# IMPORTANT NOTICE

**THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS WITH ADDRESSES OUTSIDE OF THE U.S.**

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular (the "**offering circular**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the following offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S ("**REGULATION S**") UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE RELEVANT SECURITIES. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

THE SECURITIES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED, DELIVERED, OR SOLD, DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF KOREA ("**KOREA**") OR TO ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND RULES AND REGULATIONS PROMULGATED THEREUNDER) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, DURING THE FIRST YEAR AFTER THE ISSUANCE OF THE SECURITIES, THE SECURITIES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A KOREAN QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN THE REGULATION ON SECURITIES ISSUANCE AND PUBLIC DISCLOSURE, ETC. OF KOREA, A "**KOREAN QIB**") WHO IS REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NO MORE THAN 20% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES.

**Confirmation of your Representation:** In order to be eligible to view the following offering circular or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing the following offering circular, you shall be deemed to have represented to us that (1) you are not a U.S. person nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and, to the extent you purchase the securities described in the following offering circular, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to the delivery of such offering circular and any amendments and supplements thereto by electronic transmission.

You are reminded that the following offering circular has been delivered to you on the basis that you are a person into whose possession the following offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following offering circular to any other person. If this is not the case, you must return this offering circular to us immediately.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Manager or any affiliate of the Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or affiliate on behalf of the Issuer in such jurisdiction.

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the issuer or the guarantor or Citigroup Global Markets Limited, Deutsche Bank AG, Hong Kong Branch, KB Securities Co., Ltd. or Merrill Lynch International (collectively, the "**Managers**"), or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from the Managers.

You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# Korean Air Lines Co., Ltd.

## US$300,000,000 4.750% Guaranteed Senior Unsecured Notes due 2029

## Unconditionally and Irrevocably Guaranteed by

## KOOKMIN BANK

*(incorporated with limited liability under the laws of the Republic of Korea)*

## Issue Price: 99.683%

The US$300,000,000 4.750% Guaranteed Senior Unsecured Notes due 2029 (the "**Notes**") will be issued by Korean Air Lines Co., Ltd. (the "**Issuer**") and unconditionally and irrevocably guaranteed by Kookmin Bank (the "**Guarantor**" or the "**Bank**," and such guarantee, the "**Guarantee**"). The Notes constitute direct, general and unconditional obligations of the Issuer which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law). The Guarantee relating to the Notes constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law).

The Notes will bear interest from and including August 11, 2026 (the "**Issue Date**") at a rate of 4.750% per annum. Interest will be payable semi-annually in arrear on February 11 and August 11 of each year (each an "**Interest Payment Date**," with the first Interest Payment Date on February 11, 2027 in respect of the period from and including the Issue Date to but excluding such Interest Payment Date). Unless previously redeemed or purchased and canceled, the Notes will be redeemed at their outstanding principal amount on the Interest Payment Date on August 11, 2029 (the "**Maturity Date**"). The Notes are subject to redemption in whole, but not in part, at their outstanding principal amount together with any accrued but unpaid interest thereon, in the event of certain changes to tax laws. See "*Terms and Conditions of the Notes — Redemption*."

**Investing in the Notes involves certain risks. See "*Risk Factors*" beginning on page 4.**

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering circular (the "**Offering Circular**"). Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor or the Notes.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S ("**Regulation S**") under the Securities Act), unless pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Notes and the Guarantee and the distribution of this Offering Circular, see "*Subscription and Sale*."

The Notes are expected to be rated "Aa3" by Moody's Ratings ("**Moody's**"). Such rating of the Notes does not constitute a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by such rating organization. Such rating should be evaluated independently of any other rating of the Notes, the Issuer's or Guarantor's other securities or the Issuer or Guarantor.

The Notes will initially be represented by beneficial interests in a global certificate (the "**Global Certificate**") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about August 11, 2026 with a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for interests in the Global Certificate.

***Joint Bookrunners and Joint Lead Managers***

| | |
|---|---|
| **BofA Securities** | **Citigroup** |
| **Deutsche Bank** | **KB Securities** |

The date of this Offering Circular is August 3, 2026.

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You should rely only on the information contained in this Offering Circular. None of the Issuer, the Guarantor or the Managers (as defined in "*Subscription and Sale*") has authorized anyone to provide you with information that is different or make any representation other than as contained in this Offering Circular in connection with the offering of the Notes. If anyone provides you with different or inconsistent information, you should not rely on it. The contents of the Issuer's and the Guarantor's websites do not form any part of this Offering Circular.

You should assume the information in this Offering Circular is accurate only as of the date of this Offering Circular or such other date as specified herein. The business, financial condition, results of operations and prospects of the Issuer or the Guarantor may have changed since that date. Neither the delivery of this Offering Circular nor any sale of the Notes made in connection with this Offering Circular will, under any circumstances, constitute a representation or create any implication that the information in this Offering Circular is correct as of any date subsequent to the date of this Offering Circular or that there have been no changes in the affairs of the Issuer or the Guarantor since the date of this Offering Circular. Statements contained in this Offering Circular as to the contents of any contract or other documents referred to in this Offering Circular may not set forth all of the terms and conditions of such contracts or other documents.

In making an investment decision, prospective investors must rely on their own examination of the Issuer and the Guarantor and the terms of the Notes and the Guarantee, including the merits and risks involved. Neither the Issuer nor the Guarantor is making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. This Offering Circular should not be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor or the Managers that any recipient of this Offering Circular should purchase the Notes. You should not construe the contents of this Offering Circular as legal, business, accounting or tax advice. You should consult your own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Notes.

The Issuer and the Guarantor have furnished the information contained in this Offering Circular. The Managers have not separately verified the information contained or incorporated by reference in this Offering Circular. No representation, undertaking or warranty, express or implied, is made by the Managers or any of their respective directors, officers, employees, agents, affiliates or advisers as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Managers or any of their respective affiliates or advisers. The Managers assume no responsibility for any acts or omissions of the Issuer or the Guarantor or any other person (other than the relevant Managers) in connection with the issue and offering of the Notes or for the accuracy, adequacy, reasonableness or completeness of any of the information contained in this Offering Circular or any other information (financial, legal or otherwise) provided by the Issuer or the Guarantor in connection with the issue or distribution of the Notes, the issue of the Guarantee or the future performance of the Notes or the Guarantee. To the fullest extent permitted by law, none of the Managers accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Managers or on its behalf in connection with the Issuer, the Guarantor, the Guarantee or the issue and offering of the Notes. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Circular or any such statement. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers or any of their affiliates or advisers in connection with investigation of the accuracy of such information or such person's investment decisions.

The Notes and the Guarantee have not been registered with or approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular.

This Offering Circular may only be used where it is legal to sell the Notes. None of the Issuer, the Guarantor and the Managers is making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. This Offering Circular may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular may come must inform themselves about and observe these relevant restrictions. No action is being taken in any jurisdiction to permit an offering to the general public of the Notes or the distribution of this Offering Circular in any jurisdiction where action would be required for those purposes.

This Offering Circular is confidential. This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes described in this Offering Circular. This Offering Circular is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Notes. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized and any disclosure of any of its contents or use of such information for any purpose other than making an investment decision, without the prior written consent of the Issuer and the Guarantor, is prohibited. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing.

The Notes are subject to restrictions on transferability and may not be transferred or resold except as permitted under applicable U.S. federal and state securities laws pursuant to a registration statement or an exemption from registration. Any investor who purchases the Notes will be deemed to have made acknowledgments, representations, warranties and agreements intended to restrict the resale or other transfer of the Notes, as set forth under "Subscription and Sale — Transfer Restrictions." As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and ECPs only target market — Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**Important Notice to Prospective Investors**

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Managers, are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than a 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

**Notice to investors in Singapore**: By accepting this Offering Circular, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described herein.

**In connection with this offering, any of the Managers appointed and acting in its capacity as stabilization manager (the "Stabilization Manager") (or person(s) acting on its behalf) may, subject to all applicable laws, rules and regulations, over-allot Notes or effect transactions that stabilize or maintain the market price of the Notes at a higher level than the Notes might otherwise achieve in the open market for a limited period of time after the Issue Date. However, there is no assurance that the Stabilization Manager (or person(s) acting on its behalf) will undertake stabilization action. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period. For a description of these activities, see "*Subscription and Sale*."**

## ENFORCEABILITY OF CIVIL LIABILITIES

The Guarantor is a corporation with limited liability organized under the laws of Korea. All of the officers and directors of the Guarantor named in this Offering Circular reside in Korea, and all or a substantial portion of the assets of the Guarantor and of such officers and directors are located outside the United States.

As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or the Guarantor in U.S. courts judgments predicated upon civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws.

## AVAILABLE INFORMATION

Copies of the Fiscal Agency Agreement dated August 11, 2026 (the "**Fiscal Agency Agreement**") will be on file and available for inspection at the specified office of the Fiscal Agent (as defined in this Offering Circular) upon prior written request during normal office hours. In accordance with the Notes and the Fiscal Agency Agreement, the Fiscal Agent also will make available for inspection by holders of the Notes or, in certain cases, arrange for the mailing to such holders, certain documents or communications received from the Issuer or the Guarantor, as the case may be. See "*Terms and Conditions of the Notes*."

## PRESENTATION OF FINANCIAL INFORMATION

Each of the Issuer and the Guarantor maintains its financial books and records and prepares its financial statements in Won in accordance with International Financial Reporting Standards as adopted by Korea ("**Korean IFRS**"). The Issuer's consolidated financial statements and information as of and for the years ended December 31, 2025 and 2024 and as of and for the three months ended March 31, 2026 and 2025 included in this Offering Circular have been prepared in accordance with Korean IFRS. Unless otherwise stated, the financial data of the Guarantor contained in this Offering Circular as of and for the years ended December 31, 2025 and 2024 and as of March 31, 2026 and for the three-month periods ended March 31, 2026 and 2025 are derived from the Guarantor's audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024 and its unaudited consolidated interim financial statements as of March 31, 2026 and for the three-month periods ended March 31, 2026 and 2025, respectively, which have been prepared in accordance with Korean IFRS.

## CERTAIN DEFINED TERMS AND CONVENTIONS

All references to the "Issuer" in this Offering Circular are references to Korean Air Lines Co., Ltd. and its consolidated subsidiaries collectively, as required or as indicated by the context. All references to the "Bank" or the "Guarantor" in this Offering Circular are references to Kookmin Bank or Kookmin Bank and its consolidated subsidiaries collectively, as required or as indicated by the context.

All references to "Korea" contained in this Offering Circular are references to The Republic of Korea. All references to the "Government" are references to the government of Korea. All references to "U.S." and the "United States" are references to the United States of America. All references to "Singapore" are references to the Republic of Singapore. In this Offering Circular, all references to "Won" or "₩" are to the lawful currency of Korea, all references to "U.S. dollar" or "US$" are to the lawful currency of the United States, all references to "Euro" are to the lawful currency of the European Union, all references to "Japanese Yen" are to the lawful currency of Japan and all references to "Chinese Renminbi" are to the lawful currency of People's Republic of China. For the reader's convenience, certain Won amounts in this Offering Circular have been translated into U.S. dollars at the market average exchange rate, announced by Seoul Money Brokerage Services, Ltd. in Seoul, between Won and dollars, rounded to the nearest tenth of one Won (the "**Market Average Exchange Rate**") on December 31, 2025, which was ₩1,434.9 to US$1.00. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate, or at all. For historical information regarding the rate of exchange between the Won and the U.S. dollar, see "*Exchange Rates*." In this Offering Circular, where information has been prepared in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, actual numbers may differ from those contained herein due to rounding. All discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

## FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain "forward-looking statements" that are based on the Issuer's or the Guarantor's current expectations, assumptions, estimates and projections about the industries that the Issuer and Guarantor are in. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "estimate", "expect", "intend", "target", "seek", "aim", "contemplate", "project", "plan", "goal", "should" and similar expressions or the negatives thereof. Those statements include, among other things, the discussions of the Issuer's and the Guarantor's business strategy and expectations concerning their market position, future operations, cash flows, margins, profitability, liquidity and capital resources. Reliance on any forward-looking statement involves risks and uncertainties, and although the Issuer and the Guarantor believe that the assumptions on which the forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. The uncertainties in this regard include, but are not limited to, those identified in the "Risk Factors." In light of these and other uncertainties, you should not conclude that the Issuer or the Guarantor will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. Neither the Issuer nor the Guarantor will undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances, except as required by law.

## SUMMARY

*The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Notes, see "Terms and Conditions of the Notes" in this Offering Circular (the "**Conditions**"). Terms used and not otherwise defined in this summary have the meaning given to them in the Conditions.*

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|---|---|
| **Issuer** | Korean Air Lines Co., Ltd., a corporation with limited liability established under the laws of the Republic of Korea. |
| **Notes** | US$300,000,000 4.750% Guaranteed Senior Unsecured Notes due 2029. |
| **Guarantor** | Kookmin Bank, a bank incorporated under the laws of Korea. |
| **Guarantee** | The Guarantor has given for the benefit of the Holders of the Notes an unconditional and irrevocable guarantee for the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes as and when the same shall become due according to the Conditions.<br><br>The Guarantee relating to the Notes constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law). The Guarantee will remain in full effect until the earlier of (i) when all of the obligations in respect of the Notes shall have been paid in full and (ii) the Maturity Date. |
| **Issue Price** | 99.683% |
| **Issue Date** | August 11, 2026. |
| **Interest Commencement Date** | August 11, 2026. |
| **Interest Payment Dates** | February 11 and August 11 of each year, commencing on February 11, 2027 and up to and including August 11, 2029, each subject to the following business day convention. |
| **Rate of Interest** | 4.750% per annum, from and including, the Issue Date to, but excluding, the Maturity Date, payable semi-annually in arrear. |
| **Day Count Fraction** | 30/360. |
| **Maturity Date** | August 11, 2029. |
| **Form and Denomination** | The Notes will be issued in registered form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.<br><br>Upon issue, the Global Certificate will be deposited with, and registered in the name of a nominee of, a common depositary for, Euroclear and Clearstream. |

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| **Redemption at Maturity** | Unless previously redeemed or purchased and canceled, the Notes will be redeemed at their outstanding principal amount on the Maturity Date. |
| **Redemption for Tax Reasons** | The Issuer may redeem the Notes in whole, but not in part, at their outstanding principal amount together with any accrued but unpaid interest thereon, in the event that the Issuer is obliged to pay Additional Amounts as provided in Condition 8.1. |
| **Taxation** | All payments in respect of the Notes by or on behalf of the Issuer or, as the case may be, the Guarantor, will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, as defined in Condition 16, unless the withholding or deduction of such taxes is required by law. In that event, subject to certain exceptions, the Issuer or, as the case may be, the Guarantor, will pay such Additional Amounts as may be necessary in order that the net amounts received by the Holders after the withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of the withholding or deduction as described in Condition 8. |
| **Negative Pledge** | The Notes will contain a negative pledge provision given by the Issuer as described in Condition 3.2. |
| **Status of the Notes** | The Notes will constitute direct, general and unconditional obligations of the Issuer which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law). |
| **Governing Law** | The Notes and the Guarantee will be governed by, and construed in accordance with, the laws of the State of New York. |
| **Rating** | The Notes are expected to be rated "Aa3" by Moody's. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by the assigning rating organization. |
| **Fiscal Agent** | Citicorp International Limited |
| **Paying Agent, Transfer Agent and Registrar** | Citibank, N.A., London Branch |
| **Listing** | Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000. |
| **Use of Proceeds** | The Issuer expects to use the net proceeds from the Offering for general corporate purposes. See "*Use of Proceeds*." |

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| **Selling Restrictions** | The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. For additional selling restrictions in relation to other jurisdictions, see "*Subscription and Sale*." |
| **Clearance and Settlement** | The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes:<br><br>ISIN: XS3458340877<br><br>Common Code: 345834087<br><br>The Legal Entity Identifier (LEI) of the Issuer is 988400C2UFBF4B660C58. |

# RISK FACTORS

*Prospective purchasers of the Notes should carefully review the information contained in this Offering Circular, including in particular the following matters.*

## Risks Relating to the Bank's Retail Credit Portfolio

***Future changes in market conditions as well as other factors may lead to increases in delinquency levels of the Bank's retail loan portfolio.***

For most of the recent past, consumer debt has increased significantly in Korea. The Bank's portfolio of retail loans on a separate basis, including mortgage and home equity loans, increased from ₩166,906 billion as of December 31, 2023 to ₩177,227 billion as of December 31, 2024 and ₩183,882 billion as of December 31, 2025. As of December 31, 2025, on a separate basis, the Bank's retail loans represented 44.1% of the Bank's total lending. On a separate basis, within the Bank's retail loan portfolio, the outstanding balance of other consumer loans, which unlike mortgage or home equity loans are often unsecured and therefore tend to carry a higher credit risk, amounted to ₩43,391 billion as of December 31, 2023, ₩42,897 billion as of December 31, 2024 and ₩42,907 billion as of December 31, 2025; such amounts represented 26.0%, 24.2% and 23.3% of the Bank's total outstanding retail loans on a separate basis as of December 31, 2023, 2024 and 2025, respectively. The Bank's retail lending business, which generally offers higher margins than other lending activities, has contributed significantly to its interest income and profitability in recent years.

The growth of the Bank's retail loan portfolio in most of the recent past, together with fluctuating economic conditions in Korea and globally in recent years, has led to increases in delinquency levels and a deterioration in asset quality. On a separate basis, the amount of the Bank's non-performing retail loans (defined as those loans that are past due by 90 days or more) was ₩237 billion as of December 31, 2023, ₩260 billion as of December 31, 2024 and ₩315 billion as of December 31, 2025. Higher delinquencies in the Bank's retail loan portfolio in the future will require the Bank to increase its loan loss provisions and charge-offs, which in turn will adversely affect its financial condition and results of operations.

The Bank's large exposure to consumer debt means that it is exposed to changes in economic conditions affecting Korean consumers. Accordingly, economic difficulties in Korea that hurt consumers could result in a deterioration in the credit quality of the Bank's retail loan portfolio. For example, a rise in unemployment or an increase in interest rates could adversely affect the ability of consumers to make payments and increase the likelihood of potential defaults, while reducing demand for retail loans. See "*— Risks Relating to Korea — Unfavourable financial and economic developments in Korea may have an adverse effect on the Bank.*" Despite the Bank's efforts to minimise its risk as a result of such exposure, there is no assurance that it will be able to prevent significant credit quality deterioration in its retail loan portfolio.

In addition, the Bank is exposed to changes in regulations and policies on retail lending by the Korean government (the "**Government**"), which may adopt measures to restrict retail lending or encourage financial institutions to provide financial support to certain types of retail borrowers. From the second half of 2016 to 2021, the Government introduced various measures to tighten regulations on mortgage and other lending and housing subscription in response to the rapid growth in consumer debt and concerns over speculative investments in real estate in certain areas. The Government subsequently relaxed some of these measures by introducing a number of policy measures that seek to sustain housing prices and activity levels in the Korean real estate market, in light of an overall decrease in housing prices over the course of 2022. However, in recent years, the Government began tightening regulations again in response to the continued rise in the level of consumer debt, most recently in October 2025. Housing prices in Korea fluctuated throughout 2025, with prices increasing in certain areas while decreasing in others. Any sudden changes in housing prices, including as a result of the implementation

of such measures, together with the high level of consumer debt and higher interest rate levels, could result in declines in consumer spending and reduced economic growth, which may lead to an increase in the delinquency level of the Bank's retail loan portfolio.

The Government has also led a number of initiatives for Korean banks, including the Bank, aimed at enhancing the debt-servicing capacity of borrowers. For example, a pre-workout program provides maturity extensions and/or interest reductions to certain eligible retail borrowers with outstanding short-term debt in default. Such borrowers must have total loans of ₩1.5 billion or less (consisting of no more than ₩500 million of unsecured loans and ₩1 billion of secured loans) from one or more financial institutions and must meet certain requirements relating to the length of time such borrowers have been delinquent in their payments. The Bank's participation in such programs may lead to a decrease in its interest income on its outstanding loans, as well as in its overall net interest margin.

**Risks Relating to the Bank's Small- and Medium-Sized Enterprise ("SME") Loan Portfolio**

***The Bank has significant exposure to SMEs, and any financial difficulties experienced by these customers may result in a deterioration of the Bank's asset quality and have an adverse impact on the Bank.***

One of the Bank's core businesses is lending to SMEs. The Bank's loans to SMEs increased from ₩138,259 billion as of December 31, 2023 to ₩151,731 billion as of December 31, 2025. During that period, non-performing loans (defined as those loans that are past due by 90 days or more) to SMEs increased from ₩145 billion to ₩358 billion. The non-performing loan ratio for such loans was 0.2% as of December 31, 2025. However, the Bank's non-performing loans and non-performing loan ratio may further increase in the future. According to data compiled by the Korea Federation of Banks, the delinquency ratio for Won currency loans by Korean commercial banks to SMEs was 0.6% as of December 31, 2025. The delinquency ratio for Won currency loans to SMEs is calculated as the ratio of (1) the outstanding balance of such loans in respect of which either principal or interest payments are overdue by one month or more to (2) the aggregate outstanding balance of such loans. The Bank's delinquency ratio for such loans was 0.3% as of December 31, 2023, 0.4% as of December 31, 2024 and 0.4% as of December 31, 2025. The Bank's delinquency ratio for such Won currency loans may further increase in the future.

A substantial part of the Bank's SME lending comprises loans to "small office/home office" customers ("**SOHOs**"). SOHOs, which the Bank currently defines to include sole proprietorships and individual business interests, are usually dependent on a limited number of suppliers or customers. SOHOs tend to be affected to a greater extent than larger corporate borrowers by fluctuations in the Korean economy. In addition, many SMEs have close business relationships with the largest Korean commercial conglomerates, known as "*chaebols*," primarily as suppliers. Any difficulties encountered by those *chaebols* would likely hurt the liquidity and financial condition of related SMEs, including those to which the Bank has exposure, also resulting in an impairment of their ability to repay loans. Furthermore, SOHOs often maintain less sophisticated financial records than other corporate borrowers. Although the Bank continues to make efforts to improve its internally developed credit rating systems to rate potential borrowers, particularly with respect to SOHOs, and intends to manage its exposure to these borrowers closely in order to prevent any deterioration in the asset quality of the Bank's loans to this segment, the Bank may not be able to do so as intended.

In recent years, the Bank has taken measures which sought to stem rising delinquencies in its loans to SMEs, including through strengthening of the review of loan applications and closer monitoring of the post-loan performance of SME borrowers in industry sectors that are relatively more sensitive to downturns in the economy and have shown higher delinquency ratios, such as the shipping, construction, lodging, retail and wholesale, restaurants and real estate development and supplier industries. Despite such efforts, however, there is no assurance that delinquency levels of the Bank's loans to SMEs will not rise in the future. In particular, financial difficulties experienced by SMEs as a result of, among other things, adverse economic conditions in Korea and globally, as well as aggressive

marketing and competition among banks to lend to this segment, may lead to a deterioration in the asset quality of the Bank's loans to this segment in the future. Any such deterioration would result in increased charge-offs and higher provisioning and reduced interest and fee income from this segment, which would have an adverse impact on the Bank's financial condition and results of operations.

***The Bank has exposure to the Korean real estate project financing, construction, shipbuilding and shipping sectors, and financial difficulties of companies involved in these sectors may have an adverse impact on the Bank.***

As of December 31, 2025, on a separate basis, the Bank had loans outstanding to real estate project financing, construction (most of which are SMEs), shipbuilding and shipping companies in the amount of ₩5,760 billion, ₩4,157 billion, ₩452 billion and ₩64 billion, or 1.4%, 1.0%, 0.1% and 0.0% of its total loans, respectively.

The Bank also has other exposures to Korean real estate project financing, construction, shipbuilding and shipping companies, including in the form of guarantees extended on behalf of such companies and debt and equity securities of such companies held by the Bank. In the case of real estate project financing, such exposures include purchase guarantees, where the Bank subscribes for securities issued by entities in need of project financing to the extent such securities constitute remaining portions that have not been sold to other investors, as well as payment guarantees, where the Bank guarantees the payments of principal and interest on securities issued by such entities, which expose the Bank to credit risk as well as liquidity risk. In the case of construction companies, such exposures include guarantees provided to the Bank by general contractors with respect to financing extended by the Bank for residential and commercial real estate development projects. In the case of shipbuilding companies, such exposures include refund guarantees extended by the Bank on behalf of shipbuilding companies to cover their obligation to return a portion of the ship order contract amount to customers in the event of performance delays or defaults under shipbuilding contracts.

The construction industry in Korea has undergone significant fluctuations in recent years. After undergoing a period of prosperity from 2015 to 2018, the construction industry experienced stagnation from 2019 to 2020, caused mainly by the uncertainty resulting from the Government's strengthening of mortgage and other lending regulations to control the rising real property prices, as well as temporary suspensions in construction projects due to the COVID-19 pandemic. After a brief period of recovery, the construction industry has experienced a rapid downturn starting in the second half of 2022, caused by a rise in interest rates and the resulting decline in demand for residential property throughout Korea, adverse changes in the price and availability of construction materials due to disruptions in global supply chains caused by, among others, the Russia-Ukraine war, and financing difficulties faced by construction companies as investors became reluctant to invest in real estate. Such downturn in the construction industry, which continued through 2025, has also resulted in a similar downturn for the real estate project financing industry. The prospects for these industries remain uncertain, among others, due to the decline in the number of new construction projects.

The shipbuilding industry in Korea has also fluctuated significantly in recent years, with a long period of severe downturn followed by rapid growth since 2022, which has continued through 2025, resulting from an increase in demand for large container ships and high-priced environmentally friendly ships, including liquefied natural gas carriers. Such growth is expected to continue in 2026 as its backlog of orders is converted into actual revenue, aided by high ship prices and a depreciation of the Won. While recent shipbuilding initiatives by the United States and the geopolitical tensions between the United States and China have contributed to a favorable near-term outlook, the long-term prospects for this industry remain uncertain. Factors such as a potential "peak-out" in demand for new ships, rising shipbuilding costs, ongoing competition from shipbuilding companies in China and escalations in trade protectionism continue to pose significant risks to the industry's sustained growth.

Shipping companies in Korea have also experienced significant fluctuations in recent years. The shipping industry experienced a severe downturn in 2020 resulting from the COVID-19 pandemic and the ensuing global lockdown. Following a brief period of recovery as consumer spending and global trade returned to pre-pandemic levels, it has again experienced a downturn since 2022 arising from, among others, a deteriorating global economy, escalations in trade protectionism, an increase in global military conflicts, decreases in shipping volume and freight rates and the strengthening of international shipping regulations.

The allowances that the Bank has established against its credit exposures to companies involved in the Korean real estate project financing, construction, shipbuilding and shipping sectors may not be sufficient to cover all future losses arising from such exposures. If the asset quality of the Bank's exposures to such companies declines further, the Bank may incur substantial additional provisions (including in connection with restructurings of such companies) and charge-offs, which could adversely impact its results of operations and financial condition. See "*— Risks Relating to the Bank's Large Corporate Loan Portfolio — The Bank has exposure to large corporate borrowers that are currently or may in the future be put in restructuring, and the Bank may suffer losses as a result of additional loan loss provisions being required and/or the adoption of restructuring plans with which it does not agree*." Furthermore, although a portion of the Bank's credit exposures to real estate project financing, construction, shipbuilding and shipping companies are secured by collateral, such collateral may not be sufficient to cover uncollectible amounts in respect of such credit exposures. See "*— Other Risks Relating to the Bank's Business — A decline in the value of the collateral securing the Bank's loans and the Bank's inability to realise full collateral value may adversely affect its credit portfolio*."

**Risks Relating to the Bank's Strategy**

***Although increasing its fee income is an important part of the Bank's strategy, the Bank may not be able to do so.***

The Bank has historically relied on interest income as its primary revenue source. While the Bank has developed new sources of fee income as part of its business strategy, the Bank's ability to increase its fee income and thereby reduce its dependence on interest income will be affected by the extent to which the Bank's customers generally accept the concept of fee-based services. Historically, customers in Korea have generally been reluctant to pay fees in return for value-added financial services, and their continued reluctance to do so will adversely affect the implementation of the Bank's strategy to increase its fee income. Furthermore, the fees that the Bank charges to customers are subject to regulation by Korean financial regulatory authorities, which may seek to implement regulations or measures that may also have an adverse impact on the Bank's ability to achieve this aspect of the Bank's strategy.

***The Bank may suffer customer attrition or the Bank's net interest margin may decrease as a result of government regulations or its competition strategy.***

The Bank has pursued a strategy of enhancing its margins by maximizing its net interest spreads, which represent the difference between the average yield on its interest-earning assets and the average cost of its interest-bearing liabilities. The Bank may need to adjust such strategy, however, if there are any changes in the competitive landscape or government regulations, in order to comply with such government regulations or pursue a more effective competition strategy in order to minimize customer attrition.

For example, the successive increases in interest rates in Korea from August 2021 to the first quarter of 2023 led to a significant increase in the net interest spreads reported by many Korean banks, including the Bank, as the rise in interest rates for loans outpaced the rise in interest rates for deposit products due to the relatively shorter repricing cycle of loans compared to that of deposits. Although the Bank of Korea (the "**BOK**") began lowering its policy rate in October 2024, the net interest spreads of Korean banks remain relatively high. See "*—Significant changes in interest rates could adversely affect the Bank's business, financial condition and results of operations*." As such increase in net interest spreads and the high levels of profits realized by Korean banks became a point of public interest, the

Government and the Financial Services Commission (the "**FSC**") have pursued various measures to increase competition among financial institutions in Korea. Such measures could force the Bank to compete to a greater extent based on interest rates, which could lead to a decrease in its net interest margins. In addition, if other banks and financial institutions adopt a strategy of expanding market share through interest rate competition, the Bank may suffer customer attrition due to rate sensitivity. See " — *Competition in the Korean banking industry is intense, and the Bank may lose market share and experience declining margins as a result*."

Although it is not possible to predict what, if any, new regulations will ultimately be imposed on the Bank and the financial industry, such regulations could reduce the Bank's profit margins, limit its operational flexibility and increase competition, which, in turn, could have a materially adverse effect on its results of operations and financial condition.

**Risks Relating to the Bank's Competition**

***Competition in the Korean banking industry is intense, and the Bank may lose market share and experience declining margins as a result.***

Competition in the Korean banking industry has been and is likely to remain intense. Some of the banks that the Bank competes with have greater financial resources or more specialised capabilities than the Bank. In the retail and SME lending business, which has been the Bank's traditional core business, competition is expected to continue to increase. Although most Korean banks had generally been increasing their exposure to large corporate borrowers, they have recently begun to increasingly focus on retail customers and SMEs again, and have been focusing on developing fee income businesses, including bancassurance, as increasingly important sources of revenue. In addition, the profitability of the Bank's retail banking operations may decline as a result of growing market saturation in the retail lending segment, increased interest rate competition and higher marketing expenses. Intense and increasing competition has made and continues to make it more difficult for the Bank to secure retail and SME customers with the credit quality and on credit terms necessary to achieve the Bank's business objectives in a commercially acceptable manner.

In addition, companies in the banking and financial industries have increasingly adopted new technologies, including artificial intelligence and data science, to provide innovative services to their customers and differentiate themselves from competitors. The Bank's failure to adopt such technologies in a timely and competitive manner could negatively impact its market share and profitability. For example, the introduction of Internet-only banks in Korea has led to an increase in competition in the Korean banking industry. Internet-only banks operate without branches and conduct most of their operations through electronic means, which enables them to minimise costs and offer customers higher interest rates on deposits or lower lending rates. In April 2017, Kbank, the first Internet-only bank in Korea, commenced operations. Kakao Bank, another Internet-only bank, in which the Bank held a 4.9% equity interest as of December 31, 2025, commenced operations in July 2017, while Toss Bank, another Internet-only bank, commenced operations in October 2021. In recent years, the FSC announced various measures designed to encourage competition within the banking industry, including its intention to issue more banking licenses (including those for Internet-only banks) and actively permitting the conversion of existing regional or savings banks into nationwide commercial banks. For example, in May 2024, the FSC approved DGB Daegu Bank's application to convert from a regional bank into a nationwide commercial bank. DGB Daegu Bank subsequently became Korea's seventh commercial bank and rebranded itself as iM Bank in June 2024.

In addition, the Bank believes that various structural changes to the Korean financial investment industry in recent years are likely to lead to increased competition among financial institutions in Korea. For example, an increase in foreign investments made by Korean investors and the emergence of alternative trading systems in recent years have been reshaping the Korean financial investment market, as well as the competitive strategies of financial institutions. An increase in the overall trading volumes of these investments in recent years has prompted certain securities firms to offer very low commission

rates on foreign investments to capitalize on such increase, thereby further intensifying competition. In March 2025, Nextrade emerged as the first alternative to the Korea Exchange, offering extended trading hours and lower fees, although its operations remain subject to certain regulatory restrictions.

Furthermore, a number of significant mergers and acquisitions in the financial industry have taken place in Korea in recent years, including Hana Financial Group's acquisition of a controlling interest in Korea Exchange Bank in 2012 and the subsequent merger of Hana Bank into Korea Exchange Bank in 2015. In addition, as part of the Government's plans to privatise Woori Finance Holdings Co., Ltd. (the former financial holding company of Woori Bank), certain subsidiaries of Woori Finance Holdings were sold to other financial institutions and Woori Finance Holdings itself was merged into Woori Bank in 2014, which established a new financial holding company, Woori Financial Group Inc., in January 2019.

The Bank expects that consolidation in the Korean financial industry may continue. The financial institutions resulting from such consolidation may, by virtue of their increased size and business scope, provide significantly greater competition for the Bank. The Bank and its parent, KB Financial Group, intend to review potential acquisition opportunities as they arise. The Bank cannot guarantee that it will not be involved in any future mergers or acquisitions. The Bank also believes that foreign financial institutions, many of which have greater experience and resources than the Bank, may seek to compete with the Bank in providing financial products and services either by themselves or in partnership with existing Korean financial institutions. Increased competition and continuing consolidation may lead to decreased margins, resulting in a material adverse impact on the Bank's future profitability. Accordingly, the Bank's results of operations and financial condition may suffer as a result of increasing competition in the Korean financial industry.

**Risks Relating to the Bank's Large Corporate Loan Portfolio**

***The Bank has exposure to chaebols, and, as a result, financial difficulties of chaebols may have an adverse impact on the Bank.***

Of the Bank's 20 largest corporate exposures (including loans, debt and equity securities and guarantees and acceptances) as of December 31, 2025 on a separate basis, nine were to companies that were members of the 41 largest highly-indebted business groups among *chaebols* in Korea designated as such by the Financial Supervisory Service (the "**FSS**") based on their outstanding exposures. As of that date, on a separate basis, the total amount of the Bank's exposures to such largest highly-indebted business groups among *chaebols* was ₩40,926 billion, or 7.7% of the Bank's total exposures. If the credit quality of the Bank's exposures to *chaebols* declines as a result of financial difficulties they experience or for other reasons, the Bank could require substantial additional loan loss provisions, which would hurt its results of operations and financial condition.

The Bank cannot provide assurance that the allowances it has established against these exposures will be sufficient to cover all future losses arising from these exposures. In addition, with respect to those companies that are in or in the future enter into workout or liquidation proceedings, the Bank may not be able to make any recoveries against such companies. The Bank may, therefore, experience future losses with respect to those loans.

***The Bank has exposure to large corporate borrowers that are currently or may in the future be put in restructuring, and the Bank may suffer losses as a result of additional loan loss provisions being required and/or the adoption of restructuring plans with which it does not agree.***

As of December 31, 2025, on a separate basis, the Bank's loans and guarantees to large corporate borrowers that were in workout, restructuring or rehabilitation amounted to ₩69 billion or 0.02% of the Bank's total loans and guarantees, most of which were classified as impaired. As of the same date, on a separate basis, the Bank's allowances for credit losses on these loans and guarantees amounted to ₩60 billion, or 87.0% of these loans and guarantees. These allowances may not be sufficient to cover all future losses arising from the Bank's exposure to these companies. Furthermore, the Bank has other

exposure to such companies, in the form of debt and equity securities of such companies held by the Bank (including equity securities the Bank acquired as a result of debt-to-equity conversions). In addition, in the case of borrowers that are or become subject to workout or restructuring, the Bank may be forced to restructure its credits pursuant to restructuring plans approved by other creditor financial institutions of the borrower, or to dispose of the Bank's credits to other creditors on unfavourable terms.

In particular, as of December 31, 2025, the Bank had ₩10 billion of outstanding exposures to Taeyoung Engineering & Construction Co. ("**Taeyoung E&C**"), which had commenced workout procedures in January 2024. Pursuant to the workout procedures, the creditors of Taeyoung E&C, including the Bank, agreed to temporarily defer all of Taeyoung E&C's payment obligations. Subsequently, the Korea Development Bank, as the lead creditor, worked together with external consultants to evaluate Taeyoung E&C's ability to maintain its business and repay its loans. In April 2024, the Korea Development Bank proposed a corporate improvement plan to restructure Taeyoung E&C based on such evaluation, which would involve debt-to-equity swaps and capital reductions, among others, and the creditors approved such corporate improvement plan, following which the Korea Development Bank entered into an agreement with Taeyoung E&C to implement such plan. The term of such agreement is three years, and is expected to expire in May 2027.

***A large portion of the Bank's credit exposure is concentrated in a relatively small number of large corporate borrowers, which increases the risk of the Bank's corporate credit portfolio.***

As of December 31, 2025, the Bank's loans and guarantees to its 20 largest borrowers totalled ₩16,841 billion and accounted for 3.9% of the Bank's total loans and guarantees. As of that date, the Bank's single largest corporate credit exposure was to HD Hyundai Heavy Industries Co., Ltd., to which the Bank had outstanding loans (in Won and other currencies) of ₩1,513 billion, representing 0.3% of the Bank's total loans and guarantees. Any deterioration in the financial condition of HD Hyundai Heavy Industries Co., Ltd. or the Bank's other large corporate borrowers, and certain sectors of the manufacturing industry, may require the Bank to record substantial additional provisions and charge-offs and may have a material adverse impact on its results of operations and financial condition.

**Other Risks Relating to the Bank's Business**

***Unfavourable changes in the global financial markets could adversely affect the Bank's results of operations and financial condition.***

The overall prospects for the Korean and global economy in 2026 and beyond remain uncertain. In recent years, the global financial markets have experienced significant volatility as a result of, among other things:

- escalations in trade protectionism globally and geopolitical tensions in East Asia and the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel);
- the occurrence of severe health epidemics, such as the COVID-19 pandemic;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- interest rate fluctuations as well as perceived or actual changes in policy rates, or other monetary and fiscal policies set forth, by the U.S. Federal Reserve and other central banks;
- a rise in inflation rates and volatility in stock markets and exchange rates worldwide;
- increased uncertainties in the global financial markets and industry, including difficulties faced by several banks in the United States and Europe;

- a deterioration in economic and trade relations between the United States and its trading partners, including as a result of the imposition of significant tariffs by the United States on its trading partners, which has been followed by retaliatory tariffs in some cases;

- financial and social difficulties affecting many countries worldwide, in particular in Latin America and Europe;

- the slowdown of economic growth in China and other major emerging market economies; and

- political and social instability in various countries in the Middle East, including Yemen, Iran, Syria and Iraq.

In light of the high level of interdependence of the global economy, unfavourable changes in the global financial markets, including as a result of any of the foregoing developments, could have a material adverse effect on the Korean economy and financial markets. In addition, in certain circumstances of emergency affecting domestic and global economic conditions, the Government may impose certain restrictions or obligations on banks, including the Bank, pursuant to the Foreign Exchange Transactions Act of Korea in an effort to stabilise the Korean economy. Such restrictions or obligations may also have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank is also exposed to adverse changes and volatility in the global and Korean financial markets as a result of the Bank's liabilities and assets denominated in foreign currencies and the Bank's holdings of trading and investment securities, including structured products. The value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has fluctuated significantly in recent years and has been subject to significant volatility as a result of the COVID-19 pandemic, the Russia-Ukraine war and the ensuing sanctions against Russia, the hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel, the difference in policy rates between the United States and Korea and, more recently, the political situation in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, among others. A depreciation of the Won will increase the Bank's cost in Won of servicing the Bank's foreign currency-denominated debt, while continued exchange rate volatility may also result in foreign exchange losses for the Bank. Furthermore, as a result of the deterioration in global and Korean economic conditions, there have been fluctuations in securities prices, including the stock prices of Korean and foreign companies in which the Bank holds an interest. Such developments have resulted in and may lead to further trading and valuation losses on the Bank's trading and investment securities portfolio as well as impairment losses on its investments accounted for under the equity method. See "*— Risks Relating to the Bank's Liquidity and Capital Management — Significant changes in interest rates could adversely affect the Bank's business, financial condition and results of operations*."

***Adverse developments affecting the financial services industry, including events or concerns involving liquidity of financial institutions, could adversely affect the Bank's business, financial condition or results of operations.***

In early 2023, difficulties at several banks in the United States and Europe caused uncertainty for financial services companies, in particular the banking sector, and fear of instability in the global financial system generally, including in Korea. Such difficulties were caused, among others, by rising levels of inflation rates and rapid increases in interest rates, which have led to declines in the values of previously issued government securities held by such banks. Although the relevant financial authorities have intervened directly and indirectly in notable cases, there is a risk that other financial institutions could face difficulties, including from contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps regulators would take, if any, in the event of further bank difficulties or continuing (or increasing) market distress. Many financial institutions have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors

have withdrawn, or could withdraw in the future, significant sums from their accounts at these institutions, often at a rapid pace through digital bank runs. Any negative perceptions resulting from such developments concerning the soundness of savings banks, Internet-only banks or the banking system generally in Korea could impact where customers choose to maintain deposits, which could lead certain banks in Korea to experience closure or other significant distress. If any such events occur in the future, the Government has in the past and may in the future require the Bank, as one of the largest banks in Korea, to intervene, which could strain the Bank's resources, divert its management's attention and have an adverse impact on its results of operations and financial condition.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect the financial services industry generally or financial institutions, transactional counterparties or other companies in the financial services industry, or concerns or rumors about any events of these kinds or other similar risks, may in the future lead to market-wide liquidity problems or increase the Bank's risk in various dealings with its counterparties, among others. If, as a result of such developments, any parties with whom the Bank conducts business are unable to access their deposits with a distressed financial institution or any of their other funds loaned to such distressed financial institution, including through financial instruments or lending arrangements, such parties' credit quality, ability to pay their obligations to the Bank, or to enter into new commercial arrangements requiring additional payments to the Bank could be adversely affected. In addition, the Bank's ability to access funding sources and other arrangements in amounts adequate to finance or capitalize its current and projected future business operations could also be affected by such disruptions or instability in the financial services industry or financial markets. Furthermore, the Bank could be impacted by current or future negative perceptions and expectations about the prospects for the financial services industry, which could worsen over time and result in downward pressure on, and continued or accelerated volatility of, bank securities. Any of these developments resulting from the general instability of the financial services industry could materially adversely impact the Bank's results of operations and financial condition.

***The Bank's business may be materially and adversely affected by legal claims and regulatory actions against the Bank.***

The Bank is subject to the risk of legal claims and regulatory actions in the ordinary course of its business, which may expose the Bank to substantial monetary damages and legal costs, injunctive relief, criminal and civil penalties, sanctions against the Bank's management and employees and regulatory restrictions on its operations, as well as significant reputational harm. See "*The Bank — Legal Proceedings*."

The Bank is unable to predict the outcome of the legal claims and regulatory actions in which it is involved, and the scope of the claims or actions or the total amount in dispute in such matters may increase. Furthermore, adverse final determinations, decisions or resolutions in such matters could encourage other parties to bring related claims and actions against the Bank. Accordingly, the outcome of current and future legal claims and regulatory actions, particularly those for which it is difficult to assess the maximum potential exposure or the ultimate adverse impact with any degree of certainty, may materially and adversely impact the Bank's business, reputation, results of operations and financial condition.

***The Bank's risk management system may not be effective in mitigating risk and loss, including operational risk.***

The Bank seeks to monitor and manage its risk exposure through a broad risk management platform, encompassing a multi-layered risk management governance structure, reporting and monitoring systems, early warning systems, credit risk management systems for the Bank's banking operations and other risk management infrastructure, using a variety of risk management strategies and techniques. See "*Risk Management of the Bank*." However, there can be no assurance that the Bank's risk management efforts will be effective in mitigating its risk and loss, especially since such risk management strategies and techniques employed by the Bank and the judgments that accompany their application cannot anticipate

the economic and financial outcome in all market environments, and many of the Bank's risk management strategies and techniques have a basis in historical market behaviour that may limit the effectiveness of such strategies and techniques in times of significant market stress or other unforeseen circumstances. Furthermore, the Bank's risk management strategies may not be effective in a difficult or less liquid market environment, as other market participants may be attempting to use the same or similar strategies as the Bank to deal with such market conditions. In such circumstances, it may be difficult for the Bank to reduce its risk positions due to the activity of such other market participants.

The Bank also seeks to identify and manage its exposure to operational risk, which it defines broadly to include all financial and non-financial risks, other than credit risk, market risk, interest rate risk and liquidity risk, that may arise from its operations that could negatively impact its capital, including the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events as defined under Basel III. In addition to the Bank's internal audits and inspections, the FSS conducts general annual audits of the Bank's operations, as well as special audits and investigations as the need arises on particular aspects of its operations, such as risk management, internal control, credit monitoring and liquidity. Supplementally, pursuant to certain amendments made to the Act on the Corporate Governance of Financial Companies aimed at strengthening the internal control systems of financial companies in Korea, which became effective in July 2024, the Bank established an internal control committee under its board of directors in December 2024. Such committee is responsible for establishing and amending the Bank's strategies and standards relating to internal control and overseeing their proper implementation, among others. In the ordinary course of its audits or investigations, the FSS routinely issues warning notices where it determines that a regulated financial institution or such institution's employees have failed to comply with the applicable laws or rules, regulations and guidelines of the FSS. The Bank has in the past received, and may in the future receive, such notices, and it has taken and will continue to take appropriate actions in response to such notices. While the Bank intends to fully cooperate with the FSS in its audits and investigations and take any remedial measures as necessary, no assurance can be given that these remedial measures would be sufficient to prevent similar or more adverse operational risks from materializing.

***The Bank may suffer losses due to employee misconduct.***

The Bank's businesses are exposed to risk from potential non-compliance by its employees with policies or regulations, employee misconduct or negligence and fraud, which could result in civil, regulatory or criminal investigations, litigations and charges, regulatory sanctions and reputational or financial harm. For example, from time to time, the Bank's employees, including those of its subsidiaries, have been discovered to have engaged in various types of misconduct, including insider trading, embezzlement and fraud, among others. There can be no assurance that the Bank will be able to fully recoup any financial losses that it may have sustained as a result of any employee misconduct. Furthermore, it is not always possible to deter or fully prevent employee misconduct and the precautions the Bank takes to prevent and detect such activity may not always be fully effective. Accordingly, there can be no assurance that employee misconduct will not occur again in the future.

***The Bank is generally subject to Korean corporate governance and disclosure standards, which may differ from those in other countries.***

Companies in Korea, including the Bank, are subject to corporate governance standards which may differ in some respects from standards applicable in other countries, including the United States. There may also be less publicly available information about Korean companies, such as the Bank, than is regularly made available by public or non-public companies in other countries. Such differences in corporate governance standards and less public information could result in corporate governance practices or disclosures that are perceived as less than satisfactory by investors in certain countries.

***A decline in the value of the collateral securing the Bank's loans and the Bank's inability to realise full collateral value may adversely affect its credit portfolio.***

A substantial portion of the Bank's loans is secured by real estate, the values of which have fluctuated significantly in recent years. Although it is the Bank's general policy to lend up to 60% to 70% of the appraised value of collateral (except in certain regulated areas designated by the Government where the Bank generally limits its lending to 40% of the appraised value of collateral and in the case of first-time home buyers where the Bank generally limits its lending to between 70% and 80% of the appraised value of collateral) and to periodically re-appraise its collateral, a downturn in the real estate market in Korea, may result in declines in the value of the collateral securing the Bank's mortgage and home equity loans. If collateral values decline, they may not be sufficient to cover uncollectible amounts in respect of the Bank's secured loans. Any future declines in the value of the real estate or other collateral securing the Bank's loans, or its inability to obtain additional collateral in the event of such declines, could result in a deterioration in the Bank's asset quality and may require the Bank to take additional loan loss provisions.

In Korea, foreclosure on collateral generally requires a written petition to a court. An application, when made, may be subject to delays and administrative requirements that may result in a decrease in the value realised with respect to such collateral. The Bank cannot guarantee that it will be able to realise the full value on its collateral as a result of, among other factors, delays in foreclosure proceedings and defects in the perfection of its security interest in collateral. The Bank's failure to recover the expected value of collateral could expose it to losses.

***The secondary market for corporate bonds in Korea is not fully developed, and, as a result, the Bank may not be able to realise the full book value of debt securities the Bank holds at the time of any sale of such securities.***

As of December 31, 2025, the Bank held debt securities issued by Korean companies and financial institutions (other than those issued by the Government and government-owned or -controlled enterprises or financial institutions, including the BOK, Korea Housing Finance Corporation, the Korea Development Bank, Industrial Bank of Korea and Korea Electric Power Corporation) with a total carrying amount of ₩24,287 billion in the Bank's trading and investment securities portfolio. The market value of these securities could decline significantly due to various factors, including future increases in interest rates or a deterioration in the financial and economic condition of any particular issuer or of Korea in general. Any of these factors individually or a combination of these factors would require the Bank to write down the fair value of these debt securities, resulting in impairment losses. Because the secondary market for corporate bonds in Korea is not fully developed, the market value of many of these securities as reflected on the Bank's statements of financial position is determined by references to suggested prices posted by Korean rating agencies or the Korea Financial Investment Association. These valuations, however, may differ significantly from the actual value that the Bank could realise in the event it elects to sell these securities. As a result, the Bank may not be able to realise the full book value at the time of any such sale of these securities and thus may incur losses.

***The Bank may be required to make transfers from its general banking operations to cover shortfalls in its guaranteed trust accounts, which could have an adverse effect on its results of operations.***

The Bank manages a number of money trust accounts. Under Korean law, trust account assets of a bank are required to be segregated from the assets of that bank's general banking operations. Those assets are not available to satisfy the claims of a bank's depositors or other creditors of its general banking operations. For some of the trust accounts the Bank manages, the Bank has guaranteed either the principal amount of the investor's investment or the principal and a fixed rate of interest.

If, at any time, the income from the Bank's guaranteed trust accounts is not sufficient to pay any guaranteed amount, the Bank will have to cover the shortfall first from the special reserves maintained in these trust accounts, then from the Bank's fees from such trust accounts and finally from funds

transferred from the Bank's general banking operations. As of December 31, 2025, the Bank had ₩113 billion of special reserves in respect of trust accounts for which the Bank provided guarantees of principal. There was no transfer from general banking operations to cover deficiencies in guaranteed trust accounts in 2023, 2024 and 2025. However, the Bank may be required to make transfers from its general banking operations to cover shortfalls, if any, in its guaranteed trust accounts in the future. Such transfers may adversely impact the Bank's results of operations.

***The Bank's operations have been, and will continue to be, subject to increasing and continually evolving cybersecurity and other technological risks.***

With the proliferation of new technologies, including artificial intelligence, and the increasing use of the Internet and mobile devices to conduct financial transactions, the Bank's operations as a large financial institution have been, and will continue to be, subject to an increasing risk of cyber incidents relating to these activities, the nature of which is continually evolving. The Bank's computer systems, software and networks are subject to cyber incidents, such as disruptions, delays or other difficulties from its information technology system, computer viruses or other malicious codes, loss or destruction of data (including confidential client information), unauthorised access, account takeover attempts and cyber attacks. A significant portion of the Bank's daily operations relies on its information technology systems, including customer service, billing, the secure processing, storage and transmission of confidential and other information as well as the timely monitoring of a large number of complex transactions. Although the Bank has made substantial and ongoing investments in building systems and protections to address cybersecurity and other related risks, there is no guarantee that such measures will provide complete protection against cyber threats. In addition, because methods used to cause cyber attacks change frequently or, in some cases, are not recognised until launched, the Bank may be unable to implement effective preventive measures or proactively address these methods. Furthermore, these cyber threats may arise from human error, accidental technological failure and third parties with whom the Bank does business. Although the Bank maintains insurance coverage that may cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses. If the Bank were to be subject to a cyber incident, it could result in the disclosure of confidential client information, damage to its reputation with its customers and in the market, customer dissatisfaction, additional costs to the Bank, regulatory penalties, exposure to litigation and other financial losses to both the Bank and its customers, which could have an adverse effect on the Bank's business and results of operations.

**Risks Relating to the Bank's Liquidity and Capital Management**

***Significant changes in interest rates could adversely affect the Bank's business, financial condition and results of operations.***

Interest rates in Korea have been subject to significant fluctuations in recent years. For example, the BOK lowered its policy rate to 0.75% in March 2020 and to 0.50% in May 2020 in response to deteriorating economic conditions resulting from the COVID-19 pandemic. However, as the economy began to show signs of recovery from the COVID-19 pandemic starting from the second half of 2021, the BOK gradually raised its policy rate to pre-pandemic levels of 1.25% from August 2021 through January 2022. Furthermore, in response to rising levels of household debt and inflation in Korea as well as globally, the BOK continued to raise its policy rate to 3.50% from April 2022 through January 2023. The BOK subsequently lowered its policy rate to 3.25% in October 2024, 3.00% in November 2024, 2.75% in February 2025 and 2.50% in May 2025 in response to weak economic conditions in Korea. More recently, in July 2026, the BOK raised its policy rate to 2.75%, marking the first rate hike since January 2023. All else being equal, further increases in interest rates in the future could lead to a decline in the value of the Bank's portfolio of debt securities, which generally pay interest based on a fixed rate. A sustained increase in interest rates will also raise the Bank's funding costs, while reducing loan demand, especially among retail borrowers. Rising interest rates may therefore require the Bank to re-balance its asset portfolio and its liabilities in order to minimise the risk of potential mismatches and maintain its profitability.

In addition, rising interest rate levels may adversely affect the Korean economy and the financial condition and repayment ability of the Bank's corporate and retail borrowers both domestically and abroad, which in turn may lead to a deterioration in the Bank's credit portfolio. Since most of the Bank's retail and corporate loans bear interest at rates that adjust periodically based on prevailing market rates, a sustained increase in interest rate levels will increase the interest costs of the Bank's retail and corporate borrowers and could adversely affect their ability to make payments on their outstanding loans.

On the other hand, while a sustained decrease in interest rates may lead to an increase in loan demand among the Bank's customers and a reduction in the Bank's funding costs as well as an appreciation of the value of its debt securities, it would also lead to decreases in the interest rates the Bank charges on its loan products. If the effects of a decrease in the interest rates the Bank charges on its loan products outweigh the combined effects of increases in loan demand and the value of its debt securities and a decrease in funding costs, the Bank's business, financial condition and results of operations would be adversely affected.

***The Bank's funding is highly dependent on short-term deposits, which dependence may adversely affect the Bank's operations.***

The Bank meets a significant amount of its funding requirements through short-term funding sources, which consist primarily of customer deposits. As of December 31, 2025, 93.6% of the Bank's deposits had maturities of one year or less or were payable on demand. In the past, a substantial proportion of the Bank's customer deposits have been rolled over upon maturity. The Bank cannot guarantee, however, that depositors will continue to roll over their deposits in the future. In the event that a substantial number of the Bank's short-term deposit customers withdraw their funds or fail to roll over their deposits as higher-yielding investment opportunities emerge, the Bank's liquidity position could be adversely affected. The Bank may also be required to seek more expensive sources of short-term and long-term funding to finance its operations.

***The Bank may be required to raise additional capital if its capital adequacy ratio deteriorates or the applicable capital requirements change in the future, but the Bank may not be able to do so on favourable terms or at all.***

Under the capital adequacy requirements of the FSC, as of December 31, 2025, the Bank was required to maintain a total minimum common equity Tier I capital adequacy ratio of 9.0%, Tier I capital adequacy ratio of 10.5% and combined Tier I and Tier II capital adequacy ratio of 12.5%, on a consolidated basis (including applicable additional capital buffers and requirements as described below). As of December 31, 2025, the Bank's common equity Tier I capital, Tier I capital and combined Tier I and Tier II capital adequacy ratios were 14.91%, 15.35% and 17.28%, respectively, all of which exceeded the minimum levels required by the FSC. However, the Bank's capital base and capital adequacy ratios may deteriorate in the future if its results of operations or financial condition deteriorates for any reason, including as a result of a deterioration in the asset quality of the Bank's retail loans and loans to SMEs, or if the Bank is not able to deploy its funding into suitably low-risk assets.

The current capital adequacy requirements of the FSC are derived from a new set of bank capital measures, referred to as Basel III, which the Basel Committee on Banking Supervision initially introduced in 2009 and began phasing in starting from 2013. Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks and bank holding companies were required to maintain a minimum ratio of common equity Tier I capital to risk-weighted assets of 3.5% and Tier I capital to risk-weighted assets of 4.5% from December 1, 2013, which minimum ratios were increased to 4.0% and 5.5%, respectively, from January 1, 2014 and increased further to 4.5% and 6.0%, respectively, from January 1, 2015. The amended regulations also require an additional capital conservation buffer of 2.5% from January 2019, as well as a potential counter-cyclical capital buffer of up to 2.5%, which is determined on a quarterly basis by the FSC and is

set at 1.0% as of the date of this Offering Circular. Furthermore, the Bank was designated as one of the domestic systemically important banks for 2025 by the FSC and was subject to an additional capital requirement of 1.0% in 2025. In July 2025, the Bank was again designated as a domestic systemically important bank for 2026, which again subjects the Bank to the same additional capital requirement of 1.0% in 2026. In addition, the FSC has indicated that it may introduce a stress buffer capital requirement of up to 2.5%, which would require banks and bank holding companies to hold additional capital based on stress test results. The introduction of this requirement, initially planned for 2024, has been delayed multiple times and is currently not expected to be introduced until at least the end of 2026. All such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets set forth above. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Capital Adequacy.*"

The Bank may be required to obtain additional capital in the future in order to remain in compliance with more stringent capital adequacy and other regulatory requirements. However, the Bank may not be able to obtain additional capital on favourable terms, or at all. The Bank's ability to obtain additional capital at any time may be constrained to the extent that banks or other financial institutions in Korea or from other countries are seeking to raise capital at the same time. To the extent that the Bank fails to comply with applicable capital adequacy ratios or other regulatory requirements in the future, Korean regulatory authorities may impose penalties on the Bank ranging from a warning to suspension or revocation of the Bank's banking licence.

***Reductions in the Bank's credit ratings could, among other things, increase the cost of borrowing funds and may adversely impact the Bank's ability to raise new funds or refinance maturing debt on commercially acceptable terms.***

Credit ratings are an indicator of the Bank's financial and liquidity profile. Among other factors, the Bank's credit ratings are based on its financial strength, the credit quality of and concentrations in the Bank's loan portfolio, the level and volatility of its earnings, its capital adequacy, the quality of its management, the liquidity of its balance sheet, the availability of a significant base of core and retail deposits, and its ability to access a broad range of funding sources. Any reduction in the Bank's credit ratings could adversely affect its liquidity and competitive position, increase its borrowing costs, and limit its access to the capital markets and funding sources on commercially acceptable terms. Such events could adversely affect the Bank's financial condition and results of operations. A reduction in the Bank's ratings could also adversely affect the ratings of the Notes.

**Risks of the Bank Relating to Government Regulation and Policy**

***Strengthening of consumer protection laws applicable to financial institutions could adversely affect the Bank's operations.***

As a financial service provider, the Bank is subject to a variety of regulations in Korea that are designed to protect financial consumers. In recent years, in light of heightened public concern regarding privacy issues, the Government has placed greater emphasis on the protection of personal information by financial institutions and has implemented a number of measures to enhance consumer protection, including considerable restrictions on the transfer or provision of personal information by financial institutions to their affiliates or holding company. Under the Personal Information Protection Act, financial institutions, as personal information managers, may not collect, store, maintain, utilise or provide resident registration numbers of their customers, unless other laws or regulations specifically require or permit the management of resident registration numbers. In addition, under the Use and Protection of Credit Information Act, a financial institution has a higher duty to protect all information that it collects from its customers and is required to treat such information as credit information. There are considerable restrictions on the transfer or provision of information by financial institutions to their affiliates or holding company. Quintuple damages may be imposed on a financial institution for leakage of such information. Furthermore, under the Electronic Financial Transaction Act, a financial institution is primarily responsible for compensating its customers harmed by a cybersecurity breach affecting the financial institution even if the breach is not directly attributable to the financial institution.

Under the Financial Consumer Protection Act, which was enacted in March 2020, banks, as financial instrument distributors, are subject to heightened investor protection measures, including stricter distribution guidelines, improved financial dispute resolution procedures, increased liability for customer losses and newly imposed penalty surcharges. Following the enactment of the Financial Consumer Protection Act, financial regulators have published subordinate regulations to such Act, including the Enforcement Decree, Supervisory Regulations and Enforcement Rules to the Supervisory Regulations governing consumer protection within the financial industry.

These and other measures that may be implemented by the Government to strengthen consumer protection laws applicable to financial institutions may limit the Bank's operational flexibility and cause the Bank to incur significant additional compliance costs, as well as subject the Bank to increased potential liability to its customers, which could adversely affect the Bank's business and performance.

***The Government may promote lending and financial support by the Korean financial industry to certain types of borrowers as a matter of policy, which financial institutions, including the Bank, may decide to follow.***

Through its policies and recommendations, the Government has promoted and, as a matter of policy, may continue to attempt to promote lending by the Korean financial industry to particular types of borrowers. For example, the Government has in the past provided and may continue to provide policy loans, which encourage lending to particular types of borrowers. The Government has generally done this by identifying sectors of the economy it wishes to promote and making low interest funding available to financial institutions that may voluntarily choose to lend to these sectors. All loans or credits the Bank chooses to make pursuant to these policy loans would be subject to review in accordance with its credit approval procedures. However, the availability of policy loans may influence the Bank to lend to certain sectors or in a manner in which it otherwise would not have done in the absence of such loans from the Government.

The Government has also promoted policies under which financial institutions in Korea are encouraged to provide financial support to particular sectors. See "*— Risks Relating to the Bank's Retail Credit Portfolio — Future changes in market conditions as well as other factors may lead to increases in delinquency levels of the Bank's retail loan portfolio*" and "*— Risks Relating to the Bank's Small- and Medium-Sized Enterprise (SME) Loan Portfolio — The Bank has significant exposure to SMEs, and any financial difficulties experienced by these customers may result in a deterioration of the Bank's asset quality and have an adverse impact on the Bank*." The Government may continue to request financial institutions in Korea, including the Bank, to make investments in or provide other forms of financial support to particular sectors of the Korean economy as a matter of policy, which financial institutions, including the Bank, may decide to accept. The Bank may incur costs or losses as a result of providing such financial support.

***The FSC may impose burdensome measures on the Bank if the FSC deems the Bank to be financially unsound.***

If the FSC deems the Bank's financial condition to be unsound, or if the Bank fails to meet applicable regulatory standards, such as minimum capital adequacy and liquidity ratios, the FSC may order or recommend, among other things:

- capital increases or reductions;
- stock cancellations or consolidations;
- transfers of businesses;
- sales of assets;
- closures of subsidiaries or branch offices;

- mergers with other financial institutions; and
- suspensions of a part of the Bank's business operations.

If any of these measures is imposed on the Bank by the FSC, it could damage the Bank's business, results of operations and financial condition.

**Risks Relating to Korea**

***Escalations in tensions with North Korea could have an adverse effect on the Bank and the market value of the Notes.***

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between Korea and North Korea has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon, ballistic missile and satellite programs as well as its hostile military actions against Korea.

North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned North Korea's provocations and flagrant violations of relevant United Nations Security Council resolutions. Over the years, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea, as did the United States and the European Union.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea. Although bilateral summit meetings were held between Korea and North Korea in April, May and September 2018 and between North Korea and the United States in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. Any increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea and North Korea or between the United States and North Korea break down or military hostilities occur, could have a material adverse effect on the Korean economy and on the Bank's business, financial condition and results of operations and the market price and ratings of the Notes.

***Unfavourable financial and economic developments in Korea may have an adverse effect on the Bank.***

The Bank is incorporated in Korea, and substantially all of its operations are located in Korea. As a result, the Bank is subject to political, economic, legal and regulatory risks specific to Korea, and the Bank's performance and successful fulfilment of its operational strategies are dependent to a large extent on the overall Korean economy.

In addition, the future growth of the Korean economy is subject to many factors beyond the Bank's control, including developments in the global economy. In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, mainly due to the Russia-Ukraine war and the ensuing sanctions against Russia, difficulties faced by several banks in the United States and Europe, and the hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel, significant fluctuations in policy interest rates globally and, more

recently, the political situation in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. See "*— Other Risks Relating to the Bank's Business — Unfavourable changes in the global financial markets could adversely affect the Bank's results of operations and financial condition.*"

The value of the Won relative to major foreign currencies, in particular the U.S. dollar, has fluctuated significantly and, as a result of uncertain global and Korean economic, social and political conditions, there recently has been significant volatility in the stock prices of Korean companies. Future declines in the Korea Composite Stock Price Index (the "**KOSPI**"), and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect the Bank's business, financial condition and results of operations.

Developments that could have an adverse impact on Korea's economy include:

- declines in consumer confidence and a slowdown in consumer spending in the Korean or global economy, including as a result of higher levels of market interest rates;
- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;
- the imposition of significant tariffs on Korea's exports by any of its major export markets, including the United States, as well as any countermeasures or policy responses adopted by the Korean government that may entail significant costs;
- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the hostilities in the Middle East following the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- the occurrence of severe health epidemics, such as the COVID-19 pandemic, in Korea or other parts of the world;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;
- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;

- adverse changes or volatility in foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Renminbi), interest rates, inflation rates or stock markets;

- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing sanctions against Russia) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;

- increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;

- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and SME borrowers in Korea;

- a deterioration in the financial condition or performance of SMEs and other companies in Korea;

- investigations of large Korean business groups and their senior management for possible misconduct;

- shortages of imported raw materials, natural resources, rare earth minerals or component parts, including semiconductors, due to disruptions in the global supply chain;

- social and labour unrest;

- substantial changes in the market prices of Korean real estate;

- a substantial decrease in tax revenues or a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs, which could lead to a national budget deficit as well as an increase in the Government's debt;

- financial problems or lack of progress in the restructuring of *chaebols*, other large troubled companies (including those in the construction, shipbuilding, shipping and real estate project financing sectors) and their suppliers or the financial sector;

- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues at certain *chaebols*;

- a continued decrease in the population and birthrates in Korea;

- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;

- geo-political uncertainty and the risk of further attacks by terrorist groups around the world;

- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners;

- increased reliance on exports to service foreign currency debts, which could cause friction with Korea's trading partners;

- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States; and

- changes in financial regulations in Korea.

***Labour unrest in Korea may adversely affect the Bank's operations.***

Economic difficulties in Korea or increases in corporate reorganisations and bankruptcies could result in layoffs and higher unemployment. Such developments could lead to social unrest and substantially increase government expenditures for unemployment compensation and other costs for social programs. According to statistics from the Korea National Statistical Office, the unemployment rate increased from 2.7% in 2023 to 2.8% in each of 2024 and 2025. Increases in unemployment and any resulting labour unrest in the future could adversely affect the Bank's operations, as well as the operations of many of the Bank's customers and their ability to repay their loans, and could adversely affect the financial condition of Korean companies in general, depressing the price of their securities. These developments would likely have an adverse effect on the Bank's financial condition and results of operations.

**Risks Relating to the Notes**

***Payments under the Guarantee may be restricted under certain circumstances.***

Under the Foreign Exchange Transactions Act and Presidential Decree and Regulations under that Act and Decree, the Government may impose any necessary restrictions on the remittance of payments out of Korea such as requiring the Guarantor to obtain prior approval from the Ministry of Finance and Economy, if the Government deems that certain emergency circumstances are likely to occur including, but not limited to:

- sudden fluctuations in interest rates or exchange rates;
- extreme difficulty in stabilizing the balance of payments; or
- any substantial disturbance in the Korean financial or capital markets.

If the Guarantor cannot obtain prior approval from the Ministry of Finance and Economy under any such emergency circumstances, the Guarantor may not be able to make any payments under the Guarantee.

***The rating assigned to the Notes may be suspended, lowered or withdrawn in the future.***

The Notes are expected to be rated "Aa3" by Moody's. The rating assigned to the Notes will have been based primarily on the Guarantee to be issued by the Guarantor with respect to the Notes. Pursuant to the Guarantee, the Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes as and when such sums become due (the "**Guaranteed Amounts**"). The payment of the Guaranteed Amounts will, therefore, depend on the Guarantor performing its obligations under the Guarantee, and the likelihood of payment of the Guaranteed Amounts will depend on the creditworthiness of the Guarantor. Consequently, investors are relying not only on the creditworthiness of the Issuer but also on the creditworthiness of the Guarantor to perform its obligations under the Guarantee. A significant deterioration in the financial condition of the Guarantor could adversely affect the likelihood of investors receiving Guaranteed Amounts under the Guarantee and could result in a downgrade or withdrawal of the rating of the Notes.

A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time. There can be no assurance that a rating will remain the same for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. Neither the Issuer nor the Guarantor has an obligation to inform the Holders of any such revision, downgrade or withdrawal. A reduction, suspension or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes or the ability of a Holder to dispose of the Notes.

***The liquidity and price of the Notes may be volatile.***

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's or the Guarantor's revenues, earnings and cash flows and proposals for new investments, strategic alliances and/or acquisitions or dispositions, interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to the Issuer's or the Guarantor's industry, as well as general economic conditions in Korea or internationally, could cause the price of the Notes to fluctuate. Any such developments may result in large and sudden adverse changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

***An active trading market for the Notes may not develop.***

The Notes are a new issue of securities for which there is currently no trading market. No assurance can be given that the Issuer will obtain or be able to maintain a listing and quotation of the Notes on the SGX-ST or that an active trading market for the Notes will develop or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Notes or the price at which Holders will be able to sell their Notes.

The Managers are not obliged to make a market for the Notes and any such market-making, if commenced, may be discontinued at any time at the sole discretion of the Managers. Even if the Managers act as market-makers for the Notes, the secondary market for the Notes may be limited and there is no assurance given as to the price offered by secondary market-makers or the impact of any such quoted prices on those available in the wider market. To the extent that the Notes become illiquid, an investor may have to hold the relevant Notes until maturity before it is able to realize value. Investors should note that a secondary market may be affected by both legal restrictions in certain jurisdictions and by the Issuer and/or the Managers purchasing or holding the Notes.

***The Notes contain provisions regarding meetings, modifications, waivers and substitution which may affect the rights of Holders.***

The Conditions of the Notes and the Fiscal Agency Agreement contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Fiscal Agent may agree, without the consent of Holders, to the waiver or authorization of any breach or proposed breach of, any of the Conditions of the Notes or any of the provisions of the Fiscal Agency Agreement, or may agree, among other things, to make any modifications to the Notes or the Fiscal Agency Agreement of a formal, minor or technical nature or necessary in the reasonable opinion of the Fiscal Agent to correct a manifest error or to comply with mandatory provisions of the laws of Korea.

***The Notes will be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s).***

The Notes issued will be represented by the Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a "**Clearing System**," and together, the "**Clearing Systems**"). Except in the circumstances described in the relevant Global Certificate, Holders will not be entitled to receive definitive note certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, Holders will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by the Global Certificate, the Issuer (or failing which, the Guarantor under the Guarantee) will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders. A holder of a beneficial interest in the

Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

## TERMS AND CONDITIONS OF THE NOTES

The US$300,000,000 4.750% guaranteed senior unsecured notes due 2029 (the "**Notes**," which expression, unless the context otherwise requires, includes any further Notes issued pursuant to Condition 10 and forming a single series with the Notes) of Korean Air Lines Co., Ltd. (the "**Issuer**") are issued under a fiscal agency agreement dated August 11, 2026 (as amended from time to time, the "**Fiscal Agency Agreement**"), among the Issuer, Kookmin Bank as the guarantor (the "**Guarantor**") and Citicorp International Limited, as fiscal agent (the "**Fiscal Agent**") and Citibank, N.A., London Branch, as registrar (the "**Registrar**"), transfer agent (the "**Transfer Agent**") and paying agent (the "**Paying Agent**") and any other agent or agents appointed from time to time with respect to the Notes. References herein to the "**Agents**" are to the Fiscal Agent, the Paying Agent, the Transfer Agent and the Registrar, and any reference to an "**Agent**" is to any one of them. The Notes are issued, and may or must be redeemed by the Issuer, on the terms set out in these Terms and Conditions (the "**Conditions**").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement are available for inspection upon reasonable prior notice with proof of holding statement during normal business hours by the Holders (as defined below) at the specified office of the Fiscal Agent. Holders are deemed to have notice of those provisions applicable to them of the Fiscal Agency Agreement.

### 1. FORM AND TRANSFER

#### 1.1 Form and Principal Amount

The Notes are in registered form and are issued on their date of issue and transferable in minimum principal amounts (the "**Principal Amount**") of US$200,000 and integral multiples of US$1,000 in excess thereof. A security certificate (a "**Definitive Certificate**") will be issued to each Holder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded on the relevant certificate and in the register of Holders (the "**Register**") which the Issuer will procure to be kept by the Registrar. The Notes will initially be represented by one or more certificates in global form (each, a "**Global Certificate**"). No individual certificates will be issued to Holders except upon the circumstances set forth in the Fiscal Agency Agreement. The Notes will be issued at the Issue Price.

#### 1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Definitive Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Holder**" and (in relation to a Note) "**holder**" means the person in whose name a Note is registered in the Register (or, in the case of a joint holding, the first named thereof).

### 2. TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE CERTIFICATES

#### 2.1 Transfers

Subject as provided in Condition 2.4, a Note may be transferred by depositing the Definitive Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Fiscal Agent (or, in the case of a Note represented by a Global Certificate, delivery of a duly executed form of transfer as set forth in the Fiscal Agency Agreement), together with such evidence as the Fiscal Agent may

reasonably require to prove title to the Notes that are the subject of the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Notes will pass upon registration of such transfer in the Register.

All transfers of Notes and entries in the Register will be made subject to the terms concerning transfers of Notes provided in the Fiscal Agency Agreement.

2.2 **Delivery of new Definitive Certificates**

Each new Definitive Certificate to be issued upon transfer of Notes will, within five Business Days of receipt by the Fiscal Agent of the duly completed form of transfer endorsed on the relevant Definitive Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer.

Where some but not all of the Notes in respect of which a Definitive Certificate is issued are to be transferred, a new Definitive Certificate in respect of the Principal Amount of Notes not so transferred will, within 10 Business Days of receipt by the Fiscal Agent of the original Definitive Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the Register (or, in the case of a joint holding, the first named thereof).

2.3 **Formalities free of charge**

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer or the Fiscal Agent but upon payment (or the giving of such indemnity as the Issuer or the Fiscal Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed on the Issuer or the Fiscal Agent (as the case may be) in relation to such transfer.

2.4 **Closed periods**

No Holder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of any principal or interest on that Note.

## 3. STATUS AND NEGATIVE PLEDGE

3.1 **Status of the Notes**

The Notes constitute direct, general and unsubordinated obligations of the Issuer which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for such as may be preferred by mandatory provision of applicable law).

3.2 **Negative pledge**

So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement), the Guarantor will not create or permit to subsist any mortgage, charge, pledge or other security interest upon or over the whole or any part of its property, assets or revenues (whether present or future) to secure for the benefit of the holders of any International Investment Securities:

(i) payment of any sum due in respect of any such International Investment Securities;

(ii) payment under any guarantee in respect of any such International Investment Securities; or

(iii) payment under any indemnity or other like obligation in respect of any such International Investment Securities,

without, in any such case and at the same time, according to the Notes either the same security as is available for the benefit of the holders of such International Investment Securities or such other security as shall be approved for the purpose by the holders of Notes in accordance with Condition 13.3.

3.3 **Interpretation**

In these Conditions, "**International Investment Securities**" means notes, bonds, debentures, certificates of deposit or investment securities of any person which:

(i) their terms either are payable, or confer a right to receive payment, in any currency other than Korean Won or are denominated in Korean Won and more than one-half of the aggregate principal amount of which is initially distributed outside Korea by or with the authorization of the Issuer; and

(ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside Korea;

provided that Covered Bonds (as defined below) in the aggregate outstanding principal amount not exceeding an amount equal to 10% of the total consolidated assets as shown on the most recent consolidated accounts of the Guarantor shall not constitute International Investment Securities.

In these Conditions, "**Covered Bonds**" means debt securities (including any notes, bonds, debentures, certificates of deposit or investment securities) backed by cash flows generated from an underlying investment pool consisting of mortgage loans, public sector assets, cash, cash equivalents and/or other financial assets.

## 4. GUARANTEE

Pursuant to the guarantee set out in Section 3 of the Fiscal Agency Agreement as evidenced by the notation of guarantee dated August 11, 2026 (the "**Guarantee**"), the Guarantor has given for the benefit of the Holders an unconditional and irrevocable guarantee for the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes, including, without limitation, the principal of, and interest on, such Notes, as and when the same shall become due according to these Conditions. The Guarantee relating to the Notes constitutes a direct, general and unconditional obligation of the Guarantor which will be unsecured and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for such as may be preferred by mandatory provision of applicable law). The Guarantee will remain in full effect until the payment of all sums payable in respect of the relevant Notes have been paid in full.

## 5. INTEREST

5.1 **Interest Payment Dates**

The Notes bear interest from and including August 11, 2026 and such interest will be payable on February 11 and August 11 of each year (each, an "**Interest Payment Date**"). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day. The period beginning on August 11,

2026 and ending on (but excluding) the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**."

If interest is required to be calculated for a period of less than a complete Interest Period, the relevant day–count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5.2 **Interest Payments**

Each Note will cease to bear interest from the due date for redemption unless, after surrender of the relevant Definitive Certificate, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the rate set forth in Condition 5.3 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder, and (ii) the day seven days after the Fiscal Agent has notified Holders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions or any payment by the Issuer has subsequently become void).

5.3 **Rate of Interest**

Interest on the Notes will accrue from and including August 11, 2026 at the rate of 4.750% per annum.

**6. REDEMPTION**

6.1 **Maturity**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on August 11, 2029 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with Condition 6.2.

6.2 **Early Redemption for Tax Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date, at their outstanding principal amount together with any accrued but unpaid interest thereon, on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and the Guarantor and, in accordance with Condition 14, the Holders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which (including the cessation of tax exemptions presently applicable) change or amendment becomes effective on or after August 3, 2026; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

6.3 **Cancellations**

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer, or any of the Issuer's Subsidiaries and which the Issuer elects to cancel, will forthwith be cancelled.

## 7. PAYMENTS

7.1 Payments of principal and interest in respect of each Note will be made by transfer to the registered account of the Holder provided that the bank account details are received by the Paying Agent not later than 10 Payment Business Days before any date on which payment is scheduled. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register on the Record Date (as defined on the face of the applicable Global Certificate or Definitive Certificate).

A Holder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the relevant Record Date, and a Holder's "**registered address**" means its address appearing on the Register at that time.

7.2 Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by check, the check will be mailed on the due date for payment, or if that is not a Payment Business Day, on the next succeeding Payment Business Day, without any interest or payment in respect of such delay.

7.3 Payments in respect of amounts payable by way of interest and on redemption of the Notes will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.

7.4 In this Condition, "**Payment Business Day**" means a day which is both: (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city in which the Paying Agent has its registered office from time to time; and (b) a day on which banks are open for business in New York, Hong Kong, London and Seoul.

7.5 Unless the context otherwise requires, any reference in these Conditions to principal in respect of the Notes shall be deemed to include any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

## 8. TAXATION AND GROSS-UP

8.1 **Payment without withholding**

All payments in respect of the Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Relevant Jurisdiction ("**Relevant Taxes**"), unless the withholding or deduction of such Relevant Taxes is required by law. In that event, the

Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after the withholding or deduction (including any withholding or deduction in respect of such payment of Additional Amounts) will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of withholding or deduction; except that no Additional Amounts will be payable in relation to any Relevant Taxes imposed on, withheld or deducted from any payment in respect of any Note:

(a) held by or on behalf of a Holder or beneficial owner who is liable for such Relevant Taxes in respect of such Note by reason of having some connection with the Relevant Jurisdiction other than the mere holding of the Note or the receipt of payments or enforcement of rights thereunder; or

(b) held by or on behalf of a Holder or beneficial owner who is liable for such Relevant Taxes in respect of the Note by reason of having some relationship with the Issuer for Korean tax purposes other than the mere holding of such Note; or

(c) where such withholding or deduction is imposed by reason of a failure of a Holder or any other person to (i) comply with any certification, identification, information-provision or documentation requirement concerning the nationality, residence, identity or connection with the Relevant Jurisdiction of the Holder or beneficial owner or (ii) comply with any other certification, identification, information-provision or documentation requirement, or enter into any agreement with any taxing authority, provided that (x) the Issuer or the Fiscal Agent has given the Holder at least 30 calendar days prior notice of an opportunity to satisfy such a requirement and (y) compliance is required or imposed by a statute, treaty, rule, regulation, agreement or administrative practice of the Relevant Jurisdiction as a condition or precondition to relief or exemption from all or part of such Relevant Taxes; or

(d) where such withholding or deduction is imposed only by virtue of a Holder or any other person not having presented the Note (where presentation is required) for payment within 30 days after the date on which such payment becomes due and payable or the date on which such payment thereof is duly provided for, whichever occurs earlier, except to the extent such Holder or other person would be entitled to Additional Amounts had the Note been surrendered during such 30-day period; or

(e) in the event that a Holder or any other person who holds an interest in the Note is a fiduciary, a partnership or any person other than the sole beneficial owner of such payment, where such withholding or deduction would not have been imposed had the beneficiary or settlor with respect to such fiduciary, member of such partnership or beneficial owner of such payment been the actual Holder of the Note; or

(f) where such withholding or deduction is imposed as a result of any combination of (a) through (e) above.

Additionally, the obligation of the Issuer to pay such Additional Amounts shall not apply with respect to (i) any estate, inheritance, gift, sales, transfer or personal property tax or any similar taxes, duties, assessments or other governmental charges or (ii) any taxes, duties, assessments or other governmental charges that are payable otherwise than by deduction or withholding from payments on the Notes.

8.2 **Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Notes will be deemed to include any Additional Amounts which may be payable under Condition 8.1 or under any undertakings given in substitution for Condition 8.1 pursuant to the Fiscal Agency Agreement.

8.3 **Documentation**

The Issuer will provide the Fiscal Agent with the official acknowledgment, if any, of the Relevant Jurisdiction (or, if such acknowledgment is not available, other reasonable documentation) evidencing payment of any Relevant Taxes in respect of which the Issuer has paid any Additional Amounts. Copies of such documentation will be made available to the Holders or beneficial owners of the Notes by the Fiscal Agent upon written request therefor.

8.4 **Other Taxes**

The Issuer will pay any stamp, issue, excise, registration, documentary or other similar taxes and duties, including interest and penalties, imposed by a Relevant Jurisdiction in respect of the creation, issue, delivery, registration and offering of the Notes. The Issuer will also pay and indemnify the Holders and beneficial owners of the Notes from and against all court taxes or other taxes and duties, including interest and penalties, paid by any of them in any jurisdiction in connection with any action permitted to be taken by the Holders and beneficial owners to enforce the Issuer's obligations under the Notes.

## 9. PRESCRIPTION

A claim against the Issuer or the Guarantor for payment under these Conditions will become void unless made within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date relating thereto.

## 10. FURTHER ISSUES

Subject to applicable law, the Issuer may from time to time without the consent of the Holders create and issue further securities or incur further debt obligations either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of Interest Amount thereon) and so that the same will be consolidated and form a single series with the Notes (provided, however, that any such issuance of securities shall be subject to the prior written consent of the Guarantor); or (b) upon such terms as to ranking, distributions or interest, conversion, redemption and otherwise as the Issuer may determine at the time of issue.

## 11. CONSOLIDATION, MERGER AND SALE OF ASSETS

The Issuer, without the consent of the Holders, may consolidate with, or merge into, or sell, transfer, lease or convey its assets as an entirety or substantially as an entirety to any corporation; provided that (i) any successor corporation expressly assumes the applicable obligations of the Issuer under the Notes and the Fiscal Agency Agreement, (ii) after giving effect to the transaction, with respect to the Issuer or any such successor corporation, no Event of Default (as defined below) and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing and (iii) the Issuer has delivered to the Fiscal Agent a certificate executed by a duly authorized officer of the Issuer and an opinion of counsel as to matters of law stating that such consolidation, merger, sale, transfer, lease or conveyance and, if a supplemental agency agreement is required in connection with such transaction, such supplemental

agency agreement comply with the Fiscal Agency Agreement, the Notes and the Guarantee and that all conditions precedent herein provided for relating to such transaction have been complied with.

## 12. EVENTS OF DEFAULT

The holder of any Note may give written notice to the Issuer and the Guarantor that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events ("**Events of Default**") shall have occurred and be continuing, provided that such notice is given in accordance with Condition 14:

12.1 **Non-payment of principal**: default in the payment of principal of the Notes when the same becomes due and payable, and such failure continues for a period of 14 consecutive days; or

12.2 **Non-payment of interest**: default in the payment of interest or Additional Amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; or

12.3 **Breach of other obligations**: default in the performance of or breaches of any other covenant or agreement under the Notes (other than a default specified in clause 12.1 or 12.2 above) and such default or breach continues for a period of 60 consecutive days after written notice of such default or breach to the Issuer by any Holder of Notes; or

*the Issuer's Events of Default:*

12.4 **Final judgment**: one or more final judgments or orders for the payment of money are rendered against the Issuer or any of its Significant Subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$15.0 million (in excess of amounts that the Issuer's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect, except in connection with a consolidation, merger, sale, transfer or conveyance pursuant to Condition 11; or

12.5 **Insolvency**: an involuntary case or other proceeding is commenced against the Issuer or any of its Significant Subsidiaries with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or any of its Significant Subsidiaries or for any substantial part of the property and assets of the Issuer or any of its Significant Subsidiaries and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Issuer or any of its Significant Subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect, in both cases except in connection with a consolidation, merger, sale, transfer or conveyance pursuant to Condition 11; or

12.6 **Voluntary insolvency**: the Issuer or any of its Significant Subsidiaries (1) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (2) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or any of its Significant Subsidiaries, or for all or substantially all of the property and assets of the

Issuer or any of its Significant Subsidiaries, except for the purpose of a consolidation, merger, sale, transfer or conveyance pursuant to Condition 11, or (3) effects any general assignment for the benefit of creditors; or

*the Guarantor's Events of Default:*

12.7 **Guarantee**: the Guarantor denies or disaffirms its obligations under the Guarantee or the Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect; or

12.8 **Enforcement proceedings**: an execution or other legal process is levied, enforced or sued out upon or against the whole or substantially the whole of the property of the Guarantor which is material in its effect upon the operations of the Guarantor and is not discharged or stayed within 60 days; or

12.9 **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially the whole of the undertaking, assets and revenues of the Guarantor; or

12.10 **Bankruptcy**: the Guarantor is adjudicated or found bankrupt or insolvent or any order is made by a competent court or administrative agency or any resolution is passed by the Guarantor to apply for judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Guarantor or a substantial part of its assets or the Guarantor is wound up or dissolved or the Guarantor ceases to carry on the whole or substantially the whole of its business.

## 13. VARIATION OF RIGHTS

### 13.1 Variation without consent

The Fiscal Agent may agree with the Issuer and the Guarantor, without the approval of Holders, to amend, modify, alter or add to either these Conditions or the provisions of the Fiscal Agency Agreement, if the Issuer and the Guarantor are of the opinion that the amendment, modification, alteration or addition is:

(a) of a formal, minor or technical nature;

(b) made to correct an error which, in the opinion of the Fiscal Agent, is proven; or

(c) required to comply with mandatory provisions of law.

### 13.2 Substitution

(a) Subject to applicable laws, the Issuer may, without the authority, assent or approval of Holders (but subject to the prior written consent of the Guarantor), substitute all (but not some only) of the Notes for other securities issued directly or indirectly by the Issuer, provided that such securities:

(i) have terms not materially less favorable to Holders than the terms of the Notes (as reasonably determined by the Issuer);

(ii) have a rating ascribed to them by Moody's Investors Service;

(iii) are guaranteed by the Guarantor to the same extent that the Notes are guaranteed pursuant to the Guarantee; and

(iv) are listed on the SGX-ST or another internationally recognized stock exchange selected by the Issuer.

(b) The Fiscal Agent shall (at the expense of the Issuer and following receipt by the Fiscal Agent of a certificate signed by an authorized signatory of the Issuer confirming (a)(i) to (iii) above) use reasonable efforts to assist the Issuer in such substitution of the Notes (including, but not limited to, entering into such documents or deeds as may be necessary to give effect thereto), provided that the Fiscal Agent shall not be obliged to participate in, or assist with, any such substitution if the substitution, or the Notes into which the Notes are to be substituted, or if the assistance with such substitution, would impose, in the Fiscal Agent's opinion, more onerous obligations upon it, expose it to liabilities or reduce its protections.

(c) The Fiscal Agent may, without the consent of the Holders (but subject to the prior written consent of the Guarantor), agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 13.2(c)) as the principal debtor under the Notes, subject to compliance with certain other conditions set out in the Fiscal Agency Agreement.

13.3 **Meetings**

(a) The Fiscal Agency Agreement contains provisions for convening meetings of the Holders to consider any matter relating to the Notes and/or the Fiscal Agency Agreement, including the modification or abrogation of any of these Conditions or any of the provisions of the Fiscal Agency Agreement, upon either the written consent of the Holders of not less than a majority in Principal Amount of the outstanding Notes or the approval of persons entitled to vote not less than a majority of the Principal Amount of such Notes represented and voting at a meeting of the Holders duly called. The quorum at such meeting shall be one or more persons entitled to vote a majority in Principal Amount of the outstanding Notes or, at an adjourned meeting, one or more persons entitled to vote 25% in Principal Amount of the outstanding Notes.

(b) Notwithstanding Condition 13.3(a), for the purposes of passing a resolution at a meeting the business of which includes a Special Matter, no amendment, modification or abrogation shall be made to the Notes (including these Conditions) or the Fiscal Agency Agreement without the approval or written consent of the Holders of not less than 90% in Principal Amount of the then outstanding Notes or the approval of persons entitled to vote not less than 75% of the Principal Amount of such Notes represented and voting at a meeting of the Holders duly called, and where at such meeting a special quorum shall be required comprising one or more persons entitled to vote two-thirds in Principal Amount of the then outstanding Notes or, at an adjourned meeting, one or more persons entitled to vote one-third in Principal Amount of the then outstanding Notes.

(c) On a poll, each Holder of a Note present in person or by proxy and entitled to vote shall have one vote in respect of each US$1,000 in Principal Amount of such Holder's Notes.

(d) The Issuer, the Guarantor and the Fiscal Agent may, at any time and from time to time, without the consent of any Holders, amend or supplement the Fiscal Agency Agreement or these Conditions: (i) to evidence the succession of another person to the Issuer or the Guarantor and the assumption by any such successor of the covenants of the Issuer or

the Guarantor, as applicable, in the Fiscal Agency Agreement and the Notes; (ii) to add to the covenants of the Issuer or the Guarantor for the benefit of the Holders or to surrender any right or power conferred on the Issuer or the Guarantor; (iii) to provide for the issuance of additional Notes in accordance with the limitations set forth in these Conditions and the Fiscal Agency Agreement; (iv) to cure any ambiguity or to correct or supplement any provision in the Fiscal Agency Agreement or these Conditions, which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising under the Fiscal Agency Agreement that are not inconsistent with the provisions of the Fiscal Agency Agreement, provided that such action shall not adversely affect the interests of the Holders in any material respect; or (v) to make any other modifications to the Notes or the Fiscal Agency Agreement of a formal, minor or technical nature or necessary in the reasonable opinion of the Fiscal Agent to correct a manifest error or, in reliance on an opinion of counsel delivered to the Fiscal Agent, to comply with mandatory provisions of the laws of Korea so long as such modification does not adversely affect the rights of any Holder in any material respect.

13.4 **Waiver, authorization and determination**

The Fiscal Agent may agree, without the consent of the Holders, to the waiver or authorization of any breach or proposed breach of any of these Conditions or any of the provisions of the Fiscal Agency Agreement.

13.5 **Notification to the Holders**

Any modification, abrogation, waiver, determination, authorization or substitution pursuant to or described in this Condition 13 shall be (i) binding on the Holders, whether or not they are present at any meeting and whether or not they voted, and (ii) notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

13.6 **Compliance with stock exchange rules**

In connection with any amendment, modification, alteration, addition or substitution under this Condition 13, the Issuer will comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

## 14. NOTICES

All notices regarding the Notes shall be valid if sent by post to the Holders at their respective addresses in the Register (which, in the case of a Global Certificate, is expected to consist solely of the common depositary of Euroclear or Clearstream or its nominee, or any successor thereto) and, if and for so long as the Notes are listed on the SGX-ST and the rules of that exchange so require, published in a newspaper of general circulation in Singapore and/or (where applicable) on the SGX-ST's website. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system appointed in accordance with the terms of the Notes and the Fiscal Agency Agreement, notices to Holders may be given by delivery of the relevant notice to the clearing systems in accordance with the applicable rules and

procedures of the clearing systems for communication by them to entitled accountholders. Any such notice shall be deemed validly given on the day after it has been delivered to Euroclear, Clearstream or an alternative clearing system as aforesaid.

The Issuer shall provide the Guarantor with a copy of each notice it is required to provide to the Holders or an Agent.

## 15. AGENTS

Under the terms of the Fiscal Agency Agreement, the Issuer has the right to terminate the appointment of any Agent and appoint a successor provided that there shall at all times be:

(a) at least one paying agent, provided that so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Certificate is exchanged for Definitive Certificates, and unless the Issuer obtains an exemption from the SGX-ST, the Issuer will appoint and maintain a paying agent in Singapore where the Definitive Certificates may be presented or surrendered for payment or redemption. In addition, in the event that a Global Certificate is exchanged for Definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore;

(b) a fiscal agent;

(c) a registrar; and

(d) a transfer agent.

## 16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 16.1 **Governing law**

The Notes and the Guarantee are governed by, and will be construed in accordance with, the laws of the State of New York.

### 16.2 **Jurisdiction**

In relation to any suit, legal action or proceedings arising out of or in connection with the Notes, each of the Issuer and the Guarantor will irrevocably submit to the jurisdiction of the New York State and United States Federal courts sitting in the Borough of Manhattan, New York City.

### 16.3 **Appointment of process agent**

The Issuer has irrevocably and unconditionally appointed Korean Air Lines Co., Ltd., New York Office at 251, Cargo Building, 9 N Service Road, Jamaica, Queens, New York 11430, United States as its agent for service of process in respect of any suit, legal action or proceedings arising out of or in connection with the Notes and has undertaken that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

The Guarantor has irrevocably and unconditionally appointed Kookmin Bank, New York Branch at its registered office for the time being at 565 Fifth Avenue, 24th Floor, New York, New York 10017, United States as its agent for service of process in respect of any suit,

legal action or proceedings arising out of or in connection with the Notes and has undertaken that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

16.4 **Waiver of Immunity**

To the extent that the Issuer or the Guarantor has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets or the Notes (in the case of the Issuer) or the Guarantee (in the case of the Guarantor), the Issuer and the Guarantor hereby irrevocably and unconditionally waive, and agree not to plead or claim, any such immunity, and consent to the relief or enforcement, in respect of its respective obligations under the Notes (in the case of the Issuer) or the Guarantee (in the case of the Guarantor) to the fullest extent permitted by applicable law.

## 17. DEFINITIONS

Unless the context otherwise requires, the following terms will have the following meanings in these Conditions:

"**Additional Amounts**" has the meaning specified in Condition 8.1.

"**Agent**" has the meaning specified in the preamble to these conditions.

"**Business Day**" means a day which is both: (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city in which the Paying Agent has its registered office from time to time; and (b) a day on which banks are open for business in New York, Hong Kong, London and Seoul.

"**Calculation Amount**" means US$1,000 in Principal Amount of Notes.

"**Conditions**" means these terms and conditions of the Notes.

"**Definitive Certificate**" has the meaning specified in Condition 1.1.

"**Denominated Currency**" has the meaning specified in Condition 3.2.

"**Encumbrance**" has the meaning specified in Condition 3.2.

"**Fiscal Agency Agreement**" has the meaning specified in the preamble to these Conditions.

"**Fiscal Agent**" has the meaning specified in the preamble to these Conditions.

"**Global Certificate**" has the meaning specified in Condition 1.1.

"**Guarantee**" has the meaning specified in Condition 4.

"**Guarantor**" means Kookmin Bank.

"**Holder**" has the meaning specified in Condition 1.2.

"**Indebtedness**" means any obligation (whether present or future, actual or contingent) for the payment or repayment of money which has been borrowed or raised (including money raised by way of acceptances or leasing).

"**Interest Amount**" means the amount payable per Calculation Amount on an Interest Payment Date.

"**Interest Payment Date**" has the meaning specified in Condition 5.1.

"**Interest Period**" has the meaning specified in Condition 5.1.

"**Issue Date**" means August 11, 2026.

"**Issue Price**", in relation to a Note, has the meaning specified in the prospectus or other issuance documentation in respect of that Note.

"**Issuer**" means Korean Air Lines Co., Ltd.

"**Korea**" means The Republic of Korea.

"**Loan Asset**" has the meaning specified in Condition 3.2.

"**Paying Agent**" has the meaning specified in the preamble to these Conditions.

"**Payment Business Day**" has the meaning specified in Condition 7.4.

"**Principal Amount**" has the meaning specified in Condition 1.1.

"**Reciprocal Loan**" has the meaning specified in Condition 3.2.

"**Record Date**" has the meaning specified on the face of the applicable Global Certificate or Definitive Certificate.

"**Register**" has the meaning specified in Condition 1.1.

"**registered account**" has the meaning specified in Condition 7.1.

"**registered address**" has the meaning specified in Condition 7.1.

"**Registrar**" has the meaning specified in the preamble to these Conditions.

"**Relevant Date**" means the date on which the relevant payment first becomes due but, if the full amount of the money payable has not been received by the relevant Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Holders by the Issuer.

"**Relevant Jurisdiction**" means the Republic of Korea or any political subdivision or any authority thereof or therein having power to tax the Issuer or, in the event of any substitution, Solvent Reorganization or other corporate action resulting in the Issuer being tax resident in any other jurisdiction, that other jurisdiction or any political subdivision or any authority thereof or therein having power to tax the Issuer.

"**Relevant Taxes**" has the meaning specified in Condition 8.1.

"**Secured Counterparty**" has the meaning specified in Condition 3.2.

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited.

"**Significant Subsidiary**" means any Subsidiary (except any entity which becomes a Subsidiary of the Issuer after the Issue Date in connection with the ongoing restructuring of the Hanjin Group following the Issuer's acquisition of Asiana Airlines Inc. and its Subsidiaries) (i) whose total assets or gross revenues (or, where the Subsidiary in question itself has Subsidiaries, whose total consolidated assets or gross consolidated revenues, as the case may be) attributable to the Issuer represent not less than 20% of the total consolidated assets or the gross consolidated revenues of the Issuer, all as calculated by reference to the then latest audited accounts of such Subsidiary and of any other entity which is a Subsidiary of that Subsidiary and which would, if the latter Subsidiary produced consolidated accounts, be included in such consolidated accounts and the then latest consolidated accounts of the Issuer; or (ii) to which all or substantially all the assets and undertakings of a Subsidiary, which immediately prior to such transfer is a Significant Subsidiary, are transferred.

"**Solvent Reorganization**" means, with respect to the Issuer, solvent Winding-Up, deregistration, dissolution, scheme of arrangement or other reorganization of the Issuer solely for the purposes of a consolidation, amalgamation, merger or reconstruction under which the continuing or resulting corporation effectively assumes the obligations of the Issuer under the Notes and the Fiscal Agency Agreement.

"**Special Matter**" means each of the following matters:

(i) reduction or cancellation of the amount payable or, where applicable, modification, except where such modification is in the opinion of the Fiscal Agent bound to result in an increase of any principal or interest in respect of the Notes;

(ii) modification of the date of payment in respect of any principal or interest in respect of the Notes;

(iii) alteration of the currency in which payments under the Notes are to be made;

(iv) modification or waiver of the provisions regarding the negative pledge of the Guarantor referred to in Condition 3.2 (Negative Pledge);

(v) alteration of the obligations of the Issuer under Conditions 6 (Redemption), 8 (Taxation and Gross-up) or 12 (Events of Default);

(vi) the terms of any consolidation, amalgamation, merger or reorganization of the Issuer, except the terms of any consolidation, amalgamation, merger or reorganization of the Issuer under Condition 11 (Consolidation, Merger and Sale of Assets);

(vii) reduction of any of the percentage voting and quorum provisions in Condition 13.3 (Meetings); or

(viii) modification of any of the above matters constituting the Special Matters.

"**Subsidiary**" means any corporation or other business entity of which one person owns or controls (in either case, either directly or through another Subsidiary or other Subsidiaries) 50% or more of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such corporation or other business entity (other than capital stock or other ownership interest of any other class or classes which has voting power only upon the occurrence of any contingency).

"**Transfer Agent**" has the meaning specified in the preamble to these Conditions.

"**Winding-Up**" means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy (as set forth in Part 3 of the Debtor Rehabilitation and Bankruptcy Act of Korea), winding up, liquidation or any other proceedings in respect of the Issuer or the Guarantor, as the case may be, which commences with a view to liquidation of the Issuer or the Guarantor, as the case may be.

# THE GLOBAL CERTIFICATE

*The Global Certificate contains provisions that apply to the Notes in respect of which it is issued, some of which modify the effect of the Conditions of the Notes set out in this Offering Circular. The following is a summary of provisions of the Notes while in global form.*

**Form**

The Notes will initially be represented by a temporary Global Certificate (the "**Temporary Global Certificate**"). On and after the date (the "**Exchange Date**") which is the later of (i) 40 days after the date on which any Temporary Global Certificate is issued and (ii) 40 days after the completion of the distribution of the relevant tranche, interests in such Temporary Global Certificate will be exchangeable (free of charge), in whole or in part, upon a request as described therein either for interests in a permanent Global Certificate (the "**Global Certificate**") against certification of beneficial ownership as described below and applicable U.S. securities laws in accordance with the terms of the Temporary Global Certificate. In no event shall the Temporary Global Certificate be exchanged by the Issuer for a Definitive Certificate prior to (i) the Exchange Date and (ii) the receipt by the Fiscal Agent of the certificate with respect to the beneficial interests in the Temporary Global Certificate.

**Meetings**

The registered holders of the Notes in respect of which the Global Certificate is issued will be treated as being one person for the purposes of any meeting of Holders, and at any such meeting, as having one vote in respect of each US$1,000 in principal amount of the Notes in respect of which the Global Certificate is issued.

**Cancellation**

Cancellation of any Notes following its redemption or purchase by the Issuer will be effected by a reduction in the principal amount of the Notes in the register of Holders.

**Transfers**

Transfers of interests in the Notes will be effected through the records of Euroclear and Clearstream, and their respective participants in accordance with their respective rules and operating procedures.

**Notices**

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream or an alternative clearing system appointed in accordance with the terms of the Notes and the Fiscal Agency Agreement, notices to the Holders may be given by delivery of the relevant notice to the clearing systems in accordance with the applicable rules and procedures of the clearing systems for communication by them to entitled accountholders. Any such notice shall be deemed validly given on the day after it has been delivered to Euroclear, Clearstream or an alternative clearing system.

**Singapore Paying Agent**

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Certificate is exchanged for Definitive Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Definitive Certificates may be presented or surrendered for payment or redemption. In addition, in the event that the Global Certificate is exchanged for Definitive Certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore.

## USE OF PROCEEDS

The net proceeds to the Issuer from this offering (after deducting underwriting commissions but not other estimated expenses relating to the offering) are expected to be US$297,549,000. The Issuer intends to use such net proceeds for general corporate purposes.

## CAPITALIZATION OF THE BANK

The following table sets forth the Bank's capitalization, defined as the sum of its borrowings and debentures and its equity, as of March 31, 2026:

| | As of March 31, 2026 |
|---|---|
| | (in billions of Won) |
| Borrowings and debentures[(1)] | ₩ 63,159 |
| Equity | |
| Capital stock, par value ₩5,000 | |
| Authorized — 1,000,000,000 shares | |
| Issued and outstanding common stock — 404,379,116 shares | ₩ 2,022 |
| Hybrid securities | 1,066 |
| Capital surplus | 4,650 |
| Accumulated other comprehensive income | 499 |
| Retained earnings | 30,766 |
| Non-controlling interests in equity | 54 |
| Total equity | ₩ 39,057 |
| Total capitalization | ₩ 102,216 |

*Note:*

(1) Consists of borrowings of ₩27,980 billion (excluding call money and bonds sold under repurchase agreements and others) and debentures of ₩35,178 billion.

Except as set forth herein, there has been no material change in the capitalization of the Bank since March 31, 2026.

## EXCHANGE RATES

The table below sets forth, for the periods and dates indicated, information concerning the Market Average Exchange Rate. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all.

| Period | At End of Period | Average Rate[(1)] | High | Low |
|---|---|---|---|---|
| | | (Won per US$1.00) | | |
| 2021 | 1,185.5 | 1,144.4 | 1,199.1 | 1,083.1 |
| 2022 | 1,267.3 | 1,292.0 | 1,436.6 | 1,185.5 |
| 2023 | 1,289.4 | 1,305.4 | 1,360.6 | 1,219.3 |
| 2024 | 1,470.0 | 1,364.0 | 1,474.1 | 1,289.4 |
| 2025 | 1,434.9 | 1,422.2 | 1,483.4 | 1,352.6 |
| 2026 (through August 3) | 1,433.6 | 1,485.6 | 1,554.4 | 1,424.5 |
| January | 1,427.0 | 1,456.5 | 1,477.5 | 1,427.0 |
| February | 1,424.5 | 1,449.3 | 1,470.3 | 1,424.5 |
| March | 1,513.4 | 1,486.6 | 1,513.4 | 1,435.4 |
| April | 1,476.1 | 1,487.4 | 1,530.5 | 1,470.8 |
| May | 1,505.8 | 1,490.1 | 1,513.3 | 1,450.8 |
| June | 1,541.5 | 1,527.3 | 1,546.5 | 1,503.2 |
| July | 1,441.1 | 1,497.4 | 1,554.4 | 1,441.1 |
| August (through August 3) | 1,433.6 | 1,433.6 | 1,433.6 | 1,433.6 |

*Note:*

(1) The average rate for each year is calculated as the average of the Market Average Exchange Rates on each business day during the relevant year (or portion thereof). The average rate for a month is calculated as the average of the Market Average Exchange Rates on each business day during the relevant month (or portion thereof).

*Source: Seoul Money Brokerage Services, Ltd.*

## SELECTED FINANCIAL AND OPERATING DATA OF THE BANK

### SELECTED FINANCIAL DATA

The selected financial data of the Bank as of and for the years ended December 31, 2025 and 2024 set forth below have been derived from the Bank's audited consolidated financial statements included elsewhere in this Offering Circular, which have been prepared in accordance with Korean IFRS. The selected financial data as of March 31, 2026 and for the three months ended March 31, 2026 and 2025 have been derived from the Bank's unaudited consolidated interim financial statements included elsewhere in this Offering Circular, which have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

You should read the following data together with the Bank's consolidated financial statements included elsewhere in this Offering Circular. Historical results do not necessarily predict future results.

| | For the Year ended December 31, | | For the Three Months ended March 31, | |
|---|---|---|---|---|
| | 2024 | 2025 | 2025 | 2026 |
| | (in billions of Won) | | | |
| **Consolidated statements of comprehensive income data** | | | | |
| Interest income | ₩ 23,211 | ₩ 21,862 | ₩ 5,604 | ₩ 5,343 |
| Interest expense | (12,987) | (11,205) | (3,007) | (2,576) |
| **Net interest income** | 10,224 | 10,658 | 2,596 | 2,768 |
| Fee and commission income | 1,544 | 1,644 | 376 | 482 |
| Fee and commission expense | (431) | (440) | (106) | (109) |
| **Net fee and commission income** | 1,113 | 1,204 | 270 | 373 |
| **Net gains on financial instruments at fair value through profit or loss** | 768 | 932 | 196 | 38 |
| **Net other operating expenses** | (1,391) | (1,391) | (325) | (306) |
| **General and administrative expenses** | (4,634) | (4,649) | (1,063) | (1,076) |
| **Operating income before provision for credit losses** | 6,079 | 6,754 | 1,675 | 1,797 |
| Provision for credit losses | (680) | (1,033) | (286) | (172) |
| **Net operating income** | 5,399 | 5,721 | 1,389 | 1,625 |
| Share of profit (loss) of associates | 7 | 76 | (6) | 11 |
| Net other non-operating expenses | (961) | (481) | (9) | (118) |
| Net non-operating expenses | (954) | (406) | (15) | (107) |
| **Profit before income tax expense** | 4,445 | 5,315 | 1,374 | 1,518 |
| Income tax expense | (1,294) | (1,490) | (356) | (418) |
| **Profit for the period** | ₩ 3,151 | ₩ 3,825 | ₩ 1,018 | ₩ 1,100 |
| (Adjusted profit after provision of regulatory reserve for credit losses) [(1)] | 3,313 | 3,667 | 974 | 924 |
| Items that will not be reclassified to profit or loss: | | | | |
| Remeasurements of net defined benefit liabilities | (42) | 14 | (7) | (8) |
| Net gains (losses) on equity instruments at fair value through other comprehensive income | (273) | 73 | 36 | 82 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation differences | 429 | (53) | (4) | 207 |
| Net gains (losses) on debt securities at fair value through other comprehensive income | 219 | (264) | (1) | (264) |
| Share of other comprehensive income (loss) of associates | (1) | 1 | (0) | 1 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (165) | 34 | 2 | (77) |
| Gains (losses) on cash flow hedging instruments | 1 | (23) | (14) | 6 |
| **Other comprehensive income (loss) for the period, net of tax** | 168 | (219) | 12 | (52) |
| **Total comprehensive income for the period** | ₩ 3,320 | ₩ 3,606 | ₩ 1,029 | ₩ 1,048 |

| | For the Year ended December 31, | | For the Three Months ended March 31, | |
|---|---|---|---|---|
| | 2024 | 2025 | 2025 | 2026 |
| | (in billions of Won) | | | |
| **Profit (loss) attributable to:** | | | | |
| Shareholders of the parent company | ₩ 3,252 | ₩ 3,852 | ₩ 1,026 | ₩ 1,101 |
| Non-controlling interests | (100) | (27) | (9) | (1) |
| | ₩ 3,151 | ₩ 3,825 | ₩ 1,018 | ₩ 1,100 |
| **Total comprehensive income (loss) attributable to:** | | | | |
| Shareholders of the parent entity | ₩ 3,409 | ₩ 3,637 | ₩ 1,041 | ₩ 1,043 |
| Non-controlling interests | (89) | (31) | (11) | 5 |
| | ₩ 3,320 | ₩ 3,606 | ₩ 1,029 | ₩ 1,048 |

*Note:*

(1) Please see Note 25 of the notes to the Bank's audited annual consolidated financial statements as of and for the years ended December 31, 2025 and 2024 and Note 18 of the notes to the Bank's unaudited interim consolidated financial statements as of March 31, 2025 and for the three months ended March 31, 2026 and 2025 included elsewhere in this Offering Circular.

| | As of December 31, | | As of March 31, |
|---|---|---|---|
| | 2024 | 2025 | 2026 |
| | (in billions of Won) | | |
| **Consolidated balance sheet data** | | | |
| Assets | | | |
| Cash and due from financial institutions | ₩ 22,910 | ₩ 26,469 | ₩ 24,690 |
| Financial assets at fair value through profit or loss | 22,090 | 26,105 | 27,032 |
| Derivative financial assets | 10,250 | 6,871 | 9,929 |
| Loans measured at amortised cost | 409,867 | 428,818 | 429,460 |
| Financial investments | 81,227 | 79,088 | 80,611 |
| Investments in associates | 586 | 660 | 647 |
| Property and equipment | 4,199 | 3,900 | 3,896 |
| Investment property | 125 | 137 | 144 |
| Intangible assets | 969 | 726 | 730 |
| Net defined benefit asset | 164 | 236 | 259 |
| Current income tax assets | 319 | 363 | 386 |
| Deferred income tax assets | 137 | 143 | 147 |
| Assets held for sale | 137 | 175 | 169 |
| Assets of a disposal group held for sale | – | 94 | 112 |
| Other assets | 9,909 | 11,149 | 27,102 |
| Total assets | ₩ 562,887 | ₩ 584,935 | ₩ 605,312 |
| Liabilities | | | |
| Financial liabilities at fair value through profit or loss | 159 | 420 | 480 |
| Derivative financial liabilities | 9,643 | 5,828 | 8,527 |
| Deposits | 421,201 | 440,010 | 444,743 |
| Borrowings[(1)] | 32,226 | 32,546 | 31,094 |
| Debentures | 34,737 | 36,297 | 35,178 |
| Provisions | 544 | 797 | 889 |
| Net defined benefit liabilities | 11 | 9 | 9 |
| Current income tax liabilities | 25 | 62 | 26 |
| Deferred income tax liabilities | 673 | 641 | 690 |
| Liabilities of a disposal group held for sale | – | 68 | 73 |
| Other liabilities | 25,640 | 29,300 | 44,544 |
| Total liabilities | 524,860 | 545,979 | 566,255 |
| Equity | | | |
| Capital stock | 2,022 | 2,022 | 2,022 |
| Hybrid securities | 1,066 | 1,066 | 1,066 |
| Capital surplus | 4,650 | 4,650 | 4,650 |
| Accumulated other comprehensive income | 776 | 558 | 499 |
| Retained earnings | 29,428 | 30,609 | 30,765 |
| (Provision of regulatory reserve for credit losses) | (2,797) | (2,736) | (2,921) |
| (Amounts estimated to be reversed) | 61 | (185) | (177) |
| Equity attributable to shareholders of the parent company | 37,941 | 38,904 | 39,003 |
| Non-controlling interests | 86 | 52 | 54 |
| Total equity | 38,027 | 38,956 | 39,057 |
| Total liabilities and equity | ₩ 562,887 | ₩ 584,935 | ₩ 605,312 |

*Note:*

(1) Includes call money and bonds sold under repurchase agreements and others.

## SELECTED OPERATING DATA

Unless otherwise stated, the selected ratios and other operating data set forth below as of and for the years ended December 31, 2025 and 2024 and as of and for the three months ended March 31, 2026 and 2025 have been calculated based on the separate financial statements of the Bank prepared in accordance with Korean IFRS, which are not included in this Offering Circular.

| | As of or for the year ended December 31, | | As of or for the three months ended March 31, | |
|---|---|---|---|---|
| | 2024 | 2025 | 2025 | 2026 |
| | | | (%) | |
| Ratio of non-performing credits to total credits[(1)] | 0.23 | 0.24 | 0.34 | 0.27 |
| Ratio of allowance to total credits[(2)] | 0.64 | 0.58 | 0.67 | 0.58 |
| Net interest spread[(3)] | 1.71 | 1.68 | 1.69 | 1.71 |
| Net interest margin[(4)] | 1.78 | 1.74 | 1.76 | 1.77 |
| Total capital adequacy ratio[(5)(9)] | 17.31 | 17.28 | 17.50 | 17.10 |
| Tier I capital adequacy ratio[(6)(9)] | 14.95 | 15.35 | 15.30 | 15.37 |
| Common equity Tier I capital adequacy ratio[(7)(9)] | 14.50 | 14.91 | 14.85 | 14.93 |
| Tier II capital adequacy ratio[(8)(9)] | 2.35 | 1.93 | 2.20 | 1.73 |

*Notes:*

(1) Includes loans, guarantees and other credits in both the banking and trust accounts, calculated in accordance with applicable FSS reporting guidelines.

(2) Includes loans, guarantees and other credits in both the banking and trust accounts, and is calculated as the ratio of (i) allowance for credit losses in accordance with the FSS reporting guidelines to (ii) the aggregate outstanding balance of such credits in accordance with the FSS reporting guidelines.

(3) Represents the difference between the average annual rate of interest earned on interest-earning assets and the average annual rate of interest paid on interest-bearing liabilities, calculated in accordance with applicable FSS reporting guidelines.

(4) Derived by dividing net interest income (annualized, for interim periods) by the daily average balance of interest-earning assets, calculated in accordance with applicable FSS reporting guidelines.

(5) Calculated as the ratio of the sum of Tier I and Tier II capital to risk-weighted assets, on a consolidated basis and in accordance with guidelines issued by the FSC. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Capital Adequacy*."

(6) Calculated as the ratio of Tier I capital to risk-weighted assets, on a consolidated basis and in accordance with guidelines issued by the FSC. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Capital Adequacy*."

(7) Calculated as the ratio of common equity Tier I capital to risk-weighted assets, on a consolidated basis and in accordance with guidelines issued by the FSC. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Capital Adequacy*."

(8) Calculated as the ratio of Tier II capital to risk-weighted assets, on a consolidated basis and in accordance with guidelines issued by the FSC. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Capital Adequacy*."

(9) Calculated based on the consolidated financial statements of the Bank prepared in accordance with Korean IFRS.

# THE ISSUER

## Overview

The Issuer is the leading airline in Korea in terms of total passengers and cargo carried according to data for the first quarter of 2026 released by the Korea Airports Corporation and the Incheon International Airport Corporation. The Issuer is the largest member company, in terms of assets, of the Hanjin Group, a Korean conglomerate with strengths in the airline and transportation industries. The Issuer engages primarily in air transportation for passengers and cargo through the operation of both international and domestic flights, providing commercial airline services to destinations in Korea and around the world from its hub at Incheon International Airport, one of the major air gateways in Asia. As of March 31, 2026, the Issuer provided services to 106 international destinations in 38 countries and 10 domestic destinations in connection with its passenger and cargo services businesses. The Issuer also operates related businesses in aerospace, hotels and other related businesses. As of March 31, 2026, the Issuer had 18,636 employees, including pilots, cabin crew, ground support employees, ground-handling employees and other staff members in its air transport, aerospace, hotels and other business operations. The Issuer is one of the founding members of the SkyTeam alliance, a global passenger alliance with 18 member airlines.

The Issuer's consolidated sales amounted to Won 17,871 billion in 2024, Won 25,226 billion in 2025 and Won 6,658 billion in the three months ended March 31, 2026. The Issuer recorded profits of Won 1,382 billion in 2024, Won 647 billion in 2025 and Won 34 billion in the three months ended March 31, 2026. The Issuer had total assets of Won 53,310 billion and total liabilities of Won 42,035 billion as of March 31, 2026, compared to total assets of Won 50,406 billion and total liabilities of Won 38,947 billion as of December 31, 2025.

The Issuer's headquarters and registered office are located at 260 Haneul-gil, Gangseo-gu, Seoul, Korea 07505. The Issuer's website is http://www.koreanair.com. The information on the Issuer's website does not constitute a part of this Offering Circular.

## History

The Issuer was established in 1962 as a corporation of unlimited duration incorporated with limited liability under the laws of Korea, initially serving as the state airline of Korea. The Issuer's primary purpose, as stated in Section 2 of its Articles of Association, dated September 19, 1969, and most recently amended on March 26, 2026, is to engage primarily in domestic and international air transportation, supported by maintenance, repair and overhaul ("**MRO**") services and aircraft component R&D, along with other aircraft-use-based businesses. The Issuer was subsequently listed on the Korea Exchange through an initial public offering in 1966, and its equity securities remain admitted to trading on the Korea Exchange. In 1969, the Issuer was acquired by the Hanjin Group. The Issuer began transpacific cargo services in 1971 and transpacific passenger services in 1972. It introduced the Boeing 707 into service in 1971, the Boeing 747 in 1973, the Airbus A300 in 1975, the Airbus A380 in 2011, the Boeing 787-10 and the Airbus A350-900 in 2024. In August 2013, a new holding company, HANJIN KAL Corp. ("**Hanjin KAL**"), was established within the Hanjin Group, and the Issuer transferred its investment business, including all of its ownership in its low-cost carrier ("**LCC**") subsidiary Jin Air Co., Ltd. ("**Jin Air**"), to Hanjin KAL. In June 2022, as part of the Issuer's efforts to pursue business synergies through vertical integration of its LCC affiliates, the Issuer re-acquired its ownership of Jin Air by purchasing a 54.9% stake in Jin Air from Hanjin KAL, as a result of which Jin Air became one of the Issuer's consolidated subsidiaries. In June 2022, The Korea Development Bank ("**Korea Development Bank**") exercised its right to convert the Issuer's perpetual convertible bonds into shares of stock, as a result of which Korea Development Bank currently owns a 3.3% equity interest in the Issuer, which is now classified as an associated company of Korea Development Bank. As of March 31, 2026, Hanjin KAL was the largest shareholder of the Issuer and owned 26.13% of the Issuer's outstanding common shares and 0.86% of the Issuer's preferred shares. In addition, the Issuer

plans to acquire an 80% stake in Korean Air C&D Service on July 31, 2026, to internalize its in-flight catering and duty-free retail businesses, with the aim of enhancing procurement stability and quality control.

**Services**

The Issuer's primary business segment is air transport, consisting of the passenger services business and cargo services business, which together have accounted for a significant majority of its total revenues in recent years. The Issuer also operates in the areas of aerospace, hotels and other related businesses.

***Air Transport***

*Passenger Services Business*

The Issuer maintains a global network for its passenger services. As of March 31, 2026, the Issuer operated passenger flights connecting 106 destinations (10 domestic and 96 international) in 34 countries. The Issuer pursues a route optimization strategy aimed at enhancing profitability and competitiveness across its passenger network. This strategy focuses on aligning flight schedules with high-value premium demand flows, flexibly adjusting capacity in response to market trends and consumer demand as well as strategically expanding into high-demand regions. In recent periods, the Issuer has improved profitability by recovering both unit prices and demand on routes to and from China, Southeast Asia and Japan, securing stable, fixed demand on Americas- and Europe-bound routes and launching new routes to high-potential destinations such as Lisbon, Macau, Taichung and Fuzhou.

On January 14, 2026, Asiana Airlines completed its relocation to Terminal 2 of Incheon International Airport, consolidating the operations of the Issuer and Asiana Airlines within a single terminal. This co-location has reduced the minimum connection time for transfers between the Issuer's and Asiana Airlines' flights, strengthening the competitiveness of both airlines' connecting itineraries. In particular, the co-location has driven meaningful improvements in passenger volumes for both airlines, especially on U.S.-Korea-Southeast Asia routes. Combined with the establishment of more diversified and complementary flight schedules, these developments have delivered pre-merger synergies that are contributing to overall revenue growth.

In March 2017, the Issuer entered into a memorandum of understanding with Delta Air Lines, Inc. ("**Delta Air Lines**") to establish a joint venture for the trans-Pacific routes, followed by the execution of a formal agreement in June 2017. The joint venture became fully effective on May 1, 2018. Through this partnership, the Issuer and Delta Air Lines have significantly expanded their trans-Pacific network and jointly engage in sales and marketing activities.

In addition, as part of a strategic co-investment with Delta Air Lines and Air France-KLM, founding members of the SkyTeam alliance, the Issuer acquired a 10.0% equity stake in WestJet Airlines Ltd. ("**WestJet**"), a Canadian airline. Delta Air Lines acquired a 15% stake and, upon closing, sold and transferred 2.3% of WestJet to Air France-KLM; accordingly, as of the closing on October 22, 2025, the respective equity interests held by Delta Air Lines, the Issuer and Air France-KLM were 12.7%, 10.0% and 2.3%, respectively. This joint initiative is intended to strengthen the Issuer's network and alliance competitiveness across key markets, including the northern U.S. region and Canada (led by Delta), trans-Pacific routes (led by the Issuer) and Europe (led by Air France). In particular, the Issuer expects to (i) leverage WestJet's broad Latin American network to develop new passenger demand, (ii) expand codeshare coverage on key routes and increase market share for both airlines and (iii) increase Korea-Canada route capacity in coordination with the anticipated launch of the integrated carrier following the Issuer's merger with Asiana Airlines Inc. ("**Asiana Airlines**").

*Cargo Services Business*

The Issuer's cargo services extended to 45 cities (1 domestic and 44 international) in 26 countries as of March 31, 2026. The Issuer's cargo business remains an important and stable source of revenue. In recent periods, the Issuer has navigated market volatility caused by changing trade policies, including

the impact of U.S. tariff adjustments affecting cargo volumes between Asia and the United States, as well as macroeconomic pressures such as elevated oil prices and exchange rate volatility driven by geopolitical risks in the Middle East. To address these challenges, the Issuer has diversified its product offerings, focusing on high-yield and high-value-added cargo segments such as semiconductors, AI-related equipment including semiconductor server racks, batteries, solar cells and seasonal perishables. The Issuer has also expanded its geographic coverage by increasing cargo supply to Southeast Asia, Japan and Europe as alternative markets to mitigate concentration risk. The Issuer also continues to benefit from steady demand driven by the manufacturing and e-commerce sectors, and utilizes dedicated cargo terminals at key airports including Incheon, Tokyo, Osaka, New York and Los Angeles.

*Fleet*

As of March 31, 2026, the Issuer operated a fleet of 166 aircraft, including 143 passenger aircraft, on which cargo transportation services are provided using the lower deck and 23 "all-cargo" aircraft. As of March 31, 2026, the Issuer's passenger fleet consisted of 32 B777-200ER/300ER/300 aircraft, 23 B737-8/800/900ER/900 aircraft, 18 A330-300 aircraft, 4 B747-8I aircraft, 5 A380-800 aircraft, 14 B787-9 aircraft, 15 B787-10 aircraft, 10 A220-300 aircraft, 3 A350-900 aircraft and 19 A321neo aircraft, while its cargo fleet comprised 12 B777-F aircraft, 7 B747-8F and 4 B747-400ERF aircraft. The Issuer, from time to time, enters into memoranda of understanding and firm purchase agreements with aircraft manufacturers, including Airbus and The Boeing Company, as part of its ongoing fleet development initiatives. Most recently, following a memorandum of understanding entered into in August 2025, the Issuer entered into a firm purchase agreement with The Boeing Company on March 26, 2026 for 103 aircraft, comprising 20 B777-9, 25 B787-10, 50 B737-10 and 8 B777-8F aircraft, to support its long-term fleet modernization strategy. The Issuer plans to continue to modernize its fleet with a view toward sustainable future growth by phasing out older aircraft and building a core fleet with fuel-efficient and environmentally friendly aircraft.

*Hub and Airport Operations*

The Issuer's main hub is Incheon International Airport where, commencing in January 2018, the Issuer has been providing its passenger services from Terminal 2, a passenger terminal completed in late 2017 and newly expanded to a total floor area of approximately 730,000 square meters by December 2024. The Issuer also operates a substantial portion of its domestic flights out of Gimpo Airport, the second largest airport in Korea after Incheon International Airport. At these airports, the Issuer provides most of the operational services it requires for the handling of passengers and cargo. At other Korean airports and at overseas airports, the Issuer subcontracts the provision of most of its ground handling requirements. Runway, ramp and terminal facilities are provided by airport operators that charge airlines for the use of these facilities, principally through landing, parking and passenger charges. Navigation services are provided to the aircraft by the countries of the relevant airspace or by international bodies such as Eurocontrol. Navigation charges are generally based on distance flown and weight of the aircraft.

***Other Businesses***

The Issuer's business portfolio extends beyond its core passenger and cargo transportation operations to include businesses in aerospace as well as MRO services. The Issuer's aerospace business includes the design and manufacture of airplanes and aircraft parts, maintenance services for commercial and military aircraft and research and development of unmanned aerial vehicles and satellites, and is based on its experience and expertise accumulated over the past four decades. The Issuer operates a research and development center located in Daejeon, Korea that focuses on next-generation aerospace technology. The Issuer's Maintenance and Engineering Division is responsible for the maintenance of civil aircraft and engines and performs both line and heavy maintenance for all aircraft types operated by the Issuer. The Issuer also conducts in-house engine overhaul maintenance for most of the engine types it operates. As of March 31, 2026, the Issuer's Maintenance and Engineering workforce consisted of approximately 3,024 employees, including approximately 397 MRO specialists, operating across four maintenance bases located in Gimpo, Incheon, Gimhae and Bucheon in Korea.

In addition, through its consolidated subsidiary Incheon Aviation Tech Co., Ltd. ("**IAT**"), the Issuer provides aircraft engine repair services primarily focused on testing large engines. To further enhance its engine maintenance capabilities, including engine repair, overhaul and testing as well as strengthen its competitiveness in the MRO market, the Issuer plans to construct a new engine maintenance facility in Incheon by the end of 2027. Upon full operation of the new engine maintenance facility, the Issuer expects to expand its annual engine maintenance capacity and increase the range of engine models it can service. Following the integration of Asiana Airlines, the Issuer also plans to bring engine maintenance currently outsourced by Asiana Airlines in-house, which is expected to reduce maintenance costs and generate economies of scale across the integrated fleet.

**Acquisition of Asiana Airlines**

In November 2020, the Issuer, Korea Development Bank and Hanjin KAL entered into a series of agreements in connection with the Issuer's acquisition (the "**Asiana Acquisition**") of a 63.9% stake in Asiana Airlines, a member of the Kumho Asiana Group and the second-largest airline in Korea, which had been subject to financial difficulties, which had worsened during the COVID-19 pandemic. In December 2020, Asiana Airlines' shareholders approved a 3-to-1 share capital reduction plan aimed at offsetting part of Asiana Airlines' deficits in preparation for the Asiana Acquisition. In connection with the Asiana Acquisition, the Issuer made an initial payment of ₩300 billion in December 2020 and a second payment of ₩400 billion in March 2021 to Asiana Airlines. The Asiana Acquisition was also subject to a multi-year approval process by the antitrust authorities in several jurisdictions. During this process, the European Commission ("**EC**") and the Japan Fair Trade Commission ("**JFTC**") expressed concerns about a potential monopoly on cargo routes. In connection with obtaining regulatory approvals, the Issuer and Asiana Airlines committed to completing the sale of Asiana Airlines' cargo freighter business to Air Incheon Co. Ltd. (currently known as Air Zeta Co., Ltd.) following the completion of the Asiana Acquisition in December 2024. On August 1, 2025, the sale of Asiana Airlines' cargo freighter business to Air Incheon was completed in accordance with the requirements set by the EC and JFTC for final approval of the merger. The completion of the Asiana Acquisition followed a final payment of ₩800 billion to Asiana Airlines, bringing the Issuer's total investment to ₩1.5 trillion. As of December 12, 2024, Asiana Airlines became a consolidated subsidiary of the Issuer through the acquisition by the Issuer of a 63.9% stake in newly issued shares.

While the two carriers continue to operate under separate brands, the Issuer and Asiana Airlines approved a definitive merger agreement in May 2026 pursuant to which Asiana Airlines is expected to be merged into the Issuer, with the operational launch of the integrated airline under the Korean Air brand expected on December 17, 2026, at which point the Asiana brand is expected to be discontinued. Completion of the integration remains subject to required approvals and completion of statutory procedures. Asiana Airlines is scheduled to hold a shareholders' meeting around mid-August 2026 to approve the merger. As the Issuer meets the requirements for a small-scale merger under applicable Korean law, the Issuer plans to substitute its shareholders' meeting approval with a board resolution to be adopted on the same date as Asiana Airlines' shareholders meeting. The Issuer successfully obtained approval from the Ministry of Land, Infrastructure and Transport (the "**MOLIT**") on June 25, 2026. The Issuer has continued to advance integration preparations, including joint operational readiness and safety procedures in connection with securing the air operator certificate-related approvals for the integrated airline. Additionally, upon completion of the merger, Asiana Airlines' current Star Alliance membership and related partnership arrangements will terminate, and the integrated airline will continue to operate as a member of SkyTeam under the Issuer's existing SkyTeam membership. Going forward, the Issuer plans to successfully execute key integration tasks across business units, maximize merger synergies through economies of scale and scope and improve profitability and financial soundness, thereby establishing a foundation for sustainable growth.

As part of its integration efforts, the Issuer unveiled a new corporate identity in March 2025, including an updated brand vision, value system and logo. Integration remains subject to ongoing regulatory oversight, particularly from the Korea Fair Trade Commission (the "**KFTC**"), which has imposed and actively enforced corrective measures relating to, among other things, fare increases and the integration

of the carriers' mileage programs. In June 2025, the Issuer submitted an initial mileage integration plan to the KFTC and, following several rounds of review and revision, submitted a revised plan in January 2026 that included additional measures regarding, among other things, mileage bonus seats and mileage seat-upgrade services. The revised mileage integration plan currently remains subject to KFTC review and approval.

In addition, the Issuer is pursuing the integration of its three subsidiary low-cost carriers, Jin Air Co., Ltd., Air Busan Co., Ltd. and Air Seoul Co., Ltd., by the first quarter of 2027, with the aim of optimizing routes, improving fleet management and capturing economies of scale within the low-cost carrier segment. Concurrently, the Issuer is evaluating various restructuring options to resolve holding company restrictions under the Monopoly Regulation and Fair Trade Act concerning certain Asiana Airlines' subsidiaries before the applicable grace period deadline of December 11, 2026, including a potential application for an extension of the grace period and other alternative measures. These specific implementation plans have not been finalized and will be determined through, among other things, consultations with the KFTC, external evaluations, tax and accounting reviews, and internal approval procedures including board approvals.

Asiana Airlines had total assets of ₩12,551 billion and total liabilities of ₩11,983 billion as of March 31, 2026, compared to total assets of ₩12,188 billion and total liabilities of ₩11,359 billion as of December 31, 2025. There can be no assurance that Asiana Airlines' financial condition, particularly its level of liabilities, will not have a material adverse effect on the Issuer's consolidated results of operations and financial condition.

**Government Regulation and Support**

The Korean civil aviation industry is subject to a high degree of regulation by the MOLIT and is governed by applicable Korean aviation laws and regulations. The aviation industry is also subject to the Convention on International Civil Aviation. Regulations issued or implemented by the MOLIT encompass nearly all aspects of airline operations, including the approval of the establishment of airlines, domestic and international route allocations, licensing of pilots, operational safety standards, aircraft acquisitions, aircraft airworthiness certification, aircraft registration standards, aircraft maintenance, air traffic control and standards for airport operations.

The MOLIT strives to maintain a foundation for safe and convenient air travel while enhancing Korea's aviation industry. The MOLIT negotiates bilateral or multilateral air services agreements with other countries, including agreements governing the number of airlines and details of traffic rights such as routes and frequencies. A bilateral air services agreement is an agreement that governs aviation services between two contracting states and allows the airlines of both contracting states to launch commercial flights and to use international airports of the other, among others. Once negotiated, the traffic rights are allocated to airlines in Korea based on factors such as the airlines' applications and preferences, thorough scrutiny of the airlines' competitiveness and contribution to the market development of the route, and the balance of allocations among airlines. By March 2026, Korea had air services agreements with 97 countries. In addition, by March 2026, Korea had "open skies" agreements, which allow airlines on either side of the agreement to use all international airports of the other, form strategic alliances, lease airplanes or crew and share international routes with other airlines, with 38 countries for passenger routes and 45 countries for cargo routes. The MOLIT plans to continue to seek route expansion to support the business of Korean carriers, including the Issuer.

**Flight Safety**

Safety is the Issuer's top priority. Through SafeNet, the Issuer's integrated safety management IT system, the Issuer integrates multiple safety operations into a streamlined process, which enables increased effectiveness in managing the Issuer's safety. In addition to running a series of pilot training programs to ensure the dependability of its pilots and co-pilots, the Issuer operates advanced flight simulator training facilities that are also utilized by external organizations such as other domestic airlines and government bodies. Furthermore, the Issuer operates a flight operational quality assurance

program that assists flight crew members in understanding flight procedures more effectively and enables the Issuer to accurately monitor and analyze flight data, resulting in the reduction of unsafe factors and improvement in flight performance. The Issuer's safety culture is enhanced through its implementation of employee safety and health measures, enhancement of safety reporting and encouragement of employees' participation in safety education activities, as well as close cooperation with governmental agencies such as the MOLIT, the International Civil Aviation Organization and the U.S. Federal Aviation Administration.

**Maintenance**

In line with the paramount importance it places on flight safety, the Issuer is focused on maintaining its aircraft in optimal condition through a combination of scheduled and unscheduled maintenance as well as special inspections tailored to the operational characteristics of each aircraft.

Scheduled maintenance is conducted at regular intervals and is categorized into several types, including A checks, C checks and D checks. A checks involve visual inspections of key internal and external components of the aircraft as well as the replenishment of fluids and gases, and are conducted at relatively short intervals. C checks, which are typically performed every one to two years, are a form of heavy maintenance that takes approximately seven to ten days and involve comprehensive inspections of the aircraft's structure and systems to ensure airworthiness. D checks, performed approximately every five years, are the most extensive form of maintenance. These inspections, which take more than 15 days to complete, involve a complete disassembly of the aircraft to examine and service its primary airframe and structural components in detail.

In addition to these scheduled maintenance activities, the Issuer also conducts intermediate inspections during short ground times, post-flight inspections at the end of each day of operation as well as weekly inspections.

The Issuer maintains a stock of key spare parts to facilitate special maintenance work, such as performance upgrades and modifications based on seasonal or operational conditions. The Issuer has established and continues to maintain a systematic aircraft maintenance program to ensure regular and reliable inspection of its fleet.

Furthermore, the Issuer has implemented an AI-driven predictive maintenance system to optimize its maintenance operations and continues to develop its capabilities in this area. The implementation of this system is expected to reduce unscheduled maintenance and lower maintenance costs, thereby minimizing aircraft downtime and strengthening overall operational reliability.

**SkyTeam and Other Alliances**

In order to enhance its competitive position, the Issuer founded a global alliance of passenger airlines, the SkyTeam alliance, with Delta Air Lines, Air France and Aeroméxico in 2000. The member airlines in the SkyTeam alliance aim to develop a shared system for managing revenue and expenses, cooperate on frequent flyer schemes, and share airport facilities and lounges, resources and information technology to provide seamless service around the world. As of March 31, 2026, the SkyTeam alliance had 18 members, collectively serving 945 destinations in 145 countries with approximately 13,800 daily flights and approximately 605 million annual passengers. In May 2018, the Issuer and Delta Air Lines launched a joint venture to allow the carriers to market and sell each other's seats and share costs, resources and revenues for flights.

In 2000, the Issuer also formed the world's first global cargo alliance, SkyTeam Cargo, which collectively operated more than 2,700 aircraft to more than 150 countries as of March 31, 2026. SkyTeam Cargo's vision is to become a competitive logistics provider offering global network access, standardized products and one-stop and seamless service across carriers. Similar to the SkyTeam

alliance, SkyTeam Cargo seeks to explore synergy benefits from utilizing each member's worldwide network and cost savings by selecting a single ground handling company, which lowers ground handling fees. As of March 31, 2026, SkyTeam Cargo had eight members.

In addition, the Issuer has developed partnerships beyond the SkyTeam alliance through bilateral code-sharing agreements. Code-sharing is an operation under which an airline's flights can be marketed by a non-operating (code-sharing) airline, thereby allowing two or more carriers to sell seats on one aircraft. Code-sharing allows the non-operating airline to offer convenient, seamless flight services to its customers by expanding the number of destinations covered through the use of other airlines' flight services. As of March 31, 2026, the Issuer had bilateral code-sharing agreements for passenger flights with 34 airlines, including 15 members of the SkyTeam alliance and 19 airlines outside of the SkyTeam alliance.

**Competition**

The Issuer is the largest provider of airline passenger services in Korea in terms of number of passengers. The Issuer competes in the airline passenger services market based on a variety of factors, including fare pricing, customer service, safety record and reputation, on-time performance, routes served, flight schedules, types of aircraft, code-sharing relationships, in-flight entertainment systems, frequent flyer programs, effectiveness of marketing, promotional activity and the ability to identify and satisfy consumer preferences. Competition in international markets has intensified due to aggressive marketing, both by foreign carriers independently and through airline alliances formed by domestic and foreign carriers. The Issuer also faces competition from ground transportation alternatives.

The Issuer is currently a top-seven provider of international cargo services, its main competitors in this area being Qatar Airways and FedEx Express. The Issuer is one of the most competitive airlines in cargo transportation on Asia-Pacific routes.

**Awards and Recognitions**

The Issuer has received numerous international accolades for its operational performance and service quality. It has been awarded a 5-star global airline rating by the APEX Official Airline Ratings for eight consecutive years and has been recognized as a 5-star airline under Skytrax's World Airline Star Rating for five consecutive years. In AirlineRatings.com's 2025 Airline Excellence Awards, the Issuer was named "Airline of the Year" and "World's Best Economy Class" and was ranked eighth among the world's Top 25 Safest Full-Service Airlines. In USA Today's 2025 10 Best Readers' Choice Awards, the Issuer ranked second in the Best Business & First Class category and third in both the Best Cabin Crew and Best In-Flight Food categories. The Issuer was also named "2025 Asia Airline of the Year" by Centre for Aviation. Most recently, in November 2025, the Issuer received the Best in Cabin Service and Best in Food & Beverage awards in the East Asia category of the 2026 APEX Best Awards.

**Legal Proceedings**

The Issuer may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of its business. As of the date of this Offering Circular, the Issuer is not involved in any litigation or other legal proceedings, the outcome of which would, in the reasonable judgment of its management, have a material adverse effect on the Issuer or its business.

# THE BANK

## BUSINESS

### Overview

The Bank is one of the largest commercial banks in Korea in terms of total assets (including loans). As of December 31, 2025, the Bank had total assets of ₩584,935 billion and total deposits of ₩440,010 billion.

The Bank provides credit and related financial services to individuals and SMEs and, to a lesser extent, to large corporate customers. The Bank also provides a full range of deposit products and related services to both individuals and enterprises of all sizes.

By their nature, the Bank's core consumer and SME operations place a high premium on customer access and convenience. The Bank's domestic network of 771 branches as of December 31, 2025, one of the most extensive in Korea, provides the Bank with access to a large, stable and cost-effective funding source, enables the Bank to provide its customers convenient access and gives the Bank the ability to provide the customer attention and service essential to conducting its business, particularly in an increasingly competitive environment. The Bank's branch network is further enhanced by automated banking machines and fixed-line, mobile and Internet banking. As of December 31, 2025, the Bank had a customer base of approximately 34.7 million retail customers, which represented over one-half of the Korean population.

The following table shows the principal components of the Bank's lending business as of the dates indicated, on a separate basis:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | (in billions of Won, except percentages) | | | | | |
| Retail | ₩ 166,906 | 44.4% | ₩ 177,227 | 44.4% | ₩ 183,882 | 44.1% |
| Corporate | 191,340 | 50.9 | 203,416 | 51.0 | 216,842 | 52.1 |
| Foreign | 17,853 | 4.7 | 18,284 | 4.6 | 15,849 | 3.8 |
| Total loans | ₩ 376,099 | 100.0% | ₩ 398,927 | 100.0% | ₩ 416,573 | 100.0% |

The Bank provides a full range of personal lending products and retail banking services to individual customers, including mortgage loans. The Bank is the largest private sector home equity loan provider in Korea.

Lending to SMEs is the single largest component of the Bank's non-retail credit portfolio and represents a widely diversified exposure to a broad spectrum of the Korean corporate community, both by type of lending and type of customer, with one of the categories being collateralised loans to SOHO customers that are among the smallest of the SMEs. The volume of the Bank's loans to SMEs requires a customer-oriented approach that is facilitated by the Bank's large and geographically diverse branch network.

With respect to large corporate customers, the Bank continues to seek to maintain and expand quality relationships by providing them with an increasing range of fee-related services.

The legal name of the Bank is Kookmin Bank. The Bank is registered in Korea and incorporated with limited liability under the laws of Korea (registration number: 110111-2365321) and operates pursuant to the Bank Act of 1950, as amended (the "**Bank Act**") and the Bank of Korea Act of 1950, as amended (the "**Bank of Korea Act**"), as well as regulations and supervision of the BOK, the BOK's Monetary Policy Board (the "**MPB**"), the FSC and its executive body, the FSS. The Bank's registered office is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea (telephone: + (822) 2073-7114).

**Organisational Structure**

In September 2008, the Bank completed a "comprehensive stock transfer" under Article 360-15 of the Korean Commercial Code, whereby KB Financial Group Inc. ("**KB Financial Group**") became the holding company of the Bank and eight additional entities that were originally the Bank's subsidiaries. See "*— History and Development — Establishment of KB Financial Group.*" Currently, the Bank is a wholly-owned subsidiary of KB Financial Group and the Bank's main operating subsidiaries comprise Kookmin Bank (China) Ltd., KB Microfinance Myanmar Co., Ltd., KB PRASAC Bank Plc., PT Bank KB Indonesia Tbk (formerly PT Bank KB Bukopin, Tbk) and KB Bank Myanmar Co., Ltd.

The following tables provide summary information for the Bank's main operating subsidiaries, including their total assets, net income, operating income and shareholder's equity as of and for the year ended December 31, 2025:

| | As of December 31, 2025 | | | Year ended December 31, 2025 | |
|---|---|---|---|---|---|
| | Percentage of ownership | Total assets | Equity | Operating revenue | Profit (Loss) for the period |
| | (in millions of Won, except percentages) | | | | |
| **Subsidiaries** | | | | | |
| Kookmin Bank (China) Ltd. . . . . | 100.0 | 4,469,120 | 653,205 | 219,608 | 26,011 |
| KB Microfinance Myanmar Co., Ltd. | 100.0 | 18,529 | 10,960 | 5,282 | 1,022 |
| KB Bank Myanmar Co., Ltd. . . . . | 100.0 | 314,335 | 296,595 | 12,516 | 5,491 |
| KB PRASAC Bank Plc. . . . . | 100.0 | 8,119,024 | 1,804,528 | 1,654,650 | 152,074 |
| PT Bank KB Indonesia Tbk . . . . . | 66.9 | 7,356,609 | 411,597 | 843,173 | (102,877) |
| KB Fund Partners Co., Ltd. . . . . | 100.0 | 32,350 | 25,768 | 28,453 | 6,369 |

For additional information, see Note 38 of the notes to the Bank's consolidated financial statements for 2024 and 2025 included elsewhere in this Offering Circular.

Further information regarding the Bank's subsidiaries is provided below:

- *Kookmin Bank (China) Ltd.* was established in China in November 2012 to provide a broad range of corporate banking services.

- *KB Microfinance Myanmar Co., Ltd.* was established in Myanmar in March 2017 to provide a variety of microfinance-related services.

- *KB Bank Myanmar Co., Ltd.* was established in Myanmar in December 2020 to provide a variety of banking and foreign exchange transaction-related services.

- The Bank acquired a 70.0% interest in *PRASAC Microfinance Institution Plc.* ("**PRASAC**"), a provider of microfinance and deposit-taking services in Cambodia, in April 2020. Subsequently, in October 2021, the Bank acquired the remaining 30.0% interest in PRASAC, which increased the Bank's ownership of PRASAC to 100.0%. In August 2023, the Bank merged PRASAC with Kookmin Bank Cambodia Plc., Kookmin Bank's existing subsidiary in Cambodia, to form *KB PRASAC Bank Plc*.

- Through a series of acquisitions from July 2018 to September 2020, the Bank obtained a 66.9% interest in *PT Bank Bukopin TBK* of Indonesia, and changed its name to *PT Bank KB Bukopin, Tbk* in February 2021. In August 2025, it was again renamed *PT Bank KB Indonesia Tbk*.

- *KB Fund Partners Co., Ltd.* was established in June 2024 through a split-off of the Bank's fund service business.

## HISTORY AND DEVELOPMENT

### History of the Former Kookmin Bank

The former Kookmin Bank was established by the Government in 1963 under its original name of Citizens National Bank under the Citizens National Bank Act of Korea with majority government ownership. Under this Act, the Bank was limited to providing banking services to the general public and to SMEs. In September 1994, Citizens National Bank completed its initial public offering in Korea and listed its shares on the KRX KOSPI Market of the Korea Exchange (the "**KRX KOSPI Market**").

In January 1995, the Citizens National Bank Act of Korea was repealed and replaced by the Repeal Act of the Citizens National Bank Act. Citizens National Bank's status was changed from a specialised bank to a nationwide commercial bank and in February 1995, it changed its name to Kookmin Bank. The Repeal Act allowed the former Kookmin Bank to engage in lending to large businesses.

### History of Housing & Commercial Bank

Housing & Commercial Bank ("**H&CB**") was established by the Government in 1967 under the name Korea Housing Finance Corporation. In 1969, Korea Housing Finance Corporation became the Korea Housing Bank pursuant to the Korea Housing Bank Act. H&CB was originally established to provide low and middle income households with long-term, low-interest mortgages in order to help them purchase their own homes, and to promote the increase of housing supply in Korea by providing low-interest housing loans to construction companies. Until 1997 when the Korea Housing Bank Act was repealed, H&CB was the only entity in Korea allowed to provide mortgage loans with a term of longer than ten years. H&CB also had the exclusive ability to offer housing-related deposit accounts offering preferential rights to subscribe for newly-built apartments.

### The Merger of the Former Kookmin Bank and H&CB

Effective November 1, 2001, the former Kookmin Bank and H&CB merged into a new entity named Kookmin Bank. This merger resulted in the Bank becoming the largest commercial bank in Korea by total assets (including loans), according to the data compiled by the FSS. American depositary shares ("**ADSs**") representing the Bank's common stock were listed on the New York Stock Exchange on November 1, 2001 and its common stock was listed on the KRX KOSPI Market on November 9, 2001.

### The Merger with Kookmin Credit Card

On May 30, 2003, the Bank entered into a merger agreement with Kookmin Credit Card, previously a 75% owned and consolidated subsidiary. On July 23, 2003, the Bank's board approved the merger with Kookmin Credit Card and on September 5, 2003, the merger was approved by the shareholders of Kookmin Credit Card. On September 30, 2003, the Bank merged with Kookmin Credit Card.

### Establishment of KB Financial Group

KB Financial Group was established on September 29, 2008 pursuant to a comprehensive stock transfer under Article 360-15 of the Korean Commercial Code, whereby holders of the common stock of the Bank and certain of its subsidiaries transferred all of their shares to KB Financial Group, a new financial holding company, and in return received shares of KB Financial Group's common stock. In the stock transfer, each holder of one share of the Bank's common stock received one share of KB Financial Group's common stock, par value ₩5,000 per share. Holders of the Bank's ADSs and global depositary shares, each of which represented one share of the Bank's common stock, received one of KB Financial Group's ADSs for every ADS or global depositary share they owned. In addition, holders of the common stock of KB Investment & Securities Co., Ltd., KB Asset Management Co., Ltd., KB Real Estate Trust Co., Ltd., KB Investment Co., Ltd., KB Futures Co., Ltd., KB Credit Information Co., Ltd. and KB Data Systems Co., Ltd., all of which were the Bank's subsidiaries, transferred all of their shares to KB Financial Group and, as consideration for such transferred shares, received shares of KB Financial Group's common stock in accordance with the specified stock transfer ratio applicable to each

such subsidiary. Following the completion of the stock transfer, the Bank and the aforementioned subsidiaries of the Bank became KB Financial Group's wholly-owned subsidiaries. Following the stock transfer, KB Financial Group's common stock was listed on the KRX KOSPI Market on October 10, 2008 and its ADSs were listed on the New York Stock Exchange on September 29, 2008.

### Spin-off of the Credit Card Business

On September 28, 2010, the board of directors of the Bank resolved to effect a horizontal spin-off of its credit card business, such that the business would be operated by a newly established sister company of the Bank that is wholly-owned by KB Financial Group. Pursuant to such resolution, the assets and liabilities of the Bank which were directly or indirectly related to its credit card business were transferred to a newly established company, KB Card, on February 28, 2011, and all of the shares of common stock of KB Card were distributed to KB Financial Group on March 2, 2011. Pursuant to the Korean Commercial Code, the Bank will remain jointly and severally liable for the spun-off liabilities of the credit card business and KB Card will be jointly and severally liable for the liabilities of the Bank existing as of the date of the spin-off, in each case for an indefinite period.

## MAIN BUSINESSES

### Branch Network

As of December 31, 2025, the Bank had 771 branches and sub-branches in Korea, which represented one of the largest branch networks among Korean commercial banks. An extensive branch network is important to attracting and maintaining retail customers, who use branches extensively and value convenience. The following table presents the geographical distribution of the Bank's branch network in Korea as of December 31, 2025:

| | Number of Branches | Percentage |
|---|---|---|
| **Area** | | |
| Seoul | 291 | 37.7% |
| Six largest cities (other than Seoul) | 164 | 21.3 |
| Other | 316 | 41.0 |
| Total | 771 | 100.0% |

In addition, the Bank has continued to implement the specialisation of its branch functions. Of its branch network as of December 31, 2025, the Bank had two branches that primarily handled large corporate banking.

In order to support the Bank's branch network, the Bank has established an extensive network of ATMs, which are located in branches and in unmanned outlets known as "autobanks." As of December 31, 2025, the Bank had 4,162 ATMs, and the aggregate number of transactions conducted using the Bank's ATMs amounted to approximately 205 million in 2023, 192 million in 2024 and 177 million in 2025.

### Retail Banking

Due to the Bank's history and development as a retail bank and the know-how and expertise the Bank has acquired from its activities in that market, retail banking has been and will continue to remain one of the Bank's core businesses. The Bank's retail banking activities consist primarily of lending and deposit-taking.

### Lending Activities

The Bank offers various loan products that target different segments of the population, with features tailored to each segment's financial profile and other characteristics. The following table sets forth the balances and the percentage of the Bank's total domestic retail lending represented by the categories of the Bank's domestic retail loans as of the dates indicated, on a separate basis:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | (in billions of Won, except percentages) | | | | | |
| **Retail:** | | | | | | |
| Mortgage and home equity loans | ₩ 123,515 | 74.0% | ₩ 134,330 | 75.8% | ₩ 140,975 | 76.7% |
| Other consumer loans[(1)] | 43,391 | 26.0 | 42,897 | 24.2 | 42,907 | 23.3 |
| Total | ₩ 166,906 | 100.0% | ₩ 177,227 | 100.0% | ₩ 183,882 | 100.0% |

*Note:*
(1) Includes overdraft loans.

The Bank's retail loans consist of:

- *Mortgage loans*, which are loans made to customers to finance home purchases, construction, improvements or rentals, and *home equity loans*, which are loans made to the Bank's customers secured by their homes to ensure loan repayment. The Bank also provides overdraft loans in connection with the Bank's home equity loans.

- *Other consumer loans*, which are loans made to customers for any purpose (other than mortgage and home equity loans). These include overdraft loans, which are loans extended to customers to cover insufficient funds when they withdraw funds from their demand deposit accounts with the Bank in excess of the amount in such accounts up to a limit established by the Bank.

For secured loans, including mortgage and home equity loans, the Bank's policy is to lend up to 100% of the adjusted collateral value (except in areas of high speculation designated by the government where the Bank generally limits its lending to 40% of the appraised value of collateral) minus the value of any lien or other security interests that are prior to the Bank's security interest. In calculating the adjusted collateral value for real estate, the Bank uses the appraisal value of the collateral multiplied by a factor, generally between 60% to 70%. This factor varies depending upon the location and use of the real estate and is established in part by taking into account court-supervised auction prices for nearby properties.

A borrower's eligibility for the Bank's mortgage loans depends on the value of the mortgage property, the appropriateness of the use of proceeds and the borrower's creditworthiness. A borrower's eligibility for home equity loans is determined by the borrower's credit and the value of the property, while the borrower's eligibility for other consumer loans is primarily determined by the borrower's credit. If the borrower's credit deteriorates, it may be difficult for the Bank to recover the loan. As a result, the Bank reviews the borrower's creditworthiness, collateral value, credit scoring and third-party guarantees when evaluating a borrower. In addition, to reduce the interest rate of a loan or to qualify for a loan, a borrower may provide collateral, deposits or guarantees from third parties.

**Mortgage and Home Equity Lending**

The housing finance market in Korea is divided into public sector and private sector lending. In the public sector, two government entities, the National Housing and Urban Fund and the National Agricultural Cooperative Federation, are responsible for most of the mortgage lending.

Private sector mortgage and home equity lending in Korea has expanded substantially in recent years. The Bank provides customers with a number of mortgage and home equity loan products that have flexible features, including terms, repayment schedules, amounts and eligibility for loans, and the Bank offers interest rates on a commercial basis. The maximum term of mortgage loans is 50 years and the majority of the Bank's mortgage loans have long-term maturities, which may be renewed. Non-amortising home equity loans have a maturity of one to five years and home equity loans subject to amortisation of principal may have a maximum term of up to 50 years. Any customer is eligible for a mortgage or an individual home equity loan regardless of whether it participates in one of the Bank's

housing related savings programs and so long as that customer is not barred by regulation from obtaining a loan because of bad credit history. However, customers with whom the Bank frequently transacts business and who provide the Bank with significant revenue receive preferential interest rates on loans.

Contrary to prevailing practice in many other countries, a portion of the Bank's mortgage loans are unsecured (although the use of proceeds from these loans is restricted to the financing of home purchases, and some of these loans are guaranteed by a third party). One reason for this phenomenon is that the Bank, along with other Korean banks, provides advance loans to borrowers for the down payment of new housing (particularly apartments) that is in the process of being built. Once construction is completed, which may take several years, these mortgage loans become secured by the new housing purchased by these borrowers.

*Pricing.* The interest rates on the Bank's retail mortgage loans are generally based on a periodic floating rate (which is based on a base rate determined for three-month, six-month or 12-month periods using the Bank's Market Opportunity Rate system, which reflects the Bank's internal cost of funding, further adjusted to account for the Bank's expenses related to lending). The Bank's interest rates also incorporate a margin based among other things on the type of security, the credit score of the borrower and the estimated loss on the security. The Bank can adjust the price to reflect the borrower's current and/or expected future contribution to it. The applicable interest rate is determined at the time of the loan. If a loan is terminated prior to its maturity, the borrower is obligated to pay the Bank an early termination fee of approximately 0.55% to 0.75% of the loan amount in addition to the accrued interest.

The interest rates on the Bank's home equity loans are determined on the same basis as the Bank's retail mortgage loans.

**Other Consumer Loans**

Other consumer loans are primarily unsecured. However, such loans may be secured by real estate, deposits or securities, or guaranteed by a third party. Overdraft loans are also classified as other consumer loans, are primarily unsecured and generally have an initial maturity of one year, which is typically extended automatically on an annual basis and may be extended up to a maximum of ten years.

*Pricing*. The interest rates on the Bank's other consumer loans (including overdraft loans) are determined on the same basis as on the Bank's mortgage and home equity loans, except that, for unsecured loans, the borrower's credit score as determined during the Bank's loan approval process is also taken into account. See "*Risk Management of the Bank — Credit Risk Management*."

**Deposit-taking Activities**

Due to the Bank's extensive nationwide network of branches, together with the Bank's long history of development and the Bank's resulting know-how and expertise, as of December 31, 2025, the Bank had one of the largest numbers of retail customers and retail deposits among Korean commercial banks. The total amount of deposits from the Bank's retail customers amounted to ₩237,968 billion as of December 31, 2025, or 54.1% of the Bank's total deposits.

The Bank offers many deposit products that target different segments of its retail customer base, with features tailored to each segment's financial profile, characteristics and needs, including:

- *Demand deposits*, which either do not accrue interest or accrue interest at a lower rate than time deposits. Demand deposits allow the customer to deposit and withdraw funds at any time and, if they are interest-bearing, accrue interest at a variable rate depending on the amount of deposit.

- *Time deposits*, which generally require the customer to maintain a deposit for a fixed term, during which the deposit accrues interest at a fixed rate or a variable rate based on the COFIX, or to deposit specified amounts on an instalment basis. If the amount of the deposit is withdrawn prior to the end of the fixed term, the customer will be paid a lower interest rate than that originally offered. The term for time deposits typically ranges from one month to three years, and the term for instalment savings deposits ranges from six months to five years. Most instalment savings deposits offer fixed interest rates.

- *Certificates of deposit*, the maturities of which typically range from 30 days to 730 days with a required minimum deposit of ₩10 million. Interest rates on certificates of deposit are determined based on the length of the deposit and prevailing market rates. The Bank's certificates of deposit are sold at a discount to their face value, reflecting the interest payable on the certificates of deposit.

- *Foreign currency deposits*, which are available to Korean and foreign residents, non-residents and overseas immigrants. The Bank offers foreign currency demand deposits and time deposits as well as checking accounts in 11 currencies. *Foreign currency demand deposits*, which accrue interest at a variable rate, allow customers to deposit and withdraw funds at any time. *Foreign currency time deposits* generally require customers to maintain the deposit for a fixed term, during which the deposit accrues interest at a fixed rate. If the funds in a foreign currency time deposit are withdrawn prior to the end of the fixed term, the customer will be paid a lower interest rate than that originally offered.

The Bank offers varying interest rates on its deposit products depending upon average funding costs, the rate of return on the Bank's interest-earning assets and the interest rates offered by other commercial banks.

The Bank also offers comprehensive savings deposits for housing subscription, which are monthly instalment savings deposits that provide the holder with preferential rights to subscribe for both public and private housing under the Housing Act. This law is the basic law setting forth various measures supporting the purchase of houses and the supply of such houses by construction companies. These deposits require monthly instalments of ₩20,000 to ₩500,000 and accrue interest at variable rates depending on the term. An eligible account holder with ₩70 million or less in annual salary income may also claim a tax deduction for 40% of its annual instalment amounts, subject to a maximum deductible amount, in its income tax return for the year under the Special Tax Treatment Control Law of Korea.

In 2002, after significant research and planning, the Bank launched private banking operations at its headquarters. Shortly thereafter, the Bank launched a comprehensive strategy with respect to customers with higher net worth, which included staffing appropriate representatives, marketing aggressively, establishing IT systems, selecting appropriate branch locations and readying such branches with the necessary facilities to service such customers. As of December 31, 2025, the Bank operated 24 main private banking centres.

The MPB imposes a reserve requirement on Won currency deposits of commercial banks based generally on the type of deposit instrument. The minimum reserve requirement ratio is 7% of the average balance of Won currency demand deposits outstanding. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Liquidity*."

The Depositor Protection Act provides for a deposit insurance system where the Korea Deposit Insurance Corporation (the "**KDIC**") guarantees to depositors the repayment of their eligible bank deposits. The deposit insurance system insures up to a total of ₩100 million per depositor per bank, which limit increased from ₩50 million through an amendment to the Depositor Protection Act of

Korea that became effective in September 2025. See "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Deposit Insurance System*." The Bank paid ₩592 billion of premiums to the KDIC in 2025 for such deposit insurance.

**Corporate Banking**

The Bank lends to and takes deposits from SMEs and, to a lesser extent, large corporate customers. The Bank also receives fee revenue from "cash management" services offered to corporate customers, which include "firm banking" services such as inter-account transfers, transfers of funds from various branches and agencies of a company (such as insurance premium payments) to the account of the headquarters of such company and transfers of funds from various customers of a company to the main account of such company. Of the Bank's branch network as of December 31, 2025, two branches primarily handled large corporate banking.

The following table sets forth the balances and the percentage of the Bank's total domestic corporate lending represented by its domestic SME loans and large corporate loans as of the dates indicated, on a separate basis, estimated based on the Bank's internal classifications of corporate borrowers:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | (in billions of Won, except percentages) | | | | | |
| **Corporate:** | | | | | | |
| SME loans | ₩ 138,259 | 72.3% | ₩ 147,247 | 72.4% | ₩ 151,731 | 70.0% |
| Large corporate loans | 53,081 | 27.7 | 56,169 | 27.6 | 65,111 | 30.0 |
| Total | ₩ 191,340 | 100.0% | ₩ 203,416 | 100.0% | ₩ 216,842 | 100.0% |

On the deposit-taking side, the Bank currently offers its corporate customers several types of corporate deposits. The Bank's corporate deposit products can be divided into two general categories: (1) demand deposits that have no restrictions on deposits or withdrawals, but which offer a relatively low interest rate; and (2) deposits from which withdrawals are restricted for a period of time, but offer higher interest rates. The Bank also offers instalment savings deposits, certificates of deposit and repurchase instruments. The Bank offers varying interest rates on deposit products depending upon the rate of return on the Bank's income-earning assets, average funding costs and interest rates offered by other nationwide commercial banks.

The total amount of deposits from the Bank's corporate customers amounted to ₩194,300 billion as of December 31, 2025, or 44.2% of the Bank's total deposits.

**SME Banking**

The Bank's SME banking business has traditionally been and will remain one of the Bank's core businesses because of both the Bank's historical development and its accumulated expertise. The Bank believes that it possesses the necessary elements to succeed in the SME market, including its extensive branch network, its credit rating system for credit approval, its marketing capabilities (which the Bank believes have provided the Bank with significant brand loyalty) and its ability to take advantage of economies of scale.

The Bank uses the term "SMEs" as defined in the Framework Act on Small and Medium Enterprises and related regulations. Under the Framework Act on Small and Medium Enterprises and related regulations, an enterprise must meet each of the following criteria in order to meet the definition of an SME: (i) total assets at the end of the immediately preceding fiscal year must be less than ₩500 billion, (ii) the average or annual sales revenue standards as prescribed by the Enforcement Decree of the Framework Act on Small and Medium Enterprises that are applicable to the enterprise's primary business must be met and (iii) the standards of management independence as prescribed by the Enforcement Decree of the Framework Act on Small and Medium Enterprises must be met. However, pursuant to an amendment to the Framework Act on Small and Medium Enterprises, which became effective in June 2020, an enterprise that qualifies as an SME pursuant to the above definition shall no

longer be considered an SME if it is incorporated into, or is deemed to be incorporated into, a business group subject to certain disclosure requirements under the Monopoly Regulation and Fair Trade Act. Moreover, certified social enterprises (as defined in the Social Enterprise Promotion Act) and cooperatives and federations of cooperatives (each as defined in the Framework Act on Cooperatives, the Consumer Cooperatives Act and the Small and Medium Enterprise Cooperatives Act) that satisfy the requirements prescribed by the Framework Act on Small and Medium Enterprises may also qualify as SMEs.

***Lending Activities***

The Bank's principal loan products for its SME customers are working capital loans and facilities loans. Working capital loans are provided to finance working capital requirements and include notes discounted and trade financing. Facilities loans are provided to finance the purchase of equipment and the establishment of manufacturing assembly plants. As of December 31, 2025, the Bank had 415,671 SME customers on the lending side.

Loans to SMEs may be secured by real estate or deposits or may be unsecured. Working capital loans generally have a maturity of one year, but may be extended for additional terms of up to one year in length for an aggregate term of five years. Facilities loans have a maximum maturity of 15 years for amortizing loans and 20 years for bullet repayment loans.

