

Korea Housing Finance Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2024
with the independent auditor's report

Korea Housing Finance Corporation
and its subsidiaries

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(English translation of a report originally issued in Korean)

The Shareholders and Board of Directors Korea Housing Finance Corporation

Opinion

We have audited the consolidated financial statements of Korea Housing Finance Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2024 in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea.

Basis for opinion

We conducted our audit in accordance with Korean Standards on Auditing ("KSA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which describes that the Group has prepared its consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. Pursuant to its Article 2-5, the Group applies International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") where specific accounting treatments are not prescribed by the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions. There are no accounts of which accounting treatment is different compared to KIFRS in order for the Group to be in full compliance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion of the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



February 17, 2025

This audit report is effective as of February 17, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Korea Housing Finance Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2024

“The accompanying consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group.”

Kyung Hwan Kim
Chief Executive Officer
Korea Housing Finance Corporation

Korea Housing Finance Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023

(Korean won)

	Notes	2024	2023
Assets			
Cash and due from banks:	4,5,6		
Cash and due from banks		₩ 10,619,226,227,148	₩ 6,138,729,391,426
		10,619,226,227,148	6,138,729,391,426
Securities:	4,5,7,8		
Securities at fair value through profit or loss		1,107,655,543,584	241,898,645,765
Securities at fair value through other comprehensive income		1,814,241,988,358	1,725,556,395,279
		2,921,897,531,942	1,967,455,041,044
Other financial assets:	4,5,33		
Derivative financial assets	9	1,726,713,289,609	466,861,553,047
Other financial assets	15	541,200,384,435	478,731,058,854
		2,267,913,674,044	945,592,611,901
Loan receivables at amortized costs:	4,5,10,11		
Purchased mortgage-backed loans		14,721,665,403,170	14,111,105,254,225
Premium (discount) on loan receivables		(112,866,077,297)	(111,071,811,131)
Deferred loan origination fees and costs		69,359,333,312	59,168,275,996
(Allowance for doubtful accounts)		(25,054,291,470)	(18,031,609,106)
Purchased student loans		14,950,883,818	22,496,500,031
Discount on loan receivables		(92,190,955)	(195,438,735)
(Allowance for doubtful accounts)		(2,523,238,993)	(3,253,219,321)
Mortgage-backed loans by trusts		160,789,568,882,551	165,554,688,425,635
Premium (discount) on loan receivables		(371,833,322,232)	(405,714,955,321)
Deferred loan origination fees and costs		388,150,976,035	478,921,944,462
(Allowance for doubtful accounts)		(188,152,549,092)	(136,646,614,783)
		175,283,173,808,847	179,551,466,751,952
Property and equipment:	12,14		
Lands		23,204,610,588	19,802,165,846
Buildings		125,423,608,961	117,127,512,503
(Accumulated depreciation)		(22,654,966,427)	(19,623,077,446)
Vehicles		234,874,400	234,874,400
(Accumulated depreciation)		(234,863,400)	(234,863,400)
Office equipment		123,579,329,906	120,866,317,089
(Accumulated depreciation)		(90,026,098,499)	(84,927,420,904)
Right-of-use assets	14	34,166,968,779	31,511,127,665
(Accumulated depreciation)		(14,707,530,128)	(11,952,620,341)
Other property and equipment		39,988,678,823	37,975,778,116
(Accumulated depreciation)		(28,061,978,122)	(23,223,357,683)
Construction-in-progress		1,068,438,345	-
		191,981,073,226	187,556,435,845
Intangible assets:	13		
Software		71,428,164,766	67,152,082,291
(Accumulated amortization)		(51,557,234,201)	(40,233,023,020)
Copyrights, patents and other industrial property rights		25,875,736	25,875,736
(Accumulated amortization)		(25,864,736)	(25,864,736)
Membership		897,829,540	897,829,540
		20,768,771,105	27,816,899,811
Other assets:			
Advanced payments		3,363,636	18,816,200
Prepaid expenses		13,502,307,051	16,609,837,856
Other assets		36,500,000	36,500,000
		13,542,170,687	16,665,154,056
Deferred tax assets	30	42,487,105,549	91,174,102,708
Current tax assets		52,472,450	-
Total assets		₩ 191,361,042,834,998	₩ 188,926,456,388,743

(continued)

Korea Housing Finance Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023 (cont'd)
(Korean won)

	Notes	2024	2023
Liabilities			
Debts:	4,5,16		
Borrowings		-	200,000,000,000
Public bonds issued		22,609,914,230,000	16,270,920,000,000
(Discount on public bonds)		(22,075,270,852)	(18,167,779,498)
		22,587,838,959,148	16,452,752,220,502
Securitized liabilities:	4,5,17		
Mortgage-backed bonds		13,738,711,800,000	11,060,988,900,000
(Discount on bonds)		(13,474,302,416)	(13,321,953,612)
Securitized securities		149,185,324,000,000	155,592,998,000,000
(Discount on securities)		(65,354,046,204)	(67,204,470,856)
		162,845,207,451,380	166,573,460,475,532
Other financial liabilities:	4,5		
Derivative financial liabilities	9	147,274,305,191	425,053,173,174
Other payables		45,348,182,725	50,673,676,007
Other financial liabilities	19,20	829,862,851,192	730,478,133,665
		1,022,485,339,108	1,206,204,982,846
Provisions:	21		
Provisions for employee benefits		1,373,696,284	1,361,948,162
Provisions for conversion incentives		31,706,219,902	27,664,990,208
Provisions for restoration costs		3,626,243,136	3,002,175,984
		36,706,159,322	32,029,114,354
Employee benefit liabilities:	18		
Net defined benefit liabilities		114,138,543,577	97,083,640,075
		114,138,543,577	97,083,640,075
Other liabilities:			
Advances received		16,289,607,816	14,749,393,671
		16,289,607,816	14,749,393,671
Current tax liabilities	30	4,063,655,688	39,320,919,469
Deferred tax liabilities	30	-	-
Total liabilities		186,626,729,716,039	184,415,600,746,449
Equity			
Paid-in capital	22		
Capital contributions		2,737,400,000,000	2,737,400,000,000
Capital adjustments		(7,227,840,000)	(7,227,840,000)
		2,730,172,160,000	2,730,172,160,000
Retained earnings:	24		
Legal reserves		511,202,401,221	497,811,132,161
Regulatory reserves for credit losses		421,790,292,144	337,687,541,738
Unappropriated retained earnings		1,173,177,922,949	1,042,581,009,086
		2,106,170,616,314	1,878,079,682,985
Other components of equity:	23		
Accumulated other comprehensive loss		(102,029,657,355)	(97,396,200,691)
		(102,029,657,355)	(97,396,200,691)
Total equity		4,734,313,118,959	4,510,855,642,294
Total liabilities and equity		₩ 191,361,042,834,998	₩ 188,926,456,388,743

The accompanying notes are an integral part of the consolidated financial statements.

Korea Housing Finance Corporation and its subsidiaries
Consolidated statements of comprehensive income
for each of the two years in the period ended December 31, 2024
(Korean won)

	Notes	2024	2023
Operating income:			
Interest income	25	₩ 5,861,456,677,298	₩ 4,862,296,433,703
Fee and commission income	27	12,461,585,964	13,876,463,696
Gain on disposal of financial assets at fair value through OCI	8	-	533,579,094
Gain on valuation and transaction of derivatives	9	1,598,799,222,465	872,975,412,801
Gain on foreign currency translation		26,151,546,753	10,942,029,039
Gain on foreign currency transaction		45,285,594,364	26,795,126,180
Other operating income		107,551,392,594	122,672,396,000
		<u>7,651,706,019,438</u>	<u>5,910,091,440,513</u>
Operating expenses:			
Interest expenses	26	5,345,634,197,840	4,282,655,903,786
Fee and commission expenses	27	110,643,009,823	119,629,914,864
Bad debt expenses		70,219,548,944	27,439,217,195
Loss on valuation and transaction of derivatives	9	190,460,470,704	708,036,050,879
Loss on foreign currency translation		1,398,520,900,000	480,560,052,819
Other operating expenses		4,808,820,103	5,790,091,030
Selling and administrative expenses	28	228,232,953,942	221,333,767,191
		<u>7,348,519,901,356</u>	<u>5,845,444,997,764</u>
Operating profit		<u>303,186,118,082</u>	<u>64,646,442,749</u>
Other income (expenses):			
Loss on disposal of property and equipment		(4,706,788)	(299,639,616)
Other losses, net	29	(2,543,606,094)	(2,645,914,951)
		<u>(2,548,312,882)</u>	<u>(2,945,554,567)</u>
Profit before income taxes		<u>300,637,805,200</u>	<u>61,700,888,182</u>
Income tax expense	30	<u>65,826,224,176</u>	<u>16,197,156,105</u>
Profit for the year		<u>234,811,581,024</u>	<u>45,503,732,077</u>
Other comprehensive income (loss) :			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of net defined benefit liabilities		(6,720,647,695)	(8,836,600,926)
Net loss on equity instruments measured at fair value through OCI		(184,560,000)	113,880,000
		<u>(6,905,207,695)</u>	<u>(8,722,720,926)</u>
Items that will or may be reclassified to profit or loss in subsequent periods:			
Net gain on debt instruments measured at fair value through OCI		5,918,707,014	20,681,516,253
Net gain (loss) on valuation of cash flow hedges		(10,367,603,678)	26,426,500,719
		<u>(4,448,896,664)</u>	<u>47,108,016,972</u>
		<u>(11,354,104,359)</u>	<u>38,385,296,046</u>
Total comprehensive income		<u>₩ 223,457,476,665</u>	<u>₩ 83,889,028,123</u>

The accompanying notes are an integral part of the consolidated financial statements.

Korea Housing Finance Corporation and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2024
(Korean won)

	Paid-in capital	Other components of equity	Retained earnings	Total
As of January 1, 2023	₩ 2,335,276,800,000	₩ (144,618,097,663)	₩ 1,884,804,138,874	₩ 4,075,462,841,211
Increase in capital	394,895,360,000	-	-	394,895,360,000
Dividends paid	-	-	(43,391,587,040)	(43,391,587,040)
Profit for the year	-	-	45,503,732,077	45,503,732,077
Net gain on equity instruments measured at fair value through OCI	-	113,880,000	-	113,880,000
Net gain on debt instruments measured at fair value through OCI	-	20,681,516,253	-	20,681,516,253
Net gain on valuation of cash flow hedges	-	26,426,500,719	-	26,426,500,719
Remeasurements of net defined benefit liabilities	-	-	(8,836,600,926)	(8,836,600,926)
As of December 31, 2023	₩ 2,730,172,160,000	₩ (97,396,200,691)	₩ 1,878,079,682,985	₩ 4,510,855,642,294
As of January 1, 2024	₩ 2,730,172,160,000	₩ (97,396,200,691)	₩ 1,878,079,682,985	₩ 4,510,855,642,294
Increase in capital	-	-	-	-
Dividends paid	-	-	-	-
Profit for the year	-	-	234,811,581,024	234,811,581,024
Net loss on equity instruments measured at fair value through OCI	-	(184,560,000)	-	(184,560,000)
Net gain on debt instruments measured at fair value through OCI	-	5,918,707,014	-	5,918,707,014
Net loss on valuation of cash flow hedges	-	(10,367,603,678)	-	(10,367,603,678)
Remeasurements of net defined benefit liabilities	-	-	(6,720,647,695)	(6,720,647,695)
As of December 31, 2024	₩ 2,730,172,160,000	₩ (102,029,657,355)	₩ 2,106,170,616,314	₩ 4,734,313,118,959

The accompanying notes are an integral part of the consolidated financial statements.

Korea Housing Finance Corporation and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024
(Korean won)

	2024	2023
Cash flows from operating activities:		
Profit for the year	₩ 234,811,581,024	₩ 45,503,732,077
Adjustments to reconcile profit for the year to net cash used in operating activities:		
Interest expenses	5,345,634,197,840	4,282,655,903,786
Retirement benefits	14,582,845,019	12,595,324,103
Increase in provisions for conversion incentives	4,050,585,463	4,631,229,311
Depreciation	28,787,245,524	27,180,708,299
Amortization	11,324,211,181	10,981,876,183
Loss on disposal of property and equipment	4,706,788	299,639,616
Loss on transaction of acquisition commitments	25,804,781,338	163,739,083,912
Loss on valuation of derivatives held for trading	31,523,317,367	386,921,591,989
Loss on valuation of derivatives held for hedging	26,135,378,938	10,941,000,000
Loss on foreign currency translation	1,398,520,900,000	480,560,052,819
Impairment loss on loan receivables at amortized cost	125,705,919,849	78,938,847,736
Other impairment loss	1,859,457,697	2,197,165,272
Income tax expense	65,826,224,176	16,197,156,105
Interest income	(5,861,456,677,298)	(4,862,296,433,703)
Gain on transaction of acquisition commitments	(107,998,537,820)	(208,989,051,443)
Gain on valuation of acquisition commitments	(39,743,940,061)	(10,529,958,615)
Gain on valuation of derivatives held for trading	(31,727,184)	-
Gain on valuation of derivatives held for hedging	(1,398,520,900,000)	(480,558,900,000)
Gain on valuation of securities at fair value through profit or loss	(3,516,692,199)	(643,452,967)
Gain on foreign currency translation	(26,151,546,753)	(10,942,029,039)
Reversal of allowance for doubtful accounts	(56,431,344,159)	(52,984,669,355)
Reversal of other allowance for doubtful accounts	(914,484,443)	(712,126,458)
Dividend income	(211,059,600)	(104,115,980)
Gain on lease termination	-	(225,187)
Gain on disposal of debt instruments at fair value through OCI	-	(533,579,094)
Reversal of restoration liabilities	(134,721,907)	(104,170,077)
	(415,351,860,244)	(150,559,132,787)
Changes in operating assets and liabilities:		
Due from banks	(4,242,866,855,383)	(3,627,761,612,928)
Securities at fair value through profit or loss	(862,240,205,620)	1,067,928,992,700
Loan receivables at amortized cost	4,159,915,430,619	(23,642,868,240,826)
Deferred loan origination fees and costs	(161,532,448,281)	(242,541,083,985)
Accrued income	(366,428,541)	170,634,297
Advanced payments	15,452,564	(16,816,200)
Prepaid expenses	3,107,530,805	(7,272,502,208)
Derivatives held for trading	24,543,593,223	31,443,028,036
Other receivables	10,715,558	9,629,322,312
Other assets	2,276,812,050	(15,870,387,590)
Other payables	(5,325,493,282)	17,932,487,839
Accrued expenses	(478,426,842)	470,846,099
Advances received	1,540,214,145	2,369,046,665
Unearned revenue	(12,410,540)	384,558,814
Withholdings	40,642,789	(30,653,212)
Provisions for employee benefits	11,748,122	37,631,686
Provisions for conversion incentives	(10,151,627)	(16,110,595)
Provisions for restoration costs	-	(374,918,000)
Payment of retirement benefits	(3,587,705,123)	(3,815,944,478)
Plan assets	(2,668,599,201)	74,709,675
Financial guarantee contract liabilities	1,983,191,028	-
	(1,085,643,393,537)	(26,410,127,011,899)
Interest received	5,828,378,248,895	4,786,717,095,296
Interest paid	(5,224,852,052,043)	(4,030,509,246,982)
Dividends received	211,059,600	104,115,980
Income tax paid	(49,049,403,550)	(139,555,181,166)
Net cash flows used in operating activities	₩ (711,495,819,855)	₩ (25,898,425,629,481)

(continued)

Korea Housing Finance Corporation and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024 (cont'd)
(Korean won)

	2024	2023
Cash flows from investing activities:		
Proceeds from disposal of securities at fair value through OCI	₩ 220,357,194,000	₩ 539,990,242,311
Decrease in leasehold deposits	18,380,111,730	16,362,067,565
Decrease in loans	474,052,300	457,773,000
Disposal of property and equipment	121,830	255,494
Acquisition of property and equipment	(25,109,773,451)	(14,633,973,698)
Acquisition of intangible assets	(4,276,082,475)	(3,500,000)
Acquisition of securities at fair value through OCI	(300,320,397,792)	(1,301,323,344,233)
Increase in leasehold deposits	(11,768,146,673)	(12,625,768,291)
Increase in loans	(104,412,880)	(171,801,000)
	<u>(102,367,333,411)</u>	<u>(771,948,048,852)</u>
Net cash flows used in investing activities		
Cash flows from financing activities:		
Net increase in public bonds issued	11,985,322,625,044	10,985,756,153,240
Issuance of securitized securities	16,400,854,343,066	33,247,375,833,972
Issuance of foreign securitized securities	2,486,548,889,176	3,629,226,857,294
Increase in capital	-	394,895,360,000
Increase in borrowings	300,000,000,000	790,000,000,000
Repayment of securitized securities		
Repayment of foreign securitized securities	(22,817,074,000,000)	(17,262,187,000,000)
Repayment of borrowings	(668,010,000,000)	(648,805,000,000)
Repayment of public bonds issued	(500,000,000,000)	(740,000,000,000)
Payment of dividends	(6,130,000,000,000)	(3,680,000,000,000)
Payment of principal portion of lease liabilities	-	(43,391,587,040)
	<u>(6,153,158,724)</u>	<u>(5,517,487,863)</u>
Net cash flows provided by financing activities	<u>1,051,488,698,562</u>	<u>26,667,353,129,603</u>
Net foreign exchange difference	4,435,043	(131,954)
Net increase (decrease) in cash and cash equivalents	237,625,545,296	(3,020,548,730)
Cash and cash equivalents at the beginning of the year	43,196,013,211	46,216,693,895
Cash and cash equivalents at the end of the year	<u>₩ 280,825,993,550</u>	<u>₩ 43,196,013,211</u>

The accompanying notes are an integral part of the consolidated financial statements.

1. Company overview

Korea Housing Finance Corporation (the "Company") was incorporated on March 1, 2004, under the *Korea Housing Finance Corporation Act* (the "KHFC Act"), and subsequently took over the mortgage-backed loan securitization business from Korea Mortgage Corporation (the "KoMoCo") on March 17, 2004.

The Company is primarily engaged in the acquisition of mortgage loan originated by the financial institutions and other related activities in accordance with the KHFC Act. The Company also issues mortgage-backed securities (MBS) by using the loans acquired, and subsequently transferring them to its trust account, as the underlying asset on behalf of the trust. The issuance of MBS is facilitated by the Company establishing a trust, and the Company is involved in the administration, management and disposition of the trust.

At the inception of the Company, its capital contribution amounted to ₩320,000 million, and as of December 31, 2024, capital contributions have increased to ₩2,737,400 million as a result of a subsequent capital increase.

