"). At a minimum, the Status Report shall include updates on:

- a.e a system of internal controls reasonably designed to ensure compliance with BSA/AML requirements and relevant state laws and regulations;
- b.e controls reasonably designed to ensure compliance with all requirements relating to correspondent accounts for foreign financial institutions;
- c.e a comprehensive BSA/AML risk assessment that identifies and considers all products and services of the New York Branch, customer types, geographic locations, and transaction volumes, as appropriate, in determining inherent and residual risks;
- d.e management of the New York Branch's BSA/AML compliance program by a qualified compliance officer, who is given full autonomy, independence, and responsibility for implementing and maintaining an effective BSA/AML compliance program that is commensurate with the New York Branch's size and risk profile, and is supported by adequate staffing levels and resources;
- e.e identification of management information systems used to achieve compliance with BSA/AML requirements and relevant state laws and regulations, and a

timeline to review key systems to ensure they are configured to mitigate BSA/AML risks;

- f.o comprehensive and timely independent testing for the New York Branch's compliance with applicable BSA/AML requirements and relevant state laws and regulations; and
- g.o effective training for all appropriate Branch personnel and appropriate IBK personnel that perform BSA/AML compliance-related functions for the New York Branch in all aspects of BSA/AML requirements, relevant state laws and regulations, and relevant internal policies and procedures.

Suspicious Activity Monitoring and Reporting

37.o Within sixty (60) days of the execution of this Consent Order, IBK and the New York Branch shall jointly submit a Status Report acceptable to the Department that at a minimum shall include updates on:

- a.o a well-documented methodology for establishing monitoring rules and thresholds appropriate for the New York Branch's profile which considers factors such as type of customer, type of product or service, geographic location, and foreign correspondent banking activities, including U.S. dollar clearing activities;
- b.o policies and procedures for analyzing, testing, and documenting changes to monitoring rules and thresholds;
- c.o enhanced monitoring and investigation criteria and procedures to ensure the timely detection, investigation, and reporting of all known or suspected violations of law and suspicious transactions, including, but not limited to:
 - i.o effective monitoring of customer accounts and transactions, including but not limited to, transactions conducted through foreign correspondent accounts;
 - ii. appropriate allocation of resources to manage alert and case inventory;
 - iii. adequate escalation of information about potentially suspicious activity through appropriate levels of management;
 - iv.o maintenance of sufficient documentation with respect to the investigation and analysis of potentially suspicious activity, including the resolution and escalation of concerns; and

v.e maintenance of accurate and comprehensive customer and transactional data and ensuring that it is utilized by the New York Branch's compliance program.e

Customer Due Diligence

38.e Within sixty (60) days of the execution of this Consent Order, IBK and the New York Branch shall jointly submit a Status Report acceptable to the Department on enhancements to the Branch's customer due diligence program. At a minimum, the Status Report shall include updates on:

- a.e policies, procedures, and controls to ensure that the New York Branch collects, analyzes, and retains complete and accurate customer information for all account holders, including, but not limited to, affiliates;e
- b.e a plan to remediate deficient due diligence for existing customers accounts;e
- c.e a revised methodology for assigning risk ratings to account holders that considers factors such as type of customer, type of products and services,e geographic locations, and transaction volume;e
- d.e for each customer whose transactions require enhanced due diligence procedures to:
 - i.e determine the appropriate documentation necessary to verify the identity and business activities of the customer; ande
 - ii.e understand the normal and expected transactions of the customer;e
- e.e policies, procedures, and controls to ensure that foreign correspondent accounts are accorded the appropriate due diligence and, where necessary,e enhanced due diligence; ande
- f.e periodic reviews and evaluations of customer and account information for the entire customer base to ensure that information is current, complete, and that the risk rating reflects the current information, and if applicable, documenting rationales for any revisions made to the customer risk rating.e

Corporate Governance and Management Oversight

39.e Within sixty (60) days of the execution of this Consent Order, the Bank shall submit to the Department a Status Report acceptable to the Department on updates of the Branch's sustainable governance framework that, at a minimum, addresses, considers, and includes:

- a.e actions the board of directors have and will continue to maintain effective control over, and oversight of, Branch management's compliance with BSA/AML requirements and relevant state laws and regulations;
- b.e measures to improve the management information systems reporting of the Branch's compliance with BSA/AML requirements and state laws and regulations to senior management of IBK and the Branch;
- c.e clearly defined roles, responsibilities, and accountability regarding compliance with BSA/AML requirements and state laws and regulations for IBK's and the Branch's respective management, compliance personnel, and internal audit staff;
- d.e measures to ensure BSA/AML issues are appropriately tracked, escalated, and reviewed by the Branch's senior management;
- e.e measures to ensure that the person or groups at IBK and the Branch charged with the responsibility of overseeing the Branch's compliance with BSA/AML requirements and relevant state laws and regulations possess appropriate subject matter expertise and are actively involved in carrying out such responsibilities;
- f.e adequate resources to ensure the New York Branch's compliance with this Order, BSA/AML requirements, and state laws and regulations; and
- g.e an appropriate and effective reporting structure that permits the Branch's BSA/AML compliance officer to report information in a timely and complete manner to the Board of Directors or committee thereof.