When evaluating the extension of working capital loans, the Bank reviews the corporate customer's creditworthiness and capability to generate cash. Furthermore, the Bank takes credit guaranty letters from other financial institutions and uses time deposits that the borrower has with the Bank as collateral, and may require additional collateral.

The value of any collateral is defined using a formula that takes into account the appraised value of the property, any prior liens or other claims against the property and an adjustment factor based on a number of considerations including, with respect to property, the value of any nearby property sold in a court-supervised auction during the previous five years. The Bank revalues any collateral on a periodic basis (generally every year) or if a trigger event occurs with respect to the loan in question.

The Bank also offers mortgage loans to home builders or developers who build or sell single- or multi-family housing units, principally apartment buildings. Many of these builders and developers are categorised as SMEs. The Bank offers a variety of such mortgage loans, including loans to purchase property or finance the construction of housing units and loans to contractors used for working capital purposes. Such mortgage loans subject the Bank to the risk that the housing units will not be sold. As a result, the Bank reviews the probability of the sale of the housing unit when evaluating the extension of a loan. The Bank also reviews the borrower's creditworthiness and the adequacy of the intended use of proceeds. Furthermore, the Bank takes a lien on the land on which the housing unit is to be constructed as collateral. If the collateral is not sufficient to cover the loan, the Bank also takes a guarantee from the Housing Finance Credit Guarantee Fund as security.

A substantial number of the Bank's SME customers are SOHOs, which the Bank currently defines to include sole proprietorships and individual business interests. With respect to SOHOs, the Bank applies credit risk evaluation models, which not only uses quantitative analysis related to a customer's accounts, personal credit and financial information and due amounts but also requires the Bank's credit officers to perform a qualitative analysis of each potential SOHO customer. With respect to SOHO loans in excess of ₩2 billion, the Bank's credit risk evaluation model also includes a quantitative analysis of the financial statements of the underlying business. The Bank generally lends to SOHOs on a secured basis, although a small portion of the Bank's SOHO exposures are unsecured.

***Pricing***

The Bank establishes the price for its corporate loan products based principally on transaction risk, the Bank's cost of funding and market considerations. Transaction risk is measured by such factors as the credit rating assigned to a particular borrower, the size of the borrower and the value and type of collateral. The Bank's loans are priced based on the Market Opportunity Rate system, which is a periodic floating rate system that takes into account the current market interest rate.

While the Bank generally utilises the Market Opportunity Rate system, depending on the price and other terms set by competing banks for similar borrowers, the Bank may adjust the interest rate it charges to compete more effectively with other banks.

**Large Corporate Banking**

Large corporate customers include all companies that are not SME customers. The Bank's articles of incorporation provide that financial services to large corporate customers must be no more than 40% of the total amount of the Bank's Won-denominated loans. The Bank's business focus with respect to large corporate banking is to selectively increase the proportion of high quality large corporate customers. Specifically, the Bank is carrying out various initiatives to improve the Bank's customer relationship with large corporate customers and has been seeking to expand the Bank's service offerings to this segment.

***Lending Activities***

The Bank's principal loan products for the Bank's large corporate customers are working capital loans and facilities loans. Working capital loans generally have a maturity of one year, but may be extended for additional terms ranging from three months to one year in length for an aggregate term of five years. Facilities loans have a maximum maturity of 15 years for amortizing loans and 20 years for bullet repayment loans. The Bank also offers mortgage loans to large corporate clients who build or sell single- or multi-family housing units, as described above under "— *SME Banking — Lending Activities.*"

In the Bank's unsecured lending to large corporate customers, a critical consideration in its policy regarding the extension of such unsecured loans is the borrower's creditworthiness. The Bank assigns each borrower a credit rating based on the judgment of its experts or scores calculated using the appropriate credit rating system, taking into account both financial factors and non-financial factors (such as its perception of a borrower's reliability, management and operational risk and risk relating to the borrower's industry). The credit ratings, along with such factors, are key determinants in the Bank's lending to large corporate customers. Large corporate customers generally have higher credit ratings due to their higher repayment capability compared to other types of borrowers, such as SME borrowers. In addition, large corporate borrowers generally are affected to a lesser extent than SME borrowers by fluctuations in the Korean economy and also maintain more sophisticated financial records.

The Bank monitors the credit status of large corporate borrowers and collects information to adjust its ratings appropriately. The Bank also manages and monitors its large corporate customers through the Large Corporate Business Department. In addition, the Credit Risk Department manages the Bank's exposure to each large corporate customer and conducts in depth analysis of various economic and industry-related risks that are relevant to large corporate customers.

***Pricing***

The Bank determines pricing of its large corporate loans in the same way as the Bank determines the pricing of its SME loans. See "— *SME Banking — Pricing.*"

**Capital Markets Activities and International Banking**

Through the Bank's capital markets operations, the Bank invests and trades in debt and equity securities and, to a lesser extent, engages in derivatives and asset securitisation transactions and makes call loans. The Bank also provides investment banking services to corporate customers.

**Securities Investment and Trading**

The Bank invests in and trades securities for the Bank's own account in order to maintain adequate sources of liquidity and to generate interest and dividend income and capital gains. As of December 31, 2023, 2024 and 2025, the Bank's investment portfolio, which consists primarily of financial instruments at amortised cost and financial assets at fair value through other comprehensive income, and the Bank's trading portfolio (which consists of (i) financial assets at fair value through profit or loss, excluding loans, (ii) financial assets at fair value through other comprehensive income, excluding loans, and (iii) financial assets at amortised cost, excluding allowances for credit losses) had a combined total carrying amount of ₩97,557 billion, ₩102,784 billion and ₩104,600 billion and represented 18.4%, 18.3% and 17.9% of the Bank's total assets, respectively.

The Bank's trading and investment portfolios consist primarily of Korean treasury securities and debt securities issued by Government agencies, local governments or certain government-invested enterprises and debt securities issued by financial institutions.

From time to time the Bank also purchases equity securities for the Bank's securities portfolios. The Bank's equity securities consist primarily of marketable beneficiary certificates and equities listed on the KRX KOSPI Market, the KRX KOSDAQ Market of the Korea Exchange or the KRX KONEX Market of the Korea Exchange.

The Bank's trading portfolio also includes derivative-linked securities, the underlying assets of which were linked to, among other things, interest rates, exchange rates, stock price indices or credit risks.

The following tables set forth the carrying amounts of the securities in the Bank's trading and investment portfolios as of the dates indicated:

| | As of December 31, 2023 | | | | As of December 31, 2024 | | | | As of December 31, 2025 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amortised Cost | Net Unrealized Gain and Loss | Loss Allowance for Expected Credit Losses | Fair Value | Amortised Cost | Net Unrealized Gain and Loss | Loss Allowance for Expected Credit Losses | Fair Value | Amortised Cost | Net Unrealized Gain and Loss | Loss Allowance for Expected Credit Losses | Fair Value |
| | | | | | | (in billions of Won) | | | | | | |
| **Financial assets at fair value through profit or loss** | | | | | | | | | | | | |
| Debt securities: | | | | | | | | | | | | |
| Government and public bonds | ₩ 5,543 | ₩ – | ₩ – | ₩ 5,543 | ₩ 7,904 | ₩ – | ₩ – | ₩ 7,904 | ₩ 9,540 | ₩ – | ₩ – | ₩ 9,540 |
| Financial bonds | 4,794 | – | – | 4,794 | 3,495 | – | – | 3,495 | 4,100 | – | – | 4,100 |
| Corporate bonds | 1,751 | – | – | 1,751 | 2,321 | – | – | 2,321 | 3,004 | – | – | 3,004 |
| Asset-backed securities | 68 | – | – | 68 | 39 | – | – | 39 | 30 | – | – | 30 |
| Beneficiary certificates | 4,606 | – | – | 4,606 | 4,577 | – | – | 4,577 | 5,050 | – | – | 5,050 |
| Others | 2,436 | – | – | 2,436 | 3,181 | – | – | 3,181 | 3,475 | – | – | 3,475 |
| Equity securities: | | | | | | | | | | | | |
| Stocks | 226 | – | – | 226 | 162 | – | – | 162 | 223 | – | – | 223 |
| Others | 94 | – | – | 94 | 159 | – | – | 159 | 412 | – | – | 412 |
| **Total financial assets at fair value through profit or loss** | **₩ 19,518** | **₩ –** | **₩ –** | **₩ 19,518** | **₩ 21,838** | **₩ –** | **₩ –** | **₩ 21,838** | **₩ 25,834** | **₩ –** | **₩ –** | **₩ 25,834** |
| **Financial investments** | | | | | | | | | | | | |
| **Financial assets at fair value through other comprehensive income** | | | | | | | | | | | | |
| Debt securities: | | | | | | | | | | | | |
| Government and public bonds | ₩ 9,137 | ₩ 19 | ₩ 1 | ₩ 9,155 | ₩ 10,907 | ₩ 104 | ₩ 2 | ₩ 11,009 | ₩ 14,528 | ₩ (34) | ₩ 1 | ₩ 14,493 |
| Financial bonds | 16,318 | 56 | 5 | 16,370 | 21,296 | 154 | 4 | 21,446 | 17,194 | 32 | 2 | 17,224 |
| Corporate bonds | 11,315 | (19) | 10 | 11,287 | 9,973 | 88 | 9 | 10,052 | 10,653 | 5 | 7 | 10,651 |
| Asset-backed securities | 815 | 7 | – | 822 | 1,016 | 10 | 1 | 1,025 | 905 | (2) | – | 903 |
| Others | – | – | – | – | – | – | – | – | 29 | – | – | 29 |
| Equity securities: | | | | | | | | | | | | |
| Stocks | 488 | 920 | – | 1,408 | 495 | 555 | – | 1,050 | 477 | 663 | – | 1,140 |
| Equity investments | 57 | (49) | – | 8 | 57 | (49) | – | 8 | 57 | (42) | – | 15 |
| Beneficiary certificates | – | – | – | – | – | – | – | – | – | – | – | – |
| Others | – | – | – | – | – | – | – | – | – | – | – | – |
| Total financial assets at fair value through other comprehensive income | ₩ 38,130 | ₩ 934 | ₩ 16 | ₩ 39,050 | ₩ 43,744 | ₩ 862 | ₩ 16 | ₩ 44,590 | ₩ 43,843 | ₩ 622 | ₩ 10 | ₩ 44,455 |
| **Financial instruments at amortised cost** | | | | | | | | | | | | |
| Debt securities: | | | | | | | | | | | | |
| Government and public bonds | ₩ 6,503 | ₩ (239) | ₩ – | ₩ 6,264 | ₩ 6,029 | ₩ (113) | ₩ – | ₩ 5,916 | ₩ 4,919 | ₩ (89) | ₩ – | ₩ 4,830 |
| Financial bonds | 13,590 | (16) | 13 | 13,561 | 12,024 | (5) | 12 | 12,007 | 13,099 | (52) | 13 | 13,035 |
| Corporate bonds | 9,369 | (223) | – | 9,146 | 8,945 | (63) | – | 8,882 | 8,698 | (65) | 0 | 8,632 |
| Asset-backed securities | 9,398 | (248) | 5 | 9,145 | 9,301 | (81) | 5 | 9,215 | 7,531 | (85) | 4 | 7,442 |
| Others | 148 | (6) | – | 142 | 73 | (4) | – | 69 | 64 | (4) | 0 | 60 |
| Financial instruments at amortised cost | 39,008 | (732) | 18 | 38,258 | 36,372 | (266) | 17 | 36,089 | 34,311 | (295) | 17 | 33,999 |
| **Total financial investments** | **₩ 77,138** | **₩ 204** | **₩ 34** | **₩ 77,308** | **₩ 80,116** | **₩ 596** | **₩ 33** | **₩ 80,679** | **₩ 78,154** | **₩ 327** | **₩ 27** | **₩ 78,454** |

## Derivatives Trading

The Bank provides and trades a range of derivatives products, including:

- interest rate swaps and options, relating to interest rate risks;
- cross-currency swaps, forwards and options relating to foreign exchange risks; and
- stock price index options linked to the KOSPI index.

The following table shows the estimated fair value of the Bank's derivatives as of the dates indicated:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Estimated Fair Value Assets | Estimated Fair Value Liabilities | Estimated Fair Value Assets | Estimated Fair Value Liabilities | Estimated Fair Value Assets | Estimated Fair Value Liabilities |
| | (in billions of Won) | | | | | |
| Foreign exchange derivatives[(1)] | ₩ 4,078 | ₩ 3,686 | ₩ 9,600 | ₩ 8,913 | ₩ 5,740 | ₩ 5,187 |
| Interest rate derivatives[(1)] | 961 | 759 | 650 | 729 | 1,128 | 638 |
| Equity derivatives | 0 | – | 0 | – | 3 | 3 |
| Others[(1)] | – | 1 | – | 1 | – | 1 |
| Total | ₩ 5,039 | ₩ 4,446 | ₩ 10,250 | ₩ 9,643 | ₩ 6,871 | ₩ 5,829 |

*Note:*
(1) Includes those for trading purposes and hedging purposes.

The Bank's derivatives operations focus on addressing the needs of the Bank's corporate clients to hedge their risk exposure and the need to hedge the Bank's risk exposure that results from such client contracts. The Bank also engages in derivatives trading activities to hedge the interest rate and foreign currency risk exposures that arise from the Bank's own assets and liabilities. In addition, the Bank engages in proprietary trading of derivatives within the Bank's regulated open position limits.

### Asset Securitisation Transactions

The Bank is active in the Korean asset-backed securities market. Based on the Bank's diverse experience with respect to product development and management capabilities relating to asset securitisation, the Bank offers customers a wide range of financial products to reinforce the Bank's position as a leading bank with respect to the asset securitisation market.

### Call Loans

The Bank makes call loans and borrows call money in the short-term money market. Call loans are defined as short-term lending among banks and financial institutions either in Won or in foreign currencies with maturities of 90 days or less. Typically, call loans have maturities of one day.

### Investment Banking

The Bank has focused on selectively expanding its investment banking activities in order to increase its fee income and diversify its revenue base. The main focus of the Bank's investment banking operations is project finance and financial advisory services. The Bank's principal investment banking services include:

- project finance and financial advisory services for social overhead capital projects such as highway, port, power, water and sewage projects;
- financing and financial advisory services for real estate development projects;
- structured finance; and
- financing for mergers and acquisitions.

### International Banking

The Bank engages in various international banking activities, including foreign exchange services and derivatives dealing, import and export-related services, offshore lending, syndicated loans and foreign currency securities investment. These services are provided primarily to the Bank's domestic customers and overseas subsidiaries and affiliates of Korean corporations. The Bank also raises foreign currency funds through its international banking operations.

The table below sets forth certain information regarding the Bank's foreign currency assets and borrowings:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (in billions of Won) | | |
| Total foreign currency assets | ₩ 68,015 | ₩ 74,275 | ₩ 76,228 |
| Foreign currency borrowings: | | | |
| Debts | 18,854 | 19,403 | 17,088 |
| Debentures | 10,582 | 12,336 | 13,271 |
| Total borrowings | ₩ 29,436 | ₩ 31,739 | ₩ 30,359 |

The table below sets forth the Bank's overseas branches in operation as of March 31, 2026:

| Branches | |
|---|---|
| Kookmin Bank (China) Ltd. (including five branches) | China |
| Kookmin Bank, Tokyo Branch | Japan |
| Kookmin Bank, Auckland Branch | New Zealand |
| Kookmin Bank, New York Branch | United States |
| Kookmin Bank, London Branch | United Kingdom |
| Kookmin Bank, Ho Chi Minh City Branch | Vietnam |
| Kookmin Bank, Hanoi Branch | Vietnam |
| Kookmin Bank, Hong Kong Branch | Hong Kong |
| Kookmin Bank, Gurugram Branch | India |
| Kookmin Bank, Chennai Branch | India |
| Kookmin Bank, Pune Branch | India |
| Kookmin Bank, Singapore Branch | Singapore |
| KB Microfinance Myanmar Co., Ltd. (including 13 branches) | Myanmar |
| PT Bank KB Indonesia Tbk (including 149 branches) | Indonesia |
| KB PRASAC Bank Plc. (including 187 branches) | Cambodia |
| KB Bank Myanmar Co., Ltd. | Myanmar |

The Bank's overseas branches and subsidiaries principally provide Korean companies and nationals in overseas markets with trade financing, local currency funding and foreign exchange services, in conjunction with the operations of the Bank's headquarters.

**Trustee and Custodian Services Relating to Investment Trusts and Other Functions**

The Bank acts as a trustee for financial investment companies with a collective investment licence, which invest in investment assets using funds raised by the sale of beneficiary certificates of investment trusts to investors. The Bank also acts as custodian for financial institutions and as fund administrator for financial institutions with respect to various investments, as well as acting as settlement agent in connection with such services. The Bank receives a fee for acting in these capacities and generally performs the following functions:

- holding assets for the benefit of the investment trusts or institutional investors;
- receiving and making payments in respect of such investments;
- acting as settlement agent in respect of such investments on behalf of the investment trust or institutional investors, in the domestic and overseas markets;
- providing reports on assets held in custody;
- providing certain foreign exchange services for overseas investment and foreign investors; and
- providing fund-related administration and accounting services.

## OTHER BUSINESSES

### Trust Account Management Services

#### *Money Trust Management Services*

The Bank provides trust account management services for both specified money trusts and unspecified money trusts. The Bank receives fees for its trust account management services consisting of basic fees that are based upon a percentage of either the net asset value of the assets or the principal under management and, for certain types of trust account operations, performance fees that are based upon the performance of the trust account operations. In 2025, the Bank's basic money trust fees ranged from 0.1% to 2.0% of total assets under management depending on the type of trust account. The Bank also charges performance fees with respect to certain types of trust account products. The Bank receives penalty payments when customers terminate their trust accounts prior to the original contract maturity.

The Bank provides trust account management services for various types of money trusts. The maturities of the money trusts the Bank manages vary by the type of the trust. Approximately 2.0% of the Bank's money trusts also provide periodic payments of dividends which are added to the assets held in such trusts and not distributed.

Under Korean law, the assets of the Bank's trust accounts are segregated from the Bank's banking account assets and are not available to satisfy the claims of any of the Bank's potential creditors. The Bank is, however, permitted to deposit surplus funds generated by trust assets into the Bank's banking accounts in certain circumstances as set forth under the Financial Investment Services and Capital Markets Act (the "**FSCMA**") and the regulations thereunder.

As of December 31, 2025, the total balance of the Bank's money trusts was ₩75,597 billion (as calculated in accordance with Statement of Korea Accounting Standard No. 5004, Trust Accounts, and the Enforcement Regulations of Financial Investment Services under the FSCMA, which the Bank refers to as an "SKAS basis").

As for unspecified money trust accounts, the Bank has investment discretion over all money trusts, which are pooled and managed jointly for each type of trust account. Specified money trust accounts are established on behalf of individual customers who direct the Bank's investment of trust assets.

The following table shows the balances of the Bank's money trusts by type as of the dates indicated. Under Korean IFRS, the Bank consolidates trust accounts for which it guarantees both the repayment of the principal amount and a fixed rate of interest as well as trust accounts for which it guarantees only the repayment of the principal amount.

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (in billions of Won) | | |
| Principal and interest guaranteed trusts[1] | ₩ 0 | ₩ 0 | ₩ 0 |
| Principal guaranteed trusts[1] | 3,615 | 3,403 | 3,175 |
| Performance trusts[1][2] | 68,801 | 64,062 | 72,422 |
| Total | ₩ 72,416 | ₩ 67,465 | ₩ 75,597 |

*Notes:*
(1) Calculated on an SKAS basis.
(2) Trusts which are primarily non-guaranteed.

As of December 31, 2025, the trust assets the Bank managed consisted principally of securities investments and loans from the trust accounts. As of December 31, 2025, on an SKAS basis, the Bank's trust accounts had invested in securities in the aggregate amount of ₩24,361 billion, of which ₩9,548 billion was debt securities and derivative-linked securities. Securities investments consist of Government-related debt securities, corporate debt securities, including bonds and commercial paper, equity securities, derivative-linked securities and other securities. Loans made by the Bank's trust

account operations are similar in type to the loans made by the Bank's bank account operations. As of December 31, 2025, on an SKAS basis, the Bank's trust accounts had made loans in the principal amount of ₩189 billion (excluding loans from the trust accounts to the Bank's banking accounts of ₩6,306 billion), which accounted for 0.3% of the Bank's money trust assets. Loans by the Bank's money trusts are subject to the same credit approval process as loans from the Bank's banking accounts. As of December 31, 2025, substantially all of the loans from the Bank's money trust accounts were collateralised or guaranteed.

The Bank's money trust accounts also invest, to a lesser extent, in equity securities, including beneficiary certificates issued by financial investment companies with a collective investment licence. On an SKAS basis, as of December 31, 2025, equity securities in the Bank's money trust accounts amounted to ₩14,813 billion, which accounted for 18.8% of the Bank's total money trust assets. Of this amount, ₩14,720 billion was from specified money trusts and ₩92 billion was from unspecified money trusts.

If the income from a money trust for which the Bank provides a guarantee is less than the amount of the payments the Bank has guaranteed, the Bank will need to pay the amount of the shortfall with funds from special reserves maintained with respect to trust accounts followed by basic fees from that money trust and funds from the Bank's general banking operations. In 2023, 2024 and 2025, the Bank made no such payments from the Bank's banking accounts to cover shortfalls in the Bank's guaranteed trusts.

***Property Trust Management Services***

The Bank also offers property trust management services, where the Bank manages non-monetary assets in return for a fee. Non-monetary assets include mostly securities, but can also include other liquid receivables and real estate. Under these arrangements, the Bank renders custodial services for the property in question and collects fee income in return.

In 2025, the Bank's property trust fees ranged from 0.001% to 1.0% of total assets under management depending on the type of trust accounts. On an SKAS basis, as of December 31, 2025, the aggregate balance of the Bank's property trusts was ₩32,522 billion, compared to ₩30,069 billion as of December 31, 2024.

**Bancassurance**

The Bank offers insurance products of other institutions to retail customers in Korea. The Bank currently markets a wide range of bancassurance products and seeks to generate additional fee-based revenues by expanding its offering of these products. As of December 31, 2025, the Bank's bancassurance business had alliances with 22 life insurance companies (including its affiliate KB Life Insurance) and 10 non-life insurance companies (including its affiliate, KB Insurance) and offered 108 different products through the Bank's branch network.

**Management of the National Housing and Urban Fund**

The National Housing and Urban Fund is a Government fund that provides financial support to low-income households in Korea by providing mortgage financing and construction loans for projects to build small-sized housing. The operations of the National Housing and Urban Fund include providing and managing National Housing and Urban Fund loans, issuing National Housing and Urban Fund bonds and collecting subscription savings deposits.

In February 2013, the Ministry of Land, Infrastructure and Transport (formerly the Ministry of Land, Transport and Maritime Affairs) designated the Bank as one of the managers of the National Housing and Urban Fund.

The financial accounting for the National Housing and Urban Fund is entirely separate from the Bank's financial accounting, and the non-performing loans and loan losses of the National Housing and Urban Fund, in general, do not impact the Bank's financial condition. Regulations and guidelines for managing the National Housing and Urban Fund are issued by the Minister of Land, Infrastructure and Transport pursuant to the Housing and Urban Fund Act.

### Other Banking Channels

The following table sets forth information, for the periods indicated, on the number of users and transactions of the other banking channels for the Bank's retail and corporate banking customers, which are discussed below:

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| **Internet banking:** | | | |
| Number of users[(1)] | 28,767,620 | 29,780,549 | 31,237,353 |
| Number of transactions (thousands)[(2)] | 4,403,908 | 4,671,153 | 5,593,537 |
| **Phone banking:** | | | |
| Number of users[(3)] | 5,075,039 | 5,071,952 | 5,067,341 |
| Number of transactions (thousands)[(2)] | 43,922 | 37,602 | 33,594 |
| **Mobile banking:** | | | |
| Number of users[(4)] | 20,909,030 | 22,222,534 | 24,184,426 |
| Number of transactions (thousands)[(2)] | 21,876,061 | 24,912,884 | 25,161,640 |

*Notes:*

(1) Number of users is defined as the total cumulative number of retail and corporate customers who have registered through branch offices to use Internet banking services.

(2) Number of transactions includes balance and transaction inquiries, fund transfers and other transactions.

(3) Number of users is defined as the total cumulative number of retail and corporate customers who have registered through branch offices to use phone banking services.

(4) Number of users is defined as the total cumulative number of retail customers who have registered through branch offices, or the customers' smartphones, to use smartphone banking services.

### Internet Banking

The Bank's goal is to consolidate the Bank's position as a market leader in online banking. The Bank's Internet banking services currently include:

- basic banking services, including fund transfers, balance and transaction inquiries, pre-set automatic transfers, product inquiries, online bill payments and foreign exchange services;
- investment services, including opening deposit accounts and investing in funds;
- processing of loan applications;
- electronic certification services, which permit the Bank's Internet banking service users to authenticate their identity and transactions on a confidential basis through digital signatures; and
- wealth management and advisory services, including financial planning and real estate information services.

### Phone Banking

The Bank offers a variety of phone banking services, including inter-account fund transfers, balance and transaction inquiries, customer service inquiries and bill payments. The Bank also has call centres, which the Bank primarily uses to:

- advise clients with respect to deposits and loans and to provide the Bank's customers a way to report any emergencies with respect to their accounts;

- allow the Bank's customers to conduct transactions with respect to their accounts, such as balance and transfer inquiries, transfers or payments and opening accounts; and

- conduct telemarketing to the Bank's customers or potential customers to advertise products or services.

**Mobile Banking**

"KB Star Banking," the Bank's mobile banking application for smartphones, allows its customers the flexibility to conduct a variety of financial transactions, including balance and transaction inquiries, fund transfers and asset management, anywhere at any time. The Bank's mobile banking services currently include:

- basic banking services, including fund transfers, balance and transaction inquiries, bill payments and foreign exchange services;

- investment services, including investing in savings deposits that are designed specifically for and offered to mobile banking customers;

- wealth management services, including investment portfolio management services and retirement and pension planning services; and

- processing of loan applications and bancassurance services.

The Bank also continues to develop innovative mobile applications that cater to specific customer needs and lifestyles. For example, the Bank offers "KB StarTeens," a service offered from its main KB Star Banking application that provides easy-to-use banking services as well as a variety of non-banking services to the Bank's teenage customers. The Bank also offers a range of other mobile applications, including "Liiv Talk Talk," a mobile peer-to-peer payment and messaging application, "KB Liiv M," a mobile virtual network operator (MVNO) that offers a fusion of finance and mobile services and "KB Real Estate," the Bank's new cloud-based real estate application that provides various information on real properties. The Bank also offers MyData services through several channels including KB Star Banking, its mobile banking application.

**Other Channels**

The Bank provides cash management services, which include automatic transfers, connection services to other financial institutions, real-time firm banking, automatic fund concentration and transmittal of trading information.

**Competition**

The Bank competes principally with other nationwide commercial banks in Korea, as well as regional banks, development banks, specialised banks and branches of foreign banks operating in Korea. The Bank also competes with other types of financial institutions in Korea, including savings institutions (such as mutual savings and finance companies and credit unions and credit cooperatives), investment institutions (such as merchant banking corporations), life insurance companies, non-life insurance companies, securities companies and other financial investment companies.

Competition in the domestic banking industry is generally based on the types and quality of the products and services offered, including the size and location of retail networks, the level of automation and interest rates charged and paid. Competition has increased significantly in the Bank's traditional core businesses, retail banking and SME banking, contributing to some extent to the asset quality deterioration in retail and SME loans. As a result, the Bank's margins on lending activities may decrease in the future.

Furthermore, companies in the banking industries have increasingly adopted new technologies, including artificial intelligence and data science, to provide innovative services to their customers and differentiate themselves from competitors. For example, the introduction of Internet-only banks in Korea has led to an increase in competition in the Korean banking industry. Internet-only banks operate without branches and conduct most of their operations through electronic means, which enables them to minimise costs and offer customers higher interest rates on deposits or lower lending rates. In April 2017, Kbank, the first Internet-only bank in Korea, commenced operations. Kakao Bank, another Internet-only bank, in which the Bank held a 4.9% equity interest as of December 31, 2025, commenced operations in July 2017, while Toss Bank, another Internet-only bank, commenced operations in October 2021. In recent years, the FSC announced various measures designed to encourage competition within the banking industry, including its intention to issue more banking licenses (including those for Internet-only banks) and actively permitting the conversion of existing regional or savings banks into nationwide commercial banks. For example, in May 2024, the FSC approved DGB Daegu Bank's application to convert from a regional bank into a nationwide commercial bank. DGB Daegu Bank subsequently became Korea's seventh commercial bank and rebranded itself as iM Bank in June 2024.

In addition, the Bank believes that various structural changes to the Korean financial investment industry in recent years are likely to lead to increased competition among financial institutions in Korea. For example, an increase in foreign investments made by Korean investors and the emergence of alternative trading systems in recent years have been reshaping the Korean financial investment market, as well as the competitive strategies of financial institutions. An increase in the overall trading volumes of these investments in recent years has prompted certain securities firms to offer very low commission rates on foreign investments to capitalize on such increase, thereby further intensifying competition. In March 2025, Nextrade emerged as the first alternative to the Korea Exchange, offering extended trading hours and lower fees, although its operations remain subject to certain regulatory restrictions.

Moreover, the Korean commercial banking sector is undergoing significant consolidation. The number of nationwide commercial banks in Korea has decreased from 16 as of December 31, 1997, to seven as of December 31, 2025. A number of significant mergers and acquisitions in the financial industry have taken place in Korea in recent years, including Hana Financial Group's acquisition of a controlling interest in Korea Exchange Bank in 2012 and the subsequent merger of Hana Bank into Korea Exchange Bank in 2015. In addition, as part of the Government's plans to privatise Woori Finance Holdings (the financial holding company of Woori Bank), certain subsidiaries of Woori Finance Holdings were sold to other financial institutions and Woori Finance Holdings itself was merged into Woori Bank in 2014, which established a new financial holding company, Woori Financial Group Inc., in January 2019.

The Bank expects that consolidation in the Korean financial industry may continue. The financial institutions resulting from such consolidation may, by virtue of their increased size and business scope, provide significantly greater competition for the Bank. The Bank and its parent, KB Financial Group, intend to review potential acquisition opportunities as they arise. The Bank cannot guarantee that it will not be involved in any future mergers or acquisitions. The Bank also believes that foreign financial institutions, many of which have greater experience and resources than the Bank, may seek to compete with the Bank in providing financial products and services either by themselves or in partnership with existing Korean financial institutions.

**Information Technology**

The Bank regularly implements various IT system-related initiatives and upgrades. The Bank believes that continual improvement of its IT systems is crucial in supporting its operations and management and providing high-quality customer service. Accordingly, the Bank continues to upgrade and improve its systems through various activities, including projects to develop next-generation banking systems, further strengthen system security and timely develop and implement various new IT systems and services that support its business operations and risk management activities.

The Bank's mainframe-based banking systems are designed to ensure continuity of services even where there is a failure of the host data centre due to a natural disaster or other accidents by utilising backup systems in disaster recovery data centres. In addition, through the implementation of Parallel Sysplex, a "multi-CPU system," the Bank's banking systems are designed and operated to be able to process transactions without material interruption in the event of CPU failure. From 2019 to 2020, the Bank implemented a banking IT system designed to promote digital transformation and innovation in its IT infrastructure. In addition, the Bank implemented new technologies, including Multi-Channel Integration and Enterprise Application Integration systems, to standardise its IT system and better manage IT system operational risk.

The integrity and the ability of the Bank's IT systems to withstand potential catastrophic events (such as natural calamities and internal system failures) are crucial to the Bank's continuing operations. The Bank currently tests its disaster recovery systems on a quarterly basis using a new disaster recovery system that has been implemented to ensure the continuity of its operations. For additional information, see "*Risk Management of the Bank — Operational Risk Management*."

**Cybersecurity**

The Bank operates in an era of "digital transformation" marked by a proliferation of evolving technologies, including artificial intelligence, and the increasing use of the Internet and mobile devices to conduct financial transactions. A significant portion of the Bank's daily operations relies on its information technology systems, including customer service, billing, the secure processing, storage and transmission of confidential and other information as well as the timely monitoring of a large number of complex transactions. As a large commercial bank, the Bank recognizes the importance of building and preserving trust with its customers and protecting their personal information in its day-to-day operations.

As part of its overall risk management system and processes, the Bank maintains a comprehensive process for assessing, identifying and managing material risks from cybersecurity threats, including risks relating to disruption of business operations or financial reporting systems, fraud, theft, harm to employees or customers, violation of privacy laws, reputational risk and other litigation and legal risk, among others. The Bank utilizes policies, software, training programs and hardware solutions to protect and monitor its environment. In particular, the Bank's banking platforms include a host of encryption, antivirus, multi-factor authentication, firewall and patch-management technologies designed to protect and maintain the systems and computers across its businesses. In addition, in order to protect its Internet banking services from system failures and cyber attacks, the Bank processes its online transactions through two separate data processing centers and monitors and reports on any unusual delays or irregularities reported by its branches, and regularly implements various information technology system related initiatives and upgrades.

The Bank also maintains a robust crisis management system, which provides a framework for responding to cybersecurity incidents based on the severity of the incident. In the case of a cyber incident, the Bank follows internal reporting procedures to notify the Information Security Department, which is responsible for putting together an emergency response team to promptly address the incident and notify all relevant parties of such incident in order to minimize any further damage from the incident. The Bank conducts regular evaluations for any weaknesses in its electronic financial infrastructure, and analyzes the frequency and potential effects of any cyber threats on its systems in order to prevent any potential cyber attacks. The Bank also carries limited insurance that provides protection against potential losses arising from cybersecurity incidents and regularly reviews its policy and levels of coverage based on current risks. In addition, the Bank's cybersecurity program is reviewed and evaluated by external, independent third parties, who assess and report on any weaknesses in its information technology systems on both a periodic and continual basis. Furthermore, the Bank utilizes the curriculum provided by the Financial Security Institute to provide cybersecurity trainings to all of its employees.

From time to time, the Bank engages in certain third-party service providers that may process the personal information of its customers. In such cases, the Bank enters into security management agreements with such service providers to ensure that they comply with the Bank's strict security standards. The Bank also conducts periodic on-site inspections of such service providers and provides them with periodic security training sessions.

The Bank's business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previous cybersecurity incidents, but the Bank cannot provide assurance that they will not be materially affected in the future by such risks and any future material incidents. See "*Risk Factors — Other Risks Relating to the Bank's Business — The Bank's operations have been, and will continue to be, subject to increasing and continually evolving cybersecurity and other technological risks*" for more information on risks from cybersecurity threats that are reasonably likely to materially affect the Bank's business strategy, results of operations and financial condition.

### Property, Plant and Equipment

The Bank's registered office and headquarters is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea. The following table presents information regarding certain of the Bank's properties in Korea:

| Type of facility/building | Location | Area (square metres) |
|---|---|---|
| Registered office and headquarters #1 | Yeongdeungpo-gu, Seoul | 5,354 |
| Headquarters #2 | Yeongdeungpo-gu, Seoul | 4,727 |
| Training institute | Ilsan | 207,560 |
| Training institute | Daecheon | 4,158 |
| Training institute | Sokcho | 15,559 |
| Training institute | Cheonan | 196,649 |
| IT centre | Yeouido, Seoul | 5,928 |
| IT centre | Yeouido, Seoul | 2,006 |
| IT centre | Gimpo | 13,144 |
| Support centre | Seongbuk-gu, Seoul | 9,939 |

As of December 31, 2025, the Bank had a countrywide network of 771 branches and sub-branches. Approximately 24.0% of these facilities are housed in buildings owned by the Bank, while the remaining branches are leased properties. See "— *Organisational Structure*" for a list of the Bank's overseas subsidiaries and see "— *Capital Markets Activities and International Banking — International Banking*" for a list of the Bank's overseas branches and representative and liaison offices in operation as of December 31, 2025.

Kookmin Bank, Gurgaon Representative Office in India converted to Kookmin Bank, Gurugram Branch in February 2019, and Kookmin Bank, Hanoi Representative Office in Vietnam was liquidated in September 2020. In December 2020, the Bank established KB Bank Myanmar Co., Ltd. in Myanmar, and in January 2022, the Bank established Kookmin Bank, Singapore Branch in Singapore. Kookmin Bank, Yangon Representative Office was liquidated in February 2023. In October 2024, the Bank established two branches in India, Kookmin Bank, Chennai Branch and Kookmin Bank, Pune Branch. Lease terms are generally from two to three years and seldom exceed five years. The Bank does not own any material properties outside of Korea.

### Employees

The following table sets forth information, for the periods indicated, regarding the Bank's employees:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Full-time employees[(1)] | 14,039 | 13,428 | 12,893 |
| Contractual employees | 2,389 | 2,698 | 2,737 |
| Managerial employees | 7,647 | 7,262 | 6,936 |
| Members of Korea Financial Industry Union | 11,897 | 12,087 | 11,582 |

*Note:*
(1) Excluding executive officers.

The Bank considers its relations with its employees to be satisfactory. Every year, the Bank's labour union and the Bank's management negotiate and enter into a new collective bargaining agreement and negotiate annual wage adjustments.

The Bank's compensation packages consist of base salary and base bonuses. The Bank also provides performance-based compensation to employees and management. Executive officers, heads of regional headquarters and employees in positions that require professional skills, such as fund managers and dealers, are compensated depending on their individual annual performance evaluation. The Bank has also implemented a profit-sharing system in order to enhance the performance of its employees. Under this system, the Bank pays bonuses to its employees, in addition to the base salary and depending on the Bank's annual performance.

In January 2016, Kookmin Bank implemented a "mileage stock" program, pursuant to which it may grant to the Bank's and its subsidiaries' employees performance-based cash payments that correspond to the market value of KB Financial Group's common stock. The accumulated "mileages" of common stock can be exercised for cash during a four-year period commencing on the one-year anniversary of the grant date.

The Bank provides a wide range of benefits to its employees, including its executive directors. These benefits include medical insurance, employment insurance, workers compensation, employee and spouse life insurance, free medical examinations, child tuition and fee reimbursement, disabled child financial assistance and reimbursement for medical expenses.

In accordance with the National Pension Act, the Bank contributes an amount equal to 4.75% of employee wages, and each employee contributes 4.75% of his or her wages, into each employee's personal pension account, as of the date of this Offering Circular. Such rates, however, are scheduled to gradually increase to 6.5% by 2033. In addition, in accordance with the Guarantee of Worker's Retirement Benefits Act, the Bank has adopted retirement pension plans for its employees. Contributions under the retirement pension plans are deposited annually into a financial institution, and an employee may elect to receive a monthly pension or a lump-sum amount upon retirement. The Bank's retirement pension plans are provided in the form of a defined benefit plan and a defined contribution plan. The defined benefit plan guarantees a certain payout at retirement, according to a fixed formula based on the employee's average salary and the number of years for which the employee has been a plan member. The defined contribution plan, in which the employer's contribution is determined in advance based on one-twelfth of an employee's total annual pay, is managed directly by the employees. Under Korean law, the Bank may not terminate the employment of full-time employees except under certain limited circumstances. However, the Bank regularly invites its employees to apply for its early retirement programs, which provide for varying amounts of severance pay based on the duration of time an employee has worked for the Bank, along with several other key features. The Bank believes that such programs enhance its productivity and efficiency by improving its labour structure.

In June 2009, KB Financial Group established an employee stock ownership association. All of the Bank's employees are eligible to participate in this association. Members of KB Financial Group's employee stock ownership association have pre-emptive rights to acquire up to 20% of the shares issued in public offerings by KB Financial Group pursuant to the FSCMA.

Employees of the Bank have been eligible to participate in its employee stock ownership association, which will be terminated once all of KB Financial Group's common stock held by the association (which the association received following the transfer of the Bank's shares held by it as a result of the comprehensive stock transfer pursuant to which KB Financial Group was established) has been

distributed to the relevant employees of the Bank at the request of such employees following the expiration of the required holding periods. As of December 31, 2025, the Bank's employee stock ownership association held 154,076 shares of KB Financial Group common stock.

**Legal Proceedings**

Excluding the legal proceedings discussed below, the Bank is not a party to any legal or administrative proceedings and no proceedings are known by the Bank to be contemplated by governmental authorities or third parties, which, if adversely determined, may have a material adverse effect on the Bank's financial condition or results of operations.

In June 2010, Fairfield Sentry Limited ("Fairfield"), which is currently in liquidation and whose assets were directly or indirectly invested with Bernard L. Madoff Investment Securities LLC ("BLMIS"), filed a lawsuit in the Supreme Court of the State of New York against the Bank, which acted as a trustee bank for its clients who invested in Fairfield. Fairfield seeks recovery of approximately US$42 million it paid to the Bank in connection with share redemptions on the ground that such payments were made by mistake, based on inflated values resulting from BLMIS' fraud. In September 2010, the case was transferred to the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which in turn ordered that the case be returned to a state court in September 2011 but then stayed the lawsuit before it was sent to state court. In August 2019, the Bankruptcy Court issued an order to the effect that the case would proceed in a federal court, instead of returning to a state court, on the condition that the proceedings be halted temporarily until a similar lawsuit that Fairfield had filed against a different fund investor (the "Parallel Case"), then pending in the United States District Court for the Southern District of New York (the "District Court"), was decided. The Bankruptcy Court had dismissed the Parallel Case in December 2018, which Fairfield had then subsequently appealed to the District Court. In August 2022, the District Court dismissed Fairfield's appeal related to the Parallel Case, and in September 2022, Fairfield again appealed such dismissal to the United States Court of Appeals for the Second Circuit (the "Second Circuit"). In August 2025, the Second Circuit dismissed Fairfield's appeal. Fairfield has filed similar actions against numerous other fund investors to seek recovery of redemption payments.

In May 2012, the trustee appointed for the liquidation of BLMIS filed a lawsuit against the Bank in the Bankruptcy Court. The trustee seeks recovery of approximately US$42 million, the amount of funds that were allegedly redeemed by the Bank from Fairfield between June 2004 and January 2006 as described in the paragraph above. The trustee alleges that Fairfield was a "feeder fund" that invested in BLMIS and that redemptions from such BLMIS feeder fund are avoidable and recoverable under the U.S. Bankruptcy Code and New York law. The Bankruptcy Court issued an order to dismiss the case during the pleading stage of the litigation in March 2017, and the trustee appealed such decision to the Second Circuit, which reversed the dismissal and vacated the judgment in February 2019. The Bank, along with other defendants, filed a motion asking the Second Circuit to reconsider its ruling and, after such motion was denied, filed a petition for a writ of certiorari asking the United States Supreme Court to accept an appeal of the Second Circuit's ruling, which was denied in June 2020. Subsequently, the Second Circuit remanded the case to the Bankruptcy Court for further proceedings, and in December 2022, the Bank's motion to dismiss the case was denied. The Bank filed its response denying liability in March 2023, and the case is currently ongoing. The trustee has filed similar claw back actions against numerous other institutions.

In November 2023, the FSS commenced an on-site inspection at the Bank in order to determine whether the Bank was in compliance with the Financial Consumer Protection Act in connection with its past sales of certain equity-linked securities products tied to the performance of the Hang Seng China Enterprise Index (the "HSCEI"), which resulted in substantial losses to the customers who purchased such products upon maturity. The FSS commenced similar inspections at other banks in Korea as well starting in January 2024. Approximately ₩5.2 trillion of such products sold by the Bank matured in 2024, and the Bank has ceased all sales of equity-linked securities products tied to the performance of the HSCEI, which has fluctuated widely in recent years. In March 2024, the FSS released an interim

inspection report on the Bank and other banks involved as well as dispute resolution guidelines for those customers who incurred losses from the purchase of such products. Subsequently, in March 2024, the Bank's board of directors resolved to compensate such customers on a voluntary basis by engaging in private negotiations with each one of such customers based on the FSS's dispute resolution guidelines. The compensation amount recognized by the Bank as provisions in 2025 in connection with such matter was ₩28.4 billion. In February 2026, the FSS completed its sanctions review and announced the levels of penalties and administrative fines to be imposed on the banks involved, including the Bank. The proposed sanctions have been submitted to the FSC and are expected to be finalized during 2026. No assurance can be given that the final resolution of such matter would not have a material adverse effect on the Bank's results of operations and financial condition.

In February 2023, the KFTC commenced investigations into banks in Korea with respect to whether they had engaged in any unfair practices in violation of competition laws. In January 2024, the KFTC issued a review report addressed to the four largest banks in Korea, including the Bank, which alleged that the banks had colluded among themselves by sharing certain information to maintain similar loan-to-value ratios for real estate collateral. In April 2024, the Bank responded to the KFTC with a denial of such allegations, to which the KFTC responded in November 2024 with a decision made through a plenary session of its members to conduct a reexamination of the incident. In April 2025, the KFTC sent a report to the four relevant banks, including the Bank, maintaining its allegations that the banks had colluded among themselves. Although the four relevant banks, including the Bank, submitted written responses to the KFTC denying such allegations in August 2025, the KFTC imposed an aggregate fine of ₩272 billion on the four banks in February 2026, including ₩69.7 billion on the Bank. In March 2026, the four banks, including the Bank, filed an administrative lawsuit with the Seoul High Court challenging the imposition of such fines.

In November 2023, MTS Bank, a Russian bank, filed a lawsuit against the Bank in the Arbitrazh Court of the City of Moscow, seeking the return of approximately US$109.2 million of its funds held at the Bank. The Bank had frozen such assets in compliance with applicable sanctions in February 2023, after the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") added MTS Bank to its Specially Designated Nationals And Blocked Persons List (the "SDN List"). In December 2025, the Arbitrazh Court ordered that the Bank return the principal amount of the funds, but that no accrued interest needed to be paid. In January 2026, the Bank appealed such decision. The Bank believes that such ruling will not have a material adverse impact on its financial position, as the frozen assets of MTS Bank held by the Bank are all that need to be returned to MTS Bank, pursuant to such ruling. In addition, regardless of the final outcome, the Bank currently plans to continue to hold MTS Bank's assets frozen in compliance with all applicable sanctions. As of the date of this Offering Circular, the Bank is subject to similar lawsuits filed by three other Russian Banks that are currently on the SDN List.

## ASSETS AND LIABILITIES OF THE BANK

The tables below set out selected financial highlights regarding the Bank's assets and liabilities, on a consolidated basis, except as otherwise indicated.

Certain information with respect to the Bank's loan portfolio and the asset quality of the Bank's loans is presented below on a basis consistent with certain requirements of the FSC applicable to Korean banks, which differs (as described below where applicable) from the presentation of such information in the Bank's financial statements prepared in accordance with Korean IFRS, as the Bank believes that such alternative presentation allows the Bank to provide additional details regarding its loan portfolio and the asset quality of its loans which would be helpful to its investors.

### Loan Portfolio

### Loan Types

The following table presents, on a separate basis, loans by type as of the dates indicated. Except where specified otherwise, all loan amounts stated below are before deduction of allowances for loan losses. Total loans reflect the Bank's loan portfolio, including past due amounts, on a separate basis.

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (in billions of Won) | | |
| **Domestic:** | | | |
| Corporate | | | |
| SME | ₩ 138,259 | ₩ 147,247 | ₩ 151,731 |
| Large corporate[(1)] | 53,081 | 56,169 | 65,111 |
| Retail | | | |
| Mortgage and home equity | 123,515 | 134,330 | 140,975 |
| Other consumer | 43,391 | 42,897 | 42,907 |
| Total domestic | 358,246 | 380,643 | 400,724 |
| **Foreign** | 17,853 | 18,284 | 15,849 |
| **Total gross loans** | ₩ 376,099 | ₩ 398,927 | ₩ 416,573 |

*Note:*
(1) Large corporate loans include loans to the Government or Government-related agencies (including KDIC).

### Loan Concentration by Industry

The following table presents, on a separate basis, the aggregate balance of the Bank's domestic and foreign corporate loans, by industry concentration, as of the dates indicated:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (in billions of Won, except percentages) | | | | | |
| **Industry** | | | | | | |
| Services | ₩ 98,222 | 46.8% | ₩ 106,153 | 47.8% | ₩ 108,462 | 46.5% |
| Manufacturing | 48,769 | 23.3 | 52,098 | 23.4 | 55,827 | 24.0 |
| Wholesale and retail | 26,774 | 12.8 | 27,784 | 12.5 | 28,723 | 12.3 |
| Financial institutions | 20,855 | 9.9 | 20,473 | 9.2 | 23,980 | 10.3 |
| Construction | 4,487 | 2.1 | 4,411 | 2.0 | 4,157 | 1.8 |
| Public sector | 1,621 | 0.8 | 1,815 | 0.8 | 1,720 | 0.8 |
| Others | 8,967 | 4.3 | 9,507 | 4.3 | 10,190 | 4.4 |
| Total | ₩ 209,695 | 100.0% | ₩ 222,241 | 100.0% | ₩ 233,058 | 100.0% |

### Maturity Analysis

The Bank typically rolls over its working capital loans and unsecured consumer loans (other than those payable in instalments) after it conducts its normal loan review in accordance with its loan review procedures. Working capital loans may generally be extended on an annual basis for an aggregate term of five years and unsecured consumer loans may generally be extended for another term of up to 12 months for an aggregate term of ten years.

The following table sets out, on a separate basis, the scheduled maturities (time remaining until maturity) of the Bank's loan portfolio as of December 31, 2025. The amounts disclosed are before deduction of allowances for loan losses:

| | 1 Year or Less | Over 1 year But Not More Than 5 Years | Over 5 Years But Not More Than 15 Years | Over 15 Years | Total |
|---|---|---|---|---|---|
| | | | (in billions of Won) | | |
| **Domestic:** | | | | | |
| Corporate | | | | | |
| SMEs | ₩ 118,288 | ₩ 29,294 | ₩ 3,905 | ₩ 244 | ₩ 151,731 |
| Large corporate | 43,067 | 18,079 | 2,831 | 1,134 | 65,111 |
| Total corporate | 161,355 | 47,373 | 6,736 | 1,378 | 216,842 |
| Retail | | | | | |
| Mortgage and home equity | 19,413 | 18,706 | 5,695 | 97,161 | 140,975 |
| Other consumer | 28,027 | 6,095 | 3,194 | 5,591 | 42,907 |
| Total retail | 47,440 | 24,801 | 8,889 | 102,752 | 183,882 |
| Total domestic | 208,795 | 72,174 | 15,625 | 104,130 | 400,724 |
| **Foreign** | 8,698 | 6,072 | 1,052 | 27 | 15,849 |
| **Total gross loans** | ₩ 217,492 | ₩ 78,246 | ₩ 16,677 | ₩ 104,157 | ₩ 416,573 |

### Interest Rate Sensitivity

The following table shows, on a separate basis, the total amount of loans due after one year which have fixed interest rates and variable or adjustable interest rates as of December 31, 2025:

| | Fixed Rate[(1)] | Variable or Adjustable Rates[(2)] | Total |
|---|---|---|---|
| | | (in billions of Won) | |
| **Domestic:** | | | |
| Corporate | | | |
| SMEs | ₩ 16,030 | ₩ 17,413 | ₩ 33,443 |
| Large corporate | 10,170 | 11,874 | 22,044 |
| Total corporate | 26,200 | 29,287 | 55,487 |
| Retail | | | |
| Mortgage and home equity | 22,250 | 99,311 | 121,561 |
| Other consumer | 199 | 14,681 | 14,880 |
| Total retail | 22,449 | 113,992 | 136,441 |
| **Foreign** | 169 | 6,982 | 7,151 |
| Total | ₩ 48,818 | ₩ 150,261 | ₩ 199,079 |

*Notes:*

(1) Fixed rate loans are loans for which the interest rate is fixed for the entire term.

(2) Variable or adjustable rate loans are loans for which the interest rate is not fixed for the entire term.

For additional information regarding the Bank's management of interest rate risk, see "*Risk Management of the Bank — Market Risk Management.*"

**Credit Exposures to Companies in Workout, Restructuring or Rehabilitation**

Workout is a voluntary procedure through which the Bank, together with the borrower and its other creditors, seeks to restore the borrower's financial stability and viability. Previously, workouts were regulated under a series of Corporate Restructuring Promotion Acts, which expired on June 30, 2018. In September 2018, the National Assembly of Korea adopted a new Corporate Restructuring Promotion Act, which became effective in October 2018 and expired as scheduled in October 2023.

In December 2023, the National Assembly enacted another new Corporate Restructuring Promotion Act, which was subsequently amended in October 2025 and will remain effective until December 2026. Under the Corporate Restructuring Promotion Act, creditors of a financially troubled borrower may participate in a creditors' committee, which is authorised to prohibit such creditors from exercising their rights against the borrower, commence workout procedures and approve or make revisions to a reorganisation plan prepared by the lead creditor bank, the borrower and external experts. The composition of the creditors' committee is determined at the initial meeting of the committee by the approval of creditors holding not less than 75% of the borrower's total outstanding debt held by creditors who were notified of the initial meeting of the committee. Although creditors that are not financial institutions or hold less than 1% of the total outstanding debt of the borrower need not be notified of the initial meeting of the creditors' committee, if such creditors wish to participate, they may not be excluded. Any decision of the creditors' committee required the approval of creditors holding not less than 75% of the total outstanding debt of the borrower. However, if a single creditor holds 75% or more of the borrower's total outstanding debt held by the creditors comprising the creditors' committee, any decision of the creditors' committee requires the approval of not less than 40% of the total number of creditors (including such single creditor) comprising the committee. An additional approval of creditors holding not less than 75% of the secured debt is required with respect to the borrower's debt restructuring. Once approved, any decision made by the creditors' committee is binding on all creditors of the borrower, with the exception of those creditors that are excluded by a resolution of the committee at its initial meeting and those who exercise their right to request that their claims be purchased. Creditors that vote against commencement of workout, approval or revision of the reorganisation plan, debt restructuring, granting of new credit, extension of the joint management process or other resolutions of the committee have the right to request the creditors that vote in favour of such matters to purchase their claims at a mutually agreed price. In the event that the parties are not able to agree on the terms of purchase, a coordination committee consisting of experts would determine the terms. The creditors that oppose a decision made by the coordination committee may request a court to change such decision.

Upon approval of a workout plan, a credit exposure is initially classified as precautionary or lower and thereafter cannot be reclassified to be higher than precautionary with limited exceptions. If a corporate borrower is in workout, restructuring or rehabilitation, the Bank takes the status of the borrower into account in valuing the Bank's loans to and collateral from that borrower for purposes of establishing the Bank's allowances for credit losses.

Korean law also provides for corporate rehabilitation proceedings, which are court-supervised procedures to rehabilitate an insolvent company. Under these procedures, a restructuring plan is adopted at a meeting of interested parties, including creditors of the company. Such restructuring plan is subject to court approval.

As of December 31, 2025, on a separate basis, the Bank's loans and guarantees to companies that were in workout, restructuring or rehabilitation amounted to ₩201 billion or 0.05% of the Bank's total loans and guarantees, most of which were classified as impaired.

**Provisioning Policy**

Under Korean IFRS 1109, the Bank establishes allowances for credit losses based on expected credit losses instead of incurred losses by assessing changes in expected credit losses and recognizing such changes as impairment loss (or reversal of impairment loss) in profit or loss. According to the three

stages of credit risk deterioration under Korean IFRS 1109, the allowance required to be established with respect to a loan or receivable since its initial recognition is (i) the amount of the expected 12-month credit loss for stage 1 loans or receivables and (ii) the expected lifetime credit loss for stages 2 and 3 loans or receivables.

If additions or changes to the allowances for loan losses are required, then the Bank records a provision for loan losses, which is included in impairment losses on credit loss and treated as a charge against current income. Credit exposures that the Bank deems to be uncollectible, including actual loan losses, net of recoveries of previously charged-off amounts, are charged directly against the allowances for loan losses.

The Bank generally considers the following loans to be impaired loans:

- loans that are past due by 90 days or more;
- loans that are subject to legal proceedings related to collection;
- loans to a borrower that has received a warning from the Korea Credit Information Services indicating that such borrower has exhibited difficulties in making timely payments of principal and interest;
- loans to corporate borrowers that are rated C or D according to the Bank's internal credit ratings for large companies or SMEs;
- loans for which account-specific provisions have been made resulting from a significant perceived decline in credit quality; and
- loans with respect to which the amount of principal and interest payable has been materially decreased due to restructuring.

The Bank regularly evaluates the adequacy of the overall allowances for loan losses and the Bank believes that the allowances for loan losses reflect its best estimate of probable loan losses as of each balance sheet date.

**Non-Performing Loans**

Non-performing loans are defined as loans that are past due by 90 days or more. These loans are generally classified as substandard or below. For further information on the classification of non-performing loans under Korean regulatory requirements, see "— *Regulatory Reserve for Credit Losses*" below.

The following table shows, on a separate basis, certain details of the Bank's total non-performing loan portfolio as of the dates indicated:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (in billions of Won, except percentages) | | |
| Total non-performing loans | ₩ 390 | ₩ 591 | ₩ 690 |
| As a percentage of total loans | 0.1% | 0.1% | 0.2% |

The Bank has also issued securities backed by non-performing loans and collateralised bond obligations. Some of these transactions involve transfers of loans through securitisations where control of the loans has not been surrendered and, therefore, are not treated as sale transactions. Instead, the assets remain on the Bank's balance sheet with the securitisation proceeds treated as secured borrowings.

### Analysis of Non-Performing Loans

The following table sets forth, on a separate basis, the Bank's total non-performing loans by type of borrower as of the dates indicated:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (in billions of Won, except percentages) | | | | | |
| **Domestic**: | | | | | | |
| Corporate | | | | | | |
| SMEs | ₩ 145 | 37.0% | ₩ 327 | 55.4% | ₩ 358 | 51.8% |
| Large corporate | 7 | 1.9 | 2 | 0.3 | 17 | 2.5 |
| Total corporate | 152 | 38.9 | 329 | 55.7 | 375 | 54.3 |
| Retail | | | | | | |
| Mortgage and home equity | 193 | 49.3 | 209 | 35.4 | 255 | 36.9 |
| Other consumer | 44 | 11.3 | 51 | 8.6 | 60 | 8.8 |
| Total retail | 237 | 60.7 | 260 | 44.0 | 315 | 45.7 |
| Total domestic | 389 | 99.6 | 589 | 99.7 | 690 | 100.0 |
| **Foreign** | 2 | 0.4 | 2 | 0.3 | 0 | 0.0 |
| Total non-performing loans | ₩ 390 | 100.0% | ₩ 591 | 100.0% | ₩ 690 | 100.0% |

### Top 20 Non-Performing Loans

As of December 31, 2025, the Bank's 20 largest non-performing loans accounted for, on a separate basis, 11.7% of its total non-performing loan portfolio. The following table shows, on a separate basis, certain information regarding the Bank's 20 largest non-performing loans as of December 31, 2025:

| | Industry | Gross Principal Outstanding | Allowances for Loan Losses[(1)] |
|---|---|---|---|
| | | (in millions of Won) | |
| Borrower A | Manufacturing | ₩ 9,874 | ₩ 5,795 |
| Borrower B | Services | 7,610 | 862 |
| Borrower C | Construction | 7,075 | 3,086 |
| Borrower D | Services | 6,903 | 1,098 |
| Borrower E | Construction | 5,800 | 5,800 |
| Borrower F | Services | 5,473 | 1,220 |
| Borrower G | Services | 5,165 | 3,300 |
| Borrower H | Others | 4,993 | 4,993 |
| Borrower I | Others | 3,253 | 1,438 |
| Borrower J | Construction | 3,000 | 3,000 |
| Borrower K | Manufacturing | 2,700 | 873 |
| Borrower L | Services | 2,616 | 2,464 |
| Borrower M | Manufacturing | 2,420 | 989 |
| Borrower N | Manufacturing | 2,300 | 2,026 |
| Borrower O | Wholesale and retail | 2,121 | 144 |
| Borrower P | Services | 2,112 | 649 |
| Borrower Q | Services | 2,005 | 389 |
| Borrower R | Others | 1,916 | 218 |
| Borrower S | Manufacturing | 1,876 | 100 |
| Borrower T | Construction | 1,837 | 711 |
| Total | | ₩ 81,049 | ₩ 39,155 |

*Note:*

(1) If the estimated recovery value of collateral for a non-performing loan is sufficient compared to the outstanding loan balance, no allowances for loan losses for such non-performing loan is recorded.

### Non-Performing Loan Strategy

One of the Bank's primary objectives is to prevent the Bank's loans from becoming non-performing. Through the Bank's corporate credit rating systems, the Bank believes that it has reduced its risks relating to future non-performing loans. The Bank's credit rating systems are designed to prevent the

Bank's loan officers from extending new loans to borrowers with high credit risks based on the borrower's credit rating. The Bank's early warning system is designed to bring any sudden increase in a borrower's credit risk to the attention of the Bank's loan officers, who then closely monitor such loans. See "*Risk Management of the Bank — Credit Risk Management*."

Notwithstanding the above, if a loan becomes non-performing, an officer at the branch level responsible for monitoring non-performing loans will commence a due diligence review of the borrower's assets, send a notice either demanding payment or stating that the Bank will take legal action and prepare for legal action.

At the same time, the Bank will also initiate its non-performing loan management process, which begins with:

- identifying loans subject to a proposed sale by assessing the estimated losses from such sale based on the estimated recovery value of collateral, if any, for such non-performing loans;
- identifying loans subject to charge-off based on the estimated recovery value of collateral, if any, for such non-performing loans and the estimated rate of recovery of unsecured loans; and
- on a limited basis, identifying corporate loans subject to normalisation efforts based on the cash flow situation of the borrower.

Once the details of a non-performing loan are identified, the Bank pursues early solutions for recovery. While the overall process is the responsibility of the Bank's Credit Division, actual recovery efforts on non-performing loans are handled at the operating branch level.

Methods for resolving non-performing loans include the following:

- non-performing loans are managed by the operating branches until such loans are charged off;
- a demand note is dispatched by mail if payment is generally one month past due;
- calls and visits are made by the operating branches to customers encouraging them to make payments;
- borrowers who are past due on payments of interest and principal are registered on the Korea Federation of Issuers' database of non-performing loans;
- for unsecured loans, the loans are transferred to the Bank's affiliate, KB Credit Information, for collection on a case-by-case basis;
- for secured loans, actions to enforce or protect the security interests (including foreclosure and auction of the collateral) are commenced within four months of such loans becoming past due; and
- charged off loans are given to KB Credit Information for collection, except for loans where the cost of collection exceeds the possible recovery or where the statute of limitations for collection has expired.

If a loan becomes non-performing, it is managed by an operating branch until such loan is charged off. However, in order to promote speedy recovery on loans subject to foreclosures and litigation, the Bank's policy is to permit the branch responsible for handling these loans to request one of the Bank's regional head offices for assistance with litigation proceedings and proceedings related to foreclosure and auction of the collateral.

In addition to making efforts to collect on these non-performing loans, the Bank also undertakes measures to reduce the level of the Bank's non-performing loans, which include:

- selling the Bank's non-performing loans to third parties, including the Korea Asset Management Corporation; and
- entering into asset securitisation transactions with respect to the Bank's non-performing loans.

The Bank generally expects to suffer a partial loss on loans that it sells or securitises, to the extent such sales and securitisations are recognised under Korean IFRS as sale transactions.

**Regulatory Reserve for Credit Losses**

If the Bank's allowances for credit losses are deemed insufficient for regulatory purposes, the Bank is required to compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within the Bank's retained earnings. Regulatory reserve for credit losses is not available for distribution to shareholders as dividends. The level of regulatory reserve for credit losses required to be recorded is equal to the amount by which the Bank's allowances for credit losses are less than the greater of (x) the amount of expected loss calculated using the internal ratings-based approach under Basel III and as approved by the FSS and (y) the required amount of credit loss reserve calculated based on standards prescribed by the FSC. In November 2023, the FSC amended the Regulation on Supervision of Banking Business to allow the FSC to ask banks to increase their reserves for credit losses if the banks' existing allowances and reserves for credit losses are deemed insufficient to cover their expected future losses, taking into account a number of factors, including the banks' existing allowances and reserves for credit losses, expected changes in delinquency rates or the level of distressed debt and general market conditions. As of December 31, 2025, on a separate basis, the Bank's regulatory reserve for credit losses was ₩2,620 billion.

The following tables set forth the FSC's guidelines for the classification of loans and the minimum percentages of the outstanding principal amount of the relevant loans or balances that the credit loss reserve must cover:

| Loan Classification | Loan Characteristics |
|---|---|
| Normal | Loans extended to customers that, based on the Bank's consideration of their business, financial position and future cash flows, do not raise concerns regarding their ability to repay the loans. |
| Precautionary | Loans extended to customers that (i) based on the Bank's consideration of their business, financial position and future cash flows, show potential risks with respect to their ability to repay the loans, although showing no immediate default risk or (ii) are in arrears for one month or more but less than three months. |
| Substandard | (i) Loans extended to customers that, based on the Bank's consideration of their business, financial position and future cash flows, are judged to have incurred considerable default risks as their ability to repay has deteriorated; or<br>(ii) the portion that the Bank expects to collect of total loans (a) extended to customers that have been in arrears for three months or more, (b) extended to customers that have incurred serious default risks due to the occurrence of, among other things, final refusal to pay their debt instruments, entry into liquidation or bankruptcy proceedings, or closure of their businesses, or (c) extended to customers who have outstanding loans that are classified as "doubtful" or "estimated loss." |

| Loan Classification | Loan Characteristics |
|---|---|
| Doubtful | Loans exceeding the amount that the Bank expects to collect of total loans to customers that:<br>(i) based on the Bank's consideration of their business, financial position and future cash flows, have incurred serious default risks due to noticeable deterioration in their ability to repay; or<br>(ii) have been in arrears for three months or more but less than 12 months. |
| Estimated loss | Loans exceeding the amount that the Bank expects to collect of total loans to customers that:<br>(i) based on the Bank's consideration of their business, financial position and future cash flows, are judged to be accounted as a loss because the inability to repay became certain due to serious deterioration in their ability to repay;<br>(ii) have been in arrears for 12 months or more; or<br>(iii) have incurred serious risks of default in repayment due to the occurrence of, among other things, final refusal to pay their debt instruments, liquidation or bankruptcy proceedings or closure of their business. |

| Loan Classifications | Corporate[1] | Consumer |
|---|---|---|
| Normal | 0.85% or above[2] | 1% or above |
| Precautionary | 7% or above | 10% or above |
| Substandard | 20% or above | 20% or above |
| Doubtful | 50% or above | 55% or above |
| Estimated loss | 100% | 100% |

*Notes:*
(1) Subject to certain exceptions pursuant to the Banking Industry Supervision Regulation of Korea.
(2) Or 0.90% or above for certain industries that are more vulnerable to fluctuations in market conditions, such as the construction, retail and wholesale, lodging and food, and real estate industries.

## Loan Charge-Offs

### Basic Principles

The Bank attempts to minimise loans to be charged off by adhering to a sound credit approval process based on credit risk analysis prior to extending loans and a systematic management of outstanding loans. However, if charge-offs are necessary, the Bank charges off loans subject to its charge-off policy at an early stage in order to maximise accounting transparency, to minimise any waste of resources in managing loans which have a low probability of being collected and to reduce the Bank's non-performing loan ratio.

### Loans to Be Charged Off

Loans are charged off if they are deemed to be uncollectible by falling under any of the following categories:

- loans for which collection is not foreseeable due to insolvency, bankruptcy, compulsory execution, disorganisation, dissolution or the shutting down of the business of the debtor;
- loans for which collection is not foreseeable due to the death or disappearance of the debtor;
- loans for which expenses of collection exceed the collectable amount;
- loans on which collection is not possible through legal or any other means; and
- the portion of loans classified as "estimated loss," net of any recovery from collateral, which is deemed to be uncollectible.

### Procedure for Charge-off Approval

In order to charge off corporate loans, an application for a charge-off must be submitted to the Credit Management Department promptly after the corporate loan is classified as estimated loss or deemed uncollectible. The Credit Management Department refers the charge-off application to the Bank's Channel Audit Department for their review to ensure compliance with the Bank's internal procedures for charge-offs. Then, the Credit Management Department, after reviewing the application to confirm that it meets relevant requirements, seeks an approval from the FSS for the Bank's charge-offs, which is typically granted. Once the Bank receives approval from the FSS, the Bank must also obtain approval from its senior management to charge off those loans. For accounting purposes, the Bank recognises charge-offs of corporate loans under Korean IFRS prior to approval from the FSS.

With respect to unsecured retail loans, the Bank follows a different process to determine which unsecured retail loans should be charged off, based on the length of time those loans are past due. The Bank charges off unsecured retail loans deemed to be uncollectible under Korean IFRS.

### Treatment of Loans Charged Off

Once loans are charged off, the Bank classifies them as charged-off loans and removes them from its balance sheet. These loans are managed based on a different set of procedures. The Bank continues its collection efforts in respect of these loans although loans may be charged off before the Bank begins collection efforts in some circumstances.

If a collateralised loan is overdue, the Bank will, typically within one year from the time that such loan became overdue (or after a longer period in certain circumstances), petition a court to foreclose and sell the collateral through a court-supervised auction. If a debtor ultimately fails to repay and the court grants its approval for foreclosure, the Bank will sell the collateral, net of expenses incurred from the auction.

### Net Charge-Offs

The following table presents the Bank's net charge-offs for each of the years indicated:

| | For the years ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | |
| | Average Loans[(1)] | Net Charge-Offs | Net Charge-Offs/ Average Loans | Average Loans[(1)] | Net Charge-Offs | Net Charge-Offs/ Average Loans | Average Loans[(1)] | Net Charge-Offs | Net Charge-Offs/ Average Loans |
| | (in billions of Won, except percentages) | | | | | | | | |
| **Domestic:** | | | | | | | | | |
| Corporate | | | | | | | | | |
| Small- and medium sized enterprise | ₩137,663 | ₩ 5 | 0.0% | ₩142,225 | ₩ 8 | 0.0% | ₩150,817 | ₩ 79 | 0.1% |
| Large corporate | 47,399 | 151 | 0.3 | 52,212 | 303 | 0.6 | 54,611 | 527 | 1.0 |
| Total corporate | 185,062 | 156 | 0.1 | 194,437 | 311 | 0.2 | 205,428 | 606 | 0.3 |
| Retail | | | | | | | | | |
| Mortgage and home equity | 119,309 | 2 | 0.0 | 129,458 | 5 | 0.0 | 137,751 | 6 | 0 |
| Other consumer | 45,542 | 152 | 0.3 | 43,774 | 161 | 0.4 | 42,842 | 200 | 0.5 |
| Total retail | 164,851 | 154 | 0.1 | 173,232 | 166 | 0.1 | 180,593 | 206 | 0.1 |
| **Foreign:** | 31,518 | 302 | 1.0 | 32,748 | 253 | 0.8 | 21,045 | 113 | 0.5 |
| Total | ₩381,431 | ₩ 612 | 0.2% | ₩400,417 | ₩ 730 | 0.2% | ₩407,066 | ₩ 925 | 0.2% |

*Note:*

(1) Average loans are based on daily balances.

**Investment Portfolio**

**Investment Policy**

The Bank invests in and trades Won-denominated and, to a lesser extent, foreign currency-denominated securities for its own account to:

- maintain the stability and diversification of the Bank's assets;
- maintain adequate sources of back-up liquidity to match the Bank's funding requirements; and
- supplement income from the Bank's core lending activities.

In making securities investments, the Bank takes into account a number of factors, including macroeconomic trends, industry analysis, credit evaluation and maturity in determining whether to make particular investments in securities.

The Bank's investments in securities are also subject to a number of guidelines, including limitations prescribed under the Financial Holding Company Act and the Bank Act. Under these regulations, the Bank must limit its investments in equity securities and certain other securities with a redemption period of over three years (other than Government bonds, the Monetary Stabilisation Bonds issued by the BOK, among others) to 100% of its total Tier I and Tier II capital amount (less any capital deductions). Generally, the Bank is also prohibited from acquiring more than 15% of the shares with voting rights issued by any other corporation subject to certain exceptions. Pursuant to the Bank Act, a bank and its trust accounts are prohibited from acquiring the shares of a major shareholder (for the definition of "major shareholder," see "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Financial Exposure to Any Individual Customer or Major Shareholder*") of that bank in excess of an amount equal to 1% of the sum of the bank's Tier I and Tier II capital (less any capital deductions). Further information on the regulatory environment governing the Bank's investment activities is set out in "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Liquidity*" and "*Regulation and Supervision of the Bank — Legal and Regulatory Framework in Korea — Restrictions on Shareholdings in Other Companies*."

For the definitions of the three categories of securities the Bank holds (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial instruments at amortised cost), see Note 3.5 of the notes to the Bank's consolidated financial statements for 2024 and 2025 included elsewhere in this Offering Circular. The Bank also holds limited balances of venture capital securities, non-marketable and restricted equity securities and derivative instruments.

## Maturity Analysis

The following table categorizes the Bank's debt securities by maturity and weighted average yield as of December 31, 2025:

| | Within 1 Year | Weighted Average Yield[(1)] | Over 1 But within 5 Years | Weighted Average Yield[(1)] | Over 5 But within 10 Years | Weighted Average Yield[(1)] | Over 10 Years | Weighted Average Yield[(1)] | Total | Weighted Average Yield[(1)] |
|---|---|---|---|---|---|---|---|---|---|---|
| | (in billions of Won, except percentages) | | | | | | | | | |
| **Financial assets at fair value through other comprehensive income:** | | | | | | | | | | |
| Korean treasury securities and government agencies | ₩ 3,001 | 2.21% | ₩ 10,460 | 2.58% | ₩ 1,032 | 3.42% | ₩ – | –% | ₩ 14,493 | 2.57% |
| Debt securities issued by financial institutions | 8,112 | 3.56 | 9,071 | 3.1 | 41 | 4.02 | – | – | 17,224 | 3.32 |
| Corporate debt securities | 2,908 | 3.04 | 7,634 | 3.24 | 110 | 3.65 | – | – | 10,651 | 3.19 |
| Asset-backed securities | 327 | 4.00 | 576 | 2.85 | – | – | – | – | 903 | 3.27 |
| Other debt securities | 28 | 0.00 | – | – | – | – | – | – | 28 | 0.00 |
| Total | ₩ 14,376 | 3.17% | ₩ 27,741 | 2.94% | ₩ 1,182 | 3.46% | ₩ – | –% | ₩ 43,300 | 3.03% |
| **Financial assets at amortised cost:** | | | | | | | | | | |
| Korean treasury securities and government agencies | ₩ 2,598 | 1.12% | ₩ 2,320 | 1.83% | ₩ – | –% | ₩ – | –% | ₩ 4,919 | 1.46% |
| Debt securities issued by financial institutions | 5,041 | 3.71 | 5,862 | 3.54 | 1,643 | 6.04 | 552 | 3.47 | 13,099 | 3.92 |
| Corporate debt securities | 2,839 | 2.70 | 5,760 | 2.88 | 100 | 2.03 | – | – | 8,698 | 2.81 |
| Asset-backed securities | 1,691 | 2.34 | 5,288 | 3 | 521 | 2.30 | 31 | 4.45 | 7,531 | 2.81 |
| Other debt securities | 30 | 3.00 | – | – | 34 | 2.35 | – | – | 64 | 2.65 |
| Total | ₩ 12,199 | 2.73% | ₩ 19,230 | 2.99% | ₩ 2,298 | 4.96% | ₩ 583 | 3.52% | ₩ 34,311 | 3.04% |
| **Total** | ₩ 26,575 | 2.97% | ₩ 46,971 | 2.96% | ₩ 3,481 | 4.45% | ₩ 583 | 3.52% | ₩ 77,610 | 3.03% |

*Note:*

(1) The weighted average yield for the portfolio represents the yield to maturity for each individual security, weighted using its carrying amount (which is the amortised cost in the case of financial assets at amortised cost and the fair value in the case of financial assets at fair value through other comprehensive income).

## Funding

The Bank obtains funding for its lending activities from a variety of sources, both domestic and foreign. The Bank's principal source of funding is customer deposits. In addition, the Bank acquires funding through long-term borrowings (comprising debentures and debts), short-term borrowings, including borrowings from the BOK, and call money.

The Bank's primary funding strategy has been to achieve low-cost funding by increasing the average balances of low-cost retail deposits, in particular demand deposits and time deposits. The Bank also has focused its marketing efforts on higher net worth individuals, who account for a significant portion of the assets in its retail deposit base.

The Bank's borrowings consist of issuances of debentures and debt from financial institutions, the Government and government-affiliated funds. The majority of the Bank's debt is long-term, with maturities ranging from one year to 15 years.

## Deposits

Although the majority of the Bank's deposits are short-term, it has been the Bank's experience that the majority of the Bank's depositors generally roll over their deposits at maturity, providing the Bank with a stable source of funding.

The following table shows the average balances of the Bank's deposits and the average rates paid on such deposits for the periods indicated:

| | For the years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Average Balance[(1)] | Average Rate Paid | Average Balance[(1)] | Average Rate Paid | Average Balance[(1)] | Average Rate Paid |
| | (in billions of Won, except percentages) | | | | | |
| Demand deposits: | | | | | | |
| Non-interest-bearing | ₩ 4,909 | – | ₩ 4,635 | – | ₩ 4,980 | – |
| Interest-bearing | 151,154 | 0.41% | 156,390 | 0.47% | 162,624 | 0.42% |
| Time deposits | 216,982 | 3.98% | 235,445 | 3.78% | 247,127 | 3.13% |
| Certificates of deposit | 10,418 | 4.07% | 11,148 | 3.84% | 10,814 | 3.00% |
| Average total deposits | ₩ 383,463 | 2.52% | ₩ 407,618 | 2.47% | ₩ 425,545 | 2.05% |

*Note:*
(1) Average balances are based on daily balances.

For a description of the Bank's retail deposit products, see *"The Bank — Retail Banking — Deposit-taking Activities."*

Uninsured deposits, including uninsured time deposits, are not subject to Korean regulatory reporting requirements. Notwithstanding the foregoing, the Depositor Protection Act provides insurance for certain deposits of banks in Korea through a deposit insurance system. See "*Regulation and Supervision of the Bank — Deposit Insurance System.*" Other than the maximum ₩100 million per individual or entity for deposits and interest in a single financial institution insured by the Korea Deposit Insurance Corporation in accordance with the foregoing (which limit increased from ₩50 million through an amendment to the Depositor Protection Act of Korea that became effective in September 2025), all deposits are uninsured. Although the Depositor Protection Act provides insurance for the deposits at the Bank's foreign branches, to the extent those deposits are recognized by the Korea Deposit Insurance Corporation to also be protected by the deposit insurance systems of the countries where such foreign branches are located, such deposits are not protected by the Korea Deposit Insurance Corporation under the Depositor Protection Act.

The insured status of deposits in the Bank's foreign branches, the amount of which the Bank does not consider to be material as of the date of this Offering Circular, are determined based on the individual insurance limits enacted within local regulations, and are thus subject to differing national deposit insurance regimes.

The Bank's total uninsured deposits, including uninsured deposits at its foreign branches, amounted to W342,992 billion and W324,862 billion as of December 31, 2024 and 2025, respectively.

**Uninsured Time Deposits**

The following table presents the remaining maturities of the Bank's uninsured time deposits, including uninsured time deposits at its foreign subsidiaries, as of December 31, 2025:

| | As of December 31, 2025 |
|---|---|
| | (in billions of Won) |
| Maturing within three months | ₩ 122,331 |
| After three but within six months | 46,227 |
| After six but within 12 months | 71,319 |
| After 12 months | 18,101 |
| Total | ₩ 257,978 |

## RISK MANAGEMENT OF THE BANK

### Overview

As a financial services provider, the Bank is exposed to various risks related to its lending and trading businesses, its funding activities and its operating environment. The Bank's goal in risk management is to ensure that it identifies, measures, monitors and controls the various risks that arise, and that its organisation adheres strictly to the strategies and procedures which it has established to address these risks. Under the Bank's internal regulations pertaining to its capital adequacy ratio and internal standards for risk appetite and internal capital under Basel III, the Bank identifies the following eight separate categories of risk inherent in its business activities: credit risk, market risk, operational risk, interest rate risk, liquidity risk, credit concentration risk, reputation risk and strategic risk. Of these, the principal risks to which the Bank is exposed are credit risk, market risk, liquidity risk and operational risk, and it strives to manage these and other risks within acceptable limits.

### Organisation

The Bank delegates risk management authority to its Risk Management Committee. The Risk Management Committee measures and monitors the various risks faced by the Bank and reports to the Bank's board of directors regarding decisions that it makes on risk management issues. The Risk Management Committee also makes certain strategic risk-related decisions regarding the operations of the Bank, such as allocating credit risk limits, setting total exposure limits and market risk-related limits and determining which market risk derivatives instruments the Bank can trade. The major activities of the Risk Management Committee include:

- determining and monitoring risk policies, guidelines, limits and tolerance levels and the level of risk in accordance with group policy established by KB Financial Group;
- reviewing and analysing the Bank's risk profile;
- setting limits for and adjusting the risk capital allocation plan and risk levels for each business unit within the Bank; and
- monitoring compliance with the group-wide risk management policies and practices at the business unit and entity level.

The Risk Management Committee is supported by the Risk Management Council, which serves as the executive decision making body for the Bank's risk management operations. At the operational level, the Bank's Risk Management Department and the Credit Group work closely with its business groups to implement risk management strategies, policies and procedures in accordance with the policies set forth by KB Financial Group's Group Risk Management Committee and the risk management strategies determined by the Bank's Risk Management Committee.

### Credit Risk Management

Credit risk is the risk of expected and unexpected losses in the event of borrower or counterparty defaults. Credit risk management aims to improve asset quality and generate stable profits while reducing risk through diversified and balanced loan portfolios. The Bank determines the creditworthiness of each type of borrower or counterparty through reviews conducted by its credit experts and through its credit rating systems, and the Bank sets a credit limit for each borrower or counterparty.

The Bank assesses and manages all credit exposures. The Bank measures expected losses and economic capital on assets (whether on- or off-balance sheet) that are subject to credit risk management and uses expected losses and economic capital as management indicators. The Bank manages credit risk by allocating credit risk economic capital limits. In addition, the Bank controls credit concentration risk exposure by applying and managing total exposure limits to prevent excessive risk concentration to particular industries or borrowers. Credit exposures that the Bank assesses and manages include loans to

borrowers and counterparties, investments in securities, letters of credit, bankers' acceptances, derivatives and commitments. The Bank's risk appetite, which is the ratio of its required economic capital to its estimated available capital, is approved by KB Financial Group's Group Risk Management Committee once a year. Thereafter, the Bank calculates economic capital every month for each business group and bank-wide based on attributed economic capital in accordance with the risk appetite as approved by the Group Risk Management Committee. The Bank measures and reports profiles of credit risk on a bank-wide level and by business group regularly to relevant business groups and senior management, including the Risk Management Council and the Risk Management Committee.

The Bank uses expected default rates and loss given default rates to determine the expected loss rate of a borrower or counterparty. The Bank uses the expected loss rate to make credit related decisions, including pricing, loan approval and establishment of standards to be followed at each level of decision making. These rates are calculated using information gathered from its internal database. With respect to large corporate borrowers, the Bank also uses information provided by external credit rating services to calculate default rates and loss given default rates.

The Bank's credit risk management processes include:

- establishing credit policy;
- credit evaluation and approval;
- industry assessment;
- total exposure management;
- collateral evaluation and monitoring;
- credit risk assessment;
- early warning and credit review; and
- post-credit extension monitoring.

**Credit Evaluation**

With respect to corporate loans, the Bank evaluates the ability of all loan applicants to repay their debts before it approves any loans, except for loans fully guaranteed by letters of guarantee issued by the Credit Guarantee Fund and the Korea Technology Credit Guarantee Fund, for loans fully secured by deposits and for other loans similarly guaranteed or secured. The Bank assigns each borrower or guarantor a credit rating based on the judgment of its experts or scores calculated using the appropriate credit rating system. Factors that the Bank considers in assigning credit ratings include both financial factors and non-financial factors, such as its perception of the borrower's ability to meet its payment obligations, risks relating to the industry in which the borrower operates, management and operational risks relating to the borrower, the borrower's financial flexibility and the borrower's level of reliability based on its transaction history. With respect to retail loans, the Bank assigns credit ratings based on its internal information regarding the borrower that has been accumulated as well as external information gathered from credit bureaus relating to various criteria, such as the borrower's profession, annual income, credit card overdue information and transaction history involving both the Bank and other financial institutions. The credit rating process differs according to the type, size and characteristics of the borrower.

The Bank uses its internally developed credit rating systems to rate potential borrowers. As the characteristics of each customer segment differ, the Bank uses several credit rating systems for its customers. The nature of the credit rating system used for a particular borrower depends on whether the

borrower is an individual, SOHO, SME or large company. For large companies and SMEs, the Bank has 17 credit ratings ranging from AAA to D. For retail customers, the Bank has 13 credit ratings ranging from grade 1 to grade 13.

Based on the credit rating of a borrower, the Bank applies different credit policies, which affect factors such as credit limit, loan period, loan pricing, loan classification and provisioning. The Bank also uses these credit ratings in evaluating its bank-wide risk management strategy. Factors the Bank considers in making this evaluation include the profitability of each company or transaction, performance of each business unit and portfolio management. The Bank monitors the credit status of borrowers and collects information to adjust its ratings appropriately. If the Bank changes a borrower's credit rating, the Bank will also change the credit policies relating to that borrower and it may also change the policies underlying its loan portfolio.

**Retail Loan Approval Process**

**Mortgage Loans and Secured Retail Loans**

The Bank's processing centre staff reviews mortgage loans and retail loans secured by real estate or guarantees. Branch staff employees forward loan applications to processing centres. However, in the case of loans secured by deposits with the Bank, its branch staff approves such loans. The Bank makes lending decisions based on its assessment of the value of the collateral, debt service capability and the borrower's score generated from its credit scoring systems.

For mortgage loans and loans secured by real estate, the Bank evaluates the value of the real estate offered as collateral using a database the Bank has developed that contains information about real estate values throughout Korea. The Bank also uses information from a third-party provider about the real estate market in Korea, which gives the Bank up-to-date market value information for Korean real estate. In addition, the Bank's processing centre staff employees review the value of real estate provided by the evaluation system to ensure there are no significant discrepancies. The Bank bases decisions regarding the approval of such loans primarily on the results of its credit scoring systems.

For loans secured by deposits, the Bank will generally grant loans up to 95% of the deposit amount if the Bank holds the deposit.

The Bank generally decides whether to evaluate a loan application within three to five days after recording the relevant information in its credit scoring systems.

**Unsecured Retail Loans**

The Bank reviews applications for unsecured retail loans in accordance with its credit scoring systems. These automated systems evaluate loan applications and determine an appropriate pricing for the loan. The major benefits of using a credit scoring system are that it yields uniform results regardless of the user, that it can be used effectively by employees who do not necessarily have extensive experience in credit evaluation and that it can be updated easily to reflect changing market conditions by adjusting how each factor is weighted. The staff at the Bank's processing centres reviews the results of the credit scoring system based on information input by its branch staff and, if approved, issues the loan.

The Bank's credit scoring systems take into account factors including borrower's income, assets, profession, age, transaction history (with both the Bank and other financial institutions) and other relevant credit information. The systems rank each borrower in an appropriate grade and that grade is used as a factor in deciding whether to approve loans as well as to determine loan amounts.

The Bank generally bases its decisions on the results of its credit scoring systems to evaluate applications. However, a credit officer may overturn the results of the Bank's credit scoring systems in certain circumstances.

**Corporate Loan Approval Process**

The Bank approves corporate loans at different levels of its organisation depending on the size and type of the loan, the credit risk level assessed by the credit rating system, whether the loan is secured by collateral and, if secured, the value of the collateral. The lowest level of authority is the branch staff employee, who can approve small loans and loans that have the lowest range of credit risk. Larger loans and loans with higher credit risk are approved by higher levels of authority depending on where they fall in a matrix of loan size and credit risk. Depending on the size and terms of any particular loan or the credit risk relating to a particular borrower, more than one entity may review the application, although generally loan applications are reviewed only by the entity having corresponding authority to approve the loan.

The Bank evaluates all of its corporate borrowers by using credit rating systems, except for applicants whose borrowings are fully secured by deposits or applicants who have obtained third-party guarantees from the Government or certain other very highly rated guarantors. See "– *Credit Evaluation*" above.

For owner-operated enterprises, or small office home office customers (which the Bank refers to as SOHOs), the Bank has put in place a credit rating system known as Small Office Home Office Corporate Rating System ("SOHO CRS"). For other SMEs, the Bank has put in place a similar credit rating system known as Corporate Rating System ("CRS"). For large corporations, the Bank has put in place a similar credit rating system known as Large Corporate Rating System ("LCRS"). For financial institutions, certain non-profit organizations and public institutions, the Bank has put in place a credit rating system known as Financial Institute, Non-profit, Public Corporate Rating System ("FNP CRS"). The SOHO CRS, the CRS, the LCRS and the FNP CRS models consist of the following four parts:

- *Financial Model.* The financial model uses financial ratios such as stability ratio, profitability ratio and cash flow ratio to make credit determinations.

- *Non-financial Model.* The non-financial model uses various qualitative and quantitative factors, such as future repayment capability, industry-related risks, management-related risks and operation-related risks, to evaluate borrowers.

- *CEO Evaluation Model*. The CEO evaluation model is relevant for the SOHO CRS in particular (including business entities without external audits), and evaluates the credit information of the individual owner of SOHOs by reviewing such owner's personal information, bank transaction records and external credit ratings.

- *Default Signal Check Model*. The default signal check model checks factors that have low frequency of occurrence but are highly likely to lead to a default in the event of an occurrence. The results of the default signal check model may be used to cap a borrower's credit grade.

**Total Exposure Management**

The Bank establishes and manages total exposure limits for industries, chaebols and corporations, as well as certain SMEs, in order to efficiently manage financial assets and to optimize the Bank's credit portfolio. The Bank establishes total exposure limits for (i) main debtor groups designated by the FSS, (ii) groups to which the Bank has total exposure of ₩70 billion or more, (iii) enterprises that belong to a main debtor group or large enterprises, in both cases to which the Bank has total exposure of ₩40 billion or more, (iv) SMEs to which the Bank has total exposure of ₩30 billion or more and (v) other groups or individual enterprises designated by the head of the Bank's Risk Management Group as necessary. The Bank establishes total exposure limits by reviewing factors such as industry, size, cash flows, financial ratios and credit ratings, while establishing exposure limits for industries by reviewing the sales growth rate and risk concentration for each industry. The total exposure limits for a specific

industry are set following approval by the Bank's Risk Management Council after review by the Credit Risk Management Subcommittee, while the exposure limits for a specific company or company group are set during the review of their credit application by the relevant approval authority.

The Bank's maximum exposure limit is within 25% of its Tier I and Tier II capital for a single group, and within 10% of its Tier I and Tier II capital for a single corporation.

The Bank manages and controls exposure limits on a daily basis. The principal system that the Bank uses for this purpose is the Total Exposure Management System. This system allows the Bank to monitor and control its total exposure to corporations, chaebols and industries. The Bank monitors its exposure to large corporations and companies affiliated with the 41 largest highly-indebted business groups (such groups being the main debtor groups in Korea designated as such by the FSS based on their outstanding exposures) to which it has an exposure of ₩40 billion or more, SMEs to which it has an exposure of ₩30 billion or more, and also its exposure to 143 business groups, which comprise the 41 largest highly-indebted business groups as well as 102 business groups to which it has exposures (in the form of securities or loans) of ₩70 billion or more. The Bank also monitors its exposure across 37 industries. The Bank's Total Exposure Management System integrates all of its credit-related risk including credit extended by its overseas branches and affiliates. The assets subject to the system include all Won-denominated and foreign currency-denominated loans, all assets in trust accounts except specified money trusts, guarantees, trade-related credits, commercial paper, corporate bonds and other securities and derivatives.

**Collateral Evaluation and Monitoring System**

The Bank uses the Collateral Evaluation and Monitoring System to manage the liquidation value of collateral it holds. The Collateral Evaluation and Monitoring System is a computerised collateral management system that can be accessed from its headquarters and its branches. Using this system, the Bank can more accurately assess the actual liquidation value of collateral, determine the recovery rate on its loans and use this information in setting the Bank's credit risk management and loan policies. The Bank can monitor the value of all the collateral a borrower provides and the value of that collateral based on its liquidation value. When appraising the value of real estate collateral, which makes up the largest part of the Bank's collateral, the Bank consults a regularly updated database provided by a third party that tracks the prices at which various types of real estate in various regions of Korea are sold. The Bank appraises the value of collateral when it makes a loan, when the loan is due for renewal and when events occur that may change the value of the collateral.

**Credit Risk Management and Monitoring**

The Bank's Credit Risk Department establishes the Bank's loan portfolio policies and appropriate credit risk limits, including those applicable to internal capital and total exposures to certain assets and business groups, to prevent excessive credit risk. The Credit Risk Department also analyses and monitors the Bank's loan portfolios on a regular basis to pre-emptively manage any risk, and continually monitors the Bank's management of such portfolios to ensure high credit quality. In addition, it implements an industrial risk management plan by monitoring industry trends and evaluating industry ratings. It also separately manages high-risk products, such as real estate project financing loans and over-the-counter derivative products, by setting appropriate limits.

**Credit Review**

The Bank's credit review function is independent of the business groups which manage its assets. The Bank's Credit Review Department:

- reviews the Bank's internal credit regulations, policies and systems;
- analyses the credit status of selected loan assets and verifies the appropriateness of the credit evaluations/approvals made by branches and headquarters; and

- evaluates the corporate credit risk of potentially insolvent companies.

More specifically, the Credit Review Department continually reviews the financial condition of selected borrowers with respect to their current debt, collateral, business, transactions with related parties and debt service capability. Based on its review, the Bank may adjust the borrower's credit rating, its lending policy or asset quality classification of the loan provided to the borrower, depending on the applicable circumstances. The Bank also regularly reviews other aspects of the lending process, including industries and regions in which its borrowers operate and the quality of its domestic and overseas assets. The Bank's industry reviews focus on growth, stability, competition and ability to adapt to a changing environment. Based on the results of a particular industry review, the Bank may revise the total exposure limit assigned to that industry and the lending policy for each company within that industry. When a review takes place, the Bank may adjust not only the credit ratings of its borrowers based on a variety of factors, but also asset quality classification, credit limits and its credit policies. Credit review results are reported to the Bank's chief risk officer and the Risk Management Committee on a quarterly basis.

The Credit Review Department also conducts on-site reviews of selected branches and related credit analysis centres which are experiencing increasing delinquency ratios and bad debts. During these visits, the loan processes are examined and improvement plans and appropriate follow-up measures are recommended.

Also, based on guidelines provided by the FSS to all Korean banks, the Bank operates a corporate credit risk assessment program to facilitate the identification of weak companies and possible commencement of corporate restructuring. Through this program, the Bank, together with other banks, is able to detect symptoms of financially troubled companies at an early stage, assess related credit risk and support the normalisation of companies that are likely to turnaround through a workout process, or seek to liquidate those companies that are not likely to recover.

The Credit Review Department also analyses issues related to credit risk and provides information necessary for the formulation of effective credit policies and strategies and for effective credit risk management.

**Market Risk Management**

The major risks to which the Bank is exposed are general interest rate risk on debt instruments and interest-bearing securities, credit spread risk and foreign exchange risk and, to a lesser extent, stock price risk. The financial instruments that expose the Bank to these risks are securities and financial derivatives. The Bank is also exposed to interest rate risk and liquidity risk in its banking book. The Bank divides market risk into risks arising from trading activities and risks arising from non-trading activities.

The Bank's Risk Management Council establishes overall market risk management principles. It has delegated the responsibility for the market risk management for trading activities to the Market Risk Management Subcommittee, which is chaired by its chief risk officer. This subcommittee meets on a regular basis each month and as required to respond to developments in the market and the economy. Based on the policies approved by the Risk Management Council, the Market Risk Management Subcommittee reviews and approves reports as required that include trading profits and losses, position reports, limit utilisation and sensitivity analysis results for the Bank's trading activities.

The Risk Management Council is responsible for interest rate and liquidity risk management of non-trading activities. It meets on a regular basis and as required to respond to developments in the market and the economy. Members of the Risk Management Council, acting through the Bank's Risk Management Department, review the Bank's interest rate and liquidity gap position monthly, as well as the business profile and its impact on asset and liability management.

To ensure adequate interest rate and liquidity risk management, the Bank has assigned the responsibilities for its asset and liability risk management to its Risk Management Department in its Risk Management Group, which monitors and reviews the asset and liability operating procedures and activities of its Financial Planning Department and Asset and Liability Risk Management Department, and independently reports to the management on the related issues.

**Market Risk Management for Trading Activities**

The Bank's trading activities consist of:

- trading activities for its own account to realise short-term trading profits in Won-denominated debt and equities markets and foreign exchange markets based on the Bank's short-term forecast of changes in the market situation; and

- trading activities involving derivatives, such as swaps, forwards, futures and option transactions, to realise profits primarily from selling derivative products to the Bank's customers and to hedge market risk incurred from those activities.

The Bank uses derivative instruments to hedge its market risk and, to a limited extent, to make profits by trading derivative products within acceptable risk limits. The principal objective of its hedging strategy is to manage the Bank's market risk within established limits. The Bank uses the following hedging instruments to manage relevant risks:

- to hedge interest rate risk arising from its trading activities, the Trading/Capital Markets Management Department occasionally uses interest rate futures (Korea Treasury Bond Futures) and interest rate swaps;

- to hedge stock price risk arising from its trading activities, the Trading/Capital Markets Management Department selectively uses stock index futures;

- to hedge interest rate risk and foreign exchange risk arising from its foreign currency-denominated asset and liability positions as well as its trading activities, the Treasury Unit within the Capital Markets Management Department use interest rate swaps, cross-currency interest rate swaps, foreign exchange forwards and futures, Euro-dollar futures and currency options; and

- to change the interest rate characteristics of certain assets and liabilities after the original investment or funding, the Bank uses swaps. For example, depending on the market situation, the Bank may choose to obtain fixed rate funding instead of floating rate funding if it believes that the terms are more favourable, which the Bank can achieve by entering into interest rate swaps.

The Bank generally manages its market risk at the portfolio level. To control its exposure to market risk, the Bank uses internal capital limits set by its Risk Management Council for itself and its groups and departments, position and stop loss limits set by the Risk Management Council for itself and its groups, and position, stop loss and sensitivity limits (PVBP, Delta, Gamma, Vega) set by the Bank's Market Risk Management Subcommittee for its departments. The Bank prepared its risk control and management guidelines for derivative trading based on the regulations and guidelines promulgated by the FSS.

In addition, the Bank has implemented internal processes which include a number of key controls designed to ensure that fair value is measured appropriately, particularly where a fair value model is internally developed and used to price a significant product. See Notes 4.4 and 6 of the notes to the Bank's consolidated financial statements for 2024 and 2025 included elsewhere in this Offering Circular. For example, each year the Risk Management Department reviews the existing pricing and valuation

models, with a focus on their underlying modelling assumptions and restrictions, to assess the appropriateness of their continued use. In consultation with the Trading Department, the Risk Management Department recommends potential valuation models to the Fair Value Evaluation Committee. Upon approval by the Fair Value Evaluation Committee, the selected valuation models are reported to the Market Risk Management Subcommittee.

The Bank monitors market risk arising from trading activities of its business groups and departments. The Bank uses an integrated market risk management system to manage market risks for both Won-denominated trading operations and foreign currency-denominated trading operations.

*Basel III Standardized Method.* Commencing in 2023, the Bank replaced the use of daily Value at Risk ("VaR") with the Basel III standardized method to measure market risk. Under such method, the Bank measures its market risk capital by aggregating (i) risk capital measured using the sensitivities-based method, (ii) default risk capital and (iii) residual risk add-on capital:

- risk capital measured using the sensitivities-based method represents the linear and non-linear losses that can result from adverse changes in interest rates, credit spreads, equity prices, foreign exchange rates and commodities prices;
- default risk capital represents the losses that can result from any unexpected default of an entity not contemplated under the sensitivities-based method; and
- residual risk add-on capital represents any other losses that are not contemplated under the sensitivities-based method or are not considered to result from the risk of default.

The following table shows the Bank's market risk capital for each category of market risk as of the dates indicated:

| **Risk categories** | | **Risk Capital** | |
|---|---|---|---|
| | | **As of December 31,** | |
| | | **2024** | **2025** |
| | | **(in billions of Won)** | |
| Sensitivities-based method | General interest rate risk | ₩ 108.5 | ₩ 108.1 |
| | Equity risk | 5.9 | 15.6 |
| | Commodities risk | 0.0 | 0.0 |
| | Foreign exchange risk | 179.5 | 138.8 |
| | Credit spread risk: non-securitizations | 122.8 | 164.7 |
| | Credit spread risk: securitizations (non-correlation trading portfolio) | 1.0 | 0.3 |
| | Credit spread risk: securitizations (correlation trading portfolio) | 0.0 | 0.0 |
| Default risk | | 52.3 | 63.1 |
| Residual risk add-on | | 1.1 | 1.2 |
| Total | | ₩ 471.1 | ₩ 491.8 |

*Stress testing*. In addition, the Bank uses stress testing to assess its market risk exposure to abnormal market fluctuations. Abnormal market fluctuations include significant declines in the stock market and significant changes in the general level of interest rates. As the Basel III standardized method assumes normal market situations, stress testing is an important way to supplement this method since it does not cover potential loss if the market moves in a manner that is outside the Bank's normal expectations. Stress testing projects the anticipated change in value of holding positions under certain scenarios assuming that no action is taken during a stress event to change the risk profile of a portfolio. According to its stress testing, the Bank estimates that as of December 31, 2025, its trading portfolio could have lost ₩650 billion for an assumed short-term extreme decline of approximately 25% in the equity market and an approximate 71 basis point decrease in the Korean treasury bond rates under an abnormal stress environment.

The Bank monitors the impact of market turmoil or any abnormality by conducting stress tests and confirming that the results are within the Bank's market risk limits. If the impact is large, the Bank's chief risk officer may request that the Bank's portfolio be restructured or other appropriate action be taken.

***Interest Rate Risk***

Interest rate risk from trading activities arises mainly from the Bank's trading of Won-denominated debt securities. Its trading strategy is to benefit from short-term movements in the prices of debt securities arising from changes in interest rates. As its trading accounts are marked-to-market daily, the Bank manages the interest rate risk related to its trading accounts using market value-based tools such as sensitivity analysis through a price value of a basis point method.

Under Basel III, interest rate risk can be divided into general interest rate risk and credit spread risk. General interest rate risk arises from fluctuations in the risk-free yield curve, which is caused by fluctuations in the general macroeconomic environment. Credit spread risk arises from fluctuations in the credit spread of the underlying assets, and is further divided into credit spread risks for (i) non-securitized positions, (ii) correlation trading portfolios and (iii) non-correlation trading portfolios, depending on the underlying asset.

***Foreign Exchange Risk***

Foreign exchange risk arises because the Bank has assets and liabilities that are denominated in currencies other than Won, as well as off-balance sheet items such as foreign exchange forwards and currency swaps. Assets and liabilities denominated in U.S. dollars, Japanese Yen, Euro, Chinese Renminbi and Indonesian IDR typically account for the majority of the Bank's foreign currency assets and liabilities.

The difference between the Bank's foreign currency assets and liabilities is offset against forward foreign exchange positions, currency options and currency swaps to obtain its net foreign currency open position. The Risk Management Council and Market Risk Management Subcommittee oversee the Bank's foreign exchange exposure for both trading and non-trading purposes by establishing a limit for this net foreign currency open position, together with stop loss limits.

The following table shows the Bank's separate net open positions as of the dates indicated. Positive amounts represent long positions and negative amounts represent short positions.

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (in millions of US$) | | |
| **Currency:** | | | |
| US$ | US$ (288.1) | US$ 216.1 | US$ (212.5) |
| Japanese Yen | 1.8 | 1.3 | (3.8) |
| Euro | 8.9 | 25.8 | 99.6 |
| Chinese Renminbi | 61.6 | 72.4 | 57.6 |
| Others | 1,153.4 | 800.4 | 567.8 |
| Total | US$ 937.7 | US$ 1,115.9 | US$ 508.8 |

***Equity Price Risk***

Equity price risk results from the Bank's equity derivatives trading portfolio in Won since the Bank does not have any trading exposure to shares denominated in foreign currencies other than foreign equity index futures.

The equity derivatives trading portfolio in Won consists of exchange-traded stocks and equity derivatives under strict limits on diversification as well as position limits and stop loss limits.

The Risk Management Council and Market Risk Management Subcommittee sets annual and monthly stop loss limits that are monitored by the Risk Management Department. In order to ensure timely action, the stop loss limit of individual securities is monitored by the Bank's middle office.

As of December 31, 2025, the Bank's equity trading position was ₩38.3 billion.

***Derivative Market Risk***

The Bank's derivative trading includes interest rate and cross-currency swaps, foreign exchange forwards, stock index and interest rate futures and currency options. These activities consist primarily of the following:

- sales of tailor-made derivative products that meet various needs of the Bank's corporate customers and related transactions to reduce the Bank's exposure resulting from those sales;
- taking positions in limited cases when the Bank expects short-swing profits based on its market forecasts; and
- trading to hedge the Bank's interest rate and foreign currency risk exposure as described above.

Market risk from trading derivatives is not significant since the Bank's derivative trading activities are primarily driven by customer deals with very limited open trading positions.

**Market Risk Management for Non-Trading Activities**

***Interest Rate Risk***

The Bank's principal market risk from non-trading activities is interest rate risk. Interest rate risk arises due to mismatches in the maturities or re-pricing periods of these rate-sensitive assets and liabilities. The Bank measures interest rate risk for Won and foreign currency assets and liabilities in its bank accounts (including derivatives) and its principal guaranteed trust accounts. Most of the Bank's interest-earning assets and interest-bearing liabilities are denominated in Won and its foreign currency-denominated assets and liabilities are mostly denominated in U.S. dollars.

The Bank's principal interest rate risk management objectives are to generate stable net interest revenues and to protect its asset value against interest rate fluctuations. The Bank principally manages this risk for its non-trading activities by analysing and managing maturity and duration gaps between its interest-earning assets and interest-bearing liabilities. In addition, the Bank uses hedging instruments for interest rate risk management for its non-trading assets and liabilities.

Interest rate gap analysis measures expected changes in net interest revenues by calculating the difference in the amounts of interest-earning assets and interest-bearing liabilities at each maturity and interest resetting date. The Bank performs interest rate gap analysis for Won-denominated and foreign currency-denominated assets and trust assets on a monthly basis or more frequently when deemed necessary.

*Interest Rate Gap Analysis*. The Bank performs interest rate gap analysis based on interest rate re-pricing maturities of assets and liabilities. However, for some of the Bank's assets and liabilities with either no maturities or unique characteristics, the Bank uses or assumes certain maturities, including the following examples:

With respect to asset maturities, the Bank assumes remaining maturities of prime rate-linked loans with remaining maturities of over one year to be one year and uses the actual maturities for prime rate-linked loans with remaining maturities of less than one year.

With respect to liability maturities, the Bank differentiates "non-core" and "core" demand deposits using the last 36 months' average balance of demand deposits. The Bank assumes "non-core" demand deposits to have remaining maturities of one month or less and "core" demand deposits to have remaining maturities between one month and five years.

The following table shows the Bank's consolidated interest rate gap for Won-denominated accounts and foreign currency-denominated accounts as of December 31, 2025:

| | As of December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 0-3 Months | 3-6 Months | 6-12 Months | 1-3 Years | Over 3 Years | Total |
| | (in billions of Won, except percentages) | | | | | |
| **Won-denominated Interest-earning assets:** | | | | | | |
| Loans | ₩ 125,640 | ₩ 98,286 | ₩ 78,004 | ₩ 32,442 | ₩ 43,112 | ₩ 377,484 |
| Securities | 7,523 | 6,461 | 11,137 | 31,570 | 13,339 | 70,030 |
| Others | 6,280 | 2 | 0 | 12 | 0 | 6,294 |
| Total | ₩ 139,443 | ₩ 104,749 | ₩ 89,141 | ₩ 64,024 | ₩ 56,451 | ₩ 453,808 |
| **Interest-bearing liabilities:** | | | | | | |
| Deposits | ₩ 152,228 | ₩ 50,758 | ₩ 86,586 | ₩ 61,236 | ₩ 46,551 | ₩ 397,359 |
| Borrowings | 12,562 | 0 | 0 | 0 | 0 | 12,562 |
| Others | 18,979 | 4,220 | 6,140 | 4,520 | 2,538 | 36,397 |
| Total | ₩ 183,769 | ₩ 54,978 | ₩ 92,726 | ₩ 65,756 | ₩ 49,089 | ₩ 446,318 |
| Sensitivity gap | (44,326) | 49,771 | (3,585) | (1,732) | 7,362 | 7,490 |
| Cumulative gap | (44,326) | 5,445 | 1,860 | 128 | 7,490 | |
| % of total assets | (9.8)% | 1.2% | 0.4% | 0.0% | 1.7% | |
| **Foreign currency-denominated Interest-earning assets:** | | | | | | |
| Due from banks | ₩ 28,939 | ₩ 3,709 | ₩ 2,909 | ₩ 2,668 | ₩ 4,816 | ₩ 43,041 |
| Loans | 2,729 | 561 | 1,065 | 3,149 | 3,844 | 11,348 |
| Securities | 12,570 | 72 | 159 | 230 | 321 | 13,352 |
| Total | ₩ 44,238 | ₩ 4,342 | ₩ 4,133 | ₩ 6,047 | ₩ 8,981 | ₩ 67,741 |
| **Interest-bearing liabilities:** | | | | | | |
| Deposits | ₩ 21,672 | ₩ 6,593 | ₩ 6,848 | ₩ 3,341 | ₩ 2,912 | ₩ 41,366 |
| Borrowings | 10,781 | 3,765 | 4,094 | 6,586 | 3,241 | 28,467 |
| Others | 1,957 | 0 | 0 | 0 | 0 | 1,957 |
| Total | ₩ 34,410 | ₩ 10,358 | ₩ 10,942 | ₩ 9,927 | ₩ 6,153 | ₩ 71,790 |
| Sensitivity gap | 9,828 | (6,016) | (6,809) | (3,880) | 2,828 | (4,049) |
| Cumulative gap | 9,828 | 3,812 | (2,997) | (6,877) | (4,049) | |
| % of total assets | 14.5% | 5.6% | (4.4)% | (10.2)% | (6.0)% | |

*Duration Gap Analysis*. The Bank also performs duration gap analysis to measure and manage interest rate risk. Duration gap analysis is a more long-term risk indicator than interest rate gap analysis, as interest rate gap analysis focuses more on accounting income as opposed to the market value of the assets and liabilities. The Bank emphasises duration gap analysis because, in the long run, its principal concern with respect to interest rate fluctuations is the net asset value rather than net interest revenue changes. For duration gap analysis the Bank uses or assumes the same maturities for different assets and liabilities that it uses or assumes for the Bank's interest rate gap analysis.

The following table shows, on a separate basis, duration gaps and net asset value changes when interest rates decrease by one percentage point as of the specified dates.

| Won-denominated | Asset Duration | Liability Duration | Duration Gap | Net Asset Value Change |
|---|---|---|---|---|
| Date | (in years) | (in years) | (in years) | (in billions of Won) |
| June 30, 2025 | 1.034 | 0.890 | 0.183 | ₩ 821 |
| December 31, 2025 | 0.995 | 0.902 | 0.128 | 584 |

| Foreign currency-denominated | Asset Duration | Liability Duration | Duration Gap | Net Asset Value Change |
|---|---|---|---|---|
| Date | (in years) | (in years) | (in years) | (in billions of Won) |
| June 30, 2025 | 1.042 | 0.761 | 0.252 | ₩ 162 |
| December 31, 2025 | 1.036 | 0.764 | 0.245 | 170 |

The Bank sets interest rate risk limits using the Interest Rate Risk in the Banking Book ("IRRBB") method, as described below, with respect to expected asset and liability positions based on its annual business plans. The Risk Management Department submits interest rate gap analysis, duration gap analysis and interest rate risk limit compliance reports monthly to the Bank's Risk Management Council and quarterly to the Bank's Risk Management Committee.

The following table summarises the Bank's interest rate risk, taking into account asset and liability durations as of December 31, 2025.

| | As of December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 3 Months or Less | 3-6 Months | 6-12 Months | 1-3 Years | Over 3 Years | Total |
| | (in billions of Won, except percentages and maturities in years) | | | | | |
| **Won-denominated:** | | | | | | |
| Asset position | ₩ 139,443 | ₩ 104,749 | ₩ 89,141 | ₩ 64,024 | ₩ 56,451 | ₩ 453,808 |
| Liability position | 183,769 | 54,978 | 92,726 | 65,756 | 49,089 | 446,318 |
| Gap | (44,326) | 49,771 | (3,585) | (1,732) | 7,362 | 7,490 |
| Average maturity | 0.054 | 0.375 | 0.763 | 1.881 | 8.491 | |
| Interest rate volatility | 2.25% | 2.25% | 2.25% | 2.25% | 2.25% | |
| Amount at risk | 1,950 | 817 | (689) | (458) | (977) | 642 |
| **Foreign currency-denominated:** | | | | | | |
| Asset position | ₩ 44,238 | ₩ 4,342 | ₩ 4,133 | ₩ 6,047 | ₩ 8,981 | ₩ 67,741 |
| Liability position | 34,410 | 10,358 | 10,942 | 9,927 | 6,153 | 71,790 |
| Gap | 9,828 | (6,016) | (6,809) | (3,880) | 2,828 | (4,049) |
| Average maturity | 0.048 | 0.375 | 0.805 | 2.076 | 7.166 | |
| Interest rate volatility | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | |
| Amount at risk | 10 | (48) | (110) | (118) | 615 | 348 |

*IRRBB Analysis*. Since November 2019, banks, including the Bank, have been required to adopt the standards of the IRRBB issued by the Basel Committee on Banking Supervision for calculating interest rate risk exposure. Such requirements were adopted in order to promote more financial stability for banks by requiring them to maintain a sufficient level of capital through a more robust risk management system. The Bank estimates its interest rate risk pursuant to such standards by calculating the changes in economic value of equity and the changes in net interest income based on various interest rate risk scenarios. Under this method, the Bank's interest rate risk exposure was ₩990 billion as of December 31, 2025.

For additional information, see Note 4.4 of the notes to the Bank's consolidated financial statements for 2024 and 2025 included elsewhere in this Offering Circular.

### *Foreign Exchange Risk*

The Bank manages foreign exchange rate risk arising from its non-trading operations together with such risks arising from its trading operations. See "— *Market Risk Management for Trading Activities — Foreign Exchange Risk*."

### *Liquidity Risk Management*

Liquidity risk is the risk of insolvency or loss due to a disparity between the inflow and outflow of funds resulting from, for example, maturity mismatches, obtaining funds at a high price or disposing of securities at an unfavourable price due to lack of available funds. The Bank manages its liquidity in order to meet its financial liabilities from withdrawals of deposits, redemption of matured debentures

and repayments at maturity of borrowed funds. The Bank also requires sufficient liquidity to fund loans, to extend other credits and to invest in securities. The Bank's liquidity management goal is to meet all its liability repayments on time and fund all investment opportunities even under adverse conditions. To date, the Bank has not experienced significant liquidity risk.

The Bank maintains liquidity by holding sufficient quantities of assets that can be liquidated to meet actual or potential demands for funds from depositors and others. The Bank also manages liquidity by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds the Bank believes it could raise by issuing securities. The Bank seeks to minimise its liquidity costs by managing its liquidity position on a daily basis and by limiting the amount of cash at any time that is not invested in interest-earning assets or securities.

The Bank maintains diverse sources of liquidity to facilitate flexibility in meeting its funding requirements. The Bank funds its operations principally by accepting deposits from retail and corporate depositors, accessing the call loan market (a short-term market for loans with maturities of less than 90 days), issuing debentures and borrowing from the BOK and others. The Bank uses the majority of funds it raises to extend loans or purchase securities. Generally, deposits are of shorter average maturity than loans or investments.

For Won-denominated assets and liabilities, the Bank manages liquidity using a cash flow structure based on holding short-term liabilities and long-term assets. Generally, the average initial contract maturity of the Bank's new Won-denominated time deposits was less than one year, while during the same period most of its new loans and securities had maturities over one year.

The Bank manages liquidity risk within the limits set on Won and foreign currency accounts in accordance with the regulations of the FSC. The FSC generally requires Korean banks, including the Bank, to maintain a liquidity coverage ratio of not less than 100%. The FSC defines the liquidity coverage ratio as the ratio of highly liquid assets to total net cash outflows over a 30-day period. The highly liquid assets and total net cash outflows included in the calculation of the liquid coverage ratio are determined in accordance with the "Standards for Calculation of Liquidity Coverage Ratio" under the Detailed Regulation on the Supervision of the Banking Business. In addition, the FSC requires Korean banks, including the Bank, to maintain a foreign currency liquidity coverage ratio of not less than 80%.

The Bank's Financial Planning Department is responsible for daily liquidity management of the Bank's Won and foreign currency exposure. It reports monthly plans for funding and operations to the Asset Liability Management Committee, which discusses factors such as interest rate movements and maturity structures of the Bank's deposits, loans and securities and establishes strategies with respect to deposit and lending rates.

The following tables show the Bank's liquidity coverage ratio and foreign currency liquidity coverage ratio on an average balance basis for the month of December 2025 in accordance with FSC regulations:

| **Liquidity coverage ratio:** | **30 Days or Less** |
|---|---|
| | **(in billions of Won, except percentages)** |
| Highly liquid assets (A) | ₩ 85,352 |
| Cash outflows (B) | 103,762 |
| Cash inflows (C) | 23,955 |
| Total net cash outflows (D = B-C) | 79,807 |
| Liquidity coverage ratio (A/D) | 106.95% |
| Minimum limit | 100.00% |

| Foreign currency liquidity coverage ratio: | 30 Days or Less |
|---|---|
| | (in millions of US$, except percentages) |
| Highly liquid assets (A) | US$ 4,931 |
| Cash outflows (B) | 11,738 |
| Cash inflows (C) | 8,783 |
| Total net cash outflows (D = B-C) | 2,955 |
| Liquidity coverage ratio (A/D) | 166.87% |
| Minimum limit | 80.00% |

The Risk Management Department in the Bank's Risk Management Group reports whether the Bank is complying with these limits monthly to the Risk Management Council and quarterly to the Risk Management Committee.

## Operational Risk Management

### Overall Status

There is no complete consensus on the definition of operational risk in the banking industry. The Bank defines operational risk broadly to include all financial and non-financial risks, other than credit risk, market risk, interest rate risk and liquidity risk, that may arise from its operations that could negatively impact its capital, including the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events as defined under Basel III. The Bank's operational risk management objectives include not only satisfying regulatory requirements, but also providing internal support through the growth of a strong risk management culture, reinforcement of internal controls, improvement of work processes and provision of timely feedback to management members and staff throughout the Bank.

The Bank uses an operational risk management framework meeting the Basel III standards. Specifically, the Bank calculates its operational risk-weighted assets under the Basel III standardized method, pursuant to which it:

- calculates its operational risk-weighted assets on a quarterly basis using its business indicator components (''BICs''), and internal loss multipliers (''ILMs''), and monitors operational risk in terms of Key Risk Indicators (''KRI'') using tolerance levels for each indicator;
- executes integrated compliance and operational risk Control Self Assessments (''CSAs''), that enhance the effect on internal controls, which the Bank's employees are able to access and use for process improvement;
- collects and analyses internal and external loss data;
- conducts scenario analyses to recognize the operational risks for incidents with a high probability of potential loss and to identify weaknesses and areas of improvement;
- manages certain insurance-related activities relating to insurance strategies established to mitigate operational risk;
- examines operational risks arising in connection with the development of, changes in or discontinuance of products, policies or systems;
- uses a detailed business continuity plan covering all of its operations and locations to prepare against unexpected events, including an alternate back-up site for use in disaster events as well as annual full-scale testing of such site;
- refines bank-wide operational risk policies and procedures;

- provides appropriate training and support to business line operational risk managers; and
- reports overall operational risk status to the Bank's senior management.

While the Bank's Risk Management Department advises relevant business units with respect to the review of and suggested improvements on related operational processes and procedures, each of the Bank's relevant business units has primary responsibility for the management of its own operational risk. In addition, the Operational Risk Unit, which is part of the Bank's Risk Management Department, monitors bank-wide operational risk. The Bank also has business line operational risk managers in all of its subsidiaries, departments and branches who periodically conduct CSAs and monitor KRIs. For example, the Bank has developed KRIs relating to customer data protection, which are applied and monitored at all domestic branches and offices. In addition, in order to strengthen risk management of its overseas operations, the Bank designates expert auditors for overseas branches and conducts internal audits designed especially to check key risks identified for each overseas branch. The Bank has also established a risk CSA system for overseas branches, pursuant to which all employees (including locally hired staff) of such branches are required to perform a risk CSA on a quarterly basis. Furthermore, the Bank regularly monitors operational risks related to new businesses as well as existing operating processes and seeks to develop appropriate new KRIs and risk CSA measures on an ongoing basis. Through such method, the Bank is able to ensure proper monitoring of operational risk in each of its business groups and overseas operations.

**Internal Control**

To monitor and control operational risks, the Bank maintains a system of comprehensive policies and has put in place a control framework designed to provide a stable and well-managed operational environment throughout its organisation. The Bank has in place regular staff rotation and a prescribed leave policy for employees in certain high-risk categories to safeguard against fraud and to check for weaknesses in internal controls. In addition, the Bank maintains an external whistleblower "ombudsman" channel to encourage whistleblowing and voluntary reporting of fraudulent behaviour. As part of the Bank's efforts to strengthen its internal reporting system, the Bank amended its whistleblower policy in May 2023 to expand the scope of reportable subjects, explicitly stipulate the rewards for such reporting and require mandatory investigations of any violations of the duty to report financial incidents. Furthermore, in August 2025, the Bank strengthened its protection of whistleblowers by specifying the types of retaliatory actions that are prohibited against whistleblowers.

The Bank establishes its internal control system in accordance with the group-level internal control principles established by KB Financial Group. The Bank reviews its operations and its level of compliance with internal control systems and business processes on a periodic basis and, as part of this process, the Bank is required to report any problems discovered and any remedial actions taken to KB Financial Group's chief compliance officer.

The Bank's Audit Department is the execution body for the Bank's Audit Committee and supports the Bank's management objectives by auditing the operations of its branches using a risk analysis system and reviewing the operations of its headquarters and subsidiaries through the use of "risk-based audit" in accordance with the "business measurement process" audit methodology, which requires that the Bank's Audit Department evaluate the risk and process of its business units and concentrate their audit capacity with respect to high risk areas. As a result of recent regulatory trends, the Bank's Audit Department is continuing its efforts to establish an advanced audit system and value-added internal audit by introducing risk-based audit techniques. In addition, in December 2024, the Bank established an internal control committee under its board of directors in order to enhance its internal control systems.

The FSS periodically conducts a general examination of the Bank's operations. The FSS also performs specific audits on particular aspects of the Bank's operations, such as risk management, investor protection, credit monitoring and liquidity, as the need arises.

**Legal Risk**

The Bank considers legal risk as a part of its operational risk. The uncertainty of the enforceability of the obligations of its customers and counterparties creates legal risk. Changes in laws and regulations could also adversely affect the Bank. Legal risk is higher in new areas of business where the law is often untested in the courts, although legal risk can also increase in the Bank's traditional business to the extent that the legal and regulatory landscape in Korea is changing and many new laws and regulations governing the banking industry remain untested. The Bank's Compliance Supporting Department seeks to minimise legal risk by using stringent legal documentation, employing procedures designed to ensure that transactions are properly authorised and consulting legal advisers.

**IT System Operational Risk**

The integrity of the Bank's IT systems, and its ability to withstand potential catastrophic events, is crucial to the Bank's continuing operations. Accordingly, the Bank is continuing to strengthen its disaster recovery capabilities. In order to minimise operational risks relating to its IT systems, the Bank has implemented a multi-CPU system that runs multiple CPUs simultaneously on-site and ensures system continuity in case any of the CPUs fail. This system backs up the Bank's data systems at an off-site location on a real-time basis to ensure that its operations can be carried out normally and without material interruption in the event of CPU failure. Also, in order to protect the Bank's Internet banking services from system failures and cyber attacks, the Bank processes its Internet transactions through three separate data processing centres.

The Bank generally tests its disaster recovery systems on a quarterly basis, with comprehensive testing covering branches and the main IT centre's disaster recovery system. In addition, the Bank monitors and reports on any unusual delays or irregularities reported by the Bank's branches. Moreover, the Bank's Information Security Department is responsible for the daily monitoring of the Bank's entire information security system. Furthermore, the Bank has established technical as well as management-related standards governing information protection under which it operates its business.

The Bank has taken steps to establish a comprehensive security system aimed at detecting and responding to internal and external threats to its IT system and has implemented network segregation on the computers of all employees so that Intranet and Extranet functions are segregated. The Bank has endeavoured to enhance protection of customer data by using personal identification numbers internally generated and managed by the Bank in all customer financial transactions, in lieu of the resident registration numbers of its customers, and by amending forms and templates to minimise collection of potentially sensitive customer data. The Bank's chief information security officer is responsible for ensuring protection of information assets and technologies and reducing IT risks.

The Bank has obtained ISO 27001 certification, which relates to information security, ISO 20000 certification, which relates to IT service management, and BS 25999 (now ISO 22301) certification, which relates to business continuity management. The Bank is the first Korean bank to have obtained all three such international certifications and it continually renews such certifications following annual reviews. In addition, the Bank obtained ISMS certification, which relates to information security management, and ISMS-P certification, which relates to personal information in addition to information security management.

The Bank implements various year-round education programs and training sessions designed to raise the information security awareness of both management and employees.

## MANAGEMENT OF THE BANK

### Directors and Senior Management

The Bank's board of directors has ultimate responsibility for the management of the Bank's affairs. The Bank's Articles of Incorporation provide for a board of no more than 30 directors, of which three or more must be non-executive directors and non-executive directors must comprise more than half of the board of directors. The Bank currently has three executive directors and five non-executive directors. The Bank elects its directors at a general meeting of shareholders by a majority vote of those present or represented at such meeting as long as the affirmative votes represent at least a quarter of the Bank's total issued and outstanding shares with voting rights.

The term of office for each of the Bank's executive directors is one or two years and for each of the Bank's non-executive directors is two years for the initial term and one year for any subsequent term, provided that, if a director's term of office expires after the end of a fiscal year but before the convening of the general shareholders' meeting concerning the said fiscal year, his/her term of office shall be extended until the end of the general shareholders' meeting. The Bank's directors may serve consecutive terms (with the term of office for non-executive directors limited to five consecutive years) and are subject to the Korean Commercial Code, the Act on the Corporate Governance of Financial Companies and related regulations.

In respect of the members of the Bank's board of directors and senior management, there are no potential conflicts between their duties to the Bank and their other duties or private interests. The business address of all of the directors is the Bank's registered office at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07331, Korea.

### Executive Directors

The table below sets forth the names, years of birth and positions of the Bank's executive directors as of June 30, 2026.

| Name | Year of Birth | Position | Start of Term | End of Term |
|---|---|---|---|---|
| Hwan Ju Lee | 1964 | President and CEO | January 1, 2025 | December 31, 2026 |
| Seong Jae Lee | 1963 | Chief Audit Executive | January 1, 2025 | December 31, 2026 |
| Byoung Gon Park | 1967 | Senior Executive Vice President; Sales Group | January 1, 2025 | December 31, 2026 |

### Non-executive Directors

The non-executive directors are outside directors elected from among those persons who do not have a special relationship with the Bank that would interfere with the exercise of their independent judgment. The Bank's non-executive directors are selected based on the candidates' talents and skills in diverse areas, such as law, finance, economics, management and accounting. The table below sets forth the names, years of birth and positions of the Bank's non-executive directors as of June 30, 2026.

| Name | Year of Birth | Position | Start of Term | End of Term[(1)] |
|---|---|---|---|---|
| Sung Jin Kim | 1963 | Non-executive Director and Chairman | March 21, 2024 | March 2027 |
| Sue Bok Moon | 1965 | Non-executive Director | March 24, 2022 | March 2027 |
| Jung Sook Lee | 1965 | Non-executive Director | March 21, 2024 | March 2027 |
| Dae Hee Yoon | 1972 | Non-executive Director | March 25, 2025 | March 2027 |
| Tae Hoon Youn | 1966 | Non-executive Director | March 25, 2026 | March 2028 |

*Note:*

(1) The date on which each term will end will be the date of the general stockholders' meeting in the relevant year unless otherwise specified.

## Executive Officers

The table below sets forth the names, years of birth and positions of the Bank's executive officers (other than its executive directors) as of June 30, 2026.

| Name | Year of Birth | Position |
|---|---|---|
| Duck Kyun Ko | 1969 | Senior Executive Vice President; Gangnam Sales Initiative Group |
| Kyung Jin Kim | 1969 | Senior Executive Vice President; Retail Customer Group |
| Young Il Kim | 1972 | Senior Executive Vice President; Institutional Sales Group |
| Hyun Uk Kim | 1972 | Senior Executive Vice President; Corporate Customer Group |
| Sun Hyun Park | 1970 | Senior Executive Vice President; Consumer Protection Group |
| Jin Young Park | 1972 | Senior Executive Vice President; Brand & PR Group |
| Ki Won Seo | 1972 | Senior Executive Vice President; Corporate Planning Group |
| Byung Chul Song | 1972 | Senior Executive Vice President; Digital Sales Group |
| Sung Ju Song | 1972 | Senior Executive Vice President; Metropolitan area Sales Initiative Group |
| Yong Hoon Song | 1968 | Senior Executive Vice President; Credit Management Analysis Group |
| Sang Won Oh | 1967 | Senior Executive Vice President; Tech Group |
| Yong Hwan Yun | 1971 | Senior Executive Vice President; Yeongnam Sales Initiative Group |
| Seong Hee Lee | 1967 | Senior Executive Vice President; Capital Markets Business Group |
| Soo Jin Lee | 1969 | Senior Executive Vice President; Chief Compliance Officer |
| Won Jong Lee | 1970 | Senior Executive Vice President; Corporate Investment Banking Sales Group |
| Jong Min Lee | 1970 | Senior Executive Vice President; Global Business Group |
| Chang Yong Jang | 1969 | Senior Executive Vice President; Chungcheong·Honam Sales Initiative Group |
| Hyo Sung Jeon | 1971 | Senior Executive Vice President; Wealth Management Customer Group |
| Min Su Jeong | 1970 | Senior Executive Vice President; Customer Contact Sales Group |
| Wui Jip Choi | 1971 | Senior Executive Vice President; Gangbuk Sales Initiative Group |
| Jong Jin Choi | 1969 | Senior Executive Vice President; Corporate Support Group |
| Young Jin Park | 1972 | Managing Director; Risk Management Group |
| Kyeong Jong Lee | 1978 | Managing Director; Financial AI Center 2 |
| Yun Seok Lee | 1970 | Managing Director; Wealth Management Initiative Division |
| Jae Yong Lee | 1968 | Managing Director; Information Security Division |
| Jong Hoon Lee | 1972 | Managing Director; Anti Money Laundering Division |
| Eun Young Jung | 1973 | Managing Director; Head of GOLD&WISE the FIRST, Banpo Center |

## Compensation

The aggregate remuneration paid and benefits in kind granted by the Bank to its president and chief executive officer, its other executive directors, its non-executive directors and its executive officers for the year ended December 31, 2025 was ₩30,042 million. In addition, for the year ended December 31, 2025, the Bank set aside ₩355 million for allowances for severance and retirement benefits for the Bank's president and chief executive officer, the other executive directors and the Bank's executive officers.

## Committees of the Board of Directors

The Bank currently has the following committees that serve under the board:

(a) the Audit Committee;

(b) the Risk Management Committee;

(c) the Evaluation & Compensation Committee;

(d) the Non-executive Director Nominating Committee;

(e) the Audit Committee Members Nominating Committee;

(f) the President Nominating Committee;

(g) the Internal Control Committee; and

(h) the Consumer Protection Committee.

Each committee member is appointed by the board of directors, except for members of the Audit Committee, who are elected at the general meeting of shareholders.

***Audit Committee***

The Audit Committee currently consists of two non-executive directors, Jung Sook Lee and Sung Jin Kim, and one executive director, Seong Jae Lee. The chairperson of the Audit Committee is Jung Sook Lee. The Audit Committee oversees the Bank's financial reporting and approves the appointment of the Bank's independent accountants. The committee also reviews the Bank's financial information, auditor's examinations, key financial statement issues, the plans and evaluation of internal control and the administration of the Bank's financial affairs by the board of directors. In connection with the general meetings of shareholders, the committee examines the agenda for, and financial statements and other reports to be submitted by, the board of directors to each general meeting of shareholders. The committee holds regular meetings every quarter.

***Risk Management Committee***

The Risk Management Committee currently consists of three non-executive directors, Dae Hee Yoon, Sue Bok Moon and Tae Hoon Youn. The chairperson of the Risk Management Committee is Dae Hee Yoon. The Risk Management Committee oversees and makes determinations on all issues relating to the Bank's comprehensive risk management function. In order to ensure the Bank's stable financial condition and to maximise the Bank's profits, the committee monitors the Bank's overall risk exposure and reviews the Bank's compliance with risk policies and risk limits. In addition, the committee reviews risk and control strategies and policies, evaluates whether each risk is at an adequate level, establishes or abolishes risk management divisions and reviews risk-based capital allocations. The committee holds regular meetings every quarter. See "*Risk Management of the Bank*."

***Evaluation & Compensation Committee***

The Evaluation & Compensation Committee currently consists of three non-executive directors, Jung Sook Lee, Sung Jin Kim and Dae Hee Yoon. The chairperson of the Evaluation & Compensation Committee is Jung Sook Lee. The Evaluation & Compensation Committee reviews compensation schemes and compensation levels and is also responsible for evaluating management's performance. The committee holds regular meetings semi-annually.

***Non-executive Director Nominating Committee***

The committee currently consists of five non-executive directors, Sung Jin Kim, Sue Bok Moon, Jung Sook Lee, Dae Hee Yoon and Tae Hoon Youn. The chairperson of the Non-executive Director Nominating Committee is Tae Hoon Youn. The committee oversees the selection of non-executive director candidates and recommends them annually sometime prior to the general stockholders meeting. The term of office of its members is from the first meeting of the committee held to nominate the non-executive directors until the nominated non-executive directors are appointed.

***Audit Committee Members Nominating Committee***

The committee currently consists of five non-executive directors, Sung Jin Kim, Sue Bok Moon, Jung Sook Lee, Dae Hee Yoon and Tae Hoon Youn. The committee oversees the selection of Audit Committee member candidates and recommends them annually sometime prior to the general stockholders meeting. The term of office of its members is from the first meeting of the committee held to nominate the Audit Committee members until the Audit Committee members are appointed.

***President Nominating Committee***

The committee currently consists of five non-executive directors, Sung Jin Kim, Sue Bok Moon, Jung Sook Lee, Dae Hee Yoon and Tae Hoon Youn. The committee oversees the selection of candidates for the Bank's President and recommends them sometime prior to a general stockholders meeting at which the President is to be elected. The term of office of its members is from the first meeting of the committee held to nominate the President until the President is appointed.

***Internal Control Committee***

The Bank established the committee in December 2024 in accordance with recent amendments to the Act on the Corporate Governance of Financial Companies, which provides for the establishment of an internal control committee as a means to enhancing the internal control systems of financial companies in Korea. The committee currently consists of two non-executive directors, Sue Bok Moon and Sung Jin Kim, and one executive director, Seong Jae Lee. The chairperson of the Internal Control Committee is Sue Bok Moon. The committee is responsible for establishing and amending the Bank's strategies and standards relating to internal control and overseeing their proper implementation, except that the Audit Committee will continue to oversee matters relating to internal control over financial reporting, among others. The committee holds regular meetings semi-annually.

***Consumer Protection Committee***

The Bank established the committee in March 2026 in accordance with the implementation of the Best Practices for Financial Consumer Protection Governance introduced by the Financial Supervisory Service, which provides for the improvement of consumer protection governance of financial companies in Korea. The committee currently consists of two non-executive directors, Tae Hoon Youn and Jung Sook Lee, and one executive director, Byoung Gon Park. The chairperson of the Consumer Protection Committee is Tae Hoon Youn. The committee is responsible for establishing and overseeing the basic policies for the internal consumer protection control system. It also approves consumer protection management strategies and policies, and receives reports on consumer protection related activities, thereby supervising and managing all related functions. The committee holds regular meetings semi-annually.

## REGULATION AND SUPERVISION OF THE BANK

### Legal and Regulatory Framework in Korea

#### Overview

The banking system in Korea is governed by the Bank Act and the Bank of Korea Act of 1950, as amended (the "Bank of Korea Act"). In addition, Korean banks are subject to the regulations and supervision of the BOK, the MPB, the FSC and its executive body, the FSS.

The BOK, established in June 1950 under the Bank of Korea Act, performs the customary functions of a central bank. It seeks to contribute to the sound development of the national economy by price stabilisation through establishing and implementing efficient monetary and credit policies with a focus on financial stability. The BOK acts under instructions of the MPB, the supreme policy-making body of the BOK.

Under the Bank of Korea Act, the MPB's primary responsibilities are to formulate monetary and credit policies and to determine the operations, management and administration of the BOK.

The FSC, established in April 1998, regulates commercial banks pursuant to the Bank Act, including establishing guidelines on capital adequacy of commercial banks, and promulgates regulations relating to supervision of banks. Furthermore, the FSC regulates market entry into the banking business.

The FSS, established in January 1999, is subject to the instructions and directives of the FSC and carries out supervision and examination of commercial banks. In particular, the FSS sets requirements both for the prudent control of liquidity and for capital adequacy and establishes reporting requirements pursuant to the authority delegated to it under the FSC regulations, pursuant to which banks are required to submit annual reports on financial performance and shareholdings, regular reports on management strategy and non-performing loans, including write-offs, and management of problem companies and plans for the settlement of bad loans.

Under the Bank Act, approval to commence a commercial banking business or a long-term financing business must be obtained from the FSC. Commercial banking business is defined as the lending of funds acquired predominantly from the acceptance of demand deposits for a period not exceeding one year or subject to the limitation established by the FSC, for a period between one year and three years. Long-term financing business is defined as the lending, for periods in excess of one year, of funds acquired predominantly from paid-in capital, reserves or other retained earnings, the acceptance of time deposits with maturities of at least one year, or the issuance of debentures or other bonds. A bank wishing to enter into any business other than commercial banking and long-term financing businesses must file a report to the FSC. For businesses that are subject to a licence or approval requirement under applicable laws, such as approval to commence a trust business under the FSCMA, such report must be filed concurrently with a relevant licence or approval application to the FSC. In addition, approval to merge with any other banking institution, to liquidate, spin off or close a banking business or to transfer all or a part of a business must be obtained from the FSC.

If the FSC deems a bank's financial condition to be unsound or if a bank fails to meet the applicable capital adequacy ratio set forth under Korean law, the FSC may order:

- admonitions or warnings with respect to the bank or its officers;
- capital increases or reductions;
- assignments of contractual rights and obligations relating to financial transactions;
- a suspension of performance by its officers of their duties and the appointment of receivers;

- disposals of property holdings or closures of subsidiaries or branch offices or downsizing;
- stock cancelations or consolidations;
- mergers with other financial institutions;
- acquisition of such bank by a third party; and
- suspensions of a part or all of its business operations for not more than six months.

**Capital Adequacy**

The Bank Act requires nationwide banks, such as the Bank, to maintain a minimum paid-in capital of ₩100 billion and regional banks to maintain a minimum paid-in capital of ₩25 billion. All banks, including foreign bank branches in Korea, are also required to maintain a prescribed solvency position. A bank must also set aside in its legal reserve an amount equal to at least 10% of the net income after tax each time it pays dividends on net profits earned until its legal reserve reaches at least the aggregate amount of its paid-in capital.

Under the Regulation on the Supervision of the Banking Business, the capital of a bank is divided into two categories, Tier I and Tier II capital. Tier I capital (core capital) consists of (i) common equity Tier I capital, including paid-in capital, capital surplus and retained earnings related to common equity and accumulated other comprehensive gains and losses, and (ii) additional Tier I capital, including paid-in capital and capital surplus from the issuance of additional Tier I capital, hybrid capital instruments and other capital securities which meet the standards prescribed by the governor of the FSS under Article 26(2) of the Regulation on Supervision of the Banking Business. Tier II capital (supplementary capital) consists of, among other things, capital and capital surplus from the issuance of Tier II capital, allowances for loan losses on loans classified as "normal" or "precautionary," subordinated debt and other capital securities which meet the standards prescribed by the governor of the FSS under Article 26(2) of the Regulation on Supervision of the Banking Business.

All banks must meet minimum ratios of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets, determined in accordance with FSC requirements that have been formulated based on Bank for International Settlements standards. These requirements were adopted and became effective in 1996, and were amended effective January 1, 2008 upon the implementation by the FSS of Basel II. Under such requirements, all domestic banks and foreign bank branches are required to meet a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets. Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, pursuant to which Korean banks and bank holding companies were required to maintain a minimum ratio of common equity Tier I capital to risk-weighted assets of 3.5% and Tier I capital to risk-weighted assets of 4.5% from December 1, 2013, which minimum ratios were increased to 4.0% and 5.5%, respectively, from January 1, 2014 and increased further to 4.5% and 6.0%, respectively, from January 1, 2015. The amended regulations also require an additional capital conservation buffer of 2.5% from January 2019, as well as a potential counter-cyclical capital buffer of up to 2.5%, which is determined on a quarterly basis by the FSC and is set at 1.0% as of the date of this Offering Circular. Furthermore, the Bank was designated as one of the domestic systemically important banks for 2025 by the FSC and was subject to an additional capital requirement of 1.0% in 2025. In July 2025, the Bank was again designated as a domestic systemically important bank for 2026, which again subjects the Bank to the same additional capital requirement of 1.0% in 2026. In addition, the FSC indicated that it may introduce a stress buffer capital requirement of up to 2.5%, which would require banks and bank holding companies to hold additional capital based on stress test results. The introduction of this requirement, initially planned for 2024, has been delayed multiple times and it is currently unclear whether and when such requirement will be implemented. Such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets.

Under the Detailed Regulation on the Supervision of the Banking Business, the following risk-weight ratios must be applied by Korean banks in respect of home mortgage loans:

- for those banks adopting a standardized approach for calculating credit risk-weighted assets, a risk-weight ratio between 20% (where the source of the repayment of the loan does not rely on the cash flows generated from the mortgaged property and the loan-to-value ratio is below or equal to 50%) and 150% (where the source of the repayment of the loan mostly relies on the cash flows generated from the mortgaged property and the loan does not meet the standards for a "qualified home mortgage loan"); and

- for those banks adopting an internal ratings-based approach for calculating credit risk-weighted assets, a risk-weight ratio calculated with reference to the probability of default, loss given default and exposure at default, each as defined under the Detailed Regulation on the Supervision of the Banking Business.

**Liquidity**

All banks are required to ensure adequate liquidity by matching the maturities of their assets and liabilities in accordance with the Regulation on Supervision of the Banking Business. Banks may not invest an amount exceeding 100% of their Tier I and Tier II capital (less any capital deductions) in equity securities and certain other securities with a redemption period of over three years. This stipulation does not apply to Government bonds, Monetary Stabilisation Bonds issued by the BOK or debentures and stocks referred to in items 1 and 2, respectively, of paragraph (6) of Article 11 of the Act on the Structural Improvement of the Financial Industry. The FSC uses the liquidity coverage ratio (described below) as the principal liquidity risk management measure, and currently requires each Korean bank to:

- maintain a liquidity coverage ratio (defined as the ratio of highly liquid assets to total net cash outflows over a 30-day period) of not less than 100%;

- maintain a foreign currency liquidity coverage ratio of not less than 80%; and

- submit monthly reports with respect to the maintenance of these ratios.

The MPB of the BOK is empowered to fix and alter minimum reserve requirements that banks must maintain against their deposit liabilities. The current minimum reserve ratios are:

- 7% of average balances for Won currency demand deposits outstanding;

- 0% of average balances for long-term house purchase savings deposits and property formation savings; and

- 2% of average balances for Won currency time deposits, instalment savings deposits, mutual instalments, housing instalments and certificates of deposit outstanding.

For foreign currency deposit liabilities, a 2% minimum reserve ratio is applied to time deposits with a maturity of one month or longer, certificates of deposit with a maturity of 30 days or longer and savings deposits with a maturity of one month or longer and a 7% minimum reserve ratio is applied to other deposits. A 1% minimum reserve ratio applies to deposits in offshore accounts, immigrant accounts and resident accounts opened by financial institutions (excluding bank holding companies) and the Export-Import Bank of Korea, as well as foreign currency certificates of deposit held by account holders of such offshore accounts, immigrant accounts and resident accounts opened by such financial institutions.

Furthermore, under the Regulation on Supervision of the Banking Business, the Bank is required to maintain a minimum "mid- to long-term foreign exchange funding ratio" of 100% "Mid- to long-term foreign exchange funding ratio" refers to the ratio of (1) the total outstanding amount of foreign exchange borrowing with a maturity of more than one year to (2) the total outstanding amount of foreign exchange lending with a maturity of one year or more.

**Net Stable Funding Ratio and Leverage Ratio Requirements**

The FSC implemented the Regulation on Supervision of the Banking Business that impose certain liquidity- and leverage-related ratio requirements on banks in Korea, in accordance with Basel III. Pursuant to such Regulation, each Korean bank is required to:

- maintain a net stable funding ratio (defined as the ratio of the available amount of stable funding to the required amount of stable funding) of not less than 100%, where (i) the available amount of stable funding generally refers to the portion of liabilities and capital expected to be reliable over a one-year time horizon and (ii) the required amount of stable funding generally refers to the amount of stable funding that is required to be maintained based on the liquidity characteristics, residual maturities and off-balance sheet exposures of the bank's assets, each as calculated in accordance with the Detailed Regulation on the Supervision of the Banking Business;

- maintain a leverage ratio (defined as the ratio of core capital to total exposures) of not less than 3%, where (i) the core capital includes paid-in capital, capital surplus, retained earnings and hybrid Tier I capital instruments and (ii) total exposures include on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet exposures, each as calculated in accordance with the Detailed Regulation on the Supervision of the Banking Business; and

- submit periodic reports with respect to the maintenance of these ratios (monthly reports for the net stable funding ratio and quarterly reports for the leverage ratio).

**Financial Exposure to Any Individual Customer or Major Shareholder**

Under the Bank Act, subject to certain exceptions, the sum of large exposures by a bank—in other words, the total sum of its credits to single individuals, juridical persons or business groups that exceed 10% of the sum of Tier I and Tier II capital (less any capital deductions)—generally must not exceed five times the sum of Tier I and Tier II capital (less any capital deductions). In addition, subject to certain exceptions, banks generally may not extend credit (including loans, guarantees, purchases of securities (extended for financial support) and any other transactions that directly or indirectly create credit risk) in excess of 20% of the sum of Tier I and Tier II capital (less any capital deductions) to a single individual or juridical person, or grant credit in excess of 25% of the sum of Tier I and Tier II capital (less any capital deductions) to a single group of companies as defined in the Monopoly Regulations and Fair Trade Act.

The Bank Act also provides for certain restrictions on extending credits to a major shareholder. A "major shareholder" is defined as:

- a shareholder holding (together with persons who have a special relationship with that shareholder) in excess of 10% (or 15% in the case of regional banks) in the aggregate of the bank's total issued and outstanding voting shares; or

- a shareholder holding (together with persons who have a special relationship with such shareholder) in excess of 4% in the aggregate of the bank's (excluding regional banks) total issued and outstanding voting shares of a bank (excluding shares subject to the shareholding restrictions on "non-financial business group companies" as described below), where such shareholder is the largest shareholder or has actual control over the major business affairs of

the bank through, for example, appointment and dismissal of the officers as prescribed by the Enforcement Decree of the Bank Act. Non-financial business group companies primarily consist of: (i) any single shareholding group whose non-financial company assets comprise no less than 25% of its aggregate net assets; (ii) any single shareholding group whose non-financial company assets comprise no less than ₩2 trillion in aggregate; or (iii) any investment company under the FSCMA of which any single shareholding group identified in (i) or (ii) above, owns more than 4% of the total issued and outstanding shares.

- Under these restrictions, banks may not extend credits to a major shareholder (together with persons who have a special relationship with that shareholder) in an amount greater than the lesser of (x) 25% of the sum of the bank's Tier I and Tier II capital (less any capital deductions) and (y) the relevant major shareholder's shareholding ratio multiplied by the sum of the bank's Tier I and Tier II capital (less any capital deductions). In addition, the total sum of credits granted to all major shareholders must not exceed 25% of the bank's Tier I and Tier II capital (less any capital deductions).

**Interest Rates**

Korean banks generally depend on deposits as their primary funding source. Under the Act on Registration of Credit Business, Etc. and Protection of Finance Users and the regulations thereunder, interest rates on loans made by registered banks in Korea may not exceed 20% per annum, commencing July 2021. Historically, interest rates on deposits and lending were regulated by the MPB. There are no controls on deposit interest rates in Korea, except for the prohibition on interest payments on current account deposits.

**Lending to SMEs**

In order to obtain funding from the BOK at concessionary rates for their SME loans, banks are required to allocate a certain minimum percentage of any quarterly increase in their Won currency lending to SMEs. Currently, this minimum percentage is 50% for both nationwide banks and regional banks. If a bank does not comply with this requirement, the BOK may:

- require the bank to prepay all or a portion of funds provided to that bank in support of loans to SMEs; or

- lower the bank's credit limit.

**Disclosure of Management Performance**

For the purpose of protecting depositors and investors in commercial banks, the FSC requires commercial banks to publicly disclose certain material matters, including:

- the financial condition and profit and loss of the bank and its subsidiaries;

- fundraising by the bank and the appropriation of such funds;

- any sanctions levied on the bank under the Bank Act or any corrective measures or sanctions under the Act on the Structural Improvement of the Financial Industry; and

- the occurrence of any of the following events, or any other event as prescribed by the applicable regulations, that have damaged or are likely to damage the soundness of the bank's management, except as may otherwise have been disclosed by a bank or its financial holding company listed on the KRX KOSPI Market in accordance with the FSCMA:

(i) loans bearing no profit made to a single business group in an amount exceeding 10% of the sum of the bank's Tier I and Tier II capital (less any capital deductions) as of the end of the previous month (where the loan exposure to that borrower is calculated pursuant to the criteria under the Detailed Regulation on the Supervision of the Banking Business), unless the loan exposure to that group is not more than ₩4 billion; and

(ii) any loss due to court judgments or similar decisions in civil proceedings in an amount exceeding 1% of the sum of the bank's Tier I and Tier II capital (less any capital deductions) as of the end of the previous month, unless the loss is not more than ₩1 billion.

**Restrictions on Lending**

Pursuant to the Bank Act and its sub-regulations, a commercial bank may not provide:

- loans secured by a pledge of the bank's own shares, whether direct or indirect;
- loans to enable a natural or juridical person to buy the shares issued by the bank, whether direct or indirect;
- loans to any of the bank's officers or employees, other than *de minimis* loans of up to (i) ₩20 million in the case of a general loan, (ii) ₩50 million in the case of a general loan plus a housing loan or (iii) ₩60 million in the aggregate for general loans, housing loans and loans to pay damages arising from wrongful acts of employees in financial transactions;
- credit (including loans) secured by a pledge of the equity securities of its subsidiary corporation or to enable a natural or juridical person to buy shares of its subsidiary corporation; or
- loans to any officers or employees of its subsidiary corporation, other than general loans of up to ₩20 million or general and housing loans of up to ₩50 million in the aggregate.

**Regulations Relating to Retail Household Loans**

The FSC has implemented a number of changes in recent years to the regulations relating to retail household lending by banks, including most recently in April 2026. Under the currently applicable regulations:

- as to any new loans secured by housing (including apartments) located in the Seoul metropolitan area and other regulated zones, a differentiated loan limit based on the market price of the property is applied: (i) for homes with a market price of up to ₩1.5 billion, the mortgage loan limit shall be ₩600 million; (ii) for homes with a market price exceeding ₩1.5 billion and up to ₩2.5 billion, the limit shall be ₩400 million; and (iii) for homes with a market price exceeding ₩2.5 billion, the limit shall be ₩200 million;
- as to any new loans secured by housing (including apartments) located nationwide, the loan to value ratio (the aggregate principal amount of loans secured by such collateral over the appraised value of the collateral) should not exceed 70%;
- as to any new loans secured by housing (including apartments) located in "excessive investment," "high speculation" or "adjustment target" areas, in each case as designated by the Government, the loan to value ratio should not exceed 40%, except that such maximum loan-to-value ratio shall be 60% for low-income households that (i) have a combined annual income of no more than ₩90 million, (ii) do not currently own any housing and (iii) are

using the loan to purchase low-price housing valued at no more than ₩900 million (or ₩800 million in the case of adjustment target areas as designated by the Minister of Land, Infrastructure and Transport) and 70% for first-time home buyers;

- as to any new loans secured by housing (including apartments) located in excessive investment, high speculation or adjustment target areas, in each case as designated by the government, a household that already owns one or more houses in the Seoul metropolitan area or other regulated zones is prohibited from obtaining any new mortgage loans for the purpose of purchasing additional housing, except that a household that owns only one house may obtain new mortgage loans for the purpose of purchasing additional housing under the condition that the existing house is disposed of within six months of such additional purchase, in which case the same maximum loan-to-value ratio that applies to a household that does not own any houses shall apply);

- as to any new loans secured by housing (including apartments) located in excessive investment or high speculation areas, in each case as designated by the Government, the borrower's debt-to-income ratio (calculated as (1) the aggregate annual total payment amount of (x) the principal of and interest on loans secured by such housing and existing mortgage and home equity loans and (y) the interest on other debts of the borrower over (2) the borrower's annual income) should not exceed 40%, except that such maximum debt-to-income ratio is increased to 60% for (i) low-income households that (x) have an annual income of less than ₩90 million, (y) do not currently own any housing and (z) are using the loan to purchase low-price housing valued at ₩900 million or less (₩800 million or less in the case of adjustment target areas) or (ii) first-time home buyers;

- as to any new loans secured by housing (including apartments) located in adjustment target areas designated by the Government, the borrower's debt-to-income ratio should not exceed 50%, except that such maximum debt-to-income ratio is increased to 60% for low-income households that (a)(i) have an annual income of less than ₩90 million, (ii) do not currently own any housing and (iii) are using the loan to purchase low-price housing valued at ₩800 million or less or (b) are first-time homebuyers;

- as to any new loans extended to a household that has already obtained loans in an aggregate principal amount of more than ₩100 million (including the new loan being applied for), the borrower's debt-service-ratio (calculated as (1) the aggregate annual total payment amount of the principal of and interest on financial liabilities, including (i) the loans secured by such high-priced housing, subject to certain adjustments relating to stress buffers and (ii) the interest portion of any jeonse loans for single-home owners, divided by (2) the borrower's annual income) should not exceed 40% unless otherwise specified by the applicable regulations; and

- as to mortgage loans secured by apartments in the Seoul metropolitan area and other regulated zones held by individuals or rental business operators that own two or more houses, maturity extensions are generally prohibited subject to certain exceptions.

**Restrictions on Investment in Property**

A bank may not invest in the following securities in excess of 100% of the sum of the bank's Tier I and Tier II capital (less any capital deductions):

- debt securities (within the meaning of paragraph (3) of Article 4 of the FSCMA) the maturity of which exceeds three years, but excluding Government bonds, Monetary Stabilisation Bonds issued by the BOK and bonds within the meaning of item 2, paragraph (6) of Article 11 of the Act on the Structural Improvement of the Financial Industry;

- equity securities, but excluding securities within the meaning of item 1, paragraph (6) of Article 11 of the Act on the Structural Improvement of the Financial Industry;

- derivatives-linked securities (within the meaning of paragraph (7) of Article 4 of the FSCMA) the maturity of which exceeds three years; and

- beneficiary certificates, investment contracts and depositary receipts (within the meaning of paragraph (2) of Article 4 of the FSCMA) the maturity of which exceeds three years.

A bank may possess real estate property only to the extent necessary to conduct its business. The aggregate value of such property may not exceed 60% of the sum of the bank's Tier I and Tier II capital (less any capital deductions). Any property that a bank acquires by exercising its rights as a secured party, or which a bank is prohibited from acquiring under the Bank Act, must be disposed of within three years, unless otherwise specified by the regulations thereunder.

**Restrictions on Shareholdings in Other Companies**

Under the Bank Act, a bank may not own more than 15% of the shares outstanding with voting rights of another corporation, except where, among other reasons:

- that corporation engages in a category of financial businesses set forth by the FSC; or

- the acquisition of such shares by the bank is necessary for the corporate restructuring of such corporation and is approved by the FSC.

In the above exceptional cases, the total investment in corporations in which the bank owns more than 15% of the outstanding shares with voting rights may not exceed (i) 20% of the sum of Tier I and Tier II capital (less any capital deductions) or (ii) 30% of the sum of Tier I and Tier II capital (less any capital deductions) where the acquisition satisfies the requirements determined by the FSC.

The Bank Act provides that a bank using its bank accounts and its trust accounts is not permitted to acquire the equity securities issued by the major shareholder of such bank in excess of an amount equal to 1% of the sum of Tier I and Tier II capital (less any capital deductions).

**Restrictions on Bank Ownership**

Under the Bank Act, a single shareholder and persons who have a special relationship with that shareholder generally may acquire beneficial ownership of no more than 10% of a nationwide bank's total issued and outstanding shares with voting rights and no more than 15% of a regional bank's total issued and outstanding shares with voting rights. The Government, the KDIC and bank holding companies qualifying under the Financial Holding Company Act are not subject to this limit. Pursuant to the Bank Act, non-financial business group companies may not acquire beneficial ownership of shares of a nationwide bank in excess of 4% (or 15% in the case of a regional bank) of that bank's outstanding voting shares, unless they satisfy certain requirements set forth by the Enforcement Decree of the Bank Act, obtain the approval of the FSC and agree not to exercise voting rights in respect of shares in excess of the 4% limit (or the 15% limit in the case of a regional bank), in which case they may acquire beneficial ownership of up to 10% of a nationwide bank's outstanding voting shares. The Bank Act grants an exception for non-financial business group companies which, at the time of the enactment of the amended provisions, held more than 4% of the shares of a bank.

In addition, if a foreign investor, as defined in the Foreign Investment Promotion Act, owns in excess of 4% of a nationwide bank's outstanding voting shares, non-financial business group companies may acquire beneficial ownership of up to 10% (or 15% in the case of a regional bank) of that bank's outstanding voting shares, and in excess of 10% (or 15% in the case of a regional bank), 25% or 33% of that bank's outstanding voting shares with the approval of the FSC in each instance, up to the number of shares owned by the foreign investor. Any other person (whether a Korean national or a foreign

investor), with the exception of non-financial business group companies described above, may acquire no more than 10% of a nationwide bank's total voting shares issued and outstanding, unless they obtain approval from the FSC in each instance where the total holding will exceed 10% (or 15% in the case of regional banks), 25% or 33% of the bank's total voting shares issued and outstanding provided that, in addition to the foregoing threshold shareholding ratios, the FSC may, at its discretion, designate a separate and additional threshold shareholding ratio.

**Deposit Insurance System**

The Depositor Protection Act provides insurance for certain deposits of banks in Korea through a deposit insurance system. Under the Depositor Protection Act, all banks governed by the Bank Act are required to pay an insurance premium to the KDIC on a quarterly basis and the rate is determined under the Enforcement Decree to the Depositor Protection Act. If the KDIC makes a payment on an insured amount, it will acquire the depositors' claims with respect to that payment amount. The KDIC insures a maximum of ₩100 million per individual for deposits and interest in a single financial institution, regardless of when the deposits were made and the size of the deposits, which limit increased from ₩50 million through an amendment to the Depositor Protection Act of Korea that became effective in September 2025.

**Act on the Corporate Governance of Financial Companies**

The Act on the Corporate Governance of Financial Companies, which became effective on August 1, 2016, was enacted to address the need for strengthened regulations on corporate governance of financial institutions and to serve as a uniform set of regulations on corporate governance matters applicable to financial institutions across a variety of industry sectors. It contains several key measures, including (i) eligibility requirements for officers of financial institutions and standards for determining whether officers of financial institutions may hold concurrent positions in other companies, (ii) standards for composition and operation of the board of directors of financial institutions, (iii) standards for establishment, composition and operation of various committees of the board of directors of financial institutions, (iv) regulations on internal control and risk management, (v) requirements and procedures for the approval of a change of major shareholders and (vi) special regulations to protect the rights of minority shareholders of financial institutions. An amendment to the Act on the Corporate Governance of Financial Companies, which became effective on July 3, 2024, added certain additional requirements including (i) preparing and submitting a "responsibilities map" to the financial authorities which clarifies the scope and details of each officer's accountability concerning internal control-related matters and (ii) establishing an internal control committee, of which more than half of the members must be outside directors.

**The Financial Consumer Protection Act**

The Financial Consumer Protection Act became effective on March 25, 2021, and certain provisions relating to internal control under such Act have become effective on September 25, 2021. The Financial Consumer Protection Act aims to enhance measures to protect financial consumers and to establish a sound market order in the financial product sales and advisory businesses. The Financial Consumer Protection Act consolidates existing regulations relating to the sale of financial products and consumer protection stipulated in other laws governing the financial sector, such as the FSCMA, the Banking Act and the Insurance Business Act, and applies to the financial industry on a cross-sectoral basis.

**Application of the Financial Consumer Protection Act**

All financial products that are classified as (i) deposits, (ii) loans, (iii) investment products or (iv) insurance products are subject to the Financial Consumer Protection Act. These four types of products encompass most of the products covered by the Bank Act, the FSCMA and the Insurance Business Act. Financial products offered by credit unions, peer-to-peer (P2P) lending firms and registered credit service providers are also regulated by the Financial Consumer Protection Act.

**Six Principles Regulating Selling Activities**

The Financial Consumer Protection Act consolidates previously scattered regulations regarding financial business operations into six uniform standards that cover the following: (i) suitability, (ii) appropriateness, (iii) duty to explain, (iv) unfair sales practices, (v) improper solicitation and (vi) advertisements. Among these six principles, suitability, appropriateness and duty to explain apply only to "general financial consumers," although "professional financial consumers" may elect to be treated as "general financial consumers," in which case all six principles would apply to them.

**Internal Control Requirements for Consumer Protection**

The Financial Consumer Protection Act requires sellers of financial products to have adequate internal control standards to protect consumers. The Enforcement Decree to the Financial Consumer Protection Act sets forth details of certain of the internal control standards as follows:

- Establishment of the authority and responsibilities of the decision maker, such as the representative director or a director, in the implementation of internal control measures;

- Development of an organizational structure and designation of personnel responsible for consumer protection matters, including the establishment of a financial consumer protection committee;

- Implementation of (i) inter-departmental consultation procedures for the development and sale of financial products, (ii) processes for internal deliberations and the incorporation of opinions from independent third-party advisers, (iii) standards for vetting advertisements, (iv) mandatory training requirements for officers and employees and implementation of qualification requirements, (v) standards for the prevention of conflicts of interest, (vi) proper management of confidential information, and (vii) disclosure obligations when potential harm to consumers arises; and

- Establishment of standards for performance-based compensation of officers and employees in charge of sales of financial products.

**Right to Withdraw Subscriptions and Right to Terminate Contracts**

Under the Financial Consumer Protection Act, consumers have the right to withdraw subscriptions, allowing them to receive a refund during a statutory cooling-off period following the execution of the relevant subscription agreement. This right generally applies to all types of financial products with the exception of deposits, although in the case of investment products, the right to withdraw applies only to highly complex funds and trusts. Consumers also have the right to terminate a contract if the sellers violate the Financial Consumer Protection Act in relation to the sales process. The right to terminate contracts applies to long-term contracts but such right must be exercised within one year from the time that the customer becomes aware that the financial product was sold in violation of the regulatory requirements.

**Punitive Penalty Surcharges**

In case of a violation of the principles regarding the duty to explain, unfair sales practices, improper solicitation and advertisements, sellers are subject to a punitive penalty of up to half the "amount that is the purpose of the contract" (which would be the deposit amount in case of deposit products, loan amount in case of loan products, investment amount in case of investment products, and insurance premium in case of insurance products), depending on the severity of the violation of the Financial Consumer Protection Act.

**Restrictions on Foreign Exchange Position**

Under the Foreign Exchange Transaction Regulation of Korea, each of a bank's net overpurchased and oversold positions may not exceed 50% of its shareholders' equity as of the end of the prior month.

**Laws and Regulations Governing Other Business Activities**

A bank must register with the Ministry of Finance and Economy to enter the foreign exchange business, which is governed by the Foreign Exchange Transaction Act of Korea. A bank must obtain the permission of the FSC to enter the securities business, which is governed by regulations under the FSCMA. Under these laws, a bank may engage in the foreign exchange business, securities repurchase business, governmental/public bond underwriting business and governmental bond dealing business, among others.

**Trust Business**

A bank must obtain approval from the FSC to engage in trust businesses. The Trust Act and the FSCMA govern the trust activities of banks, and they are subject to various legal and accounting procedures and requirements, including the following:

- under the Trust Act, assets accepted in trust by a bank in Korea must be segregated from other assets in the accounts of that bank; and

- depositors and other general creditors cannot obtain or assert claims against the assets comprising the trust accounts in the event the bank is liquidated or wound-up.

Under the FSCMA, a bank with a trust business licence (such as the Bank) is permitted to offer both specified money trust account products and unspecified money trust account products. However, pursuant to guidelines from regulatory authorities that discourage the sale of unspecified money trust account products, sales of such products have generally been suspended.

# TAXATION

## Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

The taxation of non-resident individuals and non-resident corporations ("**Non-Residents**") depends on whether they have a "permanent establishment" (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean-sourced income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

## Tax on Interest

All payments, other than the payment of the principal amount, under the Guarantee by the Guarantor to a Non-Resident holder of the Notes may be subject to withholding tax at the rate of 22% (including the local income tax) or such reduced rate as applicable under the relevant tax treaty between Korea and the country of tax residence of the Non-Resident holder. The Korean tax authorities have taken inconsistent positions with regard to the issue of whether the payment of any interest under a guarantee by a resident-guarantor to a Non-Resident will be subject to withholding tax in Korea where the primary obligor is a Non-Resident. The Ministry of Finance and Economy had found that the payment of such interest would not be subject to withholding tax in 2011, reasoning that the payment of such interest does not fall within the scope of the definition of "Korean-source income" as defined under Korean tax laws. However, contrary to the aforementioned position taken by the Ministry of Finance and Economy, in an administrative appeals case in 2011 and decisions by the Seoul High Court in 2013 and the Supreme Court of Korea in 2016, it was held that the payment of such interest would be subject to withholding tax since such payment does fall under the definition of "Korean-source income" under Korean tax laws. In light of the above, while a court may determine otherwise, given the current state, the Issuer believes that it is likely that the payment of any interest on the Notes under the Guarantee by the Guarantor to a Non-Resident holder of the Notes will be subject to withholding tax in Korea. If that is the case, the Guarantor would need to pay such additional amounts, in accordance with the terms of the Notes, as may be necessary to ensure that the Holders of the Notes receive the amounts guaranteed under the Guarantee that they would otherwise have been entitled to receive in the absence of such deduction or withholding, subject to certain exceptions.