As of December 31, 2024, details of the shareholders of the Company and their shareholdings are as follows (Korean won in millions):

Shareholders	Amounts	Percentage of ownership (%)
The Korean Government	₩ 1,742,400	63.65%
The Bank of Korea	995,000	36.35%
	₩ 2,737,400	100.00%

1.1 Scope of consolidation

Subsidiaries are all entities (including special purpose companies) over which the Company has control. The Company controls the corresponding investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The consolidation of a subsidiary begins from the date the Company obtains the control of a subsidiary and ceases when the Company loses its control of the subsidiary.

Balances of receivables and payables, income and expenses and unrealized gains arising from the intercompany transactions are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company and its subsidiaries (collectively referred to as the "Group").

As of December 31, 2024, the consolidated subsidiaries included in the consolidated financial statements are trusts held by the Company and the Company acts as a trustee for such trusts.

1.2 Summary of financial information of the subsidiaries

The summarized financial information of subsidiaries as of and for the year ended December 31, 2024 is as follows (Korean won in millions):

Trusts	As of and for the year ended December 31, 2024					
	Assets	Liabilities	Retained earnings	Revenue	Expenses	Profit (loss)
KHFCMB2005S-05 and 3 others	₩ 96,816	₩ 84	₩ 96,732	₩ 3,683	₩ 12	₩ 3,671
KHFCMB2006S-03 and 1 others	30,904	42	30,862	1,353	6	1,347
KHFCMB2007S-03 and 1 others	18,052	1,390	16,662	807	46	761
FCMB2008S-06 and 1 others	12,144	986	11,158	898	40	858
KHFCMB2009S-13 and 2 others	24,014	14,455	9,559	1,187	762	425
KHFCMB2010S-18 and 3 others	35,644	34,315	1,329	1,212	1,878	(666)
KHFCMB2011S-20 and 2 others	33,913	38,697	(4,784)	(6,955)	3,300	(10,255)
KHFCMB2012S-41 and 22 others	268,444	318,735	(50,291)	(11,115)	19,716	(30,831)
KHFCMB2013S-40 and 34 others	604,207	600,103	4,104	23,049	31,234	(8,185)
KHFCMB2014S-22 and 21 others	723,381	653,334	70,047	25,039	33,316	(8,277)
KHFCMB2015S-28 and 27 others	11,637,101	11,462,617	174,484	350,526	381,050	(30,524)
KHFCMB2016S-29 and 28 others	6,409,417	6,109,311	300,106	167,428	223,823	(56,395)
KHFCMB2017S-30 and 29 others	9,408,957	9,273,442	135,515	296,142	336,056	(39,914)
KHFCMB2018S-31 and 30 others	8,278,604	8,172,613	105,991	283,098	285,790	(2,692)
KHFCMB2019S-28 and 27 others	14,050,589	13,793,178	257,411	411,505	389,784	21,721
KHFCMB2020S-39 and 38 Others	31,012,575	30,715,725	296,850	735,475	707,790	27,685
KHFCMB2021S-26 and 25 others	26,265,492	26,201,517	63,975	703,669	744,182	(40,513)
KHFCMB2022S-20 and 19 others	13,142,992	13,329,480	(186,488)	504,961	575,825	(70,864)
KHFCMB2023S-36 and 35 others	28,798,105	28,939,175	(141,070)	1,439,043	1,515,484	(76,441)
KHFCMB2024S-24 and 23 others	16,338,041	16,336,839	1,202	380,193	378,991	1,202
	₩ 167,189,392	₩ 165,996,038	₩ 1,193,354	₩ 5,311,198	₩ 5,629,085	₩ (317,887)

Subsidiaries	As of and for the year ended December 31, 2024					
	Assets	Liabilities	Retained earnings	Revenue	Expense	Profit (loss)
HF PARTNERS CORP.	₩ 2,946	2,414	532	11,157	11,876	(719)

1.3 Changes in the scope of consolidation

Subsidiaries newly included in consolidation and those excluded from consolidation for the year ended December 31, 2024 are as follows:

1.3.1 Subsidiaries newly included in consolidation

Trusts and Subsidiaries	Reason
KHFCMB2024S-01~24 (Total of 24 trusts)	Payment guarantees for senior beneficiary securities issued by the trusts of the Company

1.3.2 Subsidiaries excluded from consolidation

Trusts	Reason
KHFCMB2008S-04 KHFCMB2011S-09, 18, 21 KHFCMB2012S-01, 02, 05, 07, 10, 12, 14, 16, 18, 27 KHFCMB2013S-11, 24, 33 (Total of 17 trusts)	Liquidation of trusts

2. Basis of preparation and summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The accompanying consolidated financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements of the Group have been prepared in accordance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions in the Republic of Korea, and pursuant to its Article 2-5, the Group applies International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") for specific accounting treatments that are not prescribed by the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

There are no accounts of which accounting treatment is different compared to KIFRS in order for the Company to be in full compliance with the Rules for Accounting Affairs of Public Corporations and Quasi-governmental Institutions.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings classified as property and equipment, derivative financial instruments, debt and equity financial assets, contingent consideration and non-cash distribution liabilities that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in Korean won (KRW, won or ₩) and all values are rounded to the nearest million, except when otherwise indicated.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are recognized in capital transactions.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 Summary of material accounting policy information

2.3.1 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an

orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

	Notes
➤ Disclosures for valuation methods, significant estimates and assumptions;	3, 5
➤ Quantitative disclosure of fair value hierarchy;	5
➤ Investment in non-listed equity shares; and	5.2, 8
➤ Financial instruments (including those carried at amortized cost).	5

2.3.2 Revenue recognition

The Group engages in the business of securitizing residential mortgage receivables, etc. Interest income generated from residential mortgages receivables, etc., which are the basic assets for securitization, and the interest expenses generated from residential mortgage debt obligations (MBBs) and residential mortgage securities (MBS) issued by the Group during the securitization process are recognized using the EIR method.

(1) Interest income and expense

Interest income and expense are recognized using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or groups of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future loan loss. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. In those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Interest on impaired financial assets is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(2) Fee and commission income

The Group recognizes financial service fees in accordance with the accounting standards for financial instrument and the objective of charging the fees.

Fees that are an integral part of the effective interest of a financial instrument

Such fees are generally treated as adjustments of effective interest. Such fees may include compensation for activities such as evaluating the borrower's financial condition, collateral and other security arrangements, evaluating and recording guarantees, preparing and processing documents and closing the transaction and origination fees received on issuing financial liabilities measured at amortized cost.

Fees earned as services are provided

Such fees are recognized as revenue as the services are provided. The fees include fees charged for servicing a financial instrument and charged for managing investments.

Fees that are earned upon the execution of a significant act

Such fees are recognized as revenue when the significant act has been completed.

2.3.3 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants related to assets are presented in the consolidated statement of financial position by deducting the grant in arriving at the carrying amount of the asset, and government grants related to income are deferred and later deducted from related expense.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset.

When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this preferential interest is regarded as a government grant.

2.3.4 Taxes

(1) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income and other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(2) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3.5 Foreign currencies

The Group's consolidated financial statements are presented in Korean won, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss is also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.3.6 Cash dividend

The Company recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.3.7 Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, as follows:

Classification	Depreciation method	Useful life
Buildings	Straight-line method	40 years
Vehicles	Straight-line method	5 years
Office equipment	Straight-line method	5 years
Other property and equipment	Straight-line method	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

2.3.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(1) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings (office etc.) - 1 to 10 years
- Motor vehicles and other equipment - 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.3.13 Impairment of non-financial assets.

(2) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(3) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income.

A summary of the policies applied to the Group's intangible assets is as follows:

Classification	Amortization method	Useful life
Patent	Straight-line method	10 years
Software	Straight-line method	5 years
Membership	Unamortized	Indefinite

2.3.11 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Assets measured at amortised cost are included in the business model which manages financial assets to collecting contractual cash flows while assets measured at fair value through OCI are included in the business model which manages financial assets to collect contractual cash flows and sell the assets both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the transaction date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into the following four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition; and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortised cost include loan receivables and other loans.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under KIFRS 1032 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

	Notes
➤ Disclosures for significant assumptions;	3
➤ Debt instruments at fair value through OCI; and	4.2
➤ Loan at amortised cost.	4.2, 11

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets at fair value through OCI, the Group applies a simplified approach in calculating ECLs. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the credit rating agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 16, 17.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

(3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.3.12 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(1) Derivative financial instruments held for trading

All derivative financial instruments, except for derivatives that are designated and qualify for hedge accounting, are measured at fair value. Gains or losses arising from a change in fair value are recognized in profit or loss.

(2) Derivative financial instruments held for hedging

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; and
- hedging the risk of net investment in foreign operations.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is “an economic relationship” between the hedged item and the hedging instrument;
- the effect of credit risk does not “dominate the value changes” that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging derivative is recognized in the consolidated statement of comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of comprehensive income.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of comprehensive income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses. Refer to Note 9 for more details.

The Group designates currency swap as a hedging instrument. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur.

Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI while any gains or losses relating to the ineffective portion are recognized in the consolidated statement of comprehensive income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of comprehensive income.

(3) Derivative financial instruments held for acquisition commitments

The Group recognizes changes in the fair value of loan receivables under acquisition commitments as derivative financial instruments, and gains or losses on valuation due to changes in the fair value are recognized in profit or loss within the consolidated statements of profit or loss and other comprehensive income.

2.3.13 Impairment of non-financial assets

- Disclosure of significant assumptions: Note 3
- Property and equipment: Note 12
- Intangible assets: Note 13

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recorded in profit or loss as an expense item consistent with the function of the impaired assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statement of comprehensive income and other comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine

whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as of December 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.3.14 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.3.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed by a third party, the reimbursement is recognized as a separate asset, but only when it is virtually certain that the third party will reimburse upon the Group's fulfillment of the obligation. The expense relating to a provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Where time value of money effects are material, provisions are discounted at current pre-tax interest rates that reflect the specific risks of the liability. When provisions are evaluated at its present value, the increase in the carrying amount due to the passage of time is recognized as finance cost.

(1) Provisions for employment benefits

The Group recognizes provisions for employee benefits by estimating the expected performance incentives to be received by employees as a result of business assessment.

(2) Provisions for conversion incentives

Provisions for conversion incentives are recorded by estimating the cumulative amount of preferential interests that will accrue if borrowers over a certain age pledge to subscribe to the housing pension program when they take loans from the Group.

(3) Provisions for restoration costs

The Group recognizes a provisions for the restoration of each leased office. Restoration costs are calculated as the present value of the estimated costs of fulfilling the obligation based on estimated cash flows and are recognized as part of the cost of the related asset. Estimated cash flows are measured discounted at current pre-tax interest rates that reflect the specific risks of the restoration liability. Thereafter, over time, the amortization amount for the discount is reflected in the consolidated statements of profit or loss and other comprehensive income at finance cost. Estimates for future restoration cost are reviewed and adjusted at the end of each reporting period. Changes in estimated future costs or applicable discount rates are adjusted by adding to or subtracting from the cost of the asset.

2.3.16 Pension benefits and other post-employment benefits

The Group operates a defined benefit pension plan.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the net defined benefit obligation interest and past service cost under 'selling and administrative expenses' in the consolidated statement of profit or loss.

2.3.17 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its consolidated financial statements. The Group will adjust the amounts recognized in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2.3.18 Approval of the consolidated financial statements

The consolidated financial statements for the year ended December 31, 2024 were approved for issue by the Chief Executive Officer on February 17, 2025.

2.4 Changes in accounting policies and disclosures

2.4.1 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(1) Amendments to KIFRS 1116 - *Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

(2) Amendments to KIFRS 1001 - *Classification of Liabilities as Current or Non-current*

The amendments to KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right;

and

- that if under the condition that an entity settles the liability by transferring its equity instruments, the option is classified as equity instrument and the option is recognized separate from the liability as a component of equity for hybrid financial instrument, there is no impact on current or non-current classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

(3) Amendments to KIFRS 1007 and KIFRS 1107 - *Supplier Finance Arrangements*

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

2.4.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(1) Amendments to KIFRS 1021 - *Lack of exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

(2) Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

The amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments* include the following:

- clarifying that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
- providing additional guidance as to how to assess contractual cash flows of financial assets with environmental, social and governance (ESG)-linked features and similar features;
- clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
- introducing new disclosures for financial instruments with contingent features and adding

disclosure requirements for equity instruments measured at fair value through other comprehensive income.

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but only for the amendments for the classification of financial assets and related disclosures. The Group does not plan to early apply the amendments.

In relation to the derecognition of financial liabilities that are settled via electronic payment systems, the Group is performing assessment on all the major electronic payment systems used in various jurisdictions in which the Group operates. The Group is assessing whether the amendments will have a material impact on the current practices and whether the criteria for the accounting policy choice to derecognize financial liabilities are met. In order to assess if a financial asset is derecognized on the date on which the contractual rights to the cash flows expire, and if a financial liability is derecognized on the settlement date, the Group is currently assessing all payment systems such as cheques, credit cards, and debit cards.

Furthermore, the Group is assessing the impact of the amendments on financial assets with ESG-linked and similar contingent features, financial instruments with non-recourse features, and contractually linked financial instruments. The amendments are not expected to have a material impact on its consolidated financial statements based on the initial assessment performed but the assessment has not been completed.

(3) Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

- Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*
- Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*
- Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*
- Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the consolidated financial statements.

3. Material accounting estimates and assumptions

The preparation of consolidated financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgment in applying the Group's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgment and assumptions of certain items are included in:

- | | |
|--|------------------------|
| - Capital management | Note 4.5 |
| - Financial instruments risk management and policies | Note 4.1 |
| - Sensitivity analyses disclosures | Notes 4.4, 5.2, 18.(6) |

3.1. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.1.1 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually and other non-financial assets are tested when circumstances indicate that the carrying value may be impaired. To calculate value in use, management must estimate the future cash flows that will arise from the asset or cash-generating unit and select an appropriate discount rate to calculate the present value of these future cash flows.

3.1.2. Loan receivables at amortized costs and allowance for expected loss

The allowance for losses on loan receivables measured at amortized cost is measured based on assumptions of default and expected loss rates. In selecting the input variables used in these assumptions and loss models, the Group takes into account its past experience, current market conditions, and forward-looking information as of the financial reporting date.

The information about the ECLs on the Group's loan receivables are disclosed in Note 4.2.

3.1.3. Retirement benefit plan

The cost of defined benefit pension plans and the present value of retirement pension obligations are determined based on actuarial valuation methods. Applying actuarial valuation methods requires making various assumptions. Setting these assumptions includes determining discount rates, future wage growth rates, mortality rates and future pension growth rates. Due to the complex and long-term nature of the valuation method, defined benefit obligations are sensitive to these assumptions. All assumptions are reviewed at the end of each reporting period.

To determine the appropriate discount rate, management references interest rates on AAA-rated corporate bonds. Mortality rates are based on publicly available data, and future wage growth and future pension growth rates are based on the country's expected inflation rate.

Further details are described in Note 18.

3.1.4 Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.1.5 Useful lives and residual values of property, plant and equipment

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually. In particular, it considers the impact of health, safety and

environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks.

3.1.6 Provisions for restoration cost

The Group recognized provisions for restoration costs related to offices that are leased and occupied.

As of December 31, 2024, the carrying amount of the provisions for restoration costs recognized based on the best estimate is KRW 3,626 million. The Group estimates that the expense will be realized in one to ten years and calculates the provision using the DCF method based on the following assumptions:

- Estimated cost range per area (3.30579 m²): KRW 155 thousand ~ KRW 451 thousand; and
- Discount rate: 1.303%~5.424%.

If the pre-tax discount rate applied to calculate the provision increases by 1% from the management's estimate, the carrying amount of the provision will decrease by KRW 112 million from the amount recorded in the consolidated financial statements.

3.1.7 Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4 Financial risk management

4.1 Overview

4.1.1 Overview of financial risk management policy

The financial risks that the Group is exposed to are credit risk, market risk, liquidity risk and others.

The note regarding financial risk management provides information about the risks that the Group is exposed to, including the objectives, policies and processes for managing the risks, the methods used to measure the risks, and capital adequacy. Additional quantitative information is disclosed throughout the consolidated financial statements.

The Group's risk management system focuses on increasing transparency, developing the risk management environment and the preemptive response to risk due to rapid changes in the financial environment to support the Group's long-term strategy and business decisions efficiently. Credit risk, market risk, liquidity risk and others have been recognized as the Group's key risks.

4.1.2 Risk management organization

Risk Management Committee

The Risk Management Committee establishes risk management strategies in accordance with the directives of the Board of Directors and determines the Group's target risk appetite, approves significant risk matters and reviews the level of risks that the Group is exposed to and the appropriateness of the Group's risk management operations as an ultimate decision-making authority.

Risk Management Council

The Risk Management Council is a consultative group which reviews and makes decisions on matters delegated by the Risk Management Committee and discusses the detailed issues relating to the Group's risk management.

Risk Management Group

The Risk Management Group is responsible for managing specific policies, procedures and work processes relating to the Group's risk management and monitoring and managing limits of group economic capital.

4.2 Credit risk

4.2.1 Overview of credit risk

Credit risk is the risk of possible losses in an asset portfolio in the event of a counterparty's default, breach of contract and deterioration in the credit quality of the counterparty. For risk management reporting purposes, the individual borrower's default risk, country risk, specific risks and other credit risk exposure components are considered as a whole.

4.2.2 Credit risk management

The Group measures expected losses and economic capital on assets that are subject to credit risk management whether on- or off-balance sheet and uses expected losses and economic capital as a management indicator. The Group manages credit risk by allocating credit risk economic capital limits.

4.2.3 Maximum exposure to credit risk

The Group's maximum exposures of financial instruments to credit risk without consideration of collateral values as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024		As of December 31, 2023	
Financial assets:				
Cash and due from banks	₩	10,619,226	₩	6,138,729
Securities at FVPL		1,107,656		241,899
Debt securities at FVOCI		1,659,187		1,570,261
Loan receivables at amortized costs		175,283,174		179,551,467
Derivative financial assets		1,726,713		466,862
Other financial assets		541,200		478,731
Financial guarantee contract		1,990,195		—
	₩	192,927,351	₩	188,447,949

4.2.4 Credit risk of loan receivables

The Group sets and manages expected credit loss and recognizes loss manage credit risks on loan receivables.

The Group measures expected credit loss and recognizes loss allowance at the end of the reporting period for financial assets at amortized costs and fair value through other comprehensive income with exception of financial asset measured at fair value through profit or loss.

Expected credit losses are a probability-weighted estimate of credit losses reflecting time value of money. The Group measures expected credit losses by reflecting information that is reasonably available at the report date without undue cost of effort, including information about past events, current conditions and forecasts of future economic conditions.

The Group uses the following two measurement techniques in accordance with KIFRS:

- general approach: for financial assets and off-balance-sheet unused credit line that are not applied below approach; and
- credit-impaired approach: for purchased or originated credit-impaired financial assets.

Different measurement approaches are applied depending on significant increase in credit risk. 12 month expected credit losses is recognized when credit risk has not significantly increased since initial recognition. A loss allowance at an amount equal to lifetime expected credit losses is recognized when credit risk has significantly increased since initial recognition. Lifetime is presumed to be a period to the contractual maturity date of a financial asset (the expected life of the financial asset).