Reports

40.e For a period of (2) two years following the execution of the Consent Order, IBK and the New York Branch shall jointly submit quarterly reports to the Department that provide

updates on any changes to the New York Branch's BSA/AML program and IBK's governance structure and supervision thereof, including any changes in management and personnel of the compliance functions at IBK and the New York Branch.

Breach of Consent Order

41. In the event that the Department believes the Bank to be in material breach of the Consent Order, the Department will provide written notice to the Bank and the Bank must, within ten (10) business days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no material breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

42.e The parties understand and agree that the Bank's failure to make the required showing within the designated time period shall be presumptive evidence of the Bank's breach. Upon a finding that the Bank has breached the Consent Order, the Department has all the remedies available to it under New York Banking and Financial Services Law and may use any evidence available to the Department in any ensuing hearings, notices, or orders.

Waiver of Rights

43.e The parties understand and agree that no provision of this Consent Order is subject to review in any court or tribunal outside the Department.

Parties Bound by the Consent Order

44.e This Consent Order is binding on the Department and the Bank, as well as any successors and assigns. This Consent Order does not bind any federal or other state agency or law enforcement authority.

45. No further action will be taken by the Department against the Bank for the specific conduct set forth in this Order, provided that the Bank complies with the terms of the Order.

Notices

46.e All notices or communications regarding this Consent Order shall be sent to:

For the Department:

Debra C. Brookes
Senior Assistant Deputy Superintendent for Enforcement
New York State Department of Financial Services
One State Street
New York, NY 10004

Michael R. Treves
New York State Department of Financial Services
One State Street
New York, NY 10004

For IBK and IBK, New York Branch:

Yoon-Kee Kim
Chief Compliance Officer
Industrial Bank of Korea
79 Ulchi-ro, Jung-gu
Seoul, Korea 04541

Seong Hwan Ko
General Manager
Industrial Bank of Korea, New York Branch
1250 Broadway, 37th Floor
New York, NY 10001

Miscellaneous

47.e Each provision of this Consent Order shall remain effective and enforceable until it is stayed, modified, suspended or terminated by the Department.

48.e No promise, assurance, representation, or understanding other than those contained in this Consent Order has been made to induce any party to agree to the provisions of the Consent Order.

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed this 20 day of April, 2020.

**NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES**

By: _____
DEBRA C. BROOKES
Senior Assistant Deputy Superintendent,
Enforcement Unit
Consumer Protection & Financial
Enforcement Division

INDUSTRIAL BANK OF KOREA

By: Jongwon Yoon
JONGWON YOON
Chairman of the Board of Directors and Chief
Executive Officer

By: _____
CHRISTOPHER B. MULVIHILL
Deputy Superintendent, Enforcement Unit
Consumer Protection & Financial
Enforcement Division

**INDUSTRIAL BANK OF KOREA,
NEW YORK BRANCH**

By: _____
SEONG HWAN KO
General Manager

By: _____
KATHERINE A. LEMIRE
Executive Deputy Superintendent
Consumer Protection & Financial
Enforcement Division

By: _____
LINDA A. LACEWELL
Superintendent of Financial Services

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed this 20 day of April, 2020.

**NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES**

INDUSTRIAL BANK OF KOREA

By: _____
DEBRA C. BROOKES
Senior Assistant Deputy Superintendent,
Enforcement Unit
Consumer Protection & Financial
Enforcement Division

By: _____
JONG-WON YOON
Chairman of the Board of Directors and Chief
Executive Officer

**INDUSTRIAL BANK OF KOREA,
NEW YORK BRANCH**

By: _____
CHRISTOPHER B. MULVIHILL
Deputy Superintendent, Enforcement Unit
Consumer Protection & Financial
Enforcement Division

By: Seonghwanko
SEONG HWANKO
General Manager

By: _____
KATHERINE A. LEMIRE
Executive Deputy Superintendent
Consumer Protection & Financial
Enforcement Division

By: _____
LINDA A. LACEWELL
Superintendent of Financial Services

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed this 20th day of April, 2020.

**NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES**

By: 
DEBRA C. BROOKES
Senior Assistant Deputy Superintendent,
Enforcement Unit
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INDUSTRIAL BANK OF KOREA

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