In order to obtain the benefit of a reduced rate available under applicable tax treaties, a Non-Resident holder must submit an application for entitlement to reduced tax rate to the party liable for the withholding before the receipt of the relevant interest payment (if there is no change in the contents of such application, it is not required to submit such application again within 3 years thereafter), together with the documents proving the identity of the beneficial owner of such Korean-sourced income, including a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident's resident country. If the Non-Resident holder was unable to receive the benefit of a reduced rate due to his or her failure to timely submit the aforementioned application, the Non-Resident holder may still receive a tax treaty benefit by submitting evidentiary documents to the relevant tax office within 5 years thereafter. If interest is paid to an overseas investment vehicle, the overseas investment vehicle (subject to certain exceptions) must obtain an application for entitlement to reduced tax rate from the beneficial owner and submit a report of overseas investment vehicle and a schedule of beneficial owners together with the application for entitlement to reduced tax rate obtained from the beneficial owner and the documents proving the identity of the beneficial owner of such Korean-sourced income, including a certificate of the Non-Resident holder's tax residence to the party liable for the withholding before the receipt of the relevant interest payment. Effective January 1, 2022, an overseas investment vehicle is deemed to be a beneficial owner of Korean-sourced income for income tax purposes, if (i) under the applicable tax treaty, the overseas investment vehicle bears tax liabilities in the

country in which it is established or the overseas investment vehicle is deemed to be the beneficial owner of the Korean-sourced income; and (ii) the Korean-sourced income is eligible for the treaty benefits under the tax treaty. In the case of an application for entitlement to a reduced tax rate with respect to Korean-sourced income paid on or after January 1, 2026, the party liable for the withholding is required to submit such application (together with the applicable report of overseas investment vehicle and a schedule of beneficial owners in the case of income paid to an overseas investment vehicle) to the relevant district tax office by the end of February of the year following the year of the payment of such income.

**Tax Treaties**

At the date of this Offering Circular, Korea has tax treaties with, *inter alia*, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America, under which the rate of withholding tax on interest is reduced, generally to between 5 and 16.5% (including local income tax), and the tax on capital gains is often eliminated.

A special withholding tax system took effect on July 1, 2006. Under the system, there is a special procedure to apply the Korea-Malaysia tax treaty on certain Korean-sourced income. Payments made to the residents of Labuan, Malaysia will be subject to the default Korean withholding tax rates (generally 15.4% or 22% for interest and the lower of 11% of gross realization proceeds or 22% of capital gains (including local income tax)) rather than the reduced or exempted rate available under the Korea Malaysia tax treaty. A Labuan taxpayer, however, will be given an opportunity to obtain a refund by proving that it is entitled to the tax treaty benefits as a beneficial owner of the income and is an actual resident of Labuan, Malaysia. A Labuan taxpayer may also file an application with the National Tax Service (the "**NTS**") for confirmation that it is entitled to the tax treaty benefits and obtain an advance confirmation from the NTS prior to receiving Korean-sourced income.

## SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, Deutsche Bank AG, Hong Kong Branch, KB Securities Co., Ltd. and Merrill Lynch International (the "**Managers**") have, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated August 3, 2026, agreed to subscribe and pay for, or to procure subscriptions and payment for, the principal amount of the Notes subject to certain conditions contained therein.

The Issuer will also reimburse the Managers in respect of certain of their expenses, and the Issuer and the Guarantor have agreed to indemnify the Managers against certain liabilities (including liabilities under the Securities Act), incurred in connection with the issue and sale of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

The initial issue price is set forth on the cover of this Offering Circular. After the Notes are released for sale, the Managers may change the issue price and other selling terms. The offering of the Notes by the Managers is subject to receipt and acceptance and subject to the Managers' right to reject any order in whole or in part.

The Managers and certain of their respective affiliates have, from time to time, performed, and may in the future perform, certain investment banking, commercial banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates for which they have received or will receive customary fees and expenses.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer and the Guarantor.

The Managers or their affiliates may subscribe the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be subscribers of the Notes).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Manager or its affiliate on behalf of the Issuer in such jurisdiction.

**Important Notice to CMIs (including private banks)**

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should

specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the relevant Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: bofa_dcm_syndicate_pb_orders@bofa.com; DCM.Omnibus@citi.com; Asiasyn.ombinus@list.db.com; global.dcm@kbfg.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

**Selling Restrictions**

**United States**

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes and the Guarantee are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantee, an offer or sale of Notes and the Guarantee within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

**United Kingdom**

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

**Hong Kong**

Each Manager has represented and agreed that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Notes which are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

**Japan**

The Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**Singapore**

Each Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

**Switzerland**

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to

article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority ("FINMA"), and investors in the Notes will not benefit from protection or supervision by such authority.

**Korea**

The Notes have not been and will not be registered with the Financial Services Commission of Korea under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea and regulation thereunder), or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean "qualified institutional buyer" (as defined in the Regulation on Securities Issuance, Public Disclosure, Etc. of Korea, a "**Korean QIB**") registered with the Korea Financial Investment Association as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes. Each Manager severally but not jointly has undertaken to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Manager that it will comply with the restrictions described above.

**Transfer Restrictions**

Because of the following restrictions, purchasers are advised to consult with legal counsel prior to making any offer, resale, pledge or other transfers of the Notes.

**Transfer Restrictions under Korean Law**

Each purchaser of the Notes, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

(a) The Notes have not been registered under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea and regulation thereunder), or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB registered with the Korea Financial Investment Association as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes.

(b) The Notes will bear legends to the effect described in paragraph (a) above.

**Other Transfer Restrictions Applicable to the Notes**

The Notes and the Guarantee have not been and will not be registered under the Securities Act. The Notes and the Guarantee may not be offered or sold to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Except in certain limited circumstances, interests in the Notes may only be held through interests in the Global Certificates. Such interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream and their respective direct and indirect participants. See "*Terms and Conditions of the Notes*" and "*The Global Certificate*."

Each purchaser of the Notes, by accepting delivery of this Offering Circular, will be deemed to have acknowledged and represented and agreed as follows:

(a) The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States or any other jurisdiction and are subject to significant restrictions on transfer.

(b) Until forty (40) days after the commencement of offering of the Notes, an offer or sale of Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

(c) Such purchaser will not offer, sell, pledge or otherwise transfer any interest in the Notes or the Guarantee except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

(d) The Notes will bear legends to the following effect, unless the Issuer determines otherwise in compliance with applicable law, and such purchaser will observe the restrictions contained therein:

THE NOTES EVIDENCED HEREBY (THE "NOTES") OF KOREAN AIR LINES CO., LTD. (THE "ISSUER") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE LATEST CLOSING DATE (THE "DISTRIBUTION COMPLIANCE PERIOD"), THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY U.S. PERSON OUTSIDE THE UNITED STATES OR ANY PERSON IN THE UNITED STATES. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE NOTES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS.

THE FOREGOING PARAGRAPH WILL BE NO LONGER EFFECTIVE AFTER THE END OF THE DISTRIBUTION COMPLIANCE PERIOD WITH RESPECT TO THE NOTES, AFTER WHICH THE NOTES EVIDENCED HEREBY WILL NO LONGER BE SUBJECT TO THE RESTRICTIONS SET FORTH THEREIN, PROVIDED THAT AT SUCH TIME AND THEREAFTER THE OFFER OR SALE OF THE NOTES EVIDENCED HEREBY WOULD NOT BE RESTRICTED UNDER ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF THE STATES OR TERRITORIES OF THE UNITED STATES.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA (THE "FSCMA"). ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN

KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF KOREA AND REGULATION THEREUNDER) OR TO OTHERS FOR RE-OFFERING OR RESALE DIRECTLY OR INDIRECTLY IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A KOREAN QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN THE REGULATION ON SECURITIES ISSUANCE AND PUBLIC DISCLOSURE, ETC. OF KOREA, A "KOREAN QIB") WHO IS REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NO MORE THAN 20% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES.

## LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Notes will be passed upon for the Issuer and the Guarantor by Cleary Gottlieb Steen & Hamilton LLP as to matters of New York law and Lee & Ko as to matters of Korean law and for the Managers by Linklaters LLP as to matters of New York law. Lee & Ko may rely as to all matters of New York law on the opinion of Cleary Gottlieb Steen & Hamilton LLP and Linklaters LLP, and Cleary Gottlieb Steen & Hamilton LLP and Linklaters LLP may rely as to all matters of Korean law on the opinion of Lee & Ko.

## INDEPENDENT ACCOUNTANTS

The annual consolidated financial statements of the Issuer as of and for the years ended December 31, 2025 and 2024, included elsewhere in this Offering Circular, have been audited by KPMG Samjong Accounting Corp., independent auditors, as stated in their audit report included therein.

With respect to the unaudited consolidated interim financial statements of the Bank as of March 31, 2026 and for the three-month periods ended March 31, 2026 and 2025 included elsewhere in this Offering Circular, Samil PricewaterhouseCoopers, independent accountants, reported that they have applied limited procedures in accordance with professional standards for a review of such information. In addition, their separate report dated May 15, 2026 appearing herein states that they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The annual consolidated financial statements of the Bank as of and for the years ended December 31, 2025 and 2024, included elsewhere in this Offering Circular, have been audited by Samil PricewaterhouseCoopers, independent accountants, as stated in their audit report included elsewhere in this Offering Circular.

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# Independent Auditors' Review Report

The Board of Directors and Shareholders
Korean Air Lines Co., Ltd.:

**Reviewed Financial Statements**

We have reviewed the accompanying consolidated interim financial statements of Korean Air Lines Co., Ltd., and its subsidiaries ("the Group"), expressed in Korean won, which comprise the consolidated interim statement of financial position as of March 31, 2026, the consolidated interim statements of comprehensive income for the three-month periods ended March 31, 2026 and 2025, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025 and notes, including material accounting policies.

**Management's responsibility**

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No.1034 "Interim Financial Reporting", and for such internal control as management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' review responsibility**

Our responsibility is to issue a report on these consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with K-IFRS No.1034 "Interim Financial Reporting".

**Other matters**

The consolidated statement of financial position of the Group as of December 31, 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon dated March 11, 2026, expressed an unqualified opinion. The accompanying statement of financial position as of December 31, 2025, presented for comparative purposes, is not different from that audited by us in all material respects.

The procedures and practices utilized in the Republic of Korea to review such consolidated interim financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated interim financial statements as of March 31, 2026 and December 31, 2025 and for the three-month periods ended March 31, 2026 and 2025 have been translated into United States dollars solely for the convenience of the reader and such translation does not comply with K-IFRS. We have reviewed the translation and nothing came to our attention that causes us to believe that the consolidated interim financial statements expressed in Korean won have not been translated into dollars on the basis set forth in note 2 to the consolidated interim financial statements.

KPMG Samjong Accounting Corp.

Seoul, Korea
May 14, 2026

This report is effective as of May 14, 2026, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Interim Statements of Financial Position
## As of March 31, 2026 and December 31, 2025

| Assets | Notes | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|---|
| | | March 31, 2026 | December 31, 2025 | March 31, 2026 | December 31, 2025 |
| | | (In millions) | | (In thousands) | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | 5 | ₩ 3,101,719 | ₩ 1,869,988 | $ 2,049,504 | $ 1,235,620 |
| Short-term financial instruments | 6,20 | 3,166,683 | 3,474,508 | 2,092,430 | 2,295,829 |
| Current portion of lease receivables | 10,15 | 192,641 | 95,462 | 127,290 | 63,078 |
| Trade and other receivables | 7,37 | 2,086,059 | 1,466,990 | 1,378,392 | 969,334 |
| Amount due from customers for contract work | 29 | 22,970 | 109,384 | 15,178 | 72,277 |
| Current portion of financial assets at amortized cost | 8 | 18,025 | 18,028 | 11,910 | 11,912 |
| Current portion of financial derivative assets | 25,37 | 322,758 | 67,916 | 213,267 | 44,876 |
| Inventories | | 1,512,811 | 1,448,919 | 999,611 | 957,393 |
| Current tax assets | | 11,850 | 11,012 | 7,830 | 7,276 |
| Other financial assets | 9 | 61,235 | 60,810 | 40,462 | 40,181 |
| Other current assets | 18,29 | 871,338 | 1,084,592 | 575,748 | 716,660 |
| Assets held for sale | 38,40 | 1,433 | 1,433 | 947 | 948 |
| Total current assets | | 11,369,522 | 9,709,042 | 7,512,569 | 6,415,384 |
| **Non-current assets:** | | | | | |
| Long-term financial instruments | 6 | 27,976 | 24,943 | 18,486 | 16,481 |
| Long-term trade and other receivables | 7 | 3,253 | 3,012 | 2,149 | 1,990 |
| Financial assets at fair value | 6,8 | 724,541 | 718,597 | 478,750 | 474,823 |
| Financial assets at amortized cost | 8 | 39,796 | 40,166 | 26,296 | 26,540 |
| Lease receivables | 10,15 | 687,402 | 688,831 | 454,210 | 455,155 |
| Financial derivative assets | 25,37 | 124,689 | 75,413 | 82,390 | 49,830 |
| Investments in associates | 12,15,37 | 177,455 | 173,023 | 117,256 | 114,327 |
| Property, aircraft and equipment | 13,14,15, 38 | 33,962,133 | 32,943,641 | 22,440,950 | 21,767,967 |
| Investment property | 13,15,16 | 270,810 | 269,201 | 178,941 | 177,878 |
| Intangible assets | 15,17 | 2,958,855 | 2,986,315 | 1,955,104 | 1,973,249 |
| Deferred tax assets | | 2,286,932 | 2,268,927 | 1,511,122 | 1,499,225 |
| Other financial assets | 9 | 405,494 | 387,674 | 267,936 | 256,161 |
| Other non-current assets | 18,29 | 271,388 | 117,287 | 179,324 | 77,500 |
| Total non-current assets | | 41,940,724 | 40,697,030 | 27,712,914 | 26,891,126 |
| **Total assets** | | ₩ 53,310,246 | ₩ 50,406,072 | $ 35,225,483 | $ 33,306,510 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Interim Statements of Financial Position (Continued)
## As of March 31, 2026 and December 31, 2025

| | | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|---|
| **Liabilities** | Notes | March 31, 2026 | December 31, 2025 | March 31, 2026 | December 31, 2025 |
| | | (In millions) | | (In thousands) | |
| **Current liabilities**: | | | | | |
| Trade and other payables | 19,37 | ₩ 2,756,241 | ₩ 2,777,306 | $ 1,821,224 | $ 1,835,143 |
| Short-term borrowings | 15,20,37 | 2,056,807 | 2,027,009 | 1,359,064 | 1,339,374 |
| Current portion of long-term borrowings | 15,20,37 ,38 | 1,998,712 | 1,437,526 | 1,320,677 | 949,865 |
| Current portion of lease obligations | 15,21,37 ,38 | 2,288,368 | 2,190,549 | 1,512,071 | 1,447,436 |
| Current portion of financial derivative liabilities | 25,37 | 7,698 | 33,439 | 5,087 | 22,095 |
| Current portion of provisions | 23 | 668,114 | 638,924 | 441,466 | 422,178 |
| Current portion of deferred revenue | 24,29 | 910,043 | 910,667 | 601,324 | 601,736 |
| Amount due to customers for contract work | 29 | 96,206 | 25,550 | 63,569 | 16,883 |
| Current tax liabilities | | 174,017 | 240,952 | 114,984 | 159,212 |
| Other financial liabilities | 26 | 18,271 | 10,370 | 12,072 | 6,852 |
| Other current liabilities | 27,29 | 6,236,808 | 4,789,178 | 4,121,057 | 3,164,516 |
| Total current liabilities | | 17,211,285 | 15,081,470 | 11,372,595 | 9,965,290 |
| **Non-current liabilities**: | | | | | |
| Long-term trade and other payables | 19,37 | 25,102 | 29,474 | 16,586 | 19,475 |
| Long-term borrowings | 15,20,37 ,38 | 3,175,354 | 3,277,466 | 2,098,159 | 2,165,631 |
| Debentures | 20,37,38 | 2,761,206 | 2,623,259 | 1,824,505 | 1,733,355 |
| Asset-backed securitization (“ABS”) loans | 6,20 | 66,936 | 85,236 | 44,229 | 56,321 |
| Lease obligations | 15,21,37 ,38 | 11,610,304 | 10,847,010 | 7,671,669 | 7,167,312 |
| Net defined benefit liabilities | 22 | 2,791,884 | 2,751,992 | 1,844,776 | 1,818,417 |
| Provisions | 23,39 | 942,515 | 895,635 | 622,780 | 591,803 |
| Deferred revenue | 24,29 | 2,957,619 | 2,871,144 | 1,954,288 | 1,897,148 |
| Financial derivative liabilities | 25,37 | 14,546 | 8,001 | 9,611 | 5,287 |
| Deferred tax liabilities | | 169,867 | 169,973 | 112,242 | 112,312 |
| Other financial liabilities | 26 | 66,836 | 63,628 | 44,163 | 42,043 |
| Other non-current liabilities | 27,29 | 241,617 | 242,686 | 159,651 | 160,359 |
| Total non-current liabilities | | 24,823,786 | 23,865,504 | 16,402,659 | 15,769,463 |
| **Total liabilities** | | 42,035,071 | 38,946,974 | 27,775,254 | 25,734,753 |
| **Equity:** | | | | | |
| Share capital | 1 | 1,846,657 | 1,846,657 | 1,220,204 | 1,220,204 |
| Other capital surplus | | 4,144,473 | 4,144,649 | 2,738,518 | 2,738,634 |
| Other capital components | 28,40 | 1,079,591 | 1,013,338 | 713,355 | 669,577 |
| Retained earnings | | 3,793,969 | 3,949,392 | 2,506,918 | 2,609,615 |
| **Equity attributable to owners of the Parent Company** | | 10,864,690 | 10,954,036 | 7,178,995 | 7,238,030 |
| **Non-controlling interest** | 11 | 410,485 | 505,062 | 271,234 | 333,727 |
| **Total equity** | | 11,275,175 | 11,459,098 | 7,450,229 | 7,571,757 |
| **Total liabilities and equity** | | ₩ 53,310,246 | ₩ 50,406,072 | $ 35,225,483 | $ 33,306,510 |

(Concluded)

The US dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. (Refer to Note 2)

The above consolidated interim statements of financial position should be read in conjunction with the accompanying notes.

# Korean Air Lines Co., Ltd. and Subsidiaries
# Consolidated Interim Statements of Comprehensive Income
# For the Three-Month Periods Ended March 31, 2026 and 2025

| | Notes | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | | (In millions) | | (In thousands) | |
| **Sales** | 4,29,37 | ₩ 6,658,062 | ₩ 6,491,862 | $ 4,399,407 | $ 4,289,588 |
| **Cost of sales** | 34,37 | 5,490,400 | 5,422,961 | 3,627,858 | 3,583,297 |
| **Gross profit** | | 1,167,662 | 1,068,901 | 771,549 | 706,291 |
| **Selling and administrative expenses** | 30,34,37 | 650,278 | 637,855 | 429,680 | 421,472 |
| **Operating profit** | 4 | 517,384 | 431,046 | 341,869 | 284,819 |
| Financial income | 31 | 456,831 | 140,471 | 301,857 | 92,818 |
| Financial expenses | 31,37 | 232,143 | 294,912 | 153,392 | 194,867 |
| Share in profit of associates | 12 | 5,241 | 4,475 | 3,463 | 2,957 |
| Other non-operating income | 32 | 389,801 | 534,628 | 257,566 | 353,263 |
| Other non-operating expenses | 32 | 1,090,271 | 363,475 | 720,412 | 240,171 |
| Profit before income tax expense | | 46,843 | 452,233 | 30,951 | 298,819 |
| Income tax expense | 33 | 13,166 | 102,373 | 8,699 | 67,644 |
| **Profit for the period** | | ₩ 33,677 | ₩ 349,860 | $ 22,252 | $ 231,175 |
| **Other comprehensive income (loss)** | | | | | |
| *Items that will not be reclassified to profit or loss* | | | | | |
| Remeasurements of net defined benefit liabilities | 22 | (96) | (165) | (63) | (109) |
| Gain (loss) on valuation of financial assets at fair value through other comprehensive income (“FVTOCI”) | 28 | 4,221 | 4,056 | 2,789 | 2,680 |
| Revaluation surplus | 14,28,40 | (1,631) | (205) | (1,078) | (135) |
| *Items that may be subsequently reclassified to profit or loss* | | | | | |
| Shares of other comprehensive income (loss) of associates | 12,28 | 9 | (44) | 6 | (29) |
| Foreign currency translation adjustments | 28 | 63,160 | (1,048) | 41,734 | (692) |
| **Other comprehensive income (loss) for the period, net of tax** | | 65,663 | 2,594 | 43,388 | 1,715 |
| **Total comprehensive income for the period** | | ₩ 99,340 | ₩ 352,454 | $ 65,640 | $ 232,890 |
| **Profit (loss) for the period attributable to:** | | | | | |
| Owners of the Parent Company | | ₩ 121,791 | ₩ 284,714 | $ 80,475 | $ 188,129 |
| Non-controlling interest | | (88,114) | 65,146 | (58,223) | 43,046 |
| | | ₩ 33,677 | ₩ 349,860 | $ 22,252 | $ 231,175 |
| **Total comprehensive income (loss) for the period attributable to:** | | | | | |
| Owners of the Parent Company | | ₩ 187,595 | ₩ 286,650 | $ 123,956 | $ 189,408 |
| Non-controlling interest | 11 | (88,255) | 65,804 | (58,316) | 43,482 |
| | | ₩ 99,340 | ₩ 352,454 | $ 65,640 | $ 232,890 |
| **Earnings per share (in Korean won and US dollars):** | 35 | | | | |
| **Earnings attributable to common shares** | | | | | |
| Basic and diluted earnings | | ₩ 330 | ₩ 775 | $ 0.22 | $ 0.51 |
| **Earnings attributable to preferred shares** | | | | | |
| Basic and diluted earnings | | ₩ 380 | ₩ 825 | $ 0.25 | $ 0.55 |

The US dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. (Refer to Note 2)

The above consolidated interim statements of comprehensive income should be read in conjunction with the accompanying notes.

# Korean Air Lines Co., Ltd., and Subsidiaries
# Consolidated Interim Statements of Changes in Equity
# For the Three-Month Periods Ended March 31, 2026 and 2025

| | Korean won | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Parent Company | | | | | | | |
| | | Other capital surplus | | | | | | |
| | Share capital | Additional paid-in capital | Other capital surplus | Other capital components | Retained earnings | Total | Non-controlling interest | Total equity |
| | (In millions) | | | | | | | |
| **Balance at January 1, 2025** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 74,071 | ₩ 995,332 | ₩ 3,485,552 | ₩ 10,472,882 | ₩ 490,310 | ₩ 10,963,192 |
| Dividends | - | - | - | - | (277,054) | (277,054) | (4,515) | (281,569) |
| Profit for the period | - | - | - | - | 284,714 | 284,714 | 65,146 | 349,860 |
| Other comprehensive income (loss) | - | - | - | 2,013 | (77) | 1,936 | 658 | 2,594 |
| Issuance of shares by subsidiary | - | - | - | - | - | - | 3,082 | 3,082 |
| Dividends for hybrid securities | - | - | - | - | 1,599 | 1,599 | (1,599) | - |
| Transfer of revaluation surplus | - | - | - | (107) | 107 | - | - | - |
| **Balance at March 31, 2025** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 74,071 | ₩ 997,238 | ₩ 3,494,841 | ₩ 10,484,077 | ₩ 553,082 | ₩ 11,037,159 |
| **Balance at January 1, 2026** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 73,379 | ₩ 1,013,338 | ₩ 3,949,392 | ₩ 10,954,036 | ₩ 505,062 | ₩ 11,459,098 |
| Dividends | - | - | - | - | (277,054) | (277,054) | (3,520) | (280,574) |
| Profit for the period | - | - | - | - | 121,791 | 121,791 | (88,114) | 33,677 |
| Other comprehensive income (loss) | - | - | - | 66,253 | (449) | 65,804 | (141) | 65,663 |
| Issuance of hybrid securities | - | - | (26) | - | - | (26) | (14) | (40) |
| Dividends for hybrid securities | - | - | - | - | 289 | 289 | (2,689) | (2,400) |
| Changes in ownership interests in subsidiaries without loss of control | - | - | (150) | - | - | (150) | (99) | (249) |
| **Balance at March 31, 2026** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 73,203 | ₩ 1,079,591 | ₩ 3,793,969 | ₩ 10,864,690 | ₩ 410,485 | ₩ 11,275,175 |

(Continued)

# Korean Air Lines Co., Ltd., and Subsidiaries
# Consolidated Interim Statements of Changes in Equity (Continued)
# For the Three-Month Periods Ended March 31, 2026 and 2025

| | US dollars convenience translation (Note 2) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Parent Company | | | | | | | |
| | | Other capital surplus | | | | | | |
| | Share capital | Additional paid-in capital | Other capital surplus | Other capital components | Retained earnings | Total | Non-controlling interest | Total equity |
| | (In thousands) | | | | | | | |
| **Balance at January 1, 2025** | $ 1,220,204 | $ 2,690,148 | $ 48,943 | $ 657,679 | $ 2,303,127 | $ 6,920,101 | $ 323,979 | $ 7,244,080 |
| Dividends | - | - | - | - | (183,067) | (183,067) | (2,983) | (186,050) |
| Profit for the period | - | - | - | - | 188,129 | 188,129 | 43,046 | 231,175 |
| Other comprehensive income (loss) | - | - | - | 1,329 | (50) | 1,279 | 436 | 1,715 |
| Issuance of shares by subsidiary | - | - | - | - | - | - | 2,036 | 2,036 |
| Dividends for hybrid securities | - | - | - | - | 1,057 | 1,057 | (1,057) | - |
| Transfer of revaluation surplus | - | - | - | (71) | 71 | - | - | - |
| **Balance at March 31, 2025** | $ 1,220,204 | $ 2,690,148 | $ 48,943 | $ 658,937 | $ 2,309,267 | $ 6,927,499 | $ 365,457 | $ 7,292,956 |
| **Balance at January 1, 2026** | $ 1,220,204 | $ 2,690,148 | $ 48,486 | $ 669,577 | $ 2,609,615 | $ 7,238,030 | $ 333,727 | $ 7,571,757 |
| Dividends | - | - | - | - | (183,067) | (183,067) | (2,326) | (185,393) |
| Profit for the period | - | - | - | - | 80,475 | 80,475 | (58,223) | 22,252 |
| Other comprehensive income (loss) | - | - | - | 43,778 | (297) | 43,481 | (93) | 43,388 |
| Issuance of hybrid securities | - | - | (17) | - | - | (17) | (9) | (26) |
| Dividends for hybrid securities | - | - | - | - | 192 | 192 | (1,777) | (1,585) |
| Changes in ownership interests in subsidiaries without loss of control | - | - | (99) | - | - | (99) | (65) | (164) |
| **Balance at March 31, 2026** | $ 1,220,204 | $ 2,690,148 | $ 48,370 | $ 713,355 | $ 2,506,918 | $ 7,178,995 | $ 271,234 | $ 7,450,229 |

(Concluded)

The US dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. (Refer to Note 2.)

The above consolidated interim statements of changes in shareholders' equity should be read in conjunction with the accompanying notes.

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Interim Statements of Cash Flows
## For the Three-Month Periods Ended March 31, 2026 and 2025

| | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | (In millions) | | (In thousands) | |
| **Cash flows from operating activities** | | | | |
| Cash generated from operations: | | | | |
| Profit for the period | ₩ 33,677 | ₩ 349,860 | $ 22,252 | $ 231,175 |
| Adjustments to reconcile profit to net cash provided by operating activities: | | | | |
| Reversal on valuation of inventories | (836) | (352) | (552) | (233) |
| Provision for leased aircraft maintenance | 155,494 | 100,116 | 102,745 | 66,153 |
| Retirement benefit costs | 96,397 | 90,954 | 63,696 | 60,099 |
| Depreciation | 713,941 | 692,637 | 471,746 | 457,669 |
| Amortization | 29,393 | 28,688 | 19,422 | 18,956 |
| Bad debt expenses | 611 | 369 | 404 | 244 |
| Interest expense | 216,303 | 211,147 | 142,925 | 139,518 |
| Loss on valuation of derivatives | 12,134 | 33,354 | 8,018 | 22,039 |
| Loss on derivative transactions | 3,706 | 50,410 | 2,449 | 33,309 |
| Loss on foreign currency translation | 865,122 | 188,042 | 571,641 | 124,251 |
| Loss on foreign currency transaction | 21,759 | - | 14,378 | - |
| Other bad debt expenses | - | 233 | - | 154 |
| Loss on disposal of property, aircraft and equipment | 39,380 | 11,314 | 26,021 | 7,476 |
| Loss on disposal of intangible assets | 20 | - | 13 | - |
| Loss on disposal of assets held for sale | - | 70 | - | 46 |
| Loss on valuation of financial assets at FVTPL | 35 | - | 23 | - |
| Income tax expense | 13,166 | 102,373 | 8,700 | 67,644 |
| Other expenses | 17,314 | 36,306 | 11,441 | 23,990 |
| Interest income | (58,061) | (70,236) | (38,365) | (46,409) |
| Dividend income | (8,204) | (7,299) | (5,421) | (4,823) |
| Gain on valuation of derivatives | (351,086) | (30,856) | (231,985) | (20,389) |
| Gain on derivative transactions | (39,480) | (32,081) | (26,087) | (21,198) |
| Gain on valuation of equity method | (5,241) | (4,475) | (3,463) | (2,957) |
| Gain on foreign currency translation | (242,970) | (63,460) | (160,546) | (41,932) |
| Reversal of other allowance for doubtful accounts | (112) | - | (74) | - |
| Gain on disposal of property, aircraft and equipment | (7,036) | (414) | (4,649) | (274) |
| Gain on disposal of assets held for sale | - | (59,950) | - | (39,613) |
| Gain on valuation of financial assets at FVTPL | (116) | - | (77) | - |
| Gain on disposal of financial assets at FVTPL | (24) | - | (16) | - |
| Gain on foreign currency transaction | - | (8,310) | - | (5,491) |
| Other income | (15,176) | (284,959) | (10,028) | (188,291) |
| | ₩ 1,456,433 | ₩ 983,621 | $ 962,359 | $ 649,938 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Interim Statements of Cash Flows (Continued)
## For the Three-Month Periods Ended March 31, 2026 and 2025

| | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | (In millions) | | (In thousands) | |
| Changes in assets and liabilities resulting from operations: | | | | |
| Decrease (increase) in trade receivables | ₩ (506,716) | ₩ 162,385 | $ (334,820) | $ 107,298 |
| Decrease (increase) in other receivables | 20,431 | (74,602) | 13,500 | (49,294) |
| Decrease (increase) in accrued revenues | (48,967) | (22,418) | (32,356) | (14,813) |
| Decrease (increase) in amount due from customers for contract work | 82,967 | (1,847) | 54,822 | (1,220) |
| Decrease (increase) in inventories | (5,787) | (95,232) | (3,824) | (62,926) |
| Decrease (increase) in advance payments | 41,307 | (26,528) | 27,294 | (17,529) |
| Decrease (increase) in prepaid expenses | (29,048) | (24,106) | (19,194) | (15,928) |
| Decrease (increase) in long-term advance payments | (2,895) | (22,042) | (1,913) | (14,565) |
| Increase (decrease) in trade payables | 95,628 | (64,070) | 63,188 | (42,335) |
| Increase (decrease) in non-trade payables | (6,235) | (19,808) | (4,120) | (13,088) |
| Increase (decrease) in long-term non-trade payables | (71) | (24) | (47) | (16) |
| Increase (decrease) in accrued expenses | (560,382) | (360,296) | (370,280) | (238,071) |
| Increase (decrease) in advances | 1,213,581 | 238,186 | 801,890 | 157,385 |
| Increase (decrease) in amount due to customers for contract work | 86,728 | (8,316) | 57,307 | (5,495) |
| Decrease (increase) in plan assets | 31,574 | 17,317 | 20,863 | 11,442 |
| Decrease (increase) in non-current prepaid expenses | 19,502 | 22,540 | 12,886 | 14,894 |
| Payment of severance benefit | (89,995) | (88,195) | (59,465) | (58,276) |
| Succession of defined benefit liabilities | - | 7,226 | - | 4,775 |
| Increase (decrease) in provisions | 27,884 | (26,155) | 18,425 | (17,282) |
| Increase (decrease) in deferred revenue | 87,395 | 46,082 | 57,747 | 30,449 |
| Others | 178,058 | (27,053) | 117,655 | (17,876) |
| | 634,959 | (366,956) | 419,558 | (242,471) |
| Interest received | 63,214 | 75,311 | 41,770 | 49,763 |
| Dividends received | - | 6,000 | - | 3,965 |
| Income taxes paid | (99,484) | (130,039) | (65,735) | (85,925) |
| **Net cash provided by operating activities** | ₩ 2,088,799 | ₩ 917,797 | $ 1,380,204 | $ 606,445 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Interim Statements of Cash Flows (Continued)
## For the Three-Month Periods Ended March 31, 2026 and 2025

| | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | (In millions) | | (In thousands) | |
| **Cash flows from investing activities** | | | | |
| Net decrease in short-term financial instruments | ₩ 381,141 | ₩ 501,328 | $ 251,844 | $ 331,259 |
| Net increase in long-term financial instruments | (3,033) | (20,026) | (2,004) | (13,232) |
| Increase in long-term loans | (163) | (176) | (108) | (116) |
| Decrease in long-term loans | 97 | 41 | 64 | 27 |
| Decrease in lease receivables | 14,912 | 9,549 | 9,853 | 6,310 |
| Disposal of current portion of financial assets at amortized cost | 2,139 | - | 1,413 | - |
| Acquisition of financial assets at FVTPL | (98) | - | (65) | - |
| Disposal of financial assets at FVTPL | 120 | - | 79 | - |
| Acquisition of financial assets at FVTOCI | (8) | - | (5) | - |
| Acquisition of financial assets at amortized cost | (1) | (1) | (1) | (1) |
| Disposal of financial assets at amortized cost | - | 2,501 | - | 1,653 |
| Decrease in short-term loans | 276 | 172 | 182 | 114 |
| Disposal of property, aircraft and equipment | 4,709 | 13,657 | 3,112 | 9,024 |
| Acquisition of property, aircraft and equipment | (825,228) | (758,674) | (545,281) | (501,304) |
| Disposal of assets held for sale | - | 194,117 | - | 128,265 |
| Increase in other non-current assets | (75,000) | (23,927) | (49,557) | (15,810) |
| Disposal of intangible assets | - | 1 | - | 1 |
| Acquisition of intangible assets | (956) | (582) | (632) | (385) |
| Increase in financial derivatives | (72,297) | (93,341) | (47,771) | (61,676) |
| Decrease in financial derivatives | 98,922 | 111,966 | 65,364 | 73,983 |
| Decrease in guarantee deposits | 27,024 | 99,272 | 17,856 | 65,595 |
| Increase in guarantee deposits | (26,282) | (103,520) | (17,366) | (68,402) |
| Other cash flows from investing activities | (10) | 3,519 | (7) | 2,325 |
| **Net cash used in investing activities** | (473,736) | (64,124) | (313,030) | (42,370) |
| **Cash flows from financing activities** | | | | |
| Net increase (decrease) in short-term borrowings | 5,427 | (409,420) | 3,586 | (270,530) |
| Repayment of current portion of long-term borrowings | (278,454) | (1,156,888) | (183,992) | (764,430) |
| Repayment of current portion of lease obligations | (655,612) | (643,321) | (433,205) | (425,083) |
| Proceeds from long-term borrowings | 396,728 | 1,124,380 | 262,144 | 742,950 |
| Proceeds from debentures | 302,777 | 671,990 | 200,064 | 444,027 |
| Dividends for hybrid securities | (2,400) | - | (1,586) | - |
| Interest paid | (177,067) | (229,136) | (116,999) | (151,405) |
| Other cash flows from financing activities | (32) | 2,737 | (21) | 1,809 |
| **Net cash used in financing activities** | ₩ (408,633) | ₩ (639,658) | $ (270,009) | $ (422,662) |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Interim Statements of Cash Flows (Continued)
## For the Three-Month Periods Ended March 31, 2026 and 2025

| | Korean won | | US dollars convenience translation (Note 2) | |
|---|---|---|---|---|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | (In millions) | | (In thousands) | |
| **Net increase in cash and cash equivalents** | ₩ 1,206,430 | ₩ 214,015 | $ 797,165 | $ 141,413 |
| Cash and cash equivalents at the beginning of period | 1,869,988 | 2,215,625 | 1,235,620 | 1,464,005 |
| Effects of exchange rate changes on cash and cash equivalents | 25,301 | 52,123 | 16,719 | 34,441 |
| **Cash and cash equivalents at the end of period** | ₩ 3,101,719 | ₩ 2,481,763 | $ 2,049,504 | $ 1,639,859 |

(Concluded)

The US dollar figures are provided for information purposes only and do not form part of the consolidated interim financial statements. (Refer to Note 2.)

The above consolidated interim statements of cash flows should be read in conjunction with the accompanying notes.

# Korean Air Lines Co., Ltd. and Subsidiaries
# Notes to the Consolidated Interim Financial Statements
# For the Three-Month Periods Ended March 31, 2026 and 2025

## 1. GENERAL:

Korean Air Lines Co., Ltd. (the “Company” or “Parent Company”) was established on June 19, 1962, and is engaged in the business of domestic and international airline services, manufacturing of aircraft parts and maintenance of aircraft. The Company has become a publicly traded company upon listing its common shares on the Korea Exchange since 1966, and its headquarter is located at Seoul, Korea.

Total share capital of the Company as of March 31, 2026, is ₩1,846,657 million (including ₩5,554 million of preferred shares), and major shareholders of the Company are Hanjin KAL Co., Ltd. (26.13%) and its related parties (0.89%).

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES:

### 2.1 Basis of Consolidated Interim Financial Statements Presentation

The Company and its subsidiaries (the “Group”) have prepared the consolidated interim financial statements in the Korean language (Hangul) in accordance with Korean International Financial Reporting Standards (“K-IFRSs”). Certain accounting principles applied by the Group that conform with K-IFRS in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these consolidated interim financial statements are intended for use by those who are informed about K-IFRS.

The Group maintains its accounting records and prepares its consolidated interim financial statements in Korean won. The United States dollar (“US dollar”) amounts disclosed in the accompanying consolidated interim financial statements are presented solely for the convenience of the reader at the Korean won rate of 1,513.4 to the US dollar. Such translations do not comply with K-IFRS and should not be construed as representation that the Korean won amounts represent, or have been, or could be, converted into, US dollars at that or any other rate.

### 2.2 Basis of Preparation

The Group’s consolidated interim financial statements as of and for the three-month periods ended March 31, 2026, are prepared in accordance with K-IFRS 1034, Interim Financial Reporting. The Group prepares its consolidated interim financial statements in accordance with K-IFRS 1110, Consolidated Financial Statements. In order to understand these consolidated interim financial statements, users should use annual consolidated financial statements that are prepared in accordance with K-IFRSs as of December 31, 2025.

The Group's accounting policies applied for the accompanying consolidated interim financial statements are the same as the policies applied for the preparation of consolidated financial statements as of and for the year ended December 31, 2025.

The Group has not applied the new and revised K-IFRS issued that is not yet mandatory for the reporting periods commencing January 1, 2026, with early application permitted.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES:

The preparation of consolidated interim financial statements requires the application of accounting policies, certain critical accounting estimates and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses). Actual results may differ from these estimates.

The significant accounting estimates and assumptions used in the presentation of the consolidated interim financial statements are consistent with those of the consolidated financial statements as of and for the year ended December 31, 2025.

## 4. SEGMENT INFORMATION:

(1) The Group's segment information is prepared for the purpose of resource allocation and assessment of segment performance. The Group's reportable segments are as follows:

| Segment | Type of service |
|---|---|
| Air transport | Passenger and cargo transportation |
| Aerospace | Maintenance of aircraft and manufacture of aircraft parts |
| Hotel | Accommodation service |
| Others | IT service, aircraft engine repair service, e-commerce and others |

(2) Operating results by reportable segments for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Air transport | Aerospace | Hotel | Others | Consolidation adjustments | Total |
| Total sales | ₩ 6,541,158 | ₩ 252,207 | ₩ 57,131 | ₩ 100,735 | ₩ (293,169) | ₩ 6,658,062 |
| Intersegment sales | (261,020) | - | (7,355) | (24,794) | 293,169 | - |
| Net sales | 6,280,138 | 252,207 | 49,776 | 75,941 | - | 6,658,062 |
| Operating profit (loss) | 518,945 | 19,800 | (1,801) | 5,749 | (25,309) | 517,384 |
| Depreciation and amortization | (816,416) | (5,071) | (11,422) | (1,456) | 91,032 | (743,333) |
| Total assets | 53,057,724 | 1,913,747 | 1,716,376 | 1,209,155 | (4,586,756) | 53,310,246 |

Meanwhile, the asset amounts for the air transport segment include investments in associates and joint ventures of ₩177,455 million and ₩173,023 million as of March 31, 2026 and December 31, 2025, respectively.

## 4. SEGMENT INFORMATION, CONTINUED:

(2) Operating results by reportable segments for the three-month periods ended March 31, 2026 and 2025 are as follows, continued:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Air transport | Aerospace | Hotel | Others | Consolidation adjustments | Total |
| Total sales | ₩ 6,445,432 | ₩ 134,990 | ₩ 47,627 | ₩ 85,038 | ₩ (221,225) | ₩ 6,491,862 |
| Intersegment sales | (195,500) | - | (6,328) | (19,397) | 221,225 | - |
| Net sales | 6,249,932 | 134,990 | 41,299 | 65,641 | - | 6,491,862 |
| Operating profit (loss) | 468,888 | 3,312 | (5,919) | 8,531 | (43,766) | 431,046 |
| Depreciation and amortization | (744,199) | (3,215) | (11,999) | (1,352) | 39,440 | (721,325) |
| Total assets | 47,050,249 | 1,493,482 | 1,663,776 | 1,042,710 | (4,015,175) | 47,235,042 |

(3) Operating results by geographical area for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Local companies | | | Overseas companies | | | |
| | Domestic routes and sale | International routes and export | Subtotal | Americas | Asia and others | Consolidation adjustments | Total |
| Total sales | ₩ 739,962 | ₩ 6,138,156 | ₩ 6,878,118 | ₩ 58,831 | ₩ 14,282 | ₩ (293,169) | ₩ 6,658,062 |
| Intersegment sales | | | (269,926) | (9,269) | (13,974) | 293,169 | - |
| Net sales | | | 6,608,192 | 49,562 | 308 | - | 6,658,062 |
| Operating profit (loss) | | | 542,010 | (2,036) | 2,719 | (25,309) | 517,384 |
| Total assets | | | 56,096,451 | 1,715,053 | 85,498 | (4,586,756) | 53,310,246 |

| *(In millions of Korean won)* | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Local companies | | | Overseas companies | | | |
| | Domestic routes and sale | International routes and export | Subtotal | Americas | Asia and others | Consolidation adjustments | Total |
| Total sales | ₩ 664,386 | ₩ 5,992,955 | ₩ 6,657,341 | ₩ 48,792 | ₩ 6,954 | ₩ (221,225) | ₩ 6,491,862 |
| Intersegment sales | | | (204,981) | (9,358) | (6,886) | 221,225 | - |
| Net sales | | | 6,452,360 | 39,434 | 68 | - | 6,491,862 |
| Operating profit (loss) | | | 480,218 | (6,193) | 787 | (43,766) | 431,046 |
| Total assets | | | 49,515,050 | 1,662,280 | 72,887 | (4,015,175) | 47,235,042 |

(4) There is no single customer who accounted for more than 10% of the Group's sales for the three-month periods ended March 31, 2026 and 2025.

## 5. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Cash on hand | ₩ 7,209 | ₩ 7,919 |
| Bank deposits | 3,094,510 | 1,862,069 |
| | ₩ 3,101,719 | ₩ 1,869,988 |

## 6. RESTRICTED DEPOSITS AND FINANCIAL ASSETS PROVIDED AS COLLATERAL:

Restricted deposits and financial assets provided as collateral as of March 31, 2026 consist of the following:

| *(In millions of Korean won and thousands of US dollars)* | March 31, 2026 | Purpose of restriction |
|---|---|---|
| | ₩ 110,392 | Deposit of trust account for payment purposes related to asset-backed securitization (“ABS”) loans, financial instruments pledged as collateral for the opening of letter of credit (“L/C”), payment guarantee for liquidated damages for delay and others |
| Short-term financial instruments[1] | $ 2,190 | Guarantee deposit on North America L/C and others |
| Financial assets at fair value | ₩ 84,915 | Pledged for payment guarantee, pledged for issuance of foreign currency-denominated bonds, pledged for equity investment in Korea Defense Guarantee Cooperative and others |
| Long-term financial instruments | ₩ 3,956 | Pledged for Incheon Airport Terminal lease, pledged for Incheon GSE lease, deposit on accident compensation to employees, pledged for cargo contracts, checking account deposits and others |
| | ₩ 199,263 | |
| | $ 2,190 | |

[1] As of March 31, 2026, the Group classifies financial assets amounting to ₩1,902 million as short-term financial instruments for the purpose of guaranteeing repayment in relation to ABS (see Note 20).

## 7. TRADE AND OTHER RECEIVABLES:

(1) Trade and other receivables as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Trade receivables | ₩ 1,611,621 | ₩ 16 | ₩ 1,088,255 | ₩ 49 |
| Less: loss allowance | (2,025) | (1) | (1,350) | (1) |
| | 1,609,596 | 15 | 1,086,905 | 48 |
| Non-trade receivables | 139,035 | 3,291 | 120,188 | 3,018 |
| Less: loss allowance | (4,733) | (53) | (4,849) | (54) |
| | 134,302 | 3,238 | 115,339 | 2,964 |
| Accrued revenues | 342,161 | - | 264,746 | - |
| | ₩ 2,086,059 | ₩ 3,253 | ₩ 1,466,990 | ₩ 3,012 |

(2) Changes in loss allowance for trade receivables for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Beginning balance | ₩ 1,351 | ₩ 3,635 |
| Bad debt expenses | 611 | 369 |
| Others | 64 | 26 |
| Ending balance | ₩ 2,026 | ₩ 4,030 |

## 8. FINANCIAL ASSETS AT FAIR VALUE AND FINANCIAL ASSETS AT AMORTIZED COST:

Financial assets at fair value and financial assets at amortized cost as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Financial assets at FVTOCI[1] | ₩ 604,048 | ₩ 598,188 |
| Financial assets at FVTPL[2] | 120,493 | 120,409 |
| Financial assets at amortized cost: | 57,821 | 58,194 |
| | ₩ 782,362 | ₩ 776,791 |

[1] As of March 31, 2026, listed equity securities amounting to ₩68,079 million are pledged as collateral for foreign currency-denominated bonds (see Note 6).

[2] As of March 31, 2026, equity investment amounting to ₩16,836 million is pledged to the Korea Defense Guarantee Cooperative as collateral for performance guarantee (see Note 6).

## 9. OTHER FINANCIAL ASSETS:

(1) Other financial assets as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Guarantee deposits and others | ₩ 57,629 | ₩ 400,723 | ₩ 58,416 | ₩ 381,093 |
| Loan | 3,606 | 4,771 | 2,394 | 6,581 |
| | ₩ 61,235 | ₩ 405,494 | ₩ 60,810 | ₩ 387,674 |

(2) There are no other financial assets overdue or impaired for the three-month periods ended March 31, 2026 and 2025.

## 10. LEASE RECEIVABLES:

(1) The Group has offered the leases of the aircraft and others, and the minimum lease payments and present value of the leases as of March 31, 2026 and December 31, 2025 are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Within 1 year | ₩ 196,850 | ₩ 106,322 |
| 1 year to 5 years | 574,474 | 546,015 |
| More than 5 years | 298,137 | 299,891 |
| | 1,069,461 | 952,228 |
| Discount on present value | (189,418) | (167,935) |
| | 880,043 | 784,293 |
| Less: current portion of lease receivables | (192,641) | (95,462) |
| | ₩ 687,402 | ₩ 688,831 |

(2) Lease receivables are not impaired for the three-month periods ended March 31, 2026 and 2025.

## 11. SUBSIDIARIES:

(1) Subsidiaries as of March 31, 2026 and December 31, 2025 consist of the following:

| | Principal business | Location | Ownership of the Group | | Closing month |
|---|---|---|---|---|---|
| | | | March 31, 2026 | December 31, 2025 | |
| Asiana Airlines, Inc. | Airline Services | Korea | 63.88% | 63.88% | Dec |
| Jin Air Co., Ltd. | Airline Services | Korea | 54.91% | 54.91% | Dec |
| Air Busan Co., Ltd.[1] | Airline Services | Korea | 41.91% | 41.91% | Dec |
| Korea Airport Service Co., Ltd. | Airport support service | Korea | 59.54% | 59.54% | Dec |
| Asiana IDT, Inc. | IT services | Korea | 76.22% | 76.22% | Dec |
| Hanjin Information Systems & Telecommunication Co., Ltd. | Software development and supply | Korea | 99.35% | 99.35% | Dec |
| Incheon Aviation Tech Co., Ltd. (“IAT”) | Aircraft engine repair service | Korea | 100.00% | 100.00% | Dec |
| Air Total Service Co., Ltd. | Hotel management service | Korea | 100.00% | 100.00% | Dec |
| Wangsan Leisure Development Co., Ltd. (“WLD”)[2] | Sports and leisure service | Korea | 100.00% | 100.00% | Dec |
| Korea Global Logistics System Co., Ltd. | Cargo information network service | Korea | 95.00% | 95.00% | Dec |
| Cyber Sky Co., Ltd. | Online sales | Korea | 100.00% | 100.00% | Dec |
| K-Aviation Co., Ltd. | Small aircraft transport service | Korea | 100.00% | 100.00% | Dec |
| Air Korea Co., Ltd. | Airport support service | Korea | 100.00% | 100.00% | Dec |
| K-Way Property Co., Ltd.[2] | Facilities support management services | Korea | 100.00% | 100.00% | Dec |
| Hanjin Sabre, Inc.[3] | Reservation service | Korea | 80.00% | 80.00% | Dec |
| Asiana Airport, Inc.[4] | Other airport support service | Korea | 100.00% | 100.00% | Dec |
| Air Seoul, Inc. | Airline Services | Korea | 100.00% | 100.00% | Dec |
| Asiana T&I Incorporation | Other financial business | Korea | 80.00% | 80.00% | Dec |
| KVI Incorporation.[5] | Other financial business | Korea | 100.00% | 100.00% | Dec |
| Hanjin Int'l Corp. | Hotel and rental service | USA | 100.00% | 100.00% | Dec |
| Total Aviation Service LLC | Supply labors | USA | 100.00% | 100.00% | Dec |
| Hanjin International F&B LLC[2] | Food and beverage services | USA | 100.00% | 100.00% | Dec |
| Hanjin Int'l Japan Co., Ltd. | Airport support service | Japan | 75.00% | 75.00% | Dec |
| Korean Air Investment Japan Co., Ltd.[2] | Investment and rental service | Japan | 100.00% | 100.00% | Dec |
| Korean Air Airport Service Co., Ltd.[2] | Airport support service | Japan | 65.00% | 65.00% | Dec |
| Korean Air Technics Japan Co., Ltd.[2] | Line maintenance services | Japan | 100.00% | 100.00% | Dec |
| Korean Air Investment Singapore Pte. Ltd.[2] | Investment business in Southeast Asia | Singapore | 100.00% | 100.00% | Dec |
| Asiana Staff Service, Inc[6] | Other airport support service | Japan | - | 100.00% | Dec |
| Saekdongie 26th Asset Securitization Specialty Co., Ltd.[7] | Issuance and repayment of ABS loans | Korea | 0.50% | 0.50% | Dec |

## 11. SUBSIDIARIES, CONTINUED:

(1) Subsidiaries as of March 31, 2026 and December 31, 2025 consist of the following, continued:

[1] Although the Group owns less than half of the voting power for Air Busan Co., Ltd., management has determined that the Group controls Air Busan Co., Ltd. since the Group can exercise de facto control in accordance with the shareholders' agreement.
[2] Additional and new investments were made for the three-month period ended March 31, 2026, and the year ended December 31, 2025.
[3] As of March 31, 2026, Asiana Sabre Inc. was renamed to Hanjin Sabre Inc.
[4] As of March 31, 2026, the above investment in subsidiary is pledged as collateral (see Note 15).
[5] As of March 31, 2026, it is classified as assets held for sale.
[6] As of March 31, 2026, it was merged into Hanjin Int'l Japan Co., Ltd. and subsequently dissolved.
[7] The Group classified the Asset Securitization Specialty Companies as investments in subsidiaries because the Group controls an investee when it has the power over the investee, and is exposed, or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(2) The condensed financial position of the Group's major subsidiaries as of March 31, 2026 is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.[1]** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Current assets | ₩ 1,931,224 | ₩ 724,837 | ₩ 163,069 |
| Non-current assets | 10,619,990 | 658,117 | 373,450 |
| Total assets | 12,551,214 | 1,382,954 | 536,519 |
| Current liabilities | 4,957,930 | 610,875 | 64,302 |
| Non-current liabilities | 7,025,279 | 526,118 | 69,765 |
| Total liabilities | 11,983,209 | 1,136,993 | 134,067 |
| Total equity | ₩ 568,005 | ₩ 245,961 | ₩ 402,452 |

[1] The financial information of Asiana Airlines, Inc. is presented on consolidated basis.

The above financial information is presented prior to the elimination of internal transactions.

## 11. SUBSIDIARIES, CONTINUED:

(3) The condensed financial performance information of the Group's major subsidiaries for the three-month period ended March 31, 2026 is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.[1]** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Sales | ₩ 1,680,447 | ₩ 422,976 | ₩ 156,159 |
| Operating profit (loss) | (52,360) | 57,613 | 14,950 |
| Profit (loss) for the period | (251,666) | 21,672 | 12,242 |
| Other comprehensive income (loss) | (766) | (147) | (272) |
| Total comprehensive income (loss) | (252,432) | 21,525 | 11,970 |

[1] The financial information of Asiana Airlines, Inc. is presented on its consolidated basis.

The above financial information is presented prior to the elimination of internal transactions.

(4) The condensed cash flow information of the Group's major subsidiaries for the three-month period ended March 31, 2026 is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.[1]** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Cash flows from operating activities | ₩ 365,684 | ₩ 117,345 | ₩ 17,165 |
| Cash flows from investing activities | (176,509) | (38,959) | (9,287) |
| Cash flows from financing activities | (210,231) | (36,950) | (11,045) |
| Net change in cash and cash equivalents | (21,056) | 41,436 | (3,167) |
| Effects of exchange rate changes | 2,619 | 1,128 | 14 |
| Beginning balance | 788,037 | 42,490 | 71,596 |
| Ending balance | ₩ 769,600 | ₩ 85,054 | ₩ 68,443 |

[1] The financial information of Asiana Airlines, Inc. is presented on its consolidated basis.

The above financial information is presented prior to the elimination of internal transactions.

## 11. SUBSIDIARIES, CONTINUED:

(5) The ownership interest held by non-controlling interests and details of financial position, results of operation and dividends vested in non-controlling interests by each of the major subsidiaries as of and for the three-month period ended March 31, 2026 is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Ownership interest held by non-controlling interests[1] | 36.12% | 44.38% | 38.36% |
| Cumulative non-controlling interests | ₩ 57,149 | ₩ 178,770 | ₩ 150,460 |
| Profit (loss) attributable to non-controlling interests | (102,348) | 7,163 | 4,691 |
| Dividends paid to non-controlling interests | 2,320 | - | 1,173 |

[1] The ownership interest held by non-controlling interests represents the effective ownership interest, which is calculated based on number of outstanding shares excluding treasury stock, and it may differ from the aggregated total, less the effective ownership interest held by the Group.

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## 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES:

(1) Investments in associates and joint ventures as of March 31, 2026 and December 31, 2025 consist of the following:

*(In millions of Korean won)*

| March 31, 2026 | | | | | | |
|---|---|---|---|---|---|---|
| **Description** | **Principal business** | **Location** | **Ownership (%)** | **Acquisition cost** | **Book value** | **Closing month** |
| Korean Air C&D Co., Ltd.[1,2] | In-flight catering and duty-free business | Korea | 20.00 | ₩ 122,966 | ₩ - | Dec |
| LSG Skychefskorea Co., Ltd.[1] | Airline catering | Korea | 20.00 | 8,638 | - | Dec |
| Asiana Philippines GSA, Inc. | Other airport support service | Philippines | 50.00 | 133 | 543 | Dec |
| Gate Gourmet Korea Co., Ltd. | Airline catering | Korea | 40.00 | 85,756 | 176,912 | Dec |
| | | | | ₩ 217,493 | ₩ 177,455 | |

*(In millions of Korean won)*

| December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|
| **Description** | **Principal business** | **Location** | **Ownership (%)** | **Acquisition cost** | **Book value** | **Closing month** |
| Korean Air C&D Co., Ltd.[1,2] | In-flight catering and duty-free business | Korea | 20.00 | ₩ 122,966 | ₩ - | Dec |
| LSG Skychefskorea Co., Ltd.[1] | Airline catering | Korea | 20.00 | 8,638 | - | Dec |
| Asiana Philippines GSA, Inc. | Other airport support service | Philippines | 50.00 | 133 | 501 | Dec |
| Gate Gourmet Korea Co., Ltd. | Airline catering | Korea | 40.00 | 85,756 | 172,522 | Dec |
| | | | | ₩ 217,493 | ₩ 173,023 | |

[1] The Group's interest was reduced to zero due to the elimination of unrealized gains or losses resulting from intragroup transactions. As of March 31, 2026, gain on valuation of equity method is not recognized until all the cumulative unrecognized losses are eliminated.

[2] The Group provides the above investments in associate as collateral for borrowings of Korean Air C&D Co., Ltd. (see Note 15).

## 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:

(2) The cumulative changes in the Group's equity in net asset value of the associates not recognized due to the respective book value of the investment account balance being zero as of March 31, 2026 and December 31, 2025 are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | |
|---|---|---|---|
| | Gain (loss) on valuation of equity method | Others[1] | Cumulated losses not recognized |
| Korean Air C&D Co., Ltd | ₩ 3,861 | ₩ - | ₩ (92,929) |
| LSG Skychefskorea Co., Ltd | 243 | (820) | (10,925) |

[1] The effect of distributions received in excess of the carrying amount is included.

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | Gain (loss) on valuation of equity method | Others[1] | Cumulated losses not recognized |
| Korean Air C&D Co., Ltd | ₩ 6,379 | ₩ (47,969) | ₩ (96,790) |
| LSG Skychefskorea Co., Ltd | 601 | (6,000) | (10,348) |

[1] The effect of distributions received in excess of the carrying amount is included.

## 13. INTERESTS IN JOINT OPERATIONS:

The Group owns a joint investment building, which is a material joint arrangement. Under the joint arrangement, the Group has 70% ownership of the Inha International Medical Center building located in Incheon, Korea, and is entitled to a proportionate share of the rental income received and bears a proportionate share of the joint operation's expenses.

## 14. PROPERTY, AIRCRAFT AND EQUIPMENT:

(1) Changes in property, aircraft and equipment for the three-month periods ended March 31, 2026 and 2025 are as follows:

*(In millions of Korean won)*

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning balance | Acquisition or transfer[1] | Disposal | Depreciation | Others[2] | Ending balance |
| Land | ₩ 3,239,371 | ₩ - | ₩ - | ₩ - | ₩ 7,743 | ₩ 3,247,114 |
| Buildings | 1,404,491 | 880 | - | (15,100) | 47,898 | 1,438,169 |
| Structures | 73,218 | 1 | - | (1,194) | 214 | 72,239 |
| Machinery | 151,781 | 2,547 | - | (4,599) | 217 | 149,946 |
| Aircraft and engines | 6,948,342 | 656,639 | (44,600) | (229,142) | (109,837) | 7,221,402 |
| Aircraft parts | 2,534,917 | 219,605 | (59,294) | (66,436) | 222 | 2,629,014 |
| Others | 402,349 | 49,964 | (1,159) | (24,011) | 219 | 427,362 |
| Construction in progress | 3,646,630 | 220,954 | (1,545) | - | 19,048 | 3,885,087 |
| Right-of-use asset-aircraft | 13,929,330 | 835,453 | (75,532) | (334,462) | (125,430) | 14,229,359 |
| Right-of-use asset-others | 613,212 | 307,763 | (216,596) | (37,256) | (4,682) | 662,441 |
| | ₩ 32,943,641 | ₩ 2,293,806 | ₩ (398,726) | ₩ (712,200) | ₩ (164,388) | ₩ 33,962,133 |

[1] The acquisition of construction in progress amounted to ₩1,332,158 million, and construction in progress amounting to ₩1,111,204 million was transferred to property, aircraft and equipment for the three-month period ended March 31, 2026.

[2] Other increase or decrease was mainly due to capitalized borrowing costs, reclassification of lease receivables, effects of changes in foreign currency translation adjustments and others.

## 14. PROPERTY, AIRCRAFT AND EQUIPMENT, CONTINUED:

(1) Changes in property, aircraft and equipment for the three-month periods ended March 31, 2026 and 2025 are as follows, continued:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning balance | Acquisition or transfer[1] | Disposal | Depreciation | Others[2] | Ending balance |
| Land | ₩ 2,961,451 | ₩ - | ₩ - | ₩ - | ₩ (610) | ₩ 2,960,841 |
| Buildings | 1,416,413 | 11,269 | - | (15,382) | 4,311 | 1,416,611 |
| Structures | 74,003 | 9 | - | (1,181) | (7) | 72,824 |
| Machinery | 144,397 | 10,809 | - | (4,161) | (244) | 150,801 |
| Aircraft and engines | 6,030,134 | 1,192,323 | - | (207,798) | (46,852) | 6,967,807 |
| Aircraft parts[3] | 2,048,791 | 193,621 | (18,272) | (72,718) | (8,589) | 2,142,833 |
| Others | 371,876 | 44,929 | (6,631) | (33,400) | (61,231) | 315,543 |
| Construction in progress | 2,494,158 | (86,229) | (73) | - | 15,538 | 2,423,394 |
| Right-of-use asset-aircraft | 12,463,164 | (144,869) | (5,240) | (326,227) | (63,521) | 11,923,307 |
| Right-of-use asset-others | 370,104 | 178,217 | (122,948) | (29,892) | (18,200) | 377,281 |
| | ₩ 28,374,491 | ₩ 1,400,079 | ₩ (153,164) | ₩ (690,759) | ₩ (179,405) | ₩ 28,751,242 |

[1] The acquisition of construction in progress amounted to ₩512,827 million, and construction in progress amounting to ₩599,056 million was transferred to property, aircraft and equipment for the three-month period ended March 31, 2025.
[2] Other increase or decrease was mainly due to capitalized borrowing costs, effects of changes in foreign currency translation adjustments and others.
[3] Maintenance supplies of aircraft parts are pledged as collateral for the Group's borrowings to financial institutions.

(2) The Group capitalized borrowing costs of ₩23,181 million as part of the cost of construction in progress for the three-month period ended March 31, 2026. The specific borrowing capitalization rate and general borrowing capitalization rate used to calculate borrowing costs are between 3.99% and 4.33%.

## 15. PLEDGED ASSETS AND GUARANTEES (NON-FINANCIAL ASSETS):

(1) As of March 31, 2026, non-financial assets provided as collateral are as follows:

| *(In millions of Korean won, except number of shares)* | | March 31, 2026 Book value | Collateralized amount[6] or number of shares | Guarantee | Description |
|---|---|---|---|---|---|
| Land and buildings, etc.[1] | | ₩ 2,247,830 | ₩ 3,079,431 | | Collateral for short-term and long-term borrowings, including export growth loan |
| Aircraft and machinery [2] | | 2,663,542 | 3,572,154 | Korea Development Bank ("KDB") and others | |
| Facility usage rights | | 15,173 | 72,000 | | |
| Investments in associates[3] | | - | 1,252,586 shares | NH Investment & Securities Co., Ltd. and others | Collateral for borrowings of Korean Air C&D Co., Ltd. |
| Aircraft[4] | | 250,794 | 87,526 | KDB | Foreign currency payment guarantees and others |
| Land and buildings[4] | 443-83 Ojeong-ro Gangseo gu Seoul and others | 201,271 | 334,878 | KDB, Woori Bank[5] | Foreign currency payment guarantees and others |
| Land and buildings[4] | Air Busan Headquarters | 53,755 | 50,114 | Busan Bank | Foreign currency payment guarantee committed amount |
| | | ₩ 5,432,365 | | | |

[1] The carrying value of land and buildings provided as collateral consists of property, aircraft and equipment and investment properties.
[2] The carrying value of aircraft and machinery provided as collateral consists of property, aircraft and equipment and lease receivables.
[3] The investments in associate – Korean Air C&D Co., Ltd. are pledged as collateral for its borrowings. The investments in subsidiaries provided as collateral are part of the Group. Additionally, the investments in associates provided as collateral have no separate carrying value in the consolidated financial statements due to the suspension of the application of the equity method (see Note 12).
[4] When collateral limit ratio is not met in relation to the above secured borrowings, additional collateral should be provided, or a partial early repayment of the borrowings should be made.
[5] The assets are pledged as second-ranking as collateral to Woori Bank.
[6] It presents the undiscounted nominal amount, and collateralized amounts in foreign currency were converted into Korean won using the exchange rate as of March 31, 2026.

(2) The Group has provided right-of-use asset (leased aircraft) as collateral to the lessors for the lease obligations.

(3) The Group provides 600,000 shares (amount of investee's net assets: ₩38,307 million) of equity securities of Asiana Airport, Inc. as collateral to Woori Bank. A total of ₩181,608 million and ₩172,188 million as of March 31, 2026 and December 31, 2025 is pledged as collateral, including the said shares along with certain land and buildings, and a first-priority lien has been established on the shares.

## 16. INVESTMENT PROPERTY:

(1) Changes in the carrying amount of investment property for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | | | |
|---|---|---|---|---|
| | Beginning balance | Depreciation | Others[1] | Ending balance |
| Land | ₩ 77,391 | ₩ - | ₩ 425 | ₩ 77,816 |
| Buildings | 191,810 | (1,740) | 2,924 | 192,994 |
| | ₩ 269,201 | ₩ (1,740) | ₩ 3,349 | ₩ 270,810 |

[1] Other increase or decrease was mainly due to the transfer between property, aircraft and equipment and investment property and foreign currency translation adjustments.

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | Beginning balance | Depreciation | Others[1] | Ending balance |
| Land | ₩ 77,399 | ₩ - | ₩ 63 | ₩ 77,462 |
| Buildings | 200,464 | (1,878) | (6,667) | 191,919 |
| | ₩ 277,863 | ₩ (1,878) | ₩ (6,604) | ₩ 269,381 |

[1] Other increase or decrease was mainly due to the transfer between property, aircraft and equipment and investment property and foreign currency translation adjustments.

(2) Revenue related to investment property was ₩6,997 million and ₩7,222 million for the three-month periods ended March 31, 2026 and 2025, respectively.

## 17. INTANGIBLE ASSETS:

Changes in the carrying amount of intangible assets for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning balance | Acquisition | Disposal | Amortiza-tion | Others[1] | Ending balance |
| Goodwill | ₩ 1,839,690 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ 1,839,690 |
| Facility usage rights | 16,783 | - | - | (1,037) | - | 15,746 |
| Software | 183,814 | 842 | (20) | (8,916) | 308 | 176,028 |
| Other intangibles | 946,028 | 616 | (60) | (19,380) | 187 | 927,391 |
| | ₩ 2,986,315 | ₩ 1,458 | ₩ (80) | ₩ (29,333) | ₩ 495 | ₩ 2,958,855 |

[1] Other increase or decrease was due to the transfer of construction in progress to intangible assets and foreign currency translation adjustment.

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Acquisition | Amortization | Others[1] | Ending balance |
| Goodwill | ₩ 1,839,690 | ₩ - | ₩ - | ₩ - | ₩ 1,839,690 |
| Facility usage rights | 20,930 | - | (1,037) | - | 19,893 |
| Software | 192,723 | 68 | (8,209) | 1,036 | 185,618 |
| Other intangibles | 1,024,064 | 665 | (19,442) | - | 1,005,287 |
| | ₩ 3,077,407 | ₩ 733 | ₩ (28,688) | ₩ 1,036 | ₩ 3,050,488 |

[1] Other increase or decrease was due to the transfer of construction in progress to intangible assets and foreign currency translation adjustment.

## 18. OTHER ASSETS:

Other assets as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Advance payments | ₩ 623,363 | ₩ 35,311 | ₩ 923,893 | ₩ 33,955 |
| Prepaid expenses | 158,656 | 135,111 | 93,810 | 54,343 |
| Others | 89,318 | 100,966 | 66,889 | 28,990 |
| | ₩ 871,337 | ₩ 271,388 | ₩ 1,084,592 | ₩ 117,288 |

## 19. TRADE AND OTHER PAYABLES:

Trade and other payables as of March 31, 2026 and December 31, 2025 are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Trade payables | ₩ 435,906 | ₩ - | ₩ 334,870 | ₩ - |
| Non-trade payables | 628,170 | - | 558,181 | - |
| Accrued expenses | 1,417,140 | 25,102 | 1,884,254 | 29,474 |
| Dividends payables | 275,025 | - | 1 | - |
| | ₩ 2,756,241 | ₩ 25,102 | ₩ 2,777,306 | ₩ 29,474 |

## 20. BORROWINGS AND DEBENTURES:

(1) Short-term borrowings as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | Lender | Interest rate | March 31, 2026 | December 31, 2025 |
|---|---|---|---|---|
| Short-term borrowings in Korean won | Korea Development Bank ("KDB") | CD + 0.88% | ₩ 150,000 | ₩ 150,000 |
| | | 3.43% | 110,000 | 110,000 |
| | Kookmin Bank ("KB") | 3M Market Opportunity Rate ("MOR") + 1.58% | 50,000 | - |
| | Nonghyup Bank | 6M MOR + 1.40% | 100,000 | 100,000 |
| | Standard Chartered Bank Korea Limited and others | 3M CD + 1.15% ~ 1.59% | 900,000 | 900,000 |
| | | | ₩ 1,310,000 | ₩ 1,260,000 |
| Short-term borrowings in foreign currencies | KDB | 1.87% ~ 3.72% | 405,355 | 393,289 |
| | | 3M Euro InterBank Offered Rate ("EURIBOR") + 1.13% ~1.18% | 208,004 | 202,287 |
| | Hana Bank and others | 3M Secured Overnight Financing Rate ("SOFR") + 1.13%~ 1.49% | 45,402 | 86,094 |
| | | 3M Tokyo InterBank Offered Rate ("TIBOR") + 1.50%~1.92% | 73,845 | 71,575 |
| | | 3M Tokyo Term Risk Free Rate ("TORF") + 1.45% | 14,201 | 13,764 |
| | | | 746,807 | 767,009 |
| | | | ₩ 2,056,807 | ₩ 2,027,009 |

## 20. BORROWINGS AND DEBENTURES, CONTINUED:

(2) Long-term borrowings as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | Lender | Interest rate | Maturity | March 31, 2026 | December 31, 2025 |
|---|---|---|---|---|---|
| Long-term borrowings in Korean won | The Export-Import Bank of Korea | 3.00% ~ 3.84% | 2029-06-28 | ₩ 336,950 | ₩ 351,900 |
| | | 3M MOR + 1.00% ~ 1.55% | 2035-11-04 | 258,900 | 266,800 |
| | KDB | 3.19% ~ 4.52% | 2032-08-13 | 169,190 | 185,720 |
| | | 3M MOR + 1.74% | 2033-12-04 | 172,825 | 178,400 |
| | | 3M CD + 1.46% | 2026-12-30 | 100,000 | 100,000 |
| | Hana Bank and others | 3.78% ~ 4.77% | 2028-01-22 | 530,000 | 630,000 |
| | | CD + 1.16% ~ 2.00% | 2032-08-13 | 421,250 | 360,000 |
| | | 6M MOR + 0.97% | 2029-03-12 | 85,000 | - |
| | | 0.00% | 2044-08-30 | 1,171 | 1,171 |
| | | | | ₩ 2,075,286 | ₩ 2,073,991 |
| Long-term borrowings in foreign currencies | Shinhan Bank | 4.75% ~6.09% | 2029-01-08 | 582,659 | 520,869 |
| | | 1M SOFR + 2.17% | 2027-05-09 | 60,536 | 57,396 |
| | | 3M SOFR + 1.53% | 2029-01-08 | 30,268 | - |
| | KB and others | 3.19% | 2029-03-12 | 43,740 | - |
| | | 3M SOFR + 1.00% ~ 1.76% | 2029-01-08 | 1,415,029 | 1,165,138 |
| | | | | ₩ 2,132,232 | ₩ 1,743,403 |
| | | | | 4,207,518 | 3,817,394 |
| | Less: current portion of long-term borrowings | | | (1,032,164) | (539,928) |
| | | | | ₩ 3,175,354 | ₩ 3,277,466 |

## 20. BORROWINGS AND DEBENTURES, CONTINUED:

(3) Debentures as of March 31, 2026 and December 31, 2025 consist of the following:

*(In millions of Korean won)*

| Series | Issue date | Maturity | Interest rate | March 31, 2026 | December 31, 2025 |
|---|---|---|---|---|---|
| 102-2nd (Non-guaranteed) | 2023-04-24 | 2026-04-24 | 5.08% | ₩ 80,000 | ₩ 80,000 |
| 103rd (Guaranteed)[1] | 2023-06-29 | 2026-06-29 | 0.76% | 189,346 | 183,526 |
| 104th (Guaranteed)[2] | 2023-07-27 | 2026-07-27 | 1.22% | 94,673 | 91,763 |
| 105-2nd (Non-guaranteed) | 2023-11-10 | 2026-11-10 | 5.40% | 120,000 | 120,000 |
| 106-1st (Non-guaranteed) | 2024-02-28 | 2026-02-27 | - | - | 145,996 |
| 106-2nd (Non-guaranteed) | 2024-02-28 | 2027-02-26 | 4.50% | 210,000 | 210,000 |
| 106-3rd (Non-guaranteed) | 2024-02-28 | 2029-02-28 | 4.79% | 90,000 | 90,000 |
| 107-1st (Non-guaranteed) | 2024-06-25 | 2026-06-25 | 3.89% | 84,000 | 84,000 |
| 107-2nd (Non-guaranteed) | 2024-06-25 | 2027-06-25 | 3.99% | 227,000 | 227,000 |
| 107-3rd (Non-guaranteed) | 2024-06-25 | 2029-06-25 | 4.16% | 84,000 | 84,000 |
| 108-1st (Non-guaranteed) | 2024-10-23 | 2027-10-22 | 3.70% | 100,000 | 100,000 |
| 108-2nd (Non-guaranteed) | 2024-10-23 | 2029-10-23 | 4.14% | 50,000 | 50,000 |
| 109th (Guaranteed)[1] | 2025-01-24 | 2028-01-24 | 1.16% | 284,019 | 275,289 |
| 110-1st (Non-guaranteed) | 2025-01-31 | 2028-01-31 | 3.49% | 287,000 | 287,000 |
| 110-2nd (Non-guaranteed) | 2025-01-31 | 2030-01-31 | 3.98% | 63,000 | 63,000 |
| 106th Private bonds (Non-guaranteed) | 2025-02-25 | 2026-12-24 | 4.87% | 50,000 | 50,000 |
| 111-1st (Non-guaranteed) | 2025-05-28 | 2027-05-28 | 2.93% | 20,000 | 20,000 |
| 111-2nd (Non-guaranteed) | 2025-05-28 | 2028-05-26 | 3.12% | 230,000 | 230,000 |
| 111-3rd (Non-guaranteed) | 2025-05-28 | 2030-05-28 | 3.57% | 100,000 | 100,000 |
| 112-1st (Non-guaranteed) | 2025-09-30 | 2028-09-29 | 3.05% | 185,000 | 185,000 |
| 112-2nd (Non-guaranteed) | 2025-09-30 | 2030-09-30 | 3.32% | 85,000 | 85,000 |
| 112-3rd (Non-guaranteed) | 2025-09-30 | 2032-09-30 | 3.73% | 30,000 | 30,000 |
| 113th (Guaranteed)[3] | 2025-09-30 | 2030-09-30 | 4.00% | 454,020 | 430,470 |
| 114th (Guaranteed)[1] | 2025-11-13 | 2028-11-13 | 0.43% | 189,163 | 181,197 |
| 7th Private Placement Bonds of Air Busan Co., Ltd. | 2025-11-20 | 2026-11-20 | 5.10% | 40,000 | 40,000 |
| 1st Private bonds (Non-guaranteed) | 2025-11-25 | 2026-11-25 | 5.00% | 20,000 | 20,000 |
| 115-1st (Non-guaranteed) | 2026-03-10 | 2029-03-09 | 4.39% | 232,000 | - |
| 115-2nd (Non-guaranteed) | 2026-03-10 | 2031-03-10 | 4.56% | 72,000 | - |
| | | | | 3,670,221 | 3,463,241 |
| | Discount on debentures | | | (21,787) | (21,693) |
| | | | | 3,648,434 | 3,441,548 |
| | Less: current portion of debentures | | | (888,019) | (819,289) |
| | Current portion of discount on debentures | | | 791 | 1,000 |
| | | | | ₩ 2,761,206 | ₩ 2,623,259 |

[1] The Export-Import Bank of Korea provides guarantee up to a maximum of principal and interest for the 103rd, 109th and 114th guaranteed debentures.

[2] Hana Bank provides guarantee up to a maximum of principal and interest for the 104th guaranteed debentures.

[3] KDB, a related party of the Group, provides guarantee up to a maximum of principal and interest for the 113th guaranteed debentures.

## 20. BORROWINGS AND DEBENTURES, CONTINUED:

(4) ABS loans as of March 31, 2026 and December 31, 2025 consist of the following:

*(In millions of Korean won)*

| Description | Maturity | Interest rate | March 31, 2026 | December 31, 2025 |
|---|---|---|---|---|
| ABS | 2028-03-27 | 3.78% | ₩ 150,000 | ₩ 168,750 |
| | | | 150,000 | 168,750 |
| | Discount on ABS loans | | (3,744) | (4,207) |
| | | | 146,256 | 164,543 |
| | Less: current portion of ABS loans | | (81,250) | (81,250) |
| | Present value of discounts, less current portion | | 1,930 | 1,943 |
| | | | ₩ 66,936 | ₩ 85,236 |

As of March 31, 2026, the Group holds short-term financial instruments in relation to ABS (see Note 6).

The ABS loans are the borrowings repaid by entrusting the rights, etc. of future sales receivable to be held at the time of selling the airline ticket in the future, to financial institutions. The subject receivables and the period are as follows:

| Description | Receivables | Period |
|---|---|---|
| ABS | Domestic passenger credit card sales receivable (KB Kookmin/Hyundai/Lotte/ NH Bank cards)<br>Mileage settlement receivables (Samsung/BC cards) | 2024.03.20 - Of the following conditions, until the earlier date<br>(i) 2028.03.28<br>(ii) The date on which all amounts payable for the first-class beneficiary rights under the trust agreement are paid in full |

(5) As of March 31, 2026, the Group provided assets as collateral or pledges to outstanding balance amounting to ₩2,563,089 million of borrowings and debentures.

## 21. LEASE OBLIGATIONS:

(1) Lease obligations as of March 31, 2026 and December 31, 2025 consist of the following:

*(In millions of Korean won)*

| Lender | Annual interest rate | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| Financing Lease | 3M EURIBOR + 0.31% ~ 2.25% | ₩ 1,152,903 | ₩ 1,191,922 |
| | 3M SOFR + 0.45% ~ 2.66% | 605,810 | 624,701 |
| | 3M TIBOR + 0.65% ~ 2.40% | 959,340 | 959,555 |
| | 3M TORF + 0.29% ~ 0.76% | 120,903 | 129,679 |
| | 6M EURIBOR + 1.05% | 25,958 | 37,768 |
| | 6M SOFR + 1.68% | 134,301 | 135,838 |
| | 3M SARON + 1.23% | 121,889 | 120,140 |
| | 3M SORA + 1.10% | 155,951 | 153,015 |
| | 3M CORRA + 1.21% ~ 1.46% | 170,163 | 168,470 |
| | CD + 0.42% ~ 1.10% | 957,116 | 510,245 |
| | 4 YEAR SOFR + 4.30% | 8,381 | 8,364 |
| | 2.41% ~ 9.03% | 1,295,038 | 1,138,448 |
| Operating Lease | 0.51% ~ 11.17% | 8,190,919 | 7,859,414 |
| | | 13,898,672 | 13,037,559 |
| Less: Current portion of obligation under leases, net of present value discounts | | (2,288,368) | (2,190,549) |
| | | ₩ 11,610,304 | ₩ 10,847,010 |

The Export-Import Bank of the United States and others have provided payment guarantees of $1,269 million for above lease obligations as of March 31, 2026. Also, the Group has provided payment guarantees of $52 million to Industrial & Commercial Bank of China, the beneficiary of the lease obligations due to PC2018 Limited as of March 31, 2026.

Interest expense on lease obligations and total cash outflows related to the leases obligations for the three-month period ended March 31, 2026, are ₩132,988 million and ₩744,347 million, respectively. Lease payments not recognized as liabilities, such as short-term leases and leases of low-value assets, are ₩20,491 million.

## 21. LEASE OBLIGATIONS, CONTINUED:

(2) The present value of the above lease obligations discounted by the interest rate implicit in the lease or the incremental borrowing rate as of March 31, 2026, is as follows:

| *(In millions of Korean won)* | | **March 31, 2026** |
|---|---|---|
| Within 1 year | ₩ | 2,441,405 |
| 1 year to 5 years | | 6,988,492 |
| More than 5 years | | 7,013,863 |
| | | 16,443,760 |
| Present value of discounts | | (2,545,088) |
| | ₩ | 13,898,672 |

## 22. EMPLOYEE BENEFITS:

(1) Net defined benefit liabilities as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | | **March 31, 2026** | | **December 31, 2025** |
|---|---|---|---|---|
| Present value of defined benefit liabilities | ₩ | 3,513,823 | ₩ | 3,500,112 |
| Fair value of plan assets | | (721,939) | | (748,120) |
| | ₩ | 2,791,884 | ₩ | 2,751,992 |

(2) Changes in the carrying amount of net defined benefit liabilities for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | **2026** | | | **2025** | | |
|---|---|---|---|---|---|---|
| | **Present value of defined benefit liabilities** | **Fair value of plan assets** | **Total** | **Present value of defined benefit liabilities** | **Fair value of plan assets** | **Total** |
| Beginning balance | ₩ 3,500,112 | ₩ (748,120) | ₩ 2,751,992 | ₩ 3,254,665 | ₩ (695,812) | ₩ 2,558,853 |
| Current service cost | 70,047 | - | 70,047 | 67,585 | - | 67,585 |
| Interest expense (income) | 33,786 | (7,436) | 26,350 | 29,567 | (6,199) | 23,368 |
| Remeasurement of the net defined benefit liabilities | - | 2,043 | 2,043 | - | 190 | 190 |
| Transfer from affiliates | - | - | - | 7,226 | (1,002) | 6,224 |
| Retirement benefits paid | (89,995) | 31,584 | (58,411) | (88,194) | 18,343 | (69,851) |
| Effects of business combinations and disposals | (127) | - | (127) | - | - | - |
| Contributions | - | (10) | (10) | - | (12) | (12) |
| Others | - | - | - | 911 | (996) | (85) |
| Ending balance | ₩ 3,513,823 | ₩ (721,939) | ₩ 2,791,884 | ₩ 3,271,760 | ₩ (685,488) | ₩ 2,586,272 |

## 23. PROVISIONS:

Changes in the provision liabilities for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Charged to profit or loss | Payment | Others | Ending balance |
| **Current:** | | | | | |
| Provision for construction loss | ₩ - | ₩ 71 | ₩ (1,150) | ₩ 1,079 | ₩ - |
| Provision for leased aircraft maintenance[1] | 632,847 | - | (74,656) | 104,253 | 662,444 |
| Provision for emission[2] | 3,424 | - | - | - | 3,424 |
| Provision for construction warranties | 18 | - | - | - | 18 |
| Others | 2,635 | (19) | (388) | - | 2,228 |
| | ₩ 638,924 | ₩ 52 | ₩ (76,194) | ₩ 105,332 | ₩ 668,114 |
| **Non-current:** | | | | | |
| Provision for leased aircraft maintenance[1] | ₩ 778,132 | ₩ 160,085 | ₩ - | ₩ (108,107) | ₩ 830,110 |
| Provision for emission[2] | 113,127 | (5,398) | - | - | 107,729 |
| Provision for construction warranties | 379 | 296 | (14) | - | 661 |
| Others | 3,997 | 18 | - | - | 4,015 |
| | 895,635 | 155,001 | (14) | (108,107) | 942,515 |
| | ₩ 1,534,559 | ₩ 155,053 | ₩ (76,208) | ₩ (2,775) | ₩ 1,610,629 |

[1] The Group has maintenance obligations related to leased aircraft. In order to fulfill the obligations, the Group has recognized a provision for leased aircraft maintenance by estimating future maintenance costs, as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

[2] The Group has recognized a provision for emission by estimating the costs expected to be incurred in fulfilling the obligations as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

## 23. PROVISIONS, CONTINUED:

Changes in the provision liabilities for the three-month periods ended March 31, 2026 and 2025 are as follows, continued:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Charged to profit or loss | Payment | Others | Ending balance |
| **Current:** | | | | | |
| Provision for construction loss | ₩ 25,400 | ₩ - | ₩ (4,722) | ₩ (20,678) | ₩ - |
| Provision for leased aircraft maintenance[1] | 615,796 | - | (124,052) | 144,008 | 635,752 |
| Provision for emission[2] | 711 | 29 | - | - | 740 |
| Provision for construction warranties | 22 | - | - | - | 22 |
| Others | 11,709 | 690 | (4,329) | - | 8,070 |
| | ₩ 653,638 | ₩ 719 | ₩ (133,103) | ₩ 123,330 | ₩ 644,584 |
| **Non-current:** | | | | | |
| Provision for leased aircraft maintenance[1] | ₩ 778,367 | ₩ 138,262 | ₩ - | ₩ (150,023) | ₩ 766,606 |
| Provision for emission[2] | 27,709 | 11,445 | - | - | 39,154 |
| Provision for construction warranties | 188 | (41) | - | - | 147 |
| Others | 3,806 | 17 | (1) | - | 3,822 |
| | 810,070 | 149,683 | (1) | (150,023) | 809,729 |
| | ₩ 1,463,708 | ₩ 150,402 | ₩ (133,104) | ₩ (26,693) | ₩ 1,454,313 |

[1] The Group has maintenance obligations related to leased aircraft. In order to fulfill the obligations, the Group has recognized a provision for leased aircraft maintenance by estimating future maintenance costs, as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

[2] The Group has recognized a provision for emission by estimating the costs expected to be incurred in fulfilling the obligations as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

## 24. DEFERRED REVENUE (CUSTOMER LOYALTY PROGRAM):

The Parent Company and its subsidiaries, Jin Air Co., Ltd., Asiana Airlines, Inc., and Air Busan Co., Ltd. (the Group) manage its frequent-flyer program ("FFP"), a customer loyalty program that provides incentives through accrued mileage, such as free flight tickets and other benefits, to its customers and alliance companies. The Group allocates the fair value of the consideration received for the sales between the award credits and service revenue. The sales price allocated to award credits is not recognized as revenue until the obligation has been fulfilled. The Group recognized deferred revenue relating to the FFP in the consolidated interim statement of financial position as of March 31, 2026, amounting to ₩3,867,662 million, which includes the current portion of ₩910,043 million.

## 25. DERIVATIVE INSTRUMENTS:

(1) Details of derivative financial instruments held for trading as of March 31, 2026 are as follows:

| Type of transaction | Contract amount | | Maturity | Accounting policy |
|---|---|---|---|---|
| Oil price option | BBL | 11,750 thousand | 2027-10-31 | Trading |
| Interest rate swaps | KRW | 200,000 million | 2027-03-02 | Trading |
| Cross-currency interest rate swaps | CHF | 64,436 thousand | 2034-11-20 | Trading |
| | JPY | 34,195,517 thousand | 2032-08-30 | Trading |
| | KRW | 1,452,209 million | 2028-06-13 | Trading |
| | CHF | 270,680 thousand | 2030-09-30 | Trading |
| | CNY | 2,422,923 thousand | 2031-01-08 | Trading |
| Currency forwards contracts | JPY | 6,000,000 thousand | 2026-04-13 | Trading |
| | EUR | 7,000 thousand | 2028-11-30 | Trading |

(2) Impact on the consolidated interim financial statements in relation to derivatives as of and for the three-month period ended March 31, 2026 is as follows:

| *(In millions of Korean won)* | Consolidated interim statement of financial position | | Consolidated interim statement of comprehensive income (loss) | |
|---|---|---|---|---|
| | Financial derivative assets | Financial derivative liabilities | Valuation gain (loss) | Transaction gain (loss) |
| Oil price option | ₩ 210,998 | ₩ - | ₩ 235,884 | ₩ 32,140 |
| Interest rate swaps | 613 | 1,510 | 739 | (205) |
| Cross-currency interest rate swaps | 235,707 | 18,781 | 103,953 | 6,137 |
| Currency forwards contracts | 129 | 1,953 | (1,624) | (2,298) |
| | ₩ 447,447 | ₩ 22,244 | ₩ 338,952 | ₩ 35,774 |

## 26. OTHER FINANCIAL LIABILITIES:

Other financial liabilities as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Guarantee deposits received | ₩ 18,270 | ₩ 66,836 | ₩ 10,370 | ₩ 63,628 |

## 27. OTHER LIABILITIES:

Other liabilities as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Advances | ₩ 5,114,652 | ₩ 84 | ₩ 3,848,812 | ₩ 19,735 |
| Withholdings | 878,487 | 86,156 | 621,823 | 64,172 |
| Unearned revenues | 242,753 | 137,446 | 317,678 | 140,815 |
| Others | 916 | 17,931 | 864 | 17,964 |
| | ₩ 6,236,808 | ₩ 241,617 | ₩ 4,789,177 | ₩ 242,686 |

## 28. OTHER CAPITAL COMPONENTS:

Other capital components as of March 31, 2026 and December 31, 2025 consist of the following:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Gain on valuation of financial assets at FVTOCI | ₩ 97,410 | ₩ 92,958 |
| Shares of other comprehensive income (loss) of associates | (157) | (162) |
| Foreign currency translation adjustments | 99,500 | 36,827 |
| Revaluation surplus | 882,771 | 883,647 |
| | 1,079,524 | 1,013,270 |
| Assets held for sale: | | |
| Revaluation surplus | 68 | 68 |
| | ₩ 1,079,592 | ₩ 1,013,338 |

## 29. REVENUE FROM CONTRACTS WITH CUSTOMERS AND RELEVANT CONTRACT ASSETS AND LIABILITIES:

(1) The Group has recognized the following amounts relating to revenue from contracts with customers for the three-month periods ended March 31, 2026 and 2025.

| *(In millions of Korean won)* | | 2026 | | 2025 |
|---|---|---|---|---|
| Revenue from contracts with customers | ₩ | 6,597,896 | ₩ | 6,455,891 |
| Revenue from other sources: Rental and sublease rental income | | 60,166 | | 35,971 |
| Total revenue | ₩ | 6,658,062 | ₩ | 6,491,862 |

(2) The Group's revenues from the transfer of goods and services over time and at a point in time for the three-month periods ended March 31, 2026 and 2025 by segments are as follows:

| *(In millions of Korean won)* | 2026 | | | |
|---|---|---|---|---|
| | At a point in time | | Over time | |
| Air transport | ₩ | 6,231,745 | ₩ | - |
| Aerospace | | 140,850 | | 111,357 |
| Hotel | | 41,828 | | 15,303 |
| Others | | 27,959 | | 28,854 |
| | ₩ | 6,442,382 | ₩ | 155,514 |

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | At a point in time | | Over time | |
| Air transport | ₩ | 6,220,290 | ₩ | - |
| Aerospace | | 121,353 | | 13,637 |
| Hotel | | 33,106 | | 14,521 |
| Others | | 28,321 | | 24,663 |
| | ₩ | 6,403,070 | ₩ | 52,821 |

(3) The Group has recognized the following assets and liabilities related to contracts with customers:

| *(In millions of Korean won)* | | March 31, 2026 | | December 31, 2025 |
|---|---|---|---|---|
| Contract assets[1] | ₩ | 38,189 | ₩ | 127,889 |
| Contract liabilities[2] | | 8,890,386 | | 8,204,842 |

[1] Costs of fulfilling a contract which were capitalized in relation to the contracts with customers as of March 31, 2026 and December 31, 2025 are ₩3,780 million and ₩4,176 million, respectively.

[2] Contract liabilities are included in the amount due to customers for contract work and advance receipts from customers, unearned revenues and deferred revenues.

## 30. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | | 2026 | | 2025 |
|---|---|---|---|---|
| Salaries | ₩ | 129,608 | ₩ | 126,176 |
| Retirement and severance benefits | | 15,047 | | 15,384 |
| Depreciation | | 19,183 | | 22,477 |
| Amortization | | 25,025 | | 24,745 |
| Rent | | 4,661 | | 2,568 |
| Sales commission | | 74,424 | | 71,064 |
| Advertising | | 11,161 | | 19,681 |
| Welfare | | 37,378 | | 57,896 |
| Training | | 2,022 | | 2,702 |
| Communications | | 47,403 | | 28,216 |
| Taxes and dues | | 10,758 | | 11,074 |
| Facility maintenance | | 250 | | 9,464 |
| Commission | | 222,809 | | 180,307 |
| Others | | 50,548 | | 66,101 |
| | ₩ | 650,277 | ₩ | 637,855 |

## 31. FINANCIAL INCOME AND EXPENSES:

(1) Financial income for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | | 2026 | | 2025 |
|---|---|---|---|---|
| Interest income | ₩ | 58,061 | ₩ | 70,235 |
| Dividend income | | 8,204 | | 7,299 |
| Gain on valuation of derivatives | | 351,086 | | 30,856 |
| Gain on derivative transactions | | 39,480 | | 32,081 |
| | ₩ | 456,831 | ₩ | 140,471 |

(2) Financial expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | | 2026 | | 2025 |
|---|---|---|---|---|
| Interest expense | ₩ | 216,303 | ₩ | 211,147 |
| Loss on valuation of derivatives | | 12,134 | | 33,354 |
| Loss on derivative transactions | | 3,706 | | 50,411 |
| | ₩ | 232,143 | ₩ | 294,912 |

## 32. OTHER NON-OPERATING INCOME AND EXPENSES:

(1) Other non-operating income for the three-month periods ended March 31, 2026 and 2025 consists of the following:

| *(In millions of Korean won)* | | 2026 | | 2025 |
|---|---|---|---|---|
| Gain on foreign currency transaction | ₩ | 123,872 | ₩ | 110,457 |
| Gain on foreign currency translation | | 242,970 | | 63,460 |
| Reversal of other allowance for doubtful accounts | | 112 | | - |
| Gain on disposal of property, aircraft and equipment | | 7,036 | | 413 |
| Gain on disposal of assets held for sale | | - | | 59,950 |
| Gain on disposal of investment assets | | 114 | | - |
| Gain on disposal of financial assets at FVTPL | | 24 | | - |
| Gain on valuation of financial assets at FVTPL | | 116 | | - |
| Miscellaneous income | | 15,557 | | 300,348 |
| | ₩ | 389,801 | ₩ | 534,628 |

(2) Other non-operating expenses for the three-month periods ended March 31, 2026 and 2025 consist of the following:

| *(In millions of Korean won)* | | 2026 | | 2025 |
|---|---|---|---|---|
| Loss on foreign currency transaction | ₩ | 141,830 | ₩ | 125,658 |
| Loss on foreign currency translation | | 865,122 | | 188,042 |
| Other bad debt expenses | | - | | 343 |
| Loss on disposal of property, aircraft and equipment | | 39,380 | | 11,313 |
| Loss on disposal of intangible assets | | 20 | | - |
| Loss on disposal of assets held for sale | | - | | 70 |
| Loss on valuation of financial assets at FVTPL | | 35 | | - |
| Loss on disposal of investment assets | | 13,506 | | - |
| Donation | | 13,784 | | 12,399 |
| Miscellaneous loss | | 16,594 | | 25,650 |
| | ₩ | 1,090,271 | ₩ | 363,475 |

## 33. INCOME TAX EXPENSES:

(1) Income tax expense is recognized as current tax expense adjusted to current adjustments for prior periods, deferred tax income/expenses by origination and reversal of deferred assets/liabilities and temporary differences and income tax recognized in other comprehensive income. The effective tax rate for the three-month periods ended March 31, 2026 and 2025 was 28.1% and 22.6%, respectively.

(2) The Group recognized deferred income tax assets as it is expected that sufficient future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets can be changed according to the amount of taxable profit expected to be available in the future.

## 34. CLASSIFICATION OF EXPENSES BY NATURE:

Expenses classified by nature for the three-month periods ended March 31, 2026 and 2025 consist of the following:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Salaries and retirement benefit costs | ₩ 1,039,813 | ₩ 1,005,291 |
| Welfare | 193,159 | 247,193 |
| Depreciation and amortization | 743,334 | 721,325 |
| Rent | 19,205 | 37,476 |
| Fuel and oil charges | 1,638,095 | 1,844,434 |
| Airport-related costs | 571,943 | 622,560 |
| Passenger and freight service costs | 328,074 | 244,729 |
| Sales commission | 74,424 | 71,064 |
| Commission | 268,963 | 212,796 |
| Aerospace costs | 148,646 | 46,348 |
| Taxes and dues | 20,873 | 19,589 |
| Others | 1,094,149 | 988,011 |
| Total[1] | ₩ 6,140,678 | ₩ 6,060,816 |

[1] The amount is the sum of cost of sales and selling and administrative expenses in the consolidated interim statements of comprehensive income.

## 35. EARNINGS PER SHARE:

(1) Basic earnings per share for the three-month periods ended March 31, 2026 and 2025 are as follows:

A. Common shares

| *(In millions of Korean won, except per share data)* | **2026** | **2025** |
|---|---|---|
| Profit attributable to owners of the Parent Company | ₩ 121,791 | ₩ 284,714 |
| Dividends for hybrid securities | 287 | 1,599 |
| Profit attributable to common shares of the Parent Company | 121,657 | 285,397 |
| Weighted-average number of common shares outstanding | 368,220,609 shares | 368,220,611 shares |
| Earnings per common shares (in won) | ₩ 330 | ₩ 775 |

B. Preferred shares

| *(In millions of Korean won, except per share data)* | **2026** | **2025** |
|---|---|---|
| Profit attributable to owners of the Parent Company | ₩ 121,791 | ₩ 284,714 |
| Dividends for hybrid securities | 1 | 1,599 |
| Profit attributable to preferred shares of the Parent Company | 423 | 916 |
| Weighted-average number of preferred shares outstanding | 1,110,791 shares | 1,110,791 shares |
| Earnings per preferred shares (in won) | ₩ 380 | ₩ 825 |

(2) Since there is no dilution effect of diluted securities, diluted earnings per share equals basic earnings per share for the three-month periods ended March 31, 2026 and 2025.

## 36. FINANCIAL INSTRUMENTS:

(1) Capital risk management

The purpose of capital risk management is to protect the ability to continuously provide profits to shareholders and maintain optimum capital structure to reduce capital expenses. The Group's capital risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of and for the year ended December 31, 2025.

(2) Financial risk management

1) Financial risk

The financial sector manages the Group's business and organizes the approach to the domestic and international financial markets. Furthermore, it monitors and manages the financial risk related to the Group's business through internal risk reports, which analyze the scope and scale of each risk. These risks include the market risk (including currency risk, fair value interest rate risk, oil price fluctuation risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of and for the year ended December 31, 2025.

2) Risk aversion

The Group has made contracts for derivative instruments to avoid the oil price fluctuation risk and the change of exchange rate risk and interest rate risk.

3) Credit risk management

There has been no significant change in the maximum exposure to credit risk compared to the year ended December 31, 2025.

4) Liquidity risk management

There is no significant change in undiscounted contractual net cash flows in comparison with the year ended December 31, 2025.

## 37. RELATED-PARTY TRANSACTIONS:

(1) The list of related parties of the Group as of March 31, 2026 is as follows:

| Relationships | Related parties |
|---|---|
| Significant influence over the Group | Hanjin KAL Co., Ltd. and Korea Development Bank |
| Associates | Korean Air C&D Co., Ltd.; Mychef Co., Ltd.; LSG Skychefskorea Co., Ltd.; Asiana Philippines GSA, Inc.; Gate Gourmet Korea Co., Ltd.; Kumho Samco Buslines Co., Ltd.; and Kumho Viet Thanh Buslines Co., Ltd. |
| Other related parties | KAL Hotel Network Co., Ltd.; Topas Co., Ltd.; Jungseok Enterprise Co., Ltd.; Hanjin Travel Co., Ltd. [1] |
| Affiliated companies of a conglomerate and others[2] | Hanjin Transportation Co., Ltd.; Jungseok-Inha School's Foundation; TAE IL CO., LTD.; Jungseok Logistics Foundation; WAC INTERNATIONAL LOGISTICS CO., LTD.; WAC Air Service Co., Ltd.; Hanjin Pyeongtaek Container Terminal Co., Ltd.; Pohang Port 7th Terminal Operating Co., Ltd.; HANJIN INCHEON CONTAINER TERMINAL CO., LTD.; Taeil Catering Co., Ltd.; HANJIN ULSAN NEWPORT OPERATION CO., LTD.; Chungwon Freez Co., Ltd. and others |

[1] The company name was changed from Hanjin Travel Service Co., Ltd. to Hanjin Travel Co., Ltd. during the three-month period ended March 31, 2026.

[2] Although the entity is not the related party of the Group in accordance with K-IFRS 1024, Related Party Disclosures, the entity belongs to a large enterprise group to which the Group also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

## 37. RELATED-PARTY TRANSACTIONS, CONTINUED:

(2) Significant transactions with related parties (except for equity transactions) for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | | 2026 | |
|---|---|---|---|
| | | Sales and others | Purchases and others |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 1,922 | ₩ 12,958 |
| | KDB | 10,022 | 11,897 |
| Associate | Korean Air C&D Co., Ltd. | 14,932 | 108,853 |
| | Gate Gourmet Korea Co., Ltd. | 281 | 48,101 |
| | LSG Skychefskorea Co., Ltd. | 846 | - |
| | Asiana Philippines GSA, Inc. | - | 316 |
| Other related parties | KAL Hotel Network Co., Ltd. | 2,231 | 13,548 |
| | Topas Co., Ltd. | 2,138 | 2 |
| | Jungseok Enterprise Co., Ltd. | 79 | 332 |
| | Hanjin Travel Co., Ltd. | 4,682 | 483 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 16,520 | 10,776 |
| | Jungseok-Inha School's Foundation | 3,432 | 12,389 |
| | Others[1] | 36,851 | 2,685 |

[1] Transactions between the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation, classified as 'Affiliated companies of a conglomerate and others' in (1) are included.

| *(In millions of Korean won)* | | 2025 | |
|---|---|---|---|
| | | Sales and Others | Purchases and others[1] |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 1,346 | ₩ 10,486 |
| | KDB | 11,420 | 15,229 |
| Associate | Korean Air C&D Co., Ltd. | 62,988 | 98,811 |
| | Gate Gourmet Korea Co., Ltd. | 263 | 46,070 |
| | LSG Skychefskorea Co., Ltd. | 6,021 | - |
| | Asiana Philippines GSA, Inc. | - | 321 |
| Other related parties | KAL Hotel Network Co., Ltd. | 2,266 | 10,595 |
| | Topas Co., Ltd. | 1,967 | 1 |
| | Jungseok Enterprise Co., Ltd. | 65 | 256 |
| | Hanjin Travel Service Co., Ltd. | 1,386 | 819 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 12,822 | 10,030 |
| | Jungseok-Inha School's Foundation | 1,747 | 12,358 |
| | Others[1] | 35,209 | 2,577 |

[1] Transactions between the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation, classified as 'Affiliated companies of a conglomerate and others' in (1) are included.

## 37. RELATED-PARTY TRANSACTIONS, CONTINUED:

(3) Significant receivables from and payables to the related parties (except for loan, borrowing transactions and related interest) as of March 31, 2026 and December 31, 2025 are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | |
|---|---|---|---|
| | | Trade and other receivables | Trade and other payables |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 11,740 | ₩ 11,483 |
| | KDB | 1,290,676 | - |
| Associate | Korean Air C&D Co., Ltd. | 6,856 | 69,215 |
| | Gate Gourmet Korea Co., Ltd. | 141 | 86,408 |
| | LSG Skychefskorea Co., Ltd. | 836 | - |
| Other related parties | KAL Hotel Network Co., Ltd. | 870 | 5,306 |
| | Topas Co., Ltd. | 710 | 162 |
| | Jungseok Enterprise Co., Ltd. | 894 | 56 |
| | Hanjin Travel Co., Ltd. | 5,109 | 3,856 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 19,684 | 5,152 |
| | Jungseok-Inha School's Foundation | 2,893 | 126 |
| | Others[1] | 13,289 | 967 |

[1] Receivables from and payables to the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation classified as 'Affiliated companies of a conglomerate and others' in (1) are included.

| *(In millions of Korean won)* | | December 31, 2025 | |
|---|---|---|---|
| | | Trade and other receivables | Trade and other payables[1] |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 11,695 | ₩ 10,881 |
| | KDB | 1,458,379 | - |
| Associate | Korean Air C&D Co., Ltd. | 7,234 | 69,921 |
| | Gate Gourmet Korea Co., Ltd. | 132 | 79,278 |
| | LSG Skychefskorea Co., Ltd. | 18 | - |
| Other related parties | KAL Hotel Network Co., Ltd. | 928 | 5,542 |
| | Topas Co., Ltd. | 1,616 | 228 |
| | Jungseok Enterprise Co., Ltd. | 808 | 369 |
| | Hanjin Travel Service Co., Ltd. | 3,597 | 938 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 19,562 | 6,222 |
| | Jungseok-Inha School's Foundation | 2,022 | 1,507 |
| | Others[1] | 14,616 | 1,041 |

[1] Receivables from and payables to the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation classified as 'Affiliated companies of a conglomerate and others' in (1) are included.

## 37. RELATED-PARTY TRANSACTIONS, CONTINUED:

(4) Lease payments and interest expenses for lease agreements with related parties for the three-month periods ended March 31, 2026 and 2025 and related lease obligations recognized as of March 31, 2026 and December 31, 2025 are as follows:

*(In millions of Korean won)*

| | | 2026 | | |
|---|---|---|---|---|
| | | Lease payments | Interest expenses | Lease liabilities |
| Other related parties | KAL Hotel Network Co., Ltd. | ₩ 27 | ₩ 1 | ₩ 105 |
| | Jungseok Enterprise Co., Ltd. | 224 | 13 | 1,466 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 8 | - | 13 |
| | Others[1] | 497 | 23 | 3,409 |

[1] Transactions between the related parties, except for Hanjin Transportation Co., Ltd., classified as 'Affiliated companies of a conglomerate and others' in (1) are included.

*(In millions of Korean won)*

| | | 2025 | | |
|---|---|---|---|---|
| | | Lease payments | Interest expenses | Lease liabilities |
| Associate | Korean Air C&D Co., Ltd. | ₩ 889 | ₩ - | ₩ - |
| Other related parties | KAL Hotel Network Co., Ltd. | 33 | 1 | 29 |
| | Jungseok Enterprise Co., Ltd. | 189 | 4 | 1,370 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 8 | - | 21 |
| | Others[1] | 578 | 35 | 3,883 |

[1] Transactions between the related parties, except for Hanjin Transportation Co., Ltd., classified as 'Affiliated companies of a conglomerate and others' in (1) are included.

## 37. RELATED-PARTY TRANSACTIONS, CONTINUED:

(5) Loan and borrowing transactions with related parties for the three-month periods ended March 31, 2026 and 2025 are as follows.

*(In millions of Korean won, thousands of EUR and JPY)*

| | | | 2026 | | | |
|---|---|---|---|---|---|---|
| | Account | Currency | Beginning balance | Increase | Decrease | Ending balance |
| Significant influence over the Group: KDB[1] | Short-term borrowings | KRW | 360,000 | - | - | 360,000 |
| | | EUR | 190,000 | 70,000 | (70,000) | 190,000 |
| | | JPY | 30,000,000 | - | - | 30,000,000 |
| | Long-term borrowings | KRW | 364,120 | 18,750 | (40,855) | 342,015 |

[1] Interest expenses of borrowings for the three-month period ended March 31, 2026 are ₩11,897 million and the Group recognized ₩5,122 million as accrued expenses as of March 31, 2026.

*(In millions of Korean won, thousands of USD, EUR and JPY)*

| | | | 2025 | | | |
|---|---|---|---|---|---|---|
| | Account | Currency | Beginning balance | Increase | Decrease | Ending balance |
| Significant influence over the Group: KDB[1] | Short-term borrowings | KRW | 1,249,736 | - | (989,736) | 260,000 |
| | | USD | 129,000 | - | - | 129,000 |
| | | EUR | 150,000 | 70,000 | (70,000) | 150,000 |
| | | JPY | 19,000,000 | - | - | 19,000,000 |
| | Long-term borrowings | KRW | 457,927 | - | (18,242) | 439,685 |
| | | USD | 12,375 | - | (4,125) | 8,250 |
| | | JPY | 6,000,000 | - | - | 6,000,000 |

[1] Interest expenses of borrowings for the three-month period ended March 31, 2025 are ₩24,431 million and the Group recognized ₩6,744 million as accrued expenses as of March 31, 2025.

## 37. RELATED-PARTY TRANSACTIONS, CONTINUED:

(6) There is no stock trading with related parties for the three-month periods ended March 31, 2026 and 2025.

(7) The compensation paid or payable to key management for the three-month periods ended March 31, 2026 and 2025 is as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Wages and salaries | ₩ 1,745 | ₩ 1,894 |
| Retirement benefit costs | 1,091 | 752 |
| | ₩ 2,836 | ₩ 2,646 |

(8) The Parent Company entered into derivative agreements with KDB to hedge against exchange rate and interest rate risks, and the balance of the contract is ₩46,223 million, JPY 39,053 million, CNY 726 million and CHF 208 million as of March 31, 2026.

(9) The Parent Company resolved ₩74,558 million of dividends to the related parties for the three-month period ended March 31, 2026. Payables related to dividends amounted to ₩74,558 million as of March 31, 2026.

## 38. CASH FLOWS:

The significant non-cash transactions from investing and financing activities that are not included in the consolidated interim statements of cash flows for the three-month periods ended March 31, 2026 and 2025 are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Transfer of long-term borrowings to current portion of long-term borrowings | ₩ 524,293 | ₩ 69,883 |
| Transfer of debentures to current portion of debentures | 210,164 | 147,417 |
| Transfer of lease obligation to current portion of lease obligation | 503,129 | 485,856 |
| Transfer of construction in progress to property, aircraft and equipment | 1,111,204 | 599,056 |
| Acquisition of right-of-use assets | 666,267 | 737,353 |
| Transfer to assets held for sale | - | 12,418 |

## 39. COMMITMENTS AND CONTINGENCIES:

(1) The Group has been provided the following guarantees by others as of March 31, 2026:

| *(In millions of Korean won and thousands of US dollars)* | | March 31, 2026 |
|---|---|---|
| Seoul Guarantee Insurance Co., Ltd. | ₩ | 199,697 |
| Korea Defense Guarantee Cooperative | ₩ | 1,706,862 |
| Shinhan Bank America and others | ₩ | 26,550 |
| Engineering Financial Cooperative | ₩ | 53,260 |
| Korea Software Financial Cooperative | ₩ | 11,532 |
| Information & Communication Financial Cooperative | ₩ | 115 |
| Busan Bank and others | $ | 98,000 |
| Hana Bank | $ | 75,670 |
| Shinhan Bank and others | ₩ | 3,115 |
| | $ | 173,670 |
| | ₩ | 2,001,131 |

(2) Credit line and details of credit agreements as of March 31, 2026 are as follows:

*(In millions of Korean won and thousands of US dollars and JPY)*

| Description | Financial institutions | Credit Line | |
|---|---|---|---|
| Credit line arrangement | Bank of China and others | $ | 235,000 |
| | Hana Bank and others | ¥ | 9,300,000 |
| | KDB and others | ₩ | 47,500 |
| Letters of credit | Hana Bank | $ | 3,400 |
| | KDB and others | ₩ | 1,229,034 |
| Ordinary loan | Suhyup Bank and others | ₩ | 24,000 |
| Line of credit | NongHyup Bank and others | ₩ | 23,900 |
| Total | | $ | 238,400 |
| | | ₩ | 1,324,434 |
| | | ¥ | 9,300,000 |

(3) Promissory note pledged as collateral

The Parent Company has provided one outstanding blank promissory note pledged as collateral to the Korea Defense Guarantee Cooperative, as of March 31, 2026.

## 39. COMMITMENTS AND CONTINGENCIES, CONTINUED:

(4) Pending litigations and others

As of March 31, 2026, various claims, lawsuits and complaints arising from airline service operations are pending against the Group, and the ultimate outcome of these cases is unpredictable. Management believes that the ultimate outcome of these cases will not have any material adverse effect on the financial performance and position of the Group. In addition, the Parent Company was notified of a penalty related to cargo flights from the Russian Customs in February 2022, and an additional penalty was imposed due to the delay in the payment of the initial penalty in August 2024. Regarding the additional penalty, the third-instance judgment was issued in October 2025; however, the Parent Company intends to file an appeal, and under the four-tier court system of Russia, the outcome remains uncertain until the final judgment is rendered.

(5) New aircraft introduction plan

The Group has entered into various contracts with aircraft manufacturers, such as the Boeing Company, to purchase aircraft. The total contract amount is USD 27,467 million, consisting of USD 20,059 million by the Parent Company and USD 7,408 million by Asiana Airlines, Inc. as of March 31, 2026.

(6) Passenger terminal joint use agreement

The Parent Company and three other airlines, including Air France, entered into a passenger terminal joint use agreement with the JFK Airport in New York and provide mutual payment guarantees in respect to the terminal usage fees that each airline needs to pay.

(7) Joint venture cooperation with Delta Airlines on the Pacific route

The Parent Company has entered into a joint venture cooperation with Delta Airlines, Inc. for the Pacific routes since May 1, 2018. Under this agreement, the two companies jointly conduct marketing and sales activities for the Pacific routes and share the related financial results.

(8) Major agreements entered into by the subsidiaries are as follows:

A. As of March 31, 2026, WLD signed a memorandum of understanding to support the construction cost for integrated transportation pipeline installation of the Yeongjong public sewage treatment facility and the treatment facility expansion plan scheduled to be implemented by the Incheon Metropolitan City in relation to hotels and various commercial facilities within the Wang San Marina Business. However, no specific agreement on the integrated transportation pipeline installation of the Yeongjong public sewage treatment facility and the expansion of the treatment facility has been signed as of March 31, 2026.

(8) Major agreements entered into by the subsidiaries are as follows, continued:

B. As of March 31, 2026, Asiana Airlines, Inc. has entered into shareholders' agreements with the majority shareholders of its associate, LSG Sky Chefs Korea Co., Ltd., and its joint venture, Gate Gourmet Korea Co., Ltd., respectively. The key terms of these agreements are as follows:

① LSG Sky Chefs Korea Co., Ltd.

| | |
|---|---|
| Terms of agreement and exercise conditions | Right of First Refusal (ROFR): In the event that the Group sells all or part of its shares to a third party, the counterparty shareholder is granted the right of first refusal to purchase such shares.<br>Restriction on Sale to Competitors: The Group is prohibited from selling its equity interest to any competitors (entities engaged in the in-flight catering) |
| Exercise price | Fair value of the shares being sold. |

② Gate Gourmet Korea Co., Ltd.

| | |
|---|---|
| Terms of agreement and exercise conditions | In the event of a material breach of contract, liquidation, bankruptcy, or court receivership attributable to either the Group or the counterparty shareholder, the non-defaulting shareholder has the right to either:<br>Purchase the entire equity interest held by the defaulting shareholder (Call Option), or;<br>Sell its entire equity interest to the defaulting shareholder (Put Option). |
| Exercise price | Fair value of the shares being sold.<br>However, if the Group is responsible for a material breach of contract and such breach remains uncured, Gate Gourmet Switzerland has the right to purchase the Group's entire equity interest in the joint venture at zero consideration (free of charge). |

## 40. ASSETS HELD FOR SALE:

As of March 31, 2026 and December 31, 2025, assets held for sale and equity directly associated with assets classified as held for sale are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **Assets held for sale:** | | |
| Current assets | ₩ 1,433 | ₩ 1,433 |
| Land | 433 | 433 |
| Other assets | 329 | 329 |
| Investments in associates and joint ventures | 671 | 671 |
| Total Assets | ₩ 1,433 | ₩ 1,433 |
| **Equity directly associated with assets classified as held for sale:** | | |
| Gain on land revaluation | ₩ 68 | ₩ 68 |
| Total Equity | ₩ 68 | ₩ 68 |

## 41. BUSINESS COMBINATION:

During the three-month period ended March 31, 2026, Hanjin Int'l Japan Co., Ltd. merged with Asiana Staff Service, Inc., both of which are subsidiaries within the Group (see Note 11).

This business combination was a combination of businesses or entities under common control, and the assets acquired and liabilities assumed were recognized at the carrying amounts previously recognized in the Parent Company's consolidated financial statements.

The difference between the consideration transferred and the carrying amount of the net assets was adjusted against capital surplus by the Group.

## 42. EVENTS AFTER THE REPORTING PERIOD:

On May 13, 2026, the Board of Directors of the Parent Company resolved to merge with Asiana Airlines, Inc., a subsidiary of the Parent Company. The merger date is December 16, 2026, and the merger ratio of the Parent Company to Asiana Airlines, Inc. is 1:0.2736432.

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# Independent Auditors' Report

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of
Korean Air Lines Co., Ltd.

## *Opinion*

We have audited the consolidated financial statements of Korean Air Lines Co., Ltd., and its subsidiaries ("the Group"), expressed in Korean won which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, including material accounting policies.

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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the Group's Internal Control over Financial Reporting for Consolidation Purposes ("ICFR") as of December 31, 2025 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 11, 2026 expressed unmodified opinion on the effectiveness of the Group's Internal Control over Financial Reporting for consolidation purposes.

## *Basis for Opinion*

We conducted our audits in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the *Auditors' 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.

## *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***(1) Recognition of Deferred Revenue***

***Why this matter was considered to be a key audit matter***

As described in Notes 3 and 25 to the consolidated financial statements, the deferred revenue balance as of December 31, 2025, amounts to KRW 3,781,811 million, representing 9.71% of total liabilities. The Group operates a commercial customer loyalty program under which customers earn mileage based on their use of the services provided by the Group and its affiliated companies and receives benefits such as bonus airline tickets and free seat upgrades. The Group recognizes revenue from rendering services that involve the provision of mileage to customers as a bundled revenue transaction and allocates consideration between the services provided, and the mileage granted (deferred revenue). The Group measures the consideration allocated to mileage based on estimated values using the probability of customer redemption and the market valuation adjustment approach. Given the level of judgment involved in the valuation of mileage award, including the assessment of estimation uncertainty and bias, we identified the measurement of consideration allocated to mileage as a key audit matter.

***How the key audit matter was addressed in the audit***

The primary audit procedures we performed in relation to the key valuation methods, assumptions and data used by management in estimating the consideration for mileage, as well as the carrying amount of deferred revenue as at year-end, included the following:

- Obtained an understanding of the Group's accounting policies and evaluated whether they are consistent with the principles of K-IFRS.
- Evaluated the design and tested the operating effectiveness of internal controls related to the accumulation and redemption of mileage, as well as the estimation of fair value per unit of mileage, used in measuring the consideration allocated to mileage.
- Evaluated the design and tested the operating effectiveness of IT general controls and automated controls over the mileage management system.
- Inspected supporting documentation to assess the reliability and accuracy of the key underlying input variables used in estimating the fair value per mileage unit, assessed the reasonableness of the assumptions applied by management in estimating redemption rates, and performed recalculations.
- Inspected supporting documentation to assess the reliability and accuracy of the key underlying input variables used in estimating mileage redemption rates, assessed the reasonableness of the assumptions applied by management in estimating redemption rates, and performed recalculations.
- Inspected documentation, on a sampling basis, to assess the reliability and accuracy of mileage accumulation, redemption and expiration.
- Involved our internal valuation specialists in assessing the reasonableness of the methodologies and assumptions used in estimating mileage redemption rates, and performing recalculations.
- Evaluated the independence and qualifications of the external valuation specialist engaged by management for the estimation of mileage redemption rates.
- Verified the recalculation of deferred revenue based on data derived from mileage quantities, fair value per unit of mileage, and estimated mileage redemption rates.

***(2) Goodwill Impairment Assessment***

***Why this matter was considered to be a key audit matter***

As described in Notes 3 and 18 to the consolidated financial statements, as of December 31, 2025, the carrying amount of goodwill of the Group amounted to KRW 1,839,690 million. We idengified the goodwill impairment assessment as a key audit matter, as the amount of goodwill is material, and management's estimation of key assumptions affecting the value in use, such as future cash flows, discount rates, and perpetual growth rate, involves significant judgment. In particular, considering the quantitative significance and estimation uncertainty of the goodwill allocated to each cash-generating unit, we determined that the impairment assessment of goodwill allocated to Asiana Airlines within the air transportation operating segment is a key audit matter.

***How the key audit matter was addressed in the audit***

The primary audit procedures we performed in relation to the goodwill impairment assessment included:

- Obtained an understanding of the accounting processes related to the goodwill impairment assessment and evaluated the design and operating effectiveness of related internal controls.
- Evaluated the reasonableness of the estimated revenue growth rates by comparing management's business plans with historical performance and available industry reports.
- Assessed the competence, objectivity, and independence of the external valuation specialist engaged by management.
- Involved our internal valuation specialists in assessing the appropriateness of the valuation methodology and the assumptions used in the impairment assessment.
- Performed sensitivity analyses on the discount rates and perpetual growth rate used in estimating value in use to assess the impact of changes in key assumptions on management's impairment assessment conclusions.

***Other Matters***

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated financial statements as of and for the years ended December 31, 2025 and 2024 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in note 2 to the consolidated financial statements.

***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 K-IFRS, 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.

***Auditors' 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 auditors' 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 KSAs 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 KSAs, 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.

- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements 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 auditors' 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 auditors' 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Dong-Jun Shin.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 11, 2026

This report is effective as of March 11, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Financial Position
## As of December 31, 2025 and 2024

| Assets | Notes | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|---|
| | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | | (In millions) | | (In thousands) | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | 5,6,40 | ₩ 1,869,988 | ₩ 2,215,625 | $ 1,303,218 | $ 1,544,097 |
| Short-term financial instruments | 6,21,40 | 3,474,508 | 4,475,286 | 2,421,429 | 3,118,884 |
| Current portion of lease receivables | 11,16,40 | 95,462 | 34,733 | 66,529 | 24,206 |
| Trade and other receivables | 7,40,41 | 1,466,990 | 1,584,575 | 1,022,364 | 1,104,310 |
| Amount due from customers for contract work | 33 | 109,384 | 5,083 | 76,231 | 3,542 |
| Current portion of financial assets at amortized cost | 8,40 | 18,028 | 2,506 | 12,564 | 1,746 |
| Current portion of financial derivative assets | 26,40,41 | 67,916 | 136,531 | 47,332 | 95,150 |
| Inventories | 10 | 1,448,919 | 1,170,693 | 1,009,770 | 815,871 |
| Current tax assets | | 11,012 | 10,626 | 7,674 | 7,405 |
| Other financial assets | 9,40 | 60,810 | 40,015 | 42,379 | 27,887 |
| Other current assets | 19,33 | 1,084,592 | 442,005 | 755,866 | 308,039 |
| Assets held for sale | 13,15,42,44 | 1,433 | 1,499,195 | 999 | 1,044,809 |
| Total current assets | | 9,709,042 | 11,616,873 | 6,766,355 | 8,095,946 |
| **Non-current assets:** | | | | | |
| Long-term financial instruments | 6,40 | 24,943 | 269,847 | 17,383 | 188,060 |
| Long-term trade and other receivables | 7,40,41 | 3,012 | 47 | 2,099 | 33 |
| Financial assets at fair value | 6,8,40 | 718,597 | 291,318 | 500,799 | 203,023 |
| Financial assets at amortized cost | 8,40 | 40,166 | 18,126 | 27,992 | 12,632 |
| Lease receivables | 11,16,40 | 688,831 | 362,349 | 480,055 | 252,526 |
| Financial derivative assets | 26,40,41 | 75,413 | 123,073 | 52,556 | 85,771 |
| Investments in associates and joint ventures | 4,13,16,41,43 | 173,023 | 154,582 | 120,582 | 107,730 |
| Property, aircraft and equipment | 15,16,42 | 32,943,641 | 28,374,491 | 22,958,841 | 19,774,542 |
| Investments in properties | 14,16,17 | 269,201 | 277,863 | 187,610 | 193,646 |
| Intangible assets | 16,18,45 | 2,986,315 | 3,077,407 | 2,081,201 | 2,144,684 |
| Deferred tax assets | 37 | 2,268,927 | 1,959,232 | 1,581,244 | 1,365,414 |
| Other financial assets | 9,40 | 387,674 | 309,041 | 270,175 | 215,375 |
| Other non-current assets | 19,33 | 117,287 | 177,817 | 81,739 | 123,923 |
| Total non-current assets | | 40,697,030 | 35,395,193 | 28,362,276 | 24,667,359 |
| **Total assets** | | ₩ 50,406,072 | ₩ 47,012,066 | $ 35,128,631 | $ 32,763,305 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Financial Position (Continued)
## As of December 31, 2025 and 2024

| Liabilities and Equity | Notes | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|---|
| | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | | (In millions) | | (In thousands) | |
| **Current liabilities**: | | | | | |
| Trade and other payables | 20,40,41 | ₩ 2,777,306 | ₩ 2,730,521 | $ 1,935,540 | $ 1,902,935 |
| Short-term borrowings | 16,21,40,41,42 | 2,027,009 | 2,517,022 | 1,412,648 | 1,754,145 |
| Current portion of long-term borrowings | 6,16,21,40,41,42 | 1,437,526 | 2,541,419 | 1,001,830 | 1,771,147 |
| Current portion of lease obligations | 16,22,40,41,42 | 2,190,549 | 2,182,081 | 1,526,621 | 1,520,720 |
| Current portion of financial derivative liabilities | 26,40,41 | 33,439 | 35,530 | 23,304 | 24,761 |
| Current portion of provisions | 24,43 | 638,924 | 653,638 | 445,274 | 455,529 |
| Current portion of deferred revenue | 25,33 | 910,667 | 805,008 | 634,655 | 561,020 |
| Amount due to customers for contract work | 33 | 25,550 | 26,498 | 17,806 | 18,467 |
| Current tax liabilities | | 240,952 | 275,448 | 167,923 | 191,963 |
| Other financial liabilities | 27,40 | 10,370 | 13,235 | 7,227 | 9,224 |
| Other current liabilities | 28,33 | 4,789,178 | 4,777,952 | 3,337,640 | 3,329,816 |
| Liabilities held for sale | 44 | - | 415,134 | - | 289,312 |
| Total current liabilities | | 15,081,470 | 16,973,486 | 10,510,468 | 11,829,039 |
| **Non-current liabilities**: | | | | | |
| Long-term trade and other payables | 20,40,41 | 29,474 | 30,081 | 20,541 | 20,964 |
| Long-term borrowings | 6,16,21,40,41,42 | 3,277,466 | 1,819,301 | 2,284,108 | 1,267,894 |
| Debentures | 6,16,21,40,41,42 | 2,623,259 | 1,463,108 | 1,828,182 | 1,019,659 |
| Asset-backed securitization ("ABS") loans | 6,21,40,42 | 85,236 | 158,439 | 59,402 | 110,418 |
| Lease obligations | 16,22,40,41,42 | 10,847,010 | 8,744,564 | 7,559,419 | 6,094,198 |
| Net defined benefit liabilities | 23 | 2,751,992 | 2,558,853 | 1,917,898 | 1,783,297 |
| Provisions | 24,43 | 895,635 | 810,069 | 624,179 | 564,547 |
| Deferred revenue | 25,33 | 2,871,144 | 2,731,746 | 2,000,937 | 1,903,788 |
| Financial derivative liabilities | 26,40,41 | 8,001 | 7,096 | 5,576 | 4,945 |
| Deferred tax liabilities | 37 | 169,973 | 187,948 | 118,456 | 130,983 |
| Other financial liabilities | 27,40 | 63,628 | 36,943 | 44,343 | 25,746 |
| Other non-current liabilities | 28,33 | 242,686 | 527,240 | 169,132 | 367,440 |
| Total non-current liabilities | | 23,865,504 | 19,075,388 | 16,632,173 | 13,293,879 |
| **Total liabilities** | | 38,946,974 | 36,048,874 | 27,142,641 | 25,122,918 |
| **Shareholders' Equity**: | | | | | |
| Share capital | 1,29 | 1,846,657 | 1,846,657 | 1,286,959 | 1,286,959 |
| Other capital surplus | 30 | 4,144,649 | 4,145,341 | 2,888,458 | 2,888,941 |
| Other capital components | 15,32,44 | 1,013,338 | 995,332 | 706,208 | 693,659 |
| *(Directly associated with assets classified as held for sale 2025: ₩68 million, $46 thousand 2024: ₩68 million, $46 thousand)* | | | | | |
| Retained earnings | 31 | 3,949,392 | 3,485,552 | 2,752,381 | 2,429,125 |
| **Equity attributable to owners of the Parent Company** | | 10,954,036 | 10,472,882 | 7,634,006 | 7,298,684 |
| **Non-controlling interest** | 12 | 505,062 | 490,310 | 351,984 | 341,703 |
| **Total equity** | | 11,459,098 | 10,963,192 | 7,985,990 | 7,640,387 |
| **Total liabilities and equity** | | ₩ 50,406,072 | ₩ 47,012,066 | $ 35,128,631 | $ 32,763,305 |

(Concluded)

The US dollar figures are provided for information purposes only and do not form part of the consolidated financial statements. Refer to Note 2.
The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Comprehensive Income
## For the Years Ended December 31, 2025 and 2024

| | Notes | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | | (In millions of Korean won and thousands of US dollars, except for earnings per share) | | | |
| **Sales** | 4,33,41 | ₩ 25,225,542 | ₩ 17,870,718 | $ 17,580,000 | $ 12,454,330 |
| **Cost of sales** | 4,38,41 | 21,550,305 | 14,112,550 | 15,018,681 | 9,835,215 |
| **Gross profit** | | 3,675,237 | 3,758,168 | 2,561,319 | 2,619,115 |
| **Selling and administrative expenses** | 4,34,38,41 | 2,561,647 | 1,647,968 | 1,785,244 | 1,148,490 |
| **Operating income** | | 1,113,590 | 2,110,200 | 776,075 | 1,470,625 |
| Financial income | 35,41 | 431,919 | 648,343 | 301,010 | 451,838 |
| Financial expenses | 35,41 | 972,608 | 596,801 | 677,823 | 415,918 |
| Share in profit of associates | 13 | 22,398 | - | 15,609 | - |
| Other non-operating income | 36 | 1,485,291 | 915,197 | 1,035,118 | 637,812 |
| Other non-operating expenses | 36 | 1,257,113 | 1,240,763 | 876,098 | 864,703 |
| Profit before income tax expense | | 823,477 | 1,836,176 | 573,891 | 1,279,654 |
| Income tax expense | 37 | 176,204 | 454,318 | 122,799 | 316,620 |
| **Profit for the year** | | ₩ 647,273 | ₩ 1,381,858 | $ 451,092 | $ 963,034 |
| **Other comprehensive income (loss)** | | | | | |
| *Items that will not be reclassified to profit or loss* | | | | | |
| Remeasurements of net defined benefit liabilities | 23,31 | (33,019) | (174,876) | (23,011) | (121,873) |
| Gain on valuation of financial assets at FVTOCI | 32,40 | 50,649 | (29,898) | 35,298 | (20,836) |
| Revaluation surplus | 15,32 | (13,829) | (924) | (9,638) | (644) |
| *Items that may be subsequently reclassified to profit or loss* | | | | | |
| Share of other comprehensive income (loss) of associates and joint ventures, net of tax | 13 | (369) | - | (257) | - |
| Foreign currency translation adjustments, net of tax | 32 | (19,611) | 103,168 | (13,667) | 71,898 |
| **Other comprehensive income (loss) for the year, net of tax** | | (16,179) | (102,530) | (11,275) | (71,455) |
| **Total comprehensive income for the year** | | ₩ 631,094 | ₩ 1,279,328 | $ 439,817 | $ 891,579 |
| **Profit for the year attributable to:** | | | | | |
| Owners of the Parent Company | | ₩ 779,674 | ₩ 1,317,262 | $ 543,364 | $ 918,016 |
| Non-controlling interest | | (132,401) | 64,596 | (92,272) | 45,018 |
| | | ₩ 647,273 | ₩ 1,381,858 | $ 451,092 | $ 963,034 |
| **Total comprehensive income for the year attributable to:** | | | | | |
| Owners of the Parent Company | | ₩ 783,054 | ₩ 1,223,937 | $ 545,720 | $ 852,976 |
| Non-controlling interest | 12 | (151,960) | 55,391 | (105,903) | 38,603 |
| | | ₩ 631,094 | ₩ 1,279,328 | $ 439,817 | $ 891,579 |
| **Earnings per share** | 39 | | | | |
| **Earnings attributable to common shares** | | | | | |
| Basic and diluted earnings attributable to common share (in won and dollars) | | ₩ 2,133 | ₩ 3,566 | $ 1.49 | $ 2.49 |
| **Earnings attributable to preferred shares** | | | | | |
| Basic and diluted earnings attributable to preferred share (in won and dollars) | | ₩ 2,183 | ₩ 3,616 | $ 1.52 | $ 2.52 |

The US dollar figures are provided for information purposes only and do not form part of the consolidated financial statements. Refer to Note 2.

The above consolidated statements of comprehensive income (loss) should be read in conjunction with the accompanying notes.

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Changes in Equity
## For the Years Ended December 31, 2025 and 2024

| | Korean won | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Parent Company | | | | | | | |
| | | Other capital surplus | | | | | | |
| | Share capital | Additional paid-in capital | Others | Other capital components | Retained earnings | Total | Non-controlling interest | Total equity |
| | | | | | (In millions) | | | |
| **Balance at January 1, 2024** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 74,071 | ₩ 942,060 | ₩ 2,591,941 | ₩ 9,525,999 | ₩ 289,209 | ₩ 9,815,208 |
| Dividends | - | - | - | - | (277,054) | (277,054) | (1,175) | (278,229) |
| Profit for the year | - | - | - | - | 1,317,262 | 1,317,262 | 64,596 | 1,381,858 |
| Other comprehensive income (loss) | - | - | - | 72,030 | (165,355) | (93,325) | (9,205) | (102,530) |
| Business combination | - | - | - | - | - | - | 146,885 | 146,885 |
| Transfer of revaluation surplus | - | - | - | (18,758) | 18,758 | - | - | - |
| **Balance at December 31, 2024** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 74,071 | ₩ 995,332 | ₩ 3,485,552 | ₩ 10,472,882 | ₩ 490,310 | ₩ 10,963,192 |
| **Balance at January 1, 2025** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 74,071 | ₩ 995,332 | ₩ 3,485,552 | ₩ 10,472,882 | ₩ 490,310 | ₩ 10,963,192 |
| Dividends | - | - | - | - | (277,054) | (277,054) | (12,114) | (289,168) |
| Profit for the year | - | - | - | - | 779,674 | 779,674 | (132,401) | 647,273 |
| Other comprehensive income (loss) | - | - | - | 17,201 | (13,821) | 3,380 | (19,559) | (16,179) |
| Issuance of shares by subsidiary | - | - | - | - | - | - | 6,084 | 6,084 |
| Issuance of hybrid securities | - | - | - | - | - | - | 199,389 | 199,389 |
| Dividends for hybrid securities | - | - | - | - | 7,996 | 7,996 | (7,996) | - |
| Substitution related to disposal of assets held for sale | - | - | - | - | (32,150) | (32,150) | (18,160) | (50,310) |
| Transfer of revaluation surplus | - | - | - | 805 | (805) | - | - | - |
| Transaction of treasury shares in subsidiaries | - | - | (531) | - | - | (531) | (399) | (930) |
| Changes in ownership interests in subsidiaries without loss of control | - | - | (161) | - | - | (161) | (92) | (253) |
| **Balance at December 31, 2025** | ₩ 1,846,657 | ₩ 4,071,270 | ₩ 73,379 | ₩ 1,013,338 | ₩ 3,949,392 | ₩ 10,954,036 | ₩ 505,062 | ₩ 11,459,098 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Changes in Equity (Continued)
## For the Years Ended December 31, 2025 and 2024

| | Translation into US dollars (Note 2) | | | | | | |
|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Parent Company | | | | | | |
| | | Other capital surplus | | | | | |
| | Share capital | Additional paid-in capital | Others | Other capital components | Retained earnings | Total | Non-controlling interest | Total equity |
| | (In thousands) | | | | | | | |
| **Balance at January 1, 2024** | $ 1,286,959 | $ 2,837,320 | $ 51,621 | $ 656,534 | $ 1,806,357 | $ 6,638,791 | $ 201,553 | $ 6,840,344 |
| Dividends | - | - | - | - | (193,082) | (193,082) | (819) | (193,901) |
| Profit for the year | - | - | - | - | 918,016 | 918,016 | 45,018 | 963,034 |
| Other comprehensive income (loss) | - | - | - | 50,198 | (115,238) | (65,040) | (6,415) | (71,455) |
| Business combination | - | - | - | - | - | - | 102,366 | 102,366 |
| Transfer of revaluation surplus | - | - | - | (13,073) | 13,072 | (1) | - | (1) |
| **Balance at December 31, 2024** | $ 1,286,959 | $ 2,837,320 | $ 51,621 | $ 693,659 | $ 2,429,125 | $ 7,298,684 | $ 341,703 | $ 7,640,387 |
| **Balance at January 1, 2025** | $ 1,286,959 | $ 2,837,320 | $ 51,621 | $ 693,659 | $ 2,429,125 | $ 7,298,684 | $ 341,703 | $ 7,640,387 |
| Dividends | - | - | - | - | (193,082) | (193,082) | (8,442) | (201,524) |
| Profit for the year | - | - | - | - | 543,364 | 543,364 | (92,272) | 451,092 |
| Other comprehensive income (loss) | - | - | - | 11,988 | (9,632) | 2,356 | (13,631) | (11,275) |
| Issuance of shares by subsidiary | - | - | - | - | - | - | 4,240 | 4,240 |
| Issuance of hybrid securities | - | - | - | - | - | - | 138,957 | 138,957 |
| Dividends for hybrid securities | - | - | - | - | 5,573 | 5,573 | (5,573) | - |
| Substitution related to disposal of assets held for sale | - | - | - | - | (22,406) | (22,406) | (12,656) | (35,062) |
| Transfer of revaluation surplus | - | - | - | 561 | (561) | - | - | - |
| Transaction of treasury shares in subsidiaries | - | - | (371) | - | - | (371) | (278) | (649) |
| Changes in ownership interests in subsidiaries without loss of control | - | - | (112) | - | - | (112) | (64) | (176) |
| **Balance at December 31, 2025** | $ 1,286,959 | $ 2,837,320 | $ 51,138 | $ 706,208 | $ 2,752,381 | $ 7,634,006 | $ 351,984 | $ 7,985,990 |

(Concluded)

The US dollar figures are provided for information purposes only and do not form part of the consolidated financial statements. Refer to Note 2.

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Cash Flows
## For the Years Ended December 31, 2025 and 2024

| | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | (In thousands) | |
| **Cash flows from operating activities** | | | | |
| Cash generated from operations | | | | |
| Profit for the year | ₩ 647,273 | ₩ 1,381,858 | $ 451,092 | $ 963,034 |
| Adjustments to reconcile profit to net cash provided by operating activities: | | | | |
| Loss (reversal) on valuation of inventories | (8,485) | 2,255 | (5,913) | 1,572 |
| Provision for leased aircraft maintenance | 495,279 | 13,965 | 345,166 | 9,732 |
| Retirement benefit costs | 448,331 | 258,299 | 312,448 | 180,012 |
| Depreciation | 2,737,740 | 1,737,223 | 1,907,966 | 1,210,693 |
| Amortization | 117,424 | 58,807 | 81,834 | 40,983 |
| Bad debt expenses (reversal) | (552) | 387 | (385) | 270 |
| Interest expense | 806,881 | 514,159 | 562,326 | 358,324 |
| Loss on valuation of derivatives | 38,320 | 37,829 | 26,706 | 26,364 |
| Loss on derivative transactions | 127,407 | 44,813 | 88,792 | 31,231 |
| Loss on valuation of equity method | 1,682 | - | 1,172 | - |
| Loss on foreign currency translation | 340,416 | 716,298 | 237,240 | 499,197 |
| Loss on foreign currency transaction | 33,190 | 106,697 | 23,131 | 74,358 |
| Other bad debt expenses | 301 | 20,517 | 210 | 14,299 |
| Loss on disposal of property, aircraft and equipment | 126,509 | 35,426 | 88,166 | 24,689 |
| Impairment loss of property, aircraft and equipment | 2 | - | 1 | - |
| Loss on disposal of intangible assets | 389 | 128 | 271 | 89 |
| Loss on disposal of assets held for sale | 1,952 | 96 | 1,360 | 67 |
| Loss on valuation of financial assets at fair value through profit or loss ("FVTPL") | 99 | - | 69 | - |
| Loss on disposal of investment in subsidiary | 9,834 | - | 6,853 | - |
| Income tax expense | 176,204 | 454,318 | 122,799 | 316,620 |
| Other expenses | 156,644 | 44,809 | 109,167 | 31,228 |
| Interest income | (248,983) | (281,379) | (173,519) | (196,097) |
| Dividend income | (7,657) | (6,641) | (5,336) | (4,628) |
| Gain on valuation of derivatives | (24,705) | (202,046) | (17,217) | (140,808) |
| Gain on derivative transactions | (150,574) | (158,277) | (104,937) | (110,305) |
| Gain on valuation of equity method | (24,080) | - | (16,782) | - |
| Gain on foreign currency translation | (324,220) | (367,255) | (225,953) | (255,945) |
| Gain on disposal of property, aircraft and equipment | (28,054) | (8,499) | (19,551) | (5,923) |
| Gain on disposal of assets held for sale | (161,583) | (137,355) | (112,609) | (95,724) |
| Gain on valuation of financial assets at FVTPL | (18,301) | (868) | (12,754) | (605) |
| Gain on disposal of financial assets at FVTPL | - | (10,743) | - | (7,487) |
| Other income | (383,805) | (83,361) | (267,479) | (58,095) |
| | ₩ 4,237,605 | ₩ 2,789,602 | $ 2,953,242 | $ 1,944,111 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Cash Flows (Continued)
## For the Years Ended December 31, 2025 and 2024

| | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | (In thousands) | |
| Changes in assets and liabilities resulting from operations: | | | | |
| Decrease (increase) in trade receivables | ₩ 238,262 | ₩ (26,101) | $ 166,048 | $ (18,190) |
| Decrease (increase) in other receivables | (68,562) | (38,568) | (47,782) | (26,879) |
| Decrease (increase) in accrued revenues | (68,556) | (74,290) | (47,778) | (51,774) |
| Decrease (increase) in amount due from customers for contract work | (115,128) | (28,146) | (80,234) | (19,615) |
| Decrease (increase) in inventories | (173,487) | (99,316) | (120,905) | (69,215) |
| Decrease (increase) in advance payments | (507,422) | (80,045) | (353,629) | (55,784) |
| Decrease (increase) in prepaid expenses | (17,387) | (340) | (12,117) | (237) |
| Decrease (increase) in long-term advance payments | (20,513) | 23,407 | (14,296) | 16,313 |
| Increase (decrease) in trade payables | (14,643) | (64,697) | (10,205) | (45,088) |
| Increase (decrease) in non-trade payables | 10,581 | (15,070) | 7,374 | (10,502) |
| Increase (decrease) in long-term non-trade payables | 22 | 121 | 15 | 84 |
| Increase (decrease) in accrued expenses | 247,527 | 524,718 | 172,505 | 365,683 |
| Increase (decrease) in advances | (104,248) | 252,591 | (72,652) | 176,034 |
| Increase (decrease) in amount due to customers for contract work | 65,744 | 69,407 | 45,818 | 48,371 |
| Decrease (increase) in plan assets | (179) | (23,522) | (125) | (16,393) |
| Payment of severance benefit | (307,950) | (200,465) | (214,614) | (139,707) |
| Succession of defined benefit liabilities | - | 399 | - | 278 |
| Transfer of defined benefit liabilities | - | (175) | - | (122) |
| Increase (decrease) in provisions | (149,827) | 970 | (104,416) | 676 |
| Increase (decrease) in deferred revenue | 269,919 | 103,560 | 188,110 | 72,172 |
| Others | 69,834 | 87,077 | 48,668 | 60,685 |
| | (646,013) | 411,515 | (450,215) | 286,790 |
| Interest received | 311,161 | 340,913 | 216,852 | 237,587 |
| Dividends received | 61,747 | 6,641 | 43,032 | 4,628 |
| Income taxes paid | (536,582) | (371,614) | (373,951) | (258,983) |
| **Net cash provided by operating activities** | ₩ 4,075,191 | ₩ 4,558,915 | $ 2,840,052 | $ 3,177,167 |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Cash Flows (Continued)
## For the Years Ended December 31, 2025 and 2024

| | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | (In thousands) | |
| **Cash flows from investing activities** | | | | |
| Net decrease (increase) in short-term financial instruments | ₩ 1,205,479 | ₩ 1,719,306 | $ 840,114 | $ 1,198,206 |
| Net increase in long-term financial instruments | (63,563) | (10,031) | (44,298) | (6,991) |
| Increase in long-term loan | (727) | (126) | (507) | (88) |
| Decrease in long-term loan | 269 | 95 | 187 | 66 |
| Decrease in lease receivables | 58,378 | 23,795 | 40,684 | 16,583 |
| Increase in other current assets | (177) | (61) | (123) | (43) |
| Disposal of current portion of financial assets at amortized cost | 15,539 | 15 | 10,829 | 10 |
| Acquisition of financial assets at FVTPL | (70,092) | (7,350) | (48,848) | (5,122) |
| Disposal of financial assets at FVTPL | - | 11,943 | - | 8,323 |
| Acquisition of financial assets at FVTOCI | (274,212) | (208,560) | (191,102) | (145,348) |
| Acquisition of financial assets at amortized cost | (39,728) | (18,070) | (27,687) | (12,593) |
| Disposal of financial assets at amortized cost | 2,506 | 13 | 1,746 | 9 |
| Disposal of investments in subsidiaries | 24 | - | 17 | - |
| Net cash flows from business combination | - | (21,632) | - | (15,076) |
| Increase in short-term loans | (111) | (5) | (77) | (3) |
| Decrease in short-term loans | 748 | 4 | 521 | 3 |
| Disposal of property, aircraft and equipment | 133,205 | 16,407 | 92,832 | 11,434 |
| Acquisition of property, aircraft and equipment | (4,289,140) | (2,894,100) | (2,989,156) | (2,016,935) |
| Disposal of assets held for sale | 577,778 | 404,821 | 402,661 | 282,125 |
| Decrease in other non-current assets | - | 60 | - | 42 |
| Increase in other non-current assets | (16,348) | (97) | (11,393) | (68) |
| Disposal of intangible assets | 400 | - | 279 | - |
| Acquisition of intangible assets | (6,980) | (12,243) | (4,864) | (8,532) |
| Increase in financial derivatives | (776,460) | (379,918) | (541,125) | (264,770) |
| Decrease in financial derivatives | 901,243 | 520,658 | 628,088 | 362,853 |
| Decrease in guarantee deposits | 185,072 | 18,957 | 128,979 | 13,211 |
| Increase in guarantee deposits | (300,636) | (33,334) | (209,517) | (23,231) |
| Proceeds from disposal of business | 411,346 | - | 286,672 | - |
| Other cash flows from investing activities | 5,958 | (1,200) | 4,153 | (836) |
| **Net cash used in investing activities** | (2,340,229) | (870,653) | (1,630,935) | (606,771) |
| **Cash flows from financing activities** | | | | |
| Net increase in short-term borrowings | (488,448) | 37,202 | (340,406) | 25,927 |
| Repayment of current portion of long-term borrowings | (2,636,739) | (2,145,533) | (1,837,577) | (1,495,249) |
| Repayment of current portion of finance lease obligations | (2,179,684) | (1,447,875) | (1,519,049) | (1,009,042) |
| Proceeds from long-term borrowings | 2,113,719 | 1,228,053 | 1,473,078 | 855,846 |
| Proceeds from debentures | 1,968,286 | 987,382 | 1,371,723 | 688,119 |
| Dividends paid | (289,168) | (278,229) | (201,525) | (193,901) |
| Issuance of hybrid securities | 199,388 | - | 138,956 | - |
| Interest paid | (828,056) | (545,257) | (577,083) | (379,997) |
| Other cash flows from financing activities | 3,919 | 1,728 | 2,732 | 1,204 |
| **Net cash used in financing activities** | ₩ (2,136,783) | ₩ (2,162,529) | $ (1,489,151) | $ (1,507,093) |

(Continued)

## Korean Air Lines Co., Ltd. and Subsidiaries
## Consolidated Statements of Cash Flows (Continued)
## For the Years Ended December 31, 2025 and 2024

| | Korean won | | Translation into US dollars (Note 2) | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In millions) | | (In thousands) | |
| **Net increase (decrease) in cash and cash equivalents** | ₩ (401,821) | ₩ 1,525,733 | $ (280,034) | $ 1,063,303 |
| Cash and cash equivalents at the beginning of year | 2,215,625 | 622,787 | 1,544,097 | 434,028 |
| Effects of exchange rate changes on cash and cash equivalents | 56,517 | 67,105 | 39,387 | 46,766 |
| Transfer to assets held for sale | (333) | - | (232) | - |
| **Cash and cash equivalents at the end of year** | ₩ 1,869,988 | ₩ 2,215,625 | $ 1,303,218 | $ 1,544,097 |

(Concluded)

The US dollar figures are provided for information purposes only and do not form part of the consolidated financial statements. Refer to Note 2.

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

## 1. GENERAL:

Korean Air Lines Co., Ltd. (the "Company" or "Parent Company") was established on June 19, 1962, and is engaged in the business of domestic and international airline services, manufacturing of aircraft parts and maintenance of aircraft. The Company has been a publicly traded company upon listing its common shares on the Korea Exchange since 1966, and its headquarters is located at Seoul, Korea.

Total share capital of the Group as of December 31, 2025, is ₩1,846,657 million (including ₩5,554 million of preferred shares), and major shareholders of the Group are Hanjin KAL Co., Ltd. (26.13%) and its related parties (0.89%).

## 2. MATERIAL ACCOUNTING POLICIES:

### 2.1 Basis of Consolidated Financial Statements Presentation

The Company and its subsidiaries (the "Group") have prepared the consolidated financial statements in the Korean language (Hangul) in accordance with Korean International Financial Reporting Standards ("K-IFRSs"). Certain accounting principles applied by the Group that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these consolidated financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The Group maintains its accounting records and prepares its consolidated financial statements in Korean won. The United States dollar ("US dollar") amounts disclosed in the accompanying consolidated financial statements are presented solely for the convenience of the reader at the Korean won rate of 1,434.9 to the US dollar. Such translations should not be construed as representations that the Korean won amounts represent, or have been or could be converted into, US dollars at that or any other rate.

### 2.2 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with K-IFRS 1012, *Income Taxes*, and K-IFRS 1019, *Employee Benefits*, respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with K-IFRS 1105, *Non-current Assets Held for Sale and Discontinued Operations*, are measured in accordance with that Standard.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.2 Business Combination, continued

Goodwill is measured as the excess of the sum of: a) the consideration transferred, b) the amount of any non-controlling interests in the acquiree, and c) the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of: a) the consideration transferred, b) the amount of any non-controlling interests in the acquiree, and c) the fair value of the acquirer's previously held interest in the acquiree (if any); the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another K-IFRS.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

### 2.3 Investments in Associates and Joint Ventures

The results of the profit or loss and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with K-IFRS 1105. Under the equity method, an investment in an associate or a joint venture is recognized initially in the consolidated statements of financial position at cost less any impairment losses on the associate or joint venture and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income ("OCI") of the associate or joint venture.

If there is objective evidence that the Group's net investment in an associate or joint venture is impaired, the requirements of K-IFRS 1036 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with K-IFRS 1036 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

When the Group transacts with its associate or joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.4 Goodwill

Goodwill resulting from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

### 2.5 Non-Current Assets Held for Sale

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continued use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or joint venture or, a portion of an investment in an associate or joint venture, the investment, or the portion of the investment in the associate that or joint venture will be disposed of, is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.6 Revenue Recognition

1) Sales of goods and rendering of services

The Group provides passenger and cargo transportation services and provides goods and services related to aircraft development and manufacturing. Revenue from the sale of goods is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods. The Group recognizes revenue when the Group satisfies a performance obligation by transferring a promised good or service to a customer. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for the transferring promised goods or services to a customer. Variable consideration is included in the transaction price only to the extent it is probable or highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur in future periods.

2) Customer loyalty program

The Group manages its frequent-flyer program ("FFP"), "SKYPASS", a customer loyalty program that provides incentives through accrued mileage, such as free flight tickets and cabin upgrades, in addition to other benefits to its customers and alliance companies. The Group provides a material right to customers that they would not receive without purchasing goods or services.

Consequently, the Group concludes that the promise to provide discount to the customer is a performance obligation. The Group allocates the transaction price to performance obligations on a relative stand-alone selling price and expected usage rate basis. Since a stand-alone selling price is not directly observable, the Group estimates the stand-alone selling price and usage rate considering all information that is reasonably available and applies estimation methods consistently in similar circumstances according to paragraph 78 of K-IFRS 1115.

### 2.7 Leases

1) The Group as Lessor

When the Group is a lessor, leases are classified as either finance leases or operating leases and are accounted for differently. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. For an intermediate lessor, head leases and subleases are accounted for as two separate contracts and classify subleases as finance leases or operating leases in accordance with lease assets arising from head leases.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.7 Leases, continued

2) The Group as Lessee

The Group leases aircraft, offices, land, warehouses and cars, etc. Lease contracts are typically made for fixed periods of 1 year to 48 years, but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, when it is difficult to separate lease and non-lease components, the Group applies the practical expedient, which accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- The amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liability measurement also includes payments to be made during option periods if the lessee is reasonably certain to exercise their option to extend the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which do not have recent third-party financing; and
- makes adjustments specific to the lease, for example, country and security.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.7 Leases, continued

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs; and
- Estimated restoration costs.

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Although the Group elected to apply the revaluation model to its land that is presented in property, aircraft and equipment, the Group elected not to apply that revaluation model to buildings held by the Group that are presented in the right-of-use assets.

Payments associated with short-term leases of equipment and vehicles and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value lease assets comprise IT equipment and low-value office supplies, etc.

### 2.8 Foreign Currencies

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results of operations and financial position of the Group entity are expressed in Korean won, which is the functional currency of the entity and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 2.10 Employee Benefits

1) Short-term employee benefits

Short-term employee benefits payable within 12 months after the end of the reporting period in which the employees provided the related services are recognized in profit or loss when the service is rendered in exchange for the estimated future payments.

2) Other long-term employee benefits

Other long-term employee benefits that are not to be paid within 12 months after the end of the reporting period in which the employees provided the related services are discounted to their present value based on the future benefits received in exchange for services rendered during the current and prior periods. Changes in remeasurement are recognized in profit or loss in the period in which they arise.

3) Retirement benefit

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Remeasurements comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are recognized immediately in the consolidated statements of financial position with a charge or credit to the consolidated statements of comprehensive income (loss) in the period in which they occur. Remeasurements recognized in the consolidated statements of comprehensive income (loss) are recognized immediately in retained earnings and will not be reclassified to profit or loss.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.11 Taxation

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilized and they are expected to reverse in the foreseeable future.

### 2.12 Property, Aircraft and Equipment

Property, aircraft and equipment, except land, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Land shall be carried at a revalued amount, that is, its fair value at the date of the revaluation, less any subsequent accumulated impairment losses. Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Subsequent costs are recognized in the carrying amount of an asset or as a separate asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably. The carrying amount of the replaced part is derecognized. Routine maintenance and repairs are expensed as incurred.

The Group does not depreciate land and leased land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

| Category | | Useful lives (years) |
|---|---|---|
| Buildings and structures | | 30 ~ 50 |
| Machinery | | 7 ~ 20 |
| Aircraft and leased aircraft | Aircraft | 6 ~ 25 |
| | Overhaul | 3.6 ~ 12 |
| Engines and leased engines | Engines | 20 ~ 25 |
| | Overhaul | 3 ~ 10.7 |
| Aircraft parts (Repairable and rotable parts) | | 10 ~ 25 |
| Vehicles | | 5 ~ 13 |
| Other assets and other leased assets | | 3 ~ 25 |
| Leasehold improvements | | 5 ~ 11 |

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.12 Property, Aircraft and Equipment, continued

The Group reviews the depreciation method, the estimated useful lives, and residual values of property, aircraft and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

An item of property, aircraft and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized. The revaluation surplus included in equity in respect of an item of property, aircraft and equipment may be transferred directly to retained earnings when the asset is derecognized.

### 2.13 Intangible Assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives.

The Group reviews the amortization method and the estimated useful lives of intangible assets at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets with definite useful lives are amortized based on the estimated useful lives of the assets as follows:

| Category | Useful lives (years) |
|---|---|
| Facility usage rights | 10 ~ 50 |
| Software | 2 ~ 20 |
| Customer relationship | 7.5 ~ 17 |
| Other intangible assets | 3 ~ 50 |

Among the Group's intangible assets, useful life of a membership is estimated to be indefinite since the usable period is not limited in accordance with the terms of the contract and the economic benefits are expected to be continuously generated from the asset during the holding period.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.14 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of inventories is measured by the following evaluation methods:

| Inventories | Evaluation method |
|---|---|
| Merchandise | First-in, first-out |
| Work in process | Specific identification |
| Raw materials | Moving average |
| Supplies | Moving average |
| Materials in transit | Specific identification |

Cost of inventories consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during that period.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.16 Financial Assets

All regular-way purchases or sales of financial assets are recognized and derecognized on a trade-date basis. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

On initial recognition, financial assets are classified into financial assets at amortized cost, financial assets at fair value through other comprehensive income ("FVTOCI"), and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

- Debt instruments that meet the following conditions are measured subsequently at amortized cost:

  i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
  ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments that meet the following conditions are measured subsequently at FVTOCI:

  i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling
  ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Equity instruments which held for long-term investment or strategic purpose are measured subsequently at FVTOCI.

- By default, all other financial assets are measured subsequently at FVTPL.

### 2.17 Financial Liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for-trading or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

### 2.18 Derivative Financial Instruments

The Group enters into various derivative financial instruments to manage its exposure to interest rate, oil price and foreign exchange rate risks, including oil price option, interest rate swaps and cross-currency interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. When the derivative is designated and effective as a hedging instrument, the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

## 2. MATERIAL ACCOUNTING POLICIES, CONTINUED:

### 2.18 Derivative Financial Instruments, continued

A derivative with a positive fair value is recognized as a financial asset, whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the consolidated financial statements, unless the Group has both legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### 2.19 Accounting Treatment related to the Emission Rights Cap and Trade Scheme

Emission obligations that may occur with enforcement of the Act on the Allocation and Trading of Greenhouse Gas Emission Permits, are recognized when there is a high possibility that resources will be required in order to fulfill the obligation and the amount required to fulfill the obligation can be reliably estimated. Emissions obligations are recognized by estimating future expenditures required to settle the obligation for any emissions exceeding the emission permit quantities owned by the Group for the applicable year. The Group derecognizes emission obligations when the allocated allowances are submitted to the government.

### 2.20 New and amended standards not yet adopted by the Group

The amended accounting standards that have been issued but not yet effective for the annual reporting period commencing on January 1, 2025 which have not been early adopted by the Group are as follows:

- Classification and Measurement of Financial Instruments (K-IFRS 1107 *Financial Instruments: Disclosures*, K-IFRS 1109 *Financial Instruments*)
- Annual Improvement to K-IFRSs (K-IFRS 1007 *Statement of Cash Flows*, K-IFRS 1101 *First-time adoption of K-IFRS*, K-IFRS 1107 *Financial Instruments: Disclosures*, K-IFRS 1109 *Financial Instruments*, K-IFRS 1110 *Consolidated Financial Statements*)

- Issue of K-IFRS 1118 *Presentation and Disclosure in Financial Statements*

### 2.21 Approval of Consolidated Financial Statements

The accompanying consolidated financial statements were approved by the board of directors on February 4, 2026, and are subject to change with the approval of shareholders at their annual general meeting.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES:

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily identifiable from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision if the revision affects that period only or in the period of the revision and future periods if the revision affects both the current and future periods.

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

1) Impact on mileage revenue accounting

The Group has treated mileage provided to its customers as a transaction that contains complex components, and has proportionately allocated the fair value of consideration received or receivable between values of services provided and values of the mileage. The consideration allocated to the values of mileage is calculated based on the likelihood of mileage options to be exercised by customers and estimated values recognized using 'Adjusted market assessment approach.'

2) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3) Defined benefit plan

The Group's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Group's best estimates of the variables in determining the cost of providing postretirement benefits, such as discount rates, rates of expected future salary increases and mortality rates. Significant estimation uncertainty is likely to persist in making such assumptions due to the long-term nature of postretirement benefit plan. As of December 31, 2025, details of defined benefit liabilities are disclosed in Note 23 to the consolidated financial statements.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES, CONTINUED:

4) Valuation of financial instruments

As described in Note 40, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain type of financial instruments. Note 40 provides detailed information about key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

5) Income taxes

In consideration of operating performance of the Group and estimate of the future operating performance, the Group recognizes deferred tax asset in relation to unused tax loss carryforwards and tax credits. The Group's taxable income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (see Note 37).

The Group is liable to pay additional income tax calculated based on the tax laws if a certain event occurs. As the measurement of current and deferred income tax is affected by the tax effects, there is an uncertainty measuring the final tax effects.

6) Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lesses.

## 4. SEGMENT INFORMATION:

(1) The Group's segment information is prepared for the purpose of resource allocation and assessment of segment performance. The Group's reportable segments are as follows:

| Segment | Type of service |
|---|---|
| Air transport | Passenger and cargo transportation |
| Aerospace | Maintenance of aircraft and manufacture of aircraft parts |
| Hotel | Accommodation service |
| Others | IT services, aircraft engine maintenance, E-commerce and etc. |

(2) Operating results by reportable segments for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Air transport | Aerospace | Hotel | Others | Consolidation adjustments | Total |
| Total sales | ₩ 24,960,049 | ₩ 779,626 | ₩ 199,325 | ₩ 420,589 | ₩ (1,134,047) | ₩ 25,225,542 |
| Intersegment sales | (989,553) | (3) | (49,018) | (95,473) | 1,134,047 | - |
| Net sales | 23,970,496 | 779,623 | 150,307 | 325,116 | - | 25,225,542 |
| Operating income (loss) | 1,174,260 | 24,234 | (21,766) | 33,191 | (96,330) | 1,113,589 |
| Depreciation and amortization | (3,115,458) | (14,577) | (44,250) | (5,662) | 324,783 | (2,855,164) |
| Total assets | 50,122,091 | 1,858,549 | 1,625,986 | 1,217,807 | (4,418,361) | 50,406,072 |

| *(In millions of Korean won)* | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Air transport | Aerospace | Hotel | Others | Consolidation adjustments | Total |
| Total sales | ₩ 17,628,983 | ₩ 592,980 | ₩ 183,392 | ₩ 230,784 | ₩ (765,421) | ₩ 17,870,718 |
| Intersegment sales | (615,496) | (3) | (22,153) | (127,769) | 765,421 | - |
| Net sales | 17,013,487 | 592,977 | 161,239 | 103,015 | - | 17,870,718 |
| Operating income (loss) | 2,129,675 | (15,705) | (25,902) | 2,037 | 20,095 | 2,110,200 |
| Depreciation and amortization | (1,723,779) | (12,148) | (42,430) | (6,571) | (11,102) | (1,796,030) |
| Total assets | 46,698,512 | 1,510,078 | 1,682,328 | 1,045,034 | (3,923,886) | 47,012,066 |

The segment information above includes the financial information of Asiana Airlines Inc. and its subsidiaries, which have been consolidated through the business combination since the deemed acquisition date, December 31, 2024. Also, the asset amount of the air transport segment includes investments in associates and joint ventures of ₩173,023 million and ₩154,582 million as of December 31, 2025 and 2024, respectively.

## 4. SEGMENT INFORMATION, CONTINUED:

(3) Operating results by geographical area for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Local companies | | Overseas companies | | | |
| | Domestic lines and sale | International lines and export | Americas | Asia and others | Consolidation adjustments | Total |
| Total sales | ₩ 3,030,372 | ₩ 23,089,694 | ₩ 203,602 | ₩ 35,921 | ₩ (1,134,047) | ₩ 25,225,542 |
| Intersegment sales | | (1,038,826) | (60,016) | (35,205) | 1,134,047 | - |
| Net sales | | 25,081,240 | 143,586 | 716 | - | 25,225,542 |
| Operating income (loss) | | 1,233,622 | (22,551) | (1,152) | (96,330) | 1,113,589 |
| Total assets | | 53,115,650 | 1,623,814 | 84,969 | (4,418,361) | 50,406,072 |

| *(In millions of Korean won)* | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Local companies | | Overseas companies | | | |
| | Domestic lines and sale | International lines and export | Americas | Asia and others | Consolidation adjustments | Total |
| Total sales | ₩ 2,904,579 | ₩ 15,521,609 | ₩ 186,477 | ₩ 23,474 | ₩ (765,421) | ₩ 17,870,718 |
| Intersegment sales | | (709,417) | (32,628) | (23,376) | 765,421 | - |
| Net sales | | 17,716,771 | 153,849 | 98 | - | 17,870,718 |
| Operating income (loss) | | 2,114,648 | (26,402) | 1,859 | 20,095 | 2,110,200 |
| Total assets | | 49,233,731 | 1,681,014 | 21,207 | (3,923,886) | 47,012,066 |

The geographical information above includes the financial information of Asiana Airlines Inc. and its subsidiaries, which have been consolidated through the business combination since the deemed acquisition date, December 31, 2024.