One or more of the following items is deemed significant increase in credit risk. When the contractual cash flows of a financial asset are renegotiated or otherwise modified the Group determines whether the credit risk has increased significantly since initial recognition using the following information:

- overdue over 30 days;
- decline in credit rating at period end by more than certain notches as compared to that at initial recognition; and
- high risk listing (listed below asset quality prudence, lowest credit rating and no grades).

The Group generally considers credit is impaired if one or more of the followings are met:

- overdue over 90 days;
- legal proceedings; or
- listing in faulty information of banking association.

A. Forward-looking information

The Group uses forward-looking information when determining whether credit risk increases significantly and estimating expected credit loss.

The Group assumes the risk component has a certain correlation with the business cycle and calculates the expected credit loss by reflecting the forward-looking information with macroeconomic variables such as interest rates, Gross Domestic Product (GDP), household credit elasticity and others.

The risk management team of the Group measures expected credit loss by reflecting business plan scenarios and outlook from external agency comprehensively.

B. Measuring expected credit loss of financial assets at amortized cost

4.2.4. Credit risk of loan receivables (cont'd)

Expected credit loss of financial assets at amortized cost is measured as the difference between the present value of the cash flows expected to be received and the contractual cash flow of the asset in the year. For this purpose, the Group measures expected cash flows for individually significant financial assets (individual assessment of impairment).

For financial assets that are not individually significant, the Group collectively estimates expected credit loss by grouping loans with homogeneous credit risk profile (collective assessment of impairment).

a. Individual assessment of impairment

Individual assessment of impairment losses is calculated using management's best estimate on present value of expected future cash flows. The Group uses all the available information including operating cash flow of the borrower and net realizable value of any collateral held.

b. Collective assessment of impairment

Collective assessment of allowance involves historical loss experience along with incorporation of forward-looking information. Such process incorporates factors such as type of collateral, product and borrowers, credit rating, size of portfolio and recovery period and applies probability of default (PD) on a group of assets and loss given default (LGD) by type of recovery method. Also, the expected credit loss model involves certain assumption to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce gap between loss estimate and actual loss experience.

Lifetime expected credit loss as of December 31, 2024 is calculated by the product of carrying amount net of expected repayment, PD for each period and LGD adjusted by change in carrying amount.

Loan receivables as of December 31, 2024, are categorized as follows (Korean won in millions):

Credit worthiness	12 months expected credit loss	As of December 31, 2024		
		Lifetime expected credit loss		
		Not impaired	Impaired	Total
Mortgage loan receivables (*1):				
Excellent	₩ 145,670,435	₩ 1,816,074	₩ -	₩ 147,486,509
Good	12,163,991	10,099,550	-	22,263,541
Normal or under	347,772	4,835,745	-	5,183,517
Impairment	-	-	577,667	577,667
	158,182,198	16,751,369	577,667	175,511,234
Deduction:				
Allowance for doubtful accounts	(7,365)	(154,194)	(51,648)	(213,207)
	158,174,833	16,597,175	526,019	175,298,027
Student loan receivables (*1):				
Excellent	-	-	-	-
Good	6,277	1	-	6,278
Normal or under	447	255	-	702
Impairment	-	-	7,971	7,971
	6,724	256	7,971	14,951
Deduction:				
Allowance for doubtful accounts	(23)	(6)	(2,494)	(2,523)
	6,701	250	5,477	12,428
	₩ 158,181,534	₩ 16,597,425	₩ 531,496	₩ 175,310,455

(*1) The above loan receivables exclude deferred loan origination fees and costs, present value discounts and present value premium amounts.

4.2.4. Credit risk of loan receivables (cont'd)

Loan receivables as of December 31, 2023 are categorized as follows (Korean won in millions):

Credit worthiness	As of December 31, 2023			
	12 months expected credit loss	Lifetime expected credit loss		Total
		Not impaired	Impaired	
Mortgage loan receivables (*1):				
Excellent	₩ 148,358,976	₩ 2,035,697	₩ -	₩ 150,394,673
Good	13,436,941	10,115,308	-	23,552,249
Normal or under	421,498	4,870,011	-	5,291,509
Impairment	-	-	427,362	427,362
	162,217,415	17,021,016	427,362	179,665,793
Deduction:				
Allowance for doubtful accounts	(6,198)	(107,767)	(40,713)	(154,678)
	162,211,217	16,913,249	386,649	179,511,115
Student loan receivables (*1):				
Excellent	-	-	-	-
Good	10,916	9	-	10,925
Normal or under	861	504	-	1,365
Impairment	-	-	10,207	10,207
	11,777	513	10,207	22,497
Deduction:				
Allowance for doubtful accounts	(44)	(17)	(3,192)	(3,253)
	11,733	496	7,015	19,244
	₩ 162,222,950	₩ 16,913,745	₩ 393,664	₩ 179,530,359

(*1) The above loan receivables exclude deferred loan origination fees and costs, present value discounts and present value premium amounts.

Credit qualities of loan receivables graded based on the internal credit ratings as of December 31, 2024 and 2023 are as follows:

Credit worthiness	Grade of individuals	Range of default ratio
Excellent	Grade 1 to 5	0.0%~1.0% or under
Good	Grade 6 to 8	Over 1.0%~5.0% or under
Normal or under	Grade 9 to 10, No grade	Over 5.0%

4.2.4. Credit risk of loan receivables (cont'd)

C. Credit risk mitigation effect by collateral

A quantification of the extent to which collaterals and other credit enhancements mitigate credit risk as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
	Impaired loan	Impaired loan
Guarantee	₩ 5,342	₩ 6,866
Real estate property	526,522	361,429
	₩ 531,864	₩ 368,295

4.2.5 Credit risk of securities

The method of measurement of the expected credit loss of financial assets at fair value through other comprehensive income is equal to that of the expected credit loss of financial assets at amortized cost, except for changes in loss allowances are recognized in other comprehensive income. Loss allowances on financial assets at fair value through other comprehensive income are reclassified from other comprehensive income to profit or loss when the financial assets at fair value through other comprehensive income are repaid or disposed.

The securities (debt securities) that are exposed to credit risk as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		As of December 31, 2024			
		12 months expected credit risk	Lifetime expected credit risk	Impaired receivables	Total
Securities at FVOCI					
Grade1	₩	1,408,242	₩ -	₩ -	₩ 1,408,242
Grade2		250,945	-	-	250,945
Grade3		-	-	-	-
Grade4		-	-	-	-
Grade5		-	-	-	-
	₩	1,659,187	₩ -	₩ -	₩ 1,659,187
		As of December 31, 2023			
		12 months expected credit risk	Lifetime expected credit risk	Impaired receivables	Total
Securities at FVOCI					
Grade1	₩	1,359,158	₩ -	₩ -	₩ 1,359,158
Grade2		211,103	-	-	211,103
Grade3		-	-	-	-
Grade4		-	-	-	-
Grade5		-	-	-	-
	₩	1,570,261	₩ -	₩ -	₩ 1,570,261

The credit qualities of securities (debt securities) according to the credit ratings by external rating agencies are as follows:

	Korea Investors Services Inc.	Korea Ratings Corporation	NICE Holdings Co., Ltd
Grade1	AA0 to AAA	AA0 to AAA	AA0 to AAA
Grade2	A- to AA-	A- to AA-	A- to AA-
Grade3	BBB0 to BBB+	BBB0 to BBB+	BBB0 to BBB+
Grade4	BB0 to BBB-	BB0 to BBB-	BB0 to BBB-
Grade5	BB- or under	BB- or under	BB- or under

4.2.6 Credit risk concentration analysis

Details of the securities (debt securities) and derivatives by industry as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024		As of December 31, 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Derivative financial assets:				
Banking and insurance	₩ 1,726,713	100.00	₩ 466,862	100.00
	1,726,713	100.00	466,862	100.00
Securities at FVOCI:				
Government and government-invested institutions	692,795	41.76	586,593	37.36
Banking and insurance	906,253	54.62	964,111	61.40
Other	60,139	3.62	19,557	1.24
	1,659,187	100.00	1,570,261	100.00
	₩ 3,385,900		₩ 2,037,123	

4.3 Liquidity risk

4.3.1 Overview of liquidity risk

Liquidity risk is the risk of insolvency or loss due to a disparity between the inflow and outflow of funds, unexpected outflow of funds, and obtaining funds at a high price or disposing of securities at an unfavorable price due to lack of available funds. The Group manages its liquidity risk through analysis of the contractual maturity of financial assets, liabilities and off-balance sheet items such as commitments. The Group discloses them by maturity groups in five categories: Up to six months, between over six months and one year, between over one year and two years, between over two years and five years and over five years.

4.3.2 Liquidity risk management and indicator

The liquidity risk is managed by risk management guidelines and related regulations which are applied to the risk management policies and procedures that addresses all the possible risks that arise from the overall business of the Group.

For the purpose on liquidity management, liquidity ratio related to liquidity risk on transactions affecting the inflows and outflows of funds and transactions of off-balance sheet items are measured, managed and reported to the Risk Management Committee and Risk Management Council on a regular basis.

4.3.3 Analysis of remaining contractual maturity of financial liabilities and derivatives

The remaining contractual maturities of financial liabilities and derivatives as of December 31, 2024 and 2023 are as follows (Korean won in millions):

Category (*1)	As of December 31, 2024						Total
	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years		
Financial liabilities							
Borrowings	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	-
Public bonds issued	2,503,559	4,124,949	7,125,998	10,584,772	522,585		24,861,863
Securitized liabilities	22,147,524	15,149,461	29,893,806	52,805,273	68,518,895		188,514,959
Financial guarantee liabilities	26,145	26,145	52,290	1,428,195	457,240		1,990,195
Other financial liabilities (*2,3)	798,766	-	-	-	-		798,766
Other payables	45,348	-	-	-	-		45,348
Derivatives							
Derivatives held for trading							
Inflow of interest rate swap	5,780	40,970	40,970	77,010	56,950		221,680
Outflow of interest rate swap	(3,844)	(43,813)	(43,813)	(81,070)	(60,113)		(232,653)
Inflow of acquisition commitments	1,848	-	-	-	-		1,848
Outflow of acquisition commitments	(45,108)	-	-	-	-		(45,108)
Derivatives held for hedging							
Inflow of currency swap	2,452,753	1,877,755	5,710,303	10,168,694	771,043		20,980,548
Outflow of currency swap	(2,142,874)	(1,654,180)	(5,155,309)	(9,295,742)	(688,526)		(18,936,631)

(*1) Includes cash flows for both the principal and interest.

(*2) Excludes lease liabilities.

(*3) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

Category (*1)	As of December 31, 2023						Total
	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years		
Financial liabilities							
Borrowings	₩ 200,242	₩ -	₩ -	₩ -	₩ -	₩ -	200,242
Public bonds issued	1,933,150	2,748,553	5,240,631	7,378,081	456,691		17,757,106
Securitized liabilities	11,959,015	12,058,212	35,788,100	64,725,549	68,566,751		193,097,627
Other financial liabilities (*2,3)	700,025	-	-	-	-		700,025
Other payables	50,674	-	-	-	-		50,674
Derivatives							
Derivatives held for trading							
Inflow of interest rate swap	766	140,178	74,302	167,754	126,390		509,390
Outflow of interest rate swap	(331)	(89,737)	(66,242)	(155,285)	(113,637)		(425,232)
Inflow of acquisition commitments	258	-	-	-	-		258
Outflow of acquisition commitments	(306,136)	-	-	-	-		(306,136)
Derivatives held for hedging							
Inflow of currency swap	714,008	303,697	3,801,707	9,204,363	476,272		14,500,047
Outflow of currency swap	(676,120)	(353,231)	(3,635,221)	(9,135,678)	(462,873)		(14,263,123)

(*1) Includes cash flows for both the principal and interest.

(*2) Excludes lease liabilities.

(*3) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

4.4 Market Risk

4.4.1 Overview of market risk

A. Definition of market risk

Market risk is the risk of possible losses which arise from changes in market factors, such as interest rate, stock price, foreign exchange rate and other market factors that affect the fair value of future cash flows of financial instruments, such as securities and derivative financial instruments amongst others. The most significant risks associated with trading positions are interest rate risks, and other risks include stock price risks and currency risks. In addition, the Group manages interest rate risks only which is the most significant risks associated with trading or non-trading positions.

B. Interest rate risk management

The purpose of the Group's interest rate risk management is to minimize uncertainty and volatility of profit or loss due to changes in interest rate.

C. Foreign exchange rate risk

The Group is exposed to foreign exchange rate risk in respect of the US dollar from investing activities. Foreign exchange rate risk arises from liabilities denominated in foreign currency. The foreign exchange rate risk is managed to the extent that it affects the cash flows of the Group.

- (a) The carrying amounts of monetary liabilities denominated in foreign currencies other than the Group's functional currency as of December 31, 2024 and 2023 are as follows (USD in millions, BRL in millions, SGD in millions, EUR in millions, CHF in millions, AUD in millions, HKD in millions):

		As of December 31, 2024		As of December 31, 2023
Financial liabilities				
Public bonds denominated in foreign currencies	USD	3,084	USD	1,787
Public bonds denominated in foreign currencies	BRL	2,180		-
Public bonds denominated in foreign currencies	SGD	300		-
Securitized liabilities denominated in foreign currencies	USD	610	USD	609
Securitized liabilities denominated in foreign currencies	EUR	7,043	EUR	6,393
Securitized liabilities denominated in foreign currencies	CHF	913	CHF	564
Securitized liabilities denominated in foreign currencies	AUD	320	AUD	319
Securitized liabilities denominated in foreign currencies	HKD	1,498		-

- (b) The sensitivity analysis of foreign exchange risk for each of the two years in the period ended December 31, 2024 is as follows (Korean won in millions):

	For the year ended December 31, 2024		For the year ended December 31, 2023	
	10% appreciation	10% depreciation	10% appreciation	10% depreciation
Increase (decrease) in profit before income taxes	₩ (1,913,863)	₩ 1,913,863	₩ (1,338,191)	₩ 1,338,191

4.5 Capital management

The Group complies with the capital adequacy standard established by the Financial Services Commission. The capital adequacy standard is based on Regulation on Supervision of Korea Housing Finance Corporation. The Group is required to maintain a minimum key capital of at least 6%.

5 Financial assets and liabilities

5.1 Classification and fair value

The fair value is the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable, willing parties in an arm's length transaction. For each class of financial assets and financial liabilities, the Group discloses the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is a quoted price in an active market.

5.1.1 Methods of determining fair value for instruments are as follows:

Cash and due from bank	Carrying amount is regarded as reasonable approximation of fair value as due from banks mostly consist of short-term deposits.
Loan receivables	Fair value is determined by discounting the expected cash inflow at discount rate considering market rate, the borrower's credit risk and others.
Investment securities	Fair value is determined as an average closing price at the settlement date that is provided by NICE Pricing & Information, KIS Corporation and FnPricing.
Derivatives	For exchange traded derivatives, quoted price in an active market is used to determine fair value and for OTC derivatives, fair value is determined using valuation techniques. The bank use internally developed valuation models that are widely used by market participants to determine fair values of plain vanilla OTC derivatives including options, interest rate swaps, and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using appropriate models developed from generally accepted market valuation models.
Debts, securitized liabilities and financial guarantee contract liabilities	Fair value is determined by discounting the expected contractual cash flow at appropriate discount rate using DCF model.
Other financial assets, Other payables, lease liabilities, Other financial liabilities	Its book value is measured at amortized cost, fair value is used to estimate the book value because the maturity is short or the difference between book value and fair value is not significant.

5.1.2 The carrying amounts and fair values of financial assets and liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024		As of December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and due from banks	₩ 10,619,226	₩ 10,619,226	₩ 6,138,729	₩ 6,138,729
Derivative financial assets held for trading	6,217	6,217	55,013	55,013
Derivative financial assets held for hedging	1,720,496	1,720,496	411,849	411,849
Loan receivables at AC	175,283,174	162,363,351	179,551,467	156,531,796
Securities at FVPL	1,107,656	1,107,656	241,899	241,899
Securities at FVOCI	1,814,242	1,814,242	1,725,556	1,725,556
Other financial assets	541,200	541,200	478,731	478,731
	₩ 191,092,211	₩ 178,172,388	₩ 188,603,244	₩ 165,583,573
Financial liabilities				
Derivative financial liabilities held for trading	₩ 97,252	₩ 97,252	₩ 370,059	₩ 370,059
Derivative financial liabilities held for hedging	50,023	50,023	54,994	54,994
Borrowings	-	-	200,000	200,000
Public bonds issued	22,587,839	22,584,169	16,252,752	16,270,586
Securitized liabilities	162,845,207	161,478,836	166,573,460	162,315,467
Other payables	45,348	45,348	50,674	50,674
Lease liabilities	16,607	16,607	16,434	16,434
Other financial liabilities(*)	798,766	798,766	700,025	700,025
	₩ 186,441,042	₩ 185,071,001	₩ 184,218,398	₩ 179,978,239

(*) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

5.1.3 Fair value hierarchy

The Group believes that valuation methods used for measuring the fair values of financial instruments are reasonable and that the fair values recognized in the consolidated statements of financial position are appropriate. However, the fair values of the financial instruments recognized in the consolidated statements of financial position may be different if other valuation methods or assumptions are used. Additionally, as there is a variety of valuation techniques and assumptions are used. Additionally, as there is a variety of valuation techniques and assumptions used in measuring fair value, it may be difficult to reasonably compare the fair value with that of other financial institutions.

The Group classifies and discloses fair value of the financial instruments into the following three level hierarchy:

Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets of liabilities that the entity can access at the measurement date. The Group has no financial instruments classified in Level 1.

Level 2: The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The Group classified securities at FVOCI, swap and other as Level 2.