(4) There is no single customer who accounted for more than 10% of the Group's revenue for the years ended December 31, 2025 and 2024.

## 5. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash on hand | ₩ 7,919 | ₩ 654 |
| Bank deposits | 1,862,069 | 2,214,971 |
| | ₩ 1,869,988 | ₩ 2,215,625 |

## 6. RESTRICTED DEPOSITS AND FINANCIAL ASSETS PROVIDED AS COLLATERAL:

Restricted deposits and financial assets provided as collateral as of December 31, 2025, consist of the following:

| *(In millions of Korean won and thousands of USD)* | | | Purpose of restrictions |
|---|---|---|---|
| Short-term financial instruments[1] | ₩ | 111,139 | Pledged for deposit of trust account for payment purposes related to asset-backed securitization ("ABS") loans, issuance of letters of credit and payment guarantee for liquidated damages for delay |
| | $ | 2,191 | Payment guarantee deposit on North America L/C and etc. |
| Financial assets at fair value | ₩ | 85,608 | Pledged for payment guarantees, pledged for issuance of foreign currency-denominated bonds, pledged for equity contributed to Korea Defense Guarantee Cooperative and others |
| Long-term financial instruments[2] | ₩ | 922 | Pledged for deposit on accident compensation to employees, pledged for cargo contract, checking account deposits and others |
| | ₩ | 197,669 | |
| | $ | 2,191 | |

[1] As of December 31, 2025, the Group classifies financial assets amounting to ₩2,170 million as short-term financial instruments for the purpose of guaranteeing repayment in relation to ABS (see Note 21).

[2] As the Group won the lawsuit regarding the return of the down payment received from HYUNDAI DEVELOPMENT COMPANY, the entire amount has been reversed and recognized as income (see Note 36).

## 7. TRADE AND OTHER RECEIVABLES:

(1) Trade and other receivables as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Trade receivables | ₩ 1,088,255 | ₩ 49 | ₩ 1,260,172 | ₩ 51 |
| Less: loss allowance | (1,350) | (1) | (3,631) | (4) |
| | 1,086,905 | 48 | 1,256,541 | 47 |
| Non-trade receivables | 120,188 | 3,018 | 116,558 | - |
| Less: loss allowance | (4,849) | (54) | (4,673) | - |
| | 115,339 | 2,964 | 111,885 | - |
| Accrued revenues | 264,746 | - | 216,149 | - |
| | ₩ 1,466,990 | ₩ 3,012 | ₩ 1,584,575 | ₩ 47 |

## 7. TRADE AND OTHER RECEIVABLES, CONTINUED:

(2) Credit risk and allowance for trade and other receivables as of December 31, 2025 and 2024, are as follows:

The credit period for the Group's sales varies by types of sales and vendors. The Group sets the loss allowance by applying the ECL model.

1) The Group's credit terms vary depending on the revenue type and customer profile. Accordingly, the Group recognizes a loss allowance for its receivables by applying the expected credit loss (ECL) model.

2) Aging analysis of trade receivables as of December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Within 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| Trade receivables | ₩ 1,087,026 | ₩ 800 | ₩ 144 | ₩ 334 | ₩ 1,088,304 |
| Loss allowance | (967) | (42) | (51) | (291) | (1,351) |
| Net balance | ₩ 1,086,059 | ₩ 758 | ₩ 93 | ₩ 43 | ₩ 1,086,953 |

| *(In millions of Korean won)* | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Within 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| Trade receivables | ₩ 1,256,508 | ₩ 1,621 | ₩ 410 | ₩ 1,684 | ₩ 1,260,223 |
| Loss allowance | (1,752) | (211) | (174) | (1,498) | (3,635) |
| Net balance | ₩ 1,254,756 | ₩ 1,410 | ₩ 236 | ₩ 186 | ₩ 1,256,588 |

## 7. TRADE AND OTHER RECEIVABLES, CONTINUED:

(2) Credit risk and allowance for trade and other receivables as of December 31, 2025 and 2024, are as follows, continued:

The credit period for the Group's sales varies by types of sales and vendors. The Group sets the loss allowance by applying the ECL model, continued.

3) Changes in loss allowance for trade receivables for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | **2025** |
|---|---|---|
| Beginning balance | ₩ | 3,635 |
| Reversal of bad debt expenses | | (552) |
| Others | | (1,732) |
| Ending balance | ₩ | 1,351 |

| *(In millions of Korean won)* | | **2024** |
|---|---|---|
| Beginning balance | ₩ | 782 |
| Bad debt expenses | | 387 |
| Others | | 2,466 |
| Ending balance | ₩ | 3,635 |

The Group considers changes in the credit rating of the trade receivables and others from the beginning of the credit offering to the end of the reporting period in determining the recoverability of the accounts receivable. The concentration of credit risk is limited, as there are a lot of vendors without interrelationships.

4) A significant change in the carrying amount of trade receivables has no effect on changes in loss allowance for the year ended December 31, 2025.

## 8. FINANCIAL ASSETS AT FAIR VALUE AND FINANCIAL ASSETS AT AMORTIZED COST:

Financial assets at fair value and financial assets at amortized cost as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Financial assets at FVTOCI: | | |
| Listed equity securities[1] | ₩ 220,284 | ₩ 157,872 |
| Unlisted equity securities | 364,041 | 82,728 |
| Non-guaranteed private bonds | 13,863 | 13,863 |
| | 598,188 | 254,463 |
| Financial assets at FVTPL: | | |
| Unlisted equity securities | 876 | 876 |
| Unlisted equity fund | 8,850 | 10,119 |
| Redeemable convertible preferred stock | 10,623 | 5,625 |
| Equity investment[2] | 17,015 | 15,496 |
| Exchangeable bond | 83,045 | - |
| Hybrid securities | - | 4,739 |
| | 120,409 | 36,855 |
| Financial assets at amortized cost: | | |
| Held-to-maturity bonds | 58,194 | 20,632 |
| | 58,194 | 20,632 |
| | ₩ 776,791 | ₩ 311,950 |

[1] As of December 31, 2025, listed equity securities amounting to ₩68,889 million are pledged as collateral for foreign currency-denominated bonds (see Note 6).

[2] As of December 31, 2025, equity investment amounting to ₩16,719 million is pledged to the Korea Defense Guarantee Cooperative as collateral for performance guarantee (see Note 6).

## 9. OTHER FINANCIAL ASSETS:

(1) Other financial assets as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Guarantee deposits and others | ₩ 58,416 | ₩ 381,093 | ₩ 38,689 | ₩ 301,249 |
| Loan | 2,394 | 6,581 | 1,326 | 7,792 |
| | ₩ 60,810 | ₩ 387,674 | ₩ 40,015 | ₩ 309,041 |

(2) There are no other financial assets overdue or impaired for the years ended December 31, 2025 and 2024.

## 10. INVENTORIES:

Inventories as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Acquisition cost | Valuation allowance | Book value | Acquisition cost | Valuation allowance | Book value |
| Merchandise | ₩ 19,484 | ₩ - | ₩ 19,484 | ₩ 17,3( | ₩ | ₩ 17,362 |
| Work in progress | 462,530 | (4,959) | 457,571 | 338,15: | (8,5( | 329,643 |
| Finished goods | 8,942 | - | 8,942 | 6,9 | ( | 6,556 |
| Raw materials | 177,928 | - | 177,928 | 132,23' | | 132,237 |
| Supplies | 748,470 | (6,817) | 741,653 | 662,05: | (11,36( | 650,692 |
| Materials in transit | 43,341 | - | 43,341 | 34,2( | | 34,203 |
| | ₩ 1,460,695 | ₩ (11,776) | ₩ 1,448,919 | ₩ 1,190,954 | ₩ (20,261 | ₩ 1,170,693 |

The Group recognized reversal of loss on valuation of inventories amounting to ₩8,485 million (2024: loss on valuation of inventories of ₩2,255 million) for the year ended December 31, 2025.

## 11. LEASE RECEIVABLES:

(1) The Group has offered the leases of the aircraft and others, and the minimum lease payments and present value of the leases as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Within 1 year | ₩ 106,322 | ₩ 34,536 |
| 1 year to 5 years | 546,015 | 334,648 |
| More than 5 years | 299,891 | 86,729 |
| | 952,228 | 455,913 |
| Discount on present value | (167,935) | (58,831) |
| | 784,293 | 397,082 |
| Less: current portion of lease receivables | (95,462) | (34,733) |
| | ₩ 688,831 | ₩ 362,349 |

(2) Lease receivables are not impaired for the years ended December 31, 2025 and 2024.

## 12. SUBSIDIARIES:

(1) Subsidiaries as of December 31, 2025 and 2024, consist of the following:

| | Principal business | Location | Ownership of the Group | | Closing month |
|---|---|---|---|---|---|
| | | | December 31, 2025 | December 31, 2024 | |
| Asiana Airlines, Inc.[5] | Airline Services | Korea | 63.88% | 63.88% | Dec |
| Jin Air Co., Ltd. | Airline Services | Korea | 54.91% | 54.91% | Dec |
| Air Busan Co., Ltd.[3,5] | Airline Services | Korea | 41.91% | 41.91% | Dec |
| Korea Airport Service Co., Ltd. | Airport support service | Korea | 59.54% | 59.54% | Dec |
| Asiana IDT, Inc.[5] | IT services | Korea | 76.22% | 76.22% | Dec |
| Hanjin Information Systems & Telecommunication Co., Ltd. | Software development and supply | Korea | 99.35% | 99.35% | Dec |
| Incheon Aviation Tech Co., Ltd. (“IAT”) | Aircraft engine repair service | Korea | 100.00% | 100.00% | Dec |
| Air Total Service Co., Ltd. | Hotel management service | Korea | 100.00% | 100.00% | Dec |
| Wangsan Leisure Development Co., Ltd. (“WLD”)[2] | Sports and leisure service | Korea | 100.00% | 100.00% | Dec |
| Korea Global Logistics System Co., Ltd. | Cargo information network service | Korea | 95.00% | 95.00% | Dec |
| Cyber Sky Co., Ltd. | Online sales | Korea | 100.00% | 100.00% | Dec |
| K-Aviation Co., Ltd. | Small aircraft transport service | Korea | 100.00% | 100.00% | Dec |
| Air Korea Co., Ltd. | Airport support service | Korea | 100.00% | 100.00% | Dec |
| K-Way Property Co., Ltd.[2] | Facilities support management services | Korea | 100.00% | - | Dec |
| Asiana Sabre, Inc.[5] | Reservation service | Korea | 80.00% | 80.00% | Dec |
| Asiana Airport, Inc.[4,5] | Other airport support service | Korea | 100.00% | 100.00% | Dec |
| Air Seoul, Inc.[5] | Airline Services | Korea | 100.00% | 100.00% | Dec |
| Asiana T&I Incorporation[5] | Other financial business | Korea | 80.00% | 80.00% | Dec |
| KVI Incorporation.[5,7] | Other financial business | Korea | 100.00% | 100.00% | Dec |
| Hanjin Int'l Corp.[2] | Hotel and rental service | USA | 100.00% | 100.00% | Dec |
| TAS | Supply labors | USA | 100.00% | 100.00% | Dec |
| Hanjin International F&B LLC [2] | Food and beverage services | USA | 100.00% | - | Dec |
| Hanjin Int'l Japan Co., Ltd | Airport support service | Japan | 75.00% | 75.00% | Dec |
| Korean Air Investment Japan Co., Ltd.[2] | Investment and rental service | Japan | 100.00% | 100.00% | Dec |

## 12. SUBSIDIARIES, CONTINUED:

(1) Subsidiaries as of December 31, 2025 and 2024, consist of the following, continued:

| | | | Ownership of the Group | | |
|---|---|---|---|---|---|
| | Principal business | Location | December 31, 2025 | December 31, 2024 | Closing month |
| Korean Air Airport Service Co., Ltd.[2] | Airport support service | Japan | 65.00% | 65.00% | Dec |
| Korean Air Technics Japan Co., Ltd. [2] | Line maintenance services | Japan | 100.00% | - | Dec |
| Korean Air Investment Singapore Pte, Ltd. [2] | Investment business in Southeast Asia | Singapore | 100.00% | - | Dec |
| Hanjin Central Asia LLC.[6] | Hotel business | Uzbekistan | - | 100.00% | Dec |
| Asiana Staff Service, Inc.[5] | Other airport support service | Japan | 100.00% | 100.00% | Dec |
| KAL 25 Asset Securitization Specialty Company[6] | Issuance and repayment of ABS loans | Korea | - | 0.50% | Dec |
| KAL 26 Asset Securitization Specialty Company[6] | Issuance and repayment of ABS loans | Korea | - | 0.50% | Dec |
| KAL 27 Asset Securitization Specialty Company[6] | Issuance and repayment of ABS loans | Korea | - | 0.50% | Dec |
| KAL 28 Asset Securitization Specialty Company[6] | Issuance and repayment of ABS loans | Korea | - | 0.50% | Dec |
| Saekdongie 26th Asset Securitization Specialty Co., Ltd.[1,5] | Issuance and repayment of ABS loans | Korea | 0.50% | 0.50% | Dec |

[1] The Group classified KAL Asset Securitization Specialty Companies as investments in subsidiaries because the Group controls an investee when it has the power over the investee, and is exposed, or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

[2] New or additional investments were made for the years ended December 31, 2025 and 2024.

[3] Although the Group owns less than half of the voting power for Air Busan Co., Ltd., management has determined that Group controls Air Busan Co., Ltd. since the Parent Company can exercise de facto control in accordance with the shareholders' agreement.

[4] As of December 31, 2025, the above investment in subsidiary is pledged as collateral (see Note 16).

[5] As of the acquisition of Asiana Airlines, Inc., it was included in the consolidated financial statements for the year ended December 31, 2024.

[6] The subsidiary has been liquidated as of December 31, 2025.

[7] It is classified as assets held for sale as of December 31, 2025.

**12. SUBSIDIARIES, CONTINUED:**

(2) Financial information of the Group's major subsidiaries as of December 31, 2025, is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.[1]** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Current assets | ₩ 1,672,688 | ₩ 625,625 | ₩ 173,708 |
| Non-current assets | 10,514,926 | 548,550 | 329,371 |
| Total assets | 12,187,614 | 1,174,175 | 503,079 |
| Current liabilities | 4,367,996 | 555,812 | 61,780 |
| Non-current liabilities | 6,990,638 | 393,926 | 47,493 |
| Total liabilities | 11,358,634 | 949,738 | 109,273 |
| Total shareholders' equity | ₩ 828,980 | ₩ 224,437 | ₩ 393,806 |

[1] The financial information of Asiana Airlines, Inc. is included in its consolidated financial statements.

The above financial information is presented before the elimination of internal transactions.

(3) Financial performance information of the Group's major subsidiaries for the year ended December 31, 2025, is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.[1]** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Sales | ₩ 7,266,850 | ₩ 1,381,081 | ₩ 586,547 |
| Operating income | (345,190) | (19,158) | 41,811 |
| Profit for the year | (292,501) | (9,755) | 35,445 |
| Other comprehensive income (loss) | (51,906) | 2,939 | (1,427) |
| Total comprehensive income (loss) | (344,407) | (6,816) | 34,018 |

[1] The financial information of Asiana Airlines, Inc. is included in its consolidated financial statements.

The above financial performance information is presented before the elimination of internal transactions

**12. SUBSIDIARIES, CONTINUED:**

(4) Cash flow information of the Group's major subsidiaries for the year ended December 31, 2025, is as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.[1]** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Cash flows from operating activities | ₩ 136,976 | ₩ 79,808 | ₩ 14,603 |
| Cash flows from investing activities | 381,061 | (28,314) | 12,779 |
| Cash flows from financing activities | (506,490) | (144,046) | (14,042) |
| Net changes in cash and cash equivalents | 11,547 | (92,552) | 13,340 |
| Effects of exchange rate changes | (1,545) | 488 | (20) |
| Reclassification to assets held for sale | (333) | - | - |
| Beginning balance | 778,368 | 134,554 | 58,276 |
| Ending balance | ₩ 788,037 | ₩ 42,490 | ₩ 71,596 |

[1] The financial information of Asiana Airlines, Inc. is included in its consolidated financial statements.

The above cash flow information is presented before the elimination of internal transactions.

(5) The ownership interest held by non-controlling interests and details of financial position, results of operation and dividends vested in non-controlling interests by each of the major subsidiaries as of and for the year ended December 31, 2025, are as follows:

| *(In millions of Korean won)* | **Asiana Airlines, Inc.** | **Jin Air Co., Ltd.** | **Korea Airport Service Co., Ltd.** |
|---|---|---|---|
| Ownership interest held by non-controlling interests[1] | 36.10% | 44.38% | 38.36% |
| Cumulative non-controlling interests | ₩ 164,802 | ₩ 171,743 | ₩ 147,148 |
| Net income vested in non-controlling interests | (122,692) | (24,766) | 13,593 |
| Dividends paid to non-controlling interests | 10,919 | - | 1,173 |

[1] The ownership interest held by non-controlling interests represents the effective ownership interest, which is calculated based on the number of outstanding shares excluding treasury stock, and it may differ from the aggregated total, less the effective ownership interest held by the Group.

## 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES:

(1) Investments in associates and joint ventures as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | | | December 31, 2025 | | | |
|---|---|---|---|---|---|---|
| **Description** | **Principal business** | **Location** | **Ownership (%)** | **Acquisition cost** | **Book value** | **Closing month** |
| Korean Air C&D Co., Ltd.[1,2] | In-flight catering and duty-free business | Korea | 20.00 | ₩ 122,966 | ₩ - | Dec |
| LSG Skychefskorea Co., Ltd.[1,3] | Airline catering | Korea | 20.00 | 8,638 | - | Dec |
| Asiana Philippines GSA, Inc.[3] | Other airport support service | Philippines | 50.00 | 133 | 501 | Dec |
| Gate Gourmet Korea Co., Ltd.[3] | Airline catering | Korea | 40.00 | 85,756 | 172,522 | Dec |
| Kumho Samco Buslines Co., Ltd.[3,4] | Bus transportation | Vietnam | - | - | - | Dec |
| Kumho Viet Thanh Buslines Co., Ltd.[3,4] | Bus transportation | Vietnam | - | - | - | Dec |
| | | | | ₩ 217,493 | ₩ 173,023 | |

## 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:

(1) Investments in associates and joint ventures as of December 31, 2025 and 2024, consist of the following, continued:

*(In millions of Korean won)* **December 31, 2024**

| Description | Principal business | Location | Ownership (%) | Acquisition cost | Book value | Closing month |
|---|---|---|---|---|---|---|
| Korean Air C&D Co., Ltd.[1,2] | In-flight catering and duty-free business | Korea | 20.00 | ₩ 122,966 | ₩ - | Dec |
| LSG Skychefskorea Co., Ltd.[1,3] | Airline catering | Korea | 20.00 | 8,638 | - | Dec |
| Asiana Philippines GSA, Inc.[3] | Other airport support service | Philippines | 50.00 | 133 | 426 | Dec |
| Gate Gourmet Korea Co., Ltd.[3] | Airline catering | Korea | 40.00 | 85,756 | 150,444 | Dec |
| Kumho Samco Buslines Co., Ltd.[3,4] | Bus transportation | Vietnam | 49.00 | 9,458 | 1,942 | Dec |
| Kumho Viet Thanh Buslines Co., Ltd.[3,4] | Bus transportation | Vietnam | 49.00 | 7,721 | 1,770 | Dec |
| | | | | ₩ 234,672 | ₩ 154,582 | |

[1] The Group's interest was reduced to zero due to the elimination of unrealized gains or losses resulting from intragroup transactions. As of December 31, 2025, gain on valuation of equity method is not recognized until all the cumulative unrecognized losses are eliminated.

[2] The Group provides the above investments in associate as collateral for borrowings of Korean Air C&D Co., Ltd. (see Note 16).

[3] It was included in the Group's investments in associates and joint ventures due to the acquisition of shares in Asiana Airlines, Inc. for the year ended December 31, 2024.

[4] It is classified as assets held for sale as of December 31, 2025 (see Note 44).

## 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:

(2) Changes in investments in associates and joint ventures for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | **Beginning balance** | **Loss on valuation of equity method** | **Net changes in interests of equity method** | **Others[3]** | **Ending balance** |
| Korean Air C&D Co., Ltd.[1] | ₩ - | ₩ - | ₩ - | ₩ - | ₩ - |
| LSG Skychefskorea Co., Ltd. [1] | - | - | - | - | - |
| Asiana Philippines GSA, Inc. | 426 | 94 | (19) | - | 501 |
| Gate Gourmet Korea Co., Ltd. | 150,444 | 22,078 | - | - | 172,522 |
| Kumho Samco Buslines Co., Ltd.[2] | 1,942 | (114) | (289) | (1,539) | - |
| Kumho Viet Thanh Buslines Co., Ltd.[2] | 1,770 | 340 | (66) | (2,044) | - |
| | ₩ 154,582 | ₩ 22,398 | ₩ (374) | ₩ (3,583) | ₩ 173,023 |

[1] The Group recognized dividends of ₩54,000 million received as other non-operating income while the application of the equity method was suspended and included this amount in the cumulative unrecognized equity method gains or losses.

[2] It was classified as assets held for sale during the year ended December 31, 2025 (see Note 44).

[3] Impairment losses on investments in associates and joint ventures of ₩ 2,912 million are included.

## 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:

(2) Changes in investments in associates and joint ventures for the years ended December 31, 2025 and 2024, are as follows, continued:

| *(In millions of Korean won)* | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | **Beginning balance** | **Acquisition in a business combination[1]** | **Loss on valuation of equity method** | **Net changes in interests of equity method** | **Others** | **Ending balance** |
| Korean Air C&D Co., Ltd. | ₩ - | ₩ - | ₩ - | ₩ - | ₩ - | ₩ - |
| LSG Skychefskorea Co., Ltd. | - | - | - | - | - | - |
| Asiana Philippines GSA, Inc. | - | 426 | - | - | - | 426 |
| Gate Gourmet Korea Co., Ltd. | - | 150,444 | - | - | - | 150,444 |
| Kumho Samco Buslines Co., Ltd. | - | 1,942 | - | - | - | 1,942 |
| Kumho Viet Thanh Buslines Co., Ltd. | - | 1,770 | - | - | - | 1,770 |
| | ₩ - | ₩ 154,582 | ₩ - | ₩ - | ₩ - | ₩ 154,582 |

[1] It was included in the Group's investments in associates and joint ventures due to the acquisition of shares in Asiana Airlines, Inc. for the year ended December 31, 2024.

**13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:**

(3) The reconciliation between the financial information of associates and joint ventures and the carrying amount of the Group's interest as of December 31, 2025 and 2024 is as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | **Net assets** | **Ownership interest** | **Group's interest in net assets** | **Adjustments** | **Others** | **Ending balance** |
| Korean Air C&D Co., Ltd. | ₩ 350,986 | 20% | ₩ 70,197 | ₩ - | ₩ (70,197) | ₩ - |
| LSG Skychefskorea Co., Ltd. | 18,384 | 20% | 3,677 | - | (3,677) | - |
| Asiana Philippines GSA, Inc. | 1,002 | 50% | 501 | - | - | 501 |
| Gate Gourmet Korea Co., Ltd. | 285,878 | 40% | 114,347 | 58,175 | - | 172,522 |
| Kumho Samco Buslines Co., Ltd.[1] | - | - | - | - | - | - |
| Kumho Viet Thanh Buslines Co., Ltd.[1] | - | - | - | - | - | - |
| | | | | | | ₩ 173,023 |

[1] It is classified as assets held for sale as of December 31, 2025 (see Note 44).

**13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:**

(3) The reconciliation between the financial information of associates and joint ventures and the carrying amount of the Group's interest as of December 31, 2025 and 2024 is as follows, continued:

| *(In millions of Korean won)* | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | **Net assets** | **Ownership interest** | **Group's interest in net assets** | **Adjustments** | **Others** | **Ending balance** |
| Korean Air C&D Co., Ltd. | ₩ 575,950 | 20% | ₩ 115,190 | ₩ - | ₩ (115,190) | ₩ - |
| LSG Skychefskorea Co., Ltd.[1] | 45,378 | 20% | 9,076 | - | (9,076) | - |
| Asiana Philippines GSA, Inc.[1] | 852 | 50% | 426 | - | - | 426 |
| Gate Gourmet Korea Co., Ltd.[1] | 229,599 | 40% | 91,836 | 58,608 | - | 150,444 |
| Kumho Samco Buslines Co., Ltd.[1] | 10,974 | 49% | 5,377 | - | (3,435) | 1,942 |
| Kumho Viet Thanh Buslines Co., Ltd.[1] | 2,500 | 49% | 1,225 | 545 | - | 1,770 |
| | | | | | | ₩ 154,582 |

[1] It was included in the Group's investments in associates and joint ventures due to the acquisition of shares in Asiana Airlines, Inc. for the year ended December 31, 2024.

**13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:**

(4) Financial information of the Group's investments in associates and joint ventures as of December 31, 2025, is as follows:

| *(In millions of Korean won)* | **Korean Air C&D Co., Ltd.** | **LSG Skychefskorea Co., Ltd.** | **Asiana Philippines GSA, Inc.** | **Gate Gourmet Korea Co., Ltd.** |
|---|---|---|---|---|
| Current assets | ₩ 196,683 | ₩ 21,598 | ₩ 1,859 | ₩ 240,127 |
| Non-current assets | 1,045,343 | 31,366 | 14 | 100,689 |
| Total assets | 1,242,026 | 52,964 | 1,873 | 340,816 |
| Current liabilities | 97,394 | 14,114 | 834 | 26,086 |
| Non-current liabilities | 793,646 | 20,466 | 37 | 28,852 |
| Total liabilities | 891,040 | 34,580 | 871 | 54,938 |
| Total shareholders' equity | 350,986 | 18,384 | 1,002 | 285,878 |
| Sales | 656,593 | 68,598 | 1,180 | 199,458 |
| Operating income | 94,925 | 3,003 | 277 | 59,118 |
| Profit for the year | 15,986 | 2,933 | 291 | 48,889 |
| Other comprehensive income (loss) | 154 | - | - | - |
| Total comprehensive income | ₩ 16,140 | ₩ 2,933 | ₩ 291 | ₩ 48,889 |

## 13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES, CONTINUED:

(5) The cumulative changes in the Group's equity in net asset value of the associates not recognized due to the respective book value of the investment account balance being zero as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | Losses on valuation of equity method | Others[1] | Cumulative losses not recognized |
| Korean Air C&D Co., Ltd. | ₩ 6,379 | ₩ (47,969) | ₩ (96,790) |
| LSG Skychefskorea Co., Ltd | 601 | (6,000) | (10,348) |

[1] It includes the effects of dividends received in excess of the carrying amount.

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | Losses on valuation of equity method | Others | Cumulative losses not recognized |
| Korean Air C&D Co., Ltd. | ₩ 10,080 | ₩ (728) | ₩ (55,200) |
| LSG Skychefskorea Co., Ltd[1] | 1,014 | - | (4,949) |

[1] The financial information prior to the inclusion of Asiana Airlines, Inc. as a subsidiary is included.

## 14. INTERESTS IN JOINT OPERATIONS:

The Group owns a joint investment building, which has the material joint arrangement. Under the joint arrangement, the Group has 70% ownership of Inha International Medical Center building located in Incheon, Korea, and is entitled to a proportionate share of the rental income received and bears a proportionate share of the joint operation's expenses.

## 15. PROPERTY, AIRCRAFT AND EQUIPMENT:

(1) Changes in property, aircraft and equipment for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | **Beginning balance** | **Acquisition or transfer[1]** | **Disposal** | **Depreciation** | **Others[2]** | **Ending balance** |
| Land | ₩ 2,961,451 | ₩ 287,352 | ₩ (5,323) | ₩ - | ₩ (4,109) | ₩ 3,239,371 |
| Buildings | 1,416,413 | 72,504 | (4,190) | (58,950) | (21,286) | 1,404,491 |
| Structures | 74,003 | 4,277 | (63) | (4,863) | (136) | 73,218 |
| Machinery | 144,397 | 25,602 | (251) | (17,310) | (657) | 151,781 |
| Aircraft and engines | 6,030,134 | 2,035,509 | (104,422) | (773,559) | (239,320) | 6,948,342 |
| Aircraft parts | 2,048,791 | 893,237 | (114,575) | (298,117) | 5,581 | 2,534,917 |
| Others | 371,876 | 317,128 | (12,658) | (80,931) | (193,066) | 402,349 |
| Construction in progress | 2,494,158 | 1,179,131 | (519) | - | (26,140) | 3,646,630 |
| Right-of-use asset-aircraft | 12,463,164 | 3,043,800 | (148,224) | (1,361,415) | (67,995) | 13,929,330 |
| Right-of-use asset-others | 370,104 | 512,208 | (127,937) | (135,742) | (5,421) | 613,212 |
| | ₩ 28,374,491 | ₩ 8,370,748 | ₩ (518,162) | ₩ (2,730,887) | ₩ (552,549) | ₩ 32,943,641 |

[1] The acquisition of construction in progress amounted to ₩3,562,200 million, and construction in progress amounting to ₩2,383,069 million was transferred to property, aircraft and equipment for the year ended December 31, 2025.

[2] It consists of reclassifications of capitalized borrowing costs, transfer of lease receivables and effects of changes in foreign exchange rates.

**15. PROPERTY, AIRCRAFT AND EQUIPMENT, CONTINUED:**

(1) Changes in property, aircraft and equipment for the years ended December 31, 2025 and 2024, are as follows, continued:

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning balance | Acquisition or transfer[1] | Acquisition in a business combination[3] | Disposal | Depreciation | Others[2] | Ending balance |
| Land | ₩ 2,809,443 | ₩ 1,392 | ₩ 164,605 | ₩ - | ₩ - | ₩ (13,989) | ₩ 2,961,451 |
| Buildings | 1,108,037 | 6,495 | 253,239 | (148) | (45,893) | 94,683 | 1,416,413 |
| Structures | 64,396 | 9,215 | 4,926 | - | (4,534) | - | 74,003 |
| Machinery | 104,415 | 10,194 | 39,580 | (57) | (9,735) | - | 144,397 |
| Aircraft and engines | 4,368,121 | 648,876 | 920,345 | - | (531,522) | 624,314 | 6,030,134 |
| Aircraft parts | 1,414,220 | 664,700 | 240,114 | (79,603) | (218,870) | 28,230 | 2,048,791 |
| Others | 140,584 | 72,491 | 201,723 | (6,568) | (36,135) | (219) | 371,876 |
| Construction in progress | 983,307 | 1,090,304 | 444,188 | - | - | (23,641) | 2,494,158 |
| Right-of-use asset-aircraft | 6,926,922 | 2,785,288 | 5,253,723 | (6,536) | (801,307) | (1,694,926) | 12,463,164 |
| Right-of-use asset-others | 255,441 | 115,785 | 168,190 | (87,753) | (82,637) | 1,078 | 370,104 |
| | ₩ 18,174,886 | ₩ 5,404,740 | ₩ 7,690,633 | ₩ (180,665) | ₩ (1,730,633) | ₩ (984,470) | ₩ 28,374,491 |

[1] The acquisition of construction in progress amounted to ₩3,419,479 million, and construction in progress amounting to ₩2,329,175 million was transferred to property, aircraft and equipment for the year ended December 31, 2024.

[2] Other increase or decrease was mainly due to ₩881,123 million for replacement of assets held for sale, capitalized borrowing costs, reclassification under transfer of ownership agreement and others (see Note 44).

[3] It is due to the acquisition of equity in Asiana Airlines, Inc. for the year ended December 31, 2024 (See Note 45).

(2) The Group capitalized borrowing costs of ₩94,071 million as part of the cost of construction in progress for the year ended December 31, 2025, and the specific borrowing capitalization rate and general borrowing capitalization rate used to calculate borrowing costs are between 3.27% and 6.44%.

**15. PROPERTY, AIRCRAFT AND EQUIPMENT, CONTINUED:**

(3) The Group has been applying revaluation model to land. Land was revalued on December 31, 2022, by an external independent valuation specialist. The revaluation was conducted based on 'Standard Public Land Price Evaluation Method'. The carrying amount of land using revaluation model and historical cost model as of December 31, 2025, is as follows:

| *(In millions of Korean won)* | December 31, 2025 | |
|---|---|---|
| | **Revaluation model** | **Historical cost model** |
| Land | ₩ 3,239,371 | ₩ 1,954,198 |

The Group has recognized accumulated revaluation surplus of ₩1,304,501 million, before income tax, and has recognized accumulated revaluation loss of ₩19,328 million until December 31, 2025.

(4) Fair value measurements of land by fair value hierarchy as of December 31, 2025, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Land | ₩ - | ₩ - | ₩ 3,239,371 | ₩ 3,239,371 |

(5) There have been no changes between Levels for the year ended December 31, 2025.

## 16. PLEDGED ASSETS AND GUARANTEES (NON-FINANCIAL ASSETS):

(1) As of December 31, 2025, non-financial assets provided as collateral are as follows:

| *(In millions of Korean won, except number of shares)* | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Book value | Collateralized amount[6] | Number of shares | Guarantee | Description |
| Land and buildings, etc.[1] | ₩ 2,252,097 | ₩ 2,569,746 | - | | Collateral for short-term and long-term borrowings, including export growth loan |
| Aircraft and machinery[2] | 2,723,910 | 3,615,772 | - | Korea Development Bank ("KDB") and others | |
| Facility usage rights | 15,780 | 72,000 | - | | |
| Investments in associates[3] | - | - | 1,252,586 shares | NH Investment & Securities Co., Ltd. and others | Collateral for borrowings of Korean Air C&D Co., Ltd. |
| Aircraft[4] | 254,113 | 82,986 | - | KDB | Payment guarantees in foreign currency and others |
| Land and buildings[4] | 443-83 Ojeong-ro Gangseogu Seoul and others 202,095 | 325,340 | - | KDB, Woori Bank[5] | Payment guarantees in foreign currency and others |
| Land and buildings[4] | Air Busan Headquarters 53,997 | 48,007 | - | Busan Bank Co., Ltd. | Payment guarantees in foreign currency |
| | ₩ 5,501,992 | | | | |

[1] The carrying value of land and buildings provided as collateral consists of property, aircraft and equipment and investment properties.

[2] The carrying value of aircraft and machinery provided as collateral consists of property, aircraft and equipment and lease receivables.

[3] The investments in associate – Korean Air C&D Co., Ltd. are pledged as collateral for its borrowings. The investments in subsidiaries provided as collateral are part of the Group. Additionally, the investments in associates provided as collateral have no separate carrying value in the consolidated financial statements due to the suspension of the application of the equity method (see Note 13).

[4] When collateral limit ratio is not met in relation to the above secured borrowings, additional collateral should be provided, or a partial early repayment of the borrowings should be made.

[5] The assets are pledged as second-ranking as collateral to Woori Bank.

[6] The amounts are presented at undiscounted nominal values, and collateralized amounts in foreign currency were converted into Korean won using the exchange rate as of the end of the current period.

(2) The Group has provided right-of-use asset (leased aircraft) as collateral to the lessors for the lease obligations.

(3) The Group provides 600,000 shares (amount of investee′s net assets: ₩39,051 million) of equity securities of Asiana Airport, Inc. as collateral to Woori Bank. A total of ₩172,188 million is pledged as collateral, including the said shares along with certain land and buildings, and a first-priority lien has been established on the shares.

## 17. INVESTMENTS IN PROPERTIES:

(1) Changes in the carrying amounts of investments in properties for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | Beginning balance | Depreciation | Others[1] | Ending balance |
| Land | ₩ 77,399 | ₩ - | ₩ (8) | ₩ 77,391 |
| Buildings | 200,464 | (6,851) | (1,803) | 191,810 |
| | ₩ 277,863 | ₩ (6,851) | ₩ (1,811) | ₩ 269,201 |

[1] Other increase or decrease was mainly due to the transfer between property, aircraft and equipment and investments in properties and foreign currency translation adjustments.

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Beginning balance | Depreciation | Others[1] | Ending balance |
| Land | ₩ 75,008 | ₩ - | ₩ 2,391 | ₩ 77,399 |
| Buildings | 185,741 | (6,592) | 21,315 | 200,464 |
| | ₩ 260,749 | ₩ (6,592) | ₩ 23,706 | ₩ 277,863 |

[1] Other increase or decrease was mainly due to the transfer between property, aircraft and equipment and investments in properties and foreign currency translation adjustments.

(2) Revenue related to investments in properties was ₩26,872 million and ₩24,627 million for the years ended December 31, 2025 and 2024, respectively.

## 17. INVESTMENTS IN PROPERTIES, CONTINUED:

(3) Fair value of investments in properties as of December 31, 2025, is as follows:

| *(In millions of Korean won)* | December 31, 2025 | |
|---|---|---|
| | Book value | Fair value |
| Land and buildings | ₩ 269,201 | ₩ 393,935 |

(4) Fair value measurements of investments in properties by fair value hierarchy levels as of December 31, 2025, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Land and buildings | ₩ - | ₩ - | ₩ 393,935 | ₩ 393,935 |

(5) There are no changes between Levels for the year ended December 31, 2025.

## 18. INTANGIBLE ASSETS:

(1) Changes in the carrying amount of intangible assets for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning balance | Acquisition | Disposal | Amortiza-tion | Others[1] | Ending balance |
| Goodwill | ₩ 1,839,690 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ 1,839,690 |
| Facility usage rights | 20,930 | - | - | (4,147) | - | 16,783 |
| Software | 192,723 | 6,891 | (469) | (35,515) | 20,184 | 183,814 |
| Other intangibles | 1,024,064 | 126 | (321) | (77,762) | (79) | 946,028 |
| | ₩ 3,077,407 | ₩ 7,017 | ₩ (790) | ₩ (117,424) | ₩ 20,105 | ₩ 2,986,315 |

[1] Other increase or decrease was due to the transfer of construction in progress to intangible assets, foreign currency translation adjustment and others.

**18. INTANGIBLE ASSETS, CONTINUED:**

(1) Changes in the carrying amount of intangible assets for the years ended December 31, 2025 and 2024, are as follows, continued:

| *(In millions of Korean won)* | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Beginning balance** | **Acquisition** | **Acquisition in a business combination[1]** | **Disposal** | **Amortiza -tion** | **Others[2]** | **Ending balance** |
| Goodwill | ₩ 439,977 | ₩ - | ₩ 1,399,713 | ₩ - | ₩ - | ₩ - | ₩ 1,839,690 |
| Facility usage rights | 25,077 | - | - | - | (4,147) | - | 20,930 |
| Software | 183,141 | 2,351 | 22,442 | (127) | (27,450) | 12,366 | 192,723 |
| Other intangibles | 175,991 | 10,052 | 866,601 | (1) | (27,210) | (1,369) | 1,024,064 |
| | ₩ 824,186 | ₩ 12,403 | ₩ 2,288,756 | ₩ (128) | ₩ (58,807) | ₩ 10,997 | ₩ 3,077,407 |

[1] It is due to the acquisition of equity in Asiana Airlines, Inc. for the year ended December 31, 2024 (see Note 45).

[2] Other increase or decrease was due to the transfer of construction in progress to intangible assets, foreign currency translation adjustment and others.

(2) Impairment test of Goodwill

As of December 31, 2025 and 2024, the details of goodwill allocated to the cash-generating units identified by the operating sector are as follows:

| *(In millions of Korean won)* | **December 31, 2025** | **December 31, 2024** |
|---|---|---|
| Air transport | ₩ 1,828,881 | ₩ 1,828,881 |
| Others | 10,809 | 10,809 |
| | ₩ 1,839,690 | ₩ 1,839,690 |

The recoverable amount of the cash-generating unit of the consolidated entity was measured as the value of use calculated by applying the cash flow estimated based on the business plan for the next five years approved by the manager, and the discount rate applied during the current period range from 7.2% to 14.59%. Cash flows expected to occur over a period of more than five years were estimated assuming a perpetual growth rate of 1%. There is no impairment loss recognized on goodwill for the year ended December 31, 2025, as a result of the annual impairment testing.

## 19. OTHER ASSETS:

Other assets as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Advance payments | ₩ 923,893 | ₩ 33,955 | ₩ 302,856 | ₩ 126,296 |
| Prepaid expenses | 93,810 | 54,343 | 83,626 | 31,778 |
| Others | 66,889 | 28,989 | 55,523 | 19,743 |
| | ₩ 1,084,592 | ₩ 117,287 | ₩ 442,005 | ₩ 177,817 |

## 20. TRADE AND OTHER PAYABLES:

Trade and other payables as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Trade payables | ₩ 334,870 | ₩ - | ₩ 351,893 | ₩ - |
| Non-trade payables | 558,181 | - | 573,348 | - |
| Accrued expenses | 1,884,254 | 29,474 | 1,805,279 | 30,081 |
| Dividends payables | 1 | - | 1 | - |
| | ₩ 2,777,306 | ₩ 29,474 | ₩ 2,730,521 | ₩ 30,081 |

## 21. BORROWINGS AND DEBENTURES:

(1) Short-term borrowings as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | Lender | Interest rate | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|
| Short-term borrowings in Korean won | Korea Development Bank ("KDB") | CD + 0.88% | ₩ 150,000 | ₩ 150,000 |
| | | 3.43% | 110,000 | 110,000 |
| | | - | - | 989,736 |
| | Hana Bank | 4.98% | 500,000 | - |
| | Nonghyup Bank | 3M MOR + 1.80% | 100,000 | - |
| | Standard Chartered Bank Korea Limited and others | CD + 1.15% ~ 1.30% | 400,000 | 390,264 |
| | | | 1,260,000 | 1,640,000 |
| Short-term borrowings in foreign currencies | KDB | 1.87% ~ 3.25% | 393,289 | 284,943 |
| | | 3M EURIBOR + 1.13% ~ 1.18% | 202,287 | 122,298 |
| | | - | - | 189,630 |
| | Hana Bank and others | 3M SOFR + 1.15 ~ 1.49% | 86,094 | 205,800 |
| | | 3M TIBOR + 1.50% ~ 1.92% | 71,575 | 44,951 |
| | | 3M TORF + 1.45% | 13,764 | - |
| | | - | - | 29,400 |
| | | | 767,009 | 877,022 |
| | | | ₩ 2,027,009 | ₩ 2,517,022 |

**21. BORROWINGS AND DEBENTURES, CONTINUED:**

(2) Long-term borrowings as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | Lender | Interest rate | Maturity | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|---|
| Long-term borrowings in Korean won | The Export-Import Bank of Korea | 3.00% ~ 3.84% | 2029-06-28 | ₩ 351,900 | ₩ 511,700 |
| | | 3M MOR + 1.00% ~ 1.55% | 2035-11-04 | 266,800 | 162,100 |
| | KDB | 3.19% ~ 4.12% | 2032-08-13 | 185,720 | 257,227 |
| | | 3M MOR + 1.74% | 2033-12-04 | 178,400 | 200,700 |
| | | CD + 1.46% | 2026-12-30 | 100,000 | - |
| | Hana Bank and others | 3.78% ~ 4.85% | 2028-01-22 | 630,000 | 430,000 |
| | | CD + 1.52% ~ 2.00% | 2032-08-13 | 110,000 | 60,000 |
| | | 3M MOR + 1.16% ~ 1.30% | 2027-04-30 | 250,000 | 250,000 |
| | | 0.00% | 2044-08-30 | 1,171 | 1,233 |
| | | | | 2,073,991 | 1,872,960 |
| Long-term borrowings in foreign currencies | KDB | - | 2025-09-30 | - | 74,380 |
| | Shinhan Bank | 4.95% ~ 6.09% | 2028-05-19 | 520,869 | 313,110 |
| | | 1M SOFR + 2.17% | 2027-05-09 | 57,396 | 58,800 |
| | KB Kookmin and others | 3M SOFR + 1.00% ~ 1.76% | 2028-12-23 | 1,165,138 | 396,900 |
| | | | | 1,743,403 | 843,190 |
| | | | | 3,817,394 | 2,716,150 |
| | Less: current portion of long-term borrowings | | | (539,928) | (896,849) |
| | | | | ₩ 3,277,466 | ₩ 1,819,301 |

**21. BORROWINGS AND DEBENTURES, CONTINUED:**

(3) Debentures as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* Series | Issue date | Maturity | Interest rate | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|---|
| 97th (Guaranteed) | 2022-01-21 | 2025-01-21 | - | ₩ - | ₩ 280,944 |
| 98-3rd (Non-guaranteed) | 2022-01-26 | 2025-01-24 | - | - | 136,000 |
| 99-2nd (Non-guaranteed) | 2022-05-02 | 2025-05-02 | - | - | 160,000 |
| 100-2nd (Non-guaranteed) | 2022-09-06 | 2025-09-05 | - | - | 124,017 |
| 101st (Guaranteed) | 2022-09-23 | 2025-09-23 | - | - | 441,000 |
| 102-1st (Non-guaranteed) | 2023-04-24 | 2025-04-24 | - | - | 170,000 |
| 102-2nd (Non-guaranteed) | 2023-04-24 | 2026-04-24 | 5.08% | 80,000 | 80,000 |
| 103rd (Guaranteed)[1] | 2023-06-29 | 2026-06-29 | 0.76% | 183,526 | 187,296 |
| 104th (Guaranteed)[2] | 2023-07-27 | 2026-07-27 | 1.22% | 91,763 | 93,648 |
| 105-1st (Non-guaranteed) | 2023-11-10 | 2025-11-10 | - | - | 130,000 |
| 105-2nd (Non-guaranteed) | 2023-11-10 | 2026-11-10 | 5.40% | 120,000 | 120,000 |
| 106-1st (Non-guaranteed) | 2024-02-28 | 2026-02-27 | 4.41% | 145,996 | 145,990 |
| 106-2nd (Non-guaranteed) | 2024-02-28 | 2027-02-26 | 4.50% | 210,000 | 210,000 |
| 106-3rd (Non-Guaranteed) | 2024-02-28 | 2029-02-28 | 4.79% | 90,000 | 90,000 |
| 107-1st (Non-guaranteed) | 2024-06-25 | 2026-06-25 | 3.89% | 84,000 | 84,000 |
| 107-2nd (Non-guaranteed) | 2024-06-25 | 2027-06-25 | 3.99% | 227,000 | 227,000 |
| 107-3rd (Non-Guaranteed) | 2024-06-25 | 2029-06-25 | 4.16% | 84,000 | 84,000 |
| 108-1st (Non-Guaranteed) | 2024-10-23 | 2027-10-22 | 3.70% | 100,000 | 100,000 |
| 108-2nd (Non-guaranteed) | 2024-10-23 | 2029-10-23 | 4.14% | 50,000 | 50,000 |
| 109th (Guaranteed) [1] | 2025-01-24 | 2028-01-24 | 1.16% | 275,289 | - |
| 110-1st (Non-Guaranteed) | 2025-01-31 | 2028-01-31 | 3.49% | 287,000 | - |
| 110-2nd (Non-guaranteed) | 2025-01-31 | 2030-01-31 | 3.98% | 63,000 | - |
| 111-1st (Non-Guaranteed) | 2025-05-28 | 2027-05-28 | 2.93% | 20,000 | - |
| 111-2nd (Non-guaranteed) | 2025-05-28 | 2028-05-26 | 3.12% | 230,000 | - |
| 111-3rd (Non-guaranteed) | 2025-05-28 | 2030-05-28 | 3.57% | 100,000 | - |
| 112-1st (Non-Guaranteed) | 2025-09-30 | 2028-09-29 | 3.05% | 185,000 | - |
| 112-2nd (Non-Guaranteed) | 2025-09-30 | 2030-09-30 | 3.32% | 85,000 | - |
| 112-3rd (Non-Guaranteed) | 2025-09-30 | 2032-09-30 | 3.73% | 30,000 | - |
| 113th (Guaranteed)[3] | 2025-09-30 | 2030-09-30 | 4.00% | 430,470 | - |
| 114th (Guaranteed)[1] | 2025-11-13 | 2028-11-13 | 0.43% | 181,197 | - |
| 106th Private Placement Bonds of Asiana Airlines, Inc. (Non-Guaranteed) | 2025-02-25 | 2026-12-24 | 4.87% | 50,000 | - |

**21. BORROWINGS AND DEBENTURES, CONTINUED:**

(3) Debentures as of December 31, 2025 and 2024, consist of the following, continued:

| *(In millions of Korean won)* Series | Issue date | Maturity | Interest rate | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|---|
| 7th Private Placement Bonds of Air Busan Co., Ltd. (Non-Guaranteed) | 2025-11-20 | 2026-11-20 | 5.10% | ₩ 40,000 | ₩ - |
| 1st Private Placement Bonds of Air Seoul, Inc. (Non-Guaranteed) | 2025-11-25 | 2026-11-25 | 5.00% | 20,000 | - |
| | | | | 3,463,241 | 2,913,895 |
| | Discount on debentures | | | (21,693) | (8,311) |
| | | | | 3,441,548 | 2,905,584 |
| | Less: current portion of debentures | | | (819,289) | (1,445,944) |
| | Present value of discounts, less current portion | | | 1,000 | 3,468 |
| | | | | ₩ 2,623,259 | ₩ 1,463,108 |

[1] The Export-Import Bank of Korea provides guarantee up to a maximum of principal and interest for the 103rd, 109th and 114th guaranteed debentures.

[2] Hana Bank provides guarantee up to a maximum of principal and interest for the 104th guaranteed debentures.

[3] KDB, a related party of the Group, provides guarantee up to a maximum of principal and interest for the 113th guaranteed debentures.

(4) ABS loans as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* Description | Maturity | Interest rate | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|
| KAL-25 ABS | 2025-03-30 | - | ₩ - | ₩ 40,000 |
| KAL-26 ABS | 2025-05-29 | - | - | 19,988 |
| KAL-27 ABS | 2025-06-05 | - | - | 26,105 |
| KAL-28 ABS | 2025-06-12 | - | - | 36,959 |
| Saekdongie -26 ABS | 2028-03-28 | 3.78% | 168,750 | 243,750 |
| | | | 168,750 | 366,802 |
| | Discount on ABS loans | | (4,207) | (6,269) |
| | | | 164,543 | 360,533 |
| | Less: current portion of ABS loans | | (81,250) | (204,302) |
| | Present value of discounts, less current portion | | 1,943 | 2,208 |
| | | | ₩ 85,236 | ₩ 158,439 |

As of December 31, 2025, the Group holds short-term financial instruments in relation to ABS (see Note 6).

## 21. BORROWINGS AND DEBENTURES, CONTINUED:

(4) ABS loans as of December 31, 2025 and 2024, consist of the following, continued:

The ABS loans are the borrowings repaid by entrusting the rights of future sales receivable, etc. to be held at the time of selling the airline ticket in the future, to financial institutions. The subject receivables and the period are as follows:

| Description | Receivables | Period |
|---|---|---|
| ABS | Domestic passenger credit card sales receivable (KB Kookmin/Hyundai/Lotte/NH Bank cards)<br>Mileage settlement receivables (Samsung/BC cards) | 2024.03.20 - Of the following conditions, until the earlier date<br>(i) 2028.03.28<br>(ii) The date on which all amounts payable for the first-class beneficiary rights under the trust agreement are paid in full |

(5) As of December 31, 2025, the Group provided assets as collateral or pledges to outstanding balance amounting to ₩2,389,211 million of borrowings and debentures.

## 22. LEASE OBLIGATIONS:

(1) Lease obligations as of December 31, 2025 and 2024, consist of the following:

*(In millions of Korean won)*

| Lender | Interest rate | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Financing Lease | 3M EURIBOR + 0.31% ~ 2.25% | ₩ 1,191,922 | ₩ 993,226 |
| | 3M SOFR + 0.45% ~ 3.01% | 624,701 | 1,020,319 |
| | 3M TIBOR + 0.65% ~ 2.40% | 959,555 | 1,100,440 |
| | 3M TORF + 0.29% ~ 0.76% | 129,679 | 183,262 |
| | 6M EURIBOR + 1.05% | 37,768 | 56,783 |
| | 6M SOFR + 1.68% | 135,838 | 173,352 |
| | 3M SARON + 1.23% | 120,140 | 119,981 |
| | 3M SORA + 1.10% | 153,015 | 164,473 |
| | 3M CORRA + 1.21% ~ 1.46% | 168,470 | - |
| | CD + 0.42% ~ 1.10% | 510,245 | 278,015 |
| | 4 YEAR SOFR + 4.30% | 8,364 | 10,283 |
| | 2.45% ~ 9.03% | 1,138,448 | 800,599 |
| | - | - | 16,335 |
| Operating Lease | 0.51% ~ 11.17% | 7,859,414 | 6,009,577 |
| | | 13,037,559 | 10,926,645 |
| Less: Current portion of obligation under leases, net of present value of discounts | | (2,190,549) | (2,182,081) |
| | | ₩ 10,847,010 | ₩ 8,744,564 |

**22. LEASE OBLIGATIONS, CONTINUED:**

(1) Lease obligations as of December 31, 2025 and 2024, consist of the following, continued:

The Export-Import Bank of the United States and others have provided payment guarantees of USD 1,187 million for above lease obligations as of December 31, 2025. Also, the Group has provided payment guarantees USD 55 million to Industrial & Commercial Bank of China, the beneficiary of the lease obligations due to PC2018 Limited, as of December 31, 2025.

Interest expense on lease obligations and total cash outflows related to the leases obligations for the year ended December 31, 2025, are ₩495,080 million and ₩2,756,950 million, respectively. Lease payments not recognized as liabilities, such as short-term leases and leases of low-value assets, are ₩118,090 million.

(2) Minimum lease payments and present value of lease obligations discounted by implicit interest rate or the incremental borrowing rate As of December 31, 2025 consist of the following:

| *(In millions of Korean won)* | | **December 31, 2025** |
|---|---|---|
| Within 1 year | ₩ | 2,349,926 |
| 1 year to 5 years | | 6,635,278 |
| More than 5 years | | 6,650,612 |
| | | 15,635,816 |
| Present value of discounts | | (2,598,257) |
| | ₩ | 13,037,559 |

## 23. EMPLOYEE BENEFITS:

(1) Net defined benefit liabilities as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Present value of defined benefit liabilities | ₩ 3,500,112 | ₩ 3,254,665 |
| Fair value of plan assets | (748,120) | (695,812) |
| | ₩ 2,751,992 | ₩ 2,558,853 |

(2) Changes in the carrying amount of net defined benefit liabilities for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Present value of defined benefit liabilities | Fair value of plan assets | Total | Present value of defined benefit liabilities | Fair value of plan assets | Total |
| Beginning balance | ₩ 3,254,665 | ₩ (695,812) | ₩ 2,558,853 | ₩ 2,185,139 | ₩ (360,737) | ₩ 1,824,402 |
| Current service cost | 301,762 | - | 301,762 | 181,782 | - | 181,782 |
| Past service cost | 50,968 | - | 50,968 | - | - | - |
| Interest expense (income) | 120,456 | (24,854) | 95,602 | 85,227 | (11,786) | 73,441 |
| Remeasurement of the net defined benefit liabilities | 51,820 | 643 | 52,463 | 227,896 | (213) | 227,683 |
| Succession of defined benefit liabilities | - | - | - | 399 | - | 399 |
| Transfer-out of defined benefit liabilities | - | - | - | (175) | - | (175) |
| Retirement benefits paid | (307,951) | 65,010 | (242,941) | (200,464) | 40,791 | (159,673) |
| Effects of business combinations and disposals | 28,392 | (27,919) | 473 | 771,786 | (299,554) | 472,232 |
| Contributions | - | (65,188) | (65,188) | - | (64,313) | (64,313) |
| Others | - | - | - | 3,075 | - | 3,075 |
| Ending balance | ₩ 3,500,112 | ₩ (748,120) | ₩ 2,751,992 | ₩ 3,254,665 | ₩ (695,812) | ₩ 2,558,853 |

(3) The significant actuarial assumptions used as of December 31, 2025 and 2024, are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Discount rate | 3.36% ~ 5.29% | 3.36% ~ 4.89% |
| Future salary growth rate | 2.54% ~ 6.74% | 2.60% ~ 6.59% |

**23. EMPLOYEE BENEFITS, CONTINUED:**

(4) Details of plan assets as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Deposits, savings, etc. | ₩ 662,431 | ₩ 606,402 |
| Equity instrument | 30,315 | 22,259 |
| Debt instrument | 46,540 | 63,021 |
| Others | 8,834 | 4,130 |
| | ₩ 748,120 | ₩ 695,812 |

Investment strategies and policies for plan assets are balanced with risk reduction and profit taking. The objective of minimizing the volatility of assets in relation to liabilities is made through distributed investments in assets, partial asset-liability strategies and hedging. The Group makes extensive distributed investments in various types of assets to achieve the targeted return, while reducing the volatility of the assets associated with the liabilities (risk adjustment) as a whole. The allocation of assets for a fixed return is partly matched by pension liabilities that are similar to bonds with long-term maturity.

Actual profit for the plan asset for the years ended December 31, 2025 and 2024, is ₩24,211 million and ₩12,000 million, respectively.

(5) The sensitivity analysis of the defined benefit liabilities to changes in the principal assumptions for the years ended December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | Effect on defined benefit liabilities | | |
| | Changes in assumption | Increase in assumption | Decrease in assumption |
| Discount rate | 1% increase / decrease | ₩ (240,475) | ₩ 274,816 |
| Future salary growth rate | 1% increase / decrease | 274,524 | (250,630) |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Effect on defined benefit liabilities | | |
| | Changes in assumption | Increase in assumption | Decrease in assumption |
| Discount rate | 1% increase / decrease | ₩ (237,753) | ₩ 272,672 |
| Future salary growth rate | 1% increase / decrease | 248,805 | (227,029) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. Since there is a correlation between actuarial assumptions, the above sensitivity analyses will not indicate actual changes in the defined benefit liabilities. The sensitivity of the defined benefit liabilities to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit liabilities recognized in the consolidated statements of financial position.

## 23. EMPLOYEE BENEFITS, CONTINUED:

(6) The expected maturity analysis of undiscounted defined benefit liabilities as of December 31, 2025, is as follows and the weighted-average maturity of defined benefit liabilities is 7.92 years:

| *(In millions of Korean won)* | | December 31, 2025 |
|---|---|---|
| Less than 5 years | ₩ | 1,840,904 |
| Between 5 and 10 years | | 1,362,946 |
| Between 10 and 20 years | | 2,937,607 |
| More than 20 years | | 1,531,478 |
| | ₩ | 7,672,935 |

## 24. PROVISIONS:

Changes in the provision liabilities for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | Beginning balance | Charged to profit or loss | Payment | Others | Ending balance |
| **Current:** | | | | | |
| Provision for construction loss | ₩ 25,400 | ₩ 3,343 | ₩ (8,893) | ₩ (19,850) | ₩ - |
| Provision for leased aircraft maintenance[1] | 615,796 | - | (513,741) | 530,792 | 632,847 |
| Provision for emission[2] | 711 | 3,424 | (711) | - | 3,424 |
| Provision for construction warranties | 22 | - | (4) | - | 18 |
| Others | 11,709 | 525 | (9,599) | - | 2,635 |
| | ₩ 653,638 | ₩ 7,292 | ₩ (532,948) | ₩ 510,942 | ₩ 638,924 |
| **Non-current:** | | | | | |
| Provision for leased aircraft maintenance[1] | ₩ 778,367 | ₩ 546,820 | ₩ - | ₩ (547,055) | ₩ 778,132 |
| Provision for emission[2] | 27,709 | 85,418 | - | - | 113,127 |
| Provision for construction warranties | 188 | 191 | - | - | 379 |
| Others | 3,806 | 194 | (3) | - | 3,997 |
| | 810,070 | 632,623 | (3) | (547,055) | 895,635 |
| | ₩ 1,463,708 | ₩ 639,915 | ₩ (532,951) | ₩ (36,113) | ₩ 1,534,559 |

[1] The Group has maintenance obligations related to leased aircraft. In order to fulfill the obligations, the Group has recognized a provision for leased aircraft maintenance by estimating future maintenance costs as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

[2] The Group has recognized a provision for emission by estimating the costs expected to be incurred in fulfilling the obligations as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

## 24. PROVISIONS, CONTINUED:

Changes in the provision liabilities for the years ended December 31, 2025 and 2024, are as follows, cont inued:

| *(In millions of Korean won)* | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning balance | Acquisition in a business combination[1] | Charged to profit or loss | Payment | Others | Ending balance |
| **Current:** | | | | | | |
| Provision for construction loss | ₩ 25,400 | ₩ - | ₩ 13,504 | ₩ (6,564) | ₩ (6,940) | ₩ 25,400 |
| Provision for leased aircraft maintenance[2] | 135,592 | 566,619 | - | (77,382) | (9,033) | 615,796 |
| Provision for emission[3] | - | 577 | 134 | - | - | 711 |
| Provision for construction warranties | 104 | - | - | (82) | - | 22 |
| Others | - | 7,788 | 6,914 | (1,519) | (1,474) | 11,709 |
| | ₩ 161,096 | ₩ 574,984 | ₩ 20,552 | ₩ (85,547) | ₩ (17,447) | ₩ 653,638 |
| **Non-current:** | | | | | | |
| Provision for leased aircraft maintenance[2] | ₩ 142,638 | ₩ 572,016 | ₩ 37,140 | ₩ - | ₩ 26,573 | ₩ 778,367 |
| Provision for emission[3] | - | 6,752 | 20,957 | - | - | 27,709 |
| Provision for construction warranties | - | - | 188 | - | - | 188 |
| Others | 73 | 3,795 | (59) | (3) | - | 3,806 |
| | 142,711 | 582,563 | 58,226 | (3) | 26,573 | 810,070 |
| | ₩ 303,807 | ₩ 1,157,547 | ₩ 78,778 | ₩ (85,550) | ₩ 9,126 | ₩ 1,463,708 |

[1] It is due to the acquisition of equity in Asiana Airlines, Inc. for the year ended December 31, 2024 (see Note 45).

[2] The Group has maintenance obligations related to leased aircraft. In order to fulfill the obligations, the Group has recognized a provision for leased aircraft maintenance by estimating future maintenance costs as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

[3] The Group has recognized a provision for emission by estimating the costs expected to be incurred in fulfilling the obligations as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

## 25. DEFERRED REVENUE (CUSTOMER LOYALTY PROGRAM):

The Parent Company and its subsidiaries, Jin Air Co., Ltd., Asiana Airlines, Inc., and Air Busan Co., Ltd. (the Group) manage its frequent-flyer program ("FFP"), "SKYPASS" and "Asiana Club", a customer loyalty program that provides incentives through accrued mileage, such as free flight tickets and other benefits, to its customers and alliance companies. The Group allocates the fair value of the consideration received for the sales between the award credits and service revenue. The sales price allocated to award credits is not recognized as revenue until the obligation has been fulfilled. The Group recognized deferred revenue relating to the FFP in the consolidated statement of financial position as of December 31, 2025, amounting to ₩3,781,811 million, which includes the current portion of ₩910,667 million.

## 26. DERIVATIVE INSTRUMENTS:

(1) Details of derivative financial instruments held for trading as of December 31, 2025, are as follows:

| Type of transaction | Contract amount | | Maturity | Accounting policy |
|---|---|---|---|---|
| Oil price option | BBL | 15,300 thousand | 2027-10-31 | Trading |
| Interest rate swaps | KRW | 200,000 million | 2027-03-02 | Trading |
| | CHF | 66,303 thousand | 2034-11-20 | Trading |
| Cross-currency interest rate swaps | JPY | 36,998,197 thousand | 2032-08-30 | Trading |
| | KRW | 1,475,949 million | 2028-06-13 | Trading |
| | CHF | 270,680 thousand | 2030-09-30 | Trading |
| | CNY | 1,271,160 thousand | 2028-12-26 | Trading |
| Currency forwards contracts | JPY | 6,000,000 thousand | 2026-04-13 | Trading |
| | USD | 20,000 thousand | 2026-01-02 | Trading |
| | EUR | 70,000 thousand | 2026-03-31 | Trading |

(2) Impact on the consolidated financial statements in relation to derivatives as of and for the year ended December 31, 2025, is as follows:

| *(In millions of Korean won)* | Consolidated statement of financial position | | Consolidated statement of comprehensive income (loss) | | | |
|---|---|---|---|---|---|---|
| | Financial derivative assets | Financial derivative liabilities | Valuation gain | Valuation loss | Transaction gain | Transaction loss |
| Oil price option | ₩ 84 | ₩ 30,395 | ₩ 84 | ₩ 22,824 | ₩ 14,068 | ₩ 279 |
| Interest rate swaps | - | 4,209 | - | 4,209 | 654 | 1,315 |
| Cross-currency interest rate swaps | 142,833 | 6,163 | 24,209 | 10,613 | 105,290 | 111,689 |
| Currency forwards contracts | 412 | 673 | 412 | 674 | 30,562 | 14,124 |
| | ₩ 143,329 | ₩ 41,440 | ₩ 24,705 | ₩ 38,320 | ₩ 150,574 | ₩ 127,407 |

## 27. OTHER FINANCIAL LIABILITIES:

Other financial liabilities as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Guarantee deposits received | ₩ 10,370 | ₩ 63,628 | ₩ 13,235 | ₩ 36,943 |

## 28. OTHER LIABILITIES:

Other liabilities as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Advances | ₩ 3,848,812 | ₩ 19,735 | ₩ 3,892,807 | ₩ - |
| Withholdings | 621,823 | 64,172 | 694,417 | 317,206 |
| Unearned revenues | 317,678 | 140,815 | 189,900 | 190,076 |
| Others | 865 | 17,964 | 828 | 19,958 |
| | ₩ 4,789,178 | ₩ 242,686 | ₩ 4,777,952 | ₩ 527,240 |

## 29. SHARE CAPITAL:

(1) Share capital as of December 31, 2025 and 2024, consists of the following:

| *(In millions of Korean won, except number of shares and par value)* | Number of shares authorized | Number of shares issued | Par value | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|---|
| | (in shares) | (in shares) | (in won) | | |
| Common share | 700,000,000 | 368,220,661 | ₩ 5,000 | ₩ 1,841,103 | ₩ 1,841,103 |
| Preferred share[1] | | 1,110,794 | ₩ 5,000 | 5,554 | 5,554 |
| | 700,000,000 | 369,331,455 | | ₩ 1,846,657 | ₩ 1,846,657 |

[1] As the non-voting preferred share, in case of cash dividends, it gets 1% more dividends than common share. If the Parent Company cannot pay dividends, the preferred share gets voting right from the resolution of the next general meeting of shareholders that the Parent Company does not pay dividends until the resolution of the general meeting of shareholders that the Parent Company pays dividends.

(2) There is no change in the number of shares issued and outstanding for the years ended December 31, 2025 and 2024.

## 30. OTHER CAPITAL SURPLUS:

(1) Other capital surplus as of December 31, 2025 and 2024, consists of the following:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Additional paid-in capital | ₩ 4,071,270 | ₩ 4,071,270 |
| Treasury shares | (2) | (2) |
| Other capital surplus | 73,381 | 74,073 |
| | ₩ 4,144,649 | ₩ 4,145,341 |

(2) Changes in treasury shares for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won, except number of shares)* | 2025 | | 2024 | |
|---|---|---|---|---|
| | Number of shares | Book value | Number of shares | Book value |
| | (in shares) | | (in shares) | |
| Beginning balance | 52 | ₩ (2) | 49 | ₩ (2) |
| Increase | 2 | - | 3 | - |
| Ending balance | 54 | ₩ (2) | 52 | ₩ (2) |

(3) Changes in hybrid securities classified as non-controlling interests for the years ended December 31, 2025 and 2024, are as follows:

| 108th unsecured private placement bonds | | |
|---|---|---|
| **Issue date** | **Maturity date** | **Interest rate** |
| Dec 26, 2025 | Dec 26, 2055 | 4.80% |

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| 108th unsecured private placement bonds | ₩ 200,000 | ₩ - |
| Less: Discount on issuance of hybrid securities | (611) | - |
| | 199,389 | - |

## 30. OTHER CAPITAL SURPLUS, CONTINUED:

(4) Issuance Terms of hybrid securities classified as non-controlling interests for the years ended December 31, 2025 are as follows:

| | 108th Unsecured Private Placement Bonds |
|---|---|
| Maturity | 30 years (The Group, at its sole discretion, may extend the maturity at each maturity date without any limitation on the number of extensions). |
| Interest rate | 4.8% per annum for the first year from the issuance date. From the 1st anniversary to the 4th anniversary, the initial interest rate plus 2.0% per annum applies. From the 4th anniversary onwards, the interest rate shall be adjusted on each anniversary by adding 0.5% per annum to the interest rate of the immediately preceding period. |
| Deferrals of interest payments and conditions | The Group may, at its sole discretion, defer the payment of interest by notifying the holders, the Korea Securities Depository, and the paying agent no later than five business days prior to the scheduled interest payment date. However, until all unpaid and additional interest is paid in full, the Group shall not declare or resolve to pay dividends on its common shares, nor declare or resolve to pay any dividends, distributions, or other amounts on its subordinated or pari passu obligations. Furthermore, the Group shall not redeem, reduce, cancel, repurchase, or acquire any subordinated or pari passu obligations for consideration. This restriction does not apply to transactions related to employee benefit plans or similar arrangements for employees, officers, or consultants, nor does it apply to the redemption of pari passu obligations made on a pro-rata basis with these bonds. |
| Others | The Group may exercise its early redemption option (Call Option) on any business day following the 1st anniversary of the issuance date. |

(5) Changes in other capital surplus for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Beginning balance | ₩ 74,071 | ₩ 74,071 |
| Acquisition of treasury shares by subsidiaries | (531) | - |
| Changes in ownership interests without loss of control | (161) | - |
| Ending balance | ₩ 73,379 | ₩ 74,071 |

## 31. RETAINED EARNINGS (ACCUMULATED DEFICITS) AND DIVIDENDS:

(1) Retained earnings as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Legal reserve[1] | ₩ 106,419 | ₩ 78,713 |
| Voluntary reserve | 306,060 | 303,060 |
| Unappropriated retained earnings | 3,536,913 | 3,103,779 |
| | ₩ 3,949,392 | ₩ 3,485,552 |

[1] The Korean Commercial Code requires the Group to appropriate as a legal reserve an amount equal to at least 10% of cash dividends paid for each accounting period until the reserve equals 50% of the stated capital. The legal reserve may be used to reduce a deficit or transferred to share capital.

(2) Changes in retained earnings for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Beginning balance | ₩ 3,485,552 | ₩ 2,591,941 |
| Profit for the year | 779,674 | 1,317,262 |
| Remeasurement of the net defined benefit liabilities | (13,821) | (165,355) |
| Transfer of revaluation surplus | (805) | 18,759 |
| Dividends for hybrid financial instruments | 7,996 | - |
| Cash dividends | (277,054) | (277,054) |
| Adjustment to retained earnings from remeasurement of gain or loss on disposal of business unit | (32,150) | - |
| Others | - | (1) |
| Ending balance | ₩ 3,949,392 | ₩ 3,485,552 |

## 32. OTHER CAPITAL COMPONENTS:

(1) Other capital components as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Gain on valuation of financial assets at FVTOCI, net of tax | ₩ 92,958 | ₩ 42,859 |
| Changes in retained earnings under the equity method | (162) | - |
| Foreign currency translation adjustments | 36,827 | 56,058 |
| Revaluation surplus | 883,647 | 896,347 |
| | 1,013,270 | 995,264 |
| Assets held for sale: | | |
| Revaluation surplus | 68 | 68 |
| | ₩ 1,013,338 | ₩ 995,332 |

(2) Changes in equity instruments classified as gain on valuation of financial assets at FVTOCI, net of tax, for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Beginning balance | ₩ 42,859 | ₩ 73,209 |
| Change in fair value, net of tax | 50,099 | (30,350) |
| Ending balance | ₩ 92,958 | ₩ 42,859 |

The revaluation reserve in equity instruments at FVTOCI is stated as the net amounts of accumulated revaluation deducting the amounts transferred to retained earnings due to disposal of equity instruments.

(3) Changes in revaluation surplus for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Beginning balance | ₩ 896,415 | ₩ 915,743 |
| Reclassification to retained earnings due to disposal of assets held for sale | 805 | (18,759) |
| Fair value changes and tax effects | (13,505) | (569) |
| Ending balance | ₩ 883,715 | ₩ 896,415 |

## 33. REVENUE FROM CONTRACTS WITH CUSTOMERS AND RELEVANT CONTRACT ASSETS AND LIABILITIES:

(1) The Group has recognized the following amounts relating to revenue from contracts with customers for the years ended December 31, 2025 and 2024:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Revenue from contracts with customers | ₩ | 25,041,175 | ₩ | 17,767,658 |
| Revenue from other sources: Rental and sublease rental income | | 184,367 | | 103,060 |
| Total revenue | ₩ | 25,225,542 | ₩ | 17,870,718 |

(2) Disaggregation of revenue from contracts with customers

The Group's revenue from the transfer of goods and services over time and at a point in time for the years ended December 31, 2025 and 2024, by segments is as follows:

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | At a point in time | | Over time | |
| Air transport | ₩ | 23,815,080 | ₩ | - |
| Aerospace | | 625,889 | | 153,738 |
| Hotel | | 119,550 | | 79,775 |
| Others | | 156,891 | | 90,252 |
| | ₩ | 24,717,410 | ₩ | 323,765 |

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | At a point in time | | Over time | |
| Air transport | ₩ | 16,934,356 | ₩ | - |
| Aerospace | | 544,367 | | 48,614 |
| Hotel | | 129,877 | | 53,515 |
| Others | | 8,677 | | 48,252 |
| | ₩ | 17,617,277 | ₩ | 150,381 |

(3) The Group has recognized the following assets and liabilities related to contracts with customers:

| *(In millions of Korean won)* | | December 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| Contract assets[1] | ₩ | 124,329 | ₩ | 18,602 |
| Contract liabilities[2] | | 7,954,160 | | 7,925,811 |

[1] Costs of fulfilling a contract which were capitalized in relation to the contracts with customers as of December 31, 2025, and 2024 are ₩4,176 million and ₩6,195 million, respectively.

[2] Contract liabilities are included in the amount due to customers for contract work, advance receipts from customers, unearned revenues and deferred revenues.

## 34. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Salaries | ₩ | 508,103 | ₩ | 353,128 |
| Retirement and severance benefits | | 69,928 | | 44,012 |
| Depreciation | | 72,734 | | 41,877 |
| Amortization | | 99,796 | | 46,227 |
| Rent | | 11,676 | | 5,949 |
| Sales commission | | 264,157 | | 201,168 |
| Advertising | | 93,809 | | 57,222 |
| Welfare | | 251,667 | | 147,259 |
| Training | | 11,346 | | 9,344 |
| Communications | | 122,008 | | 91,631 |
| Taxes and dues | | 49,782 | | 37,945 |
| Facility maintenance | | 81,987 | | 30,594 |
| Commission | | 700,638 | | 427,660 |
| Others | | 224,016 | | 153,952 |
| | ₩ | 2,561,647 | ₩ | 1,647,968 |

## 35. FINANCIAL INCOME AND EXPENSES:

(1) Financial income for the years ended December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Interest income | ₩ | 248,983 | ₩ | 281,379 |
| Dividend income | | 7,657 | | 6,641 |
| Gain on valuation of derivatives | | 24,705 | | 202,046 |
| Gain on derivative transactions | | 150,574 | | 158,277 |
| | ₩ | 431,919 | ₩ | 648,343 |

(2) Financial expenses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Interest expense | ₩ | 806,881 | ₩ | 514,159 |
| Loss on valuation of derivatives | | 38,320 | | 37,829 |
| Loss on derivative transactions | | 127,407 | | 44,813 |
| | ₩ | 972,608 | ₩ | 596,801 |

## 36. OTHER NON-OPERATING INCOME AND EXPENSES:

(1) Other non-operating income for the years ended December 31, 2025 and 2024, consists of the following:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Gain on foreign currency transaction | ₩ | 587,669 | ₩ | 355,354 |
| Gain on foreign currency translation | | 324,220 | | 367,255 |
| Gain on disposal of property, aircraft and equipment | | 28,054 | | 8,499 |
| Gain on disposal of assets held for sale | | 161,583 | | 137,355 |
| Gain on disposal of investment assets | | 11,886 | | - |
| Gain on disposal of financial assets at FVTPL | | - | | 10,743 |
| Gain on valuation of financial assets at FVTPL | | 18,301 | | 868 |
| Miscellaneous income[1] | | 353,578 | | 35,123 |
| | ₩ | 1,485,291 | ₩ | 915,197 |

[1] As the Consolidated Entity won the lawsuit for the return of the down payment against HDC Hyundai Develop ment Company, ₩ 234,632 million (comprising the down payment and interest income) was recognized as misc ellaneous income during the year ended December 31, 2025.

(2) Other non-operating expenses for the years ended December 31, 2025 and 2024, consists of the following:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Loss on foreign currency transaction | ₩ | 606,114 | ₩ | 399,994 |
| Loss on foreign currency translation | | 340,416 | | 716,298 |
| Other bad debt expenses | | 300 | | 20,517 |
| Loss on disposal of property, aircraft and equipment | | 126,508 | | 35,426 |
| Loss on disposal of intangible assets | | 389 | | 128 |
| Loss on disposal of assets held for sale | | 1,952 | | 96 |
| Loss on valuation of financial assets at FVTPL | | 99 | | - |
| Impairment loss on property, aircraft and equipment | | 2 | | - |
| Loss on disposal of investment assets | | 2,346 | | - |
| Loss on disposal of subsidiaries | | 9,834 | | - |
| Donation | | 15,580 | | 15,323 |
| Miscellaneous loss | | 153,573 | | 52,982 |
| | ₩ | 1,257,113 | ₩ | 1,240,764 |

## 37. INCOME TAX EXPENSES:

(1) Income tax expenses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Current income tax expense | ₩ | 1,429,192 | ₩ | 523,800 |
| Changes in deferred taxes due to temporary differences[1] | | (1,238,452) | | (183,762) |
| Tax loss carryforward[2] | | (1,429) | | 51,223 |
| Total amount of income tax effect | | 189,311 | | 391,261 |
| Items recorded directly in equity | | (13,107) | | 63,057 |
| Income tax expenses | ₩ | 176,204 | ₩ | 454,318 |
| | | | | |
| [1] Temporary differences – deferred tax assets at the end of year | ₩ | 2,080,563 | ₩ | 842,111 |
| Temporary differences – deferred tax assets at the beginning of year | | 842,111 | | 658,349 |
| Changes in deferred taxes due to temporary differences | ₩ | (1,238,452) | ₩ | (183,762) |
| [2] Tax loss carryforward – deferred tax assets at the end of year | ₩ | 18,390 | ₩ | 16,961 |
| Tax loss carryforward – deferred tax assets at the beginning of year | | 16,961 | | 68,184 |
| Changes in deferred taxes due to tax loss carryforward | ₩ | (1,429) | ₩ | 51,223 |

(2) Reconciliation between profit before income tax expense and income tax expense for the years ended December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Profit before income tax expense | ₩ | 823,477 | ₩ | 1,836,176 |
| Tax at applicable tax rates | ₩ | 207,036 | ₩ | 474,388 |
| Adjustments: | | | | |
| Current adjustments to income tax for prior periods | | (3,337) | | (14,324) |
| Impact of progressive tax rate | | 185 | | 1 |
| Permanent differences | | 10,404 | | 13,902 |
| Impact of temporary differences unrecognized | | (13,816) | | 16,663 |
| Impact of expiration of tax credit carryforward | | (2,407) | | (1,466) |
| Others | | (21,861) | | (34,846) |
| Income tax expense | ₩ | 176,204 | ₩ | 454,318 |
| The effective tax rate | | 21.40% | | 24.70% |

**37. INCOME TAX EXPENSE, CONTINUED:**

(3) Changes in temporary differences, tax losses carryforward, tax credits carryforward and deferred income tax assets (liabilities) as of and for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Beginning balance[1] | Increase (decrease)[1] | Ending balance | Beginning balance[1] | Increase (decrease)[1] | Ending balance |
| Temporary differences: | | | | | | |
| Defined benefit obligation | ₩ 2,626,659 | ₩ 124,744 | ₩ 2,751,403 | ₩ 1,822,364 | ₩ 804,295 | ₩ 2,626,659 |
| Provision for leased aircraft maintenance | 1,394,163 | 29,001 | 1,423,164 | 286,377 | 1,107,786 | 1,394,163 |
| Depreciation and amortization expense | (772,239) | (604,306) | (1,376,545) | (366,063) | (406,176) | (772,239) |
| Deferred revenue | 4,136,478 | 414,189 | 4,550,667 | 2,991,183 | 1,145,295 | 4,136,478 |
| Gain from assets contributed | 2,831 | - | 2,831 | 2,831 | - | 2,831 |
| Accrued expense | 317,833 | 90,525 | 408,358 | 144,111 | 173,722 | 317,833 |
| Gain on valuation of financial assets at FVTOCI | 12,435 | (82,412) | (69,977) | (238,134) | 250,569 | 12,435 |
| Gain on valuation of property, aircraft and equipment | (701,976) | 3,177 | (698,799) | (735,221) | 33,245 | (701,976) |
| Gain on valuation of derivatives | (216,979) | 112,455 | (104,524) | (80,038) | (136,941) | (216,979) |
| Asset revaluation surplus | (225,948) | 98,865 | (127,083) | (213,842) | (12,106) | (225,948) |
| Others | 770,085 | 116,578 | 886,663 | 1,004,633 | (234,548) | 770,085 |
| | 7,343,342 | 302,816 | 7,646,158 | 4,618,201 | 2,725,141 | 7,343,342 |
| Tax losses carryforward | 1,811,862 | 551,775 | 2,363,637 | 288,097 | 1,523,765 | 1,811,862 |
| Tax credits carryforward | - | 2,421 | 2,421 | 4,522 | (4,522) | - |
| Deferred tax asset | ₩ 1,771,284 | ₩ 327,669 | ₩ 2,098,953 | ₩ 726,533 | ₩ 1,044,751 | ₩ 1,771,284 |

[1] Beginning temporary differences include temporary differences recognized as deferred income tax assets (liabilities) as of December 31, 2024 and 2023, which have been partially adjusted during actual tax adjustments for the years ended December 31, 2025 and 2024. Therefore, the Group reflected the aforementioned adjustment in the change in temporary differences for the years ended December 31, 2025 and 2024.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The details of deferred tax assets (liabilities) shown in the consolidated statements of financial position of the December 31, 2025 and 2024, are as follows.

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Deferred tax asset | ₩ 2,268,926 | ₩ 1,959,232 |
| Deferred tax liabilities | (169,973) | (187,948) |
| | ₩ 2,098,953 | ₩ 1,771,284 |

**37. INCOME TAX EXPENSE, CONTINUED:**

(4) Deferred income tax expense directly adjusted to shareholders' equity as of December 31, 2025 and 2024, consists of the following:

| *(In millions of Korean won)* | | December 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| Deferred income tax expense directly adjusted to Parent Company's equity | | | | |
| Gain on valuation of financial assets at FVTOCI | ₩ | (18,413) | ₩ | 9,336 |
| Remeasurement of net defined benefit liabilities | | 3,120 | | 44,835 |
| Asset revaluation surplus (retained earnings) | | (2,456) | | (5,635) |
| Asset revaluation surplus (OCI) | | (10,368) | | 5,635 |
| | | (28,117) | | 54,171 |
| Deferred income tax expense directly adjusted to subsidiaries' equity | | 15,010 | | 8,886 |
| | ₩ | (13,107) | ₩ | 63,057 |

(5) Deductible temporary differences, tax loss and unused tax credits not recognized as deferred assets as of December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | | December 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| Investments in subsidiaries and associates and others | ₩ | 1,507,974 | ₩ | 1,808,731 |
| Guarantee fees | | 70,905 | | 27,426 |
| Tax losses carryforward | | 1,638,641 | | 1,065,408 |
| Deductible temporary differences | | 39,320 | | 33,743 |
| | ₩ | 3,256,840 | ₩ | 2,935,308 |

The expiration of tax loss not recognized as deferred tax assets as of December 31, 2025, is as follows.

| *(In millions of Korean won)* | | December 31, 2025 |
|---|---|---|
| Less than 1 year | ₩ | 2,268 |
| 1 year to 2 years | | 7,326 |
| 2 years to 3 years | | 5,491 |
| More than 3 years | | 1,623,556 |
| | ₩ | 1,638,641 |

## 38. CLASSIFICATION OF EXPENSES BY NATURE:

Expenses classified by nature for the years ended December 31, 2025 and 2024, consist of the following:

| *(In millions of Korean won)* | | 2025 | | 2024 |
|---|---|---|---|---|
| Salaries and retirement benefit costs | ₩ | 4,172,253 | ₩ | 2,738,510 |
| Welfare | | 1,112,952 | | 869,414 |
| Depreciation and amortization | | 2,855,164 | | 1,796,030 |
| Rent | | 116,550 | | 140,473 |
| Fuel and oil charges | | 6,741,962 | | 4,980,848 |
| Airport-related costs | | 2,398,077 | | 1,361,193 |
| Passenger and freight service costs | | 1,254,712 | | 891,870 |
| Sales commission | | 264,157 | | 201,168 |
| Commission | | 872,344 | | 541,702 |
| Aerospace costs | | 399,571 | | 286,727 |
| Taxes and dues | | 119,327 | | 100,411 |
| Others | | 3,804,884 | | 1,852,172 |
| Total[1] | ₩ | 24,111,953 | ₩ | 15,760,518 |

[1] The amount is the sum of cost of sales and selling and administrative expenses from the continuing operation in the separate statements of comprehensive income (loss).

## 39. EARNINGS PER SHARE:

(1) Basic earnings per share for the years ended December 31, 2025 and 2024, are as follows:

A. Common shares

| *(In millions of Korean won, except per share data)* | **2025** | **2024** |
|---|---|---|
| Profit attributable to owners of the Parent Company | ₩ 779,674 | ₩ 1,317,262 |
| Dividends for hybrid securities | 7,972 | - |
| Profit attributable to common shares of the Parent Company | 785,246 | 1,313,245 |
| Weighted-average number of common shares outstanding | 368,220,610 shares | 368,220,613 shares |
| Earnings per common shares (in won) | ₩ 2,133 | ₩ 3,566 |

B. Preferred shares

| *(In millions of Korean won, except per share data)* | **2025** | **2024** |
|---|---|---|
| Profit attributable to owners of the Parent Company | ₩ 779,674 | ₩ 1,317,262 |
| Dividends for hybrid securities | 24 | - |
| Profit attributable to preferred shares of the Parent Company | 2,424 | 4,017 |
| Weighted-average number of preferred shares outstanding | 1,110,791 shares | 1,110,791 shares |
| Earnings per preferred shares (in won) | ₩ 2,183 | ₩ 3,616 |

C. Weighted-average shares

| *(Number of shares)* | **2025** | **2024** |
|---|---|---|
| Cumulative number of weighted-average common shares | 134,400,522,740 | 134,768,744,357 |
| Cumulative number of weighted-average preferred shares | 405,438,715 | 406,549,597 |
| Number of days | 365 | 366 |
| Weighted-average number of common shares outstanding | 368,220,610 | 368,220,613 |
| Weighted-average number of preferred shares outstanding | 1,110,791 | 1,110,791 |

(2) Since there is no dilution effect of diluted securities, diluted earnings per share equals basic earnings per share for the year ended December 31, 2025 and 2024.

## 40. FINANCIAL INSTRUMENTS:

(1) Classification and fair value of financial assets by category

The carrying amount and fair value of consolidated financial statements by category that are based on the nature and characteristics, as well as fair value measurements of financial instruments by fair value hierarchy level as of December 31, 2025 and 2024, are as follows. Fair value hierarchy is based on the degree to which the fair value is observable as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

*A. Financial assets*

Financial assets by category and fair value hierarchy level as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Category | | | |
| | Financial assets at FVTPL | Financial assets at FVTOCI | Financial assets at amortized cost | Total |
| Cash and cash equivalents | ₩ - | ₩ - | ₩ 1,869,988 | ₩ 1,869,988 |
| Short-term and long-term financial instruments | - | - | 3,499,451 | 3,499,451 |
| Financial assets at amortized cost | - | - | 58,194 | 58,194 |
| Financial assets at FVTPL: | | | | |
| Unlisted equity securities | 876 | - | - | 876 |
| Unlisted equity fund | 8,850 | - | - | 8,850 |
| Redeemable convertible preferred stock | 10,623 | - | - | 10,623 |
| Equity investments | 17,015 | - | - | 17,015 |
| Exchangeable bonds | 83,045 | - | - | 83,045 |
| Financial assets at FVTOCI: | | | | |
| Listed equity securities | - | 220,284 | - | 220,284 |
| Unlisted equity securities | - | 364,041 | - | 364,041 |
| Unsecured private bonds | - | 13,863 | - | 13,863 |
| Trade and other receivables | - | - | 1,470,002 | 1,470,002 |
| Other financial assets | - | - | 448,484 | 448,484 |
| Lease receivables | - | - | 784,293 | 784,293 |
| Financial derivative assets | 143,329 | - | - | 143,329 |
| | ₩ 263,738 | ₩ 598,188 | ₩ 8,130,412 | ₩ 8,992,338 |

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(1) Classification and fair value of financial assets by category, continued

*A. Financial assets, continued*

Financial assets by category and fair value hierarchy level as of December 31, 2025 and 2024, are as follows, continued:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | ₩ 1,869,988 | ₩ - | ₩ - | ₩ 1,869,988 |
| Short-term and long-term financial instruments | 3,499,451 | - | - | 3,499,451 |
| Financial assets at amortized cost | - | 58,194 | - | 58,194 |
| Financial assets at FVTPL: | | | | |
| Unlisted equity securities | - | - | 876 | 876 |
| Unlisted equity fund | - | - | 8,850 | 8,850 |
| Redeemable convertible preferred stock | - | - | 10,623 | 10,623 |
| Equity investments | - | - | 17,015 | 17,015 |
| Exchangeable bonds | - | - | 83,045 | 83,045 |
| Financial assets at FVTOCI: | | | | |
| Listed equity securities | 220,284 | - | - | 220,284 |
| Unlisted equity securities | - | - | 364,041 | 364,041 |
| Unsecured private bonds | - | - | 13,863 | 13,863 |
| Trade and other receivables | - | - | 1,470,002 | 1,470,002 |
| Other financial assets | - | - | 448,484 | 448,484 |
| Lease receivables | - | - | 784,293 | 784,293 |
| Financial derivative assets | - | 143,329 | - | 143,329 |
| | ₩ 5,589,723 | ₩ 201,523 | ₩ 3,201,092 | ₩ 8,992,338 |

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(1) Classification and fair value of financial assets by category, continued

*A. Financial assets, continued*

Financial assets by category and fair value hierarchy level as of December 31, 2025 and 2024, are as follows, continued:

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Category | | | |
| | Financial assets at FVTPL | Financial assets at FVTOCI | Financial assets at amortized cost | Total |
| Cash and cash equivalents | ₩ - | ₩ - | ₩ 2,215,625 | ₩ 2,215,625 |
| Short-term and long-term financial instruments | - | - | 4,745,133 | 4,745,133 |
| Financial assets at amortized cost | - | - | 20,632 | 20,632 |
| Financial assets at FVTPL: | | | | |
| Unlisted equity securities | 876 | - | - | 876 |
| Unlisted equity fund | 10,119 | - | - | 10,119 |
| Redeemable convertible preferred stock | 5,625 | - | - | 5,625 |
| Equity investments | 15,496 | - | - | 15,496 |
| Hybrid securities | 4,739 | - | - | 4,739 |
| Financial assets at FVTOCI: | | | | |
| Listed equity securities | - | 157,872 | - | 157,872 |
| Unlisted equity securities | - | 82,728 | - | 82,728 |
| Unsecured private bonds | - | 13,863 | - | 13,863 |
| Trade and other receivables | - | - | 1,584,622 | 1,584,622 |
| Other financial assets | - | - | 349,057 | 349,057 |
| Lease receivables | - | - | 397,082 | 397,082 |
| Financial derivative assets | 259,604 | - | - | 259,604 |
| | ₩ 296,459 | ₩ 254,463 | ₩ 9,312,151 | ₩ 9,863,073 |

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(1) Classification and fair value of financial assets by category, continued

*A. Financial assets, continued*

Financial assets by category and fair value hierarchy level as of December 31, 2025 and 2024, are as follows, continued:

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | ₩ 2,215,625 | ₩ - | ₩ - | ₩ 2,215,625 |
| Short-term and long-term financial instruments | 4,745,133 | - | - | 4,745,133 |
| Financial assets at amortized cost | - | 20,632 | - | 20,632 |
| Financial assets at FVTPL: | | | | |
| Unlisted equity securities | - | - | 876 | 876 |
| Unlisted equity fund | - | - | 10,119 | 10,119 |
| Redeemable convertible preferred stock | - | - | 5,625 | 5,625 |
| Equity investments | - | - | 15,496 | 15,496 |
| Hybrid securities | - | 3,093 | 1,646 | 4,739 |
| Financial assets at FVTOCI: | | | | |
| Listed equity securities | 157,872 | - | - | 157,872 |
| Unlisted equity securities | - | - | 82,728 | 82,728 |
| Unsecured private bonds | - | - | 13,863 | 13,863 |
| Trade and other receivables | - | - | 1,584,622 | 1,584,622 |
| Other financial assets | - | - | 349,057 | 349,057 |
| Lease receivables | - | - | 397,082 | 397,082 |
| Financial derivative assets | - | 259,604 | - | 259,604 |
| | ₩ 7,118,630 | ₩ 283,329 | ₩ 2,461,114 | ₩ 9,863,073 |

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(1) Classification and fair value of financial assets by category, continued

*B. Financial liabilities*

Financial liabilities by category and fair value hierarchy level as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | |
|---|---|---|---|
| | Category | | |
| | Financial liabilities at FVTPL | Financial liabilities at amortized cost | Total |
| Trade and other payables | ₩ - | ₩ 2,196,673 | ₩ 2,196,673 |
| Borrowings | - | 6,008,947 | 6,008,947 |
| Debentures | - | 3,441,549 | 3,441,549 |
| Financial derivative liabilities | 41,440 | - | 41,440 |
| Other financial liabilities | - | 73,998 | 73,998 |
| Lease obligations | - | 13,037,559 | 13,037,559 |
| | ₩ 41,440 | ₩ 24,758,726 | ₩ 24,800,166 |

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Trade and other payables | ₩ - | ₩ - | ₩ 2,196,673 | ₩ 2,196,673 |
| Borrowings | - | - | 5,788,450 | 5,788,450 |
| Debentures | - | - | 3,586,470 | 3,586,470 |
| Financial derivative liabilities | - | 41,440 | - | 41,440 |
| Other financial liabilities | - | - | 73,998 | 73,998 |
| Lease obligations | - | - | 13,037,559 | 13,037,559 |
| | ₩ - | ₩ 41,440 | ₩ 24,683,150 | ₩ 24,724,590 |

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(1) Classification and fair value of financial assets by category, continued

*B. Financial liabilities, continued*

Financial liabilities by category and fair value hierarchy level as of December 31, 2025 and 2024, are as follows, continued:

*(In millions of Korean won)*

| | December 31, 2024 | | |
|---|---|---|---|
| | Category | | |
| | Financial liabilities at FVTPL | Financial liabilities at amortized cost | Total |
| Trade and other payables | ₩ - | ₩ 2,177,162 | ₩ 2,177,162 |
| Borrowings | - | 5,593,705 | 5,593,705 |
| Debentures | - | 2,905,583 | 2,905,583 |
| Financial derivative liabilities | 42,625 | - | 42,625 |
| Other financial liabilities | - | 50,179 | 50,179 |
| Lease obligations | - | 10,926,644 | 10,926,644 |
| | ₩ 42,625 | ₩ 21,653,273 | ₩ 21,695,898 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Trade and other payables | ₩ - | ₩ - | ₩ 2,177,162 | ₩ 2,177,162 |
| Borrowings | - | - | 4,406,159 | 4,406,159 |
| Debentures | - | - | 1,933,644 | 1,933,644 |
| Financial derivative liabilities | - | 42,625 | - | 42,625 |
| Other financial liabilities | - | - | 50,179 | 50,179 |
| Lease obligations | - | - | 10,926,644 | 10,926,644 |
| | ₩ - | ₩ 42,625 | ₩ 19,493,788 | ₩ 19,536,413 |

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(1) Classification and fair value of financial assets by category, continued

1) Financial assets and liabilities that are measured at fair value on a recurring basis

Some financial instruments are measured at fair value at the end of the reporting period. The valuation techniques used to measure fair value of those financial instruments are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | **Hierarchy level** | **Fair value** | **Valuation techniques** | **Inputs** | **Description of relationships** |
| Financial instruments at fair value | | | | | |
| Financial derivative assets (Note 26) | 2 | ₩ 143,329 | Discounted cash flow method and others | Interest rate, foreign exchange rate, oil price, discount rate | Fair value of financial derivatives will increase (decrease) if the discount rate is reduced (increased) along with the increase (decrease) in interest rate, foreign exchange rate and oil price. |
| Financial derivative liabilities (Note 26) | | 41,440 | | | |
| Financial assets at fair value (Note 8) | 3 | 498,313 | | Sales growth rate, ratio of operating gain to revenue, weighted-average cost of capital | Fair value of unlisted shares will increase (decrease) if the weighted-average cost of capital is reduced (increased) along with the increase (decrease) in pretax operating margin and sales growth rate. |

There are no significant changes between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(1) Classification and fair value of financial assets by category, continued

2) Changes in financial instruments that are measured at fair value on a recurring basis and classified as Level 3 for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | **Beginning balance** | **Acquisition** | **Disposal** | **Valuation-OCI** | **Valuation - PL** | **Ending balance** |
| Financial assets at fair value | ₩ 130,353 | ₩ 345,082 | ₩ (1,646) | ₩ 6,322 | ₩ 18,202 | ₩ 498,313 |

| *(In millions of Korean won)* | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Beginning balance** | **Acquisition** | **Disposal** | **Business combination[1]** | **Valuation-OCI** | **Valuation-PL** | **Ending balance** |
| Financial assets at fair value | ₩ 430,226 | ₩ 182,350 | ₩ (1,200) | ₩ (439,444) | ₩ (41,762) | ₩ 183 | ₩ 130,353 |

[1] It is due to the acquisition of equity in Asiana Airlines, Inc. for the year ended December 31, 2024 (see Note 45).

Total gains and losses recognized in other comprehensive income were related to unlisted shares and perpetual convertible bonds as of December 31, 2025, and were recognized as gain (loss) on valuation of financial assets at FVTOCI (see Note 32).

The amount related to assets as of December 31, 2025, is ₩18,202 million among the total gains and losses recognized in profit or loss. The profits and losses from fair value changes of those assets are included in other non-operating income and expense (see Note 36).

3) Fair value disclosure of financial assets and liabilities unmeasured subsequently at fair value

Fair values of financial instruments measured at Level 1 are based on quoted prices. Fair values of financial instruments measured at Level 2 are based on discounted cash flows and discounted future cash flows using market rates adjusted for credit risk.

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(1) Classification and fair value of financial assets by category, continued

4) Accumulated fair value changes related to financial liabilities at FVTPL for the year ended December 31, 2025, are as follows:

| *(In millions of Korean won)* | | 2025 |
|---|---|---|
| Accumulated fair value changes recognized in gain or loss | ₩ | 41,440 |

5) Gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

(*) The transaction gain (loss) and gain (loss) from valuation of derivative instruments have been classified into assets and liabilities based on the year-end valuation results of gain and loss generated from each contract.

*A. Financial assets*

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | **Financial assets at FVTPL** | **Financial assets at FVTOCI** | **Financial assets at amortized cost** | **Total** |
| Interest income | ₩ 414 | ₩ - | ₩ 248,569 | ₩ 248,983 |
| Dividend income | 22 | 7,636 | - | 7,658 |
| Bad debt expense | - | - | 251 | 251 |
| Gain on foreign currency translation | - | - | 57,002 | 57,002 |
| Loss on foreign currency translation | - | - | (104,472) | (104,472) |
| Gain on valuation of financial assets at FVTPL | 18,301 | - | - | 18,301 |
| Loss on valuation of financial assets at FVTPL | (99) | - | - | (99) |
| Gain on valuation of financial assets at FVTOCI (before tax) | - | 68,061 | - | 68,061 |
| Gain on valuation of derivatives | 24,705 | - | - | 24,705 |
| Loss on valuation of derivatives | (4,450) | - | - | (4,450) |
| Gain on derivative transactions | 127,734 | - | - | 127,734 |
| Loss on derivative transactions | (120,685) | - | - | (120,685) |
| | ₩ 45,942 | ₩ 75,697 | ₩ 201,350 | ₩ 322,989 |

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(1) Classification and fair value of financial assets by category, continued

5) Gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows, continued:

*A. Financial assets, continued*

*(In millions of Korean won)*

| | 2024 | | | |
|---|---|---|---|---|
| | **Financial assets at FVTPL** | **Financial assets at FVTOCI** | **Financial assets at amortized cost** | **Total** |
| Interest income | ₩ 111 | ₩ 18,563 | ₩ 262,706 | ₩ 281,380 |
| Dividend income | 19 | 6,623 | - | 6,642 |
| Bad debt expense | - | - | (20,904) | (20,904) |
| Gain on foreign currency translation | - | - | 353,520 | 353,520 |
| Loss on foreign currency translation | - | - | (42,869) | (42,869) |
| Gain on valuation of financial assets at FVTPL | 868 | - | - | 868 |
| Loss on valuation of financial assets at FVTOCI (before tax) | - | (38,830) | - | (38,830) |
| Gain on valuation of derivatives | 199,569 | - | - | 199,569 |
| Loss on valuation of derivatives | (63) | - | - | (63) |
| Gain on derivative transactions | 146,060 | - | - | 146,060 |
| Loss on derivative transactions | (44,811) | - | - | (44,811) |
| | ₩ 301,753 | ₩ (13,644) | ₩ 552,453 | ₩ 840,562 |

*B. Financial liabilities*

*(In millions of Korean won)*

| | 2025 | | |
|---|---|---|---|
| | **Financial liabilities at FVTPL** | **Financial liabilities at amortized cost** | **Total** |
| Interest expense | ₩ - | ₩ (806,881) | ₩ (806,881) |
| Gain on foreign currency translation | - | 266,611 | 266,611 |
| Loss on foreign currency translation | - | (235,775) | (235,775) |
| Loss on valuation of derivative | (33,870) | - | (33,870) |
| Gain on derivative transactions | 22,840 | - | 22,840 |
| Loss on derivative transactions | (6,722) | - | (6,722) |
| | ₩ (17,752) | ₩ (776,045) | ₩ (793,797) |

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(1) Classification and fair value of financial assets by category, continued

5) Gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows, continued:

*B. Financial liabilities, continued*

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | **Financial liabilities at FVTPL** | **Financial liabilities at amortized cost** | **Total** |
| Interest expense | ₩ - | ₩ (514,159) | ₩ (514,159) |
| Gain on foreign currency translation | - | 11,464 | 11,464 |
| Loss on foreign currency translation | - | (682,964) | (682,964) |
| Gain on valuation of derivative | 2,477 | - | 2,477 |
| Loss on valuation of derivative | (37,766) | - | (37,766) |
| Gain on derivative transactions | 12,217 | - | 12,217 |
| Loss on derivative transactions | (1) | - | (1) |
| | ₩ (23,073) | ₩ (1,185,659) | ₩ (1,208,732) |

(2) Financial risk management

The financial sector manages the Group's business and organizes the approach to the domestic and international financial markets. Furthermore, it monitors and manages the financial risk related to the Group's business through internal risk reports, which analyze the scope and scale of each risk. These risks include the market risk (currency, interest rate, oil price and price fluctuation risk), credit risk, liquidity risk, and cash flow interest rate risk.

The Group tries to minimize the impact of these risks by using derivative instruments for risk aversion. Use of derivatives is determined on the basis of the policy of the Group approved by the board of directors. The documented principles about foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and derivative financial instruments, and the investment of excess liquidity are provided. Internal auditor reviews the compliance with the policy and limitations of risk consistently. The Group does not make and trade the financial instrument contracts, including derivatives, for speculative purposes.

The finance division operates a separate financial risk management organization to monitor policies and risks to mitigate risk exposure. It focuses on minimizing risk by carrying out systematic risk management such as monitoring market risk factors closely, etc.

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(3) Market risk

The Group is mainly exposed to financial risks, such as foreign exchange rate, interest rate and oil price. In order to manage the market risk, the Group made a contract for derivative instruments.

1) Foreign exchange risk management

The Group is exposed to various foreign currency risks since it makes transactions in foreign currencies. By using the currency swap contracts, the Group manages the degree of risk exposure due to the changes in exchange rates within the limit decided in the policy that has been approved.

Carrying amount of monetary assets and liabilities denominated in foreign currencies as of December 31, 2025 and 2024, translated to Korean won, are as follows:

| *(In millions of Korean won)* | **Assets** | | **Liabilities** | |
|---|---|---|---|---|
| | **December 31, 2025** | **December 31, 2024** | **December 31, 2025** | **December 31, 2024** |
| Foreign currencies | | | | |
| USD | ₩ 3,548,544 | ₩ 3,441,085 | ₩ 11,638,821 | ₩ 10,162,506 |
| EUR | 105,405 | 136,278 | 1,811,212 | 1,494,883 |
| JPY | 166,038 | 193,866 | 2,024,106 | 2,180,502 |
| Others | 417,052 | 488,508 | 1,502,267 | 808,424 |
| | ₩ 4,237,039 | ₩ 4,259,737 | ₩ 16,976,406 | ₩ 14,646,315 |

A. Foreign currency sensitivity analysis

The Group is mainly exposed to the risk on USD, EUR, JPY and other currencies (HKD, CNY and others). The Group's sensitivity to a 10% increase or 10% decrease and in Korean won (functional currency of the Group) against the foreign currencies as of December 31, 2025 and 2024, is presented in the table below. The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the period-end for a 10% change in foreign currency rates. A positive number below indicates an increase in income (loss) before income tax expense and other equity where the Korean won is strengthening 10% against the relevant currency. For a 10% weakness of Korean won against the relevant currency, there would be an equal and opposite impact on the income (loss) before income tax expense and other equity.

| *(In millions of Korean won)* | **2025** | | | |
|---|---|---|---|---|
| | **USD** | **EUR** | **JPY** | **Others** |
| Profit (loss) before income tax expense[1] | ₩ 779,307 | ₩ 170,581 | ₩ 187,303 | ₩ 108,532 |

| *(In millions of Korean won)* | **2024** | | | |
|---|---|---|---|---|
| | **USD** | **EUR** | **JPY** | **Others** |
| Profit (loss) before income tax expense[1] | ₩ 250,978 | ₩ 82,782 | ₩ 155,068 | ₩ 39,625 |

[1] Mainly attributable to exchange rate fluctuations of receivables and payables denominated in USD, EUR and JPY as of December 31, 2025 and 2024.

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(3) Market risk, continued

2) Interest risk management

The Group has borrowed funds on fixed and floating interest rates; therefore, the Group is exposed to interest rate risk. In order to manage interest rate risk, the Group maintains a proper balance between floating-rate borrowings and fixed-rate borrowings, or the Group enters into interest rate swap contracts. In order to appropriately adjust to situation of interest and the defined tendency of risk, the risk aversion activity is evaluated periodically and optimal hedging strategy is applied.

The exposure degree of interest rate risk for financial assets and liabilities is described in more detail in the footnotes of liquidity risk management.

The Group is exposed to risk-free interest rate like SOFR (Secured Overnight Financing Rate) or EURIBOR (Euro InterBank Offered Rate). The exposure comes from derivative financial instruments, non-derivative financial assets and non-derivative financial liabilities.

A. Interest sensitivity analysis

The sensitivity analyses above have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating-rate financial assets and liabilities, the analysis is prepared assuming the amount of the financial assets and liabilities outstanding at the end of the reporting period was outstanding for whole year. The sensitivity rate used in reporting interest risk internally to key management personnel is 50 basis points and it represents management's assessment of the reasonable possible change in interest rates.

The Group's sensitivity to a 50-basis-points change in interest rates on profit (loss) when all other variables are fixed as of December 31, 2025 and 2024, is as follows:

- The Group's profit will decrease (increase) by ₩ 35,929 million (2024: ₩ 24,817 million), and it is mainly due to the interest rate risk of floating-rate borrowings.

The Group's interest sensitivity has decreased due to the reduction in floating-rate debt instruments for the year ended December 31, 2025.

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(3) Market risk, continued

2) Interest risk management, continued

B. Interest rate swap contracts

On the basis of the interest rate swap agreement, the Group will exchange the balance that is calculated by applying the difference between fixed-rate and floating-rate interest of the nominal principal that is determined in advance. These contracts will reduce the risk of changes in fair value of the fixed-rate liabilities and cash flows of floating-rate liabilities. Due to the changes in interest rates, the fair value of the interest rate swap is determined by discounting the future cash flows estimated using the credit risk that is inherent in the contract with the yield curve as of December 31, 2025, and it is disclosed in the following table. The average interest rate is determined based on the outstanding balance as of December 31, 2025.

The interest rate swap outstanding that pays fixed interest and receives variable interest as of December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won, thousands of JPY, CHF, and CNY)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Average contracted fixed rate (%) | Contract amount | | Fair value |
| For trading purpose | | | | |
| Less than 1 year | 1.25 | JPY | 2,074,609 | ₩ 507 |
| | 3.23 | KRW | 52,573 | 6,085 |
| More than 1 year | 0.86 | JPY | 34,923,587 | 55,599 |
| | 1.36 | CHF | 336,983 | 3,213 |
| | 2.83 | CNY | 1,271,160 | 2,876 |
| | 3.79 | KRW | 1,623,376 | 78,868 |

| *(In millions of Korean won, and thousands of USD and JPY)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Average contracted fixed rate (%) | Contract amount | | Fair value |
| For trading purpose | | | | |
| Less than 1 year | 0.87 | JPY | 43,521,053 | ₩ 57,642 |
| | 4.12 | KRW | 171,853 | 11,434 |
| More than 1 year | 0.95 | JPY | 48,104,551 | 68,238 |
| | 3.44 | KRW | 936,713 | 122,033 |

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(3) Market risk, continued

3) Risk of changes in oil prices

Market prices of oil products, such as jet fuel, have fluctuated significantly due to various factors that affect the supply and demand of crude oil in the world market. These factors will affect the cash flow and performance of air transportation business, which is the largest business segment of the Group.

The effect of 10% change in oil price on operating income (loss) for the years ended December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | 2025 | | 2024 | |
|---|---|---|---|---|
| | Increase by 10% | Decrease by 10% | Increase by 10% | Decrease by 10% |
| Operating income (loss) | ₩ (674,196) | ₩ 674,196 | ₩ (498,085) | ₩ 498,085 |

4) Other price risk

The Group is exposed to price risk arising from equity instruments. The Group holds equity instruments for a strategic purpose and not for trading, and has not actively traded the investment assets.

A. Stock price sensitivity analysis

The following sensitivity analysis is based on the current stock price fluctuation risk as of December 31, 2025 and 2024.

The effect of 5% change in stock price is as follows:

- The Group's other comprehensive income (loss) will increase (decrease) by ₩ 11,014 million (2024: ₩ 7,481 million), and it is due to the change of the listed securities.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

(4) Credit risk management

The measurement standards used to estimate the maximum exposures and ECLs for the Group's credit risk are described in 2) below.

In order to minimize credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group has adopted a policy to receive adequate collateral. The Group has traded only with companies that received a credit rating that is applicable to investment grade and above. This credit information is provided by independent credit-rating agencies. If the Group is not able to use information that credit-rating agency provided, the Group uses another financial information and trading performance, which officially announces for the purpose of the Group to determine the credit rating of major customers. The Group has reviewed the exposure of credit risk and credit rating of customers consistently, and transaction amounts are distributed to the approved customers.

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(4) Credit risk management, continued

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade receivables and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced. The trade receivables consist of many suppliers and distributors in various regions. The credit evaluation about the trade receivables has been carried out consistently, and where appropriate, credit guarantee insurance was entered into.

The credit risk on liquidity funds and derivatives is limited because the counterparty is a bank with a high-credit rating by an international rating agency.

1) Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except the credit risk associated with lease receivables. The carrying amount of lease receivables amounts to ₩784,293 million (2024: ₩397,082 million) and the fair value of the leased assets is estimated to be approximately ₩752,340 million (2024: ₩387,179 million). The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee. There have not been any significant changes in the quality of the collateral held for finance lease receivables. The Group has not recognized a loss allowance for the lease receivables as a result of these collaterals.

2) The Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of December 31, 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group, arises from:

- the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position and

- the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread among approved counterparties.

As of December 31, 2025 and 2024, the Group has no maximum exposure to financial loss other than the carrying amounts of the respective financial assets recognized in the consolidated financial statements.

As of December 31, 2025 and 2024, the Group's credit risk is excluded from the above disclosure because the book value of financial assets represents the maximum amount of exposure to credit risk.

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(5) Liquidity risk management

The board of directors has ultimate responsibility for liquidity risk management to formulate the basic policy for financing the Group's short-term and long-term financing and managing liquidity management regulations. The Group manages liquidity risk by maintaining the sufficient reserves and line of credit, observing the predicted and actual cash flows and matching the maturity structure of financial assets and financial liabilities.

1) Details related to liquidity and interest rate risk

The following table shows the expected maturity of the Group's non-derivative financial assets, and the table is formed based on the contractual maturity amount of the financial assets that are not discounted. In order to understand the liquidity risk management of the Group, the information about the non-derivative financial assets has to be included because the Group manages the liquidity based on the net assets and net liabilities.

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Within 1 year | 1 year to 5 years | More than 5 years | Total |
| Cash and cash equivalents | ₩ 1,869,988 | ₩ - | ₩ - | ₩ 1,869,988 |
| Short-term and long-term financial assets | 3,474,508 | 24,943 | - | 3,499,451 |
| Lease receivables | 106,322 | 546,015 | 299,891 | 952,228 |
| Trade and other receivables | 1,466,990 | 3,012 | - | 1,470,002 |
| Financial assets at amortized cost | 18,028 | 40,166 | - | 58,194 |
| Other financial assets | 60,810 | 61,762 | 325,912 | 448,484 |
| | ₩ 6,996,646 | ₩ 675,898 | ₩ 625,803 | ₩ 8,298,347 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Within 1 year | 1 year to 5 years | More than 5 years | Total |
| Cash and cash equivalents | ₩ 2,215,625 | ₩ - | ₩ - | ₩ 2,215,625 |
| Short-term and long-term financial assets | 4,475,286 | 269,847 | - | 4,745,133 |
| Lease receivables | 34,536 | 334,648 | 86,729 | 455,913 |
| Trade and other receivables | 1,584,575 | 47 | - | 1,584,622 |
| Financial assets at amortized cost | 2,506 | 18,126 | - | 20,632 |
| Other financial assets | 40,015 | 67,288 | 241,753 | 349,056 |
| | ₩ 8,352,543 | ₩ 689,956 | ₩ 328,482 | ₩ 9,370,981 |

**40. FINANCIAL INSTRUMENTS, CONTINUED:**

(5) Liquidity risk management, continued

1) Details related to liquidity and interest rate risk, continued

The following table shows the contractual maturity of the Group's non-derivative financial liabilities. The table is formed based on the earliest maturity date on which the Group has to pay on the basis of the cash flows of the financial liabilities that are not discounted, and the cash flows include both the principal and interest. If the interest on cash flows is based on a floating interest rate, cash flows that are not discounted have been derived based on the yield curve at the end of the reporting period. The maturity analysis is based on the earliest maturity date on which the Group can be required to pay.

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Within 1 year | 1 year to 5 years | More than 5 years | Total |
| Trade and other payables | ₩ 2,196,673 | ₩ - | ₩ - | ₩ 2,196,673 |
| Lease obligations | 2,349,926 | 6,635,278 | 6,650,612 | 15,635,816 |
| Borrowings | 2,865,722 | 3,289,405 | 239,117 | 6,394,244 |
| Debentures | 930,122 | 2,677,388 | - | 3,607,510 |
| | ₩ 8,342,443 | ₩ 12,602,071 | ₩ 6,889,729 | ₩ 27,834,243 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Within 1 year | 1 year to 5 years | More than 5 years | Total |
| Trade and other payables | ₩ 2,177,162 | ₩ - | ₩ - | ₩ 2,177,162 |
| Lease obligations | 2,400,731 | 5,864,419 | 4,963,549 | 13,228,699 |
| Borrowings | 3,932,719 | 1,889,924 | 254,111 | 6,076,754 |
| Debentures | 1,628,056 | 1,746,535 | - | 3,374,591 |
| | ₩ 10,138,668 | ₩ 9,500,878 | ₩ 5,217,660 | ₩ 24,857,206 |

The amount of the floating-rate instruments (non-derivative financial assets and liabilities) contained in the table above may be changed if the changes in floating interest rates are different from the estimated interest rates at the end of the reporting period.

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(5) Liquidity risk management, continued

The table below shows, in detail, the liquidity analysis of derivative financial instruments based on contractual maturities. The amount of the derivative instruments that are settled in net amounts is based on undiscounted net cash inflows and outflows in accordance with the terms of the contract, and that of the derivative instruments that are settled in gross amounts is based on undiscounted total cash inflows and outflows. In case the amounts to be received or paid are not settled, an estimated settlement amount reflecting the exchange rate and interest rate at the end of the reporting period is used.

1) Details related to liquidity and interest rate risk, continued

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Within 1 year** | **1 year to 2 years** | **More than 2 years** |
| Net settlement: | | | |
| Oil price option | ₩ (24,887) | ₩ (2,789) | ₩ - |
| Gross settlement: | | | |
| Cross-currency interest swaps and interest rate swaps | | | |
| Inflows | 419,309 | 1,149,490 | 1,882,508 |
| Outflows | (300,519) | (1,026,311) | (1,781,530) |
| Currency forwards contracts | | | |
| Inflows | 201,756 | - | - |
| Outflows | (203,012) | - | - |
| | ₩ 92,647 | ₩ 120,390 | ₩ 100,978 |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | **Within 1 year** | **1 year to 2 years** | **More than 2 years** |
| Net settlement: | | | |
| Oil price option | ₩ (14,971) | ₩ (7,096) | ₩ - |
| Gross settlement: | | | |
| Cross-currency interest swaps and interest rate swaps | | | |
| Inflows | 899,264 | 319,887 | 1,154,776 |
| Outflows | (722,439) | (241,135) | (1,005,377) |
| Currency forwards contracts | | | |
| Inflows | 327,600 | - | - |
| Outflows | (350,864) | - | - |
| | ₩ 138,590 | ₩ 71,656 | ₩ 149,399 |

## 40. FINANCIAL INSTRUMENTS, CONTINUED:

(6) Capital risk management

The Group manages its capital in order to maintain the ability to continuously provide profits to its shareholders and interest parties and optimum capital structure to reduce capital expenses. In order to maintain such optimum, the Group adjusts dividend payments, redeems paid-in capital to shareholders and issues stocks to reduce liabilities or sell assets.

Like other entities in the industry in which the Group operates, the Group manages its capital based on the ratio of net debt-to-total equity. Net debt refers to total borrowings (including obligation under finance leases as presented in the consolidated statements of financial position), less cash and cash equivalents and short-term financial assets, and total equity refers to capital presented in the consolidated statements of financial position, plus net debt. The Group's net debt-to-total equity ratio as of December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | | December 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| **Total borrowings** | ₩ | 22,488,055 | ₩ | 19,425,932 |
| Less: cash and cash equivalents and short-term financial assets | | 5,344,496 | | 6,690,910 |
| Net debt (A) | | 17,143,559 | | 12,735,022 |
| Capital (B) | | 11,459,098 | | 10,963,192 |
| Total equity (A+B) | ₩ | 28,602,657 | ₩ | 23,698,214 |
| **Net debt-to-total equity ratio (A/(A+B))** | | 59.94% | | 53.74% |

## 41. RELATED-PARTY TRANSACTIONS:

(1) The list of related parties of the Group as of December 31, 2025, is as follows:

| Relationship | Related parties |
|---|---|
| Significant influence over the Group | Hanjin KAL Co., Ltd. and Korea Development Bank |
| Associates | Korean Air C&D Co., Ltd.; Mychef Co., Ltd.; LSG Skychefskorea Co., Ltd.; Asiana Philippines GSA, Inc.; Gate Gourmet Korea Co., Ltd.; Kumho Samco Buslines Co., Ltd.; and Kumho Viet Thanh Buslines Co., Ltd. |
| Other related parties | KAL Hotel Network Co., Ltd.; Topas Co., Ltd.; Jungseok Enterprise Co., Ltd.; Hanjin Travel Service Co., Ltd. |
| Affiliated companies of a conglomerate and others[1] | Hanjin Transportation Co., Ltd.; Jungseok-Inha School's Foundation; TAE IL CO., LTD.; Jungseok Logistics Foundation; WAC INTERNATIONAL LOGISTICS CO., LTD.; WAC Air Service Co., Ltd.; Hanjin Pyeongtaek Container Terminal Co., Ltd.; Pohang Port 7th Terminal Operating Co., LTD.; HANJIN INCHEON CONTAINER TERMINAL CO., LTD.; Taeil Catering Co., Ltd.; HANJIN ULSAN NEWPORT OPERATION CO., LTD.; Chungwon Freez Co., Ltd., and others |

[1] Although the entity is not the related party of the Group in accordance with K-IFRS 1024, the entity belongs to a Large Enterprise Group to which the Group also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

**41. RELATED-PARTY TRANSACTIONS, CONTINUED:**

(2) Significant transactions with related parties (except for treasury and equity transactions) for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | |
|---|---|---|---|
| | | Sales and others | Purchases and others |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 5,883 | ₩ 43,261 |
| | Korea Development Bank | 46,303 | 62,405 |
| Associates | Korean Air C&D Co., Ltd. | 107,357 | 408,824 |
| | Gate Gourmet Korea Co., Ltd. | 1,095 | 185,823 |
| | LSG Skychefskorea Co., Ltd. | 6,099 | - |
| | Asiana Philippines GSA, Inc. | - | 1,198 |
| Other related parties | KAL Hotel Network Co., Ltd. | 9,252 | 42,007 |
| | Topas Co., Ltd. | 10,126 | 4 |
| | Jungseok Enterprise Co., Ltd. | 274 | 1,309 |
| | Hanjin Travel Service Co., Ltd. | 23,418 | 4,384 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 54,386 | 40,617 |
| | Jungseok-Inha School's Foundation | 7,649 | 16,573 |
| | Others[1] | 146,725 | 11,653 |

[1] Transactions between the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation, classified as 'Affiliated companies of a conglomerate and others' in (1), are included.

| *(In millions of Korean won)* | | 2024 | |
|---|---|---|---|
| | | Sales and others | Purchases and others[1] |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 4,265 | ₩ 42,105 |
| | Korea Development Bank | 78,606 | 66,558 |
| Associates | Korean Air C&D Co., Ltd. | 60,239 | 374,214 |
| Other related parties | KAL Hotel Network Co., Ltd. | 9,120 | 37,387 |
| | Topas Co., Ltd. | 9,576 | 50 |
| | Jungseok Enterprise Co., Ltd. | 254 | 1,070 |
| | Hanjin Travel Service Co., Ltd. | 24,557 | 1,841 |
| | Waikiki Resort Hotel, Inc.[2] | 5 | 578 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 42,411 | 41,471 |
| | Jungseok-Inha School's Foundation | 7,502 | 16,744 |
| | Others[3] | 110,593 | 10,769 |

[1] It includes interest expense of ₩507 million for debentures paid to related parties.
[2] It includes transaction with Waikiki Resort Hotel, Inc., excluded from related parties due to disposal for the year ended December 31, 2024.
[3] Transactions between the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation, classified as 'Affiliated companies of a conglomerate and others' in (1), are included.

## 41. RELATED-PARTY TRANSACTIONS, CONTINUED:

(3) Significant receivables from and payables to the related parties (except for loan, borrowing and related interest income/expense transactions) as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | | December 31, 2025 | |
|---|---|---|---|
| | | Trade and other receivables | Trade and other payables |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 11,695 | ₩ 10,881 |
| | Korea Development Bank | 1,458,379 | - |
| Associates | Korean Air C&D Co., Ltd. | 7,234 | 69,921 |
| | Gate Gourmet Korea Co., Ltd. | 132 | 79,278 |
| | LSG Skychefskorea Co., Ltd. | 18 | - |
| Other related parties | KAL Hotel Network Co., Ltd. | 928 | 5,542 |
| | Topas Co., Ltd. | 1,616 | 228 |
| | Jungseok Enterprise Co., Ltd. | 808 | 369 |
| | Hanjin Travel Service Co., Ltd. | 3,597 | 938 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 19,562 | 6,222 |
| | Jungseok-Inha School's Foundation | 2,022 | 1,507 |
| | Others[1] | 14,616 | 1,041 |

[1] Receivables from and payables to the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation, classified as 'Affiliated companies of a conglomerate and others' in (1), are included.

*(In millions of Korean won)*

| | | December 31, 2024 | |
|---|---|---|---|
| | | Trade and other receivables | Trade and other payables[1] |
| Significant influence over the Group | Hanjin KAL Co., Ltd. | ₩ 11,047 | ₩ 10,054 |
| | Korea Development Bank | 2,409,191 | - |
| Associates | Korean Air C&D Co., Ltd. | 6,874 | 64,700 |
| | Gate Gourmet Korea Co., Ltd. | 94 | 90,406 |
| | LSG Skychefskorea Co., Ltd. | 12 | - |
| Other related parties | KAL Hotel Network Co., Ltd. | 936 | 9,775 |
| | Topas Co., Ltd. | 656 | 117 |
| | Jungseok Enterprise Co., Ltd. | 665 | 4,405 |
| | Hanjin Travel Service Co., Ltd. | 1,329 | 363 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 14,634 | 6,103 |
| | Jungseok-Inha School's Foundation | 2,024 | 107 |
| | Others[2] | 14,173 | 72 |

[1] It includes the Parent Company's debentures of ₩4,003 million held by the related parties.

[2] Receivables from and payables to the related parties, except for Hanjin Transportation Co., Ltd. and Jungseok-Inha School's Foundation, classified as 'Affiliated companies of a conglomerate and others' in (1), are included.

**41. RELATED-PARTY TRANSACTIONS, CONTINUED:**

(4) Lease payments and interest expenses for lease agreements with related parties for the years ended December 31, 2025 and 2024, and related lease obligations recognized as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | | |
|---|---|---|---|---|
| | | **Lease payments** | **Interest expenses** | **Lease liabilities** |
| Associate | Korean Air C&D Co., Ltd. | ₩ 889 | ₩ - | ₩ - |
| Other related parties | KAL Hotel Network Co., Ltd. | 131 | 3 | 29 |
| | Jungseok Enterprise Co., Ltd. | 759 | 14 | 1,370 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 31 | - | 21 |
| | Others[1] | 2,182 | 122 | 3,883 |

[1] Transactions between related parties, excluding Hanjin Transportation Co., Ltd., classified as 'Affiliated companies of a conglomerate and others' in (1), are included.

| *(In millions of Korean won)* | | 2024 | | |
|---|---|---|---|---|
| | | **Lease payments** | **Interest expenses** | **Lease liabilities** |
| Associate | Korean Air C&D Co., Ltd. | ₩ 800 | ₩ 2 | ₩ - |
| Other related parties | KAL Hotel Network Co., Ltd. | 131 | 3 | 29 |
| | Jungseok Enterprise Co., Ltd. | 754 | 17 | 133 |
| Affiliated companies of a conglomerate and others | Hanjin Transportation Co., Ltd. | 35 | 1 | 20 |
| | Others[1] | 2,137 | 151 | 5,609 |

[1] Transactions between related parties, excluding Hanjin Transportation Co., Ltd., classified as 'Affiliated companies of a conglomerate and others' in (1), are included.

**41. RELATED-PARTY TRANSACTIONS, CONTINUED:**

(5) Loan and borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won and thousands of USD, EUR and JPY)*

| | | 2025 | | | | |
|---|---|---|---|---|---|---|
| **Related party** | **Account** | **Currency** | **Beginning balance** | **Increase** | **Decrease** | **Ending balance** |
| Significant influence over the Group: | | | | | | |
| Korea Development Bank [1] | Short-term borrowings | KRW | 1,249,736 | 360,000 | (1,249,736) | 360,000 |
| | | USD | 129,000 | - | (129,000) | - |
| | | EUR | 150,000 | 190,000 | (150,000) | 190,000 |
| | | JPY | 19,000,000 | 18,000,000 | (7,000,000) | 30,000,000 |
| | Long-term borrowings | KRW | 457,927 | - | (93,807) | 364,120 |
| | | USD | 12,375 | - | (12,375) | - |
| | | JPY | 6,000,000 | - | (6,000,000) | - |

[1] Interest expenses of loans for the year ended December 31, 2025, are ₩62,405 million and the Group recognized ₩5,016 million as accrued expenses as of December 31, 2025.

*(In millions of Korean won and thousands of USD, EUR and JPY)*

| | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|
| **Related party** | **Account** | **Currency** | **Beginning balance** | **Increase** | **Decrease** | **Others[1]** | **Ending balance** |
| Significant influence over the Group: | | | | | | | |
| Korea Development Bank [2] | Short-term borrowings | KRW | 260,000 | 260,000 | (260,000) | 989,736 | 1,249,736 |
| | | USD | 179,000 | 129,000 | (179,000) | - | 129,000 |
| | | EUR | 80,000 | 150,000 | (80,000) | - | 150,000 |
| | | JPY | 12,000,000 | 19,000,000 | (12,000,000) | - | 19,000,000 |
| | Long-term borrowings | KRW | 430,895 | 100,000 | (72,968) | - | 457,927 |
| | | USD | 33,000 | - | (20,625) | - | 12,375 |
| | | EUR | 70,000 | - | (70,000) | - | - |
| | | JPY | 6,000,000 | - | - | - | 6,000,000 |

[1] It is due to the acquisition of equity in Asiana Airlines, Inc. for the year ended December 31, 2024.
[2] Interest expenses of loans for the year ended December 31, 2024, are ₩66,558 million and the Group recognized ₩7,217 million as accrued expenses as of December 31, 2024.

## 41. RELATED-PARTY TRANSACTIONS, CONTINUED:

(6) There is no stock trading with related parties for the year ended December 31, 2025 and 2024.

(7) The compensation paid or payable to key management for the years ended December 31, 2025 and 2024, is as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Wages and salaries | ₩ 11,630 | ₩ 6,990 |
| Retirement benefit costs | 3,007 | 3,030 |
| | ₩ 14,637 | ₩ 10,020 |

(8) The Parent Company entered into derivative agreements with KDB to hedge against exchange rate and interest rate risks, and the balance of the contract is ₩58,504 million, JPY 40,924 million, EUR 40 million, CNY 566 million, and CHF 209 million as of December 31, 2025.

(9) The Parent Company resolved ₩74,558 million of dividends to the related parties for the year ended December 31, 2025.

## 42. CASH FLOWS:

(1) The significant non-cash transactions from investing and financing activities that are not included in the consolidated statements of cash flows for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Transfer of long-term borrowings to current portion of long-term borrowings | ₩ 620,146 | ₩ 1,103,267 |
| Transfer of debentures to current portion of debentures | 704,009 | 1,442,951 |
| Transfer of lease obligation to current portion of lease obligation | 2,124,437 | 1,612,639 |
| Transfer of construction in progress to property, aircraft and equipment | 2,383,069 | 2,329,175 |
| Acquisition of right-of-use assets | 3,188,053 | 1,030,049 |
| Transfer (Reversal) to assets held for sale | (194,882) | 881,123 |

## 42. CASH FLOWS, CONTINUED:

(2) Changes in liabilities arising from financial activities for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | **Beginning balance** | **Cash flows from financing activities** | **Changes in exchange rate** | **New lease contract** | **Others[1]** | **Ending balance** |
| Short-term borrowings | ₩ 2,517,022 | ₩ (488,448) | ₩ (1,565) | ₩ - | ₩ - | ₩ 2,027,009 |
| Current portion of lease obligations | 2,182,081 | (2,179,684) | (16,030) | - | 2,204,182 | 2,190,549 |
| Long-term borrowings | 2,716,149 | 1,032,518 | (7,665) | - | 494,979 | 4,235,981 |
| Debentures | 2,905,584 | 552,263 | (24,406) | - | (410,478) | 3,022,963 |
| ABS loans | 360,534 | (139,515) | (2,993) | - | (53,483) | 164,543 |
| Lease obligations | 8,744,564 | - | 10,289 | 3,934,574 | (1,842,417) | 10,847,010 |

[1] Others include reclassification of current portion, occurrence and payments of interest expenses and others.

| *(In millions of Korean won)* | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Beginning balance** | **Cash flows from financing activities** | **Changes in exchange rate** | **New lease contract** | **Business Combination[2]** | **Others[1]** | **Ending balance** |
| Short-term borrowings | ₩ 1,021,408 | ₩ 37,202 | ₩ 78,412 | ₩ - | ₩ 1,380,000 | ₩ - | ₩ 2,517,022 |
| Current portion of lease obligations | 1,178,798 | (1,447,875) | 61,741 | - | 836,410 | 1,553,007 | 2,182,081 |
| Long-term borrowings | 2,321,401 | 294,241 | 69,515 | - | 1,232 | 29,760 | 2,716,149 |
| Debentures | 2,600,220 | 229,523 | 67,891 | - | - | 7,950 | 2,905,584 |
| ABS loans | 569,360 | (453,862) | 14,662 | - | 237,666 | (7,292) | 360,534 |
| Lease obligations | 3,255,681 | - | 421,057 | 2,682,542 | 4,236,788 | (1,851,504) | 8,744,564 |

[1] Others include reclassification of current portion, occurrence and payments of interest expenses and others.
[2] It is due to the acquisition of equity in Asiana Airlines, Inc. for the year ended December 31, 2024 (see Note 45).

## 43. COMMITMENTS AND CONTINGENCIES:

(1) The Group has been provided the following guarantees by others as of December 31, 2025:

| *(In millions of Korean won and thousands of USD)* | **December 31, 2025** | |
|---|---|---|
| Seoul Guarantee Insurance Co., Ltd. | KRW | 181,879 |
| Korea Defense Guarantee Cooperative | KRW | 1,671,808 |
| SHINHAN BANK AMERICA and others | KRW | 23,601 |
| Engineering Financial Cooperative | KRW | 53,260 |
| Korea Software Financial Cooperative | KRW | 11,532 |
| Information & Communication Financial Cooperative | KRW | 115 |
| Busan Bank and others | USD | 98,000 |
| Hana Bank | USD | 50 |
| Shinhan Bank and others | KRW | 2,810 |
| | USD | 98,050 |
| | KRW | 1,945,005 |

(2) Credit line and details of credit agreements as of December 31, 2025, are as follows:

*(In millions of Korean won and thousands of USD and JPY)*

| **Description** | **Financial institutions** | **December 31, 2025** | |
|---|---|---|---|
| Credit line agreement | Bank of China and others | USD | 385,000 |
| | Hana Bank | JPY | 4,800,000 |
| | KDB and others | KRW | 17,500 |
| Letters of credit | Hana Bank | USD | 3,400 |
| | KDB and others | KRW | 1,196,660 |
| General loan | Suhyup Bank and others | KRW | 24,000 |
| Line of credit | NongHyup Bank and others | KRW | 23,900 |
| | | USD | 388,400 |
| | | KRW | 1,262,060 |
| | | JPY | 4,800,000 |

## 43. COMMITMENTS AND CONTINGENCIES, CONTINUED:

(3) Promissory note pledged as collateral

As of December 31, 2025, the Parent Company has provided one outstanding blank promissory note pledged as collateral to the Korea Defense Industry Association.

(4) Pending litigations and others

As of December 31, 2025, various claims, lawsuits and complaints arising from airline service operations are pending against the Group, and the ultimate outcome of these cases is unpredictable. Management believes that the ultimate outcome of these cases will not have any material adverse effect on the financial performance and position of the Group. In addition, the Parent Company was noticed a penalty related to cargo flights from the Russian Customs in February 2022, and an additional penalty was imposed due to the delay in the payment of the initial penalty in August 2024. Regarding the additional penalty, the third instance judgement was issued in October 2025; however, the Parent Company plans to appeal, and the specific outcomes and details related to the process remain uncertain until a final verdict within the four-instance Russian judicial system.

(5) New aircraft introduction plan

The Group has entered into various contracts with aircraft manufacturers, such as the Boeing Company, to purchase aircraft. As of December 31, 2025, the total contract amount is USD 20,305 million, comprising USD 7,408 million by the Parent Company and USD 27,713 million by Asiana Airlines, Inc.

(6) Passenger terminal joint use agreement

The Parent Company and three other airlines, including Air France, entered into a passenger terminal joint use agreement with the JFK Airport in New York and provides mutual payment guarantee in respect to the terminal usage fees that each airline needs to pay.

(7) Joint Venture Partnership with Delta Air Lines on Pacific Routes

The Parent Company has been operating a joint venture partnership with Delta Air Lines on Pacific routes since May 1, 2018. Both parties conduct joint marketing and sales activities for these routes and share the resulting financial performance.

(8) Major agreements entered into by the subsidiaries are as follows:

A. As of December 31, 2025, WLD signed a memorandum of understanding to support the construction cost for integrated transportation pipeline installation of the Yeongjong public sewage treatment facility and the treatment facility expansion plan scheduled to be implemented by the Incheon Metropolitan City in relation to hotels and various commercial facilities within the Wang San Marina Business. However, no specific agreement on the integrated transportation pipeline installation of the Yeongjong public sewage treatment facility and the expansion of the treatment facility has been signed as of December 31, 2025.

**43. COMMITMENTS AND CONTINGENCIES, CONTINUED:**

(8) Major agreements entered into by the subsidiaries are as follows, continued:

B. As of the end of the current reporting period, Asiana Airlines Inc. has entered into shareholders' agreements with the majority shareholders of its associate, LSG Sky Chefs Korea Co., Ltd., and its joint venture, Gate Gourmet Korea Co., Ltd., respectively. The key terms of these agreements are as follows:

① LSG Sky Chefs Korea Co., Ltd.

| | |
|---|---|
| Terms of agreement and exercise conditions | Right of First Refusal (ROFR): In the event that the Group sells all or part of its shares to a third party, the counterparty shareholder is granted the right of first refusal to purchase such shares.<br>Restriction on Sale to Competitors: The Group is prohibited from selling its equity interest to any competitors (entities engaged in the in-flight catering) |
| Exercise price | Fair value of the shares being sold. |

② Gate Gourmet Korea Co., Ltd.

| | |
|---|---|
| Terms of agreement and exercise conditions | In the event of a material breach of contract, liquidation, bankruptcy, or court receivership attributable to either the Group or the counterparty shareholder, the non-defaulting shareholder has the right to either:<br>Purchase the entire equity interest held by the defaulting shareholder (Call Option), or;<br>Sell its entire equity interest to the defaulting shareholder (Put Option). |
| Exercise price | Fair value of the shares being sold.<br>However, if the Group is responsible for a material breach of contract and such breach remains uncured, Gate Gourmet Switzerland has the right to purchase the Group's entire equity interest in the joint venture at zero consideration (free of charge). |

## 44. ASSETS HELD FOR SALE:

(1) As of December 31, 2025 and 2024, assets held for sale and equity directly associated with assets classified as held for sale are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Assets held for sale:** | | |
| Current assets | ₩ 1,433 | ₩ 1,499,195 |
| Trade receivables | - | 185,340 |
| Inventories | - | 34,167 |
| Land | 433 | 433 |
| Aircraft and engines[1] | - | 1,252,095 |
| Other assets | 329 | 27,160 |
| Investments in associates and joint venture | 671 | - |
| Total Assets | ₩ 1,433 | ₩ 1,499,195 |
| **Liabilities held for sale:** | | |
| Current liabilities | ₩ - | ₩ 415,134 |
| Trade payables | - | 34,038 |
| Lease obligations | - | 161,798 |
| Net defined benefit liabilities | - | 62,794 |
| Provisions | - | 54,211 |
| Other liabilities | - | 102,293 |
| Total Liabilities | ₩ - | ₩ 415,134 |
| **Equity directly associated with assets classified as held for sale:** | | |
| Gain on land revaluation | ₩ 68 | ₩ 68 |
| Total Equity | ₩ 68 | ₩ 68 |

[1] The Group disposed some of the lands, buildings, aircraft and engines classified as assets held for sale and recognized gain or loss on disposal of assets held for sale of ₩159,631 million (see Note 36).

(2) In December 2024, in connection with the transaction where the Parent Company was to acquire New Shares worth ₩1.5 trillion issued by its subsidiary, Asiana Airlines Inc., the disposal process of the subsidiary's global freighter cargo business was initiated. This disposal was a condition for the business combination approval set by the European Commission (EC) and the Japan Fair Trade Commission (JFTC).

On January 16, 2025, the Board of Directors of Asiana Airlines Inc. resolved to proceed with the sale and entered into a definitive agreement with Air Incheon Co., Ltd., with a merger consideration (split-merger consideration) of ₩470 billion. The transaction was executed through a split-merger, whereby the global freighter cargo business was physically split off and subsequently merged into Air Incheon Co., Ltd. The registration of the split-merger was officially completed on August 1, 2025.

## 45. BUSINESS COMBINATION:

The Parent Company acquired 63.88% of the issued share capital of Asiana Airlines, Inc. for ₩1.5 trillion as of December 12, 2024, to overcome the crisis in the domestic aviation industry and enhance its fundamental competitiveness. The Parent Company obtained control over the subsidiaries previously held by Asiana Airlines, Inc., including Air Busan Co., Ltd. and seven other entities.

(1) The consideration transferred in business combination, the value of assets acquired and liabilities assumed at the acquisition date, the non-controlling interest and the goodwill are as follows:

| *(In millions of Korean won)* | | **Asiana Airlines, Inc.** |
|---|---|---|
| **Total Consideration transferred** | | |
| Cash | ₩ | 1,500,000 |
| Fair value of the hybrid securities in the acquiree held by the acquirer before the business combination[1] | | 458,572 |
| | | 1,958,572 |
| **The identifiable assets acquired and liabilities assumed** | | |
| Current assets | | 2,851,270 |
| Non-current assets | | 10,311,636 |
| Intangible assets[2] | | 856,665 |
| Current liabilities | | (5,627,792) |
| Non-current liabilities | | (6,831,215) |
| | | 703,899 |
| **Non-controlling interest in the acquiree** | | (620,039) |
| **Hybrid securities issued by the acquiree** | | 475,000 |
| **Goodwill** | ₩ | 1,399,712 |

[1] The non-controlling interests that do not represent a proportionate share of the acquiree's net assets were measured at fair value, which was determined based on the following:

*(In millions of Korean won)*

| | **Fair value** | **Valuation techniques** | **Inputs** | **Range(%)** |
|---|---|---|---|---|
| Perpetual convertible bonds | ₩ 458,572 | T-F Model | Risk-free interest rate | 2.6~2.86 |
| | | | Credit spread | 9.82~16.38 |

[2] The Group identified customer relationships upon the business combination and recognized them as intangible assets at the fair value on the acquisition date of ₩856,665 million.

## 45. BUSINESS COMBINATION, CONTINUED:

The fair value of customer relationships was measured using the Multi-Period Excess Earnings Method (MPEEM). The MPEEM is a form of the income approach, under which the value is estimated by discounting excess earnings attributable to the intangible asset at an appropriate discount rate reflecting the related risks.

The valuation technique used to measure fair value of the customer relationships on the acquisition date is as follows:

| | Valuation techniques | Significant unobservable inputs | Description of relationships |
|---|---|---|---|
| Customer relationships | Multi-Period Excess Earnings Method (MPEEM) | Estimated passenger revenue, future customer attrition rate, weighted average cost of capital (WACC) (8.4% for Asiana Airlines, Inc.) | The fair value of customer relationship assets would increase (decrease) if the estimated passenger revenue increases (decreases), or if the customer attrition rate and WACC decrease (increase). |

## 46. EVENTS AFTER THE REPORTING PERIOD:

(1) The Parent Company has issued series 115-1st and 115-2nd non-guaranteed debentures amounting to ₩304,000 million after the reporting period.

(2) On February 3, 2026, the Board of Directors of the subsidiary, Asiana Airlines Inc., resolved to borrow working capital and facility loans totaling ₩ 650 billion from financial institutions, including Hana Bank. The proceeds from these borrowings are intended for the repayment of existing debt and the procurement of aircraft parts and equipment.

(3) On February 1, 2026, the subsidiary Hanjin Int'l Japan Co., Ltd. completed an absorption merger of Asiana Staff Service, Inc., another subsidiary of the Group. The effective date of the merger was February 1, 2026.

**Report on Review of Condensed Consolidated Interim Financial Statements**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Kookmin Bank

***Reviewed Financial Statements***
We have reviewed the accompanying condensed consolidated interim financial statements of Kookmin Bank and its subsidiaries (collectively referred to as the “Group”). These condensed consolidated interim financial statements consist of the consolidated interim statement of financial position of the Group as at March 31, 2026, and the related consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, and material accounting policy information and other selected explanatory notes, expressed in Korean won.

***Management's Responsibility for the Financial Statements***
Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***
Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with quarterly or semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***
Based on our review, nothing has come to our attention that causes us to believe the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting.*

***Other Matters***
We have audited the consolidated statement of financial position of the Group as at December 31, 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements in our audit report dated March 6, 2026. The consolidated statement of financial position as at December 31, 2025, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2025.

Review standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries.

/s/ Samil PricewaterhouseCoopers

May 15, 2026
Seoul, Korea

This report is effective as of May 15, 2026, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

## Kookmin Bank and Subsidiaries

### Consolidated Interim Statements of Financial Position

### March 31, 2026 (Unaudited) and December 31, 2025

| *(In millions of Korean won)* | Notes | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Assets** | | | |
| Cash and due from financial institutions | 4,6,7,28 | ₩ 24,689,678 | ₩ 26,468,705 |
| Financial assets at fair value through profit or loss | 4,6,11 | 27,031,692 | 26,104,934 |
| Derivative financial assets | 4,6,8 | 9,929,177 | 6,871,392 |
| Loans measured at amortized cost | 4,6,9,10 | 429,459,820 | 428,818,361 |
| Financial investments | 4,6,11 | 80,610,972 | 79,087,638 |
| Investments in associates | | 646,728 | 659,573 |
| Property and equipment | | 3,896,004 | 3,900,319 |
| Investment property | | 143,615 | 137,247 |
| Intangible assets | | 730,265 | 726,065 |
| Net defined benefit asset | 17 | 258,881 | 236,198 |
| Current income tax assets | | 385,550 | 362,642 |
| Deferred income tax assets | 12 | 147,498 | 143,451 |
| Assets held for sale | | 168,940 | 174,919 |
| Assets of a disposal group held for sale | | 111,541 | 94,215 |
| Other assets | 4,6 | 27,101,803 | 11,149,308 |
| **Total assets** | | ₩ 605,312,164 | ₩ 584,934,967 |
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 4,6 | ₩ 480,271 | ₩ 420,329 |
| Derivative financial liabilities | 4,6,8 | 8,527,485 | 5,828,336 |
| Deposits | 4,6,13 | 444,743,406 | 440,010,202 |
| Borrowings | 4,6,14 | 31,094,492 | 32,545,690 |
| Debentures | 4,6,15 | 35,178,372 | 36,296,650 |
| Provisions | 16 | 889,141 | 796,879 |
| Net defined benefit liabilities | 17 | 9,034 | 9,366 |
| Current income tax liabilities | | 25,595 | 62,377 |
| Deferred income tax liabilities | 12 | 690,045 | 641,330 |
| Liabilities of a disposal group held for sale | | 73,340 | 68,290 |
| Other liabilities | 4,6 | 44,543,626 | 29,299,877 |
| **Total liabilities** | | 566,254,807 | 545,979,326 |
| **Equity** | | | |
| Capital stock | 18 | 2,021,896 | 2,021,896 |
| Hybrid securities | 18 | 1,065,612 | 1,065,612 |
| Capital surplus | 18 | 4,650,118 | 4,650,118 |
| Accumulated other comprehensive income | 18,26 | 499,464 | 557,792 |
| Retained earnings | 18,25 | 30,765,810 | 30,608,583 |
| (Provision of regulatory reserve for credit losses<br>March 31, 2026 : ₩ 2,921,103 million<br>December 31, 2025 : ₩ 2,736,034 million)<br>(Amounts estimated to be appropriated (reversed)<br>March 31, 2026 : ₩ 177,377 million<br>December 31, 2025 : ₩ 185,069 million) | | | |
| **Equity attributable to the owners of the parent** | | 39,002,900 | 38,904,001 |
| **Non-controlling interests** | | 54,457 | 51,640 |
| **Total equity** | | 39,057,357 | 38,955,641 |
| **Total liabilities and equity** | | ₩ 605,312,164 | ₩ 584,934,967 |

The above consolidated interim statements of financial position should be read in conjunction with the accompanying notes.

## Kookmin Bank and Subsidiaries

### Consolidated Interim Statements of Comprehensive Income

### Three-Month Periods Ended March 31, 2026 and 2025 (Unaudited)

| *(In millions of Korean won)* | Notes | 2026 | 2025 |
|---|---|---|---|
| Interest income | | ₩ 5,343,130 | ₩ 5,603,793 |
| Interest income from financial instruments at fair value through other comprehensive income and amortized cost | | 5,194,455 | 5,491,543 |
| Interest income from financial instruments at fair value through profit or loss | | 148,675 | 112,250 |
| Interest expense | | (2,575,535) | (3,007,111) |
| **Net interest income** | 19 | 2,767,595 | 2,596,682 |
| Fee and commission income | | 482,328 | 376,102 |
| Fee and commission expense | | (109,321) | (105,906) |
| **Net fee and commission income** | 20 | 373,007 | 270,196 |
| **Net gains on financial instrument at fair value through profit or loss** | 21 | 37,949 | 195,786 |
| **Net other operating expenses** | 22 | (305,951) | (324,577) |
| **General and administrative expenses** | 23 | (1,075,695) | (1,063,191) |
| **Operating income before provision for credit losses** | | 1,796,905 | 1,674,896 |
| Provision for credit losses | 7,10,11,16 | (171,955) | (285,987) |
| **Net operating income** | | 1,624,950 | 1,388,909 |
| Share of profit (loss) of associates | | 10,515 | (6,041) |
| Net other non-operating expenses | | (117,726) | (8,843) |
| **Net non-operating expenses** | | (107,211) | (14,884) |
| **Profit before income tax expense** | | 1,517,739 | 1,374,025 |
| Income tax expense | 24 | (417,514) | (356,250) |
| **Profit for the period** | | 1,100,225 | 1,017,775 |
| (Adjusted profit after provision of regulatory reserve for credit losses<br>March 31, 2026 : ₩ 923,662 million<br>March 31, 2025 : ₩ 974,293 million) | 18 | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Remeasurements of net defined benefit liabilities | | (8,125) | (6,652) |
| Gains on equity securities at fair value through other comprehensive income | | 82,138 | 36,003 |
| *Items that may be subsequently reclassified to profit or loss:* | | | |
| Currency translation differences | | 207,456 | (4,401) |
| Losses on debt securities at fair value through other comprehensive income | | (264,218) | (1,089) |
| Share of other comprehensive loss of associates | | 770 | (204) |
| Gains (losses) on hedging instruments of net investments in foreign operations | | (76,587) | 2,232 |
| Gains (losses) on cash flow hedging instruments | | 6,404 | (14,287) |
| **Other comprehensive income (loss) for the period, net of tax** | 26 | (52,162) | 11,602 |
| **Total comprehensive income for the period** | | ₩ 1,048,063 | ₩ 1,029,377 |
| **Profit (loss) attributable to:** | | | |
| Shareholder of the Parent Company | | ₩ 1,101,039 | ₩ 1,026,432 |
| Non-controlling interests | | (814) | (8,657) |
| | | ₩ 1,100,225 | ₩ 1,017,775 |
| **Total comprehensive income (loss) for the period attributable to:** | | | |
| Shareholder of the Parent Company | | ₩ 1,043,429 | ₩ 1,040,854 |
| Non-controlling interests | | 4,634 | (11,477) |
| | | ₩ 1,048,063 | ₩ 1,029,377 |

The above consolidated interim statements of comprehensive income should be read in conjunction with the accompanying notes.

## Kookmin Bank and Subsidiaries

**Consolidated Interim Statements of Changes in Equity**

**Three-Month Periods Ended March 31, 2026 and 2025 (Unaudited)**

| *(In millions of Korean won)* | Attributable to the owners of the parent | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | Capital stock | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Retained earnings | | |
| **Balance as of January 1, 2025** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 775,726 | ₩ 29,427,755 | ₩ 86,213 | ₩ 38,027,320 |
| **Comprehensive income for the period** | | | | | | | |
| Profit (loss) for the period | - | - | - | - | 1,026,432 | (8,657) | 1,017,775 |
| Remeasurements of net defined benefit liabilities | - | - | - | (6,197) | - | (455) | (6,652) |
| Gains (losses) on equity securities at fair value through other comprehensive income | - | - | - | 37,179 | (1,176) | - | 36,003 |
| Currency translation differences | - | - | - | (1,975) | - | (2,426) | (4,401) |
| Gains (losses) on debt securities at fair value through other comprehensive income | - | - | - | (1,150) | - | 61 | (1,089) |
| Share of other comprehensive loss of associates | - | - | - | (204) | - | - | (204) |
| Gains on hedging instruments of net investments in foreign operations | - | - | - | 2,232 | - | - | 2,232 |
| Losses on cash flow hedging instruments | - | - | - | (14,287) | - | - | (14,287) |
| **Total comprehensive income (loss) for the period** | - | - | - | 15,598 | 1,025,256 | (11,477) | 1,029,377 |
| **Transactions with the shareholder** | | | | | | | |
| Dividends | - | - | - | - | (1,625,604) | - | (1,625,604) |
| Dividends on hybrid securities | - | - | - | - | (12,231) | - | (12,231) |
| **Total transactions with the shareholder** | - | - | - | - | (1,637,835) | - | (1,637,835) |
| **Balance as of March 31, 2025** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 791,324 | ₩ 28,815,176 | ₩ 74,736 | ₩ 37,418,862 |
| **Balance as of January 1, 2026** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 557,792 | ₩ 30,608,583 | ₩ 51,640 | ₩ 38,955,641 |
| **Comprehensive income for the period** | | | | | | | |
| Profit (loss) for the period | - | - | - | - | 1,101,039 | (814) | 1,100,225 |
| Remeasurements of net defined benefit liabilities | - | - | - | (8,218) | - | 93 | (8,125) |
| Gains on equity securities at fair value through other comprehensive income | - | - | - | 81,420 | 718 | - | 82,138 |
| Currency translation differences | - | - | - | 202,094 | - | 5,362 | 207,456 |
| Losses on debt securities at fair value through other comprehensive income | - | - | - | (264,211) | - | (7) | (264,218) |
| Share of other comprehensive loss of associates | - | - | - | 770 | - | - | 770 |
| Losses on hedging instruments of net investments in foreign operations | - | - | - | (76,587) | - | - | (76,587) |
| Gains on cash flow hedging instruments | - | - | - | 6,404 | - | - | 6,404 |
| **Total comprehensive income (loss) for the period** | - | - | - | (58,328) | 1,101,757 | 4,634 | 1,048,063 |
| **Transactions with the shareholder** | | | | | | | |
| Dividends | - | - | - | - | (934,116) | - | (934,116) |
| Dividends on hybrid securities | - | - | - | - | (10,414) | (1,817) | (12,231) |
| **Total transactions with the shareholder** | - | - | - | - | (944,530) | (1,817) | (946,347) |
| **Balance as of March 31, 2026** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 499,464 | ₩ 30,765,810 | ₩ 54,457 | ₩ 39,057,357 |

The above consolidated interim statements of changes in equity should be read in conjunction with the accompanying notes.

## Kookmin Bank and Subsidiaries
### Consolidated Interim Statements of Cash Flows
### Three-Month Periods Ended March 31, 2026 and 2025 (Unaudited)

| *(In millions of Korean won)* | Notes | 2026 | 2025 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period | | ₩ 1,100,225 | ₩ 1,017,775 |
| Adjustment for non-cash items | | | |
| Net losses (gains) on financial instruments at fair value through profit or loss | | 65,343 | (145,064) |
| Net losses (gains) on derivative financial instrument for hedging purposes | | 35,615 | (13,583) |
| Provision for credit losses | | 171,955 | 285,987 |
| Net gains on financial investments | | (15,094) | (52,043) |
| Share of profit (loss) of associates | | (10,515) | 6,041 |
| Depreciation and amortization expense | | 133,070 | 138,519 |
| Other net losses on property and equipment/intangible assets | | 9,289 | 799 |
| Share-based payments | | 10,218 | 743 |
| Post-employment benefits | | 32,828 | 30,125 |
| Net interest income | | 41,139 | (7,393) |
| Losses on foreign currency translation | | 402,577 | 333,456 |
| Other income (expenses) | | (6,815) | 29,188 |
| | | 869,610 | 606,775 |
| Changes in operating assets and liabilities | | | |
| Financial assets at fair value through profit or loss | | (1,870,922) | (1,505,653) |
| Derivative financial instrument | | 171,636 | 226,304 |
| Loans measured at amortized cost | | 1,189,346 | (3,626,344) |
| Current income tax assets | | (22,907) | 13,361 |
| Deferred income tax assets | | 2,213 | 17,751 |
| Other assets | | (16,521,785) | (2,758,350) |
| Financial liabilities at fair value through profit or loss | | 19,868 | 11,501 |
| Deposits | | 2,816,910 | (89,972) |
| Deferred income tax liabilities | | 136,632 | 127,400 |
| Other liabilities | | 16,106,882 | 6,899,860 |
| | | 2,027,873 | (684,142) |
| **Net cash inflow from operating activities** | | 3,997,708 | 940,408 |
| **Cash flows from investing activities** | | | |
| Net cash flows from derivative financial instrument for hedging purposes | | (1,526) | (1,148) |
| Disposal of financial assets at fair value through profit or loss | | 2,841,769 | 2,671,886 |
| Acquisition of financial assets at fair value through profit or loss | | (2,234,796) | (4,502,400) |
| Disposal of financial investments | | 11,025,952 | 13,738,494 |
| Acquisition of financial investments | | (12,205,677) | (10,056,954) |
| Disposal of investments in associates | | 50,522 | 26,224 |
| Acquisition of investments in associates | | (26,100) | - |
| Disposal of property and equipment | | 933 | 821 |
| Acquisition of property and equipment | | (35,375) | (34,675) |
| Disposal of intangible assets | | 111 | 90 |
| Acquisition of intangible assets | | (10,952) | (21,013) |
| Net cash flows from changes in ownership of subsidiaries | | (119,612) | (408) |
| Others | | 11,008 | 6,259 |
| **Net cash inflow (outflow) from investing activities** | | (703,743) | 1,827,176 |
| **Cash flows from financing activities** | | | |
| Net cash flows from derivative financial instrument for hedging purposes | | (8,218) | (7,653) |
| Net Increase (decrease) in borrowings | | (2,388,507) | 2,746,249 |
| Increase in debentures | | 4,070,278 | 3,731,636 |
| Decrease in debentures | | (5,941,663) | (5,351,617) |
| Payment of dividends | | (934,116) | (1,625,604) |
| Increase in other payables to trust accounts | | (794,464) | 338,470 |
| Others | | (36,617) | (303,038) |
| **Net cash outflow from financing activities** | | (6,033,307) | (471,557) |
| **Effect of exchange rate changes on cash and cash equivalents** | | 339,285 | 123,344 |
| **Net increase in cash and cash equivalents** | | (2,400,057) | 2,419,371 |
| **Cash and cash equivalents at the beginning of the period** | 28 | 25,181,140 | 21,489,706 |
| **Cash and cash equivalents at the end of the period** | 28 | ₩ 22,781,083 | ₩ 23,909,077 |

The above consolidated interim statements of cash flows should be read in conjunction with the accompanying notes.

## 1. Reporting Entity

Kookmin Bank (the "Bank") was incorporated in 1963 under the Citizens National Bank Act to provide banking services to the general public and to small and medium-sized enterprises. Pursuant to the Repeal Act of the Citizens National Bank Act, effective January 5, 1995, the Bank's status changed to a financial institution which operates under the Banking Act and Commercial Act.

The Bank merged with Korea Long Term Credit Bank on December 31, 1998, and with its subsidiaries, Daegu, Busan, Jeonnam Kookmin Mutual Savings & Finance Co., Ltd., on August 22, 1999. Pursuant to the directive from the Financial Services Commission related to the Structural Improvement of the Financial Industry Act in 1998, the Bank acquired certain assets, including performing loans, and assumed most of the liabilities of Daedong Bank on June 29, 1998. Also, the Bank completed the merger with Housing and Commercial Bank ("H&CB") on October 31, 2001, and merged with Kookmin Credit Card Co., Ltd., a majority-owned subsidiary, on September 30, 2003. Meanwhile, the Bank spun off its credit card business segment on February 28, 2011, and KB Kookmin Card Co., Ltd. became a subsidiary of KB Financial Group Inc.

The Bank listed its shares on the Stock Market Division of the Korea Exchange ("KRX") in September 1994. As a result of the merger with H&CB, the shareholders of the former Kookmin Bank and H&CB received new common shares of the Bank which were relisted on the KRX on November 9, 2001. In addition, H&CB listed its American Depositary Shares ("ADS") on the New York Stock Exchange ("NYSE") on October 3, 2000, prior to the merger. Following the merger with H&CB, the Bank listed its ADS on the NYSE on November 1, 2001. The Bank became a wholly owned subsidiary of KB Financial Group Inc. through a comprehensive stock transfer on September 29, 2008. Subsequently, the Bank's shares and its ADS, each listed on the KRX and the NYSE, were delisted on October 10, 2008 and September 26, 2008, respectively. As of March 31, 2026, the Bank's paid-in capital is ₩ 2,021,896 million.

The Bank engages in the banking business in accordance with the Banking Act, trust business in accordance with the Financial Investment Services and Capital Markets Act, mobile virtual network business in accordance with the Special Act on Support for Financial Innovation, and other relevant businesses. As of March 31, 2026, the Bank operates its Seoul headquarters and 771 domestic branches, and 11 overseas branches (excluding five subsidiaries).

## 2. Basis of Preparation

### 2.1 Application of Korean IFRS

The Bank and its subsidiaries (collectively the "Group") maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying condensed consolidated interim financial statements have been translated into English from the Korean language consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

The Group's condensed consolidated interim financial statements for the three-month period ended March 31, 2026, have been prepared in accordance with Korean IFRS No.1034 *Interim Financial Reporting* and contain less information than is required in annual consolidated financial statements. Selected explanatory notes include descriptions of transactions or events that are significant in understanding changes in the financial position and financial performance of the Group since the end of the previous annual reporting period. These consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as of March 31, 2026.

2.1.1 The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2026.

*- Amendment to Korean IFRS No.1109 "Financial Instruments" and No.1107 "Financial Instruments : Disclosures"*

The amendments respond to recent questions arising in practice. The amendments will be applicable from the accounting year beginning on or after January 1, 2026, and early adoption is permitted. The main amendments are as follows. The Group is reviewing the impact of these amendments on the financial statements.

- allow the consideration of a financial liability as settled (derecognized) through an electronic payment system before the settlement date if certain criteria are met;
- clarify and provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- disclose the impact of contractual terms that change the timing or amount of cash flows on the company, as well as the extent of the company's exposure, for each type of financial instrument;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

*- Annual Improvements to Korean IFRS - Volume 11*

Annual Improvements to Korean IFRS - *Volume 11* should be applied for annual periods beginning on or after January 1, 2026. These amendments do not have a significant impact on the financial statements.

- Korean IFRS No.1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*
- Korean IFRS No.1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- Korean IFRS No.1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- Korean IFRS No.1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Korean IFRS No.1007 *Statement of Cash Flows: Cost method*

2.1.2 The following are the accounting standards that have been issued but were not mandatory for annual reporting periods ending on December 31, 2026.

*-Korean IFRS No.1118 Presentation and Disclosures in Financial Statements*

Korean IFRS No.1118 "Presentation and Disclosure in Financial Statements" replaces Korean IFRS No.1001 "Presentation of Financial Statements." Korean IFRS No.1118 is expected to enhance the comparability of financial performance among similar entities by providing users with more useful information for analyzing and comparing an entity's performance based on the income statement.
When the Group prepares its financial statements by applying Korean IFRS No.1118, the following material accounting policies are expected to result in significant differences compared to the current financial statements. These items do not include all potential differences and may be subject to change based on further analysis.

· Changes in the presentation of the income statement

Korean IFRS No.1118 requires all income and expenses included in the statement of profit or loss to be classified into one of five categories: operating, investing, financing, income taxes, and discontinued operations. The Standard classifies all income and expenses not attributable to the investing, financing, income tax, or discontinued operations categories as operating and defines operating profit or loss as a residual measure. The Group is required to assess its main business activities in determining the classification of income and expenses. Where the Group's main business activities include investing in a particular type of asset or providing financing to customers, certain income and expenses that would otherwise be classified as investing or financing are classified as operating. Accordingly, operating profit or loss determined under Korean IFRS No.1118 may differ significantly from that determined under Korean IFRS No.1001.The Standard requires the disclosure, in the notes, of operating profit or loss determined in accordance with Korean IFRS No.1001, as well as a reconciliation between operating profit or loss under Korean IFRS No.1118 and that determined in accordance with Korean IFRS No.1001.
In addition, Korean IFRS No.1118 requires the presentation in the statement of profit or loss of "operating profit or loss," comprising all income and expenses classified in the operating category; "profit or loss before financing and income taxes," comprising operating profit or loss and all income and expenses classified in the investing category; and "profit or loss." However, where the Group's main business activities include providing financing to customers, the presentation of "profit or loss before financing and income taxes" may not be required, depending on the accounting policy applied.

· Introduction of disclosure of management-defined performance measures

Korean IFRS No.1118 introduces new disclosure requirements for management-defined performance measures (MPMs). MPMs are defined as subtotals of income and expenses that are not specified in paragraph 118 of the Standard and are not explicitly required to be presented or disclosed under Korean IFRS. These measures are used by an entity in public communications separately from the financial statements and are intended to communicate management's view of the entity's overall financial performance to users of the financial statements.
When the Group reports MPMs, it is required to disclose the reasons why such measures provide useful information, the calculation method of those measures, and a reconciliation between those measures and the most directly comparable subtotal specified in Korean IFRS No.1118. In addition, the Group is required to disclose the income tax effects and the effects on non-controlling interests for each reconciling item.

· Changes in classification of cash flows

Consequential amendments have been made to Korean IFRS No.1007 "Statement of Cash Flows" following the issuance of Korean IFRS No.1118. Under these amendments, the starting point for determining cash flows from operating activities using the indirect method has been changed from net profit or loss to operating profit or loss, and the accounting policy choice for the classification of interest and dividends has been removed.

Korean IFRS No.1118 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. In accordance with Korean IFRS No.1008 "Accounting Policies, Changes in Accounting Estimates and Errors," the Standard is required to be applied retrospectively, and accordingly, the comparative information for the year ending December 31, 2026 will be restated. The amendments to Korean IFRS No.1007 and No.1033, as well as the revised Korean IFRS No.1008 and No.1107 resulting from the issuance of Korean IFRS No.1118, are effective when Korean IFRS No.1118 is applied.
As the mandatory effective date of Korean IFRS No.1118 has not yet been reached, the Group has not applied the Standard and plans to present its first interim financial statements for the period ending March 31, 2027 in accordance with Korean IFRS No.1118. Based on the information available as of March 31, 2026, the Group is

in the process of assessing the financial impact of adopting Korean IFRS No.1118, establishing accounting policies, and implementing changes to its accounting systems, and is conducting a preliminary overall assessment of the impact of applying the Standard.

**2.2 Measurement Basis**

The consolidated financial statements have been prepared based on the historical cost accounting model unless otherwise specified.

**2.3 Functional and Presentation Currency**

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Korean won, which is the reporting entity’s functional and presentation currency.

**2.4 Significant Accounting Estimates**

The Group applies accounting policies and uses judgments, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the consolidated financial statements. Management’s estimates of outcomes may differ from actual outcomes if management’s estimates and assumptions based on management’s best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Significant accounting estimates and assumptions applied in the preparation of these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2025, except for the estimates used to determine income tax expense

**3. Material Accounting Policies**

The material accounting policies and calculation methods applied in the preparation of these consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2025, except for the impact of changes due to adopting new and amended standards and interpretations described in Note 2.1 and below paragraph.

The Group is subject to income tax under Pillar 2, and the recognition and disclosure of deferred taxes have been applied with exceptions. Income tax expense for the interim period is measured by using the expected average annual income tax rate applicable on expected total annual income.

## 4. Financial Risk Management

4.1 Summary

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, operational risk, and others.

This note regarding financial risk management provides information about the risks that the Group is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the consolidated financial statements.

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of each business group through increased risk transparency, spread of risk management culture, prevention of risk transfer between risk types, and preemptive response to rapidly changing financial environments. Credit risk, market risk, liquidity risk, and operational risk are recognized as the Group's significant risks and measured and managed by quantifying them in the form of internal capital or Value at Risk ("VaR") using statistical methods.

4.1.2 Risk management organization

4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, approves risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the board of directors, determining the affordable level of risk appetite, and reviewing the level of risk and the status of risk management activities.

4.1.2.2 Risk Management Council

The Risk Management Council deliberates on and resolves matters delegated by the Risk Management Committee and is responsible for establishing the Group's risk management policies and procedures.

4.1.2.3 Risk Management Subcommittees

The Risk Management Subcommittee executes the decisions made by the Risk Management Council and makes practical decisions regarding the implementation of risk management policies and procedures.

- Credit Risk Management Subcommittee
  The Credit Risk Management Subcommittee conducts deliberation and resolution on new approval of non-standard and compound instruments with embedded credit risks, review of credit risks for new products with credit risks, and establishment of exposure limits by industry.

- Market Risk Management Subcommittee
  The Market Risk Management Subcommittee conducts deliberation and resolution on market risk-related matters, such as setting limits on market risk and approving detailed investment standards for new standard, non-standard and compound products.

- Operational Risk Management Subcommittee

The Operational Risk Management Subcommittee resolves to set limits for key risk indicators of priority management targets, and to change the selection criteria and processes for third-party risk management targets and change management targets and reviews the issues that have a significant effect on the Group's operational risk such as establishment, amendment and abolition of major system, process and others.

- Trust & Fund Customer Asset Risk Management Subcommittee
The Trust & Fund Customer Asset Risk Management Subcommittee reviews the issues that have a significant effect on the trust & fund customer asset risk management such as setting limits on trust & fund customer assets.

4.1.2.4 Risk Management Group

The Risk Management Group manages detailed risk management policies, procedures, and business processes.

4.2 Credit Risk

4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management reporting purposes, the Group considers all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors. The Group defines default as the definition applied to the calculation of Capital Adequacy Ratio under the new Basel Accord (Basel III).

4.2.2 Credit risk management

The Group measures the expected loss and internal capital for the assets subject to credit risk management, including on-balance and off-balance assets, and uses them as management indicators. The Group allocates and manages credit risk internal capital limits.

In addition, to prevent excessive concentration of exposures by borrowers and industries, the total exposure limit at the Group level is introduced, applied, and managed to control the credit concentration risk.

All of the Group's loan customers (individuals and corporates) are assigned a credit rating and managed by a comprehensive internal credit evaluation system. For individuals, the credit rating is evaluated by utilizing personal information, income and job information, asset information, and bank transaction information. For corporates, the credit rating is evaluated by analyzing and utilizing financial and non-financial information which measures current and future corporate value and ability to repay the debt. Also, the extent to which corporates have the ability to meet debt obligations is comprehensively considered.

The credit rating, once assigned, serves as the fundamental instrument in the Group's credit risk management, and is applied in a wide range of credit risk management processes, including credit approval, credit limit management, loan pricing, and assessment of allowances for credit losses. For corporates, the Group conducts a regular credit evaluation at least once a year, and the review and supervision departments regularly validate the adequacy of credit ratings to manage credit risks.

To establish a credit risk management system, the Group manages credit risk by forming a separate risk management organization. In particular, independently of the Sales Group, the Credit Management & Analysis Group, Retail Customer Group and Corporate Customer Group are in charge of loan policy, loan system, credit

rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group is responsible for establishing policies on credit risk management, measuring and managing internal capital for credit risk, setting credit limits, performing credit reviews, and validating of credit rating models.

4.2.3 Maximum exposure to credit risk

The Group's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **Financial assets** | | |
| Due from financial institutions [1] | 22,270,246 | 24,260,096 |
| Financial assets at fair value through profit or loss: | | |
| Securities measured at fair value through profit or loss | 26,050,839 | 25,198,616 |
| Loans measured at fair value through profit or loss | 276,383 | 270,623 |
| Due from financial institutions measured at fair value through profit or loss | 480,531 | 412,279 |
| Derivatives | 9,929,177 | 6,871,392 |
| Loans measured at amortized cost [1] | 429,459,820 | 428,818,361 |
| Financial investments: | | |
| Securities measured at fair value through other comprehensive income | 42,530,127 | 43,299,619 |
| Securities measured at amortized cost [1] | 36,456,844 | 34,293,913 |
| Loans measured at fair value through other comprehensive income | 357,061 | 339,057 |
| Other financial assets [1] | 26,443,893 | 10,483,802 |
| | 594,254,921 | 574,247,758 |
| **Off-balance sheet items** [2] | | |
| Acceptances and guarantees contracts | 16,241,347 | 15,588,992 |
| Financial guarantee contracts | 6,867,891 | 6,333,153 |
| Commitments | 120,990,957 | 119,679,745 |
| | 144,100,195 | 141,601,890 |
| | 738,355,116 | 715,849,648 |

[1] After netting of allowance
[2] For details of related provisions, see Note 16

4.2.4 Credit risk of loans

The Group maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Group assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial assets at fair value through other comprehensive income (debt instruments). Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting reasonable and supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Group measures the expected credit losses of loans classified as financial assets at amortized cost, by deducting allowances for credit losses in the consolidated financial statements. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the consolidated

financial statements.

4.2.4.1 Credit risk exposure

Credit qualities of loans as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Loans measured at amortized cost *** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 137,591,857 | 10,518,876 | 11,009 | - | - | 148,121,742 |
| Grade 2 | 70,697,118 | 11,866,114 | 17,378 | - | - | 82,580,610 |
| Grade 3 | 3,546,564 | 4,748,776 | 29,512 | - | - | 8,324,852 |
| Grade 4 | 775,413 | 976,513 | 21,935 | - | - | 1,773,861 |
| Grade 5 | 7,859 | 680,416 | 2,796,154 | - | - | 3,484,429 |
| | 212,618,811 | 28,790,695 | 2,875,988 | - | - | 244,285,494 |
| **Retail** | | | | | | |
| Grade 1 | 173,918,455 | 5,021,676 | 3,574 | - | - | 178,943,705 |
| Grade 2 | 3,112,538 | 3,673,745 | 12,800 | - | - | 6,799,083 |
| Grade 3 | 219,144 | 979,850 | 16,752 | - | - | 1,215,746 |
| Grade 4 | 77,822 | 457,869 | 21,251 | - | - | 556,942 |
| Grade 5 | 24,101 | 358,028 | 921,257 | - | - | 1,303,386 |
| | 177,352,060 | 10,491,168 | 975,634 | - | - | 188,818,862 |
| **Credit card** | | | | | | |
| Grade 1 | 79 | - | - | - | - | 79 |
| Grade 2 | 13,802 | 191 | - | - | - | 13,993 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | 3,118 | 7,340 | - | - | 10,458 |
| | 13,881 | 3,309 | 7,340 | - | - | 24,530 |
| | 389,984,752 | 39,285,172 | 3,858,962 | - | - | 433,128,886 |
| **Loans measured at fair value through other comprehensive income** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 334,279 | - | - | - | - | 334,279 |
| Grade 2 | 22,782 | - | - | - | - | 22,782 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 357,061 | - | - | - | - | 357,061 |
| | 357,061 | - | - | - | - | 357,061 |
| | 390,341,813 | 39,285,172 | 3,858,962 | - | - | 433,485,947 |

Credit qualities of loans as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Loans measured at amortized cost *** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 137,484,818 | 10,705,776 | 7,286 | - | - | 148,197,880 |
| Grade 2 | 69,241,676 | 12,089,660 | 11,071 | - | - | 81,342,407 |
| Grade 3 | 3,447,297 | 5,212,502 | 24,505 | - | - | 8,684,304 |
| Grade 4 | 759,730 | 1,075,886 | 30,669 | - | - | 1,866,285 |
| Grade 5 | 8,037 | 643,496 | 2,435,258 | - | - | 3,086,791 |
| | 210,941,558 | 29,727,320 | 2,508,789 | - | - | 243,177,667 |
| **Retail** | | | | | | |
| Grade 1 | 174,425,696 | 5,126,760 | 3,927 | - | - | 179,556,383 |
| Grade 2 | 3,150,412 | 3,727,245 | 13,446 | - | - | 6,891,103 |
| Grade 3 | 219,364 | 877,665 | 15,727 | - | - | 1,112,756 |
| Grade 4 | 83,654 | 353,998 | 20,729 | - | - | 458,381 |
| Grade 5 | 20,723 | 266,178 | 876,463 | - | - | 1,163,364 |
| | 177,899,849 | 10,351,846 | 930,292 | - | - | 189,181,987 |
| **Credit card** | | | | | | |
| Grade 1 | - | - | - | - | - | - |
| Grade 2 | 15,248 | 235 | - | - | - | 15,483 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | 1,680 | 6,605 | - | - | 8,285 |
| | 15,248 | 1,915 | 6,605 | - | - | 23,768 |
| | 388,856,655 | 40,081,081 | 3,445,686 | - | - | 432,383,422 |
| **Loans measured at fair value through other comprehensive income** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 317,446 | - | - | - | - | 317,446 |
| Grade 2 | 21,611 | - | - | - | - | 21,611 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 339,057 | - | - | - | - | 339,057 |
| | 339,057 | - | - | - | - | 339,057 |
| | 389,195,712 | 40,081,081 | 3,445,686 | - | - | 432,722,479 |

* Before netting of allowance

Credit qualities of loans graded according to internal credit ratings as of March 31, 2026 and December 31, 2025, are as follows:

| | Corporate | Retail |
|---|---|---|
| Grade 1 | AAA to BBB+ | Grade 1 to 5 |
| Grade 2 | BBB to BB | Grade 6 to 8 |
| Grade 3 | BB- to B | Grade 9 to 10 |
| Grade 4 | B- to CCC | Grade 11 |
| Grade 5 | CC or under | Grade 12 or under |

4.2.4.2 Credit risk mitigation by collateral

Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| Guarantees | 116,354,105 | 13,210,217 | 338,760 | - | - | 129,903,082 |
| Deposits and savings | 3,384,072 | 180,462 | 9,945 | - | - | 3,574,479 |
| Property and equipment | 4,676,222 | 728,982 | 146,372 | - | - | 5,551,576 |
| Real estate | 221,408,743 | 21,687,186 | 2,173,986 | - | - | 245,269,915 |
| | 345,823,142 | 35,806,847 | 2,669,063 | - | - | 384,299,052 |

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| Guarantees | 117,143,803 | 13,319,222 | 336,100 | - | - | 130,799,125 |
| Deposits and savings | 3,323,323 | 178,661 | 10,512 | - | - | 3,512,496 |
| Property and equipment | 4,602,282 | 714,871 | 102,408 | - | - | 5,419,561 |
| Real estate | 219,578,201 | 22,296,113 | 1,887,735 | - | - | 243,762,049 |
| | 344,647,609 | 36,508,867 | 2,336,755 | - | - | 383,493,231 |

4.2.5 Credit risk of securities

Credit qualities of securities exposed to credit risk other than equity securities among financial investments as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Securities measured at amortized cost *** | | | | | | |
| Grade 1 | 33,068,613 | - | - | - | - | 33,068,613 |
| Grade 2 | 3,405,205 | - | - | - | - | 3,405,205 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 36,473,818 | - | - | - | - | 36,473,818 |
| **Securities measured at fair value through other comprehensive income** | | | | | | |
| Grade 1 | 40,682,226 | - | - | - | - | 40,682,226 |
| Grade 2 | 1,847,901 | - | - | - | - | 1,847,901 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 42,530,127 | - | - | - | - | 42,530,127 |
| | 79,003,945 | - | - | - | - | 79,003,945 |

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Securities measured at amortized cost *** | | | | | | |
| Grade 1 | 30,924,681 | - | - | - | - | 30,924,681 |
| Grade 2 | 3,378,995 | - | - | - | - | 3,378,995 |
| Grade 3 | 7,175 | - | - | - | - | 7,175 |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 34,310,851 | - | - | - | - | 34,310,851 |
| **Securities measured at fair value through other comprehensive income** | | | | | | |
| Grade 1 | 41,595,465 | - | - | - | - | 41,595,465 |
| Grade 2 | 1,704,154 | - | - | - | - | 1,704,154 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 43,299,619 | - | - | - | - | 43,299,619 |
| | 77,610,470 | - | - | - | - | 77,610,470 |

* Before netting of allowance

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of March 31, 2026 and December 31, 2025, are as follows:

| Credit quality | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|
| | KIS | NICE P&I | FnPricing Inc. | S&P | Fitch-IBCA | Moody's |
| Grade 1 | AA0 to AAA | AA0 to AAA | AA0 to AAA | A- to AAA | A- to AAA | A3 to Aaa |
| Grade 2 | A- to AA- | A- to AA- | A- to AA- | BBB- to BBB+ | BBB- to BBB+ | Baa3 to Baa1 |
| Grade 3 | BBB0 to BBB+ | BBB0 to BBB+ | BBB0 to BBB+ | BB to BB+ | BB to BB+ | Ba2 to Ba1 |
| Grade 4 | BB0 to BBB- | BB0 to BBB- | BB0 to BBB- | B+ to BB- | B+ to BB- | B1 to Ba3 |
| Grade 5 | BB- or under | BB- or under | BB- or under | B or under | B or under | B2 or under |

Credit qualities of debt securities denominated in Korean Won are based on the lowest credit rating by the three domestic credit rating agencies above, and those denominated in foreign currencies are based on the lowest credit rating by the three foreign credit rating agencies above.

4.2.6 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Total |
| | | Non-impaired | Impaired | | |
| **Due from financial institutions measured at amortized cost *** | | | | | |
| Grade 1 | 20,723,250 | - | - | - | 20,723,250 |
| Grade 2 | 703,664 | - | - | - | 703,664 |
| Grade 3 | 83,230 | - | - | - | 83,230 |
| Grade 4 | - | - | - | - | - |
| Grade 5 | 760,697 | - | - | - | 760,697 |
| | 22,270,841 | - | - | - | 22,270,841 |

*(In millions of Korean won)*

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Total |
| | | Non-impaired | Impaired | | |
| **Due from financial institutions measured at amortized cost *** | | | | | |
| Grade 1 | 22,562,423 | - | - | - | 22,562,423 |
| Grade 2 | 787,777 | - | - | - | 787,777 |
| Grade 3 | 122,333 | - | - | - | 122,333 |
| Grade 4 | - | - | - | - | - |
| Grade 5 | 787,728 | - | - | - | 787,728 |
| | 24,260,261 | - | - | - | 24,260,261 |

* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of March 31, 2026 and December 31, 2025, are the same as the criteria for securities other than equity securities.

4.2.7 Credit risk concentration analysis

4.2.7.1 Classifications of corporate loans by industry as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Financial institutions | 24,576,282 | 10.03 | (110,371) | 24,465,911 |
| Manufacturing | 60,904,288 | 24.87 | (504,793) | 60,399,495 |
| Service | 110,499,539 | 45.12 | (1,110,916) | 109,388,623 |
| Wholesale and retail | 32,106,386 | 13.11 | (559,704) | 31,546,682 |
| Construction | 4,468,480 | 1.82 | (209,172) | 4,259,308 |
| Public sector | 1,743,937 | 0.71 | (10,778) | 1,733,159 |
| Others | 10,620,026 | 4.34 | (174,934) | 10,445,092 |
| | 244,918,938 | 100.00 | (2,680,668) | 242,238,270 |

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Loan | % | Allowances | Carrying amount |
| Financial institutions | 25,835,415 | 10.60 | (73,143) | 25,762,272 |
| Manufacturing | 57,966,293 | 23.78 | (534,806) | 57,431,487 |
| Service | 110,376,025 | 45.28 | (948,552) | 109,427,473 |
| Wholesale and retail | 30,813,265 | 12.64 | (544,719) | 30,268,546 |
| Construction | 4,864,248 | 2.00 | (249,830) | 4,614,418 |
| Public sector | 1,894,881 | 0.78 | (55,802) | 1,839,079 |
| Others | 12,037,220 | 4.92 | (175,546) | 11,861,674 |
| | 243,787,347 | 100.00 | (2,582,398) | 241,204,949 |

* Expected credit losses of loans measured at fair value through other comprehensive income as of March 31, 2026 and December 31, 2025, are ₩ 741 million and ₩ 703 million, respectively.

4.2.7.2 Classifications of retail loans and credit card receivables as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Housing loan | 112,956,485 | 59.81 | (366,271) | 112,590,214 |
| General loan | 75,862,377 | 40.18 | (614,300) | 75,248,077 |
| Credit card | 24,530 | 0.01 | (7,827) | 16,703 |
| | 188,843,392 | 100.00 | (988,398) | 187,854,994 |

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Housing loan | 112,648,211 | 59.54 | (350,734) | 112,297,477 |
| General loan | 76,533,776 | 40.45 | (625,070) | 75,908,706 |
| Credit card | 23,768 | 0.01 | (6,859) | 16,909 |
| | 189,205,755 | 100.00 | (982,663) | 188,223,092 |

4.2.7.3 Classifications of domestic mortgage loans as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | Loans * | % | Allowances | Carrying amount |
| Group1 | 25,752,092 | 20.26 | (31,884) | 25,720,208 |
| Group2 | 26,975,825 | 21.23 | (29,171) | 26,946,654 |
| Group3 | 34,506,213 | 27.15 | (57,743) | 34,448,470 |
| Group4 | 37,568,375 | 29.56 | (93,733) | 37,474,642 |
| Group5 | 2,244,053 | 1.77 | (13,468) | 2,230,585 |
| Group6 | 34,703 | 0.03 | (802) | 33,901 |
| | 127,081,261 | 100.00 | (226,801) | 126,854,460 |

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Loans * | % | Allowances | Carrying amount |
| Group1 | 25,494,147 | 19.96 | (29,139) | 25,465,008 |
| Group2 | 26,589,463 | 20.82 | (24,429) | 26,565,034 |
| Group3 | 35,543,475 | 27.83 | (55,964) | 35,487,511 |
| Group4 | 37,715,824 | 29.53 | (95,300) | 37,620,524 |
| Group5 | 2,337,963 | 1.83 | (14,024) | 2,323,939 |
| Group6 | 31,695 | 0.03 | (533) | 31,162 |
| | 127,712,567 | 100.00 | (219,389) | 127,493,178 |

* Retail loans for general purpose with real estate as collateral are included.

| | Ranges |
|---|---|
| Group1 | LTV 0% to less than 20%* |
| Group2 | LTV 20% to less than 40% |
| Group3 | LTV 40% to less than 60% |
| Group4 | LTV 60% to less than 80% |
| Group5 | LTV 80% to less than 100% |
| Group6 | LTV over 100% |

* LTV: Loan to Value ratio

4.2.7.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | **Amount** | % | **Allowances** | **Carrying amount** |
| **Due from financial institutions measured at amortized cost** | | | | |
| Government and government funded institutions | 261,357 | 1.17 | - | 261,357 |
| Finance and insurance | 22,009,484 | 98.83 | (595) | 22,008,889 |
| | 22,270,841 | 100.00 | (595) | 22,270,246 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Finance and insurance | 480,531 | 100.00 | - | 480,531 |
| | 480,531 | 100.00 | - | 480,531 |
| **Securities measured at fair value through profit or loss** | | | | |
| Government and government funded institutions | 13,369,133 | 51.32 | - | 13,369,133 |
| Finance and insurance [1] | 10,746,591 | 41.25 | - | 10,746,591 |
| Others | 1,935,115 | 7.43 | - | 1,935,115 |
| | 26,050,839 | 100.00 | - | 26,050,839 |
| **Derivative financial assets** | | | | |
| Government and government funded institutions | 53,295 | 0.54 | - | 53,295 |
| Finance and insurance [1] | 8,531,116 | 85.92 | - | 8,531,116 |
| Others | 1,344,766 | 13.54 | - | 1,344,766 |
| | 9,929,177 | 100.00 | - | 9,929,177 |
| **Securities measured at fair value through other comprehensive income [2]** | | | | |
| Government and government funded institutions | 22,548,016 | 53.02 | - | 22,548,016 |
| Finance and insurance | 16,391,702 | 38.54 | - | 16,391,702 |
| Others | 3,590,409 | 8.44 | - | 3,590,409 |
| | 42,530,127 | 100.00 | - | 42,530,127 |
| **Securities measured at amortized cost** | | | | |
| Government and government funded institutions | 15,649,609 | 42.91 | (1,427) | 15,648,182 |
| Finance and insurance | 20,587,826 | 56.45 | (15,156) | 20,572,670 |
| Others | 236,383 | 0.64 | (391) | 235,992 |
| | 36,473,818 | 100.00 | (16,974) | 36,456,844 |
| | 137,735,333 | | (17,569) | 137,717,764 |

4.2.7.4 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Government and government funded institutions | 548,066 | 2.26 | - | 548,066 |
| Finance and insurance | 23,712,195 | 97.74 | (165) | 23,712,030 |
| | 24,260,261 | 100.00 | (165) | 24,260,096 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Finance and insurance | 412,279 | 100.00 | - | 412,279 |
| | 412,279 | 100.00 | - | 412,279 |
| **Securities measured at fair value through profit or loss** | | | | |
| Government and government funded institutions | 12,008,132 | 47.65 | - | 12,008,132 |
| Finance and insurance [1] | 11,363,613 | 45.10 | - | 11,363,613 |
| Others | 1,826,871 | 7.25 | - | 1,826,871 |
| | 25,198,616 | 100.00 | - | 25,198,616 |
| **Derivative financial assets** | | | | |
| Government and government funded institutions | 36,363 | 0.53 | - | 36,363 |
| Finance and insurance [1] | 6,045,279 | 87.98 | - | 6,045,279 |
| Others | 789,750 | 11.49 | - | 789,750 |
| | 6,871,392 | 100.00 | - | 6,871,392 |
| **Securities measured at fair value through other comprehensive income [2]** | | | | |
| Government and government funded institutions | 21,038,964 | 48.59 | - | 21,038,964 |
| Finance and insurance | 18,155,306 | 41.93 | - | 18,155,306 |
| Others | 4,105,349 | 9.48 | - | 4,105,349 |
| | 43,299,619 | 100.00 | - | 43,299,619 |
| **Securities measured at amortized cost** | | | | |
| Government and government funded institutions | 14,238,786 | 41.50 | (1,046) | 14,237,740 |
| Finance and insurance | 19,887,446 | 57.96 | (15,573) | 19,871,873 |
| Others | 184,619 | 0.54 | (319) | 184,300 |
| | 34,310,851 | 100.00 | (16,938) | 34,293,913 |
| | 134,353,018 | | (17,103) | 134,335,915 |

[1] Collective investment securities (including transactions with collective investment schemes) are classified as finance and insurance.

[2] Expected credit losses of securities measured at fair value through other comprehensive income as of March 31, 2026 and December 31, 2025, are ₩ 9,452 million and ₩ 9,762 million, respectively.

Due from financial institutions, financial instruments at fair value through profit or loss linked to the gold price, and derivative financial instruments are mostly related to the finance and insurance industry with high credit ratings.

4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group may face insolvency due to the mismatches in the timing of fund's inflows and outflows, unexpected cash outflows, or losses due to financing funds at a high interest rate 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 interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

4.3.2 Liquidity risk management and indicator

The liquidity risk is managed by comprehensive risk management policies and Asset Liability Management ("ALM") risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Group.

The Group establishes a liquidity risk management strategy, including objectives of liquidity risk management, management policies, and internal control systems, and obtains a resolution from the Risk Management Committee. The Risk Management Committee has established the Risk Management Council for efficient risk management to supervise the establishment and implementation of policies according to risk management strategies.

The Group calculates and manages the Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR"), liquidity ratio, maturity mismatch ratio and liquidity stress testing results for all transactions and off-balance transactions, that affect the cash flows in Korean won and foreign currency funds raised and operated for the management of liquidity risks and periodically reports them to the Risk Management Council and the Risk Management Committee.

4.3.3 Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest payments; as such, amounts in the table below do not correspond to those in the consolidated statements of financial position which are based on discounted cash flows. The future interest payments of floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | On demand | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss [1] | 480,271 | - | - | - | - | - | 480,271 |
| Derivatives held for trading [1] | 8,486,781 | - | - | - | - | - | 8,486,781 |
| Derivatives held for hedging [2] | - | 399 | 10,828 | (6,698) | 14,388 | (9) | 18,908 |
| Deposits [3] | 189,485,359 | 39,123,244 | 57,030,126 | 139,212,353 | 27,102,709 | 1,233,091 | 453,186,882 |
| Borrowings | 7,182 | 11,119,610 | 4,280,716 | 8,632,806 | 6,863,084 | 857,909 | 31,761,307 |
| Debentures | 644 | 2,030,998 | 4,975,218 | 14,589,518 | 14,592,477 | 1,182,826 | 37,371,681 |
| Lease liabilities | 367 | 21,400 | 42,312 | 165,301 | 498,805 | 17,977 | 746,162 |
| Other financial liabilities | 2,965 | 36,507,218 | 18,796 | 141,174 | - | - | 36,670,153 |
| | 198,463,569 | 88,802,869 | 66,357,996 | 162,734,454 | 49,071,463 | 3,291,794 | 568,722,145 |
| **Off-balance sheet items** | | | | | | | |
| Commitments [4] | 120,990,957 | - | - | - | - | - | 120,990,957 |
| Acceptances and guarantees contracts [5] | 16,241,347 | - | - | - | - | - | 16,241,347 |
| Financial guarantee contracts [5] | 6,867,891 | - | - | - | - | - | 6,867,891 |
| | 144,100,195 | - | - | - | - | - | 144,100,195 |

| *(In millions of Korean won)* | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | On demand | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss [1] | 420,329 | - | - | - | - | - | 420,329 |
| Derivatives held for trading [1] | 5,798,316 | - | - | - | - | - | 5,798,316 |
| Derivatives held for hedging [2] | - | 2,770 | (4,882) | 11,169 | 14,421 | (58) | 23,420 |
| Deposits [3] | 180,167,438 | 40,302,084 | 56,827,805 | 141,418,287 | 28,465,302 | 1,288,453 | 448,469,369 |
| Borrowings | 2,929 | 12,689,691 | 3,529,013 | 9,687,764 | 6,393,111 | 871,550 | 33,174,058 |
| Debentures | 868 | 2,287,141 | 3,840,124 | 15,054,644 | 15,314,709 | 1,977,488 | 38,474,974 |
| Lease liabilities | 633 | 22,378 | 43,569 | 173,995 | 490,534 | 15,073 | 746,182 |
| Other financial liabilities | 2,965 | 21,002,519 | 18,495 | 139,270 | 8,710 | - | 21,171,959 |
| | 186,393,478 | 76,306,583 | 64,254,124 | 166,485,129 | 50,686,787 | 4,152,506 | 548,278,607 |
| **Off-balance sheet items** | | | | | | | |
| Commitments [4] | 119,679,745 | - | - | - | - | - | 119,679,745 |
| Acceptances and guarantees contracts [5] | 15,588,992 | - | - | - | - | - | 15,588,992 |
| Financial guarantee contracts [5] | 6,333,153 | - | - | - | - | - | 6,333,153 |
| | 141,601,890 | - | - | - | - | - | 141,601,890 |

[1] Financial liabilities at fair value through profit or loss and derivatives held for trading are not managed by contractual maturity because they are expected to be traded or redeemed before maturity. Therefore, the carrying amounts of those financial instruments are included in the 'On demand' category.

[2] Cash flows of derivative instruments held for hedging are shown at net amount of cash inflows and outflows by remaining contractual maturity.

[3] Deposits that are contractually repayable on demand or on short notice are included in the 'On demand' category.

[4] Unused lines of credit within commitments are included in the 'On demand' category because payments can be requested at any time.

[5] Cash flows under acceptances and financial guarantee contracts are classified based on the earliest period that the contract can be executed.

4.4 Market Risk

4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks including stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

4.4.2 Risk management

The Group sets and monitors internal capital limits for market risk and interest rate risk to manage the risks of trading and non-trading positions. In order to manage market risk efficiently, the Group maintains risk management systems and procedures such as trading policies and procedures, market risk management guidelines for trading positions, and ALM risk management guidelines for non-trading positions. The entire process is carried out through the approval by the Risk Management Council and the Risk Management Committee of the Group.

The Group's Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer ("CRO"), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

The Asset-Liability Management Committee ("ALCO") determines interest rate and commission operating standards and ALM operation policies and enacts and revises relevant guidelines. The Risk Management Council monitors the establishment and enforcement of ALM risk management policies and enacts and revises ALM risk management guidelines. Interest rate risk limits are set based on future asset and liability positions and expected interest rate volatility, which reflect annual business plans. The Treasury Department and the Risk Management Department regularly measure and monitor interest rate risk and report the status and limit of interest rate risk including changes in Economic Value of Equity ("△EVE"), changes in Net Interest Income ("△NII"), and duration gap to the ALCO and the Risk Management Council on a monthly basis, and to the Risk Management Committee on a quarterly basis. To ensure the adequacy of interest rate risk and liquidity risk management, the Risk Management Department assigns the limits, monitors and reviews the procedures and tasks of ALM operations conducted by the Treasury department, and reports related matters to management independently.

4.5 Operational Risk

4.5.1 Concept

The Group defines operational risk as loss risk arising from improper or incorrect internal procedures, personnel, systems or external events and includes financial and non-financial risks.

4.5.2 Risk management

The purpose of operational risk management is not only to comply with supervisory and regulatory requirements, but also to promote a risk management culture, strengthen internal control, improve processes, and provide timely feedback to management and all employees. The Group has established a Business Continuity Planning (BCP) to carry out continuous work in emergency situations and established alternative facilities. The Group conducts simulation training for headquarters and IT departments to check the business continuity framework.

## 5. Segment Information

5.1 Overall Segment Information and Business Segments

The Group is organized into Corporate Banking, Retail Banking and Other Activities. These segments are based on the nature of the products and services provided, the type or class of customer, and the Group's management organization.

- Corporate banking: The activities within this segment include providing credit, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs and foreign subsidiaries-related works.
- Retail banking: The activities within this segment include providing credit, deposit products, and other related financial services to individuals and households.
- Other activities: The activities within this segment include trading activities in securities and derivatives, funding, trust, and other activities.

Financial information by business segment for the three-month periods ended March 31, 2026 and 2025 are as follows:

*(In millions of Korean won)*

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Retail banking | Others | Consolidation adjustments | Total |
| Net operating revenues from external customers | 1,362,857 | 1,135,880 | 373,863 | - | 2,872,600 |
| Intersegment net operating revenues (expenses) | (113,984) | - | 23,104 | 90,880 | - |
| | 1,248,873 | 1,135,880 | 396,967 | 90,880 | 2,872,600 |
| Net interest income | 1,409,770 | 986,066 | 375,500 | (3,741) | 2,767,595 |
| Interest income | 2,653,570 | 1,844,563 | 861,900 | (16,903) | 5,343,130 |
| Interest expense | (1,243,800) | (858,497) | (486,400) | 13,162 | (2,575,535) |
| Net fee and commission income | 120,121 | 148,542 | 111,385 | (7,041) | 373,007 |
| Fee and commission income | 168,692 | 185,219 | 141,693 | (13,276) | 482,328 |
| Fee and commission expense | (48,571) | (36,677) | (30,308) | 6,235 | (109,321) |
| Net gains on financial instruments at fair value through profit or loss | 2,687 | - | 15,491 | 19,771 | 37,949 |
| Net other operating income (expenses) | (283,705) | 1,272 | (105,409) | 81,891 | (305,951) |
| General and administrative expenses | (444,882) | (433,523) | (197,435) | 145 | (1,075,695) |
| Operating income before provision for credit losses | 803,991 | 702,357 | 199,532 | 91,025 | 1,796,905 |
| Provision (reversal) of credit losses | (125,195) | (45,588) | (1,727) | 555 | (171,955) |
| Net operating income | 678,796 | 656,769 | 197,805 | 91,580 | 1,624,950 |
| Share of profit or loss of associates | - | - | (134,531) | 145,046 | 10,515 |
| Net other non-operating expenses | (145) | - | (117,131) | (450) | (117,726) |
| Segment profit (loss) before income tax expense | 678,651 | 656,769 | (53,857) | 236,176 | 1,517,739 |
| Income tax expense | (160,971) | (162,483) | (65,509) | (28,551) | (417,514) |
| Profit (loss) for the period | 517,680 | 494,286 | (119,366) | 207,625 | 1,100,225 |
| Profit (loss) attributable to the owners of the parent | 517,763 | 494,286 | (119,366) | 208,356 | 1,101,039 |
| Profit (loss) attributable to non-controlling interests | (83) | - | - | (731) | (814) |
| Total assets * | 250,109,235 | 181,991,905 | 178,943,199 | (5,732,175) | 605,312,164 |
| Total liabilities * | 234,550,526 | 215,804,382 | 117,637,765 | (1,737,866) | 566,254,807 |

* Assets and liabilities of the reporting segments are amounts before intersegment transactions.

Financial information by business segment for the three-month periods ended March 31, 2026 and 2025 are as follows: (cont'd)

*(In millions of Korean won)*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Retail banking | Others | Consolidation adjustments | Total |
| Net operating revenues from external customers | 1,227,280 | 997,049 | 513,758 | - | 2,738,087 |
| Intersegment net operating revenues (expenses) | (6,236) | - | 1,926 | 4,310 | - |
| | 1,221,044 | 997,049 | 515,684 | 4,310 | 2,738,087 |
| Net interest income | 1,443,477 | 867,782 | 289,975 | (4,552) | 2,596,682 |
| Interest income | 2,875,632 | 1,904,322 | 870,403 | (46,564) | 5,603,793 |
| Interest expense | (1,432,155) | (1,036,540) | (580,428) | 42,012 | (3,007,111) |
| Net fee and commission income | 109,761 | 76,892 | 90,900 | (7,357) | 270,196 |
| Fee and commission income | 159,457 | 109,005 | 122,115 | (14,475) | 376,102 |
| Fee and commission expense | (49,696) | (32,113) | (31,215) | 7,118 | (105,906) |
| Net gains on financial instruments at fair value through profit or loss | (19,361) | - | 199,388 | 15,759 | 195,786 |
| Net other operating income (expenses) | (312,833) | 52,375 | (64,579) | 460 | (324,577) |
| General and administrative expenses | (440,649) | (420,371) | (202,577) | 406 | (1,063,191) |
| Operating income before provision for credit losses | 780,395 | 576,678 | 313,107 | 4,716 | 1,674,896 |
| Provision of credit losses | (209,611) | (68,045) | (5,741) | (2,590) | (285,987) |
| Net operating income | 570,784 | 508,633 | 307,366 | 2,126 | 1,388,909 |
| Share of profit or loss of associates | - | - | (62,109) | 56,068 | (6,041) |
| Net other non-operating expenses | (2,519) | - | (6,035) | (289) | (8,843) |
| Segment profit before income tax expense | 568,265 | 508,633 | 239,222 | 57,905 | 1,374,025 |
| Income tax expense | (156,724) | (121,383) | (74,654) | (3,489) | (356,250) |
| Profit for the period | 411,541 | 387,250 | 164,568 | 54,416 | 1,017,775 |
| Profit attributable to the owners of the parent | 402,486 | 387,250 | 164,568 | 72,128 | 1,026,432 |
| Profit (loss) attributable to non-controlling interests | 9,055 | - | - | (17,712) | (8,657) |
| Total assets * | 244,324,619 | 182,734,005 | 163,722,353 | (5,846,010) | 584,934,967 |
| Total liabilities * | 227,897,241 | 217,055,771 | 102,567,322 | (1,541,008) | 545,979,326 |

* Assets and liabilities of the reporting segments are amounts before intersegment transactions and as of December 31, 2025.

5.2 Services and Geographical Segments

5.2.1 Services information

Net operating revenues from external customers by service for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | **2026** | **2025** |
|---|---|---|
| Corporate banking service | 1,362,857 | 1,227,280 |
| Retail banking service | 1,135,880 | 997,049 |
| Others | 373,863 | 513,758 |
| | 2,872,600 | 2,738,087 |

5.2.2 Geographical information

Geographical net operating revenues from external customers for the three-month periods ended March 31, 2026 and 2025, and major non-current assets as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | **Net operating revenues from external customers** | | **Major non-current assets** | |
|---|---|---|---|---|
| | **2026** | **2025** | **March 31, 2026** | **December 31, 2025** |
| Domestic | 2,573,550 | 2,465,197 | 3,946,973 | 3,969,676 |
| United States | 17,098 | 13,273 | 28,503 | 27,689 |
| New Zealand | (406) | 1,101 | 535 | 597 |
| China | 33,968 | 38,841 | 18,836 | 17,153 |
| Japan | 5,888 | 5,522 | 1,540 | 1,533 |
| Myanmar | 1,934 | 1,800 | 82 | - |
| Vietnam | 5,110 | 8,189 | 1,745 | 1,882 |
| Cambodia | 174,015 | 175,593 | 91,737 | 88,529 |
| United Kingdom | 16,331 | 16,435 | 11,329 | 10,572 |
| Singapore | (2,670) | (6,023) | 7,674 | 7,415 |
| Indonesia | 49,349 | 16,197 | 369,633 | 361,107 |
| India | (1,567) | 1,962 | 2,604 | 2,977 |
| Consolidation adjustments | - | - | 288,693 | 274,501 |
| | 2,872,600 | 2,738,087 | 4,769,884 | 4,763,631 |

## 6. Financial Assets and Financial Liabilities

6.1 Classification and Fair Value of Financial Instruments

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | |
| Cash and due from financial institutions | 24,689,678 | 24,689,598 | 26,468,705 | 26,468,705 |
| Financial assets at fair value through profit or loss: | 27,031,692 | 27,031,692 | 26,104,934 | 26,104,934 |
| Debt securities | 26,050,839 | 26,050,839 | 25,198,616 | 25,198,616 |
| Equity securities | 223,939 | 223,939 | 223,416 | 223,416 |
| Loans | 276,383 | 276,383 | 270,623 | 270,623 |
| Others | 480,531 | 480,531 | 412,279 | 412,279 |
| Derivatives held for trading | 9,834,952 | 9,834,952 | 6,769,233 | 6,769,233 |
| Derivatives held for hedging | 94,225 | 94,225 | 102,159 | 102,159 |
| Loans measured at amortized cost | 429,459,820 | 429,142,138 | 428,818,361 | 429,516,932 |
| Financial assets at fair value through other comprehensive income: | 44,154,128 | 44,154,128 | 44,793,725 | 44,793,725 |
| Debt securities | 42,530,127 | 42,530,127 | 43,299,619 | 43,299,619 |
| Equity securities | 1,266,940 | 1,266,940 | 1,155,049 | 1,155,049 |
| Loans | 357,061 | 357,061 | 339,057 | 339,057 |
| Securities measured at amortized cost | 36,456,844 | 35,840,981 | 34,293,913 | 33,998,941 |
| Other financial assets | 26,443,893 | 26,443,893 | 10,483,802 | 10,483,802 |
| | 598,165,232 | 597,231,607 | 577,834,832 | 578,238,431 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 480,271 | 480,271 | 420,329 | 420,329 |
| Derivatives held for trading | 8,486,781 | 8,486,781 | 5,798,316 | 5,798,316 |
| Derivatives held for hedging | 40,704 | 40,704 | 30,020 | 30,020 |
| Deposits | 444,743,406 | 444,688,538 | 440,010,202 | 440,252,320 |
| Borrowings | 31,094,492 | 30,988,085 | 32,545,690 | 32,489,745 |
| Debentures | 35,178,372 | 35,192,601 | 36,296,650 | 36,392,727 |
| Other financial liabilities | 42,793,319 | 42,793,319 | 27,211,546 | 27,211,546 |
| | 562,817,345 | 562,670,299 | 542,312,753 | 542,595,003 |

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group discloses the fair value of each 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.

Methods of determining fair value of financial instruments are as follows:

| | |
|---|---|
| **Cash and due from financial institutions** | Fair value of cash is the same as its carrying amount. Carrying amount of demand deposits and settlement deposits is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposits is measured using a Discounted Cash Flow ("DCF") Model. |
| **Securities, due from financial institutions and deposits indexed to gold price** | Fair value of securities and others that are traded in an active market and due from financial institutions and deposits indexed to the gold price is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments including a DCF Model, MonteCarlo Simulation, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, and Net Asset Value Method. |
| **Loans** | Fair value of loans is determined using a DCF Model and independent external professional valuation institutions. Fair value measured by using a DCF Model is determined by discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate. |
| **Derivatives** | Fair value of exchange traded derivatives is determined using quoted prices in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Group uses internally developed valuation models that are widely used by market participants to determine the fair value 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 including a Finite Difference Method ("FDM"), MonteCarlo Simulation, and Tree Model or valuation results from independent external professional valuation institutions. For OTC derivatives, the credit risk of the counterparty and the Group's own credit risk are applied through credit valuation adjustment method. |
| **Deposits** | Carrying amount of demand deposits is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of time deposits is determined using a DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate. |
| **Borrowings** | Carrying amount of overdrafts in foreign currency is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of other borrowings is determined using a DCF Model. |
| **Debentures** | Fair value is determined using valuation results (DCF Model) of external professional valuation institutions, which are calculated using market inputs. |
| **Other financial assets and other financial liabilities** | Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions and their maturities are relatively short or not defined. |

6.1.2 Fair value hierarchy

The Group believes that valuation techniques used for measuring the fair value of financial instruments are reasonable and that the fair value recognized in the consolidated statement of financial position is appropriate. However, the fair value of the financial instruments recognized in the consolidated statement of financial position may be different if other valuation techniques or assumptions are used. Additionally, as there are 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 three fair value levels as follows:

Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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.

Level 3: The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position

Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | 13,517,731 | 5,912,383 | 7,601,578 | 27,031,692 |
| Debt securities | 12,852,224 | 5,912,383 | 7,286,232 | 26,050,839 |
| Equity securities | 184,976 | - | 38,963 | 223,939 |
| Loans | - | - | 276,383 | 276,383 |
| Others | 480,531 | - | - | 480,531 |
| Derivatives held for trading | - | 9,834,952 | - | 9,834,952 |
| Derivatives held for hedging | - | 94,225 | - | 94,225 |
| Financial assets at fair value through other comprehensive income: | 19,771,789 | 23,707,869 | 674,470 | 44,154,128 |
| Debt securities | 19,179,319 | 23,350,808 | - | 42,530,127 |
| Equity securities | 592,470 | - | 674,470 | 1,266,940 |
| Loans | - | 357,061 | - | 357,061 |
| | 33,289,520 | 39,549,429 | 8,276,048 | 81,114,997 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 480,271 | - | - | 480,271 |
| Derivatives held for trading | - | 8,485,946 | 835 | 8,486,781 |
| Derivatives held for hedging | - | 40,704 | - | 40,704 |
| | 480,271 | 8,526,650 | 835 | 9,007,756 |

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | 12,422,096 | 6,378,409 | 7,304,429 | 26,104,934 |
| Debt securities | 11,823,297 | 6,378,409 | 6,996,910 | 25,198,616 |
| Equity securities | 186,520 | - | 36,896 | 223,416 |
| Loans | - | - | 270,623 | 270,623 |
| Others | 412,279 | - | - | 412,279 |
| Derivatives held for trading | - | 6,769,233 | - | 6,769,233 |
| Derivatives held for hedging | - | 102,159 | - | 102,159 |
| Financial assets at fair value through other comprehensive income: | 19,604,517 | 24,575,715 | 613,493 | 44,793,725 |
| Debt securities | 19,062,961 | 24,236,658 | - | 43,299,619 |
| Equity securities | 541,556 | - | 613,493 | 1,155,049 |
| Loans | - | 339,057 | - | 339,057 |
| | 32,026,613 | 37,825,516 | 7,917,922 | 77,770,051 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 420,329 | - | - | 420,329 |
| Derivatives held for trading | - | 5,797,470 | 846 | 5,798,316 |
| Derivatives held for hedging | - | 30,020 | - | 30,020 |
| | 420,329 | 5,827,490 | 846 | 6,248,665 |

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the consolidated statements of financial position as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Financial assets at fair value through profit or loss: | 5,912,383 | | |
| Debt securities | 5,912,383 | DCF Model, MonteCarlo Simulation, Net Asset Value Method | Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.) |
| Derivatives held for trading | 9,834,952 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 94,225 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| Financial assets at fair value through other comprehensive income: | 23,707,869 | | |
| Debt securities | 23,350,808 | DCF Model | Discount rate |
| Loans | 357,061 | DCF Model | Discount rate |
| | 39,549,429 | | |
| **Financial liabilities** | | | |
| Derivatives held for trading | 8,485,946 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 40,704 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| | 8,526,650 | | |

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Financial assets at fair value through profit or loss: | 6,378,409 | | |
| Debt securities | 6,378,409 | DCF Model, MonteCarlo Simulation, Net Asset Value Method | Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.) |
| Derivatives held for trading | 6,769,233 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 102,159 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| Financial assets at fair value through other comprehensive income: | 24,575,715 | | |
| Debt securities | 24,236,658 | DCF Model | Discount rate |
| Loans | 339,057 | DCF Model | Discount rate |
| | 37,825,516 | | |
| **Financial liabilities** | | | |
| Derivatives held for trading | 5,797,470 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 30,020 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| | 5,827,490 | | |

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Cash and due from financial institutions [1] | 2,419,432 | 20,248,544 | 2,021,622 | 24,689,598 |
| Loans measured at amortized cost | - | - | 429,142,138 | 429,142,138 |
| Securities measured at amortized cost | 3,115,697 | 32,725,284 | - | 35,840,981 |
| Other financial assets [2] | - | - | 26,443,893 | 26,443,893 |
| | 5,535,129 | 52,973,828 | 457,607,653 | 516,116,610 |
| **Financial liabilities** | | | | |
| Deposits [1] | - | 189,000,344 | 255,688,194 | 444,688,538 |
| Borrowings [1] | - | 17,412 | 30,970,673 | 30,988,085 |
| Debentures | - | 35,192,601 | - | 35,192,601 |
| Other financial liabilities [2] | - | - | 42,793,319 | 42,793,319 |
| | - | 224,210,357 | 329,452,186 | 553,662,543 |

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Cash and due from financial institutions [1] | 2,208,472 | 22,972,754 | 1,287,479 | 26,468,705 |
| Loans measured at amortized cost | - | - | 429,516,932 | 429,516,932 |
| Securities measured at amortized cost | 3,728,583 | 30,270,358 | - | 33,998,941 |
| Other financial assets [2] | - | - | 10,483,802 | 10,483,802 |
| | 5,937,055 | 53,243,112 | 441,288,213 | 500,468,380 |
| **Financial liabilities** | | | | |
| Deposits [1] | - | 179,158,793 | 261,093,527 | 440,252,320 |
| Borrowings [1] | - | 735 | 32,489,010 | 32,489,745 |
| Debentures | - | 36,392,727 | - | 36,392,727 |
| Other financial liabilities [2] | - | - | 27,211,546 | 27,211,546 |
| | - | 215,552,255 | 320,794,083 | 536,346,338 |

[1] The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.
[2] Other financial assets and other financial liabilities included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

For financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | |
|---|---|---|---|
| | Fair value | Valuation techniques | Inputs |
| **Financial assets** | | | |
| Securities measured at amortized cost | 32,725,284 | DCF Model, MonteCarlo Simulation | Discount rate, interest rate |
| **Financial liabilities** | | | |
| Debentures | 35,192,601 | DCF Model | Discount rate |

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | Fair value | Valuation techniques | Inputs |
| **Financial assets** | | | |
| Securities measured at amortized cost | 30,270,358 | DCF Model, MonteCarlo Simulation | Discount rate, interest rate |
| **Financial liabilities** | | | |
| Debentures | 36,392,727 | DCF Model | Discount rate |

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | |
|---|---|---|---|---|
| | Fair value | Valuation techniques | Inputs | Unobservable inputs |
| **Financial assets** | | | | |
| Cash and due from financial institutions | 2,021,622 | DCF Model | Credit spread, other spread, interest rate | Credit spread, other spread |
| Loans measured at amortized cost | 429,142,138 | DCF Model | Credit spread, other spread, prepayment rate, interest rate | Credit spread, other spread, prepayment rate |
| | 431,163,760 | | | |
| **Financial liabilities** | | | | |
| Deposits | 255,688,194 | DCF Model | Other spread, prepayment rate, interest rate | Other spread, prepayment rate |
| Borrowings | 30,970,673 | DCF Model | Other spread, interest rate | Other spread |
| | 286,658,867 | | | |

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value | Valuation techniques | Inputs | Unobservable inputs |
| **Financial assets** | | | | |
| Cash and due from financial institutions | 1,287,479 | DCF Model | Credit spread, other spread, interest rate | Credit spread, other spread |
| Loans measured at amortized cost | 429,516,932 | DCF Model | Credit spread, other spread, prepayment rate, interest rate | Credit spread, other spread, prepayment rate |
| | 430,804,411 | | | |
| **Financial liabilities** | | | | |
| Deposits | 261,093,527 | DCF Model | Other spread, prepayment rate, interest rate | Other spread, prepayment rate |
| Borrowings | 32,489,010 | DCF Model | Other spread, interest rate | Other spread |
| | 293,582,537 | | | |

6.2 Disclosure of Fair Value Hierarchy Level 3

6.2.1 Valuation policy and process of Level 3 fair value

The Group uses external, independent and qualified valuation service in addition to internal valuation models to determine the fair value of financial instruments at the end of every reporting period.

If changes in situations or events cause transfers between the fair value hierarchy level for a financial asset or liability to occur, the Group's policy is to recognize such transfers as having occurred at the beginning of the reporting period.

6.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | Financial investments | Net derivative financial instruments | |
| | Securities measured at fair value through profit or loss | Loans measured at fair value through profit or loss | Equity securities measured at fair value through other comprehensive income | Derivatives held for trading | Derivatives held for hedging |
| Beginning | 7,033,806 | 270,623 | 613,493 | (846) | - |
| Total gains or losses: | | | | | |
| - Profit or loss | 203,130 | (1,380) | - | 11 | - |
| - Other comprehensive income | - | - | 60,839 | - | - |
| Purchases | 272,213 | 10,578 | 138 | - | - |
| Sales | (183,954) | (3,438) | - | - | - |
| Ending | 7,325,195 | 276,383 | 674,470 | (835) | - |

*(In millions of Korean won)*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | Financial investments | Net derivative financial instruments | |
| | Securities measured at fair value through profit or loss | Loans measured at fair value through profit or loss | Equity securities measured at fair value through other comprehensive income | Derivatives held for trading | Derivatives held for hedging |
| Beginning | 6,441,188 | 250,141 | 520,925 | (990) | - |
| Total gains or losses: | | | | | |
| - Profit or loss | (29,487) | 5,757 | - | 209 | - |
| - Other comprehensive income | - | - | 25,068 | - | - |
| Purchases | 305,467 | 15,983 | - | - | - |
| Sales | (147,456) | (3,707) | - | - | - |
| Ending | 6,569,712 | 268,174 | 545,993 | (781) | - |

6.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | | |
|---|---|---|---|
| | **Net gains on financial instruments at fair value through profit or loss** | **Other operating income** | **Net interest income** |
| Total gains recognized in profit or loss for the period | 59,655 | 142,106 | - |
| Total gains recognized in profit or loss from financial instruments held at the end of the reporting period | 47,868 | 142,106 | - |

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | **Net gains on financial instruments at fair value through profit or loss** | **Other operating income** | **Net interest income** |
| Total gains recognized in profit or loss for the period | (25,320) | 1,799 | - |
| Total gains recognized in profit or loss from financial instruments held at the end of the reporting period | (25,320) | 1,799 | - |

6.2.3 Sensitivity analysis of changes in unobservable inputs

6.2.3.1 Information about fair value measurements using unobservable inputs as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Fair value | Valuation techniques | Inputs | Unobservable inputs | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value |
| **Financial assets** | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | |
| Debt securities | 7,286,232 | MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model, and others | Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price | Rate of real estate sale price fluctuation | 0.00 | Higher the real estate sale price, higher the fair value |
| | | | | Volatility of stock price | 37.78 | Higher the volatility, higher the fair value fluctuation |
| Equity securities | 38,963 | DCF Model, Comparable Company Analysis, and others | Growth rate, discount rate | Growth rate | 0.00 | Higher the growth rate, higher the fair value |
| | | | | Discount rate | 7.81 ~ 15.17 | Lower the discount rate, higher the fair value |
| Loans | 276,383 | DCF Model | Discount rate | Discount rate | 9.02 | Lower the discount rate, higher the fair value |
| Financial assets at fair value through other comprehensive income: | | | | | | |
| Equity securities | 674,470 | DCF Model, Comparable Company Analysis, Net Asset Value Method, Tree Model, and others | Growth rate, discount rate, stock price, volatility of stock price, liquidation value | Growth rate | 0.00~1.00 | Higher the growth rate, higher the fair value |
| | | | | Liquidation value | 0.00 | Higher the liquidation value, higher the fair value |
| | | | | Discount rate | 6.61 ~ 13.98 | Lower the discount rate, higher the fair value |
| | | | | Volatility of stock price | 26.25 ~ 27.15 | Higher the volatility, higher the fair value fluctuation |
| | 8,276,048 | | | | | |
| **Financial liabilities** | | | | | | |
| Derivatives held for trading: | | | | | | |
| Others | 835 | DCF Model | Interest rate, discount rate | Discount rate | 3.27 | Higher the discount rate, lower the fair value |
| | 835 | | | | | |

6.2.3.1 Information about fair value measurements using unobservable inputs as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Fair value | Valuation techniques | Inputs | Unobservable inputs | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value |
| **Financial assets** | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | |
| Debt securities | 6,996,910 | MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model, and others | Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price | Rate of real estate sale price fluctuation | 0.00 | Higher the real estate sale price, higher the fair value |
| | | | | Volatility of stock price | 34.17 | Higher the volatility, higher the fair value fluctuation |
| Equity securities | 36,896 | DCF Model, Comparable Company Analysis, and others | Growth rate, discount rate | Growth rate | 0.00 | Higher the growth rate, higher the fair value |
| | | | | Discount rate | 7.22 ~ 12.98 | Lower the discount rate, higher the fair value |
| Loans | 270,623 | DCF Model | Discount rate | Discount rate | 8.93 | Lower the discount rate, higher the fair value |
| Financial assets at fair value through other comprehensive income: | | | | | | |
| Equity securities | 613,493 | DCF Model, Comparable Company Analysis, Net Asset Value Method, Tree Model, and others | Growth rate, discount rate, stock price, volatility of stock price, liquidation value | Growth rate | 0.00 ~ 1.00 | Higher the growth rate, higher the fair value |
| | | | | Liquidation value | 0.00 | Higher the liquidation value, higher the fair value |
| | | | | Discount rate | 4.82 ~ 13.06 | Lower the discount rate, higher the fair value |
| | | | | Volatility of stock price | 23.87 ~ 26.47 | Higher the volatility, higher the fair value fluctuation |
| | 7,917,922 | | | | | |
| **Financial liabilities** | | | | | | |
| Derivatives held for trading: | | | | | | |
| Others | 846 | DCF Model | Interest rate, discount rate | Discount rate | 3.20 | Higher the discount rate, lower the fair value |
| | 846 | | | | | |

6.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. Level 3 financial instruments subject to sensitivity analysis are debt securities, loans, equity-related derivatives, currency-related derivatives, interest rate-related derivatives, and other derivatives whose fair value changes are recognized in profit or loss as well as equity securities whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | **March 31, 2026** | | | |
|---|---|---|---|---|
| | **Profit or loss** | | **Other comprehensive income or loss** | |
| | **Favorable changes** | **Unfavorable changes** | **Favorable changes** | **Unfavorable changes** |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Debt securities [3, 5] | 4,704 | (4,704) | - | - |
| Equity securities [2, 5] | 3,102 | (1,416) | - | - |
| Loans [4] | 2,043 | (1,874) | - | - |
| Financial assets at fair value through other comprehensive income: | | | | |
| Equity securities [2, 5, 6] | - | - | 13,337 | (8,923) |
| | 9,849 | (7,994) | 13,337 | (8,923) |
| **Financial liabilities** | | | | |
| Derivatives held for trading [1] | 1 | - | - | - |
| | 1 | - | - | - |

Results of the sensitivity analysis of changes in unobservable inputs as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Profit or loss | | Other comprehensive income or loss | |
| | Favorable changes | Unfavorable changes | Favorable changes | Unfavorable changes |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Debt securities [3, 5] | 4,489 | (4,489) | - | - |
| Equity securities [2, 5] | 3,011 | (1,341) | - | - |
| Loans [4] | 2,097 | (1,920) | - | - |
| Financial assets at fair value through other comprehensive income: | | | | |
| Equity securities [2, 5, 6] | - | - | 13,532 | (8,610) |
| | 9,597 | (7,750) | 13,532 | (8,610) |
| **Financial liabilities** | | | | |
| Derivatives held for trading [1] | 3 | (3) | - | - |
| | 3 | (3) | - | - |

[1] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate (-1%p~1%p).

[2] For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value (-1%p~1%p), discount rate (-1%p~1%p) and growth rate (0%p~1%p).

[3] For beneficiary certificates, it is practically impossible to analyze sensitivity of changes in unobservable inputs. However, for beneficiary certificates whose underlying assets are real estate, changes in fair value are calculated by shifting the rate of real estate sale price fluctuation (-1%p~1%p). There is no significant correlation among major unobservable inputs.

[4] For loans, changes in fair value are calculated by shifting principal unobservable input parameters such as the discount rate (-1%p~1%p).

[5] The amounts of ₩ 7,285,870 million and ₩ 6,979,943 million of financial assets classified as level 3 as of March 31, 2026 and December 31, 2025, respectively, are excluded because it is practically impossible to analyze the sensitivity of changes in unobservable inputs.

[6] For some equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as stock price and volatility of stock price by ±10%.

6.2.4 Day one gains or losses

When the Group measures the fair value of OTC derivatives using inputs that are not based on observable market data, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price, and the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. When the fair value of the financial instruments is subsequently determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

Changes in deferred day one gains or losses for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Balance at the beginning of the period (A) | (653) | (2,662) |
| New transactions (B) | - | - |
| Amounts recognized in profit or loss (C=a+b) | 494 | 499 |
| a. Amortization | 494 | 499 |
| b. Settlement | - | - |
| Balance at the end of the period (A+B+C) | (159) | (2,163) |

6.3 Carrying Amount of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortized cost. Carrying amount of financial assets and liabilities by category as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at fair value through other comprehensive income | Financial instruments designated at fair value through other comprehensive income | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial assets** | | | | | | |
| Cash and due from financial institutions | - | - | - | 24,689,678 | - | 24,689,678 |
| Financial assets at fair value through profit or loss | 27,031,692 | - | - | - | - | 27,031,692 |
| Derivative financial assets | 9,834,952 | - | - | - | 94,225 | 9,929,177 |
| Loans measured at amortized cost | - | - | - | 429,459,820 | - | 429,459,820 |
| Financial investments | - | 42,887,188 | 1,266,940 | 36,456,844 | - | 80,610,972 |
| Other financial assets | - | - | - | 26,443,893 | - | 26,443,893 |
| | 36,866,644 | 42,887,188 | 1,266,940 | 517,050,235 | 94,225 | 598,165,232 |

6.3 Carrying Amount of Financial Instruments by Category (cont'd)

*(In millions of Korean won)*

| | March 31, 2026 | | | |
|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 480,271 | - | - | 480,271 |
| Derivative financial liabilities | 8,486,781 | - | 40,704 | 8,527,485 |
| Deposits | - | 444,743,406 | - | 444,743,406 |
| Borrowings | - | 31,094,492 | - | 31,094,492 |
| Debentures | - | 35,178,372 | - | 35,178,372 |
| Other financial liabilities | - | 42,793,319 | - | 42,793,319 |
| | 8,967,052 | 553,809,589 | 40,704 | 562,817,345 |

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at fair value through other comprehensive income | Financial instruments designated at fair value through other comprehensive income | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial assets** | | | | | | |
| Cash and due from financial institutions | - | - | - | 26,468,705 | - | 26,468,705 |
| Financial assets at fair value through profit or loss | 26,104,934 | - | - | - | - | 26,104,934 |
| Derivative financial assets | 6,769,233 | - | - | - | 102,159 | 6,871,392 |
| Loans measured at amortized cost | - | - | - | 428,818,361 | - | 428,818,361 |
| Financial investments | - | 43,638,676 | 1,155,049 | 34,293,913 | - | 79,087,638 |
| Other financial assets | - | - | - | 10,483,802 | - | 10,483,802 |
| | 32,874,167 | 43,638,676 | 1,155,049 | 500,064,781 | 102,159 | 577,834,832 |

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 420,329 | - | - | 420,329 |
| Derivative financial liabilities | 5,798,316 | - | 30,020 | 5,828,336 |
| Deposits | - | 440,010,202 | - | 440,010,202 |
| Borrowings | - | 32,545,690 | - | 32,545,690 |
| Debentures | - | 36,296,650 | - | 36,296,650 |
| Other financial liabilities | - | 27,211,546 | - | 27,211,546 |
| | 6,218,645 | 536,064,088 | 30,020 | 542,312,753 |

## 7. Due from Financial Institutions

7.1 Details of due from financial institutions as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | Financial institutions | Interest rate (%) | March 31, 2026 * | December 31, 2025 * |
|---|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from Bank of Korea | Bank of Korea | - | 12,096,521 | 13,939,438 |
| | Due from banks | Hana Bank and others | 0.00 ~ 2.07 | 150,850 | 147,117 |
| | Due from others | Citibank N.A Singapore (Custody) | - | 12,170 | 4,978 |
| | | | | 12,259,541 | 14,091,533 |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank of Korea and others | 0.00~4.75 | 8,152,031 | 8,898,376 |
| | Time deposits in foreign currencies | ICBC Beijing Branch and others | 1.51~10.25 | 370,110 | 240,082 |
| | Due from others | Yuanta Bank (TAIWAN) and others | 0.00~5.00 | 1,489,159 | 1,030,270 |
| | | | | 10,011,300 | 10,168,728 |
| | | | | 22,270,841 | 24,260,261 |

* Before netting of allowance, including ₩ 20,351,838 million and ₩ 22,966,672 million classified as cash as of March 31, 2026 and December 31, 2025, respectively.

7.2 Details of restricted due from financial institutions as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | Financial institutions | March 31, 2026 * | December 31, 2025 * | Reasons of restriction |
|---|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from Bank of Korea | Bank of Korea | 12,096,521 | 13,939,438 | Bank of Korea Act |
| | Due from others | KB Securities Co., Ltd. and others | 4,584 | 4,639 | Derivatives margin account |
| | | | 12,101,105 | 13,944,077 | |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank of Korea and others | 3,798,429 | 3,392,616 | Bank of Korea Act and others |
| | Time deposits in foreign currencies | BANK OF COMMUNICATIONS CO., LTD. New York Branch | 75,670 | 71,745 | New York State Banking Law |
| | Due from others | Yuanta Bank (TAIWAN) and others | 1,421,171 | 950,691 | Derivatives margin account |
| | | | 5,295,270 | 4,415,052 | |
| | | | 17,396,375 | 18,359,129 | |

* Before netting of allowance, including ₩ 15,710,374 million and ₩ 17,306,621million classified as cash as of March 31, 2026 and December 31, 2025, respectively.

7.3 Changes in allowances for credit losses of due from financial institutions for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 165 | - | - |
| Provision (reversal) of credit losses | 416 | - | - |
| Others (exchange differences, etc.) | 14 | - | - |
| Ending | 595 | - | - |

*(In millions of Korean won)*

| | 2025 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 523 | - | - |
| Provision (reversal) of credit losses | (336) | - | - |
| Others (exchange differences, etc.) | (6) | - | - |
| Ending | 181 | - | - |

### 8. Derivative Financial Instruments and Hedge Accounting

The Group engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In particular, the Group applies fair value hedge accounting using interest rate swaps and interest rate futures to hedge the risk of changes in fair value due to the changes in interest rate of debentures, deposits, and debt securities at fair value through other comprehensive income. Also, the Group applies cash flow hedge accounting using interest rate swaps to hedge the risk of changes in cash flows of debentures in foreign currencies and borrowings in foreign currencies. In addition, the Group applies net investments hedge accounting by designating foreign currency-denominated debentures as hedging instruments to hedge the currency risk of net investments in foreign operations.

8.1 Details of derivative financial instruments held for trading as of March 31, 2026 and December 31, 2025, are as follows:

*(In millions of Korean won)*

| | March 31, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| | Notional Amount | Assets | Liabilities | Notional amount | Assets | Liabilities |
| **Interest rate** | | | | | | |
| Forwards | 9,886,084 | 1,010,470 | 191,771 | 9,743,586 | 568,171 | 124,166 |
| Futures [1] | 2,411,650 | - | - | 2,848,905 | - | - |
| Swaps [2] | 187,388,923 | 446,452 | 419,315 | 186,293,467 | 282,437 | 346,969 |
| Options | 6,143,345 | 205,920 | 172,282 | 5,926,000 | 175,592 | 136,495 |
| | 205,830,002 | 1,662,842 | 783,368 | 204,811,958 | 1,026,200 | 607,630 |
| **Currency** | | | | | | |
| Forwards | 132,976,435 | 5,344,745 | 2,345,673 | 128,217,291 | 3,326,672 | 1,502,461 |
| Futures [1] | 155,880 | - | - | - | - | - |
| Swaps | 71,433,208 | 2,805,128 | 5,326,534 | 71,001,770 | 2,404,030 | 3,671,943 |
| Options | 2,053,799 | 17,839 | 23,980 | 1,741,288 | 9,346 | 12,742 |
| | 206,619,322 | 8,167,712 | 7,696,187 | 200,960,349 | 5,740,048 | 5,187,146 |
| **Stock and index** | | | | | | |
| Futures [1] | 24,522 | - | - | 1,479 | - | - |
| Options | 467,037 | 4,382 | 6,372 | 258,477 | 2,985 | 2,694 |
| | 491,559 | 4,382 | 6,372 | 259,956 | 2,985 | 2,694 |
| **Credit** | | | | | | |
| Swaps [2] | 409,005 | - | - | 143,490 | - | - |
| **Others** | 107,912 | 16 | 854 | 94,300 | - | 846 |
| | 413,457,800 | 9,834,952 | 8,486,781 | 406,270,053 | 6,769,233 | 5,798,316 |

[1] Gains or losses arising from daily mark-to-market futures are reflected in the margin accounts.

[2] Notional amounts of ₩ 140,830,460 million and ₩ 141,757,835 million as of March 31, 2026 and December 31, 2025, respectively, were traded through the Central Counter Party, ("CCP").

8.2 Average price conditions of future nominal cash flows by type of hedge accounting as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 year | 2 years | 3 years | 4 years | 5 years | Over 5 years | Total |
| **Fair value hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 1,980,414 | 517,136 | 951,091 | 641,560 | 1,109,488 | 604,612 | 5,804,301 |
| Average price condition (SOFR, CD) | 3.79% | 3.43% | 5.28% | 3.52% | 2.96% | 3.45% | 3.78% |
| **Cash flow hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 321,072 | 1,159,264 | 494,882 | - | - | - | 1,975,218 |
| Average price condition (SOFR, CD) | 3.53% | 4.63% | 4.61% | - | - | - | 4.45% |

| *(In millions of Korean won)* | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 year | 2 years | 3 years | 4 years | 5 years | Over 5 years | Total |
| **Fair value hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 2,986,543 | 279,119 | 94,321 | 880,581 | 1,531,878 | 570,923 | 6,343,365 |
| Average price condition (SOFR, CD) | 3.67% | 4.31% | 4.85% | 5.92% | 2.96% | 3.73% | 3.86% |
| **Cash flow hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 545,262 | 1,027,388 | 495,041 | 45,917 | - | - | 2,113,608 |
| Average price condition (SOFR, CD) | 4.14% | 4.88% | 4.85% | 5.00% | - | - | 4.68% |

8.3 Fair Value Hedge

8.3.1 Details of fair value hedged items as of March 31, 2026 and December 31, 2025 and changes in fair value for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | | | | 2026 |
|---|---|---|---|---|---|---|
| | | Carrying amount | | Accumulated amount of hedge adjustments | | Changes in fair value |
| | | Assets | Liabilities | Assets | Liabilities | |
| **Interest rate** | Debt securities in Korean won | 873,706 | - | (13,340) | - | (15,734) |
| | Debt securities in foreign currencies | 1,276,095 | - | (3,685) | - | (2,099) |
| | Deposits in Korean won | - | 196,160 | - | 6,160 | 705 |
| | Deposits in foreign currencies | - | 1,084,927 | - | (3,278) | 1,809 |
| | Debentures in Korean won | - | 1,360,658 | - | (149,342) | 31,967 |
| | Debentures in foreign currencies | - | 846,751 | - | (31,021) | 7,936 |
| | | 2,149,801 | 3,488,496 | (17,025) | (177,481) | 24,584 |

| *(In millions of Korean won)* | | December 31, 2025 | | | | 2025 |
|---|---|---|---|---|---|---|
| | | Carrying amount | | Accumulated amount of hedge adjustments | | Changes in fair value |
| | | Assets | Liabilities | Assets | Liabilities | |
| **Interest rate** | Debt securities in Korean won | 1,516,538 | - | (5,529) | - | 6,459 |
| | Debt securities in foreign currencies | 1,285,924 | - | (628) | - | 20,437 |
| | Deposits in Korean won | - | 196,865 | - | 6,865 | (10,691) |
| | Deposits in foreign currencies | - | 1,044,993 | - | (1,334) | (3,173) |
| | Debentures in Korean won | - | 1,342,625 | - | (117,375) | (14,358) |
| | Debentures in foreign currencies | - | 809,157 | - | (23,085) | (24,650) |
| | | 2,802,462 | 3,393,640 | (6,157) | (134,929) | (25,976) |

8.3.2 Details of derivative instruments designated as fair value hedge as of March 31, 2026 and December 31, 2025 and changes in fair value for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | 2026 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Futures | 347,600 | - | - | 10,328 |
| Swaps | 5,456,701 | 78,847 | 33,854 | (45,893) |
| | 5,804,301 | 78,847 | 33,854 | (35,565) |

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Futures | 1,007,300 | - | - | (2,203) |
| Swaps | 5,336,065 | 89,917 | 17,610 | 15,831 |
| | 6,343,365 | 89,917 | 17,610 | 13,628 |

8.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Interest rate | (10,981) | (12,348) |

8.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged risk for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Gains (losses) on hedging instruments | (35,565) | 13,627 |
| Gains (losses) on hedged items attributable to the hedged risk | 24,724 | (25,829) |
| | (10,841) | (12,202) |

8.4 Cash Flow Hedge

8.4.1 Details of cash flow hedged items as of March 31, 2026 and December 31, 2025 and changes in fair value for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | Cash flow hedge reserve | | Changes in fair value | |
|---|---|---|---|---|
| | March 31, 2026 | December 31, 2025 | 2026 | 2025 |
| Interest rate risk | 5,432 | (972) | (8,709) | 17,684 |

8.4.2 Details of derivative instruments designated as cash flow hedge as of March 31, 2026 and December 31, 2025 and changes in fair value for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | 2026 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Swaps | 1,975,218 | 15,378 | 6,850 | 8,647 |

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| **Interest rate** | | | | |
| Swaps | 2,113,608 | 12,242 | 12,410 | (19,457) |

8.4.3 Gains or losses on cash flow hedging instruments and hedged items attributable to the hedged risk for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Gains (losses) on hedging instruments: | 8,647 | (19,457) |
| Effective portion of gains (losses) on cash flow hedging instruments (recognized in other comprehensive income or loss) | 8,725 | (19,412) |
| Ineffective portion of gains (losses) on cash flow hedging instruments (recognized in profit or loss) | (78) | (45) |

8.4.4 Amounts recognized in other comprehensive income and reclassified from equity to profit or loss related to derivative instruments designated as cash flow hedge for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Other comprehensive income | 8,725 | (19,412) |
| Reclassification to profit or loss | 108 | - |
| Income tax effect | (2,429) | 5,125 |
| | 6,404 | (14,287) |

8.4.5 As of March 31, 2026, the hedged items subject to cash flow hedge are exposed to the risk of changes in cash flows until March 5, 2029.

8.5 Hedge of Net Investments in Foreign Operations

8.5.1 Details of net investments in foreign operations hedged items as of March 31, 2026 and December 31, 2025 and changes in fair value for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | Foreign currency translation reserve | | Changes in fair value | |
|---|---|---|---|---|
| | March 31, 2026 | December 31, 2025 | 2026 | 2025 |
| Currency-related (currency risk) | (320,655) | (244,068) | 105,637 | (3,033) |

8.5.2 Details of financial instruments designated as hedge of net investments in foreign operations as of March 31, 2026 and December 31, 2025 and changes in fair value for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | 2026 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| Debentures in foreign currencies | 2,078,531 | - | 2,078,531 | (105,637) |

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 |
|---|---|---|---|---|
| | Notional amount | Assets | Liabilities | Changes in fair value |
| Debentures in foreign currencies | 1,972,287 | - | 1,972,287 | 3,033 |

8.5.3 Fair value of non-derivative financial instruments designated as hedge of net investments in foreign operations as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Debentures in foreign currencies | 2,056,852 | 1,955,772 |

8.5.4 Gains or losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Losses on hedging instruments: | (105,637) | 3,033 |
| Effective portion of losses on hedge of net investments in foreign operations (recognized in other comprehensive income or loss) | (105,637) | 3,033 |
| Ineffective portion of losses on hedge of net investments in foreign operations (recognized in profit or loss) | - | - |

8.5.5 Effective portion of gains or losses on net investments in foreign operations hedging instruments recognized in other comprehensive loss for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Other comprehensive loss | (105,637) | 3,033 |
| Reclassification to profit or loss | - | - |
| Income tax effect | 29,050 | (801) |
| | (76,587) | 2,232 |

## 9. Loans Measured at Amortized Cost

9.1 Details of loans as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Loans | 432,691,600 | 431,936,064 |
| Deferred loan origination fees and costs | 437,286 | 447,358 |
| Less: Allowances for credit losses | (3,669,066) | (3,565,061) |
| | 429,459,820 | 428,818,361 |

9.2 Details of loans to other banks as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Loans | 7,162,696 | 8,761,115 |
| Less: Allowances for credit losses | (3,596) | (2,038) |
| | 7,159,100 | 8,759,077 |

9.3 Details of loan types and customer types of loans to customers other than banks as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | |
|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total |
| Loans in Korean won | 183,292,604 | 197,622,497 | - | 380,915,101 |
| Loans in foreign currencies | 5,526,258 | 26,357,253 | - | 31,883,511 |
| Domestic import usance bills | - | 3,995,358 | - | 3,995,358 |
| Off-shore funding loans | - | 1,121,519 | - | 1,121,519 |
| Call loans | - | - | - | - |
| Bills bought in Korean won | - | 3,127 | - | 3,127 |
| Bills bought in foreign currencies | - | 3,324,711 | - | 3,324,711 |
| Guarantee payments under acceptances and guarantees | - | 5,693 | - | 5,693 |
| Credit card receivables in foreign currencies | - | - | 24,530 | 24,530 |
| Bonds purchased under repurchase agreements | - | 4,677,040 | - | 4,677,040 |
| Privately placed bonds | - | 15,600 | - | 15,600 |
| | 188,818,862 | 237,122,798 | 24,530 | 425,966,190 |
| Proportion (%) | 44.33 | 55.66 | 0.01 | 100.00 |
| Less: Allowances for credit losses | (980,571) | (2,677,072) | (7,827) | (3,665,470) |
| | 187,838,291 | 234,445,726 | 16,703 | 422,300,720 |

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total |
| Loans in Korean won | 184,070,409 | 195,156,897 | - | 379,227,306 |
| Loans in foreign currencies | 5,111,578 | 25,465,376 | - | 30,576,954 |
| Domestic import usance bills | - | 3,576,639 | - | 3,576,639 |
| Off-shore funding loans | - | 959,102 | - | 959,102 |
| Call loans | - | 450,000 | - | 450,000 |
| Bills bought in Korean won | - | 1,691 | - | 1,691 |
| Bills bought in foreign currencies | - | 2,611,182 | - | 2,611,182 |
| Guarantee payments under acceptances and guarantees | - | 5,414 | - | 5,414 |
| Credit card receivables in foreign currencies | - | - | 23,768 | 23,768 |
| Bonds purchased under repurchase agreements | - | 6,173,471 | - | 6,173,471 |
| Privately placed bonds | - | 16,780 | - | 16,780 |
| | 189,181,987 | 234,416,552 | 23,768 | 423,622,307 |
| Proportion (%) | 44.65 | 55.34 | 0.01 | 100.00 |
| Less: Allowances for credit losses | (975,804) | (2,580,360) | (6,859) | (3,563,023) |
| | 188,206,183 | 231,836,192 | 16,909 | 420,059,284 |

## 10. Allowances for Credit Losses

10.1 Changes in allowances for credit losses of loans for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Retail | | | | Corporate | | | | Credit card | | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | | | Non-impaired | Impaired | | | Non-impaired | Impaired | |
| Beginning | 411,199 | 170,506 | 394,099 | - | 694,845 | 710,799 | 1,176,754 | - | 601 | 454 | 5,804 | - |
| Transfer between stages: | | | | | | | | | | | | |
| Transfer to 12-month expected credit losses | 37,591 | (36,277) | (1,314) | - | 45,799 | (21,696) | (24,103) | - | 13 | - | (13) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (30,448) | 35,785 | (5,337) | - | (46,646) | 74,489 | (27,843) | - | (1) | 7 | (6) | - |
| Transfer to lifetime expected credit losses (impaired) | (1,342) | (23,927) | 25,269 | - | (24,525) | (155,876) | 180,401 | - | (97) | (5) | 102 | - |
| Write-offs | - | - | (88,256) | - | - | (7) | (96,958) | - | - | - | - | - |
| Sales | (4,581) | (197) | (3,553) | - | - | (478) | (42,258) | - | - | - | - | - |
| Provision (reversal) for credit losses [1, 2] | (29,273) | 26,632 | 92,523 | - | (9,213) | 48,562 | 152,195 | - | 12 | 353 | 370 | - |
| Others (exchange differences, etc.) | 1,591 | 954 | 8,927 | - | 4,497 | 9,037 | 32,893 | - | 16 | 23 | 194 | - |
| Ending [3] | 384,737 | 173,476 | 422,358 | - | 664,757 | 664,830 | 1,351,081 | - | 544 | 832 | 6,451 | - |

10.1 Changes in allowances for credit losses of loans for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2025 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Retail | | | | Corporate | | | | Credit card | | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | | | Non-impaired | Impaired | | | Non-impaired | Impaired | |
| Beginning | 410,668 | 182,336 | 382,936 | - | 727,465 | 798,694 | 1,202,703 | - | 752 | 494 | 11,709 | - |
| Transfer between stages: | | | | | | | | | | | | |
| Transfer to 12-month expected credit losses | 38,631 | (37,408) | (1,223) | - | 90,363 | (88,563) | (1,800) | - | 403 | (169) | (234) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (28,433) | 179,969 | (151,536) | - | (53,648) | 159,225 | (105,577) | - | (65) | 79 | (14) | - |
| Transfer to lifetime expected credit losses (impaired) | (1,206) | (172,517) | 173,723 | - | (1,258) | (187,319) | 188,577 | - | - | (215) | 215 | - |
| Write-offs | - | - | (76,561) | - | - | (1) | (72,598) | - | - | - | (1,168) | - |
| Sales | (214) | (168) | (3,696) | - | (26) | (245) | (45,513) | - | - | - | - | - |
| Provision (reversal) for credit losses [1, 2] | (1,989) | 33,774 | 86,209 | - | (22,706) | 2,293 | 241,169 | - | (360) | 366 | 493 | - |
| Others (exchange differences, etc.) | (882) | (100) | (7,516) | - | (600) | 23 | (20,161) | - | (39) | (7) | (389) | - |
| Ending [3] | 416,575 | 185,886 | 402,336 | - | 739,590 | 684,107 | 1,386,800 | - | 691 | 548 | 10,612 | - |

[1] Provision (reversal) for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 16.2), provision (reversal) for credit losses of financial guarantee contracts (Note 16.4), provision (reversal) for credit losses of other financial assets, provision (reversal) for credit losses of due from financial institutions (Note 7.3) and provision (reversal) for credit losses of debt securities (Note 11.5).

[2] Includes ₩ 112,666 million and ₩ 45,110 million of collections from written-off loans for the three-month periods ended March 31, 2026 and 2025, respectively.

[3] Includes additional allowances of ₩ 112,086 million and ₩ 146,940 million for the borrowers which are highly affected by the termination of COVID-19 financial support as of March 31, 2026 and 2025, respectively.

The amounts of financial assets that were written off but are still subject to ongoing recovery efforts during the years ended March 31, 2026 and 2025 were ₩ 182,768 million and ₩ 150,328 million, respectively. The Group manages the written-off loans for which their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 8,620,230 million and ₩ 9,536,731 million as of March 31, 2026 and December 31, 2025, respectively.

10.2 Changes in gross carrying amount of loans for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | |
| Beginning | 388,856,655 | 40,081,081 | 3,445,686 | - |
| Transfer between stages: | | | | |
| Transfer to 12-month expected credit losses | 4,729,939 | (3,988,395) | (741,544) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (5,723,843) | 5,851,658 | (127,815) | - |
| Transfer to lifetime expected credit losses (impaired) | (845,323) | (958,428) | 1,803,751 | - |
| Write-offs | - | (7) | (185,214) | - |
| Sales | (1,002,497) | (8,916) | (185,679) | - |
| Net increase (decrease) (execution, repayment, and others) | 3,969,821 | (1,691,821) | (150,223) | - |
| Ending | 389,984,752 | 39,285,172 | 3,858,962 | - |

*(In millions of Korean won)*

| | 2025 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | |
| Beginning | 374,832,578 | 35,061,688 | 3,690,646 | - |
| Transfer between stages: | | | | |
| Transfer to 12-month expected credit losses | 6,261,792 | (6,255,312) | (6,480) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (8,571,768) | 10,219,417 | (1,647,649) | - |
| Transfer to lifetime expected credit losses (impaired) | (100,073) | (2,466,554) | 2,566,627 | - |
| Write-offs | - | (1) | (150,327) | - |
| Sales | (235,978) | (3,996) | (233,163) | - |
| Net increase (decrease) (execution, repayment, and others) | 6,706,248 | (2,083,834) | (298,796) | - |
| Ending | 378,892,799 | 34,471,408 | 3,920,858 | - |

## 11. Financial Assets at Fair Value through Profit or Loss and Financial Investments

11.1 Details of financial assets at fair value through profit or loss and financial investments as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **Financial assets at fair value through profit or loss** | | |
| Debt securities: | | |
| Government and public bonds | 11,010,592 | 9,539,771 |
| Financial bonds | 3,631,851 | 4,100,148 |
| Corporate bonds | 2,939,222 | 3,004,275 |
| Asset-backed securities | 29,582 | 30,000 |
| Beneficiary certificates | 4,756,419 | 5,049,618 |
| Investment funds | 1,042,315 | 980,915 |
| Other debt securities | 2,640,858 | 2,493,889 |
| Equity securities: | | |
| Stocks | 223,939 | 223,416 |
| Loans: | | |
| Privately placed bonds | 233,442 | 227,392 |
| Other loans | 42,941 | 43,231 |
| Others: | | |
| Financial instruments indexed to the price of gold | 480,531 | 412,279 |
| | 27,031,692 | 26,104,934 |
| **Financial investments** | | |
| **Financial assets at fair value through other comprehensive income** | | |
| Debt securities: | | |
| Government and public bonds | 15,767,996 | 14,493,010 |
| Financial bonds | 15,591,419 | 17,223,750 |
| Corporate bonds | 10,370,428 | 10,651,303 |
| Asset-backed securities | 800,284 | 903,054 |
| Other debt securities | - | 28,502 |
| Equity securities: | | |
| Stocks | 1,222,580 | 1,140,446 |
| Equity investments | 44,360 | 14,603 |
| Loans: | | |
| Privately placed bonds | 357,061 | 339,057 |
| | 44,154,128 | 44,793,725 |
| **Financial assets at amortized cost** | | |
| Debt securities: | | |
| Government and public bonds | 4,674,526 | 4,918,862 |
| Financial bonds | 13,850,739 | 13,098,887 |
| Corporate bonds | 10,218,461 | 8,698,069 |
| Asset-backed securities | 7,626,941 | 7,531,248 |
| Other debt securities | 103,151 | 63,785 |
| Less: Allowances for credit losses | (16,974) | (16,938) |
| | 36,456,844 | 34,293,913 |
| | 80,610,972 | 79,087,638 |

11.2 Dividend income from equity securities designated at fair value through other comprehensive income for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | | 2026 | | 2025 | |
|---|---|---|---|---|---|
| | | From the equity securities derecognized | From the equity securities held | From the equity securities derecognized | From the equity securities held |
| Stocks | Listed | - | 10,712 | 109 | 8,384 |
| | Unlisted | - | 4,631 | - | 3,897 |
| | | - | 15,343 | 109 | 12,281 |

11.3 Derecognized equity securities measured at fair value through other comprehensive income for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | | 2026 | | 2025 | |
|---|---|---|---|---|---|
| | | Disposal price | Accumulated other comprehensive loss as of disposal date | Disposal price | Accumulated other comprehensive loss as of disposal date |
| Stocks | Listed | 5,511 | 990 | 6,440 | (1,598) |

11.4 Provision (reversal) for credit losses of financial investments for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Financial assets at fair value through other comprehensive income | 2,454 | (1,710) | 744 |
| Securities measured at amortized cost | 1,277 | (1,306) | (29) |
| | 3,731 | (3,016) | 715 |

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Financial assets at fair value through other comprehensive income | 1,554 | (2,780) | (1,226) |
| Securities measured at amortized cost | 430 | (1,966) | (1,536) |
| | 1,984 | (4,746) | (2,762) |

11.5 Changes in allowances for credit losses of financial investments for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 27,402 | - | - |
| Sales | (700) | - | - |
| Provision (reversal) for credit losses | 715 | - | - |
| Others (exchange differences, etc.) | (251) | - | - |
| Ending | 27,166 | - | - |

*(In millions of Korean won)*

| | 2025 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 31,758 | - | - |
| Sales | (1,311) | - | - |
| Provision (reversal) for credit losses | (2,762) | - | - |
| Others (exchange differences, etc.) | 1 | - | - |
| Ending | 27,686 | - | - |

### 12. Deferred Income Tax Assets and Liabilities

Details of deferred income tax assets and liabilities as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | |
|---|---|---|---|
| | **Assets** | **Liabilities** | **Net amount** |
| Other provisions | 103,377 | - | 103,377 |
| Impairment losses of property and equipment | 14,314 | - | 14,314 |
| Equity-linked deposit interests | 651 | - | 651 |
| Share-based payments | 22,713 | - | 22,713 |
| Provisions for acceptances and guarantees | 14,755 | - | 14,755 |
| Gains or losses on valuation of derivatives | - | (364,172) | (364,172) |
| Present value discount | 9 | (198) | (189) |
| Gains or losses on fair value hedge | - | (48,689) | (48,689) |
| Accrued interest | - | (113,108) | (113,108) |
| Deferred loan origination fees and costs | 12,368 | (126,389) | (114,021) |
| Gains or losses on revaluation * | - | (253,083) | (253,083) |
| Investments in subsidiaries and others | 26,855 | (286,983) | (260,128) |
| Gains or losses on valuation of security investment | 173,170 | - | 173,170 |
| Defined benefit obligation | 459,846 | - | 459,846 |
| Accrued expenses | 88,743 | - | 88,743 |
| Plan assets | - | (509,151) | (509,151) |
| Adjustments to the prepaid contributions | - | (88,248) | (88,248) |
| Others | 904,901 | (574,228) | 330,673 |
| | 1,821,702 | (2,364,249) | (542,547) |
| Offsetting of deferred income tax assets and liabilities | (1,674,204) | 1,674,204 | - |
| | 147,498 | (690,045) | (542,547) |

Details of deferred income tax assets and liabilities as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Assets** | **Liabilities** | **Net amount** |
| Other provisions | 105,663 | - | 105,663 |
| Impairment losses of property and equipment | 9,638 | - | 9,638 |
| Equity-linked deposit interests | 362 | - | 362 |
| Share-based payments | 31,353 | - | 31,353 |
| Provisions for acceptances and guarantees | 14,300 | - | 14,300 |
| Gains or losses on valuation of derivatives | - | (269,414) | (269,414) |
| Present value discount | - | (239) | (239) |
| Gains or losses on fair value hedge | - | (36,979) | (36,979) |
| Accrued interest | - | (124,078) | (124,078) |
| Deferred loan origination fees and costs | 11,775 | (127,804) | (116,029) |
| Gains or losses on revaluation * | - | (253,702) | (253,702) |
| Investments in subsidiaries and others | 27,274 | (278,360) | (251,086) |
| Gains or losses on valuation of security investment | - | (59,659) | (59,659) |
| Defined benefit obligation | 467,617 | - | 467,617 |
| Accrued expenses | 234,669 | - | 234,669 |
| Plan assets | - | (514,100) | (514,100) |
| Adjustments to the prepaid contributions | - | (79,010) | (79,010) |
| Others | 879,100 | (536,285) | 342,815 |
| | 1,781,751 | (2,279,630) | (497,879) |
| Offsetting of deferred income tax assets and liabilities | (1,638,300) | 1,638,300 | - |
| | 143,451 | (641,330) | (497,879) |

* Gains on land revaluation

**13. Deposits**

Details of deposits as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | **March 31, 2026** | **December 31, 2025** |
|---|---|---|
| **Demand deposits** | | |
| Demand deposits in Korean won | 171,076,191 | 161,311,269 |
| Demand deposits in foreign currencies | 13,486,435 | 13,612,111 |
| | 184,562,626 | 174,923,380 |
| **Time deposits** | | |
| Time deposits in Korean won | 219,340,277 | 223,567,917 |
| Fair value adjustments of fair value hedged time deposits in Korean won | 6,160 | 6,865 |
| Time deposits in foreign currencies | 27,261,656 | 27,764,081 |
| Fair value adjustments of fair value hedged time deposits in foreign currencies | (3,278) | (1,334) |
| | 246,604,815 | 251,337,529 |
| **Certificates of deposits** | 13,575,965 | 13,749,293 |
| | 444,743,406 | 440,010,202 |

14. Borrowings

14.1 Details of borrowings as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| General borrowings | 27,980,261 | 26,965,329 |
| Bonds sold under repurchase agreements and others | 982,252 | 2,642,634 |
| Call money | 2,131,979 | 2,937,727 |
| | 31,094,492 | 32,545,690 |

14.2 Details of general borrowings as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | Lenders | Annual interest rate (%) | March 31, 2026 | December 31, 2025 |
|---|---|---|---|---|---|
| **Borrowings in Korean won** | Borrowings from the Bank of Korea | Bank of Korea | 1.00 | 6,864,407 | 6,958,623 |
| | Borrowings from the government | SEMAS and others | 0.00 ~ 3.50 | 2,449,790 | 2,402,107 |
| | Borrowings from non-banking financial institutions | Korea Development Bank | 0.91 ~ 2.16 | 418,928 | 425,405 |
| | Other borrowings | Korea Development Bank and others | 0.00 ~ 3.78 | 2,742,110 | 2,776,112 |
| | | | | 12,475,235 | 12,562,247 |
| **Borrowings in foreign currencies** | Due to banks | Hana Bank and others | - | 17,408 | 731 |
| | Borrowings from banks | CITICORP INTERNATIONAL LTD and others | 1.45 ~ 7.25 | 12,259,839 | 11,401,150 |
| | Borrowings from other financial institutions | The Export-Import Bank of Korea | 4.22 ~ 4.45 | 6,205 | 5,883 |
| | Other borrowings | STANDARD CHARTERED BANK (HONG KONG) and others | 0.00 ~ 4.31 | 3,221,574 | 2,995,318 |
| | | | | 15,505,026 | 14,403,082 |
| | | | | 27,980,261 | 26,965,329 |

## 15. Debentures

Details of debentures as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | Annual interest rate (%) | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Debentures in Korean won** | | | |
| Structured debentures | 3.45 ~ 5.86 | 160,280 | 110,410 |
| Subordinated fixed rate debentures | 2.02 ~ 3.50 | 3,180,150 | 3,180,150 |
| Fixed rate debentures | 1.33 ~ 5.39 | 17,773,303 | 18,792,603 |
| Floating rate debentures | 2.75 ~ 2.98 | 1,120,000 | 1,110,000 |
| | | 22,233,733 | 23,193,163 |
| Fair value adjustments of fair value hedged debentures in Korean won | | (148,913) | (116,915) |
| Less: Discount on debentures in Korean won | | (65,286) | (50,894) |
| | | 22,019,534 | 23,025,354 |
| **Debentures in foreign currencies** | | | |
| Floating rate debentures | 0.20 ~ 4.77 | 1,899,322 | 1,484,557 |
| Fixed rate debentures | 0.00 ~ 9.06 | 11,326,342 | 11,848,981 |
| | | 13,225,664 | 13,333,538 |
| Fair value adjustments of fair value hedged debentures in foreign currencies | | (31,021) | (23,085) |
| Less: Discount on debentures in foreign currencies | | (35,805) | (39,157) |
| | | 13,158,838 | 13,271,296 |
| | | 35,178,372 | 36,296,650 |

## 16. Provisions

16.1 Details of provisions as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Provisions for credit losses of unused loan commitments | 114,985 | 119,856 |
| Provisions for credit losses of acceptances and guarantees | 50,555 | 49,328 |
| Provisions for restoration costs | 148,146 | 146,285 |
| Others | 575,455 | 481,410 |
| | 889,141 | 796,879 |

16.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Provisions for credit losses of unused loan commitments | | | Provisions for credit losses of acceptances and guarantees | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired | | Non-impaired | Impaired |
| Beginning | 94,245 | 25,611 | - | 32,370 | 5,338 | 11,620 |
| Transfer between stages: | | | | | | |
| Transfer to 12-month expected credit losses | 1,628 | (1,627) | (1) | 94 | (94) | - |
| Transfer to lifetime expected credit losses | (812) | 812 | - | (13) | 13 | - |
| Impairment | (9) | (219) | 228 | (4) | (68) | 72 |
| Provision (reversal) for credit losses | (3,782) | (2,459) | (227) | 192 | 81 | (688) |
| Others (exchange differences, etc.) | 1,325 | 272 | - | 1,233 | 121 | 288 |
| Ending * | 92,595 | 22,390 | - | 33,872 | 5,391 | 11,292 |

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Provisions for credit losses of unused loan commitments | | | Provisions for credit losses of acceptances and guarantees | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired | | Non-impaired | Impaired |
| Beginning | 118,282 | 29,099 | - | 39,865 | 2,489 | 14,146 |
| Transfer between stages: | | | | | | |
| Transfer to 12-month expected credit losses | 2,238 | (2,234) | (4) | 12 | (12) | - |
| Transfer to lifetime expected credit losses | (2,622) | 4,433 | (1,811) | (238) | 273 | (35) |
| Impairment | (1,029) | (2,057) | 3,086 | (1) | (29) | 30 |
| Provision (reversal) for credit losses | (7,326) | (4,351) | (1,264) | (1,982) | 356 | (4,865) |
| Others (exchange differences, etc.) | (85) | (11) | (7) | 301 | - | (5) |
| Ending * | 109,458 | 24,879 | - | 37,957 | 3,077 | 9,271 |

* Includes additional allowances of ₩ 9,717 million and ₩ 12,913 million for the borrowers which are highly affected by the termination of COVID-19 financial support as of March 31, 2026 and 2025 respectively.

16.3 Changes in provisions for restoration costs for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| Beginning | 146,285 | 155,686 |
| Provision | 1,160 | 2,159 |
| Reversal | - | (224) |
| Used | (391) | (2,531) |
| Unwinding of discount | 1,092 | 1,150 |
| Ending | 148,146 | 156,240 |

Provisions for restoration costs are measured at the present value of the best estimate of future restoration costs for leased premises as of the end of the reporting period, discounted at an appropriate discount rate. The expenditure for restoration costs is expected to be incurred at the end of each lease contract, and the lease period is used to reasonably estimate the timing of the expenditure. Additionally, to estimate the expected restoration costs, the average actual restoration expenses of stores that underwent restoration work over the past three years and the average inflation rate over the same period.

16.4 Changes in other provisions for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Membership rewards program | Dormant accounts | Litigations | Financial guarantee contracts | Others[1 2 3] | Total |
| Beginning | 91 | 5,735 | 73,744 | 5,779 | 396,061 | 481,410 |
| Provision (reversal) | 21 | (1,986) | 6,137 | 1,251 | 89,067 | 94,490 |
| Used and others | (15) | (381) | 489 | 16 | (554) | (445) |
| Ending[1 2 3] | 97 | 3,368 | 80,370 | 7,046 | 484,574 | 575,455 |

*(In millions of Korean won)*

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Membership rewards program | Dormant accounts | Litigations | Financial guarantee contracts | Others[1 2] | Total |
| Beginning | 73 | 3,154 | 60,069 | 7,378 | 113,455 | 184,129 |
| Provision (reversal) | 32 | 109 | 3,856 | 412 | 4,625 | 9,034 |
| Used and others | (20) | (508) | (349) | - | (13,372) | (14,249) |
| Ending[1 2] | 85 | 2,755 | 63,576 | 7,790 | 104,708 | 178,914 |

[1] Includes other provisions of ₩ 2,722 million and ₩ 13,326 million related to the Livelihood finance support program as of March 31, 2026 and 2025, respectively.

[2] Includes other provisions of ₩ 25,698 million and ₩ 42,563 million related to the Hong Kong H-index ELS voluntary adjustment compensation as of March 31, 2026 and 2025, respectively.

[3] As of March 31, 2026, other provisions include ₩ 430,642 million related to ELS and LTV penalties, among others, which may be subject to change in the future.

## 17. Net Defined Benefit Liabilities (Assets)

17.1 Defined Benefit Plan

The Group operates defined benefit plans which have the following characteristics:

- The Group has the obligation to pay the agreed benefits to all its current and former employees.
- The Group assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities (assets) recognized in the consolidated statements of financial position are calculated in accordance with an actuarial valuation method using assumptions based on market data and historical data such as discount rate, future salary increase rate, and mortality. Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends.

17.2 Details of net defined benefit liabilities (assets) as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | **March 31, 2026** | **December 31, 2025** |
|---|---|---|
| Present value of defined benefit obligation | 1,771,433 | 1,803,325 |
| Fair value of plan assets | (2,021,280) | (2,030,157) |
| Net defined benefit liabilities (assets) | (249,847) | (226,832) |

## 18. Equity

18.1 Capital Stock

Details of capital stock as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won and in number of shares)* | **Ordinary shares** | |
|---|---|---|
| | **March 31, 2026** | **December 31, 2025** |
| Type of share | Ordinary share | Ordinary share |
| Number of authorized shares | 1,000,000,000 | 1,000,000,000 |
| Par value per share *(In Korean won)* | 5,000 | 5,000 |
| Number of issued shares | 404,379,116 | 404,379,116 |
| Capital stock | 2,021,896 | 2,021,896 |

18.2 Hybrid Security

Details of hybrid security classified as equity as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | Issuance date | Maturity * | Interest rate (%) | March 31, 2026 | December 31, 2025 |
|---|---|---|---|---|---|
| Hybrid Security | June 23, 2022 | Permanent | 4.89 | 299,327 | 299,327 |
| | February 27, 2023 | | 4.67 | 409,085 | 409,085 |
| | May 29, 2024 | | 4.22 | 357,200 | 357,200 |
| | | | | 1,065,612 | 1,065,612 |

* Notwithstanding the perpetual bond, early redemption is available by the Bank only when prior approval from the head of the Financial Supervisory Service is obtained after 5 years from the issuance date.

18.3 Capital Surplus

Details of capital surplus as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Paid-in capital in excess of par value | 4,604,417 | 4,604,417 |
| Gains on business combination | 397,669 | 397,669 |
| Revaluation reserve | 177,229 | 177,229 |
| Other capital surplus | (529,197) | (529,197) |
| | 4,650,118 | 4,650,118 |

18.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Remeasurements of net defined benefit liabilities | (199,615) | (191,397) |
| Currency translation differences | 755,860 | 553,766 |
| Losses on debt securities measured at fair value through other comprehensive income | (265,632) | (1,421) |
| Gains on equity securities measured at fair value through other comprehensive income | 524,915 | 443,495 |
| Share of other comprehensive loss of associates | (841) | (1,611) |
| Gains (losses) on cash flow hedging instruments | 5,432 | (972) |
| Losses on hedging instruments of net investments in foreign operations | (320,655) | (244,068) |
| | 499,464 | 557,792 |

18.5 Retained Earnings

18.5.1 Details of retained earnings as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | **March 31, 2026** | **December 31, 2025** |
|---|---|---|
| Legal reserves | 2,059,282 | 2,055,706 |
| Regulatory reserve for credit losses | 2,921,103 | 2,736,034 |
| Voluntary reserves | 24,700,289 | 22,712,832 |
| Unappropriated retained earnings | 1,085,136 | 3,104,011 |
| | 30,765,810 | 30,608,583 |

With respect to the allocation of net profit earned in a fiscal term, the Bank must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its paid-in capital in accordance with Article 40 of the Banking Act. This reserve is not available for the payment of cash dividends, but may be transferred to capital stock, or used to reduce accumulated deficit. The Bank is reserving other reserves (legal reserves) in accordance with local laws and regulations of overseas branches.

18.5.2 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 29.1 through 29.2 of Regulations on Supervision of Banking Business.

18.5.2.1 Details of regulatory reserve for credit losses as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | **March 31, 2026** | **December 31, 2025** |
|---|---|---|
| Regulatory reserve for credit losses attributable to: | | |
| Owners of the parent | 3,098,480 | 2,921,103 |
| Non-controlling interests | 33,144 | 124,901 |
| | 3,131,624 | 3,046,004 |

18.5.2.2 Regulatory reserve for credit losses estimated to be appropriated and adjusted profit after provision of regulatory reserve for credit losses for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | **2026** | **2025** |
|---|---|---|
| Regulatory reserve for credit losses estimated to be appropriated | 177,377 | 52,139 |
| Adjusted profit after provision of regulatory reserve for credit losses * | 923,662 | 974,293 |

* Adjusted profit after provision of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision of regulatory reserve for credit losses before tax to the net profit attributable to the owners of the parent.

## 19. Net Interest Income

Details of interest income, interest expense, and net interest income for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| **Interest income** | | |
| Securities measured at fair value through profit or loss | 145,572 | 108,448 |
| Loans measured at fair value through profit or loss | 3,103 | 3,802 |
| Securities measured at fair value through other comprehensive income | 347,507 | 388,820 |
| Loans measured at fair value through other comprehensive income | 4,368 | 3,867 |
| Due from financial institutions measured at amortized cost | 55,880 | 59,410 |
| Securities measured at amortized cost | 282,845 | 274,459 |
| Loans measured at amortized cost | 4,359,526 | 4,619,874 |
| Others | 144,329 | 145,113 |
| | 5,343,130 | 5,603,793 |
| **Interest expense** | | |
| Deposits | 1,984,137 | 2,349,818 |
| Borrowings | 223,326 | 270,160 |
| Debentures | 284,196 | 297,809 |
| Others | 83,876 | 89,324 |
| | 2,575,535 | 3,007,111 |
| **Net interest income** | 2,767,595 | 2,596,682 |

Interest income recognized on impaired loans is ₩ 10,151 million and ₩ 10,534 million for the three-month periods ended March 31, 2026 and 2025, respectively.

### 20. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| **Fee and commission income** | | |
| Banking activity fees | 53,349 | 50,447 |
| Lending activity fees | 13,785 | 20,716 |
| Credit card related fees | 170 | 194 |
| Debit card related fees | 294 | 213 |
| Agent activity fees | 63,047 | 84,841 |
| Trust and other fiduciary fees | 126,178 | 45,988 |
| Acceptances and guarantees fees | 20,363 | 24,769 |
| Foreign currency related fees | 54,339 | 37,631 |
| Securities agency fees | 48,688 | 26,463 |
| Other business account commission on consignment | 10,977 | 12,330 |
| Others | 91,138 | 72,510 |
| | 482,328 | 376,102 |
| **Fee and commission expense** | | |
| Trading activity related fees * | 3,796 | 3,330 |
| Lending activity fees | 12,514 | 11,897 |
| Credit card related fees | 9,847 | 9,652 |
| Outsourcing related fees | 21,779 | 19,836 |
| Foreign currency related fees | 9,152 | 10,145 |
| Management fees of written-off loans | 2,693 | 2,872 |
| Contributions to external institutions | 9,509 | 10,304 |
| Others | 40,031 | 37,870 |
| | 109,321 | 105,906 |
| **Net fee and commission income** | 373,007 | 270,196 |

* Fees from financial instruments at fair value through profit or loss

### 21. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions.

Details of net gains or losses on financial instruments at fair value through profit or loss for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| **Gains on financial instruments at fair value through profit or loss** | | |
| Financial assets at fair value through profit or loss: | | |
| Debt securities | 256,789 | 456,845 |
| Equity securities | 24,607 | 7,484 |
| | 281,396 | 464,329 |
| Derivatives held for trading: | | |
| Interest rate | 2,185,725 | 1,056,476 |
| Currency | 5,927,864 | 2,092,057 |
| Stock or stock index | 13,828 | 2,368 |
| Credit | 1,950 | 496 |
| Others | 4,799 | 16,660 |
| | 8,134,166 | 3,168,057 |
| Financial liabilities at fair value through profit or loss | 58 | - |
| Other financial instruments | 6,804 | 2,420 |
| | 8,422,424 | 3,634,806 |
| **Losses on financial instruments at fair value through profit or loss** | | |
| Financial assets at fair value through profit or loss: | | |
| Debt securities | 882,473 | 126,821 |
| Equity securities | 2,161 | 5,647 |
| | 884,634 | 132,468 |
| Derivatives held for trading: | | |
| Interest rate | 1,425,659 | 1,359,923 |
| Currency | 6,054,600 | 1,925,457 |
| Stock or stock index | 7,624 | 16,743 |
| Credit | 1,184 | 648 |
| Others | 4,727 | 1,303 |
| | 7,493,794 | 3,304,074 |
| Financial liabilities at fair value through profit or loss | 78 | - |
| Other financial instruments | 5,969 | 2,478 |
| | 8,384,475 | 3,439,020 |
| **Net gains on financial instruments at fair value through profit or loss** | 37,949 | 195,786 |

### 22. Net Other Operating Income and Expenses

Details of other operating income and expenses for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| **Other operating income** | | |
| Gains on financial assets at fair value through other comprehensive income: | | |
| Gains on redemption of securities measured at fair value through other comprehensive income | 48 | 201 |
| Gains on disposal of securities measured at fair value through other comprehensive income | 16,637 | 52,284 |
| Gains on financial assets at amortized cost: | | |
| Gains on sale of loans measured at amortized cost | 9,485 | 6,749 |
| Gains on redemption of securities measured at amortized cost | 2 | - |
| Gains on foreign exchange transactions | 1,529,211 | 1,021,204 |
| Dividend income | 15,343 | 12,390 |
| Others | 99,310 | 103,882 |
| | 1,670,036 | 1,196,710 |
| **Other operating expenses** | | |
| Losses on financial assets at fair value through other comprehensive income: | | |
| Losses on redemption of securities measured at fair value through other comprehensive income | - | 1 |
| Losses on disposal of securities measured at fair value through other comprehensive income | 1,591 | 441 |
| Losses on financial assets at amortized cost: | | |
| Losses on sale of loans measured at amortized cost | 23,895 | 24,186 |
| Losses on foreign exchange transactions | 1,519,579 | 1,058,686 |
| Deposit insurance fee | 155,055 | 147,179 |
| Credit guarantee fund fee | 107,563 | 96,964 |
| Others | 168,304 | 193,830 |
| | 1,975,987 | 1,521,287 |
| **Net other operating expenses** | (305,951) | (324,577) |

### 23. General and Administrative Expenses

Details of general and administrative expenses for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| **Expenses related to employee** | | |
| Employee benefits - salaries | 446,644 | 444,759 |
| Employee benefits - welfare | 153,691 | 176,946 |
| Post-employment benefits - defined benefit plans | 32,828 | 30,125 |
| Post-employment benefits - defined contribution plans | 3,446 | 4,271 |
| Termination Benefits | - | 188 |
| Share-based payments | 10,218 | 743 |
| | 646,827 | 657,032 |
| **Depreciation and amortization** | 133,070 | 138,519 |
| **Other general and administrative expenses** | | |
| Rental expense | 18,067 | 17,802 |
| Tax and dues | 74,581 | 56,038 |
| Communication | 6,914 | 9,003 |
| Electricity and utilities | 9,019 | 9,271 |
| Publication | 883 | 921 |
| Repairs and maintenance | 5,802 | 4,324 |
| Vehicle | 3,802 | 3,752 |
| Travel | 1,790 | 1,719 |
| Training | 6,194 | 5,455 |
| Service fees | 30,143 | 35,713 |
| Supplies | 3,880 | 3,969 |
| Electronic data processing expenses | 67,978 | 60,981 |
| Others | 66,745 | 58,692 |
| | 295,798 | 267,640 |
| | 1,075,695 | 1,063,191 |

## 24. Income Tax Expense

Details of income tax expense for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | 2025 |
|---|---|---|
| **Income tax payable** | | |
| Current income tax expense | 295,469 | 267,423 |
| Adjustments of income tax of prior years recognized in current tax | (2,752) | (50,673) |
| | 292,717 | 216,750 |
| Changes in deferred income tax assets and liabilities | 44,668 | 152,827 |
| Income tax expense of overseas branches | 14,856 | 20,951 |
| Income tax recognized directly in equity: | | |
| Net losses on equity instruments at fair value through other comprehensive income | (34,866) | (13,336) |
| Net gains (losses) on debt instruments at fair value through other comprehensive income | 100,253 | (2,213) |
| Currency translation differences | (6,755) | (863) |
| Remeasurements of net defined benefit liabilities | 3,258 | 2,165 |
| Gains (losses) on hedging instruments of net investments in foreign operations | 29,050 | (801) |
| Gains or losses on cash flow hedging instruments | (2,429) | 5,125 |
| Share of other comprehensive income or loss of associates | (292) | 73 |
| | 88,219 | (9,850) |
| Reclassification from AOCI to retained earnings due to sale of equity securities measured at fair value through other comprehensive income | (272) | 422 |
| Consolidated tax return effect | (27,113) | (22,396) |
| Others | 4,439 | (2,454) |
| **Income tax expense** | 417,514 | 356,250 |

## 25. Dividends

The annual dividend to the shareholder of the Bank for the year ended December 31, 2025, amounting to ₩ 934,116 million (₩ 2,310 per share) was paid on March 2026.

### 26. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Changes (excluding reclassification) | Reclassification to profit or loss | Tax effect | Transfer to retained earnings | Ending |
| Remeasurements of net defined benefit liabilities | (191,397) | (11,476) | - | 3,258 | - | (199,615) |
| Currency translation differences | 553,766 | 208,849 | - | (6,755) | - | 755,860 |
| Gains (losses) on debt securities measured at fair value through other comprehensive income | (1,421) | (346,873) | (17,591) | 100,253 | - | (265,632) |
| Gains (losses) on equity securities measured at fair value through other comprehensive income | 443,495 | 117,276 | - | (34,866) | (990) | 524,915 |
| Share of other comprehensive gain (loss) of associates | (1,611) | 1,062 | - | (292) | - | (841) |
| Gains (losses) on cash flow hedging instruments | (972) | 8,725 | 108 | (2,429) | - | 5,432 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (244,068) | (105,637) | - | 29,050 | - | (320,655) |
| | 557,792 | (128,074) | (17,483) | 88,219 | (990) | 499,464 |

*(In millions of Korean won)*

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Changes (excluding reclassification) | Reclassification to profit or loss | Tax effect | Transfer to retained earnings | Ending |
| Remeasurements of net defined benefit liabilities | (205,607) | (8,362) | - | 2,165 | - | (211,804) |
| Currency translation differences | 603,522 | (1,112) | - | (863) | - | 601,547 |
| Gains (losses) on debt securities measured at fair value through other comprehensive income | 263,164 | 60,628 | (59,565) | (2,213) | - | 262,014 |
| Gains (losses) on equity securities measured at fair value through other comprehensive income | 372,368 | 48,917 | - | (13,336) | 1,598 | 409,547 |
| Share of other comprehensive gain (loss) of associates | (2,220) | (277) | - | 73 | - | (2,424) |
| Gains (losses) on cash flow hedging instruments | 22,157 | (19,412) | - | 5,125 | - | 7,870 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (277,658) | 3,033 | - | (801) | - | (275,426) |
| | 775,726 | 83,415 | (59,565) | (9,850) | 1,598 | 791,324 |

### 27. Trust Accounts

27.1 Total assets of the trust accounts the Group manages, as of March 31, 2026 and December 31, 2025, and operating revenues for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | Total assets | | Operating revenues | |
|---|---|---|---|---|
| | March 31, 2026 | December 31, 2025 | 2026 | 2025 |
| Consolidated | 3,566,684 | 3,716,248 | 48,414 | 40,695 |
| Unconsolidated (non-guaranteed) | 112,585,490 | 107,786,066 | 1,659,935 | 686,824 |
| | 116,152,174 | 111,502,314 | 1,708,349 | 727,519 |

* Financial information of the trust accounts has been prepared in accordance with the Statement of Korea Accounting Standard No.5004, *Trust Accounts*, and enforcement regulations of the Financial Investment Services under the Financial Investment Services and Capital Markets Act.

27.2 Significant receivables and payables related to the Group's trust accounts as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Trust segment** | **Receivables** | | |
| | Accrued trust fees | 77,989 | 66,774 |
| | Other accrued income | 36,915 | 32,665 |
| | | 114,904 | 99,439 |
| | **Payables** | | |
| | Due to trust accounts | 4,904,282 | 6,158,743 |
| | Accrued interest on due to trust accounts | 6,545 | 6,690 |
| | Unearned trust fees | 580 | 512 |
| | Deposits | 710,582 | 718,188 |
| | Accrued interest on deposits | 6,956 | 7,720 |
| | | 5,628,945 | 6,891,853 |
| **Custody segment** | **Receivables** | | |
| | Accrued trust fees | 10,963 | 11,015 |
| | **Payables** | | |
| | Due to trust accounts | 5,439,152 | 4,979,155 |
| | Accrued interest on due to trust accounts | 9,529 | 7,632 |
| | | 5,448,681 | 4,986,787 |

27.3 Significant revenues and expenses related to the Group's trust accounts for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| **Trust segment** | **Revenues** | | |
| | Fees and commissions from trust accounts | 114,017 | 36,095 |
| | Management fees and commissions from retirement pension | 10,331 | 10,372 |
| | Commissions from early termination in trust accounts | 9 | - |
| | | 124,357 | 46,467 |
| | **Expenses** | | |
| | Interest expenses on due to trust accounts | 35,022 | 35,751 |
| | Interest expenses on deposits | 10,012 | 6,373 |
| | | 45,034 | 42,124 |
| **Custody segment** | **Revenues** | | |
| | Fees and commissions from trust accounts | 12,161 | 9,892 |
| | **Expenses** | | |
| | Interest expenses on due to trust accounts | 25,220 | 21,087 |

## 28. Statement of Cash Flows

28.1 Details of cash and cash equivalents as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Cash | 2,278,509 | 2,074,156 |
| Checks issued by other banks | 140,923 | 134,454 |
| Due from Bank of Korea | 15,157,761 | 16,337,734 |
| Due from other financial institutions | 7,112,485 | 7,922,362 |
| Assets of disposal group held for sale [1] | 9,815 | 5,858 |
| | 24,699,493 | 26,474,564 |
| Deduction: | | |
| Restricted due from financial institutions [2] | (1,685,778) | (1,052,436) |
| Due from financial institutions with original maturities over three months | (232,632) | (240,988) |
| | (1,918,410) | (1,293,424) |
| | 22,781,083 | 25,181,140 |

[1] The cash and deposits classified as a disposal group held for sale during the three-month period are included.
[2] Items that meet the definition of cash are excluded in accordance with Korean IFRS No.1007 *Statement of Cash Flows*.

Items that meet the definition of cash in restricted due from financial institutions as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | Financial institutions | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| Due from financial institutions in Korean won | Due from Bank of Korea | Bank of Korea | 12,096,521 | 13,939,438 |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank of Korea<br>Bank Indonesia and others | 3,061,240<br>552,613 | 2,398,296<br>968,887 |
| | | | 15,710,374 | 17,306,621 |

28.2 Cash inflows and outflows from income tax, interest, and dividends for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | Activities | 2026 | 2025 |
|---|---|---|---|
| Income tax paid | Operating | 167,220 | 119,568 |
| Interest received | Operating | 5,256,019 | 5,505,123 |
| Interest paid | Operating | 2,451,324 | 2,871,045 |
| Dividends received | Operating | 104,427 | 89,528 |
| Dividends paid | Financing | 934,116 | 1,625,604 |
| Interest (dividends) paid on hybrid securities | Financing | 12,231 | 12,231 |

### 29. Contingent Liabilities and Commitments

29.1 Details of acceptances and guarantees as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **Confirmed acceptances and guarantees** | | |
| Confirmed acceptances and guarantees in Korean won: | | |
| Acceptances and guarantees for KB purchasing loan | 102,359 | 110,728 |
| Others | 1,173,153 | 1,028,783 |
| | 1,275,512 | 1,139,511 |
| Confirmed acceptances and guarantees in foreign currencies: | | |
| Acceptances of letter of credit | 213,515 | 215,808 |
| Letter of guarantees | 40,203 | 76,496 |
| Bid bond | 6,891 | 2,253 |
| Performance bond | 2,205,544 | 2,039,924 |
| Refund guarantees | 3,193,220 | 3,277,694 |
| Others | 5,070,866 | 4,872,687 |
| | 10,730,239 | 10,484,862 |
| Financial guarantee contracts: | | |
| Acceptances and guarantees for mortgage | 20,643 | 19,673 |
| Overseas debt guarantees | 408,984 | 406,900 |
| International financing guarantees in foreign currencies | 1,621,887 | 1,138,481 |
| Other financial guarantees in Korean won | 186,561 | 263,823 |
| | 2,238,075 | 1,828,877 |
| | 14,243,826 | 13,453,250 |
| **Unconfirmed acceptances and guarantees** | | |
| Guarantees of letter of credit | 2,922,238 | 2,537,195 |
| Refund guarantees | 1,313,358 | 1,427,424 |
| | 4,235,596 | 3,964,619 |
| | 18,479,422 | 17,417,869 |

29.2 Details of commitments as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **Commitments** | | |
| Corporate loan commitments | 55,238,015 | 54,487,953 |
| Retail loan commitments | 58,468,533 | 58,397,028 |
| Other commitments in Korean won | 1,700,000 | 1,700,000 |
| Purchase of other securities | 5,584,409 | 5,094,764 |
| | 120,990,957 | 119,679,745 |
| **Financial guarantee contracts** | | |
| Credit line | 2,223,192 | 2,812,976 |
| Purchase of securities | 2,406,624 | 1,691,300 |
| | 4,629,816 | 4,504,276 |
| | 125,620,773 | 124,184,021 |

29.3 Other Matters (including litigation)

29.3.1 The Group has 31 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 218,426 million, and has 183 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 466,003 million. Details of significant pending lawsuits in which the Group is a defendant as of March 31, 2026, are as follows:

*(in millions of Korean won)*

| Lawsuits | Amount | Description of the lawsuits | Status of the lawsuits |
|---|---|---|---|
| Claims on a return of redemption amount | 63,579 | The Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited (the Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff) and subsequently redeemed them and returned the proceeds to the beneficiaries. Following the occurrence of Ponzi scheme-related losses, Bernard L. Madoff Investment Securities LLC is undergoing a liquidation process.<br>The bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against the Bank, seeking the return of the redemption proceeds received by the Bank through Fairfield Sentry Limited | Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is in progress at the New York Southern District Federal Bankruptcy Court (10-3777) at the written complaint review stage]<br>The financial impact on the bank is not significant due to the possibility of winning the case. |
| Return of unjust enrichment | 165,330 | MTS Bank, which was transacting through correspondent accounts with the Bank, was listed on the OFAC (Office of Foreign Assets Control of the U.S. Department of the Treasury) SDN (Specially Designated Nationals) List. Consequently, the Bank has frozen the foreign currency accounts held under the name of MTS Bank.<br>Subsequently, MTS Bank filed a lawsuit with the Moscow City Commercial Court seeking the restitution of account balances. | Responding to local court trial schedule (Following the first-instance judgment against the bank on December 2, 2025, currently responding in the appellate proceedings)<br>Due to compliance with U.S. OFAC regulations, it is difficult to easily predict the likelihood of winning the lawsuit proceeding in the Russian court.<br>However, the claim amount can be covered by the balance in the plaintiff's account, and the bank is expected to experience a financial impact equivalent to the delayed interest. |

29.3.2 On April 7, 2023, the Kookmin Bank entered into a new share subscription agreement with STIC Eugene Star Holdings Inc. (hereinafter referred to as “STIC"), under which STIC will acquire 31,900,000,000 shares at a price of IDR 3.19 trillion, of which the Bank's subsidiary, PT Bank KB Indonesia Tbk., issued. As a result of the agreement, the Bank holds a call option to purchase the shares held by STIC, during the six-month period beginning two years and six months after STIC acquires the shares, for a period of 6 months. If the Bank does not exercise the call option during the designated period, STIC will have the right to sell the acquired shares back to the Bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

29.3.3 As of March 31, 2026, total of four lawsuits related to the wage peak system are pending in court, amounting to ₩ 8,540 million. The timing and amount of potential outflows of resources cannot be predicted.

29.3.4 As of March 31, 2026, KB PRASAC BANK PLC. is undergoing a tax audit by the tax authorities. Currently, it is impossible to predict the impact of the tax audit on KB PRASAC BANK PLC.

29.3.5 The Group is currently under investigation by the Fair Trade Commission in connection with alleged collusive conduct among financial institutions, and the outcome of the investigation cannot currently be predicted.

29.3.6 The Bank was notified on April 24, 2026 of the results of the Financial Supervisory Service’s regular inspection covering its overall operations, which was conducted from August 22, 2024 to November 1, 2024, and certain additional corrective action requirements are expected to be notified at a later date.

29.3.7 On July 1, 2025, the Group entered into a share purchase agreement with a third party to sell its equity interest in its subsidiary, PT KB Bukopin Finance. The Group is currently in the process of executing the transaction. Upon completion of the transaction in accordance with the terms of the agreement, the Group will lose control over PT KB Bukopin Finance.

29.3.8 As of March 31, 2026, PT Bank KB Indonesia Tbk. is undergoing a tax audit by the tax authorities. Currently, it is impossible to predict the impact of the tax audit on PT Bank KB Indonesia Tbk.

### 30. Subsidiaries

30.1 Details of subsidiaries as of March 31, 2026, are as follows:

| Investor | Investee | Ownership (%) | Location | Industry |
|---|---|---|---|---|
| Kookmin Bank | Kookmin Bank (China) Ltd. | 100.00 | China | Banking and foreign exchange transaction |
| Kookmin Bank | KB Microfinance Myanmar Co.,Ltd. | 100.00 | Myanmar | Microfinance services |
| Kookmin Bank | KB BANK MYANMAR LTD | 100.00 | Myanmar | Banking and foreign exchange transaction |
| Kookmin Bank . | KB PRASAC BANK PLC. | 100.00 | Cambodia | Banking and foreign exchange transaction |
| Kookmin Bank | PT Bank KB Indonesia Tbk. [3] | 66.88 | Indonesia | Banking and foreign exchange transaction |
| PT Bank KB Indonesia Tbk [3] | PT Bank KB Bukopin Syariah | 95.92 | Indonesia | Banking |
| PT Bank KB Indonesia Tbk [3] | PT KB Bukopin Finance [4] | 99.24 | Indonesia | Installment financing |
| Kookmin Bank | KB FUND PARTNERS Co., Ltd. | 100.00 | Korea | General administration |
| Kookmin Bank | Personal pension trust and 10 others [1] | - | Korea | Trust |
| Kookmin Bank | KB DTower 1st L.L.C. and 28 others [2] | - | Korea | Asset-backed securitization and others |
| Kookmin Bank | IDMB UNITED PTE.LTD. and 2 others [2] | - | Singapore | Asset-backed securitization and others |
| Kookmin Bank | AIP US Red Private Real Estate Trust No.10 [2] | 99.97 | Korea | Investment trust |
| Kookmin Bank | KB RISE KTB 3Y Futures Inverse ETF(Debt-Derivative) [2] | 96.20 | Korea | Investment trust |
| Kookmin Bank | Samsung SRA Private Real Estate Investment Trust No.28D(Off's) [2] | 99.50 | Korea | Investment trust |
| Kookmin Bank | KB Global Private Real Estate Fund No.10(FoFs) [2] | 99.83 | Korea | Investment trust |
| Kookmin Bank | KTB Global CREDebt Private Investment Trust No.52(USD) [2] | 99.44 | Korea | Investment trust |
| Kookmin Bank | Hyundai Invest KKR Europe Real Estate No.1-3(EUR) [2] | 99.32 | Korea | Investment trust |
| Kookmin Bank | Vestas Private Real Estate Investment Trust No.69-3(USD)(FoFs) [2] | 99.53 | Korea | Investment trust |
| Kookmin Bank | SHINHAN ASP PCF II Private Investment Trust No.2(USD) [2] | 99.75 | Korea | Investment trust |
| Kookmin Bank | Vestas Europe Logistics General Private Real Estate Investment Trust No.73-1 [2] | 97.40 | Korea | Investment trust |
| Kookmin Bank | Vestas Europe Logistics General Private Real Estate Investment Trust No.73-2 [2] | 97.40 | Korea | Investment trust |
| Kookmin Bank | KB RISE KTB 10Y Futures Inverse ETF (Debt-Derivative) [2] | 95.56 | Korea | Investment trust |
| Kookmin Bank | SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD) [2] | 99.98 | Korea | Investment trust |

30.1 Details of subsidiaries as of March 31, 2026, are as follows: (cont'd)

| Investor | Investee | Ownership (%) | Location | Industry |
|---|---|---|---|---|
| Kookmin Bank | IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465-1 [2] | 99.01 | Korea | Investment trust |
| Kookmin Bank | Mirae Asset ESG Infra Private Investment Trust 1 [2] | 95.24 | Korea | Investment trust |
| Kookmin Bank | KB NA Sound Point Private Special Asset Fund 2(USD) [2] | 99.96 | Korea | Investment trust |
| Kookmin Bank | KB Global Private Real Estate Fund No.35(USD)(FoFs) [2] | 99.01 | Korea | Investment trust |
| Kookmin Bank | PineStreet Global Private Investment Trust 28-2 [2] | 99.01 | Korea | Investment trust |
| Kookmin Bank | NH-Amundi Private Securities Investment Trust 51[Bond-Derivatives] [2] | 99.99 | Korea | Investment trust |
| Kookmin Bank | Mirae Asset Signature Privately Placed Investment Trust 6 [2] | 99.83 | Korea | Investment trust |
| Kookmin Bank | Kiwoom Frontier Private Securities Fund 36(Bond-Derivatives) [2] | 99.67 | Korea | Investment trust |
| Kookmin Bank | KB Infra Development PrivateSpecial Asset Fund(SOC) [2] | 97.56 | Korea | Investment trust |
| Kookmin Bank | DB Mighty 26-09 Special Bond Active ETF [2] | 80.14 | Korea | Investment trust |
| Kookmin Bank | KB RISE KTB 3Y Futures ETF(Debt-Derivative) [2] | 59.44 | Korea | Investment trust |
| Kookmin Bank | SAMSUNG KODEX 3Y F-KTB inverse ETF(Debt-Derivative) [2] | 90.91 | Korea | Investment trust |
| Kookmin Bank | Daol Private Securities Investment Trust K-1 [Bond-Derivatives] [2] | 99.50 | Korea | Investment trust |
| Kookmin Bank | Yuri Balance Alpha Trust 1 [Bond-Derivatives] [2] | 99.95 | Korea | Investment trust |
| Kookmin Bank | Hana Private Investment Trust 30 [Bond-Derivates] [2] | 99.50 | Korea | Investment trust |
| Kookmin Bank | KIM Basic Private Investment Trust 136 [Bond-Derivates] [2] | 97.57 | Korea | Investment trust |
| Kookmin Bank | Hanwha Private Securities Fund 138 [Bond-Derivates] [2] | 99.95 | Korea | Investment trust |
| Kookmin Bank | Mirae Asset Balance Partner [2] | 99.49 | Korea | Investment trust |
| Kookmin Bank | KB Leaders Private Securities Fund 50 [2] | 99.67 | Korea | Investment trust |

[1] The Group controls these investees because it is significantly exposed to variable returns from the investees' performance and has the ability to affect those returns through its power

[2] The Group controls the trust because it has power to determine the management performance of the trust and is exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return.

[3] During the year ended December 31, 2025, PT Bank KB Bukopin Tbk. changed its corporate name to PT Bank KB Indonesia Tbk.

[4] The investee was classified as a disposal group held for sale as of March 31, 2026.

The Group holds more than half of the ownership interests of KB East-side Expressway Private Special Asset(SOC) and sixteen other investment trusts but does not have the power over relevant activities in accordance with agreements with trust and other shareholders, therefore these entities are not consolidated.

30.2 The condensed financial information of major subsidiaries as of March 31, 2026 and December 31, 2025 and for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | March 31, 2026 | | | 2026 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Equity | Operating revenue | Profit (loss) for the period [1] | Profit (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank (China) Ltd. | 5,072,231 | 4,369,021 | 703,210 | 39,088 | 5,417 | 5,417 |
| KB Microfinance Myanmar Co., Ltd. | 19,804 | 8,090 | 11,714 | 1,388 | 86 | 86 |
| KB BANK MYANMAR LTD | 337,760 | 23,125 | 314,635 | 3,106 | 1,714 | 1,714 |
| KB PRASAC BANK PLC. | 8,608,094 | 6,646,620 | 1,961,474 | 290,613 | 56,255 | 56,255 |
| Financial status of KB Indonesia-related subsidiaries | | | | | | |
| PT Bank KB Indonesia Tbk. | 7,360,827 | 6,940,557 | 420,270 | 266,929 | (2,289) | (1,475) |
| IDMB UNITED PTE.LTD. [2] | 208,736 | 285,464 | (76,728) | 825 | (5,177) | (5,177) |
| SMMK PTE.LTD. [2] | 115,278 | 245,245 | (129,967) | 421 | (4,659) | (4,659) |
| TLDC PTE.LTD. [2] | 132,160 | 162,858 | (30,698) | 544 | (2,367) | (2,367) |
| KB FUND PARTNERS Co., Ltd. | 30,021 | 5,104 | 24,917 | 7,695 | 2,333 | 2,333 |
| Personal pension trust and 10 others | 3,538,141 | 3,441,690 | 96,451 | 45,829 | (20,808) | (20,808) |

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Equity | Operating revenue | Profit (loss) for the period [1] | Profit (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank (China) Ltd. | 4,469,120 | 3,815,915 | 653,205 | 79,470 | 6,968 | 6,968 |
| KB Microfinance Myanmar Co., Ltd. | 18,529 | 7,569 | 10,960 | 1,370 | (136) | (136) |
| KB BANK MYANMAR LTD | 314,335 | 17,740 | 296,595 | 3,124 | 1,182 | 1,182 |
| KB PRASAC BANK PLC. | 8,119,024 | 6,314,496 | 1,804,528 | 285,405 | 56,381 | 56,381 |
| Financial status of KB Indonesia-related subsidiaries | | | | | | |
| PT Bank KB Indonesia Tbk. | 7,356,609 | 6,945,012 | 411,597 | 130,155 | (53,595) | (35,763) |
| IDMB UNITED PTE.LTD. [2] | 202,605 | 271,212 | (68,607) | 1,548 | (6,170) | (9,878) |
| SMMK PTE.LTD. [2] | 112,432 | 232,698 | (120,266) | 977 | (7,385) | (10,695) |
| TLDC PTE.LTD. [2] | 131,002 | 158,160 | (27,158) | 215 | (5,734) | (7,892) |
| KB FUND PARTNERS Co., Ltd. | 32,350 | 6,582 | 25,768 | 6,646 | 990 | 990 |
| Personal pension trust and 10 others | 3,708,186 | 3,590,927 | 117,259 | 42,004 | (1,956) | (1,956) |

[1] Includes profit (loss) attributable to non-controlling interests.

[2] These SPCs are established in connection with the sale of loan receivables of PT Bank KB Indonesia Tbk. Classified as a subsidiary of KB Kookmin Bank, not a subsidiary of PT Bank KB Indonesia Tbk., the gains and losses on the transfer and sale of loans between PT Bank KB Indonesia Tbk. and SPC were removed from the consolidation process of KB Kookmin

30.3 The Characteristics of Risks Associated with Consolidated Structured Entities

The terms of contractual arrangements to provide financial support to consolidated structured entities are as follows:

30.3.1 The Group has provided capital commitments to consolidated investment funds.

*(In millions of Korean won)*

| | March 31, 2026 | |
|---|---|---|
| | Capital commitments | Unused amount |
| KTB Global CREDebt Private Investment Trust No.52(USD) | 75,670 | 2,205 |
| Hyundai Invest KKR Europe Real Estate No.1-3(EUR) | 69,335 | 5,303 |
| Vestas Private Real Estate Fund Investment Trust No.69-3(USD)(FoFs) | 96,858 | 6,789 |
| SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD) | 98,371 | 37,192 |
| Mirae Asset ESG Infra Private Investment Trust 1 | 20,000 | 12,085 |
| KB NA Sound Point Private Special Asset Fund 2(USD) | 30,268 | 10,005 |
| KB Infra Development PrivateSpecial Asset Fund(SOC) | 20,000 | 15,434 |

30.3.2 The Group has provided purchase commitments and credit lines to consolidated structured entities. The purchase commitment guarantees that the Group will purchase and pay any remaining commercial paper securities issued by consolidated structured entities. The credit line agreement requires the Group to provide loans under certain conditions if there is a reason for suspension of issuance of commercial paper securities or if consolidated structured entities become insolvent due to other reasons.

| *(In millions of Korean won)* | **March 31, 2026** |
|---|---|
| LOG the 3rd L.L.C. | 24,300 |
| KB DTower 1st L.L.C. | 51,031 |
| KB Liiv H 1st L.L.C. | 30,300 |
| KB Eagles 1st Co., Ltd. | 30,300 |
| KB Liiv L 1st Co., Ltd. | 50,300 |
| KB Eagles 2nd Co., Ltd. | 50,400 |
| KB Chemical 1st Co., Ltd | 50,700 |
| KB Harim 1st L.L.C. | 20,200 |
| KB Eagles 3rd Co., Ltd. | 50,400 |
| LEP 2nd Co., Ltd. | 70,000 |
| IDMB UNITED PTE.LTD. | 310,247 |
| Liiv H 3rd Co., Ltd. | 40,300 |
| KB H housing 1st LLC | 30,000 |
| SMMK PTE.LTD. | 314,787 |
| KB Liiv DS 1st L.L.C. | 50,205 |
| KB ESG 1st Co., ltd. | 32,500 |
| TLDC PTE.LTD. | 204,309 |
| KB HL INC. | 46,432 |
| KB VALUE 1ST INC. | 96,900 |
| KB ANT 1st, LLC | 20,200 |
| KB SI 1st INC. | 30,179 |
| KB Glass 1st Inc | 20,158 |
| KB THE FIRST 1ST INC. | 65,000 |
| KB YONGSAN 1ST INC. | 100,000 |
| KB Icon The 1st Ltd. | 49,905 |
| KB Tech Won The 1st Ltd. | 60,200 |
| KB EAST 1ST INC. | 9,262 |
| KB Signature 1st Co., Ltd. | 100,244 |
| KB Hakha 1st INC. | 50,181 |
| JPL 1ST INC. | 151,365 |

30.3.3 The Group has provided the guarantees of payment of principal, or principal and fixed rate of return in case the operating results of the trusts are less than the guaranteed principal, or principal and fixed rate of return.

30.4 Changes in Subsidiaries

KB Hakha 1st INC. and 8 other subsidiaries were newly included in the scope of consolidation, and KB Core Blind Private Real Estate Fund No.1 and 8 other subsidiaries were excluded from the scope of consolidation for the three-month period ended March 31, 2026.

### 31. Related Party Transactions

According to Korean IFRS No.1024, the Group includes the Parent Company, the Parent Company's subsidiaries, associates, associates of the Parent Company's subsidiaries, associates of the Parent Company, key management personnel (including family members), and post-employment benefit plans of the Group and its related party companies in the scope of related parties. The Group discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the consolidated financial statements.

Key management personnel include the executives of the Parent Company and the executives (managing director and above) of the Bank, and companies where the executives and/or their close family members have control or joint control.

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| **Parent** | | | |
| KB Financial Group Inc. | Fee and commission income | 5,269 | 3,442 |
| | Other non-operating income | 620 | 561 |
| | Interest expense | 3,308 | 1,427 |
| | General and administrative expenses | 299 | 294 |
| **Parent's subsidiaries** | | | |
| KB Asset Management Co., Ltd. | Fee and commission income | 769 | 587 |
| | Other non-operating income | 1 | 1 |
| | Interest expense | 379 | 87 |
| | Fee and commission expense | 116 | 222 |
| | General and administrative expenses | 125 | 125 |
| KB Real Estate Trust Co., Ltd. | Fee and commission income | 63 | 68 |
| | Other non-operating income | 11 | 15 |
| | Interest expense | 1 | 2 |
| | Fee and commission expense | 974 | 1,257 |
| KB Investment Co., Ltd. | Fee and commission income | 22 | 25 |
| | Gains on financial instruments at fair value through profit or loss | 1,042 | - |
| | Other non-operating income | 1 | 1 |
| | Interest expense | 190 | 294 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2026 | 2025 |
|---|---|---|---|
| KB Kookmin Card Co., Ltd. | Interest income | 5,056 | 4,963 |
| | Fee and commission income | 26,973 | 30,425 |
| | Gains on financial instruments at fair value through profit or loss | - | 559 |
| | Reversal of credit losses | 176 | 130 |
| | Other non-operating income | 1,220 | 1,012 |
| | Interest expense | 1,019 | 1,170 |
| | Fee and commission expense | 6,820 | 8,404 |
| | Losses on financial instruments at fair value through profit or loss | 3,579 | 699 |
| | Provision for credit losses | 118 | - |
| | General and administrative expenses | 9 | 13 |
| KB Data System Co., Ltd. | Fee and commission income | 1,256 | 1,152 |
| | Other non-operating income | 59 | 60 |
| | Interest expense | 90 | 50 |
| | Fee and commission expense | 137 | 161 |
| | Other operating expenses | - | 130 |
| | General and administrative expenses | 26,027 | 24,981 |
| KB Savings Bank Co., Ltd. | Fee and commission income | 118 | 117 |
| | Other non-operating income | 26 | 27 |
| | Interest expense | 5 | 6 |
| | Fee and commission expense | 1 | 1 |
| KB Capital Co., Ltd. | Interest income | 751 | 922 |
| | Fee and commission income | 1,307 | 1,154 |
| | Gains on financial instruments at fair value through profit or loss | 301 | 169 |
| | Reversal of credit losses | 227 | 1 |
| | Other non-operating income | 146 | 110 |
| | Interest expense | 14 | 73 |
| | Fee and commission expense | 30 | 31 |
| | Provision for credit losses | 242 | 1 |
| | General and administrative expenses | 37 | 12 |
| KB Securities Co., Ltd. | Interest income | 3,461 | 1,731 |
| | Fee and commission income | 7,060 | 6,692 |
| | Gains on financial instruments at fair value through profit or loss | 117,709 | 12,889 |
| | Reversal of credit losses | 113 | - |
| | Other non-operating income | 1,627 | 1,623 |
| | Interest expense | 1,503 | 1,638 |
| | Fee and commission expense | 786 | 373 |
| | Losses on financial instruments at fair value through profit or loss | 47,993 | 74,330 |
| | Provision for credit losses | 155 | 8 |
| | Other non-operating expenses | 1 | - |
| | General and administrative expenses | 951 | 973 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| KB Insurance Co., Ltd. | Interest income | 1 | 2 |
| | Fee and commission income | 6,473 | 5,725 |
| | Gains on financial instruments at fair value through profit or loss | 205,895 | 19,531 |
| | Other non-operating income | 698 | 630 |
| | Interest expense | 114 | 89 |
| | Fee and commission expense | 677 | 616 |
| | Losses on financial instruments at fair value through profit or loss | 511 | 22,690 |
| | Other operating expenses | - | 2 |
| | General and administrative expenses | 3,989 | 3,951 |
| KB Life Insurance Co., Ltd. | Interest income | 478 | 294 |
| | Fee and commission income | 8,678 | 13,451 |
| | Gains on financial instruments at fair value through profit or loss | 36,600 | 2,071 |
| | Reversal of credit losses | - | 1 |
| | Other non-operating income | 119 | 131 |
| | Interest expense | 973 | 827 |
| | Fee and commission expense | 119 | 125 |
| | Losses on financial instruments at fair value through profit or loss | 216 | - |
| | General and administrative expenses | 761 | 505 |
| KB STAR REIT Co., Ltd. | Fee and commission income | 45 | 42 |
| | Gains on financial instruments at fair value through profit or loss | - | 17,975 |
| | Interest expense | - | 192 |
| KB Hanbando BTL Private Special Asset Fund No.1 | Fee and commission income | 16 | 19 |
| KB IDF Infra Private Special Asset Fund No.1 | Fee and commission income | 1 | 1 |
| KB IDF Infra Private Special Asset Fund No.13 | Fee and commission income | 4 | 4 |
| | Gains on financial instruments at fair value through profit or loss | 3,402 | 422 |
| | Losses on financial instruments at fair value through profit or loss | 157 | 308 |
| KB IDF Infra Note Private Special Asset Fund No.14 | Fee and commission income | 3 | 3 |
| | Gains on financial instruments at fair value through profit or loss | 5,021 | 425 |
| | Losses on financial instruments at fair value through profit or loss | 139 | - |
| KB Global Private Real Estate Fund No.1 (FoFs) | Fee and commission income | 2 | 4 |
| KB Global Private Real Estate Fund No.11 (FoFs) | Fee and commission income | 2 | 2 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| KB Global Private Real Estate Fund No.15 (FoFs) | Fee and commission income | 3 | 4 |
| | Gains on financial instruments at fair value through profit or loss | 8,067 | 156 |
| | Losses on financial instruments at fair value through profit or loss | 906 | - |
| KB Global Private Real Estate Fund No.17 (FoFs) | Fee and commission income | 2 | 2 |
| KB Global Private Real Estate Fund No.22 (FoFs) | Fee and commission income | 1 | - |
| | Gains on financial instruments at fair value through profit or loss | 1,378 | 196 |
| | Losses on financial instruments at fair value through profit or loss | 10 | - |
| KB Global Private Real Estate Fund No.27 (FoFs) | Fee and commission income | 3 | 3 |
| KB Global Private Real Estate Fund No.29 (FoFs) | Fee and commission income | 1 | 1 |
| | Gains on financial instruments at fair value through profit or loss | 1,051 | 52 |
| KB Global Private Real Estate Fund No.30 (FoFs) | Fee and commission income | 1 | 1 |
| | Gains on financial instruments at fair value through profit or loss | 463 | 21 |
| KB Global Private Real Estate Fund No.31 (FoFs) | Fee and commission income | 1 | 1 |
| KB Global Private Real Estate Fund No.36 (FoFs) | Fee and commission income | 1 | - |
| KB Global Private Real Estate Fund No.40 (FoFs) | Fee and commission income | 1 | - |
| KB Star Office Private Real Estate Feeder Fund No.4 | Interest income | 187 | 200 |
| | Fee and commission income | 10 | 9 |
| KB Global Core Bond Securities Feeder Fund(Bond) | Fee and commission income | - | 3 |
| KB New Renewable Energy Private Special Asset Fund No.1 | Fee and commission income | 2 | 2 |
| KB New Renewable Energy Private Special Asset Fund No.3 | Fee and commission income | 1 | 1 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | Fee and commission income | 2 | 2 |
| KB Europe Renewable Private Special Asset Fund No.3 | Fee and commission income | 2 | 1 |
| | Gains on financial instruments at fair value through profit or loss | 251 | 224 |
| | Losses on financial instruments at fair value through profit or loss | 50 | - |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| KB Global Infrastructure Private Special Asset Fund No.6 | Fee and commission income | 2 | 2 |
| KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables) | Fee and commission income | 1 | 1 |
| KB BMO Senior Loan Private Special Asset Fund No.1 | Fee and commission income | 2 | 2 |
| | Gains on financial instruments at fair value through profit or loss | 3,582 | - |
| KB BMO Senior Loan Private Special Asset Fund No.2 (USD) | Fee and commission income | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.4 (USD) | Fee and commission income | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.5 (Loan-FoFs) | Fee and commission income | 3 | 3 |
| | Gains on financial instruments at fair value through profit or loss | 7,098 | 53 |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | Fee and commission income | 1 | - |
| KB BMO Senior Loan Private Special Asset Fund No.7 | Fee and commission income | 4 | - |
| KB BMO Senior Loan Private Special Asset Fund No.9 | Fee and commission income | 2 | - |
| KB New Renewable Green New Deal Private Special Asset No.2 | Fee and commission income | 3 | 3 |
| KB Sinansan Line Private Special Asset Fund (SOC) | Fee and commission income | 14 | 12 |
| KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs) | Fee and commission income | 11 | 14 |
| KB New Deal Infra Private Special Asset Fund | Fee and commission income | 6 | 6 |
| KB Korea Infrastructure Credit Guarantee Private Special Asset No.1 | Fee and commission income | 3 | 4 |
| Hanwha Europe Credit Private Fund No.16 (FoFs) | Gains on financial instruments at fair value through profit or loss | 1,545 | 1,726 |
| KB Logistics Blind Private Real Estate Fund No.1 | Interest income | - | 130 |
| | Fee and commission income | 2 | 6 |
| | Reversal of credit losses | - | 241 |
| | Interest expense | - | 11 |
| KB Aircraft Private Special Asset Fund No.1 | Fee and commission income | 2 | 2 |
| KB Aircraft Private Special Asset Fund No.2 | Fee and commission income | 1 | 1 |
| KB Oaktree Private Special Asset Fund No.3 | Fee and commission income | 1 | 1 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| KB Oaktree Opportunities Private Special Asset Fund No.3 | Fee and commission income | 1 | 1 |
| KB GK Project Private Special Asset Fund No.3 | Fee and commission income | 9 | 10 |
| KB ASF Infra Private Special Asset Fund(FoFs) | Fee and commission income | 2 | 1 |
| KB Core Blind Private Real Estate Fund No.2 | Interest income | 530 | 528 |
| | Fee and commission income | 4 | 4 |
| Ares Special Opportunities Fund Ⅱ(453) | Gains on financial instruments at fair value through profit or loss | 208 | 9 |
| KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs) | Fee and commission income | 1 | 1 |
| KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs) | Fee and commission income | 1 | 1 |
| IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465 | Gains on financial instruments at fair value through profit or loss | 1,145 | 1,138 |
| | Losses on financial instruments at fair value through profit or loss | - | 18 |
| HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A. | Fee and commission income | 1 | 1 |
| NB Private Debt Fund IV LUX (B) SCSP | Fee and commission income | 1 | 1 |
| KB NA Jefferies Private Special Asset Fund 1 | Fee and commission income | 2 | 1 |
| KB Europe ICG PDF Private Special Asset Fund 4(FoFs) | Fee and commission income | 1 | - |
| | Losses on financial instruments at fair value through profit or loss | - | 59 |
| KB Star Institutional USD MMF1(USD) * | Fee and commission income | - | 2 |
| KB Senior Loan Private Fund No.5-1 | Fee and commission income | 1 | 3 |
| KB Core Plus Blind Private Real Estate Fund 1 | Fee and commission income | 6 | 4 |
| KB Wise Star Private Real Estate21 | Fee and commission income | 2 | - |
| KB Wise Star Private Real Estate21-2 | Fee and commission income | 1 | - |
| KB Wise Star Private Real Estate22 | Interest income | 456 | 468 |
| | Fee and commission income | 9 | 9 |
| KB Wise Star Private Real Estate24 | Interest income | 423 | 150 |
| | Fee and commission income | 3 | 1,687 |
| KB Wise Star Private Real Estate27 | Fee and commission income | 1 | - |
| KB Wise Star Private Real Estate28 | Interest income | 274 | - |
| KB Wise Star Private Real Estate30(FoFs) | Fee and commission income | 1 | - |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | Fee and commission income | 9 | 9 |
| KB Daegu Busan Highway Private | Fee and commission income | 4 | 4 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| Special Asset Fund No.2(SOC) | | | |
| KB Apax Global Buyout PrivateFund 1 | Fee and commission income | 1 | - |
| | Losses on financial instruments at fair value through profit or loss | - | 12 |
| PineStreet PECP VI Global Corporate FoF 21 | Gains on financial instruments at fair value through profit or loss | 1,542 | 46 |
| | Losses on financial instruments at fair value through profit or loss | 586 | - |
| KB Innovative Growth Infra Private Special Asset Fund | Fee and commission income | 3 | - |
| KB Pantheon Global Secondary Private Special Asset 1 | Fee and commission income | 1 | - |
| KB Global Senior Loan PrivateDebt 1(USD) | Fee and commission income | 2 | - |
| KB Global Senior Loan PrivateDebt 2 | Fee and commission income | 1 | - |
| | Gains on financial instruments at fair value through profit or loss | 1,327 | - |
| KB HL Infra Private Special Asset Fund No.1 (SOC-FoFs) | Fee and commission income | 1 | 1 |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | Fee and commission income | 3 | - |
| KB ICG Secondary Private SpecialAsset Fund 1(FoFs) | Fee and commission income | 2 | - |
| KB Europe M&G Senior Loan Private Special Asset Fund 1 | Fee and commission income | 4 | - |
| KB Apogem Senior Loan Private Special Asset Fund No.5 | Fee and commission income | 4 | - |
| KB Apogem Senior Loan Private Special Asset Fund No.8 | Fee and commission income | 2 | - |
| KB BDS V Global Private RealEstate Debt Fund 48(FoFs) | Fee and commission income | 3 | - |
| KB Value Rise Blind Private RealEstate 1(FoFs) | Fee and commission income | 1 | - |
| KB BX Europe Infra Private SpecialAsset Fund 1 | Fee and commission income | 1 | - |
| KB Credit Alpha Short Bond Securities Feeder Fund No.1(Bond) | Fee and commission income | 3 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 9(Loan-FoFs) | Fee and commission income | 1 | - |
| | Gains on financial instruments at fair value through profit or loss | 8 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 10(Loan-FoFs) | Fee and commission income | 1 | - |
| | Gains on financial instruments at fair value through profit or loss | 8 | - |
| KB Muni bond Private Securities Fund | Fee and commission income | - | 3 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| No.1 (USD) * | | | |
| KB Star Office Private Real Estate Feeder Fund No.3 * | Interest expense | - | 9 |
| KB North America Private Real Estate Debt Fund No.1 * | Fee and commission income | - | 1 |
| | Gains on financial instruments at fair value through profit or loss | - | 57 |
| KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond) * | Fee and commission income | - | 15 |
| KB Korea Short Term Premium Private Securities Fund No.43(USD)(Bond) * | Losses on financial instruments at fair value through profit or loss | - | 66 |
| KB Star Mid Term G.B.F.I C-F Class * | Fee and commission income | - | 8 |
| **Associates** | | | |
| Korea Credit Bureau Co., Ltd. | Fee and commission income | 9 | 13 |
| | Interest expense | 7 | 1 |
| | Fee and commission expense | 769 | 637 |
| | Other operating expenses | 3 | 2 |
| | Provision for credit losses | 1 | - |
| Incheon Bridge Co., Ltd. | Interest income | 1,434 | 2,513 |
| | Fee and commission income | 11 | 10 |
| | Gains on financial instruments at fair value through profit or loss | - | 244 |
| | Reversal of credit losses | 1 | 1 |
| | Interest expense | 310 | 198 |
| | Fee and commission expense | 3 | 3 |
| | Losses on financial instruments at fair value through profit or loss | 290 | - |
| Skydigital Inc. | Fee and commission income | 1 | 1 |
| KB High-Tech Company Investment Fund * | Interest expense | - | (7) |
| TMAPMOBILITY CO., LTD. | Fee and commission income | 1 | 1 |
| | Reversal of credit losses | 1 | - |
| | Interest expense | 88 | 765 |
| JINWOO LANDSCAPE CO., Ltd | Interest income | 69 | - |
| KB Global Platform Fund | Interest expense | 19 | 20 |
| WJ Private Equity Fund No.1 | Fee and commission income | 2 | 2 |
| KB Smart Scale-Up Fund | Interest expense | - | 39 |
| KB Digital Platform Fund | Interest expense | - | 31 |
| **Associate of Parent** | | | |
| Balhae Infrastructure Company | Interest income | 163 | - |
| | Reversal of credit losses | 299 | - |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Interest income | 1,604 | 1,462 |
| | Interest expense | 21 | 24 |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| **Associates of Parent's subsidiaries** | | | |
| Food Factory Co., Ltd. | Interest income | 22 | 10 |
| Semicolon Susong REITs Co., Ltd. | Interest income | 259 | - |
| Banksalad Co., Ltd.* | Fee and commission income | - | 9 |
| Spark Biopharma Inc. * | Interest expense | - | 29 |
| ASSEMBLE CORPORATION | Interest income | 29 | 32 |
| | Reversal of credit losses | 2 | 3 |
| S&E bio Co., Ltd. | Interest income | 19 | 18 |
| | Reversal of credit losses | 1 | - |
| Xenohelix Co., Ltd | Interest income | 7 | 6 |
| | Reversal of credit losses | 1 | - |
| | Provision for credit losses | - | 8 |
| Contents First Inc. | Interest income | 95 | 96 |
| | Interest expense | 3 | 4 |
| Pin Therapeutics Inc. | Interest expense | - | 71 |
| | Provision for credit losses | 8 | - |
| SuperNGine Co., Ltd. | Interest income | - | 11 |
| Desilo Inc. | Interest income | - | 4 |
| Turing Co., Ltd. | Interest income | 10 | 11 |
| KB No.21 Special Purpose Acquisition Company * | Interest expense | - | 18 |
| KB No.25 Special Purpose Acquisition Company | Interest expense | 10 | 13 |
| KB No.26 Special Purpose Acquisition Company * | Interest expense | - | (29) |
| KB No.27 Special Purpose Acquisition Company | Interest expense | 29 | 37 |
| KB No.28 Special Purpose Acquisition Company * | Interest expense | - | 9 |
| KB No.29 Special Purpose Acquisition Company | Interest expense | 12 | 14 |
| KB No.30 Special Purpose Acquisition Company | Interest expense | 8 | 10 |
| KB No.31 Special Purpose Acquisition Company | Interest expense | 10 | 12 |
| KB No.32 Special Purpose Acquisition Company | Interest expense | 11 | - |
| KB No.33 Special Purpose Acquisition Company | Interest expense | 12 | - |
| TeamSparta Inc. * | Fee and commission income | - | 3 |
| | Interest expense | - | 51 |
| Chabot Mobility Co., Ltd. * | Interest expense | - | 2 |
| Wemade Connect Co., Ltd. | Interest expense | 40 | 48 |
| Nextrade Co., Ltd. | Fee and commission income | 1 | 1 |
| | Interest expense | - | 186 |
| 3D Interactive Co., Ltd. | Provision for credit losses | 1 | - |
| Bigwave Robotics Crop. * | Interest expense | - | (5) |

31.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | 2025 |
|---|---|---|---|
| New Daegu Busan Expressway Co., Ltd. | Interest income | - | 241 |
| | Reversal of credit losses | 2 | - |
| | Interest expense | 147 | 730 |
| AIM FUTURE, Inc | Interest income | 10 | 10 |
| Novorex Inc. | Interest expense | 2 | - |
| | Provision for credit losses | 2 | - |
| ADP Holdings | Interest expense | 2 | 16 |
| ADP GREEN | Interest expense | 36 | 13 |
| Logpresso Inc. | Interest expense | 57 | 1 |
| DYNE MEDICAL GROUP Inc. | Interest income | 15 | 15 |
| | Reversal of credit losses | - | 1 |
| | Interest expense | 62 | 21 |
| | Provision for credit losses | 1 | - |
| TriOar Inc. | Interest expense | 9 | 33 |
| Yeoulhyulgangho | Interest expense | 4 | 1 |
| Allra Fintech Corp. | Interest expense | - | 2 |
| | Provision for credit losses | 86 | - |
| Hyperaccel inc. | Interest expense | 1 | - |
| Aldaver | Interest expense | 5 | - |
| Lemontree Inc. | Fee and commission income | 84 | - |
| | Reversal of credit losses | 2 | - |
| | Fee and commission expense | 25 | - |
| WhaTap Laps Inc. | Interest income | 8 | - |
| | Reversal of credit losses | 3 | - |
| | Interest expense | 8 | - |
| BYEL CO., Ltd. | Interest expense | 49 | - |
| IMM Korea Beauty Co-Investment Private Equity Fund | Interest expense | 1 | - |
| **Others** | | | |
| Retirement pension | Fee and commission income | 383 | 416 |
| | Interest expense | 3 | 7 |

* Excluded from the Group's related party as of March 31, 2026.