Level 3: The fair values are based on unobservable inputs for the asset or liability. The Group classified derivatives for acquisition commitments as Level 3.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on a basis of the lowest level input that is significant to the fair

value measurement in its entirety. For this purpose, the significance of an input is assessed against the require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

5.1.3 Fair value hierarchy (cont'd)

The fair value hierarchy of financial assets or liabilities measured at fair value in the consolidated statements of financial position as of December 31, 2024 and 2023 is as follows (Korean won in millions):

	As of December 31, 2024			
	Classification			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Financial assets				
Derivative financial assets held for trading	₩ -	₩ 4,369	₩ 1,848	₩ 6,217
Derivative financial assets held for hedging	-	1,720,496	-	1,720,496
Securities at FVPL	-	1,107,656	-	1,107,656
Securities at FVOCI	349,291	1,309,896	155,055	1,814,242
	349,291	4,142,417	156,903	4,648,611
Financial liabilities				
Derivative financial liabilities held for trading	-	52,144	45,108	97,252
Derivative financial liabilities held for hedging	-	50,023	-	50,023
	-	102,167	45,108	147,275
Disclosed fair value				
Cash and due from banks	-	10,619,226	-	10,619,226
Loan receivables	-	-	162,363,351	162,363,351
Other financial assets	-	-	541,200	541,200
Borrowings	-	-	-	-
Public bonds issued	-	17,210,000	5,374,169	22,584,169
Securitized liabilities	-	-	161,478,836	161,478,836
Other payables	-	-	45,348	45,348
Lease liabilities	-	-	16,607	16,607
Other financial liabilities(*)	-	-	798,766	798,766
	-	27,829,226	330,618,277	358,447,503
	₩ 349,291	₩ 32,073,810	₩ 330,820,288	₩ 363,243,389

(*) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

	As of December 31, 2023			
	Classification			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Financial assets				
Derivative financial assets held for trading	₩ -	₩ 54,755	₩ 258	₩ 55,013
Derivative financial assets held for hedging	-	411,849	-	411,849
Securities at FVPL	-	241,899	-	241,899
Securities at FVOCI	384,191	1,186,070	155,295	1,725,556
	384,191	1,894,573	155,553	2,434,317
Financial liabilities				
Derivative financial liabilities held for trading	-	63,922	306,137	370,059
Derivative financial liabilities held for hedging	-	54,994	-	54,994
	-	118,916	306,137	425,053
Disclosed fair value				
Cash and due from banks	-	6,138,729	-	6,138,729
Loan receivables	-	-	156,531,796	156,531,796

	As of December 31, 2023			
	Classification			Total
	Level 1	Level 2	Level 3	
Other financial assets	-	-	478,731	478,731
Borrowings	-	200,000	-	200,000
Public bonds issued	-	13,950,000	2,320,586	16,270,586
Securitized liabilities	-	-	162,315,467	162,315,467
Other payables	-	-	50,674	50,674
Lease liabilities	-	-	16,434	16,434
Other financial liabilities(*)	-	-	700,025	700,025
	-	20,288,729	322,413,713	342,702,442
	₩ 384,191	₩ 22,302,218	₩ 322,875,403	₩ 345,561,812

(*) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

5.2 Disclosure of fair value level 3

5.2.1. Changes in financial instruments that are categorized within level 3 for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024		For the year ended December 31, 2023	
Derivatives for acquisition commitments				
Beginning, net	₩	(305,879)	₩	(264,419)
Total profit or loss				
Amount recognized in profit or loss		22,315		(275,590)
Others(*)		240,304		234,130
Ending, net	₩	(43,260)	₩	(305,879)
Securities at FVOCI				
Beginning	₩	155,295	₩	155,385
Valuation		(240)		(90)
Ending	₩	155,055	₩	155,295

(*) This applies to changes due to transfer, early repayment, refusal of transfer, etc.

5.2.2 Sensitivity analysis of changes in unobservable inputs

- A. Fair value measurements using unobservable inputs as of December 31, 2024 are as follows (Korean won in millions):

	As of December 31, 2024				
	Fair value	Valuation method	Input	Unobservable input	Range of unobservable input (%)
Financial assets					
Acquisition commitments	₩ (43,260)	Discounted cash flow method	Interest rate on government bonds, Extension spread	Extension spread	1.28
Korea Expressway Corporation	₩ 155,055	Net asset value method	Net asset value	Net asset value	-

- B. Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or unfavorable.

Financial instruments subject to sensitivity analysis are derivatives for acquisition commitments and equity securities of which changes in fair value are recognized as other comprehensive income, which are classified as level 3.

The results of the sensitivity analysis by the changes in inputs of each financial instruments as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024			
	Favorable changes		Unfavorable changes	
	Profit or loss	OCI	Profit or loss	OCI
Derivative financial instruments (*1)	₩ 161,492	₩ -	₩ (150,705)	₩ -
Financial assets at FVOCI (*2)	-	-	-	-

(*1) The change in fair value is calculated by increasing or decreasing the additional spread interest rate, a major unobservable input variable, by 100 bp

(*2) Financial assets at fair value through other comprehensive income (Korea Expressway Corporation's shares) are excluded from the list of calculations because it is practically impossible to calculate the sensitivity analysis by the changes in inputs.

	As of December 31, 2023			
	Favorable changes		Unfavorable changes	
	Profit or loss	OCI	Profit or loss	OCI
Derivative financial instruments (*1)	₩ 591,978	₩ -	₩ (554,675)	₩ -
Securities at FVOCI (*2)	-	-	-	-

(*1) The change in fair value is calculated by increasing or decreasing the additional spread interest rate, a major unobservable input variable, by 100 bp.

(*2) Financial assets at fair value through other comprehensive income (Korea Expressway Corporation's shares) are excluded from the list of calculations because it is practically impossible to calculate the sensitivity analysis by the changes in inputs.

5.3 Financial Instruments by category

Financial assets and liabilities are measured at fair value or amortized cost. Measurement policies for each class of financial assets and liabilities are disclosed in above in Note 5.1 Classification and fair value. The carrying amounts of financial assets and liabilities by category as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 2024				
	Financial assets at FVPL	Financial assets at FVOCI	Financial assets at AC	Derivative financial assets held for hedging	Total
Financial assets					
Cash and due from banks	₩ -	₩ -	₩ 10,619,226	₩ -	₩ 10,619,226
Securities at FVPL	1,107,656	-	-	-	1,107,656
Securities at FVOCI	-	1,814,242	-	-	1,814,242
Derivative financial assets	6,217	-	-	1,720,496	1,726,713
Loan receivables	-	-	175,283,174	-	175,283,174
Other financial assets	-	-	541,200	-	541,200
	₩ 1,113,873	₩ 1,814,242	₩ 186,443,600	₩ 1,720,496	₩ 191,092,211

As of December 31, 2024				
	Financial liabilities at FVPL	Financial liabilities at AC	Derivative financial liabilities held for hedging	Total
Financial liabilities				
Borrowings	₩ -	₩ -	₩ -	-
Public bonds issued	-	22,587,839	-	22,587,839
Securitized liabilities	-	162,845,207	-	162,845,207
Derivative financial liabilities	97,252	-	50,023	147,275
Other payables	-	45,348	-	45,348
Lease liabilities(*1)	-	16,607	-	16,607
Other financial liabilities(*2)	-	798,766	-	798,766
	₩ 97,252	₩ 186,293,767	₩ 50,023	₩ 186,441,042

(*1) They refer to liabilities based on the definition described in KIFRS 1116.

(*2) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

	As of December 31, 2023									
	Financial assets at FVPL		Financial assets at FVOCI		Financial assets at AC		Derivative financial assets held for hedging		Total	
Financial assets										
Cash and due from banks	₩	-	₩	-	₩	6,138,729	₩	-	₩	6,138,729
Securities at FVPL		241,899		-		-		-		241,899
Securities at FVOCI		-		1,725,556		-		-		1,725,556
Derivative financial assets		55,013		-		-		411,849		466,862
Loan receivables		-		-		179,551,467		-		179,551,467
Other financial assets		-		-		478,731		-		478,731
	₩	296,912	₩	1,725,556	₩	186,168,927	₩	411,849	₩	188,603,244

As of December 31, 2023				
	Financial liabilities at FVPL	Financial liabilities at AC	Derivative financial liabilities held for hedging	Total
Financial liabilities				
Borrowings	₩ -	₩ 200,000	₩ -	₩ 200,000
Public bonds issued	-	16,252,752	-	16,252,752
Securitized liabilities	-	166,573,460	-	166,573,460
Derivative financial liabilities	370,059	-	54,994	425,053
Other payables	-	50,674	-	50,674
Lease liabilities (*1)	-	16,434	-	16,434
Other financial liabilities (*2)	-	700,025	-	700,025
	₩ 370,059	₩ 183,793,345	₩ 54,994	₩ 184,218,398

(*1) They refer to liabilities based on the definition described in KIFRS 1116.

(*2) User rights and debt on obligation based on the employee benefits plan under KIFRS 1019 are excluded.

6 Cash and due from banks

Cash and due from banks as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		Financial institutions	Interest rate (%)	As of December 31, 2024	As of December 31, 2023
Cash and cash equivalents	Ordinary deposits	Kookmin Bank and others	0.01~3.65	₩ 269,505	₩ 28,377
	Corporation deposits	Hana Bank	0.10~1.73	11,321	14,819
				280,826	43,196
Due from banks in Korean won	Time deposits	Hana Bank and others	2.98 ~ 4.55	7,210,366	2,255,915
	Certificate of deposits	Woori Bank and others	3.50 ~ 4.58	3,128,034	3,839,618
				10,338,400	6,095,533
				₩ 10,619,226	₩ 6,138,729

7 Securities at fair value through profit or loss

7.1 Securities at fair value through profit or loss as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Beneficiary securities	₩ 964,616	₩ 223,204
Other corporate bonds	143,039	18,695
	₩ 1,107,655	₩ 241,899

7.2 Amounts recognized in profit or loss related to securities at fair value through profit or loss for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Gain on disposal of securities at fair value through profit or loss	₩ 37,449	₩ 55,047
Gain on valuation of securities at fair value through profit or loss	3,517	643
	₩ 40,966	₩ 55,690

8 Securities at fair value through other comprehensive income

8.1 Details of securities at fair value through other comprehensive income as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024		As of December 31, 2023	
Debt securities				
Government bonds	₩	299,178	₩	334,111
Public bonds		383,372		222,356
Provincial bonds		10,245		30,126
Finance bonds		835,720		873,973
Other corporate bonds		130,672		109,695
		1,659,187		1,570,261
Equity securities(*)				
Unlisted shares		155,055		155,295
		155,055		155,295
	₩	1,814,242	₩	1,725,556

(*) A group has exercised the fair value option for equity securities designated as fair value through other comprehensive income (OCI) measurement items due to policy reasons such as holding requirements.

8.2 Changes in securities at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 and 2023 as follows (Korean won in millions):

		For the year ended December 31, 2024							
		Beginning	Acquisition	Disposals	Valuation	Others	Ending		
Unlisted equity securities Debt securities	₩155,295	₩	-	₩	-	₩ (240)	₩	-	₩155,055
	1,570,261		300,320	(219,276)	6,616	1,266		1,659,187	
	1,725,556		300,320	(219,276)	6,376	1,266		1,814,242	
		For the year ended December 31, 2023							
		Beginning	Acquisition	Disposals	Valuation	Others	Ending		
Unlisted equity securities Debt securities	₩155,385	₩	-	₩	-	₩ (90)	₩	-	₩ 155,295
	781,093		1,301,323	(531,403)	19,740	(492)		1,570,261	
	936,478		1,301,323	(531,403)	19,650	(492)		1,725,556	

8.3 Changes in accumulated gains (losses) on securities at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Beginning balance	₩ 9,782	₩ (11,013)
Other comprehensive income	6,376	19,650
Reclassification to profit	1,081	8,054
Tax effect	(1,722)	(6,909)
Ending balance	₩ 15,517	₩ 9,782

8.4 There was no impairment loss or reversal of impairment loss on securities at fair value through other comprehensive income incurred for the year ended December 31, 2024.

8.5 As of December 31, 2024, ₩58,500 million (₩86,000 million as of December 31, 2023) out of the above securities is provided as trading margin collaterals to financial institutions (Kyobo Securities Co., Ltd. and others).

8.6 The amount provided as collateral for repurchase agreement transaction purposes is ₩106,100 million as of December 31, 2023 (no amounts as of December 31, 2024).

9 Derivative financial instruments and hedge accounting

The Group's derivative transactions focus on hedging the Group's risk. The Group also engages in derivative trading activities to hedge the interest rate and foreign currency risk exposures that arise from the Group's own assets and liabilities.

The Group provides and trades a range of derivative products, including:

- interest rate swaps, interest rate futures and acquisition commitments relating to interest rate risks in Korean won; and
- currency swaps relating to foreign exchange rates of financial debentures in foreign currencies.

In particular, the Group uses currency swaps to hedge the risk of changes in cash flow due to changes in interest rates and foreign exchange rates of financial bonds in foreign currencies.

9.1 Details of derivatives as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Derivative financial assets		
Interest rate swaps	₩ 4,369	₩ 54,755
Currency swaps	1,720,496	411,849
Acquisition commitments	1,848	258
	₩ 1,726,713	₩ 466,862
Derivative financial liabilities		
Interest rate swaps	₩ 52,144	₩ 63,923
Currency swaps	50,023	54,994
Acquisition commitments	45,107	306,136
	₩ 147,274	₩ 425,053

9.2 Details of currency swap contracts for cash flow hedge as of December 31, 2024 and 2023 are as follows (Korean won in millions, USD in millions, EUR in millions, CHF in millions, AUD in millions, BRL in millions, HKD in millions, SGD in millions):

As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold (USD)	Purchased (KRW)	Sold	Purchased	
KB Kookmin Bank	Dec.16, 2022 ~ Nov.16, 2025	50	66,100	4.956	3.919	1,322.00
Hana Bank	Dec.16, 2022 ~ Nov.16, 2025	150	198,300	4.956	3.98	1,322.00
KB Kookmin Bank	Feb.24,2023 ~ Feb. 24, 2028	100	128,500	4.749	3.734	1,285.00
JP	Feb.24,2023 ~ Feb. 24, 2028	200	257,000	4.749	3.755	1,285.00
Korea Development Bank	Feb.24,2023 ~ Feb. 24, 2028	250	321,250	4.749	3.763	1,285.00
Hana Bank	Feb.24,2023 ~ Feb. 24, 2028	200	257,000	4.749	3.823	1,285.00
Industrial Bank of Korea	Feb.24,2023 ~ Feb. 24, 2028	200	257,000	4.749	3.835	1,285.00
ING Bank	Feb.24,2023 ~ Feb. 24, 2028	50	64,250	4.749	3.858	1,285.00
Hana Bank	Feb.24,2023 ~ Feb. 24, 2033	100	128,500	4.708	3.977	1,285.00
JP	Feb.24,2023 ~ Feb. 24, 2033	100	128,500	4.708	3.993	1,285.00
NOMURA	Feb.24,2023 ~ Feb. 24, 2033	50	64,250	4.708	4.030	1,285.00
Korea Development Bank	Feb.24,2023 ~ Feb. 24, 2033	50	64,250	4.708	4.115	1,285.00
ING Bank	June. 22, 2023~ June. 22, 2026	100	128,100	5.222	3.880	1,281.00
Hana Bank	July.28,2023 ~ July.28, 2028	100	128,000	Compounded Daily SOFR + 1.0	4.113	1,280.00
Hana Bank	Aug. 08, 2023~ June.30, 2026	100	128,400	5.327	3.877	1,284.00
Korea Development Bank	Aug. 08, 2023~ June.30, 2026	110	141,240	5.327	3.920	1,284.00
KB Kookmin Bank	Nov. 15, 2023~ Nov. 15, 2026	50	65,550	5.375	4.093	1,311.00
Hana Bank	Nov. 15, 2023~ Nov. 15, 2026	100	131,100	5.375	4.095	1,311.00
Korea Development Bank	Nov. 15, 2023~ Nov. 15, 2026	200	262,200	5.375	4.120	1,311.00
ING Bank	Nov. 15, 2023~ Nov. 15, 2026	100	131,100	5.375	4.171	1,311.00
BOA	Nov. 15, 2023~ Nov. 15, 2026	50	65,550	5.375	4.212	1,311.00
Korea Development Bank	Feb. 27, 2024 ~ Aug. 27, 2027	500	669,000	4.875	3.485	1,338.00

As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold (USD)	Purchased (KRW)	Sold	Purchased	
Korea Development Bank	Sep. 12, 2024 ~ Mar. 12, 2028	400	534,400	4.125	3.018	1,336.00
Hana Bank	Sep.12, 2024 ~ Mar.12, 2028	100	133,600	4.125	3.017	1,336.00
Korea Development Bank	Nov.5, 2024 ~ Nov.5, 2029	200	274,000	Compounded Daily SOFR + 0.8300%	3.054	1,370.00
Hana Bank	Nov.5, 2024 ~ Nov.5, 2029	100	137,000	Compounded Daily SOFR + 0.8300%	3.040	1,370.00

As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold (EUR)	Purchased (KRW)	Sold	Purchased	
BNP Bank	Feb.5, 2020 ~ Feb.5, 2025	400	518,812	0.010	1.200	1,297.03
ING Bank	Feb.5, 2020 ~ Feb.5, 2025	300	389,109	0.010	1.192	1,297.03
Korea Development Bank	Feb.5, 2020 ~ Feb.5, 2025	300	389,109	0.010	1.196	1,297.03
Hana Bank	Jul.7, 2020 ~ Jul.7, 2025	200	270,000	0.010	0.522	1,350.00
BNP Bank	Jul.7, 2020 ~ Jul.7, 2025	100	135,000	0.010	0.540	1,350.00
Korea Development Bank	Jul.7, 2020 ~ Jul.7, 2025	200	270,000	0.010	0.545	1,350.00
ING Bank	Jun.29, 2021 ~ Jun.29, 2026	200	271,400	0.010	1.129	1,357.00
Korea Development Bank	Jun.29, 2021 ~ Jun.29, 2026	300	407,100	0.010	1.130	1,357.00
SC Bank	Jun.29, 2021 ~ Jun.29, 2026	200	271,400	0.010	1.127	1,357.00
BNP Bank	Jun.29, 2021 ~ Jun.29, 2026	300	407,100	0.010	1.119	1,357.00
BNP Bank	Oct.27, 2021 ~ Oct.27, 2028	100	136,700	0.258	1.709	1,367.00
KB Kookmin Bank	Oct.27, 2021 ~ Oct.27, 2028	100	136,700	0.258	1.709	1,367.00
Korea Development Bank	Oct.27, 2021 ~ Oct.27, 2028	200	273,400	0.258	1.690	1,367.00
Hana Bank	Oct.27, 2021 ~ Oct.27, 2028	100	136,700	0.258	1.692	1,367.00
SC Bank	Oct.27, 2021 ~ Oct.27, 2028	50	68,350	0.258	1.714	1,367.00
ING Bank	Mar.22, 2022 ~ Mar.22, 2025	100	135,700	0.723	1.987	1,357.00

As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold (EUR)	Purchased (KRW)	Sold	Purchased	
KB Kookmin Bank	Mar.22, 2022 ~ Mar.22, 2025	200	271,400	0.723	1.984	1,357.00
Korea Development Bank	Mar.22, 2022 ~ Mar.22, 2025	100	135,700	0.723	1.979	1,357.00