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Parent** | | | |
| KB Financial Group Inc. | Other assets | 5,266 | 134 |
| | Deposits | 1,401,755 | 970,591 |
| | Other liabilities | 1,186,059 | 1,017,107 |
| **Parent's subsidiaries** | | | |
| KB Asset Management Co., Ltd. | Other assets | 769 | 637 |
| | Deposits | 66,598 | 115,691 |
| | Other liabilities [2] | 201 | 1,015 |
| KB Real Estate Trust Co., Ltd. | Other assets | 60 | 2 |
| | Deposits | 4,223 | 3,734 |
| | Other liabilities | 1 | - |
| KB Investment Co., Ltd. | Derivative assets | 1,042 | - |
| | Other assets | 22 | - |
| | Deposits | 29,339 | 52,768 |
| | Other liabilities | 69 | 152 |
| KB Kookmin Card Co., Ltd. | Derivative assets | 5,036 | 8,408 |
| | Loans measured at amortized cost (gross amount) | 347,298 | 339,499 |
| | Allowances for credit losses | 1,073 | 1,045 |
| | Financial investments | 9,356 | 8,988 |
| | Other assets | 18,665 | 18,188 |
| | Deposits | 317,568 | 273,307 |
| | Borrowings | 9,078 | 8,582 |
| | Provisions | 1,454 | 1,539 |
| | Other liabilities | 61,244 | 70,538 |
| KB Data System Co., Ltd. | Other assets | 1,700 | 3,561 |
| | Deposits | 27,492 | 29,633 |
| | Other liabilities | 12,981 | 6,454 |
| KB Savings Bank Co., Ltd. | Other assets | 103 | 4 |
| | Other liabilities | 689 | 689 |
| KB Capital Co., Ltd. | Derivative assets | 526 | 225 |
| | Loans measured at amortized cost (gross amount) | 68,519 | 65,186 |
| | Allowances for credit losses | 355 | 340 |
| | Other assets | 1,436 | 371 |
| | Deposits | 394,038 | 333,129 |
| | Other liabilities | 3,043 | 2,973 |
| KB Securities Co., Ltd. | Cash and due from financial institutions | 893 | 1,650 |
| | Derivative assets | 133,265 | 101,266 |
| | Loans measured at amortized cost (gross amount) | 322,207 | 306,729 |
| | Allowances for credit losses | 9,929 | 9,882 |
| | Other assets | 12,592 | 8,493 |
| | Derivative liabilities | 27,425 | 21,228 |
| | Deposits | 779,571 | 375,609 |
| | Provisions | 155 | 155 |
| | Other liabilities [3] | 29,483 | 29,194 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| KB Insurance Co., Ltd. | Derivative assets | 401,745 | 236,428 |
| | Other assets | 15,769 | 5,976 |
| | Derivative liabilities | 362 | 2,085 |
| | Deposits | 4,628 | 11,249 |
| | Debentures | 893 | 860 |
| | Provisions | 31 | 31 |
| | Other liabilities [4] | 16,504 | 20,201 |
| KB Life Insurance Co., Ltd. | Derivative assets | 68,603 | 38,352 |
| | Loans measured at amortized cost (gross amount) | 50,960 | 50,976 |
| | Allowances for credit losses | 20 | 20 |
| | Other assets | 13,295 | 4,814 |
| | Derivative liabilities | 216 | 1,520 |
| | Deposits | 20,473 | 127,640 |
| | Debentures | 20,000 | 20,000 |
| | Provisions | 2 | 2 |
| | Other liabilities(*5) | 41,538 | 44,751 |
| KB STAR REIT Co., Ltd. | Other assets | 111 | 65 |
| | Deposits | 298 | 437 |
| KB Hanbando BTL Private Special Asset Fund No.1 | Other assets | 16 | 17 |
| KB IDF Infra Private Special Asset Fund No.13 | Derivative assets | 2,781 | 613 |
| | Other assets | 4 | 4 |
| | Derivative liabilities | - | 244 |
| KB IDF Infra Note Private Special Asset Fund No.14 | Derivative assets | 5,379 | 1,453 |
| | Other assets | 3 | 3 |
| | Derivative liabilities | - | 216 |
| KB Global Private Real Estate Fund No.1 (FoFs) | Other assets | 2 | 2 |
| KB Global Private Real Estate Fund No.11 (FoFs) | Other assets | 1 | 1 |
| KB Global Private Real Estate Fund No.15 (FoFs) | Derivative assets | 6,718 | 4,787 |
| | Other assets | 2 | 2 |
| KB Global Private Real Estate Fund No.17 (FoFs) | Other assets | 2 | 2 |
| KB Global Private Real Estate Fund No.22 (FoFs) | Derivative assets | 2,918 | 1,735 |
| | Other assets | 1 | 1 |
| | Derivative liabilities | - | 31 |
| KB Global Private Real Estate Fund No.27 (FoFs) | Other assets | 1 | 1 |
| KB Global Private Real Estate Fund No.29 (FoFs) | Derivative assets | 553 | 556 |
| | Other assets | 1 | - |
| KB Global Private Real Estate Fund No.30 (FoFs) | Derivative assets | 698 | 320 |
| | Other assets | 1 | 1 |
| | Derivative liabilities | - | 85 |
| KB Global Private Real Estate Fund No.31 (FoFs) | Other assets | 1 | 3 |
| KB Global Private Real Estate Fund No.36 (FoFs) | Other assets | 1 | 1 |
| KB Global Private Real Estate Fund No.40 (FoFs) | Other assets | 1 | 1 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| KB Star Office Private Real Estate Feeder Fund No.4 | Loans measured at amortized cost (gross amount) | 20,000 | 20,000 |
| | Allowances for credit losses | 4 | 4 |
| | Other assets | 25 | 13 |
| KB New Renewable Energy Private Special Asset Fund No.1 | Other assets | 2 | 2 |
| KB New Renewable Energy Private Special Asset Fund No.3 | Other assets | 1 | 1 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | Other assets | 2 | 2 |
| KB Europe Renewable Private Special Asset Fund No.3 | Derivative assets | 260 | 432 |
| | Other assets | 1 | 1 |
| KB Global Infrastructure Private Special Asset Fund No.6 | Other assets | 2 | 2 |
| KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables) | Other assets | 1 | 1 |
| KB BMO Senior Loan Private Special Asset Fund No.1 | Derivative assets | 5,781 | 2,198 |
| | Other assets | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.2 (USD) | Other assets | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.4 (USD) | Other assets | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.5 (Loan-FoFs) | Derivative assets | 12,074 | 4,976 |
| | Other assets | 3 | 3 |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | Other assets | 1 | 1 |
| KB BMO Senior Loan Private Special Asset Fund No.7 | Other assets | 4 | 8 |
| KB BMO Senior Loan Private Special Asset Fund No.9 | Other assets | 2 | 4 |
| KB New Renewable Green New Deal Private Special Asset No.2 | Other assets | 3 | 3 |
| KB Sinansan Line Private Special Asset Fund (SOC) | Other assets | 14 | 14 |
| KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs) | Other assets | 11 | 12 |
| KB New Deal Infra Private Special Asset Fund | Other assets | 6 | 6 |
| KB Korea Infrastructure Credit Guarantee Private Special Asset No.1 | Other assets | 3 | 3 |
| Hanwha Europe Credit Private Fund No.16 (FoFs) | Derivative assets | 548 | 7,353 |
| KB Logistics Blind Private Real Estate Fund No.1 | Other assets | 4 | 1 |
| KB Aircraft Private Special Asset Fund No.1 | Other assets | 2 | 2 |
| KB Aircraft Private Special Asset Fund No.2 | Other assets | 1 | 2 |
| KB Oaktree Opportunities Private Special Asset Fund No.3 | Other assets | 1 | 1 |
| KB GK Project Private Special Asset Fund No.3 | Other assets | 4 | 5 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| KB ASF Infra Private Special Asset Fund(FoFs) | Other assets | 2 | 2 |
| KB Core Blind Private Real Estate Fund No.2 | Loans measured at amortized cost (gross amount) | 44,590 | 44,557 |
| | Allowances for credit losses | 53 | 53 |
| | Other assets | 496 | 505 |
| | Deposits | 643 | 643 |
| Ares Special Opportunities Fund Ⅱ(453) | Derivative assets | 402 | 495 |
| KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs) | Other assets | 3 | 2 |
| KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs) | Other assets | 5 | 3 |
| KB PF Blind Private Real Estate Fund 2 | Other assets | 3 | 3 |
| IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465 | Derivative assets | 6,245 | 5,640 |
| HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A. | Other assets | 1 | 1 |
| NB Private Debt Fund IV LUX (B) SCSP | Other assets | 1 | 1 |
| KB NA Jefferies Private Special Asset Fund 1 | Other assets | 2 | 2 |
| KB Europe ICG PDF Private Special Asset Fund 4(FoFs) | Other assets | 1 | 1 |
| KB RISE Short Term Specialized Bank Bond Active ETF(Bond) | Other assets | 13 | - |
| KB Senior Loan Private Fund No.5-1 | Other assets | 1 | 1 |
| KB Core Plus Blind Private Real Estate Fund 1 | Other assets | 10 | 4 |
| KB Wise Star Private Real Estate21 | Other assets | 2 | 2 |
| KB Wise Star Private Real Estate21-1 | Other assets | - | 1 |
| KB Wise Star Private Real Estate21-2 | Other assets | 1 | - |
| KB Wise Star Private Real Estate22 | Loans measured at amortized cost (gross amount) | 50,000 | 50,000 |
| | Allowances for credit losses | 2 | 2 |
| | Other assets | 340 | 341 |
| KB Wise Star Private Real Estate24 | Loans measured at amortized cost (gross amount) | 41,800 | 41,800 |
| | Other assets | 151 | 161 |
| KB Wise Star Private Real Estate27 | Other assets | 1 | 1 |
| KB Wise Star Private Real Estate28 | Loans measured at amortized cost (gross amount) | 29,200 | 29,200 |
| | Allowances for credit losses | 1 | 1 |
| | Other assets | 46 | - |
| KB Wise Star Private Real Estate30(FoFs) | Other assets | 1 | - |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | Other assets | 1 | 1 |
| KB Apax Global Buyout PrivateFund 1 | Other assets | 1 | - |
| PineStreet PECP VI Global Corporate FoF 21 | Derivative assets | 818 | 1,565 |
| KB Innovative Growth Infra Private Special Asset Fund | Other assets | 3 | 1 |
| KB Pantheon Global Secondary Private Special Asset 1 | Other assets | 1 | 1 |
| KB Global Senior Loan PrivateDebt 2 | Derivative assets | 2,123 | 808 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | Other assets | - | 1 |
| KB ICG Secondary Private SpecialAsset Fund 1(FoFs) | Other assets | 2 | 1 |
| KB Europe M&G Senior Loan Private Special Asset Fund 1 | Other assets | 4 | 11 |
| KB Apogem Senior Loan Private Special Asset Fund No.5 | Other assets | 4 | 3 |
| KB Apogem Senior Loan Private Special Asset Fund No.8 | Other assets | - | 1 |
| KB BDS V Global Private RealEstate Debt Fund 48(FoFs) | Other assets | 3 | 3 |
| KB Value Rise Blind Private RealEstate 1(FoFs) | Other assets | 1 | - |
| KB PG Global Secondary Private SpecialAsset Fund 1 | Other assets | - | 1 |
| KB Credit Alpha Short Bond Securities Feeder Fund No.1(Bond) | Other assets | 2 | 2 |
| KB Energy Infra CREDIT PrivateSpecial Asset 9(Loan-FoFs) | Derivative assets | 8 | - |
| | Other assets | 1 | 1 |
| KB Energy Infra CREDIT PrivateSpecial Asset 10(Loan-FoFs) | Derivative assets | 8 | - |
| | Other assets | 1 | 1 |
| **Associates** | | | |
| Korea Credit Bureau Co., Ltd. | Deposits | 3,974 | 36,968 |
| | Other liabilities | 16 | 10 |
| Incheon Bridge Co., Ltd. | Financial assets at fair value through profit or loss | 33,918 | 34,208 |
| | Loans measured at amortized cost (gross amount) | 56,438 | 59,500 |
| | Allowances for credit losses | 22 | 24 |
| | Other assets | 262 | 297 |
| | Deposits | 54,467 | 70,470 |
| | Provisions | 31 | 31 |
| | Other liabilities | 879 | 608 |
| Jungdo Co., Ltd. | Deposits | 4 | 4 |
| Skydigital Inc. | Deposits | 5 | 1 |
| TMAPMOBILITY CO., LTD. | Deposits | 50,001 | 1 |
| | Other liabilities | 88 | - |
| Aju Good Technology Venture Fund | Deposits | 39 | 39 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 270 | 270 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Deposits | 61 | 219 |
| KB Global Platform Fund | Deposits | 9,872 | 1,954 |
| | Other liabilities | 5 | 1 |
| WJ Private Equity Fund No.1 | Other assets | 2 | 2 |
| | Deposits | 34 | 36 |
| **Associate of Parent** | | | |
| Balhae Infrastructure Company | Loans measured at amortized cost (gross amount) | 4,000 | 85,000 |
| | Allowances for credit losses | 9 | 200 |
| | Other assets | 1 | 11 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| | Provisions | - | 109 |
| | Other liabilities | 1 | 9 |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Loans measured at amortized cost (gross amount) | 149,671 | 149,597 |
| | Allowances for credit losses | 7 | 7 |
| | Other assets | 3,116 | 3,136 |
| **Associates of Parent's subsidiaries** | | | |
| Food Factory Co., Ltd. | Loans measured at amortized cost (gross amount) | 2,820 | 2,927 |
| | Allowances for credit losses | 5 | 5 |
| | Other assets | 19 | 13 |
| | Deposits | 531 | 604 |
| | Other liabilities | 1 | 1 |
| Big Dipper Co., Ltd. | Deposits | 50 | 51 |
| Semicolon Susong REITs Co., Ltd. | Loans measured at amortized cost (gross amount) | 24,945 | 24,933 |
| | Allowances for credit losses | 5 | 5 |
| | Other assets | 167 | 173 |
| Spark Biopharma Inc. [1] | Deposits | - | 1,145 |
| | Other liabilities | - | 2 |
| ASSEMBLE CORPORATION | Loans measured at amortized cost (gross amount) | 1,750 | 1,850 |
| | Allowances for credit losses | 27 | 29 |
| | Other assets | 2 | 1 |
| | Deposits | 19 | 19 |
| | Other liabilities | 1 | 1 |
| S&E bio Co., Ltd. | Loans measured at amortized cost (gross amount) | 2,000 | 2,000 |
| | Allowances for credit losses | 12 | 12 |
| | Other assets | 3 | 3 |
| | Deposits | 109 | 224 |
| | Other liabilities | 1 | 2 |
| Xenohelix Co., Ltd | Loans measured at amortized cost (gross amount) | 495 | 550 |
| | Allowances for credit losses | 7 | 7 |
| | Other assets | 1 | 1 |
| | Deposits | 576 | 40 |
| Contents First Inc. | Loans measured at amortized cost (gross amount) | 10,000 | 10,000 |
| | Allowances for credit losses | 21 | 21 |
| | Other assets | 3 | 3 |
| | Deposits | 215 | 133 |
| | Other liabilities | 4 | 4 |
| Newavel Co., Ltd. | Deposits | 1 | 1 |
| Pin Therapeutics Inc. | Deposits | 38 | 850 |
| SuperNGine Co., Ltd. | Deposits | 210 | 151 |
| Desilo Inc. | Deposits | 2 | 2 |
| Turing Co., Ltd. | Loans measured at amortized cost (gross amount) | 900 | 900 |
| | Allowances for credit losses | 6 | 6 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| | Other assets | 2 | 2 |
| | Deposits | 77 | 887 |
| KB No.25 Special Purpose Acquisition Company | Deposits | 1,594 | 1,604 |
| | Other liabilities | 12 | 2 |
| KB No.27 Special Purpose Acquisition Company | Deposits | 4,691 | 4,675 |
| | Other liabilities | 15 | 41 |
| KB No.29 Special Purpose Acquisition Company | Deposits | 2,343 | 2,348 |
| | Other liabilities | 49 | 36 |
| KB No.30 Special Purpose Acquisition Company | Deposits | 1,780 | 1,788 |
| | Other liabilities | 23 | 15 |
| KB No.31 Special Purpose Acquisition Company | Deposits | 2,302 | 2,310 |
| | Other liabilities | 21 | 10 |
| KB No.32 Special Purpose Acquisition Company | Deposits | 2,308 | 2,315 |
| | Other liabilities | 46 | 35 |
| KB No.33 Special Purpose Acquisition Company | Deposits | 2,827 | 2,835 |
| | Other liabilities | 38 | 25 |
| Wemade Connect Co., Ltd. | Deposits | 7,093 | 5,525 |
| | Other liabilities | 30 | 22 |
| Nextrade Co., Ltd. | Deposits | 1,180 | 278 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 1,229 | 1,242 |
| 3D Interactive Co., Ltd. | Deposits | 16 | 48 |
| Bigwave Robotics Crop. [1] | Deposits | - | 364 |
| New Daegu Busan Expressway Co., Ltd. | Other assets | 1 | - |
| | Deposits | 90,372 | 115,401 |
| | Other liabilities | 47 | 43 |
| AIM FUTURE, Inc | Loans measured at amortized cost (gross amount) | 900 | 900 |
| | Allowances for credit losses | 5 | 5 |
| | Other assets | 1 | 1 |
| | Deposits | 185 | 140 |
| Novorex Inc. | Deposits | 332 | 9,674 |
| | Other liabilities | - | 4 |
| ADP Holdings | Deposits | 265 | 263 |
| | Other liabilities | 2 | 1 |
| ADP GREEN | Deposits | 5,706 | 5,302 |
| | Other liabilities | 19 | 33 |
| Logpresso Inc. | Deposits | 7,502 | 7,576 |
| | Other liabilities | 67 | 10 |
| DYNE MEDICAL GROUP Inc. | Loans measured at amortized cost (gross amount) | 2,000 | 2,000 |
| | Allowances for credit losses | 12 | 12 |
| | Other assets | 1 | 1 |
| | Deposits | 15,350 | 356 |
| | Other liabilities | 66 | 6 |
| TriOar Inc. | Deposits | 1,990 | 4,088 |
| | Other liabilities | 5 | 20 |
| Yeoulhyulgangho | Deposits | 1,520 | 783 |
| | Other liabilities | 3 | 2 |
| Allra Fintech Corp. | Deposits | - | 33 |
| Koru Pharma Co., Ltd. [1] | Deposits | - | 197 |

31.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| Hyperaccel inc. | Deposits | 513 | - |
| Aldaver | Deposits | 827 | 821 |
| | Other liabilities | 3 | 4 |
| ANTIGRAVITY | Loans measured at amortized cost (gross amount) | 34 | 37 |
| | Allowances for credit losses | 1 | 1 |
| | Deposits | 12 | 82 |
| enParticle Co., Ltd | Deposits | 1,084 | 1,696 |
| Emocog Inc. | Deposits | 501 | 704 |
| Lemontree Inc. | Other assets | 4 | - |
| | Deposits | 12 | 536 |
| | Provisions | - | 2 |
| WhaTap Laps Inc. | Loans measured at amortized cost (gross amount) | 1,000 | 1,000 |
| | Allowances for credit losses | 6 | 6 |
| | Other assets | 2 | 1 |
| | Deposits | 1,285 | 2,814 |
| | Provisions | 9 | 9 |
| | Other liabilities | 3 | 75 |
| BYEL CO., Ltd. | Deposits | 7,578 | 8,968 |
| | Other liabilities | 93 | 55 |
| eRoun & company Co., Ltd. [1] | Deposits | - | 1,127 |
| | Other liabilities | - | 7 |
| VP INC. | Deposits | 1 | 51 |
| Breakncompany inc. | Deposits | 30 | - |
| IMM Korea Beauty Co-Investment Private Equity Fund | Deposits | 150 | - |
| | Other liabilities | 1 | - |
| RUMIKEU HOLDINGS INC. | Deposits | 104 | 11 |
| **Key management personnel** | Loans measured at amortized cost (gross amount) | 4,144 | 6,870 |
| | Allowances for credit losses | 2 | 3 |
| | Other assets | 5 | 7 |
| | Deposits | 15,014 | 10,336 |
| | Provisions | - | 1 |
| | Other liabilities | 356 | 336 |
| **Others** | | | |
| Retirement pension | Other assets | 557 | 632 |
| | Other liabilities | 484 | 1,154 |

[1] Excluded from the Group's related party as of March 31, 2026.

[2] Non-controlling interests classified as liabilities include ₩ 46 million and ₩ 844 million as of March 31, 2026 and December 31, 2025, respectively.

[3] Non-controlling interests classified as liabilities include ₩ 674 million and ₩ 648 million as of March 31, 2026 and December 31, 2025, respectively.

[4] Non-controlling interests classified as liabilities include ₩ 3,957 million as of December 31, 2025.

[5] Non-controlling interests classified as liabilities include ₩ 3,957 million as of December 31, 2025.

31.3 Details of right-of-use assets and lease liabilities with related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Kookmin Card Co., Ltd. | Right-of-use assets | 181 | 230 |
| | Lease liabilities | 46 | 59 |
| KB Securities Co., Ltd. | Right-of-use assets | 10,347 | 11,634 |
| | Lease liabilities | 13,227 | 14,700 |
| KB Insurance Co., Ltd. | Right-of-use assets | 4 | - |
| | Lease liabilities | 28 | 24 |
| KB Life Insurance Co., Ltd. | Right-of-use assets | 4,919 | 2,498 |
| | Lease liabilities | 4,713 | 2,649 |
| **Associate of Parent** | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Right-of-use assets | - | 3,120 |
| | Lease liabilities | - | 3,317 |

31.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Investment Co., Ltd. | Notional amount of derivative financial instruments | 30,268 | - |
| KB Kookmin Card Co., Ltd. | Notional amount of derivative financial instruments | 75,670 | 71,745 |
| KB Capital Co., Ltd. | Notional amount of derivative financial instruments | 5,470 | 5,187 |
| KB Securities Co., Ltd. | Notional amount of derivative financial instruments | 2,775,957 | 3,668,349 |
| KB Insurance Co., Ltd. | Notional amount of derivative financial instruments | 3,285,622 | 3,229,763 |
| KB Life Insurance Co., Ltd. | Notional amount of derivative financial instruments | 643,001 | 569,546 |
| KB IDF Infra Private Special Asset Fund No.13 | Notional amount of derivative financial instruments | 54,333 | 61,028 |
| KB IDF Infra Note Private Special Asset Fund No.14 | Notional amount of derivative financial instruments | 85,063 | 89,086 |
| KB Global Private Real Estate Fund No.15 (FoFs) | Notional amount of derivative financial instruments | 128,878 | 126,764 |
| KB Global Private Real Estate Fund No.22 (FoFs) | Notional amount of derivative financial instruments | 26,270 | 19,989 |
| KB Global Private Real Estate Fund No.29 (FoFs) | Notional amount of derivative financial instruments | 8,601 | 16,713 |

31.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| KB Global Private Real Estate Fund No.30 (FoFs) | Notional amount of derivative financial instruments | 8,637 | 8,189 |
| KB Europe Renewable Private Special Asset Fund No.3 | Notional amount of derivative financial instruments | 7,165 | 6,968 |
| KB BMO Senior Loan Private Special Asset Fund No.1 | Notional amount of derivative financial instruments | 65,377 | 61,986 |
| KB BMO Senior Loan Private Special Asset Fund No.5 (Loan-FoFs) | Notional amount of derivative financial instruments | 129,232 | 122,529 |
| Hanwha Europe Credit Private Fund No.16 (FoFs) | Notional amount of derivative financial instruments | 50,559 | 50,674 |
| Ares Special Opportunities Fund Ⅱ(453) | Notional amount of derivative financial instruments | 3,694 | 6,790 |
| IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465 | Notional amount of derivative financial instruments | 30,901 | 32,454 |
| PineStreet PECP VI Global Corporate FoF 21 | Notional amount of derivative financial instruments | 17,233 | 16,339 |
| KB Global Senior Loan PrivateDebt 2 | Notional amount of derivative financial instruments | 24,412 | 23,293 |
| KB Energy Infra CREDIT PrivateSpecial Asset 9(Loan-FoFs) | Notional amount of derivative financial instruments | 179 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 10(Loan-FoFs) | Notional amount of derivative financial instruments | 179 | - |

31.5 Details of significant lending transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | 2026 [1] | | | | |
|---|---|---|---|---|---|
| | Beginning | Loan | Collection | Others | Ending |
| **Parent's subsidiaries** | | | | | |
| KB Securities Co., Ltd. | 306,729 | 283,381 | 275,244 | 7,341 | 322,207 |
| KB Life Insurance Co., Ltd. | 50,976 | - | - | (16) | 50,960 |
| KB Kookmin Card Co., Ltd. | 348,487 | 139,173 | 139,480 | 8,474 | 356,654 |
| KB Capital Co., Ltd. | 65,186 | 17,820 | 17,117 | 2,630 | 68,519 |
| KB Star Office Private Real Estate Feeder Fund No.4 | 20,000 | - | - | - | 20,000 |
| KB Wise Star Private Real Estate22 | 50,000 | - | - | - | 50,000 |
| KB Wise Star Private Real Estate24 | 41,800 | - | - | - | 41,800 |
| KB Wise Star Private Real Estate28 | 29,200 | - | - | - | 29,200 |
| KB Core Blind Private Real Estate Fund No.2 | 44,557 | - | - | 33 | 44,590 |
| **Associates** | | | | | |
| Incheon Bridge Co., Ltd. | 93,708 | - | 3,063 | (289) | 90,356 |
| **Associate of Parent** | | | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 149,597 | - | - | 74 | 149,671 |
| Balhae Infrastructure Company | 85,000 | - | 81,000 | - | 4,000 |
| **Associates of Parent subsidiaries** | | | | | |
| Food Factory Co., Ltd. | 2,927 | - | 107 | - | 2,820 |
| Turing Co., Ltd. | 900 | - | - | - | 900 |
| Contents First Inc. | 10,000 | - | - | - | 10,000 |
| AIM FUTURE, Inc | 900 | - | - | - | 900 |
| S&E bio Co., Ltd. | 2,000 | - | - | - | 2,000 |
| DYNE MEDICAL GROUP Inc. | 2,000 | - | - | - | 2,000 |
| Xenohelix Co., Ltd | 550 | - | 55 | - | 495 |
| ANTIGRAVITY | 37 | - | 3 | - | 34 |
| Semicolon Susong REITs Co., Ltd. | 24,933 | - | - | 12 | 24,945 |
| ASSEMBLE CORPORATION | 1,850 | - | 100 | - | 1,750 |
| WhaTap Laps Inc. | 1,000 | 24 | 24 | - | 1,000 |
| **Key management personnel [2]** | 6,870 | 838 | 1,356 | (2,208) | 4,144 |

31.5 Details of significant lending transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2025 [1] | | | | |
|---|---|---|---|---|---|
| | Beginning | Loan | Collection | Others | Ending |
| **Parent's subsidiaries** | | | | | |
| KB Securities Co., Ltd. | 122,249 | 165,542 | 162,877 | (2,005) | 122,909 |
| KB Life Insurance Co., Ltd. | 25,260 | - | - | - | 25,260 |
| KB Kookmin Card Co., Ltd. | 277,830 | 189,320 | 167,476 | (27,594) | 272,080 |
| KB Capital Co., Ltd. | 54,697 | - | - | (263) | 54,434 |
| KB Star Office Private Real Estate Feeder Fund No.4 | 20,000 | - | - | - | 20,000 |
| KB Logistics Blind Private Real Estate Fund No.1 | 40,000 | - | - | - | 40,000 |
| KB Wise Star Private Real Estate22 | 38,000 | - | - | - | 38,000 |
| KB Wise Star Private Real Estate24 | - | 41,800 | - | - | 41,800 |
| KB Core Blind Private Real Estate Fund No.2 | 44,428 | - | - | 31 | 44,459 |
| **Associates** | | | | | |
| Incheon Bridge Co., Ltd. | 105,411 | - | 2,625 | 244 | 103,030 |
| **Associate of Parent** | | | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 149,898 | - | - | 78 | 149,976 |
| **Associates of Parent subsidiaries** | | | | | |
| Food Factory Co., Ltd. | 1,755 | - | 107 | - | 1,648 |
| ASSEMBLE CORPORATION | 2,000 | - | - | - | 2,000 |
| Desilo Inc. | 300 | - | - | - | 300 |
| Contents First Inc. | 10,000 | - | - | - | 10,000 |
| SuperNGine Co., Ltd. | 480 | - | - | - | 480 |
| Turing Co., Ltd. | 900 | - | - | - | 900 |
| New Daegu Busan Expressway Co., Ltd. | 24,250 | - | 12,126 | 2 | 12,126 |
| S&E Bio Co., Ltd. | 2,000 | - | - | - | 2,000 |
| AIM FUTURE, Inc | 900 | - | - | - | 900 |
| DYNE MEDICAL GROUP Inc. | 2,007 | - | - | (3) | 2,004 |
| Xenohelix Co., Ltd | - | 550 | - | 1 | 551 |
| **Key management personnel [2]** | 6,556 | 961 | 2,023 | 13 | 5,507 |

[1] Transactions between related parties, such as settlements arising from operating activities and daylight overdraft to be repaid on the day of handling, are excluded.

[2] Includes loan transactions that occurred before they became related parties.

31.6 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows:

*(In millions of Korean won)*

| | | 2026 | | | | |
|---|---|---|---|---|---|---|
| | | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Parent** | | | | | | |
| KB Financial Group Inc. | Deposits | 970,591 | - | 500,000 | 931,164 | 1,401,755 |
| **Parent's subsidiaries** | | | | | | |
| KB Securities Co., Ltd. | Deposits | 375,609 | 76,055 | 25,000 | 352,907 | 779,571 |
| KB Asset Management Co., Ltd. | Deposits | 115,691 | - | - | (49,093) | 66,598 |
| KB Real Estate Trust Co., Ltd. | Deposits | 3,734 | - | - | 489 | 4,223 |
| KB Investment Co., Ltd. | Deposits | 52,768 | 21,000 | 43,000 | (1,429) | 29,339 |
| KB Data System Co., Ltd. | Deposits | 29,633 | 8,891 | 8,856 | (2,176) | 27,492 |
| KB Kookmin Card Co., Ltd. | Deposits | 273,307 | 2,553 | 5,270 | 46,978 | 317,568 |
| | Borrowings | 8,582 | - | - | 496 | 9,078 |
| KB Capital Co., Ltd. | Deposits | 333,129 | 8,910 | 2,140 | 54,139 | 394,038 |
| KB Insurance Co., Ltd. | Deposits | 11,249 | 100 | 150 | (6,571) | 4,628 |
| KB Life Insurance Co., Ltd. | Debentures | 860 | - | - | 33 | 893 |
| | Deposits | 127,640 | 17,900 | 20,400 | (104,667) | 20,473 |
| | Debentures | 20,000 | - | - | - | 20,000 |
| KB STAR REIT Co., Ltd. | Deposits | 437 | - | - | (139) | 298 |
| KB Core Blind Private Real Estate Fund No.2 | Deposits | 643 | - | - | - | 643 |
| **Associates** | | | | | | |
| Korea Credit Bureau Co., Ltd. | Deposits | 36,968 | - | - | (32,994) | 3,974 |
| Incheon Bridge Co., Ltd. | Deposits | 70,470 | - | - | (16,003) | 54,467 |
| Jungdo Co., Ltd. | Deposits | 4 | - | - | - | 4 |
| Skydigital Inc. | Deposits | 1 | - | - | 4 | 5 |
| TMAPMOBILITY CO., LTD. | Deposits | 1 | 50,000 | - | - | 50,001 |
| Aju Good Technology Venture Fund | Deposits | 39 | - | - | - | 39 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 270 | - | - | - | 270 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Deposits | 219 | - | - | (158) | 61 |
| KB Global Platform Fund | Deposits | 1,954 | - | - | 7,918 | 9,872 |
| WJ Private Equity Fund No.1 | Deposits | 36 | - | - | (2) | 34 |
| **Associates of Parent's subsidiaries** | | | | | | |
| Food Factory Co., Ltd. | Deposits | 604 | - | - | (73) | 531 |
| Big Dipper Co., Ltd. | Deposits | 51 | - | - | (1) | 50 |
| Spark Biopharma Inc. [2] | Deposits | 1,145 | 8,900 | 1,861 | (8,184) | - |
| ASSEMBLE CORPORATION | Deposits | 19 | - | - | - | 19 |
| S&E bio Co., Ltd. | Deposits | 224 | - | 50 | (65) | 109 |
| Xenohelix Co., Ltd | Deposits | 40 | - | - | 536 | 576 |
| Contents First Inc. | Deposits | 133 | - | - | 82 | 215 |
| Newavel Co., Ltd. | Deposits | 1 | - | - | - | 1 |
| Pin Therapeutics Inc. | Deposits | 850 | - | - | (812) | 38 |
| SuperNGine Co., Ltd. | Deposits | 151 | - | - | 59 | 210 |
| Desilo Inc. | Deposits | 2 | - | - | - | 2 |
| Turing Co., Ltd. | Deposits | 887 | - | - | (810) | 77 |

31.6 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2026 | | | | |
|---|---|---|---|---|---|---|
| | | **Beginning** | **Borrowing** | **Repayment** | **Others** [1] | **Ending** |
| KB No.25 Special Purpose Acquisition Company | Deposits | 1,604 | - | - | (10) | 1,594 |
| KB No.27 Special Purpose Acquisition Company | Deposits | 4,675 | 4,647 | 4,600 | (31) | 4,691 |
| KB No.29 Special Purpose Acquisition Company | Deposits | 2,348 | - | - | (5) | 2,343 |
| KB No.30 Special Purpose Acquisition Company | Deposits | 1,788 | - | - | (8) | 1,780 |
| KB No.31 Special Purpose Acquisition Company | Deposits | 2,310 | - | - | (8) | 2,302 |
| KB No.32 Special Purpose Acquisition Company | Deposits | 2,315 | - | - | (7) | 2,308 |
| KB No.33 Special Purpose Acquisition Company | Deposits | 2,835 | - | - | (8) | 2,827 |
| Wemade Connect Co., Ltd. | Deposits | 5,525 | 4,452 | 2,000 | (884) | 7,093 |
| Nextrade Co., Ltd. | Deposits | 278 | - | - | 902 | 1,180 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 1,242 | - | - | (13) | 1,229 |
| 3D Interactive Co., Ltd. | Deposits | 48 | - | - | (32) | 16 |
| Bigwave Robotics Crop. [2] | Deposits | 364 | - | - | (364) | - |
| New Daegu Busan Expressway Co., Ltd. | Deposits | 115,401 | - | - | (25,029) | 90,372 |
| AIM FUTURE, Inc | Deposits | 140 | - | - | 45 | 185 |
| Novorex Inc. | Deposits | 9,674 | - | - | (9,342) | 332 |
| ADP Holdings | Deposits | 263 | 264 | 260 | (2) | 265 |
| ADP GREEN | Deposits | 5,302 | 5,500 | 5,100 | 4 | 5,706 |
| Logpresso Inc. | Deposits | 7,576 | - | - | (74) | 7,502 |
| DYNE MEDICAL GROUP Inc. | Deposits | 356 | 18,000 | 4,000 | 994 | 15,350 |
| TriOar Inc. | Deposits | 4,088 | 1,000 | 2,000 | (1,098) | 1,990 |
| Yeoulhyulgangho | Deposits | 783 | 1,000 | 500 | 237 | 1,520 |
| Allra Fintech Corp. | Deposits | 33 | - | - | (33) | - |
| Koru Pharma Co., Ltd. [2] | Deposits | 197 | - | - | (197) | - |
| Hyperaccel inc. | Deposits | - | - | - | 513 | 513 |
| Aldaver | Deposits | 821 | 1,653 | 1,647 | - | 827 |
| ANTIGRAVITY | Deposits | 82 | - | - | (70) | 12 |
| enParticle Co., Ltd | Deposits | 1,696 | - | - | (612) | 1,084 |
| Emocog Inc. | Deposits | 704 | - | - | (203) | 501 |
| Lemontree Inc. | Deposits | 536 | - | - | (524) | 12 |
| WhaTap Laps Inc. | Deposits | 2,814 | 1,000 | 2,650 | 121 | 1,285 |
| BYEL CO., Ltd. | Deposits | 8,968 | 1,800 | 2,800 | (390) | 7,578 |
| eRoun & company Co., Ltd. [2] | Deposits | 1,127 | - | 300 | (827) | - |
| VP INC. | Deposits | 51 | - | - | (50) | 1 |
| IMM Korea Beauty Co-Investment Private Equity Fund | Deposits | - | 150 | - | - | 150 |
| RUMIKEU HOLDINGS INC. | Deposits | 11 | - | - | 93 | 104 |
| Breakncompany inc. | Deposits | - | - | - | 30 | 30 |
| **Key management personnel** [3] | Deposits | 10,336 | - | - | 4,678 | 15,014 |

31.6 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Parent** | | | | | | |
| KB Financial Group Inc. | Deposits | 316,781 | - | - | 1,986,898 | 2,303,679 |
| **Parent's subsidiaries** | | | | | | |
| KB Securities Co., Ltd. | Deposits | 499,092 | 25,000 | 35,217 | 64,288 | 553,163 |
| KB Asset Management Co., Ltd. | Deposits | 19,305 | - | - | (2,896) | 16,409 |
| KB Real Estate Trust Co., Ltd. | Deposits | 2,324 | - | - | 458 | 2,782 |
| KB Investment Co., Ltd. | Deposits | 41,110 | 60,000 | 30,412 | (8,347) | 62,351 |
| KB Data System Co., Ltd. | Deposits | 30,222 | 6,000 | 6,000 | (10,740) | 19,482 |
| KB Kookmin Card Co., Ltd. | Deposits | 269,396 | 2,167 | 2,130 | 118,073 | 387,506 |
| | Borrowings | - | - | - | 8,799 | 8,799 |
| KB Capital Co., Ltd. | Deposits | 447,402 | 1,300 | 300 | (397,112) | 51,290 |
| KB Insurance Co., Ltd. | Deposits | 22,980 | 150 | 150 | (14,255) | 8,725 |
| KB Life Insurance Co., Ltd. | Deposits | 15,825 | - | - | (3,971) | 11,854 |
| | Debentures | 20,000 | - | - | - | 20,000 |
| KB Star Office Private Real Estate Master fund 3 [2] | Deposits | - | 20,000 | - | - | 20,000 |
| KB STAR REIT Co., Ltd. | Deposits | 19,013 | 8,100 | 500 | (2,287) | 24,326 |
| KB Logistics Blind Private Real Estate Fund No.1 | Deposits | 1,237 | - | - | - | 1,237 |
| KB Core Blind Private Real Estate Fund No.2 | Deposits | 643 | - | - | - | 643 |
| **Associates** | | | | | | |
| Korea Credit Bureau Co., Ltd. | Deposits | 40,570 | - | - | (37,942) | 2,628 |
| Incheon Bridge Co., Ltd. | Deposits | 43,867 | 7,000 | - | (13,125) | 37,742 |
| Jungdo Co., Ltd. | Deposits | 4 | - | - | - | 4 |
| Iwon Alloy Co., Ltd. | Deposits | 2 | - | - | (2) | - |
| Skydigital Inc. | Deposits | 30 | - | - | (16) | 14 |
| KB High-Tech Company Investment Fund [2] | Deposits | 11,615 | - | 2,856 | (8,759) | - |
| Aju Good Technology Venture Fund | Deposits | 1,809 | - | - | (1,770) | 39 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 39 | - | - | (16) | 23 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Deposits | 388 | - | - | (167) | 221 |
| KB Global Platform Fund | Deposits | 12,109 | - | - | (6,017) | 6,092 |
| WJ Private Equity Fund No.1 | Deposits | 46 | - | - | (2) | 44 |
| TMAPMOBILITY CO.,LTD. | Deposits | 100,010 | 100,000 | 100,000 | (6) | 100,004 |
| KB Digital Platform Fund | Deposits | 8,000 | - | 8,000 | - | - |
| KB Smart Scale-Up Fund | Deposits | 40,000 | - | 40,000 | - | - |
| **Associates of Parent's subsidiaries** | | | | | | |
| RAND Bio Science Co., Ltd. [2] | Deposits | 4 | - | - | (4) | - |
| Food Factory Co., Ltd. | Deposits | 907 | - | - | (335) | 572 |
| Big Dipper Co., Ltd. | Deposits | 123 | - | - | (93) | 30 |
| Spark Biopharma Inc. [2] | Deposits | 4,759 | 4,394 | 4,857 | (156) | 4,140 |
| Wyatt Corp. [2] | Deposits | 1 | - | - | (1) | - |

31.6 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | **Beginning** | **Borrowing** | **Repayment** | **Others** [1] | **Ending** |
| CellinCells Co., Ltd. [2] | Deposits | 13 | - | - | 33 | 46 |
| KB No.21 Special Purpose Acquisition Company [2] | Deposits | 2,247 | - | - | (40) | 2,207 |
| KB No.25 Special Purpose Acquisition Company | Deposits | 1,545 | - | 30 | 25 | 1,540 |
| KB No.26 Special Purpose Acquisition Company [2] | Deposits | 1,763 | - | 110 | (1,653) | - |
| KB No.27 Special Purpose Acquisition Company | Deposits | 4,613 | - | - | (41) | 4,572 |
| KB No.28 Special Purpose Acquisition Company | Deposits | 1,910 | - | - | (9) | 1,901 |
| KB No.29 Special Purpose Acquisition Company | Deposits | 2,338 | - | - | (13) | 2,325 |
| KB No.31 Special Purpose Acquisition Company | Deposits | 2,352 | - | - | (6) | 2,346 |
| ASSEMBLE CORPORATION | Deposits | 18 | - | - | 1 | 19 |
| S&E Bio Co., Ltd. | Deposits | 772 | 430 | 50 | (306) | 846 |
| 4N Inc. | Deposits | 4 | - | - | (4) | - |
| Contents First Inc. | Deposits | 729 | - | - | (426) | 303 |
| Pin Therapeutics Inc. | Deposits | 11,133 | - | 4,000 | (938) | 6,195 |
| SuperNGine Co., Ltd. | Deposits | 217 | - | - | 109 | 326 |
| Desilo Inc. | Deposits | 3 | - | - | 3 | 6 |
| Turing Co., Ltd. | Deposits | 819 | - | - | (544) | 275 |
| ZIPDOC Inc. [2] | Deposits | 1 | - | - | (1) | - |
| TeamSparta Inc. [2] | Deposits | 18,635 | - | - | (2,775) | 15,860 |
| Chabot Mobility Co., Ltd. [2] | Deposits | 631 | - | - | 371 | 1,002 |
| Wemade Connect Co., Ltd. | Deposits | 5,465 | 5,019 | 3,000 | 1,742 | 9,226 |
| Channel Corporation | Deposits | 6 | - | - | - | 6 |
| Nextrade Co., Ltd. | Deposits | 15,281 | - | - | 262 | 15,543 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 1,239 | - | - | 9 | 1,248 |
| Bigwave Robotics Corp. [2] | Deposits | 501 | - | 501 | - | - |
| 3D Interactive Co., Ltd. | Deposits | 1,779 | - | - | (1,648) | 131 |
| AIM FUTURE, Inc | Deposits | 760 | - | - | (417) | 343 |
| New Daegu Busan Expressway Co., Ltd. | Deposits | 150,007 | 61,000 | 61,000 | 5,095 | 155,102 |
| Novorex Inc. | Deposits | 6 | - | - | - | 6 |
| Xenohelix Co., Ltd | Deposits | 302 | - | - | 29 | 331 |
| ADP Holdings | Deposits | 2,058 | 2,029 | 2,057 | 8 | 2,038 |
| ADP GREEN | Deposits | 1,802 | 750 | 550 | 97 | 2,099 |
| Logpresso | Deposits | 457 | 574 | 300 | (319) | 412 |
| DYNE MEDICAL GROUP Inc. | Deposits | 3,813 | 2,000 | 2,500 | (849) | 2,464 |
| Onheal Co., Ltd. | Deposits | 5,001 | - | - | (5,000) | 1 |
| TriOar Inc. | Deposits | 6,054 | 1,000 | 2,500 | (11) | 4,543 |

31.6 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | **Beginning** | **Borrowing** | **Repayment** | **Others [1]** | **Ending** |
| Yeoulhyulgangho | Deposits | 456 | 130 | 200 | 87 | 473 |
| KB No.30 Special Purpose Acquisition Company | Deposits | 1,786 | - | - | (7) | 1,779 |
| Allra Fintech Corp. | Deposits | 1,671 | 2,000 | 2,000 | 413 | 2,084 |
| Koru Pharma Co., Ltd. [2] | Deposits | - | - | - | 38 | 38 |
| **Key management personnel [3]** | Deposits | 12,922 | 7,357 | 5,897 | (1,568) | 12,814 |

[1] Transactions between related parties, such as settlements arising from operating activities and deposits, are expressed in net amount.
[2] Excluded from the Group's related party as of March 31, 2026.
[3] Includes borrowing transactions that occurred before they became related parties.

31.7 Details of significant investment and withdrawal transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | |
|---|---|---|
| | Equity investment and others | Withdrawal and others |
| **Parent's subsidiaries** | | |
| KB RISE KTB ETF(Bond) | - | 497 |
| KB Intellectual Property Fund | - | 92 |
| KB Hanbando BTL Private Special Asset Fund No.1 | - | 4,466 |
| KB Hope Sharing BTL Private Special Asset Fund | - | 336 |
| KB New Renewable Energy Private Special Asset Fund No.1 | - | 458 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | - | 346 |
| KB BMO Senior Loan Private Special Asset Fund No.2 (USD) | - | 3,691 |
| KB Sinansan Line Private Special Asset Fund (SOC) | 4,771 | 1,936 |
| KB New Renewable Green New Deal Private Special Asset No.2 | 80 | 580 |
| KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs) | - | 1,295 |
| KB New Deal Infra Private Special Asset Fund | 3 | 333 |
| KB GK Project Private Special Asset Fund No.3 | - | 5,147 |
| KB BMO Senior Loan Private Special Asset Fund No.4 (USD) | - | 3,707 |
| KB Core Blind Private Real Estate Fund No.2 | - | 650 |
| KB NA Jefferies Private Special Asset Fund 1 | - | 1,337 |
| KB Smart Scale-Up No.2 Fund | 3,000 | - |
| KB New Renewable Energy Private Special Asset Fund No.3 | - | 435 |
| KB Senior Loan Private Fund No.5-1 | - | 5,325 |
| KB Mezzanine Capital 4th Private Equity Fund | 6,935 | 117 |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | - | 1,588 |
| KB NA Summit Private Special Asset fund 1(USD)(FoFs) | - | 119 |
| KB Innovative Growth Infra Private Special Asset Fund | 783 | 131 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | - | 1,346 |
| KB East-side Expressway Private Special Asset(SOC) | 115 | 43 |
| KB Global Senior Loan PrivateDebt 1(USD) | 18,043 | 1,208 |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | 17,742 | 92 |
| KB Senior Loan Private Fund No.6-1 | 9,125 | 729 |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | 6,419 | 297 |
| KB BX Europe Infra Private SpecialAsset Fund 1 | - | 460 |
| KB Credit Capital Private Fund 1-1 | - | 152 |
| KB RISE KTB 10Y Futures ETF(Debt-Derivative) * | - | 4,839 |
| KB Deep Tech Scale-up Fund | 300 | - |
| **Associates** | | |
| Korea Credit Bureau Co., Ltd. | - | 450 |
| KB Digital Platform Fund | 19,600 | - |
| TMAPMOBILITY CO., LTD. | - | 50,072 |
| KB Global Platform Fund No.2 | 2,000 | - |
| Startup Korea KB Secondary Fund | 4,500 | - |
| **Associate of Parent** | | |
| Balhae Infrastructure Company | - | 4,660 |

31.7 Details of significant investment and withdrawal transactions with related parties for the three-month periods ended March 31, 2026 and 2025 are as follows: (cont'd)

*(In millions of Korean won)*

| | 2026 | |
|---|---|---|
| | Equity investment and others | Withdrawal and others |
| **Associate of Parent's subsidiaries** | | |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | - | 1,625 |
| KB-NP Green ESG New Technology Venture Capital Fund | - | 2,648 |
| KB-SBI Global Advanced Strategy Private Equity Limited Partnership | 3,259 | 4,907 |
| KB IMM New Star Real Estate No.1 Private Equity Limited Partnership | 85 | 4,763 |
| KB IMM New Star Real Estate No.2 Private Equity Limited Partnership | 95 | 111 |

31.7 Details of significant investment and withdrawal transactions with related parties for the three-month periods ended March 31, 2026 and 2025 are as follows: (cont'd)

*(In millions of Korean won)*

| | 2025 | |
|---|---|---|
| | Equity investment and others | Withdrawal and others |
| **Parent's subsidiaries** | | |
| KB Hanbando BTL Private Special Asset Fund No.1 | - | 4,754 |
| KB Hope Sharing BTL Private Special Asset Fund | - | 331 |
| KB Intellectual Property Fund | - | 110 |
| KB New Renewable Energy Private Special Asset Fund No.1 | - | 453 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | 331 | - |
| KB BMO Senior Loan Private Special Asset Fund No.2(USD) | - | 4,146 |
| KB Sinansan Line Private Special Asset Fund(SOC) | 5,544 | 1,810 |
| KB New Renewable Green New Deal Private Special Asset No.2 | - | 602 |
| KB MCF Senior Loan Private Special Asset Fund No.3(Loan-FoFs) | - | 3,506 |
| KB New Deal Infra Private Special Asset Fund | 147 | 359 |
| KB GK Project Private Special Asset Fund No.3 | - | 5,099 |
| KB BMO Senior Loan Private Special Asset Fund No.4(USD) | - | 964 |
| KB NA Jefferies Private SpecialAsset Fund 1 | 15,006 | 1,214 |
| KB Renewable Private SpecialAsset Fund 3 | 929 | 299 |
| KB Star Institutional USD MMF1(USD) | - | 7,426 |
| KB Senior Loan Private Fund No. 5-1 | - | 1,314 |
| KB Core Plus Blind Private RealEstate Fund 1 (FoFs) | 22,582 | - |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | - | 1,668 |
| KB NA Summit Private Special Asset fund 1(USD)(FoFs) | 1,702 | - |
| KB Innovative Growth Infra Private Special Asset Fund | - | 20 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | - | 1,295 |
| KB East-side Expressway Private Special Asset(SOC) | 151 | 41 |
| KB RISE KTB ETF (Bond) | - | 118 |
| KB IncomeFocus Blind Private RealEstate Fund 1 (FoFs) | 16,129 | - |
| KB Senior Loan Private Fund No.6-1 | 3,514 | - |
| KB RISE Mar2026 Term Credit ETF * | 99,932 | 100,172 |
| **Associates** | | |
| Korea Credit Bureau Co., Ltd. | - | 90 |
| Future Planning KB Start-up Creation Fund * | - | 1,716 |
| KB High-Tech Company Investment Fund * | - | 3,172 |
| Aju Good Technology Venture Fund | - | 780 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | - | 300 |
| KB Intellectual Property Fund No.2 | - | 675 |
| KB SPROTT Renewable Private Equity Fund No.1 | - | 5,535 |
| KB Global Platform Fund | - | 2,200 |
| KB Smart Scale-Up Fund | - | 11,750 |
| **Associate of Parent** | | |
| Balhae Infrastructure Company | - | 4,660 |
| **Associate of Parent's subsidiaries** | | |
| KB-Stonebridge Secondary Private Equity Fund | - | 2,621 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 1,200 | - |
| KB IMM New Star Real Estate No.1 Private Equity Limited Partnership | 1,667 | 643 |

* Excluded from the Group's related party as of March 31, 2026.

31.8 Acceptances and guarantees and unused commitments provided to related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Investment Co., Ltd. | Purchase of securities | 3,000 | 6,000 |
| | Loss sharing agreements | 1,000 | 1,000 |
| KB Kookmin Card Co., Ltd. | Loan commitments in Korean won | 820,000 | 820,000 |
| | Other commitments in Korean won | 1,700,000 | 1,700,000 |
| | Other commitments in foreign currency | 78,051 | 85,549 |
| KB Securities Co., Ltd. | Loan commitments in Korean won | 140,000 | 138,969 |
| KB Insurance Co., Ltd. | Loan commitments in Korean won | 20,000 | 20,000 |
| KB Life Insurance Co., Ltd. | Loan commitments in Korean won | 1,000 | 1,000 |
| KB New Renewable Energy Private Special Asset Fund No.3 | Purchase of securities | 6,935 | 6,935 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | Purchase of securities | 1,711 | 1,664 |
| KB Global Infrastructure Private Special Asset Fund No.6 | Purchase of securities | 966 | 966 |
| KB BMO Senior Loan Private Special Asset Fund No.2 (USD) | Purchase of securities | 17 | 17 |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | Purchase of securities | 855 | 7,082 |
| KB New Renewable Green New Deal Private Special Asset No.2 | Purchase of securities | 2,428 | 2,507 |
| KB Sinansan Line Private Special Asset Fund (SOC) | Purchase of securities | 113,920 | 118,691 |
| KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs) | Purchase of securities | 13,398 | 10,258 |
| KB New Deal Infra Private Special Asset Fund | Purchase of securities | 1,561 | 1,564 |
| KB GK Project Private Special Asset Fund No.3 | Purchase of securities | 23 | 23 |
| KB Core Blind Private Real Estate Fund No.2 | Purchase of securities | 714 | 714 |
| KB Mezzanine Capital 4th Private Equity Fund | Purchase of securities | 7,827 | 14,763 |
| KB NA Jefferies Private Special Asset Fund 1 | Purchase of securities | 8,082 | 7,662 |
| KB Senior Loan Private Fund No.5-1 | Purchase of securities | 370 | 370 |
| KB Senior Loan Private Fund No.6-1 | Purchase of securities | 6,299 | 15,424 |
| KB Wise Star Private Real Estate21 | Purchase of securities | 27,753 | 27,753 |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | Purchase of securities | 31 | 31 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | Purchase of securities | 10 | 10 |
| KB NA Summit Private Special Asset fund 1(USD)(FoFs) | Purchase of securities | 22,354 | 21,195 |

31.8 Acceptances and guarantees and unused commitments provided to related parties as of March 31, 2026 and December 31, 2025, are as follows: (cont'd)

*(In millions of Korean won)*

| | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| KB Innovative Growth Infra Private Special Asset Fund | Purchase of securities | 4,410 | 5,194 |
| KB East-side Expressway Private Special Asset(SOC) | Purchase of securities | 33,221 | 33,336 |
| KB Global Senior Loan PrivateDebt 1(USD) | Purchase of securities | 20,751 | 36,842 |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | Purchase of securities | 16,129 | 33,871 |
| KB Value Rise Blind Private RealEstate 1(FoFs) | Purchase of securities | 2,905 | 2,905 |
| KB BX Europe Infra Private SpecialAsset Fund 1 | Purchase of securities | 15,981 | 15,541 |
| KB Credit Capital Private Fund 1-1 | Purchase of securities | 46,432 | 46,432 |
| **Associates** | | | |
| Incheon Bridge Co., Ltd. | Loan commitments in Korean won | 20,000 | 20,000 |
| KB Global Platform Fund No.2 | Purchase of securities | 16,000 | 18,000 |
| All Together Korea Fund No.2 | Purchase of securities | 990,000 | 990,000 |
| KB Digital Platform Fund | Purchase of securities | 14,000 | 33,600 |
| Startup Korea KB Secondary Fund | Purchase of securities | 16,500 | 21,000 |
| **Associates of Parent** | | | |
| Balhae Infrastructure Company | Loan commitments in Korean won | - | 65,000 |
| | Purchase of securities | 6,154 | 6,154 |
| **Associates of Parent's subsidiaries** | | | |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | Purchase of securities | 308 | 308 |
| KB Co-Investment Private Equity Fund No.1 | Purchase of securities | 440 | 440 |
| KB-Badgers Future Mobility ESG Fund No.1 | Purchase of securities | 11,364 | 11,364 |
| KB-NP Green ESG New Technology Venture Capital Fund | Purchase of securities | 315 | 315 |
| KB-SBI Global Advanced Strategy Private Equity Limited Partnership | Purchase of securities | 6,558 | 9,817 |
| KB IMM New Star Real Estate No.1 Private Equity Limited Partnership | Purchase of securities | 3,473 | 3,558 |
| KB IMM New Star Real Estate No.2 Private Equity Limited Partnership | Purchase of securities | 12,044 | 12,138 |
| Lemontree Inc. | Loan commitments in Korean won | - | 450 |
| WhaTap Laps Inc. | Loan commitments in Korean won | 2,000 | 2,000 |
| **Key management personnel** | Loan commitments in Korean won | 1,103 | 937 |

31.9 Acceptances and guarantees and unused commitments provided by related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Parent Company's subsidiaries** | | | |
| KB Investment Co., Ltd. | Loss sharing agreements | 3,314 | 3,314 |
| KB Kookmin Card Co., Ltd. | Loan commitment in Korean won | 79,965 | 78,343 |

31.10 Details of compensation to key management personnel for the three-month periods ended March 31, 2026 and 2025, are as follows:

| *(In millions of Korean won)* | 2026 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | 353 | 20 | 784 | 1,157 |
| Registered directors (non-executive) | 89 | - | - | 89 |
| Non-registered directors | 1,804 | 90 | 2,363 | 4,257 |
| | 2,246 | 110 | 3,147 | 5,503 |

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | 475 | 4 | 342 | 821 |
| Registered directors (non-executive) | 90 | - | - | 90 |
| Non-registered directors | 2,268 | 91 | 1,099 | 3,458 |
| | 2,833 | 95 | 1,441 | 4,369 |

31.11 Major types of transactions between the Group and the related parties include deposit taking transactions, loan transactions such as general purpose loans, corporate purchase loans, B2B loans, etc., settlements of funds arising from overseas remittance, providing credit lines through the acceptance of letter of credit issued by the Bank, and overdraft accounts arising from net settlement agreement between the Bank and KB Kookmin Card Co., Ltd.

31.12 Details of collateral provided to related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|---|
| | Assets pledged * | Carrying amount | Collateralized amount | Carrying amount | Collateralized amount |
| **Parent's subsidiaries** | | | | | |
| KB Securities Co., Ltd. | Securities | 84,022 | 84,000 | 81,064 | 81,000 |
| KB Life Insurance Co., Ltd. | Securities | 25,417 | 25,000 | 25,437 | 25,000 |
| KB Insurance Co., Ltd. | Securities | 50,000 | 50,000 | 50,000 | 50,000 |

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

31.13 Details of collateral provided by related parties as of March 31, 2026 and December 31, 2025, are as follows:

| *(In millions of Korean won)* | Assets held as collateral * | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Securities Co., Ltd. | Time deposits / Beneficiary right certificate | 167,000 | 167,000 |
| | Securities | 255,220 | 225,014 |
| | Real estate | 31,200 | 31,200 |
| KB Life Insurance Co., Ltd. | Time deposits | 13,700 | 13,700 |
| | Securities | 103,893 | 65,412 |
| | Real estate | 49,761 | 49,761 |
| KB Kookmin Card Co., Ltd. | Time deposits | 24,381 | 24,348 |
| KB Insurance Co., Ltd. | Securities | 944,650 | 608,450 |
| KB Star Office Private Real Estate Feeder Fund No.4 | Real estate | 24,000 | 24,000 |
| KB Core Blind Private Real Estate Fund No.2 | Real estate | 58,240 | 58,240 |
| KB Wise Star Private Real Estate22 | Real estate | 60,000 | 60,000 |
| KB Wise Star Private Real Estate24 | Real estate | 50,160 | 50,160 |
| KB Wise Star Private Real Estate28 | Real estate | 35,040 | 35,040 |
| **Associates of Parent** | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Real estate | 180,000 | 180,000 |
| **Associates of Parent's subsidiaries** | | | |
| Semicolon Susong REITs Co., Ltd. | Collateral Trust | 30,000 | 30,000 |
| **Key management personnel** | Time deposits and others | 334 | 683 |
| | Real estate | 5,090 | 7,727 |

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

As of March 31, 2026, Incheon Bridge Co., Ltd., a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Bank and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Bank and 2 other institutions. Also, it provides certificate of credit guarantees amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Bank and 5 other institutions.

31.14 The amounts of debt securities and others purchased through KB securities Co., Ltd. are ₩ 2,633,218 million and ₩ 2,172,992 million for the three-month periods ended March 31, 2026 and 2025 respectively, and the amounts of debt securities and others sold through KB securities Co., Ltd. are ₩ 2,270,390 million and ₩ 2,815,799 million for the three-month periods ended March 31, 2026 and 2025, respectively.

31.15 The amounts of bonds sold by Kookmin Bank through KB Insurance Co., Ltd. are ₩ 29,997 million and ₩ 70,389 million for the three-month periods ended March 31, 2026 and 2025, respectively.

31.16 The amounts of intangible assets and others purchased from KB Data System Co., Ltd. are ₩ 9,925 million and ₩ 1,942 million for the three-month periods ended March 31, 2026 and 2025, respectively.

31.17 The Group has entered into CLS (Continuous Linked Settlement) third-party service agreement with KB Securities Co., Ltd. and accordingly the Group is able to provide intraday liquidity of USD 500 million on the condition of repayment on the day of payment.

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# Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Kookmin Bank

## Opinion

We have audited the consolidated financial statements of Kookmin Bank and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and 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 at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

## Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. 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 of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

## 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 Korean IFRS, 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.

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 Korean Standards on Auditing 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 Korean Standards on Auditing, 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 entity'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on 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.

/s/ Samil PricewaterhouseCoopers

Seoul, Korea

March 6, 2026

This report is effective as of March 6, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

## Kookmin Bank and Subsidiaries
### Consolidated Statements of Financial Position
### December 31, 2025 and 2024

| *(In millions of Korean won)* | Notes | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| Cash and due from financial institutions | 4,6,7,36 | ₩ 26,468,705 | ₩ 22,910,149 |
| Financial assets at fair value through profit or loss | 4,6,8,12 | 26,104,934 | 22,089,847 |
| Derivative financial assets | 4,6,9 | 6,871,392 | 10,249,619 |
| Loans measured at amortized cost | 4,6,8,10,11 | 428,818,361 | 409,867,155 |
| Financial investments | 4,6,8,12 | 79,087,638 | 81,226,618 |
| Investments in associates | 13 | 659,573 | 585,509 |
| Property and equipment | 8,14 | 3,900,319 | 4,199,120 |
| Investment property | 14 | 137,247 | 125,014 |
| Intangible assets | 15 | 726,065 | 968,603 |
| Net defined benefit asset | 23 | 236,198 | 163,892 |
| Current income tax assets | 32 | 362,642 | 318,833 |
| Deferred income tax assets | 16,32 | 143,451 | 137,117 |
| Assets held for sale | 17 | 174,919 | 136,838 |
| Assets of a disposal group held for sale | 17 | 94,215 | - |
| Other assets | 4,6,18 | 11,149,308 | 9,908,866 |
| **Total assets** | | ₩ 584,934,967 | ₩ 562,887,180 |
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 4,6 | ₩ 420,329 | ₩ 159,212 |
| Derivative financial liabilities | 4,6,9 | 5,828,336 | 9,643,135 |
| Deposits | 4,6,19 | 440,010,202 | 421,200,651 |
| Borrowings | 4,6,20 | 32,545,690 | 32,226,416 |
| Debentures | 4,6,21 | 36,296,650 | 34,736,771 |
| Provisions | 22 | 796,879 | 543,694 |
| Net defined benefit liabilities | 23 | 9,366 | 11,283 |
| Current income tax liabilities | 32 | 62,377 | 25,178 |
| Deferred income tax liabilities | 16,32 | 641,330 | 673,452 |
| Liabilities of a disposal group held for sale | 17 | 68,290 | - |
| Other liabilities | 4,6,24,30 | 29,299,877 | 25,640,068 |
| **Total liabilities** | | 545,979,326 | 524,859,860 |
| **Equity** | | | |
| Capital stock | 25 | 2,021,896 | 2,021,896 |
| Hybrid securities | 25 | 1,065,612 | 1,065,612 |
| Capital surplus | 25 | 4,650,118 | 4,650,118 |
| Accumulated other comprehensive income | 25,34 | 557,792 | 775,726 |
| Retained earnings | 25,33,34 | 30,608,583 | 29,427,755 |
| (Provision of regulatory reserve for credit losses December 31, 2025: ₩ 2,736,034 million December 31, 2024 : ₩ 2,796,799 million) | | | |
| (Amounts estimated to be appropriated (reversed) December 31, 2025: ₩ 185,069 million December 31, 2024 : ₩ (60,765) million) | | | |
| **Equity attributable to the owners of the parent** | | 38,904,001 | 37,941,107 |
| **Non-controlling interests** | | 51,640 | 86,213 |
| **Total equity** | | 38,955,641 | 38,027,320 |
| **Total liabilities and equity** | | ₩ 584,934,967 | ₩ 562,887,180 |

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

## Kookmin Bank and Subsidiaries

### Consolidated Statements of Comprehensive Income

### Years Ended December 31, 2025 and 2024

| *(In millions of Korean won)* | Notes | 2025 | 2024 |
|---|---|---|---|
| Interest income | | ₩ 21,862,347 | ₩ 23,211,072 |
| Interest income from financial instruments at fair value through other comprehensive income and amortized cost | | 21,368,452 | 22,778,587 |
| Interest income from financial instruments at fair value through profit or loss | | 493,895 | 432,485 |
| Interest expense | | (11,204,545) | (12,987,200) |
| **Net interest income** | 26 | 10,657,802 | 10,223,872 |
| Fee and commission income | | 1,643,540 | 1,544,109 |
| Fee and commission expense | | (440,021) | (431,231) |
| **Net fee and commission income** | 27 | 1,203,519 | 1,112,878 |
| **Net gains on financial instrument at fair value through profit or loss** | 28 | 932,342 | 767,877 |
| **Net other operating expenses** | 29 | (1,390,615) | (1,391,357) |
| **General and administrative expenses** | 14,15,23,30,40 | (4,649,316) | (4,634,318) |
| **Operating income before provision for credit losses** | | 6,753,732 | 6,078,952 |
| Provision for credit losses | 7,11,12,18,22 | (1,032,956) | (680,087) |
| **Net operating income** | | 5,720,776 | 5,398,865 |
| Share of profit of associates | 13 | 75,804 | 7,402 |
| Net other non-operating expenses | 31 | (481,361) | (960,969) |
| **Net non-operating expenses** | | (405,557) | (953,567) |
| **Profit before income tax expense** | | 5,315,219 | 4,445,298 |
| Income tax expense | 32 | (1,490,400) | (1,293,896) |
| **Profit for the year** | | 3,824,819 | 3,151,402 |
| (Adjusted profit after provision of regulatory reserve for credit losses | 25 | | |
| December 31, 2025 : ₩ 3,667,097 million | | | |
| December 31, 2024 : ₩ 3,312,524 million | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Remeasurements of net defined benefit liabilities | 23 | 13,581 | (41,968) |
| Gains (losses) on equity securities at fair value through other comprehensive income | | 73,446 | (272,923) |
| *Items that may be subsequently reclassified to profit or loss:* | | | |
| Currency translation differences | | (52,829) | 428,808 |
| Gains (losses) on debt securities at fair value through other comprehensive income | | (264,377) | 218,847 |
| Share of other comprehensive income (loss) of associates | | 609 | (762) |
| Gains (losses) on hedging instruments of net investments in foreign operations | 9 | 33,590 | (165,038) |
| Gain (losses) on cash flow hedging instruments | 9 | (23,129) | 1,140 |
| | 34 | (219,109) | 168,104 |
| **Other comprehensive income (loss) for the year, net of tax** | | ₩ 3,605,710 | ₩ 3,319,506 |
| **Total comprehensive income for the year** | | | |
| **Profit (loss) attributable to:** | | | |
| Owners of the parent | | ₩ 3,852,166 | ₩ 3,251,759 |
| Non-controlling interests | | (27,347) | (100,357) |
| | | ₩ 3,824,819 | ₩ 3,151,402 |
| **Total comprehensive income (loss) for the year attributable to:** | | | |
| Owners of the parent | | ₩ 3,636,551 | ₩ 3,408,978 |
| Non-controlling interests | | (30,841) | (89,472) |
| | | ₩ 3,605,710 | ₩ 3,319,506 |

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

**Kookmin Bank and Subsidiaries**
**Consolidated Statements of Changes in Equity**
**Years Ended December 31, 2025 and 2024**

| *(In millions of Korean won)* | Attributable to the owners of the parent | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | Capital stock | Hybrid securities | Capital surplus | Accumulated other comprehensive income | Retained earnings | | |
| **Balance as of January 1, 2024** | ₩ 2,021,896 | ₩ 1,282,935 | ₩ 4,735,404 | ₩ 614,395 | ₩ 27,718,412 | ₩ 175,685 | ₩ 36,548,727 |
| **Comprehensive income for the year** | | | | | | | |
| Profit (loss) for the year | - | - | - | - | 3,251,759 | (100,357) | 3,151,402 |
| Remeasurements of net defined benefit liabilities | - | - | - | (42,577) | - | 609 | (41,968) |
| Losses on equity securities at fair value through other comprehensive income | - | - | - | (268,811) | (4,112) | - | (272,923) |
| Currency translation differences | - | - | - | 418,036 | - | 10,772 | 428,808 |
| Gains (losses) on debt securities at fair value through other comprehensive income | - | - | - | 219,343 | - | (496) | 218,847 |
| Share of other comprehensive expense of associates | - | - | - | (762) | - | - | (762) |
| Losses on hedging instruments of net investments in foreign operations | - | - | - | (165,038) | - | - | (165,038) |
| Gains on cash flow hedging instruments | - | - | - | 1,140 | - | - | 1,140 |
| **Total comprehensive income for the year** | - | - | - | 161,331 | 3,247,647 | (89,472) | 3,319,506 |
| **Transactions with the shareholder** | | | | | | | |
| Dividends | - | - | - | - | (1,467,896) | - | (1,467,896) |
| Issuance of hybrid securities | - | 357,200 | - | - | - | - | 357,200 |
| Redemption of hybrid securities | - | (574,523) | (85,286) | - | - | - | (659,809) |
| Dividends on hybrid securities | - | - | - | - | (70,408) | - | (70,408) |
| **Total transactions with the shareholder** | - | (217,323) | (85,286) | - | (1,538,304) | - | (1,840,913) |
| **Balance as of December 31, 2024** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 775,726 | ₩ 29,427,755 | ₩ 86,213 | ₩ 38,027,320 |
| **Balance as of January 1, 2025** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 775,726 | ₩ 29,427,755 | ₩ 86,213 | ₩ 38,027,320 |
| **Comprehensive income for the year** | | | | | | | |
| Profit (loss) for the year | - | - | - | - | 3,852,166 | (27,347) | 3,824,819 |
| Remeasurements of net defined benefit liabilities | - | - | - | 14,210 | - | (629) | 13,581 |
| Gains (losses) on equity securities at fair value through other comprehensive income | - | - | - | 71,127 | 2,319 | - | 73,446 |
| Currency translation differences | - | - | - | (49,756) | - | (3,073) | (52,829) |
| Gains (losses) on debt securities at fair value through other comprehensive income | - | - | - | (264,585) | - | 208 | (264,377) |
| Share of other comprehensive income of associates | - | - | - | 609 | - | - | 609 |
| Gains on hedging instruments of net investments in foreign operations | - | - | - | 33,590 | - | - | 33,590 |
| Losses on cash flow hedging instruments | - | - | - | (23,129) | - | - | (23,129) |
| **Total comprehensive income for the year** | - | - | - | (217,934) | 3,854,485 | (30,841) | 3,605,710 |
| **Transactions with the shareholder** | | | | | | | |
| Dividends | - | - | - | - | (1,625,604) | - | (1,625,604) |
| Interim dividends | - | - | - | - | (1,002,860) | - | (1,002,860) |
| Dividends on hybrid securities | - | - | - | - | (45,193) | (3,732) | (48,925) |
| **Total transactions with the shareholder** | - | - | - | - | (2,673,657) | (3,732) | (2,677,389) |
| **Balance as of December 31, 2025** | ₩ 2,021,896 | ₩ 1,065,612 | ₩ 4,650,118 | ₩ 557,792 | ₩ 30,608,583 | ₩ 51,640 | ₩ 38,955,641 |

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

## Kookmin Bank and Subsidiaries
### Consolidated Statements of Cash Flows
### Years Ended December 31, 2025 and 2024

| *(In millions of Korean won)* | Notes | 2025 | 2024 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the year | | ₩ 3,824,819 | ₩ 3,151,402 |
| Adjustment for non-cash items | | | |
| Net gains on financial instruments at fair value through profit or loss | | (528,622) | (752,292) |
| Net losses (gains) on derivative financial instrument for hedging purposes | | (5,436) | 2,248 |
| Provision for credit losses | | 1,032,956 | 680,085 |
| Net gains on financial investments | | (123,617) | (58,904) |
| Share of profit of associates | | (75,804) | (7,401) |
| Depreciation and amortization expense | | 572,786 | 591,105 |
| Other net losses on property and equipment/intangible assets | | 48,472 | 96,652 |
| Share-based payments | | 58,347 | 52,197 |
| Post-employment benefits | | 137,917 | 127,523 |
| Net interest expense (income) | | 141,303 | (32,139) |
| Losses on foreign currency translation | | 367,695 | 1,137,356 |
| Other expenses | | 77,173 | 869,848 |
| | | 1,703,170 | 2,706,278 |
| Changes in operating assets and liabilities | | | |
| Financial assets at fair value through profit or loss | | (3,595,994) | (1,611,425) |
| Derivative financial instrument | | 533,212 | 179,974 |
| Loans measured at amortized cost | | (21,199,882) | (20,545,720) |
| Current income tax assets | | (43,809) | (89,953) |
| Deferred income tax assets | | (8,714) | 122,112 |
| Other assets | | (1,327,659) | 909,400 |
| Financial liabilities at fair value through profit or loss | | 135,553 | 23,953 |
| Deposits | | 19,648,386 | 23,713,337 |
| Deferred income tax liabilities | | 17,492 | 252,983 |
| Other liabilities | | 1,038,957 | (3,515,238) |
| | | (4,802,458) | (560,577) |
| **Net cash inflow from operating activities** | | 725,531 | 5,297,103 |
| **Cash flows from investing activities** | | | |
| Net cash flows from derivative financial instrument for hedging purposes | | (564) | 29,389 |
| Disposal of financial assets at fair value through profit or loss | | 13,211,548 | 8,037,318 |
| Acquisition of financial assets at fair value through profit or loss | | (13,387,446) | (7,884,004) |
| Disposal of financial investments | | 39,526,810 | 34,596,068 |
| Acquisition of financial investments | | (37,795,563) | (36,304,181) |
| Disposal of investments in associates | | 54,194 | 68,071 |
| Acquisition of investments in associates | | (51,650) | (57,900) |
| Disposal of property and equipment | | 16,183 | 4,038 |
| Acquisition of property and equipment | | (177,107) | (188,218) |
| Disposal of Investment property | | - | 264,948 |
| Disposal of intangible assets | | 3,380 | 4,619 |
| Acquisition of intangible assets | | (102,700) | (81,231) |
| Net cash flows from changes in ownership of subsidiaries | | (340,329) | 77,094 |
| Others | | 301,723 | (23,052) |
| **Net cash inflow (outflow) from investing activities** | | 1,258,479 | (1,457,041) |
| **Cash flows from financing activities** | | | |
| Net cash flows from derivative financial instrument for hedging purposes | | (47,406) | (16,790) |
| Increase (decrease) in borrowings | | 811,568 | (5,164,339) |
| Increase in debentures | | 20,723,828 | 20,162,078 |
| Decrease in debentures | | (19,434,682) | (18,796,179) |
| Payment of dividends | | (2,628,464) | (1,467,896) |
| Increase in other payables to trust accounts | | 2,905,896 | 89,900 |
| Issuance of hybrid securities | | - | 357,200 |
| Redemption of hybrid securities | | - | (690,400) |
| Others | | (550,594) | (297,105) |
| **Net cash inflow (outflow) from financing activities** | | 1,780,146 | (5,823,531) |
| **Effect of exchange rate changes on cash and cash equivalents** | | (72,722) | 911,384 |
| **Net increase (decrease) in cash and cash equivalents** | | 3,691,434 | (1,072,085) |
| **Cash and cash equivalents at the beginning of the year** | 36 | 21,489,706 | 22,561,791 |
| **Cash and cash equivalents at the end of the year** | 36 | ₩ 25,181,140 | ₩ 21,489,706 |

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

## 1. Reporting Entity

Kookmin Bank (the "Bank") was incorporated in 1963 under the Citizens National Bank Act to provide banking services to the general public and to small and medium-sized enterprises. Pursuant to the Repeal Act of the Citizens National Bank Act, effective January 5, 1995, the Bank's status changed to a financial institution which operates under the Banking Act and Commercial Act.

The Bank merged with Korea Long Term Credit Bank on December 31, 1998, and with its subsidiaries, Daegu, Busan, Jeonnam Kookmin Mutual Savings & Finance Co., Ltd., on August 22, 1999. Pursuant to the directive from the Financial Services Commission related to the 1998 Structural Improvement of the Financial Industry Act, the Bank acquired certain assets, including performing loans, and assumed most of the liabilities of Daedong Bank on June 29, 1998. Also, the Bank completed the merger with Housing and Commercial Bank ("H&CB") on October 31, 2001, and merged with Kookmin Credit Card Co., Ltd., a majority-owned subsidiary, on September 30, 2003. Meanwhile, the Bank spun off its credit card business segment on February 28, 2011, and KB Kookmin Card Co., Ltd. became a subsidiary of KB Financial Group Inc.

The Bank listed its shares on the Stock Market Division of the Korea Exchange ("KRX") in September 1994. As a result of the merger with H&CB, the shareholders of the former Kookmin Bank and H&CB received new common shares of the Bank which were relisted on the KRX on November 9, 2001. In addition, H&CB listed its American Depositary Shares ("ADS") on the New York Stock Exchange ("NYSE") on October 3, 2000, prior to the merger. Following the merger with H&CB, the Bank listed its ADS on the NYSE on November 1, 2001. The Bank became a wholly owned subsidiary of KB Financial Group Inc. through a comprehensive stock transfer on September 29, 2008. Subsequently, the Bank's shares and its ADS, each listed on the KRX and the NYSE, were delisted on October 10, 2008 and September 26, 2008, respectively. As of December 31, 2025, the Bank's paid-in capital is ₩ 2,021,896 million.

The Bank engages in the banking business in accordance with the Banking Act, trust business in accordance with the Financial Investment Services and Capital Markets Act, mobile virtual network business in accordance with Special Act on Support for Financial Innovation, and other relevant businesses. As of December 31, 2025, the Bank operates its Seoul headquarters and 771 domestic branches, and 11 overseas branches (excluding five subsidiaries).

## 2. Basis of Preparation

### 2.1 Application of Korean IFRS

The Bank and its subsidiaries (collectively the "Group") maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying consolidated financial statements have been translated into English from the Korean language consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

2.1.1 The Group has applied the following amended standards for the first time for its annual reporting period commencing January 1, 2025.

*- Amendments of Korean IFRS No.1021 "The Effects of Changes in Foreign Exchange Rates" and Korean IFRS No.1101 "First-time Adoption of International Financial Reporting Standards" - Lack of exchangeability*

The amendments require the Group to determine a spot exchange rate when exchangeability is lacking, and to disclose information on the nature and financial effects of the currency not being exchangeable into the other currency, the spot exchange rate(s) used, the estimation process, and the risks to which the Group is exposed. These amendments do not have a significant impact on the financial statements.

2.1.2 The following new and amended standards have been published that are not mandatory for December 31, 2025 reporting period and have not been adopted by the Group.

*- Amendments of Korean IFRS No.1109 "Financial Instruments" and No.1107 "Financial Instruments: Disclosures"*

The amendments respond to recent questions arising in practice. The amendments will be applicable from the accounting year beginning on or after January 1, 2026, and early adoption is permitted. The main amendments are as follows. The Group is reviewing the impact of these amendments on the financial statements. These amendments do not have a significant impact on the financial statements.

- allow the consideration of a financial liability as settled (derecognized) through an electronic payment system before the settlement date if certain criteria are met;
- clarify and provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- disclose the impact of contractual terms that change the timing or amount of cash flows on the company, as well as the extent of the company's exposure, for each type of financial instrument;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

*- Korean IFRS Accounting Standards Annual Improvements Volume 11*

Korean IFRS Accounting Standards Annual Improvements Volume 11 will be effective for annual reporting periods beginning on or after January 1, 2026. These amendments do not have a significant impact on the financial statements.

· Korean IFRS No.1101 "First-time adoption of International Financial Reporting Standards": Hedge accounting by a first-time adopter
· Korean IFRS No.1107 "Financial Instruments: Disclosures": Gain or loss on derecognition, Application guidance
· Korean IFRS No.1109 "Financial Instruments": Derecognition of lease liabilities, Definition of transaction price
· Korean IFRS No.1110 "Consolidated Financial Statements": Determination of a 'de facto agent'
· Korean IFRS No.1007 "Statement of Cash Flows": Cost method

*- Korean IFRS No.1118 Presentation and Disclosures in Financial Statements*

Korean IFRS No.1118 replaces Korean IFRS No.1001, carrying forward many of the requirements in Korean IFRS No.1001 unchanged and complementing them with new requirements. In addition, some paragraphs

from Korean IFRS No.1001 have been moved to Korean IFRS No.1008 and Korean IFRS No.1107.

Furthermore, minor amendments have been made to Korean IFRS No.1007 and Korean IFRS No.1033 Earnings per Share.

Korean IFRS No.1118 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation.

The Group is required to apply Korean IFRS No.1118 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to Korean IFRS No.1007 and Korean IFRS No.1033, as well as the revised Korean IFRS No.1008 and Korean IFRS No.1107, become effective when the Group applies Korean IFRS No.1118. Korean IFRS No.1118 requires retrospective application with specific transition provisions. The Group is reviewing the impact of these amendments on the financial statements.

### 2.2 Measurement Basis

The consolidated financial statements have been prepared based on the historical cost accounting model unless otherwise specified.

### 2.3 Functional and Presentation Currency

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Korean won, which is the reporting entity’s functional and presentation currency.

### 2.4 Critical Accounting Estimates

The Group applies accounting policies and uses judgments, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the consolidated financial statements. Management’s estimates of outcomes may differ from actual outcomes if management’s estimates and assumptions based on management’s best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Uncertainties in estimates and assumptions with significant risks that may result in material adjustments to the consolidated financial statements are as follows:

#### 2.4.1 Income taxes

As the income taxes on the Group’s taxable income is calculated by applying the tax laws of various countries and the decisions of tax authorities, there is uncertainty in calculating the final tax effect.

#### 2.4.2 Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise

available is determined by using valuation techniques. Financial instruments, which are not actively traded in the market and those with less transparent market prices, will have less objective fair values and require broad judgment on liquidity, concentration, uncertainty in market factors, assumptions in fair value determination, and other risks.

As described in the significant accounting policies in Note 3.3 Recognition and Measurement of Financial Instruments, diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that incorporate various types of assumptions and variables.

2.4.3 Allowances and provisions for credit losses

The Group recognizes and measures allowances for credit losses of debt instruments measured at amortized cost and debt instruments measured at fair value through other comprehensive income. Also, the Group recognizes and measures provisions for credit losses of acceptances and guarantees, and unused loan commitments. Accuracy of allowances and provisions for credit losses is dependent upon estimation of expected cash flows of the borrower subject to individual assessment of impairment, and upon assumptions and variables of model used in collective assessment of impairment and estimation of provisions for credit losses of acceptances and guarantees, and unused loan commitments.

- Allowances and provisions for credit losses (Allowances, acceptances and guarantees, and unused commitments)

Economic uncertainty persists due to government regulations affecting the real estate market and the downturn in the construction sector driven by oversupply, while prolonged high interest rates increase repayment burdens and may lead to a deterioration in asset quality. Accordingly, the Group has reflected the potential impact on expected credit losses though a management overlay, based on a comprehensive review of vulnerable sectors in the event that COVID-19 related support measures expire. In addition, the Group estimates relevant risk parameters based on a holistic review and incorporates forward-looking economic information into those parameters. The Group will continue to monitor the impact of economic uncertainty and government policies on expected credit losses. Further details of the impact on expected credit losses are presented in Note 11.1 Changes in allowances for credit losses of loans measured at amortized cost and Note 22.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees.

2.4.4 Net defined benefit asset (liability)

The present value of the net defined benefit asset(liability) is affected by changes in the various factors determined by the actuarial method.

2.4.5 Impairment of goodwill

The recoverable amounts of cash-generating units are determined based on value-in-use calculations to test whether impairment of goodwill has occurred.

## 3. 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.

### 3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are companies that are controlled by the Group. The Group controls an 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. Also, the existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls the investee. Subsidiaries are fully consolidated from the date when control is transferred to the Group and de-consolidated from the date when control is lost.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, if any. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). The difference between fair value of any consideration paid and carrying amount of the subsidiary's net assets attributable to the additional interests acquired, is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control, any investment retained in the former subsidiary is recognized at its fair value at the date when control is lost, with the resulting difference recognized in profit or loss. This fair value will be the fair value on initial recognition of a financial asset in accordance with Korean IFRS No.1109 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. In addition, all amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Therefore, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Group accounts for each business combination by applying the acquisition method. The consideration transferred is measured at fair value, and identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are initially measured at acquisition-date fair values. For each business combination, the Group measures non-controlling interests in the acquiree that entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation at either (a) fair value or (b) the proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that

was recognized in other comprehensive income shall be reclassified as profit or loss, or retained earnings, on the same basis as would be required if the Group had directly disposed of the previously held equity interest.

The Group applies the book-value method to account for business combinations of entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book value on the consolidated financial statements of the Group. In addition, the difference between (a) the sum of consolidated net book value of the assets and liabilities transferred and accumulated other comprehensive income and (b) the consideration paid, is recognized as capital surplus.

3.1.2 Associates

Associates are entities over which the Group has significant influence over the financial and operating policy decisions. Generally, if the Group holds 20% or more of the voting power of the investee, it is presumed that the Group has significant influence.

Investments in associates are initially recognized at cost and equity method is applied after initial recognition. The carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the investee and changes in the investee's equity after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Unrealized gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the Group's share in associates. If unrealized losses are an indication of an impairment that requires recognition in the consolidated financial statements, those losses are recognized for the period.

If associates use accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associates' accounting policies conform to those of the Group when the associates' financial statements are used by the Group in applying the equity method.

If the Group's share of losses of associates equals or exceeds its interest in the associates (including long-term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

The Group determines at each reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying amount and recognizes the amount as non-operating expenses in the consolidated statement of comprehensive income.

3.1.3 Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. When the Group decides whether it has power over the structured entities in which the Group has interests, it considers factors such as the purpose, the form, the substantive ability to direct the relevant activities of a structured entity, the nature of its relationship with a structured entity, and the amount of exposure to variable returns.

3.1.4 Funds management

The Group manages and operates trust assets, collective investment, and other funds on behalf of investors. These trusts and funds are not consolidated, except for trusts and funds over which the Group has control.

3.1.5 Intragroup transactions

Intragroup balances, income, expenses, and any unrealized gains and losses resulting from intragroup transactions are eliminated in full, in preparing the consolidated financial statements. If unrealized losses are an indication of an impairment that requires recognition in the consolidated financial statements, those losses are recognized for the period.

**3.2 Foreign Currency**

3.2.1 Foreign currency transactions

A foreign currency transaction is recorded, at initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate which is the spot exchange rate at the end of the reporting period. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Except for the exchange differences for the net investment in a foreign operation and the financial liability designated as a hedging instrument of net investment, exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

3.2.2 Foreign operations

The results and financial position of a foreign operation, whose functional currency differs from the Group's presentation currency, are translated into the Group's presentation currency based on the following procedures.

If the functional currency of a foreign operation is not the currency of a hyperinflationary economy, assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the end of the reporting period, income and expenses for each statement of comprehensive income presented (including comparatives) are translated using the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and are translated into the presentation currency at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. On the partial disposal of a subsidiary that includes a foreign operation, the Group re-attributes the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation, the Group reclassifies to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

3.2.3 Translation of the net investment in a foreign operation

A monetary item that is receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the Group's net investment in that foreign operation. The foreign currency difference arising from that monetary item is recognized in other comprehensive income and shall be reclassified to profit or loss on disposal of the net investment.

**3.3 Recognition and Measurement of Financial Instruments**

3.3.1 Initial recognition

The Group recognizes a financial asset or a financial liability in its consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets (a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned) is recognized and derecognized using trade date accounting.

For financial reporting purpose, the Group classifies (a) financial assets as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortized cost and (b) financial liabilities as financial liabilities at fair value through profit or loss, or other financial liabilities. These classifications are based on the business model for managing financial instruments and the contractual cash flow characteristics of the financial instrument at initial recognition.

At initial recognition, a financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of a financial instrument on initial recognition is normally the transaction price (that is, the fair value of the consideration given or received) in an arm's length transaction.

3.3.2 Subsequent measurement

After initial recognition, financial instruments are measured at amortized cost or fair value based on classification at initial recognition.

3.3.2.1 Amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

3.3.2.2 Fair value

The Group uses quoted price in an active market which is based on listed market price or dealer price quotations of financial instruments traded in an active market as best estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no active market for a financial instrument, fair value is determined either by using a valuation technique or independent third-party valuation service. Valuation techniques include using recent arm's length market transactions between knowledgeable and willing parties, if available, referencing the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models.

The Group uses valuation models that are commonly used by market participants and customized for the Group to determine fair values of common over-the-counter (“OTC”) derivatives such as options, interest rate swaps, and currency swaps which are based on the inputs observable in markets. However, for some complex financial instruments that require fair value measurement by valuation techniques based on certain assumptions because some or all inputs used in the model are not observable in the market, the Group uses internal valuation models developed from general valuation models or valuation results from independent external valuation institutions.

In addition, the fair value information recognized in the consolidated statement of financial position is classified into the following fair value hierarchy, reflecting the significance of the input variables used in the fair value measurement.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment using unobservable inputs, that measurement is a Level 3 measurement.

The Group’s Fair Value Evaluation Committee, which consists of the risk management department, trading department and accounting department, reviews the appropriateness of internally developed valuation models, and approves the selection and changing of the external valuation institution and other considerations related to fair value measurement. The results of regular verification of the internally developed valuation models are reported to the Market Risk Management Subcommittee.

If the valuation technique does not reflect all factors which market participants would consider in pricing the asset or liability, the fair value is adjusted to reflect those factors. Those factors include counterparty credit risk, liquidity risk, and others.

The Group uses a valuation technique which maximizes the use of market inputs and minimizes the use of entity-specific inputs. It incorporates all factors that market participants would consider in pricing the asset or liability and is consistent with economic methodologies applied for pricing financial instruments. Periodically, the Group calibrates the valuation technique and tests its validity using prices of observable current market transactions of the same instrument or based on other relevant observable market data.

3.3.3 Derecognition

Derecognition is the removal of a previously recognized financial asset or financial liability from the consolidated statement of financial position. The derecognition criteria for financial assets and financial liabilities are as follows:

3.3.3.1 Derecognition of financial assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial assets expire or the Group transfers substantially all the risks and rewards of ownership of the financial asset, or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and the Group has not retained control. Therefore, if the Group does not transfer substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

If the Group transfers the contractual rights to receive the cash flows of the financial asset but retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the transferred asset in its entirety and recognize a financial liability for the consideration received.

The Group writes off a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. In general, the Group considers write-off when it is determined that the debtor does not have sufficient funds or income to cover the principal and interest. The write-off decision is made in accordance with internal policy. After the write-off, the Group can continue to collect the written-off loans according to the internal policy. Recovered amounts from financial assets previously written-off are recognized in profit or loss.

3.3.3.2 Derecognition of financial liabilities

A financial liability is derecognized from the consolidated statement of financial position when it is extinguished (i.e., the obligation specified in the contract is discharged, canceled or expires).

3.3.4 Offsetting

A financial asset and a financial liability are offset, and the net amount is presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on a future event and must be legally enforceable in the normal course of business, the event of default, and the event of insolvency or bankruptcy of the Group and all of the counterparties.

### 3.4 Cash and Due from Financial Institutions

Cash and due from financial institutions include cash on hand, foreign currency, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and due from financial institutions. Cash and due from financial institutions are measured at amortized cost.

### 3.5 Non-derivative Financial Assets

3.5.1 Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss unless they are classified as financial assets at amortized cost or at fair value through other comprehensive income.

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

After initial recognition, a financial asset at fair value through profit or loss is measured at fair value and gains or losses arising from a change in fair value are recognized in profit or loss. Interest income using the effective interest method and dividend income from financial assets at fair value through profit or loss are also recognized in profit or loss.

3.5.2 Financial assets at fair value through other comprehensive income

The Group classifies below financial assets as financial assets at fair value through other comprehensive income:

Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and where the assets' cash flows solely represent payments of principal and interest on the principal amount outstanding and;
Equity instruments that are not held for short-term trading but held for strategic investment, and designated as financial assets at fair value through other comprehensive income

After initial recognition, a financial asset at fair value through other comprehensive income is measured at fair value. Gains or losses arising from a change in fair value, other than dividend income, interest income calculated using the effective interest method and exchange differences arising on monetary items which are recognized directly in profit or loss, are recognized in other comprehensive income in equity.

When the financial assets at fair value through other comprehensive income is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. However, cumulative gain or loss of equity instruments designated at fair value through other comprehensive income is reclassified to retained earnings not to profit or loss at disposal.

A financial asset at fair value through other comprehensive income denominated in foreign currency is translated at the closing rate. Exchange differences resulting from changes in amortized cost are recognized in profit or loss, and other changes are recognized in equity.

3.5.3 Financial assets at amortized cost

A financial asset, which is held within the business model whose objective is achieved by collecting contractual cash flows, and where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding, is classified as a financial asset at amortized cost. After initial recognition, a financial asset at amortized cost is measured at amortized cost using the effective interest method and interest income is calculated using the effective interest method.

**3.6 Expected Credit Losses of Financial Assets (Debt Instruments)**

The Group recognizes loss allowances for expected credit losses at the end of the reporting period for financial assets at amortized cost and fair value through other comprehensive income except for financial assets at fair value through profit or loss.

Expected credit losses are estimated at present value of probability-weighted amount that is determined by evaluating a range of possible outcomes. The Group measures expected credit losses by reflecting all reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The approaches of measuring expected credit losses in accordance with Korean IFRS are as follows:

- General approach: for financial assets and unused loan commitments not subject to the below approach
- Credit-impaired approach: for financial assets that are credit-impaired at the time of acquisition

Application of general approach is differentiated depending on whether credit risk has increased significantly after initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures loss allowances for that financial instrument at an amount equal to 12-month expected credit losses, whereas if the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures loss allowances for a financial instrument at an amount equal to the lifetime expected credit losses. Lifetime is the period until the contractual maturity date of financial instruments and means the expected life.

The Group assesses whether the credit risk has increased significantly using the following criteria, and if one or more of the following criteria are met, it is deemed as significant increase in credit risk. Criterion of more than 30 days past due is applied to all subsidiaries, and other criteria are applied selectively considering specific indicators of each subsidiary or additionally considering specific indicators of each subsidiary. If the contractual cash flows of a financial asset have been renegotiated or modified, the Group assesses whether the credit risk has increased significantly using the same following criteria.

- More than 30 days past due
- Decline in credit rating at the end of the reporting period by certain notches or more compared to the time of initial recognition
- Subsequent managing ratings below certain level in the early warning system
- Debt restructuring (except for impaired financial assets)
- Credit delinquency information of Korea Credit Information Services and
- Identification of a significant increase in other credit risk, etc.

The Group generally considers the loan to be credit-impaired if one or more of the following criteria are met:

- 90 days or more past due
- Legal proceedings related to collection
- A borrower registered on the credit management list of Korea Federation of Banks
- A corporate borrower with the credit rating C and D
- Refinancing and
- Debt restructuring

3.6.1 Forward-looking information

The Group uses forward-looking information, when determining whether credit risk has increased significantly and measuring expected credit losses.

The Group assumes that the risk components have a constant correlation with the economic cycle and uses statistical methodologies to estimate the relation between key macroeconomic variables and risk components for the expected credit losses. The Group has derived a correlation between the time series data of 15 years or more and the key macroeconomic variables and calculates the expected credit losses by reflecting the results of the correlation on the risk component.

The correlation between the major macroeconomic variables and the credit risk are as follows:

| Key macroeconomic variables | Correlation between the major macroeconomic variables and the credit risk |
|---|---|
| Benchmark interest rate | (+) |
| AA- rated corporate bond (3-year) | (+) |
| BBB- rated corporate bond (3-year) | (+) |
| Composite stock index | (-) |
| Rate of increase in housing transaction price index (Whole Country) | (-) |
| Rate of increase in housing transaction price index (Metropolitan Area) | (-) |
| WTI crude oil price | (+) |

Forward-looking information used in the calculation of expected credit losses is based on the macroeconomic forecasts utilized by management of the Group for its business plan considering reliable external agency's forecasts and others. The forward-looking information is generated by KB Research with a comprehensive approach to capture the possibility of various economic forecast scenarios that are derived from the internal and external viewpoints of the macroeconomic situation. The Group determines the macroeconomic variables to be used in forecasting future conditions of the economy, considering the direction of the forecast scenario based on GDP growth and the significant relationship between macroeconomic variables and time series data. Some macroeconomic variables used are different than those used in the previous year.

As of December 31, 2025, the Group measures expected credit losses by applying both the worse scenario and the crisis scenario, taking into consideration the potential credit risk resulting from the uncertain financial environment locally and globally and the rapid economic recession.

If we assume a probability weight of 100% for each scenario, the impact of the Group on expected credit loss allowances and provisions would be as follows.

*(In millions of Korean won)*

| Scenario | Applied probability weight | Assumption of 100% | Difference from the book value |
|---|---|---|---|
| Deterioration | 80% | 1,656,592 | (873,402) |
| Crisis situation | 20% | 6,036,819 | 3,506,825 |

3.6.2 Measuring expected credit losses on financial assets at amortized cost

The expected credit losses of financial assets at amortized cost are measured as present value of the difference between the contractual cash flows to be received and the cash flows expected to be received. The Group estimates expected future cash flows for financial assets that are individually significant. The Group selects the individually significant financial assets by comprehensively considering quantitative and qualitative factors (such as debt restructuring or negative net assets, etc.) when the credit risk has increased significantly or the financial asset in credit-impaired (individual assessment of impairment).

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

3.6.2.1 Individual assessment of impairment

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

3.6.2.2 Collective assessment of impairment

Collective assessment of impairment losses is performed by using a methodology based on historical loss experience and reflecting forward-looking information. Such a process incorporates factors such as type of collateral, type of product, type of borrower, 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 Group applies certain assumptions to model expected credit losses assessment and to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce the gap between loss estimate and actual loss experience.

The lifetime expected credit losses are measured by applying the PD to the carrying amount, which is calculated by deducting the expected principal repayment amount from the carrying amount as of the reporting date, and the LGD adjusted to reflect changes in the carrying amount.

3.6.3 Measuring expected credit losses on financial assets at fair value through other comprehensive income

The Group measures expected credit losses on financial assets at fair value through other comprehensive income in a manner that is consistent with the requirements that are applicable to financial assets at amortized cost. However, loss allowances are recognized in other comprehensive income. Upon disposal or repayment of financial assets at fair value through other comprehensive income, the amount of loss allowances is reclassified from other comprehensive income to profit or loss.

### 3.7 Derivative Financial Instruments

The Group enters into numerous derivative financial instrument contracts such as currency forwards, interest rate swaps, currency swaps, and others for trading purposes or to manage its interest rate risk, currency risk, and others. The Group's derivative financial instruments business focuses on addressing the needs of the Group's corporate clients to hedge their risk exposure and to hedge the Group's risk exposure that results from such client contracts. These derivative financial instruments are presented as derivative financial instruments in the consolidated financial statements irrespective of transaction purpose and subsequent measurement requirement.

The Group designates certain derivative financial instruments as hedging instruments to hedge the risk of changes in fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge) and the risk of changes in cash flow (cash flow hedge). The Group designates certain derivative and non-derivative financial instruments as hedging instruments to hedge the currency risk of the net investment in a foreign operation (hedge of net investment).

At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. This documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, the inception date of hedging relationship and how the Group will assess the hedging instrument's effectiveness in offsetting the changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Derivative financial instruments are initially recognized at fair value. After initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

3.7.1 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 changes in fair value are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss.

3.7.2 Derivative financial instruments for fair value hedges

If derivative financial instruments are designated and qualify for fair value hedges, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk are recognized in profit or loss as part of other operating income or expenses. If the hedged items are equity instruments for which the Group has elected to present changes in fair value in other comprehensive income, changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk are recognized in other comprehensive income.

Fair value hedge accounting is discontinued prospectively if the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria. Once fair value hedge accounting is discontinued, the adjustment to the carrying amount of a hedged item is amortized to profit or loss by the maturity of the financial instrument using the effective interest method.

3.7.3 Derivative financial instruments for cash flow hedges

The effective portion of changes in fair value of derivative financial instruments that are designated and qualify for cash flow hedges is recognized in other comprehensive income, limited to the cumulative change in fair value (present value) of the hedged item (the present value of the cumulative change in the hedged expected

future cash flows) from inception of the hedge. The ineffective portion is recognized in profit or loss as other operating income or expenses. The associated gains or losses that were previously recognized in other comprehensive income are reclassified from equity to profit or loss (other operating income or expenses) as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affect profit or loss. Cash flow hedge accounting is discontinued prospectively if the Group's risk management strategy or objective changes, or if the hedging instrument expires, is sold, terminated or exercised, or the hedging relationship ceases to meet the qualifying criteria. When the cash flow hedge accounting is discontinued, the cumulative gains or losses on the hedging instrument that have been recognized in other comprehensive income are reclassified to profit or loss over the period in which the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gains or losses that have been recognized in other comprehensive income are immediately reclassified to profit or loss.

3.7.4 Derivative and non-derivative financial instruments designated for net investments hedges

If derivative and non-derivative financial instruments are designated and qualify for the net investment hedge, the effective portion of changes in fair value of the hedging instrument is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss as other operating income or expenses. The cumulative gains or losses on the hedging instrument relating to the effective portion of the hedge that have been accumulated in other comprehensive income will be reclassified from other comprehensive income to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation.

3.7.5 Risk management strategy

Interest rate risk arises from changes in fair value resulting from changes in the discount rate of fixed rate financial instruments and changes in cash flows resulting from changes in the nominal interest rate of floating rate financial instruments. Foreign currency risk arises from the net investment in a foreign operation, whose functional currency differs from the Group's functional currency.

While the Group hedges the interest rate risk in its entirety, the Group only hedges the foreign currency risk related to the proportional part of the notional amount.

At inception of the hedge relationship, the Group reviews the hedge effectiveness; and periodically reviews the effectiveness in order to confirm that economic relationship between the hedged item and the hedging instrument exists. The requirement that an economic relationship exists means that the hedging instrument and the hedged item have values that generally move in the opposite direction due to the same risk, which is the hedged risk. The Group designates the exposure of the hedged item opposite to the exposure of hedging instruments in order to meet economic relationship requirement.

The Group designates the hedge relationship at a one-on-one ratio between the nominal amount of the hedging instrument and the nominal amount of the hedged item.

Hedge ineffectiveness could arise because of differences in the underlying parameters (acquisition date, credit risk or liquidity and others) or other differences between the hedging instrument and the hedged item that the Group accepts in order to achieve a cost-effective hedging relationship.

The Group avoids the cash flow variability of its floating rate debt securities by using interest rate swaps. Both are linked to the same interest rate; however, the paid amount of the floating rate may be set on different dates. Even if the variability of interest rate related cash flows (as a risk factor) is designated as a hedged item, the difference in set-up dates creates a hedge ineffectiveness.

The Group avoids the variability of fair values of its fixed rate debt securities by using interest rate swaps. The method of calculating the number of dates for paying fixed-rate interest can be different between hedging instruments and hedged items. Even if the variability of the fair value due to the benchmark interest rate (as a risk factor) is designated as a hedged item, the difference in the method of calculating the number of the dates creates a hedge ineffectiveness.

3.7.6 Embedded derivatives

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if, (a) the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and (c) the hybrid contract contains a host that is not a financial asset and is not designated as at fair value through profit or loss. Gains or losses arising from a change in fair value of an embedded derivative separated from the host contract are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss.

3.7.7 Day one gains or losses

If the Group uses a valuation technique that incorporates unobservable inputs for the fair value of the OTC derivatives at initial recognition, there may be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. If the fair value is subsequently determined using observable inputs, the remaining deferred amount is recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss or other operating income or expenses.

**3.8 Property and Equipment**

3.8.1 Recognition and measurement

Property and equipment that qualify for recognition as an asset are measured at cost and subsequently carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The cost of property and equipment includes any costs directly attributable to bringing the asset to the location and the asset's condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures are capitalized only when they prolong the useful life or enhance values of the assets, but the costs of the day-to-day servicing of the assets such as repair and maintenance costs are recognized in profit or loss as incurred. When part of an item of property and equipment has a useful life different from that of the entire asset, it is recognized as a separate asset.

3.8.2 Depreciation

Land is not depreciated, whereas other property and equipment are depreciated using the method that reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the Group. The depreciable amount of an asset is determined after deducting its residual value.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method and estimated useful life of property and equipment are as follows:

| Property and equipment | Depreciation method | Estimated useful life |
|---|---|---|
| Buildings | Straight-line | 20 ~ 40 years |
| Leasehold improvements | Diminishing-balance | 4 years |
| Equipment and vehicles | Diminishing-balance | 4 years |

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

**3.9 Investment Properties**

3.9.1 Recognition and measurement

Properties held to earn rentals or for capital appreciation or both are classified as investment properties. Investment properties are measured initially at their cost and subsequently the cost model is used.

3.9.2 Depreciation

Land is not depreciated, whereas other investment properties are depreciated using the method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The depreciable amount of an asset is determined after deducting its residual value.

The depreciation method and estimated useful life of investment properties are as follows:

| Investment properties | Depreciation method | Estimated useful life |
|---|---|---|
| Buildings | Straight-line | 40 years |

The residual value, the useful life, and the depreciation method applied to an asset are reviewed at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

**3.10 Intangible Assets**

Intangible assets are measured initially at cost and subsequently carried at their cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets, except for goodwill and membership rights, are amortized using the straight-line or declining-balance method with no residual value over their estimated useful life since the assets are available for use.

| Intangible assets | Amortization method | Estimated useful life |
|---|---|---|
| Industrial property rights | Straight-line | 5 years |
| Software | Straight-line | 4 ~ 5 years |
| Others | Straight-line / Declining-balance | 1 ~ 13 years |

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Where an intangible asset is not being amortized because its useful life is indefinite, the Group carries out a review in each accounting period to confirm whether events and circumstances still support an indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

3.10.1 Goodwill

3.10.1.1 Recognition and measurement

Goodwill related to business combinations before January 1, 2010, is stated at its carrying amount, which was recognized under the Group's previous accounting policy, prior to the transition to Korean IFRS.

Goodwill acquired from business combinations after January 1, 2010, is initially measured as the excess of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the difference is recognized in profit or loss.

For each business combination, the Group decides at the acquisition date whether the non-controlling interests in the acquiree are initially measured at fair value or at the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs incurred to effect a business combination are charged to expenses in the periods in which the costs are incurred and the services are received, except for the costs to issue debt or equity securities.

3.10.1.2 Additional acquisitions of non-controlling interests

Additional acquisitions of non-controlling interests are accounted for as equity transactions. Therefore, no additional goodwill is recognized.

3.10.1.3 Subsequent measurement

Goodwill is not amortized and is stated at cost less accumulated impairment losses. Goodwill that forms part of the carrying amount of an investment in associates is not separately recognized, and an impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment in the associates.

3.10.2 Subsequent expenditures

Subsequent expenditures are capitalized only when they enhance values of the assets. Internally generated intangible assets, such as goodwill and trade name, are not recognized as assets but expensed as incurred.

**3.11 Impairment of Non-financial Assets**

The Group assesses at the end of each reporting period whether there is any indication that a non-financial asset, except for (a) deferred income tax assets, (b) assets arising from employee benefits and (c) non-current assets (or group of assets to be sold) classified as held for sale, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. However, irrespective of whether there is any indication of impairment, the Group tests (a) goodwill acquired in a business combination, (b) intangible assets with an indefinite useful life and (c) intangible assets not yet available for use for impairment annually by comparing their carrying amount with their recoverable amount.

The recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the

present value of the future cash flows expected to be derived from an asset or cash-generating unit that are discounted by a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and recognized immediately in profit or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units that is expected to benefit from the synergies of the combination. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed in a subsequent period. The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset, other than goodwill, may no longer exist or may have decreased, and an impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**3.12 Non-current Assets Held for Sale**

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. A non-current asset (or disposal group) classified as held for sale is measured at the lower of (a) its carrying amount measured in accordance with the applicable Korean IFRS, immediately before the initial classification of the asset (or disposal group) as held for sale and (b) fair value less costs to sell.

A non-current asset is not depreciated (or amortized) while it is classified as held for sale or is part of a disposal group classified as held for sale.

Impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. Gain is recognized for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized.

**3.13 Financial Liabilities**

The Group classifies financial liabilities into financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

3.13.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such at initial recognition. After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. At initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred.

In relation to securities lending or borrowing transactions, when the Group borrows securities from the Korea Securities Depository and others, these transactions are managed as off-balance sheet items. The borrowed securities are treated as financial liabilities at fair value through profit or loss when they are sold. Changes in fair value at the end of the reporting period and difference between carrying amount at redemption and purchased amount are recognized in profit or loss.

3.13.2 Other financial liabilities

Non-derivative financial liabilities other than financial liabilities at fair value through profit or loss are classified as other financial liabilities. Other financial liabilities include deposits, borrowings, debentures, and others. At initial recognition, other financial liabilities are measured at fair value minus transaction costs that are directly attributable to the acquisition. After initial recognition, other financial liabilities are measured at amortized cost, and its interest expense is recognized, using the effective interest method.

When an asset is sold under repurchase agreement, the Group continues to recognize the asset with the amount sold being accounted for as borrowings. The Group derecognizes a financial liability from the consolidated statement of financial position only when it is extinguished (i.e., when the obligation specified in the contract is discharged, canceled or expires).

**3.14 Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Inevitable risks and uncertainties surrounding related events and circumstances are considered in measuring the best estimate of the provisions, and where the effect of the time value of money is material, the amount of provisions is the present value of the expenditures expected to be required to settle the obligation.

Provisions for confirmed and unconfirmed acceptances and guarantees, and unused credit lines of consumer and corporate loans are recognized using a valuation model that applies the credit conversion factor, PD, and LGD.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as provisions.

**3.15 Financial Guarantee Contracts**

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognized at fair value, and classified as other liabilities and are amortized over the contractual term. After initial recognition, financial guarantee contracts are measured at the higher of:

- The amount determined in accordance with Korean IFRS No.1109 *Financial Instruments* and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

### 3.16 Equity Instrument Issued by the Group

An equity instrument is any contract or agreement that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

3.16.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the exercise of stock option are deducted from the equity, net of any tax effects.

3.16.2 Hybrid securities

The financial instruments can be classified as either financial liabilities or equity in accordance with the terms of the contract. The Group classifies hybrid securities as an equity if the Group has the unconditional right to avoid any contractual obligation to deliver cash or another financial asset in relation to the financial instruments. However, hybrid securities issued by subsidiaries are classified as non-controlling interests, dividends are recognized in the consolidated statement of comprehensive income as profit attributable to non-controlling interests.

3.16.3 Compound financial instruments

A compound financial instrument is classified as a financial liability or an equity instrument depending on the substance of the contractual arrangement of such financial instrument. The liability component of the compound financial instrument is measured at fair value of the similar liability without conversion option at initial recognition and subsequently measured at amortized cost using effective interest method until it is extinguished by conversion or matured. The equity component is initially measured at fair value of compound financial instrument in its entirety less fair value of liability component net of tax effect, and it is not remeasured subsequently.

### 3.17 Revenue Recognition

The Group recognizes revenues in accordance with the following steps determined in accordance with Korean IFRS No.1115 *Revenue from Contracts with Customers*.

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

3.17.1 Interest income and expense

Interest income and expense on debt securities at fair value through profit or loss (excluding beneficiary certificates, equity investments, and other debt instruments), loans, financial instruments at amortized cost, and debt securities at fair value through other comprehensive income are recognized in the consolidated statement of comprehensive income using the effective interest method in accordance with Korean IFRS No.1109

*Financial Instruments*. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees and points paid (main components of effective interest rate only) 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 reliably estimate the cash flows and the expected life of a financial instrument, the Group uses the contractual cash flows over the full contractual term of the financial instrument.

Interest income on impaired financial assets is recognized using the interest rate used to discount the expected cash flows for the purpose of measuring the impairment loss. Interest income on debt securities at fair value through profit or loss is also classified as interest income in the consolidated statement of comprehensive income.

3.17.2 Fee and commission income

The Group recognizes financial service fees in accordance with the purpose of charging the fees and the accounting standards of the financial instrument related to the fees earned.

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

Such fees are generally treated as adjustments of effective interest rate. Such fees may include compensation for activities such as evaluating the borrower's financial condition, evaluating and recording guarantees, collateral and other security arrangements, negotiating the terms of the instrument, preparing and processing documents, and closing the transaction and origination fees received on issuing financial liabilities at amortized cost. However, fees relating to the creation or acquisition of a financial instrument at fair value through profit or loss are recognized as revenue immediately.

3.17.2.2 Fees related to performance obligations satisfied over time

If the control of a good or service is transferred over time, the Group recognizes revenue related to performance obligations over the period of performance obligations. Fees charged in return for the services for a certain period of time, such as asset management fees, consignment business fees, etc. are recognized over the period of performance obligations.

3.17.2.3 Fees related to performance obligations satisfied at a point in time

Fees earned at a point in time are recognized as revenue when a customer obtains control of a promised good or service and the Group satisfies a performance obligation.

Commission on negotiation or participation in negotiation for the third party such as trading stocks or other securities, arranging merger and acquisition of business, is recognized as revenue when the transaction has been completed.

If the Group arranges a syndicated loan but does not participate in the syndicated loan or participates in the syndicated loan with the same effective profit as other participants, a syndication arrangement fee is recognized as revenue at the completion of the syndication service.

3.17.3 Net gains or losses on financial instruments at fair value through profit or loss

Net gains or losses on financial instruments at fair value through profit or loss (including changes in fair value, dividends, and gains or losses from foreign currency translation) include gains or losses on financial instruments as follows:

- Gains or losses relating to financial instruments at fair value through profit or loss (excluding interest income using the effective interest rate method)
- Gains or losses relating to derivative financial instruments for trading (including derivative financial instruments for hedging purpose but do not qualify for hedge accounting)

3.17.4 Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established. Dividend income is recognized as net gains or losses on financial instruments at fair value through profit or loss or other operating income depending on the classification of equity securities.

**3.18 Employee Compensation and Benefits**

3.18.1 Post-employment benefits

3.18.1.1 Defined contribution plans

When an employee has rendered service to the Group during a period, the Group recognizes the contribution payable to a defined contribution plan in exchange for that service as post-employment benefits for the period.

3.18.1.2 Defined benefit plans

All post-employment benefits, other than defined contribution plans, are classified as defined benefit plans. The amount recognized as a net defined benefit liability is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period.

The present value of the defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The currency and term of the corporate bonds are consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income.

When the present value of the defined benefit obligation minus the fair value of plan assets results in an asset, it is recognized to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or changes to a defined benefit plan. Such past service cost is immediately recognized as an expense for the period.

3.18.2 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. When an

employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense for the period.

The expected cost of profit-sharing and bonus payments is recognized as liabilities when the Group has a present legal or constructive obligation to make payments as a result of past events, such as service rendered by employees, and a reliable estimate of the obligation can be made.

3.18.3 Share-based payment

The Group provides its executives and employees with stock grants and mileage stock programs. When stock grants are exercised, the Group can either select to distribute shares of KB Financial Group Inc., the Parent Company or compensate in cash based on the share price. When mileage stock is exercised, the Group pays the amount equivalent to share price of KB Financial Group Inc. in cash.

For a share-based payment transaction in which the terms of the arrangement provide the Group with the choice of whether to settle in cash or by issuing equity instruments, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions because the Group determines that it has a present obligation to settle in cash based on a past practice and a stated policy of settling in cash. Therefore, the Group measures the liability incurred as consideration for the service received at fair value and recognizes related expense and accrued expense over the vesting periods. For mileage stock, the Group accounts for the transaction in accordance with the requirements applying to cash-settled share-based payment transactions, which are recognized as expenses and accrued expenses at the time of vesting.

Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss as share-based payments.

3.18.4 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognizes a liability and expense for termination benefits at the earlier of the following dates; when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring that is within the scope of Korean IFRS No.1037 and involves the payment of termination benefits. If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then the termination benefits are discounted to present value.

**3.19 Income Tax Expense**

Income tax expense comprises current tax expense and deferred income tax expense. Current and deferred income taxes are recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from (a) a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity and (b) a business combination.

3.19.1 Current income tax

Current income tax is the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a period. A difference between the taxable profit and accounting profit may arise when income or expense is included in accounting profit in one period but is included in taxable profit in a different period. Differences may also arise if there is revenue that is exempt from taxation, or expense that is not deductible in determining

taxable profit (loss). Current income tax liabilities for the current and prior periods are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group offsets current income tax assets and current income tax liabilities if, and only if, the Group (a) has a legally enforceable right to offset the recognized amounts and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.19.2 Deferred income tax

Deferred income tax is recognized, using the asset-liability method, on temporary differences arising between the tax-based amount of assets and liabilities and their carrying amount in the financial statements. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax assets and liabilities are not recognized if they arise 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 accounting nor taxable profit or loss.

The Group recognizes a deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and deferred income tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred income tax assets and deferred income tax liabilities if, and only if the Group has a legally enforceable right to offset current income tax assets against current income tax liabilities and the deferred income tax assets and the deferred income 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 income 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 income tax liabilities or assets are expected to be settled or recovered.

3.19.3 Uncertain tax positions

Uncertain tax positions arise from tax treatments applied by the Group which may be challenged by the tax authorities due to the complexity of the transaction or different interpretation of the tax laws, such as a claim for rectification, a claim for a refund related to additional tax or a tax investigation by the tax authorities. The Group recognizes its uncertain tax positions in the consolidated financial statements in accordance with Korean IFRS No.1012 and Interpretation of Korean IFRS No.2123. The income tax asset is recognized if a tax refund is

probable for taxes levied by the tax authority, and the amount to be paid as a result of the tax investigation and others is recognized as the current tax payable. However, penalty tax and additional refund on tax are regarded as penalty or interest and are accounted for in accordance with Korean IFRS No.1037.

3.19.4 Global Minimum Tax

The Group is subject to the global minimum tax under Pillar 2 legislation and has applied the exemption from recognizing and disclosing related deferred tax.

**3.20 Transactions with the Trust Accounts**

The Group accounts for trust assets separately from its own assets in accordance with the Financial Investment Services and Capital Markets Act. The borrowings from trust accounts represent transfer of funds in trust accounts into banking accounts. Such borrowings from trust accounts are recorded as receivables from the banking accounts in the trust accounts and as borrowings from trust accounts in the banking accounts. The Group earns trust fees from the trust accounts for its management of trust assets and operations. The reserves for future profits and losses are set up in the trust accounts for profits and losses related to those trust funds with a guarantee of the principal or of the principal and a certain minimum rate of return in accordance with the relevant laws and regulations applicable to trust operations. The reserves are used to provide for the losses on such trust funds and, if the losses incurred are in excess of the reserves, the excess losses are compensation paid as a loss on trust management in other operating expenses and the trust accounts recognize the corresponding compensation as compensation from banking accounts.

**3.21 Leases**

The Group as a lessor recognizes lease payments from operating leases as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

A lessee is required to recognize a right-of-use asset (lease assets) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured at the present value.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used, which is the rate of interest that a lessee 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.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability

- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the lessee, and
- An estimate of restoration costs

However, the Group can elect not to apply the requirements of Korean IFRS No.1116 to short-term lease (lease that, at the commencement date, has a lease term of 12 months or less) and leases for which the underlying asset is of low value (for example, underlying leased asset under USD 5,000). The Group applies the exemption of the standard for one time lease of real estate (for training purpose) and leases of low-value assets (underlying assets less than ₩ 5 million or USD 5,000).

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

For sale and leaseback transactions, the Group applies the requirements of Korean IFRS No.1115 *Revenue from Contracts with Customers*, to determine whether the transfer of an asset is accounted for as a sale of that asset.

**3.22 Operating Segments**

The Group identifies its operating segments based on internal reports which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

Segment information includes items which are directly attributable and can be allocated to the segment on a reasonable basis.

## 4. Financial Risk Management

4.1 Summary

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, operational risk, and others.

This note regarding financial risk management provides information about the risks that the Group is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the consolidated financial statements.

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of each business group through increased risk transparency, spread of risk management culture, prevention of risk transfer between risk types, and preemptive response to rapidly changing financial environments. Credit risk, market risk, liquidity risk, and operational risk are recognized as the Group's significant risks and measured and managed by quantifying them in the form of internal capital or Value at Risk ("VaR") using statistical methods.

4.1.2 Risk management organization

4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, approves risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the board of directors, determining the affordable level of risk appetite, and reviewing the level of risk and the status of risk management activities.

4.1.2.2 Risk Management Council

The Risk Management Council deliberates on and resolves matters delegated by the Risk Management Committee and discusses the details of risk management policies and procedures of the Group.

4.1.2.3 Risk Management Subcommittees

The Risk Management Subcommittee implements decisions made by the Risk Management Council and makes practical decisions regarding the implementation of risk management policies and procedures.

- Credit Risk Management Subcommittee
  The Credit Risk Management Subcommittee conducts deliberation and resolution on new approval of non-standard and compound instruments with embedded credit risks, review of credit risks for new products with credit risks, and establishment of exposure limits by industry.

- Market Risk Management Subcommittee
  The Market Risk Management Subcommittee conducts deliberation and resolution on market risk-related matters, such as setting limits on market risk and approving detailed investment standards for new standard, non-standard and compound products.

- Operational Risk Management Subcommittee
  The Operational Risk Management Subcommittee reviews the issues that have a significant effect on the Group's operational risk such as establishment, amendment and abolition of major system, process and others.

- Trust & Fund Customer Asset Risk Management Subcommittee
The Trust & Fund Customer Asset Risk Management Subcommittee reviews the issues that have a significant effect on the trust & fund customer asset risk management such as setting limits on trust & fund customer assets.

4.1.2.4 Risk Management Group

The Risk Management Group manages detailed risk management policies, procedures, and business processes.

4.2 Credit Risk

4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management reporting purposes, the Group considers all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors. The Group defines default as the definition applied to the calculation of Capital Adequacy Ratio under the new Basel Accord (Basel III).

4.2.2 Credit risk management

The Group measures the expected loss and internal capital for the assets subject to credit risk management, including on-balance and off-balance sheet assets, and uses them as management indicators. The Group allocates and manages credit risk internal capital limits.

In addition, to prevent excessive concentration of exposures by borrower and industry, the total exposure limit at the Group level is introduced, applied, and managed to control the credit concentration risk.

All of the Group's loan customers (individuals and corporates) are assigned a credit rating and managed by a credit evaluation system. For individuals, the credit rating is evaluated by utilizing personal information, income and job information, asset information, and bank transaction information. For corporates, the credit rating is evaluated by analyzing and utilizing financial and non-financial information which measures current and future corporate value and ability to repay the debt. Also, the extent to which corporates have the ability to meet debt obligations is comprehensively considered.

The credit rating, once assigned, serves as the fundamental instrument in the Group’s credit risk management, and is applied in a wide range of credit risk management processes, including credit approval, credit limit management, loan pricing, and assessment of allowances for credit losses. For corporates, the Group conducts a regular credit evaluation at least once a year, and the review and supervision departments regularly validate the adequacy of credit ratings to manage credit risks.

In order to establish a credit risk management system, the Group manages credit risk by forming a separate risk management organization. In particular, independently of the Sales Group, the Credit Management & Analysis Group, Retail Customer Group and SME/SOHO Customer Group are in charge of loan policy, loan system, credit rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group is responsible for establishing policies on credit risk management, measuring and limiting internal capital of credit risk, setting credit limits, credit review, and verification of credit rating models.

4.2.3 Maximum exposure to credit risk

The Group's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Financial assets** | | |
| Due from financial institutions [1] | 24,260,096 | 20,832,755 |
| Financial assets at fair value through profit or loss: | | |
| Securities measured at fair value through profit or loss | 25,198,616 | 21,518,991 |
| Loans measured at fair value through profit or loss | 270,623 | 250,141 |
| Due from financial institutions measured at fair value through profit or loss | 412,279 | 158,519 |
| Derivatives | 6,871,392 | 10,249,619 |
| Loans measured at amortized cost [1] | 428,818,361 | 409,867,155 |
| Financial investments: | | |
| Securities measured at fair value through other comprehensive income | 43,299,619 | 43,531,616 |
| Securities measured at amortized cost [1] | 34,293,913 | 36,355,808 |
| Loans measured at fair value through other comprehensive income | 339,057 | 280,908 |
| Other financial assets [1] | 10,483,802 | 9,328,611 |
| | 574,247,758 | 552,374,123 |
| **Off-balance sheet items** [2] | | |
| Acceptances and guarantees contracts | 15,588,992 | 16,420,629 |
| Financial guarantee contracts | 6,333,153 | 5,717,630 |
| Commitments | 119,679,745 | 122,784,119 |
| | 141,601,890 | 144,922,378 |
| | 715,849,648 | 697,296,501 |

[1] After netting of allowance
[2] For details of related provisions, see Note 22.

4.2.4 Credit risk of loans

The Group maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Group assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial assets at fair value through other comprehensive income (debt instruments). Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Group measures the expected credit losses of loans classified as financial assets at amortized cost, by deducting allowances for credit losses in the consolidated statements of financial position. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the consolidated statements of financial position.

4.2.4.1 Credit risk exposure

Credit qualities of loans as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Loans measured at amortized cost *** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 137,484,818 | 10,705,776 | 7,286 | - | - | 148,197,880 |
| Grade 2 | 69,241,676 | 12,089,660 | 11,071 | - | - | 81,342,407 |
| Grade 3 | 3,447,297 | 5,212,502 | 24,505 | - | - | 8,684,304 |
| Grade 4 | 759,730 | 1,075,886 | 30,669 | - | - | 1,866,285 |
| Grade 5 | 8,037 | 643,496 | 2,435,258 | - | - | 3,086,791 |
| | 210,941,558 | 29,727,320 | 2,508,789 | - | - | 243,177,667 |
| **Retail** | | | | | | |
| Grade 1 | 174,425,696 | 5,126,760 | 3,927 | - | - | 179,556,383 |
| Grade 2 | 3,150,412 | 3,727,245 | 13,446 | - | - | 6,891,103 |
| Grade 3 | 219,364 | 877,665 | 15,727 | - | - | 1,112,756 |
| Grade 4 | 83,654 | 353,998 | 20,729 | - | - | 458,381 |
| Grade 5 | 20,723 | 266,178 | 876,463 | - | - | 1,163,364 |
| | 177,899,849 | 10,351,846 | 930,292 | - | - | 189,181,987 |
| **Credit card** | | | | | | |
| Grade 1 | - | - | - | - | - | - |
| Grade 2 | 15,248 | 235 | - | - | - | 15,483 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | 1,680 | 6,605 | - | - | 8,285 |
| | 15,248 | 1,915 | 6,605 | - | - | 23,768 |
| | 388,856,655 | 40,081,081 | 3,445,686 | - | - | 432,383,422 |
| **Loans measured at fair value through other comprehensive income** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 317,446 | - | - | - | - | 317,446 |
| Grade 2 | 21,611 | - | - | - | - | 21,611 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 339,057 | - | - | - | - | 339,057 |
| | 339,057 | - | - | - | - | 339,057 |
| | 389,195,712 | 40,081,081 | 3,445,686 | - | - | 432,722,479 |

4.2.4.1 Credit risk exposure (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Loans measured at amortized cost *** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 132,941,051 | 7,550,591 | 2,515 | - | - | 140,494,157 |
| Grade 2 | 66,438,146 | 11,122,290 | 5,113 | - | - | 77,565,549 |
| Grade 3 | 3,484,997 | 4,493,219 | 14,477 | - | - | 7,992,693 |
| Grade 4 | 778,312 | 894,939 | 8,942 | - | - | 1,682,193 |
| Grade 5 | 17,805 | 676,510 | 2,786,832 | - | - | 3,481,147 |
| | 203,660,311 | 24,737,549 | 2,817,879 | - | - | 231,215,739 |
| **Retail** | | | | | | |
| Grade 1 | 167,237,076 | 4,653,883 | 6,215 | - | - | 171,897,174 |
| Grade 2 | 3,530,814 | 3,795,083 | 9,988 | - | - | 7,335,885 |
| Grade 3 | 262,081 | 1,202,051 | 15,107 | - | - | 1,479,239 |
| Grade 4 | 101,340 | 145,095 | 5,359 | - | - | 251,794 |
| Grade 5 | 21,538 | 526,127 | 822,774 | - | - | 1,370,439 |
| | 171,152,849 | 10,322,239 | 859,443 | - | - | 182,334,531 |
| **Credit card** | | | | | | |
| Grade 1 | - | - | - | - | - | - |
| Grade 2 | 19,418 | - | - | - | - | 19,418 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | 1,900 | 13,324 | - | - | 15,224 |
| | 19,418 | 1,900 | 13,324 | - | - | 34,642 |
| | 374,832,578 | 35,061,688 | 3,690,646 | - | - | 413,584,912 |
| **Loans measured at fair value through other comprehensive income** | | | | | | |
| **Corporate** | | | | | | |
| Grade 1 | 236,614 | - | - | - | - | 236,614 |
| Grade 2 | 44,294 | - | - | - | - | 44,294 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 280,908 | - | - | - | - | 280,908 |
| | 280,908 | - | - | - | - | 280,908 |
| | 375,113,486 | 35,061,688 | 3,690,646 | - | - | 413,865,820 |

* Before netting of allowance

Credit qualities of loans graded according to internal credit ratings as of December 31, 2025 and 2024, are as follows:

| | Corporate | Retail |
|---|---|---|
| Grade 1 | AAA ~ BBB+ | 1 ~ 5 grade |
| Grade 2 | BBB ~ BB | 6 ~ 8 grade |
| Grade 3 | BB- ~ B | 9 ~ 10 grade |
| Grade 4 | B- ~ CCC | 11 grade |
| Grade 5 | CC or under | 12 grade or under |

4.2.4.2 Credit risk mitigation by collateral

Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| Guarantees | 117,143,803 | 13,319,222 | 336,100 | - | - | 130,799,125 |
| Deposits and savings | 3,323,323 | 178,661 | 10,512 | - | - | 3,512,496 |
| Property and equipment | 4,602,282 | 714,871 | 102,408 | - | - | 5,419,561 |
| Real estate | 219,578,201 | 22,296,113 | 1,887,735 | - | - | 243,762,049 |
| | 344,647,609 | 36,508,867 | 2,336,755 | - | - | 383,493,231 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| Guarantees | 119,686,001 | 8,303,088 | 482,439 | - | - | 128,471,528 |
| Deposits and savings | 2,851,931 | 127,130 | 11,704 | - | - | 2,990,765 |
| Property and equipment | 4,027,487 | 682,702 | 134,826 | - | - | 4,845,015 |
| Real estate | 210,244,585 | 20,653,660 | 2,074,757 | - | - | 232,973,002 |
| | 336,810,004 | 29,766,580 | 2,703,726 | - | - | 369,280,310 |

4.2.5 Credit risk of securities

Credit qualities of securities exposed to credit risk other than equity securities among financial investments as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Securities measured at amortized cost *** | | | | | | |
| Grade 1 | 30,924,681 | - | - | - | - | 30,924,681 |
| Grade 2 | 3,378,995 | - | - | - | - | 3,378,995 |
| Grade 3 | 7,175 | - | - | - | - | 7,175 |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 34,310,851 | - | - | - | - | 34,310,851 |
| **Securities measured at fair value through other comprehensive income** | | | | | | |
| Grade 1 | 41,595,465 | - | - | - | - | 41,595,465 |
| Grade 2 | 1,704,154 | - | - | - | - | 1,704,154 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 43,299,619 | - | - | - | - | 43,299,619 |
| | 77,610,470 | - | - | - | - | 77,610,470 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Not applying expected credit losses | Total |
| | | Non-impaired | Impaired | | | |
| **Securities measured at amortized cost *** | | | | | | |
| Grade 1 | 33,003,394 | - | - | - | - | 33,003,394 |
| Grade 2 | 3,369,418 | - | - | - | - | 3,369,418 |
| Grade 3 | - | - | - | - | - | - |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 36,372,812 | - | - | - | - | 36,372,812 |
| **Securities measured at fair value through other comprehensive income** | | | | | | |
| Grade 1 | 40,326,065 | - | - | - | - | 40,326,065 |
| Grade 2 | 3,201,273 | - | - | - | - | 3,201,273 |
| Grade 3 | 4,278 | - | - | - | - | 4,278 |
| Grade 4 | - | - | - | - | - | - |
| Grade 5 | - | - | - | - | - | - |
| | 43,531,616 | - | - | - | - | 43,531,616 |
| | 79,904,428 | - | - | - | - | 79,904,428 |

* Before netting of allowance

4.2.5 Credit risk of securities(cont'd)

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of December 31, 2025 and 2024, are as follows:

| Credit quality | Domestic | | | Foreign | | |
|---|---|---|---|---|---|---|
| | KIS | NICE P&I | FnPricing Inc. | S&P | Fitch-IBCA | Moody's |
| Grade 1 | AA0 to AAA | AA0 to AAA | AA0 to AAA | A- to AAA | A- to AAA | A3 to Aaa |
| Grade 2 | A- to AA- | A- to AA- | A- to AA- | BBB- to BBB+ | BBB- to BBB+ | Baa3 to Baa1 |
| Grade 3 | BBB0 to BBB+ | BBB0 to BBB+ | BBB0 to BBB+ | BB to BB+ | BB to BB+ | Ba2 to Ba1 |
| Grade 4 | BB0 to BBB- | BB0 to BBB- | BB0 to BBB- | B+ to BB- | B+ to BB- | B1 to Ba3 |
| Grade 5 | BB- or under | BB- or under | BB- or under | B or under | B or under | B2 or under |

Credit qualities of debt securities denominated in Korean won are based on the lowest credit rating by the domestic credit rating agencies above, and those denominated in foreign currencies are based on the lowest credit rating by the foreign credit rating agencies above.

4.2.6 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Total |
| | | Non-impaired | Impaired | | |
| **Due from financial institutions measured at amortized cost *** | | | | | |
| Grade 1 | 22,562,423 | - | - | - | 22,562,423 |
| Grade 2 | 787,777 | - | - | - | 787,777 |
| Grade 3 | 122,333 | - | - | - | 122,333 |
| Grade 4 | - | - | - | - | - |
| Grade 5 | 787,728 | - | - | - | 787,728 |
| | 24,260,261 | - | - | - | 24,260,261 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | Total |
| | | Non-impaired | Impaired | | |
| **Due from financial institutions measured at amortized cost *** | | | | | |
| Grade 1 | 19,525,749 | - | - | - | 19,525,749 |
| Grade 2 | 583,467 | - | - | - | 583,467 |
| Grade 3 | 62,213 | - | - | - | 62,213 |
| Grade 4 | - | - | - | - | - |
| Grade 5 | 661,849 | - | - | - | 661,849 |
| | 20,833,278 | - | - | - | 20,833,278 |

* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of December 31, 2025 and 2024, are the same as the criteria for securities other than equity securities.

4.2.7 Credit risk mitigation of derivative financial instruments

Quantification of the extent to which collateral mitigates credit risk of derivative financial instruments as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Deposits, savings, securities, and others | 993,246 | 730,787 |

4.2.8 Credit risk concentration analysis

4.2.8.1 Classifications of loans by country as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | Corporate * | Credit card | Total | % | Allowances | Carrying amount |
| Korea | 184,070,409 | 217,635,777 | - | 401,706,186 | 92.77 | (2,267,060) | 399,439,126 |
| Japan | - | 1,401,964 | - | 1,401,964 | 0.32 | (3,668) | 1,398,296 |
| United States | - | 3,856,249 | - | 3,856,249 | 0.89 | (41,879) | 3,814,370 |
| China | 215,176 | 6,163,073 | - | 6,378,249 | 1.47 | (16,088) | 6,362,161 |
| Cambodia | 3,550,364 | 3,882,085 | - | 7,432,449 | 1.72 | (495,254) | 6,937,195 |
| Indonesia | 1,315,935 | 3,758,219 | 23,768 | 5,097,922 | 1.18 | (488,797) | 4,609,125 |
| Others | 30,103 | 7,089,980 | - | 7,120,083 | 1.65 | (252,315) | 6,867,768 |
| | 189,181,987 | 243,787,347 | 23,768 | 432,993,102 | 100.00 | (3,565,061) | 429,428,041 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | Corporate * | Credit card | Total | % | Allowances | Carrying amount |
| Korea | 177,437,549 | 202,815,337 | - | 380,252,886 | 91.82 | (2,357,985) | 377,894,901 |
| Japan | - | 1,143,582 | - | 1,143,582 | 0.28 | (2,946) | 1,140,636 |
| United States | - | 4,840,908 | - | 4,840,908 | 1.17 | (112,283) | 4,728,625 |
| China | 181,539 | 7,095,199 | - | 7,276,738 | 1.76 | (30,199) | 7,246,539 |
| Cambodia | 3,276,314 | 4,263,552 | - | 7,539,866 | 1.82 | (351,986) | 7,187,880 |
| Indonesia | 1,361,157 | 3,940,205 | 34,642 | 5,336,004 | 1.29 | (526,735) | 4,809,269 |
| Others | 77,972 | 7,648,005 | - | 7,725,977 | 1.86 | (335,623) | 7,390,354 |
| | 182,334,531 | 231,746,788 | 34,642 | 414,115,961 | 100.00 | (3,717,757) | 410,398,204 |

* Expected credit losses of loans measured at fair value through other comprehensive income as of December 31, 2025 and 2024, are ₩ 703 million and ₩ 744 million, respectively.

4.2.8.2 Classifications of corporate loans by industry as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances * | Carrying amount |
| Financial institutions | 25,835,415 | 10.60 | (73,143) | 25,762,272 |
| Manufacturing | 57,966,293 | 23.78 | (534,806) | 57,431,487 |
| Service | 110,376,025 | 45.28 | (948,552) | 109,427,473 |
| Wholesale and retail | 30,813,265 | 12.64 | (544,719) | 30,268,546 |
| Construction | 4,864,248 | 2.00 | (249,830) | 4,614,418 |
| Public sector | 1,894,881 | 0.78 | (55,802) | 1,839,079 |
| Others | 12,037,220 | 4.92 | (175,546) | 11,861,674 |
| | 243,787,347 | 100.00 | (2,582,398) | 241,204,949 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances * | Carrying amount |
| Financial institutions | 20,580,442 | 8.88 | (64,648) | 20,515,794 |
| Manufacturing | 54,054,594 | 23.32 | (586,228) | 53,468,366 |
| Service | 107,974,154 | 46.59 | (1,018,072) | 106,956,082 |
| Wholesale and retail | 30,129,095 | 13.00 | (544,323) | 29,584,772 |
| Construction | 5,043,621 | 2.18 | (261,595) | 4,782,026 |
| Public sector | 1,993,068 | 0.86 | (63,589) | 1,929,479 |
| Others | 11,971,814 | 5.17 | (190,407) | 11,781,407 |
| | 231,746,788 | 100.00 | (2,728,862) | 229,017,926 |

* Expected credit losses of loans measured at fair value through other comprehensive income as of December 31, 2025 and 2024, are ₩ 703 million and ₩ 744 million, respectively.

4.2.8.3 Classifications of retail loans and credit card receivables as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Housing loan | 112,648,211 | 59.54 | (350,734) | 112,297,477 |
| General loan | 76,533,776 | 40.45 | (625,070) | 75,908,706 |
| Credit card | 23,768 | 0.01 | (6,859) | 16,909 |
| | 189,205,755 | 100.00 | (982,663) | 188,223,092 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Loans | % | Allowances | Carrying amount |
| Housing loan | 103,744,074 | 56.89 | (282,053) | 103,462,021 |
| General loan | 78,590,457 | 43.09 | (693,887) | 77,896,570 |
| Credit card | 34,642 | 0.02 | (12,955) | 21,687 |
| | 182,369,173 | 100.00 | (988,895) | 181,380,278 |

4.2.8.4 Classifications of domestic mortgage loans as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Loans * | % | Allowances | Carrying amount |
| Group 1 | 25,494,147 | 19.96 | (29,139) | 25,465,008 |
| Group 2 | 26,589,463 | 20.82 | (24,429) | 26,565,034 |
| Group 3 | 35,543,475 | 27.83 | (55,964) | 35,487,511 |
| Group 4 | 37,715,824 | 29.53 | (95,300) | 37,620,524 |
| Group 5 | 2,337,963 | 1.83 | (14,024) | 2,323,939 |
| Group 6 | 31,695 | 0.03 | (533) | 31,162 |
| | 127,712,567 | 100.00 | (219,389) | 127,493,178 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Loans * | % | Allowances | Carrying amount |
| Group 1 | 25,297,580 | 20.88 | (30,320) | 25,267,260 |
| Group 2 | 27,953,280 | 23.07 | (21,900) | 27,931,380 |
| Group 3 | 35,511,454 | 29.31 | (48,993) | 35,462,461 |
| Group 4 | 30,704,076 | 25.34 | (69,972) | 30,634,104 |
| Group 5 | 1,677,549 | 1.39 | (8,806) | 1,668,743 |
| Group 6 | 16,176 | 0.01 | (200) | 15,976 |
| | 121,160,115 | 100.00 | (180,191) | 120,979,924 |

* Retail loans for general purpose with the real estate as collateral are included.

| | Ranges |
|---|---|
| Group 1 | LTV 0% to less than 20% * |
| Group 2 | LTV 20% to less than 40% |
| Group 3 | LTV 40% to less than 60% |
| Group 4 | LTV 60% to less than 80% |
| Group 5 | LTV 80% to less than 100% |
| Group 6 | LTV over 100% |

* LTV: Loan to Value ratio

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | **Amount** | % | **Allowances** | **Carrying amount** |
| **Due from financial institutions measured at amortized cost** | | | | |
| Government and government funded institutions | 548,066 | 2.26 | - | 548,066 |
| Finance and insurance | 23,712,195 | 97.74 | (165) | 23,712,030 |
| | 24,260,261 | 100.00 | (165) | 24,260,096 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Finance and insurance | 412,279 | 100.00 | - | 412,279 |
| | 412,279 | 100.00 | - | 412,279 |
| **Securities measured at fair value through profit or loss** | | | | |
| Government and government funded institutions | 12,008,132 | 47.65 | - | 12,008,132 |
| Finance and insurance [1] | 11,363,613 | 45.10 | - | 11,363,613 |
| Others | 1,826,871 | 7.25 | - | 1,826,871 |
| | 25,198,616 | 100.00 | - | 25,198,616 |
| **Derivative financial assets** | | | | |
| Government and government funded institutions | 36,363 | 0.53 | - | 36,363 |
| Finance and insurance [1] | 6,045,279 | 87.98 | - | 6,045,279 |
| Others | 789,750 | 11.49 | - | 789,750 |
| | 6,871,392 | 100.00 | - | 6,871,392 |
| **Securities measured at fair value through other comprehensive income [2]** | | | | |
| Government and government funded institutions | 21,038,964 | 48.59 | - | 21,038,964 |
| Finance and insurance | 18,155,306 | 41.93 | - | 18,155,306 |
| Others | 4,105,349 | 9.48 | - | 4,105,349 |
| | 43,299,619 | 100.00 | - | 43,299,619 |
| **Securities measured at amortized cost** | | | | |
| Government and government funded institutions | 14,238,786 | 41.50 | (1,046) | 14,237,740 |
| Finance and insurance | 19,887,446 | 57.96 | (15,573) | 19,871,873 |
| Others | 184,619 | 0.54 | (319) | 184,300 |
| | 34,310,851 | 100.00 | (16,938) | 34,293,913 |
| | 134,353,018 | | (17,103) | 134,335,915 |

4.2.8.5 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Government and government funded institutions | - | - | - | - |
| Finance and insurance | 20,833,278 | 100.00 | (523) | 20,832,755 |
| | 20,833,278 | 100.00 | (523) | 20,832,755 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Finance and insurance | 158,519 | 100.00 | - | 158,519 |
| | 158,519 | 100.00 | - | 158,519 |
| **Securities measured at fair value through profit or loss** | | | | |
| Government and government funded institutions | 9,932,370 | 46.16 | - | 9,932,370 |
| Finance and insurance [1] | 9,987,433 | 46.41 | - | 9,987,433 |
| Others | 1,599,188 | 7.43 | - | 1,599,188 |
| | 21,518,991 | 100.00 | - | 21,518,991 |
| **Derivative financial assets** | | | | |
| Government and government funded institutions | 49,939 | 0.49 | - | 49,939 |
| Finance and insurance [1] | 8,906,997 | 86.90 | - | 8,906,997 |
| Others | 1,292,683 | 12.61 | - | 1,292,683 |
| | 10,249,619 | 100.00 | - | 10,249,619 |
| **Securities measured at fair value through other comprehensive income [2]** | | | | |
| Government and government funded institutions | 15,555,820 | 35.73 | - | 15,555,820 |
| Finance and insurance | 22,464,794 | 51.61 | - | 22,464,794 |
| Others | 5,511,002 | 12.66 | - | 5,511,002 |
| | 43,531,616 | 100.00 | - | 43,531,616 |
| **Securities measured at amortized cost** | | | | |
| Government and government funded institutions | 15,444,860 | 42.46 | (779) | 15,444,081 |
| Finance and insurance | 20,716,357 | 56.96 | (15,863) | 20,700,494 |
| Others | 211,595 | 0.58 | (362) | 211,233 |
| | 36,372,812 | 100.00 | (17,004) | 36,355,808 |
| | 132,664,835 | | (17,527) | 132,647,308 |

[1] Collective investment securities (including transactions with collective investment schemes) are classified as finance and insurance.

[2] Expected credit losses of securities measured at fair value through other comprehensive income as of December 31, 2025 and 2024, are ₩ 9,762 million and ₩ 14,010 million, respectively.

4.2.8.6 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | **Amount** | % | **Allowances** | **Carrying amount** |
| **Due from financial institutions measured at amortized cost** | | | | |
| Korea | 16,625,408 | 68.53 | - | 16,625,408 |
| United States | 3,385,210 | 13.95 | - | 3,385,210 |
| Others | 4,249,643 | 17.52 | (165) | 4,249,478 |
| | 24,260,261 | 100.00 | (165) | 24,260,096 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Others | 412,279 | 100.00 | - | 412,279 |
| | 412,279 | 100.00 | - | 412,279 |
| **Securities measured at fair value through profit or loss** | | | | |
| Korea | 21,530,594 | 85.44 | - | 21,530,594 |
| United States | 805,341 | 3.20 | - | 805,341 |
| Others | 2,862,681 | 11.36 | - | 2,862,681 |
| | 25,198,616 | 100.00 | - | 25,198,616 |
| **Derivative financial assets** | | | | |
| Korea | 2,753,421 | 40.07 | - | 2,753,421 |
| United States | 1,621,717 | 23.60 | - | 1,621,717 |
| France | 554,494 | 8.07 | - | 554,494 |
| Others | 1,941,760 | 28.26 | - | 1,941,760 |
| | 6,871,392 | 100.00 | - | 6,871,392 |
| **Securities measured at fair value through other comprehensive income *** | | | | |
| Korea | 38,622,256 | 89.20 | - | 38,622,256 |
| United States | 2,210,851 | 5.10 | - | 2,210,851 |
| Others | 2,466,512 | 5.70 | - | 2,466,512 |
| | 43,299,619 | 100.00 | - | 43,299,619 |
| **Securities measured at amortized cost** | | | | |
| Korea | 30,357,007 | 88.48 | (12,287) | 30,344,720 |
| United States | 701,592 | 2.04 | (705) | 700,887 |
| United Kingdom | 906,314 | 2.64 | (999) | 905,315 |
| Others | 2,345,938 | 6.84 | (2,947) | 2,342,991 |
| | 34,310,851 | 100.00 | (16,938) | 34,293,913 |
| | 134,353,018 | | (17,103) | 134,335,915 |

4.2.8.6 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by country as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Amount | % | Allowances | Carrying amount |
| **Due from financial institutions measured at amortized cost** | | | | |
| Korea | 13,853,047 | 66.49 | - | 13,853,047 |
| United States | 2,867,699 | 13.76 | (91) | 2,867,608 |
| Others | 4,112,532 | 19.75 | (432) | 4,112,100 |
| | 20,833,278 | 100.00 | (523) | 20,832,755 |
| **Due from financial institutions measured at fair value through profit or loss** | | | | |
| Others | 158,519 | 100.00 | - | 158,519 |
| | 158,519 | 100.00 | - | 158,519 |
| **Securities measured at fair value through profit or loss** | | | | |
| Korea | 18,817,222 | 87.44 | - | 18,817,222 |
| United States | 412,623 | 1.92 | - | 412,623 |
| Others | 2,289,146 | 10.64 | - | 2,289,146 |
| | 21,518,991 | 100.00 | - | 21,518,991 |
| **Derivative financial assets** | | | | |
| Korea | 3,932,304 | 38.37 | - | 3,932,304 |
| United States | 2,796,950 | 27.29 | - | 2,796,950 |
| France | 1,117,765 | 10.91 | - | 1,117,765 |
| Others | 2,402,600 | 23.43 | - | 2,402,600 |
| | 10,249,619 | 100.00 | - | 10,249,619 |
| **Securities measured at fair value through other comprehensive income *** | | | | |
| Korea | 38,303,118 | 87.99 | - | 38,303,118 |
| United States | 2,670,207 | 6.13 | - | 2,670,207 |
| Others | 2,558,291 | 5.88 | - | 2,558,291 |
| | 43,531,616 | 100.00 | - | 43,531,616 |
| **Securities measured at amortized cost** | | | | |
| Korea | 31,752,689 | 87.30 | (12,380) | 31,740,309 |
| United States | 1,706,669 | 4.69 | (1,112) | 1,705,557 |
| United Kingdom | 859,745 | 2.36 | (953) | 858,792 |
| Others | 2,053,709 | 5.65 | (2,559) | 2,051,150 |
| | 36,372,812 | 100.00 | (17,004) | 36,355,808 |
| | 132,664,835 | | (17,527) | 132,647,308 |

* Expected credit loss of securities measured at fair value through other comprehensive income as of December 31, 2025 and 2024, are ₩ 9,762 million and ₩ 14,010 million, respectively.

Due from financial institutions, financial instruments at fair value through profit or loss linked to the gold price, and derivative financial instruments are mostly related to the finance and insurance industries with high credit ratings.

4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate 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 interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

4.3.2 Liquidity risk management and indicator

The liquidity risk is managed by comprehensive risk management policies and Asset Liability Management ("ALM") risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Group.

The Group establishes a liquidity risk management strategy, including objectives of liquidity risk management, management policies, and internal control systems, and obtains approval from the Risk Management Committee. The Risk Management Committee establishes the Risk Management Council for efficient risk management to supervise the establishment and implementation of policies according to risk management strategies.

The Group calculates and manages the Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR"), liquidity ratio, maturity mismatch ratio and liquidity stress testing results for all transactions and off-balance sheet transactions, that affect the cash flows in Korean won and foreign currency funds raised and operated for the management of liquidity risks and periodically reports them to the Risk Management Council and the Risk Management Committee.

4.3.3 Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest and payments; as such, amounts in the table below do not match with those in the consolidated statements of financial position which are based on discounted cash flows. The future interest payments of floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | On demand | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss [1] | 420,329 | - | - | - | - | - | 420,329 |
| Derivatives held for trading [1] | 5,798,316 | - | - | - | - | - | 5,798,316 |
| Derivatives held for hedging [2] | - | 2,770 | (4,882) | 11,169 | 14,421 | (58) | 23,420 |
| Deposits [3] | 180,167,438 | 40,302,084 | 56,827,805 | 141,418,287 | 28,465,302 | 1,288,453 | 448,469,369 |
| Borrowings | 2,929 | 12,689,691 | 3,529,013 | 9,687,764 | 6,393,111 | 871,550 | 33,174,058 |
| Debentures | 868 | 2,287,141 | 3,840,124 | 15,054,644 | 15,314,709 | 1,977,488 | 38,474,974 |
| Lease liabilities | 633 | 22,378 | 43,569 | 173,995 | 490,534 | 15,073 | 746,182 |
| Other financial liabilities | 2,965 | 21,002,519 | 18,495 | 139,270 | 8,710 | - | 21,171,959 |
| | 186,393,478 | 76,306,583 | 64,254,124 | 166,485,129 | 50,686,787 | 4,152,506 | 548,278,607 |
| **Off-balance sheet items** | | | | | | | |
| Commitments [4] | 119,679,745 | - | - | - | - | - | 119,679,745 |
| Acceptances and guarantees contracts [5] | 15,588,992 | - | - | - | - | - | 15,588,992 |
| Financial guarantee contracts [5] | 6,333,153 | - | - | - | - | - | 6,333,153 |
| | 141,601,890 | - | - | - | - | - | 141,601,890 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | On demand | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss [1] | 159,212 | - | - | - | - | - | 159,212 |
| Derivatives held for trading [1] | 9,577,007 | - | - | - | - | - | 9,577,007 |
| Derivatives held for hedging [2] | - | 309 | 6,074 | 9,715 | 21,356 | (3,206) | 34,248 |
| Deposits [3] | 168,376,031 | 41,485,645 | 57,566,816 | 136,747,218 | 24,290,213 | 1,504,585 | 429,970,508 |
| Borrowings | 2,105 | 10,945,009 | 5,137,355 | 9,241,974 | 6,895,462 | 970,093 | 33,191,998 |
| Debentures | 1,113 | 1,515,914 | 3,629,101 | 11,878,286 | 16,151,920 | 4,084,998 | 37,261,332 |
| Lease liabilities | 196 | 22,118 | 42,394 | 174,266 | 482,320 | 107,434 | 828,728 |
| Other financial liabilities | 2,966 | 17,652,160 | 23,715 | 137,009 | 9,076 | - | 17,824,926 |
| | 178,118,630 | 71,621,155 | 66,405,455 | 158,188,468 | 47,850,347 | 6,663,904 | 528,847,959 |
| **Off-balance sheet items** | | | | | | | |
| Commitments [4] | 122,784,119 | - | - | - | - | - | 122,784,119 |
| Acceptances and guarantees contracts [5] | 16,420,629 | - | - | - | - | - | 16,420,629 |
| Financial guarantee contracts [5] | 5,717,630 | - | - | - | - | - | 5,717,630 |
| | 144,922,378 | - | - | - | - | - | 144,922,378 |

[1] Financial liabilities at fair value through profit or loss and derivatives held for trading are not managed by contractual maturity because they are expected to be traded or redeemed before maturity. Therefore, the carrying amounts of those financial instruments are included in the 'On demand' category.

[2] Cash flows of derivative instruments held for hedging are shown at net amount of cash inflows and outflows by remaining contractual maturity.

[3] Deposits that are contractually repayable on demand or on short notice are included in the 'On demand' category.

[4] Unused lines of credit within commitments are included in the 'On demand' category because payments can be requested at any time.

[5] Cash flows under acceptances and financial guarantee contracts are classified based on the earliest period that the contract can be executed.

4.3.3.2 Contractual cash flows of derivatives held for cash flow hedge as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| Cash flow to be received from net-settled derivatives | 356 | 3,116 | 10,227 | 10,805 | - | 24,504 |
| Cash flow to be paid from net-settled derivatives | 503 | 387 | 1,009 | 1,773 | - | 3,672 |

| *(In millions of Korean won)* | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | Total |
| Cash flow to be received from net-settled derivatives | 1,158 | 5,372 | 19,528 | 45,759 | - | 71,817 |
| Cash flow to be paid from net-settled derivatives | - | - | - | - | - | - |

4.4 Market Risk

4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks including stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

4.4.2 Risk management

The Group sets and monitors internal capital limits for market risk and interest rate risk to manage the risks of trading and non-trading positions. In order to manage market risk efficiently, the Group maintains risk management systems and procedures such as trading policies and procedures, market risk management guidelines for trading positions, and ALM risk management guidelines for non-trading positions. The entire process is carried out through the approval by the Risk Management Council and the Risk Management Committee of the Group.

The Group's Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer ("CRO"), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

4.4.2 Risk management(cont'd)

The Asset-Liability Management Committee ("ALCO") determines interest rate and commission operating standards and ALM operation policies and enacts and revises relevant guidelines. The Risk Management Council monitors the establishment and enforcement of ALM risk management policies and enacts and revises ALM risk management guidelines. Interest rate risk limits are set based on future asset and liability positions and expected interest rate volatility, which reflect annual business plans. The Financial Planning Department and the Risk Management Department regularly measure and monitor interest rate risk and report the status and limit of interest rate risk including changes in Economic Value of Equity ("△EVE"), changes in Net Interest Income ("△NII"), and duration gap to the ALCO and the Risk Management Council on a monthly basis, and to the Risk Management Committee on a quarterly basis. To ensure the adequacy of interest rate risk and liquidity risk management, the Risk Management Department assigns the limits, monitors and reviews the procedures and tasks of ALM operations conducted by the financial planning department, and reports related matters to the management independently.

4.4.3 Trading position

4.4.3.1 Definition of a trading position

The trading position, which is subject to market risk management, includes interest rate position and stock position held for short-term trading profit. The Group also includes and manages all foreign currency positions in our trading positions. The trading position subject to market risk management is the trading position defined in "Trading Policy and Guidelines" and the basic requirements for the trading position are as follows:

- The target position has no restrictions on the sale, the daily fair value assessment should be made, and the embedded significant risk can be hedged in the market.
- The trading position classification criteria should be clearly defined in the Trading Policy and Guidelines, and the trading position should be managed by a separate trading department.
- The target position must be operated according to the documented trading strategy, and the management of position limit must be carried out.
- The specialized dealer or operating department shall have the authority to execute the transaction without prior approval from the Risk Management Department, etc. within the predetermined limits of the target position.
- The target positions should be periodically reported to management for risk management of the Group.

4.4.3.2 Methods of observing market risk arising from trading positions

The group is required to calculate regulatory capital for all trading positions using the standard method through market risk management systems, following the adoption of Basel III market risk standard approach regulation in 2023.
Furthermore, risk control and management for derivative financial product transactions are conducted in accordance with regulations and guidelines set by the Financial Supervisory Service.

4.4.3.3 Standard Method

Market risk regulatory capital is calculated using the Basel III standard method as follows.

[Market risk regulatory capital = (a) Sensitivity-based risk + (b) Default risk + (c) Residual risk]

- Sensitivity-based risk, which forms the basis of the Basel III standard method for market risk, involves calculating the expected losses for each risk factor by applying and aggregating the risk weights and correlation coefficients specified by the Basel Committee.
- Default risk is the risk that arises from the issuer default of securities and derivatives that are not considered in sensitivity-based risk. It is calculated by applying risk weights based on the issuer's credit rating and other factors.
- Residual risk is the risk that is not considered by sensitivity-based and default risk calculations. It is calculated by applying a certain percentage determined by the Basel Committee to the nominal value of structured products and other non-standard underlying assets.

| | | | **Description** |
|---|---|---|---|
| Sensitivity-based risk | Interest rate risk group | GIRR | The risk associated with risk-free interest rates (typically OIS rates) defined by currency and maturity. |
| | | CSR | The risk associated with the issuer's interest rate credit spread, defined by creditworthiness and sector. |
| | Equity risk group | | The risk factors associated with equity, defined by market capitalization, economic conditions, and sector |
| | Foreign exchange risk group | | The risk factors associated with exchange rate, defined by currency pairs |
| | Commodity risk group | | The risk factors associated with commodities, defined by commodity types. |
| Default risk | | | Issuer default risk in securities (bonds, etc.) and derivatives. |
| Residual risk | | | Additional risks imposed on non-standard underlying asset products, etc. |

4.4.3.3 Standard Method(cont'd)

The table below represents regulatory capital for sensitivity-based risk, default risk, and residual risk of trading positions at the end of 2025 and 2024, respectively.

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Sensitivity-based risk | GIRR(General interest rate | 108,107 | 108,534 |
| | CSR(Non- securitization) | 164,655 | 122,780 |
| | CSR(Securitization n-CTP) | 249 | 1,036 |
| | Equity risk | 15,603 | 5,909 |
| | Foreign exchange risk | 138,816 | 179,482 |
| | General commodity risk | 25 | 15 |
| Default risk | | 63,128 | 52,293 |
| Residual risk | | 1,243 | 1,070 |
| Total | | 491,826 | 471,119 |

Risks arising from trading positions primarily result from interest rate, equity price, and foreign exchange movements. The causes of such risks and the related risk management methods are as follows:

4.4.3.3.1 Interest Rate Risk
Interest rate risk in trading positions mainly arises from debt securities denominated in Korean won. The Group's trading strategy is to generate short-term trading gains from fluctuations in interest rates. Interest rate risk related to the major trading portfolio is managed using sensitivity analysis (Price Value of a Basis Point: PVBP).

4.4.3.3.2 Stock Price Risk
Stock price risk mainly arises from stock spot positions held by principal-guaranteed trusts and stock-related derivative positions held by the market trading division. Such stock price risk is managed through sensitivity limits and other risk control measures.

4.4.3.3.3 Currency Risk
Foreign exchange risk arises from holding assets, liabilities, and currency-related derivatives denominated in foreign currencies other than Korean won. The majority of the net open foreign currency exposure arises in U.S. dollars and Indonesian rupiah. Such foreign exchange risk is managed through limits on net open foreign currency exposures and other internal control mechanisms.

4.4.4 Non-trading position (Interest Rate Risk of Banking Book ("IRRBB"))

4.4.4.1 Definition of IRRBB

IRRBB is a change in equity and earnings due to the changes in value of interest-sensitive assets and liabilities, etc., and is measured by △EVE and △NII.

4.4.4.2 The Bank's overall interest rate risk management and mitigation strategy

The Risk Management Committee approves policies, procedures and limits for managing interest rate risk, and the management department regularly reports on interest rate risk levels of △EVE and △NII against the set limit, changes in market conditions, and others. In order to measure the sensitivity of the economic value and earnings to changes in interest rates, the Bank calculates monthly interest rate gap and duration gap for assets and liabilities. In addition, the management department conducts an interest rate risk crisis analysis at least once a quarter assuming abnormal interest rate fluctuations and reports the results to the Risk Management Council.

4.4.4.2 The Bank's overall interest rate risk management and mitigation strategy(cont'd)

Independent internal and external audit department regularly check the process of identifying, measuring and monitoring interest rate risk. The interest rate risk model adequacy test is carried out regularly at least once a year by the verification department independent of the management department.

4.4.4.3 Main modeling assumption used for the Bank's interest rate risk measurement system for internal management

The bank measures adverse fluctuations in economic value resulting from changes in interest rates following the interest rate risk calculation standards set by the Financial Supervisory Service.

4.4.4.4 The Bank's interest rate risk hedging methodology and related accounting

The Bank hedges interest rate risk through back-to-back interest rate swap transactions, which are the same as interest payment cash flows. The Bank officially documents and manages the risk management strategy for hedge accounting, risk management objectives, hedging relationship, and assessment method for hedge effectiveness.

4.4.4.5 Main assumptions used for calculating △EVE, △NII

The Bank calculates interest rate risk, including all cash flow of interest-sensitive assets and liabilities, and off-balance sheet items in the banking book. △EVE assumes a run-off balance sheet where the existing bank account positions are amortized and not replaced by new businesses. In addition, the contractual interest rate, including commercial margins and other spread components, is applied to generate cash flows. When discounting cash flows, △EVE is calculated by applying risk-free interest rate that do not include commercial margins and other spread components.

△NII assumes a constant balance sheet where maturing or repricing cash flows during the target management period are replaced by new cash flows with identical features. The interest rate risk is calculated for the interest rate shock scenario by adding up only if the risk is a loss for each currency. After classifying into retail/transactional, retail/non-transactional, and wholesale according to customers and regular transactions, the average repricing maturity of non-maturity deposits is determined by taking into account the proportion of core deposits and cap on average maturity of core deposits for each category. The average repricing maturity of non-maturity deposits is 2.5 years for core deposits, 1 day for non-core deposits, and the longest repricing maturity is five years. The prepayment rate of fixed rate loans and term deposit redemption ratio are estimated by dividing the amount of prepayment amount and redemption amount during the previous month by the balance at the end of the previous month, respectively.

4.4.4.6 △EVE and △NII

The Bank calculates △EVE by applying six interest rate shock and stress scenarios, and △NII is calculated by applying parallel shock up and parallel shock down scenarios. Results as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **December 31, 2025** | | **December 31, 2024** | |
|---|---|---|---|---|
| | **△EVE** | **△NII** | **△EVE** | **△NII** |
| Scenario 1 (Parallel shock up) | 990,410 | 232,080 | 830,102 | 205,111 |
| Scenario 2 (Parallel shock down) | - | 99,869 | - | - |
| Scenario 3 (Short rates down and long rates up) | 664,573 | | 398,065 | |
| Scenario 4 (Short rates up and long rates down) | 327,654 | | 447,275 | |
| Scenario 5 (Short rates shock up) | 598,002 | | 540,388 | |
| Scenario 6 (Short rates shock down) | 226,291 | | 132,113 | |
| Maximum out of six scenarios | 990,410 | 232,080 | 830,102 | 205,111 |
| Basic capital | 36,960,176 | | 35,059,009 | |

4.4.5 Financial assets and liabilities denominated in foreign currencies

Details of financial instruments denominated in foreign currencies and translated into Korean won as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **USD** | **JPY** | **EUR** | **GBP** | **CNY** | **Others** | **Total** |
| **Financial assets** | | | | | | | |
| Cash and due from financial institutions | 8,250,614 | 557,926 | 123,283 | 39,776 | 749,037 | 1,004,588 | 10,725,224 |
| Financial assets at fair value through profit or loss | 3,417,279 | - | 680,428 | 75,215 | - | 286,475 | 4,459,397 |
| Derivatives held for trading | 65,128 | 1,767 | 15 | 22 | 1,891 | 1,514 | 70,337 |
| Derivatives held for hedging | 46,690 | - | - | - | - | - | 46,690 |
| Loans measured at amortized cost | 31,510,418 | 963,163 | 3,551,314 | 1,040,002 | 2,065,070 | 6,368,593 | 45,498,560 |
| Financial assets at fair value through other comprehensive income | 4,975,935 | - | 114,795 | 44,045 | 792,810 | 919,732 | 6,847,317 |
| Financial assets at amortized cost | 2,170,326 | - | 6,755 | 223,892 | 166,666 | 1,800,132 | 4,367,771 |
| Other financial assets | 3,401,391 | 237,761 | 142,335 | 43,992 | 73,963 | 312,910 | 4,212,352 |
| | 53,837,781 | 1,760,617 | 4,618,925 | 1,466,944 | 3,849,437 | 10,693,944 | 76,227,648 |
| **Financial liabilities** | | | | | | | |
| Derivatives held for trading | 154,454 | 1,447 | 1,023 | 22 | 48 | 1,439 | 158,433 |
| Derivatives held for hedging | 28,264 | - | 1 | - | - | 93 | 28,358 |
| Deposits | 28,222,601 | 1,528,111 | 2,023,975 | 799,418 | 3,054,811 | 5,745,907 | 41,374,823 |
| Borrowings | 13,580,282 | 114,964 | 521,737 | 209,277 | 772,626 | 1,889,373 | 17,088,259 |
| Debentures | 7,740,817 | - | 4,716,769 | 96,619 | - | 717,093 | 13,271,298 |
| Other financial liabilities | 4,362,374 | 154,911 | 265,565 | 44,933 | 71,506 | 693,031 | 5,592,320 |
| | 54,088,792 | 1,799,433 | 7,529,070 | 1,150,269 | 3,898,991 | 9,046,936 | 77,513,491 |
| **Off-balance sheet items** | 23,582,827 | 104,480 | 287,666 | 12,828 | 550,303 | 613,662 | 25,151,766 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **USD** | **JPY** | **EUR** | **GBP** | **CNY** | **Others** | **Total** |
| **Financial assets** | | | | | | | |
| Cash and due from financial institutions | 7,596,258 | 538,385 | 121,164 | 45,365 | 463,645 | 980,489 | 9,745,306 |
| Financial assets at fair value through profit or loss | 2,727,566 | - | 561,866 | 29,154 | - | 167,050 | 3,485,636 |
| Derivatives held for trading | 184,605 | 104 | 36 | 91 | 13,604 | 1,993 | 200,433 |
| Derivatives held for hedging | 66,724 | - | - | 2 | - | 76 | 66,802 |
| Loans measured at amortized cost | 31,381,203 | 877,024 | 3,238,842 | 981,516 | 2,114,302 | 6,378,649 | 44,971,536 |
| Financial assets at fair value through other comprehensive income | 5,012,179 | - | 74,586 | 50,415 | 549,307 | 1,280,473 | 6,966,960 |
| Financial assets at amortized cost | 3,117,597 | - | 6,140 | 227,140 | 200,747 | 1,559,289 | 5,110,913 |
| Other financial assets | 3,335,330 | 37,769 | 91,749 | 44,459 | 50,833 | 167,001 | 3,727,141 |
| | 53,421,462 | 1,453,282 | 4,094,383 | 1,378,142 | 3,392,438 | 10,535,020 | 74,274,727 |
| **Financial liabilities** | | | | | | | |
| Derivatives held for trading | 176,726 | 850 | 113 | 91 | 2,850 | 28 | 180,658 |
| Derivatives held for hedging | 65,926 | - | - | - | - | 202 | 66,128 |
| Deposits | 28,425,204 | 1,570,196 | 1,632,913 | 1,057,406 | 2,513,885 | 5,029,136 | 40,228,740 |
| Borrowings | 15,329,541 | 452,189 | 939,858 | 179,758 | 372,293 | 2,129,477 | 19,403,116 |
| Debentures | 7,876,061 | - | 3,902,818 | - | - | 557,601 | 12,336,480 |
| Other financial liabilities | 4,447,288 | 121,120 | 112,814 | 25,741 | 87,376 | 16,793 | 4,811,132 |
| | 56,320,746 | 2,144,355 | 6,588,516 | 1,262,996 | 2,976,404 | 7,733,237 | 77,026,254 |
| **Off-balance sheet items** | 26,589,498 | 69,921 | 233,081 | 20,660 | 319,934 | 519,447 | 27,752,541 |

4.5 Operational Risk

4.5.1 Concept

The Group defines operational risk as loss risk arising from improper or incorrect internal procedures, personnel, systems or external events and includes financial and non-financial risks.

4.5.2 Risk management

The purpose of operational risk management is not only to comply with supervisory and regulatory requirements, but also to spread risk management culture, strengthen internal control, improve processes, and provide timely feedback to management and all employees. The Group established a Business Continuity Planning (BCP) to carry out continuous work in emergency situations and established alternative facilities. The Group conducts simulation training for headquarters and IT departments to check the business continuity framework.

4.6 Capital Management

The Group complies with the capital adequacy standard established by the financial supervisory authority. This capital adequacy standard is based on Basel III revised by Basel Committee on Banking Supervision in Bank for International Settlements (“BIS”) in June 2011 and was implemented in Korea in December 2013.

According to this standard, the Group is required to maintain a minimum capital adequacy ratio to risk-weighted assets (Common Equity Tier 1 Capital ratio of 4.5%, Tier 1 Capital ratio of 6.0%, and Total Capital ratio of 8.0%) as of December 31, 2025. Capital Conservation Buffer of 2.5%, a Countercyclical Capital Buffer of 1.0%, and Capital Requirement of Domestic Systemically Important Bank (D-SIB) of 1.0% are additionally applied. Therefore, the Group is required to maintain a capital adequacy ratio including a minimum capital adequacy ratio and additional capital requirements (Common Equity Tier 1 Capital ratio of 9.0%, Tier 1 Capital ratio of 10.5%, and Total Capital ratio of 12.5%).

The Group’s capital is classified into three categories in accordance with the Detailed Regulations on Supervision of Banking Business as follows:

- Common Equity Tier 1 Capital: Common equity Tier 1 Capital is the first to take losses of the Group and is the last to be compensated in liquidation of the Group and not repaid except for liquidation. It includes capital, capital surplus, retained earnings, non-controlling interests of the consolidated subsidiaries, accumulated other comprehensive income, and other capital surplus, etc.

- Additional Tier 1 Capital: Additional Tier 1 Capital includes capital, capital surplus, etc. related to the issuance of capital securities of a permanent nature that meet the conditional capital securities requirements.

- Tier 2 Capital: Tier 2 Capital means capital that can compensate for losses of the Group upon liquidation, including (a) the amount of subordinated bonds with maturity of not less than 5 years that meet the conditional capital securities requirements, and (b) the allowances for credit losses accumulated on the loans which are classified as normal or precautionary in accordance with Regulations on Supervision of Banking Business, and others.

4.6 Capital Management(cont'd)

The risk-weighted assets are the magnitude of assets that reflect the risk that the Group has to bear, including risks inherent in all assets, errors in the operation of internal processes, and risk of loss that may arise from external events. The Group calculates risk-weighted assets by each risk (credit risk, market risk, and operational risk) based on the Detailed Regulations on Supervision of Banking Business and uses them to calculate capital adequacy ratio. The Group complied with external capital adequacy requirements as of December 31, 2025 and 2024.

Apart from the capital adequacy ratio, the Group evaluates and manages capital adequacy through internal policies. The evaluation of capital adequacy compares the size of available capital (the amount of capital actually available) to the size of internal capital (the amount of capital required to cover all the significant risks faced by the Group under its target credit rating), which monitors financial soundness and provides a risk-adjusted performance measurement basis. The internal capital for capital adequacy assessment is calculated by adding the results of a stress test and other additional capital requirements to the internal capital calculated for each individual risk.

The Risk Management Committee of the Group determines the risk appetite of the Group, allocates internal capital by risk type and business group, and each business group operates capital efficiently within the range of the allocated internal capital. The Risk Management Department of the Group monitors internal capital limit management and reports it to management and the Risk Management Committee. If the limit of internal capital is expected to be exceeded, the Group's capital adequacy management is carried out through review and approval by the Risk Management Committee in advance.

Details of the Group's capital adequacy ratio in accordance with Basel III requirements as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **December 31, 2025** | **December 31, 2024** |
|---|---|---|
| Total Capital: | 41,604,455 | 40,573,940 |
| Tier 1 Capital | 36,960,176 | 35,059,009 |
| Common Equity Tier 1 Capital | 35,894,563 | 33,993,396 |
| Additional Tier 1 Capital | 1,065,613 | 1,065,613 |
| Tier 2 Capital | 4,644,279 | 5,514,931 |
| Risk-Weighted Assets: | 240,739,872 | 234,435,856 |
| Credit risk [1] | 208,473,896 | 205,655,976 |
| Market risk [2] | 6,147,828 | 5,888,995 |
| Operational risk [3] | 26,118,148 | 22,890,885 |
| Total Capital ratio (%): | 17.28 | 17.31 |
| Tier 1 Capital ratio (%) | 15.35 | 14.95 |
| Common Equity Tier 1 Capital ratio (%) | 14.91 | 14.50 |

[1] Credit risk weighted assets are measured using the Internal Rating-Based Method and Standard Method.
[2] Market risk weighted assets are measured using the Standard Method.
[3] Operational risk weighted assets are measured using the Standard Method.

## 5. Segment Information

5.1 Overall Segment Information and Business Segments

The Group is organized into Corporate Banking, Retail Banking and Other Activities. These segments are based on the nature of the products and services provided, the type or class of customer, and the Group's management organization.

- Corporate banking: The activities within this segment include providing credit, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs and foreign subsidiaries-related works.
- Retail banking: The activities within this segment include providing credit, deposit products, and other related financial services to individuals and households.
- Other activities: The activities within this segment include trading activities in securities and derivatives, funding, trust, and other activities.

Financial information by business segment as of and for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Retail banking | Others | Consolidation adjustments | Total |
| Net operating revenues from external customers | 4,724,417 | 3,972,906 | 2,705,725 | - | 11,403,048 |
| Intersegment net operating revenues (expenses) | 112,525 | - | 60,330 | (172,855) | - |
| | 4,836,942 | 3,972,906 | 2,766,055 | (172,855) | 11,403,048 |
| Net interest income | 5,840,658 | 3,626,216 | 1,215,157 | (24,229) | 10,657,802 |
| Interest income | 11,132,170 | 7,506,269 | 3,354,623 | (130,715) | 21,862,347 |
| Interest expense | (5,291,512) | (3,880,053) | (2,139,466) | 106,486 | (11,204,545) |
| Net fee and commission income | 457,324 | 332,628 | 435,673 | (22,106) | 1,203,519 |
| Fee and commission income | 654,184 | 478,964 | 564,580 | (54,188) | 1,643,540 |
| Fee and commission expense | (196,860) | (146,336) | (128,907) | 32,082 | (440,021) |
| Net gains (losses) on financial instruments at fair value through profit or loss | (1,448) | - | 1,027,028 | (93,238) | 932,342 |
| Net other operating income (expenses) | (1,459,592) | 14,062 | 88,197 | (33,282) | (1,390,615) |
| General and administrative expenses | (1,941,244) | (1,860,412) | (848,710) | 1,050 | (4,649,316) |
| Operating income before provision for credit losses | 2,895,698 | 2,112,494 | 1,917,345 | (171,805) | 6,753,732 |
| Provision for credit losses | (820,198) | (201,844) | (6,745) | (4,169) | (1,032,956) |
| Net operating income | 2,075,500 | 1,910,650 | 1,910,600 | (175,974) | 5,720,776 |
| Share of profit (loss) of associates | - | - | 211,671 | (135,867) | 75,804 |
| Net other non-operating expenses | (7,121) | - | (253,088) | (221,152) | (481,361) |
| Segment profit (loss) before income tax expense | 2,068,379 | 1,910,650 | 1,869,183 | (532,993) | 5,315,219 |
| Income tax expense | (528,075) | (465,397) | (491,538) | (5,390) | (1,490,400) |
| Profit (loss) for the year | 1,540,304 | 1,445,253 | 1,377,645 | (538,383) | 3,824,819 |
| Profit (loss) attributable to the shareholder of the Parent Company | 1,533,813 | 1,445,253 | 1,377,645 | (504,545) | 3,852,166 |
| Loss attributable to non-controlling interests | 6,491 | - | - | (33,838) | (27,347) |
| Total assets * | 244,324,619 | 182,734,005 | 163,722,353 | (5,846,010) | 584,934,967 |
| Total liabilities * | 227,897,241 | 217,055,771 | 102,567,322 | (1,541,008) | 545,979,326 |

5.1 Overall Segment Information and Business Segments (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Retail banking | Others | Consolidation adjustments | Total |
| Net operating revenues from external customers | 5,647,129 | 4,165,446 | 900,695 | - | 10,713,270 |
| Intersegment net operating revenues (expenses) | (274,253) | - | 135,649 | 138,604 | - |
| | 5,372,876 | 4,165,446 | 1,036,344 | 138,604 | 10,713,270 |
| Net interest income | 5,765,967 | 3,319,728 | 1,159,404 | (21,227) | 10,223,872 |
| Interest income | 12,100,679 | 7,760,970 | 3,579,845 | (230,422) | 23,211,072 |
| Interest expense | (6,334,712) | (4,441,242) | (2,420,441) | 209,195 | (12,987,200) |
| Net fee and commission income | 410,424 | 241,799 | 468,661 | (8,006) | 1,112,878 |
| Fee and commission income | 600,466 | 390,775 | 592,752 | (39,884) | 1,544,109 |
| Fee and commission expense | (190,042) | (148,976) | (124,091) | 31,878 | (431,231) |
| Net gains (losses) on financial instruments at fair value through profit or loss | 23,652 | - | 734,513 | 9,712 | 767,877 |
| Net other operating income (expenses) | (827,167) | 603,919 | (1,326,234) | 158,125 | (1,391,357) |
| General and administrative expenses | (2,004,769) | (1,984,805) | (645,371) | 627 | (4,634,318) |
| Operating income before provision for credit losses | 3,368,107 | 2,180,641 | 390,973 | 139,231 | 6,078,952 |
| Provision for credit losses | (482,326) | (196,996) | (4,577) | 3,812 | (680,087) |
| Net operating income | 2,885,781 | 1,983,645 | 386,396 | 143,043 | 5,398,865 |
| Share of profit of associates | - | - | (236,141) | 243,543 | 7,402 |
| Net other non-operating income | (61,903) | - | (841,283) | (57,783) | (960,969) |
| Segment profit (loss) before income tax expense | 2,823,878 | 1,983,645 | (691,028) | 328,803 | 4,445,298 |
| Income tax expense | (927,629) | (523,682) | 220,152 | (62,737) | (1,293,896) |
| Profit (loss) for the year | 1,896,249 | 1,459,963 | (470,876) | 266,066 | 3,151,402 |
| Profit (loss) attributable to the shareholder of the Parent Company | 1,877,266 | 1,459,963 | (470,876) | 385,406 | 3,251,759 |
| Loss attributable to non-controlling interests | 18,983 | - | - | (119,340) | (100,357) |
| Total assets * | 239,124,552 | 176,075,559 | 155,245,988 | (7,558,919) | 562,887,180 |
| Total liabilities * | 222,291,921 | 210,839,098 | 95,814,090 | (4,085,249) | 524,859,860 |

* Assets and liabilities of the reporting segments are amounts before intersegment transactions.

5.2 Services and Geographical Segments

5.2.1 Services information

Net operating revenues from external customers by service for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| Corporate banking service | 4,724,417 | 5,647,129 |
| Retail banking service | 3,972,906 | 4,165,446 |
| Others | 2,705,725 | 900,695 |
| | 11,403,048 | 10,713,270 |

5.2.2 Geographical information

Geographical net operating revenues from external customers for the years ended December 31, 2025 and 2024, and major non-current assets as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **Net operating revenues from external customers** | | **Major non-current assets** | |
|---|---|---|---|---|
| | **2025** | **2024** | **December 31, 2025** | **December 31, 2024** |
| Domestic | 10,240,288 | 9,605,060 | 3,969,676 | 4,297,870 |
| United States | 38,671 | 71,137 | 27,689 | 30,206 |
| New Zealand | 1,013 | 12,580 | 597 | 829 |
| China | 143,324 | 155,288 | 17,153 | 19,180 |
| Japan | 20,597 | 10,073 | 1,533 | 1,329 |
| Myanmar | 8,601 | 11,743 | - | - |
| Vietnam | 27,498 | 35,963 | 1,882 | 1,685 |
| Cambodia | 664,937 | 568,495 | 88,529 | 92,324 |
| United Kingdom | 73,040 | 71,736 | 10,572 | 9,023 |
| Singapore | 15,379 | 1,192 | 7,415 | 7,825 |
| Indonesia | 164,166 | 164,607 | 361,107 | 313,389 |
| India | 5,534 | 5,396 | 2,977 | 5,508 |
| Consolidation adjustments | - | - | 274,501 | 513,569 |
| | 11,403,048 | 10,713,270 | 4,763,631 | 5,292,737 |

## 6. Financial Assets and Financial Liabilities

6.1 Classification and Fair Value of Financial Instruments

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | |
| Cash and due from financial institutions | 26,468,705 | 26,468,705 | 22,910,149 | 22,910,374 |
| Financial assets at fair value through profit or loss: | 26,104,934 | 26,104,934 | 22,089,847 | 22,089,847 |
| Debt securities | 25,198,616 | 25,198,616 | 21,518,991 | 21,518,991 |
| Equity securities | 223,416 | 223,416 | 162,196 | 162,196 |
| Loans | 270,623 | 270,623 | 250,141 | 250,141 |
| Others | 412,279 | 412,279 | 158,519 | 158,519 |
| Derivatives held for trading | 6,769,233 | 6,769,233 | 10,128,282 | 10,128,282 |
| Derivatives held for hedging | 102,159 | 102,159 | 121,337 | 121,337 |
| Loans measured at amortized cost | 428,818,361 | 429,516,932 | 409,867,155 | 410,625,723 |
| Financial assets at fair value through other comprehensive income: | 44,793,725 | 44,793,725 | 44,870,810 | 44,870,810 |
| Debt securities | 43,299,619 | 43,299,619 | 43,531,616 | 43,531,616 |
| Equity securities | 1,155,049 | 1,155,049 | 1,058,286 | 1,058,286 |
| Loans | 339,057 | 339,057 | 280,908 | 280,908 |
| Securities measured at amortized cost | 34,293,913 | 33,998,941 | 36,355,808 | 36,089,307 |
| Other financial assets | 10,483,802 | 10,483,802 | 9,328,611 | 9,328,611 |
| | 577,834,832 | 578,238,431 | 555,671,999 | 556,164,291 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 420,329 | 420,329 | 159,212 | 159,212 |
| Derivatives held for trading | 5,798,316 | 5,798,316 | 9,577,007 | 9,577,007 |
| Derivatives held for hedging | 30,020 | 30,020 | 66,128 | 66,128 |
| Deposits | 440,010,202 | 440,252,320 | 421,200,651 | 421,544,630 |
| Borrowings | 32,545,690 | 32,489,745 | 32,226,416 | 32,204,642 |
| Debentures | 36,296,650 | 36,392,727 | 34,736,771 | 34,934,652 |
| Other financial liabilities | 27,211,546 | 27,211,546 | 24,117,660 | 24,117,660 |
| | 542,312,753 | 542,595,003 | 522,083,845 | 522,603,931 |

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Group discloses the fair value of each 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.

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of December 31, 2025 and 2024, are as follows (cont'd)

Methods of determining fair value of financial instruments are as follows:

| | |
|---|---|
| **Cash and due from financial institutions** | Fair value of cash is the same as its carrying amount. Carrying amount of demand deposit and settlement deposit is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposits is measured using a Discounted Cash Flow ("DCF") Model. |
| **Securities, Due from financial institutions and deposits indexed to gold price** | Fair value of securities and others that are traded in an active market and due from financial institutions and deposits indexed to the gold price is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments including a DCF Model, MonteCarlo Simulation, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, and Net Asset Value Method. |
| **Loans** | Fair value of loans is determined using a DCF Model and independent external professional valuation institutions. Fair value measured using a DCF Model is determined by discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate. |
| **Derivatives** | Fair value of exchange traded derivatives is determined using quoted prices in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Group uses internally developed valuation models that are widely used by market participants to determine fair value 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 including a Finite Difference Method ("FDM"), MonteCarlo Simulation, and Tree Model or valuation results from independent external professional valuation institutions. For OTC derivatives, the credit risk of the counterparty and the Group's own credit risk are applied through a credit valuation adjustment method. |
| **Deposits** | Carrying amount of demand deposits is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of time deposits is determined using a DCF Model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate. |
| **Borrowings** | Carrying amount of overdrafts in foreign currency is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of other borrowings is determined using a DCF Model. |
| **Debentures** | Fair value is determined using the valuation results (DCF Model) of external professional valuation institutions, which are calculated using market inputs. |
| **Other financial assets and other financial liabilities** | Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions, and their maturities are relatively short or not defined. |

6.1.2 Fair value hierarchy

The Group believes that valuation techniques used for measuring the fair value of financial instruments are reasonable and that the fair value recognized in the consolidated statement of financial position is appropriate. However, the fair value of the financial instruments recognized in the consolidated statement of financial position may be different if other valuation techniques or assumptions are used. Additionally, as there are 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 three fair value levels as follows:

Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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.

Level 3: The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position

Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | 12,422,096 | 6,378,409 | 7,304,429 | 26,104,934 |
| Debt securities | 11,823,297 | 6,378,409 | 6,996,910 | 25,198,616 |
| Equity securities | 186,520 | - | 36,896 | 223,416 |
| Loans | - | - | 270,623 | 270,623 |
| Others | 412,279 | - | - | 412,279 |
| Derivatives held for trading | - | 6,769,233 | - | 6,769,233 |
| Derivatives held for hedging | - | 102,159 | - | 102,159 |
| Financial assets at fair value through other comprehensive income: | 19,604,517 | 24,575,715 | 613,493 | 44,793,725 |
| Debt securities | 19,062,961 | 24,236,658 | - | 43,299,619 |
| Equity securities | 541,556 | - | 613,493 | 1,155,049 |
| Loans | - | 339,057 | - | 339,057 |
| | 32,026,613 | 37,825,516 | 7,917,922 | 77,770,051 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 420,329 | - | - | 420,329 |
| Derivatives held for trading | - | 5,797,470 | 846 | 5,798,316 |
| Derivatives held for hedging | - | 30,020 | - | 30,020 |
| | 420,329 | 5,827,490 | 846 | 6,248,665 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | 10,098,491 | 5,300,027 | 6,691,329 | 22,089,847 |
| Debt securities | 9,813,428 | 5,300,027 | 6,405,536 | 21,518,991 |
| Equity securities | 126,544 | - | 35,652 | 162,196 |
| Loans | - | - | 250,141 | 250,141 |
| Others | 158,519 | - | - | 158,519 |
| Derivatives held for trading | - | 10,128,245 | 37 | 10,128,282 |
| Derivatives held for hedging | - | 121,337 | - | 121,337 |
| Financial assets at fair value through other comprehensive income: | 17,439,293 | 26,910,592 | 520,925 | 44,870,810 |
| Debt securities | 16,901,932 | 26,629,684 | - | 43,531,616 |
| Equity securities | 537,361 | - | 520,925 | 1,058,286 |
| Loans | - | 280,908 | - | 280,908 |
| | 27,537,784 | 42,460,201 | 7,212,291 | 77,210,276 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 159,212 | - | - | 159,212 |
| Derivatives held for trading | - | 9,575,981 | 1,026 | 9,577,007 |
| Derivatives held for hedging | - | 66,128 | - | 66,128 |
| | 159,212 | 9,642,109 | 1,026 | 9,802,347 |

6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the consolidated statements of financial position as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Financial assets at fair value through profit or loss: | 6,378,409 | | |
| Debt securities | 6,378,409 | DCF Model, MonteCarlo Simulation, Net Asset Value Method | Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.) |
| Derivatives held for trading | 6,769,233 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 102,159 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| Financial assets at fair value through other comprehensive income: | 24,575,715 | | |
| Debt securities | 24,236,658 | DCF Model | Discount rate |
| Loans | 339,057 | DCF Model | Discount rate |
| | 37,825,516 | | |
| **Financial liabilities** | | | |
| Derivatives held for trading | 5,797,470 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 30,020 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| | 5,827,490 | | |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Financial assets at fair value through profit or loss: | 5,300,027 | | |
| Debt securities | 5,300,027 | DCF Model, MonteCarlo Simulation, Net Asset Value Method | Discount rate, interest rate, prices of underlying assets (debt securities, stocks, etc.) |
| Derivatives held for trading | 10,128,245 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 121,337 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| Financial assets at fair value through other comprehensive income: | 26,910,592 | | |
| Debt securities | 26,629,684 | DCF Model | Discount rate |
| Loans | 280,908 | DCF Model | Discount rate |
| | 42,460,201 | | |
| **Financial liabilities** | | | |
| Derivatives held for trading | 9,575,980 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, stock price, and others |
| Derivatives held for hedging | 66,128 | DCF Model, Closed Form, FDM | Discount rate, volatility, foreign exchange rate, and others |
| | 9,642,108 | | |

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Cash and due from financial institutions [1] | 2,208,472 | 22,972,754 | 1,287,479 | 26,468,705 |
| Loans measured at amortized cost | - | - | 429,516,932 | 429,516,932 |
| Securities measured at amortized cost | 3,728,583 | 30,270,358 | - | 33,998,941 |
| Other financial assets [2] | - | - | 10,483,802 | 10,483,802 |
| | 5,937,055 | 53,243,112 | 441,288,213 | 500,468,380 |
| **Financial liabilities** | | | | |
| Deposits [1] | - | 179,158,793 | 261,093,527 | 440,252,320 |
| Borrowings [1] | - | 735 | 32,489,010 | 32,489,745 |
| Debentures | - | 36,392,727 | - | 36,392,727 |
| Other financial liabilities [2] | - | - | 27,211,546 | 27,211,546 |
| | - | 215,552,255 | 320,794,083 | 536,346,338 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Fair value hierarchy | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Cash and due from financial institutions [1] | 2,077,679 | 18,572,062 | 2,260,633 | 22,910,374 |
| Loans measured at amortized cost | - | - | 410,625,723 | 410,625,723 |
| Securities measured at amortized cost | 4,746,587 | 31,342,720 | - | 36,089,307 |
| Other financial assets [2] | - | - | 9,328,611 | 9,328,611 |
| | 6,824,266 | 49,914,782 | 422,214,967 | 478,954,015 |
| **Financial liabilities** | | | | |
| Deposits [1] | - | 166,872,039 | 254,672,591 | 421,544,630 |
| Borrowings [1] | - | 15,158 | 32,189,484 | 32,204,642 |
| Debentures | - | 34,934,652 | - | 34,934,652 |
| Other financial liabilities [2] | - | - | 24,117,660 | 24,117,660 |
| | - | 201,821,849 | 310,979,735 | 512,801,584 |

[1] The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.
[2] Other financial assets and other financial liabilities included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

For financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Securities measured at amortized cost | 30,270,358 | DCF Model, MonteCarlo Simulation | Discount rate, interest rate |
| **Financial liabilities** | | | |
| Debentures | 36,392,727 | DCF Model | Discount rate |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| **Financial assets** | | | |
| Securities measured at amortized cost | 31,342,720 | DCF Model, MonteCarlo Simulation | Discount rate, interest rate |
| **Financial liabilities** | | | |
| Debentures | 34,934,652 | DCF Model | Discount rate |

6.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** | **Unobservable inputs** |
| **Financial assets** | | | | |
| Cash and due from financial institutions | 1,287,479 | DCF Model | Credit spread, other spread, interest rate | Credit spread, other spread |
| Loans measured at amortized cost | 429,516,932 | DCF Model | Credit spread, other spread, prepayment rate, interest rate | Credit spread, other spread, prepayment rate |
| | 430,804,411 | | | |
| **Financial liabilities** | | | | |
| Deposits | 261,093,527 | DCF Model | Other spread, prepayment rate, interest rate | Other spread, prepayment rate |
| Borrowings | 32,489,010 | DCF Model | Other spread, interest rate | Other spread |
| | 293,582,537 | | | |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** | **Unobservable inputs** |
| **Financial assets** | | | | |
| Cash and due from financial institutions | 2,260,633 | DCF Model | Credit spread, other spread, interest rate | Credit spread, other spread |
| Loans measured at amortized cost | 410,625,723 | DCF Model | Credit spread, other spread, prepayment rate, interest rate | Credit spread, other spread, prepayment rate |
| | 412,886,356 | | | |
| **Financial liabilities** | | | | |
| Deposits | 254,672,591 | DCF Model | Other spread, prepayment rate, interest rate | Other spread, prepayment rate |
| Borrowings | 32,189,484 | DCF Model | Other spread, interest rate | Other spread |
| | 286,862,075 | | | |

6.2 Disclosure of Fair Value Hierarchy Level 3

6.2.1 Valuation policy and process of Level 3 fair value

The Group uses an external, independent and qualified valuation service in addition to internal valuation models to determine the fair value of financial instruments at the end of every reporting period.

If the changes in situation and events cause transfers between the fair value hierarchy level for a financial asset or liability occur, the Group's policy is to recognize such transfers as having occurred at the beginning of the reporting period.

6.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | Financial investments | Net derivative financial instruments | |
| | Securities measured at fair value through profit or loss | Loans measured at fair value through profit or loss | Equity securities measured at fair value through other comprehensive income | Derivatives held for trading | Derivatives held for hedging |
| Beginning | 6,441,188 | 250,141 | 520,925 | (990) | - |
| Total gains or losses: | | | | | |
| - Profit or loss | 106,095 | 5,860 | - | 180 | - |
| - Other comprehensive loss | - | - | 91,937 | - | - |
| Purchases | 1,357,140 | 41,289 | 31,389 | - | - |
| Sales | (870,617) | (26,667) | (30,758) | (36) | - |
| Ending | 7,033,806 | 270,623 | 613,493 | (846) | - |

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Financial assets at fair value through profit or loss | | Financial investments | Net derivative financial instruments | |
| | Securities measured at fair value through profit or loss | Loans measured at fair value through profit or loss | Equity securities measured at fair value through other comprehensive income | Derivatives held for trading | Derivatives held for hedging |
| Beginning | 5,360,776 | 183,490 | 709,834 | (772) | - |
| Total gains or losses: | | | | | |
| - Profit or loss | 443,177 | 25,146 | - | (369) | - |
| - Other comprehensive loss | - | - | (189,265) | - | - |
| Purchases | 1,180,331 | 54,999 | 356 | 184 | - |
| Sales | (431,821) | (13,494) | - | (33) | - |
| Transfer from Level 3 to another level * | (111,275) | - | - | - | - |
| Ending | 6,441,188 | 250,141 | 520,925 | (990) | - |

* Transfers between levels occurred due to changes in the availability of observable market data for the financial instrument. The Group recognizes changes in level at the end of the reporting period in which the event or change in circumstances that triggered the transfer occurs.

6.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | |
|---|---|---|---|
| | **Net gains on financial instruments at fair value through profit or loss** | **Other operating income** | **Net interest income** |
| Total gains recognized in profit or loss for the period | 143,838 | (31,703) | - |
| Total gains recognized in profit or loss from financial instruments held at the end of the reporting period | 133,703 | (18,546) | - |

*(In millions of Korean won)*

| | 2024 | | |
|---|---|---|---|
| | **Net gains on financial instruments at fair value through profit or loss** | **Other operating expenses** | **Net interest income** |
| Total gains recognized in profit or loss for the period | 186,278 | 281,676 | - |
| Total gains recognized in profit or loss from financial instruments held at the end of the reporting period | 171,843 | 224,343 | - |

6.2.3 Sensitivity analysis of changes in unobservable inputs

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Fair value | Valuation techniques | Inputs | Unobservable inputs | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value |
| **Financial assets** | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | |
| Debt securities | 6,996,910 | MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model and others | Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price | Rate of real estate sale price fluctuation | 0.00 | Higher the real estate sale price, higher the fair value |
| | | | | Volatility of stock price | 34.17 | Higher the volatility, higher the fair value fluctuation |
| Equity securities | 36,896 | DCF Model, Comparable Company Analysis and others | Growth rate, discount rate | Growth rate | 0.00 | Higher the growth rate, higher the fair value |
| | | | | Discount rate | 7.22 ~ 12.98 | Lower the discount rate, higher the fair value |
| Loans | 270,623 | DCF Model | Discount rate | Discount rate | 8.93 | Lower the discount rate, higher the fair value |
| Financial assets at fair value through other comprehensive income: | | | | | | |
| Equity securities | 613,493 | DCF Model, Comparable Company Analysis, Net Asset Value Method, Tree Model and others | Growth rate, discount rate, stock price, volatility of stock price, liquidation value | Growth rate | 0.00 ~ 1.00 | Higher the growth rate, higher the fair value |
| | | | | Liquidation Value | 0.00 | Higher the liquidation value, higher the fair value |
| | | | | Discount rate | 4.82 ~ 13.06 | Lower the discount rate, higher the fair value |
| | | | | Volatility of stock price | 23.87 ~ 26.47 | Higher the volatility, higher the fair value fluctuation |
| | 7,917,922 | | | | | |
| **Financial liabilities** | | | | | | |
| Derivatives held for trading: | | | | | | |
| Others | 846 | DCF Model | Interest rate, discount rate | Discount rate | 3.20 | Higher the discount rate, lower the fair value |
| | 846 | | | | | |

6.2.3.1 Information about fair value measurements using unobservable inputs as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Fair value | Valuation techniques | Inputs | Unobservable inputs | Range of unobservable inputs (%) | Relationship of unobservable inputs to fair value |
| **Financial assets** | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | |
| Debt securities | 6,405,536 | MonteCarlo Simulation, Net Asset Value Method, DCF Model, Tree Model and others | Price of underlying asset, interest rate, dividend yield, discount rate, rate of real estate sale price fluctuation, stock price, volatility of stock price | Rate of real estate sale price fluctuation | 0.00 | Higher the real estate sale price, higher the fair value |
| | | | | Volatility of stock price | 28.87 ~ 29.45 | Higher the volatility, higher the fair value fluctuation |
| Equity securities | 35,652 | DCF Model, Comparable Company Analysis and others | Growth rate, discount rate | Growth rate | 0.00 | Higher the growth rate, higher the fair value |
| | | | | Discount rate | 5.90 ~ 13.00 | Lower the discount rate, higher the fair value |
| Loans | 250,141 | DCF Model | Discount rate | Discount rate | 8.54 | Lower the discount rate, higher the fair value |
| Derivatives held for trading: | | | | | | |
| Stock and index | 37 | Tree Model | Price of underlying asset, volatility of underlying asset | Volatility of underlying asset | 29.45 ~ 31.79 | Higher the volatility, higher the fair value fluctuation |
| Financial assets at fair value through other comprehensive income: | | | | | | |
| Equity securities | 520,925 | DCF Model, Comparable Company Analysis, Net Asset Value Method *, Tree Model and others | Growth rate, discount rate, stock price, volatility of stock price, liquidation value | Growth rate | 0.00 ~ 1.00 | Higher the growth rate, higher the fair value |
| | | | | Liquidation Value | 0.00 | Higher the liquidation value, higher the fair value |
| | | | | Discount rate | 6.01 ~ 12.54 | Lower the discount rate, higher the fair value |
| | | | | Volatility of stock price | 22.95 ~ 31.79 | Higher the volatility, higher the fair value fluctuation |
| | 7,212,291 | | | | | |
| **Financial liabilities** | | | | | | |
| Derivatives held for trading: | | | | | | |
| Others | 1,027 | DCF Model | Interest rate, discount rate | Discount rate | 3.70 ~ 3.74 | Higher the discount rate, lower the fair value |
| | 1,027 | | | | | |

* The Group has changed its fair value assessment technique to the net asset value method during the prior year for certain financial assets at fair value through other comprehensive income classified as Level 3, reflecting improvements in valuation techniques using new information.

6.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. Level 3 financial instruments subject to sensitivity analysis are debt securities, loans, equity-related derivatives, currency-related derivatives, interest rate-related derivatives, and other derivatives whose fair value changes are recognized in profit or loss as well as equity securities whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Profit or loss | | Other comprehensive income or loss | |
| | Favorable changes | Unfavorable changes | Favorable changes | Unfavorable changes |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Debt securities [4, 6] | 4,489 | (4,489) | - | - |
| Equity securities [3, 6] | 3,011 | (1,341) | - | - |
| Loans [5,6] | 2,097 | (1,920) | - | - |
| Derivatives held for trading [1] | - | - | - | - |
| Financial assets at fair value through other comprehensive income: | | | | |
| Equity securities [3, 6, 7] | - | - | 13,532 | (8,610) |
| | 9,597 | (7,750) | 13,532 | (8,610) |
| **Financial liabilities** | | | | |
| Derivatives held for trading [2] | 3 | (3) | - | - |
| | 3 | (3) | - | - |

6.2.3.2 Sensitivity analysis of changes in unobservable inputs (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Profit or loss | | Other comprehensive income or loss | |
| | Favorable changes | Unfavorable changes | Favorable changes | Unfavorable changes |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Debt securities [4, 6] | 6,946 | (6,946) | - | - |
| Equity securities [3, 6] | 3,633 | (1,509) | - | - |
| Loans [5, 6] | 2,329 | (2,120) | - | - |
| Derivatives held for trading [1] | 36 | (25) | - | - |
| Financial assets at fair value through other comprehensive income: | | | | |
| Equity securities [3, 6, 7] | - | - | 28,151 | (15,662) |
| | 12,944 | (10,600) | 28,151 | (15,662) |
| **Financial liabilities** | | | | |
| Derivatives held for trading [2] | 26 | (26) | - | - |
| | 26 | (26) | - | - |

[1] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as price and the volatility of underlying asset by ± 10%.

[2] For derivative held for trading financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate (-1%p~1%p).

[3] For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value (-1%p~1%p), discount rate (-1%p~1%p) and growth rate (0%p~1%p).

[4] For beneficiary certificates, it is practically impossible to analyze sensitivity of changes in unobservable inputs. However, for beneficiary certificates whose underlying assets are real estates, changes in fair value are calculated by shifting the rate of real estate sale price fluctuation (-1%p~1%p). There is no significant correlation among major unobservable inputs

[5] For loans, changes in fair value are calculated by shifting principal unobservable input parameters such as the discount rate (-1%p~1%p).

[6] The amounts of ₩ 6,979,943 million and ₩ 6,307,265 million of financial assets classified as level 3 as of December 31, 2025 and 2024, respectively, are excluded because it is practically impossible to analyze the sensitivity of changes in unobservable inputs.

[7] For some equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as stock price and volatility of stock price by ±10%.

6.2.4 Day one gains or losses

When the Group measures the fair value of OTC derivatives using inputs that are not based on observable market data, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price, and the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. When the fair value of the financial instruments is subsequently determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

Changes in deferred day one gains or losses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| Balance at the beginning of the year (A) | (2,662) | (4,707) |
| New transactions (B) | - | - |
| Amounts recognized in profit or loss (C=a+b) | 2,009 | 2,045 |
| a. Amortization | 2,009 | 2,045 |
| b. Settlement | - | - |
| Balance at the end of the year (A+B+C) | (653) | (2,662) |

6.3 Carrying Amount of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortized cost. Carrying amount of financial assets and liabilities by category as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | **December 31, 2025** | | | | | |
|---|---|---|---|---|---|---|
| | **Financial instruments at fair value through profit or loss** | **Financial instruments at fair value through other comprehensive income** | **Financial instruments designated at fair value through other comprehensive income** | **Financial instruments at amortized cost** | **Derivatives held for hedging** | **Total** |
| **Financial assets** | | | | | | |
| Cash and due from financial institutions | - | - | - | 26,468,705 | - | 26,468,705 |
| Financial assets at fair value through profit or loss | 26,104,934 | - | - | - | - | 26,104,934 |
| Derivative financial assets | 6,769,233 | - | - | - | 102,159 | 6,871,392 |
| Loans measured at amortized cost | - | - | - | 428,818,361 | - | 428,818,361 |
| Financial investments | - | 43,638,676 | 1,155,049 | 34,293,913 | - | 79,087,638 |
| Other financial assets | - | - | - | 10,483,802 | - | 10,483,802 |
| | 32,874,167 | 43,638,676 | 1,155,049 | 500,064,781 | 102,159 | 577,834,832 |

6.3 Carrying Amount of Financial Instruments by Category (cont'd)

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 420,329 | - | - | 420,329 |
| Derivative financial liabilities | 5,798,316 | - | 30,020 | 5,828,336 |
| Deposits | - | 440,010,202 | - | 440,010,202 |
| Borrowings | - | 32,545,690 | - | 32,545,690 |
| Debentures | - | 36,296,650 | - | 36,296,650 |
| Other financial liabilities | - | 27,211,546 | - | 27,211,546 |
| | 6,218,645 | 536,064,088 | 30,020 | 542,312,753 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at fair value through other comprehensive income | Financial instruments designated at fair value through other comprehensive income | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial assets** | | | | | | |
| Cash and due from financial institutions | - | - | - | 22,910,149 | - | 22,910,149 |
| Financial assets at fair value through profit or loss | 22,089,847 | - | - | - | - | 22,089,847 |
| Derivative financial assets | 10,128,282 | - | - | - | 121,337 | 10,249,619 |
| Loans measured at amortized cost | - | - | - | 409,867,155 | - | 409,867,155 |
| Financial investments | - | 43,812,524 | 1,058,286 | 36,355,808 | - | 81,226,618 |
| Other financial assets | - | - | - | 9,328,611 | - | 9,328,611 |
| | 32,218,129 | 43,812,524 | 1,058,286 | 478,461,723 | 121,337 | 555,671,999 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Financial instruments at fair value through profit or loss | Financial instruments at amortized cost | Derivatives held for hedging | Total |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 159,212 | - | - | 159,212 |
| Derivative financial liabilities | 9,577,007 | - | 66,128 | 9,643,135 |
| Deposits | - | 421,200,651 | - | 421,200,651 |
| Borrowings | - | 32,226,416 | - | 32,226,416 |
| Debentures | - | 34,736,771 | - | 34,736,771 |
| Other financial liabilities | - | 24,117,660 | - | 24,117,660 |
| | 9,736,219 | 512,281,498 | 66,128 | 522,083,845 |

6.4 Transfer of Financial Assets

6.4.1 Transferred financial assets that are derecognized in their entirety

The Group transferred loans and other financial assets to companies specialized in asset-backed securitization and derecognized them from the consolidated financial statement. While the maximum exposure to loss (carrying amount) from its continuing involvement and fair value of its continuing involvement of the derecognized financial assets as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | **Type of continuing involvement** | **Classification of financial instruments** | **Carrying amount of continuing involvement** | **Fair value of continuing involvement** |
| Discovery 2nd Securitization Specialty Co., Ltd. | Subordinated bond | Financial assets at fair value through profit or loss | 564 | 564 |
| AP 4D ABS Ltd. | Subordinated bond | Financial assets at fair value through profit or loss | 36 | 36 |
| | | | 600 | 600 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Type of continuing involvement** | **Classification of financial instruments** | **Carrying amount of continuing involvement** | **Fair value of continuing involvement** |
| Discovery 2nd Securitization Specialty Co., Ltd. | Subordinated bond | Financial assets at fair value through profit or loss | 564 | 564 |
| AP 4D ABS Ltd. | Subordinated bond | Financial assets at fair value through profit or loss | 39 | 39 |
| | | | 603 | 603 |

6.4.2 Bonds sold under repurchase agreements and loaned securities

The Group continues to recognize the financial assets related to bonds sold under repurchase agreements and securities lending transactions in the consolidated statement of financial position since those transactions are not qualified for derecognition even though the Group transfers the financial assets. Bonds sold under repurchase agreements are sold on the condition that they will be repurchased at a fixed price, and loaned securities will be returned at the expiration of the loan period. Thus, the Group retains substantially all the risks and rewards of ownership of the financial assets.

The carrying amount of transferred assets and related liabilities as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | |
|---|---|---|
| | **Carrying amount of transferred assets** | **Carrying amount of related liabilities** |
| Bonds sold under repurchase agreements | 2,859,414 | 2,638,227 |
| Loaned securities: | | |
| Government and public bonds | 127,937 | - |
| | 2,987,351 | 2,638,227 |

| *(In millions of Korean won)* | December 31, 2024 | |
|---|---|---|
| | **Carrying amount of transferred assets** | **Carrying amount of related liabilities** |
| Bonds sold under repurchase agreements | 3,412,140 | 3,310,040 |
| Loaned securities: | | |
| Government and public bonds | - | - |
| | 3,412,140 | 3,310,040 |

6.4.3 Liquidation of financial assets

The consolidated structured entities securitized the loans held by the Group and issued asset-backed securities. As a result of these transactions, the contractual cash flow of the securitized assets is generally transferred to the holders of the asset-backed securities, and the Group is contractually obligated to make cash payment to one or more recipients in the purchase commitment and other arrangements for all the transferred financial assets that are not derecognized on the reporting date in connection with the securitization of financial assets.

The carrying amount of underlying assets and liabilities related to securitization transactions as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | **December 31, 2025** | **December 31, 2024** |
|---|---|---|---|
| Underlying assets | Loans measured at amortized cost * | 1,148,300 | 740,546 |
| | | 1,148,300 | 740,546 |
| Associated liabilities | Debentures | 1,242,600 | 809,000 |

* Before netting of allowance

6.5 Offsetting Financial Assets and Financial Liabilities

The Group enters into International Swaps and Derivatives Association ("ISDA") master netting agreements and other similar arrangements with the Group's OTC derivative and spot exchange counterparties. Similar netting agreements are also entered into with the Group's (a) sales or purchases of bonds under repurchase agreements and (b) securities lending and borrowing transactions, etc. Pursuant to these agreements, in the event of default by one party, contracts are to be terminated and receivables and payables are to be offset. As the Group has the legal right of offset and settles in net amount, domestic exchange settlement debits and domestic exchange settlement credits are recognized in its net settlement balance in the consolidated statement of financial position. Other financial instruments such as account receivables and account payables related to listed securities, and derivatives or OTC derivatives settled by the central clearing house are also recognized in its net settlement balance in the consolidated statement of financial position as the Group has the legal right of offset and settles in net amount.

6.5.1 Details of financial assets subject to enforceable master netting agreements or similar arrangements as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | | Gross liabilities offset | Net amount in the statement of financial position | Non-offsetting amount | | |
| | Gross assets | | | Financial instruments | Cash collateral | Net amount |
| Derivatives held for trading | 6,769,233 | - | 6,769,233 | (3,938,881) | (212) | 2,932,299 |
| Derivatives held for hedging | 102,159 | - | 102,159 | | | |
| Unsettled spot exchange receivable | 6,715,041 | - | 6,715,041 | (6,605,631) | - | 109,410 |
| Bonds purchased under repurchase agreements | 8,264,047 | - | 8,264,047 | (8,264,047) | - | - |
| Domestic exchange settlement debits | 73,556,649 | (72,273,901) | 1,282,748 | - | - | 1,282,748 |
| Other financial instruments | 37,069 | (35,313) | 1,756 | - | - | 1,756 |
| | 95,444,198 | (72,309,214) | 23,134,984 | (18,808,559) | (212) | 4,326,213 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | Gross liabilities offset | Net amount in the statement of financial position | Non-offsetting amount | | |
| | Gross assets | | | Financial instruments | Cash collateral | Net amount |
| Derivatives held for trading | 10,128,245 | - | 10,128,245 | (5,728,320) | (2,510) | 4,518,752 |
| Derivatives held for hedging | 121,337 | - | 121,337 | | | |
| Unsettled spot exchange receivable | 6,268,218 | - | 6,268,218 | (6,193,841) | - | 74,377 |
| Bonds purchased under repurchase agreements | 3,218,060 | - | 3,218,060 | (2,722,835) | - | 495,225 |
| Domestic exchange settlement debits | 62,914,800 | (62,453,824) | 460,976 | - | - | 460,976 |
| Other financial instruments | 49,571 | (35,036) | 14,535 | - | - | 14,535 |
| | 82,700,231 | (62,488,860) | 20,211,371 | (14,644,996) | (2,510) | 5,563,865 |

6.5.2 Details of financial liabilities subject to enforceable master netting agreements or similar arrangements as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Non-offsetting amount | | |
| | Gross liabilities | Gross assets offset | Net amount in the statement of financial position | Financial instruments | Cash collateral | Net amount |
| Derivatives held for trading | 5,797,470 | - | 5,797,470 | | | |
| Derivatives held for hedging | 30,020 | - | 30,020 | (4,664,291) | - | 1,163,199 |
| Unsettled spot exchange payable | 6,720,657 | - | 6,720,657 | (6,605,631) | - | 115,026 |
| Bonds sold under repurchase agreements * | 2,642,675 | - | 2,642,675 | (2,642,675) | - | - |
| Domestic exchange settlement credits | 72,367,814 | (72,273,901) | 93,913 | (93,913) | - | - |
| Other financial instruments | 59,127 | (35,313) | 23,814 | - | - | 23,814 |
| | 87,617,763 | (72,309,214) | 15,308,549 | (14,006,510) | - | 1,302,039 |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Non-offsetting amount | | |
| | Gross liabilities | Gross assets offset | Net amount in the statement of financial position | Financial instruments | Cash collateral | Net amount |
| Derivatives held for trading | 9,575,980 | - | 9,575,980 | | | |
| Derivatives held for hedging | 66,128 | - | 66,128 | (7,911,953) | - | 1,730,155 |
| Unsettled spot exchange payable | 6,270,179 | - | 6,270,179 | (6,193,841) | - | 76,338 |
| Bonds sold under repurchase agreements * | 3,310,040 | - | 3,310,040 | (3,310,040) | - | - |
| Domestic exchange settlement credits | 62,745,597 | (62,453,824) | 291,773 | (291,773) | - | - |
| Other financial instruments | 43,593 | (35,036) | 8,557 | - | - | 8,557 |
| | 82,011,517 | (62,488,860) | 19,522,657 | (17,707,607) | - | 1,815,050 |

* Includes bonds sold under repurchase agreements to customers.

### 7. Due from Financial Institutions

7.1 Details of due from financial institutions as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | Financial institutions | Interest rate (%) | December 31, 2025 * | December 31, 2024 * |
|---|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from Bank of Korea | Bank of Korea | 0.00 | 13,939,438 | 11,635,481 |
| | Due from banks | Hana Bank and others | 0.00~2.07 | 147,117 | 58,880 |
| | Due from others | CITIBANK N.A. SINGAPORE(Custody) and others | 0.00 | 4,978 | 10,478 |
| | | | | 14,091,533 | 11,704,839 |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank of Korea and others | 0.00~4.75 | 8,898,376 | 7,639,684 |
| | Time deposits in foreign currencies | ICBC New York Branch and others | 1.64~6.75 | 240,082 | 521,924 |
| | Due from others | Yuanta Bank (TAIWAN) and others | 0.00~5.00 | 1,030,270 | 966,831 |
| | | | | 10,168,728 | 9,128,439 |
| | | | | 24,260,261 | 20,833,278 |

* Before netting of allowance, including ₩ 22,966,672 million and ₩ 19,286,008 million classified as cash of December 31, 2025 and 2024, respectively.

7.2 Details of restricted due from financial institutions as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | Financial institutions | December 31, 2025 * | December 31, 2024 * | Reasons of restriction |
|---|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from Bank of Korea | Bank of Korea | 13,939,438 | 11,635,481 | Bank of Korea Act |
| | Due from others | KB Securities Co., Ltd. and others | 4,639 | 9,949 | Derivatives margin account |
| | | | 13,944,077 | 11,645,430 | |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank of Korea and others | 3,392,616 | 2,736,871 | Bank of Korea Act and others |
| | Time deposits in foreign currencies | ICBC New York Branch and others | 71,745 | 88,200 | New York State Banking Law |
| | Due from others | Yuanta Bank (TAIWAN) and others | 950,691 | 881,802 | Derivatives margin account |
| | | | 4,415,052 | 3,706,873 | |
| | | | 18,359,129 | 15,352,303 | |

* Before netting of allowance, including ₩ 17,306,621 million and ₩ 14,176,162 million classified as cash as of December 31, 2025 and 2024, respectively.

7.3 Changes in allowances for credit losses of due from financial institutions for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 523 | - | - |
| Transfer between stages | - | - | - |
| Provision (reversal) for credit losses | (343) | - | - |
| Others (exchange differences, etc.) | (15) | - | - |
| Ending | 165 | - | - |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 618 | - | - |
| Transfer between stages | - | - | - |
| Provision (reversal) for credit losses | (167) | - | - |
| Others (exchange differences, etc.) | 72 | - | - |
| Ending | 523 | - | - |

## 8. Assets Pledged as Collateral

8.1 Details of assets pledged as collateral as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | | December 31, 2025 | |
|---|---|---|---|
| **Assets pledged** | **Pledgee** | **Carrying amount** | **Reasons of pledge** |
| Securities measured at fair value through profit or loss | Korea Securities Depository and others | 10,520 | Repurchase agreements |
| | Bank of Korea | 3,314,236 | Borrowings from Bank of Korea |
| | Others | 6,531 | Others |
| | | 3,331,287 | |
| Securities measured at fair value through other comprehensive income | Bank of Korea and others | 1,708,828 | Repurchase agreements |
| | Bank of Korea | 2,045,260 | Borrowings from Bank of Korea |
| | | 975,999 | Settlement risk of Bank of Korea |
| | MUFG Bank and others | 2,242,451 | Derivatives transactions |
| | Others | 495,096 | Others |
| | | 7,467,634 | |
| Securities measured at amortized cost | Bank of Korea and others | 1,140,066 | Repurchase agreements |
| | Bank of Korea | 2,440,585 | Borrowings from Bank of Korea |
| | | 7,625,707 | Settlement risk of Bank of Korea |
| | KB Securities Co., Ltd. and others | 549,184 | Derivatives transactions |
| | Others | 735,516 | Others |
| | | 12,491,058 | |
| Loans | Others | 12,250,819 | Covered bond and others |
| | | 35,540,798 | |

*(In millions of Korean won)*

| | | December 31, 2024 | |
|---|---|---|---|
| **Assets pledged** | **Pledgee** | **Carrying amount** | **Reasons of pledge** |
| Securities measured at fair value through profit or loss | Korea Securities Depository and others | 134,290 | Repurchase agreements |
| | | 134,290 | |
| Securities measured at fair value through other comprehensive income | Bank of Korea and others | 2,246,594 | Repurchase agreements |
| | Bank of Korea | 2,237,952 | Borrowings from Bank of Korea |
| | | 994,678 | Settlement risk of Bank of Korea |
| | MUFG Bank and others | 1,921,735 | Derivatives transactions |
| | Others | 565,153 | Others |
| | | 7,966,112 | |
| Securities measured at amortized cost | Bank of Korea and others | 1,031,256 | Repurchase agreements |
| | Bank of Korea | 2,802,901 | Borrowings from Bank of Korea |
| | | 7,627,587 | Settlement risk of Bank of Korea |
| | KB Securities Co., Ltd. and others | 1,142,081 | Derivatives transactions |
| | Others | 893,704 | Others |
| | | 13,497,529 | |
| Loans | Others | 14,572,141 | Covered bond and others |
| | | 36,170,072 | |

8.2 Fair value of collateral available to sell or repledge, and collateral sold or repledged, regardless of debtor's default as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | |
|---|---|---|
| | **Fair value of collateral held** | **Fair value of collateral sold or repledged** |
| Securities | 8,688,604 | - |

| *(In millions of Korean won)* | December 31, 2024 | |
|---|---|---|
| | **Fair value of collateral held** | **Fair value of collateral sold or repledged** |
| Securities | 2,678,044 | - |

### 9. Derivative Financial Instruments and Hedge Accounting

The Group engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In particular, the Group applies fair value hedge accounting using interest rate swaps and interest rate futures to hedge the risk of changes in fair value due to the changes in interest rate of debentures, deposits, and debt securities at fair value through other comprehensive income. Also, the Group applies cash flow hedge accounting using interest rate swaps to hedge the risk of changes in cash flows of debentures in foreign currencies, and borrowings in foreign currencies. In addition, the Group applies net investments in foreign operations hedge accounting by designating debentures in foreign currencies as hedging instruments to hedge the currency risk of net investments in foreign operations.

9.1 Details of derivative financial instruments held for trading as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Notional Amount | Assets | Liabilities | Notional amount | Assets | Liabilities |
| **Interest rate** | | | | | | |
| Forwards | 9,743,586 | 568,171 | 124,166 | 4,982,518 | 82,163 | 275,132 |
| Futures [1] | 2,848,905 | - | - | 2,024,156 | - | - |
| Swaps [2] | 186,293,467 | 282,437 | 346,969 | 213,123,811 | 304,454 | 253,395 |
| Options | 5,926,000 | 175,592 | 136,495 | 6,658,000 | 141,985 | 133,971 |
| | 204,811,958 | 1,026,200 | 607,630 | 226,788,485 | 528,602 | 662,498 |
| **Currency** | | | | | | |
| Forwards | 128,217,291 | 3,326,672 | 1,502,461 | 128,595,383 | 5,829,612 | 2,913,841 |
| Swaps | 71,001,770 | 2,404,030 | 3,671,943 | 84,077,057 | 3,748,266 | 5,971,810 |
| Options | 1,741,288 | 9,346 | 12,742 | 1,970,373 | 21,765 | 27,832 |
| | 200,960,349 | 5,740,048 | 5,187,146 | 214,642,813 | 9,599,643 | 8,913,483 |
| **Stock and index** | | | | | | |
| Futures [1] | 1,479 | - | - | - | - | - |
| Options | 258,477 | 2,985 | 2,694 | 577 | 37 | - |
| | 259,956 | 2,985 | 2,694 | 577 | 37 | - |
| **Credit** | | | | | | |
| Swaps [2] | 143,490 | - | - | 385,480 | - | - |
| **Others** | 94,300 | - | 846 | 94,300 | - | 1,026 |
| | 406,270,053 | 6,769,233 | 5,798,316 | 441,911,655 | 10,128,282 | 9,577,007 |

[1] Gains or losses arising from daily mark-to-market futures are reflected in the margin accounts.

[2] Notional amounts of ₩ 141,757,835 million and ₩ 176,601,953 million as of December 31, 2025 and 2024, respectively, were traded through the central counterparty clearing, ("CCP").

9.2 Average price conditions of future nominal cash flows by type of hedge accounting as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 year | 2 years | 3 years | 4 years | 5 years | Over 5 years | Total |
| **Fair value hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 2,986,543 | 279,119 | 94,321 | 880,581 | 1,531,878 | 570,923 | 6,343,365 |
| Average price condition (SOFR and CD) | 3.67% | 4.31% | 4.85% | 5.92% | 2.96% | 3.73% | 3.86% |
| **Cash flow hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 545,262 | 1,027,388 | 495,041 | 45,917 | - | - | 2,113,608 |
| Average price condition (SOFR and CD) | 4.14% | 4.88% | 4.85% | 5.00% | - | - | 4.68% |

*(In millions of Korean won)*

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 year | 2 years | 3 years | 4 years | 5 years | Over 5 years | Total |
| **Fair value hedge** | | | | | | | |
| Nominal amount of the hedging instrument | 3,641,362 | 1,168,695 | 428,780 | 189,448 | 941,835 | 1,998,080 | 8,368,200 |
| Average price condition (SOFR and CD) | 4.58% | 4.65% | 4.71% | 5.74% | 6.69% | 3.81% | 4.68% |
| **Cash flow hedge** | | | | | | | |
| Nominal amount of the hedging instrument | - | 558,600 | 1,052,520 | 507,150 | 47,040 | - | 2,165,310 |
| Average price condition (SOFR and CD) | - | 4.86% | 5.57% | 5.55% | 5.75% | - | 5.39% |

9.3 Fair Value Hedge

9.3.1 Details of fair value hedged items as of December 31, 2025 and 2024 and changes in fair value for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | | | | 2025 |
|---|---|---|---|---|---|---|
| | | Carrying amount | | Accumulated amount of hedge adjustments | | Changes in fair value |
| | | Assets | Liabilities | Assets | Liabilities | |
| **Interest rate** | Debt securities in Korean won | 1,516,538 | - | (5,529) | - | (13,622) |
| | Debt securities in foreign currencies | 1,285,924 | - | (628) | - | 39,119 |
| | Deposits in Korean won | - | 196,865 | - | 6,865 | (3,624) |
| | Deposits in foreign currencies | - | 1,044,993 | - | (1,334) | (6,254) |
| | Debentures in Korean won | - | 1,342,625 | - | (117,375) | 8,310 |
| | Debentures in foreign currencies | - | 809,157 | - | (23,085) | (29,794) |
| | | 2,802,462 | 3,393,640 | (6,157) | (134,929) | (5,865) |

| *(In millions of Korean won)* | | December 31, 2024 | | | | 2024 |
|---|---|---|---|---|---|---|
| | | Carrying amount | | Accumulated amount of hedge adjustments | | Changes in fair value |
| | | Assets | Liabilities | Assets | Liabilities | |
| **Interest rate** | Debt securities in Korean won | 2,062,063 | - | (15,065) | - | 27,699 |
| | Debt securities in foreign currencies | 1,699,241 | - | (44,081) | - | 21,357 |
| | Deposits in Korean won | - | 246,258 | - | 6,258 | (6,272) |
| | Deposits in foreign currencies | - | 301,107 | - | (7,593) | 926 |
| | Debentures in Korean won | - | 2,320,923 | - | (109,077) | (35,453) |
| | Debentures in foreign currencies | - | 1,523,883 | - | (63,717) | (4,989) |
| | | 3,761,304 | 4,392,171 | (59,146) | (174,129) | 3,268 |

9.3.2 Details of derivative instruments designated as fair value hedge as of December 31, 2025 and 2024 and changes in fair value for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 |
|---|---|---|---|---|
| | Notional amount | Carrying amount | | Changes in fair value |
| | | Assets | Liabilities | |
| **Interest Rate** | | | | |
| Futures | 1,007,300 | - | - | 21,890 |
| Swaps | 5,336,065 | 89,917 | 17,610 | (16,491) |
| | 6,343,365 | 89,917 | 17,610 | 5,399 |

| *(In millions of Korean won)* | December 31, 2024 | | | 2024 |
|---|---|---|---|---|
| | Notional amount | Carrying amount | | Changes in fair value |
| | | Assets | Liabilities | |
| **Interest Rate** | | | | |
| Futures | 720,000 | - | - | 1,787 |
| Swaps | 7,648,200 | 84,530 | 62,666 | (3,658) |
| | 8,368,200 | 84,530 | 62,666 | (1,871) |

9.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| Interest rate | (466) | 1,397 |

9.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| Gains and Losses on hedging instruments | 5,399 | (1,871) |
| Gains on hedged items attributable to the hedged risk | (13,525) | 5,582 |
| | (8,126) | 3,711 |

9.4 Cash Flow Hedge

9.4.1 Details of cash flow hedged items as of December 31, 2025 and 2024 and changes in fair value for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | **Cash flow hedge reserve** | | **Changes in fair value** | |
|---|---|---|---|---|
| | **December 31, 2025** | **December 31, 2024** | **2025** | **2024** |
| Interest rate risk | (972) | 22,158 | 31,884 | (1,837) |

9.4.2 Details of derivative instruments designated as cash flow hedges as of December 31, 2025 and 2024 and changes in fair value for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **December 31, 2025** | | | **2025** |
|---|---|---|---|---|
| | **Notional amount** | **Assets** | **Liabilities** | **Changes in fair value** |
| Interest rate Swaps | 2,113,608 | 12,242 | 12,410 | (31,408) |

| *(In millions of Korean won)* | **December 31, 2024** | | | **2024** |
|---|---|---|---|---|
| | **Notional amount** | **Assets** | **Liabilities** | **Changes in fair value** |
| Interest rate Swaps | 2,165,310 | 36,807 | 3,462 | 3,278 |

9.4.3 Gains on cash flow hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Gains on hedging instruments: | (31,408) | 3,278 |
| Effective portion of gains on cash flow hedging instruments (recognized in other comprehensive income or loss) | (31,445) | 3,644 |
| Ineffective portion of gains on cash flow hedging instruments (recognized in profit or loss) | 37 | (366) |

9.4.4 Amounts recognized in other comprehensive income and reclassified from equity to profit related to derivative instruments designated as cash flow hedges for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Other comprehensive income | (31,445) | 3,644 |
| Reclassification to profit | - | (2,095) |
| Income tax effect | 8,316 | (409) |
| | (23,129) | 1,140 |

9.4.5 As of December 31, 2025, the hedged items subject to cash flow hedges are exposed to the risk of changes in cash flows until March 5, 2029.

9.5 Hedge of Net Investments in Foreign Operations

9.5.1 Details of net investments in foreign operations hedged items as of December 31, 2025 and 2024 and changes in fair value for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | Foreign currency translation reserve | | Changes in fair value | |
|---|---|---|---|---|
| | December 31, 2025 | December 31, 2024 | 2025 | 2024 |
| Currency-related (currency risk) | (244,068) | (277,658) | (39,061) | 224,237 |

9.5.2 Details of financial instruments designated as hedges of net investments in foreign operations as of December 31, 2025 and 2024 and changes in fair value for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 |
|---|---|---|---|---|
| | Notional amount | Carrying amount | | Changes in fair value |
| | | Assets | Liabilities | |
| Debentures in foreign currencies | 1,972,287 | - | 1,972,287 | 39,061 |

| *(In millions of Korean won)* | December 31, 2024 | | | 2024 |
|---|---|---|---|---|
| | Notional amount | Carrying amount | | Changes in fair value |
| | | Assets | Liabilities | |
| Debentures in foreign currencies | 2,029,237 | - | 2,029,237 | (224,237) |

9.5.3 Fair value of non-derivative financial instruments designated as hedges of net investments in foreign operations as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Debentures in foreign currencies | 1,955,772 | 1,943,867 |

9.5.4 Losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Losses on hedging instruments: | 39,061 | (224,237) |
| Effective portion of losses on hedge of net investments in foreign operations (recognized in other comprehensive loss) | 39,061 | (224,237) |
| Ineffective portion of losses on hedge of net investments in foreign operations (recognized in loss) | - | - |

9.5.5 Effective portion of gains (losses) on net investments in foreign operations hedging instruments recognized in other comprehensive loss for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Other comprehensive loss | 39,061 | (224,237) |
| Reclassification to income | 1,546 | - |
| Income tax effect | (7,017) | 59,199 |
| | 33,590 | (165,038) |

## 10. Loans Measured at Amortized Cost

10.1 Details of loans as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Loans | 431,936,064 | 413,116,283 |
| Deferred loan origination fees and costs | 447,358 | 468,629 |
| Less: Allowances for credit losses | (3,565,061) | (3,717,757) |
| | 428,818,361 | 409,867,155 |

10.2 Details of loans to banks as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Loans | 8,761,115 | 9,687,354 |
| Less: Allowances for credit losses | (2,038) | (30,727) |
| | 8,759,077 | 9,656,627 |

10.3 Details of loan types and customer types of loans to customers other than banks as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Retail | Corporate | Credit card | Total |
| Loans in Korean won | 184,070,409 | 195,156,897 | - | 379,227,306 |
| Loans in foreign currencies | 5,111,578 | 25,465,376 | - | 30,576,954 |
| Domestic import usance bills | - | 3,576,639 | - | 3,576,639 |
| Off-shore funding loans | - | 959,102 | - | 959,102 |
| Call loans | - | 450,000 | - | 450,000 |
| Bills bought in Korean won | - | 1,691 | - | 1,691 |
| Bills bought in foreign currencies | - | 2,611,182 | - | 2,611,182 |
| Guarantee payments under acceptances and guarantees | - | 5,414 | - | 5,414 |
| Credit card receivables in foreign currencies | - | - | 23,768 | 23,768 |
| Bonds purchased under repurchase agreements | - | 6,173,471 | - | 6,173,471 |
| Privately placed bonds | - | 16,780 | - | 16,780 |
| | 189,181,987 | 234,416,552 | 23,768 | 423,622,307 |
| Proportion (%) | 44.65 | 55.34 | 0.01 | 100.00 |
| Less: Allowances for credit losses | (975,804) | (2,580,360) | (6,859) | (3,563,023) |
| | 188,206,183 | 231,836,192 | 16,909 | 420,059,284 |

10.3 Details of loan types and customer types of loans to customers other than banks as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Retail** | **Corporate** | **Credit card** | **Total** |
| Loans in Korean won | 177,437,548 | 185,641,458 | - | 363,079,006 |
| Loans in foreign currencies | 4,896,983 | 26,184,305 | - | 31,081,288 |
| Domestic import usance bills | - | 3,790,808 | - | 3,790,808 |
| Off-shore funding loans | - | 626,058 | - | 626,058 |
| Call loans | - | - | - | - |
| Bills bought in Korean won | - | 1,862 | - | 1,862 |
| Bills bought in foreign currencies | - | 2,379,270 | - | 2,379,270 |
| Guarantee payments under acceptances and guarantees | - | 16,930 | - | 16,930 |
| Credit card receivables in foreign currencies | - | - | 34,642 | 34,642 |
| Bonds purchased under repurchase agreements | - | 2,873,550 | - | 2,873,550 |
| Privately placed bonds | - | 14,144 | - | 14,144 |
| | 182,334,531 | 221,528,385 | 34,642 | 403,897,558 |
| Proportion (%) | 45.14 | 54.85 | 0.01 | 100.00 |
| Less: Allowances for credit losses | (975,940) | (2,698,135) | (12,955) | (3,687,030) |
| | 181,358,591 | 218,830,250 | 21,687 | 400,210,528 |

10.4 Changes in deferred loan origination fees and costs for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Increase** | **Decrease** | **Others** | **Ending** |
| **Deferred loan origination costs** | | | | | |
| Loans in Korean won | 585,205 | 291,460 | (306,459) | - | 570,206 |
| Others | 27 | 119 | (46) | (1) | 99 |
| | 585,232 | 291,579 | (306,505) | (1) | 570,305 |
| **Deferred loan origination fees** | | | | | |
| Loans in Korean won | 35,507 | 21,093 | (21,178) | - | 35,422 |
| Loans in foreign currencies and others | 81,096 | 46,622 | (38,063) | (2,130) | 87,525 |
| | 116,603 | 67,715 | (59,241) | (2,130) | 122,947 |
| | 468,629 | 223,864 | (247,264) | 2,129 | 447,358 |

10.4 Changes in deferred loan origination fees and costs for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Increase** | **Decrease** | **Others** | **Ending** |
| **Deferred loan origination costs** | | | | | |
| Loans in Korean won | 533,220 | 391,167 | (339,182) | - | 585,205 |
| Others | 106 | 23 | (103) | 1 | 27 |
| | 533,326 | 391,190 | (339,285) | 1 | 585,232 |
| **Deferred loan origination fees** | | | | | |
| Loans in Korean won | 20,575 | 32,904 | (17,972) | - | 35,507 |
| Loans in foreign currencies and others | 67,324 | 41,758 | (36,597) | 8,611 | 81,096 |
| | 87,899 | 74,662 | (54,569) | 8,611 | 116,603 |
| | 445,427 | 316,528 | (284,716) | (8,610) | 468,629 |

## 11. Allowances for Credit Losses

11.1 Changes in allowances for credit losses of loans for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Retail | | | | Corporate | | | | Credit card | | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | | | Non-impaired | Impaired | | | Non-impaired | Impaired | |
| Beginning | 410,668 | 182,336 | 382,936 | - | 727,465 | 798,694 | 1,202,703 | - | 752 | 494 | 11,709 | - |
| Transfer between stages: | | | | | | | | | | | | |
| Transfer to 12-month expected credit losses | 142,061 | (139,562) | (2,499) | - | 220,957 | (216,545) | (4,412) | - | 16 | (2) | (14) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (117,169) | 129,672 | (12,503) | - | (246,537) | 304,782 | (58,245) | - | (5) | 53 | (48) | - |
| Transfer to lifetime expected credit losses (impaired) | (3,392) | (56,976) | 60,368 | - | (5,461) | (193,719) | 199,180 | - | (235) | (49) | 284 | - |
| Write-offs | - | (1) | (376,658) | - | - | (13) | (758,084) | - | - | - | (7,251) | - |
| Sales | (1,219) | (999) | (8,924) | - | (26) | (562) | (135,070) | - | - | - | - | - |
| Provision (reversal) for credit losses [1, 2] | (7,236) | 56,477 | 376,962 | - | 2,295 | 19,256 | 812,035 | - | 145 | 24 | 1,804 | - |
| Others (exchange differences, etc.) [4] | (12,514) | (441) | (25,583) | - | (3,848) | (1,094) | (81,353) | - | (72) | (66) | (680) | - |
| Ending [3] | 411,199 | 170,506 | 394,099 | - | 694,845 | 710,799 | 1,176,754 | - | 601 | 454 | 5,804 | - |

11.1 Changes in allowances for credit losses of loans for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Retail | | | | Corporate | | | | Credit card | | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | | | Non-impaired | Impaired | | | Non-impaired | Impaired | |
| Beginning | 397,695 | 184,162 | 269,329 | - | 794,123 | 780,653 | 1,169,980 | - | 872 | 310 | 12,728 | - |
| Transfer between stages: | | | | | | | | | | | | |
| Transfer to 12-month expected credit losses | 112,393 | (111,257) | (1,136) | - | 349,600 | (297,184) | (52,416) | - | 174 | (69) | (105) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (98,661) | 203,764 | (105,103) | - | (255,909) | 314,792 | (58,883) | - | (63) | 68 | (5) | - |
| Transfer to lifetime expected credit losses (impaired) | (2,684) | (151,408) | 154,092 | - | (53,797) | (188,611) | 242,408 | - | (61) | (211) | 272 | - |
| Write-offs | - | - | (309,154) | - | - | (2) | (572,614) | - | - | - | (15,810) | - |
| Sales | (3,881) | (953) | (6,931) | - | - | (499) | (64,078) | - | - | - | - | - |
| Provision (reversal) for credit losses [1, 2] | 4,228 | 57,370 | 377,617 | - | (114,724) | 182,211 | 505,051 | - | (132) | 377 | 13,926 | - |
| Others (exchange differences, etc.) | 1,578 | 658 | 4,222 | - | 8,172 | 7,334 | 33,255 | - | (38) | 19 | 703 | - |
| Ending [3] | 410,668 | 182,336 | 382,936 | - | 727,465 | 798,694 | 1,202,703 | - | 752 | 494 | 11,709 | - |

[1] Provision (reversal) for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 22.2), provision (reversal) for credit losses of financial guarantee contracts (Note 22.4), provision (reversal) for credit losses of other financial assets (Note 18.2), provision (reversal) for credit losses of due from financial institutions (Note 7.3) and provision (reversal) for credit losses of debt securities (Note 12.5).

[2] Includes ₩ 217,500 million and ₩ 167,719 million of collections from written-off loans for the years ended December 31, 2025 and 2024, respectively.

[3] Includes additional allowances of ₩ 126,840 million and 156,111 million for the borrowers and others which are highly affected by the termination of COVID-19 financial support as of December 31, 2025 and 2024, respectively.

[4] The allowances classified as a disposal group held for sale during the year are included, as described in Note 17.

The amounts of financial assets that were written off but are still subject to ongoing recovery efforts during the years ended December 31, 2025 and 2024 were ₩ 1,104,003 million and ₩ 897,580 million, respectively. The Group manages the written-off loans for which their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 9,536,731 million and ₩ 8,832,236 million as of December 31, 2025 and 2024, respectively.

11.2 Changes in gross carrying amount of loans for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | |
| Beginning | 374,832,578 | 35,061,688 | 3,690,646 | - |
| Transfer between stages: | | | | |
| Transfer to 12-month expected credit losses | 30,165,047 | (30,121,560) | (43,487) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (42,215,864) | 43,374,823 | (1,158,959) | - |
| Transfer to lifetime expected credit losses (impaired) | (552,281) | (3,831,259) | 4,383,540 | - |
| Write-offs | - | (14) | (1,141,993) | - |
| Sales | (513,348) | (13,972) | (999,889) | - |
| Net increase (decrease) (execution, repayment, and others) * | 27,140,523 | (4,388,625) | (1,284,172) | - |
| Ending | 388,856,655 | 40,081,081 | 3,445,686 | - |

*(In millions of Korean won)*

| | 2024 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Credit impaired approach |
| | | Non-impaired | Impaired | |
| Beginning | 353,906,746 | 31,715,563 | 3,391,613 | - |
| Transfer between stages: | | | | |
| Transfer to 12-month expected credit losses | 27,936,340 | (27,494,039) | (442,301) | - |
| Transfer to lifetime expected credit losses (non-impaired) | (34,227,418) | 36,057,313 | (1,829,895) | - |
| Transfer to lifetime expected credit losses (impaired) | (996,094) | (4,177,692) | 5,173,786 | - |
| Write-offs | - | (2) | (897,578) | - |
| Sales | (2,984,653) | (88,841) | (753,376) | - |
| Net increase (decrease) (execution, repayment, and others) | 31,197,657 | (950,614) | (951,603) | - |
| Ending | 374,832,578 | 35,061,688 | 3,690,646 | - |

* The loans classified as a disposal group held for sale during the year are included, as described in Note 17.

## 12. Financial Assets at Fair Value through Profit or Loss and Financial Investments

12.1 Details of financial assets at fair value through profit or loss and financial investments as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Financial assets at fair value through profit or loss** | | |
| Debt securities: | | |
| Government and public bonds | 9,539,771 | 7,904,303 |
| Financial bonds | 4,100,148 | 3,495,489 |
| Corporate bonds | 3,004,275 | 2,321,229 |
| Asset-backed securities | 30,000 | 39,444 |
| Beneficiary certificates | 5,049,618 | 4,577,202 |
| Investment funds | 980,915 | 906,460 |
| Other debt securities | 2,493,889 | 2,274,864 |
| Equity securities: | | |
| Stocks | 223,416 | 162,196 |
| Loans: | | |
| Privately placed bonds | 227,392 | 208,857 |
| Other loans | 43,231 | 41,284 |
| Others: | | |
| Financial instruments indexed to the price of gold | 412,279 | 158,519 |
| | 26,104,934 | 22,089,847 |
| **Financial investments** | | |
| Financial assets at fair value through other comprehensive income | | |
| Debt securities: | | |
| Government and public bonds | 14,493,010 | 11,008,793 |
| Financial bonds | 17,223,750 | 21,446,125 |
| Corporate bonds | 10,651,303 | 10,051,926 |
| Asset-backed securities | 903,054 | 1,024,772 |
| Other debt securities | 28,502 | - |
| Equity securities: | | |
| Stocks | 1,140,446 | 1,050,418 |
| Equity investments | 14,603 | 7,868 |
| Loans: | | |
| Privately placed bonds | 339,057 | 280,908 |
| | 44,793,725 | 44,870,810 |
| Financial assets at amortized cost | | |
| Debt securities: | | |
| Government and public bonds | 4,918,862 | 6,029,059 |
| Financial bonds | 13,098,887 | 12,023,577 |
| Corporate bonds | 8,698,069 | 8,946,009 |
| Asset-backed securities | 7,531,248 | 9,301,199 |
| Other debt securities | 63,785 | 72,968 |
| Less: Allowances for credit losses | (16,938) | (17,004) |
| | 34,293,913 | 36,355,808 |
| | 79,087,638 | 81,226,618 |

12.2 Dividend income from equity securities designated at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | 2024 | |
|---|---|---|---|---|
| | From the equity securities derecognized | From the equity securities held | From the equity securities derecognized | From the equity securities held |
| Listed Stocks | 109 | 8,384 | - | 3,597 |
| Unlisted Stocks | - | 4,037 | - | 2,975 |
| | 109 | 12,421 | - | 6,572 |

12.3 Derecognized equity securities measured at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | 2024 | |
|---|---|---|---|---|
| | Disposal price | Accumulated other comprehensive income as of disposal date | Disposal price | Accumulated other comprehensive loss as of disposal date |
| Listed Stocks | 14,757 | (6,047) | 8,054 | (5,586) |
| Unlisted Stocks | 31,154 | 9,198 | - | - |
| | 45,911 | 3,151 | 8,054 | (5,586) |

12.4 Provision (reversal) for credit losses of financial investments for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Financial assets at fair value through other comprehensive income | 4,927 | (6,069) | (1,142) |
| Securities measured at amortized cost | 4,454 | (4,471) | (17) |
| | 9,381 | (10,540) | (1,159) |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Provision | Reversal | Total |
| Financial assets at fair value through other comprehensive income | 6,316 | (5,711) | 605 |
| Securities measured at amortized cost | 2,299 | (4,217) | (1,918) |
| | 8,615 | (9,928) | (1,313) |

12.5 Changes in allowances for credit losses of financial investments for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 31,759 | - | - |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | - | - | - |
| Transfer to lifetime expected credit losses | - | - | - |
| Sales | (3,039) | - | - |
| Provision (reversal) for credit losses | (1,159) | - | - |
| Others (exchange differences, etc.) | (159) | - | - |
| Ending | 27,402 | - | - |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired |
| Beginning | 33,817 | - | - |
| Transfer between stages: | | | |
| Transfer to 12-month expected credit losses | - | - | - |
| Transfer to lifetime expected credit losses | - | - | - |
| Sales | (1,883) | - | - |
| Provision for credit losses | (1,313) | - | - |
| Others (exchange differences, etc.) | 1,138 | - | - |
| Ending | 31,759 | - | - |

### 13. Investments in Associates

13.1 Details of investments in associates as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| Korea Credit Bureau Co., Ltd. [1] | 9.00 | 4,500 | 10,992 | 10,992 | Credit information | Korea |
| Incheon Bridge Co., Ltd. [1] | 14.99 | 9,159 | 7,383 | 7,383 | Operation of highways and related facilities | Korea |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 45.00 | 4,500 | 4,307 | 2,365 | Discovery of and investment in promising FinTech-business venture | Korea |
| KB Digital Platform Fund | 46.67 | 106,400 | 145,284 | 145,284 | Digital platform and Tech-based investment in promising companies | Korea |
| KB Prime Digital Platform Fund | 43.33 | 13,000 | 12,976 | 12,976 | Digital platform and Tech-based investment in promising companies | Korea |
| Aju Good Technology Venture Fund | 38.46 | 344 | 9,093 | 9,093 | Investment finance | Korea |
| KB-KDBC Pre-IPO New Technology Business Investment Fund [2] | 33.33 | - | 2,812 | 2,812 | Investment finance | Korea |
| KB-TS Technology Venture Private Equity Fund | 30.00 | 3,540 | 5,109 | 5,109 | Investment finance | Korea |
| KB Intellectual Property Fund No.2 | 37.50 | 9,450 | 10,246 | 10,246 | Investment finance | Korea |
| KB Digital Innovation Investment Fund Limited Partnership | 25.74 | 25,340 | 22,712 | 24,462 | Investment finance | Korea |
| KB Global Platform Fund | 22.73 | 30,300 | 43,530 | 43,530 | Investment finance | Korea |
| KB Global Platform Fund No.2 | 20.00 | 32,000 | 45,207 | 45,207 | Investment finance | Korea |
| KB-UTC Inno-Tech Venture Fund | 29.53 | 12,586 | 4,932 | 6,258 | Investment finance | Korea |
| WJ Private Equity Fund No.1 | 26.95 | 10,000 | 9,525 | 9,525 | Investment finance | Korea |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 28.57 | 2,000 | 5,114 | 5,114 | Investment finance | Korea |
| KB Smart Scale Up Fund | 25.00 | 23,300 | 43,729 | 43,729 | Investment finance | Korea |
| KB Bio Global Expansion Private Equity Fund No.1 | 26.32 | 10,000 | 11,526 | 11,526 | Investment finance | Korea |
| KB-KTB Technology Venture Fund | 27.27 | 15,000 | 13,170 | 13,170 | Investment finance | Korea |
| KB-SOLIDUS Healthcare Investment Fund | 30.30 | 30,000 | 30,259 | 30,259 | Investment finance | Korea |

13.1 Details of investments in associates as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| KB New Deal Innovation Fund | 20.00 | 18,000 | 17,357 | 17,357 | Investment finance | Korea |
| Startup Korea KB Secondary Fund | 27.91 | 8,994 | 8,563 | 8,563 | Investment finance | Korea |
| All Together Korea Fund No.2 [3] | 99.99 | 10,000 | 11,026 | 11,026 | Asset management | Korea |
| Terra Corporation [4] | 24.06 | - | 2 | - | Manufacture of fabricated and processed metal products | Korea |
| MJT&I Corp. [4] | 22.89 | - | (885) | - | Wholesale of other merchandise | Korea |
| DSMETAL Co., Ltd. [4] | 26.49 | - | (101) | - | Manufacture of metal door, windows, shutter and relevant products | Korea |
| Shinhwa Underwear Co., Ltd. [4] | 26.05 | - | (134) | 106 | Manufacture of underwear and sleepwear | Korea |
| Kendae Co., Ltd. [4] | 41.01 | - | (252) | 98 | Screen printing | Korea |
| Jinseung Tech Co., Ltd. [4] | 30.04 | - | (98) | 93 | Manufacture of other general-purpose machinery | Korea |
| Dongjo Co., Ltd. [4] | 29.29 | - | 202 | - | Wholesale of agricultural and forestry machinery and equipment | Korea |
| Korea NM Tech Co., Ltd. [4] | 22.41 | - | 533 | - | Manufacture of motor vehicles, trailers and semitrailers | Korea |
| Jungdo Co., Ltd. [4] | 25.34 | - | 1,231 | - | Office, commercial and institutional building construction | Korea |
| Dae-A Leisure Co., Ltd. [4] | 49.36 | - | (160) | - | Earth works | Korea |
| Chongil Machine & Tools Co., Ltd. [4] | 20.40 | - | (178) | - | Wholesale of machinery and equipment | Korea |
| Imt Technology Co., Ltd. [4] | 25.29 | - | (1) | - | Computer Peripherals Distribution | Korea |
| Iwon Alloy Co., Ltd. [4] | 23.20 | - | 368 | - | Manufacture of smelting, refining and alloys | Korea |
| Computerlife Co., Ltd. [4] | 25.41 | - | (124) | 56 | Publishing of magazines and periodicals (publishing industry) | Korea |
| Skydigital Inc. [4] | 20.40 | - | (332) | - | Manufacture of multimedia and video devices | Korea |
| Jo Yang Industrial Co., Ltd. [4] | 22.77 | - | (198) | - | Manufacture of special glass | Korea |
| Il-Kwang Electronic Materials Co., Ltd. [4] | 29.06 | - | (554) | - | Manufacture of electronic parts | Korea |
| So-Myung Recycling Co., Ltd. [4] | 20.23 | - | 237 | 53 | Manufacture of nonferrous metal | Korea |
| PIP System Co., Ltd. [4] | 20.72 | - | 27 | - | Print equipment | Korea |
| Gwang Myung Paper Co., Ltd. [4] | 20.54 | - | 84 | - | Wholesale of luggage and other protective cases | Korea |
| D-Partner [4] | 20.94 | - | 983 | 536 | Backlight film | Korea |
| Chunsung-meat Co., Ltd. [4] | 26.74 | - | 237 | - | Wholesale of meat | Korea |
| DS Fashionbiz Co., Ltd. [4] | 47.64 | - | 16 | 18 | Manufacture of textiles | Korea |

13.1 Details of investments in associates as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| ALTSCS Co., Ltd. [4] | 47.11 | - | 45 | - | Manufacture of motor vehicle parts | Korea |
| E-Won Chemical Co., Ltd. [4] | 24.30 | - | 24 | - | Manufacture, wholesale and retail trade of feeds | Korea |
| TMAPMOBILITY CO., Ltd. [1] | 8.68 | 200,000 | 53,838 | 182,457 | Application software development and supply | Korea |
| TKDS CO., Ltd [4] | 20.03 | - | (22) | - | Manufacture of video and other imaging equipment | Korea |
| SANDLE FARMING ASSOCIATION [4] | 23.04 | - | 341 | 35 | Manufacture of edible refined oil and processed oil | Korea |
| Seokwang T&I Co., Ltd [4] | 33.64 | - | 698 | - | Brokerage, agency, and related services of cargo | Korea |
| MJK TRADING CO., Ltd. [4] | 25.05 | - | (104) | - | Manufacture of knitting cloth | Korea |
| ONIGYU CO., Ltd. [4] | 32.45 | - | 114 | 80 | Brokerage of food and tobacco | Korea |
| DNGV CO., Ltd. [4] | 22.39 | - | 466 | 55 | Manufacture of automotive engine | Korea |
| Alpa information & Communication Co., ltd. [4] | 22.91 | - | 15 | - | Manufacture of computers and peripheral equipment | Korea |
| JC TECHNO CO., Ltd.[4] | 29.32 | - | 160 | - | Manufacture of industrial electrical and electronic equipment | Korea |
| SD Speed Co., Ltd. [4] | 27.04 | - | 16 | - | Manufacture, wholesale, and retail trade of sports and leisure goods | Korea |
| EUNSUNG ALUMINIUM CO., Ltd. [4] | 20.07 | - | 78 | - | Aluminum rolling and extrusion | Korea |
| SK Yun Co., Ltd.[4] | 30.03 | - | (9) | - | Livestock wholesale and retail business | Korea |
| JINWOO LANDSCAPE CO., Ltd. [4] | 39.17 | - | 471 | - | Landscape planting and municipal construction | Korea |
| | | 578,413 | 531,886 | 659,573 | | |

13.1 Details of investments in associates as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| Korea Credit Bureau Co., Ltd. [1] | 9.00 | 4,500 | 7,948 | 7,948 | Credit information | Korea |
| Incheon Bridge Co., Ltd. [1] | 14.99 | 9,159 | (536) | - | Operation of highways and related facilities | Korea |
| KB SPROTT Renewable Private Equity Fund No.1 | 18.88 | 5,536 | 4,588 | 4,588 | Investment finance | Korea |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 45.00 | 4,500 | 3,482 | 3,482 | Discovery of and investment in promising FinTech-business venture | Korea |
| KB Digital Platform Fund | 46.67 | 78,400 | 79,280 | 79,280 | Digital platform and Tech-based investment in promising companies | Korea |
| KB Prime Digital Platform Fund | 43.33 | 9,750 | 9,669 | 9,669 | Digital platform and Tech-based investment in promising companies | Korea |
| Future Planning KB Start-up Creation Fund | 50.00 | 1,500 | 2,305 | 2,305 | Investment finance | Korea |
| KB High-tech Company Investment Fund | 50.00 | 1,500 | 4,470 | 4,470 | Investment finance | Korea |
| Aju Good Technology Venture Fund | 38.46 | 344 | 9,313 | 9,313 | Investment finance | Korea |
| KB-KDBC Pre-IPO New Technology Business Investment Fund [2] | 33.33 | 1,500 | 2,601 | 2,601 | Investment finance | Korea |
| KB-TS Technology Venture Private Equity Fund | 30.00 | 3,540 | 5,962 | 5,962 | Investment finance | Korea |
| KB Intellectual Property Fund No.2 | 37.50 | 12,450 | 16,334 | 16,334 | Investment finance | Korea |
| KB Digital Innovation Investment Fund Limited Partnership | 25.74 | 27,615 | 23,486 | 25,236 | Investment finance | Korea |
| KB Global Platform Fund | 22.73 | 37,500 | 43,498 | 43,498 | Investment finance | Korea |
| KB Global Platform Fund No.2 | 20.00 | 24,000 | 22,778 | 22,778 | Investment finance | Korea |
| KB-UTC Inno-Tech Venture Fund | 29.53 | 12,586 | 7,821 | 11,571 | Investment finance | Korea |
| WJ Private Equity Fund No.1 | 26.95 | 10,000 | 9,423 | 9,423 | Investment finance | Korea |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 28.57 | 7,110 | 7,208 | 7,208 | Investment finance | Korea |
| KB Smart Scale Up Fund | 25.00 | 45,050 | 55,821 | 55,821 | Investment finance | Korea |
| KB Bio Global Expansion Private Equity Fund No.1 | 26.32 | 10,000 | 11,914 | 11,914 | Investment finance | Korea |
| KB-KTB Technology Venture Fund | 27.27 | 15,000 | 13,633 | 13,633 | Investment finance | Korea |
| KB-SOLIDUS Healthcare Investment Fund | 30.30 | 22,100 | 20,909 | 20,909 | Investment finance | Korea |
| KB New Deal Innovation Fund | 20.00 | 20,000 | 19,324 | 19,324 | Investment finance | Korea |

13.1 Details of investments in associates as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| Startup Korea KB Secondary Fund | 29.27 | 4,500 | 4,500 | 4,500 | Investment finance | Korea |
| All Together Korea Fund No.2 [3] | 99.99 | 10,000 | 10,847 | 10,847 | Asset management | Korea |
| Terra Corporation [4] | 24.06 | - | 2 | - | Manufacture of fabricated and processed metal products | Korea |
| MJT&I Corp. [4] | 22.89 | - | (882) | - | Wholesale of other merchandise | Korea |
| DSMETAL Co., Ltd. [4] | 26.49 | - | (101) | - | Manufacture of metal door, windows, shutter and relevant products | Korea |
| Shinhwa Underwear Co., Ltd. [4] | 26.05 | - | (120) | 120 | Manufacture of underwear and sleepwear | Korea |
| Jaeyang Industry Co., Ltd. [4] | 20.86 | - | (552) | - | Manufacture of luggage and other protective cases | Korea |
| Kendae Co., Ltd. [4] | 41.01 | - | (252) | 98 | Screen printing | Korea |
| Jinseung Tech Co., Ltd. [4] | 30.04 | - | (99) | 92 | Manufacture of other general-purpose machinery | Korea |
| Dongjo Co., Ltd. [4] | 29.29 | - | 168 | - | Wholesale of agricultural and forestry machinery and equipment | Korea |
| Korea NM Tech Co., Ltd. [4] | 22.41 | - | 539 | - | Manufacture of motor vehicles, trailers and semitrailers | Korea |
| Jungdo Co., Ltd. [4] | 25.34 | - | 1,231 | - | Office, commercial and institutional building construction | Korea |
| Dae-A Leisure Co., Ltd. [4] | 49.36 | - | 150 | - | Earth works | Korea |
| Chongil Machine & Tools Co., Ltd. [4] | 20.40 | - | (178) | - | Wholesale of machinery and equipment | Korea |
| Imt Technology Co., Ltd. [4] | 25.29 | - | 16 | - | Computer Peripherals Distribution | Korea |
| Iwon Alloy Co., Ltd. [4] | 23.20 | - | 371 | - | Manufacture of smelting, refining and alloys | Korea |
| Computerlife Co., Ltd. [4] | 25.41 | - | (124) | 56 | Publishing of magazines and periodicals (publishing industry) | Korea |
| Skydigital Inc. [4] | 20.40 | - | (335) | - | Manufacture of multimedia and video devices | Korea |
| Jo Yang Industrial Co., Ltd. [4] | 22.77 | - | (196) | - | Manufacture of special glass | Korea |
| Il-Kwang Electronic Materials Co., Ltd. [4] | 29.06 | - | (555) | - | Manufacture of electronic parts | Korea |
| So-Myung Recycling Co., Ltd. [4] | 20.23 | - | 201 | 17 | Manufacture of nonferrous metal | Korea |
| PIP System Co., Ltd. [4] | 20.72 | - | 27 | - | Print equipment | Korea |
| Gwang Myung Paper Co., Ltd. [4] | 20.54 | - | 84 | - | Wholesale of luggage and other protective cases | Korea |
| D-Partner [4] | 20.94 | - | 910 | 462 | Backlight film | Korea |
| Chunsung-meat Co., Ltd. [4] | 26.74 | - | 237 | - | Wholesale of meat | Korea |
| DS Fashionbiz Co., Ltd. [4] | 47.64 | - | 16 | 18 | Manufacture of textiles | Korea |

13.1 Details of investments in associates as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Ownership (%) | Acquisition cost | Share of net asset amount | Carrying amount | Industry | Location |
| ALTSCS Co., Ltd. [4] | 47.11 | - | 29 | - | Manufacture of motor vehicle parts | Korea |
| E-Won Chemical Co., Ltd. [4] | 24.30 | - | 23 | - | Manufacture, wholesale and retail trade of feeds | Korea |
| TMAPMOBILITY CO., Ltd. [1] | 8.24 | 200,000 | 52,287 | 182,000 | Application software development and supply | Korea |
| TKDS CO., Ltd [4] | 20.03 | - | (6) | - | Manufacture of video and other imaging equipment | Korea |
| SANDLE FARMING ASSOCIATION [4] | 23.04 | - | 323 | 17 | Manufacture of edible refined oil and processed oil | Korea |
| TAEYEONG PRECISION IND. CO., Ltd. [4] | 28.51 | - | (38) | - | Manufacture of mold and metallic patterns | Korea |
| Seokwang T&I Co., Ltd [4] | 33.64 | - | 714 | 9 | Brokerage, agency, and related services of cargo | Korea |
| MJK TRADING CO., Ltd. [4] | 25.05 | - | (99) | - | Manufacture of knitting cloth | Korea |
| ONIGYU CO., Ltd. [4] | 32.45 | - | 39 | 6 | Brokerage of food and tobacco | Korea |
| DNGV CO., Ltd. [4] | 22.39 | - | 365 | - | Manufacture of automotive engine | Korea |
| Alpa information & Communication Co., ltd. [4] | 22.91 | - | 16 | - | Manufacture of computers and peripheral equipment | Korea |
| JC TECHNO CO., Ltd.[4] | 29.32 | - | 495 | - | Manufacture of industrial electrical and electronic equipment | Korea |
| SD Speed Co., ltd. [4] | 27.04 | - | (193) | - | Manufacture, wholesale, and retail trade of sports and leisure goods | Korea |
| | | 578,140 | 451,091 | 585,509 | | |

[1] As of December 31, 2025 and 2024, the Group can exercise significant influence on the decision-making processes of the associate's financial and business policies through participation in governing bodies.
[2] As of December 31, 2025, the Group has fully recovered its investment; however, the liquidation has not yet been completed, and the Group retains rights to the residual interest.
[3] As of December 31, 2025 and 2024, the Group participates in the investment management committee but cannot exercise control.
[4] The investment in associates was reclassified from financial assets at fair value through profit or loss due to termination of rehabilitation procedures.

Although the Group holds 20% or more of the ownership in several investment trusts including KB Hanbando BTL Private Special Asset Fund No.1, those investment trusts are excluded from associates because the Group's influence on those trusts is limited according to the trust agreement. In addition, the Group holds 20% or more of its ownership in KLB Securities Co., Ltd. and one other company, but those companies are excluded from associates, because the Group's influence on those companies is limited due to the status of those companies such as bankruptcy and rehabilitation proceedings.

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 * | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total assets | Total liabilities | Paid-in capital | Equity | Share of net asset amount | Unrealized gains (losses) and others | Carrying amount |
| Korea Credit Bureau Co., Ltd. | 160,778 | 38,645 | 10,000 | 122,133 | 10,992 | - | 10,992 |
| Incheon Bridge Co., Ltd. | 511,041 | 461,786 | 61,096 | 49,255 | 7,383 | - | 7,383 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 9,713 | 143 | 10,000 | 9,570 | 4,307 | (1,942) | 2,365 |
| KB Digital Platform Fund | 312,090 | 768 | 228,000 | 311,322 | 145,284 | - | 145,284 |
| KB Prime Digital Platform Fund | 30,052 | 108 | 30,000 | 29,944 | 12,976 | - | 12,976 |
| Aju Good Technology Venture Fund | 23,643 | - | 900 | 23,643 | 9,093 | - | 9,093 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 8,436 | - | - | 8,436 | 2,812 | - | 2,812 |
| KB-TS Technology Venture Private Equity Fund | 23,948 | 6,919 | 11,800 | 17,029 | 5,109 | - | 5,109 |
| KB Intellectual Property Fund No.2 | 29,689 | 2,367 | 25,200 | 27,322 | 10,246 | - | 10,246 |
| KB Digital Innovation Investment Fund Limited Partnership | 91,247 | 2,996 | 98,464 | 88,251 | 22,712 | 1,750 | 24,462 |
| KB Global Platform Fund | 195,690 | 4,156 | 133,320 | 191,534 | 43,530 | - | 43,530 |
| KB Global Platform Fund No.2 | 230,297 | 4,263 | 160,000 | 226,034 | 45,207 | - | 45,207 |
| KB-UTC Inno-Tech Venture Fund | 16,914 | 210 | 42,418 | 16,704 | 4,932 | 1,326 | 6,258 |
| WJ Private Equity Fund No.1 | 35,436 | 99 | 37,100 | 35,337 | 9,525 | - | 9,525 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 18,240 | 341 | 7,000 | 17,899 | 5,114 | - | 5,114 |
| KB Smart Scale Up Fund | 177,110 | 2,195 | 93,200 | 174,915 | 43,729 | - | 43,729 |
| KB Bio Global Expansion Private Equity Fund No.1 | 43,904 | 106 | 38,000 | 43,798 | 11,526 | - | 11,526 |
| KB-KTB Technology Venture Fund | 49,093 | 802 | 55,000 | 48,291 | 13,170 | - | 13,170 |
| KB-SOLIDUS Healthcare Investment Fund | 99,859 | 3 | 99,000 | 99,856 | 30,259 | - | 30,259 |
| KB New Deal Innovation Fund | 88,590 | 1,807 | 90,000 | 86,783 | 17,357 | - | 17,357 |
| Startup Korea KB Secondary Fund | 31,118 | 432 | 32,250 | 30,686 | 8,563 | - | 8,563 |
| All Together Korea Fund No.2 | 11,028 | 1 | 10,001 | 11,027 | 11,026 | - | 11,026 |
| TMAPMOBILITY CO., Ltd. | 704,504 | 83,911 | 8,682 | 620,593 | 53,838 | 128,619 | 182,457 |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2025 * | | | | |
|---|---|---|---|---|---|
| | Operating revenue | Net profit (loss) | Other comprehensive income | Total comprehensive income (loss) | Dividends |
| Korea Credit Bureau Co., Ltd. | 202,976 | 36,559 | - | 36,559 | 90 |
| Incheon Bridge Co., Ltd. | 164,260 | 70,592 | - | 70,592 | - |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 2,992 | 1,833 | - | 1,833 | - |
| KB Digital Platform Fund | 100,990 | 81,438 | - | 81,438 | - |
| KB Prime Digital Platform Fund | 3,157 | 132 | - | 132 | - |
| Aju Good Technology Venture Fund | 1,801 | 1,456 | - | 1,456 | 780 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 275 | (406) | - | (406) | 60 |
| KB-TS Technology Venture Private Equity Fund | 2 | (582) | - | (582) | - |
| KB Intellectual Property Fund No.2 | 2,795 | (8,267) | - | (8,267) | - |
| KB Digital Innovation Investment Fund Limited Partnership | 18,768 | 6,074 | - | 6,074 | - |
| KB Global Platform Fund | 55,296 | 31,858 | - | 31,858 | - |
| KB Global Platform Fund No.2 | 81,066 | 72,142 | - | 72,142 | - |
| KB-UTC Inno-Tech Venture Fund | 25 | (328) | - | (328) | - |
| WJ Private Equity Fund No.1 | 570 | 375 | - | 375 | - |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 16,445 | 14,997 | (5,332) | 9,665 | - |
| KB Smart Scale Up Fund | 49,631 | 38,629 | - | 38,629 | - |
| KB Bio Global Expansion Private Equity Fund No.1 | 1 | (1,474) | - | (1,474) | - |
| KB-KTB Technology Venture Fund | 135 | (4,682) | - | (4,682) | - |
| KB-SOLIDUS Healthcare Investment Fund | 2,985 | 1,522 | 3,263 | 4,785 | - |
| KB New Deal Innovation Fund | 8,848 | 163 | - | 163 | - |
| Startup Korea KB Secondary Fund | 134 | (1,544) | - | (1,544) | - |
| All Together Korea Fund No.2 | 241 | 235 | - | 235 | - |
| TMAPMOBILITY CO., Ltd. | 283,545 | 24,832 | - | 24,832 | - |

* The condensed financial information of the associates is adjusted to reflect adjustments, such as fair value adjustments recognized at the time of acquisition and adjustments for differences in accounting policies.

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | December 31, 2024 * | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total assets | Total liabilities | Paid-in capital | Equity | Share of net asset amount | Unrealized gains (losses) and others | Carrying amount |
| Korea Credit Bureau Co., Ltd. | 150,657 | 62,343 | 10,000 | 88,314 | 7,948 | - | 7,948 |
| Incheon Bridge Co., Ltd. | 517,004 | 520,576 | 61,096 | (3,572) | (535) | 535 | - |
| KB SPROTT Renewable Private Equity Fund No.1 | 24,548 | 251 | 29,313 | 24,297 | 4,588 | - | 4,588 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 7,890 | 153 | 10,000 | 7,737 | 3,482 | - | 3,482 |
| KB Digital Platform Fund | 170,694 | 809 | 168,000 | 169,885 | 79,280 | - | 79,280 |
| KB Prime Digital Platform Fund | 22,431 | 119 | 22,500 | 22,312 | 9,669 | - | 9,669 |
| Future Planning KB Start-up Creation Fund | 5,794 | 1,184 | 3,000 | 4,610 | 2,305 | - | 2,305 |
| KB High-tech Company Investment Fund | 12,922 | 3,982 | 3,000 | 8,940 | 4,470 | - | 4,470 |
| Aju Good Technology Venture Fund | 24,214 | - | 900 | 24,214 | 9,313 | - | 9,313 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 7,804 | - | 4,500 | 7,804 | 2,601 | - | 2,601 |
| KB-TS Technology Venture Private Equity Fund | 26,460 | 6,587 | 11,800 | 19,873 | 5,962 | - | 5,962 |
| KB Intellectual Property Fund No.2 | 44,265 | 709 | 33,200 | 43,556 | 16,334 | - | 16,334 |
| KB Digital Innovation Investment Fund Limited Partnership | 92,884 | 1,623 | 107,304 | 91,261 | 23,486 | 1,750 | 25,236 |
| KB Global Platform Fund | 195,862 | 4,470 | 165,000 | 191,392 | 43,498 | - | 43,498 |
| KB Global Platform Fund No.2 | 121,421 | 7,529 | 120,000 | 113,892 | 22,778 | - | 22,778 |
| KB-UTC Inno-Tech Venture Fund | 26,935 | 448 | 42,418 | 26,487 | 7,821 | 3,750 | 11,571 |
| WJ Private Equity Fund No.1 | 35,435 | 475 | 37,100 | 34,960 | 9,423 | - | 9,423 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 25,661 | 432 | 24,885 | 25,229 | 7,208 | - | 7,208 |
| KB Smart Scale Up Fund | 225,921 | 2,635 | 180,200 | 223,286 | 55,821 | - | 55,821 |
| KB Bio Global Expansion Private Equity Fund No.1 | 45,378 | 106 | 38,000 | 45,272 | 11,914 | - | 11,914 |
| KB-KTB Technology Venture Fund | 50,673 | 686 | 55,000 | 49,987 | 13,633 | - | 13,633 |
| KB-SOLIDUS Healthcare Investment Fund | 69,004 | 3 | 72,930 | 69,001 | 20,909 | - | 20,909 |
| KB New Deal Innovation Fund | 100,137 | 3,517 | 100,000 | 96,620 | 19,324 | - | 19,324 |
| Startup Korea KB Secondary Fund | 15,375 | - | 15,375 | 15,375 | 4,500 | - | 4,500 |
| All Together Korea Fund No.2 | 10,849 | 1 | 10,001 | 10,848 | 10,847 | - | 10,847 |
| TMAPMOBILITY CO., Ltd. | 797,292 | 163,070 | 8,681 | 634,222 | 52,287 | 129,713 | 182,000 |

13.2 Condensed financial information, adjustments to the carrying amount, and dividend from major investments in associates as of and for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 * | | | | |
|---|---|---|---|---|---|
| | Operating revenue | Net profit (loss) | Other comprehensive income | Total comprehensive income (loss) | Dividends |
| Korea Credit Bureau Co., Ltd. | 175,338 | 26,589 | - | 26,589 | 90 |
| Incheon Bridge Co., Ltd. | 171,687 | 66,701 | - | 66,701 | - |
| KB SPROTT Renewable Private Equity Fund No.1 | 1 | (681) | - | (681) | - |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 1 | (93) | - | (93) | - |
| KB Digital Platform Fund | 10,558 | 7,142 | - | 7,142 | - |
| KB Prime Digital Platform Fund | 820 | 352 | - | 352 | - |
| Future Planning KB Start-up Creation Fund | 5,534 | (3,019) | - | (3,019) | 4,000 |
| KB High-tech Company Investment Fund | 3,753 | (7,921) | - | (7,921) | - |
| Aju Good Technology Venture Fund | 3,396 | (7,447) | - | (7,447) | 2,120 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 398 | (541) | - | (541) | - |
| KB-TS Technology Venture Private Equity Fund | 1,832 | 946 | - | 946 | - |
| KB Intellectual Property Fund No.2 | 10,721 | 5,193 | - | 5,193 | - |
| KB Digital Innovation Investment Fund Limited Partnership | 13,264 | (24,073) | - | (24,073) | - |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 833 | 376 | - | 376 | 3,153 |
| KB Global Platform Fund | 44,045 | 26,809 | - | 26,809 | - |
| KB Global Platform Fund No.2 | 5,512 | (1,969) | - | (1,969) | - |
| KB-UTC Inno-Tech Venture Fund | 963 | (2,620) | (561) | (3,181) | - |
| WJ Private Equity Fund No.1 | 425 | (222) | - | (222) | - |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 6,626 | 3,198 | (2,386) | 812 | - |
| KB Smart Scale Up Fund | 48,053 | 31,416 | - | 31,416 | - |
| KB Bio Global Expansion Private Equity Fund No.1 | 5,423 | 5,004 | - | 5,004 | - |
| KB-KTB Technology Venture Fund | 693 | (3,031) | - | (3,031) | - |
| KB-SOLIDUS Healthcare Investment Fund | 40 | (1,284) | - | (1,284) | - |
| KB New Deal Innovation Fund | 7,218 | (240) | - | (240) | - |
| Startup Korea KB Secondary Fund | - | - | - | - | - |
| All Together Korea Fund No.2 | 313 | 307 | - | 307 | - |
| TMAPMOBILITY CO., Ltd. | 321,542 | (58,287) | - | (58,287) | - |

* The condensed financial information of the associates is adjusted to reflect adjustments, such as fair value adjustments recognized at the time of acquisition and adjustments for differences in accounting policies.

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehen-sive income (loss) | Impairment (reversal) * | Ending |
| Korea Credit Bureau Co., Ltd. | 7,948 | - | - | (90) | 3,134 | - | - | 10,992 |
| Incheon Bridge Co., Ltd. | - | - | - | - | 7,383 | - | - | 7,383 |
| KB SPROTT Renewable Private Equity Fund No.1 | 4,588 | - | (4,588) | - | - | - | - | - |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 3,482 | - | - | - | 825 | - | (1,942) | 2,365 |
| KB Digital Platform Fund | 79,280 | 28,000 | - | - | 38,004 | - | - | 145,284 |
| KB Prime Digital Platform Fund | 9,669 | 3,250 | - | - | 57 | - | - | 12,976 |
| Future Planning KB Start-up Creation Fund | 2,305 | - | (1,789) | (216) | (300) | - | - | - |
| KB High-tech Company Investment Fund | 4,470 | - | (2,798) | (1,672) | - | - | - | - |
| Aju Good Technology Venture Fund | 9,313 | - | - | (780) | 560 | - | - | 9,093 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 2,601 | - | (1,500) | (60) | 1,771 | - | - | 2,812 |
| KB-TS Technology Venture Private Equity Fund | 5,962 | - | - | - | (853) | - | - | 5,109 |
| KB Intellectual Property Fund No.2 | 16,334 | - | (3,000) | - | (3,088) | - | - | 10,246 |
| KB Digital Innovation Investment Fund Limited Partnership | 25,236 | - | (2,275) | - | 1,501 | - | - | 24,462 |
| KB Global Platform Fund | 43,498 | - | (7,200) | - | 7,232 | - | - | 43,530 |
| KB Global Platform Fund No.2 | 22,778 | 8,000 | - | - | 14,429 | - | - | 45,207 |
| KB-UTC Inno-Tech Venture Fund | 11,571 | - | - | - | (2,888) | - | (2,425) | 6,258 |
| WJ Private Equity Fund No.1 | 9,423 | - | - | - | 102 | - | - | 9,525 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 7,208 | - | (5,110) | - | 4,539 | (1,523) | - | 5,114 |
| KB Smart Scale Up Fund | 55,821 | - | (21,750) | - | 9,658 | - | - | 43,729 |
| KB Bio Global Expansion Private Equity Fund No.1 | 11,914 | - | - | - | (388) | - | - | 11,526 |
| KB-KTB Technology Venture Fund | 13,633 | - | - | - | (463) | - | - | 13,170 |
| KB-SOLIDUS Healthcare Investment Fund | 20,909 | 7,900 | - | - | 461 | 989 | - | 30,259 |
| KB New Deal Innovation Fund | 19,324 | - | (2,000) | - | 33 | - | - | 17,357 |
| Startup Korea KB Secondary Fund | 4,500 | 4,500 | (6) | - | (431) | - | - | 8,563 |
| All Together Korea Fund No.2 | 10,847 | - | - | - | 179 | - | - | 11,026 |
| Shinla Construction Co., Ltd. | - | - | - | - | - | - | - | - |
| Terra Corporation | - | - | - | - | - | - | - | - |
| MJT&I Corp. | - | - | - | - | - | - | - | - |

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehen-sive income (loss) | Impairment (reversal) * | Ending |
| DSMETAL Co., Ltd. | - | - | - | - | - | - | - | - |
| Shinhwa Underwear Co., Ltd. | 120 | - | - | - | (14) | - | - | 106 |
| Jaeyang Industry Co., Ltd. | - | - | - | - | - | - | - | - |
| Kendae Co., Ltd. | 98 | - | - | - | - | - | - | 98 |
| Jinseung Tech Co., Ltd. | 92 | - | - | - | 1 | - | - | 93 |
| Dongjo Co., Ltd. | - | - | - | - | - | - | - | - |
| Korea NM Tech Co., Ltd. | - | - | - | - | - | - | - | - |
| Jungdo Co., Ltd. | - | - | - | - | - | - | - | - |
| Dae-A Leisure Co., Ltd. | - | - | - | - | - | - | - | - |
| Chongil Machine & Tools Co., Ltd. | - | - | - | - | - | - | - | - |
| Imt Technology Co., Ltd. | - | - | - | - | - | - | - | - |
| Iwon Alloy Co., Ltd. | - | - | - | - | - | - | - | - |
| Computerlife Co., Ltd. | 56 | - | - | - | - | - | - | 56 |
| Skydigital Inc. | - | - | - | - | - | - | - | - |
| Jo Yang Industrial Co., Ltd. | - | - | - | - | - | - | - | - |
| Il-Kwang Electronic Materials Co., Ltd. | - | - | - | - | - | - | - | - |
| So-Myung Recycling Co., Ltd. | 17 | - | - | - | 36 | - | - | 53 |
| PIP System Co., Ltd. | - | - | - | - | - | - | - | - |
| Gwang Myung Paper Co., Ltd. | - | - | - | - | - | - | - | - |
| D-Partner | 462 | - | - | - | 74 | - | - | 536 |
| Chunsung-meat Co., Ltd. | - | - | - | - | - | - | - | - |
| DS Fashionbiz Co., Ltd. | 18 | - | - | - | - | - | - | 18 |
| ALTSCS Co., Ltd. | - | - | - | - | - | - | - | - |
| E-Won Chemical Co., Ltd. | - | - | - | - | - | - | - | - |
| TMAPMOBILITY CO., Ltd. | 182,000 | - | - | - | (882) | 1,339 | - | 182,457 |
| TKDS CO., Ltd | - | - | - | - | - | - | - | - |
| SANDLE FARMING ASSOCIATION | 17 | - | - | - | 18 | - | - | 35 |
| TAEYEONG PRECISION IND. CO., Ltd. | - | - | - | - | - | - | - | - |
| Seokwang T&I Co., Ltd | 9 | - | - | - | (9) | - | - | - |
| MJK TRADING CO., Ltd. | - | - | - | - | - | - | - | - |
| ONIGYU CO., Ltd. | 6 | - | - | - | 74 | - | - | 80 |
| DNGV CO., Ltd. | - | - | - | - | 55 | - | - | 55 |
| Alpa information & Communication Co., ltd. | - | - | - | - | - | - | - | - |
| JC TECHNO CO., Ltd. | - | - | - | - | - | - | - | - |
| SD Speed Co., ltd. | - | - | - | - | - | - | - | - |
| EUNSUNG ALUMINIUM CO., Ltd. | - | - | - | - | - | - | - | - |
| SK Yun Co., Ltd. | - | - | - | - | - | - | - | - |
| JINWOO LANDSCAPE CO., Ltd. | - | - | - | - | - | - | - | - |
| | 585,509 | 51,650 | (52,016) | (2,818) | 80,810 | 805 | (4,367) | 659,573 |

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehen-sive income (loss) | Ending |
| Korea Credit Bureau Co., Ltd. | 5,617 | - | - | (90) | 2,421 | - | 7,948 |
| Incheon Bridge Co., Ltd. | - | - | - | - | - | - | - |
| KB SPROTT Renewable Private Equity Fund No.1 | 12,573 | - | (8,349) | - | 364 | - | 4,588 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | 3,523 | - | - | - | (41) | - | 3,482 |
| KB Digital Platform Fund | 47,947 | 28,000 | - | - | 3,333 | - | 79,280 |
| KB Prime Digital Platform Fund | 6,916 | 2,600 | - | - | 153 | - | 9,669 |
| Future Planning KB Start-up Creation Fund | 7,814 | - | - | (4,000) | (1,509) | - | 2,305 |
| KB High-tech Company Investment Fund | 9,424 | - | - | - | (4,954) | - | 4,470 |
| Aju Good Technology Venture Fund | 14,296 | - | - | (2,120) | (2,863) | - | 9,313 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | 3,031 | - | (300) | - | (130) | - | 2,601 |
| KB-TS Technology Venture Private Equity Fund | 6,628 | - | (1,320) | - | 654 | - | 5,962 |
| KB Intellectual Property Fund No.2 | 16,936 | - | (2,550) | - | 1,948 | - | 16,334 |
| KB Digital Innovation Investment Fund Limited Partnership | 34,721 | - | (5,040) | - | (4,445) | - | 25,236 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund | 3,072 | - | (94) | (3,153) | 175 | - | - |
| KB Global Platform Fund | 43,850 | - | (6,350) | - | 5,998 | - | 43,498 |
| KB Global Platform Fund No.2 | 11,172 | 12,000 | - | - | (394) | - | 22,778 |
| KB-UTC Inno-Tech Venture Fund | 12,750 | - | (164) | - | (849) | (166) | 11,571 |
| WJ Private Equity Fund No.1 | 9,483 | - | - | - | (60) | - | 9,423 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund No.2 | 9,700 | - | (2,590) | - | 780 | (682) | 7,208 |
| KB Smart Scale Up Fund | 52,905 | - | (4,950) | - | 7,866 | - | 55,821 |
| KB Bio Global Expansion Private Equity Fund No.1 | 10,597 | - | - | - | 1,317 | - | 11,914 |
| KB-KTB Technology Venture Fund | 11,459 | 3,000 | - | - | (826) | - | 13,633 |
| KB-SOLIDUS Healthcare Investment Fund | 13,498 | 7,800 | - | - | (389) | - | 20,909 |

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehen-sive income (loss) | Ending |
| KB New Deal Innovation Fund | 19,372 | - | - | - | (48) | - | 19,324 |
| KY Global Cell & Gene Private Equity Fund 2nd | 26,969 | - | (26,969) | - | - | - | - |
| Startup Korea KB Secondary Fund | - | 4,500 | - | - | - | - | 4,500 |
| All Together Korea Fund No.2 | 10,541 | - | - | - | 306 | - | 10,847 |
| Shinla Construction Co., Ltd. | - | - | - | - | - | - | - |
| Terra Corporation | - | - | - | - | - | - | - |
| MJT&I Corp. | - | - | - | - | - | - | - |
| Jungdong Steel Co., Ltd. | - | - | - | - | - | - | - |
| DSMETAL Co., Ltd. | - | - | - | - | - | - | - |
| Shinhwa Underwear Co., Ltd. | 144 | - | - | - | (24) | - | 120 |
| Jaeyang Industry Co., Ltd. | - | - | - | - | - | - | - |
| Kendae Co., Ltd. | 98 | - | - | - | - | - | 98 |
| Jinseung Tech Co., Ltd. | 158 | - | - | - | (66) | - | 92 |
| Dongjo Co., Ltd. | - | - | - | - | - | - | - |
| Korea NM Tech Co., Ltd. | - | - | - | - | - | - | - |
| Jungdo Co., Ltd. | - | - | - | - | - | - | - |
| Dae-A Leisure Co., Ltd. | - | - | - | - | - | - | - |
| Chongil Machine & Tools Co., Ltd. | - | - | - | - | - | - | - |
| Imt Technology Co., Ltd. | 12 | - | - | - | (12) | - | - |
| Iwon Alloy Co., Ltd. | - | - | - | - | - | - | - |
| Computerlife Co., Ltd. | 56 | - | - | - | - | - | 56 |
| Skydigital Inc. | - | - | - | - | - | - | - |
| Jo Yang Industrial Co., Ltd. | - | - | - | - | - | - | - |
| Il-Kwang Electronic Materials Co., Ltd. | - | - | - | - | - | - | - |
| So-Myung Recycling Co., Ltd. | 59 | - | - | - | (42) | - | 17 |
| PIP System Co., Ltd. | - | - | - | - | - | - | - |
| Gwang Myung Paper Co., Ltd. | - | - | - | - | - | - | - |
| D-Partner | 397 | - | - | - | 65 | - | 462 |
| Chunsung-meat Co., Ltd. | - | - | - | - | - | - | - |
| DS Fashionbiz Co., Ltd. | 18 | - | - | - | - | - | 18 |
| ALTSCS Co., Ltd. | - | - | - | - | - | - | - |
| E-Won Chemical Co., Ltd. | - | - | - | - | - | - | - |
| TMAPMOBILITY CO., Ltd. | 183,572 | - | - | - | (1,385) | (187) | 182,000 |
| TKDS CO., Ltd | - | - | - | - | - | - | - |
| SANDLE FARMING ASSOCIATION | 3 | - | - | - | 14 | - | 17 |
| TAEYEONG PRECISION IND. CO., Ltd. | - | - | - | - | - | - | - |
| Seokwang T&I Co., Ltd | - | - | - | - | 9 | - | 9 |
| MJK TRADING CO., Ltd. | - | - | - | - | - | - | - |
| ONIGYU CO., Ltd. | - | - | - | - | 6 | - | 6 |

13.3 Changes in carrying amount of investments in associates for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition and others | Disposal and others | Dividends | Gains (losses) on equity-method accounting | Other comprehen-sive income (loss) | Ending |
| DNGV CO., Ltd. | - | - | - | - | - | - | - |
| Alpa information & Communication Co., ltd. | - | - | - | - | - | - | - |
| JC TECHNO CO., Ltd. | - | - | - | - | - | - | - |
| SD Speed Co., ltd. | - | - | - | - | - | - | - |
| | 589,311 | 57,900 | (58,676) | (9,363) | 7,372 | (1,035) | 585,509 |

***** The recoverable amount was determined using market-based valuation or fair value assessment conducted by independent external valuation institutions. Based on the assessment, an impairment loss or a reversal was recognized.

13.4 Unrecognized share of losses of investments in associates and joint ventures due to the discontinuation of recognizing share of losses, for the years ended December 31, 2025 and 2024, and accumulated amount of unrecognized losses as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | Unrecognized losses for the period | | Accumulated unrecognized losses | |
|---|---|---|---|---|
| | 2025 | 2024 | December 31, 2025 | December 31, 2024 |
| Incheon Bridge Co., Ltd. | (535) | (12,105) | - | 535 |
| Terra Corporation | - | - | 14 | 14 |
| MJT&I Corp. | 3 | 1 | 156 | 153 |
| DSMETAL Co., Ltd. | - | 1 | 104 | 104 |
| Jaeyang Industry Co., Ltd. | (30) | - | - | 30 |
| Dongjo Co., Ltd. | (34) | (26) | 489 | 523 |
| Korea NM Tech Co., Ltd. | 6 | 7 | 47 | 41 |
| Jungdo Co., Ltd. | - | - | 420 | 420 |
| Dae-A Leisure Co., Ltd. | 310 | 287 | 1,195 | 885 |
| Chongil Machine & Tools Co., Ltd. | - | - | 71 | 71 |
| Imt Technology Co., Ltd. | 17 | 2 | 19 | 2 |
| Iwon Alloy Co., Ltd. | 4 | 4 | 26 | 22 |
| Skydigital Inc. | (3) | (3) | 190 | 193 |
| Jo Yang Industrial Co., Ltd. | 2 | 124 | 273 | 271 |
| Il-Kwang Electronic Materials Co., Ltd. | - | - | 158 | 158 |
| Chunsung-meat Co., Ltd. | - | - | 33 | 33 |
| ALTSCS Co., Ltd. | (16) | (16) | 364 | 380 |
| E-Won Chemical Co., Ltd. | (2) | 8 | 10 | 12 |
| TKDS CO., Ltd | 16 | 69 | 193 | 177 |
| TAEYEONG PRECISION IND. CO., Ltd. | (42) | 42 | - | 42 |
| Seokwang T&I Co., Ltd | 7 | - | 7 | - |
| MJK TRADING CO., Ltd. | 6 | 36 | 42 | 36 |
| DNGV CO., Ltd. | (46) | 46 | - | 46 |
| Alpa information & Communication Co., ltd. | 1 | 77 | 78 | 77 |
| JC TECHNO CO., Ltd. | 334 | 243 | 577 | 243 |
| SD Speed Co., ltd | 43 | - | 43 | - |
| | 41 | (11,203) | 4,509 | 4,468 |

## 14. Property and Equipment, and Investment Properties

14.1 Property and Equipment

14.1.1 Details of property and equipment as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land | 1,857,566 | - | (4) | 1,857,562 |
| Buildings | 1,833,575 | (683,731) | (5,746) | 1,144,098 |
| Leasehold improvements | 1,011,919 | (969,215) | - | 42,704 |
| Equipment and vehicles | 1,364,992 | (1,206,633) | - | 158,359 |
| Construction in-progress | 28,286 | - | - | 28,286 |
| Right-of-use assets | 1,883,544 | (1,213,262) | (972) | 669,310 |
| | 7,979,882 | (4,072,841) | (6,722) | 3,900,319 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Accumulated impairment losses | Carrying amount |
| Land | 2,026,787 | - | (4) | 2,026,783 |
| Buildings | 1,864,237 | (676,661) | (5,746) | 1,181,830 |
| Leasehold improvements | 989,540 | (934,951) | - | 54,589 |
| Equipment and vehicles | 1,332,595 | (1,183,789) | - | 148,806 |
| Construction in-progress | 30,586 | - | - | 30,586 |
| Right-of-use assets | 1,785,116 | (1,027,619) | (971) | 756,526 |
| | 8,028,861 | (3,823,020) | (6,721) | 4,199,120 |

14.1.2 Changes in property and equipment for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer [2] | Disposal | Depreciation | Others | Ending |
| Land | 2,026,783 | 149 | (150,225) | (6,343) | - | (12,802) | 1,857,562 |
| Buildings | 1,181,830 | 6,205 | 5,572 | (16) | (46,768) | (2,725) | 1,144,098 |
| Leasehold Improvements | 54,589 | 77 | 24,517 | (22) | (36,279) | (178) | 42,704 |
| Equipment and vehicles | 148,806 | 86,621 | 3,378 | 1,042 | (78,566) | (2,922) | 158,359 |
| Construction in-progress | 30,586 | 84,055 | (84,403) | (2,635) | - | 683 | 28,286 |
| Right-of-use assets [1] | 756,526 | 210,796 | (112) | (14,582) | (279,684) | (3,634) | 669,310 |
| | 4,199,120 | 387,903 | (201,273) | (22,556) | (441,297) | (21,578) | 3,900,319 |

14.1.2 Changes in property and equipment for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer [2] | Disposal | Depreciation | Others | Ending |
| Land | 2,010,670 | 1 | (313) | (806) | - | 17,231 | 2,026,783 |
| Buildings | 1,198,842 | 660 | 29,060 | (3,498) | (47,581) | 4,347 | 1,181,830 |
| Leasehold Improvements | 55,275 | 2,479 | 37,368 | (36) | (41,082) | 585 | 54,589 |
| Equipment and vehicles | 114,440 | 95,254 | 10,759 | (307) | (74,162) | 2,822 | 148,806 |
| Construction in-progress | 26,235 | 90,209 | (84,637) | (1,402) | - | 181 | 30,586 |
| Right-of-use assets [1] | 363,136 | 1,160,083 | 3,126 | (527,839) | (264,549) | 22,569 | 756,526 |
| | 3,768,598 | 1,348,686 | (4,637) | (533,888) | (427,374) | 47,735 | 4,199,120 |

[1] Effect of change in the lease term is reflected in acquisition and disposal based on gross amount.
[2] Includes transfers with investment properties and assets held for sale.

14.1.3 Changes in accumulated impairment losses of property and equipment for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Beginning | Impairment | Reversal | Others | Ending |
| Accumulated impairment losses of property and equipment | (6,721) | (627) | - | 626 | (6,722) |

*(In millions of Korean won)*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Beginning | Impairment | Reversal | Others | Ending |
| Accumulated impairment losses of property and equipment | (5,751) | (970) | - | - | (6,721) |

14.2 Investment Properties

14.2.1 Details of investment properties as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | |
|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Carrying amount |
| Land | 76,361 | - | 76,361 |
| Buildings | 80,380 | (19,494) | 60,886 |
| | 156,741 | (19,494) | 137,247 |

*(In millions of Korean won)*

| | December 31, 2024 | | |
|---|---|---|---|
| | Acquisition cost | Accumulated depreciation | Carrying amount |
| Land | 65,456 | - | 65,456 |
| Buildings | 76,494 | (16,936) | 59,558 |
| | 141,950 | (16,936) | 125,014 |

14.2.2 Valuation techniques and inputs used to measure the fair value of investment properties as of December 31, 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Fair value** | **Valuation techniques** | **Inputs** |
| Land and buildings | 268,459 | Cost approach method | - Base market price<br>- Replacement cost |

Fair value of investment properties amounts to ₩ 268,459 million and ₩ 236,575 million as of December 31, 2025 and 2024, respectively. Investment properties are measured by qualified independent appraisers with recent experience in valuing similar properties in the same area. In addition, all investment properties are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

Rental income from above investment properties amounts to ₩ 7,050 million and ₩ 6,862 million for the years ended December 31, 2025 and 2024, respectively.

14.2.3 Changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | **Beginning** | **Acquisition** | **Transfer** | **Disposal** | **Depreciation** | **Ending** |
| Land | 65,456 | - | 10,905 | - | - | 76,361 |
| Buildings | 59,558 | - | 3,326 | - | (1,998) | 60,886 |
| | 125,014 | - | 14,231 | - | (1,998) | 137,247 |

*(In millions of Korean won)*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | **Beginning** | **Acquisition** | **Transfer** | **Disposal** | **Depreciation** | **Ending** |
| Land | 232,220 | - | 6,189 | (172,953) | - | 65,456 |
| Buildings | 115,260 | - | 11,138 | (64,947) | (1,893) | 59,558 |
| | 347,480 | - | 17,327 | (237,900) | (1,893) | 125,014 |

## 15. Intangible Assets

15.1 Details of intangible assets as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Others | Carrying amount |
| Goodwill | 552,652 | - | (287,215) | 74,053 | 339,490 |
| Other intangible assets | 2,182,994 | (1,766,600) | (29,819) | - | 386,575 |
| | 2,735,646 | (1,766,600) | (317,034) | 74,053 | 726,065 |

| *(In millions of Korean won)* | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Others | Carrying amount |
| Goodwill | 552,652 | - | (58,549) | 85,265 | 579,368 |
| Other intangible assets | 2,032,757 | (1,614,219) | (29,303) | - | 389,235 |
| | 2,585,409 | (1,614,219) | (87,852) | 85,265 | 968,603 |

15.2 Details of goodwill as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Acquisition cost | Carrying amount * | Acquisition cost | Carrying amount * |
| PT Bank KB Indonesia Tbk. | 89,220 | 88,477 | 89,220 | 94,162 |
| KB PRASAC BANK PLC. | 398,144 | 185,725 | 398,144 | 419,918 |
| Housing & Commercial Bank | 65,288 | 65,288 | 65,288 | 65,288 |
| | 552,652 | 339,490 | 552,652 | 579,368 |

* Includes the effect of exchange differences.

15.3 Changes in accumulated impairment losses of goodwill for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | Beginning | Impairment | Others | Ending |
| Accumulated impairment losses of goodwill | (58,549) | (222,135) | (6,531) | (287,215) |

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Beginning | Impairment | Others | Ending |
| Accumulated impairment losses of goodwill | (1,202) | (57,347) | - | (58,549) |

15.4 Details of goodwill allocation to cash-generating units and related information for impairment testing as of December 31, 2025 are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Retail banking | Corporate banking | KB PRASAC BANK PLC. | PT Bank KB Indonesia Tbk. | Total |
| Carrying amounts [1] | 49,315 | 15,973 | 400,551 | 88,477 | 554,316 |
| Recoverable amount exceeding carrying amount [2] | 4,204,235 | 10,031,341 | (219,059) | 694,511 | 14,711,028 |
| Discount rate (%) | 18.08 | 14.33 | 22.93 | 21.78 | |
| Permanent growth rate (%) | 1.00 | 1.00 | 4.00 | 3.00 | |

[1] The carrying amount of goodwill at the time of the impairment test
[2] If the carrying amount of goodwill is bigger than the recoverable amount, it is indicated as a negative number.

For impairment testing, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination, and cash-generating units consist of an operating segment or units which are not larger than an operating segment. The Group recognized goodwill amounting to ₩ 65,288 million arising from the merger of Housing & Commercial Bank, and the amounts of ₩ 49,315 million and ₩ 15,973 million were allocated to the retail banking and corporate banking, respectively. The Group acquired a 70% stake in KB PRASAC BANK PLC. with an acquisition date of April 10, 2020, and an additional 30% stake with an acquisition date of October 19, 2021. The goodwill recognized due to the business combination is ₩ 185,725 million as of December 31, 2025. The Group acquired a 66.88% stake in PT Bank KB Indonesia Tbk. with an acquisition date of September 2, 2020, and the goodwill recognized due to the business combination is ₩ 88,477 million as of December 31, 2025. Cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit including the goodwill with the recoverable amount of the unit. The valuation dates of the recoverable amounts of the KB PRASAC BANK PLC. and PT Bank KB Indonesia Tbk. are September 30, 2025 and December 31, 2025, respectively.

The recoverable amount of a cash-generating unit is measured at the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is the amount obtainable from the disposal in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. If it is difficult to measure the amount obtainable from the disposal of the cash-generating unit, the disposal amount of a similar cash-generating unit in the past transaction is used by reflecting the characteristics of the cash-generating unit to be measured. If it is not possible to obtain reliable information to measure the fair value less costs of disposal, the Group uses the asset's value in use as its recoverable amount. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The estimated future cash flows are based on the most recent financial budget approved by management with maximum period of 5 years. The future cash flows of retail banking and corporate banking after the projection period are estimated on the assumption that the future cash flows will increase by 1.0% per year. The key assumptions used for the estimation of the future cash flows are based on the market size and the Group's market share.

The future cash flows of KB PRASAC BANK PLC. after five years are estimated on the assumption that the future cash flows will increase by 4.0% per year. The future cash flows of PT Bank KB Indonesia Tbk. after five years are estimated on the assumption that the future cash flows will increase by 3.0% per year. The key assumptions used for the estimation of the future cash flows are the GDP growth rate and the market size of Cambodia and Indonesia, and the recent growth rate of KB PRASAC BANK PLC. and PT Bank KB Indonesia Tbk. The discount rate is a pre-tax rate that reflects assumptions regarding risk-free interest rate, market risk premium, and the risks specific to the cash-generating unit.

15.5 Details of intangible assets other than goodwill as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Industrial property rights | 2,461 | (2,094) | - | 367 |
| Software | 1,805,992 | (1,507,537) | (31) | 298,424 |
| Other intangible assets | 339,414 | (221,842) | (29,788) | 87,784 |
| Right-of-use assets | 35,127 | (35,127) | - | - |
| | 2,182,994 | (1,766,600) | (29,819) | 386,575 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Acquisition cost | Accumulated amortization | Accumulated impairment losses | Carrying amount |
| Industrial property rights | 2,314 | (1,950) | - | 364 |
| Software | 1,670,540 | (1,372,344) | (56) | 298,140 |
| Other intangible assets | 324,776 | (205,386) | (29,247) | 90,143 |
| Right-of-use assets | 35,127 | (34,539) | - | 588 |
| | 2,032,757 | (1,614,219) | (29,303) | 389,235 |

15.6 Changes in intangible assets other than goodwill for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer | Disposal | Amortization | Others | Ending |
| Industrial property rights | 364 | 147 | - | - | (144) | - | 367 |
| Software | 298,140 | 130,748 | 669 | (3) | (129,125) | (2,005) | 298,424 |
| Other intangible assets | 90,143 | 25,438 | - | (4,300) | (21,122) | (2,375) | 87,784 |
| Right-of-use assets | 588 | - | - | - | (588) | - | - |
| | 389,235 | 156,333 | 669 | (4,303) | (150,979) | (4,380) | 386,575 |

*(In millions of Korean won)*

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Beginning | Acquisition | Transfer | Disposal | Amortization | Others | Ending |
| Industrial property rights | 369 | 124 | - | - | (129) | - | 364 |
| Software | 309,195 | 146,697 | (158) | (3,119) | (159,225) | 4,750 | 298,140 |
| Other intangible assets | 134,242 | 758 | 158 | (1,500) | (33,056) | (10,459) | 90,143 |
| Right-of-use assets | 1,594 | - | - | - | (1,006) | - | 588 |
| | 445,400 | 147,579 | - | (4,619) | (193,416) | (5,709) | 389,235 |

15.7 Changes in accumulated impairment losses of other intangible assets for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Impairment** | **Reversal** | **Others** | **Ending** |
| Accumulated impairment losses of other intangible assets | (29,303) | (480) | - | (36) | (29,819) |

| *(In millions of Korean won)* | 2024 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Impairment** | **Reversal** | **Others** | **Ending** |
| Accumulated impairment losses of other intangible assets | (15,385) | (13,950) | - | 32 | (29,303) |

## 16. Deferred Income Tax Assets and Liabilities

16.1 Details of deferred income tax assets and liabilities as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | **Assets** | **Liabilities** | **Net amount** |
| Other provisions | 105,663 | - | 105,663 |
| Impairment losses of property and equipment | 9,638 | - | 9,638 |
| Equity-linked deposit interests | 362 | - | 362 |
| Share-based payments | 31,353 | - | 31,353 |
| Provisions for acceptances and guarantees | 14,300 | - | 14,300 |
| Gains or losses on valuation of derivatives | - | (269,414) | (269,414) |
| Present value discount | - | (239) | (239) |
| Gains or losses on fair value hedge | - | (36,979) | (36,979) |
| Accrued interest | - | (124,078) | (124,078) |
| Deferred loan origination fees and costs | 11,775 | (127,804) | (116,029) |
| Gains or losses on revaluation * | - | (253,702) | (253,702) |
| Investments in subsidiaries and others | 27,274 | (278,360) | (251,086) |
| Gains or losses on valuation of security investment | - | (59,659) | (59,659) |
| Defined benefit liabilities | 467,617 | - | 467,617 |
| Accrued expenses | 234,669 | - | 234,669 |
| Plan assets | - | (514,100) | (514,100) |
| Adjustments to the prepaid contributions | - | (79,010) | (79,010) |
| Others | 879,100 | (536,285) | 342,815 |
| | 1,781,751 | (2,279,630) | (497,879) |
| Offsetting of deferred income tax assets and liabilities | (1,638,300) | 1,638,300 | - |
| | 143,451 | (641,330) | (497,879) |

16.1 Details of deferred income tax assets and liabilities as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | **Assets** | **Liabilities** | **Net amount** |
| Other provisions | 115,168 | - | 115,168 |
| Impairment losses of property and equipment | 9,322 | - | 9,322 |
| Share-based payments | 23,729 | - | 23,729 |
| Provisions for acceptances and guarantees | 16,010 | - | 16,010 |
| Gains or losses on valuation of derivatives | - | (136,533) | (136,533) |
| Present value discount | 90 | - | 90 |
| Gains or losses on fair value hedge | - | (45,741) | (45,741) |
| Accrued interest | 1,680 | (124,508) | (122,828) |
| Deferred loan origination fees and costs | 12,635 | (126,717) | (114,082) |
| Gains or losses on revaluation * | - | (259,519) | (259,519) |
| Investments in subsidiaries and others | 28,638 | (233,762) | (205,124) |
| Gains or losses on valuation of security investment | - | (328,616) | (328,616) |
| Defined benefit liabilities | 437,558 | - | 437,558 |
| Accrued expenses | 212,155 | - | 212,155 |
| Plan assets | - | (440,187) | (440,187) |
| Adjustments to the prepaid contributions | - | (49,134) | (49,134) |
| Others | 867,671 | (516,274) | 351,397 |
| | 1,724,656 | (2,260,991) | (536,335) |
| Offsetting of deferred income tax assets and liabilities | (1,587,539) | 1,587,539 | - |
| | 137,117 | (673,452) | (536,335) |

* Gains on Land revaluation.

16.2 Unrecognized Deferred Income Tax Assets

16.2.1 No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 3,746,314 million and ₩ 3,815,447 million associated with investments in subsidiaries and others as of December 31, 2025 and 2024, because it is not probable that these temporary differences will reverse in the foreseeable future.

16.2.2 No deferred income tax assets have been recognized for the deductible temporary differences of ₩ 333,002 million with other provisions as of December 31, 2025, and ₩ 47,282 million and ₩ 47,015 million associated with others as of December 31, 2025 and 2024, respectively, due to the uncertainty that these temporary differences will be realized in the future.

16.3 Unrecognized Deferred Income Tax Liabilities

16.3.1 No deferred income tax liabilities have been recognized for the taxable temporary differences of ₩ 553,182 million and ₩ 1,491,442 million associated with investments in subsidiaries and others as of December 31, 2025 and 2024, due to the following reasons:
- The Group is able to control the timing of the reversal of the temporary differences.
- It is probable that these temporary differences will not reverse in the foreseeable future.

16.3.2 No deferred income tax liabilities have been recognized as of December 31, 2025 and 2024 for the taxable temporary differences of ₩ 65,288 million related to the initial recognition of goodwill arising from the merger of Housing and Commercial Bank in 2001.

16.4 Changes in cumulative temporary differences for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | | | |
|---|---|---|---|---|
| | **Beginning** | **Decrease** | **Increase** | **Ending** |
| **Deductible temporary differences** | | | | |
| Other provisions | 436,241 | 436,241 | 717,231 | 717,231 |
| Impairment losses of property and equipment | 35,311 | 25,506 | 25,241 | 35,046 |
| Deferred loan origination fees and costs | 47,859 | - | (5,041) | 42,818 |
| Interest income from equity index-linked deposits | - | - | 1,317 | 1,317 |
| Accrued interest | 8,401 | - | (8,401) | - |
| Share-based payments | 89,884 | 89,884 | 114,010 | 114,010 |
| Provisions for acceptances and guarantees | 60,642 | 60,642 | 52,000 | 52,000 |
| Present value discount | 342 | 342 | - | - |
| Investments in subsidiaries and others | 3,918,990 | - | (73,497) | 3,845,493 |
| Defined benefit liabilities | 1,657,415 | 174,926 | 217,937 | 1,700,426 |
| Accrued expenses | 805,305 | 798,344 | 846,382 | 853,343 |
| Others | 3,009,476 | 861,197 | 814,833 | 2,963,112 |
| | 10,069,866 | 2,447,082 | 2,702,012 | 10,324,796 |
| **Unrecognized deferred income tax assets** | | | | |
| Other provisions | - | | | 333,002 |
| Investments in subsidiaries and others | 3,815,447 | | | 3,746,314 |
| Others | 47,015 | | | 47,282 |
| | 6,207,404 | | | 6,198,198 |
| Tax rate (%) | 26.40 | | | 27.50 |
| | 1,638,756 | | | 1,704,505 |
| Tax loss carryforwards and tax credit | 85,900 | - | (8,654) | 77,246 |
| **Total deferred income tax assets** | 1,724,656 | | | 1,781,751 |
| **Taxable temporary differences** | | | | |
| Gains or losses on fair value hedge | (173,260) | (173,260) | (134,469) | (134,469) |
| Accrued interest | (471,622) | (394,332) | (373,902) | (451,192) |
| Deferred loan origination fees and costs | (479,989) | (479,989) | (464,743) | (464,743) |
| Gains or losses on valuation of derivatives | (517,170) | (545,328) | (1,007,845) | (979,687) |
| Present value discount | - | - | (870) | (870) |
| Goodwill arising from the merger | (65,288) | - | - | (65,288) |
| Gains or losses on revaluation * | (983,027) | (60,476) | - | (922,551) |
| Investments in subsidiaries and others | (2,374,629) | - | 809,226 | (1,565,403) |
| Gains or losses on valuation of security investment | (1,244,757) | (1,244,757) | (216,943) | (216,943) |
| Plan assets | (1,667,377) | (95,289) | (297,367) | (1,869,455) |
| Adjustments to the prepaid contributions | (186,113) | (186,113) | (287,309) | (287,309) |
| Others | (1,957,855) | (679,299) | (671,563) | (1,950,119) |
| | (1,957,855) | (3,858,843) | (2,645,785) | (8,908,029) |
| **Unrecognized deferred income tax liabilities** | | | | |
| Goodwill arising from the merger | (65,288) | | | (65,288) |
| Investments in subsidiaries and others | (1,491,442) | | | (553,182) |
| | (8,564,357) | | | (8,289,559) |
| Tax rate (%) | 26.40 | | | 27.50 |
| **Total deferred income tax liabilities** | (2,260,991) | | | (2,279,630) |

16.4 Changes in cumulative temporary differences for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | **Beginning** | **Decrease** | **Increase** | **Ending** |
| **Deductible temporary differences** | | | | |
| Other provisions | 681,009 | 681,009 | 436,241 | 436,241 |
| Impairment losses of property and equipment | 27,634 | 21,585 | 29,262 | 35,311 |
| Deferred loan origination fees and costs | 43,955 | - | 3,904 | 47,859 |
| Accrued interest | 729 | - | 7,672 | 8,401 |
| Share-based payments | 57,685 | 57,685 | 89,884 | 89,884 |
| Provisions for acceptances and guarantees | 185,290 | 185,290 | 60,642 | 60,642 |
| Present value discount | 1,401 | 1,401 | 342 | 342 |
| Investments in subsidiaries and others | 2,925,500 | 25,525 | 1,019,015 | 3,918,990 |
| Defined benefit liabilities | 1,548,227 | 170,955 | 280,143 | 1,657,415 |
| Accrued expenses | 764,170 | 758,620 | 799,755 | 805,305 |
| Others | 2,497,257 | 706,076 | 1,218,295 | 3,009,476 |
| | 8,732,857 | 2,608,146 | 3,945,155 | 10,069,866 |
| **Unrecognized deferred income tax assets** | | | | |
| Investments in subsidiaries and others | 2,868,380 | | | 3,815,447 |
| Others | 42,288 | | | 47,015 |
| | 5,822,189 | | | 6,207,404 |
| Tax rate (%) | 26.40 | | | 26.40 |
| | 1,537,058 | | | 1,638,756 |
| Tax loss carryforwards and tax credit | 179,648 | - | (93,748) | 85,900 |
| **Total deferred income tax assets** | 1,716,706 | | | 1,724,656 |
| **Taxable temporary differences** | | | | |
| Gains or losses on fair value hedge | (216,460) | (43,200) | - | (173,260) |
| Accrued interest | (387,905) | (296,788) | (380,505) | (471,622) |
| Deferred loan origination fees and costs | (431,098) | (431,098) | (479,989) | (479,989) |
| Gains or losses on valuation of derivatives | (558,554) | (558,554) | (517,170) | (517,170) |
| Goodwill arising from the merger | (65,288) | - | - | (65,288) |
| Gains or losses on revaluation * | (984,239) | (1,212) | - | (983,027) |
| Investments in subsidiaries and others | (1,954,707) | - | (419,922) | (2,374,629) |
| Gains or losses on valuation of security investment | (960,241) | (960,241) | (1,244,757) | (1,244,757) |
| Plan assets | (1,746,854) | (213,148) | (133,671) | (1,667,377) |
| Adjustments to the prepaid contributions | (125,019) | (125,019) | (186,113) | (186,113) |
| Others | (1,183,779) | (281,760) | (1,055,836) | (1,957,855) |
| | (8,614,144) | (2,911,020) | (4,417,963) | (10,121,087) |
| **Unrecognized deferred income tax liabilities** | | | | |
| Goodwill arising from the merger | (65,288) | | | (65,288) |
| Investments in subsidiaries and others | (1,086,031) | | | (1,491,442) |
| | (7,462,825) | | | (8,564,357) |
| Tax rate (%) | 26.40 | | | 26.40 |
| **Total deferred income tax liabilities** | (1,970,186) | | | (2,260,991) |

* Gains on Land revaluation.

## 17. Assets Held for Sale and a Disposal Group Held for Sale

17.1.1 Details of assets held for sale as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | Acquisition cost * | Accumulated impairment losses | Carrying amount | Fair value less costs to sell |
| Land held for sale | 121,182 | (45,627) | 75,555 | 125,973 |
| Buildings held for sale | 168,014 | (68,650) | 99,364 | 118,454 |
| Other assets held for sale | 1,865 | (1,865) | - | - |
| | 291,061 | (116,142) | 174,919 | 244,427 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | Acquisition cost * | Accumulated impairment losses | Carrying amount | Fair value less costs to sell |
| Land held for sale | 82,878 | (48,986) | 33,892 | 44,905 |
| Buildings held for sale | 179,430 | (76,907) | 102,523 | 124,095 |
| Other assets held for sale | 2,664 | (2,241) | 423 | 423 |
| | 264,972 | (128,134) | 136,838 | 169,423 |

* Acquisition cost of buildings held for sale is net of the accumulated depreciation amount immediately before the initial classification of the assets as held for sale.

17.1.2 Valuation techniques and inputs used to measure the fair value of assets held for sale as of December 31, 2025 are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Fair value | Valuation techniques [1] | Unobservable inputs [2] | Estimated range of unobservable inputs (%) | Effect of unobservable inputs to fair value |
| Land and buildings | 244,427 | Market comparison approach model and others | Adjustment index | 0.33 ~ 2.90 | Fair value increases as the adjustment index rises |

[1] The appraisal value is adjusted by the adjustment ratio in the event the public sale is unsuccessful.
[2] Adjustment index is calculated using the time adjustments, regional factors, or other individual factors.

Among assets held for sale, real estate was measured by independent appraisers with professional qualifications and recent experience in evaluating similar properties in the area of the property to be assessed. All assets held for sale are classified as Level 3 in accordance with fair value hierarchy in Note 6.1.2.

17.1.3 Changes in accumulated impairment losses of assets held for sale for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Provision** | **Reversal** | **Others** | **Ending** |
| Accumulated impairment losses of assets held for sale | (128,134) | (35,536) | 1 | 47,527 | (116,142) |

| *(In millions of Korean won)* | 2024 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Provision** | **Reversal** | **Others** | **Ending** |
| Accumulated impairment losses of assets held for sale | (64,658) | (49,259) | 2 | (14,219) | (128,134) |

17.1.4 As of December 31, 2025, land, buildings and other assets held for sale consist of 34 real estates of closed offices and 297 foreclosure assets on loans of PT Bank KB Indonesia Tbk. which were determined to sell by management, but not yet sold as of December 31, 2025. The remaining 331 assets are also being actively marketed.

17.2 Disposal group held for sale

The Group decided to dispose of its entire equity interest in PT KB Bukopin Finance held by its consolidated subsidiary, PT Bank KB Indonesia Tbk. Accordingly, as of December 31, 2025, the Group classified the assets and liabilities of PT KB Bukopin Finance as an assets of a disposal group held for sale and liabilities of a disposal group held for sale, respectively. As of December 31, 2025, the Group has entered into a share purchase agreement with a third party for the sale of its equity interest in its subsidiary, PT KB Bukopin Finance, and is currently in the process of completing the disposal.

17.2.1 The major components of assets of a disposal group held for sale as of December 31, 2025 are as follows:

| *(In millions of Korean won)* | 2025 |
|---|---|
| | **PT KB Bukopin Finance** |
| Cash and deposits | 5,858 |
| Loans measured at amortized cost | 85,572 |
| Property and equipment | 131 |
| Intangible assets | 17 |
| Deferred tax assets | 16 |
| Other assets | 2,621 |
| | 94,215 |

17.2.2 The major components of liabilities of a disposal group held for sale as of December 31, 2025 are as follows:

| *(In millions of Korean won)* | 2025 |
|---|---|
| | **PT KB Bukopin Finance** |
| Borrowings | 58,590 |
| Net defined benefit liabilities | 13 |
| Other liabilities | 9,627 |
| Current income tax liabilities | 60 |
| | 68,290 |

17.3.3. As of December 31, 2025, the Group measured assets of a disposal group held for sale at the lower of its carrying amount and fair value less costs to sell, and no impairment loss was recognized as fair value less costs to sell exceeded the carrying amount.

## 18. Other Assets

18.1 Details of other assets as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Other financial assets** | | |
| Other receivables | 6,804,443 | 6,359,355 |
| Accrued income | 1,716,425 | 1,781,258 |
| Guarantee deposits | 713,896 | 763,441 |
| Domestic exchange settlement debits | 1,282,748 | 460,976 |
| Others | 31,379 | 20,464 |
| Less: Allowances for credit losses | (62,144) | (55,633) |
| Present value discount | (2,945) | (1,250) |
| | 10,483,802 | 9,328,611 |
| **Other non-financial assets** | | |
| Other receivables | 343 | 796 |
| Prepaid expenses | 439,414 | 420,606 |
| Guarantee deposits | 5,955 | 4,514 |
| Prepayments | 22,401 | 15,391 |
| Others | 204,135 | 146,148 |
| Less: Allowances for credit losses | (6,742) | (7,200) |
| | 665,506 | 580,255 |
| | 11,149,308 | 9,908,866 |

18.2 Changes in allowances for credit losses of other assets for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | |
|---|---|---|---|
| | Other financial assets | Other non-financial assets | Total |
| Beginning | 55,633 | 7,200 | 62,833 |
| Provision (reversal) | 25,498 | (1,043) | 24,455 |
| Write-offs | (5,616) | (263) | (5,879) |
| Others | (13,371) | 848 | (12,523) |
| Ending | 62,144 | 6,742 | 68,886 |

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | Other financial assets | Other non-financial assets | Total |
| Beginning | 51,628 | 5,205 | 56,833 |
| Provision (reversal) | 24,333 | 1,993 | 26,326 |
| Write-offs | (4,404) | (143) | (4,547) |
| Others | (15,924) | 145 | (15,779) |
| Ending | 55,633 | 7,200 | 62,833 |

## 19. Deposits

Details of deposits as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Demand deposits** | | |
| Demand deposits in Korean won | 161,311,269 | 151,469,914 |
| Demand deposits in foreign currencies | 13,612,111 | 11,868,489 |
| | 174,923,380 | 163,338,403 |
| **Time deposits** | | |
| Time deposits in Korean won | 223,567,917 | 219,690,355 |
| Fair value adjustments of fair value hedged time deposits in Korean won | 6,865 | 6,258 |
| Time deposits in foreign currencies | 27,764,081 | 28,367,857 |
| Fair value adjustments of fair value hedged time deposits in foreign currencies | (1,334) | (7,593) |
| | 251,337,529 | 248,056,877 |
| **Certificates of deposits** | 13,749,293 | 9,805,371 |
| | 440,010,202 | 421,200,651 |

## 20. Borrowings

20.1 Details of borrowings as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| General borrowings | 26,965,329 | 26,887,092 |
| Bonds sold under repurchase agreements and others | 2,642,634 | 3,318,612 |
| Call money | 2,937,727 | 2,020,712 |
| | 32,545,690 | 32,226,416 |

20.2 Details of general borrowings as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | Lenders | Annual interest rate (%) | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|---|
| **Borrowings in Korean won** | Borrowings from Bank of Korea | Bank of Korea | 1.00 | 6,958,623 | 4,618,026 |
| | Borrowings from government | SEMAS and others | 0.00~3.50 | 2,402,107 | 2,409,409 |
| | Borrowings from non-banking financial institutions | Korea Development Bank | 0.55~1.80 | 425,405 | 474,148 |
| | Other borrowings | Korea Development Bank and others | 0.00~3.91 | 2,776,112 | 3,061,648 |
| | | | | 12,562,247 | 10,563,231 |
| **Borrowings in foreign currencies** | Due to banks | Hana Bank and others | - | 731 | 15,155 |
| | Borrowings from banks | Citicorp International LTD and others | 0.25~9.51 | 11,401,150 | 13,427,010 |
| | Borrowings from other financial institutions | The Export-Import Bank of Korea | 4.19~4.42 | 5,883 | 6,027 |
| | Other borrowings | STANDARD CHARTERED BANK (HONG KONG) and others | 0.00~4.33 | 2,995,318 | 2,875,669 |
| | | | | 14,403,082 | 16,323,861 |
| | | | | 26,965,329 | 26,887,092 |

20.3 Details of bonds sold under repurchase agreements and others as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | Lenders | Annual interest rate (%) | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|
| Bonds sold under repurchase agreements | Individuals, groups, and corporations | 2.50~4.72 | 2,638,227 | 3,310,040 |
| Bills sold | Counter sale | 1.55~2.00 | 4,407 | 8,572 |
| | | | 2,642,634 | 3,318,612 |

20.4 Details of call money as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | Lenders | Annual interest rate (%) | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|
| Call money in Korean won | Samsung Asset Management | 2.12~2.15 | 980,500 | - |
| Call money in foreign currencies | Central Bank Uzbekistan and others | 1.33~10.00 | 1,957,227 | 2,020,712 |
| | | | 2,937,727 | 2,020,712 |

**21. Debentures**

21.1 Details of debentures as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | Annual interest rate (%) | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Debentures in Korean won** | | | |
| Structured debentures | 3.45 ~ 5.86 | 110,410 | 40,560 |
| Subordinated fixed rate debentures | 2.02 ~ 3.50 | 3,180,150 | 3,180,150 |
| Fixed rate debentures | 1.33 ~ 5.95 | 18,792,603 | 19,319,003 |
| Floating rate debentures | 2.61 ~ 2.94 | 1,110,000 | - |
| | | 23,193,163 | 22,539,713 |
| Fair value adjustments of fair value hedged debentures in Korean won | | (116,915) | (108,207) |
| Less: Discount on debentures in Korean won | | (50,894) | (31,214) |
| | | 23,025,354 | 22,400,292 |
| **Debentures in foreign currencies** | | | |
| Floating rate debentures | 2.26 ~ 5.08 | 1,484,557 | 1,211,201 |
| Fixed rate debentures | 0.00 ~ 9.06 | 11,848,981 | 11,219,231 |
| | | 13,333,538 | 12,430,432 |
| Fair value adjustments of fair value hedged debentures in foreign currencies | | (23,085) | (63,717) |
| Less: Discount on debentures in foreign currencies | | (39,157) | (30,236) |
| | | 13,271,296 | 12,336,479 |
| | | 36,296,650 | 34,736,771 |

21.2 Changes in debentures based on par value for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Issue** | **Repayment** | **Others** | **Ending** |
| **Debentures in Korean won** | | | | | |
| Structured debentures | 40,560 | 70,000 | (150) | - | 110,410 |
| Subordinated fixed rate debentures | 3,180,150 | - | - | - | 3,180,150 |
| Fixed rate debentures | 19,319,003 | 15,481,000 | (16,007,400) | - | 18,792,603 |
| Floating rate debentures | - | 1,110,000 | - | - | 1,110,000 |
| | 22,539,713 | 16,661,000 | (16,007,550) | - | 23,193,163 |
| **Debentures in foreign currencies** | | | | | |
| Floating rate debentures | 1,211,201 | 823,280 | (547,190) | (2,734) | 1,484,557 |
| Fixed rate debentures | 11,219,231 | 3,356,316 | (2,943,599) | 217,033 | 11,848,981 |
| | 12,430,432 | 4,179,596 | (3,490,789) | 214,299 | 13,333,538 |
| | 34,970,145 | 20,840,596 | (19,498,339) | 214,299 | 36,526,701 |

| *(In millions of Korean won)* | 2024 | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Issue** | **Repayment** | **Others** | **Ending** |
| **Debentures in Korean won** | | | | | |
| Structured debentures | 110,640 | - | (70,080) | - | 40,560 |
| Subordinated fixed rate debentures | 3,188,970 | - | (8,820) | - | 3,180,150 |
| Fixed rate debentures | 13,649,139 | 17,416,560 | (11,746,696) | - | 19,319,003 |
| Floating rate debentures | 4,430,000 | - | (4,430,000) | - | - |
| | 21,378,749 | 17,416,560 | (16,255,596) | - | 22,539,713 |
| **Debentures in foreign currencies** | | | | | |
| Floating rate debentures | 1,372,460 | 441,355 | (728,965) | 126,351 | 1,211,201 |
| Fixed rate debentures | 9,307,083 | 2,586,142 | (1,811,618) | 1,137,624 | 11,219,231 |
| | 10,679,543 | 3,027,497 | (2,540,583) | 1,263,975 | 12,430,432 |
| | 32,058,292 | 20,444,057 | (18,796,179) | 1,263,975 | 34,970,145 |

## 22. Provisions

22.1 Details of provisions as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **December 31, 2025** | **December 31, 2024** |
|---|---|---|
| Provisions for credit losses of unused loan commitments | 119,856 | 147,381 |
| Provisions for credit losses of acceptances and guarantees | 49,328 | 56,500 |
| Provisions for restoration costs | 146,285 | 155,686 |
| Others | 481,410 | 184,129 |
| | 796,879 | 543,696 |

22.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Provisions for credit losses of unused loan commitments | | | Provisions for credit losses of acceptances and guarantees | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired | | Non-impaired | Impaired |
| Beginning | 118,282 | 29,099 | - | 39,865 | 2,489 | 14,146 |
| Transfer between stages: | | | | | | |
| Transfer to 12-month expected credit losses | 8,857 | (8,824) | (33) | 116 | (116) | - |
| Transfer to lifetime expected credit losses | (11,878) | 13,756 | (1,878) | (826) | 862 | (36) |
| Impairment | (1,149) | (2,824) | 3,973 | (48) | (172) | 220 |
| Provision (reversal) for credit losses | (19,264) | (5,603) | (2,042) | (6,420) | 2,279 | (2,653) |
| Others (exchange differences, etc.) | (603) | 7 | (20) | (317) | (4) | (57) |
| Ending * | 94,245 | 25,611 | - | 32,370 | 5,338 | 11,620 |

*(In millions of Korean won)*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Provisions for credit losses of unused loan commitments | | | Provisions for credit losses of acceptances and guarantees | | |
| | 12-month expected credit losses | Lifetime expected credit losses | | 12-month expected credit losses | Lifetime expected credit losses | |
| | | Non-impaired | Impaired | | Non-impaired | Impaired |
| Beginning | 129,023 | 73,291 | - | 31,293 | 148,198 | 4,409 |
| Transfer between stages: | | | | | | |
| Transfer to 12-month expected credit losses | 60,162 | (60,069) | (93) | 87,306 | (87,306) | - |
| Transfer to lifetime expected credit losses | (13,252) | 13,398 | (146) | (464) | 464 | - |
| Impairment | (226) | (1,206) | 1,432 | (52) | (85) | 137 |
| Provision (reversal) for credit losses | (64,515) | 3,532 | (1,167) | (90,329) | (58,819) | 9,309 |
| Others (exchange differences, etc.) | 7,090 | 153 | (26) | 12,111 | 37 | 291 |
| Ending * | 118,282 | 29,099 | - | 39,865 | 2,489 | 14,146 |

* Includes additional provisions of ₩ 10,598 million and ₩ 15,548 million for the borrowers and others which are highly affected by the termination of COVID-19 financial support as of December 31, 2025 and 2024, respectively.

22.3 Changes in provisions for restoration costs for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Beginning | 155,686 | 130,966 |
| Provision | 4,657 | 5,807 |
| Reversal | (3,070) | (569) |
| Used | (12,493) | (3,196) |
| Unwinding of discount | 4,525 | 4,785 |
| Effect of changes in discount rate | (3,020) | 17,893 |
| Ending | 146,285 | 155,686 |

Provisions for restoration costs are measured at the present value of the best estimate of future restoration costs for leased properties as of the end of the reporting period, discounted at an appropriate discount rate. The expenditure for restoration costs is expected to be incurred at the end of each lease contract, and the lease period is used to reasonably estimate the timing of the expenditure. Additionally, to estimate the expected restoration costs, the average actual restoration expenses of stores that underwent restoration work over the past three years and the three-year historical average inflation rate are used.

22.4 Changes in other provisions for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Membership rewards program | Dormant accounts | Litigations | Financial guarantee contracts | Others[1, 2, 3] | Total |
| Beginning | 73 | 3,154 | 60,069 | 7,378 | 113,455 | 184,129 |
| Provision (reversal) | 108 | 12,623 | 14,443 | (1,599) | 284,738 | 310,313 |
| Used and others | (90) | (10,042) | (768) | - | (2,132) | (13,032) |
| Ending[1, 2, 3] | 91 | 5,735 | 73,744 | 5,779 | 396,061 | 481,410 |

| *(In millions of Korean won)* | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Membership rewards program | Dormant accounts | Litigations | Financial guarantee contracts | Others[1, 2] | Total |
| Beginning | 47 | 3,360 | 50,051 | 6,358 | 352,598 | 412,414 |
| Provision (reversal) | 80 | 2,803 | 38,760 | 1,020 | 711,788 | 754,451 |
| Used and others | (54) | (3,009) | (28,742) | - | (950,931) | (982,736) |
| Ending[1, 2] | 73 | 3,154 | 60,069 | 7,378 | 113,455 | 184,129 |

[1] Includes other provisions of ₩ 6,577 million and ₩ 17,064 million related to the Livelihood finance support program as of December 31, 2025 and 2024, respectively.

[2] Includes other provisions of ₩ 28,396 million and ₩ 55,182 million related to the Hong Kong H-index ELS voluntary adjustment compensation as of December 31, 2025 and 2024, respectively.

[3] As of December 31, 2025, other provisions include ₩ 333,002 million related to ELS and LTV penalties, among others, and such amount may change in the future.

## 23. Net Defined Benefit Liabilities (Assets)

23.1 Defined Benefit Plan

The Group operates defined benefit plans which have the following characteristics:

- The Group has the obligation to pay the agreed benefits to all its current and former employees.
- The Group assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities (assets) recognized in the consolidated statements of financial position are calculated in accordance with an actuarial valuation method using assumptions based on market data and historical data such as discount rate, future salary increase rate, and mortality. Actuarial assumptions may differ from actual results due to changes in the market conditions, economic trends, and mortality trends.

23.2 Changes in net defined benefit liabilities (assets) for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | | |
|---|---|---|---|
| | **Present value of defined benefit obligation** | **Fair value of plan assets** | **Net defined benefit liabilities (assets)** |
| Beginning | 1,763,788 | (1,916,397) | (152,609) |
| Current service cost | 143,989 | - | 143,989 |
| Interest expense (income) | 59,845 | (65,917) | (6,072) |
| Remeasurements: | | | |
| Actuarial gains and losses by experience adjustments | 28,375 | - | 28,375 |
| Actuarial gains and losses by changes in demographic assumptions | (1,290) | - | (1,290) |
| Actuarial gains and losses by changes in financial assumptions | (8,429) | - | (8,429) |
| Return on plan assets (excluding amounts included in interest income) | - | (38,403) | (38,403) |
| Contributions by the Group | - | (180,000) | (180,000) |
| Payments from plans (benefit payments) | (174,927) | 174,927 | - |
| Payments from the Group | (12,451) | - | (12,451) |
| Transfer in | 10,135 | (9,536) | 599 |
| Transfer out | (5,169) | 5,169 | - |
| Effect of exchange differences | (541) | - | (541) |
| Ending | 1,803,325 | (2,030,157) | (226,832) |

23.2 Changes in net defined benefit liabilities (assets) for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | 2024 | | |
|---|---|---|---|
| | **Present value of defined benefit obligation** | **Fair value of plan assets** | **Net defined benefit liabilities (assets)** |
| Beginning | 1,654,069 | (1,874,793) | (220,724) |
| Current service cost | 137,303 | - | 137,303 |
| Interest expense (income) | 65,500 | (75,280) | (9,780) |
| Remeasurements: | | | |
| Actuarial gains and losses by experience adjustments | (107) | - | (107) |
| Actuarial gains and losses by changes in demographic assumptions | - | - | - |
| Actuarial gains and losses by changes in financial assumptions | 85,243 | - | 85,243 |
| Return on plan assets (excluding amounts included in interest income) | - | (26,415) | (26,415) |
| Contributions by the Group | - | (105,600) | (105,600) |
| Payments from plans (benefit payments) | (169,302) | 169,302 | - |
| Payments from the Group | (12,961) | - | (12,961) |
| Transfer in | 8,890 | (8,557) | 333 |
| Transfer out | (4,946) | 4,946 | - |
| Effect of exchange differences | 99 | - | 99 |
| Ending | 1,763,788 | (1,916,397) | (152,609) |

23.3 Details of net defined benefit liabilities (assets) as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **December 31, 2025** | **December 31, 2024** |
|---|---|---|
| Present value of defined benefit obligation | 1,803,325 | 1,763,788 |
| Fair value of plan assets | (2,030,157) | (1,916,397) |
| Net defined benefit liabilities (assets) | (226,832) | (152,609) |

23.4 Details of remeasurements of net defined benefit liabilities (asset) recognized in other comprehensive income (loss) for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| Remeasurements: | | |
| Actuarial losses arising from experience adjustments | (28,375) | 107 |
| Actuarial losses arising from changes in demographic assumptions | 1,290 | - |
| Actuarial losses arising from changes in financial assumptions | 8,429 | (85,243) |
| Return on plan assets (excluding amounts included in interest income) | 38,403 | 26,415 |
| Income tax effect | (5,270) | 15,530 |
| Effect of exchange differences | (896) | 1,223 |
| Remeasurements after income tax expense | 13,581 | (41,968) |

23.5 Details of fair value of plan assets as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | |
|---|---|---|---|
| | Assets quoted in an active market | Assets not quoted in an active market | Total |
| Time deposits and others | - | 1,243,132 | 1,243,132 |
| Others | - | 787,025 | 787,025 |
| | - | 2,030,157 | 2,030,157 |

| *(In millions of Korean won)* | December 31, 2024 | | |
|---|---|---|---|
| | Assets quoted in an active market | Assets not quoted in an active market | Total |
| Time deposits and others | - | 1,256,694 | 1,256,694 |
| Others | - | 659,704 | 659,704 |
| | - | 1,916,398 | 1,916,398 |

23.6 Details of significant actuarial assumptions used as of December 31, 2025 and 2024, are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Discount rate (%) | 4.00 | 3.60 |
| Salary increase rate (%) | 0.00 ~ 5.70 | 0.00 ~ 5.16 |
| Turnover rate (%) | 1.92 ~ 47.65 | 1.68 ~ 38.60 |

Mortality assumptions are based on the experience-based mortality table issued by Korea Insurance Development Institute in 2023.

23.7 Results of sensitivity analysis of significant actuarial assumptions as of December 31, 2025, are as follows:

| | | Effect on defined benefit obligation | |
|---|---|---|---|
| | Changes in assumptions | Increase in assumptions | Decrease in assumptions |
| Discount rate | 0.5%p | 3.15% decrease | 3.35% increase |
| Salary increase rate | 0.5%p | 3.30% increase | 3.13% decrease |
| Turnover rate | 0.5%p | 0.10% decrease | 0.09% increase |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to changes in significant actuarial assumptions is calculated using the same projected unit credit method used in calculating the defined benefit obligation recognized in the consolidated statement of financial position.

23.8 Expected maturity analysis of undiscounted pension benefit payments as of December 31, 2025, are as follows:

*(In millions of Korean won)*

| | Up to 1 year | 1~2 years | 2~5 years | 5~10 years | Over 10 years | Total |
|---|---|---|---|---|---|---|
| Pension benefits | 197,425 | 238,844 | 641,547 | 917,087 | 2,496,195 | 4,491,098 |

The weighted average duration of the defined benefit obligation is 6.84 and 7.06 years as of December 31, 2025 and 2024, respectively.

23.9 Reasonable estimation of expected contribution to plan assets for the next annual reporting period after December 31, 2025, is ₩ 180,000 million.

## 24. Other Liabilities

Details of other liabilities as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Other financial liabilities** | | |
| Other payables | 7,962,908 | 7,251,206 |
| Prepaid card and debit card payables | 11,250 | 6,896 |
| Accrued expenses | 4,960,495 | 5,215,449 |
| Financial guarantee contracts liabilities | 59,018 | 26,780 |
| Deposits for letter of guarantees and others | 255,694 | 500,633 |
| Domestic exchange settlement credits | 93,914 | 291,773 |
| Foreign exchange settlement credits | 266,026 | 268,794 |
| Other accounting business borrowings | 18,849 | 4,404 |
| Due to trust accounts | 11,137,898 | 8,232,002 |
| Liabilities incurred from agency relationships | 765,269 | 794,661 |
| Account for agency business | 925,566 | 733,654 |
| Lease liabilities | 696,445 | 751,936 |
| Others | 58,214 | 39,472 |
| | 27,211,546 | 24,117,660 |
| **Other non-financial liabilities** | | |
| Other payables | 1,124,248 | 623,728 |
| Unearned revenue | 104,432 | 104,931 |
| Accrued expenses | 599,404 | 538,038 |
| Withholding taxes | 196,509 | 206,545 |
| Others | 63,738 | 49,166 |
| | 2,088,331 | 1,522,408 |
| | 29,299,877 | 25,640,068 |

## 25. Equity

### 25.1 Capital Stock

Details of capital stock as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won and in number of shares)*

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Type of share | Ordinary share | Ordinary share |
| Number of authorized shares | 1,000,000,000 | 1,000,000,000 |
| Par value per share *(In Korean won)* | 5,000 | 5,000 |
| Number of issued shares | 404,379,116 | 404,379,116 |
| Capital stock | 2,021,896 | 2,021,896 |

### 25.2 Hybrid Security

Details of hybrid security classified as equity as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | Issuance date | Maturity * | Interest rate (%) | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|---|
| Hybrid Security | June 23, 2022 | Permanent | 4.89 | 299,327 | 299,327 |
| | February 27, 2023 | | 4.67 | 409,085 | 409,085 |
| | May 29, 2024 | | 4.22 | 357,200 | 357,200 |
| | | | | 1,065,612 | 1,065,612 |

* Notwithstanding the perpetual bond, early redemption is available by the Bank only when prior approval from the head of the Financial Supervisory Service is obtained after 5 years from the issuance date.