As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold (EUR)	Purchased (KRW)	Sold	Purchased	
Hana Bank	Mar.22, 2022 ~ Mar.22, 2025	200	271,400	0.723	1.975	1,297.03
Korea Development Bank	Jul.19, 2022 ~ Jul.19, 2026	200	264,200	1.963	3.192	1,321.00
BNP Bank	Jul.19, 2022 ~ Jul.19, 2026	100	132,100	1.963	3.208	1,321.00
Hana Bank	Jul.19, 2022 ~ Jul.19, 2026	200	264,200	1.963	3.21	1,321.00
KB Kookmin Bank	Apr. 11, 2023 ~ Apr. 11, 2027	50	70,400	3.714	3.728	1,408.00
SC Bank	Apr. 11, 2023 ~ Apr. 11, 2027	100	140,800	3.714	3.742	1,408.00
Industrial Bank of Korea	Apr. 11, 2023 ~ Apr. 11, 2027	200	281,600	3.714	3.744	1,408.00
ING Bank	Apr. 11, 2023 ~ Apr. 11, 2027	100	140,800	3.714	3.748	1,408.00
BNP Bank	Apr. 11, 2023 ~ Apr. 11, 2027	50	70,400	3.714	3.753	1,408.00
KB Kookmin Bank	Jul. 26, 2023 ~ Apr. 11, 2027	50	70,950	3.714	3.869	1,419.00
ING Bank	Jul. 26, 2023 ~ Apr. 11, 2027	50	70,950	3.714	3.878	1,419.00
BNP Bank	Jul. 26, 2023 ~ Apr. 11, 2027	50	70,950	3.714	3.911	1,419.00
KB Kookmin Bank	Sep. 25, 2023 ~ Sep. 25, 2027	100	141,900	4.082	4.362	1,419.00
Hana Bank	Sep. 25, 2023 ~ Sep. 25, 2027	200	283,800	4.082	4.384	1,419.00
BNP Bank	Sep. 25, 2023 ~ Sep. 25, 2027	100	141,900	4.082	4.396	1,419.00
Korea Development Bank	Sep. 25, 2023 ~ Sep. 25, 2027	200	283,800	4.082	4.410	1,419.00
SC Bank	Sep. 25, 2023 ~ Sep. 25, 2027	200	283,800	4.082	4.422	1,419.00
Industrial Bank of Korea	Sep. 25, 2023 ~ Sep. 25, 2027	200	283,800	4.082	4.438	1,419.00
Korea Development Bank	Dec. 07, 2023 ~ Sep. 25, 2027	100	142,800	4.082	4.215	1,428.00
Hana Bank	Mar.18, 2024 ~ Mar. 19, 2029	100	143,300	3.124	3.499	1,433.00
Korea Development Bank	Mar.18, 2024 ~ Mar. 19, 2029	300	429,900	3.124	3.510	1,433.00

Korea Housing Finance Corporation and its subsidiaries
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BNP Bank	Mar.18, 2024 ~ Mar. 19, 2029	100	143,300	3.124	3.520	1,433.00
Industrial Bank of Korea	Oct. 02, 2024 ~ Jul. 02, 2028	100	148,600	2.733	3.035	1,486.00
ING Bank	Oct. 02, 2024 ~ Jul. 02, 2028	100	148,600	2.733	3.050	1,486.00
Korea Development Bank	Oct. 02, 2024 ~ Jul. 02, 2028	350	520,100	2.733	3.018	1,486.00
Hana Bank	Oct. 02, 2024 ~ Jul. 02, 2028	100	148,600	2.733	2.990	1,486.00

As of December 31, 2024						
Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate	
	Sold (CHF)	Purchased (KRW)	Sold	Purchased		
Korea Development Bank	Oct.14, 2022 ~ Oct.14, 2025	160	231,360	2.155	4.186	1,446.00
Korea Development Bank	Oct.14, 2022 ~ Oct.14, 2027	140	202,440	2.465	4.522	1,446.00
BNP Bank	Feb.10, 2023 ~ Feb.10, 2026	165	221,100	1.815	3.887	1,340.00
BNP Bank	Feb.10, 2023 ~ Feb.10, 2028	100	134,000	1.893	4.079	1,340.00
Hana Bank	Feb.01, 2024 ~ Feb. 01, 2027	100	154,800	1.778	3.489	1,548.00
Korea Development Bank	Feb.01, 2024 ~ Feb. 01, 2027	100	154,800	1.778	3.498	1,548.00
Korea Development Bank	Feb.01, 2024 ~ Feb. 01, 2030	150	232,200	1.845	3.845	1,548.00

As of December 31, 2024						
Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate	
	Sold (AUD)	Purchased (KRW)	Sold	Purchased		
Korea Development Bank	Apr. 06, 2023~ Apr. 06, 2026	120	104,400	BBSW 3M+1.05	3.610	870.00
Hana Bank	Apr. 06, 2023~ Apr. 06, 2026	100	87,000	4.475	3.660	870.00
Korea Development Bank	Apr. 06, 2023~ Apr. 06, 2026	100	87,000	4.475	3.678	870.00

As of December 31, 2024						
Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate	
	Sold (BRL)	Purchased (KRW)	Sold	Purchased		
CITI Bank	Jul. 17, 2024~ Jul. 17, 2026	1,080	276,579	10.315	2.737	256.21
SC Bank	Oct. 16, 2024~ Oct. 16, 2026	1,100	268,147	10.325	2.560	243.77

As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold	Purchased	Sold	Purchased	
		(HKD)	(KRW)			
Korea Development Bank	Nov. 29, 2024 ~ Oct. 27, 2026	1,500	268,575	HIHD03M + 0.349	2.898	179.05
As of December 31, 2024						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold	Purchased	Sold	Purchased	
		(SGD)	(KRW)			
UOB Bank	Nov. 27, 2024 ~ Nov. 25, 2026	300	312,126	3.033	3.055	1,040.42
As of December 31, 2023						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold	Purchased	Sold	Purchased	
		(EUR)	(KRW)			
BNP Bank	Jun.18, 2019 ~ Jun.18, 2024	200	267,204	0.100	1.225	1,336.02
Korea Development Bank	Jun.18, 2019 ~ Jun.18, 2024	200	267,204	0.100	1.205	1,336.02
Hana Bank	Jun.18, 2019 ~ Jun.18, 2024	100	133,602	0.100	1.210	1,336.02
BNP Bank	Feb.5, 2020 ~ Feb.5, 2025	400	518,812	0.010	1.200	1,297.03
ING Bank	Feb.5, 2020 ~ Feb.5, 2025	300	389,109	0.010	1.192	1,297.03
Korea Development Bank	Feb.5, 2020 ~ Feb.5, 2025	300	389,109	0.010	1.196	1,297.03
Hana Bank	Jul.7, 2020 ~ Jul.7, 2025	200	270,000	0.010	0.522	1,350.00
BNP Bank	Jul.7, 2020 ~ Jul.7, 2025	100	135,000	0.010	0.540	1,350.00
Korea Development Bank	Jul.7, 2020 ~ Jul.7, 2025	200	270,000	0.010	0.545	1,350.00
ING Bank	Jun.29, 2021~ Jun.29, 2026	200	271,400	0.010	1.129	1,357.00
Korea Development Bank	Jun.29, 2021~ Jun.29, 2026	300	407,100	0.010	1.130	1,357.00
SC Bank	Jun.29, 2021 ~ Jun.29, 2026	200	271,400	0.010	1.127	1,357.00
BNP Bank	Jun.29, 2021 ~ Jun.29, 2026	300	407,100	0.010	1.119	1,357.00
BNP Bank	Oct.27, 2021 ~ Oct.27, 2028	100	136,700	0.258	1.709	1,367.00
KB Kookmin Bank	Oct.27, 2021 ~ Oct.27, 2028	100	136,700	0.258	1.709	1,367.00
Korea Development Bank	Oct.27, 2021 ~ Oct.27, 2028	200	273,400	0.258	1.690	1,367.00

As of December 31, 2023						
	Contractual period	Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
		Sold (EUR)	Purchased (KRW)	Sold	Purchased	
Hana Bank	Oct.27, 2021 ~ Oct.27, 2028	100	136,700	0.258	1.692	1,367.00
SC Bank	Oct.27, 2021 ~ Oct.27, 2028	50	68,350	0.258	1.714	1,367.00
ING Bank	Mar.22, 2022 ~ Mar.22, 2025	100	135,700	0.723	1.987	1,357.00
KB Kookmin Bank Korea	Mar.22, 2022 ~ Mar.22, 2025	200	271,400	0.723	1.984	1,357.00
Development Bank	Mar.22, 2022 ~ Mar.22, 2025	100	135,700	0.723	1.979	1,357.00
Hana Bank Korea	Mar.22, 2022 ~ Mar.22, 2025	200	271,400	0.723	1.975	1,357.00
Development Bank	Jul.19, 2022 ~ Jul.19, 2026	200	264,200	1.963	3.192	1,321.00
BNP Bank	Jul.19, 2022 ~ Jul.19, 2026	100	132,100	1.963	3.208	1,321.00
Hana Bank	Jul.19, 2022 ~ Jul.19, 2026	200	264,200	1.963	3.210	1,321.00
KB Kookmin Bank	Apr.11, 2023~ Apr.11, 2027	50	70,400	3.714	3.728	1,408.00
SC Bank	Apr.11, 2023~ Apr.11, 2027	100	140,800	3.714	3.742	1,408.00
Industrial Bank of Korea	Apr.11, 2023~ Apr.11, 2027	200	281,600	3.714	3.744	1,408.00
ING Bank	Apr.11, 2023~ Apr.11, 2027	100	140,800	3.714	3.748	1,408.00
BNP Bank	Apr.11, 2023~ Apr.11, 2027	50	70,400	3.714	3.753	1,408.00
KB Kookmin Bank	Jul.26, 2023~ Apr.11, 2027	50	70,950	3.714	3.869	1,419.00
ING Bank	Jul.26, 2023~ Apr.11, 2027	50	70,950	3.714	3.878	1,419.00
BNP Bank	Jul.26, 2023~ Apr.11, 2027	50	70,950	3.714	3.911	1,419.00
KB Kookmin Bank	Sep.25, 2023~ Sep.25, 2027	100	141,900	4.082	4.362	1,419.00
Hana Bank	Sep.25, 2023~ Sep.25, 2027	200	283,800	4.082	4.384	1,419.00
BNP Bank Korea	Sep.25, 2023~ Sep.25, 2027	100	141,900	4.082	4.396	1,419.00
Development Bank	Sep.25, 2023~ Sep.25, 2027	200	283,800	4.082	4.410	1,419.00
SC Bank	Sep.25, 2023~ Sep.25, 2027	200	283,800	4.082	4.422	1,419.00
Industrial Bank of Korea	Sep.25, 2023~ Sep.25, 2027	200	283,800	4.082	4.438	1,419.00
Korea Development Bank	Dec.07, 2023~ Sep.25, 2027	100	142,800	4.082	4.215	1,428.00

		As of December 31, 2023				
		Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
	Contractual period	Sold (CHF)	Purchased (KRW)	Sold	Purchased	
Korea Development Bank	Oct.14, 2022~ Oct.14, 2025	160	231,360	2.155	4.186	1,446.00
Korea Development Bank	Oct.14, 2022~ Oct.14, 2027	140	202,440	2.465	4.522	1,446.00
BNP Bank	Feb.10, 2023~ Feb.10, 2026	165	221,100	1.815	3.887	1,340.00
BNP Bank	Feb.10, 2023~ Feb.10, 2028	100	134,000	1.893	4.079	1,340.00

		As of December 31, 2023				
		Contractual amounts		Contractual interest rate (%)		Contractual exchange rate
	Contractual period	Sold (AUD)	Purchased (KRW)	Sold	Purchased	
Korea Development Bank	Apr.06, 2023~ Apr.06, 2026	120	104,400	BBSW 3M+1.05	3.610	870.00
Hana Bank	Apr.06, 2023~ Apr.06, 2026	100	87,000	4.475	3.660	870.00
Industrial Bank of Korea	Apr.06, 2023~ Apr.06, 2026	100	87,000	4.475	3.678	870.00

9.3 Gains and losses arising from derivatives for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	Gains (losses) on valuation		Gains (losses) on transactions		Changes in accumulated OCI	
	For the year ended December 31, 2024	For the year ended December 31, 2023	For the year ended December 31, 2024	For the year ended December 31, 2023	For the year ended December 31, 2024	For the year ended December 31, 2023
Currency swap	₩ 1,372,386	₩ 469,617	₩ (45,285)	₩ (26,795)	₩ (10,367)	₩ 26,426
Interest rate swap	(14,063)	(100,801)	(4,644)	77,515	-	-
Acquisition commitments	22,315	(275,590)	82,194	45,250	-	-
Government bond futures (*1)	-	-	(4,564)	(24,257)	-	-
	<u>₩ 1,380,638</u>	<u>₩ 93,226</u>	<u>₩ 27,701</u>	<u>₩ 71,713</u>	<u>₩ (10,367)</u>	<u>₩ 26,426</u>

(*1) The contractual amount related to futures is ₩ 613,238 million as of December 31, 2024 (₩1,120,476 million as of December 31, 2023). Futures transactions are settled daily and reflected in deposits.

9.4 Accumulated gains and losses from hedging instruments and hedge items attributable to the hedged risk are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Accumulated gains from hedging instruments	₩ 1,823,329	₩ 496,229
Accumulated losses from hedged items attributable to the hedged risk	(1,823,329)	(496,229)

9.5 As of December 31, 2024 and 2023, details of the cash flow hedge and the changes in fair value for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	Cash flow hedge reserve		Change in fair value	
	For the year ended December 31, 2024	For the year ended December 31, 2023	For the year ended December 31, 2024	For the year ended December 31, 2023
Foreign exchange risk	₩ (117,546)	₩ (107,179)	₩ (1,372,386)	₩ (469,618)

9.6 The periods when cash flows are expected to occur and when they are expected to affect profit or losses are a maximum of 9 years.

10 Loan receivables at amortized costs

10.1 Details of loan receivables at amortized costs as of December 31, 2024 and 2023 are as follows (Korean won in millions):

As of December 31, 2024					
	Loans	Present value premium (discount)	Allowance for doubtful accounts	Deferred loan origination fees and costs	Book amount
Purchased mortgage-backed loans	₩ 14,721,665	₩ (112,866)	₩ (25,054)	₩ 69,359	₩ 14,653,104
Mortgage-backed loans by trust	160,789,569	(371,833)	(188,153)	388,151	160,617,734
Student loan-backed securities	14,951	(92)	(2,523)	-	12,336
	₩ 175,526,185	₩ (484,791)	₩ (215,730)	₩ 457,510	₩ 175,283,174

As of December 31, 2023					
	Loans	Present value premium (discount)	Allowance for doubtful accounts	Deferred loan origination fees and costs	Book amount
Purchased mortgage-backed loans	₩ 14,111,105	₩ (111,072)	₩ (18,031)	₩ 59,168	₩ 14,041,170
Mortgage-backed loans by trust	165,554,688	(405,715)	(136,647)	478,922	165,491,248
Student loan-backed securities	22,497	(195)	(3,253)	-	19,049
	₩ 179,688,290	₩ (516,982)	₩ (157,931)	₩ 538,090	₩ 179,551,467

10.2 Changes in deferred loan origination fees and costs for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

For the year ended December 31, 2024					
	Beginning	Increase	Decrease	Ending	
Loan receivables in Korean won	₩ 538,090	₩ 161,532	₩ (242,112)	₩ 457,510	

For the year ended December 31, 2023					
	Beginning	Increase	Decrease	Ending	
Loan receivables in Korean won	₩ 507,008	₩ 242,541	₩ (211,459)	₩ 538,090	

10.3 Changes in present value premiums (discounts) for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

For the year ended December 31, 2024					
	Beginning	Increase	Decrease	Ending	
Present value premium (discount)					
Loan receivables in Korean won	₩ (516,982)	₩ (158,052)	₩ 190,243	₩ (484,791)	

For the year ended December 31, 2023					
	Beginning	Increase	Decrease	Ending	
Present value premium (discount)					
Loan receivables in Korean won	₩ (473,163)	₩ (188,750)	₩ 144,931	₩ (516,982)	

10.4 The Group issued the mortgage-backed bonds thirty-four times since July 15, 2010. As a result, the Group issued purchased mortgage-backed loans and provided mortgage backed loans amounting to ₩14,403,096 million as collaterals as of December 31, 2024 (₩13,094,278 million as of December 31, 2023). In addition, as of December 31, 2024, the Group has provided ₩160,789,569 million as underlying assets for mortgage-backed loans (₩165,554,688 million as of December 31, 2023).

11 Allowance for doubtful accounts on loan receivables

11.1 Changes in allowance for doubtful accounts on loan receivables for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024			
	12-month expected credit loss	Lifetime expected credit loss		Total
		Unrecognized impairment	Recognized impairment	
Balance as of Jan 1, 2024	₩ 6,241	₩ 107,783	₩ 43,907	₩ 157,931
Changes due to significant increases in credit risk				
Transfer to 12-month expected credit losses	28,468	(27,941)	(527)	-
Transfer to expected credit losses unrecognized for impairment	(760)	2,662	(1,902)	-
Transfer to expected credit losses recognized for impairment	(29)	(3,546)	3,575	-
	27,679	(28,825)	1,146	-
Impairment loss (reversal)	(26,534)	75,244	20,563	69,273
Recognized interest income	-	-	(9,286)	(9,286)
Write-off	-	-	(2,191)	(2,191)
Others	-	-	3	3
Balance as of Dec 31, 2024	₩ 7,386	₩ 154,202	₩ 54,142	₩ 215,730

	For the year ended December 31, 2023			
	12-month expected credit loss	Lifetime expected credit loss		Total
		Unrecognized impairment	Recognized impairment	
Balance as of Jan 1, 2023	₩ 6,000	₩ 98,367	₩ 39,255	₩ 143,622
Changes due to significant increases in credit risk				
Transfer to 12-month expected credit losses	21,702	(21,450)	(252)	-
Transfer to expected credit losses unrecognized for impairment	(659)	1,583	(924)	-
Transfer to expected credit losses recognized for impairment	(21)	(3,253)	3,274	-
	21,022	(23,120)	2,098	-
Impairment loss (reversal)	(20,781)	32,536	13,741	25,496
Recognized interest income	-	-	(5,812)	(5,812)
Write-off	-	-	(5,461)	(5,461)
Others	-	-	86	86
Balance as of Dec 31, 2023	₩ 6,241	₩ 107,783	₩ 43,907	₩ 157,931

11.2 Changes in the total book amount that had a significant impact on changes in allowance for doubtful accounts on loan receivables for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024			
	Lifetime expected credit loss			Total
	12-month expected credit loss	Unrecognized impairment	Recognized impairment	
Balance as of Jan 1, 2024	₩ 162,229,191	₩ 17,021,530	₩ 437,569	₩ 179,688,290
Changes due to significant increases in credit risk				
Transfer to 12-month expected credit losses	5,075,997	(5,065,742)	(10,255)	-
Transfer to expected credit losses unrecognized for impairment	(6,411,044)	6,446,999	(35,955)	-
Transfer to expected credit losses recognized for impairment	(77,973)	(282,910)	360,883	-
	(1,413,020)	1,098,347	314,673	-
Loans and repayments	(2,627,251)	(1,368,250)	(164,414)	(4,159,915)
Foreign currency translation and others	-	-	(2,190)	(2,190)
Balance as of Dec 31, 2024	₩ 158,188,920	₩ 16,751,627	₩ 585,638	₩ 175,526,185

	For the year ended December 31, 2023			
	Lifetime expected credit loss			Total
	12-month expected credit loss	Unrecognized impairment	Recognized impairment	
Balance as of Jan 1, 2023	₩ 139,636,363	₩ 16,153,096	₩ 261,796	₩ 156,051,255
Changes due to significant increases in credit risk				
Transfer to 12-month expected credit losses	4,464,645	(4,459,131)	(5,514)	-
Transfer to expected credit losses unrecognized for impairment	(5,796,370)	5,816,324	(19,954)	-
Transfer to expected credit losses recognized for impairment	(57,998)	(228,698)	286,696	-
	(1,389,723)	1,128,495	261,228	-
Loans and repayments	23,982,551	(260,061)	(85,455)	23,637,035
Foreign currency translation and others	-	-	-	-
Balance as of Dec 31, 2023	₩ 162,229,191	₩ 17,021,530	₩ 437,569	₩ 179,688,290

11.3 The coverage ratio of allowance for doubtful accounts on loan receivables at amortized costs as of December 31, 2024 and 2023 is as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Loan receivables	₩ 175,526,185	₩ 179,688,290
Allowance for doubtful accounts	(215,730)	(157,931)
Coverage ratio	0.12%	0.09%

12 Property and equipment

12.1 Details of property and equipment as of December 31, 2024 and 2023 are as follows (Korean won in millions):

Category (*1)	As of December 31, 2024			
	Acquisition cost	Accumulated depreciation	Government grant	Book amount
Land	₩ 23,205	₩ -	₩ -	₩ 23,205
Buildings	125,424	(22,655)	-	102,769
Vehicles	235	(235)	-	-
Office equipment	123,579	(90,026)	-	33,553
Others	40,149	(28,062)	(160)	11,927
Construction-in-progress	1,068	-	-	1,068
	₩ 313,660	₩ (140,978)	₩ (160)	₩ 172,522

(*1) Excludes right-of-use assets.