### 25.3 Capital Surplus

Details of capital surplus as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Paid-in capital in excess of par value | 4,604,417 | 4,604,417 |
| Gains on business combination | 397,669 | 397,669 |
| Revaluation reserve | 177,229 | 177,229 |
| Other capital surplus | (529,197) | (529,197) |
| | 4,650,118 | 4,650,118 |

25.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Remeasurements of net defined benefit liabilities | (191,397) | (205,607) |
| Currency translation differences | 553,766 | 603,522 |
| Gains (losses) on debt securities measured at fair value through other comprehensive income | (1,421) | 263,164 |
| Gains on equity securities measured at fair value through other comprehensive income | 443,495 | 372,368 |
| Share of other comprehensive loss of associates | (1,611) | (2,220) |
| Gains (losses) on cash flow hedging instruments | (972) | 22,157 |
| Losses on hedging instruments of net investments in foreign operations | (244,068) | (277,658) |
| | 557,792 | 775,726 |

25.5 Retained Earnings

25.5.1 Details of retained earnings as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Legal reserves | 2,055,706 | 2,051,668 |
| Regulatory reserve for credit losses | 2,736,034 | 2,796,799 |
| Voluntary reserves | 22,712,832 | 21,311,309 |
| Unappropriated retained earnings | 3,104,011 | 3,267,979 |
| | 30,608,583 | 29,427,755 |

With respect to the allocation of net profit earned in a fiscal term, the Bank must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its paid-in capital in accordance with Article 40 of the Banking Act. This reserve is not available for the payment of cash dividends, but may be transferred to capital stock, or used to reduce an accumulated deficit. The Bank is reserving other reserves (legal reserves) in accordance with local laws and regulations of overseas branches.

25.5.2 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 29.1 through 29.2 of the Regulations on Supervision of Banking Business.

25.5.2.1 Details of regulatory reserve for credit losses as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Regulatory reserve for credit losses attributable to: | | |
| Shareholder of the Parent Company | 2,921,103 | 2,736,034 |
| Non-controlling interests | 124,901 | 153,446 |
| | 3,046,004 | 2,889,480 |

25.5.2.2 Regulatory reserve for credit losses estimated to be appropriated (reversed) and adjusted profit after provision (reversal) of regulatory reserve for credit losses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| Regulatory reserve for credit losses estimated to be appropriated (reversed) | 185,069 | (60,765) |
| Adjusted profit after provision (reversal) of regulatory reserve for credit losses * | 3,667,097 | 3,312,524 |

* Adjusted profit after provision (reversal) of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision (reversal) of regulatory reserve for credit losses before tax to the net profit attributable to shareholder of the Parent Company.

## 26. Net Interest Income

Details of interest income, interest expense, and net interest income for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| **Interest income** | | |
| Deposits measured at fair value through profit or loss | - | 1 |
| Securities measured at fair value through profit or loss | 479,708 | 414,670 |
| Loans measured at fair value through profit or loss | 14,187 | 17,814 |
| Securities measured at fair value through other comprehensive income | 1,453,461 | 1,479,767 |
| Loans measured at fair value through other comprehensive income | 17,257 | 19,101 |
| Due from financial institutions measured at amortized cost | 218,247 | 248,928 |
| Securities measured at amortized cost | 1,086,506 | 1,209,827 |
| Loans measured at amortized cost | 17,996,707 | 19,269,883 |
| Others | 596,274 | 551,081 |
| | 21,862,347 | 23,211,072 |
| **Interest expense** | | |
| Deposits | 8,730,533 | 10,068,828 |
| Borrowings | 1,011,928 | 1,243,610 |
| Debentures | 1,142,255 | 1,260,822 |
| Others | 319,829 | 413,940 |
| | 11,204,545 | 12,987,200 |
| **Net interest income** | 10,657,802 | 10,223,872 |

Interest income recognized on impaired loans is ₩ 45,396 million and ₩ 36,922 million for the years ended December 31, 2025 and 2024, respectively.

### 27. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| **Fee and commission income** | | |
| Banking activity fees | 209,229 | 197,544 |
| Lending activity fees | 69,199 | 80,690 |
| Credit card related fees | 757 | 905 |
| Debit card related fees | 957 | 775 |
| Agent activity fees | 330,249 | 300,089 |
| Trust and other fiduciary fees | 245,402 | 182,442 |
| Acceptances and guarantees fees | 80,057 | 91,343 |
| Foreign currency related fees | 166,653 | 154,014 |
| Securities agency fees | 137,271 | 101,010 |
| Other business account commission on consignment | 30,096 | 34,453 |
| Others | 373,670 | 400,843 |
| | 1,643,540 | 1,544,108 |
| **Fee and commission expense** | | |
| Trading activity related fees * | 15,693 | 16,776 |
| Lending activity fees | 51,040 | 43,446 |
| Credit card related fees | 46,495 | 44,914 |
| Outsourcing related fees | 92,999 | 96,712 |
| Foreign currency related fees | 37,145 | 41,332 |
| Management fees of written-off loans | 12,072 | 11,888 |
| Contributions to external institutions | 32,076 | 29,479 |
| Others | 152,501 | 146,684 |
| | 440,021 | 431,231 |
| **Net fee and commission income** | 1,203,519 | 1,112,877 |

* Fees from financial instruments at fair value through profit or loss

### 28. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions.

Details of net gains or losses on financial instruments at fair value through profit or loss for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| **Gains on financial instruments at fair value through profit or loss** | | |
| Financial assets at fair value through profit or loss: | | |
| Debt securities | 820,243 | 1,011,931 |
| Equity securities | 87,467 | 50,703 |
| | 907,710 | 1,062,634 |
| Derivatives held for trading: | | |
| Interest rate | 3,573,306 | 3,932,804 |
| Currency | 9,211,163 | 17,196,835 |
| Stock or stock index | 20,543 | 5,611 |
| Credit | 3,941 | 208 |
| Others | 11,608 | 632 |
| | 12,820,561 | 21,136,090 |
| Financial liabilities at fair value through profit or loss | - | 189 |
| Other financial instruments | 477 | 522 |
| | 13,728,748 | 22,199,435 |
| **Losses on financial instruments at fair value through profit or loss** | | |
| Financial assets at fair value through profit or loss: | | |
| Debt securities | 1,103,473 | 237,002 |
| Equity securities | 7,714 | 23,038 |
| | 1,111,187 | 260,040 |
| Derivatives held for trading: | | |
| Interest rate | 2,849,371 | 3,978,542 |
| Currency | 8,810,852 | 17,179,618 |
| Stock or stock index | 8,341 | 7,784 |
| Credit | 4,940 | 1,757 |
| Others | 10,161 | 2,595 |
| | 11,683,665 | 21,170,296 |
| Financial liabilities at fair value through profit or loss | 4 | 529 |
| Other financial instruments | 1,550 | 693 |
| | 12,796,406 | 21,431,558 |
| **Net gains on financial instruments at fair value through profit or loss** | 932,342 | 767,877 |

### 29. Net Other Operating Income and Expenses

Details of other operating income and expenses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| **Other operating income** | | |
| Gains on financial assets at fair value through other comprehensive income: | | |
| Gains on redemption of securities measured at fair value through other comprehensive income | 2,939 | 9,738 |
| Gains on disposal of securities measured at fair value through other comprehensive income | 133,311 | 84,054 |
| Gains on financial assets at amortized cost: | | |
| Gains on sale of loans measured at amortized cost | 40,692 | 49,506 |
| Gains on foreign exchange transactions | 4,781,434 | 4,049,120 |
| Dividend income | 12,530 | 6,571 |
| Others | 323,046 | 343,722 |
| | 5,293,952 | 4,542,711 |
| **Other operating expenses** | | |
| Losses on financial assets at fair value through other comprehensive income: | | |
| Losses on redemption of securities measured at fair value through other comprehensive income | 8 | 63 |
| Losses on disposal of securities measured at fair value through other comprehensive income | 12,624 | 34,825 |
| Losses on financial assets at amortized cost: | | |
| Losses on sale of loans measured at amortized cost | 241,403 | 62,067 |
| Losses on foreign exchange transactions | 4,815,433 | 4,246,630 |
| Deposit insurance fee | 598,076 | 566,917 |
| Credit guarantee fund fee | 414,449 | 362,234 |
| Others | 602,574 | 661,332 |
| | 6,684,567 | 5,934,068 |
| **Net other operating expenses** | (1,390,615) | (1,391,357) |

## 30. General and Administrative Expenses

30.1 Details of general and administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| **Expenses related to employee** | | |
| Employee benefits – salaries | 1,786,842 | 1,756,416 |
| Employee benefits - welfare | 624,308 | 642,089 |
| Post-employment benefits - defined benefit plans | 137,917 | 127,523 |
| Post-employment benefits - defined contribution plans | 18,154 | 16,635 |
| Other long-term employee benefits | 114 | - |
| Termination benefits | 221,714 | 249,345 |
| Share-based payments | 58,347 | 52,198 |
| | 2,847,396 | 2,844,206 |
| **Depreciation and amortization** | 572,786 | 591,105 |
| **Other general and administrative expenses** | | |
| Rental expense | 69,480 | 66,389 |
| Tax and dues | 209,873 | 205,776 |
| Communication | 37,675 | 40,705 |
| Electricity and utilities | 34,688 | 35,102 |
| Publication | 4,447 | 5,105 |
| Repairs and maintenance | 32,476 | 34,998 |
| Vehicle | 15,980 | 14,570 |
| Travel | 7,677 | 9,455 |
| Training | 24,943 | 22,321 |
| Service fees | 168,143 | 170,568 |
| Supplies | 17,227 | 17,286 |
| Electronic data processing expenses | 256,171 | 237,726 |
| Others | 350,354 | 339,006 |
| | 1,229,134 | 1,199,007 |
| | 4,649,316 | 4,634,318 |

30.2 Share-based Payments

30.2.1 Stock grants

The Group changed the scheme of share-based payments awarded to executives and employees from stock options to stock grants in November 2007. The stock grants award program is an incentive plan that sets, on grant date, the maximum number of shares that can be awarded. Actual shares to be granted is determined in accordance with achievement of pre-set performance targets over the vesting period.

30.2.1.1 Details of stock grants linked to long-term performance as of December 31, 2025, are as follows:

*(In number of shares)*

| Stock grants | Grant date | Number of granted shares [1] | Vesting conditions [2] |
|---|---|---|---|
| Series 96 | Jan. 1, 2024 | 220,113 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100% |
| Series 97 | Feb. 1, 2024 | 2,045 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100% |
| Series 98 | Apr. 22, 2024 | 2,962 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100% |
| Series 99 | Jul. 5, 2024 | 4,929 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100% |
| Series 101 | Aug 24, 2024 | 4,453 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100% |
| Series 102 | Jan. 1, 2025 | 179,314 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100%, Services fulfillment, TSR 30%, and EPS and Asset Quality 70% |
| Series 103 | Jan. 9, 2025 | 4,633 | Services fulfillment, TSR 0~30%, and Company and work performance 70~100% |
| Deferred grant in 2022 | - | 29,628 | Satisfied |
| Deferred grant in 2023 | - | 93,891 | Satisfied |
| Deferred grant in 2024 | - | 118,288 | Satisfied |
| | | 660,256 | |

[1] Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of December 31, 2025 (Deferred grants are residual shares vested as of December 31, 2025).

[2] Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

30.2.1.2 Details of stock grants linked to short-term performance as of December 31, 2025, are as follows:

*(In number of shares)*

| Stock grants * | Grant date | Estimated number of vested shares | Vesting conditions |
|---|---|---|---|
| Stock granted in 2022 | Jan. 1, 2022 | 54,211 | Satisfied |
| Stock granted in 2023 | Jan. 1, 2023 | 118,021 | Satisfied |
| Stock granted in 2024 | Jan. 1, 2024 | 97,412 | Satisfied |
| Stock granted in 2025 | Jan. 1, 2025 | 57,301 | Proportional to service period |

* Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

30.2.1.3 Stock grants are measured at fair value using the MonteCarlo simulation model and assumptions used in measuring the fair value as of December 31, 2025, are as follows:

*(In Korean won)*

| | Expected exercise period(years) | Risk-free rate (%) | Fair value (market performance condition) | Fair value (non-market performance condition) |
|---|---|---|---|---|
| Series 96 | 0.00~3.00 | 2.56 | 111,412~125,944 | 111,412~125,944 |
| Series 97 | 0.00~4.00 | 2.56 | 107,266~120,094 | 107,266~120,094 |
| Series 98 | 0.00~4.00 | 2.56 | 107,266~120,094 | 107,266~120,094 |
| Series 99 | 0.00~4.00 | 2.56 | 105,560~118,184 | 107,266~120,094 |
| Series 101 | 0.00~4.00 | 2.56 | 107,266~120,094 | 107,266~120,094 |
| Series 102 | 0.00~4.00 | 2.56 | 88,430~110,006 | 99,417~120,094 |
| Series 103 | 0.00~5.00 | 2.56 | 94,586~105,791 | 103,317~115,556 |
| Grant deferred in 2022 | 0.00~2.00 | 2.56 | - | 115,556~125,944 |
| Grant deferred in 2023 | 0.00~2.00 | 2.56 | - | 115,556~120,094 |
| Grant deferred in 2024 | 0.00~2.00 | 2.56 | - | 115,556 |
| Stock granted in 2022 | 0.00~2.00 | 2.56 | - | 114,461~125,944 |
| Stock granted in 2023 | 0.00~1.00 | 2.56 | - | 62,951~125,944 |
| Stock granted in 2024 | 0.00~3.00 | 2.56 | - | 80,206~125,944 |
| Stock granted in 2025 | 1.00~6.00 | 2.56 | - | 99,417~120,094 |

The Group uses the volatility of the stock price over the previous year as the expected volatility, and uses the arithmetic mean of the price-dividend ratio of one year before, two years before, and three years before the base year as the dividend yield and uses one-year risk-free rate of Korea Treasury Bond in order to measure the fair value.

30.2.1.4 The accrued expenses for share-based payments related to stock grants are ₩ 107,774 million and ₩ 84,817 million as of December 31, 2025 and 2024, respectively, and the compensation costs amounting to ₩ 58,347 million and ₩ 52,198 million were recognized for the years ended December 31, 2025 and 2024, respectively.

30.2.2 Mileage stock

30.2.2.1 Details of mileage stock as of December 31, 2025, are as follows:

*(In number of shares)*

| Grant date | Number of granted shares [1] | Expected exercise period (years) [2] | Remaining shares |
|---|---|---|---|
| *Stock granted in 2021* | | | |
| Jan. 15, 2021 | 28,156 | 0.00~0.04 | 8,439 |
| Apr. 5, 2021 | 89 | 0.00~0.26 | 53 |
| Jul. 1, 2021 | 54 | 0.00~0.50 | 18 |
| Jul. 2, 2021 | 11 | 0.00~0.50 | 8 |
| Jul. 27, 2021 | 70 | 0.00~0.57 | 25 |
| Nov. 1, 2021 | 71 | 0.00~0.83 | 53 |
| Nov. 16, 2021 | 53 | 0.00~0.87 | 3 |
| Dec. 3, 2021 | 91 | 0.00~0.92 | 39 |
| Dec. 6, 2021 | 87 | 0.00~0.93 | 25 |
| Dec. 30, 2021 | 76 | 0.00~0.99 | 38 |
| *Stock granted in 2022* | | | |
| Jan. 14, 2022 | 20,909 | 0.00~1.04 | 9,025 |
| Apr. 4, 2022 | 65 | 0.00~1.25 | 33 |
| Apr. 19, 2022 | 33 | 0.00~1.30 | 20 |
| Aug. 3, 2022 | 62 | 0.00~1.59 | 6 |
| Aug. 9, 2022 | 80 | 0.00~1.60 | 17 |
| Oct. 19, 2022 | 55 | 0.00~1.80 | 5 |
| Nov. 1, 2022 | 177 | 0.00~1.83 | 52 |
| Dec. 1, 2022 | 49 | 0.00~1.92 | 48 |
| Dec. 6, 2022 | 88 | 0.00~1.93 | 8 |
| Dec. 12, 2022 | 114 | 0.00~1.95 | 48 |
| Dec. 15, 2022 | 42 | 0.00~1.95 | 23 |
| Dec. 30, 2022 | 114 | 0.00~1.99 | 25 |

30.2.2.1 Details of mileage stock as of December 31, 2025, are as follows: (cont'd)
*(In number of shares)*

| Grant date | Number of granted shares [1] | Expected exercise period (years) [2] | Remaining shares |
|---|---|---|---|
| *Stock granted in 2023* | | | |
| Jan. 9, 2023 | 23,071 | 0.00~2.02 | 8,063 |
| Jan. 14, 2023 | 742 | 0.00~2.04 | 313 |
| Mar. 27, 2023 | 58 | 0.00~2.23 | 37 |
| Mar. 31, 2023 | 97 | 0.00~2.24 | 39 |
| May. 4, 2023 | 105 | 0.00~2.34 | 22 |
| Jul. 3, 2023 | 63 | 0.00~2.50 | 21 |
| Jul. 26, 2023 | 38 | 0.00~2.56 | 24 |
| Jul. 31, 2023 | 220 | 0.00~2.58 | 62 |
| Oct. 20, 2023 | 80 | 0.00~2.80 | 42 |
| Nov. 1, 2023 | 78 | 0.00~2.83 | 39 |
| Dec. 1, 2023 | 49 | 0.00~2.92 | 36 |
| Dec. 13, 2023 | 115 | 0.00~2.95 | 29 |
| Dec. 14, 2023 | 57 | 0.00~2.95 | 50 |
| Dec. 27, 2023 | 19 | 0.00~2.99 | 14 |
| Dec. 28, 2023 | 162 | 0.00~2.99 | 71 |
| Dec. 29, 2023 | 95 | 0.00~2.99 | 76 |
| *Stock granted in 2024* | | | |
| Jan. 13, 2024 | 17,523 | 0.00~3.03 | 10,717 |
| Jan. 31, 2024 | 297 | 0.00~3.08 | 215 |
| Apr. 1, 2024 | 89 | 0.00~3.25 | 50 |
| Jul. 1, 2024 | 38 | 0.00~3.50 | 38 |
| Aug. 1, 2024 | 141 | 0.00~3.58 | 91 |
| Sep. 2, 2024 | 14 | 0.00~3.67 | 8 |
| Nov. 1, 2024 | 55 | 0.00~3.84 | 44 |
| Dec. 4, 2024 | 26 | 0.00~3.93 | 26 |
| Dec. 19, 2024 | 88 | 0.00~3.97 | 88 |
| Dec. 30, 2024 | 73 | 0.00~4.00 | 72 |
| *Stock granted in 2025* | | | |
| Jan. 11, 2025 | 11,977 | 0.00~4.03 | 11,358 |
| Feb. 6, 2025 | 162 | 0.00~4.10 | 162 |
| Apr. 1, 2025 | 38 | 0.00~4.25 | 25 |
| May. 9, 2025 | 13 | 0.00~4.35 | 13 |
| Jul. 1, 2025 | 18 | 0.00~4.50 | 18 |
| Nov. 3, 2025 | 26 | 0.00~4.84 | 26 |
| Dec. 5, 2025 | 21 | 0.00~4.93 | 21 |
| Dec. 26, 2025 | 68 | 0.00~4.99 | 68 |
| Dec. 29, 2025 | 16 | 0.00~4.99 | 16 |
| | 106,278 | | 50,005 |

[1] Mileage stock is exercisable for four years after one year from the grant date at the closing price of the end of the previous month. However, mileage stock can be exercised at the closing price of the end of the previous month on the date of occurrence of retirement or transfer despite a one-year grace period.
[2] Assessed based on the stock price as of December 31, 2025. These shares are vested immediately at grant date.

30.2.2.2 The accrued expenses for share-based payments related to mileage stock are ₩ 6,236 million and ₩ 5,067 million as of December 31, 2025 and 2024, respectively. The compensation costs amounting to ₩ 3,276 million and ₩ 3,183 million were recognized as expenses for the years ended December 31, 2025 and 2024, respectively.

### 31. Net Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| **Other non-operating income** | | |
| Gains on disposal of property and equipment and assets held for sale | 229,955 | 33,719 |
| Rental income | 34,235 | 33,162 |
| Others | 41,053 | 31,846 |
| | 305,243 | 98,727 |
| **Other non-operating expenses** | | |
| Losses on disposal of property and equipment and assets held for sale | 19,098 | 11,915 |
| Donation | 133,792 | 117,837 |
| Restoration costs | 1,585 | 2,471 |
| Others | 632,129 | 927,473 |
| | 786,604 | 1,059,696 |
| **Net other non-operating income (expenses)** | (481,361) | (960,969) |

### 32. Income Tax Expense

32.1 Details of income tax expense for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | **2025** | **2024** |
|---|---|---|
| **Income tax payable** | | |
| Current income tax expense | 1,614,089 | 952,073 |
| Adjustments of income tax of prior years recognized in current tax | (104,868) | (29,614) |
| | 1,509,221 | 922,459 |
| Changes in deferred income tax assets and liabilities* | (38,456) | 282,854 |
| Income tax expense of overseas branches | 59,223 | 56,363 |
| Income tax recognized directly in equity: | | |
| Net gains or losses on equity instruments at fair value through other comprehensive income | (37,045) | 96,421 |
| Net gains or losses on debt instruments at fair value through other comprehensive income | 91,214 | (74,525) |
| Currency translation differences | 436 | (15,404) |
| Remeasurements of net defined benefit liabilities | (5,270) | 15,537 |
| Gains or losses on hedging instruments of net investments in foreign operations | (7,017) | 59,199 |
| Gains or losses on cash flow hedging instruments | 8,316 | (409) |
| Share of other comprehensive income or loss of associates | (196) | 273 |
| | 50,438 | 81,092 |
| Reclassification from AOCI to retained earnings due to sale of equity securities measured at fair value through other comprehensive income | (832) | 1,475 |
| Consolidated tax return effect | (83,377) | (61,538) |
| Others | (5,817) | 11,191 |
| **Income tax expense** | 1,490,400 | 1,293,896 |

* Following the tax law amendment enacted at the end of 2025, the corporate tax rate was changed. Accordingly, deferred tax assets (liabilities) expected to be realized after 2026 have been measured using the 27.5% tax rate.

32.2 Analysis of the relationship between net profit before income tax expense and income tax expense for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| **Profit before income tax expense** | 5,315,219 | 4,445,298 |
| Income tax at the applicable tax rate [1] | 1,392,856 | 1,163,197 |
| Non-taxable income | (17,496) | (19,517) |
| Non-deductible expenses | 10,185 | 12,232 |
| Tax credit and tax exemption | - | - |
| Temporary difference for which no deferred tax is recognized | 66,421 | (49,314) |
| Changes in recognition and measurement of deferred tax | 110,097 | 225,930 |
| Income tax refund for tax of prior years | (82,039) | (75,518) |
| Income tax expense of overseas branches | 59,223 | 56,363 |
| Tax effect of investments in subsidiaries | (4,753) | 1,741 |
| Foreign subsidiary tax rate difference effect | (11,666) | (867) |
| Effect of tax rate change [2] | 20,701 | - |
| Consolidated tax return effect | (83,377) | (61,538) |
| Others | 30,248 | 41,187 |
| **Income tax expense** | 1,490,400 | 1,293,896 |
| **Income tax expense/Profit before income tax (%)** | 28.04 | 29.11 |

[1] Applicable income tax rate for ₩ 200 million and below is 9.9%, for over ₩ 200 million to ₩ 20 billion is 20.9%, for over ₩ 20 billion to ₩ 300 billion is 23.1% and for over ₩ 300 billion is 26.4% for the year ended December 31, 2025 and 2024.

[2] Following the tax law amendment enacted at the end of 2025, the corporate tax rate was changed. Accordingly, deferred tax assets (liabilities) expected to be realized after 2026 have been measured using the 27.5% tax rate.

32.3 Under the Pillar Two legislation, the Group is required to pay top-up taxes for each jurisdiction in which its constituent entities operate, to the extent that the jurisdictional GloBE effective tax rate falls below the minimum rate of 15%. The Parent Company expects to recognize the related effect in its financial statements and pay the top-up tax for the shortfall from the 15% minimum rate arising at its subsidiaries in China.

32.4 Details of current tax liabilities (income tax payables) and current tax assets (income tax refund receivables) before offsetting as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Tax payables after offsetting [1, 2] | 1,015,375 | 429,937 |
| Adjustment on consolidated tax payable and others [3] | (83,377) | (61,538) |
| Consolidated tax return accounts payables [4] | (869,621) | (343,221) |
| Current tax payable | 62,377 | 25,178 |

[1] Current tax assets of ₩ 325,722 million and ₩ 288,692 million due to uncertain tax position and current tax assets of ₩ 36,920 million and ₩ 30,141 million for overseas branches were excluded, which do not qualify for offsetting as of December 31, 2025 and 2024, respectively.

[2] Includes income tax payable of ₩ 62,377 million and ₩ 25,178 million under current tax liabilities, which are not to be offset against any income tax refund receivables, such as those of overseas branches as of December 31, 2025 and 2024, respectively.

[3] Tax expense reduced due to the adoption of consolidated tax return was recognized as tax benefit.

32.4 Details of current tax liabilities (income tax payables) and current tax assets (income tax refund receivables) before offsetting as of December 31, 2025 and 2024, are as follows: (cont'd)

[4] The amount of income tax payable is reclassified as accounts payable, not to the tax authority, but to KB Financial Group Inc. due to the adoption of consolidated tax return.

**33. Dividends**

The annual dividends to the shareholder of the Group for the year ended December 31, 2025, amounting to ₩ 934,116 million (₩ 2,310 per share) is to be proposed at the general shareholder's meeting scheduled for March 25, 2026. The Group's consolidated financial statements as of and for the year ended December 31, 2025, do not reflect this dividend payable. Also, On October 29, 2025, the Board of Directors declared an interim dividend of ₩ 1,002,860 million (₩ 2,480 per share) which was paid in November 2025.

### 34. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Changes (excluding reclassification) | Reclassification to profit or loss | Tax effect | Transfer to retained earnings | Ending |
| Remeasurements of net defined benefit liabilities | (205,607) | 19,480 | - | (5,270) | - | (191,397) |
| Currency translation differences | 603,522 | (44,916) | (5,276) | 436 | - | 553,766 |
| Gains (losses) on debt securities measured at fair value through other comprehensive income | 263,164 | (234,418) | (121,381) | 91,214 | - | (1,421) |
| Gains (losses) on equity securities measured at fair value through other comprehensive income | 372,368 | 111,323 | - | (37,045) | (3,151) | 443,495 |
| Share of other comprehensive gain (loss) of associates | (2,220) | 805 | - | (196) | - | (1,611) |
| Gains (losses) on cash flow hedging instruments | 22,157 | (31,445) | - | 8,316 | - | (972) |
| Gains (losses) on hedging instruments of net investments in foreign operations | (277,658) | 39,061 | 1,546 | (7,017) | - | (244,068) |
| | 775,726 | (140,110) | (125,111) | 50,438 | (3,151) | 557,792 |

*(In millions of Korean won)*

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Beginning | Changes (excluding reclassification) | Reclassification to profit or loss | Tax effect | Transfer to retained earnings | Ending |
| Remeasurements of net defined benefit liabilities | (163,030) | (58,114) | - | 15,537 | - | (205,607) |
| Currency translation differences | 185,486 | 433,440 | - | (15,404) | - | 603,522 |
| Gains on (losses) debt securities measured at fair value through other comprehensive income | 43,821 | 285,725 | 8,143 | (74,525) | - | 263,164 |
| Gains on equity securities measured at fair value through other comprehensive income | 641,179 | (370,818) | - | 96,421 | 5,586 | 372,368 |
| Share of other comprehensive loss of associates | (1,458) | (1,035) | - | 273 | - | (2,220) |
| Gains (losses) on cash flow hedging instruments | 21,017 | 3,644 | (2,095) | (409) | - | 22,157 |
| Gains (losses) on hedging instruments of net investments in foreign operations | (112,620) | (224,237) | - | 59,199 | - | (277,658) |
| | 614,395 | 68,605 | 6,048 | 81,092 | 5,586 | 775,726 |

## 35. Trust Accounts

35.1 Financial information of the trust accounts the Group manages, as of and for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | Total assets | | Operating revenues | |
|---|---|---|---|---|
| | December 31, 2025 | December 31, 2024 | 2025 | 2024 |
| Consolidated | 3,716,248 | 3,934,458 | 158,968 | 162,070 |
| Unconsolidated (non-guaranteed) | 107,786,066 | 96,358,706 | 3,290,097 | 5,314,933 |
| | 111,502,314 | 100,293,164 | 3,449,065 | 5,477,003 |

* Financial information of the trust accounts has been prepared in accordance with the Statement of Korea Accounting Standard No.5004, *Trust Accounts*, and enforcement regulations of the Financial Investment Services under the Financial Investment Services and Capital Markets Act.

35.2 Significant receivables and payables related to the Group's trust accounts as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Trust segment** | **Receivables** | | |
| | Accrued trust fees | 66,774 | 63,728 |
| | Other accrued income | 32,665 | 32,799 |
| | | 99,439 | 96,527 |
| | **Payables** | | |
| | Due to trust accounts | 6,158,743 | 4,956,065 |
| | Accrued interest on due to trust accounts | 6,690 | 7,449 |
| | Unearned fees on trust accounts | 512 | 321 |
| | Deposits | 718,188 | 846,110 |
| | Accrued interest on deposits | 7,720 | 11,243 |
| | | 6,891,853 | 5,821,188 |
| **Custody segment** | **Receivables** | | |
| | Accrued trust fees | 11,015 | 9,613 |
| | **Payables** | | |
| | Due to trust accounts | 4,979,155 | 3,275,937 |
| | Accrued interest on due to trust accounts | 7,632 | 6,954 |
| | | 4,986,787 | 3,282,891 |

35.3 Significant revenues and expenses related to the Group's trust accounts for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| **Trust segment** | **Revenues** | | |
| | Fees and commissions from trust accounts | 202,964 | 141,447 |
| | Management fees and commissions from retirement pension | 36,814 | 37,175 |
| | Commissions from early termination in trust accounts | 2 | 13 |
| | | 239,780 | 178,635 |
| | **Expenses** | | |
| | Interest expenses on due to trust accounts | 125,519 | 157,644 |
| | Interest expenses on deposits | 45,410 | 51,147 |
| | | 170,929 | 208,791 |
| **Custody segment** | **Revenues** | | |
| | Fees and commissions from trust accounts | 42,438 | 40,995 |
| | **Expenses** | | |
| | Interest expenses on due to trust accounts | 85,389 | 103,234 |

## 36. Statements of Cash Flows

36.1 Details of cash and cash equivalents as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash | 2,074,156 | 1,953,029 |
| Checks issued by other banks | 134,454 | 124,366 |
| Due from Bank of Korea | 16,337,734 | 13,629,381 |
| Due from other financial institutions | 7,922,362 | 7,203,373 |
| Assets of disposal group held for sale [1] | 5,858 | - |
| | 26,474,564 | 22,910,149 |
| Deduction: | | |
| Restricted due from financial institutions [2] | (1,052,436) | (1,176,050) |
| Due from financial institutions with original maturities over three months | (240,988) | (244,393) |
| | (1,293,424) | (1,420,443) |
| | 25,181,140 | 21,489,706 |

[1] The cash and deposits classified as a disposal group held for sale during the year are included, as described in Note 17.

[2] Items that meet the definition of cash are excluded in accordance with Korean IFRS No.1007 *Statement of Cash Flows*.

Items that meet the definition of cash in restricted due from financial institutions as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | Financial institutions | December 31, 2025 | December 31, 2024 |
|---|---|---|---|---|
| Due from financial institutions in Korean won | Due from Bank of Korea | Bank of Korea | 13,939,438 | 11,635,481 |
| Due from financial institutions in foreign currencies | Due from banks in foreign currencies | Bank of Korea | 2,398,296 | 1,993,900 |
| | | Bank Indonesia and others | 968,887 | 546,781 |
| | | | 17,306,621 | 14,176,162 |

36.2 Significant non-cash transactions for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Write-offs of loans | 1,142,007 | 897,580 |
| Changes in accumulated other comprehensive income from valuation of debt securities measured at fair value through other comprehensive income | (264,585) | 219,343 |
| Changes in accumulated other comprehensive income from valuation of equity securities measured at fair value through other comprehensive income | 71,127 | (268,811) |
| Changes in accumulated other comprehensive income from valuation of investments in associates | 609 | (762) |

36.3 Cash inflows and outflows from income tax, interest, and dividends for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | Activities | 2025 | 2024 |
|---|---|---|---|
| Income tax paid | Operating | 938,464 | 794,873 |
| Interest received | Operating | 21,987,021 | 23,335,925 |
| Interest paid | Operating | 11,368,656 | 12,756,740 |
| Dividends received | Operating | 348,879 | 286,440 |
| Dividends paid | Financing | 2,628,464 | 1,467,896 |
| Interest (dividends) paid on hybrid securities | Financing | 48,925 | 70,409 |

36.4 Changes in liabilities arising from financing activities for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Derivatives held for hedging * | Borrowings | Debentures | Due to trust accounts | Lease liabilities | Deposits for letter of guarantees | Other payables | Total |
| Beginning | (29,928) | 32,226,416 | 34,736,771 | 8,232,002 | 751,935 | 500,633 | 426,586 | 76,844,415 |
| Cash flow | (47,406) | 811,568 | 1,289,146 | 2,905,896 | (249,135) | (242,331) | (16,804) | 4,450,934 |
| New lease and termination | - | - | - | - | 171,174 | - | - | 171,174 |
| Exchange differences | - | (191,162) | 214,298 | - | - | - | - | 23,136 |
| Changes in fair values | 8,263 | - | 31,924 | - | - | - | - | 40,187 |
| Changes from business combination | - | - | - | - | - | - | 102,244 | 102,244 |
| Other changes from non-cash transactions | (154) | (301,132) | 24,511 | - | 22,471 | (2,608) | 47,972 | (208,940) |
| Ending | (69,225) | 32,545,690 | 36,296,650 | 11,137,898 | 696,445 | 255,694 | 559,998 | 81,423,150 |

*(In millions of Korean won)*

| | 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Derivatives held for hedging * | Borrowings | Debentures | Due to trust accounts | Lease liabilities | Deposits for letter of guarantees | Other payables | Total |
| Beginning | 3,662 | 34,990,075 | 31,811,407 | 8,142,103 | 366,113 | 539,172 | 411,347 | 76,263,879 |
| Cash flow | (16,790) | (5,164,339) | 1,365,899 | 89,899 | (217,144) | (37,556) | 22,993 | (3,957,038) |
| New lease and termination | - | - | - | - | 560,350 | - | - | 560,350 |
| Exchange differences | - | 1,059,360 | 1,263,974 | - | - | - | - | 2,323,334 |
| Changes in fair values | (5,024) | - | 38,129 | - | - | - | - | 33,105 |
| Changes from business combination | - | (23,626) | - | - | - | - | (34,562) | (58,188) |
| Other changes from non-cash transactions | (11,776) | 1,364,946 | 257,362 | - | 42,616 | (983) | 26,808 | 1,678,973 |
| Ending | (29,928) | 32,226,416 | 34,736,771 | 8,232,002 | 751,935 | 500,633 | 426,586 | 76,844,415 |

* Derivatives held for hedging purposes are the net amount after offsetting liabilities and assets.

### 37. Contingent Liabilities and Commitments

37.1 Details of acceptances and guarantees as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Confirmed acceptances and guarantees** | | |
| Confirmed acceptances and guarantees in Korean won: | | |
| Acceptances and guarantees for KB purchasing loan | 110,728 | 152,128 |
| Refund guarantees | - | 160 |
| Others | 1,028,783 | 900,077 |
| | 1,139,511 | 1,052,365 |
| Confirmed acceptances and guarantees in foreign currencies: | | |
| Acceptances of letter of credit | 215,808 | 331,423 |
| Letter of guarantees | 76,496 | 45,274 |
| Bid bond | 2,253 | 12,782 |
| Performance bond | 2,039,924 | 1,927,572 |
| Refund guarantees | 3,277,694 | 4,644,429 |
| Others | 4,872,687 | 4,765,054 |
| | 10,484,862 | 11,726,534 |
| Financial guarantee contracts: | | |
| Acceptances and guarantees for mortgage | 19,673 | 20,789 |
| Overseas debt guarantees | 406,900 | 588,020 |
| International financing guarantees in foreign currencies | 1,138,481 | 842,838 |
| Other financial guarantee contracts in Korean won | 263,823 | - |
| | 1,828,877 | 1,451,647 |
| | 13,453,250 | 14,230,546 |
| **Unconfirmed acceptances and guarantees** | | |
| Guarantees of letter of credit | 2,537,195 | 2,268,081 |
| Refund guarantees | 1,427,424 | 1,373,649 |
| | 3,964,619 | 3,641,730 |
| | 17,417,869 | 17,872,276 |

37.2 Credit qualities of acceptances and guarantees as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Total |
| | | Non-impaired | Impaired | |
| **Confirmed acceptances and guarantees *** | | | | |
| Grade 1 | 11,121,258 | 201,686 | - | 11,322,944 |
| Grade 2 | 1,931,839 | 35,378 | - | 1,967,217 |
| Grade 3 | 105,144 | 16,615 | 180 | 121,939 |
| Grade 4 | 10,207 | 5,410 | 503 | 16,120 |
| Grade 5 | 8,404 | 3,674 | 12,952 | 25,030 |
| | 13,176,852 | 262,763 | 13,635 | 13,453,250 |
| **Unconfirmed acceptances and guarantees *** | | | | |
| Grade 1 | 3,509,754 | 4,180 | - | 3,513,934 |
| Grade 2 | 403,592 | 20,047 | - | 423,639 |
| Grade 3 | 4,526 | 12,319 | - | 16,845 |
| Grade 4 | 794 | 7,809 | 20 | 8,623 |
| Grade 5 | - | 404 | 1,174 | 1,578 |
| | 3,918,666 | 44,759 | 1,194 | 3,964,619 |
| | 17,095,518 | 307,522 | 14,829 | 17,417,869 |

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | 12-month expected credit losses | Lifetime expected credit losses | | Total |
| | | Non-impaired | Impaired | |
| **Confirmed acceptances and guarantees *** | | | | |
| Grade 1 | 12,164,821 | - | - | 12,164,821 |
| Grade 2 | 1,898,667 | 23,840 | - | 1,922,507 |
| Grade 3 | 98,224 | 16,147 | - | 114,371 |
| Grade 4 | 8,291 | 2,975 | 457 | 11,723 |
| Grade 5 | - | 230 | 16,894 | 17,124 |
| | 14,170,003 | 43,192 | 17,351 | 14,230,546 |
| **Unconfirmed acceptances and guarantees *** | | | | |
| Grade 1 | 2,281,647 | 2,441 | - | 2,284,088 |
| Grade 2 | 1,306,932 | 15,349 | - | 1,322,281 |
| Grade 3 | 13,982 | 14,781 | - | 28,763 |
| Grade 4 | 1,171 | 2,652 | 21 | 3,844 |
| Grade 5 | - | 175 | 2,579 | 2,754 |
| | 3,603,732 | 35,398 | 2,600 | 3,641,730 |
| | 17,773,735 | 78,590 | 19,951 | 17,872,276 |

* Applied same criteria as the credit qualities classification of loans.

37.3 Classifications of acceptances and guarantees by counterparty as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Large companies | 12,501,240 | 3,031,523 | 15,532,763 | 89.17 |
| Small and medium-sized companies | 813,807 | 373,420 | 1,187,227 | 6.82 |
| Public sector and others | 138,203 | 559,676 | 697,879 | 4.01 |
| | 13,453,250 | 3,964,619 | 17,417,869 | 100.00 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Large companies | 13,385,392 | 2,972,146 | 16,357,538 | 91.52 |
| Small and medium-sized companies | 747,170 | 423,299 | 1,170,469 | 6.55 |
| Public sector and others | 97,984 | 246,285 | 344,269 | 1.93 |
| | 14,230,546 | 3,641,730 | 17,872,276 | 100.00 |

37.4 Classifications of acceptances and guarantees by industry as of December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | December 31, 2025 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Financial institutions | 1,907,676 | 1,916 | 1,909,592 | 10.96 |
| Manufacturing | 7,730,095 | 2,790,672 | 10,520,767 | 60.40 |
| Service | 985,539 | 92,110 | 1,077,649 | 6.19 |
| Wholesale and retail | 2,111,297 | 573,783 | 2,685,080 | 15.42 |
| Construction | 298,186 | 28,042 | 326,228 | 1.87 |
| Public sector | 25,665 | 362,831 | 388,496 | 2.23 |
| Others | 394,792 | 115,265 | 510,057 | 2.93 |
| | 13,453,250 | 3,964,619 | 17,417,869 | 100.00 |

*(In millions of Korean won)*

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Confirmed guarantees | Unconfirmed guarantees | Total | Proportion (%) |
| Financial institutions | 1,980,812 | 1,244 | 1,982,056 | 11.09 |
| Manufacturing | 8,139,583 | 2,709,624 | 10,849,207 | 60.70 |
| Service | 926,446 | 48,709 | 975,155 | 5.46 |
| Wholesale and retail | 2,410,725 | 594,407 | 3,005,132 | 16.81 |
| Construction | 334,561 | 73,389 | 407,950 | 2.28 |
| Public sector | 24,929 | 101,456 | 126,385 | 0.71 |
| Others | 413,490 | 112,901 | 526,391 | 2.95 |
| | 14,230,546 | 3,641,730 | 17,872,276 | 100.00 |

37.5 Details of commitments as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **Commitments** | | |
| Corporate loan commitments | 54,487,953 | 56,791,977 |
| Retail loan commitments | 58,397,028 | 59,086,425 |
| Other commitments in Korean won | 1,700,000 | 1,700,000 |
| Purchase of other securities | 5,094,764 | 5,205,717 |
| | 119,679,745 | 122,784,119 |
| **Financial guarantee contracts** | | |
| Credit line | 2,812,976 | 3,790,836 |
| Purchase of securities | 1,691,300 | 475,147 |
| | 4,504,276 | 4,265,983 |
| | 124,184,021 | 127,050,102 |

37.6 Other Matters (including litigation)

37.6.1 The Group has 32 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 158,897 million, and has 162 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 496,854 million. Details of pending lawsuits in which the Group is a defendant as of December 31, 2025, are as follows:

*(In number of cases, in millions of Korean won)*

| Lawsuits | Amount | Description of the lawsuits | Status of the lawsuits |
|---|---|---|---|
| Claims on a return of redemption amount | 60,281 | The Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited (the Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff) and subsequently redeemed them and returned the proceeds to the beneficiaries. Following the occurrence of Ponzi scheme-related losses, Bernard L. Madoff Investment Securities LLC is undergoing a liquidation process.<br>The bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against the Bank, seeking the return of the redemption proceeds received by the Bank through Fairfield Sentry Limited | Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is in progress at the New York Southern District Federal Bankruptcy Court (10-3777) at the written complaint review stage]<br>The financial impact on the bank is not significant due to the possibility of winning the case. |
| Return of unjust enrichment | 156,755 | MTS Bank, which was transacting through correspondent accounts with the Bank, was listed on the OFAC (Office of Foreign Assets Control of the U.S. Department of the Treasury) SDN (Specially Designated Nationals) List. Consequently, the Bank has frozen the foreign currency accounts held under the name of MTS Bank.<br>Subsequently, MTS Bank filed a lawsuit with the Moscow City Commercial Court seeking the restitution of account balances. | Responding to local court trial schedule (Following the first-instance judgment against the bank on December 2, 2025, currently responding in the appellate proceedings)<br><br>Due to compliance with U.S. OFAC regulations, it is difficult to easily predict the likelihood of winning the lawsuit proceeding in the Russian court.<br>However, the claim amount can be covered by the balance in the plaintiff's account, and the bank is expected to experience a financial impact equivalent to the delayed interest. |

37.6.2 On April 7, 2023, Kookmin Bank entered into a new share subscription agreement with STIC Eugene Star Holdings Inc. (hereinafter referred to as "STIC"), under which STIC will acquire 31,900,000,000 shares at a price of IDR 3.19 trillion, of which Kookmin Bank's subsidiary, PT Bank KB Indonesia Tbk, will issue. As a result of the agreement, Kookmin Bank will hold a call option to purchase the shares held by the STIC, starting from 2 years and 6 months after the date of acquisition, for a period of 6 months. If Kookmin Bank does not exercise the call option during the designated period, STIC will have the right to sell the acquired shares back to the bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

37.6.3 As of the end of 2025, total of five lawsuits related to the wage peak system are pending in court, amounting to ₩ 12,175 million. The timing and amount of potential outflows of resources cannot be predicted.

37.6.4 As of the end of 2025, KB PRASAC BANK is undergoing a tax audit by the tax authorities. Currently, it is impossible to predict the impact of the tax audit on KB PRASAC BANK.

37.6.5 The Group is currently under investigation by the Fair Trade Commission regarding potential collusive conduct among financial institutions, and the outcome of the investigation cannot be predicted at this time.

37.6.6 A regular inspection of the Bank’s overall operations was conducted by the Financial Supervisory Service from August 22, 2024 to November 1, 2024. The results of the inspection and any required actions will be communicated in due course.

37.6.7 On July 1, 2025, the Group entered into a share purchase agreement with a third party to sell its equity interest in its subsidiary, PT KB Bukopin Finance. The Group is currently in the process of executing the transaction. Upon completion of the transaction in accordance with the terms of the agreement, the Group will lose control over PT KB Bukopin Finance.

### 38. Subsidiaries

38.1 Details of subsidiaries as of December 31, 2025, are as follows:

| Investor | Investee | Ownership (%) | Location | Industry |
|---|---|---|---|---|
| Kookmin Bank | Kookmin Bank (China) Ltd. | 100.00 | China | Banking and foreign exchange transaction |
| Kookmin Bank | KB Microfinance Myanmar Co., Ltd. | 100.00 | Myanmar | Microfinance services |
| Kookmin Bank | KB BANK MYANMAR LTD | 100.00 | Myanmar | Banking and foreign exchange transaction |
| Kookmin Bank . | KB PRASAC BANK PLC. | 100.00 | Cambodia | Banking and foreign exchange transaction |
| Kookmin Bank | PT Bank KB Indonesia Tbk [3] | 66.88 | Indonesia | Banking and foreign exchange transaction |
| PT Bank KB Indonesia Tbk [3] | PT Bank KB Bukopin Syariah | 95.92 | Indonesia | Banking |
| PT Bank KB Indonesia Tbk [3] | PT Bukopin Finance [4] | 99.24 | Indonesia | Installment financing |
| Kookmin Bank | KB FUND PARTNERS Co., Ltd. | 100.00 | Korea | Other financial services |
| Kookmin Bank | Personal pension trust and 10 others [1] | - | Korea | Trust |
| Kookmin Bank | KB DTower 1st L.L.C. and 28 others [2] | - | Korea | Asset-backed securitization and others |
| Kookmin Bank | IDMB UNITED PTE.LTD. and 2 others [2] | - | Singapore | Asset-backed securitization and others |
| Kookmin Bank | AIP US Red Private Real Estate Trust No.10 [2] | 99.97 | Korea | Investment trust |
| Kookmin Bank | KB RISE 3-Year Futures Inverse Securities ETF (Debt-Derivative) [2] | 99.63 | Korea | Investment trust |
| Kookmin Bank | KB Core Blind Private Real Estate Fund No.1 [2] | 90.09 | Korea | Investment trust |
| Kookmin Bank | Samsung SRA Private Real Estate Investment Trust No.28D (FoFs) [2] | 99.50 | Korea | Investment trust |
| Kookmin Bank | KB Global Private Real Estate Fund No.10 (FoFs) [2] | 99.84 | Korea | Investment trust |
| Kookmin Bank | KTB Global CREDebt Private Investment Trust No.52(USD) [2] | 99.44 | Korea | Investment trust |

38.1 Details of subsidiaries as of December 31, 2025, are as follows: (cont'd)

| Investor | Investee | Ownership (%) | Location | Industry |
|---|---|---|---|---|
| Kookmin Bank | Hyundai Invest KKR Europe Real Estate No.1-3(EUR) [2] | 99.32 | Korea | Investment trust |
| Kookmin Bank | Vestas Private Real Estate Investment Trust No.69-3(USD)(FoFs) [2] | 99.53 | Korea | Investment trust |
| Kookmin Bank | SHINHAN ASP PCF II Private Investment Trust No.2(USD) [2] | 99.75 | Korea | Investment trust |
| Kookmin Bank | Vestas Europe Logistics General Private Real Estate Investment Trust No.73-1 [2] | 97.40 | Korea | Investment trust |
| Kookmin Bank | Vestas Europe Logistics General Private Real Estate Investment Trust No.73-2 [2] | 97.40 | Korea | Investment trust |
| Kookmin Bank | KB RISE KTB 10Y Futures Inverse ETF [2] | 93.75 | Korea | Investment trust |
| Kookmin Bank | SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD) [2] | 99.98 | Korea | Investment trust |
| Kookmin Bank | IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465-1 [2] | 99.01 | Korea | Investment trust |
| Kookmin Bank | Mirae Asset ESG Infra Private Investment Trust 1 [2] | 95.24 | Korea | Investment trust |
| Kookmin Bank | KB NA Sound Point Private Special Asset Fund 2(USD) [2] | 99.96 | Korea | Investment trust |
| Kookmin Bank | KB Global Private Real Estate Fund No.35(USD)(FoFs) [2] | 99.01 | Korea | Investment trust |
| Kookmin Bank | PineStreet Global Private Investment Trust 28-2 [2] | 99.01 | Korea | Investment trust |
| Kookmin Bank | KB Leaders Private Securities Fund 44(Bond-Derivatives) [2] | 99.50 | Korea | Investment trust |
| Kookmin Bank | Samsung Total Strategy Fixed Income Private Investment Trust 1(Bond-Derivatives) [2] | 99.98 | Korea | Investment trust |
| Kookmin Bank | NH-Amundi Private Securities Investment Trust 51[Bond-Derivatives] [2] | 99.99 | Korea | Investment trust |
| Kookmin Bank | Mirae Asset Signature Privately Placed Investment Trust 6 [2] | 99.67 | Korea | Investment trust |
| Kookmin Bank | Shinhan Institutional Discretionary Private Security Investment Trust No.4[Bond-Derivative] [2] | 99.50 | Korea | Investment trust |
| Kookmin Bank | Kiwoom Frontier Private Securities Fund 36(Bond-Derivatives) [2] | 99.67 | Korea | Investment trust |
| Kookmin Bank | KODEX KTB 10Y Futures Inverse ETF(Debt-Derivative) [2] | 85.51 | Korea | Investment trust |
| Kookmin Bank | KB Infra Development PrivateSpecial Asset Fund(SOC) [2] | 97.56 | Korea | Investment trust |
| Kookmin Bank | DB Mighty 26-09 Special Bond Active ETF | 56.04 | Korea | Investment trust |
| Kookmin Bank | KB RISE KTB ETF(Bond) [2] | 70.65 | Korea | Investment trust |
| Kookmin Bank | KB RISE KTB 3Y Futures ETF [2] | 81.65 | Korea | Investment trust |
| Kookmin Bank | SAMSUNG KODEX 3Y F-KTB INVERSE ETF (Debt-Derivative) [2] | 85.71 | Korea | Investment trust |
| Kookmin Bank | Hana 1Q Mid-Short Term Credit Bond (A- or Higher) Active ETF(Bond) [2] | 58.24 | Korea | Investment trust |

[1] The Group controls the trust because it has power to determine the management performance of the trust and is exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return.

[2] The Group controls these investees because it is significantly exposed to variable returns from the investees' performance

and has the ability to affect those returns through its power.

[3] During the year ended December 31, 2025, PT Bank KB Bukopin Tbk. changed its corporate name to PT Bank KB Indonesia Tbk.

[4] The investee was classified as a disposal group held for sale as of December 31, 2025.

The Group holds more than half of the ownership interests of Koreit BN Private Equity Fund and eighteen other investment trusts but does not have the power over relevant activities in accordance with agreements with trust and other shareholders, therefore these entities are not consolidated.

38.2 The condensed financial information of major subsidiaries as of and for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Equity | Operating revenue | Profit (loss) for the year [1] | Profit (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank (China) Ltd. | 4,469,120 | 3,815,915 | 653,205 | 219,608 | 26,011 | 26,011 |
| KB Microfinance Myanmar Co., Ltd. | 18,529 | 7,569 | 10,960 | 5,282 | 1,022 | 1,022 |
| KB BANK MYANMAR LTD | 314,335 | 17,740 | 296,595 | 12,516 | 5,491 | 5,491 |
| KB PRASAC BANK PLC. | 8,119,024 | 6,314,496 | 1,804,528 | 1,654,650 | 152,074 | 152,074 |
| Financial status of KB Indonesia-related subsidiaries | | | | | | |
| PT Bank KB Indonesia Tbk. | 7,356,609 | 6,945,012 | 411,597 | 843,173 | (102,877) | (68,325) |
| IDMB UNITED PTE.LTD. [2] | 202,605 | 271,212 | (68,607) | 11,174 | (12,833) | (6,795) |
| SMMK PTE.LTD. [2] | 112,432 | 232,698 | (120,266) | 3,698 | (11,089) | (29,454) |
| TLDC PTE.LTD. [2] | 131,002 | 158,160 | (27,158) | 2,515 | (21,591) | (16,467) |
| KB FUND PARTNERS Co., Ltd. | 32,350 | 6,582 | 25,768 | 28,453 | 6,369 | 6,369 |
| Personal pension trust and 10 others | 3,708,186 | 3,590,927 | 117,259 | 153,754 | (3,038) | (3,038) |

| *(In millions of Korean won)* | December 31, 2024 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Equity | Operating revenue | Profit (loss) for the year [1] | Profit (loss) attributable to shareholders of the Parent Company |
| Kookmin Bank (China) Ltd. | 4,316,008 | 3,690,496 | 625,512 | 195,087 | 22,999 | 22,999 |
| KB Microfinance Myanmar Co., Ltd. | 19,235 | 8,994 | 10,241 | 4,127 | (2,486) | (2,486) |
| KB BANK MYANMAR LTD | 318,276 | 20,088 | 298,188 | 12,319 | 5,224 | 5,224 |
| KB PRASAC BANK PLC. | 8,297,865 | 6,606,415 | 1,691,450 | 1,227,612 | 131,927 | 131,927 |
| Financial status of KB Indonesia-related subsidiaries | | | | | | |
| PT Bank KB Indonesia Tbk. | 7,222,025 | 6,936,237 | 285,788 | 523,058 | (360,617) | (240,968) |
| IDMB UNITED PTE.LTD. [2] | 218,256 | 277,734 | (59,478) | 6,981 | (18,291) | (29,773) |
| SMMK PTE.LTD. [2] | 117,457 | 233,753 | (116,296) | 2,664 | (21,176) | (23,870) |
| TLDC PTE.LTD. [2] | 157,390 | 163,579 | (6,189) | 447 | (5,857) | (10,973) |
| KB FUND PARTNERS Co., Ltd. | 26,047 | 5,295 | 20,752 | 14,937 | 1,934 | 1,934 |
| Personal pension trust and 10 others | 3,938,698 | 3,818,400 | 120,298 | 188,851 | 7,746 | 7,746 |

[1] Includes profit (loss) attributable to non-controlling interests.

[2] These SPCs are established for the purpose of selling non-performing loans of PT Bank KB Indonesia Tbk. Classified as

a subsidiary of KB Kookmin Bank, not a subsidiary of PT Bank KB Indonesia Tbk., the gains and losses on the transfer and sale of loans between PT Bank KB Indonesia Tbk. and SPCs were removed from the consolidation process of KB Kookmin Bank.

38.3 The Characteristics of Risks Associated with Consolidated Structured Entities

The terms of contractual arrangements to provide financial support to consolidated structured entities are as follows:

38.3.1 The Group has provided capital commitments to consolidated investment funds.

| ***(In millions of Korean won)*** | **December 31, 2025** | |
|---|---|---|
| | Capital commitments | Unused amount |
| KTB Global CREDebt Private Investment Trust No.52(USD) | 71,745 | 2,090 |
| Hyundai Invest KKR Europe Real Estate No.1-3(EUR) | 67,429 | 5,392 |
| Vestas Private Real Estate Fund Investment Trust No.69-3(USD)(FoFs) | 91,834 | 6,599 |
| SHINHAN AIM Private Real Estate Investment Trust No.26-C(USD) | 93,269 | 35,262 |
| Mirae Asset ESG Infra Private Investment Trust 1 | 20,000 | 12,085 |
| KB NA Sound Point Private Special Asset Fund 2(USD) | 28,698 | 9,486 |
| KB Global Private Real Estate Debt Fund No.35(USD)(FoFs) | 28,698 | 18,439 |
| PineStreet Global Private Investment Trust 28-2 | 28,698 | 14,323 |
| KB infra & Developers Investment Trust | 20,000 | 15,434 |

38.3.2 The Group has provided purchase commitments and credit lines to consolidated structured entities. The purchase commitment guarantees that the Group will purchase and pay any remaining commercial paper securities issued by consolidated structured entities. The credit line agreement requires the Group to provide loans under certain conditions if there is a reason for suspension of issuance of commercial paper securities or if consolidated structured entities become insolvent due to other reasons.

| *(In millions of Korean won)* | **December 31, 2025** |
|---|---|
| KB Liiv DS 1st L.L.C. | 50,193 |
| Liiv H 3rd Co., Ltd. | 40,300 |
| LEP 2nd Co., Ltd. | 70,000 |
| LOG the 3rd L.L.C. | 24,300 |
| KB Glass 1st Inc | 20,149 |
| KB THE FIRST 1ST INC. | 65,000 |
| KB DTower 1st L.L.C. | 50,095 |
| KB Liiv H 1st L.L.C. | 30,300 |
| KB Liiv L 1st Co., Ltd. | 50,292 |
| KB VALUE 1ST INC. | 96,900 |
| KB Signature 1st Co., ltd. | 100,300 |
| KB Icon The 1st Ltd. | 49,912 |
| KB SI 1st INC. | 30,130 |
| KB A&T 1ST INC. | 20,200 |
| KB HR 1ST LLC. | 25,181 |
| KB HL INC. | 52,424 |
| KB HY INC. | 30,158 |
| KB H housing 1st LLC | 30,000 |
| KB YONGSAN 1ST INC. | 100,000 |
| KB Eagles 3rd Co., Ltd. | 50,394 |
| KB Eagles 2nd Co., Ltd. | 50,396 |
| KB Eagles 1st Co., Ltd. | 30,300 |
| KB EAST 1ST INC. | 10,047 |
| KB ESG 1st Co., ltd. | 35,000 |
| KB Chemical 1st Co., Ltd | 50,700 |
| KB Tech Won The 1st Ltd. | 60,200 |
| KB Harim 1st L.L.C. | 25,200 |
| IDMB UNITED PTE.LTD. | 294,155 |
| SMMK PTE.LTD. | 298,459 |
| TLDC PTE.LTD. | 193,712 |

38.3.3 The Group has provided the guarantees of payment of principal, or principal and fixed rate of return in case the operating results of the trusts are less than the guaranteed principal, or principal and fixed rate of return.

38.4 Changes in Subsidiaries

KB HL INC. and 29 other subsidiaries were newly included in the scope of consolidation, KB One West 1st Co., Ltd and 16 other subsidiaries were excluded from the scope of consolidation for the year ended December 31, 2025.

38.5 Net Cash Flow from Changes in Subsidiaries

The net cash outflows arising from acquisition of subsidiaries amount to ₩ 243,103 million, while the net cash outflows arising from the disposal of subsidiaries amount to ₩ 97,226 million for the year ended December 31, 2025.

## 39. Unconsolidated Structured Entities

39.1 Nature, purpose, and activities of the unconsolidated structured entities and how the structured entities are financed, are as follows:

| Nature | Purpose | Activity | Method of financing |
|---|---|---|---|
| Asset-backed securitization | Early cash generation through transfer of securitized assets<br>Fees earned through services to SPC, such as providing lines of credit and ABCP purchase commitments | Fulfillment of asset-backed securitization plan<br>Purchase and collection of securitized assets<br>Issuance and repayment of ABS and ABCP | Issuance of ABS and ABCP based on securitized assets |
| Structured financing | Granting PF loans to SOC and real estate<br>Granting loans to ships/aircrafts SPC<br>Project financing to M&A and others | Construction of SOC and real estate<br>Building ships, construction and purchase of aircrafts<br>M&A | Loan commitments through credit line, providing credit line, and investment agreements |
| Investment funds | Investment in beneficiary certificates<br>Investment in PEF and partnerships | Management of fund assets<br>Payment of fund fees and allocation of fund profits | Sales of beneficiary certificate instruments<br>Investment from general partners and limited partners |

39.2 Details of the scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | | | |
|---|---|---|---|---|
| | **Asset-backed securitization** | **Structured financing** | **Investment funds** | **Total** |
| **Total assets of unconsolidated structured entities** | 91,017,547 | 114,693,510 | 592,471,819 | 798,182,876 |
| **Carrying amount in the financial statements** | | | | |
| Assets: | | | | |
| Financial assets at fair value through profit or loss | 29,661 | 34,608 | 7,379,818 | 7,444,087 |
| Derivative financial asset | - | - | 545 | 545 |
| Loans measured at amortized cost | 495,775 | 7,909,253 | 134,924 | 8,539,952 |
| Financial investments | 7,807,096 | - | - | 7,807,096 |
| Investments in associates | - | 7,383 | 457,609 | 464,992 |
| Other assets | - | 297 | 19,941 | 20,238 |
| | 8,332,532 | 7,951,541 | 7,992,837 | 24,276,910 |
| Liabilities: | | | | |
| Deposits | 495,070 | 2,696,094 | 248,624 | 3,439,788 |
| Other liabilities | 5,066 | 6,835 | 38 | 11,939 |
| | 500,136 | 2,702,929 | 248,662 | 3,451,727 |
| **Maximum exposure** | | | | |
| Assets held * | 8,332,532 | 7,951,541 | 7,992,837 | 24,276,910 |
| Purchase and investment commitments | 1,491,300 | - | 4,122,691 | 5,613,991 |
| Acceptances and guarantees and unused line of credit | 3,170,332 | 3,589,906 | - | 6,760,238 |
| | 12,994,164 | 11,541,447 | 12,115,528 | 36,651,139 |
| Methods of determining the maximum exposure | Providing lines of credit / Unproviding lines of credit / Purchase commitments/ Investment commitments | Acceptances and guarantees / Unproviding lines of credit | Purchase commitments /Investment commitments | |

39.2 Details of the scale of unconsolidated structured entities and nature of the risks associated with the Group's interests in unconsolidated structured entities as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Asset-backed securitization** | **Structured Financing** | **Investment funds** | **Total** |
| **Total assets of unconsolidated structured entities** | 107,755,434 | 83,054,620 | 464,450,118 | 655,260,172 |
| **Carrying amount in the financial statements** | | | | |
| Assets: | | | | |
| Financial assets at fair value through profit or loss | 29,371 | 35,811 | 6,689,471 | 6,754,653 |
| Loans measured at amortized cost | 531,021 | 7,127,982 | 126,989 | 7,785,992 |
| Financial investments | 9,892,484 | - | 12,317 | 9,904,801 |
| Investments in associates | - | - | 394,666 | 394,666 |
| Other assets | - | 389 | 41,107 | 41,496 |
| | 10,452,876 | 7,164,182 | 7,264,550 | 24,881,608 |
| Liabilities: | | | | |
| Deposits | 355,385 | 2,511,200 | 120,289 | 2,986,874 |
| Derivative financial liabilities | - | - | 18,383 | 18,383 |
| Other liabilities | 951 | 5,422 | 444 | 6,817 |
| | 356,336 | 2,516,622 | 139,116 | 3,012,074 |
| **Maximum exposure** | | | | |
| Assets held * | 10,452,876 | 7,164,182 | 7,264,550 | 24,881,608 |
| Purchase and investment commitments | 440,000 | - | 4,267,362 | 4,707,362 |
| Acceptances and guarantees and unused line of credit | 4,311,893 | 1,601,847 | - | 5,913,740 |
| | 15,204,769 | 8,766,029 | 11,531,912 | 35,502,710 |
| Methods of determining the maximum exposure | Providing lines of credit / Purchase commitments/ Acceptances and guarantees / Investment commitments | Acceptances and guarantees / Providing lines of credit | Purchase commitments /Investment commitments | |

* Maximum exposure includes the asset amounts, after deducting losses (provisions for credit losses, impairment losses, and others), recognized in the consolidated financial statements of the Group.

## 40. Leases

40.1 The Group as a Lessee

40.1.1 Amounts recognized in the consolidated statements of financial position related to leases as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Right-of-use property and equipment: * | | |
| Real estate | 661,133 | 745,807 |
| Vehicles | 8,294 | 9,641 |
| Others | 854 | 2,048 |
| | 670,281 | 757,496 |
| Right-of-use intangible assets * | - | 588 |
| | 670,281 | 758,084 |
| Lease liabilities * | 696,445 | 751,935 |

* Included in property and equipment, intangible assets, and other liabilities.

40.1.2 Amounts recognized in the consolidated statements of comprehensive income related to leases for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | 2024 |
|---|---|---|
| Depreciation and amortization of right-of-use assets: | | |
| Real estate | 266,469 | 251,513 |
| Vehicles | 11,569 | 11,895 |
| Others | 1,646 | 1,142 |
| Intangible asset | 588 | 1,007 |
| | 280,272 | 265,557 |
| Interest expenses on the lease liabilities | 24,773 | 31,490 |
| Expense relating to short-term lease | 2,190 | 2,347 |
| Expense relating to lease of low-value assets that are not short-term lease | 3,309 | 3,667 |

Total lease cash outflows for the years ended December 31, 2025 and 2024, are ₩ 251,250 million and ₩ 214,930 million, respectively.

40.2 The Group as an Operating Lessor

The future minimum lease payments to be received from the non-cancellable lease contracts as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Up to 1 year | 15,855 | 13,422 |
| 1-5 years | 24,545 | 13,511 |
| Over 5 years | 13,093 | 1,403 |
| | 53,493 | 28,336 |

## 41. Related Party Transactions

According to Korean IFRS No.1024, the Group includes the Parent, the Parent's subsidiaries, associates, associates of the Parent's subsidiaries, associates of the Parent, key management personnel (including family members), and post-employment benefit plans of the Group and its related party companies in the scope of related parties. The Group discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the consolidated financial statements. Refer to Note 13 for details of investments in associates.

Key management personnel include the executives of the Parent Company and the executives (managing director and above) of the Bank, and companies where the executives and/or their close family members have control or joint control.

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| **Parent** | | | |
| KB Financial Group Inc. | Fee and commission income | 10,124 | 9,993 |
| | Other operating income | 35 | 32 |
| | Other non-operating income | 2,474 | 2,905 |
| | Interest expense | 11,916 | 10,816 |
| | Other operating expenses | 7 | 4 |
| | General and administrative expenses | 1,184 | 1,327 |
| **Parent's subsidiaries** | | | |
| KB Asset Management Co., Ltd. | Fee and commission income | 2,609 | 4,189 |
| | Gains on financial instruments at fair value through profit or loss | - | 168 |
| | Other non-operating income | 5 | 5 |
| | Interest expense | 794 | 344 |
| | Fee and commission expense | 9,222 | 898 |
| | General and administrative expenses | 500 | 500 |
| KB Real Estate Trust Co., Ltd. | Fee and commission income | 276 | 290 |
| | Other non-operating income | 49 | 75 |
| | Interest expense | 4 | 515 |
| | Fee and commission expense | 7,421 | 7,177 |
| | Other operating expenses | 24 | - |
| KB Investment Co., Ltd. | Fee and commission income | 88 | 100 |
| | Gains on financial instruments at fair value through profit or loss | 1,043 | - |
| | Other non-operating income | 5 | 5 |
| | Interest expense | 1,060 | 1,571 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| KB Kookmin Card Co., Ltd. | Interest income | 19,202 | 21,507 |
| | Fee and commission income | 126,521 | 125,923 |
| | Gains on financial instruments at fair value through profit or loss | 29,147 | 2,005 |
| | Other operating income | 438 | - |
| | Reversal of credit losses | - | 76 |
| | Other non-operating income | 4,106 | 3,767 |
| | Interest expense | 4,113 | 3,693 |
| | Fee and commission expense | 27,873 | 28,111 |
| | Losses on financial instruments at fair value through profit or loss | 15,533 | 21,431 |
| | Other operating expenses | 257 | - |
| | Provision for credit losses | 104 | - |
| | General and administrative expenses | 99 | 92 |
| KB Data System Co., Ltd. | Fee and commission income | 3,913 | 3,391 |
| | Other non-operating income | 237 | 239 |
| | Interest expense | 226 | 338 |
| | Fee and commission expense | 582 | 475 |
| | Other operating expenses | - | 578 |
| | General and administrative expenses | 103,951 | 94,563 |
| KB Savings Bank Co., Ltd. | Fee and commission income | 441 | 442 |
| | Other non-operating income | 103 | 106 |
| | Interest expense | 19 | 22 |
| | Fee and commission expense | 4 | 4 |
| | General and administrative expenses | 20 | 2 |
| KB Capital Co., Ltd. | Interest income | 3,251 | 3,871 |
| | Fee and commission income | 5,310 | 4,661 |
| | Gains on financial instruments at fair value through profit or loss | 322 | 139 |
| | Reversal of credit losses | - | 166 |
| | Other non-operating income | 536 | 420 |
| | Interest expense | 237 | 325 |
| | Fee and commission expense | 124 | 127 |
| | Losses on financial instruments at fair value through profit or loss | 397 | - |
| | Other operating expenses | (52) | - |
| | Provision for credit losses | 134 | - |
| | General and administrative expenses | 140 | 117 |
| KB Securities Co., Ltd. | Interest income | 8,731 | 10,296 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| | Fee and commission income | 28,348 | 28,576 |
| | Gains on financial instruments at fair value through profit or loss | 173,357 | 102,750 |
| | Other operating income | (11) | (70) |
| | Reversal of credit losses | - | 220 |
| | Other non-operating income | 6,399 | 6,486 |
| | Interest expense | 5,637 | 8,295 |
| | Fee and commission expense | 3,182 | 3,041 |
| | Losses on financial instruments at fair value through profit or loss | 53,102 | 152,360 |
| | Other operating expenses | (25) | 263 |
| | Provision for credit losses | 9,648 | - |
| | General and administrative expenses | 3,995 | 3,885 |
| KB Insurance Co., Ltd. | Interest income | 6 | 6 |
| | Fee and commission income | 25,787 | 22,741 |
| | Gains on financial instruments at fair value through profit or loss | 198,631 | 257,080 |
| | Reversal of credit losses | - | 3 |
| | Other non-operating income | 2,661 | 2,614 |
| | Interest expense | 478 | 443 |
| | Fee and commission expense | 2,476 | 2,255 |
| | Losses on financial instruments at fair value through profit or loss | 51,839 | 17,208 |
| | Other operating expenses | (213) | 8 |
| | Provision for credit losses | 1 | - |
| | Other non-operating expenses | - | 14 |
| | General and administrative expenses | 14,915 | 14,491 |
| KB Life Insurance Co., Ltd. | Interest income | 1,603 | 1,309 |
| | Fee and commission income | 31,203 | 28,602 |
| | Gains on financial instruments at fair value through profit or loss | 24,061 | 48,369 |
| | Reversal of credit losses | - | 6 |
| | Other non-operating income | 496 | 522 |
| | Interest expense | 3,757 | 6,071 |
| | Fee and commission expense | 566 | 609 |
| | Losses on financial instruments at fair value through profit or loss | 6,313 | - |
| | Other operating expenses | (13) | 5 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| | Provision for credit losses | 7 | - |
| | General and administrative expenses | 2,211 | 2,089 |
| KB STAR REIT Co., Ltd. | Fee and commission income | 171 | 159 |
| | Gains on financial instruments at fair value through profit or loss | 15,204 | 37,953 |
| | Interest expense | 394 | 784 |
| | Losses on financial instruments at fair value through profit or loss | - | 2,402 |
| KB Hanbando BTL Private Special Asset Fund No.1 | Fee and commission income | 72 | 84 |
| KB IDF Infra Private Special Asset Fund 1 | Fee and commission income | 4 | 5 |
| KB IDF Infra Private Special Asset Fund 13 | Fee and commission income | 15 | 14 |
| | Gains on financial instruments at fair value through profit or loss | 786 | 8,482 |
| | Losses on financial instruments at fair value through profit or loss | 1,323 | 1,231 |
| KB IDF Infra Note Private SpecialAsset Fund 14 | Fee and commission income | 14 | 13 |
| | Gains on financial instruments at fair value through profit or loss | 1,606 | 9,818 |
| | Losses on financial instruments at fair value through profit or loss | 1,921 | 1,081 |
| KB Muni bond Private Securities Fund No.1 (USD) * | Fee and commission income | 10 | 11 |
| KB Global Private Real Estate Fund No.1 (FoFs) | Fee and commission income | 12 | 12 |
| KB Global Private Real Estate Fund No.11 (FoFs) | Fee and commission income | 7 | 6 |
| KB Global Private Real Estate Fund No.15 | Fee and commission income | 14 | 16 |
| | Gains on financial instruments at fair value through profit or loss | 1,541 | 8,701 |
| | Losses on financial instruments at fair value through profit or loss | 967 | 198 |
| KB Global Private Real Estate Fund No.17 (FoFs) | Fee and commission income | 9 | 7 |
| KB Global Private Real Estate Fund No.22 (FoFs) | Fee and commission income | 2 | 1 |
| | Gains on financial instruments at fair value through profit or loss | 445 | 1,055 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| | Losses on financial instruments at fair value through profit or loss | 81 | 8 |
| KB Global Private Real Estate Fund No.27 (FoFs) | Fee and commission income | 11 | 11 |
| | Gains on financial instruments at fair value through profit or loss | - | 6,354 |
| KB Global Private Real Estate Fund No.29 (FoFs) | Fee and commission income | 5 | 4 |
| | Gains on financial instruments at fair value through profit or loss | 2,856 | 855 |
| | Losses on financial instruments at fair value through profit or loss | 2,922 | - |
| KB Global Private Real Estate Fund No.30 (FoFs) | Fee and commission income | 3 | 1 |
| | Gains on financial instruments at fair value through profit or loss | 5 | 871 |
| | Losses on financial instruments at fair value through profit or loss | 233 | - |
| KB Global Private Real Estate Fund No.31 (FoFs) | Fee and commission income | 3 | 2 |
| | Interest expense | 1 | - |
| KB Global Private Real Estate Fund No.36 (FoFs) | Fee and commission income | 2 | - |
| KB Global Private Real Estate Fund No.40 (FoFs) | Fee and commission income | 2 | - |
| KB Global Private Real Estate Fund No.38 (FoFs) | Fee and commission income | 1 | - |
| KB Star Office Private Real Estate Feeder Fund No.4 | Interest income | 772 | 748 |
| | Fee and commission income | 38 | 37 |
| | Provision for credit losses | 1 | - |
| KB Star Office Private Real Estate Feeder Fund No.3 * | Other operating income | 31,454 | - |
| | Interest expense | (6,218) | - |
| KB Global Core Bond Securities Feeder Fund(Bond) | Fee and commission income | 9 | 15 |
| KB New Renewable Energy Private Special Asset Fund No.1 | Fee and commission income | 9 | 9 |
| KB New Renewable Energy Private Special Asset Fund No.4 | Fee and commission income | 1 | - |
| KB New Renewable Energy Private Special Asset Fund No.3 | Fee and commission income | 6 | 5 |
| KB North America Private Real Estate Debt Fund No.1 * | Fee and commission income | 1 | 3 |
| | Gains on financial instruments at fair value through profit or | - | 5,205 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| | loss | | |
| | Losses on financial instruments at fair value through profit or loss | 1,596 | - |
| KB North America Private Real Estate Debt Fund No.3 * | Fee and commission income | - | 6 |
| | Gains on financial instruments at fair value through profit or loss | - | 9,270 |
| | Losses on financial instruments at fair value through profit or loss | - | 41 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | Fee and commission income | 8 | 7 |
| KB Europe Renewable Private Special Asset Fund No.3 | Fee and commission income | 6 | 5 |
| | Gains on financial instruments at fair value through profit or loss | 791 | 587 |
| | Losses on financial instruments at fair value through profit or loss | 18 | 18 |
| KB Global Infra Private Special Asset Fund No.6 | Fee and commission income | 7 | 5 |
| KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables) | Fee and commission income | 5 | 4 |
| | Losses on financial instruments at fair value through profit or loss | - | 166 |
| KB BMO Senior Loan Private Special Asset Fund No.1 | Fee and commission income | 8 | 9 |
| | Gains on financial instruments at fair value through profit or loss | 3,446 | - |
| KB BMO Senior Loan Private Special Asset Fund No.2(USD) | Fee and commission income | 7 | 9 |
| KB BMO Senior Loan Private Special Asset Fund No.4(USD) | Fee and commission income | 8 | 8 |
| KB BMO Senior Loan Private Special Asset Fund No.5(Loan-FOFs) | Fee and commission income | 13 | 13 |
| | Gains on financial instruments at fair value through profit or loss | 6,001 | 9,874 |
| | Losses on financial instruments at fair value through profit or loss | 2,082 | - |
| KB BMO Senior Loan Private Special Asset Fund No.7 | Fee and commission income | 8 | - |
| KB BMO Senior Loan Private Special Asset Fund No.9 | Fee and commission income | 4 | - |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | Fee and commission income | 1 | - |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| KB New Renewable Green New Deal Private Special Asset No.2 | Fee and commission income | 11 | 12 |
| KB Sinansan Line Private Special Asset Fund(SOC) | Fee and commission income | 50 | 42 |
| KB MCF Senior Loan Private Special Asset Fund No.3(Loan-FoFs) | Fee and commission income | 55 | 62 |
| KB New Deal Infra Private Special Asset Fund | Fee and commission income | 23 | 21 |
| KB Korea Infrastructure Credit Guarantee Private Special Asset No.1 | Fee and commission income | 14 | 15 |
| Hanwha Europe Credit Private Fund No.16 (FOFs) | Gains on financial instruments at fair value through profit or loss | 4,706 | 3,665 |
| | Losses on financial instruments at fair value through profit or loss | - | 369 |
| KB Logistics Blind Private Real Estate Fund No.1 | Interest income | 168 | 2,282 |
| | Fee and commission income | 6 | 30 |
| | Reversal of credit losses | 8,801 | - |
| | Interest expense | - | 15 |
| | Provision for credit losses | - | 8,795 |
| KB Aircraft Private Special Asset Fund No.1 | Fee and commission income | 10 | 11 |
| KB Aircraft Private Special Asset Fund No.2 | Fee and commission income | 4 | 2 |
| KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond) * | Fee and commission income | 65 | 45 |
| KB Oaktree Private Special Asset Fund No.3 | Fee and commission income | 3 | 3 |
| KB Oaktree Opportunities Private Special Asset Fund No.3 | Fee and commission income | 4 | - |
| KB GK Project Private Special Asset Fund No.3 | Fee and commission income | 39 | 41 |
| KB ASF Infra Private Special Asset Fund(FoFs) | Fee and commission income | 6 | 3 |
| KB Core Blind Private Real Estate Fund No.2 | Interest income | 2,146 | 129 |
| | Fee and commission income | 16 | 5 |
| | Reversal of credit losses | 19 | - |
| | Interest expense | 1 | - |
| | Provision for credit losses | - | 72 |
| Ares Special Opportunities Fund Ⅱ(453) | Gains on financial instruments at fair value through profit or loss | 262 | - |
| | Losses on financial instruments at fair value through profit or loss | 9 | - |
| KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs) | Fee and commission income | 4 | 4 |
| KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs) | Fee and commission income | 7 | 7 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| KB PF Blind Private Real Estate Fund 2 | Fee and commission income | 1 | 1 |
| IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465 | Gains on financial instruments at fair value through profit or loss | 2,288 | - |
| | Losses on financial instruments at fair value through profit or loss | 18 | - |
| HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A. | Fee and commission income | 2 | 3 |
| NB Private Debt Fund IV LUX (B) SCSP | Fee and commission income | 4 | 3 |
| KB NA Jefferies Private Special Asset Fund 1 | Fee and commission income | 5 | 4 |
| KB RISE Fixed Short-Term MSB ETF * | Interest expense | - | (17) |
| KB Europe ICG PDF Private SpecialAsset Fund 4(FoFs) | Fee and commission income | 2 | 2 |
| | Gains on financial instruments at fair value through profit or loss | - | 689 |
| | Losses on financial instruments at fair value through profit or loss | 59 | 40 |
| KB Star Institutional USD MMF1 | Fee and commission income | 4 | 13 |
| KB Senior Loan Private Fund 5-1 | Fee and commission income | 8 | 8 |
| KB Core Plus Blind Private RealEstate Fund 1(FoFs) | Fee and commission income | 18 | 14 |
| KB Wise Star Private Real Estate No.19 * | Fee and commission income | - | 2 |
| KB Wise Star Private Real Estate22 | Interest income | 1,891 | 1,900 |
| | Fee and commission income | 36 | 36 |
| | Reversal of credit losses | 1 | - |
| KB Wise Star Private Real Estate24 | Interest income | 1,441 | - |
| | Fee and commission income | 1,696 | - |
| KB Wise Star Private Real Estate21 | Fee and commission income | 2 | - |
| KB Wise Star Private Real Estate21-1 | Fee and commission income | 1 | - |
| KB Wise Star Private Real Estate27 | Fee and commission income | 2 | - |
| KB Wise Star Private Real Estate28 | Provision for credit losses | 1 | - |
| KB Korea Short Term Premium Private Securities Fund * | Losses on financial instruments at fair value through profit or loss | - | 3,499 |
| KB Korea Short Term Premium Private Securities Fund * | Fee and commission income | - | 1 |
| | Losses on financial instruments at fair value through profit or loss | - | 3,342 |
| KB Korea Short Term Premium Private Securities Fund No.43(USD) * | Gains on financial instruments at fair value through profit or loss | 1,110 | - |
| | Losses on financial instruments at fair value | - | 6,482 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| | through profit or loss | | |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | Fee and commission income | 38 | 38 |
| KB Apax Global Buyout PrivateFund 1 | Fee and commission income | 2 | - |
| | Gains on financial instruments at fair value through profit or loss | - | 75 |
| | Losses on financial instruments at fair value through profit or loss | 12 | 6 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | Fee and commission income | 17 | 6 |
| PineStreet PECP VI Global Corporate FoF 21 | Gains on financial instruments at fair value through profit or loss | 1 | - |
| | Losses on financial instruments at fair value through profit or loss | 43 | - |
| KB NA Summit Private Special Asset fund 1(USD)(FoFs) | Fee and commission income | 1 | - |
| KB Money Market Active ETF (Bond) * | Fee and commission income | - | 9 |
| KB RISE Short-term KTB Active ETF (Bond) * | Interest expense | - | (26) |
| KB Duke Private Special Asset Fund * | Fee and commission income | - | 1 |
| KB Star Mid Term G.B.F.I C-F Class (Bond) * | Fee and commission income | 17 | 19 |
| KB Innovative Growth Infra Private Special Asset Fund | Fee and commission income | 2 | - |
| KB East-side Expressway Private Special Asset(SOC) | Fee and commission income | 1 | - |
| KB Pantheon Global Secondary Private Special Asset 1 | Fee and commission income | 3 | - |
| KB Global Senior Loan PrivateDebt 1(USD) | Fee and commission income | 4 | - |
| KB Global Senior Loan PrivateDebt 2 | Fee and commission income | 3 | - |
| | Gains on financial instruments at fair value through profit or loss | 1,349 | - |
| | Losses on financial instruments at fair value through profit or loss | 201 | - |
| KB HL Infra Private Special Asset Fund No.1 (SOC-FoFs) | Fee and commission income | 3 | - |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | Fee and commission income | 3 | - |
| KB ICG Secondary Private SpecialAsset Fund 1(FoFs) | Fee and commission income | 3 | - |
| KB Europe M&G Senior Loan Private Special | Fee and commission income | 11 | - |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| Asset Fund 1 | | | |
| KB BDS V Global Private RealEstate Debt Fund 48(FoFs) | Fee and commission income | 6 | - |
| KB Value Rise Blind Private RealEstate 1(Fofs) | Fee and commission income | 1 | - |
| KB PG Global Secondary Private SpecialAsset Fund 1 | Fee and commission income | 1 | - |
| KB Credit Alpha Short TermSecurities Feeder Fund 1(Bond) A1 | Fee and commission income | 5 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 9(Loan-FoFs) | Fee and commission income | 1 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 10(Loan-FoFs) | Fee and commission income | 1 | - |
| KB Apogem Senior Loan Private Special Asset Fund No.8 | Fee and commission income | 1 | - |
| KB Apogem Senior Loan Private Special Asset Fund No.5 | Fee and commission income | 4 | - |
| Korea Credit Bureau Co., Ltd. | Fee and commission income | 52 | 52 |
| | Interest expense | 12 | 1 |
| | Fee and commission expense | 2,739 | 2,407 |
| | Other operating expenses | 9 | 11 |
| Incheon Bridge Co., Ltd. | Interest income | 8,125 | 14,006 |
| | Fee and commission income | 45 | 34 |
| | Gains on financial instruments at fair value through profit or loss | - | 2,129 |
| | Reversal of credit losses | 2 | 7 |
| | Interest expense | 973 | 986 |
| | Fee and commission expense | 12 | 9 |
| | Losses on financial instruments at fair value through profit or loss | 1,203 | - |
| Dongjo Co., Ltd. | Interest income | 74 | 34 |
| Skydigital Inc. | Fee and commission income | 3 | 2 |
| Il-Kwang Electronic Materials Co., Ltd. | Other non-operating expenses | 1 | - |
| TMAPMOBILITY CO., Ltd. | Fee and commission income | 2 | 2 |
| | Interest expense | 2,204 | 3,077 |
| KB High-Tech Company Investment Fund * | Interest expense | (65) | 99 |
| Aju Good Technology Venture Fund | Interest expense | - | 3 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Interest expense | 1 | - |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Interest expense | - | 1 |
| KB Global Platform Fund | Interest expense | 73 | 80 |
| WJ Private Equity Fund No.1 | Fee and commission income | 7 | 7 |
| KB Smart Scale Up Fund | Interest expense | 39 | 161 |
| KB Bio Global Expansion Private Equity | Interest expense | - | 3 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| Fund No.1 | | | |
| KB Digital Platform Fund | Interest expense | 31 | 35 |
| Startup Korea KB Secondary Fund | Interest expense | (1) | - |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund * | Interest expense | - | 4 |
| KY Global Cell & Gene Private Equity Fund 2nd * | Interest expense | - | (38) |
| **Associates of Parent** | | | |
| Balhae Infrastructure Company | Interest income | 101 | - |
| | Provision for credit losses | 200 | - |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Interest income | 5,716 | 5,939 |
| | Interest expense | 70 | 95 |
| | Provision for credit losses | 1 | 1 |
| **Associates of Parent's subsidiaries** | | | |
| Food Factory Co., Ltd. | Interest income | 50 | 46 |
| | Interest expense | 1 | 1 |
| | Provision for credit losses | 3 | - |
| Banksalad Co., Ltd. * | Fee and commission income | 57 | 36 |
| Spark Biopharma Inc. | Interest expense | 64 | 293 |
| Channel Corporation | Interest expense | - | 10 |
| ASSEMBLE CORPORATION | Interest income | 131 | 117 |
| | Fee and commission income | - | 1 |
| | Reversal of credit losses | 12 | 20 |
| S&E Bio Co., Ltd. | Interest income | 76 | 44 |
| | Interest expense | 8 | 16 |
| | Provision for credit losses | - | 13 |
| Xenohelix Co., Ltd | Interest income | 27 | - |
| | Provision for credit losses | 7 | - |
| Contents First Inc. | Interest income | 388 | 482 |
| | Fee and commission income | 1 | 1 |
| | Interest expense | 13 | 36 |
| | Provision for credit losses | 12 | 5 |
| Pin Therapeutics Inc. | Interest expense | 130 | 154 |
| SuperNGine Co., Ltd. | Interest income | 29 | 43 |
| | Reversal of credit losses | 40 | - |
| | Provision for credit losses | - | 33 |
| Desilo Inc. | Interest income | 13 | 14 |
| | Reversal of credit losses | 5 | - |
| Turing Co., Ltd. | Interest income | 40 | 61 |
| | Reversal of credit losses | - | 8 |
| | Interest expense | - | 29 |
| KB No.21 Special Purpose Acquisition Company * | Interest expense | (1) | 75 |
| KB No.22 Special Purpose Acquisition Company * | Interest expense | - | 1 |
| KB No.25 Special Purpose Acquisition Company | Interest expense | 38 | 53 |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| KB No.26 Special Purpose Acquisition Company * | Interest expense | (29) | 57 |
| KB No.27 Special Purpose Acquisition Company | Interest expense | 136 | 158 |
| KB No.28 Special Purpose Acquisition Company * | Interest expense | 9 | 45 |
| KB No.29 Special Purpose Acquisition Company | Interest expense | 51 | 43 |
| KB No.30 Special Purpose Acquisition Company | Interest expense | 36 | 21 |
| KB No.31 Special Purpose Acquisition Company | Interest expense | 48 | 13 |
| KB No.32 Special Purpose Acquisition Company | Interest expense | 35 | - |
| KB No.33 Special Purpose Acquisition Company | Interest expense | 26 | - |
| TeamSparta Inc.* | Fee and commission income | 3 | 3 |
| | Interest expense | 87 | 165 |
| Chabot Mobility Co., Ltd. * | Fee and commission income | 1 | 1 |
| | Interest expense | 5 | 1 |
| Wemade Connect Co., Ltd. | Interest expense | 148 | 270 |
| Nextrade Co., Ltd. | Fee and commission income | 2 | - |
| | Interest expense | 685 | 2,481 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Interest expense | 1 | 1 |
| 3D Interactive Co., Ltd. | Interest expense | - | 1 |
| Bigwave Robotics Crop. | Interest expense | (5) | 6 |
| New Daegu Busan Expressway Co., Ltd. | Interest income | 346 | 2,458 |
| | Reversal of credit losses | - | 3 |
| | Interest expense | 1,797 | 3,680 |
| AIM FUTURE, Inc. | Interest income | 41 | 44 |
| | Interest expense | 1 | 48 |
| | Provision for credit losses | - | 3 |
| Novorex Inc. | Interest expense | 18 | - |
| ADP Holdings Co., Ltd. | Interest expense | 45 | 61 |
| ADPGREEN | Interest expense | 107 | 26 |
| Logpresso Inc. | Interest expense | 11 | 3 |
| Onheal Co., Ltd. | Interest expense | - | (20) |
| DYNE MEDICAL GROUP Inc. | Interest income | 60 | 26 |
| | Fee and commission income | 1 | 1 |
| | Reversal of credit losses | 2 | - |
| | Interest expense | 33 | 118 |
| | Provision for credit losses | - | 14 |
| SDT Inc. | Interest expense | - | 13 |
| TriOar Inc. | Interest expense | 98 | 235 |
| Yeoulhyulgangho Co., Ltd. | Interest expense | 8 | 1 |
| Allra Fintech Corp. | Interest expense | 4 | 17 |
| Koru Pharma Co., Ltd. | Interest expense | 2 | - |

41.1 Details of significant profit or loss arising from transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | 2025 | 2024 |
|---|---|---|---|
| AI Spera Inc. | Interest expense | 26 | - |
| Aldaver Co., Ltd. | Interest expense | 24 | - |
| ANTIGRAVITY Co., Ltd. | Interest income | 3 | - |
| | Provision for credit losses | 1 | - |
| enParticle Co., Ltd | Interest expense | 3 | - |
| Emocog Inc. | Interest expense | 49 | - |
| Lemontree Inc. | Fee and commission income | 211 | - |
| | Interest expense | 1 | - |
| | Fee and commission expense | 64 | - |
| | Provision for credit losses | 2 | - |
| WhaTap Laps Inc. | Interest income | 6 | - |
| | Interest expense | 100 | - |
| | Provision for credit losses | 15 | - |
| ByL CO., Ltd. | Interest expense | 56 | - |
| eRoun & company Co., Ltd. | Interest expense | 7 | - |
| Fine KB Corporates Financial Stabilization No.1 Private Equity Fund | Interest expense | 4 | - |
| KB-FT Green Growth 1st Technology Investment Association | Interest expense | - | 12 |
| Semicolon Susong REITs Co., Ltd. | Interest income | 607 | - |
| | Provision for credit losses | 5 | - |
| **Others** | | | |
| Retirement pension | Fee and commission income | 1,553 | 1,720 |
| | Interest expense | 28 | 47 |

* Excluded from the Group's related party as of December 31, 2025.

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Parent** | | | |
| KB Financial Group Inc. | Other assets | 134 | 20 |
| | Deposits | 970,591 | 316,781 |
| | Other liabilities | 1,017,107 | 468,312 |
| **Parent's subsidiaries** | | | |
| KB Asset Management Co., Ltd. | Other assets | 637 | 508 |
| | Deposits | 115,691 | 19,305 |
| | Other liabilities [2] | 1,015 | 1,183 |
| KB Real Estate Trust Co., Ltd. | Other assets | 2 | 2 |
| | Deposits | 3,734 | 2,324 |
| | Other liabilities [3] | - | 2,267 |
| KB Investment Co., Ltd. | Deposits | 52,768 | 41,110 |
| | Other liabilities | 152 | 94 |
| KB Kookmin Card Co., Ltd. | Derivative assets | 8,408 | 2,005 |
| | Loans measured at amortized cost (gross amount) | 339,499 | 268,264 |
| | Allowances for credit losses | 1,045 | 913 |
| | Financial investments | 8,988 | 9,566 |
| | Other assets | 18,188 | 20,205 |
| | Derivative liabilities | - | 22,744 |
| | Deposits | 273,307 | 269,396 |
| | Borrowings | 8,582 | - |
| | Provisions | 1,539 | 1,568 |
| | Other liabilities | 70,538 | 72,129 |
| KB Data System Co., Ltd. | Other assets | 3,561 | 603 |
| | Deposits | 29,633 | 30,222 |
| | Other liabilities | 6,454 | 267 |
| KB Savings Bank Co., Ltd. | Other assets | 4 | - |
| | Other liabilities | 689 | 689 |
| KB Capital Co., Ltd. | Derivative assets | 225 | - |
| | Loans measured at amortized cost (gross amount) | 65,186 | 54,697 |
| | Allowances for credit losses | 340 | 180 |
| | Other assets | 371 | 385 |
| | Deposits | 333,129 | 447,402 |
| | Provisions | - | 26 |
| | Other liabilities | 2,973 | 2,838 |
| KB Securities Co., Ltd. | Cash and due from financial institutions | 1,650 | 6,380 |
| | Derivative assets | 101,266 | 75,249 |
| | Loans measured at amortized cost (gross amount) | 306,729 | 122,249 |
| | Allowances for credit losses | 9,882 | 294 |
| | Other assets | 8,493 | 6,855 |
| | Derivative liabilities | 21,228 | 101,601 |
| | Deposits | 375,609 | 499,092 |
| | Provisions | 155 | 162 |
| | Other liabilities[4] | 29,194 | 29,212 |
| KB Insurance Co., Ltd. | Derivative assets | 236,428 | 185,401 |
| | Other assets | 5,976 | 4,626 |
| | Derivative liabilities | 2,085 | 16,322 |
| | Deposits | 11,249 | 22,980 |
| | Debentures | 860 | - |
| | Provisions | 31 | 30 |
| | Other liabilities [5] | 20,201 | 17,295 |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| KB Life Insurance Co., Ltd. | Derivative assets | 38,352 | 28,146 |
| | Loans measured at amortized cost (gross amount) | 50,976 | 25,260 |
| | Allowances for credit losses | 20 | 13 |
| | Other assets | 4,814 | 6,476 |
| | Derivative liabilities | 1,520 | - |
| | Deposits | 127,640 | 15,825 |
| | Debentures | 20,000 | 20,000 |
| | Provisions | 2 | 2 |
| | Other liabilities [6] | 44,751 | 51,387 |
| KB STAR REIT Co., Ltd. | Derivative assets | - | 54,285 |
| | Other assets | 65 | 64 |
| | Deposits | 437 | 19,013 |
| | Other liabilities | - | 19 |
| KB Hanbando BTL Private Special Asset Fund No.1 | Other assets | 17 | 20 |
| KB IDF Infra Private Special Asset Fund 13 | Derivative assets | 613 | 5,436 |
| | Other assets | 4 | 4 |
| | Derivative liabilities | 244 | - |
| KB IDF Infra Note Private SpecialAsset Fund 14 | Derivative assets | 1,453 | 5,339 |
| | Other assets | 3 | 3 |
| | Derivative liabilities | 216 | - |
| KB Muni bond Private Securities Fund No.1 (USD) [1] | Other assets | - | 2 |
| KB Global Private Real Estate Fund No.1 (FoFs) | Other assets | 2 | 3 |
| KB Global Private Real Estate Fund No.11 (FoFs) | Other assets | 1 | 1 |
| KB Global Private Real Estate Fund No.15 | Derivative assets | 4,787 | 6,396 |
| | Other assets | 2 | 3 |
| KB Global Private Real Estate Fund No.17 (FoFs) | Other assets | 2 | 2 |
| KB Global Private Real Estate Fund No.22 (FoFs) | Derivative assets | 1,735 | 1,325 |
| | Other assets | 1 | - |
| | Derivative liabilities | 31 | - |
| KB Global Private Real Estate Fund No.27 (FoFs) | Derivative assets | - | 8,336 |
| | Other assets | 1 | 1 |
| KB Global Private Real Estate Fund No.29 (FoFs) | Derivative assets | 556 | 841 |
| KB Global Private Real Estate Fund No.30 (FoFs) | Derivative assets | 320 | 779 |
| | Other assets | 1 | - |
| | Derivative liabilities | 85 | - |
| KB Global Private Real Estate Fund No.31 (FoFs) | Other assets | 3 | 2 |
| KB Global Private Real Estate Fund No.36 (FoFs) | Other assets | 1 | - |
| KB Global Private Real Estate Fund No.40 (FoFs) | Other assets | 1 | - |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| KB Star Office Private Real Estate Feeder Fund No.4 | Loans measured at amortized cost (gross amount) | 20,000 | 20,000 |
| | Allowances for credit losses | 4 | 3 |
| | Other assets | 13 | 1 |
| KB Global Core Bond Securities Feeder Fund(Bond) | Other assets | - | 2 |
| KB New Renewable Energy Private Special Asset Fund No.1 | Other assets | 2 | 2 |
| KB New Renewable Energy Private Special Asset Fund No.3 | Other assets | 1 | 1 |
| KB North America Private Real Estate Debt Fund No.1 [1] | Derivative assets | - | 3,091 |
| | Other assets | - | 1 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | Other assets | 2 | 2 |
| KB Europe Renewable Private Special Asset Fund No.3 | Derivative assets | 432 | 225 |
| | Other assets | 1 | 1 |
| KB Global Infra Private Special Asset Fund No.6 | Other assets | 2 | 2 |
| KB Global Infrastructure Synergy Private Special Asset Fund (Monetary Receivables) | Other assets | 1 | 1 |
| KB BMO Senior Loan Private Special Asset Fund No.1 | Derivative assets | 2,198 | - |
| | Other assets | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.2(USD) | Other assets | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.4(USD) | Other assets | 2 | 2 |
| KB BMO Senior Loan Private Special Asset Fund No.5(Loan-FOFs) | Derivative assets | 4,976 | 3,409 |
| | Other assets | 3 | 3 |
| KB BMO Senior Loan Private Special Asset Fund No.7 | Other assets | 8 | - |
| KB BMO Senior Loan Private Special Asset Fund No.9 | Other assets | 4 | - |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | Other assets | 1 | - |
| KB New Renewable Green New Deal Private Special Asset No.2 | Other assets | 3 | 3 |
| KB Sinansan Line Private Special Asset Fund(SOC) | Other assets | 14 | 11 |
| KB MCF Senior Loan Private Special Asset Fund No.3(Loan-FoFs) | Other assets | 12 | 15 |
| KB New Deal Infra Private Special Asset Fund | Other assets | 6 | 6 |
| KB Korea Infrastructure Credit Guarantee Private Special Asset No.1 | Other assets | 3 | 3 |
| Hanwha Europe Credit Private Fund | Derivative assets | 7,353 | 3,245 |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| No.16 (FOFs) | | | |
| KB Logistics Blind Private Real Estate Fund No.1 | Loans measured at amortized cost (gross amount) | - | 40,000 |
| | Allowances for credit losses | - | 8,729 |
| | Other assets | 1 | 262 |
| | Deposits | - | 1,237 |
| | Other liabilities | - | 15 |
| KB Aircraft Private Special Asset Fund No.1 | Other assets | 2 | 2 |
| KB Aircraft Private Special Asset Fund No.2 | Other assets | 2 | 1 |
| KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond) [1] | Other assets | - | 1 |
| KB Oaktree Opportunities Private Special Asset Fund No.3 | Other assets | 1 | - |
| KB GK Project Private Special Asset Fund No.3 | Other assets | 5 | 5 |
| KB ASF Infra Private Special Asset Fund(FoFs) | Other assets | 2 | 1 |
| KB Core Blind Private Real Estate Fund No.2 | Loans measured at amortized cost (gross amount) | 44,557 | 44,428 |
| | Allowances for credit losses | 53 | 71 |
| | Other assets | 505 | 504 |
| | Deposits | 643 | 643 |
| Ares Special Opportunities Fund Ⅱ(453) | Derivative assets | 495 | - |
| KB Star Reits Private Real Estate Feeder Fund No.1 (FoFs) | Other assets | 2 | 2 |
| KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs) | Other assets | 3 | 4 |
| KB PF Blind Private Real Estate Fund 2 | Other assets | 3 | 2 |
| IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465 | Derivative assets | 5,640 | - |
| HSBC Senior UK Direct Lending Fund 2020 RAIF SICAV-S.A. | Other assets | 1 | 1 |
| NB Private Debt Fund IV LUX (B) SCSP | Other assets | 1 | 1 |
| KB NA Jefferies Private Special Asset Fund 1 | Other assets | 2 | 1 |
| KB Europe ICG PDF Private SpecialAsset Fund 4(FoFs) | Derivative assets | - | 186 |
| | Other assets | 1 | - |
| KB Star Institutional USD MMF1 | Other assets | - | 1 |
| KB Senior Loan Private Fund 5-1 | Other assets | 1 | 2 |
| KB Core Plus Blind Private RealEstate Fund 1(FoFs) | Other assets | 4 | 2 |
| KB Wise Star Private Real Estate22 | Loans measured at amortized cost (gross amount) | 50,000 | 38,000 |
| | Allowances for credit losses | 2 | 3 |
| | Other assets | 341 | 349 |
| KB Wise Star Private Real Estate24 | Loans measured at amortized cost (gross amount) | 41,800 | - |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| | Other assets | 161 | - |
| KB Wise Star Private Real Estate21 | Other assets | 2 | - |
| KB Wise Star Private Real Estate21-1 | Other assets | 1 | - |
| KB Wise Star Private Real Estate27 | Other assets | 1 | - |
| KB Wise Star Private Real Estate28 | Loans measured at amortized cost (gross amount) | 29,200 | - |
| | Allowances for credit losses | 1 | - |
| KB Korea Short Term Premium Private Securities Fund No.43(USD) 1 [1] | Derivative liabilities | - | 2,978 |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | Other assets | 1 | 1 |
| KB Apax Global Buyout PrivateFund 1 | Derivative assets | - | 75 |
| PineStreet PECP VI Global Corporate FoF 21 | Derivative assets | 1,565 | - |
| KB Innovative Growth Infra Private Special Asset Fund | Other assets | 1 | - |
| KB Pantheon Global Secondary Private Special Asset 1 | Other assets | 1 | - |
| KB Global Senior Loan PrivateDebt 2 | Derivative assets | 808 | - |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | Other assets | 1 | - |
| KB ICG Secondary Private SpecialAsset Fund 1(FoFs) | Other assets | 1 | - |
| KB Europe M&G Senior Loan Private Special Asset Fund 1 | Other assets | 11 | - |
| KB BDS V Global Private RealEstate Debt Fund 48 | Other assets | 3 | - |
| KB PG Global Secondary Private SpecialAsset Fund 1 | Other assets | 1 | - |
| KB Credit Alpha Short TermSecurities Feeder Fund 1(Bond) A1 | Other assets | 2 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 9(Loan-FoFs) | Other assets | 1 | - |
| KB Energy Infra CREDIT PrivateSpecial Asset 10(Loan-FoFs) | Other assets | 1 | - |
| KB Apogem Senior Loan Private Special Asset Fund No.8 | Other assets | 1 | - |
| KB Apogem Senior Loan Private Special Asset Fund No.5 | Other assets | 3 | - |
| **Associates** | | | |
| Korea Credit Bureau Co., Ltd. | Deposits | 36,968 | 40,570 |
| | Other liabilities | 10 | - |
| Incheon Bridge Co., Ltd. | Financial assets at fair value through profit or loss | 34,208 | 35,411 |
| | Loans measured at amortized cost (gross amount) | 59,500 | 70,000 |
| | Allowances for credit losses | 24 | 27 |
| | Other assets | 297 | 389 |
| | Deposits | 70,470 | 43,867 |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| | Provisions | 31 | 30 |
| | Other liabilities | 608 | 442 |
| Jungdo Co., Ltd. | Deposits | 4 | 4 |
| Iwon Alloy Co., Ltd. | Deposits | - | 2 |
| Skydigital Inc. | Deposits | 1 | 30 |
| TMAPMOBILITY CO., Ltd. | Deposits | 1 | 100,010 |
| | Other liabilities | - | 547 |
| KB High-Tech Company Investment Fund [1] | Deposits | - | 11,615 |
| | Other liabilities | - | 65 |
| Aju Good Technology Venture Fund | Deposits | 39 | 1,809 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 270 | 39 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Deposits | 219 | 388 |
| KB Global Platform Fund | Deposits | 1,954 | 12,109 |
| | Other liabilities | 1 | 7 |
| WJ Private Equity Fund No.1 | Other assets | 2 | 2 |
| | Deposits | 36 | 46 |
| KB Smart Scale Up Fund | Deposits | - | 40,000 |
| | Other liabilities | - | 161 |
| KB Digital Platform Fund | Deposits | - | 8,000 |
| | Other liabilities | - | 35 |
| **Associates of Parent** | | | |
| Balhae Infrastructure Company | Loans measured at amortized cost (gross amount) | 85,000 | - |
| | Allowances for credit losses | 200 | - |
| | Other assets | 11 | - |
| | Provisions | 109 | - |
| | Other liabilities | 9 | - |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Loans measured at amortized cost (gross amount) | 149,597 | 149,898 |
| | Allowances for credit losses | 7 | 5 |
| | Other assets | 3,136 | 3,240 |
| **Associates of Parent's subsidiaries** | | | |
| RAND Bio Science Co., Ltd. [1] | Deposits | - | 4 |
| Food Factory Co., Ltd. | Loans measured at amortized cost (gross amount) | 2,927 | 1,755 |
| | Allowances for credit losses | 5 | 1 |
| | Other assets | 13 | 4 |
| | Deposits | 604 | 907 |
| | Other liabilities | 1 | 1 |
| Big Dipper Co., Ltd. | Deposits | 51 | 123 |
| Spark Biopharma Inc. | Deposits | 1,145 | 4,759 |
| | Other liabilities | 2 | 22 |
| Wyatt Corp. [1] | Deposits | - | 1 |
| CellinCells Co., Ltd.[1] | Deposits | - | 13 |
| Channel Corporation | Deposits | - | 6 |
| ASSEMBLE CORPORATION | Loans measured at amortized cost (gross amount) | 1,850 | 2,000 |
| | Allowances for credit losses | 29 | 41 |
| | Other assets | 1 | 11 |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| | Deposits | 19 | 18 |
| | Other liabilities | 1 | 1 |
| S&E Bio Co., Ltd. | Loans measured at amortized cost (gross amount) | 2,000 | 2,000 |
| | Allowances for credit losses | 12 | 13 |
| | Other assets | 3 | 3 |
| | Deposits | 224 | 772 |
| | Other liabilities | 2 | 3 |
| 4N Inc. | Deposits | - | 4 |
| Xenohelix Co., Ltd | Loans measured at amortized cost (gross amount) | 550 | - |
| | Allowances for credit losses | 7 | - |
| | Other assets | 1 | - |
| | Deposits | 40 | 302 |
| Contents First Inc. | Loans measured at amortized cost (gross amount) | 10,000 | 10,000 |
| | Allowances for credit losses | 21 | 10 |
| | Other assets | 3 | 3 |
| | Deposits | 133 | 729 |
| | Other liabilities | 4 | 4 |
| Newavel Co., Ltd. | Deposits | 1 | - |
| Pin Therapeutics Inc. | Deposits | 850 | 11,133 |
| | Other liabilities | - | 117 |
| SuperNGine Co., Ltd. | Loans measured at amortized cost (gross amount) | - | 480 |
| | Allowances for credit losses | - | 39 |
| | Other assets | - | 1 |
| | Deposits | 151 | 217 |
| Desilo Inc. | Loans measured at amortized cost (gross amount) | - | 300 |
| | Allowances for credit losses | - | 5 |
| | Deposits | 2 | 3 |
| Turing Co., Ltd. | Loans measured at amortized cost (gross amount) | 900 | 900 |
| | Allowances for credit losses | 6 | 6 |
| | Other assets | 2 | 2 |
| | Deposits | 887 | 819 |
| ZIPDOC Inc. [1] | Deposits | - | 1 |
| KB No.21 Special Purpose Acquisition Company [1] | Deposits | - | 2,247 |
| | Other liabilities | - | 36 |
| KB No.25 Special Purpose Acquisition Company | Deposits | 1,604 | 1,545 |
| | Other liabilities | 2 | 39 |
| KB No.26 Special Purpose Acquisition Company [1] | Deposits | - | 1,763 |
| | Other liabilities | - | 31 |
| KB No.27 Special Purpose Acquisition Company | Deposits | 4,675 | 4,613 |
| | Other liabilities | 41 | 55 |
| KB No.28 Special Purpose Acquisition Company [1] | Deposits | - | 1,910 |
| | Other liabilities | - | 45 |
| KB No.29 Special Purpose | Deposits | 2,348 | 2,338 |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| Acquisition Company | | | |
| | Other liabilities | 36 | 43 |
| KB No.30 Special Purpose Acquisition Company | Deposits | 1,788 | 1,786 |
| | Other liabilities | 15 | 20 |
| KB No.31 Special Purpose Acquisition Company | Deposits | 2,310 | 2,352 |
| | Other liabilities | 10 | 13 |
| KB No.32 Special Purpose Acquisition Company | Deposits | 2,315 | - |
| | Other liabilities | 35 | - |
| KB No.33 Special Purpose Acquisition Company | Deposits | 2,835 | - |
| | Other liabilities | 25 | - |
| TeamSparta Inc. [1] | Deposits | - | 18,635 |
| | Other liabilities | - | 34 |
| Chabot Mobility Co., Ltd. [1] | Deposits | - | 631 |
| Wemade Connect Co., Ltd. | Deposits | 5,525 | 5,465 |
| | Other liabilities | 22 | 38 |
| Nextrade Co., Ltd. | Deposits | 278 | 15,281 |
| | Other liabilities | - | 1,579 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 1,242 | 1,239 |
| 3D Interactive Co., Ltd. | Deposits | 48 | 1,779 |
| Bigwave Robotics Crop. | Deposits | 364 | 501 |
| | Other liabilities | - | 6 |
| New Daegu Busan Expressway Co., Ltd. | Loans measured at amortized cost (gross amount) | - | 24,250 |
| | Other assets | - | 22 |
| | Deposits | 115,401 | 150,007 |
| | Other liabilities | 43 | 1,928 |
| AIM FUTURE, Inc. | Loans measured at amortized cost (gross amount) | 900 | 900 |
| | Allowances for credit losses | 5 | 5 |
| | Other assets | 1 | 1 |
| | Deposits | 140 | 760 |
| Novorex Inc. | Deposits | 9,674 | 6 |
| | Other liabilities | 4 | - |
| ADP Holdings Co., Ltd. | Deposits | 263 | 2,058 |
| | Other liabilities | 1 | 7 |
| ADPGREEN | Deposits | 5,302 | 1,802 |
| | Other liabilities | 33 | 8 |
| Logpresso Inc. | Deposits | 7,576 | 457 |
| | Other liabilities | 10 | - |
| Onheal Co., Ltd. | Deposits | - | 5,001 |
| DYNE MEDICAL GROUP Inc. | Loans measured at amortized cost (gross amount) | 2,000 | 2,007 |
| | Allowances for credit losses | 12 | 14 |
| | Other assets | 1 | 1 |
| | Deposits | 356 | 3,813 |
| | Other liabilities | 6 | 23 |
| TriOar Inc. | Deposits | 4,088 | 6,054 |
| | Other liabilities | 20 | 73 |
| Yeoulhyulgangho | Deposits | 783 | 456 |

41.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| | Other liabilities | 2 | - |
| Allra Fintech Corp. | Deposits | 33 | 1,671 |
| | Other liabilities | - | 1 |
| Koru Pharma Co., Ltd. | Deposits | 197 | - |
| Aldaver | Deposits | 821 | - |
| | Other liabilities | 4 | - |
| ANTIGRAVITY | Loans measured at amortized cost (gross amount) | 37 | - |
| | Allowances for credit losses | 1 | - |
| | Deposits | 82 | - |
| enParticle Co., Ltd | Deposits | 1,696 | - |
| Emocog Inc. | Deposits | 704 | - |
| Lemontree Inc. | Deposits | 536 | - |
| | Provisions | 2 | - |
| WhaTap Laps Inc. | Loans measured at amortized cost (gross amount) | 1,000 | - |
| | Allowances for credit losses | 6 | - |
| | Other assets | 1 | - |
| | Deposits | 2,814 | - |
| | Provisions | 9 | - |
| | Other liabilities | 75 | - |
| ByL Co., Ltd. | Deposits | 8,968 | - |
| | Other liabilities | 55 | - |
| eRoun & company Co., Ltd. | Deposits | 1,127 | - |
| | Other liabilities | 7 | - |
| VP Inc. | Deposits | 51 | - |
| Semicolon Susong REITs Co., Ltd. | Loans measured at amortized cost (gross amount) | 24,933 | - |
| | Allowances for credit losses | 5 | - |
| | Other assets | 173 | - |
| RUMIKEU Holdings Inc. | Deposits | 11 | - |
| **Key management personnel** | Loans measured at amortized cost (gross amount) | 6,870 | 6,556 |
| | Allowances for credit losses | 3 | 3 |
| | Other assets | 7 | 8 |
| | Deposits | 10,336 | 12,922 |
| | Provisions | 1 | 1 |
| | Other liabilities | 336 | 496 |
| **Others** | | | |
| Retirement pension | Other assets | 632 | 739 |
| | Other liabilities | 1,154 | 1,215 |

[1] Excluded from the Group's related parties as of December 31, 2025.

[2] Non-controlling interests classified as liabilities include ₩ 844 million and ₩ 822 million as of December 31, 2025 and 2024, respectively.

[3] Non-controlling interests classified as liabilities include ₩ 1,927 million as of December 31, 2024.

[4] Non-controlling interests classified as liabilities include ₩ 648 million and ₩ 433 million as of December 31, 2025 and 2024, respectively.

[5] Non-controlling interests classified as liabilities include ₩ 3,957 million and ₩ 4,110 million as of December 31, 2025 and 2024, respectively.

[6] Non-controlling interests classified as liabilities include ₩ 3,957 million and ₩ 13,744 million as of December 31, 2025 and 2024, respectively.

41.3 Details of right-of-use assets and lease liabilities with related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Kookmin Card Co., Ltd. | Right-of-use assets | 230 | 281 |
| | Lease liabilities | 59 | 58 |
| KB Securities Co., Ltd. | Right-of-use assets | 11,634 | 16,086 |
| | Lease liabilities | 14,700 | 19,623 |
| KB Insurance Co., Ltd. | Right-of-use assets | - | 10 |
| | Lease liabilities | 24 | 30 |
| KB Life Insurance Co., Ltd. | Right-of-use assets | 2,498 | 4,074 |
| | Lease liabilities | 2,649 | 4,294 |
| **Associate of Parent** | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Right-of-use assets | 3,120 | 3,151 |
| | Lease liabilities | 3,317 | 3,335 |

41.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Kookmin Card Co., Ltd. | Notional amount of derivative financial instruments | 71,745 | 220,500 |
| KB Capital Co., Ltd. | Notional amount of derivative financial instruments | 5,187 | - |
| KB Securities Co., Ltd. | Notional amount of derivative financial instruments | 3,668,349 | 2,768,719 |
| KB Insurance Co., Ltd. | Notional amount of derivative financial instruments | 3,229,763 | 2,101,840 |
| KB Life Insurance Co., Ltd. | Notional amount of derivative financial instruments | 569,546 | 379,796 |
| KB STAR REIT Co., Ltd. | Notional amount of derivative financial instruments | - | 450,975 |
| KB IDF Infra Private Special Asset Fund 13 | Notional amount of derivative financial instruments | 61,028 | 58,095 |
| KB IDF Infra Note Private SpecialAsset Fund 14 | Notional amount of derivative financial instruments | 89,086 | 63,889 |
| KB Global Private Real Estate Fund No.15 | Notional amount of derivative financial instruments | 126,764 | 65,596 |
| KB Global Private Real Estate Fund No.22 (FoFs) | Notional amount of derivative financial instruments | 19,989 | 10,000 |
| KB Global Private Real Estate Fund No.27 (FoFs) | Notional amount of derivative financial instruments | - | 45,432 |
| KB Global Private Real Estate Fund No.29 (FoFs) | Notional amount of derivative financial instruments | 16,713 | 9,039 |
| KB Global Private Real Estate Fund No.30 (FoFs) | Notional amount of derivative financial instruments | 8,189 | 8,526 |
| KB North America Private Real Estate Debt Fund No.1 * | Notional amount of derivative financial instruments | - | 36,750 |
| KB Europe Renewable Private Special Asset Fund No.3 | Notional amount of derivative financial instruments | 6,968 | 5,375 |
| KB BMO Senior Loan Private Special Asset Fund No.1 | Notional amount of derivative financial instruments | 61,986 | - |
| KB BMO Senior Loan Private Special Asset Fund No.5(Loan-FOFs) | Notional amount of derivative financial instruments | 122,529 | 36,635 |
| Hanwha Europe Credit Private Fund No.16 (FOFs) | Notional amount of derivative financial instruments | 50,674 | 45,955 |
| Ares Special Opportunities Fund Ⅱ(453) | Notional amount of derivative financial instruments | 6,790 | - |
| IGIS HSBC UK Senior Direct Lending Private Investment Trust No.465 | Notional amount of derivative financial instruments | 32,454 | - |
| KB Europe ICG PDF Private Special Asset Fund 4(FoFs) | Notional amount of derivative financial instruments | - | 3,057 |

41.4 Notional amount of derivative assets and liabilities arising from transactions with related parties as of December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| KB Korea Short Term Premium Private Securities Fund No.43(USD) * | Notional amount of derivative financial instruments | - | 46,746 |
| KB Apax Global Buyout PrivateFund 1 | Notional amount of derivative financial instruments | - | 1,100 |
| PineStreet PECP VI Global Corporate FoF 21 | Notional amount of derivative financial instruments | 16,339 | - |
| KB Global Senior Loan PrivateDebt 2 | Notional amount of derivative financial instruments | 23,293 | - |

* Excluded from the Group's related parties as of December 31, 2025.

41.5 Details of significant lending transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | 2025 [1] | | | | |
|---|---|---|---|---|---|
| | Beginning | Loan | Collection | Others | Ending |
| **Parent's subsidiaries** | | | | | |
| KB Securities Co., Ltd. | 122,249 | 1,139,800 | 955,338 | 18 | 306,729 |
| KB Life Insurance Co., Ltd. | 25,260 | 51,400 | 25,700 | 16 | 50,976 |
| KB Kookmin Card Co., Ltd. | 277,830 | 315,535 | 207,139 | (37,739) | 348,487 |
| KB Capital Co., Ltd. | 54,697 | 17,117 | 5,452 | (1,176) | 65,186 |
| KB Star Office Private Real Estate Feeder Fund No.4 | 20,000 | - | - | - | 20,000 |
| KB Logistics Blind Private Real Estate Fund No.1 | 40,000 | - | 40,000 | - | - |
| KB Wise Star Private Real Estate22 | 38,000 | 50,000 | 38,000 | - | 50,000 |
| KB Wise Star Private Real Estate24 | - | 41,800 | - | - | 41,800 |
| KB Wise Star Private Real Estate28 | - | 29,200 | - | - | 29,200 |
| KB Core Blind Private Real Estate Fund No.2 | 44,428 | - | - | 129 | 44,557 |
| **Associates** | | | | | |
| Incheon Bridge Co., Ltd. | 105,411 | - | 10,500 | (1,203) | 93,708 |
| **Associate of Parent** | | | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 149,898 | 150,000 | 150,000 | (301) | 149,597 |
| Balhae Infrastructure Company | - | 85,000 | - | - | 85,000 |
| **Associates of Parent's subsidiaries** | | | | | |
| Food Factory Co., Ltd. | 1,755 | 1,500 | 327 | (1) | 2,927 |
| ASSEMBLE CORPORATION | 2,000 | - | 150 | - | 1,850 |
| Desilo Inc. | 300 | - | 300 | - | - |
| Contents First Inc. | 10,000 | - | - | - | 10,000 |
| SuperNGine Co., Ltd. | 480 | - | 480 | - | - |
| Turing Co., Ltd. | 900 | - | - | - | 900 |
| New Daegu Busan Expressway Co., Ltd. | 24,250 | - | 24,253 | 3 | - |
| S&E Bio Co., Ltd. | 2,000 | - | - | - | 2,000 |
| AIM FUTURE, Inc. | 900 | - | - | - | 900 |
| DYNE MEDICAL GROUP Inc. | 2,007 | - | - | (7) | 2,000 |
| Xenohelix Co., Ltd | - | 550 | - | - | 550 |
| ANTIGRAVITY | - | - | 7 | 44 | 37 |
| WhaTap Laps Inc. | - | 1,000 | - | - | 1,000 |
| Semicolon Susong REITs Co., Ltd. | - | 25,000 | - | (67) | 24,933 |
| **Key management personnel [2]** | 6,556 | 4,593 | 3,177 | (1,102) | 6,870 |

41.5 Details of significant lending transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 [1] | | | | |
|---|---|---|---|---|---|
| | **Beginning** | **Loan** | **Collection** | **Others** | **Ending** |
| **Parent's subsidiaries** | | | | | |
| KB Securities Co., Ltd. | 338,290 | 819,958 | 864,517 | (171,482) | 122,249 |
| KB Life Insurance Co., Ltd. | 30,271 | - | 5,000 | (11) | 25,260 |
| KB Kookmin Card Co., Ltd. | 212,001 | 229,290 | 190,613 | 27,152 | 277,830 |
| KB Capital Co., Ltd. | 41,622 | 13,230 | - | (155) | 54,697 |
| KB Star Office Private Real Estate Feeder Fund No.4 | 20,000 | - | - | - | 20,000 |
| KB Logistics Blind Private Real Estate Fund No.1 | 52,500 | - | 12,500 | - | 40,000 |
| KB Wise Star Private Real Estate 22 | 38,000 | - | - | - | 38,000 |
| KB Core Blind Private Real Estate Fund No.2 | - | 44,800 | - | (372) | 44,428 |
| **Associates** | | | | | |
| Incheon Bridge Co., Ltd. | 113,782 | - | 10,500 | 2,129 | 105,411 |
| **Associate of Parent** | | | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | 149,590 | - | - | 308 | 149,898 |
| **Associates of Parent's subsidiaries** | | | | | |
| Food Factory Co., Ltd. | 2,133 | - | 377 | (1) | 1,755 |
| ASSEMBLE CORPORATION | 2,150 | - | 150 | - | 2,000 |
| Desilo Inc. | 300 | - | - | - | 300 |
| Contents First Inc. | 10,000 | 1,000 | 1,000 | - | 10,000 |
| SuperNGine Co., Ltd. | 600 | - | 120 | - | 480 |
| Turing Co., Ltd. | 1,901 | - | 1,000 | (1) | 900 |
| New Daegu Busan Expressway Co., Ltd. | 72,742 | - | 48,505 | 13 | 24,250 |
| S&E bio Co., Ltd. | - | 2,000 | - | - | 2,000 |
| AIM FUTURE, Inc. | 900 | - | - | - | 900 |
| DYNE MEDICAL GROUP Inc. | - | 2,000 | - | 7 | 2,007 |
| **Key management personnel [2]** | 4,119 | 4,956 | 4,395 | 1,876 | 6,556 |

[1] Transactions between related parties, such as settlements arising from operating activities and daylight overdraft to be repaid on the day of handling, are excluded.

[2] Includes loan transactions that occurred before they became related parties.

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

*(In millions of Korean won)*

| | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Parent** | | | | | | |
| KB Financial Group Inc. | Deposits | 316,781 | 500,000 | - | 153,810 | 970,591 |
| **Parent's subsidiaries** | | | | | | |
| KB Securities Co., Ltd. | Deposits | 499,092 | 92,351 | 75,000 | (140,834) | 375,609 |
| KB Asset Management Co., Ltd. | Deposits | 19,305 | - | - | 96,386 | 115,691 |
| KB Real Estate Trust Co., Ltd. | Deposits | 2,324 | - | - | 1,410 | 3,734 |
| KB Investment Co., Ltd. | Deposits | 41,110 | 173,800 | 153,412 | (8,730) | 52,768 |
| KB Data System Co., Ltd. | Deposits | 30,222 | 22,856 | 17,000 | (6,445) | 29,633 |
| KB Kookmin Card Co., Ltd. | Deposits | 269,396 | 32,969 | 30,590 | 1,532 | 273,307 |
| | Borrowings | - | - | - | 8,582 | 8,582 |
| KB Capital Co., Ltd. | Deposits | 447,402 | 4,440 | 2,600 | (116,113) | 333,129 |
| KB Insurance Co., Ltd. | Deposits | 22,980 | 150 | 150 | (11,731) | 11,249 |
| | Debentures | - | - | - | 860 | 860 |
| KB Life Insurance Co., Ltd. | Deposits | 15,825 | 83,300 | 64,900 | 93,415 | 127,640 |
| | Debentures | 20,000 | - | - | - | 20,000 |
| KB STAR REIT Co., Ltd. | Deposits | 19,013 | 8,100 | 24,600 | (2,076) | 437 |
| KB Logistics Blind Private Real Estate Fund No.1 | Deposits | 1,237 | - | - | (1,237) | - |
| KB Core Blind Private Real Estate Fund No.2 | Deposits | 643 | - | - | - | 643 |
| **Associates** | | | | | | |
| Korea Credit Bureau Co., Ltd. | Deposits | 40,570 | 1,000 | - | (4,602) | 36,968 |
| Incheon Bridge Co., Ltd. | Deposits | 43,867 | 66,100 | 39,500 | 3 | 70,470 |
| Jungdo Co., Ltd. | Deposits | 4 | - | - | - | 4 |
| Iwon Alloy Co., Ltd. | Deposits | 2 | - | - | (2) | - |
| Skydigital Inc. | Deposits | 30 | - | - | (29) | 1 |
| KB High-Tech Company Investment Fund [2] | Deposits | 11,615 | - | 2,856 | (8,759) | - |
| Aju Good Technology Venture Fund | Deposits | 1,809 | - | - | (1,770) | 39 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 39 | - | - | 231 | 270 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Deposits | 388 | - | - | (169) | 219 |
| KB Global Platform Fund | Deposits | 12,109 | - | - | (10,155) | 1,954 |
| WJ Private Equity Fund No.1 | Deposits | 46 | - | - | (10) | 36 |
| TMAPMOBILITY CO., Ltd. | Deposits | 100,010 | 344,626 | 445,626 | 991 | 1 |
| KB Digital Platform Fund | Deposits | 8,000 | - | 8,000 | - | - |
| KB Smart Scale Up Fund | Deposits | 40,000 | - | 40,000 | - | - |
| **Associates of Parent's subsidiaries** | | | | | | |
| RAND Bio Science Co., Ltd. [2] | Deposits | 4 | - | - | (4) | - |
| Food Factory Co., Ltd. | Deposits | 907 | - | - | (303) | 604 |
| Big Dipper Co., Ltd. | Deposits | 123 | - | - | (72) | 51 |
| Spark Biopharma Inc. | Deposits | 4,759 | 10,016 | 13,113 | (517) | 1,145 |
| Wyatt Corp. [2] | Deposits | 1 | - | - | (1) | - |
| CellinCells Co., Ltd. [2] | Deposits | 13 | - | - | (13) | - |
| KB No.21 Special Purpose Acquisition Company [2] | Deposits | 2,247 | - | 2,115 | (132) | - |
| KB No.25 Special Purpose Acquisition Company | Deposits | 1,545 | 3,016 | 3,045 | 88 | 1,604 |
| KB No.26 Special Purpose Acquisition Company [2] | Deposits | 1,763 | - | 110 | (1,653) | - |
| KB No.27 Special Purpose Acquisition Company | Deposits | 4,613 | 4,600 | 4,532 | (6) | 4,675 |

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Beginning | Borrowing | Repayment | Others [1] | Ending |
| KB No.28 Special Purpose Acquisition Company [2] | Deposits | 1,910 | - | - | (1,910) | - |
| KB No.29 Special Purpose Acquisition Company | Deposits | 2,338 | 2,148 | 2,100 | (38) | 2,348 |
| KB No.30 Special Purpose Acquisition Company | Deposits | 1,786 | 1,535 | 1,500 | (33) | 1,788 |
| KB No.31 Special Purpose Acquisition Company | Deposits | 2,352 | 2,000 | 2,000 | (42) | 2,310 |
| KB No.32 Special Purpose Acquisition Company | Deposits | - | 2,000 | - | 315 | 2,315 |
| KB No.33 Special Purpose Acquisition Company | Deposits | - | 2,400 | - | 435 | 2,835 |
| ASSEMBLE CORPORATION | Deposits | 18 | - | - | 1 | 19 |
| S&E Bio Co., Ltd. | Deposits | 772 | 1,180 | 1,180 | (548) | 224 |
| 4N Inc. | Deposits | 4 | - | - | (4) | - |
| Contents First Inc. | Deposits | 729 | - | - | (596) | 133 |
| Pin Therapeutics Inc. | Deposits | 11,133 | 2,000 | 12,000 | (283) | 850 |
| SuperNGine Co., Ltd. | Deposits | 217 | - | - | (66) | 151 |
| Desilo Inc. | Deposits | 3 | - | 1 | - | 2 |
| Turing Co., Ltd. | Deposits | 819 | - | - | 68 | 887 |
| ZIPDOC Inc. [2] | Deposits | 1 | - | - | (1) | - |
| TeamSparta Inc. [2] | Deposits | 18,635 | - | 1,000 | (17,635) | - |
| Chabot Mobility Co., Ltd. [2] | Deposits | 631 | - | 300 | (331) | - |
| Wemade Connect Co., Ltd. | Deposits | 5,465 | 9,069 | 10,000 | 991 | 5,525 |
| Channel Corporation | Deposits | 6 | - | - | (6) | - |
| Nextrade Co., Ltd. | Deposits | 15,281 | - | 15,000 | (3) | 278 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 1,239 | - | - | 3 | 1,242 |
| Bigwave Robotics Crop. | Deposits | 501 | - | 501 | 364 | 364 |
| 3D Interactive Co., Ltd. | Deposits | 1,779 | - | - | (1,731) | 48 |
| AIM FUTURE, Inc. | Deposits | 760 | - | - | (620) | 140 |
| New Daegu Busan Expressway Co., Ltd. | Deposits | 150,007 | 61,000 | 130,500 | 34,894 | 115,401 |
| Novorex Inc. | Deposits | 6 | - | - | 9,668 | 9,674 |
| Xenohelix Co., Ltd | Deposits | 302 | - | - | (262) | 40 |
| ADP Holdings Co., Ltd. | Deposits | 2,058 | 10,496 | 12,293 | 2 | 263 |
| ADPGREEN | Deposits | 1,802 | 12,200 | 8,650 | (50) | 5,302 |
| Logpresso Inc. | Deposits | 457 | 8,374 | 974 | (281) | 7,576 |
| DYNE MEDICAL GROUP Inc. | Deposits | 3,813 | 3,800 | 6,300 | (957) | 356 |
| Onheal Co., Ltd. | Deposits | 5,001 | - | - | (5,001) | - |
| TriOar Inc. | Deposits | 6,054 | 4,000 | 7,000 | 1,034 | 4,088 |
| Yeoulhyulgangho | Deposits | 456 | 1,860 | 1,560 | 27 | 783 |
| Allra Fintech Corp. | Deposits | 1,671 | 2,000 | 3,000 | (638) | 33 |
| Koru Pharma Co., Ltd. | Deposits | - | 300 | 200 | 97 | 197 |
| Emocog Inc. | Deposits | - | 4,000 | 4,000 | 704 | 704 |
| WhaTap Laps Inc. | Deposits | - | - | - | 2,814 | 2,814 |
| Aldaver | Deposits | - | 1,638 | 1,632 | 815 | 821 |
| Lemontree Inc. | Deposits | - | - | - | 536 | 536 |
| enParticle Co., Ltd | Deposits | - | - | - | 1,696 | 1,696 |
| ANTIGRAVITY | Deposits | - | - | - | 82 | 82 |

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2025 | | | | |
|---|---|---|---|---|---|---|
| | | **Beginning** | **Borrowing** | **Repayment** | **Others [1]** | **Ending** |
| Fine KB Corporates Financial Stabilization No.1 Private Equity Fund | Deposits | - | 1,000 | 1,000 | - | - |
| ByL CO., Ltd. | Deposits | - | 5,000 | 2,000 | 5,968 | 8,968 |
| eRoun & company Co., Ltd. | Deposits | - | - | - | 1,127 | 1,127 |
| Newavel Co., Ltd. | Deposits | - | - | - | 1 | 1 |
| VP Inc. | Deposits | - | - | - | 51 | 51 |
| RUMIKEU Holdings Inc. | Deposits | - | - | - | 11 | 11 |
| **Key management personnel [3]** | Deposits | 12,922 | 23,468 | 23,627 | (2,427) | 10,336 |

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2024 | | | | |
|---|---|---|---|---|---|---|
| | | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Parent** | | | | | | |
| KB Financial Group Inc. | Deposits | 114,336 | - | - | 202,445 | 316,781 |
| **Parent's subsidiaries** | | | | | | |
| KB Securities Co., Ltd. | Deposits | 381,909 | 75,000 | 142,198 | 184,381 | 499,092 |
| KB Asset Management Co., Ltd. | Deposits | 11,709 | - | - | 7,596 | 19,305 |
| KB Real Estate Trust Co., Ltd. | Deposits | 23,135 | 50,000 | 50,000 | (20,811) | 2,324 |
| KB Investment Co., Ltd. | Deposits | 66,778 | 178,412 | 228,000 | 23,920 | 41,110 |
| KB Data System Co., Ltd. | Deposits | 18,257 | 22,000 | 23,336 | 13,301 | 30,222 |
| KB Kookmin Card Co., Ltd. | Deposits | 156,578 | 30,866 | 29,589 | 111,541 | 269,396 |
| KB Capital Co., Ltd. | Deposits | 227,893 | 900 | 3,200 | 221,809 | 447,402 |
| KB Insurance Co., Ltd. | Deposits | 142,229 | 150 | 401 | (118,998) | 22,980 |
| KB Life Insurance Co., Ltd. | Deposits | 13,134 | - | - | 2,691 | 15,825 |
| | Debenture | 20,000 | - | - | - | 20,000 |
| KB STAR REIT Co., Ltd. | Deposits | 35,975 | 80,100 | 82,100 | (14,962) | 19,013 |
| KB Logistics Blind Private Real Estate Fund No.1 | Deposits | - | 1,237 | - | - | 1,237 |
| KB Core Blind Private Real Estate Fund No.2 | Deposits | - | - | - | 643 | 643 |
| **Associates** | | | | | | |
| Korea Credit Bureau Co., Ltd. | Deposits | 17,003 | - | - | 23,567 | 40,570 |
| Incheon Bridge Co., Ltd. | Deposits | 40,992 | 72,000 | 74,300 | 5,175 | 43,867 |
| Jungdo Co., Ltd. | Deposits | 4 | - | - | - | 4 |
| Dae-A Leisure Co., Ltd. | Deposits | 150 | - | - | (150) | - |
| Iwon Alloy Co., Ltd. | Deposits | 1 | - | - | 1 | 2 |
| Skydigital Inc. | Deposits | 65 | - | - | (35) | 30 |
| KB High-Tech Company Investment Fund [2] | Deposits | 2,935 | 2,856 | 2,818 | 8,642 | 11,615 |
| Aju Good Technology Venture Fund | Deposits | 1,202 | - | - | 607 | 1,809 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | Deposits | 46 | - | - | (7) | 39 |
| KB Digital Innovation & Growth New Technology Business Investment Fund | Deposits | 572 | - | - | (184) | 388 |
| KB Global Platform Fund | Deposits | 5,774 | - | - | 6,335 | 12,109 |
| WJ Private Equity Fund No.1 | Deposits | 103 | - | - | (57) | 46 |
| TMAPMOBILITY CO., Ltd. | Deposits | 80,016 | 360,000 | 340,000 | (6) | 100,010 |
| KB Bio Global Expansion Private Equity Fund No.1 | Deposits | 1,400 | - | 1,400 | - | - |
| KB Digital Platform Fund | Deposits | - | 8,000 | - | - | 8,000 |
| KY Global Cell & Gene Private Equity Fund 2nd [2] | Deposits | 3,790 | 2,910 | 308 | (6,392) | - |
| KB Smart Scale-Up Fund | Deposits | - | 40,000 | - | - | 40,000 |

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2024 | | | | |
|---|---|---|---|---|---|---|
| | | Beginning | Borrowing | Repayment | Others [1] | Ending |
| **Associates of Parent's subsidiaries** | | | | | | |
| RAND Bio Science Co., Ltd. [2] | Deposits | 4 | - | - | - | 4 |
| Food Factory Co., Ltd. | Deposits | 629 | - | - | 278 | 907 |
| Big Dipper Co., Ltd. | Deposits | 40 | - | - | 83 | 123 |
| Spark Biopharma Inc. | Deposits | 11,419 | 32,649 | 38,908 | (401) | 4,759 |
| Wyatt Corp. [2] | Deposits | 1 | - | - | - | 1 |
| CellinCells Co., Ltd. [2] | Deposits | 37 | - | - | (24) | 13 |
| COSES GT Co., Ltd. [2] | Deposits | 1 | - | - | (1) | - |
| KB No.21 Special Purpose Acquisition Company [2] | Deposits | 2,261 | 2,115 | 2,050 | (79) | 2,247 |
| KB No.22 Special Purpose Acquisition Company [2] | Deposits | 1,848 | - | - | (1,848) | - |
| KB No.25 Special Purpose Acquisition Company | Deposits | 1,586 | 1,545 | 1,500 | (86) | 1,545 |
| KB No.26 Special Purpose Acquisition Company [2] | Deposits | 1,761 | 1,724 | 1,670 | (52) | 1,763 |
| KB No.27 Special Purpose Acquisition Company | Deposits | 4,497 | 4,532 | 4,390 | (26) | 4,613 |
| KB No.28 Special Purpose Acquisition Company [2] | Deposits | - | 1,890 | - | 20 | 1,910 |
| KB No.29 Special Purpose Acquisition Company | Deposits | - | 2,100 | - | 238 | 2,338 |
| KB No.31 Special Purpose Acquisition Company | Deposits | - | 2,000 | - | 352 | 2,352 |
| ASSEMBLE CORPORATION | Deposits | 78 | - | - | (60) | 18 |
| S&E Bio Co., Ltd. | Deposits | 2,342 | 990 | 1,490 | (1,070) | 772 |
| 4N Inc. | Deposits | 49 | - | - | (45) | 4 |
| Contents First Inc. | Deposits | 1,072 | - | - | (343) | 729 |
| Newavel Co., Ltd. | Deposits | 46 | - | - | (46) | - |
| Pin Therapeutics Inc. | Deposits | 265 | 14,000 | 4,000 | 868 | 11,133 |
| SuperNGine Co., Ltd. | Deposits | 69 | - | - | 148 | 217 |
| Desilo Inc. | Deposits | 3 | - | - | - | 3 |
| Turing Co., Ltd. | Deposits | 1,726 | 1,000 | 1,700 | (207) | 819 |
| ZIPDOC Inc. [2] | Deposits | 181 | - | - | (180) | 1 |
| TeamSparta Inc. [2] | Deposits | 7,672 | 3,000 | 6,000 | 13,963 | 18,635 |
| Chabot Mobility Co., Ltd. [2] | Deposits | 164 | 300 | - | 167 | 631 |
| Wemade Connect Co., Ltd. | Deposits | 8,843 | 24,056 | 27,556 | 122 | 5,465 |
| Channel Corporation | Deposits | 2,030 | - | 2,000 | (24) | 6 |
| Nextrade Co., Ltd. | Deposits | 56,203 | 6,000 | 47,200 | 278 | 15,281 |
| Bitgoeul Cheomdan Green 1st Co., Ltd. | Deposits | 833 | - | - | 406 | 1,239 |
| KBFT Green Growth No.1 New Technology Business Investment Association | Deposits | 700 | - | 700 | - | - |
| Bigwave Robotics Crop. | Deposits | 4 | 501 | - | (4) | 501 |
| 3D Interactive Co., Ltd. | Deposits | 1,501 | - | - | 278 | 1,779 |
| AIM FUTURE, Inc. | Deposits | 3,393 | 1,000 | 4,000 | 367 | 760 |

41.6 Details of significant borrowing transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | | 2024 | | | | |
|---|---|---|---|---|---|---|
| | | **Beginning** | **Borrowing** | **Repayment** | **Others [1]** | **Ending** |
| New Daegu Busan Expressway Co., Ltd. | Deposits | 146,169 | 104,500 | 93,932 | (6,730) | 150,007 |
| Novorex Inc. | Deposits | 7 | - | - | (1) | 6 |
| Xenohelix Co., Ltd | Deposits | 904 | - | - | (602) | 302 |
| ADP Holdings Co., Ltd. | Deposits | - | 6,094 | 4,037 | 1 | 2,058 |
| ADPGREEN | Deposits | - | 10,551 | 9,001 | 252 | 1,802 |
| Logpresso Inc. | Deposits | - | 100 | 200 | 557 | 457 |
| DYNE MEDICAL GROUP Inc. | Deposits | - | 5,150 | 7,800 | 6,463 | 3,813 |
| Onheal Co., Ltd. | Deposits | - | - | - | 5,001 | 5,001 |
| TriOar Inc. | Deposits | - | 10,500 | 8,500 | 4,054 | 6,054 |
| Yeoulhyulgangho | Deposits | - | 200 | - | 256 | 456 |
| SDT Inc. | Deposits | - | - | 1,000 | 1,000 | - |
| KB No.30 Special Purpose Acquisition Company | Deposits | - | 1,500 | - | 286 | 1,786 |
| Allra Fintech Corp. | Deposits | - | 12,500 | 19,500 | 8,671 | 1,671 |
| **Key management personnel [3]** | Deposits | 10,308 | 18,563 | 15,815 | (134) | 12,922 |

[1] Transactions between related parties, such as settlements arising from operating activities and deposits, are expressed in net amount.

[2] Excluded from the Group's related parties as of December 31, 2025.

[3] Includes borrowing transactions that occurred before they became related parties.

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | |
|---|---|---|
| | Equity investment and others | Withdrawal and others |
| **Parent's subsidiaries** | | |
| KB Hanbando BTL Private Special Asset Fund No.1 | - | 18,052 |
| KB Hope Sharing BTL Private Special Asset Fund | - | 1,324 |
| KB Intellectual Property Fund | - | 110 |
| KB Star Office Private Real Estate Feeder Fund No.3 * | - | 128,938 |
| KB Star Office Private Real Estate Feeder Fund No.4 | - | 3,240 |
| KB New Renewable Energy Private Special Asset Fund No.1 | - | 1,776 |
| Koreit BN Private Equity Fund | - | 2,752 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | 331 | 2,000 |
| KB Global Infrastructure Private Special Asset Fund No.6 | - | 653 |
| KB BMO Senior Loan Private Special Asset Fund No.2 (USD) | - | 9,882 |
| KB Sinansan Line Private Special Asset Fund (SOC) | 28,191 | 7,340 |
| KB New Renewable Green New Deal Private Special Asset No.2 | 260 | 2,394 |
| KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs) | 3,062 | 17,346 |
| KB New Deal Infra Private Special Asset Fund | 460 | 1,298 |
| KB Star ESG Prime Mid-Short Bond Securities Feeder Fund(Bond) * | - | 56,491 |
| KB GK Project Private Special Asset Fund No.3 | - | 20,165 |
| KB BMO Senior Loan Private Special Asset Fund No.4 (USD) | - | 7,051 |
| KB Core Blind Private Real Estate Fund No.2 | - | 421 |
| KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs) | - | 4,617 |
| KB NA Jefferies Private Special Asset Fund 1 | 18,706 | 5,372 |
| KB Smart Scale-Up No.2 Fund | 10,500 | - |
| KB New Renewable Energy Private Special Asset Fund No.3 | 4,556 | 5,776 |
| KB Star Institutional USD MMF1 | 10,178 | 27,713 |
| KB Senior Private Special Asset Fund No.5-1 | - | 41,222 |
| KB Mezzanine Capital 4th Private Equity Fund | 14,308 | 14,800 |
| KB Core Plus Blind Private Real Estate Fund 1(FoFs) | 41,932 | 2,969 |
| KB Korea Short Term Premium Private Securities Fund No.43(USD) * | - | 43,914 |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | - | 6,662 |
| KB NA Summit Private Special Asset fund 1(USD)(FoFs) | 1,909 | 448 |
| KB Star Mid Term G.B.F.I C-F Class(Bond) * | - | 53,099 |
| KB Innovative Growth Infra Private Special Asset Fund | 12,458 | 136 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | - | 5,357 |
| KB East-side Expressway Private Special Asset(SOC) | 814 | 171 |
| KB Global Senior Loan PrivateDebt 1(USD) | 36,783 | 11,617 |
| KB RISE KTB ETF(Bond) | 99,776 | 21,012 |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | 16,129 | 13 |
| KB Senior Loan Private Fund 6-1 | 64,576 | 1,098 |
| KB RISE Mar2025 Term Credit ETF * | 99,932 | 100,172 |
| KB RISE Short Term Specialized Bank Bond Active ETF(Bond) | 49,878 | 608 |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | 20,433 | 298 |
| KB RISE Active Korea Short Term Bond Market(AA-) ETF(Bond) * | 149,948 | 151,521 |
| KB RISE Credit Bond Securities ETF(Bond) * | 49,942 | 30,696 |
| KB Wise Star Private Real Estate21 | 22,248 | 576 |
| KB Value Rise Blind Private RealEstate 1(FoFs) | 17,095 | - |

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

| *(In millions of Korean won)* | 2025 | |
|---|---|---|
| | **Equity investment and others** | **Withdrawal and others** |
| KB BX Europe Infra Private SpecialAsset Fund 1 | 15,891 | - |
| KB Credit Capital Private Fund 1-1 | 28,568 | 492 |
| KODEX 10Y F-LKTV INV | 19,898 | 14,992 |
| **Associates** | | |
| Korea Credit Bureau Co., Ltd. | - | 90 |
| Future Planning KB Start-up Creation Fund * | - | 1,716 |
| KB High-Tech Company Investment Fund * | - | 3,172 |
| Aju Good Technology Venture Fund | - | 780 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | - | 1,560 |
| KB Intellectual Property Fund No.2 | - | 3,000 |
| KB Digital Innovation Investment Fund Limited Partnership | - | 2,275 |
| KB SPROTT Renewable Private Equity Fund No.1 | - | 5,535 |
| KB Global Platform Fund | - | 7,200 |
| KB Pre-IPO New Technology Business Investment Fund No.2 | - | 5,110 |
| KB Smart Scale-Up Fund | - | 21,750 |
| KB Digital Platform Fund | 28,000 | - |
| KB-SOLIDUS Healthcare Investment Fund | 7,900 | - |
| KB New Deal Innovation Fund | - | 2,000 |
| KB Prime Digital Platform Fund | 3,250 | - |
| KB Global Platform Fund No.2 | 8,000 | - |
| Startup Korea KB Secondary Fund | 4,500 | - |
| **Associate of Parent** | | |
| Balhae Infrastructure Company | - | 9,321 |
| **Associates of Parent's subsidiaries** | | |
| KB-Stonebridge Secondary Private Equity Fund | - | 2,621 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 1,200 | 1,478 |
| KB Co-Investment Private Equity Fund No.1 | 3,380 | 2,898 |
| KB-NP Green ESG New Technology Venture Capital Fund | 2,610 | 852 |
| KB-Badgers Future Mobility ESG Fund No.1 | 600 | - |
| KB-SBI Global Advanced Strategy Private Equity Limited Partnership | 6,810 | - |
| KB IMM New Star Real Estate No.1 Private Equity Limited Partnership | 7,913 | 2,272 |
| KB-LB Middle Market Enterprises Innovation Private Equity Fund | 3,213 | - |
| KB IMM New Star Real Estate No.2 Private Equity Limited Partnership | 7,862 | 37 |

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2025 and 2024, are as follows (cont'd)

*(In millions of Korean won)*

| | 2024 | |
|---|---|---|
| | Equity investment and others | Withdrawal and others |
| **Parent's subsidiaries** | | |
| KB Investment Co., Ltd. | - | 68 |
| KB Hanbando BTL Private Special Asset Fund No.1 | - | 18,852 |
| KB Hope Sharing BTL Private Special Asset Fund | - | 1,321 |
| KB Star Office Private Real Estate Feeder Fund No.3 * | - | 4,535 |
| KB Star Office Private Real Estate Feeder Fund No.4 | - | 2,887 |
| KB New Renewable Energy Private Special Asset Fund No.1 | - | 1,786 |
| KB Mezzanine Private Securities Fund No.3 * | - | 21,572 |
| Koreit BN Private Equity Fund | - | 3,087 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | 286 | 876 |
| KB Global Infrastructure Private Special Asset Fund No.6 | 10,033 | 223 |
| KB BMO Senior Loan Private Special Asset Fund No.2 (USD) | - | 10,850 |
| KB Sinansan Line Private Special Asset Fund (SOC) | 24,812 | 6,561 |
| KB New Renewable Green New Deal Private Special Asset No.2 | 602 | 2,467 |
| KB MCF Senior Loan Private Special Asset Fund No.3 (Loan-FoFs) | 2,390 | 8,598 |
| KB New Deal Infra Private Special Asset Fund | 1,657 | 1,052 |
| KB Global Commerce Private Equity Investment Fund * | - | 7,139 |
| KB GK Project Private Special Asset Fund No.3 | - | 21,379 |
| KB BMO Senior Loan Private Special Asset Fund No.4 (USD) | - | 4,243 |
| KB Core Blind Private Real Estate Fund No.2 | 24,893 | 428 |
| KB Star Reits Private Real Estate Feeder Fund No.2 (FoFs) | - | 4,962 |
| KB RISE US Short-Term IG Corporate Bond * | - | 23,026 |
| KB Korea Short Term Premium Private Securities Fund No.34(USD)(Bond) * | - | 42,938 |
| KB Korea Short Term Premium Private Securities Fund No.35(USD)(Bond) * | - | 44,952 |
| KB RISE Nov2025 Term Credit ETF * | - | 53,762 |
| KB RISE Money Market Active ETF(Bond) * | 398,671 | 711,194 |
| KB NA Jefferies Private Special Asset Fund 1 | - | 5,934 |
| KB RISE Fixed Short-Term MSB ETF * | 100,078 | 282,959 |
| KB Smart Scale-Up No.2 Fund | 4,500 | - |
| KB New Renewable Energy Private Special Asset Fund No.3 | 6,377 | 1,196 |
| KB Star Institutional USD MMF1 | - | 27,615 |
| KB Senior Private Special Asset Fund No.5-1 | 37,121 | 3,776 |
| KB Mezzanine Capital 4th Private Equity Fund | 12,975 | - |
| KB Core Plus Blind Private Real Estate Fund 1(FoFs) | - | 961 |
| KB Korea Short Term Premium Private Securities Fund No.43(USD) * | - | 2,798 |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | - | 33,279 |
| KB NA Summit Private Special Asset fund 1(USD)(FoFs) | 5,300 | - |
| KB Star Mid Term G.B.F.I C-F Class(Bond) * | 50,000 | - |
| KB Innovative Growth Infra Private Special Asset Fund | 1,248 | 7 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | 39,990 | 2,113 |
| KB East-side Expressway Private Special Asset(SOC) | 4,550 | - |
| KB Global Senior Loan PrivateDebt 1(USD) | 11,993 | - |

41.7 Details of significant investment and withdrawal transactions with related parties for the years ended December 31, 2025 and 2024, are as follows: (cont'd)

*(In millions of Korean won)*

| | 2024 | |
|---|---|---|
| | Equity investment and others | Withdrawal and others |
| **Associates** | | |
| Korea Credit Bureau Co., Ltd. | - | 90 |
| Future Planning KB Start-up Creation Fund * | - | 4,000 |
| Aju Good Technology Venture Fund | - | 2,120 |
| KB-KDBC Pre-IPO New Technology Business Investment Fund | - | 300 |
| KB-TS Technology Venture Private Equity Fund | - | 1,320 |
| KB Intellectual Property Fund No.2 | - | 2,550 |
| KB Digital Innovation Investment Fund Limited Partnership | - | 5,040 |
| KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund * | - | 3,153 |
| KB SPROTT Renewable Private Equity Fund No.1 | - | 8,349 |
| KB Global Platform Fund | - | 6,350 |
| KB-UTC Inno-Tech Venture Fund | - | 225 |
| KB Pre-IPO New Technology Business Investment Fund No.2 | - | 2,590 |
| KB Smart Scale-Up Fund | - | 4,950 |
| KB-KTB Technology Venture Fund | 3,000 | - |
| KB Digital Platform Fund | 28,000 | - |
| KB-SOLIDUS Healthcare Investment Fund | 7,800 | - |
| KB Prime Digital Platform Fund | 2,600 | - |
| KB Global Platform Fund No.2 | 12,000 | - |
| Startup Korea KB Secondary Fund | 4,500 | - |
| **Associate of Parent** | | |
| Balhae Infrastructure Company | - | 6,350 |
| **Associates of Parent's subsidiaries** | | |
| KB-Stonebridge Secondary Private Equity Fund | - | 411 |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | 2,988 | 3,379 |
| KB Co-Investment Private Equity Fund No.1 | 7,940 | 2,769 |
| KB-NP Green ESG New Technology Venture Capital Fund | 5,940 | - |
| KB-Badgers Future Mobility ESG Fund No.1 | 4,624 | - |
| KB-SBI Global Advanced Strategy Private Equity Limited Partnership | 3,373 | - |
| KB IMM New Star Real Estate No.1 Private Equity Limited Partnership | 8,530 | - |

* Excluded from the Group's related parties as of December 31, 2025.

41.8 Acceptances and guarantees and unused commitments provided to related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Investment Co., Ltd. | Purchase of securities | 6,000 | 16,500 |
| | Loss sharing agreements | 1,000 | 1,000 |
| KB Kookmin Card Co., Ltd. | Loan commitments in Korean won | 820,000 | 820,000 |
| | Other commitments in Korean won | 1,700,000 | 1,700,000 |
| | Other commitments in foreign currency | 85,549 | 160,369 |
| KB Capital Co., Ltd. | Other commitments in foreign currency | - | 5,464 |
| KB Securities Co., Ltd. | Loan commitments in Korean won | 138,969 | 140,000 |
| | Other commitments in foreign currency | - | 4,553 |
| KB Insurance Co., Ltd. | Loan commitments in Korean won | 20,000 | 20,000 |
| KB Life Insurance Co., Ltd. | Loan commitments in Korean won | 1,000 | 1,000 |
| KB New Renewable Energy Private Special Asset Fund No.3 | Purchase of securities | 6,935 | 11,491 |
| KB Europe Renewable Private Special Asset Fund No.2 (EUR)(SOC-FoFs) | Purchase of securities | 1,664 | 1,831 |
| KB Global Infrastructure Private Special Asset Fund No.6 | Purchase of securities | 966 | 966 |
| KB BMO Senior Loan Private Special Asset Fund No.2(USD) | Purchase of securities | 17 | 17 |
| KB BMO Senior Loan Private Special Asset Fund No.6(USD) | Purchase of securities | 7,082 | - |
| KB New Renewable Green New Deal Private Special Asset No.2 | Purchase of securities | 2,507 | 2,767 |
| KB Sinansan Line Private Special Asset Fund(SOC) | Purchase of securities | 118,691 | 146,883 |
| KB MCF Senior Loan Private Special Asset Fund No.3(Loan-FoFs) | Purchase of securities | 10,258 | 11,662 |
| KB New Deal Infra Private Special Asset Fund | Purchase of securities | 1,564 | 2,024 |
| KB GK Project Private Special Asset Fund No.3 | Purchase of securities | 23 | 23 |
| KB Core Blind Private Real Estate Fund No.2 | Purchase of securities | 714 | 714 |
| KB Mezzanine Capital 4th Private Equity Fund | Purchase of securities | 14,763 | 29,071 |
| KB NA Jefferies Private Special Asset Fund 1 | Purchase of securities | 7,662 | 25,506 |
| KB Senior Loan Private Fund 5-1 | Purchase of securities | 370 | 370 |
| KB Senior Loan Private Fund 6-1 | Purchase of securities | 15,424 | - |
| KB Core Plus Blind Private RealEstate Fund 1(FoFs) | Purchase of securities | - | 41,932 |
| KB Wise Star Private Real Estate21 | Purchase of securities | 27,753 | - |
| KB Daegu Busan Highway Private Special Asset Fund(SOC) | Purchase of securities | 31 | 31 |
| KB Daegu Busan Highway Private Special Asset Fund No.2(SOC) | Purchase of securities | 10 | 10 |
| KB NA Summit Private Special Asset fund 1 | Purchase of securities | 21,195 | 23,640 |

41.8 Acceptances and guarantees and unused commitments provided to related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| KB Innovative Growth Infra Private Special Asset Fund | Purchase of securities | 5,194 | 17,652 |
| KB East-side Expressway Private Special Asset(SOC) | Purchase of securities | 33,336 | 34,150 |
| KB Global Senior Loan PrivateDebt 1(USD) | Purchase of securities | 36,842 | - |
| KB IncomeFocus Blind Private RealEstate Fund 1(FoFs) | Purchase of securities | 33,871 | - |
| KB Value Rise Blind Private RealEstate No.1(FoFs) | Purchase of securities | 2,905 | - |
| KB BX Europe Infra Private SpecialAsset Fund 1 | Purchase of securities | 15,541 | - |
| KB Credit Capital Private Fund 1-1 | Purchase of securities | 46,432 | - |
| **Associates** | | | |
| Incheon Bridge Co., Ltd. | Loan commitments in Korean won | 20,000 | 20,000 |
| KB Global Platform Fund No.2 | Purchase of securities | 18,000 | 26,000 |
| All Together Korea Fund No.2 | Purchase of securities | 990,000 | 990,000 |
| KB Digital Platform Fund | Purchase of securities | 33,600 | 61,600 |
| KB-SOLIDUS Healthcare Investment Fund | Purchase of securities | - | 7,900 |
| KB Prime Digital Platform Fund | Purchase of securities | - | 3,250 |
| Startup Korea KB Secondary Fund | Purchase of securities | 21,000 | 25,500 |
| **Associates of Parent** | | | |
| Balhae Infrastructure Company | Loan commitments in Korean won | 65,000 | - |
| | Purchase of securities | 6,154 | 6,154 |
| **Associates of Parent's subsidiaries** | | | |
| TeamSparta Inc. * | Loan commitments in Korean won | - | 1,000 |
| Lemontree Inc. | Loan commitments in Korean won | 450 | - |
| WhaTap Laps Inc. | Loan commitments in Korean won | 2,000 | - |
| KB-NAU Special Situation Corporate Restructuring Private Equity Fund | Purchase of securities | 308 | 1,508 |
| KB Co-Investment Private Equity Fund No.1 | Purchase of securities | 440 | 3,820 |
| KB-Badgers Future Mobility ESG Fund No.1 | Purchase of securities | 11,364 | 11,964 |
| KB-NP Green ESG New Technology Venture Capital Fund | Purchase of securities | 315 | 2,925 |
| KB-SBI Global Advanced Strategy Private Equity Limited Partnership | Purchase of securities | 9,817 | 16,627 |
| KB IMM New Star Real Estate No.1 Private Equity Limited Partnership | Purchase of securities | 3,558 | 11,471 |
| KB IMM New Star Real Estate No.2 Private Equity Limited Partnership | Purchase of securities | 12,138 | - |
| **Key management personnel** | Loan commitments in Korean won | 937 | 1,829 |

* Excluded from the Group's related parties as of December 31, 2025.

41.9 Acceptances and guarantees and unused commitments provided by related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Investment Co., Ltd. | Loss sharing agreements | 3,314 | 5,564 |
| KB Kookmin Card Co., Ltd. | Loan commitments in Korean won | 78,343 | 76,749 |

41.10 Details of compensation to key management personnel for the years ended December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | 2025 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | 1,929 | 18 | 2,500 | 4,447 |
| Registered directors (non-executive) | 400 | - | - | 400 |
| Non-registered directors | 9,160 | 337 | 15,698 | 25,195 |
| | 11,489 | 355 | 18,198 | 30,042 |

| *(In millions of Korean won)* | 2024 | | | |
|---|---|---|---|---|
| | Short-term employee benefits | Post-employment benefits | Share-based payments | Total |
| Registered directors (executive) | 2,106 | 67 | 3,110 | 5,283 |
| Registered directors (non-executive) | 403 | - | - | 403 |
| Non-registered directors | 12,990 | 426 | 17,598 | 31,014 |
| | 15,499 | 493 | 20,708 | 36,700 |

41.11 Major types of transactions between the Group and the related parties include deposit taking transactions, loan transactions such as general purpose loans, corporate purchase loans, B2B loans, etc., settlements of funds arising from overseas remittances, providing credit lines through the acceptance of letters of credit issued by the Bank, and overdraft accounts arising from net settlement agreement between the Bank and KB Kookmin Card Co., Ltd.

41.12 Details of collateral provided to related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|---|
| | Assets pledged * | Carrying amount | Collateralized amount | Carrying amount | Collateralized amount |
| **Parent's subsidiaries** | | | | | |
| KB Securities Co., Ltd. | Securities | 81,064 | 81,000 | 108,669 | 108,891 |
| KB Life Insurance Co., Ltd. | Securities | 25,437 | 25,000 | 25,435 | 25,000 |
| KB Insurance Co., Ltd. | Securities | 50,000 | 50,000 | 50,000 | 50,000 |

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

41.13 Details of collateral provided by related parties as of December 31, 2025 and 2024, are as follows:

| *(In millions of Korean won)* | Assets held as collateral * | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **Parent's subsidiaries** | | | |
| KB Securities Co., Ltd. | Time deposits / Beneficiary right certificate | 167,000 | 167,000 |
| | Securities | 225,014 | 20,000 |
| | Real estate | 31,200 | 31,200 |
| KB Life Insurance Co., Ltd. | Time deposits | 13,700 | - |
| | Securities | 65,412 | 54,155 |
| | Real estate | 49,761 | 34,138 |
| KB Kookmin Card Co., Ltd. | Time deposits | 24,348 | 24,198 |
| KB Insurance Co., Ltd. | Securities | 608,450 | 222,249 |
| KB Star Office Private Real Estate Feeder Fund No.4 | Real estate | 24,000 | 24,000 |
| KB Core Blind Private Real Estate Fund No.2 | Real estate | 58,240 | - |
| KB Wise Star Private Real Estate 22 | Real estate | 60,000 | - |
| KB Wise Star Private Real Estate 24 | Real estate | 50,160 | - |
| KB Wise Star Private Real Estate 28 | Real estate | 35,040 | - |
| KB Logistics Blind Private Real Estate Fund No.1 | Real estate | - | 48,000 |
| **Associates of Parent** | | | |
| Star-Lord General Investors Private Real Estate Investment Company No.10 | Real estate | 180,000 | - |
| **Associates of Parent's subsidiaries** | | | |
| Semicolon Susong REITs Co., Ltd. | Collateral Trust | 30,000 | - |
| **Key management personnel** | Time deposits and others | 683 | 1,411 |
| | Real estate | 7,727 | 7,949 |

* Collaterals related to lease contracts arising from operating activities between related parties are excluded.

As of December 31, 2025, Incheon Bridge Co., Ltd., a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Bank and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Bank and 2 other institutions. In addition, it provides certificates of credit guarantees amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Bank and 5 other institutions.

41.14 The amounts of debt securities and others purchased through KB Securities Co., Ltd. are ₩ 10,734,429 million and ₩ 8,981,924 million for the years ended December 31, 2025 and 2024, respectively, and the amounts of debt securities and others sold through KB Securities Co., Ltd. are ₩ 10,324,889 million and ₩ 8,148,942 million for the years ended December 31, 2025 and 2024, respectively. In addition, KB Securities Co., Ltd. acquired ₩ 65,000 million of debentures issued by the Bank through underwriting for the years ended December 31 2024.

41.15 The amounts of bonds sold by Kookmin Bank through KB Insurance Co., Ltd. are ₩ 161,415 million and ₩ 326,136 million for the years ended December 31, 2025 and 2024, respectively.

41.16 The amounts of intangible assets and others purchased from KB Data System Co., Ltd. are ₩ 24,535 million and ₩ 16,627 million for the years ended December 31, 2025 and 2024, respectively.

41.17 The Bank has entered into CLS (Continuous Linked Settlement) service agreement with KB Securities Co., Ltd. and accordingly the Bank is able to provide intraday liquidity of USD 500 million on the condition of repayment on the day of payment.

## 42. Approval of Issuance of the Consolidated Financial Statements

The issuance of the Group's consolidated financial statements as of and for the year ended December 31, 2025, was approved by the Board of Directors on February 27, 2026.

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