Category (*1)	As of December 31, 2023			
	Acquisition cost	Accumulated depreciation	Government grant	Book amount
Land	₩ 19,802	₩ -	₩ -	₩ 19,802
Buildings	117,128	(19,623)	-	97,505
Vehicles	235	(235)	-	-
Office equipment	120,866	(84,927)	-	35,939
Others	38,195	(23,223)	(220)	14,752
Construction-in-progress	-	-	-	-
	₩ 296,226	₩ (128,008)	₩ (220)	₩ 167,998

(*1) Excludes right-of-use assets.

12.2 Changes in property and equipment for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

Category (*1)	For the year ended December 31, 2024					
	Beginning balance	Acquisitions	Disposals	Depreciation	Transfer(*2)	Ending balance
Land	₩ 19,802	₩ -	₩ -	₩ -	₩ 3,403	₩ 23,205
Buildings	97,505	-	-	(3,032)	8,296	102,769
Office equipment	35,939	10,233	(5)	(12,614)	-	33,553
(Government grant)	-	-	-	-	-	-
Others	14,972	1,659	-	(4,995)	451	12,087
(Government grant)	(220)	-	-	60	-	(160)
Construction-in-progress	-	13,218	-	-	(12,150)	1,068
	₩ 167,998	₩ 25,110	₩ (5)	₩ (20,581)	₩ -	₩ 172,522

(*1) Excludes right-of-use assets.

(*2) The amount of construction in progress will be replaced by the main account of the assets under construction.

For the year ended December 31, 2023

Category (*1)	Beginning balance	Acquisitions	Disposals	Depreciation	Transfer(*2)	Ending balance
Land	₩ 19,802	₩ -	₩ -	₩ -	₩ -	₩ 19,802
Buildings	100,433	-	-	(2,928)	-	97,505
Office equipment	33,698	11,982	(9)	(11,419)	1,687	35,939
(Government grant)	(10)	-	-	10	-	-
Others	17,967	1,563	(291)	(4,984)	717	14,972
(Government grant)	(280)	-	-	60	-	(220)
Construction-in-progress	1,315	1,089	-	-	(2,404)	-
	₩ 172,925	₩ 14,634	₩ (300)	₩ (19,261)	₩ -	₩ 167,998

(*1) Excludes right-of-use assets.

(*2) The amount of construction in progress will be replaced by the main account of the assets under construction.

12.3 Details of property and equipment that are insured against damages as of December 31, 2024 and 2023 are as follows (Korean won in millions):

As of December 31, 2024				
Type		Insurance company	Insurance coverage	Insurance period
General property insurance		Meritz	₩ 56,294	Jul 30, 2024~ Jul 29, 2025
		KB	₩ 46,720	Aug 12, 2024~ Aug 11, 2025
As of December 31, 2023				
Type		Insurance company	Insurance coverage	Insurance period
General property insurance		KB	₩ 54,863	Jul 30, 2023~ Jul 29, 2024
		Meritz	₩ 47,925	Aug 12, 2023~ Aug 12, 2024

13 Intangible assets

13.1 Details of intangible assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

As of December 31, 2024				
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book amount
Software	₩ 71,428	₩ (51,557)	₩ -	₩ 19,871
Copyright, patents and industrial property rights	26	(26)	-	-
Memberships	922	-	(24)	898
	₩ 72,376	₩ (51,583)	₩ (24)	₩ 20,769

	As of December 31, 2023			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Book amount
Software	₩ 67,152	₩ (40,233)	₩	₩ 26,919
Copyright, patents and industrial property rights	26	(26)	-	-
Memberships	922	-	(24)	898
	₩ 68,100	₩ (40,259)	₩ (24)	₩ 27,817

13.2 Changes in intangible assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024				
	Beginning	Acquisitions	Amortization	Transfer	Ending
Software	₩ 26,919	₩ 4,276	₩ (11,324)	₩ -	₩ 19,871
Copyrights, patents and industrial property rights	-	-	-	-	-
Memberships	898	-	-	-	898
	₩ 27,817	₩ 4,276	₩ (11,324)	₩ -	₩ 20,769

	For the year ended December 31, 2023				
	Beginning	Acquisitions	Amortization	Transfer	Ending
Software	₩ 37,897	₩ 4	₩ (10,982)	₩ -	₩ 26,919
Copyrights, patents and industrial property rights	-	-	-	-	-
Memberships	756	-	-	142	898
	₩ 38,653	₩ 4	₩ (10,982)	₩ 142	₩ 27,817

14 Right-of-use assets

14.1 Details of right-of-use assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

		As of December 31, 2024		
		Acquisition cost	Accumulated depreciation	Book amount
Right-of-use assets - Buildings	₩	31,052	₩ (13,653)	₩ 17,399
Right-of-use assets - Vehicles		3,115	(1,055)	2,060
	₩	34,167	₩ (14,708)	₩ 19,459

		As of December 31, 2023		
		Acquisition cost	Accumulated depreciation	Book amount
Right-of-use assets - Buildings	₩	28,630	₩ (10,046)	₩ 18,584
Right-of-use assets - Vehicles		2,881	(1,906)	975
	₩	31,511	₩ (11,952)	₩ 19,559

14.2 Changes in right-of-use assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		For the year ended December 31, 2024				
		Beginning balance	Acquisition	Hedges	Depreciation	Ending balance
Right-of-use assets - Buildings	₩	18,584	₩ 6,053	₩ -	₩ (7,238)	₩ 17,399
Right-of-use assets - Vehicles		975	2,053	-	(968)	2,060
	₩	19,559	₩ 8,106	₩ -	₩ (8,206)	₩ 19,459

		For the year ended December 31, 2023				
		Beginning balance	Acquisition	hedges	Depreciation	Ending balance
Right-of-use assets - Buildings	₩	17,497	₩ 8,109	₩ (8)	₩ (7,014)	₩ 18,584
Right-of-use assets - Vehicles		1,452	429	-	(906)	975
	₩	18,949	₩ 8,538	₩ (8)	₩ (7,920)	₩ 19,559

15 Other financial assets

Details of other financial assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Guarantee deposits	₩ 72,710	₩ 78,904
Loans	1,292	1,662
Other receivables	63,770	67,010
Accrued interest income	401,302	329,395
Fees receivables	2,126	1,760
	₩ 541,200	₩ 478,731

16 Debts

16.1 Details of debts as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Debentures:		
Repurchase Agreement	₩ -	₩ 100,000
Short-term borrowing	-	100,000
	-	200,000
Electronic short-term bonds	17,210,000	13,950,000
Fixed-rate bonds in Korean won (Present value discount)	(1,013) 4,958,914	(833) 2,320,920
Electronic short-term bonds (Present value discount)	(19,448) 441,000	(17,335) -
Fixed-rate bonds in foreign currency (Present value discount)	(1,614)	-
	22,587,839	16,252,752
	₩ 22,587,839	₩ 16,452,752

16.2 Details of borrowings as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Creditor	Annual Interest rate (%)	As of December 31, 2024	As of December 31, 2023
Repurchase Agreement	Multi-Asset Investment Management	4.10	₩ -	₩ 30,000
	Jeonbuk Bank	4.20	-	70,000
Short-term borrowing	Korea Development Bank	4.25	-	100,000
			₩ -	₩ 200,000

16.3 Details of debentures as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Annual interest rate (%)	Maturity	As of December 31, 2024	As of December 31, 2023
Bonds in Korean won	1.88	Apr 26, 2024	₩ -	₩ 210,000
Bonds in Korean won	1.56	Jun 24, 2024	-	140,000
Bonds in Korean won	1.55	Jul 8, 2024	-	100,000
Bonds in Korean won	1.35	Aug 5, 2024	-	240,000
Bonds in Korean won	1.24	Aug 16, 2024	-	220,000
Bonds in Korean won	1.64	Jul 2, 2024	-	310,000
Bonds in Korean won	1.92	Oct 7, 2024	-	290,000
Bonds in Korean won	2.13	Nov 12, 2024	-	160,000
Bonds in Korean won	2.15	Jan 06, 2025	190,000	190,000
Bonds in Korean won	2.43	Feb 07, 2025	310,000	310,000
Bonds in Korean won	2.49	Mar 07, 2025	310,000	310,000
Bonds in Korean won	2.50	Mar 21, 2025	350,000	350,000
Bonds in Korean won	2.77	Apr 04, 2024	-	250,000
Bonds in Korean won	3.27	Apr 28, 2025	190,000	190,000
Bonds in Korean won	3.06	May 16, 2024	-	170,000
Bonds in Korean won	3.39	May 30, 2025	230,000	230,000
Bonds in Korean won	3.61	Jun 10, 2025	170,000	170,000
Bonds in Korean won	3.97	Jun 16, 2025	450,000	450,000
Bonds in Korean won	3.75	Jul 13, 2025	430,000	430,000
Bonds in Korean won	3.80	Jul 15, 2027	220,000	220,000
Bonds in Korean won	3.70	Jan 19, 2024	-	320,000
Bonds in Korean won	3.73	Aug 11, 2027	190,000	190,000
Bonds in Korean won	4.28	Sep 05, 2025	220,000	220,000
Bonds in Korean won	4.25	Sep 15, 2027	150,000	150,000
Bonds in Korean won	5.25	Sep 27, 2024	-	370,000
Bonds in Korean won	4.98	Oct 06, 2025	180,000	180,000
Bonds in Korean won	5.61	Oct 20, 2025	130,000	130,000
Bonds in Korean won	5.70	Oct 25, 2024	-	170,000
Bonds in Korean won	5.66	Nov 04, 2024	-	210,000
Bonds in Korean won	5.54	Nov 11, 2025	210,000	210,000
Bonds in Korean won	5.41	Nov 15, 2027	110,000	110,000
Bonds in Korean won	5.13	Nov 23, 2027	60,000	60,000
Bonds in Korean won	4.01	Jan 5, 2026	370,000	370,000
Bonds in Korean won	3.76	Jul 17, 2024	-	190,000
Bonds in Korean won	3.58	Jan 27, 2028	200,000	200,000
Bonds in Korean won	3.43	Feb 3, 2026	320,000	320,000
Bonds in Korean won	3.60	Feb 11, 2028	290,000	290,000
Bonds in Korean won	3.76	Aug 27, 2025	220,000	220,000
Bonds in Korean won	4.10	Mar 10, 2026	260,000	260,000
Bonds in Korean won	3.76	Mar 17, 2028	150,000	150,000
Bonds in Korean won	3.60	Mar 27, 2026	130,000	130,000
Bonds in Korean won	3.62	Apr 10, 2028	160,000	160,000
Bonds in Korean won	3.49	Apr 13, 2024	-	150,000
Bonds in Korean won	3.58	Apr 14, 2026	160,000	160,000
Bonds in Korean won	3.69	May 3, 2026	190,000	190,000
Bonds in Korean won	3.66	May 16, 2028	150,000	150,000
Bonds in Korean won	3.75	May 23, 2026	180,000	180,000
Bonds in Korean won	3.80	May 30, 2024	-	190,000
Bonds in Korean won	3.91	Jun 12, 2026	140,000	140,000
Bonds in Korean won	3.81	Jun 13, 2024	-	210,000
Bonds in Korean won	3.99	Jun 21, 2028	80,000	80,000
Bonds in Korean won	3.94	Jun 28, 2026	120,000	120,000

	Annual interest rate (%)	Maturity	As of December 31, 2024	As of December 31, 2023
Bonds in Korean won	3.82	Jul 3, 2024	-	120,000
Bonds in Korean won	4.00	Jul 18, 2026	150,000	150,000
Bonds in Korean won	3.96	Jul 25, 2028	180,000	180,000
Bonds in Korean won	3.97	Aug 3, 2025	90,000	90,000
Bonds in Korean won	4.03	Aug 3, 2028	100,000	100,000
Bonds in Korean won	3.98	Aug 14, 2025	120,000	120,000
Bonds in Korean won	4.07	Aug 23, 2025	100,000	100,000
Bonds in Korean won	3.82	Aug 28, 2024	-	110,000
Bonds in Korean won	4.07	Sep 5, 2026	70,000	70,000
Bonds in Korean won	4.08	Sep 7, 2025	130,000	130,000
Bonds in Korean won	4.21	Sep 18, 2025	100,000	100,000
Bonds in Korean won	4.48	Oct 5, 2026	140,000	140,000
Bonds in Korean won	4.38	Oct 6, 2025	140,000	140,000
Bonds in Korean won	4.40	Oct 12, 2027	90,000	90,000
Bonds in Korean won	4.46	Oct 17, 2028	50,000	50,000
Bonds in Korean won	4.54	Oct 26, 2026	90,000	90,000
Bonds in Korean won	4.48	Nov 2, 2026	150,000	150,000
Bonds in Korean won	4.29	Nov 9, 2025	150,000	150,000
Bonds in Korean won	3.89	Nov 29, 2025	160,000	160,000
Bonds in Korean won	3.91	Dec 1, 2028	90,000	90,000
Bonds in Korean won	3.89	Dec 1, 2025	250,000	250,000
Bonds in Korean won	3.80	Dec 7, 2026	70,000	70,000
Bonds in Korean won	3.62	Dec 18, 2026	60,000	60,000
Bonds in Korean won	3.61	Dec 18, 2026	120,000	120,000
Bonds in Korean won	3.62	Jan 8, 2027	80,000	-
Bonds in Korean won	3.65	Jan 8, 2026	70,000	-
Bonds in Korean won	3.57	Jul 15, 2026	110,000	-
Bonds in Korean won	3.54	Jan 16, 2029	130,000	-
Bonds in Korean won	3.59	Jul 22, 2026	110,000	-
Bonds in Korean won	3.60	Jan 30, 2027	100,000	-
Bonds in Korean won	3.50	Aug 5, 2026	150,000	-
Bonds in Korean won	3.56	Feb 14, 2026	130,000	-
Bonds in Korean won	3.62	Feb 20, 2029	100,000	-
Bonds in Korean won	3.59	Feb 23, 2026	100,000	-
Bonds in Korean won	3.55	Mar 7, 2026	140,000	-
Bonds in Korean won	3.49	Sep 12, 2026	100,000	-
Bonds in Korean won	3.57	Sep 19, 2025	130,000	-
Bonds in Korean won	3.45	Mar 26, 2027	180,000	-
Bonds in Korean won	3.41	Oct 2, 2026	160,000	-
Bonds in Korean won	3.48	Oct 8, 2025	250,000	-
Bonds in Korean won	3.53	Apr 16, 2027	70,000	-
Bonds in Korean won	3.65	Apr 23, 2026	100,000	-
Bonds in Korean won	3.61	Apr 24, 2026	150,000	-
Bonds in Korean won	3.57	Nov 7, 2026	80,000	-
Bonds in Korean won	3.58	May 13, 2027	200,000	-
Bonds in Korean won	3.52	May 27, 2027	180,000	-
Bonds in Korean won	3.54	Jun 4, 2026	210,000	-
Bonds in Korean won	3.45	Jun 12, 2027	200,000	-
Bonds in Korean won	3.36	Jun 18, 2026	110,000	-
Bonds in Korean won	3.38	Dec 25, 2025	140,000	-
Bonds in Korean won	3.32	Jul 2, 2027	190,000	-
Bonds in Korean won	3.22	Jul 9, 2026	150,000	-
Bonds in Korean won	3.16	Jul 16, 2027	180,000	-
Bonds in Korean won	3.18	Jan 23, 2027	70,000	-
Bonds in Korean won	3.14	Jan 29, 2027	70,000	-

	Annual interest rate (%)	Maturity	As of December 31, 2024	As of December 31, 2023
Bonds in Korean won	2.99	Aug 6, 2029	60,000	-
Bonds in Korean won	3.50	Aug 12, 2025	70,000	-
Bonds in Korean won	3.11	Aug 20, 2027	150,000	-
Bonds in Korean won	3.09	Aug 27, 2028	100,000	-
Bonds in Korean won	3.15	Aug 29, 2028	100,000	-
Bonds in Korean won	3.22	Sept 3, 2029	120,000	-
Bonds in Korean won	3.12	Sep 10, 2028	80,000	-
Bonds in Korean won	3.10	Mar 20, 2027	130,000	-
Bonds in Korean won	3.08	Mar 26, 2027	120,000	-
Bonds in Korean won	3.08	Oct 2, 2026	110,000	-
Bonds in Korean won	3.10	Oct 7, 2029	120,000	-
Bonds in Korean won	3.17	Apr 10, 2027	120,000	-
Bonds in Korean won	3.12	Apr 16, 2027	200,000	-
Bonds in Korean won	3.10	Oct 21, 2027	70,000	-
Bonds in Korean won	3.10	Oct 24, 2027	140,000	-
Bonds in Korean won	3.19	Oct 29, 2028	100,000	-
Bonds in Korean won	3.19	May 1, 2026	70,000	-
Bonds in Korean won	3.41	Nov 4, 2025	180,000	-
Bonds in Korean won	3.17	May 7, 2027	160,000	-
Bonds in Korean won	3.09	Nov 12, 2027	160,000	-
Bonds in Korean won	3.18	Nov 15, 2026	90,000	-
Bonds in Korean won	3.16	Nov 19, 2028	80,000	-
Bonds in Korean won	2.96	Nov 28, 2029	110,000	-
Bonds in Korean won	3.21	Dec 2, 2025	180,000	-
Bonds in Korean won	2.85	Dec 2, 2026	70,000	-
Bonds in Korean won	2.90	Jun 5, 2027	180,000	-
Bonds in Korean won	2.82	Dec 16, 2027	60,000	-
Bonds in Korean won	2.85	Dec 19, 2027	120,000	-

16.4 Details of bonds denominated in foreign currencies as of December 31, 2024 and 2023 are as follows (US dollar in millions, BRL in millions, SGD in millions, Korean won in millions):

	Beginning	Maturity	Annual interest rate (%)	As of December 31, 2024		As of December 31, 2023	
				Foreign	KRW	Foreign	KRW
Public bonds denominated in foreign currencies (overseas) - #1	Feb. 24, 2023	Feb. 24, 2028	4.62%	USD 1,000	1,470,000	USD 1,000	1,289,400
Public bonds denominated in foreign currencies (overseas) - #2	Feb. 24, 2023	Feb. 24, 2033	4.62%	USD 300	441,000	USD 300	386,820
Public bonds denominated in foreign currencies (overseas) - #3	Nov. 15, 2023	Nov. 15, 2026	5.37%	USD 500	735,000	USD 500	644,700
Public bonds denominated in foreign currencies (overseas) - #4	Feb. 15, 2024	Aug. 27, 2027	4.87%	USD 500	735,000	-	-
Public bonds denominated in foreign currencies (overseas) - #5	Jul. 17, 2024	Jul. 17, 2026	10.31%	BRL 1,080	256,856	-	-
Public bonds denominated in foreign currencies (overseas) - #6	Sep.12, 2024	Mar.12, 2028	4.12%	USD 500	735,000	-	-
Public bonds denominated in foreign currencies (overseas) - #7	Oct. 16, 2024	Oct. 16, 2026	10.32%	BRL 1,100	261,734	-	-
Public bonds denominated in foreign currencies (overseas) - #8	Nov. 05, 2024	Nov. 05, 2029	SOFR + 0.83%	USD 300	441,000	-	-
	Nov. 27, 2024	Nov. 27, 2026	3.03%	SGD 300	324,324	-	-
					5,399,914		2,320,920
Less: discount on bonds Adjusted amounts					(21,062)		(17,335)
					<u>5,378,852</u>		<u>2,303,585</u>

16.5. Changes in the face value of debentures for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

For the year ended December 31, 2024					
	Beginning	Issuance	Repayments	Foreign currency translation	Ending
Electronic short-term bonds	₩ -	₩ 2,000,000	₩ (2,000,000)	₩ -	₩ -
Fixed-rate bonds in Korean won	13,950,000	7,390,000	(4,130,000)	-	17,210,000
Fixed-rate bonds in foreign currency	2,320,920	2,193,852	-	444,142	4,958,914
Foreign currency-denominated public bonds	-	411,000	-	30,000	441,000
	<u>₩ 16,270,920</u>	<u>₩ 11,994,852</u>	<u>₩ (6,130,000)</u>	<u>₩ 474,142</u>	<u>₩ 22,609,914</u>
For the year ended December 31, 2023					
	Beginning	Issuance	Repayments	Foreign currency translation	Ending
Electronic short-term bonds	₩ -	₩ 1,990,000	₩ (1,990,000)	₩ -	₩ -
Fixed-rate bonds in Korean won	8,950,000	6,690,000	(1,690,000)	-	13,950,000
Fixed-rate bonds in foreign currency	-	2,326,000	-	(5,080)	2,320,920
	<u>₩ 8,950,000</u>	<u>₩ 11,006,000</u>	<u>₩ (3,680,000)</u>	<u>₩ (5,080)</u>	<u>₩ 16,270,920</u>

16.6 The repayment plans for borrowings and debentures as of December 31, 2024 and 2023 are as follows (Korean won in millions):

As of December 31, 2024				
	Borrowing	Bonds in Korean	Bond denominated in foreign currencies	Total
Within one year	₩ -	₩ 5,780,000	₩ -	₩ 5,780,000
After one year but not more than five years	-	11,430,000	4,958,914	16,388,914
More than five years	-	-	441,000	441,000
Total	<u>₩ -</u>	<u>₩ 17,210,000</u>	<u>₩ 5,399,914</u>	<u>₩ 22,609,914</u>

As of December 31, 2023				
	Borrowing	Bonds in Korean	Bonds denominated in foreign currencies	Total
Within one year	₩200,000	₩ 4,130,000	₩ -	₩ 4,330,000
After one year but not more than five years	-	9,820,000	1,934,100	11,754,100
More than five years	-	-	386,820	386,820
Total	₩200,000	₩13,950,000	₩ 2,320,920	₩16,470,920

17. Securitized liabilities

17.1 Details of securitized liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	Annual interest rate (%)	As of December 31, 2024	As of December 31, 2023
Securitized liabilities in Korean won			
Fixed-rate Mortgage Backed Securities (MBS)	1.36 ~ 5.41	₩ 148,318,811	₩ 154,594,530
Floating-rate Mortgage Backed Securities (MBS)	Underlying asset interest rate-40 ~ 45bp	866,513	998,468
		149,185,324	155,592,998
Less: discount on securitized liabilities in Korean won		(65,354)	(67,204)
		149,119,970	155,525,794
Securitized liabilities in foreign currencies			
Fixed-rate Mortgage Backed Bond (MBB)	0.01 ~ 5.327	13,198,120	10,826,907
Fixed-rate Mortgage Backed Bond (MBB)	Compounded Daily SOFR + 1.00	147,000	128,716
Fixed-rate Mortgage Backed Bond (MBB)	BBSW 3M+1.05	109,641	105,365
Fixed-rate Mortgage Backed Bond (MBB)	HIBOR + 0.349	283,950	-
Less: discount on securitized liabilities in foreign currencies		(13,474)	(13,322)
		13,725,237	11,047,666
		₩ 162,845,207	₩ 166,573,460

17.2. Changes in the face value of securitized liabilities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024				
	Beginning	Issuance	Repayment	Foreign currency translation	Ending
Securitized liabilities in Korean won					
Fixed-rate Mortgage Backed Securities (MBS)	₩ 154,594,530	₩ 16,409,400	₩ (22,685,119)	₩ -	₩ 148,318,811
Floating-rate Mortgage Backed Securities (MBS)	998,468	-	(131,955)	-	866,513
	<u>155,592,998</u>	<u>16,409,400</u>	<u>(22,817,074)</u>	<u>-</u>	<u>149,185,324</u>
Securitized liabilities in foreign currencies					
Fixed-rate Mortgage Backed Bond (MBB)	10,826,907	2,224,200	(713,295)	860,308	13,198,120
Floating-rate Mortgage Backed Bond (MBB))	234,082	268,575	-	37,934	540,591
	<u>11,060,989</u>	<u>2,492,775</u>	<u>(713,295)</u>	<u>898,242</u>	<u>13,738,711</u>
	<u>₩ 166,653,987</u>	<u>₩ 18,902,175</u>	<u>₩ (23,530,369)</u>	<u>₩ 898,242</u>	<u>₩ 162,924,035</u>

	For the year ended December 31, 2023				
	Beginning	Issuance	Repayment	Foreign currency translation	Ending
Securitized liabilities in Korean won					
Fixed-rate Mortgage Backed Securities (MBS)	₩ 138,484,844	₩ 33,260,700	₩ (17,151,014)	₩ -	₩ 154,594,530
Floating-rate Mortgage Backed Securities (MBS)	<u>1,109,641</u>	<u>-</u>	<u>(111,173)</u>	<u>-</u>	<u>998,468</u>
	<u>139,594,485</u>	<u>33,260,700</u>	<u>(17,262,187)</u>	<u>-</u>	<u>155,592,998</u>
Securitized liabilities in foreign currencies					
Fixed-rate Mortgage Backed Bond (MBB)	7,624,001	3,403,808	(648,805)	447,903	10,826,907
Floating-rate Mortgage Backed Bond (MBB)	-	234,082	-	-	234,082
	<u>7,624,001</u>	<u>3,637,890</u>	<u>(648,805)</u>	<u>447,903</u>	<u>11,060,989</u>
	<u>₩ 147,218,486</u>	<u>₩ 36,898,590</u>	<u>₩ (17,910,992)</u>	<u>₩ 447,903</u>	<u>₩ 166,653,987</u>

18. Net defined benefit liabilities

18.1 Details of net defined benefit liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Present value of funded defined benefit obligations	₩ 116,909	₩ 97,172
Fair value of plan assets	(2,770)	(88)
	<u>₩ 114,139</u>	<u>₩ 97,084</u>

18.2 Changes in the present value of defined benefit obligations for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Beginning balance	₩ 97,172	₩ 76,932
Current service cost	11,243	9,392
Net interest expense	3,343	3,210
Remeasurements:		
Actuarial gains arising from changes in demographic assumptions	3,878	-
Actuarial gains arising from changes in financial assumptions	6,380	6,737
Actuarial losses (gains) arising from experience adjustment	(1,519)	4,717
Benefit payments	(3,588)	(3,816)
Ending balance	<u>₩ 116,909</u>	<u>₩ 97,172</u>

18.3 Changes in the plan assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Beginning balance	₩ 88	₩ 160
Contribution	2,757	-
Interest income	3	7
Payment	(89)	(75)
Remeasurements:		
Return on plan assets (excluding amounts included in interest income)	11	(4)
Ending balance	<u>₩ 2,770</u>	<u>₩ 88</u>

18.4 Details of plan assets as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Principal and interest guaranteed	₩ 2,770	₩ 88

18.5 The significant actuarial assumptions as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Discount rate	3.00%	3.50%
Salary growth rate	6.00%	6.00%

18.6. The sensitive analysis of net defined benefit liabilities to changes in principal assumptions as of December 31, 2024, is as follows (Korean won in millions):

	Impact on defined benefit obligations		
	Changes in principal assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	₩ (3,257)	₩ 3,397
Salary growth rate	0.25%	3,436	(3,311)

19. Other financial liabilities

Details of other financial liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Accrued expenses	₩ 317,206	₩ 228,502
Withholdings	1,625	1,585
Accrued trust interest expense	491,221	482,743
Financial guarantee contract liability	2,003	-
Unearned revenue	1,201	1,214
Lease liabilities	16,607	16,434
	<u>₩ 829,863</u>	<u>₩ 730,478</u>

20. Lease liabilities

20.1 The carrying amounts of lease liabilities and the movements for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

		For the year ended December 31, 2024					
		Beginning	Additions	Payment	Hedge	Accretion of interest	Ending
Lease liabilities - Buildings	₩	15,404	₩ 3,350	₩ (5,132)	₩ -	₩ 855	₩ 14,477
Lease liabilities - Vehicles		1,030	2,054	(1,021)	-	67	2,130
	<u>₩</u>	<u>16,434</u>	<u>₩ 5,404</u>	<u>₩ (6,153)</u>	<u>₩ -</u>	<u>₩ 922</u>	<u>₩ 16,607</u>
		For the year ended December 31, 2023					
		Beginning	Additions	Payment	Hedge	Accretion of interest	Ending
Lease liabilities - Buildings	₩	13,718	₩ 5,581	₩ (4,571)	₩ (8)	₩ 684	₩ 15,404
Lease liabilities - Vehicles		1,501	429	(947)	-	47	1,030
	<u>₩</u>	<u>15,219</u>	<u>₩ 6,010</u>	<u>₩ (5,518)</u>	<u>₩ (8)</u>	<u>₩ 731</u>	<u>₩ 16,434</u>

20.2. The maturity analysis of lease liabilities as of December 31, 2024 and 2023 is as follows (Korean won in millions):

Maturity - Undiscounted contractual cash flow	As of December 31, 2024	As of December 31, 2023
Within one year	₩ 5,641	₩ 5,133
After one year but not more than five years	12,685	11,698
More than five years	212	1,598
	<u>₩ 18,538</u>	<u>₩ 18,429</u>

20.3. The total cash outflow for leases for each of the two years in the period ended December 31, 2024 is as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Total cash outflow for leases	₩ 6,153	₩ 5,517

20.4. Short-term lease payments and payments for leases of low-value assets that were not included in the measurement of lease liabilities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Short-term lease payments	₩ (19)	₩ (17)
Payments for leases of low-value assets	(141)	(96)
	<u>₩ (160)</u>	<u>₩ (113)</u>

20.5. The amounts recognized by the Group as profit or loss from the lessee's perspective for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Depreciation of right-of-use assets	₩ 8,206	₩ 7,920
Interest expense on lease liabilities (finance expense)	922	731
Short-term lease payments	19	17
Payments for leases of low-value assets	141	96
Accretion of interest income on present value discount of guarantee deposit	(2,459)	(2,235)
Other	(26)	(1)
	<u>₩ 6,803</u>	<u>₩ 6,528</u>

21. Provisions

21.2. Details of provisions as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Provisions for employee benefits	₩ 1,374	₩ 1,362
Provisions for conversion incentives	31,706	27,665
Provisions for restoration costs	3,626	3,002
	<u>₩ 36,706</u>	<u>₩ 32,029</u>

21.3. Changes in provisions for each of the two years in the period ended December 31, 2024, are as follows (Korean won in millions):

	For the year ended December 31, 2024					
	Beginning	Additions	Reversals	Utilization	Other	Ending
Provisions for employee benefits	₩ 1,362	₩ 1,374	₩ (1,362)	₩ -	₩ -	₩ 1,374
Provisions for conversion incentives	27,665	4,050	-	(10)	1	31,706
Provisions for restoration costs	3,002	109	(135)	-	650	3,626
	<u>₩ 32,029</u>	<u>₩ 5,533</u>	<u>₩ (1,497)</u>	<u>₩ (10)</u>	<u>₩ 651</u>	<u>₩ 36,706</u>

	For the year ended December 31, 2023					
	Beginning	Additions	Reversals	Utilization	Other	Ending
Provisions for employee benefits	₩ 1,324	₩ 1,362	₩ (1,324)	₩ -	₩ -	₩ 1,362
Provisions for conversion incentives	23,053	4,631	-	(16)	(3)	27,665
Provisions for restoration costs	3,216	104	(104)	(375)	161	3,002
	<u>₩ 27,593</u>	<u>₩ 6,097</u>	<u>₩ (1,428)</u>	<u>₩ (391)</u>	<u>₩ 158</u>	<u>₩ 32,029</u>

22. Paid-in capital

22.2. Details of paid-in capital as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024			As of December 31, 2023(*)		
	Government	Non-government	Total	Government	Non-government	Total
Capital contributions	₩ 1,742,400	₩ 995,000	₩ 2,737,400	₩ 1,742,400	₩ 995,000	₩ 2,737,400
Capital adjustments	(4,771)	(2,457)	(7,228)	(4,771)	(2,457)	(7,228)
	<u>₩ 1,737,629</u>	<u>₩ 992,543</u>	<u>₩ 2,730,172</u>	<u>₩ 1,737,629</u>	<u>₩ 992,543</u>	<u>₩ 2,730,172</u>

(*) The Group received capital contributions of ₩396,800 million from the government for the year ended December 31, 2023.

23. Other components of equity

23.1 Details of other components as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Accumulated other comprehensive income (loss)	₩ (102,030)	₩ (97,396)

23.2 Details of accumulated other comprehensive loss as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Losses on cash flow hedges	₩ (117,546)	₩ (107,179)
Gains on debt securities measured at FVOCI	11,629	5,710
Gains on equity securities measured at FVOCI	3,887	4,072
	₩ (102,030)	₩ (97,397)

23.3 Changes in accumulated other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024				
	Beginning	Changes (except for reclassification)	Reclassification to profit or loss	Tax effect	Ending
Gains (losses) on cash flow hedges	₩ (107,179)	₩ (15,744)	₩ 2,263	₩ 3,114	₩ (117,546)
Gains (losses) on debt securities measured at FVOCI	5,710	6,616	1,080	(1,777)	11,629
Gains (Losses) on equity securities measured at FVOCI	4,072	(240)	-	55	3,887
	₩ (97,397)	₩ (9,368)	₩ 3,343	₩ 1,392	₩ (102,030)

	For the year ended December 31, 2023				
	Beginning	Changes (except for reclassification)	Reclassification to profit or loss	Tax effect	Ending
Gains (losses) on cash flow hedges	₩ (133,605)	₩ 42,402	₩ 3,619	₩ (19,595)	₩ (107,179)
Gains (losses) on debt securities measured at FVOCI	(14,971)	19,740	8,054	(7,113)	5,710
Gains (losses) on equity securities measured at FVOCI	3,958	(90)	-	204	4,072
	₩ (144,618)	₩ 62,052	₩ 11,673	₩ (26,504)	₩ (97,397)

24. Retained earnings and dividends

24.1 Retained earnings as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Legal reserve (*1)	₩ 511,202	₩ 497,811
Regulatory reserve for credit losses	421,790	337,689
Unappropriated retained earnings	1,173,179	1,042,580
	<u>₩ 2,106,171</u>	<u>₩ 1,878,080</u>

(*1) In accordance with Article 50 of the KHFC Act, an amount equal to at least 20% of profit for the year is required to be appropriated as a legal reserve until the reserve equals paid-in capital. The legal reserve may only be used to offset a deficit, if any, or be transferred to capital (earned surplus reserve).

24.2. Legal reserves as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Legal reserve	₩ 511,202	₩ 497,811

24.3. Changes in retained earnings for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Beginning balance	₩ 1,878,080	₩ 1,884,804
Profit for the year	234,812	45,504
Dividends paid	-	(43,391)
Remeasurement of net defined benefit liabilities	(6,721)	(8,837)
Ending balance	<u>₩ 2,106,171</u>	<u>₩ 1,878,080</u>

24.4. Regulatory reserve for credit losses

Measurement and disclosure of the regulatory reserve for credit loss are required in accordance with Article 7 of the Regulation on Supervision of Korea Housing Finance Corporation.

24.4.1. Details of regulatory reserve for credit losses as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024	As of December 31, 2023
Beginning reserve for credit loss	₩ 421,790	₩ 337,689
Expected additional regulatory reserve for credit losses	(36,017)	84,102
Ending reserve for credit loss	<u>₩ 385,773</u>	<u>₩ 421,791</u>

24.4.2. Provisions for regulatory reserve for credit losses and adjusted profit reflecting the provisions for regulatory reserve for credit losses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024		For the year ended December 31, 2023	
Profit for the year before reflecting regulatory reserve for credit losses	₩	234,812	₩	45,504
Expected additional regulatory reserve for credit losses		36,017		(84,102)
Adjusted profit after reflecting regulatory reserve for credit losses (*)	₩	270,829	₩	(38,598)

(*) Adjusted profit after provision of regulatory reserve for credit losses is not in accordance with KIFRS and calculated on the assumption that provision (reversal) of regulatory reserve for credit losses before income tax is adjusted to the profit for the year.

25. Interest income

Details of interest income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash and due from banks	₩ 355,403	₩ 155,863
Financial assets at FVPL	-	2,840
Financial assets at FVOCI	58,908	32,018
Loan receivables	5,444,686	4,669,340
Other financial assets	2,460	2,235
	<u>₩ 5,861,457</u>	<u>₩ 4,862,296</u>

26. Interest expenses

Details of interest expenses included in finance costs for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Borrowings	₩ 3,057	₩ 4,358
Public bonds issued	705,030	473,580
Securitized liabilities	4,636,517	3,803,883
Lease liabilities	921	731
Other financial liabilities	109	104
	<u>₩ 5,345,634</u>	<u>₩ 4,282,656</u>

27. Net fee and commission income and expenses

Details of fee and commission income and expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Fee and commission income		
Early redemption fees	₩ 5,517	₩ 7,957
Others	6,945	5,919
	<u>12,462</u>	<u>13,876</u>
Fee and commission expenses		
Service fees	(107,288)	(115,364)
Other service fees	(3,355)	(4,266)
	<u>(110,643)</u>	<u>(119,630)</u>
	<u>₩ (98,181)</u>	<u>₩ (105,754)</u>

28. Selling and administrative expenses

Selling and administrative expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Short-term employee salaries	₩ 98,030	₩ 93,944
Retirement benefits	14,583	12,595
Employee welfare	5,712	6,875
Food service expenses	344	376
Depreciation	20,581	19,261
Amortization	11,324	10,982
Depreciation of right-of-use assets	8,206	7,920
Rental expenses	9,600	8,826
Entertainment expenses	138	149
Taxes and dues	12,480	12,415
Advertising expenses	7,527	8,290
Travel expenses	1,211	1,313
Communication expenses	3,593	3,739
Utility expenses	1,605	1,547
Insurance expenses	165	149
Service contract expenses	9,465	11,532
Publication expenses	394	465
Training expenses	2,043	1,875
Conference expenses	1,056	1,087
Vehicles expenses	115	50
Electronic data processing expenses	18,271	16,008
Others	1,790	1,936
	₩ 228,233	₩ 221,334

29. Other gains (losses)

Other gains and losses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Other gains		
Interest income on other loans	₩ 53	₩ 76
Miscellaneous gains	657	663
	710	739
Other losses		
Donations	(2,696)	(3,006)
Miscellaneous losses	(562)	(678)
	(3,258)	(3,684)
	₩ (2,548)	₩ (2,945)

30. Income tax expense

30.1 Income taxes for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Current income tax expenses		
Current income taxes	₩ 17,928	₩ 67,558
Adjustment in current year for prior year's income tax	(5,753)	(2,451)
Underpayments of income tax	1,565	-
	<u>13,740</u>	<u>65,107</u>
Deferred tax expenses		
Origination and reversal of temporary differences	48,687	(28,646)
Income tax effects on equity	3,399	(20,264)
Others	-	-
	<u>₩ 65,826</u>	<u>₩ 16,197</u>

30.2 The reconciliation between income tax expense at the effective tax rate and accounting profit before income tax at the statutory rate of the Republic of Korea for each of the two years in the period ended December 31, 2024 is as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Profit before income taxes	₩ 300,638	₩ 61,701
Tax calculated at applicable tax rates	68,985	13,791
Adjustments:		
Expenses not deductible for tax	313	68
Income not subject to tax	-	-
Tax exemptions to be deducted	-	(8)
Refund of prior year's income tax	(4,849)	(2,453)
Underpayments of income tax	1,565	-
Unrecognized deferred tax asset	530	-
Others	(718)	4,799
Income tax expense	<u>₩ 65,826</u>	<u>₩ 16,197</u>
Effective tax rate	21.90%	26.30%

30.3 Income tax effects related to accumulated other comprehensive income and remeasurement of net defined benefit liabilities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024			As of December 31, 2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Gain on valuation of debt securities at FVOCI	₩ 15,892	₩ 3,671	₩ 12,221	₩ 11,762	₩ 2,717	₩ 9,045
Loss on valuation of debt securities at FVOCI	(769)	(177)	(592)	(4,336)	(1,002)	(3,334)
Gain on valuation of equity securities at FVOCI	5,055	1,168	3,887	5,295	1,223	4,072
Gain on valuation of cash flow hedge	37,489	8,660	28,829	20,093	4,641	15,452
Loss on valuation of cash flow hedge	(190,345)	(43,970)	(146,375)	(159,467)	(36,837)	(122,630)
Remeasurement of net defined benefit liabilities	(33,291)	(7,792)	(25,499)	(24,563)	(5,784)	(18,779)
	<u>₩ (165,969)</u>	<u>₩ (38,440)</u>	<u>₩ (127,529)</u>	<u>₩ (151,216)</u>	<u>₩ (35,042)</u>	<u>₩ (116,174)</u>

30.4. The movements in deferred tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024			
	Beginning balance	Statements of profit or loss	Other comprehensive income	Ending balance
Deferred tax liabilities for temporary differences				
Retirement insurance deposits	₩ (20)	₩ 1	₩ -	₩ (19)
Accrued income	(5,592)	(5,152)	-	(10,744)
Mortgage loans (premium)	(24,737)	5,283	-	(19,454)
Others	(135,861)	12,348	-	(123,513)
Gains on transactions of derivatives (government bond futures)	-	-	-	-
Gains on valuation of securities at FVOCI	(3,940)	-	(899)	(4,839)
Effects of subsidiaries	(37,886)	(991)	-	(38,877)
Gains on valuation of hedge	(4,642)	-	(4,018)	(8,660)
Right-of-use assets	(3,812)	(78)	-	(3,890)
(1)	(216,490)	11,411	(4,917)	(209,996)
Deferred tax assets for temporary differences				
losses on valuation of hedge	36,837	-	7,133	43,970
Provisions for post-employment benefits	22,257	3,954	-	26,211
Acquisition commitments (discount/premium on mortgage loan for purchase)	25,968	1,180	-	27,148
Derivative for acquisition commitments	70,658	(60,665)	-	9,993
Derivative financial liabilities (interest rate swap)	2,118	8,918	-	11,036
Present value discounts on debt securities at FVOCI	868	(968)	-	(100)
Losses on subordinated securitized bonds	1,201	(1,201)	-	-
Unsettled expenses	8,668	995	-	9,663
Leave allowance	1,268	48	-	1,316
Mortgage loans (discount)	118,457	(13,109)	-	105,348
Remeasurement of defined benefit plans	5,784	-	2,008	7,792
Losses on valuation of securities at FVOCI	1,002	-	(824)	178
Effect from cancellation of sales	8,812	(2,597)	-	6,215
Finance lease liabilities	3,766	47	-	3,813
NOL Carryforward	-	429	-	429
	307,664	(62,969)	8,317	253,012
less: unrecognized deferred tax assets				
Deductible temporary differences(*)	-	(100)	-	(100)
NOL Carryforward (*)	-	(429)	-	(429)
(2)	307,664	(63,498)	8,317	252,483
(1) + (2)	₩ 91,174	₩ (52,087)	₩ 3,400	₩ 42,487

(*) Due to the uncertainty of future taxable income of HF Partners Co., Ltd and its operational dependence on the parent company, Korea Housing Finance Corporation, the deferred tax assets for the deductible temporary differences of KRW 480 million and carryforward tax losses of KRW 2,054 million were not recognized.

30.4. The movements in deferred tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions): (cont'd)

	For the year ended December 31, 2023			
	Beginning balance	Statements of profit or loss	Other comprehensive income	Ending balance
Deferred tax liabilities for temporary differences				
Retirement insurance deposits	₩ (42)	₩ 22	₩ -	₩ (20)
Accrued income	(520)	(5,072)	-	(5,592)
Mortgage loans (premium)	(28,589)	3,852	-	(24,737)
Others	(179,629)	43,768	-	(135,861)
Gains on transactions of derivatives (government bond futures)	(12,125)	12,125	-	-
Gains on valuation of securities at FVOCI	(1,427)	-	(2,513)	(3,940)
Effects of subsidiaries	(53,302)	15,416	-	(37,886)
Gains (losses) on valuation of hedge	-	-	(4,642)	(4,642)
Right-of-use assets	(4,242)	430	-	(3,812)
(1)	(279,876)	70,541	(7,155)	(216,490)
Deferred tax assets for temporary differences				
Losses on valuation of hedge	48,171	-	(11,334)	36,837
Provisions for post-employment benefits	20,198	2,059	-	22,257
Acquisition commitments (discount/premium on mortgage loan for purchase)	17,957	8,011	-	25,968
Derivative for acquisition commitments	70,071	587	-	70,658
Derivative financial liabilities (interest rate swap)	6,948	(4,830)	-	2,118
Present value discounts on debt securities at FVOCI	1,544	(676)	-	868
Losses on subordinated securitized bonds	3,378	(2,177)	-	1,201
Unsettled expenses	8,614	54	-	8,668
Leave allowance	1,340	(72)	-	1,268
Mortgage loans (discount)	135,001	(16,544)	-	118,457
Remeasurement of defined benefit plans	3,163	-	2,621	5,784
Losses on valuation of securities at FVOCI	5,398	-	(4,396)	1,002
Effect from cancellation of sales	16,627	(7,815)	-	8,812
Finance lease liabilities	3,994	(228)	-	3,766
(2)	342,404	(21,631)	(13,109)	307,664
(1) + (2)	₩ 62,528	₩ 48,910	₩ (20,264)	₩ 91,174

30.5 The unrecognized deferred tax assets and others

The unrecognized deferred tax assets due to the uncertainty of future taxable income and reasons thereof as of December 31, 2024 are as follows (Korean won in millions):

	Amounts	Reason
NOL Carryforward	429	Uncertainty of future taxable income
Deductible temporary differences(*)	100	Uncertainty of future taxable income
	529	

The future realizability of deferred tax assets is evaluated by considering various factors such as the performance of the consolidated entities, overall economic environment and industry outlook, anticipated future operating profits, and the deductible period for tax credits and carryforward tax losses.

(*) The expiration year for the unused tax loss carryforwards of KRW 2,054 million is 2029.

31. Contingencies and commitments

31.1 Details of the Group's insurance as of December 31, 2024 and 2023 are as follows (Korean won in millions):

	As of December 31, 2024		As of December 31, 2023	
	Insurance company	Insurance coverage	Insurance company	Insurance coverage
Insurance for the exposure of personal information	DB Insurance Co., Ltd.	₩ 5,000	DB Insurance Co., Ltd.	₩ 5,000
Insurance for electronic financial transactions	DB Insurance Co., Ltd.	1,000	DB Insurance Co., Ltd.	1,000
Group accident insurance	Meritz Fire & Marine Insurance Co., Ltd.	583,699	Meritz Fire & Marine Insurance Co., Ltd.	110,313
Insurance for public service workers	DB Insurance Co., Ltd.	12,840	DB Insurance Co., Ltd.	18,354
Samsung group accident insurance	Samsung Fire & Marine Insurance Co. Ltd.	105,148	Samsung group accident insurance	154,226
DB group accident insurance	DB Insurance Co., Ltd.	147,017	DB group accident insurance	248,098
Comprehensive property insurance	KB General Insurance Co., Ltd.	46,720	Meritz Fire & Marine Insurance Co. Ltd.	47,925
Liability insurance for reparation of elevator accident	Samsung Fire & Marine Insurance Co. Ltd.	271	Samsung Fire & Marine Insurance Co. Ltd.	271
Hanwha Global insurance	Hanwha General Insurance Co., Ltd.	-	Hanwha General Insurance Co., Ltd.	5,234
Hanwha group accident insurance	Hanwha General Insurance Co., Ltd.	91,387	Hanwha General Insurance Co., Ltd.	117,725
Liability insurance for reparation of gas accident	Hanwha General Insurance Co., Ltd.	300	Hanwha General Insurance Co., Ltd.	380

Comprehensive property insurance	Meritz Fire & Marine Insurance Co. Ltd.	56,294	KB General Insurance Co., Ltd	54,863
Drone Liability Insurance	Samsung Fire & Marine Insurance Co. Ltd.	200		

31.2. Details of the Group's lines of credit with financial institution as of December 31, 2024 and 2023 are as follows (Korean won in millions):

As of December 31, 2024				
Type	Financial institution	Limit		Executed amount
Mutual Growth Loan	Hana Bank	₩	1,000	-
Co-prosperity Loan	Industrial Bank of Korea		2,000	-
Win-Win Loan	Busan Bank		2,000	-
Shared Growth Loan	Shinhan Bank		2,000	-
Win-Win Payment Loan	KB bank		2,000	-
Growth Together Loan	Nong Hyup Bank		2,000	-
Win-Win Partner Loan	Woori bank		2,000	-
		₩	13,000	-
As of December 31, 2023				
Type	Financial institution	Limit		Executed amount
Mutual Growth Loan	Hana Bank	₩	1,000	-
Co-prosperity Loan	Industrial Bank of Korea		2,000	-
			3,000	-

31.3. Other commitments of the Group as of December 31, 2024 and 2023 are as follows:

31.3.1. As of December 31, 2024, in order to secure part of the Group's leasehold deposits, the Group has established leasehold rights of ₩59,969 million (₩33,531 million as of December 31, 2023) and collateralized mortgage of ₩11,331 million (₩11,874 million as of December 31, 2023) and holds leasehold guarantee insurance of ₩43,432 million (₩21,554 million as of December 31, 2023) with Seoul Guarantee Insurance Company.

31.3.2. As of December 31, 2024, the Group has short-term borrowing agreements of ₩1,100,000 million (₩1,000,000 million as of December 31, 2023) with several financial institutions, including Shinhan Bank, Hana Bank and others.

31.3.3. As of December 31, 2024, the Group has acquisition commitments to purchase mortgage backed-loans of ₩4,988,921 million (₩17,152,325million as of December 31, 2023) outstanding with 32 financial institutions, including Industrial Bank of Korea and others.

31.3.4. As of December 31, 2024, the Group is currently being charged in relation to two legal cases (lawsuit amount: KRW 87 million), and has filed 24 cases (lawsuit amount: KRW 30,476 million) for claims of payment of receivables, among others. While the outcome of these lawsuits could affect the financial statements, it is currently not predictable.

32. Transfer and derecognition of financial assets

The Group pays cash flows of underlying assets to security holders by issuing securitized securities. Accordingly, it implies that the Group transfers the cash flows of the underlying assets to the security holders.

Details of underlying assets that have been transferred to the security holders and the related securitized securities as of December 31, 2024 and 2023 are as follows (Korean won in millions):

As of December 31, 2024					
	Underlying assets	Underlying assets		Securitized loans	
		Book amount	Fair value	Book amount	Fair value
Mortgage Backed Bond (MBB)	Mortgage loans	₩ 14,403,096	₩ 13,301,858	₩ 13,725,237	₩ 13,741,556
Mortgage Backed Securities (MBS)	Mortgage loans	160,617,734	148,752,331	149,119,970	147,737,281
		₩ 175,020,830	₩ 162,054,189	₩ 162,845,207	₩ 161,478,837

As of December 31, 2023					
	Underlying assets	Underlying assets		Securitized loans	
		Book amount	Fair value	Book amount	Fair value
Mortgage Backed Bond (MBB)	Mortgage loans	₩ 13,094,278	₩ 11,146,512	₩ 11,047,667	₩ 10,808,883
Mortgage Backed Securities (MBS)	Mortgage loans	165,491,249	144,634,036	155,525,794	151,506,584
		₩ 178,585,527	₩ 155,780,548	₩ 166,573,461	₩ 162,315,467

33. Related party disclosures

33.1 The following tables list the Group's related parties as of December 31, 2024 :

	Related party
Shareholders	The Korean government The Bank of Korea

33.2. Significant financial transactions with related parties for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024			
	Beginning balance	Loans	Repayments	Ending balance
Loans to employees	₩ 1,662	₩ 104	₩ (474)	₩ 1,292

	For the year ended December 31, 2023			
	Beginning balance	Loans	Repayments	Ending balance
Loans to employees	₩ 1,948	₩ 172	₩ (458)	₩ 1,662

	For the year ended December 31, 2024			For the year ended December 31, 2023		
	The Korean government	The Bank of Korea	Total	The Korean government	The Bank of Korea	Total
Increase in capital	₩ -	₩ -	₩ -	₩ 166,800	₩ 230,000	₩ 396,800
Dividends paid	-	-	-	(29,210)	(14,182)	(43,392)

33.3. Details of compensation to key management for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Short-term employee benefits	₩ 1,690	₩ 1,714
Retirement benefits	102	124
	₩ 1,792	₩ 1,838

34. Statement of Cash flows

34.1 Major non-cash transactions related to cash flows from investing and financing activities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

	For the year ended December 31, 2024	For the year ended December 31, 2023
Transfer of property and equipment	₩ 12,150	₩ 2,404
Acquisition of right-of-use assets	5,404	6,010
Effect of liquidation of securitized liabilities	45,285	26,795

34.2. Changes in liabilities arising from cash flows from financing activities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in millions):

For the year ended December 31, 2024					
	Beginning balance	Cash flows from financing activities	Lease contract	Others	Ending balance
Borrowings	₩ 200,000	₩ (200,000)	₩ -	₩ -	₩ -
Debtentures and public bonds issued	16,252,752	5,855,323	-	479,764	22,587,839
Securitized securities	155,525,794	(6,416,220)	-	10,396	149,119,970
Foreign securitized securities	11,047,667	1,818,539	-	859,031	13,725,237
Lease liabilities	16,434	(6,153)	5,404	922	16,607
	<u>₩ 183,042,647</u>	<u>₩ 1,051,489</u>	<u>₩ 5,404</u>	<u>₩ 1,350,113</u>	<u>₩ 185,449,653</u>

For the year ended December 31, 2023					
	Beginning balance	Cash flows from financing activities	Lease contract	Others	Ending balance
Borrowings	₩ 150,000	₩ 50,000	₩ -	₩ -	₩ 200,000
Debtentures and public bonds issued	8,949,389	7,305,756	-	(2,393)	16,252,752
Securitized securities	139,529,086	15,985,190	-	11,518	155,525,794
Foreign securitized securities	7,614,470	2,980,421	-	452,776	11,047,667
Lease liabilities	15,219	(5,517)	6,009	723	16,434
	<u>₩ 156,258,164</u>	<u>₩ 26,315,850</u>	<u>₩ 6,009</u>	<u>₩ 462,624</u>	<u>₩ 183,042,647</u>

34.3. The Group recognized the net amount of cash inflows and outflows from financial instruments with the large amount, high frequencies and short maturities.